



Quarterly Periodic Report 2025 - I

BOGOTÁ, COLOMBIA - MARZO DE 2025



Presentation

Banco de Occidente S.A. is an entity with outstanding securities in the market through the trading system of the Colombian Stock Exchange for ordinary and subordinated debt instruments. As of March 31, 2025, \$3.65B have been issued and \$3.55B have been placed, of which \$1.85B of B series under CPI remain outstanding, whose average opening and maturity terms are 2017 and 2028 respectively. At the closing of the first quarter of 2024, the current issuance and placement program is \$12.00B, with a \$6.00B available limit to meet fund raising needs.

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

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

Main domicile address: Carrera 4 # 7-61.

In order to understand 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.





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ANNEX I: Condensed Separate Financial Statements Quarter I - 2025

ANNEX II: Condensed Consolidated Financial Statements Quarter I - 2025





Glossary

SHARES: Negotiable security representing a proportional part of a company's equity. It is an interest security, that is, when an investor purchases the shares of a company, he/she becomes a partner of the company. These instruments grant their holders economic and political rights, that can be exercised collectively and/or individually.

NOTE: These are marketable securities that represent a debt. Therefore, it can be said that when an investor purchases a note, he/she is lending money to a company. The company that issues the notes acquires the obligation to return to the note holder (once the period of time established in the note has elapsed) the amount of the investment plus a sum of money as interest (this is the investor's return).

CYBERSECURITY: It is the practice of protecting important systems and confidential information from digital attacks.

CLIENTS: Individuals or companies that acquire for their use products and services offered by Banco de Occidente.

NET STABLE FUNDING RATIO (CFEN in Spanish): Corresponds to the quotient between the Available Stable Funding (FED in Spanish) and the Required Stable Funding (FER in Spanish), according to the definitions established by the Financial Superintendence of Colombia.

LIQUIDITY: The ability of a person or company to convert its assets into cash to cover its financial obligations.

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

WEIGHTED PROFITABILITY: Corresponds to the overall portfolio return on invested capital and cash flow at the beginning and end of the investment.

CREDIT RISK: The possibility that one of the parties to a financial contract is unable to fulfill the financial obligations acquired; as a result, the other party loses.

LIQUIDITY RISK: Probability of incurring losses due to insufficient funds to meet the obligations assumed.

MARKET RISK: Potential loss in the value of financial assets caused by adverse changes in the factors that determine their price.

OPERATING RISK: It is the possibility that the entity incurs losses due to deficiencies, failures or inadequate functioning of processes, technology, infrastructure or human resources, as well as the occurrence of external events associated with them. Includes legal risk.

PAST DUE LOAN PORTFOLIO INDICATOR (ICV in Spanish): Measures the ratio of the past due loan portfolio to total loans.

SARLAFT: Risk Management System for Money Laundering, Financing of Terrorism and Proliferation of Weapons of Mass Destruction, which manages the identification of operational, legal, contagion and reputational risks; it is included in the Bank's procedures manual.





SOLVENCY RATIO: corresponds to the quotient between the technical capital of the entity and the sum of assets weighted by risk level, market risk and operational risk, in accordance with the definitions established by the Financial Superintendence of Colombia.





1. Financial Position

1.1. Condensed Separate Financial Statements as of March 31, 2025

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

	Notes	As of March 31, 2025	As of December 31, 2024	As of March 31, 2024
Assets				
Cash and cash equivalents		\$ 5,624,897	3,771,300	5,207,117
Investment financial assets and trading derivatives	6	9,635,702	9,890,258	5,697,457
Financial assets available for sale	6	4,176,064	4,086,465	3,553,272
Held-to-maturity investments	7	2,098,968	2,133,953	2,118,816
Impairment of investments	6	(424)	(424)	(424)
Loan portfolio and financial leasing operations, net	4	47,028,137	47,498,592	44,160,561
Loan portfolio and financial leasing operations		49,603,284	50,001,781	46,598,576
Impairment of loan portfolio at amortized cost		(2,575,147)	(2,503,189)	(2,438,015)
Other accounts receivable, net		599,110	576,292	577,678
Non-current assets held for sale	9	1,324	1,324	3,023
Investments in subsidiaries, associated companies and joint ventures	10	2,552,510	2,612,448	2,290,392
Tangible assets, net	11	591,268	558,161	524,235
Intangible assets, net	12	631,633	629,017	578,644
Income tax asset		1,014,401	869,048	1,216,317
Other assets		23,282	20,451	9,376
Total assets		\$ 73,981,915	72,653,110	65,936,464
Liabilities				
Financial liabilities at fair value - derivative instruments		\$ 545,656	844,133	519,013
Derivative hedging instruments	5	122	405	2,310
Derivative trading instruments	5	545,534	843,728	516,703
Financial liabilities at amortized cost		66,586,610	64,994,109	58,851,612
Customer deposits	14	50,289,527	48,181,616	46,343,788
Financial obligations	15	16,297,083	16,812,493	12,507,824
Provisions for legal contingencies and other provisions	17	3,865	3,871	4,140
Income tax liability		-	-	-
Employee benefits	16	76,383	68,766	68,878
Other liabilities	18	1,417,997	1,261,094	1,390,294
Total liabilities		\$ 68,630,511	67,171,973	60,833,937
Equity				
Subscribed and paid-in capital	19	\$ 4,677	4,677	4,677
Premium on share placement		720,445	720,445	720,445
Retained earnings		4,667,695	4,771,287	4,423,056
Other comprehensive income		(41,413)	(15,272)	(45,651)
Shareholders' equity		<u>5,351,404</u>	<u>5,481,137</u>	<u>5,102,527</u>
Total liabilities and shareholders' equity		\$ 73,981,915	72,653,110	65,936,464

The details of the Separate Financial Statements and the notes under current regulations are included in Annex I of this report.



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BANCO DE OCCIDENTE S.A.

CONDENSED SEPARATE STATEMENT OF INCOME

(Expressed in million Colombian pesos, except net income per share)

For the three-month periods ended as of:	Notes	March 31, 2025	March 31, 2024
Interest and valuation income		\$ 1,678,553	1,870,724
Interest and similar expenses		1,108,435	1,335,087
Net interest and valuation income		570,118	535,637
Impairment losses on financial assets, net		312,274	269,793
Net interest income and valuation after impairments		257,844	265,844
Commission and fee income	21	124,520	115,182
Commissions and fees	21	81,174	72,105
Net income from commissions and fees		43,346	43,077
Net income from financial assets or liabilities held for trading		227,795	125,369
Other income, net	22	91,290	167,396
Other expenses, net	22	476,488	442,645
Profit before income tax		143,787	159,041
Income tax	13	(1,430)	15,464
Net income for the year		\$ 145,217	143,577
Net income per share, (in Colombian pesos)	19	\$ 931	921





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1.2. Condensed Consolidated Financial Statements as of March 31, 2025

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

	Notes	As of March 31, 2025	As of December 31, 2024	March 31, 2024
Assets				
Cash and cash equivalents	6	\$ 6,725,259	4,628,920	5,966,205
Financial assets at fair value through profit or loss	5 and 7	9,594,406	9,628,213	5,780,865
Financial assets at fair value with changes in ORI	5 and 7	6,102,337	5,888,095	4,933,974
Financial assets in debt securities at amortized cost	8	2,096,674	2,133,673	2,119,660
Derivative hedging instruments	5	5,043	6,225	-
Financial assets per loan portfolio at amortized cost, net		50,946,285	51,544,159	47,467,965
Loan portfolio at amortized cost	4	53,565,292	54,091,123	49,960,790
Impairment of loan portfolio at amortized cost	10	(2,619,007)	(2,546,964)	(2,492,825)
Other accounts receivable, net		656,849	634,102	634,514
Non-current assets held for sale	11	1,324	1,324	3,023
Investments in associated companies and joint ventures	12	1,897,494	1,953,172	1,770,574
Tangible assets, net	13	702,865	670,246	660,232
Intangible assets, net	14	660,119	657,085	600,562
Income tax asset		773,207	625,406	1,010,686
Other assets		33,702	29,561	17,796
Total assets		\$ 80,195,564	78,400,181	70,966,056
Liabilities and Shareholders' Equity				
Liabilities				
Financial liabilities at fair value - derivative instruments		437,608	532,716	519,014
Derivative trading instruments	5	\$ 437,486	532,716	516,703
Derivative hedging instruments	5	122	-	2,311
Financial liabilities at amortized cost		72,284,610	70,443,462	63,307,590
Customer deposits	16	55,948,051	53,593,823	50,763,860
Financial obligations	17	16,336,559	16,849,639	12,543,730
Provisions for legal contingencies and other provisions	19	67,081	62,280	74,558
Income tax liability		-	-	353
Employee benefits	18	100,203	96,489	90,657
Other liabilities	20	1,450,822	1,279,444	1,415,698
Total liabilities		\$ 74,340,324	72,414,391	65,407,870
Equity				
Subscribed and paid-in capital	21	\$ 4,677	4,677	4,677
Premium on share placement		720,445	720,445	720,445
Retained earnings		5,150,348	5,253,537	4,865,675
Other comprehensive income		(63,472)	(37,152)	(69,373)
Equity of controlling interests		\$ 5,811,998	5,941,507	5,521,424
Non-controlling interests		43,242	44,283	36,762
Total equity		5,855,240	5,985,790	5,558,186
Total liabilities and equity		\$ 80,195,564	78,400,181	70,966,056





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

For the three-month periods ended as of:	Notes	March 31, 2025	March 31, 2024
Interest and valuation income		\$ 1,773,744	1,983,405
Interest and similar expenses		1,162,428	1,384,658
Net interest and valuation income		611,316	598,747
Impairment loss on financial assets		322,806	414,003
Income, net of interest after impairment		288,510	184,744
Revenue from customer contracts, commissions and fees			
Commission and fee income	23	158,846	146,684
Commissions and fees	23	62,100	56,322
Net income from commissions and fees		96,746	90,362
Net income from financial assets or liabilities held for trading		228,998	127,525
Other income, net	24	123,851	194,707
Other expenses, net	24	583,077	534,069
Income before income taxes		155,028	63,269
Income tax	15	7,707	(21,261)
Profit or loss for the period		\$ 147,321	84,530
Profit or loss attributable to:			
Controlling interests		\$ 145,620	82,484
Non-controlling interests		\$ 1,701	2,046

Details of the consolidated Financial Statements and their notes under current regulations are included in Annex II of this report.

1.3. Material Changes in the Financial Statements of the Issuer

There have been no material changes compared to the Financial Statements at the end of the first quarter of 2025.

1.4. Comments and Analysis of Income of the Operation and Financial Position of the Issuer

1.4.1. Condensed Separate Statement of Financial Position

Banco de Occidente closed Mar-25 with Assets of \$73.98B, \$8.04B higher as of Mar-24, and \$1.32B higher as of Dec-24, according to the Condensed Separate Financial Statements for the quarter. The increase is mainly attributed to the growth of Financial Assets for investment, which presented a growth of \$4.54B, compared to the balance recorded in Mar-24, and \$199,942MM decrease compared to Dec-24. Likewise, the Gross Loan Portfolio presented a variation of \$3.00B, compared to the balance recorded in Mar-24, and a decrease of \$398.497MM compared to Dec-24.

According to information available from the Financial Superintendence of Colombia, as of February 2025, Banco de Occidente has a market share of 7.06% in the total loan portfolio (11 bps higher as of Mar-24). By type of loan portfolio, Banco de Occidente has a market share of 8.93% in commercial (-12 bps compared to Mar-24), 6.80% in consumer (+ 50 bps compared to Mar-24), and 2.78% in housing portfolio (up 27 bps compared to Mar-24). These overall results are attributed to the good performance of the commercial team to boost the placement of loan products in the market.





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Total Financial Investment Assets and Trading Derivatives, including investments available for sale and up to maturity, amounted to \$15.91B, growing by 39.9% compared to Mar-24, as a result of the performance of investments in debt securities, which grew by 89.9%, with a positive variation of \$3.83B.

On the Total Liabilities side, the Bank closes Mar-25, with a balance of \$68.63B, registering an increase of \$7.79B, compared to the Mar-24 balance, and \$1.45B compared to Dec-24.

Within the behavior of Total Liabilities, the performance presented by Total Deposits at the end of Mar-25 is noteworthy, reaching \$50.28B, which represents an increase of \$3.94B with respect to Mar-24 and \$2.10B with respect to Dec-24. The main variation in this item is explained by the behavior of savings account balances, which close Mar-25 at \$29.50B, representing a growth of \$3.13B compared to Mar-24, and \$1.64B compared to Dec-24. In addition, the growth in CDT balances stands out, which at the end of Mar-2025 totaled \$14.22B, representing a variation of \$116,854MM compared to Mar-24 and \$698,839MM compared to Dec-24.

As of February 2025, Banco de Occidente has a market share of 7.05% of total deposits (lower in 18 bps as of Mar-24). By type of deposits, it has a market share of 8.87% in savings accounts (lower by 27 bps as of Mar-24), 4.85% in CDTs (lower by 16 bps as of Mar-24), and 8.35% in the current account (higher by 16 bps as of Mar-24).

Regarding financial obligations, the balance as of Mar-25 was \$16.29B, which represents an increase of \$3.78B compared to Mar-24, and a decrease of \$698,839MM compared to Dec-24. This variation is mainly explained by the growth corresponding to Interbank and Overnight Funds, where the balance as of Mar-25 was \$9.01B, with a variation of \$3.46B, compared to Mar-24, and of \$3.81B compared to Dec-24. Regarding the Notes issued by the Bank, as of Mar-25 the balance amounted to \$2.40B, reflecting a growth of \$240,965MM compared to Mar-24.

The Bank's Total Equity at the end of Mar-25 recorded a value of \$5.35B, registering an increase of \$248,877MM compared to the balance recorded in Mar-24, and a decrease of \$129,733MM compared to the balance recorded in Dec-24. This is the result of the 1.14% increase in profits for the year compared to those obtained at the end of Mar-24 and the recovery of Other Comprehensive Income (OCI). Total Net Income for the period accumulated at the end of Mar-25, was \$145,217MM, which was \$1,640MM higher than that obtained at the end of Mar-24.

1.4.2. Condensed Separate Statement of Income

As of Mar-25, Net Interest and Valuation Income amounted to \$570,118MM, representing an increase of 6.44% compared to Mar-24.

Interest and valuation income decreased 10.3% from \$1.87B in Mar-24 to \$1.67B in Mar-25, mainly explained by the decrease in the balance of interest on loan portfolio and financial leasing operations. On the Interest and Similar Expenses side, whose year-on-year variation was -17.0%, the Interest Expense on Deposits component stands out, explained by the lower cost of deposits, promoted by the reduction of the rates.

Impairment losses on net financial assets at Mar-25 amounted to \$312.274MM, which represents an increase of 15.75% compared to Mar-24. This behavior is mainly explained by the loan portfolio provision, which increased by 11.27% from \$315.059MM in Mar-24, to \$350.553MM in Mar-25 and a lower recovery of write-offs.



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Net income from commissions and fees presented a value of \$43,346MM as of Mar-25, which represents an increase of 0.62% compared to Mar-24, mainly explained by the behavior of income from commissions and fees, which increased by \$9,338MM compared to Mar-24, justified by a higher payment of commercial sales forces associated with the growth of the consumer loan portfolio.

Net income from financial assets or liabilities held for trading, presented a value of \$227,795MM as of Mar-25, which represents an increase of 81.7% compared to Mar-24.

The result is mainly explained by the net gain on marketable investments, where the focus has been on TES positions with a horizon of up to five years, which were positively affected by the good outlook for future valuations under the assumption that Banco de la República would continue its path of rate decreases during the year 2025.

Other Net Revenues presented a value of \$91,290MM as of Mar-25, which represents a decrease of 45.4% compared to Mar-24. This behavior is mainly explained by the income obtained from profit sharing of associated companies and joint ventures, which decreased 16.8% compared to Mar-24, and the net foreign exchange gain on the Bank's asset and liability positions in foreign currency, which decreased by \$62,143MM compared to the same period of the previous year.

Other net expenses, presented a year-over-year increase of \$33,843MM, which is mainly explained by the increase in personnel expenses and general administrative expenses, which registered variations of \$12,275MM and \$21,830MM, respectively, compared to Mar-24.

These results lead to a pre-tax income of \$143.787MM, 9.59% lower than that reported as of Mar-24. Income Tax Expense as of Mar-25 was \$1,430MM, registering a year-over-year decrease of \$16,894MM versus Mar-24 due to the effects of a higher deferred tax on operating income.

Total Net Income for the period accumulated at the end of Mar-25, was \$145,217MM, which was \$1,640MM higher than that obtained at the end of Mar-24.

Another point to highlight, among the main determinants of the Bank's results, is the performance of Treasury as the backbone of financial asset trading operations. During the first quarter of 2025, Colombian financial markets evidenced mixed behavior with respect to the end of 2024. The tone of global tensions due to the change of government in the U.S. and the U.S. government's change of government in the U.S. has changed. The U.S. peso-dollar market declined, allowing for widespread appreciation in the peso-dollar market. In contrast, the higher perception of Colombia's credit risk has led to continued devaluations in the fixed income markets. In environments of high uncertainty, markets behave in a very volatile manner and show sudden changes in macroeconomic expectations, creating a challenging environment for treasury results.





In view of this situation, the treasury focused its efforts on short-term tactical operations, aimed at generating income to cushion the impact of the movements in the structural positions held. During the quarter, all TES securities since 2027 presented rates higher than the intervention rate of Banco de la República, and no consensus has been found regarding the expected closing rate, reaching fluctuations ranging from 8.25% to 9.25%.

1.4.3. Condensed Consolidated Statement of Financial Position

On the Condensed Consolidated Statement of Financial Position, at the end of the quarter, total Assets amounted to 80.19B, \$9.06B higher by \$9.22B as of Mar-24, and \$1.79B as of Dec-24. The increase was mainly due to the growth of investments in debt securities, which was 88.3% compared to Mar-24. This was followed by the 7.3% growth in financial Assets from the loan portfolio at amortized cost based on the end of Mar-24.

Total Liabilities at the end of Mar-25 were \$74.34B, representing a growth of 13.44% compared to Mar-24 and 2.66% compared to Dec-24, as a result of the funding needs of commercial operations.

Total consolidated Equity as of Mar-25 was \$5.85B, higher by \$297,054MM with respect to Sep-23, and recorded a decrease of \$130,550MM with respect to Dec-24.

1.4.4. Condensed Consolidated Statement of Income

As of Mar-25, Net Interest and Valuation Income presented a value of \$611,316MM, representing an increase of 2.10% compared to Mar-24.

Impairment losses on financial assets presented a value of \$322,806MM as of Mar-25, which represents a decrease of 22.03% compared to Mar-24. This performance is mainly explained by the decrease in the impairment of the loan portfolio, which decreased by 21.17% from \$458,621MM in Mar-24 to \$361,545MM in Mar-25.

Net income from commissions and fees amounted to \$96,746MM, representing a growth of 7.06% compared to Mar-24, mainly explained by the behavior of income from commissions and fees, which grew by \$12,162MM compared to Mar-24.

Net income from financial assets or liabilities held for trading presented a value of \$228,998MM as of Mar-25, which represents an increase of 79.57% compared to Mar-24. This is mainly explained by the increase of \$70,582MM in the net gain on marketable securities based on Mar-24.





Other Net Income presented a value of \$123,851MM as of Mar-25, which represents a decrease of \$70,856MM compared to Mar-24. This behavior is mainly explained by the decreases recorded in: net income from foreign exchange differences and in the equity in earnings of associated companies and joint ventures, which recorded a decrease of \$62,394MM and \$15,743MM compared to Mar-24, respectively.

Other net expenses, presented a year-over-year increase of 9.18%, which represents a variation of \$49,008MM, mainly explained by the increase in personnel expenses and general administrative expenses, which registered variations of \$27,111MM and \$21,314MM, respectively, compared to Mar-24.

These results lead to a pre-tax income of \$91,759MM, 145.03% higher than that reported as of Mar-24. Income Tax Expense as of Mar-25 was \$7,707MM, registering a year-over-year growth of \$28,968MM versus Mar-24.

At the Condensed Consolidated Financial Statements level, the accumulated Net Income as of Mar-25 was \$147,321MM, \$62,791MM higher than Mar-24.

1.5. Quantitative and/or Qualitative Market Risk Analysis

Market risk management is mainly represented by the management of the parent company's fixed income portfolio, which during 2025 averaged \$11.76B, with an average duration of 46 months and a 37% concentration in the medium term (greater than 2 and less than 5 years). The portfolio level is higher than that observed during the previous year, due to the spread strategy between fixed income and swaps, as well as the dynamics of the market maker scheme, clarifying that the latter portfolio is hedged with securities derivatives (sale) and short transactions closing the risk.

On the other hand, as of March 31, 2025, the entire Available for Sale ALM (Bank Book) investment portfolio was excluded from exposure to market risk (Value at Regulatory Risk), a corporate definition approved by ALCO and the Treasury Financial Risk Committee.

This resulted in a lower level of market risk exposure – SFC regulatory VeR – which on average for the year represented \$314,910MM. In particular, for the closing of March 2025, the Value at Risk was located at levels of \$212,408MM due to the aforementioned. Value at Risk results are within the appetite limits established in relation to technical equity (average for the year of 5.3% vs. maximum 7.0%).

According to the standard model, the market value at risk (VaR) as of March 31, 2025 and December 31, 2024 was as follows





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Entity	March 31, 2025	December 31, 2024
	Amount	Amount
Parent Company	\$ 212,408	339,369
Occidental Bank (Barbados) Ltd.	9,337	10,569
Banco de Occidente Panamá S.A.	23,614	25,757
Fiduciaria de Occidente S.A.	5,504	6,277
	250,863	381,972

The VaR risk factors presented by the Parent Company and subsidiaries for the periods ended March 31, 2025 and December 31, 2024, are summarized below:

	March 31, 2025			
	Minimum	Average	Maximum	Last
Interest rate	\$ 238,845	238,845	238,845	238,845
Exchange rate	10,676	10,676	10,676	10,676
Shares	-	-	-	-
Collective Portfolios	1,342	1,342	1,342	1,342
Credit Default Swaps (CDS)	-	-	-	-
Portfolio VaR				250.863

	December 31, 2024			
	Minimum	Average	Maximum	Last
Interest rate	\$ 264,941	322,068	379,009	379,009
Exchange rate	1,078	3,402	9,151	1,971
Shares	-	-	-	-
Collective Portfolios	934	991	1,031	992
Credit Default Swaps (CDS)	-	-	-	-
Portfolio VaR				381,972

It is considered, for purposes of this report, that there were no additional material changes in the disclosure of information that could affect the Bank's operations and results.

2. Additional Information

2.1. Material variations in the risks to which the issuer is exposed to

2.1.1. Credit Risk Analysis

The commercial loan portfolio showed a decrease of \$910,626MM in January 2025, compared to December 2024, mainly due to the prepayment of relevant obligations, where the most important clients are Parque Arauco for \$130,000MM and Argos for \$100,000MM. In February and March 2025, the growth path returns, and a \$408,249MM increase was achieved, closing this first quarter with a balance of \$32.63B, which represents a decrease of 1.51% with respect to the December 2024 balance.





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The commercial past due loan portfolio in March 2025, shows an increase of \$193,939MM compared to December 2024 and the Past Due Loan Portfolio Indicator (ICV in Spanish) stands at 3.74%, compared to 3.10% observed in December 2024. This ICV is similar to that of the financial system, which stands at 3.71%. It is worth mentioning that 85.0% of these new overdue accounts for the month of March 2025, correspond to clients that were already rated B, C, D and E, therefore, they have no effect on provisions for loan portfolio impairment.

A comparison between December 2024 and March 2025 of the consumer loan portfolio shows an increase of \$49,187MM (9.62%) in terms of non-performing loans; thus, the non-performing loan portfolio closed at March 2025 at \$560,516MM.

Between December 2024 and March 2025, there was an increase of \$3,461MM (2.32%) in non-performing loans in housing, closing at \$152,535MM at the end of March 2025.

Consequently, the Past Due Loan Portfolio Indicator (ICV) for the consumer loan portfolio closed at March 2025 at 4.41%, a 0.39% increase with respect to December. On the other hand, the housing ICV closed at March 2025 at 4.76%, a reduction of 0.15% with respect to December 2024.

The increase in the past-due loan portfolio and the ICV in the consumer loan portfolio with respect to December 2024, is mainly explained by Payroll deductions (*Libranza*), a product that presented at the beginning of 2024 a greater participation of clients without an agreement, on which, although recovery measures were taken during the course of the year, in the last quarter they presented maturities that impacted the past-due portfolio. Even so, we continue to improve loan portfolio performance through strategies focused on optimizing lending parameters and strengthening loan portfolio recovery and normalization processes.

Therefore, in the last quarter, a policy adjustment was defined in the cut-off point for the granting of a payroll loan, in order to reduce the impact on the past-due portfolio of clients with a greater probability of migrating without an agreement.

For the Consumer and Housing loan portfolio, periodic follow-ups are made on the granting policies by different variables such as score, profile, risk nodes, among others, for each of the products; based on this analysis, no new short-term risks are evidenced in the evolution of the loan portfolio.

Due to diplomatic tensions with the United States and new tariff policies by the U.S. government, importer and exporter clients have been identified, considering the volume of sales and their exposure to the bank. Surveys have been conducted in the corporate, government, business 1 and 2 segments, in order to know the possible impact and the plans that companies are implementing to mitigate these risks.

On the other hand, a policy of short terms was approved in the levels of indebtedness within the credit granting process (no longer than 6 months), for clients from sectors known as vulnerable. This is in order to maintain control over the companies that, due to the sector's affectation, may be deteriorated.





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Following the measures implemented in March 2024 that make the credit evaluation of SME clients more demanding, we have been monitoring the effect of these new measures, with a positive result, which shows a good performance of recent vintages.

2.1.2. Operational Risk Analysis

In line with current regulations CE018 - Comprehensive Risk Management System, the SARO Committee and the Comprehensive Risk Committee are informed on a monthly and quarterly basis, respectively, of the evolution of losses due to operational risk events and the most relevant aspects of the management of the operational risk management system.

Therefore, for the first quarter of 2025, there were accumulated gross losses of \$2,875MM and recoveries of \$549MM, which constitutes a net loss of \$2,326MM.

However, the behavior of gross losses from operational risk events for the first quarter of the year 2025 is discriminated as follows: Other assets (53%), loan portfolio claims (32%), miscellaneous operating risk (5%) and other accounts (10%), this behavior being normal compared to the evolution recorded in previous periods.

According to the Basel risk classification, the events in terms of net loss originated in: External fraud (60%), internal fraud (32%) and others (8%).

The evolution of the resulting figures by process update shows the following result as of March 31, 2025:

	March 31, 2025
Processes	167
Risks (*)	679
Faults	1,094
Controls (*)	2,212

Finally, in relation to the foregoing, for purposes of this report, it is considered that there were no additional material changes in the disclosure of information that could affect the Bank's operations and results.

2.1.3. Liquidity Risk Analysis

In terms of Liquidity Risk management, during the first quarter of 2025, the Bank presented a sufficient level of liquid assets to meet short-term liquidity requirements. Accordingly, under the guidelines of Annex 9 of Chapter XXXI of the SFC's CBCF, liquid assets and 30-day liquidity requirements quarterly averaged \$9.08B and \$6.54B, respectively, resulting in a ratio of 138.9%, which is comfortable with respect to the minimum appetite limit of 120.0% defined by the Bank, and well above the minimum legal limit of 100.0%. In ALM management, the permanent monitoring of early warning indicators stands out, which in general had a stable behavior within the established appetite limits.



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It should be noted that, on a consolidated basis at the end of March, liquid assets and liquidity needs at 30 days were \$11.07 and \$7.10, respectively. The above ratifies the soundness of the Bank to face expected and unexpected outflows in the evaluation horizon.

The following is a summary table of projected available liquid assets as of March 31, 2025 and December 31, 2024:

March 31, 2025					
Subsequent net available balances					
Entity		Liquid assets available at the end of the period (1)	From 1 to 7 days (2)	From 1 to 30 days later (2)	From 31 to 90 days later (2)
Parent Company	\$	9,234,173	6,372,183	2,587,286	(9,406,424)
Occidental Bank Barbados Ltd.		591,808	544,156	302,400	7,014
Banco de Occidente Panamá S.A.		1,241,084	1,212,608	1,076,633	189,599
Fiduciaria de Occidente S.A.					
TOTAL	\$	11,067,065	8,128,947	3,966,319	(9,209,811)

December 31, 2024					
Subsequent net available balances					
Entity		Liquid assets available at the end of the period (1)	From 1 to 7 days (2)	From 1 to 30 days later (2)	From 31 to 90 days later (2)
Parent Company	\$	7,686,166	5,028,387	1,814,098	(10,488,445)
Occidental Bank Barbados Ltd.		446,022	388,471	231,305	(428,112)
Banco de Occidente Panamá S.A.		1,152,428	1,044,779	900,821	(282,705)
Fiduciaria de Occidente S.A.		-	-	-	-
TOTAL	\$	9,284,616	6,461,637	2,946,224	(11,199,262)

With respect to structural liquidity, measured through the net stable funding ratio (CFEN), the Bank reflected for the same period a stability of available funding, in average quarterly terms of 106.08% in relation to its required funding. At the end of March, the CFEN reached levels of 107.24%, showing relative strength between the composition of assets and liabilities.

The following is the result of the net stable funding ratio (CFEN) of the Parent Company as of March 31, 2025, and December 31, 2024, in accordance with the provisions established for such purpose by the Financial Superintendence of Colombia:





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March 31, 2025

Entity	Available Stable Funding (FED in Spanish)	Required Stable Funding (FER in Spanish)	Net Stable Funding Ratio (CFEN in Spanish)
Banco de Occidente	40,299,004	37,577,760	107.24

December 31, 2024

Entity	Available Stable Funding (FED in Spanish)	Required Stable Funding (FER in Spanish)	Net Stable Funding Ratio (CFEN in Spanish)
Banco de Occidente	39,337,640	37,245,588	105.62

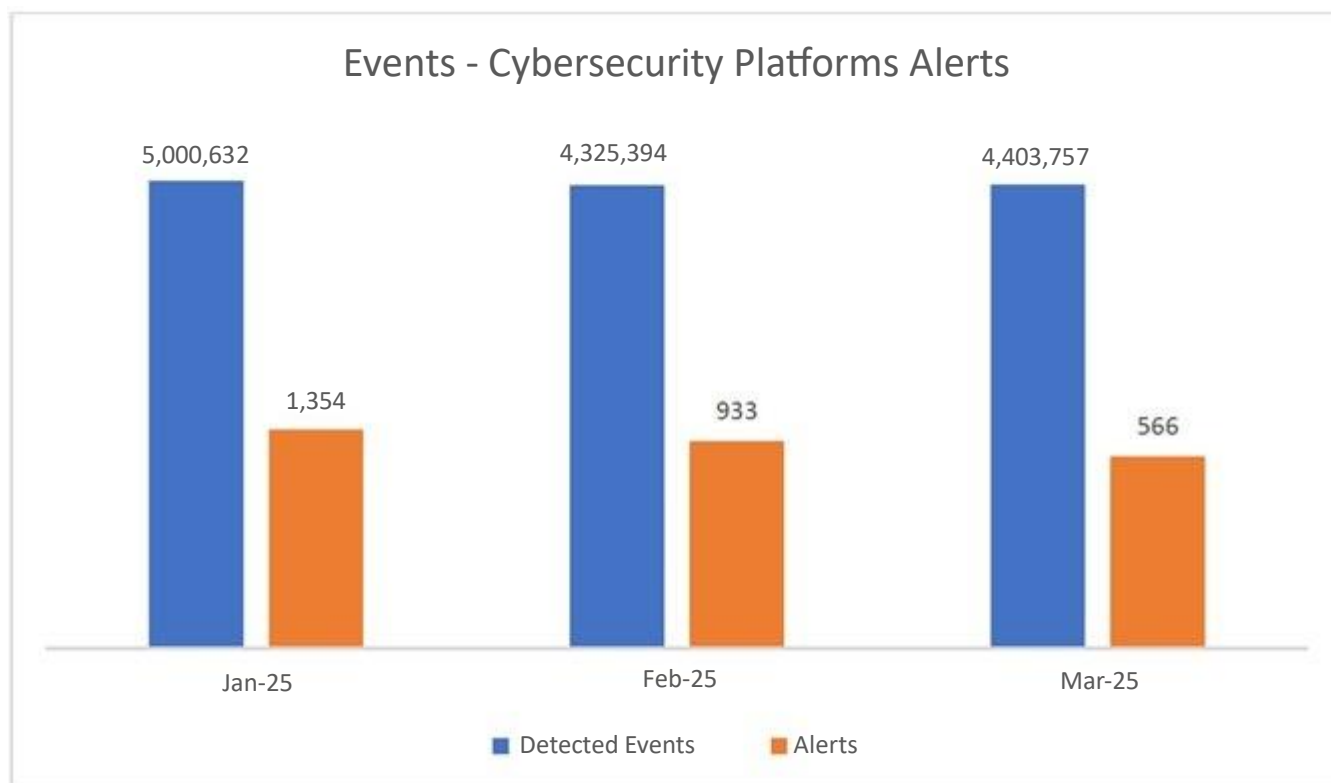
2.1.4. Cybersecurity Risk Analysis

Banco de Occidente uses the ISO 27001 standard (Information Security Management System) as a methodology for risk assessment, in which the main aspects of Confidentiality, Integrity and Availability for the information managed within the Bank's operation are indicated as main axes. Based on this, no changes or additional alerts have been presented during the last quarter, considering the aspects indicated below as those of greater attention within cybernetic risk management.

- Customer information leakage
- Availability issues that could impact customers
- Unauthorized changes to customer information

None of these threats managed within the processes that manage cybersecurity have generated risk materiality, being fully controlled and therefore no incidents have been reported.





On the other hand, within the prevention strategy, Banco de Occidente follows the corporate policies and good practices of the market in order to maintain the risk level at acceptable levels understanding the type of business; additionally, during the last year it has advanced initiatives that contribute to the security maturity level.

- EDR (Endpoint Detection And Protection) solution implementation
- Implementation of UEBA (User and Entity Behavior Analytics) solution.
- Implementation of Anti-APT (Anti Advanced Persistent Threats)

The Bank has consistent procedures and work plans in place to manage vulnerabilities identified in the infrastructure and business applications.

Likewise, cybersecurity awareness plans are maintained for all employees, and in addition, the management of closing observations identified by internal, corporate and regulatory entities have been responded to in a timely manner.

In order to objectively evaluate the security management system, Banco de Occidente, through a third party expert, generates a validation and evaluation of this, obtaining a rating of 4.0/5.0, which reflects an appropriate management of processes and cyber-risk.





2.2. Material Variations in Environmental, Social and Corporate Governance Matters

2.2.1. Corporate Governance Analysis

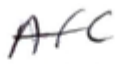
With respect to the results presented in the 2024 Management and Sustainability Report (periodic year-end report), which details the structures, committees and members of Senior Management and the Board of Directors, it is important to highlight the following changes:

- I. The Bank's Shareholders' Meeting was held on March 26, 2025.
- II. At the Shareholders' Meeting held on March 26, 2025, the Board of Directors was elected for the 2025-2026 period. Where 8 members were elected, who were serving in the previous period (2024-2025), Mr. Jorge Castaño Gutiérrez was elected as a member of the board of directors. The board is in the process of being sworn in by the Financial Superintendence.
- III. Mr. Mario Botina Tovar was elected Vice President of Operations and Technology as of March 10, 2025, replacing Pedro Luis Villegas.
- IV. Mr. Carlos Echeverri was elected as Vice President of Companies as of February 3, 2025, replacing Iván Mauricio Ricardo Arias.

There were no additional material developments with respect to what was disclosed in the last 2024 Management and Sustainability Report.

2.2.2. Analysis of Environmental, Social and Climate Issues

Compared to the results presented in the 2024 Management and Sustainability Report (periodic year-end report), which details our ESG (Environmental, Social and Governance) work, there have been no material changes in social and environmental issues, including climate issues, at the end of the first quarter of 2025.


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





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

Full Name: ANDRÉS FELIPE CELIS SALAZAR

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Date: June 4, 2025