



ANNUAL REPORT 2022



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BOARD OF DIRECTORS



From left to right:
Eduardo Rodríguez del Paso (*Director*), Néstor Solís Bonilla (*Director*), Fernando Víquez Salazar (*Vice Chair*), Luis Emilio Cuenca Botey (*Director*), Mahity Flores Flores (*Director*), Gina Carvajal Vega (*Chair*), Liana Noguera Ruiz (*Director*).

MESSAGE FROM THE BOARD OF DIRECTORS

ECONOMIC SITUATION

In 2022, Conglomerado Financiero BCR ("the Conglomerate") responsibly accepted the twofold challenge of supporting the country's sustainable development and strengthening its financial stability, objectives which materialized in benefits for the Costa Rican society. This took place within a complex panorama, in which global economy was being impacted by a series of events, such as the Russian invasion to Ukraine, record high raw-material prices, record high inflation levels worldwide, a hardening of financial conditions in most regions, China's economic deacceleration, and the post COVID-19 effects in some areas.

International financial organisms had projected a downward global growth of about 3%, compared to 2021, in the main economies, which would cause, among other things, a GDP contraction in the United States in the first semester, a contraction in the Euro Zone in the second semester and COVID-19 outbreaks, as well as prolonged confinement in China. All of this came with signals of a recession in the United States that materialized as the Fed Fund Effective Rate was increased by the Federal Reserve.

On the other hand, the central banks of the main global economies have maintained a restrictive monetary policy given the persistent and increasingly higher inflationary pressures. In this sense, the Federal Reserve of the United States (FED) adjusted its federal fund rate from 0.25% in the first quarter of 2022 to 4.25% in the last quarter of the same year, similar to the rate of the European Central Bank (ECB).

Regarding the domestic market, Costa Rica's economic activity has grown at a relatively high pace. Nevertheless, industries show high heterogeneity in terms of growth. This is evidenced in the Monthly Index of Economic Activity (IMAE) which, as of November 2022, registered a year-over-year growth of 3.2%. For instance, production by special regime companies (specifically medical device manufacturing and professional and computer development services, all of which are mainly bound for foreign markets) stands out.

In contrast, the production of the definitive regime companies showed moderate growth; in particular, sectors that continue being severely affected such as manufacturing, construction, farming, and public administration services.

On the contrary, travel and advertising agencies, accommodation activities, restaurants, teaching, health, and transportation services are performing better.

Regarding interest rates, in 2022, the Board of Directors of the Central Bank of Costa Rica (BCCR) continued hardening financial conditions, position that started in December 2021, with an increase of 50 basis points in its monetary policy. In this sense, the monetary authority took several measures geared at reducing monetary excesses and seeking a monetary policy position to ease the convergence of inflation toward its mid-term target, which triggered an increase in the minimum legal reserve percentage in local currency (which moved from 12% to 15% in July 2022) and an increase in the Monetary Policy Rate (MPR) of 775 basis points throughout the year (which varied from 1.25% in January to 9% by the end of December).

With regards to the FX market, the exchange rate presented high volatility throughout 2022. An important demand from economic agents in the first semester generated a great deal of pressure on the market causing the exchange rate to hit record highs (the average exchange rate as of June 21 was ₡696,76) and international monetary reserve levels to reach approximately US\$ 6.000 million.

Yet, the second semester witnessed a significant increase in the dollar supply and a considerable decrease in the currency demand, mostly after the approval of a loan from the Latin American Reserve Fund (FLAR) of about US\$ 1.100 million in August. This caused a high surplus in over-the-counter transactions in the financial system. As a result, by the end of December 2022, the year-over-year appreciation of the local currency had come to about 7%, equivalent to MONEX exchange rates below ₡600 per dollar.

MESSAGE FROM THE BOARD OF DIRECTORS

Concerning tax matters, by October the Government of Costa Rica had maintained considerable fiscal discipline and achieved a primary GDP surplus of 2.3%, a GDP financial deficit of 2%, and a debt-to-GDP ratio of 63.1%, results which are more favorable than the targets agreed with the International Monetary Fund (IMF). Consequently, the IMF Executive Board approved in November the third review of the Extended Fund Facility (EFF) program for Costa Rica and the third disbursement equivalent to US\$ 270 million.

Moreover, by the end of the year, the Legislative Assembly authorized the Government to issue US\$ 5.000 million in international debt instruments, which favored the financing cost and built trust among domestic and local economic agents.

This was conditioned to a series of legislative projects, including the purchase of port scanners for customs control, the sale of internal debt to foreign residents, and the transfer of liquidity from public entities to the Treasury managed by the Ministry of Finance. Aligned to these conditions, the BCCR revised the country's economic growth projections upward in 0.9 percentage points for 2022, which reached 4.3% based on the better performance of activities such as tourism, business and informatics services, and special regime manufacturing.

Finally, 2023 will be an even more challenging year since the BCCR adjusted the country's projection growth downward by 0.5 percentage points and placed it at 2.7%. It is also expected that the main external factors resulting from the geopolitical conditions, a potential global recession due to the hardening of financial conditions, and the risk of the possible occurrence of social conflicts, will continue.

In the domestic sphere, some of the main risks include a decline in inflation expectations as compared to the target, larger increases in interest rates affecting even more the payment and purchase power of economic agents, as well as a surge in the demand of foreign currency and less than anticipated access to external funds by the Government of Costa Rica.

LEGAL ASPECTS – CORPORATE GOVERNMENT

In 2022, Conglomerado Financiero BCR took some actions derived from several legal reforms. The following stand out as the most relevant.

- Law No. 10271 Reform to the General Customs Act (Reforma a la Ley General de Aduanas): These amendments included a revision and update of customs offenses, a general review of the administrative sanctioning system, and the Authorized Economic Operator Regulation within the scope of international security and trade facilitation commitments.
- Law No. 10240 Law to Promote Transparency and Access to Public Information (Ley para Promover la Transparencia en el Suministro de Información en el Sector Público): It provides for the obligation to post in the each institution's official website truthful, complete, and updated information, in particular, its annual report, board of director's minutes and agreements, internal investigation outcomes, audit reports, budget implementation reports, current salary index, job position descriptions and requirements, as well as any other information according to the Law or the fundamental right to have access to information. Information protected by the Constitution; private data and information classified as confidential according to the law; State, professional, industrial, and trade secrets; tax, economic, banking, and fiduciary data; as well as intellectual property, according to the applicable legislation, are excluded from this obligation.
- Law No. 10242 General Law to Access Public Information and Transparency (Ley General de Acceso a la Información Pública y Transparencia). It provides the legal framework that enables an effective exercise of State powers, in particular the exercise of the right to access information in a transparent manner, as a result of a culture of civil society participation through clear, practical, and fast mechanisms.

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- Law No. 10260 Addition of paragraph d) to Article 171 of the National Housing Financing System Act (Ley del Sistema Financiero Nacional para la Vivienda) and the law that created the BANHVI (Housing Mortgage Bank), Law for the Incorporation of the Social Variable in the Services Provided by the National Housing Financing System (Ley para la Incorporación de la Variable Social dentro de los Servicios que Brinda el Sistema Financiero Nacional para la Vivienda), Law. No. 7052 of November 13, 1986.
- Law No. 10181 Law to Reform Article 5 of Law No. 8454, Certificate, Digital Signature, and Electronic Document Act (Ley para Reformar el artículo 5 de la Ley No. 8454, Ley de Certificados, Firmas Digitales y Documentos Electrónicos) of August 30, 2005, and Article 183 of Law No. 7732 that Regulates the Securities Market (Ley Reguladora del Mercado de Valores) of December 17, 1997. It allows designating beneficiaries for bank accounts, CDs, several types of agreements using digital means which the current law did not include, thus eliminating the limitations of the current legislation.
- Law No. 10224 Reform to Article 14 of Law No. 8422 Anticorruption Act and Embezzlement in Public Office (Reforma del artículo 14 de la Ley No. 8422, Ley Contra la Corrupción y el Enriquecimiento Ilícito en la Función Pública) of October 6, 2004, and its Amendments. It provides for the prohibition for the president and the vice presidents of the Republic; the justices of the Judicial Branch and the Supreme Electoral Court; the ministers; the comptroller general and the deputy comptroller general; the ombudsman and the deputy ombudsman; the attorney general and the deputy attorney general; the regulator of public services; the prosecutor general; the vice ministers; the chief administrative officers; the chief executives, managers and administrative directors of the decentralized entities, autonomous, semi-autonomous, and other state-owned enterprises; the financial institutions, securities and pensions superintendents and intendants; as well as mayors and municipal intendants; assistant managers and administrative subdirectors; internal comptrollers and deputy comptrollers; internal

auditors and deputy auditors of the Public Administration dependencies; and department directors and subdirectors; and the officers of the public sector procurement department from holding a private practice when in office. This article covers any other professions that may be exercised by any of these officers even when they are not a requirement to exercise the public office.

- Law No. 10199 Law to Strengthen Entrepreneurships and small and medium enterprises (SMEs) (Ley para el Fortalecimiento del Emprendimiento y las Pymes).

CORPORATE GOVERNANCE

The Board of Directors agreed to adjust its strategic plan in 2022 with the goal of stressing the public value that Banco de Costa Rica has provided to the country's citizens throughout its history. This adjustment incorporates a holistic triple-bottom line approach in all its strategic objectives in order to manage new ways to further contribute to the country's sustainable development. Banco de Costa Rica has more than 145 years of experience and a substantial responsibility of achieving even greater social benefits for all its stakeholders and to ensure the financial, environmental, and social performance of its work.

The Conglomerate has been implementing an effectiveness model to manage its collective bodies to measure and continuously improve its management, transparency and assessment indicators. This has strengthened its accountability compliance of the various reports issued by Banco de Costa Rica: its Management Information System (MIS) reached 99% compliance, the posting of public information that guarantees transparency achieved 100%, and the overall effectiveness of the boards of directors and committees attained 88%.

Regarding comprehensive risk management, the balance between profitability and risk was maintained as the crisis generated by the COVID-19 pandemic and the political and economic effects of the armed conflict between Russia and Ukraine persisted. This allowed for prospectively identifying the potential consequences of domestic and

MESSAGE FROM THE BOARD OF DIRECTORS

international financial and non-financial risks for Conglomerado Financiero BCR and taking the necessary strategic actions to tackle them.

Furthermore, the strengthening of the area's technical capacities continued. This led to the constant improvement of the risk management models and methodologies used proactively by our board and senior management to add value to their strategic decisions.

Managing controls on money laundering, financing of terrorism, and financing of proliferation of weapons of mass destruction continues being a high priority for the Board of Directors, the General Management, and all institutional bodies, as is ongoing enhancement of a culture focused on mitigating these risks.

BUSINESS FOCUS

Retail Banking

During 2022, our Retail Banking offered a broad portfolio of credit products and managed to place 5,661 loans, of which 65% corresponded to home mortgage loans and 35% to consumer loans. Moreover, a new unsecured loan product called Supercrédito amortized through payroll deductions was approved; a total of €6,500 million of this new product was placed in the last quarter of 2022, which prompted a 2.7% growth in the loan portfolio.

Concerning our Small and Medium Enterprise (SMEs) segment, our strategies are currently being reinforced to improve the conditions for this sector. An example is the use of promissory notes to be able to grant loans more quickly. A total of 1,775 corporate loans amounting to €49,738 million were granted to finance SMEs' projects.

Likewise, €14,458 million – representing 100% of the resources of the Development Banking System – were placed in microloans. Similarly, €25,495 million in loan facilities using Deferred Forward Operations

(ODPs) resources were granted to enterprises that are still affected by the pandemic.

With regards to the deposit portfolio, by the end of the period, Retail Banking had grown 2.7% as a result of a €61,455 million increase. This resulted from a value proposition that encouraged saving. On the other hand, by the end of December, the 90+-day default indicator closed at 2.74%, way below the 4% target approved for 2022.

As of December, revenue from services YoY growth reached 24.55%, moving from €50,403 million (2021) to €62,775 million (2022), for a total increase of €12,372 million which contributed to increasing the Bank's profitability.

The Institution has also focused its efforts on providing its customers with modern digital channels based on its digital transformation strategy. Product digitalization and self-service have been enhanced, including the following important achievements:

- An increase in the number of Bank clients with access to digital channels in the transaction website and mobile App, accounting for 47% and 52%, respectively, of individuals using and benefiting from these digital channels.
- More than 315,000 online requests were filed using the BCR Directo forms which provide clients digital access to our services.
- The 141 Multifunctional ATMs available received 1,463,603 self-managed deposits from our clients; in fact, the Bank set a new record of 163,015 deposits received via this channel in one month.

Corporate and Business Banking

Present throughout the national territory, Banco de Costa Rica continued supporting the country's business and corporate sector and its citizens by processing services provided by the Costa Rican State through the Punto País platform.

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The Corporate and Business Banking economic development program has 1,926 active credit operations representing a portfolio balance of €1,681,186,00 million, for a 5% growth compared to 2021. Moreover, Deferred Forward Operations (ODPs) were placed to assist clients to improve their condition. One hundred percent of the resources were used, which represented a 28% decrease in their loan installments in average and 3.78% decrease in the average interest rate in local currency.

Regarding deposits, a balance of €2,114,692.00 million was kept, which confirms the trust the business sector has in BCR. A wealth of services was offered throughout 2022 to our corporate clients, which generated a YoY revenue growth of 57% from these services.

Furthermore, BCR's coverage of the municipal sector reached 84%, through the provision of collection services, financing facilities, and service revenue. In addition, 75% of the passports, 100% of the driving licenses, and 52,000 DIMEX (resident IDs) cards were issued through the Punto País platform. And 26,000 documents were digitally signed, as part of the services provided to Costa Rican citizens.

Public works trusts and investments have significantly pushed progress in the country's infrastructure by supporting the health, education, road, telecommunications, and hydropower sectors, just to mention a few examples. Moreover, a new investment trust was signed which brought our wealth management portfolio to almost US\$ 330 million.

Our Investment Banking is aimed at assisting current and potential BCR's clients meet their financial needs by designing and structuring various solutions specially tailored for them. They include special purpose vehicles, structured financing through partnerships with private and multilateral entities, issuance of public and private offerings of securities together with BCR Valores, financial modelling, loan syndication, and the provision of agent banking services and special loan programs, among other alternatives that allow consolidating and developing client synergies.

TECHNOLOGICAL FOCUS

Conglomerado Financiero BCR continues promoting digital banking by implementing innovative technologies which facilitate a business model that allows clients simple, agile, and secure transactions using a variety of channels. Some of the advances include:

- New features in the BCR Móvil and BCR Comercial mobile apps to ease transactions.
- Beep e-wallet to facilitate daily payments and increase security by making it unnecessary to carry cash or physical cards.
- Security mechanisms, such as 3DS, to reinforce BCR's security strategy for online purchases.
- Native device biometrics and a digital token to increase security and usability for digital financial transactions.
- PUSH notifications, credit visualization, and multiple-factor authorization to facilitate businesses management of their finances using mobile devices without the need of a computer, anywhere inside or outside the country.
- Mobile TAP implementation to facilitate payments for small enterprises through a simple and affordable model using mobile technology.
- Strengthening of our web channels for the natural persons segments through bancobcr.com and the business segment through BCR Comercial.
- Interbank Reference Rates for term deposits with a variable rate to give clients the benefit of choosing a rate update rather than keeping it fixed throughout the term.

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- Fully digital processing of certificates of debts, balances, repaid loans, and IBAN account number to save clients time and money by not having to visit an agency.
- Automated FX negotiations to allow companies to maximize their investments.
- Entry into the IoT world by launching SINPE Móvil (mobile money platform) on smart watches, such as Apple Watch, for versatile digital payments.
- New BCR Virtual Assistant (CORI) to provide products and services to our clients in an increasingly closer and more direct manner.
- As cybersecurity has become one of the most critical and important lines of defense against possible attacks, new state-of-the-art technology was implemented. Moreover, our partnership with the State's institutions was fortified by having BCR become an active participant and leader in the development of the National Cybersecurity Strategy together with the Ministry of Science, Technology, and Telecommunications (MICITT) and the Organization of American States (OAS).
- Acquisition of advanced technology to issue biometric passports that include the latest security tendencies against forgery and data alteration.
- Upgrade of the COIMSA system to allow users more efficient reporting and control over the payment of departure taxes when leaving the country.
- Implementation of Infinity (ERP) for the Bank to better manage its accounting in a centralized manner by combining the best international practices with automation to achieve increased internal process efficiency.

OUR SUBSIDIARIES

BCR Valores Puesto de Bolsa

The year 2022 posed many challenges. In an environment of increasing interest rates, the financial result of our stock brokerage were benefited by the timely negotiation of capital gains. BCR Valores ranks second in net capital gains. Furthermore, the annualized profitability of BCR Valores own portfolio reached 13.48% by the end of 2022, ranking first among public stock brokerages and third in the securities market.

BCR Valores also diversified its commission inflow by exploring new businesses and expanding the existing ones.

Third-party brokerage commissions have increased due to placement operations from new issuers and Central American market clients, which mitigated the impacts of the decrease in business transactions due to sinking prices in the local market.

Moreover, aligned with its sustainability strategy, our stock brokerage was able to contain its operating expenses, advance in innovation, enhance customer experience, and provide new offerings to clients.

BCR Sociedad Administradora de Fondos de Inversión (SAFI)

By the end of 2022, over US\$1,602 million in assets were managed by BCR SAFI, our investment fund subsidiary. Total assets amounted to €9,722 million and its equity totaled €7,639 million. Financial indicator compliance came to 88.72%, with a profitability of 21.02% and an operating efficiency of 58.99%. Thus, the net profit equaled €1,617 million.

Furthermore, digital channels were improved for a better customer experience. For instance, several website sections (e.g., Contact Us, the Financial Simulator, the Availability of Repossessed Real Estate, and the main menu) were updated. Biometrics was added to the BCR Fondos

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app to facilitate users' login and beneficiary creation and management without having to sign in.

Another improvement included the creation of several points of contact from the website by activating Messenger and WhatsApp and a videocall request. A popup was created that takes clients to the site evaluation and remind them of the importance of assessing their experience through [bcrfondos.com](https://www.bcrfondos.com).

Regarding other projects, the construction of Lindora Business Center was completed and officially inaugurated. In addition, Real Estate Funds were sold for US\$ 11,725 million.

BCR SAFI Management has continued implementing important measures to keep the various fundamental variables of the Real Estate Funds (i.e., occupancy level, revenue diversification, contract maturity, and profitability) at optimal levels by offering sound, competitive products to the industries where they operate.

BCR SAFI's management of real estate investment funds has bolstered its position and leadership in the Central American market and, in particular, the local market with a market share above 38%, while at the same time being the most relevant player in managed assets.

Regarding investment fund commercial efforts, by December 2022, its accounts had grown 23.88%, 4,169 clients had been affiliated online, and digital channel transactions had increased in one percentage point, moving from 78% in December 2021 to 79% in 2022.

BCR Operadora de Planes de Pensiones Complementarias

By the end of 2022, important financial results had been achieved despite the challenges faced by the industry with regards to the investment markets. For instance, concerning digital transformation and innovation, our complementary pension plan operator made available new self-services (e.g., inquiries about their five-year savings, account statements, and an exemption calculator) to its affiliates. In turn, the

number of digital transactions increased, and its excellent customer service was reinforced.

With respect to Social Responsibility in 2022, BCR Pensiones for the second year in a row was certified as a Carbon Neutral OPC and was included in the Country Program 2.0, version 1 [Programa País 2.0, versión 1], by the Climate Change Directorate of the Ministry of Environment and Energy [Dirección de Cambio Climático del Ministerio de Ambiente y Energía].

BCR Corredora de Seguros

Our insurance broker had profits for €2,815 million reaching its target. Furthermore, very satisfactory financial indicators had been achieved by the end of the year: operating efficiency scored 40.95%, ROE 36.59%, and its service revenue grew 7%, representing €7,130 million.

New products and sale channels were created, including a fire insurance product added to the [galileicompara.com](https://www.galileicompara.com) platform for clients to purchase their own fire insurance policy.

Another sale channel called Landing Page was created for clients, particularly SMEs, to self-manage their assistance insurance with a differentiated coverage at affordable cost.

BCR Logística

In 2022, our logistics division's general service revenue increased 11.84%, and its revenue from services provided to the Costa Rican State grew 5.59%, thus improving its profitability and operating productivity according to its targets and projections.

Its commercial management had a positive impact on the Conglomerate's consolidated financial data for the period. Total revenue increased 17% YoY, and its profits increased 37%. Its equity grew 6% as compared with the previous year.

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It supported the operations of the duty-free stores of the Social Welfare Institute [Instituto Mixto de Ayuda Social (IMAS)] at the Daniel Oduber Quirós Airport in Guanacaste, the Juan Santamaría International Airport in Alajuela, and the Depósito Libre Comercial de Golfito (a duty-free shopping center), whose operations reached 100% of the pre-pandemic indexes favoring, in turn, IMAS' objectives of promoting and protecting the development of the most vulnerable population.

Similarly, BCR Logística continued furthering its commercial efforts beyond the mere attraction of new users and clients to its affiliates. It focused on identifying the sector's needs and adjusting its offerings to the requirements of its current and potential clients. This led to effectively placing 48% of its offers and retaining current users and clients.

Banprocesa S.R.L.

Throughout 2022 Banprocesa strengthened its partnership with the IT Corporate Directorate to provide the Conglomerate services with the highest standards of efficiency and quality. Together their various verticals delivered on time all tasks assigned with full acceptance rate. They also upgraded their existing systems and deployed new ones.

At present, Banprocesa services close to 20 of the Conglomerate's systems, some of which are critical for its operations. Their work has positively impacted the Bank's financial results by bringing in savings in software development with high quality standards.

Banco Internacional de Costa Rica, S.A. (BICSA)

BICSA, our international bank, participated in the economic recovery observed for a large part of 2022 with a loan portfolio growth of 9% and loan disbursements close to US\$ 2,000 million to support clients throughout the region.

Net profits for 2022 exceeded expectations, with a 60% increase over the previous year and positive liquidity, default, and capital solvency indicators as compared with the industry. The most significant

commercial endeavor for the year was the business expansion in Mexico where a new office was built.

Its projects continue focusing on digital transformation and innovation by deploying new projects to make client operations more efficient and add value to them. The most relevant initiatives are the launching of mobile banking and the addition of services such as BICSA CARD and SINPE Regional as part of the value proposition offered to its clients by enabling online transactions. Furthermore, a more agile, secure, and user-friendly website was relaunched for clients' convenience in locating the products and services offered by BICSA and its subsidiaries.

ADMINISTRATIVE FOCUS

Human Resources

The main element in achieving the Conglomerate's strategic objectives is the commitment of the people who are part of it which, according to the organization's culture evaluation, showed favorable results in all four of the dimensions assessed: values and principles, customer experience, effectiveness, and leadership. The Management Certification Program has contributed to the leadership transformation process and has positively impacted the organizational culture and environment as compared to previous years. Moreover, as part of the digital transformation process, the organizational change management has allowed our associates to improve processes and build synergies thus favoring innovation.

In 2022, the Institution received a recognition from the International Center for the Development of Teleworking (Centro Internacional para el Desarrollo del Teletrabajo) for the implementation of good practices and making visible the lessons learned, strengths, and experience in the implementation of this work mode. Currently, 61.06% of the Conglomerate's associates are teleworking; 51% of them are women and 49%, men. The Conglomerate also received the Ecological Blue Flag Program (Programa Bandera Azul Ecológica) certification in the Sustainable Mobility category.

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It is important to stress the strong commitment of the General Board of Directors and the Senior Management to foster gender equality. Human capital management processes promote actions that allow offering equal conditions to all associates of the Conglomerate. The makeup and distribution of the Conglomerate's population shows that female colleagues participate in decision-making and business roles at different levels from middle to senior management. The Conglomerate has also been focusing on the holistic development of its leaders by sensitizing them about gender equality and taking firm steps along these lines when promoting internally.

Sustainability

A sustainable business vision had led to the strengthening of our governance and the institutional alignment to support the cultural change to a triple-bottom line business mode. Through the creation of the Sustainable Boost Program (Programa Impulso Sostenible) we have advanced in the promotion of projects and actions geared toward being accountable for the positive business impacts and improvement opportunities on all three dimensions; that is, our business is assessed according to environmental, social, and governance criteria. It also creates the conditions to manage risk properly and the transversal incentives of digital transformation, cybersecurity, and eco-efficiency in all interactions with our clients.

In 2022 Banco de Costa Rica celebrated its 145th anniversary, which reinforced the public value that it provides to Costa Rica through its various business lines:

- Throughout the year, the Institution kept its commitment to the country's sustainable development by supporting and financing initiatives framed within this objective. Therefore, loans for mitigation and adaptation to climate change projects were granted. Similarly, initiatives to promote electric mobility and fleet transformation to new environmentally friendly technologies were also supported through technical assistance to the public transportation sector.

- The consolidating of the Punto País platform has aided in democratizing access to important services, such as processing of migration paperwork, issuance of driver's licenses, payment of judicial obligations, collection of electronic legal duties (stamps) and departure taxes, among others. New Punto País posts were deployed in several areas, especially in communities outside the Great Metropolitan Area (GAM).
- Our sound trustee experience has allowed us to continue providing first-class solutions to the country by linking a variety of service schemes that have brought about benefits to the population. An example is the implementation of the second phase of the ICE-RANGE Trust, whereby 300,000 high-speed internet solutions will be enabled.

Similarly, we were proudly appointed trustees in charge of managing the FONATEL Trust beginning in December 2022; this is the main public policy instrument available to reduce the digital divide for the most vulnerable population in the country.

As part of this same business line, the entity handed over the 15,990-m² Judiciary Tower, building that received the Silver Leed category. The construction of the 23,400-m² Judicial Branch building in Puntarenas continued, which it is also expected to receive the Leed certification once completed. These works developed under the experienced guidance and competencies of the Trust Management, are concrete examples of the Conglomerate's contribution to having Costa Rica better comply with the Sustainable Development Goals.

- The work with the Municipal Sector continued expanding; by the end of 2022, tax collection services were provided to 90% of the Local Governments. Our commitment to this sector will consolidate even further with the implementation of the activities in the IFAM-BCR Interinstitutional Cooperation Agreement (Convenio de Cooperación Interinstitucional IFAM-BCR) subscribed in December 2022 to continue providing high value-added services to the country's first line of action, i.e., the Local Governments.

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- As part of our financial education programs, 22 workshops were held with the participation of about 500 people who learned about the best practices for healthier finances for Costa Rican families.
- Costa Rica's public higher education is strongly supported by providing high quality and affordable financial services to all segments of the social fabric nourishing from this great national effort. A concrete instance of this commitment is the relationship with the scholarship program of the University of Costa Rica (UCR) whereby in 2022 close to 4,000 students, mostly from rural areas and with a particular focus on gender parity, were benefited with this program.
- Banco de Costa Rica continued nurturing partnerships with world-class strategic allies, such as the French Development Agency with which it agreed the terms for a US\$ 25 million loan to finance projects on climate change mitigation and adaptation and for € 300 thousand in non-refundable technical cooperation to develop a sustainable financing strategy and develop green banking products and services.
- Finally, thanks to an agreement with the National Stock Exchange (Bolsa Nacional de Valores / BNV), the Bank became one of the beneficiaries of the cooperation program between the Central American Bank for Economic Integration (CABEI) and the BNV, the CABEI-BNV Cooperation Agreement, for the development of a sustainable development framework to promote thematic emissions in the securities market.

The important public value generated by BCR's business lines made it the first state-owned bank to be proudly awarded the Essential Costa Rica Country Brand. This milestone means that the Bank operates with the highest competitive standards both at a national and international level reflected in the values promoted by this program – sustainability, excellence, social progress, innovation, and Costa Rican origin – which are evidenced in every interaction with our clients.

Administration

Improvements that impact the operating efficiency of the Bank's value chain processes were implemented for the benefit of our clients. Furthermore, important infrastructure investments have been made, including a new office in Liberia, the renovation of the offices in Quepos, the remodeling of the EBAE building, the remodeling of the Technology Building, and signage placement in the Headquarters.

Agreements were signed with other financial institutions and an important number of business and corporate clients to sell and transport cash and securities, which have resulted in an increase in revenue from commissions.

Banco de Costa Rica is recognized for its work on protecting and safekeeping its clients' capital thanks to the efforts of the Security and Fraud Prevention areas. Another step toward enhancing these features is the implementation of a Financial Security Operations Center (SOC) currently underway to reinforce the anti-fraud program. Together this SOC and the Antibribery Management System (Sistema de Gestión Antisoborno /SIGAS) will position the Bank as the national and regional leader on these matters.

OUR CHALLENGE

Regarding its commitment to the country, Conglomerado Financiero BCR maintained a good financial market balance and achieved high operating efficiency indicators (67.3%) and profits for ₡48,172 million. This encourages us to continue working on the implementation of new strategies to strengthen our business models to offer an even better experience to our clients with a responsible business behavior committed to the environment and Costa Rican society.

Gina Carvajal Vega
Chair of the General Board of Directors

CORPORATE EXECUTIVE COMMITTEE



From left to right:
Manfred Sáenz Montero (*Corporate Legal Manager*), Minor Morales Vincenti (*Corporate Risk Manager*), Johnny Chavarría Cerdas (*Corporate IT Manager*), Douglas Soto Leitón (*General Manager*), Álvaro Camacho de la O (*acting Corporate Banking Assistant Manager*), Mynor Hernández Hernández (*Corporate Operations Manager*), Rodrigo Ramírez Rodríguez (*Corporate Credit Management Manager*), Rossy Durán Monge (*Corporate Finance Manager*), Kattia Ajoy Arnáez (*Corporate Digital Transformation Manager*), Sandra Araya Barquero (*Corporate Human Capital Manager*), Rina Ortega Ortega (*acting Retail Banking Assistant Manager*).

MESSAGE FROM THE GENERAL MANAGEMENT

In 2022 as we were celebrating our 145th anniversary, we pondered about the footprint we have left in the country under our goal of providing services for the economic and social development for all Costa Ricans.

BCR's participation in the dynamism of our national economy is fundamental and directly impacts the various processes and sectors of society, a role that we take very seriously and that is matched with great efficiency. We are the Universal Bank for our country's digital government and work hard through several public works trusts to develop the Costa Rican economy.

On the other hand, our financial results are worth mentioning. In 2022 our profits reached €48,172 million and our credit portfolio amounted to €3.30 thousand million, with a 3.27% increase as compared to 2021.

We were able to keep a healthy loan portfolio with a 90+ days default rate at 2.74% by the end of the year, and our impaired loan coverage was 161.45%.

Our financial intermediation expenses amounted to about €129,107 million. This allowed us to keep a sound liquidity position, which is reflected in indicators that were above the regulatory levels.

We launched a holistic strategy aimed at strengthening and supporting our capital adequacy, thus placing it at 12.22% by December 31, 2022.

Our operating efficiency by the end of the year was 67.03% as we continued implementing actions to manage and control our administrative expenses. In this sense, we will continue taking actions to bring this percentage to 60% or less.

This year we focused on the ongoing digital transformation. We deployed different tools, such as Beep, our e-wallet for Android; Tap Móvil, that has reinforced our acquisition product portfolio; and CORI,

our virtual assistant that clients can use to get immediate answers to a variety of topics. We also upgraded COIMSA, the departure tax collection tool, for the benefit of the Costa Rican State, and deployed Infinity, our ERP integrated information tool for the Conglomerate's administrative management.

Furthermore, we have been working to transform our clients' banking experience by migrating to fast, customized options according to the most recent trends. For example, we took an important step toward improving our self-services by enabling the option for clients to request the most common types of certificates (e.g., IBAN account numbers and credit balances, among others) via our website.

Our efforts toward digitalization will continue advancing along the path of innovation thanks to our CTIC Technology Center. CTIC is currently developing important projects for our Conglomerate that will make us remain at the forefront of changes in ICT, cybersecurity, monitoring, and obsolescence management, and other areas.

Similarly, as part of our continued effort to benefit our society, our Punto País platform is constantly being improved to offer agile e-government services. We have become the only operator that can print drivers' licenses, as well as a strategic partner of a several institutions with which we have signed and/or renewed agreements and projects.

Another important aspect is that our subsidiaries are market leaders with healthy financial indicators, which speaks to the efforts of and strengthens Conglomerado Financiero BCR.

Our competitiveness standards are very high and values such as excellence, sustainability, social progress, innovation, and Costa Rican origin were acknowledged by having been accredited as Essential Costa Rica, our Country Brand.

We are on a steady path to become a leader among financial conglomerates by offering the best experience assisted by technological innovation, excellence in customer service, and a broad portfolio of

MESSAGE FROM THE GENERAL MANAGEMENT

products and services to continue promoting the country's sustainable development and increasing our sales.

We will continue working together for our clients, to give Costa Rica a sustainable, modern, innovative, competitive bank that drives economic and social development to benefit Costa Ricans for many years to come.

Douglas Soto Leitón
General Manager, Banco de Costa Rica



ACHIEVEMENTS

ACHIEVEMENTS

In 2022 two new types of loan products were launched: BCR Salud (for medical expenses) and BCR Educación (to pay for schooling expenses). Other innovations included fingerprint biometrics for Android and 3DS for even more secure online purchases and peace of mind for our clients when conducting these types of transactions.

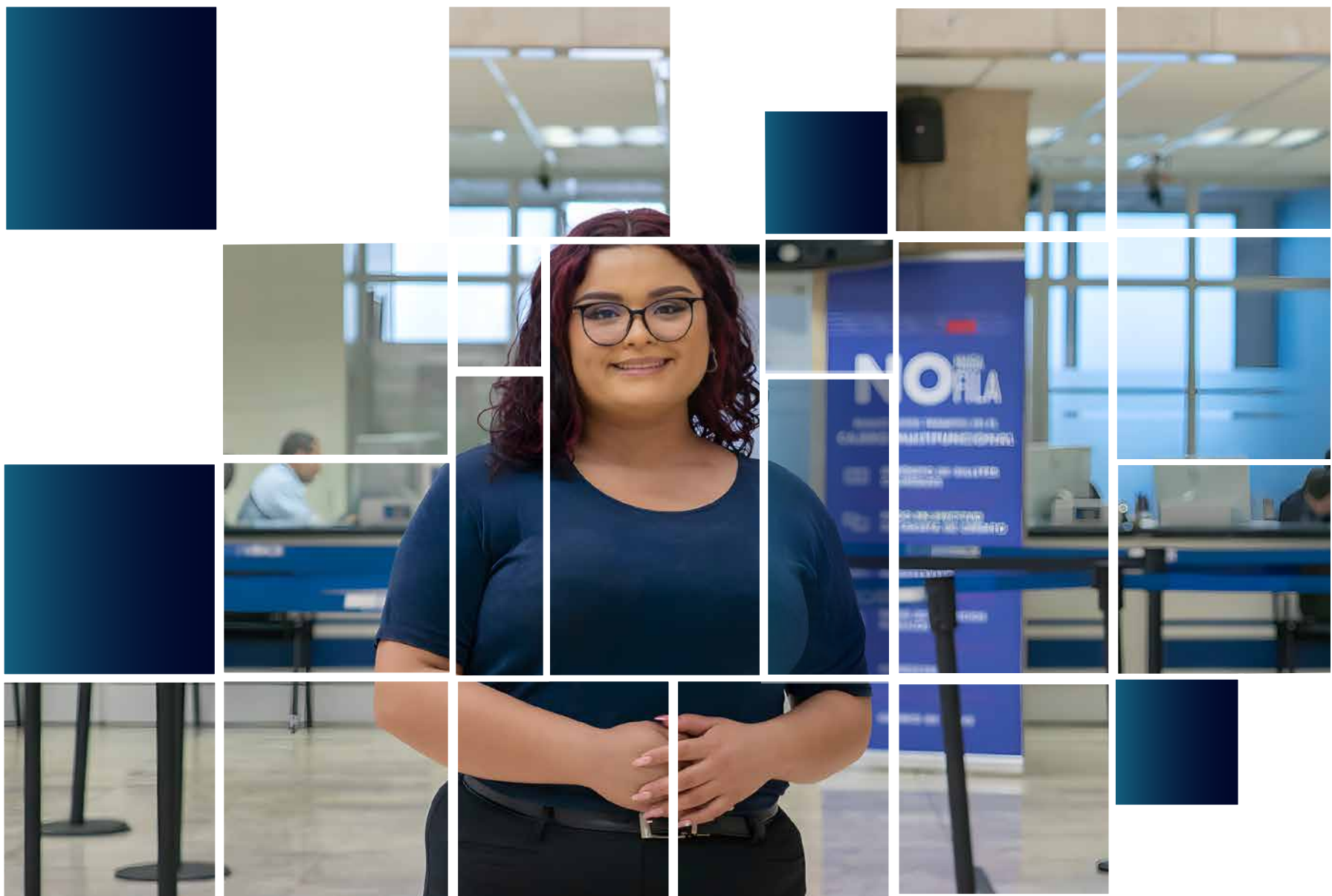
In May we inaugurated the CTIC Technology Center which is developing important projects for the Conglomerate. CTIC will allow us to remain at the forefront of changes in ICTs, cybersecurity, monitoring, and obsolescence mitigations, among others.

In June Beep, the e-wallet for Android, was deployed, while in July COIMSA, the upgraded departure tax collection system became operational.

Since August, BCR has been the only drivers' license printing operator. In September, the option to self-manage requests for the most common types of certificates (IBAN account numbers, loans, and others) was enabled. In this same month, the Bank was accredited as Essential Costa Rica, our Country Brand, which reiterates its competitiveness and commitment to excellence.

In November two important tools were rolled out: Tap Móvil, which reinforced our acquisition product portfolio, and CORI, our virtual assistant that clients can use to get immediate answers to a variety of topics.

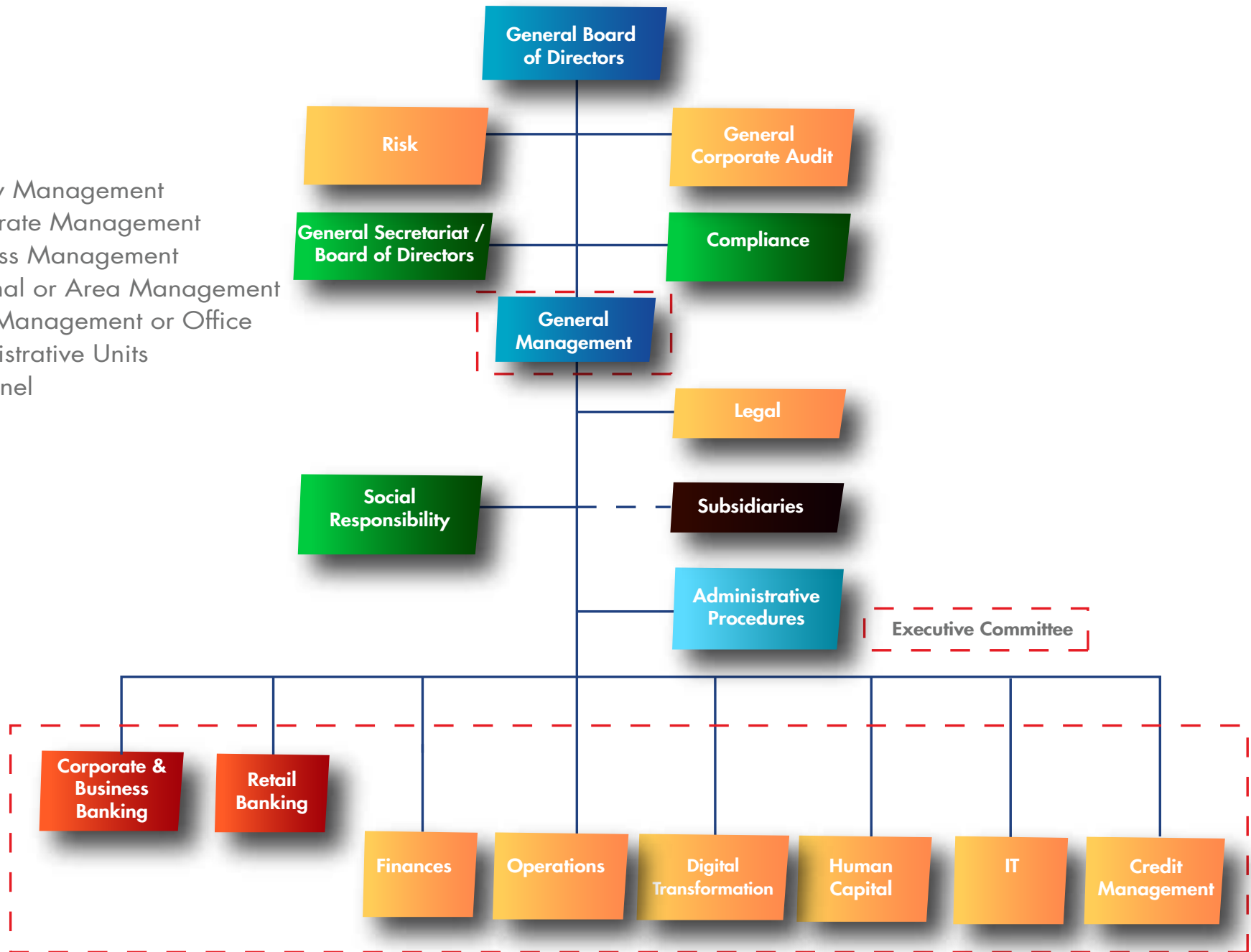
Banco de Costa Rica continues positioning itself as a strategic partner of several institutions. It renewed its agreement with the General Directorate of Migration and Foreigner Matters (Dirección General de Migración y Extranjería /DGME) and the National Vital Records Office (Registro Nacional). An agreement with IFAM, the Municipal Development and Advice Council, to continue sharing our experience and professionalism in favor of public administration. Finally, synergies have been developed with institutions such as Procomer (Foreign Trade Promoter), Coocique (a loan-and-savings cooperative), Correos de Costa Rica (the post office concessionaire), Junta de Protección Social (the philanthropic organization that administers lotteries in the country), and free trade areas to continue building partnerships to promote the development of a variety of sectors.



ORGANIZATIONAL STRUCTURE

ORGANIZATIONAL STRUCTURE

- Deputy Management
- Corporate Management
- Business Management
- Regional or Area Management
- Local Management or Office
- Administrative Units
- Personnel





CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

The organization's good corporate governance has contributed to strengthening the internal structure, which has made it possible to align all institutional decisions with its objectives.

Moreover, it has become an important driver for the creation of value by improving the financial results.

GOVERNANCE STRENGTHS

Effective Administrative Council

- 21% participation of independent directors in the Conglomerate's boards
- 48% female participation in the Conglomerate's boards
- Robust committee structure to support the Boards
- Healthy corporate governance practices included in the Governance Code
- Solid corporate values and ethical principles that reinforce the organization's culture

Changes in the Collective Entities

- Creation of a Board of Directors in BCR Leasing
- Integration of the Esfera Business Support Committee for project financing
- Elimination of the Culture, Ethics, and Performance Committee
- Change of directors in the BCR SAFI and BCR Leasing boards

Regulatory Adjustments

The following documents were updated:

- Governance Code
- Regulation on the Board of Directors' Support Committees
- Administrative Provisions for the Strategic Planning Cycle
- Administrative Provisions for Planning, Preparing, Communicating and Following-up Business Plans

Improvements

- Application of an assessment to independent members (comptrollers and external members)
- Score of 100% in the Aggregate Report issued by the Governance Council

OVERVIEW

Through this overview, we report on the corporate governance status. Emphasis is given to quality standards according to the recommendations of international organizations and the regulator's expectations.

Shareholding

Banco de Costa Rica is a commercial bank wholly owned by the Costa Rican State; it operates as an autonomous institution governed by public law; so, it has no shareholders. It is not a corporation.

The equity of Conglomerado Financiero BCR Subsidiaries is wholly owned by Banco de Costa Rica and is regulated by the Costa Rican financial system regulator.

Board of Director's Compensation Policy

Board members' punctual meeting attendance entitles them to collect a fixed stipend which is specified in the annual budgets of the Conglomerate's Subsidiaries. The stipend is defined by the Governing Council according to the regulation in force.

Moreover, directors' attendance at regular and special meetings of the permanent or temporary committees of BICSA's Board of Directors is remunerated at an amount equivalent to 50% of the ordinary stipend earned as Bank's directors according to the provisions in the BICSA's Board of Directors Regulation.

CORPORATE GOVERNANCE

MANAGING BODIES' STRUCTURE

Article 21 of the Organic Law of the National Banking System [Ley Orgánica del Sistema Bancario Nacional] sets the Board members' basic profile, whose selection process takes place at the Governing Council every eight years.

This article specifies that at least four of the directors have to have a licenciatura degree or equivalent professional degree, one has to have a degree in Economic Sciences and another in Law.

The Conglomerate entities are the following:

- BCR Valores Puesto de Bolsa S.A.
- BCR Sociedad Administradora de Fondos de Inversión S.A. (BCR SAFI)
- BCR Leasing S.A.
- BCR Pensiones, Operadora de Planes de Pensiones Complementarias S.A. (BCR OPC)
- BCR Corredora de Seguros S.A.
- Depósito Agrícola de Cartago S.A.
- Almacén Fiscal Agrícola de Cartago S.A.
- Banco Internacional de Costa Rica (BICSA)
- Banprocesa S.R.L.

Banco de Costa Rica wholly owns its Subsidiaries' equity, with the exception of Banco Internacional de Costa Rica (BICSA) where it holds 51% of the capital, while the remaining 49% belongs to Banco Nacional de Costa Rica (BNCR).

Next is the detail of the number of directors of each collective body. An updated version may be found at:

https://www.bancobcr.com/wps/portal/bcr/bancobcr/acerca-del-bcr/gobierno_corporativo/directores/

BOARD OF DIRECTORS

The selection process of the Subsidiaries' directors is done by each subsidiary's meeting of members. The directors' appointments are carried out according to each subsidiary's articles of incorporation.

BCR Board of Directors

Gina Carvajal Vega	Chair
Fernando Víquez Salazar	Vice Chair
Néstor Solís Bonilla	Director
Mahity Flores Flores	Director
Luis Emilio Cuenca Botey	Director
Eduardo Rodríguez del Paso	Director
Liana Noguera Ruiz	Director

BICSA Board of Directors

Fernando Víquez Salazar	Chair
Marvin Arias Aguilar	BNCR Vice Chair
Mahity Flores Flores	BCR Vice Chair
Allan Calderón Moya	Independent Director
María Jeannette Ruiz Delgado	BNCR Director
Gina Carvajal Vega	BCR Director
Lidia Marjorie Jiménez Varela	Independent Director

CORPORATE GOVERNANCE

Board of Directors of Corredora de Seguros

Liana Noguera Ruiz	Chair
Eduardo Rodríguez del Paso	Vice Chair
Mahity Flores Flores	Treasurer
Gina Carvajal Vega	Secretary
Nestor Solís Vega	Member
Verónica Julieta Acosta	Comptroller
Gándola	

Board of Directors of BCR Pensiones

Nestor Solís Vega	Chair
Fernando Víquez Salazar	Vice Chair
Luis Emilio Cuenca Botey	Treasurer
Lidia Marjorie Jiménez Varela	Secretary
María del Milagro del Carmen	Member
Herrera Quirós	
María del Pilar Muñoz Jiménez	Comptroller

Board of Directors of BCR Valores

Eduardo Rodríguez del Paso	Chair
Fernando Víquez Salazar	Vice Chair
Liana Noguera Ruiz	Treasurer
Nestor Solís Vega	Secretary
Luis Emilio Cuenca Botey	Member
María del Pilar Muñoz Jiménez	Member

Board of Directors of BCR SAFI

Mahity Flores Flores	Chair
Eduardo Rodríguez del Paso	Vice Chair
Luis Emilio Cuenca Botey	Treasurer
Liana Noguera Ruiz	Secretary
Gina Carvajal Vega	Member
Marco Montero Jiménez	Comptroller

Board of Directors of BCR Leasing

Douglas Soto Leitón	Chair
Carlos Alberto Philips Murillo	Secretary
Álvaro Camacho de la O	Treasurer
Irene Hernández Sánchez	Member 1
Rossy Durán Monge	Member 2
María del Pilar Muñoz Fallas	External Member

Board of Directors of BCR Logística

Douglas Soto Leitón	Chair
Evelyn Aguilar Corrales	Secretary
Mynor Hernández Hernández	Treasurer
Carlos Alberto Phillips Murillo	External Member

CORPORATE GOVERNANCE

MANAGING BODIES

The period's variations included:

- Qualifications
- Board members' participation in other entities of the group
- Related operations, which are detailed on the website at:

https://www.bancobcr.com/wps/portal/bcr/bancobcr/acerca-del-bcr/gobierno_corporativo/informacion_gobierno_corporativo/op_vinculadas/

All variations contributed to strengthening the good corporate governance principles through proper management.

Variations

Significant changes happened in the boards of directors of Conglomerado Financiero BCR in 2022. Most of them took place in the second quarter due to the change in the country's Administration.

The changes in each board of directors may be found at:

https://www.bancobcr.com/wps/portal/bcr/bancobcr/acerca-del-bcr/gobierno_corporativo/directores/

Board Members' Qualifications and Participation in other Group Entities

The qualifications, experience, and positions that the members of the Board of Directors of Conglomerado Financiero BCR hold in the boards of the Subsidiaries are detailed on the website at

https://www.bancobcr.com/wps/portal/bcr/bancobcr/acerca-del-bcr/gobierno_corporativo/directores/

Related Operations

The relevant operations as of December 31, 2022, show a transfer of resources and obligations among entities and board members or equivalent structure and executives of some of the Conglomerate's entities.

BOARD MEETINGS OF CONGLOMERADO FINANCIERO BCR

Conglomerado Financiero BCR held 218 board meetings in 2022.

Information management system reports were very effective for decision making during this period.

Senior Management

The reporting hierarchy at Conglomerado Financiero BCR is specified on the website of Banco de Costa Rica at:

https://www.bancobcr.com/wps/portal/bcr/bancobcr/acerca-del-bcr/gobierno_corporativo/alta_gerencia/linea_reporte/

CORPORATE GOVERNANCE

Board of Directors' Meetings

The following table details the number of meetings held by the boards of directors in 2022.

Entity	Regular Meetings	Special Meetings	Total
Banco de Costa Rica	39	8	47
BCR Valores S.A. – Puesto de Bolsa	24	6	30
BCR Operadora de Planes de Pensiones Complementarias S.A.	24	10	34
BCR Sociedad Administradora de Fondos de Inversión S.A.	24	6	30
BCR Corredora de Seguros S.A.	24	4	28
Depósito Agrícola de Cartago S.A.	12	3	15
Almacén Fiscal Agrícola de Cartago S.A.	12	3	15
Banco Internacional de Costa Rica	12	6	18
BCR Leasing	1	-	1
Total	172	46	218

Senior Management

The qualifications and experience of the senior management members of Conglomerado Financiero BCR are detailed in Banco de Costa Rica's website at:

https://www.bancobcr.com/wps/portal/bcr/bancobcr/acerca-del-bcr/gobierno_corporativo/alta_gerencia/

TRANSPARENCY

The following section provides relevant information about the organization.

Objectives, Competencies and Obligations

The Institution's objectives, competencies, and obligations are published in our website at:

https://www.bancobcr.com/wps/portal/bcr/bancobcr/acerca-del-bcr/informacion_corporativa/mision_vision/

Services

Banco de Costa Rica offers a wide range of products and services geared to individuals, companies, and MSMEs through our commercial offices, digital platform, and website (www.bancobcr.com). The retail segment offers a variety of savings, investment, and financing options. The corporate and MSME segments provide differentiated products to meet our clients' needs on a timely basis.

Institutional Strategic Plan

The Conglomerate's Strategic Plan was approved by the General Board of Directors on December 21, 2021. It frames the roadmap toward the new institutional vision of "being the leader among Financial Conglomerates by offering better client experiences assisted by technological innovation, excellence in customer service, and a broad portfolio of products and services to continue promoting the country's sustainable development."

The strategic plan is based on two main pillars that underpin our Conglomerate's reason for being: support the country's sustainable development and secure our financial standing.

During the annual plan review in 2022, the triple-bottom line vision was added to the strategic objectives in a transversal manner in order to support Costa Rican society even further and focus on environmental, social, and financial matters.

CORPORATE GOVERNANCE

The corporate governance framework guarantees timely and accurate communication of all relevant matters related to Conglomerado Financiero BCR. Some of them are described next.

Succession Plans

The objectives of these plans are to identify, develop, and ensure that all the Conglomerate's executive and senior management positions are covered in a planned manner. Additional details may be found in our website at

https://www.bancobcr.com/wps/portal/bcr/bancobcr/acerca-del-bcr/informacion_corporativa/capital_humano/indice_gestion_institucional

Performance Evaluation

The senior management and Conglomerado Financiero BCR utilize a Performance Management System whose purpose is to comprehensively evaluate the performance efficiency and effectiveness of all of the Bank's associates according to their job descriptions.

Financial Statements

The audited financial statements of Conglomerado Financiero BCR may be consulted in the Bank's website at:

https://www.bancobcr.com/wps/portal/bcr/bancobcr/acerca-del-bcr/transparencia/estados_financieros_bcr

Institutional Risk Assessment System

The risk management system (Sistema Específico de Valoración de Riesgo Institucional or SEVRI) helps achieve an adequate balance from the expected outcomes of our commercial strategy through effective risk-based management.

Creation of New Subsidiaries

The information related to the merger or creation of new subsidiaries is detailed in our website at:

https://www.bancobcr.com/wps/portal/bcr/bancobcr/acerca-del-bcr/gobierno_corporativo/directores/

Environmental Protection and Sustainability

Conglomerado Financiero BCR promotes a business model that is increasingly more sustainable for the benefit of the population and the environment by engaging in a dialogue and taking measures to better meet the needs and expectations of all its stakeholders.

Auditing Mechanisms

The mechanisms employed to conduct internal and external audits are detailed on our website.



SOCIAL RESPONSIBILITY

SOCIAL RESPONSIBILITY

OUR COMMITMENT TO THE COUNTRY

Within the celebration of the 145th anniversary, our conviction that Banco de Costa Rica plays an important role as a driver of economic growth to promote the collective wellbeing of all our stakeholders was enhanced even further.

Generating public value with an even higher positive impact in the social, environmental, and economic spheres sets the foundations of the business model used by BCR and its subsidiaries. This is why with strategic rigidity and a corporate governance committed to the institutional alignment we have been encouraging a cultural change toward a triple-bottom line business model that steers our organization to the achievement of our strategic objectives: support the country's sustainable development and secure the financial position of Conglomerado Financiero Banco de Costa Rica.

Under the leadership and commitment of the Bank's General Board of Directors and Senior Management, our business plan and strategic plans were revised and strengthened. As a result, the contribution of BCR and its subsidiaries to the country's implementation of the Sustainable Development Goals (SDGs), the principles of the UN Global Pact, and the guidelines of the Organization for Economic Cooperation and Development (OECD) was recognized. Our goal is to consolidate a business conduct inspired in our institution's values to continue being an economically responsible, ecologically respectful, and socially committed financial conglomerate.

Banco de Costa Rica decided to share with the country the social impacts of its accountability campaign as part of the 145th anniversary celebration; this report may be accessed at <https://bit.ly/418IXiy>.

Substantial advances were made in material aspects that have made our business lines more sustainable. Our priority focus on governance, cybersecurity, and digital transformation processes to provide a better client experience through self-services stand out. We also stressed the institutional commitment to promoting a decision-making culture based

on risk assessment and ESG (economic, environmental, and social) opportunities derived from the best sustainability practices in our sector and the involvement of other stakeholders in our management.

The maturity of our triple-bottom line business model was acknowledged last year by the Costa Rican Institute of Tourism (Instituto Costarricense de Turismo) by awarding us the Country Brand Essential Costa Rica. This is a differentiating seal that has inspired our Institution to continue nurturing a responsible business conduct with all our stakeholders according to the criteria utilized by this accreditation: excellence, sustainability, social progress, innovation, and Costa Rican origin.

With the satisfaction of having acted on different matters important to our Conglomerate, we would like to emphasize the robust revision and updating process to which our institutional legal framework was subjected, particularly our Institutional Ethics Framework which renewed our commitment with ethics and transparency in our actions, respect of the law, and responsibility to bringing about positive impacts to our stakeholders and the environment.

In this sense, according to the "2021 Aggregate Report on State-Owned Enterprises" ("Reporte agregado sobre el conjunto de empresas propiedad del Estado 2021") presented by the Ministry of Planning (MIDEPLAN), Banco de Costa Rica scored 100% in its compliance with the requirements on transparency and disclosure of financial and non-financial information. To date, the 2022 report has not been published yet.

Our framework of action is complemented with new guidelines which define a standard language to communicate the Conglomerate's actions as part of its commitment to the country's sustainable development by integrating the Conglomerate's sustainable vision in all corporate communications.

With the purpose of strengthening the desired culture and as part of our ongoing educational efforts, the course "Sustainable Banking: an Opportunity to Innovate" (Banca sostenible: una oportunidad para

SOCIAL RESPONSIBILITY

innovar) was organized with the aim of adding value to our knowledge and understanding of the impact of sustainability on innovation and reinforcement of the activities that the Conglomerate's associates carry out. A total of 4,005 employees, representing 98% of the total number of participants in the course who passed the exam, were certified.

Next we share other priority sustainable actions undertaken by Banco de Costa Rica and its subsidiaries in 2022 with emphasis on the environmental and social dimensions. Readers who want to learn more about our efforts and achievements in the economic and business governance dimensions should refer to other sections of this accountability report.

ENVIRONMENTAL DIMENSION

As has been reported, climate change challenges are a constant in the global agenda, which is constantly evolving requiring not just actions, but also training at both the institutional level and at the stakeholders level. Aligned with the country's challenges, the National Policy on Adaptation to Climate Change [Política Nacional de Adaptación al Cambio Climático], the National Decarbonization Plan [Plan Nacional de Descarbonización], and the 2020-2050 Territorial Economic Strategy [Estrategia Económica Territorial 2020-2050], among other regulatory guidelines, programs and solutions for the effective implementation of climate financing were strengthened.

Through the Sustainable Boost Program (Programa Impulso Sostenible), led by the Institutional Corporate Bank, clients are offered a commercial support ecosystem with innovative financial solutions. Its goal is to provide clients with more effective solutions not only for their economic growth needs, but also for their value chain needs. It also seeks to guide their actions to face the challenges of climate change with the support of an interdisciplinary team of experienced professionals who are committed to customizing the services they provide according to those needs. Info-communications projects such as RANGE-ICE and Coopeguanacaste, among others, were promoted as part of this initiative.

An essential pillar for the strategic governance of our clients' businesses is the strengthening of their financial materiality. This is possible in part thanks to the contribution of environmental positive impacts on the value chain of which Banco de Costa Rica is part. Our Environmental, Social, and Governance Management System is a component of our roadmap for the promotion of the Bank's and its clients' sustainable finances. There are still challenges that require attention to add a more comprehensive value to this tool, which is already being used to be accountable with regards to the placement of sustainable financing for mitigation, prevention, and adaptation to climate change projects.

Sustainable procurement is of institutional interest because of the socio-economic and environmental impact on the business continuity of the Conglomerate and its stakeholders and because of their need for products and services, plus its contribution to guaranteeing a quality – price ratio according to their life cycle. In this sense, in 2022 significant progress was made in strengthening governance through administrative procurement provisions that emphasize these matters.

Furthermore, an internal tool was developed to make it easier for its users to identify ESG risks and criteria in the procurement process based on the Sustainable Public Procurement Guide (Guía de Compras Públicas Sostenibles, Executive Decree No. 39310 - MH - MINAE - MEIC – MTSS). This was accompanied by the implementation of an awareness raising process which included eight workshops geared to 219 employees who are directly involved in this process.

Consistent with our commitment to ecoefficiency and sustainable financing, we continue to actively participate as volunteer signatories of the Business Commitment to Increase the Climate Ambition [Compromiso Empresarial para Aumentar la Ambición Climática], led by the Superintendencia General de Entidades Financieras (SUGEF) – the banking sector regulator – and the Green Protocol of the Chamber of Banks [Protocolo Verde de la Cámara de Bancos], both of which were adopted in October 2019.

SOCIAL RESPONSIBILITY

Regarding the commercial offer to promote the adoption of good environmental practices, we continue endorsing the PRO-ECO MiPymes program, in particular the PRO-ECO Vehicles line (which are environmentally friendly) and the PRO-ECO Sustainable Housing line, for micro, small and medium enterprises that need financing for projects with sustainability components.

Those actions complement the environmental indicators of our Institutional Environmental Management Program [Programa de Gestión Ambiental Institucional (PGAI)], whose accountability report is submitted every year to the Ministry of Environment, Energy and Telecommunications (MINAET). Six years in a row, Conglomerado Financiero BCR has received a distinction as one of the institutions with excellent environmental performance with a score of 103.55% in the PGAI Traffic Light ["Semáforo de implementación PGAI"] in the green (+) segment.

Furthermore, the Bank kept its accreditation as the first banking institution in the Sustainable Mobility category of the Ecological Blue Flag Program [Movilidad Sostenible del Programa Bandera Azul Ecológica (PBAE)], granted to its headquarters because of its adoption of the best mobility practices for the benefit of its employees' quality of life and reduction of their individual environmental footprint. BCR Headquarters received five white stars because of its management of this category.

SOCIAL DIMENSION

Addressing collective wellbeing while committing to economic growth is part of the due diligence that leads to the management of positive social impacts with public value. Similarly, effectively incorporating the new social agenda is an ever present challenge to maximize our clients' and other stakeholders' experience. This turned into concrete actions that were compiled in the GRI Standards on Sustainability Reporting, aligned with the Sustainable Development Goals (SDGs), and the ten universally accepted principles in four thematic areas of the UN Global Pact: human rights, labor standards, environment, and anticorruption.

https://www.bancobcr.com/wps/portal/bcr/bancobcr/acerca-del-bcr/responsabilidad_social/reportes_de_sostenibilidad/

Our interest in contributing value content and good practices for the collective wellbeing is reaffirmed in the bimonthly edition of the Sustainability Bulletin (Boletín de Sostenibilidad), an informative and transparent tool on our accountability to our clients. These bulletins may be found at:

<https://mibcr.com/wps/portal/blog/blog/sostenibilidad>

Part of our social investment in matters not related to the provision of commercial products and services is our financial education program called Finanzas en Acción, which was created in 2020 with two priority pillars: targeted training and boosting habits.

The first is the consolidation of an important institutional effort to address the training needs related to healthy financial habits through customized face-to-face and virtual courses primarily geared to payroll clients. The second responds to our objective of extending our reach, which came to life as a comprehensive social communication platform hosted on a microsite at bancobcr.com which offers valuable content and universal free access.

Banco de Costa Rica was the first institution to offer an educational website, with chapters devoted to diverse topics and which provide practical tips for a healthier financial life. Under the slogan Aprenda con nosotros (Learn with Us) we are reaching more than 996,000 persons per year. Find details at:

https://www.bancobcr.com/wps/portal/bcr/bancobcr/acerca-del-bcr/responsabilidad_social/finanzas_en_accion/episodios/

Our commitment to cybersecurity as a material issue that impacts our clients and other stakeholders stands out as well. Our collaborative, ongoing and rigorous work on this matter includes sharing good

SOCIAL RESPONSIBILITY

practices and experiences with the competent authorities and the whole sector.

It is also important to mention the implementation of the Institutional Security Map [Mapeo de Seguridad Institucional (MSI)] to determine the risk and security levels of each of the offices in particular and of our Conglomerate in general. Together with the Security Operations Center (SOC), the antifraud program and the Antibribery Management System they represent significant accomplishments for the collective wellbeing.

With regards to our digital transformation, our roadmap allows us to continue providing social value through the creation and strengthening of our self-service, in-person, and online channels that constantly monitor their security and functionality to safeguard our clients' physical and equity integrity and to support information and financial education processes.

Commercial innovation was the highlight at the end of the year as we deployed new payment experiences for our clients by digitalizing debit and credit cards through the Apple Pay and Beep e-wallets. Tap Móvil strengthened our clients' purchasing experience as well. SINPE Móvil, the mobile money transfer option, was added to Apple Watches. Another improvement was the increase of the maximum daily amount allowed for transfers to reduce the use of cash for more secure and easier transactions.

Another important development was the possibility of using the BCR Móvil App to pay the vehicle circulation permit in installments at any time and anywhere without hassle. BCR Clave Virtual (virtual password) for our mobile app is another innovation that is contributing to improving our clients' quality of life by reducing their dependence on physical validation elements. CORI, our 24/7 virtual assistant, was also launched to provide different self-service options and universal and inclusive access to a variety of inquiries. Finally, security features were added to all our digital channels.

These actions were complemented with the continuity and assurance of our in-person service operations nationwide with 140 multifunctional

ATMs (to which new transactions were added) and the more than 4,600 Puntos Tucán. Puntos Tucán is our non-banking correspondent service implemented at SMEs' premises to bring benefits to them and to foster bankability and accessibility processes. Punto País, our platform for processing State services, such as drivers' licenses and passports, added another dimension to our suite of options. Finally, commercial offers for individuals were developed and/or improved for their benefit through two credit products: Crédito Salud for medical expenses and Educación for schooling expenses.

Banco de Costa Rica's commitment to collective wellbeing also meant reinforcing in parallel the social actions geared to our associates. Our institutional governance allowed us to achieve sustainable targets in occupational health, organizational environment and culture, among others. In particular, the Gender Equality program prioritized positive initiatives that have identified our Institution as a gender-smart bank.

Last year's report mentioned the accomplishments of our Policy on Equality, Equity, and Inclusion [Política Declaratoria de Igualdad, Equidad e Inclusión] whose purpose is to create the foundation of the vision and commitment of Conglomerado Financiero BCR to equality, equity, and inclusion and banning of all forms of discrimination and related manifestations. As a result, the Institutional Commission on Effective Equality and Equity (Comisión Institucional para la Promoción de la Igualdad y Equidad Efectiva) and the Institutional Commission on Accessibility and Disability (Comisión Institucional sobre Accesibilidad y Discapacidad / CIAD) were created, actions that, together with our governance model and good practices, have been successful thanks to the strong support of the General Board of Directors and the General Management.

The GRI Standards on Sustainability Report detail these achievements even further. At this time, we would like to emphasize one of the most recent gender successes: gender parity was achieved at Conglomerado Financiero BCR, with equal participation of men and women at the lower levels.

SOCIAL RESPONSIBILITY

BCR firmly believes in female leadership. Therefore, identifying and managing gender gaps in our Institution is essential to promote a cultural change at all levels for the benefit of our organization and clients. Consequently, the action plan approved has been satisfactorily implemented and continues taking strong steps to ensure equality also reaches the decision-making levels.

The Bank exceeded its target by moving from 34% to 35% of women who hold leadership positions at the Conglomerate. This percentage progress is to be celebrated as it responds to an evolutionary process of cultural change accompanied by awareness-raising and governance campaigns to ensure equal conditions and qualifications for the effective participation of men and women in job opening contests.

ACHIEVEMENTS OF THE CONGLOMERATE'S SUBSIDIARIES

Sustainable accomplishments include all subsidiaries of Conglomerado Financiero BCR. For instance, for the fourth year in a row BCR Valores Puesto de Bolsa issued an annual accountability report on the sustainability of its business model which is promoted throughout its value chain (clients, suppliers, associates). This report can be found at:

<https://bcervalores.com/wps/portal/valores/web/inicio/bcr-valores/responsabilidad-social/>

The environmental recognitions received include the Carbon Neutrality Certification maintained since 2020 and the Ecological Blue Flag in the Climate Change category which brought six white stars, one silver star, and one green star for the management period between January and December 2021.

For the third year in a row, BCR Operadora de Pensiones S.A. was certified as a Carbon Neutral Organization, which allowed it to be included in the Country Program 2.0, version 1 [Programa País 2.0, versión 1], by the Climate Change Directorate of the Ministry of Environment and Energy [Dirección de Cambio Climático del Ministerio de Ambiente y Energía].

With our commitment to keep on contributing to the country's wellbeing and economic development, Banco de Costa Rica and its Subsidiaries will continue promoting a more sustainable, socially committed, and environmentally friendly business model.



ECONOMIC AND FINANCIAL ENVIRONMENT

ECONOMIC AND FINANCIAL ENVIRONMENT

It is important to emphasize how various events impacted Costa Rica in 2022:

As a result of Russia's invasion to Ukraine, raw materials ceased to be exported raising the prices of goods and services. Consequently, inflation and rates also increased.

Despite the economic slowdown, the labor market showed a modest improvement.

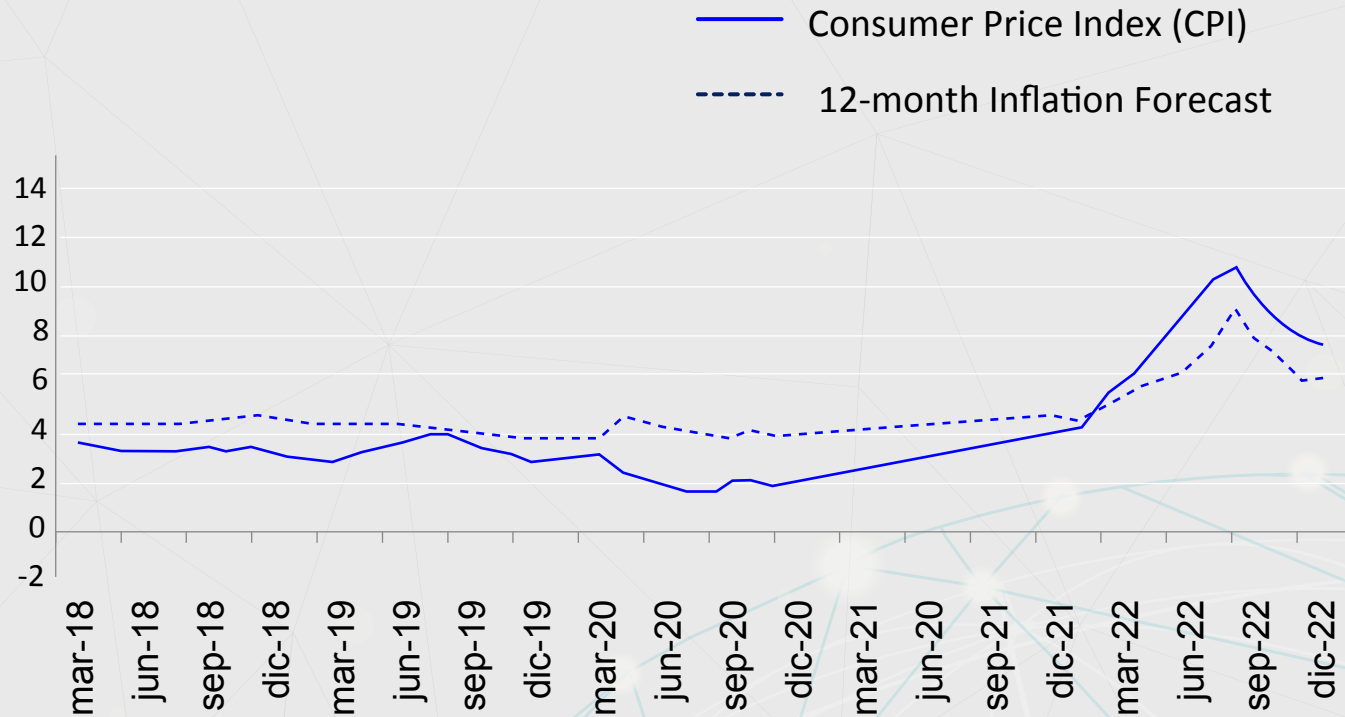
The value of the local currency appreciated as a result of the higher availability of foreign currency.

Tourism bounced back in the second semester.

Foreign direct investment in the country increased as a result of new foreign companies that started operations in the country because of its closeness to the American market.

Costa Rica's main source of revenue is the export of agricultural products, such as banana, pineapple, sugar, cacao, and high-quality coffee.

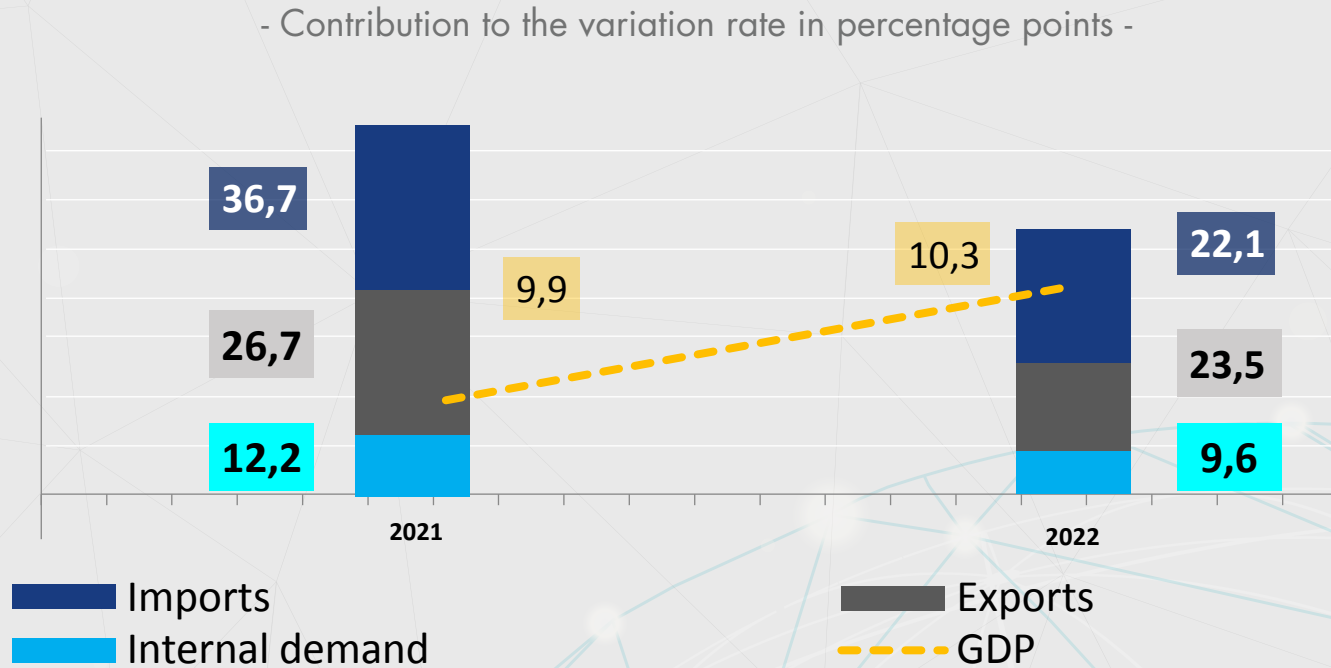
INFLATION AND FORECAST



Source: Prepared based on information from the Central Bank of Costa Rica (BCCR)

In 2022, inflation closed at 7.78% (exceeding the target limit set by the BCCR). Since September there has been a slowdown caused by external factors (mainly Russia's invasion to Ukraine which affected the country in the first months of the year) causing a raise in raw material prices and internal factors such as an increase in the Monetary Policy Rate and the appreciation of the local currency during the second semester. By December, the inflation level had reached 111,436 based on an assessment of the basket of goods, products and services. Accordingly, 52% of commodities increased their price, 34% decreased their prices, and 14% showed no variation. The sectors whose prices increased the most were recreation, sports and culture, alcoholic and non-alcoholic beverages and tobacco, foodstuffs (e.g., tomato, onions, eggs, papaya, coffee, and others), restaurants and accommodation, goods and services. On the contrary, transportation, furniture and home appliances, house leasing, health, education, and other sectors (e.g., gasoline, airline tickets, technical revision, new automobiles, cabbage, beef, potato, oil, apples, and others) suffered a price reduction.

GROSS DOMESTIC PRODUCT

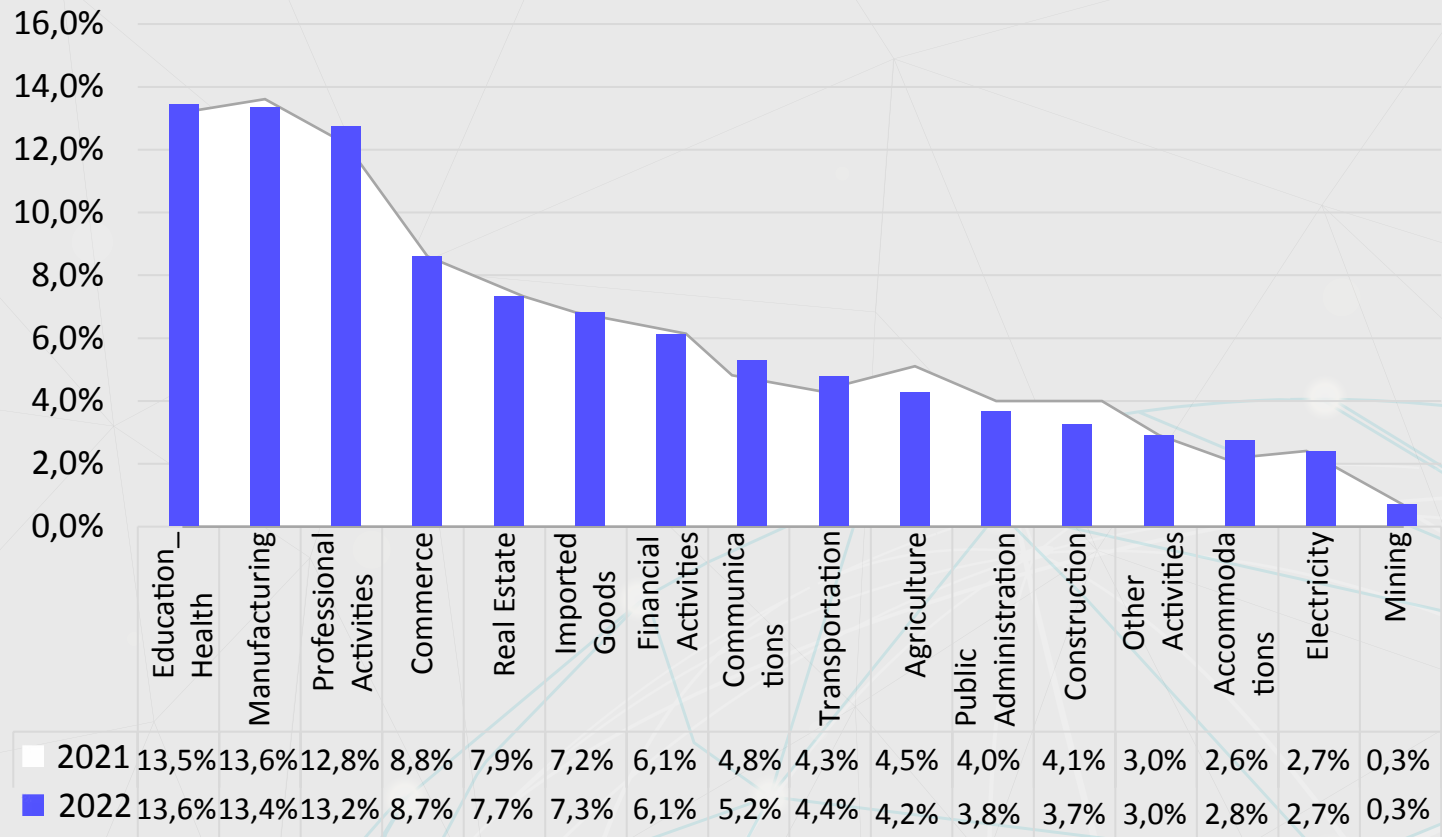


Source: Prepared based on information from the Central Bank of Costa Rica (BCCR)

In 2022, imports and exports, as well as the internal demand, showed an interannual decrease as a result of external and internal factors that increased inflation beyond the normal target. However, the inflation increase over the nominal GDP, plus the improvement in tax performance due to expense containment and better tax collection as a result of tax reforms in customs, income tax, sales and consumption taxes (Law 9635) allowed for a GDP growth in 2022 compared to 2021 from final consumer spending, gross capital formation, exports and imports.

GDP PERCENTAGE COMPOSITION

- 2022-



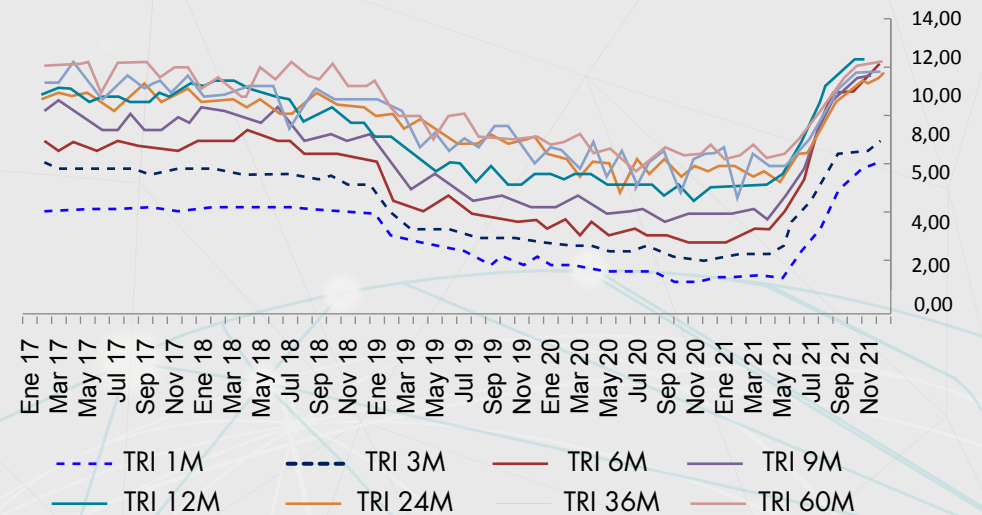
The GDP per economic activity in 2021 was positioned at 7.78 and for 2022 at 4.3; thus, the sectors leading the GDP growth are education and activities related to tourism. Nevertheless, most of the activities remained almost constant or below the 2021 position given the increase in inflation and international events.

REFERENCE RATE IN LOCAL CURRENCY

Basic Borrowing Rate
-at the end of each month-



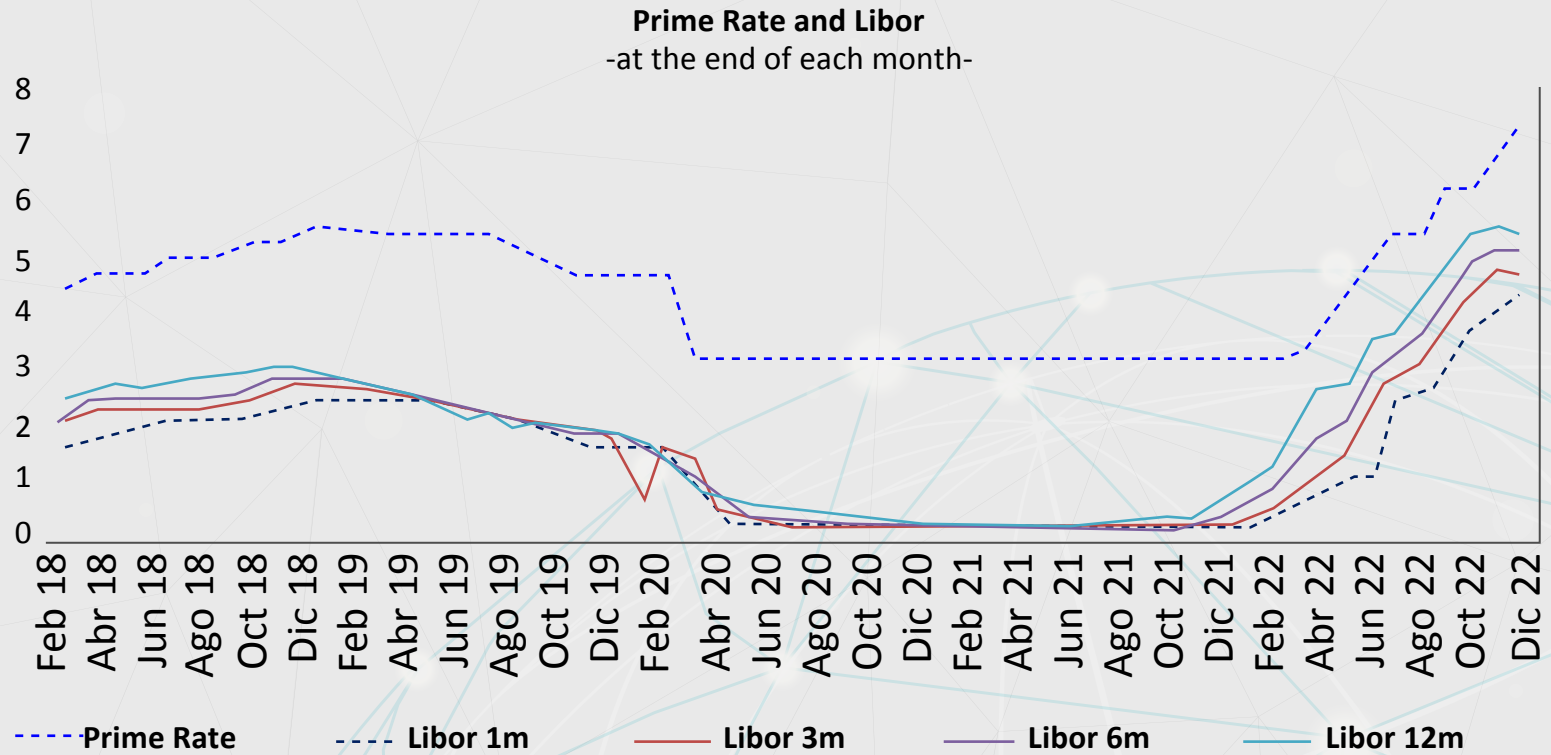
Interbank Reference Rate (Local Currency)
-at the end of each month-



Source: Prepared based on information from the Central Bank of Costa Rica (BCCR)

Given the increase in term deposits, the basic borrowing rate ranged between 3.05% and 6.35% in 2022. Furthermore, the Interbank Reference Rate is presented according to the terms from 1 month to 60 months with rates ranging between 1.21% and 11.87% in 2022. Both types of rates are offered to the public as loan interest rates; these ranges and rates are adapted to each client's needs.

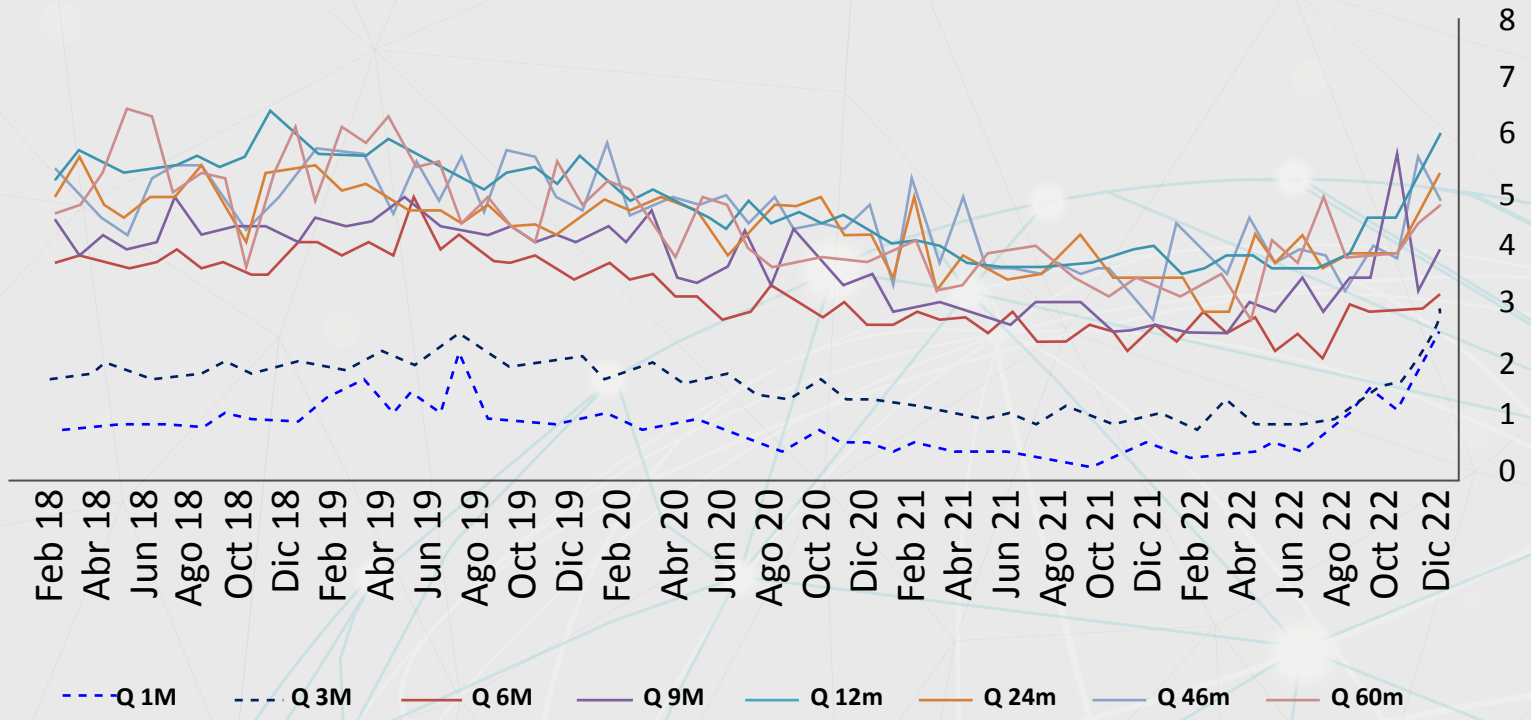
REFERENCE RATE IN FOREIGN CURRENCY



Source: Prepared based on information from the Central Bank of Costa Rica (BCCR)

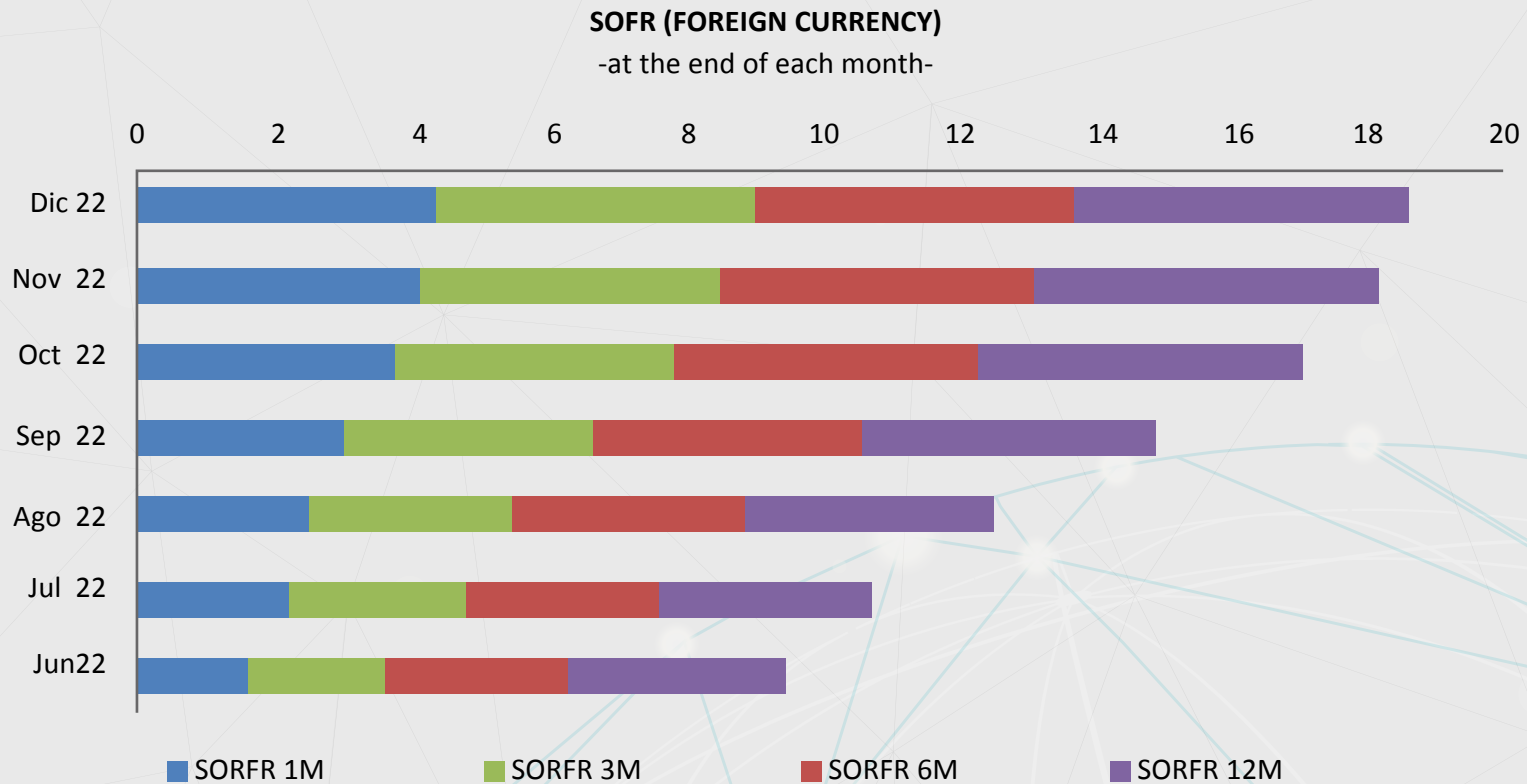
REFERENCE RATE IN FOREIGN CURRENCY

Interbank Reference Rate (Foreign Currency)
-al cierre de cada mes-



Source: Prepared based on information from the Central Bank of Costa Rica (BCCR)

REFERENCE RATE IN FOREIGN CURRENCY

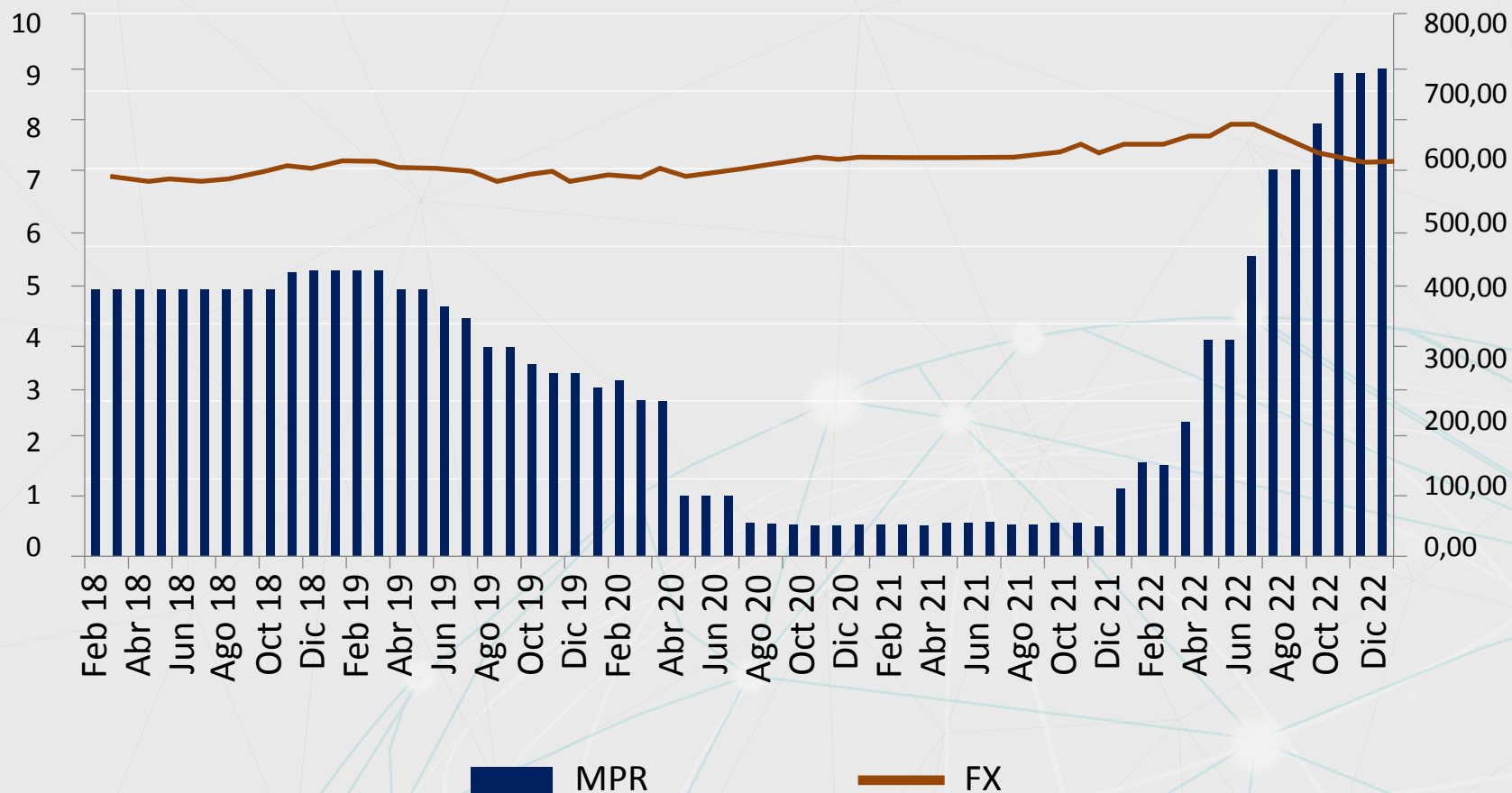


Source: Prepared based on information from Benchmark CME Term SOFR Rates

A slowdown in rates in foreign currency – prime rate, interbank reference rate, and SOFR Term Rate – occurred in 2022. This caused an increase in revenue from other services and operations and revenue from the dollar portfolio generated in foreign currency. The applicable reference rate ranged between 0.11% and 7.75% for periods varying from one to 60 months, depending on the product and the clients' preferences.

MONETARY POLICY RATE AND EXCHANGE RATE

-at the end of each month-



Source: Prepared based on information from the Central Bank of Costa Rica (BCCR)

The exchange rate started increasing in 2021 and continued through the first semester of 2022. However, in the second semester a deceleration of the exchange rate occurred which affected both portfolio placement and deposits at the national banks in foreign currency translated to local currency. On the other hand, the Monetary Policy Rate (MPR) went through six changes throughout the year ranging from 1.75 to 9 percentage points.



FINANCIAL STANDING

BANCO DE COSTA RICA

FINANCIAL STANDING BANCO DE COSTA RICA

Regarding profit distribution, BCR contributes:

- 15% to the Régimen de Invalidez, Vejez y Muerte (the pension fund) of the Social Security Administration (CCSS)
- 10% to the Instituto Nacional de Fondo Cooperativo (that promotes cooperatives)
- 05% to the Comisión Nacional de Préstamos para la Educación (the education loan fund)
- 03% to the Comisión Nacional de Emergencias (National Emergency Commission)

BCR administers several State services, such as legal stamps, departure tax collection, vehicle circulation permits, and lottery. It also handles appointments for drivers' license and passports, among others.

The Institution administers the peaje bancario (bank toll) to finance loans for SMEs through the Development Banking System.

Banco de Costa Rica is the bank of the country, of its people, and for the people.

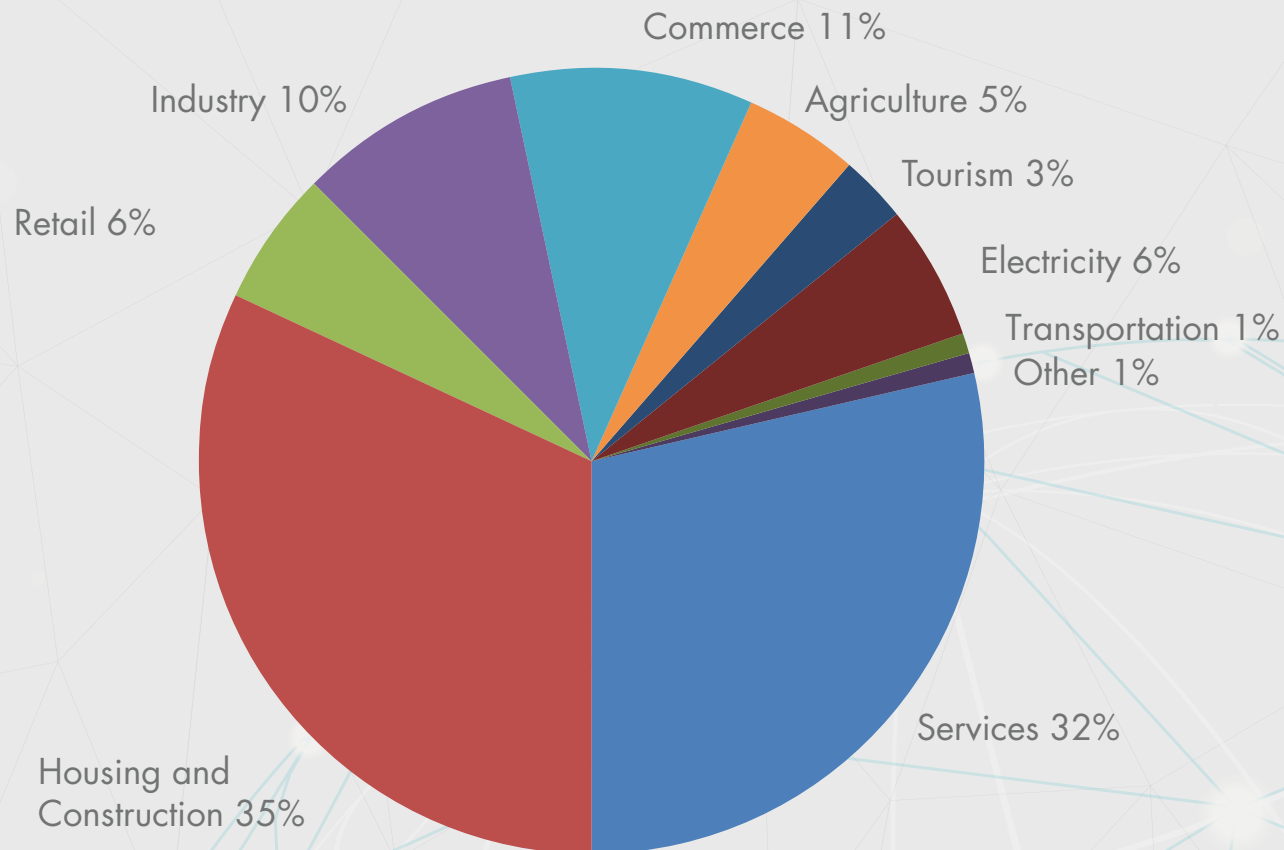
STATEMENT OF FINANCIAL POSITION

Consolidated Statement of Financial Position		Millions (CRC)	
	2021	2022	% Variation
Total Assets	7 135 188	7 215 726	1%
Cash and cash equivalents	960 509	990 656	3%
Investments in securities	1 890 860	1 737 604	-8%
Loan portfolio, net	3 951 164	4 077 413	3%
Property, plant and equipment, net	141 563	151 188	7%
Other assets	191 093	258 864	35%
Total liabilities plus equity	7 135 188	7 215 726	1%
Total liabilities	6 389 765	6 514 784	2%
Obligations with natural persons	5 097 289	5 210 175	2%
Obligations with legal entities	910 367	862 135	-5%
Other liabilities	382 109	442 474	16%
Equity	745 424	700 942	-6%
Primary capital	478 120	506 723	6%
Secondary capital	170 697	186 819	-3%
Minority shareholding	96 607	7 400	-92%

Assets are recognized at fair value with changes in income and comprehensive income, where the current portfolio predominates. Other assets and financial and non-financial liabilities are recognized at their amortized or historic cost. Investment accounting is adjusted according to IFRS 9. Obligations with natural persons (current accounts and term deposits) and term investments with legal entities are the most significant liabilities

CREDIT PORTFOLIO

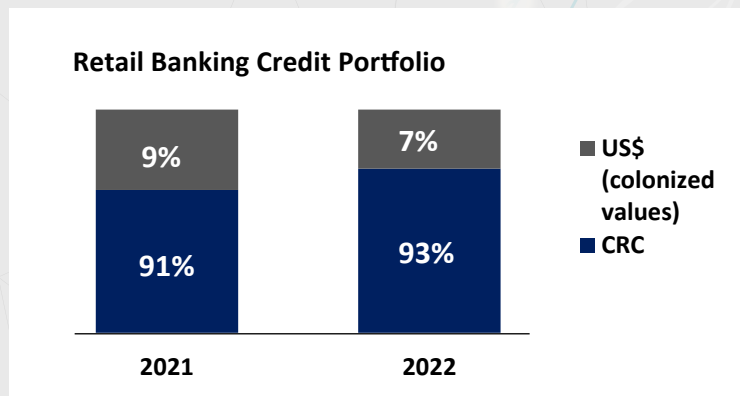
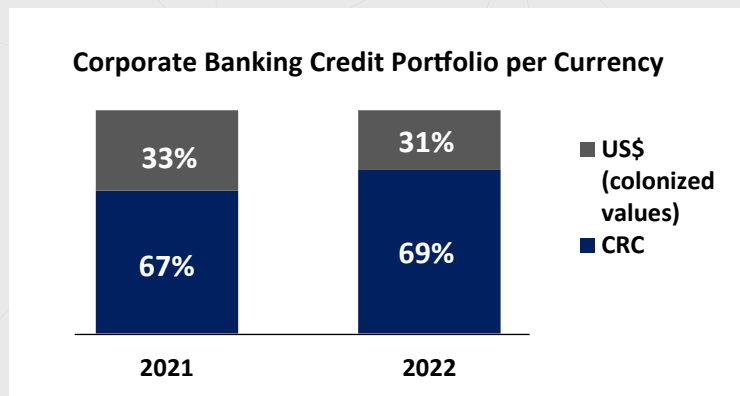
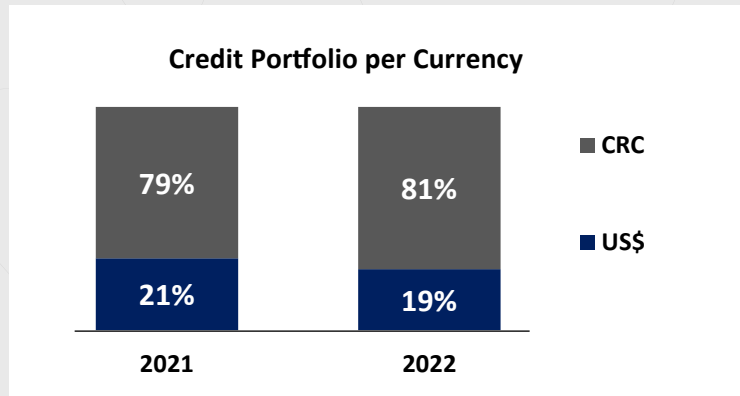
Portfolio Distribution per Economic Activity 2022



The credit portfolio stands out in the statement of financial position with a weight of 57% of the total assets, representing a growth of 3.20% YoY and bringing about a 7.33% increase as compared to 2021.

Housing and construction are the two most prominent activities in 2022 accounting for 35% of the portfolio; on the other hand, services account for 32%, commerce for 11%, and industry for 10%.

PORTFOLIO DISTRIBUTION

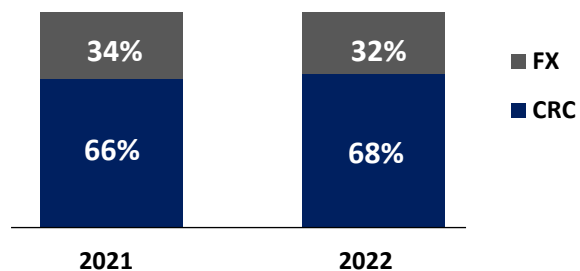


In 2022 the current portfolio in local currency prevails.

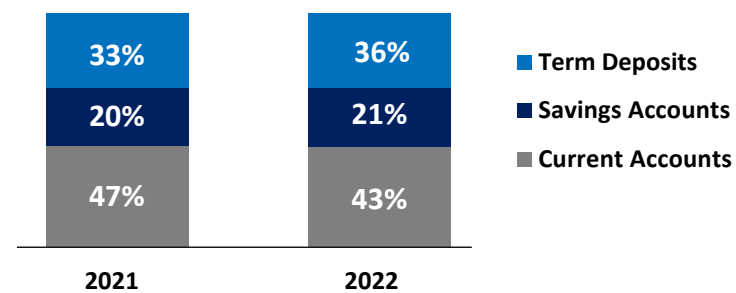
Regarding its business line distribution, loans in local currency also prevail; in the case of Corporate Banking corresponding to the business and institutional sector, they account for 51% of the loans, while in Retail corresponding to natural persons and SMEs, their weight is 49%.

DEPOSITS

Deposits per Currency



Deposit Structure

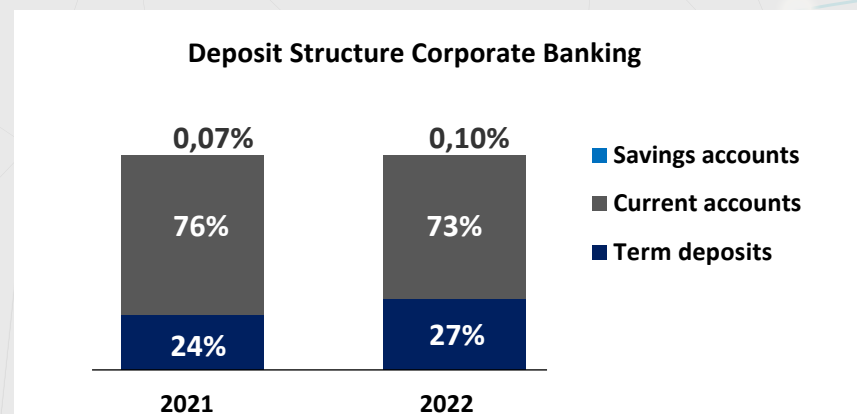
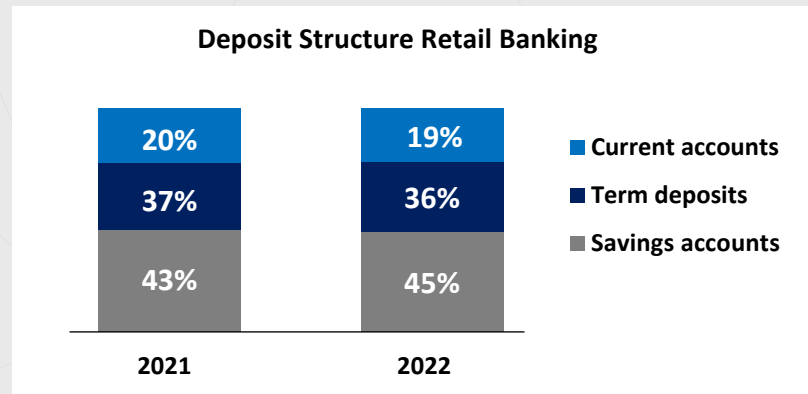


Deposit Distribution

Data in CRC millions	2021	2022	% Variation
Current accounts	2 357 922	2 244 086	-5%
Local currency	1 599 686	1 526 378	-5%
Foreign currency	758 236	717 707	-5%
Savings accounts	1 014 001	1 068 629	5%
Local currency	679 191	690 779	2%
Foreign currency	334 810	377 850	13%
Term deposits	1 691 856	1 864 994	10%
Local currency	1 059 574	1 294 210	22%
Foreign currency	632 283	570 785	-10%
Total deposits	5 063 780	5 177 709	2%

Obligations with natural persons are reasonably identifiable and quantifiable and correspond to 80% of the total liabilities with a 2,21% growth YoY. Term deposits by both natural and legal persons grew the most. On the other hand, they account for 76% of BCR's financial expenses, with a 14.19% growth compared to December 2021.

DEPOSIT DISTRIBUTION



Given the country's economic variations, such as changes in the Monetary Policy Rate (6 times throughout 2022) and, in general, other market variables, the deposit rates increased for current accounts, savings accounts, and term deposits. This caused an increase in all kinds of retail banking deposits, mostly savings accounts, followed by term deposits and current accounts. In the Corporate Banking segment, current accounts and term deposits increased the most.

STATEMENT OF INCOME

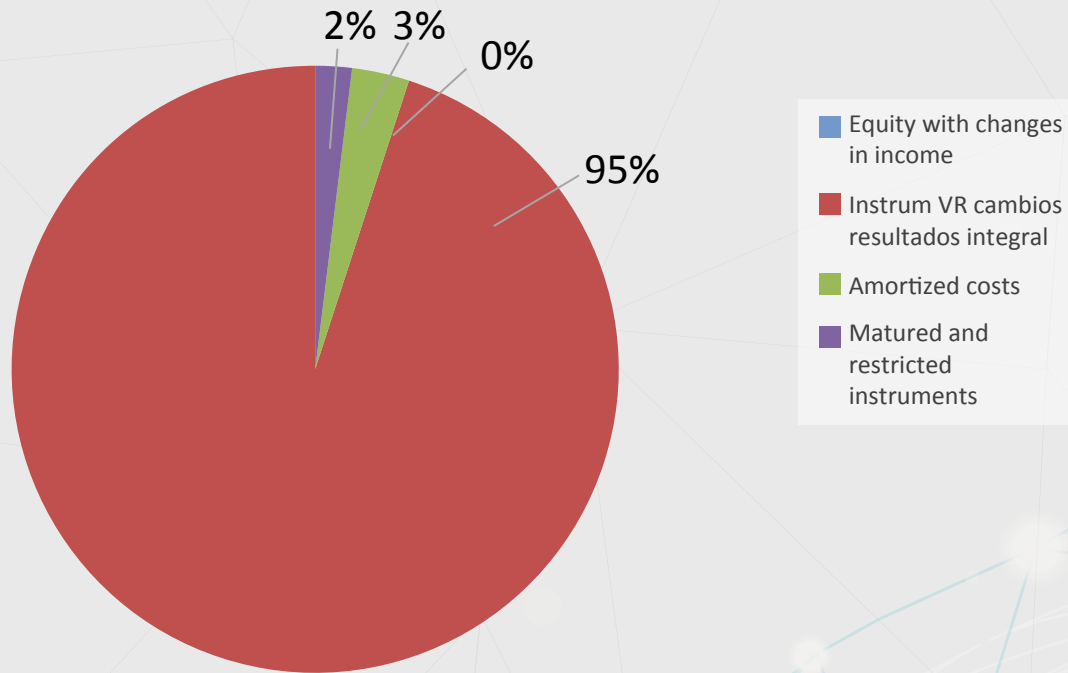
Consolidated Statement of Income

CRC (millions)	2021	2022	% Variation
Financial intermediation income	389 890	411 710	6%
Financial intermediation expenses	136 868	172 283	26%
Financial intermediation income	220 280	237 982	8%
Income from services and other income	196 399	204 689	4%
Other operating expenses	116 955	119 589	2%
Gross operating income	299 725	323 083	8%
Administrative expenses	196 495	216 559	10%
Net operating income	103 229	106 523	3%
Taxes and profit sharing	48 828	56 428	16%
Income from minority shareholding	1 157	1 924	66%
FINAL INCOME	53 243	48 172	-10%

In 2022 a 10% decrease occurred in the nominal accounts which caused a higher variation in financial expenses due to a 14% increase in the YoY obligations with natural persons and an increase beyond 100% on the obligations with the Central Bank of Costa Rica. Administrative expenses also increased 10% YoY. However, it is important to point out that because of the increase in the reference rates, it is expected that financial income will grow about 6% YoY and service fees and FX (given the exchange rate increase in the first semester), as well.

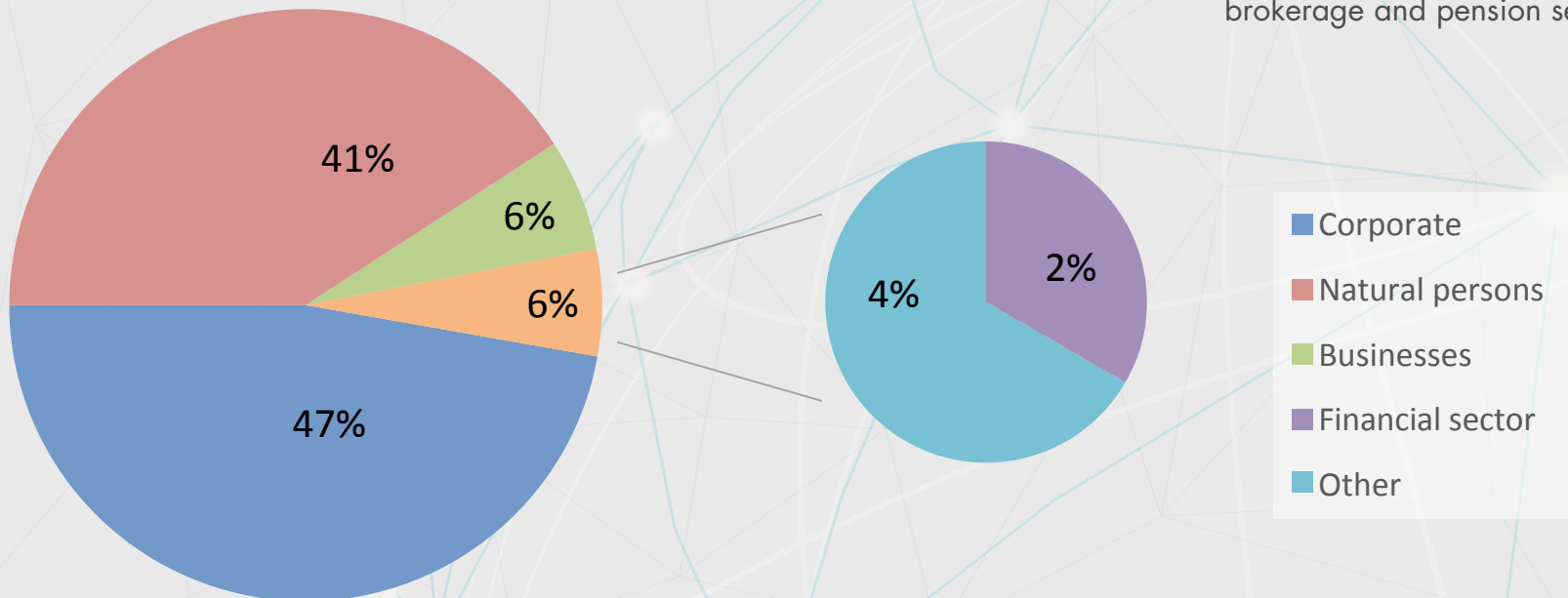
INCOME DISTRIBUTION

Income from investments in 2022



Based on the financial income analysis, it may be concluded that income from the credit portfolio has an important weight representing 73% equivalent to €301,402 million. The corporate segment, followed by the natural persons segment, have a good deal of influence on the financial income and the total portfolio. Income from investments represented 22% of the financial income accounting for €89,948 million by December 2022.

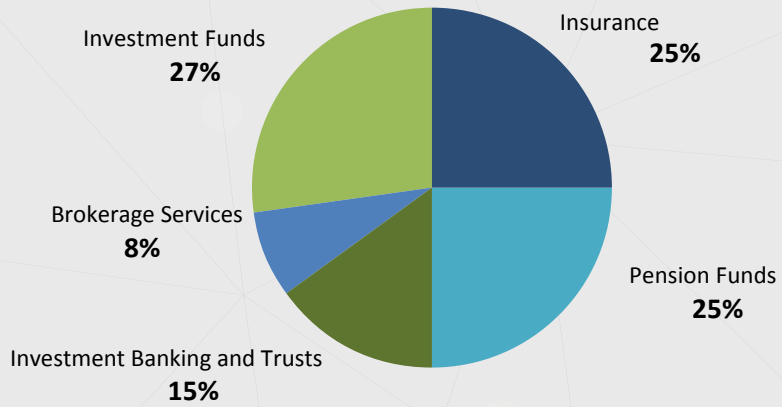
Income from credit portfolio in 2022



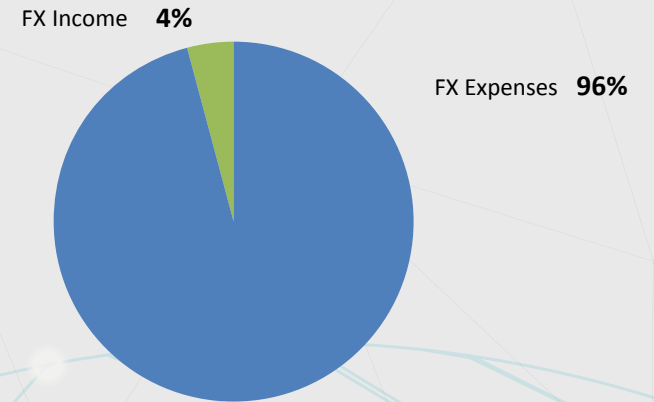
On the other hand, the 4% increase in income from services was mostly due to income from credit cards, FX, and demand accounts. Non-financial income represented 27% in investment funds and 25% in brokerage and pension services.

INCOME DISTRIBUTIONS

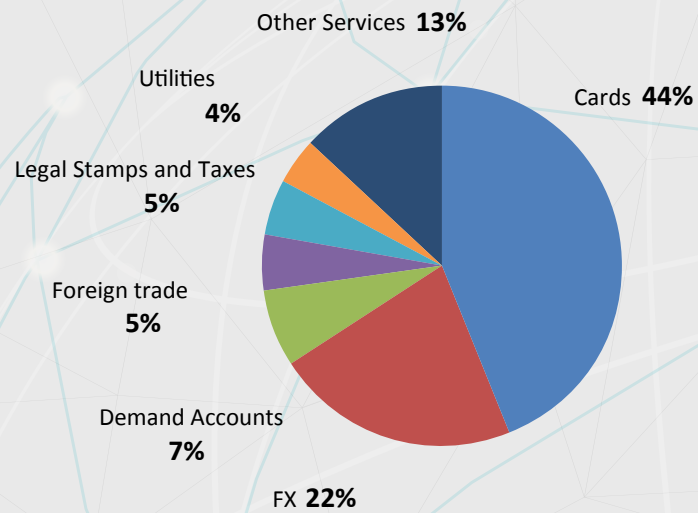
Non-banking service income distribution 2022



FX and FX Negotiations 2022



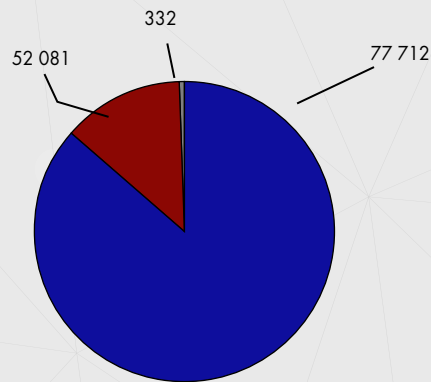
Income Distribution per Banking Services 2022



EXPENSE DISTRIBUTION

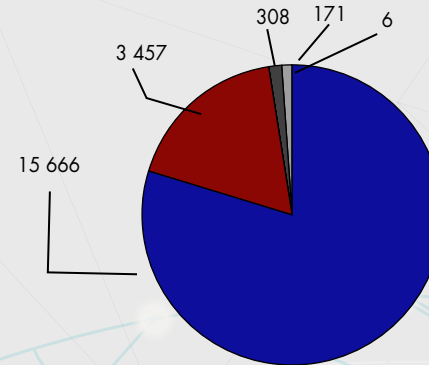
Personnel Mandatory Expenses 2022

■ Demand Deposits ■ Term Deposits ■ Security Repurchases



Impaired Portfolio Expense Estimate 2022

■ Credit Portfolio ■ Accounts Receivable ■ Investments Held to Maturity ■ Countercyclical Portfolio ■ Other



Expense distribution for the 2022 period is mainly reflected in the obligations related to term deposits and demand accounts, followed by administrative expenses with a higher positioning of personnel expenses and a YoY growth in other administrative expenses (contracted services). Furthermore, the estimates for impaired loan and accounts receivable portfolios increased.

Administrative Expenses

CRC (Millions)	2021	2022	%Variation
Personnel expenses	111,581	119,661	7%
Contracted services	25,646	31,259	22%
Depreciations and amortizations	10,975	10,681	-3%
Contribution to severance provision	2,781	2,888	4%
Other overhead expenses	45,513	52,070	14%
Total	196,495	216,559	10%

FINANCIAL INDICATORS

Main Indicators	2021	2022
Income Indicators		
Financial Income / Total Income	66,5%	66,8%
Income from Services / Total Income	19,1%	19,5%
Financial Expenses / Total Expenses	27,4%	30,5%
Financial Expenses / Financial Income	35,1%	41,8%
Administrative Expenses / Total Expenses	39,4%	38,3%
Financial Margin / Administrative Expenses	112,1%	109,9%
Operating Unit / Total Income	17,6%	17,3%
Net Profit / Total Income	9,1%	7,8%
Balance Indicators		
Productive Assets / Total Assets	81,9%	80,6%
Credit Portfolio / Total Assets	55,4%	56,5%
Credit Portfolio / Productive Assets	67,6%	70,1%
Credit Portfolio / Deposits	77,5%	78,3%
90+ Day Portfolio / Credit Portfolio	4,0%	3,9%
Total Liabilities / Total Assets	89,6%	90,3%
Liabilities / Equity (number of times)	8,6	9,3
Management Indicators		
Return on Assets (ROA)	0,88%	0,78%
Return on Equity (ROE)	8,31%	7,42%
Operating Efficiency	59,27%	67,03%



SUBSIDIARIES



BCR OPERADORA DE PLANES DE PENSIÓN COMPLEMENTARIOS

BCR Operadora de Planes de Pensión Complementarios

CRC (millions)	2021	2022
Return on equity	56%	14%
Operational Efficiency	51%	60%
Net Profit	1 093	926
Managed Pension Funds	1 598 418	1 456 345

Portfolio/Income: A portfolio for ₡1,456,345 million was acquired generating revenue amounting to ₡6,702 million.

Customer service: The self-management service (to calculate the five-year savings, account statements, exemption calculator, and others) for new affiliates was enabled.

Certification: Certified for a second year as a "Carbon Neutral Organization," included in the Country Program 2.0 version 1, was achieved.

Processes: In 2022 this subsidiary's activities earned it the Blue Flag recognition.

BCR CORREDORA DE SEGUROS

BCR Corredora de Seguros

CRC (million)	2021	2022
Return on Equity	41%	37%
Operating Efficiency	38%	41%
Net Profit	3 094	2 815
Commissions Earned	6 889	7 130

Compliance with the strategic plan was 99% (2 pillars and 11 objectives)

An online fire insurance product was developed (Galileicompara).

Self-management of assistance insurance in the Landing Page channel.

BCR SOCIEDAD ADMINISTRADORA DE FONDOS DE INVERSIÓN

BCR Sociedad Administradora de Fondos de Inversión

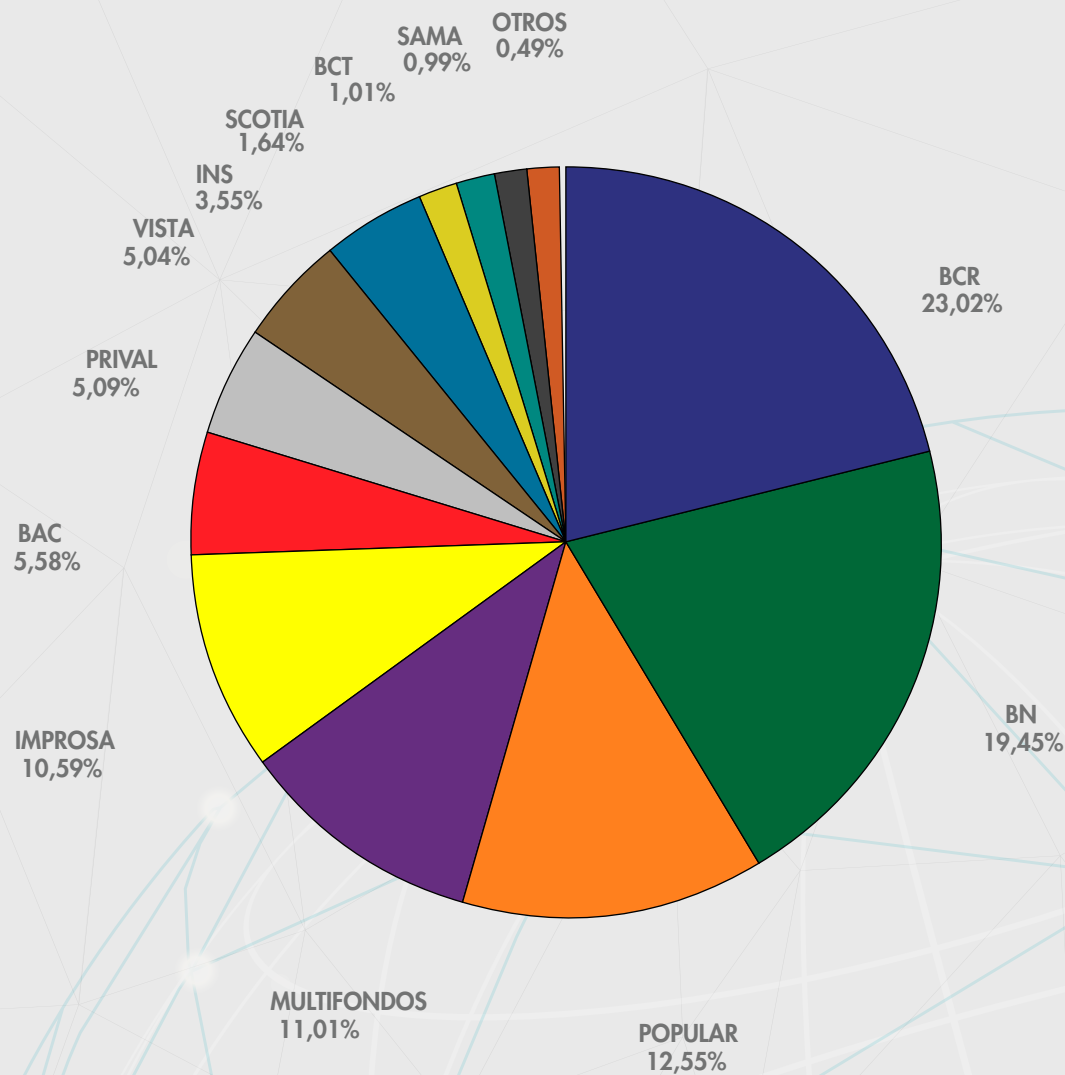
CRC (millions)	2021	2022
Return on Equity	30%	21%
Operating Efficiency	46%	59%
Net Profit	2 534	1 617
Managed Investment Funds	1 063 608	964 417

BCR SAFI is devoted to managing investment funds (mutual funds) with more than 23 years of experience in financial and real estate fund management.

Its offer includes money market funds, income funds, and real-estate funds. These transactions are supported by a team of multidisciplinary experts who specialize in different asset management areas to achieve an adequate balance between the risk and yield stability offered to its investors.

BCR SAFI is the undisputable leader in the Costa Rican investment fund industry and has held this privileged position in the last 19 years in a row.

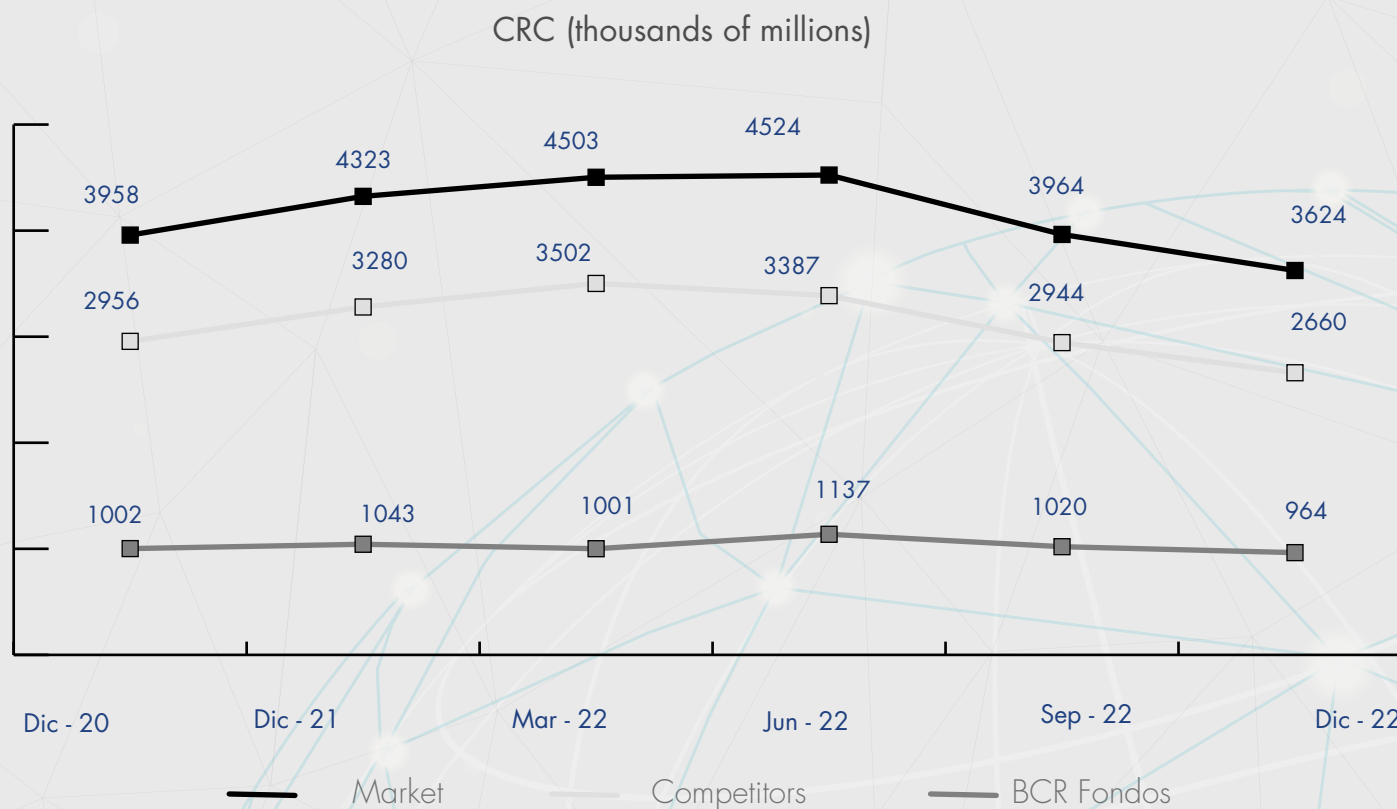
BCR SOCIEDAD ADMINISTRADORA DE FONDOS DE INVERSIÓN



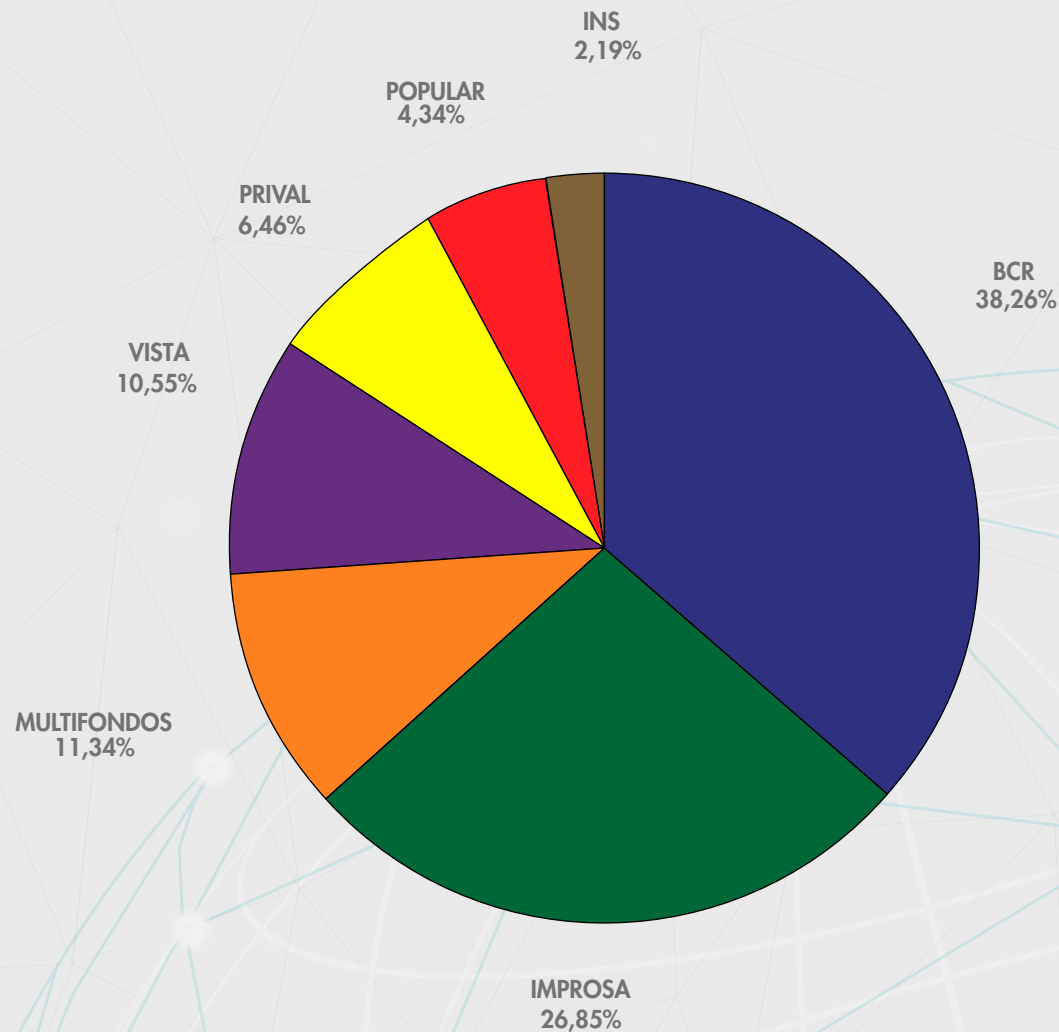
By the end of 2021, BCR SAFI achieved a market share of 23.02%, thus consolidating its leadership position in the region's investment fund industry.

BCR SOCIEDAD ADMINISTRADORA DE FONDOS DE INVERSIÓN

In addition, total assets managed remained constant in 2022 as shown below.



BCR SOCIEDAD ADMINISTRADORA DE FONDOS DE INVERSIÓN



In the real-estate niche, BCR SAFI also reaffirmed its leadership with a market share of 38.26%. In addition, it has 14 active investment funds currently operating in the market. Of them, 8 are financial investment funds, 8 are real estate funds (in operation), and one project is being developed

BCR VALORES PUESTO DE BOLSA

BCR Valores Puesto de Bolsa

CRC (millions)	2021	2022
Return on Equity	16%	7%
Operating Efficiency	43%	58%
Net Profit	3 657	1 433
Managed Portfolios	168 944	151 087

The year 2022 was full of challenges for the industry. The international crisis caused by the COVID-19 pandemic and its subsequent impact on the global economies, as well as the war in Ukraine, had relevant repercussions in the local environment. BCR Valores is committed to its mission of making its clients' equity grow by taking actions aimed at reducing the impact on its portfolio. In particular, its reinforcing its new and future businesses based on sustainability and innovation.

Its management included one-on-one support to 10 of its associates. It organized six talks on personal finances geared to third parties which benefitted 483 people. Two talks were also given in the community of Pavas with the participation of 32 persons.

BCR VALORES PUESTO DE BOLSA

We contributed to the country's sustainable development and competitiveness by issuing Green Securities.

We have provided sustainable alternatives to clients such as Coopeguanacaste that financed a solar park in Huacas, Guanacaste.

We established a new issuance and risk assessment methodology to incorporate environmental and social elements into our comprehensive risk assessment.

As part of our digital transformation, we transferred 8% of our associates in operations to transform the business line.

Through our digital transformation we increased the number of associates devoted to attracting business 33%.

Processes have been automated between 3% and 18% as compared to 2021.

We redesigned the documentary tool aligned to the process map to improve document management.

We developed and implemented a client experience manual related to the processes and projects offered to our clients.

BCR VALORES PUESTO DE BOLSA

We reached the optimal level in the Scrum technology (IT projects), which adds value to our business quickly and noticeably.

Project management was standardized through the application of the new regulation, which aids in identifying costs and benefits using indicators.

We are constantly enhancing our processes according to the ISO 9001-2015 quality standard. We reached maturity level (3) after seven years of constant work (maximum level = 4).

We identified security gaps by implementing ISO 27002 and prepared actions plans to decrease our clients' risk of suffering a security breach.

We developed a methodology, processes and regulations that allow us to meet the indicators and targets and reach a high level of maturity according to ISO 31000.

We designed an Experience Strategy for our associates aimed at increasing their satisfaction.

We kept the Carbon Neutral Plus and Ecological Blue Flag certifications with six white stars, one green star, and one silver star.

BANCO INTERNACIONAL DE COSTA RICIA (BICSA)

Banco Internacional de Costa Rica (BICSA)

US\$ (thousands)	2021	2022
Loan Portfolio	1 423	1 545
Total Assets	1 801	1 997
Net Profit	4	6
90+ Default Rate	35,9%	35,7%
Reserve Coverage	137,0%	131,5%
Return on Equity	1,6%	2,5%

* in millions of dollars

Indicators: Net profits grew 60% and ROE improved 57% compared to 2021, which shows a tendency toward profitability recovery.

Assets: Total assets grew 11% (+US\$ 197 million), mainly due to the effect from the portfolio of US\$ 123 million.

Productive Assets: Productive assets improved their profitability and promoted stability and growth in funding sources and income improved 12.3%.

Default: It remained under control with adequate reserve coverage that exceeds 100%.

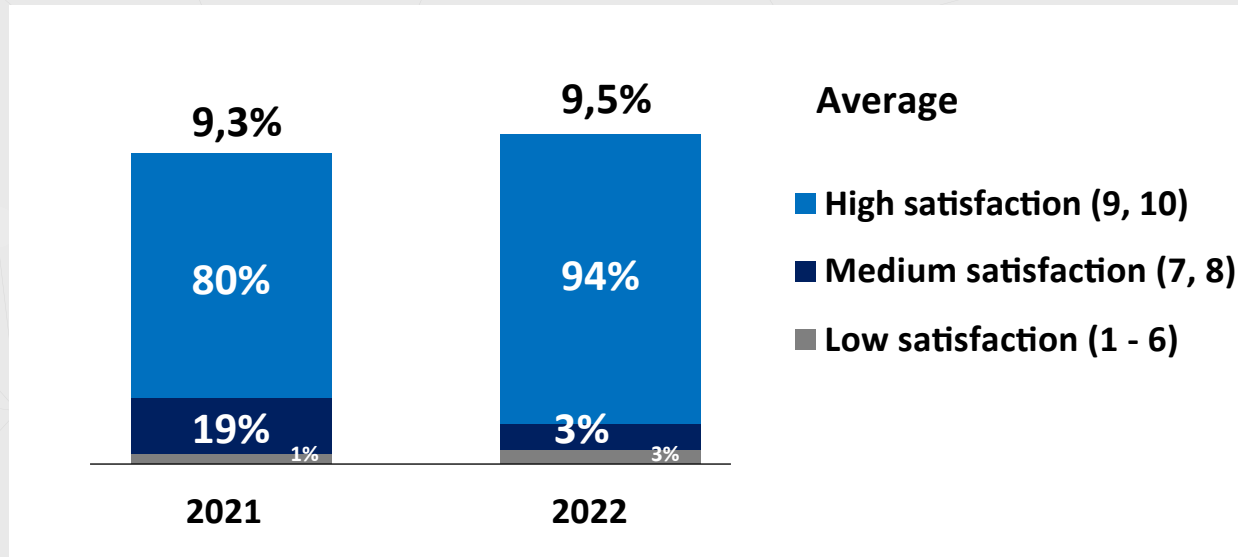
BCR Logística

CRC (millions)	2021	2022
Return on Equity	4%	5%
Operating Efficiency	93%	92%
Net Profit	37	51
Income from State services	800	939
Income from Services	953	1 139
Managed Portfolio	733	791

Almacén de Depósito [Bonded Warehouse]: It is in charge of safeguarding companies' assets. It also provides support, security, and backup services to the merchandise and raw materials in its custody.

Almacén Fiscal [Customs Warehouse]: It safeguards companies' merchandise, including full containers and consolidated cargo, as well as vehicles, machinery, raw materials, and others.

The reason for being of BCR Logística is to meet the needs of the both the public and private sector and improve its services to its customers by integrating logistics services such as storage, inventory management, cargo transportation, and cargo distribution.



It improved its profitability as a result of an increase in the income from services of 11.84% and services to the States of 5.59%.

In 2022, It supported the operations of the duty-free stores of the Social Welfare Institute [Instituto Mixto de Ayuda Social in both airports and in Depósito Libre Comercial de Golfito (a duty-free shopping center), whose operations reached 100% of the pre-pandemic levels.

It continued a market study which has allowed placing 48% of its offering to retain its current users and clients, thus increasing their satisfaction which, in turn, increased its profitability as compared to the previous year.

BANPROCESA

Banprocesa		
CRC (millions)	2021	2022
Return on Investment	72%	44%
Operating Efficiency	73%	74%
Net Profit	596	555

Banprocesa users specialize in data science, cybersecurity, artificial intelligence, IBM Integration Bus, WebShere MQ, IBM DataPower, WSRR, data mining, agile methodologies, and SIX SIGMA.

Banprocesa utilizes UDEMY, a training platform that allows strengthening technical skills aligned with the technological platforms of the Corporate IT Management.

They have assisted with the development, updating, upgrading, and deploying of systems and products for the Conglomerate, which include COIMSA, BCR Comercial, BCR Personas, the BCR Comercial App and the e-wallets (Apple Pay and Beep).

It is a strategic partner of Banco de Costa Rica and coordinates the actions of the Conglomerate through the IT Corporate Management and develops software.

BANPROCESA

It aided in the consolidation of the administrative area to comply with the regulatory and internal control requirements.

Quality score: 99.38%.

100% compliance on time and sprints.

It participates in more than 20 of the Conglomerate's strategic systems with IT.

98.90% effectiveness of taking support systems into production.



AUDITED FINANCIAL STATEMENTS



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Independent Auditor's Report

To the Board of Directors of
Banco de Costa Rica Financial Conglomerate and subsidiaries
General Superintendence of Financial Entities

Opinion

We have audited the consolidated financial statements of Banco de Costa Rica Financial Conglomerate and subsidiaries (the Conglomerate), which comprise the consolidated statement of financial position as of December 31, 2022, and the consolidated statements of income, of changes in equity and of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Financial Conglomerate as of December 31, 2022, its financial performance and its consolidated cash flows for the one-year period then ended, in compliance with the directives issued by the National Financial System Oversight Board (CONASSIF) and the General Superintendence of Financial Entities (SUGEF).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Bank in accordance with the Code of Professional Ethics of the College of Public Accountants of Costa Rica that is applicable to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with those standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis matters – Basis of accounting

We draw attention to note 1 of the consolidated financial statements which describes the basis of accounting. The accompanying consolidated financial statements have been prepared by the management of Banco de Costa Rica in compliance with the directives issued by the National Financial System Oversight Board (CONASSIF) and the General Superintendence of Financial Entities (SUGEF). As a result, the consolidated financial statements could be not suitable for other purposes.

Emphasis matters – Conditions reported by COVID-19

In note 44 to the consolidated financial statements, disclosures related to the state of emergency due to the pandemic for COVID-19 and how the Bank has managed such condition, are disclosed.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

a) Loan portfolio**Key audit matter**

The main asset of the Bank is the loan portfolio, which accounts for 56.51% of total assets and concentrates the main factors of credit risk management related to: recovery of outstanding balances, concentration of balances, diversification of products, among others; these factors affect the recoverable value of the asset.

The Bank estimates the loan portfolio based on the SUGEF-1-05 Agreement "General Standards for Classification and Qualification of Debtors", and SUGEF 19-16 "Regulations for the determination and recording of Countercyclical estimates".

As of December 31, 2022, the amount of these estimates is of €160,471,231,286 which represents 2.22% of the total assets.

Audit response

Our audit procedures included selecting a sample of credit operations to which a balances confirmation process has been applied. We also carried out an assessment of the allowance for doubtful accounts of the portfolio by verifying compliance with the functional areas that maintain controls and operational processes whose objective is to comply with the requirements of the SUGEF 1-05 Agreement.

We selected a sample of files from operations from the loan portfolio into verify the internal control procedures established by the Bank, as well as the filing regulations established by the regulator. We verified and reviewed the auxiliary records of the loan portfolio and their estimates.

In minute of meeting SGF-2584-2020 of August 4, 2020, SUGEF has required credit management plans because of payment arrangements and credit risk caused by the health emergency of COVID-19, including recognition of additional allowances.

The Bank's management considers that the allowance for doubtful accounts is adequate to absorb any losses in which it may incur in the recovery of that portfolio. The regulator reviews it periodically as an integral part of its examinations and may require modifications based on the evaluation of available information.

Notes 1.j, 6 and 39 to the consolidated financial statements include the disclosures regarding the respective treatment of the allowance for bad loans.

b) Investment in securities

Key audit matter

Investments are classified and accounted for in accordance with IFRS 9, Financial Instruments, including the recognition of expected losses, which requires a methodology that considers judgments and the use of assumptions by management.

Fair value estimates are made at a specific date based on market information and on information of financial instruments and are provided by an authorized pricing provider. Fair value does not reflect premiums or discounts that may result from the offer for sale of particular financial instruments at a given date.

The valuations are the best possible estimate of the market; by their nature they involve uncertainties and elements of significant judgment. Any change in assumptions may affect the valuation.

As of December 31, 2022, investments represent 24.08% of the total assets.

Audit Response

Among other procedures, we performed a process of balance confirmation on the total investment portfolio, as well as recalculations of the market valuation of investments, using the values obtained from a price provider, as well as the amortization of premiums and discounts.

We checked the consistency of the price source used to value the investment portfolio.

We assessed whether the classification of investments is adjusted to the contractual cash flows and we evaluated the design and application of the methodology used to determine the expected loss, by inspecting the methodology approved by the Board of Directors.

Notes 1.h, 5 and 39 include the disclosures of the Bank on accounting treatment and other aspects related to the investment portfolio.

c) Obligations with the public

Key audit matters	Audit Response
Obligations with the public are demand and term obligations that are agreed with the clients according to specific conditions as to their use, term and interest rates.	Among other procedures, we carried out a process of balance confirmation and analytical procedures to verify the cycles and interest rates.
As of December 31, 2022, obligations with the public represent 79.97% of the total liabilities.	Notes 11, 12 and 13 include the disclosures on accounting treatment and other aspects relating to obligations with the public.

Responsibilities of Management and of those responsible for corporate governance of the Conglomerate for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the directives issued by the National Financial System Oversight Board and the General Superintendence of Financial Entities, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Conglomerate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Conglomerate or to cease operations, or has no realistic alternative but to do so.

Those in charge of governance are responsible for overseeing the Conglomerate's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Conglomerate's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Conglomerate's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Conglomerate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves reasonable presentation.
- Obtain sufficient and adequate evidence regarding the financial information of the entities or business activities within the Conglomerate to express an opinion on the consolidated financial statements. We are responsible for the administration, supervision and execution of the audit of the Conglomerate. We are solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those in charge of governance of the Conglomerate with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to those in charge of governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Francinne Sojo Mora.

Our responsibility for this report of the audited financial statements as of December 31, 2022, extends until March 15, 2023. The date of this report indicates to the user that the auditor has considered the effect of the events and transactions of which he has become aware, and which have occurred up to that date; consequently, it is not extended by the reference of the date on which it is digitally signed.

FRANCINNE SOJO MORA (FIRMA)
Firmado digitalmente por FRANCINNE SOJO MORA (FIRMA)
Fecha: 2023.05.08 08:46:05 -06'00'
San José, Costa Rica
March 15, 2023
Opinion signed by Francinne Sojo Mora N° 3386
Policy 0116 PKG 7.doc on 30-sep-2023
Legal stamp 6663 e1.000
Attached to the original

Numero del CPA: FRANCINNE SOJO MORA
Carnet: 3386
Cédula: 00010705
Numero del Cliente: Banco de Costa Rica
Identificación del cliente: 400000019
Deposito a: Banco de Costa Rica
Fecha: 28-03-2023 10:04:56 AM
Tipo de trabajo: Informe de Auditoria
Timbre de \$1000 de la Ley 6663 adherido y cancelado en el original.



Código de Timbre: CPA-1000-4107

BANCO DE COSTA RICA AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the period ended December 31, 2022
(With corresponding figures as of December 31, 2021)
(In colones without cents)

	Note	December 2022	Restated December 2021	Restated January 2021
ASSETS				
Availabilities	4	990,656,695,706	960,508,938,412	803,047,856,879
Cash		92,361,994,246	100,543,762,287	119,287,622,423
Central Bank of Costa Rica		622,122,345,509	578,197,960,222	557,130,153,527
Local financial entities		34,167,612	608,863,646	406,513,723
Foreign financial entities		186,348,821,639	185,996,786,978	124,787,806,670
Notes payable on demand		291,159,518	481,593,852	933,476,898
Restricted cash and cash equivalents		89,483,497,239	94,679,945,381	502,245,670
Accounts and interest receivable		13,709,943	26,046	37,968
Investment in financial instruments	5	1,737,604,014,810	1,890,859,623,925	1,422,225,936,729
At fair value through profit or loss		232,343,302,158	294,371,792,030	129,268,183,986
At fair value through other comprehensive income		1,390,086,634,332	1,529,772,010,039	1,158,570,957,948
At amortized cost		90,186,040,192	40,227,916,128	116,422,768,236
Interest receivable		25,079,315,361	26,487,905,728	17,964,479,288
(Allowance for impairment)		(91,277,233)	0	(452,729)
Loan portfolio	6.b	4,077,413,386,301	3,951,163,611,912	3,737,850,095,270
Current loans	6.d	3,937,462,584,878	3,810,847,915,386	3,611,713,806,444
Past due loans		243,256,893,171	258,953,338,028	191,127,466,768
Loans in legal collection	6.e	54,015,379,909	52,111,660,667	47,306,508,117
(Deferred income loan portfolio)		(20,333,161,206)	(19,009,378,028)	(17,174,110,485)
Interest receivable	6.f	23,482,920,835	19,478,709,205	39,101,667,115
(Allowance for impairment)	6.g	(160,471,231,286)	(171,218,633,346)	(134,225,242,689)
Accounts and commissions receivable		40,589,667,945	21,927,976,908	15,288,959,387
Commissions receivable		5,047,174,271	5,451,776,874	3,914,017,767
Accounts receivable from stock exchange operations		324,382,309	127,892,079	153,829,125
Accounts receivable for transactions with related parties		461,408,278	520,094,412	588,117,964
Deferred income tax and income tax receivable	15	29,654,579,558	11,032,526,401	3,089,935,829
Other accounts receivable		18,704,160,389	17,413,421,647	18,228,391,664
(Allowance for impairment)		(13,602,046,860)	(12,617,735,505)	(10,685,332,962)
Foreclosed assets	7	50,943,639,172	63,075,876,073	65,018,758,323
Assets and securities acquired as recovery of loans		115,786,047,086	137,465,784,701	153,175,635,799
Other foreclosed assets		3,022,436,777	3,368,683,758	3,135,050,908
(Allowance for impairment and per legal requirement)		(67,864,844,691)	(77,758,592,380)	(91,291,928,384)
Interest in other companies' capital, net	8	349,295,286	65,417,188	601,781,698
Property, furniture and equipment, net	9	151,188,474,971	141,563,242,551	145,466,631,990
Property investments		6,831,625,000	6,441,924,521	6,441,924,521
Other assets		160,150,252,095	99,581,779,941	103,914,142,514
Deferred charges	10.a	2,164,311,351	8,981,047,462	11,020,765,141
Intangible assets, net	10.b	23,547,464,286	17,180,489,597	16,550,642,887
Other assets	10.c	134,438,476,458	73,420,242,882	76,342,734,786
TOTAL ASSETS	€	7,215,726,041,286	7,135,188,390,431	6,299,856,087,611

BANCO DE COSTA RICA AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 For the period ended December 31, 2022
 (With corresponding figures as of December 31, 2021)
 (In colones without cents)

	December 2022	Restated December 2021	Restated January 2021
LIABILITIES AND EQUITY			
LIABILITIES			
Obligations with the public	€ 5,210,175,460,962	5,097,289,261,968	4,435,948,768,842
Demand obligations	11 3,312,715,210,395	3,371,923,199,180	2,631,125,295,136
Term obligations	12 1,864,994,210,988	1,691,856,375,240	1,765,488,529,808
Other obligations with the public	13 12,201,496,594	18,517,242,708	22,851,373,427
Financial charges payable	20,264,542,985	14,992,444,840	16,483,570,471
Obligations with the Central Bank of Costa Rica	14 135,919,088,556	128,285,685,643	2,500,208,320
Term obligations	134,495,032,211	127,689,025,829	2,500,208,320
Financial charges payable	1,424,026,345	596,659,814	0
Obligations with entities	14 862,134,813,602	910,366,625,702	996,185,319,919
Demand obligations	12 86,234,442,076	62,137,999,149	57,024,035,642
Term obligations	12 769,430,943,775	843,660,310,320	934,562,223,076
Financial charges payable	6,469,427,751	4,568,316,233	4,599,061,201
Accounts payable and provisions	16 190,887,385,002	227,182,539,426	179,929,558,499
Provisions	41,493,111,502	73,627,785,304	79,766,218,556
Accounts payable for stock transactions	117,147,171	563,841,051	125,916,857
Deferred income tax	15 28,951,269,227	38,955,917,658	8,261,935,568
Other sundry accounts payable	17 120,308,998,711	114,018,842,829	91,752,054,796
Financial charges payable	16,858,391	16,152,584	23,432,722
Other liabilities	65,527,746,641	26,640,699,189	38,146,815,175
Deferred income	489,033,076	1,148,961,206	1,248,422,950
Other liabilities	65,038,712,965	25,491,737,983	36,898,392,225
Subordinated obligations	14 50,139,885,636	0	0
Subordinated obligations	49,955,433,414	0	0
Financial charges payable	184,422,222	0	0
TOTAL LIABILITIES	€ 6,514,784,319,799	6,389,764,811,928	5,652,710,670,755
EQUITY			
Capital stock	18.a € 181,409,990,601	181,409,990,601	181,409,990,601
Paid-in-capital	181,409,990,601	181,409,990,601	181,409,990,601
Adjustments to equity - Other comprehensive income	7,399,651,431	96,607,343,411	55,958,372,952
Equity reserves	1.w 325,313,265,988	296,709,547,031	283,820,516,011
Accrued earnings from previous periods	24,854,115,249	4,479,073,617	(3,976,718,087)
Profit of current period	48,171,909,592	53,243,470,057	24,247,105,675
Equity of the Development Financing Fund	40,476,721,777	36,212,011,410	33,309,728,460
Minority interest	8 73,316,067,749	76,762,142,376	72,376,421,244
TOTAL EQUITY	700,941,721,487	745,423,578,503	647,145,416,856
TOTAL LIABILITIES AND EQUITY	€ 7,215,726,041,286	7,135,188,390,431	6,299,856,087,611
DEBIT CONTINGENT ACCOUNTS			
	19 € 568,874,580,805	454,667,784,223	435,596,846,933
TRUST ASSETS			
	20 773,795,354,330	985,500,123,521	972,668,061,666
TRUST LIABILITIES			
	270,063,360,217	362,909,505,260	379,680,643,674
TRUST EQUITY			
	503,731,994,114	622,590,618,261	592,987,417,992
OTHER DEBIT MEMORANDA ACCOUNTS			
	21 € 23,386,353,915,943	20,071,723,483,560	24,615,785,229,468
Own debit memoranda accounts	12,952,966,818,969	9,143,495,017,548	15,416,275,687,503
Third party debit memoranda accounts	2,559,816,420,678	2,835,154,836,649	2,351,292,555,491
Own debit memoranda accounts for custodial activities	906,880,401,900	1,017,428,771,091	753,477,291,918
Third party debit memoranda accounts for custodial activities	6,966,690,274,396	7,075,644,858,272	6,094,739,694,556

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

DOUGLAS SOTO LEITON (FIRMA)
 Firmado digitalmente por DOUGLAS SOTO LEITON (FIRMA)
 Fecha: 2023.05.10 10:42:23 -06'00'
 Douglas Soto L.
 General Manager

MARIA LUISA GUZMAN GRANADOS (FIRMA)
 Firmado digitalmente por MARIA LUISA GUZMAN GRANADOS (FIRMA)
 Fecha: 2023.05.08 18:11:42 -06'00'
 Maria Luisa Guzmán G.
 Accountant

RAFAEL ENRIQUE MENDOZA MARCHENA (FIRMA)
 Firmado digitalmente por RAFAEL ENRIQUE MENDOZA MARCHENA (FIRMA)
 Fecha: 2023.05.09 13:56:40 -06'00'
 Rafael Mendoza M.
 General Auditor

DNI: 42900819
 BANCO DE COSTA RICA
 Cuentas de Ahorro y Ahorro
 Regulado por el Banco Central de Costa Rica
 Cuentas de Ahorro y Ahorro
 MARIA LUISA
 Estado de Ahorro y Ahorro
 2023.05.10 10:42:23 -06'00'



TIMBRE 300.0 COLONES

Verificación de firmas
 https://firmas.comcastor.com

BANCO DE COSTA RICA AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 For the period ended December 31, 2022
 (With corresponding figures as of December 31, 2021)
 (In colones without cents)

	Note	December 2022	Restated December 2021
Financial income			
For availabilities		€ 1,499,013,174	107,271,469
For investments in financial instruments	26	89,948,369,683	87,736,530,679
For loan portfolio	27	301,402,044,148	280,827,246,451
For financial leases	27	2,271,385,113	2,138,569,347
For gain on exchange differences and Development Units	1-d	0	3,127,103,284
For profit from financial instruments at fair value through profit or loss		2,551,947,945	767,898,737
For profit from financial instruments at fair value through other comprehensive income		9,325,820,788	10,175,737,801
For profit in property investments		465,995,959	0
For other financial income		4,245,612,643	5,009,343,782
Total financial income		411,710,189,483	389,889,701,550
Financial expenses			
For obligations with the public	28	130,125,564,700	113,955,651,956
For obligations with the Central Bank of Costa Rica		4,044,552,335	658,470,832
For obligations with financial and non-financial entities		31,853,268,352	21,829,124,858
For Subordinated, Convertible and Preferred Obligations		1,146,259,780	0
For losses due to exchange differences and DU	1-d.ii	3,894,495,823	0
For loss from financial instruments at fair value through profit or loss		193,374,932	180,462,878
For loss from financial instruments at fair value through other comprehensive income		959,838,349	176,071,654
For other financial expenses		65,589,063	68,456,744
Total financial expenses		172,282,943,334	136,868,238,922
Allowance for impairment of assets	29	19,608,295,778	49,413,361,492
For assets recovery and decrease in allowance and provisions	30	18,163,491,341	16,672,977,979
FINANCIAL INCOME		237,982,441,682	220,280,299,115
Other operating income			
For service fees	31	120,108,940,718	112,190,125,051
For foreclosed assets		29,657,702,721	33,790,926,978
For profit on capital investments in other companies	32	4,569,892	4,948,114
For foreign currency exchange and arbitrations		26,727,852,045	21,909,950,324
For other income from related parties		370,726,503	615,781,592
For other operating income		27,819,206,850	27,888,171,419
Total other operating income		204,688,798,729	196,399,003,478
Other operating expenses			
For service fees		29,229,665,713	27,988,302,385
For foreclosed assets		35,644,742,433	41,119,868,563
For provisions		5,682,556,542	1,603,771,416
For exchange and arbitration, foreign currency		1,204,470,454	1,443,284,825
For other expenses with related parties		1,050,280	6,269,410
For other operating expenses		47,826,056,195	44,793,222,147
Total other operating expenses		119,588,541,617	116,954,718,746
GROSS OPERATING INCOME		323,082,696,794	299,724,583,847
Administrative expenses			
Personnel expenses		122,549,909,950	114,362,100,772
Other administrative expenses		94,009,410,597	82,133,331,071
Total administrative expenses	33	216,559,320,547	196,495,431,843
OPERATING INCOME, NET OF INCOME TAX AND STATUTORY ALLOCATIONS		106,523,376,247	103,229,162,004
Income tax	15	26,084,598,435	27,628,619,493
Deferred income tax	15	14,021,794,000	714,832,424
Decrease in income tax	15	10,659,971,766	1,937,313,548
Legal profit allocation	34	26,980,949,139	22,422,046,819
RESULT OF THE PERIOD		50,098,709,359	54,400,966,816
Attributed to non-controlling interests		1,923,799,767	1,157,496,759
RESULTS OF THE PERIOD ATTRIBUTED TO THE FINANCIAL CONGLOMERATE		48,174,909,592	53,243,470,057
OTHER COMPREHENSIVE INCOME OF THE PERIOD, NET OF TAX			
Surplus for revaluation of real estate		9,340,541,028	(6,030,158,264)
Adjustment for valuation of investments at fair value through other comprehensive income		(65,594,724,794)	35,752,675,785
Reclassification of unrealized profit to the income statement		(5,856,187,707)	(6,999,766,303)
Adjustment for valuation of restricted financial instruments, net of income tax		(21,976,794,566)	14,054,860,300
Other		(10,490,400,335)	7,099,583,314
OTHER COMPREHENSIVE INCOME OF THE PERIOD, NET OF TAX	35	(84,877,864,374)	43,877,184,832
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(44,481,857,015)	98,278,161,648
Comprehensive income attributed to minority interest		(3,446,074,627)	4,385,721,132
COMPREHENSIVE INCOME ATTRIBUTED TO THE FINANCIAL CONGLOMERATE	€	(41,035,782,388)	93,892,440,516

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)
 Fecha: 2023.05.08 19:15:08 -06'00'

María Luisa Guzmán G.
 Accountant

RAFAEL ENRIQUE MENDOZA MARCHENA (FIRMA)
 Firmado digitalmente por RAFAEL ENRIQUE MENDOZA MARCHENA (FIRMA)
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Rafael Mendoza M.
 General Auditor



BANCO DE COSTA RICA AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 For the period ended December 31, 2022
 (With corresponding figures as of December 31, 2021)
 (In colones without cents)

Adjustments to equity

	Capital Stock	Surplus for revaluation of property, furniture and equipment	Adjustment for valuation of investments at fair value through other comprehensive income	Adjustment for translation of financial statements	Total adjustments to equity	Equity reserves	Accrued earnings from previous periods	Equity of the Development Financing Fund	Minority interest	Total equity
Balance as of December 31, 2020	181,409,990,601	37,774,830,067	(2,718,583,704)	20,902,126,589	55,958,372,952	283,820,516,011	39,077,596,950	33,309,728,460	72,376,421,244	665,952,626,218
Effect on error correction in the tax treatment of uncertainties	45	0	0	0	0	0	(18,807,209,362)	0	0	(18,807,209,362)
Balance as of January 01, 2021	181,409,990,601	37,774,830,067	(2,718,583,704)	20,902,126,589	55,958,372,952	283,820,516,011	20,270,387,588	33,309,728,460	72,376,421,244	647,145,416,856
Allocation of legal reserve		0	0	0	0	12,889,031,020	(12,889,031,020)	0	0	0
Allocation of the Development Financing Fund		0	0	0	0	0	(2,902,282,951)	2,902,282,950	0	(1)
Balance as of December 31, 2021	181,409,990,601	37,774,830,067	(2,718,583,704)	20,902,126,589	55,958,372,952	296,709,547,031	4,479,073,617	36,212,011,410	72,376,421,244	647,145,416,855
Other comprehensive income										
Other total comprehensive income		0	(6,030,158,264)	43,058,341,233	3,620,787,490	40,648,970,459	0	53,243,470,057	0	4,385,721,132
Balance as of December 31, 2021	181,409,990,601	31,744,671,803	40,339,757,529	24,522,914,079	96,607,343,411	296,709,547,031	57,722,543,674	36,212,011,410	76,762,142,376	745,423,578,503
Attributed to minority interest		0	0	0	0	0	0	0	76,762,142,376	76,762,142,376
Attributed to the financial conglomerate	181,409,990,601	31,744,671,803	40,339,757,529	24,522,914,079	96,607,343,411	296,709,547,031	57,722,543,674	36,212,011,410	76,762,142,376	668,661,436,127
Balance as of December 31, 2021	181,409,990,601	31,744,671,803	40,339,757,529	24,522,914,079	96,607,343,411	296,709,547,031	57,722,543,674	36,212,011,410	76,762,142,376	745,423,578,503
Allocation of legal reserve		0	0	0	0	28,603,718,057	(28,603,718,057)	0	0	0
Allocation of the Development Financing Fund		0	0	0	0	0	(4,264,710,368)	4,264,710,367	0	(1)
Balance as of December 31, 2022	181,409,990,601	31,744,671,803	40,339,757,529	24,522,914,079	96,607,343,411	325,313,265,088	24,854,115,249	40,476,721,777	76,762,142,376	745,423,578,502
Other comprehensive income										
Other total comprehensive income		0	9,340,541,028	(93,198,128,837)	(5,350,104,171)	(89,207,691,980)	0	48,171,909,592	0	(3,446,074,627)
Balance as of December 31, 2022	181,409,990,601	41,085,212,831	(52,858,371,308)	19,172,809,908	7,399,651,431	325,313,265,088	73,026,024,841	40,476,721,777	73,316,067,749	700,941,721,487
Attributed to minority interest		0	0	0	0	0	0	0	73,316,067,749	73,316,067,749
Attributed to the financial conglomerate	181,409,990,601	41,085,212,831	(52,858,371,308)	19,172,809,908	7,399,651,431	325,313,265,088	73,026,024,841	40,476,721,777	73,316,067,749	627,625,653,738

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)
 Fecha: 2023.05.08 19:18:01 -06'00'
 Maria Luisa Guzmán G.
 Accountant

RAFAEL ENRIQUE MENDOZA MARCHENA (FIRMA)
 Firmado digitalmente por RAFAEL ENRIQUE MENDOZA MARCHENA (FIRMA)
 Fecha: 2023.05.09 14:43:33 -06'00'
 Rafael Mendoza M.
 General Auditor

CIF: 4000333015
 BANCO DE COSTA RICA
 Registro Profesional 20182
 Contador PÚBLICO GRANADOS RAFAEL MARCHENA
 Estado de Cambio de el País: Costa Rica
 2023-05-10 17:00:14 -0600



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VERIFICACION: qaxTijy
<https://timbres.comtadot.co.cr>

BANCO DE COSTA RICA AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
 For the period ended December 31, 2022
 (With corresponding figures as of December 31, 2021)
 (In colones without cents)

	Note	December 2022	Restated December 2021	Restated January 2021
Cash flows from operating activities:				
Income of the period		48,171,909,592	53,243,470,857	24,247,105,675
Items applied to results not requiring cash outlays:		(103,213,215,732)	(93,179,124,073)	(98,695,899,246)
Increase or (decrease) for:				
Allowance for impairment or devaluation of financial instruments		479,476,121	2,179,082,803	5,621,642,841
Allowance for impairment of loan portfolio		15,671,760,725	44,208,237,458	48,916,849,794
Allowance for impairment and default of other accounts receivable		3,457,058,932	3,026,041,031	4,313,922,866
Allowance for impairment of assets in lien of payment		18,521,186,919	19,500,570,248	24,786,848,229
Income from reversal of allowance for impairment or devaluation of investments		(2,413,739,150)	(1,136,602,820)	(4,177,728,903)
Income from reversal of allowance for impairment of loan portfolio		(7,714,047,173)	(2,378,091,815)	(10,375,781,696)
Income from reversal of allowance for impairment and default of accounts receivable		(2,002,941,318)	(1,129,250,309)	(2,209,203,340)
Income from reversal of allowance for impairment of assets in lien of payment		(28,546,716,197)	(33,087,363,274)	(29,609,811,572)
Income or loss for sale of assets received in lien of payment and of property, furniture and equipment		13,944,515,007	17,267,231,299	13,484,035,925
Interest in net profit of other companies		(4,969,892)	(4,946,114)	(105,481,634)
Depreciation		12,317,873,039	13,978,090,455	13,680,659,157
Amortization		17,741,437,449	16,593,901,096	13,544,474,919
Provision for social benefits		1,927,910,304	361,251,335	275,265,477
Provisions for pending lawsuits		3,734,646,239	1,242,520,081	4,207,994,930
Other provisions		21,137,193,539	19,411,873,957	(7,336,322,680)
Income from provisions		(4,542,795,730)	(9,263,103,623)	(4,644,623,709)
Income tax		26,084,968,433	27,628,619,493	18,927,088,406
Deferred income tax		14,021,704,080	714,832,424	652,540,932
Decrease in income tax		(9,940,432,988)	(1,762,028,883)	(1,102,369,376)
Decrease in income tax from previous periods		(715,239,778)		0
Profit sharing		26,980,949,139	22,422,046,819	10,214,325,333
Interest for obligations with the public		130,125,564,700	113,955,651,956	138,792,405,308
Interest for obligations with financial entities		37,044,080,467	22,487,595,690	28,143,980,667
Income from revaluations		(1,499,013,174)	(107,271,469)	(643,491,687)
Interest from investment in financial instruments		(89,946,349,683)	(87,736,530,679)	(653,440,925,702)
Income from loan portfolio		(301,402,044,148)	(280,827,246,451)	(285,339,829,891)
Net profit or loss from exchange differences and Development Units		5,739,370,868	(3,314,220,565)	(10,233,604,518)
Minority interest in net profit of subsidiaries		1,923,799,767	1,177,496,759	830,446,096
Adjustments for conversion of financial statements of the entity abroad		(3,350,104,171)	3,620,767,490	6,092,994,523
Cash flow from operating activities:		(221,855,082,140)	(600,902,104,116)	49,121,812,486
Net variation in assets: increase or (decrease)				
Increase in financial instruments - at fair value through profit or loss		(281,988,076,615)	(1,338,143,884,033)	(9,695,555,290)
Decrease in financial instruments - at fair value through profit or loss		346,120,424,309	1,172,017,343,279	0
Increase in financial instruments - at fair value through comprehensive income		(5,087,499,600,174)	(2,938,094,390,967)	(3,797,326,087,057)
Decrease in financial instruments - at fair value through comprehensive income		5,042,622,065,048	2,666,315,900,774	3,712,441,205,614
Loan portfolio		(267,921,518,273)	(228,579,995,740)	87,077,541,722
Accounts and commissions receivable		(2,048,932,302)	(8,332,476,050)	(7,449,968,451)
Available-for-sale assets		26,739,765,604	30,812,650,249	19,472,343,877
Interest receivable for financial instruments		26,487,903,728	17,964,479,288	10,025,019,727
Interest receivable for loan portfolio		15,420,210,850	36,096,920,246	21,065,217,863
Other assets		(39,084,295,273)	9,051,368,760	13,312,094,481
Net variations in liabilities: increase or (decrease)		202,955,277,789	515,338,807,854	49,854,807,834
Obligations with the public:				
Obligations with the Central Bank of Costa Rica and other entities		250,813,963,780	577,839,435,866	141,515,682,195
Obligations for accounts and commissions payable and provisions		6,923,727,237	7,507,845,799	(30,519,937,394)
Obligations for accounts and commissions payable and provisions		(74,941,571,183)	(36,664,130,504)	(12,208,324,884)
Interest payable for obligations with the public		(14,992,444,840)	(16,483,370,471)	(22,171,424,029)
Interest payable for obligations with the BCCR and other entities		(2,164,876,047)	(4,599,061,201)	(8,208,082,239)
Interest payable for accounts and commissions payable and provisions		(16,152,584)	(23,432,722)	(14,488,317)
Other liabilities		40,334,731,428	(12,238,278,913)	(19,338,897,399)
Interests paid		(138,810,367,473)	(116,269,674,177)	(145,830,321,561)
Collected interest		348,343,689,164	325,709,180,535	297,094,531,871
Paid income tax		(19,934,600,024)	(13,142,673,201)	(22,005,278,260)
Net cash flow provided by operating activities:		114,159,611,176	70,797,882,881	152,986,258,879
Cash flows from investment activities:				
Increase in financial instruments at amortized cost		(8,979,433,012,151)	(15,316,608,549,533)	(4,135,470,722,838)
Decrease in financial instruments at amortized cost		8,929,474,888,087	15,392,803,401,641	4,061,804,704,622
Acquisition of property, furniture and equipment		(34,777,600,706)	(10,201,012,262)	(15,861,115,477)
Decrease for withdrawal and transfer of property, furniture and equipment		8,219,487,346	113,552,347	164,611,784
Acquisition of intangibles		(16,676,666,928)	(9,661,872,237)	(9,808,341,740)
Decrease for withdrawal and transfer of intangibles		(4,073,826,446)	644,664,181	330,910,218
Interest in other companies		(278,908,206)	540,412,624	(12,688,964)
Cash flows (used for) provided by investment activities:		(97,545,639,004)	57,630,816,761	(98,852,642,415)
Cash flows from financing activities:				
Subordinated obligations		49,955,433,414	0	0
Cash flows provided by financing activities:		49,955,433,414	0	0
Net increase (decrease) in cash and cash equivalents:		66,569,405,586	138,428,609,642	54,133,616,464
Cash and cash equivalents at the beginning of the year		1,088,379,896,650	940,600,959,363	838,176,114,618
Effect of changes in exchange rates on cash		(32,246,507,103)	19,330,237,644	28,289,228,281
Cash and cash equivalents at the end of the year	4	1,124,702,795,131	1,088,379,896,650	940,600,959,363

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

DOUGLAS SOTO LEITON
 (FIRMA)

Douglas Soto L.
 General Manager

MARIA LUISA GUZMAN GRANADO S
 (FIRMA)

Maria Luisa Guzmán G.
 Accountant

RAFAEL ENRIQUE MENDOZA MARCHENA
 (FIRMA)

Rafael Mendoza M.
 General Auditor



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For further details, refer to the
 Consolidated Financial Statements
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