



Banco de Occidente
60 Years on the side of those who do



Annex II

Condensed Consolidated Financial Statements

Quarter II - 2025

BANCO DE OCCIDENTE S.A.

FINANCIAL SUPERINTENDENCE
OF COLOMBIA

SURVEILLED



Grupo
AVAL

Condensed Consolidated Financial Statements as of June 30, 2025.



*Del lado
de los que hacen.*





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

Dear Shareholders
Banco de Occidente S.A.:

Introduction

I have reviewed the accompanying condensed consolidated interim financial information as of June 30, 2025 of Banco de Occidente S.A. and Subsidiaries, which comprises:

- the condensed consolidated statement of financial position as of June 30, 2025;
- the condensed consolidated statement of income for the three-month and six-month period ended June 30, 2025;
- the condensed consolidated statement of other comprehensive income for the three-month and six-month period ended June 30, 2025;
- the condensed consolidated statement of changes in equity for the six-month period ended June 30, 2025;
- the condensed consolidated statement of cash flows for the six-month period ended June 30, 2025; and
- the notes to the condensed consolidated interim financial information.

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

Scope of Review

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



Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying condensed consolidated interim financial information, as of June 30, 2025, has not been prepared, in all material respects, in accordance with International Accounting Standard 34 (IAS 34) - Interim Financial Reporting, contained in the Accounting and Financial Reporting Standards accepted in Colombia.

Digitally signed
by Wilson Romero
Montañez
Date: 2025.08.12
12:23:26 -05'00'

Wilson Romero Montañez
Statutory Auditor of Banco de Occidente S.A.
LICENSE 40552 – T
Member of KPMG S.A.S.

August 12, 2025



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

Dear Shareholders
Banco de Occidente S.A.:

Introduction

I have reviewed the eXtensible Business Reporting Language (XBRL) report as of June 30, 2025 of Banco de Occidente S.A and its Subsidiaries, which incorporates the consolidated interim financial information, which comprises:

- the consolidated statement of financial position as of June 30, 2025;
- the condensed consolidated statement of income for the three-month and six-month period ended June 30, 2025;
- the condensed consolidated statement of other comprehensive income for the three-month and six-month period ended June 30, 2025;
- the condensed consolidated statement of changes in equity for the six-month period ended June 30, 2025;
- the condensed consolidated statement of cash flows for the six-month period ended June 30, 2025; and
- the notes to the report.

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

Scope of Review

I have conducted my review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", included in the Information Assurance Standards accepted in Colombia. A review of consolidated interim financial information, consists of making inquiries, primarily with the persons responsible for financial and accounting matters, and the application of analytical and other review procedures.



The scope of a review is substantially less than that of an audit performed in accordance with International Standards on Auditing accepted in Colombia and, therefore, does not allow me to obtain assurance that I am aware of all the significant matters that I could have identified in an audit. Therefore, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the report in eXtensible Business Reporting Language (XBRL), which incorporates the consolidated interim financial information of Banco de Occidente S.A. and its Subsidiaries, as of June 30, 2025, has not been prepared, in all material respects, in accordance with International Accounting Standard 34 (IAS 34) - Interim Financial Reporting, contained in the Accounting and Financial Reporting Standards accepted in Colombia and instructions of the Financial Superintendence of Colombia.

Digitally signed
by Wilson Romero
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August 12, 2025

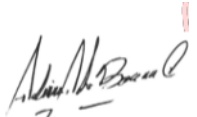
BANCO DE OCCIDENTE S.A. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in millions of Colombian pesos)




	Notes	As of June 30, 2025	As of December 31, 2024
Assets			
Cash and cash equivalents	6	\$ 3,456,309	4,628,920
Financial assets at fair value through profit or loss	5 and 7	11,110,814	9,628,213
Financial assets at fair value with changes in ORI	5 and 7	6,720,584	5,888,095
Financial assets in debt securities at amortized cost	8	1,400,886	2,133,673
Derivative hedging instruments	5	6,142	6,225
Financial assets per loan portfolio at amortized cost, net		51,503,443	51,544,159
Loan portfolio at amortized cost	4	53,934,190	54,091,123
Impairment of loan portfolio at amortized cost	10	(2,430,747)	(2,546,964)
Other accounts receivable, net		652,763	634,102
Non-current assets held for sale	11	1,324	1,324
Investments in associated companies and joint ventures	12	1,965,882	1,953,172
Tangible assets, net	13	677,843	670,246
Intangible assets, net	14	673,554	657,085
Income tax asset		900,664	625,406
Other assets		25,940	29,561
Total assets		\$ 79,096,148	78,400,181
Liabilities and Shareholders' Equity Liabilities			
Financial liabilities at fair value - derivative instruments		642,377	532,716
Derivative trading instruments	5	\$ 642,125	532,716
Derivative hedging instruments	5	252	-
Financial liabilities at amortized cost		70,293,427	70,443,462
Customer deposits	16	54,660,526	53,593,823
Financial obligations	17	15,632,901	16,849,639
Provisions for legal contingencies and other provisions	19	70,688	62,280
Employee benefits	18	86,491	96,489
Other liabilities	20	1,992,469	1,279,444
Total liabilities		\$ 73,085,452	72,414,391
Equity			
Subscribed and paid-in capital	21	\$ 4,677	4,677
Premium on share placement		720,445	720,445
Retained earnings		5,298,638	5,253,537
Other comprehensive income		(58,129)	(37,152)
Equity of controlling interests		\$ 5,965,631	5,941,507
Non-controlling interests		45,065	44,283
Total equity		6,010,696	5,985,790
Total liabilities and equity		\$ 79,096,148	78,400,181

See notes 1 to 29, which are an integral part of the condensed consolidated interim financial information.


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by MAURICIO
MALDONADO UMAÑA
Date: 2025.AUG.12
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LEGAL REPRESENTATIVE


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Romero
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(See my report of August 12, 2025)



Del lado de los que hacen.

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



	Notes	For quarters ending as of:		For quarters ending as of:	
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Interest and valuation income	23	\$ 1,760,015	1,931,682	3,533,756	3,915,087
Interest and similar expenses	23	1,177,222	1,299,516	2,339,648	2,684,174
Net interest and valuation income	23	582,793	632,166	1,194,108	1,230,913
Impairment loss on financial assets		302,111	308,905	624,916	722,908
Income, net of interest after impairment		280,682	323,261	569,192	508,005
Income from customer contracts, commissions and fees					
Income from commissions and fees	24	158,418	147,254	317,265	293,939
Commissions and fees	24	60,510	55,850	122,610	112,173
Net income from commissions and fees		97,908	91,404	194,655	181,766
Net income from financial assets or liabilities held for trading		293,189	76,047	522,186	203,571
Other income, net	25	113,329	230,075	237,180	424,781
Other expenses, net	25	606,834	537,961	1,189,911	1,072,029
Income before income taxes		178,274	182,826	333,302	246,094
Income tax	15	27,637	33,566	35,344	12,305
Profit or loss for the period		\$ 150,637	149,260	297,958	233,789
Profit or loss attributable to:					
Controlling interests	\$	148,486	148,045	294,106	230,529
Non-controlling interests	\$	2,151	1,215	3,852	3,260

See notes 1 to 29, which are an integral part of the condensed consolidated interim financial information.

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Banco de Occidente

Del lado de los que hacen.

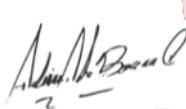



BANCO DE OCCIDENTE S.A. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
(Expressed in millions of Colombian pesos)

	Notes	For the quarter ended in:		For the semester ended as of:	
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Profit or loss for the period:		\$ 150,637	149,260	297,958	233,789
Items that will be subsequently reclassified to profit or loss					
Net foreign exchange difference on conversion of foreign transactions		(3,256)	9,060	(9,614)	9,125
Foreign exchange difference on investments in foreign subsidiaries		(15,551)	30,961	(40,128)	32,942
Net unrealized gain (loss) on foreign hedging transactions		15,551	(30,961)	40,128	(32,942)
Net unrealized gain (loss) on financial instruments measured at fair value in debt securities	7	5,009	(43,919)	(32,668)	(41,031)
Income on financial instruments measured at fair value with changes in ORI - debt securities		2,664	(282)	2,348	404
Net unrealized gain on investments accounted for by the equity accounting method		3,820	11,231	8,532	10,471
Deferred income tax on items that may be subsequently reclassified to profit or loss		(6,102)	24,310	5,367	20,899
Total items to be subsequently reclassified to profit or loss		2,135	400	(26,035)	(132)
Items that will not be reclassified to profit or loss					
Revaluation of investment properties		-	(199)	-	(199)
Net unrealized gain on equity financial instruments measured at fair value	7	3,296	23,733	5,212	25,461
Actuarial profit on defined benefit plans		378	1,120	378	574
Deferred tax recognized in other comprehensive income		(799)	(3,896)	(1,152)	(3,835)
Total items that will not be reclassified to profit or loss		2,875	20,758	4,438	22,001
Total other comprehensive income (loss) for the period, net of income tax		5,010	21,158	(21,597)	21,869
Total comprehensive income for the period		\$ 155,648	170,418	276,361	255,658
Comprehensive income attributable to:					
Controlling interests		\$ 153,828	168,326	273,129	251,691
Non-controlling interests		\$ 1,820	2,092	3,232	3,967

See notes 1 to 29, which are an integral part of the condensed consolidated interim financial information.


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Banco de Occidente

Del lado de los que hacen.

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




For the six-month periods ended June 30, 2025 and 2024:	Subscribed and paid-in capital (Note 21)	Premium on share placement	Retained Earnings	Other comprehensive income	Total equity of controlling interests	Non Controlling Interests	Total equity, net
Balance as of December 31, 2023	\$ 4,677	720,445	4,996,219	(70,255)	5,651,086	36,997	5,688,083
Distribution of cash dividends	-	-	(215,142)	-	(215,142)	(2,111)	(217,253)
Withholding tax on dividends declared in prior fiscal year in the statement of changes in stockholders' equity	-	-	1,567	-	1,567	-	1,567
Delivery of other comprehensive income and Effect on retained earnings from delivery of ORI	-	-	(505)	505	-	-	-
Withholding tax on dividends for the current year in the statement of changes in stockholders' equity	-	-	(7)	-	(7)	-	(7)
Other comprehensive income for the period	-	-	-	20,657	20,657	707	21,364
Profit or loss for the period	-	-	230,529	-	230,529	3,260	233,789
Balance as of June 30, 2024	\$ 4,677	720,445	5,012,661	(49,093)	5,688,690	38,853	5,727,543
Balance as of December 31, 2024	\$ 4,677	720,445	5,253,537	(37,152)	5,941,507	44,283	5,985,790
Distribution of cash dividends	-	-	(248,816)	-	(248,816)	(2,453)	(251,269)
Withholding tax on dividends declared in prior fiscal year in the statement of changes in stockholders' equity	-	-	7	-	7	-	7
Delivery of other comprehensive income	-	-	-	195	195	(3)	192
Effect on retained earnings from delivery of other comprehensive income	-	-	(195)	-	(195)	3	(192)
Withholding tax on dividends for the current year in the statement of changes in stockholders' equity	-	-	(1)	-	(1)	-	(1)
Other comprehensive income for the period	-	-	-	(21,172)	(21,172)	(617)	(21,789)
Profit or loss for the period	-	-	294,106	-	294,106	3,852	297,958
Balance as of June 30, 2025	\$ 4,677	720,445	5,298,638	(58,129)	5,965,631	45,065	6,010,696

See notes 1 to 29, which are an integral part of the condensed consolidated interim financial information.


Digitally signed
by MAURICIO
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Date: 2025.AUG.12
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(See my report of August 12, 2025)



Banco de Occidente

Del lado de los que hacen.

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




For the six-month periods ended as of:	Notes	June 30, 2025	June 30, 2024
Cash flows from operating activities:			
Profit or loss for the period before income tax		\$ 333,302	246,094
Reconciliation of net income for the period to net cash used in operation activities:			
Net interest and valuation income	23	(1,194,108)	(1,230,913)
Depreciation and amortization of tangible and intangible assets	25	115,076	103,111
Impairment for loan portfolio and accounts receivable, net		733,390	817,108
Impairment of tangible assets, net		(3)	(288)
Loss on sale of property and equipment for own use		(105)	96
Difference in exchange	25	39,087	(134,893)
Profit on sale of non-current assets held for sale, net		(790)	(2,005)
(Profit) loss on sale of investments, net		(231)	751
Equity in net income of investments in associated companies and joint ventures	25	(112,166)	(120,299)
Dividends	7 and 25	(6,546)	(6,382)
Adjusted fair value over:			
Gain on valuation of derivative financial instruments		(80,077)	(92,674)
Net gain on valuation of investment properties	25	(12,112)	(12,507)
Changes in operating assets and liabilities			
Negotiable investments		(1,485,481)	(1,855,450)
Derivative financial instruments		144,474	495,686
Loan portfolio		(1,503,181)	(2,304,503)
Accounts receivable		(50,308)	(200,362)
Other assets		19,700	5,130
Customer deposits		1,576,035	3,432,692
Interbank loans and overnight funds		(395,220)	(490,664)
Other liabilities, provisions and employee benefits		380,324	(148,609)
Interest received from financial assets		3,153,698	3,544,070
Interest paid on financial liabilities		(2,421,797)	(2,672,349)
Interest paid on financial leases		(15,408)	(18,602)
Income tax paid		(278,565)	(253,367)
Net cash used in operation activities		(1,061,012)	(899,129)
Cash flows from investing activities:			
Acquisition of held-to-maturity investments		(570,021)	(1,255,419)
Redemption of held-to-maturity investments		1,371,786	1,334,920
Acquisition of investments with changes in other comprehensive income at fair value		(2,174,053)	(1,262,039)
Proceeds from sale of investments with changes in other comprehensive income at fair value		1,444,849	1,332,980
Acquisition of tangible assets		(14,867)	(31,136)
Acquisition of other intangible assets		(57,132)	(51,269)
Proceeds from sale of property and equipment		69,546	18,675
Proceeds from sale of non-current assets held for sale		1,047	3,835
Dividends received		110,069	49,588
Net cash provided by investing activities		181,224	140,135
Cash flow from financing activities:			
Increase of financial obligations, net		833,573	355,418
Issuance of outstanding investment securities		-	659,221
Payments on outstanding investment securities		(200,000)	(158,490)
Payment of financial lease fees		(49,313)	(41,423)
Dividends paid		(117,804)	(117,281)
Net cash provided by financing activities		466,456	697,445
Effect of gains or losses for changes on cash and cash equivalents		(759,279)	210,749
(Decrease) increase in cash and cash equivalents, net		(1,172,611)	149,200
Cash and cash equivalents at beginning of period		4,628,920	4,968,903
Cash and cash equivalents at end of period	6	\$ 3,456,309	5,118,103


See notes 1 to 29, which are an integral part of the condensed consolidated interim financial information.


Digitally signed
by MAURICIO
MALDONADO UMAÑA
Date: 2025.AUG.12
14:18:31 - 05'00'

MAURICIO MALDONADO UMAÑA
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FABIÁN FERNANDO
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Digitally signed
by Wilson
Romero
Montañez
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(See my report of August 12, 2025)



Banco de Occidente

Del fondo de los que hacen.



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

As of June 30, 2025 and December 31, 2024
(In millions of Colombian pesos, except where otherwise indicated)

Note 1. – Reporting Entity

Banco de Occidente S.A., hereinafter the Parent Company, is a private legal entity, legally constituted as a banking institution, authorized to operate in accordance with Resolution No. 3140 of September 24, 1993 of the Financial Superintendence of Colombia. Duly constituted, as recorded in Public Deed 659 of April 30, 1965 of the Fourth Notary Office of Cali.

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

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

The Parent Company has a control situation by Grupo Aval Acciones y Valores S.A. company, with a total shareholding of 72.27%, which is the ultimate controlling company. The Parent Company has a control situation over overseas entities of 95% in Banco de Occidente Panamá S.A., and 100% in Occidental Bank Barbados Ltd., and in Colombia of 94.98% of Sociedad Fiduciaria de Occidente S.A., and 45% of Ventas y Servicios S.A. - NEXA BPO. Likewise, Fiduciaria de Occidente S.A. has an indirect participation in Ventas y Servicios S.A. - NEXA BPO of 35% and Occidental Bank Barbados Ltd. in Fiduciaria de Occidente S.A. of 0.58%.

The Parent Company has a non-bank correspondent agreement with Almacenes Éxito S.A. "Éxito", Efectivo Ltda "Efecty", Conexred S.A "Puntored, Soluciones en Red S.A.S "Punto de Pago", and Red Empresarial de Servicios S.A "SuperGIROS".

Corporate information of subsidiaries

The corporate purpose of *Fiduciaria de Occidente S.A. - Fiduoccidente*, is the execution of mercantile trust agreements and non-translative fiduciary mandates of ownership, in accordance with the legal provisions. Its main purpose is to acquire, dispose of, encumber and manage movable and immovable property, and to intervene as debtor or creditor in all kinds of credit operations.

Banco de Occidente Panamá S.A. is an entity incorporated under the laws of the Republic of Panama, and began banking operations in that country on June 30, 1982, under the international license granted by the National Banking Commission of the Republic of Panama, and a securities brokerage license, granted by the Superintendence of the Securities Market through Resolution No. SMV-435-2024 of December 31, 2024. The Bank offers a range of banking products and services, ranging from individuals to companies, focused on empowering the Clients of the Parent Company, through the integration of the Commercial Force, giving the Client an integral offer of Banco de Occidente and its Subsidiaries.





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

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

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

The Condensed Consolidated Financial Statements as of June 30, 2025, and the consolidated Financial Statements as of December 31, 2024 include Banco de Occidente S.A. and its subsidiaries, hereinafter referred to as the Group.

Note 2. - Basis of preparation of the Condensed Consolidated Financial Statements, and summary of the main material or relatively significant accounting policies.

Statement of compliance and technical regulatory framework

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

The Condensed Consolidated Financial Statements for the interim period, do not include all the information and disclosures required for an annual consolidated financial statement; for this reason it is necessary to read them in conjunction with the annual Consolidated Financial Statements as of December 31, 2024, as these include notes of significant transactions and events during the period, which are necessary to understand the changes presented in the consolidated financial position and performance of the Group since the last published annual Financial Statements.

For legal purposes in Colombia, the main Financial Statements are the Separate Financial Statements.

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

2.1. New standards and regulatory changes

The new standards and regulatory amendments, correspond to those disclosed in the 2024 Consolidated Financial Statements; likewise, it has evaluated the impacts of adopting the new or amended standards, concluding that these are not expected to have a significant impact on the Condensed Consolidated interim period Financial Statements.

Note 3. - Critical accounting judgments and estimates in the application of material accounting policies.

The preparation of the Group's condensed consolidated interim financial information, in conformity with Accounting and Financial Reporting Standards (NCIF in Spanish) accepted in Colombia, requires management to make judgments, estimates and assumptions about the future, including climate-related risks and opportunities, that affect the application of accounting policies, the amounts of assets, liabilities and contingent liabilities at the date of the statement of financial position, as well as the income and expenses for the period. Actual results may differ from these estimates.





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

Relevant estimates and assumptions are reviewed regularly and are consistent with the Group's risk management and climate-related commitments where applicable. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The judgments and estimates applied in these Condensed Consolidated Financial Statements, are the same as those applied in the Consolidated Financial Statements for the year ended in December 31, 2024.

Judgments that have the most significant effects on the amounts recognized in the Condensed Consolidated Financial Statements and estimates that may cause a material adjustment to the carrying amounts of assets and liabilities in the following year, include the following:

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

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

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

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

The investment originated by the Group's participation in the Nexus Inmobiliario - *Compartimento Inmuebles Occidente* Private Equity Fund, is classified as available-for-trading financial assets, in accordance with Chapter I of the Basic Financial Accounting Circular Letter of the Financial Superintendence of Colombia, which is included in the value at risk in the collective portfolio module. The valuation of the investment is made on a daily basis, using the value of the unit delivered by *Fiduciaria de Occidente*; participation in this fund for the Parent Company is 96.48% and *Fiduciaria de Occidente* is 3.52%.

Note 4. - Risk Management and Administration.

The risk management framework applied by the parent company as of June 30, 2025, is consistent with that described in the Consolidated Financial Statements as of December 31, 2024.

Consolidated credit risk exposure:

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





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

The distribution of the Group's loan portfolio by economic purpose as of June 30, 2025 and December 31, 2024, is shown below:

Sector	June 30, 2025		December 31, 2024	
	Total	% Part.	Total	% Part.
Consumer services	\$ 20,025,425	37.1%	19,835,596	36.7%
Commercial Services	14,348,987	26.6%	14,547,682	26.9%
Construction	4,032,760	7.5%	4,055,351	7.5%
Other industrial and manufacturing products	2,034,103	3.8%	2,010,681	3.7%
Transportation and communications	2,165,531	4.0%	2,131,112	3.9%
Food, beverages and tobacco	2,202,785	4.1%	2,140,216	4.0%
Chemicals	1,670,445	3.1%	1,890,457	3.5%
Government	1,650,178	3.1%	1,652,406	3.1%
Utilities	2,625,926	4.9%	2,628,056	4.9%
Agriculture	1,319,542	2.4%	1,304,269	2.4%
Other	647,375	1.2%	656,739	1.2%
Trade and tourism	547,730	1.0%	543,848	1.0%
Mining and petroleum products	663,404	1.2%	694,710	1.3%
Total by economic destination	\$ 53,934,190	100%	54,091,123	100%

Credit risk monitoring process

The credit risk monitoring and follow-up process is carried out in several stages, that include daily follow-up and collection management based on an analysis of past-due loans by age, rating by risk level, permanent follow-up of high-risk clients, the process of restructuring operations and the receipt of goods received in payment.

On a daily basis, banks produce lists of overdue accounts receivable and, based on these analyses, various personnel of the Parent Company carry out collection procedures by means of telephone calls, e-mails or written collection requests.

The following is a summary of the past due portfolio by maturity age as of June 30, 2025 and December 31, 2024:

	June 30, 2025						
	Outstanding loan portfolio	From 1 to 30 days	From 31 to 60 days	61 to 90 days	Total delinquency 1 - 90 days	Delinquency > 90 days	More than 180 days
Commercial	\$ 27,459,167	1,029,200	64,155	28,868	1,122,223	175,709	851,665
Consumer	11,232,998	1,264,495	214,475	138,432	1,617,402	197,027	73,392
Housing Mortgage	1,823,923	262,271	37,374	21,549	321,194	14,380	54,343
Commercial Leasing	5,724,342	402,987	76,492	43,668	523,147	44,754	213,603
Consumer Leasing	10,829	922	101	-	1,023	29	378
Housing Leasing	1,010,296	169,905	27,238	9,857	207,000	14,234	17,919
Repos and Interbank	1,223,213	-	-	-	-	-	-
Total	\$ 48,484,768	3,129,780	419,835	242,374	3,791,989	446,133	1,211,300

	December 31, 2024						
	Outstanding loan portfolio	From 1 to 30 days	From 31 to 60 days	61 to 90 days	Total delinquency 1 - 90 days	Delinquency > 90 days	More than 180 days
Commercial	\$ 28,831,202	837,476	40,966	41,533	919,975	140,491	1,025,927
Consumer	11,674,729	915,273	208,343	119,020	1,242,636	164,647	83,826
Housing Mortgage	1,575,313	242,017	35,336	14,415	291,768	13,255	57,045
Commercial Leasing	5,613,895	472,623	64,786	27,976	565,385	50,229	209,191
Consumer Leasing	9,311	520	276	37	833	50	326
Housing Leasing	929,513	169,819	27,128	9,796	206,743	5,888	17,275
Repos and Interbank	461,670	-	-	-	-	-	-
Total	\$ 49,095,633	2,637,728	376,835	212,777	3,227,340	374,560	1,393,590





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

For the commercial loan portfolio, the group monthly assesses the 18 most representative economic sectors, in terms of Gross and Past Due Loan Portfolio, in order to monitor the concentration by economic sector and the level of risk in each of them.

At the individual level, the Parent Company and subsidiaries perform a semiannual individual analysis of the credit risk with outstanding balances equal to or over 640 monthly minimum current legal wages, based on updated financial information of the customer, compliance with the agreed terms, guarantees received and queries to the credit bureaus; based on this information, it classifies customers by risk level in categories A- Normal, B- Subnormal, C- Deficient, D- Doubtful collection and E- Unrecoverable.

For consumer and housing loans, the above rating by risk level is performed on a monthly basis, mainly considering the age of maturity and other risk factors. For this purpose, the Parent Company also consolidates the indebtedness of each customer, and determines the probability and calculation of impairment at the consolidated level.

Credit risk exposure is managed through a periodic analysis of the ability of borrowers or potential borrowers to determine their capacity to pay principal and interest. Exposure to credit risk is also mitigated, in part, by obtaining collateral, corporate and personal guarantees.

The following is a summary of the portfolio by risk level rating as of June 30, 2025 and December 31, 2024:

June 30, 2025									
	Commercial	Consumer	Housing	Commercial Leasing	Consumer Leasing	Housing Leasing	Repos and Interbank	Total Financial Leasing	Total
A	\$ 26,779,020	11,739,242	2,065,320	5,339,384	11,712	1,158,790	1,223,213	6,509,886	48,316,681
B	981,569	274,393	30,348	475,735	102	18,346	-	494,183	1,780,493
C	555,131	377,160	5,991	223,361	35	9,181	-	232,577	1,170,859
D	517,382	308,451	71,831	179,181	407	54,685	-	234,273	1,131,937
E	775,662	421,573	40,350	288,185	3	8,447	-	296,635	1,534,220
Total	\$ 29,608,764	13,120,819	2,213,840	6,505,846	12,259	1,249,449	1,223,213	7,767,554	53,934,190

December 31, 2024									
	Commercial	Consumer	Housing	31 Commercial Leasing	December 2024 Consumer Leasing	Housing Leasing	Repos and Interbank	Total Financial Leasing	Total
A	\$ 27,687,058	11,799,464	1,799,148	5,352,988	9,803	1,070,113	461,670	6,432,904	48,180,244
B	1,151,792	278,415	27,049	389,922	281	23,971	-	414,174	1,871,430
C	653,133	348,514	4,508	238,402	17	6,869	-	245,288	1,251,443
D	564,847	281,701	68,283	224,237	414	51,480	-	276,131	1,190,962
E	860,765	457,744	38,393	233,151	5	6,986	-	240,142	1,597,044
Total	\$ 30,917,595	13,165,838	1,937,381	6,438,700	10,520	1,159,419	461,670	7,608,639	54,091,123

Based on the above ratings, the Parent Company prepares a list of customers that could potentially have a significant impact of loss for the Parent Company and subsidiaries and, based on this list, assigns persons to follow up individually with each customer, which includes meetings with the customer to determine the potential causes of risk, and seek solutions together to achieve compliance with the debtor's obligations.

Liquidity risk

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

The Parent Company manages liquidity risk in accordance with the standard model established in Chapter XXXI (annex 9 and 12) of the Basic Accounting and Financial Circular Letter of the Financial Superintendence of Colombia, and in accordance with the basic principles of the Comprehensive Risk Management System - SIAR for Liquidity, which establishes the minimum prudential parameters that entities must implement in their operations to efficiently manage the liquidity risk to which they are exposed.

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





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

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

During the second quarter of 2025, the Parent Company presented a sufficient level of liquid assets to meet short-term liquidity requirements. Accordingly, under the guidelines of Annex 9 of Chapter XXXI of the SFC's CBCF, liquid assets and 30-day liquidity requirements averaged \$9.62 and \$6.73, respectively, resulting in a ratio of 143.4%, which is comfortable with respect to the minimum appetite limit of 120.0% defined by the Parent Company, and well above the minimum legal limit of 100.0%. In ALM management, the permanent monitoring of early warning indicators stands out, which in general had a stable behavior within the established appetite limits.

It should be noted that, on a consolidated basis at the end of June, liquid assets and liquidity needs at 30 days were \$11.20 and \$7.73 trillion, respectively. The above ratifies the soundness of the Matrix to face expected and unexpected outflows in the evaluation horizon.

With respect to structural liquidity, measured through the net stable funding ratio (CFEN), the Parent Company reflected for the same period a stability of available funding, in average quarterly terms of 105.14% in relation to its required funding. At the end of June, the CFEN reached levels of 105.16%, showing relative strength between the composition of assets and liabilities.

Interest rate risk

Interest rate risk in the banking book is defined as "current or prospective risk to capital and earnings of the entity, arising from adverse movements in interest rates and affecting banking book positions". Likewise, the Credit Spread Risk in the Banking Book (CSRBB) is defined as "any type of credit spread and liquidity spread risk that is not explained by the RTILB, nor by credit risk". The Parent Company has defined within its policies that this risk is only applicable to banking book positions that do not consume capital due to market risk, including assets, liability and off-balance sheet transactions that have this exposure.

In this regard, the Parent Company has exposure to interest rate fluctuations that impact future cash flows. Risk may arise from the mismatch of the repricing time between assets, liabilities and off-balance sheet positions, the use of different types of interest rates (IBR, DTF, SOFR, Fixed, etc.) and optionalities, that may generate changes in cash flows of both asset or liability positions made by the Parent Company (for example, prepayments).

Interest margins can increase or decrease as a result of changes in interest rates, which can have an impact on the institution's results; however, the Parent Company has mechanisms such as hedges through derivative instruments, to address the risks associated with interest rates in the banking book

The Parent Company manages the Interest Rate Risk of the Banking Book (IRRBB), in accordance with the standard model established in Chapter XXXI (Annex 15) of the Basic Accounting and Financial Circular Letter of the Financial Superintendence of Colombia, which establishes the minimum prudential parameters that entities must supervise in their operations to efficiently manage this risk.

To measure IRRBB, the Parent Company calculates two indicators, the Δ VEP delta (economic value of equity, EVE) under six shock scenarios (parallel up, parallel down, flattening, steepening, up in the short, down in the short) and the Δ MNI delta (net interest margin), under two interest rate shock scenarios (parallel up and parallel down), as established in the standard model of the Financial Superintendence of Colombia.

The Δ MNI delta has a short-term focus, as it measures the impact of the shock scenario for the one-year horizon and under the assumption of constant balance sheet, i.e., no growth or decrease in balance sheet positions; this metric captures the impact on Net Interest Margin under a parallel shock of +/- 400bps. Additionally, the sensitivity is calculated for a parallel shock of +/- 100bps.





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

The Δ VEP delta has a long-term approach and under the assumption of balance sheet in liquidation, i.e. the total time horizon until the last maturity of the balance sheet positions is evaluated; this metric reflects under different scenarios the change in the present value of interest rate sensitive assets and liabilities and therefore their final impact on the Economic Value of Equity.

In accordance with the regulatory framework, the SFC requires that the maximum value of the sensitivity to the VEP under the six interest rate shock scenarios be below 15% of the sum of the Common Equity Tier One Capital (PBO in Spanish) and the Additional Tier One Capital (PBA in Spanish). Therefore, the Parent Company monitors compliance with this indicator, and there is a risk appetite statement, which is monitored on a monthly basis.

Below are the results obtained in the measurement of the sensitivity to the VEP (EVE in English) and the MNI (NIM in English) for June 30, 2025, where it is evidenced that the Parent Company is within the appetite defined by the Parent Company (a maximum of 13.00% according to internal thresholds) and presents a margin with respect to the regulatory limit (15.00%).





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

Interest Rate Risk in the Banking Book	June 30, 2025	December 31, 2024
Net Interest Margin Delta (ΔNIM)		
Parallel shock above	\$ 500,219	538,969
Parallel collision below	\$ (375,780)	(430,221)
Net Interest Margin Delta (ΔMNI) Parallel 100 bps.		
Parallel shock up +100 bps.	\$ 208,196	203,811
Parallel shock down -100 bps.	\$ (174,822)	(174,079)
Economic Value of Equity Delta (ΔVEP) + KAO		
Parallel shock above	\$ 474,087	322,975
Parallel collision below	\$ (10,339)	85,678
Steepness shock	\$ (142,244)	(155,760)
Flattening shock	\$ 319,845	331,065
Short-term upward shock	\$ 330,027	269,128
Short-term downward shock	\$ (64,314)	(49,635)
D VEP Maximum (Base-Adverse) + KAO / PBA+PBO	% 10.31%	7.17%
Economic Value of Equity Delta (ΔVEP)+KAO Parallel 100 bps.		
Parallel shock above	\$ 142,579	77,158
Parallel collision below	\$ 19,292	55,035
PBO + PBA		
Common Equity Tier One Capital	\$ 4,598,579	4,619,873

These results are supported by the fact that the cumulative repricing gap of the Parent Company does not present a significant mismatch, and therefore exposure to interest rate risk of the banking book (IRRBB) is not significant when evaluated from the sensitivity to the economic value of equity (EVE). When the duration of assets and liabilities are close, a change in interest rates affects both balance sheet positions in similar proportions; this leads to the conclusion that maintaining a repricing structure with a not so wide mismatch, is a way of protecting the value of the Entity's equity.

In addition, the results obtained in relation to CSRBB for the same evaluation period are recorded. Based on historical information and a scenario of rising interest rates, the Entity has a loss probability of \$134,912 billion for investments classified as available for sale.

Metrics	Currency	Scenario	Δ Value
CSRBB	COP	Rate Increase	(134,912)

The management of the IRRBB, which incorporates the credit spread risk and liquidity spread CSRBB, is in charge of the ALM Management and of the Balance Sheet and Treasury Risk Management; however, through the ALCO committee, strategies are defined that involve the Financial Planning area and the commercial areas, allowing to comply with the objectives proposed by the Parent Company, and maintaining the IRRBB within the defined appetite.





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

Adequate Capital Management

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

In accordance with current legislation, financial institutions in Colombia must maintain a minimum technical capital, that has to be higher than 9% of assets weighted by their credit, market and operating risk level. Likewise, they must also have a capital conservation buffer, equivalent to 1.5% of the assets weighted by the three risk categories mentioned above.

Likewise, it is worth mentioning that the Bank was considered as a Systemically Important Entity for the year 2025, according to Circular Letter 74 of November 28, 2024, issued by the Financial Superintendence of Colombia. This condition requires the Bank to set up an additional capital buffer equal to 1.0% of its Risk Weighted Assets. For this purpose, the SFC through Resolution 2629 of December 27, 2024 has granted a transition period for the implementation of this capital buffer as follows:

Buffer percentage	Deadline for constitution
30%	June 30, 2025
30%	November 15, 2025
20%	May 31, 2026
20%	November 15, 2026

The classification of risk assets in each category is made based on the regulatory provisions established by the Ministry of Finance in Decree 2555 of 2010 and the instructions issued by the Financial Superintendence of Colombia through External Circular Letter 020 of September 2019.

The following is a summary of the parent company's solvency ratios as of June 30, 2025 and December 31, 2024:





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

	June 30, 2025	December 31, 2024
Technical Capital		
Subscribed and paid-in capital	4,677	4,677
Reserves and retained earnings	5,478,001	5,253,452
Other comprehensive income	188,159	209,136
Net income for the year	293,907	473,554
Minority interest	18,082	16,902
Deductions:		
Capital gains and other intangibles	(668,381)	(651,630)
Other	(2,743)	(2,743)
Common Equity Tier One Capital	5,311,702	5,303,348
Tier One Capital	5,311,702	5,303,348
Subordinated instruments	1,202,567	1,357,700
Tier Two Capital	1,202,567	1,357,700
Technical Capital	6,514,268	6,661,048
Assets weighted by credit risk level	44,227,706	44,446,464
Market risk	185,574	381,971
Market risk exposure value	2,061,938	4,244,121
Operational risk	308,331	283,565
Operational risk exposure value	3,425,900	3,150,725
Assets weighted by credit, market and operational risk level	49,715,544	51,841,310
Basic Individual Common Equity Tier I Ratio	10.68%	10.23%
Additional Basic Individual Common Equity Tier I Ratio ⁽¹⁾	10.68%	10.23%
Solvency ratio contributed by Tier Two Capital	2.42%	2.62%
Total solvency ratio	13.10%	12.85%
Tier One Capital	5,311,702	5,303,348
Leverage value	82,079,353	81,253,921
Leverage ratio	6.47%	6.53%

(1) For the additional basic solvency ratio, the regulatory minimum limit as established in Decree 1477 of 2018, is 6%.

Note 5. - Estimated fair values

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

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

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





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

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

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

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

The fair value hierarchy has the following levels:

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

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

The determination of what constitutes "observable", requires significant judgment on the part of the Group. The Group considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, non-proprietary, and provided by independent sources actively participating in the relevant market.

a) Fair value measurements on a recurring basis

Fair value measurements on a recurring basis, are those required or permitted by accounting and financial reporting standards accepted in Colombia (NCIF in Spanish) in the statement of financial position at the end of each accounting period.





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

The following table analyzes, within the fair value hierarchy, the assets and liabilities (by class) of the Group measured at fair value as of June 30, 2025 and December 31, 2024 on a recurring basis.

June 30, 2025

	Fair values calculated using internal models			
	Level 1	Level 2	Level 3	Total
Assets				
Investments in debt securities with changes in income				
Issued or guaranteed by the Colombian government	\$ 9,336,548	24,714	-	9,361,262
Issued or guaranteed by other Colombian financial institutions	-	102,631	-	102,631
Issued or guaranteed by entities of the Colombian real sector	-	3,050	-	3,050
Issued or guaranteed by Foreign Governments	12,428	20,079	-	32,507
Issued or guaranteed by other foreign financial institutions	-	73,787	-	73,787
Other	-	13,705	-	13,705
Investments in debt securities with changes in ORI				
Issued or guaranteed by the Colombian government	\$ 3,378,964	1,288,360	-	4,667,324
Issued or guaranteed by other Colombian government entities	-	82,478	-	82,478
Issued or guaranteed by other Colombian financial institutions	-	508,644	-	508,644
Issued or guaranteed by entities of the Colombian real sector	-	26,909	-	26,909
Issued or guaranteed by Foreign Governments	176,796	348,380	-	525,176
Issued or guaranteed by other foreign financial institutions	-	589,850	-	589,850
Other	-	143,473	-	143,473
Investments in equity instruments with changes in income	-	96,666	891,148	987,814
Investments in equity instruments with changes in ORI	5,207	-	171,523	176,730
Trading derivatives				
Currency forward	-	359,933	-	359,933
Forward interest rate	-	14,177	-	14,177
Interest rate swap	-	145,598	-	145,598
Currency swap	-	833	-	833
Other	-	15,517	-	15,517
Hedging Derivatives				
Interest rate swap	-	6,142	-	6,142
Investment property at fair value	-	233,796	-	233,796
Total recurring fair value assets	12,909,943	4,098,722	1,062,671	18,071,336
Liabilities				
Trading derivatives				
Currency forward	-	454,827	-	454,827
Forward interest rate	-	31,553	-	31,553
Interest rate swap	-	136,938	-	136,938
Other	-	18,807	-	18,807
Hedging Derivatives				
Interest rate swap	-	252	-	252
Total recurring fair value liabilities	\$ -	642,377	-	642,377





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	Fair values calculated using internal models			
	Level 1	Level 2	Level 3	Total
Assets				
Investments in debt securities with changes in income				
Issued or guaranteed by the Colombian government	\$ 7,991,814	60,779	-	8,052,593
Issued or guaranteed by other Colombian government entities	-	1,019	-	1,019
Issued or guaranteed by other Colombian financial institutions	-	94,542	-	94,542
Issued or guaranteed by entities of the Colombian real sector	-	3,980	-	3,980
Issued or guaranteed by Foreign Governments	13,288	21,310	-	34,598
Issued or guaranteed by other foreign financial institutions	-	102,148	-	102,148
Other	-	10,574	-	10,574
Investments in debt securities with changes in ORI				
Issued or guaranteed by the Colombian government	\$ 3,334,629	686,881	-	4,021,510
Issued or guaranteed by other Colombian government entities	-	67,359	-	67,359
Issued or guaranteed by other Colombian financial institutions	-	552,432	-	552,432
Issued or guaranteed by entities of the Colombian real sector	-	29,079	-	29,079
Issued or guaranteed by Foreign Governments	93,084	360,526	-	453,610
Issued or guaranteed by other foreign financial institutions	-	512,395	-	512,395
Other	-	84,741	-	84,741
Investments in equity instruments with changes in income	-	36,946	801,105	838,051
Investments in equity instruments with changes in ORI	4,333	-	162,636	166,969
Trading derivatives				
Currency forward	-	179,653	-	179,653
Forward interest rate	-	106,374	-	106,374
Interest rate swap	-	191,306	-	191,306
Other	-	13,375	-	13,375
Hedging Derivatives				
Interest rate swap	-	6,225	-	6,225
Investment property at fair value	-	216,871	-	216,871
Total recurring fair value assets	11,437,148	3,338,515	963,741	15,739,404
Liabilities				
Trading derivatives				
Currency forward	-	311,839	-	311,839
Forward interest rate	-	15,770	-	15,770
Interest rate swap	-	190,110	-	190,110
Currency swap	-	1,143	-	1,143
Other	-	13,853	-	13,853
Total recurring fair value liabilities	\$ -	532,715	-	532,715

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

Financial instruments that are quoted in markets that are not considered active, but are valued according to quoted market prices, broker quotes or alternative price sources supported by observable inputs, are classified in Level 2. Includes other investments issued or guaranteed by the Colombian government, other Colombian financial institutions, issued or guaranteed by other Colombian government entities, Colombian real sector entities, foreign governments, other foreign financial institutions, foreign real sector entities,





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derivatives and investment properties. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity or non-transferability, which are generally based on available market information.

As indicated above, the fair value of investment properties is determined based on the appraisal performed by independent expert appraisers as of December 31, 2024, which were prepared under the methodology of comparative sales approach (market approach), determining the value of the assets based on comparison with other similar assets that are being or have been traded in the real estate market, this comparative approach considers the sale of similar or substitute assets, as well as data obtained from the market, and establishes an estimate of value using processes that include comparison. To carry out this process, during the six months of the year under evaluation, the processes of documentation of the investment properties, quotation and detailed review of the appraisals, are carried out and in some cases with the support of the leasing technical area, the appraisals are sent for their opinion, in order to finally proceed with the adjustment of the fair value in the accounting book..

b) Determination of fair values

The following table shows information about valuation techniques and significant inputs when measuring fair value on a recurring basis, for assets and liabilities whose fair value hierarchy classification is level 2 or level 3 as of June 30, 2025, and December 31, 2024:

Assets and Liabilities	Valuation technique for levels 2 and 3	Main input data
Investments in debt securities at fair value		
Through profit or loss	Market Focus	*Market Price ⁽¹⁾
With changes in ORI	Market Focus	*Market Price ⁽¹⁾
Investments in equity instruments		
Through profit or loss	Unit value	*Market value of the underlying assets, are real estate, minus management fees and expenses.
With changes in ORI	Discounted cash flow	*Growth during the five-year projection period. *Net income *Growth in residual values after five years *Discounted interest rate
Trading derivatives		
Currency forward	Discounted cash flow	*Curves by underlying functional currency
Forward interest rate		*Price of underlying security/ Curves by functional currency of the underlying
Interest rate swap		*Swap curves assigned according to underlying
Currency swap		*Swap curves assigned according to underlying
Other	Black & Scholes & Merton	*Matrices and implied volatility curves
Investment property at fair value		
	Discounted cash flow	*Processes used to collect data and determine the fair value of investment properties

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





c) Transfer of levels

The following table presents the transfers between Levels 1 and 2 for periods ended June 30, 2025 and the year ended December 31, 2024:

	June 30, 2025		December 31, 2024	
	Level 1 to Level 2	Level 2 to Level 1	Level 1 to Level 2	Level 2 to Level 1
Fair value measurements for recurring				
Assets				
Fixed-income fair value investments	\$ -	573	\$ 99	-

For the June 30, 2025 cutoff, there was a transfer from level 2 to level 1, in TES securities (issued by the Colombian government) in the reference maturity in November 2025, this is due to the fact that the short term curve presented a greater demand, making the security more liquid.

d) Fair value measurements on non-recurring basis

Valuation of Level 3 equity instruments

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

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

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

For ACH S.A and Credibanco S.A, the determination of their fair value as of June 30, 2025, their shares are not listed in a public stock market and therefore, was made with the help of an external advisor to the Group, who has used the discounted cash flow method for such purpose, which is constructed based on the appraiser's own projections of revenues, costs and expenses of each valuation entity over a five-year period, taking as a basis for them some historical information obtained from the companies, and residual values determined with growth rates in perpetuity established by the appraiser according to his experience.

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

Methods and Variables	Variation	Favorable impact	Unfavorable impact
Revenues	+/- 1%	\$ 2,533,868	\$ 2,492,454
Perpetuity gradient	+/- 1%	2,529,660	2,499,440
Discount Rate	+/- 50 BP	2,531,909	2,495,579

Based on the variations and impacts presented in the previous box, as of June 30, 2025, there would be a favorable effect on the Parent Company's equity of \$7,261, and an unfavorable one of \$6,576. These values





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were calculated by valuing the investment with the favorable and unfavorable price, according to the variations presented and the number of shares held by the Parent Company in each entity.

The following table presents the movement of equity instruments of lesser interest (less than 20%) classified in level 3, measured at fair value for the six-month period ended June 30, 2025 and 2024:

Equity instruments

		Equity instruments
Balance as of December 31, 2024	\$	963,741
Valuation adjustment with effect on income ⁽¹⁾		60,646
Valuation adjustments with effect on ORI		4,337
Additions ⁽¹⁾		49,264
Redemptions ⁽¹⁾		(15,317)
Balance as of June 30, 2025	\$	1,062,671
Balance as of December 31, 2023	\$	831,325
Valuation adjustment with effect on income		49,156
Valuation adjustments with effect on ORI		26,043
Additions		2,015
Redemptions		(16,399)
Balance as of June 30, 2024	\$	892,140

- (1) As of June 30, 2025, there was a variation of \$85,633 with respect to December 31, 2024 in the Nexus Inmobiliario Private Equity Fund, explained by a capital call of \$44,645, redemptions for (\$15,273), a valuation with effect on results of \$56,261, and the Pactia Inmobiliario Private Equity Fund had a valuation with effect on results of \$4,248.

There was also a variation in the Renta+ Real Estate Collective Investment Fund of \$163, explained by additions of \$70, redemptions of (\$44) and valuation with effect in results of \$137.

The ORI with cutoff date June 30, 2025 and 2024, corresponding to the valuation of financial instruments measured at fair value level 3 is \$4,337 and (\$26,043) respectively.

The following is the detail as of June 30, 2025 and December 31, 2024 of the assets that were measured at fair value as a result of impairment assessment in the application of IFRS standards applicable to each account, but that are not required to be measured at fair value on a recurring basis:

June 30, 2025		Level 3
Collateralized loan portfolio financial instruments	\$	439,674
Non-current assets held for sale		1,324
	\$	440,998
December 31, 2024		Level 3
Collateralized loan portfolio financial instruments	\$	563,756
Non-current assets held for sale		1,324
	\$	565,080





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The following table presents a summary of the Group's financial assets and liabilities recorded at amortized cost as of June 30, 2025 and December 31, 2024, compared to the values determined at fair value, for which it is practicable to calculate fair value:

	June 30, 2025		December 31, 2024	
	Carrying value	Estimated Fair Value	Carrying value	Estimated Fair Value
Assets				
Financial assets in debt securities at amortized cost	\$ 1,400,886	1,401,888	2,133,673	2,134,731
Loan Portfolio, net	51,503,443	54,235,446	51,544,158	55,082,552
Other accounts receivable	652,763	652,763	634,102	634,102
	\$ 53,557,092	56,290,097	54,311,933	57,851,385
Liabilities				
Certificates of Deposit	\$ 18,721,766	18,996,643	17,917,502	18,158,351
Interbank funds	8,285,166	8,285,166	8,636,674	8,636,674
Loans from banks and others	3,868,408	4,224,168	4,480,586	4,862,180
Obligations with rediscount entities	1,073,337	1,083,534	1,062,182	1,069,488
Notes issued	2,405,990	2,528,727	2,670,197	2,775,753
	\$ 34,354,667	35,118,238	34,767,141	35,502,446

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

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

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

The **Discount Rate** comprises the following:

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

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

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

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

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





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

The fair value methodology of the Parent Company's liabilities (CDTs and Notes) is performed by means of the PWPRI application, which values the Parent Company's standardized liabilities in Colombian pesos at market prices, using the information published by the price provider *Precia PPV S.A.*

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

Note 6. - Cash and cash equivalents

Cash and cash equivalents balances as of June 30, 2025 and December 31, 2024, comprise the following:

	June 30, 2025	December 31, 2024
In Colombian pesos		
Cash	\$ 518,213	525,842
At <i>Banco de la República de Colombia</i>	840,038	1,697,691
Bank and other financial institutions on demand	2,080	1,134
Exchange	964	279
Liquidity management (*)	848,152	400,980
	2,209,447	2,625,926
In foreign currency		
Cash	11,286	8,255
Bank and other financial institutions on demand	1,235,576	1,994,739
	1,246,862	2,002,994
Total cash	\$ 3,456,309	4,628,920

(*) Money market operations (Repos and Simultaneous) with a term of less than 90 days, whose purpose is liquidity and whose counterparty is *Banco de la República* and/or are cleared or settled through the Central Counterparty Risk Clearing House - CRCC in Spanish, mitigating the credit risk.

As of June 30, 2025 and December 31, 2024, there are no restrictions on cash and cash equivalents, except for the legal reserve required in Colombia, amounting to \$2,826,039 and \$2,747,676, respectively.





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Note 7. - Financial assets from investment in debt securities and equity instruments at fair value

The balance of Financial Assets in debt securities and investments in equity instruments at fair value, comprises the following as of June 30, 2025 and December 31, 2024:

Balance of investment financial assets at fair value			
		June 30, 2025	December 31, 2024
Debt securities with changes in income			
In Colombian pesos			
Issued or guaranteed by the Colombian government	\$	9,336,548	8,034,769
Issued or guaranteed by other Colombian government entities		-	1,019
Issued or guaranteed by other Colombian financial institutions		102,631	91,075
Issued or guaranteed by entities of the Colombian real sector		2,047	2,916
Other		438	632
		9,441,664	8,130,411
In foreign currency			
Issued or guaranteed by the Colombian government		24,714	17,824
Issued or guaranteed by other Colombian financial institutions		-	3,467
Issued or guaranteed by entities of the Colombian real sector		1,003	1,064
Issued or guaranteed by Foreign Governments		32,507	34,598
Issued or guaranteed by other foreign financial institutions		73,787	102,148
Other		13,267	9,942
		145,278	169,043
Total debt securities through profit or loss	\$	9,586,942	8,299,454
Debt securities through profit or loss			
In Colombian pesos			
Issued or guaranteed by the Colombian government	\$	4,029,612	3,334,629
Issued or guaranteed by other Colombian government entities		80,571	65,346
Issued or guaranteed by other Colombian financial institutions		508,644	498,795
Issued or guaranteed by entities of the Colombian real sector		999	1,009
Other		967	1,293
		4,620,793	3,901,072
In foreign currency			
Issued or guaranteed by the Colombian government		637,712	686,881
Issued or guaranteed by other Colombian government entities		1,907	2,013
Issued or guaranteed by other Colombian financial institutions		-	53,637
Issued or guaranteed by entities of the Colombian real sector		25,910	28,070
Issued or guaranteed by Foreign Governments		525,176	453,610
Issued or guaranteed by other foreign financial institutions		589,850	512,395
Other		142,506	83,448
		1,923,061	1,820,054
Total debt securities with changes in ORI	\$	6,543,854	5,721,126
Equity instruments with adjustment to income			
		June 30, 2025	December 31, 2024
In Colombian pesos			
Mutual funds	\$	987,814	838,051
Equity instruments with adjustment to income total		987,814	838,051
Trading derivative instruments with changes to income total	\$	536,058	490,708
Total financial instruments at fair value with changes in profit or loss	\$	11,110,814	9,628,213
Equity instruments with adjustment to ORI equity in Colombian pesos			
Corporate shares	\$	176,730	166,969
Total equity instruments		1,164,544	1,005,020
Total financial assets in debt securities and investments in equity instruments at fair value	\$	17,831,398	15,516,308
Total financial instruments at fair value with changes in ORI	\$	6,720,584	5,888,095

- (1) The valuation effect recognized in ORI for debt securities is (\$32,668) and (\$41,031), as of June 30, 2025 and 2024, respectively.



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

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

Entity	June 30, 2025	December 31, 2024
Redeban Multicolor S.A. ⁽¹⁾	\$ 45,371	45,371
A.C.H Colombia S.A. ⁽¹⁾	65,880	60,324
Central Counterparty Risk Clearing House of Colombia S.A. ⁽¹⁾	3,414	3,414
Credibanco ⁽¹⁾	41,883	43,103
Aval Fiduciaria ⁽²⁾	4,550	-
Holding Bursátil Regional ⁽¹⁾	5,208	4,333
Aportes en Línea S.A. (Gestión y Contacto) ⁽¹⁾	4,738	4,738
Aval Casa de Bolsa S.A (formerly Casa de Bolsa S.A.) ⁽¹⁾	5,686	5,686
Total	\$ 176,730	166,969

- (1) These financial instruments were recognized at fair value according to market prices provided by Precia S.A.; the effect of this valuation was recognized against ORI for fair value of equity instruments for \$5,212 as of June 30, 2025, and as of June 30, 2024 for \$25,461.
- (2) At the end of June 2025, Banco de Occidente S.A. acquired 1,725,685 shares of the entity Aval Fiduciaria S.A., which represents 5.49862% of the shares of this company, with this acquisition, Banco de Occidente increases its participation to 5.498645%.

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

During the period ended June 30, 2025, dividends of \$6,546 (\$6,382 during the period ended June 30, 2024) have been recognized in the statement of income for these investments.

Guaranteeing money market and central counterparty risk clearinghouse (futures) transactions

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

	June 30, 2025	December 31, 2024
Delivered in money market operations		
Issued or guaranteed by the Colombian government	\$ 7,716,477	8,093,926
Issued or guaranteed by other Colombian government entities	79,809	1,371,739
	7,796,286	9,465,665
Delivered as collateral for derivative transactions		
Issued or guaranteed by the Colombian government	42,515	16,194
Total	\$ 7,838,801	9,481,859

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

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





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Note 8. – Financial assets in debt securities at amortized cost

The balance of financial assets in debt securities at amortized cost, comprises the following as of June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
Debt securities		
In Colombian pesos		
Issued or guaranteed by the Colombian government	\$ -	685,394
Issued or guaranteed by other Colombian government entities	1,401,642	1,449,020
Total debt securities	1,401,642	2,134,414
Impairment of investments	(756)	(741)
Total financial assets in debt securities at amortized cost	1,400,886	2,133,673

The following is the movement in the investment impairment for the six-month period ended June 30, 2025 and for the year ended December 31, 2024:

	June 30, 2025	December 31, 2024
Balance at beginning of period	\$ 741	558
Expenses for impairment of investments at amortized cost	15	183
Balance at end of period	\$ 756	741

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

	June 30, 2025	December 31, 2024
Up to 1 month	\$ 188,963	232,743
more than 1 month and no longer than 3 months	36,257	-
more than 3 months and no longer than 1 year	1,176,422	1,901,671
Subtotal	1,401,642	2,134,414
Impairment of investments	(756)	(741)
Total	\$ 1,400,886	2,133,673



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Note 9. - Derivative instruments and hedge accounting

a. Hedging of investments abroad

In the development of its operations, the Parent Company has the following investments in foreign subsidiaries as of June 30, 2025 and December 31, 2024, whose Financial Statements in the consolidation process generate translation adjustments that are recorded in the other comprehensive income account in shareholders' equity, as follows:

		June 30, 2025			
		Thousands of U.S. dollars		Millions of Colombian pesos	
Detail of investment		Value of covered investment	Value of hedged foreign currency obligations	Adjustment for translation of financial statements	Exchange difference on foreign currency obligations
Occidental Bank Barbados Ltd.	USD	46,007	(46,007)	COP 52,744	(52,744)
Banco de Occidente Panamá S.A.		84,424	(84,424)	71,596	(71,596)
Total	USD	130,431	(130,431)	COP 124,340	(124,340)

		December 31, 2024			
		Thousands of U.S. dollars		Millions of Colombian pesos	
Detail of investment		Value of covered investment	Value of hedged foreign currency obligations	Adjustment for translation of financial statements	Exchange difference on foreign currency obligations
Occidental Bank Barbados Ltd.	USD	41,635	(41,635)	COP 67,239	(67,239)
Banco de Occidente Panamá S.A.		72,835	(72,835)	97,229	(97,229)
Total	USD	114,470	(114,470)	COP 164,468	(164,468)

As these investments are denominated in U.S. dollars, which is the functional currency of the above subsidiaries, the Parent Company is subject to the risk of changes in the exchange rate of the Colombian peso, which is the functional currency of the Parent Company, against the U.S. dollar. To cover this risk, the Parent Company has entered into foreign currency debt operations, and as such has designated foreign currency obligations for USD \$130,431 as of June 30, 2025 and \$114,470 as of December 31, 2024, which cover 100% of the current investments in those subsidiaries, the financial obligations have a short-term maturity; therefore, once such obligations mature, the Parent Company's management designates new obligations in foreign currency to maintain hedging for 100% of the investments.

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

b. Fair value hedge

As of June 30, 2025, the Parent Company had fair value hedging transactions to hedge fixed rate loans in COP against changes in the IBR market rate.

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





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Type of hedging

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

Nature of risk covered

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

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

Below is a detail of the fair value hedging derivatives that meet the efficiency test required by the standard for hedging as of June 30, 2025 and December 31, 2024:

		June 30, 2025			
		Amount	Fair value		
		More than one year	Total	Assets	Liabilities
Fair value hedging derivatives	\$				
Interest rate swaps		798,000	798,000	6,356	(267)
Total		798,000	798,000	6,356	(267)

December 31, 2024			
		Amount	Value
		More than one year	Assets
Fair value hedging derivatives			
Interest rate swaps		411,000	6,305
Subtotal		411,000	6,305

Quantitative results fair value hedges

The following is a breakdown of gains or losses on hedging instruments and hedged items of the fair value hedge, as of June 30, 2025 and December 31, 2024:

June 30, 2025					
		Notional value	Assets	Liabilities	
Item hedged by covered item					Fair value for the calculation of effectiveness
Mortgage loans		798,000	-	2,251	(2,251)
Hedging instrument					Efficiency coverage
Interest rate swaps	\$	798,000	2,259	-	2,259 (8)
December 31, 2024					
		Notional value	Assets	Liabilities	
Item hedged by covered item					Fair value for the calculation of effectiveness
Mortgage loans		411,000	-	7,251	(7,251)
Hedging instrument					Efficiency coverage
Interest rate swaps	\$	411,000	7,333		7,333 (82)



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Note 10. - Financial assets from loans and investments receivables, net

Loan portfolio movement in impairment

The following is the movement in the impairment of the loan portfolio during the six-month periods ended June 30, 2025 and 2024:

	Commercial				Repos and Interbank			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as of December 31, 2024	\$ 228,329	25,942	914,497	1,168,768	53	-	-	53
Period write-offs	(4)	-	(357,615)	(357,619)	-	-	-	-
Sale of loan portfolio	-	-	(8,771)	(8,771)	-	-	-	-
Reversal of accrued interest Stage 3	-	-	47,518	47,518	-	-	-	-
Expenses	6,285	15,710	140,915	162,910	2	-	-	2
Expenses for disbursements or originations	117,119	14,058	84,236	215,413	119	-	-	119
Reimbursement	(26,276)	(1,960)	(94,201)	(122,437)	(1)	-	-	(1)
Cancellation or payment in full	(96,495)	(11,460)	34,893	(73,062)	(41)	-	-	(41)
Reclassification from Stage 1 to Stage 2	(10,851)	10,851	-	-	-	-	-	-
Reclassification from Stage 1 to Stage 3	(1,500)	-	1,500	-	-	-	-	-
Reclassification from Stage 2 to Stage 3	-	(2,377)	2,377	-	-	-	-	-
Reclassification from Stage 3 to Stage 2	-	113	(113)	-	-	-	-	-
Reclassification from Stage 2 to Stage 1	3,029	(3,029)	-	-	-	-	-	-
Reclassification from Stage 3 to Stage 1	2,318	-	(2,318)	-	-	-	-	-
Difference in exchange	-	-	(1,876)	(1,876)	-	-	-	-
Balance as of June 30, 2025	\$ 221,954	47,848	761,042	1,030,844	132	-	-	132

	Consumer				Housing			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as of December 31, 2024 \$	232,896	112,852	652,350	998,098	15,789	2,688	42,644	61,121
Period write-offs	(4)	(82)	(447,095)	(447,181)	-	-	(3,957)	(3,957)
Sale of loan portfolio	(7)	(354)	(50,185)	(50,546)	-	-	-	-
Reversal of accrued interest Stage 3	-	-	15,702	15,702	-	-	931	931
Expenses	25,388	102,601	422,042	550,031	1,731	2,212	8,967	12,910
Expenses for disbursements or originations	83,042	12,574	84,911	180,527	4,456	275	31	4,762
Reimbursement	(78,276)	(10,446)	(9,264)	(97,986)	(2,912)	(373)	(3,528)	(6,813)
Cancellation or payment in full	(45,309)	(22,224)	(77,563)	(145,096)	(933)	(116)	(1,224)	(2,273)
Reclassification from Stage 1 to Stage 2	(14,344)	14,344	-	-	(482)	482	-	-
Reclassification from Stage 1 to Stage 3	(17,232)	-	17,232	-	(73)	-	73	-
Reclassification from Stage 2 to Stage 3	-	(75,955)	75,955	-	-	(499)	499	-
Reclassification from Stage 3 to Stage 2	-	7,324	(7,324)	-	-	455	(455)	-
Reclassification from Stage 2 to Stage 1	22,271	(22,271)	-	-	1,214	(1,214)	-	-
Reclassification from Stage 3 to Stage 1	37,558	-	(37,558)	-	1,397	-	(1,397)	-
Difference in exchange	-	-	-	-	-	-	-	-
Balance as of June 30, 2025 \$	245,983	118,363	639,203	1,003,549	20,187	3,910	42,584	66,681

	Commercial Leasing				Consumer Leasing			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as of December 31, 2024	\$ 34,145	11,959	244,866	290,970	116	92	216	424
Period write-offs	-	-	(43,153)	(43,153)	-	-	(139)	(139)
Sale of loan portfolio	-	-	-	-	-	-	-	-
Reversal of accrued interest Stage 3	-	-	7,610	7,610	-	-	6	6
Expenses	3,745	12,006	67,816	83,567	4	11	208	223
Expenses for disbursements or originations	4,638	843	946	6,427	51	17	-	68
Reimbursement	(9,841)	(2,621)	(23,738)	(36,200)	(154)	(24)	(2)	(180)
Cancellation or payment in full	(1,057)	(882)	(9,627)	(11,566)	(7)	(1)	-	(8)
Reclassification from Stage 1 to Stage 2	(4,137)	4,137	-	-	(2)	2	-	-
Reclassification from Stage 1 to Stage 3	(700)	-	700	-	-	-	-	-
Reclassification from Stage 2 to Stage 3	-	(1,725)	1,725	-	-	(43)	43	-
Reclassification from Stage 3 to Stage 2	-	2,185	(2,185)	-	-	16	(16)	-
Reclassification from Stage 2 to Stage 1	3,057	(3,057)	-	-	27	(27)	-	-
Reclassification from Stage 3 to Stage 1	4,231	-	(4,231)	-	111	-	(111)	-
Difference in exchange	-	-	-	-	-	-	-	-
Balance as of June 30, 2025	\$ 34,081	22,845	240,729	297,655	146	43	205	394



Banco de Occidente S.A. and Subsidiaries
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	Housing Leasing				Total Financial Leasing			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as of December 31, 2024	\$ 9,495	1,854	16,181	27,530	43,756	13,905	261,263	318,924
Period write-offs	-	-	(2,612)	(2,612)	-	-	(45,904)	(45,904)
Sale of loan portfolio	-	-	-	-	-	-	-	-
Reversal of accrued interest Stage 3	-	-	140	140	-	-	7,756	7,756
Expenses	1,057	1,689	6,722	9,468	4,806	13,706	74,746	93,258
Expenses for disbursements or originations	1,652	164	37	1,853	6,341	1,024	983	8,348
Reimbursement	(2,157)	(337)	(879)	(3,373)	(12,152)	(2,982)	(24,619)	(39,753)
Cancellation or payment in full	(316)	(55)	(1,143)	(1,514)	(1,380)	(938)	(10,770)	(13,088)
Reclassification from Stage 1 to Stage 2	(335)	335	-	-	(4,474)	4,474	-	-
Reclassification from Stage 1 to Stage 3	(93)	-	93	-	(793)	-	793	-
Reclassification from Stage 2 to Stage 3	-	(352)	352	-	-	(2,120)	2,120	-
Reclassification from Stage 3 to Stage 2	-	387	(387)	-	-	2,588	(2,588)	-
Reclassification from Stage 2 to Stage 1	898	(898)	-	-	3,982	(3,982)	-	-
Reclassification from Stage 3 to Stage 1	1,099	-	(1,099)	-	5,441	-	(5,441)	-
Difference in exchange	-	-	-	-	-	-	-	-
Balance as of June 30, 2025	\$ 11,300	2,787	17,405	31,492	45,527	25,675	258,339	329,541

Total

	Stage 1	Stage 2	Stage 3	Total
Balance as of December 31, 2024	\$ 520,823	155,387	1,870,754	2,546,964
Period write-offs	(8)	(82)	(854,571)	(854,661)
Sale of loan portfolio	(7)	(354)	(58,956)	(59,317)
Reversal of accrued interest Stage 3	-	-	71,907	71,907
Expenses	38,212	134,229	646,670	819,111
Expenses for disbursements or originations	211,077	27,931	170,161	409,169
Reimbursement	(119,617)	(15,761)	(131,612)	(266,990)
Cancellation or payment in full	(144,158)	(34,738)	(54,664)	(233,560)
Reclassification from Stage 1 to Stage 2	(30,151)	30,151	-	-
Reclassification from Stage 1 to Stage 3	(19,598)	-	19,598	-
Reclassification from Stage 2 to Stage 3	-	(80,951)	80,951	-
Reclassification from Stage 3 to Stage 2	-	10,480	(10,480)	-
Reclassification from Stage 2 to Stage 1	30,496	(30,496)	-	-
Reclassification from Stage 3 to Stage 1	46,714	-	(46,714)	-
Difference in exchange	-	-	(1,876)	(1,876)
Balance as of June 30, 2025	\$ 533,783	195,796	1,701,168	2,430,747

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



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

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

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



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

Individual and collectively evaluated loan portfolio

The following is the detail of the impairment for credit risk constituted as of June 30, 2025 and December 31, 2024, considering the manner in which they were determined, individually for loans over 1,540 monthly minimum current legal wages (SMMLV in Spanish) and collectively for other loans.

The impaired portfolio represents loans with associated credit risk, while the past-due portfolio considers only days past due or default by the client (without identifying whether there is associated credit risk or not). Allowances for loan portfolio are determined based on the impaired loan portfolio.

	June 30, 2025							
	Commercial	Consumer	Housing	Commercial Leasing	Consumer Leasing	Housing Leasing	Financial Leasing	Repos and Interbank
Provision for impairment								
Credits assessed individually	\$ 545,252	1,624	580	131,084		115	131,199	
Collectively assessed loans	485,592	1,001,925	66,101	166,571	394	31,377	198,342	132
Total provision for impairment	\$ 1,030,844	1,003,549	66,681	297,655	394	31,492	329,541	132

	December 31, 2024							
	Commercial	Consumer	Housing	Commercial Leasing	Consumer Leasing	Housing Leasing	Financial Leasing	Repos and Interbank
Provision for impairment								
Credits assessed individually	\$ 669,916	1,187	657	144,063	-	150	144,213	-
Collectively assessed loans	498,851	996,911	60,464	146,907	424	27,381	174,712	53
Total provision for impairment	\$ 1,168,767	998,098	61,121	290,970	424	27,531	318,925	53

Include the total of appraised assets over 1,540 SMMLV, regardless of whether they were considered impaired or not impaired as a result of the appraisal.



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Investments in debt securities at fair value with changes in ORI

The following is the movement in the impairment of investments in debt securities at fair value through ORI changes for the semester ended June 30, 2025 and for the year ended December 31, 2024:

	Stage 1 PCE 12- month	Stage 2 PCE – remaining life	Total
Balance as of December 31, 2024	\$ 4,438	\$ -	\$ 4,438
Transfer from Stage 1 to Stage 2	(12)	12	-
Net impact of the remeasurement of the provision	1,972	50	2,022
Provision of new securities purchased during the period	1,924	-	1,924
Impact on the provision for securities that have been sold or have matured (de-recognized)	(818)	-	(818)
Difference in exchange	(778)	(3)	(781)
Balance as of June 30, 2025	\$ 6,726	\$ 59	\$ 6,785

	Stage 1 PCE 12- month	Stage 2 PCE – remaining life	Total
Balance as of December 31, 2023	\$ 2,982	\$ -	\$ 2,982
Net impact of the remeasurement of the provision	(76)	-	(76)
Provision of new securities purchased during the period	2,667	-	2,667
Impact on the provision for securities that have been sold or have matured (de-recognized)	(1,361)	-	(1,361)
Difference in exchange	226	-	226
Balance as of December 31, 2024	\$ 4,438	\$ -	\$ 4,438

Investments in debt securities at amortized cost

The following is the movement in the impairment of investments in debt securities at amortized cost for the semester ended June 30, 2025 and for the year ended December 31, 2024:

	Stage 1 PCE 12-month
Balance as of December 31, 2024	\$ 741
Net impact of the remeasurement of the provision	(235)
Provision of new securities purchased during the period	500
Impact on the provision for securities that have been sold or have matured (de-recognized)	(250)
Balance as of June 30, 2025	\$ 756

	Stage 1 PCE 12-month
Balance as of December 31, 2023	\$ 558
Provision of new securities purchased during the period	741
Impact on the provision for securities that have been sold or have matured (de-recognized)	(558)
Balance as of December 31, 2024	\$ 741



Banco de Occidente S.A. and Subsidiaries
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Note 11. - Profit from non-current assets held for sale

Next includes the detail of the gain generated on the sale of assets classified as held for sale during the quarters and semesters ended June 30, 2025 and 2024:

For the quarter ended in:

		June 30, 2025			June 30, 2024		
		Carrying value	Amount of the sale	Profit	Carrying value	Amount of the sale	Profit
Real estate	\$	-	-	-	1,352	2,710	1,358
Movable assets		322	747	425	764	986	222
	\$	322	747	425	2,116	3,696	1,580

For the six-month period ended as of :

		June 30, 2025			June 30, 2024		
		Carrying value	Amount of the sale	Profit	Carrying value	Amount of the sale	Profit
Real estate	\$	-	-	-	1,352	2,710	1,358
Movable assets ⁽¹⁾		460	1,047	587	891	1,125	234
	\$	460	1,047	587	2,243	3,835	1,592

⁽¹⁾ The gain recorded in the non-current assets held for sale note for \$587 million, corresponds to the sale of 42 repositioned movable assets that were received and sold during the same period.

Next, changes in assets held for sale for the six-month periods ended June 30, 2025 and for the year ended December 31, 2024 are presented below:

		June 30, 2025
Balance as of December 31, 2024	\$	1,324
Increases by addition during the year		460
Cost of non-current assets held for sale sold, net		(460)
Balance as of June 30, 2025	\$	1,324
		December 31, 2024
Balance as of December 31, 2023	\$	3,023
Increases by addition during the year		1,556
Cost of non-current assets held for sale sold, net		(2,909)
Impairment charged to expenses		(24)
Reclassifications from/to own use		(322)
Balance as of December 31, 2024	\$	1,324



Banco de Occidente S.A. and Subsidiaries
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Note 12. – Investments in associated companies and joint ventures

Below is a detail of investments in associates and joint ventures as of June 30, 2025 and December 31, 2024:

		June 30, 2025	December 31, 2024
Associated	\$	1,963,794	1,951,146
Joint ventures		2,088	2,026
Total	\$	1,965,882	1,953,172

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

	June 30, 2025		December 31, 2024	
	% of participation	Carrying value	% of participation	Carrying value
Associated				
Gou Payments S.A. (Formerly Aval Valor Compartido S.A.)	20.00%	1,711	20.00%	2,875
Corficolombiana S.A.	4.18%	833,267	4.18%	808,975
Aval Soluciones Digitales S.A.	26.60%	4,346	26.60%	4,364
Porvenir S.A.	33.09%	1,124,470	33.09%	1,134,932
		<u>\$ 1,963,794</u>		<u>\$ 1,951,146</u>
Joint ventures				
Gou Payments S.A. (Formerly Aval Valor Compartido S.A.)	25.00%	2,085	25.00%	2,023
Aval Soluciones Digitales S.A. - Joint Venture	26.34%	3	26.34%	3
		<u>\$ 2,088</u>		<u>\$ 2,026</u>
Total		1,965,882		1,953,172

Note 13. - Tangible assets, net

The following is the balance of the carrying amount of tangible asset accounts (property and equipment for own use, operating leases, investment property and right-of-use assets) as of June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
Property and equipment		
For own use ^(a)	\$ 119,266	125,270
Leased under operating leases	49,697	53,783
Investment properties ^(c)	233,796	216,871
Right-of-use assets ^(b)	275,084	274,322
	\$ 677,843	670,246

a) Property and equipment for own use

The following is the detail of the balance as of June 30, 2025 and December 31, 2024, by type of property and equipment for own use:

For own use	Cost	Accumulate d depreciation	Impairment loss	Carrying amount
Land	\$ 9,035	-	-	9,035
Buildings	18,455	(7,506)	-	10,949
Office equipment, fixtures and fittings	114,518	(88,098)	(30)	26,390
Computer equipment	227,815	(171,650)	(170)	55,995
Vehicles	561	(324)	-	237
Mobilization equipment and machinery	49	(49)	-	-
Improvements to other people's property	42,500	(32,716)	-	9,784
Construction in progress	6,876	-	-	6,876
Balance as of June 30, 2025	\$ 419,809	(300,343)	(200)	119,266



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For own use	Cost	Accumulated depreciation	Impairment loss	Carrying amount
Land	\$ 9,035	-	-	9,035
Buildings	18,455	(7,224)	-	11,231
Office equipment, fixtures and fittings	113,749	(85,554)	(29)	28,166
Computer equipment	225,502	(164,647)	(175)	60,680
Vehicles	733	(569)	-	164
Mobilization equipment and machinery	49	(49)	-	-
Improvements to other people's property	41,633	(31,131)	-	10,502
Construction in progress	5,492	-	-	5,492
Balance as of December 31, 2024	\$ 414,648	(289,174)	(204)	125,270

b) Assets from rights of use

The following is the detail of the balance as of June 30, 2025 and December 31, 2024, of the right of use by type of property and equipment:

Rights of use	Cost	Accumulated depreciation	Carrying amount
Buildings	\$ 439,316	(198,046)	241,270
Office equipment, fixtures and fittings	120	(88)	32
Computer equipment	98,633	(65,315)	33,318
Vehicles	3,072	(2,608)	464
Balance as of June 30, 2025	\$ 541,141	(266,057)	275,084

Rights of use	Cost	Accumulated depreciation	Carrying amount
Land	-	-	-
Buildings	\$ 413,058	(170,718)	242,340
Office equipment, fixtures and fittings	120	(76)	44
Computer equipment	88,818	(57,530)	31,288
Vehicles	2,978	(2,328)	650
Balance as of December 31, 2024	\$ 504,974	(230,652)	274,322

c) Investment properties

The following is the detail of the balance as of June 30, 2025 and December 31, 2024 of investment properties:

Investment properties	Cost	Fair value adjustments	Carrying amount
Land	\$ 73,160	39,098	112,258
Buildings	104,697	16,841	121,538
Balance as of June 30, 2025	\$ 177,857	55,939	233,796

Investment properties	Cost	Fair value adjustments	Carrying amount
Land	\$ 75,021	11,757	86,778
Buildings	91,650	38,443	130,093
Balance as of December 31, 2024	\$ 166,671	50,200	216,871



Note 14. - Intangible assets, net

The following is the balance of intangible asset accounts as of June 30, 2025 and December 31, 2024:

Concept		June 30, 2025	December 31, 2024
Capital gains	\$	22,724	22,724
Other Intangibles		650,830	634,361
Total	\$	673,554	657,085

Detail of intangible assets other than capital gains

The following is the detail of intangible assets other than surplus, as of June 30, 2025 and December 31, 2024:

As of June 30, 2025

		Cost	Accumulated depreciation:	Carrying amount
Licenses	\$	7,667	2,778	4,889
Computer programs and applications		1,016,268	370,327	645,941
Total	\$	1,023,935	373,105	650,830

As of December 31, 2024

		Cost	Accumulated depreciation:	Carrying amount
Licenses	\$	13,507	10,519	2,988
Computer programs and applications		956,388	325,015	631,373
Total	\$	969,895	335,534	634,361

Note 15. - Income tax

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

The effective tax rate of the Group for the three-month period ended June 30, 2025, was 15.50 percentage points p.p.; and for the three-month period ended June 30, 2024, it was 18.36 p.p., generating a variation of 2.86 p.p., corresponding to a tax expense of \$ 27,637 and \$ 33,566, respectively. The most representative items that generated it are as follows:

- For the three-month periods ended June 2025, there is a lower income tax expense due to the effect of income not taxed by the equity method of \$25,827, compared to the same period of 2024, when the figure was \$22,783. The decrease in the effective rate was 2.03 p.p.
- For the three-month period ended June 2025, there was a lower tax expense due to the deduction benefit of real productive fixed assets of \$9,563, compared to the same period in 2024, which was \$7,044. This generates a decrease in the effective rate of 1.51 p.p.
- For the three-month periods ended June 2025 and 2024, there was an increase of 0.93 p.p. in the effective rate, due to the earnings of the subsidiary in Panama, which is tax exempt. The figure for the three months ended June 2025 is \$7,161, and for the same period of 2024 is \$5,652.



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- For the three-month periods ended June 2025 and 2024, there was a lower tax expense in the application of differential rates, mainly in private capital fund, fixed assets, securities, and cedular income tax, among others, where for 2025 the figure is \$2,904 and 2024 for \$8,842. This generates an increase of 3.21 p.p.
- For the three-month periods ended June 2025 and 2024, there was a lower tax expense in other items, mainly due to the effect of the purchases of Film Investment Certificates (CICS in Spanish) in the subsidiary Fiduciaria de Occidente, where the figure in 2025 was a lower expense of \$1,680 and of \$140 for the same period of 2024, this generates a decrease in the effective rate by 1.02 p.p.

The effective tax rate of the Group for the six-month period ended June 30, 2025, was 10.60 percentage points p.p.; and for the six-month period ended June 30, 2024, it was 5.00 p.p., generating a variation of 5.60 p.p., corresponding to a tax expense of \$ 35,344 and \$ 12,305, respectively. The most representative items that generated it are as follows:

- For the six months ended June 2025, a tax benefit of \$19,692 was accrued, originated in the project qualified by the Ministry of Science and Technology, where the Bank made an investment of \$78,769 for the year 2024, in process innovation, this project corresponds to the multi-year term 2022-2024, and resulted in recording a deferred tax asset in the first quarter of 2025; generating a decrease in the rate by 6.09 p.p. compared to the semester of June 2024.
- For the six-month period ended June 2025, compared to the same period of 2024, an increase in the effective rate of 5.01 p.p. is accrued due to the application of different rates for the determination of the deferred tax, due to cedular income tax, assets, private equity fund, securities, among others, having a higher expense of \$1,410 in the year 2025, compared to the same period of 2024, where there was a lower expense of \$11,282.
- For the six-month periods ended in 2025 and 2024, there is a lower income tax expense due to the effect of income not taxed by the equity method of \$44,866, compared to the six-month period ended June 2024, when the figure was \$48,120. This generates an increase in the effective rate of 6.09 p.p.
- For the six-month periods ended in 2025 and 2024, there is a lower income tax expense for the benefit of deducting real productive fixed assets of \$15,789, compared to the same period of 2024 in the amount of \$15,956. This generated an increase in the effective rate of 1.75 p.p.



Note 16. – Customer Deposits

The following is a detail of the balances of deposits received from customers of the Parent Company and its subsidiaries in the development of their deposit-taking operations as of June 30, 2025 and December 31, 2024:

Detail	June 30, 2025	December 31, 2024
Demand deposits		
Current accounts	\$ 7,350,418	7,389,155
Savings accounts	28,530,950	28,221,791
Other funds at sight	57,392	65,375
	35,938,760	35,676,321
Term		
Term deposit certificates	18,721,766	17,917,502
Total Deposits	\$ 54,660,526	53,593,823
By currency		
In Colombian pesos	\$ 49,340,742	48,086,748
In U.S. dollars	5,294,430	5,481,920
Other currencies	25,354	25,155
Total by Currency	\$ 54,660,526	53,593,823

Note 17. - Financial Obligations

Financial obligations are comprised of financial obligations and rediscount entities and notes and investment securities as of June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
Financial obligations and rediscount entities	\$ 13,226,911	14,179,442
Notes and investment securities	2,405,990	2,670,197
	\$ 15,632,901	16,849,639

1. Financial obligations and rediscount entities

The following is a summary of the financial obligations and obligations with rediscount entities obtained by the Group as of June 30, 2025 and December 31, 2024, mainly for the purpose of financing its operations, mainly in international trade:

	June 30, 2025	December 31, 2024
Interbank and overnight funds	\$ 8,285,166	8,636,674
Loans from banks and others	3,868,408	4,480,586
Obligations with rediscount entities	1,073,337	1,062,182
	\$ 13,226,911	14,179,442

Total interest accrued on financial obligations, and obligations with rediscount entities for quarters ended June 30, 2025 and 2024 was \$263,881 and \$202,202, respectively.



Banco de Occidente S.A. and Subsidiaries
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The total of interest accrued on financial obligations and obligations with rediscount entities for six-month periods ended June 30, 2025 and 2024, were \$500,627 and \$416,503 respectively.

2. Notes and investment securities

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

The following features the detail of the liabilities as of June 30, 2025 and December 31, 2024, by date of issue and maturity date in legal currency and foreign currency:

Legal Tender

Issuer	Date of Issue	June 30, 2025	December 31, 2024	Maturity Date	Interest Rate
Ordinary Notes Banco de Occidente	Between 09/AUG/2012 and 20/AUG/2020	\$ 1,170,339	1,171,045	Between 20/AUG/2026 and 14/DEC/2032	Between CPI + 2.37% and 4.65%
Subordinated notes Banco de Occidente	Between 10/JUN/2016 and on 12/OCT/2017	503,697	707,361	Between 12/OCT/2025 and 10/JUN/2026	Between CPI + 3.64% and 4.60%
Total		\$ <u>1,674,036</u>	<u>1,878,406</u>		

Foreign Currency ⁽¹⁾

Issuer	Date of Issue	June 30, 2025	December 31, 2024	Maturity Date	Interest Rate
Reg S Banco de Occidente's Subordinated Notes	May 13, 2024	731,954	791,791	August 13, 2034	Fixed 10.875%
Total		\$ <u>731,954</u>	<u>791,791</u>		

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

Future maturities as of June 30, 2025 of outstanding investment securities in long-term debt are as follows:

Year	June 30, 2025 Amount
2025	\$ 268,016
2026	349,960
After 2027	1,788,014
Total	\$ <u>2,405,990</u>

For long-term financial obligations from the issuance of Notes, interest accrued in income for quarters ended June 30, 2025 and 2024, was \$58,476 and \$67,539, respectively.

For long-term financial obligations from the issuance of Notes, interest accrued in income for the six-month periods ended June 30, 2025 and 2024, was \$117,351 and \$134,585, respectively.





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

Note 18. - Provisions for employee benefits

The following is a detail of the balances of provisions for employee benefits as of June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
Short-term benefits	\$ 76,353	\$ 85,902
Post-employment benefits	3,932	4,641
Long-term benefits	6,206	5,946
Total Liabilities	\$ 86,491	\$ 96,489

Note 19. - Provisions for legal contingencies and other provisions

The balances of legal and other provisions as of June 30, 2025 and December 31, 2024 are described below:

Items	June 30, 2025	December 31, 2024
Legal provisions	\$ 3,398	2,916
Other Provisions	4,138	2,875
Loan Portfolio (*)	63,152	56,489
Total	\$ 70,688	62,280

(*) Corresponds to the Provision for Loan Portfolio loss contingencies.



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

Note 20. - Other liabilities

Other liabilities as of June 30, 2025 and December 31, 2024 comprise the following:

Items	June 30, 2025	December 31, 2024
Collections made	\$ 585,262	41,022
Suppliers and accounts payable	372,284	337,813
Security deposit - Margin Call	200,769	31,191
Dividends and surplus	191,146	57,688
Cashier's checks	100,789	296,362
Taxes, withholdings and labor contributions	98,080	146,865
Withdrawals payable	80,961	76,483
Forwards Non Delivery Risk Chamber	64,961	18,728
Other	39,894	42,790
Credit surpluses	36,888	37,279
National Guarantee Fund	35,800	27,657
Portfolio disbursements	32,149	14,464
Payments to third parties Occired	26,006	25,694
Bank items in clearing	25,882	32,576
Peace bonds	25,063	25,093
Sales tax payable	20,933	21,199
Credit card receivables	15,245	14,565
Contributions on Transactions	13,398	4,272
Uncashed checks drawn	8,285	7,353
Accounts cancelled	7,294	6,531
Collection services	2,860	3,611
Commissions and fees	2,358	1,881
Prospective buyers	2,125	4,214
Derivatives trading	1,826	1,984
Loyalty programs	997	852
Forwards non delivery	938	1,071
Leases	156	72
Insurance and insurance premiums	70	70
Cash surpluses and redemption	46	58
Ath and ach transactions	2	-
Anticipated income	2	2
Contributions and memberships	-	4
	\$ 1,992,469	1,279,444



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

Note 21. - Equity

The number of shares authorized, issued and outstanding as of June 30, 2025 and December 31, 2024, were as follows:

		June 30, 2025	December 31, 2024
Number of authorized shares	\$	200,000,000	200,000,000
Number of subscribed and paid shares		155,899,719	155,899,719
Total outstanding shares		155,899,719	155,899,719

Total shares outstanding are as follows:

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

Appropriated retained earnings in reserves

The following is the detail of the composition as of June 30, 2025 and December 31, 2024:

		June 30, 2025	December 31, 2024
Legal reserve	\$	3,134,027	3,134,027
Mandatory and voluntary reserves		1,542,803	1,297,477
Total	\$	4,676,830	4,431,504

Legal reserve

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

Dividends Declared

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

		June 30, 2025	December 31, 2024
Profit for the previous year determined in the Parent Company's separate financial statements (*)	\$	494,992	430,603
Dividends paid in cash		248,816	215,142
Outstanding common shares		155,899,719	155,899,719
Total shares outstanding		155,899,719	155,899,719
Withholding tax (**)		(7)	(1,567)
Total Dividends Declared	\$	248,816	215,142

(*) Earnings reported correspond to the end of December 2024 and 2023.

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



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

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

Note 22. - Commitments and contingencies

a. Commitments

Credit commitments

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

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

The following is the detail of guarantees, letters of credit and credit commitments on unused lines of credit as of June 30, 2025 and December 31, 2024:

		June 30, 2025		December 31, 2024	
		Notional amount	Fair Value	Notional amount	Fair Value
Guarantees	\$	1,167,374	66,853	1,390,925	64,605
Unused letters of credit		113,039	244	166,290	1,318
Overdraft limits		1,843,066	1,843,066	1,860,937	1,860,937
Unused credit card limits		4,064,310	4,064,310	3,879,439	3,879,439
Opening of credit		196,952	196,952	188,531	188,531
Approved loans not disbursed		3,000	3,000	3,000	3,000
Other		2,370,973	2,370,973	2,017,804	2,017,804
Total	\$	9,758,714	8,545,398	9,506,926	8,015,634
Provision for loss contingencies		(63,152)	(63,152)	(56,489)	(56,489)
Total	\$	9,695,562	8,482,246	9,450,437	7,959,145

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

		June 30, 2025	December 31, 2024
Colombian pesos	\$	8,178,383	7,488,685
Dollars		1,557,640	2,001,568
Euros		17,919	12,794
Other		4,772	3,879
Total	\$	9,758,714	9,506,926



Banco de Occidente S.A. and Subsidiaries
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Capital expenditure disbursement commitments

As of June 30, 2025 and December 31, 2024, the Group had contractual commitments for capital expenditure disbursements (intangible and other) of \$97,047 and \$63,075 respectively.

The group has already allocated the necessary resources to meet these commitments, and believes that net income and funds will be sufficient to cover these and similar commitments.

b. Contingencies

Legal contingencies

As of June 30, 2025, the Group had civil lawsuits against it with claims for \$105,073, not including those of remote qualification, which, based on analysis and opinions of the lawyers in charge, do not require provisioning, because these are uncertain obligations that do not imply an outflow of funds.

Tax contingencies

As of June 30, 2025, the Group has no claims for the existence of national and local tax proceedings that establish penalties in the exercise of its activity as a taxpayer entity, and that imply the constitution of contingent liabilities due to the remote possibility of an outflow of resources for such concepts.

Labor contingencies

In the course of the labor relationship between the Group and its employees, as a consequence of the reasons for the termination of the employment contract or its development, different claims arise against, on which it is not considered possible that significant losses will arise in relation to such claims, according to the opinion of the lawyers as of June 30, 2025.

Note 23. - Interest and valuation income and expense, net

The following, is a detail of interest and valuation income and expense for quarters and semesters ended June 30, 2025 and 2024:

	For the quarter ended in:		For the six-month period ended as of:	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Interest income				
Commercial loan portfolio	\$ 989,784	1,160,095	1,992,204	2,390,019
Consumer loan portfolio	475,387	496,817	953,799	1,000,360
Housing loan portfolio	89,011	77,219	178,372	153,395
Repos and Interbank	21,222	49,677	44,173	78,092
Total loan portfolio	1,575,404	1,783,808	3,168,548	3,621,866
Accounts receivable	1,357	1,266	2,134	2,073
Deposits	9,660	8,535	18,180	16,736
Investments in debt securities at amortized cost	173,594	138,073	344,894	274,412
Total interest income	\$ 1,760,015	1,931,682	3,533,756	3,915,087



Banco de Occidente S.A. and Subsidiaries
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Interest expense		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Current accounts	\$	12,127	10,662	24,118	22,744
Savings accounts		448,703	562,193	903,911	1,154,611
Term deposit certificates		394,035	456,920	793,641	955,731
Total Deposits		854,865	1,029,775	1,721,670	2,133,086
Interbank loans		182,382	105,143	332,764	221,778
Loans from banks and similar institutions		49,672	58,578	103,409	114,868
Lease agreements		8,325	9,382	17,033	18,603
Notes and investment securities		58,476	67,539	117,351	134,585
Obligations with rediscount entities		23,502	29,099	47,421	61,254
Total Financial Obligations		322,357	269,741	617,978	551,088
Total interest expense	\$	1,177,222	1,299,516	2,339,648	2,684,174
Net interest and valuation income	\$	\$ 582,793	632,166	1,194,108	1,230,913

Note 24. – Commissions and fees income and expenses, net

Following is a detail of commission and fee income and expenses for the quarters and semesters ended June 30, 2025 and 2024:

		For the quarter ended in:		For the six-month period ended as of:	
Revenues		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Fees for banking services	\$	79,201	74,793	162,174	148,578
Credit card fees		41,311	41,382	83,177	82,934
Fiduciary activities		36,431	29,342	68,898	59,055
Fees for drafts, checks and checkbooks		934	1,110	1,900	2,268
Office network services		541	627	1,116	1,104
Total	\$	158,418	147,254	317,265	293,939
Expenses					
Banking services	\$	26,785	24,822	54,846	53,673
Bank charges		158	352	349	669
Sales and services commissions		5,326	3,880	9,850	7,664
Placements		9,613	9,099	20,462	16,164
Credit cards		91	106	182	193
Other		18,538	17,591	36,921	33,810
Total		60,510	55,850	122,610	112,173
Net commission income	\$	97,908	91,404	194,655	181,766

Note 25. – Other income and other expenses, net

Following is a detail of other income and other expenses for the quarters and semesters ended June 30, 2025 and 2024:

		For the quarter ended in:		For the six-month period ended as of:	
Other income		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Other operating income ⁽¹⁾	\$	64,598	79,665	141,898	149,348
Equity in net income of associated companies and joint ventures ⁽¹⁾		64,568	56,957	112,166	120,299
Profit on sale of investments ⁽¹⁾		3,623	25	3,693	532
Dividends		200	141	6,546	6,382
Profit on sale of non-current assets held for sale		425	1,580	587	1,592
Net gain on valuation of investment properties		3,527	6,350	12,112	12,507
Net (loss) gain on sale of investments		(135)	(2,752)	(735)	(772)
Net (loss) gain on foreign currency exchange differences ⁽¹⁾		(23,477)	88,109	(39,087)	134,893
Other income total	\$	113,329	230,075	237,180	424,781

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

(1) For the quarter ended June 30, 2025 and 2024, variation in other income was (\$116,746), and is mainly due to foreign exchange differences due to fluctuations in the TRM in the market (\$111,586), other operating income (\$15,067), share of net income of associates and joint ventures \$7,611, and gain on sale of assets \$3,598.



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(2) For the six-month period ended June 30, 2025 and 2024, variation in other income was (\$187,602), and is mainly due to foreign exchange differences due to fluctuations in the TRM in the market (\$173,980), Share of net income of associated companies and joint ventures (\$8,133), other operating income (\$7,450), and gain on sale of assets \$3,161.

	For the quarter ended in:		For the six-month period ended as of:	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Other expenses				
Personnel expenses	\$ 258,109	238,515	506,779	460,073
Taxes and fees	75,243	81,592	153,703	164,819
Insurance	35,129	38,274	73,926	77,732
Consulting, audit and other fees	45,032	41,272	87,069	75,717
Contributions, memberships and transfers	14,849	12,506	27,606	24,648
Other(*)	45,905	10,426	86,916	43,267
Depreciation of right-of-use assets	21,210	19,540	42,264	38,222
Amortization of intangible assets	26,442	20,431	48,939	40,139
Depreciation of tangible assets	11,972	12,292	23,873	24,750
Maintenance and repairs	14,092	14,654	28,508	31,648
Utilities	8,522	8,474	16,888	16,720
Advertising Services	15,420	8,767	27,308	15,878
Electronic data processing	4,077	3,823	9,066	7,898
Leases	7,215	7,750	14,367	14,498
Transportation services	4,773	4,563	9,664	8,979
Losses on sale of property and equipment	8,365	1,265	13,167	2,417
Cleaning and security services	4,137	4,004	8,059	7,890
Supplies and stationery	713	1,187	1,345	2,454
Insurance claims losses	468	3,894	2,271	6,861
Adaptation and installation	1,598	2,024	2,466	2,759
(Recovery) Losses due to impairment of other assets	(82)	-	22	-
Travel expenses	2,108	1,615	3,235	2,624
Donation expenses	1,528	862	2,460	1,803
Assets write-off	9	229	9	229
Temporary services	-	2	1	4
Other expenses total	\$ 606,834	537,961	1,189,911	1,072,029

(*) Other expenses are mainly composed of special administrative services, joint venture accounts, outsourcing services, VISA Credibanco expenses, building administration, database queries, write-off portfolio expenses and acquisition of computer software programs.

Note 26. - Analysis of operating segments

Operating segments are components of the Group responsible for carrying out business activities that may generate revenues or incur expenses, and whose operating results are regularly reviewed by the Board of Directors, and for which specific financial information is available; for the June 2025 cutoff, there were no changes compared to the segments reported as of December 2024:

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

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



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

c. Measurement of net income and assets and liabilities of operating segments: The

Board of Directors of the Parent Company, reviews the consolidated financial information of each of its operating segments prepared in accordance with MFRS.

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

d. Information on net income, assets and liabilities of reportable operating segments: The following is a detail of the summarized reportable financial information for each segment for quarters and semesters ended June 30, 2025 and December 31, 2024:

June 30, 2025

	Banco de Occidente S.A. (Parent Company)	Fiduciaria de Occidente S.A.	Ventas y Servicios S.A.	Banco de Occidente Panamá S.A.	Occidental Bank (Barbados) Ltd.	Eliminations	Total
Assets							
Financial assets at fair value through profit or loss	\$ 11,051,761	57,813	536	705	-	-	11,110,815
Financial assets at fair value with changes in ORI	4,801,396	55,565	-	1,402,975	465,289	(4,641)	6,720,584
Financial assets in debt securities at amortized cost	1,400,886	-	-	-	-	-	1,400,886
Investments in associated companies and joint ventures	2,641,453	304,499	-	-	-	(980,070)	1,965,882
Financial assets for loan portfolio at amortized cost	50,801,640	(219)	-	2,466,947	665,822	-	53,934,190
Other Assets	2,997,698	61,787	129,633	598,642	213,416	(37,385)	3,963,791
Total Assets	\$ 73,694,834	479,445	130,169	4,469,269	1,344,527	(1,022,096)	79,096,148
Liabilities							
Customer deposits	49,428,170	-	-	4,101,278	1,145,356	(14,278)	54,660,526
Financial obligations	15,593,842	13,698	25,177	609	-	(424)	15,632,902
Other Liabilities	2,715,529	39,768	52,290	5,078	2,333	(22,974)	2,792,024
Total Liabilities	\$ 67,737,541	53,466	77,467	4,106,965	1,147,689	(37,676)	73,085,452
Equity	\$ 5,957,293	425,979	52,702	362,304	196,838	(984,420)	6,010,696

December 31, 2024

	Banco de Occidente S.A. (Parent Company)	Fiduciaria de Occidente S.A.	Ventas y Servicios S.A.	Banco de Occidente Panamá S.A.	Occidental Bank (Barbados) Ltd.	Eliminations	Total
Assets							
Financial assets at fair value through profit or loss	\$ 9,553,755	72,872	875	711	-	-	9,628,213
Financial assets at fair value with changes in ORI	4,086,041	43,164	-	1,287,902	476,016	(5,028)	5,888,095
Financial assets in debt securities at amortized cost	2,133,673	-	-	-	-	-	2,133,673
Investments in associated companies and joint ventures	2,612,448	306,827	-	-	-	(966,103)	1,953,172
Financial assets for loan portfolio at amortized cost	50,695,747	1,453	-	2,630,233	763,690	-	54,091,123
Other Assets	3,751,604	54,167	116,037	564,253	246,546	(26,702)	4,705,905
Total Assets	\$ 72,833,268	478,483	116,912	4,483,099	1,486,252	(997,833)	78,400,181
Liabilities							
Customer deposits	48,181,616	-	-	4,137,380	1,289,878	(15,051)	53,593,823
Financial obligations	16,812,493	12,073	24,619	965	-	(511)	16,849,639
Other Liabilities	1,906,022	26,537	40,983	6,012	2,778	(11,403)	1,970,929
Total Liabilities	\$ 66,900,131	38,610	65,602	4,144,357	1,292,656	(26,965)	72,414,391
Equity	\$ 5,933,137	439,873	51,310	338,742	193,596	(970,868)	5,985,790



Banco de Occidente S.A. and Subsidiaries
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For the quarter ended June 30, 2025

	Banco de Occidente S.A. (Parent Company)	Fiduciaria de Occidente S.A.	Ventas y Servicios S.A.	Banco de Occidente Panamá S.A.	Occidental Bank (Barbados) Ltd.	Eliminations	Total
Income from continuing operations							
Financial Income	\$ 1,674,455	1,543	369	64,308	19,384	(44)	1,760,015
Fees and commissions	119,276	39,989	-	1,852	898	(3,597)	158,418
Other operating income	3,904,598	22,993	92,270	8,167	1,636	(77,130)	3,952,534
Total income	\$ 5,698,329	64,525	92,639	74,327	21,918	(80,771)	5,870,967
Financial Expenses							
Impairment of financial assets	\$ 372,940	177	532	(1,745)	(58)		371,846
Depreciation and amortization	52,492	2,005	4,762	441	104	(181)	59,623
Commissions and fees paid	80,777	267	17	857	214	(21,622)	60,510
Administrative expenses	259,295	8,641	12,595	4,402	2,782	(12,073)	275,642
Other operating expenses	4,763,049	22,640	73,723	52,469	13,245	(54)	4,925,072
Income tax	22,041	4,792	503	-	301	-	27,637
Total expenses	\$ 5,550,594	38,522	92,132	56,424	16,588	(33,930)	5,720,330
Profit for the period	\$ 147,735	26,003	507	17,903	5,330	(46,841)	150,637

For the quarter ended June 30, 2024

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

For the semester ended June 30, 2025

	Banco de Occidente S.A. (Parent Company)	Fiduciaria de Occidente S.A.	Ventas y Servicios S.A.	Banco de Occidente Panamá S.A.	Occidental Bank (Barbados) Ltd.	Eliminations	Total
Income from continuing controlling operations							
Financial Income	\$ 3,364,307	2,848	601	126,529	39,547	(76)	3,533,756
Fees and commissions	243,795	75,650	-	3,226	1,463	(6,869)	317,265
Other operating income	9,508,259	39,863	188,467	15,514	4,437	(144,047)	9,612,493
Total income	\$ 13,116,361	118,361	189,068	145,269	45,447	(150,992)	13,463,514
Financial Expenses							
Provision for impairment of financial assets	\$ 733,860	440	1,551	(2,012)	(449)		733,390
Depreciation and amortization	100,794	3,996	9,626	871	165	(376)	115,076
Commissions and fees paid	161,951	726	20	1,652	453	(42,192)	122,610
Administrative expenses	510,622	16,006	25,921	7,977	5,476	(22,698)	543,304
Other operating expenses	11,290,705	45,809	149,381	103,117	26,922	(102)	11,615,832
Income tax	24,944	8,816	1,177	-	407	-	35,344
Total expenses	\$ 12,822,876	75,793	187,676	111,605	32,974	(65,368)	13,165,556
Profit for the period	\$ 293,485	42,568	1,392	33,664	12,473	(85,624)	297,958

For the semester ended June 30, 2024

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



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

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

1. Revenues

		For the quarter ended in:		For the six-month period ended in:	
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Total reportable revenues by segment	\$	5,951,735	5,811,713	13,614,506	11,464,997
a. Yield on demand deposits		(45)	(127)	(76)	(127)
b. Dividends		-	-	(321)	(276)
c. Equity Method		(47,083)	(39,700)	(85,331)	(82,125)
d. Other		(33,640)	(32,150)	(65,264)	(57,635)
Total consolidated revenues	\$	5,870,967	5,739,736	13,463,514	11,324,834

2. Expenses

		For the quarter ended in:		For the six-month period ended in:	
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Total reportable expenses by segment	\$	5,754,259	5,622,749	13,230,924	11,148,799
a. Interest on bank loans		(10)	(8)	(26)	(21)
c. Others		(33,919)	(32,265)	(65,342)	(57,733)
Total consolidated expenses	\$	5,720,330	5,590,476	13,165,556	11,091,045

3. Assets

	June 30, 2025	December 31, 2024
Total reportable assets by segment	80,118,245	79,398,013
a. Banks and other correspondents	(14,278)	(15,051)
b. Investments	(984,711)	(971,131)
c. Accounts receivable	(22,756)	(11,189)
d. Other	(352)	(461)
Total consolidated assets	79,096,148	78,400,181

4. Liabilities

	June 30, 2025	December 31, 2024
Total reportable liabilities by segment	73,123,129	72,441,355
a. Checking accounts	(6,231)	(1,714)
b. Accounts payable	(22,974)	(11,403)
c. Others	(8,472)	(13,847)
Total consolidated liabilities	73,085,452	72,414,391



Banco de Occidente S.A. and Subsidiaries
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5. Equity

	June 30, 2025	December 31, 2024
Total reportable equity by segment	\$ 6,995,116	6,956,659
a. Capital stock	(28,432)	(29,213)
b. Additional paid-in capital	(198,940)	(198,940)
c. ORI	(856,909)	(906,578)
d. Surplus Equity method	39,647	69,397
e. Profit or loss	66,272	100,079
f. Other	(6,058)	(5,614)
Total Equity	\$ 6,010,696	5,985,790

6. Assets by country

Country	June 30, 2025	December 31, 2024
Colombia	\$ 5,456,197	5,458,480
Panama	362,302	338,742
Barbados	192,197	188,568
Total Equity	\$ 6,010,696	5,985,790

7. Revenues by country

Country	\$	For the quarter ended in:		For the six-month period ended in:	
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Colombia	\$	5,775,023	5,650,590	13,274,041	11,153,585
Panama		73,704	68,784	144,027	132,987
Barbados		22,240	20,362	45,446	38,262
Total Consolidated Revenues	\$	5,870,967	5,739,736	13,463,514	11,324,834

8. Expenses by country

Country	\$	For the quarter ended in:		For the six-month period ended in:	
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Colombia	\$	5,647,939	5,520,811	13,022,219	10,961,166
Panama		55,803	54,654	110,363	101,351
Barbados		16,588	15,011	32,974	28,528
Total Consolidated Revenues	\$	5,720,330	5,590,476	13,165,556	11,091,045

e. Largest customers of the Parent Company

There are no customers representing 10% of the Group's total revenues during the periods ended June 30, 2025 and June 30, 2024.



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

Note 27. - Unconsolidated structured entities

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

Funds managed by Grupo Aval	June 30, 2025	December 31, 2024
Total assets under management	\$ 938,623	855,098
Investments at fair value through profit or loss	987,815	838,051
Other accounts receivable	4	5
Total assets in relation to Grupo Aval's interest in unconsolidated structured entities	1,926,442	1,693,154
Maximum exposure of Grupo Aval	\$ 1,926,442	1,693,154

Note 28. - Related parties

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

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

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

All transactions with related parties are carried out at market conditions, the most representative balances as of June 30, 2025 and December 31, 2024, with related parties are included in the following tables, the headings of which correspond to the definitions of related parties, recorded in the three categories above:



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

June 30, 2025

	Categories					
	1	2	3	4	5	6
	Individuals with control over Banco de Occidente	Key Management Personnel	Companies belonging to the same group	Associates and joint ventures	Entities that are controlled by persons included in category 1 and 2	Entities with significant influence by persons included in category 1 and 2
Assets						
Cash and cash equivalents	\$ -	-	1,737	-	-	-
Financial assets in investments	-	-	-	153,135	-	-
Financial assets in credit operations	28	16,294	614,631	87,887	491,656	427
Accounts receivable	-	216	53,828	7,274	143,701	4
Other assets	-	342	901	-	105	22
Liabilities						
Deposits	\$ 107,863	55,459	1,697,936	45,219	355,060	755
Accounts payable	55	11,671	136,190	4	28,534	-
Financial obligations	-	132	57,479	-	58,776	-
Other liabilities	-	3	-	-	96	-

December 31, 2024

	Categories					
	1	2	3	4	5	6
	Individuals with control over Banco de Occidente	Key Management Personnel	Companies belonging to the same group	Associates and joint ventures	Entities that are controlled by persons included in category 1 and 2	Entities with significant influence by persons included in category 1 and 2
Assets						
Cash and cash equivalents	\$ -	-	1,725	-	6	-
Financial assets in investments	-	-	-	148,798	-	-
Financial assets in credit operations	15	18,258	601,817	77,179	483,838	3,260
Accounts receivable	-	197	46,106	642	136,113	37
Other assets	-	207	1,083	-	271	-
Liabilities						
Deposits	113,596	62,681	1,938,904	35,612	428,067	3,488
Accounts payable	16	3,374	39,804	-	8,242	-
Financial obligations	-	132	4,108	-	58,840	-
Other liabilities	\$ -	-	1,203	-	5	22

The most representative transactions for the quarters ended June 30, 2025 and 2024 with related parties comprise:

a. Sales, services and transfers

For the quarter ended June 30, 2025

	Categories					
	1	2	3	4	5	6
	Individuals with control over Banco de Occidente	Key Management Personnel	Companies belonging to the same group	Associates and joint ventures	Entities that are controlled by persons included in category 1 and 2	Entities with significant influence by persons included in category 1 and 2
Interest income	\$ 1	578	20,699	2,591	13,252	35
Financial expenses	162	567	11,088	782	8,002	-
Fee and commission income	1	107	3,751	31,659	25,851	9
Fees and commissions expense	-	305	24,457	19,552	81	-
Other operating income	-	103	51,771	182	1,327	-
Provision for loan portfolio and interest receivable	-	11	-	215	267	(15)
Other Expenses	\$ -	199	6,693	4,577	1,575	-



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

For the quarter ended June 30, 2024

		Categories					
		1	2	3	4	5	6
		Individuals with control over Banco de Occidente	Key Management Personnel	Companies belonging to the same group	Associates and joint ventures	Entities that are controlled by persons included in category 1 and 2	Entities with significant influence by persons included in category 1 and 2
Interest income	\$	-	247	20,698	1,462	16,522	37
Financial expenses		277	533	9,367	854	6,366	1
Fee and commission income		-	37	4,105	6,632	14,222	6
Fees and commissions expense		-	317	23,313	17,824	99	-
Other operating income		1	38	43,386	164	4,290	3
Provision for loan portfolio and interest receivable		-	(11)	-	149	(695)	47
Other Expenses	\$	-	64	6,703	1,782	3,867	-

For the six-month period ended as of June 30, 2025

		Categories					
		1	2	3	4	5	6
		Individuals with control over Banco de Occidente	Key Management Personnel	Companies belonging to the same group	Associates and joint ventures	Entities that are controlled by persons included in category 1 and 2	Entities with significant influence by persons included in category 1 and 2
Interest income	\$	2	642	41,503	4,539	24,734	123
Financial expenses		1,796	1,188	23,051	1,452	16,202	-
Fee and commission income		2	118	6,789	61,317	48,872	16
Fees and commissions expense		-	783	59,191	39,526	189	-
Other operating income		-	104	99,341	5,925	3,616	-
Provision for loan portfolio and interest receivable		-	(6)	-	147	437	(23)
Other Expenses	\$	-	252	12,848	8,129	3,071	-

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

		Categories					
		1	2	3	4	5	6
		Individuals with control over Banco de Occidente	Key Management Personnel	Companies belonging to the same group	Associates and joint ventures	Entities that are controlled by persons included in category 1 and 2	Entities with significant influence by persons included in category 1 and 2
Interest income	\$	2	584	44,222	3,543	33,493	171
Financial expenses		2,710	1,699	19,913	1,167	17,471	4
Fee and commission income		1	84	9,247	12,984	28,225	15
Fees and commissions expense		-	501	47,514	26,755	204	-
Other operating income		1	73	76,656	5,771	7,388	4
Provision for loan portfolio and interest receivable		-	(40)	-	(98)	(1,418)	(33)
Other Expenses	\$	-	117	11,688	3,717	7,683	-



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

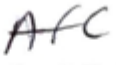
b. Compensation of key management personnel

Compensation received by key management personnel, consists of the following for quarters and semesters ended June 30, 2025 and 2024:

Items	For the quarter ended in:		For the six-month period ended as of :	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Salaries	\$ 7,908	\$ 7,145	15,430	14,172
Short-term employee benefits	929	907	1,618	1,888
Other long-term benefits	-	14	-	27
Termination benefits	1	-	982	-
Total	\$ 8,838	\$ 8,066	18,030	16,087

Note 29. - Events after the closing date of preparation of the Condensed Consolidated Financial Statements


There are no subsequent events that have occurred between the closing date as of June 30, 2025 and August 12, 2025, the date of the statutory auditor's report, that have an impact on the Condensed Consolidated Financial Statements as of that cutoff date, or on the results and equity of the bank.


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

Signature: 

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Date: August 20, 2025