



**Annex II**  
**Condensed Consolidated**  
**Financial Statements**  
**Quarter I - 2024**

BANCO DE OCCIDENTE S.A.

FINANCIAL SUPERVISOR OF COLOMBIA

**SURVEILLED**



# Condensed Consolidated Financial Statements As of March 31, 2024



*Del lado  
de los que hacen.*





## **STATUTORY AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION**

Dear Shareholders  
Banco de Occidente S.A.:

### **Introduction**

I have reviewed the accompanying condensed consolidated interim financial information as of March 31, 2024 of Banco de Occidente S.A. and Subsidiaries, which comprises:

- the condensed consolidated statement of financial position as of March 31, 2024;
- the condensed consolidated statement of income for the three-month period ended March 31, 2024;
- the condensed consolidated statement of other comprehensive income for the three-month period ended March 31, 2024;
- the condensed consolidated statement of changes in equity for the three-month period ended March 31, 2024;
- the condensed consolidated statement of cash flows for the three-month period ended March 31, 2024; and
- the notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information, in accordance with International Accounting Standard 34 (IAS 34) - Interim Financial Reporting, contained in the Accounting and Financial Reporting Standards accepted in Colombia. My responsibility is to express a conclusion on this condensed consolidated interim financial information based on my review.

### **Scope of Review**

I have conducted my review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", included in the Information Assurance Standards accepted in Colombia. A review of condensed consolidated interim financial information, consists of making inquiries, primarily with persons responsible for financial and accounting matters, and the application of analytical and other review procedures. The scope of a review is substantially less than that of an audit performed in accordance with International Standards on Auditing accepted in Colombia and, therefore, does not allow me to obtain assurance that I am aware of all the significant matters that I could have identified in an audit. Therefore, I do not express an audit opinion.



### Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying condensed consolidated interim financial information, as of March 31, 2024, has not been prepared, in all material respects, in accordance with International Accounting Standard 34 (IAS 34) - Interim Financial Reporting contained in the Accounting and Financial Reporting Standards accepted in Colombia.



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May 14, 2024



**REPORT OF THE STATUTORY AUDITOR IN eXTENSIBLE LANGUAGE REPORTING  
BUSINESS REPORTING LANGUAGE (XBRL)**

Dear Shareholders  
Banco de Occidente S.A.:

**Introduction**

I have reviewed the eXtensible Business Reporting Language (XBRL) report as of March 31, 2024 of Banco de Occidente S.A and its Subsidiaries, which incorporates the consolidated interim financial information, which comprises:

- the consolidated statement of financial position as of March 31, 2024;
- the consolidated statement of income for the three-month period ended March 31, 2024;
- the consolidated statement of other comprehensive income for the three-month period ended March 31, 2024;
- the consolidated statement of changes in equity for the three-month period ended March 31, 2024;
- the consolidated statement of cash flows for the three-month period ended March 31, 2024;
- and
- the notes to the report.

Management is responsible for the preparation and presentation of this report in eXtensible Business Reporting Language (XBRL), that incorporates the consolidated interim financial information, in accordance with International Accounting Standard 34 (IAS 34) - Interim Financial Reporting, contained in the Accounting and Financial Reporting Standards accepted in Colombia, and for the presentation of the report in eXtensible Business Reporting Language (XBRL), as instructed by the Superintendence of Finance of Colombia. My responsibility, is to express a conclusion on the eXtensible Business Reporting Language (XBRL) report, that incorporates the consolidated interim financial information, based on my review.

**Scope of Review**

I have conducted my review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", included in the Information Assurance Standards accepted in Colombia. A review of consolidated interim financial information, consists of making inquiries, primarily with the persons responsible for financial and accounting matters, and the application of analytical and other review procedures. The scope of a review is substantially less than that of an audit performed in accordance with International Standards on Auditing accepted in Colombia and, therefore, does not allow me to obtain assurance that I am aware of all the significant matters that I could have identified in an audit. Therefore, I do not express an audit opinion.



## Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the report in eXtensible Business Reporting Language (XBRL), which incorporates the consolidated interim financial information of Banco de Occidente S.A. and its Subsidiaries, as of March 31, 2024, has not been prepared, in all material respects, in accordance with International Accounting Standard 34 (IAS 34) - Interim Financial Reporting, contained in the Accounting and Financial Reporting Standards accepted in Colombia and instructions of the Financial Superintendence of Colombia.



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May 14, 2024

**BANCO DE OCCIDENTE S.A. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
(Expressed in millions of Colombian pesos)



	Notes	March 31 2024	December 31 2023
<b>Assets</b>			
Cash and cash equivalents		\$ 5,966,205	4,968,903
Financial assets at fair value through profit or loss	5 and 6	5,780,865	5,445,835
Financial assets at fair value with changes in ORI	5 and 6	4,933,974	4,597,797
Financial assets at amortized cost	7	2,119,660	2,034,558
Financial assets per loan portfolio at amortized cost, net		47,467,965	47,082,115
Loan portfolio at amortized cost	4	49,960,790	49,499,035
Impairment of loan portfolio at amortized cost	9	(2,492,825)	(2,416,920)
Other accounts receivable, net		634,514	547,285
Non-current assets held for sale	10	3,023	3,023
Investments in associated companies and joint ventures	11	1,770,574	1,800,802
Tangible assets, net	12	660,232	654,052
Intangible assets, net	13	600,562	600,351
Income tax asset		1,010,686	853,501
Other assets		17,796	13,562
<b>Total assets</b>		<b>\$ 70,966,056</b>	<b>68,601,784</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Liabilities</b>			
Financial liabilities at fair value - derivative instruments	5	519,014	1,058,390
Financial liabilities at amortized cost		63,307,590	60,024,334
Customer deposits	15	50,763,860	49,175,732
Financial obligations	16	12,543,730	10,848,602
Provisions for legal contingencies and other provisions	18	74,558	64,168
Income tax liability		353	959
Employee benefits	17	90,657	88,847
Other liabilities	19	1,415,698	1,677,003
<b>Total liabilities</b>		<b>\$ 65,407,870</b>	<b>62,913,701</b>
<b>Equity</b>			
Subscribed and paid-in capital	20	\$ 4,677	4,677
Premium on share placement		720,445	720,445
Retained earnings		4,865,675	4,996,219
Other comprehensive income		(69,373)	(70,255)
Equity of controlling interests		\$ 5,521,424	5,651,086
Non-controlling interests		36,762	36,997
<b>Total equity</b>		<b>5,558,186</b>	<b>5,688,083</b>
<b>Total liabilities and equity</b>		<b>\$ 70,966,056</b>	<b>68,601,784</b>

See notes 1 to 27, which are an integral part of the condensed consolidated interim financial information.

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Del lado de los que hacen.

**BANCO DE OCCIDENTE S.A. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
(Expressed in millions of Colombian pesos)



For the three-month periods ended as of:	Notes	March 31, 2024	March 31, 2023
Interest and valuation income		\$ 1,983,405	1,779,685
Interest and similar expenses		1,384,658	1,280,833
<b>Net interest and valuation income</b>		<b>598,747</b>	<b>498,852</b>
Impairment loss on financial assets		414,003	216,667
<b>Income, net of interest after impairment</b>		<b>184,744</b>	<b>282,185</b>
<b>Revenue from customer contracts, commissions, and fees</b>			
Commission and fee income	22	146,684	138,467
Commissions and fees	22	56,322	37,447
<b>Net income from commissions and fees</b>		<b>90,362</b>	<b>101,020</b>
<b>Net income from financial assets or liabilities held for trading</b>		<b>127,525</b>	<b>214,964</b>
Other income, net	23	194,707	97,087
Other expenses, net	23	534,069	469,099
<b>Income before income taxes</b>		<b>63,269</b>	<b>226,157</b>
Income tax	14	(21,261)	38,217
<b>Profit or loss for the period</b>	<b>\$</b>	<b>84,530</b>	<b>187,940</b>
<b>Profit or loss attributable to:</b>			
Controlling interests	<b>\$</b>	<b>82,484</b>	<b>185,957</b>
Non-controlling interests	<b>\$</b>	<b>2,046</b>	<b>1,983</b>

See notes 1 to 27, which are an integral part of the condensed consolidated interim financial information.

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**BANCO DE OCCIDENTE S.A. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**  
(Expressed in millions of Colombian pesos)



For the three-month periods ended as of:

	Notes	March 31, 2024	March 31, 2023
<b>Profit or loss for the period:</b>		\$ 84,530	187,940
<b>Items that will be subsequently reclassified to profit or loss</b>			
Net foreign exchange difference on conversion of foreign transactions		66	(7,657)
Foreign exchange difference on investments in foreign subsidiaries		1,981	(9,845)
Net unrealized (loss) gain on foreign hedge transactions		(1,981)	9,845
Net unrealized gain on financial instruments measured at fair value in debt securities	6	2,889	156,071
Impairment on financial instruments measured at fair value with changes in ORI - debt securities, Net.		686	159
Net unrealized (loss) gain on investments accounted for by the equity accounting method		(761)	8,627
Deferred income tax on items that may be subsequently reclassified to profit or loss		(3,413)	(50,843)
<b>Total items to be subsequently reclassified to profit or loss</b>		<b>(533)</b>	<b>106,357</b>
<b>Items that will not be reclassified to profit or loss</b>			
Net unrealized gain (loss) on equity financial instruments measured at fair value	6	1,728	(9)
Actuarial loss on defined benefit plans		(546)	-
Deferred tax recognized in other comprehensive income		62	937
<b>Total items that will not be reclassified to profit or loss</b>		<b>1,244</b>	<b>928</b>
<b>Total other comprehensive income (loss) for the period, net of income tax</b>		<b>711</b>	<b>107,285</b>
<b>Total comprehensive income for the period</b>		<b>\$ 85,241</b>	<b>295,225</b>
<b>Comprehensive income attributable to:</b>			
Controlling interests		\$ 83,366	292,364
Non-controlling interests		\$ 1,875	2,861

See notes 1 to 27, which are an integral part of the condensed consolidated interim financial information.

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**Banco de Occidente**

Del lado de los que hacen.

**BANCO DE OCCIDENTE S.A. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
(Expressed in millions of Colombian pesos)



For the three-month periods ended March 31, 2024, and 2023:	Subscribed and paid-in capital (Note 20)	Premium on share placement	Retained Earnings	Other comprehensive income	Total equity of controlling interests	Non-Controlling Interests	Total equity, net
<b>Balance as of December 31, 2022</b>	\$ 4,677	720,445	4,770,349	(311,542)	5,183,929	32,146	5,216,075
Distribution of cash dividends	-	-	(251,323)	-	(251,323)	(1,712)	(253,035)
Withholding tax on dividends declared in prior fiscal year in the statement of changes in stockholders' equity	-	-	265	-	265	-	265
Other comprehensive income for the period	-	-	-	106,407	106,407	878	107,285
Profit or loss for the period	-	-	185,957	-	185,957	1,983	187,940
<b>Balance as of March 31, 2023</b>	\$ 4,677	720,445	4,705,248	(205,135)	5,225,235	33,295	5,258,530
<b>Balance as of December 31, 2023</b>	\$ 4,677	720,445	4,996,219	(70,255)	5,651,086	36,997	5,688,083
Distribution of cash dividends	-	-	(215,142)	-	(215,142)	(2,110)	(217,252)
Withholding tax on dividends declared in prior fiscal year in the statement of changes in stockholders' equity	-	-	1,567	-	1,567	-	1,567
Delivery of other comprehensive income and Effect on retained earnings from delivery of ORI	-	-	546	(546)	-	-	-
Other comprehensive income for the period	-	-	-	1,428	1,428	(171)	1,257
Profit or loss for the period	-	-	82,484	-	82,484	2,046	84,530
<b>Balance as of March 31, 2024</b>	\$ 4,677	720,445	4,865,675	(69,373)	5,521,424	36,762	5,558,186

See notes 1 to 27, which are an integral part of the condensed consolidated interim financial information.

**MAURICIO MALDONADO UMAÑA**  
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**BANCO DE OCCIDENTE S.A. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
(Expressed in millions of Colombian pesos)



For the three-month periods ended as of:	<u>Notes</u>	<u>March 31, 2024</u>	<u>March 31, 2023</u>
<b>Cash flows from operating activities:</b>			
Profit or loss for the period before income tax	\$	63,269	226,157
<b>Reconciliation of net income for the period to net cash provided by (used in) operating activities:</b>			
Net interest and valuation income		(598,747)	(498,852)
Depreciation and amortization of tangible and intangible assets	23	50,848	44,053
Impairment for loan portfolio and accounts receivable, net		458,621	259,649
Impairment of tangible assets, net		(8)	513
(Loss) Gain on sale of property and equipment for own use		(79)	18
Unrealized exchange difference		(46,784)	63,241
Profit on sale of non-current assets held for sale		(158)	(1,055)
Gain (loss) on sale of investments, net	23	744	(69)
Equity in net income of investments in associated companies and joint ventures	23	(63,342)	(88,857)
Dividends	6 and 23	(6,241)	(5,702)
<b>Adjusted fair value over:</b>			
Gain on valuation of derivative financial instruments		(48,784)	(62,670)
Net gain on valuation of investment properties	23	(6,158)	(838)
<b>Changes in operating assets and liabilities</b>			
Negotiable investments		(873,573)	(947,947)
Derivative financial instruments		47,958	(203,712)
Loan portfolio		(737,298)	(1,917,921)
Accounts receivable		2,340	(50,166)
Other assets		(3,109)	4,471
Customer deposits		1,582,770	3,657,844
Interbank loans and overnight funds		1,149,528	(889,088)
Other liabilities, provisions, and employee benefits		(437,760)	30,212
Interest received from financial assets		1,747,073	1,331,288
Interest paid on financial liabilities		(1,381,737)	(1,178,160)
Interest paid on financial leases		(9,221)	(6,261)
Income tax paid		(112,318)	(107,644)
<b>Net cash provided by (used in) operating activities</b>		<b>777,834</b>	<b>(341,496)</b>
<b>Cash flows from investing activities:</b>			
Acquisition of held-to-maturity investments		(230,499)	(143,914)
Redemption of held-to-maturity investments		194,295	199,584
Acquisition of investments with changes in other comprehensive income at fair value		(857,733)	(477,328)
Proceeds from sale of investments with changes in other comprehensive income at fair value		622,574	763,476
Acquisition of tangible assets		(1,065)	(2,004)
Acquisition of other intangible assets		(19,916)	(18,186)
Proceeds from sale of property and equipment		13,326	12,321
Proceeds from sale of non-current assets held for sale		139	1,634
Dividends received		23,263	33,185
<b>Net cash provided by (used in) investment activities</b>		<b>(255,616)</b>	<b>368,768</b>
<b>Cash flow from financing activities:</b>			
Payments of financial obligations		514,790	(112,555)
Payment of financial lease fees		(20,492)	(17,647)
Dividends paid		(63,374)	(37,775)
<b>Net cash provided by (used in) financing activities</b>		<b>430,924</b>	<b>(167,977)</b>
Effect of foreign exchange gains or losses on cash and cash equivalents		44,161	(79,897)
<b>Increase (decrease) in cash and cash equivalents, net</b>		<b>997,302</b>	<b>(220,602)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>4,968,903</b>	<b>3,878,224</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$</b>	<b>5,966,205</b>	<b>3,657,622</b>

See notes 1 to 27, which are an integral part of the condensed consolidated interim financial information.

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(See my report of May 14, 2024)



Banco de Occidente S.A. and Subsidiaries  
Notes to Condensed Consolidated Interim Financial Information  
As of March 31, 2024, and December 31, 2023

*(In millions of Colombian pesos, except where otherwise indicated)*

### Note 1. – Reporting Entity

Banco de Occidente, hereinafter referred to as the Parent Company, is a private legal entity, legally constituted as a banking institution, authorized to operate by Resolution No. 3140 of March 24, 1993, of the Financial Superintendence of Colombia. Duly organized, as recorded in public deed 659 of April 30, 1965, of the Fourth Notary Office of Cali.

The Parent Company has its main domicile in Santiago de Cali. The duration established in the bylaws is 99 years from the date of incorporation. In compliance with its corporate purpose, it may enter into or execute all operations and contracts legally permitted to commercial banking institutions, subject to the requirements and limitations of Colombian law.

In the development of its corporate purpose, the Parent Company makes loan placements to its customers in the form of credit, commercial, consumer, home mortgage and financial and operating leasing, and also carries out treasury operations in debt securities, mainly in the Colombian market. All these operations are financed with deposits received from customers in the form of checking and savings accounts, term deposit certificates, outstanding investment securities with general guarantee in Colombian pesos, and with financial obligations obtained from correspondent banks in local and foreign currency, and from rediscount entities created by the Colombian government to stimulate various sectors of the Colombian economy.

The Parent Company is controlled by Grupo Aval Acciones y Valores S.A., domiciled in Bogotá D.C., which is its ultimate controlling company, and this in turn, has a controlling interest in foreign entities, of 95% in Banco de Occidente Panamá S.A., 100% in Occidental Bank Barbados Ltd. and in Colombia of 94.98% of Sociedad Fiduciaria de Occidente S.A. and 45% of Ventas y Servicios S.A. - NEXA BPO. Likewise, Fiduciaria de Occidente S.A. has an indirect participation in Ventas y Servicios– NEXA BPO of 35%, and Occidental Bank Barbados Ltd. in Fiduciaria de Occidente S.A. with 0.58%.

Banco de Occidente is a subordinate of Grupo Aval Acciones y Valores S.A., a company with a total shareholding of 72.27%.

The Parent Company has a bank correspondent agreement with Almacenes Éxito S.A. "Exito", Efectivo Ltda "Efecty", Conexred S.A "Puntored", Empresa de Energía del Quindío S.A. ESP "EDEQ", Soluciones en Red S.A.S "Punto de Pago" and Red Empresarial de Servicios S.A "SuperGIROS".

### Corporate information of subsidiaries

The main corporate purpose of Fiduciaria de Occidente S.A.- Fiduoccidente, is constituted by the conclusion and execution of trust businesses in general, understood as those enshrined in the Organic Statute of the Financial System, those provided in articles 1226 and following of the Code of Commerce, in addition to those contemplated in other regulations that in the future modify, supersede, clarify or complement them and, in general, all those activities that the Law or other regulations authorize trust companies to carry out. Without prejudice to the generality of its purpose, the company shall be particularly authorized to: 1<sup>st</sup> To enter into all types of commercial trust or fiduciary contracts. 2<sup>nd</sup> To receive fiduciary assignments, whatever their nature. 3<sup>rd</sup> To manage the Collective Investment Funds authorized to it, in accordance with the rules that modify, add to and regulate them, and 4<sup>th</sup> To enter into all other operations and/or contracts permitted to trust companies, in accordance with the legal provisions in force.





Banco de Occidente S.A. and Subsidiaries  
Notes to Condensed Consolidated Interim Financial Information

Banco de Occidente Panamá S.A. is an entity incorporated under the laws of the Republic of Panama, and began banking operations on June 30, 1982, under the international license granted by the National Banking Commission of the Republic of Panama as a financial intermediary it is regulated by the Superintendence of Banks of Panama. The Bank offers a range of banking products and services, ranging from individuals to companies, focused on empowering the Clients of the Parent Company, through the integration of the Commercial Force, giving the Client an integral offer of Banco de Occidente and its Subsidiaries.

Occidental Bank Barbados Ltd. was incorporated under the laws of Barbados on May 16, 1991, with an international license that allows it to provide financial services to individuals and corporations not resident in Barbados.

The corporate purpose of Ventas y Servicios S.A. - NEXA BPO, is the provision of technical or administrative services, referred to in Article 110 paragraph 2 of the Organic Statute of the Financial System and other complementary regulations, such as, among others: Computer programming, marketing, the creation and organization of consultation files, and the preparation of statistical calculations and reports in general. The company Ventas y Servicios– NEXA BPO, is consolidated by virtue of the dominant administrative influence exercised by the Parent Company.

**Note 2. – Basis of preparation of the consolidated interim financial statements and summary of significant accounting policies**

The consolidated interim financial statements have been prepared in accordance with IAS 34, which is contained in the Accounting and Financial Reporting Standards accepted in Colombia (NCIF) in force as of December 31, 2015, included as an annex to Decree 2420 of 2015. Established in Law 1314 of 2009, regulated by Single Regulatory Decree 2420 of 2015, as amended by Decrees 2496 of 2015, 2131 of 2016, 2170 of 2017, 2483 of 2018, 2270 of 2019, 1432 of 2020, 938 of 2021 and 1611 of 2022. Group 1 NCIFs, are based on the complete International Financial Reporting Standards (IFRS), issued, and officially translated into Spanish by the International Accounting Standards Board (IASB).

The condensed consolidated financial statements for the interim period, do not include all the information and disclosures required for an annual consolidated financial statement; for this reason it is necessary to read them in conjunction with the annual Consolidated Financial Statements as of December 31, 2023, as these include notes of significant transactions and events during the period, which are necessary to understand the changes presented in the consolidated financial position and performance of the Group since the last published annual financial statements.

For legal purposes in Colombia, the main financial statements are the separate financial statements.

**2.1. New standards and regulatory changes**

The new standards and regulatory amendments, correspond to those disclosed in the 2023 consolidated financial statements, and the Company has evaluated the impacts of adopting the new or amended standards, concluding that these are not expected to have a significant impact on the condensed interim financial statements.

**Note 3. – Critical accounting judgments and estimates in the application of accounting policies**

The judgments and estimates applied in these condensed consolidated interim financial statements, are the same as those applied in the consolidated financial statements for the year ended December 31, 2023.

The Group's management makes estimates and assumptions that affect the amounts recognized in the condensed consolidated interim financial statements, and the carrying amounts of assets and





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liabilities within the next financial year. Judgments and estimates are continually evaluated, and are based on management's experience and other factors, are reviewed on an ongoing basis and under a going concern assumption, including the expectation of future events that are believed to be reasonable under the circumstances. Management also makes certain judgments other than those involving estimates in the process of applying accounting policies. Judgments that have the most significant effects on the amounts recognized in the consolidated financial statements and estimates that may cause a material adjustment to the carrying amounts of assets and liabilities in the following year, include the following:

**Fair value of financial instruments:** The estimation of fair values of financial instruments, is performed in accordance with the fair value hierarchy, classified in three levels, which reflects the importance of the inputs used in the fair value measurement.

Information on fair values of financial instruments classified by level, using observable inputs for levels 1 and 2 and unobservable inputs for level 3, is disclosed in note 5.

The determination of what constitutes "observable", requires significant judgment on the part of the Group.

The Group considers observable inputs, to be market data that are readily available, regularly distributed or updated, reliable, verifiable, and reflect the assumptions that market participants would use in pricing the asset or liability.

The investment originated by the Group's participation in the Nexus Inmobiliario - Compartimento Inmuebles Occidente Private Equity Fund, is classified as available-for-trading financial assets, in accordance with Chapter I of the Basic Financial Accounting Circular Letter of the Financial Superintendence of Colombia, which is included in the value at risk in the collective portfolio module. The valuation of the investment is made on a daily basis, using the value of the unit delivered by Fiduciaria de Occidente; participation in this fund for the Parent Company is 96.23% and Fiduciaria de Occidente is 3.77%.

#### Note 4. – Risk Management and Administration

The risk management framework applied by the parent company as of March 31, 2024, is consistent with that described in the Consolidated Financial Statements as of December 31, 2023.

#### Consolidated credit risk exposure:

The Group is exposed to credit risk, which is the risk that the debtor will cause a financial loss by not meeting its obligations in a timely manner and for the total amount of the debt. Credit risk exposure of the Parent Company and its subsidiaries Occidental Bank Barbados Ltd. and Banco de Occidente Panamá S.A., arises as a result of their lending activities and transactions with counterparties that give rise to financial assets.



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The distribution of the Group's loan portfolio by economic purpose as of March 31, 2024 and December 31, 2023, is shown below:

Sector	March 31, 2024		December 31, 2023	
	Total	% Part.	Total	% Part.
Consumer services	\$ 18,708,617	37.4%	18,513,412	37.4%
Commercial Services	13,259,853	26.5%	12,960,650	26.2%
Construction	4,135,255	8.3%	4,214,842	8.5%
Other industrial and manufacturing products	1,971,809	3.9%	2,016,908	4.1%
Transportation and communications	2,104,036	4.2%	2,088,233	4.2%
Food, beverages, and tobacco	1,993,001	4.0%	1,648,635	3.3%
Chemicals	1,720,232	3.4%	1,764,975	3.6%
Government	1,452,347	2.9%	1,508,040	3.0%
Utilities	1,828,631	3.7%	2,157,230	4.4%
Agriculture	1,212,525	2.4%	1,146,472	2.3%
Other	638,819	1.3%	650,219	1.3%
Trade and tourism	541,243	1.1%	460,987	0.9%
Mining and petroleum products	394,422	0.8%	368,432	0.7%
<b>Total by economic destination</b>	<b>\$ 49,960,790</b>	<b>100%</b>	<b>49,499,035</b>	<b>100%</b>

The following is a summary of the past due portfolio by maturity age as of March 31, 2024, and December 31, 2023:

	March 31, 2024							
	Outstanding loan portfolio	From 1 to 30 days	From 31 to 60 days	61 to 90 days	Total delinquency 1 - 90 days	Delinquency > 90 days	More than 180 days	Total loan portfolio
Commercial	\$ 25,999,016	1,112,077	82,616	50,498	1,245,191	101,211	925,253	28,270,671
Consumer	10,335,713	1,299,382	263,727	151,650	1,714,759	260,327	164,295	12,475,094
Housing Mortgage	1,281,149	176,639	39,897	19,489	236,025	18,552	46,036	1,581,762
Commercial Leasing	5,497,032	512,511	84,429	38,675	635,615	60,790	183,744	6,377,181
Consumer Leasing	7,338	1,716	140	-	1,856	375	550	10,119
Housing Leasing	885,089	138,824	29,053	12,257	180,134	13,901	18,572	1,097,696
Repos and Interbank	148,267	-	-	-	-	-	-	148,267
<b>Total</b>	<b>\$ 44,153,604</b>	<b>3,241,149</b>	<b>499,862</b>	<b>272,569</b>	<b>4,013,580</b>	<b>455,156</b>	<b>1,338,450</b>	<b>49,960,790</b>

	December 31, 2023							
	Outstanding loan portfolio	From 1 to 30 days	From 31 to 60 days	61 to 90 days	Total delinquency 1 - 90 days	Delinquency > 90 days	More than 180 days	Total loan portfolio
Commercial	\$ 26,127,129	747,758	69,095	57,079	873,932	109,671	901,770	28,012,502
Consumer	10,394,514	1,175,154	300,344	157,403	1,632,901	299,990	125,583	12,452,988
Housing Mortgage	1,246,437	163,612	33,491	17,095	214,198	11,571	44,427	1,516,633
Commercial Leasing	5,675,669	392,444	76,745	36,599	505,788	45,723	171,732	6,398,912
Consumer Leasing	6,544	981	589	287	1,857	-	630	9,031
Housing Leasing	890,138	141,346	24,099	10,277	175,722	13,622	14,038	1,093,520
Repos and Interbank	15,449	-	-	-	-	-	-	15,449
<b>Total</b>	<b>\$ 44,355,880</b>	<b>2,621,295</b>	<b>504,363</b>	<b>278,740</b>	<b>3,404,398</b>	<b>480,577</b>	<b>1,258,180</b>	<b>49,499,035</b>

The following is a summary of the portfolio by risk level rating as of March 31, 2024, and December 31, 2023:

	March 31, 2024								
	Commercial	Consumer	Housing	Commercial Leasing	Consumer Leasing	Housing Leasing	Repos and interbank	Total Financial Leasing	Total
<b>A</b>	\$ 25,569,787	10,986,706	1,466,319	5,353,886	8,585	1,016,844	148,267	6,379,315	44,550,394
<b>B</b>	805,263	329,484	26,702	338,309	269	19,689	-	358,267	1,519,716
<b>C</b>	673,545	279,742	2,032	246,431	127	4,513	-	251,071	1,206,390
<b>D</b>	454,882	411,470	53,349	197,922	1,026	50,152	-	249,100	1,168,801
<b>E</b>	767,194	467,692	33,360	240,633	112	6,498	-	247,243	1,515,489
<b>Total</b>	<b>\$ 28,270,671</b>	<b>12,475,094</b>	<b>1,581,762</b>	<b>6,377,181</b>	<b>10,119</b>	<b>1,097,696</b>	<b>148,267</b>	<b>7,484,996</b>	<b>49,960,790</b>





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	Commercial	Consumer	Housing	Commercial Leasing	Consumer Leasing	Housing Leasing	Repos and Interbank	Total Financial Leasing	Total
<b>A</b>	25,581,187	11,008,416	1,413,221	5,414,693	7,437	1,021,842	15,449	6,443,972	44,462,245
<b>B</b>	709,760	338,517	24,868	342,451	435	21,470	-	364,356	1,437,501
<b>C</b>	522,660	288,927	1,715	244,796	188	2,406	-	247,390	1,060,692
<b>D</b>	388,119	435,055	44,942	154,781	825	41,463	-	197,069	1,065,185
<b>E</b>	810,776	382,073	31,887	242,191	146	6,339	-	248,676	1,473,412
<b>Total</b>	<b>28,012,502</b>	<b>12,452,988</b>	<b>1,516,633</b>	<b>6,398,912</b>	<b>9,031</b>	<b>1,093,520</b>	<b>15,449</b>	<b>7,501,463</b>	<b>49,499,035</b>

### Liquidity risk

Liquidity risk is related to the Group's inability to meet its obligations to customers and counterparties in the financial market at any time, in any currency and in any place, for which the Group reviews its available resources on a daily basis.

The Parent Company manages liquidity risk in accordance with the standard model established in Chapter XXXI (Annex 9) of the Basic Accounting and Financial Circular Letter of the Financial Superintendence of Colombia, and in accordance with the rules related to liquidity risk management, through the basic principles of the Liquidity Risk Management System - SARL, which establishes the minimum prudential parameters that entities must supervise in their operations, in order to efficiently manage the liquidity risk to which they are exposed.

To measure liquidity risk, the Parent Company calculates weekly Liquidity Risk Indicators (LRI) for terms of 7, 15, 30 and 90 days, as established in the standard model of the Colombian Financial Superintendence.

Additionally, the Parent Company measures the stability of its funding, on a monthly basis, in relation to the composition of its assets and off-balance sheet positions, over a one-year horizon through the net stable funding ratio - CFEN, as established in the standard model of the Financial Superintendence of Colombia.

During the first quarter of 2024, the Parent Company presented a sufficient level of liquid assets to meet short-term liquidity requirements. Accordingly, under the guidelines of Annex 9 of Chapter XXXI of the SFC's CBCF, liquid assets and 30-day liquidity requirements averaged \$8.05 and \$5.67, respectively, resulting in a ratio of 142.0%, which is comfortable with respect to the minimum appetite limit of 120.0% defined by the Parent Company, and well above the minimum legal limit of 100.0%. In ALM management, the permanent monitoring of early warning indicators stands out, which in general had a stable behavior within the established appetite limits.

It should be noted that, on a consolidated basis at the end of March, liquid assets and liquidity needs at 30 days were \$9.80 and \$6.24, respectively. The above ratifies the soundness of the Matrix to face expected and unexpected outflows in the evaluation horizon.

With respect to structural liquidity, measured through the net stable funding ratio (CFEN), the Parent Company reflected for the same period a stability of available funding, in average quarterly terms of 107.25% in relation to its required funding. At the end of March, the CFEN reached levels of 106.05%, showing relative strength between the composition of assets and liabilities.







## Adequate Capital Management

The Parent Company's objectives regarding the management of its adequate capital, are oriented to: a) Comply with the capital requirements established by the Colombian Government for financial entities and, b) Maintain an adequate equity structure that allows it to keep the parent company as a going concern and generate value for its shareholders.

In accordance with current legislation, financial institutions in Colombia must maintain a minimum technical equity, that cannot be less than 9% of assets weighted by their level of credit, market, and operating risk.

The classification of assets and risk exposure is made by applying the regulatory provisions established by the Ministry of Finance and Public Credit and by the Financial Superintendence of Colombia, through Decrees 1477 of August 2018 and 1421 of August 2019, and External Circular Letters 020 of 2019 and 025 of 2020.

The following is a summary of the Group's solvency ratios as of March 31, 2024, and December 31, 2023:

Technical Equity	March 31, 2024	December 31, 2023
	Entity	Entity
A. Common Equity Tier One Capital - PBO	4,935,115	5,064,770
B. Additional Tier One Capital - PBA	-	-
<b>Total Tier One Capital (C= A+B)</b>	4,935,115	5,064,770
D. Tier Two Capital (PA)	564,555	649,305
E. Technical Capital Deductions	-	-
<b>F. Technical Capital - PT (F=C+D-E)</b>	5,499,670	5,714,075
G. Credit APNR	41,480,334	41,324,390
H. Market risk (VaR MR)	2,966,151	2,426,174
I. Operational risk (VaR OR)	2,736,151	2,624,877
<b>J. Assets Weighted by Risk Level (Credit + Market + Operational)</b>	47,182,636	46,375,441
Ordinary Basic Solvency Ratio (RSB in Spanish) I min 4.5%	10.46%	10.92%
Additional Basic Individual Common Equity Tier I Ratio (RSBA) I min 6% - 5.625% 1/	10.46%	10.92%
Total Solvency Ratio (RST in Spanish) I min 9%	11.66%	12.32%
Combination Buffer (RSB% - 4.5%)	5.96%	6.42%
Leverage Value -\$ MM	72,201,923	70,759,147
Leverage ratio (min. 3%)	6.84%	7.16%

1/ For the additional basic individual common equity tier I ratio, the transition scheme established in Article 13 of Decree 1477 of 2018 must be considered (as from the first (1st) of January 2021 min. 4.875%, as from the first (1st) of January 2023 min. 5.25%, as from the first (1st) of January 2024 min. 5.625%, As from the first (1st) of January 2024 min. 6%).



#### Note 5. – Estimated fair values

The fair value of financial assets and liabilities traded in active markets (such as financial assets in debt and equity securities and derivatives actively traded on stock exchanges or in interbank markets) is based on prices provided by the price vendor, Precia PPV S.A., which determines them through weighted averages of transactions occurring during the trading day.

An active market is a market in which transactions for assets or liabilities take place with sufficient frequency and volume to provide price information on an ongoing basis.

The fair value of financial assets and liabilities that are not traded in an active market, is determined using valuation techniques determined by the provider. Valuation techniques used for non-standardized financial instruments such as options, currency swaps and forwards, include the use of interest rate or currency valuation curves constructed by pricing vendors, from market data and extrapolated to the specific conditions of the instrument being valued, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants that make maximum use of market data, and rely as little as possible on entity-specific data.

The Group may use internally developed models for financial instruments that do not have active markets. These models are generally based on valuation methods and techniques generally standardized in the financial sector. The valuation models are mainly used to value unlisted equity financial instruments, debt securities and other debt instruments for which the markets were or have been inactive during the financial year. Some inputs to these models may not be observable in the market and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and the valuation techniques employed may not fully reflect all factors relevant to the Group's positions. Therefore, valuations are adjusted, if necessary, to allow for additional factors, including country risk, liquidity risk and counterparty risk.

The fair value of non-monetary assets, such as investment property or loan guarantees for purposes of determining impairment, is based on appraisals performed by independent appraisers, with sufficient experience and knowledge of the real estate market or the asset being appraised. These valuations are generally made by reference to market data or based on replacement cost when there is insufficient market data.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets, for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy, within which the fair value measurement is categorized in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed in relation to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustments based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement as a whole requires judgment, taking into account factors specific to the asset or liability.

The determination of what constitutes "observable", requires significant judgment on the part of the Group. The Group considers observable data to be market data that is readily available, regularly

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distributed or updated, reliable and verifiable, non-proprietary, and provided by independent sources actively participating in the relevant market.

**a) Fair value measurements on a recurring basis**

Fair value measurements on a recurring basis, are those that are required or permitted by MFRS in the statement of financial position at the end of each accounting period.

The following table analyzes, within the fair value hierarchy, the assets and liabilities (by class) of the Group measured at fair value as of March 31, 2024, and December 31, 2023 on a recurring basis.

**March 31, 2024**

	Fair values calculated using internal models			
	Level 1	Level 2	Level 3	Level 4
<b>Assets</b>				
<b>Investments in debt securities with changes in income</b>				
Issued or guaranteed by the Colombian government	\$ 4,033,075	34,987	-	4,068,062
Issued or guaranteed by other Colombian government entities	-	35,305	-	35,305
Issued or guaranteed by other Colombian financial institutions	-	65,009	-	65,009
Issued or guaranteed by entities of the Colombian real sector	-	2,899	-	2,899
Issued or guaranteed by Foreign Governments	11,950	-	-	11,950
Issued or guaranteed by other foreign financial institutions	-	126,455	-	126,455
Issued or guaranteed by real sector entities abroad	-	3,478	-	3,478
Other	-	6,473	-	6,473
<b>Investments in debt securities with changes in ORI</b>				
Issued or guaranteed by the Colombian government	\$ 2,148,612	1,335,600	-	3,484,212
Issued or guaranteed by other Colombian government entities	-	67,429	-	67,429
Issued or guaranteed by other Colombian financial institutions	-	612,741	-	612,741
Issued or guaranteed by entities of the Colombian real sector	-	29,928	-	29,928
Issued or guaranteed by foreign governments	36,251	79,621	-	115,872
Issued or guaranteed by other foreign financial institutions	-	429,897	-	429,897
Issued or guaranteed by real sector entities abroad	-	-	-	-
Other	-	60,056	-	60,056
<b>Investments in equity instruments with changes in income</b>	-	1,321	721,741	723,062
<b>Investments in equity instruments with changes in ORI</b>	4,365	-	129,474	133,839
<b>Trading derivatives</b>				
Currency forward	-	528,992	-	528,992
Forward interest rate	-	15,786	-	15,786
Interest rate swap	-	183,503	-	183,503
Currency swap	-	1,947	-	1,947
Other	-	7,944	-	7,944
<b>Investment property at fair value</b>	-	214,443	-	214,443
<b>Total recurring fair value assets</b>	<b>6,234,253</b>	<b>3,843,814</b>	<b>851,215</b>	<b>10,929,282</b>

	Fair values calculated using internal models			
	Level 1	Level 2	Level 3	Total
<b>Liabilities</b>				
<b>Trading derivatives</b>				
Currency forward	-	294,088	-	294,088
Forward interest rate	-	4,754	-	4,754
Interest rate swap	-	206,140	-	206,140
Other	-	11,721	-	11,721
<b>Hedging Derivatives</b>				
Interest rate swap	-	2,311	-	2,311
<b>Total recurring fair value liabilities</b>	\$ -	519,014	-	519,014

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December 31, 2023

	Fair values calculated using internal models			Total
	Level 1	Level 2	Level 3	
<b>Assets</b>				
<b>Investments in debt securities with changes in income</b>				
Issued or guaranteed by the Colombian government	\$ 3,086,047	35,860	-	3,121,907
Issued or guaranteed by other Colombian government entities	-	34,609	-	34,609
Issued or guaranteed by other Colombian financial institutions	-	116,718	-	116,718
Issued or guaranteed by entities of the Colombian real sector	-	1,840	-	1,840
Issued or guaranteed by Foreign Governments	382	-	-	382
Issued or guaranteed by other foreign financial institutions	-	161,722	-	161,722
Issued or guaranteed by real sector entities abroad	-	3,412	-	3,412
Other	-	19,002	-	19,002
<b>Investments in debt securities with changes in ORI</b>				
Issued or guaranteed by the Colombian government	\$ 2,439,340	682,922	-	3,122,262
Issued or guaranteed by other Colombian government entities	-	67,400	-	67,400
Issued or guaranteed by other Colombian financial institutions	-	665,510	-	665,510
Issued or guaranteed by foreign governments	72,552	47,680	-	120,232
Issued or guaranteed by other foreign financial institutions	-	398,898	-	398,898
Issued or guaranteed by real sector entities abroad	-	34,539	-	34,539
Other	-	56,845	-	56,845
<b>Investments in equity instruments with changes in income</b>	-	5,532	703,988	709,520
<b>Investments in equity instruments with changes in ORI</b>	4,774	-	127,337	132,111
<b>Trading derivatives</b>				
Currency forward	-	949,020	-	949,020
Forward interest rate	-	18,447	-	18,447
Interest rate swap	-	264,056	-	264,056
Currency swap	-	13,219	-	13,219
Other	-	31,981	-	31,981
<b>Investment property at fair value</b>	-	214,080	-	214,080
<b>Total recurring fair value assets</b>	<b>5,603,095</b>	<b>3,823,292</b>	<b>831,325</b>	<b>10,257,712</b>



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	Fair values calculated using internal models			
	Level 1	Level 2	Level 3	Total
<b>Liabilities</b>				
<b>Trading derivatives</b>				
Currency forward	-	614,533	-	614,533
Forward interest rate	-	120,647	-	120,647
Interest rate swap	-	285,952	-	285,952
Other	-	34,764	-	34,764
<b>Hedging Derivatives</b>				
Interest rate swap	-	2,494	-	2,494
<b>Total recurring fair value liabilities</b>	\$	<b>1,058,390</b>	-	<b>1,058,390</b>

Investments, whose values are based on quoted market prices in active markets, and are therefore classified in Level 1, include equity investments active in the stock market, certain investments issued or guaranteed by the Colombian government, other Colombian financial institutions, other foreign financial institutions, and foreign governments.

Financial instruments that are quoted in markets that are not considered active, but are valued according to quoted market prices, broker quotes or alternative price sources supported by observable inputs, are classified in Level 2. Includes other investments issued or guaranteed by the Colombian government, other Colombian financial institutions, issued or guaranteed by other Colombian government entities, Colombian real sector entities, foreign governments, other foreign financial institutions, foreign real sector entities, derivatives, and investment properties. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity or non-transferability, which are generally based on available market information.

As indicated above, the fair value of investment properties is determined based on the appraisal performed by independent expert appraisers as of December 31, 2023, which were prepared under the methodology of comparative sales approach (market approach), determining the value of the assets based on comparison with other similar assets that are being or have been traded in the real estate market, this comparative approach considers the sale of similar or substitute assets, as well as data obtained from the market, and establishes an estimate of value using processes that include comparison. To carry out this process, during the three months of the year under evaluation, the processes of documentation of the investment properties, quotation, and detailed review of the appraisals, are carried out and in some cases with the support of the leasing technical area, the appraisals are sent for their opinion, in order to finally proceed with the adjustment of the fair value in the accounting book.



**b) Determination of fair values**

The following table shows information about valuation techniques and significant inputs when measuring fair value on a recurring basis for assets and liabilities whose fair value hierarchy classification is level 2 or level 3.

Assets and Liabilities	Valuation technique for levels 2 and 3	Main input data
<b>Investments in debt securities at Fair Value</b>		
<b>Through profit or loss</b>		
Issued or guaranteed by the Colombian government		
Issued or guaranteed by other Colombian government entities		
Issued or guaranteed by other Colombian financial institutions		
Issued or guaranteed by real sector entities abroad	Market focus	*Market Price
Issued or guaranteed by foreign governments		
Issued or guaranteed by other foreign financial institutions		
Issued or guaranteed by real sector entities abroad		
Issued or guaranteed by foreign real sector entities Other	Interest rate	Transactional Systems
<b>With changes in ORI</b>		
Issued or guaranteed by the Colombian government		
Issued or guaranteed by other Colombian government entities		
Issued or guaranteed by other Colombian financial institutions		
Issued or guaranteed by real sector entities abroad	Market focus	*Market Price
Issued or guaranteed by foreign governments		
Issued or guaranteed by other foreign financial institutions		
Issued or guaranteed by real sector entities abroad		
Other	Interest rate	Transactional Systems
<b>Investments in equity instruments with changes in income</b>		
	Unit value	*Market value of the underlying assets, are real estate, minus management fees and expenses.
<b>Investments in equity instruments with changes in ORI</b>		
	Discounted cash flow	*Growth during the five-year projection period. *Net income *Growth in residual values after five years *Discounted interest rate
<b>Trading derivatives</b>		
Currency forward		
Forward interest rate	Discounted cash flow	*Curves by functional currency of underlying *Underlying security price/ Curves by functional currency of underlying
Interest rate swap		*Swap curves assigned according to the underlying
Currency swap		*Swap curves assigned according to the underlying
Other	Black & Scholes & Merton	*Matrices and implied volatility curves
<b>Hedging derivatives</b>		
Interest rate swap		*Swap curves assigned according to underlying
<b>Investment property at fair value</b>		
	Discounted cash flow	*Processes used to collect data and determine the fair value of investment properties

**c) Transfer of levels**

The following table presents the transfers between Levels 1 and 2 for the quarter ended March 31, 2024, and the year ended December 31, 2023:

	March 31, 2024		December 31, 2023	
	Level 1 to Level 2	Level 2 to Level 1	Level 1 to Level 2	Level 2 to Level 1
<b>Fair value measurements for recurring</b>				
<b>Assets</b>				
Fixed-income fair value investments	\$ 652,036	-	\$ -	-

As of March 31, 2024, there were transfers from level 1 to level 2, of the reference TES Fixed Rate with maturity in July 2024, which lose liquidity due to the proximity of the final maturity of the security.



#### d) Fair value measurements on non-recurring basis

##### Valuation of Level 3 equity instruments

Investments classified in Level 3, have unobservable inputs. Level 3 instruments primarily include investments in equity instruments, which are not publicly traded.

The Group has equity investments with changes in ORI in various entities with a participation of less than 20% of the entity's equity; some of them received in payment of customer obligations in the past, and others acquired because they are necessary for the development of operations, such as ACH S.A., Cámara de Riesgo Central de Contraparte S.A., Redeban S.A. and Credibanco S.A. The valuation of these instruments is made with the following frequency:

- Monthly: Credibanco S.A.
- Quarterly: ACH S.A.
- Semiannual: Redeban S.A.
- Annual: Cámara de Riesgo Central de Contraparte S.A, Aportes En Línea S.A and Casa de Bolsa S.A. The frequency is due to the fact that their fair value does not vary significantly, and yet possible effects on fair value are monitored at each reporting date.

For ACH S.A and Credibanco S.A, the determination of their fair value as of March 31, 2024, their shares are not listed in a public stock market and therefore, was made with the help of an external advisor to the Group, who has used the discounted cash flow method for such purpose, which is constructed based on the appraiser's own projections of revenues, costs and expenses of each valuation entity over a five-year period, taking as a basis for them some historical information obtained from the companies, and residual values determined with growth rates in perpetuity established by the appraiser according to his experience. These projections and residual values were discounted based on interest rates constructed with curves taken from price vendors, adjusted by risk premiums estimated based on the risks associated with each valued entity.

The following table includes the sensitivity analysis of changes in such variables used in the valuation of the investment, considering that changes in fair value of such investments are recorded in equity, as they correspond to investments classified as equity instruments at fair value with changes in equity:

Methods and Variables	Variation	Favorable impact	Unfavorable impact
Revenues	+/- 100 pb	\$ 2,383,210.77	\$ 2,303,072.44
Growth in residual values after 5 years	+/- 100 pb	2,197,312.21	2,114,373.37
Perpetuity growth	+/- 1% of gradient	16,280.96	15,415.07
Gradient	+/- 100 pb	184,770.71	165,056.67
Operating Expenses	+/- 1%	16,809.53	14,946.00
Discount Rate	+/- 50 pb	2,364,620.10	2,292,121.64

Based on the variations and impacts presented in the previous box, as of March 31, 2024, there would be a favorable effect on the Bank's equity of \$5,129 and an unfavorable effect of \$4,609. These values were calculated by valuing the investment with the favorable and unfavorable price, according to the variations presented and the number of shares held by the Bank in each entity.

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The following table presents the movement of equity instruments at fair value, classified as Level 3 for the quarters ended March 31, 2024, and 2023:

	<u>Equity instruments</u>
<b>Balance as of December 31, 2023</b>	<b>\$ 831,325</b>
Valuation adjustment with effect on income <sup>(1)</sup>	22,345
Valuation adjustments with effect on ORI	2,138
Additions <sup>(1)</sup>	1,808
Redemptions <sup>(1)</sup>	(6,400)
<b>Balance as of March 31, 2024</b>	<b>\$ 851,216</b>
	<u>Equity instruments</u>
<b>Balance as of December 31, 2022</b>	<b>\$ 660,239</b>
Valuation adjustment with effect on income	26,689
Valuation adjustments with effect on ORI	(1,293)
Additions	930
Redemptions	(9,571)
<b>Balance as of March 31, 2024</b>	<b>\$ 676,994</b>

The ORI as of March 31, 2024 and 2023 corresponding to the valuation of financial instruments measured at fair value level 3 is \$2,138 and (\$1,293) respectively.

(1) As of March 31, 2024, in investments in equity instruments at fair value through profit or loss, there is a variation in the Nexus Inmobiliario Private Equity Fund of \$15,454 with respect to December 31, 2023, with redemptions of (\$6,400) and a valuation with effect in profit or loss of \$21,854.

The following is the detail as of March 31, 2024, and December 31, 2023, of assets that were measured at fair value as a result of impairment assessment in the application of IFRS standards applicable to each account, but are not required to be measured at fair value on a recurring basis:

<b>December 31, 2024</b>	<u>Level 3</u>	<u>Total</u>
Collateralized loan portfolio financial instruments	\$ 562,454	562,454
Non-current assets held for sale	3,023	3,023
	<b>\$ 565,477</b>	<b>565,477</b>
<b>December 31, 2023</b>	<u>Level 3</u>	<u>Total</u>
Collateralized loan portfolio financial instruments	\$ 534,910	534,910
Non-current assets held for sale	3,023	3,023
	<b>\$ 537,933</b>	<b>537,933</b>





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The following table presents a summary of the Group's financial assets and liabilities recorded at amortized cost as of March 31, 2024, and December 31, 2023, compared to the values determined at fair value, for which it is practicable to calculate fair value:

	March 31, 2024		December 31, 2023	
	Carrying value	Estimated Fair Value	Carrying value	Estimated Fair Value
<b>Assets</b>				
Fixed-income investments at amortized cost	\$ 2,119,660	2,120,354	2,034,558	2,035,192
Loan Portfolio, net	47,467,965	56,851,495	47,082,115	57,752,515
Other accounts receivable	634,514	634,514	547,285	547,285
	<b>\$ 50,222,139</b>	<b>59,606,363</b>	<b>49,663,958</b>	<b>60,334,992</b>
<b>Liabilities</b>				
Certificates of Deposit	\$ 17,510,388	18,580,916	17,866,450	18,367,377
Interbank funds	5,550,683	5,550,683	4,403,111	4,403,108
Loans from banks and others	3,706,258	4,042,954	3,185,957	3,444,288
Obligations with rediscount entities	1,121,202	1,132,034	1,088,189	1,100,069
Bonds issued	2,165,587	2,150,580	2,171,345	2,166,124
	<b>\$ 30,054,118</b>	<b>31,457,167</b>	<b>28,715,052</b>	<b>29,480,966</b>

The estimated fair value of the loan portfolio is calculated as follows:

**Portfolio rated A, B and C:** the net present value of the contractual flows is obtained, discounted at the discount rate, which is equivalent to the market value of the transactions, based on the balances of each obligation, the maturity date of the transaction, the contractual rate, among others.

**Portfolio rated D or E:** calculated on the book value in percentage expected to be recovered from such obligations.

The **Discount Rate** comprises the following:

- **Credits rated A, B or C:** Risk-free rate + Risk points + Portfolio management fees.

The **Risk Free Rate** represents the opportunity cost incurred in placing funds through credit. Varies according to the remaining term of each obligation. For loans in legal currency, the TES curve is used as a reference and for foreign currency transactions, the 10-year U.S. treasury bond rate is used as a reference.

**Credit risk points** are obtained through the product of the probability of default (customer risk) and the loss given default. The latter represents the risk of the credit operation, which in the commercial portfolio depends on the collateral.

In the **Portfolio Management Expense Ratio**, the costs for human resources and outsourcing are reported.

The fair value methodologies for fixed income securities at time zero, correspond to the adjustment of the difference between the purchase price (IRR purchase) and the market price published by the price vendor Precia PPV S.A. For subsequent measurement, this fair value on each of the investments is determined with the daily valuation using the market price published by the same price vendor.

For other accounts receivable, the maturity of these accounts matures in a period equal to or less than one year; therefore, it is not considered necessary to perform a fair value calculation, on the understanding that this value is the best estimate, since it is a short period.

The fair value methodology of the Parent Company's liabilities (CDTs and Bonds) is performed by means of the PWPREI application, which values the Parent Company's standardized liabilities in





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Colombian pesos at market prices, using the information published by the price provider *Precia PPV S.A.*

For Financial Obligations, the calculation is performed manually, in which the valuation is made using the discount curve calculated by the Parent Company's Treasury Risk Division.





Banco de Occidente S.A. and Subsidiaries  
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**Note 6. – Financial assets from investment in debt securities and equity instruments at fair value**

The balance of Financial Assets in debt securities and investments in equity instruments at fair value, comprises the following as of March 31, 2024, and December 31, 2023:

<b>Balance of investment financial assets at fair value</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>Debt securities with changes in income</b>		
<b>In Colombian pesos</b>		
Issued or guaranteed by the Colombian government	\$ 4,035,324	3,105,170
Issued or guaranteed by other Colombian government entities	35,305	34,609
Issued or guaranteed by other Colombian financial institutions	52,131	96,631
Issued or guaranteed by entities of the Colombian real sector	2,899	1,840
Other	1,001	-
	<b>4,126,660</b>	<b>3,238,250</b>
<b>In foreign currency</b>		
Issued or guaranteed by the Colombian government	32,738	16,737
Issued or guaranteed by other Colombian financial institutions	12,878	20,087
Issued or guaranteed by Foreign Governments	11,950	382
Issued or guaranteed by other foreign financial institutions	126,455	161,722
Issued or guaranteed by real sector entities abroad	3,478	3,412
Other	5,472	19,002
	<b>192,971</b>	<b>221,342</b>
<b>Total debt securities with changes in income</b>	<b>\$ 4,319,631</b>	<b>3,459,592</b>
<b>Debt securities through profit or loss</b>		
<b>In Colombian pesos</b>		
Issued or guaranteed by the Colombian government	\$ 2,799,789	2,439,339
Issued or guaranteed by other Colombian government entities	67,429	67,400
Issued or guaranteed by other Colombian financial institutions	544,981	583,751
	<b>3,412,199</b>	<b>3,090,490</b>
<b>In foreign currency</b>		
Issued or guaranteed by the Colombian government	684,423	682,923
Issued or guaranteed by other Colombian financial institutions	67,760	81,759
Issued or guaranteed by entities of the Colombian real sector	29,928	-
Issued or guaranteed by Foreign Governments	115,872	120,232
Issued or guaranteed by other foreign financial institutions	429,897	398,898
Issued or guaranteed by real sector entities abroad	-	34,539
Other	60,056	56,845
	<b>1,387,936</b>	<b>1,375,196</b>
<b>Total debt securities with changes in ORI <sup>(1)</sup></b>	<b>4,800,135</b>	<b>4,465,686</b>
<b>Equity instruments with adjustment to income</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>In Colombian pesos</b>		
Mutual funds	\$ 723,062	709,520
<b>Equity instruments with adjustment to income total</b>	<b>723,062</b>	<b>709,520</b>
<b>Trading derivative instruments with changes to income total</b>	<b>\$ 738,172</b>	<b>1,276,723</b>
<b>Total financial instruments at fair value with changes in profit or loss</b>	<b>\$ 5,780,865</b>	<b>5,445,835</b>
<b>Equity instruments with adjustment to ORI equity in Colombian pesos</b>		
Corporate actions	\$ 133,839	132,111
<b>Total equity instruments</b>	<b>856,901</b>	<b>841,631</b>
<b>Total financial assets in debt securities and investments in equity instruments at fair value</b>	<b>\$ 10,714,839</b>	<b>10,043,632</b>
<b>Total financial instruments at fair value with changes in ORI</b>	<b>\$ 4,933,974</b>	<b>4,597,797</b>

<sup>(1)</sup> The valuation effect recognized in ORI for debt securities is \$2,889 and \$156,071, as of March 31, 2024, and 2023, respectively.



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Financial assets at fair value, are carried at fair value based on observable market data, which also reflects the credit risk associated with the asset.

The following, is a detail of equity instruments with changes in other comprehensive income:

Entity	March 31, 2024	December 31, 2023
Redeban Multicolor S.A. <sup>(1)</sup> \$	17,951	17,951
A.C.H Colombia S.A. <sup>(1)</sup>	54,884	52,844
Central Counterparty Risk Clearing House of Colombia S.A. <sup>(1)</sup>	3,225	3,225
Credibanco <sup>(1)</sup>	43,234	43,136
Holding Bursátil Regional <sup>(1)</sup>	4,365	4,774
Aportes en Línea S.A. (Gestión y Contacto) <sup>(1)</sup>	4,495	4,495
Casa de Bolsa S.A Sociedad Comisionista de Bolsa <sup>(1)</sup>	5,685	5,686
<b>Total</b>	<b>\$ 133,839</b>	<b>132,111</b>

(1) These financial instruments were recognized at fair value according to market prices provided by Precia S.A.; the effect of this valuation was recognized against ORI for fair value of equity instruments for \$1,728 as of March 31, 2024, and as of March 31, 2023, for (\$9).

Financial assets in equity instruments at fair value with adjustment to other comprehensive income, have been designated considering that these are strategic investments for the Group, and therefore are not expected to be sold in the near future and there is a higher degree of uncertainty in the fair value year that generates significant fluctuations from one period to another.

During the quarter ended March 31, 2024, dividends of \$6,241 (\$5,702 during the quarter ended March 31, 2023) have been recognized in the income statement for these investments.

#### **Guaranteeing money market and central counterparty risk clearing house operations**

The following is a list of financial assets at fair value, that are used to guarantee repo and derivatives operations, those that have been pledged as collateral for transactions with financial instruments, and those that have been pledged as collateral to third parties in support of financial obligations with other banks.

	March 31, 2024	December 31, 2023
<b>Delivered in money market operations</b>		
Issued or guaranteed by the Colombian government	\$ 4,812,602	2,731,746
Issued or guaranteed by other Colombian government entities	-	1,325,304
Issued or guaranteed by other financial institutions	8,938	-
Other	2,967	-
Issued or guaranteed by other foreign financial institutions	51,325	-
	<b>4,875,832</b>	<b>4,057,050</b>
<b>Delivered as collateral for derivative transactions</b>		
Issued or guaranteed by the Colombian government	343,877	542,733
<b>Total</b>	<b>\$ 5,219,709</b>	<b>4,599,783</b>

Changes in fair values primarily reflect changes in market conditions, due mainly to changes in interest rates and other economic conditions in the country in which the investment is held.

There are no legal or economic restrictions, pledges, or liens on financial assets in the form of debt securities and equity instruments at fair value, and there is no limitation on their ownership.



**Note 7. - Financial assets in debt securities at amortized cost**

The balance of financial assets in debt securities at amortized cost, comprises the following as of March 31, 2024 and December 31, 2023:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>Debt securities</b>		
<b>In Colombian pesos</b>		
Issued or guaranteed by the Colombian government	707,525	689,731
Issued or guaranteed by other Colombian government entities	\$ 1,412,666	1,345,385
<b>Total debt securities</b>	<b>2,120,191</b>	<b>2,035,116</b>
Provisions for investments	(531)	(558)
<b>Total financial assets in debt securities at amortized cost</b>	<b>\$ 2,119,660</b>	<b>2,034,558</b>

The following is the movement in the provision for investment for the three-month period ended March 31, 2024, and for the year ended December 31, 2023:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>Balance at beginning of period</b>	<b>\$ 558</b>	<b>522</b>
(Reimbursement) impairment expense on investments at amortized cost	(27)	36
<b>Balance at end of period</b>	<b>\$ 531</b>	<b>558</b>

The following is a summary of financial assets in debt securities at amortized cost by maturity date:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Up to 1 month	\$ 393,385	146,021
more than 1 month and no longer than 3 months	707,525	-
more than 3 months and no longer than 1 year	1,019,281	1,889,095
<b>Subtotal</b>	<b>2,120,191</b>	<b>2,035,116</b>
Provisions for investments	(531)	(558)
<b>Total</b>	<b>\$ 2,119,660</b>	<b>2,034,558</b>



**Note 8. - Derivative instruments and hedge accounting**

**a. Hedging of investments abroad**

In the development of its operations, the Parent Company has the following investments in foreign subsidiaries as of March 31, 2024, and December 31, 2023, whose financial statements in the consolidation process generate translation adjustments that are recorded in the other comprehensive income account in shareholders' equity, as follows:

		March 31, 2024			
		Thousands of U.S. dollars		Millions of Colombian pesos	
Detail of investment		Value of covered investment	Value of hedged foreign currency obligations	Adjustment for translation of financial statements	Exchange difference on foreign currency obligations
Occidental Bank Barbados Ltd.	USD	37,928	(37,928)	\$ 44,411	(44,411)
Banco de Occidente Panamá S.A.		62,242	(62,242)	58,533	(58,533)
<b>Total</b>	<b>USD</b>	<b>100,170</b>	<b>(100,170)</b>	<b>\$ 102,944</b>	<b>(102,944)</b>

  

		December 31, 2023			
		Thousands of U.S. dollars		Millions of Colombian pesos	
Detail of investment		Value of covered investment	Value of hedged foreign currency obligations	Adjustment for translation of financial statements	Exchange difference on foreign currency obligations
Occidental Bank Barbados Ltd.	USD	37,341	(37,341)	\$ 43,626	(43,626)
Banco de Occidente Panamá S.A.		58,877	(58,877)	57,337	(57,337)
<b>Total</b>	<b>USD</b>	<b>96,218</b>	<b>(96,218)</b>	<b>\$ 100,963</b>	<b>(100,963)</b>

As these investments are denominated in U.S. dollars, which is the functional currency of the above subsidiaries, the Parent Company is subject to the risk of changes in the exchange rate of the Colombian peso, which is the functional currency of the Parent Company, against the U.S. dollar. To cover this risk, the Parent Company has entered into foreign currency debt operations, and as such has designated foreign currency obligations for USD \$100,170 as of March 31, 2024 and \$96,218 as of December 31, 2023, which cover 100% of the current investments in those subsidiaries, the financial obligations have a short-term maturity; therefore, once such obligations mature, the Parent Company's management designates new obligations in foreign currency to maintain coverage for 100% of the investments.

For foreign currency debt designated as a hedging instrument, the gain or loss arising on translation of the debt into Colombian pesos, is based on the current exchange rate between the U.S. dollar and the Colombian peso, which is the Group's functional currency. To the extent that the notional amount of the hedging instrument exactly matches the portion of the hedged investment in the foreign operations, there is no hedge ineffectiveness.



**b. Fair value hedge**

During the first quarter of 2024, the Parent Company maintained hedging operations for \$435,000 million, with the objective of hedging the fair value of fixed rate CDTs in COP, in the event of changes in the IBR market rate.

As a risk management strategy, the Parent Company has determined that in order to hedge the fair value of a group of CDTs, it is necessary to contract a derivative swap instrument, which allows redenominating fixed rate flows to flows indexed to a variable rate based on the IBR. The derivative instrument contracted is expected to be highly effective in hedging and mitigating the aforementioned risk.

**Type of hedging**

These types of hedges will be classified as fair value hedges under IAS 39, for which all the necessary procedures and documentation established in the regulations and compendium of accounting standards must be complied with. Under the accounting rules for this hedge category, changes in the market value of the derivative must be recorded in profit or loss (income or expense).

**Nature of risk covered**

The hedged risk corresponds to the variability of the fair value of the fixed rate CDTs in COP, due to the effect of the variation of the market rate (IBR prime rate).

The nature of this hedge will only cover the prime rate component of the CDTs, leaving out of the hedge the spreads associated with the financing.

The following is a detail of the fair value hedging derivatives as of March 31, 2024, and December 31, 2023:

		March 31, 2024		Fair value
		Notional Amount		
		3 months to one year	Total	Liabilities
<b>Fair value hedging derivatives</b>	\$			
Interest rate swaps		435,000	435,000	(2,177)
<b>Total</b>		<b>435,000</b>	<b>435,000</b>	<b>(2,177)</b>
		December 31, 2023		
		Notional Amount		Fair value
		3 months to one year	Total	Liabilities
<b>Fair value hedging derivatives</b>	\$			
Interest rate swaps		435,000	435,000	(1,351)
<b>Total</b>		<b>435,000</b>	<b>435,000</b>	<b>(1,351)</b>



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**Quantitative results fair value hedges**

The following is a breakdown of gains or losses on hedging instruments and hedged items of the fair value hedge, as of March 31, 2024, and December 31, 2023:

	March 31, 2024				
	Notional value	Assets	Liabilities	Fair value for the calculation of ineffectiveness	Efficiency coverage
<b>Item hedged by covered item</b>					
Term deposit certificates	\$ 435,000	-	59	(59)	-
<b>Hedging instrument</b>					
Interest rate swaps	\$ 435,000	50	-	50	9

  

	March 31, 2024				
	Notional value	Assets	Liabilities	Fair value for the calculation of ineffectiveness	Efficiency coverage
<b>Item hedged by covered item</b>					
Term deposit certificates	\$ 435,000	-	734	(734)	-
<b>Hedging instrument</b>					
Interest rate swaps	\$ 435,000	850	-	850	(116)

**Note 9. – Financial assets from loans and receivables and investments, net**

**1. Loan portfolio movement in impairment**

The following is the movement in the impairment of the loan portfolio during the three-month periods ended March 31, 2024, and 2023:

	Commercial				Repos and Interbank			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Balance as of December 31, 2023</b>	\$ 222,210	27,661	806,004	1,055,875	18	-	-	18
Period write-offs	(570)	-	(136,347)	(136,917)	-	-	-	-
Sale of loan portfolio	-	-	-	-	-	-	-	-
Reversal of accrued interest Stage 3	-	-	34,264	34,264	-	-	-	-
<b>Expenses</b>	5,940	5,306	200,952	212,198	6	-	-	6
<b>Expenses for disbursements or originations</b>	78,277	4,661	15,232	98,170	20	-	-	20
<b>Reimbursement</b>	(36,229)	(4,101)	(8,539)	(48,869)	(5)	-	-	(5)
<b>Cancellation or payment in full</b>	(48,031)	(9,191)	(125,919)	(183,141)	-	-	-	-
<b>Reclassification from Stage 1 to Stage 2</b>	(4,747)	4,747	-	-	-	-	-	-
<b>Reclassification from Stage 1 to Stage 3</b>	(769)	-	769	-	-	-	-	-
<b>Reclassification from Stage 2 to Stage 3</b>	-	(3,004)	3,004	-	-	-	-	-
<b>Reclassification from Stage 3 to Stage 2</b>	-	657	(657)	-	-	-	-	-
<b>Reclassification from Stage 2 to Stage 1</b>	3,942	(3,942)	-	-	-	-	-	-
<b>Reclassification from Stage 3 to Stage 1</b>	1,460	-	(1,460)	-	-	-	-	-
Difference in exchange	158	-	-	158	-	-	-	-
<b>Balance as of March 31, 2024</b>	\$ 221,641	22,794	787,303	1,031,738	39	-	-	39







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	Consumer				Housing			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Balance as of December 31, 2023</b>	\$ 272,856	71,546	687,977	1,032,379	11,949	3,018	31,905	46,872
Period write-offs	-	(7)	(291,876)	(291,883)	-	-	-	-
Sale of loan portfolio	(13)	(137)	(2,266)	(2,416)	-	-	-	-
Reversal of accrued interest Stage 3	-	-	19,194	19,194	-	-	637	637
<b>Expenses</b>	12,121	53,280	345,880	411,281	650	1,930	4,350	6,930
<b>Expenses for disbursements or originations</b>	35,076	1,661	32,873	69,610	1,101	146	-	1,247
<b>Reimbursement</b>	(52,088)	(11,014)	(6,028)	(69,130)	(2,225)	(338)	(206)	(2,769)
<b>Cancellation or payment in full</b>	(17,665)	(4,548)	(35,175)	(57,388)	(255)	(18)	(460)	(733)
<b>Reclassification from Stage 1 to Stage 2</b>	(17,975)	17,975	-	-	(405)	405	-	-
<b>Reclassification from Stage 1 to Stage 3</b>	(6,015)	-	6,015	-	(53)	-	53	-
<b>Reclassification from Stage 2 to Stage 3</b>	-	(31,643)	31,643	-	-	(643)	643	-
<b>Reclassification from Stage 3 to Stage 2</b>	-	8,840	(8,840)	-	-	311	(311)	-
<b>Reclassification from Stage 2 to Stage 1</b>	13,488	(13,488)	-	-	1,181	(1,181)	-	-
<b>Reclassification from Stage 3 to Stage 1</b>	16,914	-	(16,914)	-	760	-	(760)	-
Difference in exchange	-	-	-	-	-	-	-	-
<b>Balance as of March 31, 2024</b>	\$ 256,699	92,465	762,483	1,111,647	12,703	3,630	35,851	52,184

  

	Commercial Leasing				Consumer Leasing			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Balance as of December 31, 2023</b>	\$ 33,833	11,748	210,280	255,861	138	108	655	901
Period write-offs	-	-	(23,766)	(23,766)	-	-	(13)	(13)
Sale of loan portfolio	-	-	-	-	-	-	-	-
Reversal of accrued interest Stage 3	-	-	5,493	5,493	-	-	11	11
<b>Expenses</b>	3,763	3,839	43,745	51,347	3	12	240	255
<b>Expenses for disbursements or originations</b>	1,558	27	105	1,690	32	-	-	32
<b>Reimbursement</b>	(13,355)	(2,089)	(5,213)	(20,657)	(15)	(143)	(35)	(193)
<b>Cancellation or payment in full</b>	(371)	(46)	(2,145)	(2,562)	(2)	-	-	(2)
<b>Reclassification from Stage 1 to Stage 2</b>	(927)	927	-	-	(4)	4	-	-
<b>Reclassification from Stage 1 to Stage 3</b>	(258)	-	258	-	(4)	-	4	-
<b>Reclassification from Stage 2 to Stage 3</b>	-	(1,350)	1,350	-	-	(33)	33	-
<b>Reclassification from Stage 3 to Stage 2</b>	-	1,313	(1,313)	-	-	114	(114)	-
<b>Reclassification from Stage 2 to Stage 1</b>	4,243	(4,243)	-	-	-	-	-	-
<b>Reclassification from Stage 3 to Stage 1</b>	4,621	-	(4,621)	-	-	-	-	-
Difference in exchange	-	-	-	-	-	-	-	-
<b>Balance as of March 31, 2024</b>	\$ 33,107	10,126	224,173	267,406	148	62	781	991

  

	Housing Leasing				Total Financial Leasing			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Balance as of December 31, 2023</b>	\$ 8,773	2,225	14,016	25,014	42,744	14,081	224,951	281,776
Period write-offs	-	-	(1,312)	(1,312)	-	-	(25,091)	(25,091)
Sale of loan portfolio	-	-	-	-	-	-	-	-
Reversal of accrued interest Stage 3	-	-	122	122	-	-	5,626	5,626
<b>Expenses</b>	506	1,579	4,875	6,960	4,272	5,430	48,860	58,562
<b>Expenses for disbursements or originations</b>	302	-	-	302	1,892	27	105	2,024
<b>Reimbursement</b>	(1,519)	(115)	(361)	(1,995)	(14,889)	(2,347)	(5,609)	(22,845)
<b>Cancellation or payment in full</b>	(86)	(48)	(137)	(271)	(459)	(94)	(2,282)	(2,835)
<b>Reclassification from Stage 1 to Stage 2</b>	(345)	345	-	-	(1,276)	1,276	-	-
<b>Reclassification from Stage 1 to Stage 3</b>	(64)	-	64	-	(326)	-	326	-
<b>Reclassification from Stage 2 to Stage 3</b>	-	(397)	397	-	-	(1,780)	1,780	-
<b>Reclassification from Stage 3 to Stage 2</b>	-	94	(94)	-	-	1,521	(1,521)	-
<b>Reclassification from Stage 2 to Stage 1</b>	1,128	(1,128)	-	-	5,371	(5,371)	-	-
<b>Reclassification from Stage 3 to Stage 1</b>	233	-	(233)	-	4,854	-	(4,854)	-
Difference in exchange	-	-	-	-	-	-	-	-
<b>Balance as of March 31, 2024</b>	\$ 8,928	2,555	17,337	28,820	42,183	12,743	242,291	297,217





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	<b>Total</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Balance as of December 31, 2023</b>	\$ <b>549,777</b>	<b>116,306</b>	<b>1,750,837</b>	<b>2,416,920</b>
Period write-offs	(570)	(7)	(453,314)	(453,891)
Sale of loan portfolio	(13)	(137)	(2,266)	(2,416)
Reversal of accrued interest Stage 3	-	-	59,721	59,721
<b>Expenses</b>	22,989	65,946	600,042	688,977
<b>Expenses for disbursements or originations</b>	116,366	6,495	48,210	171,071
<b>Reimbursement</b>	(105,436)	(17,800)	(20,382)	(143,618)
<b>Cancellation or payment in full</b>	(66,410)	(13,851)	(163,836)	(244,097)
<b>Reclassification from Stage 1 to Stage 2</b>	(24,403)	24,403	-	-
<b>Reclassification from Stage 1 to Stage 3</b>	(7,163)	-	7,163	-
<b>Reclassification from Stage 2 to Stage 3</b>	-	(37,070)	37,070	-
<b>Reclassification from Stage 3 to Stage 2</b>	-	11,329	(11,329)	-
<b>Reclassification from Stage 2 to Stage 1</b>	23,982	(23,982)	-	-
<b>Reclassification from Stage 3 to Stage 1</b>	23,988	-	(23,988)	-
Difference in exchange	158	-	-	158
<b>Balance as of March 31, 2024</b>	\$ <b>533,265</b>	<b>131,632</b>	<b>1,827,928</b>	<b>2,492,825</b>

	<b>Commercial</b>				<b>Repos and Interbank</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Balance as of December 31, 2022</b>	\$ <b>251,647</b>	<b>50,722</b>	<b>700,164</b>	<b>1,002,533</b>	<b>1,434</b>	-	-	<b>1,434</b>
Period write-offs	-	-	(52,249)	(52,249)	-	-	-	-
Reversal of accrued interest Stage 3	-	-	10,768	10,768	-	-	-	-
<b>Expenses</b>	2,529	10,782	62,677	75,988	4	-	-	4
<b>Expenses for disbursements or originations</b>	79,031	3,165	2,805	85,001	443	-	-	443
<b>Reimbursement</b>	(42,465)	(6,713)	(30,665)	(79,843)	(3)	-	-	(3)
<b>Cancellation or payment in full</b>	(47,541)	(3,706)	20,484	(30,763)	(1,391)	-	-	(1,391)
<b>Reclassification from Stage 1 to Stage 2</b>	(3,137)	3,137	-	-	-	-	-	-
<b>Reclassification from Stage 1 to Stage 3</b>	(398)	-	398	-	-	-	-	-
<b>Reclassification from Stage 2 to Stage 3</b>	-	(1,852)	1,852	-	-	-	-	-
<b>Reclassification from Stage 3 to Stage 2</b>	-	2,027	(2,027)	-	-	-	-	-
<b>Reclassification from Stage 2 to Stage 1</b>	15,924	(15,924)	-	-	-	-	-	-
<b>Reclassification from Stage 3 to Stage 1</b>	2,172	-	(2,172)	-	-	-	-	-
Difference in exchange	(1,291)	-	-	(1,291)	-	-	-	-
<b>Balance as of March 31, 2023</b>	\$ <b>256,471</b>	<b>41,638</b>	<b>712,035</b>	<b>1,010,144</b>	<b>487</b>	-	-	<b>487</b>

	<b>Consumer</b>				<b>Housing</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Balance as of December 31, 2022</b>	\$ <b>261,303</b>	<b>84,379</b>	<b>349,488</b>	<b>695,170</b>	<b>11,948</b>	<b>3,088</b>	<b>37,130</b>	<b>52,166</b>
Period write-offs	(134)	-	(152,089)	(152,223)	-	-	-	-
Reversal of accrued interest Stage 3	-	-	10,758	10,758	-	-	722	722
<b>Expenses</b>	11,133	45,648	209,094	265,875	382	1,763	5,198	7,343
<b>Expenses for disbursements or originations</b>	28,393	2,458	10,188	41,039	863	52	-	915
<b>Reimbursement</b>	(60,759)	(13,504)	(3,939)	(78,202)	(4,016)	(424)	(1,604)	(6,044)
<b>Cancellation or payment in full</b>	(11,268)	(3,399)	(11,888)	(26,555)	(123)	(10)	(478)	(611)
<b>Reclassification from Stage 1 to Stage 2</b>	(11,702)	11,702	-	-	(285)	285	-	-
<b>Reclassification from Stage 1 to Stage 3</b>	(3,280)	-	3,280	-	(33)	-	33	-
<b>Reclassification from Stage 2 to Stage 3</b>	-	(26,960)	26,960	-	-	(704)	704	-
<b>Reclassification from Stage 3 to Stage 2</b>	-	7,676	(7,676)	-	-	348	(348)	-
<b>Reclassification from Stage 2 to Stage 1</b>	20,213	(20,213)	-	-	1,311	(1,311)	-	-
<b>Reclassification from Stage 3 to Stage 1</b>	7,692	-	(7,692)	-	668	-	(668)	-
Difference in exchange	-	-	-	-	-	-	-	-
<b>Balance as of March 31, 2023</b>	\$ <b>241,591</b>	<b>87,787</b>	<b>426,484</b>	<b>755,862</b>	<b>10,715</b>	<b>3,087</b>	<b>40,689</b>	<b>54,491</b>





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	Commercial Leasing				Consumer Leasing			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Balance as of December 31, 2022</b>	\$ 26,576	8,262	202,694	237,532	182	25	755	962
Period write-offs	-	-	(22,325)	(22,325)	-	-	(423)	(423)
Reversal of accrued interest Stage 3	-	-	5,035	5,035	-	-	16	16
<b>Expenses</b>	878	4,372	22,378	27,628	3	12	525	540
<b>Expenses for disbursements or originations</b>	1,663	97	145	1,905	1	-	-	1
<b>Reimbursement</b>	(5,881)	(2,912)	(9,839)	(18,632)	(66)	(92)	(21)	(179)
<b>Cancellation or payment in full</b>	(260)	(69)	(7,775)	(8,104)	(5)	-	-	(5)
<b>Reclassification from Stage 1 to Stage 2</b>	(1,026)	1,026	-	-	(4)	4	-	-
<b>Reclassification from Stage 1 to Stage 3</b>	(52)	-	52	-	(1)	-	1	-
<b>Reclassification from Stage 2 to Stage 3</b>	-	(611)	611	-	-	-	-	-
<b>Reclassification from Stage 3 to Stage 2</b>	-	2,276	(2,276)	-	-	111	(111)	-
<b>Reclassification from Stage 2 to Stage 1</b>	1,990	(1,990)	-	-	13	(13)	-	-
<b>Reclassification from Stage 3 to Stage 1</b>	739	-	(739)	-	-	-	-	-
Difference in exchange	-	-	-	-	-	-	-	-
<b>Balance as of March 31, 2023</b>	\$ 24,627	10,451	187,961	223,039	123	47	742	912

	Housing Leasing				Total Financial Leasing			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Balance as of December 31, 2022</b>	\$ 13,814	3,512	26,055	43,381	40,572	11,799	229,504	281,875
Period write-offs	-	-	(426)	(426)	-	-	(23,174)	(23,174)
Reversal of accrued interest Stage 3	-	-	(53)	(53)	-	-	4,998	4,998
<b>Expenses</b>	496	3,012	3,292	6,800	1,377	7,396	26,195	34,968
<b>Expenses for disbursements or originations</b>	473	-	-	473	2,137	97	145	2,379
<b>Reimbursement</b>	(4,144)	(388)	(1,218)	(5,750)	(10,091)	(3,392)	(11,078)	(24,561)
<b>Cancellation or payment in full</b>	(133)	(17)	(198)	(348)	(398)	(86)	(7,973)	(8,457)
<b>Reclassification from Stage 1 to Stage 2</b>	(549)	549	-	-	(1,579)	1,579	-	-
<b>Reclassification from Stage 1 to Stage 3</b>	(23)	-	23	-	(76)	-	76	-
<b>Reclassification from Stage 2 to Stage 3</b>	-	(946)	946	-	-	(1,557)	1,557	-
<b>Reclassification from Stage 3 to Stage 2</b>	-	140	(140)	-	-	2,527	(2,527)	-
<b>Reclassification from Stage 2 to Stage 1</b>	1,272	(1,272)	-	-	3,275	(3,275)	-	-
<b>Reclassification from Stage 3 to Stage 1</b>	573	-	(572)	1	1,312	-	(1,311)	1
Difference in exchange	-	-	-	-	-	-	-	-
<b>Balance as of March 31, 2023</b>	\$ 11,779	4,590	27,709	44,078	36,529	15,088	216,412	268,029

**Total**

	Stage 1	Stage 2	Stage 3	Total
<b>Balance as of December 31, 2023</b>	\$ 566,904	149,988	1,316,286	2,033,178
Period write-offs	-	(134)	-	(227,646)
Reversal of accrued interest Stage 3	-	-	27,246	27,246
<b>Expenses</b>	15,425	65,589	303,164	384,178
<b>Expenses for disbursements or originations</b>	110,867	5,772	13,138	129,777
<b>Reimbursement</b>	(117,334)	(24,033)	(47,286)	(188,653)
<b>Cancellation or payment in full</b>	(60,721)	(7,201)	145	(67,777)
<b>Reclassification from Stage 1 to Stage 2</b>	(16,703)	16,703	-	-
<b>Reclassification from Stage 1 to Stage 3</b>	(3,787)	-	3,787	-
<b>Reclassification from Stage 2 to Stage 3</b>	-	(31,073)	31,073	-
<b>Reclassification from Stage 3 to Stage 2</b>	-	12,578	(12,578)	-
<b>Reclassification from Stage 2 to Stage 1</b>	40,723	(40,723)	-	-
<b>Reclassification from Stage 3 to Stage 1</b>	11,844	-	(11,843)	1
Difference in exchange	-	(1,291)	-	(1,291)
<b>Balance as of March 31, 2024</b>	\$ 545,793	147,600	1,395,620	2,089,013





## 2. Investments in debt securities at fair value with changes in ORI

The following is the movement in the impairment of investments in debt securities at fair value with changes in ORI for the quarter ended March 31, 2024:

		Stage 1
		PCE 12-month
<b>Balance of provisions as of December 31, 2023</b>	\$	<b>2,982</b>
Net impact of the remeasurement of the provision		387
Provision of new securities purchased during the period		517
Impact on the provision for securities that have been sold or have matured (de-recognized)		(226)
Difference in exchange		8
<b>Balance of provisions as of March 31, 2024</b>	<b>\$</b>	<b>3,668</b>

## 3. Investments in debt securities at amortized cost

The following is the movement in the impairment of investments in debt securities at amortized cost for the quarter ended March 31, 2024:

		Stage 1
		PCE 12-month
<b>Balance of provisions as of December 31, 2023</b>	\$	<b>558</b>
Net impact of the remeasurement of the provision		(169)
Provision of new securities purchased during the period		149
Impact on the provision for securities that have been sold or have matured (de-recognized)		(7)
<b>Balance of provisions as of March 31, 2024</b>	<b>\$</b>	<b>531</b>

## Note 10. – Profit from non-current assets held for sale

The following is a detail of the gain generated on the sale of assets classified as held for sale during the quarter ended March 31, 2024, and 2023:

	March 31, 2024			March 31, 2023		
	Carrying value	Amount of the sale	Profit	Carrying value	Amount of the sale	Profit
Real estate <sup>(1)</sup>	\$ -	-	-	1,200	1,390	190
Movable assets	127	139	12	122	244	122
	<b>\$ 127</b>	<b>139</b>	<b>12</b>	<b>1,322</b>	<b>1,634</b>	<b>312</b>

<sup>(1)</sup> The gain recorded in the non-current assets held for sale note for \$12 million, corresponds to the sale of 8 repositioned movable assets that were received and sold during the same period.



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Changes in assets held for sale for the three-month period ended March 31, 2024, and for the year ended December 31, 2023, are presented below:

	<b>March 31, 2024</b>
<b>Balance as of December 31, 2023</b>	<b>\$ 3,023</b>
Increases by addition during the year	127
Cost of ANCMVs sold, net	(127)
<b>Balance as of March 31, 2024</b>	<b>\$ 3,023</b>

  

	<b>December 31, 2023</b>
<b>Balance as of December 31, 2022</b>	<b>\$ -</b>
Increases by addition during the year	2,890
Cost of ANCMVs sold, net	18,183
Sale and leaseback	(100,017)
Reclassifications from/to own use	81,967
<b>Balance as of December 31, 2023</b>	<b>\$ 3,023</b>

**Note 11. - Investments in associated companies and joint ventures**

Below is a detail of investments in associates and joint ventures as of March 31, 2024, and December 31, 2023:

		<b>March 31, 2024</b>	<b>December 31, 2023</b>
Associated	\$	1,768,760	1,799,081
Joint ventures		1,814	1,721
<b>Total</b>	<b>\$</b>	<b>1,770,574</b>	<b>1,800,802</b>

Below is a detail of investments in associates and joint ventures:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>Associated</b>		
A Toda Hora	2,803	2,779
Corficolombiana	789,918	779,450
Aval Soluciones Digitales	3,761	3,731
Porvenir	972,278	1,013,121
	<b>\$ 1,768,760</b>	<b>\$ 1,799,081</b>
<b>Joint ventures</b>		
A Toda Hora S.A	1,811	1,718
Aval Soluciones Digitales S.A. - Joint Ventures	3	3
	<b>\$ 1,814</b>	<b>\$ 1,721</b>





**Note 12. - Tangible assets, net**

The following is the balance of the carrying amount of tangible asset accounts (property and equipment for own use, operating leases, investment property and right-of-use assets) as of March 31, 2024, and December 31, 2023:

<b>Property and equipment</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>
For own use <sup>(a)</sup>	\$ 101,534	107,868
Leased under operating leases	59,794	64,861
Investment properties	214,443	214,080
Right-of-use assets <sup>(b)</sup>	284,461	267,243
	<b>\$ 660,232</b>	<b>654,052</b>

As of March 2024, there were no asset mobilizations to the Nexus Private Equity Fund.

**a) Property and equipment for own use**

The following is the detail of the balance as of March 31, 2024, and December 31, 2023, by type of property and equipment for own use:

<b>For own use</b>	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Impairment loss</b>	<b>Carrying amount</b>
Land	\$ 8,954	-	-	8,954
Buildings	17,382	(6,781)	-	10,601
Office equipment, fixtures, and fittings	110,757	(83,241)	(49)	27,467
Computer equipment	202,892	(160,640)	(58)	42,194
Vehicles	693	(487)	-	206
Mobilization equipment and machinery	49	(49)	-	-
Improvements to other people's property	36,513	(29,013)	-	7,500
Construction in progress	4,612	-	-	4,612
<b>Balance as of March 31, 2024</b>	<b>\$ 381,852</b>	<b>(280,211)</b>	<b>(107)</b>	<b>101,534</b>

<b>For own use</b>	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Impairment loss</b>	<b>Carrying amount</b>
Land	\$ 8,954	-	-	8,954
Buildings	17,382	(6,635)	-	10,747
Office equipment, fixtures, and fittings	110,923	(81,656)	(49)	29,218
Computer equipment	206,613	(160,493)	(58)	46,062
Vehicles	800	(575)	-	225
Mobilization equipment and machinery	49	(47)	-	2
Improvements to other people's property	36,498	(28,353)	-	8,145
Construction in progress	4,515	-	-	4,515
<b>Balance as of December 31, 2023</b>	<b>\$ 385,734</b>	<b>(277,759)</b>	<b>(107)</b>	<b>107,868</b>

**b) Rights-of-use assets**

The following is the detail of the balance as of March 31, 2024, and December 31, 2023, of the right of use by type of property and equipment:



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Rights of use		Cost	Accumulated depreciation	Carrying amount
Buildings	\$	414,620	(155,332)	259,288
Office equipment, fixtures, and fittings		120	(58)	62
Computer equipment		71,693	(48,040)	23,653
Vehicles	\$	2,978	(1,520)	1,458
<b>Balance as of March 31, 2024</b>		<b>489,411</b>	<b>(204,950)</b>	<b>284,461</b>
Rights of use		Cost	Accumulated depreciation	Carrying amount
Buildings	\$	383,798	(143,640)	240,158
Office equipment, fixtures, and fittings		120	(52)	68
Computer equipment		70,079	(44,373)	25,706
Vehicles		2,579	(1,268)	1,311
<b>Balance as of December 31, 2023</b>	\$	<b>456,576</b>	<b>(189,333)</b>	<b>267,243</b>

**Note 13. - Intangible assets, net**

The following is the balance of intangible asset accounts as of March 31, 2024, and December 31, 2023:

Concept		March 31, 2024	December 31, 2023
Goodwill	\$	22,724	22,724
Other Intangibles		577,838	577,627
<b>Total</b>	\$	<b>600,562</b>	<b>600,351</b>

**Detail of intangible assets other than Goodwill**

The following is the detail of intangible assets other than goodwill, as of March 31, 2024, and December 31, 2023:

As of March 31, 2024		Cost	Accumulated amortization	Carrying amount
Licenses	\$	9,467	6,950	2,517
Computer programs and applications		838,336	263,014	575,322
<b>Total</b>	\$	<b>847,802</b>	<b>269,964</b>	<b>577,838</b>

As of December 31, 2023		Cost	Accumulated amortization	Carrying amount
Licenses	\$	8,623	5,763	2,860
Computer programs and applications		819,272	244,505	574,767
<b>Total</b>	\$	<b>827,895</b>	<b>250,268</b>	<b>577,627</b>



#### Note 14. - Income tax

Income tax expense is recognized based on management's best estimate of both current and deferred income taxes.

For the three months ended March 31, 2024, the Group has no effective tax rate as it has income tax income of \$-21,261, generated primarily by the effect on the Bank of the untaxed income under the equity method, the deduction on the acquisition of real productive assets and the net income from prior periods' income tax adjustment.

The group's effective tax rate for the three-month period ended March 31, 2023, was 16.90 percentage points. The decrease in the effective tax rate compared to the nominal rate of 40% for this period, was mainly due to the recognition of income not taxed by the equity method, which generated a variation in the effective rate for the quarter of -15.72 percentage points.

Therefore, the effective rate for the first quarter ended March 2023, is not comparative with the same period of 2024.

#### Note 15. - Customer Deposits

The following is a detail of the balances of deposits received from customers of the Parent Company and its subsidiaries in the development of their deposit-taking operations as of March 31, 2024, and December 31, 2023:

Detail	March 31, 2024	December 31, 2023
<b>Demand deposits</b>		
Current accounts	\$ 6,410,124	7,092,625
Savings accounts	26,782,373	24,153,811
Other funds at sight	60,975	62,846
	<b>33,253,472</b>	<b>31,309,282</b>
<b>Term</b>		
Term deposit certificates	17,510,388	17,866,450
<b>Total Deposits</b>	<b>\$ 50,763,860</b>	<b>49,175,732</b>
<b>By currency</b>		
In Colombian pesos	\$ 46,278,981	44,903,705
In U.S. dollars	4,475,710	4,259,323
Other currencies	9,169	12,704
<b>Total by Currency</b>	<b>\$ 50,763,860</b>	<b>49,175,732</b>

#### Note 16. - Financial Obligations

Financial obligations are comprised of financial obligations and rediscount entities and outstanding bonds and securities as of March 31, 2024, and December 31, 2023:

	March 31, 2024	December 31, 2023
Financial obligations and rediscounting entities	\$ 10,378,143	8,677,257
Bonds and investment securities	2,165,587	2,171,345
	<b>\$ 12,543,730</b>	<b>10,848,602</b>





## 1. Financial obligations and rediscount entities

The following is a summary of the financial obligations and obligations with rediscount entities obtained by the Group as of March 31, 2024, and December 31, 2023, mainly for the purpose of financing its operations, mainly in international trade:

		<u>March 31, 2024</u>	<u>December 31, 2023</u>
Interbank and overnight funds	\$	5,550,683	4,403,111
Loans from banks and others		3,706,258	3,185,957
Obligations with rediscount entities		1,121,202	1,088,189
	<b>\$</b>	<b><u>10,378,143</u></b>	<b><u>8,677,257</u></b>

Total interest accrued on financial obligations, and obligations with rediscount entities for quarters ended March 31, 2024, and 2023 was \$214,301 and \$171,335, respectively.

## 2. Bonds and investment securities

The Parent Company is authorized by Colombian Finance Superintendence, to issue or place Bonds or general guarantee bonds. All bond issues by the Parent Company, have been issued without guarantees, and represent exclusively the obligations of each of the issuers.

The following is a detail of the liabilities as of March 31, 2024, and December 31, 2023, by date of issue and maturity date in legal currency:

Issuer	Date of Issue	March 31, 2024	December 31, 2023	Maturity Date	Interest Rate
Ordinary Bonds Banco de Occidente	Between 09/AUG/2012 and 20/AUG/2020	1,455,271	1,458,983	Between 27/APR/2024 and 14/DEC/2032	Between CPI + 2.37% and 4.65%; Fixed 5.83%
Subordinated Bonds Banco de Occidente	Between 30/01/2013 and 12/10/2017	710,316	712,362	Between 30/JAN/2025 and on 10/JUN/2026	Between CPI + 3.58% - 3.64% and 4.60%
<b>Total</b>		<b><u>\$ 2,165,587</u></b>	<b><u>2,171,345</u></b>		

Future maturities as of March 31, 2024, of outstanding investment securities in long-term debt are as follows:

Year		<u>March 31, 2024</u>
		<u>Amount</u>
2024	\$	309,567
2025		450,000
After 2026		1,406,020
<b>Total</b>	<b>\$</b>	<b><u>2,165,587</u></b>

For long-term financial obligations from the issuance of Bonds, interest accrued in income for quarters ended March 31, 2024, and 2023, was \$67,046 and \$85,949, respectively.



**Note 17. - Provisions for employee benefits**

The following is a detail of the balances of provisions for employee benefits as of March 31, 2024, and December 31, 2023:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Short-term benefits	\$ 79,340	\$ 77,520
Post-employment benefits	5,243	5,167
Long-term benefits	6,074	6,160
<b>Total Liabilities</b>	<b>\$ 90,657</b>	<b>\$ 88,847</b>

**Note 18. - Provisions for legal contingencies and other provisions**

The balances of legal and other provisions as of March 31, 2024, and December 31, 2023 are described below:

<b>Items</b>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Legal provisions	\$ 2,459	2,488
Other Provisions	3,375	3,417
Loan Portfolio	68,724	58,263
<b>Total</b>	<b>\$ 74,558</b>	<b>64,168</b>





**Note 19. - Other liabilities**

Other liabilities as of March 31, 2024, and December 31, 2023, comprise the following:

<b>Items</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Suppliers and accounts payable	\$ 283,595	254,512
Security deposit - Margin Call	244,516	355,795
Dividends and surplus	219,357	67,047
International exchange received	98,272	96,006
Taxes, withholdings, and labor contributions	80,706	148,026
Other	77,020	71,409
Withdrawals payable	73,865	72,848
Cashier's checks	73,558	294,056
Collections made	65,280	108,478
Credit surpluses	34,076	36,955
National Guarantee Fund	32,858	29,758
Peace bonds	25,153	25,164
Uncashed checks drawn	19,096	9,060
Payments to third parties Occired	16,373	21,310
Bank items in clearing	11,956	12,349
Credit card receivables	11,596	11,536
Portfolio disbursements	10,900	3,835
Sales tax payable	10,017	17,452
Contributions on transactions	7,779	13,865
Accounts cancelled	5,740	5,488
Derivatives trading	2,987	11,267
Collection services	2,936	2,709
Prospective buyers	2,640	2,218
Forwards non delivery	2,220	1,665
Commissions and fees	1,562	1,432
Loyalty programs	793	728
Anticipated income	588	926
Leases	156	391
Cash surpluses and redemption	60	114
Insurance and insurance premiums	25	146
Ath and ach transactions	12	30
Contributions and memberships	4	4
Deferred credits	-	424
	<b>\$ 1,415,698</b>	<b>1,677,003</b>



## Note 20. - Equity

The number of shares authorized, issued and outstanding as of March 31, 2024, and December 31, 2023, were as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Number of shares authorized	\$ 200,000,000	200,000,000
Number of shares subscribed and paid	155,899,719	155,899,719
<b>Total shares outstanding</b>	<b>155,899,719</b>	<b>155,899,719</b>
<b>Total shares outstanding are as follows:</b>		
Common shares	\$ 155,899,719	155,899,719
<b>Subscribed and paid-in capital, common shares</b>	<b>4,677</b>	<b>4,677</b>

### Appropriated retained earnings in reserves

The following is the detail of the composition as of March 31, 2024, and December 31, 2023:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Legal reserve	\$ 3,134,027	3,134,027
Mandatory and voluntary reserves	1,297,477	1,075,910
<b>Total</b>	<b>\$ 4,431,504</b>	<b>4,209,937</b>

### Legal reserve

Pursuant to current legal regulations, the Parent Company and its subsidiaries Fiduciaria de Occidente S.A. and Ventas y Servicios S.A. - NEXA BPO, must create a legal reserve by appropriating ten percent (10%) of the net profits of each year, until reaching an amount equal to fifty percent (50%) of the subscribed capital stock. This reserve may be reduced below fifty percent (50%) of the subscribed capital stock, to cover losses in excess of retained earnings. The legal reserve cannot be less than the aforementioned percentage, except to cover losses in excess of retained earnings.

### Dividends Declared

Dividends are declared and paid to shareholders, based on net income for the immediately preceding year. Dividends declared by the Parent Company were as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Profit for the previous year determined in the Parent Company's separate financial statements (*)	430,603	502,643
Dividends paid in cash	215,142	251,323
Outstanding common shares	155,899,719	155,899,719
<b>Total shares outstanding</b>	<b>155,899,719</b>	<b>155,899,719</b>
<b>Withholding tax (**)</b>	<b>(1,567)</b>	<b>(263)</b>
<b>Total Dividends Declared</b>	<b>\$ 215,142</b>	<b>251,323</b>

The Group has a simple capital structure, and therefore there is no difference between basic earnings per share and diluted earnings.



**Note 21. - Commitments and contingencies**

**a. Commitments**

**Credit commitments**

In the development of its normal operations, the Group grants guarantees or letters of credit to its customers, in which it irrevocably undertakes to make payments to third parties in the event that the customers do not comply with their obligations to such third parties, with the same credit risk for the loan portfolio. The granting of guarantees and letters of credit are subject to the same loan disbursement approval policies regarding the creditworthiness of customers, and guarantees are obtained as deemed appropriate under the circumstances.

Commitments to extend credit, represent unused portions of authorizations to extend credit in the form of loans, use of credit cards or letters of credit. With respect to credit risk on commitments to extend credit lines, the Group is potentially exposed to losses in an amount equal to the total amount of unused commitments, if the unused amount were to be fully drawn down; however, the amount of loss is less than the total amount of unused commitments, since most commitments to extend credit are contingent upon the customer maintaining specific credit risk standards. The Group monitors the maturity terms of the relative commitments of credit quotas, because long-term commitments have a higher credit risk than short-term commitments.

The following is the detail of guarantees, letters of credit and credit commitments on unused lines of credit as of March 31, 2024, and December 31, 2023:

	March 31, 2024		December 31, 2023	
	Notional amount	Fair Value	Notional amount	Fair Value
Guarantees	\$ 1,168,187	50,620	1,246,647	50,741
Unused letters of credit	211,898	1,100	138,249	1,002
Overdraft limits	1,915,408	1,915,408	2,014,636	2,014,636
Unused credit card limits	3,864,969	3,864,969	3,848,307	3,848,307
Opening of credit	178,218	178,218	173,598	173,598
Approved loans not disbursed	3,000	3,000	5,000	5,000
Other	1,538,783	1,538,783	1,913,328	1,913,329
<b>Total</b>	<b>\$ 8,880,464</b>	<b>7,552,099</b>	<b>9,339,765</b>	<b>8,006,613</b>
Provision for loss contingencies	(68,724)	(68,724)	(58,263)	(58,263)
<b>Total</b>	<b>\$ 8,811,740</b>	<b>7,483,375</b>	<b>9,281,502</b>	<b>7,948,350</b>

The outstanding balances of unused lines of credit and guarantees, do not necessarily represent future cash requirements because such quotas may expire and not be used in whole or in part.

	March 31, 2024	December 31, 2023
Colombian pesos	\$ 6,962,447	7,432,997
Dollars	1,902,959	1,894,087
Euros	13,779	11,868
Other	1,279	813
<b>Total</b>	<b>\$ 8,880,464</b>	<b>9,339,765</b>



### **Capital expenditure disbursement commitments**

As of March 31, 2024, and December 31, 2023, the Group had contractual commitments for capital expenditure disbursements (intangible and other) of \$47,860 and \$34,991, respectively. The group has already allocated the necessary resources to meet these commitments and believes that net income and funds will be sufficient to cover these and similar commitments.

### **b. Contingencies**

#### **Legal contingencies**

As of March 31, 2024, the Group had civil lawsuits against it with claims for \$114,724, not including those of remote qualification, which, based on analysis and opinions of the lawyers in charge, do not require provisioning, because they are uncertain obligations that do not imply an outflow of resources.

#### **Tax contingencies**

As of March 31, 2024, the Group has no claims for the existence of national and local tax proceedings that establish penalties in the exercise of its activity as a taxpayer entity, and that imply the constitution of contingent liabilities due to the remote possibility of an outflow of resources for such concepts.

#### **Labor contingencies**

In the course of the labor relationship between the Group and its employees, as a consequence of the reasons for the termination of the employment contract or its development, different claims arise against, on which it is not considered possible that significant losses will arise in relation to such claims, according to the opinion of the lawyers as of March 31, 2024.



Banco de Occidente S.A. and Subsidiaries  
Notes to Condensed Consolidated Interim Financial Information

**Note 22. - Commission and fee income and expenses**

Following is a detail of commission and fee income and expenses for the quarters ended March 31, 2024, and 2023:

<u>Revenues</u>	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Fees for banking services	\$ 73,785	69,646
Credit card fees	41,552	39,180
Fiduciary activities	29,712	27,727
Fees for drafts, checks and checkbooks	1,158	1,459
Office network services	477	455
<b>Total</b>	<b>\$ 146,684</b>	<b>138,467</b>
<u>Expenses</u>		
Banking services	\$ 28,851	6,290
Bank charges	317	284
Sales and service commissions	3,770	2,669
Bank guarantees	-	2
Placements	7,065	10,597
Credit Cards	88	1,336
Other	16,232	16,269
<b>Total</b>	<b>\$ 56,322</b>	<b>37,447</b>
<b>Net commission income</b>	<b>\$ 90,362</b>	<b>101,020</b>

**Note 23. - Other income and expenses, net**

Following is a detail of other income and other expenses for the quarters ended March 31, 2024, and 2023:

<u>Other income</u>	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Other operating income <sup>(1) (*)</sup>	\$ 69,683	70,335
Equity in net income of associated companies and joint ventures <sup>(1)</sup>	63,342	88,857
Gain on sale of property and equipment <sup>(1)</sup>	507	30
Dividends	6,241	5,702
Gain on sale of non-current assets held for sale <sup>(1)</sup>	12	313
Net gain on valuation of investment properties <sup>(1)</sup>	6,158	838
Net gain (loss) on sale of investments <sup>(1)</sup>	1,980	(5,748)
Net gain (loss) on foreign exchange gain (loss) <sup>(1)</sup>	46,784	(63,241)
<b>Other income total</b>	<b>\$ 194,707</b>	<b>97,087</b>

(\*) Other operating income is mainly composed of sales of other services, lease payments, operating leasing, and profit on sale of BRP'S and restituted.

<sup>(1)</sup> For the quarter ended March 31, 2024 and 2023, variation in other income was \$97,620, mainly due to the equity in net income of associated companies and joint ventures of (\$25,515), due to the difference in foreign currency exchange, due to the fluctuations of the TRM in the market, generating a variation of \$110,025, loss on sale of non-current assets held for sale (\$301), other operating income (\$652), gain on valuation of investment properties \$5,320, gain on sale of P&L \$477, and gain on sale of investments \$7,728.



Banco de Occidente S.A. and Subsidiaries  
Notes to Condensed Consolidated Interim Financial Information

Other expenses	March 31, 2024	March 31, 2023
Personnel expenses	\$ 221,558	208,335
Taxes and fees	83,227	68,682
Insurance	39,458	30,646
Consulting, audit, and other fees	34,445	27,012
Contributions, memberships, and transfers	12,142	32,818
Other <sup>(*)</sup>	32,842	12,144
Depreciation of right-of-use assets	18,682	15,156
Amortization of intangible assets	19,708	17,197
Depreciation of tangible assets	12,458	11,700
Maintenance and repairs	16,994	11,592
Utilities	8,246	7,789
Advertising Services	7,111	2,362
Electronic data processing	4,075	4,158
Leases	6,748	3,783
Transportation services	4,416	3,300
Losses on sale of property and equipment	1,152	3,401
Cleaning and security services	3,886	3,020
Supplies and stationery	1,267	1,254
Insurance claims losses	2,967	2,344
Adaptation and installation	735	567
Impairment losses on other assets	-	518
Travel expenses	1,009	673
Donation expenses	941	637
Assets write-off	-	11
Temporary services	2	-
<b>Other expenses total</b>	<b>\$ 534,069</b>	<b>469,099</b>

(\*) Other expenses are mainly composed of administrative expenses, outsourcing services, joint ventures, software acquisition and database queries.

#### Note 24. - Analysis of operating segments

Operating segments are components of the Group responsible for carrying out business activities that may generate revenues or incur expenses, and whose operating results are regularly reviewed by the Board of Directors, and for which specific financial information is available; for the March 2024 cutoff, there were no changes compared to the segments reported as of December 2023:

- a. **Description of products and services from which each reportable segment derives its revenues:** The Group is organized into four business segments, comprising the following companies: Banco de Occidente S.A., Fiduciaria de Occidente S.A., Banco de Occidente Panamá S.A., Occidental Bank Barbados Ltd., and Ventas y Servicios S.A. - NEXA BPO. All of these entities provide banking and financial services in Colombia, in corporate or commercial banking, consumer and mortgage banking.
- b. **Factors used by management to identify reportable segments:** The operating segments identified above, are based on the Group's strategic organization to serve the different sectors of the economy in Colombia, Panama, and Barbados, considering that under the laws of these countries, each of these companies have been operating for several years.

The consolidated information of each entity is reviewed by the Parent Company's Board of Directors, which is available to the stock market only for the Parent Company, considering that it has its shares and securities registered in the Colombian National Securities Registry.

- c. **Measurement of net income and assets and liabilities of operating segments:** The Board of Directors of the Parent Company, reviews the consolidated financial information of each of its operating segments prepared in accordance with MFRS.





**Banco de Occidente S.A. and Subsidiaries**  
Notes to Condensed Consolidated Interim Financial Information

**d. Information on net income, assets and liabilities of reportable operating segments:** The following is a detail of the summarized reportable financial information for each segment, for the periods ended March 31, 2024, and December 31, 2023:

**March 31, 2024**

	Banco de Occidente S.A. (Parent Company)	Fiduciaria de Occidente S.A.	Ventas y Servicios S.A.	Banco de Occidente Panamá S.A.	Occidental Bank (Barbados) Ltd.	Eliminations	Total
<b>Assets</b>							
Financial assets at fair value through profit or loss	\$ 5,697,431	82,442	246	746	-	-	5,780,865
Financial assets at fair value with changes in ORI	3,552,849	35,800	-	1,021,615	328,468	(4,758)	4,933,974
Financial assets in debt securities at amortized cost	2,119,660	-	-	-	-	-	2,119,660
Investments in associated companies and joint ventures	2,290,392	262,480	-	-	-	(782,298)	1,770,574
Financial assets for loan portfolio at amortized cost	47,216,430	3,613	-	2,163,784	576,963	-	49,960,790
Other Assets	5,523,910	66,295	110,737	459,241	292,448	(52,438)	6,400,193
<b>Total Assets</b>	<b>\$ 66,400,672</b>	<b>450,630</b>	<b>110,983</b>	<b>3,645,386</b>	<b>1,197,879</b>	<b>(839,494)</b>	<b>70,966,056</b>
<b>Liabilities</b>							
Customer deposits	46,343,787	-	-	3,386,732	1,039,942	(6,601)	50,763,860
Financial obligations	12,507,824	13,905	21,157	1,220	-	(376)	12,543,730
Other Liabilities	2,035,367	62,718	39,794	5,558	2,607	(45,764)	2,100,280
<b>Total Liabilities</b>	<b>\$ 60,886,978</b>	<b>76,623</b>	<b>60,951</b>	<b>3,393,510</b>	<b>1,042,549</b>	<b>(52,741)</b>	<b>65,407,870</b>
<b>Equity</b>	<b>\$ 5,513,694</b>	<b>374,007</b>	<b>50,032</b>	<b>251,876</b>	<b>155,330</b>	<b>(786,753)</b>	<b>5,558,186</b>

**December 31, 2023**

	Banco de Occidente S.A. (Parent Company)	Fiduciaria de Occidente S.A.	Ventas y Servicios S.A.	Banco de Occidente Panamá S.A.	Occidental Bank (Barbados) Ltd.	Eliminations	Total
<b>Assets</b>							
Financial assets at fair value through profit or loss	\$ 5,363,274	77,439	4,235	887	-	-	5,445,835
Financial assets at fair value with changes in ORI	3,231,197	37,349	-	984,473	349,511	(4,733)	4,597,797
Financial assets in debt securities at amortized cost	2,034,558	-	-	-	-	-	2,034,558
Investments in associated companies and joint ventures	2,317,326	273,168	-	-	-	(789,692)	1,800,802
Financial assets for loan portfolio at amortized cost	46,808,300	(185)	-	2,143,867	547,053	-	49,499,035
Other Assets	4,510,469	49,064	95,832	432,123	154,128	(17,859)	5,223,757
<b>Total Assets</b>	<b>\$ 64,265,124</b>	<b>436,835</b>	<b>100,067</b>	<b>3,561,350</b>	<b>1,050,692</b>	<b>(812,284)</b>	<b>68,601,784</b>
<b>Liabilities</b>							
Customer deposits	44,973,650	-	-	3,317,028	895,502	(10,448)	49,175,732
Financial obligations	10,816,956	13,580	17,635	952	-	(521)	10,848,602
Other Liabilities	2,830,583	22,771	33,370	6,420	3,418	(7,195)	2,889,367
<b>Total Liabilities</b>	<b>\$ 58,621,189</b>	<b>36,351</b>	<b>51,005</b>	<b>3,324,400</b>	<b>898,920</b>	<b>(18,164)</b>	<b>62,913,701</b>
<b>Equity</b>	<b>\$ 5,643,935</b>	<b>400,484</b>	<b>49,062</b>	<b>236,950</b>	<b>151,772</b>	<b>(794,120)</b>	<b>5,688,083</b>

**For the quarter ended March 31, 2024**

	Banco de Occidente S.A. (Parent Company)	Fiduciaria de Occidente S.A.	Ventas y Servicios S.A.	Banco de Occidente Panamá S.A.	Occidental Bank (Barbados) Ltd.	Eliminations	Total
<b>Income from continuing operations</b>							
Financial Income	\$ 1,905,419	1,108	148	60,343	16,387	-	1,983,405
Fees and commissions	115,182	31,981	-	1,239	557	(2,275)	146,684
Other operating income	3,412,966	21,302	81,984	3,437	1,232	(65,910)	3,455,011
<b>Total income</b>	<b>\$ 5,433,567</b>	<b>54,391</b>	<b>82,132</b>	<b>65,019</b>	<b>18,176</b>	<b>(68,185)</b>	<b>5,585,100</b>
<b>Financial Expenses</b>							
Provision for impairment of financial assets	\$ 459,001	292	123	(1,385)	590	-	458,621
Depreciation and amortization	45,095	1,620	3,852	406	35	(160)	50,848
Commissions and fees paid	72,105	518	17	687	295	(17,300)	56,322
Administrative expenses	231,884	5,628	13,492	2,696	1,593	(8,945)	246,348
Other operating expenses	4,570,065	20,111	62,664	45,108	10,820	924	4,709,692
Income tax	(26,693)	4,233	1,014	-	185	-	(21,261)
<b>Total expenses</b>	<b>\$ 5,351,457</b>	<b>32,402</b>	<b>81,162</b>	<b>47,512</b>	<b>13,518</b>	<b>(25,481)</b>	<b>5,500,570</b>
<b>Profit for the period</b>	<b>\$ 82,110</b>	<b>21,989</b>	<b>970</b>	<b>17,507</b>	<b>4,658</b>	<b>(42,704)</b>	<b>84,530</b>





Banco de Occidente S.A. and Subsidiaries  
Notes to Condensed Consolidated Interim Financial Information

For the quarter ended March 31, 2023

	Banco de Occidente S.A. (Parent Company)	Fiduciaria de Occidente S.A.	Ventas y Servicios S.A.	Banco de Occidente Panamá S.A.	Occidental Bank (Barbados) Ltd.	Eliminations	Total
Income from continuing operations							
Financial Income	\$ 1,715,120	1,122	492	49,199	14,987	(1,235)	1,779,685
Fees and commissions	108,624	29,780		1,607	535	(2,079)	138,467
Other operating income	4,599,236	26,028	75,031	8,246	2,536	(64,945)	4,646,132
<b>Total income</b>	<b>\$ 6,422,980</b>	<b>56,930</b>	<b>75,523</b>	<b>59,052</b>	<b>18,058</b>	<b>(68,259)</b>	<b>6,564,284</b>
<b>Financial Expenses</b>							
Impairment of financial assets	\$ 256,512	69	(3)	3,349	(277)		259,650
Depreciation and amortization	38,448	1,485	3,716	495	37	(129)	44,052
Commissions and fees paid	49,180	519	9	1,032	269	(13,562)	37,447
Administrative expenses	203,904	6,142	11,601	2,686	1,950	(12,241)	214,042
Other operating expenses	5,655,424	17,941	59,205	39,838	11,789	(1,261)	5,782,936
Income tax	34,142	3,981	(58)		152		38,217
<b>Total expenses</b>	<b>\$ 6,237,610</b>	<b>30,137</b>	<b>74,470</b>	<b>47,400</b>	<b>13,920</b>	<b>(27,193)</b>	<b>6,376,344</b>
<b>Profit for the period</b>	<b>\$ 185,370</b>	<b>26,793</b>	<b>1,053</b>	<b>11,652</b>	<b>4,138</b>	<b>(41,066)</b>	<b>187,940</b>

**Reconciliation of net income, assets, and liabilities of the reportable operating segments**

The following is a detail of the reconciliation of total segment revenues, expenses, assets, and liabilities to the corresponding consolidated items at the Group level:

**1. Revenues**

		March 31, 2024	March 31, 2023
Total reportable revenues by segment	\$	5,653,285	6,632,543
a. Yield on demand deposits		-	(1,235)
b. Dividends		(276)	(177)
c. Equity Method		(42,426)	(40,870)
d. Other		(25,483)	(25,977)
<b>Total consolidated revenues</b>	<b>\$</b>	<b>5,585,100</b>	<b>6,564,284</b>

**2. Expenses**

		March 31, 2024	March 31, 2023
Total reportable expenses by segment	\$	5,526,051	6,403,537
a. Interest on bank loans		(13)	(1,261)
b. Other		(25,468)	(25,932)
<b>Total consolidated expenses</b>	<b>\$</b>	<b>5,500,570</b>	<b>6,376,344</b>

**3. Assets**

		March 31, 2024	December 31, 2023
Total reportable assets by segment	\$	71,805,550	69,414,068
a. Banks and other correspondents		(6,601)	(10,448)
b. Investments		(787,056)	(794,425)
c. Accounts receivable		(45,550)	(6,981)
d. Other		(287)	(430)
<b>Total consolidated assets</b>	<b>\$</b>	<b>70,966,056</b>	<b>68,601,784</b>



#### 4. Liabilities

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Total reportable liabilities by segment	\$ 65,460,611	62,931,865
a. Checking accounts	(4,243)	(6,172)
b. Accounts payable	(45,764)	(7,194)
c. Others	(2,734)	(4,798)
<b>Total consolidated liabilities</b>	<b>\$ 65,407,870</b>	<b>62,913,701</b>

#### 5. Equity

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Total reportable equity by segment \$	6,344,939	6,482,204
a. Capital stock	(36,735)	(36,500)
b. Additional paid-in capital	(198,940)	(198,940)
c. ORI	(857,985)	(855,390)
d. Surplus Equity method	82,454	75,002
e. Profit or loss	230,065	227,395
f. Other	(5,612)	(5,688)
<b>Total Equity</b>	<b>\$ 5,558,186</b>	<b>5,688,083</b>

#### 6. Assets by country

<b>Country</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Colombia	\$ 5,155,738	5,304,094
Panama	251,876	236,950
Barbados	150,572	147,039
<b>Total Equity</b>	<b>\$ 5,558,186</b>	<b>5,688,083</b>

#### 7. Revenues by country

<b>Country</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Colombia	\$ 5,502,997	6,489,950
Panama	64,203	56,453
Barbados	17,900	17,881
<b>Total Consolidated Revenues</b>	<b>\$ 5,585,100</b>	<b>6,564,284</b>

#### e. Largest customers of the Parent Company

There are no customers representing 10% of the Group's total revenues during the quarter ended March 31, 2024, and March 31, 2023.



### Note 25. - Unconsolidated structured entities

The following table shows the total assets of the unconsolidated structured entities in which the Group had an interest at the reporting date, and its maximum exposure to loss in respect of such interests:

<b>Funds managed by Grupo Aval</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>Total assets under management</b>	835,921	817,316
Investments at fair value through profit or loss	\$ 723,062	709,520
Other accounts receivable	11	1
Total assets in relation to Grupo Aval's interest in unconsolidated structured entities	<b>1,558,994</b>	<b>1,526,837</b>
<b>Maximum exposure of Grupo Aval</b>	<b>\$ 1,558,994</b>	<b>1,526,837</b>

### Note 26. - Related parties

In accordance with IAS 24, a related party is a person or entity that is related to the entity preparing its financial statements, which may exercise control or joint control over the reporting entity, exercise significant influence over the reporting entity, or be regarded as a member of key management personnel of the reporting entity or of a parent of the reporting entity. The definition of related party includes: persons and/or relatives related to the entity (key management personnel), entities that are members of the same group (parent company and subsidiary), associates or joint ventures of the entity or of Grupo Aval entities.

In accordance with the above, the related parties for the Group, Fiduciaria de Occidente S.A., Occidental Bank Barbados Ltd., Banco de Occidente Panamá S.A., and Ventas y Servicios S.A., are classified as follows: Fiduciaria de Occidente S.A., Occidental Bank Barbados Ltd. - NEXA BPO are classified in the following categories:

1. Individuals who exercise control or joint control over the Parent, i.e. who own more than a 50% interest in the reporting entity; additionally, includes close relatives who could be expected to influence or be influenced by that person.
2. Key management personnel, this category includes the Members of the Board of Directors and President of Grupo Aval, the Parent Company, Fiduciaria de Occidente S.A., Gerente General de Ventas y Servicios S.A., NEXA BPO, Occidental Bank Barbados Ltd. - NEXA BPO, Occidental Bank Barbados Ltd. and Banco de Occidente Panamá S.A., plus the key management personnel of these entities, which are the persons who participate in the planning, direction and control of such entities, including close relatives who could be expected to influence or be influenced by such person.
3. Companies belonging to the same group, this category includes the controlling company, subsidiaries, or other subsidiaries of the same controlling company of Grupo Aval.
4. Associated Companies and Joint Ventures: companies in which Grupo Aval has significant influence, which is generally considered when it owns between 20% and 50% of their capital.
5. This category includes entities that are controlled by individuals included in categories 1 and 2.
6. This item includes entities in which the persons included in items 1 and 2 exercise significant influence.



**Banco de Occidente S.A. and Subsidiaries**  
**Notes to Condensed Consolidated Interim Financial Information**

All transactions with related parties are carried out at market conditions, the most representative balances as of March 31, 2024, and December 31, 2023, with related parties are included in the following tables, the headings of which correspond to the definitions of related parties, recorded in the three categories above:

**March 31, 2024**

	Categories					
	1	2	3	4	5	6
	Individuals with control over Banco de Occidente	Key Management Personnel	Companies belonging to the same group	Associates and joint ventures	Entities that are controlled by persons included in category 1 and 2	Entities with significant influence by persons included in category 1 and 2
<b>Assets</b>						
Cash and cash equivalents	\$ -	-	1,591	-	-	-
Financial assets in investments	-	-	-	116,069	-	-
Financial assets in credit operations	24	18,162	554,130	46,302	445,072	2,932
Accounts receivable	-	218	106,528	4,170	144,885	23
Other assets	-	1,300	27,971	-	55	16
<b>Liabilities</b>						
Deposits	\$ 148,619	61,928	1,138,848	23,876	366,747	1,819
Accounts payable	63	13,495	158,074	-	32,899	-
Financial obligations	-	133	54,410	-	59,116	-
Other liabilities	-	16	1,605	-	17	-

**December 31, 2023**

	Categories					
	1	2	3	4	5	6
	Individuals with control over Banco de Occidente	Key Management Personnel	Companies belonging to the same group	Associates and joint ventures	Entities that are controlled by persons included in category 1 and 2	Entities with significant influence by persons included in category 1 and 2
<b>Assets</b>						
Cash and cash equivalents	\$ -	-	1,696	-	-	-
Financial assets in investments	-	-	-	113,931	-	-
Financial assets in credit operations	20	19,585	553,728	65,984	441,531	7,206
Accounts receivable	-	205	26,307	457	144,219	66
Other assets	-	1,065	26,300	-	233	-
<b>Liabilities</b>						
Deposits	\$ 141,699	69,872	1,423,443	19,455	342,812	7,820
Accounts payable	18	3,965	50,105	-	9,653	-
Financial obligations	-	133	70,051	-	59,325	-
Other liabilities	\$ -	-	1,630	-	-	-





**Banco de Occidente S.A. and Subsidiaries**  
**Notes to Condensed Consolidated Interim Financial Information**

The most representative transactions for the quarters ended March 31, 2024, and 2023 with related parties comprise:

**a. Sales, services, and transfers**

**For the quarter ended March 31, 2024**

	Categories					
	1	2	3	4	5	6
	Individuals with control over Banco de Occidente	Key Management Personnel	Companies belonging to the same group	Associates and joint ventures	Entities that controlled by persons included in category 1 and 2	Entities that have significant influence by persons included in category 1 and 2
Interest income	\$ 2	337	23,524	2,081	16,971	134
Financial expenses	2,433	1,166	10,546	313	11,105	3
Fee and commission income	1	47	5,142	6,352	14,003	9
Fees and commissions expense	-	184	24,201	8,931	105	-
Other operating income	-	35	33,270	5,607	3,098	1
Other Expenses	-	53	4,985	1,935	3,816	-

**For the quarter ended March 31, 2023**

	Categories					
	1	2	3	4	5	6
	Individuals with control over Banco de Occidente	Key Management Personnel	Companies belonging to the same group	Associates and joint ventures	Entities that controlled by persons included in category 1 and 2	Entities that have significant influence by persons included in category 1 and 2
Interest income	\$ -	160	13,607	426	5,508	-
Financial expenses	978	929	12,698	1,324	7,104	4
Fee and commission income	-	24	2,399	6,100	14,986	2
Fees and commissions expense	-	150	23,113	6,473	84	-
Other operating income	1	23	33,415	5,151	6,601	-
Other Expenses	-	31	3,575	2,804	1,982	-

**b. Compensation of key management personnel**

Compensation received by key management personnel, consists of the following for quarters ended March 31, 2024, and 2023:

Items	March 31, 2024	March 31, 2023
Salaries	\$ 7,027	6,539
Short-term employee benefits	981	1,088
Other long-term benefits	13	14
<b>Total</b>	<b>\$ 8,021</b>	<b>7,641</b>





**Note 27. - Events after the closing date of preparation of the condensed consolidated financial statements**

On May 7, 2024, with T+3 compliance, the Parent Company placed in the international market a subordinated note under the "Regulation S" format for USD 175,000,000, with a term of 10.25 years maturity, with a repurchase option in the fifth (5th) year; the note is at a fixed rate in dollars at 10.875%, and will pay interest semi-annually in arrears; this bond seeks to strengthen the bank's solvency ratio; the use of the proceeds will be used for its growth strategy in the main segments, and to refinance and/or replace certain subordinated tier-two capital debt instruments that are gradually maturing.

AFC

**Andrés Felipe Celis Salazar**  
Traductor e Intérprete Oficial  
Inglés - Español - Inglés  
Certificado de Idoneidad N°. 0413  
del 4 de Agosto de 2015  
UNIVERSIDAD NACIONAL DE COLOMBIA







I, ANDRÉS CELIS, hereby certify that I am fluent in both the English and Spanish languages, and competent to translate from English to Spanish and from Spanish to English, and that the attached document is a true and accurate translation of the original document from Spanish into English.

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