

## CERTIFICATION ON THE MONEY LAUNDERING AND TERRORIST FINANCING RISK MANAGEMENT SYSTEM – SARLAFT –

Banco de Occidente is a banking establishment duly incorporated in Colombia, supervised by the Financial Superintendence of Colombia, and with its main headquarters in the city of Cali (Colombia), located at Carrera 4 No. 7-61, telephone (57+602) 4850707.

In order to prevent and comply with current regulations, the Bank has adopted and implemented a "System for the Management of Risks of Money Laundering, the Financing of Terrorism and the Financing of the Proliferation of Weapons of Mass Destruction (SARLAFT)", which provides for compliance with the provisions of the Organic Statute of the Colombian Financial System (Decree 663 of 1993). and the other standards issued, with special attention to the instructions given by the Financial Superintendence of Colombia, as well as the Recommendations and best international practices in this area, mainly those of the FATF and GAFILAT.

The policies, controls and procedures implemented under a risk management concept are guidelines that seek due diligence to prevent the use of the Bank by criminal elements. Such actions include, among other aspects, knowledge of the customer and its operations, definition of market segments, monitoring of transactions, training of personnel and cooperation with the competent authorities.

Our procedures were established within ethical and control standards, putting sound banking practices before the achievement of business goals. The principles, values and rules of conduct that must be applied in the mechanisms and instruments of prevention and control are contemplated in the SARLAFT Manual and in the Code of Ethics and Conduct, approved by the Honorable Board of Directors of the Bank, which are mandatory for the directors and employees of the Institution.

Our policies, standards, procedures and controls are shared with the affiliates and subsidiaries, and at the international level they are considered to be the own standards that bind us, in accordance with the legislation of the countries in which they are based.

The Bank has incorporated a customer identification program, designed to comply with the U.S. PATRIOT Act and other applicable foreign laws and regulations, relating to the prevention of money laundering, terrorist financing and the financing of the proliferation of weapons of mass destruction. This program includes:

- The policies, procedures, and a system of internal controls to ensure continued compliance with the applicable program and economic sanctions.
- The designation of a Compliance Officer, responsible for coordinating and supervising compliance with the daily monitoring and the program in general.



- Independent testing procedures for compliance with the Program and applicable laws.
- Training and coaching for all staff.
- Keeping records and meeting requirements, including those for cash transactions.
- Identification of high-risk clients and the development of extended due diligence.
- Appropriate risk-based measures for monitoring customer account activities and transactions.

The Bank also has policies and procedures in place designed to comply with prohibitions and restrictions imposed by the Department of the Treasury's Office of Foreign Assets Control ("OFAC") and all other applicable sanctions laws and regulations in the jurisdictions in which the Bank operates.

The Bank is a publicly traded company that is regulated by the Financial Superintendence of Colombia and the shares are registered on the Colombian Stock Exchange.

## DOCUMENTATION

All the stages and elements of SARLAFT implemented by the Bank are contained in documents and records that guarantee the integrity, timeliness, reliability and availability of the information contained therein. The Bank has documented security processes in place so that SARLAFT-related information can only be accessed by authorized persons.

In accordance with the provisions of Article 96 of the Organic Statute of the Colombian Financial System, the Bank has established a process of documentary support for the management, safekeeping and conservation of the same. The information on the operations and transactions carried out by customers is kept under the terms indicated in the law and is available to the competent authorities for the purposes of their investigations.

The Bank's SARLAFT procedures manual contains in detail the information required by Part I, Title IV, Chapter IV of Basic Legal Circular 024/2014 issued by the Financial Superintendence of Colombia.

## CUSTOMER KNOWLEDGE

Our know-your-customer policy seeks to ensure that all customers are properly identified and their financial profile can be established. Some clients, due to their risk profile, must attend to more demanding know-your-customer processes, in the case of clients considered as Politically Exposed Persons (PEPs), enhanced due diligence is required and the establishment of business relationships is subject to the approval of Senior Management, also for clients whose source of income is related to markets or activities considered as controlled, the establishment of business relationships is subject to the approval of Senior Management, which, depending on the bank to which the customer belongs, may be in charge of the Vice President of Commercial People if the potential customer is a natural person, or in charge of the Vice President of Companies if the potential customer is a legal entity. Customer information is verified and due diligence is





performed to keep such customers' information up to date.

All this is complemented by the knowledge of the market segments and the customers we serve, which allows us to make comparisons against new customers.

The information on the operations and transactions carried out by customers is kept under the terms indicated in the law and is available to the competent authorities for the purposes of their investigations.

## MONITORING SYSTEM

The Bank has a state-of-the-art technological platform, based on an automatic alert and scoring system, supported by a wide range of qualified and experienced human resources that allows us to verify all customer transactions online, performing an automatic validation with their products, channels and jurisdictions, seeking to identify unusual operations, based on established warning signs.

In the same way, this system provides the Bank's comprehensive risk analysis, taking into account the different risk factors, associated risks and qualitative and quantitative variables.

If in the development of the know-your-customer policies, unusual transactions or operations are detected that are not fully justified by customers, they are considered suspicious and as such are reported to the competent authorities (*Financial Information and Analysis Unit - UIAF*), in accordance with current regulations.

For certain types of customers with a high risk profile, a more thorough monitoring scheme has been established.

## STAFF TRAINING

The senior management of BANCO DE OCCIDENTE recognizes the importance of training and that employees are fundamental people in prevention and control, therefore, they are trained annually in the prevention, control and management of risk events of money laundering and terrorist financing.

In addition, those employees who have direct contact with customers, as well as those who manage the relationships of those defined as at greatest risk, receive specialized training in this area.

## COMPLIANCE OFFICER

In order to carry out the functions established by law, the Board of Directors of the BANK has appointed a Compliance Officer with their respective alternates, who are duly appointed by the Financial Superintendence of Colombia.

It is a high-level hierarchical position with decision-making capacity, which is supported by a human and technical work team that allows it to cover the different areas of



management, and has the effective support of the Institution's directives.

## AUDIT AND CONTROL

As already stated, we are subject to surveillance, control and inspection by the Financial Superintendence of Colombia, an agency that makes periodic visits to the Bank to validate the degree of compliance with SARLAFT.

As a result of these evaluations, corrective measures are applied that allow continuous improvement in this area, and facilitate the Bank's mitigation of the risks associated with money laundering and terrorist financing.

On the other hand, the review of compliance with the control mechanisms designed and implemented in the SARLAFT has been included within the internal and external audit processes as a specific program based on the audit procedures.

For more information on the businesses and products offered, please visit our website: [www.bancodeoccidente.com.co](http://www.bancodeoccidente.com.co).

Cordially

**JORGE HUMBERTO GALEANO LINEROS**



Compliance Officer April  
3, 2025

