

BANCO DE OCCIDENTE

BY-LAWS

FIRST TITLE: Name, Domicile, Purpose and Duration.

ARTICLE 1: Banco de Occidente is a Colombian Commercial Stock Corporation, domiciled in the city of Cali, Department of Valle del Cauca, with the capacity of establishing Branches, Agencies and Representatives anywhere within the territory, through resolution issued by its Board of Directors, which, for its validity, shall be approved by the Financial Superintendence.

ARTICLE 2: Banco de Occidente, in compliance with its corporate purpose, may conclude or enter into all transactions and contracts legally allowed to banking establishments of a commercial nature, subject to the requirements and limitations of Colombian Law.

ARTICLE 3: The Bank's duration shall be ninety-nine (99) years, counted as from September 8, 1964, date in which the Financial Superintendence approved the Act of Incorporation, without prejudice of extension in accordance with the law, or of its dissolution or liquidation before such term, due to suspension or non-renewal of its authorization operation legal, or for any other legal or statutory reason.

SECOND TITLE: Capital, Shares and Shareholders.

ARTICLE 4: The Bank's authorized capital is SIX BILLION PESOS (\$6,000,000,000,00), divided into TWO HUNDRED MILLION nominative shares with a face value of THIRTY PESOS (\$30,00) LEGAL CURRENCY, each.

ARTICLE 5: The General Shareholders' Meeting may increase the share capital through Resolution issued with the favorable vote of at least seventy per cent (70%) of the shares represented at the meeting, and with the subsequent approval of the Financial Superintendence.

ARTICLE 6: The Board of Directors shall regulate the issuance and placement of the shares in reserve corresponding to capital increases, establishing the price, payment method and subscription term, through resolution and the same shall be approved financial Superintendence regarding validity thereof.

ARTICLE 7: Each share shall be entitled to one (1) vote regarding all decisions of the General Shareholders' Meeting with the restrictions set forth under Article 22 of the herein By-laws. The Corporation shall also give the sane treatment to shareholders regarding their exercise of right of petition, claims and information, regardless of the amount represented by their shares. The specific mechanisms for assuring equitable treatment of shareholders include: (i) to request summoning of the General Shareholders' Meeting in accordance with the herein by laws and the Good Governance Code (ii) enforce compliance of the Good

Governance Code, (iii) be attended and informed with the same detail at the same time and with timeliness in order to protect their rights. The responses and information delivery the Corporation's shareholders shall be carried out through the bodies defined by the Corporation for attending the same. (iv) others provided for hereunder, in the Good Governance Code and under the Law.

ARTICLE 8: The shares shall be nominative and shall be represented by certificates with one or more continuous numbered shares, which shall bear the autograph signatures of the President of the Bank, or whoever may replace the same, as well as of the General Secretary.

ARTICLE 9: Shares shall be freely transferable, according to Law; but the Corporation shall only recognize ownership of those who are registered in the book "Shares Registry", destined for registering, on behalf of the shares owners, stating the amount corresponding to each share, acquisition date, certificate number, transfers and a note of encumbrances over the shares, such as limitations, attachments and civil lawsuits.

ARTICLE 10: The shares shall be non-severable and, therefore, in the case of co-ownership of one or more shares, the joint owners shall appoint a single person to represent them before the Bank during their exercise of shareholder's rights.

ARTICLE 11: Shares whose registration has been cancelled or prevented by order of competent authority may not be alienated. In mandatory sales and shares awarded by a court, registration shall be carried out on the basis of the court order or of the communication of the person who shall legally do so.

ARTICLE 12: In cases of loss or theft of a shares' certificate, the Bank shall replace it by issuing a duplicate to the owner registered in the share registry, checking the fact with the administrators, and in any case presenting the authentic copy of the criminal report. Whenever the shareholder requests a duplicate for loss of a certificate, it shall provide the guarantee required by the Board of Directors. In the event of deterioration, the issuance of the duplicate shall require the delivery by the shareholder, of the original certificates to be canceled by for the Bank.

ARTICLE 13: In order to alienate shares or for constituting real rights over the same, for the effects with respect to the Bank and third parties, the alienating party or constituent of rights is required to provide a written order addressed to the Bank for the registration of the respective operation in the "Shares Registry " book. In the event of shares' alienation, such order may be given in the form of an endorsement on the respective certificate.

THIRD TITLE: Management and Administration.

ARTICLE 14: The Bank's management shall correspond to the General

Shareholders' Meeting, and such management shall be in charge of the Board of Directors, the President and the Vice-Presidents of the Bank, pursuant to the functions and capacities established under the by-laws and those set forth by the Board of Directors.

FOURTH TITLE: General Shareholders' Meeting.

ARTICLE 15: The General Shareholder's Meeting is comprised by the shareholders of the Bank, through a meeting in the city of Cali, duly summoned and with the quorum and other requirements required by these By-laws. Shareholders may be represented at the General Meeting by proxies, who shall be accredited as such through Public Deed, or written communication addressed to the President of the Bank, which shall also be signed by the representative, as proof of acceptance of the mandate given thereto. The power granted for a given session is understood to be in force for other meetings resulting from such session. Special powers of attorney shall state the proxy's name, the name of the person who may substitute the same and the date of the meeting for which it is conferred.

ARTICLE 16: The General Shareholders' Meeting shall meet ordinarily during the first three months of the year, through summoning of the legal representative of the Bank. If it is not summoned as set forth, the Meeting shall meet in its own right on the first business day of April, at 10:00 a.m., at the offices where the Bank Presidency in Cali operates.

ARTICLE 17: Extraordinary General Shareholders' Meetings shall be held when required by the unforeseen or urgent needs of the Corporation, through summoning of the Board of Directors, of the legal representative or the Statutory Auditor.

The Superintendent may order the convening of the Meeting to extraordinary meetings or make them, directly, in the following cases:

Whenever it has not met on the times set forth by the Law or by By-laws; where serious irregularities have been committed in the management, to be known or remedied by the General Shareholders' Meeting; and by request of a plural number of shareholders determined in the By-laws, and in the absence of such condition, for a number representing not less than the one-fifth of the shares subscribed.

The order to summon the Ordinary and Extraordinary Meeting shall be complied with by the legal representative or by the Statutory Auditor.

ARTICLE 18: The summoning to Ordinary and Extraordinary Meetings shall be made through notice published in a newspaper of ordinary circulation in the city of Cali, at least 15 business days in advance, in the case of meetings wherein end-of-year balances shall be approved, and 5 calendar days in other cases. The

summoning notice to extraordinary meetings shall include the Agenda with the matters to be discussed at the meeting. The Bank shall inform the Financial Superintendence in a timely manner of the date, time and place of meeting of any General Meeting.

ARTICLE 19: If a General Shareholder's Meeting is summoned, and the same is not held due to lack of quorum, a new meeting shall be summoned for validly deciding with a plural number of people, regardless of the number of shares represented. The meeting shall be held not before ten days nor after thirty days counted as from the date set for the first meeting. Where the Meeting is carried out in an ordinary session in its own right on the first business day of April, it may also deliberate and validly decide under the terms of the first subparagraph.

ARTICLE 20: An Extraordinary General Shareholders' Meeting cannot make decisions on issues not included in the agenda published. However, through decision of seventy per cent of the shares represented it shall be able to discuss other issues, once the agenda has been exhausted, and in any case it may remove the managers and other officers whose appointment corresponds thereto.

ARTICLE 21: During the fifteen (15) business days preceding the meeting wherein the end-of-term balance is to be considered, the Balance Sheet to be submitted to the Shareholders' Meeting shall be made available for study at the Bank's Management Offices in Cali, with documents relating to Article 446 of the Code of Commerce, together with the books and other vouchers required by Law.

SUBPARAGRAPH: Without prejudice to Article 182 of the Code of Commerce, shareholders may propose one or more items to be discussed in the Agenda of the General Meeting within five (5) calendar days following the publication of the summoning.

ARTICLE 22: The General Meeting shall deliberate with a plural number of people representing at least the absolute majority of the shares subscribed. During the Meeting each shareholder shall have the same number of votes as shares held in the Corporation. Decisions of the Meeting shall be taken by a majority of the votes present except in cases where a special majority is required by Law or By-laws. Voting shall take place without being subject to the restriction enshrined under the first subparagraph of Article 428 of the Code of Commerce.

ARTICLE 23: The Bank's domicile modification requires the affirmative votes of 90% of the Bank's shareholders. In order to legally modify this Article, the same percentage of votes set forth hereunder shall be required.

ARTICLE 24: With regard to the votes for electing the Board of Directors or any plural commission to be appointed the Meeting, the electoral quotient system shall apply. For the election of Board of Directors, at the same meeting the Shareholders shall pre-register the lists of candidates for which they shall vote, with their respective personal alternates. If two or more of the nominees result with an equal number of votes, the decision shall be by chance.

ARTICLE 25: Each shareholder may appoint one or more representatives to the General Shareholders' Meeting, regardless of the number of shares owned. The shareholder, or its representatives shall exercise the right to represent and vote in a non-severable manner, namely they are not allowed to vote with a group of shares in a particular sense and with another in a different sense. When a person represents multiple shareholders, he or she may vote separately following the instructions of the principal or each person or group represented, but in any case without dividing the votes corresponding to the shares of the same person represented or principal. Where, for reasons of inheritance or otherwise, if a share corresponds to several persons, the same shall appoint a single person to act before the Corporation as representative of the share, if they own more than one share, the general rule referred to in the herein article shall be followed.

ARTICLE 26: The General Shareholders' Meeting shall be chaired by the Chairman of the Board of Directors or, in its absence, by any of the other directors, starting with the principals and following with the alternates. The General Secretary or one of the Vice-Presidents of the Bank shall act as Secretary of the Meeting, or otherwise whoever is appointed by the Chairman of the Meeting.

ARTICLE 27: The corresponding Minutes shall be drafted for each General Shareholders' Meeting, as set forth under article 431 of the Code of Commerce. The Minutes shall be read and subject to approval of the attendees, before the corresponding session is adjourned.

ARTICLE 28: The functions of the General Shareholders' Meeting are as follows:

- a) To freely appoint and remove the Members of the Board of Directors and their Alternates, the Statutory Auditor and its Alternate, to accept their resignations and fill out the respective vacancies, all in accordance with the legal provisions with the By-laws. For the election of the Statutory Auditor and its alternate, shareholders may submit to the Meeting proposals for candidates of firms with recognized experience and trajectory, which shall be discussed at the Meeting and upon their objective and public assessment they shall proceed with the election.
- b) Determine the fees of the Members of the Board of Directors and of the Statutory Auditor.
- c) Review, approve or disapprove end-of-term balance sheets and reports submitted by the President of the Bank and by the Board of Directors. If the reports or the Balance Sheet submitted are not approved by the Meeting, the same shall appoint three of its members, to review and deliver a written report at a meeting to be summoned within thirty days.
- d) Assess the management of the Board of Directors, administrators and principal executives, through the review and approval or disapproval of the Management Report, as described in the Good Governance Code.

e) Decree the distribution of profits obtained in each fiscal year as well as the dividends to be paid to shareholders, fix the dividend periods and create the reserve funds or provisions, greater than or different from those that the bank shall define pursuant to law. Shares subscribed after the end of a fiscal year shall be entitled to dividends as from the month following the month in which they are subscribed and paid, unless the Shareholders' Meeting provides otherwise: dividends of these shares paid during the year in which they are subscribed and paid, shall be paid charged to the profits of the previous year and/or to the reserves defined for future distributions with profits of previous years.

f) Decree increases in authorized capital, early dissolution of the Bank or the extension of its term of duration and generally, to modify the bylaws.

g) Expressly authorize any activity by a Bank manager, whose development implies competition with the Corporation or any act for which there is a conflict of interest. For such purpose, the administrator shall provide the General Shareholders' Meeting with all information relevant for such decision-making. The administrator's vote, if the same is a shareholder, shall be excluded from the respective determination. In any event, the authorization of the General Shareholders' Meeting may be granted only where the act does not impair the interests of the Corporation.

h) Approve its regulations.

i) Determine the maximum amount up to which the Corporation may carry out donations for supporting causes aimed for the benefit of the community or specific sectors of the same, (e.g. causes addressed to health, education, culture, religion, the exercise of democracy, sports, scientific and technological research, environmental ecology and protection, defense, protection and promotion of human rights, access to justice, social development programs, calamities, etc.) that help promoting the image of the company during the development of its social responsibility. The General Shareholders' Meeting shall have the capacity to decide those specific sectors to which such donations may be directed. SUBPARAGRAPH: The quotas for donations approved by the General Meeting shall survive until their exhaustion.

j) Approve the acquisition, sale or encumbrance of assets and segregation spin-off operations, the amount of which exceeds twenty-five per cent (25%) of the total assets of the financial institution, calculated with respect to its financial statements separate from the immediately preceding fiscal year. The aforementioned, without prejudice to applicable special regulations.

SUBPARAGRAPH: The segregation spin-off is understood as the allocation of a portion of the entity's equity for incorporating another corporation or increasing the capital of existing companies, obtaining shares quotas or interests as consideration.

k) Exercise other functions that legally or pursuant to the By-laws correspond to the same as the supreme directing body of the Bank.

FIFTH TITLE: Board of Directors.

ARTICLE 29: The Board of Directors shall be comprised by five (5) Principal Members with their respective personal Alternates, elected by the General Shareholders' Meeting for periods of one (1) year. Board Members may be freely re-elected or removed by the General Shareholders' Meeting. The Board of Directors shall appoint its Chairman and Vice-chairman for its respective term. In their absence, the meeting shall be chaired by the Member appointed by the Board of Directors for the respective meeting.

ARTICLE 30: The alternates shall take the place of the principal in case of temporary or final absence of the latter. The absence of a member of the Board of Directors for a period greater than three months shall result in the vacancy of the position of Director and the position shall be exercised by its alternate for the remainder of the period for which it was elected.

ARTICLE 31: The Board of Directors may deliberate and validly decide with the presence and votes of the majority of its Members. If a tie arises in a vote of the Board, the proposal shall be deemed denied, but may be discussed again at another meeting of the Board. If a tie in the vote occurs again, the matter shall be deemed denied, and may only be re-addressed at the request of the majority of the Board.

ARTICLE 32: The Board of Directors shall meet in an ordinary manner, at least every fortnight, summoned by the President of the Bank. Extraordinary meetings shall be summoned by the Chairman of the Board, by the President of the Bank, by the Statutory Auditor or by two of its Members acting as Principals.

ARTICLE 33: The General Secretary of the Bank shall be the Secretary of the Board in charge of drafting the Minutes of the meetings. The book of Minutes shall be kept in accordance with the legal provisions. Each of the Minutes shall be submitted to the Board for consideration and, once approved, shall be signed by the person who chaired the relevant meeting and by the person who acted as Secretary.

ARTICLE 34: No majority may occur within the Board of Directors comprised, by persons bound by marriage, or by kinship within the third degree of kinship or second degree of affinity, or first civil relationship.

Persons holding any position at the Bank cannot belong to the Board either.

ARTICLE 35: Meetings of the Board of Directors shall be attended by the President of the Bank, with voice, but without a vote; any other officer of the Bank may attend, through invitation of the Board of Directors or the President of the Bank.

ARTICLE 36: The Board of Directors shall exercise all functions relating to the Bank's management, which do not correspond to the General Shareholders' Meeting and in particular:

- (a) Freely appoint and remove the President of the Bank, Vice-Presidents, the General Secretary and Branch Managers and determine their assignments.
- (b) Establish and suppress, upon compliance with legal requirements, the Branches and Agencies deemed appropriate.
- (c) Direct the Bank's policy, complying with the laws and regulations governing such matter.
- (d) Establish the administrative structure of the Bank, determining the staff, functions and assignments of the same.
- (e) Submit to the General Shareholders' Meeting, jointly with the President of the Bank, the reports and balance sheets for each fiscal year and the proposals for distributing profits, accompanied by a report regarding the progress of the entity's business and general situation, including the description of the Bank's main risks, internal control activities as well as relevant findings. Such report shall be available to investors and shareholders pursuant to the mechanisms set forth under the Good Governance Code.
- (f) Authorize subscribed capital increases, establish stock issuance and placement regulations, in accordance with legal provisions, and submit such regulations for approval by the Financial Superintendence.
- (g) Appoint where deemed appropriate, advisory or consulting boards for the Bank's Branches, setting forth their capacities and remuneration.
- (h) Integrate Committees or Commissions comprised by two or more of its Members for the review and decision-making regarding certain matters.
- (i) Create one or more committees, comprised by a determined number of members appointed, which shall be renewed periodically and to which it may delegate one or more of the capacities which are not exclusive of the same or of another body of the Management, according to Law.
- (j) Clarify, upon consultation with the Financial Superintendence, the meaning of the Articles of the herein By-laws, in case of any doubt, of which it shall inform the General Shareholders' Meeting at next meeting of the same.
- (k) Establish its regulations.
- (l) Adopt specific measures with respect to the Governance of the Corporation, its conduct and its information, in order to assure respect for the

rights of those who invest in its shares or any other security issued, the proper management of its affairs and public knowledge of its management.

(m) Assure respect of all shareholders' rights as well as the rights of other investors of securities, pursuant to the parameters set forth by the market regulatory bodies.

(n) Adopt a Good Governance Code, including all the rules and mechanisms required, particularly in the Law, by the General Shareholders' Meeting and in the By-laws.

(o) Authorize the issuance of bonds.

(p) Assure proper compliance with internal control policies and procedures.

(q) Resolve conflicts of interest arising between shareholders and directors, managers or senior officers and between controlling shareholders and minority shareholders, except as provided for in Article 28(g) of the herein By-laws, which shall be under the competence of the General Shareholders' Meeting. Whenever a conflict of interest involves a member of the Board of Directors, the same shall be resolved regardless of the vote of the person concerned. The Good Governance Code shall establish the procedures for resolving conflicts of interest.

(r) Authorize or not, the applicability of specialized audits when requested by shareholders representing at least ten per cent (10%) of the bank's outstanding shares and/or investors who own at least twenty per cent (20%) of the total outstanding commercial securities issued by the Bank, under the terms and conditions established under the Good Governance Code.

(s) Authorize the donations to be carried out by the Corporation, all acting with the authorizations granted by the Shareholders' Meeting for such purpose.

(t) Exercise, pursuant to Law, all the functions deemed necessary for the development of the Bank's corporate purpose, which are not covered by the herein By-laws.

(u) Grant the capacity as legal representatives, to the President and Vice-Presidents, as well as to the Managers and other officers as deemed appropriate, establishing the scope of their duties.

SIXTH TITLE: President, Vice-Presidencies and Legal Representatives.

ARTICLE 37: The President shall be the legal representative of the Bank and shall be responsible for the direction of its activities and businesses, pursuant to the provisions of the Board of Directors. Its term shall be the same as that of the Board of Directors and may be re-elected indefinitely. The Bank shall have the Vice-Presidents determined by the Board of Directors, who shall establish their

functions and who shall also have the legal representation of the Bank. Likewise, the Board of Directors shall grant the status of legal representative to Managers and other officers as it may deem relevant, pointing out the scope their acts.

ARTICLE 38:- The functions of the President of the Bank are as follows:

(a) Represent the Bank before all kinds of persons, natural or legal, and before political, administrative and legal authorities within the country or abroad, with the capacity of appointing judicial or extrajudicial representatives, when deemed convenient.

(b) Enter into all kinds of acts and contracts on behalf of the Bank, subject to the authorizations conferred thereon by the Board of Directors.

(c) Perform the general direction of the Bank's business, within the regulations issued to the Board of Directors, with the authorization of contracts and transactions subject to the same, as the case may be.

(d) Appoint the employees of the Bank whose designation does not correspond, to the General Shareholders' Meeting or to the Board of Directors pursuant to the by-laws.

(e) Summon the Board of Directors for its regular meetings and, where deemed necessary, for extraordinary meetings.

(f) Submit to the Board of Directors the development programs of banking activities and businesses.

(g) Assure compliance with the by-laws, and the rules and provisions of the General Shareholders' Meeting and of the Board of Directors.

(h) Submit specific measures with respect to the Governance of the Corporation, its conduct and its information to the Board of Directors for approval and assure its continued compliance, in order to guarantee respect of the rights of those who invest in its shares actions or in any other security issued, an adequate management of its affairs and public knowledge of its management.

(i) Assure respect for the rights of its shareholders and other securities investors, in accordance with the parameters set forth by the market surveillance bodies.

(j) Provide the market with timely, comprehensive and truthful information regarding its financial statements and its business and administrative conduct, without prejudice to Articles 23 and 48 of Law 222 of 1995.

(k) Compile, in a Good Governance Code to be submitted to the Board of Directors for approval, all the rules and mechanisms required by Law. This Code shall be kept permanently within the Premises of the Entity, available to

Shareholders and investors for consultation.

(l) Announce the adoption of the Good Governance Code and of any amendment, change or complement thereof in a newspaper with national circulation, and indicate how it shall be disclosed to the public.

(m) Comply with the decisions of the General Shareholders' Meeting and of the Board of Directors.

(n) Exercise all other functions assigned thereto by the General Shareholders' Meeting or by the Board of Directors.

ARTICLE 39: All employees of the Bank who are not appointed by the General Shareholders' Meeting shall be under the immediate subordination and inspection of the President of the Bank.

SEVENTH TITLE: Statutory Auditor.

ARTICLE 40.-The Bank shall have a Statutory Auditor, with its corresponding Alternate appointed by the General Shareholders' Meeting for a period of one (1) year. It shall be chosen from an audit firm with recognized trajectory and experience. The Statutory Auditor shall be freely re-elected or removed by the General Shareholders' Meeting.

For its appointment, the prohibitions and requirements established by Articles 205 and 215 of the Code of Commerce shall be taken into account.

As a guarantee of transparency in their choice, shareholders may submit alternatives to the General Shareholders' Meeting for consideration, by sending the quote and the general and specific conditions under which the service would be rendered, in order to make an informed and conscious choice from the existing alternatives of firms with recognized trajectory and experience, always provided that the requirements of the Good Governance Code are met.

In addition to the inabilities and incompatibilities identified in the Law and in the by-laws, the Statutory Auditor shall not be a shareholder of the entity, nor have a marital or relationship within the fourth degree of kinship or first of affinity or of being a co-partner of the Legal Representative or of any member of the Board of Directors, the treasurer, accountant or auditor. The functions of the Statutory Auditor are incompatible with the performance of any other position or employment within the entity or its subordinates.

ARTICLE 41: The functions of the Statutory Auditor are as follows:

(a) Assure that operations entered into by or on behalf of the Bank comply with the requirements of Law and the By-laws and with the decisions of the General Shareholders' Meeting and the Board of Directors.

(b) Submit a timely report, in writing, to the General Shareholders' Meeting, to the Board of Directors or to the President of the Bank, as the case may be, regarding the relevant findings present in the operation of the Bank and in during the development of its business. The Statutory Auditor shall request the Bank's management to report such findings to the shareholders and to the market in general, through the mechanisms established by the Good Governance Code.

(c) Cooperate with the Financial Superintendence regarding the inspection and surveillance of the Bank and submit the reports requested by the Superintendence as the case may be.

(d) Assure that the Bank's accounts and the minutes of the meetings of the General Shareholders' Meeting and the Board of Directors are kept regularly, and that the correspondence and vouchers of the accounts are duly kept, providing the necessary instructions for such purpose.

(e) Monitor the status of the Bank's assets and assure that the conservation and security measures of the same are taken in a timely manner as well as of those under its custody or any other certificate.

(f) Issue instructions, carry out inspections and request the reports necessary for establishing a permanent control upon the securities of the institution or those in charge thereof.

(g) Verify the cash audit at least once a week.

(h) Authorize with its signature the Bank's balance sheets and their corresponding reports.

(i) To summon the General Shareholders' Meeting to extraordinary meetings as advisable upon the occurrence unforeseen or urgent circumstances according to the opinion of the Statutory Auditor and as per request of the shareholders representing at least ten per cent (10%) of the shares subscribed and investors representing at least twenty per cent (20%) of the total commercial securities at the time of the request, under the terms of the Good Governance Code and the Law.

(j) Assure that the management of the Entity complies with the specific duties established by the surveillance bodies, in particular those linked with the duties of information and the Good Governance Code. Verify that the entity addresses complaints or claims submitted by shareholders and investors regarding non-compliance with the Good Governance Code, taking appropriate measures.

(k) Assure that the Corporation provides an equitable treatment to shareholders and investors regarding the exercise of their rights and the attention of requests, claims and information, regardless of the amount represented by their shares or investments, under the terms set forth in the

Good Governance Code and in the Law.

(I) To comply with the other capacities foreseen under the law or by-laws and those which, being compatible with the above, are recommended by the General Shareholders' Meeting or by the Board of Directors.

EIGHT TITLE: General Secretary.

ARTICLE 42: The Bank shall have a General Secretary, who in turn shall also act as Secretary of the General Shareholders' Meeting and of the Board of Directors. It shall have the functions assigned thereto in the by-laws and those determined by the Board of Directors and the Presidency of the Bank. The Vice-President(s) of the Bank appointed by the Board of Directors or by the General Shareholders' Meeting may act as General Secretary for such purpose, and under the conditions determined thereby. The appointment of the Secretary of the Board of Directors may be made through proposal of the President of the Corporation.

NINTH TITLE: Balance Sheets.

ARTICLE 43: On December Thirty-one (31) every year, the Bank's accounts shall be cut and the inventory, balance sheet and liquidation for the respective year shall be carried out, or as provided by the General Shareholders' Meeting.

ARTICLE 44: On the last business day of every month, a detailed balance sheet shall be drafted, which shall be submitted to the Financial Superintendence.

ARTICLE 45: The Board of Directors shall submit the Balance Sheet for each fiscal year for consideration by the General Shareholders' Meeting, for making decisions over the same and over the proposal for distributing profits.

ARTICLE 46: The approval of the Balance Sheet by the General Shareholders' Meeting implicitly includes the accounts of the respective year and its closure.

ARTICLE 47: The liquid profits resulting in each fiscal year, subject to approvals for the reserves required by law or approvals for occasional reserves determined by the General Shareholders' Meeting, shall be distributed among the Bank's shareholders through the corresponding dividend payment order.

TENTH TITLE: Dissolution and Liquidation.

ARTICLE 48: The Bank may be dissolved, and enter into liquidation before the term set forth under in the herein bylaws, for the reasons provided for in the Law or by resolution issued by General Shareholders' Meeting with a number of shareholders representing four fifths (4/5) the shares subscribed.

ARTICLE 49: The dissolution and liquidation of the Bank shall be carried out in

accordance with the legal provisions in force.

ELEVENTH TITLE: Arbitration.

ARTICLE 50: Any differences between shareholders or between shareholders with the Bank as a Corporation, resulting from the articles of incorporation, during the existence of the Corporation or at the time of its liquidation, shall be subject to an arbitral decision, for which three arbitrators shall be appointed as follows: One by each of the parties and the third by the first two appointed. A Party shall be understood as the person or group of persons who bear the same claims. The arbitration process shall be carried out pursuant to Articles 2.011 and following of the Code of Commerce and the award shall be according to law.

TWELFTH TITLE: Audit Committee

As a mechanism for implementing internal control systems to allow monitoring of internal control activities and for knowing the relevant findings, the Corporation shall have an Audit Committee, as a support body for the administration management, regarding the decision-making relating to control and improvement of the same, in order to achieve an adequate development of the corporate purpose.

The committee shall consist of three members of the Board of Directors, in accordance with the applicable rules, who may also appoint independent persons for the management of the entity to support the work of the committee.

The meetings of the committee may be summoned, as often as necessary and in order to provide the relevant explanations on control matters, the President, the Financial Vice-President, the Comptroller, the Statutory Auditor, as well as any other officers deemed as appropriate by the committee.

Members of the Board of Directors elected to form the audit committee shall remain in office for a minimum period of one year. However, the periods of permanence in office should not coincide, so that the Committee can always have an experienced member in its role.

The Audit Committee shall have as primary functions the following:

(a) Supervise the entity's Internal Control structure in such a way as to establish whether the procedures designed reasonably protect the entity's assets and whether there are controls to verify that transactions are being adequately authorized and recorded.

(b) Supervise the functions and activities of the Internal Comptroller's Office, in order to determine its independence in connection with the activities audited and for verifying that the scope of its work meets the control needs of the entity.

(c) Assure the transparency of the financial information prepared by the entity and its appropriate disclosure. For such purpose, it shall monitor the existence of necessary controls and appropriate instruments for verifying that the financial statements reveal the situation of the company as well as the value of its assets.

(d) Assure that the necessary controls exist for preventing the entity from being utilized as an instrument for carrying out criminal activities, in particular for assets laundering, reviewing for such purpose the reports submitted by the compliance officer to the Board of Directors.

(e) Assess the internal control reports prepared by internal auditors or comptrollers and Statutory Auditors, verifying that the management has observed its suggestions and recommendations.

(f) Confirm or disapprove the opinion of the statutory auditor regarding the report on the sufficiency and adequacy of the entity's internal control measures, to be submitted to the General Shareholders' Meeting, in accordance with Article 209 of the Code of Commerce.

(g) Request reports deemed as appropriate for the proper development of its functions.

(h) Other functions established by the Board of Directors, in its internal regulations or in the Law.

For an adequate compliance of its functions, the Audit Committee shall know and/or assess at least the following documents:

1. The draft of the entity's financial statements, including those for the end of the fiscal period.
2. The opinion about the financial statements issued by the Statutory Auditor.
3. Internal control reports issued by Statutory Auditors and/or letters of recommendations or observations issued thereby.
4. The audit plan of the comptroller and Statutory Auditors.
5. The official letters submitted by the Financial Superintendence to the entity as a consequence of deficiencies detected within the internal control system.
6. The minutes containing the periodic evaluation of the bank's credit portfolio.

The Committee shall meet as many times as it deems necessary, regarding circumstances such as disclosure of deficiencies in the internal control system requiring urgent assessment and remedies, significant changes in the entity's policies or in the provisions regulating its operations, etc. In any case, the

periodicity of the meetings cannot be less than that established in the regulations in force.

Any observations submitted by the Committee and any reports shall be recorded in Minutes to be submitted to the Board of Directors. Whenever situations of significant importance are detected, a Special Report should be sent to the Management of the entity.

The Board of Directors shall submit to the General Shareholders' Meeting, at the end of the fiscal year, a report on the work carried out by the committee.

THIRTEENTH TITLE: Miscellaneous Provisions.

ARTICLE 51: Members of the Board of Directors and the President of the Bank may be shareholders of the Bank, pursuant to the applicable provisions.

ARTICLE 52: Any act for modifying the by-laws shall be carried out in accordance with the regulations in force. In any case, articles or groups of articles which are substantially independent may be voted separately.

ARTICLE 53: The Banco de Occidente shall hereinafter be governed by the herein By-laws, which entirely replace the previous statutory rules, and shall be enforceable as from their approval by the Financial Superintendence.

ARTICLE 54: The Bank, its managers and employees are bound to comply with the good governance recommendations voluntarily adopted or to be adopted in the future by the Bank.
