



Annex II

Condensed Consolidated

Financial Statements

Quarter II - 2024

BANCO DE OCCIDENTE S.A.

FINANCIAL SUPERINTENDENCE
OF COLOMBIA

SURVEILLED



Condensed Consolidated Financial Statements as of June 30, 2024,



Banco de Occidente
PANAMÁ



Occidental Bank
BARBADOS



FiduOccidente

NEXA
BPO



Banco de Occidente

*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 June 30, 2024 of Banco de Occidente S.A. and Subsidiaries, which comprises:

- the condensed consolidated statement of financial position as of June 30, 2024;
- the condensed consolidated statement of income for the three-month and six-month period ended June 30, 2024;
- the condensed consolidated statement of other comprehensive income for the three-month and six-month period ended June 30, 2024;
- the condensed consolidated statement of changes in equity for the six-month period ended June 30, 2024;
- the condensed consolidated statement of cash flows for the six-month period ended June 30, 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 June 30, 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.

A handwritten signature in black ink, appearing to be 'Wilson Romero Montañez', written over a faint, light-colored signature line.

Digitally signed by
Wilson Romero
Montañez.
Date: 2024.AUG.12
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Wilson Romero Montañez
Statutory Auditor of Banco de Occidente S.A.
LICENSE 40552 – T
Member of KPMG S.A.S.

August 12, 2024



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

Dear Shareholders
Banco de Occidente S.A.:

Introduction

I have reviewed the eXtensible Business Reporting Language (XBRL) report as of June 30, 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 June 30, 2024;
- the condensed consolidated statement of income for the three-month and six-month period ended June 30, 2024;
- the condensed consolidated statement of other comprehensive income for the three-month and six-month period ended June 30, 2024;
- the condensed consolidated statement of changes in equity for the six-month period ended June 30, 2024;
- the condensed consolidated statement of cash flows for the six-month period ended June 30, 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 June 30, 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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Wilson Romero
Montañez.
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August 12, 2024




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

	<u>Notes</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Assets			
Cash and cash equivalents		\$ 5,118,103	4,968,903
Financial assets at fair value through profit or loss	5 and 6	6,451,476	5,445,835
Financial assets at fair value with changes in ORI	5 and 6	4,808,069	4,597,797
Financial assets in debt securities at amortized cost	7	2,054,030	2,034,558
Derivative hedging instruments	5	471	-
Financial assets per loan portfolio at amortized cost, net		49,145,829	47,082,115
Loan portfolio at amortized cost	4	51,613,338	49,499,035
Impairment of loan portfolio at amortized cost	9	(2,467,509)	(2,416,920)
Other accounts receivable, net		806,736	547,285
Non-current assets held for sale	10	1,324	3,023
Investments in associated companies and joint ventures	11	1,838,762	1,800,802
Tangible assets, net	12	686,008	654,052
Intangible assets, net	13	611,578	600,351
Income tax asset		1,130,851	853,501
Other assets		14,440	13,562
Total assets		\$ 72,667,677	68,601,784
Liabilities and Shareholders' Equity			
Liabilities			
Derivative trading instruments	5	\$ 609,427	1,055,896
Derivative hedging instruments	5	2,567	2,494
Financial liabilities at amortized cost		64,508,550	60,024,334
Customer deposits	15	52,986,034	49,175,732
Financial obligations	16	11,522,516	10,848,602
Provisions for legal contingencies and other provisions	18	60,814	64,168
Income tax liability		261	959
Employee benefits	17	81,817	88,847
Other liabilities	19	1,676,698	1,677,003
Total liabilities		\$ 66,940,134	62,913,701
Equity			
Subscribed and paid-in capital	20	\$ 4,677	4,677
Premium on share placement		720,445	720,445
Retained earnings		5,012,661	4,996,219
Other comprehensive income		(49,093)	(70,255)
Equity of controlling interests		\$ 5,688,690	5,651,086
Non-controlling interests		38,853	36,997
Total equity		5,727,543	5,688,083
Total liabilities and equity		\$ 72,667,677	68,601,784

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

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MAURICIO MALDONADO UMAÑA
LEGAL REPRESENTATIVE


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FABIÁN FERNANDO BARONA CAJIAO
ACCOUNTANT
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WILSON ROMERO MONTAÑEZ
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LICENSE 40552-T
Member of KPMG S.A.S.
(See my report of August 12, 2024)



Banco de Occidente

Del lado de los que hacen.



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

	Notes	For quarters ending at:		For the six-month periods ended as of:	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Interest and valuation income		\$ 1,931,682	1,911,457	3,915,087	3,691,143
Interest and similar expenses		1,299,516	1,342,065	2,684,174	2,622,899
Net interest and valuation income		632,166	569,392	1,230,913	1,068,244
Impairment loss on financial assets		308,905	284,771	722,908	501,439
Income, net of interest after impairment		323,261	284,621	508,005	566,805
Income from customer contracts, commissions and fees		147,254	142,296	293,939	280,763
Income from commissions and fees	22	55,850	35,070	112,173	72,518
Commissions and fees	22	91,404	107,226	181,766	208,245
Net income from commissions and fees		91,404	107,226	181,766	208,245
Net income from financial assets or liabilities held for trading		76,047	109,809	203,571	324,773
Other income, net	23	230,075	157,834	424,781	254,921
Other expenses, net	23	537,961	527,145	1,072,029	996,243
Income before income taxes		182,826	132,345	246,094	358,502
Income tax	14	33,566	3,165	12,305	41,382
Profit or loss for the period		\$ 149,260	129,180	233,789	317,120
Profit or loss attributable to:					
Controlling interests		\$ 148,045	127,346	230,529	313,302
Non-controlling interests		\$ 1,215	1,834	3,260	3,818

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 OTHER COMPREHENSIVE INCOME
(Expressed in millions of Colombian pesos)

	Notes	For quarters ending at:		For the six-month periods ended as of:	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Profit or loss for the period:		\$ 149,260	129,180	233,789	317,120
Items that will be subsequently reclassified to profit or loss					
Net foreign exchange difference on conversion of foreign transactions		9,060	(17,569)	9,125	(25,226)
Foreign exchange difference on investments in foreign subsidiaries		30,961	(34,054)	32,942	(43,899)
Net unrealized (loss) gain on foreign hedge transactions		(30,961)	34,054	(32,942)	43,899
Net unrealized gain on financial instruments measured at fair value in debt securities	6	(43,919)	101,317	(41,031)	257,389
Recovery (impairment) on financial instruments measured at fair value with changes in ORI - debt securities		(282)	264	404	424
Net unrealized gain on investments accounted for by the equity accounting method		11,231	7,772	10,471	16,399
Deferred income tax on items that may be subsequently reclassified to profit or loss		24,310	(47,610)	20,899	(98,454)
Total items to be subsequently reclassified to profit or loss		400	44,174	(132)	150,532
Items that will not be reclassified to profit or loss					
Revaluation of investment properties		(199)	-	(199)	-
Net unrealized gain on equity financial instruments measured at fair value	6	23,733	507	25,461	497
Actuarial profit on defined benefit plans		1,120	-	574	-
Deferred tax recognized in other comprehensive income		(3,896)	73	(3,835)	1,010
Total items that will not be reclassified to profit or loss		20,758	580	22,001	1,507
Total other comprehensive income (loss) for the period, net of income tax		21,158	44,754	21,869	152,039
Total comprehensive income for the period		\$ 170,418	173,934	255,658	469,159
Comprehensive income attributable to:					
Controlling interests		\$ 168,326	173,168	251,691	465,531
Non-controlling interests		\$ 2,092	766	3,967	3,628

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

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MAURICIO MALDONADO UMAÑA
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(See my report of August 12, 2024)



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

For the six-month periods ended June 30, 2024, and 2023:	Subscribed and paid-in capital (Note 20)	Premium on share placement	Profits Withheld	Other comprehensive income	Total of Equity of controlling interests	Non-Controlling Interests	Total equity, net
Balance as of December 31, 2022	\$ 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
Withholding tax on dividends for the current year in the statement of changes in stockholders' equity	-	-	(522)	-	(522)	-	(522)
Other comprehensive income for the period	-	-	-	152,230	152,230	(191)	152,039
Profit or loss for the period	-	-	313,302	-	313,302	3,818	317,120
Balance as of June 30, 2023	\$ 4,677	720,445	4,832,071	(159,312)	5,397,881	34,061	5,431,942
Balance as of December 31, 2023	\$ 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)	(2,111)	(217,253)
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	-	-	(505)	505	-	-	-
Withholding tax on dividends for the current year in the statement of changes in stockholders' equity	-	-	(7)	-	(7)	-	(7)
Other comprehensive income for the period	-	-	-	20,657	20,657	707	21,364
Profit or loss for the period	-	-	230,529	-	230,529	3,260	233,789
Balance as of June 30, 2024	\$ 4,677	720,445	5,012,661	(49,093)	5,688,690	38,853	5,727,543

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

**MAURICIO
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Wilson Romero
Montañez
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MAURICIO MALDONADO UMAÑA
LEGAL REPRESENTATIVE

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ACCOUNTANT
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WILSON ROMERO MONTAÑEZ
STATUTORY AUDITOR
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Member of KPMG S.A.S.
(See my report of August 12, 2024)



BANCO DE OCCIDENTE S.A. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in million Colombian pesos)

For the six-month periods ended as of:	Notes	June 30, 2024	June 30, 2023
Cash flows from operating activities:			
Profit or loss for the period before income tax	\$	246,094	358,502
Reconciliation of net income for the period to net cash provided by (used in) operation activities:			
Net interest and valuation income		(1,230,913)	(1,068,244)
Depreciation and amortization of tangible and intangible assets	23	103,111	89,620
Impairment for loan portfolio and accounts receivable, net		817,108	598,596
Impairment of tangible assets, net		(288)	204
Loss (gain) on sale of property and equipment for own use		96	(204)
Difference in exchange		(134,893)	51,003
Profit on sale of non-current assets held for sale		(2,005)	(17,663)
Loss (gain) on sale of investments, net		751	(298)
Equity in net income of investments in associated companies and joint ventures	23	(120,299)	(139,763)
Dividends	6 and 23	(6,382)	(5,702)
Adjusted fair value over:			
Gain on valuation of derivative financial instruments		(92,674)	(27,422)
Net gain on valuation of investment properties	23	(12,507)	(14,863)
Changes in operating assets and liabilities			
Negotiable investments		(1,855,450)	(709,162)
Derivative financial instruments		495,686	(316,940)
Loan portfolio		(2,304,503)	(4,215,839)
Accounts receivable		(200,362)	(107,001)
Other assets		5,130	12,840
Customer deposits		3,432,692	3,936,580
Interbank loans and overnight funds		(490,664)	1,967,650
Other liabilities, provisions and employee benefits		(148,609)	82,860
Interest received from financial assets		3,544,070	2,993,875
Interest paid on financial liabilities		(2,672,349)	(2,488,605)
Interest paid on financial leases		(18,602)	(13,248)
Income tax paid		(253,367)	(240,567)
Net cash (used in) (used in) provided by investment activities		(899,129)	726,209
Cash flows from investing activities:			
Acquisition of held-to-maturity investments		(1,255,419)	(1,212,463)
Redemption of held-to-maturity investments		1,334,920	1,243,010
Acquisition of investments with changes in other comprehensive income at fair value		(1,262,039)	(1,016,767)
Proceeds from sale of investments with changes in other comprehensive income at fair value		1,332,980	1,229,333
Acquisition of tangible assets		(31,136)	(14,571)
Acquisition of other intangible assets		(51,269)	(43,509)
Proceeds from sale of property and equipment		18,675	16,552
Proceeds from sale of non-current assets held for sale		3,835	4,886
Dividends received		49,588	58,750
Net cash provided by investing activities		140,135	265,221
Cash flow from financing activities:			
New (payments) financial obligations		355,418	(2,390)
Issuance of outstanding investment securities		659,221	
Payments on outstanding investment securities		(158,490)	
Payment of financial lease fees		(41,423)	(34,987)
Dividends paid		(117,281)	(100,911)
Net cash provided by (used in) financing activities		697,445	(138,288)
Effect of gains or losses for changes on cash and cash equivalents		210,749	(120,146)
Increase in cash and cash equivalents, net		149,200	732,996
Cash and cash equivalents at beginning of period		4,968,903	3,878,224
Cash and cash equivalents at end of period	\$	5,118,103	4,611,220

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

MAURICIO MALDONADO UMAÑA
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by MAURICIO
MALDONADO UMAÑA
Date: 2024.AUG.12
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MAURICIO MALDONADO UMAÑA
LEGAL REPRESENTATIVE

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FERNANDO BARONA
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ACCOUNTANT
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Wilson Romero
Montañez
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Member of KPMG S.A.S.
(See my report of August 12, 2024)



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

As of June 30, 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 September 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 S.A. - NEXA BPO of 35% and Occidental Bank Barbados Ltd. in Fiduciaria de Occidente S.A. of 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. "Éxito", 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: 1st To enter into all types of commercial trust or fiduciary contracts. 2nd To receive fiduciary assignments, whatever their nature. 3rd To manage the Collective Investment Funds authorized to do so, in accordance with the rules that modify, add to and regulate them, and, 4th To enter into all other operations and/or contracts permitted to trust companies, in accordance with legal provisions in force.

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





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

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 S.A. - NEXA BPO is consolidated by virtue of the dominant administrative influence exercised by the Parent Company.

Note 2. – Basis of preparation of the condensed 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.

The Parent Company does not present seasonal or cyclical effects in its operations.

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 consolidated interim financial statements.





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

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 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 June 30, 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.





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

The distribution of the Group's loan portfolio by economic purpose as of June 30, 2024, and December 31, 2023, is shown below:

Sector	June 30, 2024		December 31, 2023	
	Total	% Part.	Total	% Part.
Consumer services	\$ 19,037,479	36.9%	18,513,412	37.4%
Commercial Services	13,958,964	27.0%	12,960,650	26.2%
Construction	4,119,817	8.0%	4,214,842	8.5%
Other industrial and manufacturing products	2,049,880	4.0%	2,016,908	4.1%
Transportation and communications	2,128,025	4.1%	2,088,233	4.2%
Food, beverages and tobacco	2,085,792	4.0%	1,648,635	3.3%
Chemicals	1,915,738	3.7%	1,764,975	3.6%
Government	1,379,880	2.7%	1,508,040	3.0%
Utilities	2,004,657	3.9%	2,157,230	4.4%
Agriculture	1,260,183	2.4%	1,146,472	2.3%
Other	643,639	1.2%	650,219	1.3%
Trade and tourism	537,186	1.0%	460,987	0.9%
Mining and petroleum products	492,098	1.0%	368,432	0.7%
Total by economic destination	\$ 51,613,338	100%	49,499,035	100%

The following is a summary of the past due portfolio by maturity age as of June 30, 2024, and December 31, 2023:

	June 30, 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	\$ 27,248,647	1,217,413	69,403	35,931	1,322,747	117,281	937,292	29,625,967
Consumer	10,829,147	1,075,420	246,599	145,957	1,467,976	208,143	111,467	12,616,733
Housing Mortgage	1,333,401	210,103	46,189	14,582	270,874	13,326	51,026	1,668,627
Commercial Leasing	5,553,699	474,695	70,906	70,346	615,947	54,938	194,052	6,418,636
Consumer Leasing	8,869	447	187	187	821	14	448	10,152
Housing Leasing	877,970	159,378	25,466	11,011	195,855	14,425	15,430	1,103,680
Repos and Interbank	169,543	-	-	-	-	-	-	169,543
Total	\$ 46,021,276	3,137,456	458,750	278,014	3,874,220	408,127	1,309,715	51,613,338

	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
Total	\$ 44,355,880	2,621,295	504,363	278,740	3,404,398	480,577	1,258,180	49,499,035

The following is a summary of the portfolio by risk level rating as of June 30, 2024, and December 31, 2023:

	June 30, 2024								
	Commercial	Consumer	Housing	Commercial Leasing	Consumer Leasing	Housing Leasing	Repos and interbank	Total Financial Leasing	Total
A	\$ 26,441,909	11,202,248	1,546,096	5,331,866	9,251	1,020,739	169,543	6,361,856	45,721,652
B	1,136,888	305,540	22,833	376,652	44	20,565	-	397,261	1,862,522
C	748,139	310,219	2,464	250,830	203	3,372	-	254,405	1,315,227
D	505,204	337,147	61,982	215,780	555	52,967	-	269,302	1,173,635
E	793,827	461,579	35,252	243,508	99	6,037	-	249,644	1,540,302
Total	\$ 29,625,967	12,616,733	1,668,627	6,418,636	10,152	1,103,680	169,543	7,532,468	51,613,338





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

December 31, 2023

	Commercial	Consumer	Housing	Commercial Leasing	Consumer Leasing	Housing Leasing	Interbank repos	Total Financial Leasing	Total
A	\$ 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	709,760	338,517	24,868	342,451	435	21,470	-	364,356	1,437,501
C	522,660	288,927	1,715	244,796	188	2,406	-	247,390	1,060,692
D	388,119	435,055	44,942	154,781	825	41,463	-	197,069	1,065,185
E	810,776	382,073	31,887	242,191	146	6,339	-	248,676	1,473,412
Total	\$ 28,012,502	12,452,988	1,516,633	6,398,912	9,031	1,093,520	15,449	7,501,463	49,499,035

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 and 12) of the Basic Accounting and Financial Circular Letter of the Financial Superintendence of Colombia, and in accordance with the basic principles of the Comprehensive Risk Management System - SIAR for Liquidity, which establishes the minimum prudential parameters that entities must implement in their operations 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 second 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 \$9.12 and \$6.10, respectively, resulting in a ratio of 149.5%, 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 \$10.97 and \$6.69, 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 106.86% in relation to its required funding. At the end of March, the CFEN reached levels of 107.73%, showing relative strength between the composition of assets and liabilities.



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

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 June 30, 2024, and December 31, 2023:

Technical Equity	June 30, 2024	December 31, 2023
	Current Period	Previous Period
	Entity	Entity
A. Common Equity Tier One Capital - PBO	5,095,001	5,064,770
B. Additional Tier One Capital - PBA	-	-
C. Total Equity Tier One Capital (C= A+B)	5,095,001	5,064,770
D. Tier Two Capital (PA)	1,304,438	649,305
E. Technical Equity Deductions	-	-
F. Technical Equity - PT (F=C+D-E)	6,399,439	5,714,075
G. Credit APNR	42,849,209	41,324,390
H. Market risk (VaR _{RM})	3,212,667	2,426,174
I. Operational risk (VaR _{RO})	2,805,690	2,624,877
J. Assets Weighted by Risk Level (Credit + Market + Operational)	48,867,566	46,375,441
Ordinary Basic Solvency Ratio (RSB in Spanish) min 4.5%	10.43%	10.92%
Additional Basic Individual Common Equity Tier I Ratio (RSBA) min 6% - 5.625% ^{1/}	10.43%	10.92%
Total Solvency Ratio (RST in Spanish) min 9%	13.10%	12.32%
Combination Buffer (RSB% - 4.5%)	5.93%	6.42%
Leverage Value -\$ MM	74,400,799	70,759,147
Leverage ratio (min. 3%)	6.85%	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 (from the first (1st) of January 2023 min. 5.625%, from the first (1st) of January 2024 min. 6%)



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

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.





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

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 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 June 30, 2024, and December 31, 2023, on a recurring basis.

June 30, 2024

	Fair values calculated using internal models			Total
	Level 1	Level 2	Level 3	
Assets				
Investments in debt securities with changes in income				
Issued or guaranteed by the Colombian government	\$ 4,864,355	96,028	-	4,960,383
Issued or guaranteed by other Colombian government entities	-	34,753	-	34,753
Issued or guaranteed by other Colombian financial institutions	-	59,425	-	59,425
Issued or guaranteed by entities of the Colombian real sector	-	3,819	-	3,819
Issued or guaranteed by Foreign Governments	73,683	-	-	73,683
Issued or guaranteed by other foreign financial institutions	-	144,249	-	144,249
Other	-	8,308	-	8,308
Investments in debt securities with changes in ORI				
Issued or guaranteed by the Colombian government	\$ 2,560,211	702,695	-	3,262,906
Issued or guaranteed by other Colombian government entities	-	69,955	-	69,955
Issued or guaranteed by other Colombian financial institutions	-	499,173	-	499,173
Issued or guaranteed by entities of the Colombian real sector	-	36,560	-	36,560
Issued or guaranteed by foreign governments	49,313	129,709	-	179,022
Issued or guaranteed by other foreign financial institutions	-	533,972	-	533,972
Other	-	68,910	-	68,910
Investments in equity instruments with changes in income	-	1,252	738,760	740,012
Investments in equity instruments with changes in ORI	4,191	-	1 53,381	157,571
Trading derivatives	-	221,331	-	221,331
Currency forward	-	2,288	-	2,288
Forward interest rate	-	188,202	-	188,202
Interest rate swap	-	250	-	250
Currency swap	-	14,773	-	14,773
Other	-	-	-	-
Hedging Derivatives	-	471	-	471
Interest rate swap	-	220,196	-	220,196
Investment property at fair value	-	-	-	-
Total recurring fair value assets	7,551,753	3,036,319	892,141	11,480,212





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

	Fair values calculated using internal models			
	Level 1	Level 2	Level 3	Total
Liabilities				
Trading derivatives				
Currency forward	-	388,826	-	388,826
Forward interest rate	-	12,022	-	12,022
Interest rate swap	-	191,500	-	191,500
Other	-	17,079	-	17,079
Hedging Derivatives				
Interest rate swap	-	2,567	-	2,567
Total recurring fair value liabilities	\$ -	611,994	-	611,994

December 31, 2023

	Estimated fair values using internal models			
	Level 1	Level 2	Level 3	Total
Assets				
Investments in debt securities with changes in income				
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
Investments in debt securities with changes in ORI				
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
Investments in equity instruments with changes in income	-	5,532	703,988	709,520
Investments in equity instruments with changes in ORI Trading derivatives	4,774	-	127,337	132,111
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
Investment property at fair value	-	214,080	-	214,080
Total recurring fair value assets	5,603,095	3,823,292	831,325	10,257,712





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

	Fair values calculated using internal models			Total
	Level 1	Level 2	Level 3	
Liabilities				
Trading derivatives				
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
Hedging Derivatives				
Interest rate swap	-	2,494	-	2,494
Total recurring fair value liabilities	\$ -	1,058,390	-	1,058,390

Investments, whose values are based on quoted market prices in active markets, and are therefore classified in Level 1, which include equity investments, which are 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.



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

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:

Assets and Liabilities	Valuation technique for level 2	Main input data
Investments in debt securities at fair value		
Through profit or loss	Market Focus	*Market Price ⁽¹⁾
With changes in ORI	Market Focus	*Market Price ⁽¹⁾
Investments in equity instruments		
Through profit or loss	Unit value	*Market value of the underlying assets, are real estate, minus management fees and expenses.
With changes in ORI	Discounted cash flow	*Growth during the five-year projection period. *Net income *Growth in residual values after five years *Discounted interest rate
Trading derivatives		
Forward currency Forward interest rate Interest rate swap Currency swap	Discounted cash flow	*Curves by underlying functional currency *Price of underlying security/ Curves by functional currency of the underlying *Swap curves assigned according to underlying *Swap curves assigned according to underlying
Other	Black & Scholes & Merton	*Matrices and implied volatility curves
Hedging derivatives		
Interest rate swap	Discounted cash flow	*Curves by underlying functional currency *Price of underlying security/ Curves by functional currency of the underlying *Swap curves assigned according to underlying *Swap curves assigned according to underlying
Investment property at fair value		
	Discounted cash flow	*Processes used to collect data and determine the fair value of investment properties

⁽¹⁾ Quoted market prices, i.e., obtained from price vendors.

c) Transfer of levels

The following table presents the transfers between Levels 1 and 2 for years ended June 30, 2024, and December 31, 2023:

Fair value measurements for recurring	June 30, 2024		December 31, 2023	
	Level 1 to Level 2	Level 2 to Level 1	Level 1 to Level 2	Level 2 to Level 1
Assets				
Fixed-income fair value investments	\$ 51,597	-	\$ -	-

For the cutoff date of June 30, 2024, there were transfers from level 1 to level 2, of the reference TES Fixed Rate with maturity in March 2031, which presented a lower volume of transactions for the aforementioned period.

For the year ended on December 31, 2023, there were no transfers between level 1 and 2 and between level 2 and 1.





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

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 June 30, 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 bp	\$ 2.412.128.99	\$ 2.331.674.95
Perpetuity gradient	+/- 100 bp	231,186.69	208,145.64
Discount Rate	+/- 50 bp	2,411,473.43	2,334,710.33
Growth in residual values after 5 years	+/- 1% of gradient	2,197,312.21	2,114,373.37

Based on the variations and impacts presented in the previous box, as of June 30, 2024, there would be a favorable effect on the Bank's equity of \$5,917 and an unfavorable effect of \$5,278. 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.



Banco de Occidente S.A. and Subsidiaries
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The following table presents the movement of equity instruments at fair value, classified as Level 3 for the semesters ended on June 30, 2024 and 2023:

	Equity Instruments	
Balance as of December 31, 2023	\$	831,325
Valuation adjustment with effect on income ⁽¹⁾		49,156
Valuation adjustments with effect on ORI		26,043
Additions ⁽¹⁾		2,015
Redemptions ⁽¹⁾		(16,399)
Balance as of June 30, 2024	\$	892,140
Balance as of December 31, 2022	\$	660,239
Valuation adjustment with effect on income		38,995
Valuation adjustments with effect on ORI		(517)
Additions		86,618
Redemptions		(13,189)
Balance as of June 30, 2023	\$	772,146

The ORI with cutoff date June 30, 2024, and 2023, corresponding to the valuation of financial instruments measured at fair value level 3 is \$26,043 and (\$517) respectively.

(1) As of June 30, 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 \$31,973 with respect to December 31, 2023, with redemptions of (\$16,399) and a valuation with effect in profit or loss of \$48,372.

The following is the detail as of June 30, 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:

June 30, 2024		Level 3	Total
Collateralized loan portfolio financial instruments	\$	586,090	586,090
Non-current assets held for sale		1,324	1,324
	\$	587,414	587,414
December 31, 2023		Level 3	Total
Collateralized loan portfolio financial instruments	\$	534,910	534,910
Non-current assets held for sale		3,023	3,023
	\$	537,933	537,933

The following table presents a summary of the Group's financial assets and liabilities recorded at amortized cost as of June 30, 2024, and December 31, 2023, compared to the values determined at fair value, for which it is practicable to calculate fair value:

	June 30, 2024		December 31, 2023	
	Carrying value	Estimated Fair Value	Carrying value	Estimated Fair Value
Assets				
Financial assets in debt securities at amortized cost	2,054,030	2,055,086	2,034,558	2,035,192
Loan Portfolio, net	49,145,829	55,886,909	47,082,115	57,752,515
Other accounts receivable	806,736	806,736	547,285	547,285
	\$ 52,006,595	58,748,731	49,663,958	60,334,992
Liabilities				
Certificates of Deposit	\$ 17,903,460	18,212,769	17,866,450	18,367,377
Interbank funds	3,879,620	3,879,620	4,403,111	4,403,108
Loans from banks and others	3,902,458	4,251,880	3,185,957	3,444,288
Obligations with rediscount entities	1,019,334	1,025,224	1,088,189	1,100,069
Bonds issued	2,721,104	2,732,050	2,171,345	2,166,124
	\$ 29,425,976	30,101,543	28,715,052	29,480,966





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

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 methodology for the fair value of the Parent Company's liabilities (CDT's and Notes), is performed by means of the PWPREI application, which values at market prices the standardized liabilities of the Parent Company in Colombian pesos, using the information published by *Precia PPV S.A.* price supplier. For the Financial Obligations, the calculation is performed manually, in which valuation is made using the discount curve calculated by the Treasury Risk Division of the Parent Company.





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

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 June 30, 2024, and December 31, 2023:

Balance of investment financial assets at fair value

	June 30, 2024	December 31, 2023
Debt securities with changes in income		
In Colombian pesos		
Issued or guaranteed by the Colombian government	\$ 4,938,544	3,105,170
Issued or guaranteed by other Colombian government entities	34,753	34,609
Issued or guaranteed by other Colombian financial institutions	35,051	96,631
Issued or guaranteed by entities of the Colombian real sector	2,842	1,840
Other	913	-
	5,012,103	3,238,250
In foreign currency		
Issued or guaranteed by the Colombian government	21,839	16,737
Issued or guaranteed by other Colombian financial institutions	24,374	20,087
Issued or guaranteed by entities of the Colombian real sector	977	-
Issued or guaranteed by Foreign Governments	73,683	382
Issued or guaranteed by other foreign financial institutions	144,249	161,722
Issued or guaranteed by real sector entities abroad	-	3,412
Other	7,395	19,002
	272,517	221,342
Total debt securities through profit or loss	\$ 5,284,620	3,459,592
Debt securities through profit or loss		
In Colombian pesos		
Issued or guaranteed by the Colombian government	\$ 2,611,808	2,439,339
Issued or guaranteed by other Colombian government entities	69,955	67,400
Issued or guaranteed by other Colombian financial institutions	420,046	583,751
Other	1,519	-
	3,103,328	3,090,490
In foreign currency		
Issued or guaranteed by the Colombian government	651,098	682,923
Issued or guaranteed by other Colombian financial institutions	79,127	81,759
Issued or guaranteed by entities of the Colombian real sector	36,560	-
Issued or guaranteed by Foreign Governments	179,022	120,232
Issued or guaranteed by other foreign financial institutions	533,972	398,898
Issued or guaranteed by real sector entities abroad	-	34,539
Other	67,391	56,845
	1,547,170	1,375,196
Total debt securities with changes in ORI ⁽¹⁾	\$ 4,650,498	4,465,686
Equity instruments with adjustment to income		
In Colombian pesos		
Mutual funds	\$ 740,012	709,520
Equity instruments with adjustment to income total	740,012	709,520
Trading derivative instruments with changes to income total	\$ 426,844	1,276,723
Total financial instruments at fair value with changes in profit or loss	\$ 6,451,476	5,445,835
Equity instruments with adjustment to ORI equity		
In Colombian pesos		
Corporate actions	\$ 157,571	132,111
Total equity instruments	897,583	841,631
Total financial assets in debt securities and investments in equity instruments at fair value	\$ 11,259,545	10,043,632
Total financial instruments at fair value with changes in ORI	\$ 4,808,069	4,597,797

(1) The valuation effect recognized in ORI for debt securities is (\$41,031) and \$257,389, as of June 30, 2024, and 2023, respectively.



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

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	June 30, 2024	December 31, 2023
Redeban Multicolor S.A. ⁽¹⁾	\$ 41,397	17,951
A.C.H Colombia S.A. ⁽¹⁾	57,437	52,844
Central Counterparty Risk Clearing House of Colombia S.A. ⁽¹⁾	3,225	3,225
Credibanco ⁽¹⁾	41,141	43,136
Holding Bursátil Regional ⁽¹⁾	4,190	4,774
Aportes en Línea S.A. (Gestión y Contacto) ⁽¹⁾	4,495	4,495
Casa de Bolsa S.A Sociedad Comisionista de Bolsa ⁽¹⁾	5,686	5,686
Total	\$ 157,571	132,111

⁽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 \$25,461 as of June 30, 2024, and as of June 30, 2023 for \$497.

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 period ended June 30, 2024, dividends of \$6,382 (\$5,702 during the period ended June 30, 2023) have been recognized in the statement of income 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.

	June 30, 2024	December 31, 2023
Delivered in money market operations		
Issued or guaranteed by the Colombian government	\$ 3,998,925	2,731,746
Issued or guaranteed by other Colombian government entities	-	1,325,304
	3,998,925	4,057,050
Delivered as collateral for derivative transactions		
Issued or guaranteed by the Colombian government	148,966	542,733
Total	\$ 4,147,891	4,599,783

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.



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

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 June 30, 2024, and December 31, 2023:

	June 30, 2024	December 31, 2023
Debt securities In Colombian pesos		
Issued or guaranteed by the Colombian government	652,414	689,731
Issued or guaranteed by other Colombian government entities \$	1,402,420	1,345,385
Total debt securities	2,054,834	2,035,116
Provisions for investments	(804)	(558)
Total financial assets in debt securities at amortized cost \$	2,054,030	2,034,558

The following is the movement in the investment provision for the six-month period ended June 30, 2024, and for the year ended December 31, 2023:

	June 30, 2024	December 31, 2023
Balance at beginning of period	558	522
(Reimbursement) impairment expense on investments at amortized cost	246	36
Balance at end of period	804	558

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

	June 30, 2024	December 31, 2023
Up to 1 month	200,178	146,021
more than 1 month and no longer than 3 months	43,442	-
more than 3 months and no longer than 1 year	1,811,214	1,889,095
Subtotal	2,054,834	2,035,116
Provisions for investments	(804)	(558)
Total	2,054,030	2,034,558





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

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 June 30, 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:

		June 30, 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	38,811	(38,811)	\$ 56,097	(56,097)
Banco de Occidente Panamá S.A.		65,183	(65,183)	77,808	(77,808)
Total	USD	103,994	(103,994)	\$ 133,905	(133,905)

		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)
Total	USD	96,218	(96,218)	\$ 100,963	(100,963)

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 \$103,994 as of June 30, 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 hedging 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.



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

b. Fair value hedge

During the first half of 2024, the Parent Company maintained hedging operations for \$435,000 million in order to hedge the fair value of fixed rate CDTs in COP, and initiated hedges of the same nature for fixed rate loans in COP for an amount of \$210,000 million, in order to hedge operations against 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 and loans, 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 contracted derivative instruments are 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 and on COP fixed rate loans, due to the effect of the variation of the market rate (IBR prime rate).

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

Below is a detail of the fair value hedging derivatives that meet the efficiency test required by the standard for hedging as of June 30, 2024, and December 31, 2023:

	June 30, 2024			Fair value Liabilities
	Notional Amount		Total	
	3 months to one year	More than one year		
Fair value hedging derivatives \$				
Interest rate swaps	435,000	210,000	645,000	(1,985)
Subtotal	435,000	210,000	645,000	(1,985)

	December 31, 2023			Fair value Liabilities
	Notional Amount		Total	
	3 months to one year	More than one year		
Fair value hedging derivatives \$				
Interest rate swaps	435,000	-	435,000	(1,351)
Subtotal	435,000	-	435,000	(1,351)



Banco de Occidente S.A. and Subsidiaries
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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 June 30, 2024, and December 31, 2023:

	June 30, 2024				
	Notional value	Assets	Liabilities	Fair value for the calculation of ineffectiveness	Efficiency coverage
Item hedged by covered item					
Mortgage loans	210,000	-	507	(507)	-
Term deposit certificates	\$ 435,000	-	70	(70)	-
Hedging instrument					
Interest rate swaps	\$ 645,000	646	-	646	(69)
December 31, 2023					
	Notional value	Assets	Liabilities	Fair value for the calculation of ineffectiveness	Efficiency coverage
Item hedged by covered item					
Term deposit certificates	\$ 435,000	-	734	(734)	-
Hedging instrument					
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 six-month periods ended June 30, 2024, and 2023:

	Commercial				Repos and Interbank			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as of December 31, 2023	\$ 222,210	27,661	806,004	1,055,875	18	-	-	18
Period write-offs	(570)	-	(208,670)	(209,240)	-	-	-	-
Reversal of accrued interest Stage 3	-	-	68,364	68,364	-	-	-	-
Expenses	1,588	6,794	344,456	352,838	4	-	-	4
Expenses for disbursements or originations	125,543	9,372	37,786	172,701	90	-	-	90
Reimbursement	(37,702)	(3,506)	(22,359)	(63,567)	(2)	-	-	(2)
Cancellation or payment in full	(88,724)	(11,763)	(193,826)	(294,313)	-	-	-	-
Reclassification from Stage 1 to Stage 2	(6,099)	6,099	-	-	-	-	-	-
Reclassification from Stage 1 to Stage 3	(2,667)	-	2,667	-	-	-	-	-
Reclassification from Stage 2 to Stage 3	-	(4,218)	4,218	-	-	-	-	-
Reclassification from Stage 3 to Stage 2	-	824	(824)	-	-	-	-	-
Reclassification from Stage 2 to Stage 1	4,643	(4,643)	-	-	-	-	-	-
Reclassification from Stage 3 to Stage 1	2,784	-	(2,784)	-	-	-	-	-
Difference in exchange	-	-	2,176	2,176	-	-	-	-
Balance as of June 30, 2024	\$ 221,006	26,620	837,208	1,084,834	110	-	-	110





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	Consumer				Housing			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as of December 31, 2023	\$ 272,856	71,546	687,977	1,032,379	11,949	3,018	31,905	46,872
Period write-offs	(278)	(312)	(630,309)	(630,899)	-	-	-	-
Sale of loan portfolio	(16)	(197)	(3,071)	(3,284)	-	-	-	-
Reversal of accrued interest Stage 3	-	-	35,047	35,047	-	-	1,311	1,311
Expenses	35,142	150,390	465,976	651,508	189	1,510	7,860	9,559
Expenses for disbursements or originations	73,665	12,403	77,742	163,810	1,978	248	-	2,226
Reimbursement	(86,517)	(11,092)	(6,741)	(104,350)	(4,571)	(449)	(330)	(5,350)
Cancellation or payment in full	(37,810)	(8,461)	(62,999)	(109,270)	(684)	(70)	(1,320)	(2,074)
Reclassification from Stage 1 to Stage 2	(18,896)	18,896	-	-	(440)	440	-	-
Reclassification from Stage 1 to Stage 3	(31,040)	-	31,040	-	(119)	-	119	-
Reclassification from Stage 2 to Stage 3	-	(127,149)	127,149	-	-	(682)	682	-
Reclassification from Stage 3 to Stage 2	-	7,777	(7,777)	-	-	328	(328)	-
Reclassification from Stage 2 to Stage 1	14,201	(14,201)	-	-	1,336	(1,336)	-	-
Reclassification from Stage 3 to Stage 1	24,390	-	(24,390)	-	848	-	(848)	-
Difference in exchange	-	-	-	-	-	-	-	-
Balance as of June 30, 2024	\$ 245,697	99,600	689,644	1,034,941	10,486	3,007	39,051	52,544

	Commercial Leasing				Consumer Leasing			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as of December 31, 2023	\$ 33,833	11,748	210,280	255,861	138	108	655	901
Period write-offs	-	-	(41,873)	(41,873)	-	-	(392)	(392)
Sale of loan portfolio	-	-	-	-	-	-	-	-
Reversal of accrued interest Stage 3	-	-	8,486	8,486	-	-	45	45
Expenses	2,337	5,839	67,899	76,075	5	10	308	323
Expenses for disbursements or originations	2,992	210	270	3,472	43	1	-	44
Reimbursement	(15,309)	(2,367)	(8,849)	(26,525)	(60)	(44)	(47)	(151)
Cancellation or payment in full	(809)	(472)	(5,238)	(6,519)	(6)	-	(114)	(120)
Reclassification from Stage 1 to Stage 2	(1,878)	1,878	-	-	(7)	7	-	-
Reclassification from Stage 1 to Stage 3	(511)	-	511	-	(3)	-	3	-
Reclassification from Stage 2 to Stage 3	-	(2,454)	2,454	-	-	(1)	1	-
Reclassification from Stage 3 to Stage 2	-	1,922	(1,922)	-	-	-	-	-
Reclassification from Stage 2 to Stage 1	4,510	(4,510)	-	-	21	(21)	-	-
Reclassification from Stage 3 to Stage 1	4,655	-	(4,655)	-	-	-	-	-
Difference in exchange	-	-	-	-	-	-	-	-
Balance as of June 30, 2024	\$ 29,820	11,794	227,363	268,977	131	60	459	650

	Housing Leasing				Total Financial Leasing			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as of December 31, 2023	\$ 8,773	2,225	14,016	25,014	42,744	14,081	224,951	281,776
Period write-offs	-	-	(5,472)	(5,472)	-	-	(47,737)	(47,737)
Sale of loan portfolio	-	-	-	-	-	-	-	-
Reversal of accrued interest Stage 3	-	-	191	191	-	-	8,722	8,722
Expenses	146	1,083	9,215	10,444	2,488	6,932	77,422	86,842
Expenses for disbursements or originations	508	149	-	657	3,543	360	270	4,173
Reimbursement	(3,677)	(218)	(557)	(4,452)	(19,046)	(2,629)	(9,453)	(31,128)
Cancellation or payment in full	(250)	(107)	(572)	(929)	(1,065)	(579)	(5,924)	(7,568)
Reclassification from Stage 1 to Stage 2	(325)	325	-	-	(2,210)	2,210	-	-
Reclassification from Stage 1 to Stage 3	(107)	-	107	-	(621)	-	621	-
Reclassification from Stage 2 to Stage 3	-	(502)	502	-	-	(2,957)	2,957	-
Reclassification from Stage 3 to Stage 2	-	192	(192)	-	-	2,114	(2,114)	-
Reclassification from Stage 2 to Stage 1	1,241	(1,241)	-	-	5,772	(5,772)	-	-
Reclassification from Stage 3 to Stage 1	730	-	(730)	-	5,385	-	(5,385)	-
Difference in exchange	-	-	-	-	-	-	-	-
Balance as of June 30, 2024	\$ 7,039	1,906	16,508	25,453	36,990	13,760	244,330	295,080





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

		Total			
		Stage 1	Stage 2	Stage 3	Total
Balance as of December 31, 2023	\$	549,777	116,306	1,750,837	2,416,920
Period write-offs		(848)	(312)	(886,716)	(887,876)
Sale of loan portfolio		(16)	(197)	(3,071)	(3,284)
Reversal of accrued interest Stage 3		-	-	113,444	113,444
Expenses		39,411	165,626	895,714	1,100,751
Expenses for disbursements or originations		204,819	22,383	115,798	343,000
Reimbursement		(147,838)	(17,676)	(38,883)	(204,397)
Cancellation or payment in full		(128,283)	(20,873)	(264,069)	(413,225)
Reclassification from Stage 1 to Stage 2	2	(27,645)	27,645	-	-
Reclassification from Stage 1 to Stage 3	3	(34,447)	-	34,447	-
Reclassification from Stage 2 to Stage 3	3	-	(135,006)	135,006	-
Reclassification from Stage 3 to Stage 2	2	-	11,043	(11,043)	-
Reclassification from Stage 2 to Stage 1	1	25,952	(25,952)	-	-
Reclassification from Stage 3 to Stage 1	1	33,407	-	(33,407)	-
Difference in exchange		-	-	2,176	2,176
Balance as of June 30, 2024	\$	514,289	142,987	1,810,233	2,467,509

		Commercial				Repos and Interbank			
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as of December 31, 2022	\$	251,647	50,722	700,164	1,002,533	1,434	-	-	1,434
Period write-offs		-	(418)	(129,719)	(130,137)	-	-	-	-
Sale of loan portfolio		-	-	(6,243)	(6,243)	-	-	-	-
Reversal of accrued interest Stage 3		-	-	35,085	35,085	-	-	-	-
Expenses		2,183	17,914	196,211	216,308	10	-	-	10
Expenses for disbursements or originations		112,344	8,904	7,961	129,209	1,694	-	-	1,694
Reimbursement		(58,769)	(12,233)	(55,170)	(126,172)	(11)	-	-	(11)
Cancellation or payment in full		(80,886)	(7,585)	(58,956)	(147,427)	(1,391)	-	-	(1,391)
Reclassification from Stage 1 to Stage 2		(9,306)	9,306	-	-	-	-	-	-
Reclassification from Stage 1 to Stage 3		(1,562)	-	1,562	-	-	-	-	-
Reclassification from Stage 2 to Stage 3		-	(3,232)	3,232	-	-	-	-	-
Reclassification from Stage 3 to Stage 2		-	4,616	(4,616)	-	-	-	-	-
Reclassification from Stage 2 to Stage 1		17,955	(17,955)	-	-	-	-	-	-
Reclassification from Stage 3 to Stage 1		4,976	-	(4,976)	-	-	-	-	-
Difference in exchange		(5,011)	-	-	(5,011)	-	-	-	-
Balance as of June 30, 2023	\$	233,571	50,039	684,535	968,145	1,736	-	-	1,736

		Consumer				Housing			
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as of December 31, 2022	\$	261,303	84,379	349,488	695,170	11,948	3,088	37,130	52,166
Period write-offs		(13,731)	(81,722)	(291,275)	(386,728)	-	-	-	-
Sale of loan portfolio		-	-	-	-	-	-	-	-
Reversal of accrued interest Stage 3		-	-	24,659	24,659	-	-	1,286	1,286
Expenses		30,148	110,982	379,566	520,696	578	2,348	8,958	11,884
Expenses for disbursements or originations		59,065	11,736	35,289	106,090	-	271	-	2,371
Reimbursement		(75,625)	(12,220)	(4,563)	(92,408)	(3,850)	(337)	(2,413)	(6,600)
Cancellation or payment in full		(22,622)	(6,885)	(19,920)	(49,427)	(251)	(27)	(702)	(980)
Reclassification from Stage 1 to Stage 2		(12,356)	12,356	-	-	(341)	341	-	-
Reclassification from Stage 1 to Stage 3		(9,430)	-	9,430	-	(124)	-	124	-
Reclassification from Stage 2 to Stage 3		-	(19,546)	19,546	-	-	(775)	775	-
Reclassification from Stage 3 to Stage 2		-	6,886	(6,886)	-	-	354	(354)	-
Reclassification from Stage 2 to Stage 1		20,564	(20,564)	-	-	1,458	(1,458)	-	-
Reclassification from Stage 3 to Stage 1		12,010	-	(12,010)	-	1,434	-	(1,434)	-
Difference in exchange		-	-	-	-	-	-	-	-
Balance as of June 30, 2023	\$	249,326	85,402	483,324	818,052	12,952	3,805	43,370	60,127





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

	Commercial Leasing				Consumer Leasing			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as of December 31, 2022	\$ 26,576	8,262	202,694	237,532	182	25	755	962
Period write-offs	-	-	(45,272)	(45,272)	-	-	(1,253)	(1,253)
Sale of loan portfolio	-	-	-	-	-	-	-	-
Reversal of accrued interest Stage 3	-	-	9,247	9,247	-	-	43	43
Expenses	1,625	4,263	64,175	70,063	6	21	1,408	1,435
Expenses for disbursements or originations	3,956	1,488	5,227	10,671	11	-	-	11
Reimbursement	(10,708)	(5,100)	(16,655)	(32,463)	(158)	(28)	(36)	(222)
Cancellation or payment in full	(814)	(134)	(8,764)	(9,712)	(8)	-	-	(8)
Reclassification from Stage 1 to Stage 2	(1,668)	1,668	-	-	(4)	4	-	-
Reclassification from Stage 1 to Stage 3	(197)	-	197	-	(4)	-	4	-
Reclassification from Stage 2 to Stage 3	-	(996)	996	-	-	-	-	-
Reclassification from Stage 3 to Stage 2	-	4,120	(4,120)	-	-	26	(26)	-
Reclassification from Stage 2 to Stage 1	2,873	(2,873)	-	-	5	(5)	-	-
Reclassification from Stage 3 to Stage 1	1,712	-	(1,712)	-	78	-	(78)	-
Difference in exchange	-	-	-	-	-	-	-	-
Balance as of June 30, 2023	\$ 23,355	10,698	206,013	240,066	108	43	817	968

	Housing Leasing				Total Financial Leasing			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as of December 31, 2022	\$ 13,814	3,512	26,055	43,381	40,572	11,799	229,504	281,875
Period write-offs	-	-	(1,961)	(1,961)	-	-	(48,486)	(48,486)
Sale of loan portfolio	-	-	-	-	-	-	-	-
Reversal of accrued interest Stage 3	-	-	234	234	-	-	9,524	9,524
Expenses	617	2,739	6,509	9,865	2,248	7,023	72,092	81,363
Expenses for disbursements or originations	1,177	50	-	1,227	5,144	1,538	5,227	11,909
Reimbursement	(2,738)	(76)	(1,490)	(4,304)	(13,604)	(5,204)	(18,181)	(36,989)
Cancellation or payment in full	(2,814)	(868)	(6,116)	(9,798)	(3,636)	(1,002)	(14,880)	(19,518)
Reclassification from Stage 1 to Stage 2	(458)	458	-	-	(2,130)	2,130	-	-
Reclassification from Stage 1 to Stage 3	(87)	-	87	-	(288)	-	288	-
Reclassification from Stage 2 to Stage 3	-	(1,123)	1,123	-	-	(2,119)	2,119	-
Reclassification from Stage 3 to Stage 2	-	48	(48)	-	-	4,194	(4,194)	-
Reclassification from Stage 2 to Stage 1	1,199	(1,199)	-	-	4,077	(4,077)	-	-
Reclassification from Stage 3 to Stage 1	670	-	(669)	1	2,460	-	(2,459)	1
Difference in exchange	-	-	-	-	-	-	-	-
Balance as of June 30, 2023	\$ 11,380	3,541	23,724	38,645	14,282	34,843	230,554	279,679

	Total			
	Stage 1	Stage 2	Stage 3	Total
Balance as of December 31, 2022	\$ 566,904	149,988	1,316,286	2,033,178
Period write-offs	(13,731)	(82,140)	(469,480)	(565,351)
Sale of loan portfolio	-	-	(6,243)	(6,243)
Reversal of accrued interest Stage 3	-	-	70,554	70,554
Expenses	35,167	138,267	656,827	830,261
Expenses for disbursements or originations	180,347	22,449	48,477	251,273
Reimbursement	(151,859)	(29,994)	(80,327)	(262,180)
Cancellation or payment in full	(108,786)	(15,499)	(94,458)	(218,743)
Reclassification from Stage 1 to Stage 2	(24,133)	24,133	-	-
Reclassification from Stage 1 to Stage 3	(11,404)	-	11,404	-
Reclassification from Stage 2 to Stage 3	-	(25,672)	25,672	-
Reclassification from Stage 3 to Stage 2	-	16,050	(16,050)	-
Reclassification from Stage 2 to Stage 1	44,054	(44,054)	-	-
Reclassification from Stage 3 to Stage 1	20,880	-	(20,879)	1
Difference in exchange	(5,011)	-	-	(5,011)
Balance as of June 30, 2023	\$ 532,428	153,528	1,441,783	2,127,739





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

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 June 30, 2024:

	Stage 1
	PCE 12-month
Balance of provisions as of December 31, 2023	\$ 2,982
Net impact of the remeasurement of the provision	37
Provision of new securities purchased during the period	740
Impact on the provision for securities that have been sold or have matured (de-recognized)	(501)
Difference in exchange	128
Balance of provisions as of June 30, 2024	\$ 3,386

	Stage 1
	PCE 12-month
Balance of provisions as of December 31, 2022	\$ 2,902
Net impact of the remeasurement of the provision	91
Provision of new securities purchased during the period	939
Impact on the provision for securities that have been sold or have matured (de-recognized)	(405)
Difference in exchange	(201)
Balance of provisions as of June 30, 2023	\$ 3,326

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 semester ended June 30, 2024:

	Stage 1
	PCE 12-month
Balance of provisions as of December 31, 2023	\$ 558
Net impact of the remeasurement of the provision	(240)
Provision of new securities purchased during the period	650
Impact on the provision for securities that have been sold or have matured (de-recognized)	(200)
Balance of provisions as of June 30, 2024	\$ 804

	Stage 1
	PCE 12-month
Balance of provisions as of December 31, 2022	\$ 522
Net impact of the remeasurement of the provision	(240)
Provision of new securities purchased during the period	495
Impact on the provision for securities that have been sold or have matured (de-recognized)	(183)
Balance of provisions as of June 30, 2023	\$ 594





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

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

Next includes the detail of the gain generated on the sale of assets classified as held for sale during the quarters and semesters ended June 30, 2024, and 2023:

		For the quarter ended in:					
		June 30, 2024			June 30, 2023		
	\$	Carrying value	Amount of the sale	Profit	Carrying value	Amount of the sale	Profit
Real estate ⁽¹⁾		1,352	2,710	1,358	57,168	72,926	15,758
Movable assets		764	986	222	685	1,022	337
	\$	2,116	3,696	1,580	57,853	73,948	16,095

		For the six-month period ended as of:					
		June 30, 2024			June 30, 2023		
	\$	Carrying value	Amount of the sale	Profit	Carrying value	Amount of the sale	Profit
Real estate ⁽¹⁾		1,352	2,710	1,358	58,367	74,316	15,949
Movable assets		891	1,125	234	806	1,266	460
	\$	2,243	3,835	1,592	59,173	75,582	16,409

⁽¹⁾ The gain recorded in the non-current assets held for sale note for \$1,592 million, corresponds to the sale of 26 repositioned movable assets that entered and were sold in the same period, and the sale of the real estate held at the 12th Street Office in the city of Cali.

Next, features the movement of assets held for sale for the six-month periods ended June 30, 2024, and 2023:

		June 30, 2024
Balance as of December 31, 2023	\$	3,023
Increases by addition during the year		891
Cost of non-current assets held for sale sold, net		(2243)
Reclassifications from/to own use		(347)
Balance as of June 30, 2024	\$	1,324
December 31, 2023		
Balance as of December 31, 2022	\$	-
Increases by addition during the year		2,890
Cost of non-current assets held for sale sold, net		18,183
Sale and leaseback		(100,017)
Reclassifications from/to own use		81,967
Balance as of December 31, 2023	\$	3,023



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

Note 11. – Investments in associated companies and joint ventures

Below is a detail of investments in associates and joint ventures as of June 30, 2024, and December 31, 2023:

		June 30, 2024	December 31, 2023
Associated	\$	1,836,855	1,799,081
Joint ventures		1,907	1,721
Total	\$	1,838,762	1,800,802

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

	June 30, 2024		December 31, 2023	
	% of participation	Carrying value	% of participation	Carrying value
Associated				
<i>A Toda Hora</i>	20.00%	2,843	20.00%	2,779
<i>Corficolombiana</i>	4.18%	805,547	4.18%	779,450
<i>Aval Soluciones Digitales</i>	26.60%	3,937	26.60%	3,731
<i>Porvenir</i>	33.09%	1,024,528	33.09%	1,013,121
		\$ 1,836,855		\$ 1,799,081
Joint ventures				
<i>A Toda Hora S.A</i>	25.00%	1,904	25.00%	1,718
<i>Aval Soluciones Digitales S.A. - Joint Ventures</i>	26.34%	3	26.34%	3
		\$ 1,907		\$ 1,721

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 June 30, 2024, and December 31, 2023:

		June 30, 2024	December 31, 2023
Property and equipment			
For own use ^(a)	\$	119,928	107,868
Leased under operating leases		59,556	64,861
Investment properties		220,196	214,080
Right-of-use assets ^(b)		286,328	267,243
	\$	686,008	654,052

With cutoff date June 2024, there were no asset mobilizations to the Nexus Private Equity Fund.





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

a) Property and equipment for own use

The following is the detail of the balance as of June 30, 2024, and December 31, 2023, by type of property and equipment for own use:

For own use	Cost	Accumulated depreciation	Impairment loss	Carrying amount
Land	\$ 9,035	-	-	9,035
Buildings	18,255	(7,557)	-	10,698
Office equipment, fixtures and fittings	109,943	(83,520)	(42)	26,381
Computer equipment	223,085	(162,519)	(37)	60,529
Vehicles	715	(517)	-	198
Mobilization equipment and machinery	49	(49)	-	-
Improvements to other people's property	39,083	(29,537)	-	9,546
Construction in progress	3,541	-	-	3,541
Balance as of June 30, 2024	\$ 403,706	(283,699)	(79)	119,928

For own use	Cost	Accumulated depreciation	Impairment loss	Carrying amount
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
Balance as of December 31, 2023	\$ 385,734	(277,759)	(107)	107,868

b) Rights-of-use assets

The following is the detail of the balance as of June 30, 2024, and December 31, 2023, of the right of use by type of property and equipment:

Rights of use	Cost	Accumulated depreciation	Carrying amount
Buildings	\$ 411,751	(163,539)	248,212
Office equipment, fixtures and fittings	120	(64)	56
Computer equipment	89,003	(52,132)	36,871
Vehicles	2,978	(1,789)	1,189
Balance as of June 30, 2024	\$ 503,852	(217,524)	286,328

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
Balance as of December 31, 2023	\$ 456,576	(189,333)	267,243





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

Note 13. – Intangible assets, net

The following is the balance of intangible asset accounts as of June 30, 2024, and December 31, 2023:

Concept		June 30, 2024	December 31, 2023
Capital gains	\$	22,724	22,724
Other Intangibles		588,854	577,627
Total	\$	611,578	600,351

Detail of intangible assets other than capital gains

The following is the detail of intangible assets other than surplus, as of June 30, 2024, and December 31, 2023:

As of June 30, 2024		Cost	Accumulated depreciation:	Carrying amount
Licenses	\$	10,213	7,907	2,306
Computer programs and applications		868,978	282,430	586,548
Total	\$	879,191	290,337	588,854
As of December 31, 2023		Cost	Accumulated depreciation:	Carrying amount
Licenses	\$	8,623	5,763	2,860
Computer programs and applications		819,272	244,505	574,767
Total	\$	827,895	250,268	577,627

Note 14. - Income tax

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

The effective tax rate for Banco de Occidente and its affiliates for the three-month period ended June 30, 2024, was 18.36 percentage points p.p.; and for the three-month period ended June 30, 2023, it was 2.39 percentage points p.p., generating a variation of 15.97 percentage points p.p., corresponding to a tax expense of \$ 33,566 and \$ 3,165, respectively. The most representative items that generated it are as follows:

- For the three-month periods ended June 2024 and 2023, there was an increase in the effective rate of 2.92 percentage points, due to the effect of income not taxed under the equity method.
- For the three-month periods ended June 2024 and 2023, there was an increase of 3.02 percentage points in the rate, due to the earnings of the subsidiary in Panama, which is tax exempt.
- For the three-month periods ended June 2024 and 2023, there was a variation of \$-13,546 in other concepts, caused by the implementation of the minimum tax rate in 2023 in the amount of \$-5,475, and additionally by the impact on the valuation of the FCP, IFRS 16 among other adjustments in 2023, a situation that increased the effective rate by 10.32 p.p. in the year 2024.



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

The effective tax rate for Banco de Occidente and its affiliates for the six-month period ended June 30, 2024, was 5.00 percentage points p.p., and for the six-month period ended June 30, 2023, was 11.54 percentage points p.p., generating a variation of - 6.54 percentage points p.p., corresponding to a tax expense of \$ 12,305 and \$ 41,382, respectively. The most representative items that generated it are as follows:

- For the six-month periods ended June 2024 and 2023, the increase in non-deductible expenses, which mainly consist of 50% of the tax on financial transactions (GMF) and other non-deductible expenses such as fines and penalties, represents a decrease in the effective rate of -1.51 p.p.
- For the six-month periods ended June 2024 and 2023, there was a decrease in the effective rate of -3.21 p.p, due to the effect of income not taxed under the equity method.
- For the six months ended June 2024 and 2023, there was a net variation of \$ -4,767, corresponding to the adjustments of current tax of \$-18,116 and deferred tax of \$13,350 for prior periods, generating an increase in the effective rate of 1.96 percentage points.
- For the six-month periods ended June 2024 and 2023, there was a variation in other items, caused by the impact of the application of IFRS 16, among other adjustments in 2023, which decreased the effective rate by -3.50 percentage points.

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 June 30, 2024, and December 31, 2023:

Detail	June 30, 2024	December 31, 2023
Demand deposits		
Current accounts	\$ 6,609,624	7,092,625
Savings accounts	28,415,676	24,153,811
Other funds at sight	57,274	62,846
	35,082,574	31,309,282
Demand deposits		
Term deposit certificates	17,903,460	17,866,450
Total Deposits	\$ 52,986,034	49,175,732
By currency		
In Colombian pesos	\$ 48,088,450	44,903,705
In U.S. dollars	4,865,785	4,259,323
Other currencies	31,799	12,704
Total by Currency	\$ 52,986,034	49,175,732



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

Note 16. - Financial Obligations

Financial obligations are comprised of financial obligations and rediscount entities and notes and investment securities as of June 30, 2024, and December 31, 2023:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Financial obligations and rediscounting entities	\$ 8,801,412	8,677,257
Notes and investment securities	2,721,104	2,171,345
	<u>\$ 11,522,516</u>	<u>10,848,602</u>

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 June 30, 2024, and December 31, 2023, mainly for the purpose of financing its operations, mainly in international trade:

		<u>June 30, 2024</u>	<u>December 31, 2023</u>
Interbank and overnight funds	\$	3,879,620	4,403,111
Loans from banks and others		3,902,458	3,185,957
Obligations with rediscount entities		1,019,334	1,088,189
	\$	<u>8,801,412</u>	<u>8,677,257</u>

Total interest accrued on financial obligations, and obligations with rediscount entities for quarters ended June 30, 2024, and 2023 was \$202,202 and \$216,964, respectively.

The total of interest accrued on financial obligations and obligations with rediscount entities for six-month periods ended June 30, 2024, and 2023, were \$416,503 and \$388,300, respectively.

2. Notes and investment securities

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

The following features the detail of the liabilities as of June 30, 2024, and December 31, 2023, by date of issue and maturity date in legal currency and foreign currency:

<u>Legal Tender</u>	<u>Issuer</u>	<u>Date of Issue</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
	Banco de Occidente's Ordinary Notes	Between 09/AUG/2012 and 20/AUG/2020	1,292,325	1,458,982	Between 18/SEP/2024 and 14/DEC/2032	Between CPI + 2.37% and 4.65%; Fixed 5.83%
	Banco de Occidente's Subordinated Notes	Between 30/JAN/2013 and 12/OCT/2017	708,725	712,362	Between 30/JAN/2025 and on 10/JUN/2026	Between CPI + 3.58% - 3.64% and 4.60%
	Total		<u>\$ 2,001,050</u>	<u>2,171,344</u>		





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

Foreign Currency ⁽¹⁾	Issuer	Date of Issue	June 30, 2024	December 31, 2023	Maturity Date	Interest Rate
	Subordinated notes					
	Reg S	13/MAY/2024	720,054	-	13/AUG/2034	Fixed 10.875%
	Banco de Occidente					
	Total		720,054	-		

⁽¹⁾ The foreign currency is the US dollar (USD)

Future maturities as of June 30, 2024, of outstanding investment securities in long-term debt are as follows:

Year	June 30, 2024	
		Amount
2024	\$	145,030
2025		450,000
After 2026		2,126,074
Total	\$	2,721,104

For long-term financial obligations from the issuance of Notes, interest accrued in income for quarters ended June 30, 2024, and 2023, was \$67,539 and \$89,200, respectively.

For long-term financial obligations from the issuance of Notes, interest accrued in income for the six-month periods ended June 30, 2024, and 2023, was \$134,585 and \$175,149, respectively.

Note 17. - Provisions for employee benefits

The following is a detail of the balances of provisions for employee benefits as of June 30, 2024, and December 31, 2023:

Items	June 30, 2024	December 31, 2023
Short-term benefits	\$ 70,899	\$ 77,520
Post-employment benefits	4,834	5,167
Long-term benefits	6,084	6,160
Total Liabilities	\$ 81,817	\$ 88,847

Note 18. - Provisions for legal contingencies and other provisions

The balances of legal and other provisions as of June 30, 2024, and December 31, 2023, are described below:

Items	June 30, 2024	December 31, 2023
Legal provisions	\$ 2,483	2,488
Other Provisions	3,414	3,417
Portfolio Provisions*	54,917	58,263
Total	\$ 60,814	64,168

(*) Corresponds to the Provision for loss contingencies.





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

Note 19. - Other liabilities

Other liabilities as of June 30, 2024, and December 31, 2023 comprise the following:

Items	June 30, 2024	December 31, 2023
Collections made	\$ 593,888	108,478
Suppliers and accounts payable	282,786	254,512
Dividends and surplus	165,451	67,047
Taxes, withholdings and labor contributions	93,247	148,026
Cashier's checks	85,730	294,056
Withdrawals payable	74,522	72,848
Other	68,365	71,409
Credit surpluses	65,964	36,955
International exchange received	47,927	96,006
Portfolio disbursements	30,373	3,835
National Guarantee Fund	27,090	29,758
Peace bonds	25,153	25,164
Sales tax payable	20,523	17,452
Payments to third parties Occired	19,730	21,310
Contributions on transactions	16,085	13,865
Credit card receivables	12,243	11,536
Derivatives trading	10,414	11,267
Uncashed checks drawn	7,617	9,060
Bank items in clearing	7,427	12,349
Accounts cancelled	6,056	5,488
Forwards non delivery	4,636	1,665
Collection services	3,024	2,709
Commissions and fees	2,712	1,432
Security deposit - Margin Call	2,342	355,795
Prospective buyers	1,567	2,218
Loyalty programs	843	728
Anticipated income	642	926
Leases	165	391
Insurance and insurance premiums	70	146
Cash surpluses and redemption	60	114
Ath and ach transactions	40	30
Contributions and memberships	4	4
Deferred credits	-	424
	\$ 1,676,698	1,677,003





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

Note 20. – Equity

The number of shares authorized, issued and outstanding as of June 30, 2024, and December 31, 2023, were as follows:

	June 30, 2024	December 31, 2023
Number of shares authorized	\$ 200,000,000	200,000,000
Number of shares subscribed and paid	155,899,719	155,899,719
Total shares outstanding	155,899,719	155,899,719

Total shares outstanding are as follows:

Common shares	155,899,719	155,899,719
Subscribed and paid-in capital, common shares	\$ 4,677	4,677

Appropriated retained earnings in reserves

The following is the detail of the composition as of June 30, 2024, and December 31, 2023:

	June 30, 2024	December 31, 2023
Legal reserve	\$ 3,134,027	3,134,027
Mandatory and voluntary reserves	1,297,477	1,075,910
Total	\$ 4,431,504	4,209,937

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:

	June 30, 2024	December 31, 2023
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
Total shares outstanding	155,899,719	155,899,719
Withholding tax (**)	(1,567)	(263)
Total Dividends Declared	\$ 215,142	251,323

(*) Earnings reported correspond to the end of December 2023 and 2022.

(**) Withholding tax transferable to shareholders (Art.242-1 ET)

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



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

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 June 30, 2024, and December 31, 2023:

	June 30, 2024		December 31, 2023	
	Notional amount	Fair Value	Notional amount	Fair Value
Guarantees	\$ 1,218,334	55,176	1,246,647	50,741
Unused letters of credit	195,473	1,000	138,249	1,002
Overdraft limits	1,876,804	1,876,804	2,014,636	2,014,636
Unused credit card limits	3,846,647	3,846,647	3,848,307	3,848,307
Opening of credit	181,735	181,735	173,598	173,598
Non disbursed approved loans	3,000	3,000	5,000	5,000
Other	2,067,617	2,067,616	1,913,328	1,913,329
Total	\$ 9,389,610	8,031,978	9,339,765	8,006,613
Provision for loss contingencies	(54,917)	(54,917)	(58,263)	(58,263)
Total	\$ 9,334,693	7,977,061	9,281,502	7,948,350

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.

	June 30, 2024	December 31, 2023
Colombian pesos	\$ 7,471,140	7,432,997
Dollars	1,903,437	1,894,087
Euros	13,025	11,868
Other	2,008	813
Total	\$ 9,389,610	9,339,765

Capital expenditure disbursement commitments

As of June 30, 2024, and December 31, 2023, the Group had contractual commitments for capital expenditure disbursements (intangible and other) of \$43,315 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.





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

b. Contingencies

Legal contingencies

As of June 30, 2024, the Group had civil lawsuits against it with claims for \$115,246, 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 June 30, 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 June 30, 2024.

Note 22. - Commission and fee income and expenses

Following is a detail of commission and fee income and expenses for the quarters and semesters ended June 30, 2024 and 2023:

	For the quarter ended in:		For the six-month period ended as of:	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Revenues				
Fees for banking services	\$ 74,793	71,272	148,578	140,918
Credit card fees	41,382	42,394	82,934	81,575
Fiduciary activities	29,342	26,915	59,055	54,641
Fees for drafts, checks and checkbooks	1,110	1,254	2,268	2,713
Office network services	627	461	1,104	916
Total	\$ 147,254	142,296	293,939	280,763
Expenses				
Banking services	\$ 24,822	6,435	53,673	12,725
Bank charges	352	335	669	619
Sales and service commissions	3,880	3,488	7,664	6,157
Bank guarantees	-	-	-	2
Placements	9,099	7,554	16,164	18,151
Credit Cards	106	1,405	193	2,742
Other	17,591	15,853	33,810	32,122
Total	55,850	35,070	112,173	72,518
Net commission income	\$ 91,404	107,226	181,766	208,245





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

Note 23. – Other income and expenses, net

Following is a detail of other income and other expenses for the quarters and semesters ended June 30, 2024, and 2023:

	For the quarter ended in:		For the six-month period ended as of:	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Other income				
Other operating income ^{(1) (*)}	\$ 79,665	64,583	149,348	134,917
Equity in net income of associated companies and joint ventures ⁽¹⁾	56,957	50,906	120,299	139,763
Profit on sale of property and equipment	25	243	532	273
Dividends	141	-	6,382	5,702
Gain on sale of non-current assets held for sale ⁽¹⁾	1,580	16,095	1,592	16,409
Net gain on valuation of investment properties ⁽¹⁾	6,350	14,025	12,507	14,863
Net loss on sale of investments ⁽¹⁾	(2,752)	(256)	(772)	(6,003)
Net gain (loss) on foreign exchange currency difference ⁽¹⁾	88,109	12,238	134,893	(51,003)
Other income total	\$ 230,075	157,834	424,781	254,921

(*) The other operating income item is mainly composed of sales of other services, lease payments, operating leasing and leases.

⁽¹⁾ For the quarter ended June 30, 2024 and 2023, the variation in other income was (\$72,241), mainly due to the Share in net income of associated companies and joint ventures for \$6,051, due to the difference in foreign currency exchange, due to fluctuations in the TRM in the market, generating a variation of \$75,871, loss on sale of non-current assets held for sale (\$14,515), other operating income \$15,082 and loss on valuation of investment properties (\$7,675).

⁽²⁾ For the six-month period ended June 30, 2024 and 2023, the variation in other income was \$169,860, mainly due to the Share in net income of associated companies and joint ventures for (\$19,464), due to the difference in foreign currency exchange, due to fluctuations in the TRM in the market, generating a variation of \$185,896, loss on sale of non-current assets held for sale \$14,817, other operating income \$14,431, net loss on sale of investments \$5,231 and loss on valuation of investment properties (\$2,356).

	For the quarter ended in:		For the six-month period ended as of:	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Other expenses				
Personnel expenses	\$ 238,515	227,156	460,073	435,491
Taxes and fees	81,592	75,807	164,819	144,489
Insurance	38,274	34,788	77,732	65,434
Consulting, audit and other fees	41,272	36,074	75,717	63,086
Contributions, memberships and transfers	12,506	30,257	24,648	63,075
Other*	10,426	21,443	43,267	33,587
Depreciation of right-of-use assets	19,540	15,376	38,222	30,532
Amortization of intangible assets	20,431	18,359	40,139	35,557
Depreciation of tangible assets	12,292	11,831	24,750	23,531
Maintenance and repairs	14,654	14,004	31,648	25,596
Utilities	8,474	7,760	16,720	15,549
Advertising Services	8,767	11,006	15,878	13,368
Electronic data processing	3,823	3,561	7,898	7,719
Leases	7,750	4,520	14,498	8,303
Transportation services	4,563	3,421	8,979	6,720
Losses on sale of property and equipment	1,265	1,700	2,417	5,101
Cleaning and security services	4,004	2,808	7,890	5,828
Supplies and stationery	1,187	1,390	2,454	2,643
Insurance claims losses	3,894	2,683	6,861	5,027
Adaptation and installation	2,024	1,066	2,759	1,633
Impairment losses on other assets	-	- 239	-	279
Travel expenses	1,615	1,213	2,624	1,886
Donation expenses	862	1,062	1,803	1,699
Assets write-off	229	99	229	110
Temporary services	2	-	4	-
Other expenses total	\$ 537,961	527,145	1,072,029	996,243

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





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

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 June 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.

The Board of Directors evaluates the performance of each segment, based on each segment's net income and certain credit risk indicators.

- 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 quarters and semesters ended June 30, 2024, and for the year ended December 31, 2023:

June 30, 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
Assets							
Financial assets at fair value through profit or loss	\$ 6,375,272	75,292	71	841	-	-	6,451,476
Financial assets at fair value with changes in ORÍ	3,264,358	43,125	-	1,137,413	368,310	(5,137)	4,808,069
Financial assets in debt securities at amortized cost	2,054,030	-	-	-	-	-	2,054,030
Investments in associated companies and joint ventures	2,410,201	276,797	-	-	-	(848,236)	1,838,762
Financial assets for loan portfolio at amortized cost	48,433,562	(216)	-	2,528,695	651,297	-	51,613,338
Other Assets	5,158,224	63,202	99,517	408,179	218,168	(45,288)	5,902,002
Total Assets	\$ 67,695,647	458,200	99,588	4,075,128	1,237,775	(898,661)	72,667,677
Liabilities							
Customer deposits	48,150,346	-	-	3,783,463	1,063,438	(11,213)	52,986,034
Financial obligations	11,487,978	13,852	19,718	1,179	-	(211)	11,522,516
Other Liabilities	2,374,777	50,512	32,039	5,661	2,757	(34,163)	2,431,583
Total Liabilities	\$ 62,013,101	64,364	51,757	3,790,303	1,066,195	(45,587)	66,940,133
Equity	\$ 5,682,546	393,836	47,831	284,825	171,580	(853,074)	5,727,544





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

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
Assets							
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
Total Assets	\$ 64,265,124	436,835	100,067	3,561,350	1,050,692	(812,284)	68,601,784
Liabilities							
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
Total Liabilities	\$ 58,621,189	36,351	51,005	3,324,400	898,920	(18,164)	62,913,701
Equity	\$ 5,643,935	400,484	49,062	236,950	151,772	(794,120)	5,688,083

For the quarter ended June 30, 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
Income from continuing operations							
Financial Income	\$ 1,851,978	1,286	155	60,611	17,779	(127)	1,931,682
Fees and commissions	115,457	32,625	-	1,978	528	(3,334)	147,254
Other operating income	3,610,036	21,865	88,275	7,086	2,055	(68,517)	3,660,800
Total income	\$ 5,577,471	55,776	88,430	69,675	20,362	(71,978)	5,739,736
Financial Expenses							
Impairment of financial assets	\$ 350,541	676	5,435	1,498	337	-	358,487
Depreciation and amortization	46,616	1,603	3,685	440	82	(163)	52,263
Commissions and fees paid	73,957	615	12	827	255	(19,816)	55,850
Administrative expenses	244,493	6,389	12,822	2,810	1,902	(12,151)	256,265
Other operating expenses	4,680,013	22,097	69,890	49,971	12,217	(143)	4,834,045
Income tax	31,505	3,056	(1,213)	-	218	-	33,566
Total expenses	\$ 5,427,125	34,436	90,631	55,546	15,011	(32,273)	5,590,476
Profit for the period	\$ 150,346	21,340	(2,201)	14,129	5,351	(39,705)	149,260

For the quarter ended June 30, 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	\$ 1,846,291	1,126	166	48,878	15,963	(967)	1,911,457
Fees and commissions	113,406	28,389	-	1,505	472	(1,476)	142,296
Other operating income	5,496,584	20,719	73,323	11,854	1,823	(69,946)	5,534,357
Total income	\$ 7,456,281	50,234	73,489	62,237	18,258	(72,389)	7,588,110
Financial Expenses							
Provision for impairment of financial assets	\$ 345,292	114	19	(6,955)	477	-	338,947
Depreciation and amortization	40,246	1,548	3,323	454	156	(160)	45,567
Commissions and fees paid	49,773	547	13	795	257	(16,315)	35,070
Administrative expenses	240,481	5,818	11,473	2,776	1,629	(11,482)	250,695
Other operating expenses	6,653,629	19,017	58,442	45,517	10,345	(1,463)	6,785,487
Income tax	(459)	3,392	356	-	217	(342)	3,164
Total expenses	\$ 7,328,962	30,436	73,626	42,587	13,081	(29,762)	7,458,930
Profit for the period	\$ 127,319	19,798	(137)	19,650	5,177	(42,627)	129,180

For the semester ended June 30, 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
Income from continuing operations							
Financial Income	\$ 3,757,397	2,394	303	120,954	34,166	(127)	3,915,087
Fees and commissions	230,639	64,606	-	3,217	1,085	(5,608)	293,939
Other operating income	7,023,002	43,166	170,259	10,522	3,287	(134,428)	7,115,808
Total income	\$ 11,011,038	110,166	170,562	134,693	38,538	(140,163)	11,324,834
Financial Expenses							
Provision for impairment of financial assets	\$ 809,543	968	5,557	113	927	-	817,108
Depreciation and amortization	91,710	3,224	7,537	846	117	(323)	103,111
Commissions and fees paid	146,062	1,133	29	1,515	550	(37,116)	112,173
Administrative expenses	476,378	12,017	26,314	5,506	3,494	(21,096)	502,613
Other operating expenses	9,250,079	42,207	132,554	95,078	23,036	781	9,543,735
Income tax	4,810	7,290	(199)	-	404	-	12,305
Total expenses	\$ 10,778,582	66,839	171,792	103,058	28,528	(57,754)	11,091,045
Profit for the period	\$ 232,456	43,327	(1,230)	31,635	10,010	(82,409)	233,789





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

For the semester ended June 30, 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	\$ 3,561,411	2,248	658	98,078	30,949	(2,202)	3,691,142
Fees and commissions	222,030	58,170	-	3,112	1,007	(3,555)	280,764
Other operating income	10,095,819	46,746	148,354	20,100	4,359	(134,890)	10,180,488
Total income	\$ 13,879,260	107,164	149,012	121,290	36,315	(140,647)	14,152,394
Financial Expenses							
Provision for impairment of financial assets	\$ 601,803	183	15	(3,606)	200	-	598,595
Depreciation and amortization	78,694	3,034	7,040	948	191	(289)	89,618
Commissions and fees paid	98,953	1,066	23	1,827	527	(29,877)	72,519
Administrative expenses	444,385	11,959	23,073	5,462	3,579	(23,723)	464,735
Other operating expenses	12,309,053	36,959	117,647	85,355	22,135	(2,724)	12,568,425
Income tax	33,683	7,373	298	-	370	(342)	41,382
Total expenses	\$ 13,566,571	60,574	148,096	89,986	27,002	(56,955)	13,835,274
Profit for the period	\$ 312,689	46,590	916	31,304	9,313	(83,692)	317,120

Reconciliation of net income, assets and liabilities of 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

		For the quarter ended in:		For the semester ended as of:	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
		Total reportable revenues by segment	\$ 5,811,713	7,660,498	11,464,997
a. Yield on demand deposits	(127)	(967)	(127)	(2,202)	
b. Dividends	-	-	(276)	(177)	
c. Equity Method	(39,700)	(43,113)	(82,125)	(83,982)	
d. Other	(32,150)	(28,308)	(57,635)	(54,285)	
Total consolidated revenues	\$ 5,739,736	7,588,110	11,324,834	14,152,394	

2. Expenses

		For the quarter ended in:		For the six-month periods ended as of:	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
		Total reportable expenses by segment	\$ 5,622,749	7,488,692	11,148,799
a. Interest on bank loans	(8)	(988)	(21)	(2,249)	
b. Equity Method	-	(467)	-	(467)	
c. Others	(32,265)	(28,307)	(57,733)	(54,239)	
Total consolidated expenses	\$ 5,590,476	7,458,930	11,091,045	13,835,274	

3. Assets

		December 31,	
		June 30, 2024	2023
Total reportable assets by segment	\$	73,566,338	69,414,068
a. Banks and other correspondents		(11,213)	(10,448)
b. Investments		(853,373)	(794,425)
c. Accounts receivable		(33,950)	(6,981)
d. Other		(125)	(430)
Total consolidated assets	\$	72,667,677	68,601,784





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4. Liabilities

		June 30, 2024	December 31, 2023
Total reportable liabilities by segment	\$	66,985,719	62,931,865
a. Checking accounts		(3,915)	(6,172)
b. Accounts payable		(34,163)	(7,194)
c. Others		(7,508)	(4,798)
Total consolidated liabilities	\$	66,940,133	62,913,701

5. Equity

		June 30, 2024	December 31, 2023
Total reportable equity by segment	\$	6,580,619	6,482,204
a. Capital stock		(34,642)	(36,500)
b. Additional paid-in capital		(198,940)	(198,940)
c. ORI		(878,972)	(855,390)
d. Surplus Equity method		75,946	75,002
e. Profit or loss		189,146	227,395
f. Other		(5,613)	(5,688)
Total Equity	\$	5,727,544	5,688,083

6. Assets by country

Country		June 30, 2024	December 31, 2023
Colombia	\$	5,276,276	5,304,094
Panama		284,825	236,950
Barbados		166,443	147,039
Total Equity	\$	5,727,544	5,688,083

7. Revenues by country

Country		For the quarter ended in:		For the six-month periods ended as of:	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Colombia	\$	5,650,590	7,509,541	11,153,585	13,999,492
Panama		68,784	60,312	132,987	116,764
Barbados		20,362	18,257	38,262	36,138
Total Consolidated Revenues	\$	5,739,736	7,588,110	11,324,834	14,152,394

e. Largest customers of the Parent Company

There are no customers representing 10% of the Group's total revenues during the periods ended June 30, 2024, and June 30, 2023.





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

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:

Funds managed by Grupo Aval	June 30, 2024	December 31, 2023
Total assets under management	\$ 853,114	817,316
Investments at fair value through profit or loss	740,012	709,520
Other accounts receivable	1	1
Total assets in relation to Grupo Aval's interest in unconsolidated structured entities	1,593,127	1,526,837
Maximum exposure of Grupo Aval	\$ 1,593,127	1,526,837

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. – 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 the President of Grupo Aval, the Parent Company, Fiduciaria de Occidente S.A., the General Manager of Ventas y Servicios S.A. – 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 June 30, 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:

June 30, 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
Assets						
Cash and cash equivalents	\$ -	-	1,517	-	6	-
Financial assets in investments	-	-	-	139,975	-	-
Financial assets in credit operations	6	15,327	554,702	60,410	461,935	3,635
Accounts receivable	-	185	85,081	4,474	143,125	12
Other assets	-	515	114,137	-	361	-
Liabilities						
Deposits	\$ 156,662	60,127	1,524,019	16,317	376,460	2,429
Accounts payable	47	8,494	118,704	-	24,675	-
Financial obligations	-	132	54,073	-	58,983	-
Other liabilities	-	-	1,470	-	-	9

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
Assets						
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	-
Liabilities						
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 and semesters ended June 30, 2024, and 2023 with related parties comprise:

a. Sales, services and transfers

For the quarter ended June 30, 2024

	Categories						
	1	2	3	4	5	6	
	Individuals with control over Banco de Occidente	Key Management Personnel	Companies that belong 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	
Interest income	\$	-	247	20,698	1,462	16,522	37
Financial expenses		277	533	9,367	854	6,366	1
Fee and commission income		-	37	4,105	6,632	14,222	6
Fees and commissions expense		-	317	23,313	17,824	99	-
Other operating income		1	38	43,386	164	4,290	3
Other Expenses	\$	-	64	6,703	1,782	3,867	-

For the quarter ended June 30, 2023

	Categories						
	1	2	3	4	5	6	
	Individuals with control over Banco de Occidente	Key Management Personnel	Companies that belong to the same group	Associates and joint ventures	Entities that are controlled by persons included in category 1 and 2	Entities that have significant influence by persons included in category 1 and 2	
Interest income	\$	1	495	14,359	579	20,932	-
Financial expenses		525	1,357	10,140	593	6,510	1
Income on fees and		2	72	3,820	6,289	13,202	1
Fees and commissions expense		-	(74)	21,653	6,765	173	-
Other operating income		1	39	39,907	(147)	5,514	-
Other Expenses	\$	-	19	5,624	836	2,203	-

For the six-month period ended as of June 30, 2024

	Categories						
	1	2	3	4	5	6	
	Individuals with control over Banco de Occidente	Key Management Personnel	Companies that belong 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	
Interest income	\$	2	584	44,222	3,543	33,493	171
Financial expenses		2,710	1,699	19,913	1,167	17,471	4
Fee and commission income		1	84	9,247	12,984	28,225	15
Fees and commissions expense		-	501	47,514	26,755	204	-
Other operating income		1	73	76,656	5,771	7,388	4
Other Expenses		-	117	11,688	3,717	7,683	-





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

For the six-month period ended as of June 30, 2023

	Categories					
	1	2	3	4	5	6
	Individuals with control over Banco de Occidente	Key Management Personnel	Companies that belong 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
Interest income	\$ 1	655	27,966	1,005	26,440	
Financial expenses	1,503	2,286	22,838	1,917	13,614	5
Income on fees and	2	96	6,219	12,389	28,188	3
Fees and commissions expense	-	76	44,766	13,238	257	-
Other operating income	2	62	73,322	5,004	12,115	-
Other Expenses	-	50	9,199	3,640	4,185	-

b. Compensation of key management personnel

Compensation received by key management personnel, consists of the following for quarters and semesters ended June 30, 2024, and 2023:

Items	For the quarter ended in:		For the six-month period ended as of:	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Salaries	\$ 7,145	6,946	\$ 14,172	13,485
Short-term employee benefits	907	2,416	1,888	3,504
Other long-term benefits	14	8	27	22
Total	\$ 8,066	9,370	\$ 16,087	17,011

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

There are no subsequent events that have occurred between the closing date as of June 30, 2024, and August 12, 2024, the date of the statutory auditor's report, that have an impact on the consolidated financial statements as of that date or on the results and equity of the bank.

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







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

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.

Full Name: **ANDRÉS FELIPE CELIS SALAZAR**

Signature: *Andrés F. Celis S.*

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Telephone (day): **(57) 3213922388**

Date: **August 20, 2024**

