Semiannual Balance to December 31, 2013

VIGILADO SUPERINTENDENCIA FINANCIERA DE COLOMBIA

Banco de Occidente

Significant Data
Million Colombian Pesos

	December 09	December 10	December 11	December 12	December 13
Total Deposits 1/	10.429.792	10.972.345	12.245.531	14.343.571	17.718.296
Total Placement 2/	8.383.215	11.822.457	14.571.338	16.808.026	19.439.006
Investment 3/	4.238.110	4.077.114	3.583.562	3.863.460	4.787.462
Capital and Legal Reserve	938.787	1.240.981	1.676.540	1.935.231	2.216.167
Total Asset	14.135.191	17.561..403	20.950.830	23.610.192	27.559.648
Half Year Profits	360.527	389.471	441.280	511.126	455.869
Monthly stock dividend	98,50	105,00	108,00	115,00	130,00

Note

1/ Include Current Account deposits, Time Deposit, Saving Deposits, Trust Funds, Bank Collection Services.

2/ Include Credit Portfolio, Provisions, Credit to Employees, Accounts Receivable, Credencial Clients L/T, Account Receivable F/C, excepting sundry Accounts Receivable F/C

3/ Includes Interbank Ordinary Funds Sold, Sale back and investment commitments

4/ Value of dividend at the closing operation period

Board of Directors
2013 - 2014

Principals

Hector Vesga Perdomo
Ricardo Villaveces Pardo
Iván Felipe Mejía Cabal
Felipe Ayerbe Muñoz
Liliana Bonilla Otoya

Substitutes

Mauricio Gutiérrez Vergara
Adolfo Varela Gonzalez
César Caicedo Jaramillo
Gilberto Saa Navia
Alfonso Osorno Cújar

Luis Carlos Sarmiento Angulo
Consultant

Efraín Otero Alvarez
President

Douglas Berrío Zapata
Legal Vice President

Bernardo Escobar Montoya
Financial Vice President

Gerardo Silva Castro
Corporate Bank Vice President

Efraín Velásquez Vela
Personal Bank Vice President

Mario Ernesto Calero Buendía
Vehicle Bank Vice President

Agustín Esguerra Restrepo
Leasing Bank Vice President

Daniel Roberto Gómez Vanegas
Operations and Systems Vice President

Julio Cesar Guzman Victoria
Credit Vice President

Johnny Leyton Fernández
Risk and Collection Vice President

Eduardo Correa Corrales
Human Resources Vice President

Ignacio Zuloaga Sevilla
Bogotá Region Vice President

Constanza Sánchez Salamanca
Southwest Region Vice President

Jaime Giraldo García
Northwest Region Vice President

Carmén Alicia Salcedo Arrázola
North Region Vice President

Wilson Romero Montañez
Statutory Audit – KPMG Ltda.

Report by the President

In compliance with statutory obligations, we are pleased to submit to Stockholders the Results of Bank Operations during second half-year 2013 operational period.

Legal Standards

Among the measures and regulations issued during the half-year period, directly influencing financial sector, the following modifications are emphasized:

- **Personal Security**

Act 1676 of August 20 / 2013 of the Congress of Republic of Colombia: whereby the Access to credit is promoted and other provisions about personal security are given for the purpose to increase the Access to credit through the extension of goods, rights or action that may be subject to personal, thereby simplifying the constitution, enforceable, priority and execution the provisions. Inter alia, it is determined the creation of unique registry, for the creditors to become properly informed about the security over any good. Additionally, the personal securities made before the issue of this Act, will keep valid until the credits covered by such securities are terminated by any legal means..

- **Regulation of Tax Reform**

Decree N° 2418 of October 31/2013 by the Ministry of Treasury and Public Credit: Whereby new withholding at source rates are established on account of income tax, in order to make effective 33% reduction down to 25% of the income tax of charter corporations and limited companies, among others, provided in Act 1607 / 2012, amending the article 240 of the Tax Statute. For the reason above, rate modifications are made related to withholding at source over other income, the rate of withholding over financial returns over interest bearing securities, the withholding at source over interest originated from active mutual credit operations and self-withholding at source for public services.

Act N°1694 December 17/2013 by the Congress of Republic of Colombia Whereby provisions the Tax Statute are amended in order to reduce the Tax on Financial Transactions (TFT) from four down to two per thousand in 2015, one per thousand in 2016-2017, and lastly, to remove definitely remove such tax as from 2018.

Decree N°2701 November 20/2013 by Colombia Ministry of Treasury and Public Credit: Whereby Act 1607 / 2012 is regulated in order to issue provisions regulating the procedure of devolutions and compensations of balances in favor of the income tax of the Equity (CREE), considering that this is a new tax. Therein the debugging elements of the income tax for the equity (CREE) are indicated, in connection with the generating fact, the passive subjects, the taxable base and the deduction of parafiscal contributions.

Decree N°2975 of December 20 / 2013 by Colombia Ministry of Treasury and Public Credit: Whereby article 498-1 of Tax Statute is regulated in connection with the discount in the income tax of VAT caused and paid up in the acquisition of capital property for is proper application. This way, it is provided what shall be understood, it is indicated as well that, to do this discount in capital goods acquired by leasing, it will be required to do this discount for it to be agreed on in the irrevocable purchase option contract in favor of the lessee and in the event that the goods originating the discount are alienated before the end of of the useful life period, indicated in the provisions prevailing, since the date of acquisition or nationalization, the taxpayer must add to the net income tax of the corresponding taxable year of alienation, the portion of sales tax discounted, in proportion to the years of fractions of year remaining of the respective time of probable useful life.

- **Investment of Available for Sale**

External Circular Letter N°35 dated December 2 / 2013 from Colombia Finance Superintendence: Whereby the instructions given in the External Circular Letter 033 / 2013 related to the transition regime provided for Investments Classified as Available for Sale (AFS) Therein it is provided for the investments that as of December 31, 2013 remained classified as AFS for a period less than or equal to sis (6) months as from the date of the last classification, will be maintained in such category until reaching six (6) months' time period . On the other hand, the investments remaining classified as AFS for more than six (6) month periods as from the date of the last classification, will remain in this category until reaching one (1) year term.

• **Deposit Insurance**

Resolution N°1 of November 21/2013 by Fondo de Garantías de Instituciones Financieras de Colombia: Whereby the provisions related to deposit insurance are updated, amended and unified. This way, qualification scheme of entities listed to be evaluated a higher amount of risk dimensions is amended, as well as the determination of devolution percentage, in order to generate appropriate incentives among enlisted entities. In the same way, the Fund performs some operative adjustment to the information transmission process and to the structure of of Form of Individual Deposits described in the Technical Annexes of Resolution.

• **International Standards**

Decree N°1851 of August 29/2013 from Colombia Finance Superintendence: Whereby the technical regulatory framework for those preparing financial information classified in literal a) of paragraph ins article 1 of Decree 2784 / 2012 is regulated. This way, it is established that banking entities, financial corporations, financing companies, financial cooperatives, cooperative bodies of higher degree and ensuring entities will apply the technical framework provided in Annex of Decree 2784 for the total consolidated financial statements. By contrast, for individual or separate financial statements, the Annex will apply with the exceptions in NIC 39 and the NIIF 9 only with respect of credit portfolio treatment and its impairment.

Circular Letter N°112 of November 21/2013 from Colombia Finance Superintendence: Whereby information about the progression and preparing extent for convergence process towards Financial Information Standards (FIS) by the entities making part of the Group 1, with closing date November 30, 2013.

External Circular Letter N°38 of December 26/2013 from Colombia Finance Superintendence: whereby instructions are issued for the implementation process of Financial Information Standards (FIS) Among other things, it is provided that related to credit portfolio, those preparing financial information of credit entities and cooperative bodies of higher degree, will continue complying the provisions in Chapter II of the Basic Accounting Circular Letter with its annexes and Unique Account Plan corresponding in force as of the date, until this Superintendence issues new instructions on this matter.

Concept No. 54118 of August 29/2013 by Colombia National Tax and Customs Agency: Whereby clarifications concerning the need to implement simultaneous accounting under the local regime and under Financial Information International Standards (FIS) are made, about the scope of tax regulations requiring especial treatment and about tax information reflected in the memorandum accounts. This way, it is indicated that, pursuant to article 4 in Act 1314/ 2009, the tax provisions only result in tax effects and tax declaration and supporting documents shall be prepared as determined in the tax legislation, and for such reason, tax regulations requiring accounting treatment incompatible to the FIS will not influence the official accounting. On the other side, in article 165, Act 1607 / 2012, it is provided that the remissions contained in the tax standards to the accounting standards will remain in force during the four year after the IFS begin to take force, and this way, to enforce the compliance with the explicit mandate in this article, the records and reconciliations necessary and pertinent will be made and kept to support the tax figures**.**

Bank's Results

In the external environment, the European crisis continues to show negative economic indexes, when reaching economies such as France and Portugal, that joined Spain, Greece and Italy. There is the expectation that the actions taken related to stabilization will be efficacious, and at the same time there appear recovery signals of the USA economy, concerning the economic growth and unemployment reduction. Due to its contribution, China economy and Asia and Latin America emergent economies, maintain varied indexes of low growth, which implies that world demand of raw materials remain static, thereby affecting the prices of commodities that maintained the trend to fall, such situation transmitted to Colombia economy.

Additionally, in the United States the change of expectations about less expansion monetary measures assumed by the FED have resulted in the increased level of the rates, recovering the value of dollar at international level and leading to the impairment of currency in Latin America which readdress the flow of investment capital that was promoting the emergent economies, once again towards the developed economies markets and maintains volatility of financial markets by the fall of prices of stocks and the country debt certificates.

In this environment, Colombian Economy maintains positive indicators with decelerating tendency before the uncertainty of foreign markets. Our economy reached 5.1% annual growth in the third quarter 2013 in the GDP, where outstands, from the demand standpoint, the annual growth of the capital gross formation 10.8% and household consumption 4.4%, sustained on credit growth. Exports changes their behavior showing 1.9% growth, driven by USA economy reactivation and Dollar increased Exchange rate. At the level of the different economic sectors, those showing higher dynamism are construction, 10.%, agribusiness, 6.1%, social, community and persona service activities, 4.8%, energy, gas and water supply 3.9% and financial establishments, real property activities, reaching 4.1 growth, while manufacturing industry reached 1.2% growth. Credit entities obtained 6.08% increment of annual profit as of October 2013, being the the income of interest of portfolio and investments the most representative items.

The behavior of Colombian economy has had as a consequence the maintenance of the positive tendency of employment conditions, and therefore, unemployment rate as of November 2013 reached 8.5%, being the lower in 0.7pp to the index occurred in the same period of the precedent year.

The annual inflation recorded at the closing period December 2013 was 1.94%, showing a positive tendency compared to that in the precedent year, maintaining controlled levels within the target expected by the Central Bank (Banco de la Republica) in 2013.

On the other hand, the market representative rate went from Col$1.929,00 on June 30/2013 up to Col$1.926,83 on December 31/2013, which represented during this period 0.11% devaluation.

In the first half-year 2013 the availability of net resources was maintained with financial system transactions, mainly addressed to the placements of portfolio, given by a volatility of portfolio valuation and the significant dynamics showed by gross capital formation and household consumption, with the stimuli of low rates and government subsidies in such sectors as construction. On October 2013, total portfolio showed 15,50% annual REAL increase with a sustained dynamics since 3 years ago, where the modality of the higher growth was housing credit with 28.34%, while the lower dynamics was that of consumption with 12.57%.

Concerning interest rates, in the second half-year there was stability consistent with the decisions made by the Board of Director of the Central Bank maintained constant intervention rate since March 2013 at 3.25%; interbanking Rate was stable going from 3,17% ea. to June 2013 compared to 3,26%EA recorded at the closing December 2013. This way, DTF reference rate showed a diminution going from 5.27%EA on June 2013 down to 4.07%EA recorded on December 2013. Legal Limit Usury Rate, however, showed a downward tendency inasmuch as on April-June 2013 was 31.25%EA, and arrived to 29.78%EA for October-December 2013 operational period.

.The Credit Entities, as a whole showed positive behavior on October 2013. Annual growth of deposits in the Credit Establishments was 15.80% annual, while credit portfolio evolution showed an annual increment of 13.42%. The Credit Establishments reported accrued profit at the closing period October 2013 by $6,414MMM.

Within the aforementioned environment, Banco de Occidente showed the following results at the closing period December 31/2013:

Total Asset grown by $3,949,456MM compared to December 2012, representing 16.73% annual growth reached as of the closing period December 2013 and total $27,559,648MM. In semiannual term, the asset grown $1,437,798MM equivalent to 5.5% semiannual decline.

Legal and Foreign Tender Credit Portfolio grown by $2.487.359MM compared to December 2012, equivalent a to 14,67% annual increment.

Credit Portfolio ranked C, D and E, showed $636,527MM total balance, representing 3,27% total Credit Portfolio. At Banking System level at the closing October 2013 this ratio reached 5,06%.

Provisions Balance for Asset Protection, at semiannual closing date year 2013 reached $770,856MM total, which means 13.88% annual growth. At the closing period, the Coverage for Portfolio Provisions compared to credit value ranked C, D and E was 49.2%, such index maintaining levels quite near to those recorded for the Total System, which at the closing period October 2,013 was 56.9%.

Total Investments reached $4,787,462MM total amount, growing by 23.92% compared to December 2012 and 3.92% as June 2013. Total Deposits behavior at the closing period December 31/2013 reached $17,718,295MM amount growing by $3,374,724MM compared to period 2012 and $1,805,916MM compared to June 2013, representing a percent annual growth of 23.53% and 11.35% semiannual growth. Upon the analysis of Deposits composition, it is evidenced that this growth is explained mainly by the increment of Savings Account Deposits, reaching $8,317,776MM which means $1,991,490MM growth related to the same operational period of the preceding year, representing 31.48% annual percent growth.

The balance at the closing period December 31/2013 for the total Bonds issued by the Bank was $2.473.313MM.

Operation invoicing with Credencial Credit card reach $2,129,227MM on December 2013, which means $253.684MM increase at December 2012, equivalent to 13.53% annual growth. The quantity of card placed in the market as of December 31/2013 was 468,177 cards, an increase by 34,406 cards compared to December 31/ 2012, representing 7.93% annual growth

Bank’s Total Patrimony showed an amount of $3,803,442MM, growing by $324,392MM related to the precedent year and by $279,826MM related to June 2013, which represents 9.32% annual growth and 7.94% semiannual growth.

Semiannual Net Profit at the closing period December 2013 was $241,155MM less by 16.12% tan the profit obtained in the same period 2012.

Total Asset Annual Profitability for this second semiannual period 2013 was 1.75% and patrimony profitability was 12.68%, declining against 2.44% and 16.53% recorded in the same operational period from the precedent year. It should be noted that similar behavior was observed in the Banking System at the closing period October 2013, the last data available from Colombia Finance Superintendence where profitability recorded of Total Asset was 1.8% and Patrimony profitability was 12.8%.

Tax and Legal Contributions

Total Tax and Legal Contributions at the closing second semiannual period 2013 reached $166.264-MM accrued amount, such figure higher than that recoded in the first semiannual period 2013 by $13,722MM and representing 9.0% semiannual growth. Effective Income and Complementary, indirect Tax and Legal Contributions decreased compared to the estimated as of June 2013 , from an interest rate 41,5% to 40,8% rate for the second half-year 2013. The detail of these figures are shown in the Table below:

Figures (in Million COL$)	**II Half-Year 2013**	**I Half-Year 2013**	**Variance ($)**	**Variance (%)**
A. Income and Complementary Tax	**77.120**	**71.915**	**5.205**	**7,1%**
B. Patrimony Tax	**17.066**	**19.949**	**(2.883)**	**(14,5)%**
C. Excise Tax	**33.281**	**27.936**	**5.345**	**19.1**
VAT	20.084	**15.570**	**4.514**	**29.0%**
Industry and commerce Tax	**10.199**	**9.234**	**965**	**10,5%**
Real Estate Tax	**1.361**	**920 441**		**47,9%**
Overcharge and cost	**1.554**	**2.139**	**(585)**	**(27,3%)**
Registry and annotation	**83**	**73**	**10**	**13,7%**
D. **Bank Superintendence Contribution**	**3.901**	**3.493**	**408**	**11,7%**
E. Deposit Insurance	**24.507**	**22.234**	**2.273**	**10,2%**
F. Financial Transaction Tax (4/1000)	**10.389**	**7.015**	**3.374**	**48,1%**
G. Total Tax and Legal contribution (A+B+C+D+E+F)	**166.264**	**152.542**	**13.722**	**9,0%**
Decreed Dividend	**118.796**	**107.571**	**11.225**	**10,4%**
H. Tax / Decreed Dividend	**140,0%**	**141,8%**		
I. Effective Rate of Income & Complementary Tax	**24,2%**	**25,1%**		
J. Effective Rate Income and Complementary , and Indirect Tax and Legal Contributions	**40,8%**	**41,5%**		

Affiliates and Associated Companies

The affiliate **Banco de Occidente - Panama S.A.** reached at the closing operational period US $864,149M, total asset, representing 9.44% annual growth. The profit at the closing on December 31, 2013 was US $4,830M, which in percent terms indicates decrease of 347.2% compared to 2012.

The affiliate **Fiduciaria de Occidente S.A.** at the **closing** of this operational period showed $162,569MM total asset, which means 20,40% growth compared to 2012. Semiannual accrued profit at the closing December 31, 2013 was $30,369MM reaching 7.25% annual growth.

The affiliate **Occidental Bank Barbados Ltd.** recorded at the closing December 31, 2013 US$206,550M Asset representing 4.89% annual growth. In 2013 the Bank obtained US$551M,profit which means 72.23% decrease compared to prior period.

The associated **Corporación Financiera Colombiana S.A.** recorded on December 31, 2013 $10.503.029MM asset which in percent terms represented 7.40% annual growth. $557,709MM annual profit was obtained which is 41.13% higher than that obtained on December 2012.

Fondo de Pensiones y Cesantías Porvenir, showed at the closing operational period $1,637,443MM total asset, reaching 79.40% annual growth. At the closing on December 31, 2013 the profit was $201,287MM, which means a decrease by 4.99% compared to 2012 operational period.

Relationship Bank Underlying Companies

Below the amount of operations made between the Bank and its underlying companies is showed, including the Balance Sheet and Statement of Results of the second half-year 2013 the detail of which is showed in the Note 22.

Account	Banco de Occidente Panama	Fiduciaria de Occidente	Occidental Bank Barbados Ltd.	Sales and Services	Grupo Aval
Total Asset	84.045	116.680	51.072	7.454	0
Total Liabilities	474.092	1.783	49.769	5.088	241.470
Total Income	0	15.840	80	103	78
Total Expenses	2.161	0	540	18.311	5.463

Note: Figures in Million Colombian Pesos

Operations with Stockholders and Directors

As of December 31, 2013 the Bank had loans for $232,768MM with admissible guarantee, and $44,282MM with other guarantees granted to its stockholders under market conditions. At the same closing date, there were loans granted to Directors for $20,353MM, supported basically on credit card operations and credit operations to purchase house and vehicle, according to conditions stipulated by the Bank to its employees. At the closing date there exist no credits granted to stockholders holding in the Bank any stock participation higher than 10%.

Bank Foreseeable Evolution

Considering the results of Financial System as a whole during the last year, it is anticipated that the Bank will maintain profitability indicators and financial efficiency favorable comparable to the system average, as historically has occurred.

Alter Closing Operational Period

In the past April 2013, after obtaining the applicable authorizations, Grupo Aval Acciones y Valores, together with it's affiliates companies Porvenir, Banco de Bogotá and Banco de Occidente, with a participation similar to that held in the AFP of the Group, performed the purchase of 99.99% of BBVA Horizonte stocks. This process ended on December 2013 with legalization of the taking over of Porvenir and BBVA Horizonte, maintaining the relative participation of Bank by 24.1580140%, representing 23,557,275 shares out of 97,504,674 outstanding shares.

Qualification of Risk

At the closing of this operational period, Banco de Occidente maintains, for the sixteenth consecutive year AAA qualification, the highest credit quality for long-term debt, and BRC1+, the highest certainty of payment for short-term debt by the Ranking Company BRC Investor Service S.A SCV.

Disclosing of Financial Information

In compliance with the provisions in articles 46 and 47 of Act 964/2005, Banco de Occidente hereby certifies that financial statements and other relevant reports for the public do not contain misstatements, or errors preventing from knowing the true patrimonial or operational situation conducted by the entity. Additionally, disclosure and control systems used by the Bank to incorporate the information contained in such financial statements and reports addressed to the public are adequate, based on truthful information and subject to audit made by the Bank and Statutory Auditor KPMG under the supervision of Board of Directors' Audit Committee.

Evaluation about the Performance of Internal Control System

According to provisions in title 1, Chapter IX, item 7.7.1.3, paragraph XV, of Basic Legal Circular, Banco de Occidente and its affiliated companies evidenced that its Internal Control System is effective when evaluating the components performance: Environment of Control, Risk Management, Control Activities, Information and communication, Monitoring, Technology Management, Accounting Management, and Internal Bodies.

Liquidity Risk

In the second half-year 2013, positive Risk Liquidity Indicator (RLI) is highlighted and with and an upward tendency in the event of the indicator at 7 days, an average occurs of $3.5 billion pesos and at 30 days $3 billion, higher levels than those observed during precedent semiannual periods. This indicator is mainly represented in an axle in an excellent level of net asset which in an average are located in $3.7 billion pesos, that, given the net requirements of liquidity at 7 and 30 days, represent a Liquidity Ratio 1.554% and 467% mean respectively (Net Asset over Liquidity Required). Early warning indicators, aiding to manage properly in advance any Liquidity Risk alert, showed during the half-year period stable levels and within the ranks considered as normal conditions

Market Risk

The measuring made by using the calculation of the amount under risk reflected a $119.787 Million mean exposure level in the second half-year 2013, such level located within the limits set out. Fixed income portfolio located in an average in this period in $2.7 Billion continues represented mainly by Colombia government certificates (93%) and it is located in mean maturity according to the structure of 37 month portfolio.

Among the relevant facts of the second semiannual periods the following is highlighted: Preparation account the adoption of International Accounting Standards –IAS- for Fixed Income Portfolio and Derivatives and the Regulations issued by Finance Superintendence determining the change in minimum time of securities classified as Available for sale, going from one year down to six months.

Laundry Asset Risk and Financing of Terrorism (SARLAFT)

The Bank, at the closing of the second half-year period 2013 continued within the qualification of **SARLAFT** in the quite low risk, fully implementing the Risk Management of Laundry Asset and Financing of Terrorism and implementing its best efforts necessary to alleviate the risk related to this concept.

Among the highlights, Banco de Occidente implemented Anti-corruptions policy based on the International Standards FCPA, UK BRIBER & ACT and Anti-corruption Statute. The bank made significant technological investments, such as the resource to armor the organization against the Risk of Laundry Asset and Financing of Terrorism. On the other hand, all the quarterly reports corresponding to the results and effectiveness of the management developed were timely and promptly submitted to the Board of Directors, compliance with the reports to external bodies, individual and consolidate evolution of risk, effectiveness of the control mechanisms and tools, taking into account customer monitoring, unusual operations analysis, warning signals, reasonability of the operations, the results of annual training to all employees. In the same way, the Tax Inspection Unit KPMG, evidenced before the Board of Directors, in compliance with the Audit Plan, the results of the evaluations made to SARLAFT, whereby it is underlined the satisfactory results of the evaluation and that there were no material improvement opportunities.

Operative Risk Management System - ORMS

The Bank has accomplished with the provisions in Chapter XXIII of Accounting and Financing Basic Circular Letter "Regulations Related to Operative Risk Management", by the identification, measurement, and monitoring of the Operative Risks and Business Continuance.

The Operative Risk Management System –ORMS- of the Bank includes policies, procedures and methodologies guiding the management by the analysis of risks and operative controls and continuance, the monitoring registry of operative risk events and reduction of risk exposure levels. This management is evidenced both in the reports submitted by management to the ORMS committee and to the Board of Directors, and in the reports to Internal Audit and KPMG Statutory Auditing.

Concerning training, the Bank has accomplished with institutional training program, by means of virtual course addressed to all employees, and face training to third parties discharging duties of the entity.

At the closing period December 2013, Bank's operative risk profile shows low risk qualification.

Minimal Requirements of Security and Quality of Information Management

In compliance with External Circular Letter 042 of October/2012 (formerly Circular Letter 052 / 2007,022 / 2010), issued by Colombia Finance Superintendence, the Bank carried out the activities to comply with the new initiatives within the dates defined the Superintendence. The Project was restarted don November 2013 for the purpose to refine the compliance with some initiatives, and based on the participation of technological area.

Legality of Software

In compliance with provisions in Act 603/2000, Banco de Occidente advises that it has defined the policies, controls, and sanctions to urge the legality of Software used. The controls for software acquisition, development and maintenance, consistent with the legal requirements about copyrights, privacy and e-commerce, are mandatorily complied by the responsible areas and internal audit has implemented verification actions obtaining satisfactory results.

Certification

According to provisions in article 57 of Decree 2649/1993 it is certified that statements contained in financial statements of the Banco de Occidente, as of December 31, 2013, have been previously verified, and that the information therein contained has faithfully taken from the company's accounting books, and that they do no contain omission of data, and that all economic facts have been therein recognized.

Personnel

Throughout the half-year the Bank was supported by the efficient and active cooperation of all employees. For such reason, the top management, in addition to recognize and stress this fact, acknowledges all their valuable participation. Within the process to implement welfare to the employees, it shall be underlined that since 2010 the Bank is taking part in the survey Great Place to Work, where in 2013 was ranked in the 7th position among companies with more than 500 employees in Colombia, which locates the Bank as the first financial entity ranked with the best conditions to work in Colombia.

Dividends

Monthly payment of dividend for Col$ 135.00 per share is submitted to the consideration of shareholders.

Efraín Otero Alvarez
President

The members of the Board of Directors accepted submitted by Bank President as well as Profit Distribution Project of the operational period and therefor, suggest to Stockholders to approve the Balance Sheet and Profit Distribution Project.

Ricardo Villaveces Pardo
Iván Felipe Mejía Cabal

Mauricio Gutiérrez Vergara
Adolfo Varela Gonzalez
Gilberto Saa Navia
Alfonso Osorno Cújar

Opinion by External Auditor

TO. **Stockholders**
Banco de Occidente S.A.
Bogotá

I have audited all financial statement of Banco de Occidente S.A., comprising by comparative balance sheet as of December 31, and June 30, 2013 and the comparative statement of results, change in patrimony, and cash flows for the semiannual operational periods ended on said dates and their respective notes including the summary of significant accounting policies and other explanatory information.

Bank's Management is responsible for preparing and proper submission of such financial statements in keeping with accounting principles generally accepted in Colombia and instructions of Colombia Finance Superintendence. This responsibility includes: design, implement, and maintain the internal control relevant to the preparation and submission of financial statements free from gross material error, whether due to fraud or error; select and apply the appropriate accounting policies, as well as the reasonable accounting estimates.

My responsibility consists of issuing an opinion about financial statements based on my audit. I obtained the information necessary to properly comply with my duties and made the examinations in accordance with the audit Standards generally accepted in Colombia. Such standards require the compliance with the ethical requirements, plan and make the audit in order to obtain the reasonable assurance that financial statements are free from gross material errors.

An audit includes the application of procedures to gain evidence about the amounts and disclosures in financial statements. The procedures selected are dependent on the external auditor's criterion, including the evaluation of risk of gross material errors in financial statements. In such risk evaluation, external auditor takes into account internal control relevant to prepare and submit financial statements in order to design audit procedures according to the circumstances at hand. An audit includes as well the evaluation and application of the appropriate accounting policies and the reasonability of balances accounting estimates made by company's management, as well to assess the appearance of financial statements in general. I consider that the evidence obtained provides a reasonable basis to support my outlook given below.

In my opinion, financial statements aforementioned, taken from the books and attached to this report, reasonably represent all the relevant material issues, Banco de Occidente S.A. financial situation as of December 31, and June 30, 2013, the results of its operations and the cash flows for semi-annual periods ended in the dates above, according to accounting principles generally accepted in Colombian and the instructions by Colombia Finance Superintendence, applied in a consistent manner.

Based on the results of my tests, in my opinion:

a. Bank's accounting has been made in line with legal provisions and accounting technique.
b. Operations booked and Managers' actions are in keeping with statutory provisions and decisions of the Stockholders General Meeting.
c. Correspondence, vouchers of accounts and book of minutes and stock registry are duly kept and maintained.
d. There are in place appropriate measures of internal control including risk management systems implemented; conservation and custody of Bank's property and third parties property in possession of the Bank.
e. Colombia Finance Superintendence provisions and directions related to the proper management and accounting of goods received in payment have been fully complied as evidenced in the balance sheet and the statements of results of Risk Management System applicable.
f. There exists consistence between financial statements herewith attached and the management report issued by Company's Management
g. Information contained in the auto-liquidation of Integral Social Security Contribution Declarations, especially those relative to affiliates and their base income for contribution, have been taken from the accounting records and supporting documents. The Bank is not in arrears in connection with contribution to Integral Social Security System.

I made the tracking of answers about recommendation letters addressed to Bank Management and there is no any material relevant issues pending potentially affecting my outlook

Signed
Wilson Romero Montañez
Banco de Occidente S.A. External Auditor
T. P. 40552-T
Member of KPMG Ltda.

January 27, 2014

Profit Distribution Project

Second Half-Year of 2013

1- Operational Profit		241.154.845.121,00
2- Release of Reserve		
Fixed Asset Deferred Depreciation (Art. 130 Tax Statute)		4.995.712.318,19
Total at the Stockholder General Meeting Disposal		**246.150.557.439,19**
Distribution Project		
1 Cash Dividend		
A Cash Dividend by Col$137.00 monthly per share is declared, payable monthly during the first ten days , from April, 2014 up to September, 2014, inclusive , on a total of 155.899.719 stocks subscribed and paid-in capital on December 31, 2013	128.149.569.018,00	
Dividends decreed in the items above will be paid to bank stockholders registered in the shareholders book of the bank at the time each payment is due and according to regulations prevailing		
2. Creation of Reserve		
Reserve for marketable investments. (Dec. 2336/95).	4.293.785.412,82	
3. For Legal Reserve	113.707.203.008.37	
Equal Sums	**246.150.557.439,19**	**246.150.557.439,19**

Comparative Balance Sheet as of December 31, 2013

(Given in Million Pesos)

Asset		December 31, 2013		June 30, 2013
Available (Notes 5 & 31)	$	2.118.566		2.147.116
Active positions in Monetary and Related Market Operations (Notes 6)		447.286		287.969
Investments (Note 7 & 31)		4.340.176		4.318.684
Negotiable Investments in Certificates of Indebtedness	552.591		883.217	
Marketable Investments in Participative Titles	-		5.074	
Investment to maintain up to maturity	591.670		563.213	
Investments Available for Sale in Certificates of Indebtedness	1.134.955		679.940	
Investments Available of Sale in Certificates of Participation	1.604.928		1.433.756	
Rights of Marketable Investment Transfer in securities or certificates of indebtedness	203.193		507.893	
Rights of Investment Transfer available for sale in securities or certificates of indebtedness	228.776		208.454	
Marketable investments delivered as guarantee in operations with financial derivatives instruments, and other, in certificates of debt	-		19.565	
Investments Available for Sale delivered as guarantee in operations with derivatives financial instruments and other in securities of indebtedness	24.063		17.572	
Credit Portfolio and Financial Leasing Operations (Notes 8 & 3)		18.702.681		17.195.863
Housing Credits	31.814		4.530	
Category A, Norma Risk	32.012		4.451	
Category B, Acceptable Risk	126		128	
Less : Provision	(324)		(49)	
Credits and Consumption Financial Leasing Operations, Fit Guarantee	1.461.132		1.361.326	
Category A, Norma Risk	1.391.010		1.291.862	
Category B, Acceptable Risk	28.967		30.752	
Category C, Appreciable Risk	28.718		26.632	
Category D, Significant Risk	53.497		51.320	
Category E, Uncollectibility Risk	12.179		10.998	
Less : Provision	(53.239)		(50.238)	
Credits & Operations of Consumption Financial Leasing , Other warranties	2.658.313		2.262.778	
Category A, Normal Risk	2.597.184		2.198.960	
Category B, Acceptable Risk	67.344		66.544	
Category C, Appreciable Risk	41.542		37.617	
Category D, Significant Risk	49.657		50.544	
Category E, Uncollectibility Risk	41.873		49.307	
Less: Provision	(139.287)		(140.194)	
Credits and Operations of Commercial Financial Leasing, Fit Guarantee	7.416.733		7.071.681	
Category A, Normal Risk	6.889.457		6.597.166	
Category B, Acceptable Risk	351.702		275.022	
Category C, Appreciable Risk	63.787		90.794	
Category D, Significant Risk	129.743		138.815	
Category E, Uncollectibility Risk	62.508		47.428	
Less: Provision	(80.464)		(77.544)	
Credits and Operations of Commercial Financial Leasing, Other Guarantees	7.300.902		6.648.449	
Category A, Normal Risk	7.261.642		6.600.649	
Category B, Acceptable Risk	145.192		138.622	
Category C, Appreciable Risk	67.133		74.072	
Category D, Significant Risk	50.584		40.706	
Category E, Uncollectibility Risk	35.307		45.074	
Less: Provision	(258.956)		(250.674)	
Less: Contra-Cyclic Individual Provision			(152.855)	
Less: General Provision	(321)		(46)	
Spot Operations Acceptances and with Derivative Financial Instruments (Note 9)		42.826		92.285
Debtors for Bank Acceptances	21.979		36.262	
Spot Operations	(1)		27	
Operations with Derivative Financial Instruments – speculation	20.848		55.996	
Accounts Receivable (Notes 10 & 31)		351.851		546.068
Interest	140.744		152.154	
Leasing Operations Financial Component	18.715		23. 204	
Commissions and Fees	3.571		1.942	
Rents of Goods Given in Operational Leasing	10.606		11.980	

Payment on Account of Clients	21.354		138.114	
Others	194.569		260.921	
Less: Provision	(37.708)		(42.247)	
Marketable goods received in payment and delivered back goods (Note 11)		25.233		25.186
Goods Received in Payment	28.109		25.978	
Goods delivered back of Leasing Agreements	24.386		24.753	
Less: Provision	(27.262)		(25.545)	
Property and Equipment (Note 12)		245.347		244.541
Land, Buildings and Constructions in Progress	241.591		230.200	
Equipment, Office Furniture and Fixture	43.833		42.132	
Computing Equipment	122.278		116.710	
Others	72.830		79.398	
Less: Accrued Depreciation and Amortization	(265.182)		(256.482)	
Plus: Deferred Depreciation	30.235		32.858	
Less: Provision	(238)		(275)	
Goods Given in Operative Leasing (12)		407.002		355.990
Machinery and Equipment	119.914		89.778	
Vehicles	66.392		60.113	
Computing Equipment	273.491		239.110	
Computer Software	112.383		115.280	
Other	88.801		83.746	
Less: Accrued Depreciation and Amortization	(248.359)		(226.145)	
Less: Provision	(5.620)		(5.892)	
Other Asset (Note 13)		434.689		514.603
Permanent Contributions	397		395	
Advanced Payments & Deferred Charges	123.662		136.182	
Intangible Asset	22.724		23.519	
Goods to Place in Leasing Agreements	262.651		224.277	
Other	26.480		130.905	
Less: Provision	(1.225)		(675)	
Valuations		444.188		393.816
Investments for Sale in Participation Papers of Low or Minimum market profitability or without Stock Exchange Quotation (Note 7 & 31)	141.256		111.797	
Property and Equipment	302.932		282.019	
Devaluations		(197)		(271)
Investments for Sale in Participation Papers of Low or Minimum market profitability or without Stock Exchange Quotation (Note 7 & 31)	(197)		(271)	
Total Asset	**$**	27.559.648		**26.121.850**
Contingent and Memorandum Accounts				
Contingent Credit Accounts per Contra (Note 23)	**$**	4.890.545		**4.358.739**
		6.946.466		
Debit Contingent Accounts (Note 23)	**431.969**			**6.721.080**
Papers delivered Operation. Repo-Simultaneous –Temporary Transf. Related Papers	59.237		716.347	
Interest Credit Portfolio and Financial Leasing Operation	5.969		59.462	
Rents and Sanctions in Operative Leasing Agreements	138.978		2.102	
Rights in Speculation Options and Coverage	6.310.313		78.687	
Other			5.864.482	
Debit Memorandum Accounts (Note 24)		**33.086.347**		**32.252.546**
Credit Memorandum Accounts per Contra (Note 24)		**39.563.661**		**36.406.351**
Total Contingent and Memorandum Accounts		84.487.019		**79.738.716**

Liabilities and Shareholders' Equity	December 31, 2013		June 30, 2013	
Liabilities				
Deposits and Payabilities (Notes 14 & 31)		17.962.742		15.945.311
Deposits in Bank Current Account	5.581.110		4.449.91	
Time Deposit Certificates	3.783.273		3.964.658	
Saving Deposits	8.317.776		7.309.707	
Other	280.583		221.036	
Passive Positions in Monetary Market and Related Operations (Note 15)		581.556		845.306
(Bank) Outstanding Acceptances and Derivative Financial Instruments (Note 9)		42.450		100.105
Bank Outstanding Acceptances	22.043		36.545	
Operations with Derivative Financial Instruments – of speculation	20.407		63.560	
Credits of Banks and other Financial Obligations (Notes 16 & 31)		2.006.422		2.045.252
Other Entities in the Country	860.120		880.882	
Overseas Entities	1.146.302		1.164.370	
Accounts Payable (Notes 17 & 31)		502.401		634.451
Interest	83.911		94.149	
Commissions and Fees	1.562		1.583	
Other	416.928		538.719	
Outstanding Investment Papers (Note 18)		2.473.313		2.765.477
Bonds	2.473.313		2.765.477	
Other Liabilities (Nota 19)		158.093		137.704
Accrued Labor Obligations	43.550		38.578	
Income Received in Advance	9.731		9.555	
Pension of Retirement	3.522		3.704	
Other	101.290		85.867	
Estimate Liabilities and Provisions (Note 20)		29.228		124.628
Labor Obligations	-		1.419	
Tax	12.703		83.884	
Other	16.525		39.325	
Total Liabilities		**23.756.205**		**22.598.234**
Net Worth				
Capital Stock (Note 21)		4.677		4.677
Number of Stocks 155.899.719				
Face Value each Stock: $30				
Reserve (Note 22)		2.366.708		2.273.596
Legal Reserve	2.211.490		2.091.173	
Statutory and Occasional Reserves	155.218		182.423	
Surplus or Deficit		1.190.903		1.030.629
Cumulated Profit or Loss non-realized in Available Investment for sale (Note 31)	746.912		637.084-	
Valuations (Note 31)	444.188		393.816	
Devaluation (Note 31)	(197)		(271)	
Profit for the period		241.155		214.714
Total Net Worth		**3.803.443**		**3.523.616**
Total Liabilities and Net Worth	**$**	**27.559.648**		**26.121.850**
Contingent and Memorandum Accounts				
Credit Contingent Accounts (Note 23)	$	4.890.545		4.358.739
Sureties and Guarantees	632.409		570.737	
Letters of Credit	52.044		135.199	
Credits Approved and non-disbursed	1.676.356		1.510.238	
Opening of Credit	2.428.091		1.984.032	
Options Obligations – Speculation and Coverage	89.620		131.786	
Other Contingencies	12.025		26.747	
Debit Contingent Accounts per Contra (Note 23)		6.946.466		6.721.080
Debit Memorandum Accounts per Contra (Note 24)		33.086.347		32.252.546
Credit Memorandum Accounts (Note 24)		39.563.661		36.406.351
Total Contingent and Memorandum Accounts		84.487.019		79.738.716
Profit (Loss) Per Share (in pesos)		**1.546,86**		**1.377,26**

Cfr. Notes accompanying financial statements

Comparative Statements of Results

(Given in Million Pesos)

	Periods			
	From July 1 to December, 2013		From January 1 to June, 2013	
Direct Operational Income (Note 31)		1.394.179		1.633.984
Interest and Discount Redeemed Credit Portfolio	729.983		719.326	
Returns in Operations. repo, simultaneous Transient Transfers of values and Other interest	19.663		21.251	
Profit in Valuation of Marketable Investments in en Certificates of Indebtedness	37.182		15.221	
Profit of Marketable Investment Valuation in Participative Titles	-		74	
Profit in Valuation of Investments Available for Sale in Certificates of Indebtedness	28.133		22.194	
Profit in Valuations of investments to Maintain up to Maturity	3.214		4.445	
Profits in Positions in closing operations repo-open, simult. and transient transfers of papers	4.834		2.520	
Simultaneous and Transient Transfer of Values	1.417		784	
Profit made in Investment Available for Sale	738		1.156	
Readjustment of Real Value Unit - UVR	106.993		93.556	
Commissions and Fees	-		26	
Profit on valuation of spot operations	114.947		155.777	
Profits in Derivatives Operations - de Speculation	47.734		292.064	
Changes	1.282		898	
Profit in sale of investments	298.059		304.692	
Operations Income - Leasing		479.790		771.750
Direct Operational Expense (Note 31)	223.333		227.248	
Interest, Deposits and Playabilities	29.418		31.858	
Interest Credits of Bank and Esther Financial Obligations	-		11.568	
Loss in Valuation of Marketable Investments in Participation Certificates	5		-	
Loss in Negotiable Investments Valuation in Certificates of Indebtedness	5.784		1.935	
Loss in investments available for sale	413		-	
Loss in Positions of Operat. Repo Opened, simultaneous & temporal transfer.. of Equities	73.766		60.848	
Commissions	28		1	
Loss in Spot Operation Valuation	96.589		171.501	
Loss in Derivatives Valuations - of Speculation	49.620		266.452	
Changes	834		339	
Loss in Sale of Investments		914.380		862.234
Direct Operational Result		(114.896)		(134.095)
Other Operational Income and Expense – Net		380.011		352.979
Other Operational Income (Note 25 & 31)	79.509		93.053	
Dividends & Participations	224.281		196.673	
Recoveries	76.221		63.253	
Other		494.907		487.074
Other Operational Expense	172.603		173.738	
Personnel Expenses	322.304		313.336	
Other (Note 26)		799.493		728.139
Operational Result before Provisions, Depreciations and Amortizations		408.778		387.889
Provisions	259.798		244.033	
Credit Portfolio	32.087		33.234	
Accounts Receivable	-		110	
Financial Leasing Operations	37.815		39.837	
Operative Leasing Operations	1.631		1.597	
Contra cyclic Component Individual Provisions	71.308		63.486	
Other	6.139		5.592	
Depreciations		72.733		67.063
Amortizations		24.976		24.898
Net Operational Result		293.006		248.289
Non-operational Income (Note 27)		35.078		49.252
Profit in Sale of Property Delivered in Payment and Delivered Back	1.306		1.809	
Profit in Sale of Property, Equipment and other Asset	95		381	
Recoveries	31.819		37.025	
Other Non-Operational Income	1.858		10.037	
Non-Operational Expense (Note 28)		9.809		10.912
Loss in sale of Goods Delivered in Payment and Delivered back	1.283		2.803	
Loss in the sale of Property – Equipment and other Asset	7		-	
Loss for Disasters	4.723		3.321	
Other Non-Operational Expense	3.796		4.788	
Non-Operational Net Result		25.269		38.340
Profit before Income Tax		318.275		286.629
Income and Complementary Tax (Note 29)		77.120		71.915
Profit of the Operational Period		241.155		214.714

See notes accompanying Financial Statements

Cash Flow Statements

Half-year periods ended on December 31, 2013 and June 30, 2013

(in Million Col$)	December 31, 2013	June 30, 2013
Cash Flow of the Operational activities:		
Net Profit	$ **241.155**	**214.714**
Adjustment to reconcile Net Profit and Net Cash provided by operational activities		
Investment Returns: Investments until maturity and investment available for sale	(68.760)	(32.886)
Dividends Received in Stocks	(58.533)	(66.473)
Profit on gains made	(1.004)	(784)
Loss of Profit in the valuation of Derived Financial Instruments	(18.330)	15.699
Loss or Profit on sale of Goods Received in Payment, Net	(23)	994
Profit on sale of Property, Plant & Equipment, Net	(88)	(381)
Depreciation	72.733	67.063
Amortization of Mercantile Credit	795	753
Amortization of Deferred Charges	24.181	24.145
Refund of provision other Asset	(236)	(149)
Refund of Accounts Receivables Provision	(17.840)	(14.044)
Refund of Portfolio Provision	(203.845)	(180.720)
Refund of Operative Leasing Provision	(1.998)	(1.423)
Refund of Provision of Goods Received in Payment and Delivery Back	(2.943)	(3.591)
Reversing of Property, Plant and Equipment Provision	(37)	(60)
Provision for Credit Portfolio	368.921	347.356
Operative Leasing Provision	1.631	1.597
Accounts Receivable Provision	32.087	33.234
Provision of Property and Equipment	0	110
Provision for Goods Received in Payment and Delivery back	4.660	4.332
Provision Other Asset	786	503
Total Results	**373.312**	**195.275**
Decrease (Increase) in Salable Investments	530.356	(358.431)
Decrease in Accounts Receivable	193.752	21.408
Increase in Deferred Charges	(15.118)	(37.524)
Net Decrease (Increase) in other Asset	79.492	(102.895)
(Decrease)Increase in Other Liabilities	(208.567)	120.611
Non-realized Difference in Exchange	16	910
Total Operations	579.931	(355.921)
Net Cash Provided for Operation Activities	**953.243**	**54.068**
Cash Flow of Investment Activities:		
Increase of Credit Portfolio	(1.525.309)	(1.122.327)
Proceeds on Sale of Property, Plant & Equipment	149.379	44.800
Proceeds on Sale of Investments	443.842	536.066
Proceeds on Sale of Goods Received in Payment	13.615	21.889
Purchase of Property, Plant and Equipment	(273.094)	(110.621)
Purchase of Investments	(935.667)	(927.522)
Net Cash Used in Investment Activities	**(2.127.234)**	**(1.557.715)**
Cash Flow of the Funding Activities:		
Dividend Paid	(120.089)	(112.973)
Increase of Deposit and Payables	2.017.676	1.388.517
Increase (Decrease)of Interbanking and Overnight Funds loans	(263.721)	190.707
Acquisition of other Bank Loans	1.409.608	1.378.586
Payment of other Bank Loans	(1.446.905)	(1.218.657)
Issue of Bonds	(292.163)	453.390
Net Cash Provided for Financing Activities	**1.304.406**	**2.079.570**
Effect in Exchange Difference over Cash and equivalent to cash	(352)	21.891
Increase (Decrease) of Cash and Equivalent to Cash	130.767	554.031
Cash and equivalent to cash at the beginning of half-year	2.435.085	1.881.054
Cash and equivalent to cash at the end of half-year	**2.565.852**	**2.435.085**

See note accompanying financial statements.

Statements of change in Stockholders Equity

Half-year periods ended on December 31, 2013 and June 30, 2013

(In Million Col$)

Concept		Common Stocks	Legal Reserve	Occasional Statutory Reserve (Note 21)	Surplus of Valuations Net	Accrued Profit or Loss Unrealizable Invest. Available. Sale price.	Results: Prior operational periods	Results: Operational period	Total stockholder Equity
Balance December 31, 2012	$	**4.677**	**1.930.554**	**174.328**	**390.218**	**691.763**	**0**	**287.510**	**3.479.050**
Distribution net profit second half-year 2012		-	160.619	8.095	-	-	118.796	(287.510)	-
Paid dividend by parent company for $ 127.00 monthly per stock, payable within the 10 first days each month since April, 2013 until September, 2013, inclusive, over 155.899.719 total stocks subscribe and paid as of December 31, 2012		-	-	-	-	-	(118.796)	-	(118.796)
Movement of the operational period		-	-	-	3.327	(54.679)	-	-	(51.352)
Net profit period		-	-	-	-	-	-	214.714	214.714
Balance as of June 30, 2013	**$**	**4.677**	**2.091.173**	**182.423**	**393.545**	**637.084**	**-**	**214.714**	**3.523.616**
Distribution net profit first half-year 2013		-	120.317	(27.205)	-	-	121.602	(214.714)	-
Paid dividend by parent company for $ 130.00 monthly per stock, payable within the 10 first days each month since October, 2013 until March, 2014 inclusive, over 155.899.719 total stocks subscribe and paid as of June 30, 2013		-	-	-	-	-	(121.602)	-	(121.602)
Movement of the Operational Period		-	-	-	50.446	109.828	-	-	160.274
Net profit period		-	-	-	-	-	-	241.155	241.155
Balance as of December 31, 2013	**$**	**4.677**	**2.211.490**	**155.218**	**443.991**	**746.912**	**-**	**241.155**	**3.803.443**

See notes accompanying financial statements

Notes to Financial Statements
(Million Pesos)

(1) Reporting entity
Banco de Occidente S.A. is a legal person of private nature, legally incorporated as a bank establishment, authorized to operate according to the resolution N°. 3140 dated September 24, 1993 final renewal of operation license for controlled entities issued by the Colombia Finance Superintendence. It was established on September 8, 1964 under public deed 659 in the Fourth Notary Public Office for Cali.

The Bank’s head office is in Santiago de Cali. The duration established in the Articles of Incorporation is 99 years from its date of incorporation. In developing it corporate purposes the bank may enter into any and all legal operations and contracts related to commercial bank entities, subject to requirements and limitations set forth in Colombian laws.

As of December 31, 2013, Banco de Occidente S.A. operates with 7.680 employees through 223 offices in the Colombian territory. The Bank has situation of control exercised by the society Grupo Aval Acciones y Valores S.A. and this in turn, registers situation of control on entities overseas, 95.00% in Banco de Occidente Panama S.A. and 100% in Occidental Bank Barbados Ltd, as well as in Colombia, 94.98% of Sociedad Fiduciaria de Occidente S.A., and 45,00% of Ventas y Servicios S.A.

The Bank has entered into a non-banking correspondent agreement with Almacenes Éxito a company operating at national level.

Financial statements herewith attached include asset, liabilities and results of its branch offices in Colombia, but not consolidated financial statements of the Bank with its subsidiaries. The consolidated financial statements are separately prepared.

(2) Principal Accounting Policies

(a) Basic Accounting Policies

Accounting and financial statements preparation policies of the Bank are in accordance with accounting principles generally accepted in Colombia and instructions of the Financial Superintendent of Colombia.

(b) Equivalents of Cash

The Bank considers as equivalent to cash, for the purposes of the statement of cash flow, the active and passive positions in operations of monetary market and those related.

(c) Active and passive positions in Operations of Monetary Market and those related.

This entry groups together the operations of interbank funds, the operations of repurchase (repo), the simultaneous operations and operations of temporary transfer of values:

Interbank Funds

Interbank funds are considered those directly placed or received by the Bank in other financial entity, without mediating a pact of investment transfer or credit portfolio. They are operations connected to the corporate purpose, which are agreed at a term not longer than thirty (30) calendar days, provided that taking advantage of excesses or supplying liquidity defects it is intended to be pursued with it. Likewise, comprising the transactions denominated “overnight”, performed with foreign banks by using funds of the Bank.

The returns of interests derived from the operations, are recorded in the statement of results.

Report or Repo Operations

A repo operation occurs when the Bank acquires or transfers securities, in exchange for the delivery of a sum of money, assuming in such an act and moment the commitment to transfer the property to the “alienating” person the same day or on a later date and at a specified price of securities of the same species and characteristics.

The initial amount is calculated with a discount over the market price of securities of the operation; it is established that during the validity of the operation, the initially given values are substituted by others, and restrictions are placed to the mobility of the values of the operation.

The returns recorded in this item are calculated exponentially during the term of the operation and are recognized in the statement of results.

The transferred values of the repo operation must be registered in debt or credit contingent accounts depending on an either open or closed record operation, respectively.

Simultaneous Operations

A simultaneous operation occurs when the Bank acquires or transfers securities, in exchange for the delivery of a sum of money, assuming in such an act and moment the commitment to transfer or acquire the property again, the same day or on a later date and a determined price, of securities of the same type and characteristics.

The initial amount is established with a discount over the market price of the securities of the operation; during the operation validity, the values initially delivered by others are not replaced, and restrictions are not placed to the mobility of the securities of the operation.

In this item, the returns caused by the purchaser are registered and that the alienating person pays as cost of the simultaneous operation during the term thereof.

The difference between the present value (delivery of cash) and the future value (final price of the transference) constitutes an income by way of financial returns calculated exponentially during the term of the operation and is recognized in the statement of results.

The transferred values of the simultaneous operation must be registered in contingent credit or debit accounts for active or passive positions, respectively.

Securities Transfer Operations

Securities transfer operations are those one whereby the Bank transfers the ownership of some securities, with the agreement to transfer back on the same date or subsequent date. In turn, the counterpart transfers the ownership of other securities or any amount of money equal to or higher than the securities subject matter of the operation.

(d) Investments

The investments acquired by the Bank with the purpose to keep a secondary liquidity reserve, acquire the direct or indirect control of any society of the financial or service sector, comply with legal or statutory provisions, or with the exclusive purpose to eliminate or reduce the market risk of the assets, liabilities or other elements of the financial statements, are subject to.

The main purpose of Investment valuation is the calculation, accounting registration, and disclosure to the market the amount or market price or fair exchange price, any given value or security could be transacted at any given date, according to its specific characteristics and under the conditions prevailing in the market on that date.

The determination of value or exchange fair price of any security, considers all criteria necessary to ensure the compliance with investment, as the following:

Objectivity. Determining and indication of the value or exchange fair price of any paper or security is made based on technical and professional criteria knowing the effects derived from the changes of behavior of all variables potentially affecting such price.

Transparence and representative. The value or exchange fair price of any paper or security is determined and assigned for the purpose to disclose a certain, economic, verifiable and representative result represented of the rights incorporated in the appropriate paper or title.

Permanent Evaluation and Analysis. The value or exchange fair price attributed to a value or security is based on the permanent evaluation and analysis under such market conditions, of the issuers, and the respective issuance. Variations of such conditions are reflected in the changes of value or price previously assigned, with the priority established for investment valuation.

Professionalism. Determination of value or exchange fair price of any paper of security is based on the conclusions form the analysis and study made by and wise and diligent expert, addressed to search, obtainment, knowledge and evaluation of all relevant available information, in such a way that the price determined reflect the amounts which reasonably would receive for its sale.

Next, the way the different types of investment are classified, appraised and accounted is indicated:

Classification	Term	Characteristics	Appraisal	Accounting
Marketable	Short-Term	Securities and in general any type of investment acquired for the purpose to obtain profit by price fluctuations.	Use the price determined by supplier of prices Infovalmer nominee as official according to instruction in Chapter XVI, Title I in Legal Basic Circular Letter by Colombia Finance Superintendence. For the case where there is no, in the valuation day, fair exchange prices, the valuation will be made in and exponential manner based on the internal return rat. The value or fair price of market exchange of the respective value, will be calculated by the summation of of present value of future flows of the returns and capital. For the securities traded abroad, when the supplier of prices nominee as official for the appropriate segment has not in place a valuation methodology for those investments, as an alternate information source is used the dirt bid price released by a platform of information supply at 16:00 h, Colombia official time This procedure is made on a daily basis..	The difference occurred between current market value and immediately precedent, is registered as higher or lower of the investment, and its counterpart influences the results of period. This procedure is made on a daily basis. Investments are valued at market price as from the same day of acquisition; therefore, accounting of the changes between the acquisition cost and the market value of investments is made based on purchase date.
Marketable in participations papers	Short-term	Investment in at sight collective portfolios for the purpose to obtain returns.	Participations in collective portfolios are valued taking into account the unit value calculated by the managing company the day of the date of valuation.	The difference occurred between the market actual value and the value immediately before the registration as higher or lower value of investment and its counterpart affects the results of period.
To hold up to	Up to its	Titles and in	Exponentially from	The present value is recorded as a

Classification	Term	Characteristics	Appraisal	Accounting
maturity term	maturity term	general any type of investment for which the Bank has the serious purpose and the legal, contractual, financial and operational capacity to keep them up to the maturation of their period of maturity or redemption. The investments up to maturity date cannot perform liquidity operations nor repurchase operations simultaneous or temporary transfer of investments, save whether they are forced or obligatory investments subscribed in the primary market, provided that the counterpart is Banco de la Republica, Public Credit and National Treasure General Director or the entities supervised by the Colombian Financial Superintendence Likewise, the could be delivered as guarantee in any central risk chamber of the counterpart in order to back up the compliance with the operations accepted by the chamber for its compensation and liquidation	the internal return rate calculated at the moment of the purchase. This procedure is daily performed.	major value of the investment and its counter-account is recorded at the period results. This procedure is daily performed.
Available for sale –Debt securities **(1)**	6 months	Titles and in general any type of investment for which the Bank has the serious purpose and the legal, contractual, financial and operational capacity to keep	Use the prices given by supplier of prices Infovalmer nominee as official according to instructions set out in Chapter XV, Title I of the Legal Basic Circular Letter by Colombia Finance	Changes that may be present to these securities or titles are counted according the following procedure: - Difference between the value present on the appraisal day and the previous one is registered as higher or lower investment value with advance or charge to the result accounts. - The difference between market

Classification	Term	Characteristics	Appraisal	Accounting
		them up at least one (6) months from the first day when they were classified in this category. The first business day after the first year, they may be reclassified as marketable of to maintain up to the maturity. Otherwise they will continue classified as available for sale. Investments classified in this category may be used (delivered) as guarantee backing up the negotiation of financial instruments derived, when the counterpart is a counterparty central risk chamber. The securities classified as investments available for sale may be delivered as guarantees in a counterparty central risk chamber of the counterpart in order to back up the compliance with the operations accepted for its compensation and liquidation. Likewise, with these investments liquidity operations may be made, report or repo operations, simultaneously or the temporary transfer of securities.	Superintendence. For securities marketed abroad, when the supplier of prices nominee as official for the appropriate segment has not a valuation methodology for these investments, These investments are used as alternate source of information, the bid dirty price released by a platform of supply of information at 16:00 h Colombian time For the case where there is no, in the valuation day, fair exchange prices, the valuation will be made in and exponential manner based on the internal return rat. The value or fair price of market exchange of the respective value, will be calculated by the summation of of present value of future flows of the returns and capital. .	value and present value is registered as an accumulated not performed profit or loss, within the patrimony accounts. This procedure is daily performed.
Available for sale – participative securities	Without term	Investment granted to the Bank the quality of co-owner of the	Investments in participation titles are value depending that they are or not	Low or minimum bursatility or without any quotation: - Difference between market or updated investment values, and

Classification	Term	Characteristics	Appraisal	Accounting
		issuer. Make part of this category, the securities with high medium, low or minimum marketability, or with no quotation and securities keeping the Bank in its quality of controlling or parent company.	quoted in the stock exchange Participative securities registered with the National Registry of Securities and Issuers (NRSI) Participation Securities registered with NRSI and listed in the Stock Exchange in Colombia, are valued with the price determined by the supplier of prices of valuation authorized by Colombia Finance Superintendence. Participations in collective portfolios and the values issued in connection with titration are valued taking into account the unit value calculated by the managing company the day immediately prior to the date of valuation even though they are listed in the stock exchange of Colombia. Above, excepting the participations in collective portfolios influencing the price in the secondary market and the representative values of participations in exchange stock funds, which are value by the price reported by the supplier of prices. • Participation Securities quoting only in stock exchange abroad According to the price determined by suppliers of valuation prices authorized by Colombia Finance	the value for which the investment is registered as follows: If it is higher, in first instance, it diminishes the provision or devaluation up to exhaust it and the excess is registered as surplus for valorization. If it is lower it affects the surplus for valorization until running out and the excess is recorded as devaluation. - When the dividends or profits are allotted in kind, including those from the capitalization of patrimony revalorization account, it is registered as income the part that has been counted as surplus for valorization, charged to the investment and it is reverted such surplus. - When the dividends or profits are distributed in cash, it is registered as revenue the value counted as surplus for valorization, re-investing such surplus and the sum of the dividends exceeded thereof is counted as a minor investment value. High and Middle Bursatility: The actualization of the market value of the high and middle bursatility securities or those quoted in internationally recognize foreign stock exchanges, is counted as accumulated not performed profit or loss within the patrimony accounts, with advance or charge to the investment. This procedure is daily performed. The dividends or profits allotted in kind or cash, including those coming from the capitalization of the account revalorization of patrimony are registered, with advance or charge to the investment. This procedure is daily performed.

Classification	Term	Characteristics	Appraisal	Accounting
			Superintendence. When price is not available, the closing price available in the stock exchange will be used as quoted in the day of valuation or in default thereof, the latest closing price during 5 exchange days, or the plain average of closing prices reported during the last 30 days. • Participation values which are not registered in the stock exchange They are value by the price determined by the price determined by the supplier of prices. When supplier of prices has not in place a methodology to determining the price, the entities may increase or decrease the acquisition cost in the participation percentage corresponding to the investor over the subsequent variances of patrimony of the respective issuer	

(1) According to External Circular Letter 033 of November 22/2013 issued by Colombia Finance Superintendence, the minimum time of securities available for sale went from one year down to six months

According to regulations by Colombia Finance Superintendence, in the External Circular Letter 050 of November 2012, Banco de Occidente S.A hired an Infovalmer S.A as supplier of prices for valuation, which did not involve any significant impact in the calculation of price valuation of our investments

Investments Reclassification

For any investment to be maintained within any of the classification categories, the respective security or title shall comply with the characteristics or conditions of the type of investments it makes part.

At any time, Colombia Finance Superintendence may require for the Bank to reclassify a security or title, whenever it fails to comply with characteristics of the class where it is intended to be classified to the reclassification is required to obtain a better disclosure of financial situation.

Investment may be reclassified according to the following provisions:

Of investments to maintained until the maturity to marketable investments. There is reason for reclassification when occur any of the circumstances below:

- Significant impairment of issuer's conditions, its parent company, its subsidiary companies, or its related-companies.
- Changes in the regulation preventing the maintenance of investment.
- Processes of merging involving the reclassification or realization of an investment for the purpose to maintain the previous position of interest rate risk or otherwise, to complain with credit risk police previously set out by the surviving entity.
- Other unforeseeable occurrences, following the authorization by Colombia Finance Superintendence

From investments available for sale to marketable investments or to investments to maintain until the maturity: There is place for reclassification, when:

- 6 months term has been in this classification.
- Investor loses its quality of parent company of controlling company, if this event involves the alienation decision of investment or the main purpose of obtaining profit by the fluctuations at short-term of the price, from that date.
- Significant impairment of issuer's conditions, its parent company, its subsidiary companies, or its related companies.
- Changes in the regulation preventing from investment maintenance.
- Processes of merger involving the reclassification or realization of the investment for the purpose to maintain the position previous of the risk of interest rates or become adjusted to credit risk policy, previously established by the resulting entity.
- The investment goes from low to minimum marketability or with no any quotation to high or medium marketability.

When investments to maintain until maturity or investments available for sale are reclassified to marketable investments, the standards about valuation of the later are observed, and consequently, the unrealized profit or loss are recognized as revenues or expenses the day of reclassification.

In the events where an investment is reclassified, Colombia Finance Superintendence will be advised the reclassification made no later than within the ten (10) running days following the date of reclassification, indicating the reasons justifying such decision and explaining its effects on the statement of results. The securities or titles reclassified with the purpose of taking part in the marketable investments, cannot reclassified again.

Investment Back Purchase Rights

Corresponding to restricted investments representing collateral guarantee of investment back purchase commitments.

Over these investments, the Bank keeps the economic rights and benefits associated of the security and retain all rights inherent to it, even though transfers the legal ownership when performing repo operation.

These securities will continue valuated to daily value and accounting for in the balance sheet and statement of results according to methodology and procedure applicable to investments classified as marketable, until the maturity and available for sale.

Investments Delivered in Guarantee

Correspond to investments in securities or certificates of debt which are delivered as guarantee to the operations with financial instruments derived, which liquidation may be in cash, as provided in the contract or in the appropriate rules if security negotiation system, of the operation registry system of compensation or liquidation securities.

These securities are daily valued and included in the balance sheet and statement of results according to methodology and procedure applicable to investments classified as available for sale.

Provisions or Loss for Ranking of Credit Risk
Securities and/or Titles of not rated Emissions or Provisions

The debt securities or titles not holding an external ranking and the debt securities or titles issued by not ranked entities are ranked and provisioned as follows:

Category	Risk	Characteristics	Provisions
A	Normal	Meets the agreed terms in the security or title and hold adequate capacity of capital and interest payment.	No applicable.
B	Acceptable	Corresponds to emissions with uncertainty factors that might affect the capacity to continue to comply properly with the debt services. Likewise, its financial statements and other available information present weaknesses that may affect the financial situation.	The net value cannot be higher than eighty percent (80%) of the acquisition cost, net par value of the amortizations made until the date of valuation.
C	Perceptible	Corresponds to emissions that present high or middle probability of failure to comply with the opportune capital and interest payment. Likely, its financial statements and other available information show deficiencies in the financial situation that compromise investment recuperation.	The net value cannot be higher than sixty percent (60%) of the acquisition cost.
D	Significant	Corresponds to those emissions that present failure to pay the agreed terms in the title, as well as its financial statement and other available information present marked deficiencies in their financial situation, so that the probability to recover the investment is highly uncertain.	The net value cannot be higher than forty percent (40%) of the acquisition cost.
E	Irrecoverable	Issuers that according to their financial statements and other available information, the investment is deemed irrecoverable. Likewise, if financial statements are not available with closing date June 30 and December 31 each year	The value of these investments must be fully provisioned.

Securities y/or Titles of Emissions or Issuers holding External Rankings

The debt securities or titles holding one or several rankings issued by entities ranked by external qualifiers recognized by Colombia Finance Superintendence or the debt securities or titles issued by entities ranked by external qualifiers which are qualified by these, cannot be counted for a sum exceeding the following percentages of their net face value of the amortizations performed up to the valorization date.

Long term Ranking	Maximum Value %	Short term Ranking	Maximum Value %
BB+, BB, BB-	Ninety (90)	3	Ninety (90)
B+, B, B-	Seventy (70)	4	Fifty (50)
CCC	Fifty (50)	5 y 6	Zero (0)
DD, EE	Zero (0)	5 y 6	Zero (0)

To determine the provisions over term deposits, the issuer rating is taken.

The provisions of the investments classified to hold up to maturity date, about which a just exchange price is established, correspond to the difference between registered value and fair price.

Overseas Investments

The marketable investments and investments available for sale, represented in securities or bonds of public debt issued abroad, and the securities or bonds of private debt issued abroad by foreigner issuers, are appraised based on the dirty price of purchase (BID) published by Bloomberg BID.

The present value or market value of the securities or bonds denominated in a currency other than the dollars of the United States of North America is converted to such currency based on the conversion rates for currencies published on the day of the appraisal on the website of the European Central Bank. When the currency conversion rates are not on the website of the European Central Bank, the conversion rate in relation to the dollar of the United States of America published by the Central Bank of the concerned country is taken.

(e) Portfolio of Financial Leasing Credits and Operations

It records the loans granted by the Bank under the various authorized modalities. Resources used in granting the loans come from own resources, from the public in the form of deposits and from other external and internal funding sources.

The loans are counted by the value of the payment, except for purchases of portfolio "factoring", which are recorded at cost.

Credit Policies

The Bank policy to grant credit is based in a major way on the analysis of the financial situation of the client, through the study of his financial statements, and cash flows.

The guaranties are requested primarily when operations are long term or when attention will be for an amount greater than the normal according to the characteristics of the client.

Credit Modalities

The structure of credit portfolio includes three (3) forms of credit and leasing operations:

Commercial

They are loans granted to natural or legal persons to develop of organized economic activities, other than those granted in the modality of microcredit.

Consumption

Consumption credits are understood, regardless of their amount, the loans granted to natural persons the purpose of which is to finance the acquisition of consumption goods or the payment of services for not commercial or business goals, other than those granted as microcredit.

Housing

These are the credits that, irrespective of the amount, are given to natural persons, used to the acquisition of new or used housing, or used for individual housing construction. According to the Act 546/1999, these credits are nominated in UVR or in legal tender and covered by first mortgage guarantee over the housing.

The redemption term is between five (5) years, minimum and thirty (30) yeas, maximum term. The credit can be totally or partially prepaid at any time with no any penalty. If partially prepaid, the debtor is entitled to elect if the amount prepaid decreases the installment or rather decrease the term of the obligation. Additionally, these credits have a remuneration rate, which applies over the balance of debt nominated in UVR or in pesos; the interest is collected in arrears and are capitalized; the amount of credit may be up to seventy percent (70%) of real proper value, determined by the purchase value or by the appraisal technically made within the six /6) month before the obtainment of credit.. In the credits used to finance social interest housing, the amount of credit may be up to eighty percent (80%) of price of property. The housing funded will be ensured to cover against fir and earthquake risk.

Criteria for Credit Risk Assessment

The Bank permanently values the risk incorporated in credit asset, both at the time the credits are granted, and throughout their life, included the restructuring cases. For such purposes, the entity designed and implemented a CRMS (Credit Risk Management System) comprised by credit risk management policies and procedures, reference models expected loss estimation and quantification, system of provision to cover credit risk and internal process control.

Granting of credits is based on the knowledge of credit subject, its payment capability, and the characteristics of the contract to be entered into, including, inter alia, the conditions of loan, guarantees, source of payment and the macroeconomic conditions the borrower may be subject to.

In the granting process, variables allowing for determining the credit subjects matched to the Bank risk profile have been established for each type of portfolio. Segmentation and discrimination processes of credit portfolios and their potential credit subjects, are used as a basis for qualification, as well as the application of internal statistic models assessing the several different applicant’s aspects for credit risk quantification. Methodologies and procedures implemented in to grant the credit allow for monitoring and controlling the credit exposure of the several different portfolios, as well as the aggregate portfolio, thus preventing an excess of credit concentration by debtor, economic sector, economic group, risk factor, etc.

The Bank makes a continued monitoring and qualification of credit operations consistent with the process to grant the credit, based, among other criteria, on the information related to the historical portfolios and credits behavior; debtors' specific characteristics and backing up guarantees, debtor's behavior in other entities, and financial information of prospective borrower allowing for knowing its financial situation; and sector and macroeconomic variables influencing the normal development of such variables.

In the evaluation of territorial public entities, the Bank verifies the compliance with the conditions set forth in laws 358/1997, 550/1999, 617/2000, and 1116/2006.

Assessment and Requalification of the Credit Portfolio

The Bank assesses its credit portfolio risk introducing the corresponding modifications in the respective rankings when there are

For the proper compliance with this obligation, the Bank considers the debtor's credit history in other entities and particularly if at the time of evaluation the debtor has restructure obligations, according to information from central risk or any other source. The behavior of portfolio of clients is updated in connection with pay downs, writing--off, and the magnitude of the late payments.

The Bank performs the assessment and requalification of the credit portfolio in the following cases:

- When credits are in arrears after being restructure, and in such event the credits are to be reclassified.
- At least during May and November, the results of the evaluation and the reclassification applicable shall be recorded at closing of the subsequent.
- When the credits are in arrears after being restructured, and in such event the credits are to be immediately reclassified.

Credit Risk Ranking

The Bank qualifies the credit operations based on criteria aforementioned and classifies the operations into any of the credit risk categories below taking into account the following objective minimum conditions:

Category	**Granting**	**Commercial Portfolio Granted**	**Consumption Portfolio Granted**
"AA"	New credits with ranking "AA" assigned at the moment of granting.	The credits already granted that are not in arrears more than 29 days default of contractual obligations, i.e. between 0 and 29 days in arrears.	The credits which qualification obtained by applying MRCO qualification methodology established for arrears, by the regulation, is equal to "AA".
"A"	New credits with ranking "A" assigned at the moment of granting.	The credits granted in arrears higher than or equal to 30 days and less than 60 days default of contractual obligations, that is, 30-59 days in arrears.	The credits which qualification obtained by applying MRCO qualification methodology established in the regulations is equal to "A".
"BB"	New credits with ranking "BB" assigned at the moment of granting.	The credits already granted currently in arrears higher than or equal to 90 days of default of contractual obligations, that is, between 60 and 89 days in arrears.	The credits which qualification obtained by applying the MRCO qualification methodology is equal to "BB".
Category	**Granting**	**Commercial Portfolio Granted**	**Consumption Portfolio Granted**
"B"	New credits with ranking "B" assigned at the moment of granting.	The credits already granted in arrears more than or equal to 90 days and less than 120 days default of contractual obligation, that is, between 90 and 119 day	The credits which qualification obtained by applying MRCO qualification Methodology established by the regulations is equal to "B".

Category	Granting	Commercial Portfolio Granted	Consumption Portfolio Granted
		in arrears	
"CC"	New credits with qualification assigned at the time the credits is granted as "CC	The credits already granted in areas for more than or equal to 120 days and less than 150 days of default of contractual obligations, i.e. 120 and 149 days in arrears of contractual obligation	The credits which qualification obtained by applying MRCO qualification methodology established by the regulation, is equal to "CC".
"Default"	In this category will be classified the new credits when the applicant is reported by any entity in Central of Risk CIFIN in qualification D, E or written-off portfolio.	The credits granted showing arrears of more than or equal to 150 days.	Consumption Credits in arrears for more than 90 days.

For homologation purposes, commercial and consumption portfolios risk qualification in the indebtedness reports and in the financial statements, the Bank applies the following table:

<table>
<tr><th rowspan="2">Grouped category</th><th colspan="2">Report category</th></tr>
<tr><th>Commercial</th><th>Consumption</th></tr>
<tr><td rowspan="2">A</td><td rowspan="2">AA</td><td>AA</td></tr>
<tr><td>A actual delay between 0- to 30 day</td></tr>
<tr><td rowspan="2">B</td><td>A</td><td>A actual delay more than 30 days</td></tr>
<tr><td>BB</td><td>BB</td></tr>
<tr><td rowspan="3">C</td><td>B</td><td>B</td></tr>
<tr><td>CC</td><td>CC</td></tr>
<tr><td>C</td><td>C</td></tr>
<tr><td>D</td><td>D</td><td>D</td></tr>
<tr><td>E</td><td>E</td><td>E</td></tr>
</table>

When, by virtue of the implementation of reference models adopted by Colombia Finance Superintendence, the Bank qualifies its clients as in default; these clients are homologated as follows:

Grouped Category E = Those clients in default which PDI assigned is equal to one hundred percent (100%).

Grouped Category D = The other clients qualified as in default.

For homologation purposes in consumption portfolio, the current arrears the table above refers to, is understood as the maximum recorded by debtor in the products..

Other criteria considered by the Bank to qualify credit operations are the following: For commercial portfolio, the qualification given at the time when the credit was authorized during the closing months corresponding to the quarter of disbursement of credit, the qualification in the granting process with the own characteristics of each borrower and other factors which may be considered of the higher risk.. For consumption portfolio, the classification given in the granting only at the closing month when the disbursement was made..
Housing portfolio, considering the criterion of age of arrears, is qualified into:

Category	Criteria (No. Of month in arrears)
“A” Normal Risk	With updated installments or due 2 months
“B” Acceptable Risk	Overdue more than 2 months and up to 5 months
“C” Appreciable Risk	Overdue more than 5 months or up to 12 months
“D” Significant Risk	Overdue more than 12 months and up to 18 months
“E” Failure of payment	Overdue more than 18 months

Classification of Mortgage Credit Portfolio

Category “A”: Credit with NORMAL risk. The credits classified in this category reflect an appropriate structure and compliance. Financial statements of debtors or the cash-flows of the project, as well as the other credit information indicate proper payment capacity. From the amount and origin of income standpoint for the debtor to comply with the payment obligations.

Restructuring Process

Restructured credit means that one which by signing any legal business, aims at modifying the originally agreed conditions in order to allow the debtor to attend appropriately his obligation in connection with the current or potential impairment of its payment capacity. Additionally, restructuring are considered the agreements entered in the context of the Acts 550/1999, 617/2000, and 1116 de 2006 or the additions and substitution thereof, as well as extraordinary restructuring and novations.

Fiscal Restructuring Act 617/2000

In restructuring derived from the subscription of Fiscal and Financial Consolidation Programs under the provisions in Act 617/2000, the Nation issued guarantees to obligations assumed by territorial entities controlled by Colombia Finance Superintendence, provided that the requirements set forth in such Act and agreement are accomplished before June 30, 2001. Such guarantee could be up to forty point zero percent (40.0%) for credits in force on December 31, 1999, and up to one hundred pint point zero percent (100.0%) for the new credits used for fiscal adjustment.

This restructuring featured because they reversed the provisions constituted about the obligation subject matter of restructuring in the portion backed up by the Nation, while the portion of obligation subject matter of restructuration were not backed up by the Nation, maintained the qualification they had as of June 30/2001

Should restructuring agreement is accomplished; the debtor is qualified in the category held before restructuring or in any of higher risk.

For qualification improvement purposes, the qualification after the corresponding restructuring, the terms of the agreement are to be currently accomplished.

In the event of default of agreement by the territorial public entity, the debt existing as of the date of default which is not supported by Nation guarantee, it will qualify in “E” risk category.

Extraordinary Restructurings

For structuring made as from the date the External Circular Letter 030/1999 takes force, issued of the Colombia Finance Superintendence, and up to December 31, 1999, the Bank cold reverse provisions provided that restricting agreement would allow to qualify the debtor in “A”, or otherwise, at least two installments had been made or a payment to capital had been made and a certification of compliance had been obtained from the Management Covenant and debtor’s payment capacity, in line with the terms of Agreement

Restructuring Agreements

For restructured credits until the validity of Act 550/1999, when beginning restructuring negotiation, the Bank suspended the accrual of interest over the credit prevailing and maintained the qualification they had as if the date of negotiation.. Notwithstanding, if the client was qualified in “A” risk category, it was reclassified at least to “B” category and a provision equivalent to one hundred point zero percent (100.0%) was constituted from the accounts receivable.

In the event of any failure of negotiation, the credits were qualified in “E” category uncoverable credit.

When any client is admitted to the restructuring process under the terms of Act 1116/2006, The Bank suspends the accrual of returns and qualifies the client in any risk category consistent with the actual situation. If client’s situation impairs or it is assumed that the ongoing agreement fails to meet Bank’s expectations, the qualification is reviewed, and the client reclassified in the appropriate risk category. If an agreement is not reached, or judicial liquidation is declared, the client is classified as in default.

Especial Criteria to Qualify Restructured Credits

The credits restructured can retain the prior qualification provided that the restructuring agreement involves any improvement of debtor’s payment capacity and/or of the probability of default. If restructuring provides grace period to pay the capital, only such qualification is maintained when those periods will not exceed one (1) year term as from the execution of the agreement.

The credits may enhance qualification of otherwise modify its default condition, after restructuring; only when debtor documents a behavior of regular and effective payment of capital consistent with a normal credit behavior, provided however that its payment capacity is maintained or improved.

(f) Write-off of Loans and Financial Leasing Operations

Credit portfolio, in the opinion of the Administration unrecoverable or remote or uncertain retrieval, and they are one hundred percent (100%) provisioned, is susceptible of punishment following unsuccessfully attempting collection actions, in accordance with the concepts issued by the collection lawyers and bank manager lawyers.

Punishment does neither relieve the officers of the liability for credit approval and management, nor releases them form the obligation to pursuing collections activities.

The Board of Directors is the sole body competent to approve the writing-off operations considered unrecoverable.

(g) Provision for Credit Portfolio, Account Receivable and Financial Leasing Operations

The Bank to cover the credit risk is based on system of provisions, calculated over the outstanding balance by the application of reference models of Commercial Portfolio (MRC) and consumption portfolio (MRCO). For he credits under modalities of housing portfolio, the provision is determined in function of the client’s delay.

Commercial and Consumption Portfolio

The Bank applies the methodology of calculation of provisions in cumulative or de-cumulative phase based on the monthly assessment of the behavior of deterioration, efficiency, stability and growth indicators, described below, provident that they are accomplished during three consecutive months:

Assessment	Indicator	Cumulative Stage	De-cumulative Stage
Impairment	Actual semester variations of individual provisions of total portfolio B, C, D y E	< 9%	> = 9%
Efficiency	Quarterly accumulate of net provisions from recoveries as percentage of accumulate income for portfolio and leasing.	< 17%	> = 17%
Stability	Quarterly cumulated of net provisions of recoveries from portfolio as percentage of quarterly accumulated of adjusted gross financial margin.	< 42%	> = 42%
Growth	Annual actual growth rate of gross portfolio.	> 23%	< = 23%

As from the accounting closing Mayo de 2011, the changes for calculation of these indicators were implanted, according to the provisions in the External Circular Letter 017 of May 4/2011 including the item

1.3.4.1 of Chapter II in Circular Letter 100/1995. Above includes deflation of Impairment Indicators (real quarterly variation of individual provisions of total Portfolio B, C, D and E) and Growth (real annual growth rate of gross portfolio). Additionally, the interest income of portfolio accrued during the quarter the sub-items 410241, 410242 and 410243 were discounted from the indicator calculation (consumption default interest)

Based on above, portfolio individual provision was calculated as the sum of Procyclic Individual Component and contra cyclic Individual Component.

Individual Procyclic Component (IPC): corresponds to the portion of credit portfolio individual provision reflecting credit risk of each debtor, in the present. IPC is the expected loss calculated using Matrix A.

Contracyclic Individual Component (CIC): corresponds to the portion of credit portfolio individual provision reflecting the possible changes in credit risk of debtors where impairment of such assets increases. Such portion is constituted in order to reduce the impact on statement of results when such situation occurs. CIC corresponds to the higher value between CIC of the precedent month affected by the exposure, and the difference between the loss expected of matrices B and A of the month when evaluation is made.

Expected loss estimation (provisions) results from the application of the formula below:

$$Expected\ Loss = IPC + CIC$$

Where

$$IPC = PI_{Matrix\ A} * PDI * EDI$$

$$CIC = \max A \left(CIC_{i,t,-1} * \frac{EDI_{i,t}}{EDI_{i,t-1}} \right);\ (PE_B - PE_A)_{i,t}$$

The segmentation processes and credit portfolio discrimination and of their potential credit subjects, are used as the basis for estimation of expected loss in the Reference Model of Commercial Portfolio (MRC) based on differentiated tracking by the asset level of debtors under the following criteria:

Portfolios	Concept
Big-sized Companies	More than 15.000 MMLSP of Asset
Medium-Sized Companies	Between 5.000 and 15.000 MMLSP of Asset
Small-Sized Companies	Less than 5.000 MMLSP of Asset
Natural Persons	Natural Persons which are debtors of commercial credit

The Reference Model of Consumption Portfolio (MRCO) is based on segments differentiated according to the products and the credit granting establishments, in order to preserve the particularities of market niches and the products granted.

- **General - Automobiles**: Credits granted to purchase automobile.
- **General - Others**: Credits granted to purchase consumption goods other than automobile. In this segment credit cards are not included.
- **Credit Card**: Rotatory credit to purchase consumption goods used via a plastic card

For portfolio follow-up and qualification, the Bank applies the reference models as defined by Colombia Finance Superintendence. For Commercial portfolio, in the qualification process, a methodology of qualification is used for the portfolio non evaluated on an individual basis, based in classification models of clients considering the probability of default, adjusted with macroeconomic and sector factors. This methodology is implemented since December 2010

Expected loss estimation results from the application of the formula below:

Expected Loss (EL) = [Probability of default)] x [Asset exposure at the time of default] x [Loss due to default]

a. Probability of Default (PD)

It corresponds to the probability that within twelve (12) months span period, the debtors will incur in default.

The probability of default was defined based on the following matrices established by Colombia Finance Superintendence:

Commercial Portfolio

Qualifc.	Big Company		Medium Company		Small Company		Natural Persons	
	Matrix A	Matrix B	Matrix A	Matrix B	Matrix A	Matrix B	Matrix A	Matrix B
AA	1.53%	2.19%	1.51%	4.19%	4.18%	7.52%	5.27%	8.22%
A	2.24%	3.54%	2.40%	6.32%	5.30%	8.64%	6.39%	9.41%
BB	9.55%	14.13%	11.65%	18.49%	18.56%	20.26%	18.72%	22.36%
B	12.24%	15.22%	14.64%	21.45%	22.73%	24.15%	22.00%	25.81%
CC	19.77%	23.35%	23.09%	26.70%	32.50%	33.57%	32.21%	37.01%
Default	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Consumption Portfolio

Qualifc.	Matrix A			Matrix B		
	General – Auto motors	General – Other	Credit Cards	General – Auto motors	General – Other	Credit Cards
AA	0,97%	2,10%	1,58%	2,75%	3,88%	3,36%
A	3,12%	3,88%	5,35%	4,91%	5,67%	7,13%
BB	7,48%	12,68%	9,53%	16,53%	21,72%	18,57%
B	15,76%	14,16%	14,17%	24,80%	23,20%	23,21%
CC	31,01%	22,57%	17,06%	44,84%	36,40%	30,89%
Default	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%

This way for each debtor, commercial and consumption segment, the probability to migrate between its current qualification and the default qualification in the coming twelve (12) months is obtained, according to the cycle of credit risk general behavior.

b. Loss due to default (PDD)

It is defined as the economic impairment incurred by the Bank in the event that any default situation will occur. PDI for debtors qualified in default category will involve a gradual increase according to the days elapsed after classification in such category.

The guarantees backing up the operation are necessary to calculate the expected loss in the event failure to pay, and hence, to determine the level of provisions.

The Bank considers as appropriate guarantees those assurances duly executed having a value determined based on technical and objective criteria offering a legally efficacious of the payment of the obligation supported and which possibility of compliance is reasonably adequate.

To evaluate the support offered and the possibility of compliance of each guarantee, the Bank considers the following factors: Nature, value, coverage and liquidity of guarantees, as well as the potential cost of compliance and legal requirements necessary make them enforceable.

PDD by type of guarantee is the following:

Commercial Portfolio:

Type of Guarantee	P.D.D.	Days after default	New PDD	Days after default	New PDD
Non-admissible Guarantee	55%	270	70%	540	100%
Subordinate Credits	75%	270	90%	540	100%
Financial Collateral admissible	0 – 12%	-	-	-	-
Commercial and Residential Real Estate	40%	540	70%	1080	100%
Goods given in Real Estate Leasing	35%	540	70%	1080	100%
Goods given in leasing other than real estate leasing	45%	360	80%	720	100%
Other collaterals	50%	360	80%	720	100%

Collection Rights	45%	360	80%	720	100%
With no guarantee	55%	210	80%	420	100%

Consumption Portfolio

Type of Guarantee	P.D.D.	Days after default	New PDD	Days after default	New PDD
Non-admissible guarantee	60%	210	70%	420	100%
Admissible financial collateral	0 – 12%	-	-	-	-
Commercial and residential real estate property	40%	360	70%	720	100%
Goods given in real estate property leasing	35%	360	70%	720	100%
Goods given in leasing different from real estate leasing	45%	270	70%	540	100%
Other collaterals	50%	270	70%	540	100%
Collection rights	45%	360	80%	720	100%
With no guarantee	75%	30	85%	90	100%

To homologate the several different guarantees given in the credit contracts with the segments above listed, the Bank classifies within each group of guaranties the following:

1. Inadmissible guarantee: As such are included, among other, the joint debtors, endorsers, and warrant guarantee.

2. Admissible Financial Collateral: Includes the guarantees below:

   - Collateral security deposit: This guarantee implies zero percent (0%) PDI
   - Stand By Letters considered appropriate guarantees, zero percent PDI .
   - Credit insurance: This guarantee has twelve percent (12%) PDI
   - Sovereign Guarantee of the Nation (Act 617 / 2000): This guarantee has zero percent (0%) PDI.
   - Guarantees issued by Guarantee Funds: This guarantee has twelve percent (12% PDI
   - Pledge on securities issued by financial institutions: This guarantee has twelve percent (12%) PDI

3. Collection rights: Represented by:
   - Irrevocable Mercantile Fiducias of guarantee.
   - Pledging of income of territorial and decentralized entities of any order.

4. Real Estates and residential property: Classified as such the following guarantees:
   - Mortgage Fiducias
   - Real estate Guarantees.

5. Goods given in Leasing: the goods given in the following leasing agreements are classified in this category:
   - Real Estate Leasing.
   - Housing Leasing .

6. Goods delivered in leasing different from real estate. The goods given in the following leasing agreements are included in this category:
   - Leasing of machinery and equipment.
   - Leasing of vehicles.
   - Leasing of furniture and fixture.
   - Leasing ships, trains and aircraft.
   - Leasing of computing equipment.

- Leasing livestock.
- Leasing of software.

7. Other collaterals: The following guarantees are included in this category:
   - Pledge over processed inventory.
   - Pledge over supplies – basic goods.
   - Pledge over equipment and vehicles.
   - Bonds od pledging.

8. Without guarantee: The Bank classifies within this category all guarantees not included in the items above and all obligations with no any guarantee.

This way, for each debtor a different PDI is obtained according to the type of guarantee backing up the operation.

Given that guarantees constitute an important factor in the calculation of the expected loss, the policies and criteria of the Bank applied to them are described below::

Politic of Guarantees

- The guarantee is a legal mechanism used to back up the obligations assumed by the clients to the Bank.
- When credits are given, the approving entities condition the delivery of money to the compliance of some conditions, among which, the constitution and delivery of guarantees.
- The purpose of guarantees is to back up and ensure the compliance with the obligation (capital plus interest, fees and other charges) in the event of any contingency or default.
- There exist two types of appropriate or non-appropriate guarantees. Appropriate guarantees are those ones duly executed with a value established based on the technical and objective criteria offering and efficacious legal support of the compliance with the obligation guaranteed, giving to the Bank a preferred or best right to obtain the payment of the obligation the possibility of which is reasonably sufficient.
- The credit operations approved supported by any appropriate guarantee, care not susceptible of counting for or disbursing unless the guarantee has been duly constituted and legally executed, unless an explicit authorization by the approving entity.
- The guarantees will be chosen in accordance to its liquidity, that is, the facility to perform the goods involved. The evaluation of guarantees must be based on technical appraisals made by expert professionals.

c. The value exposed of the asset

In the commercial portfolio and consumption portfolio, it is understood as exposed value of the assed the outstanding balance of capital and interest and other receivables.

As of December 31. 2012, in compliance with the provisions in the External Circular Letter 026 / 2012, the Bank made an additional individual provision over the portfolio of consumption equivalent to the procyclic individual component of 0.5% over the outstanding capital of each consumption credit of the reference month multiplied by the corresponding PDI correspondent.

Housing Portfolio

General Provision

Corresponding at least to one percent (1%) over the total credit gross portfolio to the housing modality.

The Bank maintains at any time, provisions no less than those percentages below indicated over the outstanding balance

Category	Capital % Potion Backed up	Capital % Portion non-backed up	Interest and other concepts

A- Normal	1	1	1
B- Acceptable	3.2	100	100
C- Appreciable	10	100	100
D- Significant	20	100	100
E- Uncoverable	30	100	100

For Housing Portfolio, if during two (2) consecutive years the credit remain in the category "E", the percent of provision over the guaranteed portion increases sixty point zero percent (60.0%). Should one additional year elapses under these conditions, the percent of provision over the guaranteed portion increases to one hundred percent (100.0%).

Effect of the appropriate guarantees over the constitution of individual provisions

For the purposes of individual provisions constitutions, the guarantees only over the capital of credits. Consequently, the outstanding balances to be amortized of the credits covered by securities holding the character of appropriate in the percentage corresponding by the application of such percentage:

- In dealing with housing credit in the portion not covered by guarantee, to the difference between the value of the outstanding balance and one hundred percent (100%) of the amount backed up. For the backed up portion at one hundred percent (100%) of the outstanding balance backed up
- In dealing with microcredit, to the difference between the amount of outstanding balance and the seventy percent (70%) of the value of guarantee. In these cases, depending on the nature of guarantee and the time of default of the respective credit, for the constitution of portions only the percentages of total value of guarantee indicated in the following charts are considered:

Non-mortgage Guarantee	
Time in Default	Percentage of coverage
0 to 12 months	70%
More than 12 months to 24 months	50%
More than 24 months	0%

Mortgage or Fiducia Appropriate Guarantee	
Time in default	Percentage of coverage
0 to 18 months	70%
More than 18 month to 24 months	50%
More than 24 month to 30 month	30%
Mora than de 30 months to 36 month	15%
More than 36 months	0%

Lining up Rules

Bank applies lining up rules of debtor qualifications according to the following criteria:

a. Following the constitution of provisions and qualification homologation, monthly and for each debtor, the Bank performs the internal lining up, and for such purpose it is carried to the higher risk category the credits of the same modality granted to debtor

According to the relevant legal provisions, the Bank is under the obligation to consolidate financial statements; it assigns equal qualification to the credits of the same modality granted to a debtor.

(h) Acceptances, Spot Operations and Derivatives

Register the value of bank acceptances created by Bank on account of its clients and those ones created on account by its correspondents. In the same way, the bank registers spot operations and contracts entered by the Bank, of the operation with derivatives, such as forward, carrousel, futures, swaps and options

Bank Acceptances

Bank acceptances have a maturity term up to one (1) year and only originated from import and export of goods or sale/purchase of movable goods in the domestic market.

At the time of acceptance of letters, its value is simultaneously accounted for in the asset and in the liabilities, as "bank acceptance in term," and if at the maturity they are not submitted to be collected, they are ranked under the title "bank acceptances after the term". If when payment is made, they have not been covered by the purchaser of goods, they will be reclassified to the account of loans "bank covered acceptances".

After maturity date, bank acceptances are subject to the cash position established to exigibilities at sight and before 30 days.

Spot Operations

Include the operations recorded with a compensation term equal to the date of registry of the operation or up to 3 business days from the day following the operation was made.

Financial assets acquired in spot operations are booked in the date of compliance or liquidation rather than in the negotiation date, unless these two date are coincident. Without prejudice of the foregoing, the changes of market value of the documents sold must appear in the statement of results as from the date of negotiation, as applicable.

Under the method of liquidation date, the seller records financial asset in its balance sheet until financial asset, a right to receive the cash derived from the transaction and an obligation to deliver the asset negotiated. The latter is valued at market price according to regulations prevailing for such investments and the variance of valuation of such obligation recorded in statement of results.

On the other hand, purchaser of asset does not records financial asset until the delivery thereof, but a right to receive asset is accounted for, which will be valued at market price, and an obligation to deliver the cash agreed on in the operation.

When operation is actually made, purchaser and seller of asset will revert both the right and the obligation recorded since the time the negotiation was made.

Derivative Financial Instruments

A derivative financial instrument allows for the administration of one or more risks associated to underlying risk and compiles with any of the conditions below:

- Requires no a net initial investment.
- Requires a net initial investment lower to that necessary to purchase instruments providing the same expected payment as a response to the changes of market factors.

- **Forward Operations**

A 'forward' is a derivative formalized by an agreement between two parties, made to the measure of the needs, to purchase/sell any specific amount of a given subjacent at any future date, stating, in the date of execution, the basic conditions of derivative financial instrument, between the parties, mainly the price, the delivery date of underlying and the modality of delivery. The assessment of instrument in the maturity date may be made by physical delivery of the underlying or by liquidation of differences, depending on the underlying and the modality of delivery agreed on, this latter susceptible of modification by mutual agreement between the parties during instrument term.

- **Options**

An "option" is a contract giving the holder an option or the right, although this does not imply the obligation of purchase or sale a specific amount of an asset at any price and at any determined date or during any determined time. Such contract undertakes the signatory to sale or purchase the asset in the date when the "option" will be exercised by the holder according to the conditions related to quantity, quality, and price determined for such purpose in the contract.

- **Swaps**

A swap operation, or financial swap is a contract entered into between two parties whereby the contracting parties Exchange a series of cash flows, calculated according to some conditions contractually agreed on which must be compensated on the specific dates at the agreed on at the beginning of the operation.

The purpose of this type of operations is to reduce the risks generated by the variations of exchange and interest rates. In general, the swaps are contracts aimed at covering those long-term operations involving a residual flow.

Swap operations may be about interest rate, or contracts where cash flows paid by both two parties are nominated in the same currency, and swaps of Exchange type, or foreign currency where the flows of the operation are nominated in different currencies.

There exist two types of interest rate swaps: Fixed rate by variable rate, and variable rate by variable rate
The Interest Rate swap (IRS) is a an agreement between two parties needing to Exchange the interest derived from the payment or collection of future flows existing in different modalities of interest rate. In this type of swap, there is no transfer of principal and is made in the same currency.

The Cross Currency Swap (CCS) is a contract between two parties needing to Exchange principals, which are nominated in different currencies, for a specific time period . During the time of contract, each of the parties assume the interest generated by the principal received in the swap or Exchange. On the amortization dates and upon the expiry of contract, the principals are exchange at the original type of currency of every party, and the spot rate of the beginning of the operation is used.

- **Futures**

A Future is a standardized agreement about its compliance date, size or par value, characteristics of the respective underlying, price and delivery conditions (in king or in cash). This future is negotiated in a Stock Exchange with counterparty Central Risk Chamber, by virtue of which two parties become obliged to purchase/sell an underlying in any future date (expiry date) at a price agreed on the date of execution of agreement.

Futures may be accomplished by cash liquidation, by means of opposite operation before expiry date, by physical delivery of product or by making liquidation against an index.

Accounting and valuation of Derivatives Financial Instruments:

Financial instruments derivatives can be negotiated for any of the purposes below:

- Coverage of risks from other positions,
- Speculation, attempting to obtain profit, or
- By doing market arbitration.

Accounting of the financial instruments derivatives is dependent on its negotiation purpose

Financial Instruments Derivatives with Speculation Purposes

These operations are included in the balance sheet, since the date of execution of the fair price of exchange. When in the initial date the value of contracts is zero (0), i.e., neither payments are made nor physical delivery between the parties, the statement of results remains unchanged. In the subsequent valuations, the variations in the fair price of exchange are recorded in statement of results.

In the date of assessment of financial instruments derivatives the balances corresponding to account of the balance sheet are paid out and any difference is charged as a profit or loss in the respective account the statement of results, as applicable. Should the accumulate balance of financial instrument derivative on such date is positive, an income is recorded, and if negative, an expenditure is recorded. This procedures is carried out in and independent manner, instrument by instrument, each time there are liquidated.

Type of Operation	**Valuation and Accounting**
Forward on Securities	In the forward of purchase over securities, the right is calculated by valuing the security at the market price and the obligation obtaining the present value of the purchase amount agreed upon. In the event of forwards of sale over securities the right is calculated obtaining the

Type of Operation	Valuation and Accounting
	present value of the sale amount agreed and the obligation valuing the security at market price.
Forward on foreign currency	Methodology of valuation for forward and spot operations over foreign currency used by the Bank, is made by bringing to present value the flows, (future obligations and rights involved in the operation; the more usual is that one of these two flows is given in US Dollars, and the other one in Colombia Pesos. Each flow is brought to present value using market discount rates in dollar and Colombian Pesos for the remaining term in each operation. These present values are computed using the continuous composed rates. Once present values of the flows are obtained, they are re-expressed in Colombian pesos using the Market Representative Rate calculated and certified by Colombia Finance Superintendence. The interests used are those of the market based on mean devaluations of Colombian Market.
Options	The determination of option market value in currency made by the Bang, it is estimated using a methodology developed by Black and Scholes. Information to be used in the model to value the options is obtained from financial information systems currently providing the prices for the variables involved (Volatility, free rates of local and foreign risks). The initial record corresponds to the premium actually paid and the variations in the exchange fair price in respect of the initial actually paid are accounted for in the statement of results. The rights and obligations are recorded in the contingent accounts. When the Bank purchase an option, either “call” or “put” , the accounting records, both of the premium paid and its daily variances at Exchange fair price is made in the Asset. When the Bank sells an option, the accounting record of the premium received and the records of daily variations at Exchange fair price are recorded in the Liabilities. In the date the contract is finishes, the balances corresponding to value of right and that of the obligation are paid out, and any difference ins charged as profit of loss in the valuation of derivatives
Futures	In this type of derivatives, there is daily assessment of profit and loss. The Chamber of Counterpart Central Risk “CCCR”” communicates, in a daily basis, the result of participant compensation and proceeds to debit or credit the loss and profit made. For the event of futures of notional bond, if the Bank shows short position, it notices the “CCCR” the security intended to be used to comply with its obligation, according the specifications of the deliverables basket and the transfer of such securities is made through the deposits of securities (DCV and/or DECEVAL) who will confirm to “CCCR” the transfer of such securities. For the event of futures of dollar/peso exchange rate at the term of the contract, the assessment is made against the underlying price (MRR) published the last day of negotiation. The value of the obligation to be recorded by the seller in its bank (right for buyer), in Colombian pesos, corresponds to the price of each unit of contract of futures reported on the date of valuation, by Stock Exchange by the number of contracts, and by the nominal value of each contract. On the other hand, the value of the right to be recorded, the seller in its balance sheet (obligation for purchaser), in Colombian pesos, correspond to the price of each unit fixed in the future contract, multiplied by the number of contracts and by the nominal value of each contract. The Novated Forwards consist of financial instruments derivatives, negotiated in the counter market and which counterparts, by mutual agreement, make the decision to carry it to a counterpart central risk chamber for its compensation and liquidation; this agreement is governed by the frame contract executed between the

Type of Operation	Valuation and Accounting
	initial counterparts until the day when the counterpart central risk chamber is interposed as counterpart of the operation. From that moment on, the rules of the chamber will apply and therefore, the frame contract will cease to be valid previously executed between the initial counterparts of such financial instrument. Likewise, the respective Counterpart Central Risk Chamber must ensure to Colombian Finance Superintendence, the Access to the information of those operations required by the Superintendence. The accrued balance existing in the balance sheet until the day when the counterpart central risk chamber effectively accepts the operation, this same day is carried to an payable or a receivable account, as applicable, in the name of such chamber, Such account is cancelled with rules of the respective Counterpart Central Risk Chamber.
Swaps	The valuation of swap consists of bringing to present value (disconnection) each one of the future flows and turn them into the currency base of the accounting. To carry out the process of valuation of swap, the Bank updates the market information (curves of interest rate and exchange rate) and according to the specific characteristics of each operation, breaks down the swap into future cash flows and calculates the total flow in every date of compliance. The summation of presents values of flows received is accounted of as a right and the summation of the series of flows delivered are accounted for as an obligation. The result of valuation of the day when the operation was made, is recorded as a deferred, which is amortized until the maturity of swap. From the result of valuation since the second day and up to the maturity of the operation, the amortization of such deferred is subtracted.

(i) Realizable, Received in Payment and Delivered Back Asset

Corresponded to goods received in payment of credit obligations unpaid by clients recorded by its commercial value supported on an appraisal of recognized technical value. When the difference between final value and the credit paid is higher, such difference is recorded as an account payable.

Valuations of immovable property received in payment, are accounted for in the memorandum accounts

When the good received in dation of payment is not in marketable conditions, its cost is increased with the necessary expenses incurred to render salable to property.

The goods delivered back from financial leasing operations due to default of the contract by the lease, or due to refraining from exercising purchase option, the good recorded at the cost, corresponding to the balance receivable from the leasing contract.

Valuation on goods delivered back, movable and immovable, they are recorded in the memorandum account.

(j) Provision Current Asset Received in Payment and Delivered Back

Immovable Property

A provision is made in monthly aliquots within the tax year following the receipt of the property, equivalent to thirty percent (30%) of acquisition cost, and increased in monthly aliquots within the second year by thirty percent (30%) additional until reaching sixty percent (60%). Upon the completion of legal term to the sale, and the extension has not been authorized, the provisions is increased to eighty percent (80%), unless extension is obtained, in such event, the twenty percent (20%) may be made within the term of the extension.

When acquisition cost of the immovable property is lower than the value of the debit recorded in the balance sheet, the difference is immediately recognized in the statement of results.

When the commercial value of the immovable property is lower than the booked value of the asset received in payment, a provision for the difference is accounted for.

Movable Property

For movable property, a provision equivalent to thirty five zero percent (35.0%) of the acquisition cost of the property received in payment is made within the following year the property is received, and increased in the second year by thirty five zero percent (35.0%) until reaching seventy zero percent (70%) of the value booked of the property received in payment before provisions. Upon the completion of the legal terms to sell the asset, without any extension is obtained, the provisions will be one hundred zero percent (100.0%) of the value of property before provision, unless an extension is obtained, and in such event the additional thirty Zero percent (30.0%) may be made during the extension.

Without prejudice of the provisions aforementioned, the movable goods received in payment corresponding to investment papers are value by applying criteria that for such purpose, are provided in chapter I of the Accounting and Financing Basic Circular Letter, taking into account its classification as marketable investments, available for sale of to be maintained up to the maturity.

The provisions made over property received in payment or property delivered back from leasing operations, may be reversed they are spot sold, if those goods are placed in portfolio or in financial leasing operations, the profit derived as a result of the transfer of asset to the account portfolio of credit and financial leasing operations
, shall be deferred in the term where operation was agreed on.

Regulations about Legal Term for Sale

The goods received in payment shall be sold within two years following the date of acquisition; they may, however, accounted for as fixed asset, when they are necessary in the ordinary line of business and the limits of investment of asset are accomplished.

It is possible to apply for Colombia Finance Superintendence to extend such term of sale, and such application may be submitted in any case properly in advance to the legal expiry term set forth.

In the respective application, it is necessary to demonstrate that, notwithstanding. The procedures of management for the alienation have been flowed, it has not been possible to obtain the sale. In any case, the extension of term cannot exceeded, two years, as from the date of maturity of their initial legal term, and during such period it is necessary to continue with the tasks aimed at the sale of these unproductive assets.

(k) Property and Equipment

Records tangible asset acquired, constructed or under import process, use in a permanent manner in the development of the line of business and the useful life of which is more than one (1) year. This includes cost and indirect expenses caused until the time the asset is under use conditions.

Additions, improvements, and extraordinary repairs are significantly increasing useful life of assets, are booked and additional value and the expenses related to maintenance and repairing made to maintain such assets are included in debited to expenses as they are caused.

Depreciation is recorded using straight-line method y according to estimate number of useful life years of the assets. Annual depreciation rates of each item of asset are the following:

- Buildings	5%
- Office equipment, furniture and fixture	10%
- Computing Equipment	20%
- Vehicle	20%

The property and equipment are recorded at cost price, which was re-expressed as a result of the inflation up to December 31, 2000.

Individual provisions on the property and equipment which net vale is higher than the commercial value determined by technical appraisal shall be recorded, and when the net value is lower than the commercial value, such difference is recorded as valuations of asset in the patrimony.

(l) Asset given in Operative Leasing

Include the cost of goods given in operative leasing delivered by the entity to be used by the user following the respective agreement.

Where in contracts of operative leasing it is provided that together with the payment of rent ninety percent (90%) more the value of good is amortized, depreciation of such goods will be made during the term of the agreement and using the methodology of financial depreciation according to contractual conditions.

The goods given in operative leasing are recorded at cost and disbursement on account of improvement and repairs to increase their efficiency and useful-life of that of capitalized asset. The expenditures for maintenance and repairs are accounted for as expense of the operational period where expenses are made.

Depreciation of goods given in operative leasing, is made in the time resulting lower between useful-life of the good and the leasing contract term.

Over the value of goods given in leasing a general 1% provision is made, without exceeding the accrued depreciation amount one hundred percent of the goods given in operative leasing.

(m) Branch Offices and Agencies

Accounts for the transactions of the operations made between Main Office and the Branch Offices, as well as those made between them and the Agencies.

Balances are daily reconciled and the pending items resulting are regularized during a term no longer than thirty (30) calendar days.

At the accounting closing net balances are reclassified, to reflect the accounts from branch offices and agencies, to asset or liabilities accounts and the respective income and expenses are recognized.

(n) Prepaid Expenses and Deferred Charges

Prepaid expenses correspond to expenditures incurred by the Bank in the activity development which benefit or service is received during several periods; they may be recoverable and involve the successive supply of services to be received.

Deferred charges correspond to costs or expenses that benefit future periods and are not susceptible of recovery. Amortization is recognized from the day they contribute to produce income.

Causation or Amortization is made as indicated below:

Prepaid Expenses

- Interest during prepaid period.
- Insurance during policy term
- The other prepaid expenses during the period the services are received.

Deferred Charges

- Organization and preoperational expenses during a period no longer than two (2) years.
- Restructuring during a time period no longer than two (2) years.
- Studies and project, a time period no longer than two (2) years.
- Computing software during a time period no longer than two (3) yeas
- Stationery according to actual consumption
- Improvements to property leased during the shorter period between the term of the respective lease agreement, overlooking the extensions, and the probable useful-life of the property.
- Deferred income tax “debit” for temporary differences at the time the legal and regulatory requirements are compiled as provided in the tax regulations.
- Patrimony tax during a 4-year time period
- Real Estate Tax during 1-year time period
- Contributions and affiliations during the prepaid time period.
- The other concepts are amortized during the estimate period to recover the expenditure or the obtainment of the expected benefits

(o) Goods to be placed in Leasing Agreements

The new goods acquired by Company which contract has not started due to any pending legal requirements are entered in this accounting item, and those goods under in operative leasing delivered back by lease are also entered in this item. The devolution of those goods shall be accounted for by its book cost (cost less accrued depreciation) it is not subject to depreciation; provision is made according to the guidelines in Chapter III of Circular Letter 100/1999 (See Note 2, letter j – Marketable Goods Received in Payment Provision, and delivered back goods).

(p) Intangible Goods

Under Resolution 0828, of May 19/2006, Colombia Finance Superintendence authorized the take-over of Banco Unión Colombiano S.A. The mercantile credit resulting from the difference between the value paid and net patrimony as of the date of the take-over, of Banco Union Colombiano, is redeemed by exponential system in 237 month, the difference between 20-year term and the time already redeemed according to provisions in the External Circular Letter Nº 034/2006 of Colombia Finance Superintendence . In any case, the Bank may voluntarily elect a shorter period.

At present, the Bank values at market prices the line of business associated to mercantile credit, which are fully determined and identified within the the entity acquired since the zero time of the acquisition, to determine if there is or not due to impairment of value. The valuation is made by using the method of flow of profit generated by each line of business identified as generator independent from cash.

In the event that it is determined that business lines have resulted in loss for the impairment of value, such loss shall be immediately recognize in the statement of results as an amortization of mercantile credit associated to the same. This means that in no any event, the deferral was allowed. In the same way, if subsequently the situation becomes contrary, the loss recorded may not be invested, nor also in the balance of credit, the mercantile credit acquired may be increased

Similarly, if any of the business lines is known, more future benefits are no longer generated, the entity must immediately proceed to the amortization of mercantile credit assigned to such line of business, against the statement of results.

Rights in Trust
Registers the rights generated by virtue of execution of mercantile trust contract giving to the settlor or beneficiary the possibility to exercise the rights according to the constitutive act or law.

The transfer of one or more goods made by the settlor to the trustee shall be made, for accounting purposes, by its adjusted cost, so that the delivery itself does not involve the obtainment of profits to the constituent and the profit will only involve incidence on the results when the good or goods subject matter of trust when “actually” it is sold the third parties.

(q) Valuations

- Valuations of investment available for sale in certificates of participation are booked based on issuer’s patrimonial variances.
- Valuations of real estate property are determined by comparing the net cost to the value of commercial appraisals made recognized and independent persons or firms. If any devaluation will occur, considering the Standard of reasonable prudence, for each real estate property, a provision is made.
- Valuation of art and culture goods is recorded taking into consideration conservation status of the works, originality, size, technique and quotation of similar works.

Asset Valuation and Devaluations

Valuation of action making part of patrimony, include:

1. Commercial technical appraisals made by specialized firms, versus book net value of property and equipment and goods given in operative leasing of Bank.
2. Commercial value of available investment for sale in participative securities versus its net book cost.

For investment quoted in stock exchange, such surpluses are determined based on the market value or in default thereof, with their intrinsic value, as determined over financial statements up six month before.

In the event of impairment of value for investments available for sale, participative securities and property and equipment by real property, in keeping with prudence standard, for each good, individually, the value of valuation is reversed, if available and provision is constituted.

Over goods received in payment and delivered back, valuations are not recorded

(r) Prepaid Income and Deferred Liabilities

This item includes deferred and prepaid income received by the Bank during operational activity, which are amortized during the operational period when services are actually supplied or caused.

(s) Estimate Liabilities and Provisions

The Bank records Provisions to cover estimate liabilities, taking into account that:

- There exists an acquired right, and as a result, an obligation assumed.
- The right is payable or probably, and
- Provision is justifiable, quantifiable and verifiable.

In the same way, this item includes the estimated valued for tax, contributions and affiliations concepts.

(t) Retirement Pensions

The Bank has currently the actuarial calculation totally amortized, that is, it is maintained updated on a semi-annually basis and totally amortized during the respective half-year operational period.

Retirement pension payments are charged against the provision made.

(u) Legal Reserve

According to Decree 663 of April 2/1993, the Legal Reserve of credit entities is made up, at least with 10% of net profit from each operational period, until completing 50% of the subscribed capital; such reserve only may be decreased down to such percentage in order to set-off accrued loss in excess of the amount of undistributed profit

(v) Contingent Accounts

Economic facts or circumstances, potentially affecting Bank's financial structure, are recorded and contingent accounts. Additionally, those operations whereby the entity could acquire any right or assume an obligation the occurrence of which is conditioned that any fact will or not occur, are recorded as contingent accounts, depending on eventual or remote future factors. Contingent accounts include collaterals, bank guarantees given, open letters of credit unused, and other contingencies.

(w) Memorandum Accounts

Its items records the operations made with third parties that by its nature do not affect bank's financial situation, as well as fiscal accounts corresponding to the figures used to produce tax declarations. Similarly, it includes the accounts of internal control record and commercial information. The memorandum accounts may be debtor or creditor, depending on the nature of of the operation. It contains, in addition, the value of credits classified by age, the reciprocal operations with affiliates and as from January 1, 2001, the value for indexation fiscal adjustments of non-monetary asset and the patrimony.

(x) Income, Cost and Expense Recognition

The Bank uses the standard of association and accrual method to recognize and record income, cost and expenses. Interest, commissions, and rent paid or received in advance are recorded in the account of expense or income prepaid or received in advance. Interest, indexation, exchange adjustment, monthly rent and income for other concepts will stop causing when ay credit shows the following default: commercial credit, 3 months; consumption credit, 2 months.

Income from financial returns and financial leasing and other concepts are recognized at the time they are payable, excepting the interest, indexation, exchange adjustment, and other concepts originated from:

- Commercial credits more than 3 months in arrears
- Consumption credits more than 2 months in arrears
- Housing credits more than 2 months in arrears

Therefore, they do not affect the statement of results until they are effectively paid. While this result occurs, the appropriate record is made in the memorandum accounts.

For those cases where, as a result of restructuring agreement or any other modality of agreement occurs, capitalization of interest is accomplished recorded in the memorandum accounts or written-off portfolio balance including capital, interest and other concepts will be recorded as deferred credit in the code 272035 and its redemption to the statement of results will be made in proportion to the amount actually recovered

(y) Related-Parties

Related-parties are considered:

- The companies where the Bank holds management or financial control, and they are subject to (subordinate) consolidation.
- Stockholders individually holding more than 10% of Bank stock capital and those which individual participation is less than 10%, and respect of which exist operations exceeding 5% technical patrimony
- The members of the Board of Directors and the Managers

(z) Conversion of Transactions in Foreign Currency

As intermediary in exchange market, the Bank may directly make purchase and sales of foreign currency derived from the exchange market.

Operations in foreign currency, other than dollar, are converted into American Dollars, and the re-converted to Colombian Pesos, using the market representative exchange rate (MRR) calculated on a daily basis and certified by Colombia Finance Superintendence. At the closing of the respective operational period on December 31, 2013, and June 30, 2013 the exchange rates were $ 1.929.83 (in pesos) and $1.929.000 (in pesos), respectively

“Own position” in foreign currency of exchange market intermediaries is defined as the difference between the rights and obligations determined in foreign currency, recorded inside and outside the balance sheet, realized or contingent, including those payable in Colombian legal tender.

“Own Spot Position” is the difference between all asset and liabilities in foreign currency according to PUC excluded the investments available for sale in certificates of participation, carrousel operations, forward contracts, futures contracts, swaps and profit or loss in operation valuations, and asset and liabilities in foreign currency.

Leverage gross position is defined as the summation of i) the rights and obligations in fixed term and future contracts in foreign currency; ii) spot operations in foreign currency with compliance between on banking day (t+l) and two bank days (t+2), and iii) the exchange exposure to debit contingencies and credit contingencies acquired in options and derivatives negotiations over the type of exchange.

Arithmetic averages of three (3) business days of own position will exceed the equivalent in foreign currency to 20% of technical patrimony.

Arithmetic averages of three (3) business days of own spot position may be negative without exceeding the equivalent in foreign currency to 5% of technical patrimony.

Arithmetic average of three (3) business days of own spot position will not exceed to 50% of technical patrimony.

Arithmetic average of three (3) business days of own position leverage gross position will not exceed 550% of the amount of technical patrimony. For such purposes, the Bank determines technical patrimony in Dollars based on financial statements of the precedent second calendar month and applying exchange rate, to the re-expression of figures in foreign currency of the precedent month.

As of December 31, 2013 and June 30, 2013, the asset in foreign currency amounted to USD 859,021,008.51 and USD 1,837,691,325.71, and liabilities to US$868,124,095.24 and US$1,830,737,195.51, respectively

aa) Net profit per Stock

As of December 31, 2013 and June 30, 2013 net profit per stock was computed according to the weighted average of outstanding stocks that was 155.899.719 per both half-years.

(bb) Weighted Asset Ratio per Level of Risk – Technical Net Worth

Technical net worth can be less than nine point zero percent (9.0%) of asset in legal and foreign currency weighted by level of risk, as indicated in article 2.1.1.1.2 of Decree 1771/2012, formerly Decree 2555/2010. The individual compliance is checked out every month and every six months in a consolidated manner with its subsidiaries in Colombia, controlled by Colombia Finance Superintendence and the financial affiliates abroad.

Classification of risk asset in each category is made by applying the percentages determined by finance superintendence to the risk asset to each of the items of asset, creditor contingent accounts, deals, and financial assignments established in the Account Single Plan.

(3) Major Differences between Especial Standards and Accounting Standards Generally Accepted in Colombia

Especial accounting standards set forth by Colombia Finance Superintendence show some differences with the accounting standards generally accepted in Colombia, as follows:

Property, Plant and Equipment

Accounting standards generally accepted determine that at the closing period the net value of property, plant and equipment, such adjusted value exceeds twenty (20) minimum legal monthly salaries, should be adjusted to its surrender value or its present value, recording the valuations and provisions necessary while especial standards do not show conditions for this type of asset

Premium of Stock Placement

The especial provision provides the Premium of stock placements recorded as a portion of legal reserve, while the generally accepted standards indicate that it shall be recorded in the patrimony.

Financial Statements

For the statement of changes in the financial situation, the Decree 2649/1993 provides the definition as a Basic Financial Statement; Colombia Finance Superintendence does not require this statement.

(4) IAS Banco de Occidente implementation project

According to Decree 2784/2012, the Bank belongs to the Group 1 of preparers of financial information and, on February 2013 submitted to Colombia Finance Superintendence, the Plan for the implementation of International Accounting Standards (IAS).

As from January 1/2014 transition period will begin, and the issue of the first financial statements under the Financial International Information Standard will be 2015.

The company needs submit to Finance Superintendence, before January 2014, a summary of the main policies anticipated for the production of financial situation statement of opening January 1, 2014, pointing out as well the exceptions and exemptions in the application to the regulatory technical framework and a preliminary calculation with the major qualitative and quantitative impacts established

The Circular Letter provides as well that, no later than June 30/2014, the company is to forward to that superintendence the opening financial situation statement taking into account that such statement will be used as starting point for accounting under the International Standards.

(5) Available

The detail of the available in legal tender and foreign currency converted to legal tender is as follows

		Dec. 31, 2013	Jun. 30, 2013
Legal Tender			
Cash	$	378.036	320.357
Central Bank		1.625.196	1.694.322
Banks and other Financial Entities		36	2.211
Conversion		946	256
In Transit Remittances		306	226
	$	**0.004.520**	**2.017.372**
Foreign Currency Conversion to Legal Tender			
Cash		16.446	19.312
Central Bank		530	531
Banks and other Financial Entities		96.236	109.238
In Transit Remittances		834	663
	$	**114.046**	**129.744**
	$	**2.118.566**	**2.147.116**

The balance in cash and deposits in the Central Bank in legal tender, as of December 31, 2013 and June 30, 2013, include value computed for bank reserve to be maintained over the deposits received from clients, according to legal provisions.

There are no items higher than 30 days and provisions are not required.

There exists no any other restriction on the available.

(6) Active Positions in Monetary Market and Related Transactions

Below the detail of active positions in Monetary and related market transactions:

		Dec. 31, 2013	**Annual Effective Average Rate**	**Jun. 30, 2013**	**Annual Effective Average Rate**
Legal Tender					
Ordinary Inter-bank funds sold:	$	360.500	3.18%	60.000	3.21%
Investment Transfers investment in simultaneous operations		12.206	2.00%	28.910	1.21%
		327.706		**88.910**	
Foreign Currency					
Ordinary Inter-bank Funds Sold		74.580	1.38%	199.059	0.19%
				199.059	
	$	**447.286**		**287.969**	

Over inter-bank funds sold and back purchase agreement there exist no restrictions.

(7) Investments

Detail of Investment below:

Investments in Certificates of Indebtedness Marketable		**Dec. 31, 2013**	**June 30, 2013**
Legal Tender			
Issued by the Nation	$	453.790	771.990
Securities of credit contents derived from ownership processes		-	113
Financial Institutions		19.734	19.712
	$	**473.524**	**791.815**
Foreign Current			

Issued by the Nation		-	4.293
Foreign Bank		76.895	63.520
Other		2.172	23.589
		79.067	**91.402**
	$	**552.591**	**883.217**
Investments in Certificates of Indebtedness			
To Maintain Until Maturity			
Legal Tender			
Foreign Bank	$	101.200	119.395
Financial Institutions		490.470	443.818
	$	**591.670**	**563.213**
Investments in Certificates of Indebtedness			
Available for Sale			
Legal Tender			
Issued by the Nation	$	1.098.337	643.787
Securities of credit contents derived from ownership processes		17.936	28.560
Financial Institutions		3.048	-
Other		7.510	7.593
	$	**1.126.831**	**679.940**
Backpurchase rights (Transfer) of investment in Certificates of Debt			
Marketable			
Legal Tender			
Certificates of domestic public debt issued or endorsed by the Nation	**$**	158.627	435.412
Foreign Current			
Certificates of External Public debt issued or endorsed by the Nation		35.510	70.444
Securities issued, secured or guaranteed by institutions controlled by Bank Superintendence (including bonds mandatorily or optionally convertible into shares)		7.047	-
Securities issued, endorsed, backed up, or accepted by third parties abroad		2.000	2.037
	$	**203.193**	**507.893**
Available for Sale			
Legal Tender			
Certificates of internal public debt issued or backed up by the Nation	$	222.993	208.454
Foreign Currency			
Securities issued, secured or guaranteed by institutions controlled by Bank Superintendence (including bonds mandatorily or optionally convertible into shares)		5.783	-
	$	**228.776**	**208.454**
Investments delivered in Guarantee with Derivate Financial Instruments and Others			
Available for Sale			
Legal Tender			
Certificates of internal public debt issued or backed up by the Nation	$	-	19.565
	$	**-**	**19.565**
Available for Sale			
Legal Tender			
Certificates of internal public debt issued or backed up by the Nation	$	24.063	17.572.
	$	**24.063**	**17.572**
Investment in Certificates of Participation			
Marketable in Certificates of Participation			
In Collective Portfolios	$	-	5.074
	$	**-**	**5.074**

The following itemizes Certificates of Participation Available for Sale:

December 31, 2013

Business Name	Stock Capital	# Shares Owned	% de Participation	Cost (1) Adjusted	Patrimonial Value	Net Valuation	Provi.	Unrealized Accrued Profit/Loss	Rating
With Exchange Market Quotation National investments									
A Toda Hora S.A.	-	333	20,00%	263	1.350	1.087	-	-	A
A.C.H. Colombia S.A.	-	6.595	4,79%	272	1.066	794	-	-	A
Cámara de Compensación de Divisas de Colombia S.A.	-	2.500	3,19%	80	136	56	-	-	A
Cámara de Riesgo Central de Contraparte de Colombia S.A	-	40.367	1,17%	472	622	150	-	-	A
Casa de Bolsa S.A.	-	15.223	7,95%	2.584	2.517	(67)	-	-	A
Depósito Central de Valores S.A.	-	482	1,26%	457	835	378	-	-	A
Fiduciaria de Occidente S.A.	-	15.736	94,98%	75.234	116.635	41.422	-	-	A
Gestión y Contacto S.A.	-	102	1,02%	126	192	66	-	-	A
Pizano S.A.	-	6.982	0,92%	2.211	2.080	(130)	-	-	A
Porvenir S.A	-	97.513	24,16%	306.660	369.715	63.055	-	-	A
Redeban Multicolor S.A.	-	9.996	7,24%	1.564	5.229	3.665	-	-	A
Ventas y Servicios S.A.		1.387	45,00%	4.325	6.556	2.230	-	-	A
Cifin S.A.	-	1	7,00%	442	2.195	1.753	-	-	A
Overseas Investments:							-	-	
Banco de Occidente Panamá S.A.	11	1.643	95,00%	54.297	61.473	7.176	-	-	A
Occidental Bank Barbados Ltd	8	1.855	100,00%	31.649	51.072	19.423	-	-	A
	$			**480.636**	**621.963**	**141.059**	**-**	**-**	
Stocks with high market liquidity With Exchange Market Quotation National investments									
Corporación Financiera Colombiana S.A.	**-**	209.700	13,54%	1.124.218	1.224.218	**-**	-	764.861	A
Other Securities: National Investments									
MasterCard	-	130.807	0,00%	74	74	**-**	**-**	-	A
				1.124.292	**1.124.292**	**-**	**-**	**764.861**	
Total				**1.604.928**	**1.745.985**	**141.059**	**-**	**764.861**	

At the closing December 31/ 2013 the merge between Companies Porvenir S.A. and AFP Horizonte S.A, was legalized which resulted in a change in the participation of Porvenir S.A. going from 23.10% on June 30/2013 up to 24.16% on December 31/2013.

June 30, 2013

Business Name	Stock Capital	# Shares Owned	% de Participation	Cost (1) Adjusted	Patrimonial Value	Net Valuation	Provi.	Unrealized Accrued Profit/Loss	Rating
Shares with highly stock market liquidity with exchange market quotation									
A Toda Hora S.A.	-	333	20,00%	263	1.354	1.091	-	-	A
A.C.H. Colombia S.A.	-	6.595	4,79%	272	973	701	-	-	A
Cámara de Compensación de Divisas de Colombia S.A.		2.500	3,19%	80	116	36			
Cámara de Riesgo Central de Contraparte de Colombia S.A	-	40.367	1,17%	472	617	146	-	-	A
Casa de Bolsa S.A.	-	15.223	7,95%	2.584	2.717	133	-	-	A
Depósito Central de Valores S.A.	-	482	1,26%	457	659	202	-	-	A
Fiduciaria de Occidente S.A.	-	15.021	94,98%	59.560	102.677	43.116	-	-	A
Gestión y Contacto S.A.	-	102	1,02%	126	160	34	-	-	A
Pizano S.A.	-	6.982	0,92%	2.211	2.055	(155)	-	-	A
Porvenir S.A	-	84.948	23,10%	178.006	212.594	34.588	-	-	A
Redeban Multicolor S.A.	-	9.996	7,24%	1.564	5.524	3.960	-	-	A
Ventas y Servicios S.A.	-	1.073	45,00%	3.132	4.316	1.183	-	-	A
Cifin S.A.	-	1	7,00%	442	1.203	761	-	-	A
AFP Horizonte S.A (1)	-	4.273	11.82%	118.135	118.020	(116)	-	-	A
Overseas Investments:							-	-	A
Banco de Occidente Panamá S.A.	11	1.261	95,00%	44.784	51.908	7.124	-	-	A
Occidental Bank Barbados Ltd	8	1.855	100,00%	31.684	50.405	18.721	-	-	A
	$			**443.772**	**555.299**	**111.526**	**-**	**-**	
Shares with highly stock market liquidity with exchange market quotation									
National Investment									
Corporación Financiera Colombiana S.A.	-	203.116	13,54%	989.910	989.910	**-**	**-**	662.892	A
Other securities:									
National Investments									
MasterCard	-	130.807	0,00%	74	74	**-**	**-**		A
				989.984	**989.984**	**-**	**-**	**662.892**	
Total				**1.433.756**	**1.545.283**	**111.526**	**-**	**662.892**	

(1) On April 18 / 2013 the Bank recorded and investment the purchase of 504.901.995 stocks from AFP Horizonte S.A. for $118.135 representing 11,82% participation in such entity; the purchase of this

participation was authorized by the Board of Director of Banco de Occidente as documented in Minutes No. 1307 dated January 18 / 2013; such purchase was made jointly with Grupo Aval S.A., Sociedad Administradora de Fondos de Pensiones and Cesantías Porvenir S.A. and Banco de Bogotá S.A., which in the same way was authorized by Colombia Finance Superintendence on April 3 / 2013 under resolution 628 / 2013.

According to provide in subsection (i) literal c) Items 6.2.1 and 8.2 of External Circular Letter 033 / 2002 issued by Colombia Finance Superintendence, acquisition cost of investments made before September 2/2002 is the intrinsically value calculated on that date. For subsequent purchases, acquisition cost is its purchase value.

During the first semiannual period and the second semiannual period 2013 the Bank received dividends of shares representing higher number of shares owned from the following companies

	Dec. 31-13		**Jun 30, 13**	
	Date	**Value**	**Date**	**Value**
Sociedad Administradora de Fondos de Pensiones y Cesantías S.A.	Sep – 13	$ 10.518	mar-13	$ 23.701
Corficolombiana S.A.	Sep – 13	32.340	mar-13	25.490
Gestion y Contacto S.A.	-	-	Feb-13	56
Ventas y Servicios S.A.	-	-	Feb-13	618
Fiduciaria de Occidente S.A	Aug – 13	15.675	Feb-13	16.608
		$ 58.533		66.473

All investments available for sale in certificates of participation correspond to stocks with low and minimum liquidity, with the exception of the investment in Corporación Financiera Colombiana S.A. corresponding to high liquidity stocks.

About investments there exist no restrictions or pledging.

Investment in Banco de Occidente (Panamá) S.A. corresponds to an indicial contribution of US$4,382,130 (Dollars) by the subscription of 438,213 stocks, US$10 (Dollar) par value each, on December 6/1995 the contribution increased by US $2,999,993 (Dollar) by the conversion of Bonds into stocks (158,311 stocks) and on April 30/2003 contribution was increased by US $2,849,980 (Dollars) by the conversion of 102,739 stocks.

The investment in Occidental Bank Barbados Ltd. was acquired on June 23/2006 by the Bank via merger with Banco Unión Colombiano S.A., corresponding to an investment of US $ 3,295,000 (dollars) equivalent to 659 stocks US $ 100 (dollars) and on June / 2009 capitalized by US $2.425.000 (dollars) corresponding to 485 stocks

The investment in Occidental Bank Barbados Ltd. was acquired on June 23/2006 by the Bank, via merging with Banco Unión Colombiano S.A., corresponding to and investment for US $ 3.295.000 (dollars) equivalent to 659 stocks for US $ 100 (dollars) par value and on June 2009 was capitalized in US $2.425.000 (dollars) corresponding to 485 stocks

On December 31, 2013 and June 30, 2013 under solvency risk, the Bank was rated “A” in investments available for sale in certificates of participation.

In connection with rating of certificates of indebtedness, and according to the provisions in the Chapter I of Basic Accountant and Financial Circular 100/1995 issued by Colombia Finance Superintendence, the certificates of indebtedness were evaluated and rated under credit risk. From the total certificates of indebtedness belonging to Banco de Occidente portfolio, excluding mandatory investments, 90% of such certificates are invested in Certificates of the Issuer Nation Colombia., inter alia.

Related to portfolio securities qualification, 90% is under the highest credit qualifications (Free Risk and AAA) while securities with qualification different from AAA represent only 10%.

In the valuation of legal and credit risk as of December 31, 2013 and June 30, 2013 and, it is determined that the Bank did not require provisions

	December 31, 2013
Investment Maturity	

	Until 1 year	From 1 and 3 years	From 3 and 5 years	More than 5 years	Total
Negotiable	332.788	247.292	65.768	109.935	755.783
Maintain up to maturity	533.385	58.285	-	-	591.670
Available for sale in Certificates of Debt	126.882	476.830	307.328	476.755	1.387.795
	$ 993.055	**782.407**	**97.147**	**586.690**	**2.735.248**

June 30, 2013

Investment Maturity

	Until 1 year	From 1 and 3 years	From 3 and 5 years	More than 5 years	Total
Negotiable	232.019	729.654	24.319	424.683	1.410.675
Maintained up to maturity	483.259	79.954	-	-	563.213
Available for sale in Certificates of Debt	118.489	359.505	89.241	338.731	905.966
	833.767	**1.169.113**	**113.560**	**763.414**	**2.879.854**

Portfolio maximum, minimum and mean values

December 31, 2013

		Average Balance	Maximum Balance	Minimum Balance
Salable	**$**	1.183.082	1.405.360	913.038
Up to Maturity	**$**	575.270	597.578	547.326
Available for sale Certificates of Debt	**$**	1.133.465	1.230.413	1.014.25

Portfolio maximum, minimum and mean values

June 30, 2013

		Average Balance	Maximum Balance	Minimum Balance
Salable	$	1.110.646	1.375.038	1.011.725
Up to Maturity	$	491.451	492.648	538.663
Available for sale Certificates of Debt	$	754.069	856.026	670.746

The average of investments for the second half-year 2013 was $2.891.817, reaching the maximum on August for $3.016.149, and the minimum average on December was $ 2.736.065.

The average of investments for the first half-year 2013 was de $2.356.166, reaching the maximum on June for $2.723.711 and its minimum on January $2.221.134.

(8) Credit Portfolio and Capital Lease Operations

Below portfolio and Capital Lease operations itemized by credit modality:

		Dec. 31-13	Jun 30, 2013
Ordinary Loans	$	13.291.841	12.158.650
Loans with resources from other entities		408.719	361.719
Factoring without resource		439	-
Letter of Credit Covered		56.050	114.888
Overdrafts in Bank current account		58.857	89.718
Discounts		94.421	37.938
Credit Card		884.781	704.353
Reimbursement of advance payments		190.420	213.566
Mortgage housing portfolio		32.138	4.579
Immovable goods given in leasing		2.340.838	2.098.067
Movable goods given in leasing		2.042.670	2.083.985
Total by Modality	**$**	**19.401.164**	**17.867.463**

Portfolio Maturity

The following is the detail of credit portfolio by maturity period according to the expected flows for the range zero (0) – three hundred sixty (360) days and more, as per medium-term liquidity qualification risk:

		Dec. 31-13	Jun 30, 2013
Commercial			
Up to 1 year	$	8.081.115	7.782.850
Between 1 to 3 years		3.989.491	3.648.970
Between 3 and 5 years		1.485.807	1.327.529
More than 5 years		1.500.642	1.288.999
Total Commercial	**$**	**15.057.055**	**14.048.348**

		Dec. 31-13	Jun 30, 2013
Consumption			
Up to 1 year	$	1.411.343	1.246.996
Between 1 to 3 years		1.798.876	1.670.666
Between 3 and 5 years		919.711	736.645
More than 5 years		182.041	160.229
Total Consumption	**$**	**4.311.971**	**3.814.536**
Housing			
Up to 1 year		2.137	304
Between 1 to 3 years		4.275	608
Between 3 and 5 years		4.275	608
More than 5 years		21.451	3.059
Total Housing		**32.138**	**4.579**
Total Portfolio Maturity	**$**	**19.401.164**	**17.867.463**

Below portfolio and Lease operations itemized per economic destination

		Dec 31, 2013	% Parti.	Jun 30, 2013	% Part.
Salaried	$	3.644.762	18,79%	3.230.743	18,08%
Wholesale trade and auto motor vehicles		2.046.431	10,55%	2.087.912	11,69%
Transport-related activities Cargo, passenger, other)		1.824.722	9,41%	1.348.581	7,55%
Other activities and consumption credit - Other		1.429.381	7,37%	1.187.534	6,65%
Construction			6,43%	1.753.076	9,81%
Other business activities		1.039.085	5,36%	796.505	4,46%
Capital Annuitant		820.676	%	915.958	5,13%
Activities related to financial sector		788.830	%	594.015	3,32%
Public and defense, social security administration		946.110	%	710.679	3,98%
Detail commerce		647.252	%	764.705	4,28%
Social health and educational services		873.854	%	625.403	3,50%
Farming, hunting and related-activities		656.715	%	488.565	2,73%
Manufacturing of food and drinking products		446.892	%	510.979	2,86%
Manufacture of chemical, rubber and plastic substance / products		604.609	%	454.723	2,54%
Activities of service, real estate, entrepreneurial and rent		532.365	%	567.241	3,17%
Extraction of crude petroleum and natural gas		434.831	%	536.644	3,00%
Manufacturing of basic metallurgic, non-metal products and others		419.455	%	326.955	1,83%
Manufacture of gear and fur garment – textile sector		372.791	%	352.157	1,97%
Generation, capture and distribution of electric, gas energy		364.808	%	394.338	2,21%
Entertainment activities and other cultural activities		247.686	%	212.660	1,19%
Forestry, logging and related service activities		5.161	%	2.946	0,02%
Hotels, restaurants, bars and the like		7.443	%	5.144	0,03%
	$	**19.401.164**	%	**17.867.463**	**100,00%**

Portfolio and Capital Lease Operations per Modality and Qualification

The result of risk rating with the constitution of capital, interest and provisions, is as follows:

		December 31, de 2013				
Risk Category		**Capital**	**Interest**	**Provision Capital**	**Provision Interest**	**Security**
Commercial	**$**					
Category A Normal		14.151.099	82.869	226.854	1.600	3.766.130
Category B Acceptable		496.894	9.120	22.902	932	226.446
Category C Appreciable		130.920	2.901	15.257	1.730	44.068
Category D Significant		180.327	7.280	96.259	6.804	53.316
Category E Unrecoverable		97.8015	3.102	80.520	3.022	16.257
Subtotal Commercial		15.057.055	105.273	441.792	14.088	4.106.217
Consumption						
Category A Normal		3.088.195	39.833	107.377	1.162	1.395.532
Category B Acceptable		96.311	2.303	10.391	375	28.366
Category C Appreciable		70.259	1.876	12.900	1.327	28.153
Category D Significant		103.154	3.515	74.872	3.386	51.190
Category E Unrecoverable		54.052	1.771	50.506	1.757	11.623
Subtotal Consumption		4.311.971	49.298	256.046	8.007	1.514.864
Housing						
Category A Normal		32.012	97	320	1	32.016
Category B Acceptable		126	-	4	-	126
Subtotal Housing		**32.138**	**97**	324	**1**	**32.142**
General Provision l		**-**	**-**	**321**	**-**	**-**
Total per Modality	**$**	19.401.164	154.668	698.483	22.096	5.653.223

		June 30, de 2013				
		Capital	**Interest**	**Provision Capital**	**Provision Interest**	**Security**
Commercial	**$**					
Category A Normal		13.197.815	85.155	212.531	1.432	3.526.334
Category B Acceptable		413.644	6.043	20.104	1.115	165.095
Category C Appreciable		164.867	1.976	17.837	924	74.371
Category D Significant		179.521	7.168	99.039	6.539	59.085
Category E Unrecoverable		92.501	4.028	75.056	3.968	15.834
Subtotal Commercial		**14.048.348**	**104.370**	**424.567**	**13.978**	**3.840.719**
Consumption						
Category A Normal		3.490.822	39.350	92.927	1.154	1.293.500
Category B Acceptable		97.295	2.544	10.012	401	30.535
Category C Appreciable		64.249	1.796	11.853	1.304	26.046
Category D Significant		101.865	3.777	75.100	3.659	49.315
Category E Unrecoverable		60.305	2.101	57.046	2.083	10.551
Subtotal Consumption		**3.814.536**	**49.568**	**246.938**	**8.601**	**1.409.947**
Housing						
Category A Normal		4.451	21	45	0	4.451
Category B Acceptable		128	3	4	3	128
Subtotal Housing		4.579	24	49	3	4.579
General Provision		-	-	46	-	-
Total per Modality	**$**	**17.867.463**	**153.962**	**671.600**	**22.582**	**5.255.245**

		December 31, 2013				
Portfolio and Capital Lease Operations per Geographic Zone						
		Capital	**Interest**	**Provision Capital**	**Provision Interest**	**Security**
Commercial Region	**$**					
Southwest Region		2.592.351	17.588	82.281	2.263	683.999
Bogotá Region		7.247.066	49.478	213.122	6.595	1.984.736
Northwest Region		2.442.271	14.796	60.315	1.768	514.889
North Region		2.704.690	21.554	80.597	2.843	922.593
Credencial		70.677	1.857	5.477	619	
Subtotal Commercial		**15.057.055**	**105.273**	**441.792**	**14.088**	**4.106.217**

Consumption						
Southwest Region		754.471	7.698	43.727	1.215	247.306
Bogotá Region		1.343.612	13.274	77.054	2.396	656.703
Northwest Region		572.272	5.678	28.445	744	271.498
North Region		827.514	9.712	55.808	1.946	339.357
Credencial		814.102	12.936	51.012	1.708	-
Subtotal Consumption		**4.311.971**	**49.298**	**256.046**	**8.007**	**1.514.864**
Housing						
Southwest Region	$	3.363	9	34	-	3.363
Bogotá Region		23.486	78	238	1	23.489
Northwest Region		3.875	7	39	-	3.876
North Region		1.414	3	13	-	1.414
Total		**32.138**	**97**	**324**	**1**	**32.142**
General Provision		-	-	321	1	-
Total per Geographic Zone	**$**	**19.401.164**	**154.668**	**698.483**	**22.096**	**5.653.223**

				June 30, 2013		
Portfolio and Capital Lease Operations per Geographic Zone						
		Capital	**Interest**	**Provision Capital**	**Provision Interest**	**Security**
Commercial Region	**$**					
Southwest Region		2.443.056	18.563	78.576	2.862	656.383
Bogotá Region		6.901.846	48.309	204.233	6.178	1.918.827
Northwest Region		2.181.331	14.251	59.605	1.916	503.755
North Region		2.469.297	21.796	77.482	2.758	761.754
Credencial		52.818	1.451	4.671	264	-
Subtotal Commercial		**14.048.348**	**104.370**	**424.567**	**13.978**	**3.840.719**
Consumption						
Southwest Region		672.143	7.611	43.105	1.421	226.374
Bogotá Region		1.204.946	13.269	74.675	2.614	604.285
Northwest Region		534.726	5.825	27.985	847	263.183
North Region		751.186	9.571	53.113	2.015	316.105
Credencial		651.535	13.292	48.060	1.704	-
Subtotal Consumption		3.814.536	49.568	246.938	8.601	1.409.947
Housing						
Southwest Region		506	3	5	-	506
Bogotá Region		3.584	21	39	3	3.585
Northwest Region		215	-	2	-	215
North Region		274	-	3	-	273
Credencial		-	-	-	-	-
Total		4.579	24	49	3	4.579
General Provision		**-**	**-**	46	**-**	**-**
Total per Geographic Zone	**$**	17.867.463	153.962	671.600	22.582	5.255.245

Portfolio and Financial Leasing Operation by Currency

			December 31, 2013	
Per Currency		**Legal Tender**	**Foreign Currency**	**Total**
Commercial	**$**	13.995.671	1.061.384	15.057.055
Consumption		4.277.122	34.849	4.311.971
Housing		32.138	-	32.138
Total per Currencies	**$**	**18.304.931**	**1.096.233**	**19.401.164**

			June 30, 2013	
Per Currency		**Legal Tender**	**Foreign Currency**	**Total**
Commercial	**$**	12.947.646	1.100.702	14.048.348
Consumption		3.791.687	22.849	3.814.536
Housing		4.579	-	4.579
Total per Currencies	**$**	**16.743.912**	**1.123.551**	**17.867.463**

Restructuring, Covenants and Agreement

December 31, 2013

	Number	Capital	Interest	Provision	Security
Commercial	**453**	**$ 255.939**	**1.778**	**84.981**	**188.459**
Act 116	27	27.795	342	18.048	6.547
Act 550	4	22.620	-	667	22.432
Act 617	4	43.318	305	1.148	38.947
Ordinary	418	162.206	1.131	65.118	120.533
Consumption	**3.263**	**31.661**	**793**	**23.793**	**10.731**
Ordinary	3.263	31.661	793	23.793	10.731
Total restructuring and agreements	**3.716**	**$ 287.600**	**2.571**	**108.774**	**199.190**

June 30, 2013

	Number	Capital	Interest	Provision	Security
Commercial	**447**	**$ 243.861**	**2.107**	**79.464**	**181.345**
Act 116	26	24.735	536	16.539	8.581
Act 550	7	8.271	-	544	7.763
Act 617	4	49.164	483	1.819	43.137
Ordinary	410	161.691	1.088	60.562	121.864
Consumption	**3.990**	**32.203**	**915**	**23.684**	**9.537**
Ordinary	3.990	32.203	915	23.684	9.537
Total restructuring and agreements	**4.437**	**$ 276.064**	**3.022**	**103.148**	**190.882**

Restructuring, Covenants, and Agreement with Creditors by its Risk Qualification

			December 31, 2013		
Category of Risk	**Number**	**Capital**	**Interest**	**Provision**	**Security**
Commercial	**453**	**$ 255.939**	**1.778**	**84.981**	**188.459**
Category A Normal	18	34.530	365	34	30.273
Category B Acceptable	44	73.692	105	3.558	61.705
Category C Appreciable	38	46.653	474	5.220	33.482
Category D Significant	210	33.564	209	20.036	24.733
Category E Unrecoverable	143	67.500	625	56.133	38.266
Consumption	**3.263**	**$ 31.661**	**793**	**23.793**	**10.731**
Category A Normal	460	2.814	49	146	878
Category B Acceptable	158	1.128	22	211	53
Category C Appreciable	197	1.219	23	247	593
Category D Significant	758	9.073	205	6.297	6.183
Category E Unrecoverable	1.690	17.427	494	16.892	3.024
Total Restructuring, Covenants & Agreement with Creditors	3.716	$ 287.600	2.571	108.774	199.190

Restructuring, Covenants, and Agreement with Creditors by Risk Qualification

			June 30, 2013		
Category of Risk	**Number**	**Capital**	**Interest**	**Provision**	**Security**
Commercial	**447**	**$ 243.861**	**2.107**	**79.464**	**181.345**
Category A Normal	27	50.696	570	242	41.940
Category B Acceptable	49	32.732	125	1.995	21.760
Category C Appreciable	36	60.262	41	6.535	54.135
Category D Significant	177	57.987	801	36.095	46.642
Category E Unrecoverable	158	42.184	570	34.597	16.868
Consumption	**3.990**	**32.203**	**915**	**23.684**	**9.537**
Category A Normal	628	3.644	64	196	810
Category B Acceptable	230	1.356	34	226	288
Category C Appreciable	247	1.312	24	273	566
Category D Significant	992	10.894	288	8.303	5.428
Category E Unrecoverable	1.893	14.997	505	14.686	2.445
Total Restructuring, Covenants & Agreement with Creditors	**4.437**	**$ 276.064**	**3.022**	**103.148**	**190.882**

Restructuring, Agreements and Arrangement with Creditors per Geographic Zone

			December 31, 2013		
Category of Risk	**Number**	**Capital**	**Interest**	**Provision**	**Security**
Commercial	**453**	**$ 255.939**	**1.778**	**84.981**	**188.459**
Southwest Region	112	67.863	572	19.206	56.437

Bogotá Region	155	107.344	503	48.208	73.964
Northwest Region	73	28.329	292	4.168	20.927
North Region	105	52.379	410	13.383	37.131
Credencial	8	24	1	17	-
Consumption	**3.263**	**31.661**	**793**	**23.793**	**10.731**
Southwest Region	452	5.584	131	3.921	1.802
Bogotá Region	623	9.854	270	7.188	3.933
Northwest Region	297	2.991	77	2.130	865
North Region	656	9.352	245	6.926	4.130
Credencial	1.235	3.880	70	3.628	-
Total Restructured per Geographic Zone	**3.716**	**$ 287.600**	**2.571**	**108.774**	**199.190**

		June 30, 2013			
Category of Risk	**Number**	**Capital**	**Interest**	**Capital**	**Security**
Commercial	**447**	**$ 243.861**	**2.107**	**79.464**	**181.345**
Southwest Region	106	66.337	458	14.478	60.213
Bogotá Region	151	112.772	893	46.034	75.765
Northwest Region	74	12.683	68	5.568	4.994
North Region	109	52.055	688	13.375	40.373
Credencial	7	14	-	9	-
Consumption	**3.990**	**32.203**	**915**	**23.684**	**9.537**
Southwest Region	508	5.679	167	3.850	1.647
Bogotá Region	636	8.600	251	5.884	3.466
Northwest Region	393	3.346	104	2.305	672
North Region	750	9.718	297	7.248	3.752
Credencial	1.703	4.860	96	4.397	-
Total Restructured per Geographic Zone	**4.437**	**$ 276.064**	**3.022**	**103.148**	**190.882**

Restructuring, Agreement and Arrangement with Creditors per Currency

	Dec 31, 2013	**Jun 30, 2013**
	Legal Tender	Legal Tender
Commercial	$	243.861
Consumption		32.203
Total per Currency	**$**	**276.064**

Portfolio Sale/Purchase

Below the detail of purchase and sales of portfolio, spot and firm

	Dec 31, 2013	**Jun 30, 2013**
Purchases	$	4.560
Sales		26.968
Sale of written-off portfolio		5.652

Portfolio interest rate

Average weighted effective interest rate of credit portfolio is the following:

	Dec 31, 2013	**June 30, 2012**
Legal Tender		11,84%
Foreign Currency		2,78%

Provision for Credit Portfolio and Capital Lease Operations

Portfolio provisions and Financial Leasing Portfolio movements for the semesters ended on December 31, 2013 and June 30, 2013, by modality, is as follows:

	Commercial	**Consumption**	**Housing**	**General Provision**	**Total Provision**

Balance portfolio provision December 31, 2012	**$**	**400.631**	**208.807**	**18**	**18**	**609.474**
Plus:						
Provision charged to expense		176.094	171.203	31	28	347.356
Less:						
Written-off Loans		(38.197)	(66.313)	-	-	(104.510)
Reimbursement of provisions		(113.961)	(66.759)	-	-	(180.720)
Balance Portfolio Provision June 30, 2013	**$**	**424.567**	**246.938**	**49**	**46**	**671.600**
Plus:						
Provision charged to expense		179.228	189.134	284	275	368.921
Less:						
Written-off Loans		(39.237)	(98.956)	-	-	(138.193)
Reimbursement of provisions		(122.766)	(81.070)	(9)	-	(203.845)
Balance portfolio provision December 31, 2013	**$**	**441.792**	**256.046**	**324**	**321**	**698.483**

Individual Contra-Cyclic Component

The following itemizes Individual Contra-Cyclic Component:

		December 31, 2013			
Contra-Cyclic Individual Component		**Commercial**	**Consumption**	**Housing**	**Total**
Individual Provision	$	339.420	192.526	324	532.270
Procyclic Individual Provision		102.372	63.520	-	165.892
individual Provision	**$**	**441.792**	**256.046**	**324**	**698.162**
General Provision		**-**	**-**	**-**	**321**
General Total					**$ 698.483**

		June 30, 2013			
Contra-Cyclic Individual Component		**Commercial**	**Consumption**	**Housing**	**Total Provision**
Procyclic Individual Provision	$	328.218	190.432	49	518.699
Contra-Cyclic Individual Provision		96.349	56.506	-	152.855
individual Provision	**$**	**424.567**	**246.938**	**49**	**671.554**
General Provision		**-**	**-**	**-**	**46**
General Total					**671.600**

(9) Bank Acceptances and Derivatives

Bellow acceptances and derivatives itemized:

Bank Acceptances			
Active		**Dec. 31-13**	**Jun 30, 2013**
Under term	$	21.979	35.925
After term		-	337
	$	**21.979**	**36.262**
Passive			
Under term	$	22.026	36.191
After term		17	354
	$	**22.043**	**36.545**

Net Derivatives (Asset – Liabilities)	December 31, 2013		
	Asset	**Liabilities**	**Net**
Spot Operations	(1)	-	(1)
Contractors forward of adventures			
Sale rights on peso/dollar currency	$ 974.972	(624.210)	1.599.182
Purchase Obligations on peso/dollar currency	(434.974)	986.704	(1.421.678)

	$ (539.998)	**(362.494)**	**177.504**
Forward Contract of M/E Coverage			
Purchase rights on peso/dollar currency	$ 444.710	(979.435)	1.424.145
Purchase rights on currency other than peso/dollar	39.836	-	39.836
Sale rights on currency other than peso/dollar	-	(16.716)	16.716
Sale obligations on peso/dollar currency	(966.854)	636.290	(1.603.144)
Purchase obligations on currency other than peso/dollar	(39.021)	-	(39.021)
Sale obligations on currency other than peso/dollar	-	16.855	(16.855)
	$ (521.329)	**(343.006)**	**(178.323)**
Futures Contracts			
Sale rights on currency	19.323	(608.094)	627.417
Purchase rights on currency	683.809	-	683.809
Sale obligations on currency	(19.323)	608.094	(627.417)
Purchase obligations on currency	(683.737)	-	(683.737)
	$ 72	**-**	**72**
Swaps			
Rights for sale of foreign currency	$31.845	-	31.845
Rights over Interest Rate	165.555	(78.280)	243.835
Obligations on foreign currency	(31.558)	-	(31.558)
Obligations over interest rate	(165.549)	78.282	(243.831))
	$ 293	**2**	**291**
Options			
Call on Foreign Currency	$ 1.354	410	944
Put on foreign currency	460	507	(47)
	$ 1.814	**917**	**897**
Total Operations with financial instruments derivatives	**$ 20.848**	**20.407**	**440**

Net Derivatives (Asset – Liabilities)

Contractors forward	**June 30, 2013**		
	Asset	**Liabilities**	**Net**
Spot Operations	27	-	27
Contractors forward of adventures			
Sale rights on peso/dollar currency	$ 527.956	(2.002.738)	2.530.694
Purchase Obligations on peso/dollar currency	(1.857.659)	276.433	(2.134.092)
	$ (1.329.703)	**(1.726.305)**	**396.602**
Forward Contract of M/E Coverage			
Purchase rights on peso/dollar currency	$ 1.908.523	(274.929)	2.183.452
Purchase rights on currency other than peso/dollar	-	(52.986)	52.986
Sale rights on currency other than peso/dollar	1.344	(3.200)	4.544
Sale obligations on peso/dollar currency	(525.171)	2.060.637	(2.585.808)
Purchase obligations on currency other than peso/dollar	-	54.298	(54.298)
Sale obligations on currency other than peso/dollar	(1.299)	3.216	(4.515)
	$ 1.383.397	**1.787.036**	**(403.639)**
Futures Contracts	**Asset**	**Liabilities**	**Net**
Sale rights on currency	$ 58.073	(348.745)	406.818
Purchase rights on currency	424.353	(54.094)	478.447
Sale obligations on currency	(58.073)	348.745	(406.818)
Purchase obligations on currency	(424.313)	54.094	(478.407)
	$ 40	**-**	**40**
Swaps			
Rights over Interest Rate	$ 153.480	(81.302)	234.782
Obligations over interest rate	(153.463)	81.310	(234.773)
	$ 17	**8**	**9**
Options			
Call on Foreign Currency	$ 1.843	2.175	(332)
Put on foreign currency	402	646	(244)
	$ 2.245	**2.821**	**(576)**
Total Operations with financial instruments derivatives	**$ 55.996**	**63.560**	**(7.564)**

(10) Accounts Receivable, Net

Below the detail of interest and other account receivable:

Interest:		Dec. 31-13	June 30, 2013
Interbank funds sold & Resale Agreements	$	355	69
Credit portfolio – Housing		97	24
credit portfolio - Commercial and consumption		135.856	130.734
Financial component Leasing operations		18.715	23.204
Other Interests		4.436	21.327
	$	**159.459**	**175.358**
Commissions and Fees		3.571	1.942
Payment per Customer Account			
Consumption	$	12.192	118.369
Commercial		8.790	19.394
Housing		4	-
Other		368	351
	$	**21.354**	**138.114**
Other Account receivable			
Dividends and participations	$	8.521	13.951
Rent		137	67
Monthly rent of goods given in operational leasing		10.606	11.980
Sale of goods and services		1.058	2.360
Promisor Sellers		10.540	6.423
Advances of contracts and suppliers		132.617	174.005
Advances to personnel		36	124
Shortage of cash		108	30
Shortage of swaps		538	860
Claims to insurance companies		2.738	4.466
Sales tax receivable		2.933	784
Other sundry debtors:			
Servibanca and other networks		1.921	13.721
Debit Card saving & current transactions pending to apply		1.562	747
Returns insurance company and leasing junking		2.400	1.853
Ci coprucol Ltda. Restructuration agreement		273	273
DTN DIAN		-	21.715
Credencial Devolutions		111	24
Disabilities		680	718
Internal Sales – Credencial		-	4
Master Card F/C		497	1.246
		2.125	-
Master Card pending drafts		3.511	688
In-process Credencial Operations		553	2.451
Undelivered Forward		741	1.249
Forward through counterpart Central Risk Chamber		1.247	1.563
Motorbike collections		7.643	2.703
Other		12.078	8.896
	$	**205.175**	**272.901**
Provision to Accounts Receivable:			
Provision for trade accounts receivable		(19.031)	(19.801)
Provision for consumption accounts payable		(10.088)	(12.583)
Provision for housing accounts receivable		(1)	(3)
Other provisions for accounts receivable		(6.986)	(6.654)
Provision for individual contra-cyclic component accounts receivable		(1.602)	(3.206)
Total Accounts Receivable	**$**	**351.851**	**546.068**

(1) On December 28 / 2012 Banco de Occidente S.A. signed up twelve (12) financial leasing operation assignments with Banco de Bogotá S.A. for $75.999 (million) par value at 2.23% monthly periodical interest rate. In such assignment, Banco de Bogotá will recognize to Banco de Occidente 0,17% additional to 2,23%; rate the additional value or Premium for the discount generated by 0,17% additional is $5.861 (million) (see note 31 of related-parties), registered as deferred income in the account 216015; the payment will be made as follows: 20% in the date when the contracts are signed, 20% upon the completion of the third year, and 60% at the end of the fifth year, on December 28, 2012 Banco de Bogotá S.A. made the first payment of the premium by discount for $1.172 (million).

On December 31, 2013, five (5) of such contracts were already signed up, and therefore, the balance of the account 1645 for prepayments to Suppliers for Leasing Contracts includes $ 34.633 (million) for the seven (7) contracts to be executed during the first half-year 2014.
The movement of provision of receivable account for the 6 months period ended on December 31, 2013 and June 30, 2013 was as follows:

		December 31, 2013	June 30, 2013
Initial balance	$	**42.247**	**36.608**
provisions charged to		32.087	33.234
Operative Risk Reclassification		269	94
Other Reimbursement to contra-cyclic provision		(2.859)	(3.054)
Recoveries		14.981)	(10.990)
Writing-off		(19.055)	(13.645)
Closing balance		**37.708**	**42.247**

(11) Goods Received in Payment and Returned Goods

The detail of goods received is as following:

Goods delivered back from leasing contracts					
Movable Goods:		**Jun 30, 2013**	**Additions and Other**	**Punishment and Other**	**Dec 31, 2013**
Machinery & Equipment	$	2.851	374	(1.263)	1.962
Vehicles		7.803	617	(4.935)	3.485
Computing Equipment		5	1	(6)	-
Immovable Property:					
Immovable Property, Others (1)		12.771	5.941	(3.206)	15.506
Immovable property Housing Leasing		1.323	2.219	(110)	3.432
	$	**24.753**	**9.152**	**(9.520)**	**24.386**
Goods received in payment					
Immovable property for housing	$	376	-	-	376
Immovable property other		24.742	4.479	(2.352)	26.869
Movable goods		860	6	(2)	864
		25.978	**4.485**	**(2.354)**	**28.109**
Sub Total		**50.731**	**13.637**	**(11.874)**	**52.495**
Provision		**(25.545)**	**4.334**	**(6.051)**	**(27.262)**
Total Goods Delivered Back and Received in Payment		**25.186**	**17.971**	**(17.925)**	**25.233**

(1) The item additions in Immovable Property corresponds to the receipt of goods delivered back in the leasing operation

The following composition of goods received in payment and goods delivered back according to the time possession:

December 31, 2013

		Immovable		Movable	
Time of possession		Cost	Provision	Cost	Provision
Up to 1 year	$	15.013	2.710	4.497	1.420
From 1 to 3 years		21.469	12.925	416	383
From 3 to 5 years		3.506	3.008	430	414
More than 5 years		6.517	5.755	272	272
Total	**$**	**46.506**	**24.399**	**5.614**	**2.489**
		Securities		Total	
Time of possession		Cost	Provision	Cost	Provision
Up to 1 year	$	-	-	19.510	4.131
From 1 to 3 years		8	8	21.893	13.315
From 3 to 5 years		124	124	4.059	3.545
More than 5 years		244	244	7.033	6.271
Total	**$**	**375**	**375**	**52.495**	**27.262**

June 30, 2013

	Immovable		Movable	
Time of possession	Cost	Provision	Cost	Provision

Up to 1 year	$	15.991	6.003	9.476	1.061
From 1 to 3 years		13.129	7.739	629	526
From 3 to 5 years		4.018	3.587	444	431
More than 5 years		6.396	5.549	273	273
Total	**$**	**39.534**	**22.878**	**10.822**	**2.291**

		Securities		Total	
Time of possession		Cost	Provision	Cost	Provision
Up to 1 year	$	-	-	25.467	7.063
From 1 to 3 years		8	8	13.765	8.273
From 3 to 5 years		124	124	4.585	4.142
More than 5 years		244	244	6.914	6.067
Total	**$**	**376**	**376**	**52.495**	**27.262**

The movements of provisions of marketable goods received in payment and delivered back during the semesters were the following:

		December 31, 2013	**June 30, 2013**
Initial balance	**$**	**25.545**	**24.804**
Provision charged to expense		4.660	4.332
Recoveries		(2.943)	(3.591)
Closing balance		**27.262**	**25.545**

(12) Property, Equipment and Goods given on Lease

Below the detail for Property and Equipment:

		Balance to June 30, 2013	**Purchase, and/or additions**	**Sale of withdrawals and written-off**	**Balance to Dec. 31-13**
Non-depreciable					
Land	$	20.187	-	-	20.187
Imports in Progress		78.214	582.390	(589.262)	71.342
Constructions in Progress		22.632	15.601	(4.747)	33.486
Total non-depreciable	**$**	**121.033**	**597.991**	**(594.009)**	**125.015**
Depreciable					
Buildings & Warehouses		187.381	549	(11)	187.918
Equipment, office furniture and fixture		42.132	1.932	(231)	43.833
Computing Equipment		116.710	8.278	(2.710)	122.278
Vehicles		1.183	534	(230)	1.488
Total depreciable $	**$**	**347.406**	**11.293**	**(3.182)**	**355.517**
Cumulated Depreciation		(256.482)	6.140	(14.840)	(265.182)
Provision		(275)	37	-	(238)
Net Property and Equipment		**(256.757)**	**6.177**	**(14.840)**	**(265.420)**
Deferred depreciation					
Excess Fiscal over Accounting		32.858	397	(3.020)	30.235
Total property and equipment, net	**$**	**244.541**	**615.857**	**(615.051)**	**245.347**

Below the detail of cumulative depreciation of Property and Equipment

		Balance on June 30, 2013	**Written-off sales & withdrawals**	**Depreciation charged to expenses**	**Balance to Dec. 31-13**
Buildings & Warehouses	$	(144.568)	2.873	(5.378)	(147.073)
Furniture & Fixture		(29.427)	388	(1.652)	(30.691)
Computing equipment		(81.580)	2.649	(7.718)	(86.649)
Vehicle		(907)	230	(92)	(769)
	$	**(256.482)**	**6.140**	**(14.841)**	**(265.182)**

Below the detail of Property and Equipment Provision

		Balance to June 30,	**Written-off sales &**	**Depreciation charged to**	**Balance to Dec. 31-13**

		2013	withdrawals	exp	
Asset					
Buildings	$	(275)	37	-	(238)
Total Depreciation	**$**	**(275)**	**37**	**-**	**(238)**

Below the detail of goods given in operative leasing:

		Balance to June 30, 2013	Purchase and/or Additions	Sales, withdrawals and written-off	Balance to Dec. 31-13
Machinery & Equipment	$	89.778	42.511	(12.376)	119.914
Vehicles		60.113	8.161	(1.881)	66.392
Computing equipment		239.110	63.688	(29.307)	273.491
Computer Software		115.280	10.745	(13.642)	112.383
Furniture and Fixture		58.812	10.950	(5.895)	63.867
Immovable Property		24.934	-	-	24.934
	$	**588.027**	**136.055**	**(63.101)**	**660.981**
Cumulated depreciation		(226.145)	77.409	(99.623)	(248.359)
Provision for goods given in operative leasing		(5.892)	4.983	(4.712)	(5.620)
	$	**(232.037)**	**82.392**	**(104.335)**	**(253.979)**
Total property given in operative leasing, net:	**$**	**355.990**	**218.447**	**(167.436)**	**407.002**

Below cumulated depreciation of goods given in operative leasing**:**

		Balance to June 30, 2013	Written-off sales and withdrawals	Depreciation charged to expense and/or transfer residual Value	Balance to Dec. 31-13
Machinery and equipment	$	(28.489)	12.143	(14.236)	(30.582)
Vehicles		(9.736)	3.098	(7.314)	(13.952)
Computing equipment		(108.290)	33.408	(45.677)	(120.559)
Computer Software		(54.156)	19.697	(21.038)	(55.497)
Furniture & Fixture		(25.474)	9.063	(11.358)	(27.769)
	$	**(226.145)**	**77.409**	**(99.623)**	**(248.359)**

Below de detail of cumulate provision of goods given in operative leasing:

		Balance to June 30, 2013	Written-off sales and withdrawals	Depreciation charged to expense and/or transfer residual Value	Balance to Dec. 31-13
CAT A Contra Cyclic Provision	$	(4.081)	2.353	(2.755)	(4.483)
CAT B Contra Cyclic Provision		(1.025)	1.613	(1.455)	(867)
CAT C Contra Cyclic Provision		(17)	132	(152)	(36)
CAT D Contra Cyclic Provision		(177)	270	(148)	(56)
CAT E Contra Cyclic Provision		(592)	615	(202)	(178)
	$	**(5.892)**	**4.983**	**(4.712)**	**(5.620)**

The detail of valuation is as follows:

Description	**Balance on Dec. 31/2013**	**Appraisal Amount**	**Valuation**
Land and Buildings	61.031	393.228	302.931

Description	**Balance on June 30/ 2013**	**Appraisal Amount**	**Valuation**
Land & Buildings	63.000	376.566	282.019

All property and equipment of the Bank, as well as the property given in operative leasing are duly covered against fire, weak power, and other risks, by current insurance policies. The Bank holds insurance policies to cover its property and equipment for $ 565.161 and $ 515.030 at December 31, 2013 and June 30, 2013, respectively, covering theft, fire, lighting, explosion, earthquake, strike, riot and others

Bank's property, as well as goods given in leasing, have been appraised by independent technical appraisers for no less than three years term.

For immovable property, the Bank records valuations determined based on commercial appraisals made by expert technicians. Most of those appraisals of property shared with other entities, were made in 2010; the appraisals of the own property were made between 2011, 2012 and 2013.

The Bank made appraisals of movable property during 2013 operational period, obtaining at December 31 and June 30 the amounts $393.228 and $376.567 respectively at market price.

Over Bank' property and equipment there is no mortgages or pledges. On December 31, 2013 and June 30, 2013 the Bank has provisions to protect building's by $238 and $275.

(13) Prepaid Expenses, Deferred Charges and Other Asset

Below the detail of prepaid expense and deferred charges

		Balance to Jun 30, 2013	**Additions**	**Reclassif.**	**Amortization**	**Balance to Dec 31, 2013**
Prepaid Expenses:						
Interest	$	634	448	-	(238)	844
Insurance		2.116	-	-	(2.116)	-
Other		2.948	712	-	(2.263)	1.397,00
	$	**5.698**	1.160	-	(4.617)	2.241,00
Deferred Charges:						
Organization & Preoperative		2.211	788	-	(1.282)	1.717
Rebuilding		240	420	-	(538)	122
Studies and Projects		65.242	21.516	-	(10.175)	76.583
Computer Software		2.511	929	-	(1.788)	1.652
Stationery		462	508	-	(502)	468
Improvement leased property		1.710	2.534	-	(1.532)	2.712
Deferred income tax		4.375	2.080	-	(3.613)	2.842
Patrimony Tax		51.198	-	-	(17.066)	34.132
Property Tax		1.257	45	-	(1.302)	-
Contributions & Affiliations		200	3.969	-	(4.169)	-
Other deferred charges		1.078	115	-	-	1.193
Total Deferred Charges		**130.484**	**32.905**	**-**	**(41.967)**	**121.421**
Total Prepaid Expenses and Deferred Charges	**$**	**136.182**	**34.065**	**-**	**(46.584)**	**123.662**

		Balance to Dec. 31-12	**Additions**	**Reclassif.**	**Amortization**	**Balance to Jun. 30-13**
Prepaid Expenses:						
Interest	$	218	556	-	(140)	634
Insurance		406	4.019	-	(2.309)	2.116
Other		**1.294**	3.687	-	(2.033)	2.948
	$	**1.918**	8.262	-	(4.482)	5.698
Deferred Charges:						
Organization & Preoperative		2.324	888	-	(1.001)	2.211
Rebuilding		1.029	223	-	(1.012)	240
Studies and Projects		58.237	17.182	(5.995)	(4.182)	65.242
Computer Software		1.887	2.514	(23)	(1.867)	2.511
Stationery		474	629	-	(641)	462
Improvement leased property		2.145	569	-	(1.004)	1.710
Deferred income tax		3.025	3.477	-	(2.127)	4.375
Real Estate Tax		63.939	7.208	-	(19.949)	51.198

Property Tax		-	1.600	-	(343)	1.257
Contributions & Affiliations		-	2.523	-	(2.323)	200
Excess of cost over book value investment		3	-	-	(3)	-
Other deferred charges		507	571	-	-	1.078
Total Deferred Charges		**133.570**	**37.384**	**(6.018)**	**(34.452)**	**130.484**
Total Prepaid Expenses and Deferred Charges	**$**	**135.488**	**45.646**	**(6.018)**	**(38.934)**	**136.182**

Intangible Assets – Mercantile Credit:
The following is mercantile credit derived from the taken over of Banco Unión Colombiano S.A:

Percentage acquired		**39.28%**
Date Purchased		**Jun de 2006**
Equity	$	32,796
Investment		74,731
Vr. Mercantile Credit		41,935
Balance to redeem as of June, 2013		23.519
Amortization II half-year 2013		795
Unamortized balance at June, 2013	**$**	**22.724**

Following the detail of mercantile credit initial distribution acquired to each business line and valuation as of September 30, 2013:

Allocation mercantile credit per line of business		**Value mercantile credit per line of business**	**Participation % in mercantile credit line**	**Sep 30-13 Line of Business Valuation Acquisition Banco Unión (COP rates)**		
				14,35%	**13,33%**	**12,31%**
Ordinary Portfolio	$	13,076	31%	88.331	97.658	109.060
Treasury Credit		12,044	29%	17.337	19.243	21.574
Undirected		4,074	10%	61.962	68.558	76.624
Vehicles		2,450	6%	52.860	58.537	65.483
Loans to personnel		3,887	9%	130.390	144.123	160.917
Credencial & Visa		1,372	3%	105.558	116.884	130.739
Crediunión plus		1,438	3%	-	-	-
Overdrafts Current Account		962	2%	16.217	17.869	19.887
Development Portfolio		247	1%	1.359	1.503	1.680
Debtor F/C Colombia		2,385	6%	2.818	3.126	3.504
	$	**41.935**	**100%**	**476.832**	**527.501**	**589.468**

Other Assets – Goods to Place in Leasing Contracts:

Below the detail:

New Good to be places:		**Dec. 31-13**	**Jun 30, 2013**
Machinery and Equipment	$	19.584	22.395
Vehicles		41.159	36.442
Furniture and Fixtures		1.068	3.336
Ship, trains and aircraft		-	33
Computer Equipment		8.668	3.466
Software		1.498	958
Real Estate Property		187.952	155.197
	$	**259.929**	**221.827**
Delivered back to be placed			
Machinery and Equipment		895	498
Vehicles		1.827	1.952
	$	2.722	**2.450**
Goods to Place in Leasing Contracts	**$**	**262.651**	**224.277**

Other Assets– Permanent Contributions and Others

		Dec. 31-13	**Jun 30, 2013**
Letters of Credit deferred payment	$	-	298
Loans to employees (1)		16.538	17.020
Species Valued		4	7
Art Work and Culture Goods		701	701
Trust Rights		819	1.236

Sundry:			
Income tax prepaid		-	87.448
Withholdings at source		-	18.028
Remittance in transit unconfirmed		10	15
Furniture and fixtures in warehouse		13	13
Commerce and Industry tax prepaid		5.565	5.565
Petit cash		24	24
Other		474	550
	$	**26.480**	**130.905**
Permanent Contribution		**397**	**395**
		26.877	**131.300**

(1) Classification of Credits to Employees:

		December 31, 2013		June 30, 2013	
Qualification		**Consumption**	**Provision**	**Consumption**	**Provision**
A	$	16.287	163	16.571	165
B		44	1	134	4
C		90	18	174	35
D		73	37	83	41
E		44	44	58	58
	$	**16.538**	**263**	**17.020**	**303**

Below the movement of provisions for other asset, six months operational periods::		**Dec. 31-13**	**Jun 30, 2013**
Initial balance	$	675	320
Provision charged to expenses		786	503
Reimbursement of provisions		(236)	(149)
Others		-	1
Goods to Place in Leasing Contracts	**$**	**1.225**	**675**

(14) Deposits and Payabilities

Comprised by Time Deposit Certificates and deposits and other payables.

Below the composition of Time Deposit Certificates (by placement term at the time of constitution):

Legal Tender:		**Dec. 31-13**	**June-30-13**
Less than 6-month issued	$	1.007.942	639.174
Equal to 6-month and less than 12-month issued		604.189	754.643
Equal to 12-month and less than 18-month issued		178.236	178.267
Equal or more than 18-month issued		1.992.906	2.392.574
	$	**3.783.273**	**3.964.658**

Other deposits and payables in legal tender and foreign currency are itemized below:

Legal Tender:		**Dec. 31-13**	**June 30, 2013**
Deposits and bank current accounts		5.572.881	4.435.374
Saving Deposits		8.317.776	7.309.707
Special Saving account		2.508	22
Trust Funds and especial accounts	$	6.680	20.890
Banks and correspondents		163	402
Especial deposits		25.409	41.402
Payabilities for bank services		208.380	106.858
	$	**14.133.797**	**11.914.655**
Foreign Currency:			
Deposits in Bank current accounts		8.229	14.536
Banks and correspondents		14.168	34.449
Payabilities for bank services		23.275	17.013
	$	**45.672**	**65.998**
		14.179.469	**11.980.653**
Total Deposits and payables		**17.962.742**	**15.945.311**

December 31, 2013

Maturity Liabilities and Payables		**Up to 1 year**	**Between 1 & 3 years**	**Between 3 & 5 years**	**More than 5 years**	**Total**
Time Deposit Certificates	$	1.764.352	1.200.870	8.041	810.010	3.783.273
Other deposits and Payables		14.179.469	-	-	-	14.179.469
	$	**15.943.821**	**1.200.870**	**8.041**	**810.010**	**17.962.742**

June 30, 2013

Maturity Liabilities and Payables		**Up to 1 year**	**Between 1 & 3 years**	**Between 3 &5 years**	**More than 5 years**	**Total**
Tine Deposit Certificates	$	1.543.897	1.597.710	8.041	815.010	3.964.658
Other deposits and Payables		11.980.653	-	-	-	11.980.653
	$	**13.524.550**	**1.597.710**	**8.041**	**815.010**	**15.945.311**

On December 31, 2013 and June 30, 2013 the deposits in legal tender have and ordinary cash position as follows

	Cash position
Deposits and at sight and before 30-day payable	11,0%
Deposits of public national entities	11,0%
Deposits after 30-day payable	11,0%
Certificates of Time Deposit less than 540 days	4,5%
Ordinary saving deposits	11,0%
Savings time deposits	11,0%
Fiduciary deposits and creditors	11,0%
Bonds of general guarantee and other less than 540 days	4,5%
Commitments of negotiated investment repurchase and negotiated portfolio	11,0%

Under External Resolution Nº 11 dated October / 2008 the Board of Directors of the Central Bank, established an ordinary unique cash to credit entities over the amount of each type of call deposits in legal tender.

(15) Passive Positions in Monetary Market Operations and Related

Below the detail of passive positions in monetary and related market operations:

	December 31, 2013		**June 30, 2013**	
Legal Tender	Balance	Annual effective rate	Balance	Annual effective rate
Ordinary interbank funds purchased	-	0,00%	$ 22.000	3,12%
Transfer Commitment in Repo open Operations	350.061	3,20%	600.158	3,25%
Commitments originated in short-term positions simultaneous operations	12.162	-	26.928	
Investment transfer commitments in simultaneous operations	40.392	1,59%	35.279	1,23%
	402.615		**$ 684.365**	
Foreign Currency				
Investment transfer commitments in simultaneous operations	49.805	2,02%	$ 72.779	1,98%
Overnight operations	129.136	0,34%	88.162	0,11%
	178.941		**$ 160.941**	
	581.556		**$ 845.306**	

(16) Credits from Banks and other Financial Obligations

Below the detail in legal tender and foreign currency converted to legal tender:

December 31, 2013

Entity		Short-term (1 year)	Long-Term (More than 1 year)	Total
Banco de Comercio Exterior	$	121.699	199.206	320.905
Fondo para el Financiamiento del Sector Agropecuario FINAGRO		20.134	90.238	110.372
Financiera de Desarrollo Territorial S.A. FINDETER		60.344	368.499	428.843
Overseas Banks (1)		1.093.507	52.795	1.146.302
	$	**$ 1.295.684**	**710.738**	**2.006.422**

June 30, 2013

Entity		Short-term (1 year)	Long-Term (More than 1 year)	Total
Banco de Comercio Exterior	$	37.987	298.600	336.587
Fondo para el Financiamiento del Sector Agropecuario FINAGRO		17.583	98.520	116.103
Financiera de Desarrollo Territorial S.A. FINDETER		20.072	408.120	428.192
Overseas Banks:		1.154.725	9.645	1.164.370
	$	**1.230.367**	**814.885**	**2.045.252**

(1) Includes an operation with Banco de Occidente de Panamá for COL $56,472MM t 0.1% EA fixed rate.
The operations in foreign currency are indexed to the Libor with 1.06% EA, weighted rate, where a max. Libor+5.5 EA and min. Libor + 0.5% EA. Is recorded
For rediscounted obligations in legal tender, maximum rate is DTF + 4,4% and the minimum rate is DTF + 0.5.

(17) Accounts Payable

The detail of interest payable is as follows:

Interest

		Dec. 31-13	Jun, 30-13
Deposits and Payabilities	$	52.882	58.744
Currency market operations		3	6
Credits of banks and other financial obligations		5.422	4.505
Investment titles outstanding		17.274	22.630
Other		8.330	8.264
	$	83.911	94.149
Commissions and fees		**1.562**	**1.583**

Others

Patrimony tax (1)	$	33.772	50.658
Other tax		8.678	2.154
Dividends and Surplus by payment (2)		63.602	62.089
Contribution on Financial Transactions		12.078	8.003
Promising Purchasers		1.249	1.877
Payment Suppliers		134.970	103.463
Withholdings and labor Contributions		67.188	49.219
Insurance Premiums		17.645	21.656
Tax collection		29.456	167.214
Checks drawn and uncashed		2.591	8.806
Payments to third parties - Occired		8.649	13.066
Capital Security Bonds		3.167	3.173
Capital Peace Bonds		14.040	13.821
Forwoards NDR without delivery		780	705
Fondo Nacional de Garantias		5.800	6.632

VAT devolutions debit and credit cards of clients		-	9
Sundry		13.263	26.174
	$	**416.928**	**538.719**
Total	$	**538.719**	**634.451**

(1) Patrimony tax shows the following detail during the six-month periods:

		Dec. 31-13	Jun, 30-13
Patrimony tax declared	$	135.087	135.087
Amortization and payment		(101.315)	(84.429)
Balance payable and amortizable	**$**	**33.772**	**50.658**

(2). The movement of dividends and surplus payable of the 6-month period is itemized below:

		Dec. 31-13	Jun, 30-13
Opening balance	$	**62.089**	**56.266**
Plus: Dividends decreed		121.602	118.796
Less: Dividends paid and reclassifications		(120.089)	(112.973)
Closing balance	**$**	**63.602**	**62.089**

(18) Outstanding Investment Certificates

a. Issue of Subordinate Ordinary Bonds in, 2007 I, 2012 I and 2013 I. Issue of Ordinary Bonds in 2007, 2008, 2009, 2010, 2011 (two issues), 2012 II and 2013 (two issues) 2013 II and 2013 III

b. Amount authorized to issue

Year		Amount
2007	$	80,000
2007	$	300,000
2008	$	250,000
2009	$	500,000
2010	$	550,000
2011 I	$	400,000
2011 II	$	247,120
2012 I	$	200.000
2012 II	$	300.000
2013 I	$	200.000
2013 II	$	253.390
2013 III		350.000

NOTA: The issue made in 2007 for $80,000 was made in two dates, the first was made on August 9, 2007 with placed amount of $50,500 and the second issue was made on February 25, 2008 for total amount of $29,500 corresponding to the issued in 2007

Similarly, the issue made in 2010 was made in two spans, for total amount of $550,000. The first on November 25, 2010 for $359.500 placed and the second one made on May 10, 2011 for $190,450 placed.

c. Holders' legal representatives are Fiduciaria la Previsora S.A. and Helm Fiduciaria S.A.
d. For 2007 issues ($80.000), 2010 ($550.000), 2011 ($400.000 and $247,120), 2012 ($200.000 and $300.000) and 2013 ($200.000, $253.390 and $350.000) value and minimum investment is for $10.000.000 and $10.000.000 (in Col$), respectively. For 2007 issues ($300.00), 2008 ($250.000) and 2009 ($500.000) the nominal amount and minimum investment is $100.000 and $1.000.000 (in pesos) respectively
c The following is the detail of the series, term, in months, return and balances in the outstanding balances in bonds:

Year	Series	Term (months)	Return	Jun. 30-13	Dec. 31-12
2006	One-time	84	IPC + 5.58	75.000	75,000
2006	C	85	IPC + 5.75	44.680	44,680
2007	One-time	84	IPC + 5.90	50.500	50,500
2007	C	85	IPC + 6.60	53.841	53,841
2008	One-time	84	IPC + 5.90	29.500	29,500
2008	B	60	DTF + 3.10	112.983	112,983
2008	C	85	IPC + 5.90	21.024	21,024
2008	C	121	IPC + 7.00	52.903	52,903
2009	C	60	IPC + 5.00	50.086	50,086

2009	C	121	IPC + 5.75		1.000	1,000
2009	C	85	IPC + 6.00		123.450	123,450
2010	B	36	IPC + 2.72		242.660	242,660
2010	B	60	IPC + 3.15		134.500	134,500
2010	C	60	DTF + 1.35		6.000	6,000
2010	D	36	IBR + 1.42		166.840	166,840
2011	B	36	IPC + 2.49		61.900	61,900
2011	B	60	IPC + 3.05		39.300	39,300
2011	D	36	IBR + 1.50		298.800	298,000
2011	A	36	FIXED 6.65 E.A.		5.380	5,380
2011	A	60	FIXED 7.25 E.A.		12.760	12,760
2011	B	60	IPC + 4.00		59.180	59,180
2011	B	84	IPC + 4.20		32.000	32,000
2011	B	120	IPC + 4.50		134.300	134,300
2011	D	36	IBR + 1.80		3.500	3,500
2012	B	84	IPC + 4.34		80.000	80.000
2012	B	120	IPC + 4.65		120.000	120.000
2012	B	120	IPC + 4.10		100.950	100.950
2012	B	180	IPC + 4.27		149.050	149.050
2012	C	36	DTF + 1.67		50.000	50.000
2013	B	144	IPC + 3.58		200.000	200.000
2013	B	84	IPC + 2.90		19.540	19.540
2013	B	180	IPC + 3.10		2.750	2.750
2013	D	36	IBR + 1.30		231.100	231.100
2013	D	24	IBR + 2.08		218.200	-
2013	B	48	IPC + 3.89		70.750	-
2013	B	84	IPC + 4.35		61.050	-
				$	**2.473.313**	**2.765.477**

(19) Other Liabilities

Below the detail of other liabilities:

Consolidated Labor Obligations:

		Dec. 31-13	Jun. 30 – 13
Labor Obligations (1)	$	$ 43.550	38.578
Income received in advance (2)		9.731	9.555
Deferred credits (2)		10.149	13.176
Pensions retirement (3)		3.522	3.704
Letter of Credit deferred payment		-	298
Deferred income tax		64.400	60.265
Accounts paid		2.252	1.698
Credits to apply to obligations		19.914	8.317
Other		4.575	2.113
	$	**158.093**	**137.704**

(1) The movement of labor obligations is as follows:

		Jun. 30 - 13	Accrued Semester	Paid up Semester	Dec. 31-13
Unemployment	$	7.523	7.481	(2.527)	12.477
Interest on unemployment		521	1.270	(176)	1.615
Vacations		10.320	4.317	(4.827)	9.810
Other benefits fringe benefits		20.215	7.318	(7.885)	19.648
	$	**38.578**	**20.386**	**(15.414)**	**43.550**

(2) The movement of income received in advance and deferred credits is as follows

		Jun. 30 - 13	Charges	Credits	Dec. 31-13
Interests	$	5.305	(17.702)	17.352	4.955
Deferred income for Restructured portfolio		7.140			5.922
Profit on sale of asset		4.511	(2.694)	1.476	3.100
Credit Portfolio given in UVR		342	(2.941)	1.530	-
Other concepts		5.433	(32.013)	32.483	5.903

$	**22.731**	**(55.773)**	**52.922**	**19.880**

(3) The movement of liabilities for retirement pensions is as follows

		Actuarial Calculation
December 31, 2013	$	**3.753**
Amortizations during semester		133
Payments made during semester		(181)
June 30, 2013	**$**	**3.704**
Amortizations during semester		40
Payments made during semester		(222)
December 31, 2013	**$**	**3.522**

Pensional liabilities has semestral actuarial studies; the last of which was conducted with closing December 2013.

(20) Estimate Liabilities and Provisions

Below estimated liabilities detailed:

		Dec. 31-13	Jun. 30 - 13
labor obligations	$	-	1.419
Income tax payable		3.437	73.409
Commerce & Industry tax and other		9.266	10.475
Contributions and affiliations		312	874
Fines and sanctions, lawsuits, indemnities, SOI operations		3.097	3.333
Accrual SOI Operations		277	-
Accrual ATH		-	288
Provision Grupo AVAL		12.473	829
Deposit insurance provision		366	11.417
Others		-	22.583
	$	**29.228**	**124.628**

(21) Equity Capital

Capital stock authorized is 200.000.000 stocks Col$30 par value each. These stocks are common.

The number of outstanding common stocks as of December 31, 2013 is 155.899.719.

(22) Legal Reserve

		Dec. 31-13	Jun. 30 - 13
Appropriation of profit (1)	$	1.491.046	1.370.729
Premium in placement of stocks		720.444	720.444
	$	**2.211.490**	**2.091.173**
Occasional Reserves			
Credit portfolio protection	$	25	25
Other		-	20.842
Fiscal Dispositions		155.193	134.988
To protect Investments		-	26.568
	$	**155.218**	**182.423**
	$	**2.366.708**	**2.273.596**

(1) Includes $ 272,018,5 million for Patrimony revaluation.
(2) On August 27/ 2013, the Stockholders General Meeting proposed the releasing of these occasional reserves and their capitalización as legal reserve as documented in the Minutes N° 116

(23) Contingent Accounts

Below the detail of contingent accounts:

		Dec. 31-13	Jun. 30 - 13
Credits:			
Values received in Operations Repo and Simultaneous			2.046
Bank Guarantee		632.409	570.737
Letter of Credit		52.044	135.199
Approved and non-reimbursed credits		1.676.356	1.510.237
Opening of credit		2.428.091	1.984.032
Obligations in options		86.620	131.786
Other creditor contingencies		12.025	24.702
	$	**4.890.545**	**4.358.739**
Debit:			
Interest of credit portfolio	$	44.006	44.496
Interest of Financial leasing		15.231	14.966
Indexation of financial leasing operations		4	
Rent Payment and Penalty of Leasing Contracts		5.969	2.102
Rights in options – speculation		138.978	78.687
Rent Payment Receivable (1)		6.001.240	5.601.474
Call Options Receivable		307.076	258.523
Values delivered in Repo and simultaneous operations		431.969	716.347
Other debts contingences		1.993	4.485
	$	**6.946.466**	**6.721.080**

(1) Below the detail of rent receivable:

December 31, 2013

Category of Risk

		Financial Rent receivable	Operating Rent receivable	Total
Commercial		5.552.363	438.315	5.990.678
Category A Normal	$	5.179.910	425.713	5.605.623
Category B Acceptable		181.414	11.993	193.407
Category C Appreciable		51.077	380	51.457
Category D Significant		82.265	90	82.355
Category E Unrecoverable		57.697	139	57.836
Consumption		**10.562**	**-**	**10.562**
Category A Normal	$	9.592	-	9.592
Category B Acceptable		192	-	192
Category C Appreciable		285	-	285
Category D Significant		317	-	317
Category E Unrecoverable		176	-	176
	$	**5.562.925**	**438.315**	**6.001.290**

June 30, 2013

Category of Risk

		Financial Rent receivable	Operating Rent receivable	Total
Commercial		**5.212.387**	**379.138**	**5.591.525**
Category A Normal	$	4.848.573	360.610	5.209.183
Category B Acceptable		175.639	17.619	193.258
Category C Appreciable		52.406	226	52.632
Category D Significant		105.129	287	105.416
Category E Unrecoverable		30.640	396	31.036
Consumption		**9.949**	**-**	**9.949**
Category A Normal	$	9.116	-	9.116
Category B Acceptable		171	-	171
Category C Appreciable		262	-	262
Category D Significant		297	-	297
Category E Unrecoverable		103	-	103

$	**5.222.336**	**379.138**	**5.601.474**

(24). Memorandum Accounts

Below memorandum accounts itemized:

		Dec. 31-13	Jun. 30 - 13
Debit:			
Goods and values delivered in custody	$	9	9
Goods and values delivered in guarantee		24.063	37.137
Valuation of goods received in payment		9.632	7.964
Remittances sent to collection		2.932	3.512
Unpaid negotiated checks		525	525
Written-off asset		1.174.382	1.051.560
Unused credits in favor		1.644.377	1.589.129
Amortized Investment titles		2.200.379	1.633.216
Assets inflation adjustment		37.925	37.943
Credits to Holding, affiliates & related companies		136	31
New loans agribusiness portfolio		324.148	324.734
Property and equipment fully depreciated		97.107	91.119
Fiscal value of asset		23.314.609	23.268.468
Provision persons in agreement with creditors		2	1
Investments negotiable in certificates of indebtedness		1.545.871	1.760.690
Investments to maintain up to maturity		591.670	563.213
Investment available/via certificates of indebtedness		446.014	382.727
Recip. Active Oper. with parent companies and subsidiaries		1.535.510	1.372.460
Recip. Active Oper. affecting Expenses and cost with parent companies and subsidiaries		4.999	5.688
Other debit memorandum accounts		132.057	122.420
	$	**33.086.347**	**32.252.546**
Credit:			
Goods and values received in custody	$	791.652	735.860
Goods and values received in guarantee future credits			2.934.081
Guarantees pending to be paid		3.350.187	406.556
Goods and values received fit guarantee		6.448.524	6.158.455
Goods and values received other guarantees		2.764.000	2.487.751
Collections received		7.413	10.300
Recovered of written-off Asset		24.026	26.231
Equity indexation before 1/1/11		225.565	225.565
Capitalization by equity revaluation		225.565	225.565
Investment returns		-	45.391
Equity fiscal value		3.249.463	3.249.463
Qualification of housing portfolio		32.240	4.603
Ranking of portfolio (Capital Interest and Other)		20.112.967	18.555.787
Recip. Passive Oper. With Parent Companies and Subsidiaries		591.877	446.648
Recip. Operations affecting Equity with parent companies and Subsidiaries		828.935	698.588
Recip. Oper. affecting income with Parent Companies & Subsidiaries		94.198	106.794
Other creditor memorandum accounts		371.553	88.713
	$	**39.563.661**	**36.406.351**

(25) Other Operational Income -

Below other operational income itemized by 6-month periods:

Dividends and Participations		**Dec. 31-13**	**Jun. 30 - 13**
Affiliates and Subsidiary companies	$	15.675	33.308
Other Corporate Bodies		63.834	59.745
		79.509	**93.053**

		Dec. 31-13	**Jun. 30 - 13**
Checkbook sale	$	10.489	10.300
Commercial information		200	208
Cablegrams, portages, telephone		1.338	1.164

Credencial management charges		16.812	15.795
MasterCard management charges		1.107	1.208
National consignment		2.297	2.225
Study credit projects		37	51
ATM service		4.979	4.455
Reimbursement accounts payable		3.535	2.168
Management charge personal banking		2.272	2.270
Return insurance polices		18.595	16.161
Management charge business banking		2.676	2.481
Refund of provisions accounts receivable		17.840	14.044
Refund provision of credit portfolio		203.845	180.720
Refund provisions of leasing		1.998	1.423
Contra Cyclic Reimbursement Provision		598	486
Other		11.884	7.821
	$	**300.502**	**259.926**
		380.011	**352.979**

(26) Other Operational Expense

Below the detail of operational expense other by 6-month periods:

		Dec. 31-13	**Jun. 30 - 13**
Cleaning & Watching Service	$	5.184	5.405
Advertising and Propaganda		20.274	20.241
Public Relations		257	211
Utilities		13.468	14.018
Electronic Data Processing		1.457	1.709
Travel Expenses		3.960	3.554
Transportation Expenses		3.903	4.171
Stationery		3.143	3.052
Grants		714	28
Personal Training		1.655	1.568
Coffee-house expenses		1.816	1.819
Minor fixings		265	193
Cash Preparation		873	1.229
Hospitality expenditures to employees		1.256	1.255
Information and Credit		2.355	4.088
Petty-cash costs		80	79
Marketing - cardholders		8.493	7.820
Photocopies		66	85
Subscription and Reference Books		124	127
Fees		11.062	11.800
Contributions and Membership		27.531	24.857
Maintenance & Repair		4.814	5.084
Customization and Installation		1.403	1.331
Taxes		60.737	54.900
Rents		20.666	18.808
Insurance		25.534	22.961
Other		11.309	7.696
	$	**239.210**	222.277
Operational Returns repo, simultaneous, transient transfer of securities and other interest	$	83.094	91.059
	$	**322.304**	**313.336**

(27) Other Non-Operational Income

Non-operational incomes by 6-month periods are itemized below:

	Dec. 31-13	**Jun. 30 - 13**
Profit on sale		
Property and equipment	95	381
Goods received in payment	1.306	1.809
Goods written-off	24.026	26.231
Refund of provisions property and equipment and other	37	60
Refund of provisions goods receiving in payment	2.943	3.591
Recover for sinister	3.942	2.392
Refund other provisions	832	4.750

Other Recoveries		39	-
Renting	$	963	958
Reimbursement of deposit insurance		-	7.811
Other		895	1.269
	$	**35.078**	**49.252**

(28) Non-operational expenses

Non-operational expenses for 6-month periods are itemized below:

		Dec. 31-13	Jun. 30 - 13
Loss on sale of goods received in payment	$	1.283	2.803
Loss on sale of property and equipment and other asset		7	-
Fines and penalties and lawsuits:			
Labor Claims		79	8
Other		827	2.746
Loss for sinister		4.723	3.321
Expenses of goods received in payment		516	336
Fess and other legal expenses		56	313
Expenses of contracts		412	450
Other		1.906	935
	$	**9.809**	**10.912**

(29) Income and Complementary Tax

The following is the conciliation between accounting profit and estimated taxable income by six-month periods ended on December 31, 2013 and June 30, 2013:

a) Income:		**Dec. 31-13**	**Jun. 30 - 13**
Profit before Income Tax	$	318.275	286.629
Plus (less) items increasing (decreasing) fiscal profit:			
Fines and sanctions		906	2.754
Non-deducible provisions		9.569	2.108
Amortization deferred depreciation		7.137	9.065
Especial deduction in Productive Fixed Asset Investment of 30%		(38.745)	(16.469)
Other non-deductible expenses		52.168	43.031
Net difference, income between accounting valuation and fiscal investment valuation of the investments		(14.340)	(15.997)
Forward contract valuation, net		(7.973)	14.409
Accrued dividends 2012, payable and not registered in 2011		-	13.396
Mercantile credit amortized		795	751
Other tax deductions		(21.953)	(14.228)
Dividends and participations non taxed		(79.508)	(90.366)
Exempt Income		(24.160)	(29.725)
Taxable Base current income tax	$	**202.170**	**205.358**

a) Equity income tax - CREE		**Dec. 31-13**	**Jun. 30 - 13**
Profit before Income Tax	$	318.275	286.629
Plus (less) items increasing (decreasing) fiscal profit:			
Fines and sanctions		906	2.754
Non-deducible provisions		9.569	2.108
Amortization deferred depreciation		7.137	9.065
Grants		665	28
Other non-deductible expenses		45.916	37.598
Net difference, income between accounting valuation and fiscal investment valuation of the investments		(14.340)	(15.997)
Forward contract valuation, net		(7.973)	14.409
Accrued dividends 2012, payable and not registered in 2011		-	13.396
Mercantile credit amortized		795	753
Other tax deductions		(21.953)	(14.228)
Dividends and participations non taxed		(79.508)	(90.366)
Exempt Income		(2.135)	(4.279)
Taxable Base Equity income tax - CREE	$	**257.354**	**241.865**

Current income tax 25%		50.543	51.339
Equity Income tax – CREE 9% (1)		23.162	21.768
Deferred Tax		3.929	(1.495)
Excess of income tax provision		(514)	303
Total Income Tax	**$**	**77.120**	**71.915**

(1) According to Act 1607 / 2012 as from January 01 / 2013 the equity income tax (EIT) a rate of (9%) for 2013 to 2015 operational periods and (8%) for 2016 and forward, the income tax will have diminution of the rate, going from (33%) down to (25%).

Decree 862 / 2013 regulated the withholding at source mechanism between May 1 and August 31 / 2013, applied over all payments or credits on account involving income and susceptible of raising the net patrimony of passive subjects in the year of taxable operational period, and therefore, such measure applied both to suppliers and to clients of Banco de Occidente. As from September 1/2013 the self-withholding system of CREE was implemented by Decree 1828 of August 27/2013, establishing the quality of self-withholder agent to the Bank.

Deferred tax results from the following temporary differences between accounting and fiscal accrual:

Provisions, Net for:		**Dec. 31-13**	**Jun. 30 - 13**
Industry and commerce	$	(962)	1.237
Property Tax		2	(2)
Forwards Valuation		2.711	(4.899)
Total deferred tax receivable		1.750	(3.664)
Amortization Mercantile Credit		(270)	(256)
Investment Valuation		4.876	5.507
Deferred Depreciation		(2.426)	(3.082)
Total deferred tax payable		2.179	2.169
Net deferred tax payable	**$**	**3.929**	**(1.495)**

The Bank determines the debit and credit deferred tax at 34% rate (25% for income tax and 9% for income tax for the equity - CREE).

.

b) The following is the accounting and fiscal net worth reconciliation:

		Dec. 31-13	**Jun. 30 - 13**
Accounting Equity	$	3.803.443	3.523.616
Plus (less) items increasing (decreasing) equity for tax purpose:			
Fiscal readjustment of fixed asset, net		18.739	65.159
Estimate liabilities & provisions involving no fiscal liabilities		25.791	50.472
Provisions of asset involving no fiscal diminution		16.388	14.081
Accrued deferred tax payable		64.400	60.265
Other net asset		(63.592)	(29.337)
Accounting valuation of net fixed asset		(302.932)	(282.019)
Accrued deferred tax receivable		(2.842)	(4.375)
Accrued deferred depreciation		(71.339)	(67.236)
Fiscal Equity	**$**	**3.488.056**	**3.330.626**

Income tax returns of the tax 2012 and 2011 are within the legal term of revision by National Tax Administration.
The company is subject to patrimony income and surtax established for 2011 operational period by the Act 1370 / 2009 and the Legislative Decree 4825 / 2010 at 6% rate, settled over net patrimony on January 1 / 2011.

(30) Technical Patrimony

The technical patrimony may not be less that nine point zero percent (9.0%) of asset in weighted legal tender and foreign currency by credit risk level and market, as provided in article 2.1.1.1.2 of Decree 1771/2012, before Decree 2555/2010. The individual compliance is verified on a monthly and quarterly basis in a consolidated manner with the subsidiary companies in Colombia, supervised by Colombia Finance Superintendence and financial affiliates abroad.

Asset risk qualification in each category is made applying the percentages determined by Finance Superintendence to each item of the asset, credit contingent accounts, business and fiduciary assignments established in the Account Unique Plan

The Bank shows the indicators below:

Technical Patrimony			**Dec. 31-13**	**Jun. 30 - 13**
Basic Patrimony		$	2.212.882	1.738.890
Additional Patrimony			970.887	637.993
Technical Patrimony		$	**3.183.769**	**2.376.883**
Ceiling of Asset growth				
Less:				
Asset and contingencies weighted per risk level				
Category II	20%		86.151	769.982
Category III	50%		455.500	402.988
Category V	80%		3.029.173	2.867.458
Category VI	90%		300.000	168.258
Category VII	95%		3.085	58.188
Category VIII	100%		18.588.042	16.050.374
Category IX	110%		112.173	36.922
Category X	120%		45.268	4.494
Category XI	130%		13.373	9.403
Total weighted asset and contingencies		**$**	**22.633.014**	**20.368.067**
Value market risk		$	1.246.015	1.375.712
Solvency Ratio		%	**13,33**	**10,93**

(31) Transactions with Stockholders, Directors and Related Parties

On December 31, 2013 and June 30, 2013 the Bank had loans with stockholders and directors; Those operations are made under the general conditions prevailing in the market for similar operations, as follows:

Admissible Guarantee		**Dec. 31-13**	**Jun. 30 - 13**
Stockholders		214.188	210.289
Directors		18.579	24.786
	$	**232.768**	**235.075**
Other Guarantees			
Stockholders		42.509	28.845
Directors		1.773	27.119
		44.282	55.964
	$	**277.050**	**267.854**

Transactions with Related Parties

The balances and transactions with related-parties are itemized below, operations made with associated companies at the market prices and rates for the terms thereof:

December 31, 2013

Banco de Occidente	**Banco de Occidente Panamá S.A**	**Fiduciaria de Occidente S.A**	**Occidental Bank Barbados Ltd.**	**Ventas y Servicios S.A**
Asset				
Available	$ 22.572	-	-	-
Investments	54.297	75.234	31.649	4.325
Credit Portfolio	-	-	-	10
Accounts Receivable:	-	23	-	888
Valuations	7.176	41.422	19.423	2.230
Liabilities				
Deposits & Demands	-	1.783	23	1.022
Interbank Funds Purchased	77.111	-	49.746	-
Transfers committed	396.980	-	-	-
Accounts Payable	1	-	-	4.066
Net Worth				
Non-realized Profit or Loss	7.176	41.422	19.423	2.230
Income	-	-	-	56
Interest	-	85	-	44
Commissions	-	15.675	-	-

Dividends	-	4	-	-
Profit leasing sales	-	64	-	-
Rent	-	12	80	2
Other				
Expense				
Interest	2.161	-	540	-
Other				18.311

June 30 2013

Banco de Occidente	**Banco de Occidente Panamá S.A**	**Fiduciaria de Occidente S.A**	**Occidental Bank Barbados Ltd.**	**Ventas y Servicios S.A**
Asset				
Available	27.163	-	-	-
Investments	44.784	59.560	31.684	3.132
Credit Portfolio	-	115	-	9
Accounts Receivable:	9.974	-	-	1.247
Valuations	7.124	43.116	18.721	1.183
Liabilities				
Deposits and Demands	-	430	16	219
Interbank Funds Purchased	88.162	-	72.779	-
Transfer Commitments	205.392	-	-	-
Accounts payable	1	-	-	4.656
Patrimony				
Unrecognized Profit or Loss	7.124	43.116	18.721	1.183
Income				
Interest	-	-	-	25
Commissions	-	9	-	43
Dividends	12.927	16.608	3154	618
Profit Leasing Sales	-	8	-	5
Rent	-	63	-	-
Other	-	49	66	2
Expense				
Interest	1.528	-	891	-
Other	$ -	-	-	15.676

Stockholders Operations

The following is the detail of the balances with stockholders which participation is higher than 10%; operations made with stockholders are made under market general conditions for similar operations:

Grupo Aval Acciones y Valores S.A.

Liability:	**Rate**		**Dec. 31-13**	**Rate**	**Jun. 30 - 13**
Deposits and Payabilities	2,55%	$	197.595	2,55%	22.969
Accounts Payable Dividends			43.876		42.788
Other			-		3
		$	241.470		**65.760**
Incomes:		$			85
Commissions			-		85
Interest Saving Deposits			78		-
		$	**78**		**85**
Expense		$	-		85
Interest			819		2.185
Fees			4.643		6.019
		$	**5.463**		**8.204**

Operations with Related Companies – Grupo Aval Entities

As of December 31, 2013

Entity		**Asset**	**Liabilities**	**Equity**	**Income**	**Expense**
Banco de Bogotá S.A.	$	4.773	35	-	43	110
Banco AV Villas S.A		167	9	-	1.194	729
Banco Popular S.A		-	-	-	387	360

ATH S.A		1.350	124	1.087	-	726
Fiduciaria Bogota S.A		17	-	-	-	-
Pensiones y Cesantias Porvenir S.A.		373.404	477	63.055	22.246	-
Corficolombiana S.A.		1.129.167	15.859	764.860	42.245	273
Leasing Corficolombiana S.A.		-	5.000	-	-	-
Fiduciaria Corficolombiana S.A.		-	939	-	129	49
Casa de Bolsa S.A.		2.517	1.502	(67)	27	26
Banco corfivalle Panamá S.A		-	15	-	-	-
Al Popular S.A.		25	6	-	-	-
Seguros Alfa S.A.		2	13.794	-	20	-
Seguros de Vida Alfa Vidalfa S.A.		1.628	28.596	-	11.986	-
Gestión y Contacto S.A.		192	-	66	-	-
Hoteles Estelar S.A.		508	4.821	-	977	523
Cia Hotelera Cartagena de Indias		505	-	-	22	-
Inca S.A		-	896	-	-	10
Tejidos Sintéticos De Colombia S.A.		-	-	-	2	-
Pajonales S.A.		11.972	88	-	102	-
Grupo Aval S.A.		-	241.470	-	78	5.463
Promotora Santamar S.A		-	38	-	-	-
Mavalle S.A.		-	175	-	-	-
Valora S.A.		-	1	-	-	-
Manuf. Terminadas Mantesa S.A.		392	-	-	26	-
Coninvial S.A.	-	-	41	-	-	-
Coviandes S.A		-	2.014	-	-	-
Pizano en Reestructuración S.A.		17.478	-	(130)	810	-
Episol S.A.		-	-	-	-	13
Goajira SAS		159	-	-	-	-
Plantaciones Sta Rita SAS		-	10	-	-	-
Hevea De Los Llanos SAS		-	10	-	-	-
Concesionaria Panamericana S.A.		-	24	-	1	-
Peajes Electrónicos S.A.		-	7	-	-	-

		As of June 30, 2013				
Entity		**Asset**	**Liabilities**	**Equity**	**Income**	**Expense**
Banco de Bogotá S.A	$	4.773	25	-	36	97
Banco AV Villas S.A		18	11	-	663	80
Banco Popular S.A		-	-	-	434	346
ATH S.A		1.354	-	1.090	-	786
Fiduciaria Bogota		30	-	-	-	-
Pensiones y Cesantías Porvenir S.A		212.595	2.236	34.588	23.827	-
Corficolombiana S.A		994.087	22.335	662.892	33.866	618
Leasing Corficolombiana S.A		-	972	-	-	-
Fiduciaria Corficolombiana S.A		-	763	-	43	79
Casa de Bolsa S.A.		2.717	9.730	133	69	64
Banco Corfivalle Panamá		-	5	-	-	-
AFP Horizonte S.A.		118.020	-	(116)	-	-
Al Popular S.A.		37	5	-	2	24
Seguros Alfa S.A.		-	10.052	-	5.091	87
Seguros de Vida Alfa Vidalfa S.A		-	33.734	-	9.879	1.088
Gestion y Contacto		160	-	34	56	-

Hoteles Estelar S.A.	1.011	3.590	-	250	411
Inca	-	129	-	-	9
Colombiana de Licitaciones y Conceciones S.A	-	8	-	-	-
Tejidos Sintéticos De Colombia S.A.	-	53	-	45	-
Pajonales S.A.	12.422	19	-	65	-
Grupo AvaL	-	65.760	-	85	8.204
Promotora Santamar S.A	-	18	-	-	-
Mavalle S.A.	-	23	-	-	-
Valle-Bursátiles S.A	-	56	-	-	-
Manuf. Terminadas Mantesa S.A.	. 492	-	-	29	-
Coninvial S.A.	-	122	-	-	-
Coviandes S.A	-	1.857	-	-	-
Pizano en Reestructuración S.A.	18.133	-	(156)	880	
Episol	-	2.010	-	-	57
Agro Sta Helena SAS	-	186	-	-	-
Guajira SAS	-	167	-	-	-
Plantaciones Sta Rita SAS	-	16	-	-	-
Hevea De Los Llanos SAS	-	39	-	-	-
Tsr20 Inversiones SAS	-	198	-	-	-
Hevea Inversiones SAS	-	185	-	-	-
Agro Casuna SAS	-	141	-	-	-
Concesionaria Panamericana S.A.	-	13	-	-	-
Peajes Electrónicos	$ -	11	-	-	-

(32) Disclosure of Risks
Administration related to risk management
Liquidity Risk

In the second half-year 2013, a positive Liquidity Risk indicator (LRI) is highlighted and with a stable tendency; in the case of 7 days indicator, an average of $3.5 billion is found and at 30 days, $3 billion, levels higher than those ones occurred in the prior half-year periods. Such indicator is represented mainly in an excellent level of net assets which in an average amount to $3.7 billion, which, given the net liquidity requirements at 7 and 30 days represent a mean liquidity ration for 1,554% and 467% respectively (Net Asset over liquidity required) The Early Alert Indicator which aid to manage in an early basis any alert of liquidity risk, showed across the semester stable levels and within the ranges considered as normal conditions.

Market Risk

The measurement made through the calculation of Risk Value reflected a mean exposure level of $119.787 million in the second half-year 2013, such level located within the limits set forth. The fixed income portfolio located in and average of $2.7 billion, continues to be represented mainly by non-Colombian Government Certificates (93%) and maintains a mean maturity according to the structure of 37 months portfolio.

Among the main and relevant facts of the second half-year there are the preparing for the implementation of Financial Information International Standards where specifically the sources of Fixed Income and Derivatives are fund and the change in the minimum time for Available certificates for sale going from one year down to 6 months, as determined by Colombia Finance Superintendence under the External Circular Letter 033 of November 22/2013.

Objective of Risk Management

The objective is to maintain in the organization a risk control and management culture allowing for the conduction of the different business of the Bank in the commercial and treasury activities within reasonable and measurable exposure margins, preventing from negative impact and supporting the generation of economic value.

Legal Framework
All activities carried out in developing a proper market risk management, shall be consistent with the Basic Accounting Financial Circular Letter C.E. 100, 1995, specially related to the following sections:

- Chapter I: Classification, Valuation and Investment Valuations
- Chapter VI: Criteria and Procedures to Evaluate Liquidity Risk Management (LRMS)
- Chapter XVIII: Derivatives Valuation and Structured Products.
- Chapter XXI: Standards Relative to Market Risk Management System (MRMS)

The risks are defined as follows

Credit and/or Counterpart Risk

Credit risk is defined as the possibility for an entity to incur in loss and impairment of asset value as a result of the failure of clients to timely or efficiently comply with the terms agreed upon in the respective contracts.

In Banco de Occidente credit indebtedness levels, both for commercial operations and treasury operations, are analyzed per credit areas and then subject to the consideration and approval by the appropriate business units, specially by Credit Committee and the Top Management or the Board of Directors.

In the analysis, customers' financial statements are taken into account, at least from the last two operational periods, the cash flow and other elements necessary to make informed decisions. Treasury operations are not independent on other operations assigned to the customers. Especial emphasis is made on customer's payment capacity, both through cash flow and by the analysis of liquidity ratio, current liabilities participation on sales, company's operative cycle and solvency and the other measures integrating the credit analytical model.

Since 2002 operational period, the Bank started a Project to develop Credit Risk Management System (CRMS), which includes credit risk management procedures and policies, structuring of database with customer's historical information, and customer's behavior, development of models for granting, following up and qualification of customers, estimation of expected loss, among others. This development has been adopted based on regulations changes (Chapter II of Accounting and Financial Basic Circular Letter 100 / 1995 from Colombia Finance Superintendence).

Financial entities need to submit the model (by type of credit) to be approved by Finance Superintendence, before its practical application. Those entities failing to submit the internal model or those ones which internal model has been objected need to apply the reference models developed by Finance Superintendence. The model for commercial portfolio began to take force as from July 1/2007 and that for consumption portfolio began to take force from July 1, 2008. For housing and microcredit the reference models have not been developed as yet.

During the first half-year 2008 the Bank began to develop activities to implement Consumption Reference Model (CRM) for customer qualification and provision estimates according to the Annex 5 of Chapter II of Circular Letter 100 / 1995, as well as the activities to develop the analysis of consumption portfolio harvests since January 2005, based on the External Circular Letter 012, 2008.

On May 2009 the entity concluded the development of activities originated from the recommendations made by Colombia Finance Superintendence, as a result of the evaluation of CRMS internal model, communicated on December 2006, which were grouped into five sources of work: Policies, Procedures, Modeling, Database, and Training. This way the weaknesses found were remedied.

Since October 2009 the Entity is working in line with External Circular Letters 035 of September 2009 and 054 of December 2009, where the new portfolio provisions system is defined, which includes the definition of two components of expected loss (Procyclic Individual Component - PIC) and Contracyclic Individual Component– CIC) and the calculation of four (4) indicators determining if the entity can be located in the cumulative or accumulative phase of its provisions.

Liquidity Risk

Liquidity risk is understood as the contingency of the impossibility to fully and timely comply with the payments in the appropriate dates, due to the deficiency of liquid resources or to the need to assume unusual funding costs.

As from April , 2009 the new chapter VI of "Standards relative to Liquidity Risk Management" began to take force, which derogated the former chapter related to "Criteria and Procedures to Manage Asset and Liabilities" which makes emphasis mainly on Liquidity GAP indicator.

As from October, 2011 and April, 2012 Colombia Finance Superintendence, under External Circular Letter 044, amended the Chapter VI an introduced Liquidity Risk concept.

The degree of exposure to risk is determined by the calculation of Liquidity Risk Indicator (LRI). This indicator compares the level of liquid asset adjusted by market liquidity, Exchange risk (AML), and cash position required against net liquidity requirement (NLR). The major characteristics are the following:

- LRI is calculated on a weekly basis closing date Friday and closing monthly date the last calendar day of the month.

- Net Liquid Asset corresponds to the sum of available, investments negotiable in certificates of indebtedness, investments negotiable in certificates of participation, the investments negotiable for sale in certificates of indebtedness and the investments until maturity. Additionally the securities or coupons transferred to the entity in developing monetary market active operations will make part of Liquid Asset

- Withdrawals of deposits at sight will be adjusted by the Net Withdrawal Factor NWF

- The timeframes are distributed by: less than 7 days, 8 to 15 days, 16 to 30 days, 1 to 30 days, and 31 to 90 days.

- It is considered that any credit entity may be producing a significant exposure to liquidity risk when in a given weekly or monthly report; Liquidity Risk Indicator LRI at one week or 30 days is minus.

Market Risk

The possibility for any credit entity incurs in loss and diminution of technical patrimony as a result of the changes in the price of financial instruments where the entity maintains positions in or off the balance. Such changes in the price of instruments may occur as a result of variations in interest rates, type of changes and other indexes.

Among market risk measurements derivative instruments are also taken into account, which are defined as financial operations the entity may make to purchase or sell asset in the future, such as foreign currency or securities, or financial futures over exchange rates, interest rates, or stock exchange indexes. The most common examples of derivatives are the fixed term contracts or “forwards”, the options, futures and swaps, or financial barters. All of them are operations with compliance in the future.

Finance Superintendence Standard Model

Standard methodology comprises tour (4) modules, which are separately calculated; such modules are the following:

- Interest rate Risk
- Exchange Rate Risk
- Stock Price risk
- Collective Portfolio Investment Risk

To obtain total exposure to market risk, the results of these modules shall be arithmetically aggregated.

For interest rate and stocks modules, only the treasury book is taken into account. For exchange rate module, bank book positions are also included.

1. Interest Rate Risk Measurement:

Exposure to interest rate risk reflects the risk associated to adverse movements in the market interest rate. Such exposure shall be measured by the entities in a separate manner for positions in Legal Tender, in foreign currency, and in Real Value Units (UVR). The methodology is as follows:

- Calculation of modified length
- Calculation of Sensitivities versus interest rate changes
- Adjustments between bands and zones
- Calculation of interest rate risk for each stair of bands
- Total exposure determination

2. Measuring exchange rate risk:

By this methodology, capital minimum requirement necessary to cover the risks associated to take or maintain positions in foreign currency is calculated, both in the treasury book and in the bank book; In order to calculate exchange rate risk exposure, the controlled entities need to calculate net sensitivity in each currency as the product of net position and the corresponding sensitivity factor.

3. Measuring stock price risk:

Since the objective of positions held in stocks is not the benefit in the short-run of price fluctuations, such positions are not considered as belonging to the book of treasury, and therefore, they are not taken into account to calculate the Value in the Risk.

4. Measuring Collective Portfolio Risk:

For investments in collective portfolios, the exposure to market risk is calculated as the product between risk factor applicable to such fund and the invested position in the factor. The factor of risk applicable corresponds to 14.7%, equivalent to the charge associated to the most risky positions included in the Standard model (stocks).

In order to calculate total exposure to market risk, you must add the exposures obtained for each module of the Standard methodology. The value obtained is computed to calculate Solvency Ratio.

Calculation of Risk Value – Internal Model

Calculation of Risk Value of the different portfolios is made using Risk Metrics methodology published by J.P Morgan, the objective of which is to forecast maximum loss level that a portfolio may suffer with 99% confidence level. To calculate daily volatilities, EWMA model is used allowing for giving a higher weight to the most recent information.

Valuation at Market Prices

Banco de Occidente, according to standards set forth by Colombia Finance Superintendence performs evaluation and valuation on a daily basis of total fixed and variable income investments and derivatives; the same procedure applies in the record and causation of interbank operations and repos, applying, for such purposes, the procedure and methodology set forth by the said entity in the Accounting and Financial Circular Letter 100 of November 1995 as amended and currently in force; for such valuation process the Bank uses the applicative acquired from a Software specialized company.

Structure to Manage Treasury Risk

In compliance with the provisions in Internal Circular Letter 088 of December 29, 2000 from Colombia Finance Superintendence, Banco de Occidente organized the Structure of Treasury in three organizational and functional independent areas, to complete trading activities (Front Office); risk monitoring, control and management (Middle Office) and processing and accounting (Back Office).

Results of Liquidity Risks
Closing: December 31, 2013

Liquidity Risk Management System

Banco de Occidente as of June 30, 2013 submitted a LRI at 7 days of $3.874.221 million and at 30 days of $3.321.450 million indicators which allow for determining that there is no any significant value in risk of liquidity. Net liquid assets added up $4.133.704 versus Net Requirement of Liquidity of ($259.483) million at 7 days and ($812.253) million at 30 days.

It shall be taken into account that as from this closing, LRI is calculated under the new Circular Letter 044 of October 2011 where such indicator is changed and Liquidity Ratio concept is introduced

LRI Behavior as of December 31, 2013

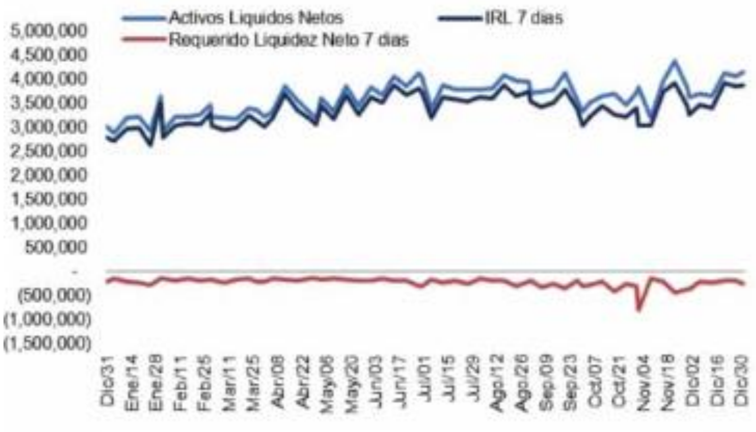
Description		Balance	Band 1 Days 1 - 7	Band 2 Days 8 - 15	Band 3 Days 16 - 30	Band 4 Days 1 - 30	Band 5 Days 31 - 90
Available	$	2.107.697					
Int. Funds, Repos			401.730				
Simult. & TTV		-	-	-		401.730	-
Investment		2.026.006	504	25.317	97.200	123.021	52.537
Certif. in securing Transfer Rights		-	418.800	13.528	-	432.329	-
Portfolio		-	313.065	394.818	824.224	1.532.107	2.840.327
Derivatives		0	30.150	30.131	63.450	123.731	120.543
Accounts Receivable		0	93.558	106.924	200.482	400.964	200.482
Other Asset & Debtor Accounts		0	-	-	-	-	12.636.600
Active Positions	**$**	**4.133.704**	**1.257.807**	**570.719**	**1.185.356**	**3.013.881**	**15.850.489**
Current Accounts		5.581.111	-	-	-	-	-
TDs		-	92.625	219.464	227.332	539.421	879.722
Saving Deposits		8.317.776	-	-	-	-	-
Payables		278.074	-	-	-	-	-
Int. Funds, Repos Simult. & TTV		-	426.936	13.195	-	440.131	-
Derivatives		-	30.149	-	93.369	123.518	120.342
Bank Credits		-	38.983	99.632	83.548	222.163	398.702
Accounts Payable		-	117.700	134.515	252.215	504.430	49.430
Outstanding Inv. Papers		-	743	-	911	1.654	314.274
Other Liabilities & Credit Cont.		-	-	-	-	-	3.761.175
Passive Positions	**$**	**14.176.961**	**707.136**	**466.806**	**657.375**	**1.831.316**	**5.523.645**
Net flow, Contractual maturity - Adjusted		-	330.796	378.052	708.848	1.417.696	2.835.392
Net Liquidity Requirement		-	259.483	303.010	341.556	812.253	2.089.759
Total Liquid Asset Investment	$	2.026.006	-	-	-	-	-
Total Net Liquid Asset	**$**	**4.133.704**	**-**	**-**	**-**	**-**	**-**
Liquidity Risk Indicator (LRI)		**-**	**3.874.221**	**3.571.211**	**-**	**3.321.450**	**1.231.691**
Liquid Ratio		**-**	**1593%**	**735%**	**-**	**509%**	**142%**

LRI Behavior as of June 30, 2013

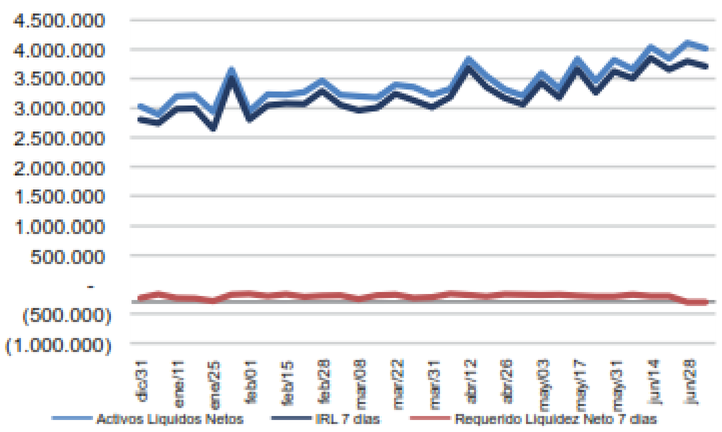
Description		Balance	Band 1 Days 1 - 7	Band 2 Days 8 - 15	Band 3 Days 16 - 30	Band 4 Days 1 - 30	Band 5 Days 31 - 90
Available	$	2.134.751	-	-	-	-	-
Int. Funds, Repos Simult. & TTV		-	247.484	-	-	247.484	-
Investment		1.891.206	3.889	6.950	116.555	127.394	112.579
Certif. in securing Transfer Rights		-	666.590	21.572	28.945	717.108	-
Portfolio		-	364.283	397.738	827.876	1.589.896	2.570.295
Derivatives		-	20.868	43.018	125.231	189.116	127.037
Accounts Receivable		-	137.838	157.529	295.367	590.735	295.367
Other Asset & Debtor Accounts		-	-	-	-	-	8.264.904
Active Positions		**4.025.958**	**1.440.952**	**626.806**	**1.393.975**	**3.461.733**	**11.370.182**
Current Accounts		4.449.910	-	-	-	-	-
TDs		-	63.775	155.200	350.933	569.908	914.400
Saving Deposits		7.309.707	-	-	-	-	-
Payables		221.014	-	-	-	-	-
Int. Funds, Repos Simult. & TTV		-	679.480	21.481	29.012	729.972	-
Derivatives		-	14.384	-	83.508	97.893	99.334
Bank Credits		-	68.958	47.195	108.141	224.294	392.265

Accounts Payable	-	128.309	146.639	274.949	549.897	49.430
Outstanding Inv. Papers	-	1.155	-	4.235	5.390	217.904
Other Liabilities & Credit Cont.	1.637	-	-	-	-	3.283.289
Passive Positions	**$ 11.982.268**	**956.062**	**370.515**	**850.777**	**2.177.354**	**4.956.622**
Net flow withdrawals not subject to contractual maturities	-	279.548	319.483	599.032	1.198.063	2.396.126
Net Liquidity Requirement	**-**	**308.902**	**172.500**	**368.452**	**843.854**	**1.838.187**
Total Liquid Asset Investment	1.892.843	-	-	-	-	-
Total Net Liquid Asset	**$ 4.027.595**	**-**	**-**	**-**	**-**	**-**
Liquidity Risk Indicator (LRI)	**-**	**3.718.692**	**3.545.193**	**-**	**3.183.740**	**1.345.553**
Liquid Ratio	**-**	**1304%**	**837%**	**-**	**477%**	**150%**

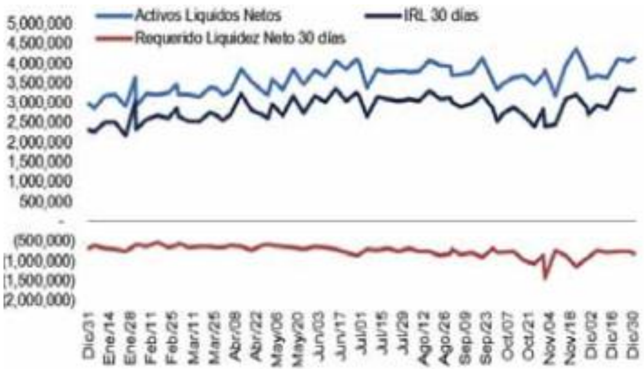
Behavior of Liquidity Risk Indicator (LRI at 7 days) at December 31, 2013 (Figures in Millions)



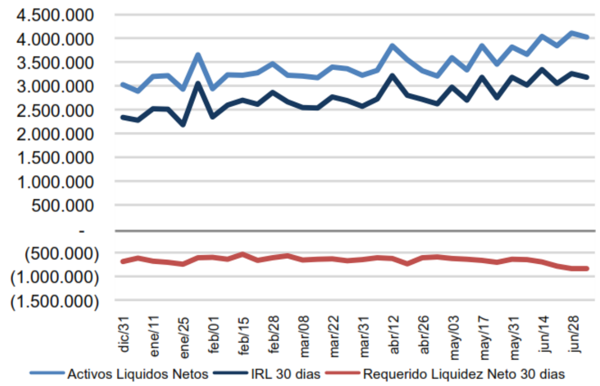
Behavior of Liquidity Risk Indicator (LRI at 7 days) at June 30, 2013 (Figures in Millions)



Behavior of Liquidity Risk Indicator (LRI at 30 days)
at December 31, 2013
(Figures in Millions)



Behavior of Liquidity Risk Indicator (LRI at 30 days)
at June 30, 2013
(Figures in Millions)



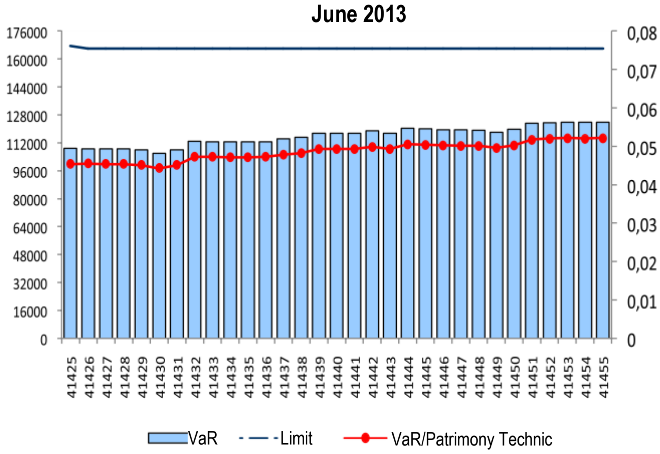
Result of Market Risk

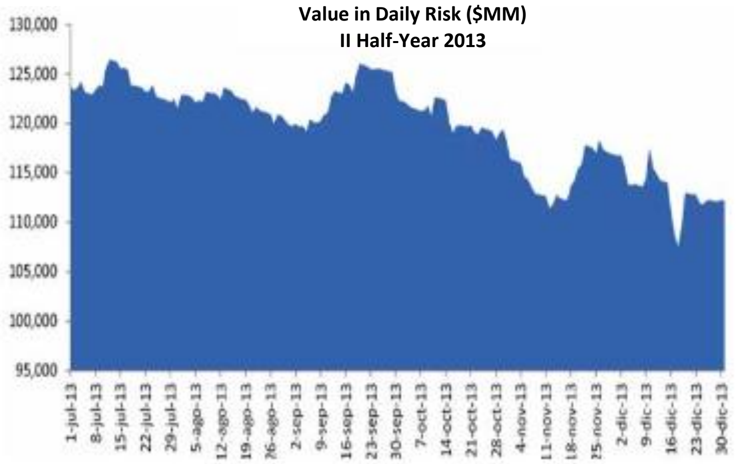
At the closing operational period of December 31, 2013 risk value of Banco de Occidente, calculated by using a new methodology provided in the Circular Letter 042, 2010 (standardized model of Risk Value in blocks, as suggested by Basle Committee) $112.141 result was obtained. The figure below shows the recent evolution of Risk Value

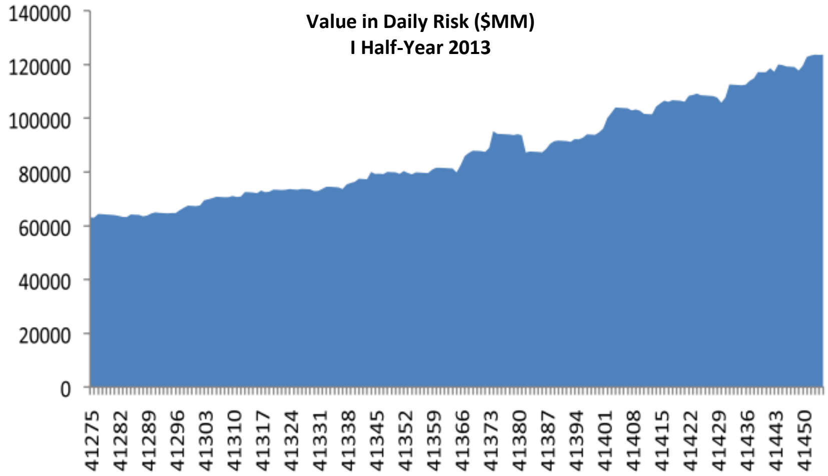
Risk Value per Modules		**Dec. 31-13**	**Jun. 30-13**
Interest Rate	$	109.646	122.873
Exchange Rate		2.495	816
Collective Portfolio		-	125
Total Risk Value	**$**	**112.141**	**123.814**

Value in Daily Risk ($MM)
December 2013

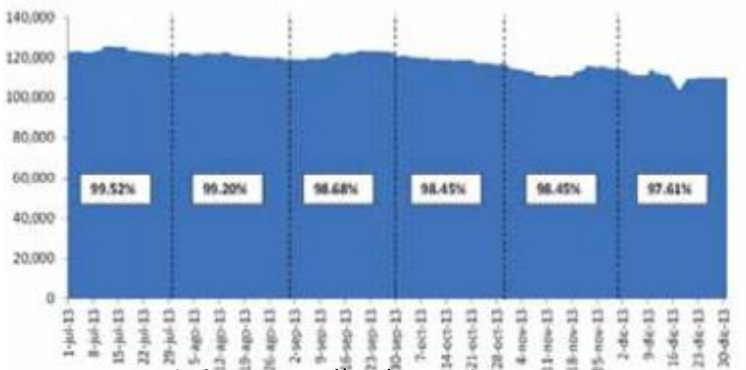
Value in Daily Risk ($MM)
June 2013



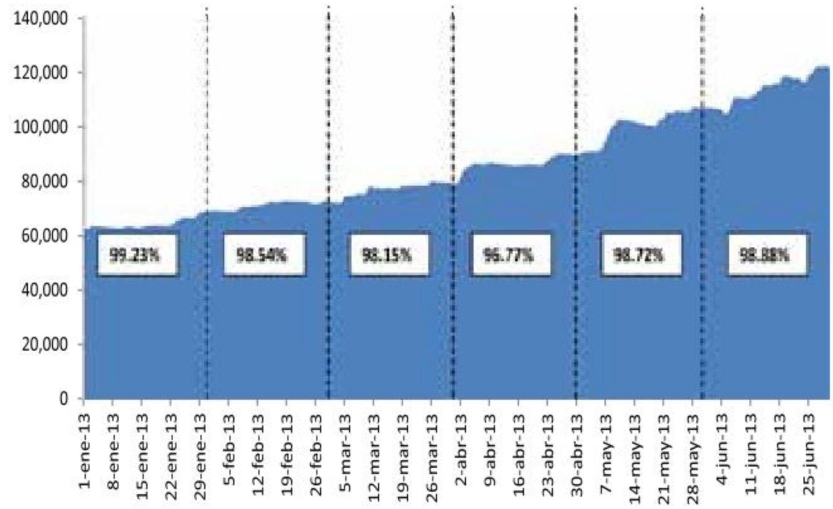




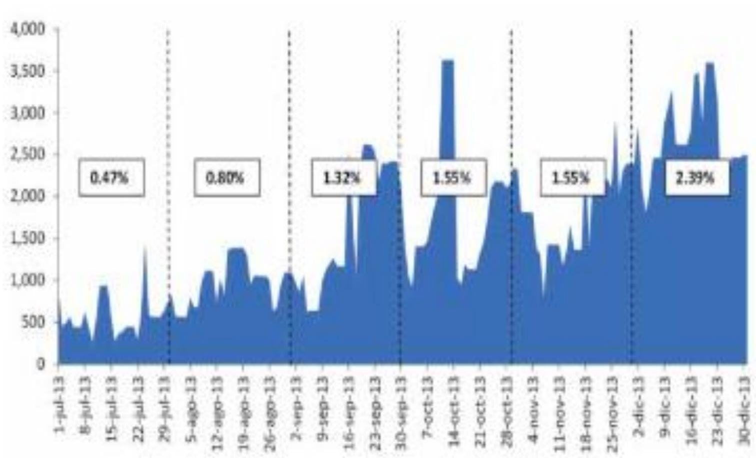
Risk of Interest Rate ($MM) & contribution to total VaR
II half-year 2013



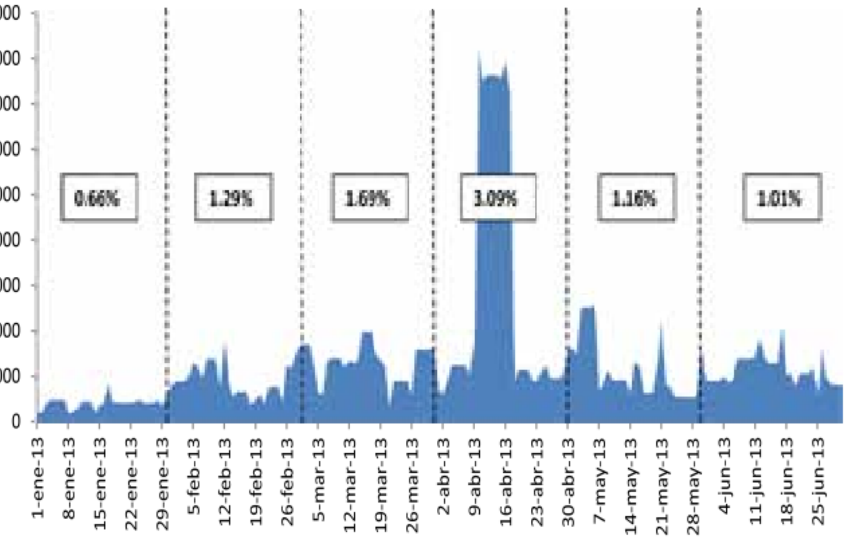
Risk of Interest Rate ($MM) & contribution to total VaR
I half-year 2013



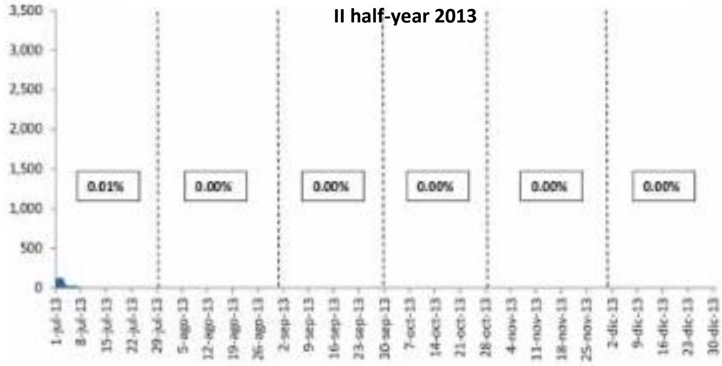
Risk of Exchange Rate ($MM) & contribution to Total VaR
II half-year 2013



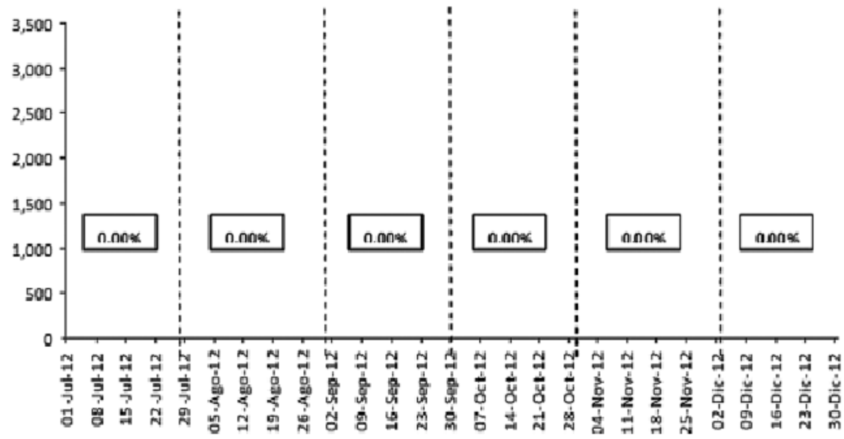
Risk of Exchange Rate ($MM) & contribution to Total VaR
I half-year 2013



Risk of Collective Portfolio ($MM) & contrib. to total l VaR
II half-year 2013



Risk of Collective Portfolio ($MM) & contrib. to total l VaR
I half-year 2013



Solvency Ratio

Calculation of solvency ratio corresponding to the closing periods December 31, 2013 and June 30, 2013 is follows:

		Dec. 31-13	Jun. 30-13
Total VeR (*)	$	112.141	123.814
Technical Patrimony (*)	$	3.183.769	2.376.883
Assets Weighed by Risk Level (*)	$	22.633.014	20.368.067
Solvency Ratio		14.07%	11.67%
Solvency Ratio (VeR 100%)		13.34%	10.93%
VeR / P TECN. (Legal Required)		**3.52%**	**5.21%**

As of December 2013, the value in the market risk represents 3,52% of technical patrimony, compatible to Bank's asset and liabilities structure and to the investment and risk policies established, as well as the use of capital and historical behavior in these risks, in accordance with the changes set forth in Decree 1771 of August 23/2012.

Operational Risk

According to the definition given by Colombia Finance Superintendence, Operational Risk is understood as the possibility to incur in loss due to deficiencies, failures or inadequacies of human resource, processes, technology, infrastructure or otherwise, due to the occurrence of external events. This definition includes the legal risk, custody risk, and reputational risk associated to such factors.

On a monthly basis and in an itemized manner ORMS Committee and the Board of Directors are informed about the most relevant aspects of the events related to operative risk, such report including the tracking of corrective actions implemented, aimed at mitigating the qualified risk in the external and high zones, the evolution of loss by this type of risk, the analysis of which allows for prioritizing the materialized events in the Bank, among others. In the same way, the changes in risk profile, the identification of new risks and control of the current and new processes are reported to such entities

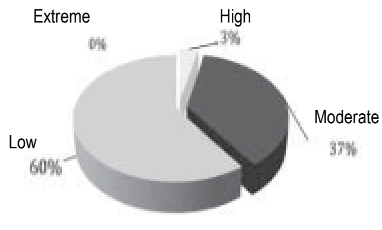
.

The Bank has available a database where operative risk events are recorded, such database is permanently fed with the reports submitted by Operative Risk Managers and by the concentrating areas. Such database is reconciled on a monthly basis with PUC accounts assigned, ensuring a proper accounting tracking. Tracking operative risk event records allows for feeding back ORMS, i.e., to identify new risks, reclassify risks and controls, prioritize those processes where development of action plans are required, among others

Operative Risk Management System, as well as Internal Control System, has been reinforced by risk, failures and controls permanent updating in the process risk matrixes and its respective documentation in the procedure manuals. During the second half-year 2013, updates to risks, failures, and controls of processes were made, which were influenced by the implementation of projects related to the CORE of business, such as; Outsourcing Credit Card and the phase I of the Project. Additionally, updating of matrices were made by topics such as Mortgage Credit, Mobile Bank Services, and Non-Banking Correspondents, inter alia.

Below Bank's consolidate risk profile is showed with closing date June 2013

Residual Risks December, 2013		
Extreme	0	0%
High	44	3%
Moderate	471	37%
Low	761	60%
TOTAL	1.267	100%



Business Continuity Plan

As a part of Operative Risk Management and according to the definition given by Colombia Finance Superintendence, Business Plan Continuity makes reference to the detailed group of actions described in the procedures, systems and resources necessary to resume and pursue the operation in the event of any interruption.

In the second half-year 2013, the updating scheme and maintenance to PCN was pursued, applying the procedures defined for risk analysis and impact on the business, updating of vital records and directory of continuance, updating of strategies with the respective plans, and permanent monitoring to the compliance with the agreements of service levels for their respective updating. Such issues were tested according to the planning throughout the year by the implementation of tests both from the operative and technological standpoint and closing with annual tests of Emergency Plan, by conducting evacuation drills in the respective administrative offices of the Bank.

Lastly, and to comply with the External Circular Letter 042 from Finance Superintendence, following up is permanently made to the continuity plans of third parties offering to the Bank critical services.

Risk of Asset Laundry and Financing of Terrorism

The legal framework for Laundry Asset Control and Prevention, is essentially based on policies, regulations and procedures included in the Circular Letter 026 of June 27/2008 contained in the Title I, Chapter 11, of Circular Letter 007 / 1996 issued by Colombia Finance Superintendence, as well as the provisions in the Financial System Organic Statute, and recommendations of Group of Finance Action (GAFI) and Colombian legal provisions.

It is advisable to underline that the Bank count of the resolute commitments from all its employees and Directors in their concern to prevent the occurrence of Risk of Laundry Asset and Financing of Terrorism, fully complies with the opportune submission of the different reports and information to all the control bodies, appropriate structure of compliance which has been duly trained about the Risk Management stressing on the prevention of laundry asset and Financing of Terrorism, has available an advanced system of transactional monitoring which is duly segmented and profiles and added to the analysis of quantitative qualitative variables thereby becoming a solid and reliable instrument for the detection and prevention of the occurrence of Laundry Asset, and in the same way, the Bank acquired and implemented the software Mineria de Datos SPSS Modeler and updated the version of its software specialized in the Risk Management SARLAFT, has available a functional and interactive program for training about Prevention of Laundry Asset and Financing of Terrorism addressed to all of the employees, allowing to conduct an evaluation of the knowledge gained in accordance with the international standards. Similarly, a widely recognized methodology was implemented for the qualification of the several different risk factors and the risks associated focused to the prevention of Laundry Asset and Financing of Terrorism .

For the reasons above, it is advisable to state that the SAR-LAFT developed by Banco de Occidente contains appropriate controls allowing for mitigating the risks of laundry asset and financing of terrorism, as well as the legal risk, operational reputation and contagion, implementing the due control, monitoring and opportune reporting, the way meeting the expectations of controlling authorities as well as correspondent Banks abroad.

(33) Corporate Governance

In regards with Corporate Governance concept, the Board of Directors of the Bank, consulting and integrating the legal, regulatory and statutory directives, as well as internal policies and the best practice of government, the Bank established and issued a code of corporate governance.

Board of Directors and Top Management
The Bank is aware of the responsibility inherent to the management of the bank business risks, knows that they are consistent with the entity’s general strategy and are informed about the processes, business structure and the nature of activities.

It is a policy of the Board of Directors and the Top Management to assist with guidance and follow up Bank's business, by issuing the instructions and guidelines to grant the credits, determining the policies and limits of action by type of market, product or business unit; defining the profile of risk of the entity and adopting the actions necessary to face with the new financial risks; establishing the organizational structure required and assessing the risk methodologies.

The Board of Directors is responsible for the approval of methodology, procedures and limits to grant the credit facilities. There exists a protocol of report addressed to this business unit in order to keep the appropriate instance properly informed about credit risk management.

Additionally, the Board of Directors urges the compliance with the policies of internal control through its Audit Committee, with a view to reduce operational risks.

Reports to the Board of Directors and to the Top Management

The Board of Directors and the Top Management of the Bank, have available clear, accurate, and opportune information means allowing for implementing permanent control over the several different risks inherent to bank business with the exposures per type of risk, per area of negotiation and per portfolio.

Such reports allow for doing a regular follow up of business, profitability and management indicators.

The Code of Corporate Governance defines the issues related to the establishment and supervision of control policies of the entity, the objectives, goals, mechanisms and responsibilities of the different administrative bodies, as well as control issues must be knows of the Board of Directors and the Audit Committee empowered by the Board.

In the same way, establishes the responsibilities, limits, and quote about management, supervision and control of risks in completion of the different Bank's business, under the limits of exposure, covering counterpart's or credit risks, Liquidity Risk, Interest Rate Risks, Exchange Rate Risk, Derivatives Risks, and Operational Risks.

Technology Infrastructure

The Bank has been outfitted with systems and technologies rendering its activity more controllable. The streamline technology process has not been only about traditional software of registry and accounting of operations; it has implied as well updating of security and communication systems.

On the other hand, the Control and Risk Management Areas count on technologic structure to offer information assess production process and the results obtained, both per operation and at portfolio level.

The Bank counts on several different information systems documented to support all activities, in addition to applicative equipped with database to satisfy control requirements. Most of these applicative are open systems allowing for unloading information to electronic sheets so to support measurement, follow-up and risk control activity.

The Bank makes technological developments on a permanent basis in order to verify and increase operational control and reduce associated risks.

Risk Measurement Model

To identify, measure, and monitor the different types of risks, the Bank holds specific methodologies and information and measurement systems allowing for qualifying and quantifying business risks according to the standards prevailing; Credit, Market, Liquidity, Operative.

In the specific area of measurement of Market Risk and Liquidity Risk the Bank adopted Finance Superintendence standard methodologies.

Organizational Structure

The Bank has in place an Organizational Structure headed by Risk and Collection Vice President, allowing for promoting analysis, integration and management of risks inherent to the several different business types.

Credit risk management of credit operations, as well as operative and business continuity risks is made in the Division of Credit and Operative Risk, while market risk management in Treasury operation and Liquidity Risk is accomplished by Treasury Risk Division.

In the same way, concerning operation and business continuity risk, the Bank has commenced a quantification work.

The Bank has available the Division of Control and Compliance Unit specifically for juridical risk linked to laundry asset.

In the same way, Legal Vice-Presidency manages the other legal risks.

Authority and responsibility levels in risk management are identified and recognized by the employees of every area, who have available an accurate description of functions, objectives and scope of their positions.

Human Resources

Bank’s Personnel Selection Area has established some criteria related to minimal educational and experience levels required according to the profile of every position.

People involved in risk analysis, measurement and management, hold professional training and skills necessary to discharge their duties in a competent manner.

Specifically it is intended to combine a demanding professional training in financial area and a recognized honesty and human quality.

To maintain employees’ technical competence, internal and external training programs are made about the topics required for risk management, as well as participation in several different forums and interaction with regulatory and controlling entities.

Verification of Operations

Technological Systems, processes involved, evaluation tools and mechanism established throughout the different negotiations allow for evidencing operations to be made according to the conditions agreed upon. Such systems render more agile and transparent risk management and control.

At present, there are in place several security mechanisms such as telephone call recording, security cameras located in strategic points, electronic control of physical access to the units, contingency plans and assistance in the event of systems failures or interruptions, restricted access areas; control of access to systems, as well as procedures established for the closing operations allowing for verifying timely and properly accounting of operations.

Specifically in the table of Treasury there are in place recording devices allowing for verifying transaction made by the operators, such recordings properly maintained and during the time indicated in the legal standards. Additionally, the Code of Conduct, containing the guidelines, policies, parameters, duties and obligations to be complied by all employees prohibits the use of cell-telephone in negotiation room. In the same way, the Bank counts on a signal blocking mechanisms of those communication devices.

Audit

Bank’s Internal Auditing allocated the human resource necessary to review and evaluate those aspects related to risk management and administration. Internal Control system operating in the Bank allows for Auditing to keep informed in detail about the operations made and implement the follow-up to the opportune and proper accounting activities according to the chronograms and defined working plans.

The major internal auditing duties are the periodical and systematic operations revision; analysis and verification of compliance with internal control; generation of report including enhancement recommendations and follow up and advisory about the actions implemented.

Bank controlling agencies validate on a permanent basis all activities, transactions and operations of the Bank; such validation is made within the parameters allowed by the regulations prevailing and authorized by the Board of Directors and the Top Management.

(34) Legal Controls

As of December 31, 2013 and June 30, 2013 the Bank has complied with the cash provisions requirements, own position, minimum capital, mandatory solvency and investment ratio

(35) Contingencies

Against the Bank, by the closing December 31, 2013, there are civil proceedings the amount of which are itemized below:

Claimant		**Valuation**	**Provision**	**Type of proceeding**
Jose Reinaldo Bolaños		413	-	Others
Ernesto Acosta Trujillo		350	-	Others
Amanda Cano		111	111	Labor
Carlos Viña		574	574	Ordinary
Luz Dary del Carmen López		131	131	Labor
Rafael Antonio Barrios		135	135	Labor
Aguilar Carlos Julio Otros		159	-	Executive
Claudia Marcela Burbano		159	159	Labor
Roberto Bohorquez Robayo		125	125	Labor
Tesorería Municipal Medellín		13	13	Administrative
Tesorería Distrital de Bogota		996	887	Administrative
Tesorería Distrital Cartagena		107	107	Administrative
DIAN		492	465	Administrative
Arquidiocesis de Cali		400	-	Others
Others		1,066	390	Sundry
	$	**5.231**	**3.097**	

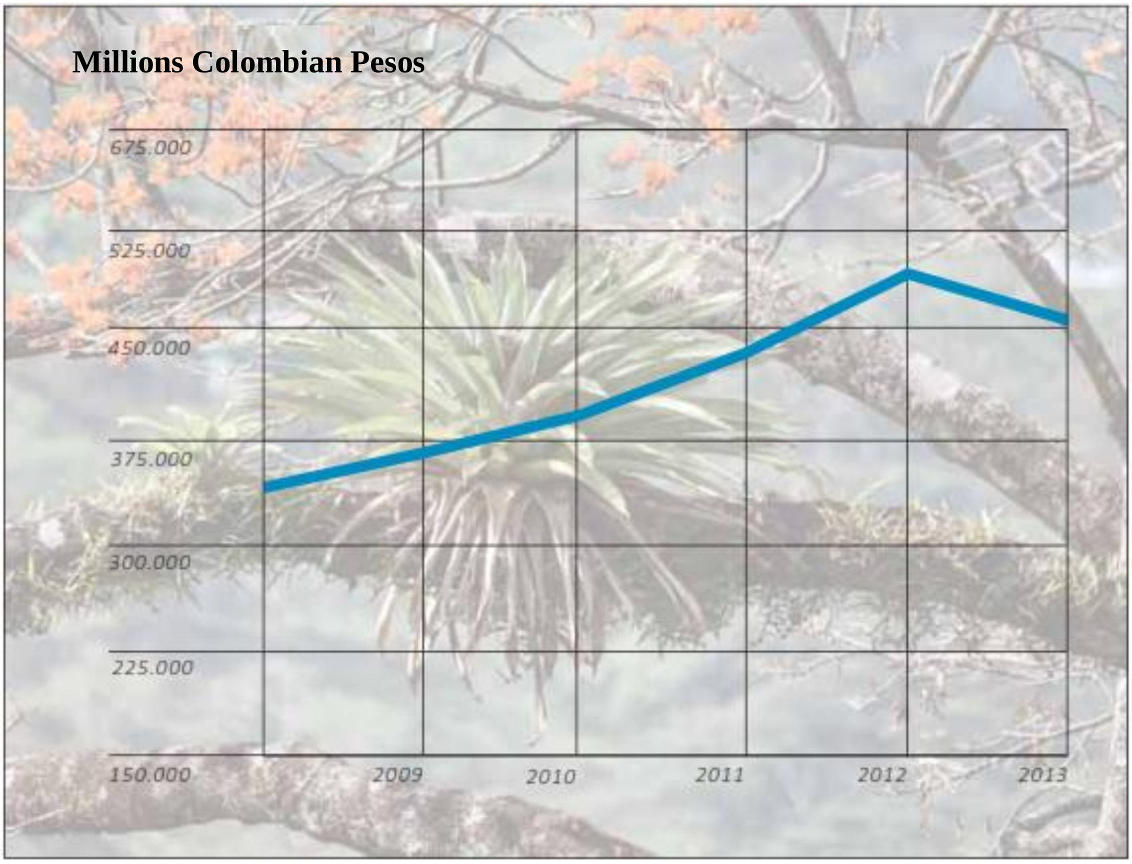
Pursuant to provisions in the External Circular Letter 066 of December 2001 from Colombia Finance Superintendence the rank to determine the type or risk and the percentage of provision is calculated as follows:

Type of Ris	Provision Percent
Remote	0%
Eventual	50%
Probable	100%

(35) Subsequent Events

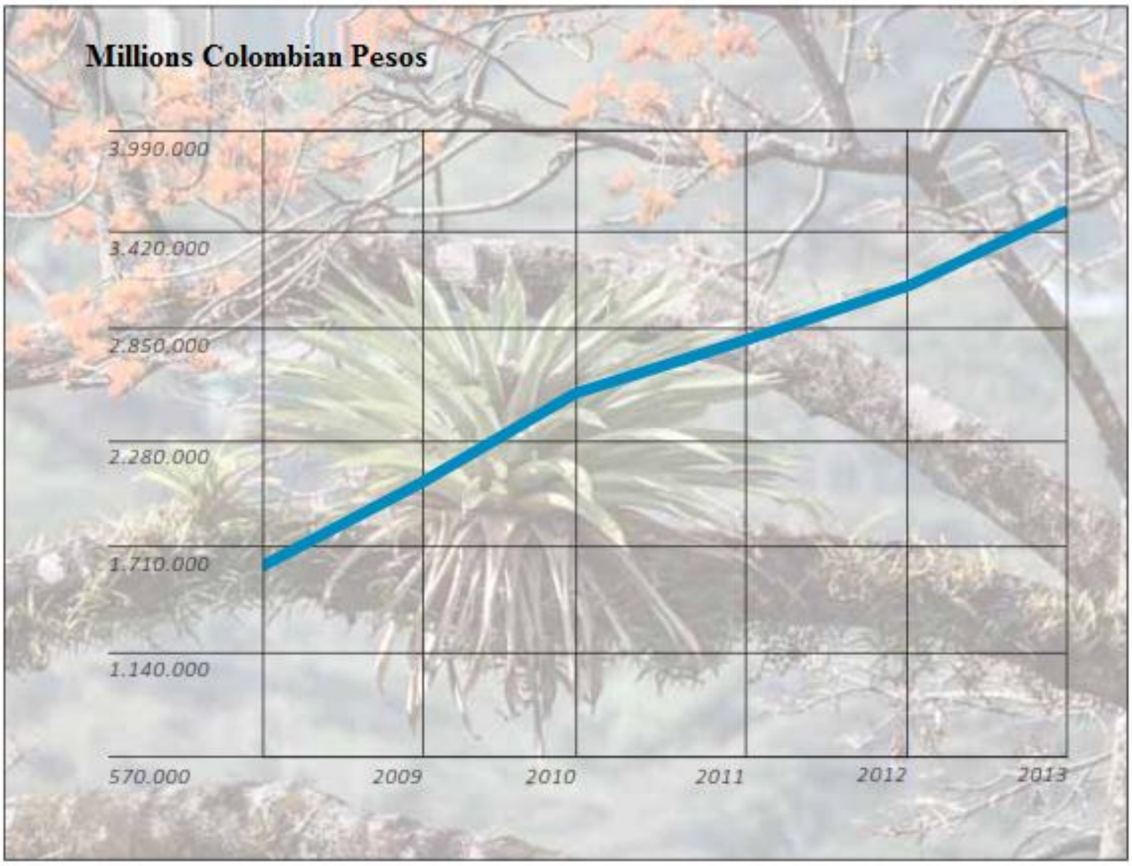
Between December 31 / 2013 the date of closing operational period, and January 27 / 2014, the date when the concept of Statutory Auditor was issued, no any situation or evens influencing the submission of Financial Statements have occurred.

Profits



Year	First Semester	Second Half-Year	Total
2009	182.683	177.844	360.527
2010	187.451	202.020	389.471
2011	214.342	226.983	441.321
2012	223.616	287.510	511.126
2013	214.714	241.155	455.869

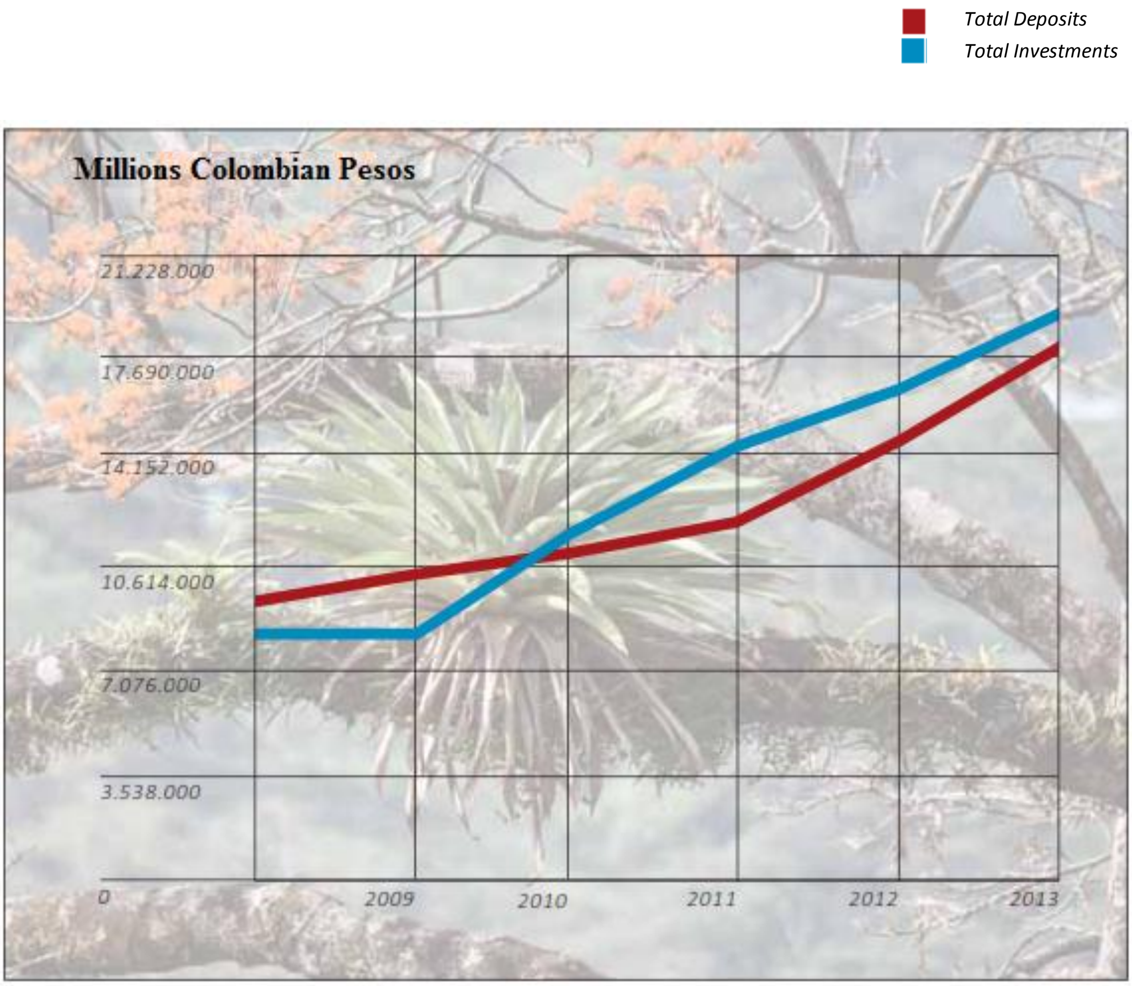
Equity, Reserves and Surplus



Period	Paid Equity	Legal Reserve	Occasional Reserves	Surplus	Total
Dec. 2009	4.111	937.677	139.946	684.096	1.762.829
Dec. 2010	4.495	1.236.486	205.999	943.622	2.390.603
Dec. 2011	4.677	1.671.863	191.340	935.744	2.803.624
Dec. 2012	4.677	1.930.554	178.328	1.081.982	3.191.540
Dec. 2013	4.677	2.211.490	155.218	1.190.902	3.562.288

Million Colombian pesos

Deposits and Placements in Legal Tender and Foreign Currency



Period	Total Deposits (1)	Total Placements (2)
Dec. 2009	10.429.792	8.383.215
Dec. 2010	10.972.345	11.822.457
Dec. 2011	12.245.531	14.571.338
Dec. 2012	14.343.571	16.808.026
Dec. 2013	17.718.296	19.439.006

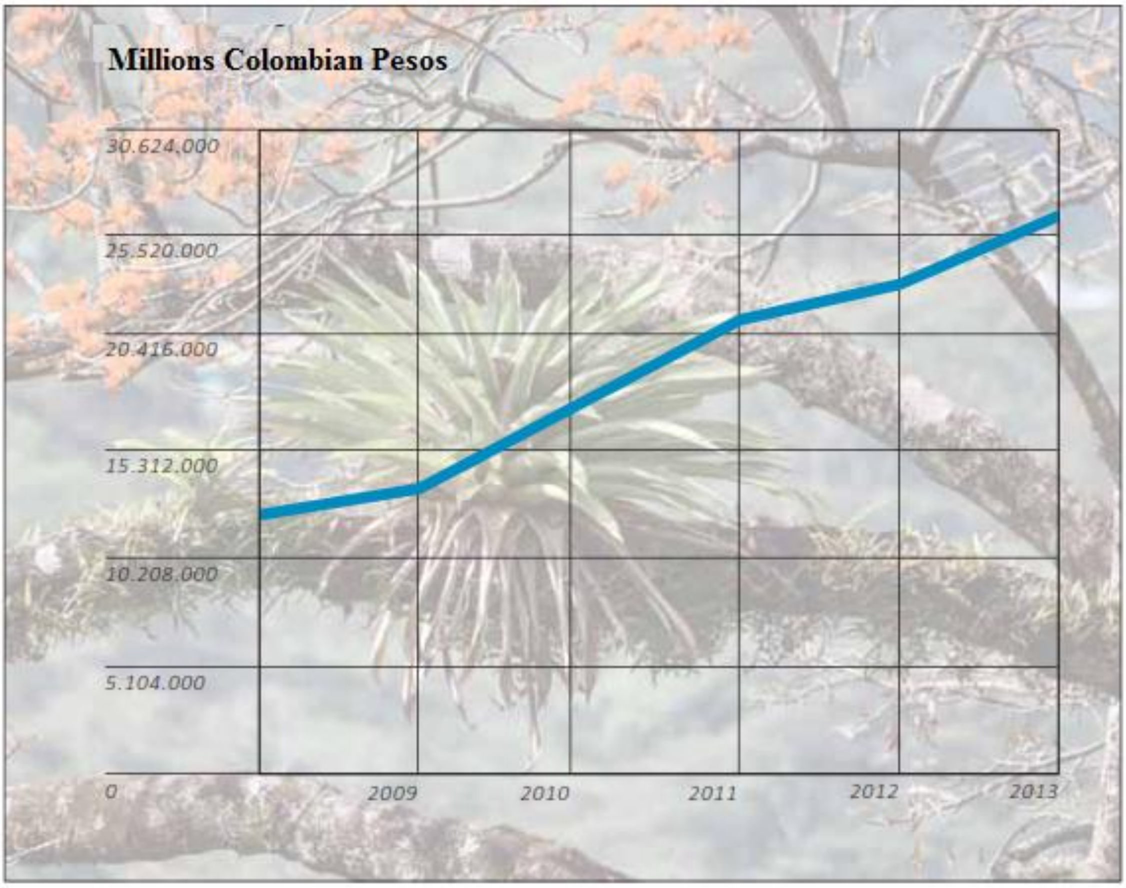
Millions Colombian pesos

Notes:

(1) Includes Deposits in Current Account, and Certificates of Time Deposits, Saving Deposits, Trust Funds and Collection Bank Services.

(2) Includes Credit Portfolio, Provisions, Credit to Employees, Accounts Receivable of Credential Clients L/T, Account Receivable F/C, Excepting Sundry Account Receivable F/C.

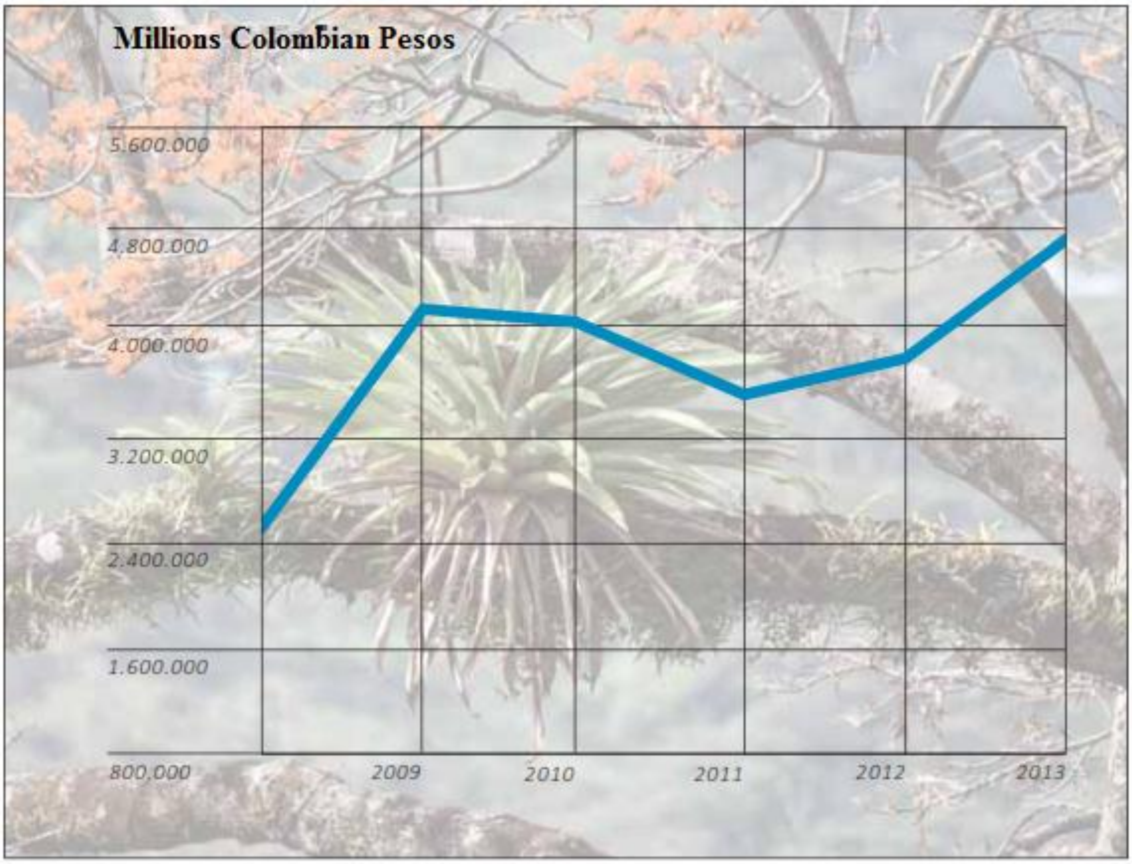
Total Asset



Period	Total
Dec. 2009	14.135.191
Dec. 2010	17.561.403
Dec. 2011	20.950.830
Dec. 2012	23.610.192
Dec. 2013	27.559.648

Millions Colombian pesos

Investments



Period	Total
Dec. 2009	4.238.110
Dec. 2010	4.077.114
Dec. 2011	3.583.562
Dec. 2012	3.863.460
Dec. 2013	4.787.462

Millions Colombian pesos

Note Includes: Investment
Sale back commitments
Interbank Funds Sold, Ordinary

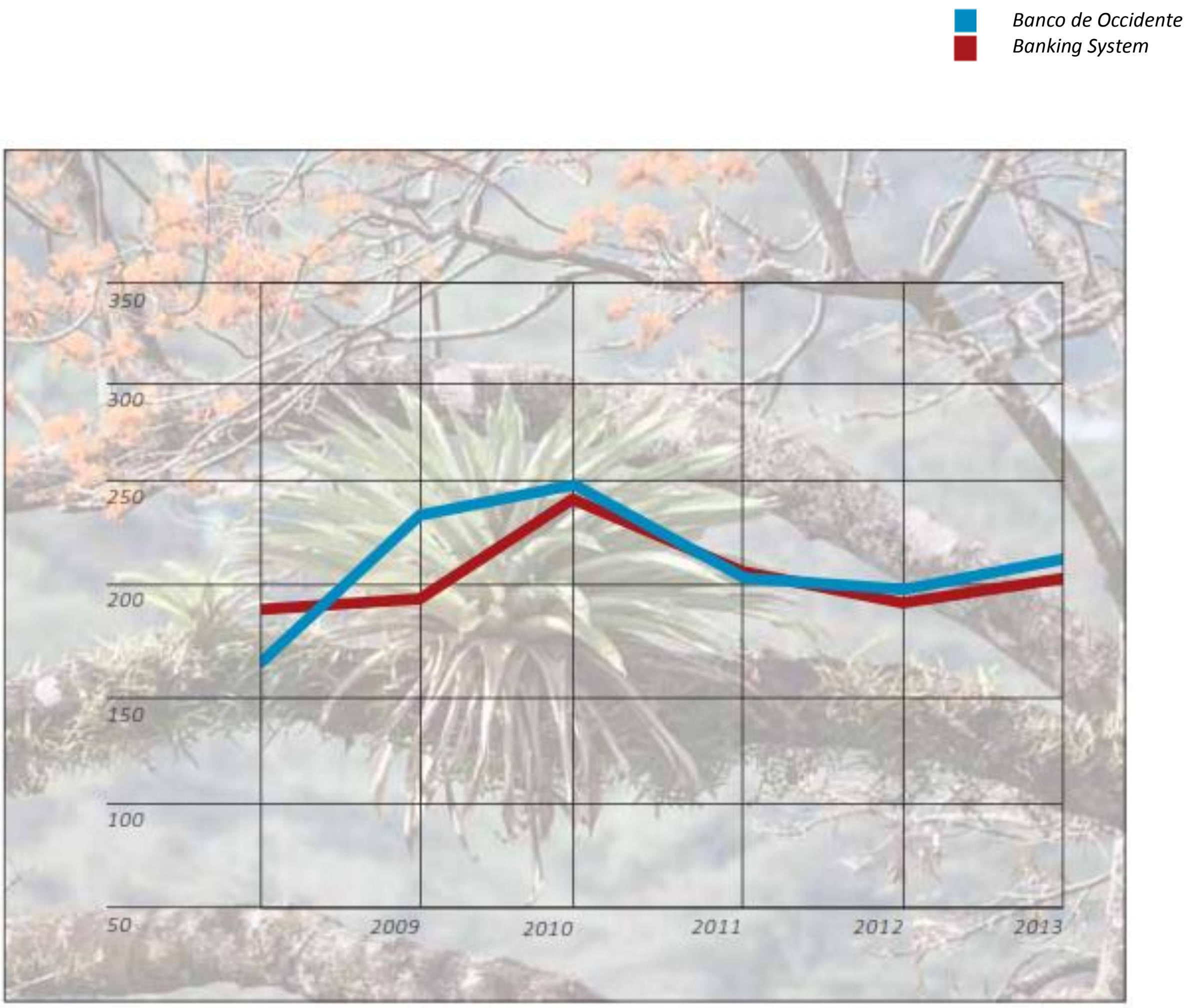
Return on Total Assets

Period (*)	Banco de Occidente	Total System
Dec. 2009	2.52	2.02
Dec. 2010	2.30	1.90
Dec. 2011	2.17	1.95
Dec. 2012	2.44	1.86
Dec. 2013	1.75	1.57

(*) Indicator corresponds to semiannual profitability for operational periods between July 1 and December 31 each year

Profitability
Over Total Asset = $\frac{\text{Net Profit}}{\text{Total Asset}}$

Intermediation Gross Margin



Period	Banco de Occidente (%)	Total System (%)
Dec. 2009	236.94	198.94
Dec. 2010	246.43	240.70
Dec. 2011	207.09	209.17
Dec. 2012	196.24	191.32
Dec. 2013	217.10	207.59

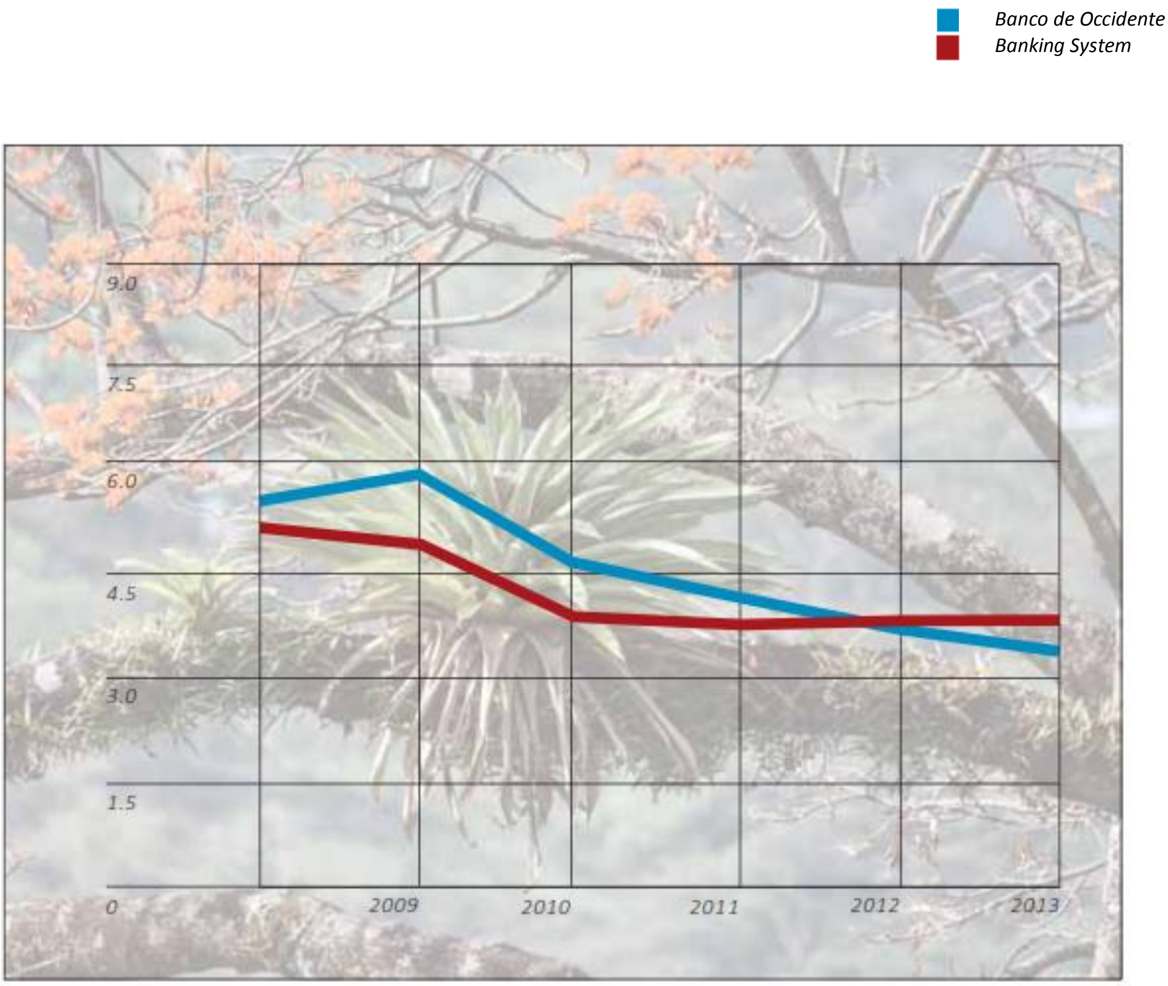
$$\text{Intermediation gross margin} = \frac{\begin{array}{l}\text{Interest Income received L/T + FC}\\ \text{+ Commissions Income received L/T + FC + Sundry Income}\\ \text{+ Valuations \& Investment Returns Income}\end{array}}{\begin{array}{l}\text{Interest paid Expenses L/T + F/C}\\ \text{+ Commissions paid Expenses L/T + FC}\\ \text{+ Investment valuations Expenses}\end{array}} -1$$

Portfolio Quality by Rating

Period	Banco de Occidente (%)	Total System (%)
Dec. 2009	5.70	5.12
Dec. 2010	4.77	4.16
Dec. 2011	4.05	3.68
Dec. 2012	3.62	3.75
Dec. 2013	3.28	3.80

Portfolio quality by qualification = $\dfrac{\text{Total portfolio QualificationC+D+E}}{\text{Credit Portfolio + Provision Credit Portfolio}}$

List of Due Portfolio



Period	Banco de Occidente (%)	Total System (%)
Dec. 2009	1.91	1.62
Dec. 2010	1.33	1.14
Dec. 2011	0.92	0.94
Dec. 2012	0.88	1.04
Dec. 2013	0.77	1.08

$$\text{Overdue Portfolio Ratio} = \frac{\text{Overdue portfolio more than 6 months Admissible Guarantee \& Other Guarantees}}{\text{Credit Portfolio + Provision Credit Portfolio}}$$

Bank Branch Network

Southwest Region	Bogotá Region	Northwest Region	North Region
Cali 29 Offices 2 Credicentros 1 Leasing Office **Andalucía** **Buenaventura** **Buga** **Cartago** **Espinal** **Florencia** **Girardot** **Ibagué** 2 Offices 1 Credicentro 1 Leasing Office **Ipiales** **La Victoria** **La Unión** **Leticia** **Neiva** 3 Offices **Palmira** 2 Offices **Pasto** 2 Offices 1 Credicentro 1 Payment and Collection Center **Pitalito** **Puerto Tejada** **Popayán** 2 Offices **Tulúa** **Santander de Quilichao** **Yumbo**	**Bogotá** 57 Offices 2 Credicentro 2 Payment and Collection Centers 1 Leasing Office **Chía** **Duitama** **Facatativa** **Mosquera** **Siberia** **Sogamoso** **Tunja** 1 Oficina 1 Credicentro **Zipaquirá**	**Medellín** 19 Offices 1 Credicentro 1 Payment and Collection Center 1 Leasing Office **Armenia** 2 Offices 1 Credicentro **Bello** **Dosquebradas** **Envigado** **Guatape** **Itaguí** **Manizales** 2 Offices **Montería** 2 Offices 1 Credicentro **Pereira** 3 Offices 1 Credicentro 1 Leasing Office **Rionegro** **Sabaneta** **San Antero**	**Barranquilla** 10 Offices 1 Credicentro 1 Payment and Collection Center 1 Leasing Office **Barrancabermeja** **Bucaramanga** 6 Offices 1Credicentro 1 Leasing Office **Cartagena** 7 Offices 1Credicentro **Cúcuta** 2 Offices **Girón** **Piedecuesta** **Riohacha** **San Andrés (Isla)** **San Gil** **Santa Marta** 2 Offices 1 Payment and Collection Center **Sincelejo** **Valledupar** 2 Offices **Villavicencio** 2 Offices 1 Credicentro **Yopal** 1 Credicentro

Banco de Occidente Panamá S.A.	Occidental Bank (Barbados) Ltd.
Ciudad de Panamá	**Barbados**