Banco de Costa Rica

Unaudited Separate Financial Statements

March 31, 2023, and 2022

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BANCO DE COSTA RICA
SEPARATE STATEMENT OF FINANCIAL POSITION
As of March 31, 2023
(In colones without cents)

	Note		March 2023	December 2022	March 2022
ASSETS					
Availabilities	**4**	¢	**963,931,522,637**	**889,861,698,309**	**809,164,168,561**
Cash			88,829,869,034	91,663,160,584	77,760,614,789
Central Bank of Costa Rica			677,962,176,755	622,086,762,114	558,892,685,876
Financial entities abroad			71,649,291,142	86,500,889,193	73,582,822,566
Demand documents receivable for collection			29,262,209,055	288,751,558	2,555,448,610
Restricted availabilities			96,227,976,651	89,322,134,860	96,372,596,720
Investment in financial instruments	**5**		**1,431,286,319,777**	**1,587,645,659,367**	**1,769,586,894,558**
At fair value through profit or loss			133,182,939,248	229,977,070,438	284,373,921,339
At fair value through other comprehensive income			1,267,859,258,131	1,320,061,922,081	1,458,506,026,734
At amortized cost			16,306,841,825	13,973,862,699	11,051,281,928
Interest receivable			13,937,280,573	23,632,804,149	15,655,664,557
Loan portfolio	**6.b**		**3,100,593,382,777**	**3,151,277,829,847**	**3,048,476,299,121**
Current loans			3,000,404,311,903	3,048,329,581,189	2,947,875,228,676
Past due loans			188,754,642,218	195,877,347,779	209,332,317,834
Loans in legal collection			51,373,797,653	54,015,379,909	54,530,116,636
(Deferred income-loan portfolio)			(20,239,555,338)	(20,276,542,716)	(19,111,065,464)
Interest receivable	**6.e**		21,020,608,643	18,955,945,108	18,509,049,573
(Allowance for impairment)	**6.f**		(140,720,422,302)	(145,623,881,422)	(162,659,348,134)
Accounts and commissions receivable			**34,162,505,092**	**31,144,522,215**	**15,791,423,224**
Commissions receivable			1,667,436,722	1,191,219,178	1,744,973,297
Accounts receivable for transactions with related parties			958,978,455	1,047,926,438	3,138,866,589
Deferred income tax and income tax receivable	**15**		30,389,417,863	27,825,064,311	10,070,860,270
Other accounts receivable			14,411,082,111	14,620,289,341	14,164,295,702
(Allowance for impairment)			(13,264,410,059)	(13,539,977,053)	(13,327,572,634)
Foreclosed assets	**7**		**33,246,403,751**	**33,391,023,435**	**40,178,365,803**
Assets and securities acquired as recovery of loans			99,136,959,521	97,737,157,773	104,491,602,936
Other foreclosed assets			3,369,180,711	3,008,511,818	4,280,816,675
(Allowance for impairment and per legal requirements)			(69,259,736,481)	(67,354,646,156)	(68,594,053,808)
Interest in other companies capital, net	**8**		**113,841,186,326**	**118,058,380,855**	**133,305,305,297**
Property, furniture and equipment, net	**9**		**141,114,081,994**	**142,804,777,436**	**128,072,436,214**
Property investmests			**6,831,625,000**	**6,831,625,000**	**6,441,924,521**
Other assets	**10**		**144,832,382,727**	**129,096,208,448**	**63,364,830,239**
Deferred charges	**10.a**		770,384,412	862,205,085	7,480,393,301
Intangible assets, net	**10.b**		20,814,406,366	22,421,331,263	15,158,338,568
Other assets	**10.c**		123,247,591,949	105,812,672,100	40,726,098,370
TOTAL ASSETS		¢	**5,969,839,410,081**	**6,090,111,724,912**	**6,014,381,647,538**

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BANCO DE COSTA RICA
SEPARATE STATEMENT OF FINANCIAL POSITION
As of March 31, 2023
(In colones without cents)

	Note		March 2023	December 2022	March 2022
LIABILITIES AND EQUITY					
LIABILITIES					
Obligations with the public		¢	**4,614,043,546,034**	**4,714,425,599,606**	**4,655,341,909,142**
Demand obligations	11		2,869,303,495,320	3,240,787,388,218	3,195,649,867,167
Term obligations	12		1,718,458,360,454	1,456,198,586,872	1,448,206,175,755
Other obligations with the public			118,246,262	171,582,543	129,460,181
Financial charges payable			26,163,443,998	17,268,041,973	11,356,406,039
Obligations with Central Bank of Costa Rica	14		**108,199,896,486**	**135,919,058,556**	**118,264,017,839**
Term obligations			106,607,072,703	134,495,032,211	117,434,359,976
Financial charges payable			1,592,823,783	1,424,026,345	829,657,863
Obligations with entities			**297,004,701,425**	**326,306,685,147**	**383,771,456,057**
Demand obligations	14		48,614,451,600	38,630,311,266	45,470,240,456
Term obligations	12		246,811,752,420	286,590,336,108	336,452,412,051
Financial charges payable			1,578,497,405	1,086,037,773	1,848,803,550
Accounts payable and provisions			**152,578,884,485**	**177,931,186,578**	**151,190,000,144**
Provisions	16		40,477,707,396	39,631,662,680	53,134,565,560
Accounts payable for brokerage services			124,586	130,934	6,267,770
Deferred income tax	15		29,243,605,391	28,455,219,795	36,092,686,622
Other accounts payable	17		82,857,447,112	109,844,173,169	61,956,480,192
Other liabilities			**107,666,296,049**	**58,896,184,984**	**18,202,196,206**
Deferred income			393,184,705	386,432,814	572,380,112
Other liabilities			107,273,111,344	58,509,752,170	17,629,816,094
Subordinated obligations			**50,140,457,855**	**50,139,855,636**	**0**
Subordinated obligations	14		49,956,035,633	49,955,433,414	0
Financial charges payable	14		184,422,222	184,422,222	0
TOTAL LIABILITIES		¢	**5,329,633,782,334**	**5,463,618,570,507**	**5,326,769,579,388**
EQUITY					
Capital stock	18	¢	**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
Equity adjustments - Other comprehensive income			**16,064,199,960**	**7,399,651,431**	**80,522,415,744**
Reserves	1.w		**351,152,901,365**	**325,313,265,088**	**325,313,265,088**
Accrued earnings from previous periods			**41,896,492,820**	**23,721,615,916**	**44,852,210,066**
Profit of current period			**3,915,425,478**	**48,171,909,592**	**15,037,464,874**
Capital contributions in funds or special reserves			**45,766,617,523**	**40,476,721,777**	**40,476,721,777**
TOTAL EQUITY			**640,205,627,747**	**626,493,154,405**	**687,612,068,150**
TOTAL LIABILITIES AND EQUITY		¢	**5,969,839,410,081**	**6,090,111,724,912**	**6,014,381,647,538**
DEBIT CONTINGENT ACCOUNTS	19	¢	**441,914,064,169**	**474,773,322,051**	**318,576,412,726**
TRUST ASSETS	20		**840,032,017,167**	**723,133,806,512**	**870,600,929,716**
TRUST LIABILITIES			**265,913,210,902**	**270,063,360,217**	**348,390,214,318**
TRUST EQUITY			**574,118,806,266**	**453,070,446,296**	**522,210,715,399**
OTHER DEBIT MEMORANDA ACCOUNTS	21	¢	**18,180,075,501,234**	**18,944,176,688,118**	**16,905,572,677,183**
Own debit memoranda accounts			10,584,444,701,575	11,576,333,433,589	9,098,746,614,611
Third party debit memoranda accounts			86,315,896,957	110,860,738,441	94,754,055,767
Own debit memoranda accounts for custodial activities			961,955,112,666	906,880,401,900	1,126,325,375,509
Third party debit memoranda accounts for custodial activities			6,547,359,790,036	6,350,102,114,188	6,585,746,631,296

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

DOUGLAS SOTO LEITON (FIRMA)
Firmado digitalmente por DOUGLAS SOTO LEITON (FIRMA)
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Douglas Soto L.
General Manager

MARIA LUISA GUZMAN GRANADOS (FIRMA)
Firmado digitalmente por MARIA LUISA GUZMAN GRANADOS (FIRMA)
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María Luisa Guzmán G.
Accountant

MARIA EUGENIA ZELEDON PORRAS (FIRMA)
Firmado digitalmente por MARIA EUGENIA ZELEDON PORRAS (FIRMA)
Fecha: 2023.06.14 11:38:25 -06'00'

María Eugenia Zeledón.
Sub internal auditor a.i

Sheet B

BANCO DE COSTA RICA
SEPARATE STATEMENT OF INCOME
For the period ended March 31, 2023
(In colones without cents)

	Note		March 2023	March 2022
Financial income				
Cash		¢	1,008,424,092	180,853,704
Investments in financial instruments	22		22,071,911,946	20,908,704,482
Loan portfolio	23		73,915,306,999	54,362,723,785
For exchange differences and UD	1-d		0	1,138,658,406
For profit from financial instruments at fair value through profit or loss			825,517,851	387,290,249
For profit from financial instruments at fair value through other comprehensive income			375,739,864	5,602,384,698
Other financial income			177,409,079	272,242,912
Total financial income			**98,374,309,831**	**82,852,858,236**
Financial expenses				
Obligations with the public	24		56,244,570,346	22,178,264,405
Obligations with the Central Bank of Costa Rica			433,344,817	246,739,516
Obligations with financial and no-financial entities			1,790,996,039	964,131,977
For subordinated, convertible and preferred obligations			1,537,367,219	0
For exchange differences and UD	1-d.ii		5,732,972,248	0
For losses from financial instruments at fair value through profit or loss			93,555,747	183,751,605
For losses from financial instruments at fair value through other comprehensive income			1,178,604,158	32,593,112
Total financial expenses			**67,011,410,574**	**23,605,480,615**
Allowance for impairment of assets	25		2,347,650,667	10,246,263,395
Recovery of asset and decrease in allowance and provisions	26		6,573,677,312	2,720,096,381
FINANCIAL INCOME			**35,588,925,902**	**51,721,210,607**
Other operating income				
Service fees	27		23,205,106,162	22,574,256,610
Foreclosed assets			2,779,239,315	14,030,823,438
Profit from capital investmets in other companies	28		936,768,328	603,772,309
Profit from capital investments in entities supervised by SUGEVAL	28		369,684,733	1,653,123,466
Profit from capital investments in entities supervised by SUPEN	28		180,062,264	226,673,171
Profit from capital investments in entities supervised by SUGESE	28		540,611,315	953,766,160
Foreign currency exchange and arbitrations			8,356,039,946	5,696,795,397
Other income from related parties			812,233,834	759,035,358
Other operating income			6,143,329,764	3,738,648,326
Total other operating income			**43,323,075,661**	**50,236,894,235**
Other operating expenses				
Service fees			6,544,708,560	7,531,660,084
Foreclosed assets			6,540,299,213	12,792,517,042
Loss from capital investments in other companies	28		95,117,231	266,279,847
Loss from capital investments in entities supervised by SUGEVAL	28		232,142,114	0
Provisions			1,194,156,912	2,926,254,788
Foreingn currency exchange and arbitration			59,107,582	67,539,752
For other expenses with related parties			86,848,406	0
Other operating expenses			10,973,372,374	10,440,084,331
Total other operating expenses			**25,725,752,392**	**34,024,335,844**
OPERATING INCOME, GROSS			**53,186,249,171**	**67,933,768,998**
Administrative expenses				
Personnel expenses			26,171,055,339	23,743,145,927
Other administrative expenses			17,773,686,022	16,441,799,299
Total administrative expenses	29		**43,944,741,361**	**40,184,945,226**
NET OPERATING INCOME, BEFORE TAXES AND STATUTORY ALLOCATIONS			**9,241,507,810**	**27,748,823,772**
Income tax	15		3,600,686,962	4,847,893,510
Deferred income tax	15		1,268,169,984	4,959,146,160
Decrease in income tax	15		1,516,594,842	4,586,977,121
Statutory allocations of profit	30		1,973,820,228	7,491,296,349
RESULTS OF THE PERIOD			**3,915,425,478**	**15,037,464,874**
Attributed to the controller			**3,915,425,478**	**15,037,464,874**
OTHER COMPREHENSIVE INCOME , NET OF TAX				
Adjustment for valuation of investments at fair value through other comprehensive income			10,716,974,050	(7,780,409,210)
Reclassification of unrealized profit to the income statement			562,005,006	(3,898,854,110)
Adjustment for valuation of restricted finantial instruments, net income tax			3,652,631,295	(5,814,671,457)
Other adjustments			(6,267,061,822)	1,409,007,110
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX	31		**8,664,548,529**	**(16,084,927,667)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			**12,579,974,007**	**(1,047,462,793)**

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

DOUGLAS SOTO LEITON (FIRMA) Firmado digitalmente por DOUGLAS SOTO LEITON (FIRMA) Fecha: 2023.06.14 16:41:44 -06'00'

Douglas Soto L.
General Manager

MARIA LUISA GUZMAN GRANADOS (FIRMA) Firmado digitalmente por MARIA LUISA GUZMAN GRANADOS (FIRMA) Fecha: 2023.06.13 20:39:14 -06'00'

María Luisa Guzmán G.
Accountant

MARIA EUGENIA ZELEDON PORRAS (FIRMA) Firmado digitalmente por MARIA EUGENIA ZELEDON PORRAS (FIRMA) Fecha: 2023.06.14 11:39:19 -06'00'

María Eugenia Zeledón.
Sub internal auditor a.i

Sheet C

BANCO DE COSTA RICA
SEPARATE STATEMENT OF CHANGES IN EQUITY
For the period ended March 31, 2023
(In colones without cents)

	Note	Capital stock	Surplus for revaluation of property, furniture and equipment (Adjustments to equity)	Adjustment for valuation of investments at fair value through other comprehensive income (Adjustments to equity)	Ajustment for valuation of capital investments in other companies (Adjustments to equity)	Total equity adjustment (Adjustments to equity)	Equity reserves	Accrued earnings from previous periods	Equity of the Development Financing Fund	Total equity
Balance as of December 31, 2021		¢ **181,409,990,601**	**31,744,671,803**	**49,490,498,998**	**15,372,172,610**	**96,607,343,411**	**296,709,547,031**	**77,720,638,490**	**36,212,011,410**	**688,659,530,943**
Allocation of legal reserve		0	0	0	0	0	28,603,718,057	(28,603,718,057)	0	0
Allocation to the Development Financing Fund		0	0	0	0	0	0	(4,264,710,367)	4,264,710,367	0
Balance as of March 31, 2022		**181,409,990,601**	**31,744,671,803**	**49,490,498,998**	**15,372,172,610**	**96,607,343,411**	**325,313,265,088**	**44,852,210,066**	**40,476,721,777**	**688,659,530,943**
Other comprehensive income										
Exchange differences resulting from the translation of financial statements of foreign entities	1.d.iii	0	0	0	2,743,888,226	2,743,888,226	0	0	0	2,743,888,226
Reclassification of unrealized gain of acquired subsidiary		0	0	0	(83,258,450)	(83,258,450)	0	0	0	(83,258,450)
Unrealized gain or loss in fair value of investments through other comprehensive income		0	0	(18,612,333,162)	0	(18,612,333,162)	0	0	0	(18,612,333,162)
Transfer of realized net gain to the income statement		0	0	(5,569,791,586)	0	(5,569,791,586)	0	0	0	(5,569,791,586)
Impairment – Investments at fair value through other comprehensive income		0	0	(566,438,081)	0	(566,438,081)	0	0	0	(566,438,081)
Deferred income tax recognition	15	0	0	7,254,628,052	0	7,254,628,052	0	0	0	7,254,628,052
Change in equity of subsidiaries due to unrealized gain		0	0	0	(1,251,622,666)	(1,251,622,666)	0	0	0	(1,251,622,666)
Result of the period		0	0	0	0	0	0	15,037,464,874		15,037,464,874
Total other comprehensive income		**0**	**0**	**(17,493,934,777)**	**1,409,007,110**	**(16,084,927,667)**	**0**	**15,037,464,874**	**0**	**(1,047,462,793)**
Balance as of March 31, 2022		**181,409,990,601**	**31,744,671,803**	**31,996,564,221**	**16,781,179,720**	**80,522,415,744**	**325,313,265,088**	**59,889,674,940**	**40,476,721,777**	**687,612,068,150**
Attributed to the Financial Conglomerate		181,409,990,601	31,744,671,803	31,996,564,221	16,781,179,720	80,522,415,744	325,313,265,088	59,889,674,940	40,476,721,777	687,612,068,150
Balance as of December 31, 2022	**18**	**181,409,990,601**	**41,085,212,831**	**(39,179,636,082)**	**5,494,074,682**	**7,399,651,431**	**325,313,265,088**	**73,026,024,844**	**40,476,721,777**	**627,625,653,741**
Allocation of legal reserve		0	0	0	0	0	25,839,636,277	(25,839,636,277)	0	0
Allocation to the Development Financing Fund		0	0	0	0	0	0	(5,289,895,747)	5,289,895,746	(1)
Balance as of March 31, 2023	**18**	**181,409,990,601**	**41,085,212,831**	**(39,179,636,082)**	**5,494,074,682**	**7,399,651,431**	**351,152,901,365**	**41,896,492,820**	**45,766,617,523**	**627,625,653,740**
Other comprehensive income										
Exchange differences resulting from the translation of financial statements of foreign entities	1.d.iii	0	0	0	(7,086,445,459)	(7,086,445,459)	0	0	0	(7,086,445,459)
Reclassification of unrealized gain of acquired subsidiary		0	0	0	2,917,485	2,917,485	0	0	0	2,917,485
Unrealized gain or loss in fair value of investments through other comprehensive income		0	0	22,051,695,027	0	22,051,695,027	0	0	0	22,051,695,027
Transfer of realized net gain to the income statement		0	0	802,864,294	0	802,864,294	0	0	0	802,864,294
Impairment – Investments at fair value through other comprehensive income		0	0	(1,066,581,173)	0	(1,066,581,173)	0	0	0	(1,066,581,173)
Deferred income tax recognition	15	0	0	(6,856,367,797)	0	(6,856,367,797)	0	0	0	(6,856,367,797)
Change in equity of subsidiaries due to unrealized gain		0	0	0	816,466,152	816,466,152	0	0	0	816,466,152
Result of the period		0	0	0	0	0	0	3,915,425,478	0	3,915,425,478
Total other comprehensive income		**0**	**0**	**14,931,610,351**	**(6,267,061,822)**	**8,664,548,529**	**0**	**3,915,425,478**	**0**	**12,579,974,007**
Balance as of March 31, 2023	**18**	**181,409,990,601**	**41,085,212,831**	**(24,248,025,731)**	**(772,987,140)**	**16,064,199,960**	**351,152,901,365**	**45,811,918,298**	**45,766,617,523**	**640,205,627,747**
Attributed to the Financial Conglomerate		¢ 181,409,990,601	41,085,212,831	(24,248,025,731)	(772,987,140)	16,064,199,960	351,152,901,365	45,811,918,298	45,766,617,523	640,205,627,747

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

DOUGLAS SOTO LEITON (FIRMA) Firmado digitalmente por DOUGLAS SOTO LEITON (FIRMA) Fecha: 2023.06.14 16:41:56 -06'00'

Douglas Soto L.
General Manager

MARIA LUISA GUZMAN GRANADOS (FIRMA) Firmado digitalmente por MARIA LUISA GUZMAN GRANADOS (FIRMA) Fecha: 2023.06.13 20:39:27 -06'00'

María Luisa Guzmán G.
Accountant

MARIA EUGENIA ZELEDON PORRAS (FIRMA) Firmado digitalmente por MARIA EUGENIA ZELEDON PORRAS (FIRMA) Fecha: 2023.06.14 11:45:20 -06'00'

María Eugenia Zeledón.
Sub internal auditor a.i

Sheet D

BANCO DE COSTA RICA
SEPARATE STATEMENT OF CASH FLOWS
For the period ended March 31, 2023
(In colones without cents)

	Note		March 2023	March 2022
Cash flows from operating activities				
Profit of the year		¢	**3,915,425,478**	**15,037,464,874**
Items applied to results not requiring cash outlays			**(18,101,821,917)**	**(28,915,342,636)**
Increase or (decrease) for				
Allowance for impairment or devaluation of investments			121,136,291	94,370,198
Allowance for impairment of loan portfolio			976,092,343	9,234,473,715
Allowance for impairment and default of other accounts receivable			1,250,422,033	917,419,482
Allowance for impairment of assets in lieu of payment			4,538,955,882	4,748,081,415
Income from reversal of allowance for impairment or devaluation of investments			(1,187,717,463)	(660,808,277)
Income from reversal of allowance for impairment of loan portfolio			(342,795,919)	(497,054,543)
Income from reversal of allowance for impairment and default of accounts receivable			(1,011,599,111)	(350,158,745)
Income from reversal of allowance for impairment of assets in lieu of payment			(2,633,865,557)	(13,538,655,898)
Profit or loss from the sale of assets received in lieu of payment and of property, furniture and equipment			882,935,190	7,282,284,218
Interest in net profit of other companies			(1,699,867,295)	(3,171,055,259)
Depreciation			3,529,099,720	3,134,625,543
Amortization			4,504,277,093	3,704,535,257
Provision for social benefits			0	0
Provisions for pending lawsuits			1,194,156,912	2,926,254,788
Other provisions			0	0
Income from provisions			(50,358,336)	(219,960,643)
Income tax			3,600,686,962	4,847,893,510
Deferred income tax			1,268,169,984	4,959,146,160
Decrease in income tax			(1,516,594,842)	(3,867,843,966)
Decrease in income tax from previous periods			0	(719,133,155)
Profit allocation			1,973,820,228	7,491,296,349
Interests for obligations with the public			56,244,570,346	22,178,264,405
Interests for obligations with financial entities			3,761,708,075	1,210,871,493
Income from availabilities			(1,008,424,092)	(180,853,704)
Income from investment in financial instruments			(22,071,911,946)	(20,908,704,482)
Income from loan portfolio			(73,915,306,999)	(54,362,723,785)
Gain or loss for exchange rate differences and UD (Development Units), net			3,490,588,584	(3,167,906,712)
Interest for transfer of charges				
Cash flows from operating activities			**71,601,054,898**	**112,772,777,921**
Net change in assets, increase or (decrease) for				
Increase in financial instruments - at fair value through profit or loss			(301,980,808,821)	(46,441,890,893)
Decrease in financial instruments - at fair value through profit or loss			398,774,940,011	54,295,876,386
Increase in financial instruments - at fair value through other comprehensive income			(2,155,825,073,516)	(719,417,020,023)
Decrease in financial instruments - at fair value through other comprehesive income			2,143,544,659,524	725,316,546,347
Loan portfolio			(24,704,655,703)	41,987,158,548
Accounts and commissions receivable			(9,657,292,917)	449,646,788
Available-for-sale assets			2,425,091,736	7,936,474,512
Interest receivable from financial instruments			23,632,804,149	24,954,309,961
Interest receivable from loan portfolio			14,915,431,625	14,107,794,235
Other assets			(19,524,041,190)	9,583,882,060
Net variations in liabilities, increase or (decrease)			**2,831,920,179**	**(200,878,340,977)**
Obligations with the public			30,666,834,346	(81,991,520,023)
Obligations with the Central Bank of Costa Rica and other entities			(43,679,492,439)	(61,901,524,961)
Obligations for accounts and commissions payable and provisions			(15,322,614,955)	(44,381,484,543)
Interest payable for obligations with the public			(17,268,041,973)	(11,721,832,367)
Interest payable for obligations with BCCR and other entities			(2,694,486,340)	(2,303,129,988)
Other liabilities			51,129,721,540	1,421,150,905
Interests paid			(30,487,091,013)	(9,354,268,446)
Dividends received			0	0
Collected interest			66,078,267,304	43,423,650,986
Paid income tax			(15,870,077,016)	0
Net cash flows provided by operating activities			**79,967,677,912**	**(67,914,058,278)**
Cash flow from investment activities				
Increase in financial instruments at amortized cost			(2,612,642,173,113)	(2,753,417,822,579)
Decrease in financial instruments at amortized cost			2,610,309,193,987	2,746,200,875,766
Acquisition of property, furniture and equipment			(2,608,296,357)	(1,085,368,753)
Decrease for withdrawal and transfer of property, furniture and equipment			864,930,376	1,616,214,110
Acquisition of intangibles			(2,981,437,295)	(2,359,196,219)
Decrease for withdrawals and transfer of intangibles			184,730,805	0
Participations in the capital of other companies			(349,999,998)	2
Cash flows (used for) provided by investment			**(7,223,051,595)**	**(9,045,297,673)**
Cash flows from financing activities				
Subordinated obligations			602,219	0
Cash flows provided by financing activities			**602,219**	**0**
Net increase (decrease) in cash and cash equivalents			**72,745,228,536**	**(76,959,355,951)**
Cash and cash equivalents at the beginning of the year			1,007,949,584,962	906,345,063,539
Effect on changes in exchange rates on cash			(33,052,475,654)	28,634,037,441
Cash and cash equivalents at the end of the year	**4**	¢	1,048,774,837,180	858,019,745,029

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

DOUGLAS SOTO LEITON (FIRMA) Firmado digitalmente por DOUGLAS SOTO LEITON (FIRMA) Fecha: 2023.06.14 16:42:09 -06'00'

Douglas Soto L.
General Manager

MARIA LUISA GUZMAN GRANADOS (FIRMA) Firmado digitalmente por MARIA LUISA GUZMAN GRANADOS (FIRMA) Fecha: 2023.06.13 20:39:43 -06'00'

María Luisa Guzmán G.
Accountant

MARIA EUGENIA ZELEDON PORRAS (FIRMA) Firmado digitalmente por MARIA EUGENIA ZELEDON PORRAS (FIRMA) Fecha: 2023.06.14 11:46:07 -06'00'

María Eugenia Zeledón.
Sub internal auditor a.i

(1) Summary of operations and significant accounting policies

a. Operations

Banco de Costa Rica (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 Banks website is www.bancobcr.com

The Bank is mainly dedicated to extending loans and granting bid and performance bonds; issuing certificates of deposit; 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 31, 2023, the Bank has 161 distributed among the national territory (161 and 163 for December and March 2022, respectively) has in operation 567 automated teller machines (568 and 595, for December and March 2022, respectively) and has 4.020 employees (3.972 and 3.845, for December and March 2022, respectively).

The financial statements and their notes are expressed in colones (¢), the currency unit of the Republic of Costa Rica.

The Bank is shareholder owner of a 100% of the following subsidiaries:

BCR Valores, S.A. (brokerage firm) was organized as a corporation in February 1999 under the laws of the Republic of Costa Rica. Its main activity is securities trading.

BCR Sociedad Administradora de Fondos de Inversión, S.A. (investment fund manager company) was organized as a corporation in July 1999 under the laws of the Republic of Costa Rica. Its main activity is investment fund management.

BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A. (pension fund operator) 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.

BCR Corredora de Seguros, S.A. (insurance broker) was organized as a corporation in February 2009 under the laws of the Republic of Costa Rica. Its main activity is insurance underwriting.

Banprocesa, 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.

In article 6 of the minutes of session 1676-2021, held on July 27, 2021, the National Financial System Supervisory Board, in article 6 of the minutes of session 1676-2021, held on July 27, 2021, authorizes the incorporation of Banprocesa as part of the BCR 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 Almacén 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.

Bancrédito Sociedad Agencia de Seguros, S.A., organized in March 2009 under the laws of the Republic of Costa Rica. As of April 30, 2020, this entity was settled.

BCR LEASING PREMIUM PLUS S.A. is a corporation incorporated on July 4, 2022, under the laws of the Republic of Costa Rica and is one more subsidiary of the BCR Financial Conglomerate. Its main activity is the leasing of personal property to current and potential clients of the BCR Conglomerate. The number of employees as of March 31, 2023, is 5.

The Bank 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, 50 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 stocks are owned by Banco Nacional de Costa Rica.

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b. Accounting policies for financial statement preparation

The Bank's financial statements are prepared in compliance with the accounting regulations applicable to Supervised Entities, 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).

In January 2008, CONASSIF issued the Accounting Regulations Applicable to Entities Supervised by SUGEF, SUGEVAL and SUPEN and to non-financial issuers, and in September 2018 the Financial Information Regulation, SUGEF Agreement 30-18, was issued, in which CONASSIF establishes the accounting policies that must be used when IFRS have alternative treatments and their exceptions, which favors their comparability and the reading of financial information, both for national and foreign users. In addition, it includes the provisions on remission, presentation, and publication of financial statements in a single regulatory body, which provides greater uniformity in the performance of supervisory bodies, as well as avoiding duplication and redundancy.

Issuing new IFRSs or interpretation 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 Council for the Supervision of the Financial System (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:

- 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. Interest 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 actives. 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 conversion adjustments and unrealized gain or loss on valuation of investments, are recognized in the same manner in the Bank's equity. These effects are recorded in the account “adjustment for valuation of shares in other companies”.

The Bank and subsidiaries must analyze and evaluate 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 Administration of each entity; it will transmit the proposal to the Board of Directors and subsequently send it 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.

d. Foreign currency

i. Foreign currency transactions

Assets and liabilities held in foreign currency are converted to colones at the exchange rate ruling at the separate balance sheet date. Transactions in foreign currency during the year are converted at the foreign exchange rate ruling at the date of the transaction. Conversion gains or losses are presented in the 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, 2023, monetary assets and liabilities denominated in U.S. dollars were valued at the exchange rate of ¢601.99 for US$1.00 (¢645.25 for December 2021).

Valuation in colones of monetary assets and liabilities in foreign currency during the period ended March 31, 2023, gave rise to foreign exchange losses of ¢246,661,944,255 (¢1,632,662,148,837 and ¢277,401,962,350, as of December and March 31, 2022, respectively) and gains for ¢240,928,972,007 (¢1,629,626,527,323 and ¢278,540,620,756, as of December and March 31, 2022, respectively), which are presented net in the income statement.

(Continues)

Additionally, valuation of other assets and other liabilities gave rise to gains and losses, respectively, which are recorded in “Other operating income” and “Other operating expenses”, respectively. For the period ended March 31, 2023, valuation of other assets gave rise to losses of ¢299,119,545 (¢1,459,439,641 and gains of ¢121,235,044 as of December and March 31, 2022, respectively) and valuation of other liabilities gave rise to gains of ¢2,852,671,453 (¢1,582,134,582 and ¢7,897,240, as of December and March 31, 2022, respectively).

iii. *Financial statements of foreign subsidiaries (BICSA)*

The financial statements of BICSA are presented in U.S. dollars.

Those financial statements were converted to Costa Rican colones as follows:

- Assets and liabilities at the closing exchange rate.
- Income and expenses at the average exchange rates in effect during each year.
- Equity at historical exchange rates, using the exchange rate in effect on the dates of the transactions.

Valuation of the participation in the financial statements of this foreign subsidiary gave rise to net profits in the period ended December 31, 2022, for ¢2,002,236,916 (¢1.204.741.412 for December 2021).

e. Basis for the preparation of financial statements

The financial statements have been prepared on the fair value basis for available-for-sale assets and trading financial instruments. 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.

(i) Classification

Financial instruments at fair value through profit or loss are those maintained by the Bank to generate short-term profits.

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 those financial assets that have not been kept at fair value through profit or loss, have not been originated by the Bank and will not be held to maturity. Instruments at fair value through other comprehensive income include some debt securities.

(ii) Recognition

The Bank recognizes assets at fair value through other comprehensive income at the time it becomes an obligated party, according to the contractual clauses 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.

(iii) Measurement

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

Subsequent to 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-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.

(iv) *Principles for measurement at fair value*

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

(v) Gains and losses on subsequent measurement

Gains and losses produced by a change in the fair value of assets with changes through other comprehensive income are recognized directly in equity, until an investment is considered impaired, at which time the loss is recognized in the 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 income statement.

(vi) Derecognition

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.

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 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: Disclosure Information.

g. 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 to be cash and cash equivalents.

h. 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 at fair value through other comprehensive income is included in the equity account named “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 changes in other comprehensive income.

   c. Fair value through changes in 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 the purposes of defining the business model, these correspond to the main business model that characterizes the management of the investment portfolio in the Bank.

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.

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On the other hand, in accordance with provisions of Law 9274, both the Investment Management Policy of the Development Credit Fund and 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 collect 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 investment portfolio of the Fund.

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 of October 29, 2019, 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 definition of 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:

(Continues)

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

i. 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, purchases 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. The Bank follows the policy of suspending interest accruals on loans with principal or interest that is more than 180 days past due.

j. Allowance for loan losses

The loan portfolio is valued in accordance with provisions established in SUGEF Directive 1-05 "Regulation for Qualifying Debtors", which was approved by CONASSIF on November 24, 2005, published in Official Journal La Gaceta No. 238 on Friday, March 9, 2005, and became effective on 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). From May 23, 2019, the amount of ¢100.000.000 or its equivalent in foreign currency according to the sales 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 the following:

- Creditworthiness, which includes an analysis of projected cash flows, an analysis of financial position, consideration for 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 calculates the level of historical payment behavior for borrowers reported by entities during the previous month.
- Arrears

(Continues)

- Pursuant to the Directive, collateral may be used to mitigate risk for purposes of calculating the allowance for loan impairment. The market value of collateral should be considered and adjusted at least once annually. 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 below:

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 o 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 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 the attention of 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	a. Debtors with delinquency of more than 30 days and up to 60 days with the entity b. 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. c. 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 qualifying 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 the Transitory XII.

The generic allowance will be 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 claims.

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.

(Continues)

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 ratio updated, semiannually. SUGEF will verify the compliance in their normal supervisory duties.

In the case of loans denominated in foreign currency debtors placed among unhedged borrowers, 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 unhedged debtors, 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%

(Continues)

As an exception for risk category E, from December 1, 2020, the minimum amount of allowance for credit operations with a debtor whose level of Historical Payment Behavior is at Level 3, must be calculated as follows:

Delinquency in the entity 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)
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, Level 2,	Level 1, Level 2,
90 days or less	50%	0.5%	Level 1, Level 2, Level 3, Level 4	Level 1, Level 2, Level 3, Level 4
More than 90 days	100%	0.5%	Level 1, Level 2, Level 3, Level 4	Level 1, Level 2, Level 3, Level 4

From July 2016, pursuant to SUGEF Directive 19-16, Agreement, "Regulation to determine and record 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%.

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 dis-accumulate, in accordance with the methodology established in the article and Article 5 "Accounting Registry" of that regulation.

(Continues)

As of the effective date of the amendment to article 12 of this Regulation and until December 31, 2021, according to transitory XXII, the balance of estimates registered 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 estimates for debtors reclassified to risk categories C1, C2, D and E according to articles 10 and 11 of Agreement SUGEF 1-05.

As of March 31, 2023, the total estimate of the loan portfolio in the accounting records amounts to ¢140,720,422,302 (¢145,623,881,422 and ¢162,659,348,134, as of December and March 31, 2022, respectively).

As of December 31, 2022, the increases in the allowance for bad debts resulting from the minimum allowance are included in the accounting records, in compliance with article 17 of SUGEF Agreement 1-05 “Regulation for the qualification of debtors”, with prior authorization from the supervising entity, in accordance with article 10 of the Organic Law of the National Banking System.

As of March 31, 2023, management considers the allowance to be sufficient to absorb any potential losses that could be incurred on recovery of the portfolio.

Accounts and accrued interest receivable

To assess the risk of accounts and accrued interest receivable unrelated to loan operations, the Bank considers the arrears of the accounts based on ranges established for other assets in SUGEF Directive 1-05 adopted by CONASSIF.

Arrears	Percentage of allowance
30 days or less	2%
60 days or less	10%
90 days or less	50%
120 days or less	75%
More than 120 days	100%

Until IFRS 9, Financial Instruments, is implemented for the credit portfolio of financial intermediaries, the provisions established in the Regulation for the qualification of debtors, to quantify the credit risk and constitute the corresponding allowance, will be maintained in force and the entities will continue to calculate those allowances according to the methodology provided.

(Continues)

k. Securities sold under repurchase agreements

The Bank enters sales of securities under repurchase agreements for a certain date in the future at a fixed price. The obligation to repurchase securities sold is reflected as a liability in the separate balance sheet and stated 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 separate income statement and accrued interest payable in the separate balance sheet.

l. Accounting for accrued 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. Accrued interest receivable on those loans is recorded when collected.

m. Other receivables

The recoverability of these accounts is assessed by applying criteria similar to those established by SUGEF for the loan portfolio. If an account is not recovered within 120 days from the due date or the date recorded, an allowance is created for 100% of the outstanding balance. Accounts with no specified due date are considered payable immediately.

n. Foreclosed assets

Foreclosed assets are assets owned by the Bank for realization or sale. Included in this account are assets acquired in lieu of payment, assets adjudicated in judicial auctions, assets purchased to be leased under finance and operating leases, goods produced for sale, idle property and equipment, and other foreclosed assets.

Foreclosed 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 recorded in the accounting records for a foreclosed 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 expenditures related to foreclosed assets are to be expensed in the period incurred.

(Continues)

As market value, the net realizable value must be used, which must be determined by applying strictly conservative criteria and is calculated by subtracting the expenses to be incurred for the sale of the asset from the estimated sale price of the asset. 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 money invested and use it for its business activities. For all foreclosed assets, the Bank should have reports from the appraisers who made the appraisals, and those reports 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.

Supervised entities must record an estimate 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 leasing, within a period of two years, counted from the date of its acquisition or production. Pursuant to article 20-b of SUGEF Directive 1-05, the Regulated Entities are required to book an allowance for retired assets and for foreclosed 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-twenty-fourth of the value of such assets each month until the allowance is equivalent to 100% of the carrying amount of the assets, without exception. The recording of the allowance shall begin at month-end of the month in which the asset was i) acquired, ii) produced for sale or lease, or iii) retired from use.

In SUGEF Directive 30-18, in its article 16, it also indicates that 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.

<u>Offsetting</u>

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

(Continues)

o. Property, furniture and equipment

(i) Own assets

Property 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 rewards of ownership are classified as finance leases.

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 using 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 operating leases using IAS 17.

(iii) Subsequent cost

Costs incurred to replace a component of an item of property and equipment are capitalized and accounted for separately. Subsequent costs are only capitalized when they increase the future economic benefits. All other costs are recognized in the separate income statement when incurred.

(iv) Depreciation

Depreciation and amortization are charged to the income statement 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:

	Useful lives
Building	50 years
Vehicles	10 years
Furniture and equipment	10 years
Computer hardware	5 years
Improvements	5 years

(v) Revaluation

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

If the realizable value of the assets is different than the one included in the accounting records, the Bank must adjust the book value 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 done on 2022 and the accounting record on December 31, 2022.

p. Deferred charges

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

q. Intangible assets

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

Amortization of IT systems is charged to profit or loss on a straight-line basis over the estimated useful lives of the related assets. The estimated useful life is five years.

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

(Continues)

r. Impairment of assets

The carrying amount of an asset is reviewed at each separate 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 separate 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 equivalent to the value obtained in an arm's length transaction. Value in use is the present value of future cash flows and disbursements derived from continuing use of an asset and from its disposal at the end of its useful life.

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 through the separate income statement or separate statement of changes in equity, as appropriate.

SUGEF establishes, 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 taken 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 book the applicable adjustments in the accounting records.

s. 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.

(Continues)

t. Accounts payable and other payables

Accounts payable and other payables are recognized at cost.

u. Legal benefits (severance)

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

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

Pursuant to the Employee 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 employees.

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

The amount of severance benefits not transferred to the Association is provisioned in accordance with the employer's legal obligation.

v. Legal reserve

According to Article 12 of the Organic Law of the National Banking System the Bank sets aside 50% of net earnings after income tax to increase its Legal Reserve.

w. Revaluation surplus

Revaluation surplus included in equity may be transferred directly to undistributed profits when the surplus is realized. The whole surplus is realized on the retirement, disposal, or use of the asset corresponding. The transfer of revaluation surplus to prior period retained earnings should not be made through the separate income statement. The Bank was authorized by SUGEF to capitalize revaluation surplus by increasing share capital.

x. Use of estimates

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

y. Recognition of main types of revenue and expenses

(i) Financial income

Financial income and expense are recognized in the separate income statement as it accrues considering the effective yield or interest rate. Financial income and expense include 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) Fees and commissions income

When loan originated fees are generated, they are taken against effective yield, and they are deferred over the loan term. Service fees and commissions are recognized when the services are rendered. In the case of other commissions related to the provision of services, these are recognized when the service is provided.

(iii) Net income on trading securities

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

(iv) Operating lease expenses

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

z. 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.

(Continues)

(i) Current

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted at the separate balance sheet date, and any adjustment to tax payable in respect of previous years.

(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. A deferred tax asset is recognized only to the extent there is a reasonable probability that it will be realized.

aa. Pension, retirement, and outgoing personnel

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

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

bb. Statutory 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 (prescribed by article 20 of the Law for the creation of the National Commission for Educational Loans (CONAPE) will be allocated as follows: two percent (2%) to CONAPE and three percent (3%) to the capital of the Development Financing Fund (FINADE). On January 2013 transitory III is removed and will continue calculating a 5% for CONAPE, in accordance with law 9092, Return of Income of the National Commissions for Educational Loans.

(Continues)

In accordance with article 46 of the "National Emergency and Risk Prevention Act", 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 statutory allocations and of their accumulated budget surplus to 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 appropriations.

Pursuant to article 78 of the Employee 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 CCSS coverage for impoverished non-salaried workers. According to Executive Decree number 37127-MTSS, beginning in 2013 a progressive yearly contribution from net earnings must be set aside beginning with 5% in 2013, up to 7% beginning in 2015 and 15% in 2017.

cc. Development Financing Fund

In accordance with article 32 of Law No. 8634 "Development Banking System", all State-owned banks, except Banco Hipotecario para la Vivienda (BANHVI), shall appropriate each year at least five percent (5%) of their net earnings after income taxes to the creation and strengthening of its own development funds. The objective of that appropriation is to provide financing to individuals and legal entities that present viable and feasible projects in conformity with the provisions of the law (See note 35).

dd. 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 administrators' 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.

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

a) Administrators' 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 Banks can perform services for other financial entities, except for private banks provided they meet the objectives and obligations under Law 8634 and that are duly accredited by the Board.

c) The Banks may proceed or carry on in accordance with Article 35 Law 8634 the resources of the Development Credit Fund through: associations, cooperatives, foundations, NGO, producers' organizations, or other entities if they have credit operations in programs that meet the objectives established in the Law 8634 and are duly accredited by the 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 the Law 8634 and its executive regulations, if the Banks Administrators demonstrate proven lack of capacity and expertise. (See note 36).

ee. Economic period

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

(2) Collateralized or restricted assets

The collateralized or restricted assets are as follows:

		March 2023	December 2022	March 2022
Cash due from banks (see note 4)	¢	758,865,830,147	702,533,276,665	645,650,100,821
Investment in financial instruments (see note 5)		289,962,396,968	369,692,667,371	131,867,039,724
	¢	**1,048,828,227,115**	**1,072,225,944,036**	**777,517,140,545**

(3) Balances and transactions with related parties

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

		March 2023	December 2022	March 2022
Assets:				
Availabilities	¢	24,786,130,000	28,533,736,754	31,268,165,178
Loan portfolio		21,811,333	20,828,983	47,166,613
Accounts receivable		1,524,395,836	1,432,699,383	3,436,687,350
Interest in other companies		113,841,186,326	118,058,380,855	133,305,305,297
Total assets	¢	**140,173,523,495**	**148,045,645,975**	**168,057,324,438**
Liabilities:				
Obligations with the public	¢	9,015,240,382	4,531,772,037	5,797,387,360
Total liabilities	¢	**9,015,240,382**	**4,531,772,037**	**5,797,387,360**
Income:				
Financial income	¢	345,443,770	879,982,310	156,265,389
Income from investments in other companies		2,027,126,640	9,505,925,326	3,437,335,106
Sundry operating income		884,463,366	3,365,432,114	823,199,250
Total income	¢	**3,257,033,776**	**13,751,339,750**	**4,416,799,745**
Expenses:				
Finance expense	¢	50,596,880	88,329,518	20,177,855
Expense from investments in other companies		327,259,345	694,689,472	266,279,847
Sundry operating expenses		1,083,467	437,536,408	126,634,690
Total expenses	¢	**378,939,692**	**1,220,555,398**	**413,092,392**
Equity:				
Adjustment for valuation of investments in other companies	¢	**819,383,637**	**(4,527,993,757)**	**(1,334,881,116)**

As of March 31, 2023, there are no amounts in investments for participations in funds managed by BCR Sociedad Administradora de Fondos de Inversión, S. A. (subsidiary company). (In December and March 2022 there were no such investments).

The amount paid for remunerations to key personnel is detailed as follows:

		March 2023	December 2022	March 2022
Short-term benefits	¢	285,093,944	1,064,901,924	237,615,739
Board per-diem		21,590,345	62,465,270	17,817,275
	¢	**306,684,289**	**1,127,367,194**	**255,433,014**

(4) Availabilities

Cash and cash equivalents are as follows for purposes of reconciliation with the separate statement of cash flows:

		March 2023	December 2022	March 2022
Cash	¢	88,829,869,034	91,663,160,584	77,760,614,789
Demand deposits BCCR		677,962,176,755	622,086,762,114	558,892,685,876
Checking accounts and demand deposits in financial entities abroad		71,649,291,142	86,500,889,193	73,582,822,566
Notes payable on demand		29,262,209,055	288,751,558	2,555,448,610
Restricted availabilities		96,227,976,651	89,322,134,860	96,372,596,720
Total cash and due from Banks		**963,931,522,637**	**889,861,698,309**	**809,164,168,561**
Investment in financial instruments to be traded		84,843,314,543	118,087,886,653	48,855,576,468
Total cash and cash equivalents	¢	**1,048,774,837,180**	**1,007,949,584,962**	**858,019,745,029**

As of March 31, 2023, demand deposits in the Central Bank of Costa Rica (BCCR) are restricted to comply with the minimum legal reserve for ¢758,865,830,147 (¢702,533,276,665 and ¢645,650,100,821, for December and March 2022, respectively).

As of March 31, 2023, there is a liability called “checks receivable” for an amount of ¢2,512,804,775 which are cleared with the account of immediate collection documents. in the clearinghouse the next day (¢1,071,873,752 and ¢1,513,745,852, for December and March 2022, respectively).

(5) Investments in financial instruments

Investments in financial instruments are as follows:

		March 2023	December 2022	March 2022
At fair value through profit or loss	¢	133,182,939,248	229,977,070,438	284,373,921,339
At fair value through other comprehensive income		1,267,859,258,131	1,320,061,922,081	1,458,506,026,734
At amortized cost		16,306,841,825	13,973,862,699	11,051,281,928
Interest receivable for investments at fair value through profit or loss		2,262,927,116	5,507,118,699	1,950,631,056
Interest receivable for investments at fair value through other comprehensive income		11,674,353,457	18,125,685,450	13,705,033,501
	¢	**1,431,286,319,777**	**1,587,645,659,367**	**1,769,586,894,558**

		March 2023	December 2022	March 2022
At fair value through profit or loss		**Fair value**	**Fair value**	**Fair value**
Local issuers:				
Open investment funds	¢	7,912,517,111	103,559,170,438	164,295,921,339
		7,912,517,111	**103,559,170,438**	**164,295,921,339**
Issuers abroad:				
Private banks		125,270,422,137	126,417,900,000	120,078,000,000
	¢	**133,182,939,248**	**229,977,070,438**	**284,373,921,339**

		March 2023	December 2022	March 2022
At fair value through other comprehensive income		**Fair value**	**Fair value**	**Fair value**
Local issuers:				
Government	¢	1,104,135,256,457	1,122,449,986,214	1,325,491,026,349
State-owned Banks		58,523,178,489	86,250,250,952	100,781,400,521
Private Banks		290,166,438	3,265,745,952	8,117,537,970
Private issuers		3,022,220,890	2,981,404,740	11,804,394,144
		1,165,970,822,274	**1,214,947,387,858**	**1,446,194,358,984**
Issuers abroad:				
Private Banks		11,647,235,875	11,466,650,875	0
Private issuers		90,241,199,982	93,647,883,348	12,311,667,750
	¢	**1,267,859,258,131**	**1,320,061,922,081**	**1,458,506,026,734**

		March 2023	December 2022	March 2022
At amortized cost		**Fair value**	**Fair value**	**Fair value**
Local issuers:				
Government	¢	16,306,841,825	13,973,862,699	11,051,281,928
	¢	**16,306,841,825**	**13,973,862,699**	**11,051,281,928**

As of March 31, 2023, the investment portfolio amounts to ¢111,584,132,166 (¢158,945,753,812 and ¢158,374,888,036, for December and March 2022, respectively) corresponding to the managed amounts of the Development Credit Fund (See note 36).

Maturities for investments in financial instruments are from April 01, 2023, to May 23, 2029.

(Continues)

Purchased financial instruments earn annual yield rates as follows:

	March 2023	December 2022	March 2022
Colones	8.04% to 11.53%	0,51% to 18.06%	0,50% to 9.01%
US dollars	0,01% to 6.58%	0,01% to 9.96%	0,010% to 4.52%

As of March 31, 2023, there are investments granted as collateral for investments and deposits in the liquidity market in SINPE, as well as Deferred Term Operations, for ¢289,962,396,968, (¢369,692,667,371 and ¢131,867,039,724, for December and March 2022, respectively). (see note 2).

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, 2023, and December 31, 2022, there are no repurchase operations.

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

Issuer		Asset´s balance	Guarantee´s fair value	Repurchase date	Repurchase Price
Banco Central de Costa Rica		19,000,108,054	19,000,108,054	01/04/2021 to 05/04/2021	100.00%
Local government	¢	86,047,792,529	86,047,792,529	01/04/2021 to 25/05/2021	100.00%
	¢	**105,047,900,583**	**105,047,900,583**		

(6) Loan portfolio

(a) Loan portfolio by sector

		March 2023	December 2022	March 2022
Current loans				
Loans – Personal	¢	1,305,005,731,148	1,304,425,281,479	1,281,920,780,773
Loans Development Banking System		77,816,617,379	70,256,319,853	67,323,599,773
Loans - Business		92,106,624,149	95,605,780,080	88,037,360,634
Loans - Corporate		1,417,953,912,468	1,473,931,597,204	1,383,508,575,965
Loans – Public Sector		71,080,838,409	55,635,856,560	53,990,201,561
Loans – Financial Sector		36,440,588,350	48,474,746,013	73,094,709,970
		3,000,404,311,903	3,048,329,581,189	2,947,875,228,676
Past due loans				
Loans – Personal		134,902,031,664	137,355,086,340	131,986,220,412
Loans Development Banking System		3,771,745,604	3,215,440,608	3,130,275,685
Loans - Business		14,885,954,669	17,185,529,892	16,240,119,343
Loans - Corporate		35,194,682,665	38,121,290,939	57,960,635,140
Loans – Public Sector		227,616	0	0
		188,754,642,218	195,877,347,779	209,317,250,580
Loans in legal collection				
Loans – Personal		28,148,090,424	29,306,781,962	31,921,032,900
Loans Development Banking System		682,543,525	952,731,705	34,094,115
Loans - Business		4,224,621,045	4,281,509,660	4,207,390,647
Loans - Corporate		18,318,542,659	19,474,356,582	18,367,598,974
		51,373,797,653	54,015,379,909	54,530,116,636
	¢	**3,240,532,751,774**	**3,298,222,308,877**	**3,211,722,595,892**

(Continues)

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

(b) Loan porfolio by activity

Economic activity		**March 2023**	**December 2022**	**March 2022**
Agriculture, livestock, hunting and related services	¢	139,677,131,676	146,823,813,659	159,795,398,524
Public administration		21,806,970,584	24,395,604,351	274,085,504,907
Fishing and aquaculture		42,986,799	43,712,963	45,333,453
Manufacturing		239,584,355,091	253,181,690,762	281,543,970,680
Telecommunications and public utilities		245,252,320,540	234,561,181,309	161,692,708,687
Mining and quarrying		27,153,578	28,843,116	33,244,382
Trade		277,216,012,015	278,776,453,912	199,472,792,187
Services		553,318,459,485	574,356,885,439	368,088,247,423
Transportation		32,710,809,599	33,732,957,042	36,735,290,310
Financial activity and stock exchange		3,227,204,933	3,385,299,600	3,645,461,657
Real estate, business, and lease activities		25,037,418,747	26,519,811,034	37,241,290,128
Construction, purchase, and repair of real estate		1,333,056,570,948	1,339,857,477,601	1,300,119,101,923
Consumer		258,070,178,821	261,682,644,372	272,348,335,771
Hospitality		110,312,448,423	119,607,586,829	115,368,469,888
Education		717,837,785	740,142,594	800,300,072
Other activities of the non- financial private sector		474,892,750	528,204,294	722,213,154
		3,240,532,751,774	3,298,222,308,877	3,211,737,663,146
Interest receivable		21,020,608,643	18,955,945,108	18,509,049,573
Deferred income from loan portfolio		(20,239,555,338)	(20,276,542,716)	(19,111,065,464)
Less allowance for loan losses		(140,720,422,302)	(145,623,881,422)	(162,659,348,134)
	¢	**3,100,593,382,777**	**3,151,277,829,847**	**3,048,476,299,121**

(c) Loan porfolio by arreas

The loan portfolio by arrears is detailed as follows:

		March 2023	**December 2022**	**March 2022**
Current	¢	3,000,404,311,903	3,048,329,581,189	2,947,875,228,676
01 to 30 days		102,061,266,109	108,126,173,743	97,179,108,255
31 to 60 days		37,861,712,659	33,218,962,776	42,331,344,944
61 to 90 days		13,281,448,588	19,126,126,053	15,650,896,833
91 to 120 days		4,911,863,686	5,540,159,823	13,874,379,069
121 to 180 days		6,002,164,280	5,085,321,705	12,867,710,234
More than 181 days		76,009,984,549	78,795,983,587	81,958,995,135
	¢	**3,240,532,751,774**	**3,298,222,308,876**	**3,211,737,663,146**

(Continues)

The Bank classifies as past due and delinquent those loans that have not made principal or interest payments for one day after the agreed date.

(d) Past due loans

The past due loans, including loans in accrual status and unearned interest on past due loans, are as follows:

		March 2023	December 2022	March 2022
Number of operations		1,856	1,877	1,769
Past due loans in non-accrual Status	¢	76,009,984,549	78,795,983,586	81,958,995,136
Past due loans in accrual Status	¢	164,118,455,322	171,096,744,102	181,903,439,334
Total unearned interest	¢	12,037,858,254	12,686,419,035	13,323,981,367

Loans in legal collections as of March 31, 2023:

No. of loans	Percentage		Balance
1,062	1.59%	¢	51,373,797,653

As of December 31, 2022, the average annual interest rate accrued on the loans is 9.44% in colones (7.47% for December 2021) and 7.51% in US dollars (6.98% for December 2021).

Loans in legal collections as of December 31, 2021:

No. of loans	Percentage		Balance
1,145	1.64%	¢	54,015,379,909

Loans in legal collections as of March 31, 2022:

No. of loans	Percentage		Balance
1,029	1.70%	¢	54,530,116,636

(e) Accrued interest receivable on loan portfolio

Interest receivables by economic sector are detailed as follows:

		March 2023	December 2022	March 2022
Loans – Personal	¢	9,204,994,454	9,164,279,712	7,832,977,567
Loans Development Banking System		334,228,309	272,436,252	199,192,889
Loans - Business		1,160,385,398	1,138,731,425	1,029,073,108
Loans - Corporate		9,555,201,240	7,790,453,665	8,672,727,558
Loans – Public Sector		627,132,806	327,112,407	507,941,072
Loans – Financial Sector		138,666,436	262,931,647	267,137,379
	¢	**21,020,608,643**	**18,955,945,108**	**18,509,049,573**

Interest receivable by aging is detailed as follows:

		March 2023	December 2022	March 2022
Current loans	¢	13,649,903,887	11,587,638,068	10,864,503,481
Past due loans		4,238,706,562	4,267,831,565	4,796,940,438
Loans in legal collection		3,131,998,194	3,100,475,475	2,847,605,654
	¢	**21,020,608,643**	**18,955,945,108**	**18,509,049,573**

(f) Allowance for loan impairment

Movement in the allowance for loan impairment, is as follows:

2023 opening balance	¢	**145,623,881,422**
Plus:		
Allowance charged to profit or loss (see note 25)		976,092,343
Less:		
Adjustment for foreign exchange differences		(5,169,891,181)
Transfer paid balances		(366,864,363)
Reversal of allowance against income (see note 26)		(342,795,919)
Balance as of March 31, 2023	¢	**140,720,422,302**

2022 opening balance	¢	**152,927,986,661**
Plus:		
Allowance charged to profit or loss (see note 25)		11,248,195,564
Adjustment for foreign exchange differences		4,373,505,583
Less:		
Adjustment for foreign exchange differences		(8,467,380,940)
Transfer paid balances		(6,735,928,098)
Reversal of allowance against income (see note 26)		(7,714,046,765)
Transfer of balances		(8,450,583)
Balance as of December 31, 2022	¢	**145,623,881,422**

2022 opening balance	¢	**152,927,986,661**
Plus:		
Allowance charged to profit or loss (see note 25)		9,234,473,715
Adjustment for foreign exchange differences		2,004,440,360
Less:		
Transfer paid balances		(1,010,498,467)
Other transfers		(497,054,135)
Balance as of March 31, 2022	¢	**162,659,348,134**

(g) Syndicated loans

As of March 3, 2023, and December 31, 2022, the Bank does not have a syndicated loan portfolio with other banks.

These operations did not generate the Bank revenue for the administration of syndicated loans.

As of March 31, 2022

	Number of Operations		**Syndicated balance, other**	**Syndicated balance BCR**	**Total, balance**
Banco Internacional de Costa Rica	2	¢	1,625,269,319	291,576,907	1,916,846,226
	2	**¢**	**1,625,269,319**	**291,576,907**	**1,916,846,226**

(7) Foreclosed assets, net

The foreclosed assets are presented net of the allowance for impairment and per legal requirement, as follows:

		March 2023	December 2022	March 2022
Real estate	¢	98,488,221,640	97,188,446,168	104,072,633,091
Other acquired assets		648,737,881	548,711,606	418,969,845
Purchased for sale		1,318,518,839	1,044,557,850	1,444,312,151
Idle property and equipment		2,050,661,872	1,963,953,967	2,836,504,524
		102,506,140,232	100,745,669,591	108,772,419,611
Allowance for impairment and per legal requirement		(69,259,736,481)	(67,354,646,156)	(68,594,053,808)
	¢	**33,246,403,751**	**33,391,023,435**	**40,178,365,803**

The movement of the foreclosed assets is as follows:

		March 2023	December 2022	March 2022
At the beginning of the year	¢	**100,745,669,591**	**119,737,447,555**	**119,737,447,555**
Increase of foreclosed assets		5,068,497,567	18,526,514,432	4,253,730,786
Transfer of property, furniture, and equipment out of use		86,968,564	1,288,622,589	868,097,698
Increase in acquired-for-sale assets		1,949,417,409	4,914,343,178	1,134,233,559
Sale of assets		(5,344,152,238)	(42,428,182,707)	(17,221,089,987)
Withdrawal of property, furniture and equipment out of use		(260,661)	(1,293,075,456)	0
Balance at the end of the period	¢	**102,506,140,232**	**100,745,669,591**	**108,772,419,611**

The movement in the allowance of foreclosed assets is as follows:

		March 2023	December 2022	March 2022
Opening balance	¢	**67,354,646,156**	**77,384,628,291**	**77,384,628,291**
Increases in allowance		4,538,955,882	18,521,186,920	4,748,081,415
Reversals in allowance		(2,633,865,557)	(28,546,716,197)	(13,538,655,898)
Transfer of balances Bancrédito		0	(4,452,858)	0
Balance at the end of the period	¢	**69,259,736,481**	**67,354,646,156**	**68,594,053,808**

(Continues)

(8) Investments in other companies

Investments in other companies are as follows:

		March 2023	December 2022	March 2022
Local entities:				
BCR Valores, S.A. (Stock Exchange)	¢	19,072,539,556	18,352,611,612	23,693,531,994
BCR Sociedad Administradora de Fondos Inversión, S.A. (Investment Fund Manager)		7,797,162,584	7,639,458,543	9,299,950,569
BCR Pensión, Operadora de Planes de Pensiones Complementarias, S.A. (Pension Fund Operator)		6,960,223,938	6,762,687,820	7,019,379,816
BCR Corredora de Seguros, S.A Seguros (Insurance Broker).		8,452,804,167	7,856,419,558	9,279,693,932
Capital interest in Banprocesa, S.R.L.		169,371,804	160,515,735	107,033,182
Capital interest in Depósito Agrícola de Cartago S.A.		1,003,004,449	978,113,122	953,105,630
Capital interest in BCR Leasing		350,000,000	0	0
		43,805,106,498	**41,749,806,390**	**50,352,695,123**
Foreign entities:				
Banco Internacional de Costa Rica, S.A. and subsidiary		70,036,079,828	76,308,574,465	82,952,610,174
	¢	**113,841,186,326**	**118,058,380,855**	**133,305,305,297**

Banco Internacional de Costa Rica, S.A. and subsidiary (BICSA) was organized as a bank under the laws of the Republic of Panamá 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. BICSA is in the city of Panama, Republic of Panama, BICSA Financial Center, 50 floor, Avenida Balboa and Calle Aquilino de la Guardia.

The Bank owns a 51 % ownership interest in BICSA (domiciled in Panamá). As of March 31, 2023, that ownership interest is represented by 6.772.137 ordinary shares of US$10 par value each. Banco Nacional de Costa Rica owns the remaining 49% of shares.

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

The Bank's income statement as of March 31, 2023, includes ¢811,033,338 (¢2,002,326,916 and ¢396,688,562, for December and March 2022, respectively) for BICSA's result of operations.

(Continues)

The Bank’s statement of changes in equity for the period ended March 31, 2023, includes a decrease in equity for ¢811,033,338 (increases of ¢5,350,104,171 and ¢2,743,888,226, for December and March 2022, respectively), corresponding to changes arising from translation of BICSA’s financial statements.

As of April 26, 2022, BANPROCESA, S.R.L., distributed dividends in the amount of ¢300.000.000, in compliance with resolution of the Extraordinary General Shareholder´s Meeting Nº 06-2022, of 19 April 2022.

BANCO DE COSTA RICA

Notes to the separate financial statements

(9) Property and equipment

As of March 31, 2023, property and equipment is as follows:

Cost:		Land	Building	Furniture and equipment	Computer hardware	Vehicles	Finance leases	Total
Balance on December 31, 2022	¢	**35,641,464,379**	**93,992,714,909**	**38,953,482,134**	**52,429,641,539**	**5,430,093,554**	**28,231,216,964**	**254,678,613,480**
Additions		0	1,195,239,639	605,881,356	802,684,530	0	0	2,603,805,525
Withdrawals		0	0	(31,877,474)	(32,793,847)	0	0	(64,671,321)
Transfers		0	0	(373,483,295)	(561,424,968)	0	0	(934,908,263)
Revaluation		0	0	4,775,204	0	0	0	4,775,204
Balance on March 31, 2023		**35,641,464,379**	**95,187,954,548**	**39,158,777,925**	**52,638,107,254**	**5,430,093,554**	**28,231,216,964**	**256,287,614,624**
Accumulated depreciation and impairment:								
Balance on March 31, 2022		**0**	**36,502,815,587**	**25,536,628,894**	**38,236,667,509**	**4,310,722,155**	**7,287,001,898**	**111,873,836,042**
Depreciation expense		0	512,083,211	633,213,656	1,386,859,272	68,512,060	928,715,893	3,529,384,092
Withdrawals		0	0	(101,722,385)	(31,458,081)	0	0	(133,180,466)
Transfers		0	0	15,638,227	(16,995,775)	(111,194)	(95,038,297)	(96,507,039)
Balance on March 31, 2023	¢	**0**	**37,014,898,798**	**26,083,758,392**	**39,575,072,925**	**4,379,123,021**	**8,120,679,494**	**115,173,532,630**
Balances, net:								
March 31, 2023	¢	**35,641,464,379**	**58,173,055,750**	**13,075,019,533**	**13,063,034,329**	**1,050,970,533**	**20,110,537,470**	**141,114,081,994**

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements

As of December 31, 2022, property and equipment is as follows:

Cost:		Land	Building	Furniture and equipment	Computer hardware	Vehicles	Finance leases	Total
Balance on December 31, 2021	¢	**35,317,661,377**	**73,872,550,839**	**37,793,963,086**	**48,592,243,511**	**5,315,095,937**	**23,187,060,908**	**224,078,575,658**
Translation effect		0	0	0	0	0	0	0
Adjusted balance		**35,317,661,377**	**73,872,550,839**	**37,793,963,086**	**48,592,243,511**	**5,315,095,937**	**23,187,060,908**	**224,078,575,658**
Additions		0	100,673,617	2,010,932,548	12,028,995,396	114,259,691	9,208,903,213	23,463,764,465
Withdrawals		333,747,430	0	(86,158,623)	(417,271,278)	0	(5,670,061,643)	(5,839,744,114)
Transfers		0	0	(790,731,631)	(7,774,326,089)	737,926	1,505,314,486	(7,059,005,308)
Revaluation		(9,944,428)	20,019,490,453	25,476,753	0	0	0	20,035,022,778
Revaluation reversal		0	0	0	0	0	0	0
Impairment		0	0	0	0	0	0	0
Balance on December 31, 2022		**35,641,464,379**	**93,992,714,909**	**38,953,482,133**	**52,429,641,540**	**5,430,093,554**	**28,231,216,964**	**254,678,613,479**
Accumulated depreciation and impairment								
Balance on December 31, 2021		**0**	**26,108,178,859**	**23,381,125,827**	**34,457,500,885**	**4,046,806,264**	**4,444,186,673**	**92,437,798,508**
Translation effect		0	0	0	0	0	0	0
Adjusted balance		**0**	**26,108,178,859**	**23,381,125,827**	**34,457,500,885**	**4,046,806,264**	**4,444,186,673**	**92,437,798,508**
Depreciation expense		0	1,901,509,966	2,654,427,157	3,831,741,336	241,198,568	3,242,626,759	11,871,503,786
Adjustment from previous periods		0	0	0	0	0	0	0
Withdrawals		0	0	(1,391,555,333)	(402,536,603)	0	(2,193,382,350)	(3,987,474,286)
Transfers		0	0	892,631,242	349,961,891	22,717,323	1,793,570,817	3,058,881,273
Revaluation		0	8,493,126,762	0	0	0	0	8,493,126,762
Reversal of accumulated depreciation		0	0	0	0	0	0	0
Balance on December 31, 2022	¢	**0**	**36,502,815,587**	**25,536,628,893**	**38,236,667,509**	**4,310,722,155**	**7,287,001,899**	**111,873,836,043**
Balances, net:								
December 31, 2022	¢	**35,641,464,379**	**57,489,899,322**	**13,416,853,240**	**14,192,974,031**	**1,119,371,399**	**20,944,215,065**	**142,804,777,436**

(Continues)

As of March 31, 2022, property and equipment is as follows:

Cost:		**Land**	**Building**	**Furniture and equipment**	**Computer hardware**	**Vehicles**	**Finance leases**	**Total**
Balance at December 31, 2021	¢	**35,317,661,377**	**73,872,550,839**	**37,793,963,086**	**48,592,243,511**	**5,315,095,937**	**23,187,060,908**	**224,078,575,658**
Translation effect		0	0	0	0	0	0	0
Adjusted balance		**35,317,661,377**	**73,872,550,839**	**37,793,963,086**	**48,592,243,511**	**5,315,095,937**	**23,187,060,908**	**224,078,575,658**
Additions		0	39,000,480	818,682,089	227,686,184	0	0	1,085,368,753
Withdrawals		0	0	(7,749,857)	(19,652,523)	0	0	(27,402,380)
Transfers		0	0	(567,853,231)	(1,035,738,054)	0	0	(1,603,591,285)
Balance at March 31, 2022		**35,317,661,377**	**73,911,551,319**	**38,037,042,087**	**47,764,539,118**	**5,315,095,937**	**23,187,060,908**	**223,532,950,746**
Accumulated depreciation and impairment:								
Balance at December 31, 2021		**0**	**24,237,889,998**	**22,176,989,968**	**30,083,431,088**	**3,795,485,935**	**2,125,480,583**	**82,419,277,572**
Translation effect		0	0	0	0	0	0	0
Adjusted balance		**0**	**26,108,178,859**	**23,381,125,827**	**34,457,500,885**	**4,046,806,264**	**4,444,186,673**	**92,437,798,508**
Depreciation expense		0	476,497,920	663,991,501	1,251,785,263	65,544,373	676,806,486	3,134,625,543
Withdrawals		0	0	(276,029)	(19,507,816)	0	0	(19,783,845)
Transfers		0	0	820,086,607	(815,082,317)	0	(97,129,964)	(92,125,674)
Balance at March 31, 2022	¢	0	26,584,676,779	24,864,927,906	34,874,696,015	4,112,350,637	5,023,863,195	95,460,514,532
March 31, 2022	¢	**35,317,661,377**	**47,326,874,540**	**13,172,114,181**	**12,889,843,103**	**1,202,745,300**	**18,163,197,713**	**128,072,436,214**

(Continues)

(10) Other assets

(a) Other deferred charges

Other deferred charges are detailed as follows:

		March 2023	December 2022	March 2022
Improvements in property in operating lease	¢	770,384,412	862,205,085	988,835,194
Pre-issuance costs of financial instruments		0	0	212,162,789
Other deferred charges		0	0	6,279,395,318
	¢	**770,384,412**	**862,205,085**	**7,480,393,301**

(b) Intangible assets

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

		2023
Cost:		
Balance as of December 31, 2022	¢	**71,146,283,273**
Additions to computer systems		2,981,437,295
Transfer balances		(180,198,122)
Withdrawals		(14,353,613)
Balance as of March 31, 2023		**73,933,168,833**
Accumulated amortization and impairment:		
Balance as of December 31, 2022		**48,724,952,010**
Translation effect		0
Adjusted balance		**48,724,952,010**
Expense for amortization of computer systems		4,403,631,387
Withdrawals		(9,820,930)
Balance of amortization and impairment as of March 31, 2023		**53,118,762,467**
Balance as of March 31, 2023	¢	**20,814,406,366**

(Continues)

		2022
Cost:		
Balance as of December 31, 2021	**¢**	**45,385,780,627**
Additions to computer systems		15,355,820,015
Transfer balances		10,782,172,164
Withdrawals		(377,489,533)
Balance as of December 31, 2022		**71,146,283,273**
Accumulated amortization and impairment:		
Balance as of December 31, 2021		**30,525,929,547**
Expense for amortization of computer systems		12,979,721,460
Transfer balances		5,479,047,211
Withdrawals		(259,746,208)
Balance of amortization and impairment as of December 31, 2022		**48,724,952,010**
Balance as of December 31, 2022	**¢**	**22,421,331,263**

Cost:		
Balance as of December 31, 2021	**¢**	**45,385,780,627**
Additions to computer systems		2,359,196,219
Withdrawals		(4,471,107)
Balance as of March 31, 2022		**47,740,505,739**
Accumulated amortization and impairment:		
Balance as of December 31, 2021		**30,525,929,547**
Expense for amortization of computer systems		2,060,708,731
Withdrawals		(4,471,107)
Balance of amortization and impairment as of March 31, 2022		**32,582,167,171**
Balance as of March 31, 2022	**¢**	**15,158,338,568**

(Continues)

(c) Other assets

Other assets are detailed as follows:

		March 2023	December 2022	March 2022
Prepaid taxes	¢	5,595,754,068	30,446,648,962	4,869,261,314
Prepaid rentals		78,383	78,383	78,383
Prepaid insurance policy		273,361,997	50,297,342	203,986,480
Prepaid expenses		5,869,194,448	30,497,024,687	5,073,326,177
Stationery, supplies and other materials		171,028,778	196,704,607	163,675,785
Library and works of art		9,781,375	2,057,477	2,057,473
Constructions in process		7,944,796,998	8,612,541,177	5,314,430,660
Amortized applications in development		4,489,149,913	4,148,611,061	4,095,465,436
Rights in social and union institutions		36,633,800	36,633,800	36,633,800
Other sundry assets		2,064,373,132	2,064,373,130	2,064,373,131
Miscellaneous goods		14,715,763,996	15,060,921,252	11,676,636,285
Missing cash		55,294,638	47,702,442	86,072,437
Transactions to be settled		102,237,007,140	57,745,803,193	23,522,434,938
Other charge pending operations		168,749,332	164,932,768	139,076,894
		102,461,051,110	57,958,438,403	23,747,584,269
Deposits in guarantee		201,582,395	214,970,851	228,551,639
Judicial and administrative deposits		0	2,081,316,907	0
Restricted assets		201,582,395	2,296,287,758	228,551,639
	¢	**123,247,591,949**	**105,812,672,100**	**40,726,098,370**

As of March 2023, there is no record of asset appraisal (As of December 2022, the net appraisal record is reflected in Buildings for ¢11,447,128,295 and property for ¢456,051,531).

(11) Demand obligations with the public

Demand obligations with the public as follows:

		March 2023	December 2022	March 2022
Checking accounts	¢	1,847,504,732,682	2,175,464,270,557	2,155,686,193,779
Certification checks		159,588,631	146,223,840	88,835,345
Demand saving deposits		1,001,422,465,224	1,060,192,631,528	1,031,090,194,172
Matured term deposits		1,956,484,451	1,897,451,094	2,533,964,688
Other demand obligations with the public		18,260,224,332	3,086,811,199	6,250,679,183
	¢	**2,869,303,495,320**	**3,240,787,388,218**	**3,195,649,867,167**

(12) Term and demand deposits from clients

Term and demand deposits from the clients according to number of clients and amounts, are detailed as follows:

		March 2023	December 2022	March 2022
		Demand	**Demand**	**Demand**
Public	¢	2,851,043,270,989	3,237,700,577,020	3,189,399,187,984
Other obligations with the public		18,260,224,331	3,086,811,198	6,250,679,183
		2,869,303,495,320	3,240,787,388,218	3,195,649,867,167
State-owned entities		17,328,197,786	7,905,238,335	6,171,809,233
Deposits from other banks		4,011,123,958	3,689,070,619	3,857,307,358
Other financial entities		27,275,129,856	27,036,002,312	35,441,123,865
		48,614,451,600	38,630,311,266	45,470,240,456
	¢	**2,917,917,946,920**	**3,279,417,699,484**	**3,241,120,107,623**

		March 2023	December 2022	March 2022
		Term	**Term**	**Term**
Public	¢	1,718,458,360,454	1,456,198,586,872	1,448,206,175,755
Other obligations with the public		0	0	0
		1,718,458,360,454	1,456,198,586,872	1,448,206,175,755
State-owned entities		47,407,825,924	37,638,852,985	70,548,868,958
Deposits from other banks		9,160,204,850	10,022,032,122	10,375,164,652
Other financial entities		190,243,721,646	238,929,451,001	255,528,378,441
		246,811,752,420	286,590,336,108	336,452,412,051
	¢	**1,965,270,112,874**	**1,742,788,922,980**	**1,784,658,587,806**

(Continues)

As of March 31, 2023, demand deposits from customers include court-ordered deposits for ¢250,145,353,841 (¢260,468,163,133 and ¢256,899,028,658, for December and March 2022, respectively) which are restricted because of their nature.

As of March 31, 2023, the Bank has a total of 1,794,733 (1,751,780 and 1,806,751, for December and March 2022, respectively) customers with demand deposits and has a total 38,411, (36,213 and 35,343, for December and March 2022, respectively).

(13) Repurchase and reverse repurchase agreements

The Bank purchases financial instruments under agreements whereby the Bank commits to sell the financial instruments at future dates at a predetermined price and return.

As of March 31, 2023, December and March 2022, the Bank does not hold repurchase agreements.

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

Obligations with entities are as follows:

		March 2023	December 2022	March 2022
Term deposits with the Central Bank de Costa Rica	¢	106,607,072,703	134,495,032,211	117,434,359,976
Charges payable for obligations with Central Bank of Costa Rica		1,592,823,783	1,424,026,345	829,657,863
		108,199,896,486	135,919,058,556	118,264,017,839
Checking accounts of local entities		35,992,737,289	30,309,284,739	24,713,493,338
Overdrafts on demand checking accounts in foreign financial entities		10,108,909,536	7,249,152,775	19,243,001,266
Demand obligations by legal mandate		0	0	0
Obligations for checks to be cashed		2,512,804,775	1,071,873,752	1,513,745,852
Term deposits from local financial Entities		65,553,525,774	57,798,344,957	104,272,000,110
Loans from foreign financial Entities		2,661,506,250	3,130,348,000	21,127,449,428
Obligations for the right-of-use leased properties		21,218,332,805	23,627,835,881	25,283,546,523
Obligations for deferred liquidity operations		0	10,007,407,419	0
Obligations with resources from the Development Credit Fund (DCF)		157,378,387,591	192,026,399,851	185,769,415,990
Charges payable for obligations with financial and non-financial entities		1,578,497,405	1,086,037,773	1,848,803,550
		297,004,701,425	326,306,685,147	383,771,456,057
Subordinated loans		49,956,035,633	49,955,433,414	0
Charges payable subordinated loans		184,422,222	184,422,222	0
		50,140,457,855	50,139,855,636	0
	¢	**455,345,055,766**	**512,365,599,339**	**502,035,473,896**

Maturities of term obligations with entities are from January 1, 2023, to December 23, 2026.

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

	March 2023	December 2022	March 2022
Colones	7.97 % to 9.75%	0.01 % to 9.75%	1.01 % to 3.25%
US dollars	2.99% to 3.43%	0,01% to 7.68%	0,010% to 5.02%

(Continues)

As of March 2023, December and March 2022, there are no term obligations with foreign financial entities for the international issuance.

(a) Maturities of loans payable

As of March 31, 2023, loans payable mature as follows:

		Banco Central de Costa Rica	Local financial entities	Foreign financial entities	International organizations	Total
Less than one year	¢	106,607,072,703	0	0	0	106,607,072,703
From three to five years		0	0	0	2,661,506,250	2,661,506,250
Total	¢	**106,607,072,703**	**0**	**0**	**2,661,506,250**	**109,268,578,953**

As of December 31, 2022, loans payable mature as follows:

		Banco Central de Costa Rica	Local financial entities	Foreign financial entities	International organizations	Total
Less than one year	¢	35,027,717,170	0	0	0	35,027,717,170
From three to five years		109,474,722,460	0	0	3,130,348,000	112,605,070,460
Total	¢	**144,502,439,630**	**0**	**0**	**3,130,348,000**	**147,632,787,630**

As of March 31, 2022, loans payable mature as follows:

		Banco Central de Costa Rica	Local financial entities	Foreign financial entities	International organizations	Total
Less than one year	¢	0	0	0	17,658,529,428	17,658,529,428
From one to two years		117,434,359,976	0	0	0	117,434,359,976
Over five years		0	0	0	3,468,920,000	3,468,920,000
Total	¢	**117,434,359,976**	**0**	**0**	**21,127,449,428**	**138,561,809,405**

(b) Lease obligations

As of March 31, 2023, the Bank has following obligations from financial leases:

		Installment	Interest	Maintenance	Present value
Less than one year	¢	3,327,133,491	355,192,334	0	2,971,941,157
Between one and five years		19,389,144,941	1,142,753,294	0	18,246,391,647
	¢	**22,716,278,433**	**1,497,945,628**	**0**	**21,218,332,805**

As of December 31, 2022, the Bank has following obligations from financial leases:

		Installment	Interest	Maintenance	Present value
Less than one year	¢	4,810,508,916	1,353,083,526	0	3,457,425,391
Between one and five years		23,944,090,805	3,773,680,315	0	20,170,410,490
	¢	**28,754,599,721**	**5,126,763,841**	**0**	**23,627,835,881**

As of March 31, 2022, the Bank has following obligations from financial leases:

		Installment	Interest	Maintenance	Amortization
Less than one year	¢	4,086,080,142	1,437,573,397	0	2,648,506,745
Between one and five years		27,555,361,107	4,920,321,330	0	22,635,039,778
	¢	**31,641,441,249**	**6,357,894,727**	**0**	**25,283,546,523**

As of March 31, 2023, the estimate of future lease payments is as follows:

		Colones	US$ converted to colones
1 year	¢	659,778,037	2,312,163,120
2 years		768,271,645	2,667,278,388
3 years		822,357,969	2,158,056,563
4 years		880,251,970	1,943,034,401
5 years		942,221,709	2,059,616,493
Over 5 years		1,903,046,045	4,102,256,464
	¢	**5,975,927,375**	**15,242,405,429**

As of December 31, 2022, the estimate of future lease payments is as follows:

		Colones	US$ converted to colones
1 year	¢	709,650,241	2,747,775,150
2 years		694,316,410	2,663,387,210
3 years		808,489,493	2,614,587,626
4 years		865,407,153	2,111,496,817
5 years		926,331,817	2,238,186,594
Over 5 years		2,144,644,630	5,103,562,741
	¢	**6,148,839,744**	**17,478,996,138**

(Continues)

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

		Colones	US$ converted to colones
1 year	¢	251,065,607	2,397,441,138
2 years		245,640,685	2,323,812,223
3 years		286,033,730	2,680,716,567
4 years		306,170,505	2,841,559,467
5 years		327,724,908	3,012,053,069
Over 5 years		1,059,316,301	9,552,012,322
	¢	**2,475,951,736**	**22,807,594,787**

As of March 31, 2023, future payments of the lease liability are presented as follows:

	Year	Payments	Present value	Amortization	Interest	Balance
1	31/3/2023	4,106,745,385	2,868,538,691	1,630,331,997	1,238,206,694	18,349,794,113
2	31/3/2024	4,480,085,875	3,450,876,111	2,421,666,347	1,029,209,764	14,898,918,002
3	31/3/2025	3,822,146,243	2,996,660,175	2,171,174,106	825,486,068	11,902,257,827
4	31/3/2026	3,493,176,428	2,840,506,754	2,187,837,079	652,669,674	9,061,751,074
5	31/3/2027	3,493,176,428	3,020,091,800	2,547,007,173	473,084,627	6,041,659,274
6	31/3/2028	3,493,176,428	3,211,096,428	2,929,016,428	282,080,000	2,830,562,846
7	31/3/2029	2,910,980,356	2,830,562,846	2,750,145,335	80,417,511	0
8	31/3/2030	0	0	0	0	0
9	31/3/2031	0	0	0	0	0
10	31/3/2032	0	0	0	0	0
		¢ **25,799,487,143**	**21,218,332,805**	**16,637,178,466**	**4,581,154,338**	

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

	Year	Payments	Present value	Amortization	Interest	Balance
1	31/12/2022	4,826,297,543	3,340,686,954	1,855,076,365	1,485,610,589	20,287,148,927
2	31/12/2023	4,516,376,115	3,438,300,552	2,360,224,988	1,078,075,563	16,848,848,376
3	31/12/2024	4,592,112,717	3,618,143,005	2,644,173,292	973,969,713	13,230,705,371
4	31/12/2025	3,738,085,036	3,010,906,521	2,283,728,006	727,178,515	10,219,798,850
5	31/12/2026	3,738,085,036	3,200,612,299	2,663,139,562	537,472,737	7,019,186,551
6	31/12/2027	3,518,847,983	3,196,512,153	2,874,176,322	322,335,830	3,822,674,398
7	31/12/2028	3,957,322,088	3,822,674,397	3,688,026,709	134,647,690	0
8	31/12/2029	0	0	0	0	0
9	31/12/2030	0	0	0	0	0
10	31/12/2031	0	0	0	0	0
		¢ **28,887,126,518**	**23,627,835,881**	**18,368,545,244**	**5,259,290,637**	

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

	Year		Payments	Present value	Amortization	Interest	Balance
1	31/3/2022	¢	4,100,643,722	2,524,522,441	948,401,159	1,576,121,281	22,759,023,795
2	31/3/2023		3,793,276,290	2,606,669,186	1,420,062,081	1,186,607,104	20,152,354,610
3	31/3/2024		4,408,011,155	3,216,585,177	2,025,159,200	1,191,425,977	16,935,769,432
4	31/3/2025		4,100,643,722	3,180,647,566	2,260,651,411	919,996,156	13,755,121,866
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
9	31/3/2030		0	0	0	0	0
10	31/3/2031		0	0	0	0	0
		¢	**31,779,988,847**	**25,283,546,522**	**18,787,103,625**	**6,496,442,611**	

(15) Income tax

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

As of March 31, 2023, the Bank's separate balances of income tax payable and expected income tax amount to ¢3,364,857,186 (¢17,830,371,494 and ¢1,259,919,194, for December and March 2022, respectively) (see note 17) and income tax advances for ¢5,595,754,068 (¢30,446,648,962 and ¢4,869,261,314, for December and March 2022, respectively) are recorded as "Other assets".

Income tax expense is detailed as follows:

		March 2023	December 2022	March 2022
Income tax	¢	3,600,686,962	21,418,345,999	4,847,893,510
Decrease in income tax		(185,922,378)	(3,587,974,505)	(3,587,974,316)
Adjustment for income tax of the previous period		(49,907,398)	0	0
		3,364,857,186	17,830,371,494	1,259,919,194
Income tax expense:				
Expense for current tax of the period		3,600,686,962	21,418,345,999	4,847,893,510
Expense for deferred income tax		1,268,169,984	13,020,488,882	4,959,146,160
		4,868,856,946	34,438,834,881	9,807,039,670
Income for income tax:				
Decrease in income tax of the period		(186,052,859)	(3,587,974,506)	(3,587,974,505)
Income for deferred income tax		(1,330,541,983)	(5,729,047,656)	(279,869,461)
Decrease of income tax from previous periods		0	(719,133,155)	(719,133,155)
		(1,516,594,842)	(10,036,155,317)	(4,586,977,121)
Expense for income tax, net	¢	3,352,262,104	24,402,679,564	5,220,062,549
Realization of deferred income tax	¢	62,371,999	(7,291,441,226)	279,869,460

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

As of March 31, 2023, deferred tax assets and liabilities are attributed to the following:

		Assets	Liabilities	Net
Valuation of investments	¢	11,891,860,346	(978,188,555)	10,913,671,791
Revaluation of buildings		242,823,928	(8,576,437,323)	(8,333,613,395)
Revaluation of property		0	(5,763,717,660)	(5,763,717,660)
Financial leases		6,400,506,266	(6,290,364,601)	110,141,665
Deferred tax on exchange differences		982,633,165	(7,634,897,252)	(6,652,264,088)
Total	¢	**19,517,823,705**	**(29,243,605,391)**	**(9,725,781,687)**

As of December 31, 2022, deferred tax assets and liabilities are attributed to the following:

		Assets	Liabilities	Net
Valuation of investments	¢	18,152,501,095	(382,461,507)	17,770,039,588
Revaluation of buildings		242,823,928	(8,632,345,029)	(8,389,521,101)
Revaluation of property		0	(5,777,104,006)	(5,777,104,006)
Financial leases		7,128,108,882	(6,568,979,369)	559,129,514
Deferred tax on exchange differences		0	(7,094,329,885)	(7,094,329,885)
Total	¢	**25,523,433,905**	**(28,455,219,795)**	**(2,931,785,890)**

As of March 31, 2022, deferred tax assets and liabilities are attributed to the following:

		Assets	Liabilities	Net
Valuation of investments	¢	1,576,367,194	(13,760,602,406)	(12,184,235,212)
Revaluation of buildings		0	(4,932,968,700)	(4,932,968,700)
Revaluation of property		0	(6,077,988,389)	(6,077,988,389)
Financial leases		7,626,628,321	(6,361,980,967)	1,264,647,354
Deferred tax on exchange differences		0	(4,959,146,160)	(4,959,146,160)
Total	¢	**9,202,995,516**	**(36,092,686,622)**	**(26,889,691,106)**

Movement of temporary differences is as follows:

As of March 31, 2023:

		December 31, 2022	Income statement	Equity	March 31, 2023
Liabilities account					
Valuation of investments	¢	(382,461,507)	0	(595,727,048)	(978,188,555)
Revaluation of buildings		(8,645,731,373)	69,294,050	0	(8,576,437,323)
Revaluation of property		(5,763,717,660)	0	0	(5,763,717,660)
Financial leases		(6,568,979,369)	278,614,768	0	(6,290,364,601)
For exchange differences		(7,094,329,886)	(540,567,367)	0	(7,634,897,252)
Assets account					
Valuation of investments		18,152,501,095	0	(6,260,640,749)	11,891,860,346
Income tax for revaluation of assets		242,823,928	0	0	242,823,928
Provisions		0	0	0	0
Financial leases		7,128,108,883	(727,602,617)	0	6,400,506,266
Deferred income tax on exchange differences		0	982,633,164	0	982,633,164
Total	¢	(2,931,785,888)	62,371,999	(6,856,367,797)	(9,725,781,687)

As of December 31, 2022:

		December 31, 2021	Income statement	Equity	December 31, 2022
Liabilities account					
Valuation of investments	¢	(19,917,035,990)	0	19,534,574,483	(382,461,507)
Revaluation of buildings		(4,971,062,820)	23,807,231	(3,698,475,784)	(8,645,731,373)
Revaluation of property		(6,077,988,389)	0	314,270,728	(5,763,717,661)
Financial leases		(6,565,022,913)	(3,956,456)	0	(6,568,979,369)
For exchange differences		0	(7,094,329,886)	0	(7,094,329,886)
Assets account					
Valuation of investments		478,172,726		17,674,328,369	18,152,501,095
Income tax for revaluation of assets		0	242,823,928	0	242,823,928
Provisions		0	0	0	0
Financial leases		7,587,894,926	(459,786,043)	0	7,128,108,883
Total	¢	**(37,052,937,386)**	**(6,831,655,182)**	**33,824,697,796**	**(10,059,894,772)**

As of March 31, 2022:

		December 31, 2021	Income statement	Equity	March 31, 2022
Liabilities account					
Valuation of investments	¢	(19,917,035,990)	0	6,156,433,584	(13,760,602,406)
Revaluation of buildings		(4,971,062,820)	38,094,120	0	(4,932,968,700)
Revaluation of property		(6,077,988,389)	0	0	(6,077,988,389)
Financial leases		(6,565,022,913)	203,041,946	0	(6,361,980,967)
For exchange differences		0	(4,959,146,160)	0	(4,959,146,160)
Assets account					
Valuation of investments		478,172,726	0	1,098,194,468	1,576,367,194
Financial lease-tax on asset revaluation		7,587,894,926	38,733,394	0	7,626,628,320
Total		**(29,465,042,459)**	**(4,679,276,700)**	**7,254,628,052**	**(26,889,691,106)**

As of March 31, 2023, the Bank has a balance for income tax receivable of ¢10,146,874,945 (¢85,427,352 and ¢85,427,352, for December and March 2022, respectively), in addition to bear value added tax for ¢724,717,488, (¢2,216,201,329 and ¢782,435,677, for December and March 2022, respectively) and value added tax deductible for ¢1,725 (¢1,725 and ¢1,725 for December and March 2022, respectively).

		March 2023	December 2022	March 2022
Income tax receivable	¢	10,146,874,945	85,427,352	85,427,352
Supported value added tax		724,717,488	2,216,201,329	782,435,677
Deductible value added tax		1,725	1,725	1,725
	¢	**10,871,594,158**	**2,301,630,406**	**867,864,754**

Income tax receivable for overpayments, originated by the return of investments of the Development Credit Fund that are exempt from the obligation and for income and value added tax advances.

IFRIC-23 “Uncertainty over income tax treatments” introduces the concept of uncertain tax treatment, which starts after the tax administration begins a process of transferring charges, from which on the entity is already facing an uncertain tax treatment since the tax authority has already indicated that it does not accept the treatment provided, and therefore it is in dispute. In such case what proceeds is to reflect the uncertainty according to the method that better predict its resolution and by recording the corresponding provision.

As of March 31, 2023, the amount recorded by the Bank as provision is of ¢13,765,703,527 (¢13,765,703,527 and ¢24,890,634,566, for December and March 2022, respectively).

(Continues)

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 ¢7,634,897,252 (¢7,094,329,886 and ¢4,959,146,160, for December and March 2022, respectively) and ¢982,633,164 are recorded as an asset (for December and March 2022, there is no amount recorded).

(Continues)

(16) Provisions

Movement in provisions is as follows:

		Severance benefits	Litigations	Others	Total
Balance on December 31, 2022	¢	**10,057,853,284**	**15,387,176,608**	**14,186,632,788**	**39,631,662,680**
Increase in provision		0	1,194,156,912	453,489,588	1,647,646,500
Use of provision		(5,546,081)	(530,034,419)	(263,400,410)	(798,980,910)
Adjustment for foreign exchange		0	(2,620,874)	0	(2,620,874)
Balance on March 31, 2023	¢	**10,052,307,203**	**16,048,678,227**	**14,376,721,966**	**40,477,707,396**

As of December 31, 2021, Movement in provisions is as follows:

		Severance benefits	Litigations	Others	Total
Balance on December 31, 2021	¢	**8,886,756,019**	**16,151,179,297**	**46,398,003,087**	**71,435,938,403**
Increase in provision		1,253,198,421	3,754,646,239	1,050,212,141	6,058,056,801
Use of provision		(82,101,156)	(428,503,843)	(33,261,582,440)	(33,772,187,439)
Adjustment for foreign exchange		0	(40,731,997)	0	(40,731,997)
Reversal of provision		0	(4,049,413,088)	0	(4,049,413,088)
Balance on December 31, 2022	¢	**10,057,853,284**	**15,387,176,608**	**14,186,632,788**	**39,631,662,680**

As of March 31, 2022, Movement in provisions is as follows:

		Severance benefits	Litigations	Others	Total
Balance on December 31, 2021	¢	**8,886,756,019**	**16,151,179,297**	**46,398,003,087**	**50,305,344,252**
Increase in provision		0	2,926,254,787	270,951,673	3,197,206,460
Use of provision		(3,034,376)	0	(252,604,400)	(255,638,776)
Adjustment for foreign exchange		0	30,491,674	0	30,491,674
Reversal of provision		0	(142,838,050)	0	(142,838,050)
Balance on March 31, 2022	¢	**8,883,721,643**	**18,965,087,708**	**25,285,756,209**	**53,134,565,560**

(Continues)

As of March 31, 2023, the Bank is a defendant in litigation, for which the following provisions have been established:

- Ordinary suits filed against the Bank have been estimated at ¢24,280,811,453 and US$372,973,329 for which the Bank has provisioned ¢1,528,300,357 and US$47,278, respectively.

- The criminal lawsuits against the Bank have been estimated at ¢1,879,803,039 and $5,857, for which the Bank has recorded a provision in the amount of ¢169,544,163.

- By their nature, labor suits are difficult to estimate. However, they have been estimated at ¢5,920,827,737 and $825,000 for which the Bank has recorded a provision in the amount of ¢2,549,994,246, in cases where there is a non-firm conviction.

- There are administrative proceedings at different stages in the amount ¢15,096,422 and US$2,000.

- A provision corresponding to the Deposit Guarantee Fund is created and recorded in "Others", in the amount of ¢221,227,571.

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

- Ordinary suits filed against the Bank were estimated at ¢25,313,172,429 and US$373,822,285 for which the Bank has provisioned ¢1,627,475,428 and US$46,656, respectively.

- The criminal lawsuits against the Bank have been estimated at ¢1,879,803,039 and $5,857 for which the Bank has recorded a provision in the amount of ¢196,032,439.

- Labor suits by their nature are difficult to estimate. However, they have been estimated at ¢5.440.126.674 and $825.001 for which the Bank has provisioned ¢2,021,340,774, corresponding to cases where a provisional judgment has been handed down.

- There are administrative proceedings at different stages in the amount ¢15,096,422 and US$2.000.

- A provision corresponding to the Deposit Guarantee Fund is created and recorded in "Others", in the amount of ¢243,935,865.

(Continues)

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

- Ordinary suits filed against the Bank estimated at ¢23,395,096,649 and US$71,640,326 for which the Bank has provisioned ¢1,711,649,960 and US$1,392,607, respectively.

- The criminal lawsuits against the Bank have been estimated at ¢1,965,668,874 and $5,857, for which the Bank has recorded a provision in the amount of ¢272,597,777.

- Labor suits by nature are difficult to estimate. However, they have been estimated at ¢5,147,672,743 and $825,001 for which the Bank has provisioned ¢2,098,477,773, corresponding to cases where a provisional judgment has been handed down.

- There are administrative proceedings at different stages in the amount ¢13,968,450,298 and US$2,000, for which the Bank has provisioned ¢13,953,353,876.

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

(17) Other miscellaneous accounts payable

Other miscellaneous accounts payable are detailed as follows:

		March 2023	December 2022	March 2022
Fees payable	¢	85,529,118	83,939,092	75,974,285
Current income tax (see note 15)		3,364,857,186	17,830,371,494	1,259,919,194
UD Income Tax		(11,458,739)	(11,447,375)	11,482,850
Value added tax payable		117,157,312	145,267,127	179,787,401
Employer contributions		6,653,913,841	3,942,711,191	1,188,466,571
Withholdings by legal order		827,770,798	847,052,578	909,916,366
Retained taxes payable		16,588,998,002	3,039,795,182	2,091,134,772
Employer withholdings		2,767,723,869	2,098,669,937	928,435,630
Other third-party withholdings		14,789,849,585	14,130,424,355	13,308,925,320
Compensations and salaries payable		2,777,756,594	7,324,336,608	2,069,757,108
Distributions payable on results of the period (see note 30)		841,320,893	25,778,103,362	7,491,296,349
Accrued vacation payable		6,521,130,249	6,862,830,917	5,984,309,748
Accrued statutory Christmas bonus payable		2,033,118,083	684,540,930	1,761,725,276
Contribution to the Superintendence budget		0	0	3,000,000
Commissions payable for insurance placement		358,630,568	342,200,944	454,538,052
Sundry creditors		25,141,149,753	26,745,376,827	24,237,811,270
	¢	**82,857,447,112**	**109,844,173,169**	**61,956,480,192**

Sundry creditors record accounts payable, and commissions not specified in the above concepts that mainly correspond to transactions by supplier invoices, constitution of companies, placement of policies, withholdings payable, transactions with checking and savings accounts.

(18) Equity

a) Capital Social

The Bank's capital is comprised as follows:

		March 2023	December 2022	March 2022
Capital under Law 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 under Law 7107		118,737,742,219	118,737,742,219	118,737,742,219
Capital increase under Law 8703		27,619,000,002	27,619,000,002	27,619,000,002
Capital increase under Law 9605		18,907,432,694	18,907,432,694	18,907,432,694
Increase from 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 the 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 the Bank, in order to stimulate productive sectors, particularly small and medium-sized enterprises. For such purposes, the Bank handed over four securities for a total of US$50,000,000 equivalent to ¢27,619,000,002 (¢27,619,000,002 and ¢27,619,000,002, for December and March 2022, respectively), for its capitalization, to stimulate the productive sectors, especially small and medium enterprises.

b) Surplus from revaluation

Corresponding to the increase in fair value of property owned by the Bank.

As of March 31, 2023, revaluation surplus amounts to ¢41,085,212,831 (¢41,085,212,831 and ¢31,744,671,803 for December and March 2022, respectively).

(Continues)

c) Adjustment for investments at fair value through other comprehensive income

They include variations in the fair value of available-for-sale investments.

As of March 31, 2023, the balance of the adjustment for valuation of available-for-sale investments corresponds to unrealized net losses in the amount of ¢24,248,025,371 (¢39,179,636,082 and ¢31,996,564,221, for December and March 2022, respectively).

d) Adjustment for valuations of investments in other companies

This item mainly corresponds to foreign exchange differences arising from conversion of BICSA’s financial statements and the unrealized gain or loss on valuation of investments and other changes in subsidiaries.

As of March 31, 2023, changes in equity include foreign exchange differences corresponding to investments in other companies in the amount of ¢772,987,140 (¢5,494,074,682 and ¢16,781,179,720, for December and March 2022, respectively).

e) Equity Development Financing Fund (FOFIDE)

As of March 31, 2023, the amount for the constitution of the equity of the Development Financing Fund are of ¢45,766,617,523 (¢40,476,721,777 and ¢40,476,721,777, for December and March 2022, 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.

(Continues)

Regulatory Capital

The primary and secondary capital of the Bank is detailed as follows:

		March 2023	December 2022	March 2022
Primary Capital				
Ordinary paid in capital	¢	181,409,990,601	181,409,990,601	181,409,990,601
Legal reserve		351,152,901,365	325,313,265,088	325,313,265,088
Accumulated result of previous periods		41,896,492,820	24,854,115,252	44,852,210,066
Profit of the current period		3,915,425,478	48,171,909,592	15,037,464,874
		578,374,810,264	579,749,280,533	506,723,255,689
Secondary Capital				
Adjustment for valuation of property		30,813,909,624	30,813,909,624	23,808,503,852
Adjustment for valuation of available-for-sale Investments		(19,974,156,681)	(31,253,135,737)	0
Adjustment for valuation of restricted Financial Instruments		(4,273,869,050)	(7,926,500,345)	0
Adjustment for valuation of shares in other Companies		(772,987,140)	5,494,074,682	16,781,179,720
Retained earnings from previous periods		0	0	44,852,210,066
Results of the period		0	0	0
Profit of the current period		0	0	15,037,464,874
Subordinated loan instruments		49,956,035,633	49,955,433,414	0
Development Financing Fund		45,766,617,523	40,476,721,777	40,476,721,777
		101,515,549,909	87,560,503,415	140,956,080,289
Deductions				
Interest in other companies		(113,841,186,326)	(118,058,380,855)	(133,305,305,297)
Total regulatory capital	¢	**566,049,173,847**	**549,251,403,093**	**514,374,030,681**

(Continues)

(19) Commitments and contingencies

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

Off-balance financial instruments with risk are as follows:

		March 2023	December 2022	March 2022
Guarantees granted:				
Performance bonds	¢	71,076,363,656	86,321,033,844	125,205,989,304
Bid bonds		740,900,504	779,929,923	1,004,325,341
Letters of credit issued, not negotiated		17,323,670,046	14,498,830,839	12,365,840,360
Automatic draw lines of credit		120,747,134,438	118,810,114,853	106,021,976,305
Other contingencies		231,902,375,720	254,313,912,940	73,858,661,662
Credits pending disbursement		0	49,499,652	119,619,754
	¢	**441,914,064,169**	**474,773,322,051**	**318,576,412,726**

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

		March 2023	December 2022	March 2022
With prior deposit	¢	7,705,435,625	10,243,925,114	7,968,466,575
Without prior deposit		202,306,252,824	210,215,483,996	236,749,284,490
Pending litigation and Claims		231,902,375,720	254,313,912,941	73,858,661,661
Total deposits	¢	**441,914,064,169**	**474,773,322,051**	**318,576,412,726**

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

As of March 31, 2023, letters of credit are backed up by 100% of the stand-by balance or by lines of credit.

As of March 31, 2022, floating guarantees in custody are for ¢228,345,841,944 (¢248,069,572,706 and ¢196,638,128,241, for December and March 2022, respectively).

Other contingencies:

As of March 31, 2023, the Bank's Legal Division reported the following contingencies and commitments:

- Administrative suits against the Bank estimated at ¢22,752,511,096 and US$372,926,051. In addition, other contentious processes are filed for preliminary injunction with no estimate.

- Ordinary labor suits estimated at ¢3,370,833,492 and US$825,000.

- Criminal proceedings in which the Bank is a third-party defendant estimated at ¢1,710,258,876 and US$5,857.

- Administrative proceedings against the Bank have been estimated in the amount of ¢15,096,422 and US$2,000.

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

- Administrative suits against the Bank estimated at ¢22,295,598,168 and US$373,625,117. In addition, other contentious processes are filed for preliminary injunction with no estimate.

- Ordinary labor suits estimated at ¢3,230,486,292 and US$825,001.

- Criminal proceedings in which the Bank is a third-party defendant estimated at ¢280,426,723 and US$5,857.

- Administrative proceedings against the Bank have been estimated in the amount of ¢15,096,422 and US$2,000.

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

- Administrative suits against the Bank estimated at ¢21,683,446,689 and US$70,247,718. In addition, other contentious processes are filed for preliminary injunction with no estimate.

- Ordinary labor suits estimated at ¢3,049,194,971 and US$825,001.

- Criminal proceedings in which the Bank is a third-party defendant estimated at ¢1,693,071,097 and US$5,857.

- Administrative proceedings against the Bank have been estimated in the amount of ¢15,096,422 and US$2,000.

(20) Trusts

The Bank provides trust services, whereby it manages assets at the direction of the customer. The Bank receives a fee for providing those services. The underlying assets and liabilities are not recognized in the Bank's separate financial statements. The Bank is not exposed to any credit risk, and it does not guarantee these assets or liabilities.
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 2023	December 2022	March 2022
Cash and due from banks	¢	81,583,123,546	41,018,451,979	38,593,701,105
Investment		158,823,639,248	67,954,539,347	57,330,075,580
Loan portfolio		10,114,852,487	10,352,548,308	11,129,638,870
Allowance for loan losses		(7,664,901,008)	(7,788,596,935)	(8,384,273,791)
Assets held-for-sale		76,267,563,745	77,402,363,626	66,328,679,309
Investment in other companies		852,972,583	980,209,568	49,438,739,218
Other receivables		56,784,434,647	43,277,417,175	57,140,016,915
Property and equipment		134,180,059,356	141,968,008,610	301,189,545,635
Other assets		329,090,272,563	347,968,864,834	297,758,126,877
Buildings		0	0	76,679,998
	¢	**840,032,017,167**	**723,133,806,512**	**870,600,929,716**

(Continues)

(21) Other debit memoranda accounts

Other debit memoranda accounts are as follows:

		March 2023	December 2022	March 2022
Guarantees received and held in custody	¢	4,757,167,704,016	6,152,297,714,040	5,730,611,297,042
Guarantees received and held by third parties		1,698,106,264	1,920,433,624	2,108,917,018
Other memoranda accounts unused authorized lines of credit		173,039,684,420	289,043,683,983	375,070,275,146
Write-offs		211,284,831,290	214,550,929,186	208,549,532,819
Suspense interest receivable		21,554,351,017	21,585,661,509	22,106,566,824
Other memoranda accounts		5,419,700,024,569	4,896,935,011,249	2,760,300,025,763
Assets and securities held in custody for third parties		86,315,896,957	110,860,738,441	94,754,055,767
Own trading securities		961,955,112,666	906,880,401,900	1,126,325,375,509
Cash and accounts receivable custodial activities		67,522,010,990	105,995,117,635	187,583,640,313
Third party trading securities pledged as guarantee (Guarantee Trust)		59,912,168,755	70,843,163,000	55,945,254,272
Third parties trading securities		6,419,925,610,290	6,173,263,833,551	6,342,217,736,710
	¢	**18,180,075,501,234**	**18,944,176,688,118**	**16,905,572,677,183**

(22) Financial income on financial instruments

Finance income on financial instruments is as follows:

		March 2023	March 2022
Interest for investments in financial instruments at fair value through other comprehensive income	¢	21,110,602,871	20,748,533,327
Interest from investments at amortized cost		961,309,075	160,171,155
	¢	**22,071,911,946**	**20,908,704,482**

(Continues)

(23) Financial income on credit portfolio

Financial income on credit portfolio is as follows:

		March 2023	March 2022
Current loans			
Loans – Personal	¢	36,064,368,966	27,495,610,943
Loans - Development Financing Fund		1,084,410,174	576,195,982
Loans - Business		2,155,617,486	1,381,225,083
Loans – Corporate		29,400,275,915	19,491,587,532
Loans – Public Sector		1,335,364,656	888,453,606
Loans – Financial Sector		1,124,832,481	1,354,447,021
		71,164,869,678	51,187,520,167
Past due loans and loans in legal collection			
Past due loans – Personal		167,180,660	164,752,248
Past due loans - Development Banking System		8,308,059	12,709,264
Past due loans – Business		220,491,319	300,408,638
Past due loans – Corporate		179,478,148	384,102,237
Past due loans – Financial Sector		0	9,064,069
Loans in legal collection		590,166,384	752,059,992
		1,165,624,570	1,623,096,448
Amortization of the net commission of the direct incremental cost associated to loans		1,235,131,380	1,222,610,532
Interest for accounts receivable associated to credit portfolio and other financial interest, other concepts not included in the previous subaccounts and analytical accounts		349,681,371	329,496,638
	¢	**73,915,306,999**	**54,362,723,785**

(Continues)

(24) Expenses for obligations with the public

Finance expense for obligations with the public is as follows:

		March 2023	March 2022
Demand deposits	¢	24,153,503,805	9,273,294,155
Term deposits		32,091,066,541	12,904,970,250
	¢	**56,244,570,346**	**22,178,264,405**

(25) Expenses for allowance for impairment of investments in financial instruments and allowance for loan losses

Expenses for allowance for impairment of investments in financial instruments and allowance for loan losses are as follows:

		March 2023	March 2022
Allowance for loan losses (see note 6-e)	¢	60,695,611	9,233,254,279
Allowance for other doubtful Receivables		1,250,422,033	917,419,482
Expenses generic estimation and against cyclic for loan (see note 6-e)		915,396,732	1,219,436
Expenses for allowance for impairment of securities at fair value through other comprehensive income		121,136,291	94,370,198
	¢	**2,347,650,667**	**10,246,263,395**

(26) Income from recovery of financial assets and decreases in allowances

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

		March 2023	March 2022
Recovery of loan write-offs	¢	4,031,564,819	1,212,074,816
Decrease in allowance for loan losses (see note 6-e)		342,756,183	253,881,564
Decrease in allowance for other doubtful receivables		1,011,599,111	350,158,745
Decrease in generic estimation and Against cyclic for loan (see note 6-e)		39,736	243,172,571
Decrease in generic estimation and against cyclic for contingent loans		0	408
Decrease in allowance for uncollectible investments securities		1,187,717,463	660,808,277
	¢	**6,573,677,312**	**2,720,096,381**

(27) Income from service fees and commissions

Income from service fees and commissions is as follows:

		March 2023	March 2022
Drafts and transfers	¢	654,862,325	675,074,408
Foreign trade		183,804,046	156,935,618
Certified checks		485,510	451,485
Trust management		1,020,124,825	975,994,069
Custodial services		77,376,552	60,593,720
By mandate		765,501	0
Collections		174,560,424	166,816,466
Credit cards		11,128,656,082	11,191,905,233
Authorized custodial services for securities		322,168,711	304,849,066
Commissions for transactions with related parties		0	1,582,606
Other commissions		9,642,302,186	9,040,053,939
	¢	**23,205,106,162**	**22,574,256,610**

(Continues)

(28) Income from interest in other companies

Income from interest in other companies is detailed as follows:

		March 2023	March 2022
Local entities:			
Interest in BCR Valores, S.A.- Puesto de Bolsa	¢	199,382,292	1,130,648,461
Interest in BCR Sociedad Administradora de Fondos de Inversión, S.A.		170,302,441	522,475,005
Interest in BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A.		180,062,264	226,673,171
Interest in BCR Corredora de Seguros, S.A.		540,611,315	953,766,160
Interest in Banprocesa -TI, S.A.		103,973,300	180,719,065
Interest in Depósito Agrícola de Cartago S.A.		21,761,689	26,364,681
Entities abroad:			
Banco Internacional de Costa Rica, S.A. and subsidiarie		811,033,339	396,688,563
	¢	**2,027,126,640**	**3,437,335,106**

As of March 31, 2023, there are no capital participations in Depósito Agrícola de Cartago, (there are no amounts for December and March 2022).

As of March 31, 2023, for the presentation of the financial statements of the Banco de Costa Rica Financial Conglomerate, due to the incorporation as a member company of the Conglomerate, and due to the nature of Banprocesa SRL's business, an adjustment was made in the amount of ¢201,841,788, corresponding to the profit generated from the service provided to support the Bank's software, in the statement of financial position and in the income statement, (¢ 860,236,658 and ¢266,279,847, for December and March 2022, respectively).

As of March 31, 2023, there are amounts in the account for participation expenses for ¢181,898,020 from operations of BCR Valores, ¢50,244,094 from BCR SAFI and ¢95,117,230 from Banprocesa (there were no amounts for March 2022).

(29) Administrative expenses

Administrative expenses are as follows:

		March 2023	March 2022
Salaries and bonuses, permanent staff	¢	14,343,675,379	12,762,388,311
Salaries and bonuses, contractors		121,009,202	301,770,665
Compensation for directors and statutory examiners		21,590,345	17,817,275
Overtime		243,113,611	141,281,407
Per diem		90,834,519	65,992,211
Statutory Christmas bonus		1,263,167,516	1,135,220,271
Vacation		1,449,655,420	1,675,468,049
Other compensation		285,100,671	252,774,476
Severance payments		710,236,444	647,868,475
Employer social security taxes		5,568,015,304	4,767,392,363
Refreshments		10,540,757	4,060,475
Uniforms		942,024	419,280
Training		44,751,445	47,088,381
Employee insurance		0	30,706,931
Assets for personal use		156,924	186,630
“Back-to-school” bonus		1,433,941,157	1,295,235,582
Compulsory retirement savings account		488,922,052	437,847,315
Other personnel expenses		95,402,569	159,627,828
Outsourcing		3,593,754,512	3,766,703,617
Transportation and communications		531,475,026	613,569,827
Property insurance		612,664	1,197,611
Property maintenance and repairs		1,593,606,014	907,483,307
Public utilities		466,072,635	510,034,712
Leasing of property		928,715,893	676,806,486
Leasing of furniture and equipment		239,325,984	389,388,187
Depreciation of property and equipment, except vehicles		2,531,982,961	2,392,274,684
Amortization of leasehold property		100,645,706	112,790,994
Other infrastructure, expenses		479,136,449	948,579,348
Overhead		7,308,358,178	6,122,970,528
	¢	**43,944,741,361**	**40,184,945,226**

(30) Statutory allocations of earnings

Statutory allocations of earnings are as follows:

		March 2023	March 2022
Allocation for CONAPE	¢	377,082,026	1,228,888,426
Allocation for Instituto Nacional de Fomento Cooperativo		239,242,909	1,838,409,591
Allocation for the National Emergencies Commission		226,249,215	737,333,055
Allocation for Régimen de Invalidéz, Vejez y Muerte		1,131,246,078	3,686,665,277
	¢	**1,973,820,228**	**7,491,296,349**

As of March 31, 2023, there is a decrease in legal allocations of profit for ¢184,446,146 for CONAPE, ¢553,338,437 for the Disability, Old Age and Death Regime, ¢110,667,687 for the National Emergency Commission and ¢284,047,065 for INFOCOOP for a total of ¢1,132,499,335 (there are no amounts for December and March 2022).

(31) Components of other comprehensive income

The components of other comprehensive income are as follows:

		March 2023		
		Amount before income tax	**Profit (expense)**	**Net taxes**
Adjustment for investments at fair value through other comprehensive income	¢	21,787,978,148	(6,856,367,797)	14,931,610,351
Exchange differences for conversion of financial statements, foreign entities		(7,086,445,459)	0	(7,086,445,459)
Changes in equity from foreign subsidiaries		2,917,485	0	2,917,485
Change in equity of subsidiaries from unrealized profit		816,466,152	0	816,466,152
	¢	**15,520,916,326**	**(6,856,367,797)**	**8,664,548,529**

(Continues)

		December 2022		
		Amount before income tax	Profit (expense)	Net taxes
Surplus from revaluation of property	¢	0	(3,384,205,057)	(3,384,205,057)
Surplus from revaluation of buildings		0	12,724,746,085	12,724,746,085
Adjustment for investments at fair value through other comprehensive income		(125,879,037,932)	37,208,902,852	(88,670,135,080)
Exchange differences for conversion of financial statements, foreign entities		(5,350,104,171)	0	(5,350,104,171)
Changes in equity from foreign subsidiaries		(238,940,115)	0	(238,940,115)
Change in equity of subsidiaries from unrealized profit		(4,289,053,642)	0	(4,289,053,642)
	¢	**(135,757,135,860)**	**46,549,443,880**	**(89,207,691,980)**

		March 2022		
		Amount before income tax	Profit (expense)	Net taxes
Adjustment for investments at fair value through other comprehensive income	¢	(24,748,562,829)	7,254,628,052	(17,493,934,777)
Exchange differences for conversion of financial statements, foreign entities		2,743,888,226	0	2,743,888,226
Changes in equity from foreign subsidiaries		(83,258,450)	0	(83,258,450)
Change in equity of subsidiaries from unrealized profit		(1,251,622,666)	0	(1,251,622,666)
	¢	**(23,339,555,719)**	**7,254,628,052**	**(16,084,927,667)**

(32) Operating leases

The Bank as tenant

Non-cancellable operating leases are payable as follows:

		March 2023	December 2022	March 2022
Less than one year	¢	0	0	212,426,983
	¢	**0**	**0**	**212,426,983**

(Continues)

(33) Fair value

Fair values of financial instruments are as follows:

		March 2023		December 2022		March 2022	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Cash and due from banks	¢	963,931,522,636	963,931,522,636	889,861,698,310	889,861,698,310	809,164,168,561	809,164,168,561
Investment		1,431,286,319,777	1,417,349,039,204	1,587,645,659,368	1,564,012,855,218	1,769,586,894,558	1,753,931,230,001
Loan portfolio		3,241,313,805,079	3,541,474,387,994	3,296,901,711,269	3,478,460,812,697	3,211,135,647,255	2,289,535,000,538
		5,636,531,647,492	5,922,754,949,834	5,774,409,068,947	5,932,335,366,225	5,789,886,710,374	4,852,630,399,100
Demand deposits		2,895,585,185,579	2,895,585,185,579	3,258,227,012,733	3,258,227,012,733	3,207,135,733,386	3,207,135,733,386
Term deposits		1,718,458,360,454	1,695,821,970,086	1,456,198,586,872	1,460,363,494,191	1,448,206,175,755	1,435,706,444,368
Financial obligations		455,345,055,767	385,829,976,469	512,365,599,339	443,514,700,648	502,035,473,897	527,334,933,140
	¢	5,069,388,601,800	4,977,237,132,134	5,226,791,198,944	5,162,105,207,572	5,157,377,383,038	5,170,177,110,894

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

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

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

(b) Investments in financial instruments

The fair value of available-for-sale financial instruments is based on quoted market prices or prices quoted by 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.

(Continues)

(e) Deposits and loans payable

Management determined the fair value of 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 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.

(34) 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 Sytem), 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 Financial Conglomerate strengthen and ensure the above mentioned SIGIR, aware of its contribution to the improvement of institutional processes, and hence to the achievement of objectives and goals.

Corporate risk management is led by the Risk Management and Control Area, Regulations with dependence on the General Board of Directors, and which has various administrative units 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 Financial Conglomerate at a risk level consistent with its profile and risk appetite as well as its business flows, complexity, operations volume, and economic environment, and thus lead to the achievement of institutional objectives and goals.

General Risk Principles and Policies

The Conglomerate has policies, strategies, and other corporate regulations for an effective comprehensive risk management, as follows:

- A robust regulatory framework to provide legal, technical, and administrative certainty for the functioning, evaluation, and improvement of the SIGIR.
- 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.
- 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 stated objectives, 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		
Types of relevant risk	Financial	Credit (loan portfolio – investment portfolio)
		Market (Prices, exchange rate, interest rate)
		Liquidity
	Non-financial	Strategic
		Operating
		Legal
		Technological
		Reputational
		Environmental and social
		Regulatory and compliance
		Financing of the Proliferation of Crime

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		
Indicator by type of risk	**Support the sustainable development of the country**	**Strengthen the financial solidity of the Conglomerate**
Capital	Equity adequacy	
Credit	Expected credit loss of the loan portfolio Level of debtors with exposure to exchange risk, high risk	
Marketing	Value at Risk by SUGEF 3-06 Elasticity of the financial margin to movements in interest rates PPME (Own position in foreign currency) sensitivity to changes in the exchange rate	
Liquidity	Liquidity coverage ratio by currency Ratio loans/deposits in colones Ratio loans/deposits in US dollars	
Operative	Expected loss due to operational risk Availability of the technology platform Vulnerability analysis of the technological platform Change management in the applications	

A Risk Appetite Statement is established for the BCR Financial Conglomerate approved by the General Board of Directors as well as for each member entity of the Conglomerate approved by their boards of directors and the Assembly of Shareholders. 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.

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Process of comprehensive risk management

The process in risk assessments includes identification, analysis, evaluation, management, review, documentation, and risk communication.

Types of risk assessments

The process in risk assessments includes qualitative and quantitative assessments. The first correspond to specific analysis of the objectives of activities and substantial processes of the 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 BCR Financial Conglomerate members, incorporating flow of processes and internal control activities to minimize risk exposure.

The established risk assessments generate various alerts, recommendations, and risk management plans, contributing to its overall and specific mitigation. In addition, there are contingency plans for unexpected events that may affect compliance with the risk tolerance limits, supporting the sustainability, solvency, and value of the conglomerate's members.

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.

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.

(Continues)

Evaluation of the effectiveness and maturity of the System

Risk managing areas apply critical judgment on the effectiveness and maturity of the Sigir 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 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.

On the other hand, the National Council for Supervision of the Financial System, in article 9 of the minutes of session 1752-2022, held on August 29, 2022, ordered changes to various regulations in force. Among the changes and effective as of January 2023, it is established, in the SUGEF Agreement 1-05 Regulation for the Qualification of Debtors, to add transitory XXIV, which modifies its article 11 bis and, in the SUGEF Agreement 15- 16, add transitory X, which modifies its article 11. Transitory XXIV For the purposes of Article 11bis, as of January 1, 2023, the term "debtor generating foreign exchange" is homologated to "debtor without exposure to exchange risk" and the term "debtor not generating foreign currency" is homologated to "debtor with exposure to exchange risk". The terms "foreign exchange" or "foreign currency" are used indistinctly. The foregoing does not affect the continuity in the application of the additional generic estimate of 1.5% during the year 2023, indistinctly for a "debtor not generating foreign currency" or a "debtor with exposure to exchange risk".

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 are used for credit risk management, including SAS, a state-of-the-art risk management system. Models are applied for their measurement that accurately reflect the value of the positions and their sensitivity to various risk factors, incorporating information from reliable sources.

In addition, statistical support is complemented with expert criteria for the analysis of debtors' payment capacity, where macroeconomic and microeconomic factors are considered, as well as the Bank's own variables. For the analysis of the credit portfolio and considering the pandemic for decision making, the methodology associated with the Credit Portfolio Management Plan is used.

Specifically, for the quantitative analysis of the loan portfolio, there is a model to quantify the average of expected loss, value at Risk (VaR), and economic capital, which is aligned with the standards of Basel II. In addition, there are certain indicators that seek to maintain the balance between profitability and risk, among them, indicators of expected loss, delinquency, guarantees, payment arrangements, harvests, economic activities and geographical area, all of them broken down at the general level of the Bank as well as for different lines of business.

(Continues)

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 to exposure to credit risk, to control exposure levels, both at loan portfolio as at investments (by issuer).

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

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

In the case of credit risk, for the investment portfolio, disclosed in Note 5: Investments in financial instruments, there is a methodology to determine the expected loss under IFRS 9, which has been improving during 2020 through adjustments. 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 expected loss is measured for each instrument for the issuer's risk, while default is given only when an issuer stops paying.

Exposure and risk management

At the end of March 2023, the percentage of arrears greater than 90 days was 2.70% (3.40% for March 2022). This last indicator is within the risk appetite according to the Risk Appetite Declaration, with personal banking showing the highest delinquencies.

The US dollar portfolio accounts for 23.04% of the total portfolio by the end of March (24.97% as of December 2022). 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 in particular to the portfolio of clients with exposure to exchange risk.

The activities with greater relative importance are housing, services, and trade, as shown in Note 6.a (Loan portfolio by activity) to the financial statements; in addition, the exposure limits for the loan portfolio are monitored, as well as all its indicators, which are within the risk appetite according to the appetite defined by the General Board of Directors.

On the other hand, adequate and timely communication mechanisms are implemented on the Bank's exposure to credit risk at all levels of the organizational structure, allowing to obtain a prospective view of the impact on credit estimates and capital. The reports of this management consider both the exposure resulting from the taking of positions, as well as the deviations that may occur with respect to the limits and the 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, 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 starts. 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 2023, the expected loss of the investment portfolio was of 0.08%, (0.14% in December 2022).

Expected losses are shown in the following table:

Banco de Costa Rica, expected losses of the investment portfolio
by currency
December 2022 vs March 2023

Value correction for losses	12-month expected credit losses	Lifetime expected credit losses	Financial assets with loan impairment
Value correction for losses as of March 31, 2023			
Colones	858,132,819	0	0
US dollars	427,796	0	0
UDES	4,146	0	0
Value correction for losses As of December 31, 2022			
Colones	1,352,956,981	116,852,886	5,753,000,000
US dollars	856,310	0	0
UDES	0	50,098	1,862,000
Rollover to 12-month expected credit losses			
Colones	(494,824,162)	(116,852,886)	(5,753,000,000)
US dollars	(428,514)	0	0
UDES	4,146	(50,098)	(1,862,000)

(Continues)

Banco de Costa Rica, expected losses of the investment portfolio
by currency
December 2022 and December 2021

Value correction for losses	12-month expected credit losses	Lifetime expected credit losses	Financial assets with loan impairment
Value correction for losses as of December 31, 2022			
Colones	1,352,956,981	116,852,886	5,733,000,000
US dollars	856,310	0	0
UDES	0	50,098	1,862,000
Value correction for losses As of December 31, 2021			
Colones	2,052,373,299	156,737,605	5,753,000,000
US dollars	2,006,601	0	0
UDES	0	92,251	14,024,800
Rollover to 12-month expected credit losses			
Colones	(699,416,318)	(39,884,720)	0
US dollars	(1,150,291)	0	0
UDES	0	(42,153)	(12,162,800)

Banco de Costa Rica, expected losses of the investment portfolio
by currency
December 2021 vs March 2022

Value correction for losses	12-month expected credit losses	Lifetime expected credit losses	Financial assets with loan impairment
Value correction for losses as of March 31, 2022			
Colones	1,799,162,722	120,751,077	5,733,000,000
US dollars	1,660,956	0	0
UDES	0	70,362	1,862,000
Value correction for losses As of December 31, 2021			
Colones	2,052,373,299	156,737,605	5,753,000,000
US dollars	2,006,601	0	0
UDES	0	92,251	14,024,800
Rollover to 12-month expected credit losses			
Colones	(253,210,577)	(35,986,528)	0
US dollars	(345,645)	0	0
UDES	0	(21,890)	(12,162,800)

(Continues)

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

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

As of March 31, 2023

	Note		**Direct loan portfolio** March 2023	**Direct loan portfolio** December 2022	**Direct loan portfolio** March 2022	**Contingent loan portfolio** March 2023	**Contingent loan portfolio** December 2022	**Contingent loan portfolio** March 2022
Principal	6a	¢	3,240,532,751,774	3,298,222,308,876	3,211,737,663,145	202,306,252,824	210,215,483,996	236,749,284,490
Interest			21,020,608,643	18,955,945,108	18,509,049,573	0	0	0
			3,261,553,360,417	3,317,178,253,984	3,230,246,712,718	202,306,252,824	210,215,483,996	236,749,284,490
Allowance for loan losses			(140,413,120,463)	(155,945,127,998)	(162,292,660,571)	(307,301,839)	(334,497,086)	(366,687,563)
Carrying amount		¢	3,121,140,239,954	3,161,233,125,986	3,067,954,052,147	201,998,950,985	209,880,986,910	236,382,596,927
Loan Portfolio								
Total Balance:								
A1		¢	2,639,901,687,408	2,650,156,915,967	2,534,266,891,188	194,699,430,574	202,845,894,980	227,273,233,414
A2			36,692,333,113	32,718,449,769	36,174,788,750	1,238,336,668	1,091,310,182	1,022,408,184
B1			222,399,463,886	246,314,102,283	203,162,938,162	3,866,311,197	2,828,286,619	2,629,394,861
B2			19,218,239,190	26,099,160,500	29,387,502,828	217,370,935	196,280,116	156,767,228
C1			34,850,793,825	33,229,962,730	58,439,712,547	376,319,545	526,437,814	2,614,158,438
C2			5,683,190,684	10,785,532,322	6,077,882,932	72,412,526	122,323,954	104,122,960
D			71,824,875,039	86,127,825,472	111,884,657,783	444,645,523	1,310,532,849	1,282,789,194
E			148,894,926,194	157,646,145,552	180,995,087,505	1,378,007,059	1,281,795,185	1,654,237,966
1			78,402,662,286	69,961,042,387	66,643,979,909	13,418,797	12,622,297	12,172,245
2			549,283,796	323,583,353	436,071,907	0	0	0
3			1,288,556,500	2,117,381,455	2,207,831,768	0	0	0
4			1,078,595,845	674,481,203	382,901,239	0	0	0
5			125,080,327	353,085,467	154,177,225	0	0	0
6			643,672,324	670,585,524	32,288,975	0	0	0
			3,261,553,360,417	3,317,178,253,984	3,230,246,712,718	202,306,252,824	210,215,483,996	236,749,284,490
Allowance for loan losses			(74,334,500,527)	(91,829,613,987)	(113,824,164,845)	(95,606,898)	(217,095,533)	(197,959,755)
Carrying amount, net			3,187,218,859,890	3,225,348,639,997	3,116,422,547,873	202,210,645,926	209,998,388,463	236,551,324,735
Carrying amount			3,261,553,360,417	3,317,178,253,984	3,230,246,712,718	202,306,252,824	210,215,483,996	236,749,284,490
Allowance for loan losses			(74,334,500,527)	(91,829,613,987)	(113,824,164,845)	(95,606,898)	(217,095,533)	(291,822,812)
(Excess)inadequacy of allowance over structural estimate estructural			(66,078,619,936)	(64,115,514,011)	(48,468,495,726)	(211,694,941)	(117,401,553)	(74,864,751)
Carrying amount, net	6a	¢	3,121,140,239,954	3,161,233,125,986	3,067,954,052,147	201,998,950,985	209,880,986,910	236,382,596,927

Loan Portfolio		Direct Loan Portfolio				Contingent Loan Portfolio	
		Principal	Covered Balance	Overdraft	Allowance	Principal	Allowance
Direct generic allowance							
A1	¢	2,639,901,687,408	1,758,783,191,844	881,118,495,564	(13,199,508,546)	194,699,430,574	(85,390,237)
A2		36,692,333,113	32,233,415,692	4,458,917,421	(183,461,668)	1,238,336,668	0
1		78,402,662,286	39,614,088,507	38,788,573,779	(196,457,559)	13,418,797	(8,387)
		2,754,996,682,807	1,830,630,696,043	924,365,986,764	(13,579,427,773)	195,951,186,039	(85,398,624)
Direct specific allowance							
A1							
A2							
B1		222,399,463,886	210,990,056,051	11,409,407,835	(1,625,420,674)	3,866,311,197	(6,112,721)
B2		19,218,239,190	17,594,816,015	1,623,423,175	(250,316,400)	217,370,935	(274,791)
C1		34,850,793,825	33,177,427,779	1,673,366,046	(584,228,651)	376,319,545	(3,136,954)
C2		5,683,190,684	4,960,435,037	722,755,647	(386,180,000)	72,412,526	0
D		71,824,875,039	64,041,075,093	7,783,799,946	(6,031,274,501)	444,645,523	(320,746)
E		148,894,926,194	88,392,195,823	60,502,730,371	(51,712,417,711)	1,378,007,059	(363,062)
2		549,283,796	516,106,208	33,177,588	(4,239,410)	0	0
3		1,288,556,500	1,061,377,069	227,179,431	(62,101,743)	0	0
4		1,078,595,845	964,179,973	114,415,872	(62,028,836)	0	0
5		125,080,327	124,392,246	688,081	(1,103,618)	0	0
6		643,672,324	610,965,944	32,706,380	(35,761,210)	0	0
	¢	506,556,677,610	422,433,027,238	84,123,650,372	(60,755,072,754)	6,355,066,785	(10,208,274)
	¢	3,261,553,360,417	2,253,063,723,281	1,008,489,637,136	(74,334,500,527)	202,306,252,824	(95,606,898)

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements

Loan Portfolio
Aging of loan portfolio

		Direct Loan Portfolio				Contingent Loan Portfolio	
Direct generic allowance		Principal	Covered Balance	Overdraft	Allowance	Principal	Allowance
Up to date	¢	2,601,855,860,503	1,729,766,582,132	872,089,278,371	(13,200,535,989)	195,893,767,242	(85,178,624)
Equal or less than 30 days		71,141,165,946	58,094,215,337	13,046,950,609	(360,906,814)	44,000,000	(220,000)
Equal or less than 60 days		3,586,390,288	3,145,206,282	441,184,006	(17,931,952)	0	0
More than 180 days		10,603,785	10,603,785	0	(53,019)	0	0
		2,676,594,020,522	1,791,016,607,536	885,577,412,986	(13,579,427,774)	195,937,767,242	(85,398,624)
Direct specific allowance							
Up to date		412,197,594,594	346,436,561,305	65,761,033,289	(14,098,265,895)	6,368,485,582	(10,208,274)
Equal or less than 30 days		26,845,924,695	21,116,009,502	5,729,915,193	(1,991,732,329)	0	0
Equal or less than 60 days		38,919,160,615	31,469,396,119	7,449,764,496	(2,179,682,652)	0	0
Equal or less than 90 days		15,014,043,858	12,237,164,202	2,776,879,656	(1,512,993,859)	0	0
Equal or less than 180 days		11,401,366,485	6,886,394,512	4,514,971,973	(4,398,866,470)	0	0
More than 180 days		80,581,249,648	43,901,590,105	36,679,659,543	(36,573,531,548)	0	0
	¢	584,959,339,895	462,047,115,745	122,912,224,150	(60,755,072,753)	6,368,485,582	(10,208,274)
	¢	3,261,553,360,417	2,253,063,723,281	1,008,489,637,136	(74,334,500,527)	202,306,252,824	(95,606,898)

As of December 31, 2022

Loan Portfolio		Direct Loan Portfolio				Contingent Loan Portfolio	
Direct generic allowance		Principal	Covered Balance	Overdraft	Allowance	Principal	Allowance
A1	¢	2,650,156,915,967	1,794,378,157,679	855,778,758,288	(13,250,784,675)	202,845,894,979	(101,648,141)
A2		32,718,449,769	28,590,515,973	4,127,933,796	(163,592,251)	1,091,310,182	(38,178)
1		69,961,042,387	40,415,032,706	29,546,009,681	(175,440,807)	12,622,297	(7,889)
		2,752,836,408,123	1,863,383,706,358	889,452,701,765	(13,589,817,733)	203,949,827,458	(101,694,208)
Direct specific allowance							
A1							
A2							
B1		246,314,102,283	219,053,964,664	27,260,137,619	(2,458,276,708)	2,828,286,620	(2,798,098)
B2		26,099,160,500	23,698,987,551	2,400,172,949	(358,512,234)	196,280,116	(274,791)
C1		33,229,962,730	30,142,768,324	3,087,194,406	(922,512,445)	526,437,814	(37,813)
C2		10,785,532,322	9,618,725,962	1,166,806,360	(631,496,812)	122,323,954	0
D		86,127,825,472	72,593,157,714	13,534,667,758	(10,359,875,717)	1,310,532,849	(112,290,623)
E		157,646,145,552	91,282,282,876	66,363,862,676	(63,332,404,622)	1,281,795,185	0
2		323,583,353	303,117,352	20,466,001	(2,538,887)	0	0
3		2,117,381,455	1,893,307,783	224,073,672	(65,484,957)	0	0
4		674,481,203	544,624,221	129,856,982	(67,651,612)	0	0
5		353,085,467	352,777,239	308,228	(1,979,646)	0	0
6		670,585,524	634,696,391	35,889,133	(39,062,615)	0	0
	¢	564,341,845,861	450,118,410,077	114,223,435,784	(78,239,796,255)	6,265,656,538	(115,401,325)
	¢	3,317,178,253,984	2,313,502,116,435	1,003,676,137,549	(91,829,613,988)	210,215,483,996	(217,095,533)

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements

Loan Portfolio		Direct Loan Portfolio				Contingent Loan Portfolio	
Aging of loan portfolio							
Direct generic allowance		Principal	Covered Balance	Overdraft	Allowance	Principal	Allowance
Up to date	¢	2,616,972,841,350	1,768,156,597,846	848,816,243,504	(13,255,781,019)	203,937,205,161	(101,694,208)
Equal or less than 30 days		65,182,671,418	54,188,468,397	10,994,203,021	(330,089,185)	0	0
Equal or less than 60 days		718,675,139	623,607,409	95,067,730	(3,941,639)	0	0
More than 180 days		1,177,835	0	1,177,835	(5,889)	0	0
		2,682,875,365,742	1,822,968,673,652	859,906,692,090	(13,589,817,732)	203,937,205,161	(101,694,208)
Direct specific allowance							
Up to date		442,944,377,903	363,269,003,783	79,675,374,120	(22,235,995,093)	6,278,278,835	(115,401,325)
Equal or less than 30 days		42,061,639,920	34,055,383,622	8,006,256,298	(5,011,315,019)	0	0
Equal or less than 60 days		33,751,541,294	26,810,624,103	6,940,917,191	(3,470,359,836)	0	0
Equal or less than 90 days		20,582,922,507	16,350,844,458	4,232,078,049	(3,003,199,748)	0	0
Equal or less than 180 days		11,599,615,369	7,012,259,227	4,587,356,142	(4,340,985,915)	0	0
More than 180 days		83,362,791,249	43,035,327,590	40,327,463,659	(40,177,940,644)	0	0
	¢	634,302,888,242	490,533,442,783	143,769,445,459	(78,239,796,255)	6,278,278,835	(115,401,325)
	¢	3,317,178,253,984	2,313,502,116,435	1,003,676,137,549	(91,829,613,987)	210,215,483,996	(217,095,533)

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)	12,172,245	(7,608)
		2,637,085,659,847	1,846,382,650,188	790,703,009,659	(13,020,115,921)	228,307,813,843	(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)	8,441,470,647	(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		Direct Loan Portfolio				Contingent Loan Portfolio	
Aging of 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
More than 180 days		3,309,421,033	2,822,420,336	487,000,697	(16,547,105)	0	
		2,570,436,793,172	1,810,976,086,738	759,460,706,434	(13,020,091,486)	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)
	¢	3,230,241,825,950	2,297,168,038,560	933,073,787,390	(113,824,140,411)	236,749,284,490	(291,822,812)

(Continues)

Set out below is an analysis of the gross and net (of allowance for loans losses) amounts of individually assessed loans with allowance by risk category according to applicable regulations:

		Loans receivable from customer	
On March 31, 2023		Gross	Net
Risk Category:			
A1	¢	2,639,901,687,409	2,626,702,178,864
A2		36,692,333,112	36,508,871,444
B1		222,399,463,886	220,774,043,212
B2		19,218,239,190	18,967,922,790
C1		34,850,793,825	34,266,565,173
C2		5,683,190,684	5,297,010,684
D		71,824,875,038	65,793,600,538
E		148,894,926,193	97,182,508,483
1		78,402,662,287	78,206,204,727
2		549,283,796	545,044,385
3		1,288,556,501	1,226,454,757
4		1,078,595,845	1,016,567,009
5		125,080,326	123,976,709
6		643,672,325	607,911,115
	¢	3,261,553,360,417	3,187,218,859,890

		Loans receivable from customer	
On December 31, 2022		Gross	Net
Risk Category:			
A1	¢	2,650,156,915,967	2,636,906,131,290
A2		32,718,449,769	32,554,857,518
B1		246,314,102,283	243,855,825,577
B2		26,099,160,500	25,740,648,266
C1		33,229,962,730	32,307,450,285
C2		10,785,532,322	10,154,035,510
D		86,127,825,472	75,767,949,755
E		157,646,145,552	94,313,740,930
1		69,961,042,387	69,785,601,581
2		323,583,353	321,044,466
3		2,117,381,455	2,051,896,498
4		674,481,203	606,829,591
5		353,085,467	351,105,821
6		670,585,524	631,522,909
	¢	3,317,178,253,984	3,225,348,639,997

(Continues)

		Loans receivable from customer	
On 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

In compliance with SUGEF Directive 1-05, as of March 31, 2023, the Bank must maintain a minimum allowance in the amount of ¢74,430,107,425 (¢92,046,709,520 and ¢114,115,987,657, for December and March 2022, respectively) of which ¢74,334,500,527 (¢91,829,613,987 and ¢113,824,164,845, for December and March 2022, respectively) is allocated to the valuation of the direct loan portfolio and ¢95,606,898 (¢217,095,533 and ¢291,822,812, for December and March 2022, respectively) to the contingent loan portfolio. Additionally, the countercyclical allowance is of ¢5,694,346,858 (¢4,779,400,343 and ¢4,779,400,343, for December and March 2022, respectively).

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements

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

		March 2023		December 2022		March 2022	
		Loan Portfolio	**Contingent Accounts**	**Loan Portfolio**	**Contingent Accounts**	**Loan Portfolio**	**Contingent Accounts**
Trade	¢	277,216,012,015	25,477,486,849	278,776,453,912	21,688,013,627	199,472,792,187	23,739,176,521
Manufacturing		239,584,355,091	6,554,821	253,181,690,762	6,554,821	281,543,970,680	7,754,821
Construction. purchase and repair of real estate		1,333,056,570,948	44,000,000	1,339,857,477,601	44,000,000	1,300,119,101,923	45,366,061
Agriculture. livestock. hunting and related services		139,677,131,676	0	146,823,813,659	0	159,795,398,524	0
Fishing and aquaculture		42,986,799	0	43,712,963	0	45,333,453	0
Consumer		258,070,178,821	120,826,754,242	261,682,644,372	118,815,614,502	272,348,335,771	106,095,029,998
Education		717,837,785	0	740,142,594	0	800,300,072	0
Transportation		32,710,809,599	44,248,012	33,732,957,042	46,601,692	36,735,290,310	82,597,281
Financial and stock Exchange		3,227,204,933	0	3,385,299,600	0	3,645,461,657	0
Telecommunications and public utilities		245,252,320,540	0	234,561,181,309	0	161,692,708,687	0
Services		553,318,459,485	60,217,332,239	574,356,885,439	74,485,192,643	368,088,247,423	111,431,941,100
Hospitality		110,312,448,423	0	119,607,586,829	0	115,368,469,888	0
Mining and quarrying		27,153,578	0	28,843,116	0	33,244,382	0
Real estate. business and leasing activities		25,037,418,747	0	26,519,811,034	0	37,241,290,128	0
Public Administration		21,806,970,584	3,377,941,258	24,395,604,351	5,354,277,708	274,085,504,907	3,294,659,509
Other activities from the non financial private sector		474,892,750	17,371,028	528,204,294	19,154,118	722,213,154	21,225,773
		3,240,532,751,774	210,011,688,449	3,298,222,308,877	220,459,409,111	3,211,737,663,146	244,717,751,064
Other contingencies		0	231,902,375,720	0	254,313,912,940	0	73,858,661,662
	¢	**3,240,532,751,774**	**441,914,064,169**	**3,298,222,308,877**	**474,773,322,051**	**3,211,737,663,146**	**318,576,412,726**

(Continues)

As of March 31, 2023, December and March 2022, the Bank's risk associated to the loan portfolio is concentrated in Costa Rica.

As of March 31, 2023, the Bank has banking mandates for ¢452,625 (¢166,500 and ¢468,050, for December and March 2022, respectively).

The total Bank´s foreclosed assets is detailed as follows (See note 7):

		March 2023	December 2022	March 2022
Properties	¢	98,488,221,640	97,188,446,168	104,072,633,091
Other		648,737,881	548,711,605	418,969,845
	¢	**99,136,959,521**	**97,737,157,773**	**104,491,602,936**

The loan portfolio by type of guarantee is as follows:

The portfolio of direct loans and contingent loans by type of guarantee is as follows:

		March 2023		December 2022		March 2022	
		Loan portfolio	Contingent accounts	Loan portfolio	Contingent accounts	Loan portfolio	Contingent accounts
Guarantee							
Fiduciary	¢	432,151,561,340	0	418,583,551,977	0	413,057,447,476	0
Mortgage		1,490,982,574,644	0	1,504,067,528,515	0	1,503,607,554,940	73,166,667
Chattel mortgage		92,230,412,191	0	98,552,589,728	0	112,891,550,475	0
Other		1,225,168,203,599	210,011,688,449	1,277,018,638,656	220,459,409,111	1,182,181,110,255	246,751,149,598
	¢	**3,240,532,751,774**	**210,011,688,449**	**3,298,222,308,876**	**220,459,409,111**	**3,211,737,663,146**	**246,824,316,265**

See notes 6 and 19.

As of March 31, 2023, 47% of the loan portfolio is secured by mortgage or chattel collaterals (49% and 50%, for December and March 2022, respectively).

Pursuant to SUGEF Directive 5-04: "Regulations on Credit Limits to Individual Persons and Economic Interest Groups", the Bank depurates information on reported data of economic interest groups as part of their responsibility to identify significant administrative and stockholder's equity relationships among debtors with total active operations.

As of March 31, 2023, 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.

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

As of March 31, 2023:

No.	Percentage	Band		Total value	Nº customers
1	0-4,99%	26,628,144,598	¢	87,867,209,426	1
2	5-9,99%	53,256,289,197		272,449,661,824	4
3	10-14,99%	79,884,433,795		0	0
4	15-20%	106,512,578,393		0	0
Total			¢	**360,316,871,250**	**5**

As of December 31, 2022:

No.	Percentage	Band		Total value	Nº customers
1	0-4,99%	25,336,162,784	¢	88,992,203,599	1
2	5-9,99%	50,672,325,569		359,072,947,313	5
3	10-14,99%	76,008,488,353		0	0
4	15-20%	101,344,651,138		0	0
Total			¢	**448,065,150,912**	**6**

As of March 31, 2022:

No.	Percentage	Band		Total value	Nº customers
1	0-4,99%	25,336,162,784	¢	93,686,455,643	1
2	5-9,99%	50,672,325,569		145,207,870,787	3
3	10-14,99%	76,008,488,353		0	0
4	15-20%	101,344,651,138		0	0
Total			¢	**238,894,326,430**	**4**

(b) Management of market risk

Definitions

Market risk refers to potential losses that may occur in the value of assets and liabilities in the balance sheet 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 entity cannot meet its 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 (passive operations); or else, due to the inadequate price formation 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 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.

The exchange rate risk is the possibility of suffering losses because of variations in the exchange rate. 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 the exchange risk, such as the CAMELS indicators or its own statistics.

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 uses the Montecarlo simulation to calculate the 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.

(Continues)

Management of operational liquidity risk is periodically assessed by daily updating the Bank's cash flow projected for six months and calculating the liquidity coverage indicator; term matches are prepared on a weekly basis. All liquidity risk indicators are calculated by currency.

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 collection received from the public by currency, term matching to one and three months by currency and coverage of Liquidity Index (ICL) by currency.
- Price risk: VaR of the Investment portfolio through internal models and regulations.
- Exchange risk: Sensibility 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

Liquidity conditions in the financial system have normalized after the extraordinary increase during 2020, which is reflected in the growth of term bank deposits. In addition, the increase in rates has also caused changes in the term structure and currency of deposits.

Cash and cash equivalents show a year-on-year decrease of 22.23%, mainly due to decreases in investments in held-for-trading financial instruments (see cash and cash equivalents table in note 2).

Demand deposits decreased by 10.21% on a year-on-year basis, due to the decrease in current account balances, demand savings deposits and other demand obligations with the public (see chart of demand obligations with the public in note 4).

Wholesale funding show a year-on-year increase of 9.30% on a year-on-year basis, mainly due to the decrease in the overdraft account in demand checking accounts in foreign financial entities. (See table of obligations with financial institutions and the Central Bank in note 5 of this document).

In the following table, the results for the end of March 2023 are observed:

	March 2023	**December 2022**	**March 2022**
Liquidity coverage indicator (colones)	1.31	1.07	1.41
Liquidity coverage indicator (US dollars)	1.66	1.44	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, 2023:

Regulatory liquidity matches by currency and term **Indicador**	**Interpretation**	**March 2023 Observation**	**December 2022 Observation**	**March 2022 Observation**	**Approved levels**	
1-month term matching US dollars	Ratio between assets and liabilities with account´s volatility	1.93	2.18	2.20	Limite:	1.10
1-month term matching colones		2.76	1.89	3.07	Limite:	1.00
3-months term matching US dollars		1.50	1.50	1.90	Limite:	0.94
3-months term matching colones		1.72	1.56	1.71	Limite:	0.85

The matching of terms shows ease with respect to the regulatory limits, which is a direct effect of the measures taken in cash flow management.

The Bank maintains reports that allow monitoring the main operational and structural indicators, as well as an alignment of liquidity management with credit and market risk.

(Continues)

The Bank's assets and liabilities mature as follows:

As of March 31, 2023

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	More than 30 days past due	Total
Cash and due from banks	¢	335,282,861,452	0	0	0	0	0	0	0	335,282,861,452
Cash reserve- BCCR		392,882,565,403	20,087,165,439	24,249,193,746	24,442,648,332	51,839,265,594	86,504,894,034	28,642,928,636	0	628,648,661,184
Investments		0	177,921,737,434	40,104,516,355	40,892,961,455	168,754,859,889	150,448,993,341	681,069,292,376	158,156,678,355	1,417,349,039,205
Interest on investments		0	1,306,531,379	2,098,902,420	3,247,859,527	7,271,930,623	3,351,752	8,704,872	0	13,937,280,573
Loan portfolio		0	65,434,595,360	43,709,798,965	63,389,397,336	89,373,569,479	133,124,895,132	148,833,099,976	2,676,427,840,188	3,220,293,196,436
Interest on loans		0	9,011,888,401	3,153,643,758	56,542,574	28,796,097	17,665,537	8,749,773,954	2,298,322	21,020,608,643
	¢	**728,165,426,855**	**273,761,918,013**	**113,316,055,244**	**132,029,409,224**	**317,268,421,682**	**370,099,799,796**	**867,303,799,814**	**2,834,586,816,865**	**5,636,531,647,493**
Liabilities										
Obligations with the public	¢	2,869,303,495,320	146,761,885,155	176,984,661,882	178,316,713,304	378,339,545,933	629,602,884,674	208,570,915,768	0	4,587,880,102,036
Obligations with financial entities		48,614,451,600	174,256,565,490	9,854,101,594	10,157,960,855	21,670,167,593	12,591,565,171	18,281,391,717	0	295,426,204,020
Charges payable		2,251,680,851	4,076,344,951	4,284,591,737	2,496,300,174	4,778,339,904	8,946,877,025	2,500,630,544	0	29,334,765,186
		2,920,169,627,771	**325,094,795,596**	**191,123,355,213**	**190,970,974,333**	**404,788,053,430**	**651,141,326,870**	**335,960,010,732**	**0**	**5,019,248,143,945**
Assets and liabilities spread	¢	**(2,192,004,200,916)**	**(51,332,877,583)**	**(77,807,299,969)**	**(58,941,565,109)**	**(87,519,631,748)**	**(281,041,527,074)**	**531,343,789,082**	**2,834,586,816,865**	**617,283,503,548**

As of December 31, 2022

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	More than 30 days past due	Total
Cash and due from banks	¢	296,721,756,211	0	0	0	0	0	0	0	296,721,756,211
Cash reserve -BCCR		409,327,785,136	26,898,352,628	18,444,325,361	20,032,812,825	43,171,216,605	53,116,731,680	22,148,717,863	0	593,139,942,098
Investments		0	283,172,467,608	66,578,966,027	40,401,781,957	116,917,349,379	193,215,731,044	863,726,559,203	0	1,564,012,855,218
Interest on investments		0	12,535,870,553	7,648,772,526	2,104,355,832	1,286,991,022	56,814,216	0	0	23,632,804,149
Loan portfolio		0	47,044,681,651	30,730,740,714	54,131,865,750	129,537,342,540	137,739,151,956	2,729,060,542,633	149,701,440,917	3,277,945,766,161
Interest on loans		0	9,671,205,956	693,119,268	121,447,130	899,360,604	18,077,860	19,048,038	7,533,686,252	18,955,945,108
	¢	**706,049,541,347**	**379,322,578,396**	**124,095,923,896**	**116,792,263,494**	**291,812,260,150**	**384,146,506,756**	**3,614,954,867,737**	**157,235,127,169**	**5,774,409,068,945**
Liabilities										
Obligations with the public	¢	3,240,787,388,218	212,955,531,334	145,826,163,913	158,418,390,901	341,669,656,125	421,583,980,045	175,916,447,097	0	4,697,157,557,633
Obligations with BCCR		0	25,020,309,751	0	0	0	0	109,474,722,460	0	134,495,032,211
Obligations with										0
financial entities		38,630,311,266	207,343,532,270	7,210,473,273	9,631,226,680	23,592,774,157	18,657,707,864	20,154,621,863	0	325,220,647,373
Charges payable		1,527,021,045	5,050,085,196	3,453,011,269	1,728,456,138	2,762,827,119	2,901,424,919	2,355,280,406	0	19,778,106,092
		3,280,944,720,529	**450,369,458,551**	**156,489,648,455**	**169,778,073,719**	**368,025,257,401**	**443,143,112,828**	**307,901,071,826**	**0**	**5,176,651,343,309**
Assets and liabilities spread	¢	**(2,574,895,179,182)**	**(71,046,880,155)**	**(32,393,724,559)**	**(52,985,810,225)**	**(76,212,997,251)**	**(58,996,606,072)**	**3,307,053,795,911**	**157,235,127,169**	**597,757,725,636**

(Continues)

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 365 days	More than 365 days	More than 30 days past due	Total
Cash and due from banks	¢	262,937,648,953	0	0	0	0	0	0	0	262,937,648,953
Cash reserve -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
Investments		0	306,880,928,228	26,348,569,578	13,506,941,431	29,863,489,349	124,990,316,768	1,252,340,984,647	0	1,753,931,230,001
Interest on investments		0	1,504,530,685	2,317,514,265	3,393,525,050	8,438,084,472	2,010,085	0	0	15,655,664,557
Loan portfolio		0	53,819,462,306	39,317,263,590	30,607,608,683	67,889,134,856	149,095,290,029	2,676,004,768,216	175,893,070,002	3,192,626,597,682
Interest on loans		0	7,806,018,292	2,072,891,048	229,935,467	44,631,752	785,115,133	7,570,457,881	0	18,509,049,573
	¢	**636,521,066,805**	**402,176,269,193**	**87,533,811,825**	**68,715,902,089**	**142,468,612,688**	**320,857,595,711**	**3,955,720,382,061**	**175,893,070,002**	**5,789,886,710,374**
Liabilities										
Obligations with the public	¢	3,195,649,867,167	253,918,122,327	147,438,804,734	175,517,793,415	312,205,622,049	396,818,125,068	162,437,168,343	0	4,643,985,503,103
Obligations with BCCR		0	0	0	0	0	0	117,434,359,976	0	117,434,359,976
Obligations with financial entities		45,470,240,457	201,377,803,358	18,016,091,214	22,934,914,530	45,220,724,521	26,267,838,637	22,635,039,791	0	381,922,652,508
Charges payable		936,804,531	2,469,852,824	2,176,078,108	1,814,221,890	2,950,276,896	1,827,082,542	1,860,550,660	0	14,034,867,451
		3,242,056,912,155	**457,765,778,509**	**167,630,974,056**	**200,266,929,835**	**360,376,623,466**	**424,913,046,247**	**304,367,118,770**	**0**	**5,157,377,383,038**
Assets and liabilities spread	¢	**(2,605,535,845,350)**	**(55,589,509,316)**	**(80,097,162,231)**	**(131,551,027,746)**	**(217,908,010,778)**	**(104,055,450,536)**	**3,651,353,263,291**	**175,893,070,002**	**632,509,327,336**

(Continues)

(d) Price risk of the portfolio

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

In the case of own funds, a concentration of 66.46% 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.

The results of the VaR SUGEF 03-06 methodology are detailed below, considering both portfolios:

		March 2023	December 2022	March 2022
VaR	¢	23,444,647,768	23,585,525,696	11,689,470,814

The year-on-year increase in the indicator is an effect of the increase in price volatility of investment securities because of the global pandemic, as well as changes in the portfolio structure and 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 March 31, 2023, a sensitivity analysis on possible variations in interest rates has been developed.

Sensitivity to an increase in the interest rate of investments

		March 2023	December 2022	March 2022
Investment in financial instruments	¢	1,305,764,907,039	1,405,067,101,407	1,451,100,166,752
Increase in rates by 1%		70,306,133	352,390,708	253,468,985
Increase in rates by 2%	¢	140,612,266	704,781,417	506,937,970

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Sensitivity to a decrease in the interest rate of investments

		March 2023	December 2022	March 2022
Investment in financial instruments	¢	1,305,764,907,039	1,405,067,101,407	1,451,100,166,752
Decrease in rates by 1%		70,306,133	352,390,708	253,468,985
Decrease in rates by 2%	¢	140,612,266	704,781,417	506,937,970

Sensitivity to an increase in the interest rate of loan portfolio

		March 2023	December 2022	March 2022
Loan portfolio	¢	3,240,532,751,773	3,207,999,876,911	2,315,860,451,715
Increase in rates by 1%		1,586,896,349	1,723,044,843	1,040,796,320
Increase in rates by 2%	¢	3,178,179,613	3,454,768,324	2,085,424,201

Sensitivity to a decrease in the interest rate of loan portfolio

		March 2023	December 2022	March 2022
Loan portfolio	¢	3,240,532,751,773	3,207,999,876,911	2,315,860,451,715
Decrease in rates by 1%		1,571,813,685	1,707,440,473	1,038,874,274
Decrease in rates by 2%	¢	3,128,598,488	3,399,901,305	2,078,161,689

Sensitivity to an increase in rates of obligations with the public

		March 2023	December 2022	March 2022
Obligations with the public	¢	4,563,281,375,231	4,691,855,488,958	4,634,982,563,707
Increase in rates by 1%		2,592,549,086	3,264,320,199	2,894,638,419
Increase in rates by 2%	¢	4,243,588,540	6,528,640,398	5,789,276,837

Sensitivity to a decrease in rates of obligations with the public

		March 2023	December 2022	March 2022
Obligations with the public	¢	4,563,281,375,231	4,691,855,488,958	4,634,982,563,707
Decrease in rates by 1%		2,592,549,086	3,264,320,199	2,894,638,419
Decrease in rates by 2%	¢	5,185,098,171	6,528,640,398	5,789,276,837

(Continues)

Sensitivity to an increase in rates of term financial obligations

		March 2023	December 2022	March 2022
Term financial obligations	¢	4,875,000	3,130,348,000	138,561,809,405
Increase in rates by 1%		2,234,172	2,608,623	115,468,175
Increase in rates by 2%	¢	4,468,344	5,217,247	230,936,349

Sensitivity to a decrease in rates of term financial obligations

		March 2023	December 2022	March 2022
Term financial obligations	¢	4,875,000	3,130,348,000	138,561,809,405
Decrease in rates by 1%		2,234,172	2,608,623	115,468,175
Decrease in rates by 2%	¢	4,468,344	5,217,247	230,936,349

* Note: From June 2022 only credit lines in US dollars are included.

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As of March 31, 2023

	Effective 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									
Investments	6.32%	¢	38,087,543,215	19,481,224,663	103,079,864,107	178,314,215,300	403,705,234,653	503,223,173,776	1,245,891,255,714
Loan portfolio	9.44%		1,465,413,440,434	240,567,924,320	42,715,694,631	57,432,535,980	80,928,113,498	1,336,261,554,034	3,223,319,262,897
Total recovered assets (*)			**1,503,500,983,649**	**260,049,148,983**	**145,795,558,738**	**235,746,751,280**	**484,633,348,151**	**1,839,484,727,810**	**4,469,210,518,611**
Liabilities									
Obligations with the public			152,440,260,201	300,943,002,339	223,030,375,899	517,300,834,860	67,081,176,693	73,036,626,248	1,333,832,276,240
Obligations with financial entities	5.71%		10,031,664,296	17,114,948,252	20,550,929,574	11,572,362,755	106,647,474,953	0	165,917,379,830
Total matured liabilities (*)			**162,471,924,497**	**318,057,950,591**	**243,581,305,473**	**528,873,197,615**	**173,728,651,646**	**73,036,626,248**	**1,499,749,656,070**
Assets and liabilities spread		¢	**1,341,029,059,152**	**(58,008,801,608)**	**(97,785,746,735)**	**(293,126,446,335)**	**310,904,696,505**	**1,766,448,101,562**	**2,969,460,862,541**
Dollars									
Assets									
Investments	3.33%	¢	141,715,243,915	88,716,149,951	92,798,698,128	24,763,200,100	36,234,155,550	128,452,753,850	512,680,201,494
Loan portfolio	7.51%		333,921,530,096	49,246,082,889	18,680,117,740	30,388,341,631	88,700,448,435	298,172,269,212	819,108,790,003
Total recovered assets (*)			**475,636,774,011**	**137,962,232,840**	**111,478,815,868**	**55,151,541,731**	**124,934,603,985**	**426,625,023,062**	**1,331,788,991,497**
Liabilities									
Obligations with the public			76,483,525,913	84,843,909,799	97,168,486,209	84,886,558,192	22,079,108,271	14,701,935,360	380,163,523,744
Demand	1.15%								
Term	2.45%								
Obligations with financial entities	1.78%		1,287,975,113	2,980,472,276	9,051,827,963	1,494,494,320	2,667,278,388	10,262,963,921	27,745,011,981
Total matured liabilities (*)			**77,771,501,026**	**87,824,382,075**	**106,220,314,172**	**86,381,052,512**	**24,746,386,659**	**24,964,899,281**	**407,908,535,725**
Assets and liabilities spread		¢	**397,865,272,985**	**50,137,850,765**	**5,258,501,696**	**(31,229,510,781)**	**100,188,217,326**	**401,660,123,781**	**923,880,455,772**

(*) Interest rate sensitive

(Continues)

As of December 31, 2022

	Effective 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									
Investments	5.05%	¢	72,743,569,374	62,925,680,123	35,201,677,513	181,687,488,000	274,746,965,402	663,961,553,604	1,291,266,934,016
Loan portfolio	8.99%		1,504,204,560,265	174,250,528,636	121,470,602,938	59,561,392,579	82,024,915,648	1,076,757,278,277	3,018,269,278,343
Total recovered assets (*)			**1,576,948,129,639**	**237,176,208,759**	**156,672,280,451**	**241,248,880,579**	**356,771,881,050**	**1,740,718,831,880**	**4,309,536,212,359**
Liabilities									
Obligations with the public			149,292,938,536	198,023,015,725	243,695,726,124	269,061,174,420	69,725,881,939	54,143,824,560	983,942,561,304
Obligations with the Central Bank of Costa Rica			25,020,309,751	0	0	0	0	0	25,020,309,751
Obligations with financial entities	6.21%		13,937,930,758	13,160,312,251	24,200,689,163	8,035,220,216	109,529,842,461	0	168,863,994,849
Total matured liabilities (*)			**188,251,179,045**	**211,183,327,976**	**267,896,415,287**	**277,096,394,636**	**179,255,724,400**	**54,143,824,560**	**1,177,826,865,904**
Assets and liabilities spread			**1,388,696,950,594**	**25,992,880,783**	**(111,224,134,836)**	**(35,847,514,057)**	**177,516,156,650**	**1,686,575,007,321**	**3,131,709,346,455**
Dollars									
Assets									
Investments	3.99%	¢	259,805,832,016	62,942,134,246	108,428,056,244	63,025,945,040	27,311,684,310	127,084,904,920	648,598,556,776
Loan portfolio	7.47%		554,255,232,189	40,113,586,468	37,863,923,287	19,294,695,520	16,684,212,226	171,361,075,254	839,572,724,944
Total recovered assets (*)			**814,061,064,205**	**103,055,720,714**	**146,291,979,531**	**82,320,640,560**	**43,995,896,536**	**298,445,980,174**	**1,488,171,281,720**
Liabilities									
Obligations with the public			75,353,053,406	109,646,841,484	107,576,025,465	106,577,634,694	28,115,100,038	17,548,727,095	444,817,382,182
Demand	0.76%								
Term	2.40%								
Obligations with financial entities	3.09%		1,505,403,075	4,127,755,312	458,290,827	10,760,632,611	2,898,533,137	12,067,833,777	31,818,448,739
Total matured liabilities (*)			**76,858,456,481**	**113,774,596,796**	**108,034,316,292**	**117,338,267,305**	**31,013,633,175**	**29,616,560,872**	**476,635,830,921**
Assets and liabilities spread			**737,202,607,724**	**(10,718,876,082)**	**38,257,663,239**	**(35,017,626,745)**	**12,982,263,362**	**268,829,419,302**	**1,011,535,450,799**

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements

As of March 31, 2022

	Effective 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									
Investments	7.83%	¢	64,288,319,672	35,391,043,413	46,467,404,485	70,231,115,300	221,971,850,000	770,235,007,470	1,208,584,740,340
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 recovered assets (*)			**1,638,269,058,824**	**264,633,003,183**	**76,127,986,883**	**114,858,849,394**	**282,559,527,940**	**1,496,507,168,104**	**3,872,955,594,328**
Liabilities									
Obligations with the public			102,326,069,571	203,064,771,019	285,677,439,095	45,666,455,478	224,143,560,927	51,450,570,048	912,328,866,138
Obligations with financial entities	1.49%		15,824,295,702	31,801,230,637	12,181,990,011	1,065,250,000	163,730,458,243	-	224,603,224,593
Total matured liabilities (*)			**118,150,365,273**	**234,866,001,656**	**297,859,429,106**	**46,731,705,478**	**387,874,019,170**	**51,450,570,048**	**1,136,932,090,731**
Assets and liabilities spread			**1,520,118,693,551**	**29,767,001,527**	**(221,731,442,223)**	**68,127,143,916**	**(105,314,491,230)**	**1,445,056,598,056**	**2,736,023,503,597**
Dollars									
Assets									
Investments	2.96%	¢	244,641,775,909	57,169,900,082	13,837,263,579	68,176,952,900	162,953,851,200	163,187,336,200	709,967,079,870
Loan portfolio	5.43%		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 recovered assets (*)			**925,028,761,523**	**80,206,365,535**	**27,682,441,608**	**76,244,411,681**	**173,723,004,233**	**303,864,888,296**	**1,586,749,872,876**
Liabilities									
Obligations with the public			11,055,997,446	10,916,908,555	17,346,169,955	10,506,303,893	17,222,852,591	13,757,159,501	80,805,391,941
Obligations with financial entities	2.06%		214,770,386	9,587,517,836	918,415,497	13,119,726,109	2,796,199,008	20,065,586,869	46,702,215,705
Total matured liabilities (*)			**11,270,767,832**	**20,504,426,391**	**18,264,585,452**	**23,626,030,002**	**20,019,051,599**	**33,822,746,370**	**127,507,607,646**
Assets and liabilities spread		¢	**913,757,993,691**	**59,701,939,144**	**9,417,856,156**	**52,618,381,679**	**153,703,952,634**	**270,042,141,926**	**1,459,242,265,230**

(*) Interest rate sensitive

(Continues)

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, 2023, for ¢2,969,460,862,541, (¢3,131,709,346,455 and ¢ 3,872,955,594,327, for December and March 2022, respectively) while in foreign currency the same difference is of ¢923,880,455,770, (¢1,011,535,450,799 and ¢ 1,586,749,872,877, for December and March 2022, respectively) is shown, 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 2023, the total amount in local currency was of ¢516,412,240599, (¢493,547,862,783 and ¢520,983,279,773, for December and March 2022, respectively) while in foreign currency, the collected data for the compliance of obligations was of ¢100,871,262,947, (¢104,209,862,857 and ¢111,526,047,562, for December and March 2022, respectively) however, on a consolidated basis it 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 of Euros.

This currency 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: matching assets and liabilities denominated in foreign currency and the sensitivity of the foreign currency position (own position in foreign currency).

During the first quarter of 2023, the exchange rate had a downward trend as a result of an average daily sensitivity of 0.11%.

To comply with the Own Position in Foreign Currency, the Treasury Management had to maintain a positive position in foreign currency, reaching, US$200 million as of March 2023 (US$173 million for March 2022).

Monetary assets and liabilities denominated in U.S. dollars are as follows:

		March 2023	December 2022	March 2022
Assets:				
Cash and due from banks	US$	612,955,825	566,647,160	542,013,550
Investments in financial instruments		894,752,850	1,035,763,394	961,336,061
Loan portfolio		1,280,210,310	1,280,531,029	1,254,589,201
Accounts and accrued interest receivable		1,305,771	3,685,177	2,307,322
Investments in other companies		128,282,956	126,760,535	124,348,089
Other		48,712,778	25,530,488	10,111,212
Total assets		**2,966,220,490**	**3,038,917,783**	**2,894,705,435**
Liabilities:				
Obligations with the public		2,443,584,694	2,550,858,202	2,422,498,931
Other financial obligations		251,816,274	251,322,510	263,434,784
Other account payable and provisions		20,740,183	22,986,372	24,299,527
Other liabilities		52,117,747	32,093,904	14,264,859
Total liabilities		**2,768,258,898**	**2,857,260,988**	**2,724,498,101**
Net position (excess of monetary assets over monetary liabilities	US$	**197,961,592**	**181,656,795**	**170,207,334**

From January 2020, monetary assets and liabilities in foreign currency are valued by using the reference sale rate established by BCCR on the last business day of each month (previously the purchase exchange rate was used); as of March 31, 2023, that rate was ¢545.95 for US $1.00 (¢667.10 for US $1.00 in March 2022).

Net exposure is not hedged. However, the Bank considers its position to be acceptable since it can buy or sell U.S. dollars in the market when necessary.

The Bank faces this type of risk when the value of its assets and liabilities denominated 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 gains (losses) if there are variations of 5 percentage points in the exchange rates, respectively.

(Continues)

Sensitivity to an increase in the exchange rate

	March 2023	December 2022	March 2022
Net position	197,961,593	205,186,599	170,207,336
Closing exchange rate	545.95	645.25	667.10
Increase in the exchange rate by 5%	27.30	32.26	33.36
Profit	**5,404,351,489**	**6,619,319,684**	**5,678,116,729**

Sensitivity to a decrease in the exchange rate

	March 2023	December 2022	March 2022
Net position	197,961,593	205,186,599	170,207,336
Closing exchange rate	545.95	645.25	667.10
Decrease in the exchange rate by 5%	(27.30)	(32.26)	(33.36)
Loss	**(5,404,351,489)**	**(6,619,319,684)**	**(5,678,116,729)**

Monetary assets and liabilities in Euros are detailed as follows:

		March 2023	December 2022	March 2022
Assets:				
Cash and due from banks	EUR€	7,351,485	9,266,142	8,119,290
Other assets		3,813	118	6,714
Total assets		**7,355,298**	**9,266,260**	**8,126,004**
Liabilities:				
Obligations with the public		6,991,706	7,043,687	7,107,552
Other financial obligations		998,560	997,385	753,785
Other accounts payable and provisions		31,224	31,904	19,729
Other liabilities		3,392	3,392	0
Total liabilities		**8,024,882**	**8,076,368**	**7,881,066**
Net position (excess of monetary assets over monetary liabilities)	EUR€	**(669,584)**	**1,189,892**	**244,938**

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements

As of March 31, 2023, complying with SUGEF´s regulations, the term matching of the most important US dollar accounts is 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	More than 30 days past due	Total
Cash and due from banks	US$	283,288,792	0	0	0	0	0	0	0	283,288,792
Cash reserve- BCCR		233,432,859	12,753,776	12,903,495	11,935,974	27,404,641	22,449,926	8,786,362	0	329,667,033
Investments		0	259,422,574	73,458,222	58,165,711	163,463,419	45,292,126	0	289,690,775	889,492,827
Interest on investments		0	93,426	3,568,699	11,330	1,570,624	0	15,944	0	5,260,023
Loan portfolio		0	25,977,766	24,003,648	26,221,738	44,014,726	75,165,935	98,966,073	1,069,824,825	1,364,174,711
Interest on loans		0	2,803,270	203,008	3,750	0	0	5,270,375	0	8,280,403
		516,721,651	**301,050,812**	**114,137,072**	**96,338,503**	**236,453,410**	**142,907,987**	**113,038,754**	**1,359,515,600**	**2,880,163,789**
Liabilities										
Obligations with public		1,726,368,814	94,321,430	95,428,687	88,273,322	202,672,916	166,029,976	64,980,145	0	2,438,075,290
Obligations with financial Entities		23,645,666	194,909,188	0	5,252,560	1,393,744	2,731,996	23,683,931	0	251,617,085
Charges payable		214,995	961,101	627,523	597,749	1,414,997	1,276,070	616,158	0	5,708,593
		1,750,229,475	**290,191,719**	**96,056,210**	**94,123,631**	**205,481,657**	**170,038,042**	**89,280,234**	**0**	**2,695,400,968**
Assets and liabilities spread	US$	**(1,233,507,824)**	**10,859,093**	**18,080,862**	**2,214,872**	**30,971,753**	**(27,130,055)**	**23,758,520**	**1,359,515,600**	**184,762,821**

As of December 31, 2022, in US dollars:

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	More than 30 days past due	Total
Cash and due from banks	US$	238,149,961	0	0	0	0	0	0	0	238,149,961
Cash reserve- BCCR		231,461,169	15,261,122	11,748,790	12,545,870	25,263,267	23,300,566	8,916,416	0	328,497,200
Investments		0	428,122,599	49,260,126	50,388,273	149,346,260	104,941,595	246,853,864	0	1,028,912,717
Interest on investments		0	3,072,283	2,815,161	11,330	951,903	0	0	0	6,850,677
Loan portfolio		0	13,202,457	11,518,977	15,760,211	83,925,651	58,819,253	1,081,503,731	100,198,176	1,364,928,456
Interest on loans		0	3,067,373	53,423	118,248	0	0	7,569	4,704,048	7,950,661
		469,611,130	**462,725,834**	**75,396,477**	**78,823,932**	**259,487,081**	**187,061,414**	**1,337,281,580**	**104,902,224**	**2,975,289,672**
Liabilities										
Obligations with public		1,793,368,349	118,243,648	91,029,994	97,205,789	195,740,581	180,533,510	69,084,666	0	2,545,206,537
Obligations with BCCR		0	0	0	0	0	0	0	0	0
Obligations with financial Entities		18,601,427	182,698,108	1,137,724	5,591,060	764,220	17,960,370	24,444,646	0	251,197,555
Charges payable		260,699	945,792	739,204	760,290	989,381	1,402,440	678,814	0	5,776,620
		1,812,230,475	**301,887,548**	**92,906,922**	**103,557,139**	**197,494,182**	**199,896,320**	**94,208,126**	**0**	**2,802,180,712**
Assets and liabilities spread	US$	**(1,342,619,345)**	**160,838,286**	**(17,510,445)**	**(24,733,207)**	**61,992,899**	**(12,834,906)**	**1,243,073,454**	**104,902,224**	**173,108,960**

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements

As of March 31, 2022, in US dollars:

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	More than 30 days past due	Total
Cash and due from banks	US$	202,667,374	0	0	0	0	0	0	0	202,667,374
Cash reserve- 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		0	366,706,527	2,003,168	15,121,371	10,065,718	81,317,213	479,913,894	0	955,127,891
Interest on investments		0	16,370	2,883,243	18,132	3,290,427	0	0	0	6,208,172
Loan portfolio		0	10,674,386	14,522,148	12,206,429	30,313,539	97,133,732	1,052,109,033	124,439,492	1,341,398,759
Interest on loans		0	2,798,273	24,841	5,889	73	907,466	4,629,206	0	8,365,748
		422,392,699	**412,597,078**	**31,024,811**	**42,185,345**	**63,542,058**	**204,205,829**	**1,552,726,809**	**124,439,492**	**2,853,114,121**
Liabilities										
Obligations with public		1,564,475,442	230,703,426	82,532,487	105,616,792	141,493,598	176,917,138	114,453,969	0	2,416,192,852
Obligations with financial Entities		33,251,140	164,183,487	0	14,322,501	887,498	20,174,923	30,595,344	0	263,414,893
Charges payable		253,279	1,036,481	883,374	1,202,882	1,401,666	790,729	757,560	0	6,325,971
		1,597,979,861	**395,923,394**	**83,415,861**	**121,142,175**	**143,782,762**	**197,882,790**	**145,806,873**	**0**	**2,685,933,716**
Assets and liabilities spread	US$	**(1,175,587,162)**	**16,673,684**	**(52,391,050)**	**(78,956,830)**	**(80,240,704)**	**6,323,039**	**1,406,919,936**	**124,439,492**	**167,180,405**

(Continues)

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

For the period ended March 31, 2023, the separate accumulated financial statements show a net foreign exchange loss of ¢5,732,972,248 (¢3,035,621,514 net loss and ¢1,138,658,406 net income, for December and March 2022, respectively)

(g) Capital Management

During 2022, 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.

Capital requirements for price risk and exchange risk have increased due to the conflict between Russia and Ukraine, the new diseases detected, the slow growth of the world economy observed in the first half of 2022 and the movements of interest rates related to the global inflationary effect.

The equity adequacy index was affected by the indicated increase in interest rates that affected the prices of already issued instruments; however, portfolio management allows it to remain at a normal level.

(h) Systemic risk

Banco de Costa Rica is the second bank in total assets in the country and one of the most active issuers in the national stock market.

The size of the BCR Financial Conglomerate is according to assets of the most updated data, equivalent to the end of March 2023 of 15.58% of annual GDP. Due to the size and complexity of its operations, the BCR is a systemic Entity, therefore, its performance and the decisions made have effects on the financial system.

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 relation, so that the information generated can be easily used in decision-making at different levels of the organization.

(i) Operational risk management

Operational risk is defined as the possibility of loss resulting from inadequate use or unforeseen failure of processes, personnel, and internal and even automated systems or due to external events. This definition includes technological and legal risks but excludes the strategic and reputational risk.

The operational risk establishes an evaluation process that includes the stages of identification and analysis, through a set of qualitative and quantitative techniques and tools that allow determining the risk level, based on the estimate of the probability of occurrence and impact of the risk event, to continue with the stages of assessment, risk treatment, recording and reporting, communication, and monitoring.

The objective of operational risk management is aimed at minimizing the Entity's financial losses, as well as contributing to achieving efficiency and effectiveness in the execution of processes.

The gross operating losses that are observed in table number 1, are fed with the reports of materialized events recorded by the different offices of the Bank, which is consolidated, complying with the provisions of SUGEF Agreement 2-10 Regulations for comprehensive risk management.

The results are obtained from the compilation of the losses by type of operational risk, to which the BCR has been exposed in the evaluated period, which allows studying the effectiveness of the implemented measures; external fraud with debit and credit cards as a means of payment is the main factor that permeates operational losses. The implementation of different mitigators such as the Safe Environment (3DS) project has made it possible to reduce the incidence of fraud in electronic media in the months of January to March 2023.

(Continues)

Gross operating losses
- Percentage distribution by type of risk-

Type of operational risk		Accumulated gross losses	March 2023	December 2022	March 2022
Clients, products, and business practices		27,035,316	0.52%	0.97%	0.80%
Execution, delivery, and management of processes		123,333,898	2.39%	3.46%	3.17%
External fraud		3,914,527,480	75.91%	61.86%	66.82%
Internal fraud		661,424,789	12.83%	24.01%	19.94%
Business interruption and system failures		392,286,336	7.61%	9.34%	8.97%
Labor relations and safety in the workplace		38,166,994	0.74%	0.36%	0.30%
Total	**¢**	**5,156,774,812**	**100,00%**	**100,00%**	**100,00%**

Information and IT security risks are managed by the BCR conglomerate with a corporate scope; among its main pillars are the following:

- Evaluations: They are carried out through a process aligned with best practices such as ISO 31000 and strict follow-up is given to the treatment actions generated.
- Risk indicators: Information and IT security risk indicators are developed and monitored, supporting compliance with business objectives.
- Improvements to the process: the use of automated tools is being implemented to support the process of evaluations and follow-up of indicators, projecting to have a greater scope and agility in their execution.

In the annual work plan, evaluations related to processes, projects, applications, strategy, services, platforms, and IT security are incorporated. In addition, risk indicators are reviewed and proposed, to monitor and control different events to which the BCR Financial Conglomerate may be exposed.

As part of the evaluations and monitoring of risk indicators, corrective actions are applied when there are deviations from the parameters established in the risk appetite. They are defined together with the risk-taking areas, as part of the continuous improvement of the process.

The reports with the results are periodically presented to the corresponding corporate governance bodies, as part of the Management Information System.

The above, aligned with the applicable prudential regulations and international best practices, allowing the Corporate Risk Management to support compliance with the institutional strategic objectives, avoiding sensitive impacts on the services provided to clients.

(Continues)

(j) Business Continuity

The BCR Financial Conglomerate has a Business Continuity Management System (hereinafter SGCN) with a defined regulatory framework (policy, provision, processes, and procedures). The system is designed from the best international practices such as ISO 22301, additionally it seeks to meet regulatory requirements such SUGEF Agreement 02-10, Regulations on Comprehensive Risk Management, CONASSIF Agreement 4-16 Regulation on corporate governance, and CONASSIF Agreement 5-17 General Regulation of Information Technology Management. The objective of the SGCN is to manage the preparation of the response to disruptive events in the operation that can generate a greater impact and in less time.

To manage the response to the risk of major disruptive incidents, a first phase called Business Impact Analysis (usually known as BIA) is developed, in which the information is analyzed to identify the groups of processes, processes and activities that generate a greater impact of loss when suffering a disruption that can be generated by internal or external factors. Once these processes and activities have been identified, the resources that are essential to support them and recover normal operation are determined. For each of these resources, it is necessary to identify the causes that will become the scenarios for which continuity strategies are defined in phase 2, either to respond with the installed capacity or with improvements to reduce the gaps. Phase 3 documents contingency and recovery plans, procedures, or protocols detailing the response for when the disruption occurs.

For phase 4, it is necessary to train the interested parties on the documented plans and subsequently carry out periodic tests and exercises that allow training and identifying opportunities for improvement of plans, procedures or protocols for contingency, recovery, and crisis communication. All the previous phases are developed with the objective of preparing the response that, once the disruptive incident has been identified, must be applied to respond in an orderly manner and minimize the impact of the event, managing to recover normal operation in the shortest possible time.

As part of the BIA, the prioritization of the processes and activities belonging to the groups within the scope approved by the Executive Committee was completed in the first quarter of 2023. For the development of this BIA, the Process Catalog was used as input, consisting of 75 process groups, which were valued by the corporate managers and the general managers of the subsidiaries (except BICSA). After this assessment, the 25 groups with a Medium, High, and Very High impact were prioritized in the first two days of interruption. These 25 groups contain 99 processes which were assessed together with their respective owners, managing to prioritize the 46 processes that also reached a Medium, High, and Very High impact in the first 48 hours of interruption.

(Continues)

In the absence of a source of information, each process owner was consulted on the respective activities, obtaining a total of 610 activities, which were valued by the experts in the operation indicated by each process owner. Once assessed, 304 priority activities were identified, which, like the previous ones, are distributed in the first 48 hours.

Broadly speaking, the BIA was divided into three: strategic, tactical, and operational. In the Strategic BIA, 22 process groups were prioritized, which represents 29.3% of the entire BCR Financial Conglomerate. In the Tactical BIA, 46 processes were prioritized for 13.1% of the Process Catalog and 46.5% with respect to the defined scope. Finally, in the Operative BIA, since there was no total number of activities, it was possible to prioritize 304 activities, which represent 49.8% of the scope. With the previous results it can be indicated that following must be recovered in the first 48 hours: 25 groups, 46 processes and 304 activities.

An important part of the SGCN is to constantly test the plans and procedures, so during this period important efforts were made in tests for: commercial offices, owners of critical activities and support groups, as well as visits to business points to train staff and assess available resources.

In the first quarter, 67 tests of the contingency procedure for failures to access transactional systems at business points were scheduled, managing to complete 62 tests (92%). 27 (43%) rescheduling were required with respect to the schedule, of which 5 (7%) are pending at the end of the period, managing to recover 80% of the rescheduling.

A plan for visits to 4 commercial offices was prepared, of which 3 were completed and one had to be rescheduled. The objective of these visits is to evaluate the contingency procedures for system access failures from the commercial offices. During these visits, opportunities for improvement were observed in terms of the conditions of the facilities, electromechanics, telecommunications, and the resources and plans to respond to emergencies and business continuity incidents. These visits are used to give an inductive talk on contingency procedures to office staff.

As part of the crisis communication plan, 9 tests were planned and executed where a crisis was simulated that required the activation of an alarm with the F24 tool.

The contingency procedure for system access failures from a commercial office was applied in January in incidents at the Pacayas and Puriscal offices. In March, the contingency procedure for system access failures from a commercial office was applied in January in incidents at the Pacayas and Puriscal offices. In March, this procedure was used in the Ciudad Quesada office.

(Continues)

(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

This management entails the responsibility of promoting and ensuring that CFBCR entities operate with integrity and in compliance with laws, regulations, policies, codes, and other internal provisions. Reason for which periodic evaluations are carried out to determine the level of compliance with the established obligations, also verifying 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 desire for zero tolerance in terms of non-compliance with the applicable external regulatory framework.

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 2023, the behavior of the legal risk indicators was monitored, corresponding to the litigation that represents the greatest exposure for the BCR Financial Conglomerate, this in the face of an adverse scenario in its result, as well as the registration in time and form of the notarial acts product of commercial business carried out.

The applicability of the provisions of the General Public Procurement Law was also carried out, in terms of public procurement processes (article 37 of the appointment law), this through self-evaluations to reduced and minor tenders and evaluations to larger tenders or of inestimable amount. As of the cut-off date of this note, a total of 13 risk identification exercises have been carried out, of which two correspond to assessments and 11 to self-assessments.

(Continues)

(35) Financial Information of the Development Financing Fund

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

DEVELOPMENT FINANCING FUND
STATEMENT OF FINANCIAL POSITION
As of March 31, 2023
Financial Information
(In colones without cents)

		March 2023	December 2022	March 2022
ASSETS				
Availabilities	¢	**2,064,354,568**	**0**	**455,279,090**
Cash		0	0	455,279,090
Central Bank of Costa Rica		2,064,354,568		
Loan portfolio	¢	**44,032,114,573**	**46,399,647,681**	**40,220,312,219**
Current loans		40,685,793,706	43,099,794,086	37,737,300,931
Past due loans		3,292,230,531	2,854,564,730	3,030,114,080
Loans on legal collection		586,722,381	949,313,288	30,675,698
(Deferred income loan portfolio)		(404,427,018)	(387,798,164)	(351,504,657)
Interest receivable		183,850,247	196,788,486	76,878,514
(Allowance for impairment)		(312,055,274)	(313,014,745)	(303,152,347)
Accounts and commissions receivable		**5,733,518**	**322,984**	**17,760**
Other accounts receivable		2,011,089	1,900,715	1,104,040
(Allowance for impairment)		3,722,429	(1,577,731)	(1,086,280)
Other assets		**0**	**9,559,394**	**4,334,309**
Other assets		0	9,559,394	4,334,309
TOTAL ASSETS	¢	**46,102,202,659**	**46,409,530,059**	**40,679,943,378**
LIABILITIES				
Obligations with entities	¢	**0**	**4,184,417,953**	**0**
Other Obligations with entities		0	4,184,417,953	0
Accounts payable and provisions	¢	**89,642,435**	**61,392,925**	**41,729,320**
Other sundry accounts payable		89,642,435	61,392,925	41,729,320
Other liabilities		**10,862,672**	**10,792,037**	**974,307**
Other liabilities		10,862,672	10,792,037	974,307
TOTAL LIABILITIES	¢	**100,505,107**	**4,256,602,915**	**42,703,627**
EQUITY				
Contributions from Banco de Costa Rica	¢	**0**	**29,330,665,472**	**29,330,665,472**
Adjustments to equity - Other comprehensive income		**45,766,617,523**	**0**	**0**
Retained earnings from previous periods		**0**	**11,146,056,305**	**11,146,056,305**
Result of current period		**235,080,029**	**1,676,205,367**	**160,517,974**
TOTAL EQUITY	¢	**46,001,697,552**	**42,152,927,144**	**40,637,239,751**
TOTAL EQUITY AND LIABILITIES	¢	**46,102,202,659**	**46,409,530,059**	**40,679,943,378**
DEBIT CONTINGENT ACCOUNTS	¢	**13,418,797**	**12,622,297**	**12,172,245**
OTHER DEBIT MEMORANDA ACCOUNTS	¢	**7,266,263,514**	**7,168,010,637**	**9,382,543,851**

(Continues)

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Notes to the separate financial statements

DEVELOPMENT FINANCING FUND
INCOME STATEMENT
As of March 31, 2023
Financial Information
(In colones without cents)

		March 2023	March 2022
Financial income			
For loan portfolio		798,398,499	381,047,483
For profit on exchange differences		0	3,453,694
Total financial income		**798,398,499**	**384,501,177**
Financial expenses			
For losses on exchange differences		4,883,058	0
Total financial expenses		**4,883,058**	**0**
For allowance of asset impairment		103,414	109,553,263
For recovery of assets and decrease in estimates and provisions		1,156,443	132,438
FINANCIAL RESULT		**794,568,470**	**275,080,352**
Other operating income			
For other operating income		273,520	136,752
For currency exchange and arbitration		0	0
For services commissions		8,639,116	4,180,903
Total other operating income		**8,912,636**	**4,317,655**
Other operating expenses			
For other operating expenses		568,401,077	118,880,033
Total other operating expenses		**568,401,077**	**118,880,033**
OPERATING RESULT, GROSS		**235,080,029**	**160,517,974**
RESULT OF THE PERIOD	¢	**235,080,029**	**160,517,974**

(Continues)

Loan portfolio of the Development Financing Fund

The following information contained in notes a) through f) represent financial information.

a) Loan portfolio by sector

		March 2023	December 2022	March 2022
Activity				
Agriculture, livestock, hunting and related services	¢	9,838,683,442	13,555,793,433	11,189,764,769
Public administration		20,849,708	80,655,030	324,712,500
Fishing and aquaculture		42,986,799	43,712,963	45,333,453
Manufacturing		1,157,835,305	1,240,205,614	6,871,519,796
Trade		21,295,546,693	20,730,783,572	10,953,336,260
Services		8,795,301,258	7,799,465,538	8,444,060,585
Transportation		999,040,944	934,489,821	960,161,812
Financial and stock exchange activities		499,180,378	577,925,284	807,759,270
Real estate, business, and rental activities		144,117,999	165,159,122	243,477,929
Construction, purchase, and repair of real estate		669,110,924	657,256,633	612,260,672
Retail		0	10,371,351	0
Hospitality		1,102,093,168	1,107,853,743	345,703,663
		44,564,746,618	46,903,672,104	40,798,090,709
Plus: interest receivable		183,850,247	196,788,486	76,878,514
Less deferred income in loan portfolio		(404,427,018)	(387,798,164)	(351,504,657)
Allowance for impairment		(312,055,274)	(313,014,745)	(303,152,347)
	¢	**44,032,114,573**	**46,399,647,681**	**40,220,312,219**

b) Loan portfolio by arrears:

The loan portfolio by arrears is detailed as follows:

		March 2023	December 2022	March 2022
Up to date	¢	40,685,793,706	43,099,794,086	37,737,300,931
From 1 to 30 days		2,172,433,216	1,996,268,803	1,833,088,637
From 31 to 60 days		546,481,684	237,828,072	487,478,273
From 61 to 90 days		491,066,727	524,840,646	453,561,956
From 91 to 120 days		9,280,364	44,053,040	109,812,456
From 121 to 180 days		29,079,104	5,129,667	131,165,460
Over 180 days		43,889,436	46,444,502	15,007,298
Legal collection		586,722,381	949,313,288	30,675,698
	¢	**44,564,746,618**	**46,903,672,104**	**40,798,090,709**

c) Delinquent and past due loan portfolio

Delinquent and past due loans, including loans with interest recognition based on cash and loans in non-accrual status of interest, are summarized below:

		March 2023	December 2022	March 2022
Number of operations		17	20	7
Past due loans in non-accrual status of interest	¢	630,611,817	995,757,790	45,682,996
Past due loans for which interest is recognized	¢	3,248,341,095	2,808,120,228	3,015,106,782
Total unearned interest	¢	1,250,024	1,250,024	979,809

Loans on legal collection as of March 31, 2023:

# operations	Percentage		Balance
9	1.32%	¢	586,722,381

Loans on legal collection as of December 31, 2022:

# operations	Percentage		Balance
11	2.02%	¢	949,313,288

Loans on legal collection as of March 31, 2022:

# operations	Percentage		Balance
3	0.08%	¢	30,675,698

d) Interest receivable on loan portfolio:

Interest receivables are as follows:

		March 2023	December 2022	March 2022
Current loans	¢	139,501,052	145,886,232	60,008,130
Past due loans		32,784,611	30,273,797	16,577,947
Loans in judicial collection		11,564,584	20,628,457	292,437
	¢	**183,850,247**	**196,788,486**	**76,878,514**

e) Allowance for bad loans:

The movement of allowance for bad loans is as follows:

Opening balance 2023	¢	**313,014,745**
Less:		
Adjustment for exchange differences		(547,264)
Transfer of balances		(412,207)
Balance as of March 31, 2023	¢	**312,055,274**
Opening balance 2022	¢	**193,756,485**
Plus:		
Allowance charged to profit or loss		121,108,490
Transfer of balances		70,416,927
Adjustment for exchange differences		458,983
Less:		
Adjustment for exchange differences		(881,443)
Reversal of allowance against income		(123,591)
Balance as of December 31, 2022	¢	**313,014,745**
Opening balance 2022	¢	**193,756,485**
Plus:		
Allowance charged to profit or loss		109,553,263
Adjustment for exchange differences		213,378
Less:		
Adjustment for exchange differences		(123,591)
Reversal of allowance against income		(247,188)
Balance as of March 31, 2022	¢	**303,152,347**

f) Loan portfolio by type of guarantee:

The loan portfolio by type of guarantee is detailed as follows:

		March 2023	December 2022	March 2022
Guarantee				
Fiduciary	¢	553,756,336	594,397,403	694,244,288
Mortgage		27,014,841,674	27,823,325,592	29,310,277,245
Chattel		979,646,540	991,014,906	841,985,426
Others		16,016,502,068	17,494,934,203	9,951,583,750
	¢	**44,564,746,618**	**46,903,672,104**	**40,798,090,709**

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

			Direct Loan Portfolio	
			Direct Loan Portfolio	
		March 2023	**December 2022**	**March 2022**
Principal		¢	44,564,746,618	46,903,672,104	40,798,090,709
Interest receivable			183,850,247	196,788,486	76,878,514
			44,748,596,865	47,100,460,590	40,874,969,223
Allowance for bad loans			(312,055,274)	(193,756,485)	(303,152,347)
Carrying amount		¢	44,436,541,591	46,906,704,105	40,571,816,876
Loan portfolio					
Total balances:					
A1		¢	500,819,946	579,810,321	810,368,148
1			41,300,425,078	42,774,047,931	37,125,097,516
2			364,394,753	230,097,335	436,071,907
3			1,054,036,979	1,818,352,809	1,934,064,213
4			854,885,745	674,481,203	382,901,239
5			30,362,039	353,085,467	154,177,225
6			643,672,325	670,585,524	32,288,975
			44,748,596,865	47,100,460,590	40,874,969,223
Minimum allowance			(261,222,909)	(283,346,310)	(274,165,822)
Carrying amount, net		¢	44,487,373,956	46,817,114,280	40,600,803,401
Carrying amount			44,748,596,865	47,100,460,590	40,874,969,223
Allowance for bad loans			(261,222,909)	(283,346,310)	(274,165,822)
Allowance (surplus) deficit on minimum allowance			(50,832,365)	(29,668,435)	(28,986,525)
Carrying amount, net	6a	¢	44,436,541,591	46,787,445,845	40,571,816,876

The assessed loan portfolio including allowance is detailed as follows:

As of March 31, 2023

Loan Portfolio		Direct Loan Portfolio			
Direct generic allowance		Principal	Covered Balance	Overdraft	Allowance
1	¢	41,300,425,078	27,409,464,630	13,890,960,448	(103,251,062)
A1		500,819,946	0	500,819,946	(2,504,100)
		41,801,245,024	27,409,464,630	14,391,780,394	(105,755,162)
Direct specific allowance					
3		364,394,753	336,546,435	27,848,318	(3,075,148)
4		1,054,036,979	826,857,548	227,179,431	(60,929,146)
5		854,885,745	752,263,951	102,621,794	(55,072,217)
6		30,362,039	29,673,959	688,080	(630,026)
A1		643,672,325	610,965,944	32,706,381	(35,761,210)
		2,947,351,841	2,556,307,837	391,044,004	(155,467,747)
	¢	44,748,596,865	29,965,772,467	14,782,824,398	(261,222,909)

Loan Portfolio					
Aging of loan portfolio		Direct Loan Portfolio			
Direct generic allowance		Principal	Covered Balance	Overdraft	Allowance
Up to date	¢	40,825,294,758	26,460,017,750	14,365,277,008	(100,946,930)
Equal or less than 30 days		2,189,803,153	1,849,143,189	340,659,964	(4,808,232)
		43,015,097,911	28,309,160,939	14,705,936,972	(105,755,162)
Direct specific allowance					
Equal or less than 30 days		553,166,792	539,085,764	14,081,028	(82,060,888)
Equal or less than 60 days		498,433,767	467,418,603	31,015,164	(38,365,089)
Equal or less than 90 days		39,141,217	39,141,217	0	(195,706)
Equal or less than 180 days		642,757,178	610,965,944	31,791,234	(34,846,064)
	¢	1,733,498,954	1,656,611,528	76,887,426	(155,467,747)
	¢	44,748,596,865	29,965,772,467	14,782,824,398	(261,222,909)

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Notes to the separate financial statements

As of December 31, 2022

Loan Portfolio		Direct Loan Portfolio			
Direct generic allowance		Principal	Covered Balance	Overdraft	Allowance
1	¢	42,774,047,931	26,549,686,853	16,224,361,078	(107,024,011)
A1		579,810,321	0	579,810,321	(2,899,052)
		43,353,858,252	26,549,686,853	16,804,171,399	(109,923,063)
Direct specific allowance					
2		230,097,335	209,631,334	20,466,001	(2,071,456)
3		1,818,352,809	1,599,715,448	218,637,361	(62,657,918)
4		674,481,203	544,624,221	129,856,982	(67,651,612)
5		353,085,467	352,777,239	308,228	(1,979,646)
6		670,585,524	634,696,391	35,889,133	(39,062,615)
		3,746,602,338	3,341,444,633	405,157,705	(173,423,247)
	¢	47,100,460,590	29,891,131,486	17,209,329,104	(283,346,310)

Loan Portfolio Aging of loan portfolio		Direct Loan Portfolio			
Direct generic allowance		Principal	Covered Balance	Overdraft	Allowance
Up to date	¢	579,810,320	0	579,810,320	(109,923,062)
		579,810,320	0	579,810,320	(109,923,062)
Direct specific allowance					
Up to date		42,665,869,997	26,371,864,973	16,294,005,025	(92,176,736)
Equal or less than 30 days		1,872,939,501	1,589,993,336	282,946,165	(32,142,297)
Equal or less than 60 days		369,675,851	358,943,818	10,732,033	(2,715,996)
Equal or less than 90 days		512,893,225	507,070,850	5,822,375	(5,306,319)
Equal or less than 180 days		429,800,682	428,562,118	1,238,563	(3,133,795)
Over 180 days		669,471,014	634,696,391	34,774,623	(37,948,105)
	¢	46,520,650,270	29,891,131,486	16,629,518,784	(173,423,248)
	¢	47,100,460,590	29,891,131,486	17,209,329,104	(283,346,310)

(Continues)

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

(Continues)

As of March 31, 2023		Loans receivable from clients Gross	Net
Risk category:			
1	¢	41,300,425,078	41,197,174,014
2		364,394,753	361,319,605
3		1,054,036,979	993,107,834
4		854,885,745	799,813,528
5		30,362,039	29,732,013
6		643,672,325	607,911,115
A1		500,819,946	498,315,847
	¢	**44,748,596,865**	**44,487,373,956**

As of December 31, 2022		Loans receivable from clients Gross	Net
Risk category:			
1	¢	42,774,047,932	42,667,023,921
2		230,097,335	228,025,879
3		1,818,352,809	1,755,694,891
4		674,481,203	606,829,591
5		353,085,467	351,105,821
6		670,585,524	631,522,909
A1		579,810,320	576,911,268
	¢	**47,100,460,590**	**46,817,114,280**

As of March 31, 2022		Loans receivable from clients 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**

(36) 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, 2023
Financial Information
(*In colones without cents*)

		March 2023	December 2022	March 2022
ASSETS				
Availabilities	¢	**984,780,489**	**810,456,884**	**868,188,918**
Central Bank of Costa Rica		984,780,489	810,456,884	868,188,918
Investment in financial instruments		**112,490,383,133**	**160,172,908,416**	**159,879,090,116**
At fair value through profit or loss		1,754,226,968	1,271,137,156	4,130,175,183
At fair value through other comprehensive income		109,039,718,714	145,206,450,032	153,194,152,036
At amortized cost		790,186,484	12,468,166,624	1,050,560,817
Interest receivable		906,250,967	1,227,154,604	1,504,202,080
Loan Portfolio		**37,505,029,883**	**27,275,134,211**	**29,514,768,096**
Current loans		37,130,425,678	27,143,284,667	29,570,481,897
Past due loans		467,268,496	360,875,877	100,161,606
Loans in legal collection		92,402,727	0	0
(Deferred income loan portfolio)		(244,054,221)	(209,340,642)	(176,694,120)
Interest receivable		149,977,260	75,348,575	122,006,444
(Allowance for impairment)		(90,990,057)	(95,034,266)	(101,187,731)
Accounts and commissions receivable		**352,695,026**	**827,577,117**	**64,536,218**
Tax and deferred income tax		352,695,026	827,577,117	64,536,218
Other assets		**2,139,092,663**	**2,002,095,388**	**1,357,428,666**
Other assets		2,139,092,663	2,002,095,388	1,357,428,666
TOTAL ASSETS	¢	**153,471,981,194**	**191,088,172,016**	**191,684,012,014**
LIABILITIES				
Obligations with entities	¢	**157,378,387,594**	**192,026,399,855**	**185,769,415,990**
Term		156,784,485,750	192,026,399,851	185,769,415,990
Charges payable to financial entities		593,901,840	0	0
Interest payable		4	4	
Accounts payable and provisions		**117,204,978**	**164,237,148**	**988,953,734**
Accounts payable		227,500		
Deferred income tax		116,977,478	164,237,148	988,953,734
Other liabilities		**0**	**159,353,005**	**906,093,083**
Other liabilities		0	159,353,005	906,093,083
TOTAL LIABILITIES	¢	**157,495,592,572**	**192,349,990,008**	**187,664,462,807**
EQUITY				
Adjustments to equity – Other comprehensive income	¢	**(434,849,510)**	**0**	**0**
Contributions from Banco de Costa Rica	¢	**0**	**0**	**0**
Results of the previous period	¢	**0**	**(1,299,622,220)**	**2,597,919,234**
Results of the current period		**(3,588,761,868)**	**37,804,228**	**1,421,629,973**
TOTAL EQUITY	¢	**(4,023,611,378)**	**(1,261,817,992)**	**4,019,549,207**
TOTAL LIABILITIES AND EQUITY	¢	**153,471,981,194**	**191,088,172,016**	**191,684,012,014**
OWN DEBIT MEMORANDA ACCOUNT				
Own debit memoranda account	¢	10,536,795,327	23,755,283,621	17,233,348,169
Interest receivable memoranda accounts	¢	11,662,568	5,409,472	8,628,727

(Continues)

DEVELOPMENT CREDIT FUND
INCOME STATEMENT
Fort the period ended March 31, 2023
Financial Information
(*In colones without cents*)

		March 2023	March 2022
Financial income			
For investments in financial instruments	¢	1,413,033,163	1,890,704,417
For loan portfolio		447,282,420	341,053,550
For exchange rate differences		0	1,245,023,307
Other financial incomes		213,129,135	89,491,548
Total financial income		**2,073,444,718**	**3,566,272,822**
Financial expenses			
For obligations with the public		996,675,064	323,628,340
For losses in exchange differences		3,385,442,206	0
For losses from available-for-sale financial instruments		0	0
Other financial expenses		1,040,877,033	3,754,967
Total financial expenses		**5,422,994,303**	**327,383,307**
For allowance of asset impairment		36,998,752	7,537,735
Asset recovery and decrease in allowance		170,011,690	108,386,333
Financial result	¢	**(3,216,536,647)**	**3,339,738,113**
Other operating income			
For commission for services		6,840	0
For arbitrage and currency exchange		149,380,738	63,388,481
For other operating income		30,229,553	109,326,203
Total other operating income	¢	**179,617,131**	**172,714,684**
Other operating expenses			
For exchange and arbitration, foreign currency		24,060,038	23,203,894
For other operating expenses		13,660,509	133,335,991
Total other operating expenses	¢	**37,720,547**	**156,539,885**
Gross operating income	¢	**(3,074,640,063)**	**3,355,912,912**
Earnings transferred to the National Development Trust		514,121,805	1,934,282,939
Result of the period	¢	**(3,588,761,868)**	**1,421,629,973**
PROFIT ALLOCATION			
Profit transferred to the National Development Trust	¢	514,121,805	6,724,003,799
Commission for management of the Development Credit Fund, and the fund's own profits		(3,588,761,868)	2,195,795,447
	¢	**(3,074,640,063)**	**8,919,799,246**

From 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% of the earnings, set by the Governing Board, to cover operation costs, services and any other cost arising from managing the investments.

Investments in financial instruments of the Development Credit Fund (DCF) are detailed as follows:

(Continues)

		March 2023	December 2022	March 2022
At fair value through profit or loss	¢	1,754,226,968	1,271,137,156	4,130,175,183
At fair value through other comprehensive income		109,039,718,714	145,206,450,032	153,194,152,036
At amortized cost		790,186,484	12,468,166,624	1,050,560,817
Interest receivable for investments at fair value through comprehensive income		906,250,967	1,227,154,604	1,504,202,080
	¢	**112,490,383,133**	**160,172,908,416**	**159,879,090,116**

		March 2023	**December 2022**	**March 2022**
At fair value through profit or loss		**Fair value**	**Fair value**	**Fair value**
Local issuers:				
State-owned Banks	¢	1,754,226,968	1,271,137,156	4,130,175,183
	¢	**1,754,226,968**	**1,271,137,156**	**4,130,175,183**

		March 2023	**December 2022**	**March 2022**
At fair value through other comprehensive income		**Fair value**	**Fair value**	**Fair value**
Local issuers:				
Government	¢	24,271,549,770	0	123,314,757,313
State-owned Banks		84,768,168,944	145,206,450,032	29,879,394,723
	¢	**109,039,718,714**	**145,206,450,032**	**153,194,152,036**

Loan portfolio of the Development Credit Fund

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

a) Loan portfolio by sector

		March 2023	December 2022	March 2022
Sector				
Agriculture, livestock, hunting and related services	¢	22,557,917,534	11,546,560,131	24,976,315,426
Manufacturing		11,265,397,998	13,368,732,554	4,463,244,383
Trade		1,963,368,411	1,042,995,091	0
Services		1,331,148,942	1,094,082,029	231,083,694
Transportation		281,127,287	190,188,779	0
Construction, purchase, and repair of property		97,519,660	82,204,817	0
Hotels and restaurants		193,617,069	179,397,143	0
		37,690,096,901	27,504,160,544	29,670,643,503
Plus: interest receivable		149,977,260	75,348,575	122,006,444
Less: deferred income loan portfolio		(244,054,221)	(209,340,642)	(176,694,120)
Allowance for impairment		(90,990,057)	(95,034,266)	(101,187,731)
	¢	**37,505,029,883**	**27,275,134,211**	**29,514,768,096**

b) Loan portfolio by arrears:

Loan portfolio by arrears is detailed as follows:

		March 2023	December 2022	March 2022
Up to date	¢	37,130,425,678	27,143,284,667	29,570,481,897
From 1 to 30 days		289,623,426	268,305,416	0
From 31 to 60 days		177,645,070	92,570,461	0
From 61 to 90 days		0	0	100,161,606
Legal collection		92,402,727	0	0
	¢	**37,690,096,901**	**27,504,160,544**	**29,670,643,503**

(Continues)

c) Delinquent and past due loans

Delinquent and past due loans, including loans with interest recognition on cash basis and interest not received on this loan, are summarized as follows:

		March 2023	December 2022	March 2022
Number of operations		1	0	0
Delinquent and past due loans with no interest recognition	¢	92,402,727	0	0
Delinquent and past due loans with interest recognition	¢	467,268,496	360,875,877	100,161,606
Total of not received interest	¢	11,662,568	5,409,472	8,628,727

d) Interest receivable for loan portfolio

Interest receivables are detailed as follows:

		March 2023	December 2022	March 2022
Current loans	¢	144,291,242	72,557,757	121,058,931
Past due loans		3,370,458	2,790,818	947,513
Loans in legal collection		2,315,560	0	0
	¢	**149,977,260**	**75,348,575**	**122,006,444**

e) Allowance for bad loans

Balance at the beginning of 2023	¢	**95,034,266**
Less:		
Adjustment for exchange differences		(4,044,209)
Balance as of March 31, 2023	¢	**90,990,057**
Balance at the beginning of 2022	¢	**99,122,714**
Plus:		
Transfer of balances		13,449,837
Adjustment for exchange differences		4,441,912
Less:		
Adjustment for exchange differences		(21,980,197)
Balance as of December 31, 2022	¢	**95,034,266**
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**

(Continues)

f) Loan portfolio by type of guarantee:

The loan portfolio detailed by guarantee is as follows:

		March 2023	December 2022	March 2022
Guarantee				
Fiduciary		223,730,084	250,823,118	0
Mortgage	¢	3,390,599,826	2,265,318,557	441,928,546
Chattel		384,861,675	222,995,792	629,663,718
Other		33,690,905,316	24,765,023,077	11,621,494,936
	¢	**37,690,096,901**	**27,504,160,544**	**12,693,087,200**

g) The financial instruments of the Development Credit Fund exposed to credit risk are detailed as follows:

			Direct Loan Portfolio		
			March 2023	December 2022	March 2022
Principal		¢	37,690,096,901	27,504,160,544	29,670,643,503
Interest receivable			149,977,260	75,348,575	122,006,444
			37,840,074,161	27,579,509,119	29,792,649,947
Allowance for bad loans			(90,990,057)	(95,034,266)	(101,187,731)
Carrying amount		¢	37,749,084,104	27,484,474,853	29,691,462,216
Loan portfolio					
Total balances					
1		¢	37,102,237,209	27,186,994,456	29,518,882,392
2			184,889,043	93,486,017	0
3			234,519,521	299,028,646	273,767,555
4			223,710,101	0	0
5			94,718,287	0	0
			37,840,074,161	27,579,509,119	29,792,649,947
Minimum allowance			(102,973,567)	(71,711,266)	(77,668,232)
Carrying amount, net		¢	37,737,100,594	27,507,797,853	29,714,981,715
Carrying amount			37,840,074,161	27,579,509,119	29,792,649,947
Allowance for bad loans			(102,973,567)	(71,711,266)	(77,668,232)
(Surplus) inadequacy of allowance			11,983,510	(23,323,000)	(23,519,499)
Carrying amount, net	6a	¢	37,749,084,104	27,484,474,853	29,691,462,216

The assessed loan portfolio including allowance is detailed as follows:

As of December 31, 2022

Loan portfolio		Direct Loan Portfolio			
Direct generic allowance		Principal	Covered balance	Overdraft	Allowance
1	¢	37,102,237,209	12,204,623,877	24,897,613,332	(93,206,497)
		37,102,237,209	12,204,623,877	24,897,613,332	(93,206,497)
Direct specific allowance					
2		184,889,043	179,559,773	5,329,270	(1,164,262)
3		234,519,521	234,519,521	0	(1,172,598)
4		223,710,101	211,916,022	11,794,079	(6,956,619)
5		94,718,287	94,718,287	0	(473,591)
		737,836,952	720,713,603	17,123,349	(9,767,070)
	¢	37,840,074,161	12,925,337,480	24,914,736,681	(102,973,567)

Loan portfolio Aging of loan portfolio		Direct Loan Portfolio			
Direct generic allowance		Principal	Covered balance	Overdraft	Allowance
Up to date	¢	37,274,716,920	12,363,952,900	24,910,764,020	(92,813,744)
Equal or less than 30 days		291,079,181	287,106,520	3,972,661	(392,753)
		37,565,796,101	12,651,059,420	24,914,736,681	(93,206,497)
Direct specific allowance		Principal	Covered balance	Overdraft	Allowance
Equal or less than 30 days		179,559,773	179,559,773	0	(8,395,680)
Equal or less than 60 days		0	0	0	(897,799)
Equal or less than 90 days		94,718,287	94,718,287	0	(473,591)
		274,278,060	274,278,060	0	(9,767,070)
	¢	37,840,074,161	12,925,337,480	24,914,736,681	(102,973,567)

As of December 31, 2022

Loan portfolio		Direct Loan Portfolio			
Direct generic allowance		Principal	Covered balance	Overdraft	Allowance
1	¢	27,186,994,456	13,865,345,852	13,321,648,604	(68,416,796)
		27,186,994,456	13,865,345,852	13,321,648,604	(68,416,796)
Direct specific allowance					
2		93,486,017	93,486,017	0	(467,431)
3		299,028,646	293,592,335	5,436,311	(2,827,039)
		392,514,663	387,078,352	5,436,311	(3,294,470)
	¢	27,579,509,119	14,252,424,204	13,327,084,915	(71,711,266)

Loan portfolio Aging of loan portfolio		Direct Loan Portfolio			
Direct generic allowance		Principal	Covered balance	Overdraft	Allowance
Up to date	¢	27,215,842,424	13,888,757,509	13,327,084,915	(68,138,095)
Equal or less than 30 days		270,180,678	270,180,678	0	(278,701)
		27,486,023,102	14,158,938,187	13,327,084,915	(68,416,796)
Direct specific allowance		Principal	Covered balance	Overdraft	Allowance
Equal or less than 60 days		93,486,017	93,486,017	0	(3,294,470)
		93,486,017	93,486,017	0	(3,294,470)
	¢	27,579,509,119	14,252,424,204	13,327,084,915	(71,711,266)

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					
3		273,767,555	267,987,500	5,780,055	2,784,952
		273,767,555	267,987,500	5,780,055	2,784,952
	¢	29,792,649,947	7,197,880,351	22,594,769,596	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	22,594,769,596	74,883,280
		29,691,540,828	7,096,771,233	22,594,769,596	74,883,280
Direct specific allowance		Principal	Covered balance	Overdraft	Allowance
Up to date					
Equal or less than 30 days		0	0	0	2,279,406
Equal or less than 60 days		101,109,119	101,109,119	0	505,546
		101,109,119	101,109,119	0	2,784,951
	¢	29,792,649,947	7,197,880,351	22,594,769,596	77,668,232

As of March 31, 2023		Loans receivable from clients Gross	Net
Risk category:			
1	¢	37,102,237,209	37,009,030,712
2		184,889,043	183,724,781
3		234,519,521	233,346,924
4		223,710,101	216,753,481
5		94,718,287	94,244,696
	¢	**37,840,074,161**	**37,737,100,594**

As of December 31, 2022		Loans receivable from clients Gross	Net
Risk category			
1	¢	27,186,994,456	27,118,577,660
2		93,486,017	93,018,587
3		299,028,646	296,201,606
	¢	**27,579,509,119**	**27,507,797,853**

As of March 31, 2022		Loans receivable from clients 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**

Upon request by the private banks for a change as to operate in accordance with provisions contained in subparagraph ii) of Law N.1644, Organic Law of the National Financial System, the Governing Body of Development Banking, authorizes the managing banks to transfer the funds of the Development Credit Fund, whose refund would be done in monthly installments during a maximum period of six months.

As of March 31, 2023, transfers of resources have been made from the Development Credit Fund.

		March 2023	December 2022	March 2022
Banco Promerica	¢	491,568,608	7,768,261,881	2,201,952,019
	¢	**491,568,608**	**7,768,261,881**	**2,201,952,019**

(38) Transition to the International Financing Reporting Standards (IFRSs)

a) IAS 1: Presentation of Financial Statements

New IAS I is effective as from 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 for periods beginning on or after July 1, 2012. The changes that have been included in IAS 1 are specific paragraphs related to the presentation of other comprehensive income. These changes will require the other comprehensive income to be presented separating those that cannot be reclassified subsequently to the income statement and those that may be reclassified subsequent 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 I changes the name of some financial statements, using “statement of financial position” instead of balance sheet.

IAS I require 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.

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c) IAS 7: Statement 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, including adjustments that occur after the assessment of an item because of new information or new events.

Any change in accounting estimates is prospective and is recorded in profit or loss of 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 threshold 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 the payment of dividends in the same way as the income tax.

IAS 12 allows assets and liabilities to be presented on a net basis when they belong to the same tax entity; the income or expense is presented net, as part of the 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 for the period if, according to the assessment by senior management, it is concluded that the entity has an immediate enforceability obligation with the Tax Administration.

(Continues)

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 institute.

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 assets.

g) IAS 21: The Effects of Changes in Foreign Exchange Rates

The Board requires that the financial statements of regulated entities to be presented in colones as the functional currency.

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 exchange rate differential adjustments in monetary items in foreign currency.

(Continues)

The provisions of this article do not inhibit 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 purposes of calculating prudential indicators, for presentation to the respective Superintendence or for publication to the public as required by legal provisions regulating 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 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) IAS 28: Investments in Associates and Joint Ventures

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 venture, or special purpose entity.

Regulated entities must present their separate financial statements.

j) Amendments to IAS 32: Financial Instruments - Presentation and IAS 1: Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation

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) IAS 37: Provisions, Contingent Liabilities and Contingent Assets

SUGEF requires that a provision for possible losses be recorded for contingent assets. IAS 37 does not allow such provisions.

l) IAS 38: Intangible Assets

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 straight-line method over a maximum of five years. The foregoing is not in accordance with the provisions of the Standard.

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 CONASSIF 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 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 verification, it will compare its recoverable amount with its carrying amount. This comparison should be carried out when there is any indication that the value of the asset could have deteriorated or, at least, on an annual basis.

(Continues)

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, during the period in which it is expected to produce the 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, the organization and installation expenses can be presented in the statement of financial position as an asset, but they must be fully amortized by the straight-line method within a maximum of a five-year period.

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

In the application of IFRS 3, the non-controlling interests in the acquiree, which are interests in current ownership and which grant the right to a proportionate interest in the net assets of the entity, in the event of settlement must be measured at fair value, by the acquirer, 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 at carrying amount 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 employed by the acquirer.

o) IFRS 5: Non-current Assets Held for Sale 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 less cost of sales.

The entity must implement a sales plan and a program to negotiate those assets at reasonable price that allows the plan to be completed in the shortest possible time.

(Continues)

Within a 24-months period from the date of the award or receipt of the asset, the entity must request the Superintendent 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 estimate of the property for 100% of its carrying amount.

Likewise, an estimate of the asset will be required for 100% of its carrying amount when at the end of the term, the entity did not request the extension. Notwithstanding the foregoing, it will be a necessary condition that, within 24 months from the date of the 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 register an estimate of the forty-eighth part per month until completing one hundred percent of the carrying amount of the asset. This accounting record will start from the closing 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 recorded 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

The valuation at fair value of portfolios of financial assets and liabilities exposed to market risk and credit risk will be done individually. The measurement based on the net risk exposure of the entity is not admissible.

The equity reserves that regulated entities create by law or voluntarily cannot be applied to record expenses or losses directly without having previously gone through the results of the period.

(39) Figures for 2023

As of March 31, 2023, financial statement figures have not been reclassified for comparison with those of 2023, per modifications to the Chart of Accounts and SUGEF Directive 6-18: "Financial Information Regulations" approved by the National Supervisory Board of the Finance System.

(40) Relevant and subsequent events

As of March 2023, there are relevant and subsequent events to disclose as follows:

Transfer of charges and observations

In the month of June 2020, 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.

As of July 3, 2020, the BCCR publishes Law 9859 "Law to Combat Usury" with which it defines the cap on interest rates for loans and credit cards equivalent to 37.69% per year in colones and 30.36% in US dollars, valid for the second quarter of 2020. The 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 credit card returns.

On the other hand, the Law establishes a minimum non-sizable wage that cannot be considered in the ability-to-pay analysis, which implied the incorporation of this concept into the current credit regulations.

As of December 31, 2022, an adjustment for reversal of the IFRIC 23 provision corresponding to 2017 is carried out for ¢11,124,931,039, (¢1,734.981,794, for December 2020, corresponding to 2015 and ¢8,717,265,589 as of December 2021 corresponding to 2016).

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

Through official letter number GG-03-155-2022, the Bank's Management notifies the tax authorities of its partial compliance with the proposed adjustments and proceeds to notify that it has paid all the adjustments through official letter number GG -04-174-2022. In addition, this official letter clarifies to the tax authorities that a part of the payment is made under protest due to partial disagreement with the regularization proposal.

With the Bank's partial disagreement of the Regularization Proposal, the Directorate of Large National Taxpayers issues of the Transfer of Charges and Observations, document DGCN-SF-PD-28-2021-3-42-03. This transfer of charges maintains the integrity of the adjustments that were proposed and not accepted by the Bank's management.

(Continues)

The Bank files a challenge resource against the transfer of charges which is resolved by Determinative Resolution number DGCN-206-DF-DT-UT-2022. This resolution partially revokes the transfer of charges with respect to adjustment to income for investment in the M.I.L, which were declared non-taxable. Regarding the other adjustments, the determinative resolution maintains the integrity of the adjustment proposed by the Directorate of Large National Taxpayers for the 2017 fiscal period.

The taxpayer proceeds to file a formal appeal with the determinative resolution before the Administrative Fiscal Court.

Declaration of health alert for COVID-19

Actions of the Government of Costa Rica

As of March 17, 2020, the Tax Relief decree is approved, which establishes moratorium measures in the payment of income tax (VAT, selective consumption, and duties) from April to June 2020. They must be declared and can be paid without charge for interest or penalties until December 2020; a deferral of payment term is granted, but 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 commercial leases are exempt from VAT from April to June 2020.

On March 18, 2020, guideline 075-H was signed to instruct the state´s commercial banks so that, in the exercise of their constitutional autonomy, they 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 conditions 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 without penalty.

Financial Information Regulation

As of December 31, 2020, multiple regulations have been issued to mitigate the impact of COVID-19 related to the banking and financial sector according to the following detail:

(Continues)

The CONASSIF approved

a. Extend to September 30, 2021, the option to renegotiate the agreed conditions of the loans up to twice in a 24-month period, without these adjustments having negative effects on the debtors' file at the Credit Information Center (CIC).

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 September 30, 2021, without qualifying as a special operation, and

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 measure aims to facilitate the readjustments and / or refinancing of the credits. The measure is temporary until March 31, 2021.

g. Measures with respect to Credit Policies and Procedures: A measure that will facilitate the procedures for both the granting of new credits and the readjustments and / or refinancing thereof, where financial entities may omit, in their credit policies and procedures, the information that they ask on a daily basis to their clients to verify their payment ability. The provision will be in force until March 31, 2021. Measures regarding the Suspension of Classification of Irregularities - Sanitation Plan: It was agreed to suspend, for one year, the provision that classifies a financial entity as "type 2 irregularity", when the institution presents 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 sanitation plan to counter the situation. It is important to note that SUGEF must amend the parameters for determining liquidity indicators. This measure will be in force for 12-months 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.

   Through articles 6 and 5 of the minutes of the sessions 1442-2018 and 1443-2018, both held on September 11, 2018, the CONASSIF approved the Financial Reporting Regulation, which comes in effect on January 1, 2020.

   The Regulation aims to regulate the application of 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 proposes two or more application alternatives.

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 in 0,00% 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. The 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. In article 6 of the minutes of session 6082-2022, held on September 14, 2022; an increase the level of the Monetary Policy Rate by 100 basis points has been approved, to place it at 8.50% per year.

b. In addition, it agreed to set the gross interest rate on overnight electronic deposits (DON) to 6.38% per year as of March 17, 2020, and

c. The changes previously included are effective as of September 15, 2022.

d. 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).

e. 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 in the markets with one-day and up to thirty-days terms.

f. 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 a one-day term.

g. 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.

h. 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.

i. 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 facing the health emergency due to COVID-19

Measures were issued in three areas:

1) Direct loans: 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, thus, the principal and interest will not be charged during that period. The corresponding collection will be performed 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 credit that will take effect at the end of the grace period.

   For this new operation, the interest rate will be, in colones TBP + 1 and PRIME in US dollars, depending on the currency, and for the remaining term of the main operation

   In necessary cases, the maturity of the main operation may be extended by up to 11 months.

   This ease applies to customers with less than 60 days past due, for which no additional payment capacity analysis will be made.

2) 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, no late fees or interest will be charged.

   During the months of the full grace period, no late fees nor default interests will be charged.

3) Line of credit: Specific situations will be addressed, 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.

(Continues)

Following a detail of loans by activity in readjusted operations by Covid-19:

COVID Loans March 2023

Loans – Colonized balances			
Activity		**Colons**	**Colonized US Dollars**
Agriculture		1,798,346,333	26,471,697,215
Trade		57,257,578,456	26,135,023,706
Construction		5,363,184,775	7,970,129,151
Consumer goods		61,094,109,635	1,977,292,627
Cattle raising		2,829,628,297	0
Industry		29,606,285,284	1,892,580,093
Services		26,791,568,310	9,830,033,635
Transportation		18,675,210,677	45,213,799
Tourism		5,947,313,124	38,810,594,202
Housing		171,631,480,957	40,159,632,421
Total by currency in ¢	**¢**	**380,994,705,848**	**153,292,196,849**
Total	**¢**	**534,286,902,697**	

Activity	**Colons**	**Amount in US Dollars**	**Total**
Agriculture	77	5	82
Trade	663	49	712
Construction	19	14	33
Consumer goods	6,970	323	7,293
Cattle raising	61		61
Industry	82	2	84
Services	387	24	411
Transportation	141	2	143
Tourism	38	36	74
Housing	7,929	1,045	8,974
Total	**16,367**	**1,500**	**17,867**

December 31, 2022

Activity		Loans – Colonized balances Colons	Colonized US dollars
Agriculture		1,869,154,251	29,396,612,154
Trade		59,588,289,374	29,403,105,392
Construction		5,429,447,377	9,029,425,826
Consumer goods		64,241,759,419	2,531,696,450
Cattle raising		3,146,799,788	0
Industry		30,279,656,003	2,118,138,910
Services		27,901,602,062	11,811,450,962
Transportation		20,224,288,897	55,138,491
Tourism		6,174,538,898	42,976,318,039
Housing		174,526,727,621	46,041,845,375
Total by currency in ¢	**¢**	**393,382,263,690**	**173,363,731,599**
Total	**¢**	**566,745,995,289**	

Activity	Colons	Amount in US dollars	Total
Agriculture	77	5	82
Trade	704	52	756
Construction	19	14	33
Consumer goods	7,217	357	7,574
Cattle raising	78		78
Industry	83	2	85
Services	401	28	429
Transportation	146	2	148
Tourism	38	36	74
Housing	8,033	1,084	9,117
Total	**16,796**	**1,580**	**18,376**

(Continues)

March 31, 2022

Activity	Loans – Colonized balances Colons		Colonized 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
Consumer goods		73,921,790,806	4,249,166,218
Cattle raising		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 in ¢	**¢**	**451,972,868,481**	**223,590,305,334**
Total General	**¢**	**675,563,173,815**	

Activity	Colons	Amount in US dollars	Total
Agriculture	86	10	96
Trade	862	70	932
Construction	18	14	32
Consumer goods	8,040	495	8,535
Cattle raising	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**

Effects of the implementation of the Financial Information Regulation

Through articles 6 and 5 of the minutes of sessions 1442-2018 and 1442-2018, both held on September 11, 2018, CONASSIF approved the Financial Information Regulation, which enters into force as of January 1, 2020.

The purpose of the Regulation is to regulate the application of 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 treatment or methodology specifies when IFRS proposes two or more application alternatives.

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 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.

Gradual increase of the Minimum Legal Requirement

The Board of Directors of the Central Bank of Costa Rica, in article 8 of the minutes of session 6066-2022, held on June 15, 2022, ordered to gradually increase the percentage of minimum legal reserve and liquidity reserve, both in national currency, from 12.0% to 15.0%.

As of the first fortnight of July 2022, 13.5% is applied and as of the second fortnight of July 2022, 15.0% is applied, through the modification to Title VI of the Monetary Policy Regulations.

Maximum annual interest rates for credits and microcredits

In accordance with the provisions of article 36 bis of Law No. 9859 of June 11, 2020, the calculation of the maximum annual interest rates and their publication is carried out by the Central Bank of Costa Rica in the first week of January and July of each year.

As of July 8, 2022, the publication of the new maximum annual interest rates for credit operations in colones and US dollars and other currencies is made.

Every type of credit (except microcredits)	Semiannual 1/2022	Semiannual 2/2022	Semiannual 1/2023
Colons	33.44	33.41	35.51
US dollars	27.98	27.72	28.71
Microcredits			
Colons	47.27	47.23	50.16
US dollars	39.69	39.32	40.70
Credits in other currencies	5.86	5.68	6.34

For the purposes of this law, microcredit is understood to be any credit that does not exceed a maximum amount of 1.5 times the base salary of clerk 1 of the Judiciary, according to Law 7337, of May 5, 1993. Credit cards are excluded from microcredits.

(41) Date of authorization for the issuance of financial statements

The Bank's General Management authorized the issuance of the separate financial statements on April 24, 2023.

The SUGEF has the possibility of requesting modifications to the financial statements after their issuance date.