



End of Year 2023 Periodic Report

Management and Sustainability Report



Cover

GRI 2-1

Banco de Occidente is a public limited company with securities listed on the market through the trading system of the Colombian Stock Exchange for ordinary and subordinated bonds. As of December 31, 2023, \$4.00B had been issued and placed, of which \$3.90B of Series A Fixed Rate and Series B under IBR remain outstanding with average opening and maturity terms of 2015 and 2032, respectively. At the end of 2023, the current issuance and placement program amounts to \$12.00B with an available cap of \$6.00B to meet fund raising needs.

Likewise, Banco de Occidente's common shares are listed and traded on the Colombian Stock Exchange.

City of main domicile: Santiago de Cali, Valle del Cauca.

Main domicile address: Carrera 4 # 7-61.

About this report

GRI 2-2, 2-3, 2-4, 2-5

We are pleased to present the achievements we reached in our sustainable management during 2023, which evidence our commitment to the principles of responsible conduct. This report reflects the management carried out by our Bank during the period from January 1 to December 31, 2023.

Through this report and in response to the principle of accountability to all our stakeholders, we are herein mentioning the actions undertaken for the voluntary implementation of the ten Global Compact principles, as well as our contribution to achieving the Sustainable Development Goals (SDGs).

This report has been prepared in accordance with the standards of the Global Reporting Initiative (GRI), and in compliance with Circular 031/2021 from the Financial Superintendence of Colombia; we have applied the SASB standards from the Value Reporting Foundation for the Commercial Banks¹ industry and the recommendations of the Task Force for Climate Related Financial Disclosure (TCFD).

We have engaged in a process of Independent Limited Assurance conducted by the firm BDO Audit S.A.S. for the Sustainability Information included in this Report; for the financial information, KPMG S.A.S. is our financial auditing firm.

If you have any suggestions or concerns related to the content of this report, or should you require further information, you may contact the Sustainability Department mailbox at: direccion.sostenibilidad@bancodeoccidente.com.co

For understanding the figures presented throughout the document, the conventions are as follows:

- a) One trillion pesos = \$1.00B.
- b) One billion pesos = \$1,000MM.
- c) One million pesos = \$1MM.
- d) One million dollars = USD 1MM.

¹ The SASB Standards applicable for Banco de Occidente correspond to the commercial banks industry. We will align the affiliates for 2024 since this report only shows Banco de Occidente's activities.

Table of Contents

Glossary

01. General aspects of the organization

1.1 Our figures

1.2 Message from our President

1.3 Evolution of the Business Plan

1.4 Our Subsidiaries

1.5 We are Undergoing Digital Transformation

Technology and Digital Transformation

1.6 Regulatory and Legal Compliance

1.7 We Manage our Risks

1.8 We are Guardians of the Information

02. Stock Market and Financial Performance

2.1 Our behavior in the stock market

2.2 Our Structure and Shareholding Composition

2.3 Macroeconomic Outlook

2.4 Our Financial Management

2.4.1 Variations and Results of the Bank

2.4.2 Subsidiaries and associates

2.5 We Promote Sustainable Businesses

2.6 Material Operations with Related Parties

2.7 Controls and Procedures Used for Financial Information

2.8 Relevant facts

03. Sustainability Practices

3.1 Our sustainability strategy

3.2 Ethical governance

3.3 Our Corporate Governance

3.4 We mitigate climate change and care for resources

3.4.1 We manage climate change

3.4.2 We are responsible with natural resources

3.4.3 Protection of biodiversity and ecosystems

3.5 We promote the development of our people and society

3.5.1 We Drive our Talent

3.5.2 We Respect Human Rights

3.5.3 We create Value Experiences

3.5.4 We Contribute to the Development of the Regions

3.5.5 We Strengthened the Financial Skills of Clients and Communities.

Glossary

Absenteeism: occurs when the employee does not attend or leaves the workplace either with or without justification.

ADL: Aval Digital Lab corresponds to a provider of digital services.

Agile Scaling: methodology to carry out projects flexibly, dynamically, and quickly to increase productivity of teams.

Balance Scorecard: management tool that applies predictive and balanced performance indicators from the financial, people, processes, and customer perspectives within the Bank.

Banking Correspondent: a channel that provides collection services through allied third parties, under the full responsibility of Banco de Occidente, in order to reach regions where office presence is limited, thus providing greater availability for clients' payments.

Basel: refers to international agreements or recommendations on banking supervision issued by the Basel Committee on Banking Supervision (BCBS).

Biodegradation: the ability of some materials to break down naturally without human intervention.

Biodiversity: Term that includes living species that provide the Earth's vital support system; a grouping of plants, animals, insects, and fish make up ecosystems that provide us with food, clean water, air, and energy.²

Bond: negotiable security representing a debt. Therefore, it can be said that when an investor acquires a bond, he is lending money to a company. The company issuing the bonds acquires the obligation to repay the bondholder (once the specified period has elapsed) the investment amount plus a sum of money as interest (this is investor's return).

BPO: Business Process Outsourcing is the subcontracting of business process functions to service providers, whether internal or external to the company.

Braille: reading and writing system made up of raised dots used by people with visual disabilities to understand through touch with their fingers.

Carbon Footprint: an indicator of environmental impact resulting from human activities in relation to the quantity of resources used and generated.

Career Plan: the defined growth path for employees to project their careers at the Bank according to their competencies and expectations. It is integrated with our

² Taken from <https://www.nationalgeographic.es/medio-ambiente/que-es-la-biodiversidad>

Corporate University, and we are working on building learning paths for each position. Currently, the operational and commercial career plan is structured.

Carpooling: term from the English language meaning "sharing the vehicle" where several people travel on defined routes to the same destination and aim to reduce the use of private vehicles with only one person onboard.

CDC: in technology, it stands for Change Data Capture, software that allows integrating, optimizing, and efficiently managing databases.

Clients: individuals or companies that acquire, for their use, products and services offered by Banco de Occidente and its subsidiaries.

Coaching: professional training for a person to achieve his/her goals through communication, self-confidence, personal development, and leadership.

Collective Investment Funds: a mechanism or vehicle for saving or managing sums of money or other assets, integrated with the contribution of a plural number of determinable persons once the fund begins operating. These resources will be managed collectively to obtain collective economic results.

Commercial Trust: legal transaction whereby one person, called the trustor or settlor, transfers one or more specified assets to another, called the trustee, who undertakes to manage or dispose of such assets to fulfill a specific purpose determined by the settlor, for the benefit of the latter or a third party called the beneficiary or trustee.

Content Hub: a web space where all the contents of the platform converge regardless of their format.

Contractors: a person hired by the reporting organization to perform work that would otherwise be done by an employee, in a workplace controlled by the organization.

Credit Risk: The possibility that one of the parties in a financial contract is unable to fulfill the financial obligations acquired; as a result, the other party incurs a loss.

Credit Scoring: it is a credit evaluation methodology that involves assigning a score to the potential borrower. This way, it attempts to measure the client's payment capacity.

Critical Talent: Positions of high impact and importance for achieving the organization's objectives; their replacement implies a significant cost for the company, so the current staff should be fine-tuned in this regard.

Cybersecurity: the practice of protecting important systems and confidential information against potential digital attacks.

Dashboard: a tool or control panel that reflects the management of performance indicators to monitor business objectives and processes.

Dematerialized Promissory Note: a negotiable instrument that supports credit operations that is not physical but digital.

Digital Ratio: in marketing, it corresponds to the percentage of interested individuals who access a website and stay to complete the promoted process.

Disability: disability is a concept that relates to the sensory, physical, cognitive, intellectual, psychosocial, and multiple differences that a person may have. It is articulated with physical, attitudinal, and communication barriers that limit people's participation and access to different work, social, and economic contexts, among others.

Discrimination: actions or omissions that exclude, violate, or affect in any way (physically, psychologically, structurally, among other forms of violence) a person based on their sexual orientation, gender identity, ethnic background, age, disability, place of origin, social class, or other markers of difference.

Diversity: refers to the multiple ways of being that characterize the groups and societies that make up humanity. It is manifested in the plurality of identity, social, cultural, ethnic, and religious particularities that define each person and add value to society.

Donation: purely voluntary act in which a natural or legal person provides resources in money or in kind for the benefit of others, without receiving anything in return.

Efficiency of Materials: refers to comparison metrics among cost measures, efficiency, and flow of raw materials regarding consumption, transformation, and disposal, to optimize processes.

Effluents: Final disposal of liquids in bodies of water, soil, or drains.

Elderly: Adult age starting from 60 years old; also classified as senior citizens.

Electric Vehicle: Auto or land transport that uses electric power for its mobility; it must be connected to a power source.

Electronic accelerators: self-service physical channel that facilitates the user to perform transactions such as payments, inquiries, and withdrawals, among others, using the debit or credit card from Banco de Occidente or Grupo Aval entities.

Electronic channels: mechanisms or options offered by our Bank to carry out transactions virtually.

Emotional benefit: is the benefit that the employee receives, in addition to his/her economic remuneration, related to his/her sensations and feelings with which the employee creates a bond with the company or brand.

Employee's Journey: a measurement that allows tracking and evaluating an employee's performance and trajectory in the company as of his/her entry until the employee leaves the company.

Employees: individuals who have a direct labor relationship with our Bank through fixed or indefinite employment contracts and who fulfill obligations in exchange for remuneration, including statutory and extralegal benefits.

Employer Branding: recruitment, engagement, and talent retention processes.

Energy Efficiency: the ability to achieve the same or better results using the least possible amount of energy resources.

Financed Emissions: are the emissions of greenhouse gases (GHG) resulting from loans.

FINDEV: Canada's development financial institution (DFI), which supports the private sector in developing markets to promote sustainable development.

Fiscal Policy: the policy established by the Bank regarding transparency and responsibility in tax obligations.

Franchise: a commercial contract whereby a license is granted for the exploitation of a brand and its procedures.

GPTW Certification: recognition granted by the Great Place To Work Institute and Icontec that certifies entities with high-quality standards in the work environment and highlights the best places to work nationally and internationally.

Hybrid: work format that allows working from home for a few days a week and the rest in the offices.

Hybrid Vehicle: Auto or land transport that combines gasoline or diesel combustion with an electric engine for its mobility.

IDB: Inter-American Development Bank: a multilateral organization the objective of which is to provide financial solutions for the economic and social development of the region.

Labor Environment Index: indicates the level of achievement reached by the organization and its leaders, synthesizing the employees' experience in relation to their work environment.

Licenses: right to use software or any other creation associated with a tracing language.

Liquidity: the ability of a person or company to convert assets into cash to cover financial obligations.

Liquidity Risk: The probability of incurring losses due to insufficient resources to meet assumed obligations.

Market Risk: Potential loss of financial asset value caused by adverse changes in the factors that determine its price.

Market Share: in marketing, it corresponds to the indicator of market share or fraction that the organization has in a specific segment.

Materiality: in sustainability management, it refers to the environmental, social, and governance aspects prioritized by the organization based on positive or negative impacts on stakeholders.

MSCI Colcap: an index jointly created by MSCI and the Colombian Stock Exchange (BVC), designed to represent the performance of the Colombian stock market and aims to include a minimum of 25 securities and 20 issuers based on market capitalization, liquidity, and international investment criteria adjusted by free float.

Net Stable Funding Ratio (NSFR): corresponds to the ratio between Available Stable Funding (ASF) and Required Stable Funding (RSF), according to the definitions established by the Financial Superintendence of Colombia.

NEXA BPO: is a commercial brand of the subsidiary Ventas y Servicios S.A.

Occupational Disease: injury, ailment, or illness related to work resulting in any of the following: death, days off work, work restrictions or transfers to other positions, fainting, or medical treatment beyond first aid, or serious injury or illness diagnosed by a doctor or other certified health professional, even if it does not lead to the aforesaid circumstances (taken from GRI).

Occupational Risks: Sources or situations that can cause injuries or health deterioration.

Omnichannel: refers to all points of contact in the customer lifecycle—such as websites, social networks, real-time chats, emails, phone calls, among others—that work together, ensuring the fulfillment of customer requirements quickly and seamlessly.

Open Banking: a model that facilitates the exchange of information among all types of financial institutions through application programming interfaces (APIs). In this model, users own their financial information, so they decide whether to share their data or not, with the aim of offering new products and services according to customer needs.

Operational Risk: The possibility of the entity incurring losses due to deficiencies, failures, or inadequate operation of processes, technology, infrastructure, or human resources, as well as due to the occurrence of external events associated therewith. Operational risk includes legal risk.

Organic Guidelines: corresponds to advertising (notices, news) or content disseminated through digital media at no cost.

Other Copyrights: any other right that recognizes ownership of an invention in accordance with current regulations.

Parental Leave: a license granted by the company to employees who become parents. Our Bank grants additional days beyond those stipulated by law.

Patents: an industrial property right that recognizes the invention of a product or process, with inventive level and industrial application.

Payment Gateway: the service that allows merchants to carry out payment operations with customers by exchanging data between the seller's and buyer's banking institutions electronically (online), which allows the use of various payment methods (e.g., PSE, credit card, debit card, and cash, among others). Additionally, it provides value-added services such as building the commerce website, integrating payment buttons through Web Service or APIs, and providing enriched and online information.

Pensioner: a person benefiting from a pension mainly due to retirement, widowhood, disability, or incapacity.

Pet Friendly: offices that allow the entry and stay of pets (mainly dogs and cats) accompanied by their owner so that they can perform the activities they require.

Pricing: the process of setting prices for products and services.

Private Equity Funds: closed-end collective investment funds that must allocate at least two-thirds of their investors' contributions to the acquisition of assets or economic rights other than securities registered in the National Registry of Securities and Issuers (RNVE).

Prospects: individuals or companies showing interest in what Banco de Occidente is offering who may become the target audience for the products or services offered by the Bank.

PSE Button: digital tool that allows our clients to make payments and collections virtually and securely.

Public Trust: fiduciary businesses entered into with public entities according to the applicable regulations governing the resources subject to the contract.

Recruitment: the process of hiring or preparing candidates for positions at the Bank.

Recycled PVC: PVC (polyvinyl chloride) plastic material reused by transforming it into new products; in this case, it is used to produce physical credit cards delivered to our clients.

Recycling: the reprocessing of products or components of products that have become waste to create new materials.

Retention Plan: consists of different actions or initiatives that Banco de Occidente applies to assure the retention of employees in the organization for an extended period to strengthen their commitment, providing them with access to different salary or emotional benefits.

SAES: Special Administrative Service, specialized services tailored for the client in the Government Banking segment of Banco de Occidente.

Salary Ratio: a statistical indicator that determines the proportion between the minimum wage and the average salary of the Bank's employees.

SARLAFT: Anti-Money Laundering and Terrorism Financing Risk Management System and proliferation of weapons of mass destruction, which manages the identification of operational, legal, contamination, and reputational risks. It is included in the bank's procedures manual.

Secondary Market: in the financial sector, it corresponds to the buying and selling between investors of securities already issued in the primary market.

Select Segment: Section of Banco de Occidente's clients and its subsidiaries corresponding to its active employees.

Self-managed: the act of persons carry out by themselves any required procedure managing, and executing a given activity.

Shares: negotiable securities that represent a proportional part of a company's equity. It is an equity title, meaning that when an investor acquires shares of a company, he/she becomes a partner of such company. Such instruments grant their holders economic and political rights that may be exercised collectively and individually.

SOFR: The SOFR rate is published by the New York Federal Reserve since 2018 and reflects the cost of one-day loans secured with Repos of US Treasury securities. This rate is based on a diverse and robust market with a large volume of participants.

Solar Energy: one of the renewable energy sources, produced by the light and heat of the sun to generate electricity, lighting, and heating.

Solvency Ratio: It corresponds to the quotient between the technical equity of the entity and the sum of assets weighted by risk level, market risk, and operational risk, according to the definitions established by the Financial Superintendence of Colombia.

Sponsorship: Economic support provided to an entity in exchange for advertising and brand visibility.

Stakeholders: individuals or groups of people who may be affected positively or negatively by the development of activities of our Bank and who also have the ability to affect our development.

Success Factor (\$SFF): Cloud App that allows managing data and processes related to Human Talent such as payroll, training, performance evaluation, leave and vacation requests, etc.

Supplier: a natural or legal person offering products or services required by the Bank and establishing a commercial relationship with it through a contract, invoice, or purchase order.

Supply Chain: It involves activities starting with the purchase or transformation of raw materials and including manufacturing, distribution and delivery of the product to end consumers.

Sustainable Mobility: the Bank's employees' transportation program aimed at reducing CO2 emissions caused by commuting to and from their homes to fulfill their duties, for example: walking, using bicycles and electric cars, among other.

Tax Approach: compliance and application of tax regulations to manage the ethical and social objectives and expectations of the Bank.

Telecommuting: Type of labor contract according to which the employee performs his/her role in a location different from the Bank's premises, mainly his/her home, using information technologies.

Trademark: an industrial property right that recognizes exclusiveness in the use of a distinctive sign associated with a good or service.

Trust Agreement: a fiduciary business whereby one person delivers one or more specified assets to another without transferring ownership, with the purpose that the receiver carries out a specific task, either for the benefit of the trustee or a third party.

Turnover: Employees who voluntarily leave the organization or who no longer work due to dismissal, retirement, or death in service.

Virtual classroom: online education mechanism (teaching and learning) through information and communication technology.

Volunteering: Activities carried out by the organization in collaboration with its employees to contribute to different social and/or environmental causes.

Waste: Anything that a person eliminates, wishes to eliminate, or is obliged to eliminate.

Webinar: Virtual presentation of courses, conferences, talks, etc., where the person can interact in real-time.

Weighted Return: It is the overall return of the portfolio times the invested capital and the cash inflows and outflows.

Work Accident: any unforeseen event at work that causes a physical or psychological injury, disability, or death to the worker.

General aspects of the organization

Our figures



| Consolidated Financial Statements Figures *Profit from the separated | | |
|---|----------------------------|--------------------------|
| Net profit Billions | \$473,5 Consolidated | \$430,6 Separated |
| Employees | 6.984 | |
| Customers | More than 58.000 Companies | More than 950.000 people |
| Offices | 175 | |
| AVAL Network Offices | 1.006 | |
| ATMs | 267 | |
| AVAL Network ATMs | 2.861 | |
| Net Portfolio Billions | \$47.082 | |
| Deposits Billions | \$49.176 | |
| Assets | \$68.602 | |

| | | |
|----------|--|--|
| Billions | | |
|----------|--|--|

Message from our President

GRI 2-22

It is an honor for me, as president of Banco de Occidente, to present the results and achievements obtained in 2023, based on the success and deep commitment of our corporate responsible management, the sustainability and growth of our entity. Such task was carried out by a high-performance human resources team addressing the national banking financial sector which involved the support of our Board of Directors as well as the leadership of my management colleagues, all of whom made it possible to submit today our 2023 Periodic Report (Management and Sustainability), also of interest to other groups of the organization.

Our corporate culture has also contributed to the results that I wish to highlight, as it drives the Bank's business productivity, where the client is privileged with excellence and innovation, creating value over time, knowing that we are generating direct or indirect impact on our stakeholders, along with our sustainability strategy developed "acting sustainably."

This strategic approach has allowed us to become the benchmark company for sustainable development both, nationwide, and in the western region.

I want to express my most sincere gratitude to Doctor César Prado Villegas for his almost 5 years of dedication and leadership during his term as president of our financial entity. His strategic vision and commitment to excellence have laid a solid foundation for the continued success of our Bank.

I deeply appreciate the time and effort he invested in developing strong relationships with our customers, employees and shareholders. His focus on integrity, transparency and customer service has been inspiring and has greatly contributed to strengthening our entity's reputation in the market.

It is a great honor for me to continue his legacy of excellence and I will work assiduously to take our entity to ¡Another level!

The following financial results have allowed us to build the viability and future growth of the Bank. In 2023 we generated a net profit of COP430.603MM. Likewise, the Bank closed 2023 with **net receivables**/portfolio of COP43,73B and deposits of COP44,97B, which, as of November 2023, represent a placement market share of 6,90% (+ 48bps in 2022) and 7,14% in deposits (+79bps in 2022). In terms of assets, at the end of 2023 the Bank had COP63,92B in assets, which represents an annual growth of 17,24%. These results were possible facing a challenging economic perspective with high

interest rates from the Central Bank (*Banco de la República*), the slowdown in economic activity, upward pressure on funding costs and the increase in delinquencies in consumer credit products.

Likewise, within the financial results it is worth highlighting the performance of our subsidiaries Fiduciaria de Occidente, Nexa BPO, Banco de Occidente Panama and Occidental Bank Barbados, which managed to contribute close to 21,79% of the Bank's profits. Subsidiaries are an integral part of our business model and are an extension of our service offering to our clients.

During 2023, we intended to bring the Bank closer to our clients and other stakeholders, mainly employees and their families, in search of creating a virtuous ecosystem as a lever for efficiency, work well-being and public visibility of the organization.

I also highlight the generation of decent employment for 6.984 employees at the end of the 2023 period and the care of their families, having a new annual retention rate of 15,8%, represented by 58,86% women and 41,14 % men, especially interested in youngsters since more than 42% of the working population corresponds to people under 30 years of age, who have chosen the Bank as their first job opportunity, being this a learning and training center.

As leader of the Banco de Occidente, I am proud to be part of an institution that generates a positive impact not only on its employees but also on their families. Through our work, we not only provide quality financial services, but we also create stable employment opportunities with benefits that directly impact the quality of life of our nearly 15.000 employees and their loved ones. This commitment to the well-being of our teams not only strengthens our corporate culture, but also contributes to the socioeconomic development of our communities.

I stop to highlight what we have achieved in defining and harmonizing the moments of people's lives, who with their dedicated work contribute to the business reality of the Banco de Occidente that we report today. Towards the third quarter of 2023, we decided to primarily work on the definition of the employee's journey, in order to define, coordinate and adjust, whenever necessary, the different moments of the employee's life within the organization, thus leveraging the strategic pillar of being desired.

Therefore, we began building the employee value proposition (Employee's Journey) as the basic element of such aim, making it possible to guarantee and enhance the employer's brand, task that we will conclude in 2024.

The Bank's business results shown in this letter to the Board of Directors and other stakeholders fit within the following four pillars of the 2024-2026 strategic plan that will lead us to the next triennium, informing that the definition of such plan was a product of the work of a cross-functional internal team committed to the Bank to achieve a firm long-term growth demonstrating its ability to develop solid and sustainable strategies.

The strategic foundations are the following: i) We are leaders. Be the first in our core (business) segments by integrating our subsidiaries with relevant, innovative and competitive value proposals that allow profitable growth; ii) We are sustainable. We act responsibly and ethically, seeking a positive material impact on society and the environment, guaranteeing the profitability of the business and shareholders; iii) We are digital. We develop advanced processes and technologies, optimizing internal operations and customer service, guaranteeing confidence in digital transactions and iv) We are desired. We create memorable experiences for our clients, collaborators and suppliers, guaranteeing their preference for Banco de Occidente and its subsidiaries.

To improve the customer experience and develop innovative and differentiating products that allow us to maintain relevance and competitiveness in the market, in 2023 we defined the areas in which we must stand out and build an internal, solid and lasting strategic 'scaffolding' to meet the corporate and individual financial needs. Specifically, for the reported period, for the product development process we undertook the task of the Bank's digital transformation, focusing on enabling the request of products through the transactional portal of the Bank's website, advancing in the development of end-to-end flows with savings accounts for assisted and self-managed sales, and we began the enablement of facial biometrics in such respect.

It is worth highlighting the obtaining of 44 % of sales through digital tools during 2023. With respect to digital channels, we achieved a digital adoption of 28,7% by December 2023; an average of 24.000 transfers were applied with the use of the cell-to-cell functionality for COP5.9 billion. Likewise, it was possible to achieve production of the digital tool for the credit granting process for SMEs, which included the evaluation of the client's credit character and payment capacity.

In relation to Business Banking, in 2023 we incorporated new financial solutions and tools such as (i) green builder line; (ii) enabling the Supply Factor platform for self-management of Unidirecto clients], (iii) while increasing product functionalities we implemented new ways of indexing Builder Credits in UVR, (iv) electronic signature for UFE contracts, revolving credit, ordinary portfolio, promotion, Unidirecto, savings accounts, checking accounts, credit cards and promissory notes, (v) definition of sustainable businesses in FlexCube, aiming at marking sustainable businesses for reporting, (vi) new Factoring model with RADIANT endorsement originators, (vii) new version of the core foreign currency application, which allowed us to reduce processing time structuring and implementing alliances with: (viii) CSI for silent purchase of future flows and (ix) lastly, on the digital side it was possible to further empower the executive with (i) escalation for pricing to Zonal, VP Segment and VP Companies, (ii) Digital pricing for economic groups and Aval definitions, (iii) exit to production with the digital granting tool, with approvals of up to COP450MM for new and soon to expire products.

On the Personal Banking side, we managed to enable digital linking in savings accounts through the transactional portal. We connected our digital tools to a risk

rules engine, which allowed the Bank to grant credit quotas in a standardized manner for all clients and non-clients of the organization. We extended the digital document upload service (customer's virtual folder) which allowed us to reduce operational times in linkages of 29% in Personal Banking, and finally we managed to connect and implement a specialized account team.

Concerning housing we managed to expand the coverage of clients we serve through the digital tool; we implemented the request with two people for the product; Likewise, we achieved credit approvals in UVR; we developed the new self-management flow that will allow us to deliver a flow to external strategic allies. For Occiauto vehicle credit, we enabled the option in the digital tool to serve clients with an independent profile (independent commercial).

This important and pleasant business reality is also aligned with criteria that relate our management activities to prevent impact on the environment, with efficiency, transparency and quality.

Thus, our mitigation management via-a-vis climate change and considering this a real threat that has already caused irreversible damage to our well-being and the health of the planet, we assumed the unwavering commitment to actively contribute to the transition towards a low-carbon economy with the development of strategic governance and management elements that will allow us to effectively identify and mitigate the social, environmental and financial risks and impacts related to climate change. Likewise, we supported this mission through concrete actions that seek to minimize environmental impact derived from the investments we finance.

It is worth remembering that during 2023 the 30-year campaign of our National Blue Planet Ecology Award was carried out, with which we sought to recognize all initiatives that have participated in the award since 1993. This event evidences the work the Bank has been carrying out for three decades contributing to the planet's care through the recognition of people, entities, communities and public and private educational institutions that seek to preserve and care for water as an essential element for life.

This sustainability policy of the Bank is also aimed at recognizing and caring for society which we deeply respect; We return what we receive from it as entrepreneurs in the financial sector, in order to contribute to Sustainable Finance Objectives (Target declared by Asobancaria and assumed by the Green Protocol participating entities), focusing especially on finances for the planet, social and gender equality, as well as on initiatives to become carbon neutral.

Reputation is another aspect we take care of with utmost dedication due to its contribution to the preference for our employer's brand: Banco de Occidente. We measure it through the NPS indicator because the customer's experience with our care and services offered is decisive in the path of our *sustainable actions*. According to the latest measurement carried out in Merco, we ranked within the

Top 10 for the financial sector category. Result that evidences the preference of our clients for our Bank.

In this same framework of public positioning regarding our internal work for financial strength and social progress, I proudly inform our stakeholders the pleasant fact of having achieved recognition in the 2023 Great Place to Work, ranking first among the companies in the country, in the category with more than 1.500 employees.

In all this productivity and competitiveness action, the support of the Board of Directors has been, and will continue to be essential for our development enhancement. It contributed by making appropriate and correct decisions for the business and for social well-being with the accountability of all of us who make part of this organization that is a transformative actor of realities in the Valle del Cauca region and the country. At all Bank levels we are constantly adopting good corporate governance, strengthening ethics along joint actions and strictly complying with regulations and control issues, being subject to surveillance by entities related to the financial sector.

The Bank's suppliers are other allies in the successful promotion of the value chain while in the meantime we contribute to their sustainable progress through our input for their technical strengthening and their organizational mobilization towards corporate responsibility practices, such as those we implement within the context of our sustainability strategy.

The presence of the Bank in the national territory allows us to currently have a network of more than 175 offices, 18 credit centers and more than 3.093 ATMs in Colombia, in addition to subsidiaries in Panama and Barbados.

In 2024, in addition to compliance with the 2024-2026 strategic plan under the four management pillars that I have already mentioned to create memorable experiences for our clients and collaborators and that will lead us to greater profitability for the Bank and our shareholders, as well as to increase internal labor well-being, we will seek to strengthen our ecosystem of payment methods increasing our participation in the wallets of our clients from the different segments.

This year we also aspire to consolidate the women's SME segment with our business banking services in order to support access to credit because the Bank considers business women as the axis of economic development.

Regarding the Blue Planet Award, we will summon the enterprises to award the 30 years special edition prize, disseminating to the Colombian society our environmental initiatives that contribute to the environment and the preservation and care of water.

Banco de Occidente will continue its contribution to global challenges such as climate change and reduction of social inequality, which reflects our absolute commitment to socially responsible management. We will approach the global economic deceleration with wisdom and we will be attentive to overcome the

effects of changes in the financial sector because we believe Colombia will attain real growth within a context of uncertainty since we have the best people who work for the success of our country.

1.3 Evolution of the Business Plan

Our Business Model

Our financial services and products are aimed at individuals and businesses nationwide with the goal of positively impacting our environment, our business model, driving growth opportunities, creating employment, and contributing to the financing of individuals and companies. We offer various value propositions that meet their needs and expectations, supporting business growth, local development, and the transformation of the country.

The Bank focuses on the following segments:

Corporate Banking: Government, Institutional, Medium Corporate, Business, and SMEs.

Retail Banking:

Elite, Preferred Plus, and Preferred.

We have four subsidiaries:

Fiduciaria de Occidente S.A., based in Bogota, has national presence in the cities of Cali, Medellin, Barranquilla, Pereira, Monteria, Bucaramanga, Santa Marta, Manizales, and Cartagena.

Banco de Occidente (Panama) S.A. and Occidental Bank (Barbados) Ltd., entities that provide offshore banking services from Panama and Barbados.

Ventas y Servicios S.A. – NEXA, a BPO company that provides call center services, sales forces, among others.

Our Strategic Plan

Our strategic plan "Avancemos" 2019-2023 is aligned with the entity's purpose of "Making people's development, business growth, and country transformation a reality"; its focus is to regain the Bank's natural market share and achieve profitability above the main peers in the financial system. To achieve this, the Bank has structured and implemented various initiatives aimed at strengthening our value proposition, increasing the Bank's productivity, making agile and effective decisions, and accelerating our digital transformation. These projects are categorized into three stages of progress or implementation: 1) structuring, 2) execution, and 3) value

assurance; likewise, each of these stages establishes monitoring and tracking mechanisms such as time-tables, indicators, and impact measurement. During 2024, the Bank will begin implementing a new strategic plan for 2024-2026 called "A Otro Nivel" (To Another Level), aiming to lead the Bank to become a leader in the defined core segments, and positively impact society and the environment, ensuring profitability for the Bank and its shareholders, and creating memorable experiences for our clients, employees, and suppliers.

2023 Management Milestones

- We achieved being the best place to work in companies with more than 1.500 employees, allowing us to be an attractive employer in the country.
- We consolidated a winning payment method strategy with the launch of our QR GOU.
- The implementation of strategic levers that allowed us to improve the solvency indicator by approximately 68 basis points.
- We implemented agile methodologies in our way of working to improve the time- to-market of products and the customer experience to consolidate our first portfolio of companies.

Our Revenues and their Frequency

Within our usual business performance as a top-tier bank, we generate revenue primarily through interest received on loans offered to our individual and corporate clients. 66% of our loan portfolio is at variable rates, indexed to IBR, DTF, SOFR, IPC, or UVR, for most credit modalities (commercial, consumer, and housing). Likewise, in order to ensure a comprehensive offering that meets the needs of financial consumers, we provide fixed-rate loans, which account for 34% of the loans disbursed.

Our revenue has a frequency associated with the payment modality offered to our clients, mainly being monthly, quarterly, semi-annually, and annually, with nearly 99% of the flow received from the loan portfolio.

Commissions arising from the use of financial and transactional services, both in-person and virtual, with periodicities that can be either fixed, or dependent on our clients' frequency of use, constitute other income sources. Furthermore, Treasury's activities such as fixed-income investments are daily operations that ensure a constant flow of income and also support Bank's liquidity and solvency needs. Finally, our shareholding equity in other entities provides an additional source of income to the Bank's direct operations, either accomplished as a controlling entity

or as a minority holder, revenue which is monthly received, based on the financial results of such entities.

General Competitive Conditions

In 2023, Banco de Occidente generated a net profit of COP430.603MM. Additionally, the Bank closed 2023 with a net loan portfolio of COP43,73B and deposits of COP44,97B, representing a market share as of November 2023 of 6.90% in loans (+47bps as for Dec-22) and 7.18% in deposits (+58bps as of Dec-22). Regarding Assets, as of the end of 2023, the bank had COP63,92B in assets, which represents an annual growth of 17.24%.

Product Development

GRI 2-6

Corporate Banking

In Corporate Banking, we can highlight new products in 2023 such as (i) the Green Builder line, (ii) 7 new products with the National Financial Guarantee Fund (FNG) to partially secure corporate portfolios, (iii) the Supply Factor platform for Unidirecto self-management commission clients; in terms of product enhancements, we implemented: a)- new ways to index Construction Loans in UVR, b)- a new interest calculation method with a 15-day term for Construction Credit payments, c)- electronic signature for UFE Contracts, Revolving Credit, Ordinary Portfolio, Promotion, Unidirecto, Savings Accounts, Checking Accounts, Credit Cards, and Promissory Notes; (iv) definition of sustainable businesses in FlexCube, aiming to mark sustainable businesses for report generation; (v) integration with RADIAN for invoice endorsement and payment assurance; (vi) flexible calendar functionality for Revolving Credit; (vii) revolving functionality for Revolving Credit; (viii) the new Factoring model with RADIAN originators endorsement; (ix) implementation of the Finagro placement model with limit restriction; (x) the new version of the foreign currency Core application, reducing processing time; we structured and implemented alliances with: a)- CSI for silent purchase of future flows and b)- CCA for client advisory services; and finally, on the digital side, we further empowered executives with: a)- scaling for pricing to zonal segments, VP Segment and VP Corporate levels; b)- digital pricing for economic groups and Aval definitions; c)- reorganization of blocks in ADN according to commercial needs; d)- increased maximum amount for pricing quotes up to COP150.000MM; e)- Launching of the digital granting tool with approvals up to COP450MM for new and near-maturity clients; and f)- portfolio evolution aligned with benefit authorizations.

Retail Banking

In the area of Retail Banking, we enabled the functionality that allows a bank client to open a savings account through the Transactional Portal. We connected all digital tools to a risk rules engine, which allows the Bank to grant credit quotas in a standardized manner for all clients and non-clients of the Bank. We also empowered the service for uploading digital documents in OnBase (virtual client folder), which resulted in a 29% reduction in operational times in Retail Banking, and we also connected the service to the Account cell.

In Housing, we expanded the coverage of customer service through the digital tool, allowing two applicants to apply for a Housing loan. Similarly, we obtained credit approvals in UVR, and developed the new Self-service flow that will allow delivering a flow to external strategic partners.

For vehicle loans, we enabled clients with an independent profile to be served through a digital tool, specifically for independent merchants.

1.4 Our Subsidiaries

Offshore Subsidiaries (Panama and Barbados)

Panama:

Banco de Occidente (Panama) S.A. is an entity incorporated under the laws of the Republic of Panama and began operations on June 30, 1982, under the international license granted by the National Banking Commission of the Republic of Panama through Resolution No. 9-82 dated March 16, 1982. The Bank is controlled by Banco de Occidente, S.A. (hereinafter referred to as the Parent Company) with headquarters in Cali, Colombia.

| | | 2023 | | 2022 | | Abs. Variation | | %Variation | |
|------------------|-----------|------|-------|------|-------|----------------|-------|------------|-------|
| | | Men | Women | Men | Women | Men | Women | Men | Women |
| Type of Job | | | | | | | | | |
| Indefinite Term | Full time | 17 | 39 | 15 | 39 | 2 | 0 | 13% | 0% |
| | Part time | | | | | | | | |
| Fixed Term | Full time | 0 | 1 | 0 | 3 | 0 | 2 | 0% | 67% |
| | Part time | | | | | | | | |
| Apprentices Sena | N.A. | | | | | | | | |
| Total | | 17 | 40 | 15 | 42 | 2 | 2 | 13% | 67% |
| | | 57 | | 57 | | 0 | | | |

Source: Banco de Occidente Panamá

Barbados:

Banco de Occidente (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 natural persons and non-resident companies in Barbados. The registered office of the Bank is located at One Welches, First Floor, St. Thomas, Barbados. The Bank is a wholly-owned subsidiary of Banco de Occidente. As of December 31, 2023, Banco de Occidente Barbados Ltd. had a total of 3 employees with indefinite-term contracts, of which 2 carry out their activities directly in Barbados and 1 in Colombia.

The business plans of the foreign subsidiaries are aligned with the business plans of the Parent Company, so there is no specific plan for subsidiaries. From the perspective of meeting objectives and budgets, over the past 5 years, the profit budget has been met, even reaching historical profit records year after year, which indicates success in the results of both subsidiaries.

The Bank directly provides a wide variety of financial services to entities and natural persons operating abroad or having an effect in other country. Among the main income-generating assets are loan placements, which can be in Colombia or in different parts of the world; treasury operations in fixed-income investment portfolios; and liquidity operations through correspondent banks or short-term interbank transactions.

The foreign subsidiaries are subject to the guidelines of the Parent Company in Colombia. There are no new products or services in the subsidiaries. Income from activities is not received on a seasonal, cyclical, or occasional basis. Revenues are stable at different times of the year and do not follow a specific period.

Fiduciaria de Occidente S.A – FiduOccidente

Fiduciaria de Occidente S.A. is a privately-held company, established by public deed number 2922 dated September 30, 1991, executed before 13 Notary Public's Office of Bogotá, D.C., authorized by the Financial Superintendence of Colombia, and with its main office in Bogotá D.C. – Colombia. Fiduciaria de Occidente S.A. is a subsidiary of Banco de Occidente S.A.

The company's activity is focused on the administration of fiduciary businesses and investment funds, including private equity funds of the corporate and individual markets. It serves i) government, corporate, institutional, and company segments, and ii) natural persons in specific segments, including preferred, elite, and wealth management sectors.

The fiduciary's strategic plan has been implemented effectively, as evidenced by the transformation the organization has undergone in the last five years, measured through key strategic indicators. For example, during this period, net profit excluding dividends has multiplied by six, customer satisfaction measured by the Net Promoter Score (NPS) has increased by nearly 50%, and the work environment has improved its indicator by over 100%, also increasing market share. These results reflect collaborative work at different levels of the organization and are supported by its strategic pillars, for which it has received various recognitions, including:

In 2023, Fiduciaria de Occidente was one of the winners of the Pritar awards, recognizing its responsible and transparent management in collective investment funds.

In the same year, it received the Great Place to Work certification for the third consecutive year, establishing itself as an attractive employer and a great place to work for its employees.

Likewise, in 2023, it reaffirmed its environmental commitment and sustainable growth by obtaining the carbon neutrality certification granted by ICONTEC.

The company's corporate purpose is to enter into commercial trust agreements and non-transfer of ownership fiduciary mandates, abiding by effective legal provisions. Its fundamental purpose is to execute all kinds of commercial trust agreements, receive fiduciary mandates, manage and invest the relevant assets in a way that the best possible return is obtained; act as a representative or agent of third-party interests for any purpose; also manage all kinds of assets and investments on behalf of third parties; act as a representative of bondholders or manage any other type of securities that have been subject to serial or mass issuances; administer guarantees established by third parties; manage authorized collective investment funds, including private equity fund; and enter into any other transactions and contracts allowed for fiduciary companies.

FiduOccidente is currently one of the leading fiduciaries in the sector, with a large size in terms of assets under its administration amounting to approximately COP50B. It yields a net profit of COP74.932 million, which is 175,6 % higher than that obtained in 2022. In addition, Fitch Ratings reaffirmed its excellent investment management quality rating, which evidences its commitment to solid and transparent management of our clients' resources.

Similarly, FiduOccidente has authorization from the Financial Superintendence of Colombia to distribute products from Banco de Occidente Panama and Barbados, complementing its value proposition with international instruments.

In 2023, three new collective investment funds called Fixed-Term Alternatives were launched, aiming to offer investment opportunities to clients by taking advantage

of local fixed-income market conditions, given the increase in interest rates. Assets under management ("AUM") reached approximately COP260.000MM, along with the addition of new clients and retention of others. Furthermore, the Meta Funds offering was restructured, maintaining three funds for three investment profiles: Conservative, Moderate, and Aggressive.

The Private Equity Funds (PEF) area started operations with PEF EWA II, whose investment thesis focuses on closing the gender gap, and the ninth compartment of the Nexus Real Estate PEF, Almagora-Banco de Bogotá. In this PEF line, the Trust Company reached, as of December 2023, a value of assets under management of COP5,2B, representing a growth of COP1,2B or 30% compared to the same period the previous year.

Also, as part of its Innovation and Transformation strategy, it launched the digital onboarding tool for real estate sales offices and started a pilot program for construction companies to access sales information for project management and administration, complementing the real estate sector's value proposition.

Finally, it consolidated the self-managed digital investment platform, allowing clients to join and open funds in minutes, without documents and without the intervention of an advisor, and integrated it with the Bank's channels so that clients can have a completely digital end-to-end experience.

Income from activities is not received seasonally, cyclically, or occasionally. Income is consistent throughout the year, with some fluctuations depending on financial market behavior and not tied to any specific period.

| | | 2023 | | 2022 | | Abs. Variation | | %Variation | |
|------------------|-----------|------|-------|------|-------|----------------|-------|------------|--------|
| | | Men | Women | Men | Women | Men | Women | Men | M |
| Type of Job | | | | | | | | | |
| Indefinite Term | Full time | 218 | 297 | 213 | 284 | 5 | 13 | 2,3% | 4,6% |
| | Part time | | | | | | | | |
| Fixed Term | Full time | 23 | 26 | 16 | 32 | 7 | -6 | 43,8% | -18,8% |
| | Part time | | | | | | | | |
| Apprentices Sena | N.A. | 8 | 15 | 8 | 15 | 0 | 0 | 0% | 0% |

| | | | | | | | | |
|--------------|-----|-----|-----|-----|----|---|------|------|
| Total | 249 | 338 | 237 | 331 | 12 | 7 | 5,1% | 2,1% |
| | 587 | | 568 | | 19 | | 3,3% | |

Ventas y Servicios S.A. - NEXA BPO

Sales and Services S.A. - NEXA BPO is a commercial services company that provides contact center and BPO services nationwide to entities from different sectors of the economy. It is a corporation, regulated by the Superintendence of Companies, with its headquarters in Bogotá, Colombia. It has more than 7.200 employees and operates in 13 cities across the country.

The company's purpose is to provide technical or administrative services as referred to in Section 5 of Law 45/1990, such as computer programming, marketing, creation and organization of query files, and statistical calculations and reports in general.

Nexa BPO specializes in customer experience management and provides contact center BPO solutions. Together with clients, it creates experience models by enabling secure environments that build trust, add value to clients' businesses, and humanize interactions.

The strategic plan focuses on 4 fronts with 8 strategic objectives and is engaged to maturing the service offerings to the market while diversifying the client portfolio beyond its natural market in the business group to which it belongs.

The company's services are distributed as follows: Administrative, Commercial, and Operational Support: 40,6% - Inbound and Outbound Customer Service: 32,7% - Collections: 15,5% - Multichannel Sales of Services and Products: 5,6% - Contact Center Platforms (management: 3,5% - Data Capture and Information Management: 2,2%).

The company sustained its position within the industry in a competitive market that was expected to grow by 10% in 2022 and a projected growth of 13,6 % in 2023, with a notable increase in foreign investment and service export processes accounting for 69% of the industry. Likewise, there is a growing adoption of new technologies and clients' need for differentiators and operational optimizations.

Nexa ranks as the sixth-largest BPO in terms of revenue in the national industry.

The strategic and technological transformation demanded by the market has led to increased efforts in developing technology-based tools that optimize client and internal processes. Therefore, technology and generative artificial intelligence play a significant role in achieving our clients' and our own goals. Looking ahead to the transformation of the company's value proposition, we continue to work on advancing our MEGA 2024 strategic plan, which has 8 strategic management objectives.

We continue to receive monthly income resulting from providing contractual services with the organization's clients.

| 2023 | 2022 | Abs. Variation | | %Variation | | 2023 | | 2022 | |
|-------------------------|-----------|----------------|-------|------------|-------|------|-------|----------|--------|
| Men | Women | Men | Women | Men | Women | Men | Women | Men | Women |
| Type of Job | | | | | | | | | |
| Indefinite Term | Full time | 1941 | 3518 | 1879 | 3725 | 62 | -207 | 3,19% | -5,88% |
| | Part time | 43 | 118 | 53 | 89 | -10 | 29 | - 23,26% | 24,58% |
| Fixed Term | Full time | 411 | 717 | 591 | 1019 | -180 | -302 | - 43,80% | 42,12% |
| | Part time | 94 | 144 | 66 | 154 | 28 | -10 | 29,79% | -6,94% |
| Apprentices Sena | N.A. | 125 | 161 | 91 | 132 | 34 | 29 | 27,20% | 18,01% |
| Total | | 2614 | 4658 | 2680 | 5119 | -66 | -461 | -2,52% | -9,90% |
| | | 7272 | | 7799 | | -527 | | -7,25% | |

Source: Ventas y Servicios S.A.

1.5 We are Undergoing Digital Transformation

Our Impacts on Management

GRI 3.3

Technological transformation of our Bank is a fundamental piece for adapting and strengthening our service and operations in order to increase operational efficiency.

This encompasses a group of initiatives and projects focused on digital transformation developed by our Corporate Strategy and Digital Management in conjunction with other areas of the organization.

In addition, we count with ADL Aval Digital Lab, as a strategic ally of the Aval Group entities, in order to achieve digital transformation through digital and innovative solutions that address market challenges and leverage new opportunities.

In this sense, we highlight that 2023 management aimed at continuously manage strategic investments, allowing us to advance in the digital transformation of our products and services through continuous improvement of our customers' experience, we linked digital tools to a risk-based rules engine, which allows the Bank to grant credit quotas in a standardized manner for all customers and non-customers. Digital tools respond to approval time flows with more safety in the data, facilitating consultation with Financial Information Centers for people who wish to acquire products such as: Occiauto, Free Investment, Credit Cards, and Housing Credit.

We enabled automatic uploading service for digital documents to be sent to clients' folders upon digital signature, with no need for additional activities by the sales team. This was the first digital tool linked to the Savings Account service. Furthermore, we enabled document digital electronic signature for Legal Entities.

These developments allowed the commercial team to reach clients faster, reducing friction, meaning that the team no longer needs to request additional documents and signatures for approvals, thus speeding up the process and improving customer's experience with the Bank.

Hand in hand with digitalization and advanced analytics, we were able to impact our SME³ clients by digital loan granting, process that previously took almost two weeks for approval. Now, with the assisted tool available for office managers, a legal entity may obtain authorization within minutes.

Moreover, we provided our clients the possibility to open a savings account in minutes through our transactional portal. By 2024, the service will be fully enabled for anyone, whether client or not, using facial biometrics authentication technology.

During 2023, we developed our new Occiflex Credit Card, which is 100% digital, allowing our clients to make digital purchases without using a plastic card. During

³ Small and Medium sized Enterprise

the first half of 2024, we shall launch this new product, thus strengthening and consolidating our Credit Card portfolio.

Coverage of customer service was expanded in the Housing digital tool, allowing the approval of a credit request for two users simultaneously. For Vehicle Loans, we enabled independent merchant profile clients to be served through a digital tool, formerly applied only for independent professionals.

Investments in digital transformation during 2023 increased by 26% compared to the previous year, allowing our clients to access our new digital products and services with the technological developments described below:

| Type of investment | |
|---|---|
| Description | Program development |
| Digital tool that enhances the use of Indebtedness levels | Creation of the Supply Chain Finance ⁴ block and the organization by credit lines, as well as automatic and online scaling to higher attribution levels. Pricing Digital, increased enriched information for the decision-making of the zone manager and the segment vice president, as well as operations of clients belonging to economic groups. |
| Digital tool: Weighed profitability / Pricing | |
| Liability cell Digital Savings Account | Automation of the digitization of documents digitally signed by the client. Massification of functionality for creating digital accounts through the transactional portal for current clients, enabling facial biometric authentication service in the digital flow; implementation of End-to-End Individual Payroll flow; landing page adjustment; Individual Payroll Account offering (silver, gold, and platinum). |
| Digital Credit Card | Completion of integration with new approval rule engine and implementation of Occiflex. ⁵ |
| Digital Free Investment: Assisted and self-managed digital tool: | Completion of development for opening a savings account in the same client's |

⁴ Supply chain financing

⁵ Digital Credit Card

| | |
|--|--|
| | credit application and automatic rate assignment. |
| Digital Occiauto: Assisted and self-managed vehicle loan application: | Architecture modernization; developments for connection to approval engine and rate assignment according to the new model. |
| E2E: End-to-end digital tool across the bank's product disbursement process: | Implementation of digital signature by clients on the electronic promissory note, and automatic indexing of documents signed through this medium to the client's virtual folder. Facial biometrics authentication service was enabled for clients who could not be validated. |
| Business Analytics: Evolution to "DataLake ⁶ " platform: | Production deployment of Digital Granting and BI Companies use cases; <i>DataLake</i> continues to evolve as a repository for analytics cases data, digital products, and transactional channels. |
| New digital portal and Mobile Banking for Retail Banking clients: | <p>Banking Portal: Closure of the old portal, transactions only through the new portal. Implementation of PSE payments button for obligations/vehicles. New quick transfer functionality to Grupo Aval banks. Recaptcha on login: increases the security of the Banking Portal against robot attacks, minimizing hacking methods such as web scraping.</p> <p>Mobile Banking: Implementation of SMS alert creation. TransfiYa was enabled, allowing sending, receiving, and requesting money to/from ACH entity cell phone numbers. English account statements. Dynamic QR purchases with debit from account</p> |
| Digital tool for mortgage loans and home leasing approval: | Implementation of flow for 2 applicants and UVR. Automatic PDF recovery of approval: Functionality allowing the recovery of the approval letter in the housing process, improving user experience, MVP Self-Service Flow. |

⁶ Information repository tool

| | |
|--------------------------------|--|
| | |
| Occicuenta (Allies Portfolio): | Discontinuation of traditional OcciCuenta and launch of end-to-end digital process via BOT for exoneration creation. Simplification of package reactivation/cancellation process from the tool. 162% growth compared to 2022, 74% share in digital packages. |
| Digital granting: | MVP launch, first firm approval took only 24 hours; 170 SME managers trained. The We enabled (I) automatic validation in restrictive lists of related partners (II) automatic display of partners (SMEs) (III) obtaining SME Score from prospects without footprint and (IV) approvals for Rotating block. |

Source: Banco de Occidente

Digital transformation in the Bank has undergone significant evolution; hence we have made the decision to boost our market responsiveness, enhance the customer experience, and increase productivity. Since 2022, we have defined the implementation of an agile scaling operational model to achieve successful digital transformation at Banco de Occidente.

As part of our commitment to promote this transformation it has been crucial to develop technical expertise by our different teams. Below, we are highlighting some of the courses undertaken in 2023:

| Digital Transformation Training Program | | | |
|---|---|-----------------------------|--------------------------|
| 2023 | | | |
| Type of Program/ Training | Description | Number of Employees Trained | Number of Training Hours |
| Synchronous | KANBAN | 31 | 4 |
| Asynchronous | Challenging the <i>statu quo</i> | 39 | 20 |
| Asynchronous | Project management under agile approaches | 127 | 40 |
| Synchronous | Lean Change Management | 20 | 15 |

| | | | |
|-------------|----------------|----|----|
| Synchronous | Management 3.0 | 30 | 10 |
|-------------|----------------|----|----|

Source: Banco de Occidente

Part of our tasks focus on actively consulting all our stakeholders for development of new products or with the aim of transforming processes through technology. Likewise, we conduct interviews with teams to analyze projects' feasibility through an initial stage called Discovery, which lasts for a month during which we assess the acceptance or feasibility of the project; then we move on to a second stage where we consult with clients to understand their needs and thus focus our efforts.

Throughout 2024, we will continue to strengthen digital transformation with the Digital End-to-End Experience project for our clients, which includes new products and OnBoarding (boarding to current products), in order to digitize the customer journey defined for each product according to the business strategy, as of the generation of the need to after-sales service.

We aim to continue integrating digital tools with the bank's internal applications, such as BPM Bizagui⁷, Decision Engine, etc., to generate efficiencies, and we hope to enhance global product + ecosystem proposals such as Metro Cuadrado, CarroYa, etc. For SMEs, we will develop financing solutions for *Mis Clientes* clients and implement payment/collection solutions for legal entities and individuals to strengthen our relationships with SMEs.

Electronic Accelerators

Electronic accelerators are part of the special service portfolio for our clients; however, the trend we have perceived during 2023 is that electronic channels, such as PSE buttons and non-face-to-face sales are taking a prominent place in virtual transactions. This way, we initiated a financial, legal, and operational analysis of the accelerators for both, new accelerator requests and the existing ones.

It is important to note that special administrative services are tailored to the client's needs and are evaluated and implemented on demand according to each client's needs. Therefore, the expansion of the number of electronic accelerators depends on the demand for the service in the market. During 2023, we only received one request, which was closed because the client did not handle the averages required to cover the service costs via reciprocity, and thus our commercial force opted to incentivize collection through bank correspondents.

During 2023, we began working on adjustments and updating service agreements with our provider Interpagos (electronic accelerator service provider), which was necessary to rectify some reprocessing issues occurring at the operational level between the control desk at the Bank, which intervenes in monitoring electronic

⁷ Tool that stores and directs product request flows

accelerators, and the Interpagos provider. We expect to complete this process in 2024.

| 2023 | 2022 | 2021 | Difference 2022-2023 | % | Trend 2022-2023 |
|------|------|------|-------------------------|-----|--|
| 4 | 5 | 6 | -1 | -20 | <p>In 2023, the client accelerator for University of Tolima was discontinued as it was not meeting the agreed-upon financial conditions.</p> <p>It is important to mention that the above mentioned 4 accelerators are accelerators in process, and we are about to implement 2 accelerators for the Bogotá Aqueduct and Sewerage Company.</p> |

Source: Banco de Occidente

For 2024 we expect to explore the offering of this service to more universities in the country, by means of the sales team, as we have identified that universities are the type of client for which this service represents a higher value.

Evaluation and Follow-up

GRI 3.3

We are focused on being digital as a strategic pillar of our entity. As part of our sustainable vision, we have set indicators that we update every quarter, allowing us to present the following digital transformation management results:

Life Time Value: It allows us to understand the profit yield arising from digitization of our products. Such indicator was achieved at 73% in a year with many challenges in terms of high interest rates and restrictive credit policies.

Digital Ratio: It allows us to know the number of digitized products in the product portfolio: a proposed goal of 75% with an 86% achievement.

Digital Sales: The evidence of this digital transformation is how much we have sold through the tools we have built for our executives and clients, representing an average of 44,2% of the total annual sales made by the Bank.

On the other hand, ADL conducted a measurement called assessment that identifies the health of the team, i.e., how is the level of the developer capacity; how the architecture of the tools is managed; product delivery times; and this is a way to globally evaluate the cell or the work team. During 2023, two assessments were carried out in March and November showing very satisfactory results.

Technology and Digital Transformation

Patents, licenses, franchises, trademarks, and other copyrights

Currently, during normal development of our operations and of those of our subsidiaries the Bank has no patents, licenses, franchises or other material copyrights. However, the trademarks that mainly impact the regular development of the entity and its subsidiaries are as follows:

- For Banco de Occidente, the following are considered material in the operation:

| Brand | Type | Class | Certificate |
|--------------------|------------|-----------------|------------------|
| Banco de Occidente | Mixed | 9, 16, 35,36,41 | SD2023/0068281CO |
| Blue Rhombus | Figurative | 9, 16, 35,36,41 | SD2023/0068268CO |
| Black Rhombus | Figurative | 9, 16, 35,36,41 | SD2023/0068277CO |
| Supply Factor | Mixed | 36 | SD2023/0090865CO |
| Sound identity | Sound | 35,36 | SD2023/0068262CO |

- For Banco de Occidente Panama, the following are considered material in the operation:

| Brand | Type | Case | Request No. |
|----------------------------------|-------|------|-------------|
| Banco de Occidente (Panamá) S. A | Mixed | 36 | 120087-01 |

- For Occidental Bank (Barbados) Ltd., the following are considered material in the operation:

| Brand | Type | Case | Certificate |
|--------------------------|------------|------|-------------|
| Occidental Bank Barbados | Nominative | 36 | 363677 |

- For Fiduciaria de Occidente S.A., the following are considered material in the operation:

| Brand | Type | Case | Certificate |
|---|-------|-----------|-------------|
| Fiduciaria de Occidente S.A. | Mixed | 36 | 148217 |
| Fiduciaria de Occidente S.A. | Mixed | 35 | 148224 |
| FiduOccidente Online (transactional portal of the Trust Compay) | Mixed | 35 and 36 | 544744 |
| Fiduciaria de Occidente S.A. - Mixed (logo with Font and combination of colors) | Mixed | 35 and 36 | 544620 |
| FiduOccidente (Internet domains) | Mixed | 35 and 36 | 571791 |

- Finally, in the case of NEXA, the following brands are considered material:

| Brand | Type | Case | Certificate |
|-----------|-------|------|-------------|
| Workeando | Mixed | 35 | 577813 |
| NEXA BPO | Mixed | 35 | 716647 |

Product Development: Digital Transformation

In 2023 we continued to leverage the Bank's digital transformation by focusing on enabling product requests through the transactional portal progressing in the development of end-to-end flows with savings accounts for assisted and self-managed sales and began working on enabling facial biometrics in the assisted savings account flow.

We were able to make 44,2% of sales through digital tools; regarding digital channels, a digital adoption rate of 28,7 % was achieved as of December, and an average of ~24.000 transfers were made using the cell-to-cell functionality for ~COP5.900MM. Furthermore, we successfully launched the digital tool for the SME credit granting process, including creditworthiness and customer payment capacity.

1.6 Regulatory and Legal Compliance

Our Impacts on Management

GRI 3.3

In a constantly evolving regulatory environment we assume a continuous commitment to legal compliance, and this is the fundamental foundation for our operation, financial and operative sustainability. Compliance with applicable laws and regulations is not only a legal requirement, but also a commitment to the integrity and trust on the part of our clients, investors and the financial system in general.

From an economic perspective, this compliance management guarantees our financial stability by preventing risks and sanctions that could negatively affect the profitability of the resources we manage.

All legal and regulatory management has been entrusted to the Legal Vice Presidency, which is made up of three departments:

- 1- Legal Proceedings and Corporate Governance Management: responsible for managing legal risk that becomes operational risk and manages internal legal development and corporate governance.
- 2- Judicial Proceedings Management: manages judicial processes filed against the Bank and has permanent advisors on labor and tax matters.
- 3- Asset Normalization Management: manages collection of specialized portfolio and past due receivables; it is the only department that yields profit for the Bank because it meets high budget goals and satisfactorily manages its portfolio.

We highlight that in order to strengthen its equity, in 2023 this area managed two loans with the Inter-American Development Bank (IDB) and with the multilateral entity of Canada for US100 million, which demonstrates the sector's trust in the Bank.

Litigation, Judicial and Administrative Proceedings

The material legal proceedings against the Bank (with claims equal to, or greater than COP3.865MM) are disclosed and described in Notes 23 and 24 of the Separate and Consolidated Financial Statements, respectively.

The Bank considers it is not likely that losses will arise in relation to such proceedings. It is established that the said litigations do not require a provision, and that none of our Bank's subsidiaries has relevant processes for disclosure in this report.

The main regulatory provisions that impacted the Bank's activities during 2023 are stated herein below:

1. **Decree 455/2023**: whereby Decree 2555 enacted on 2010 is amended to determine the credit modalities the interest rates of which must be certified by the Financial Superintendence of Colombia, and other provisions are issued.

In development of the Credit Inclusion Policy that has been implemented by the National Government of Colombia in order to promote sustainable financing of the different productive activities carried out in the country, the Ministry of Finance and Public Credit issued this Decree and created the following new types of credit:

- Rural productive popular credit.
- Urban productive popular credit.
- Rural productive credit.
- Urban productive credit.
- Productive credit of a higher amount.
- Consumer and ordinary credit.
- Low amount consumer credit.

On the other hand, the Decree amends the rule on the methodology that the SFC must apply in the calculation of current bank interest (IBC).

2. **Law 2300/2023**: Whereby measures are established to protect the right of consumers privacy.

With the aim of protecting the right to privacy of consumers, Law 2300/2023 defined the channels, schedule, and periodicity in which consumers may be contacted by the entities monitored by the Financial Superintendence including all natural and legal persons that carry out collection efforts either directly, or through outsourcing, or by assignment of the obligation.

This law established that collection practices and the sending of advertising messages must be carried out Monday through Friday from 7:00 a.m. to 7:00 p.m.

and Saturdays from 8:00 a.m. to 3:00 p.m. It will not be possible to contact consumers on Sundays and holidays.

The provisions of the law shall apply in the same terms to commercial relationships between producers and suppliers of private or public goods and services and commercial consumers regarding the sending of advertising messages.

The measures adopted by Law 2300/2023 were enforced on October 10, 2023.

3. External Circular 008/2023 of the Financial Superintendence of Colombia:
Instructions related to the Internal Control System of the supervised entities.

Through this external circular, the Financial Superintendence amended the instructions regarding internal control in order to continue the convergence towards best international practices and to promote the development of robust corporate governance structures. These adjustments have an impact on the Bank's internal audit function.

4. External Circular 013/2023 of the Financial Superintendence of Colombia:
It amends Annexes 9 and 12 of Chapter XXXI of the Basic Accounting and Financial Circular and Proforma F1000-140.

Through this Circular, the Financial Superintendence of Colombia, continuing with the convergence process towards international standards and best practices in liquidity risk management, amends the instructions for the Net Stable Funding Ratio (CFEN) indicator, in order to compile information corresponding to interdependent operations and to balances of trust businesses demand deposits.

In addition, the Circular adopts the concept of "operational deposits" for demand deposits of: (i) wholesale clients in the real sector, (ii) Open Collective Investment Funds "FIC" without permanence agreements and (iii) supervised financial entities. Hence, the calculation of the CFEN establishes a differential weighing factor for such deposits, in accordance with the provisions of the Basel Committee standards.

5. External Circular 014/2023 of the Financial Superintendence of Colombia:
Transitional instructions to manage consumer loans of debtors who benefit from amended measures.

As a measure against deterioration of the financial consumers credit profile, affected by the current macroeconomic situation, marked by a slowdown context and persistent inflation, which has affected the financial burden of households and has directly impacted the indebtedness capacity of debtors particularly regarding consumer loans, options are granted so that supervised entities may change the lending conditions.

6. Law 2297/2023:

This Law established effective measures to guarantee access to caregiving or personal assistance services for people with disabilities who require it, respecting their preferences, by focusing on human rights, autonomy and legal capacity of the disabled.

In this sense, employees who have the status of caregivers of a relative in the first consanguinity degree will have the right to a flexible schedule, (subject to prior agreement with the employer). Mothers should be allowed to breastfeed their children in spaces with a high influx of public, and lastly, the law amended aspects of paid rest during breastfeeding, as a strategy to protect motherhood and early childhood.

Incentives, benefits and reliefs will be created for those employers who build breastfeeding areas in public spaces. On the other hand, section 238 of the Substantive Labor Code was amended to stipulate the employer's obligation to grant the employee two 30-minute breaks to breastfeed her child during the first six months of the minor. However, Law 2303/2023, added a new 30-minute break in favor of the employee, and its duration may be extended up to the two years anniversary of the minor.

To be eligible for the new break employees must keep and evidence adequate continuous breastfeeding conditions with the corresponding medical opinion.

7. Law 2306/2023

Its objective is to seek protection and support for motherhood and early childhood, recognizing the right of women to breastfeed their children in public spaces without any type of discrimination or restriction by authorities and citizens. This Law also defines the parameters for regional entities and certain private establishments to build and adapt friendly public spaces so that mothers can breastfeed their children in spaces with a high influx of public and lastly this Law, amended aspects of remunerated rest during breastfeeding, as a strategy to protect maternity and early childhood.

Hence, it is possible to conclude that:

- Incentives, benefits and reliefs will be created for those employers who build breastfeeding areas in public spaces.
- Section 238 of the Substantive Labor Code was amended, since it currently provides an obligation for the employer to afford the employee two 30-minute breaks to breastfeed her child during his/her first six months. Notwithstanding, Law 2303/2023, included a new 30 minutes break for the employee, the duration of which may be extended until the child is two years old.
- To be eligible for the new break employees must keep and evidence adequate continuous breastfeeding conditions with the corresponding medical opinion.

In the event the worker presents a medical certificate justifying the need to have more time for the breaks herein discussed, the employer will have the obligation to grant such permits.

- Finally, taking into account the aforementioned amendment of Section 238 of the Substantive Labor Code and the stipulations of Law 2141/2021 regarding the jurisdiction of reinforced labor stability during the breastfeeding period, there could be discussions regarding whether the aforementioned stability in the breastfeeding period could be extended until the child is two years old.

8. Decree 2126/2023

It introduces requirements and procedures that must be carried out for the recognition of the following economic benefits under the General Health Social Security System: leave for child care, leaves applicable to pregnancy, including spontaneous abortion, voluntary interruption of pregnancy or non-viable premature birth, shared parental leave, flexible part-time parental leave and maternity leave for adoption.

9. Circular 0069/2023 of the Ministry of Labor

This Circular establishes criteria and guidelines to authorize or deny overtime work requests, taking into account that the Labor Contract may not stipulate exceptions to the maximum day's work, unless specifically authorized by the Labor Ministry.

10. Resolution 3031/2023 of the Ministry of Labor:

It establishes that every employer having an authorization to work overtime without a specific validity term shall, within the following 6 months, request the Regional Directorate of the Ministry of Labor, an authorization update to work overtime. Such authorization will then remain in force during such six months.

Therefore, upon expiration of the 6-month period, that is, as of March 1, 2024, authorizations that have not been updated will lose validity. Likewise, once authorization to work overtime is granted, it will be valid for no more than 2 years.

11. External Circular 017/2023 of the Financial Superintendence of Colombia

This circular provides temporary instructions on countercyclical provisions for consumer and commercial portfolios. In this regard, Chapter XXXI – SIAR of the Basic Accounting and Financial Circular was amended.

Monetary Losses Arising from Legal Proceedings

SASB FN-CB-510a.1.

GRI 2-27

The concept and total amount of our monetary losses derived from legal proceedings are set out below:

| Terms | 2023 (in millions) |
|--|-----------------------|
| Total amount of monetary losses derived from legal proceedings associated with fraud, insider trading, antitrust and anti-competition practices, market manipulation, malpractice or legal proceedings associated with the execution of relevant industrial regulations enacted by regional, national, state and local regulatory authorities. | COP 647.180.742,08 |

Source: Banco de Occidente

The mentioned losses were due to (i) judgments against our organization mainly for contractual breaches and (ii) conciliation through economic agreements agreed upon with some of our plaintiffs where we identified a material conviction risk.

The related legal proceedings in all cases, except for one case, corresponded to civil legal proceedings brought by clients who considered that we breached our contractual obligations by failing to safeguard their deposits or allowing the use of non-authorized credits. (Involving credit cards, or revolving credits). Such events resulted from frauds in which clients were impersonated through electronic means. The other case corresponded to a fine imposed by the Financial Superintendence of Colombia, which considered that there was a failure on our part to comply with the deadlines established in Law 2009/2019 and in Circular 003/ 2020 of the SFC, which establishes the exoneration of costs for some products and the non-charging of commissions for failed operations at electronic ATMs.

Evaluation and Follow-up

GRI 3.3

With the internal Balance Score Card methodology, each Vice Presidency has its own objectives and compliance metrics (KPI)⁸. The legal area is assessed in order to ensure that legal opinions are issued within a certain time that should not exceed three (3) business days following arrival of consultation to the area. Whenever there are complex issues, agreements are reached with the requesting area for a timely response.

We also have a quality indicator that ensures that the opinions or contracts are not tainted by any legal error that could put the Bank at risk. This indicator has always been compliant since there have been no consequences or civil lawsuits due to any error or legal opinion.

⁸ Key Performance Indicators (KPIs) are also known as quality indicators or key business indicators.

Likewise, we measure a very important indicator that applies to all Vice Presidencies: internal customer service which refers to the manner, treatment and timely responses to other areas of the Bank. In this case, it is suitable to highlight that in 2023 the Legal Vice Presidency ranked second in the measurement of all Vice Presidencies.

1.7 We Manage our Risks

Our Impacts on Management

GRI 3.3

Through our comprehensive risk management, we established the necessary strategic framework to identify, assess and mitigate potential threats that could compromise our operational stability and financial sustainability. Within this same context, stemming from this management, we also focus on preventing the materialization of potential negative impacts on our stakeholders. We strive to safeguard the interests of our clients and ensure security in their financial transactions. In a broader perspective, we understand that society could also suffer impacts, as instability in the banking sector could trigger systemic economic crises affecting employment, investment, and national financial stability nationwide. Therefore, comprehensive risk management stands as a fundamental pillar to safeguard the interests of our stakeholders and the continuity of our actions.

In Colombia, the financial sector is subject to strict regulations, implying that most measures taken to manage our risks are aligned with regulatory compliance and guidelines established by regulatory entities. Thus, within the framework of the Comprehensive Risk Management System (SIAR) provided by the Financial Superintendence of Colombia, we establish the relevant guidelines and actions to manage the risks inherent in our business, which are:



The following are the stages of our SIAR:

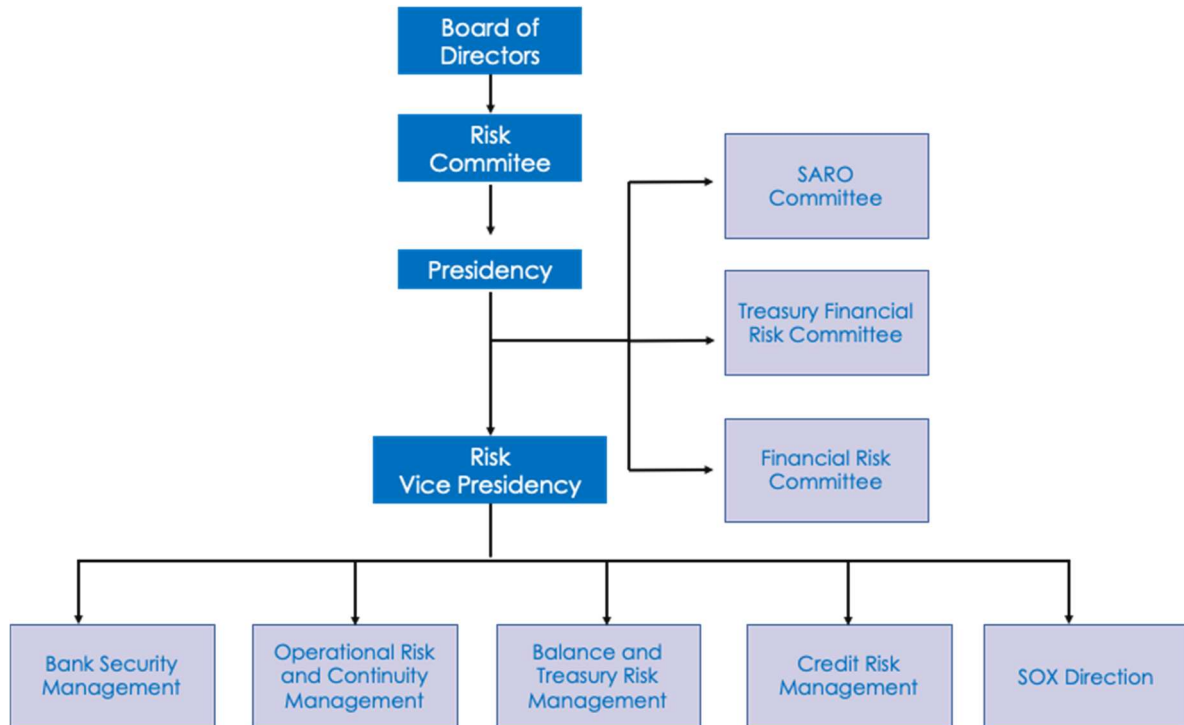
- Identification: it consists of determining the risks (current and potential) inherent in the activities we undertake or plan to develop. This stage should be carried out prior to implementing new activities or making modifications to those already in operation that present changes in the business plan.
- Measurement: it involves quantifying and evaluating the exposure to risks inherent in the activities of our organization and their impact, should they materialize. This measurement can be qualitative and quantitative.
- Control: it entails establishing mechanisms aimed at mitigating and minimizing the possibility of occurrence and impact of the materialization of risks inherent in the activities carried out by the entity. Controls allow us to assess the degree of compliance with policies, strategies, procedures, methodologies, controls, thresholds, limits, and regulatory framework, as well as to have updated, reliable, timely, and complete information.
- Monitoring: it involves carrying out permanent and effective monitoring of risk sources, risk profiles, deviations from limits and thresholds, the effectiveness of implemented controls, and the potential impact of risk materialization. Furthermore, it facilitates the rapid detection and correction of deficiencies in the SIAR. Monitoring should be intensive regarding deficiencies identified in risk management and in corrective and improvement actions.

As a complementary part of the above, in line with our commitment to supporting sustainable investments and with the full awareness that environmental and social risks materialized in our clients, in addition to their impacts on society, may also have an adverse impact related to their repayment capacity. During the reporting period, we completed the pilot phase of integrating environmental and social criteria into our credit risk process through the implementation of the Environmental and Social Risk Management System (SARAS).

Risk Governance

DJSI 1.4.1.

The risk governance structure of comprehensive risk management is configured as follows:



Comprehensive risk management is under the leadership of the Vice Presidency of Risk and Collections, which oversees four specialized management areas: Balance Sheet and Treasury Risk, Credit Risk, Operational Risk, Bank Security, and the SOX Direction, each dedicated to a specific specialty. Certain main functions of this Vice Presidency are:

- Developing a risk appetite framework according to the entity's needs.
- Establishing appropriate risk indicators and limits for business lines.
- Managing the mitigation of the most significant risk exposures.
- Evaluating risk management, quantifying exposure to risks, indicators, limits, and deviations.
- Actively monitoring the risk profile in relation to the risk appetite framework.

- Alerting about operations that do not comply with established policies or risk limits.
- Requesting action plans from first-line defense responsible parties for deviations from the risk appetite framework and its components.

The leadership of this department is under the responsibility of our Risk and Collections Vice President.

| Role | Position / name | ¿Management reports to what department or position? |
|---|--|---|
| Risk Management Leader in BDO | Johnny Leyton Fernández, Risk Vice President | President of Banco de Occidente |
| Principal Committee related to risk management in BDO | Comprehensive Risk Committee | Board of Directors |

Source: Banco de Occidente

Risk management leaders must have a minimum understanding of the business and be knowledgeable about the bank's processes, primarily those related to their risk management processes. Specifically, the following regarding the risk to be managed:

- The nature of the risk.
- The methodology and risk management models in general and specific terms.
- The regulations governing the risk.
- The concepts and indicators of risk appetite management.

In the realm of market risk, liquidity risk, and interest rate risk management of the bank's book, our employees receive technical and financial training through prominent entities such as the Bolsa de Valores de Colombia (BVC), the Autorregulador del Mercado de Valores (AMV), and Precia, among others. In addition, it is essential that they have a deep understanding of the regulations established in the Basic Accounting and Financial Circular of the Financial Superintendence of Colombia (SFC). In line with the academic requirements for performing assigned functions, it is essential to have postgraduate studies in finance, risk management, or other related disciplines. Moreover, these roles demand

comprehensive knowledge and solid training covering all aspects of our business, such as:

- Financial valuation methodologies.
- Communication skills in disseminating internal and external information (Board of Directors, Senior Management, risk rating agencies, and strategic committees).
- Mastery of technological tools and programming (Python, R, Power BI, Visual Basic).
- Deep knowledge of local and international accounting.
- Interaction with infrastructure providers.
- Knowledge of banking products, the stock market, money market, and derivatives.

One of the main responsibilities of the human team of this Vice Presidency, in compliance with the risk appetite framework in coordination with the Grupo Aval Holding, is that each risk specialty establishes risk indicators with limits and thresholds according to our organizational structure, business lines, and established guidelines, consistent with our risk appetite statement based on defined internal methodologies and models. Indicators related to this subject are classified as follows:

- Primary indicators: defined to quantify risk appetite at the highest level within our entity, in line with our objectives. Additionally, corporate indicators that meet this level according to Grupo Aval's definition are considered in this category.
- Secondary indicators: Are relevant indicators that allow monitoring of risk appetite and management.
- Complementary indicators: Provide an additional view of the risk profile.

Risk appetite⁹, as well as limits, thresholds, and corresponding results, are subject to discussion and approval in several specialized committees, such as the Financial Risks Committee (Corporate Banking, Retail Banking), the Treasury Financial Risks Committee, the SARO Committee¹⁰, and the Grupo Aval Risk Committee. Subsequently, these elements are presented for consideration to the Comprehensive Risk Committee of our Board of Directors.

⁹ Risk appetite refers to the levels and types of risks that an organization is willing to take in order to achieve its business objectives.

¹⁰ Operational Risk Management System

The supervision of risk management falls under each of the Management areas associated with the Risk and Collections Vice Presidency; these managements present the results of their monitoring for evaluation by the various risk committees.

In addition, the Comprehensive Risk Committee – Board of Directors (CRC) made up by an independent member of the Board of Directors acting as the committee's chairman, two additional Board members, the CEO, and the Risk and Collections Vice President meets quarterly to address and analyze issues related to the supervision of risk management. Some of its main functions are:

- Monitoring the result of the risk profile and appetite.
- Advising the Board of Directors on operations, events, or activities, including entry into new activities that may affect the entity's risk exposure and profile.
- Approving adjustments and changes to SIAR policies.
- Monitoring the state of risk culture in the entity.
- Evaluating the analysis of the result of monthly risk management reports, among other.
- Promoting the adaptation of risk management in society to an advanced model that allows the configuration of a risk profile in line with strategic objectives.
- Validating reviews of the positive and negative impacts generated by social and environmental issues.
- Supervising compliance with comprehensive climate change risk management.
- Accountability for the Environmental and Social Risk Management System (SARAS).

In addition to comprehensive risk management, the Compliance Officer is responsible for supervising the risk of money laundering and reports directly to the Presidency, presenting detailed quarterly reports to the Board of Directors.

Risk Management Process

DJSI 1.4.2.

Our Comprehensive Risk Management System (SIAR) Manual contains the guidelines, parameters, guidelines, functions, obligations, and internal procedures that must be taken into account for the proper and comprehensive of risks in accordance with current regulations.

It establishes the commitment of our entity to adopt policies and procedures that allow us to comply with the following minimum guidelines:

a. Disclose the SIAR and the Risk Appetite Framework (MAR) to the Board of Directors, Senior Management, those responsible for risk management, the risk committee, the statutory auditor, internal audit, and the business units of the entity.

b. Disclose SIAR policies and elements, including the entity's conduct and ethics guidelines, to promote a risk culture and take corrective and improvement measures in case of non-compliance.

c. Implement the stages of the SIAR and its elements.

d. Periodically review the suitability and operation of the SIAR and update it whenever necessary.

e. Define and approve the markets and activities that the entity develops and plans to develop or modify, as well as its composition of assets, liabilities, and capital.

f. Manage the risks inherent in new markets, processes, and activities.

g. Define, monitor, and report MAR thresholds and limits and maximum levels of exposure, concentration, and tolerated loss by type of risk, with a breakdown of positions by economic sector, activity, term, type of operation, reinsurer, counterparty, related parties, geographical area, and currency, where applicable.

h. Have criteria for requiring, accepting, and appraising guarantees and counter-guarantees, where applicable. This is without prejudice to the guarantees required by the administrators of securities trading systems, securities transaction registration systems, stock exchanges, commodity and agricultural product exchanges, compensation and settlement systems, and clearing houses.

i. Take and implement necessary actions, including disciplinary actions, for: (i) unexpected changes in risk exposure, (ii) activation of early warning systems, and (iii) non-compliance with internal and regulatory limits. Likewise, implement guidelines for when and to whom escalate the report concerning the aforementioned events.

j. Implement the necessary measures in response to the materialization of risks and periodically review the effectiveness of such measures.

k. Design and implement contingency plans, business continuity management, and business continuity plans, as well as periodically review the effectiveness of such plans.

l. Manage the operational risk event log.

m. Acquire insurance and outsource natural and legal persons for the development of their processes, provided it does not involve delegation of issues pertaining to professional positions.

It is important to note that, although the direction of all this management lies with the Risk Vice Presidency, any area within the Bank has the ability to propose adjustments to policies and limits for risk management. However, the evaluation, supplementation, and presentation of such proposals to the respective risk committees, as well as the final ratification by the Board of Directors, are responsibilities specifically assigned to the various Risk Managements.

Risk Assessment

Annually, we present, within the financial statements' notes, the results of risk management and administration, including the description of each risk, actions taken for its management, key milestones achieved, and action plans implemented for its mitigation. Risks managed and disclosed as part of this report include:

- Credit risk
- Market risk
- Interest rate structure risk
- Liquidity risk
- Proper capital management
- Operational risk
- Money laundering and terrorism financing risk
- Legal risk

In addition, we conduct a joint assessment with various Vice Presidencies regarding high-impact inherent risks. In this business year, Vice Presidencies, based on their knowledge and expert judgment, assess the relevance of defined high-impact inherent risks, suggest new risks, or the elimination of any, if applicable. In turn, they review the inherent and residual rating of each risk and suggest changes in the rating based on their performance in the previous year. Subsequently, the results of each Vice Presidency's review are consolidated, presented to the Management Committee, and approved by the Presidency and the Board of Directors. Finally, these results are formalized by Internal Audit.



Risk Culture

DJSI 1.4.4

We recognize the fundamental importance of fostering a risk culture as it provides us with a solid framework to manage and mitigate potential threats that could affect our long-term stability and success. By promoting a deep understanding of the risks inherent in financial operations, we empower our teams to make informed and strategic decisions. The expansion of this culture not only strengthens our ability to anticipate and address risks but also promotes transparency, accountability, and adaptability, crucial aspects in an increasingly dynamic and changing financial environment.

Therefore, during 2023 and led by the various risk managements, we carried out different training and awareness initiatives to expand the risk culture in our organization. These activities included:

- Annual disclosure of regulatory courses (SARO Course, IT Security, SARLAFT, ABAC).
- Monthly induction for new managers of Corporate and Retail Banking on credit risk.
- Training for Credit Risk Management officials in SPSS Modeler¹¹, Excel, Python, Climate Change, and Power BI.
- Training for Balance Sheet and Treasury Risk officials in Python and Power BI.
- Training for the commercial team of Corporate Banking and Corporate Credit in policy, processes, and handling of SARAS tools.
- Training for third parties in Operational Risk.
- Business Continuity Plan (BCP) crisis drills.
- Training for process owners and new employees for risk materialization prevention.
- Ongoing training for our employees in fraud prevention.
- Training for Banco de Occidente Panama's Board of Directors on market and liquidity risks.

¹¹ IBM SPSS Modeler is a text analysis and data mining software application from IBM. It is used to build predictive models and perform other analytical tasks.

- Periodic dissemination of best practices in the capital market. These forums emphasize:

- Analysis of specific (anonymized) cases derived from verifiable media monitoring exercises.
- Dissemination of recent regulations or addressing specific concerns by the AMV.
- Dissemination of changes or updates in methodologies for the market price assessment of different Treasury products (Fixed Income, Forward, and Spot COP-USD).
- Case statistics.

- Awareness initiatives on various risk management-related topics aimed at all our employees, including the development of videos, infographics, series, among others, which include questionnaires for knowledge assessment and interactive activities.

The implementation of the training strategies described above, especially regarding regulatory courses, is supported by indicators aimed at assessing the scope of course development. At the end of the established period, each Risk Management presents a detailed report to the corresponding committees on the closure and coverage achieved in each course.

In addition to the above, in order to promote continuous improvement in our risk management practices, we carry out various feedback initiatives involving the participation of employees from different processes:

- Each Risk Management, through constant feedback processes and regular meetings, evaluates best practices for managing each risk and defines actions aimed at strengthening the risk culture in the Bank. The results are presented in each chaired committee.
- Process owners take responsibility for implementing measures along with their collaborators whenever errors occur in the processes, aiming to ensure effective risk management.
- The Operational Risk Management conducts annual training sessions on the Operational Risk Management System (SARO) and the BCP for third parties providing services to our entity. Additionally, monthly training is provided to new members of the commercial team. In specific cases, these sessions are offered to risk managers or areas with particular needs.

- The Balance Sheet and Treasury Risk Management - Compliance conducts detailed reviews of findings every two months in collaboration with the Treasury Management. During these sessions, each case's recurrence is thoroughly analyzed, considering factors such as the type of incident and the involved trader, and corresponding action plans are established to mitigate the possibility of future repetitions.

Incorporation of risk criteria into the development or approval of our products:

The regulatory requirement of the Financial Superintendence of Colombia establishes that risk identification must take place prior to (i) the launching or use of any product, the use of new business practices, including new service delivery channels and the use of new or developing technologies for new or existing products, (ii) the modification of product characteristics, (iii) entering a new market, (iv) opening operations in new jurisdictions, and (v) the launching or modification of distribution channels. In compliance with the above, we carried out the following initiatives:

- The Money Laundering, Financing of Terrorism, and Proliferation of Weapons Financing Risk (AML-CFT-WMD) is integrated into all our new projects or processes through risk analysis development, allowing for their identification and the establishment of specific controls.
- All new projects or processes in the Bank undergo comprehensive risk analysis by the Operational Risk Management. During this process, necessary controls are defined, and risks to which the project, product, or service could be exposed are identified and communicated.
- Furthermore, the Balance and Treasury Risk Management plays an active role in the development of new products and services related to Treasury. This participation involves validating valuation methodologies, conducting credit exposure calculations where applicable, and evaluating the impact on metrics related to market risk, liquidity, and interest rates from the bank's book, among other aspects.
- The Credit Risk Management for Retail Banking plays a crucial role in various bank processes, especially in credit granting. A significant aspect of its contribution relates to the implementation of the new internal Scoring model, designed to segment potential customers more effectively and prevent possible deterioration of the portfolio in the future. Furthermore, the situation of foreign customers lacking information in national financial databases has been considered, and a differentiated

granting policy has been implemented to address their specific needs.

Emerging Risks

DJSI 1.4.3

Emerging risks are potential threats that arise unexpectedly and can have a significant impact on our operations and results. Recognizing and addressing emerging risks is essential to maintain business stability and growth; particularly in the financial sector context, emerging risks such as climate change and geopolitical tensions experienced in Colombia and worldwide can have significant repercussions on the regional economy, as well as on our customers. It is crucial to be vigilant regarding these risks and to develop solid strategies to mitigate their impact, thus ensuring the continuity of our operations and the protection of our clients' interests.

Based on the analyses we carried out we identified the two most significant emerging risks for our future:

| Emerging Risk | Category | Potential Impact |
|---|---------------|---|
| Climate Change | Environmental | Impact on the country's economy |
| | | Environmental and social impact as a consequence of climate change effects, which would imply a reputational risk for our entity |
| | | Clients would be affected with fines based on breach of agreements related to climate change that could reduce their payment capacity to honor their financial obligations. |
| Geopolitical tensions (economic uncertainty and pressures). | Geopolitical | Economics would be affected, including our clients, which would impact their loan payment capacity |

Source: Banco de Occidente

ESG Risk Management

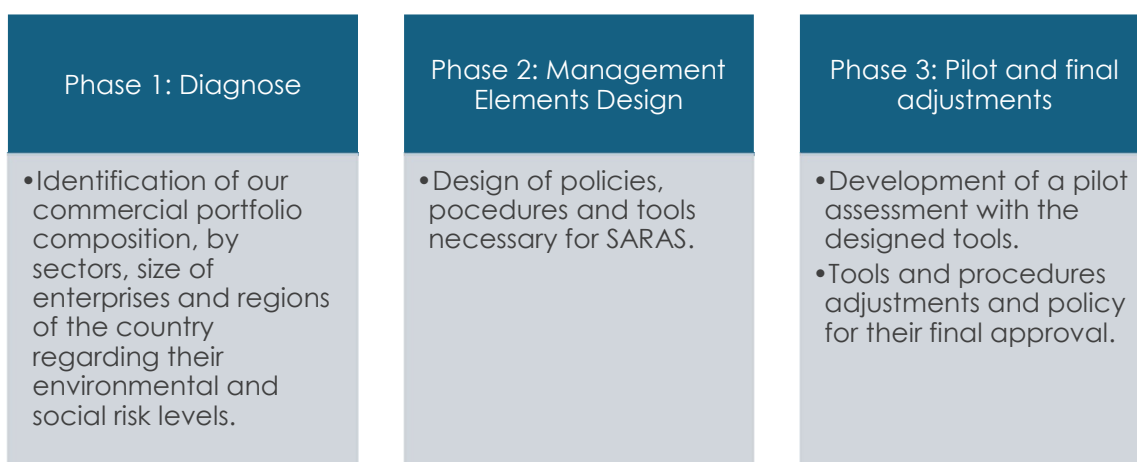
FN-CB-410a.2.

There is a growing global recognition of the need to incorporate environmental, social, and governance (ESG) factors into financial decision-making. Environmental considerations include risks related to climate change, sustainable management of natural resources, and environmental footprint. Social factors encompass issues such as human rights, labor conditions, and social equality. Therefore, we have established guidelines and developed practices aimed at ensuring that direct credit operations have a positive impact on the environment and society.

Moreover, the Bank is aware of its role as a mobilizer of resources to the real sector for carrying out economic activities that contribute to the country's objectives, including those of a social and environmental nature. Likewise, we recognize that the management to whom loans are granted regarding environmental and social aspects can have negative consequences for the Bank, mainly financial, legal, and reputational, and therefore constitute a potential source of risks that must be properly managed.

In line with the above, we are committed to managing the environmental and social risks related to our credit activity, which will not only minimize their likelihood of occurrence but also guide financial flows towards economic activities that properly manage their impact on society and the environment.

Aligned with this reality, during 2023, we completed the three stages that constituted the implementation of the Environmental and Social Risk Management System (SARAS), which consists of a methodology designed to address environmental and social issues and integrate sustainability issues into our credit operations. The system defines a set of policies, guidelines, tools, procedures, and systems that facilitate the identification, assessment, mitigation, and monitoring of environmental and social risks resulting from the development of a project or financeable economic activity. Below is the description of the phases:



At Banco de Occidente, we have had an environmental and social risk management policy since 2023. In this policy, we have expressed the purpose of managing the environmental and social risks related to our credit activity, which will not only minimize the likelihood of occurrence but also leads direct financial flows towards economic activities that appropriately manage the impact on society and the environment. The policy establishes principles, guidelines, and reference standards for proper management of environmental and social risks; all of this methodology was reviewed and approved by the Risk and Collections VP.

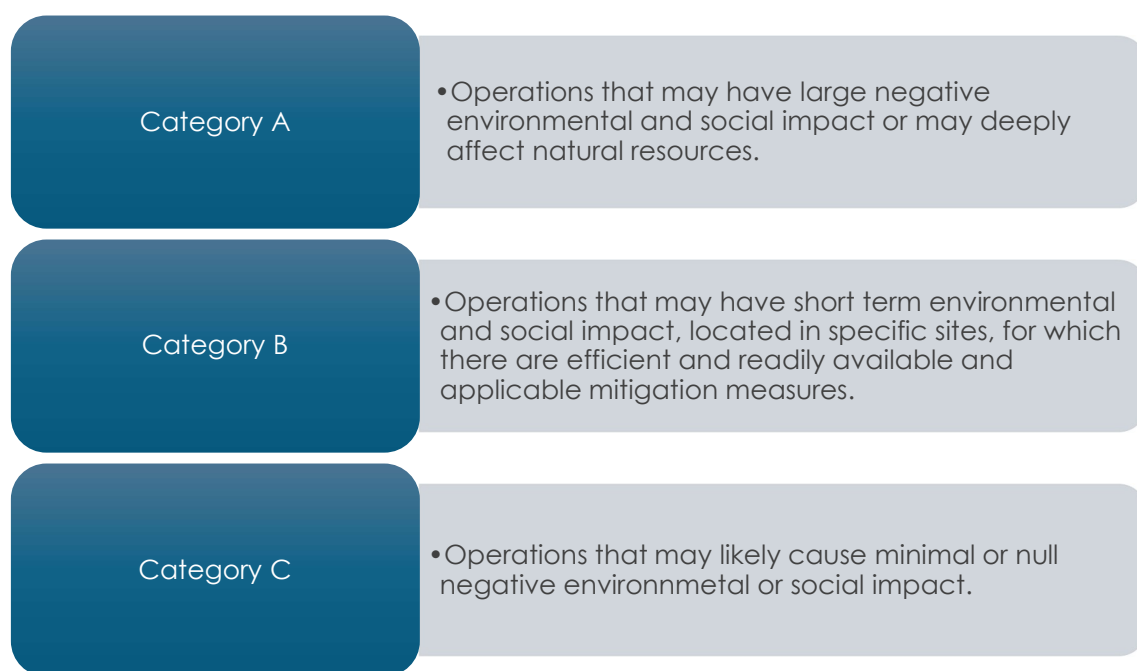
The SARAS is aligned with our commercial credit process and is guided by the following principles:

At Banco de Occidente, we do not finance high environmental and social impact activities listed in the prohibited activities section of our exclusion list. Other high environmental and social impact activities not prohibited by Colombian legislation may be financed only if the sum of their balance does not represent more than 5% of our total portfolio.

For the implementation of SARAS criteria, starting next year (in a phased approach), we will conduct a process to assess the environmental and social

risk of all our commercial clients, in parallel with the credit analysis process. This process will involve:

1. Verification of the type of commercial activity by comparing it with the 24 prohibited activities listed in the exclusion list.
2. Application of the categorization questionnaire, which includes elements of Colombian legislation, the clients' economic activity, and the characteristics of the territory where they operate. This process is led by our relationship managers, and based on this, the following categories of environmental and social risks are established:



3. Subsequently, an assessment of the environmental and social risk of commercial clients will be conducted based on the previously assigned risk category, which is the responsibility of our environmental and social criteria analyst. This evaluation considers the potential environmental and social impacts of the client, as well as their ability to manage them, and is supported by specific tools applied by qualified personnel according to the client's risk level. As a result of the assessment process, we identify critical points that may pose risks to us, as well as possible measures to reduce such risks.
4. The main results of the assessment of clients' environmental and social risk, as well as the critical points identified in that process, are considered by the credit bodies responsible for evaluating the

application. Additionally, in cases where applicable, the credit bodies discuss and approve the mitigation measures required of clients to reduce the Bank's exposure to environmental and social risk. Once the credit is approved, it is established that the credit contracts will include environmental and social clauses in the event of serious environmental and social impacts, with the purpose of requiring clients to comply with the risk mitigation measures approved by the credit bodies.

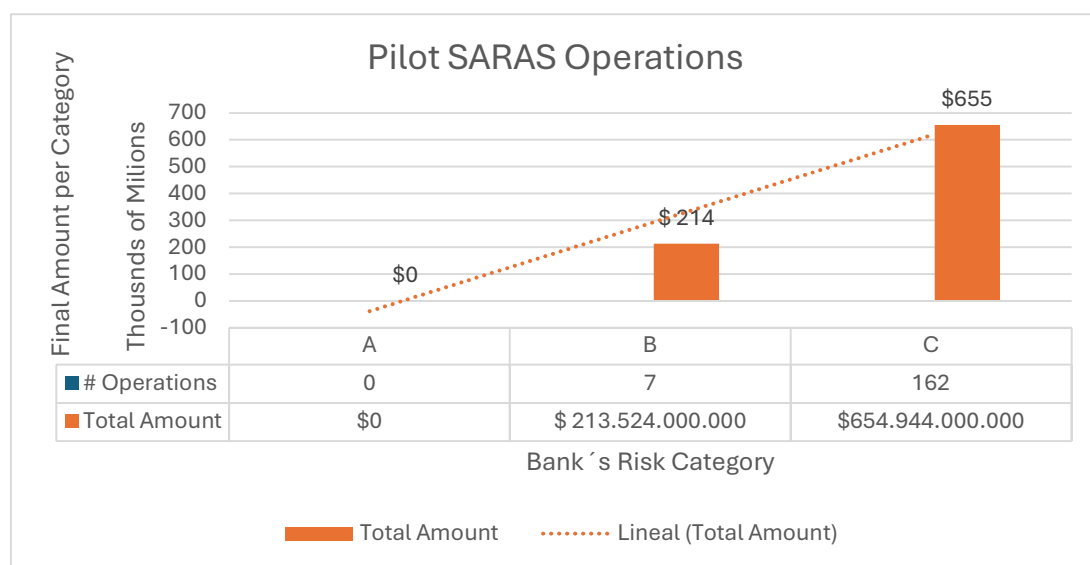
Clients categorized as higher environmental and social risk will be subject to greater monitoring by us to ensure they are implementing relevant actions to reduce their environmental and social risks within acceptable limits; the frequency and depth of environmental and social monitoring will be proportional to the project's risk level and will be supported by specific tools and appropriate personnel for each case.

In order to assess the environmental and social aspects of the Bank's credit operations, the pilot phase of the Environmental and Social Risk Management System was initiated in August 2023, in which we evaluated 183 credit operations until December 31, 2023, for our Corporate and Business segments clients totaling COP868.468 MM. As a result, we obtained:

Category A: 0 operations - COP0

Category B: 7 operations - COP213.524 MM

Category C: 162 operations -COP654.944 MM



For the SARAS, the management and oversight of activities ensuring the proper functioning of the system are defined as follows:

Credit Risk Management /

Sustainability Management:

- Develop, update, and submit the environmental and social risk management policy to senior management for approval.
 - Develop procedures, tools, and methodologies to identify, categorize, assess, and monitor clients entering the SARAS.
 - Support and assist other areas of Banco de Occidente in implementing the social and environmental risk management methodology.
 - Provide regular reports to the Board of Directors on environmental and social risk management at the Bank.
 - Promote awareness of the environmental and social risk management policy among the areas subject to it.
- Monitor compliance with the policy at the Bank and take appropriate measures when it is not being properly implemented.

Credit Risk

Nature of the Risk

Banco de Occidente's loan portfolio grew by 9,98% in Commercial loans, 11,09% in Consumer loans, and 4,9% in Mortgage loans.

As of December 2023, the total loan portfolio of the Bank amounts to COP46,21B and is distributed as follows: 67,70% in Commercial loans, 26,70 % in Consumer loans, and 5,60 % in Mortgage loans.

Overall, the Bank serves clients from all economic activities, which are grouped into 18 economic sectors. The most representative sectors are: Manufacturing industry with a 15,93% share (COP4.896.846MM) of the total portfolio, followed by Financial and insurance activities with 12,97% (COP3.985.612MM), Wholesale trade with 10,20% (COP3.135.025MM), Retail trade with 8,53% (COP2.622.210MM), and Construction and Civil Works with 7,46% (COP2.292.381MM). The other 13 economic activities represent the remaining 44,91%.

In the consumer loan portfolio, the product with the highest participation is **payroll deduction loans** with 37,69 % (COP4.544.279MM), followed by **Personal loans** with 29,34%, Vehicle loans with 19,02%, Credit cards with 13,56 %, and **Revolving credit** with 0,38 %.

The past due portfolio in Commercial loans remained stable compared to 2022 (3,3% in 2023 and 2,7 % in 2022), as did the Mortgage loan portfolio, which closed at 5,72 % in 2023, similar to the closing value in 2022. In the Consumer loan portfolio, past due loans grew by 62%, mainly in Personal loans and Credit cards, a behavior explained by the lower payment capacity of customers due to the economic situation, high inflation, high interest rates, and economic slowdown, among others.

Regarding foreign subsidiaries, as of December 2023, Banco de Occidente Panama's loan portfolio amounts to US\$551.561.476, concentrated in 99,97% in Commercial loans, with a past due portfolio closing at 0,23%, while the portfolio at risk is at 1,73 % and the provision coverage closed at 0,91 %, showing stability in the loan portfolio indicators at the end of 2023.

Meanwhile, Occidental Bank Barbados closed December 2023 with a loan portfolio of US\$139.468.776, concentrated in 100 % in Commercial loans, with a past due portfolio at 1,16 %, the portfolio at risk at 1,28 %, and the provision cover at 1,07 %. Overall, there is good performance in the loan portfolio indicators despite ending a year with a difficult international economic situation.

Evaluation and Measurement

In credit granting, we have different models for risk assessment, including internal scoring models for evaluating the consumer portfolio. In the initial assessment of operations, we apply models that assign a score to the customer based on Bureau variables and some behavioral variables within the sector, allowing us to determine whether the applicant qualifies for credit according to the Bank's policies on the minimum required score. We also have tracking models that mainly use customer payment behavior variables and product usage to qualify customers and establish the likelihood of default in the next year.

For the commercial portfolio, we have rating models, with variables primarily being financial indicators. With these variables, we obtain entry models, and for tracking models, we add payment behavior variables. Consequently, we have entry and tracking models for the segments of Industry, Commerce, Services, Construction, Regional Entities, and Financial Institutions.

Among other uses, these models are used in the credit granting process for customer classification, determining the amount to lend, structuring commercial placement programs, tracking, portfolio rating, provisioning estimation, and monitoring the portfolio composition by risk.

We quarterly monitor exposure limits by economic sector in the commercial portfolio, where as of December 2023, 89 % of the sectors are within the established appetite. Similarly, for the retail portfolio, we monthly monitor harvests based on the new production output of different products using the internal scoring model, aiming at mitigating portfolio deterioration.

Management, Monitoring, and Mitigation

We continuously monitor the behavior and evolution of credit risk through reports presented monthly to the Financial Risks Committee and quarterly to the SIAR Committee (Board of Directors).

As part of the monitoring, in 2023 we conducted an analysis of the impact of exchange rate risk on Banco de Occidente's commercial portfolio, with the following conclusions:

- Although there is a slight deterioration in the quality of the portfolio, it remains healthy, and the main clients entering the delinquent portfolio do not originate from their exposure to exchange rate risk.
- The bank's foreign currency portfolio slightly reduced its balance and maintains low levels of delinquent and at-risk portfolios.

In addition, 2023 was marked by various events impacting the international dynamics, implying a greater commitment to monitor the portfolio, the client behavior, and the actions regarding potential risks these events may pose to Banco de Occidente. Therefore, we conducted analyses on the Russia-Ukraine conflict and the Israeli-Palestinian conflict, identifying which economic sectors could be affected, the exposure in these sectors, the number of clients in those sectors, and how the portfolio dynamics could be affected by a potential materialization of risks arising from these conflicts. The results of these analyses have led us to conclude that the exposure to clients and sectors with possible impacts is low.

To mitigate the growth of delinquent portfolios, we made several adjustments to risk parameters and policies throughout the year. We increased the cutoff points of scoring models for higher-risk profiles (low-income profiles in the Northern and Santander regions and for all independent profiles), we limited cross-selling of Credit Cards and Unsecured Loans, as well as Credit Cards and Payroll Loans, and implemented caps for granting Consumer and Housing credits, among other. Starting March 2023, we implemented a new scoring model and adjusted the cutoff points based on risk and profitability criteria. With this new score, we expect to improve the portfolio's performance during 2024.

In parallel, we implemented a new decision engine, a project that started in 2022 with the Payroll Loan product and ended in late 2023 with the Vehicle product. This engine allows for more timely and efficient management of granting policies by the Credit Risk team (without dependence on the Technology area), as well as the

management of placement campaigns and the adequate monitoring of portfolio performance.

It is worth mentioning that in 2023, we carried out the three phases (diagnosis, design, and implementation) of the Project for the Implementation of the Environmental and Social Risk Management System - SARAS, with the support of the consultant Natural Intelligence - NINT. We implemented tools and procedures in the Credit and Commercial areas of Business Banking within the system, aiming at implementing SARAS throughout the Bank in three stages (January, April, and July 2024).

Country Risk Management

In 2023, we implemented a model to adjust provisions for impairment on capital investments abroad. Currently, at Banco de Occidente, we conceive such investments as the value of the equity declared in the financial statements of Banco de Occidente (Panama) S.A. and Occidental Bank Barbados Ltd. These investments are represented by loans granted by foreign subsidiaries in various countries, mostly located in Central and South America, in addition to the portfolio of short and long-term investments.

The assessment exercise, through a country risk study containing economic, social, political, and market indicators, provided a rating for Panama and Barbados. Considering that Banco de Occidente's investment in foreign subsidiaries is represented in loans and investments outside of Panama and Barbados, this rating could improve considering the weighted average of the ratings of the countries where exposure exists.

As a conclusion, it was determined that Panama is classified as B in the SIAR country risk category, explained by its original country risk rating. In this case, no complementary analysis is used, and no impairment adjustment is required. Regarding Barbados, due to the weighted average of the ratings of the countries where exposure exists, its rating improves to B, being its highest classification. For this evaluation, which is conducted annually in parallel with the update of the country risk study, with semi-annual monitoring and follow-up, it is concluded that the final classification, both for Panama and Barbados, does not currently require an impairment adjustment for investments.

Operational Risk

In accordance with the provisions of Chapter XXXI of the Basic Accounting and Financial Circular in its parts II and III regarding Operational Risk Management, the Bank manages its operational and business continuity risks through identification, measurement, control, and monitoring. In this regard, we continuously work on updating risks and controls in processes, monitoring risk profiles, and tracking the recording of operational risk events, which allows for the implementation of

corrective actions aimed at mitigating the materialization of events, reducing levels of exposure to operational risks, and the result of exposure to operational risk, which is part of the solvency ratio.

Therefore, as of December 31, 2023, and as a result of this update, the Bank had the following results in terms of risks, failures, and controls:

| | December 31 2023 |
|-----------|-------------------------|
| Processes | 183 |
| Risks | 645 |
| Failures | 1.137 |
| Controls | 2.141 |

Source: banco de Occidente

Regarding the operational risk profile, as of December 31, 2023, the residual rating is considered low because 74% of the risks out of a total of 645 are in the low quadrant. To generate the risk profile, we took into account risk ratings, controls, role movements (risk managers), updates to applications and procedures, as well as modifications to processes documented by the Process Management.

Regarding the net losses recorded from operational risk events for the year 2023, these amounted to COP13.804MM, broken down as follows: gross loss from operational risk events COP23.567MM and recoveries of COP9.763MM.

According to the Basel risk classification, events originated from: external fraud 110%, COP15.221MM; technology failures 8%, COP1.031MM; others 6%, COP857MM. Recoveries of COP3.305MM were received for physical asset damages, which, in terms of the total percentage, weighs -24%.

In external fraud, the most relevant events were: an event of COP11.595MM involving customer impersonation in credit granting, frauds with credit and debit cards for COP1.135MM and COP62MM respectively, under modalities such as non-face-to-face purchases, impersonation, counterfeit or copying of magnetic stripe, substitution, lost card, misuse, lower value, and stolen card, and 21 fraud events under the modality of person impersonation affecting various products for COP1.573MM.

Regarding technological failures, the most relevant events included:

- COP 305MM due to erroneous crediting to beneficiaries of the Solidarity Income Program (PIS).
- COP 223MM due to untimely submitting the report to the District Treasury Secretariat containing the information on collections for the 2020 period.

- COP 275MM corresponding to two events due to failures in the core business application (Flexcube) resulting in transaction duplication and non-charging of small unpaid amounts to customers.

In labor relations, an event of COP586MM occurred due to the loss of documentation supporting pension payments made between 1994 and 2006. However, recoveries were received for vandalism incidents in April 2021 related to the national strike, amounting to COP3.305MM.

Additionally, in September 2023, we received non-objection from the Financial Superintendence of Colombia for the Bank to use five years' worth of databases to determine the loss component in calculating the value of exposure to operational risks at a consolidated level, thereby obtaining a 32bps benefit in the Bank's solvency.

Regarding reports to senior management, on a monthly and quarterly basis, we inform the SARO Committee and the Comprehensive Risk Committee of the Board of Directors, respectively, about the most important aspects of operational risk matters. This report includes monitoring the implementation of corrective actions aimed at mitigating risks classified in extreme and high zones, the evolution of losses from operational risk, and action plans based on materialized events, among other factors. Similarly, we reported changes in the risk profile based on the identification of new risks and controls in current and new processes.

Moreover, we developed an annual training plan aimed at strengthening the culture and ensuring understanding in the proper management of risks to enhance the internal control system.

Finally, we continuously monitor the transmission of regulatory reports carried out by each area of the Bank to comply with established regulations.

Business Continuity Plan

According to the definition by the Financial Superintendence of Colombia and as part of Operational Risk Management, the Business Continuity Plan refers to the detailed set of actions describing the procedures, systems, and resources necessary to return and continue operations in the event of an interruption.

Throughout 2023, we continued the ongoing work of updating the continuity model (updating strategies, process testing, Business Impact Analysis (BIA),

and call tree), as well as monitoring compliance with service level agreements for their respective updates.

In order to strengthen the business continuity management system, we conducted a crisis communication drill involving senior management. The aim of this simulation was to reaffirm roles and responsibilities, decision-making processes, and communication management in a crisis event.

From a technological standpoint, throughout 2023 activities were carried out on infrastructure supporting the bank's critical applications. Some applications were successfully operated in the Alternate Computing Center, ensuring business continuity in the event of a service failure at the main computing center.

Finally, to comply with External Circular 042/2012 from the Financial Superintendence, we monitored the continuity plans of third parties that provide critical services to the Bank, a scheme that has been strengthened with the support of Asobancaria.

Stress Testing

FN-CB-550a.2

For the 2023 stress tests, three scenarios were defined: the base scenario, representing a context where the economy and the financial system do not suffer unexpected shocks; an adverse scenario, representing a hypothetical context where the economy and the financial system are affected by unexpected shocks severe enough to produce non-compliance with minimum regulatory solvency and liquidity requirements; and an adverse scenario with mitigants, which maintains the macroeconomic assumptions of the adverse scenario but includes mitigating actions carried out by the Bank to increase its solvency and liquidity levels above regulatory limits. It is worth noting that the adverse scenario is entirely hypothetical in its construction to model non-compliance with regulatory minimum solvency and the Net Stable Funding Ratio (NSFR), as regulated in External Circular 026 of 2023, and is not foreseeable in the medium and long term.

For this EPR exercise conducted by the Bank, balance sheet figures as of December 2022 were used as the basis for projections for the following three years: 2023, 2024, and 2025. Similarly, 32 macroeconomic variables were

defined for each of the scenarios mentioned. The implementation of the EPR for 2023 is reflected in the results obtained in the Solvency Ratio and NSFR.

Regarding the Solvency Ratio, in the base scenario, we complied with all the minimum requirements for the Basic Solvency Ratio, Additional Basic Solvency Ratio, and Total Solvency Ratio in all years of the projection, taking into account the implementation plan for the conservation buffer defined in Decree 1477 of 2018. In the adverse scenario, we worked with a hypothetical scenario that would lead to regulatory non-compliance with the Total Solvency Ratio by 2025. By the end of 2025, the Total Solvency Ratio fell below regulatory levels, a situation that was normalized in the scenario with mitigants, where it again exceeded the mentioned limits. Regarding the NSFR, in the base scenario, the upward trend of Available Stable Funding (ASF) was offset by the increase in Required Stable Funding (RSF), leading to stability of the indicator and compliance with regulations throughout the projection period. In the case of the adverse scenario, there was a breach of the indicator in mid-2025, primarily due to the downward trend of ASF. This situation was reversed in the adverse scenario with mitigants, following the Bank's funding re-composition.

The EPR constitutes a powerful tool for planning and monitoring the Bank's financial situation, allowing for coordinated efforts and the implementation of measures leading the organization responsibly towards its goals, as well as offering society a solid entity they can trust to support their financial evolution. Financial robustness and stability are essential for the Bank to operate efficiently and sustainably.

Liquidity Risk

Liquidity risk is related to the inability of each entity within the Group to meet obligations to customers and counterparties in the financial market at any time, currency, and place, for which each entity daily reviews its available resources.

The Matrix manages liquidity risk in accordance with the standard model established in Chapter XXXI (Annexes 9 and 12) of the Basic Accounting and Financial Circular of the Financial Superintendence of Colombia and in accordance with the basic principles of the Comprehensive Risk Management System (SIAR), 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 Matrix weekly calculates a Liquidity Risk Indicator (LRI) for periods of 7, 15, 30, and 90 days, as established in the standard model of the Financial Superintendence of Colombia, and quarterly for its subsidiaries to measure the liquidity risk of the conglomerate.

Furthermore, the Matrix monthly measures the stability of its funding in relation to the composition of its assets and off-balance sheet positions, over a one-year horizon through the Net Stable Funding Ratio (NSFR), as established in the standard model of the Financial Superintendence of Colombia.

We daily monitor the availability of resources not only to meet reserve requirements but also to anticipate possible changes in the liquidity risk profile of the Matrix and make strategic decisions accordingly. In this regard, the Matrix has early warning liquidity indicators that allow to establish and determine its present scenario, as well as the strategies to follow in each case. Such indicators include the level of high-quality liquid assets, concentration levels of deposits, and the use of liquidity facilities from the Central Bank, among other.

Through the technical assets and liabilities committees (Finance Committee and ALCO) and the Comprehensive Risk Committee, with the full Board of Directors, the Bank's senior management is aware of the liquidity situation and makes necessary decisions considering the high-quality liquid assets that must be maintained, the tolerance in liquidity management or minimum liquidity, loan granting and resource mobilization strategies, policies on surplus liquidity placement, changes in the characteristics of existing products as well as new products, diversification of funding sources to avoid concentration of deposits in a few investors or savers, hedging strategies, Matrix results, and changes in the balance sheet structure.

In terms of liquidity risk management, during 2023, we maintained a sufficient level of liquid assets to meet short-term liquidity requirements. In accordance with the SFC Liquidity Risk methodology, liquid assets and liquidity requirements at 30 days averaged throughout 2023 COP7.3B and COP5.3B respectively for the year, resulting in a ratio of 139,9%, which is comfortably above the Bank's minimum appetite limit of 120% and well above the minimum legal limit of 100%. Notably, in ALM management, there was continuous monitoring of early warning indicators, which generally remained stable within established appetite limits.

Below is the summary table of projected available liquid assets as of December 31, 2023, and 2022:

| December 31, 2023 | | | | |
|-----------------------------------|--|----------------------|----------------------------------|-----------------------------------|
| Available net balances thereafter | | | | |
| Entity | Available liquid assets at the end of the period (1) | From 1 to 7 days (2) | From 1 to 30 days thereafter (2) | From 31 to 90 days thereafter (2) |
| Head Office | \$ 7.367.675 | 5.610.245 | 1.816.402 | (8.313.196) |
| Occidental Bank Barbados Ltd. | 339.540 | 320.774 | 180.074 | (97.083) |
| Banco de Occidente Panamá S.A. | 931.350 | 796.326 | 534.710 | (63.229) |
| Fiduciaria de Occidente S.A. | - | - | - | - |
| TOTAL | \$ 8.638.565 | 6.727.345 | 2.531.186 | (8.473.508) |

| December 31, 2022 | | | | |
|-----------------------------------|--|----------------------|----------------------------------|-----------------------------------|
| Net available balances thereafter | | | | |
| Entity | Available liquid assets at the end of the period (1) | From 1 to 7 days (2) | From 1 to 30 days thereafter (2) | From 31 to 90 days thereafter (2) |
| Head Office | \$ 6.166.592 | 5.338.046 | 1.921.325 | (6.205.501) |
| Occidental Bank Barbados Ltd. | 545.205 | 520.737 | 401.746 | 17.668 |
| Banco de Occidente Panamá S.A. | 1.146.878 | 1.096.283 | 920.400 | 357.581 |
| Fiduciaria de Occidente S.A. | - | - | - | - |
| TOTAL | \$ 7.858.675 | 6.955.066 | 3.243.471 | (5.830.252) |

Regarding structural liquidity measured through the NSFR, we reflect a stability of available funding on an average year of 107,04 % in relation to its required funding. At the end of December, the NSFR reached levels of 10,,75%, demonstrating relative strength between the composition of assets and liabilities.

The following is the result of the Net Stable Funding Ratio (NSFR) of the Matrix as of December 31, 2023, and 2022, in accordance with the requirements established by the Financial Superintendence of Colombia:

December 31, 2023

| Entity | Available Stable Funding (ASF) | Required Stable Funding (RSF) | Net Stable Funding Ratio (NSFR) |
|--------------------|---------------------------------------|--------------------------------------|--|
| Banco de Occidente | 36.944.157 | 33.973.159 | 108,75 |

December 31, 2022

| Entity | Available Stable Funding (ASF) | Required Stable Funding (RSF) | Net Stable Funding Ratio (NSFR) |
|--------------------|---------------------------------------|--------------------------------------|--|
| Banco de Occidente | 33.854.952 | 31.187.852 | 108,55 |

Market Risk

Quantitative Analysis

The entity participates in the monetary, foreign exchange, and capital markets to meet its own and its clients' needs according to established policies and risk levels. In this regard, it manages different portfolios of financial assets within the permitted limits and risk levels. As of December 31, 2023, and 2022, the Parent Company and subsidiaries had the following financial assets and liabilities subject to market risk:

| | December 31, 2023 | December 31, 2022 |
|--|--------------------------|--------------------------|
| Assets | | |
| Financial assets at fair value through profit or loss | | |
| Investments in debt securities | \$ 3.459.592 | 1.299.887 |
| Trading derivatives | 1.276.723 | 754.968 |
| Hedging derivatives | - | - |
| Subtotal | 4.736.315 | 2.054.855 |
| Equity instruments at fair value through other comprehensive income | | |
| Investments in debt securities | \$ 4.465.686 | 3.899.693 |
| Subtotal | 4.465.686 | 3.899.693 |
| Financial assets at amortized cost | | |
| Investments in debt securities | 2.034.558 | 1.802.692 |
| Subtotal | 2.034.558 | 1.802.692 |
| Total assets | 11.236.559 | 7.757.240 |
| Liabilities | | |

| | | |
|--------------------------|----------------------|------------------|
| Trading derivatives | (1.055.896) | (930.802) |
| Hedging derivatives | (2.494) | - |
| Total liabilities | (1.058.390) | (930.802) |
| Net position | \$ 10.178.169 | 6.826.438 |

The increase in financial assets is primarily explained by portfolio purchases in TES TF securities maturing in August 2026 and November 2025 as advance payments for the maturity of TES TF securities in July 2024, as well as by the dynamics generated by participation in the market maker scheme.

Market Risk management is mainly represented by the management of the Parent Company's fixed income portfolio, which averaged COP4.8B in 2023, with an average duration of 37 months and a concentration of 37,0% in the short term (< 2 years). The portfolio level is higher than observed in the previous year (increasing from COP3.6B to COP4.8B), and its duration did not show significant variation.

On the other hand, the Bank's Board of Directors approved the classification of the investment in the Nexus Private Equity Fund (*Inmuebles Occiente*) as an entry in the bank book, and therefore its exclusion from market risk exposure as of March 31, 2023. This resulted in a lower level of market risk exposure - SFC regulatory VaR - which averaged COP193.815MM, a decrease offset by the increase in the fixed income portfolio. The results of the Value at Risk are within the established appetite limits in relation to the technical equity (4,0% vs. maximum 7,0 %). According to the standard model, the market value at risk (VaR) consolidated as of December 31, 2022, and 2021) was as follows:

| Entity | December 31, 2023 | December 31, 2022 |
|---------------------------------|----------------------|----------------------|
| | Value | Value |
| Head Office | \$ 184.778 | 229.199 |
| Occidental Bank (Barbados) Ltd. | 7.537 | 8.276 |
| Banco de Occidente Panamá S.A. | 20.495 | 24.288 |
| Fiduciaria de Occidente S.A. | 5.545 | 10.752 |
| | 218.355 | 272.515 |

The Value at Risk (VaR) indicators presented by the Parent Company and its subsidiaries for the years ended December 31, 2022, and 2021, are summarized below:

| | December 31, 2023 | | | |
|--------------------------------------|--------------------------|----------------|----------------|----------------|
| | Minimum | Average | Maximum | Last |
| Interest rate | \$ 179.858 | 205.998 | 251.416 | 217.031 |
| Exchange rate | 717 | 3.662 | 11.894 | 717 |
| Stocks | - | - | - | - |
| Collective investment schemes | 569 | 15.259 | 85.455 | 607 |
| Credit Default Swaps (CDS) | - | - | - | - |
| Portfolio Value-at-Risk (VeR) | | | | 218.355 |

| | December 31, 2022 | | | |
|--------------------------------------|--------------------------|----------------|----------------|----------------|
| | Minimum | Average | Maximum | Last |
| Interest rate | \$ 173.356 | 196.810 | 243.326 | 173.355 |
| Exchange rate | 99 | 3.354 | 15.681 | 15.681 |
| Stocks | - | - | - | - |
| Collective investment schemes | 75.869 | 80.639 | 83.479 | 83.479 |
| Credit Default Swaps (CDS) | - | - | - | - |
| Portfolio Value-at-Risk (VeR) | | | | 272.515 |

As a management tool for portfolio administration, we conducted various sensitivity analyses on these portfolios at different basis points.

Below are the sensitivity results as of December 31, 2023, and 2022:

| December 31, 2023 | | | | | |
|---|------------------------|-----------------|------------------|------------------|------------------|
| | Portfolio Value | 25 PB | 50 PB | 75 PB | 100 PB |
| Fair Value - Head Office | \$ 6.514.161 | (48.951) | (97.055) | (144.314) | (190.804) |
| Fair Value - Occidental Bank Barbados Ltd. | 344.778 | (2.675) | (5.303) | (7.886) | (10.425) |
| Fair Value - Banco de Occidente Panamá S.A. | 984.474 | (7.054) | (13.998) | (20.835) | (27.566) |
| Fair Value - Fiduciaria de Occidente S.A. | 81.817 | (768) | (1.535) | (2.303) | (3.070) |
| Total | \$ 7.925.230 | (59.448) | (117.891) | (175.338) | (231.865) |

| December 31, 2022 | | | | | |
|---|------------------------|--------------|--------------|--------------|---------------|
| | Portfolio Value | 25 PB | 50 PB | 75 PB | 100 PB |
| Fair Value - Head Office | \$ 3.587.142 | (22.972) | (45.629) | (68.005) | (90.086) |
| Fair Value - Occidental Bank Barbados Ltd. | 390.000 | (2.996) | (5.934) | (8.817) | (11.646) |
| Fair Value - Banco de Occidente Panamá S.A. | 1.178.942 | (8.329) | (16.523) | (24.584) | (32.515) |
| Fair Value - Fiduciaria de Occidente S.A. | 43.496 | (347) | (695) | (1.042) | (1.390) |

| | | | | | | |
|--------------|-----------|------------------|-----------------|-----------------|------------------|------------------|
| Total | \$ | 5.199.580 | (34.644) | (68.781) | (102.448) | (135.637) |
|--------------|-----------|------------------|-----------------|-----------------|------------------|------------------|

Qualitative Analysis

The entity participates in the money, foreign exchange, and capital markets in order to meet its own needs and those of its clients in accordance with established policies and risk levels. In this regard, it manages various portfolios of financial assets within permitted limits and risk levels.

Market risk arises from the entity's open positions in investment portfolios in debt securities and derivative instruments, from adverse changes in risk factors such as interest rates, inflation, foreign currency exchange rates and their volatility, as well as in market liquidity.

The entity trades financial instruments with various objectives, including:

- Offering products tailored to the needs of clients, which serve, among others, the function of hedging their financial risks.
- Structuring portfolios to take advantage of arbitrage between different yield curves, assets, and markets and achieve returns with appropriate asset consumption.
- Conducting derivative transactions, for customer intermediation purposes or to capitalize on arbitrage opportunities, both in foreign exchange rates and interest rates in the local and external markets.

In carrying out these operations, we incur risks within defined limits or mitigate them using operations with other derivative financial instruments.

The senior management and the Board of Directors of the entity actively participate in risk management and control through the analysis of an established reporting protocol and the sessions of various Committees, which comprehensively monitor, both technically and fundamentally, the different variables that influence markets internally and externally, in order to support strategic decisions.

Similarly, the analysis and monitoring of the different risks incurred by the entity in its operations are essential for decision-making and for evaluating results. On the other hand, a permanent analysis of macroeconomic conditions is essential in achieving an optimal combination of risk, return, and liquidity.

The risks assumed in the execution of operations are reflected in a structure of limits for positions in different instruments according to their specific strategy, the depth of the markets in which they operate, their impact on asset weighting by risk and solvency level, as well as balance sheet structure.

These limits are monitored daily and reported biweekly to the Finance Committee and quarterly to the Board of Directors.

Market risks are quantified through value-at-risk (VaR) models (internal and standard). Boards of Directors approve a limit structure based on the value at risk associated with the annual profit budget and establish additional limits by type of risk.

We use the standard model for measuring, controlling, and managing market risk for interest rates and exchange rates in the treasury and banking books. These measurements are made on a daily basis for the Matrix and monthly for each of its subsidiaries with the aim of measuring and monitoring conglomerate risk.

Currently, we map the assets and liabilities positions of the treasury book within zones and bands according to the duration of the portfolios, investments in equity securities, and the net position (assets minus liabilities) in foreign currency, both in the banking and treasury books, in line with the standard model recommended by the Basel Committee.

Likewise, the Matrix has internal management parametric models based on the Value at Risk (VaR) methodology, which have allowed it to complement market risk management by identifying and analyzing variations in risk factors (interest rates, exchange rates, and price indexes) on the value of the different instruments that make up the portfolios. These models are JP Morgan's Risk Metrics.

Evaluation and Monitoring

GRI 3.3

Our comprehensive risk management, being such a critical aspect of our operation, is closely monitored and evaluated through:

- Superintendencia Financiera de Colombia: supervision visits and requirement requests.
- Corporate Control of Grupo AVAL
- Self-regulatory body of the securities market
- Internal Audit: audits all systems that comprise our risk management.
- External Audit: Review of financial statements.
- Asobancaria and credit rating agencies: request for organizational information.

- Various Vice Presidencies of Grupo AVAL: request for information related to each type of risk.

We are Guardians of the Information

Our Impacts on Management

GRI 3.3

SASB. FN-CB-230a.2.

One of our main value propositions to our clients is to protect the integrity and confidentiality of their information. To achieve this, we implemented rigorous data security policies and cybersecurity protocols, strengthened our cyber resilience¹², and ensured the constant availability of our systems through continuous improvement in our technological infrastructure. This strengthens the availability and effective functioning of our banking services, minimizing any risk of breach and maintaining the reliance of our clients.

Cybersecurity, once seen as an operational area for information protection, now emerges as a corporate strategic area for mitigating and preventing data leakage risks from the bank's platforms, implementing state-of-the-art technological tools. Our commitment is to maintain such tools under the highest security standards.

We apply high international standards for information protection by aligning with ISO 27001 Information Security Management System, by means of which we defined policies and management objectives to develop processes and apply necessary controls to minimize risks. We also use the NIST SP 800-53 guide to conduct operational risk assessments, including IT data security issues.

In addition, we have an Information Security and Cybersecurity Policy where we declare that we secure information based on the following principles:

- Confidentiality: Only individuals with a legitimate need for carrying out their business functions may access the information.
- Integrity: Information is protected against unplanned modifications, whether made intentionally or unintentionally.
- Availability: Information will be available when required.
- Privacy: Information will only be used for the purposes for which it was obtained.

¹² The ability of an organization to prevent, withstand, and recover from cybersecurity incidents.

We have a reliable and flexible Information Security Model supported by internal Information Security and Cybersecurity procedures. These procedures aim to document the main operational actions to be executed at all levels of the organization: users (including employees and shareholders), customers and third parties (including suppliers and contractors), regulatory bodies, related entities, and subsidiaries of the Bank, who internally or externally access any information asset stored, processed, or transported using hardware, software, networks, and other associated facilities.

All of the Bank's information security relies on security controls within the Cybersecurity and Technology areas, using continuous data backup tools. Moreover, we strive to seek a balance between security and friction¹³ for our customers when they conduct transactions.

During 2023, we maintained zero major cybersecurity incidents and saw an 80% decrease in cases of fraud through calls or phishing emails to employees.

We conducted phishing and ransomware cyberattack drills as planned, identifying opportunities for improvement that were implemented and monitored.

We developed strategies for information security and cybersecurity to achieve high levels of security in our products.

We have the Cybersecurity Overseeing Assistant-Management across four lines:

- Perimeter Security: This is a way to protect our network from intrusions. It's an additional layer of security applied to the network to help prevent attackers from accessing our databases.
- Identity Management (IDM)¹⁴, also known as Identity and Access Management (IAM)¹⁵, ensures that only authorized individuals may have access to the technological resources of our platforms. It includes policies and technologies that make up the process and covers the entire organization to properly identify, authenticate, and authorize individuals or groups of individuals or software applications based on attributes such as user access rights and identity-based restrictions.
- Cyberintelligence and Vulnerabilities: This is the process of collecting insights and evidence related to digital threats that may affect the Bank's information. It helps understand cybersecurity concepts while functioning as a surveillance tool in the digital domain.

¹³ Streamlining transactions with fewer steps in digital tools to execute them

¹⁴ IDM- Identity Management

¹⁵ IAM- Identity and Access Management

- **Cybersecurity Operations:** This is the practice of protecting equipment, networks, software applications, critical systems, and data from potential digital threats. Organizations have a responsibility to protect data to maintain customer trust and to comply with regulations.

Cybersecurity Governance

DJSI 3.8.1

Our commitment to data protection is led from the top management with the formation of the Information Security and Cybersecurity Committee, composed of the Risk and Collection Vice Presidency and the Operations and Technology Vice Presidency. In this committee, we review topics from both specialties and provide updates on the current model. Furthermore, we deliver a semi-annual report to the Board of Directors abiding by compliance requirements¹⁶ set forth by the Financial Superintendence on these two topics.

In this report, we present the results of our management efforts, especially focusing on the assessment of confidentiality, integrity, and availability of information, the identification of cyber threats, the effectiveness evaluation of cybersecurity programs, improvement proposals on these topics, and a summary of incidents that occurred during the reporting period.

Thus, the Committee serves as an advisor to the top management on the necessary topics for information security and cybersecurity, enabling the Board of Directors to track progress and make informed decisions in this regard.

Security Culture

The security culture we have built at the Bank is rooted in the Information Security Policy, based on the principles described earlier. As part of the deployment of such policy and to raise awareness among our stakeholders about the importance of information security, we have an annual awareness plan where employees are regularly trained on emerging threats in terms of information security and cybersecurity. In addition, we conducted campaigns for our clients focused on fraud prevention.

This plan includes several strategies, such as talks to departments, short and periodic email messages, the virtual information security course, and the security week.

¹⁶ External Circular 007 of 2018 from the Financial Superintendence

Below is a summary of our annual awareness plan:

- Attendance to panel discussions: 6.307 employees.
- Tips sent via email: 12 throughout the year to all national user mailboxes.
- Virtual course completed by 91% of Bank employees.
- Attendance to external talks scheduled during Security Week: 1.245 employees.

As part of our responsible actions and positive impact on our value chain, we conduct security studies on suppliers to identify any vulnerabilities in their systems that could potentially affect the Bank's security. More than a requirement for vendors, this practice has become part of their development as suppliers and has strengthened their processes in cybersecurity.

Contingency and Risk Plans

DJSI - 3.8.2

SASB- FN-CB-230a.1.

SASB- FN-CB-230a.2.

GRI 418-1

A Computer Security Incident Response Plan (CSIRP) is a defined and documented approach to managing communications in response to potential threats to computer systems and the data processed and stored in these systems.

In this regard, we have a procedure for incident response called the "man-apy-342," which is published in the Bank's document management system. We also conduct tests called Red Team and cyberattack exercises to put into practice what is defined in the CSIRP. We conduct two phishing tests¹⁷ on employees to assess their level of knowledge regarding this type of attack, obtaining the following results:

July 2023

- Emails sent: 1.500

¹⁷ Phishing is a method used to deceive individuals into sharing passwords, credit card numbers, and other confidential information by posing as a trusted institution in an email or phone call.

- Result: 94% of employees identified it as malicious and did not click on the link.

December 2023

- Emails sent: 509
- 92% of employees identified it as a malicious email.

We continuously monitor the organization's assets and conduct specialized vulnerability tests through a third party. Based on the results of these exercises, we define action plans that must be executed by the technology areas with the support of the cybersecurity team. We also assess security and cybersecurity risks according to SARO¹⁸ risk methodology defined in the Bank.

We have an incident response plan that defines an internal protocol of action, which includes the Bank's crisis communication team responsible for providing information to the media in case of a cybersecurity incident.

In 2023, we did not identify any security incidents compromising the Bank's databases containing personal customer information. However, we continue to monitor customer complaints related to the Bank's handling of their personal data.

| Type | 2023 | 2022 | 2021 | Observations/ Comments |
|--|------|------|------|--|
| Total number of data breaches identified during the notification period. | 0 | 1 | 1 | The indicator is updated taking into account that the response was related to complaints received from customers concerning the use of their personal data, not corresponding to customers' data privacy breach. |
| Percentage of data breaches in which personally identifiable information (PII) was the subject of the data breach. | 0 | 100% | 0% | |

¹⁸ To delve deeper into the topic, refer to: 'We manage our risks,' from this report.

| | | | | |
|--|---|-------|--------|--|
| Total number of single account holders affected by data breaches, which includes all those whose personal data was compromised in a data breach. | 0 | 4.000 | 21.000 | |
| Total number of claims received from regulatory bodies. | 7 | 7 | 5 | |

Source: Banco de Occidente – GRI 2-4

Evaluation and Monitoring

GRI 3.3

Our levels of information assurance are established through quarterly internal audits that assess the state of security tools and by external audits conducted by KPMG.

We also accomplish measurements with our corporate Grupo Aval, using the Security Posture indicator, understood as one of the Bank's security conditions.

This indicator measures seven topics with their respective variables: obsolescence, technological updates, security patches, management of privileged users, maturity of cybersecurity tools, management of information security and cybersecurity events, and implementation of hardening¹⁹. We had targeted 80 % compliance and we achieved 80,8%.

Likewise, we monitored strategies and objectives with Balanced Scorecard indicators, resulting in zero incidents in information security.

Continuous evaluation and monitoring through our management systems allow us to identify and remedy vulnerabilities that pose a risk to the Bank's security and can be addressed in a timely manner.

The challenge for 2024 is to continue with zero cybersecurity incidents that could jeopardize the continuity of services offered to our clients. We will continue to strengthen the security and cybersecurity culture in order to increase awareness of cyberattack modalities among our teams and to avoid being victims. Consequently, we are protecting customers' and Bank's personal interests.

¹⁹ Hardening, in computer security, is the process of securing a system by reducing vulnerabilities in it.

Our commitment not only involves the organization's assets but also our clients' interests, making customers adopt precautionary measures to not disclose confidential information in order to prevent fraud. This requires us to innovate and update ourselves on new products and services to ensure compliance with proposed strategies and maintain security levels suitable for the needs of our internal and external clients.

We expect to diagnose the security status of the Bank's application code during 2024 to assess its health and end vulnerabilities.

Next year, we will continue integrating applications for centralized identity management through IDM. We will ensure that applications being migrated to the cloud have implemented security controls. We will also ensure that end-user devices have active security controls.

Software Legality

In compliance with Law 603 of 2000, Banco de Occidente has defined policies, controls, and sanctions to ensure the legality of the software used. Controls for the acquisition, development, and maintenance of software, in accordance with legal requirements regarding copyright, privacy, and e-commerce, are mandatory for the responsible areas. In this regard, internal audit conducts continuous monitoring to verify proper compliance with regulations.

Furthermore, in the IT department, there is a licensing area that manages software with associated licenses, and for free software, a review and approval process is defined involving IT Architecture and Information Security through the IT services portal. This review allows the inclusion of these utilities in the Bank's utility catalog and facilitates new requests.

We may confirm that Banco de Occidente has used the information security model since 2003, which includes policies, standards and procedures that define the governance of data security, which is mandatory for employees and for third parties involved. In particular, the following definitions are included in the Information Security Manual:

Policy: Compliance with Regulations

GRI 2-24

At Banco de Occidente, we must comply with local and international regulations on privacy and information security. The Information Security and Cybersecurity Policy is in line with local and international laws and regulations concerning information security and supports compliance therewith. Therefore, such requirements must be included in the development of the security model, and specific actions must be taken in order to keep the Bank continuously aligned with

these provisions. Examples of such provisions include Bank reserve requirements, software licensing, Circulars from the Banking Superintendence, and regulations from international groups such as the Basel Committee on Banking Supervision.

In addition, and to maintain a high level of security, this policy must be supported by best practices in information security, such as ISO 27001:2015 and ISO 27032:2013/NIST 800-53.

Rule: Compliance with Legal Provisions and External Requirements

All regulations, rules, or contractual requirements for every information resource must be explicitly defined and formally documented. There must be documents establishing how Banco de Occidente's information resources comply with all internal or external regulations, rules, or contractual requirements.

Rule: Compliance with Copyright

The installation, reproduction, use, and storage of software, multimedia files, and external information on the Bank's information resources must be previously authorized and must comply with legal requirements enabling their use. Appropriate procedures must be implemented to ensure compliance with legal restrictions on the use of material that may be subject to intellectual property rights such as copyrights and design rights.

Rule: Installation of Authorized Software

Only software authorized by Banco de Occidente may exist on the institution's information resources. Non-authorized and non-registered software in Banco de Occidente's information resources may not be installed or executed.

Minimum Requirements for Information Management Security and Quality

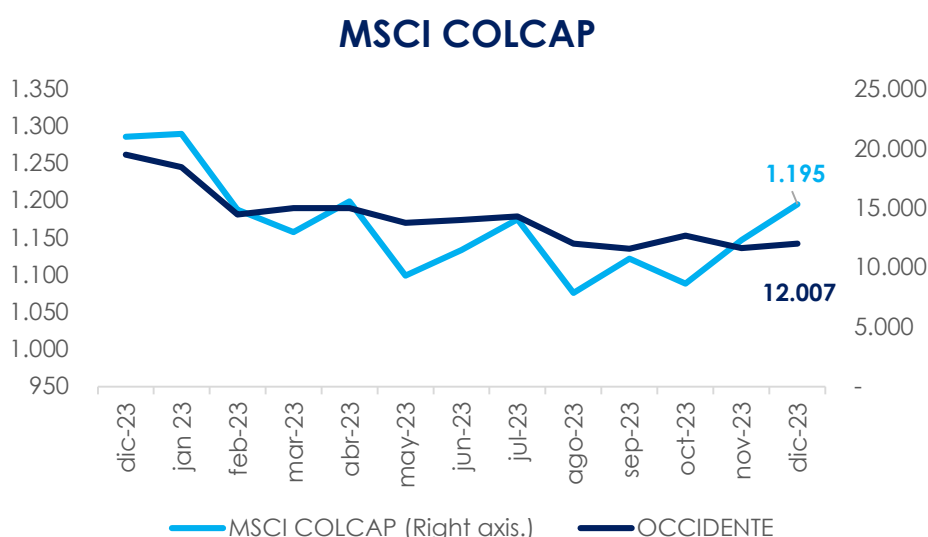
Currently, at Banco de Occidente, we may confirm compliance with the requirements demanded by the Financial Superintendence of Colombia regarding the latest update of External Circular 029/2019, Chapter I "Channels, Means, Security, and Quality in Data Management for the Provision of Financial Services"; and its numeral 2 "Security and Quality to Conduct Operations". This concerns data security and quality criteria, all focused on customer security in different channels and services defined for customer service.

02. Stock Market and Financial Performance

Our behavior in the stock market

Banco de Occidente stock (Ticker Symbol: Occidente)

Banco de Occidente stock traded within a range of COP12.000 and COP19.500 during 2023, representing a volatility of COP7.500, with an average price for the year of COP14.177. The total trading volume during the year amounted to COP446.329MM. Additionally, Banco de Occidente stock is characterized by low liquidity, as only 30.875 shares were traded in a total of 59 transactions throughout the year.



Banco de Occidente Bonds

Regarding the bonds issued by Banco de Occidente, which were traded on the secondary market during 2023, we observed that a total of 14 bonds were traded totaling COP445.069M. The highest price reached for these bonds was COP105,23 and the lowest price was COP84,84.

On the other hand, the total amount traded for Certificates of Deposit (CDs) was COP8.97B during 2023. These securities reached a maximum price of COP106,41 and a minimum of COP95,71. Thus, the total amount of Banco de Occidente's securities traded on the secondary market during 2023 amounted to COP9,4B.

Our Structure and Shareholding Composition

GRI 2-1

Considering that all our outstanding shares are common stock, the 1.347 shareholders that own all the Bank's shares are shown herein below:

| Kind of Outstanding shares | Number of Shareholders | Shareholding Equity |
|----------------------------|------------------------|---------------------|
| COMMON STOCK | 1.347 | 100% |

Below, we describe the beneficiary percentage of whom is equal to, or greater than 10% of the share capital:

| Identification | Investor's Name | Amount of Shares | Shareholding | Kind of Share |
|----------------|----------------------------------|------------------|--------------|---------------|
| 800216815 | GRUPO AVAL ACCIONES Y VALORES SA | 112.671.455 | 72,2717563% | COMMON STOCK |

The Bank is a subsidiary of Grupo Aval Acciones y Valores S.A., a company that controls 72,27 % of the share capital, making us part of the business group controlled by the natural person Luis Carlos Sarmiento Angulo.

Finally, in the Shareholders' Assembly held on March 28, 2023, dividends were declared payable in cash as follows: COP134,34 per share per month, within the first ten days of each month in accordance with the legislation in force, from April 2023 to March 2024, inclusive, based on a total of 155.899.719 shares subscribed and paid-in as of December 31, 2022.

Macroeconomic Outlook

International Context

2023 was a challenging year internationally, characterized by persistent inflationary pressures, historically tight monetary policy, economic stagnation, particularly in advanced economies and geopolitical conflicts such as the ongoing conflict between Russia and Ukraine, as well as confrontations between Israel and Hamas in Palestine. These tensions escalated in the Middle East and led to conflicts in the Red Sea, exacerbating uncertainties and worsening economic difficulties.

Particularly, the markets experienced high volatility, especially in the first half of the year. This was largely attributed to the stress in the banking system that occurred in

the United States and Europe in late Q1 2023. This was due in part to the withdrawal of deposits and the failed recapitalization attempt that led to the collapse of Silicon Valley Bank and Signature Bank.

On Sunday, March 12, the Federal Reserve (FED), the Treasury Department, and the Federal Deposit Insurance Corporation announced that they would take emergency measures to bolster confidence in the US banking system, namely: i) to allow the complete settlement of Silicon Valley Bank and Signature Bank; ii) to protect all depositors of these entities, who had access to their funds starting on March 13, without incurring losses; iii) to establish a new Term Funding Program (BTFP) providing additional funding to banks in need for up to one year, and iv) to facilitate up to US\$25 billion from the Exchange Stabilization Fund Treasury as backing for the BTFP.

The risk to the international banking system shifted to the European economy after Saudi Arabia's National Bank, the largest shareholder of Switzerland's Credit Suisse, announced that it would not increase its stake in the bank, primarily due to regulatory and statutory reasons. Increasing its stake from 9,8% to 10 % or more would trigger new regulatory regimes. Tensions eased after the Swiss National Bank announced that it would provide liquidity to Credit Suisse through a US\$54 billion hedged short-term liquidity loan. However, it was later required that Credit Suisse be acquired by UBS Bank, its direct competitor in Switzerland, through an emergency acquisition agreement aimed at trying to prevent contagion to the global financial system. The acquisition was made for US\$3,2 billion, below Credit Suisse's market value (US\$8 billion), resulting in a 62,8 % discount price.

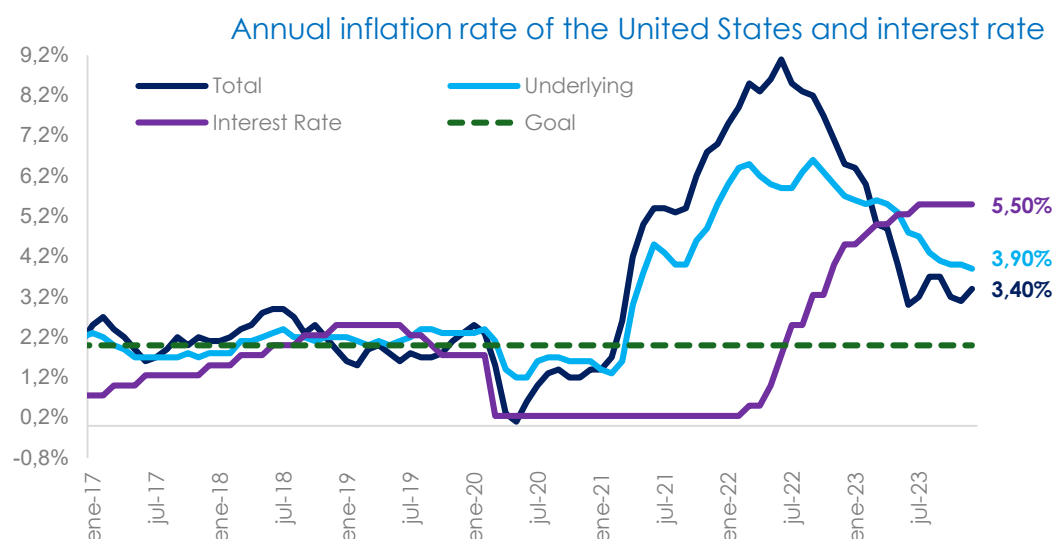
Subsequently, financial assets faced devaluations due to discussions regarding the debt ceiling in the United States and uncertainty about whether an agreement would be reached before the deadline on June 5, a problem that extended until the end of the year, as in November Congress again had to reach an agreement on the debt ceiling.

This affected the review of the country's credit rating. The credit rating agency, Fitch Ratings, decided on August 1 to downgrade the credit rating of the United States from AAA- to AA+. This decision was based on several factors: i) governance, ii) deficits of the General Administration, iii) high debt as a proportion of GDP, and iv) medium-term fiscal challenges. Fitch highlighted that the country's credit rating is strongly supported by the size of its economy, its high revenues, its diversified economy and its dynamic business environment, plus the fact that the dollar is the predominant reserve currency in the world.

Other factors that explained the volatility during the year were inflation and monetary policy in the United States. After total inflation reached its peak in June 2022 (9,1% y/y), it trended downward throughout 2023. During 1H2023, annual inflation moderated by 350bps from 6,5% y/y to 3,0% y/y. However, during 2H2023, inflation increased to 3,7% y/y in August and September, mainly due to the rise in gasoline prices, which increased by 10,6 % m/m in August due to increased demand

for the summer season, high oil prices since June, and high refining costs due to the slowdown in refinery dynamics resulting from weather conditions. However, this scenario was corrected throughout October and November, months in which gasoline prices fell by -5 % m/m and -6 % m/m respectively, leading to inflation closing the year at 3,40% y/y, 40bps above the levels observed in June 2022. Furthermore, the services sector also contributed significantly to inflation pressures, as evidenced by the slow moderation of core inflation (which excludes food and energy), in line with the strength of the labor market, which has pushed wages upward due to the labor supply and demand imbalance, allowing households to maintain resilient consumption, especially in the services sector.

Chart 1. Annual Inflation, Core Inflation, and Interest Rate (United States)



In line with this, the Federal Reserve maintained a contractionary monetary stance throughout the year, raising the interest rate by an additional 100bps to 5,25 % and 5,50 % and signaling to the markets that the rate will remain at that level for as long as necessary in order for inflation to sustainably correct to reach the target. While these increases took place in the first half of the year, the Federal Reserve kept the rate at these levels in the second half, arguing that: i) the economy was already showing signs of moderation, ii) inflation still remains far from the 2,00 % target; inflationary pressures persist on the services side, and inflation expectations are unanchored, and iii) the labor market remains strong and continues to push wages up.

Regarding the market's expectations for the interest rate closure in 2023, at the beginning of 2022 it was expected to have increases until May, and that in the second half of the year cuts would begin, so that the year would close in the range of 4,25 % to 4,50 %. However, as mentioned earlier, it effectively closed 100bps higher

in the range of 5,25% to 5,50%. Moreover, the cuts that the market expected did not occur; on the contrary, the market has had to adjust its expectations for the start of the rate cut cycle because the Fed has maintained a restrictive stance for longer than expected. Thus, Fed expects that the rate cut cycle will begin in March 2024 and that it will close the year within the range of 3,50 to 3,75 %, i.e., 175bps below the current level.

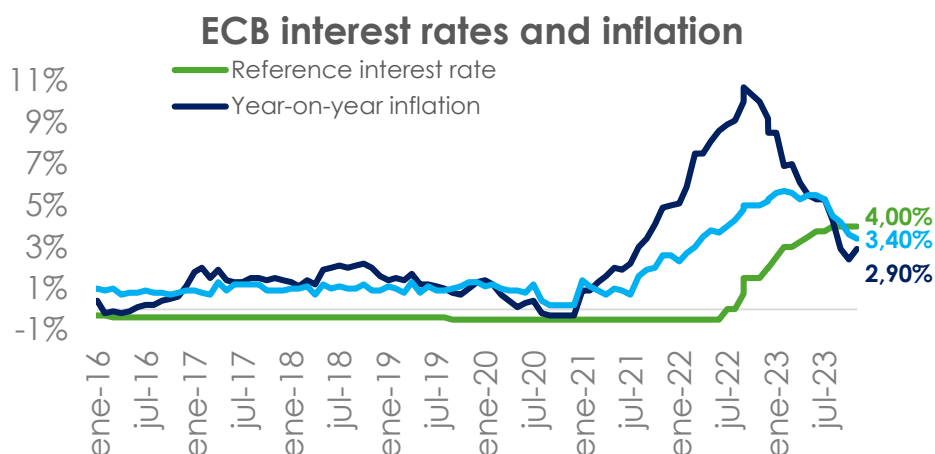
The eurozone suffered economic slowdown in 2023, especially in the largest economy of the European bloc, mainly driven by weak dynamics in the industrial sector. Notwithstanding, in the second half of the year, the dynamics of the services sector (which initially was driving the economy) began to show weakening, as high inflation levels and high interest rates moderated demand.

The dynamics of the Manufacturing PMI remained in contractionary territory (<50pts) throughout the year in the eurozone, while countries like France, Spain, and Italy showed good dynamics especially during the first half of the year, whereas Germany exhibited a similar behavior to that of the European bloc. Regarding the PMI of the Services sector in general, the entire bloc showed good dynamics during the first half of the year, with the indicator in expansionary territory (>50pts); Nonetheless, as the negative effects of the contractionary policy began to moderate demand, the sector entered contractionary territory throughout the second half of the year.

Given this, the GDP of the eurozone contracted by 0.10 % year-on-year in 3Q2023, compared to flat growth during the first and second quarters (0,00 % and 0,20 %, respectively). Meanwhile, Germany experienced two declines in its GDP, both in 1Q2023 and 3Q2023 (-0,10% year-on-year on both occasions).

Inflation (Chart 2), moderated by 560bps from 8,50% year-on-year to 2,90% year-on-year, mainly driven by lower prices of food, energy, and goods. Core inflation (excluding food and energy), only moderated by 190bps from 5,30 % year-on-year to 3,40 % year-on-year, mainly pressured by high wages and the services sector.

Chart 2. Annual Inflation, Core Inflation and Interest Rate (eurozone)



Source: Bloomberg's design

In response to this, the European Central Bank (ECB) continued its restrictive monetary policy, which had begun since July 2022, resulting in a 200-basis point increase in the rate, from 2,00 % to 4,00 % during 2023, arguing that rates should stay at high levels for as long as necessary for inflation to effectively reach the 2,00 % target.

Regarding China, at the beginning of 2023, there was significant optimism about the country's economic performance, after ending the Zero COVID policy in 1Q2023. However, these expectations dwindled as difficulties in reviving domestic demand were observed. Consequently, growth expectations for the Asian giant for 2023 toned-down from 6,00 % at the beginning of the year to 5,20 % (average expectation according to Bloomberg's survey).

To achieve the 5,00 % growth target, the government needed to implement monetary and fiscal measures. The People's Bank of China reduced the 5-year Loan Prime Rate (LPR) in June from 4,30 % to 4,20 %; furthermore, it lowered the 1-year LPR twice, accumulating a 20-basis point decrease to 3,45 %. Alongside the rate cuts, it reduced loan requirements and injected capital into banks.

Moreover, the government sought to boost the economy through fiscal incentives, with the finance minister stating they plan to continue expanding fiscal spending in 2024 to increase measures that drive economic momentum.

In addition to the above, the market closely monitored the Chinese real estate sector, especially major companies in the sector due to solvency difficulties and uncertainty about their future. During 2H2023, Country Garden, one of the leading companies in the sector, unsuccessfully sought to restructure its debt and defaulted on some payments, causing nervousness in the markets. Meanwhile, Evergrande reported significant losses, so it sought to file for Chapter 15 bankruptcy in the United States, and some members of its Board of Directors faced legal issues.

As for commodities, they exhibited mixed performance during the year (Table 1). Price increases were led by iron (13,9 %), gold (13,1 %), and coffee (12,6 %), while price declines were led by coal (-63,8 %), nickel (-44,7 %), gas (-43,8 %), and corn (-30,5 %).

Table 1. Commodities Movement Year-to-Date 2023

| Commodities | Unit | 2023 | 2022 |
|-------------|---------|-------|--------|
| Iron | \$US/oz | 13,9% | 26,9% |
| Gold | \$US/lb | 13,1% | -0,3% |
| Coffee | \$US/mt | 12,6% | -26,0% |
| Sugar | \$US/oz | 2,7% | 6,1% |
| Copper | \$US/mt | 2,2% | -13,9% |

| | | | |
|----------|-----------------|--------|--------|
| Aluminum | \$US/oz | 0,3% | -15,3% |
| Silver | \$US/bu | -0,7% | 2,8% |
| Cotton | \$US/lb | -2,8% | -26,0% |
| Brent | \$US/mt | -10,3% | 10,5% |
| WTI | \$US/lb | -10,7% | 6,7% |
| Soy | \$US/bu | -14,8% | 13,8% |
| Wheat | \$US/bp | -20,7% | 2,8% |
| Corn | \$US/bp | -30,5% | 14,4% |
| Gas | \$US/bu | -43,8% | 20,0% |
| Nickel | \$US/lb | -44,7% | 44,8% |
| Coal | \$US Cent/lb | -63,8% | 138,3% |

Source: Bloomberg's Design

Energy commodities experienced devaluations throughout the year amid a complex backdrop of geopolitical tensions, particularly due to the ongoing conflict between Russia and Ukraine, attacks between Israel and Hamas, and confrontations in the Red Sea. These events have disrupted supply chains, with commodities trading being the most affected.

Specifically, Brent and WTI crude oil depreciated by 10,3 % and 10,7 %, respectively. This occurred despite reduced supply resulting from cuts announced by Saudi Arabia and Russia throughout the year, which were offset by increased crude production from the United States, Brazil, Guyana, and Norway. On the demand side, weak domestic demand in China and its sluggish economic recovery contributed to uncertainty about global crude demand, putting downward pressure on crude reference prices.

It is noteworthy that Angola announced on December 21 that it would no longer be part of OPEC since the group will not continue aligned with the country's interests. Following this announcement, oil prices fell by 2,4 % on that day as the decision raised doubts about OPEC's stability as a group. However, there are no indications that another country intends to withdraw. Angola joined OPEC in 2007, producing 1,1 million barrels per day. With its exit, OPEC now has 12 members and a production of approximately 27 million barrels per day, accounting for around 27 % of the global oil market.

Local Context

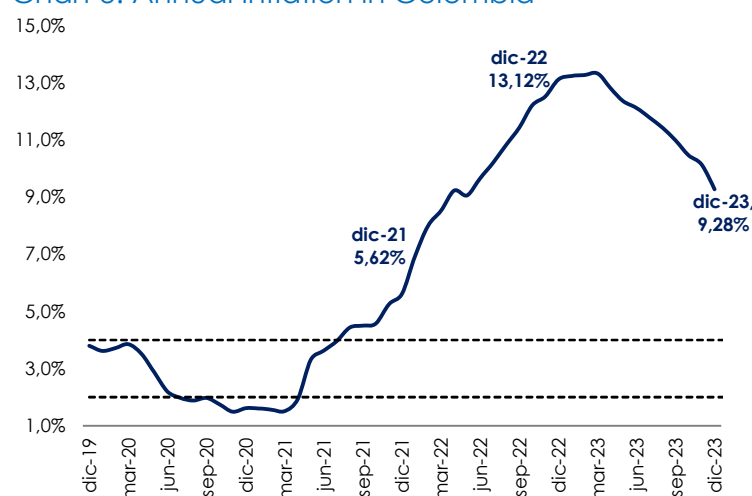
During 2022 and 2023 Colombia faced the highest inflation of the last 20 years which required a 1150 bps increase in the interest rates by the Central Bank (*Banco de la República*) and was accompanied by fiscal challenges, uncertainty over reforms, and rising insecurity indicators. These factors affected economic growth, employment, investment, and the well-being of the population.

In terms of growth, Colombia's economy quickly recovered from the 2020 contraction (-7,3 %), growing 11,0 % in 2021 and 7,3 % in 2022, mainly driven by

household spending. However, during 2023, a slowdown in the pace of household consumption growth (1,12 %) was observed, resulting from loss of purchasing power in a scenario of high inflation and interest rate increases. Additionally, it is projected that investment will experience a decline of over 20 % in 2023 amid a context of rising costs and loss of confidence. On the supply side, it is observed that the most affected sectors would be construction, industry, and commerce. However, artistic and recreational activities would partially offset this scenario, driven by consumers' preference for acquiring more services.

After closing 2022 with inflation at 13,12 % y/y, the pace of price growth remained close to these levels during the first months of 2023 (Chart 3), reaching a peak of 13,34 % y/y in March, a level not seen in over two decades. Since then, inflation has been diminishing due to: i) decreasing pressures on food prices, ii) a high statistical base in 2022, and iii) sluggish economy due to the loss of purchasing power of households and the increase in the Central Bank's interest rate. In this context, inflation ended the year at 9,28 % y/y.

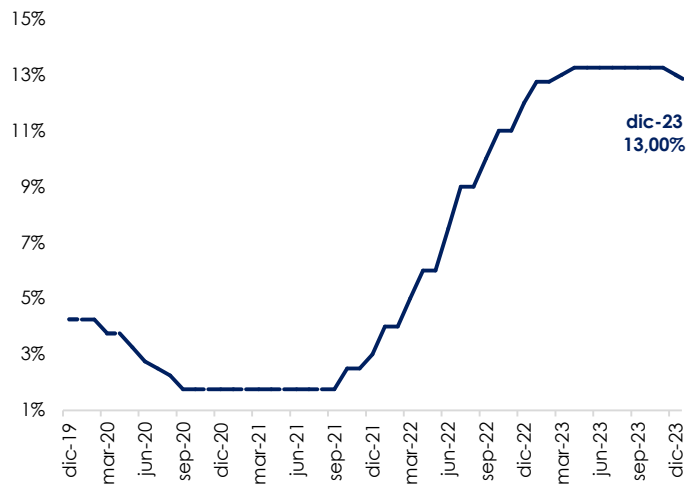
Chart 3. Annual Inflation in Colombia



Source: Bloomberg's Design

In response to this inflationary scenario, the Central Bank of Colombia maintained a contractionary stance aiming to moderate the pace of price growth (Chart 4). Interest rate increases, which began in September 2021, continued until April 2023, when the rate reached 13,25 %. At the December meeting, the Board members decided to reduce the rate for the first time after 8 months of stability, decreasing it by 25bps to 13,00 %, mainly due to: i) inflation moderation, ii) expectations that this moderation could continue during 2024, and iii) the sluggishness economic activity, resulting in a 0,3 % y/y GDP contraction in 3Q2023.

Chart 4. Interest Rate of the Central Bank



Source: Bloomberg's Design

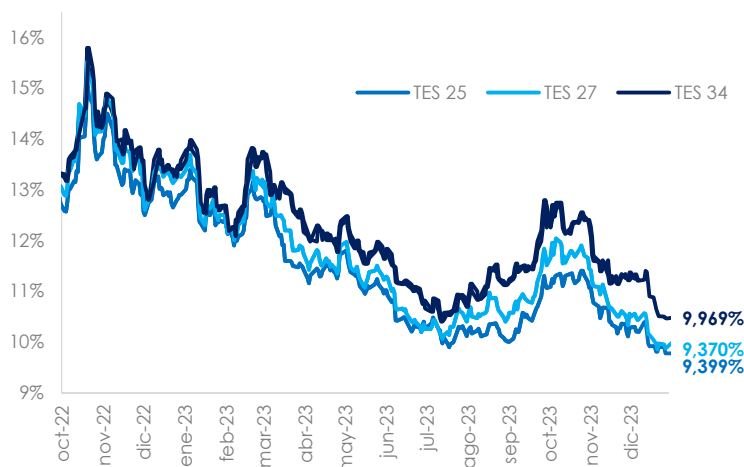
Regarding the exchange rate (Chart 5), in 2022, Colombian peso vs. US dollar closed at COP4.850. Subsequently, on January 5, 2023, the par reached a high of COP5.015 and then showed a downward trend throughout the year, reaching a low of COP3.803 on December 28, the last trading day of the year, closing at COP3.873,90. Internationally, the US Dollar, measured through the DXY index, exhibited sideways movement with high volatility, operating within a range of 99 and 107 points. This behavior was driven by changes in expectations about US inflation and monetary policy, as well as by risk aversion due to the closure of some regional banks and the reduction of the US sovereign rating by Fitch Ratings. In the regional context, currencies have benefited from risk appetite, except for the Chilean peso, which depreciated by 3,81 %. The currencies of the region have appreciated on average by 11,7 %, led by the Colombian peso. The latter, in addition to the international context, has been favored by local factors such as delays in reforms and loss of governability, which implies the need for greater consensus and moderation in policies that produce greater uncertainty for investors.

Chart 5. Performance of the Colombian peso vs. the US Dollar.



Finally, the yield curve of fixed-rate public debt bonds (TES) appreciated by 205 basis points throughout 2023 compared to the close of 2022 (Chart 6), driven by: i) the behavior of the U.S. Treasury yield curve, which showed high volatility mainly due to the Federal Reserve's roadmap, ii) the moderation of inflation from the peak of 13.34 % in April 2023, which in turn led the Central Bank to stop increasing interest rates, keeping them stable and subsequently initiating the rate-cutting cycle in December, and iii) moderation in the government's pronouncements regarding reforms, public policies, and others. In addition, the public debt market maintained its flows thanks to the participation of Pension Funds (AFP), the Ministry of Finance through debt swaps, and net sales of TES to foreign investors.

Chart 6. Behavior of the TES TF Yield Curve



Source: Bloomberg's Design

In this line, the UVR bond yield curve appreciated by 196 basis points. Although inflation moderated from its peak, it remains far from the Central Bank's target range of 2 to 4 % and remained in double digits until October 2023.

Our Financial Management

We generate profitable and sustainable growth.

GRI 3-3

At Banco de Occidente, we are focused on maintaining sustainable and profitable economic growth, thus contributing to create value for our shareholders, our clients, the well-being of our employees, their families and the economic progress of our country.

From the Financial and Strategy Vice Presidency, we have the great responsibility to protect the assets and equity of the Bank, as well as the deposits of our clients; we contribute to their growth through adequate financial and tax planning that creates value, distributing the above in a corporate responsible manner, also creating value for our stakeholders.

Economic value generated and distributed.

GRI 202-1

(Figures in billions of Colombian pesos COP MMM)

| Description | 2023 | 2022 | 2021 | Observations/Clarifications |
|--|----------|----------|----------|--------------------------------------|
| Direct economic value obtained: revenues | 3.187,36 | 2.703,00 | 2.698,00 | |
| Net interest margin | 1.991,03 | 2.019,00 | 1.892,00 | |
| Other ordinary income | 1.015,75 | 494,00 | 616,00 | |
| Net commissions | 174,17 | 189,00 | 190,00 | |
| Release of retained earnings | 6,40 | 1,00 | | |
| Direct economic value distributed | 1.686,64 | 1.717,00 | 1.311,00 | * Does not include donation advance. |
| Suppliers | 613,06 | 543,00 | 483,00 | |

| | | | | |
|---|----------|--------|----------|--|
| Shareholders | 215,14 | 251,00 | 150,00 | A payout ratio of 40% is estimated, pending the final PDU. |
| Direct employees | 491,58 | 435,00 | 461,00 | |
| Taxes and contributions | 363,40 | 488,00 | 216,00 | |
| Donations and Advance Conditional Donation CTIC Foundation* | 7,57 | 26,00 | 1,00 | * Advance Donation 4,114 |
| Provisions, Depreciation, and Amortization | 1.278,86 | 733,00 | 1.044,00 | |
| Reserves | 221,87 | 253,00 | 342,00 | Awaiting for the final PDU |
| Retained economic value | 1.500,72 | 986,00 | 1.386,00 | |

Source: Banco de Occidente

To our shareholders we provide the assurance that with transparency, timeliness, and accuracy of the information we provide them, they may make decisions free from material errors, as they are a fundamental part of the entity's equity structure. Our responsibility is to safeguard their interests and provide them with the assurance that their money is properly safeguarded and that we comply with the organization's accounting and tax policies²⁰.

Our Bank's financial management positively impacts our employees, who expect fair and timely compensation, which is a vital commitment by the Bank to continue generating economic well-being for them and their families. Likewise, we contribute to social welfare through donations to the CTIC Foundation (Center for Cancer Treatment and Research Luis Carlos Sarmiento Angulo)²¹.

Our Fiscal Contribution

GRI 207-1, 207-2, 207-3, 207-4

DJSI 1.7.1.

With a clear commitment to driving our country's economy forward, at Banco de Occidente we actively contribute to state financing and societal development through timely fiscal contributions.

²⁰ Refer to the financial statements report header for the accounting and tax policies of the Bank

²¹ For more information, refer to the Responsible Investment Practices section of this Report

Such premise is evidenced in our Fiscal Policy²², which reflects that our actions and management of tax matters are conducted with total transparency, clarity, order, and coherence, always with a socially responsible vision for our stakeholders.

The Financial and Strategic Vice Presidency is responsible for approving and modifying the organization's fiscal strategy. However, it is the duty of all our Bank employees and other stakeholders to ensure compliance with the Fiscal Policy within the framework of its principles of ethics, integrity, good practices, transparency, clarity, coherence, prudence, and legality²³.

At the Bank, we comprehensively analyze all typical or atypical transactions or economic events, being committed to comply with all effective regulations. Meanwhile, our business strategy to prevent risks, such as tax evasion, supplements our fiscal behavior.

Furthermore, we have controls such as compliance with SOX Law²⁴ and the Operational Risk Management System Committee (SARO), which further secure our operations and contribute to our fiscal governance. We also conduct an annual audit that evaluates our management compliance through an external audit review, which in turn is accountable for reviewing tax returns and for presenting an annual audit report. The external audit review helps us identify possible errors and validate their correction to ensure compliance with legal requirements.

Regarding the annual income tax return, we rely on external tax advisors to verify the information therein presented, keeping evidence of all reports subject to review, such as audit reports and income reports, among other.

Moreover, we strengthen our processes for fiscal compliance through training sessions conducted with recognized national associations and institutions such as Asobancaria, the National Business Association of Colombia (ANDI), the Colombian Institute of Tax Law (ICDT), among others. Through these activities we aim to update our entire team on the current regulations, laws, decrees, resolutions, judicial decisions, and opinions of scholars that apply to us; thus, we strive for compliance with regulations using good practices and the analysis of supportive strategies for our operations. This allows us to minimize any fiscal risks ensuring application of optimal tax burden.

We also participate in meetings with all our stakeholders, where opinions and concerns regarding fiscal matters are discussed, along with the action plans to be followed, which are documented in meeting minutes or informative emails. We are

²² https://bancodeoccidente.com.co/banco-de-occidente/imagenes/quienes-somos/informacion-para-accionistas/sostenibilidad/documentos/politica-fiscal.pdf#xd_co_f=NjBiNDU5MTItNTgyOC00YTYwLWFhbnR2IHRNTZkMjRmY2FkZGVm~

²³ Likewise, refer to the Tax Policy section

²⁴ The Sarbanes-Oxley (SOX) Act regulates financial reporting and auditing for publicly traded companies.

actively involved in the Tax Committee of Asobancaria, which gathers regularly 12 times a year.

We present fiscal information for Colombia, which is the jurisdictional scope of this report.

| Figures in millions | 2023 | 2022 | 2021 |
|--|--|--|---|
| | COLOMBIA | | |
| 1. Resident entities | BANCO DE OCCIDENTE S.A. | | |
| 2. The organization's main activities | Banking establishment | | |
| 3. Number of employees and breakdown of such number | 6,984 employees distributed as follows: 496 on fixed-term contracts, 6.143 on indefinite-term contracts, and 345 on SENA apprenticeship contracts. We also have 2.438 outsourcing collaborators. | 7.113 employees distributed as follows: 521 on fixed-term contracts, 6.262 on indefinite-term contracts, and 330 on SENA apprenticeship contracts. We had 2.387 outsourcing collaborators. | 7.151 employees distributed as follows: 528 on fixed-term contracts, 6.272 on indefinite-term contracts, and 351 on apprenticeship contracts. We had 2.744 outsourcing collaborators. |
| 4. Operating income | 28.037 | 15.763 | 8.876 |
| 5. Income from intragroup transactions vs. other tax jurisdictions | 2 | 2 | 2 |
| 6. Profit or loss before taxes | 374 | 616 | 459 |

| | | | |
|---|---|---|---|
| 7. Tangible assets other than cash and cash equivalents | 525 | 590 | 583 |
| 8. Corporate income tax paid | 480 | 261 | 171 |
| 9. Accumulated corporate income tax on profits or losses | - 855 | - 524 | - 229 |
| 10. Reasons for the difference between the accumulated corporate income tax on profits or losses and the taxes estimated if the legal tax rate is applied to profits or losses before taxes | The difference arises from non-taxable revenues according to tax regulations, such as: equity method, dividends, exempt income, and application of differential rates, as well as non-deductible expenses according to tax regulations such as: non-deductible taxes and provisions, among other. | The difference arises from revenues not subject to taxation according to tax regulations, such as: equity method, dividends, exempt income, and application of differential rates, as well as expenses not allowed under tax regulations such as: non-deductible taxes, provisions, among others. | The difference originates from non-taxable income according to tax regulations, such as equity method, dividends, exempt income, and application of differential tax rates, as well as expenses not allowed under tax regulations such as non-deductible taxes, provisions, among others. |

Source: Banco de Occidente

Below, we outline the Bank's tax obligations, in greater detail at:

DJSI: 1.7.3

| Financial Reports | 2023 | Estimated Average Rate (2022 Percentage Variation vs. 2023) | 2022 | Estimated Average Rate (2022 Percentage Variation vs. 2021) | 2021 |
|--|------|--|-------|--|------|
| Profit before taxes | 888 | -11% | 1.000 | 28% | 782 |
| Declared taxes | 458 | -8% | 498 | 72% | 290 |
| A. Income and Complementary Tax | -57 | | 113 | | -33 |
| B. Indirect Taxes | 236 | | 159 | | 122 |
| VAT (Value Added Tax) | 103 | | 99 | | 85 |
| Industry and Trade Tax | 129 | | 56 | | 26 |
| Property Tax | 2 | | 2 | | 3 |
| Surcharges and Other | 1 | | 1 | | 8 |
| Registration and Annotation | 0 | | 0 | | 0 |
| C. Financial Superintendence Contribution | 12 | | 10 | | 9 |
| D. Deposit Insurance | 130 | | 114 | | 104 |
| E. Tax on Financial Transactions (4X1000) | 68 | | 39 | | 30 |
| F. Items of Payroll | 69 | | 63 | | 58 |

| | | | | | |
|---|------|------|--------|------|------|
| Contributions and social security | | | | | |
| Dividends declared in the immediately preceding fiscal year | 251 | | 150 | | |
| Accumulated acceptable adjustments | - | | - | 0% | 0 |
| Taxes / Dividends Declared | 182% | -45% | 332% | 120% | |
| Effective tax rate as a percentage | 52% | 4% | 50% | 34% | 34 % |
| Taxes paid in cash | 995 | 54% | 646 | 31% | 31 % |
| Tax rate in cash (%) | 112% | 73% | 64,59% | 2% | 2 % |

Source: Banco de Occidente . Figures in COP

Systemically Important Banks' Score

FN-CB-550a.1.

The financial sector has a standard that indicates the position of entities on the list of Global Systemically Important Banks (G-SIBs) established by the Basel Committee on Banking Supervision.

The Committee has specific capital adequacy requirements that apply to all banks with international activity, ensuring that they all maintain an adequate level of capital based on their risk exposure. In our case, the national supervisor is the Financial Superintendence, which is responsible for ultimately deciding which bank enters or exits the list as well as for establishing capital requirements. This decision is based on qualitative indicators (supervisor's criterion through the DIANA cluster methodology) and quantitative indicators (calculation of the Systemically Important Entities - SIE indicator).

Taking this into account, systemic entities will be those that make part of the first group in the Cluster methodology and obtain a SIE indicator equal to, or higher than 6,45 %.

In Circular Letter 70/2023, the Financial Superintendence, in compliance with the provisions the paragraph 2.1.1.4.3 of Decree 2555/2010, published the list of entities

with systemic importance (SIE) for fiscal year 2024 in accordance with the methodology parameters for their identification. [1] For the calculation of such indicator, information with a cutoff date of June 30, 2023 was used, and the results were presented in Session No. 87 of the Financial System Coordination and Monitoring Committee.

According to the results, our Bank was positioned in fifth place, which represents a score below the established threshold, so it is not considered systemically important. This classification in no way represents a perception or risk rating of the entities.

Responsible Management of the Supply Chain

GRI 204-1, 308-1, 414-1

Since the pandemic, upon request of Grupo Aval, we have implemented a process to improve the payment time to our suppliers in a record time of almost three days, which reflects good management in treasury processes and, as a result, we have managed to pay all outstanding invoices in less than a week. Below, we present our investment in local procurement, understood as suppliers with legal representation in Colombia and who provide their services in the country. To the extent possible, we seek suppliers from the region who meet all quality standards.

| Suppliers | 2023 | 2022 | 2021 |
|-------------------------------|---------------|---------------|---------------|
| Percentage of local suppliers | 97% | 97% | 95% |
| Payments to Suppliers | COP 548.302 M | COP 824.503 M | COP 795.311 M |

Source: Banco de Occidente

On the other hand, in 2023, we initiated a survey of critical, strategic, routine, and relevant suppliers who have a logistical process and yearly payments that include sustainability criteria, with the aim of understanding their current status in terms of the application of ESG (Environmental, Social, and Governance) criteria. This allowed us to implement an efficient program for the selection and development of suppliers meeting these criteria. We also have technical sheets that apply to some special categories where different specific aspects to the industry are assessed, i.e., the purchase of wooden furniture.

| Description | 2023 | 2022 | 2021 |
|---|-------|------|------|
| Active suppliers | 757 | 830 | 853 |
| Suppliers assessed with sustainability criteria | 299 | N/A | N/A |
| Suppliers selected based on environmental and social criteria | 39,5% | N/A | N/A |

Source: Banco de Occidente

Assessment and Monitoring

GRI 3-3

KPMG are our tax auditors, which is the same firm for all Grupo Aval entities. KPMG implements its personnel turnover and special auditor group rotation to ensure transparency and reliability in its reports.

In terms of internal auditing, we have controls such as the Grupo Aval Comptroller, which oversees information annually, and makes corporate audits to our quarterly reports. In 2023, the department had zero non-conformities.

Tax entities like the DIAN conduct an annual review of withholdings and the bank's fiscal management, while municipalities request information from both, the Bank, and clients, almost on a weekly basis. Within the organization, we permanently monitor compliance with tax rates in order to ensure adherence to the entity's frameworks and fiscal policies.

Variations and Results of the Bank

Our bank closed 2023 with an annual growth of 17,24% in total assets, which increased by COP9,40B compared to December 2022, reaching a total balance of COP63,92B. The increase was mainly driven by the growth of the Gross Loan Portfolio in Local and Foreign Currency (excluding Repos and Interbank), which increased by COP4,35B compared to the balance recorded in December 2022, equivalent to an annual increase of 10,39%, contributing 46,24% to the growth of total assets.

According to the latest available information from the Financial Superintendence of Colombia, as of November 2023, Banco de Occidente holds a market share of 6,90 % in the total loan portfolio (an increase of 47 basis points as of Dec-22). By loan portfolio type, the commercial loan portfolio of the Bank closed at COP31,26B, representing an annual variation of 10,38 % or COP2,94B, with a market share of 9,03% (an increase of 58 basis points as of Dec-22). The consumer loan portfolio recorded an annual variation of COP1,29B, equivalent to an annual increase of 11,64%, and a market share of 6,15% as of November 2023, an increase of 70 basis points as of Dec-22. Finally, the housing loan portfolio (Mortgage and Leasing) recorded a year-on-year growth of 4,80% and an annual variation of COP118.571MM, the results are attributed to the good performance of the commercial force in driving the placement of loan products in the market.

The Loan Portfolio classified in C, D, and E categories recorded a total balance of COP3,07B, representing 6,65% of the total gross loan portfolio in local and foreign currency, with an annual variation of 23,16%. This behavior is mainly explained by the cyclical effects on the Bank's clients associated with the country's economic performance, characterized by an economic slowdown, inflation levels above the target range of the Central Bank, and interest rate levels in the Colombian market. The impact has been concentrated mainly on the consumer loan portfolio.

The balance of provisions for asset protection as of December, totals COP2,47B with an annual growth of 12,25 %. Although this does not reach a material figure, it allows for a Coverage Index for Loan Provision regarding credits rated C, D, and E of 59,41%, which achieved a growth of 7,14 % compared to the previous year. This indicator recorded a lower level compared to the Total System, which as of November 2023 stands at 60,62%.

The total Financial Assets of Investment and Trading Derivatives reached a sum of COP10,80B, with a growth of 58,80% compared to the previous year, driven by the Debt Security Investments where a yearly growth of 166,23% was evidenced with a positive variation of COP 2,13B.

Regarding total liabilities, our Bank closed 2023 with a balance of COP 58,75B, registering a variation of COP 8,97B more than the balance at the end of the immediately preceding year, equivalent to an annual increase of 18,03%.

Within the behavior of Total Liabilities, the total deposits performance as at the closing of December 31, 2023, stands out, reaching the sum of COP 44,97B, increasing by COP 6,49B compared to December 2022, representing an annual percentage growth of 16,88%. This behavior is mainly explained by the evolution of Term Deposit Certificates, which recorded COP 14,68B with a growth of COP 4,13B vs. the same period of the previous year, which is equivalent to an annual percentage growth of 39,18%. Savings accounts, checking accounts, and CDTs respectively, represent 52,68%, 14,53%, and 32,65% of the Bank's total deposits. This accelerated growth of savings products is mainly explained by the Bank's funding

strategy for growth compliance with different liquidity indicators (particularly CFEN) and the search to optimize the cost of funds.

According to the latest available information from the Financial Superintendence of Colombia as of November 2023, Banco de Occidente has a market share of 7,18% in total deposits (up by 59 basis points as of December 2022). By type of deposits, savings accounts have a market share of 8,59%, an annual variation of COP 2,48B, and an annual growth of 11,68%. Checking accounts recorded an annual variation of COP 83.312MM, equivalent to an annual decrease of 1,26%, with a market share of 7,64% as of November 2023. Finally, time deposits (CDTs) have a market share of 5,56% (up by 46 basis points as of December 2022). These results are in line with the national context and corporate strategy.

Regarding other funding sources, it is worth mentioning the growth corresponding to Interbank Funds and Overnight where the closing balance reached COP 4,40B with a yearly growth of 137,54%. On the other hand, the bonds behavior is the result of maturities of issuances presented throughout the year; as of December 31, 2023, the balance of bonds issued by the Bank amounted to COP 2,17B, reflecting an annual decrease of 6,50%. At present, the outstanding balance in bonds has maturities close to 8 years on average.

The total equity of our Bank registered COP 5,17B, with an increase of COP 0,43B compared to the previous year, representing an annual growth of 8,96 %. This result is mainly due to the recovery of unrealized losses from available-for-sale investments (ORI) at levels close to COP 0,24B and the increase in equity reserve by COP 0,25B explained by the retention of profits from the 2022 period and the results of the 2023 fiscal year.

Our total net income at the close of December 2023 amounted to COP 430.603MM, representing a variation of 14,33% compared to the result of the immediately preceding year, mainly explained by the following events:

- A 1,40% annual decrease in net interest and valuation income, equivalent to COP 28.228MM. This movement is explained by a 65,05% increase in interest received, justified by the combined effect of indexing our variable rate loan transactions and the growth of the loan receivables, as well as the recovery of the national debt securities market, which represents 77% of our portfolio. This issue is offset by the growth of interest paid by 127,23 %, a dynamic explained by the increase in interest rates that in turn incentivized investor savings in products such as CDs.
- An increase in the provision for loan losses and interest receivable expenses of COP 1.265MM, growing by 68,29%, mainly represented by consumer loan modalities, especially in products associated with free destination.
- A 13,58% increase in the Bank's general administrative expenses, represented by COP 114.133MM, justified by expense items indexed to inflation and taxes.

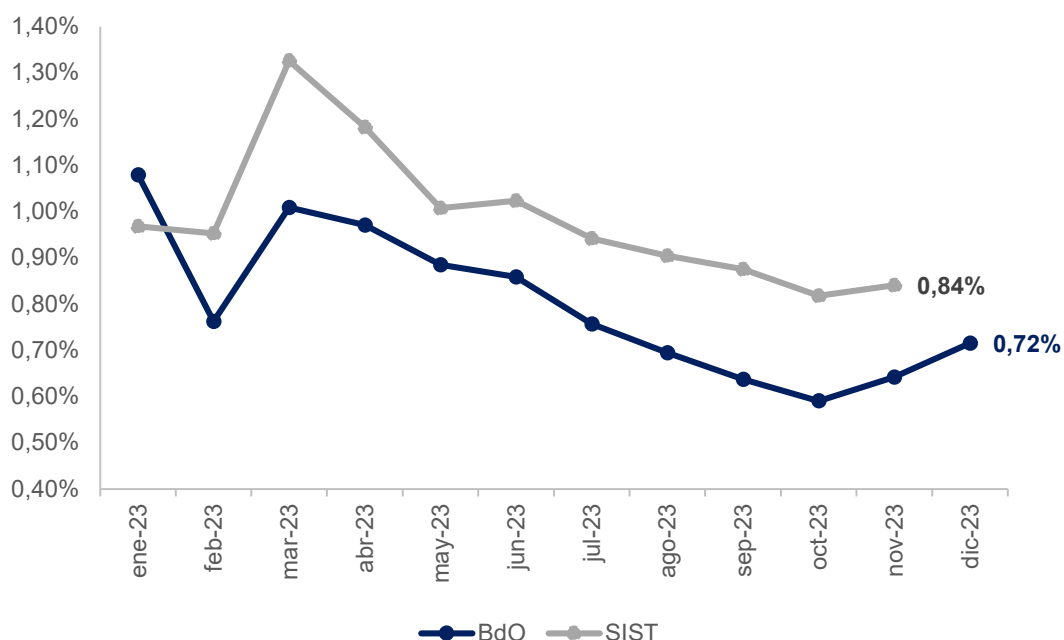
- A 57,60 % increase in results from subsidiaries and associates, represented by COP 113.369MM. In the case of subsidiaries, the results of Banco de Occidente Panama and Fiduciaria de Occidente stand out, while in associates, the results of Porvenir and Corficolombiana are noteworthy.

At consolidated level, the net consolidated profit amounted to COP 479.577MM, representing a growth of 5,09 % vis-à-vis 2022.

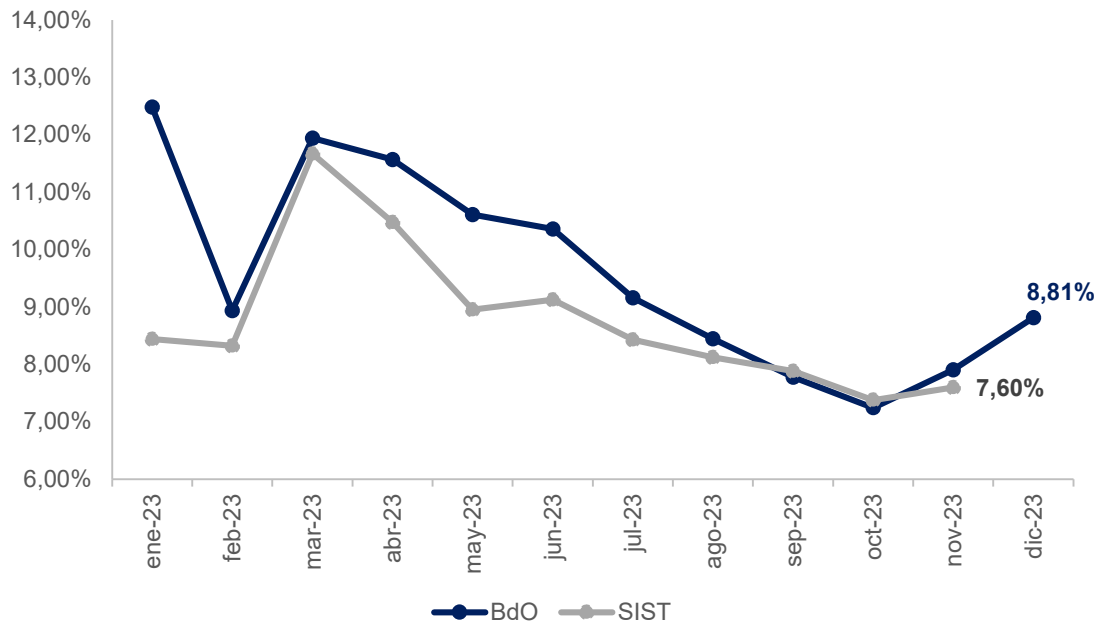
Regarding advertising, publicity, and public relations matters, our Bank allocated COP 42.934MM for 2023, with public relations being a fundamental pillar in providing excellent service to our clients. In this regard, we executed COP 1.461MM, showing a growth of 6,50% vs. 2022.

For advertising and publicity, the expenditure amounted to COP 41.473MM, showing an 18,86% growth, reflecting our focus and a combination of commercial alliances and allied agreements that offered a portfolio of benefits to our clients, along with corporate strategies, such as Aval experiences and personalized customer care. Likewise, our brand and relationship campaign, under the motto "on the side of those who do well," contributed to this growth.

Graph 1. ROAA (Accumulated)



Graph 2. ROAE (Accumulated)



Thus, the results presented allow the Bank's profitability indicators to remain within the entity's expectations. Therefore, the Annual Return on Total Assets as of December 2023 was 0.72%, and the Annual Return on Equity was 8.81%.

Liquidity and Solvency Performance

The liquidity indicator was pressured by the transition in the implementation of the Net Stable Funding Ratio (NSFR); the legal minimum of the indicator increased from 90% to 100% as of March 31, 2022. This forced the Bank to increase fixed-term deposits by COP4,18B during 2022 in order to stabilize the indicator above the new minimum legal requirement set by the Financial Superintendence of Colombia (SFC).

In terms of solvency, during 2023 the Bank continued with the analysis and execution of different actions to strengthen proactive management of its capital, managing to maintain an adequate level to comply with regulatory indicators and internal risk appetite in terms of solvency. This was within the framework of a higher level of required capital due to the 38 basis points increase in the capital preservation buffer that all entities in the system must comply with.

Thus, at the close of 2023, our Bank achieved a total solvency ratio of 11,75 %, which represented a decrease of 60 basis points vis-à-vis the end of 2022, resulting from: (i) the increase in risk-weighted assets, mainly due to the growth of commercial and consumer portfolios, (ii) the lower weighting of Tier II subordinated bonds that are gradually losing validity as they approach maturity, and (iii) the distribution of dividends, which represented 50% of the 2022 profits, among other factors.

Despite the aforementioned, effective strategies execution has been achieved to maintain an adequate capital level. Notable in this regard is the internal yield of capital through efficient expense management and optimization of deductions from Ordinary Basic Equity, especially in relation to capital investments made in entities supervised by the Financial Superintendence of Colombia (SFC).

2.4.2 Subsidiaries and Associates

The subsidiary Banco de Occidente (Panamá) S.A. presented an overview of its operational results with the following highlights:

- The loan portfolio showed a significant increase, rising from USD 361MM in 2022 to USD 552MM in 2023, representing a 53% increase in balances. This resulted in an interest income increase of 96%, driven by the Federal Reserve's interest rate hikes.
- Regarding investments, there was a 3% increase from USD 253MM to USD 261MM due to the purchase of securities based on market performance.
- Liquidity decreased by -47%, going from USD 221MM to USD 117MM, attributed to the growth in the loan portfolio and investments.
- Time deposit balances increased by 32%, from USD 500MM to USD 661MM. Interest income also increased due to higher interest rates, going from USD 12MM to USD 27MM.
- Provisions for loan losses decreased by 98% in 2023, reflecting improvements in loan quality and updated risk models.
- Net income for the year increased by 21%, closing 2023 at USD 12.9MM.

The subsidiary Occidental Bank (Barbados) Ltd. presented an overview of its operational results with the following highlights:

- The loan portfolio saw an increase of USD 26.7MM, which is equal to 23,7%. This resulted in a 42% increase in revenue, mainly due to the repricing of indexed loans

driven by Federal Reserve rate hikes, as well as by new disbursements which replaced higher-rate cancellations.

- Investments increased by 11,8%, equivalent to USD 9MM, primarily due to bond maturities during the year.

- Liquidity decreased by -46%, or USD 35MM. This decline was mainly due to a USD 26.5MM increase in the loan portfolio and a -2.3% decrease in the current account.

- Time deposit balances increased by 6,4%, equivalent to USD 5.4MM. The behavior of these deposits led to a 134% increase in expenses, primarily due to Federal Reserve and market rate hikes.

- Provisions for loan losses decreased by -299%, attributed partly to risk model adjustments and partly to improvements in loan quality.

- Net income for the year increased by 15% and closed at USD 4.3MM.

In 2023 no material impacts were evidenced in the liquidity and solvency of the subsidiaries. The subsidiaries have shown strong indicators in recent years with solid financial results, successful cost-cutting strategies, strategic alignments with their Parent Company, and strong long-term funding structures, among others, which help support the hypothesis that such subsidiaries are a going concern for the next twelve months.

The subsidiary Fiduciaria de Occidente S.A. presented an overview of its operational results with the following highlights:

- Assets increased by 11,8% between December 2022 and December 2023, obtaining an increase of COP46.254MM from COP 390.765MM in 2022 to COP 437.019MM in 2023. This variation is mainly concentrated in the 14,6% increase in investments, with the most representative item being other investments that increased by COP 38,533MM to reach COP 82.037MM in 2023.

- Liabilities decreased by 13,3% between December 2022 and December 2023, reaching a reduction of COP 5.613MM from COP 42.150MM in 2022 to COP 36.537 MM in 2023. This variation is distributed across different relevant liability items, with repos and passive simultaneous liabilities decreasing by COP 5.984MM, lease

liabilities increasing by COP 710MM, accounts payable decreasing by COP 1,084 MM, and labor obligations increasing by COP 846MM.

- Equity increased by 14.9% between December 2022 and December 2023, equivalent to an increase of COP 51,867MM from COP 348,616MM in 2022 to COP 400,483MM in 2023. This variation is mainly concentrated in the 175.6% increase in net income, which increased by COP 47,744MM.

- Revenues increased by COP 76,792MM (+69.9%) from COP 109,925 million in 2022 to COP 186,716MM in 2023. This variation is explained by the COP 31,382MM (+36.8%) increase in fiduciary commissions, the COP 11,203MM (+170.7%) increase in the net result of the portfolio, and the COP 1,182MM (-33.3%) decrease in other income, while income received from dividends and equity method earnings from investments in other companies increased by COP 35,389MM (+244.1%), from COP 14,496MM in 2022 to COP 49,885MM in 2023.

- Profit before taxes increased by COP 53,918MM (+165.7%) from COP 32,537MM in 2022 to COP 86,455MM in 2023, and net profits increased by COP 47,744MM (+175.6%) from COP 27,189MM in 2022 to COP 74,933MM in 2023.

The Trust Company shows no material changes in its liquidity and solvency situation, as liquid investments and cash at hand remain at adequate levels, reaching COP 50.039MM and COP 88.545MM for 2022 and 2023, respectively. Regarding the solvency margin, double-digit indicators are maintained for 2022 and 2023 with values of 74.4% and 73.6%, respectively, which are well above the minimum regulatory level (9%).

There are no identified trends, events, or uncertainties that have the capacity to materially impact the operations of the trust company, its financial situation, or changes in its financial situation.

The subsidiary Ventas y Servicios S.A. – NEXA BPO presented an overview of its operational results with the following highlights:

- NEXA's sales decreased by 7.4% compared to 2022, closing at COP 294MM.

- Fixed costs increased by 5.3% as compared to the previous year (2022 vs. 2023) and closed at COP 40,810MM in 2023.

- Operating costs reduced by 7.77% compared to 2022 and closed at COP 254.47 MM in 2023.

- Administrative expenses increased by 9.14% compared to the preceding year (2022 vs. 2023) and closed at COP 42.668MM.
- In 2023, the company reported a net loss of COP 372.7MM, lower than the net profit of COP 1,908MM in 2022.

No future impacts are estimated that could yield losses or materially impact either the organization's operations, our financial situation, or changes thereon.

The associated company Corporación Financiera Colombiana S.A. reported as of December 31, 2023, assets of COP 26.73B, representing an annual growth of 10.55%. It achieved a period profit of COP 808.982MM, with an annual decrease of 54.62% compared to the profit of 2022.

The related company Porvenir S.A. reported total assets of COP 3.54B as of December 31, 2023, representing an annual growth of 1.33%. The profit as of December 31, 2023 amounted to COP 558.658MM, with a growth of 262.84% compared to December 2022.

Post-Balance Sheet Operations

The financial statements as of December 31, 2023 had no off-balance sheet operations, and all economic events have been recognized in accordance with accounting legislation and have been subject to review by the Bank's internal audit and KPMG's external audit.

After the Fiscal Year Closing

It is noted that there have been no significant external or internal events that could affect the normal course of business operations, or the Bank's profit and loss as of the balance sheet closing date, to the date of this report.

Financial Stability and Profitable Growth

Free Flow of Invoices

In compliance with the stipulations of Law 1231/2008, supplemented by Law 1676/2013, the Bank informs that it does not withhold invoices of its suppliers based on internal policies. This guarantees free flow of invoices issued by sellers or vendors.

2.5 We Promote Sustainable Businesses.

Sustainable Finances

Our Impacts on Management

GRI 3-3 DJSI: 1.9.8

The Bank adopts and promotes environmental, social, and governance (ESG) sustainability principles in its activities, as well as financing sustainable operations that contribute to a responsible environmental transition, by strengthening the competitiveness of our clients and thereby contributing to improving the environment and societal well-being.

With this inherently ethical perspective, our Bank offers financing opportunities to our clients and investors so they can make investment decisions that consider ESG criteria for their economic activity or a specific project.

The positive impact we can achieve by offering this type of financing is significant. Not only are we contributing to Colombia's economic growth and stability, but we are also encouraging the adoption of more responsible business practices that respect the environment.

In an economy transitioning to a low-carbon model, the role of the financial sector is crucial. We have the capacity and responsibility to channel our resources toward projects and companies that promote sustainability and climate change mitigation. By offering sustainable financing lines, we are driving innovation and the adoption of clean technologies, which in turn brings us closer to a more resilient and sustainable economy in the long term.

Our commitment to sustainability is reflected not only in our internal policies and practices but also in how we engage with our clients and the community at large. We are working closely with companies of all sizes to help them achieve their business goals sustainably and responsibly.

In summary, offering sustainable financing lines is more than a business strategy; it is a commitment to the future of Colombia and the planet. We are proud to play an active role in building a fairer, more equitable, and environmentally respectful

economy. For this reason, the Bank has developed a portfolio of products that contribute to sustainable development, which we describe in detail below.

Occiauto Blue Planet (Occiauto Planeta Azul)

For environmentally friendly customers looking to purchase hybrid or 100% electric vehicles, we offer a credit line with preferential rates, providing financing for 100% of the vehicle with a term of up to 84 months.

In 2023, disbursements in this credit line amounted to COP 100.829MM with a total of 1.005 transactions.

| Financing of Hybrid and Electric Vehicles | | | |
|---|---------------|--------------|--------------|
| | 2023 | 2022 | 2021 |
| Total financed vehicles | 1.005 | 1.065 | 497 |
| Total financing | COP 100.829MM | COP 99.863MM | COP 39.639MM |

Fuente: Banco de Occidente

“Constructor Verde” Line (Green Constructor)

We finance sustainable construction projects, meaning those that have sustainable certifications such as: Edge (Excellence in Design for Greater Efficiencies: A free-to-use platform whereby practical measures for energy and water savings, as well as material selection, can enhance building performance); Leed (Leadership in Energy and Environmental Design - Leed, for short - proposes a comprehensive approach to sustainability. In addition to achieving savings in water and energy consumption, it guarantees indoor environmental quality conditions for occupants); Casa Colombia (It is a certification system for housing sustainable construction, specifically targeted at the affordable housing segment, adapted to the Colombian context); all with preferential rates with a reduction of up to 100 basis points.

With the rollout in 2023 for financing green credit lines for construction, 15 projects were approved for a total value of COP 511.717MM, of which COP 30.361MM had been disbursed by the end of this reporting period.

| | 2023 |
|-----------------------------|---------------|
| Number of Financed Projects | 15 |
| Financed Amount | COP 511.717MM |

Source: Banco de Occidente

As of December 2023, the Bank closed with a total loan portfolio of COP 46.185.563MM; the green construction line represented 0.1% of the total portfolio,

and the construction credit balance at the same closing was COP 1.115.338MM. The green lines represented 45,88% of the construction line.

[“Planeta Azul” Housing \(Blue Planet Housing\)](#)

Housing Blue Planet is a line focused on the acquisition of sustainable housing for both subrogated projects (financed by Banco de Occidente) and direct projects (projects not financed by Banco de Occidente), and its main feature is that they must have sustainable housing certification.

In the 2023 second semester, the “Blue Planet” Housing was launched, and we obtained the first results by the end of the year. This way, 14 units were financed in 2023 for a total value of COP 2.744MM, of which 11 operations were disbursed in December for a value of COP 2.000MM.

Our line is accessible to all customers of the Bank interested in acquiring sustainable real estate and to serve Subrogated projects (financed by Banco de Occidente through construction credit).

We aim to incentivize our customers with preferential rates to acquire sustainable properties and contribute to a healthier, safer, and more productive environment through homes with a longer life cycle and lower maintenance costs compared to traditional housing. Likewise, it contributes to the economy and quality of life of families because these types of homes allow for reduced water and energy consumption, leading to a decrease in their environmental footprint.

Our challenge is to position the “Blue Planet” housing brand with our allies, wishing to be recognized as a Bank that aims for sustainability and contributes to reduce the carbon footprint. To this end, we have updated the information on our website in order to include financing for sustainable projects and will continue working on campaigns with our marketing and sales force.

[Sustainable Portfolio](#)

During 2023, we worked on defining our sustainable taxonomy focused on the value proposition of different segments, as well as Colombia's Green Taxonomy. This allowed us to start the process of categorizing our portfolio according to established lines that involve social and environmental criteria. Our goal is to identify and support our Corporate and Retail Banking clients interested in carrying out sustainable projects that have a positive impact on society and the environment.

As an initial result of the exercise conducted; we have identified the following lines that will serve as a framework for classifying eligible investments for our sustainable portfolio:

Environmentally Sustainable Line

Financing aimed at the protection and care of the environment associated with climate change mitigation and adaptation, as well as projects focused on:

- Energy efficiency
- Water conservation
- Technologies for renewable energies and Information and Communication Technologies (ICT)
- Sustainable management of natural resources and land use
- Management of disaster risks associated with climate change
- Waste management
- Transportation (land, river, rail) with zero direct emissions – electric vehicles and hybrid vehicles until 2025
- Construction projects that have certifications or labels for Sustainable Building
- Conservation of terrestrial and aquatic biodiversity

During 2023, we made significant disbursements totaling COP 383.886MM aimed at green/sustainable portfolio. Contribution to the green portfolio reflects our commitment to strengthen the transition to a more sustainable economic model. These funds supported projects that seek to mitigate environmental impact and promote environmentally friendly business practices, including projects in energy efficiency, renewable energy, sustainable building construction, clean transportation, and water supply infrastructure. In an increasingly aware world of the importance of sustainability, we believe that investing in the green portfolio is not only financially sound but also essential for building a more equitable and healthier future for generations to come.

Social Sustainable Line

FN-CB-240a.1

Operations aimed at achieving a positive impact by providing well-being and improving the quality of life of the community or stakeholders, such as women, children, workers, the disabled, minority groups, etc.

In a dynamic and ever-evolving business environment, we recognize the fundamental role that small and medium-sized enterprises (SMEs) play in the economic and social development of the country. For this reason, we are committed to provide them with the necessary support for their growth and prosperity. SMEs are the driving force of the Colombian economy, significantly contributing to job creation, innovation, and competitiveness. They represent a diverse and vibrant business fabric, spanning a wide range of sectors and economic activities. Their ability to quickly adapt to market changes and their focus on efficiency and quality make them key players in the national business landscape.

In this context, SMEs led by women play an even more relevant role. The participation of women in the business sphere not only promotes gender equality and social inclusion but also brings a unique and valuable perspective to business management. Women-led SMEs have a positive impact on economic growth and job creation, while also fostering market diversification and innovation.

At Banco de Occidente, we support the development and strengthening of the SME and women-led SME segments in Colombia. Our wide range of financial products and services is designed to meet the specific needs of this sector, offering tailored solutions that drive growth and expansion of such segments. Granting flexible credit lines for training programs and advice, we strive to be a reliable and a close ally for SMEs at every stage of their business journey.

We understand that access to financing is crucial for the success of SMEs, especially those led by women who may face additional challenges in this regard. That is why we are committed to facilitate access to inclusive and accessible financial services, promoting equal opportunities and the economic empowerment of women entrepreneurs across the country.

We recognize their crucial role in the national economy and are proud to be their strategic partner on the path to business success. Together, we can drive economic

and social development in our country, building a more inclusive and equitable future for all.

| | Closing Placement Balance as of December 2023 | Clients As of December 2023 Closing |
|--|---|---|
| SMEs (of up to COP 20.000 MM) | COP 6.1B | 37.788 |
| Women-led SMEs (of up to COP 30.000MM) ²⁵ | COP 1.8B | 12.836 |
| Women partners of SMEs (of up to COP 30.000MM) | COP 279.899MM | 1.834 |

Source: Banco de Occidente

At the segment level, Business Banking and SME Banking recorded a Social Sustainable Portfolio balance as of December 2023 of approximately COP 1.1B, which is focused on contributing to productive lines, hospital infrastructure, and financial entities the corporate purpose of which is to serve microcredits and entrepreneurship. The portfolio is broken-down as follows:

| | Balance as of December 2023 Closing (MM) | Number of Clients as of December 2023 |
|--|---|--|
| Corporate Portfolio exceeding 36 months (clients with sales of COP 700MM and COP 75.000MM) | COP 859.699 | 5.102 |
| Women-led SMEs Portfolio | COP 117.174 | 355 |
| IPS exceeding 36 months | COP 94.416 | 46 |
| Financial Companies Capitalization | COP 43.080 | 2 |

Source: Banco de Occidente

²⁵ Information corresponding to commitments with multilateral companies.

Furthermore, the other segments of our Business Vice Presidency disbursed a total of COP 90.188MM to finance and strengthen the social portfolio in Colombia. As a financial institution, we are committed to invest in the development of communities and municipalities, as this not only contributes to the country's economic growth but also improves the quality of life of its inhabitants. This financial support aims to boost social projects that address needs such as road, hospital, and educational infrastructure.

FN-CB-240a.2

| | Due 2023 (1 to 60 days default) | Nonproductive 2023 (more than 60 days default) |
|---|--|---|
| Number of loans | 8.397 | 4.351 |
| Amount (COP thousands of millions) | 62.344 MM | 498.464 MM |

Source: Banco de Occidente

Sustainable Line

Operations oriented towards executing projects providing benefits that positively impact the environment and society may be a combination of the abovementioned projects.

Being a relevant actor in the financial sector, we recognize the importance of offering sustainable financing lines to both large and small companies in Colombia. For us, this goes beyond simply providing financial resources; it is about driving a positive change in the economy towards a more sustainable and low-carbon model.

Offering sustainable financing lines is fundamental for our commitment to responsible economic development. We understand that companies need resources to grow and prosper, but we also recognize the need to act in a sustainable manner, taking care of our environment and promoting responsible business practices.

Projects' Promotion Portfolio

We have financing lines offered by rediscount entities focused on supporting different sectors of the economy through loans with more favorable and competitive financial conditions in the market.

During 2023, we experienced significant growth compared to 2022 in relation to green, social, and sustainable portfolios, due to the financing of the Parque Solar Portón del Sol client through the Findeter line. In total, nine disbursements were made for a total value of COP 71.755MM for the construction and operation of 255.420 photovoltaic modules with the capacity to generate [102 MW - 129 MW] in La Dorada, Caldas. This project will contribute to annually reduce carbon dioxide emissions by 132.480 tons.

| Number of financed Promotion Projects' Portfolio – social, environmental and sustainable approach. | 2023 | 2022 | Comments/ Clarifications (if applicable). |
|--|------|------|---|
| Findeter | 1 | 1 | 2023: It corresponds to the Project of Parque Solar Portón del Sol client, which had 9 disbursements. |
| Bancóldex | 23 | 19 | |
| Finagro | 9 | -- | |

Source: Banco de Occidente

| Value of the financed projects (social, environmental and sustainable portfolio) | 2023 | 2022 | Comments/ Clarifications (if applicable). |
|--|----------|----------|---|
| Findeter | 71.755MM | 24.500MM | Total value of disbursements in the respective years. |
| Bancóldex | 8.341MM | 5.409MM | |
| Finagro | 34.035MM | -- | |

Source: Banco de Occidente

We recognize the importance of supporting small farmers in Colombia. This is a task that goes beyond mere financial transactions, becoming a commitment of the Bank to the sustainable development of our communities, understanding that they constitute the fundamental fabric of our economy. In this sense, we take pride in being a catalyst for agricultural progress by facilitating access to financial resources tailored to the specific needs of this sector. During 2023, in partnership with Finagro, we promoted the placement of loans for COP 160.000MM aimed at providing support and opportunities for these producers, impacting 1,500 small producers of rice, corn, coffee, palm oil, and milk.

The financial support we provide not only translates into accessible loans, but also, in granting the credits under an integration scheme, accompanied by technical assistance and administrative management to maximize the return on each investment. We believe in the transformative capacity of well-directed financial support, which not only boosts agricultural productivity but also strengthens rural communities, generates employment, and fosters equitable development. For this reason, we have focused on providing resources associated with sowing costs, sustenance, and working capital covering all links in the agricultural chain.

Evaluation and monitoring

GRI 3.3

The Sustainability Management of our Bank conducts an assessment of sustainable financing operations based on ESG criteria determined by the Bank according to their contribution to sustainable development. The assessment includes not only the Bank's own lines but also the development portfolio channeled through the organization.

2.6 Material Operations with Related Parties.

For conducting operations with related parties or affiliates, we have established procedures outlined in manuals MAN-COL-431 and MAN-APY-182. These manuals stipulate that the operations carried out with clients classified as related parties or affiliates must be approved by the Board of Directors of the Bank. There is a consultation list in place that allows relevant departments to identify if a client is listed or not. Furthermore, a monthly control is implemented for such transactions to ensure that new active, passive, and neutral operations with related parties and affiliates have received proper approval from the Board of Directors.

The details of these operations are disclosed in notes 28 and 30 of the Separate and Consolidated Financial Statements, respectively.

Relationship between the Bank and its Subsidiaries

Below, we present the number of transactions carried out between the Bank and its subsidiaries included in the balance sheet and income statement of 2023

| Accounts | Banco de Occidente Panamá | Fiduciaria de Occidente | Occidental Bank Barbados | Ventas y Servicios - Nexa Bpo | Grupo Aval |
|---------------------|---------------------------|-------------------------|--------------------------|-------------------------------|------------|
| Total Assets | 228.079 | 389.843 | 142.717 | 22.078 | 79.843 |
| Total Liabilities | - | 4.759 | - | 2.672 | 87.644 |
| Total Income | 1.032 | 1.408 | 1.148 | 47 | 2.089 |
| Total Disbursements | 2.202 | 4.939 | - | 99.536 | 81.774 |

Source: Banco de Occidente

Operations with Shareholders and Directors

As of December 31, 2023, the Bank had granted loans to directors totaling COP 11.195MM, mainly supported by credit operations for housing acquisition, personal loans, and credit card transactions, according to the conditions stipulated by the Bank for its employees. The only shareholder of the Bank with a stake greater than 10% is Grupo Aval Acciones y Valores S.A., which has an active credit card.

| 2023 | Natural Persons with control over Banco de Occidente | Key Management Personnel | Companies that belong to the same group | Related Companies and joint ventures | Entities that are controlled by persons included in categories 1 and 2 | Entities that have significant influence due to the persons included in categories 1 and 2. |
|---------------|--|--------------------------|---|--------------------------------------|--|---|
| Assets | 20 | 11.195 | 606.565 | 180.372 | 709.910 | 7.272 |
| Liabilities | 7.453 | 23.607 | 1.216.855 | 19.455 | 389.974 | 7.820 |
| Income | 8 | 1.094 | 96.666 | 34.457 | 135.160 | 620 |
| Disbursements | 773 | 3.083 | 273.030 | 47.195 | 44.519 | 11 |

Source: Banco de Occidente

2.7 Controls and Procedures Used for Financial Information

Certification

In accordance with the provisions of Law 1314/2009, regulated by Regulatory Decree 2420/2015, amended by Decrees 2496/2015, 2131/2016, 2170/2017, 2483/2018, 2270/2019, 1432/2020, and 938/2021, it is certified that the items contained in the financial statements of Banco de Occidente presented as of December 31, 2023, have been previously verified; have been faithfully taken from the Bank's accounting books; there are no omissions; and all economic events have been duly recognized.

Financial Information Disclosure

In compliance with the provisions of Sections 46 and 47 of Law 964/2005, the Bank certifies that the financial statements and other relevant reports do not contain defects, inaccuracies or errors that may lead to misunderstand the true financial position or operations of the Bank. Moreover, the disclosure and control systems used to incorporate the information contained in the financial statements and reports are adequate, based on reliable information, and subject to reviews by the Bank's internal audit and KPMG external auditors, under the supervision of the Audit Committee of the Board of Directors.

Certification issued by the External Auditor

Please refer to page 1 of Annex I and page 1 of Annex II, corresponding to the reports of the external audit for Separate and Consolidated Financial Statements.

2.8 Relevant Facts

Corporate Banking Results

Below, we share the 2023 most relevant management facts of the Corporate Banking Vice Presidency, which fostered businesses growth and contributed to sustainable transformation of the country:

- Regarding our clients' recommendation in Corporate Banking, Net Promoter Score (NPS), we closed the year with a 72 % score. We continue being a world-class level

bank; therefore, we will continue designing strategies to achieve our goals and to implement the recommendations given for each of our segments.

- We reached a figure exceeding COP 30,00B in placement products, driven by an increase in business economic activity. We presented an annual growth of 9,8 %, which is COP 3,8B, achieving a market share of 9,06 % as of December.

- In terms of foreign currency portfolio, we ranked third in Colombia with a 17,9% market share, positioning ourselves as a comprehensive, close, agile, and passionate financial option with presence in Panama and Barbados.

- We achieved a 10,2% growth in deposits, with a margin of COP 3,2B and an execution rate of 102,0% vs. the budget.

- In terms of profits, we achieved a growth of 39,99 % and a budget execution rate of 123,53%.

We continue to work on strengthening the value propositions for strategic segments:

- In the Government segment, we achieved a 20,90% market share in deposits; 20,69% in checking accounts, ranking first in such segment; 20,95% in savings accounts; and 4,50 % for Time Deposit Certificates (TDC). We also achieved a delinquency rate of 0,45% and a Net Promoter Score (NPS) of 75,9%.

- In the Corporate and Institutional segment, we achieved a disbursement compliance rate of 104%. We experienced a significant increase in client wallet share, rising from 14,96 % to 17,92%. We climbed to the second key player position in this segment with a notable customer recommendation index of 82%.

- In the Business segment, we maintained the second position in our clients' wallet share, growing by 161 basis points, and closing the gap with the leading bank. We accomplished this through segmentation analytics strategies and customer recovery initiatives. Additionally, we continued to strengthen our value proposition by organizing forums and workshops tailored to our clients' needs in our Business Classroom, which attracted over 6.300 visits with a customer recommendation level of 67%.

- In the SME segment, through our Commercial Performance Model, we deepened effective opportunities throughout the year. This approach allowed us to expand our presence, increasing our clients' wallet share from 24,86% to 26,53%, maintaining our position as the second key player in this segment. Furthermore, we continued to strengthen customer engagement using advanced analytic models and digital marketing campaigns.

- We continued to enhance our "Business Community" through initiatives such as forums, workshops, podcasts, and networking events, reaching a customer

recommendation level of 51%. Additionally, we reinforced our advisory and customer service channels, prioritizing the digital experience as an integral part of our efforts. We also finalized 8 partnerships with exclusive benefits for our SMEs through the Business Community, aiming to support their processes and promote business growth.

Looking to Strengthen Commercial Management for our Segments:

- We reached 90% of our commercial force with the Radar 360 initiative. This tool consists of three modules that support managers in their commercial activities, starting with the monthly planning process, followed by opportunity searching, and finally, preparation for a commercial visit. In this module, we consolidated a single dashboard, reducing the time spent on preparation.
- We implemented multiple strategies to improve the quality and completeness of information for legal entities (legal representatives and shareholders), as well as the updating of financial information. We also successfully implemented a new e-mailing tool through analytics campaigns.
- We led various initiatives such as the Pro-Click engagement campaign, the redesign of the corporate web ecosystem, and the alignment of a process for handling leads generated through different channels.
- Integration of analytical models was achieved to support the Relationship Manager's commercial management, enabling better decision-making and providing the commercial team access to model recommendations for their clients.
- We developed a sales report to improve the timeliness of commercial force budgetary results, automated reports, and executive information visualization dashboards.
- We conducted marketing campaigns for Cesantías Porvenir, banking correspondents, Facilpass, AOA Renting, automatic disbursement, Solunion, and Unidirecto, regional taxes, generating SME clients, Your Business Community, corporate value proposition, and Fondo Nacional del Ahorro, reaching over 58 million impacts.
- Through the Maestros del Hacer platform, and aiming to provide valuable information to our clients for making informed financial decisions, we organized in-person tax forums with expert Tulio Restrepo and economic outlook forums, with an attendance of over 3.000 people.

Through the agile framework and its scaling, we achieved progress in our commercial force:

- In Finagro's Substitute Portfolio Credits, we disbursed COP 1,7B, securing the 5th position.
- Finagro recognized us for managing the implementation of integration schemes benefiting small producers.
- In the ordinary portfolio, we continued participating in significant businesses indexed to UVR.
- We supported the CFEN indicator improvement process by rediscounting operations with Bancoldex.
- We continued strengthening our Digital Pricing tool by scaling the permissions to the Vice Presidents of Business Banking.
- We enabled digital signatures for documents within the Vice Presidency across different lines (UFE Contracts, Revolving Credit, Ordinary Portfolio, Promotion, Unidirecto, Savings Accounts, Current Account, Credit Cards, and promissory notes).
- We went live with digital granting for SMEs.
- In factoring, we enabled the Supply Factor platform for self-management by Unidirecto Commission clients.
- We implemented the Flexible and Revolving Calendar for revolving credit.
- We established an alliance with CSI renting for the purchase of future flows.
- We closed 2023 with the best operational leasing placement and the best year for the Legal Stability Contract since its execution in 2008.
- We formalized commercial alliances to advise our clients on tax optimization derived from sustainable investments.
- In November we launched green lines in Leasing.
- We exceeded a COP 1B balance in construction credit portfolio since July and we have approved 15 green lines for construction credit projects worth over COP 500MM.

Being aware that Business clients demand faster and safer products and services with immediate access to information subsequent to their payment, collection, and disbursement transactions, we are working to improve the experience and expand our presence in the digital payment ecosystem. This commitment is reflected in improvements and advancements in our functionalities:

- We developed the new Banco de Occidente Empresas PPA, which allowed our business clients to make queries, transactions and authorizations associated with their OcciRed portal from their mobile device, at any time and place.

- In OcciRed, we achieved a 100% growth in active clients and performed 18 redesigns at user experience level in services that engender the most traffic on our portal.
- We launched Gou, the new payment gateway of Grupo Aval entities designed for businesses, entrepreneurships, and companies to collect and sell online, enabling different channels with multiple payment methods. Through Gou, entrepreneurs can collect and sell via PSE and Visa, MasterCard, American Express credit cards, including bank correspondents, and QR codes for natural persons, achieving an 82% transaction compliance and 132% implementation compliance.
- We updated our foreign currency platform transparently for our clients.

Brand Campaign:

From our brand front, we developed the second phase of "On the Side of Those Who Do" campaign under the concept of "Doing keeps us united." This resulted in a notable increase in our brand awareness indicator, reaching a compliance rate of 116% by the end of the year. Such result represents a significant increase compared to the previous year.

Furthermore, we executed the brand media plan, actively participating in various national spaces such as events in schools, sports races, fairs, municipal celebrations, congresses, and social contributions. We also highlight the successful execution of our 30th-anniversary campaign regarding the Blue Planet National Ecology Award. With these strategies, we impacted over 200 million people, significantly consolidating the positioning and reputation of the Bank.

Results for Retail Banking

2023 was a challenging year in terms of complex financial conditions for households and businesses, with a macroeconomic scenario of high inflation, high lending rates, political uncertainty, and a strong economic downturn. However, reaffirming the commitment of Retail Banking to the growth of families and their businesses, we achieved significant results, which we share below:

- While in 2023 the consumer loan portfolio of the banking system decreased by 2,6%, Retail Banking achieved an annual growth in its consumer loan portfolio of 11%, reaching COP 12,10B, gaining market share and exceeding the 111% market share expectation set in the 2023 Budget and maintaining quality and risk indicators well below the market average.

- The delinquent consumer loan portfolio reached a delinquency rate of 6,54% at the end of the year, below the market average of 8,13% as of October 2023.

- Meanwhile, the Housing loan portfolio grew by 5%, with a balance of COP 2.60B at year-end, achieving a market share of 2,53%.

- We achieved an 11% growth in deposits, reaching an amount exceeding COP 4.00B and gaining market share by positioning ourselves at 2,3%.

- In loan placement, we maintain a portfolio mix aligned with the Retail Banking strategy, focusing mainly on low-risk products: Payroll Loans 31%, Unrestricted Credit 25%, Vehicles 17%, Housing 16%, and Credit Cards 11%.

- We increased our customers' debt participation within the system. In the Elite Segment, we reached a 32.4% participation, and in the Preferred Segment, 30,3%, becoming their first financial option.

- In Credit Cards, we billed COP 3.3B in 2023, growing by 11% compared to 2022, allowing us to outperform the system, which decreased by 3%.

- We ended the year with 958.766 customers, including 125.118 new customers.

- Facilitating processes for our customers in 2023, we opened 51.573 savings accounts digitally, accumulating a balance of COP 82.081B as of December 2023.

- We contributed to Green Line credits both in vehicles and housing, placing 707 loans for hybrid and electric vehicles worth COP 71.873B and in sustainable housing or green technology, amounting to COP 2.745B.

- We achieved the commission income target in insurance, contributing to the Bank's profitability with approximately COP 112.000B, surpassing the expected 2023 target by 105%, with significant and outstanding performances in the placement productivity of voluntary insurance in payroll loans with 90% penetration (best national industry practice) and Unrestricted Credit with average penetrations exceeding 170% in different sales channels.

- We continue to enable new services in digital channels, such as the PSE payment button through our transactional portal, with which we collected more than COP 256 MMM digitally, a credit card portfolio purchasing service with more than COP 2.000 MM in amounts requested through the transactional portal, allowing our customers to report their departure from the country and request statements and certificates via WhatsApp; we transferred 6 processes to proactively manage and improve customer experience, thus solving 95% of customer inquiries in the first contact to the customer service line.

- We became the first bank in Colombia with the Touch Card system; we have issued 3.054 credit cards with this system. In 2023, we closed with 176 offices nationwide equipped with touch debit cards.

- With our credit cards we continue innovating to offer a wider range to our customers thus allowing for a comprehensive portfolio.

- We ended the year with 26.093 UNICEF co-branded cards, with which we made a donation to the WASH program of COP 558MM, resulting in 26 communities certified as having WCs in Manauare.

- We managed to migrate 100% of the portfolio to recycled PVC, including the Touch Card sample. We included a page on the website to let our customers know that our cards are made with recycled PVC material, and we also added Welcome Kits made of environmentally friendly materials.

Risk Rating

Domestically: At the close of the current fiscal year, Banco de Occidente maintains its triple-A rating for the twenty-sixth consecutive year, the highest credit quality for long-term debt, and BRC1+, the highest certainty of payment for short-term debt granted by BRC Standard & Poor's. Likewise, it holds the highest national rating for long-term debt AAA (Col) with a Stable outlook and F1+ (Col) for short-term debt provided by Fitch Ratings.

Internationally: According to the updated made by Fitch Ratings, Banco de Occidente retains its Long-Term rating at BB+ and Short-Term rating at B, based on the quality of our assets, business model, maintaining modest profitability and capital metrics.

03. Sustainability Practices

3.1 Our Sustainability Strategy

At Banco de Occidente, we have the firm purpose to contribute to people's development, business growth, and the positive transformation of the country, anchoring our operations in sustainability principles offering innovative financial solutions that support the well-being of our customers and the health of the planet.

We are committed to support inclusive economic growth and work to ensure that our services contribute to sustainable development, extended prosperity, and resource conservation to secure a positive legacy for future generations.

With this vision, we apply principles of responsible business conduct to integrate and address environmental and social issues within our commercial activities, even throughout our entire supply chain.

Our sustainability strategy is based on the principles of the Global Covenant and the Sustainable Development Goals (SDGs) - initiatives of the United Nations – as well as on the adoption of good practices from the Green Protocol of Asobancaria, the Principles of Ecuador, and the Principles for Responsible Investment (PRI).

During 2023, we updated our sustainable vision where we defined clear, measurable, and articulated objectives for our organizational purpose to apply environmental, social, and governance (ESG) criteria with these commitments:

A. We mitigate climate change and we intend to preserve resources: We implement initiatives aimed at decarbonizing the economy and efficiently managing our resources to make the country's transformation a reality.

S. We promote the development of our people and society: We generate capabilities, opportunities, and well-being to make the development of individuals a reality.

G. We drive sustainable business growth: We promote responsible, transparent, and cutting-edge practices to make business growth a reality.



Sustainability Policy our policy

We established general principles to be followed to align and develop initiatives that respond to the commitments of a sustainable strategy, oriented towards managing economic, social, environmental and corporate governance business issues. For us it is fundamental to consolidate and articulate sustainability with the Bank and its subsidiaries' purpose and business model. With this policy, we aim to strengthen processes for improving business operations, organizational reputation, and positioning the organization and its subsidiaries as a benchmark in the Colombian financial sector.

Sustainability Governance

GRI 2-23, 2-24

Our sustainability strategy is grounded in Banco de Occidente's sustainability policy, which we have described in this section and was developed by the Sustainability Directorate of Human Talent and Administration Vice Presidency with a scope that includes our Bank's subsidiaries.

Thus, we have governance bodies that range from top management to different organizational levels, each with roles that correspond to their responsibility in approving and supervising strategic and management guidelines within the sustainability framework.

The Sustainability Steering Committee is responsible for defining the guidelines of sustainability strategies, contributing to their implementation through the approval, monitoring, and control of commitments and established initiatives; therefore, embedding a culture and vision of sustainability in our organization's decisions and activities.

This Committee, in turn, involves all areas responsible for developing and implementing initiatives and action plans aligned with the sustainability strategy by providing elements for timely management of such initiatives with the associated indicators.

The sustainability management directs and advises the execution and implementation of relevant actions for stakeholders linked to sustainability.

Materiality for the Creation of Business Value

GRI 3-1

DJSI 1,3,1

During 2023, we conducted a double materiality analysis with an external consultant, which is established as a strategic tool that allowed us to identify and evaluate issues that have a direct influence on the creation of economic, social, and environmental value. This analysis was first reviewed and approved by the Sustainability Committee and the Bank's Board of Directors.

- The main purpose of this methodology lies in its ability to comprehensively address impacts on the environment and the expectations of various stakeholders. It also manages risks and impacts related to environmental, social, and corporate governance (ESG) aspects that could have financial implications affecting business continuity.

This exercise was based on the scientific method, the international standard ISO 31000, EFRAG methodology²⁶, UNEP-FI, SASB²⁷, TCFD²⁸, and GRI²⁹ version 2021, while also meeting the requirements of the Financial Superintendence of Colombia through Circulars 031/2021 and 012/2022.

Steps for Determining Double Materiality:

GRI 3-1

DJSI 1.3.2- 1.3.3

According to the EFRAG guidelines, "Double materiality is the combination of financial materiality and impact materiality." Therefore, material impact issues and materially financial issues constitute double materiality; where both issues converge the most strategically relevant matters are represented.

The stages that were carried out for determining double materiality were:

1. Impact Materiality

1.1- Definition of initial ESG issues: documentary review of 53 references from the main trends for the financial sector, including international and sectoral frameworks,

²⁶ European Financial Reporting Advisory Group

²⁷ The Sustainability Accounting Standards Board (SASB)

²⁸ The Financial Stability Board (FSB) created the Task Force on Climate-related Financial Disclosures (TCFD).

²⁹ Global Reporting Initiative

risk rating agencies, benchmark companies, sectoral audiences, and global sustainability trends.

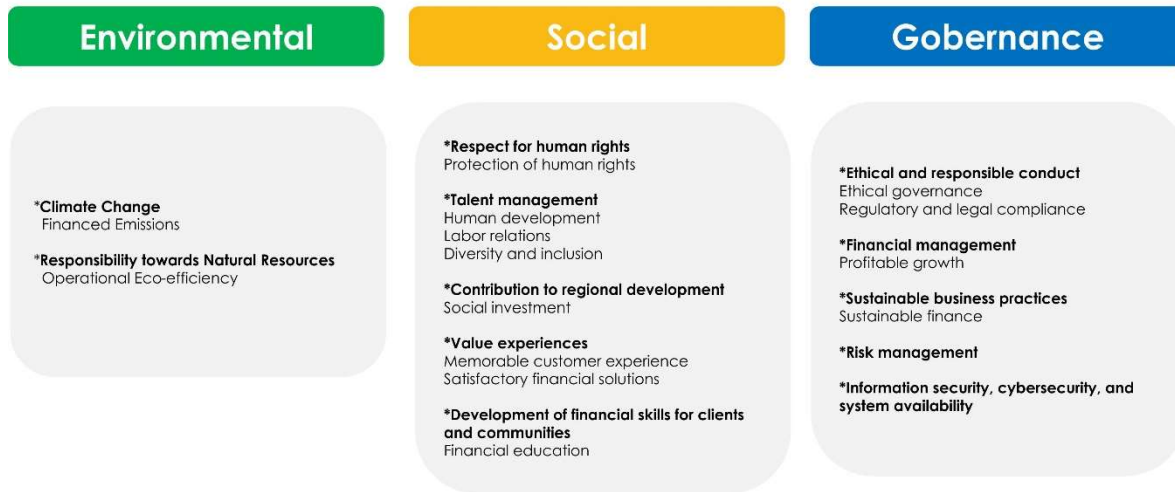
1.2- Development of impact materiality: we identified and evaluated issues related to the Bank's activities and operations through a diagnosis that allowed us to understand the effects and consequences of the entity's actions on the environment.

This involved analyzing how our operations affect natural resources, climate change, human rights, employees, the economy, and other social and environmental aspects. Furthermore, we considered feedback from various stakeholders to understand their expectations and concerns regarding the organization. The stakeholders consulted were:

- Shareholders (Grupo Aval)
- Customers
- Senior management
- Board of Directors
- Employees
- Communities
- Associations
- Strategic partnerships
- Opinion leaders
- Suppliers

1.3- Results of impact materiality: We obtained the impact materiality by averaging the level of impact of each issue as assessed by stakeholders and the expert team through the diagnosis. In this regard, herein below we present the resulting topics:

Materiality of Impact



In addition to this exercise, we identified an emerging issue: "Preservation of Biodiversity and Ecosystems." The World Economic Forum (WEF) in its 2023 Global Risks Report recognizes the importance of preserving biodiversity for human well-being and economic growth. It identified biodiversity loss as the fourth most important risk. Therefore, we wanted to make an initial reporting approach that will be visible in the environmental front. In the short term, the trend is to align the portfolio with global biodiversity goals.

II. Financial Materiality

2.1. Financial Materiality Assessment

Financial materiality, also known as risk materiality in the context of environmental, social, and governance (ESG) aspects, aims to identify and evaluate issues that may have a significant impact on the financial condition, operational performance, and compliance with the organization's corporate strategy.

To carry out this assessment, we identified relevant ESG issues for the sector, analyzing potential impacts, risks, and opportunities of each issue concerning the business. Finally, we had the assessment from the expert consulting team, which considered the type of risk, its magnitude, scope, likelihood of occurrence, remediation, and potential impact on the Bank's strategic indicators.

Based on these results, the inherent ESG risks having the greatest impact opportunities for the business and to be addressed were as follows:



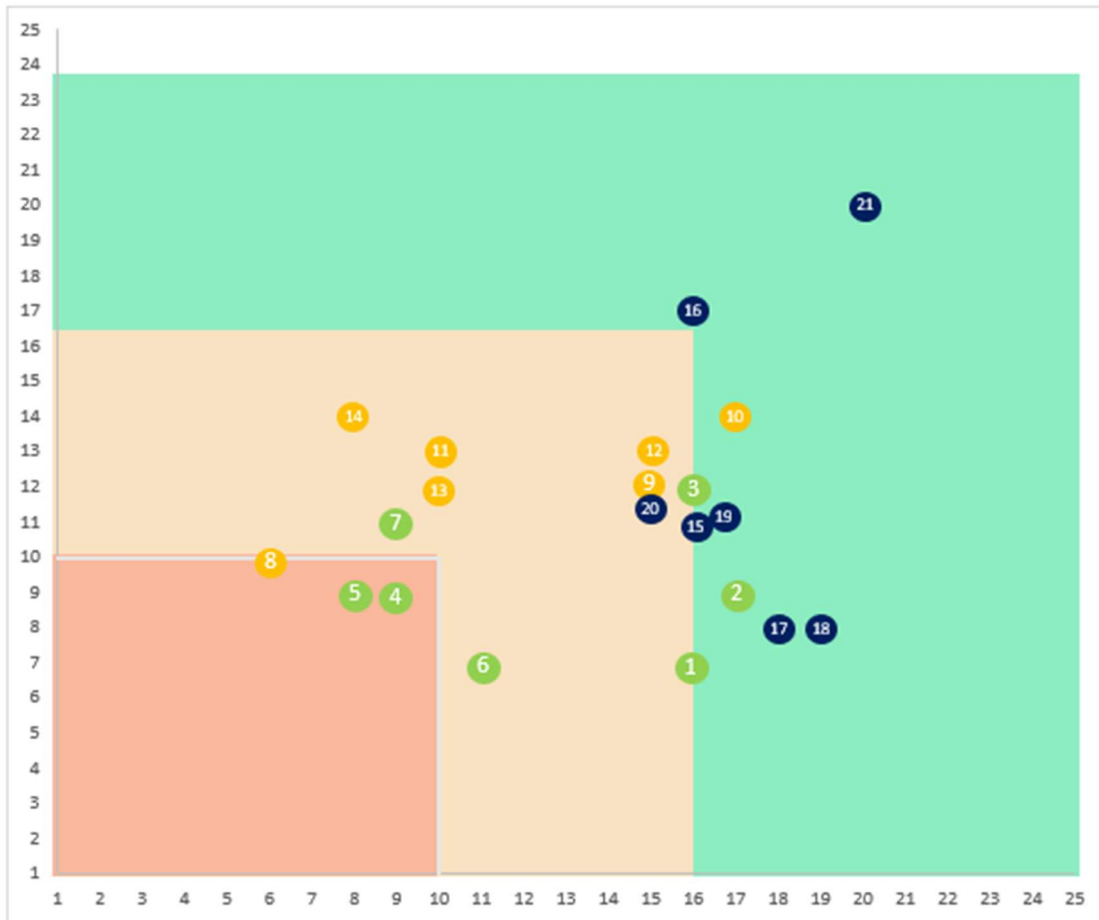
III. Determination of Double Materiality

GRI 3-2

DJSI 1.3.4, 1.3.5

With the aforesaid results obtained from steps I and II, we constructed the double materiality matrix where, on the horizontal axis (x-axis), the issues that pose financial risks to the business are represented, and on the vertical axis (y-axis), the issues that generate impact on the environment and the stakeholders are represented. The importance of such impacts stems from the criticality and probability of occurrence, previously evaluated in the context of financial materiality and impact materiality.

Matrix



| No. | Dimension | Issue |
|-----|---------------|--|
| 1 | Environmental | Financed Emissions |
| 2 | Environmental | Climate Risk Management |
| 3 | Environmental | Direct Emissions |
| 4 | Environmental | Biodiversity and Ecosystems Protection |
| 5 | Environmental | Wastes and Materials Management |
| 6 | Environmental | Energy Efficiency |
| 7 | Environmental | Operative Ecoefficiency |
| 8 | Social | Social Investment |
| 9 | Social | Human Rights Respect |
| 10 | Social | Clients Memorable Experience |
| 11 | Social | Human Development |

| | | |
|----|------------|--|
| 12 | Social | Labor Relations |
| 13 | Social | Diversidad e inclusión |
| 14 | Social | Educación financiera |
| 15 | Government | Gobernanza ética |
| 16 | Government | Cumplimiento normativo |
| 17 | Government | Tecnología y transformación digital |
| 18 | Government | Seguridad de la información, ciberseguridad y disponibilidad del sistema |
| 19 | Government | Crecimiento rentable |
| 20 | Government | Finanzas sostenibles |
| 21 | Government | Gestión de riesgos |

Our Stakeholders

GRI 2-29

In our operations and actions, we interact with a variety of individuals and stakeholders, seeking to continuously create value for them by identifying the impacts we generate or could generate and we manage such impacts effectively.

In order to maintain a relevant and coherent relationship with our stakeholders, we have defined commitments based on their needs, expectations, and our impact:

Human Team

- Permanently enriching labor practices and benefits, innovating processes, investing in human talent development, efficient communication, and managing joint initiatives with high impact on sustainability.
- Implementing end-to-end processes and practices relevant to Banco de Occidente and its subsidiaries, strengthening people development, operational efficiency, and business improvement in the value chain. This is done within the framework of effective communication, continuous and shared innovation, close corporate governance, investment in human well-being, and joint management of sustainability.

Board of Directors

- Providing transparent and comprehensive information for strategic decision-making that includes sustainability criteria contributing to attainment of the Bank's objectives.
- Monitoring the Bank's sustainable management, taking into account good corporate governance and risk management practices that ensure business profitability.

Clients

- Prioritizing customer well-being and experience in implementing the business strategy through close and effective communication, secure platforms and channels, value-adding innovations, responsible and efficient advice, and high-impact environment sustainability initiatives.

Society and Environment

- Prioritizing social and environmental aspects for investments and programs with benefits for the environment and society.
- Strengthening the Planeta Azul Award to enhance our impact by supporting projects related to environmental protection and promoting Banco de Occidente as a leading organization committed to protecting and preserving natural resources.
- Contributing to the development of the sustainable banking image in Colombia through implementation of innovative individual and joint initiatives, focusing on social, environmental, and economic impact in our environment.

Opinion Leaders

- Promoting a systematic relationship around the Bank's positive impacts on the environment and different stakeholders, and sharing initiatives that promote sustainability in the financial sector.

Shareholders and Investors

- Consolidating alliances around green products and sustainable businesses that contribute to improving the environment in line with market requirements and investor benefits.
- Providing transparent and reliable information to our shareholders, focusing on fulfilling our purpose, strategy, and decision-making by linking ESG criteria to generate value in the business.

Suppliers

- Developing sustainable practices throughout the value chain of our business model, framed within a relationship of trust, this being positive for our clients and society.

Partnerships

- Articulating efforts for the development of joint products and initiatives with social, environmental, and economic impact to address market and environmental challenges.
- Promoting best practices in the sector that contribute to sustainable banking and overall environmental development. Additionally, proposing spaces for collaborative innovation among different actors in the financial sector and executing sustainability initiatives related to social, environmental, and economic impact.

Government and Regulatory Entities

- Providing clear and timely responses to requests from entities and complying with current legal regulations to contribute to the country's sustainable banking development.

To establish solid trust relationships, we have several communication channels that allow us to maintain constant interaction. These include:

Emails
Phone calls
Internal committees
Reports
Trainings
Newsletters
Commercial advisors
Offices

| |
|--|
| Mass advertising Social media |
|--|

During 2023 we carried out material actions to engage our stakeholders establishing dialogues and consultations for updating our materiality.

In addition, we developed various sustainability communication initiatives for each group, namely:

| | |
|--------------|---|
| Customers | <ul style="list-style-type: none"> • We sent sustainability newsletters via email. • We shared perception surveys for the development of double materiality. • We launched the 30-year Planeta Azul campaign (Eucoles, Lightbox at the airport, social media, radio, Show Heroes, Bulletins like Alcorriente Empresarial y Persona Natural, Freepress). • We conducted "Maximize your savings with sustainable investing" forums (Mailing, social media). • We created content with posts on the social media pages of the Planeta Azul community. • We generated content with posts on the Bank's social media (Coyunturas, Special days). |
| Staff | <ul style="list-style-type: none"> • We raised awareness among all Vice Presidencies regarding the Bank's "Deployment of the Strategy" sustainability. • We shared nationwide information regarding activities, initiatives, and ASG achievements through the "Del Lado de Los Que Hacen" mailbox, highlighting our children's drawing contest, Environmental Tips, Environmental Education, etc. • We launched the "Inspiring Women" and "Pride Connections" campaigns, accompanied by national training spaces. • Through our mailboxes: "Del Lado de los que hacen," "Nuestro Banco," and "Con Nuestra Gente Vamos más allá," we sent out several communications related to sustainability topics, initiatives that mobilize management from different areas, among other. • We distributed perception surveys for the development of double materiality. |
| Partnerships | <ul style="list-style-type: none"> • We produced the EcoBook edition 39 - Editor IM Editores and printer Panamericana. |

| | |
|----------------------------|--|
| | <ul style="list-style-type: none"> • We conducted forums with the partner - Caribbean Cargo Agency (CCA) - a Banco de Occidente allied company that provides advice on effective certification of tax incentive programs, with special emphasis on sustainable nature projects. • We established an alliance with the advertising agency Eiso: We advertised on the social media pages of the Planeta Azul community. |
| Society and environment | <ul style="list-style-type: none"> • Posts on our social media platforms featuring campaigns and pieces from initiatives focused on both social and environmental aspects. Likewise, in our YouTube platform we share talks, webinars, and forums on general topics of interest for the community. • We share the sustainability newsletter with our bank clients via email, highlighting the most representative sustainability actions carried out. • We expanded the coverage of the sustainable mobility program in collaboration with Try My Ride to other major cities, aiming at reducing our employees' mobility impact on the environment. • We collaborated with the Ministry of the Environment to reach a larger number of the population with our ecological book that shows Colombia's biodiversity cases. • We shared a perception survey for the development of double materiality. |
| Suppliers | <ul style="list-style-type: none"> • We conducted sustainability surveys with suppliers to assess the maturity of their sustainable practices, measure their standards, and their impact on the Bank. This practice also encourages the sustainable development of suppliers. • We have a survey module on a digital platform called iSupplier. In addition, we have unnamed mailboxes available to request clarifications if needed. • We shared a perception survey for the development of double materiality. |
| Government and Regulations | <ul style="list-style-type: none"> • We participated in discussion forums related to the implementation process of Circulars 012 and 031 by the SFC and contributed to discussion forums. • We participated in Asobancaria's industry report. |

| | |
|-----------------|---|
| | <ul style="list-style-type: none"> • We shared a perception survey for the development of double materiality. |
| Opinion Leaders | <ul style="list-style-type: none"> • Freepress GPTW Certification, 30 years Planeta Azul <p>We shared a perception survey for the development of double materiality.</p> |

Social Development Partnerships

GRI 2-28 415-1

DJSI 1.6.1

It is only possible to reach sustainable development should different actors, either natural persons, groups or organizations establish partnerships, gather around the same objectives, establishing bridges. Partnerships are crucial for networks that articulate social development entities.

Banco de Occidente belongs to different national and international associations and initiatives to contribute to social development. These include:

- Asobancaria
- ANIF
- Center for Sustainable Finance - Universidad de los Andes
- Association for the Promotion of the Arts PROARTES
- Global Compact Red Colombia
- UNEP-FI (Principles for Responsible Banking)

Banco de Occidente only contributes monetarily to business associations, guilds, and groups that are tax-exempt. It is our organization's policy not to participate in political campaigns, referendum campaigns, or electoral measures, or to hire lobbying organizations. Below you may find our investment in 2023:

| Type of contribution | 2023 | 2022 | 2021 | Variation 2022-2023 |
|----------------------|------|------|------|------------------------|
|----------------------|------|------|------|------------------------|

| | | | | |
|---|--------------|--------------|--------------|----|
| Lobbying | 0 | 0 | 0 | 0 |
| Local, regional or national political campaigns | 0 | 0 | 0 | 0 |
| Commercial Associations, Guilds or tax-exempt groups | COP1.111.626 | COP1.064.014 | COP1.007.786 | 4% |
| Other expenses (i.e.) Disbursements related to referendums or electoral measures) | 0 | 0 | 0 | 0 |

Source: Banco de Occidente

Awards



We obtained the Friendly Biz recertification, an internationally recognized seal in 15 countries that endorses organizations as discrimination-free spaces.

We ranked first in the Great Place to Work 2023 among companies within the category of more than 1500 employees in the country.



Best Customer
3rd place



Top 10
Best reputation



5th
Valuable brand



3^o Reputación
Colombia

BRC Ratings

A Company of S&P Global

FitchRatings

3.2 Ethical Governance

Content

- Our Corporate Governance
- Ethical Governance

Stakeholder Groups: Shareholders and Investors, Customers, Board of Directors, Human Talent, Allies, Society and Environment, Suppliers, Government and Regulations, and Opinion Leaders.



Our Corporate Governance

GRI 3.3

The corporate governance of Banco de Occidente is in line with the main national and international trends with the purpose of guaranteeing the rights of shareholders and investors. At Banco de Occidente, we have principles and good practices that support corporate decision-making with ethical criteria and transparency, and timely and accurate delivery of information to the market.

In accordance with the Best Corporate Practices Code -Country Code, the Good Governance Code, and the Board of Directors' Regulations, below you will find the activities carried out in 2023 with its impacts:

Governance Structure

General Shareholders' Meeting

GRI 2-9

The shareholding structure of Banco de Occidente is represented by the following entities, and detailed information may be found on our website³⁰ and at the Financial Superintendence of Colombia (publicly accessible):

| Tax ID Number | Company Name | Number of Common Shares | Shareholding % |
|---------------|------------------------------------|-------------------------|----------------|
| 800.216.181-5 | Grupo Aval Acciones y Valores S.A. | 112.671.465 | 72,27% |
| 900.257.179-8 | Inversiones Escorial | 9.572.503 | 6,14% |

Source: Banco de Occidente

Banco de Occidente held the Shareholders' Meeting on March 28, 2023, with all shareholders present at the Bank's registered office in Cali, Colombia.

The Assembly was conducted within the regulatory provisions, the Bylaws, the General Shareholders' Assembly regulations, and all other effective provisions of the Bank. The meeting was held with the necessary information provided to shareholders for decision-making, which was made available at the Financial and Strategy Vice Presidency of the Bank as well as on the website, prior to the meeting.

The Assembly was attended by shareholders representing 148,745,581 shares out of the 155,899,719 subscribed and paid-in shares, meaning 95.41% of the outstanding shares.

Measures taken during the fiscal year to promote shareholder participation included direct communication by the Chairman and Secretary of the Assembly.

Shareholders submitted requests for consideration regarding changes in administrative and labor structure, including possible amendments to the pension

³⁰ <https://www.bancodeoccidente.com.co/wps/portal/banco-de-occidente/bancodeoccidente/quienes-somos/informacion-para-accionistas/participacion-accionaria>

and severance-pay funds in the light of the potential reforms proposed by the national government. Topics related to changes in CDT rates and credit card interest rates concerning sector trends, effects on the Bank due to the downfall of smaller banks in the USA, and aspects of the bank's leverage for its operations were also discussed.

The Assembly had a precise agenda in accordance with current legislation. Among the main agreements reached were the approval of financial statements, the election of Board of Directors members and their remuneration, the election of the principal and alternate statutory auditor, main and alternate financial consumer advocate, approval of the motion for the distribution of profits, among other.

Regarding the 2023 audit, KPMG S.A.S was appointed, and the Assembly approved fees totaling COP 3,282 MMX.

Finally, during 2023, we received shareholder requests regarding dividend payments, share transfers, requests for tax certificates, among others, all of which were addressed in full.

Board of Directors

GRI 2-9

DJSI: 1.2.1- 1.2.2 – 1.2.7

Our Board of Directors is comprised of five primary members and five alternates. The deliberative quorum is formed by the presence of the majority of its directors as established in the Bank's Bylaws.

Below, we describe its composition, broken down between primary directors, alternates, and the date of their initial appointment:

| | Principal members | Year of appointment | Type |
|---|--------------------------------|---------------------|-----------------------------------|
| 1 | José Carlos Santander Palacios | 2019 | Patrimonial Bank's Representative |

| | | | |
|---|--------------------------|------|-------------|
| 2 | Ricardo Villaveces Pardo | 1991 | Independent |
| 3 | Iván Felipe Mejía Cabal | 1996 | Independent |
| 4 | Felipe Ayerbe Muñoz | 1993 | Independent |
| 5 | Liliana Bonilla Otoya | 1999 | Independent |

| Alternate Members | | Year of appointment | Type |
|-------------------|----------------------------|---------------------|-----------------------------------|
| 1 | Mauricio Gutiérrez Vergara | 2008 | Patrimonial Bank's Representative |
| 2 | Adolfo Varela González | 2012 | Independent |
| 3 | Eduardo Herrera Botta | 2015 | Independent |
| 4 | Gilberto Saa Navia | 1999 | Independent |
| 5 | Mauricio Iragorri Rizo | 2014 | Independent |

Source: Banco de Occidente

Process to Appoint the Board of Directors Members

GRI 2-10 DJSI 1.2.1- 1.2.3.

The appointment of the members was carried out in accordance with the Bylaws during the General Shareholders' Meeting by way of the electoral quotient system.

For the statutory period 2023-2024, our Board of Directors was reelected by the General Shareholders' Assembly, approving the slate submitted by Grupo Aval Acciones y Valores S.A.

There were no changes in the composition of our Board of Directors during year 2023.

The independence criteria are aligned with Colombian regulations described in Law 964/2005.

Main Board of Directors Members

José Carlos
Santander

Economist from the University
de America.

Principal member of the
Board of Directors of Banco
de Occidente since March
2019. Previously served on the
boards of Fiduciaria de
Occidente, Corficolombiana,
Leasing de Occidente,
among other.

Attendance at sessions: 96%

Iván Felipe
Mejía Cabal

He has been a
member of the
Board of Directors of
Banco de
Occidente since
1996, and also
serves on the boards
of Ingenio
Providencia, Palmira
Chamber of
Commerce, and
Industrias de
Envases.

Attendance at
sessions: 81%

Felipe Ayerbe Muñoz

Attorney-at-law from
Universidad de los Andes with
specializations in Commercial
Law from Universidad
Nacional de Colombia and
Comparative Law from New
York University. He has been a
member of the Board of
Directors of Banco de
Occidente since 1993, and
also serves on the boards of
Plásticos Flexibles, Productos
Coldecom, and Almacenes
Éxito. Attendance to sessions:
96%

Liliana Bonilla Otoyá

Architect from Universidad de
los Andes with a master's
degree in Urban Design and
Planning from Oxford
Polytechnic in Great Britain.
She has been a member of
the Board of Directors of
Banco de Occidente since
1999.

Attendance at sessions: 100%

Ricardo Villaveces Pardo

Industrial Engineer from
Universidad de los Andes.
Since 1991, he has been a
member of the Board of
Directors of Banco de
Occidente and he also
serves on the boards of
Global Seguros de Vida S.A.,
Fiduciaria Renta 4-Global S.A.,
Identidad Digital S.A.S,
Fedesarrollo, and Colfuturo.

Attendance at sessions: 100%

Alternate Board of Directors Members

Mauricio Gutiérrez
Vergara

Medical Doctor from Universidad Javeriana de Bogotá with specializations in Arthroscopic Surgery from New York University, Orthopedics and Traumatology from Universidad Javeriana, and personalized studies in coaching, investment banking, and business management. He is a member of the Financial Committee, Credit Committee, and has been a member of the Board of Directors of Banco de Occidente since 2008. Currently, he is the director of the postgraduate program in sports traumatology at Centro Médico Imbanaco and is a member of the boards of the Colombian Society of Orthopedics and Traumatology Scott, the Latin American Society of Knee Arthroscopy, the Latin American Society of Arthroscopy, Knee, and Sport, and is a member of the Financial Committee of Centro Médico Imbanaco and Promédico.
Attendance at sessions: 92%

Adolfo Varela
González

Industrial Engineer from Georgia Institute of Technology - USA, with a master's degree in Industrial Management from Universidad del Valle. He is a member of the Board of Directors of Constructora Meléndez and has been a member of the Board of Directors of Banco de Occidente since 2012.

Attendance at sessions: 73%

Eduardo Herrera Botta

Industrial Engineer from Pontificia Universidad Javeriana in Bogotá with a master's degree in Administration and Finance and a specialization in Marketing from EAFIT - Medellín. Currently, he is a member of the boards of directors of Grupo Fanalca, Alianza Fiduciaria, Imecauca, Zona Franca Palmaseca, Ciudad Limpia, RF Comunicaciones, and ANDI. He has been a member of the Board of Directors of Banco de Occidente since December 10, 2015, and currently serves as the President of SUPERTEX S.A.

Attendance at sessions: 88%

Gilberto Saa Navia

Mauricio Irigorri Rizo

Civil Engineer from Universidad del Cauca with a master's degree from Universidad Autónoma de México. Member of the Board of Directors of Banco de Occidente since 1999.

Attendance at sessions: 73%

Industrial Engineer from University of Georgia, CEO's Management Program from Kellogg School of Management. He has worked as a factory engineer, cost manager, operations deputy manager, commercial manager, and currently serves as general manager of Mayaguez S.A. He is a member of the Board of Directors of Banco de Occidente as an alternate member since June 18, 2014.

Attendance at sessions: 81%

Members of the Board of Directors of the parent company who are integrated into the Boards of Directors of subsidiary companies or who hold executive positions in such subsidiaries (in the event of Conglomerates).

GRI: 2-11

DJSI: 1.2.3

In the table below, we list the administrators of the Bank who are part of the Board of Directors of the parent company and the subsidiaries of Banco de Occidente.

| Name | Position held in the Bank | Entities where he holds the position of Director. |
|----------------------|---------------------------|--|
| Gerardo Silva Castro | President | • Principal member of Corporación Financiera Colombiana S.A. |

| | | |
|-----------------------------|--|---|
| Douglas Berrío Zapata | Legal Vice President | <ul style="list-style-type: none"> • Principal member of Fiduciaria de Occidente S.A. • Director at Occidental Bank Barbados Ltd. • Director at Banco de Occidente (Panamá) S.A. • Alternate member of Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir S.A. |
| Mauricio Maldonado Umaña | Finance and Strategy Vice President | <ul style="list-style-type: none"> • Principal member of Fiduciaria de Occidente S.A. • Director at Occidental Bank Barbados Ltd. • Director at Banco de Occidente (Panamá) S.A. • Principal member of Ventas y Servicios S.A. |
| Iván Mauricio Ricardo Arias | Enterprises Vice President | <ul style="list-style-type: none"> • Principal member of Fiduciaria de Occidente S.A. |
| Johnny Leyton Fernández | Risk and Collection Vice President | <ul style="list-style-type: none"> • Principal member of Fiduciaria de Occidente S.A. |
| Pedro Luis Villegas | Operations and Technology Vice President | <ul style="list-style-type: none"> • Alternate member of Fiduciaria de Occidente S.A. • Principal member of Ventas y Servicios S.A. |
| Juan José Lalinde Suárez | Government Banking Vice President | <ul style="list-style-type: none"> • Alternate member of Fiduciaria de Occidente S.A. |
| Eduardo Alfonso Correa | Human Talent and Administration Vice President | <ul style="list-style-type: none"> • Principal member of Ventas y Servicios S.A. |
| Julián Sinisterra Reyes | Retail Banking Commercial Vice President | <ul style="list-style-type: none"> • Alternate member of Ventas y Servicios S.A. • Alternate member of Fiduciaria de Occidente • Principal member of Banco de Occidente (Panamá) S.A. |
| Alejandro Monroy Cardeñosa | Retail Banking Legal Affairs Manager | <ul style="list-style-type: none"> • Alternate member of Ventas y Servicios S.A. |

| | | |
|-----------------------|-----|--|
| José Carlos Santander | N/A | <ul style="list-style-type: none"> Principal member of the Board of Directors of Banco de Occidente Director at Banco de Occidente (Panamá) S.A. |
|-----------------------|-----|--|

On the other hand, the members of the Board of Directors of Grupo Aval Acciones y Valores S.A. do not sit on the Boards of Directors of Banco de Occidente's subsidiaries nor do they hold executive positions in any of them.

Operation of the Board of Directors

GRI 2-12

Our Board of Directors meets twice a month. During the reporting period, policies, guidelines, and matters related to corporate, economic, and environmental impact issues of the Bank's operations affecting our stakeholders were approved, as contained in the agenda.

Within the decisions made in 2023 we highlight the following:

- Approval of the Avancemos Strategic Plan
- Board of Directors assessment with the consultancy of Governance Consultants
- Program for early customer service for clients affected by the economic situation
- Inclusion in the Comprehensive Risk Committee of the positive and negative impact reviews resulting from social and environmental issues
- Adjustment of consumer and housing loan policies
- Adjustment of commercial loan policies
- Climate Governance at Banco de Occidente
- Amendments to controls associated with transactional monitoring and contents appearing in the MAN-APY-192 Compliance Division Procedures Manual.

The Board of Directors must abide by its own regulations, available at the following link: <https://www.bancodeoccidente.com.co/banco-de-occidente/documentos/PDF/01-quienes-somos/informacion-para-accionistas/gobierno-corporativo/reglamento-junta-directiva-2024.pdf>

Our Board of Directors met 27 times during 2023 as follows:

| Year 2023 | Ordinary sessions | Extraordinary sessions |
|-------------------|-------------------|------------------------|
| Ordinary Meetings | 24 | 3 |

Source: Banco de Occidente

The Board of Directors validly deliberates with the presence and votes of the majority of its members. Throughout 2023 to the date of this report, it held all its sessions with the necessary quorum to deliberate and validly decide.

Management of the Board of Directors' Information

GRI 2-16

With the support of the Board Secretary's team, directors receive the necessary information and documentation for the session's development preferably five (5) days in advance.

The information is received through the Teams platform or via email.

Board Committees

GRI 2-12

At the Bank, we have three committees that provide support to the Board of Directors:

- i) Audit Committee
- ii) Nomination and Compensation Committee and Corporate Governance
- iii) Comprehensive Risk Committee.

As of December 31, 2023, the Audit Committee had held eight regular sessions and one extraordinary session. Meanwhile, the Nomination and Compensation Committee and Corporate Governance held two sessions. Similarly, the Comprehensive Risk Committee, as of December 31, 2023, had met in four regular sessions.

Board of Directors Remuneration Policy

GRI 2-19

As part of Grupo Aval Acciones y Valores S.A. and Banco de Occidente's efforts to adopt best corporate practices, we have defined the Board of Directors' nomination and remuneration policy. This policy was designed by Grupo Aval Acciones y Valores S.A. and adopted at Banco de Occidente according to our needs. The policy was approved at the general shareholders' meeting held on March 26, 2020.

The three Chapters that comprise this policy are:

1. Criteria applicable to the composition of the Bank's Board of Directors: These include professional background, competencies, knowledge, and relevant experience in the financial sector, recognition, reputation, and leadership, among others.
2. Procedure for the submission and evaluation of proposals and candidates.
3. Remuneration of the Board of Directors.

For further information and consultation, the full text of the Board of Directors appointment and remuneration policy is available on the bank's website: <https://www.bancodeoccidente.com.co/wps/wcm/connect/banco-de-occidente/b5d975dc-08c2-4db5-8f43-0ecab27d98a9/politica-nombramiento-remuneracion-junta-directiva.pdf?MOD=AJPERES&CVID=nqgd-g3>

Board of Directors Remuneration

GRI 2-20

Based on a market analysis conducted by the Nomination and Remuneration Committee and Corporate Governance, we recommended to the General Shareholders' Assembly the establishment of fees for the Board of Directors members for the statutory period 2023-2024, at a value of two million one hundred eighty-seven thousand Colombian pesos (COP2,187,000.00) per Board meeting and for attendance to its dependent committees. This recommendation was approved by the General Shareholders' Assembly in a session held on March 28, 2023.

As of December 31, 2023, the Board of Directors members received remuneration for their attendance at Board meetings and the committees they are part of, amounting to five hundred seventy-five million five hundred thirty-two thousand two Colombian pesos (COP575,532,002).

Senior Management

GRI 2-13

Senior Management is responsible for the administration of our Bank; it drives and implements the corporate strategy and sustainability practices that yield value for the Bank and our stakeholders; furthermore, it is accountable to the Board of Directors and, jointly with it, to the General Shareholders' Assembly for the progress and results achieved. Among the main changes that occurred in 2023, our Board of Directors accepted the resignation of César Prado Villegas and appointed Gerardo Silva Castro as the new President of Banco de Occidente. Additionally, Dr. Iván Mauricio Ricardo Arias was appointed as Business Vice President at Banco de Occidente. As a result, as of December 31, 2023, our Vice Presidencies are as follows:

| Vice Presidency | Vice President |
|--|---|
| Financial and Strategy Vice Presidency | <p>Mauricio Maldonado Umaña</p> <p>Industrial Engineer and MBA Experience at the Bank: 4 years. Previous experience at Grupo Aval: 12 years</p> <p>He guides and directs financial policies and procedures that enable the fulfillment of objectives in financial planning, budgeting, financial analysis, pricing, profitability, accounting, and taxes. He also oversees corporate transformation in line with the defined business strategy, through guidance and monitoring of high-value projects aimed at both profit and efficiency capture, advanced analytics, data governance, development of increasingly digital services, and deployment of strategy seeking alignment and ownership by the employees of Our Bank.</p> |

| | |
|---------------------------------------|--|
| <p>Legal Vice Presidency</p> | <p>Douglas Berrío Zapata</p> <p>Attorney-at-Law. Experience at the Bank: 34 years.</p> <p>Responsible for advising, directing, and coordinating legal matters related to Our Bank and its subsidiaries both, nationally and internationally. He contributes to defending their interests before any entity, as well as in the normalization and recovery of the companies' portfolios.</p> |
| <p>Retail Banking Vice Presidency</p> | <p>Julián Alfonso Sinisterra Reyes</p> <p>Business Administrator. Experience at the Bank: 3 years. Previous experience at Grupo Aval: 8 years</p> <p>Responsible for defining strategic plans to develop lasting and profitable relationships with well-off individuals from profitable areas. (Vehicle Dealers and Construction Companies), Such relationships are deepened through a value proposition of service and investment, financing, and insurance products. In addition, he is accountable for customer segmentation, development of value propositions, product profitability measurement, business intelligence, monitoring of customer experience, service development, and monitoring across different physical and electronic channels. He also defines strategies for activation, use, and billing through credit and debit cards, as well as generating profits through commission returns resulting from the placement of</p> |

| | |
|--|---|
| | <p>insurance policies that minimize the Bank's and our clients' risk exposure.</p> |
| Corporate Banking Vice Presidency | <p>Iván Mauricio Ricardo Arias.</p> <p>Economist and International Negotiator, with a Master's degree in Finance.</p> <p>Industry Experience: 20 years.</p> <p>Experience at the Bank: 4 years.</p> <p>Responsible for planning and directing policies and strategies related to the corporate market, focused on the growth of Assets (loans) and Liabilities (Deposits) in the Government, Corporate, and Business segments (SMEs). He manages the sales force through the following segment Vice Presidents.</p> |
| Human Resources and Administrative Vice Presidency | <p>Eduardo Alfonso Correa Corrales.</p> <p>Industrial Engineer. Experience at the Bank: 43 years</p> <p>He is responsible for managing, planning, and directing policies that allow for providing and maintaining a motivated, trained, adaptable workforce focused on the customer within the organization to achieve corporate objectives. He also guides the purchasing processes and ensures the proper provision of work tools for employees, and manages Our Bank's capital assets.</p> |
| Risk and Collection Vice Presidency | <p>Johnny Leyton Fernández</p> <p>Civil Engineer, Finance Specialist. Experience at the Bank: 35 years.</p> |

| | |
|--|--|
| | <p>Responsible for the administration and management of operational, credit, market, and liquidity risks, as well as for balance sheet, anti-money laundering, security, SOX, and mass collection risks.</p> |
| Credit Vice Presidency | <p>Iván Mauricio Cepeda DíazGranados</p> <p>Civil Engineer, MBA. Has been Vice President for 3 years; previous experience at Grupo Aval: 10 years</p> <p>Leads the necessary processes for credit granting, through the analysis of general market information, client financial data, control entities and regulations, aiming for low risk and maximum profitability in commercial and consumer segments. He coordinates evaluation processes, portfolio rating, estimation of expected loss, and determines the corresponding provisions.</p> |
| Vice Presidency of Operations and Technology | <p>Pedro Luis Villegas Ramírez.</p> <p>Electronics Engineer, Telecommunications Specialist, MBA. Has been Vice President for 4 years. He previously served as the Bank's Technology Manager.</p> <p>Responsible for defining operational and technological strategies, developing and maintaining technological solutions, and defining and implementing operational procedures to ensure proper processing of transactions conducted through various service channels. Also designs and implements the service and</p> |

| | |
|--|--|
| | <p>operation model by defining processes oriented towards fulfilling the customer value proposition, along with their respective management indicators to measure customer experience and operation in terms of time, volume, and resources.</p> |
|--|--|

Source: Banco de Occidente

Remuneration of Senior Management

The compensation scheme for our Senior Management consists of a base salary plus an annual bonus paid according to the performance of the Bank in the previous year, which is directly approved by the Presidency of Grupo Aval. Furthermore, Managers who support Senior Management receive an all-inclusive salary, and in the case of the Treasury Management, they receive an additional quarterly variable compensation depending on the results presented.

Conflicts of Interest

GRI 2-15

The Bank has a Conflict-of-Interest Committee (CIC), which during the management phase of a situation that may give rise to a potential conflict of interest, has the authority to determine whether the operation to be carried out is of a recurring nature during typical of ordinary business operations, and within market conditions, or if, on the contrary, the operation does not fall within the aforementioned criteria and should decide whether to approve or reject the operation.

Should as a result of the situation brought to its attention, the CIC determines that the proposed operation represents a conflict of interest and the decision regarding it exceeds its scope of competence, the CIC shall inform the Board of Directors of the respective entity.

Our Board of Directors evaluates the elements that constitute the conflict of interest and in accordance with its legal and statutory powers shall, through a reasoned decision, express: i) its agreement with the operation, ii) whether the entities should abstain from carrying it out, iii) whether it can be carried out subject to the modification of certain conditions, or iv) whether the execution of the operation should be submitted for consideration by their respective General Shareholders'

Assemblies. The criteria regarding which operations can be decided by the Board, and which operations by the Assembly will include certain materiality criteria, among other topics deemed pertinent by each entity.

The policy for the identification, communication, and management of conflicts of interest was approved by the Board of Directors through Minutes No. 1525 dated June 28, 2019. In December 2019, we implemented this policy at Banco de Occidente by publishing Annex (ANX-COL-711), entitled "Annex 1 - Conflict of Interest Policy of the Aval Conglomerate - Banco de Occidente" and we established the Conflict-of-Interest Committee, made up by the following principal members: the Finance Vice President, the Risk Vice President, the Legal Vice President, and by the alternate members: Accounting Manager, Credit Risk Manager and Retail Banking Legal Manager.

As of the implementation of this policy, all potential conflicts of interest during 2023 have been processed through the Conflict-of-Interest Committee.

During the reporting period, there were no situations of conflicts of interest that required being brought before the Board of Directors; all others were managed through the Conflict of-Interest Committee.

Board Evaluation

GRI 3.3- 2-17, 2-18 DJSI:1.2.6

In pursuit of applying best practices of corporate governance and building upon the progress made in previous years with the self-assessment process of the Board of Directors, in 2023 we implemented an evaluation process with the specialized firm *Governance Consultants*, in accordance with international corporate governance standards.

The evaluation methodology was divided into three phases: the first involved interviews with the Board members, analysis of documentary information sent by the Legal Department, and electronic questionnaires sent to the Board members. The second phase consisted of processing the compiled information and conducting analytics and comparability processes to produce reports and recommendations for strengthening the Bank's activities. Finally, the third phase involved the final presentation of results and workshops to build strengthening agreements with the management team, governance committees, and the Board itself.

The results of this evaluation reflected an effective governance structure that fulfills the primary governance responsibilities inherent to a financial institution committed

to contribute to the Bank's development. The 2023 average rating of the Bank's Board of Directors evaluation was of 8.9/10 from the Board of Directors perspective, and of 9.0/10 from Senior Management perspective.

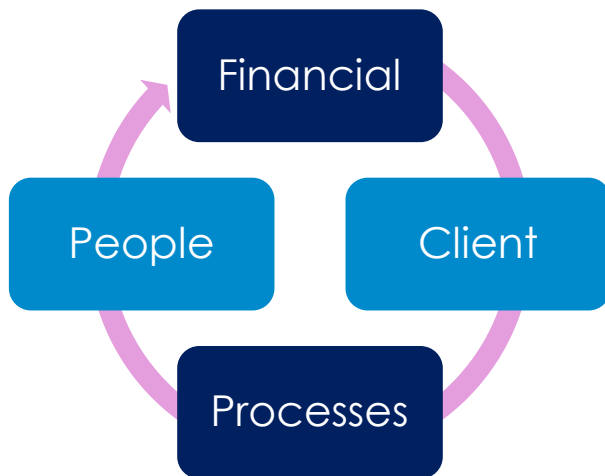
Three key elements stand out with high ratings, indicating an overall good corporate governance system: i) the level of trust of the Board of Directors in management (9.9/10 BoD); ii) the interaction model between these two instances (9.7/10 BoD and 9.6/10 SM); and iii) the Board's influence on the Bank's safe, solid, and compliant operation (9.7/10 BoD and 9.5/10 SM).

At committee level, the Audit Committee's performance is well-perceived and acts as a communication conduit with the conglomerate. The ratings regarding its value contribution are 9.3/10 from the perspective of the Board of Directors and 9.2/10 from the Senior Management perspective. The Comprehensive Risk Committee is a recently established entity and in general terms, it is in process of development. Regarding the Nomination and Remuneration Committee and Corporate Governance both, the Board of Directors, and Senior Management perceive it as an entity with opportunities for improvement, with an average rating regarding value contribution of 8.7/10 given by the Board of Directors and of 7.9/10 given by Senior Management.

Senior Management Evaluation

Senior Management members are assessed through the Balanced Scorecard, which is measured monthly, and its results are shared approximately every three months. The Balanced Scorecard measurement is conducted internally by Financial Planning and Budget Management, controlling figures and specific indicators for each area (which are updated according to the Bank's goals), and were adopted several years ago following external consultancy suggestions.

These metrics are passed down to the organizational leaders under a cascading scheme, aiming for alignment within management and forming part of their annual performance evaluation. The Balanced Scorecard suggests a view of the organization from four perspectives for development of objectives, measurements, and initiatives.



Internal Control System (ICS)

The Internal Control System established in the Bank and its subsidiaries is the result of dynamic and continuous management aimed at improving and enhancing the efficiency of each of its elements: control environment, risk management, control activities, information, communication, and monitoring. This involves the commitment of all employees in the organization, from the base levels of the structure to the Board of Directors. This internal control system is strengthened by the annual training plan that reinforces the Bank's culture and ensures understanding of proper risk management.

The Bank's and its subsidiaries' Internal Audit seeks to ensure that governance, risk management and control processes are carried out within the current regulatory framework; therefore, it executes its function by defining a risk-based audit plan that aligns with international standards of professional auditing practice.

The Bank's and its subsidiaries' Internal Audit is an independent and objective area, under the direct supervision of the Board's Audit Committee, which prepares reports based on transparency and identifies improvement opportunities that contribute to process optimization. Quarterly, it presents the results of the execution plan to the Board's Audit Committee, together with the most relevant aspects resulting from the evaluation of Internal Control and from the reports made through the Ethics Line.

Performance Evaluation of the Internal Control System (ICS)

In compliance with the provisions of Part I, Title I, Chapter IV, numeral 6.1.3.15 of Legal Basic Circular (C.E. 029/2014) of the Financial Superintendence of Colombia, the Internal Control System of Banco de Occidente S.A. and its subsidiaries during

2023 was adequately managed, and the risks were reasonably mitigated. This is based on the comprehensive evaluation of each of the following components: control environment, risk management, control activities, information and communication, monitoring, and independent assessments.

Country Code Survey

We submitted the report on the application of the Bank's best corporate governance practices. The formal structure of the Country Code survey identifies five major corporate governance areas which include thirty-three specific measures on key aspects. Some of these measures determine different recommendations, totaling up to one hundred forty-eight corporate items. The 2023 Country Code survey was implemented in January 2024.

The report prepared in January 2023 concerning 2022 activities adopts 127 measures, 4 of which do not apply to Banco de Occidente. The remaining measures are under analysis in order to determine their implementation feasibility.

The publication of the responses may be found on the Bank's website, at the shareholder and investor information section.

Relations with Investors

Our shareholders are entitled to request timely information as long as they comply with clear confidentiality standards and treat it without discrimination, regardless of their stock ownership, and having the support of a cross-functional team with regard to legal and tax issues, abiding by regulations in force. Such relations are framed within our internal manual "MAN-CAP-066 Acciones Banco de Occidente". For this purpose, shareholders may access the following channels: email, telephone support, and website.

Ethical Governance

Ethical Governance

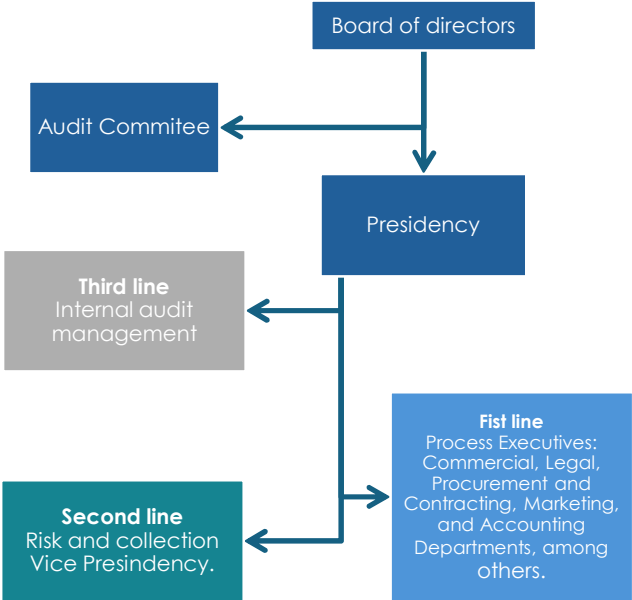
Our Impacts on Management

GRI 3.3, SASB: FN-CB-510a.2.

Corruption can trigger a negative impact on social fabric and hinder economic development. Furthermore, such acts can lead to loss of trust from our stakeholders, depreciation of our investors', clients', and suppliers' equity, and social repercussions including the violation of certain human rights.

In this context, Banco de Occidente and our subsidiaries acknowledge the urgent need to guide our actions under high ethical standards. This commitment not only safeguards the institution's integrity but also contributes to building a fairer society and an equitable economic system by promoting transparent and responsible business practices. This is supported within our Internal and External Fraud Management Policy and is part of our ABAC³¹ program (Antibribery & Anticorruption).

Guidelines on managing this issue are provided by the Grupo Aval Senior Corporate Risk and Compliance Vice Presidency. In our entity, those responsible for implementing, complying with, and monitoring anticorruption management are:



The Board of Directors assumes responsibility for accurately understanding the risks associated with corruption, approving the Internal and External Fraud Policy, and overseeing its implementation. This body receives periodic information on risk assessments in a timely, comprehensive, and understandable manner and provides clear criteria for continuous improvement of this management.

The first line of defense has the primary responsibility to identify, assess, manage, and control risks associated with products, activities, processes, and systems under its venue. It is crucial that this line understands and applies the corresponding policies and processes, in addition to having the necessary resources to effectively carry out

³¹ To learn more details about the elements that make up this program, you can refer to our 2022 Management and Sustainability Report

these tasks. This line primarily consists of business management areas, those in direct contact with stakeholders who may directly or indirectly influence operations, as well as accounting records (commercial, administrative, procurement and financial areas).

In our structure, the second line of defense assigns responsibilities to Risk and Compliance areas. These areas are tasked with continuously monitoring compliance with obligations related to corruption risk. They work closely with process owners (first line), assisting them in identifying key risks and controls for mitigation, which is done annually. In addition, such areas assess the attributes of each control to determine residual risk subject to follow-up. These actions are primarily overseen by the Risk and Collection Vice Presidency, within which, for corruption cases, there is the Bank Security Management, responsible for directing and coordinating investigations for non-compliance with policies, standards, and procedures established in the ABAC management system, and verifying the implementation of disciplinary and corrective actions.

In our approach, the third line of defense plays a crucial role in conducting independent assessments of management, corruption risk controls, as well as our processes and systems. This line is accountable to the Audit Committee through periodic evaluations of the effectiveness in complying with relevant policies and processes.

In addition to having clearly established, formalized procedures and responsible parties informed within our human team, we actively promote an ethical culture where 100% of our employees participate in training and awareness sessions, and where some of our suppliers also participate, encouraging them to get acquainted with our guiding principles and to commit to transparent behavior, fostering zero tolerance regarding corruption.

Ethics and Anti-corruption Management

GRI 205-1, 205-2

Under the corporate ABAC anti-corruption policy, operations that due to their characteristics represent a higher exposure to the materialization of corruption risks are defined as: donations, sponsorships, contributions to social programs under the sustainability model, acceptance and rendering of gifts and invitations, public or political contributions, and mergers or acquisitions.

In order to ensure transparency in such operations, as well as compliance with established policies, the risk area conducted due diligence on 100% of the entity's transactions. Furthermore, on a semi-annual basis, it reported to the Board of Directors the information regarding each transaction.

All suppliers were also evaluated, considering the type of service provided to the Bank. Such suppliers are categorized as TPI (Third-Party Intermediaries) to identify the supplier's risk level and the due diligence to be performed. Specifically, the number of transactions evaluated was:

| Transactions evaluated in Terms of Corruption. | | | |
|--|------|------|------|
| Aspect | 2023 | 2022 | 2021 |
| Total number of transactions assessed for corruption-related risks. | 481 | 247 | 154 |
| Total percentage transactions assessed for corruption-related risks. | 100% | 100% | 100% |

Source: Banco de Occidente

Below we are presenting the main corruption risks identified and the measures we have implemented in this respect:

| Evaluated transaction | Description of Identified Risk ³² | Implemented Measures |
|-----------------------|--|----------------------|
| | Offering, giving, promising, and receiving economic benefits, gifts, grants; offering, and | |

³² It is important to clarify that during 2023 no emerging risks for ABAC were identified. The assessment took place on January 2023 at the Grupo Aval ABAC Corporate Committee.

| | | |
|--|--|---|
| <p>ABAC Special Operations (donations, sponsorships, contributions to social programs under the sustainability model, acceptance and delivery of gifts or invitations, mergers or acquisitions).</p> | <p>promising to pay anything of value to carry out, expedite, delay, or favor commercial and contracting processes with third parties</p> | <p>All departments responsible for the process have been trained on the risks associated with this type of operations and the due diligence that must be performed in each case. Moreover, the Risk Department conducts continuous monitoring to ensure compliance with established policies and procedures.</p> |
| | <p>Offering, promising, and directly or indirectly delivering money, items of value, or in-kind donations with social destination; donations or sponsorships for public or political campaigns with the purpose of obtaining an undue benefit.</p> | |
| <p>Relationship with Third-Party Intermediaries</p> | <p>Establishing a relationship with Third-Party Intermediaries (TPIs) beyond the policies established by the entity through corrupt acts.</p> | <p>As part of suppliers' engaging and updating process, we have established a pre-contracting due diligence, with the purpose of identifying the level of exposure to corruption risks that may accompany the entailment of such third party, including the monitoring that must be conducted while such relationship exists.</p> <p>As part of the contracting process, the third party agrees to comply with anti-corruption standards and commits to our zero-tolerance policy regarding bribery and corruption.</p> |

Source: Banco de Occidente

Parallely to this review, we annually establish an ABAC communications schedule to be worked on throughout the year, ensuring compliance therewith. This program includes the following features:

- Identification of target groups (those related to operations most susceptible to ABAC risk) and their specific training and communication needs.
- Clear and effective communication adapted to specific audiences to address understanding of the ABAC program.
- Adequate frequency and timeliness to reach target groups.
- Communication through the most appropriate channels.
- Alignment of communication with different components of the ABAC program and based on different stakeholders; this means covering the key compliance program topics according to the target groups.

The communication and training actions we carried out during 2023 were:

| Communication Initiatives Related to ABAC Management |
|---|
| We sent short and concise messages that promote internalization of the zero-tolerance principle for bribery and corruption. |
| We conducted awareness actions on ABAC culture. |
| We disseminated our Ethics Line reporting channel to all our stakeholders. |
| We reminded our employees about the ABAC guidelines and policies. Likewise, our suppliers signed our anti-corruption policy commitment statement. |
| We provided training sessions on key aspects of the ABAC program focused on specific groups and tailored to their needs. |

Source: Banco de Occidente

The scope of these initiatives was:

| Communication and Training on Anti-corruption Policies and Processes. | | | | | | |
|--|--------|------------|--------|------------|--------|------------|
| Aspect | 2023 | | 2022 | | 2021 | |
| | Number | Percentage | Number | Percentage | Number | Percentage |
| a. Members of the corporate governance body to whom the organization's anti-corruption policies and procedures have been communicated. | 10 | 100% | 10 | 100% | 10 | 100% |
| b. Employees to whom the organization's anti-corruption policies and procedures have been communicated. | 6.984 | 100% | 7.113 | 100% | 7.151 | 100% |
| c. Business partners to whom the organization's anti-corruption policies and procedures have been communicated. ³³ | 1.779 | 100% | 1.551 | 100% | 1.427 | N/A% |

Source: Banco de Occidente

Ethical line

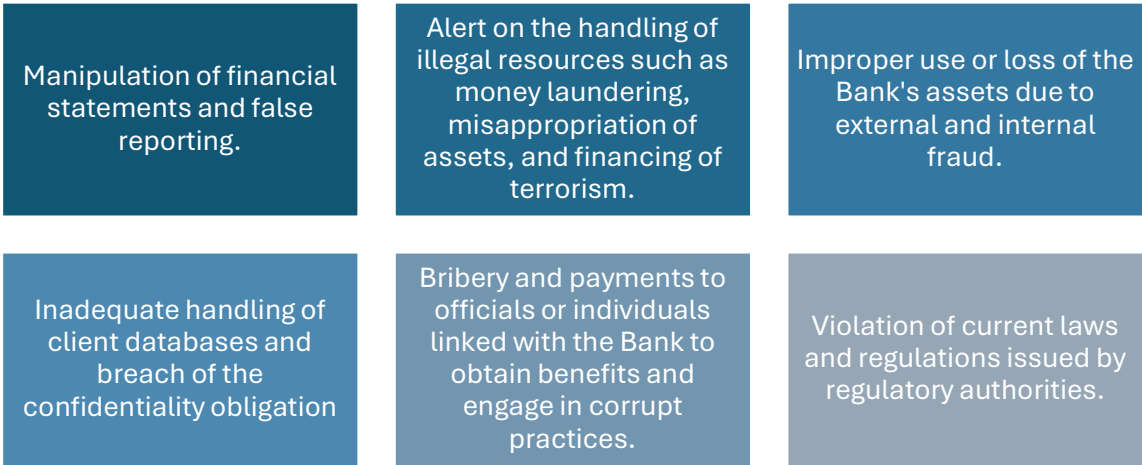
SASB: FN-CB-510a.2. GRI 2-26

Our Ethical line is an effective channel for receiving concerns that help us identify potential frauds and malicious behaviors that may compromise the integrity of our organization. To ensure the confidentiality of the provided information, we have a link available on our website³⁴. Moreover, we semi-annually publish information related to the existence of this channel, ensuring general awareness among all our stakeholders.

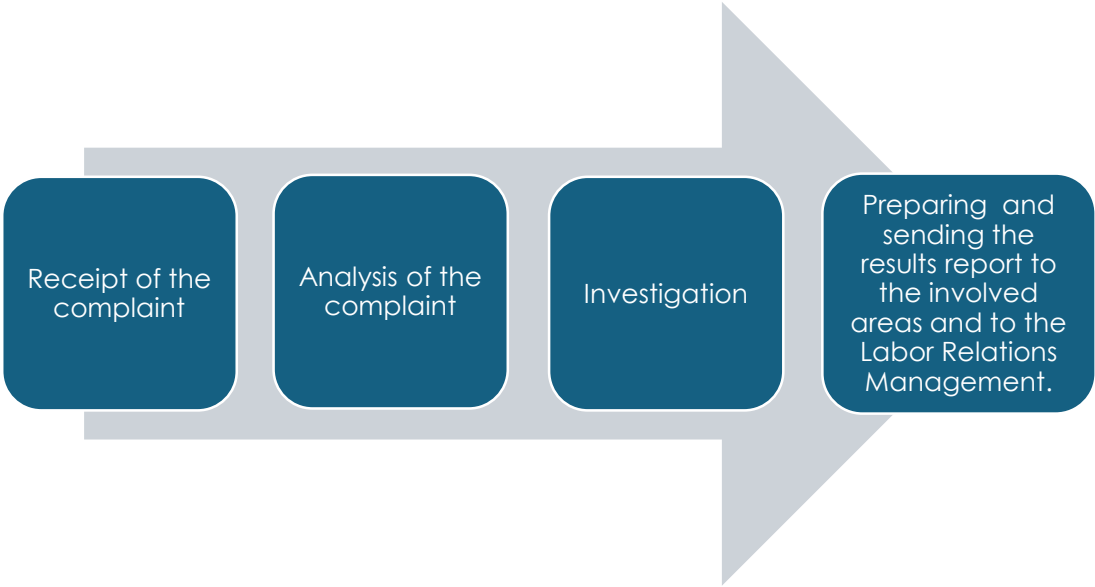
³³ These figures refer to the number of logistics providers that accepted the anti-corruption policy

³⁴ <https://www.bancodeoccidente.com.co/wps/portal/banco-de-occidente/bancodeoccidente/footer/otros/linea-etica>

The communications received are classified into the following categories:



The management of this channel is under the responsibility of our Internal Audit Management, which carries out the following activities to ensure a timely and unbiased management when responding to the cases submitted:



Number of concerns and type of advisory requests received:

| Type | 2023 | 2022 |
|--|------|------|
| Reports received through Bank of Occidente and subsidiaries' Ethics Line channel. | 173 | 139 |
| Reports received through the Group Aval Corporate Comptroller's Ethics Line channel. | 18 | 20 |
| Total reports addressed. | 191 | 159 |

Source: Banco de Occidente

| Type of requests | 2023 | 2022 |
|---|------|------|
| Potential conflicts of interest | 1 | - |
| Aspects related to the work environment | 54 | 34 |
| Bad business practices (document tampering, acquiring new clients outside authorized bases, non-compliance with procedures, failure in the application) | 26 | 33 |
| Customer complaints and requests | 61 | 48 |
| Insufficient information provided in the complaint/Channel evidence | 49 | 44 |
| Total | 191 | 159 |

Source: Banco de Occidente

Thanks to the management carried out regarding the disclosure of this channel, we have seen a 20 % increase in concerns received through this medium compared to those received last year. In 2023, a new leader was appointed for our Internal Audit Management, whose challenges include maintaining the Work Environment indicator for the area.

By the end of 2023, the Management closed this indicator at 83.4 %, representing a variation of 7.5 % compared to 2022. Regarding the challenges set for the next year, we will aim to i) implement data analysis models to obtain timely results that contribute to decision-making and risk coverage, and ii) improve the scope and coverage of ABAC review programs.

SARLAFT Management

Throughout 2023, Compliance Management mainly focused on achieving greater coherence between causes that can lead to risk materialization and the controls we have designed for mitigation.

Furthermore, we collaborated closely with the Information Technology (IT) team to advance in the Monitor 5 migration project³⁵, which we expect to complete in 2024. This project, of considerable magnitude, not only impacted Compliance Management but also had significant repercussions throughout the Bank.

Moreover, aiming to reduce the operational burden on our employees and focus their efforts on risk analysis and management, in 2023 we initiated a process of technological improvement and automation to improve response times for the commercial force and authorities, while strengthening our relationship with clients. Such automation path will continue throughout 2024.

Among the most significant achievements in our SARLAFT management, we may highlight:

- We achieved 94% in SARLAFT Maturity vs. our 88% expected goal defined by AVAL. This involves a detailed evaluation by system dimensions to determine our level of evolution according to the objectives and methodology defined by AVAL.
- We continue redefining causes derived from an expanded understanding of the external and internal context, focusing on source crimes such as money laundering/terrorist financing/financing of the mass destruction weapons proliferation (LA/FT/FPADM).³⁶
- Automated controls update. As a result of the Causes Redefinition, we undertook a process that concluded with the updating of some parameters of existing monitoring conditions. We have improved the number of alerts, the ratio of alerts vs Suspicious Transaction Reports (STRs) (Quality measurements submitted to the Financial Information and Analysis Unit) and the effectiveness in the analysis of unusual transactions by the Monitoring and Reporting Department team, passing from an average of 4,778 per month in the first semester to 4,262 per month in the second semester of 2023.
- Integration of new technological tools and change of provider to improve consultation processes for risk matrix management.
- Strengthening of analytics processes for AML risk.

³⁵ Monitor 5 (5 is for the version we are implementing) is the new version of the application used in the Bank for transaction monitoring. This is where all the defined alert conditions are stored and executed. Additionally, it manages commercial efforts when a transaction from a client deviates from their usual behavior and starts to align with a pattern defined as risky.

³⁶ Money laundering, terrorism financing, and financing the proliferation of weapons of mass destruction.

- Collaboration with Governance and Information Quality teams³⁷ to update authorizations for the treatment of personal data collected through the banking portal on the homepage.

Evaluation and Monitoring

GRI 3.3, 205-3

The indicators established to measure the effectiveness of our ABAC program are related to:

- ABAC program maturity
- Absence of confirmed acts of corruption following relevant investigations
- Residual risk
- Occurrence of a high-impact corruption-related event not reported by the Ethics Line

These 4 indicators are reported quarterly to the headquarters

Internal Customer Satisfaction Survey (ENSI). This year, the Bank Security Management obtained a 90.9 % satisfaction rate.

Similarly, accountability for ABAC management is provided to the Board of Directors semi-annually, and internal and external audits are received annually. The last audit was made in November 2023, which evidenced the proper functioning of the program. The most significant result of this management is that we continue to maintain our indicator at zero materialized corruption cases.

The effectiveness of the Ethics Line is evaluated through the following mechanisms:

- The AVAL group's internal control conducts periodic reviews of audit units.
- Every five years, an external audit review is conducted to assess the audit function. The last one was done in 2022.
- Quarterly reports are presented to the Audit Committee regarding the number of complaints received and their handling.

³⁷ SLAs: Service Level Agreements made between departments to implement or improve processes.

- Regular follow-up meetings are held with the ABAC officer.

3.4 We mitigate climate change and care for resources

Content

- We manage climate change
- We are responsible with natural resources
- Protection of biodiversity and ecosystems

Stakeholder Groups: shareholders and investors, customers, Board of Directors, human team, allies, society and environment, suppliers, government and regulation, and opinion generators



We manage climate change

Our impacts on management

GRI 3.3

Climate change, primarily attributed to human activities that generate greenhouse gas emissions, has undeniably warmed the atmosphere, oceans, and land. This phenomenon has become a palpable threat that is already causing irreversible damage to both our well-being and the health of the planet³⁸. Internationally, there is unanimous recognition of the urgent

³⁸ Statement made by the Intergovernmental Panel on Climate Change (IPCC).

need to limit the increase of global temperature to 1.5 degrees through substantial measures that promote emissions reduction.³⁹

Internationally, there is unanimous recognition of the urgent need to limit the increase of global temperature through substantial measures that promote emissions reduction in order to achieve a maximum raise of 1.5 degrees.

Faced with this reality, we embrace an unwavering commitment to actively contribute to the shared goal of transitioning to a low-carbon economy. To achieve this objective, we have implemented strategic, governance, and management elements that will enable us to effectively identify and mitigate the social, environmental, and financial risks and impacts associated with climate change. Likewise, we support this mission through concrete actions aimed at minimizing the environmental impact resulting from the investments we finance.

In alignment with our commitment and in compliance with the regulatory requirements⁴⁰ supported by our environmental and climate change⁴¹ policy, throughout 2023, with the collaboration of an expert consulting firm, we have concluded the actions related to the implementation of the Task Force on Climate-related Financial Disclosures (TCFD)⁴² recommendations. This framework has enabled us to define the key elements for our management of climate change:

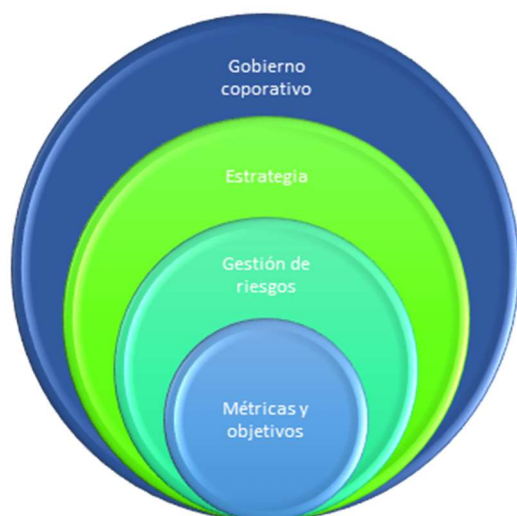
.

³⁹ Conclusions of the COP 28 climate summit, a meeting of the group of 198 countries signatories to the United Nations Framework Convention on Climate Change, which took place in November 2023. For more information on these conclusions, please refer to: <https://www.un.org/es/climatechange/cop28>

⁴⁰ External Circular 31 of 2021 from the Financial Superintendence of Colombia.




⁴¹ This policy can be consulted at: <https://www.bancodeoccidente.com.co/wps/wcm/connect/banco-de-occidente/219dc3d7-853a-4fe3-97f5-1a521fc30267/politica-ambiental-y-cambio-climatico.pdf?MOD=AJPERES&CVID=okXC2IA>

⁴² Body created by the Financial Stability Board (FSB) in 2015, with the aim of developing a coherent and clear set of recommendations for climate-related financial information disclosure by companies. This concluded in October 2023.



These elements are fundamental for managing climate change-related risks by clearly establishing our impacts, framework of action, and associated commitments. Additionally, we identified the actions we have undertaken to date as part of our contribution to mitigating this phenomenon, along with the opportunities we have yet to explore. In parallel, we conduct training sessions with our team of collaborators to raise awareness about their actions and encourage them to become active agents who contribute significantly to mitigating this environmental phenomenon.

Within the framework of this comprehensive management, we have initiated our first actions to define the Net Zero trajectory, measuring our financed emissions, which are understood as the greenhouse gas emissions associated with the assets in our portfolio. This measurement will allow us to comprehensively assess and manage the environmental impact of our operations, meet sustainability standards, and mitigate financial risks associated with climate change. At the outset, we have joined the Sustainable Banking Alliance (ABS) in Colombia, an initiative led by USAID and Asobancaria, technically supported by Dalberg and Guidehouse, which aims to:

-  To pilot a program to support the FIs (Financial Institutions) so they understand and utilize green financing, climate risk management and carbon footprint measurement in their lending practices.
-  Develop a tool that can be continuously used in the future to estimate the financed CO2 emissions of the participating FIs.
-  Develop training sessions about Net-Zero topics regarding the use and integration of the tool, this with the purpose of enhancing the capacity of green lending and of establishing the FIs' goals in Colombia.

As a result of our participation in this alliance, we not only obtained an organizational diagnosis that provided recommendations to accelerate our path towards carbon neutrality, but also contributed to the development of a common tool to calculate the financed emissions of financial institutions. This tool will allow us to start the corresponding estimations throughout 2024.

Furthermore, as part of our commitment to build capabilities, promote investment in sustainable projects and initiatives and advance towards the transition to a low-carbon economy (which considers financial risks associated with climate change and financial innovation to mobilize resources in this area), we continue with the execution of the agreement signed with the Center for Sustainable Finance at the University of Los Andes, providing financial support aimed at promoting research and training projects. The primary mission of these projects is to strengthen the opportunities for sustainable finance in the Latin American market.

TCFD (Task Force on Climate-related Financial Disclosure)

DJSI 2.5.2.

The Task Force on Climate-related Financial Disclosures (TCFD) Initiative represents a framework of recommendations designed to promote the disclosure of climate-related financial information. Established by the Task Force on Climate-related Financial Disclosures, this framework seeks to

provide robust guidelines that enable companies to effectively communicate the financial risks associated with climate change. As a financial institution committed to addressing climate change and in compliance with Colombian legislation, we have adhered to this framework, preparing our first TCFD report in 2023. In this section, we present the most relevant information from the report, however, the complete document is available for consultation on our website.

Our complete TCFD 2023 report is available at the following link:

<https://www.bancodeoccidente.com.co/banco-de-occidente/documentos/PDF/01-quienes-somos/informacion-para-accionistas/sostenibilidad/2023/09-septiembre/propuestacap-V2.pdf>

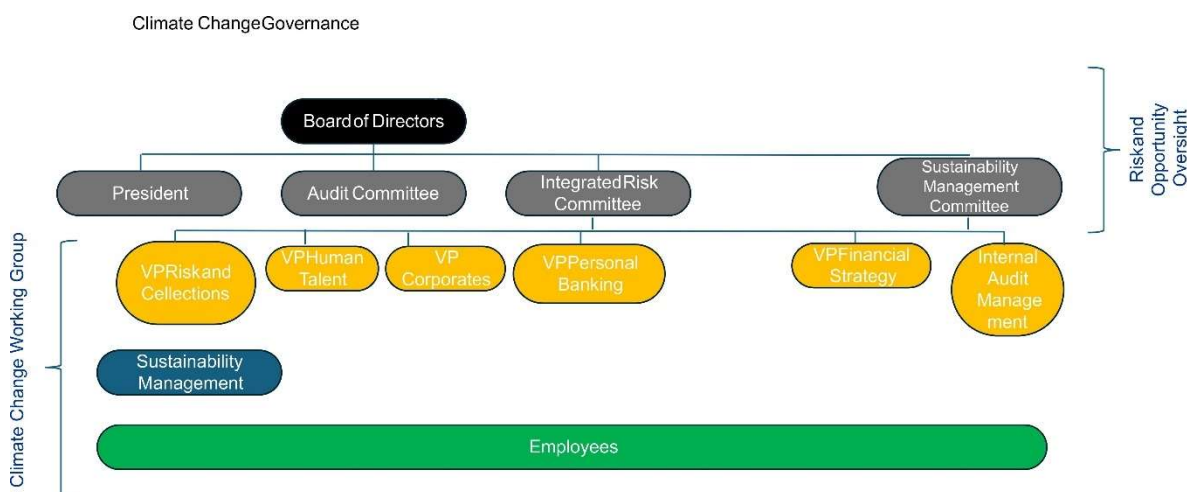
Climate Governance

DJSI 2.5.1.

In the process of defining our climate governance, training and awareness activities played a fundamental role. For this reason, we implemented training initiatives that addressed various topics including: i) climate change, ii) TCFD framework recommendations, iii) guidelines from External Circular No. 031 of 2021, iv) climate governance, v) assessment of financial risks and vi) definition of metrics and objectives. These initiatives had a positive impact across multiple levels of our organization, including our Board of Directors, President, Support Committees, Vice Presidents, Managers, Directors, and staff. Additionally, they extended to the Board of Directors and Management Committee of Fiduciaria de Occidente.

Our climate governance aims to integrate climate-related issues into all operations of the Bank. This involves allocating resources, strengthening capabilities, and providing support to those responsible for managing the risks and opportunities linked with climate change. The structure is detailed below:

Illustration 4: Climate Governance Structure



Our Board of Directors plays a role in overseeing and making decisions concerning the comprehensive climate change strategy. Specific responsibilities are assigned to each committee or body comprising it, such as the Integrated Risk Committee, which is responsible for reviewing the positive and negative impacts on social and environmental issues within our organization. Furthermore, the vice presidencies, the Sustainability Management, and other staff members have specific roles associated with managing risks and opportunities related to climate change. Moreover, the Internal Audit Management is responsible for verifying the methodologies and results of the financial assessment, risks, and opportunities of climate change. It ensures that management is done in compliance with established standards and frameworks, and monitors the external audits received in this area.⁴³

Climate Strategy

DJSI 2.5.5

Following the recommendations of the TCFD framework for establishing our climate strategy, we proceeded with the identification of physical and transition risks, as well as the identification of opportunities. Additionally, we conducted an analysis and selection of climate scenarios linked to temperature tendencies up to 2050, along with the prioritization of risks and

⁴³ You can learn the details of these functions in our TCFD 2023 report.

their financial assessment⁴⁴. As a result of this exercise, we prioritized our risks based on the relevance of the potential impact generated, the most significant ones are:

| Climate Risk | Impact | Financial Impact (ranges by climate scenario) |
|---|--|---|
| <p>R6) Credit risk due to the increase in operating costs for customers caused by abrupt and unexpected changes in raw materials and inputs.</p> <p>Type of risk: acute physical risk</p> | <p>Increase in indicators: loss in case of default (Loss Given Default – LGD), probability of default (PD) and exposure to default (ED).</p> | <p>In this risk, the ratio is obtained between costumers' expenses in carbon offset payment or taxes within the portfolio they hold at the bank.</p> <p>This exercise was differentiated by sectors with the highest exposure to risk (agriculture, mining, energy and transportation). This ratio indicated how committed credit flows are towards carbon offsets of their emissions.</p> <p>As a result, it is found that this ratio is approximately 100% for 2025 in the agricultural sector if we look forward to the Net Zero 2050. However, the ratio does not exceed 12% in the scenario of Nationally Determined Contributions (NDCs). A similar result was obtained in the other sectors.</p> |
| <p>R1) Default on payment obligations by clients due to damage, deterioration, or interruption of operations caused by extreme weather events.</p> | <p>Increase in indicators: loss in case of default (Loss Given Default – LGD), probability of default (PD) and exposure to default (ED).</p> | <p>This impact was analyzed in the short term (2025), calculating the lost revenues for the bank due to delay in payment in the portfolios of sectors vulnerable to climate change. Upon quantifying the impact, it is found that it could range from</p> |

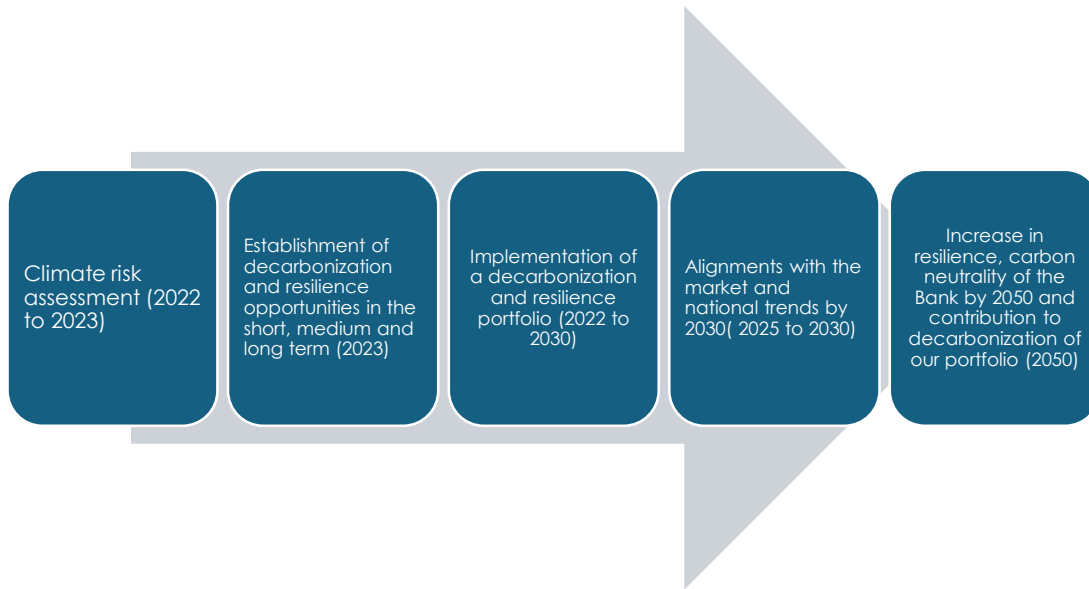
⁴⁴ The details regarding all identified risks, climate opportunities, and selected scenarios can be found in our TCFD report: <https://bancooccidente.com.co/banco-de-occidente/documentos/PDF/01-quienes-somos/informacion-para-accionistas/sostenibilidad/2023/10-octubre/informe-tcf/reporte-tcf.pdf>

| | | |
|--|---|---|
| Type of risk: acute physical risk | | COP 2.800MM to COP 6.700MM with a 90% probability. |
| R13) Credit risk due to increased losses in exposed portfolios in sectors vulnerable to extreme weather events. Type of risk: acute physical risk | Increase in indicators: loss in case of default (Loss Given Default – LGD), probability of default (PD) and exposure to default (ED). | Analyzing the portfolio balances that could be completely lost in sectors exposed to extreme weather events, it is found that these could reach an approximate value of COP 80MM pesos by 2025 in the different simulated climate scenarios. |
| R5) Increased market risk due to the Bank's lack of alignment with the sustainable preferences of its clients. Type of risk: market risk | Decrease in deposits, prepayments of portfolio, decrease in market participation. | Consumer preferences nationwide associated with the purchase of electric vehicles were analyzed compared to the Bank's disbursements for electric vehicles compared to disbursements for internal combustion vehicles. For the 3 climate scenarios, it is calculated that the lost revenues by 2050, assuming that the Bank remains misaligned with Colombian consumer preferences, could range from COP 45.000MM in the NDCs scenario to COP 70.000MM in the Net Zero 2050 scenario. |

Source: TCFD report from Banco de Occidente

This prioritization and the other described elements formed the basis for the construction of our roadmap for decarbonization and our vision of climate strategy by 2050, which consists of:

Illustration 3: Climate Strategy Vision for 2050



Climate Risk Management:

DJSI 2.5.4:

The methodology we use for the identification, prioritization, and quantification of financial risks consists of four main fronts⁴⁵:

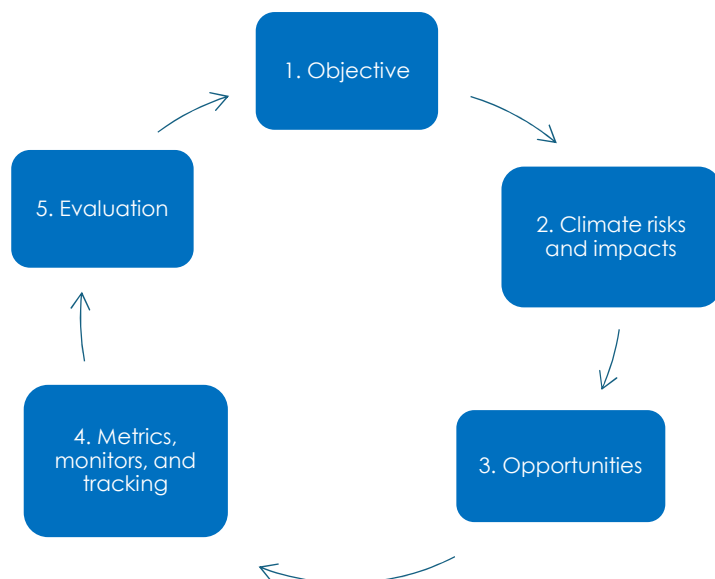
Illustration 4: Methodology for the identification, prioritization, and quantification of financial risks

.

⁴⁵ The details of the activities that make up each area can be consulted in our TCFD report.



The process we undertake to manage our prioritized risks is based on our roadmap for decarbonization and climate resilience, which consists of five main elements, as detailed below:



Objectives: The objectives related to this roadmap consist of:

| General objective | Specific objectives |
|---|--|
| To define a framework within the bank to manage physical and transitional climate risks towards a low-carbon emission economy in accordance with the recommendations of the TCFD framework. | Design a roadmap that enables us to promote a transition to decarbonization, as well as resilience to the risks of climate change. |
| | Integrate the proposed measures and actions into our risk management model. |
| | Enhance our climate management. |

Source: TCFD report from Banco de Occidente.

- **Climate Risks and Impacts:** This entails identifying climate risks, assessing their corresponding financial implications, and prioritizing them for targeted mitigation efforts.

- **Opportunities:** Opportunities for managing climate risks can be classified into five types according to the TCFD. The opportunities we identify for our climate management are categorized within the resilience, products, and services categories⁴⁶.

- **Metrics, Monitoring, and Tracking:** For each of the prioritized risks, we define:

- Metrics for opportunities,
- Implementation target,
- Follow-up actions and alert indicators,
- Monitoring responsible party,
- Recipients of monitoring results,
- Frequency of communication and estimated costs.

- **Assessment:** Evaluation actions regarding portfolio implementation or assessment.

Metrics and Objectives:

DJSI 2.5.9

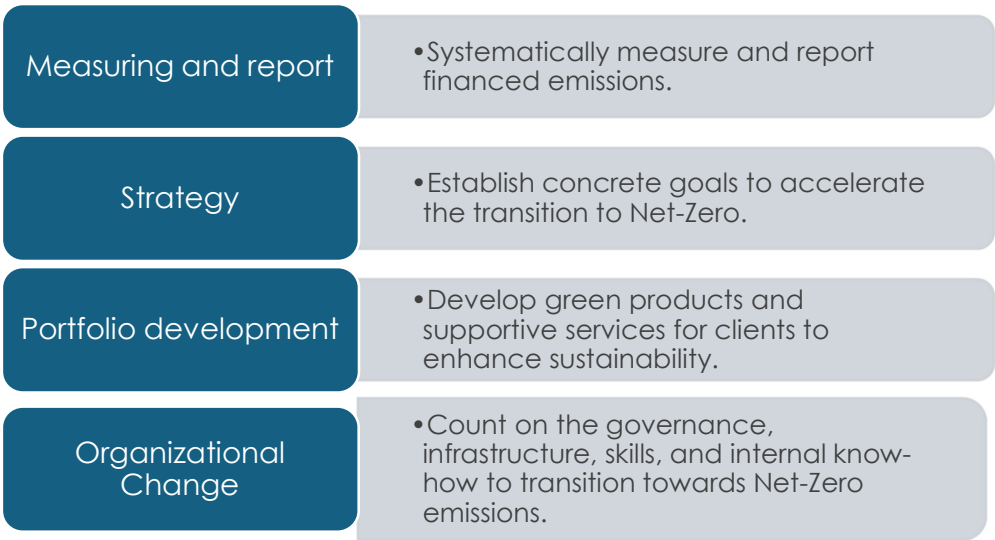
Currently, we are in the phase of internal validation of the metrics and objectives to consider for evaluating our climate-related financial risks.

⁴⁶ These can be known in detail in our TCFD report.

Regarding our greenhouse gas (GHG) emissions in 2023, we undertook actions aimed at their reduction, and the associated results can be seen throughout this report⁴⁷.

Financed Emissions

In collaboration with five other recognized financial institutions (FIs) in Colombia, we actively participate in the Sustainable Banking Alliance (SBA). Through this process, we identified four essential dimensions for FIs in their pursuit of achieving Net-Zero financed emissions. These are:



Following the identification of these elements, relevant analyses of the current state of our organization were conducted, leading to the establishment of a specific roadmap. This includes a series of complementary actions to the climate strategy and associated action plan. The main opportunities identified for our roadmap are focused on:

⁴⁷ Our results associated with the amount of GHG emissions released are presented in the chapter 'We are responsible with natural resources: Operational Eco-efficiency.'

| Measurig and report | Strategy | Portfolio development | Organizational change |
|---|--|--|---|
| <ul style="list-style-type: none"> •Identify the economic sectors with the most critical situations in terms of GHG emissions generation. •Adopt the tol to initiate the measurement of financed emissions, •Conduct the measurement of financed emissions for the baseline of critical sectors. | <ul style="list-style-type: none"> •Define objectives and stretegies. •Determine lines of action to achieve the outlines objectives and goals. | <ul style="list-style-type: none"> •Conduct market analysis. •Expand the porrtfolio of green products. | <ul style="list-style-type: none"> •Achieve buy-in for the sustaunability strategy. •Definethe governance structure and the decision-making. •Build capacities and incentives for the strategy implementation. |

These opportunities will guide our actions during the next period, focusing initially on identifying sources of information and familiarizing ourselves with the measurement tool. This tool includes calculating financed emissions by asset type in our portfolio, such as project financing, corporate loans, commercial real estate, and residential mortgages.

Once we have carried out the measurements of financed emissions, we will have sufficient sectoral information (at the national level, considering our overall portfolio), which will allow us to identify significant elements by portfolio. Based on these findings, we will establish goals, strategies, and specific actions aimed at reducing these emissions. Additionally, we will establish evaluation actions for the decarbonization roadmap once we have completed the measurement of our baseline.

3.4.2 We are responsible with natural resources

Operational Eco-efficiency Our impacts on management

GRI 3.3

According to the latest reports from the World Economic Forum on global risks, there is a critical interconnection between the health of global ecosystems and economic stability. Environmental degradation, climate change, and resource scarcity are identified as significant risks that can have devastating consequences for business continuity and the planet as a

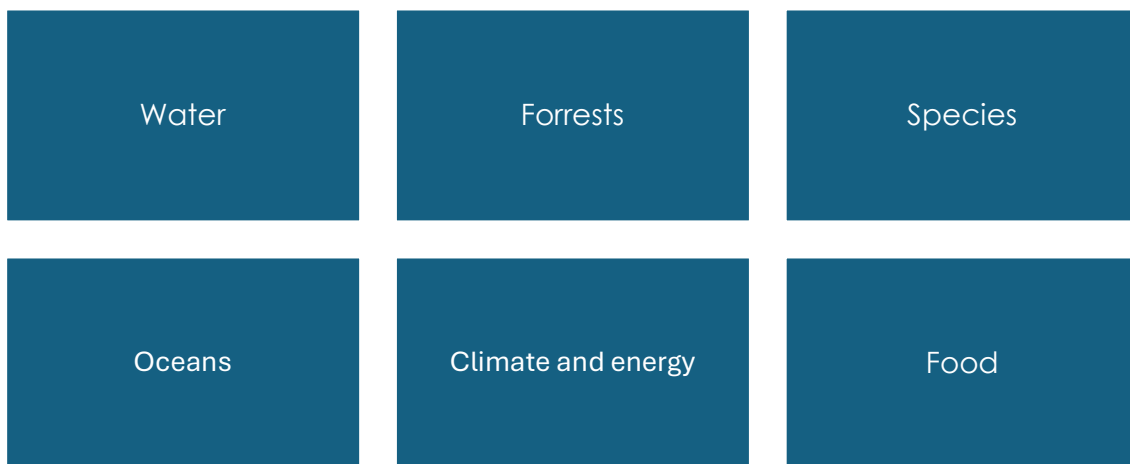
whole. Therefore, the preservation of natural resources is an imperative of our environmental responsibility.

While by the nature of our business we do not generate substantial impacts on natural resources, we actively engage in devising strategies to reduce our impact on energy, water, and paper consumption, as well as ensuring proper waste disposal. Simultaneously, we promote initiatives for ecosystem restoration and foster environmental awareness among our employees. All these actions are executed in accordance with our robust Sustainability and Environmental and Climate Change policies, and are led by our Sustainability Management team. In this regard, below we detail the sources of impact and their potential effects related to not managing these issues:

| | | |
|----------|---|--|
| Air | Generation of emissions from displacement and automobiles. | Environmental impact related to our carbon footprint contributing to climate change. |
| Energy | Energy consumption in offices and administrative headquarters | |
| Water | Water consumption in offices and administrative headquarters | If expenditure is not controlled, the availability of water resources may be affected. |
| Paper | Paper used for administrative tasks. | The impacts associated with the resources required for paper production. |
| Residues | Waste generated by business-related activities and modifications to the infrastructure of our facilities. | Potential impact of pollution due to improper waste disposal. |

As the cornerstone of our management, aimed at mitigating these environmental impacts, we have completed the formalization of our Climate Change and Eco-efficiency Strategy plan, which was approved by the Vice Presidency of Human Talent and Administration, under which the Sustainability Management operates.

In this plan, we established specific actions targeted towards reducing our impact on natural resources. In particular, we highlight the implementation of an environmental education program directed to our team of collaborators, among which stands out the "Together is Possible" course offered by the World Wide Fund for Nature (WWF Colombia). This course addresses six fundamental topics related to responsible consumption and efficient resource management, thus contributing to the consolidation of an organizational culture committed to sustainability. These topics are:



This is complemented by communications through our biweekly internal newsletter "On the Side of Those Who Do." There, we publish environmental content focused on recommendations, tips for best practices, relevant environmental dates, data, and news of interest on topics related to: i) water, ii) energy, iii) waste, iv) environment. Our goal is to raise awareness among our employees about the importance of conserving our natural resources.

Additionally, we have established actions aimed at reducing emissions related to the mobility of our employees, through technological conversion to hybrid or electric vehicles for some of our own vehicles and the implementation of a vehicle leasing scheme for the bank's use. In the same vein, through the promotion of the sustainable mobility program with Try my Ride, we seek to promote the use of more sustainable modes of transportation and carpooling among our employees to meet the goals we have set.

In parallel, we continue to monitor water and energy consumption in our facilities, and we have developed a contest called "Play for Savings" in our offices nationwide to encourage our human talent to propose and implement initiatives that promote the reduction of water and energy consumption.

Furthermore, in line with our commitment to preserving biodiversity, we continue to develop initiatives aimed at protecting and restoring biodiversity and ecosystems. These actions aim to expand positive impacts on nature and promote environmental awareness among our various stakeholders.

Water

GRI 303-1, 303-5, DJSI 2.4.1.

In our facilities, we use water supplied by the water utility in each municipality and city where we are present. This water is primarily used for domestic activities, such as personal hygiene and cleaning. Regarding wastewater discharges, they are part of the domestic wastewater managed by the sewer systems of the different cities. These waters are classified according to national regulations, thus complying with current legal requirements. As part of our eco-efficiency plan, we have set a goal to reduce water consumption by 10 % by 2030. To achieve this, we have been implementing initiatives such as installing faucets that control the water flow. Additionally, the proper use of this resource is part of the environmental education program aimed at our employees. By 2023, we achieved a decrease in consumption of 0.49 %, as shown in the following table:

| Water consumption (Millions of cubic meters) | | | |
|---|--------|--------|--------|
| | 2023 | 2022 | 2021 |
| Total water consumption | 0,0266 | 0,0267 | 0,0275 |

According to information provided by environmental authorities⁴⁸, the regions of Aguachica, Barrancabermeja, Barranquilla, Bogotá, Bucaramanga, Chía, Girardot, Girón, Guatapé, Medellín, Montería, Mosquera, Piedecuesta, Riohacha, San Gil, Siberia, Valledupar, and Zipaquirá belong to areas experiencing water stress. In 2023, we achieved a reduction in water consumption of 3.61 %, as detailed below:

| Water consumption in areas with water stress | | |
|--|--------|--------|
| (Millions of cubic meters) | | |
| | 2023 | 2022 |
| Total water consumption | 0,0153 | 0,0159 |

Source: Banco de Occidente

Energy

GRI 302-1, 302-3, 302-4, 2-4 DJSI 2.2.1

One of the goals of our eco-efficiency plan is to achieve a 20 % reduction in energy consumption by 2030. Therefore, we continue with some of the programs we have been implementing since the previous period and have introduced new initiatives.

The energy efficiency project is among the most relevant actions through which, in 2023, we installed efficient lighting, solar control films, and air conditioning units with state-of-the-art variable refrigerant volume technology in five of our offices nationwide⁴⁹. These units have the capacity to improve seasonal efficiency by up to 28 % compared to other solutions. Since most of the installations in the offices were carried out in the last quarter of 2023, the actual impact on energy consumption will be measured in 2024. However, the historical savings derived from the energy efficiency project in previous periods have remained above 30 %:

⁴⁸ Ministry of Environment and Sustainable Development, Ministry of Housing, City, and Territory, IDEAM (Colombian Institute of Hydrology, Meteorology, and Environmental Studies), DNP (National Planning Department).

⁴⁹ The offices were: Chipichape Office (Cali), Roosevelt Office (Cali), Santander de Quilichao Office, San Andrés Office, Apartadó Office.

| | Total kWh with previous system | Total kWh with energy efficiency | % variation (savings) |
|--|---|---|-----------------------------|
| Total offices with energy efficiency implemented from 2016 to 2022 | 9.770.601 | 6.677.651 | 31.65% |
| Offices with energy efficiency implemented in 2022 | 584.995 | 394.506 | 32.56% |

On the other hand, the results obtained regarding energy consumption by type of source are presented below:

| Energy consumption from non-renewable sources (MWh) | | | |
|---|--------|--------|--------|
| Type of fuel | 2023 | 2022 | 2021 |
| Gasoline | 54,05 | 88,60 | 141,75 |
| Diesel | 62,27 | 93,16 | 81,54 |
| Total consumption from non-renewable sources | 116,31 | 181,76 | 223,29 |

Source: Banco de Occidente

Our consumption of non-renewable energy sources is primarily reflected in the fuel used for power plants and for our organization's own vehicles. Since 2022, we have been implementing a leasing scheme with a large portion of the Bank's vehicles, resulting in a 36.01 % decrease in energy consumption compared to the previous year.

As a result of the aforementioned measures, we achieved a reduction in electricity consumption of 7.19 %, exceeding our minimum target for 2023 of 2.5 %, which equated to a consumption of 12.11,03 MWh.

| Electricity consumption (MWh) |
|-------------------------------|
|-------------------------------|

| Concept | 2023 | 2022 | 2021 |
|-----------------|-----------|-----------|-----------|
| Electric energy | 11.531,51 | 12.424,64 | 13.859,64 |

Source: Banco de Occidente

In line with these decreases, we have increased our consumption of energy from renewable sources by 67.31 %, mainly through the use of solar panels in some of our offices.

| Renewable energy consumption (MWh) | | | |
|---|--------|--------|-------|
| Concept | 2023 | 2022 | 2021 |
| Energy consumption from renewable sources | 182,67 | 109,18 | 56,34 |

Source: Banco de Occidente

Taking into account the information presented earlier, we achieved a decrease of 6.96 % in our total energy consumption, as shown in the following table:

| Total energy consumption (MWh) | | | |
|---|-----------|-----------|-----------|
| | 2023 | 2022 | 2021 |
| Total organizational energy consumption | 11.830,50 | 12.715,58 | 14.139,27 |

Source: Banco de Occidente

These good results are reflected in a decrease in our energy intensity relative to the number of our employees, as shown below:

| Concept | 2023 | 2022 ⁵⁰ | 2021 |
|---------------------------|-----------|--------------------|-----------|
| Energetic consumption MWh | 11.830,50 | 12.715,58 | 14.139,27 |
| Collaborators | 6.984 | 7.113 | 7.151 |
| Total | 1,69 | 1,79 | 1,98 |

Source: Banco de Occidente

During the next year, we will focus on implementing an additional solar energy system to achieve even greater savings. Additionally, we will continue implementing eco-efficiency actions in various offices with the aim of reaching 50 offices.

Paper consumption

As part of our commitment to reduce the environmental impact associated with paper use in our operations, we have undertaken the following actions:

- Implementation of the Ofix digital platform for stationery orders.
- Review and control of order requests to avoid unnecessary volumes of office supplies.
- Implementation of the certified text messaging project for products, vehicles, collection orders, and rotating orders.
- Continued actions related to the migration from physical statements to digital statements.
- 100 % migration to eco-friendly paper for office stationery supply.

As a result of these actions, we achieved a 27.71 % reduction in our paper consumption, contributing to our eco-efficiency goal of reducing paper consumption by 25 % by 2030.

| Indicator – Paper consumption | | | |
|-------------------------------|------|------|------|
| | 2023 | 2022 | 2021 |

⁵⁰For the years 2022 and 2021, there is a restatement compared to what was presented in our 2022 Management and Sustainability Report. This is because there was an error in the digitization of the report, causing the data related to the number of employees not to be presented.

| | | | |
|---|-------|-------|-------|
| Paper consumption (t) | 40,34 | 55,80 | 87,63 |
| Distribution | | | |
| Ecological paper - Letter | 68% | 62% | 97% |
| Ecological paper - Legal | 6% | 10% | 2% |
| White paper - customized | 3% | 28% | 1% |
| Ecological paper for physical statement mailing | 24% | n.a. | n.a. |

Source: Banco de Occidente

Regarding the measures to reduce the mailing of physical statements, we achieved a 6 % decrease for the year 2023, meaning that 88 % of the total statements delivered to clients are digital statements.

| Indicator - Digital versus physical statements (Units) | | | |
|--|------------|------------|------------|
| | 2023 | 2022 | 2021 |
| Physical statements | 1.825.244 | 2.239.184 | 2.418.416 |
| Digital statements | 13.175.862 | 12.151.009 | 11.611.621 |
| Total statements | 15.001.106 | 14.390.193 | 14.030.037 |

Source: Banco de Occidente

We also continue the good practice of delivering the paper we use to our environmental manager for recycling. The amount of paper delivered for this purpose has decreased as a result of the overall reduction in paper usage.

| Paper delivered for recycling | | | |
|-------------------------------|----------|----------|----------|
| | 2023 (t) | 2022 (t) | 2021 (t) |
| Paper delivered for recycling | 70,13 | 80,41 | 124,70 |

Source: Banco de Occidente

During the next period, we will continue implementing the necessary measures to increase the migration of all the Bank's personalized formats from white paper to eco-friendly paper. We will also reduce the printing of statements and explore additional options to incentivize new customers to migrate to SMS or electronic communications.

Waste

GRI 306-3, 306-4, 306-5, 2-4.

DJSI 2.3.1

Within the framework of the Integrated Waste Management Plan (PGIR), we work to determine alternatives for minimizing the generation of hazardous and non-hazardous waste for all activities and processes carried out in the course of our operations. The waste generated is delivered to our contracted environmental manager for proper disposal or utilization in accordance with the current legal regulations.

Furthermore, we conduct awareness sessions for all our employees, aimed at reducing and mitigating the environmental impacts associated with waste generation. These sessions revolve around the four main components of our PGIR, which are:



One of our goals in terms of eco-efficiency is to gradually reduce waste generation by 20% by the year 2030. The results obtained during the reporting period show a reduction in total waste of 19.25%, which represents a significant contribution to achieving this goal.

| Type of Waste | Destination | 2023 (t) | 2022 (t) ⁵¹ | 2021 (t) |
|---------------------|--------------|----------|------------------------|----------|
| Hazardous Waste | Disposal | 0,127 | 4,79 | 2,50 |
| | Non-disposal | 61,94 | 49,92 | 35,70 |
| Non-Hazardous Waste | Disposal | 2,63 | 1,36 | 0,75 |
| | Non-disposal | 176,43 | 242,52 | 188,40 |
| Total waste | | 241,12 | 298,59 | 227,35 |

Source: Banco de Occidente

As can be seen, the quantity of non-hazardous recyclable waste decreased. This is mainly due to the actions aimed at reducing paper usage mentioned earlier. It is important to highlight that more than 95% of the waste generated in 2023 was treated and recycled properly, in accordance with the current regulations, thus evidencing the effective management of the issue.

| Destination | 2023 (t) | 2022 (t) ⁵² | 2021 (t) |
|--------------------------|----------|------------------------|----------|
| Disposed waste | 2,76 | 6,15 | 3,25 |
| Waste reused or recycled | 238,37 | 292,44 | 224,10 |
| Total waste | 241,12 | 298,59 | 227,35 |

Source: Banco de Occidente

⁵¹ Data for 2022 are restated since at the time of preparing the previous year report the waste disposal certificates of some generated waste were not available.

⁵² Data for 2022 are restated since at the time of preparing the previous year report the waste disposal certificates of some generated waste were not available.

Due to the type of activity, we carry out, 74.26% of the waste generated is non-hazardous and mostly recycled or reused. The breakdown by type of waste and its disposal is as follows:

| Waste not Intended for Disposal | | | | | | |
|-----------------------------------|---|--------------------|------------|--------|--------------------|--------|
| Type of Waste | Category | Utilization Method | 2023 | | 2022 ⁵³ | |
| | | | Weight (t) | % | Weight (t) | % |
| Hazardous Waste | Lighting Waste | Recycling | 0,21 | 0,33% | 0,23 | 0,46% |
| | Lexmark Toner | Recycling | 0,54 | 0,87% | -- | -- |
| | WEEE ⁵⁴ (Waste Electrical and Electronic Equipment) | Recycling | 61,19 | 98,80% | 49,12% | 99,54% |
| Non-hazardous Waste ⁵⁵ | Plastic, paper, cardboard, glass, Tetra Pak, aluminum, scrap metal, wood, big bags. | Recycling | 176,43 | 100% | 242,52 | 100% |

Source: Banco de Occidente

The specific type of non-hazardous waste that is recycled or reused is:

| Non-Hazardous Waste not Destined for Disposal in 2023. | | | |
|--|--------------------|-----------|------------|
| Waste | Utilization Method | Weight(t) | Percentage |
| Plastic, acrylic, PVC plastic cards | Recycling | 1,44 | 0,81% |
| File paper | Recycling | 70,13 | 39,75% |
| (Metals) Filing cabinet, metal tray, bronze for sorting, ferrous material, | | | |

⁵³ Data for 2022 are restated since at the time of preparing the previous year report the waste disposal certificates of some generated waste were not available.

⁵⁴ Waste electrical and electronic equipment included monitors, electronic devices, computer equipment, among others.

⁵⁵ The waste management scope does not include organic waste generated in our facilities, which is disposed of by public waste disposal services entities.

| | | | |
|---|-------------|--------|--------|
| safes, furniture, chairs and tables, shelves, upright supports, fire extinguisher, rack, lamp housing, hanging files, tandem, chairs, metal door, quick box, and safe | | 53,26 | 30,19% |
| Wood furniture | Recycling | 29,48 | 16,71% |
| Textile, collar | Recycling | 1,67 | 0,94% |
| Glass | Recycling | 4,96 | 2,81% |
| Cardboard | Recycling | 14,92 | 8,45% |
| Waste of the Marble production center | Utilization | 0,09 | 0,05% |
| Rubber and tire waste | Utilization | 0,30 | 0,17% |
| UTP cable, ordinary and special waste, and others | Utilization | 0,18 | 0,10% |
| Total Waste | | 176,43 | |

Source: Banco de Occidente

On the other hand, regarding waste destined for disposal, there was an increase in the disposal of non-hazardous waste in the landfill in 2023. However, for hazardous waste, final disposal through elimination decreased significantly, considering that no construction and demolition waste was produced this year. The quantity of waste destined for disposal was:

| Waste Destined for Diposal | | | | | | |
|----------------------------|----------|--------------------------------|------------|---|--------------------|---|
| Type of waste | Category | Disposal method or destination | 2023 | | 2022 ⁵⁶ | |
| | | | Weight (t) | % | Weight (t) | % |
| | | | | | | |

⁵⁶ Data for 2022 is restated because at the time of preparing the previous year's report, we did not have all the disposal certificates for some of the generated waste.

| | | | | | | |
|-----------------|---|---------------------------------|------|--------|------|--------|
| Hazardous waste | Construction and demolition waste (CDW) | Sanitary landfill | 0 | 0% | 4,43 | 92,36% |
| | Battery waste | Final disposal in a secure cell | 0,09 | 70,87% | 0,30 | 6,24% |
| | Toner and printing inks | Final disposal in a secure cell | 0,04 | 29,13% | 0,07 | 1,40% |
| Type of waste | Wood, iron, cardboard, paper, and glass | Sanitary landfill | 0 | 0% | 1,36 | 100% |
| | Ordinary or common waste | Sanitary landfill | 2,63 | 100% | 0 | 0% |

Source: Banco de Occidente

Emissions:

GRI 305-1, 305-2, 305-3, 305-4, 305-5 2-4

DJSI 2.1.1, 2.1.2, 2.1.3, 2.5.9

As part of our eco-efficiency goals, we committed to reducing direct emissions in our scopes 1 and 2 by 42% by 2030, in line with the scientific goals to limit global warming to 1.5°C. We continue to review the process for setting and validating reduction targets through the SBTi initiative in the medium term, for which we have participated in webinars and talks given by external parties (Global Compact and Asobancaria) to gain a better understanding of the process and the activities involved.

We established the emissions generated during the year 2022 as our baseline due to the stability of the data obtained for that period. Below are the detailed emissions generated and the reduction achieved:

Generated Emissions

| Type of emissions ⁵⁷ | 2023 ⁵⁸ GHG (Ton CO2e) | 2022 ⁵⁹ GHG (Ton CO2e) | 2021 GHG (Ton CO2e) |
|---------------------------------|---|---|---------------------------|
| Scope 1 | 1.252,01 | 1.342,41 | 2.010,22 |
| Scope 2 | 1.992,65 | 1.396,26 | 1.694,59 |
| Scope 3 | 3.845,34 | 5.925,33 | 14.003,62 |
| Total Emissions | 7.089,99 | 8.664,00 | 17.708,43 |

Source: Banco de Occidente

The calculation of our emissions is based on the GHG Protocol standard with a focus on operational control consolidation, and due to the identified emission sources, the calculation includes CO₂, CH₄, N₂O, SF₆, HCFs, and HCFCs gases.

On the other hand, the variation observed in biogenic emissions is due to fuel consumption in fixed and mobile sources; specifically, we experienced an increase in fuel consumption in power plants, which was offset by a decrease in vehicle fuel consumption.

| Biogenic Emissions | | |
|--------------------|-----------------------------|-----------------------------|
| Category | 2023 (tCO ₂) | 2022 (tCO ₂) |
| Fixed sources | 1,07 | 0,97 |
| Mobile sources | 0,92 | 2,13 |
| Total | 1,99 | 3,10 |

Source: Banco de Occidente

⁵⁷ Scope 1 corresponds to emission sources related to fuel consumption from fixed sources (power plants) and mobile sources (entity-owned vehicles), refrigerant gases from air conditioners, and gases contained in extinguishers. Scope 2 corresponds to electricity consumption in our offices and administrative sites. Scope 3 includes emission sources in our value chain upstream and downstream, such as acquired goods, paper, corporate employee travel (land and air), employee commuting to/from work, fossil fuel consumption associated with courier activities, transportation of valuables and logistics, and waste generated by our operations.

⁵⁸ The target for Scope 1 in 2023 was 1,271.93, and for Scope 2, it was 1,322.95. This is to comply with our goal of reducing emissions by 42% by 2030.

⁵⁹ Emissions generated in 2022 are restated as a result of the verification conducted with Icontec, refining the methodology for calculating emissions.

| GHG Emissions Intensity | | | |
|--|-------------|--------------------|-------------|
| | 2023 | 2022 ⁶⁰ | 2021 |
| GHG emissions scope 1 (A1) (CO2e Ton) | 1.252,01 | 1.342,41 | 2.010,22 |
| Contributors | 6.984 | 7.113 | 7.151 |
| GHG emission intensity Scope 1 | 0,18 | 0,19 | 0,28 |
| GHG emissions scope 2 (A2) (CO2e Ton) | 1.992,65 | 1.396,26 | 1.694,59 |
| Contributors | 6.984 | 7.113 | 7.151 |
| GHG emission intensity Scope 2 | 0,29 | 0,20 | 0,24 |
| GHG emissions scope 3 (A3) (CO2e Ton) | 3.845,34 | 5.925,33 | 14.003,62 |
| Contributors | 6.984 | 7.113 | 7.151 |
| GHG emission intensity Scope 3 | 0,55 | 0,83 | 1,96 |
| Total emissions A1+A2+A3 (CO2e Ton) | 7.089,99 | 8.664,00 | 17.708,43 |
| Contributors | 6.984 | 7.113 | 7.151 |
| Total GHG emission intensity | 1,02 | 1,22 | 2,48 |

Source: Banco de Occidente

Specifically, the reduction in emissions achieved was:

| Reduction in GHG Emissions (%) | | |
|------------------------------------|-------|--------------------|
| | 2023 | 2022 ⁶¹ |
| Reduction in GHG emissions Scope 1 | 6,73 | 33,22 |
| Reduction in GHG emissions Scope 2 | 42,71 | 17,60 |

⁶⁰ Emissions generated in 2022 are restated as a result of the verification conducted with Icontec, refining the emissions calculation methodology.

⁶¹ The reductions presented for the year 2022 were calculated with respect to the emissions generated in 2021. From now on, as we have a defined baseline, reductions will be presented with respect to this baseline. Also, there is a restatement as a result of the verification of the 2022 GHG inventory conducted with Icontec, refining the emissions calculation methodology.

| | | |
|---|-------|-------|
| Total reduction in GHG emissions Scope 1 + Scope 2 | 18,48 | 26,08 |
| Total reduction in GHG emissions: Scope 1 + Scope 2 + Scope 3 | 18,17 | 51,07 |

Source: Banco de Occidente

We achieved a reduction in our Scope 1 emissions mainly explained by decreases in fuel consumption from mobile sources and refrigerant gases related to air conditioning units. Likewise, we continued with preventive maintenance on air conditioning units, which contributes to reducing leak emissions.

Despite the reduction in energy consumption in our facilities in 2023, the emission factor provided by XM for the National Interconnected System had a variation of 53.76% compared to 2022, which affected the result of our scope 2 emissions.

In 2023, we significantly reduced our scope 3 emissions, mainly due to the decrease in corporate flights. To achieve this, we intensified the dissemination and reminder of our travel expense policy, working closely with all areas to efficiently manage the budget and reduce the number of trips taken. This was complemented by a decrease in paper consumption, waste generation, purchases of goods, and transportation of employees to and from the Bank. This latter aspect has been supported by both the hybrid work scheme and the sustainable mobility program.

Overall, our total emissions showed a reduction of 18.17% in response to the initiatives and actions undertaken during 2023.

Sustainable Mobility:

During 2023, we continued with our Sustainable Mobility Program in collaboration with Try my Ride company. This program aims to provide benefits to both, our employees, offering safe mobility alternatives, as well as to the environment, by encouraging the use of sustainable transportation.

To promote the participation of our employees, we launched digital campaigns through our internal platform, the Try my Ride app, and emails. These campaigns emphasized the importance of ride-sharing and using alternative means of transportation, such as bicycles. Additionally, we held activation events at our administrative offices in Cali and Bogotá, where our partner Try my Ride provided details about the program and answered questions.

In the second half of the year, as we completed our first year of operations, we expanded the program's coverage to include employees at the administrative offices in Medellín and Barranquilla, who joined employees from Cali and Bogotá. Furthermore, to celebrate our first anniversary, we organized recreational activities at the main headquarters in Bogotá and Cali, where we shared the achievements with our employees. As a result, by the end of the year, we had 1.825 registered users in the app, and we achieved the following impacts:

| Indicators of Sustainable Mobility | | |
|------------------------------------|----------------------|------------|
| | 2023 | 2022 |
| Money saved (In COP\$) | 69.484.600 | 16.742.500 |
| Prevented emissions (TCO2) | 30,57 | 7,87 |
| Published routes (#) | 42.180 ⁶² | 11.473 |

Source: Banco de Occidente

With the participation of our employees, we exceeded our defined goals for 2023 in terms of the number of registered users (1.400) and emissions prevented (21 TCO2). For 2024, we will continue to expand the number of registered users and the quantity of routes published, aiming to incentivize sustainable mobility that allows us to increase the total prevented emissions.

Recycled PVC Cards:

Our goal is to migrate 100% of the credit card portfolio to recycled PVC. Since the launch of the new Touch Card in 2023, these cards have also been included in our objective. This is why we are still in the implementation phase, as we still have stock of cards with the previous design. The breakdown of this result is as follows:

| Product | Implementation Date of recycled PVC | Touch card Implementation Date | Emissions |
|--------------------|-------------------------------------|--------------------------------|-----------|
| Classic Mastercard | January -23 | August-31 | 36.477 |
| Classic Visa | January -23 | Pending | 10.120 |
| Gold Mastercard | January -23 | September -23 | 12.771 |
| Gold visa | May-23 | October -23 | 7.559 |

⁶² Out of the total published routes, 12,565 correspond to the active mode (biking - walking).

| | | | |
|---------------------|---------------|---------------|--------|
| Platinum Mastercard | January -23 | October -23 | 6.404 |
| Platinum Visa | March-23 | Pending | 5.215 |
| Black Mastercard | October-23 | October -23 | 2.000 |
| Pets | March -23 | Pending | 9.519 |
| Unicef | January -23 | Pending | 10.838 |
| Santafé | December-22 | Pending | 4.314 |
| Classic LATAM | April -23 | Pending | 5.657 |
| Gold LATAM | September -23 | September -23 | 10.006 |
| Platinum LATAM | October -23 | October -23 | 5.233 |
| Signature LATAM | October -23 | October -23 | 2.311 |
| Infinite | March -23 | October -23 | 1.544 |
| Free | November -22 | Pending | 5.153 |

Source: Banco de Occidente

Furthermore, we continue with the implementation process to change the material used in our welcome kits for all products in the portfolio. Our project for the next period is to relaunch the value proposition of some of our credit cards and begin the design management of the new welcome kit with recycled material for these products, thus achieving 100% compliance with our goal.

Evaluation and Monitoring

GRI 3.3

To ensure efficiency in our water and power consumption, we conduct regular monitoring in various offices. Additionally, measuring greenhouse gas emissions allows us to calculate our carbon footprint and set annual reduction targets.

During 2023, we subjected our carbon footprint measurement to an external verification led by ICONTEC. As a result of the recommendations from this assessment, we implemented necessary adjustments in our measurement. The carbon footprint will be evaluated annually, using the baseline year 2022 results as a reference.

Furthermore, we will conduct semi-annual follow-ups on the activities outlined in our Climate Change and Eco-efficiency Strategy plan, ensuring constant review and continuous improvement in our environmental practices.

Regarding waste management, we maintain rigorous control over the hazardous and non-hazardous waste we generate internally. These wastes are delivered to contracted managers responsible for their disposal or utilization in accordance with current legal regulations. These managers also provide us with the corresponding certificates verifying the proper disposal of the waste.

3.4.3 Protection of Biodiversity and Ecosystems

National Blue Planet Ecology Award

Through our Blue Planet Award initiative, we aim to impact people both, nationally and globally. The main objective of this initiative is to raise awareness about the importance of water resources, reflected in our motto "water, the principle of life." We recognize its essential role in biological processes, in regulating ambient temperature, in sustaining ecosystems, and its crucial importance in agriculture. Additionally, we emphasize the vital need for clean water for human health, highlighting that water scarcity or contamination can have detrimental impacts on both, the environment and society. As an organization, we understood long ago the relevance of leading initiatives that provide a positive impact on society and the environment and ensure optimal settings for people's life development.

During 2023, we carried out the commemorative campaign for the 30th anniversary of our National Blue Planet Ecology Award. With this campaign, we seek to recognize all those initiatives that have participated in the award since 1993, demonstrating our commitment over more than three decades. During this time, we have contributed to the planet by recognizing individuals, entities, communities, and educational institutions, both, public and private, that work to preserve and care for water, recognized as a vital principle. We have managed to recognize and praise programs, projects, and actions from various sectors such as the productive sector (food, beverages, metals, construction materials, among others), cargo and passenger transportation, academia, public services, energy commercialization, and others, all of which share the common objective of protecting, preserving, and recovering water resources. As part of this campaign, we developed several initiatives such as:

Guidelines on social media and communication channels

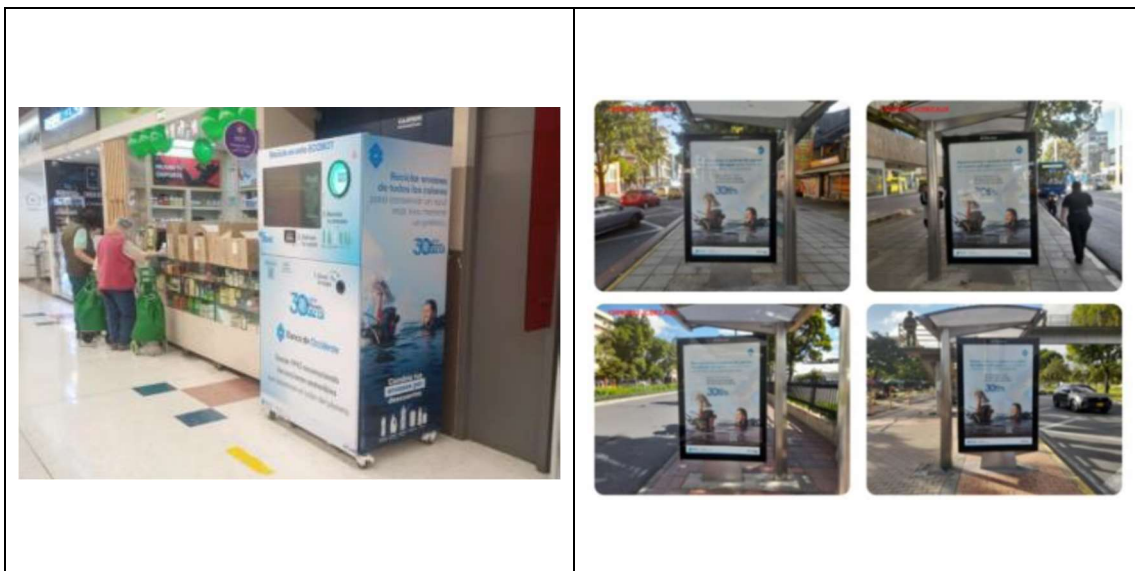
Advertising of the award at bus stops in Medellín and Bogotá

Installation of recycling points (Ecobot)

For the development of the recycling initiative, we established a strategic collaboration with Ecobot by installing collection points in various locations across the country. We managed to collect more than 3.500 containers at these points, thus contributing to raising awareness about the importance of recycling. In line with this, during the Cali Fair, we conducted a special campaign where we installed two Ecobot machines at strategic points, actively incentivizing people's participation in recycling through our social media channels. With this initiative, we collected a total of 760 containers, thereby contributing to the preservation of natural resources.

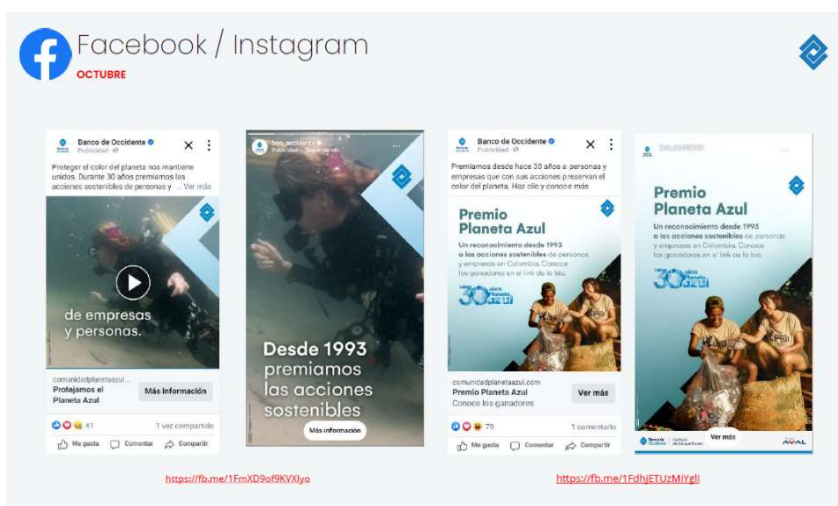
The recycled material obtained was donated to the Association of Women Recyclers (AMURE), integrated by single mothers who contribute to social, economic, and environmental work in the city of Cali. With this initiative, we contribute to strengthening their community social process and support the economic growth of 56 families that benefited from such initiative.

| | |
|---------|--------------------|
| Ecobot: | Eucoles – Bus stop |
|---------|--------------------|



All of the above was accompanied by exposure on social media and in the press. To achieve this, we developed videos and advertising guidelines. During the three-month campaign, we obtained over 18 million impressions across different formats, reaching 7 million people. Additionally, our radio advertisement reached 709.669.195 people.

| Medio | OCT | Nov | Dic | Impresiones |
|---|-------------------------------------|-----|-----|-------------|
|  | Multi formatos (post+ storie) | | | 15.698.576 |
| SHOWHEROES GROUP | Video Rich Media (Bonos de Carbono) | | | 504.328 |
|  | Trueview In Stream | | | 2.957.395 |
| TOTAL | | | | 19.729.219 |



As part of our environmental responsibility, in collaboration with Pauta Digital, we managed to measure and offset the environmental cost of carbon emissions generated by our advertising campaign. The results obtained were as follows:

| Description | Associated Data |
|--------------------------------|---------------------------------|
| Campaign period: | October – December 2023 |
| Total prints of programmed ads | 504.328 |
| Emissions per printing | 0,58 gCO ₂ e / print |
| Total emissions | 292,51 KgCO ₂ |

Source: Banco de Occidente

We offset this footprint by purchasing bonds to contribute to the following projects that help remove carbon:

- **TIST:** A community-centered reforestation company with a network of over 100.000 farmers. The program focuses on reforestation and repopulation of existing forests and jungles that have been depleted.
- **Pacific Biochar:** Pioneers in hybrid carbon removal by creating biochar plants⁶³ and biomass energy. The project focuses on long-term CO₂ storage using plant species as fuel for CO₂ removal.
- **Climate Robotics:** An artificial intelligence and robotics company with an innovative mobile biochar process.

For the next period, we expect to hold the call for submissions and award ceremony for the special 30th anniversary edition of Planeta Azul, highlighting its entire history and celebrating its three decades of existence contributing to the environment, water preservation, and conservation. Likewise, we will continue working to identify historical information on the impact that recognized projects and initiatives have had over time, considering that for

⁶³ Biochar is the carbon and ash residue resulting from the thermal decomposition of organic materials at high temperatures.

upcoming awards, we have a scheme that will allow us to know the outcome and impact indicators of the projects applying for the award.

13) Biochar is the carbon and ash waste resulting from thermal decomposition of organic materials at high temperature.

Ecological Restoration WWF:

Restoration with native species is essential for preserving and regenerating natural ecosystems, counteracting environmental degradation, biodiversity loss, and climate change. Using native plants in these projects improves the functionality of local ecosystems and benefits soil quality, pollination, and wildlife habitat availability. Native species, being adapted to their environment, are more resilient to environmental disturbances and contribute to ecosystem stability. Therefore, ecological restoration with these species is not only an investment in the planet's health and future well-being but also preserves the beauty and functionality of ecosystems and protects essential biodiversity for life on Earth.

Aware of the importance of ecological restoration and aligned with our commitment to developing initiatives that address environmental and climate change commitments, since 2022, we have formed a partnership with the World-Wide Fund for Nature (WWF Colombia). The objective is to preserve strategic ecosystems within Colombia's National System of Protected Areas (SINAP) through active restoration processes carried out in collaboration with local communities that have chosen to transition their practices towards preservation efforts.

During 2023, we continued working with WWF Colombia, focusing on two main tasks: additional tree planting in the three prioritized protected areas and activities related to caring for the species planted in 2022. Regarding the latter task, we made progress in:

| Care and improvement | Replanting | Community Involvement | Intermediate Progress Evaluation |
|--|---|---|--|
| With the purpose of favoring the development of the sowed plants, we carried out cleaning, layout ⁶⁴ , and elimination of invasive species at | In the surrounding areas of the Farallones National Natural Park, a total of 275 seedlings were replanted, equivalent to 10% of the initial sowing. | The participation of the local community in the project was maintained, promoting environmental awareness and encouraging | Periodic evaluations were conducted to measure the progress of the project and verify the achievement of restoration objectives. |

⁶⁴ Plating involves removing the vegetative layer around the planted seedling to prevent weed competition.

| | | | |
|-----------------------|--|--|--|
| the intervened areas. | This was done with the purpose of preserving all the restored areas. | contributions to ecosystem preservation. | |
|-----------------------|--|--|--|

14) Layout consists in the elimination of the top soil around the seedling sowed in order to prevent weed encroachment.

Regarding the actions carried out related to the planting of new specimens, the main actions carried out in each of the restoration areas are described below:

National Natural Park Farallones de Cali:

The National Natural Park Farallones de Cali is the largest continental protected area in the Regional System of Protected Areas (SIRAP)-Pacific, which encompasses a variety of climates and ecosystems that give it a special uniqueness positioning it as an important producer of goods and services for the Valle del Cauca community. Nearly 95% of the area maintains zones of secondary forests and in some cases zones of primary forests. The natural coverage of the protected area are important carbon reservoirs that contribute to mitigation and adaptation processes in the face of current and future scenarios of climate change.

In pursuit of implementing participatory ecological restoration processes in the National Natural Park Farallones de Cali, as an environmental strategy to recover and preserve the ecosystems of the protected area, a Collaboration Agreement was entered into between the Corporation for Environmental Development (CDMA) and WWF, which was valid until November 30, 2023.

The impacts generated from this initiative are:

| Intermediate Outcome Indicators Achieved for the Farallones National Natural Park Influence are: | |
|--|--|
| Indicator | Result |
| Number of families benefiting from the project. (Linked): | 10 families involved in hand-labor and input supplies. 2 families owners of land. |
| Number of seedlings planted: phase 1 + replanting | 2.750 275 |
| Number of flower plant species | 36 ⁶⁵ |

⁶⁵ Among the plant species sown in 2023 are: Gualanday, Drago, Crucito, Cedro, Manteco, Mano de Oso, Vainillo, among others. A total of 36 different species were planted.

| | |
|--|---|
| Seedling survival rate | 90% |
| Number of hectares restored: | 2.72 |
| Number of re-plantings: | 1 (275 seedlings). |
| Number of maintenance activities: | 1 per property from the 2022 sowings. |
| Number of jobs created. (Income): | 8 |
| Number of strengthened enterprises or livelihoods: | 3 local nurseries. 1 ecological trail. 1 ecological reserve. |

Source: Second Report of Agreement C185 between WWF and Banco de Occidente

National Natural Park Chingaza:

In 1977 the National Natural Park Chingaza, located in the eastern Andes Mountain Range northeast of Bogotá was declared a National Park. Comprising 11 municipalities, 7 in Cundinamarca and 4 in Meta, it covers 76.600 hectares and belongs to the Orinoquia Regional Subsystem SIRAP. This protected area, at altitudes of 2.800 to 4.000 meters above sea level, is a vital water source for Bogotá and parts of Meta and Cundinamarca Departments, and is renowned for its high Andean forests, sub-Andean forests, and moorlands. It harbors rich biodiversity, including key species such as deer, spectacled bears, pumas, ocelots, and moorlands' tapirs. It also has high Andean wetlands complexes of biological, scenic, and cultural importance.

For the development of initiatives carried out in this impressive natural area, a Collaboration Agreement was entered into between the organization Grupo CONSERVA and WWF, the purpose of which is the purchase of 2.500 native high Andean forest seedlings, planting, and maintenance of such seedlings during two years in the Mundo Nuevo sector, in the buffer zone of the National Natural Park Chingaza. The impacts generated through this intervention are:

| Indicators of Intermediate Results Obtained for the Influence of PNN Chigaza | |
|--|-------------------|
| Indicator | Result |
| Number of families benefited by the project. | 11 |
| Number of seedlings planted. | 2500 |
| Number of flower-plant species. | 9 ⁶⁶ |
| Seedling survival rate. | 92% |
| Number of hectares restored. | 2,3 |
| Number of re-plantings. | 1 (250 seedlings) |
| Number of maintenance activities. | 2 |
| Number of strengthened agreements. | 12 |
| Number of jobs generated (income). | 3 |
| Number of strengthened enterprises or livelihoods. | 1 |

⁶⁶ 16) The following are the flower-plant species selected to be sowed in this area are: Romeron Pinetree, Cedar, Oak, Wax Laurel, among other.

Island Salamanca Vía Park VIPIS:

The Island Salamanca Vía Park (VIPIS), a Protected Area of the National Natural Parks System of Colombia since 1964, is located in the Ciénaga Grande de Santa Marta Lagoon Complex, in the Magdalena Department. Covering approximately 56.200 hectares, it includes mangroves, wetlands, forests, and beaches. It stands out as a refuge for various species of migratory birds, fish, mammals, and reptiles, giving it high biological importance. Internationally recognized, it is classified as an Important Bird Area (IBA).

Within the framework of the agreement for the restoration of this ecosystem, a Collaboration Agreement was entered into between the Clarín Fishermen and Rural Women Association (Asopesclarín) and WWF. Its objective is to carry out actions aimed at promoting the restoration of two hectares of degraded mangrove in the protected area of Island Salamanca Vía Park. These actions include hydrological rehabilitation and the planting of 2.500 mangrove seedlings, carried out through a participatory and community-based approach.

The impacts generated from such initiatives are:

| Intermediate Outcome Indicators Reported for the VIPIS Influence Area | |
|---|--------------------------------|
| Indicator | Result |
| Number of families benefiting from the project | 18 |
| Number of seedlings planted: | 2.500 |
| Number of flower-plant species | 3 ⁶⁷ |
| Survival rate of seedlings | 80% |
| Number of hectares restored: | 2 |
| Number of re-plantings: | 1 |
| Number of maintenance activities: | 1 |
| Number of strengthened agreements: | 1 |
| Number of jobs generated (Income): | 202 |
| Fauna positively impacted in the process | 10 bird species and 2 reptiles |

Source: Second Report Agreement C185 between WWF and Banco de Occidente

Regional District Integrated Management (DRMI) for Beach and Hill La Caleta

⁶⁷ 2.500 mangrove seedlings of the *Avicennia germinans* species (black mangrove), *Laguncularia racemosa* (yellow mangrove) and *Rhizophora* mangrove (red mangrove) were planted.

In early July 2023, we signed a new intervention agreement within the framework of our Agreement with WWF. Thereby, we aim to contribute to one of the preservation objectives of the Regional District Integrated Management (DRMI) Playona and Loma La Caleta, which also serves as a buffer zone for the Acandí Playón and Playona wildlife sanctuary. The ultimate goal promoted by this organization is the restoration of areas degraded by livestock that are of paramount importance for the preservation of species in the area. The actions carried out in the Vidal creek will be fundamental to meet the preservation and health goals of the District.

The area to be restored is located within the DRMI La Playona and Loma La Caleta in the local council of Furutungo, in the Cocomasur territory. It focuses specifically on the Vidal creek that originates in the Caleta Hill and flows into the wetlands of La Playona with an approximate extension of 1.500 to 2.000 meters.

The Vidal Creek is one of the main water sources for the families of Furutungo; upstream it feeds the water intake of a small community aqueduct that supplies water to four families and also distributes water to the school.

Actions carried out in this initial stage include:

- Eight surveys were conducted in September around the creek to identify the predominant trees in the area to be restored.

Two temporary nurseries were established, one with 2.000 bags and the other with 3.824, for a total of 6.500 seedlings with the species identified during the surveys and inquiries with community members.

The work carried out in 2023 allowed us to advance in our goal by establishing this partnership. We achieved the planting of 7.500 seedlings throughout the national territory, aiming to contribute to an annual carbon capture upon completion of their growth process and restoring 7 hectares of protected areas. Likewise, 213 jobs were created, 6 community enterprises were strengthened, 39 families associated with the project were benefited, and we contributed to the protection of 10 species of birds and 2 native reptile species.

Ecolibros Banco de Occidente:

Together with our Blue Planet program, we present a new edition of the renowned collection of books on Colombian nature "La Depresión Momposina, los ciclos del agua" (The Momposina Depression, the water cycles). This book details the impressive geographical feature of over 13.000 square kilometers, located in the plains of the Colombian Caribbean, where the waters of two of the country's main rivers flow: the Magdalena River and the Cauca River. With this initiative, we aim to raise awareness about the importance of caring for this crucial ecosystem both, for the environment, and for the economic development of this region, and the country.

To create this book, we established strategic alliances that represent significant milestones for us. The first and fundamental one, which gave rise to the idea and theme of the book, was with our editor, IM Editores. This team, backed by experts in the field, meticulously explores relevant sites and generates knowledge around the defined theme, focusing on promoting the culture of preservation and care for ecosystems. These explorations not only contribute to knowledge but also economically benefit the visited areas.

The second key partnership was established with the printer Panamericana, a Colombian company that not only generates employment and strengthens social fabric in our country but also distinguishes itself by following sustainable processes aligned with environmental preservation, holding certifications such as FSC agroforestry, ISO 9001, ISO 14001.

Finally, the third partnership was with the carrier Coordinadora, another Colombian company that also promotes employment and social fabric in the country. Through such partnerships and thanks to processes that prioritize environmental care, such as using 100% digital transport guides without physical prints, we managed to reach every corner of Colombia to deliver this book of great natural value.

Regarding the impacts achieved through this initiative, to date, we have produced 17,500 books. It is worth noting that the book is printed with ecological inks on 150-gram imported paper, sourced from responsibly cultivated forests, certified with the ISO 14001 Environmental Management System. This system complies with the standards of the European Community Regulation on Eco-Management and Eco-Audit, and the paper used is 100% recyclable.

Furthermore, we have created a web version of the eco-book, available on the Blue Planet Community page, which has become a valuable resource for schools and colleges across the country.⁶⁸

In 2023, we also began contributing to the library of the Ministry of Environment and Sustainable Development, delivering 25 books from various editions of our collection. Our purpose is to disseminate knowledge about the natural wealth of our country. In this regard, part of the provided editions remained in the library for the enjoyment of users, while the other part was delivered to the Documentation Center of the National Corporation for the Development of Chocó (CODECHOCÓ), located in Quibdó, an entity with which the Ministry has an agreement.

For the launch of the Book we organized an exhibition at the Ministry's premises to introduce the material to the entity's collaborators. Additionally, we took the opportunity to present our Blue Planet Community page, where we offer users the chance to access not only the books in their digital version but also a variety of notes, articles, and relevant data about the

⁶⁸ <https://comunidadplanetaazul.com/ecolibros-naturaleza-de-colombia/>

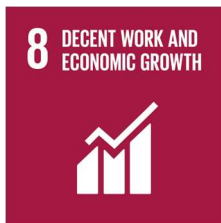
environment. For 2024, we are committed to continue with the contribution of bibliographic material to the Ministry, with the aim of reaching various institutions nationwide, thus strengthening awareness among the population about the care and preservation of our country's natural resources.

3.5 We promote the development of our people and society.

Content

- We drive our talent
- We respect Human Rights
- We create Value Experiences
- We contribute to the development of the regions
- We strengthen the financial skills of clients and communities

Related Stakeholder Groups: Shareholders and investors, customers, board of directors, human team, partners, society and environment, suppliers, government and regulation, and opinion leaders.



3.5.1 We Drive Our Talent

Human Development

GRI 3-3

At Banco de Occidente, we demonstrate our commitment to sustainable growth through the continuous assessment and improvement of the well-being and development of our employees. This translates into workplace wellness policies, promoting constructive labor relations, and fostering diversity in a safe and healthy work environment. These actions are pillars of the organizational culture that not only seek to be positive, but also productive.

Based on a self-diagnosis of the training needs of our employees, we focus our management on developing them personally and professionally in technical and behavioral skills that allow them to build a life project and a career plan that contributes to their well-being and that of their families.

We are a growing and developing organization; our employees can project themselves professionally to take on different roles, aspire to vacancies and focus their training to improve their professional profile and continue their growth. This is reflected in the acquisition of tools that allow them to expand and update their knowledge, enhance their performance and contribute significantly to the achievement of organizational goals.

New hires

GRI 401-1, DJSI 3,4,1

In 2023, 1.103 people were hired from different regions of the country.

| Banco Occidente Recruitment | | | |
|-----------------------------|-------|--------|--------|
| Rate | 2023 | 2022 | 2021 |
| New Hires | 15.8% | 25.54% | 11.20% |

| Gender | Age | 2023 | 2022 | 2021 |
|-----------------|-----------------------------|------|------|------|
| Total new hires | | | | |
| Men | Between 18 and 30 years old | 361 | 663 | 302 |
| | Between 31 and 50 years old | 89 | 123 | 58 |
| | Over 50 | 4 | 1 | 1 |
| Women | Between 18 and 30 years old | 538 | 917 | 370 |
| | Between 31 and 50 years old | 111 | 111 | 65 |
| | Over 50 | 0 | 2 | 3 |

Management hires:

| Gender | Age | 2023 | 2022 | 2021 |
|-------------------------------|-----------------------------|------|------|------|
| Junior/Lower Management Level | | | | |
| Men | Between 18 and 30 years old | 0 | 0 | 0 |
| | Between 31 and 50 years old | 1 | 3 | 6 |
| | Over 50 | 0 | 3 | 0 |
| Women | Between 18 and 30 years old | 0 | 1 | 0 |
| | Between 31 and 50 years old | 3 | 1 | 1 |
| | Over 50 | 0 | 1 | 0 |
| Middle Management Level | | | | |
| Men | Between 18 and 30 years old | 0 | 0 | 0 |
| | Between 31 and 50 years old | 2 | 0 | 1 |
| | Over 50 | 1 | 0 | 0 |
| Women | Between 18 and 30 years old | 0 | 0 | 0 |
| | Between 31 and 50 years old | 0 | 1 | 0 |
| | Over 50 | 0 | 0 | 0 |
| Senior / Top Management Level | | | | |
| Men | Between 18 and 30 years old | 0 | 0 | 0 |
| | Between 31 and 50 years old | 0 | 0 | 0 |
| | Over 50 | 0 | 0 | 0 |
| Women | Between 18 and 30 years old | 0 | 0 | 0 |

| | | | | |
|--|-----------------------------|---|---|---|
| | Between 31 and 50 years old | 0 | 0 | 0 |
| | Over 50 | 0 | 0 | 0 |

Source: Banco de Occidente

Hiring and Career Growth

DJSI 3,4,1

As part of our comprehensive understanding of our employees, we conducted the "We Want to Know More About You" survey. This exercise allowed us to better understand our employees' personal interests, hobbies, academic goals, and overall family life plans.

- Our most common sources of recruitment are personal referrals (31%) and external calls and social networks (29%).
- 28% of employees indicate that the Bank is their first work experience.
- 36% have held operational positions.
- 71% have been promoted after they joined the Bank.
- 69% have attained a new educational level.
- 92% wish to continue studying.

Turnover

GRI 401-1

The 2023 turnover rate decreased by four percentage points compared to 2022. This demonstrates the effectiveness of the organization's talent recruitment and retention process during this period.

| Banco Occidente Turnover | | | |
|--------------------------|--------|--------|--------|
| Rate | 2023 | 2022 | 2021 |
| Turnover rate | 15.81% | 19.87% | 14.70% |
| Voluntary turnover rate | 11.47% | 15.56% | - |

Source: Banco de Occidente

| Gender | Age | 2023 | 2022 | 2021 |
|--------|-------------------------|------|------|------|
| Men | From 18 to 30 years old | 279 | 412 | 298 |
| | From 31 to 50 years old | 119 | 151 | 119 |
| | Over 50 | 33 | 28 | 43 |
| Women | From 18 to 30 years old | 452 | 579 | 374 |
| | From 31 to 50 years old | 183 | 187 | 141 |
| | Over 50 | 38 | 56 | 73 |

Managerial Turnover:

| Gender | Age | 2023 | 2022 | 2021 |
|--|-----------------------------|------|------|------|
| Junior/Lower Management Level | | | | |
| Men | Between 18 and 30 years old | 1 | 5 | 1 |
| | Between 31 and 50 years old | 13 | 7 | 17 |
| | Over 50 years old | 8 | 12 | 12 |
| Women | Between 18 and 30 years old | 0 | 5 | 2 |
| | Between 31 and 50 years old | 13 | 12 | 18 |
| | Over 50 years old | 3 | 8 | 10 |
| Middle Management Level | | | | |
| Men | Between 18 and 30 years old | 1 | 5 | 1 |
| | Between 31 and 50 years old | 13 | 7 | 17 |
| | Over 50 years old | 8 | 12 | 12 |
| Women | Between 18 and 30 years old | 0 | 5 | 2 |
| | Between 31 and 50 years old | 13 | 12 | 18 |
| | Over 50 years old | 3 | 8 | 10 |
| Senior/Upper Management Level Turnover | | | | |
| Men | Between 18 and 30 years old | 0 | 0 | 0 |
| | Between 31 and 50 years old | 0 | 0 | 0 |
| | Over 50 years old | 0 | 3 | 0 |

| | | | | |
|-------|-----------------------------|---|---|---|
| Women | Between 18 and 30 years old | 0 | 1 | 0 |
| | Between 31 and 50 years old | 3 | 1 | 1 |
| | Over 50 years old | 0 | 1 | 0 |

Source: Banco de Occidente

Benefits and Compensation for Our Employees

GRI 401-2

We promote initiatives aimed at improving the quality of life and well-being of our employees, which contribute to the results and sustainability of the business. Below are the emotional benefits offered in 2023 to the entire organization:

| Benefits | Objectives |
|--|--|
| Family Day | A space for employees and their families to enjoy two days a year of an activity that contributes to strengthening family bonds. |
| Maternity and Paternity Leave | Time off for employees who have had children; two more days are granted in addition to the leave time granted by law. |
| Bereavement Leave | Five business days leave for employees to take leave from their work duties due to the loss of a loved one. In the case of the death of a first-degree relative, an additional day is granted. |
| Birthday Half-Day | Benefit of enjoying an afternoon with family or friends to celebrate their birthday. |
| Marriage Leave | Five business days leave for employees who get married. |
| Calamity Leave | Leave for employees from their work duties due to a domestic or family calamity. |
| Flexible Working Schedule | Flexible working hours that allow employees to develop other personal activities. |
| My Style Banco de Occidente Dress Code | Flexible and comfortable dress code |

Source: Banco de Occidente

The annual work environment survey showed an increase in the perception of pride in our employees. This result is a reflection of our benefits portfolio and the wellness initiatives programmed for this period, which benefited 4,854 employees in activities

such as sports tournaments, ecological hikes, and celebration of festivities, among other.

Life and Personal Accident Insurance and Medical Assistance Policy

Life insurance or life and personal accident insurance is available to all Bank employees, while medical insurance applies to employees, who may join family groups, if interested.

| Benefit | Number of People Benefited | | |
|-------------------|----------------------------|-------|-------|
| | 2023 | 2022 | 2021 |
| Life Insurance | 7.728 | 7.180 | 7.358 |
| Medical Insurance | 3.706 | 4.003 | 4.337 |

Source: Banco de Occidente

On the other hand, the bank has economic benefits that exceed the legal requirements for our employees. In 2023, we delivered the following benefits:

| Benefit | Objective | Number of employees benefited | | |
|---------------------|--|-------------------------------|-------|-------|
| | | 2023 | 2022 | 2021 |
| Extra-legal bonuses | Economic payback that is given to employees in June and December. It is given to all employees with a nominal salary, excepting the commercial area. | 5.197 | 5.703 | 5.535 |
| Vacation bonuses | Economic compensation that is paid after the third year of service in the Bank, which varies according to the employee's seniority. It is given to all employees with a nominal salary, excepting the commercial area. | 3.784 | 3.306 | 3.507 |
| Seniority bonuses | Value paid to employees for every five years of service to the organization. | 817 | 1.080 | 1.019 |

Variable Compensation Model

Our Variable Compensation Model aims to incentivize high performance in commercial areas. It seeks to have a system that reinforces the culture of measurement and motivates progress in the strategy execution and the achievement of commercial results. This is accomplished through an evaluation model that measures the fulfillment indicators of the commercial team, which corresponds to 19 % of the total employees of the organization. The compensation (percentage of salary earned for goal execution in addition to their base salary) is managed on a monthly basis for Counter Advisors and Vehicle Executives and Financing Center Advisors and it is managed quarterly for Division Managers, Relationship Managers, Coordinators, Executives, Investment Managers and applicable commercial Directors who work for VP. Corporate, VP. Retail and Treasury Management. In 2023, the following results were attained:

| | 2021 | | | 2022 | | | 2023 | | |
|--|----------|---------------|---------------|----------|---------------|---------------|----------|---------------|---------------|
| Position/Segment | Coverage | Budgeted Goal | Goal Achieved | Coverage | Budgeted Goal | Goal Achieved | Coverage | Budgeted Goal | Goal Achieved |
| Corporate VP: Segment VP: Regional Managers Sales Directors Sales Managers Sales Executives | 439 | 80% | 58% | 436 | 80% | 82% | 408 | 80% | 41% |
| Retail VP: Commercial Division Managers Regional Managers Sales Directors Coordinators Sales Managers Sales Executives Service Advisors | 1067 | 80% | 49,50 % | 910 | 80% | 58% | 837 | 80% | 27% |
| Treasury: Division Manager Desk Assistant - Managers Treasury Directors Investment Managers | 44 | 80% | 68% | 44 | 80% | 93% | 45 | 80% | 93% |

| | | | | | | | | | |
|---|----|-----|-----|----|-----|-----|----|------|-----|
| Temporary Assistants: Corporate VP Retail VP: Sales Managers Sales Executives | 51 | 80% | 78% | 38 | 80% | 84% | 30 | 100% | 40% |
|---|----|-----|-----|----|-----|-----|----|------|-----|

Source: Banco de Occidente

Training and Education

404-1, DJSI 3.3.1

In compliance with the annual training plan and regulatory obligations, we reached a total of 409.490 hours of technical and behavioral training distributed among the different job categories, with the majority directed at administrative and operational categories. A budget of COP3.033 million was invested in the different training activities.

| | Total number of employees | | | | | | Total training hours | | | | | | Average training hours | | | | | |
|------------------------|---------------------------|-------|-------|-------|-------|-------|----------------------|---------|---------|---------|---------|---------|------------------------|-------|--------|--------|-------|-----|
| | 2021 | | 2022 | | 2023 | | 2021 | | 2022 | | 2023 | | 2021 | | 2022 | | 2023 | |
| Employment Category | H | M | H | M | H | M | H | M | H | M | H | M | H | M | H | M | H | M |
| Senior Management | 13 | 2 | 11 | 1 | 12 | 1 | - | - | 124 | 12 | 276 | 178 | - | - | 11,27 | 12,00 | 23 | 178 |
| Middle Management | 126 | 82 | 39 | 19 | 43 | 18 | 7.634 | 5.874 | 829 | 565 | 2.965 | 1.647 | 60,59 | 71,63 | 21,26 | 29,74 | 69 | 92 |
| Sales | 437 | 774 | 475 | 787 | 467 | 762 | 44.840 | 61.256 | 103.268 | 171.098 | 19.299 | 29.934 | 102,61 | 79,14 | 217,41 | 217,41 | 41 | 39 |
| Administrative (staff) | 1,031 | 999 | 1.195 | 1,075 | 1.177 | 1,062 | 8.481 | 8.371 | 20.183 | 18.156 | 37.457 | 34.180 | 8,23 | 8,38 | 16,89 | 16,89 | 32 | 32 |
| Operations | 1,280 | 2.407 | 1.188 | 2,323 | 1.174 | 2,268 | 18.234 | 38,718 | 35,205 | 68.840 | 123,341 | 156,141 | 14,25 | 16,09 | 54,89 | 61,52 | 105 | 69 |
| Total | 2,887 | 4.264 | 2.908 | 4,205 | 2.873 | 4,111 | 79.189 | 114,219 | 156,609 | 258,672 | 183,338 | 222,080 | 27,43 | 26,79 | 54,89 | 61,52 | 64 | 54 |
| | 7,151 | | 7,113 | | 6,984 | | 193,408 | | 418,28 | | 405,418 | | 27 | | 58,81 | | 58,05 | |

Source: Banco de Occidente

We create the conditions for the position within the organization by developing technical knowledge and required competencies. In 2023, end-to-end training actions were implemented deemed fundamental to mobilize the capacities prioritized by each Vice Presidency. This way we promoted training processes that leverage digital transformation, strengthening our leaders' skills.

| 2023 | | |
|--|---------------------|------------------------------|
| Program Name | Type | Number of Employees Impacted |
| Conscious Leaders Workshop | Continuous Training | 77 |
| High-Impact Presentations Course Oral | Continuous Training | 80 |
| Collaborative Work | Continuous Training | 359 |
| Adaptation to Change | Continuous Training | 358 |
| Impeccable Execution Course | Continuous Training | 69 |
| Emotional Intelligence, Oral expression and good relations | Continuous Training | 57 |
| Accountability Webinar | Continuous Training | 158 |
| Resilience Webinar | Continuous Training | 591 |
| Python Course | Continuous Training | 96 |
| Advanced Excel Course | Continuous Training | 35 |
| Power Bi Course | Continuous Training | 51 |

Source: Banco de Occidente

Four programs developed by the Bank to strengthen job skills stood out in 2023:

| Program Name | Objective | Number of Employees Impacted | % of Participation |
|--|--|------------------------------|--------------------|
| Project Management under an Agile Approach | To develop the skills of employees in the use of techniques and tools within an agile approach, using of frameworks and practices that develop and enhance teamwork, flexibility, adaptation to change and timely delivery of products and services in changing and highly uncertain environments. | 127 | 95% |
| | To strengthen the skills of employees to understand and incorporate into their | | 85% |

| | | | |
|---|--|-----|------|
| Challenging the Status Quo: Strategies for Digital Disruption | management the trends, tools and strategies of digital disruption, seeking effectively apply this knowledge in their daily work, thus improving the Bank's competitiveness and productivity. In addition, participants are expected to acquire critical thinking and problem-solving skills, in order to successfully cope with the digital disruption challenges and anticipate trends. | 39 | |
| Sales Management for Offices Sales Force | To develop and strengthen the skills of participants to improve the quality and effectiveness of their sales management and customer relations at Banco de Occidente, and to positively impact the achievement of the assigned commercial goals. | 512 | 100% |
| Build Your Relationships and Increase Your Business Opportunities | To strengthen the skills of participants to enhance their potential, allowing them to develop alternatives for successful closings and to manage value relationships. | 300 | 60% |

Source: Banco de Occidente

Moreover, we promoted training in full stack development and QA testing programs for 9 bank employees who were in fixed-term positions. This training included technical and behavioral components, which provided them with the necessary tools to then be hired with indefinite term contracts.

Retirement Preparation Program

GRI 404-2

To help employees who will soon retire and are preparing for this new stage in their lives, the Bank provides tools to help them make a smooth transition to retirement.

The program includes the following activities:

- Group Seminar: program aimed at employees in administrative and operational positions.
- Individual Coaching: program aimed at employees in middle management positions.
- Managerial Coaching: program aimed at employees in senior management positions.

Talent Development

DJSI 3,4,1

Career Plan: This is a defined growth path for our employees to project their careers at the Bank according to their profile and expectations. Furthermore, we have training, coaching and learning paths through the Corporate University, which in 2023 became our "The U" platform, establishing the topics of the base module, virtualizing the leadership module and promoting content for the development of soft skills through podcasts. All this with the aim of contributing to the personal and professional growth of our employees. The operational and commercial career plan is structured and will be reviewed in 2024.

Open Internal Summons Program: This program aims to inform 100% of employees about the available vacancies and to allow them to apply according to their expectations and their profile requirements as per their career plan. During 2023, we published 281 vacancies nationwide.

Leader Development Program: This program aims to strengthen organizational skills and soft skills in promoted leaders so they may successfully perform their current role. This prepares them for senior positions and contribute to the organization's strategy and profitability. This program includes different actions such as: courses for future leaders, conscious leadership workshop, leadership school, design of individual development plans and follow-up activities to ensure compliance.

Talent (Succession) Program: This program ensures development of teams and long-term continuity of the business by identifying critical positions and high potentials. During this period, we achieved 95% execution of the program by identifying 45 critical positions in the organization at the level of vice presidents, managers and directors; and we carried out the analysis and projection of career plans, prioritizing the necessary skills and attributes in order to design the succession plans. In addition, we supported the development of individual improvement plans for 198 program participants.

By 2023 57.6% of total vacancies were filled by internal staff.

Performance Management

GRI 404-3 DJSI 3.4.2

Our performance evaluation process has a methodology aligned end-to-end with the organizational strategy. This allows to formulate objectives in accordance with the Bank's plans and goals set during the year and provides tools for their accomplishment.

Such evaluation consists of different stages that are carried out quarterly, where the accountable actors (employees and leaders) must properly monitor the objectives and improvement plans.

- Planning stage (April-June): Employees must register their functional and development objectives for the current year, through the Success Factors tool.
- First meeting (July-September): A space for conversation between the employee and the leader to evaluate the progress of the proposed goals.
- Closing stage (October-December): This is accompanied by a second meeting between the leader and the employee to know the status of the objectives.
- Management and evaluation stage (January-March): The results of the organizational objectives are captured by Human Talent, together with the results of the functional and development objectives and the competencies qualification.
- Upon finishing the management and evaluation stage, the form is reviewed by Human Talent for its subsequent signature, to complete the performance assessment and reveal the results.

Taking into account that the performance evaluation stages are quarterly carried out, the 2023 results will be reflected in March 2024 and published as an exhibit to this report.

| | Total number of employees | | | | Number of employees who received regular performance and career development reviews | | | | % of employees who received regular performance and career development reviews | | | |
|------------------------|---------------------------|-------|------|-------|---|---------|-------|-------|--|-------|------|-------|
| | 2021 | | 2022 | | 2021 | | 2022 | | 2021 | | 2022 | |
| Job Category | Men | Women | Men | Women | Men | Women | Men | Women | Men | Women | Men | Women |
| Senior Management | 13 | 2 | 11 | 1 | 0 | 0 | - | - | 0% | 0% | 0% | 0% |
| Middle Management | 126 | 82 | 39 | 19 | 123 | 77 | 37 | 18 | 98% | 94% | 95% | 95% |
| Sales | 437 | 774 | 475 | 787 | 415 | 720 | 428 | 724 | 95% | 93% | 90% | 92% |
| Administrative (staff) | 1031 | 999 | 1195 | 1075 | 918 | 889 | 1,111 | 1,000 | 89% | 89% | 93% | 93% |
| Operations | 1280 | 2407 | 1188 | 2323 | 947 | 1877 | 832 | 1,696 | 74% | 78% | 70% | 73% |
| Total | 2887 | 4264 | 2908 | 4205 | 2403.42 | 3563.47 | 2,408 | 3,438 | 83% | 84% | 83% | 82% |
| | 7151 | | 7113 | | 5966.89 | | 5,845 | | 83% | | 82% | |

Source: Banco de Occidente

Our employer brand

We continue working to strengthen the positioning of our employer brand through communication actions that allow us to share relevant information and attributes with our stakeholders that make our organization the best place to work. Some of the most relevant actions were:

- Well-being plans informed through social media, including corporate responsibility actions, training programs, and diversity and gender equality issues.
- Visits to different universities in the country to make raise awareness of the Bank, accompanying them in training exercises to attract new talent.
- Redesign of BDO internship program as part of the actions to continue strengthening our candidate pools and also as an exercise in corporate responsibility actions supporting training of new professionals.
- Prioritization of the Employee Journey strategy to define, calibrate and adjust the human team internal development process. Hence, an external firm was retained to build the employee value proposition as the fundamental basis for strengthening and promoting our employer brand. Some of the actions developed were the project's kick-off, its strategic alignment and the launch of the first survey to employees to learn about their aspirations and perception.
- Implementation of the digital talent attraction and retention strategy, through the sustainability of the benefits program for critical positions, the referral program and institutional induction.

"Occiverso, a digital world"

This program was designed to support our talent attraction strategy in the digital field and to foster a cutting-edge culture in our organization. The digital community was created through LinkedIn where different live events are held.

1. We reached a total of 212 members in the community.
2. We produced 8 high-quality video podcasts addressing topics related to trends such as cybersecurity, SEO positioning, big data, digital creativity and social networks, among other.
3. The Bank is committed to offer training in digital and cutting-edge content aiming to keep the Occiverso world updated.

Labor Relations

GRI 3-3

Our purpose is to ensure sustainability of the Bank through human talent management in order to achieve the planned business strategy. Therefore, we

mobilize people and listen to their expectations to satisfy employees and their families with the activities carried out, thus achieving a better balance between personal and work life reflected in increased productivity in their tasks.

Work Environment Survey

DJSI 3.4.6

Bearing in mind our commitment to sustainable development, we promote, value, and improve human talent management every day through the implementation of plans and programs aimed at achieving the well-being, development, and equity of our employees.

We promote a positive, resilient and inclusive corporate culture where people are prioritized as the fundamental axis for achieving business strategy fulfillment. Being a great place to work is our organization's commitment by keeping employees connected to the higher purpose: "making people's development, business growth, and country transformation a reality." Therefore, we continue to strengthen the sense of belonging, attracting and retaining the best talent, thus increasing credibility and trust of our stakeholders, and adding value to shareholders by positioning the brand and corporate reputation, focusing on people as our main asset.

We conducted the work climate measurement with Great Place to Work and Icontec for the fifth consecutive year and received certification from these entities for being in a very outstanding stage with policies and practices of work environment that generate trust and organizational commitment, making us an attractive employer and an example in the country. We also received recognition as the Best Place to Work in Colombia in the category of more than 1.500 employees in 2023.

| Measurement | 2021 | 2022 | 2023 |
|-------------------------------|-------|-------|-------|
| Work Climate Index | 88.40 | 80.60 | 87.60 |
| Data coverage, % of employees | 100% | 92% | 94% |

Source: Banco de Occidente

Below we detail the variables of the annual survey conducted for our employees:

| Variable | Description | Overall Result |
|---------------|--|----------------|
| Credibility | Perception of employees regarding their leaders and whether management is credible and trustworthy. | Excellent |
| Respect | Perception of employees regarding actions that demonstrate support, collaboration, and care from the organization. | Excellent |
| Impartiality | Perception regarding whether management practices in the workplace are fair, equitable, and unbiased. | Very High |
| Companionship | Employees' feelings about authenticity and care from others; the freedom to express themselves; the sense of hospitality in the work environment; and feelings about being members of a community. | Very High |
| Pride | Employees' feelings about their work, their team, and the organization they work for. | High |

As part of our ambition for 2023, when we aim to increase the work environment index, we presented the results of the previous period's survey to all levels of the organization; designed action plans at the vice-presidential level to close gaps; and supported areas with large opportunity for improvement carrying out interviews, workshops, and coaching to strengthen the work environment.

Maternity and Paternity Leave

GRI 401-3

We currently have 4 breast-feeding rooms, one in each administrative office (Cali, Bogotá, Medellín, and Barranquilla), which are available for nursing mothers. As part of the program rollout, we have nationwide informed the locations, accountable persons, schedules, and usage conditions, and we grant paid time off in accordance with regulations to support mothers in their process. In 2023, we conducted 3 talks focused on pregnant and breastfeeding mothers and granted maternity and paternity leaves to our employees, as follows:

| | 2023 | 2022 | 2021 |
|--|------|------|------|
| | | | |

| | | | |
|---|-----|-----|-----|
| Number of employees entitled to maternity or paternity leave. | 161 | 186 | 192 |
| Women | 118 | 137 | 147 |
| Men | 43 | 49 | 45 |
| Number of employees who returned to work after enjoying their maternity or paternity leave. | 161 | 186 | 192 |
| Women | 118 | 137 | 147 |
| Men | 43 | 49 | 45 |
| Number of employees who returned to work after enjoying their maternity or paternity leave, and after twelve months of their return have continued working. | 151 | 152 | 176 |
| Women | 111 | 112 | 135 |
| Men | 40 | 40 | 41 |

Source: Banco de Occidente

| Indicator | Gender | 2023 | 2022 | 2021 |
|----------------------|--------|--------|--------|--------|
| Return to Work Index | Men | 100% | 100% | 100% |
| | Women | 100% | 100% | 100% |
| Retention Index | Men | 93,02% | 95,91% | 91,11% |
| | Women | 94,07% | 81,75% | 91,83% |

Source: Banco de Occidente

Collective Labor Agreement

GRI 2-30; DJSI 3.1.5

Keeping open, rich and teamwork-oriented relationships with the Union has allowed us to achieve agreements for the well-being of our employees. Our Collective Labor Agreement has a 5-year effectiveness (2022-2026); 2023 was our second year under the Agreement, during which we had a conventional salary raise of 15.42% and afforded the benefits plan as stipulated in the Agreement, addressing 100% of their requests.

Furthermore, we continue to strengthen relations with the Union through a two-way communication and joint- building solutions. We ensure the right to union affiliation, reflected in keeping the proportion of employees covered by the Collective Labor Agreement as follows:

| | Total Number of Employees | | | Number of Employees Covered by Collective Labor Agreements | | | Percentage of Employees Covered by Collective Labor Agreements | | |
|-------|---------------------------|-------|-------|--|-------|-------|--|------|------|
| | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 |
| Total | 7.151 | 7.113 | 6.984 | 3.009 | 2,904 | 2,768 | 42% | 41% | 40% |

Our Code of Conduct

GRI 2-26, 406-1

Within a comprehensive and transparent management framework, we have the Code of Ethics and Conduct and the Internal Work Regulations. Under these guidelines, we have established a commitment to conduct and compliance that is endorsed by all our employees upon their entry or whenever these documents are updated.

Moreover, we have several committees that review situations that may arise in the organization regarding possible incidents indicating non-compliance with these guidelines:

Labor Coexistence Committee: made up of workers' representatives and the Bank; this autonomous committee reviews situations of coexistence among employees and makes recommendations to resolve the issues raised that may affect the work environment.

In 2023 we established four coexistence committees nationwide. Their members were trained in various topics such as assertive communication, teleworking, and techno-stress relief, among others.

Operative area committees: these committees review and evaluate possible disciplinary offenses by our employees against organizational ethical guidelines and internal work regulations, and determine sanctions if necessary.

At Banco de Occidente, we believe in equality as a right and equity as a guiding principle of our organizational identity. Accordingly, in furtherance of our labor

relations, we do not engage in discriminatory conduct, nor have we had any cases of this nature throughout the period.

Safety and Health Management System

GRI 403-1; 403-8

Through our occupational safety and health management system and our commitment to providing our employees with the necessary conditions to promote a culture of care and physical, mental, and social well-being, during 2023 we developed strategies focused on strengthening the epidemiological surveillance, cleanliness and order system, industrial hygiene and safety, nutrition, preventive medicine, and occupational health.

The coverage of our system includes 100% of employees regardless of the type of contract, as well as all suppliers and contractors performing activities for us or on our premises.

Within the framework of our Occupational Health and Safety Policy and in compliance with the legal requirements matrix established for the Bank, we have established programs and activities through which we monitor and control the health of our employees. Thus, the main activities of our management system are:

1. Industrial hygiene and safety, which includes reporting and investigating work accidents and occupational diseases, identifying hazards and risks, and conducting safety inspections and environmental measurements.
2. Occupational health: We undertake preventive medicine and occupational health actions, promotion and prevention activities, case monitoring, occupational evaluations, and management of the occupational rehabilitation program.
3. Epidemiological surveillance systems.
4. Road safety and public risk programs.
5. Emergency prevention, preparedness, and response program.
6. Workers' participation committees (COPASST, Coexistence Committee; Road Safety Committee).
7. Training on different topics related to the system (preventative, corrective).

We have an annual audit program through the analysis, verification, and evaluation of the Safety and Health Management System (SG SST), which has a nationwide scope covering all offices, administrative areas, and activities carried out. This evaluation process is carried out internally and is contracted through a bidding process with a competent external entity.

Identification of Hazards and Risk/Incidents Assessment

GRI 403-2; 403-7

Integrated into the Occupational Safety and Health Management System, our Bank has a procedure that establishes guidelines for the continuous identification of hazards and risk assessment and determination of risk controls to prevent work accidents and occupational diseases, applied in all workplaces and activities where we provide Bank's services.

The management of this process is conducted annually according to requirements, either virtually or in person, by a working team comprised of an SST team representative, COPASST, and technical support from the ARL, ensuring worker participation.

Topics evaluated include the nature of the hazard, the magnitude of the risk, previous accidents, and changes in legislation, among others. Based on this information, we define an action plan and establish the necessary controls to mitigate the identified risk. This information is documented and updated in the Bank's risk and hazard matrix.

Any worker or supplier/contractor may report unsafe acts and conditions and self-report health conditions. For these reports, we have the following SST channels:

1. Email saludytrabajo@bancodeoccidente.com.co
2. Contact through Teams, email, or extension of each SST analyst or leader in each area.
3. Safety inspections carried out by SST.
4. Hazard and risk identification performed by SST.

The occupational safety and health process will consolidate and analyze the reports, determine the priority level and type of intervention/corrective action for each report, and proceed to submit the respective action plans as needed, defining accountable parties and execution times. For health cases, validation with occupational medicine will be done to correlate such cases with the Bank's hazards and risks and the mechanism to guide the worker.

In addition, through our Safety and Health Management System, we implement preventive measures, considering the hierarchy of controls in connection with the risks and hazards identified in the evaluations, in order to mitigate or eliminate any possible negative impact on employees. Likewise, we deal with corrective and improvement measures identified in the process.

Should our clients and suppliers visit our premises, we verify the requirements to prevent any alteration or event related to their health. These measures also apply to employees working remotely or in hybrid a manner through teleworking, but ensuring assessments and monitoring at their workstations.

Health Services

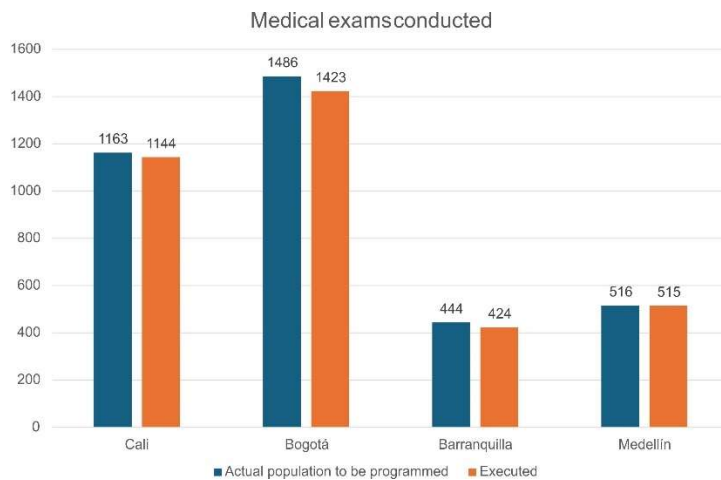
GRI 403-3

We take care of our employees so we periodically carry out different activities that allow us to know about their health conditions, thus having a complete diagnosis of our workforce.

We also have a technical and professional team made up by the ARL and specialized human talent for advice in health, safety, and occupational hygiene. The following activities are carried out:

- Identification and assessment of hazards and risks.
- Surveillance of environmental factors and work practices.
- Advice on work planning and organization, including the design of worksites.
- Development of programs to improve work practices.
- Analysis of work accidents and occupational diseases.
- Identification of processes and procedures that may impact employees' health.

Medical Exams Performed



As of December 31st, we conducted 3,506 periodic exams nationwide, achieving a 97.14% coverage of the proposed population for this period.

Source: Banco de Occidente

Similarly, we designed disseminating actions through different surveillance systems and programs and also implemented specific health risk prevention activities as well as activities to adapt for changes that contribute to employees' health. It is very important for us to properly safeguard the information related to each employee's health ensuring confidentiality. This information is shared by each employee according to his health condition, prior socialization and explanation by the medical professional. Likewise, there are confidentiality agreements and clinical custody management with providers who perform interventions or health evaluations of employees in the country.

Employee Participation in Occupational Health and Safety

GRI 403-4

Listening to our employees and their concerns regarding occupational health and safety issues is crucial for continuing to strengthen our management. Therefore, we have various participation and communication mechanisms to address situations that may impact people's safety and health:

| Committee Name | Purpose |
|---|---|
| Joint Occupational Health and Safety Committee - COPASST: | To ensure compliance with the guidelines established in the Occupational Health and Safety System and to promote and disseminate the activities carried out by the Bank. |
| Road Safety Committee | To raise awareness among employees about the importance of safe behaviors on the road and compliance with traffic regulations to prevent accidents. |
| Emergency Operations Committee (EOC) | To coordinate activities before, during, and after an emergency or disaster to ensure compliance with the Emergency Prevention, Preparedness, and Response Plan and secure the necessary means for its implementation. |
| Workplace Harmony Committee | To prevent workplace harassment and protect employees from psychosocial risks that affect health in the workplace. |
| Channels for Reporting Unsafe Conditions and Acts | To provide tools to stakeholders for reporting situations that may endanger the safety and health of individuals in the Bank. Such tools include: COPASST, SST mailbox saludytrabajo@bancodeoccidente.com.co , safety inspections, and the risk identification, assessment, and management update. |

Source: Banco de Occidente

Employee Training in Occupational Health and Safety

GRI 403-5

Using the main input from the hazard identification, risk assessment and risk valuation matrix, the national health plan, and epidemiological characterization, we have established, in collaboration with professionals assigned by the ARL, a training plan with both in-person and virtual activities that allow us to cover 100% of our internal population. The main topics addressed in 2023 for both, employees and third parties, resulted in more than 1.014 hours of training in the following areas:

- Induction and re-induction in SG SST for the entire Bank population.
- Height training course for specific areas.
- Training in Occupational Health and Safety Legislation, Accident Investigation and Analysis, Hazard Identification and Risk Assessment (COPASST) every year.

- Annual training for the labor coexistence committee in assertive communication, conflict management, emotional intelligence, and stress management.
- Training for personnel on proper action in public risk events (priority offices in each area).
- Training for the Emergency Brigade on roles and responsibilities.
- Training in safe speed, fatigue prevention, distraction prevention, zero tolerance for driving under the influence of alcohol and psychoactive substances, and protection for vulnerable road users.
- Annual virtual training for self-employed workers nationwide on active breaks.
- Training in the use of personal protection equipment.
- Training in safe handling of chemical substances.

With the goal of evaluating the training process and identifying improvement opportunities, we conduct a satisfaction survey or a knowledge assessment at the end of each training session.

| Activities | 2023 | | 2022 | | 2021 | |
|---|-------------------|---------------------------|------------------|---------------------------|------------------|---------------------------|
| | Direct Employees | Suppliers and Contractors | Direct Employees | Suppliers and Contractors | Direct Employees | Suppliers and Contractors |
| Number of training activities in occupational health and safety | 735 ⁶⁹ | 47 | 37 | 56 | 63 | 159 |
| Total number of workers trained in occupational health and safety | 6.632 | 428 | 6.553 | 484 | 5.838 | 531 |

⁶⁹ A significant increase is observed in item: "Number of training activities in occupational health and safety carried out during 2023" for direct employees, since in previous years activities accomplished by topic were counted as only one activity. This year, according to a more specific training plan, we were able to specify how many training events were offered for each one of the topics.

| | | | | | | |
|-------------------------|-------|----|-------|------------------|-------|----|
| Total hours of training | 5.446 | 23 | 4.035 | 28 ⁷⁰ | 2.274 | 79 |
| | | | | | | |

Source: Banco de Occidente

Employees Health Incentive Program

GRI 403-6

Aligned with our commitment to caring for and incentivizing the well-being of our employees' health, we conducted various activities throughout the period, namely:

- Blood donation day: We organized blood donation activities Bank's facilities in partnership with the Colombian Red Cross, which provided all the necessary resources to this end.
- Executive check-up program: We conducted laboratory tests and specialized medical consultations (internal medicine, urology, and gynecology) for the identified population in senior management, middle management, and director-level positions.
- Occupational health exams: We conducted occupational health exams focusing on musculoskeletal health and optometry for the identified population.
- Health Week: In August, we held Health Week for all employees nationwide in partnership with several service providers. We covered different topics related to

⁷⁰ Item "Total training hours offered" was restated in 2022 for suppliers and contractors, since at that time the total training hours were estimated according to the total number of employees and not according to the number of training activities.

healthy lifestyle habits and good nutrition, and we achieved the participation of more than 1,244 employees.

Work-related Accidents and Absenteeism

GRI 403-9, DJSI 3,5,3

We continue to strengthen our Occupational Health and Safety Management System, meeting all legal requirements through the implementation of preventive activities and risk assessments tailored to new work formats. During this period, we achieved a decrease in the frequency of accidents and an increase in incident reports, providing greater input for preventive plans associated with the system.

| Accident Rate | | | |
|-----------------------------|------|------|------|
| | 2023 | 2022 | 2021 |
| Frequency Rate of Accidents | 0.47 | 0.68 | 0.58 |
| Severity Rate of Accidents | 3.49 | 1.81 | 1.44 |

Source: Banco de Occidente

The increase in the severity index challenges us to continue strengthening prevention strategies, considering that, according to the accident characterization, the main cause of accidents is people falling at administrative and operating premises. However, we have implemented an action plan to strengthen standard signals during cleaning times. We have also resumed the cleanliness and organization strategy at different offices.

| Absenteeism Rate | | | |
|------------------------|----------|---------|---------|
| | 2023 | 2022 | 2021 |
| Total % of worked days | 136,16 % | 135,35% | 139,39% |
| Data coverage | 100% | 100% | 100% |

Source: Banco de Occidente

We accompany individuals who experience health conditions resulting in more than 30 days of absenteeism to facilitate their reintegration and prevent potential administrative difficulties associated with health entities' procedures or opportunities. Furthermore, such measurements allow us to identify the main causes

of illness and focus on preventive activities. We have seen an increase in the overall absenteeism rate compared to the previous year, in line with the country's general post-pandemic trends.

Diversity and Equal Opportunities

GRI 3-3; 2-7

We are a diverse, equitable, and inclusive organization committed to people and their well-being in order to create a favorable environment that facilitates and enhances equal opportunities and workforce inclusion, all cultural attributes that drive personal and professional progress for our human team. In line with this premise, we have developed various actions to achieve this goal and materialize it in the composition of our workforce, namely:

| Total plant composition | | | |
|-------------------------|--------|--------|--------|
| | 2023 | 2022 | 2021 |
| Men | 41.14% | 40,88% | 40,46% |
| Women | 58.86% | 59,12% | 59,54% |

Source: Banco de Occidente

As part of our commitment to equality, diversity, and inclusion, we have established comprehensive and transparent criteria for the selection, hiring, promotion, and advancement processes of our employees, free from discrimination based on gender, sexual orientation, and ethnic background, among others. These guidelines are solely based on the profiles of the positions in terms of competencies, experience, knowledge, and training.

| Number of employees by type of contract and gender | | | | | | | |
|--|----------|-------|-------|-------|-------|-------|-------|
| | | 2023 | | 2022 | | 2021 | |
| Contract Type | | Men | Women | Men | Women | Men | Women |
| Indefinite Term | Complete | 2.526 | 3.610 | 2.545 | 3.706 | 2.496 | 3.746 |
| | Partial | 4 | 3 | 6 | 5 | 6 | 24 |
| Fixed term | Complete | 200 | 290 | 237 | 278 | 238 | 281 |
| | Partial | 2 | 4 | 1 | 5 | 5 | 4 |
| SENA apprentices | N/A | 141 | 204 | 119 | 211 | 148 | 203 |
| Total | | 2.873 | 4.111 | 2.908 | 4.205 | 2.893 | 4.258 |
| | | 6.984 | | 7.113 | | 7.151 | |
| External employees | | 2.438 | | 2.387 | | 2.744 | |

Source: Banco de Occidente

According to the demographic profile of our employees, 3% belong to an ethnic minority and 3% is identified as part of the LGBT+ population.

We highlight the work we have been implementing with SENA apprentices, whom we support in their training and work experience process; we have achieved the integration of 40% of the young people who are part of this program.

| Contract type by zone | | | | |
|-----------------------|-----------------|--------------|--------------|--------------|
| | Contract type | 2023 | 2022 | 2021 |
| Bogotá | Fixed Term | 201 | 221 | 227 |
| | Indefinite Term | 2.927 | 2.987 | 2.990 |
| | Total | 3.128 | 3.208 | 3.217 |
| Cali | Fixed Term | 208 | 219 | 228 |
| | Indefinite Term | 2.068 | 2.086 | 2.020 |
| | Total | 2.276 | 2.305 | 2.248 |
| Medellín | Fixed Term | 55 | 49 | 43 |
| | Indefinite Term | 632 | 662 | 691 |
| | Total | 687 | 711 | 734 |
| Barranquilla | Fixed Term | 32 | 32 | 30 |
| | Indefinite Term | 516 | 527 | 571 |
| | Total | 548 | 559 | 601 |

Source: Banco de Occidente

Note: (It does not include SENA's personnel)

Diversity in Governance Bodies and Employees.

GRI 405-1

Type of contract by area

| Positions | Gender | Age | 2023 (Number) | 2022 (Number) | 2021 (Number) |
|-------------------------|--------|----------------------------|------------------|------------------|------------------|
| MANAGEMENT COMMITTEE | Men | From 18 to 30 years old | 0 | 0 | 0 |
| | | From 31 to 50 years old | 2 | 2 | 2 |
| | | Over 50 years old | 10 | 9 | 11 |
| | Women | From 18 to 30 years old | 0 | 0 | 0 |
| | | From 31 to 50 years old | 0 | 0 | 0 |
| | | Over 50 years old | 1 | 1 | 2 |
| MIDDLE MANAGEMENT | Men | From 18 to 30 years old | 0 | 0 | 0 |
| | | From 31 to 50 years old | 21 | 21 | 22 |
| | | Over 50 years old | 21 | 18 | 19 |
| | Women | From 18 to 30 years old | 0 | 0 | 0 |
| | | From 31 to 50 years old | 7 | 9 | 8 |
| | | Over 50 years old | 11 | 10 | 11 |
| ADMINISTRATIVE STAFF | Men | From 18 to 30 years old | 388 | 454 | 360 |
| | | From 31 to 50 years old | 630 | 587 | 565 |
| | | Over 50 years old | 170 | 154 | 148 |
| | Women | From 18 to 30 years old | 321 | 397 | 365 |
| | | From 31 to 50 years old | 667 | 607 | 596 |
| | | Over 50 years old | 82 | 71 | 69 |
| COMMERCIAL STAFF | Men | From 18 to 30 years old | 50 | 69 | 66 |
| | | From 31 to 50 years old | 310 | 316 | 320 |
| | | Over 50 years old | 107 | 90 | 89 |
| | Women | From 18 to 30 years old | 75 | 118 | 128 |

| | | | | | |
|-------------|-------|-------------------------|-------|-------|-------|
| OPERATIONAL | | From 31 to 50 years old | 541 | 550 | 559 |
| | | Over 50 years old | 146 | 119 | 122 |
| | | | | | |
| | Men | From 18 to 30 years old | 733 | 731 | 790 |
| | | From 31 to 50 years old | 307 | 339 | 384 |
| | | Over 50 years old | 124 | 118 | 117 |
| | Women | From 18 to 30 years old | 1.464 | 1.599 | 1.643 |
| | | From 31 to 50 years old | 684 | 619 | 657 |
| | | Over 50 years old | 112 | 105 | 107 |

Source: Banco de Occidente

Percentage of Women by Type of Position.

DJSI 3.1.2

We promote the participation of women in executive positions within our organization and in all activities of the bank in general.

| ⁷¹ Company positions | 2023 | 2022 | 2021 |
|--|--------|--------|--------|
| Vice Presidents | 7,69% | 8.30% | 14.29% |
| Managers | 30% | 32.80% | 31.67% |
| Directors, coordinators, and managers | 47,4% | 45.20% | 47.37% |
| From regional managers to commercial coordinators. | 51,33% | 50.90% | 53.51% |

⁷¹ 2022 and 2021 data are re-estimated due to the adoption of the S&P 3.1.2 indicator, where the estimate is made based on the total figures of positions per category, and not on the total women per year as previously done.

| | | | |
|--|--------|--------|--------|
| Average women in management positions. | 34,1% | 34,3% | 36,71% |
| Professionals and technicians. | 60% | 60.90% | 60.83% |
| Total Average | 58.86% | 59,12% | 59,54% |

Source: Banco de Occidente

Women in STEM Positions⁷²

DJSI 3.1.2

Women contribute a unique and valuable perspective, driving innovation and informed decision-making in the financial sector. In our institution, we continue to encourage women's participation in careers related to science, technology, engineering, and mathematics as a factor of competitiveness and development for the Bank and the country.

| | 2023 | 2022 | 2021 |
|-----------------------------|--------|--------|--------|
| Proportion of women in STEM | 30.60% | 34.60% | 36.85% |

Source: Banco de Occidente

Base Salary and Compensation Ratio of Women Compared to Men

GRI 405-2

As a good talent retention practice, we annually review our operations and decisions to promote diversity, eliminate gender biases, and support equal opportunities. For this reason, we periodically evaluate existing wage gaps as a relevant input for establishing our compensation policies guidelines. In this period, the wage gap between male and female employees decreased by 2,8 percentage points as follows:

| Salary Gap | 2023 | 2022 | 2021 |
|------------|------|------|------|
|------------|------|------|------|

⁷² STEM (Science, Technology, Engineer and Math)

| | | | | |
|---|--|-------|-------|--------|
| Mean Male and Female Salary Gap ⁷³ | | 25.4% | 28,2% | 22,7% |
| Median Male and Female Salary Gap ⁷⁴ | | 29,4% | 31,9% | 18,70% |

Source: Banco de Occidente

Other actions that evidence our commitment to the inclusion of diverse populations and people with disabilities include:

- We developed an initiative for people with visual impairment in partnership with MasterCard to issue debit and credit cards with notches, aiming to make them easier to differentiate for this population.
- As part of our Human Rights Policy, we included a manifesto on Equity, Diversity, and Inclusion (EDI) and held eight EDI table sessions. In this space, we discussed various topics with representatives from all areas of the organization, contributing to our understanding and strengthening of a diverse culture. These topics included eliminating unconscious biases, messages regarding the sexually diverse population and how to handle such differences in the digital world, among other.
- We conducted a diverse and inclusive customer service course for all our employees, addressing interactions with different populations such as people with disabilities, older adults, sexually diverse populations, ethnicities, and races.
- We initiated conversations that allowed us to enhance our selection and communication processes by building open, diverse, and inclusive information for our stakeholders.
- We began the process of evaluating suppliers on diversity, equity, and inclusion issues.
- We participated in LGBT pride marches in Bogotá and Cali with over 50 employees, family members, and friends, as part of promoting discrimination-free spaces and strengthening a culture of respect for diversity.
- We launched the "Inspiring Women" campaign to highlight the role of women, their success stories, showing our commitment to respecting their rights.

⁷³ The gender pay gap is the percentage resulting from dividing the difference between men's and women's salaries by men's salaries.

⁷⁴ Median wage gap: defined as the difference between the median income of men and women in relation to the median income of men.

- We launched the "Pride Connections" campaign, highlighting messages from the Bank to the employees about what pride means, thus encouraging conversations about the rights of the sexually diverse population.
- Experts helped us to share topics such as diverse leadership in organizations, sexual and gender diversity, and diversity workshops for selection processes, etc. This was accomplished through training sessions.
- We conducted a gap closure diagnosis with Aequales' Raking Par, identifying improvement opportunities outlined in the 2024 action plan.

As part of our strategy focus, the fact of being an inclusive and diverse organization has become a lever to be a brand that attracts new talent and promotes the development of society.

3.5.2 We Respect Human Rights.

Our impacts on Management

GRI 3.3; 2-23

Although the financial sector may sometimes seem distant from human rights violations that may occur in operations, the sector plays an important role in the chain of events that affect respect and promotion of human rights.

For this reason, the financial sector integrates social and human rights criteria into its credit operations. Our interest as Banco de Occidente in implementing this good sustainability practice is reflected in our adherence to the Global Covenant and to the Principles of Responsible Banking of UNEP-FI⁷⁵ and the United Nations initiatives, as well as in the application of the GRI⁷⁶ standards - 2021 for this Management and Sustainability Report. Such implementation is also reflected in recognizing the impacts of our operations on the stakeholders.

Currently we abide by the Human Rights Policy⁷⁷, which addresses the principles of the Universal Declaration of Human Rights, the International Covenant on Civil and

⁷⁵ United Nations Environment Programme Finance Initiative

⁷⁶ Global Reporting Initiative, 2021 methodology for reporting that requires organizations, among other topics, to describe the human rights impacts of each material topic, which will be reported in the 2024 report according to the development of the due diligence project initiated in 2023.

⁷⁷ Check Human Rights Policy Banco de Occidente and Subsidiaries:

<https://bancodeoccidente.com.co/banco-de-occidente/imagenes/quienes-somos/informacion-para->

Political Rights, the International Covenant on Economic, Social, and Cultural Rights, the International Labor Organization (ILO), the Declaration on Fundamental Principles and Rights at Work, the United Nations Global Covenant, the OECD Guidelines for Responsible Business Conduct, human rights established in the Political Constitution of Colombia (for our subsidiaries in Panama and Barbados), the regulations and laws covering human rights in these jurisdictions, the United Nations Guiding Principles on Business and Human Rights, and the Sustainable Development Goals (SDGs).

In 2023, the Sustainability Management initiated the design and implementation of due diligence on human rights, understood as the proactive management of real and potential risks of adverse effects on human rights in which the organization is directly or indirectly involved⁷⁸. This aims to increase awareness of the contribution it will make to our stakeholders through the prevention of situations in operations, products, and services that may affect them.

For the project implementation, we referred to Pillar II of the Guiding Principles, which defines the continuous management cycle that organizations should implement:

A. Identify and assess the actual or

potential adverse human rights impacts that the Bank has caused or contributed to cause through its activities, or that are directly related to the operations, products, or services provided by its business relationships;

B. Integrate the results of impact assessments

into relevant Bank's processes and to adopt appropriate measures according to its participation in the impact.

C. Monitor the effectiveness of the measures and processes

adopted to counteract adverse effects on human rights in order to determine if they are yielding results.

**Continuous
process**

E. Establish strong management

systems for responsible supply chains.

D. Communicate how adverse

effects are addressed and demonstrate to stakeholders, particularly to those affected, that appropriate policies and processes are in place.

At the end of this reporting period, we successfully conducted the first sensitization on human rights due diligence in our operations with the key areas identified as having significant responsibility in respecting and promoting human rights.

In 2024, we will continue this development by analyzing internal policies addressing human rights issues, reviewing applicable standards and regulations, assessing the operational risk matrix, reaffirming our commitment to diversity, equity, and inclusion, examining perspectives within the banking and financial sector, evaluating our actions throughout the value chain, and assessing our labor relations. This is part of the initial stage of analyzing the organization's internal and external context.

Moreover, as members of the United Nations Global Covenant, the Sustainability team received certification for participating in the "Business & Human Rights Accelerator," a program designed to support the global business community in respecting human rights through understanding due diligence. Through this program, we were able to assess the organization's status on human rights, identify and evaluate some negative or potential impacts, and define an action plan for mitigation.

At corporate level, we participated in the Diverse Procurement project⁷⁹ together with other entities within Grupo Aval. We completed a survey addressing Environmental, Social, and Governance (ESG) criteria⁸⁰, including defining a statement, policy, process, or practice related to human rights. This was done to assess the maturity of the supply chain in these areas and establish support plans to strengthen their capabilities.

During our implementation process of SARAS (Environmental and Social Risk Management System), we have included an item in the categorization form associated with knowing whether our clients have a Human Rights policy or commitment in order to assess the extent to which the portfolio is covered in terms of respect and promotion of human rights. We expect to strengthen our assessment and characterization in the short term.

Within the labor transformation project the Bank is presently undertaking, we evaluate operations and identify human rights impacts related to our employees.

⁷⁹ Expanded information in the Financial Management chapter - Topic: Supply Chain.

⁸⁰ Environmental, social, and governance (ESG) issues.

Likewise, we establish remediation and mitigation measures and communicate how these issues are managed⁸¹.

Finally, as signatories of the Principles for Responsible Banking, we are in the phase of measuring the positive and negative impacts of our Personal Banking and Business Banking portfolio order to comply with the six principles of this international initiative, where Principle 1: Strategic Alignment, clearly states: "Strategic Alignment means aligning a bank's business strategy to be consistent with, and contribute to, the Sustainable Development Goals, the Paris Climate Agreement, and other relevant national, regional, or international frameworks, such as the UN Guiding Principles on Business and Human Rights, where a bank is best positioned to do so through its business (...)"

The mentioned project we are implementing will allow us to align our business strategy with our strategic sustainability priorities, where it is likely that our human rights policy and current commitments will be updated. We will continue with the analysis of our impacts, our due diligence implementation, and will monitor the proposed objectives for mitigating potential risks or impacts identified, according to our human rights strategy that matches the Principles for Responsible Banking initiative.

3.5.3 We create Value Experiences.

Our impacts on management.

GRI 3.3, 2-25

One of the most important value propositions of our Bank is to provide value experiences to our clients through effective and memorable financial solutions. With a strategic vision, we offer financial products and services that result in tangible benefits and contribute to achieving the economic and social objectives we have set, integrating quality, integrity, and innovation at every touchpoint with our clients, allowing us to strengthen trust and satisfaction.

In 2023, with the new business agility strategy implemented by the Bank, we have made structural changes in our areas that have allowed us to map our clients and develop a customer journey route to understand the moments of excellence in their experience with us, as well as their pains and needs.

⁸¹ For more information, refer to the chapter "We Promote Our Talent," topic: Labor Relations.

This strategy allows us to articulate solutions from the Consumer Service System (CSS) with other areas of the organization such as marketing, relationship, and customer segments, to build action plans and develop programs that help improve their experience.

Among the main positive impacts that this new management approach has brought there are:

- the creation of attractive and user-friendly digital tools for our clients,
- accessibility so they may interact with different channels,
- service quality and efficiency in our operations because we provide better tools to our teams in order to address the customers,
- we generate value for our customers designing services that meet their needs according to the segment they belong to,
- we have a social inclusion perspective by offering products and services for people with disabilities.

We highlight that within this structure, we have the Competence Center team, the Customer Experience CdC, and the UX/UI⁸² chapters, which perform an integral function through both digital and non-digital channels. Such teams define customer experience design principles, manage Customer Journey, measure and monitor metrics, and identify opportunities to improve customer experience.

The purpose of this team is to ensure and enhance a customer-centric, simple, uniform, and frictionless experience model that drives the capabilities of Banco de Occidente group (Banco de Occidente, Fiduciaria de Occidente, Banco de Occidente Panamá, and Occidental Bank Barbados) and creates an authentic culture that generates value for both our customers and entities.

CdC and chapters have high synergy and connection with Bank's areas in a cross-functional manner to identify opportunities to improve customer experience, which are incorporated by segment CdCs in their value propositions and covered by cells and areas through their initiatives.

An essential part of this customer knowledge is the analysis of PQRS⁸³ received by the Bank together with the specific cases where the customer has not been satisfied with our service, which could negatively impact the quality of our service. Hence, we seek solutions to improve customers perception, so we have implemented churn

⁸² Leaders of the User Experience (UX) and User Interface (UI) chapters.

⁸³ Requests, complaints, grievances, and inquiries

studies and continuous voluntary surveys or consultations with the clients who had had any incidents with their product or the Bank's service.

Herein below we are presenting the results of the 2023 highlighted activities that allowed us to develop a memorable experience with our clients.

Financial Consumer Service System, SAC

As part of our obligations as an entity supervised by the Superintendence of Finance for consumer protection⁸⁴, we have an area that manages the Financial Consumer Service System where we support both, physical and digital channels to comply with regulations.

We can highlight three important events of our management in 2023: i) the creation of a working group with different areas of the Bank for the consolidation and strengthening of a Financial Education program for the entity; ii) our contribution to build the Bank's diversity and inclusion culture was the development of three regulatory courses related to serving people with disabilities, describing the financial consumer service system, and the role of the financial consumer defender; we shared short and precise messages about our service culture both within the organization and towards clients and society. We also monitored the work plan and recommendations set by the financial consumer defender to ensure compliance with the law in this matter, iii) we developed the conduct risk matrix⁸⁵ that allows us to contribute to fair treatment and care for our financial consumers.

Additionally, we participated in the committee created by Asobancaria on financial education, which allows us to integrate into projects to improve service to vulnerable groups within the Bank, such as the elderly and people with disabilities. For the latter group, we applied the service protocol and supported a sign language interpreter at the Bank.

We invite you to learn about the testimony and service experience of Fredy, one of our clients with hearing disabilities⁸⁶.

This inclusive approach in our institution is reflected in the Protocol for Service to People with Disabilities. This Protocol was created in 2016 to provide support tools

⁸⁴ Compliance with Law 1328 of 2009 of the Ministry of Finance and Public Credit.

⁸⁵ It refers to the Superfinanciera seeking to promote that financial consumers have access to appropriate products and services (with access to transparent information), that supervised entities fulfill the promised value, and overall, that trust is generated in the Colombian financial system.

⁸⁶ <https://www.instagram.com/reel/Ct-K7vZAccJ/?igsh=dHVwMjg1dGpqqjdl>

for such care, which included physical channels, the contact center, digital media such as the website, digital content, and social networks.

In 2023, we strengthened the model of service to persons with disabilities ensuring that our service points are equipped with braille plates, that our customer service team is familiar with the protocol for the care of persons with disabilities, and displaying information related to the financial consumer defender, as required by the legislation.

These were our main inclusion activities that improved the experience of our clients:

| Type of disability | Programs | Results 2023 |
|---------------------|---|---|
| Hearing impairment | We have a Colombian sign language interpreter who supports translation in 100% of our physical channels. | 52 contacts in the year with 10 clients and users. |
| | We implemented subtitles in the financial education videos published on our various platforms and communication channels. | 30 financial education videos with closed captions on the Bank's website. On September 23, International Day of Sign Languages, a commemorative video created by our sign language interpreter was published on social media platforms. |
| | Basic sign language workshop available on the digital platform. | 4 available workshops |
| Visual impairment | In our offices, we have information on service hours available in braille as well as audio contracts for customers, as part of infrastructure planning. | 100% of offices with braille plaques. Four audio contracts available on the Intranet. |
| | There is a policy allowing guide dogs in all bank offices. Entry instructions for blind individuals with assistance dogs have been disseminated nationwide. | 100% of the offices. |
| Physical disability | | 100% of the offices are aware of the protocol for |

| | | |
|--|--|---|
| | We continue to adapt our offices constructing ramps, where feasible, to accommodate wheelchair access. | assisting people with disabilities who specifically express this circumstance. Such protocol states that if the office has more than one floor, the advisor should come down to the first floor for assistance. |
| | We offer preferential service in our offices and personalized support from our advisors. | The preferential care is applied nationwide. |

Data Analytics for Better Decisions

We have a specialized Analytics Department dedicated to transforming data into valuable information to enhance our clients' experience through tools that disclose patterns, generate indicators, identify trends, make forecasts, and provide well-informed conclusions for our teams.

We work with the WinBack model that allows us to identify inactive clients over a period who can be brought back to our Bank by reactivating their products. This tool, used by our commercial team to recover loans and deposits, delivered benefits in 2023 through new disbursements and deposits, achieving 100% of the goal set to recover clients.

Data analysis was implemented to reduce and predict information leaks; in the case of retail banking, such analysis helps us define a retention strategy in collaboration with the Commercial Department and supports loyalty campaigns and customer knowledge. Likewise, by identifying consumption habits and the types of products clients have with the bank, we may determine whether clients have sustainable behavior in order to then focus campaigns suitable for their interests.

For SMEs and corporate clients, we can identify new credit quota opportunities; and through Next Best Action (NBA) models for companies, we supported portfolio growth with an increase in deposit volume.

We deployed the Bank's data strategy to the entire Executive Committee and middle management of the Bank to disseminate the overarching purpose, action fronts, objectives, and teams. Similarly, in 2023, we recognized organizational gaps in various dimensions (architecture, information governance, human talent, etc.).

We implemented prioritization models for commercial campaigns with the aim of personalizing and focusing on different messages so our clients may receive relevant offers tailored to their needs and interests, leveraging data to enhance their experience with us.

A topic of great importance was the definition of tactical segmentation for corporate and SME clients, which allowed: i) Focusing campaigns designed by the CdC for the Corporate and SME Segment, personalizing communication with clients; ii) identifying unattractive clusters and groups to avoid offering them products that could impair the portfolio.

For SMEs, we developed the recognition of transactional profiles to establish benefits in different products or portfolios, based on the level and type of transactions of such clients.

Understanding of Open Banking at a conceptual and practical level to define potential applications for the Bank, always aligned with Colombian regulations. Open Banking, as a business model, will enable value propositions for Business and Retail segments with benefits for our clients.

We aim to generate a sense of belonging in our clients, for which we developed "Customer Rewind" through personalized communications that reflect their relationship with the Bank by recounting their current products and the main milestones in which we have accompanied them.

Finally, we highlight the development of segmentation for Retail Banking clients for the definition and identification of core clients, in which the Bank aims to be a leader and competitive actor.

In 2024, we will start the experimentation and prioritization process of initiatives through Generative Artificial Intelligence to provide value for our clients as well as benefits for the Bank, by accelerating and optimizing the python code in initiatives and use cases of advanced analytics and Machine Learning, including custom-trained natural language models to support various areas of the Bank.

Regarding internal tools, we will work on the implementation of strategic control dashboards that facilitate the monitoring of the presidency's objectives and leverage decision-making based on data.

Finally, we aim to launch and stabilize the new client segmentation for Retail Banking.

Made to Feel

We were the first bank in Colombia to implement the Touch Card, through which, using the system of grooves on the card, clients with any type of visual impairment may identify and select the appropriate card in their wallets according to the payment method they want to use to pay for their purchases. A person with visual impairment faces different difficulties in performing operations at ATMs, bank websites, and even in mobile applications. This is why, in partnership with Mastercard and Idemia, we sought an inclusive solution in payment systems that enables independence, is simple, sustainable, and accessible.

The card is made of 88.5% recycled PVC, thus contributing to our environmental commitment and to inclusion and equality. In 2023, we have issued more than 3.000 Touch Card credit cards and have stocked 175 offices nationwide with debit cards using this system. The card works for all Retail Banking clients.

Our challenge is that 100% of debit and credit cards be issued with the Touch Card system. This would improve the experience of our clients when using these products. We are currently implementing the system for corporate credit cards.



Video:

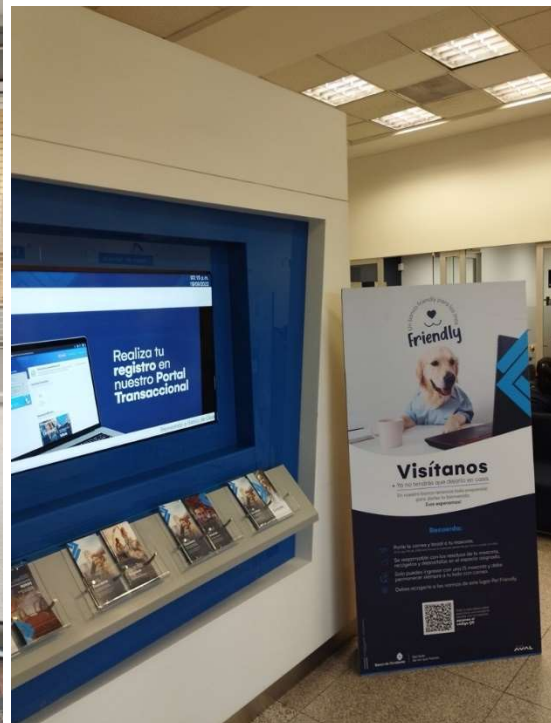
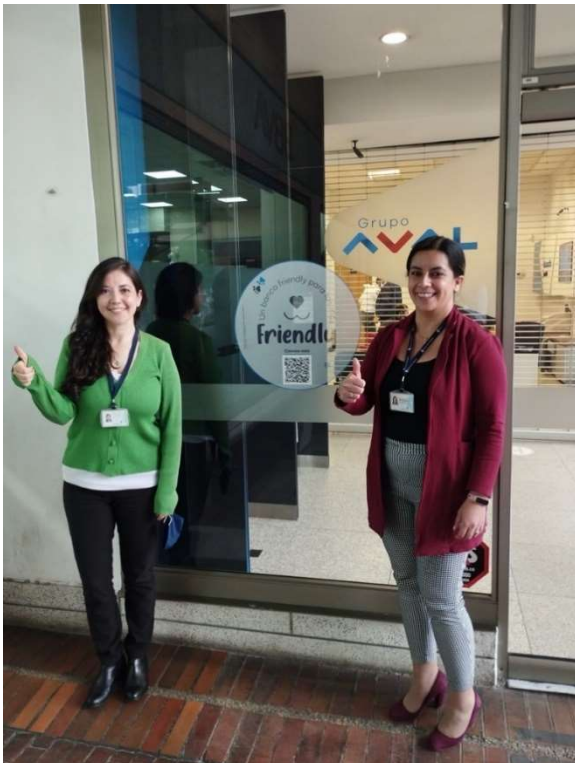
https://youtu.be/uhxibjTLEdc?utm_source=digital&utm_medium=videoYT%2Bteads&utm_campaign=TouchCard2024&utm_id=TouchCard&utm_content=Banco_de_Occidente

Pet-Friendly Offices

The Pet-Friendly Offices stem from our clients' need to carry out personal financial errands with their pets. We believe our differentiator should consist of comprehensive care by allowing pets to enter, offering a comfortable space for them during the client's stay.

The six offices located in Bogotá and Cali, which started as a pilot project in 2022, were consolidated in 2023. They are equipped with informative and cleaning elements (rules board, wet wipes, odor eliminator, disposable bags, and identification vinyl).

For 2024, we have approved the implementation of this practice in 29 offices nationwide and the placement of a pet-friendly identification vinyl in 175. It is important for the organization to provide friendly spaces for clients and their pets because we have observed that people feel more relaxed and comfortable with their pets, and being with them reduces their stress and anxiety levels, contributing to our positive index of customer experience.



Furthermore, we aim to improve brand awareness and to leverage the growth of the Pet Credit Card Portfolio for the retail segment.

Banking Correspondents

The Banking Correspondent’s channel aims to reach those regions where the Bank's presence is limited, providing a solution for paying public and private services, making deposits to Grupo Aval accounts, and cash withdrawals with or without a card from the five entities of the Group (Banco de Bogotá, Banco de Occidente, Banco Popular, Banco Av Villas, and Dale!⁸⁷), among other financial transactions, due to the banking capillarity⁸⁸ and flexible working schedules of our allies.

Our correspondents have allowed us to participate in tenders for subsidy payments through Dale!, whereby banked beneficiaries may withdraw their money from the banking correspondent network. Those who, for some reason, do not have a bank account may receive a transfer and claim it at any of our service points.

We have maintained the expansion dynamics of the network by including new correspondent networks that already have a strong market positioning and brand awareness among our customers and users, as well as coverage in all corners of the country to ensure service in remote locations where the presence of bank branches is very limited. We are currently present throughout Colombian territory with over 53.000 points, making us the country's leading bank in terms of the number of correspondents, increasing our coverage by 44% in 2023 compared to 2022. We expect to reach 58.000 points in 2024.

| Bank correspondents | 2023 | 2022 | Variation% 2023-2022 |
|---------------------|--------|--------|-------------------------|
| Number of points | 53.147 | 37.000 | 44 |

Source: Banco de Occidente

Similarly, we highlight that we enabled cash withdrawals from Dale! at Efecty, Punto Red, and Punto de Pago correspondents to provide users with a robust and easily accessible channel for their transactions.

On the other hand, during the 2023 second half year, we worked on implementing and installing new services at our SuperGIROS correspondent, with the expectation

⁸⁷ SEDPE from Grupo Aval offers electronic deposits through a digital wallet.
⁸⁸ Banking capillarity refers to the banks' ability to reach remote areas and provide financial services to the population through intelligent offers, which expand their opportunities and ensure greater financial inclusion.

of increasing transactions by 10% in 2024 once the services are widely adopted. With these initiatives, we are contributing to financial inclusion, sustainability, and the development and transformation of the country.

Ideas that Enhance Customers Experience

For 38 years we have been creating a recognition space for our employees in different categories with the aim of highlighting creative ideas that drive our development and improve the experience of our customers.

This is how innovative ideas are born at Banco de Occidente:



Source: Banco de Occidente

In this space we recognize ideas that materialize and create value and we also reward individual actions that impact our customers' experience. We highlight that

we have opened a new category of CX (Customer Experience) Ambassadors designed for those employees who go the extra mile to mobilize and foster a customer-centric culture, as well as to listen to customers and thus contribute to the organization's goals.

The categories⁸⁹ annually awarded are: Wow Employees, Best Relationship Managers, Best ENSI (Internal Satisfaction Level Survey), Wow Offices, and Best Projects.

| 2023 | | 2022 | |
|---------------------------|--|---------------------------|--------------------------------------|
| Number of ideas submitted | Number of ideas rewarded | Number of ideas submitted | Number of ideas rewarded |
| 35 | 10 finalists and 4 winners to be chosen in 2024. | 77 | 10 finalist ideas 4 winning teams |

Fuente: Banco de Occidente

Evaluation and Monitoring

GRI 3.3, 418-1; DJSI 3.7.1

The most important foundation for innovating and strengthening trust and satisfaction with our customers is to listen to them and understand their opinions about our management. To achieve this, we have tools that allow us to understand their experience as Banco de Occidente's customers in each of our segments.

One of these tools is the customer satisfaction survey for Retail Banking and Business Banking conducted through phone calls from our contact center. Below are the results:

- Customer satisfaction survey

| Retail Banking | 2023 | 2022 | 2021 | Goal |
|--|---------|---------|---------|------|
| Customers who answered the satisfaction survey | 266.932 | 316.182 | 239.670 | N/A |
| % of representation of answered calls | 20% | 26% | 19% | N/A |

⁸⁹ For more information, please refer to the 2022 Management and Sustainability Report.

| | | | | |
|-------------------------|-----|--------|--------|-----|
| Satisfaction percentage | 83% | 86,57% | 88,66% | 86% |
|-------------------------|-----|--------|--------|-----|

Source: Banco de Occidente

| Business Banking | 2023 | 2022 | 2021 | Goal |
|--|--------|--------|--------|------|
| Customers who responded to the satisfaction survey | 48.410 | 48.020 | 42.092 | N/A |
| % of representation of answered calls | 36% | 33% | 29% | N/A |
| Satisfaction percentage | 93% | 93,33% | 93,66% | 90% |

Source: Banco de Occidente

- Net Promoter Score, NPS

To measure the overall customer experience, we applied the NPS methodology, which was completed in November 2023. Surveys were conducted with a representative sample of customers from all segments. Here are the results:

| NPS - Net Promoter Score | 2023 | 2022 | 2021 | Goal | Comments |
|--------------------------|------|------|------|------|---|
| Overall NPS | 67% | 68% | 68% | 68% | With the 2023 challenges we were close to the goal. Actions were taken within different areas to improve our customers' experience. |
| Business NPS | 72% | 73% | 72% | 73% | |
| Retail NPS | 46% | 50% | 49% | 51% | |

Source: Banco de Occidente

Regarding channels and products, customers are becoming increasingly demanding because, with global changes, they expect a greater digitization of entities' processes. In this sense, we have a great opportunity for improvement to strengthen our channels, continuously update ourselves, and build trust in these types of operations.

3.5.4 We Contribute to the Development of the Regions.

Social Investment

Our Impacts in Management

GRI 3.3

Framed within our Social Investment Policy and with a clear goal for 2023, we contribute to the progress of our country and the development of society through the strengthening of strategic partnerships with entities we have worked with in recent years. These partnerships enable us to contribute to the development of new competencies, manage significant impacts, and create opportunities for communities.

Our voluntary participation ensures the allocation of resources to initiatives under high transparency standards, always seeking the benefit of the territories. To achieve this goal, we start by identifying the needs and problems that we can address for the benefiting population, considering the following action areas:

- Culture: We support the development and protection of our country's cultural expression, prioritizing the Pacific region and the cities where we have our main offices (Cali, Bogotá, Medellín, and Barranquilla).
- Financial education for the youth and the elderly: We contribute to improving the quality and access to financial education for young people and older adults, aiming to provide financial decision-making tools that allow them to make greater progress in society.
- Environmental: We create programs aimed at protecting and preserving natural resources, flora, and fauna in our country, as well as programs focused on climate change adaptation and mitigation and reducing environmental pollution.

All projects developed within the management framework are aligned with our strategy, and their results are evaluated and monitored to ensure compliance, positive impact, and alignment with the United Nations Sustainable Development Goals.

Support for Social Initiatives

Donations

We contribute to various social development initiatives through foundations and organizations located in Cali and Bogotá, where we aim to strengthen investment in education, community development, research, creating new learning and employment opportunities for vulnerable populations, food security, and enhancing skills and life projects. During this period, this management had an investment of COP 3.453'667.730 in the following activities:

| Applicant | Purpose | Impacts |
|--|--|--|
| "Fundación para el Desarrollo Integral del Pacífico" | The donation was used for the operation and development of the Foundation's corporate purpose. | <p>We contributed together with more than 500 allied companies to the Public-Private-Community articulation model, resulting in around 3.000 new jobs and developing initiatives such as:</p> <ul style="list-style-type: none">• "Cali para mí": Over 25.000 Cali residents engaging in discussions about new candidates' proposals.• Cycle of debates for the 2023 regional elections.• Inclusion of the regional agenda in the National Development Plan 2022-2026.• Reactivation of school infrastructure projects in Cali, Tuluá, Buga, and Buenaventura, benefiting over 12,000 students.• Progress in the construction of WWTPs in Valle del Cauca.• Supervision of the Cali Jarillón Plan with reinforcement of 24.8km.• Progress in major infrastructure projects in Valle del Cauca. |

| | | |
|--|---|--|
| | <p>To support the "Compromiso Valle" initiative in developing strategic axes for social impact in Valle del Cauca.</p> | <p>We contributed to 43 projects benefiting over 21.000 people:</p> <ul style="list-style-type: none"> • Food security: 342.000 food rations delivered to community kitchens in Cali, Yumbo, and Candelaria, and 11 urban gardens producing around 2,706 kg per year. • Employability: Over 1.300 individuals trained in personal development and professional skills, and approximately 76 new businesses established. • Entrepreneurship: 1.104 entrepreneurial ventures in training, over 3.700 trained, and COP 78.000.000 in total sales at entrepreneurship fairs. • Life transformation projects: 4.457 participants, including 1.522 involved in the "Trade Your Weapon for a Ball" program. • Leadership: More than 180 participants in social entrepreneurship strategies; meetings for regional social transformation; and a network of leaders in Buenaventura. |
| <p>"Unidad de Acción Vallecaucana"</p> | <p>To expand the research and data area with the purpose of strengthening human talent and monitoring matters related to public procurement by the Mayor's Office of Cali; secure</p> | <p>We participated in analyzing the contracting patterns of different organizations in the city by preparing 2 reports and providing methodological support for case studies. Furthermore, we trained over 780 individuals in 25 workshops related to the topic.</p> |

| | | |
|--|---|---|
| | data storage, and information dissemination capabilities for the "Mi Cali Contrata Bien" citizen laboratory. | |
| | <p>To strengthen regional leadership through the management of tools for public advocacy, for which the following actions were developed:</p> <ul style="list-style-type: none"> - Promoting informed participation for public advocacy throughout different moments of the public management cycle by monitoring and tracking the local development plan and its socialization with stakeholders. - Strengthening the "Datos que Hacen Ciudad" alliance facilitating access to information about city management; and monitoring exercises conducted by partners. - Conducting workshops and sessions with stakeholders (business leaders, community and social leaders, graduates of programs led by the UAV) to disseminate | <p>We contributed to regional development initiatives in strategic governance that strengthen leadership, such as:</p> <ul style="list-style-type: none"> • Development of the Political School program, whereby 177 graduates now have greater tools to fulfill their leadership role. 57 of them ran as candidates in local elections in October 2023. • Electoral knowledge training for over 3,400 persons. • Strengthening the tool "Data that makes the city", that was presented to 530 individuals from the public sector. |

| | | |
|----------------------------|--|--|
| | tools for public advocacy. | |
| "Corporación Valle en Paz" | <p>To accompany communities in the municipalities of Santander de Quilichao, Buenos Aires, Caloto, Corinto in the Department of Cauca, and Palmira in Valle del Cauca, in order to structure proposals for submittal of partnership profiles to the Rural Development Agency (ADR) framed within its new strategy to broadly support the countryside and rural areas of the country. For the 2023 second half year, implementing the summons of Comprehensive Agricultural and Rural Development Projects (PIDAR).</p> | <p>We presented the call for "Comprehensive Agricultural and Rural Development Projects- PIDAR" benefiting 60 indigenous producers leading 20 working committees in the Territory and 5.240 inhabitants of the reserve, raising COP 4.768.200.000 COP for the "Strengthening of Production Systems of Small Dual-Purpose Livestock Producers" and their participation in value chains and economic autonomy in the indigenous reserve of Huellas-Caloto.</p> |

| | | |
|---|--|--|
| "Fundamor" | To provide care and support to girls and boys belonging to the "Leaving Footprints" program, which is based on complementary education through innovative teaching strategies that promote the development of socio-emotional, cognitive, physical, motor skills, and caregiving competencies. | <p>We have contributed to improving the quality of life of girls, boys, adolescents, young people, and families benefiting from the foundation. In 2023, thanks to the support of the "Leaving Footprints" program:</p> <ul style="list-style-type: none"> - 169 boys and girls received complementary education - 860 students from 17 educational institutions in Cali dedicated part of their social service hours to the "Cookie Day" campaign - More than 4.000 families were indirectly impacted by the "Cookie Day" campaign |
| "Nuevo Futuro" | To implement programs to strengthen skills and life projects, as well as to provide support for the maintenance of children, adolescents, and young people of the Association. | <p>We were able to contribute to improving the quality of life of 95 boys and girls living in 6 houses located in the municipality of La Calera by providing educational tools, repairs, hygiene items, and other implements for the operation of their homes.</p> <p>Furthermore, we supported the education of 16 youngsters aged 20 to 26 who, thanks to the benefits of the Foundation's programs, may now pursue their university careers.</p> |
| "Proartes" | To organize the 6th International Dance Biennial of Cali. | With our contribution, we made one of the most important dance events in Colombia a reality. Around 500 artists from 11 international companies and 27 national groups were able to share their art with more than 20.000 people, making Cali a great tourist and cultural attraction during November 2023. |
| Centro de Tratamiento e investigación para el | As part of Grupo Aval, we annually provide a contribution for cancer research and | We have contributed to the care of over 9.000 patients in different Clinical Functional Units and Assistance Functional Units, contributing to the improvement of their health conditions. |

| | | |
|---------------|------------------------|---|
| Cáncer - CTIC | treatment in Colombia. | Moreover, progress was made in the initiation of phase 3 clinical studies abiding by Good Clinical Practices Certification (GCP) granted by INVIMA. |
|---------------|------------------------|---|

Source: Banco de Occidente

As a contribution from our organization to social initiatives, we highlight our collaboration with the IPO Foundation, a group of volunteers residing in the West of Cali who actively work on creating new opportunities for residents of the hillsides, rural areas, and districts of the area.

Together with them, we worked on three initiatives that impacted more than 80 people:

1. Happiness talk: an event that involved 78 participants and raised COP 2.450.000, which were invested in logistics and supplies for mentoring and training activities of the Entrepreneurship Strengthening Program. It also ensured the participation of 10 entrepreneurs in an entrepreneurship fair in Pance neighborhood.

2. Mentoring sessions: we engaged 15 entrepreneurial ventures that strengthened their capabilities in creating digital marketing strategies and product innovation. This workshop emphasized the importance of producing content and of social media management for their businesses.

3. Entrepreneurs Fair: we opened our Bank's doors to 12 ventures, resulting in total sales of COP 5.853.000.

Donations from our collaborators

Aligned with our purpose of making people's development, business growth, and country transformation a reality, we encourage the participation of our collaborators in activities with vulnerable communities, especially with children and families during Christmas.

In partnership with different foundations, we organize activities every year for our collaborators to deliver toys and gifts to children aged 0 to 12 from low-income

communities, aiming to bring smiles during those special times. In 2023, we managed to collect 754 gifts that were distributed among 5 of these Foundations.

Also, with the special participation of our employees, we joined the "Solidaridad en Marcha Foundation", which, through its "Boxes of Love" initiative and economic donations, benefited around 3.300 families.

We contributed to the Social Transformation of La Guajira

As a contribution to the social and economic development of vulnerable communities in our country, we continue to strengthen our partnership with [Organization Name] and the Wash program. Three years ago, we embarked on a donation project that allows us to reach the communities of La Guajira to transform the environment and support sanitation and clean water initiatives in more than 26 communities in Manuare and Uribia. This program has not only served for infrastructure management with 6 new potable water supply systems in 2023, adding to the 6 supply systems built in 2022 (benefiting 9.103 people), but also for sharing knowledge regarding good hygiene practices with over 1.079 families through workshops and the distribution of water filters and hygiene kits.

In addition, we have contributed to continuing the implementation of the Sustainable Total Sanitation and Hygiene (SAHTOSO) program, through which an additional 948 people (including 750 children) have their own self-built latrines at home.

With 26.122 UNICEF Credencial Credit Cards issued in the market until 2023, we managed to donate COP 558MM in the name of our clients.

When a new client acquires the UNICEF Credit Card, the Bank grants a welcome bonus of COP 40.000, which, the same as the 0.5% of the total purchases made by the client during the month, is donated to the Wash program.

| 2023 | | |
|--------------------------------------|---|---------------------------------|
| Offer of TC value | Number of clients / Quantity of donations | Total amount of donations (COP) |
| Welcome Bonus | 7.408 clients | COP 296.320.000 |
| Billing Donation (0,5% of purchases) | 80.289 donations | COP 261.394.697 |

| | | |
|--|-------|-----------------|
| | TOTAL | COP 557.714.697 |
|--|-------|-----------------|

Source: Banco de Occidente

In addition, during this period, we received 4,801 registrations for UNICEF co-branded cards from Banco de Occidente customers who voluntarily chose to donate to the "Super Donors" initiative, allowing us to expand the project's impact.

| 2023 | | |
|-------------------------------------|-------------------|------------------------------------|
| | Number of clients | Total amount of donations in (COP) |
| Customer donations with Credit Card | 4801 | COP 2.820.311.507 |

Source: Banco de Occidente

Volunteering

We promote social and environmental initiatives that allow our employees to get involved in the community we are part of and seek to develop their leadership, communication, and networking skills to encourage care and conservation of the natural environment through tree planting to favor forest regeneration in protected areas in some National Natural Parks of Colombia.

| Environmental Volunteering | | | | | |
|---|----------------------------|-------------------------|-----------------------------------|-----------------------------------|---------------------|
| 2023 | | | | | |
| Activity | Description | Number of trees planted | Number of employees participating | Duration of the activity in hours | Total hours donated |
| Farallones de Cali National Natural Park - volunteer activities held on | Tree planting (2 sessions) | 402 | 134 | 8 | 1.072 |

| | | | | | |
|---|----------------------------|-------|-----|----|-------|
| July 29th and August 12th. | | | | | |
| Natural Reserve 02 - Reserve (Medellin) - volunteer work carried out on October 7th | Tree planting (1 session) | 126 | 42 | 8 | 336 |
| Chingaza National Natural Park (Bogotá) - volunteer work carried out on June 3rd, August 12th, and September 30th | Tree planting (3 sessions) | 711 | 237 | 8 | 1.896 |
| Vía Parque Isla de Salamanca (Barranquilla) - volunteer work carried out on August 12th and October 7th | Tree planting (2 sessions) | 210 | 70 | 8 | 560 |
| Total | | 1.449 | 483 | 32 | 3.864 |

Source: Banco de Occidente

In 2023, we managed to plant 1.449 trees, that is 330 more than the previous year.

We reaffirm our commitment to the transformation of the country through the execution of social volunteering pilot plans, which mark the beginning route of new initiatives to promote the interaction of our employees with different vulnerable towns.

| Other volunteering activities | | | | |
|---|--|-----------------------------------|-----------------------------------|---------------------|
| 2023 | | | | |
| Activity | Description | Number of participating employees | Duration of the activity in hours | Total hours donated |
| Christmas volunteer work (Hogar el Paraíso) | Visit to the nursing home | 18 | 2 | 36 |
| Christmas volunteer work (Tobías Emanuel Institution) | Visit to the institution for people with disabilities. | 24 | 2 | 48 |
| Total | | 42 | 4 | 84 |

Source: Banco de Occidente

Sponsorships

With the aim of continuing to strengthen the reputation and positioning of our company as a sustainable entity that cares about the well-being and development of people, we carried out sponsorships that allowed us to continue improving trust relationships with our customers and partners. This management had an investment of COP 208.433.650.

| Sponsored entity | Description | Impact |
|---------------------------|--|---|
| Asopadres Colegio Bolívar | We participate in activities that promote education and recreation with a social component. On this occasion, we organized a housing lottery bingo where a house was assigned to one of the school teachers, and recreational activities were carried out for a school with limited resources. | More than 2.300 attendees at Bolivar's Day With the funds raised, an integration event was organized with over 250 children from Liceo de la Amistad - Terrón Colorado Public School Pance, with the participation of: |

| | | |
|--------------------------|---|--|
| | | <p>11 Asopadres volunteers, 11 Colegio Bolivar volunteers, 24 Colegio Bolivar students.</p> <p>The funds raised through the Housing Lottery Bingo were allocated for housing access.</p> |
| Asobancaria | We participated in events such as CAMP, which promotes co-creation and technological development nationwide. | We reached more than 740 people at the event. |
| Fenalco Tuluá | We encouraged the comprehensive development of individuals, with sports, health, and good lifestyle habits, these being fundamental aspects for improving their quality of life. We also contributed to the care of the river, aligning with our Blue Planet program. | More than 1.500 participants. |
| Asodisvalle | We promoted healthy habits in society through a space that encourages inclusion and the development of adults, young people, and children from diverse backgrounds. | <p>More than 5.000 people benefited.</p> <p>The race was held free of charge for people with disabilities and their caregivers, and the resources provided by various organizations were used to finance the different costs of the event.</p> |
| Fundación Cardiovascular | The half marathon aims to promote healthy habits to prevent cardiovascular diseases. | More than 54.000 participants. The funds obtained from this activity were allocated to the Cardiovascular Foundation. |
| Asopadres Colombo | We encouraged venues for education and recreation for public arriving from the city. | We reached more than 2.000 people. |

| | | |
|----------------------|---|---|
| CESA | We supported the participation of women in boards of directors by developing their leadership skills and knowledge in corporate governance. | The women participating in the program not only benefited from the training received, but their resumes also became visible in the business sector through "Diverse Boards" a CV bank created for this purpose. We have participated in more than 200 processes, highlighted over 2.800 profiles, and achieved 30 positions in Boards of Directors. |
| Coffee Half Marathon | Participating in this race is aligned with our purpose of promoting holistic development for individuals, with sports, health, and good lifestyle habits, these being fundamental aspects of people's quality of life. Furthermore, we aim to establish a strong presence in the Coffee Axis region. | We covered over 13.000 people (6.000 runners). The funds raised benefit the following foundations: Sanar Foundation, Running Social Foundation of Cali, Samaritanos de la Calle Foundation, and Huella de Amor Foundation. |
| Juancho Correlón | <p>This year we participated in several races held in Cali, not only because of the importance of these spaces for citizens' quality of life, but also because each one has a social component that is aligned with the values we uphold at the Bank.</p> <p>Supporting young athletes and the protection of water, rivers, and endangered species is of great importance for the city's development.</p> | More than 22.000 participants. |
| Fenalco | <p>We aim to encourage social cohesion, corporate collaboration, and regional commercial development.</p> <p>Participating as a bank in these spaces is key for further establishing ourselves as the best Bank of the western region</p> | <p>More than 1.900 attendees at the event.</p> <p>The sponsorship funds were invested in organizing the event.</p> |

| | | |
|---------------------------------|---|--|
| | of the country that supports traders nationwide. | |
| Fundación la Divina Providencia | We supported fundraising for the Divina Providencia Foundation, which helps children with cancer. We also encouraged participation from the city's gastronomic sector in these activities, giving the opportunity to new paella chefs of the city to boost their sales. | With the funds obtained we were able to benefit more than 2.300 people. |
| Gala tropical | We contributed to the opening of the city's botanical garden, creating a space of great tourist and environmental attraction. | We contributed to the opening of the city's botanical garden, creating a space of great tourist and environmental attraction. |
| Fundación Chiquitines | We contributed to the Chiquitines Foundation engaged in children well-being programs that strengthen family bonds, responsible adoption, and the protection of rights. | We contributed to the Chiquitines Foundation engaged in children well-being programs that strengthen family bonds, responsible adoption, and the protection of rights. |

Source: Banco de Occidente

Government Banking Sponsorships

We are involved in events and projects of cultural and recreational institutions to contribute to the economic, social, and cultural development of the communities where we operate. An important part of the cultural promotion of the regions is the celebration of festivities that revive their history and traditions. Therefore, we invested COP 74.000.000 in the communities through events such as fairs, festivals, and local beauty pageants that became benchmarks of the city and its culture.

In addition, we contributed 367,714,952 in markets, school kits, toys, among others, to different municipalities and departments of our country.

3.5.5 We Strengthened the Financial Skills of Clients and Communities.

Masters of Doing

FN CB 240a.4

We promote financial education practices and other disciplines that contribute to the knowledge of our clients and help them develop the necessary skills to make informed financial decisions and contribute to their well-being. With this objective, we continue to develop the Maestros del Hacer (Masters of Doing) program, a management platform that seeks to reach consumers through training actions that include workshops, events, networking, forums, and other strategic resources such as social media, thereby creating valuable content.

During 2023, we launched 26 financial education content pieces through Meta, Instagram, and LinkedIn, among which we highlight: Banking Security, Savings Month, Virtual Security Week, SARLAFT (Anti-Money Laundering and Terrorist Financing System), Financial Ombudsman, Habeas Data (Data Protection), and tips for managing finances; we reached an audience of over 84,000 impacted individuals. Likewise, we implemented our Content Hub on our website to consolidate all the topics developed in a single space. (<https://www.bancodeoccidente.com.co/wps/portal/banco-de-occidente/bancodeoccidente/maestros-del-hacer>)

Furthermore, we held several events and training sessions led by each of our business segments and also from our Brand front.

| Program name/ Course/ Training | Number of participants |
|--|------------------------|
| 2023 In-person Tax Forums with tax expert Tulio Restrepo. | 295 |
| 2023 In-person Tax Forums with tax expert Tulio Restrepo. | 420 |
| On-line Tax Forum conducted with expert Tulio Restrepo aimed at both legal entities and natural persons who are clients of Banco de Occidente. | 907 |
| Colsof Forum 1 | 82 |

| | |
|------------------------|--------------|
| Colsof Forum 2 | 161 |
| Tax Optimization (CCA) | 189 |
| Economic Forum | 2.590 |
| Total | 4.644 |

Source: Banco de Occidente

Training for Corporate Banking Clients

DJSI 3.6.3.

As part of the strategic plan defined for our Corporate and Institutional Segment, which is based on fostering training opportunities through different channels for our current and prospective clients to strengthen our relationships and closeness, we conduct an annual survey that identifies and analyzes the main trends and topics of interest to share with our audience. For this period, we launched the following topics of interest and achieved an attendance of 189 clients in these training processes:

| Program name/ Course/ Training | Number of participants |
|--|-------------------------------|
| Learn more about Capital Funds - CFP | 25 |
| Autocom Webinar: Self-leadership in our new reality. Managing your own position. | 33 |
| Economic Expectations 2023 - 2024 Hedging Strategies | 17 |
| Technology Leasing Alliance Event: Colsof - Banco de Occidente | 114 |

Source: Banco de Occidente

We continue working in partnership with other entities and different areas of the Bank to develop new topics and thus strengthen the commercial bond in order to expand the knowledge of this segment according to the current economic situation. Some of the entities that we highlight in this coordination effort are El Fondo Capital Privado and Colsof.

Training for Government Banking Clients

DJSI 3.6.3

Our value proposition to clients in the government sector focuses on providing training, advisory services, and forums to enhance their resources and improve their performance. This is carried out through external advisors who are experts in topics of interest such as Fonpet, public debt, budgeting, revenue management and updating, financial intelligence, among others; sometimes, these training sessions are conducted in collaboration with our subsidiaries.

We aim to support our clients in improving their fiscal performance, contributing to the success of their projects, and assisting them in achieving sustainable growth for their entity with transparency and integrity. As communication and engagement strategies, we have used tools such as email, virtual meetings, the Latimpyme platform, and occasionally organized in-person meetings. Each of these interventions is assessed through a satisfaction survey conducted at each event, with feedback from attendees and thank-you letters from clients. The participation achieved during this period for such training activities was 132 attendees.

| Program name/ Course/ Training | Number of participants |
|--|------------------------|
| Electronic Billing | 10 |
| Potable Water and Basic Sanitation | 2 |
| Fonpet (explanation of pension liabilities for Buga, Morroa, Tuluá, Andalucía, Bugalagrande, Guacarí, Yotoco, San Pedro, Río Frío, Sucre, Buga, Sincelejo) | 31 |
| DIAN's External Third Parties Reports | 3 |
| Update of the Municipal Budget's Organic Statute | 3 |
| Credit (explanation of pension liabilities for Oparapa) | 3 |
| Multipurpose Cadastre for Girardot | 56 |
| Financial Intelligence | 7 |
| Registration Tax for the Department of Bolívar | 17 |

Source: Banco de Occidente

Training for Business Banking and SMEs clients

DJSI 3.6.3

With the purpose of supporting business growth and building sustainable long-term trust relationships, we advise companies, including SMEs, on various topics according to the current economic situation and their business environment to cope with different challenges, acquiring more knowledge and tools.

Aligned with this objective, we have a business classroom where all the training sessions are stored to support decision-makers and guide them on different topics for proper business financial management. Similarly, we contribute financial knowledge for SMEs management, currently made up of more than 9.000 entrepreneurs and 37.000 employees.

| Diploma Courses | Number of participants | | | |
|---|------------------------|------------|--------------------|---------------|
| | Business visits | SME visits | Business attendees | SME attendees |
| 2022 Tax Reform Update. | 156 | 828 | 49 | 238 |
| Digital Sales through the Funnel System | 332 | 130 | 84 | 30 |
| Strategy for Human Talent Retention | 113 | 179 | 96 | 40 |
| Female Leadership in VUCA Environments | 950 | 912 | 222 | 275 |
| Resilient Companies in Times of Uncertainty | 334 | 60 | 68 | 16 |
| Big Data for Strategic Decision Making | 877 | 135 | 171 | 37 |
| Human Talent in the Digital Era | 718 | 414 | 119 | 89 |
| World-Class Customer Service: Trends and Management | 263 | 496 | 263 | 99 |
| Strategic Management and Leadership | 789 | 407 | 153 | 96 |
| Preparing the Sales Force for Virtual Buyers | 489 | 347 | 91 | 89 |

| | | | | |
|---|-----|-----|-----|-----|
| Strategic and Financial Planning | 869 | 428 | 171 | 131 |
| Family Businesses | 275 | 188 | 130 | 79 |
| Service and Customer Experience | 142 | 145 | 43 | 43 |
| Sustainability and Social Responsibility in Companies | 21 | 14 | 14 | 6 |

Source: Banco de Occidente

We have strengthened resources and communication channels with our SME clients through the community and virtual classrooms that contribute to their knowledge and add value. In this period, we highlight the creation of podcasts uploaded to our Spotify profile where we address the following topics: Exports, digital marketing, leadership, and entities' change management⁹⁰.

In addition, we have conducted marketing campaigns on social media platforms, resulting in a 72% increase in visits to our SME community and a 122% increase in followers compared to the previous year. Resources such as informative brochures, business visits, and mass email campaigns have increased attendance at the diploma courses and activities scheduled by our banking sector, which strengthened the bond with our clients.

To close out 2023 and further our goal of continuing to strengthen our efforts in Financial Education, we have established a cross-functional team within the organization to build and consolidate a Financial Education program in 2024 focused on our human talent. This allows us to contribute to promote healthy financial management habits among our employees and their families.

⁹⁰ <https://open.spotify.com/show/0mZfwoDtWRJmhXvKFwzRI?si=gYmvXIPqRmKupogfg5kuuQ/>



bancodeoccidente.com.co



**Banco de
Occidente**

*Del lado
de los que hacen.*

Grupo
AVAL