Banco de Costa Rica and Subsidiaries

Unaudited Consolidated Financial Statements

March 31, 2022 and 2021

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BANCO DE COSTA RICA AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the period ended March 31, 2022
(In colones without cents)

	Note		March 2022	December 2021	March 2021
ASSETS					
Availabilities	**4**	**¢**	**911,799,512,935**	**960,508,938,412**	**788,333,146,134**
Cash			78,655,247,748	100,543,762,287	100,725,088,472
Central Bank of Costa Rica			558,924,094,125	578,197,960,222	558,401,154,592
Local financial entities			157,656,597	608,863,646	42,044,776
Foreign financial entities			175,008,253,792	185,996,786,978	127,285,923,696
Notes payable on demand			2,560,201,698	481,593,852	1,463,674,463
Restricted cash and cash equivalents			96,494,058,975	94,679,945,381	415,260,135
Accounts and interest receivable			0	26,046	0
Investment in financial instruments	**5**		**1,905,804,603,469**	**1,890,859,623,925**	**1,489,666,734,813**
At fair value through profit or loss			285,560,528,570	294,371,792,030	106,266,115,073
At fair value through other comprehensive income			1,553,136,715,438	1,529,772,010,039	1,205,164,750,543
At amortized cost			50,487,919,798	40,227,916,128	164,576,344,888
Interest receivable			16,619,439,663	26,487,905,728	13,660,711,928
(Allowance for impairment)			0	0	(1,187,619)
Loan portfolio	**6.b**		**4,029,040,086,898**	**3,951,163,611,912**	**3,713,115,926,786**
Current loans	**6.c**		3,880,919,753,662	3,810,847,915,386	3,583,651,589,335
Past due loans			270,811,954,167	258,953,338,028	209,482,194,836
Loans in legal collection	**6.c**		54,530,116,636	52,111,660,667	44,553,853,315
(Deferred income loan portfolio)			(19,111,065,464)	(19,009,378,028)	(17,781,708,175)
Interest receivable	**6.f**		22,464,523,628	19,478,709,205	34,579,768,308
(Allowance for impairment)	**6.g**		(180,575,195,731)	(171,218,633,346)	(141,369,770,833)
Accounts and commissions receivable			**24,211,638,471**	**21,927,975,909**	**13,836,100,313**
Commissions receivable			6,261,066,289	5,451,776,874	4,504,499,689
Accounts receivable from stock exchange operations			146,869,783	127,892,080	1,023,418,929
Accounts receivable for transactions with related parties			1,101,421,045	520,094,412	633,348,868
Deferred income tax and income tax receivable	**15**		11,543,514,462	11,032,526,401	1,874,198,549
Other accounts receivable			18,516,947,315	17,413,421,647	17,077,043,232
(Allowance for impairment)			(13,358,180,423)	(12,617,735,505)	(11,276,408,954)
Foreclosed assets	**7**		**61,491,132,141**	**63,075,876,073**	**66,862,818,749**
Assets and securities acquired as recovery of loans			126,176,600,362	137,465,784,701	152,126,712,620
Other foreclosed assets			4,294,741,633	3,368,683,758	3,058,819,606
(Allowance for impairment and per legal requirement)			(68,980,209,854)	(77,758,592,386)	(88,322,713,477)
Interest in other companies' capital, net	**8**		**65,417,188**	**65,417,188**	**733,592,635**
Property, furniture and equipment, net	**9**		**138,026,475,076**	**141,563,242,551**	**143,638,422,999**
Property investmests			**6,441,924,521**	**6,441,924,521**	**6,441,924,521**
Other assets			**88,628,559,408**	**99,581,779,941**	**96,292,902,306**
Deferred charges	**10.a**		9,108,364,716	8,981,047,462	11,119,512,032
Intangible assets, net	**10.b**		17,211,256,021	17,180,489,597	16,719,166,560
Other assets	**10.c**		62,308,938,671	73,420,242,882	68,454,223,714
TOTAL ASSETS		**¢**	**7,165,509,350,107**	**7,135,188,390,432**	**6,318,921,569,256**

BANCO DE COSTA RICA AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the period ended March 31, 2022
(In colones without cents)

	Note		March 2022	December 2021	March 2021
LIABILITIES AND EQUITY					
LIABILITIES					
Obligations with the public		¢	**5,158,506,738,862**	**5,097,289,261,968**	**4,543,885,944,354**
Demand obligations	11		3,287,215,126,500	3,371,923,199,180	2,777,991,336,786
Term obligations	12		1,842,725,490,152	1,691,856,375,240	1,745,377,751,704
Other obligations with the public	13		13,787,567,984	18,517,242,708	5,481,035,227
Financial charges payable			14,778,554,226	14,992,444,840	15,035,820,637
Obligations with the Central Bank of Costa Rica	14		**118,264,017,839**	**128,285,685,643**	**20,798,228,384**
Demand obligations			0	0	1,243,490,384
Term obligations			117,434,359,976	127,689,025,829	19,530,000,000
Financial charges payable			829,657,863	596,659,814	24,738,000
Obligations with entities	14		**931,567,426,420**	**910,366,625,702**	**876,911,212,930**
Demand obligations	12		89,410,500,332	62,137,999,149	71,693,127,306
Term obligations	12		836,869,303,884	843,660,310,320	800,978,526,294
Financial charges payable			5,287,622,204	4,568,316,233	4,239,559,330
Accounts payable and provisions			**168,057,382,338**	**207,184,444,610**	**154,800,489,657**
Provisions	16		55,506,985,016	52,497,191,153	59,987,236,037
Accounts payable for stock transactions			538,180,933	563,841,051	126,105,309
Deferred income tax	15		37,075,791,417	38,955,917,658	14,420,880,450
Other sundry accounts payable	17		74,920,608,749	115,151,342,164	80,250,129,907
Financial charges payable			15,816,223	16,152,584	16,137,954
Other liabilities			**21,802,150,098**	**26,640,699,190**	**32,366,013,126**
Deferred income			1,102,725,625	1,148,961,206	1,360,890,130
Other liabilities			20,699,424,473	25,491,737,984	31,005,122,996
TOTAL LIABILITIES		¢	**6,398,197,715,557**	**6,369,766,717,113**	**5,628,761,888,451**
EQUITY					
Capital stock	18.a	¢	**181,409,990,601**	**181,409,990,601**	**181,409,990,601**
Paid-in-capital			181,409,990,601	181,409,990,601	181,409,990,601
Adjustments to equity - Other comprehensive income			**80,522,415,744**	**96,607,343,411**	**68,444,872,820**
Equity reserves			**325,313,265,088**	**296,709,547,031**	**296,709,547,031**
Accrued earnings from previous periods			**44,852,210,066**	**23,286,282,979**	**23,286,282,979**
Profit of current period			**15,037,464,874**	**54,434,355,511**	**11,732,892,229**
Equity of the Development Financing Fund			**40,476,721,777**	**36,212,011,410**	**36,212,011,410**
Minority interest	8		**79,699,566,400**	**76,762,142,376**	**72,364,083,735**
TOTAL EQUITY			**767,311,634,550**	**765,421,673,319**	**690,159,680,805**
TOTAL LIABILITIES AND EQUITY		¢	**7,165,509,350,107**	**7,135,188,390,432**	**6,318,921,569,256**
DEBIT CONTINGENT ACCOUNTS	19	¢	**452,536,526,906**	**454,667,784,223**	**434,663,766,992**
TRUST ASSETS	20		**930,619,681,897**	**985,500,123,521**	**927,147,413,128**
TRUST LIABILITIES			**348,390,214,318**	**362,909,505,260**	**366,023,263,322**
TRUST EQUITY			**582,229,467,579**	**622,590,618,261**	**561,124,149,807**
OTHER DEBIT MEMORANDA ACCOUNTS	21	¢	**21,647,194,232,604**	**20,071,723,483,560**	**25,751,128,131,487**
Own debit memoranda accounts			10,607,480,824,158	9,143,495,017,548	15,965,812,607,261
Third party debit memoranda accounts			2,683,452,684,737	2,835,154,836,649	2,395,406,195,749
Own debit memoranda accounts for custodial activities			1,126,325,375,509	1,017,428,771,091	960,294,004,012
Third party debit memoranda accounts for custodial activities			7,229,935,348,200	7,075,644,858,272	6,429,615,324,465

The accompanying notes are an integral part of these financial statements.

DOUGLAS SOTO LEITON (FIRMA) Firmado digitalmente por DOUGLAS SOTO LEITON (FIRMA) Fecha: 2022.05.27 16:04:10 -06'00'

Douglas Soto L.
General Manager

ANA LORENA BRENES BRENES (FIRMA) Firmado digitalmente por ANA LORENA BRENES BRENES (FIRMA) Fecha: 2022.05.25 17:45:04 -06'00'

Ana Lorena Brenes B.
Accountant

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Rafael Mendoza.
General Auditor

BANCO DE COSTA RICA AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended March 31, 2022
(In colones without cents)

	Note	March 2022	March 2021
Financial income			
For availabilities		¢ 26,203,216	29,532,124
For investments in financial instruments	26	22,203,909,194	20,567,470,448
For loan portfolio	27	67,092,174,719	73,154,712,878
For financial leases	27	590,117,219	555,017,723
For gain on exchange differences and Development Units	1-d.iii	1,422,394,300	0
For profit from financial instruments at fair value through profit or loss		388,019,394	188,721,674
For profit from financial instruments at fair value through other comprehensive income		6,515,294,036	1,517,692,171
For other financial income		1,137,575,775	1,157,005,155
Total financial income		**99,375,687,853**	**97,170,152,173**
Financial expenses			
For obligations with the public	28	25,851,115,535	28,048,757,843
For obligations with the Central Bank of Costa Rica		246,739,516	31,071,630
For obligations with financial and non-financial entities		4,788,995,574	6,747,373,179
For losses from exchange differences UD		0	209,538,031
For loss from financial instruments at fair value through profit or loss		185,164,602	78,905,665
For loss from financial instruments at fair value through other comprehensive income		35,891,589	5,834,620
For other financial expenses		5,178,630	17,267,614
Total financial expenses		**31,113,085,446**	**35,138,748,582**
Allowance for impairment of assets	29	11,268,545,493	11,089,330,374
For assets recovery and decrease in allowance and provisions	30	2,787,705,454	5,672,261,960
FINANCIAL INCOME		**59,781,762,368**	**56,614,335,177**
Other operating income			
For service fees	31	28,990,844,054	25,605,293,750
For foreclosed assets		14,030,823,438	8,086,008,972
For profit on captial investments in other companies	32	0	135,859,051
For foreign currency exchange and arbitrations		5,714,285,397	5,518,781,773
For other income from related parties		39,243	41,436,050
For other operating income		4,054,655,923	3,452,429,597
Total other operating income		**52,790,648,055**	**42,839,809,193**
Other operating expenses			
For service fees		7,937,311,304	6,658,977,586
For foreclosed assets		12,792,517,042	9,794,338,978
For provisions		2,970,379,255	361,567,742
For exchange and arbitration, foreign currency		68,664,752	606,512,206
For other expenses with related parties		551,337	478,139,264
For other operating expenses		10,969,695,384	11,314,293,070
Total other operating expenses		**34,739,119,074**	**29,213,828,846**
GROSS OPERATING INCOME		**77,833,291,349**	**70,240,315,524**
Administrative expenses			
Personnel expenses		28,875,276,606	28,743,724,354
Other administrative expenses		18,789,790,192	16,710,009,615
Total administrative expenses	33	**47,665,066,798**	**45,453,733,969**
OPERATING INCOME, NET OF INCOME TAX AND STATUTORY ALLOCATIONS		**30,168,224,551**	**24,786,581,555**
Income tax	15	6,505,052,669	7,146,476,910
Deferred income tax	15	5,016,176,626	16,696,088
Decrease in income tax		4,634,640,463	194,885,698
Legal profit allocation	34	7,863,038,532	5,900,960,137
RESULT OF THE PERIOD		**15,418,597,187**	**11,917,334,118**
Attributed to non-controlling interests		381,132,313	184,441,889
Attributed to the comptroller		**15,037,464,874**	**11,732,892,229**
RESULTS OF THE PERIOD ATTRIBUTED TO THE FINANCIAL CONGLOMERATE		**15,037,464,874**	**11,732,892,229**
OTHER COMPREHENSIVE INCOME OF THE PERIOD, NET OF TAX			
Adjustment for valuation of investments at fair value through other comprehensive income		(8,558,555,778)	13,295,995,466
Reclassification of unrealized profit to the income statement		(4,535,581,713)	(1,058,300,286)
Adjustment for valuation of restricted financial instruments, net of income tax		(5,814,671,457)	373,592,282
Other		5,380,172,992	(321,566,992)
OTHER COMPREHENSIVE INCOME OF THE PERIOD, NET OF TAX	35	**(13,528,635,956)**	**12,289,720,470**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1,889,961,231**	**24,207,054,588**
Comprehensive income attributed to minority interest		2,937,424,024	(12,337,509)
Attributed to the comptroller		**(1,047,462,793)**	**24,219,392,097**
COMPREHENSIVE INCOME ATTRIBUTED TO THE FINANCIAL CONGLOMERATE		¢ **(1,047,462,793)**	**24,219,392,097**

The accompanying notes are an integral part of these financial statements.

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Douglas Soto L.
General Manager

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Ana Lorena Brenes B.
Accountant

RAFAEL ENRIQUE MENDOZA MARCHENA (FIRMA)
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Rafael Mendoza.
General Auditor

BANCO DE COSTA RICA AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended March 31, 2022
(In colones without cents)

	Note		Capital Stock	Adjustments to equity								
				Surplus for revaluation of property, furniture and equipment	Adjustment for valuation of investments at fair value through other comprehensive income	Adjustment for translation of financial statements	Total adjustments to equity	Equity reserves	Accrued earnings from previous periods	Equity of the Development Financing Fund	Minority interest	Total equity
Balance as of December 31, 2020		¢	**181,409,990,601**	**37,774,830,067**	**(2,718,583,704)**	**20,902,126,589**	**55,958,372,952**	**283,820,516,011**	**39,077,596,950**	**33,309,728,460**	**72,376,421,244**	**665,952,626,218**
Allocation of legal reserve			0	0	0	0	0	12,889,031,020	(12,889,031,020)	0	0	0
Allocation of the Development Financing Fund			0	0	0	0	0	0	(2,902,282,950)	2,902,282,950	0	0
Balance as of March 31, 2021			**181,409,990,601**	**37,774,830,067**	**(2,718,583,704)**	**20,902,126,589**	**55,958,372,952**	**296,709,547,031**	**23,286,282,980**	**36,212,011,410**	**72,376,421,244**	**665,952,626,218**
Other comprehensive income												
Other total comprehensive income			0	0	12,650,500,021	(164,000,153)	12,486,499,868	0	11,732,892,228	0	(12,337,509)	24,207,054,587
Balance as of March 31, 2021			**181,409,990,601**	**37,774,830,067**	**9,931,916,317**	**20,738,126,436**	**68,444,872,820**	**296,709,547,031**	**35,019,175,208**	**36,212,011,410**	**72,364,083,735**	**690,159,680,805**
Attributed to minority interest			0	0	0	0	0	0	0	0	72,364,083,735	72,364,083,735
Attributed to the financial conglomerate			**181,409,990,601**	**31,744,671,803**	**9,931,916,317**	**20,738,126,436**	**68,444,872,820**	**296,709,547,031**	**35,019,175,208**	**36,212,011,410**	**0**	**617,795,597,070**
Balance as of December 31, 2021			**181,409,990,601**	**31,744,671,803**	**40,339,757,529**	**24,522,914,079**	**96,607,343,411**	**296,709,547,031**	**77,720,638,490**	**36,212,011,410**	**76,762,142,376**	**765,421,673,319**
Allocation of legal reserve			0	0	0	0	0	28,603,718,057	(28,603,718,057)	0	0	0
Allocation of the Development Financing Fund			0	0	0	0	0	0	(4,264,710,367)	4,264,710,367	0	0
Balance as of March 31, 2022			**181,409,990,601**	**31,744,671,803**	**40,339,757,529**	**24,522,914,079**	**96,607,343,411**	**325,313,265,088**	**44,852,210,066**	**40,476,721,777**	**76,762,142,376**	**765,421,673,319**
Other comprehensive income												
Other total comprehensive income			0	0	(18,828,815,893)	2,743,888,226	(16,084,927,667)	0	15,037,464,874	0	2,937,424,024	1,889,961,231
Balance as of March 31, 2022	**18**		**181,409,990,601**	**31,744,671,803**	**21,510,941,636**	**27,266,802,305**	**80,522,415,744**	**325,313,265,088**	**59,889,674,940**	**40,476,721,777**	**79,699,566,400**	**767,311,634,550**
Attributed to minority interest			0	0	0	0	0	0	0	0	79,699,566,400	79,699,566,400
Attributed to the financial conglomerate		¢	**181,409,990,601**	**31,744,671,803**	**21,510,941,636**	**27,266,802,305**	**80,522,415,744**	**325,313,265,088**	**59,889,674,940**	**40,476,721,777**	**0**	**687,612,068,150**

The accompanying notes are an integral part of these financial statements.

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Douglas Soto L.
General Manager

ANA LORENA BRENES BRENES (FIRMA)
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Ana Lorena Brenes B.
Accountant

RAFAEL ENRIQUE MENDOZA MARCHENA (FIRMA)
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Rafael Mendoza.
General Auditor

BANCO DE COSTA RICA AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended March 31, 2022
(In colones without cents)

	Note		March 2022	March 2021
Cash flows from operating activities				
Income of the period		¢	**15,037,464,874**	**11,732,892,229**
Items applied to results not requiring cash outlays			**(25,405,384,316)**	**(29,042,432,586)**
Increase or (decrease) for				
Allowance for impairment or devaluation of financial instruments			120,579,404	393,074,022
Allowance for impairment of loan portfolio			10,213,308,999	9,652,375,967
Allowance for impairment and default of other accounts receivable			934,657,090	1,043,880,385
Allowance for impairment of assets in lieu of payment			4,748,081,414	4,933,500,367
Income from reversal of allowance for impairment or devaluation of investments			(718,862,754)	(338,939,905)
Income from reversal of allowance for impairment of loan portfolio			(497,054,543)	(1,919,823,683)
Income from reversal of allowance for impairment and default of accounts receivable			(359,713,341)	(420,798,592)
Income from reversal of allowance for impairment of assets in lieu of payment			(13,538,655,898)	(7,902,693,753)
Income or loss for sale of assets received in lieu of payment and of property, furniture and equipment			7,282,284,218	3,807,709,945
Interest in net profit of other companies			0	(135,859,051)
Depreciation			3,225,984,620	3,873,433,326
Amortization			4,132,322,286	3,454,638,050
Provision for social benefits			44,124,467	116,735,457
Provisions for pending lawsuits			2,926,254,788	244,832,285
Other provisions			1,643,194	1,361,667
Income from provisions			(242,432,924)	(84,215,284)
Income tax			6,505,052,669	7,146,476,910
Deferred income tax			5,016,176,626	16,696,088
Decrease in income tax			(3,915,100,685)	(39,601,035)
Decrease in income tax from previous periods			(719,539,778)	(155,284,663)
Profit sharing			7,863,038,532	5,900,960,137
Interest for obligations with the public			25,851,115,535	28,048,757,843
Interest for obligations with financial entities			5,035,735,090	6,778,444,809
Income from availabilities			(26,203,216)	(29,532,124)
Interest form investment in financial instruments			(22,203,909,194)	(20,567,470,448)
Income from loan portfolio			(67,092,174,719)	(73,154,712,878)
Net profit or loss from exchange differences and Development Units			(3,117,116,735)	273,179,836
Minority interest in net profit of subsidiaries			381,132,313	184,441,889
Adjustments for conversion of financial statements of the entity abroad			2,743,888,226	(164,000,153)
Cash flows from operating activities			**19,729,584,346**	**89,692,672,544**
Net variation in assets increase or (decrease)				
Increase in financial instruments - at fair value through profit or loss			(59,515,420,605)	(59,501,134,977)
Decrease in financial instruments - at fair value through profit or loss			68,924,967,415	82,449,804,663
Increase in financial instruments - at fair value through comprehensive income			(859,890,444,316)	(246,751,774,861)
Decrease in financial instruments - at fair value through comprehensive income			842,321,578,090	247,857,176,682
Loan portfolio			(29,690,328,819)	(837,411,854)
Accounts and commissions receivable			(1,377,456,741)	37,447,418
Available-for-sale assets			7,346,764,984	6,279,461,212
Interest receivable for financial instruments			26,487,905,728	17,964,479,288
Interest receivable for loan portfolio			15,327,454,444	35,998,377,360
Other assets			9,794,564,167	6,196,247,613
Net variations in liabilities, increase or (decrease)			**(97,165,798,625)**	**(35,916,571,890)**
Obligations with the public			(8,715,892,496)	113,687,820,853
Obligations with the Central Bank of Costa Rica and other entities			(12,224,029,431)	(98,966,639,408)
Obligations for accounts and commissions payable and provisions			(50,738,884,183)	(23,793,532,313)
Interest payable for obligations with the public			(14,992,444,840)	(16,483,570,471)
Interest payable for obligations with the BCCR and other entities			(5,164,976,047)	(4,599,061,201)
Interest payable for accounts and commissions payable and provisions			(16,152,584)	(23,432,722)
Other liabilities			(5,313,419,044)	(5,738,156,628)
Interests paid			(9,975,200,109)	(15,510,946,731)
Dividends received			0	3,750,000,000
Collected interest			54,389,578,599	48,614,524,969
Paid income tax			(153,756,374)	(1,808,236,689)
Net cash flows provided by operating activities			**(43,543,511,604)**	**71,511,901,846**
Cash flows from investment activities				
Increase in financial instruments at amortized cost			(2,759,237,696,930)	(2,318,964,171,081)
Decrease in financial instruments at amortized cost			2,748,977,693,260	2,270,810,594,429
Acquisition of property, furniture and equipment			(1,402,393,142)	(1,955,726,759)
Decrease for withdrawal and transfer of property, furniture and equipment			1,615,717,790	14,611,694
Acquisition of intangibles			(2,711,741,227)	(2,085,810,430)
Decrease for withdrawal and transfer of intangibles			251,958,982	0
Interest in other companies			0	(3,745,951,886)
Cash flows (used for) provided by investment activities			**(12,506,461,267)**	**(55,926,454,033)**
Net increase (decrease) in cash and cash equivalents			**(56,049,972,871)**	**15,585,447,813**
Cash and cash equivalents at the beginning of the year			1,088,379,896,650	940,600,959,363
Effect of changes in exchange rates on cash			15,870,427,692	(937,443,405)
Cash and cash equivalents at the end of the year	4	¢	1,048,200,351,471	955,248,963,771

The accompanying notes are an integral part of these financial statements.

DOUGLAS SOTO LEITON (FIRMA) Firmado digitalmente por DOUGLAS SOTO LEITON (FIRMA) Fecha: 2022.05.27 16:05:07 -06'00'
Douglas Soto L.
General Manager

ANA LORENA BRENES BRENES (FIRMA) Firmado digitalmente por ANA LORENA BRENES BRENES (FIRMA) Fecha: 2022.05.25 17:46:22 -06'00'
Ana Lorena Brenes
Accountant

RAFAEL ENRIQUE MENDOZA MARCHENA (FIRMA) Firmado digitalmente por RAFAEL ENRIQUE MENDOZA MARCHENA (FIRMA) Fecha: 2022.05.27 11:58:35 -06'00'
Rafael Mendoza.
General Auditor

(1) Summary of operations and significant accounting policies

(a) Operations

Banco de Costa Rica (hereinafter, the Bank) is an autonomous, independently managed, public law institution organized in 1877. As a State-owned public bank, it is regulated by the Internal Regulations of the National Banking System (IRNBS), the Internal Regulations of the Central Bank of Costa Rica, and by the Political Constitution of the Republic of Costa Rica. It is also subject to oversight by the General Superintendence of Financial Entities (SUGEF) and the Comptroller General of the Republic (CGR). The Bank's registered office is located at Avenida Central and Avenida Segunda, Calle 4 and Calle 6, in San José, Costa Rica.

The Bank's website and its subsidiaries located in Costa Rica is www.bancobcr.com

The Bank is mainly dedicated to extending loans and granting bid and performance bonds; issuing deposit certificates; opening checking accounts in colones, U.S. dollars, and euros; issuing letters of credit; providing collection services; buying and selling foreign currency; managing trusts; providing custodial services for assets; and other banking operations. As of March 2022, the Bank has a total 163 (162 and 167 for December and March 2021, respectively) branches distributed across the national territory, has in operation 595 (603 and 660 for December and March 2021, respectively) ATM´s and has 3.854 (3.657 and 3.622 for December and March 2021, respectively) employees.

The consolidated financial statements and notes thereto are expressed in colones (¢), the legal tender of the Republic of Costa Rica and functional currency.

The Bank fully owns 100% of the following subsidiaries:

BCR Valores, S.A. - Puesto de Bolsa, was organized as a corporation in February 1999 under the laws of the Republic of Costa Rica. Its main activity is securities trading. The number of employees as of March 31, 2022, is of 73 (71 and 70 for December and March 2021, respectively) and is regulated by the General Superintendence of Securities (SUGEVAL).

BCR Sociedad Administradora de Fondos de Inversión, S.A. was organized as a corporation in July 1999 under the laws of the Republic of Costa Rica. Its main activity is investment fund management. The number of employees as of March 31, 2022, is of 103 (101 and 105 for December and March 2021, respectively) and is regulated by the General Superintendence of Securities (SUGEVAL).

(Continue)

BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A. was organized as a corporation in September 1999 under the laws of the Republic of Costa Rica. Its main activity is managing supplemental pension plans and offering additional services related to disability and death plans to members. The number of employees as of March 31, 2021, is of 103 (104 and 95 for December and March 2021, respectively) and is regulated by the Superintendence of Pensions (SUPEN).

BCR Sociedad Corredora de Seguros, S.A. was organized as a corporation in February 2009 under the laws of the Republic of Costa Rica. Its main activity is insurance underwriting. The number of employees as of March 31, 2022, is of 88 (89 and 84 for December and March 2021, respectively) and it is regulated by the General Superintendence of Insurance (SUGESE).

Banprocesa, TI S.R.L. was organized as a corporation in August 2009 under the laws of the Republic of Costa Rica. Its main activity will be to provide IT processing services and technical support, purchase, lease, and maintain hardware and software, including software development, and address the Bank's IT needs. This entity has not started operations. As of March 31, 2022, the number of employees is 86 (89 and 76 for December and March 2021, respectively). As of July 29, 2021, CONASSIF sends communication CNS-1676/06 accepting its participation as part of the conglomerate.

Depósito Agrícola de Cartago, S.A. and subsidiary, was organized as a corporation in October 1934 under the laws of the Republic of Costa Rica. Its main activity is the custody and storage of personal property of national and foreign origin, with its own legal status and administratively independent. The company is regulated by the “Ley de Almacenes Generales”.

Depósito Agrícola de Cartago, S.A. has a wholly owned subsidiary named Almacen Fiscal Agrícola de Cartago, S.A., constituted in December 1991 under the laws of the Republic of Costa Rica. Its main activity is the custody and storage of merchandise on which no import taxes have been paid, regulated by the General Customs Law, and supervised by the General Customs Directorate of the Ministry of Finance. Both companies are subject to the oversight of the Comptroller General of the Republic. As of March 31, 2022, the number of employees is of 72 (73 and 59 for December and March 2021, respectively).

(Continue)

The Bank also holds a 51% ownership interest in the following subsidiary:

Banco Internacional de Costa Rica, S.A. and subsidiary (BICSA) was organized as a bank under the laws of the Republic of Panama in 1976. It operates under a general license granted by the Superintendence of Banks of Panama to engage in banking transactions in Panama or abroad; its office is located in the city of Panama, Republic of Panama, BICSA Financial Center, 50th floor, Avenida Balboa and Calle Aquilino de la Guardia, and its subsidiary in Miami, Florida, United States of America. The remaining 49% of BICSA's shares are owned by Banco Nacional de Costa Rica. The number of employees as of March 31 2022, is of 254 (246 and 247 for December and March 2021, respectively).

In the Republic of Panama, banks are regulated by the Superintendence of Banks of Panama through Executive Order No. 26 of February 26, 1998, and by the resolutions and directives issued by that entity. Among other aspects, that law regulates authorization of banking licenses, minimum capital and liquidity requirements, general oversight, and procedures for credit risk and market risk management, money laundering prevention, and bank takeover and liquidation. Banks are also subject to an audit at least every two (2) years by auditors from the Superintendence of Banks to verify compliance with Executive Order No. 9 and Law No. 42 on Money Laundering Prevention.

BICSA wholly owns subsidiaries Arrendadora Internacional, S.A. and BICSA Capital S.A., engaged in providing funding through financial leases and purchase of invoices and brokerage services, respectively.

The Branch in Miami has been operating since September 1, 1983, under an international banking license granted by the office of the State Comptroller and Banking Commissioner of the State of Florida, United States of America.

(Continue)

Regulatory Matters of Banco Internacional de Costa Rica, S.A. and Subsidiary

Miami Branch

The Branch is subject to regulations and periodic oversight by certain federal and state agencies. For such purposes, the Branch has an agreement with federal and state regulatory authorities, which requires the Branch to continually maintain and report certain minimum capital ratios and maturity parameters, e.g. the Branch must maintain a minimum ratio of eligible assets to third party liabilities of 110%, on a daily basis.

Panama Branch

Executive Order No. 9 of February 26, 1998, requires that banks operating under a general license maintain capital funds for an amount greater than or equal to 8% of risk-weighted assets, including off-balance sheet operations. This law also limits the amount that can be loaned to a single economic group to a maximum of 25% of capital funds. It also limits the amount that can be loaned to related parties to a maximum of 5% and 10% of capital funds, depending on the guarantee provided by the borrower, up to a cumulative maximum of 25% of BICSA's capital funds.

(b) Accounting policies for the preparation of consolidated financial statements

The financial statements have been prepared in accordance with the legal provisions, rules, and accounting regulations issued by the National Financial System Supervisory Board (CONASSIF), the General Superintendence of Financial Entities (SUGEF) and the Central Bank of Costa Rica (BCCR), and in those matters that are not covered by those entities, according to the International Financial Reporting Standards as of January 1, 2011 (IFRS).

Through communication C.N.S. 116-07 from December 18, 2007, the National Financial System Supervisory Board issued a reform to the regulations named "Accounting Standard Applicable to the Entities Supervised by SUGEF, SUGEVAL and SUPEN and to the non-financial issuers." The objective of such standard is to regulate the adoption and application of the International Financial Reporting Standards (IFRS) and the corresponding interpretations (SIC and IFRIC interpretations.")

(Continue)

Afterwards, through articles 8 and 5 of minutes corresponding to sessions 1034-2013 and 1035-2013, held on April 2, 2013, respectively, the National Financial System Supervisory Board made a change to the "Accounting standard applicable to the entities supervised by SUGEF, SUGEVAL, SUPEN and SUGESE and to the non-financial issuers."

According to such document, the IFRS and its interpretations must be mandatorily applied by the supervised entities, in accordance with the texts in force as of January 1, 2011. This is for the audits as of December 31, 2015, except for the special treatments applicable to the supervised entities and non-financial issuers. The anticipated adoption of standards is not allowed.

Issuing new IFRSs or interpretation issued by the IASB, as well as any amendment to the adopted IFRSs to be applied by the entities under supervision will require a prior authorization by the National Financial System Supervisory Board (CONASSIF).

The financial statements have been prepared based on historical costs as explained in the accounting policies below.

Historical costs are generally based on the fair value of the consideration for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date, regardless of whether price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Bank takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability on the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for the stock-based payment transactions within the scope of IFRS 2, the lease transactions within the scope of IAS 17, and the measurements that have certain similarities with the fair value, but which are not fair value, such as the net realizable value in IAS 2 or the value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirely, which are described as follows:

(Continue)

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

(c) Investment in other companies

Valuation of investments by the equity method

i.Subsidiaries

Subsidiaries are entities controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. As prescribed by regulations, the financial statements must present investments in subsidiaries by the equity method rather than on a consolidated basis. Transactions that affect the equity of those companies, such as translation adjustments and unrealized gain or loss on valuation of investments, are recognized in the same manner in the Bank's equity, the effects are recorded in the account "Adjustment for valuation of investments in other companies".

The Bank and subsidiaries must analyze and assess the distribution of dividends in accordance with current internal and external regulations applicable to each entity. The distribution of dividends will be proposed by the Management of each entity; it will transmit the proposal to the Board of Directors and subsequently send to the shareholders ‘meeting in the case of the subsidiaries. Once the amount to be distributed has been determined, the accumulated profits of previous periods and/or the capital stock will be reduced, if necessary.

The consolidated financial statements include the financial figures of the Bank and of the following subsidiaries:

Name	Percentage of ownership
BCR Valores, S.A. – Puesto de Bolsa	100%
BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A.	100%
BCR Sociedad Administradora de Fondos de Inversión, S.A.	100%
Banco Internacional de Costa Rica, S.A. and subsidiary (Arrendadora Internacional, S.A., which is 100% owned)	51%
BCR Sociedad Corredora de Seguros, S.A.	100%
Banprocesa S.R.L.	100%
Depósito Agrícola de Cartago, S.A. and subsidiary	100%

All significant intercompany balances and transactions have been eliminated on consolidation.

(d) Foreign currency

i. Transactions in foreign currency

Assets and liabilities held in foreign currency are converted to colones at the exchange rate prevailing on the date of the consolidated statement of financial position. Transactions in foreign currency during the year are converted at the foreign exchange rate prevailing on the date of the transaction. Conversion gains or losses are presented in the consolidated income statement.

ii. Monetary unit and foreign exchange regulations

As of January 30, 2015, the Board of Directors of the Central Bank of Costa Rica, in article 5 of the minutes of session 5677-2015, established a managed floating exchange rate regime starting February 2, 2015, whose main aspects are detailed below:

- In this regime, the Central Bank of Costa Rica will allow the exchange rate to be freely determined by the foreign exchange market but may participate in the market in a discretionary manner, to meet its own requirements of currency and those of the non-banking Public Sector, to avoid sharp exchange fluctuations.
- The Central Bank of Costa Rica may carry out direct operations or use forex held-for-trading instruments it deems appropriate in accordance with the current regulations.
- In its stabilization transactions, the Central Bank of Costa Rica will continue to use in the Foreign Currency Market (MONEX), the rules of engagement with the amendments provided for in this agreement. The Financial Stability Committee must determine the intervention procedures consistent with the strategy approved by the Board.

As established in the Chart of Accounts, assets and liabilities held in foreign currency should be expressed in colones at the exchange rate disclosed by the Central Bank of Costa Rica. Thus, as of March 31, 2022, monetary assets and liabilities denominated in U.S. dollars were valued at the exchange rate of ¢667.10 (¢645.25 and ¢615.81 for December and March 2021, respectively) for US$1,00.

(Continue)

Valuation in colones of monetary assets and liabilities in foreign currency for the period ended March 31, 2022, gave rise to foreign exchange losses of ¢278.039.374.048 (¢738.005.828.877 and ¢130.739.249.361 for December and March 2021, respectively), and gains of ¢279.461.768.347 (¢741.160.419.310 and ¢130.524.961.725 for December and March 2021, respectively), which are presented net in the consolidated income statement.

Additionally, valuation of other assets and other liabilities gave rise to gains and losses, respectively, which are booked in "Other operating income" and "Other operating expenses", respectively. For the period ended March 31, 2021, valuation of other assets gave rise to losses of ¢126.403.758 (¢349.258.129 and ¢143.902.084 for December and March 2021, respectively) and valuation of other liabilities gave rise to losses of ¢4.327.949 (¢462.696.669 and ¢214.287.636 for December and March 2021, respectively).

iii. Financial statements of foreign subsidiaries (BICSA)

The financial statements of BICSA are presented in U.S. dollars, which is its functional currency. The translation of the financial statements to colones was carried out as follows:

- Assets and liabilities have been converted at the closing exchange rate.

- Income and expenses have been converted at the average exchange rates in effect during each year.

- The equity is measured in terms of historical cost and has been converted using the exchange rate on the transaction date.

As result of the conversions for the period ended on March 31, 2022, losses for exchange differences arise for ¢396.688.562 (¢3.620.787.490 and ¢164.000.153 for December and March 2021, respectively) shown in the equity section, within "Currency translation adjustment of the financial statements".

(e) Basis for the recognition of the consolidated financial statements

The consolidated financial statements have been prepared based on fair value for assets through profit or loss and through other comprehensive income. Other financial and non-financial assets and liabilities are recorded at amortized or historical cost. The accounting policies have been consistently applied.

(f) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. The Bank's financial instruments include primary instruments: cash and due from banks, investments in financial instruments, loan portfolio, other receivables, obligations with the public, obligations with entities, and payables.

(g) Classification

Financial instruments at fair value through profit or loss are those that the Bank keeps with the purpose of generating profits in the short term.

Originated instruments are loans and other accounts receivable created by the Bank providing money to a debtor rather than with the intention of short-term profit taking.

Assets at fair value through other comprehensive income are financial assets that are not held for trading purposes, originated by the Bank, or held to maturity. Assets at fair value through other comprehensive income include certain debt securities.

In accordance with accounting standards issued by CONASSIF, investments in financial instruments made by regulated entities are to be classified as available-for-sale. Own investments in open investment funds are to be classified as held-for training financial assets. Own investments in closed investment funds are to be classified as available-for-sale.

Entities regulated by SUGEVAL, SUGEF, SUPEN, and SUGESE may classify other investments as held-for-trading financial instruments, provided there is an express statement of intent to trade them within 90 days from the acquisition date.

(i) Recognition

The Bank recognizes assets at fair value through other comprehensive income on the date on which the Bank becomes a party to the contractual provisions of the instrument. From this date, any gains or losses arising from changes in the fair value of the assets are recognized in equity.

Held-to-maturity assets and originated loans and other accounts receivable are recognized using settlement date accounting, i.e. on the date they are transferred to the Bank.

(ii) Measurement

Financial instruments are measured initially at fair value, including transaction costs.

After initial recognition, financial instruments at fair value through other comprehensive income are measured at fair value, except for any instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured is stated at cost, including transaction costs less impairment losses.

All non-held-for-trading financial assets and liabilities, originated loans and other accounts receivable, and held-to-maturity investments are measured at amortized cost less impairment losses. Any premium or discount is included in the carrying amount of the underlying instrument and amortized to finance income or expense using the effective interest method.

Article 17 of the Accounting Regulations applicable to entities regulated by SUGEF, SUGEVAL, SUPEN and SUGESE and to Non-financial Issuers prescribes available-for-sale classification for investments in financial instruments by regulated entities.

(iii) Principles of measurement at fair value

The fair value of financial instruments is based on their quoted market price on the consolidated financial statement date without any deduction for transaction costs.

(iv) Profits and losses on subsequent measurement

Profits and losses arising from a change in the fair value of available-for-sale assets are recognized directly in equity until the investment is considered to be impaired, at which time the loss is recognized in the consolidated income statement. When the financial assets are sold, collected, or otherwise disposed of, the cumulative gain or loss recognized in equity is transferred to the consolidated income statement.

(v) De-recognition

A financial asset is derecognized when the Bank loses control over the contractual rights that comprise the asset. This occurs when the rights are realized, expire, or are surrendered. A financial liability is derecognized when it is extinguished.

IFRS 9 introduces the “business model” as one of the conditions for classifying financial assets; it recognizes that an entity may have more than one business model, and that financial assets are reclassified if the model undergoes significant or exceptional changes.

(Continue)

According to the standard, the business model refers to the way in which a financial entity manages its financial assets to generate cash flows, which could be from:

1. Collect contractual cash flows

2. Sale of financial assets

3. A combination of both

Given the above, IFRS 9 introduces a new approach to classifying financial assets and requires that they be classified at the time of their initial recording (settlement date) into three valuation categories: (i) amortized cost, (ii) fair value through changes in other comprehensive income (equity) and (iii) fair value through changes in profit and loss.

Classification in these categories will depend on two aspects: the entity's business model (how an entity manages its financial instruments) and the existence or not of contractual cash flows of specifically defined financial assets.

- If the objective of the model is to maintain a financial asset in order to collect contractual cash flows and, according to the conditions of the contract, cash flows are received on specific dates that exclusively constitute payments of principal plus interest, the asset will be valued at amortized cost.

- If the business model is aimed at both obtaining contractual cash flows and selling them to obtain liquidity and, according to the conditions of the contract, cash flows are received on specific dates that exclusively constitute payments of the principal plus interest, the financial asset will be valued at its fair value through changes in other comprehensive income (equity). Interest, impairment, and exchange differences are recorded in results as in the amortized cost model. The rest of changes in fair value are recorded in equity items and may be recycled to profit and loss on their sale.

- Beside these scenarios, the rest of the assets will be valued at fair value through profit and loss. As indicated in the Financial Reporting Regulations, investment funds in open funds must be registered in this category. Due to their characteristics, open investment funds are those that do not present restrictions for their trading, therefore, within this category, mutual funds and money market type investment funds of international markets are included, which can be settled without restriction.

If the objective of an entity's business model undergoes significant changes, the reclassification of the instrument will be mandatory. However, the standard provides that this circumstance occurs very rarely, and when it exists, its disclosure is required according to IFRS 7, Financial Instruments: Information to be disclosed.

(h) Cash and cash equivalents

The Bank considers cash and due from banks, demand and term deposits, and investment securities that the Bank has the intent to convert into cash within two months or less, except for BICSA whose period is ninety days or less.

(i) Investments in financial instruments

Investments in financial instruments that are classified at fair value through other comprehensive income are valued at market prices using the price vector provided by Proveedor Integral de Precios de Centroamérica, S.A. (PIPCA).

The effect of market price valuation of investments at fair value through other comprehensive income are included in the equity account with the caption "Adjustment for valuation of investments at fair value through other comprehensive income" until those investments are realized or sold.

In accordance with article 18 of the Financial Reporting Regulation, called IFRS 9, Financial Instruments: Financial Assets, the following is defined:

1. The conventional purchase or sale of financial assets should be recorded applying the accounting on the settlement date.

2. Financial assets are divided into those that are measured at amortized cost and those that are measured at fair value.

3. Based on the business model for managing financial assets and the characteristics of the contractual cash flows of the financial asset, the entity must classify its own investments or joint portfolios in financial assets according to the following valuation categories:

    a. Amortized cost. If an entity, according to its business model and current regulatory framework, classifies a part of its investment portfolio in this category, it will disclose:

i. The fair value of financial assets classified in this category, in the quarterly financial statements and in the audited annual financial statement.

ii. The profit or loss that should have been recognized in the result for the period, for the financial statements indicated in the previous section.

b. Fair value through other comprehensive income.

c. Fair value through profit or loss: Participations in open investment funds must be recorded in this category.

In accordance with the characteristics that the Bank's portfolio must meet, based both on the Investment Management Policy and the current investment strategy, the management of the Bank's investment portfolio meets the characteristics of a business model whose main characteristic responds to managing financial assets to obtain contractual cash flows, as well as the occasional sales to meet liquidity requirements or investment portfolio management objectives, within the framework of the approved Investment Policy. In accordance with the foregoing, the financial assets that make up the Bank´s investment portfolio meet the conditions to be valued at fair value through changes in other comprehensive income (equity). For purposes of defining a business model, these correspond to the main business model that characterizes the management of the Bank's investment portfolio.

However, it is required to determine the need of a “secondary” business model, whose characteristics of its comprising assets are determined by current regulations. Due to the need to manage liquidity in investment funds that the Bank currently keeps, these financial assets must be classified at fair value through changes in profit and loss, in accordance with the provisions of the Financial Reporting Regulations.

In accordance with the liquidity objectives of the Bank's investment portfolio, the execution of future investments in closed funds does not apply, according to the Entity's business model; however, current investments in these instruments must be classified according with the established Regulation.

(Continue)

On the other hand, in accordance with the provisions of Law 9274, the Investment Management Policy of the Development Credit Fund, as well as the current Investment Strategy, management of the investment portfolio in the Development Credit Fund meets the characteristics of a business model whose main characteristic responds to managing financial assets to obtain contractual cash flows, as well as the occasional sales to meet liquidity requirements or investment portfolio management objectives, in the framework of the approved Investment Policy. In accordance with the foregoing, the financial assets that make up the investment portfolio of the Development Credit Fund meet the conditions to be valued at their fair value through other comprehensive income (equity). For purposes of defining a business model, these correspond to the main business model that characterizes the management of the Funds investment portfolio.

However, it is required to determine the need of a “secondary” business model, whose characteristics of the comprising assets are determined by the current regulation. Due to the need to manage liquidity in investment funds that the Development Credit Fund currently keeps, these financial assets must be classified at fair value through profit and loss, in accordance with the provisions of the Financial Reporting Regulation.

In compliance with the provisions of the Financial Reporting Regulation with respect to IFRS 9, at the meeting of the General Board of Directors, the business model for the classification and valuation of own investments in financial assets for the Bank is approved according to the following valuation categories, in accordance with the defined business model:

- Main business model

  Fair value through other comprehensive income (equity): those investments that are part of the investment portfolio will be classified under this category, the objective of which is to obtain contractual cash flows such as their sale and, according to the conditions of the contract, cash flows are received on specific dates that exclusively constitute payments of the principal plus interest.

- Secondary business model

  Fair value through profit or loss: we will classify under this category, those investments in financial assets that, due to their characteristics, do not represent the possibility of generating cash flows on specific dates from the payment of interest according to the financial contract.

In addition, and by the Financial Reporting Regulation, investments in open funds will be classified at fair value through profit or loss. Financial assets with these characteristics are the following:

- Local money market investment funds.
- International money market investment funds.
- International market mutual funds.

Investments in securities of BICSA

The fair value of BICSA's investment in securities that are quoted in active markets are based on recent purchase prices. If a security is not quoted in an active market, its fair value is determined by using a valuation technique, such as the use of recent transactions, the analysis of discounted cash flows, and other valuation techniques commonly used by market participants. Shares for which fair values cannot be reliably determined are measured at cost less impairment losses.

(j) Loan portfolio

Banco de Costa Rica - Loan portfolio

SUGEF defines credits as any operation formalized by a financial intermediary irrespective of the type of underlying instrument or document, whereby the intermediary assumes the risks of either directly providing funds or credit facilities or guaranteeing that their customer will honor its obligations with third parties. Credits include loans, factoring, purchase of securities, guarantees in general, advances, checking account overdrafts, bank acceptances, interest, open letters of credit, and preapproved lines of credit.

The loan portfolio is presented at the value of outstanding principal. Interest on loans is calculated based on the outstanding principal and contractual interest rates and is accounted for as income on the accrual basis of accounting. Further, the Bank follows the policy of suspending interest accruals on loans with principal or interest that are more than 180 days past due

BICSA -Loan portfolio

Loans receivable are non-derivate financial assets with fixed or determinable payments that are not quoted in an active market and usually originate in providing resources for a loan. Loans are reported at their outstanding principal pending collection, less not generated interest and commissions and allowance for loan losses. Not earned commissions and interest are recognized as income over the life of the loan using the effective interest method.

(k) Allowance for doubtful accounts

Banco de Costa Rica - Loan portfolio

The loan portfolio is valued in accordance with provisions established in SUGEF Directive 1-05 "Regulations for Borrower Classification", which was approved by CONASSIF on November 24, 2005, published in the Official Journal "La Gaceta" No. 238 on Friday, March 9, 2005, and effective as of October 9, 2006.

Loan operations approved for individuals or legal entities with a total outstanding balance exceeding ¢65.000.000 (Group 1 under SUGEF Directive 1-05) are classified by credit risk. From May 23, 2020, the amount of ¢100,000,000 or its equivalent in foreign currency according to the purchase rate set by the Central Bank of Costa Rica, is established as the limit of the total outstanding balances from the Credit operations of the debtors referred to in Article 4 of the Regulation for Qualifying Debtors, SUGEF Agreement 1-05. This classification considers following considerations:

- Creditworthiness, which includes an analysis of projected cash flows, an analysis of financial position, considers the experience in the line of business, quality of management, stress testing for critical variables, and an analysis of the creditworthiness of individuals, regulated financial intermediaries, and public institutions.

- Historical payment behavior, which is determined by the borrower's payment history over the previous 48 months, considering servicing of direct loans, both current and settled, in the National Financial System as a whole. SUGEF is responsible of calculating the historical payment behavior level for borrowers reported by entities during the previous month.

(Continue)

- Arrears

- Pursuant to the Directive, collateral may be used to mitigate risk for purposes of calculating the allowance for loan impairment. The market value and its updates should be considered and adjusted at least once annually. Further, the percentage of acceptance of collateral is also a mitigating factor. Collateral must be depreciated six months after the most recent appraisal.

Risk categories are summarized as follows:

Risk Category	**Arrears**	**Historical Payment Behavior**	**Creditworthiness**
A1	30 days or less	Level 1	Level 1
A2	30 days or less	Level 2	Level 1
B1	60 days or less	Level 1	Level 1 or Level 2
B2	60 days or less	Level 2	Level 1 or Level 2
C1	90 days or less	Level 1	Level 1, Level 2 or Level 3
C2	90 days or less	Level 2	Level 1, Level 2 or Level 3
D	120 days or less	Level 1 or Level 2	Level 1, Level 2, Level 3 or Level 4

Borrowers are to be classified in risk category E if they fail to meet the conditions for classification in risk categories A through D mentioned above, are in bankruptcy, a meeting of creditors, court protected reorganization procedure, or takeover, or if the Bank considers classification in such category to be appropriate.

From June 2019, according to SUGEF Agreement 15-16, Regulation on Management and Assessment of Credit Risk for the Development Banking System, the its credit portfolio will be subject to risk classification based on the delinquency of the debtor and the number of restructuring that the debtor has been subject of, in any of its operations carried out within the framework of Law 9274, according to the following criteria:

Risk Category	Classification Criteria
1	a. Debtors up to date in their operations with the entity. b. Debtors with delinquency of up to 30 days with the entity
2	Debtors with delinquency of more than 30 days and up to 60 days with the entity.
3	i. Debtors with delinquency of more than 30 days and up to 90 days with the entity. ii. Debtors with delinquency less than 60 days with the entity and have presented delinquency with the SBD greater than 90 days in the last 12 months. iii. Debtors with delinquency less than 60 days with the entity, that have been subject to at least one restructuration in any operations with the entity during the last 12 months.
4	a. Debtors with delinquency of more than 90 days and up to 120 days with the entity. b. Debtors with delinquency less than 90 days and have presented delinquency with the SBD greater than 120 days in the last 12 months. c. Debtors with delinquency less than 90 days, that have been subject to at least two restructuration in any operation with the entity during the last 12 months.
5	Debtors with delinquency of more than 120 days and up to 180 days with the entity.
6	Debtors with delinquency of more than 180 days with the entity.

The delinquency to be used must correspond to the debtor's maximum delinquency at the end of each month, in any of its operations carried out within the framework of Law 9274, with the entity or with the SBD, as appropriate.

Pursuant to SUGEF Directive 1-05: "Regulation for Rating Debtors", as of January 1, 2014, the Bank must maintain a minimum amount of allowance resulting from the sum of generic and specific allowances, calculated in accordance with Transitory XII.

The generic allowance must be at least equal to 0.5% of the total due balance, corresponding to the loan portfolio classified in A1 and A2 risk categories, without reducing the effect of mitigators of loan operations which apply to contingent credits.

(Continue)

The specific allowance is calculated on the covered and uncovered portion of each loan. The allowance on the exposed portion is equal to the total outstanding balance of each loan transaction less the weighted adjusted value of the relevant security. The resulting amount is multiplied by the percentage that corresponds to the risk category. The allowance on the covered part of each credit operation is equal to the amount corresponding to the covered part of the operation, multiplied by the appropriate percentage.

From July 2016, in the case of the loan portfolio of individuals whose coverage ratio of debt service is above the reasonable indicator, an additional generic allowance of 1% should be applied on the indicated basis of calculation. In the case of individuals who have a mortgage or another type of loan (except consumer loans) or are transacting a new loan with the Bank, they will have a reasonable indicator of 35%, and for consumer loans of individuals not secured by mortgage, a reasonable indicator of 30%.

The bank must keep this indicator updated, semiannually. SUGEF will verify the compliance in their normal supervisory duties.

In the case of loans denominated in foreign currency debtors placed among borrowers that don´t generate cash flows in foreign currency, an additional generic allowance of 1.5% must also be applied on the basis of calculation.

The indicated generic allowance will be applied cumulatively, so that in the case of borrowers that don´t generate cash flows in foreign currency, with an indicator for service coverage greater than the reasonable indicator, the generic allowance applicable will be at least of 3% (0.5% + 1% + 1.5%).

Classification categories and specific allowance percentages for each risk category are as follows:

Risk category	Specific allowance percentage on the uncovered portion of the loan	Specific allowance percentage on the covered portion of the loan
A1	0%	0%
A2	0%	0%
B1	5%	0,5%
B2	10%	0,5%
C1	25%	0,5%
C2	50%	0,5%
D	75%	0,5%
E	100%	0,5%

As of January 1, 2014, as an exception in the case of risk category E, the minimum allowance for loans to a borrower whose historical payment behavior is rated as level 3 is to be calculated as follows:

Arrears	Specific allowance percentage on the uncovered portion of the loan	Specific allowance percentage on the covered portion of the loan	Creditworthiness (Borrowers Group 1)	Creditworthiness (Borrowers Group 2)
30 days or less	20%	0,5%	Level 1	Level 1
60 days or less	50%	0,5%	Level 2	Level 2
Over 61 days	100%	0,5%	Level 1, Level 2, Level 3 or Level 4	Level 1 or Level 2

As of December 1, 2020, as an exception for risk category E, allowance for loans of a debtor whose historical payment behavior is at Level 3, must be calculated as follows:

Delinquency at the end of the month	Specific allowance percentage on the uncovered portion of the loan	Specific allowance percentage on the covered portion of the loan	Creditworthiness (Borrowers Group 1)	Creditworthiness (Borrowers Group 2)
Up to date	5%	0,5%	Level 1	Level 1
30 days or less	10%	0,5%	Level 1	Level 1
60 days or less	25%	0,5%	Level 1 o Level 2	Level 1 o Level 2
90 days or less	50%	0,5%	Level 1 o Level 2 o Level 3 o Level 4	Level 1 o Level 2 o Level 3 o Level 4
Over 90 days	100%	0,5%	Level 1 o Level 2 o Level 3 o Level 4	Level 1 o Level 2 o Level 3 o Level 4

From July 2016, pursuant to SUGEF Directive 19-16, Agreement, "Regulation for the determination and recording of countercyclical allowance", a generic allowance is applied to that credit portfolio that shows no evidence of current impairment, as determined by the level of allowance expected in periods of economic recession and whose purpose is to mitigate the effects of the economic cycle on the financial results derived from the allowance for non-payment of loan portfolio. On a monthly basis, the Bank must record the expense per counter-cyclical component equivalent to a minimum of 7% of the positive result of the difference between income and expenses, before taxes and profit sharing of each month, until the balance of the account of the countercyclical component reaches the amount corresponding to the required balance of allowance for the entity. At the entry into force of this regulation, the required minimum percentage level of countercyclical allowance is 0.33%.

(Continue)

As of March 31, 2019, the entity reached the target level of contracyclical allowance and is under the regulation of the formula established in Article 4 of the "Calculation of the requirement of contracyclical allowance" of the Regulation to determine and record countercyclical allowances", SUGEF 19-16. The entity will continue to accumulate or disaccumulate, in accordance with the methodology established in the article and Article 5 "Accounting Registry" of that regulation.

The validity of the amendment to article 12 of this Regulation and until December 31, 2021, according to transitory XXII, the balance of allowance recorded for debtors in Risk Category E with CPH3 may not be reduced because of this modification. It is only allowed that the decrease amounts be reallocated to support increases in specific allowances for debtors reclassified to risk categories C1, C2, D and E according to articles 10 and 11 of SUGEF Agreement 1-05.

As of March 31, 2022, the total allowance of the loan portfolio reflected in the accounting records amounts to ¢162.659.878.339 (¢152.927.986.661 and ¢125.437.017.848 for December and March 2021, respectively)

As of March 31, 2022, increases in the allowance for loan impairment resulting from the minimum allowance are included in the accounting records in compliance with article 17 of SUGEF Directive 1-05 "Regulation for Rating Debtors", prior authorization from SUGEF in compliance with article 10 of IRNBS.

As of March 31, 2022, management considers the allowance to be sufficient to absorb any potential losses that could be incurred on recovery of the portfolio.

Accounts and interest receivable - Banco de Costa Rica

To qualify the risk of accounts and interest receivable unrelated to loan operations, the Bank considers the arrears based on ranges established for other assets in SUGEF Directive 1-05 "Regulations for Rating Debtors", approved by CONASSIF.

Arrears	**Allowance**
30 days or les	2%
60 days or les	10%
90 days or les	50%
120 days or les	75%
Over 120 days	100%

Until IFRS 9, Financial Instruments, is implemented for the Credit Portfolio of Financial Intermediaries, the provisions established in the Debtor Rating Regulations to quantify the credit risk of debtors and constitute the corresponding estimates, will remain in force and the entities will continue calculating the estimates according to the methodology set forth in the Regulations.

BICSA- Allowance for loan impairment

BICSA assesses whether there is any objective evidence of impairment of a loan or loan portfolio. The number of losses on certain loans during the period is recognized as provision expense in the operational result and increases a provision account for loan losses. When a loan is determined to be uncollectible, the unrecoverable amount is reduced of that provision account. Subsequent recoveries of previously written-off loans increase the provision account.

Impairment losses are determined using two methods, which indicate whether there is objective evidence of impairment, i.e. individually for loans that are individually significant and collectively for loans that are not individually significant.

Impairment losses on individually assessed loans are determined based on an exposure assessment on a case-by-case basis. If it is determined that there is no objective evidence of impairment for an individually significant loan, this loan is included in a group of loans with similar characteristics and is collectively assessed for impairment. The impairment loss is calculated by comparing the present value of expected future cash flows, discounted at the loans current interest rate or the fair value of the loans collateral less the selling costs, to its current carrying value. The amount of any loss is recognized as a provision for losses in the consolidated income statement. The carrying value of impaired loans is reduced using an allowance account for losses on loans.

For the purposes of a collective assessment of impairment, BICSA uses statistical models of historical trends for probability of default, opportunity for recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that actual losses are higher or lower than those suggested by historical trends. Default and loss ratios as well as the expected term of future recoveries are regularly compared with actual outcomes to ensure they remain appropriate.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognized, the impairment loss is reversed through an adjustment to the provision account. The amount of the reversal is recognized in the consolidated income statement.

(Continue)

Management considers the allowance for loan impairment to be sufficient. The regulatory authority periodically reviews the allowance for loan impairment as an integral part of its audits. The regulatory authority may require that additional allowances are recognized based on its evaluation of information available as of the date of the audits.

As of March 31, 2022, the allowance disclosed in the accounting records amounts to ¢180.575.195.731 (¢171.220.447.144 and ¢141.369.770.833 for December and March 2021, respectively).

BICSA -Accounts and interest receivable

To assess the allowance for accounts and interest receivable, BICSA applies the criteria mentioned in the section on the allowance for loan impairment.

(l) Securities sold under repurchase agreements

The Bank carries out transactions of securities sales under repurchase agreements at future dates and agreed prices. The obligation to repurchase sold securities is reflected as a liability in the consolidated balance sheet and disclosed at the value of the original agreement. The underlying securities are held in asset accounts. Finance expense recognized is calculated by the effective interest method. Interest is presented as finance expense in the consolidated income statement, and accrued interest payable in the consolidated statement of financial position.

(m) Accounting for interest receivable

Interest receivable is accounted for on the accrual basis. Under current regulations, interest accrual is suspended on loan operations that are more than 180 days past due. Interest receivable on those loans is recorded when collected. BICSA does not suspend the recognition.

(n) Other receivables

The recoverability of these accounts is assessed by applying criteria like those established by SUGEF for the loan portfolio. If an account is not recovered within 120 days from the due date or from the date of its accounting record, an allowance is created for 100% of the outstanding balance. Items with no specified due date are considered enforceable immediately. BICSA applies the criteria mentioned in the section on the allowance for loan impairment.

(o) Held-for-sale assets

Held-for-sale assets are assets owned by the Bank for realization or sale. Included in this account are assets acquired as payment in kind, assets adjudicated in judicial auctions, assets acquired to be leased under finance and operating leases, goods produced for sale, idle property and equipment, and other held-for-sale assets.

Held-for-sale assets are valued at the lower of cost and fair value. If fair value is less than the cost recorded in the accounting records, an impairment allowance must be recorded for the difference between both values. Cost is the historical acquisition or production value in local currency; these assets should not be revalued or depreciated for accounting purposes, and they are to be recorded in local currency. The cost registered in the accounting records for a realizable asset may only be increased by the amount of improvements or additions, up to the amount by which they increase the asset's realizable value. Other expenses related to held-for-sale assets are to be recognized in the period incurred.

The net realizable value of an asset should be used as its market value, which should be determined by applying strictly conservative criteria and is calculated by subtracting expenses to be incurred on the sale of the asset from its estimated selling price. The estimated selling price of the asset is determined by an appraiser based on current market conditions. Future expectations for market improvements are not considered and it is assumed that the assets must be sold in the shortest period of time possible to enable the Bank to recover the resources invested and use them for its business activities. For all held-for-assets, the Bank should have reports from the appraisers which are to be updated at least annually. If an asset recorded in this group is used by the Bank, it should be reclassified to the appropriate account in the corresponding group.

The supervised entities must record an allowance equivalent to their carrying amount for assets withdrawn from use and for held-for-sale assets that were not sold or leased, either through operating or financial leases, within a two-year period, counted from the date of its acquisition or production. Pursuant to article 20-b of SUGEF Directive 1-05, "Regulations for Rating Debtors", the Bank is required to record an allowance for disposed assets and for realizable assets that were not sold or leased under operating or finance leases within two years from the acquisition or production date, for an amount equivalent to the carrying amount of the assets. The allowance must be established gradually by recording one-forty-eighth of the value of such assets each month until the allowance is equivalent to 100% of the carrying amount, without exception. The recording of the allowance shall begin at closing date of the month in which the asset was i) acquired, ii) produced for sale or lease, or iii) disposed of.

Pursuant to SUGEF Directive 30-18, in its article 16, to determine the carrying amount of the assets awarded in judicial auctions or received in payment of obligations, the entity must record an estimate at the rate of one forty-eighth monthly until completing one hundred percent of the carrying amount of the asset. This accounting record will begin from the closing date of the month in which the asset was awarded or received in payment.

(p) Offsetting

Financial assets and liabilities are offset, and the net amount presented in the consolidated financial statements when the Bank has a legal right to set off the recognized balances and intends to settle on a net basis.

(q) Property, furniture, and equipment

(i) Own assets

Property, furniture, and equipment are depreciated on the straight-line method over the estimated useful lives of the assets for both tax and financial purposes. Leasehold improvements are amortized straight line over a period of sixty months, starting the month after the deferred charge is recorded. Leasehold improvements are amortized solely at the end of the term of the lease agreement. When the lessor or the Bank notifies the other party that it does not intend to renew the lease at the end of the original lease term or extension, the remaining balance is amortized over the remainder of the lease term.

Pursuant to requirements established by regulatory authorities, the Bank must have its real property appraised by an independent appraiser at least once every five years, to determine its net realizable value. If the realizable value is less than the carrying amount, the carrying amount must be adjusted to the appraisal value.

(ii) Leased assets

Leases in terms of which the Bank assumes substantially all the risks and benefits of ownership are classified as leases with the right-to-use the asset.

In application of IFRS 16, entities that have lease contracts in which they are lessees must recognize a lease liability as of the entry into force of this regulation for leases previously classified as an operating lease under IAS 17. The lessee will measure that lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental loan rate on the date of initial application.

A right-of-use asset must be recognized as of the entry into force of this regulation for leases previously classified as an operating lease under IAS 17.

(iii) *Subsequent disbursements*

Costs incurred to replace a component of an item of property, furniture and equipment is capitalized and accounted for separately. Subsequent expenses are only capitalized when they increase the future economic benefits; otherwise, they will be recognized in the consolidated income statement when incurred.

(iv) *Depreciation and amortization*

Depreciation and amortization are charged to the operating results on the straight-line method, using the annual depreciation rates established for tax purposes. When appraisals made by independent appraisers determine that the technical useful life is less than the remaining useful life calculated using applicable rates for tax purposes, the technical useful life is to be used. Estimated useful lives are as follows:

<u>Useful lives of assets owned by the Bank and subsidiaries, except for BICSA:</u>

Building	50 years
Vehicles	10 years
Furniture and equipment	10 years
EDP equipment	5 years
Leasehold improvements	5 years

<u>Useful lives of assets owned by BICSA:</u>

Building	40-50 years
Building improvements	5-35 years
Furniture and equipment	3-5 years
Furniture and equipment	3-15 years

(v) *<u>Revaluation</u>*

At least every five years financial entities should assess the real estate by appraisals, stating the net realizable value of the property.

If the realizable value of the assets is different from the one disclosed in the accounting records, the Bank must adjust the Carrying amount to the resulting value of the appraisal.

These assets are depreciated by the straight-line method for financial and tax purposes, based on the expected life of the respective assets.

The last appraisal was made in 2015, and it was recorded on November 30, 2015.

(r) Deferred charges

Deferred charges are valued at cost and recorded in local currency. These charges are not subject to revaluations or adjustments.

(s) Intangible assets

Intangible assets acquired by the Bank are recorded at cost less accumulated amortization and impairment losses.

Amortization of IT systems is charged to operation results on a straight-line basis over the estimated useful lives of the related assets. The estimated useful life is of 5 years.

Subsequent expenditures or disbursements are capitalized only when they increase the future economic benefits; otherwise, they are recognized in the results as incurred.

(t) Impairment of assets

The carrying amount of an asset is reviewed on each consolidated balance sheet date, to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the consolidated income statement for assets carried at cost and treated as a decrease in revaluation surplus for assets recorded at revalued amounts, until the amount of the surplus of the specific asset is sufficient to absorb the impairment loss.

The recoverable amount of an asset is the greater of its net selling price and value in use. The net selling price is equal to the value obtained in free transaction between seller and buyer. Value in use is the present value of future cash flows and disbursements derived from the continuing use of an asset and from its disposal at the end of its useful life.

(Continue)

If in a subsequent period the amount of the impairment loss decreases and the decrease can be linked objectively to an event occurring after impairment loss was determined, the loss is reversed in the consolidated income statement or consolidated statement of changes in equity, as appropriate.

SUGEF establishes the following: regardless of the previously expressed, at least once every five years, financial institutions must have its property appraised by an independent appraiser, to determine the net realizable value of property and buildings, whose net book value exceeds 5% of the entity's equity. If the net realizable value of the assets appraised, taken as a whole, is less than the corresponding net carrying amount, the carrying amount is to be reduced to the appraisal value by adjusting assets that are significantly overstated. The decrease in the value of real property for use is recorded against account "331 - Adjustments for revaluation of assets.

In cases where an entity is aware of a significant overstatement in the carrying amount of one or more assets, regardless of the cause of the reduction in their value and/or the useful life originally assigned, the entity must hire an appraiser to perform a technical appraisal, immediately notify SUGEF of the results, and register the applicable adjustments in the accounting records.

(u) Obligations with the public

These are current obligations of the resources available to the Bank for the realization of its purposes provided by external sources, which are virtually inescapable and are reasonably identifiable and quantifiable.

(v) Accounts payable and other payables

Accounts payable and other payables are recognized at cost.

(w) Provisions

A provision is recognized in the consolidated statement of financial position if, as a result of a past event, the Bank has a present legal or constructive obligation, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provision made approximates settlement value; however, final amounts may vary. The estimated value of provisions is adjusted at the consolidated statement of financial position date, directly affecting the consolidated income statement.

Employees' legal benefits (severance pay)

Costa Rican legislation requires the Bank and its subsidiaries domiciled in Costa Rica to pay employees' legal benefits to employees dismissed without just cause, equivalent to a seven days' salary for employees with three to six months of service, 14 days salary for employees with six months to one year of service, and compensation in accordance with the Workers Protection Law for those with more than one year of service.

In February 2000, the Workers Protection Law was enacted and published. This law modifies the existing severance benefit system and establishes a mandatory supplemental pension plan, thereby amending several provisions of the Labor Code.

Pursuant to the Workers Protection Law, all public and private employers must contribute 3% of monthly employee salaries during the entire term of employment. Contributions are collected through the Costa Rican Social Security Administration (CCSS) and are then transferred to pension fund operators selected by the employee.

The Bank follows the practice of transferring to the Employee Association the severance benefits corresponding to each employee based on the employee's current salary.

The amounts of severance benefits not transferred to the Employee Association are provisioned as indicated in the Collective Labor Agreement is provisioned in accordance with the employer legal obligation.

BICSA retirement savings plan

BICSA offers its employees defined contribution pension plans in accordance with the conditions and practices in the jurisdictions where it operates. Under those plans, BICSA contributes specified amounts to a fund managed by a third party and is under no legal obligation to make additional contributions in the event the fund has insufficient assets to pay employees their benefits.

BICSA has adopted a voluntary retirement savings plan in which BICSA contributes twice the amount contributed by employees, up to a maximum of 10% of the monthly salaries. The contribution made by BICSA and subsidiary under this plan as of March 31, 2022, amounted to ¢71.609.182 (¢507.762.911 and ¢120.044.770 for December and March 2021, respectively), equivalent to US$107.344 (US$820.627 and US$194.938 for December and March 2021, respectively).

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BICSA -Seniority premium and indemnity for employees

Under Panamanian labor law, companies are required to establish a severance fund to guarantee payment of a seniority premium and indemnity to eligible employees upon resignation or dismissal without just cause. To create the fund, quarterly contributions of the relative portion to the employee seniority premium equivalent to 1.92% of salaries paid in the Republic of Panama are made to cover the seniority premium, while monthly contributions equivalent to 5% are made to cover the indemnity. Quarterly contributions are to be placed in a trust. As of March 31, 2022, the severance fund had a balance of ¢1.058.070.633 (¢876.727.630 and ¢709.419.894 for December and March 2021, respectively), equivalent to US$$1.586.075 (US$1.358.741 and US$1.152.011 for December and March 2021 respectively) which is disclosed in the consolidated financial statements as prepaid expenses.

(x) Legal reserve

According to Article 12 of the Organic Law of the National Banking System, the Bank yearly sets aside 50% of net earnings after income tax to increase its Legal Reserve. The Bank's subsidiaries, except for BICSA, allocate yearly 5% of their earnings after taxes to a legal reserve.

(y) Revaluation surplus

Revaluation surplus included in equity may be transferred directly to accrued earnings of prior periods when the surplus is realized. The whole surplus is realized upon disposal or use of the asset. The transfer of revaluation surplus to prior period retained earnings should not be made through the consolidated income statement. Further, the Bank was authorized by SUGEF to capitalize revaluation surplus by increasing the capital stock.

(z) Use of estimates

Management has made several estimates and assumptions related to the reporting of assets, liabilities, profit or loss, and the disclosure of contingent liabilities in preparing these consolidated financial statements. Actual results may differ from those estimates that are particularly susceptible to significant changes are related to the determination of the allowance for loan impairment.

(aa) Recognition of main types of income and expenses

(i) Interest

Interest income and expense is recognized in the consolidated income statement on an accrual basis considering the effective yield or interest rate. Interest income and expense includes amortization of any premium or discount during the term of the instrument and until its maturity and is calculated on an effective interest basis.

(ii) Income from fees and commissions

When loan origination fees are generated, they are taken against effective yield, and they are deferred over the loan term. Other service fees and commissions are recognized when the services are rendered. In the case of storage services, insurance and inventory management they recorded by the accrual method.

(iii) Net income from held-for-trading securities

Net income on marketable securities includes gains and losses arising from sales and from changes in the fair value of held-for-trading assets and liabilities.

(iv) Expenses from operating lease

Payments for operating lease agreements are recognized in the consolidated income statement over the term of the lease.

(bb) Income tax

Pursuant to the Income Tax Law, the Bank and its subsidiaries are required to file their income tax returns for the twelve months period ending December 31 of each year.

(i) Current:

Current tax is the expected tax payable on taxable income for the year, using tax rates valid on the consolidated balance sheet date, and any adjustment to tax payable with respect to previous years.

(Continue)

(ii) Deferred:

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial purposes and the amounts used for taxation purposes. In accordance with this method, temporary differences are identified as either taxable temporary differences (which result in future taxable amounts) or deductible temporary differences (which result in future deductible amounts). A deferred tax liability represents a taxable temporary difference, while a deferred tax asset represents a deductible temporary difference. Deferred tax assets are recognized only to the extent there is a reasonable probability that they will be realized.

BICSA's Miami branch is subject to state and federal income taxes in the United States of America. Income tax expense is determined by using the separate currency pools method, as described in Section 1.882-5 of the U.S. Treasury Department Regulations.

(cc) BICSA - Financial leases

BICSA's financial lease operations mainly consist of leases for transportation, machinery, and equipment. Average lease terms are between 36 and 60 months.

Lease receivables represent the present value of future lease payments. The difference between the gross receivable and the present value of the receivable is presented as unearned income, which is recognized in profit or loss over the life of the lease.

(dd) Pension and retirement plans, for employees of Banco de Costa Rica

A fund was created by Law No. 16 as of November 5, 1936, which has been amended on several occasions. The most recent amendment was included in Law No. 7107 dated October 26, 1988. Pursuant to this Law, the fund was established as a special wage protection and retirement system for the Bank's employees. The fund is comprised of allotments established by the related laws and regulations, and monthly contributions made by the Bank and employees equivalent to 10% and 0.5% of total wages and salaries, respectively. Starting October 1, 2007, this fund is managed by BCR Pension Operadora de Planes de Pensiones Complementarias, S.A. (subsidiary) under a comprehensive management agreement.

The Bank's contributions to the fund are defined contribution plans. Consequently, the Bank has no additional obligations.

(Continue)

(ee) Legal allocations

Under article 12 of IRNBS, the net earnings of commercial State-owned banks are allocated as follows: 50% to a legal reserve; 10% to increase the capital of the National Institute for Cooperative Development (INFOCOOP); and the remainder to increase the Bank's capital, pursuant to article 20 of Law No. 6074. Transition provision III of Law No. 8634 "Development Banking System" establishes that for a five-year period starting in 2007, the contributions made by State-owned banks equivalent to 5% of their annual net earnings for the creation of the National Commission for Educational Loans (CONAPE) will be allocated as follows: two percent to CONAPE and three percent to the capital of the Development Financing Fund (FINADE). On January 2013 transitory III is removed and 5% will be allocated to CONAPE, in accordance with Law 9092, "Refund of Income of the National Commissions for Educational Loans."

In accordance with article 46 of the "National Emergency and Risk Prevention Law", all institutions of the central administration and decentralized public administration, as well as State-owned companies, must contribute three percent (3%) of their reported earnings before taxes and profits and of their accumulated budget surplus to the National Emergency Commission (CNE). Such funds are deposited in the National Emergency Fund to finance the National Risk Management System. The expenditure for CNE is calculated as 3% of income before taxes and profit sharing.

Pursuant to article 78 of the Workers Protection Law, State-owned public entities must contribute up to 15% of their earnings with the purpose of strengthening the funding base for the Disability, Old Age, and Death Benefit System of CCSS and to provide universal coverage for impoverished non-salaried workers. According to Executive Order number 37127-MTSS, starting in 2013 a progressive yearly contribution from net earnings must be set aside starting with 5% in 2013, up to 7% in 2015 and 15% as of 2017.

(ff) Development Financing Fund

As of 2008, in accordance with article 32 of Law No. 8634 "Development Banking System", all State-owned banks, except for Banco Hipotecario para la Vivienda (BANHVI), shall allocate each year at least five percent (5%) of their net earnings after income taxes to creating and strengthening its own development funds. The objective of that allocation is to provide financing to individuals and legal entities that present viable and feasible projects pursuant to the provisions of the Law (See note 40).

(gg) Development Credit Fund

The Development Credit Fund (DCF) comprised of the resources provided in Article 59 of the Organic Law of the National Banking System, No.1644, commonly called "Banking Toll," will be managed by the State Banks. In compliance with Law No. 9094 "Derogatory of Transitory VII-Law No. 8634," and in accordance with Article 35 of Law No. 8634 "Development Banking System", in meeting 119 of January 16, 2013, by agreement number AG 1015-119-2013, it is agreed to appoint Banco de Costa Rica and Banco Nacional de Costa Rica as managers for a five-year period from the signature of the respective management agreements. Each bank is responsible for managing fifty percent (50%) of the fund.

The Technical Secretariat of the Governing Board through written communication CR/SBD-014-2013 informed all private banks to open up checking accounts with each of the managing banks (Banco Nacional and Banco de Costa Rica), both in colones and foreign currency with the obligation to distribute fifty percent of the resources to each bank.

The powers granted by the Governing Board to the administrators are:

a) Managing Banks can perform services with the beneficiaries of the Development Banking System as recognized by Article 6 of Law 8634.

b) In accordance with Article 35 of the Law 8634 with funds from the Development Credit Fund, the Managing Banks can provide services to other financial entities, except for private banks, provided they meet the objectives and obligations under Law 8634 and that are duly approved by the Governing Board.

c) The Banks may allocate in accordance with Article 35, Law 8634 the resources of the Development Credit Fund through: associations, cooperatives, foundations, NGOs, producer organizations or other entities if they have credit operations in programs that meet the objectives established in the Law 8634 and are duly approved by the Governing Board.

The contract signed for a five-year term will be renewable for equal and successive periods unless otherwise decided by the Governing Board, notified in writing at least three months in advance. It may be terminated as provided for in Article 12 paragraph j) of Law 8634 and its executive regulations, if the managing banks demonstrate proven lack of capacity and expertise. (See note 41).

(hh) BICSA - Trusts

BICSA has a license to manage trusts in or from the Republic of Panama. Fee and commission income derived from trust management is recognized on an accrual basis. BICSA is required to manage trust funds in accordance with the contractual terms and independently of its own equity.

(ii) Fiscal year

The economic fiscal year corresponds to the period ended on December 31 of every year.

(2) Collateralized or restricted assets

Collateralized or restricted assets are as follows:

		March 2022	December 2021	March 2021
Cash and cash equivalents deposited in the Central Bank of Costa Rica (see note 4)	¢	645.681.509.070	642.689.158.709	586.123.211.993
Restricted cash and cash equivalents (see note 4)		121.462.256	160.295.897	40.790.489
Total cash and cash equivalents		**645.802.971.326**	**642.849.454.606**	**586.164.002.482**
Past due and restricted financial instruments (see note 5)		162.295.490.573	218.298.054.365	61.406.009.388
Other assets		1.008.427.719	975.397.970	861.321.131
	¢	**809.106.889.618**	**862.122.906.941**	**648.431.333.001**

(3) Balances and transactions with related parties

The consolidated financial statements include balances and transactions with related parties as follows:

		March 2022	December 2021	March 2021
Assets:				
Loan portfolio	¢	1.125.419.211	1.055.499.867	1.159.392.082
Other accounts receivable		1.101.421.045	520.094.412	658.917.577
Interests in other entities		65.417.188	65.417.188	668.175.446
Total assets	¢	**2.292.257.444**	**1.641.011.467**	**2.486.485.105**
Income:				
Income from interest in entities	¢	0	4.048.114	131.810.936
Sundry operating income		843.986.249	0	158.615.659
Total income	¢	**843.986.249**	**4.048.114**	**290.426.595**
Expenses:				
Expenses from investments in other companies		0	0	178.856.243
Sundry operating expenses	¢	0	0	520.761.288
Total expenses	¢	**0**	**0**	**699.617.531**

(Continue)

The amount paid for the compensation for key staff is as follows:

		March 2022	December 2021	March 2021
Short-term benefits	¢	1.144.595.822	4.122.824.843	1.163.179.936
Long-term benefits		9.699.868	141.949.900	9.263.911
Directors' seating fees		96.440.200	304.758.916	109.537.564
	¢	**1.250.735.890**	**4.569.533.659**	**1.281.981.411**

BCR Pensiones pays compensation to key personnel according to the approved budget for the period, which does not include benefits, incentives, or salaries in-kind.

(4) Cash and cash equivalents

For purposes of reconciliation with the consolidated statement of cash flows, cash and cash equivalents are as follows:

		March 2022	December 2021	March 2021
Cash	¢	78.655.247.748	100.543.762.287	100.725.088.472
Demand deposits in BCCR		558.924.094.125	578.197.960.222	558.401.154.592
Checking accounts and demand deposits in local financial entities		157.656.597	608.863.646	42.044.776
Checking accounts and demand deposits in foreign financial entities		175.008.253.792	185.996.786.978	127.285.923.696
Notes payable on demand		2.560.201.698	481.593.852	1.463.674.463
Restricted cash and cash equivalents		96.494.058.975	94.679.945.381	415.260.135
Interest receivable		0	26.046	0
Total cash and cash equivalents		**911.799.512.935**	**960.508.938.412**	**788.333.146.134**
Investments in short-term financial instruments		136.400.838.536	127.870.958.238	166.915.817.636
Total cash and cash equivalents	¢	**1.048.200.351.471**	**1.088.379.896.650**	**955.248.963.770**

As of March 31, 2022, demand deposits in BCCR are restricted as a minimum legal reserve in the amount of ¢645.650.100.821 (¢642.658.686.723 and ¢586.093.215.085 for December and March 2021, respectively).

As of March 31, 2022, BCR Pension´s deposits in BCCR are restricted as a minimum legal reserve in the amount of ¢3.081.091 (¢2.340.736 and ¢2.571.466 for December and March 2021, respectively), for a total of ¢5.041.364.243 (¢3.533.534.292 and ¢3.163.934.848 for December and March 2021, respectively).

(Continue)

As of March 31, 2022, BCR Valores, S.A. - Puesto de Bolsa holds restricted deposits in the Central Bank of Costa Rica in the amount of ¢28.327.158 (¢28.131.250 and ¢27.425.445 for December and March 2021, respectively), for a total of ¢27.239.160.877 (¢30.392.950.645 and ¢34.177.408.726 for December and March 2021, respectively).

As of March 31, 2022, BCR Valores, S.A. - Puesto de Bolsa holds restricted assets as part of the guarantee fund in the amount of ¢27.089.371.464 (¢30.204.523.499 and ¢34.109.192.791 for December and March 2021, respectively). (See note 2).

As of March 31, 2022, the Bank has a liability for outstanding checks in the amount of ¢1.513.745.852 (¢638.139.432 and ¢867.744.169 for December and March 2021, respectively), which is offset by notes payable on demand cashed the next day once cleared by the clearing house.

(5) Investments in financial instruments

Investments in financial instruments are as follows:

		March 2022	December 2021	March 2021
At fair value through profit or loss	¢	285.560.528.570	294.371.792.030	106.266.115.073
At fair value through other comprehensive income		1.553.136.715.438	1.529.772.010.039	1.205.164.750.543
At amortized cost		50.487.919.798	40.227.916.128	164.576.344.888
Interest receivable for investments at fair value through profit or loss		2.179.310.928	4.116.027.554	736.006.890
Interest receivable for investments at fair value through other comprehensive income		14.335.339.332	22.322.335.234	12.907.767.183
Interest receivable for investments classified at amortized cost		104.789.403	49.542.940	16.937.854
Allowance for impairment of financial instruments		0	0	(1.187.618)
	¢	**1.905.804.603.469**	**1.890.859.623.925**	**1.489.666.734.813**

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the consolidated financial statements

March 31, 2022

		March 2022	December 2021	March 2021
At fair value through profit or loss		**Fair value**	**Fair value**	**Fair value**
Local issuers:				
State-owned Banks	¢	0	341.202.776	0
Other (Open Investment Funds)		165.131.287.922	177.486.293.537	79.862.908.163
		165.131.287.922	**177.827.496.313**	**79.862.908.163**
Foreign issuers:				
Government		210.774.624	38.278.164	0
Private Banks		120.078.000.000	116.145.000.000	24.632.400.000
Private issuers		140.466.050	361.017.553	0
Other		0	0	1.770.806.910
	¢	**285.560.528.596**	**294.371.792.030**	**106.266.115.073**

		March 2022	December 2021	March 2021
		Fair value	**Fair value**	**Fair value**
Financial instruments at amortized cost issued by entities				
Local issuers:				
Government	¢	16.083.540.144	8.121.527.268	105.047.900.583
State-owned Banks		28.351.750.000	26.132.625.000	44.030.415.000
Private Banks		0	0	3.079.050.000
Private issuers		0	5.973.763.860	12.418.979.305
	¢	**44.435.290.144**	**40.227.916.128**	**164.576.344.888**
Issuers abroad:		6.052.629.654	0	0
Private issuers		**50.487.919.798**	**40.227.916.128**	**164.576.344.888**

		December 2021	December 2021	December 2020
At fair value through other comprehensive Income		**Fair value**	**Fair value**	**Fair value**
Local issuers:				
Government	¢	1.363.958.465.418	1.349.321.635.536	974.861.642.040
State-owned Banks		137.646.627.465	134.182.051.761	180.467.307.830
Private Banks		12.500.217.840	8.746.861.036	26.363.607.298
Private issuers		15.624.924.995	11.817.373.282	10.114.389.306
Other		8.594.030.383	10.694.988.174	9.623.088.229
		1.538.324.266.101	**1.514.762.909.789**	**1.201.430.034.703**
Foreign issuers:				
Government		0	0	1.234.416.393
Private Banks		0	0	1.242.992.163
Private issuers		14.812.449.335	15.009.100.250	1.257.307.284
	¢	**1.553.136.715.436**	**1.529.772.010.039**	**1.205.164.750.543**

As of March 31, 2022, the investment portfolio amounts to ¢158.374.888.036 (¢166.232.001.552 and ¢127.386.189.966 for December and March 2021, respectively) corresponding to the managed amounts of the Development Credit Fund (See note 40).

Maturities for investments in financial instruments are from April 01, 2022, to May 20, 2026.

Purchased financial instruments earn annual yield rates as follows:

	March 2022	December 2021	March 2021
Colones	0,50% to 9.01%	0.42500% to 11.50%	0,7499% to 8.8901%
US dollars	0,010% to 4.52%	0.0124% to 9.20%	0,0094% to 5.8756%

Investments have been pledged as follows:

		March 2022	December 2021	March 2021
Securities in guarantee, liquidity market	¢	0	50.089.013.557	24.135.453.216
Manager. Operadora de Pensiones Complementarias S.A.		5.038.283.151	5.066.214.653	3.161.363.382
Guarantee for obligations for securities repurchase agreements BCR Valores. S.A. Puesto de Bolsa		25.390.167.699	28.558.734.330	34.109.192.790
Guarantee for deferred term operations (MIL)		131.867.039.723	134.584.091.825	0
	¢	**162.295.490.573**	**218.298.054.365**	**61.406.009.388**

In accordance with Article 37 of the Labor Protection Law, the Pension Fund Manager must hold a minimum operating capital equivalent to a percentage of the net assets of the managed funds that as of March 31, 2022, amount to ¢5.038.283.151 (¢3.531.193.556 and ¢3.161.363.382 for December and March 2021, respectively).

As of March 31, 2022, BCR Valores holds restricted investments in securities in the amount of ¢27.089.371.464 (¢30.204.523.498 and ¢34.109.192.792 for December and March 2021, respectively).

Repurchase Operations:

The Bank purchases financial instruments through agreements in which it binds to sell the financial instruments at future dates at previously agreed upon price and yield.

As of March 31, 2022, purchased financial instruments remain under resale agreements.

As of March 31, 2022

Issuer		Asset Balance	Fair Value of Collateral	Resale Date	Resale Price
Central Bank of Costa Rica		6.000.416.667	6.000.416.667	01/10/2021 al 03/01/2022	100,00%
Local Government	¢	5.050.865.261	5.050.865.261	01/10/2021 al 03/01/2022	100,00%
Others		2.410.166.704	2.410.166.704	01/10/2021 al 28/06/2028	100,00%
	¢	**13.461.448.632**	**13.461.448.632**		

(Continue)

As of December 31, 2021

Issuer		Asset Balance	Fair Value of Collateral	Resale Date	Resale Price
Central Bank of Costa Rica	¢	1.950.281.667	1.950.281.667	01/10/2021 to 03/01/2022	100.00%
Local Government		1.884.666.990	1.884.666.990	01/10/2021 to 03/01/2022	100.00%
Others		1.620.225.831	1.620.225.831	01/10/2021 to 28/06/2028	100.00%
	¢	**5.455.174.488**	**5.455.174.488**		

As of March 31, 2021

Issuer		Asset Balance	Fair Value of Collateral	Resale Date	Resale Price
Local Government	¢	86.047.792.529	86.047.792.529	01/01/2021 al 05/04/2021	100,00%
Others	¢	1.562.261.979	1.566.614.865	01/01/2021 al 25/05/2021	100,00%
	¢	**87.610.054.508**	**87.614.407.394**		

(6) Loan portfolio

The total loans receivable originated by the Bank by sector are as follows:

a) Loan portfolio by economic sector

		March 2022	December 2021	March 2021
Current loans				
Personal loans	¢	1.288.304.275.349	1.268.938.763.207	1.201.169.264.406
Loans Development Banking System		67.323.599.773	61.422.876.460	62.063.836.532
Business loans		202.890.092.416	198.550.432.871	190.598.965.621
Loans - Corporate		2.185.726.895.156	2.131.037.220.817	1.911.020.284.947
Loans - Public sector		63.580.180.998	68.346.748.999	106.134.872.735
Loans - Financial sector		73.094.709.970	82.551.873.032	112.664.365.094
		3.880.919.753.662	**3.810.847.915.386**	**3.583.651.589.335**
Past due loans				
Personal loans		131.986.220.411	138.706.195.554	73.814.090.167
Loans Development Banking System		3.130.275.685	3.044.541.896	1.647.604.798
Business loans		16.240.649.548	18.312.716.638	13.154.535.388
Loans - Corporate		119.439.741.269	98.889.883.940	120.734.938.291
Loans - Public sector		15.067.254	0	131.026.192
		270.811.954.167	**258.953.338.028**	**209.482.194.836**
Judicial Collection				
Personal loans		31.921.032.900	29.835.518.345	33.351.752.927
Loans Development Banking System		34.094.115	53.376.648	97.872.634
Business loans		4.207.390.647	4.569.486.592	5.291.614.167
Loans - Corporate		18.367.598.974	17.653.279.082	5.812.613.587
		54.530.116.636	**52.111.660.667**	**44.553.853.315**
	¢	**4.206.261.824.465**	**4.121.912.914.081**	**3.837.687.637.486**

b) Loan portfolio by activity

		March 2022	December 2021	March 2021
Activity				
Agriculture, livestock, hunting and service activities	¢	200.699.184.047	184.399.472.990	205.622.682.262
Public administration		274.085.504.907	285.486.409.880	0
Fishing and aquaculture		45.333.453	46.000.000	23.672.166
Manufacturing		456.517.206.072	455.640.113.110	412.507.678.414
Telecommunications and public services		161.692.708.687	163.842.838.285	77.963.876.457
Mining and quarrying		33.244.382	35.408.877	433.183.435
Retail		525.756.793.550	513.459.539.620	277.648.053.305
Services		732.523.244.297	681.309.198.989	1.175.724.087.576
Transportation		51.271.559.414	52.369.425.342	54.467.633.938
Financial activities and stock exchange		3.645.461.657	3.747.089.931	3.985.414.230
A Real estate, business, and leasing Activities		37.241.290.128	37.403.809.988	7.818.500.039
Construction, purchase, and repair of real estate		1.366.522.148.533	1.338.672.803.355	1.213.754.333.331
Consumer		279.337.162.224	287.633.267.439	294.695.015.677
Hospitality		115.368.469.888	116.341.025.761	108.025.132.414
Education		800.300.072	819.434.189	3.622.103.677
Other activities from the non-financial private sector		722.213.154	707.076.325	1.396.270.565
		4.206.261.824.465	4.121.912.914.081	3.837.687.637.486
Plus, interest receivable		22.464.523.628	19.478.709.205	34.579.768.308
Deferred income from loan portfolio		(19.111.065.464)	(19.009.378.028)	(17.781.708.175)
Less allowance for loan		(180.575.195.731)	(171.218.633.346)	(141.369.770.833)
	¢	**4.029.040.086.898**	**3.951.163.611.912**	**3.713.115.926.786**

c) Current loans

The total current loans originated by the bank are detailed as follows:

		March 2022	December 2021	March 2021
Personal	¢	1.288.304.275.349	1.268.938.763.207	1.201.169.264.406
Development Banking System		67.323.599.773	61.422.876.460	62.063.836.532
Business		202.890.092.416	198.550.432.871	190.598.965.621
Corporate		2.185.726.895.156	2.131.037.220.817	1.911.020.284.947
Public sector		63.580.180.998	68.346.748.999	106.134.872.735
Financial sector		73.094.709.970	82.551.873.032	112.664.365.094
	¢	**3.880.919.753.662**	**3.810.847.915.386**	**3.583.651.589.335**

The total past due loans originated by the Bank are detailed as follows:

		March 2022	December 2021	March 2021
Past due				
Personal	¢	131.986.220.412	138.706.195.555	73.814.090.167
Development Banking System		3.130.275.685	3.044.541.896	1.647.604.798
Business		16.240.649.548	18.312.716.638	13.154.535.388
Corporate		119.439.741.268	98.889.883.939	120.734.938.291
Public sector		15.067.254	0	131.026.192
	¢	**270.811.954.167**	**258.953.338.028**	**209.482.194.836**

The total loans in judicial collection originated by the Bank are detailed as follows:

		March 2022	December 2021	March 2021
Judicial collection				
Personal	¢	31.921.032.900	29.835.518.344	33.351.752.927
Development Banking System		34.094.115	53.376.648	97.872.634
Business		4.207.390.647	4.569.486.592	5.291.614.167
Corporate		18.367.598.974	17.653.279.083	5.812.613.587
	¢	**54.530.116.636**	**52.111.660.667**	**44.553.853.315**

(Continue)

BICSA - Financial lease receivables

The balance of financial lease receivables is as follows:

		March 2022	December 2021	March 2021
Total minimum payments	¢	38.391.078.658	29.615.559.322	28.268.881.828
	¢	**38.391.078.658**	**29.615.559.322**	**28.268.881.828**

The maturities of the financial leases are as follows:

		March 2022	December 2021	March 2021
Less than a year	¢	163.452.842	1.324.044.612	1.151.886.153
From 1 to 5 years		38.227.625.816	28.291.514.710	27.116.995.675
	¢	**38.391.078.658**	**29.615.559.322**	**28.268.881.828**

d) Loan portfolio by arrears

The loan portfolio by arrears is detailed as follows:

		March 2022	December 2021	March 2021
Current	¢	3.880.919.753.662	3.810.847.915.386	3.583.651.589.335
1 to 30 days		129.241.133.035	112.146.909.301	111.258.133.810
31 to 60 days		44.221.287.275	50.533.286.605	43.443.068.052
61 to 90 days		19.826.211.691	34.081.257.943	13.785.029.376
91 to 120 days		13.874.379.069	6.379.536.753	3.768.684.482
121 to 180 days		14.414.368.909	2.784.407.977	3.994.234.983
Over 181 days		103.764.690.824	105.139.600.116	77.786.897.447
	¢	**4.206.261.824.465**	**4.121.912.914.081**	**3.837.687.637.485**

Loans with contractual non-compliance in the payments of the principal or interest are classified as past due.

e) Past due loans

Past due loans, including loans in accrual status (for which interest is recognized on a cash basis) and unearned interest on past due loans, are as follows:

		March 2022	December 2021	March 2021
Number of operations		1.901	1.605	2.775
Past due loans in non-accrual status	¢	103.764.690.824	105.139.600.115	77.786.897.448
Past due loans bearing interest	¢	221.577.379.979	205.925.398.580	176.249.150.703
Total of unearned interest	¢	16.770.248.652	15.524.346.083	15.202.269.486

Loans in legal collection as of March 31, 2022:

# of operations	Percentage		Balance
1.029	1.30%	¢	54.530.116.636

Loans in legal collection as of December 31, 2021:

# of operations	Percentage		Balance
987	1.26%	¢	52.111.660.667

Loans in legal collection as of March 31, 2021:

# of operations	Percentage		Balance
1.233	1,16%	¢	44.553.853.315

As of March 31, 2022, the average annual interest rate earned on loans is 7.18% (7.47% and 8.46% for December and March 2021, respectively) in colones and 5.43% (6.98% and 8.14% for December and March 2021, respectively) in US dollars. For Banco Internacional de Costa Rica, S.A., the annual rate for operations in US dollars is 5.82% (5.85% and 6.10% for December and March 2021, respectively).

f) Interest receivable on loan portfolio

Interest receivable is detailed as follows:

		March 2022	December 2021	March 2021
Personal	¢	7.877.431.112	7.859.738.072	15.992.534.554
Development Banking System		199.192.889	142.948.325	309.962.824
Business		1.029.073.108	1.068.517.022	2.254.465.582
Corporate		12.567.098.588	9.812.527.272	14.767.665.025
Public sector		524.590.553	321.799.756	804.020.279
Financial sector		267.137.378	273.178.758	451.120.044
	¢	**22.464.523.628**	**19.478.709.205**	**34.579.768.308**

g) Allowance for loan impairment

Movement in the allowance for loan impairment is as follows:

2022 Initial balance	¢	**171.218.633.346**
Currency translation effect		645.249.392
Adjusted balance at the beginning of 2022		**171.863.882.738**
Plus:		
Allowance charged through profit or loss (see note 29)		10.213.308.999
Adjustments for exchange differences		2.004.440.360
Less:		
Transfer to unpaid balances		(3.009.382.231)
Reversal of allowance against income (see note 30)		(497.054.135)
Balance as of March 31, 2022	¢	**180.575.195.731**

December 2021

2021 Initial balance	¢	**134.225.242.689**
Currency translation effect		898.919.932
Adjusted balance at the beginning of 2021		**135.124.162.621**
Plus:		
Allowance charged through profit or loss (see note 29)		44.208.237.658
Recoveries		50.696.002
Transfer of balances		35.102
Adjustments for exchange differences		2.460.005.646
Less:		
Adjustments for exchange differences		(97.104.735)
Transfer to unpaid balances		(8.148.999.774)
Reversal of allowance against income (see note 30)		(2.378.084.879
Transfer of balances		(314.295)
Balance as of December 31, 2021	¢	**171.218.633.346**

(Continue)

March 2021		
2021 Initial balance	¢	**134.225.242.689**
Currency translation effect		(18.206.872)
Adjusted balance at the beginning of 2021		**134.207.035.817**
Plus:		
Allowance charged to profit and loss (See note 29)		9.652.375.968
Recoveries		(367.988.350)
Less:		
Adjustments for exchange differences		(97.104.735)
Transfer to unpaid balances		(104.724.184)
Reversal of allowance against income (see note 30)		(1.919.823.683)
Balance as of March 31, 2021	¢	**141.369.770.833**

h) Syndicated loans

As of March 31, 2022, the syndicated loan portfolio is detailed as follows:

Banco de Costa Rica syndicated loan portfolio:

The Bank does not maintain a syndicated loan portfolio with other banks.

BICSA - Syndicated loans:

	No. Operations			Syndicated balances other banks	Syndicated balance BICSA		Total balance
1	4	Global Bank	¢	81.537.199.419	9.094.512.927	¢	90.631.712.346
2	1	Banco Agromercantil de Guatemala, S.A.		365.933.545.632	3.639.854.369		369.573.400.001
2	3	Bladex and Nomura Securities International		63.874.825.000	2.835.175.000		66.710.000.000
3	12	Credicorp Bank		5.052.234.486	1.959.544.877		7.011.779.363
4	3	Credit Suisse AG		87.990.490.000	7.404.810.000		95.395.300.000
5	3	Prival Bank		14.164.699.741	17.197.791.303		31.362.491.044
6	1	Citibank New York		44.895.601.852	3.984.341.473		48.879.943.325
7	1	Banistmo		45.619.111.161	6.183.519.343		51.802.630.504
8	1	The Bank of Nova Scotia (Scotiabank)		13.526.070.902	6.594.488.967		20.120.559.869
9	1	Scotiabank CR		264.171.600.000	6.671.000.000		270.842.600.000
10	2	Bladex		102.288.666.444	8.449.933.556		110.738.600.000
	32		¢	**1.089.054.044.637**	**74.014.971.815**	¢	**1.163.069.016.452**

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the consolidated financial statements

March 31, 2022

As of December 31, 2021

	No. Operations			Syndicated balances other banks	Syndicated balance BICSA		Total balance
1	4	Global Bank	¢	78.756.835.963	8.906.351.552	¢	87.663.187.515
2	5	Banco Agromercantil de Guatemala, S.A.		348.272.940.946	9.195.559.054		357.468.500.000
2	3	Bladex and Nomura Securities International		61.379.406.250	3.145.593.750		64.525.000.000
3	11	CREDICORP BANK		4.858.145.968	1.923.971.607		6.782.117.575
4	2	Credit Suisse AG		69.622.475.000	1.355.025.000		70.977.500.000
5	1	Mmg Bank		22.992.139.694	882.110.306		23.874.250.000
6	5	Prival Bank		12.065.019.357	18.270.233.747		30.335.253.104
7	1	Citibank New York		42.999.749.072	4.279.195.405		47.278.944.477
8	1	Banistmo		44.392.516.035	5.713.386.128		50.105.902.163
9	1	The Bank of Nova Scotia (Scotiabank)		13.048.003.531	6.413.533.998		19.461.537.529
10	1	Scotiabank CR		255.519.000.000	6.452.500.000		261.971.500.000
	35		¢	**953.906.231.816**	**66.537.460.547**	¢	**1.020.443.692.363**

As of March 31, 2021

No. Operations			Syndicated balances other banks	Syndicated balance BICSA		Total balance
4	Global Bank	¢	72,327,796,022	11,335,694,602	¢	83,663,490,624
5	Banco Agromercantil de Guatemala, S.A.		332,200,090,103	8,958,649,897		341,158,740,000
2	Bladex		84,406,921,365	3,653,908,635		88,060,830,000
2	Bladex and Nomura Securities International		59,271,712,500	2,309,287,500		61,581,000,000
12	Credicorp Bank		4,111,291,740	2,361,386,830		6,472,678,570
2	Credit Suisse AG		65,614,555,500	2,124,544,500		67,739,100,000
1	Mmg Bank		21,943,106,827	841,863,173		22,784,970,000
5	Prival Bank		13,518,515,697	15,432,669,387		28,951,185,084
1	Citibank New York		40,648,677,931	4,473,129,952		45,121,807,883
1	Bicsa, US EXIM, FMO, BHD INT, Unibank, Banco Panama		62,855,033,926	4,359,011,073		67,214,044,999
2	Banistmo		43,472,032,232	4,347,751,744		47,819,783,976
7	Bicsa, Banpro, ST Georges Bank, Inversiones del Lago		23,505,040,894	7,593,364,106		31,098,405,000
6	Bicsa/Banpro/ST Georges Bank		12,162,151,852	1,077,763,148		13,239,915,000
1	Banco Latinoamericano de Comercio Exterior, S.A. (Bladex)		60,189,446,544	1,391,553,456		61,581,000,000
1	The Bank of Nova Scotia (Scotiabank)		12,352,855,357	6,121,444,643		18,474,300,000
1	The Bank of Nova Scotia (Scotiabank), Banco Mercantial, Unibank		289,922,979	134,985,921		424,908,900
53		¢	**908,869,151,469**	**76,517,008,567**	¢	**985,386,160,036**

(Continue)

(7) Held-for-sale assets, net

Held-for-sale assets are presented net of the allowance for impairment and per legal requirement, as follows:

		March 2022	December 2021	March 2021
Financial instruments	¢	125.613.741.716	136.797.715.011	151.608.370.055
Other assets		562.858.646	668.069.690	518.342.565
Purchased-for-sale		1.444.312.151	1.386.351.974	891.697.615
Idle real property, furniture, and equipment		2.850.429.482	1.982.331.784	2.167.121.992
		130.471.341.995	**140.834.468.459**	**155.185.532.227**
Allowance for impairment and per legal requirement		(68.980.209.854)	(77.758.592.386)	(88.322.713.478)
	¢	**61.491.132.141**	**63.075.876.073**	**66.862.818.749**

Movement in the allowance for impairment of realizable assets is as follows:

		March 2022	December 2021	March 2021
At the beginning of the year	¢	**140.834.468.459**	**156.310.686.707**	**156.310.686.707**
Translation effect		711.046.279	858.926.893	(48.746.471)
Adjusted balance		**141.545.514.738**	**157.169.613.600**	**156.261.940.236**
Increase for awarded assets		4.253.730.786	32.550.186.352	8.962.038.198
Transfer to unused property, furniture, and equipment		868.097.698	573.500.629	9.517.492
Increase goods acquired for sale		1.134.233.559	3.944.125.165	685.532.041
Sales of goods		(17.330.234.786)	(52.654.183.943)	(10.733.495.741)
Withdrawal of unused property, furniture, and equipment		0	(748.773.344)	0
Balance at the end of the period	¢	**130.471.341.995**	**140.834.468.459**	**155.185.532.226**

Movement in the allowance for held-for-sale assets is as follows:

		March 2022	December 2021	March 2021
Opening balance	¢	**77.758.592.387**	**91.291.928.384**	**91.293.299.040**
Currency conversion effect		12.191.951	403.738	(21.520)
Adjusted Balance		**77.770.784.338**	**91.292.332.122**	**91.293.277.520**
Increase in the allowance		4.748.081.414	19.500.570.248	4.933.500.367
Reversal in the allowance		(13.538.655.898)	(33.087.363.274)	(7.902.693.753)
Transfer of balances		0	53.053.290	(1.370.656)
Closing balance	¢	**68.980.209.854**	**77.758.592.386**	**88.322.713.478**

(Continue)

(8) Interest in other companies' capital

Interest in other companies 'capital is detailed as follows:

		March 2022	December 2021	March 2021
Capital interest in Bolsa Nacional de Valores, S.A.	¢	29.057.201	29.057.201	29.057.201
Capital interest in Interclear Central de Valores, S.A.		36.359.987	36.359.987	36.359.987
Capital interest in Banprocesa. S. R. L.		0	0	668.175.447
	¢	**65.417.188**	**65.417.188**	**733.592.635**

As of March 31, 2022, the interest in Bolsa Nacional de Valores, S.A., is of 1.514.974 common shares with a par value of ¢19,18 each, recorded at cost since these shares are not subject to public offering.

As of March 31, 2022, the interest in Interclear Central de Valores, S.A. is of 24.545.455 common shares with a par value of ¢1.4813 each, recorded at cost since these shares are not subject to public offering.

Interest in the equity of the financial conglomerate:

As of March 31, 2022, the capital stock of BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A., is represented by 1.779.450.000 common and registered shares, with a par value of ¢1 each, for a total of ¢1.779.450.000.

As of March 31, 2022, the capital stock of BCR Sociedad Administradora de Fondos de Inversión, S.A. is represented by 96.784 common and registered shares, with a par value of ¢50.000 each, for a total of ¢4.839.200.000.

As of March 31, 2022, the capital stock of BCR Valores, S.A. - Puesto de Bolsa, S.A., is represented by 12.626 common and registered shares, subscribed, and paid in full, with a par value of ¢1.000.000 each, for a total of ¢12.626.000.000.

As of March 31, 2022, the capital stock of BCR Sociedad Corredora de Seguros, S.A., is represented by 45.000 common and registered shares, subscribed, and paid in full, and with a par value of ¢50.000 each, for a total of ¢2.250.000.000. At the extraordinary Shareholders' Meeting 04-19 of BCR Corredora de Seguros on December 4, 2019, an increase in the Company's share capital was authorized in the amount of 1,000,000,000, representing an increase of 20,000 shares with which the share capital reaches the amount of ¢2,250,000,000 comprised of 45,000 common and registered, authorized and issued shares with a par value of ¢50,000 each.

(Continue)

As of March 31, 2022, the capital stock of Depósito Agrícola de Cartago S. A., is represented by 972.647 common and registered shares, which are authorized and issued, with a par value of ¢314.44 each, for a total of ¢305.842.762.

As of March 31, 2022, the capital stock of Banprocesa, S.R.L., is represented by 100 common and registered shares, which are authorized and issued with a par value of ¢100,000, for a total of ¢10,000,000.

The Bank owns a 51% ownership interest in BICSA (domiciled in Panama). As of December 31, 2021, ownership interest is represented by 6.772.137 common shares of US$10 par value each. The remaining 49% of shares is owned by Banco Nacional de Costa Rica.

The Bank's income statement for the period ended March 31, 2022, includes the amounts of ¢396.688.562 (¢1.204.741.412 and ¢191.970.142 for December and March 2021, respectively), corresponding to the net operating income of BICSA.

The Bank's statement of changes in equity for the period ended March 31, 2022, includes an equity increase of ¢2.743.888.226 (¢3.620.4787.490 and ¢164.000.153 for December and March 2021, respectively) corresponding to the changes resulting from the currency translation effect of BICSA's financial statement.

As of March 31, 2022, the accumulated balance of the minority interest of Banco Nacional de Costa Rica presented in the equity section of the consolidated balance sheet amounts to ¢76.699.566.400 (¢76.762.142.376 and ¢72.364.083.735 for December and March 2021, respectively) and the income of the period represents the minority interest in the consolidated income statement in the amount of ¢381.132.377 (¢1.157.496.759 and ¢184.441.889 for December and March 2021, respectively).

As of September 15, 2021, the BCR grants Operadora de Planes de Pensiones Complementarias S.A. resources for ¢ 500,000,000, for the increase of the regulatory operating capital, through the approval in Minute 23-21.

As of December 21, 2021, BCR grants Operadora de Planes de Pensiones Complementarias S.A. resources for ¢130,000,000, for the increase of the regulatory operating capital, approved in minutes 55-21.

(Continue)

The composition of BICSA's common shares is as follows:

	March 2022		**December 2021**		**March 2021**	
	Quantity	Amount in US Dollars	Quantity	Amount in US Dollars	Quantity	Amount in US Dollars
Balance at the beginning of the period	13.278.700	132.787.000	13.278.700	132.787.000	13.278.700	132.787.000
Balance at the end of the period	**13.278.700**	**132.787.000**	**13.278.700**	**132.787.000**	**13.278.700**	**132.787.000**

The Bank follows the policy of adjusting the value of its investment in BICSA's equity by the equity method. In applying this policy, the Bank considers the entity's operating results, as well as the variation in equity (in colones), because of the update of this equity, arising from adjustments by applying the year-end exchange rate, in addition to changes resulting from revaluations. Such variation results from the fact that BICSA's accounting records are kept in U.S. dollars

As of March 31, 2022, for the presentation of the financial statements of the Banco de Costa Rica Financial Conglomerate, due to the incorporation as a member company, and due to the nature of Banprocesa SRL's business, an adjustment was made in the amount of ¢266.279.847 (¢940.117.721, for December 2021, and for March 2021 no adjustment was made), corresponding to the profit generated in the service provided in support of the Bank's software, in the statement of financial position and in the income statement.

(9) Property, furniture, and equipment

As of March 31, 2022, property, furniture, and equipment are detailed as follows:

Cost:		Property	Buildings	Furniture and equipment	Computer hardware	Vehicles	Assets for the right-of-use, buildings, and facilities	Total
Balance as of December 31, 2021	¢	35.822.827.602	81.913.344.038	38.986.780.302	50.694.400.676	5.809.582.106	28.144.296.674	241.371.231.398
Conversion effect		17.106.365	272.284.125	37.441.348	69.345.039	2.096.508	72.214.468	470.487.853
Adjusted balance		**35.839.933.967**	**82.185.628.163**	**39.024.221.650**	**50.763.745.715**	**5.811.678.614**	**28.216.511.142**	**241.841.719.251**
Additions		0	39.000.480	821.180.382	242.214.113	0	25.750.864	1.128.145.839
Withdrawals		0	0	(7.749.857)	(19.652.524)	0	0	(27.402.381)
Transfers		0	0	(567.853.231)	(1.035.738.054)	0	(19.146.672)	(1.622.737.957)
Revaluation		0	0	0	(506.329)	0	0	(506.329)
Balance as of March 31, 2022		**35.839.933.967**	**82.224.628.643**	**39.269.798.944**	**49.950.062.921**	**5.811.678.614**	**28.223.115.334**	**241.319.218.423**
Accumulated depreciation and impairment:								
Balance as of December 31, 2021		**0**	**27.522.164.868**	**24.489.329.401**	**36.343.486.976**	**4.399.535.599**	**7.053.472.004**	**99.807.988.848**
Conversion effect		0	48.858.901	35.338.712	62.752.216	2.067.621	49.033.117	198.050.567
Adjusted balance		**0**	**27.571.023.769**	**24.524.668.113**	**36.406.239.192**	**4.401.603.220**	**7.102.505.121**	**100.006.039.415**
Depreciation expenses		0	513.441.906	671.371.673	1.281.128.626	74.116.639	685.925.776	3.225.984.620
Adjustment for previous periods		0	0	0	0	0	0	0
Withdrawals		0	0	(276.028)	(20.004.138)	0	0	(20.280.166)
Transfers		0	0	820.086.607	(815.082.317)	0	78.311.535	83.315.825
Reversion of accumulated depreciation		0	0	0	(2.316.347)	0	0	(2.316.347)
Balance as of March 31, 2022	¢	0	28.084.465.675	26.015.850.365	36.849.965.016	4.475.719.859	7.866.742.432	103.292.743.347
March 31, 2022	¢	**35.839.933.967**	**54.140.162.968**	**13.253.948.579**	**13.100.097.905**	**1.335.958.755**	**20.356.372.902**	**138.026.475.076**

As of December 31, 2021, property, furniture, and equipment are detailed as follows:

Cost:		**Property**	**Buildings**	**Furniture and equipment**	**Computer hardware**	**Vehicles**	**Assets for the right-of-use, buildings, and facilities**	**Total**
Balance as of December 31, 2020	¢	35.574.974.547	80.508.103.008	36.223.723.801	48.365.138.743	5.623.133.404	27.032.342.385	233.327.415.888
Conversion effect		21.882.055	348.299.989	47.438.750	84.665.582	2.681.803	62.715.525	567.683.704
Adjusted balance		**35.596.856.602**	**80.856.402.997**	**36.271.162.551**	**48.449.804.325**	**5.625.815.207**	**27.095.057.910**	**233.895.099.592**
Additions		225.971.000	1.056.941.041	3.291.988.275	3.198.776.026	183.766.899	1.049.238.764	9.006.682.005
Withdrawals		0	0	(1.157.538.257)	(746.741.476)	0	0	(1.904.279.733)
Transfers		0	0	(344.870.248)	(166.888.753)	0	0	(511.759.001)
Revaluation		0	0	926.037.981	(40.549.446)	0	0	885.488.535
Balance as of December 31, 2021		**35.822.827.602**	**81.913.344.038**	**38.986.780.302**	**50.694.400.676**	**5.809.582.106**	**28.144.296.674**	**241.371.231.398**
Accumulated depreciation and impairment:								
Balance as of December 31, 2020		**0**	**25.447.268.355**	**23.203.392.080**	**31.795.854.235**	**4.107.909.810**	**3.306.359.417**	**87.860.783.897**
Conversion effect		0	60.912.259	44.926.989	80.711.739	2.633.401	21.711.629	210.896.017
Adjusted balance		**0**	**25.508.180.614**	**23.248.319.069**	**31.876.565.974**	**4.110.543.211**	**3.328.071.046**	**88.071.679.914**
Depreciation expenses		0	2.013.984.254	2.606.683.325	5.404.006.409	289.979.808	3.643.436.659	13.958.090.455
Adjustment for previous periods		0	0	0	(272.014)	(987.420)	0	(1.259.434)
Withdrawals		0	0	(1.389.949.953)	(793.918.747)	0	(179.460.802)	(2.363.329.502)
Transfers		0	0	24.276.960	(142.894.647)	0	261.425.101	142.807.414
Balance as of December 31, 2021	¢	**0**	**27.522.164.868**	**24.489.329.401**	**36.343.486.975**	**4.399.535.599**	**7.053.472.004**	**99.807.988.847**
December 31, 2021	¢	**35.822.827.602**	**54.391.179.170**	**14.497.450.901**	**14.350.913.701**	**1.410.046.507**	**21.090.824.670**	**141.563.242.551**

As of March 31, 2021, property, furniture, and equipment are detailed as follows:

		Property	Buildings	Furniture and equipment	Computer hardware	Vehicles	Assets for the right-of-use, buildings, and facilities	Total
Cost:								
Balance as of December 31, 2020	¢	**35.574.974.547**	**80.508.103.008**	**36.223.723.801**	**48.365.138.743**	**5.623.133.405**	**27.032.342.383**	**233.327.415.887**
Currency translation effect		(1.166.521)	(18.567.658)	(2.528.938)	(4.513.495)	(142.967)	(3.343.330)	(30,262,909)
Adjusted balance		**35.573.808.026**	**80.489.535.350**	**36.221.194.863**	**48.360.625.248**	**5.622.990.438**	**27.028.999.055**	**233.297.152.980**
Additions		0	257.823.304	644.323.997	71.304.456	0	1.002.022.570	1.975.474.327
Withdrawals		0	0	(109.039.314)	(70.728.979)	0	0	(179.768.293)
Transfers		0	0	(65.832.239)	(21.460.120)	0	0	(87.292.359)
Balance as of March 31, 2021		35.573.808.026	80.747.358.654	36.690.647.307	48.339.740.605	5.622.990.438	28.031.021.625	235.005.566.655
Accumulated depreciation and impairment:								
Balance as of December 31, 2020		**0**	**25.447.268.355**	**23.203.392.080**	**31.795.854.236**	**4.107.909.810**	**3.306.359.417**	**87.860.783.898**
Currency translation effect		0	(2.317.571)	(2.179.267)	(3.492.577)	(109.665)	(1.156.828)	(9.255.908)
Adjusted balance		**0**	**25.444.950.784**	**23.201.212.813**	**31.792.361.659**	**4.107.800.145**	**3.305.202.589**	**87.851.527.990**
Depreciation expenses		0	497.358.858	575.194.344	1.340.811.672	72.524.676	1.387.543.776	3.873.433.326
Adjustment for previous periods		0	0	0	(272.013)	(987.419)	0	(1.259.432)
Withdrawals		0	0	(109.321.991)	(70.542.600)	(1)	0	(179.864.592)
Transfers		0	0	(51.189.333)	(21.395.033)	0	(104.109.270)	(176.693.636)
Balance as of March 31, 2021	¢	0	25.942.309.642	23.615.895.833	33.040.963.685	4.179.337.401	4.588.637.095	91.367.143.656
March 31, 2021	¢	**35.573.808.026**	**54.805.049.012**	**13.074.751.474**	**15.298.776.920**	**1.443.653.037**	**23.442.384.530**	**143.638.422.999**

(Continue)

(10) Other assets

(a) Other deferred charges

Other deferred charges are detailed as follows:

		March 2022	December 2021	March 2021
Improvement of properties in operating lease	¢	1.032.013.831	1.142.715.512	1.124.007.494
Pre-issuance cost of financial instruments		212.162.789	280.673.715	484.185.959
Other deferred charges		7.864.188.096	7.557.658.235	9.511.318.579
	¢	**9.108.364.716**	**8.981.047.462**	**11.119.512.032**

(b) Intangible assets

Net intangible assets correspond to computer systems. These assets are detailed as follows:

Cost:		
Balance as of December 31, 2021	¢	**57.790.466.417**
Currency translation effect		283.379.780
Adjusted balance		**58.073.846.197**
Additions to computer systems		2.687.652.842
Transfers		14.320.220
Withdrawals		(4.471.107)
Balance as of March 31, 2022		**60.771.348.152**
Accumulated depreciation and impairment:		
Balance as of December 31, 2021		**40.609.976.820**
Currency translation effect		212.999.791
Adjusted balance		**40.822.976.611**
Amortization expense on computer systems		2.475.307.425
Transfers		266.279.202
Withdrawals		(4.471.107)
Amortized balance and impairment as of March 31, 2022		**43.560.092.131**
Balance as of March 31, 2022	¢	**17.211.256.021**

(Continue)

As of December 2021

Cost:		
Balance as of December 31, 2020	¢	**47.895.898.524**
Currency translation effect		352.740.973
Adjusted balance		**48.248.639.497**
Additions to computer systems		9.572.096.685
Transfers		263.701.538
Withdrawals		(293.971.303)
Balance as of December 31, 2021		**57.790.466.417**
Accumulated depreciation and impairment:		
Balance as of December 31, 2020		**31.345.255.637**
Currency translation effect		263.166.040
Adjusted balance		**31.608.421.677**
Amortization expense on computer systems		8.387.140.727
Transfers		894.972.398
Withdrawals		(280.557.982)
Amortized balance and impairment as of December 31, 2021		**40.609.976.820**
Balance as of December 31, 2021	¢	**17.180.489.597**

As of March 2021

Cost:		
Balance as of December 31, 2020	¢	**47.895.898.524**
Currency translation effect		(18.804.438)
Adjusted balance		**47.877.094.087**
Additions to computer systems		1.963.942.282
Index revaluation		131.491.705
Balance as of March 31, 2021		**49.972.528.074**
Accumulated depreciation and impairment:		
Balance as of December 31, 2020		**31.345.255.637**
Currency translation effect		(9.180.880)
Adjusted balance		**31.336.074.757**
Amortization expense on computer systems		1.917.286.757
Amortized balance and impairment as of March 31, 2021		**33.253.361.514**
March 31, 2021	¢	**16.719.166.560**

(Continue)

(c) Other assets

Other assets are detailed as follows:

		March 2022	December 2021	March 2021
Prepaid taxes	¢	5.091.094.350	21.910.818.741	6.930.039.897
Other prepaid taxes		819.085.458	263.012.326	859.936.727
Prepaid leases		78.383	78.383	72.293
Prepaid insurance policy		400.021.693	265.096.029	190.561.427
Other prepaid expenses		1.275.131.254	751.131.642	848.380.154
Prepaid expenses		**7.585.411.138**	**23.190.137.121**	**8.828.990.498**
Stationery, supplies and other materials		165.928.550	168.756.224	130.762.747
Library and works of art		40.764.615	39.496.776	37.788.555
Construction in process		5.314.430.660	5.266.177.614	5.668.476.760
Automated applications under development		4.441.504.198	4.942.070.410	3.124.662.876
Membership in social and professional institutions		36.633.800	36.633.800	36.633.800
Other miscellaneous goods		19.739.131.596	19.324.460.907	17.418.858.973
Miscellaneous goods		**29.738.393.419**	**29.777.595.731**	**26.417.183.711**
Missing cash		86.072.437	46.699.731	42.798.532
Transactions to be settled		23.522.434.939	19.067.613.241	31.965.461.222
Other operations pending allocation		139.076.893	138.719.810	121.403.233
Operations pending allocation		**23.747.584.269**	**19.253.032.782**	**32.129.662.987**
Guarantee deposits		1.237.549.845	1.199.477.248	1.078.386.518
Restricted assets		**1.237.549.845**	**1.199.477.248**	**1.078.386.518**
	¢	**62.308.938.671**	**73.420.242.882**	**68.454.223.714**

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the consolidated financial statements

March 31, 2022

(11) Demand obligations with the public

Demand obligations with the public are as follows:

		March 2022	December 2021	March 2021
Checking accounts	¢	2.235.172.584.948	2.352.095.313.148	1.904.011.033.392
Cashier´s checks		131.777.240	124.395.904	183.899.978
Demand savings deposits		1.035.345.314.871	1.008.406.093.095	859.381.732.279
Overdue term borrowings		2.533.964.688	2.504.906.622	3.480.496.020
Overnight deposits		5.967.209.500	3.197.213.750	3.205.291.050
Other demand borrowings		1.725.640.938	1.483.602.032	2.382.878.027
Other demand obligations with the public		6.338.634.315	4.111.674.629	5.346.006.040
	¢	**3.287.215.126.500**	**3.371.923.199.180**	**2.777.991.336.786**

(12) Term and demand obligations with the public and entities

Term and demand obligations with the public and entities per number of customers and accumulated amount are detailed as follows:

		March 2022	December 2021	March 2021
Obligations with the public		**Demand**	**Demand**	**Demand**
Deposits from the public	¢	3.280.876.492.182	3.367.811.524.550	2.772.645.330.745
Other obligations with the public		6.338.634.318	4.111.674.630	5.346.006.041
(See note 11)		**3.287.215.126.500**	**3.371.923.199.180**	**2.777.991.336.786**
Obligations with entities				
Deposits from state-owned entities		6.914.854.917	3.556.678.202	13.840.608.618
Deposits from other Banks		7.638.656.305	7.632.836.260	10.016.015.278
Other obligations with entities		74.856.989.110	50.948.484.687	47.836.503.410
		89.410.500.332	**62.137.999.149**	**71.693.127.306**
	¢	**3.376.625.626.832**	**3.434.061.198.329**	**2.849.684.464.092**

		March 2022	December 2021	March 2021
Obligations with the public		**Demand**	**Demand**	**Demand**
Deposits from the public	¢	1.842.714.784.462	1.691.845.165.742	1.745.364.666.530
Other obligations with the public		10.705.690	11.209.498	13.085.174
		1.842.725.490.152	**1.691.856.375.240**	**1.745.377.751.704**
Obligations with entities				
Deposits from state-owned entities		70.548.868.957	82.772.160.448	48.676.464.770
Deposits from other Banks		10.375.164.653	10.511.690.020	6.296.315.843
Other obligations with entities		755.945.270.274	750.376.459.852	746.005.745.681
		836.869.303.884	**843.660.310.320**	800.978.526.294
	¢	**2.679.594.794.036**	**2.535.516.685.560**	**2.546.356.277.998**

As of March 31, 2022, demand deposits with the public include court-ordered deposits for ¢256.899.028.658 (¢247.766.946.452 and ¢231.871.642.171 for December and March 2021, respectively), which are restricted because of their nature.

As of March 31, 2022, the Bank has a total of de 1.806.751 (1.765.641 and 1.567.266 for December and March 2021, respectively) employees with demand deposits and with term deposits 35.343 (34.887 and 36.515 for December and March 2021, respectively). The subsidiary BICSA has a total of 994 customers (911 and 1.057 for December and March 2021, respectively) with demand deposits and 1.197 (1.203 and 1.103 for December and March 2021, respectively).

(13) Other obligations with the public

Other obligations with the public are as follows:

		March 2022	December 2021	March 2021
Obligations for confirmed letters of credit	¢	6.666.194.299	11.267.239.574	4.540.197.148
Obligations for security tripartite agreements forward buyer		7.121.373.685	7.250.003.134	940.838.079
	¢	**13.787.567.984**	**18.517.242.708**	**5.481.035.227**

(Continue)

Repurchase agreements:

The Bank raises funds through the sale of financial instruments under agreements in which the Bank undertakes to repurchase them at future dates and at a predetermined price and yield.

As of March 31, 2022, the Bank's repurchase agreements are as follows:

		Fair value of the assets	**Liability balance**	**Repurchase date**	**Repurchase date**
Investments	¢	27.089.371.464	7.121.373.685	01/10/2021 al 31/12/2021	100%

As of December 31, 2021, the Bank's repurchase agreements are as follows:

		Fair value of the assets	**Liability balance**	**Repurchase date**	**Repurchase date**
Investments	¢	30.204.523.499	7.250.003.134	01/10/2021 to 31/12/2021	100%

As of March 31, 2021, the Bank's repurchase agreements are as follows:

		Fair value of the assets	**Liability balance**	**Repurchase date**	**Repurchase price**
Investments	¢	34.109.192.792	940.838.079	11/01/2021 al 10/02/2021	100%

(14) Obligations with entities and the Central Bank of Costa Rica

Obligations with entities and with the Central Bank of Costa Rica are detailed as follows:

		March 2022	December 2021	March 2021
Term obligations with the Central Bank of Costa Rica		0	0	1.243.490.384
Term obligations with the Central Bank of Costa Rica	¢	117.434.359.976	127.689.025.829	19.530.000.000
Charges payable for obligations with the Central Bank of Costa Rica		829.657.863	596.659.814	24.738.000
		118.264.017.839	**128.285.685.643**	**20.798.228.384**
Checking accounts of local financial entities		27.131.742.846	31.450.987.320	42.871.919.043
Checking accounts of foreign financial entities		3.781.348.947	4.315.260.364	5.670.641.431
Overdrafts on demand checking accounts of foreign financial entities		19.243.001.266	5.938.790.633	3.759.756.299
Obligations for check deposits		1.513.745.852	638.139.432	867.744.169
Overnight deposits		37.740.661.422	19.794.821.401	18.523.066.363
Term deposits from local financial entities		105.772.975.111	121.297.089.218	79.811.199.263
Term deposits from financial entities abroad		23.017.355.563	45.730.422.553	36.134.961.038
Loan from foreign financial entities (See note 14-a)		386.042.168.586	328.149.334.117	359.532.431.980
Obligations for resources taken from the liquidity market		24.899.177.037	24.673.097.335	26.225.080.358
Obligations for resources taken from the liquidity market		17.251.075.198	19.835.551.998	31.307.029.908
Obligations with resources from the Development Credit Fund (DCF)		185.769.415.990	186.862.695.178	157.832.658.223
Charges payable for obligations with financial and non-financial entities		5.287.622.205	4.568.316.235	4.239.559.331
		837.450.290.023	**793.254.505.784**	**766.776.047.406**
Loans from local financial entities (See note 14-a)		94.117.136.397	89.809.121.247	107.671.915.259
Obligations for deferred liquidity operations (See note 14-a)		0	27.302.998.671	2.463.250.265
		931.567.426.420	**910.366.625.702**	**876.911.212.930**
	¢	**1.049.831.444.259**	**1.038.652.311.345**	**897.709.441.314**

(Continue)

The maturities of the term obligations with entities are from April 1, 2022, to December 23, 2026.

Annual interest rates for the new obligations with entities are as follows:

	March 2022	December 2021	March 2021
Colones	1.01% to 3.25%	0.1999 % to 2.00%	0,3571 % to 1.50%
US dollars	0,01% to5.02%	0.009% to 3.50%	0,009% to 0.499%

As of March 31, 2022, December and March 2021, there are no term obligations with foreign financial entities for the international issuance.

a) Maturity of loans payable

As of March 31, 2022, the maturities of loans payable are detailed as follows:

		Central Bank of Costa Rica	Local financial entities	Foreign financial entities	International organizations	Total
Less than one year	¢	37.304.109.720	92.917.559.798	234.588.744.374	22.773.529.427	387.583.943.319
From one to two years		0	15.189.867.000	57.905.225.271	0	73.095.092.271
From three to five years		117.687.914.780	3.260.784.800	27.240.832.390	0	148.189.531.970
Over five years		0	0	45.179.917.135	3.355.300.000	48.535.217.135
Total	¢	**154.992.024.500**	**111.368.211.598**	**364.914.719.170**	**26.128.829.427**	**657.403.784.695**

As of December 31, 2021, the maturities of loans payable are detailed as follows:

		Central Bank of Costa Rica	Local financial entities	Foreign financial entities	International organizations	Total
Less than one year	¢	37.304.109.720	97.121.661.248	194.348.782.350	22.773.529.427	351.548.082.745
From one to two years		0	9.369.029.997	48.479.480.750	0	57.848.510.747
From three to five years		117.687.914.780	3.153.982.000	30.612.985.808	0	151.454.882.588
Over five years		0	0	28.579.255.782	3.355.300.000	31.934.555.782
Total	¢	**154.992.024.500**	**109.644.673.245**	**302.020.504.690**	**26.128.829.427**	**592.786.031.862**

As of March 31, 2021, the maturities of loans payable are detailed as follows:

		Central Bank of Costa Rica	Local financial entities	Foreign financial entities	International organizations	Total
From one to five years	¢	0	101.771.289.044	154.058.596.820	24.632.400.000	280.462.285.864
From one to two years		0	11.700.390.000	93.879.984.179	38.035.323.540	143.615.697.719
From three to five years		19.530.000.000	3.330.300.480	26.878.748.764	0	49.739.049.244
More than five years		0	0	22.047.378.677	0	22.047.378.677
Total	¢	**19.530.000.000**	**116.801.979.524**	**296.864.708.440**	**62.667.723.540**	**495.864.411.504**

(Continue)

b) Lease obligations

As of March 31, 2022, there are obligations for the right of use – leased assets received.

		Fee	Interest	Maintenance	Amortization
Less than one year	¢	4.177.048.594	1.448.054.218	0	2.728.994.376
From one to five years		27.340.855.716	5.147.386.296	0	22.193.469.420
	¢	**31.517.904.310**	**6.595.440.515**	**0**	**24.922.463.796**

As of December 31, 2021, there are obligations for the right of use – leased assets received.

		Fee	Interest	Maintenance	Amortization
Less than one year	¢	4.044.898.868	1.445.443.139	0	2.599.455.729
From one to five years		27.611.269.570	5.537.627.964	0	22.073.641.606
	¢	**31.656.168.438**	**6.983.071.103**	**0**	**24.673.097.335**

As of March 31, 2021, there are obligations for the right of use – leased assets received.

		Fee	Interest	Maintenance	Amortization
Less than one year	¢	3.805.539.012	1.481.980.948	0	2.323.558.064
From one to five years		30.059.456.029	6.157.933.735	0	23.901.522.294
	¢	**33.864.995.040**	**7.639.914.682**	**0**	**26.225.080.358**

As of March 31, 2022, the allowance for future lease payments is as follows:

		Colones	US$ converted to colones
1 year		354.285.779	3.018.132.116
2 years		390.894.094	3.094.959.291
3 years		433.663.665	3.346.708.103
4 years		365.876.476	3.076.945.766
5 years		327.724.908	3.012.053.069
Over 5 years		1.059.316.301	9.552.012.322
	¢	**2.931.761.222**	**25.100.810.667**

(Continue)

As of December 31, 2021, the allowance for future lease payments is as follows:

		Colones	US$ converted to colones
1 year	¢	373.598.175	2.854.828.742
2 years		399.045.717	3.153.861.569
3 years		396.248.726	2.959.721.202
4 years		358.694.767	3.076.426.715
5 years		322.198.063	2.871.264.699
Over 5 years		1.143.349.468	9.983.489.199
	¢	**2.993.134.916**	**24.899.592.126**

As of March 31, 2021, the allowance for future lease payments is as follows:

		Colones	US$ converted to colones
1 year	¢	(56.588.347)	2.682.429.987
2 years		498.554.032	3.172.479.008
3 years		509.737.543	2.869.631.927
4 years		537.595.258	2.938.847.901
5 years		361.226.074	2.762.275.221
Over 5 years		1.387.041.209	11.598.076.913
	¢	**3.237.565.770**	**26.023.740.956**

As of March 31, 2022, future payments of the lease liability are presented as follows:

	Year		Payments	Presentvalue	Amortization	Interest	Balance of the agreement
1	31/3/2022		4.916.580.599	3.211.663.161	1.628.645.931	1.721.171.825	24.824.495.599
2	31/3/2023		4.670.305.512	3.520.698.268	2.186.397.187	1.305.178.747	21.451.014.898
3	31/3/2024		5.288.470.835	4.034.831.645	2.834.238.351	1.259.027.573	17.423.161.785
4	31/3/2025		4.453.221.951	3.509.839.822	2.588.926.075	940.008.283	13.913.850.972
5	31/3/2026		4.100.643.722	3.374.688.801	2.648.733.880	725.954.921	10.380.433.065
6	31/3/2027		3.793.276.290	3.304.372.327	2.815.468.365	488.903.963	7.076.060.738
7	31/3/2028		4.408.011.155	4.075.328.276	3.742.645.398	332.682.878	3.000.732.461
8	31/3/2029		3.075.482.792	3.000.732.747	2.925.982.131	74.750.330	0
		¢	**34.705.992.856**	**28.032.155.048**	**21.371.037.315**	**6.847.678.523**	**0**

As of December 31, 2021, future payments of the lease liability are presented as follows:

	Year		Payments	Present value	Amortization	Interest	Balance of the agreement
1	31/1212021		4.821.374.812	3.133.144.657	1.532.785.088	1.734.211.758	24.759.674.766
2	31/1212022		4.821.158.265	3.568.069.160	2.161.097.039	1.395.198.173	21.191.380.439
3	31/1212023		4.791.674.093	3.621.492.012	2.506.894.404	1.180.371.231	17.569.532.842
4	31/1212024		4.385.064.591	3.432.001.130	2.491.416.402	959.284.374	14.138.019.796
5	31/1212025		3.979.834.637	3.226.797.418	2.473.760.199	753.037.219	10.911.222.379
6	31/1212026		3.979.834.637	3.423.775.139	2.867.715.642	556.059.498	7.487.447.239
7	31/1212027		3.979.834.637	3.632.808.861	3.285.783.085	347.025.776	3.854.638.379
8	31/1212028		3.979.834.637	3.854.638.665	3.729.442.120	125.196.258	0
		¢	**34.738.610.309**	**27.892.727.042**	**21.048.893.979**	**7.050.384.287**	**0**

As of March 31, 2021, future payments of the lease liability are presented as follows:

	Year		Payments	Present value	Amortization	Interest	Balance of the agreement
1	31/12/2021		4.193.954.507	2.466.074.935	859.643.968	1.742.258.079	26.580.701.392
2	31/12/2022		5.152.647.903	3.682.511.180	2.381.524.946	1.494.074.721	23.035.235.390
3	31/12/2023		4.570.628.483	3.390.313.506	2.314.794.260	1.198.020.166	19.752.417.563
4	31/12/2024		4.884.958.272	3.728.079.769	2.605.589.312	1.169.489.101	16.146.711.265
5	31/12/2025		4.053.527.762	3.192.161.015	2.334.877.886	861.366.748	12.910.054.724
6	31/12/2026		3.817.060.291	3.140.566.164	2.464.072.038	676.494.126	9.661.600.586
7	31/12/2027		3.498.971.933	3.047.115.325	2.595.258.716	451.856.608	6.614.485.261
8	31/12/2028		4.135.148.648	3.821.355.088	3.507.561.529	313.793.560	2.793.130.173
9	31/12/2029		2.862.795.218	2.793.130.173	2.723.465.127	69.665.045	0
10	31/12/2030		0	0	0	0	0
		¢	**37.169.693.017**	**29.261.307.154**	**21.786.787.781**	**7.977.018.153**	**0**

(Continue)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the consolidated financial statements

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(15) Income tax

Pursuant to the Costa Rican Income Tax Law, the Bank and its subsidiaries are required to file income tax returns for the twelve months period ending December 31 of each year.

As of March 31, 2022, the consolidated balance of income tax payable amounts to ¢3.216.284.561 (¢25.131.041.969 and ¢7.713.507.084 for December and March 2021, respectively) (see note 17) and the income tax advance payments amounted to ¢5.091.094.350 (¢21.910.818.741 and ¢6.930.039.897 for December and March 2021, respectively) (see note 10.c), recorded as other assets.

Income tax expenses are detailed below:

		March 2022	**December 2021**	**March 2021**
Current income tax	¢	6.505.052.669	27.628.619.493	6.991.192.247
Decrease in income tax		(3.587.974.316)	0	0
Increase in income tax		299.206.208	621.846.510	152.436.412
Adjustment to income tax from the previous period		0	0	569.878.425
Advances of settled income taxes		0	(3.119.424.034)	0
		3.216.284.561	25.131.041.969	7.713.507.084
Expenses for income taxes:				
Expense for current income tax of the period		6.505.052.669	27.628.619.493	7.405.786.009
Expense for income tax from previous period		0	0	(414.593.762)
Expense for deferred income tax		5.016.176.626	714.832.424	0
		11.521.229.295	28.343.451.917	6.991.192.247
Income for income taxes:				
Decrease of income taxes for the period		(3.588.381.128)	0	0
Income for deferred income tax		(310.832.072)	(1.782.028.885)	(22.904.947)
Decrease in the deferred income tax		(735.427.263)	(155.284.663)	(155,284,663)
Income tax	¢	6.886.588.832	26.406.138.369	6.813.002.637
Realization of deferred income tax	¢	253.801.604	1.067.196.461	22.904.947

(Continue)

BICSA is subject to tax legislation in the following jurisdictions.

Panamá

According to tax legislation in effect in Panama, BICSA is exempt from payment of income tax on foreign source income. BICSA is further exempt from payment of income tax on interest income earned on term deposits placed in local banks, on securities issued by the Panamanian and foreign governments and on investments in securities traded in the Panamanian Stock Exchange.

Miami

Income tax is not levied on any income that is unrelated to transactions or business dealings in the United States of America. Finance expense is calculated based on the cost of liabilities denominated in U.S. dollars.

A deferred tax liability represents a taxable temporary difference, and a deferred tax asset represents a deductible temporary difference.

Deferred tax assets and liabilities are attributed to the following:

As of March 31, 2022:

		Assets	Liabilities	Net
Valuation of investments	¢	1.829.775.539	(14.368.625.646)	(12.538.850.107)
Revaluation of assets		0	(11.010.957.089)	(11.010.957.089)
Provisions		15.443.019	(75.783.111)	(60.340.092)
Financial leases		8.502.659.326	(6.661.279.411)	1.841.379.915
Deferred taxes for exchange differences		0	(4.959.146.160)	(4.959.146.160)
Losses and unused tax credits		132.352.533	0	132.352.533
Allowance for doubtful accounts		115.003.432	0	115.003.432
	¢	**10.595.233.849**	**(37.075.791.417)**	**(26.480.557.568)**

As of December 31, 2021:

		Assets	Liabilities	Net
Valuation of investments	¢	828.103.059	(21.133.934.113)	(20.305.831.054)
Revaluation of assets		0	(4.971.062.819)	(4.971.062.819)
Provisions		88.723.645	0	88.723.645
Financial leases		8.106.176.127	(12.850.920.726)	(4.744.744.599)
Losses and unused tax credits		169.620.741	0	169.620.741
Allowance for doubtful accounts		190.037.212	0	190.037.212
	¢	**9.382.660.784**	**(38.955.917.658)**	**(29.573.256.874)**

(Continue)

As of March 31, 2021:

		Assets	Liabilities	Net
Valuation of investments	¢	79.958.383	(9.334.331.110)	(9.254.372.727)
Revaluation of assets		0	(5.086.549.340)	(5.086.549.340)
Provisions		462.219	0	462.219
Financial leases		0	0	0
Losses and unused tax credits		804.386.417	0	804.386.417
Allowance for doubtful accounts		57.692.475	0	57.692.475
	¢	**942.499.494**	**(14.420.880.450)**	**(13.478.380.956)**

The movement of temporary differences is a follows:

As of March 31, 2022:

		December 31, 2021	Effects on income statement	Effects on equity	March 31, 2022
On liabilities account					
Valuation of investments	¢	(20.960.716.763)	0	6.592.091.117	(14.368.625.646)
Revaluation of assets		(4.971.062.820)	38.094.120	0	(4.932.968.700)
Revaluation of land		(6.077.988.389)			(6.077.988.389)
Financial leases		(6.864.537.103)	203.257.692	0	(6.661.279.411)
For exchange differences		0	(4.959.146.160)	0	(4.959.146.160)
Provision for allowance for bad loans		(81.612.581)	5.829.470	0	(75.783.111)
On assets account					
Valuation of investments		642.070.276	0	1.187.705.263	1.829.775.539
Financial leases		8.437.402.382	26.366.055	38.890.889	8.502.659.326
Losses and unused tax credits		169.620.742	(16.624.799)	(20.643.410)	132.352.533
Provisions		16.781.892	(1.338.873)	0	15.443.019
Allowance for doubtful accounts		116.785.493	(1.782.061)	0	115.003.432
	¢	**(29.573.256.871)**	**(4.705.344.556)**	**7.798.043.859**	**(26.480.557.568)**

As of December 31, 2021:

		December 31, 2020	Effects on income statement	Effects on equity	December 31, 2021
On liabilities account					
Valuation of investments	¢	(3.137.167.246)	(97.516.203)	(17.899.250.664)	(21.133.934.113)
Revaluation of assets		(5.124.654.741)	154.967.197	(1.375.275)	(4.971.062.819)
Financial leases		0	(6.772.932.337)	(6.077.988.389)	(12.850.920.726)
On assets account					
Valuation of investments		902.379.610	145.748.667	(220.025.218)	828.103.059
Financial leases		3.954.486	8.102.689.319	(467.678)	8.106.176.127
Losses and unused tax credits		764.086.532	(680.249.938)	85.784.148	169.620.742
Provisions		6.519.491	82.204.154	0	88.723.645
Allowance for doubtful accounts		57.751.610	132.285.602	0	190.037.212
	¢	**(6.527.130.258)**	**1.067.196.461**	**(24.113.323.076)**	**(29.573.256.873)**

(Continue)

As of March 31, 2021:

		December 31, 2020	Effects on income statement	Effects on equity	March 31, 2021
On liabilities account					
Valuation of investments	¢	(3.137.280.827)	0	(6.197.050.283)	(9.334.331.110)
Revaluation of assets		(5.124.654.741)	38.105.401	0	(5.086.549.340)
Financial leases		0	0	0	0
On assets account					
Valuation of investments		902.379.610	0	(822.421.227)	79.958.383
Losses and unused tax credits		764.086.532	(9.084.047)	49.383.932	804.386.417
Provisions		6.519.491	(6.057.272)	0	462.219
Allowance for doubtful accounts		57.751.610	(59.135)	0	57.692.475
	¢	**(6.531.198.325)**	**22.904.947**	**(6.970.087.578)**	**(13.478.380.956)**

As of March 31, 2022, the consolidated group presents a balance for income tax receivable of ¢119.646.210 (¢86.243.731 and ¢135.205.703 for December and March 2021, respectively), in addition to supported value added tax for ¢798.945.031 (¢1.528.338.723 and ¢771.575.867 for December and March 2022, respectively) and deductible value added tax for ¢29.689.371 (¢35.283.163 and ¢24.917.485 for December and March 2021, respectively).

		March 2022	December 2021	March 2021
Income tax receivable	¢	119.646.210	86.243.731	135.205.703
Supported value added tax		798.945.031	1.528.338.723	771.575.867
Deductible value added tax		29.689.371	35.283.163	24.917.485
	¢	**948.280.612**	**1.649.865.617**	**931.699.055**

The balance of income tax receivable originated by an excess of advanced payments for the returns on investments of the Development Credit Fund which are exempt from the obligation and from income and value added tax advances.

In conducting the analysis of the deferred tax BICSA's management considers whether it is probable that some or all portion of the deferred tax asset is not realizable. Performing or not the deferred tax assets depend on the generation of future taxable income during the periods in which those temporary differences become deductible. BICSA's management considers the detail of reversals of deferred tax assets and liabilities. Project future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income for the periods in which the deferred tax assets will be deductible. BICSA's management considers it may be able to realize the benefits of this deductible temporary difference.

(Continue)

IFRIC-23 "Uncertainty over Income Tax Treatments" introduces the concept of uncertain tax treatment, after the tax administration initiates a process of transferring charges; from there the entity is already facing an uncertain tax treatment where the tax authority has already indicated that it does not accept the treatment provided, and therefore it is in dispute, in which case what proceeds is to reflect the uncertainty according to the method that better predicts its resolution and by registering the corresponding provision. Therefore, the provision data is detailed as follows:

		March 2022	December 2021	March 2021
Banco de Costa Rica	¢	25.285.756.210	25.267.408.936	33.377.662.908
BCR Valores, S.A. Puesto de Bolsa		635.236.468	635.236.469	900.141.980
BCR Sociedad Administradora de Fondos de inversión, S.A.		233.984.908	233.984.908	270.420.281
BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A.		249.398.960	249.398.960	249.398.960
BCR Corredora de Seguros, S.A.		187.286.522	187.286.522	241.600.214
	¢	**26.591.663.068**	**26.573.315.795**	**35.039.224.342**

On April 04, 2022, resolution No. DGT-R-09-2022, “Quantification exchange differences in entities subject to surveillance and inspection of the General Superintendence of Financial Entities (SUGEF) and the General Superintendence of Securities (SUGEVAL)” of the General Directorate of Taxation is published in the official paper La Gaceta, in effect from the 2022 period.

In articles 1 (paragraph 1) and 5 (paragraphs 2 and 27 bis) of the Income Tax Law (LSIR), the General Directorate of Taxation has defined the exchange differential that may arise, taxable or deductible as appropriate, for the Tax on Income, Capital Gains and Losses (IRGPC for its acronym in Spanish), and for the Income Tax (ISU for its acronym in Spanish). Therefore, the line to follow related to the treatment of the exchange differential under the realization criterion, has been established.

For tax purposes, in article 4 of the LSIR, on the closing day of the fiscal period, the entity must quantify the exchange differential, in accordance with the regulation of the position in foreign currency on that day, using the selling exchange rate of the US dollar, suggested by the Central Bank of Costa Rica, for that day. The result must be compared with the position in foreign currency corresponding to the closing day of the previous fiscal period, using the selling exchange rate for the US dollar, suggested by the Central Bank of Costa Rica, for that day.

If, as a result of that comparison (the foreign currency position of the entity, at the end of the current fiscal period, compared to the foreign currency position of the entity, at the end of the previous fiscal period), a decrease is determined, it will be considered as a loss and, therefore, the amount corresponding to that decrease will be applied as a deductible expense of the Income Tax. Otherwise, if an increase is determined, it will be considered as a profit and, therefore, the amount corresponding to that increase will be included as income within the gross income of the Income Tax.

As of March 31, 2022, the application of the resolution described above gave rise to a temporary difference which required the recording of a deferred income tax liability of ¢4,959,146,160.

(16) Provisions

The movement in provisions is detailed as follows:

		Legal benefits	Lawsuits	Other	Total
Balance as of December 31, 2021	¢	9.764.254.097	16.159.621.261	26.573.315.795	52.497.191.153
Currency conversion effect		36.454.261	0	0	36.454.261
Adjusted balance		**9.800.708.358**	**16.159.621.261**	**26.573.315.795**	**52.533.645.414**
Provision made		256.234.094	2.926.254.787	270.951.673	3.453.440.554
Provision used		(115.150.176)	0	(252.604.400)	(367.754.576)
Adjustment for exchange rate differences		0	30.491.674	0	30.491.674
Provisions reversed		0	(142.838.050)	0	(142.838.050)
Balance as of March 31, 2022	¢	**9.941.792.276**	**18.973.529.672**	**26.591.663.068**	**55.506.985.016**

As of December 31, 2021:

		Legal benefits	Lawsuits	Other	Total
Balance as of December 31, 2020	¢	**9.569.600.725**	**15.745.248.767**	**35.039.224.342**	**60.354.073.834**
Currency conversion effect		54.058.396	0	0	54.058.396
Adjusted balance		**9.623.659.121**	**15.745.248.767**	**35.039.224.342**	**60.408.132.230**
Provision made		592.407.653	1.117.370.741	607.011.617	2.316.790.011
Provision used		(451.812.677)	(699.969.817)	(8.717.265.589)	(9.869.048.083)
Adjustment for exchange rate differences		0	16.053.597	0	16.053.597
Provisions reversed		0	(19.082.027)	(355.654.575)	(374.736.602)
Balance as of December 31, 2021	¢	**9.764.254.097**	**16.159.621.261**	**26.573.315.795**	**52.497.191.153**

(Continue)

As of March 31, 2021:

		Legal benefits	Lawsuits	Other	Total
Balance as of December 31, 2020	¢	**9,569,600,725**	**15,745,248,767**	**35,039,224,342**	**60,354,073,834**
Currency conversion effect		1,378,781	0	0	1,378,781
Adjusted balance		**9,570,979,506**	**15,745,248,767**	**35,039,224,342**	**60,355,452,615**
Provision made		172,893,037	244,832,285	0	417,725,322
Provision used		(110,672,372)	(672,819,411)	0	(783,491,783)
Adjustment for exchange rate differences		0	(2,450,117)	0	(2,450,117)
Balance as of March 31, 2021	¢	**9,633,200,171**	**15,314,811,524**	**35,039,224,342**	**59,987,236,037**

As of March 31, 2022, the Bank is a defendant in litigation, for which the following provisions have been recorded:

- Ordinary suits against the Bank have been estimated for ¢23.395.096.649 and US$71.640.326 for which the Bank has provisions recorded in the amounts of ¢1.711.649.960 and US$1.392.607, respectively.

- The criminal lawsuits against the Bank have been estimated in ¢1.965.668.874 and $5.857, for which the Bank has recorded a provision in the amount of ¢272.597.777.

- For their nature, labor suits are difficult to estimate, however they are estimated in ¢5.147.672.743 and $825.001, for which the Bank has provisions recorded in the amount of ¢2.098.477.773, in the cases in which there is no firm condemnatory.

- There are administrative proceedings in different stages, estimated for ¢13.968.450.298 and US$2.000, for which ¢13.953.353.876.

- A provision in the amount of ¢376.774.370 corresponding to the Deposit Guarantee Fund is created and recorded in "Others".

As of March 31, 2022, there are no provisions for litigation at BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A.

As of March 31, 2022, there are no provisions for litigation at BCR Sociedad Administradora de Fondos de Inversion S.A.

(Continue)

As of March 31, 2022, there is a process against BCR Valores S.A., processed under file 08-001181-1027-CA of the Contentious Administrative and Civil Tax Court of the Second Judicial Circuit of San José. Given de sentence, the plaintiff filed an appeal, which was awaiting resolution. On March 15, 2021, the First Chamber of the Supreme Court of Justice, through vote number 169-F-S1-2021, states: “The appeal is declared inadmissible…its costs are responsibility of the interposing person”. Consequently, the ruling by the executing judge in sentence number 402-2019, exonerating BCR Valores S.A., remains firm. For this litigation, there was a provision of ¢125,148,933 (US$202,736), which was reversed in April 2021.

As of March 31, 2022, there is a process against BCR Valores S.A., processed under file 16-000208-1027-CA-2 of the Contentious Administrative and Civil Tax Court of the Second Judicial Circuit of San José. On September 22, 2021, the Court issued a ruling in favor of BCR Valores. On October 11, 2021, the losing plaintiff in the process filed an appeal before the First Chamber of the Supreme Court of Justice, which has not yet been resolved.

As of March 31, 2022, there is a case against BCR Puesto de Bolsa in the amount of US$175,000, processed under file 16-000207-1027-CA-8 of the Contentious-Administrative and Civil Treasury Court of the II Judicial Circuit of San Jose. To date and according to the criteria of the lawyers, an estimate of the eventual result is not feasible.

As of March 31, 2022, there is a process of labor nature against BCR Valores S.A. processed under judicial file number 17-002581-1178-LA, for which there is a provision of ¢8,441,966.

As of March 31, 2022, BICSA there are no provision for litigation.

As of December 31, 2021, following provisions have been recorded:

- Ordinary suits against the Bank have been estimated for ¢24.091.229.184 and US$71.714.326 for which the Bank has provisions recorded in the amounts of de ¢1.810.526.748 and US$1.395.500, respectively.

- The criminal lawsuits against the Bank have been estimated in ¢1.965.668.874 and $5.857, for which the Bank has recorded a provision in the amount of ¢286.918.445.

- For their nature, labor suits are difficult to estimate, however they are estimated in ¢5.143.391.270 and $825.001, for which the Bank has provisions recorded in the amount of ¢2.126.188.640, in the cases in which there is no firm condemnatory.

- There are administrative proceedings in different stages, estimated for ¢11.042.195.510 and US$2.000, for which ¢11.027.099.088, have been provisioned.

- In compliance with Law 9605 “Merger by absorption of Banco Crédito Agrícola de Cartago and Banco de Costa Rica” the amount of ¢801.701.887 was transferred for pending proceedings.

- A provision corresponding to the Deposit Guarantee Fund is created, recorded in “Others”, in the amount of ¢376,774,370.

As of December 31, 2021, there are no provisions for litigation at BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A.

As of December 31, 2021, there are no provisions for litigation at BCR Sociedad Administradora de Fondos de Inversion S.A.

As of December 31, 2021, there is a process against BCR Valores in the amount of US$175,000, which is being processed under file 16-000207-1027-CA-8 of the Contentious-Administrative and Civil Tax Court of the II Judicial Circuit of San José. To date and according to the criteria of the lawyers, an estimate of the eventual outcome is not feasible.

As of December 31, 2021, BCR Valores Puesto de Bolsa, S.A., has an established legal process of labor nature, established by a former official, processed under file number 17-002581-1178-LA; there is still no estimate of the eventual outcome.

As of December 31, 2021, BICSA there are no provision for litigation.

As of March 31, 2021, the Bank is a defendant in litigation, for which the following provisions have been recorded:

Ordinary suits against the Bank have been estimated for ¢25.135.812.413 and US$69.301.542 for which the Bank has provisions recorded in the amounts of ¢1.783.901.568 and US$1.395.500, respectively.

The criminal lawsuits against the Bank have been estimated in ¢1.799.404.429 and US$10.077, for which the Bank has recorded a provision in the amount of ¢98.929.000.

For their nature, labor suits are difficult to estimate, however they are estimated in ¢5.179.322.543 and $825.001, for which the Bank has provisions recorded in the amount of ¢1.868.413.533, in the cases in which there is no firm condemnatory.

There are administrative proceedings in different stages, estimated for ¢10.504.406.145 and US$36.257, for which ¢10.492.939.628 and US$34.057, respectively, have been provisioned.

In compliance with Law 9605 “Merger by absorption of Banco Crédito Agrícola de Cartago and Banco de Costa Rica” the amount of ¢801.701.887 was transferred for pending proceedings.

Reversal is made due to the 2015 prescription to IFRIC 23 (see note 38), recorded in other provisions.

As of March 31, 2021, there are no provisions for litigation at BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A.

As of March 31, 2021, there are no provisions for litigation at BCR Sociedad Administradora de Fondos de Inversion S.A.

As of March 31, 2021, BCR Valores Puesto de Bolsa, S.A. is a defendant in a lawsuit filed by a customer, under file number 08-001181-1027-CA. which was admitted during a vote of the First Chamber of the Supreme Court of Justice, and BCR Valores Puesto de Bolsa, S.A. was ordered to pay damages, which existence and estimate must be proven in the enforcement of the judgment. The amount claimed by the customer is of US$202.737. The Brokerage House has provisioned ¢124.847.472.

On January 25, 2021, the First Chamber of the Supreme Court of Justice by vote number 169-f-S1-2021 states: "The appeal is declared inadmissible ... its costs charged to who interposed the appeal.” Consequently, the decision of the executing judge in judgment number 402-2019, exonerating BCR Valores S.A., is final.

As of March 31, 2021, BICSA there are no provision for litigation.

(17) Other miscellaneous accounts payable

Other miscellaneous accounts payable are detailed as follows:

		March 2022	December 2021	March 2021
Fees payable		75.974.285	306.947.141	66.276.159
Due for goods and services	¢	1.051.915.968	773.489.566	575.324.187
Current income tax		3.216.284.561	24.628.076.047	7.713.507.084
Tax on DU propts		11.482.850	365.237.441	338.685.614
Value added tax		407.192.265	307.713.776	214.137.219
Other payable taxes		0	22.135.517	20.713.830
Employer contributions		6.588.337.545	9.271.303.832	8.288.666.976
Court-ordered withholdings		910.286.769	886.348.929	895.340.954
Tax withholdings payable		2.424.206.749	2.219.906.454	2.768.454.197
Withheld employer contributions payable		1.780.868.116	1.257.135.880	2.557.802.335
Other third-party withholdings payable		13.366.858.051	11.921.302.103	11.240.030.292
Compensations and salaries payable		2.206.346.691	7.691.312.943	3.203.368.478
Dividends payable		0	0	3.750.000.000
Interests (distributions) payable on results of the period (see note 33)		7.863.038.532	22.949.610.795	5.900.960.137
Obligations payable on loans with related parties		880.828	144.573	15.754.227
Accrued vacations		6.771.185.337	6.720.731.531	7.154.794.589
Accrued statutory Christmas bonus		2.287.083.229	1.185.588.092	2.035.834.767
Commissions payable from insurance placement		454.538.052	56.068.977	56.389.210
Commissions payable with related parties		4.865.561	6.796.785	2.641.779.732
Contribution to the Superintendence budget		13.324.195	5.178.786	13.725.123
Miscellaneous creditors		25.485.939.165	24.576.312.997	20.798.584.797
	¢	**74.920.608.749**	**115.151.342.164**	**80.250.129.907**

(18) Equity

a) Capital Stock

The Bank's capital stock is as follows:

		March 2022	December 2021	March 2021
Capital under Law No. 1644	¢	30.000.000	30.000.000	30.000.000
Bank capitalization bonds		1.288.059.486	1.288.059.486	1.288.059.486
Capital increase per Law No. 7107		118.737.742.219	118.737.742.219	118.737.742.219
Capital increase per Law No. 8703		27.619.000.002	27.619.000.002	27.619.000.002
Capital increase per Law No. 9605		18.907.432.694	18.907.432.694	18.907.432.694
Increase for revaluation of assets		14.130.125.230	14.130.125.230	14.130.125.230
Other		697.630.970	697.630.970	697.630.970
	¢	**181.409.990.601**	**181.409.990.601**	**181.409.990.601**

On December 23, 2008, the Executive Branch of the Costa Rican Government authorized a capital contribution funded under Law No. 8703 "Amendment to the Law on Ordinary and Extraordinary Budget of the Republic for Tax Year 2008 (Law No. 8627)." Such law grants funds to capitalize three State owned banks, including Banco de Costa Rica, in order to stimulate productive sectors and particularly small and medium sized enterprises. For such purposes, the Bank received four securities for a total of US$50.000.000 equivalent to ¢27.619.000.002.

b) Surplus from revaluation of property, furniture, and equipment

This includes the increase in fair value of real property (land and buildings) owned by the Bank.

As of March 31, 2022, the revaluation surplus amounts to ¢31.744.671.803 (¢31.744.671.803 and ¢36.212.011.410 for December and March 2021, respectively).

(Continue)

c) Adjustments for revaluation of investments at fair value with changes in other comprehensive income.

They include variations at the fair value with changes through comprehensive income.

As of March 31, 2022, the balance of the adjustment for valuation of investments at fair value with changes through other comprehensive income corresponds to unrealized net losses in the amount of ¢21.510.941.636 (¢40.339.757.529 and ¢9.931.916.317 for December and March 2021, respectively).

d) Adjustments for valuations of interest in other companies

This mainly corresponds to foreign exchange differences arising from translation of BICSA's consolidated financial statements and the unrealized gain or loss on valuation of investments in subsidiaries.

As of March 31, 2021, changes in equity include foreign exchange differences corresponding to investments in other companies in the amount of ¢27.266.802.305 (¢24.522.914.079 and ¢20.738.126.436 for December and March 2021, respectively).

e) Equity of the Development Financing Fund (FOFIDE)

As of March 31, 2022, the amount for the constitution of the equity of the Development Financing Fund is of ¢36.212.011.410 (¢36.212.011.410 and ¢36.212.011.410 as of December and March 2021, respectively). In compliance with Law 9605 "Merger by absorption of Banco Crédito Agrícola de Cartago and Banco de Costa Rica", the amount of ¢2,627,265,346 of the assets managed by the entity was transferred.

f) Special reserves of retained earnings from BICSA

As of March 31, 2021, from Banco de Costa Rica's retained earnings resulting from the investment in other companies, it should be considered for any purpose, that there are amounts related to special reserves applied to equity accounts of BICSA for US$33.740.924 (51% for US$66.158.674) (US$33.061.387 equivalent to 51% for US$68.351.419 for December and March 2021, respectively) due to changes made to policies concerning the subsidiary.

Laws and regulations applicable in the Republic of Panama establish that, for purposes of compliance with standards issued by the Superintendence of Banks of Panama, from the year 2014 on, an estimated of credits reserves should be prepared based on regulatory guidelines.

The General Board of Directors resolution SBP-GJD-003-2013 dated July 9, 2013 establishes the accounting for the differences that may arise between the regulations issued by the Superintendence of Banks and the IFRS, so that: 1) the accounting records and the financial statements are prepared in accordance with IFRS as required by agreement No.006-2012 dated December 18, 2012; 2) according to standards applicable to banks and presenting additional specific accounting aspects than those required by IFRS, in the event that an estimate of provision or reserve is greater than the correspondent calculation under IFRS, the excess of provision or reserve will be recognized in the equity. This general resolution came into effect for the accounting periods ending on or after December 31, 2014. Subject to prior authorization of the Superintendence of Banks, banks can reverse the established provision, partially or totally, based on justification duly evidenced and presented to the Superintendence of Banks.

Agreement No.004-2013 indicates that specific provisions originate from concrete and objective evidence of impairment. These provisions should be constituted for credit facilities classified in the risk category known as special, subnormal, doubtful or irrecoverable, both for individual credit facilities or a group of them. At least from December 31, 2014, banks must calculate and always maintain the amount of specific provision determined by the methodology specified in this agreement, which considers the balance due from each credit facility in any of the categories subject to provision, the present value of each available collateral as mitigation of risk, as established by type of guarantee in this agreement, and a table of weightings applied to the net amount exposed to loss of such credit facilities.

Calculated in accordance with such Agreement, if there is an excess of specific provision over the provision calculated in accordance with IFRS, this excess will be accounted for in a regulatory reserve in equity that increases or decreases with allocations from or to undistributed profits. The balance of the regulatory reserves will not be considered as capital funds for purposes of calculating certain indices or prudential relationships mentioned in the Agreement. The Bank determines its country risk reserve in accordance with the provisions established in General Resolutions No. 7 2000 and No.1-2001 issued by the Superintendence of Banks of Panama.

(Continue)

Agreement No.004-2013 indicates that the dynamic provision is a reserve constituted to meet possible future needs of specific provisions ruled by prudential banking regulations criteria. It is constituted with quarterly periodicity on credit facilities that do not have a specific provision assigned. i.e., credit facilities classified in normal category. This agreement regulates the methodology to calculate the amount of the dynamic provision, considering a minimum or maximum restriction applicable to the provision's amount determined on credit facilities classified in normal category. The dynamic provision is an equity account that increases or decreases with assignments to or from undistributed earnings. The credit balance of the dynamic provision is part of the regulatory capital but does not replace or compensates the net worth equity requirements set forth by the Superintendence.

Regulatory capital

As of March 31, 2022, the net worth equity for the BCR Financial Conglomerate is detailed as follows:

Companies of the Financial Conglomerate		**Capital base**	**Minimum individual capital requirement**	**Individual surplus or deficit**	**Non-transferable items**		**Transferable surplus and individual deficit**
Parent Company							
Banco de Costa Rica	¢	514.374.030.681	416.522.723.802	97.851.306.879	0	¢	97.851.306.879
		514.374.030.681	416.522.723.802	97.851.306.879	**0**		97.851.306.879
Regulated entities							
Banco Internacional de Costa Rica, S.A and subsidiary		162.652.322.000	120.918.546.000	41.733.776.000	20.449.550.240		21.284.225.760
BCR Valores, S. A.- Puesto de Bolsa		22.727.268.080	6.810.780.951	15.916.487.129	0		15.916.487.129
BCR Sociedad Administradora de Fondos de Inversión, S.A.		7.992.013.620	3.166.107.630	4.825.905.990	0		4.825.905.990
BCR Pensión Operadora de Planes Pensiones Complementarias, S.A.		3.642.408.141	3.517.533.573	124.874.567	0		124.874.567
BCR Corredora de Seguros, S.A.		4.492.348.530	2.024.833.570	2.467.514.960	0		2.467.514.960
		201.506.360.371	**136.437.801.724**	**65.068.558.646**	**20.449.550.240**		**44.619.008.406**
Non-regulated entities							
Banprocesa R.L.		1.313.430.800	392.729.000	920.701.800	0		920.701.800
Depósito Agrícola de Cartago S.A. and subsidiary		684.061.600	248.520.100	435.541.500	0		435.541.500
	¢	**1.997.492.400**	**641.249.100**	**1.356.243.300**	**0**		**1.356.243.300**
Global surplus or deficit of the Financial Conglomerate						¢	**143.826.558.586**

(Continue)

As of December 31, 2021, the net worth equity for the BCR Financial Conglomerate is detailed as follows:

Companies of the Financial Conglomerate		**Capital base**	**Minimum individual capital requirement**	**Individual surplus or deficit**	**Non-transferable items**		**Transferable surplus and individual deficit**
Parent Company							
Banco de Costa Rica	¢	502.507.621.065	417.519.457.245	84.988.163.820	0	¢	84.988.163.820
		502.507.621.065	**417.519.457.245**	**84.988.163.820**	**0**		**84.988.163.820**
Regulated entities							
Banco Internacional de Costa Rica, S.A and subsidiary		156.655.730.750	112.587.736.750	44.067.994.000	21.593.317.060		22.474.676.940
BCR Valores, S. A.- Puesto de Bolsa		21.275.965.170	5.033.900.980	16.242.064.190	0		16.242.064.190
BCR Sociedad Administradora de Fondos de Inversión, S.A.		7.539.108.540	3.097.602.330	4.441.506.210	0		4.441.506.210
BCR Pensión Operadora de Planes Pensiones Complementarias, S.A.		3.642.408.141	3.531.193.556	111.214.585	0		111.214.585
BCR Corredora de Seguros, S.A.		4.752.714.090	1.921.607.140	2.831.106.950	0		2.831.106.950
		193.865.926.691	**126.172.040.756**	**67.693.885.935**	**21.593.317.060**		**46.100.568.875**
Non-regulated entities							
Financial leasing company		1.132.711.700	396.222.900	736.488.800	0		736.488.800
Factoring and invoice discounting company		680.346.900	249.348.600	430.998.300	0		430.998.300
	¢	**1.813.058.600**	**645.571.500**	**1.167.487.100**	**0**		**1.167.487.100**
Global surplus or deficit of the Financial Conglomerate						¢	**132.256.219.795**

(Continue)

As of March 31, 2021, the net worth equity for the BCR Financial Conglomerate is detailed as follows:

Companies of the Financial Conglomerate		Capital base	Minimum individual capital requirement	Individual surplus or deficit	Non-transferable items	Transferable surplus and individual deficit
Parent Company						
Banco de Costa Rica	¢	464.231.975.409	391.715.294.855	72.516.680.553	0	72.516.680.553
		464.231.975.409	391.715.294.855	72.516.680.553	0	72.516.680.553
Regulated entities						
Banco Internacional de Costa Rica, S. A and subsidary		147.683.554.200	104.016.467.100	43.667.087.100	21.396.872.679	22.270.214.421
BCR Valores, S. A.- Puesto de Bolsa		20.696.070.920	4.499.280.720	16.196.790.200	0	16.196.790.200
BCR Sociedad Administradora de Fondos de inversión, S.A.		8.550.302.890	3.185.758.620	5.364.544.270	0	5.364.544.270
BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A.		5.194.792.666	3.943.100.238	1.251.692.428	0	1.251.692.428
	¢	182.124.720.676	115.644.606.678	66.480.113.998	21.396.872.679	45.083.241.319
Non-regulated entities						
BCR Corredora de Seguros, S.A.		4.944.608.630	2.330.900.210	2.613.708.420	0	2.613.708.420
Investments management company		680.346.900	242.079.200	438.267.700	0	438.267.700
	¢	**5.624.955.530**	**2.572.979.410**	**3.051.976.120**	**0**	**3.051.976.120**
Global surplus or deficit of the Financial Conglomerate						¢ **120.651.897.992**

(Continue)

(19) Contingent accounts

The Bank has consolidated off balance sheet commitments and contingencies that arise in the ordinary course of business and involve elements of credit and liquidity risk.

Off balance financial instruments with risk are as follows:

		March 2022	December 2021	March 2021
Guarantees granted:				
Performance bonds	¢	139.326.472.322	138.850.204.989	119.535.339.235
Bid bonds		1.004.325.341	630.432.213	674.248.680
Other guarantees		113.441.755.910	114.980.562.493	112.709.008.284
Issued non-negotiated letters of credit		12.728.045.642	11.350.285.308	11.931.739.385
Confirmed non-negotiated letters of credit		6.035.669.970	6.511.192.263	9.666.336.932
Credit lines to be used automatically		106.021.976.305	109.255.132.604	109.326.637.009
Other contingencies		73.858.661.662	72.902.375.785	70.707.585.399
Credits pending disbursement		119.619.754	187.598.568	112.872.068
	¢	**452.536.526.906**	**454.667.784.223**	**434.663.766.992**

Off balance financial instruments involving risk by type of deposit are as follows:

		March 2022	December 2021	March 2021
With prior deposit	¢	7.968.466.575	8.639.339.884	7.177.043.818
Without prior deposit		370.709.398.669	373.126.068.554	356.779.137.775
Pending lawsuits and claims		73.858.661.662	72.902.375.785	70.707.585.400
	¢	**452.536.526.906**	**454.667.784.223**	**434.663.766.992**

These commitments and contingent liabilities expose the Bank to credit risk since commissions and losses are recognized in the consolidated balance sheet until the obligations are fulfilled or expire.

As of March 31, 2022, letters of credit are backed 100% by guarantee deposits or credit facilities.

As of March 31, 2022, floating guarantees in custody are for ¢196.638.128.241 (¢208.389.633.972 and ¢219.021.823.740 for December and March 2021, respectively).

(Continue)

The Bank has off balance financial instruments with risk that arise in the ordinary course of business to meet the financial needs of its customers. These financial instruments include letters of credit and guarantees that involve varying levels of credit risk.

Other contingencies

As of March 31, 2022, the Bank's Legal Division reported the following contingencies and commitments:

- In contentious matters, there are active processes established against the Bank estimated in the amount of ¢21.683.446.689 and US$70.247.718. In addition, other contentious processes are filed for preliminary injunction with no estimate.

- In labor matters there are active ordinary processes estimated in the amounts of ¢3.049.194.971 and US$825.001.

- Criminal proceedings in which the Bank is a third-party defendant are estimated at ¢1.693.071.097 and US$5.857

- Administrative proceedings against the Bank have been estimated in the amounts of ¢15.096.422 and US$2.000.

As of March 31, 2022, there are legal claims filed against BICSA and its subsidiaries that, in the opinion of Management and external attorneys, are not expected to have a material adverse effect on the consolidated position, the consolidated performance or the entity´s operations.

As of March 31, 2022, due to the merger between INS Pensiones Operadora de Pensiones Complementarias, S.A. and BCR Pensión Operadora de Planes de Pensiones Complementarias. S.A., a series of contingencies arose that have been reasonably covered with pledged securities from the seller.

As of March 31, 2022, there is a process against BCR Valores in the amount of US$465,000, processed under file 16-000207-1027-CA 8 of the Administrative and Civil Court of Finance of the II Judicial Circuit of San José. To date and in accordance with the criteria of the lawyers, an estimate of the eventual outcome is not feasible.

As of March 31, 2022, there is a labor process against BCR Valores established by a former official, under file number 17-002581-1178-LA, which is in process and to date there I no estimate of the eventual outcome for which there is a provision in the amount of ¢8,441,966.

As of December 31, 2021, the Bank's Legal Division reported the following contingencies and commitments:

- In contentious matters, there are active processes established against the Bank estimated in the amount of ¢20.280.702.436 and US$70.318.826. In addition, other contentious processes are filed for preliminary injunction with no estimate.

- In labor matters there are active ordinary processes estimated in the amounts of ¢3.017.202.630 and US$825.001.

- Criminal proceedings in which the Bank is a third-party defendant are estimated at ¢1.678.750.429 and US$5.857.

- Administrative proceedings against the Bank have been estimated in the amounts of ¢15.096.422 and US$2.200.

As of December 31, 2021, there are legal claims filed against BICSA and its subsidiaries that, in the opinion of Management and external attorneys, are not expected to have a material adverse effect on the consolidated position, the consolidated performance or the entity´s operations.

As of December 31, 2021, due to the merger between INS Pensiones Operadora de Pensiones Complementarias, S.A. and BCR Pensión Operadora de Planes de Pensiones Complementarias. S.A., a series of contingencies arose that have been reasonably covered with pledged securities from the seller.

As of March 31, 2021, the Bank's Legal Division reported the following contingencies and commitments:

- In contentious matters, there are active processes established against the Bank estimated in the amount of ¢27.001.781.507 and US$67.798.421. In addition, other contentious processes are filed for preliminary injunction with no estimate.
- In labor matters there are active ordinary processes estimated in the amounts of ¢3.310.909.009 and US$825.001.

- Criminal proceedings in which the Bank is a third-party defendant are estimated at ¢1.700.475.429 and US$10.077.

- Administrative proceedings against the Bank have been estimated in the amounts of ¢4.993.517 and US$2.200.

As of March 31, 2021, there are legal claims filed against BICSA and its subsidiaries that, in the opinion of Management and external attorneys, are not expected to have a material adverse effect on the consolidated position, the consolidated performance or the entity´s operations.

As of March 31, 2021, due to the merger between INS Pensiones Operadora de Pensiones Complementarias, S.A. and BCR Pensión Operadora de Planes de Pensiones Complementarias. S.A., a series of contingencies arose that have been reasonably covered with pledged securities from the seller.

As of March 31, 2021, there is a process against BCR Valores in the amount of US$175,000, processed under file 16-000207-1027-CA 8 of the Administrative and Civil Court of Finance of the II Judicial Circuit of San José. To date and in accordance with the criteria of the lawyers, an estimate of the eventual outcome is not feasible.

As of March 31, 2021, there is a process against BCR Valores in the amount of US$465,000 processed under file 16-000208-1027-CA 2 of the Administrative and Civil Court of Finance of the II Judicial Circuit of San José. To date and in accordance with the criteria of the lawyers, an estimate of the eventual outcome is not feasible.

As of December 31, 2019, BCR Valores recognized a provision for tax contingencies of ¢1.301.647.081. The remaining ¢1.301.624 correspond to adjustments for exchange rate differences of the provisions in foreign currency.

The provision recorded in BCR Valores affected the profit from previous periods for ¢978.296.974 million, corresponding to contingencies arising in 2015, 2016, 2017 and 2018 (¢194.676.459, ¢264.905.512, ¢206.824.643, and ¢311.890.361, correspondingly); The remaining ¢323.346.107 million, from the 2019 period, were recorded as an expense in 2019. The provision of 2015 for ¢194.676.459 was reversed at the closing of 2020; further, the 2017 provision for ¢206.824.512, was used in 2020 when the Tax authorities reviewed that period.

(20) Trusts

The Bank provides trust services, whereby it manages assets at the direction of the customer. The Bank receives a fee for giving those services. The underlying assets and liabilities are not recognized in the Bank's consolidate financial statements. The Bank is not exposed to any credit risk and does not guarantee these assets or liabilities.

(Continue)

The types of trusts managed by the Bank are as follows:

- Management and investment trusts
- Management trusts with a testamentary clause
- Guarantee trusts
- Housing trusts
- Management and investment public trusts

The assets in which capital trust is invested are detailed as follows:

		March 2022	December 2021	March 2021
Cash and due from banks	¢	38.593.701.105	66.318.923.462	71.802.023.449
Investments in financial instruments		75.866.815.301	109.424.977.266	87.799.377.019
Loan portfolio		52.611.651.330	51.108.715.255	50.418.063.568
Allowance for doubtful accounts		(8.384.273.791)	(8.430.654.646)	(9.042.076.530)
Realizable assets		66.328.679.309	67.815.354.875	53.244.749.420
Investments in other companies		49.438.739.218	51.961.502.918	35.012.464.940
Other accounts receivable		57.140.016.915	56.833.488.672	77.555.477.935
Property, furniture, and equipment		301.189.545.635	355.462.578.061	376.159.996.279
Other assets		297.758.126.875	234.928.557.658	184.197.337.048
Buildings		76.680.000	76.680.000	0
	¢	**930.619.681.897**	**985.500.123.521**	**927.147.413.128**

Trust capital held by subsidiaries and invested in assets is detailed as follows:

		March 2022	December 2021	March 2021
Banco de Costa Rica	¢	870.600.929.717	927.719.265.553	873.772.231.021
Banco Internacional de Costa Rica, S.A.		60.018.752.180	57.780.857.968	53.375.182.107
	¢	**930.619.681.897**	**985.500.123.521**	**927.147.413.128**

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the consolidated financial statements

March 31, 2022

(21) Other debit memoranda accounts

Other debit memoranda accounts are detailed as follows:

		March 2022	December 2021	March 2021
Own assets and securities held in Custody	¢	7.915.400.299	8.498.847.017	6.671.223.635
Guarantees received and held in custody		6.592.288.163.849	6.473.512.386.428	13.257.495.712.001
Guarantees received and held by third parties		2.108.917.018	2.413.061.267	3.719.983.443
Granted and unused credit lines		557.656.464.410	563.448.264.572	535.822.629.843
Write-offs		253.549.293.274	247.563.087.434	239.806.943.381
Suspense interest receivable		25.552.834.109	24.527.955.166	24.549.828.750
Backup documentation		58.711.000	58.711.000	58.711.000
Other memoranda accounts		3.168.351.040.200	1.823.472.704.665	1.897.687.575.208
Assets and securities held in custody for third parties		94.825.177.859	143.805.933.340	84.077.739.544
Managed funds assets		2.314.304.503.192	2.403.504.549.907	2.184.053.855.586
Management of individual portfolios by the stock market		274.323.003.686	287.844.353.402	127.274.600.619
Held-for-trading securities received as guarantee (guarantee trust)		0	0	58.257.066.788
Own held-for-trading securities		1.126.325.375.509	1.017.428.771.091	902.036.937.225
Cash and accounts receivable for custodial activities		188.529.088.781	187.425.927.624	213.359.566.955
Held-for-trading securities held in custody for third parties as guarantee (guarantee trust)		59.943.789.109	28.744.051.278	19.339.300.638
Held-for-trading securities pending receipt		8.443.331.025	2.480.093.782	1.536.853.825
Confirmed spot agreements pending Settlement		20.010.023.571	3.545.219.401	3.526.050.191
Futures pending settlement		48.197.886.397	46.057.517.880	50.243.374.728
Third parties held-for-trading securities		6.904.811.229.316	6.807.392.048.306	6.141.610.178.127
	¢	**21.647.194.232.604**	**20.071.723.483.560**	**25.751.128.131.487**

(Continue)

Other memoranda accounts by subsidiaries are detailed as follows:

		March 2022	December 2021	March 2021
Banco de Costa Rica	¢	16.905.572.677.185	15.234.563.101.378	21.426.337.044.622
Banco Internacional de Costa Rica, S.A.		1.488.255.411.630	1.524.770.586.279	1.457.722.241.826
BCR Valores, S.A.- Puesto de Bolsa (see note 22)		926.847.486.059	895.434.022.840	673.522.018.939
BCR Sociedad Administradora de Fondos de Inversión, S.A. (see note 23)		737.708.664.633	805.087.071.485	751.741.986.227
BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A. (see note 24)		1.584.582.360.949	1.606.980.067.052	1.439.051.608.124
Deposito Agrícola de Cartago S. A.		4.227.632.148	4.888.634.526	2.753.231.749
	¢	**21.647.194.232.604**	**20.071.723.483.560**	**25.751.128.131.487**

(22) Current and term brokerage operations and portfolio management operations

Memoranda accounts of BCR Valores. S.A. - Puesto de Bolsa are detailed as follows:

		March 2022	December 2021	March 2021
Other own memoranda accounts				
Other memoranda accounts	¢	8.335.765.469	8.226.506.773	8.694.941.684
Total other own memoranda accounts		**8.335.765.469**	**8.226.506.773**	**8.694.941.684**
Memoranda accounts for third parties				
Portfolio management		274.323.003.688	287.844.353.402	127.274.600.619
Cash and accounts receivable by custodial activity		945.448.468	776.932.064	681.354.484
Held-for-trading pending receipt		8.443.331.025	2.480.093.782	1.536.853.825
Purchased securities receivable				
Purchased marketable securities pending receipt		3.998.534.836	5.391.468.173	5.646.060.724
Held-for-trading received s guarantee		20.010.023.571	3.545.219.401	3.526.050.191
Futures pending settlement-forward buyer (See note 22-a)		45.139.843.350	41.008.544.330	43.353.930.483
Futures pending settlement-forward seller (See note 22-a)		3.058.043.046	5.048.973.550	6.889.444.245
Central de Valores private (local custody)		148.912.336.848	131.742.202.598	167.582.647.786
Central de Valores private (international custody)		42.999.171.958	32.181.833.039	32.904.074.449
Central de Valores public (BCCR)		370.549.483.800	377.100.395.728	275.344.560.450
Vault		87.500.000	87.500.000	87.500.000
Total memoranda accounts for third parties		**918.511.720.590**	**887.207.516.067**	**664.827.077.256**
Total memoranda accounts (see note 21)		**926.847.486.060**	**895.434.022.840**	**673.522.018.940**
Total memoranda accounts and trusts	¢	**926.847.486.060**	**895.434.022.840**	**673.522.018.940**

In repurchase and term operations, BCR Valores is contingently liable for the short balance that arises when a security is settled for an amount that is less than the amount payable to the respective buyer. In accordance with the Regulations for Repurchase Operations and the Regulations for Term Operations, all such transactions have collaterals to cover those contingencies.

Securities backing repurchase agreements are held in custody at Central de Valores de la Bolsa Nacional de Valores. S.A. (CEVAL) or foreign depositories with which CEVAL has custody agreements.

a) Repurchase

BCR Valores subscribes agreements to buy or sell securities at certain future dates (repurchase agreements). Those agreements are comprised of securities that the parties undertake to sell or buy on an agreed upon date and at a stated price. The difference between the contractual value and the value of the security represents additional collateral for the operation and corresponds to a portion of the security held in custody.

As of March 31, 2022, forward buyer and seller positions in repurchase and reverse repurchase agreements in which BCR Valores, S.A. Puesto de Bolsa (Brokerage House) participates, are as follows:

Third parties		**Colones**	**US Dollars**	**Total**	**Colones**	**US Dollars**	**Total**
1 to 30 days	¢	5.733.304.030	29.296.922.043	35.030.226.073	372.093.307	1.337.324.089	1.709.417.396
31 to 60 days		337.535.850	9.772.081.427	10.109.617.277	-	1.348.625.651	1.348.625.651
Third parties total	¢	6.070.839.880	39.069.003.470	45.139.843.350	372.093.307	2.685.949.740	3.058.043.046
Total	¢	**6.070.839.880**	**39.069.003.470**	**45.139.843.350**	**372.093.307**	**2.685.949.740**	**3.058.043.046**

As of December 31, 2021, forward buyer and seller positions in repurchase and reverse repurchase agreements in which BCR Valores, S.A. Puesto de Bolsa (Brokerage House) participates, are as follows:

Third parties		**Colones**	**US Dollars**	**Total**	**Colones**	**US Dollars**	**Total**
1 to 30 days	¢	7.733.634.349	30.899.124.568	38.632.758.917	1.436.662.261	2.832.493.814	4.269.156.075
31 to 60 days		0	2.375.785.413	2.375.785.413	0	779.817.475	779.817.475
Third parties total	¢	**7.733.634.349**	**33.274.909.981**	**41.008.544.330**	**1.436.662.261**	**3.612.311.289**	**5.048.973.550**
Total	¢	**7.733.634.349**	**33.274.909.981**	**41.008.544.330**	**1.436.662.261**	**3.612.311.289**	**5.048.973.550**

(Continue)

As of March 31, 2021, forward buyer and seller positions in repurchase and reverse repurchase agreements in which BCR Valores, S.A. Puesto de Bolsa (Brokerage House) participates, are as follows:

		Forward buyer			Forward seller		
Third parties		**Colones**	**US Dollars**	**Total**	**Colones**	**US Dollars**	**Total**
1 to 30 days	¢	5.430.498.421	24.758.604.477	30.189.102.898	3.146.354.543	2.173.506.623	5.319.861.166
31 to 60 days		2.486.271.790	10.545.682.982	13.031.954.772	261.824.047	1.174.886.219	1.436.710.267
61 to 90 days		0	132.872.813	132.872.813	0	132.872.813	132.872.813
Third parties total	¢	7.916.770.211	35.437.160.271	43.353.930.483	3.408.178.590	3.481.265.655	6.889.444.245
Total	¢	**7.916.770.211**	**35.437.160.271**	**43.353.930.483**	**3.408.178.590**	**3.481.265.655**	**6.889.444.245**

b) Guarantees granted

To comply with Bolsa Nacional de Valores, S.A., requirement for a system of guarantees to secure operations executed by the Brokerage House on behalf of third parties, the Brokerage Firm may either hold a performance bond in colones issued by a private Costa Rican bank or contribute to the Guarantee Fund as described below.

To establish a risk management system, SUGEVAL set up a guarantee fund comprised of contributions from brokerage firms. Contributions are made proportionally based on the net buyer positions during the last six months. As of March 31, 2022, the Brokerage House had made contributions for a total of ¢110.462.256 (¢150.295.897 and ¢30.790.489 for December and March 2021, respectively). These contributions are registered in the subaccount "Guarantee fund - National Stock Exchange".

c) Agreements entered with customers of BCR Valores, S.A. - Puesto de Bolsa

Starting 2012, a multiple agreement was implemented, which includes all the products offered by BCR Valores, except for individual portfolio management services. Accordingly, the BCR Valores has two types of agreements available:

- Commission agreement to perform brokerage operations, foreign exchange operations, and operations with foreign exchange and financial derivatives.

- Individual portfolio management agreement.

d) Customer securities and own securities in custody

As of March 31, 2022, BCR Valores, S.A. has following securities in custody:

Place of Custody	Custody Type		Balance
Colones			
Local	Custody free	¢	234.615.935.529
Local	Repurchase operations		14.436.375.117
		¢	**249.052.310.646**
US dollars			
Local	Custody free	¢	260.236.683.489
Local	Repurchase operations		53.304.498.471
		¢	**313.541.181.960**
Total own custody, colones, US dollars and other currencies		¢	**562.593.492.606**
Total custody, third parties			
US Dollars and others		¢	**562.593.492.606**

As of December 31, 2021, BCR Valores, S.A. has following securities in custody:

Place of Custody	Custody Type		Balance
Colones			
Local	Custody free	¢	229.431.647.258
Local	Repurchase operations		12.397.471.745
		¢	**241.829.119.003**
US dollars			
Local	Custody free	¢	224.003.499.800
Local	Repurchase operations		43.097.479.523
Foreign custodians	Available at face value		30.632.613.560
Foreign custodians	Shares at purchase value		1.379.726.783
		¢	**299.113.319.666**
Canadian dollars			
Internacional	Custody free	¢	169.492.696
Total own custody, colones, US dollars and other currencies		¢	**541.111.931.365**
Total custody, third parties			
US Dollars and others		¢	**541.111.931.365**

As of March 31, 2021, BCR Valores, S.A. has following securities in custody:

Place of Custody	Custody Type		Balance
Colones			
Local	Custody free	¢	267.477.107.503
Local	Repurchase operations		19.720.467.308
		¢	287.197.574.812
US Dollars			
Local	Custody free	¢	120.217.069.926
Local	Repurchase operations		35.071.918.128
Foreign custodians	Available at face value		31.433.580.573
Foreign custodians	Shares at purchase value		1.742.492.336
		¢	188.465.060.964
Canadian Dollars			
International	Custody free	¢	256.146.909
Total custody of own colones, US dollars and other currencies		¢	**475.918.782.685**
US Dollars and others		¢	**475.918.782.685**

(23) Investment fund management agreements

The value of net assets in each investment fund managed by the BCR Sociedad Administradora de Fondos de Inversion. S.A. (Investment Fund Manager) is as follows:

Investment Fund	Type of fund		March 2022	December 2021	March 2021
In Colones					
BCR Short-term colones, undiversified	Financial, open	¢	32.367.942.158	57.824.691.772	57.553.551.741
BCR Short-term colones, undiversified	Financial, open, medium-term		944.419.139	921.724.006	259.278.673
BCR mixed colones, undiversified	Open, medium-term		56.814.460.901	59.102.365.341	38.295.335.689
BCR Portfolio Fund colones	Open, medium-term		49.143.267.792	41.430.461.932	58.205.565.401
BCR Real Estate, colones	Closed, non-financial		16.714.854.043	16.747.304.271	17.329.542.225
		¢	**155.984.944.033**	**176.026.547.322**	**171.643.273.729**
In US dollars					
Investment Funds in US Dollars, equivalent in colones (See note 21)			581.723.720.600	629.060.524.163	580.098.712.498
		¢	**737.708.664.633**	**805.087.071.710**	**751.741.986.227**
Investment Funds in US dollars					
BCR Liquidity Dollars, undiversified	Open	US$	101.111.130	198.267.938	152.111.157
BCR Real Estate Dollars, undiversified	Real estate, closed, long-term		285.977.303	286.210.916	285.135.192
BCR Real Estate Trade and Industry, undiversified	Real estate, closed, long-term		201.742.585	200.736.439	208.569.439
BCR Liquidity Fund Dollars, international, undiversified	Open, money market		133.555.566	154.889.679	157.552.166
BCR Portfolio Fund, US dollars	Open, medium-term		46.176.346	28.958.830	29.963.584
BCR Evolution	Open, medium-term		615.673	1.269.731	1.870.232
BCR Real Estate Progress Fund, undiversified	Real estate, closed		84.025.286	85.177.086	87.626.460
PEL Development Investment Fund	Real estate, closed		18.814.879	19.399.145	19.181.015
		US$	**872.018.768**	**974.909.764**	**942.009.245**

(Continue)

(24) Pension fund management agreements

The value of assets for each investment fund managed by BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A. (Pension Fund Manager) is as follows:

		March 2022	December 2021	March 2021
Own assets and securities held in custody	¢	7.915.400.299	8.498.847.017	6.671.223.635
Assets and securities held in custody by third parties		71.122.093	63.741.613	68.515.129
Mandatory pension fund		1.305.778.279.841	1.310.701.779.628	1.164.460.889.685
Voluntary pension fund		39.977.487.905	38.255.459.760	30.444.486.273
Labor capitalization fund		61.257.661.532	63.520.182.909	69.639.976.789
Supplementary pension funds created by special laws (see note 21)		169.582.409.279	185.940.056.125	167.766.516.613
	¢	**1.584.582.360.949**	**1.606.980.067.052**	**1.439.051.608.124**

The detail of assets for each pension fund in the separately issued reports is detailed as follows.

Funds received by the Pension Fund Manager are invested in the following securities and other investments:

		March 2022	December 2021	March 2021
Voluntary Pension Fund (colones)	¢	**30.300.826.191**	**29.745.337.337**	**23.648.901.158**
At fair value through other comprehensive income		**29.856.044.083**	**29.221.672.386**	**23.093.066.161**
Entities from the public sector of the country		**19.916.462.648**	**18.559.874.341**	**15.316.908.299**
Treasury		13.661.630.782	13.286.570.819	11.418.534.992
Banco Central de Costa Rica		1.853.916.374	1.420.190.905	617.803.440
Other issuers from the public sector		4.400.915.492	3.853.112.617	3.280.569.867
Entities from the private sector of the country		**9.939.581.435**	**10.661.798.045**	**7.776.157.862**
Financial		7.599.612.610	8.218.473.819	6.366.837.071
Non-financial		2.339.968.825	2.443.324.226	1.409.320.791
At fair value with changes through profit or loss		**444.782.108**	**523.664.951**	**555.834.997**
Entities from the private sector of the country Financial		**444.782.108**	**523.664.951**	**555.834.997**
Financieras		444.782.108	523.664.951	555.834.997
Voluntary Pension Fund (US$)	US$	**8.158.622.687**	**7.070.314.112**	**5.983.334.877**
At fair value through other comprehensive income		**7.966.856.400**	**6.991.934.969**	**5.893.557.778**
Entities from the public sector of the country		**4.365.889.325**	**3.825.576.461**	**3.189.587.008**
Treasury		3.517.581.670	3.130.089.412	2.724.346.624
Other issuers from the public sector		848.307.655	695.487.049	465.240.384
Entities from the private sector of the country		**3.600.967.075**	**3.166.358.508**	**2.703.970.770**
Financial		3.189.704.174	2.761.477.812	2.359.546.759
Non-financial		411.262.901	404.880.696	344.424.011
At fair value through profit or loss		**191.766.287**	**78.379.143**	**89.777.099**
Entities from the private sector of the country		**191.766.287**	**78.379.143**	**89.777.099**
Financial		191.766.287	78.379.143	89.777.099

(Continue)

		March 2022	December 2021	March 2021
Mandatory Regime of Supplementary Pensions (colones)	¢	**1.417.122.194.778**	**1.279.990.288.161**	**1.177.532.205.540**
At fair value through other comprehensive income		**1.180.806.185.345**	**1.069.168.853.529**	**1.049.586.449.391**
Entities from the public sector of the country		**924.068.329.485**	**855.602.278.890**	**841.284.651.042**
Treasury		807.030.865.636	747.956.670.061	675.320.029.784
Banco Central de Costa Rica		29.455.187.567	24.574.961.736	55.540.388.064
Other issuers from the public sector		87.582.276.282	83.070.647.093	110.424.233.194
Entities from the private sector of the country		**256.737.855.860**	**213.566.574.639**	**208.301.798.349**
Financial		229.976.195.821	192.081.974.456	194.148.405.413
Non-financial		26.761.660.039	21.484.600.183	14.153.392.936
At fair value through profit or loss		**236.316.009.433**	**210.821.434.632**	**127.945.756.149**
Entities from the private sector of the country		**236.316.009.433**	**210.821.434.632**	**25.630.885.366**
Financial		51.647.138.403	40.813.320.049	25.630.885.366
Entities from the foreign the public sector		184.668.871.030	170.008.114.583	204.629.741.566
Entities from the public sector of the country		**0**	**0**	**102.314.870.783**
Financial		0	0	102.314.870.783
Labor Capitalization Fund (colones)	¢	**192.163.286.031**	**140.416.697.364**	**164.432.197.359**
At fair value through other comprehensive income		**190.310.505.630**	**139.213.467.422**	**163.936.260.510**
Entities from the public sector of the country		**126.686.575.174**	**91.575.939.547**	**112.250.888.528**
Treasury		104.572.793.212	77.745.766.728	88.297.228.842
Banco Central de Costa Rica		8.844.307.575	5.040.386.216	9.326.768.918
Other issuers from the public sector		13.269.474.387	8.789.786.603	14.626.890.768
Entities from the private sector of the country		**63.623.930.456**	**47.637.527.875**	**51.685.371.982**
Financial		58.821.476.160	43.699.973.563	47.266.200.179
No-financial		4.802.454.296	3.937.554.312	4.419.171.803
At fair value through profit or loss		**1.852.780.401**	**1.203.229.942**	**495.936.849**
Entities from the private sector of the country		**1.852.780.401**	**1.203.229.942**	**495.936.849**
Financial		1.852.780.401	1.203.229.942	495.936.849

(Continue)

The agreements entered by the Pension Fund Manager are found in chapter II of the Labor Protection Law, articles 14, 15, and thereafter. The applicable agreement is known as "Voluntary Supplemental Pension Plan Affiliation Agreement."

Following is a general description of the nature of the agreements entered:

The Labor Protection Law seeks to establish mechanisms to expand coverage and strengthen the funding base for the Disability, Old Age, and Death System of the CCSS through supplemental pension funds. The Law establishes a voluntary personal savings system, whereby contributions are recorded and controlled by the Centralized Collection System of the CCSS, or directly by the pension fund operators. A close relationship exists between the funds, plans, and agreements, the latter being a formal requirement for eligibility to access pension funds. The agreements define and stipulate the rights and obligations of both parties.

The funds are separate equity funds administered by pension fund operators for a stated purpose, i.e. long-term savings to be used by the member as a supplemental pension fund. The funds are comprised of voluntary contributions from members and third-party contributors.

The plans are a set of complementary conditions and benefits offered to the plan's beneficiaries.

(25) Contract for custody and storage of goods and merchandise

As of March 31, 2022, December and March 2022, Depósito Agrícola de Cartago and its subsidiary have current contracts that are detailed below:

a) Logistics services provided to the duty-free shops of Instituto Mixto de Ayuda Social (IMAS), management of the General and Auxiliary Warehouses, transportation and distributions of goods.

b) Banking services provided to the duty-free shops of Instituto Mixto de Ayuda Social (IMAS), for collection of sales in the shops by human cashiers.

(26) Financial income on investments in financial instruments

Financial income on investments in financial instruments is as follows:

		March 2022	March 2021
Interest for investments in financial instruments at fair value through profit or loss	¢	1.695.635	120.799
Interests for investments in financial instruments at fair value through comprehensive income		21.241.095.822	19.302.704.197
Interests for investments at amortized cost		516.895.578	506.327.836
Income from investments in due and restricted financial instruments		444.222.159	758.317.616
	¢	**22.203.909.194**	**20.567.470.448**

(27) Financial income on loan portfolio and other financial interests

Financial income on loan portfolio and the financial interests is detailed as follows:

		March 2022	March 2021
Personal	¢	28.467.315.168	28.131.752.304
Development Banking System		589.491.881	579.334.679
Business		3.901.833.255	4.246.910.612
Corporate		30.768.428.854	35.123.029.225
Public sector		1.039.604.519	2.119.644.374
Financial sector		1.363.511.089	2.370.486.023
Amortization of the net commission of the incremental direct costs associated with loans		1.222.610.532	926.134.602
Interest for accounts receivable related to loan portfolio and other financial instruments for other concepts not included in the previous subaccounts and analytical accounts		329.496.640	212.438.782
	¢	**67.682.291.938**	**73.709.730.601**

(28) Expenses from obligations with the public

Financial expenses from obligations with the public are as follows:

		March 2022	March 2021
Expenses from demand deposits	¢	9.198.298.708	10.060.783.671
Expenses from term deposits		16.616.468.727	17.943.665.759
Expenses from securities in repurchase agreements		36.348.100	44.308.413
	¢	**25.851.115.535**	**28.048.757.843**

(29) Expenses for allowance for impairment of the loan portfolio and accounts and commissions receivable

Expenses from allowances for impairment of loan portfolio are as follows:

		March 2022	March 2021
Decrease in specific allowance for loan portfolio (See note 6-f)	¢	10.212.089.563	9.592.676.275
Expense for allowance for impairment and bad debts from other accounts receivable		934.657.091	1.043.880.385
Decrease in generic allowance and counter cycle for loan portfolio (See note 6-f)		1.219.436	59.479.693
Decrease in generic allowance and counter cycle for contingent loans		0	220.000
Expenses for allowance for impairment of investments at fair value through other comprehensive income		119.832.234	361.897.519
Expenses for allowance for impairment of financial instruments at amortized cost		0	1.757.609
Expenses for allowance for impairment of expired and restricted financial instruments		747.169	29.418.893
	¢	**11.268.545.493**	**11.089.330.374**

(30) Income from recovery of assets and decreases in allowances and provisions

Income from recovery of assets and decreases in allowances and provisions is detailed as follows:

		March 2022	March 2021
Recovery of written-down loans	¢	1.212.074.816	2.992.699.781
Decrease in specific allowance for the loan portfolio (See note 6-f)		253.881.564	1.869.056.289
Decrease in allowance for other bad receivables		359.713.341	420.798.592
Decrease in generic allowance and counter cycle for loan portfolio (See note 6-f)		243.172.571	50.767.394
Decrease in generic allowance and counter cycle for contingent loans		408	0
Decrease in allowance for bad investment securities		718.862.754	338.939.904
	¢	**2.787.705.454**	**5.672.261.960**

(31) Income from service fees and commissions

Income from service fees and commissions is detailed as follows:

		March 2022	March 2021
Drafts and transfers	¢	774.612.925	657.661.468
Foreign trade		182.746.040	189.242.230
Certified checks		1.016.905	1.170.080
Trust management		1.084.347.280	959.628.500
Custodial services		81.646.166	92.433.402
For mandates		0	492.494
Collections		168.800.634	161.027.033
Credit Cards		11.191.905.233	9.120.670.377
Investment Fund management		1.702.138.507	2.068.382.892
Pension Fund management		1.685.696.100	1.650.610.723
Insurance underwriting		1.799.415.150	1.552.434.045
Brokerage fees (by third parties in local market)		271.066.343	518.081.494
Brokerage fees (by third parties in other markets)		39.625.800	44.613.740
Commissions from operations with related parties		192.680.083	184.562.863
Commissions from operations with related parties		161.889.919	88.782.285
Commission from custodial services of authorized securities		240.685.174	151.666.302
Other commissions		9.412.571.795	8.163.833.822
	¢	**28.990.844.054**	**25.605.293.750**

(Continue)

(32) Income from interests in other companies

		March 2022	March 2021
Local entities:			
Interest in Bolsa Nacional de Valores, S.A.	¢	0	4.048.114
Interest in Banprocesa SRL.	¢	0	131.810.937
	¢	**0**	**135.859.051**

As of March 31, 2022, December and March 2021, there are no participation expenses in the National Stock Exchange.

As of March 31, 2022, there are no participation expenses in Banprocesa SRL, (¢131.810.937, for March 2021).

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the consolidated financial statements

March 31, 2022

(33) Administrative expenses

Administrative expenses are detailed as follows:

		March 2022	March 2021
Salaries and bonuses, permanent staff	¢	15.550.783.580	15.837.309.765
Salaries and bonuses, contractors		396.656.271	588.316.626
Compensation for directors and auditors		59.530.659	75.144.150
Overtime		154.571.075	118.129.698
Per diem		84.976.745	64.516.958
Statutory Christmas Bonus		1.324.972.865	1.435.058.881
Vacation		1.831.460.716	1.543.600.105
Incentives		1.643.194	1.361.667
Fixed representation expenses		245.817.076	227.831.538
Other compensation		556.545.960	373.090.633
Contribution to severance payment		678.561.826	703.043.943
Social security charges		5.512.806.327	5.482.691.904
Refreshments		6.003.049	4.159.736
Uniforms		419.280	719.779
Training		63.116.691	52.950.643
Employee insurance		274.500.230	130.979.408
Assets for personal use		186.630	18.216
School bonus		1.415.718.411	1.387.763.421
Labor Capitalization Fund		458.719.060	455.657.532
Other personnel expenses		258.286.963	261.379.751
Outsourcing expenses		5.100.139.867	4.333.923.707
Transportation and communication expenses		755.205.749	1.026.192.252
Property insurance		33.895.102	156.324.283
Property maintenance and repair		928.210.087	878.370.825
Public utilities		546.965.201	549.296.716
By right of use-properties		692.866.684	787.042.622
By right of use-furniture, equipment, and other assets		421.157.991	114.152.281
Depreciation of property. plant and equipment, except vehicles		2.531.169.339	2.534.829.760
Amortization of leasehold property		122.469.829	116.341.769
Other infrastructure expenses		949.274.065	956.663.371
Overhead		6.708.436.276	5.256.872.029
	¢	**47.665.066.798**	**45.453.733.969**

(34) Legal profit allocation

Legal allocations of profit (statutory allocations) of the period are detailed as follows:

		March 2022	March 2021
Allocation for CONAPE	¢	1.228.888.426	984.163.139
Allocation for Instituto Nacional de Fomento Cooperativo		1.838.409.591	965.790.031
Allocation for National Emergency Commission		882.402.067	722.420.047
Allocation for Public Pension Fund Operators		226.673.172	276.097.506
Allocation for Invalidity. Old Age. and Death Regime		3.686.665.276	2.952.489.414
	¢	**7.863.038.532**	**5.900.960.137**

As of March 31, 2022, December and March 2021 there are no decreases in the legal allocations of the period's profits.

(35) Components of other comprehensive income

The components of other comprehensive income are detailed as follows:

		March 2022		
		Amount before taxes	**Tax benefit (expense)**	**Net taxes**
Adjustment for valuation of investments at fair value through other comprehensive income.	¢	(26.140.414.726)	7.798.043.859	(18.342.370.867)
Impairment – Investments at fair value through other comprehensive income.		(566.438.081)	0	(566.438.081)
Exchange differences from conversion of financial statements of foreign entities.		5.380.172.992	0	5.380.172.992
	¢	**(21.326.679.815)**	**7.798.043.859**	**(13.528.635.956)**

		March 2021		
		Amount before taxes	**Tax benefit (expense)**	**Net taxes**
Adjustment for valuation of investments at fair value through other comprehensive income.	¢	19.498.322.229	(6.970.087.578)	12.528.234.651
Impairment – Investments at fair value through other comprehensive income.		83.052.811	0	83.052.811
Exchange differences from conversion of financial statements of foreign entities.		(321.566.992)	0	(321.566.992)
	¢	**19.259.808.048**	**(6.970.087.578)**	**12.289.720.470**

(36) Operating leases

Lessee

Non-cancellable operating leases are payable as follows:

		March 2022	**December 2021**	**March 2021**
Less than one year	¢	0	91.189.908	481.705.800
From one to five years		0	0	120.426.450
	¢	**0**	**91.189.908**	**602.132.250**

These leases correspond to furniture and equipment.

As of March 31, 2022, there are no amounts in these accounts.

(37) Fair value of financial instruments

The fair values of the Bank's main financial assets and liabilities are as follows:

		March 2022		December 2021		March 2021	
		Carrying amount	**Fair value**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Cash and due from banks	¢	911.799.512.935	911.799.512.935	960.508.938.412	960.508.938.412	788.333.146.134	788.333.146.134
Investments		1.905.804.603.468	1.889.185.163.830	1.890.859.623.926	1.864.371.718.197	1.489.667.922.431	1.476.007.210.504
Loan portfolio		4.209.615.282.629	3.267.972.680.436	4.122.382.245.258	3.198.566.472.304	3.854.485.697.619	2.945.676.273.662
		7.027.219.399.032	**6.068.957.357.201**	**6.973.750.807.596**	**6.023.447.128.913**	**6.132.486.766.184**	**5.210.016.630.300**
Demand deposits		3.315.781.248.710	3.315.781.248.710	3.405.432.886.728	3.405.432.886.728	2.798.508.192.650	2.798.508.192.650
Term deposits		1.842.725.490.152	1.832.762.003.501	1.691.856.375.240	1.685.247.259.043	1.745.377.751.704	1.382.153.272.075
Financial obligations		1.049.847.260.482	1.106.128.317.656	1.038.668.463.929	1.014.828.526.882	897.725.579.266	440.657.689.489
	¢	**6.208.353.999.344**	**6.254.671.569.867**	**6.135.957.725.897**	**6.105.508.672.653**	**5.441.611.523.620**	**4.621.319.154.214**

As of March 2022, December and March 2021, there are no subordinated obligations.

Where practicable, the following assumptions were used by management to estimate the fair value of each class of financial instruments both on and off the consolidated balance sheet:

a) Cash and cash equivalents, interest receivable, other accounts receivable, demand deposits and customer savings deposits, interest payable, and other liabilities.

The carrying amounts approximate fair value because of the short maturity of these instruments.

b) Investments in financial instruments

For financial instruments through other comprehensive income, the fair value is based on market price quotes or quotes from brokers.

c) Securities sold under repurchase agreements

The carrying amount of funds owed under repurchase agreements maturing in one year or less approximates their fair value because of the short maturity of these instruments.

d) Loan portfolio

Management determined the fair value of the loan portfolio by the discounted cash flow method.

(Continue)

e) Term deposits and loans payable

Management determined the fair value of term deposits and loans payable by the discounted cash flow method.

Fair value estimates are made at a specific date, based on relevant market information and information concerning the financial instruments. These estimates do not reflect any premium or discount that could result from offering for sale of a particular financial instrument at a given date. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and. Therefore, cannot be determined with precision. Estimates could vary significantly if changes are made to those assumptions.

(38) Segments

The Bank has defined its business segments based on the administrative and reporting structure, and on the structure of banking, stock brokerage, investment and pension fund management, and insurance brokerage services it provides.

(Continue)

As of March 31, 2022, assets and liabilities for each segment are presented as follows:

		Bank	Pension Fund Operator	Investment Fund Manager	Brokerage House	Foreign Bank	Insurance Broker	Depósito Agrícola de Cartago	Banprocesa	Total	Eliminations	Consolidated
Assets												
Cash and due from banks	¢	809.164.168.561	207.503.419	1.341.172.205	930.159.521	134.179.690.812	435.131.476	21.044.657	30.828.834	946.309.699.485	(34.510.186.550)	911.799.512.935
Investment in financial instruments		1.769.586.894.559	6.876.159.534	7.997.262.730	49.049.078.142	64.170.323.615	9.356.995.959	750.118.490	573.136.429	1.908.359.969.458	(2.555.365.989)	1.905.804.603.469
Loan portfolio		3.048.476.299.121	0	0	0	980.563.787.776	0	0	0	4.029.040.086.897	1	4.029.040.086.898
Accounts and fees receivable		15.791.423.223	712.067.585	867.869.381	465.672.917	7.769.049.268	795.445.387	115.244.683	1.098.551.423	27.615.323.867	(3.403.685.396)	24.211.638.471
Foreclosed assets		40.178.365.803	0	0	0	21.312.766.299	0	39	0	61.491.132.141	0	61.491.132.141
Interest in other companies (net)		133.305.305.297	0	0	65.417.188	0	0	0	0	133.370.722.485	(133.305.305.297)	65.417.188
Property. furniture and equipment. Net		128.072.436.214	305.914.596	397.510.602	273.642.290	8.263.349.688	283.618.581	266.274.809	253.300.792	138.116.047.572	(89.572.496)	138.026.475.076
Properties investments		6.441.924.521	0	0	0	0	0	0	0	6.441.924.521	0	6.441.924.521
Other assets		63.364.830.239	711.902.214	259.111.501	262.585.729	24.978.153.920	160.627.911	89.917.759	7.827.702	89.834.956.975	(1.206.397.567)	88.628.559.408
Total assets	¢	**6.014.381.647.538**	**8.813.547.348**	**10.862.926.419**	**51.046.555.787**	**1.241.237.121.378**	**11.031.819.314**	**1.242.600.437**	**1.963.645.180**	**7.340.579.863.401**	**(175.070.513.294)**	**7.165.509.350.107**
Liabilities and Equity												
Liabilities												
Obligations with the public	¢	4.655.341.909.142	0	0	7.121.373.685	501.830.137.704	10.705.690	0	0	5.164.304.126.221	(5.797.387.359)	5.158.506.738.862
Obligations with the Central Bank of Costa Rica		118.264.017.839	0	0	0	0	0	0	0	118.264.017.839	0	118.264.017.839
Obligations with entities		383.771.456.057	357.591.442	499.169.523	17.572.606.019	562.955.171.167	350.136.524	184.365.046	278.073.832	965.968.569.610	(34.401.143.190)	931.567.426.420
Accounts payable and provisions		151.190.000.145	1.436.576.090	1.063.806.327	2.659.044.086	10.269.918.444	1.323.350.553	103.572.245	371.394.326	168.417.662.216	(360.279.878)	168.057.382.338
Other liabilities		18.202.196.205	0	0	0	3.529.717.492	67.932.616	1.557.516	746.272	21.802.150.101	(3)	21.802.150.098
Total liabilities	¢	**5.326.769.579.388**	**1.794.167.532**	**1.562.975.850**	**27.353.023.790**	**1.078.584.944.807**	**1.752.125.383**	**289.494.807**	**650.214.430**	**6.438.756.525.987**	**(40.558.810.430)**	**6.398.197.715.557**
Equity												
Capital		181.409.990.601	5.296.983.573	4.839.200.000	12.626.000.000	38.609.421.071	2.250.000.000	305.842.762	710.000.000	246.047.438.007	(64.637.447.406)	181.409.990.601
Unfunded capital contributions		-	124.874.567	0	0	0	0	0	0	124.874.567	(124.874.567)	0
Equity adjustments		80.522.415.744	22.489.156	(103.734.602)	1.181.418.114	68.641.911.743	(4.129.016)	639.731	0	150.261.010.870	(69.738.595.126)	80.522.415.744
Capital reserves		325.313.265.088	310.513.468	967.839.999	1.650.142.127	31.732.035.803	449.999.999	36.187.964	35.725.889	360.495.710.337	(35.182.445.249)	325.313.265.088
Prior periods retained earnings		44.852.210.066	1.037.845.881	3.074.170.167	7.105.323.295	22.890.987.079	5.630.056.788	584.070.492	386.985.797	85.561.649.565	(40.709.439.499)	44.852.210.066
Profit for the period		15.037.464.874	226.673.171	522.475.005	1.130.648.461	777.820.875	953.766.160	26.364.681	180.719.064	18.855.932.291	(3.818.467.417)	15.037.464.874
Development financing fund		40.476.721.777	0	0	0	0	0	0	**0**	40.476.721.777	0	40.476.721.777
Minority interest		0	0	0	0	0	0	0	0	0	79.699.566.400	79.699.566.400
Total equity		687,612,068,150	7,019,379,816	9,299,950,569	23,693,531,997	162,652,176,571	9,279,693,931	953,105,630	1.313.430.750	901.823.337.414	(134.511.702.864)	767.311.634.550
Total liabilities and equity	¢	**6,014,381,647,538**	**8,813,547,348**	**10,862,926,419**	**51,046,555,787**	**1,241,237,121,378**	**11,031,819,314**	**1,242,600,437**	**1.963.645.180**	**7.340.579.863.401**	**(175.070.513.294)**	**7.165.509.350.107**
Debit contingent accounts	¢	318.576.412.726	0	0	0	133.960.114.180	0	0	0	452.536.526.906	0	452.536.526.906
Trust assets	¢	870.600.929.716	0	0	0	60.018.752.181	0	0	0	930.619.681.897	0	930.619.681.897
Trust liabilities	¢	348.390.214.318	0	0	0	0	0	0	0	348.390.214.318	0	348.390.214.318
Trust equity	¢	522.210.715.399	0	0	0	60.018.752.181	0	0	0	582.229.467.580	(1)	582.229.467.579
Other debit memoranda accounts	¢	16.905.572.677.182	1.584.582.360.949	737.708.664.633	926.847.486.059	1.488.255.411.631	0	4.227.632.148	0	21.647.194.232.602	2	21.647.194.232.604

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BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the consolidated financial statements

March 31, 2022

As of December 31, 2021, assets and liabilities for each segment are presented as follows:

		Bank	Pension Fund Operator	Investment Fund Manager	Brokerage House	Foreign Bank	Insurance Broker	Depósito Agricola de Cartago	Banprocesa	Total	Eliminations	Consolidated
Assets												
Cash and due from banks	¢	864.405.461.582	382.656.329	1.404.199.503	1.000.438.445	127.984.618.692	693.473.756	18.366.766	6.339.715	995.895.554.788	(35.386.616.376)	960,508,938,412
Investment in financial instruments		1.754.312.982.756	7.654.325.798	7.746.780.489	51.975.576.071	61.577.071.489	8.262.675.302	735.544.922	1.078.757.506	1.893.343.714.333	(2.484.090.408)	1.890.859.623.925
Loan portfolio		3.038.196.017.416	0	0	0	912.967.594.496	0	0	0	3.951.163.611.912	0	3.951.163.611.912
Accounts and fees receivable		15.609.952.548	715.482.266	844.009.362	366.521.918	6.864.732.158	663.743.283	104.127.065	518.009.765	25.686.578.365	(3.758.602.456)	21.927.975.909
Foreclosed assets		42.352.819.263	0	0	0	20.723.056.771	0	39	0	63.075.876.073	0	63.075.876.073
Interest in other companies (net)		128.725.242.930	0	0	65.417.188	0	0	0	0	128.790.660.118	(128.725.242.930)	65.417.188
Property. furniture and equipment. Net		131.640.777.150	329.308.054	429.483.720	293.799.720	8.101.649.308	305.692.446	270.760.400	270.865.981	141.642.336.779	(79.094.228)	141.563.242.551
Properties investments		6.441.924.521	0	0	0	0	0	0	0	6.441.924.521	0	6.441.924.521
Other assets		73.915.922.394	675.490.420	289.427.055	1.720.965.010	23.365.213.566	329.736.815	118.000.879	107.141.521	100.521.897.660	(940.117.719)	99.581.779.941
Total assets	¢	**6.055.601.100.560**	**9.757.262.867**	**10.713.900.129**	**55.422.718.352**	**1.161.583.936.480**	**10.255.321.602**	**1.246.800.071**	**1.981.114.488**	**7.306.562.154.549**	**(171.373.764.117)**	**7.135.188.390.432**
Liabilities and Equity												
Liabilities												
Obligations with the public	¢	4.615.047.205.486	0	0	7.250.003.134	481.194.782.283	11.209.498	0	0	5.103.503.200.401	(6.213.938.433)	5.097.289.261.968
Obligations with the Central Bank of Costa Rica		128.285.685.643	0	0	0	0	0	0	0	128.285.685.643	0	128.285.685.643
Obligations with entities		422.222.882.801	369.801.852	516.214.305	20.170.452.199	501.130.190.767	362.140.404	184.205.189	287.136.241	945.243.023.758	(34.876.398.056)	910.366.625.702
Accounts payable and provisions		185.153.781.877	2.562.289.081	1.328.670.880	4.348.598.690	12.231.194.461	1.482.431.381	135.015.957	560.529.259	207.802.511.586	(618.066.976)	207.184.444.610
Other liabilities		16.232.013.810	0	0	0	10.370.334.756	36.337.914	1.275.408	737.302	26.640.699.190	(1)	26.640.699.189
Total liabilities	¢	**5.366.941.569.617**	**2.932.090.933**	**1.844.885.185**	**31.769.054.023**	**1.004.926.502.267**	**1.892.119.197**	**320.496.554**	**848.402.802**	**6.411.475.120.578**	**(41.708.403.466)**	**6.369.766.717.112**
Equity												
Capital		181.409.990.601	5.310.643.556	4.839.200.000	12.626.000.000	38.609.421.071	2.250.000.000	305.842.762	710.000.000	246.061.097.990	(64.651.107.389)	181.409.990.601
Unfunded capital contributions		0	111.214.585	0	0	0	0	0	0	111.214.585	(111.214.585)	0
Equity adjustments		96.607.343.411	54.954.446	(12.195.223)	2.272.198.910	63.473.713.212	33.145.617	202.300	0	162.429.362.673	(65.822.019.262)	96.607.343.411
Capital reserves		296.709.547.031	255.889.999	967.840.000	1.467.308.772	31.691.609.057	450.000.000	34.330.620	5.908.530	331.582.434.009	(34.872.886.977)	296.709.547.032
Prior periods retained earnings		23,286,282,979	0	539.757.627	3.631.489.587	20.520.452.702	2.535.848.001	548.780.963	(179.544.020)	50.883.067.839	(27.596.784.860)	23.286.282.979
Profit for the period		54.434.355.511	1.092.469.348	2.534.412.540	3.656.667.060	2.362.238.171	3.094.208.787	37.146.872	596.347.176	67.807.845.465	(13.373.489.954)	54.434.355.511
Development financing fund		36.212.011.410	0	0	0	0	0	0	**0**	36.212.011.410	0	36.212.011.410
Minority interest		0	0	0	0	0	0	0	0	0	76.762.142.376	76.762.142.376
Total equity		**688.659.530.943**	**6.825.171.934**	**8.869.014.944**	**23.653.664.329**	**156.657.434.213**	**8.363.202.405**	**926.303.517**	**1.132.711.686**	**895.087.033.971**	**(129.665.360.651)**	**765.421.673.320**
Total liabilities and equity	¢	**6.055.601.100.560**	**9.757.262.867**	**10.713.900.129**	**55.422.718.352**	**1.161.583.936.480**	**10.255.321.602**	**1.246.800.071**	**1.981.114.488**	**7.306.562.154.549**	**(171.373.764.117)**	**7.135.188.390.432**
Debit contingent accounts	¢	**319.726.692.051**	**0**	**0**	**0**	**134.941.092.172**	**0**	**0**	**0**	**454.667.784.223**	**0**	**454.667.784.223**
Trust assets	¢	**927.719.265.552**	**0**	**0**	**0**	**57.780.857.969**	**0**	**0**	**0**	**985.500.123.521**	**0**	**985.500.123.521**
Trust liabilities	¢	**362.909.505.260**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**362.909.505.260**	**0**	**362.909.505.260**
Trust equity	¢	**564.809.760.292**	**0**	**0**	**0**	**57.780.857.969**	**0**	**0**	**0**	**622.590.618.261**	**0**	**622.590.618.261**
Other debit memoranda accounts	¢	**15.234.563.101.376**	**1.606.980.067.052**	**805.087.071.485**	**895.434.022.840**	**1.524.770.586.280**	**0**	**4.888.634.526**	**0**	**20.071.723.483.559**	**0**	**20.071.723.483.560**

(Continue)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the consolidated financial statements

March 31, 2022

As of March 31, 2021, assets and liabilities for each sector are presented as follows:

		Bank	Pension Fund Operator	Investment Fund Manager	Brokerage House	Foreign Bank	Insurance Broker	Depósito Agrícola	Insurance agency	Total	Eliminations	Consolidated
Assets												
Cash and due from banks	¢	711.403.907.853	670.777.095	4.292.585.726	969.748.256	110.060.940.918	473.245.392	38.307.963	0	827.909.513.203	(39.576.367.069)	788.333.146.134
Investment in financial instruments		1,331,420,649,010	5.689.230.774	5.636.274.767	54.590.404.557	82.281.243.159	9.594.249.284	685.444.252	0	1.489.897.495.803	(230.760.990)	1.489.666.734.813
Loan portfolio		2.892.944.978.938	0	0	0	820.170.947.847	0	0	0	3.713.115.926.785	1	3.713.115.926.786
Accounts and fees receivable		6,314,898,279	580.471.597	804.938.127	1.239.807.179	7.619.325.374	446.309.722	152.962.593	0	17.158.712.871	(3.322.612.558)	13.836.100.313
Foreclosed assets		47.366.068.430	0	0	0	19.496.750.281	0	39	0	66.862.818.750	(1)	66.862.818.749
Interest in other companies (net)		120,677,218,711	0	0	65.417.188	0	0	0	0	120.742.635.899	(120.009.043.264)	733.592.635
Property, furniture and equipment, net		133,343,297,606	399.488.428	525.543.210	354.377.643	8.488.374.921	372.319.692	255.052.435	0	143.738.453.935	(100.030.936)	143.638.422.999
Properties investments		6,441,924,521	0	0	0	0	0	0	0	6.441.924.521	0	6.441.924.521
Other assets		72.726.066.792	419.719.320	245.719.176	365.201.597	22.180.828.366	276.738.203	78.628.854	0	96.292.902.308	(2)	96,292,902,306
Total assets	¢	**5.322.639.010.140**	**7.759.687.214**	**11.505.061.006**	**57.584.956.420**	**1.070.298.410.866**	**11.162.862.293**	**1.210.396.136**	**0**	**6.482.160.384.075**	**(163.238.814.819)**	**6.318.921.569.256**
Liabilities and Equity												
Liabilities												
Obligations with the public	¢	4.095.270.171.365	0	0	940.838.079	454.239.371.760	13.085.174	0	0	4.550.463.466.378	(6.577.522.024)	4.543.885.944.354
Obligations with the Central Bank of Costa Rica		20.798.228.384	0	0	0	0	0	0	0	20.798.228.384	0	20.798.228.384
Obligations with entities		426.467.099.203	419.409.068	585.462.120	31.680.103.603	453.395.279.762	407.194.202	222.497.805	0	913.177.045.763	(36.265.832.833)	876.911.212.930
Accounts payable and provisions		134.505.650.067	1.951.151.365	1.130.142.863	2.517.248.709	10.458.475.504	4.533.454.865	90.782.981	0	155.186.906.354	(386.416.697)	154.800.489.657
Other liabilities		27.802.264.051	0	0	0	4.523.480.388	40.027.215	241.473	0	32.366.013.127	(1)	32,366,013,126
Total liabilities	¢	**4.704.843.413.070**	**2.370.560.433**	**1.715.604.983**	**35.138.190.391**	**922.616.607.414**	**4.993.761.456**	**313.522.259**	**0**	**5.671.991.660.006**	**(43.229.771.555)**	**5.628.761.888.451**
Equity												
Capital		181.409.990.601	4.440.813.382	4.839.200.000	12.626.000.000	38.609.421.071	2.250.000.000	305.842.762	0	244.481.267.816	(63.071.277.215)	181,409,990,601
Unfunded capital contributions		0	351.044.759	0	0	0	0	0	0	351.044.759	(351.044.759)	0
Equity adjustments		68.444.872.820	65.281.135	3.819.311	1.381.151.958	56.005.905.758	67.878.001	151.200	0	125.969.060.183	(57.524.187.363)	68.444.872.820
Capital reserves		296.709.547.031	255.890.000	967.840.000	1.467.308.772	36.609.534.621	450.000.000	34.330.621	0	336.494.451.045	(39.784.904.014)	296.709.547.031
Prior periods retained earnings		23.286.282.979	0	3.289.757.627	6.131.489.587	16.080.529.971	2.535.848.001	548.780.963	0	51.872.689.128	(28.586.406.149)	23.286.282.979
Profit for the period		11.732.892.229	276.097.505	688.839.085	840.815.712	376.412.031	865.374.835	7.768.331	0	14.788.199.728	(3.055.307.499)	11.732.892.229
Development financing fund		36.212.011.410	0	0	0	0	0	0	0	36.212.011.410	0	36.212.011.410
Minority interest		0	0	0	0	0	0	0	0	0	72.364.083.735	72.364.083.735
Total equity		617.795.597.070	5.389.126.781	9.789.456.023	22.446.766.029	147.681.803.452	6.169.100.837	896.873.877	0	810.168.724.069	(120.009.043.264)	690.159.680.805
Total liabilities and equity	¢	**5.322.639.010.140**	**7.759.687.214**	**11.505.061.006**	**57.584.956.420**	**1.070.298.410.866**	**11.162.862.293**	**1.210.396.136**	**0**	**6.482.160.384.075**	**(163.238.814.819)**	**6.318.921.569.256**
Debit contingent accounts	¢	299.343.121.981	0	0	0	135.320.645.012	0	0	0	434.663.766.993	0	434.663.766.992
Trust assets	¢	873.772.231.020	0	0	0	53.375.182.108	0	0	0	927.147.413.128	0	927.147.413.128
Trust liabilities	¢	366.023.263.322	0	0	0	0	0	0	0	366.023.263.322	0	366.023.263.322
Trust equity	¢	507.748.967.698	0	0	0	53.375.182.108	0	0	0	561.124.149.806	0	561.124.149.807
Other debit memoranda accounts	¢	21.426.337.044.622	1.439.051.608.124	751.741.986.227	673.522.018.939	1.457.722.241.827	0	2.753.231.749	0	25.751.128.131.488	0	25.751.128.131.487

(Continue)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the consolidated financial statements

March 31, 2022

As of March 31, 2022, results of each segment are as follows:

		Bank	Pension Fund Operator	Investment Fund Manager	Brokerage House	Foreign Bank	Insurance Broker	Depósito Agrícola de Cartago	Banprocesa	Total	Eliminations	Consolidated
Financial income	¢	82.852.858.236	79.154.565	208.210.489	1.709.197.604	14.541.510.399	163.895.839	4.045.293	1.378.935	99.560.251.360	(184.563.507)	99.375.687.853
Financial expenses		23.605.480.616	10.526.639	7.672.420	97.923.398	7.587.410.882	5.346.607	3.214.859	11.175.453	31.328.750.874	(215.665.428)	31.113.085.446
Expenses from allowance for assets impairment		10.246.263.395	2.548.340	9.366	28.826.407	978.835.284	11.663.352	399.349	0	11.268.545.493	0	11.268.545.493
Income from recovery of assets and decrease in allowance		2.720.096.381	6.171.985	1.811.094	49.866.580	0	9.554.596	204.818	0	2.787.705.454	0	2.787.705.454
Financial income		**51.721.210.606**	**72.251.571**	**202.339.797**	**1.632.314.379**	**5.975.264.233**	**156.440.476**	**635.903**	**(9.796.518)**	**59.750.660.447**	**31.101.921**	**59.781.762.368**
Other operating income		50.236.894.234	1.782.794.086	1.704.890.796	914.621.566	444.611.401	1.978.067.042	292.285.934	900.316.286	58.254.481.345	(5.463.833.290)	52.790.648.055
Other operating expenses		34.024.335.844	415.895.891	380.894.364	185.782.637	776.264.996	74.338.585	33.419.306	24.716.200	35.915.647.823	(1.176.528.749)	34.739.119.074
Gross operating income		**67.933.768.996**	**1.439.149.766**	**1.526.336.229**	**2.361.153.308**	**5.643.610.638**	**2.060.168.933**	**259.502.531**	**865.803.568**	**82.089.493.969**	**(4.256.202.620)**	**77.833.291.349**
Personnel expenses		23.743.145.927	624.811.229	670.884.127	582.502.941	2.514.636.010	564.762.784	174.533.587	583.908.083	29.459.184.688	(583.908.082)	28.875.276.606
Other administrative expenses		16.441.799.297	136.864.491	83.833.848	94.112.019	2.110.591.180	93.615.883	46.367.813	17.565.091	19.024.749.622	(234.959.430)	18.789.790.192
Administrative expenses		**40.184.945.224**	**761.675.720**	**754.717.975**	**676.614.960**	**4.625.227.190**	**658.378.667**	**220.901.400**	**601.473.174**	**48.483.934.310**	**(818.867.512)**	**47.665.066.798**
Net operating income before taxes and statutory allocations		**27.748.823.772**	**677.474.046**	**771.618.254**	**1.684.538.348**	**1.018.383.448**	**1.401.790.266**	**38.601.131**	**264.330.394**	**33.605.559.659**	**(3.437.335.108)**	**30.168.224.551**
Income tax		4.847.893.510	204.850.367	229.927.668	507.401.145	204.255.497	421.345.778	11.078.416	78.300.289	6.505.052.670	(1)	6.505.052.669
Deferred income tax		4.959.146.160	5.496.312	6.182.185	3.528.546	36.307.076	2.797.624	0	2.718.723	5.016.176.626	0	5.016.176.626
Decrease in income tax		4.586.977.121	6.543.198	10.115.151	7.575.956	0	18.173.005	0	5.256.032	4.634.640.463	0	4.634.640.463
Profit sharing		7.491.296.349	246.997.394	23.148.547	50.536.152	0	42.053.709	1.158.034	7.848.350	7.863.038.535	(3)	7.863.038.532
Net profit for the year		**15.037.464.874**	**226.673.171**	**522.475.005**	**1.130.648.461**	**777.820.875**	**953.766.160**	**26.364.681**	**180.719.064**	**18.855.932.291**	**(3.437.335.104)**	**15.418.597.187**
Results for the period attributable to minority interests		0	0	0	0	0	0	0	0	0	(381.132.313)	381.132.313
Results for the period attributable to the comptroller		**15.037.464.874**	**226.673.171**	**522.475.005**	**1.130.648.461**	**777.820.875**	**953.766.160**	**26.364.681**	**180.719.064**	**18.855.932.291**	**(3.818.467.417)**	**15.037.464.874**
Net income for the periods	¢	**15.037.464.874**	**226.673.171**	**522.475.005**	**1.130.648.461**	**777.820.875**	**953.766.160**	**26.364.681**	**180.719.064**	**18.855.932.291**	**(3.818.467.417)**	**15.037.464.874**

(Continue)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the consolidated financial statements

March 31, 2022

As of March 31, 2021, results of each segment are as follows:

	Bank	Pension Fund Operator	Investment Fund Manager	Brokerage House	Foreign Bank	Insurance Broker	Depósito Agrícola	Total	Eliminations	Consolidated
Financial income	¢ 81.344.313.927	85.643.539	125.424.299	1.184.962.486	14.395.834.218	228.475.691	5.927.801	97.370.581.961	(182.344.433)	97.188.237.528
Financial expenses	27.102.762.394	6.568.098	28.916.575	126.987.632	8.207.285.868	6.376.504	4.104.398	35.483.001.469	(326.167.532)	35.156.833.937
Expenses from allowance for assets impairment	9.902.177.266	1.126.196	440.496	83.647.297	1.099.169.714	2.769.406	0	11.089.330.375	(1)	11.089.330.374
Income from recovery of assets and decrease in allowance	5.544.072.259	2.749.313	20.296.623	84.733.577	0	20.190.907	219.281	5.672.261.960	0	5.672.261.960
Financial income	**49.883.446.526**	**80.698.558**	**116.363.851**	**1.059.061.134**	**5.089.378.636**	**239.520.688**	**2.042.684**	**56.470.512.077**	**143.823.100**	**56.614.335.177**
Other operating income	39.587.056.054	1.747.706.157	2.071.017.325	1.084.215.914	337.839.350	1.739.896.555	220.662.179	46.788.393.534	(3.948.584.341)	42.839.809.193
Other operating expenses	28.174.149.055	349.646.253	394.907.078	217.546.224	851.037.147	125.288.504	35.150.219	30.147.724.480	(933.895.634)	29.213.828.846
Gross operating income	**61.296.353.525**	**1.478.758.462**	**1.792.474.098**	**1.925.730.824**	**4.576.180.839**	**1.854.128.739**	**187.554.644**	**73.111.181.131**	**(2.870.865.607)**	**70.240.315.524**
Personnel expenses	23.934.559.384	522.128.974	684.086.625	571.051.430	2.381.168.595	516.366.915	134.362.430	28.743.724.353	1	28,743,724,354
Other administrative expenses	14.675.854.832	130.955.216	81.745.299	98.411.218	1.612.452.901	71.641.675	38.948.472	16.710.009.613	2	16.710.009.615
Administrative expenses	**38,610,414,216**	**653.084.190**	**765.831.924**	**669.462.648**	**3.993.621.496**	**588.008.590**	**173.310.902**	**45.453.733.966**	**3**	**45.453.733.969**
Net operating income before taxes and statutory allocations	**22.685.939.309**	**825.674.272**	**1.026.642.174**	**1.256.268.176**	**582.559.343**	**1.266.120.149**	**14.243.742**	**27.657.447.165**	**(2.870.865.610)**	**24.786.581.555**
Income tax	5.653.496.678	248.709.031	307.003.824	377.705.285	197.063.264	356.704.437	5.794.390	7.146.476.909	1	7.146.476.910
Deferred income tax	0	0	0	1.554.769	9.084.048	6.057.272	0	16.696.089	(1)	16.696.088
Decrease in income tax	193.390.064	0	0	1.495.634	0	0	0	194.885.698	0	194.885.698
Profit sharing	5.492.940.466	300.867.736	30.799.265	37.688.044	0	37.983.605	681.021	5.900.960.137	0	5.900.960.137
Net profit for the year	**11.732.892.229**	**276.097.505**	**688.839.085**	**840.815.712**	**376.412.031**	**865.374.835**	**7.768.331**	**14.788.199.728**	**(2.870.865.610)**	**11.917.334.118**
Results for the period attributable to minority interests	0	0	0	0	0	0	0	0	(184.441.889)	184.441.889
Results for the period attributable to the comptroller	**11.732.892.229**	**276.097.505**	**688.839.085**	**840.815.712**	**376.412.031**	**865.374.835**	**7.768.331**	**14.788.199.728**	**(3.055.307.499)**	**11.732.892.229**
Net income for the periods	**¢ 11.732.892.229**	**276.097.505**	**688.839.085**	**840.815.712**	**376.412.031**	**865.374.835**	**7.768.331**	**14.788.199.728**	**(3.055.307.499)**	**11.732.892.229**

(Continue)

(39) Risk management

Comprehensive risk management

Sophistication and uncertainty of financial markets involve managing risks that may impair the value of entities and of third-party resources it manages. Given this reality, the Bank implemented a System of Comprehensive Risk management, (Hereinafter SIGIR or System), enabling it to achieve a proper balance between the expected benefits of the business strategy and the acceptance of a certain level of risk, through an effective risk-based management.

Corporate governance of the risk management area

Boards of Directors, committees, and senior managers of member institutions of the BCR Financial Conglomerate strengthen and ensure the above-mentioned system, aware that it contributes to the improvement of institutional processes, and hence to the achievement of objectives and goals.

Corporate risk management is led by the Corporate Risk Management reporting to the General Board of Directors, which has various administrative areas, responsible for the specific and comprehensive management of relevant risk to which the entity is exposed while in the subsidiaries there are risk managing areas responsible for this work.

Objective of the Comprehensive Risk Management System

The System aims to generate information that will support the decision making to locate the entity at a risk level consistent with its profile and risk appetite as well as it business flows, complexity, operations volume and economic environment, and thus lead to the achievement of institutional objective and goals.

General Risk Principles and Policies

The Conglomerate has policies, strategies and other corporate regulations for an effective comprehensive risk management, thus providing administrative, legal and technical certainty to the System, supporting the decision making:

- A robust regulatory framework to provide legal, technical and administrative certainty for the functioning, evaluation and improvement of the System.
- Strategies that seek to strengthen the system's maturity level.
- The risk management culture is promoted at all levels of the organization, thereby raising awareness of the importance of effective risk-based management.

(Continue)

- Methodologies and measurement models are available for the valuation of the different types of risk, which are periodically subjected to retrospective and stress tests, to adjust the variables and factors that influence the exposure to risks.
- Updated tools and systems are available to meet the needs of managing each type of risk.
- Risk and contingency management plans are in place to deal with situations that prevent the fulfillment of the objectives defined, as well as for materialized events whose consequences may generate negative impacts on the entities.

Classification of significant risks

The relevant risks to the Bank are classified as follows:

Risk classification of Banco de Costa Rica Financial Conglomerate

<table>
<tr><td rowspan="12">Types of relevant risk</td><td rowspan="3">Financial</td><td>Credit</td></tr>
<tr><td>Market</td></tr>
<tr><td>Liquidity</td></tr>
<tr><td rowspan="9">Non-financial</td><td>Strategic</td></tr>
<tr><td>Operating</td></tr>
<tr><td>Legal</td></tr>
<tr><td>Information Technology</td></tr>
<tr><td>Reputational</td></tr>
<tr><td>Environmental and social</td></tr>
<tr><td>Regulatory compliance</td></tr>
<tr><td>Money laundering and financing of terrorism, financing of proliferation of weapons of mass destruction and financing of organized crime (LC/FT/FPADM/FDO-for its acronym in Spanish)</td></tr>
</table>

Types of risks related to the strategic plan

The following table details the types of risk associated with the strategic objectives of the BCR Financial Conglomerate.

Strategic objective	**Process**	**Type of risk**	**Risk Appetite Declaration Indicator**
1. To guarantee the financial solidity of the Conglomerate. 2. Support the country's performance.	1. Organizational strategy 1. Treasury operations	Capital	Equity Sufficiency Index
	1. Security management 2. Management of processes and regulations 3. IT Security	Operative	Expected loss due to operational risk (last 12 months) Technology platform availability Vulnerability analysis Change management
	1. Loan granting 2. Monitoring of loans 3. Loans recovery	Credit	Expected loss of the loan portfolio Non high-risk generators
	1. Financial treasury operations	Market	VaR of the investment portfolio 03-06 Elasticity of the financial margin to movements in interest rates PPME sensibility for ER movements
	2. Investment services	Liquidity	Liquidity coverage ratio by currency

(Continue)

Statement of risk appetite

A Risk Appetite Statement is established for the CFBCR approved by the General Board of Directors and a Risk Appetite Statement for each member entity of the Conglomerate approved by its boards of directors. These documents are part of the comprehensive risk management framework, which are periodically reviewed and updated.

Its purpose is to declare the acceptability parameters of the risks to which Banco de Costa Rica and its subsidiaries are exposed.

They establish qualitative and quantitative definitions of risk appetite that include indicators by type of risk for which the parameters related to appetite, tolerance and capacity are determined defining the levels of exposure to be assumed. Reports with alerts are generated when deviations from normal business behavior occur, supporting timely decision-making for normalization.

Process of comprehensive risk management

The process of risk assessment includes identification, analysis, evaluation, Management, review, documentation, and risk communication.

Types of risk assessments

The process of risk management includes qualitative and quantitative assessments. The first correspond to specific analysis of the objectives of activities and substantial processes of the BCR Financial Conglomerate. The second refers to global analysis with quantitative risk measurements using mathematical and statistical methods and models.

In addition, during the period under study, the management generated reports about risk on new services and products or modification to existing ones, which are issued prior to its release to the market or the contracting of services.

Risk control framework

Risk Control arises as result of the operation of the Internal Control System established in each of the Conglomerate Financiero BCR members, incorporating flow of processes and internal control activities to minimize risk exposure.

(Continue)

Risk assessment generates various alerts, recommendations, and treatment of risk plans, contributing to its overall and specific mitigation. Contributing those risks are located at an acceptable level of exposure, congruent with the defined risk profile, supporting the sustainability, solvency, and value of the members of the Conglomerate.

In addition, there is a continuous monitoring of tolerance limits and risk indicators, to reflect the degree of exposure in which each of its relevant risk types is found. Contingency plans are available to deal with unexpected events that affect compliance.

Mitigation coverage

In accordance with the regulations, estimates and provisions are maintained. Implemented risk assessment models seek to establish additional capital requirements to cover non-expected losses. Likewise, BCR net worth equity indicator is evaluated to analyze its ability to respond to different types of risk, which, during the period under study, was higher than the 10% limit established by the General Superintendence of Financial Institutions.

Evaluation of the effectiveness and maturity of the System

Risk managing areas apply critical judgment on the effectiveness and maturity of the System using self-assessment tools for continuous improvement. Annually, a Model of Corporate Maturity is applied to evaluate the progress in management by type of risk. The results of this assessment are used to define strategies and work plans.

Information generated by the Comprehensive Risk Management System

During the period under analysis, the system generated timely and periodic reports for the Boards of Directors, Committees, and other risk-taking areas of the BCR Financial Conglomerate, as a result of the Comprehensive Risk Management, or by the occurrence of significant events that should be known of for suitable decision making based on risk exposure and risk-based business management.

(a) Credit risk management

Definition

Credit risk is the possibility of economic losses due to the breach of the agreed conditions by the debtor, issuer, or counterparty. The risk of default against a counterparty is defined as the possibility that one of the parties of a transaction using financial instruments may breach its obligations. In such a case, an economic loss would occur if the operations or the portfolio of operations with that party had a positive economic value at the time of default.

Unlike the exposure of an entity to credit risk through a loan or investment, which is only unilateral for the entity that grants the loan or makes the investment, the counterparty risk produces a risk of bilateral loss, since the fair value of the transaction can be positive or negative for both parties, is uncertain and can vary over time as the underlying market factors do. Likewise, when the entity makes international loans and investments, it is also exposed to country risk and transfer risk.

Exposure to credit risk can also increase due to movements in the exchange rate and interest rates. In the first case, the risk is assumed when granting credits denominated in a currency other than the currency in which the debtor's net income or cash flows are mainly generated, and in the second case, the risk is assumed when granting credits with adjustable interest rates.

Management of this risk contributes to the strength of BCR's equity in the long term by providing both tools and information to improve decision making, minimize losses and maintain risk exposure of the loan portfolio within established parameters.

The General Board of Directors of the BCR has defined management strategies to control credit risk from portfolios to individual debtors, using tools and methodologies framed within the existing regulations developed internally.

Management methodology

In general terms, automated systems such as SAS are used for credit risk management and models are applied for their measurement that accurately reflect the value of positions and their sensitivity to various risk factors, incorporating information from reliable sources.

The statistical support is complemented with expert criteria to analyze the borrower's ability to pay, as well a stress analysis on exposures to macroeconomic variables that are related to microeconomic and Bank's internal variables. For the analysis of the loan portfolio and considering the pandemic for decision taking, the methodology associated with the Loan Portfolio Management Plan is used.

For the quantitative analysis of the loan portfolio, there is a model for the quantification of the expected loss, the Value at Risk (VaR) and economic capital, which is aligned with the standards of Basel II. Additionally, there is a series of indicators that seek to maintain the balance between profitability and risk, within them there are indicators of expected loss, delinquency, guarantees, payment arrangements, harvests, economic activities and geographical area, all of the above broken down to general level of the Bank as well as for the different lines of business.

Moreover, the risk inherent to the activities and products of the Bank is identified and analyzed, as well as its feedback to the organization through the Executive Corporate Committee. Finally, there are limits established on exposure to credit risk, to control exposure levels, both at loan portfolio and investments (by issuer).

On the other hand, during the year different stress and retrospective tests are carried out to check the validity of the indicator parameters.

There are models for classifying the level of credit risk of clients, such as rating and scoring models.

In the case of credit risk of the investment portfolio, disclosed in Note 5: Investments in Financial Instruments, there is a methodology for determining the expected loss under IFRS 9, that improved in 2020 through adjustments to the methodology. The determination of a significant increase in risk is made by means of two factors, changes in the issuer's international risk rating, issued by risk rating agencies and sustained changes in the prices of "Credit Default Swaps" associated with the issuer. It is important to note that the measurement of the expected loss is made for each instrument considering the issuer's risk, while default is understood only when an issuer stops paying.

<u>Exposure and risk management</u>

Considering the uncertainty generated by the pandemic for Covid-19, the Bank uses the results of the analysis of the Loan Portfolio Management Plan to have greater credit risk coverage. As of March 2022, the percentage of arrears greater than 90 days was 3.40% (2,85% and 2.20% as of December and March 2021, respectively). The latter indicator is 0.60 percentage points below the regulatory limit to be in the normal range, with retail banking activities showing the highest delinquency.

The dollar portfolio accounts for 27,94% at the closing of September (27.47% and 31.85% as of December and March 2021, respectively) of the total portfolio. It is important to mention that the loan portfolio has been managed strategically to attract customers with an acceptable risk profile. In addition, regular monitoring of the loans in foreign currency is given, and the portfolio of clients not generating income in foreign currency.

The activities with greater relative importance are housing, services and commerce, as shown in note 6.a of the financial statements (Loan Portfolio by Sector), limits on exposition for the loan portfolio are defined, to achieve a loan structure in the medium and long term that is consistent with the risk appetite established by the Senior Management.

In addition, appropriate and timely communication mechanisms on exposure of the Bank to credit risk are implemented at all levels of the organizational structure, thus allowing a prospective view of the impact on the credit estimates and equity. The reports consider both the exposure resulting from position taking and possible deviations arising regarding the limits and defined tolerance levels.

Also, the commercial area is kept informed on the inherent risks of the economic activities associated with credit underwriting, through specific studies and analysis of the credit underwriting goals previously approved by the General Board of Directors, as well as new credit instruments the Bank is planning to offer.

With respect to the counterparty risk of the investment portfolio, compliance with the internal investment limits per issuer is monitored weekly. In addition, as of January 2020, the calculation of the expected loss for the investment portfolio under IFRS 9 begins, the foregoing allows for a buffer of resources to mitigate eventual defaults that may occur in the portfolio, thus maintaining a conservative profile. By the end of March 2022, the expected loss of the investment portfolio corresponded to 0,19% of the portfolio (0,23% and 0,22% as of December and March 2021, respectively).

Expected credit losses are disclosed in the following table:

Expected losses of the investment portfolio of the BCR Conglomerate
By currency
December 2021 vs March 2022

Value adjustment for losses	Twelve-months expected credit losses	Lifetime expected credit losses	Impaired financial assets
Value adjustment for losses As of March 31, 2022			
Colones	1.986.873.262	202.386.144	37.033.132.439
US dollars	1.802.124	19.887	17.234.807
UDES	0	70.362	2.622.000
Value adjustment for losses As of March 31, 2022			
Colones	2.217.998.958	214.305.653	41.825.551.467
US dollars	2.128.332	3.438	14.633.026
UDES	0	92.251	14.024.800
Transfer to 12-months expected credit losses			
Colones	(275.295.458)	(60.053.548)	4.772.419.028
US dollars	(365.082)	(16.449)	(2.601.781)
UDES	0	(21.890)	(12.922.800)

(Continue)

As of December 31, 2021

Expected losses of the investment portfolio of the BCR Conglomerate
By currency
January and December 2021

Value adjustment for losses	Twelve-months expected credit losses	Lifetime expected credit losses	Impaired financial assess
Value adjustment for losses			
As of December 31, 2021			
Colones	2.149.169.506	304.661.241	39.945.403.970
US dollars	2.134.069	231.381	21.710.178
UDES	0	96.308	14.784.800
Value adjustment for losses			
As of December 31, 2021			
Colones	1.598.684.018	256.354.265	38.053.132.439
US dollars	1.478.232	34.559	38.299.807
UDES	0	183.900	14.784.800
Transfer to 12-months expected credit losses			
Colones	732.314.155	(17.553.791)	(3.892.271.532)
US dollars	683.237	(78.387)	(25.507.629)
UDES	0	(95.705)	0

As of March 31, 2021

Expected losses of the investment portfolio of the BCR Conglomerate
By currency
December 2020 vs March 2021

Value adjustment for losses	Twelve-months expected credit losses	Lifetime expected credit losses	Impaired financial assets
Value adjustment for losses			
As of January 30, 2020			
Colones	1.474.018.647	285.712.020	43.034.928.000
US dollars	1.407.471	161.814	39.578.000
UDES	0	187.957	14.784.800
Value adjustment for losses			
As of December 301. 2020			
Colones	1.508.496.125	292.775.142	46.671.800.000
US dollars	1.729.314	102.464	21.891.000
UDES	0	152.535	14.781.800
Transfer to 12-months expected credit losses			
Colones	27.401.677	7.063.122	3.636.872.000
US dollars	321.843	(59.350)	(17.687.000)
UDES	0	(35.423)	0

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the consolidated financial statements

March 31, 2022

The Bank's financial instruments exposed to credit risk are detailed as follows:

		March 2022	December 2021	March 2021
Banco de Costa Rica				
Loan portfolio, gross	¢	3.211.737.663.145	3.193.889.504.724	3.006.814.431.590
Plus, interest receivable		18.509.049.573	16.243.877.380	29.348.743.167
Less, allowance for impairment		(162.659.348.134)	(152.927.986.661)	(125.436.487.645)
Loan portfolio, net	¢	**3.067.587.364.585**	**3.057.205.395.443**	**2.910.726.687.112**
Banco Internacional de Costa Rica, S.A. and subsidiary				
Loan portfolio, gross	¢	994.523.631.114	928.022.879.152	830.872.676.926
Plus, interest receivable		3.955.474.055	3.234.831.825	5.231.025.141
Less, allowance for impairment		(17.915.317.392)	(18.289.266.686)	(15.932.754.219)
Loan portfolio. Net	¢	**980.563.787.777**	**912.968.444.291**	**820.170.947.848**
Total consolidated loan portfolio, net	¢	**4.048.151.152.362**	**3.970.173.839.734**	**3.730.897.634.960**

The Bank's financial instruments exposed to credit risk are as follows:

	Note		Direct Loan Portfolio March 2022	Direct Loan Portfolio December 2021	Direct Loan Portfolio March 2021	Contingent Loan Portfolio March 2022	Contingent Loan Portfolio December 2021	Contingent Loan Portfolio March 2021
Principal	6a	¢	3.211.737.663.145	3.193.889.504.724	3.006.814.431.589	236.749.284.490	238.184.976.382	221.458.492.763
Interest			18.509.049.573	16.243.877.380	29.348.743.167	0	0	0
			3.230.246.712.718	3.210.133.382.104	3.036.163.174.756	236.749.284.490	238.184.976.382	221.458.492.763
Allowance for bad loans			(162.292.660.571)	(152.572.595.665)	(125.112.703.021)	(366.687.563)	(355.390.996)	(324.012.116)
Carrying amount		¢	**3.067.954.052.147**	**3.057.560.786.439**	**2.911.050.471.735**	**236.382.596.927**	**237.829.585.386**	**221.134.480.647**
Loan portfolio								
Total balance:								
A1		¢	2.534.266.891.188	2.531.988.166.648	2.367.033.246.083	227.273.233.414	226.452.306.640	199.525.591.756
A2			36.174.788.750	38.737.755.756	46.781.534.632	1.022.408.184	1.118.547.763	1.044.554.667
B1			203.162.938.162	193.827.062.547	275.648.683.029	2.629.394.861	3.942.754.364	12.344.650.725
B2			29.387.502.828	24.632.906.602	27.460.200.908	156.767.228	147.721.241	153.961.897
C1			58.439.712.547	71.479.256.554	43.980.248.489	2.614.158.438	3.900.594.358	4.795.589.058
C2			6.077.882.932	20.872.474.608	15.795.818.565	104.122.960	106.060.267	75.146.118
D			111.884.657.783	116.733.956.940	42.902.771.895	1.282.789.194	764.642.908	1.249.977.218
E			180.995.087.505	148.102.200.136	153.436.056.687	1.654.237.966	1.736.026.639	2.268.506.641
1			66.643.979.909	61.556.122.926	61.957.123.938	12.172.245	16.322.202	514.683
2			436.071.907	830.276.955	14.145.467	0	0	0
3			2.207.831.768	1.218.141.671	373.140.036	0	0	0
4			382.901.239	88.715.637	678.657.630	0	0	0
5			154.177.225	14.610.311	15.480.892	0	0	0
6			32.288.975	51.734.813	86.066.505	0	0	0
			3.230.246.712.718	3.210.133.382.104	3.036.163.174.756	236.749.284.490	238.184.976.382	221.458.492.763
Allowance for bad loans			(113.824.164.845)	(100.038.430.338)	(76.449.757.618)	(291.822.812)	(206.640.140)	(258.685.337)
Carrying amount, net			3.116.422.547.873	3.110.094.951.766	2.959.713.417.138	236.457.461.678	237.978.336.242	221.199.807.426
Carrying amount			3.230.246.712.718	3.210.133.382.104	3.036.163.174.756	236.749.284.490	238.184.976.382	221.458.492.763
Allowance for bad loans			(113.824.164.845)	(100.038.430.338)	(76.449.757.618)	(291.822.812)	(206.640.140)	(258.685.337)
(Excess) inadequacy of allowance over structural estimate			(48.468.495.726)	(52.534.165.327)	(48.662.945.403)	(74.864.751)	(148.750.856)	(65.099.286)
Carrying amount, net	6a	¢	**3.067.954.052.147**	**3.057.560.786.439**	**2.911.050.471.735**	**236.382.596.927**	**237.829.585.386**	**221.134.708.140**

(Continue)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the consolidated financial statements

March 31, 2022

The evaluated loan portfolio with an estimate is detailed as follows:

As of March 31, 2022

Loan portfolio		Direct Loan Portfolio				Contingent Loan Portfolio	
Direct generic allowance		Principal	Covered balance	Overdraft	Allowance	Principal	Allowance
A1	¢	2.534.266.891.188	1.779.924.678.867	754.342.212.321	(12.671.334.542)	227.273.233.414	(151.129.232)
A2		36.174.788.750	31.051.407.871	5.123.380.879	(180.873.947)	1.022.408.184	(37.402)
1		66.643.979.909	35.406.563.450	31.237.416.459	(167.907.432)	0	(7.608)
		2.637.085.659.847	1.846.382.650.188	790.703.009.659	(13.020.115.921)	228.295.641.598	(151.174.242)
Direct specific allowance							
A1							
A2							
B1		203.162.938.162	179.369.531.534	23.793.406.628	(2.086.517.992)	2.629.394.861	(7.113.712)
B2		29.387.502.828	24.413.066.909	4.974.435.919	(619.508.928)	156.767.228	0
C1		58.439.712.547	51.588.572.826	6.851.139.721	(1.970.727.796)	2.614.158.438	(298.856)
C2		6.077.882.932	5.069.781.575	1.008.101.357	(529.399.588)	104.122.960	0
D		111.884.657.783	86.326.062.613	25.558.595.170	(19.303.867.218)	1.282.789.194	(132.953.219)
E		180.995.087.505	101.461.704.106	79.533.383.399	(76.114.152.622)	1.654.237.966	(282.783)
2		436.071.907	327.310.911	108.760.996	(7.074.604)	0	0
3		2.207.831.768	1.715.673.192	492.158.576	(131.618.010)	0	0
4		382.901.239	364.120.342	18.780.897	(11.211.050)	0	0
5		154.177.225	128.582.086	25.595.139	(18.559.508)	0	0
6		32.288.975	20.982.278	11.306.697	(11.411.608)	0	0
	¢	593.161.052.871	450.785.388.372	142.375.664.499	(100.804.048.924)	8.453.642.892	(140.648.570)
	¢	3.230.246.712.718	2.297.168.038.560	933.078.674.158	(113.824.164.845)	236.749.284.490	(291.822.812)

Loan portfolio							
Aging loan portfolio		Direct Loan Portfolio				Contingent Loan Portfolio	
Direct generic allowance		Principal	Covered balance	Overdraft	Allowance	Principal	Allowance
Up to date	¢	2.508.884.001.000	1.760.074.201.509	748.809.799.491	(12.708.027.330)	8.453.642.892	(151.174.242)
Equal or less than 30 days		58.243.371.139	48.079.464.893	10.163.906.246	(295.517.051)	0	0
Equal or less than 60 days		3.309.421.033	2.822.420.336	487.000.697	(16.547.105)	0	0
More than 180 days		4.886.768	0	4.886.768	(24.434)	0	0
		2.570.441.679.940	1.810.976.086.738	759.465.593.202	(13.020.115.920)	8.453.642.892	(151.174.242)
Direct specific allowance							
Up to date		449.855.731.146	352.039.195.469	97.816.535.677	(34.500.197.928)	228.295.641.598	(7.113.712)
Equal or less than 30 days		34.684.320.653	26.883.021.174	7.801.299.479	(5.141.664.032)	0	0
Equal or less than 60 days		43.263.354.312	34.930.461.331	8.332.892.981	(4.002.462.284)	0	(298.856)
Equal or less than 90 days		17.438.898.813	13.370.176.108	4.068.722.705	(2.952.583.728)	0	0
Equal or less than 180 days		27.521.079.479	15.541.219.191	11.979.860.288	(11.606.341.491)	0	(132.953.219)
More than 180 days		87.041.648.375	43.427.878.549	43.613.769.826	(42.600.799.462)	0	(282.783)
	¢	659.805.032.778	486.191.951.822	173.613.080.956	(100.804.048.925)	228.295.641.598	(140.648.570)
	¢	3.230.246.712.718	2.297.168.038.560	933.078.674.158	(113.824.164.845)	236.749.284.490	(291.822.812)

BANCO DE COSTA RICA AND SUBSIDIARIES

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March 31, 2022

As of December 31, 2021

Loan portfolio		Direct Loan Portfolio				Contingent Loan Portfolio	
Direct generic allowance		Principal	Covered balance	Overdraft	Allowance	Principal	Allowance
Al	¢	2.531.988.166.648	1.755.797.344.473	776.190.822.175	(12.659.940.910)	226.452.306.641	(151.288.935)
A2		38.737.755.756	33.030.512.828	5.707.242.928	(193.688.781)	1.118.547.763	(37.402)
		61.556.122.926	34.862.755.024	26.693.367.902	(156.525.424)	16.322.202	(10.447)
		2.632.282.045.330	1.823.690.612.325	808.591.433.005	(13.010.155.115)	227.587.176.606	(151.336.784)
Direct specific allowance							
Al							
A2							
Bl		193.827.062.547	159.277.091.032	34.549.971.515	(2.523.884.031)	3.942.754.363	(11.505.144)
B2		24.632.906.602	20.390.138.129	4.242.768.473	(526.227.540)	147.721.241	0
Cl		71.479.256.554	62.261.209.385	9.218.047.169	(2.615.817.843)	3.900.594.358	(439.510)
C2		20.872.474.608	18.445.751.654	2.426.722.954	(1.305.590.237)	106.060.267	0
D		116.733.956.940	91.847.285.276	24.886.671.664	(18.796.672.164)	764.642.908	(43.358.702)
E		148.102.200.136	84.054.838.808	64.047.361.328	(61.191.645.863)	1.736.026.639	0
2		830.276.955	522.384.401	307.892.554	(18.006.550)	0	0
3		1.218.141.671	1.082.479.235	135.662.436	(39.328.005)	0	0
4		88.715.637	86.852.875	1.862.762	(1.365.646)	0	0
5		14.610.311	8.647.766	5.962.545	(4.217.021)	0	0
6		51.734.813	46.446.724	5.288.089	(5.520.323)	0	0
	¢	577.851.336.774	438.023.125.285	139.828.211.489	(87.028.275.223)	10.597.799.776	(55.303.356)
	¢	3.210.133.382.104	2.261.713.737.610	948.419.644.494	(100.038.430.338)	238.184.976.382	(206.640.140)

Loan portfolio		Direct Loan Portfolio				Contingent Loan Portfolio	
Aging loan portfolio		Principal	Covered balance	Overdraft	Allowance	Principal	Allowance
Direct generic allowance							
Up to date	¢	2.508.828.410.224	1.738.431.164.833	770.397.245.391	(12.697.021.048)	227.570.854.404	(151.336.785)
Equal or less than 30 days		60.911.049.025	49.554.785.659	11.356.263.366	(308.120.127)	0	0
Equal or less than 60 days		983.668.109	841.906.800	141.761.309	(4.999.964)	0	0
More than 180 days		2,795,037	0	2.795.037	(13.975)	0	0
		2.570.725.922.395	1.788.827.857.292	781.898.065.103	(13.010.155.114)	227.570.854.404	(151.336.785)
Direct specific allowance							
Up to date		422.175.709.581	329.136.134.750	93.039.574.831	(26.249.282.176)	10.613.586.420	(55.021.346)
Equal or less than 30 days		35.461.121.096	26.717.833.836	8.743.287.260	(5.483.953.052)	535.558	(282.009)
Equal or less than 60 days		52.296.255.885	42.016.448.037	10.279.807.848	(5.006.028.932)	0	0
Equal or less than 90 days		33.287.535.966	24.980.466.979	8.307.068.987	(5.962.834.410)	0	0
Equal or less than 180 days		11.924.632.862	6.359.736.467	5.564.896.395	(4.874.431.625)	0	0
More than 180 days		84.262.204.319	43.675.260.249	40.586.944.070	(39.451.745.029)	0	0
	¢	639.407.459.709	472.885.880.318	166.521.579.391	(87.028.275.224)	10.614.121.978	(55.303.355)
	¢	3.210.133.382.104	2.261.713.737.610	948.419.644.494	(100.038.430.338)	238.184.976.382	(206.640.140)

(Continue)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the consolidated financial statements

March 31, 2022

As of March 31, 2021

Loan portfolio		Direct Loan Portfolio				Contingent Loan Portfolio	
Direct generic allowance		Principal	Covered balance	Overdraft	Allowance	Principal	Allowance
A1	¢	2.367.033.246.083	1.680.894.858.591	686.138.387.505	(11.835.166.287)	199.525.591.756	(123.342.436)
A2		46.781.534.632	38.681.142.023	8.100.392.608	(233.907.674)	1.044.554.667	0
		2.413.814.780.715	1.719.576.000.614	694.238.780.113	(12.069.073.961)	200.570.146.423	(123.342.436)
Direct specific allowance							
A1							
A2							
B1		275.648.683.029	256.260.201.863	19.388.481.166	(2.250.725.068)	12.344.650.725	(8.881.493)
B2		27.460.200.908	25.269.281.540	2.190.919.369	(345.438.346)	153.961.897	0
C1		43.980.248.489	38.335.391.438	5.644.857.051	(1.602.891.221)	4.795.589.058	(2.551.966)
C2		15.795.818.565	13.662.112.862	2.133.705.703	(1.135.163.417)	75.146.118	0
D		42.902.771.895	34.154.206.641	8.748.565.255	(6.495.968.108)	1.249.977.218	(121.915.243)
E		153.436.056.687	92.941.832.745	60.494.223.941	(52.333.987.415)	2.268.506.641	(1.994.135)
1		61.957.123.938	25.816.694.989	36.140.428.949	(158.398.991)	514.683	(64)
2		14.145.467	10.595.678	3.549.789	(230.468)	0	0
3		373.140.036	360.285.140	12.854.896	(5.015.150)	0	0
4		678.657.630	647.008.800	31.648.830	(19.059.459)	0	0
5		15.480.892	15.342.185	138.707	(173.806)	0	0
6		86.066.505	52.697.786	33.368.719	(33.632.208)	0	0
	¢	622.348.394.041	487.525.651.667	134.822.742.375	(64.380.683.657)	20.888.346.340	(135.342.901)
	¢	3.036.163.174.756	2.207.101.652.281	829.061.522.488	(76.449.757.618)	221.458.492.763	(258.685.337)

Loan portfolio Aging loan portfolio		Direct Loan Portfolio				Contingent Loan Portfolio	
Direct generic allowance		Principal	Covered balance	Overdraft	Allowance	Principal	Allowance
Up to date	¢	2.366.287.049.493	1.680.221.432.738	686.065.616.755	(11.986.408.735)	200.526.146.420	(123.122.501)
Equal or less than 30 days		44.893.206.599	36.990.984.427	7.902.222.172	(227.891.593)	0	0
Equal or less than 60 days		2.095.945.109	1.860.730.847	235.214.263	(10.479.726)	0	0
More than 180 days		538.579.526	502.852.603	35.726.924	(2.692.898)	44.000.000	(220.000)
		2.413.814.780.727	1.719.576.000.615	694.238.780.114	(12.227.472.952)	200.570.146.420	(123.342.501)
Direct specific allowance							
Up to date		453.920.914.047	371.542.490.393	82.378.423.666	(24.137.597.396)	20.888.346.343	(135.342.836)
Equal or less than 30 days		42.647.097.807	32.792.397.693	9.854.700.114	(6.399.508.898)	0	0
Equal or less than 60 days		42.839.063.781	33.566.691.270	9.272.372.510	(2.786.687.529)	0	0
Equal or less than 90 days		10.759.072.559	7.634.732.524	3.124.340.034	(1.494.942.996)	0	0
Equal or less than 180 days		5.160.826.721	2.579.047.636	2.581.779.086	(2.435.578.229)	0	0
More than 180 days		67.021.419.114	39.410.292.150	27.611.126.964	(26.967.969.618)	0	0
	¢	622.348.394.029	487.525.651.666	134.822.742.374	(64.222.284.666)	20.888.346.343	(135.342.836)
	¢	3.036.163.174.756	2.207.101.652.281	829.061.522.488	(76.449.757.618)	221.458.492.763	(258.685.337)

(Continue)

Following is an analysis of' the balance of the loan portfolio of Banco de Costa Rica, assessed individually with allowance, according to gross and net amounts, after deducting the allowance for loan losses, by risk classification in accordance with the applicable regulations:

		Loans receivable	
As of March 31, 2022		**Gross**	**Net**
Risk category:			
A1	¢	2.534.266.891.189	2.521.595.556.650
A2		36.174.788.750	35.993.914.803
B1		203.162.938.162	201.076.420.170
B2		29.387.502.828	28.767.993.900
C1		58.439.712.547	56.468.984.751
C2		6.077.882.932	5.548.483.344
D		111.884.657.783	92.580.790.565
E		180.995.087.505	104.880.934.882
1		66.643.979.908	66.476.072.476
2		436.071.907	428.997.302
3		2.207.831.768	2.076.213.758
4		382.901.239	371.690.189
5		154.177.225	135.617.717
6		32.288.975	20.877.366
	¢	**3.230.246.712.718**	**3.116.422.547.873**

		Loans receivable	
As of December 31, 2021		**Gross**	**Net**
Risk category:			
A1	¢	2.531.988.166.637	2.519.328.225.729
A2		38.737.755.756	38.544.066.975
B1		193.827.062.550	191.303.178.517
B2		24.632.906.602	24.106.679.062
C1		71.479.256.555	68.863.438.713
C2		20.872.474.609	19.566.884.372
D		116.733.956.941	97.937.284.777
E		148.102.200.137	86.910.554.274
1		61.556.122.926	61.399.597.502
2		830.276.955	812.270.405
3		1.218.141.672	1.178.813.666
4		88.715.638	87.349.992
5		14.610.312	10.393.291
6		51.734.814	46.214.491
	¢	**3.210.133.382.104**	**3.110.094.951.766**

(Continue)

		Loans receivable	
As of March 31, 2021		**Gross**	**Net**
Risk category:			
A1	¢	2.367.033.246.083	2.355.198.079.796
A2		46.781.534.632	46.547.626.958
B1		275.648.683.029	273.397.957.960
B2		27.460.200.908	27.114.762.563
C1		43.980.248.489	42.377.357.268
C2		15.795.818.565	14.660.655.148
D		42.902.771.895	36.406.803.787
E		153.436.056.687	101.102.069.272
1		61.957.123.938	61.798.724.947
2		14.145.467	13.914.999
3		373.140.036	368.124.886
4		678.657.630	659.598.171
5		15.480.892	15.307.086
6		86.066.505	52.434.297
	¢	**3.036.163.174.756**	**2.959.713.417.138**

In compliance with SUGEF Directive 1-05, as of March 31, 2022, the Bank must maintain a minimum allowance in the amount of ¢114.115.987.657 (¢100.245.070.478 and ¢76.708.442.995 for December and March 2021, respectively) of which ¢113.824.164.845 (¢100.038.430.338 and ¢76.449.757.618 for December and March 2021, respectively) is allocated to the valuation of the direct loan portfolio and ¢291.822.812 (¢206.640.140 and ¢258.685.337 for December and March 2021, respectively) to the contingent loan portfolio. In addition, the countercyclical allowance is of ¢4.779.400.343 (¢4.779.400.343 and ¢4.779.400.343 for December and March 2021, respectively).

Following is an analysis of the balances of BICSA's loan portfolio, individually evaluated with an allowance according to the gross amount and the net amount after deducting the allowance for doubtful accounts resulting from the risk assessment in accordance with the applicable regulations:

(Continue)

		March 2022	December 2021	March 2021
Banco Internacional de Costa Rica, S.A. and subsidiaries				
Principal	¢	994.523.631.114	928.022.879.151	830.872.677.538
Interest		3.955.474.056	3.234.831.826	5.231.025.757
		998.479.105.170	**931.257.710.977**	**836.103.703.295**
Allowance for doubtful accounts		(17.915.318.059)	(18.290.115.836)	(15.932.752.985)
Carrying amount	¢	**980.563.787.111**	**912.967.595.141**	**820.170.950.310**
Loan portfolio, net of allowance	¢	**970.071.578.939**	**899.571.741.851**	**812.720.012.637**
At amortized cost				
Level 1: Normal or low risk		895.540.994.193	822.817.584.444	732.141.560.489
Level 2: Special mention		63.453.193.784	69.841.175.390	66.807.030.306
Level 3: Subnormal		18.685.113.434	17.656.042.211	17.516.889.108
Level 4: Doubtful		7.889.290.041	7.130.986.182	1.124.574.364
Level 5: Uncollectable		8.955.039.662	10.577.090.925	13.282.623.272
		994.523.631.114	928.022.879.152	830.872.677.539
Allowance for impairment		(17.915.318.059)	(18.290.115.836)	(15.932.752.985)
Carrying amount		**976.608.313.055**	**909.732.763.316**	**814.939.924.554**
Impaired renegotiated loans				
Gross amount		9.248.296.154	8.786.834.475	10.591.178.864
Impaired amount		**9.248.296.154**	**8.786.834.475**	**10.591.178.864**
Allowance for impairment		97.443.965	44.542.254	1.425.101.345
Total, net		**9.150.852.189**	**8.742.292.221**	**9.166.077.519**
Not in arrears or impaired:				
Level 1: Normal or low risk		895.540.994.193	822.817.584.444	732.141.560.489
Level 2: Special mention		63.453.193.784	69.841.175.390	66.807.030.306
Sub-total		**958.994.187.977**	**892.658.759.834**	**798.948.590.795**
Individually impaired				
Level 3: Subnormal		18.685.113.434	17.656.042.211	17.516.889.108
Level 4: Doubtful		7.889.290.041	7.130.986.182	1.124.574.364
Level 5: Uncollectable		8.955.039.661	10.577.090.924	13.282.623.271
Sub-total		**35.529.443.136**	**35.364.119.317**	**31.924.086.743**
Allowance for impairment				
Specific		17.584.365.079	17.850.642.513	15.471.127.029
Collective		330.952.980	439.473.323	461.625.955
Total allowance for impairment		**17.915.318.059**	**18.290.115.836**	**15.932.752.984**
Clients ‘obligations for acceptances				
Carrying amount	¢	**6.536.734.117**	**10.161.021.465**	**2.219.911.916**
Interest receivable	¢	**3.955.474.055**	**3.234.831.826**	**5.231.025.757**
Net loan portfolio (carrying amount)	¢	**980.563.787.111**	**912.967.595.141**	**820.170.950.310**

As of March 31, 2022, the allowance for impairment of BICSA's loan portfolio is of ¢17.915.318.059 (¢18.290.115.836 and ¢15.932.754.219 for December and March 2021, respectively).

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the consolidated financial statements

March 31, 2022

The concentration of the portfolio of direct loans and contingent loans by sector (economic activity) is as follows:

		March 2022		December 2021		March 2021	
		Direct Loan Portfolio	**Contingent Loan Portfolio**	**Direct Loan Portfolio**	**Contingent Loan Portfolio**	**Direct Loan Portfolio**	**Contingent Loan Portfolio**
Trade	¢	525.756.793.550	37.307.075.260	513.459.539.620	36.740.997.823	277.648.053.305	41.611.791.298
Manufacturing		456.517.206.072	3.776.467.560	455.640.113.110	3.277.033.317	412.507.678.414	2.195.436.473
Construction, purchase, and repair of real estate		1.366.522.148.533	32.484.069.522	1.338.672.803.355	32.674.738.213	1.213.754.333.331	31.612.471.486
Agriculture, livestock, hunting, and related services		200.699.184.047	2.157.476.115	184.399.472.990	2.093.810.768	205.622.682.262	1.382.788.511
Fishing and aquaculture		45.333.453	0	46.000.000	0	23.672.166	0
Consumption		279.337.162.224	106.135.055.998	287.633.267.439	109.372.549.828	294.695.015.677	109.311.432.573
Education		800.300.072	0	819.434.189	0	3.622.103.677	0
Transportation		51.271.559.414	82.597.281	52.369.425.342	81.176.250	54.467.633.938	95.906.441
Financial activities and stock exchange		3.645.461.657	0	3.747.089.931	0	3.985.414.230	0
Electricity, telecom, gas, and water		161.692.708.687	0	163.842.838.285	0	77.963.876.457	0
Services		732.523.244.297	193.419.238.226	681.309.198.989	193.403.652.614	1.175.724.087.576	176.528.776.277
Hospitality		115.368.469.888	0	116.341.025.761	0	108.025.132.414	0
Mining and quarries		33.244.382	0	35.408.877	0	433.183.435	0
Real estate, business, and leasing activities		37.241.290.128	0	37.403.809.988	0	7.818.500.039	0
Public Administration		274.085.504.907	3.294.659.509	285.486.409.880	4.100.919.059	0	1.197.984.712
Real estate, business, and leasing activities		722.213.154	21.225.773	707.076.325	20.530.565	1.396.270.565	19.593.843
See notes 6 and 19	¢	**4.206.261.824.465**	**378.677.865.244**	**4.121.912.914.081**	**381.765.408.437**	**3.837.687.637.486**	**363.956.181.614**
Other contingencies		0	73.858.661.662	0	72.902.375.786	0	70.707.585.378
	¢	**4.206.261.824.465**	**452.536.526.906**	**4.121.912.914.081**	**454.667.784.223**	**3.837.687.637.486**	**434.663.766.992**

(Continue)

The concentration by geographical region of the loan portfolio of the subsidiary Banco Internacional de Costa Rica, S.A., is detailed as follows:

		March 2022	**December 2021**	**March 2021**
Germany	¢	265.972.770	256.013.907	1.670.324.276
Brazil		5.996.495.190	5.834.931.225	6.202.438.320
Chile		4.293.182.089	2.581.000.000	0
China		3.490.079.078	460.651.718	3.927.881.272
Colombia		2.730.614.413	7.254.526.393	3.120.986.045
Costa Rica		334.039.106.379	314.431.213.509	307.053.358.787
Denmark		66.739.352	1.096.896.609	1.153.270.494
Ecuador		84.596.282.532	83.511.271.544	52.195.984.782
El Salvador		102.496.199.920	54.082.028.805	47.024.663.037
Spain		7.764.581.033	5.530.306.119	3.562.664.067
United States of America		19.412.325.148	25.624.123.478	23.284.367.893
Guatemala		53.007.829.375	38.087.244.663	39.960.447.886
Netherlands		0	53.133.111	100.681.240
Honduras		3.342.277.736	3.233.405.823	0
England		4.000.753.467	3.869.713.948	3.757.199.678
British Virgin Islands		0	3.942.415.556	2.959.947.420
México		40.274.632.840	22.202.744.071	12.344.346.828
Nicaragua		17.574.419.286	18.929.603.753	32.420.441.919
Panamá		279.253.851.762	301.780.136.806	260.409.603.794
Perú		21.820.542.806	22.678.681.761	17.871.524.234
Poland		0	0	13.855.725
Dominican Republic		3.594.760.410	5.684.268.576	5.847.731.760
Russia		0	208.680.303	334.621.917
Uruguay		220.939.517	90.335.000	147.794.400
Others *		6.282.046.011	6.599.552.475	5.508.541.152
	¢	**994.523.631.114**	**928.022.879.153**	**830.872.676.926**

The concentration by geographical region of the loan portfolio of Banco de Costa Rica is as follows:

		March 2022	**December 2021**	**March 201**
Costa Rica	¢	3.211.737.633.145	3.193.889.504.725	3.006.814.431.589
	¢	**3.211.737.633.145**	**3.193.889.504.725**	**3.006.814.431.589**

As of March 31, 2022, the Bank keeps trust commissions in the amount of ¢468.050 (¢1.125.341 and ¢2.495.103 for December and March 2021, respectively).

The balance of foreclosed assets is as follows (See note 7):

		March 2022	December 2021	March 2021
Properties	¢	125.613.741.716	136.797.715.011	151.608.370.055
Others		562.858.646	668.069.690	518.342.565
	¢	**126.176.600.362**	**137.465.784.701**	**152.126.712.620**

BICSA, has a five (5) year term to transfer the real property acquired as payment of unpaid loans as of the registration date of the property; if after such a term the property has not been sold, there must be an independent appraisal to estimate its value.

On the other hand, a reserve is made in the equity account through the following allocation: a) non-distributed profits and b) profits of the year. The aforementioned reserve will be kept until an effective transfer of the acquired property has taken place.

The direct loan portfolio by type of guarantee is detailed below (See notes 6 and 19):

		March 2022	December 2021	March 2021
Guarantee				
Pledged assets	¢	39.434.885.358	44.501.923.980	38.918.829.904
Collections		110.083.353.700	88.100.480.538	84.305.295.472
Fiduciary		1.018.241.577.497	930.131.219.106	849.220.694.092
Mortgage		1.618.245.590.593	1.615.708.776.894	1.535.791.578.820
Chattel		180.102.229.705	183.172.106.474	189.149.292.813
Others		1.240.154.187.612	1.260.298.407.089	1.140.301.946.384
	¢	**4.206.261.824.465**	**4.121.912.914.081**	**3.837.687.637.486**

As of March 31, 2022, 43% of the loan portfolio is secured by mortgage or chattel collaterals, (44% and 45% as of December and March 31, 2021, respectively).

Pursuant to SUGEF Directive 5-04, “Regulations on Credit Limits to Individual Persons and Economic Interest Groups”, the Bank debugs information on reported data of economic interest groups as part of their responsibility to identify significant administrative and equity relationships among debtors with total active operations. As of March 31, 2021, groups of borrowers (members) having operations that add 2% or more of adjusted capital and in groups report 5% or more of adjusted capital, are reported.

(Continue)

The concentration of the loan portfolio by economic interest group is as follows:

As of March 31, 2022:

No.	Percentage	Band		Total amount	Nº of customers
1	0-4,99%	25.336.162.784	¢	123.428.979.726	314
2	5-9,99%	50.672.325.569		182.709.660.449	75
3	10-14,99%	76.008.488.353		517.002.986.983	0
4	15-20%	101.344.651.138		410.276.330.386	24
Total			¢	**1.233.417.957.544**	**413**

As of December 31, 2021:

No.	Percentage	Band		Total amount	Nº of customers
1	0-4,99%	23.905.976.882	¢	122.240.246.726	288
2	5-9,99%	47.811.953.763		301.693.875.182	81
3	10- 14,99%	71.717.930.645		520.642.488.823	0
4	15-20%	95.623.907.526		340.564.773.477	22
Total			¢	**1.285.141.384.208**	**391**

As of March 31, 2021:

No.	Percentage	Band		Total amount	Nº of customers
1	0-4,99%	23.905.976.882	¢	43.005.878.116	256
2	5-9,99%	47.811.953.763		169.623.712.202	72
3	10-14,99%	71.717.930.645		0	0
4	15-20%	95.623.907.526		508.297.327.664	241
Total			¢	**720.926.917.982**	**569**

(b) Management of market risk

Definitions

Market risk is defined as the possibility to potential losses that may occur in on- and off-balance positions due to adverse movements in the factors that determine their price, also known as risk factors, such as liquidity, interest rates, exchange rate and inflation, including the portfolios under management.

The liquidity risk is generated when the financial institution cannot meet the enforceability or obligations with third parties, due to insufficient cash flow, resulting from the outcome between the term of the recoveries (active operations) and the term of the obligations (liabilities); or else, due to the inadequate pricing mechanism that makes it impossible to know the price to transform an asset and /or liability into liquidity.

The risk of asset price and inflation measures the possible losses that can occur in financial assets that are part of the investment portfolios, and in a reduction in the purchasing power of the money flows received by the Bank.

Interest rate risk is defined as the possibility that the Entity incurs in losses as a result of changes in the present value of the assets and liabilities in which the Bank maintains positions on or off the balance sheet.

Finally, the exchange rate risk is the possibility of suffering losses because of variations in the exchange rate. It is made up of conversion risks, foreign currency position risks and transaction risks. This risk also manifests itself when the net result of the exchange rate adjustment does not proportionally compensate for the adjustment in the value of assets denominated in foreign currency, causing a reduction in the equity sufficiency indicator or in any model that in the event of variations in this macro price has a negative effect on the determination of exchange risk, such as the CAMELS indicators or its own statistics.

Risk management methodology

Two methodologies are used to measure exposure to price risk; one is regulatory, and the other is internal. The regulatory methodology is monthly, uses historical simulation and its results are weighted in the price risk of Equity Sufficiency. For its part, the internal methodology consisting of a parametric value at risk with daily monitoring of the impact of interest rate and exchange rate factors on the performance of the investment portfolio.

In terms of interest rates, the Bank is sensitive to this type of risk due to the mix of rates and terms, both in assets and liabilities. This sensibility is mitigated through the management of variable rates and the combination of terms monitored by internal models.

Furthermore, the management of operational liquidity risk is periodically evaluated by updating the Bank's six months projected cash flow and calculating the liquidity coverage indicator; the deadlines are prepared on a weekly basis. All liquidity risk indicators are calculated by currency.

(Continue)

The Entity implements other internal methodologies that serve as early warnings in the management of this risk: deposits volatility, debt levels, liability structure, and liquidity degree of assets, availability of funding and the overall effectiveness of the gap of timelines.

Tolerance limits and risk indicators

The main indicators for controlling the market risk limits are the following:

- Liquidity risk: Maximum expected outflow of deposits of the public by currency, match at one- and three months match by currency and liquidity coverage ratio (ICL) by currency.
- Price risk: VaR of the Investment portfolio through internal and regulatory models.
- Exchange risk: Sensitivity of the equity position in foreign currency, through internal models.
- Interest rate risk: Sensitivity of the financial margin due to movements in the reference interest rates.

Each of the previous indicators has parameters of acceptability and limits that are approved by the General Board of Directors.

Exposure and risk management

(c) Liquidity risk

Facing the global crisis caused by the COVID-19 pandemic, the Bank continues with the implementation of the liquidity strategy to face the increase in the volatilities of deposits from the public, thus addressing the preference of clients to keep balances at demand instead of at term.

Cash and cash equivalents show a year-on-year increase of 10,81% mainly on held-for-trading financial instruments (see cash and cash equivalents table in note 4).

Demand deposits increased by 28,32% on a year-on-year basis, due to the increase in current account balances, demand savings deposits (see chart of demand obligations with the public in note 11).

Wholesale funding increased year-on-year by 11,94%, mainly due to term obligations and charges payable with the Central Bank of Costa Rica, overdrafts in demand checking accounts in foreign financial entities, and term deposits from local financial entities. (See table of obligations with financial institutions and the Central Bank in note 14 of this document).

In the following table, the year-on-year results for the end of December 2021, are observed:

	March 2022	December 2021	March 2021
Liquidity coverage indicator (colones)	1,41	1,23	1,41
Liquidity coverage indicator (US Dollars)	1,24	1,67	1,24
Regulatory limit	1,00	1,00	1,00

On the other hand, the term matches, another regulatory indicator, had the following results as of March 31, 2022:

Regulatory liquidity matches by currency and term

Indicator	Interpretation	Observation	Approved levels	
1-month term matching US dollars	Ratio between assets and liabilities with account´s volatility	2.20	Limit:	1,10
1-month term matching colones		3.07	Limit:	1.00
3-months term matching US dollars		1.90	Limit:	0,94
3-months term matching colones		1.71	Limit:	0,85

As of March 31, 2021

Regulatory liquidity matches by currency and term

Indicator	Interpretation	Observation	Approved levels	
1-month term matching US dollars	Ratio between assets and liabilities with account´s volatility	1.70	Limit:	1,10
1-month term matching colones		1.44	Limit:	1.00
3-months term matching US dollars		1.16	Limit:	0,94
3-months term matching colones		1.12	Limit:	0,85

The term matches show a constant and significant loose with respect to regulatory limits, which is a direct effect of the measures taken in the strategy for compliance with the Liquidity Coverage Indicator but mainly to attend to the emergency due to the Covid-19 pandemic that the country has been facing since March 2020.

As a preventive measure of liquidity risk management for the Covid-19, the Bank has implemented reports that allow monitoring of the main operational and structural indicators as well as an alignment of liquidity management with credit and market risk.

Projections have also been made of the magnitude of the impacts that the Covid-19 crisis could generate in the Bank's financial indicators, which are updated based on the development of the emergency, for decision-making.

(Continue)

The maturity dates of the Bank's assets and liabilities are as follows:

As of March 31, 2022

Assets		**Demand**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 to 180 days**	**181 to 360 days**	**More tan 365 days**	**Items overdue for more than thirty days**	**Total**
Availabilities	¢	365.451.531.071	0	0	0	0	0	121.462.256	0	365.572.993.327
Legal cash requirement BCCR		373.583.417.852	32.165.329.682	17.477.573.344	20.977.891.458	36.233.272.259	45.984.863.696	19.804.171.317	0	546.226.519.608
Investment in securities		421.711.987	343.719.531.375	27.789.360.905	16.717.021.900	44.834.846.138	136.057.407.782	1.319.645.283.718	0	1.889.185.163.805
Interest on investments		156.736	1.593.269.590	2.420.539.688	3.545.381.175	8.647.352.820	24.609.783	388.129.871	0	16.619.439.663
Loan portfolio		21.385.221.945	132.477.335.806	113.766.951.633	112.190.198.967	247.360.729.355	243.970.289.026	3.140.106.432.062	175.893.600.207	4.187.150.759.001
Interest on loan portfolio		13.821.645	8.161.291.069	2.323.862.073	533.212.469	521.424.800	1.161.831.173	9.749.080.399	0	22.464.523.628
	¢	**760.855.861.236**	**518.116.757.522**	**163.778.287.643**	**153.963.705.969**	**337.597.625.372**	**427.199.001.460**	**4.489.814.559.623**	**175.893.600.207**	**7.027.219.399.032**
Liabilities										
Obligations with the public	¢	3.286.870.101.111	274.895.349.334	178.440.890.674	201.788.344.973	418.918.887.281	501.485.149.795	281.329.461.468	0	5.143.728.184.636
Obligations with BCCR		0	0	0	0	0	0	117.434.359.976	0	117.434.359.976
Obligations with financial Entities financieras		120.286.746.823	274.303.274.476	51.363.989.631	56.606.282.592	156.045.919.981	128.870.798.640	138.802.792.073	0	926.279.804.216
Charges payable on obligations		938.415.877	3.236.335.763	2.520.584.975	2.521.235.692	4.169.616.952	3.493.922.478	4.031.538.779	0	20.911.650.516
		3.408.095.263.811	**552.434.959.573**	**232.325.465.280**	**260.915.863.257**	**579.134.424.214**	**633.849.870.913**	**541.598.152.296**	**0**	**6.208.353.999.344**
Asset-liability gap	¢	**(2.647.239.402.575)**	**(34.318.202.051)**	**(68.547.177.637)**	**(106.952.157.288)**	**(241.536.798.842)**	**(206.650.869.453)**	**3.948.216.407.327**	**175.893.600.207**	**818.865.399.688**

(Continue)

As of December 31, 2021

Assets		Demand	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	More tan 365 days	Items overdue for more than thirty days	Total
Availabilities	¢	434.935.004.597	0	0				160.295.897	0	435.095.300.494
Legal cash requirement BCCR		348.958.390.978	35.768.253.928	20.464.212.076	16.257.418.716	40.210.942.636	41.377.474.977	22.376.944.606	0	525.413.637.917
Investment in securities		(1.485.285.503)	359.141.643.675	22.140.847.788	17.638.928.998	82.594.087.897	88.426.275.551	1.295.915.219.792	0	1.864.371.718.198
Interest on investments		(6.598.490)	19.571.821.811	3.472.798.017	1.668.298.105	1.427.060.560	31.665.061	322.860.664	0	26.487.905.728
Loan portfolio		21.760.259.981	136.576.421.613	136.942.851.278	108.233.417.014	269.270.297.863	228.371.851.236	564.962.795.947	2.636.785.641.121	4.102.903.536.053
Interest on loan portfolio		15.327.557	6.077.713.619	1.153.644.171	362.652.743	1.179.041.189	589.692.735	10.063.732.703	36.914.488	19.478.709.205
	¢	**804.177.099.120**	**557.135.854.646**	**184.174.353.330**	**144.160.715.576**	**394.681.430.145**	**358.796.959.560**	**1.893.801.849.609**	**2.636.822.555.609**	**6.973.750.807.595**
Liabilities										
Obligations with the public	¢	3.369.463.573.945	306.621.653.420	194.292.982.830	160.348.752.129	359.289.973.542	418.399.908.387	273.879.972.875	0	5.082.296.817.128
Obligations with BCCR		0	10.001.111.049	0	0	0	0	117.687.914.780	0	127.689.025.829
Obligations with financial Entities		62.168.927.368	289.889.135.565	57.447.190.770	48.876.570.622	138.766.550.569	166.440.254.686	142.209.679.889	0	905.798.309.469
Charges payable on obligations		1.230.823.415	2.885.502.595	3.142.095.409	1.924.373.255	3.865.487.366	3.262.429.961	3.862.861.470	0	20.173.573.471
		3.432.863.324.728	**609.397.402.629**	**254.882.269.009**	**211.149.696.006**	**501.922.011.477**	**588.102.593.034**	**537.640.429.014**	**0**	**6.135.957.725.897**
Asset-liability gap	¢	**(2.628.686.225.608)**	**(52.261.547.983)**	**(70.707.915.679)**	**(66.988.980.430)**	**(107.240.581.332)**	**(229.305.633.474)**	**1.356.161.420.595**	**2.636.822.555.609**	**837.793.081.698**

(Continue)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the consolidated financial statements

March 31, 2022

As of March 31, 2021

Assets		Demand	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	More tan 365 days	Items overdue for more than thirty days	Total
Availabilities	¢	236.527.374.492	0	0	0	0	0	40.790.489	0	236.568.164.981
Legal cash requiremnt BCCR		361.821.065.410	35.169.149.029	19.018.776.242	18.792.346.157	47.875.687.218	49.211.306.302	19.876.650.795	0	551.764.981.153
Investment in securities		1.614.281.034	290.361.518.220	32.316.781.155	47.955.029.321	55.220.101.611	191.265.067.726	857.274.431.437	0	1.476.007.210.504
Interest on investments		3.794.272	2.946.513.868	2.294.560.856	2.578.832.760	5.447.725.734	139.159.381	250.125.057	0	13.660.711.928
Loan portfolio		26.153.455.801	86.075.061.513	87.938.343.327	116.103.191.039	202.302.519.661	217.246.758.308	2.939.362.970.451	144.723.629.210	3.819.905.929.310
Interest on loan portfolio		30.268.266	7.138.584.099	3.123.135.430	911.767.052	9.480.476.307	2.869.461.095	10.862.419.907	163.656.152	34.579.768.308
	¢	**626.150.239.275**	**421.690.826.729**	**144.691.597.010**	**186.341.166.329**	**320.326.510.531**	**460.731.752.812**	**3.827.667.388.136**	**144.887.285.362**	**6.132.486.766.184**
Liabilities										
Obligations with the public	¢	2.778.290.531.315	280.427.550.887	164.438.506.409	159.911.444.357	456.941.901.224	441.056.748.610	247.783.440.915	0	4.528.850.123.717
Obligations with BCCR		1.243.490.384	0	0	0	0	0	19.530.000.000	0	20.773.490.384
Obligations with financial entities		71.407.018.425	273.374.269.580	77.219.730.256	88.418.695.271	70.625.338.380	111.122.266.123	180.504.335.565	0	872.671.653.600
Charges payable on obligations		1.180.874.356	3.437.041.052	2.505.768.136	2.407.894.878	4.245.554.759	2.600.217.501	2.938.905.237	0	19.316.255.919
		2.852.121.914.480	**557.238.861.519**	**244.164.004.801**	**250.738.034.506**	**531.812.794.363**	**554.779.232.234**	**450.756.681.717**	**0**	**5.441.611.523.620**
Asset-liability gap	¢	**(2.225.971.675.205)**	**(135.548.034.790)**	**(99.472.407.791)**	**(64.396.868.177)**	**(211.486.283.832)**	**(94.047.479.422)**	**3.376.910.706.419**	**144.887.285.362**	**690.875.242.564**

(Continue)

(d) Price risk of the portfolio

The Bank manages two investment portfolios: own Funds and Development Credit Funds.

In the case of own funds, a concentration of 61.63% is observed in instruments issued by the Ministry of Finance. In this sense and with the purpose of mitigating the market risk of these instruments, a strategy was defined in the investment position of this issuer.

Following are the results of the VaR methodology-SUGEF 03-06, considering both portfolios:

		March 2022	December 2021	March 2021
VaR	¢	11.689.470.814	11.321.149.203	8.288.605.358

The year-on-year increase in the indicator is an effect of the increase in price volatility of investment instruments because of the global pandemic and of the market value of the portfolio.

(e) Interest rate risk

The Bank has a credit portfolio, investments, and obligations with the public and with entities subject to variable interest rates and therefore sensitive to fluctuations in interest rates and cash flow risk. As of December 31, 2021, a sensitivity analysis on possible variations in interest rates was developed.

Sensitivity to an increase in the interest rate of investments

		March 2022	December 2021	March 2021
Investment in financial instruments	¢	1.451.100.166.752	1.508.341.829.584	1.167.469.677.538
Increase in rates by 1%		253.468.985	291.722.625	161.045.689
Increase in rates by 2%	¢	506.937.970	583.445.250	322.091.379

(Continue)

Sensitivity to a decrease in the interest rate of investments

		March 2022	December 2021	March 2021
Investment in financial instruments	¢	1.451.100.166.752	1.508.341.829.584	1.167.469.677.538
Decrease in rates by 1%		253.468.985	291.722.625	161.045.689
Decrease in rates by 2%	¢	506.937.970	583.445.250	322.091.379

Sensitivity to an increase in the interest rate of loan portfolio

		March 2022	December 2021	March 2021
Loan portfolio	¢	2.315.860.451.715	3.322.631.749.946	3.118.833.415.310
Increase in rates by 1%		1.040.796.320	1.806.443.985	1.463.461.494
Increase in rates by 2%	¢	2.085.424.201	3.626.374.359	2.960.176.264

Sensitivity to a decrease in the interest rate of loan portfolio

		March 2022	December 2021	March 2021
Loan portfolio	¢	2.315.860.451.715	3.322.631.749.946	3.118.833.415.310
Decrease in rates by 1%		1.038.874.274	1.794.415.508	1.463.461.494
Decrease in rates by 2%	¢	2.078.161.689	3.586.765.803	2.960.176.264

Sensitivity to an increase in the interest rate of obligations with the public

		March 2022	December 2021	March 2021
Obligations with the public	¢	4.634.982.563.707	4.595.900.641.742	4.075.219.951.350
Increase in rates by 1%		2.894.638.419	1.822.383.143	2.490.826.803
Increase in rates by 2%	¢	5.789.276.837	3.644.766.286	4.981.653.606

Sensitivity of a decrease in the interest rate of obligations with the public

		March 2022	December 2021	March 2021
Obligations with the public	¢	4.634.982.563.707	4.595.900.641.742	4.075.219.951.350
Decrease in rates by 1%		2.894.638.419	1.822.383.143	2.490.826.803
Decrease in rates by 2%	¢	5.789.276.837	3.644.766.286	4.981.653.606

(Continue)

Sensitivity to an increase in the interest rate of term financial obligations

		March 2022	December 2021	March 2021
Financial term obligations	¢	138.561.809.405	167.857.238.324	19.723.264.706
Increase in rates by 1%		115.468.175	139.847.287	10.121.486.365
Increase in rates by 2%	¢	230.936.349	279.694.574	20.242.972.731

Sensitivity of a decrease in the interest rate of term financial obligations

		March 2022	December 2021	March 2021
Financial term obligations	¢	138.561.809.405	167.857.238.324	19.723.264.706
Decrease in rates by 1%		115.468.175	139.847.287	10.121.486.365
Decrease in rates by 2%	¢	230.936.349	279.694.574	20.242.972.731

(Continue)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the consolidated financial statements

March 31, 2022

As of March 31, 2022, interest rate terms for assets and liabilities are matched as follows:

	Effective interest rate		1 to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	361 to 720 days	More than 720 days	Total
Colones:									
Assets									
Investment in securities	7,71%	¢	69.680.307.592	36.906.436.082	50.229.111.906	75.635.953.351	230.117.237.155	800.844.137.626	1.263.413.183.712
Loan portfolio	7,18%		1.573.980.739.152	229.241.959.770	29.660.582.398	44.627.734.094	60.587.677.940	726.272.160.634	2.664.370.853.988
Total recovery of assets (*)			**1.643.661.046.744**	**266.148.395.852**	**79.889.694.304**	**120.263.687.445**	**290.704.915.095**	**1.527.116.298.260**	**3.927.784.037.700**
Liabilities									
Obligations with the public			111.429.271.293	207.638.928.952	285.677.439.095	43.867.154.713	224.143.560.927	51.450.570.048	924.206.925.028
Obligations with financial entities	1,49%		16.181.887.144	31.807.537.561	12.194.256.574	1.102.582.331	163.718.005.503	143.214.198	225.147.483.311
Total matured liabilities (*)			**127.611.158.437**	**239.446.466.513**	**297.871.695.669**	**44.969.737.044**	**387.861.566.430**	**51.593.784.246**	**1.149.354.408.339**
Asset and liability gap		¢	**1.516.049.888.307**	**26.701.929.339**	**(217.982.001.365)**	**75.293.950.401**	**(97.156.651.335)**	**1.475.522.514.014**	**2.778.429.629.361**
USDollarss:									
Assets									
Investment in securities	2,93%	¢	276.676.757.314	60.556.165.057	25.312.643.287	73.896.829.645	171.889.688.366	183.102.526.892	791.434.610.561
Loan portfolio	11,99%		680.386.985.614	23.036.465.453	13.845.178.029	8.067.458.781	10.769.153.033	140.677.552.096	876.782.793.006
Total recovery of assets (*)			**957.063.742.928**	**83.592.630.510**	**39.157.821.316**	**81.964.288.426**	**182.658.841.399**	**323.780.078.988**	**1.668.217.403.567**
Liabilities									
Obligations with the public			8.395.005.521	10.916.908.555	17.346.169.955	10.506.303.893	17.222.852.591	13.757.159.501	78.144.400.016
Demand deposits	0,19%		213.626.769.868	48.496.494.912	105.587.860.861	108.225.147.984	86.323.315.707	29.199.108.425	
Obligations with financial entities	1,98%		214.770.386	9.579.262.473	918.415.497	13.119.726.109	2.796.199.008	(13.746.814.301)	12.881.559.172
Total matured liabilities (*)			**8.609.775.907**	**20.496.171.028**	**18.264.585.452**	**23.626.030.002**	**20.019.051.599**	**10.345.200**	**91.025.959.188**
Asset and liability gap			**948.453.967.021**	**63.096.459.482**	**20.893.235.864**	**58.338.258.424**	**162.639.789.800**	**323.769.733.788**	**1.577.191.444.379**

(Continue)

As of December 31, 2021, interest rate terms for assets and liabilities are matched as follows:

	Effective interest rate		1 to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	361 to 720 days	More than 720 days	Total
Colones:									
Assets									
Investment in securities	6,28%	¢	143.002.127.798	30.638.697.942	61.800.302.166	57.095.240.800	169.036.028.748	806.689.635.897	1.268.262.033.351
Loan portfolio	7,47%		1.491.107.259.132	176.389.813.963	122.125.309.781	48.837.054.341	65.139.000.687	806.372.174.173	2.709.970.612.077
Total recovery of assets (*)			**1.634.109.386.930**	**207.028.511.905**	**183.925.611.947**	**105.932.295.141**	**234.175.029.435**	**1.613.061.810.070**	**3.978.232.645.428**
Liabilities									
Obligations with the public			143.729.368.839	189.438.304.198	211.699.837.641	45.495.388.592	179.980.510.078	55.152.400.273	825.495.809.621
Demand deposits	1,50%								
Term deposits	3,69%								
Obligations with the Central Bank of Costa Rica			10.001.111.049	0	0	0	0	0	10.001.111.049
Obligations with financial entities	1,22%		29.926.152.880	38.557.465.030	36.273.831.799	1.102.582.331	159.529.226.852	143.214.198	265.532.473.090
Total matured liabilities (*)			**183.656.632.768**	**227.995.769.228**	**247.973.669.440**	**46.597.970.923**	**339.509.736.930**	**55.295.614.471**	**1.101.029.393.760**
Asset and liability gap		¢	**1.450.452.754.162**	**(20.967.257.323)**	**(64.048.057.493)**	**59.334.324.218**	**(105.334.707.495)**	**1.557.766.195.599**	**2.877.203.251.668**
US* dollars*:									
Assets									
Investment in securities	3.80%	¢	282.200.450.604	36.729.641.872	56.940.476.632	49.013.842.870	174.387.928.560	189.876.309.867	789.148.650.405
Loan portfolio	13.05%		637.595.036.125	30.510.625.071	13.865.880.828	15.216.945.560	10.632.284.130	145.275.263.924	853.096.035.638
Total recovery of assets (*)			**919.795.486.729**	**67.240.266.943**	**70.806.357.460**	**64.230.788.430**	**185.020.212.690**	**335.151.573.791**	**1.642.244.686.043**
Liabilities									
Obligations with the public			11.484.385.334	11.671.450.224	12.783.631.968	9.613.462.687	18.019.787.052	14.357.713.279	77.930.430.544
Demand deposits	22.50%		250.228.124.863	24.973.769.550	97.658.815.273	104.299.360.481	96.552.795.475	28.742.190.218	0
Term deposits	1.24%		0	0	0	0	0	0	0
Obligations with financial entities	1.98%		(28.303.773.894)	9.934.849.630	6.111.213.258	12.665.288.985	2.677.402.576	17.507.167.460	20.592.148.015
Total matured liabilities (*)			**(16.819.388.560)**	**21.606.299.854**	**18.894.845.226**	**22.278.751.672**	**20.697.189.628**	**31.864.880.739**	**98.522.578.559**
Asset and liability gap		¢	**936.614.875.289**	**45.633.967.089**	**51.911.512.234**	**41.952.036.758**	**164.323.023.062**	**303.286.693.052**	**1.543.722.107.484**

(Continue)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the consolidated financial statements

March 31, 2022

As of March 31, 2021

	Effective interest rate	1 to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	361 to 720 days	More than 720 days	Total
Colones								
Assets								
Investment in securities	7.65%	¢ 126.638.259.220	63.198.149.701	57.069.742.010	143.980.579.872	93.600.375.461	464.195.553.958	948.682.660.222
Loan portfolio	8.46%	1.303.458.098.754	176.837.109.557	179.126.978.682	141.416.140.532	92.976.351.048	167.619.659.232	2.061.434.337.805
Total recovery of assets (*)		**1.430.096.357.974**	**240.035.259.258**	**236.196.720.692**	**285.396.720.404**	**186.576.726.509**	**631.815.213.190**	**3.010.116.998.027**
Liabilities								
Obligations with the public		112.627.147.417	184.731.551.472	299.619.619.785	29.425.071.949	265.169.241.829	34.266.473.510	925.839.105.962
Demand deposits	1.62%							
Term deposits	4.22%							
Obligations with the Central Bank of Costa Rica		1.250.156.250	0	0	0	0	0	1.250.156.250
Obligations with financial entities	0.93%	37.062.671.603	26.615.861.552	4.943.332.540	0	50.504.069.054	0	119.125.934.749
Total matured liabilities (*)		**150.939.975.270**	**211.347.413.024**	**304.562.952.325**	**29.425.071.949**	**315.673.310.883**	**34.266.473.510**	**1.046.215.196.961**
Asset and liability gap		**¢ 1,279,156,382,704**	**28.687.846.234**	**(68.366.231.633)**	**255.971.648.455**	**(129.096.584.374)**	**597.548.739.680**	**1.963.901.801.066**
US dollars								
Assets								
Investment in securities	4.13%	¢ 171.453.297.001	155.334.164.882	26.288.247.926	46.214.106.292	114.272.622.995	185.906.584.197	699.469.023.293
Loan portfolio	7.17%	714.673.138.830	325.318.180.192	429.415.913.495	90.692.940.781	41.070.858.098	136.374.987.436	1.737.546.018.832
Total recovery of assets (*)		**886.126.435.831**	**480.652.345.074**	**455.704.161.421**	**136.907.047.073**	**155.343.481.093**	**322.281.571.633**	**2.437.015.042.125**
Liabilities								
Obligations with the public		233.185.171.140	52.643.263.196	109.646.666.049	83.192.448.879	105.362.885.514	28.667.594.347	612.698.029.125
Demand deposits	0.30%							
Term deposits	1.52%							
Obligations with financial entities	0.55%	33.357.910.730	138.732.189.056	35.913.621.360	105.735.846.609	111.081.111.556	49.638.030.069	474.458.709.380
Total matured liabilities (*)		**266.543.081.870**	**191.375.452.252**	**145.560.287.409**	**188.928.295.488**	**216.443.997.070**	**78.305.624.416**	**1.087.156.738.505**
Asset and liability gap		**¢ 619,583,353,961**	**289.276.892.822**	**310.143.874.012**	**(52.021.248.415)**	**(61.100.515.977)**	**243.975.947.217**	**1.349.858.303.620**

(*) Sensible to interest rates

(Continue)

Within the gap report (rate-sensitive assets and liabilities) in local currency, a total difference of asset recovery less maturity of liabilities as of March 31, 2022, for ¢2.778.429.629.361 (¢2.877.203.251.668 and ¢1.963.901.801.066 for December and March 2021, respectively) while in foreign currency the same difference is of ¢1.577.191.444.379 (¢1.543.722.107.484 and ¢1.349.958.303.620 for December and March 2021, respectively) being an improved inference in the balance sheet due to positive changes in interest rates, since the entity presents more assets than liabilities in both currencies. Regarding to term matching (sum of liquidity of assets and liabilities), as of March 31, 2022, the total amount in local currency was of ¢818.865.399.688 (¢837.793.081.699 and ¢437.606.234.682 for December and March 2021, respectively) while in foreign currency, the collected data for the compliance of obligations was of ¢383.588.253 (¢427.197.048 and ¢253.269.007.882 for December and March 2021, respectively) which shows the necessary solvency to meet the liquid liabilities of the Organization.

(f) Foreign exchange risk

The Bank incurs in transactions denominated in US dollars and minority Euros.

These currencies experiences periodic fluctuations with respect to the Costa Rican colon, in accordance with the monetary and exchange policies of the Central Bank of Costa Rica (BCCR). Therefore, any fluctuation in the value of the US Dollar affects the results, financial position and cash flows of the entity, which constantly monitors its net foreign currency exposure in order to minimize this risk.

The Bank uses two indicators to manage the foreign exchange risk: term matching of assets and liabilities denominated in foreign currency and sensitivity of the foreign currency position.

During the first quarter of 2022, the exchange rate has had an upward trend, resulting in a daily volatility of 0,49% at the end of September.

To comply with the Own Position in Foreign Currency, the Treasury Management had to maintain a positive position in foreign currency, reaching US$173 million as of March 2022 (US$204 million as of December 2021 and US$226 million as of March 2021).

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the consolidated financial statements

March 31, 2022

The monetary assets and liabilities in US dollars are detailed as follows:

		March 2022	December 2021	March 2021
ASSETS				
Cash and due from banks	US$	695.824.778	756.845.949	630.526.856
Investment in financial instruments		1.083.338.282	1.105.536.961	896.416.796
Loan portfolio		2.724.479.454	2.689.678.310	2.828.893.694
Accounts and interest receivable		15.763.496	12.985.952	14.726.577
Realizable goods		(557.984)	0	0
Other assets		13.764.967	33.272.440	39.855.460
Total assets		**4.532.612.993**	**4.598.319.612**	**4.410.419.383**
LIABILITIES				
Obligations with the public		3.173.084.377	3.247.717.454	2.941.685.681
Obligations with de Central Bank of Costa Rica		0	0	2.019.276
Other financial obligations		1.069.868.405	994.050.728	1.091.659.585
Other accounts payable and provisions		41.301.995	42.696.153	36.796.712
Other liabilities		19.589.490	23.876.866	28.728.138
Total liabilities		**4.303.844.267**	**4.308.341.201**	**4.100.889.392**
Net position	US$	**228.768.726**	**289.978.411**	**309.529.991**

From January 2020 the valuation of monetary assets and liabilities in foreign currency is carried out with reference to the purchase exchange rate set by the BCCR the last business day of each month (previously the purchase exchange rate was used). For March 31, 2022, the exchange rate of ¢667.10 per US$1.00 (¢645.25 and ¢615.8 as of December and March 2021, respectively) was used.

The net position is not covered with any instrument; however, the Bank considers it remains at an acceptable level for buying and selling US dollars in the market at the time it is considered, as necessary.

The Bank faces this type of risk when the value of its assets and liabilities in US dollars are affected by variations in the exchange rate, which is recognized in the income statement.

The following table shows the possible annual profit (loss) if there are variations of 5 percentage points in the exchange rates, respectively:

		March 2022	December 2021	March 2021
Net position	US$	228.768.727	289.978.412	309.529.990
Closing exchange rate		667.10	645.25	615.81
5% increase in the exchange rate		33.36	32.26	30.79
Profit	¢	7.631.724.733	9.354.703.571	9.530.428.392

Sensibility to a decrease in the exchange rate

		March 2022	December 2021	March 2021
Net position	US$	228.768.727	289.978.412	309.529.990
Closing exchange rate		667.10	645.25	615.81
5% decrease in the exchange rate		(33.36)	(32.26)	(30.79)
Profit	¢	(7.631.724.733)	(9.354.703.571)	(9.530.428.392)

Assets and liabilities in Euros are detailed as follows:

		March 2022	December 2021	March 2021
Assets				
Cash and due from banks	EUR€	8.119.290	6.958.224	7.692.482
Other assets		6.714	6.625	8.991
Total assets		**8.126.004**	**6.964.849**	**7.701.473**
Liabilities				
Obligations with the public		7.107.552	5.748.836	5.641.914
Other financial obligations		753.785	753.785	660.593
Other accounts payable and provisions		19.729	18.680	21.877
Other liabilities		0	204.619	9.937
Total liabilities		**7.881.066**	**6.725.920**	**6.334.321**
Net position (surplus assets on monetary liabilities	EUR€	**244.938**	**238.929**	**1.367.152**

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the consolidated financial statements

March 31, 2022

As of March 31, 2022, in compliance with SUGEF's regulations, the term matching of the most important US dollars (US$) accounts are as follows:

Assets		Demand	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 365 days	More than 365 days	Past due for over 30 days	Total
Cash and due from banks	US$	356.312.290	0	0	0	0	0	165.586	0	356.477.876
Legal reserve account-BCCR		219.725.325	32.401.522	11.591.411	14.833.524	19.872.301	24.847.418	16.074.676	0	339.346.177
Investments in securities		229.871	414.365.387	4.007.802	18.132.102	27.078.858	89.832.385	522.860.475	0	1.076.506.880
Interest on investments		0	32.100	2.952.851	13.256	3.394.537	6.569	432.090	0	6.831.403
Loan portfolio		32.056.996	128.584.554	126.124.139	134.500.823	299.346.059	239.353.787	1.747.809.323	124.439.492	2.832.215.173
Interest on loans		20.719	3.330.836	401.053	460.509	714.798	1.472.173	7.895.017	0	14.295.105
Total Assets	US$	**608.345.201**	**578.714.399**	**145.077.256**	**167.940.214**	**350.406.553**	**355.512.332**	**2.295.237.167**	**124.439.492**	**4.625.672.614**
Liabilities										
Obligations with the public	US$	1.703.173.496	262.148.827	122.148.628	143.528.248	301.459.518	336.512.889	292.676.564	0	3.161.648.170
Obligations with the BCCR		0	0	0	0	0	0	0	0	0
Obligations with financial Entities		145.403.001	260.914.350	47.956.240	64.787.256	166.988.637	173.911.281	203.884.289	0	1.063.845.054
Charges payable on obligations		255.694	2.161.750	1.383.383	2.259.530	3.229.488	3.289.365	4.011.927	0	16.591.137
Total Liabilities		**1.848.832.191**	**525.224.927**	**171.488.251**	**210.575.034**	**471.677.643**	**513.713.535**	**500.572.780**	**0**	**4.242.084.361**
Asset and liability gaps	US$	**(1.240.486.990)**	**53.489.472**	**(26.410.995)**	**(42.634.820)**	**(121.271.090)**	**(158.201.203)**	**1.794.664.387**	**124.439.492**	**383.588.253**

(Continue)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the consolidated financial statements

March 31, 2022

As of December 31, 2021:

Assets		Demand	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 365 days	More than 365 days	Past due for over 30 days	Total
Cash and due from banks	US$	373.317.067	0	0	0	0	0	232.927	0	373.549.994
Legal reserve account-BCCR		255.232.864	32.295.145	13.627.533	8.367.047	30.350.703	25.042.568	18.379.452	0	383.295.312
Investments in securities		133.973	416.637.004	22.465.295	1.021.536	45.597.930	48.223.319	560.507.196	0	1.094.586.253
Interest on investments		(6.679)	4.775.541	4.982.777	2.557	832.819	8.236	355.459	0	10.950.710
Loan portfolio		33.723.766	152.109.647	168.868.576	130.557.364	313.690.616	225.314.189	725.348.119	1.044.751.638	2.794.363.915
Interest on loans		23,754	2.366.158	677.953	364.591	697.780	808.510	7.587.012	20.024	12.545.782
Total Assets	US$	**662.424.745**	**608.183.495**	**210.622.134**	**140.313.095**	**391.169.848**	**299.396.822**	**1.312.410.165**	**1.044.771.662**	**4.669.291.966**
Liabilities										
Obligations with the public	US$	1.802.219.536	282.478.701	141.572.150	108.339.820	290.560.013	322.897.661	288.690.494	0	3.236.758.375
Obligations with financial		0	0	0	0	0	0	0	0	0
Entities		54.460.234	259.130.189	66.054.005	40.276.651	152.218.405	203.413.197	214.379.601	0	989.932.282
Charges payable on obligations		241.957	1.696.069	2.057.000	1.029.167	2.955.878	3.128.198	4.295.992	0	15.404.261
Total Liabilities		**1.856.921.727**	**543.304.959**	**209.683.155**	**149.645.638**	**445.734.296**	**529.439.056**	**507.366.087**	**0**	**4.242.094.918**
Asset and liability gaps	US$	**(1.194.496.982)**	**64.878.536**	**938.979**	**(9.332.543)**	**(54.564.448)**	**(230.042.234)**	**805.044.078**	**1.044.771.662**	**427.197.048**

(Continue)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the consolidated financial statements

March 31, 2022

As of March 31, 2021

		Demand	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 365 days	More than 365 days	Past due for over 30 days	Total
Assets										
Cash and due from banks	US$	257.113.312	0	0	0	0	0	50.000	0	257.163.312
Legal reserve account-BCCR		236.455.544	35.569.670	14.279.856	12.763.814	28.515.628	23.827.593	21.951.441	0	373.363.546
Investments in securities		473.837	273.767.480	48.554.737	21.240.564	18.541.851	76.860.687	450.452.530	0	889.891.686
Interest on investments		0	64.710	3.019.885	325.395	2.678.420	118.296	318.406	0	6.525.112
Loan portfolio		42.470.008	90.446.049	91.491.692	147.597.339	252.775.316	209.994.640	1.950.948.689	114.045.680	2.899.769.413
Interest on loans		49.152	2.830.441	403.508	740.440	4.765.826	1.788.817	9.190.720	0	19.768.904
Total Assets	US$	**536.561.853**	**402.678.350**	**157.749.678**	**182.667.552**	**307.277.041**	**312.590.033**	**2.432.911.786**	**114.045.680**	**4.446.481.973**
Liabilities										
Obligations with the public	US$	1.542.266.418	271.338.862	126.340.622	109.259.346	324.906.287	241.012.471	314.879.981	0	2.930.003.987
Obligations with the BCCR		2.019.276	0	0	0	0	0	0	0	2.019.276
Obligations with financial Entities		53.103.219	280.114.237	92.072.335	134.551.477	65.617.640	172.649.126	288.402.841	0	1.086.510.875
Charges payable on obligations		290.590	2.628.947	1.994.657	2.269.224	3.241.682	2.145.348	4.099.545	0	16.669.993
Total Liabilities		**1.597.679.503**	**554.082.046**	**220.407.614**	**246.080.047**	**393.765.609**	**415.806.945**	**607.382.367**	**0**	**4.035.204.131**
Asset and liability gaps	US$	**(1.061.117.650)**	**(151.403.696)**	**(62.657.936)**	**(63.412.495)**	**(86.488.568)**	**(103.216.912)**	**1.825.529.419**	**114.045.680**	**411.277.842**

(Continue)

The Bank faces this kind of risk when the value of its dollar-denominated assets and liabilities is affected by exchange rate variations, which is recognized in the income statement.

As of March 31, 2022, the financial statements show a net foreign exchange gain of ¢1.422.394.300 (¢3.154.590.435 and ¢209.538.031, as of December and March 2021, respectively).

(g) Capital Management

During 2021, the Capital Management Process in the BCR Financial Conglomerate has been monitored and followed up, aligned with the best practices established in the Basel regulatory framework; as well as documents issued by the European Central Bank.

The analysis is carried out by entity, type of risk, line of business and jointly, so that the information generated can be easily used in decision-making at the different levels of the organization.

The behavior of capital requirements has increased in the last period due to the events caused by Covid 19, and its effect on the credit risk associated with customers, the migration of balances from term products to demand products, that increase the liquidity risk, and the increase in the volatility of the prices of investment instruments with an impact on the price risk.

The increase in liquidity risk for 2022 does not affect the regulatory capital coverage. At the end of June, the capital levels were sufficient to hedge risks.

The preventive efforts of the equity sufficiency index allowed the indicator to remain within the appetite level during the start of the pandemic and so far in 2022.

(h) Systemic risk

Systemic Risk refers to the risk of a complete system collapse rather than a simple failure of individual parts. In a financial context, it denotes the risk of a cascading failure in the financial sector, caused by links within the system, resulting in a severe economic recession.

The BCR within the national financial system occupies the second position in total assets and is among the most active issuers in the country's stock market.

The BCR Financial Conglomerate has a size equivalent to 65,55% of the national production; for its size and the complexity of its operations, the BCR is a systemic entity; therefore, its performance and the decisions taken have effects on the National Financial System.

(Continue)

The National Banking System has a medium concentration level, where BNCR, BCR, BPDC and BAC are the main participants.

The systemic risk analysis is carried out considering the size, deposits, investment structure, concentration indicators applying methodologies such as the *Herfindahl Hirshman* Index, ratio of total assets / GDP and *Granger* causality networks, which allow obtaining the concentration, the size and infection, so that the information generated can be easily used for decision-making at different levels of the organization.

(i) Operational risk management

According to previous statements in compliance with the guidelines developed in the agreements of the Basel Committee and the intentions of the Supervisor, operating or operational risk is defined as the risk of loss resulting from inadequate use or failure of processes, personnel and internal systems or due to external events. This definition includes technological and legal risks, according to the generalized definition and the previous committee, but excludes the strategic and reputational risk.

Information technology (IT) risk is the possibility of economic losses derived from an event related to the access or use of technology, which affects the development of business processes and risk management of the entity, by attacking the confidentiality, integrity, availability, efficiency, reliability, and timeliness of the information.

The objective of the operational risk management is to minimize the financial losses of the Conglomerate, as well as achieving efficiency and effectiveness in the execution of processes and optimize its Internal Control System, for which an annual plan is established that incorporates the risk assessments to be carried out, and which is updated according to the internal and external environment.

On the other hand, technological evolution keeps us alert regarding the technological risk because the population is online with banking platforms and thousands connect for the first time every day, which makes cyber insecurity represent a risk that must be attacked and obliges to increase operational capacity as soon as possible to analyze alerts, paying special attention to monitoring the efficiency of the equipment and its capacity.

The Government has taken monetary and financial policy measures, with emphasis on liquidity to the financial system, in such a way that it forces operational risk management to be optimized. The operational risk can be increased by the number of processes carried out from home, when telecommuting is implemented.

(Continue)

From this point of view, within the annual operational risk work plan, different risk assessments have been programmed in new services and products, conducive to innovation, remote work, technological evolution, and artificial intelligence.

The model of management and control of operational risk establishes an evaluation process which comprises stages of identification, analysis, and assessment, also, the control, mitigation, tracing, and information is performed. Considering the above a set of qualitative and quantitative techniques and tools are developed that allow determining the risk level in the substantive processes; this from the estimate of the probability of occurrence of identified relevant events and their impact. Currently, events originated by external events as well as those caused by failures in processes, systems and persons are identified.

Regarding the calculation of regulatory capital, the Bank uses the basic method and continuously provides efforts to prevent and mitigate the relevant operational risks.

Moreover, tracing of the risk indicators resulting in mitigating actions that prevent from materializing the events and mitigation plans for those events that present deviations from the admissibility parameters.

Given the nature of the entity and the risks inherent to its activities, the risk of business interruption, system failures and external fraud is considered as relevant, for which periodic training programs are implemented on elements that collaborate in the early detection of cases. Likewise, there are mitigation plans that will be activated in case of non-compliance with the tolerance limit.

Through the automated OpRisk tool, the operational risks detected in the risk assessments are managed with their respective treatment plans Additionally, the tool is fed with the materialized event reports recorded by the Bank's different offices, for which it has a consolidated database, complying with the provisions of the SUGEF Agreement 2-10.

As part of the results obtained from the compilation of these events, the database for operating losses has been created, which allows to analyze, by business line, branch and types of risk, the gross and net losses at which it has been exposed in various periods at the BCR; likewise, it allows us to study the effectiveness of the implemented measures.

Gross operating losses
- Percentage distribution by type of risk-

Type of operational risk	March 2022	December 2021	March 2021
Clients, products, and business practices	0.80%	0.0097	1.00%
Execution, delivery, and management of processes	3.17%	3.46%	1.00%
External fraud	66.82%	61.86%	29.00%
Internal fraud	19.94%	0.2401	0%
Business interruption and system failures	8.97%	9.34%	69.00%
Labor relations and safety in the workplace	0.30%	0.36%	0%
Total	**100.00%**	**100.00%**	**100.00%**

The IT risk management occurring in the Conglomerate, has an annual risk evaluation plan, related to processes, contracts, applications, strategy, services, platforms and IT security, aligned with the applicable prudential regulations and international best practices, supporting the fulfillment of technology objectives, as well as institutional strategic objectives.

The information and IT security risk assessment methodology and procedures are reviewed annually and, if necessary, adjusted in order to identify and appropriately treat the risks.

In addition, as part of the IT risk management, indicators of the most relevant technological risks of the BCR Financial Conglomerate are considered and followed up on. For each of them there are corrective actions or a mitigation plan that is activated in the event of non-compliance with the tolerance or the established capacity. They regularly reviewed and updated in conjunction with risk takers, as part of the continuous improvement of the process.

Reports related to management of technological risk are periodically sent to the corresponding bodies of corporate governance, as part of the System of Management Information.

The foregoing, with the purpose of not substantially impacting the services provided to customers.

(j) Business Continuity

Business continuity is defined as the ability of an organization to maintain and ensure the continuity of its operations, in the case of events that can create an interruption or instability in the services identified as critical.

The BCR Financial Conglomerate has a business continuity management system with the purpose of providing effective responses to resume the operation of the entity, which is designed by the organization to detect unwanted incidents in its relevant services, as well as apply plans for the recovery and restoration of the interrupted service, within a certain time, under the coordination of the Crisis Management Team.

(k) Risk of money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction

Finally, in terms of managing the risk of money laundering, financing of terrorism and financing proliferation of weapons of mass destruction, this continues to be a high priority at institutional level. The permanent reinforcement of the culture in the business areas regarding the mitigation of this risk is maintained.

This management integrates normatively defined evaluation factors such as clients, products, services, channels, and geographical areas. Permanent monitoring is provided through the Corporate Compliance Committee and the Management Body, to strengthen and promote actions that ensure the application of policies and procedures by all officials of the BCR Financial Conglomerate.

(l) Regulatory risk management and regulatory compliance

The management of the regulations entails the responsibility of promoting and ensuring that the BCR Financial Conglomerate´s entities operate with integrity and in compliance with laws, regulations, policies, codes, and other internal provisions. Reason for which periodic assessments are carried out to determine the compliance level with the established obligations and to verified that there is a timely integration in the processes of the Conglomerate when new regulations or modifications to the existing ones, arise, this to ensure a zero-tolerance appetite for non-compliance with the applicable external regulatory framework.

Through the automated GRC tool, the incorporation of the applicable regulations according to the Kelsen pyramid is being generated. In the first quarter of 2022, the regulatory risk management module was implemented, focused on the compliance obligations that the entity has with external entities, and the implementation of the second module, aimed at managing compliance and risk evaluations, will begin in the second quarter.

Regarding legal risk management, the entity monitors legal, regulatory and contractual matters, as well as the rights and obligations associated with image rights and intellectual property. For the first quarter of 2022, training was given to subsidiary companies of the Conglomerate, in order to raise awareness among officials regarding the prevention of legal risk events, in order to strengthen the risk culture. In addition, evaluations were carried out on stock market contracts and services, contributing prospectively to prevent the materialization of risk events.

(Continue)

(40) Situation of the Development Financing Fund

The Bank presents the following financial information as manager of the Development Financing Fund (DFF):

DEVELOPMENT FINANCING FUND
STATEMENT OF FINANCIAL POSITION
As of March 31. 2022
Financial Information
(In colones without cents)

		March 2022	December 2021	March 2021
ASSETS				
Cash and due from banks	¢	**455.279.090**	**0**	**274.565.092**
Cash		455.279.090	0	274.565.092
Investment in financial instruments		**0**	**0**	**4.958.034.936**
At fair value with changes through profit or loss		0	0	2.009.222.658
At fair value with changes through other comprehensive income		0	0	2.927.302.261
Interest receivable		0	0	21.510.017
Loan portfolio		**40.220.312.219**	**39.240.945.857**	**31.306.747.797**
Current loans		37.737.300.931	36.712.482.834	29.938.582.224
Past due loans		3.030.114.080	2.943.144.718	1.539.104.178
Loans on legal collection		30.675.698	49.958.231	84.928.223
(Deferred income – loan portfolio)		(351.504.657)	(343.722.100)	(276.464.716)
Interest receivable		76.878.514	72.838.659	181.008.011
(Allowance for impairment)		(303.152.347)	(193.756.485)	(160.410.123)
Accounts and commissions receivable		**17.760**	**451.276**	**3.574.875**
Other accounts receivable		1.104.040	1.546.404	4.344.907
(Allowance for impairment)		(1.086.280)	(1.095.128)	(770.032)
Other Assets		**4.334.309**	**4.334.310**	**4.358.015**
Other Assets		4.334.309	4.334.310	4.358.015
TOTAL ASSETS	¢	**40.679.943.378**	**39.245.731.443**	**36.547.280.715**
LIABILITIES				
Obligations with entities	¢	**0**	**2.045.264.177**	0
Other Obligations with entities		0	2.045.264.177	0
Accounts payable and provisions		**41.729.320**	**38.656.637**	**22.117.785**
Other miscellaneous accounts payable		41.729.320	38.656.637	22.117.785
Other liabilities		**974.307**	**1.367.853**	**1.040.071**
Other liabilities		974.307	1.367.853	1.040.071
TOTAL LIABILITES	¢	**42.703.627**	**2.085.288.667**	**23.157.856**
EQUITY				
Contributions from Banco Central de Costa Rica	¢	**29.330.665.472**	**26.014.386.470**	**26.014.386.470**
Accumulated results from previous periods		**11.146.056.305**	**10.197.624.940**	**10.197.624.940**
Result of the current period		**160.517.974**	**948.431.366**	**312.111.449**
TOTAL EQUITY	¢	**40.637.239.751**	**37.160.442.776**	**36.524.122.859**
TOTAL EQUITY AND LIABILITIES	¢	**40.679.943.378**	**39.245.731.443**	**36.547.280.715**
CONTINGENT DEBIT MEMORANDA ACCOUNTS	¢	**12.172.245**	**16.322.202**	**0**
OTHER DEBIT MEMORANDA ACCOUNTS	¢	**9.382.543.851**	**8.870.052.639**	**0**

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the consolidated financial statements

March 31, 2022

DEVELOPMENT FINANCING FUND
STATEMENT OF INCOME
For the periods ended March 31, 2022
Financial Information
(In colones without cents)

		March 2022	March 2021
Financial income			
For loan portfolio		381.047.483	369.327.881
For income from exchange differences		3.453.694	0
Other financial income		0	2.723.424
Total financial income		**384.501.177**	**372.051.305**
Financial expenses			
For losses in exchange differences		0	371.902
Total financial expenses		**0**	**371.902**
For allowance on loan portfolio		109.553.263	21.593.592
For recovery of assets and decrease in allowance		132.438	2.062.116
Financial income		**275.080.352**	**352.147.927**
Other operating income			
For other operating income		136.752	95.000
For commissions for services		4.180.903	3.886.499
Total other operating income		**4.317.655**	**3.981.499**
Other operating expenses			
For foreclosed assets		0	411.364
For other operating expenses		118.880.033	43.606.613
Total other operating expenses		**118.880.033**	**44.017.977**
Income of the period	¢	**160.517.974**	**312.111.449**

(Continue)

Loan Portfolio of the Development Financing Fund

The information contained in notes a) through f) below corresponds to financial information.

a) Loan portfolio by sector

		March 2022	December 2021	March 2021
Sector				
Agriculture. livestock. hunting and related services	¢	11.189.764.769	11.215.641.480	10.034.544.089
Public administration		324.712.500	265.916.544	0
Fishing and aquaculture		45.333.453	46.000.000	23.672.166
Manufacturing		6.871.519.796	6.213.506.208	4.671.573.056
Trade		10.953.336.260	10.997.670.095	280.969.748
Services		8.444.060.585	8.323.269.288	14.802.469.861
Transportation		960.161.812	558.739.301	161.521.509
Financial activity and stock exchange		807.759.270	881.672.399	1.049.378.730
Real estate, business, and lease activities		243.477.929	264.973.366	0
Building, purchase, and repair of real estate		612.260.672	642.304.505	209.274.649
Hotels and restaurants		345.703.663	295.892.597	219.634.815
Education		0	0	109.576.002
		40.798.090.709	39.705.585.783	31.562.614.625
Plus: interest receivable		76.878.514	72.838.659	181.008.011
Less: Deferred income – loan portfolio		(351.504.657)	(343.722.100)	(276.464.716)
Allowance for impairment		(303.152.347)	(193.756.485)	(160.410.123)
	¢	**40.220.312.219**	**39.240.945.857**	**31.306.747.797**

b) Loan portfolio by arrears:

The loan portfolio by arrears is detailed as follows:

		March 2022	December 2021	March 2021
Up to date	¢	37.737.300.931	36.712.482.834	29.938.582.224
1 to 30 days		1.833.088.637	1.624.793.688	1.428.787.487
31 to 60 days		487.478.273	587.091.721	101.629.669
61 to 90 days		453.561.956	715.753.544	0
91 to 120 days		109.812.456	14.329.505	4.687.022
121 to 180 days		131.165.460	185.129	2.000.000
Over 180 days		15.007.298	991.131	2.000.000
Legal collection		30.675.698	49.958.231	84.928.223
	¢	**40.798.090.709**	**39.705.585.783**	**31.562.614.625**

(Continue)

c) Past due loans

Past due loans, including loans in accrual status, for which interest are recognized on a cash basis, and unearned interest on past due loans, are as follows:

		March 2022	December 2021	March 2021
Number of operations		7	6	8
Past due loans in non-accrual status of interest	¢	45.682.996	50.949.362	86.928.223
Past due loans for which interest is recognized	¢	3.015.106.782	2.942.153.587	1.537.104.178
Total unearned interest	¢	979.809	2.341.043	21.482.836

As of March 31, 2022, loans on legal collection are as follows:

# Of operations	Percentage		Balance
3	0,08%	¢	30.675.698

As of December 31, 2021, loans on legal collection are as follows:

# Of operations	Percentage		Balance
4	0,13%	¢	49.958.231

As of March 31, 2021, loans on legal collection are as follows:

# Of operations	Percentage		Balance
7	0,27%	¢	84.928.223

d) Interest receivable on loan portfolio

Interest receivable is as follows:		March 2022	December 2021	March 2021
Current loans	¢	60.008.130	55.229.565	170.422.048
Past due loans		16.577.947	16.825.643	8.143.199
Loans in legal collection		292.437	783.451	2.442.764
	¢	**76.878.514**	**72.838.659**	**181.008.011**

e) Allowance for bad loans

The movement in the allowance for bad loans is as follows:

As of March 31, 2022:

Opening balance 2022	¢	**193.756.485**
Plus:		
Allowance charged to profit or loss		109.553.263
Adjustment for exchange rate differences		213.378
Less:		
Reversal of allowance against income		(123.591)
Transfer of balances		(247.188)
Balance as of March 31, 2022	¢	**303.152.347**

As of December 31, 2021:

Opening balance 2021	¢	**139.084.406**
Plus:		
Allowance charged to profit or loss		49.304.710
Transfer of balances		6.022.483
Adjustment for exchange rate differences		212.127
Less:		
Adjustment for exchange rate differences		(2.078)
Reversal of allowance against income		(865.163)
Balance as of December 31. 2021	¢	**193.756.485**

As of March 31, 2021

Opening balance 2021	¢	**139.084.406**
Plus:		
Allowance charged to profit or loss		21.572.277
Transfer of balances		5.306
Less:		
Adjustment for exchange rate differences		(2.078)
Reversal of allowance against income		(249.788)
Balance as of March 31, 2021	¢	**160.410.123**

(Continue)

f) Loan portfolio by type of guarantee:

The loan portfolio by type of guarantee is as follows:

		March 2022	December 2021	March 2021
Guarantee				
Fiduciary	¢	694.244.288	720.275.520	158.099.715
Mortgage		29.310.277.245	27.342.362.474	19.929.673.969
Chattel		841.985.426	876.842.095	679.282.218
Others		9.951.583.750	10.766.105.694	10.795.558.723
	¢	**40.798.090.709**	**39.705.585.783**	**31.562.614.625**

g) Financial instruments of the Development Financing Fund with credit risk exposure are detailed as follows:

			Direct Loan Portfolio	
		March 2022	**December 2021**	**March 2021**
Principal		¢ 40.798.090.709	39.705.585.783	31.562.614.625
Interest receivable		76.878.514	72.838.659	181.008.011
		40.874.969.223	39.778.424.442	31.743.622.636
Allowance for bad loans		(303.152.347)	(193.756.485)	(160.410.123)
Carrying amount		¢ 40.571.816.876	39.584.667.957	31.583.212.513
Loan portfolio				
Total balances:				
A1		¢ 810.368.148	884.524.017	1.064.082.240
C2		0	0	2.230.009
1		37.125.097.516	36.792.311.640	29.898.052.066
2		436.071.907	728.386.349	14.145.467
3		1.934.064.213	1.218.141.672	263.956.118
4		382.901.239	88.715.638	399.609.339
5		154.177.225	14.610.312	15.480.892
6		32.288.975	51.734.814	86.066.505
		40.874.969.223	39.778.424.442	31.743.622.636
Minimum allowance		(274.165.822)	(164.542.618)	(136.669.519)
Carrying amount. net		¢ 40.600.803.401	39.613.881.824	31.606.953.117
Carrying amount		40.874.969.223	39.778.424.442	31.743.622.636
Allowance for bad loans		(274.165.822)	(164.542.618)	(136.669.519)
Allowance (surplus) deficit on minimum allowance		(28.986.525)	(29.213.867)	(23.740.604)
Carrying amount. net	6a	¢ 40.571.816.876	39.584.667.957	31.583.212.513

(Continue)

The loan portfolio assessed with an allowance is detailed as follows:

As of March 31, 2022

Loan portfolio		Direct Loan Portfolio			
Direct generic allowance		Principal	Covered balance	Overdraft	Allowance
1	¢	37.125.097.516	28.476.670.599	8.648.426.917	93.024.152
A1		810.368.148	0	810.368.148	4.051.841
		37.935.465.664	28.476.670.599	9.458.795.065	97.075.993
Direct specific allowance					
2		436.071.907	327.310.911	108.760.996	7.074.604
3		1.934.064.213	1.447.685.691	486.378.522	128.833.059
4		382.901.239	364.120.342	18.780.897	11.211.050
5		154.177.225	128.582.086	25.595.139	18.559.508
6		32.288.975	20.982.278	11.306.697	11.411.608
		2.939.503.559	2.288.681.308	650.822.251	177.089.829
	¢	40.874.969.223	30.765.351.907	10.109.617.316	274.165.822

Loan portfolio Aging of loan portfolio		Direct Loan Portfolio			
Direct generic allowance		Principal	Covered balance	Overdraft	Allowance
Up to date	¢	37.797.309.061	27.935.935.066	9.861.373.995	92.775.797
Equal or less than 30 days		1.838.901.698	1.744.491.479	94.410.219	4.300.196
		39.636.210.759	29.680.426.545	9.955.784.214	97.075.993
Direct specific allowance					
Equal or less than 60 days		490.839.426	384.656.229	106.183.197	139.483.683
Equal or less than 90 days		457.891.879	439.820.333	18.071.546	12.207.042
Equal or less than 180 days		257.738.184	239.466.522	18.271.662	13.987.496
Over 180 days		32.288.975	20.982.278	11.306.697	11.411.608
	¢	1.238.758.464	1.084.925.362	153.833.102	177.089.829
	¢	40.874.969.223	30.765.351.907	10.109.617.316	274.165.822

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As of December 31, 2021

Loan portfolio		Direct Loan Portfolio			
		Principal	Covered balance	Overdraft	Allowance
Direct generic allowance					
1	¢	36.792.311.640	25.823.207.897	10.969.103.743	92.191.906
A1		884.524.017	0	884.524.017	4.422.620
		37.676.835.657	25.823.207.897	11.853.627.760	96.614.526
Direct specific allowance					
2		728.386.349	420.493.795	307.892.554	17.497.097
3		1.218.141.672	1.082.479.236	135.662.436	39.328.005
4		88.715.638	86.852.875	1.862.763	1.365.646
5		14.610.312	8.647.766	5.962.546	4.217.021
6		51.734.814	46.446.724	5.288.090	5.520.323
		2.101.588.785	1.644.920.396	456.668.389	67.928.092
	¢	39.778.424.442	27.468.128.293	12.310.296.149	164.542.618

Loan portfolio Aging of loan portfolio		Direct Loan Portfolio			
Direct generic allowance		Principal	Covered balance	Overdraft	Allowance
Up to date	¢	884.524.017	0	884.524.017	96.614.526
		884.524.017	0	884.524.017	96.614.526
Direct specific allowance					
Up to date		35.883.188.382	24.960.268.104	10.922.920.278	10.925.253
Equal or less than 30 days		1.598.337.649	1.375.011.414	223.326.235	11.884.539
Equal or less than 60 days		624.506.126	437.824.585	186.681.541	11.782.947
Equal or less than 90 days		721.523.142	639.929.700	81.593.442	23.598.009
Equal or less than 180 days		14.610.312	8.647.766	5.962.546	4.217.021
Over 180 days		51.734.814	46.446.724	5.288.090	5.520.323
	¢	38.893.900.425	27.468.128.293	11.425.772.132	67.928.092
	¢	39.778.424.442	27.468.128.293	12.310.296.149	164.542.618

(Continue)

As of March 31, 2021

Loan portfolio		Direct Loan Portfolio			
Direct generic allowance		Principal	Covered balance	Overdraft	Allowance
1	¢	29.898.052.067	18.772.114.446	11.125.937.622	75.168.028
A1		1.064.082.239	0	1.064.082.239	5.320.411
		30.962.134.306	18.772.114.446	12.190.019.861	80.488.439
Direct specific allowance					
2		14.145.467	10.595.678	3.549.789	230.468
3		263.956.118	251.101.222	12.854.896	4.469.230
4		399.609.339	367.960.508	31.648.830	17.664.218
5		15.480.892	15.342.185	138.707	173.806
6		86.066.505	52.697.786	33.368.719	33.632.208
C2		2.230.009	2.230.009	0	11.150
		781.488.330	699.927.388	81.560.941	56.181.080
	¢	31.743.622.636	19.472.041.834	12.271.580.802	136.669.519

Loan portfolio Aging of loan portfolio		Direct Loan Portfolio			
Direct generic allowance		Principal	Covered balance	Overdraft	Allowance
Up to date	¢	30.109.004.272	18.015.943.310	12.093.060.963	71.742.467
Equal or less than 30 days		1.433.886.847	1.294.884.045	139.002.802	3.425.560
Equal or less than 180 days		0	0	0	5.320.411
		31.542.891.119	19.310.827.355	12.232.063.765	80.488.438
Direct specific allowance					
Equal or less than 60 days		104.578.360	98.430.041	6.148.318	22.487.290
Equal or less than 180 days		10.086.652	10.086.652	0	61.583
More than 180 days		86.066.505	52.697.786	33.368.719	33.632.208
	¢	200.731.517	161.214.479	39.517.037	56.181.081
	¢	31.743.622.636	19.472.041.834	12.271.580.802	136.669.519

(Continue)

		Loans receivable from clients	
As of March 31, 2022		**Gross**	**Net**
Risk category:			
1	¢	37.125.097.516	37.032.073.364
2		436.071.907	428.997.303
3		1.934.064.213	1.805.231.154
4		382.901.239	371.690.189
5		154.177.225	135.617.717
6		32.288.975	20.877.366
A1		810.368.148	806.316.308
	¢	40.874.969.223	40.600.803.401

		Loans receivable from clients	
As of December 31, 2021		**Gross**	**Net**
Risk category:			
1	¢	36.792.311.640	36.700.119.734
2		728.386.349	710.889.253
3		1.218.141.672	1.178.813.666
4		88.715.638	87.349.992
5		14.610.312	10.393.291
6		51.734.814	46.214.491
A1		884.524.017	880.101.397
	¢	39.778.424.442	39.613.881.824

		Loans receivable from clients	
As of March 31, 2021		**Gross**	**Net**
Risk category:			
1	¢	29.898.052.067	29.822.884.039
2		14.145.467	13.914.999
3		263.956.118	259.486.888
4		399.609.339	381.945.121
5		15.480.892	15.307.086
6		86.066.505	52.434.297
A1		1.064.082.239	1.058.761.828
C2		2.230.009	2.218.859
	¢	31.743.622.636	31.606.953.117

(41) Situation of the Development Credit Fund

The Bank presents the following financial information as manager of the Development Credit Fund (DCF):

DEVELOPMENT CREDIT FUND
STATEMENT OF FINANCIAL POSITION
As of March 31. 2022
Financial Information
(In colones without cents)

		March 2022	December 2021	March 2021
Assets				
Cash and due from banks	¢	**868.188.918**	**677.887.264**	**808.959.851**
Banco Central de Costa Rica		868.188.918	677.887.264	808.959.851
Investments in financial instruments		**159.879.090.116**	**168.330.359.602**	**128.627.449.715**
At fair value through profit or loss		4.130.175.183	9.980.757.065	2.982.428.660
At fair value through other comprehensive income		153.194.152.036	153.559.065.746	124.162.175.998
At amortized cost		1.050.560.817	2.692.178.741	241.585.308
Interest receivable		1.504.202.080	2.098.358.050	1.241.259.749
Loan portfolio		**29.514.768.096**	**24.599.730.190**	**31.968.645.406**
Current loans		29.570.481.897	24.694.451.340	32.211.007.626
Past due loans		100.161.606	101.397.179	108.500.620
(Deferred income – loan portfolio)		(176.694.120)	(166.848.988)	(382.318.299)
Interest receivable		122.006.444	69.853.373	127.795.835
(Allowance for impairment)		(101.187.731)	(99.122.714)	(96.340.376)
Accounts and commissions receivable		**64.536.218**	**31.619.907**	**429.796**
Tax and deferred income tax		64.536.218	31.619.907	429.796
Other assets		**1.357.428.666**	**1.142.830.562**	**557.051.979**
Other assets		1.357.428.666	1.142.830.562	557.051.979
Total assets	¢	**191.684.012.014**	**194.782.427.525**	**161.962.536.747**
Liabilities				
Obligations with entities	¢	**185.769.415.990**	**186.862.695.178**	**157.832.658.223**
Demand		0	0	157.832.658.223
Term		185.769.415.990	186.862.695.178	0
Accounts payable and provisions		**988.953.734**	**1.306.845.253**	**863.279.023**
Deferred income tax		988.953.734	1.306.845.253	863.279.023
Other liabilities		**906.093.083**	**899.772.214**	**378.160.500**
Other liabilities		906.093.083	899.772.214	378.160.500
Total liabilities	¢	**187.664.462.807**	**189.069.312.645**	**159.074.097.746**
EQUITY				
Result of the previous period	¢	2.597.919.234	3.517.319.433	2.363.155.670
Income of the current period		1.421.629.973	2.195.795.447	525.283.331
Total equity	¢	**4.019.549.207**	**5.713.114.880**	**2.888.439.001**
Total liabilities and equity	¢	**191.684.012.014**	**194.782.427.525**	**161.962.536.747**
Other debit memoranda accounts				
Other debit memoranda accounts		17.233.348.169	21.119.325.983	12.994.506.521
Own debit memoranda accounts		8.628.727	6.235.038	13.802.790

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March 31, 2022

DEVELOPMENT CREDIT FUND
STATEMENT OF INCOME
For the period ended March 31, 2022
Financial Information
(In colones without cents)

		March 2022	March 2021
Financial income			
For investments in financial instruments	¢	1.890.704.417	1.771.669.592
For loan portfolio		341.053.550	313.671.828
For exchange rate differences		1.245.023.307	0
Other financial income		89.491.548	97.399.105
Total financial income		**3.566.272.822**	**2.182.740.525**
Financial expenses			
For obligations with the public		323.628.340	312.316.824
For losses of exchange rate differences		0	102.538.345
Other financial expenses		3.754.967	2.592.200
Total financial expenses		**327.383.307**	**417.447.369**
Recovery of assets and decrease in allowance		7.537.735	37.910.614
For recovery of assets and decrease in allowance		108.386.333	83.149.824
Financial income	¢	**3.339.738.113**	**1.810.532.366**
Oher operating income			
For service commissions and fees		0	980
For exchange and arbitration, foreign currency		63.388.481	51.078.043
For other operating expenses		109.326.203	2.322.462
Total other operating income	¢	**172.714.684**	**53.401.485**
Other operating expenses			
For exchange and arbitration. foreign currency		23.203.894	16.999.657
For other operating expenses		133.335.991	15.028.885
Total other operating expenses	¢	**156.539.885**	**32.028.542**
Gross operating	¢	**3.355.912.912**	**1.831.905.309**
Profit transferred to the National Development Trust		1.934.282.939	1.306.621.978
Total comprehensive income of the period	¢	**1.421.629.973**	**525.283.331**
Profit allocation			
Transfer to the National Development Trust	¢	1.934.282.939	1.306.621.978
Commission for managing the Development Credit Fund and the fund's own profits		1.421.629.973	525.283.331
	¢	**3.355.912.912**	**1.831.905.309**

Investments in financial instruments of the Development Credit Fund (DCF) are detailed as follows:

		March 2022	December 2021	March 2021
At fair value through profit or loss	¢	4.130.175.183	9.980.757.065	2.982.428.660
At fair value through other comprehensive income		153.194.152.036	153.559.065.746	124.162.175.998
At amortized cost		1.050.560.817	2.692.178.741	241.585.308
Interest receivable for investments at fair value through other comprehensive income		1.504.202.080	2.098.358.050	1.241.259.749
	¢	**159.879.090.116**	**168.330.359.602**	**128.627.449.715**

At fair value through profit or loss		**March 2022 Fair value**	**December 2021 Fair value**	**March 2021 Fair value**
Local issuers:				
State-owned Banks	¢	0	9.980.757.065	2.982.428.660
Others		4.130.175.183	0	0
	¢	**4.130.175.183**	**9.980.757.065**	**2.982.428.660**

At fair value through other comprehensive income		**March 2022 Fair value**	**December 2021 Fair value**	**March 2021 Fair value**
Local issuers:				
Government	¢	123.314.757.313	128.414.839.127	84.769.850.870
State-owned Banks		29.879.394.723	25.144.226.619	39.392.325.128
	¢	**153.194.152.036**	**153.559.065.746**	**124.162.175.998**

At amortized cost		**March 2022 Fair value**	**December 2021 Fair value**	**March 2021 Fair value**
Local issuers:				
Government (Treasury and Central Bank)	¢	1.050.560.817	0	0
	¢	**1.050.560.817**	**0**	**0**

As of November 27, 2014, after Law No. 9274 was reformed (Comprehensive Reform of the Development Banking System,), as per article 36, the managing bank will receive a commission of maximum 10% or the earnings, set by the Governing Board, to cover operation costs, services and any other cost arising from managing the investments.

Loan Portfolio of the Development Credit Fund

The information contained in notes a) through f) below corresponds to financial information.

a) Loan portfolio by sector

		March 2022	December 2021	March 2021
Sector				
Agriculture. livestock. hunting and related services	¢	24.976.315.426	14.910.502.113	22.014.252.546
Manufacturing		4.463.244.383	9.885.346.406	9.972.966.842
Trade		0	0	6.000.000
Services		231.083.694	0	326.288.858
		29.670.643.503	**24.795.848.519**	**32.319.508.246**
Plus: Interest receivable		122.006.444	69.853.373	127.795.835
Less: Deferred income-loan portfolio		(176.694.120)	(166.848.988)	(382.318.299)
Allowance for impairment		(101.187.731)	(99.122.714)	(96.340.376)
	¢	**29.514.768.096**	**24.599.730.190**	**31.968.645.406**

b) Loan portfolio by arrears:

The loan portfolio by arrears is detailed as follows:

		March 2022	December 2021	March 2021
Up to date	¢	29.570.481.897	24.694.451.340	32.211.007.626
1 to 30 days		0	101.397.178	0
61 to 90 days		100.161.606	0	0
	¢	**29.670.643.503**	**24.795.848.518**	**32.211.007.626**

c) Delinquent and past due loan portfolio

Delinquent and past due loans, including loans with recognition of interest based on cash and interest not received on these loans, are summarized below:

		March 2022	December 2021	March 2021
Delinquent and past due loans recognizing interest	¢	100.161.606	101.397.179	108.500.620
Total of not received interest	¢	8.628.727	6.235.038	13.802.790

d) Loan portfolio by type of guarantee:

The loan portfolio by type of guarantee is as follows:

		March 2022	December 2021	March 2021
Current loans	¢	121.058.931	69.359.946	127.112.537
Past due loans		947.513	493.427	683.298
	¢	**122.006.444**	**69.853.373**	**127.795.835**

e) Allowance for impairment of loan portfolio

As of March 31, 2022

Balance at the beginning of 2022	¢	**99.122.714**
Plus:		
Adjustment for exchange differences		2.065.017
Balance as of March 31, 2022	¢	**101.187.731**

As of December 31, 2021

Balance at the beginning of 2021	¢	**66.444.007**
Plus:		
Allowance to profit or loss		29.967.665
Transfer of balances		577.449
Adjustment for exchange differences		2.204.890
Less:		
Adjustment for exchange differences		(71.297)
Balance as of December 31, 2021	¢	**99.122.714**

As of March 31, 2021

Balance at the beginning of 2021	¢	**66.444.007**
Plus:		
Allowance to profit or loss		29.967.665
Less:		
Adjustment for exchange differences		(71.296)
Balance as of March 31, 2021	¢	**96.340.376**

f) Loan portfolio by kind of guarantee:

		March 2022	December 2021	March 2021
Guarantee				
Fiduciary		231.083.694	0	0
Mortgage	¢	360.787.065	382.491.506	484.228.890
Chattel		265.892.188	357.729.087	812.752.002
Other		28.812.880.556	24.055.627.926	31.022.527.354
	¢	**29.670.643.503**	**24.795.848.519**	**32.319.508.246**

g) DCF financial instruments with exposure to credit risk are detailed as follows:

			Direct Loan Portfolio	
		March 2022	**December 2021**	**March 2021**
Principal	¢	29.670.643.503	24.795.848.519	32.319.508.246
Interest receivable		122.006.444	69.853.373	127.795.835
		29.792.649.947	24.865.701.892	32.447.304.081
Allowance for bad loans		(101.187.731)	(99.122.714)	(96.340.376)
Carrying amount	¢	29.691.462.216	24.766.579.178	32.350.963.705
Loan portfolio				
Total balances:				
1	¢	29.518.882.392	24.763.811.286	32.059.071.872
2		0	101.890.606	109.183.918
3		273.767.555	0	279.048.291
		29.792.649.947	24.865.701.892	32.447.304.081
Minimum allowance		(77.668.232)	(64.842.970)	(85.172.124)
Carrying amount, net	¢	29.714.981.715	24.800.858.922	32.362.131.957
Carrying amount		29.792.649.947	24.865.701.892	32.447.304.081
Allowance for bad loans		(77.668.232)	(64.842.970)	(85.172.124)
Allowance (surplus) deficit on minimum allowance		(23.519.499)	(34.279.744)	(11.168.252)
Carrying amount, net	6a ¢	29.691.462.216	24.766.579.178	32.350.963.705

The assessed loan portfolio including allowance is detailed as follows:

As of March 31, 2022

Loan portfolio		Direct Loan Portfolio			
Direct generic allowance		Principal	Covered balance	Overdraft	Allowance
1	¢	29.518.882.392	6.929.892.851	22.588.989.541	74.883.280
		29.518.882.392	6.929.892.851	22.588.989.541	74.883.280
Direct specific allowance					
2		273.767.555	267.987.501	5.780.054	2.784.952
		273.767.555	267.987.501	5.780.054	2.784.952
	¢	29.792.649.947	7.197.880.352	22.594.769.595	77.668.232

Loan portfolio					
Aging of loan portfolio		Direct Loan Portfolio			
Direct generic allowance		Principal	Covered balance	Overdraft	Allowance
Up to date	¢	29.691.540.828	7.096.771.233	22.594.769.595	74.883.280
		29.691.540.828	7.096.771.233	22.594.769.595	74.883.280
Direct specific allowance		Principal	Covered balance	Overdraft	Allowance
Equal to or less than 30 days		0	0	0	2.279.406
Equal to or less than 60 days		101.109.119	101.109.119	0	505.546
		101.109.119	101.109.119	0	2.784.952
	¢	29.792.649.947	7.197.880.352	22.594.769.595	77.668.232

As of December 31, 2021

Loan portfolio		Direct Loan Portfolio			
Direct generic allowance		Principal	Covered balance	Overdraft	Allowance
1	¢	24.763.811.286	9.039.547.128	15.724.264.158	64.333.517
		24.763.811.286	9.039.547.128	15.724.264.158	64.333.517
Direct specific allowance					
2		101.890.606	101.890.606	0	509.453
		101.890.606	101.890.606	0	509.453
	¢	24.865.701.892	9.141.437.734	15.724.264.158	64.842.970

Loan portfolio					
Aging of loan portfolio		Direct Loan Portfolio			
Direct generic allowance		Principal	Covered balance	Overdraft	Allowance
Up to date	¢	24.763.811.286	9.039.547.128	15.724.264.158	64.333.517
		24.763.811.286	9.039.547.128	15.724.264.158	64.333.517
Direct specific allowance		Principal	Covered balance	Overdraft	Allowance
Equal to or less than 60 days		101.890.606	101.890.606	0	509.453
		101.890.606	101.890.606	0	509.453
	¢	24.865.701.892	9.141.437.734	15.724.264.158	64.842.970

As of March 31, 2021

Loan portfolio		Direct Loan Portfolio			
Direct generic allowance		Principal	Covered balance	Overdraft	Allowance
1	¢	32.059.071.872	7.044.580.543	25.014.491.329	83.230.963
		32.059.071.872	7.044.580.543	25.014.491.329	83.230.963
Direct specific allowance					
2		109.183.918	109.183.918	0	545.920
3		279.048.291	279.048.291	0	1.395.241
		388.232.209	388.232.209	0	1.941.161
	¢	32.447.304.081	7.432.812.752	25.014.491.329	85.172.124

Loan portfolio					
Aging of loan portfolio		Direct Loan Portfolio			
Direct generic allowance		Principal	Covered balance	Overdraft	Allowance
Up to date	¢	32.338.120.163	7.323.628.835	25.014.491.329	83.230.963
		32.338.120.163	7.323.628.835	25.014.491.329	83.230.963
Direct specific allowance		Principal	Covered balance	Overdraft	Allowance
Up to date					
Equal to or less than 30 days		109.183.918	109.183.917	0	1.941.161
		109.183.918	109.183.917	0	1.941.161
	¢	32.447.304.081	7.432.812.752	25.014.491.329	85.172.124

		Loans receivable from clients	
As of March 31, 2022		**Gross**	**Net**
Risk category:			
1	¢	29.518.882.392	29.443.999.111
2		273.767.555	270.982.604
	¢	29.792.649.947	29.714.981.715

		Loans receivable from clients	
As of December 31, 2021		**Gross**	**Net**
Risk category:			
1	¢	24.763.811.286	24.699.477.769
2		101.890.606	101.381.153
	¢	24.865.701.892	24.800.858.922

		Loans receivable from clients	
As of March 31, 2021		**Gross**	**Net**
Risk category:			
1	¢	32.059.071.872	31.975.840.909
3		109.183.918	108.637.998
4		279.048.291	277.653.050
	¢	32.447.304.081	32.362.131.957

By request for change made by private banks to operate in accordance with the provisions of subsection ii) of Law N.1644, Organic Law of the National Banking System, the Governing Council of the Development Banking System authorizes the managing banks to transfer the resources from the Development Credit Fund, the repayment of which will be in monthly installments for a maximum period of six months.

As of March 31, 2022, resources have been transferred from the Development Credit Fund.

		March 2022	December 2021	March 2021
Banco Scotiabank	¢	0	19.870.101.543	8.533.361.610
Banco Promerica	¢	2.201.952.019	2.984.281.895	661.995.750
	¢	**2.201.952.019**	**22.854.383.438**	**9.195.357.360**

(42) Transition to the International Financing Reporting Standards (IFRSs)

Following are some of the main differences between the accounting standards issued by the Board and IFRSs, as well as the IFRSs or interpretations of the International Financial Reporting Interpretations Committee (IFRICs) yet to be adopted:

a) IAS 1: Presentation of Financial Statements

The new IAS 1 became effective as of the periods beginning on or after January 1, 2009.

The presentation of financial statements required by the Board differs in some respects from presentation under IAS 1. Following are some of the most significant differences:

SUGEF Standards do not allow certain transactions, such as clearing house balances, gains or losses on the sale of financial instruments, income taxes, among others, to be presented on a net basis. Given their nature, IFRSs require those balances to be presented net to prevent assets and liabilities or profit or loss from being overstated.

b) IAS 1: Presentation of Financial Statements (revised)

This standard is applicable in periods beginning on or after July 1, 2012. The changes that have been included in IAS 1 are to specific paragraphs related to the presentation of other comprehensive income. These changes will require other comprehensive income to be presented separating those that cannot be reclassified subsequently to the income statement and those that may be subsequently reclassified to the income statement if certain specific conditions are met.

IAS 1 requires an entity to disclose reclassification adjustments and income tax relating to each component of other comprehensive income. Reclassification adjustments are amounts reclassified to profit or loss in the current period that were previously recognized in other comprehensive income.

Revised IAS 1 changes the name of some financial statements, using "statement of financial position" instead of balance sheet.

IAS 1 requires an entity to present a statement of financial position as at the beginning of the earliest comparative period in a complete set of financial statements when the entity applies an accounting policy retrospectively or makes retrospective restatement.

The financial statements presentation format is determined by the Board and can be different from the options permitted on certain IFRS and IAS.

c) IAS 7: Statements of Cash Flows

The Board has only authorized preparation of the cash flow statement using the indirect method. The direct method is also acceptable under IAS 7.

d) IAS 8: Accounting Policies. Changes in Accounting Estimates. and Errors

In some cases, SUGEF has authorized the reporting of notices of deficiencies received from Tax Authorities against prior period retained earnings.

Accounting estimates are the best approximations of values or items that are included in the financial statements to measure the effects of events or economic transactions that have already occurred, or a current situation that is typical of an asset or liability of the entity, including adjustments that occur after the evaluation of an item as a result of new information or new events.

Any change in accounting estimates is prospective and is recorded in income for the period.

Based on its business model, nature, size, complexity, risk profile and other circumstances inherent to its operational activity, the entity must implement policies and procedures to define the representative framework to determine whether the information is material or not, which involves considerations of quantitative and qualitative factors. The entity shall disclose material inaccuracies or omissions, and related accounting policies, in the financial statements.

e) IAS 12: Income tax

A company recognizes all the tax consequences of paying dividends in the same way as income tax.

IAS 12 allows assets and liabilities to be presented net when they belong to the same tax entity, income or expense is presented net, as part of total income tax.

In the presentation of the SUGEF chart of accounts, each deferred income tax account must be presented separately.

In the case of a dispute regarding a specific tax treatment by the Tax Authority, which begins with the notification of a transfer of charges, the entity must:

a. Record against results of the period in the event that, according to the assessment by senior management, it is concluded that the entity has an immediate enforceable obligation with the Tax Administration.

b. Record a provision, for those treatments not considered in the previous paragraph, and whose amount must reflect the uncertainty for each of the tax treatments in dispute, according to the method that best predicts its resolution, as indicated by IFRIC 23.

f) IAS 16: Property, Plant and Equipment

The Standard issued by the Board requires the revaluation of property through appraisals made by independent appraisers at least once every five years, eliminating the option to carry these assets at cost or to revalue other types of assets.

The revaluation must be supported by an appraisal made by an independent professional, authorized by the respective college.

Furthermore, SUGEF permits the conversion (capitalize) of the surplus revaluation directly in equity (only for state banks), without having to relocate previously to retained earnings, as required by IAS 16.

Moreover, under IAS 16, depreciation continues on property, plant and equipment, even if the asset is idle. The Standard issued by the Board allows entities to suspend the depreciation of idle assets and reclassify them as held-for-sale.

g) IAS 21: The Effects of Changes in Foreign Exchange Rates

The supervised entities must keep their records and present their financial statements in Costa Rican colones.

The supervised entities must use the reference sale exchange rate of the Central Bank of Costa Rica that prevails at the time the operation is carried out for the accounting record of the conversion of foreign currency to the official currency 'colón', except for pension funds and labor capitalization funds, which must use the reference purchase exchange rate of the Central Bank of Costa Rica. Pension funds created by special or basic law managed by non-banking public sector institutions may use the purchase exchange rate referred to in article 89 of the Organic Law of the Central Bank of Costa Rica.

At the end of each month, the corresponding reference exchange rate will be used as indicated in the previous paragraph, in force on the last day of each month for the recognition of the adjustments for exchange rate differences in monetary items in foreign currency.

The provisions of this article do not prevent entities from generating information on a currency other than the Costa Rican colón, in the terms described in IAS 21 on functional currency. However, this information may not be used for the purposes of calculating prudential indicators, for presentation to the respective Superintendence or for publication to the public as required in the legal provisions that regulate the Financial System.

h) IAS 27: Consolidated and Separate Financial Statements

The Board requires that the financial statements of a parent entity to be presented separately, measuring its investments by the equity method. Under IAS 27, a parent is required to present consolidated financial statements. A parent company needs not to present consolidated financial statements when the ultimate or any intermediate parent of the parent produces consolidated financial statements available for public use, provided certain other requirements are also met. However, in this case. IAS 27 requires that investments be accounted for at cost.

In the case of financial groups, the holding company must consolidate the financial statements of all of the companies of the group in which it holds an ownership interest of twenty five percent (25%) or more, irrespective of control. For such purposes, proportionate consolidation should not be used, except in the consolidation of investments in joint ventures.

Amended IAS 27 (2008) requires accounting for changes in ownership interests by the Bank in a subsidiary, while maintaining control, to be recognized as an equity transaction. When the Bank loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognized in profit or loss. The amendments to IAS 27 became mandatory for the Bank's 2010 consolidated financial statements. These amendments have not been adopted by the Board.

The objective of this standard is to describe accounting treatment and disclosures required by subsidiaries, joint ventures and associates when the entity presents separate financial statements.

i) <u>IAS 28: Investments in Associates and Joint Ventures</u>

In application of IAS 28 *Investments in associates and joint ventures*, the entity with legal power to participate in the equity of other companies or special purpose entity, such as joint Ventures, associated, Trusts, must use the equity method, from the date it acquires the investment or from the date it becomes an associate, joint ventures, or special purpose entity.

Supervised entities must present their separate financial statements.

j) <u>Amendments to IAS 32: Financial Instruments 0 Presentation and IAS 1: Presentation of Financial Statements 0 Puttable Financial Instruments and Obligations Arising on Liquidation</u>

The amendments to the standards require puttable instruments and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation to be classified as equity if certain conditions are met. These changes have not been adopted by the Board.

k) <u>IAS 37: Provisions, Contingent Liabilities and Contingent Assets</u>

SUGEF requires that a provision for possible losses must be booked for contingent assets. IAS 37 does not allow this type of provision.

l) <u>IAS 38: Intangible Assets</u>

The commercial banks listed in article 1 of Internal Regulations National Banking System (Law No. 1644) may present organization and installation expenses as an asset in the balance sheet, however, those expenses must be fully amortized on the straight0line method over a maximum of five years. Similar procedure and term must be used for the amortization of goodwill acquired.

Automatic applications should be amortized systematically by the straight-line method during the term which produces economic benefits; such term could not exceed five years. Similar proceeding applies to obtained goodwill.

IAS 38 allows different methods to distribute an asset amortizable amount during useful life. Useful life of automatic applications could be longer than five years as stated by CONASIF standards.

On the other hand, IFRS do not require annual goodwill amortization, only yearly assessment for impairment is required.

After initial recognition, intangible assets with a defined useful life must be accounted for at their acquisition cost less accumulated amortization and accumulated impairment losses that may have affected them.

The supervised entity's senior management must establish the appropriate mechanisms and procedures to determine whether an intangible asset with an indefinite useful life has deteriorated. For the respective verification, it will compare its recoverable amount with its carrying amount. This comparison must be carried out when there is any indication that the value of the asset could have deteriorated or, at least, on an annual basis.

This provision also applies to goodwill acquired in a business combination.

The automated applications in use must be systematically amortized by the straight-line method, in the course of the period in which it is expected to produce economic benefits for the entity, which must be based on its accounting policy.

In the case of commercial banks, indicated in article 1 of the Organic Law of the National Banking System, Law 1644, organization and installation expenses can be presented in the statement of financial position as an asset, but must be fully amortized by the straight-line method within a maximum period of five years.

m) IAS 40: Investment Property

Investment properties must be valued at fair value.

For leased investment properties in which the fair value cannot be reliably measured on a continuous basis, its value will be measured by applying the cost model indicated in IAS 16 Property, Plant and Equipment. The residual value of the investment property should be assumed to be zero.

n) IFRS 3: Business combinations (revised)

In the application of IFRS 3, non-controlling interests in the acquiree, which are interests in current ownership and which grant the right to a proportional participation in the net assets of the entity, in the event of settlement must be measured, by the acquirer, at fair value on the acquisition date.

The combination that involves entities or businesses under common control or that the acquiree is a subsidiary of an investment entity, must be carried out by integrating its assets and liabilities measured at carrying value using even accounting policies, for which adjustments in the financial statements of the acquiree will be previously carried out, to ensure that the accounting policies correspond to those used by the acquirer.

o) IFRS 5: Non-current Held-for-Sale Assets and Discontinued Operations

In the case of entities supervised by SUGEF, assets awarded in judicial auctions or received in payment of obligations must be valued at the lower of:

a) its carrying amount; and
b) its fair value les selling costs.

The entity must implement a sales plan and a program to negotiate the assets at a reasonable price that allows the plan to be completed in the shortest possible time.

Within a 24-months period from the date of award or receipt of the asset, the entity must request the Superintendent, by the means provided by the latter, an extension for an equal period for the sale of the asset. By means of duly reasoned criteria, the Superintendent may deny the request for an extension, in which case he will demand the constitution of an allowance of the property for 100% of its carrying amount.

Also, an allowance for 100% of the carrying amount of the asset will be required when at the end of the indicated term, the entity did not request the extension. However, it will be a necessary condition that within 24 months from the date of award or receipt of the asset, it is estimated to be at least 50% of its carrying amount.

To determine the carrying amount of the assets awarded in judicial auctions or received in payment of obligations, the entity must record an allowance at the rate of one-forty-eighth per month until completing one hundred percent of the carrying amount of the asset. This accounting record will begin from the closing date of the month in which the asset was awarded or received in payment.

p) IFRS 9: Financial Instruments

The conventional purchase or sale of financial assets must be recorded applying the accounting of the settlement date.

Financial assets are divided into those that are measured at amortized cost and those that are measured at fair value. Based on the business model for managing financial assets and the characteristics of the contractual cash flows of the financial asset, the entity should classify its own investments or pooled portfolios in financial assets according to the following valuation categories:

a. At amortized cost. If an entity, in accordance with its business model and the current regulatory framework, classifies a part of its investment portfolio in this category, it will disclose:

   i. the fair value of financial assets classified in this category, in the quarterly financial statements and in the audited annual financial statement; and

   ii. the gain or loss that should have been recognized in profit or loss for the financial statements indicated in the previous section.

b. At fair value through other comprehensive income.

c. At fair value through profit or loss: Participations in open investment funds must be registered in this category.

Regulated entities must have policies and procedures to determine when to suspend the accrual of commissions and interest on loan operations.

However, the period of suspension of accrual should not be more than one hundred and eighty days.

q) IFRS 13: Fair Value Measurement

Valuation at fair value of the portfolios of financial assets and financial liabilities exposed to market risk and credit risk will be done individually. Measurement based on the net risk exposure of the entity is not admissible.

Expenses or losses from equity reserves created by law or voluntarily by regulated entities cannot be directly recorded, without having previously gone through profit or loss of the period.

(43) Figures for 2021

As of December 31, 2021, financial statement figures have not been reclassified for comparison with those of 2022, per modifications to the Chart of Accounts and SUGEF Directive 30-18: "Regulation on the financial information" approved by CONASSIF.

(44) Relevant and subsequent events

As of March 2022, there are relevant and subsequent events to disclose as follows:

Transfer of charges and observations

On November 21, 2014, Provisional Regularization Proposal No. 1-10-017-14-124-031-03 was notified, which informs the Bank of the differences found in tax bases and tax assessments, as well as the Legal facts and basis. The total tax debt is of ¢3.003.887.889 and interest of ¢1.079.849.565 corresponding to fiscal periods 2010-2011-2012 and 2013.

The Bank of Costa Rica expressed partial disagreement with the proposed regularization and awaits notification of the administrative act of liquidation, with concrete expression of the Legal facts and basis that motivate the differences in tax bases and assessments.

On January 14, 2015, according to the latest regulation proposal notified to the Bank by the Tax Authorities, regarding the items representing a tax contingency from a legal risk point of view that would mean an eventual confirmation of the payment obligation or future dismissal, and in order to make the corresponding provision considering the legal risk involved, it is indicated that the total amount for tax adjustments, interests and penalties as of January 8, 2015 is of ¢5.116.774.222.

On August 30, 2016, Provisional Regularization Proposal No. 1-10-071-16-085-041-03 was notified, which informs the Bank of the differences found in tax bases and tax assessments, as well as the Legal facts and basis. The total tax debt is of ¢9.932.739.485 and interest of ¢2.145.983.333 corresponding to fiscal period 2014.

The Bank expressed partial disagreement with the proposed regulations and is expecting the administrative liquidation to be notified, containing concrete facts and legal principles motivating the differences in the tax bases and tax fees.

On January 2, 2019, the Bank proceeds with the payment of ¢14.138.113.417 to the Ministry of Finance, corresponding to the amounts determined in the audit procedures for the periods from 2010 to 2014, under the tax amnesty, as indicated in Transitory XXIV of the Law on Strengthening of Public Finances No. 9535.

In the month of June, the first advance payment of the Income Tax was due, however the administration of the Bank of Costa Rica decided to avail itself of the benefit offered by the Tax Relief Law No.9830, due to COVID-19, according to the which, as disclosed in article 2 of the Law and article 8 of its Regulations, regarding to discard partial payments to be made in the months of April, May and June 2020 for a single time.
The amounts of the payment are presented as follows:

Period		Income tax	Penalties		Total
2010	¢	679.647.526	33.982.376	¢	713.629.902
2011		1.059.187.613	52.959.381		1.112.146.994
2012		987.937.205	98.793.721		1.086.730.926
2013		272.356.511	27.235.651		299.592.162
2014		9.932.739.485	993.273.948		10.926.013.433
	¢	**12.931.868.340**	**1.206.245.077**	¢	**14.138.113.417**

As of July 3, 2020, the BCCR publishes Law 9859 "Law to fight Usury" defining a maximum on interest rates on loans and credit cards equivalent to 37.69% per year in colones and 30.36% in US dollars, in force for the second quarter of 2020. BCR credit cards offer an interest rate of 32% per year, one of the lowest in the market at the time of the entry into force of Law 9859, therefore it did not generate a financial impact on the income for credit card interest.

On the other hand, the law establishes a minimum non-sizable wage amount that cannot be considered in the analysis of the ability to pay, which implied the incorporation of this concept into the current credit regulations.

As of December 31, 2021, an adjustment for ¢8.487.028.342 for provision reversal for IFRIC 23 is carried out by prescription corresponding to the period 2016, (¢1.734.981.794.69, for December 31, 2020, corresponding to 2015).

As of December 31, 2021, BCR Operadora de Pensiones Complementarias does not make a provision reversal adjustment for IFRIC 23. (¢51,013,093, for December 31, 2020, corresponding to the 2015 period, due to prescription).

As of December 31, 2021, BCR Corredora de Seguros carried out the reversal of the respective contingency for ¢54.313.692 corresponding to the 2015 period (¢40.880.144, for December 31, 2020).

As of December 31, 2021, BCR Valores S.A. carried out the reversal of the respective contingency for ¢264.905.511 corresponding to the 2015 period (¢194.676.459, for December 31, 2020).

As of December 31, 2020, BCR Sociedad Administradora de Fondos de Inversión S.A. carried out the reversal to the respective contingency for ¢36.435.373 corresponding to the 2015 period. (¢42.457.128, for December 31, 2020).

On August 13, 2021, the Dirección de Grandes Contribuyentes Nacionales (DGCN) notified the Bank of the Communication of the Start of Verification Action Investigation through which the inspection process of the Income Tax declared by the Bank for the 2017 fiscal period begins.

On March 21, 2022, the Regularization Provision Proposal No. DGCN-SFPD-28-2021-4-321-03 is notified, informing the Bank of the differences found in the tax bases and tax quotas, as well as the facts and legal bases supporting it. The total debt is of ¢16,755,470,468 and interest of ¢8,042,094,675, corresponding to the 2017 fiscal period.

The Bank of Costa Rica expressed partial disagreement with the regulation proposal and is awaiting notification of the administrative act of settlement, with concrete expression of the facts and the legal bases that motivate the differences in the taxable bases and the tax quotas.

As of April 5, 2022, the Bank paid ¢32,663,336,584 to the Treasury.

Period		**Income tax**		**Penalties**		**Interest**		**Total**
2017	¢	16.755.470.469	¢	7.865.771.439	¢	8.042.094.675	¢	32.663.336.584

Value added tax

With the enactment of Law No. 9635, Law on Strengthening Public Finances of December 3, 2018, the sales tax system is comprehensively reformed, derogating entirely the General Sales Tax Law, Law No. 6826 of November 8, 1982 and its reforms, migrating its Title I to a new regulatory framework, called the Value Added Tax Law. This tax is regulated in Article 1 of the Law. In this new regulatory framework, all goods and services are taxed as a general rule, presupposing an improvement in the control and oversight of the tax, since the list of exempt goods and services is considerably reduced, according to what is established in Article 8 of the Law. Likewise, the essential elements of the tax, being the taxable event, the accrual, the taxable persons, and the taxable base, were modified with Article 1 of the Law for Strengthening Public Finances.

New administration of the Notarial Guarantee Fund

On October 8, 2019, BCR Pensiones started managing the Notarial Guarantee Fund; this fund was created with the enactment of the Notarial Code started ruling in 1998.

The National Directorate of Notaries carried out a comprehensive market study to determine the existence of options to manage its fund, thus transferring the Fund to BCR Pensiones.

As of December 31, 2019, the Notarial Guarantee Fund generated an income of ¢171,744,963.

In official letter BCROPC-048-20 dated February 11, 2020, the deadline for delivery of the audited financial statements of the Individual Capitalization Fund of Notarial Guarantee is extended once the National Directorate of Notaries delivers the corresponding audited financial statements to the period from January 1 to October 7, 2020, which was administered by another Complementary Pension Operator.

Declaration of health alert for COVID-19

Actions of the Government of Costa Rica

On March 08, 2020, given the increase in confirmed cases, the Ministry of Health and the National Commission for Risk Prevention and Emergency Attention decided to decree the yellow alert throughout the country, in view of the health emergency caused by the presence of COVID-19.

On March 11, 2020, the World Health Organization elevated the public health emergency caused by COVI D-19 to an international pandemic. The rapidity in the evolution of the events, on a national and international scale, requires the adoption of immediate and effective measures to face this situation. The extraordinary circumstances that occur constitute, without a doubt, an unprecedented and enormous health crisis, both due to the very high number of people affected and the extraordinary risk to their lives and rights.

The Board of Directors of the National Commission for Risk Prevention and Emergency Attention, in the extraordinary session of March 15, 2020, through agreement number 046-03-2020, recommended to the President of the Republic to declare a state of national emergency, according to Article 18 of the National Law on Emergencies and Risk Prevention and following the terms of the Law.

As of March 17, 2020, the decree of Fiscal Relief for COVID-19 is approved, establishing moratorium measures in the payment of income tax (VAT, selective consumption, and duties, from April to June 2020 they be declared and may be paid free of charge for interest or penalties until December 2020, a postponement of the payment term is granted, there is no forgiveness or amnesty).

In addition, it will not be necessary to pay the rent advance for the months of April to June 2020 and the VAT exemption on commercial rentals in the months of April to June 2020.

On March 18, 2020, directive 075-H was signed to instruct the State commercial banks, in exercise of their constitutional autonomy, to carry out all the necessary and effective measures to readjust the credits of the debtors affected by the current situation.

The guideline urges banks to assess measures such as the following:

1. Decrease in interest rates according to the terms of each loan.
2. Extension of the term of loans.
3. Extension in the payment of the principal and/or interest for the time that is necessary.
4. Extraordinary payments to the principal amount without penalty.

Financial Information Regulation

As of March 2020, multiple regulations have been issued with the aim of mitigating the impact of COVID-19 related to the banking and financial sector, as follows:

Approved by CONASSIFF

a. To extend to June 30, 2021, the option to renegotiate the agreed conditions of the credits up to twice in a 24-month period, without these being considered a special operation and therefore, without these adjustments having negative effects on the debtors' file at the Credit Information Center (CIC) (CP-BCCR-007-2020).

b. This measure covers loans of more than ¢100 million and those equal to or less than this amount that already have two adjustments in the last 24 months.

c. Loans of 100 million colones or less that to date have had two readjustments within the last 24 months, may readapt their operation once more during the period ending June 30, 2021, without qualifying as a special operation.

d. This measure allows a third payment readjustment to clients who have already had two arrangements; that the renegotiations be for any operation regardless of the balance and suspend, for one year, the countercyclical provisions (an amount of the profits that should be kept month by month), to all financial entities.

e. The National Council for the Supervision of the Financial System approved on Monday, March 23, new mitigation measures against the negative effects of the coronavirus on the economy of Costa Rica. These measures are complementary to those already taken previously and have the objective of granting access to credit measures to the affected debtors.

f. Measures regarding the Payment Capacity: It was agreed to maintain the level of payment capacity that the companies or individuals had prior to the effects of COVID-19. This particular measure aims to facilitate the readjustments and / or refinancing of the credits. This measure is temporary; it is in force until March 31, 2021.

g. Measures related credit policies and procedures: A measure that will ease the procedures for both the granting of new credits and their readjustments and/or refinancing, where financial institutions may omit, in their credit policies and procedures, the information that they ordinarily request from their clients to verify their ability to pay. This provision will be in force until March 31, 2021. Measures regarding the Suspension of Classification of Irregularities of the Sanitation Plan: It was agreed to suspend, for one year, the provision that classifies a financial entity in "type irregularity", when the institution has losses for six months or more, in the last 12 months. When a financial institution presents losses for six months or more, in the last 12 months, SUGEF immediately orders the implementation of a reorganization plan to counteract the situation. It is important to note that SUGEF must amend the parameters for determining the liquidity indicators. This measure will be in force for a twelve-month period.

h. Measures regarding the granting of periods of grace: In accordance with Directive 075-H issued by the Government, it was agreed to allow financial entities to establish grace periods for clients, without the payment of interest or principal. It is important to highlight that this measure will be implemented under the criteria of each financial entity, the term of the grace periods will be determined by each financial entity.

i. Measures regarding the de-accumulation of countercyclical provisions: It was agreed to allow financial entities to establish processes of de-accumulation of counter-cyclical provisions and classify them as income. These estimates correspond to the money those financial institutions reserve to protect themselves from economic cycle risks and / or the effects of portfolio defaults.

General Superintendence of Financial Entities

a. By Resolution SGF-0971-2 dated March 20, 2020, SUGEF agreed to reduce the “M” factor in the countercyclical allowance formula with the aim of adding opportunity and effectiveness to the dynamics of the countercyclical allowance model.

b. It was agreed to establish the value of the “M” factor referred to in Article 6 of the SUGEF 19-16 Agreement.

c. This minimum required percentage level of countercyclical allowance (“M”) will apply from the monthly close of March 2020 and will be subject to revision during the year 2020.

d. This measure will allow financial entities to allocate resources to grant credits, which would ordinarily be foreseen for the reserves required by law.

Central Bank of Costa Rica

The Board of Directors of the Central Bank of Costa Rica approved the following reforms:

a. It reduced the Monetary Policy Rate (TPM) by 100 basis points, to locate it at 1.25% annually, as of March 17, 2020,

b. In addition, it agreed to reduce the gross interest rate on overnight deposits (DON) to 0.01% per year as of March 17, 2020, and those of the Permanent Credit Facility and the Permanent Market Deposit Facility Integrated Liquidity at 2.00% and 0.01%, respectively; and

c. Modify the control of the Minimum Legal Reserve from 97.5% to a minimum of 90%: "during each and every day of the reserve control period, the balance at the end of the day of deposits in the Central Bank must not be less than 90% of the minimum legal reserve requiring two previous natural fortnights". This measure aims to free up a little daily liquidity in the country's commercial banks; however, it is important to note that the required percentages of the Minimum Legal Reserve have not changed (15% in US dollars and 12% in colones).

d. With the aim of positively impacting the liquidity markets, as of March 24, the Central Bank will participate in the liquidity markets of the National Stock Market (overnight market and repurchase market) as an investor in US dollars. In addition, it will participate as an investor in colones with one-day and up to thirty-days terms.

e. The Central Bank has informed its intention of participating in the Integrated Liquidity Market (the banks' liquidity market) during the next days, with investor positions in an one-day term.

f. Through resolution JD-5922/09, the Board of Directors of the Central Bank agreed to modify the Regulations for credit operations of last instance in national currency of the Central Bank of Costa Rica, related to the reforms necessary for credit applications to be approved through a technological platform.

g. The decisions are based on the analysis of the expected trajectory for inflation and its determinants, the risks in that forecast, and the lag with which the monetary policy measures take effect.

h. These monetary policy measures are intended to continue to press down interest rates in the market, and thereby ease the financial situation of companies and households in the country.

Measures adopted by the Bank in the face of the health emergency due to COVID-19. Measures were generated in three areas:

1) Direct loan: A total grace period of 6 or 12 months will be provided, in which the client will pay only what corresponds to credit-related policies, that is, the principal and interest will not be charged during that period; the collection will be carried out after the total grace period and will be treated according to the needs of each client.

   The unpaid interest will be charged through a new loan that will take effect at the end of the grace period.

   For this new operation, the interest rate will be, in colones basic passive rate (TBP) + 1 colones and in US dollars PRIME rate, depending on the currency, and for the remaining term of the main operation.

   In the cases necessary, the maturity of the main operation may be extended by up to 11 months.

   This facility applies to customers with less than 60 days past due, for which no additional payment capacity analysis will be made.

2) Credit cards: With reference to credit cards, at the request of each client, a total grace period will be granted for a period of up to three months. During the months of the full grace period, you will be no charges for fees or default interest.

3) Credit lines: They will be attended to as specific situations, punctually analyzing each client to identify the need and provide a tailor-made solution.

   As an immediate response to the corporate sector, the Bank will allocate close to 100 billion colones to support the liquidity of its corporate clients, readjusting its credit operations in direct loans, to improve the cash flows of the companies.

   In this first stage, facilities will be given with emphasis on Tourism and Commerce, which will allow a medium-term solution, ranging between 6 or 12 months in both currencies.

   In a second stage, the Transportation and Commercial sector with real estate activity will be addressed with greater emphasis, also covering other economic activities.

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the consolidated financial statements

March 31, 2022

As of March 31, 2022, Loans are detailed by activity in operations readjusted by Covid-19:

	Colones	Converted US dollars
Agriculture	2.105.563.938	35.635.384.914
Trade	87.623.896.751	35.476.295.660
Construction	5.591.011.774	11.442.933.589
Retail	73.921.790.806	4.249.166.218
Livestock	3.737.938.176	0
Industry	32.543.539.047	2.571.404.781
Services	30.552.625.902	23.410.066.959
Transportation	22.670.081.461	72.504.411
Tourism	7.102.554.641	52.646.627.079
Housing	186.123.865.984	58.085.921.724
Total by currency	**451.972.868.480**	**223.590.305.334**
Total	**675.563.173.815**	

		Colones	Amount in US Dollars	Total
Agriculture		86	10	96
Trade		862	70	932
Construction		18	14	32
Retail		8.040	495	8.535
Livestock		103	0	103
Industry		94	4	98
Services		439	40	479
Transportation		197	2	199
Tourism		47	49	96
Housing		8.463	1.193	9.656
Total	¢	**18.349**	**1.877**	**20.226**

As of December 31, 2021

		Colones	Converted US dollars
Agriculture		2.174.669.273	34.744.175.119
Trade		89.785.046.202	36.340.685.119
Construction		5.675.761.357	11.363.286.508
Retail		77.269.995.248	4.714.700.744
Livestock		3.884.370.495	114.878.942
Industry		33.347.876.145	2.533.929.316
Services		31.682.713.592	23.149.480.952
Transportation		23.558.277.903	140.791.730
Tourism		7.244.072.181	60.568.680.636
Housing		190.125.832.131	57.921.507.901
Total by currency		**464.748.614.526**	**231.592.116.966**
Total	¢	**696.340.731.492**	

		Colones	Amount in US Dollars	Total
Agriculture		92	10	102
Trade		920	74	994
Construction		17	14	31
Retail		8.312	531	8.843
Livestock		108	1	109
Industry		101	6	107
Services		471	46	517
Transportation		202	4	206
Tourism		54	79	133
Housing		8.617	1.229	9.846
Total	¢	**18.894**	**1.994**	**20.888**

Effects of the pandemic on BICSA

As of December 31, 2020, the number of moratoriums granted by BICSA Group reaches an amount of 184.7 million dollars, which represents 12% of the total portfolio and provisions were made to cover the potential effect of macroeconomic impairment of the loan portfolio according to the entity's expected loss models (see note 26 - Modified special mention category loans).

Faced with the pandemic, Grupo BICSA was forced to respond quickly to critical questions in the operational and financial areas. In particular, the recalibration and updating of IFRS 9 models is of particular importance as a fundamental task in the current context because of various factors that in turn have an impact on provisions. These reviews considered adjustments to conventional methodological aspects such as the probability of default (PD), the loss given default (LGD) and the forward-looking adjustment (prospective economic effect of the IFRS 9 model). The classification criteria in Stages have also been revised to incorporate the effects that the COVID-19 environment could bring to customers, in this case it is necessary to define criteria for a significant increase in credit risk (ISRC) based on the risk of the economic sector, the activity within the economic sector and the particular characteristics of each client. Finally, based on the methodology defined taking as reference the international regulations and the local regulatory context, the Bank defined the Post Model Adjustments (Overlays) with general guidelines for the classification process of modified loans in the different stages established by IFRS 9. After applying the adjustments, the bank resulted in an increase in its IFRS 9 reserve estimate of $1.3 million.

Management and impacts of the pandemic for COVID-19 at BICSA

As of the second quarter of 2020, the Group increased its volume of current assets to an average greater than 63.65% of the Legal Liquidity indicator, doubling the minimum 30% required (see Note 5 - Liquidity Risk). Finally, the Group's solvency level has improved compared to the previous closing ended on December 31, 2019 and remains well above the requirements of the SBP in 12.76% of weighted equity/assets based on risk (see Note 5 - Capital Management). The final magnitude of the impact of the pandemic for COVID-19 on the Group's business, financial situation and results will depend on future and uncertain events, including the intensity and persistence over time of the consequences derived from the pandemic in the different geographies in which the Group operates.

Financial Information Regulation

Through articles 6 and 5 of the minutes of sessions 1442-2018, held on September 11, 2018, CONASSIF approved the Financial Information Regulation, in effect from January 1, 2020.

The purpose of the Regulations is to moderate the application of the International Financial Reporting Standards (IFRS) and their interpretations (SIC and IFRIC), issued by the International Accounting Standards Board (IASB), considering prudential or regulatory accounting treatments. As well as the definition of a specific treatment or methodology when IFRS propose two or more application alternatives.

Effects of the Financial Information Regulation

Through decrees 34918-H, 35616-H and 41039-MH, the Government of Costa Rica adopted following international accounting standards: International Accounting Standards of the Costa Rican Public Sector for entities that are part of the General Government Sector, and International Financial Information Standards for public companies. Thus, the regulation must recognize this condition for the special case of non-financial issuers authorized for public offering that are state-owned entities or public institutions.

The regulation updates the regulatory accounting base to advance in the adoption of IFRS with its most recent texts, by the entities of the National Financial System, which favors its comparability and the reading of financial information, both for the national and foreign users. In addition, it includes in a single regulatory body, the provisions on remission, presentation and publication of financial statements, which provides greater uniformity in the performance of supervisory bodies, as well as avoiding duplication and redundancy.

It enters into force as of January 1, 2020, except for 1) Registration and control of custody activities in memoranda accounts and 2) Adoption of IAS 12 "Income tax" and IFRIC 23 "The Uncertainty regarding Income Tax Treatments", which will be implemented in 2019. This provides an adequate space for the industry and its regulatory bodies to carry out technological adjustments and assess the possible impacts on prudential indicators, so that required decisions are taken in a timely manner.

Distribution of dividends

As of March 18, 2021, BCR Corredora de Seguros S.A., distributes dividends in the amount of ¢3,000,000,000, according to the resolution of the Extraordinary General Shareholders' Meeting No. 02-21.

As of April 5, 2021 BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A., distributes dividends in the amount of ¢750,000,000, in compliance with resolution of the Extraordinary General Shareholders' Meeting No. 02-21.

As of April 9, 2021, BCR Sociedad Administradora de Fondos de Inversión, S.A., distributes dividends in the amount of ¢2,750,000,000, according to the resolution of the Extraordinary General Shareholders' Meeting No. 02-2021.

As of April 28, 2021, BCR Valores, S.A., distributes dividends in the amount of ¢2,500,000,000, according to the resolution of the Extraordinary General Shareholders' Meeting No. 02-2021.

Incorporation of Banprocesa S.R.L. to the BCR Financial Conglomerate

Banprocesa, S.R.L. will provide exclusive services to the BCR Financial Conglomerate, in the development of software related to information technology. Significant improvements are expected in the management of this process, with an impact on reducing costs for reprocessing, timely attention, custom development and in general, greater efficiency in management as well as supporting the strategic objective of turning Banco de Costa Rica into a digital bank. Due to the nature of the company's services, its impact is seen mainly in the bank's operational risk management, and to a lesser extent, with an impact on its solvency. Therefore, no technical aspects or risk exposure are identified that constitute a disability to its incorporation into the Financial Conglomerate.

By means of official letter GG-04-276-2020, of April 24, 2020, a request for formal authorization it is sent to the General Superintendency of Financial Entities (SUGEF) on April 27, 2020, to incorporate Banprocesa, S.R.L. to the BCR Financial Conglomerate and Subsidiaries, clarifying that, currently Banco de Costa Rica owns 100% of the shares of the entity.

By means of official letter SGF-2069-2021 SGF-CONFIDENCIAL-202103143, dated July 23, 2021, a favorable opinion is rendered on the request for authorization to incorporate Banprocesa, S.R.L. to the BCR Financial Conglomerate.

As of December 31, 2021, for the presentation of the financial statements of the Banco de Costa Rica Financial Conglomerate, due to the incorporation as a member company, and due to the nature of Banprocesa SRL's business, an adjustment was made in the amount of ¢940,117,721, corresponding to the profit generated in the service provided in support of the Bank's software, in the statement of financial position and in the income statement.

(45) Authorization date for issuance of the financial statements

The General Management of the Bank authorized the issuance of the consolidated Financial Statements on April 26, 2022.

SUGEF might require amendments to the Financial Statements after the date of authorization for issuance.