



Banco de Costa Rica and Subsidiaries

**Unaudited Consolidated Financial Statements**

March 31, 2024, and 2023

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**BANCO DE COSTA RICA AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As of March 31, 2024  
(In colones without cents)

	Note	March 2024	December 2023	March 2023
<b>ASSETS</b>				
<b>Availabilities</b>	<b>4</b>	<b>€ 855,700,383,211</b>	<b>857,141,935,007</b>	<b>994,864,548,096</b>
Cash		82,826,615,998	94,545,532,532	89,456,735,225
Central Bank of Costa Rica		623,452,018,758	592,619,894,577	677,996,520,633
Local financial entities		1,849,068,944	1,417,055,883	1,838,483
Foreign financial entities		57,035,683,968	78,213,290,649	101,768,300,651
Notes payable on demand		500,346,073	958,261,787	29,264,690,398
Restricted cash and cash equivalents		90,036,649,465	89,387,879,925	96,376,462,706
Accounts and interest receivable	5	19,654	-	-
<b>Investment in financial instruments</b>	<b>5</b>	<b>1,643,242,403,948</b>	<b>1,591,327,477,747</b>	<b>1,585,213,577,756</b>
At fair value through profit or loss		157,100,467,860	137,856,680,612	134,758,693,089
At fair value through other comprehensive income		1,155,913,411,337	1,076,169,538,430	1,341,942,770,911
At amortized cost		309,455,557,533	356,017,903,026	93,583,391,059
Interest receivable		20,923,319,800	21,445,888,496	15,027,906,676
(Allowance for impairment)		(150,352,582)	(162,532,817)	(99,183,979)
<b>Loan portfolio</b>	<b>6.b</b>	<b>3,978,119,372,433</b>	<b>3,967,208,057,310</b>	<b>3,905,838,466,255</b>
Current loans	6.d	3,803,027,887,615	3,807,277,733,773	3,756,374,647,705
Past due loans		250,105,602,174	238,319,730,317	245,692,558,533
Loans in legal collection	6.e	55,058,362,527	54,557,170,035	51,373,797,653
(Deferred income loan portfolio)		(20,667,641,566)	(20,496,872,511)	(20,285,105,077)
Interest receivable	6.f	24,801,652,785	22,649,068,401	25,307,068,620
(Allowance for impairment)	6.g	(134,206,491,102)	(135,098,772,705)	(152,624,501,179)
<b>Accounts and commissions receivable</b>		<b>54,086,313,359</b>	<b>43,423,565,381</b>	<b>42,111,265,429</b>
Commissions receivable		4,429,638,032	4,957,981,131	4,913,346,897
Accounts receivable from stock exchange operations		450,896,232	434,827,061	310,976,969
Accounts receivable for transactions with related parties		1,116,656,938	583,187,977	626,289,384
Deferred income tax and income tax receivable	15	43,204,875,374	30,538,303,112	32,153,327,706
Other accounts receivable		15,507,282,839	17,629,733,158	17,475,881,875
(Allowance for impairment)		(10,623,036,056)	(10,720,467,058)	(13,368,557,402)
<b>Foreclosed assets</b>	<b>7</b>	<b>41,416,824,771</b>	<b>41,509,863,245</b>	<b>49,733,214,269</b>
Assets and securities acquired as recovery of loans		99,707,000,248	103,865,444,108	116,067,663,378
Other foreclosed assets		4,268,919,496	4,591,791,211	3,383,105,669
(Allowance for impairment and per legal requirement)		(62,559,094,973)	(66,947,372,074)	(69,717,554,778)
<b>Interest in other companies' capital, net</b>	<b>8</b>	<b>712,035,989</b>	<b>133,402,390</b>	<b>746,144,071</b>
<b>Property, furniture and equipment, net</b>	<b>9</b>	<b>140,662,115,614</b>	<b>144,156,692,617</b>	<b>148,662,580,890</b>
<b>Property investments</b>		<b>6,831,625,000</b>	<b>6,831,625,000</b>	<b>6,831,625,000</b>
<b>Other assets</b>		<b>114,294,052,748</b>	<b>139,362,324,641</b>	<b>171,043,105,145</b>
Deferred charges	10.a	1,413,322,752	1,547,496,053	1,908,834,599
Intangible assets, net	10.b	16,365,273,459	19,484,977,405	21,315,306,506
Other assets	10.c	96,515,456,537	118,329,851,183	147,818,964,040
<b>TOTAL ASSETS</b>	<b>€</b>	<b>6,835,065,127,073</b>	<b>6,791,094,943,338</b>	<b>6,905,044,526,911</b>

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As of March 31, 2024  
(In colones without cents)

<u>Note</u>	<u>March 2024</u>	<u>December 2023</u>	<u>March 2023</u>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Obligations with the public</b>	<b>¢ 4,942,851,528,114</b>	<b>4,878,769,370,734</b>	<b>5,060,907,524,185</b>
Demand obligations	11 3,197,193,389,130	3,153,836,915,299	2,929,076,290,507
Term obligations	12 1,723,500,511,186	1,689,297,909,582	2,091,069,086,345
Other obligations with the public	13 2,867,706,132	5,523,100,903	11,551,176,502
Financial charges payable	19,289,921,666	30,111,444,950	29,210,970,831
<b>Obligations with the Central Bank of Costa Rica</b>	<b>14 101,271,670,766</b>	<b>106,132,196,511</b>	<b>108,199,896,486</b>
Term obligations	99,002,909,685	103,950,578,331	106,607,072,703
Financial charges payable	2,268,761,081	2,181,618,180	1,592,823,783
<b>Obligations with entities</b>	<b>14 771,648,525,139</b>	<b>770,256,173,193</b>	<b>701,386,429,870</b>
Demand obligations	12 93,225,407,695	67,760,617,913	88,206,711,751
Term obligations	12 669,841,962,699	696,165,600,038	606,925,039,253
Financial charges payable	8,581,154,745	6,329,955,242	6,254,678,866
<b>Accounts payable and provisions</b>	<b>172,994,191,867</b>	<b>186,175,084,710</b>	<b>165,606,151,782</b>
Provisions	16 51,943,041,703	51,651,539,202	42,376,233,937
Accounts payable for stock transactions	16,214,312	54,807,470	3,069,927,425
Deferred income tax	15 45,809,811,786	45,230,732,356	29,844,273,783
Other sundry accounts payable	17 75,201,759,136	89,217,012,247	90,298,259,718
Financial charges payable	23,364,930	20,993,435	17,456,919
<b>Other liabilities</b>	<b>32,680,420,715</b>	<b>48,719,989,245</b>	<b>111,308,873,075</b>
Deferred income	527,001,075	539,183,054	495,240,055
Other liabilities	32,153,419,640	48,180,806,191	110,813,633,020
<b>Subordinated obligations</b>	<b>50,143,055,402</b>	<b>50,142,376,526</b>	<b>50,140,457,855</b>
Subordinated obligations	14 49,958,633,180	49,957,954,304	49,956,035,633
Financial charges payable	184,422,222	184,422,222	184,422,222
<b>TOTAL LIABILITIES</b>	<b>¢ 6,071,589,392,003</b>	<b>6,040,195,190,919</b>	<b>6,197,549,333,253</b>
<b>EQUITY</b>			
<b>Capital stock</b>	<b>18.a ¢ 181,409,990,601</b>	<b>181,409,990,601</b>	<b>181,409,990,601</b>
Paid-in-capital	181,409,990,601	181,409,990,601	181,409,990,601
<b>Adjustments to equity - Other comprehensive income</b>	<b>43,475,002,941</b>	<b>41,260,638,559</b>	<b>16,064,199,960</b>
<b>Equity reserves</b>	<b>364,708,053,622</b>	<b>351,152,901,365</b>	<b>351,152,901,365</b>
<b>Accrued earnings from previous periods</b>	<b>47,328,475,171</b>	<b>41,896,492,820</b>	<b>41,896,492,820</b>
<b>Profit of current period</b>	<b>12,075,470,216</b>	<b>22,086,766,162</b>	<b>3,915,425,478</b>
<b>Equity of the Development Financing Fund</b>	<b>48,866,249,077</b>	<b>45,766,617,523</b>	<b>45,766,617,523</b>
<b>Minority interest</b>	<b>8 65,612,493,442</b>	<b>67,326,345,389</b>	<b>67,289,565,911</b>
<b>TOTAL EQUITY</b>	<b>763,475,735,070</b>	<b>750,899,752,419</b>	<b>707,495,193,658</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>¢ 6,835,065,127,073</b>	<b>6,791,094,943,338</b>	<b>6,905,044,526,911</b>
<b>DEBIT CONTINGENT ACCOUNTS</b>	<b>19 ¢ 503,774,393,314</b>	<b>534,078,023,412</b>	<b>498,951,370,948</b>
<b>TRUST ASSETS</b>	<b>20 851,925,824,157</b>	<b>894,086,593,935</b>	<b>885,220,683,562</b>
<b>TRUST LIABILITIES</b>	<b>245,654,948,241</b>	<b>275,164,242,326</b>	<b>265,913,210,902</b>
<b>TRUST EQUITY</b>	<b>606,270,875,917</b>	<b>618,922,351,609</b>	<b>619,307,472,661</b>
<b>OTHER DEBIT MEMORANDA ACCOUNTS</b>	<b>21 ¢ 24,519,729,666,985</b>	<b>23,348,135,612,055</b>	<b>22,346,669,853,669</b>
Own debit memoranda accounts	12,987,289,154,088	12,192,182,211,203	11,720,610,888,366
Third party debit memoranda accounts	2,629,924,470,428	2,516,862,177,618	2,443,495,485,007
Own debit memoranda accounts for custodial activities	809,062,162,567	796,536,153,662	961,955,112,666
Third party debit memoranda accounts for custodial activities	8,093,453,879,902	7,842,555,069,572	7,220,608,367,630

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

Douglas Soto L.  
General Manager

María Luisa Guzmán G.  
Accountant

María Eugenia Zeledón P.  
General Auditor a.i.

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the period ended March 31, 2024

As of December 31, 2023

	Note	March 2024	March 2023
<b>Financial income</b>			
For availabilities	€	1,104,655,669	1,070,536,623
For investments in financial instruments	26	23,160,400,506	23,911,651,227
For loan portfolio	27	82,563,864,895	89,298,001,026
For financial leases	27	766,794,305	595,590,417
For profit from financial instruments at fair value through profit or loss		575,007,931	833,212,222
For profit from financial instruments at fair value through other comprehensive income		5,018,464,182	456,166,134
For other financial income		873,435,066	805,314,119
<b>Total financial income</b>		<b>114,062,622,554</b>	<b>116,970,471,768</b>
<b>Financial expenses</b>			
For obligations with the public	28	43,809,191,156	60,561,030,193
For obligations with the Central Bank of Costa Rica		210,444,835	433,344,817
For obligations with financial and non-financial entities		9,736,900,251	8,534,338,582
For subordinated, convertible and preferred obligations		1,537,443,877	1,537,367,219
For losses due to exchange differences and DU		3,547,613,389	6,633,157,798
For loss from financial instruments at fair value through profit or loss		884,907	93,765,712
For loss from financial instruments at fair value through other comprehensive income		15,592,657	1,178,922,932
For other financial expenses		1,378,607	12,506,508
<b>Total financial expenses</b>		<b>58,859,449,679</b>	<b>78,984,433,761</b>
Allowance for impairment of assets	29	3,464,648,865	3,384,136,711
For assets recovery and decrease in allowance and provisions	30	3,118,224,186	6,685,196,369
<b>FINANCIAL INCOME</b>		<b>54,856,748,196</b>	<b>41,287,097,665</b>
<b>Other operating income</b>			
For service fees	31	28,711,048,250	29,196,474,377
For foreclosed assets		4,432,360,404	2,779,239,315
For foreign currency exchange and arbitrations		9,263,998,043	8,356,281,730
For other income from related parties		262,715,012	327,212,884
For other operating income		3,585,030,761	6,984,738,911
<b>Total other operating income</b>		<b>46,255,152,470</b>	<b>47,643,947,217</b>
<b>Other operating expenses</b>			
For service fees		8,105,231,258	7,088,850,822
For foreclosed assets		2,486,411,906	6,540,299,213
For loss in participations in capital interests of other companies		171,366,400	88,457,712
For provisions		650,532,472	1,316,589,597
For exchange and arbitration, foreign currency		225,080,402	59,107,577
For other expenses with related parties		40,861,202	58,274,419
For other operating expenses		10,518,070,277	11,707,048,941
<b>Total other operating expenses</b>		<b>22,197,553,917</b>	<b>26,858,628,281</b>
<b>GROSS OPERATING INCOME</b>		<b>78,914,346,749</b>	<b>62,072,416,601</b>
<b>Administrative expenses</b>			
Personnel expenses		30,856,072,430	31,051,087,398
Other administrative expenses		19,999,316,630	19,845,196,356
<b>Total administrative expenses</b>	33	<b>50,855,389,060</b>	<b>50,896,283,754</b>
<b>OPERATING INCOME, NET OF INCOME TAX AND STATUTORY ALLOCATIONS</b>		<b>28,058,957,689</b>	<b>11,176,132,847</b>
Income tax	15	8,965,170,243	4,784,217,370
Deferred income tax	15	1,624,421,126	1,374,745,152
Decrease in income tax		2,211,047,652	1,885,283,275
Legal allocation on profit	34	6,730,946,217	2,207,799,841
<b>RESULT OF THE PERIOD</b>		<b>12,949,467,755</b>	<b>4,694,653,759</b>
Attributed to non-controlling interests		873,997,539	779,228,281
Attributed to the controller		<b>12,075,470,216</b>	<b>3,915,425,478</b>
<b>RESULTS OF THE PERIOD ATTRIBUTED TO THE FINANCIAL CONGLOMERATE</b>		<b>12,075,470,216</b>	<b>3,915,425,478</b>
<b>OTHER COMPREHENSIVE INCOME OF THE PERIOD, NET OF TAX</b>			
Adjustment for valuation of investments at fair value through other comprehensive income		7,594,101,312	11,595,248,452
Reclassification of unrealized profit to the income statement		(3,502,010,068)	505,929,759
Adjustment for valuation of restricted financial instruments, net of income tax		666,199,640	3,652,631,295
Other		(5,131,775,988)	(13,894,991,096)
<b>OTHER COMPREHENSIVE INCOME OF THE PERIOD, NET OF TAX</b>	35	<b>(373,485,104)</b>	<b>1,858,818,410</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>12,575,982,651</b>	<b>6,553,472,169</b>
Attributed to non-controlling interests		(1,713,851,947)	(6,026,501,772)
Attributed to the controller		<b>14,289,834,598</b>	<b>12,579,973,941</b>
<b>COMPREHENSIVE INCOME ATTRIBUTED TO THE FINANCIAL CONGLOMERATE</b>	€	<b>14,289,834,598</b>	<b>12,579,973,941</b>

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

Douglas Soto L.  
General Manager

María Luisa Guzmán G.  
Accountant

María Eugenia Zeledón P.  
General Auditor a.i.

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the period ended March 31, 2024  
(In colones without cents)

Adjustments to equity											
Note	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	
	<b>Balance as of December 31, 2022</b>	<b>181,409,990,601</b>	<b>41,085,212,831</b>	<b>(52,858,371,308)</b>	<b>19,172,809,908</b>	<b>7,399,651,431</b>	<b>325,313,265,088</b>	<b>73,026,024,841</b>	<b>40,476,721,777</b>	<b>73,316,067,683</b>	<b>700,941,721,487</b>
	Allocation of legal reserve	0	0	0	0	0	25,839,636,277	(25,839,636,277)	0	0	0
	Allocation of the Development Financing Fund	0	0	0	0	0	(5,289,895,744)	5,289,895,744	0	0	2
	<b>Balance as of December 31, 2023</b>	<b>181,409,990,601</b>	<b>41,085,212,831</b>	<b>(52,858,371,308)</b>	<b>19,172,809,908</b>	<b>7,399,651,431</b>	<b>351,152,901,365</b>	<b>41,896,492,820</b>	<b>45,766,617,523</b>	<b>73,316,067,683</b>	<b>700,941,721,489</b>
	<b>Other comprehensive income</b>										
	Exchange differences resulting from the translation of financial statements of foreign entities	0	0	0	(9,444,106,286)	(9,444,106,286)	0	0	0	(9,073,749,177)	(18,517,855,463)
	Unrealized gain or loss in fair value of investments through other comprehensive income	0	0	73,203,494,941	0	73,203,494,941	0	0	0	(129,566,997)	73,073,927,944
	Transfer of realized net gain to the income statement	0	0	(8,914,772,760)	0	(8,914,772,760)	0	0	0	0	(8,914,772,760)
	Impairment – Investments at fair value through other comprehensive income	0	0	(1,685,599,339)	0	(1,685,599,339)	0	0	0	0	(1,685,599,339)
	Transfer of impairment to the consolidated statement of income (RIF)	0	0	0	0	0	0	0	0	0	0
	Deferred income tax recognition	0	0	(19,298,029,428)	0	(19,298,029,428)	0	0	0	0	(19,298,029,428)
	Result of the period	0	0	0	0	0	22,086,766,162	0	3,213,593,880	25,300,360,042	0
	<b>Other total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>43,305,093,414</b>	<b>(9,444,106,286)</b>	<b>33,860,987,128</b>	<b>0</b>	<b>22,086,766,162</b>	<b>0</b>	<b>(5,989,722,294)</b>	<b>49,958,030,996</b>
	<b>Balance as of December 31, 2023</b>	<b>181,409,990,601</b>	<b>41,085,212,831</b>	<b>(9,553,277,894)</b>	<b>9,728,703,622</b>	<b>41,260,638,559</b>	<b>351,152,901,365</b>	<b>63,983,258,982</b>	<b>45,766,617,523</b>	<b>67,326,345,389</b>	<b>750,899,752,419</b>
	Attributed to minority interest	0	0	0	0	0	0	0	0	67,326,345,389	67,326,345,389
	Attributed to the financial conglomerate	e	181,409,990,601	41,085,212,831	(9,553,277,894)	9,728,703,622	41,260,638,559	351,152,901,365	63,983,258,982	45,766,617,523	683,573,407,030
	<b>Balance as of December 31, 2023</b>	<b>181,409,990,601</b>	<b>41,085,212,831</b>	<b>(9,553,277,894)</b>	<b>9,728,703,622</b>	<b>41,260,638,559</b>	<b>351,152,901,365</b>	<b>63,983,258,982</b>	<b>45,766,617,523</b>	<b>67,326,345,389</b>	<b>750,899,752,419</b>
	Allocation of legal reserve	0	0	0	0	0	13,555,152,257	(13,555,152,257)	0	0	0
	Allocation of the Development Financing Fund	0	0	0	0	0	(3,099,631,554)	3,099,631,554	0	0	0
	<b>Balance as of March 31, 2024</b>	<b>181,409,990,601</b>	<b>41,085,212,831</b>	<b>(9,553,277,894)</b>	<b>9,728,703,622</b>	<b>41,260,638,559</b>	<b>364,708,053,622</b>	<b>47,328,475,171</b>	<b>48,866,249,077</b>	<b>67,326,345,389</b>	<b>750,899,752,419</b>
	<b>Other comprehensive income</b>										
	Exchange differences resulting from the translation of financial statements of foreign entities	0	0	0	(2,617,205,754)	(2,617,205,754)	0	0	0	(2,514,570,234)	(5,131,775,988)
	Unrealized gain or loss in fair value of investments through other comprehensive income	0	0	12,032,460,001	0	12,032,460,001	0	0	0	(73,279,252)	11,959,180,749
	Transfer of realized net gain to the income statement	0	0	(5,002,871,525)	0	(5,002,871,525)	0	0	0	0	(5,002,871,525)
	Impairment – Investments at fair value through other comprehensive income	0	0	(76,875,238)	0	(76,875,238)	0	0	0	0	(76,875,238)
	Deferred income tax recognition	0	0	(2,121,143,102)	0	(2,121,143,102)	0	0	0	0	(2,121,143,102)
	Result of the period	0	0	0	0	0	12,075,470,216	0	873,997,539	12,949,467,755	0
	<b>Other total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>4,831,576,136</b>	<b>(2,617,205,754)</b>	<b>2,214,364,382</b>	<b>0</b>	<b>12,075,470,216</b>	<b>0</b>	<b>(1,713,851,947)</b>	<b>12,575,982,651</b>
	<b>Balance as of March 31, 2024</b>	<b>181,409,990,601</b>	<b>41,085,212,831</b>	<b>(4,721,707,758)</b>	<b>7,111,497,868</b>	<b>43,475,002,941</b>	<b>364,708,053,622</b>	<b>59,403,945,387</b>	<b>48,866,249,077</b>	<b>65,612,493,442</b>	<b>763,475,735,070</b>
	Attributed to minority interest	0	0	0	0	0	0	0	0	65,612,493,442	65,612,493,442
	Attributed to the financial conglomerate	e	181,409,990,601	41,085,212,831	(4,721,707,758)	7,111,497,868	43,475,002,941	364,708,053,622	59,403,945,387	48,866,249,077	697,863,241,628

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

Douglas Scto L.  
Gerente General

María Luisa Guzmán G.  
Contadora

María Eugenia Zeledón P.  
Auditora General a.i.



**BANCO DE COSTA RICA AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the period ended March 31, 2024  
(In colones without cents)

	Note	March 2024	March 2023
<b>Cash flows from operating activities</b>			
Income of the period	€	12,075,470,216	3,915,425,478
<b>Items applied to results not requiring cash outlays</b>		<b>(34,265,711,707)</b>	<b>(23,502,288,626)</b>
<b>Increase or (decrease) for</b>			
Allowance for impairment or devaluation of financial instruments		11,873,879	158,369,305
Allowance for impairment of loan portfolio		1,330,473,063	1,927,925,099
Allowance for impairment and default of other accounts receivable		2,122,301,923	1,297,842,307
Allowance for impairment of assets in lieu of payment		-	4,538,955,881
Income from reversal of allowance for impairment or devaluation of investments		(83,944,153)	(1,296,251,319)
Income from reversal of allowance for impairment of loan portfolio		-	(342,795,919)
Income from reversal of allowance for impairment and default of accounts receivable		(1,965,608,598)	(1,014,584,312)
Income from reversal of allowance for impairment of assets in lieu of payment		(4,309,271,561)	(2,633,865,557)
Income or loss for sale of assets received in lieu of payment and of property, furniture and equipment		1,662,069,922	882,935,190
Interest in net profit of other companies		171,366,400	88,457,712
Depreciation		3,659,347,524	3,510,014,026
Amortization		4,440,442,507	4,848,416,682
Provision for social benefits		13,783,244	122,432,685
Provisions for pending lawsuits		636,749,228	1,194,156,912
Other provisions		1,730,417	1,801,667
Income from provisions		(411,897,793)	(74,473,348)
Income tax		8,965,170,243	4,784,217,370
Deferred income tax		1,624,421,126	1,374,745,152
Decrease in income tax from previous periods		(2,211,047,652)	(1,885,283,275)
Profit sharing		6,730,946,217	2,207,799,841
Interest for obligations with the public		43,809,191,156	60,561,030,193
Interest for obligations with financial entities		11,484,788,963	10,505,050,618
Income from availabilities		(1,104,655,669)	(1,070,536,623)
Interest from investment in financial instruments		(23,160,400,506)	(23,911,651,227)
Income from loan portfolio		(82,563,864,895)	(89,298,001,026)
Net profit or loss from exchange differences and Development Units		(3,376,468,477)	6,328,220,518
Minority interest in net profit of subsidiaries		873,997,539	779,228,281
Adjustments for conversion of financial statements of the entity abroad		(2,617,205,754)	(7,086,445,459)
<b>Cash flows from operating activities</b>		<b>(202,329,994,526)</b>	<b>526,312,881,700</b>
<b>Net variation in assets increase or (decrease)</b>			
Increase in financial instruments - at fair value through profit or loss		(124,792,031,903)	(306,489,905,677)
Decrease in financial instruments - at fair value through profit or loss		105,608,134,694	405,220,303,506
Increase in financial instruments - at fair value through comprehensive income		(375,220,288,485)	(1,763,687,983,610)
Decrease in financial instruments - at fair value through comprehensive income			
Loan portfolio		211,940,445,401	2,156,773,874,823
Accounts and commissions receivable		(74,989,372,455)	9,734,540,056
Available-for-sale assets		(12,087,333,354)	(8,660,214,122)
Interest receivable for financial instruments		6,413,193,902	4,356,234,257
Interest receivable for loan portfolio		21,445,888,496	25,079,315,361
Other assets		18,025,847,561	19,424,422,480
		21,325,521,617	(15,437,705,374)
<b>Net variations in liabilities, increase or (decrease)</b>		<b>73,883,483,717</b>	<b>(115,161,894,082)</b>
Obligations with the public		140,395,136,084	27,639,002,884
Obligations with the Central Bank of Costa Rica and other entities		16,584,761,089	(130,223,141,051)
Obligations for accounts and commissions payable and provisions		(28,763,758,019)	(32,850,962,161)
Interest payable for obligations with the public		(30,111,444,950)	(20,264,542,985)
Interest payable for obligations with the BCCR and other entities		(8,695,995,644)	(8,077,876,318)
Interest payable for accounts and commissions payable and provisions		(20,993,435)	(16,858,391)
Other liabilities		(15,504,221,408)	48,632,483,940
Interests paid		(24,946,355,475)	(33,805,728,190)
Interest collected		65,727,169,325	78,003,711,935
Paid income tax		-	(195,595,218)
<b>Net cash flows provided by operating activities</b>		<b>(109,855,938,450)</b>	<b>435,566,512,998</b>
<b>Cash flows from investment activities</b>			
Increase in financial instruments at amortized cost		(12,901,538,892,815)	(2,675,218,906,293)
Decrease in financial instruments at amortized cost		12,948,101,238,338	2,671,851,555,426
Acquisition of property, furniture and equipment		(582,826,077)	(1,933,925,264)
Decrease for withdrawal and transfer of property, furniture and equipment		322,830,259	853,137,310
Acquisition of intangibles		(1,522,191,846)	(2,810,901,166)
Decrease for withdrawal and transfer of intangibles		300,117,916	337,691,477
Interest in other companies		(749,999,999)	(485,306,497)
<b>Cash flows (used for) provided by investment activities</b>		<b>44,330,275,746</b>	<b>(7,436,655,007)</b>
<b>Cash flows from financing activities</b>			
Subordinated obligations		678,876	602,219
<b>Cash flows provided by financing activities</b>		<b>678,876</b>	<b>602,219</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(65,524,983,828)</b>	<b>428,130,460,210</b>
Cash and cash equivalents at the beginning of the year		1,239,883,579,946	1,124,702,795,131
Effect of changes in exchange rates on cash		(10,345,017,711)	(39,326,859,841)
Cash and cash equivalents at the end of the year	4 €	1,164,013,578,407	1,514,638,894,899

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

Douglas Soto L.  
General Manager

María Luisa Guzmán G.  
Accountant

María Eugenia Zeledón P.  
General Auditor a.i.

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

#### 1). Summary of operations and significant accounting policies

##### (a) Operations

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

The Bank's website and its subsidiaries located in Costa Rica is [www.bancobcr.com](http://www.bancobcr.com)

The Bank is mainly dedicated to extending loans and granting bid and performance bonds; issuing deposit certificates; opening checking accounts in colones, U.S. dollars, and euros; issuing letters of credit; providing collection services; buying and selling foreign currency; managing trusts; providing custodial services for assets; and other banking operations. As of March 31, 2024, the Bank has a total 155 (161 and 161 for December and March 2023, respectively) branches distributed across the national territory, has in operation 556 (557 and 567 for December and March 2023 respectively) ATM's and has 4,091 (4,050 and 4,020 for December and March 2023 respectively) employees.

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

The Bank fully owns 100% of the following subsidiaries:

BCR Valores, S.A. - Puesto de Bolsa, was organized as a corporation in February 1999 under the laws of the Republic of Costa Rica. Its main activity is securities trading. The number of employees as of March 31, 2024, is of 73 (75 and 70 for December and March 2023 respectively) and is regulated by the General Superintendence of Securities (SUGEVAL).

BCR Sociedad Administradora de Fondos de Inversión, S.A. was organized as a corporation in July 1999 under the laws of the Republic of Costa Rica. Its main activity is investment fund management. The number of employees as of March 31, 2024, is of 105 (105 and 110 for December and March 2023, respectively) and is regulated by the General Superintendence of Securities (SUGEVAL).

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A. was organized as a corporation in September 1999 under the laws of the Republic of Costa Rica. Its main activity is managing supplemental pension plans and offering additional services related to disability and death plans to members. The number of employees as of March 31, 2024, is of 108 (106 and 102 for December and March 2023, respectively) and is regulated by the Superintendence of Pensions (SUPEN).

BCR Sociedad Corredora de Seguros, S.A. was organized as a corporation in February 2009 under the laws of the Republic of Costa Rica. Its main activity is insurance underwriting. The number of employees as of March 31, 2024, is of 93 (94 and 94 for December and March 2023, respectively) and it is regulated by the General Superintendence of Insurance (SUGESE).

Banprocesa, TI S.R.L. was organized as a corporation in August 2009 under the laws of the Republic of Costa Rica. Its main activity will be to provide IT processing services and technical support, purchase, lease, and maintain hardware and software, including software development, and address the Bank's IT needs. This entity has not started operations. As of March 31, 2024, the number of employees is 84 (82 and 77 for December and March 2023, respectively). As of July 29, 2021, CONASSIF sends communication CNS-1676/06 accepting its participation as part of the conglomerate.

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

Depósito Agrícola de Cartago, S.A. has a wholly owned subsidiary named Almacén Fiscal Agrícola de Cartago, S.A., constituted in December 1991 under the laws of the Republic of Costa Rica. Its main activity is the custody and storage of merchandise on which no import taxes have been paid, regulated by the General Customs Law, and supervised by the General Customs Directorate of the Ministry of Finance. Both companies are subject to the oversight of the Comptroller General of the Republic. As of March 31, 2024, the number of employees is of 78 (79 and 77 for December and March 2023, respectively).

BCR LEASING PREMIUM PLUS S.A. is a corporation incorporated on July 4, 2022, under the laws of the Republic of Costa Rica and is one more subsidiary of the BCR Financial Conglomerate. Its main activity is the leasing of personal property to current and potential clients of the BCR Conglomerate. The number of employees as of March 31, 2024, is 13 (12 and 5 for December and March 2023, respectively).

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

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

Banco Internacional de Costa Rica, S.A. and subsidiary (BICSA) was organized as a bank under the laws of the Republic of Panama in 1976. It operates under a general license granted by the Superintendence of Banks of Panama to engage in banking transactions in Panama or abroad; its office is located in the city of Panama, Republic of Panama, BICSA Financial Center, 50th floor, Avenida Balboa and Calle Aquilino de la Guardia. The remaining 49% of BICSA's shares are owned by Banco Nacional de Costa Rica. The number of employees as of March 31, 2024, is of 243 (237 and 229 for December and March 2023, respectively).

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

BICSA has two subsidiaries, BICSA Factoring and Capital S.A., engaged in providing funding through financial leases and purchase of invoices and brokerage services, respectively.

In addition, they have a subsidiary located in Costa Rica, called BICSA Fiduciaria, S. A., which is dedicated to offering fiduciary services.

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

##### Miami Agency

The Agency is subject to regulations and periodic supervision by certain federal agencies and the State of Florida. In this sense, the Agency maintains an agreement with the Federal and State Regulatory authorities, which requires, among other things, the continuous maintenance and reporting of certain minimum capital ratios, as well as maturity parameters. Within the requirements of this agreement, the Agency must maintain the ratio of its eligible assets to third party liabilities at a minimum percentage of 110%, on a daily basis.

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

#### Panamá Branch

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

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

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

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

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

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

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

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

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

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

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

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

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

#### (c) Investment in other companies

##### Valuation of investments by the equity method

###### *i. Subsidiaries*

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

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

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

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

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

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

(d) Foreign currency

i. *Transactions in foreign currency*

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

ii. *Monetary unit and foreign exchange regulations*

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

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

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

As established in the Chart of Accounts, assets and liabilities held in foreign currency should be expressed in colones at the exchange rate disclosed by the Central Bank of Costa Rica. Thus, as of March 31, 2024, monetary assets and liabilities denominated in U.S. dollars were valued at the exchange rate of  $\text{¢}506.60$  ( $\text{¢}526.88$  and  $\text{¢}545.95$  for for December and March 2023, respectively) for US\$1.00.

Valuation in colones of monetary assets and liabilities in foreign currency for the period ended March 31, 2024, gave rise to foreign exchange losses of  $\text{¢}103,669,900,872$  ( $\text{¢}611,392,816,217$  and  $\text{¢}248,863,861,848$  for December and March 2023, respectively), and gains of  $\text{¢}100,122,287,483$ , ( $\text{¢}597,816,037,164$  and  $\text{¢}242,230,704,050$  for December and March 2023, respectively), which are presented net in the consolidated income statement.

Additionally, valuation of other assets and other liabilities gave rise to gains and losses, respectively, which are booked in "Other operating income" and "Other operating expenses", respectively. For the period ended March 31, 2024, valuation of other assets gave rise to profits of  $\text{¢}7,448,666$ , ( $\text{¢}159,390,535$  and  $299,119,545$  for December and March 2023, respectively) and valuation of other liabilities gave rise to gains of  $\text{¢}93,830,791$ , ( $\text{¢}1,252,174,77$  and  $\text{¢}2,853,476,409$  for December and March 2023, respectively).



## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

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

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

- Assets and liabilities have been converted at the closing exchange rate.
- Income and expenses have been converted at the average exchange rates in effect during each year.
- The equity is measured in terms of historical cost and has been converted using the exchange rate on the transaction date.

As result of the conversions for the period ended on March 31, 2024, losses for exchange differences arise for ¢3,547,613,389 (¢9,444,106,286 and ¢7,086,445,459 for December and March 2023, respectively) shown in the equity section, within "Currency translation adjustment of the financial statements".

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

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

#### (f) Financial instruments

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

##### (i) *Classification*

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

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

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

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

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

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

#### *(ii) Recognition*

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

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

#### *(iii) Measurement*

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

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

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

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

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

#### *(iv) Principles of measurement at fair value*

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

#### *(v) Profits and losses on subsequent measurement*

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

#### *(vi) De-recognition*

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

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

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

1. Collect contractual cash flows
2. Sale of financial assets
3. A combination of both

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

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

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

- If the objective of the model is to maintain a financial asset in order to collect contractual cash flows and, according to the conditions of the contract, cash flows are received on specific dates that exclusively constitute payments of principal plus interest, the asset will be valued at amortized cost.
- If the business model is aimed at both obtaining contractual cash flows and selling them to obtain liquidity and, according to the conditions of the contract, cash flows are received on specific dates that exclusively constitute payments of the principal plus interest, the financial asset will be valued at its fair value through changes in other comprehensive income (equity). Interest, impairment, and exchange differences are recorded in results as in the amortized cost model. The rest of changes in fair value are recorded in equity items and may be recycled to profit and loss on their sale.
- Beside these scenarios, the rest of the assets will be valued at fair value through profit and loss. As indicated in the Financial Reporting Regulations, investment funds in open funds must be registered in this category. Due to their characteristics, open investment funds are those that do not present restrictions for their trading, therefore, within this category, mutual funds and money market type investment funds of international markets are included, which can be settled without restriction.

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

(g) Cash and cash equivalents

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

(h) Investments in financial instruments

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

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

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

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

1. The conventional purchase or sale of financial assets should be recorded applying the accounting on the settlement date.
2. Financial assets are divided into those that are measured at amortized cost and those that are measured at fair value.
3. Based on the business model for managing financial assets and the characteristics of the contractual cash flows of the financial asset, the entity must classify its own investments or joint portfolios in financial assets according to the following valuation categories:
  - a. Amortized cost. If an entity, according to its business model and current regulatory framework, classifies a part of its investment portfolio in this category, it will disclose:
    - i. The fair value of financial assets classified in this category, in the quarterly financial statements and in the audited annual financial statement.
    - ii. The profit or loss that should have been recognized in the result for the period, for the financial statements indicated in the previous section.
  - b. Fair value through other comprehensive income.
  - c. Fair value through profit or loss: Participations in open investment funds must be recorded in this category.

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

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

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

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

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

For purposes of defining a business model, these correspond to the main business model that characterizes the management of the Funds investment portfolio.

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

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

- Main business model

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

- Secondary business model

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

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

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

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

#### Investments in securities of BICSA

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

#### (i) Loan portfolio

##### Banco de Costa Rica - Loan portfolio

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

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

##### BICSA -Loan portfolio:

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

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

(j) Allowance for doubtful accounts

Banco de Costa Rica - Loan portfolio

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

Loan operations approved for individuals or legal entities with a total outstanding balance exceeding ¢65,000,000 (Group 1 under SUGEF Directive 1-05) are classified by credit risk. From May 23, 2020, the amount of ¢100,000,000 or its equivalent in foreign currency according to the purchase rate set by the Central Bank of Costa Rica, is established as the limit of the total outstanding balances from the Credit operations of the debtors referred to in Article 4 of the Regulation for Qualifying Debtors, SUGEF Agreement 1-05. This classification considers following considerations:

- Creditworthiness, which includes an analysis of projected cash flows, an analysis of financial position, considers the experience in the line of business, quality of management, stress testing for critical variables, and an analysis of the creditworthiness of individuals, regulated financial intermediaries, and public institutions.
- Historical payment behavior, which is determined by the borrower's payment history over the previous 48 months, considering servicing of direct loans, both current and settled, in the National Financial System as a whole. SUGEF is responsible of calculating the historical payment behavior level for borrowers reported by entities during the previous month.
- Arrears
- Pursuant to the Directive, collateral may be used to mitigate risk for purposes of calculating the allowance for loan impairment. The market value and its updates should be considered and adjusted at least once annually. Further, the percentage of acceptance of collateral is also a mitigating factor. Collateral must be depreciated six months after the most recent appraisal.



BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

Risk categories are summarized as follows:

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

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

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

<u>Risk Category</u>	<u>Classification Criteria</u>
1	a. Debtors up to date in their operations with the entity. b. Debtors with delinquency of up to 30 days with the entity
2	Debtors with delinquency of more than 30 days and up to 60 days with the entity.  a. Debtors with delinquency of more than 30 days and up to 90 days with the entity. b. Debtors with delinquency less than 60 days with the entity and have presented delinquency with the SBD greater than 90 days in the last 12 months.
3	c. Debtors with delinquency less than 60 days with the entity, that have been subject to at least one restructuring in any operations with the entity during the last 12 months.
4	a. Debtors with delinquency of more than 90 days and up to 120 days with the entity. b. Debtors with delinquency less than 90 days and have presented delinquency with the SBD greater than 120 days in the last 12 months.

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

<u>Risk Category</u>	<u>Classification Criteria</u>
	c. Debtors with delinquency less than 90 days, that have been subject to at least two restructuration in any operation with the entity during the last 12 months.
5	Debtors with delinquency of more than 120 days and up to 180 days with the entity.
6	Debtors with delinquency of more than 180 days with the entity.

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

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

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

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

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

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

In the case of loans denominated in foreign currency debtors placed among borrowers that don't generate cash flows in foreign currency, an additional generic allowance of 1.5% must also be applied on the basis of calculation.

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

The indicated generic allowance will be applied cumulatively, so that in the case of borrowers that don't generate cash flows in foreign currency, with an indicator for service coverage greater than the reasonable indicator, the generic allowance applicable will be at least of 3% (0.5% + 1% + 1.5%).

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

<b>Risk category</b>	<b>Specific allowance percentage on the uncovered portion of the loan</b>	<b>Specific allowance percentage on the covered portion of the loan</b>
A1	0%	0%
A2	0%	0%
B1	5%	0.5%
B2	10%	0.5%
C1	25%	0.5%
C2	50%	0.5%
D	75%	0.5%
E	100%	0.5%

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

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

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

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

<b>Delinquency at the end of the month</b>	<b>Specific allowance percentage on the uncovered portion of the loan</b>	<b>Specific allowance percentage on the covered portion of the loan</b>	<b>Creditworthiness (Borrowers Group 1)</b>	<b>Creditworthiness (Borrowers Group 2)</b>
Up to date	5%	0.5%	Level 1	Level 1
30 days or less	10%	0.5%	Level 1	Level 1
60 days or less	25%	0.5%	Level 1 o Level 2	Level 1 o Level 2
90 days or less	50%	0.5%	Level 1 o Level 2 o Level 3 o Level 4	Level 1 o Level 2 o Level 3 o Level 4
Over 90 days	100%	0.5%	Level 1 o Level 2 o Level 3 o Level 4	Level 1 o Level 2 o Level 3 o Level 4

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

As of March 31, 2024, the total allowance of the loan portfolio reflected in the accounting records amounts to ¢123,681,607,255, (¢124,899,677,183 and ¢140,720,422,302 for December and March 2023, respectively).

As of March 31, 2024, increases in the allowance for loan impairment resulting from the minimum allowance are included in the accounting records in compliance with article 17 of SUGEF Directive 1-05 "Regulation for Rating Debtors", prior authorization from SUGEF in compliance with article 10 of IRNBS.

As of March 31, 2024, management considers the allowance to be sufficient to absorb any potential losses that could be incurred on recovery of the portfolio.

For 2024, the CONASSIF agreement 14-21 "Regulations on the calculation of credit estimates" enters into force, replacing SUGEF Agreement 1-05 "Regulations for the qualification of debtors", which is detailed below.

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

The provisions established in this Regulation are applicable to entities and companies supervised by the General Superintendence of Financial Entities (SUGEF), as well as entities supervised by the Superintendence of Pensions (SUPEN), the General Superintendence of Securities (SUGEVAL) and the General Superintendence of Insurance (SUGESE) that carry out credit activities.

Without prejudice to what is stated in the previous paragraph, in the case of companies and entities supervised by SUPEN, SUGEVAL and SUGESE carrying out credit activities, the respective Superintendence is empowered not to object the use of internal methodologies by its supervised to quantify the credit risk, and constitute the corresponding estimates, replacing the methodology for calculating estimates for credit risk in force in each of these Superintendencies, in accordance with what is indicated in Article 29 of this Regulation.

These internal methodologies must be applied to the entire credit portfolio. In the case of companies that are members of financial groups and conglomerates, the use of internal methodologies is permitted.

In the case of entities and companies that are members of financial groups and conglomerates domiciled abroad and subject to supervision by the respective local authority, the calculation of credit estimates is permitted in accordance with the provisions issued by their respective supervisory authority.

Credit operations carried out by entities supervised by SUGEF through deferred liquidity operations, in national and foreign currency and under the unsecured modality, carried out with the Central Bank of Costa Rica as direct counterparty, are exempt from this Agreement.

For the purposes of this Regulation, the definitions established in the current regulatory framework will be considered applicable, in addition to the following definitions:

**Payment capacity:** Financial situation and capacity of the debtor to generate cash flows in the normal course of his business or from the remuneration of his work and return of his capital, allowing to meet his financial obligations under the agreed conditions.

**Historical payment behavior:** The debtor's credit history in meeting his financial obligations during the last four years, regardless of whether these are current or extinct as of the cut-off date.

- **Revolving credit:** Credit operation that allows the debtor to use funds up to a pre-authorized limit, in which each payment increases the availability of funds, such as lines of credit, credit cards, overdrafts, and other similar credit operations.

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

- Debtor (or co-debtor): Person who receives funds or credit facilities directly from the entity. In addition, the discounter in the case of a discount contract, the assignor in an assignment with recourse, the person obliged to pay a document in an assignment without recourse, or the person to whom the entity grants a guarantee will be considered as such.
- Delinquency: The greatest number of days of delay in the payment of principal, interest, other products, and accounts receivable associated with the credit operation, counted from the first day of delay, that the debtor presents in the attention of its credit operations in the entity on a specific date according to the contractual payment conditions.
- Debtor with special operation: Corresponds to all the operations of a debtor, if at least one operation has been refinanced, readjusted, or extended.
- Extended operation: Credit operation in which at least one total or partial payment of principal or interest has been postponed to a future date related to the current contractual conditions, with the objective of avoiding non-compliance.
- Readjusted operation: Credit operation in which at least one of the current contractual payment conditions has been modified, with the aim of avoiding non-compliance, except for modification by extension.
- Refinanced operation: Operation that is fully or partially updated because of a new credit operation with the aim of avoiding default.
- Adjusted value of the guarantee: The result of multiplying the last appraisal value by the discount factor and by the recovery percentage.
- Default rate (DR): Number of credit operations in default divided by the total credit operations, in a given time horizon.
- Probability of default (PD): It is a prospective metric on the expected default rate for a 12-month horizon, associated with each credit segment, considering possible scenarios for its forecast. Exposure: Corresponds to the exposed risk volume (amount) of the total balance owed from the credit operation.
- Exposure given default (EAD): Corresponds to the volume of risk exposed at the time of default.
- Loss given default (LGD): Final percentage of loss in the event of default, that is, the percentage not recovered.
- Lifetime probability of default (LTPD): It is a prospective metric on the expected default rate for the remaining term of the operation, associated with each credit segment, considering possible scenarios for its forecast.
- Total balance due: Sum of direct and contingent principal balance, interest, other products and accounts receivable associated with a credit operation.

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

The proposed regulation is an advance with respect to the current regulation in at least the following aspects:

- i) Recognizes the existence of different business lines of credit, so that the measurement of credit estimates is more sensitive to the inherent risk of each relevant line.
- ii) Establishes segments according to the type of credit that allows to distinguish between a per-operation approach, for retail portfolios that can be treated as homogeneous risk groups, and a per-debtor approach, for business and corporate portfolios.
- iii) Improves the calculation of estimates for each relevant line using forward-looking elements consistent with expected credit loss approaches. These approaches identify three essential components of credit losses:
  - a) the probability of default;
  - b) the severity of loss in the event of default; and
  - c) exposure given default. In all cases, relevant historical information from each line of business is used to calibrate the respective risk factors.

In the particular case of the probability of default, the usual practice contemplates the calculation of historical default rates and their subsequent transformation into default probabilities, using a forecast function that includes scenarios for the relevant environmental conditions over a 12-month horizon. Through this forecast, the default metric is given its prospective value.

#### Credit portfolio by segments

The credit portfolio must be classified into the following segments:

- Revolving consumer loans to individuals. Loans for vehicles to individuals and legal entities, whose sole purpose is to allocate it to the acquisition of the vehicle by an individual.
- Regular consumer loans: Consumer loans to individuals not belonging to the previous paragraph. Housing loans to individuals and legal entities.
- Business: Credits to micro and small businesses, medium businesses, large businesses (Corporate) and Central Government, according to the following classification:
  - Business 1: Legal entities and natural persons whose total balance owed, excluding the housing loans referred to in literal d) above, in the financial institution during the last 12 months has exceeded 1,000 million colones on at least one occasion. Also, the following are classified in this segment:

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

- i) Legal entity belonging to an economic interest group reported by the entity to SUGEF.
- ii) Entities and bodies comprising the institutions of the Public Sector, according to the “Institutional Classification of the Public Sector” published by the Ministry of Finance.
- iii) Entity supervised by SUGEF, or any Superintendence attached to the National Council for Supervision of the Financial System (CONASSIF).

- Business 2: Legal entities and natural persons not classified in the Business 1 segment and whose total balance owed, excluding the housing loans referred to in literal d) above, in the financial institution during the last 12 months has exceeded 500 million of colones at least once.

- Business 3: Legal entities and natural persons not classified in any previous segment. Also, revolving consumer loans to legal entities are classified in this segment. In the case of the Business 1 or Business 2 segments, all the debtor's transactions are classified as Business 1 or Business 2, including housing transactions and any other prior classification. The threshold of the total balance owed referred to in the definition of Business 1 and Business 2, will be adjusted at least every 3 years using the Consumer Price Index calculated by the National Institute of Statistics and Censuses (INEC).

#### Risk categories

The entity must individually classify credit operations or debtors into risk categories, as appropriate to their classification in one of the segments defined in Article 5 of this Regulation.

For the purposes of this rating under the standard methodology, eight risk categories are established, which are identified with 1, 2, 3, 4, 5, 6, 7 and 8, with risk category 1 corresponding to the lowest credit risk and category 8 to the highest credit risk.

#### Analysis of payment capacity

The entity must qualify the payment capacity of debtors classified in Business segment 1 or Business segment 2, both in the credit granting stage and the monitoring and control stages, based on the methodologies approved by Management or equivalent authority.

These methodologies must comply with their credit policies and congruent with the type of debtor, the lines of business and credit products. The methodologies must consider, at least, the following aspects:



## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

- a) Financial position, net income and expected cash flows: Analysis of financial strength and the stability and continuity of the main sources of income. The effectiveness of the analysis depends on the quality and timeliness of the information.
- b) Background of the debtor and the business: Analysis of the experience in the business and the quality of the administration.
- c) Situation of the sector's environment: Analysis of the main variables of the sector that affect the debtor's payment capacity.
- d) Vulnerability to changes in the interest rate and exchange rate: Analysis, under stress scenarios, of the debtor's ability to face changes in the interest rate and exchange rate.
- e) Other factors: Analysis of other factors that may affect the debtor's payment capacity. The aspects that can be evaluated are, among others, environmental, technological, patents and exploitation permit, representation of foreign products or companies, relationships with significant clients and suppliers, sales contracts, legal risks and country risk (the latter in the case of debtors domiciled abroad).

#### Classification of the payment capacity

The entity must classify the payment capacity of debtors in the Business 1 and Business 2 segments in following levels:

- a) Level 1: has payment capacity,
- b) Level 2: has slight weaknesses in the payment capacity,
- c) Level 3: has serious weaknesses in the payment capacity, and
- d) Level 4: has no payment capacity.

#### Classification of the historical payment behavior

The entity must classify historical payment behavior according to following levels:

- a) Level 1: the historical payment behavior is good,
- b) Level 2: the historical payment behavior is acceptable, and
- c) Level 3: the historical payment behavior is deficient.

In any case, the level assigned by the entity cannot be a risk level lower than the level of historical payment behavior assigned to the debtor by the SUGEF Credit Information Center. The General Guidelines of this Regulation detail the methodology to calculate the level of historical payment behavior of debtors used by the SUGEF Credit Information Center.

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

Risk rating

The entity must qualify the credits arranged in segments indicated in paragraphs a) to d), and numeral 3 of paragraph e) Business, of Article 5 of this Regulation in accordance with the parameters of: delinquency of the operation, determined at the closing of the current month and the level of the debtor's historical payment behavior.

In the case of debtors classified in the segments indicated in segments 1 and 2 of paragraph e) Business, Article 5 of this Regulation, the entity must classify the debtors according to the parameters of: maximum delinquency of the debtor in the entity at the closing of the current month, the level of historical payment behavior of the debtor and the level of payment capacity of the debtor, according to following table:

a) Segment of revolving consumer loans:

<b>Phases</b>	<b>Categories</b>	<b>Delinquency of the operation</b>	<b>CPH</b>
Phase 1	1	Up to date	Level 1
	2	Up to 30 days	Level 1 or Level 2
Phase 2	3	Up to 60 days	Level 1 or Level 2
	4	Up to 90 days	Level 1 or Level 2 or Level 3
Phase 3	5	Up to 120 days	Level 1 or Level 2 or Level 3
	6	Up to 150 days	Level 1 or Level 2 or Level 3
	7	Up to 180 days	Level 1 or Level 2 or Level 3
	8	Over 181 days	

b) Segment of vehicle and regular consumer loans:

<b>Phases</b>	<b>Categories</b>	<b>Delinquency of the operation</b>	<b>CPH</b>
Phase 1	1	Up to date	Level 1
	2	Up to 30 days	Level 1 or Level 2
Phase 2	3	Up to 60 days	Level 1 or Level 2
	4	Up to 90 days	Level 1 or Level 2 or Level 3
Phase 3	5	Up to 120 days	Level 1 or Level 2 or Level 3
	6	Up to 150 days	Level 1 or Level 2 or Level 3
	7	Up to 180 days	Level 1 or Level 2 or Level 3
	8	Over 181 days	

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

c) Segment of housing loans:

Phases	Categories	Delinquency of the operation	CPH
Phase 1	1	Up to date	Level 1
	2	Up to 30 days	Level 1 or Level 2
Phase 2	3	Up to 60 days	Level 1 or Level 2
	4	Up to 90 days	Level 1 or Level 2 or Level 3
Phase 3	5	Up to 120 days	Level 1 or Level 2 or Level 3
	6	Up to 150 days	Level 1 or Level 2 or Level 3
	7	Up to 180 days	Level 1 or Level 2 or Level 3
	8	Over 181 days	

d) Segment of Business 3:

Phases	Categories	Delinquency of the operation	CPH
Phase 1	1	Up to date	Level 1
	2	Up to 30 days	Level 1 or Level 2
Phase 2	3	Up to 60 days	Level 1 or Level 2
	4	Up to 90 days	Level 1 or Level 2 or Level 3
Phase 3	5	Up to 120 days	Level 1 or Level 2 or Level 3
	6	Up to 150 days	Level 1 or Level 2 or Level 3
	7	Up to 180 days	Level 1 or Level 2 or Level 3
	8	Over 181 days	

e) Segments of Business 1 and Business 2:

Phases	Categories	Delinquency of the operation	CPH	Payment Capacity
Phase 1	1	Up to date	Level 1	Level 1
	2	Up to 30 days	Level 1 or Level 2	Level 1 or Level 2
Phase 2	3	Up to 60 days	Level 1 or Level 2	Level 1 or Level 2
	4	Up to 90 days	Level 1 or Level 2 or Level 3	Level 1 or Level 2 or Level 3
Phase 3	5	Up to 120 days	Level 1 or Level 2 or Level 3	Level 1 or Level 2 or Level 3 or Level 4
	6	Up to 150 days	Level 1 or Level 2 or Level 3	Level 1 or Level 2 or Level 3 or Level 4
	7	Up to 180 days	Level 1 or Level 2 or Level 3	Level 1 or Level 2 or Level 3 or Level 4
	8	Over 181 days		

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

The eight risk categories indicated in the tables above are associated with the following three classification phases consistent with International Financial Reporting Standard 9 (IFRS 9), Financial Instruments:

- a) Phase 1: Operations at normal risk, in this phase there is no evidence of a significant increase in risk since the initial recognition of the operation. Includes categories 1 and 2.
- b) Phase 2: Operations under special surveillance; a significant increase in credit risk is observed since the initial recognition of the operation. Includes categories 3 and 4.
- c) Phase 3: Operations of doubtful recovery. At this stage, credit operations that show evidence of deterioration are classified as delinquent operations or for which there is a high probability of non-payment. Includes categories 5, 6, 7 and 8.

For the purposes of establishing estimates in this Regulation, operations in Phase 3 are considered non-compliant.

Rate of default

The entity must calculate the amount of the specific estimate of each credit operation, multiplying the regulatory exposure in case of default (RECD) calculated according to Article 16 of this Regulation, by the regulatory loss given default (LGD) calculated according to Article 20 of this Regulation and by the regulatory rate of default (RD), by segment and risk category, indicated in the following table:

Segment	CATEGORIES							
	1	2	3	4	5	6	7	8
Revolving consumer loans	2%	7.5%	15%	30%	50%	70%	100%	100%
Consumer loans	1%	3.5%	7.5%	15%	25%	50%	75%	100%
Vehicle loans	0.5%	3.5%	7.5%	15%	25%	50%	75%	100%
Housing loans	0.5%	3.5%	7.5%	15%	25%	50%	75%	100%
Business loans 1	0.5%	2.0%	7.5%	15%	25%	50%	75%	100%
Business loans 2	1%	2.0%	7.5%	15%	25%	50%	75%	100%
Business loans 3	1%	3.5%	7.5%	15%	25%	50%	75%	100%

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

#### Guarantee

Guarantees reduce exposure to credit risk, so it is reasonable to consider their effect as a risk mitigator, if they are well constituted and valued. Likewise, the acceptance of the guarantee as a risk mitigator is considered reasonable even in the highest risk categories but weighing its value at less than one hundred percent. The experience with the application of SUGEF Agreement 1-05 regarding guarantees – and the use of guarantees to mitigate credit risk – suggests that it is advisable to reduce the number of guarantees that can be used as a mitigator in the standard methodology.

#### Conditions to apply guarantee mitigation

The application of the mitigating effect of guarantees in the calculation of credit estimates will be conditional in compliance with each of the following aspects, which will be considered a minimum to provide legal certainty on the collectability of the guarantees:

- a) For assets that require registration in a public registry, the guarantee must be duly registered.
- b) The legal mechanism for delivery, transfer, appropriation, adjudication, and liquidation of the collateral asset must correspond to its nature; and
- c) That it is legally enforceable in an unconditional manner, in the event of non-compliance with credit obligations. It is the responsibility of the financial institution to verify compliance with each of the above aspects, before applying the mitigation effect of the guarantees.

#### Accounting estimate

Entities that use the standard methodology must keep an accounting record, with a counterpart in the income statement, at the end of each month individually in their books, at least the amount of the estimate referred to in article 14 and article 15 of the CONASSIF regulation 14-21.

Entities may record an estimated amount higher than the minimum established using the standard methodology. In such cases, the application of percentages that correspond to higher risk categories will imply the automatic reclassification of the debtor or transaction to the risk category associated with the reported estimate.

On the other hand, for entities that use internal methodologies based on expected losses, which have not obtained no objection for the creation of estimates by the Superintendence, the following criteria apply.

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

- a) If the amount of the estimates resulting from applying the internal methodology is less than the amount of the estimates calculated under the standard methodology, the entity must at least keep the amount corresponding to the standard methodology recorded and its registration will be against the results at the end of each month.
- b) If the amount of the estimates resulting from applying the internal methodology is greater than the amount of the estimates calculated under the standard methodology, only the amounts derived from the standard methodology must be recorded with a counterpart in the income statement at the end of each month.

Any excess determined in estimates calculated under the internal methodology, above the standard methodology, must be recorded in accounting using an individualized equity reserve account.

#### Settlement of credit operations against the estimate

The entity must have policies and procedures approved by its Managing Body if it needs to settle credit operations against the corresponding individual estimate. These policies and procedures must contemplate cases in which credit operations must be settled because they are considered uncollectible, after the administrative or judicial collection efforts have been reasonably exhausted, the practical impossibility of its recovery has been determined, or the total balance owed is estimated at one hundred percent.

The settlement of a credit transaction against the estimate is an accounting movement that consists of eliminating the asset charged to its respective accounting estimate, and its consequent transfer to a memoranda account.

This settlement in no way extinguishes the right of the creditor entity to continue collecting the amounts owed, nor does it relieve the person responsible for the credit from fulfilling his obligation.

For the settlement of credit operations against their respective estimate, the entity must comply with the provisions established in the Financial Information Regulations and Annexes, and document in the credit file of the operation the procedures and valuations carried out to support the settlement of the credit operation against its estimate.

The entity must report to SUGEF the details of credit operations and financial instruments settled each month, as well as the total amount of accounts and products receivable settled each month. The General Superintendent of Financial Entities is empowered to establish the information, periodicity and physical or electronic means that are deemed appropriate, with which the supervised entities must report on the settlement of credit operations, financial instruments and accounts and products receivable.

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

Likewise, at least every two years, internal methodologies must be assessed by an external body to evaluate suitability by each entity based on the eligibility criteria defined by each superintendency through general guidelines.

#### Internal methodologies

Entities may choose to create the specific estimates for credit risk referred to in Article 15 of this Regulation using internal methodologies, subject to no objection from the respective Superintendence.

The methodologies must be reflected in the entity's credit policies and be duly approved by the managing body. The methodologies must be developed considering the entity's knowledge of the credit subject, the business project, the production cycle and the nature of the productive activities that are financed.

#### Accounts and interest receivable - Banco de Costa Rica

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

<u>Arrears</u>	<u>Allowance</u>
30 days or les	2%
60 days or les	10%
90 days or les	50%
120 days or les	75%
Over 120 days	100%

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

From 2024, when the CONASSIF agreement 14-21 "Regulation on the calculation of credit estimates" comes into force, the following changes in the accounting treatment are included.

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

Goods that meet the conditions described in IFRS5:

Initial recognition:

At least among:

- a) Principal plus products receivable, accounts receivable associated with credit, insurance and administration expenses derived from the credit, or
- b) Awarded amount or appraisal amount in case of lieu of payment.

Subsequent valuation:

At least among:

- a) Carrying amount (without considering the regulatory estimate recorded in subaccount 159.10).
- b) Fair value less sales costs.

Impairment: An impairment loss is recognized when the carrying amount is greater than the fair value less sales costs.

Goods not complying with the provisions of IFRS 5:

Initial recognition:

The carrying amount corresponds to the original value less the estimate for impairment of the asset, on the date of reclassification (without considering the regulatory estimate recorded in subaccount 159.10).

Subsequent valuation: (IAS 36 Impairment of Assets)

At least among:

- a) Carrying amount at the date of the analysis
- b) Recoverable amount.

Recoverable amount:

The greatest among:

- a) Fair value less cost of sales
- b) Value in use (discounted cash flows).

Impairment: An impairment loss is recognized when the carrying amount is greater than the recoverable amount.



## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

#### BICSA- Allowance for loan impairment

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

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

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

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

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

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

As of March 31, 2024, the allowance disclosed in the accounting records amounts to ¢134,206,491,102, (¢135,098,772,705 and ¢152,624,501,108 for December and March 2023, respectively).

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

BICSA -Accounts and interest receivable

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

(k) Securities sold under repurchase agreements

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

(l) Accounting for interest receivable

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

(m) Other receivables

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

(n) Held-for-sale assets

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

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

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

The net realizable value of an asset should be used as its market value, which should be determined by applying strictly conservative criteria and is calculated by subtracting expenses to be incurred on the sale of the asset from its estimated selling price. The estimated selling price of the asset is determined by an appraiser based on current market conditions. Future expectations for market improvements are not considered and it is assumed that the assets must be sold in the shortest period of time possible to enable the Bank to recover the resources invested and use them for its business activities.

For all held-for-sale assets, the Bank should have reports from the appraisers which are to be updated at least annually. If an asset recorded in this group is used by the Bank, it should be reclassified to the appropriate account in the corresponding group.

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

Pursuant to CONASSIF Directive 06-18, in its article 16, to determine the carrying amount of the assets awarded in judicial auctions or received in payment of obligations, the entity must record an estimate at the rate of one forty-eighth monthly until completing one hundred percent of the carrying amount of the asset. This accounting record will begin from the closing date of the month in which the asset was awarded or received in payment.

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

(o) Offsetting

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

(p) Property, furniture, and equipment

(i) *Own assets*

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

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

(ii) *Leased assets*

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

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

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

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

(iii) *Subsequent disbursements*

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

(iv) *Depreciation and amortization*

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

Useful lives of assets owned by the Bank and subsidiaries, except for BICSA:

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

Useful lives of assets owned by BICSA:

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

(v) *Revaluation*

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

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

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

The last appraisal was made in 2022, and it was recorded on September 30, 2022.

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

(q) Deferred charges

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

(r) Intangible assets

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

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

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

(s) Impairment of assets

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

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

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

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

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

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

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

(t) Obligations with the public

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

(u) Accounts payable and other payables

Accounts payable and other payables are recognized at cost.

(v) Provisions

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

Employees' legal benefits (severance pay)

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

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

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

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

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

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

#### BICSA retirement savings plan

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

BICSA has adopted a voluntary retirement savings plan in which BICSA contributes twice the amount contributed by employees, up to a maximum of 10% of the monthly salaries. The contribution made by BICSA and subsidiary under this plan as of March 31, 2024, amounted to ¢96,607,376 (¢402,109,020 and ¢101,749,449 for December and March 2023, respectively), equivalent to US\$192,426, (US\$763,189 and US\$186,538 for December and March 2023, respectively).

#### BICSA -Seniority premium and indemnity for employees

Under Panamanian labor law, companies are required to establish a severance fund to guarantee payment of a seniority premium and indemnity to eligible employees upon resignation or dismissal without just cause. To create the fund, quarterly contributions of the relative portion to the employee seniority premium equivalent to 1.92% of salaries paid in the Republic of Panama are made to cover the seniority premium, while monthly contributions equivalent to 5% are made to cover the indemnity. Quarterly contributions are to be placed in a trust. As of March 31, 2024, the severance fund had a balance of ¢554,519,426, (¢833,422,472 and ¢716,955,735 for December and March 2023, respectively), equivalent to US\$1,094,590, (US\$1,581,807 and US\$1,118,213 for December and March 2023, respectively) which is disclosed in the consolidated financial statements as prepaid expenses.



BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

(w) Legal reserve

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

(x) Revaluation surplus

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

(y) Use of estimates

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

(z) Estimates for litigation

In pending litigation, provisions are recorded for the probable obligations that may arise for the Bank, as a consequence of the unfavorable result, due to lawsuits that are pending resolution.

This provision is estimated based on the data provided by the Corporate Legal Management or external legal advisors, if available, on the progress of the lawsuits that the Bank and subsidiaries have and in accordance with the criteria and scope of the eventual resolutions.

(aa) Uncertainty over Income Tax Treatments, IFRIC 23

IAS 12, Income Taxes, specifies the requirements for deferred and current tax assets and liabilities. An entity will use the requirements of IAS 12 based on the applicable tax laws.

It may not be clear how tax laws apply to a particular transaction or circumstance. The acceptability of a particular tax treatment under tax law may not be known until a decision is made in the future by the relevant tax authority or the courts of law. Accordingly, a dispute or inspection of a particular tax treatment by the tax authority may affect an entity's accounting for deferred or current tax assets or liabilities.

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

In evaluating whether and how an uncertain tax treatment affects the determination of tax profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, an entity will assume that the tax authority will inspect the amounts it has have the right to review and will have full knowledge of all related information when conducting such reviews.

If an entity concludes that the tax authority is likely to accept an uncertain tax treatment, the entity shall determine the tax profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, consistent with the tax treatment used or intended to be used on its income tax return.

An entity shall reflect the effect of uncertainty for each uncertain tax treatment by using one of the following methods, depending on which method the entity expects to best predict the resolution of the uncertainty:

(a) The most probable amount—the single most probable amount over a range of possible outcomes. The most probable amount can better predict the resolution of the uncertainty if the possible outcomes are dual or concentrated in one value.

(b) The expected value—the sum of the amounts weighted by their probability over a range of possible outcomes. The expected value can better predict the resolution of uncertainty if there is a range of possible outcomes that are neither dual nor concentrated in one value.

If an uncertain tax treatment affects current taxes and deferred taxes (for example, if it affects the taxable profit used to determine the current tax and the tax bases used to determine the deferred tax), an entity makes consistent judgments and estimates about the current and deferred tax.

#### (bb) Recognition of main types of income and expenses

##### (i) Interest

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

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

(ii) Income from fees and commissions

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

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

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

(iv) Expenses from operating lease

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

(cc) Income tax

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

(i) Current:

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

(ii) Deferred:

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

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

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

(dd) BICSA - Financial leases

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

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

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

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

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

(ff) Legal allocations

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

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

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

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

#### (gg) Development Financing Fund

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

#### (hh) Development Credit Fund

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

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

## BANCO DE COSTA RICA AND SUBSIDIARIES

### Notes to the audited Consolidated Financial Statements

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

- a) Managing Banks can perform services with the beneficiaries of the Development Banking System as recognized by Article 6 of Law 8634.
- b) In accordance with Article 35 of the Law 8634 with funds from the Development Credit Fund, the Managing Banks can provide services to other financial entities, except for private banks, provided they meet the objectives and obligations under Law 8634 and that are duly approved by the Governing Board.
- c) The Banks may allocate in accordance with Article 35, Law 8634 the resources of the Development Credit Fund through: associations, cooperatives, foundations, NGOs, producer organizations or other entities if they have credit operations in programs that meet the objectives established in the Law 8634 and are duly approved by the Governing Board.

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

(ii) BICSA - Trusts

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

(jj) Fiscal year

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

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

2). Collateralized or restricted assets

Collateralized or restricted assets are as follows:

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Cash and cash equivalents deposited in the Central Bank of Costa Rica (see note 4)	¢ 697,494,961,220	669,801,835,274	758,900,174,026
Restricted cash and cash equivalents (see note 4)	94,566,877	69,969,930	148,486,055
<b>Total cash and cash equivalents</b>	<b>697,589,528,097</b>	<b>669,871,805,204</b>	<b>759,048,660,081</b>
Past due and restricted financial instruments (see note 5)	238,987,236,297	146,916,193,300	321,022,449,264
Other assets	894,891,676	930,715,606	884,723,915
	¢ <b>937,471,656,070</b>	<b>817,718,714,110</b>	<b>1,080,955,833,260</b>

3). Balances and transactions with related parties

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

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
<b>Assets:</b>			
Loan portfolio	¢ 975,509,970	1,000,300,653	761,635,228
Other accounts receivable	1,143,085,779	587,481,977	627,550,115
Interests in other entities	712,035,989	133,402,390	746,144,071
<b>Total assets</b>	¢ <b>2,830,631,738</b>	<b>1,721,185,020</b>	<b>2,135,329,414</b>
<b>Liabilities:</b>			
Other financial obligations	(3,769,104,000)	0	0
<b>Total liabilities</b>	<b>(3,769,104,000)</b>	<b>0</b>	<b>0</b>
<b>Income:</b>			
Income from interest in entities	0	557,059	0
Sundry operating income	¢ 262,715,012	435,930,700	0
<b>Total income</b>	¢ <b>262,715,012</b>	<b>436,487,759</b>	<b>0</b>
<b>Expenses:</b>			
Financial expenses	1,392,583	1,466,464,363	0
Expense from investments in other companies	171,366,400	282,014,799	88,457,712
Sundry operating expenses	(11,400,000)	0	0
<b>Total expenses</b>	¢ <b>161,358,983</b>	<b>1,748,479,162</b>	<b>88,457,712</b>

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

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

		<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Short-term benefits	¢	1,134,585,691	3,913,060,494	1,050,888,690
Long-term benefits		10,506,870	22,406,652	10,466,885
Directors' seating fees		89,086,355	247,615,493	87,573,972
	¢	<b>1,234,178,916</b>	<b>4,183,082,639</b>	<b>1,148,929,547</b>

The Bank's executive committee is considered key personnel.

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

4). Cash and cash equivalents

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

		<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Cash	¢	82,826,615,998	94,545,532,532	89,456,735,225
Demand deposits in BCCR		623,452,018,758	592,619,894,577	677,996,520,633
Checking accounts and demand deposits in local financial entities		1,849,058,811	1,417,055,883	1,838,483
Checking accounts and demand deposits in foreign financial entities		57,035,683,968	78,213,290,649	101,768,300,651
Notes payable on demand		500,346,073	958,261,787	29,264,690,398
Restricted cash and cash equivalents		90,036,649,465	89,387,879,925	96,376,462,706
Interest receivable		5	19,654	0
<b>Total cash and cash equivalents</b>		<b>855,700,373,078</b>	<b>857,141,935,007</b>	<b>994,864,548,096</b>
Investments in short-term financial instruments		308,313,195,196	382,741,644,939	519,774,346,803
<b>Total cash and cash equivalents</b>	¢	<b>1,164,013,568,274</b>	<b>1,239,883,579,946</b>	<b>1,514,638,894,899</b>

As of March 31, 2024, demand deposits in BCCR are restricted as a minimum legal reserve in the amount of ¢697,310,452,732, (¢669,762,792,743 and ¢758,865,830,147 for December and March 2023, respectively).

As of March 31, 2024, BCR Pension's deposits in BCCR are restricted as a minimum legal reserve in the amount of ¢13,965,052, (¢13,870,528 and ¢8,446,238 for December and March 2023, respectively), for a total of ¢6,136,288,286, (¢6,287,854,162 and ¢5,549,197,225 for December and March 2023, respectively).



BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

As of March 31, 2024, BCR Valores, S.A. - Puesto de Bolsa holds restricted deposits in the Central Bank of Costa Rica in the amount of ¢170,543,435, (¢25,172,002 and ¢25,897,641 for December and March 2023, respectively), for a total of ¢38,553,624,136, (¢27,509,308,760 and ¢30,175,634,532 for December and March 2023, respectively).

As of March 31, 2024, BCR Valores, S.A. - Puesto de Bolsa holds restricted assets as part of the guarantee fund in the amount of ¢38,288,513,823, (¢27,414,166,828 and ¢30,001,250,836 for December and March 2023, respectively). (See note 2).

As of March 31, 2024, the Bank has a liability for outstanding checks in the amount of ¢609,187,948, (¢608,813,166 and ¢2,512,804,775 for December and March 2023, respectively), which is offset by notes payable on demand cashed the next day once cleared by the clearing house.

5). Investments in financial instruments

Investments in financial instruments are as follows:

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
At fair value through profit or loss			
At fair value through other comprehensive income	¢ 157,100,467,860	137,856,680,612	134,758,693,089
At amortized cost	1,155,913,411,337	1,076,169,538,430	1,341,942,770,911
Interest receivable for investments at fair value through profit or loss	309,455,557,533	356,017,903,026	93,583,391,059
Interest receivable for investments at fair value through other comprehensive income	3,262,192,718	2,399,300,384	2,640,009,017
Interest receivable for investments classified at amortized cost	17,364,716,471	18,751,106,347	12,135,402,548
Allowance for impairment of financial instruments	296,410,611	295,481,765	252,495,111
	(150,352,582)	(162,532,817)	(99,183,979)
	<b>¢ 1,643,242,403,948</b>	<b>1,591,327,477,747</b>	<b>1,585,213,577,756</b>

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
<b>At fair value through profit or loss</b>	<b>Fair value</b>	<b>Fair value</b>	<b>Fair value</b>
<u>Local issuers:</u>			
Government	¢ 779,813,629	0	1,053,755,936
State-owned Banks	0	0	255,800,022
Other (Open Investment Funds)	69,850,456,854	53,247,645,117	8,152,411,125
	<b>70,630,270,483</b>	<b>53,247,645,117</b>	<b>9,461,967,083</b>
<u>Foreign issuers:</u>			
State-owned Banks	0	162,089,489	0
Private issuers	86,122,000,000	84,300,800,005	125,270,422,137
Other	348,197,377	146,146,001	26,303,869
	<b>¢ 157,100,467,860</b>	<b>137,856,680,612</b>	<b>134,758,693,089</b>
<b>At fair value through other comprehensive income</b>	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
	<b>Fair value</b>	<b>Fair value</b>	<b>Fair value</b>
<u>Local issuers:</u>			
Government	¢ 998,199,480,488	890,213,468,239	1,146,998,313,769
State-owned Banks	37,375,364,620	55,407,239,075	80,410,613,725
Private Banks	2,639,469,388	3,582,262,526	4,896,768,549
Private issuers	7,197,887,969	7,176,521,117	7,304,528,229
Other	34,439,299,399	30,353,053,121	-
	<b>1,079,851,501,864</b>	<b>986,732,544,078</b>	<b>1,239,610,224,272</b>
<u>Foreign issuers:</u>			
Private issuers	67,212,489,624	56,824,935,520	13,131,147,657
Other	8,849,419,849	32,612,058,832	90,241,199,982
	<b>¢ 1,155,913,411,337</b>	<b>1,076,169,538,430</b>	<b>1,342,982,571,911</b>
<b>Financial instruments at amortized cost issued by entities</b>	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
	<b>Fair value</b>	<b>Fair value</b>	<b>Fair value</b>
<u>Local issuers:</u>			
Government	¢ 244,945,573,636	283,769,481,873	21,000,637,562
State-owned Banks	17,984,300,000	26,870,880,000	21,019,074,968
Private Banks	31,907,507,892	31,803,832,794	36,747,055,344
Private issuers	13,003,119,359	13,573,708,359	14,816,623,185
Other	1,615,056,646	-	-
	<b>¢ 309,455,557,533</b>	<b>356,017,903,026</b>	<b>93,583,391,059</b>

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

As of March 31, 2024, the investment portfolio amounts to ¢84,279,408,361, (¢94,495,938,981 and ¢111,584,132,166 for December and March 2023, respectively) corresponding to the managed amounts of the Development Credit Fund (See note 40).

Maturities for investments in financial instruments are from January 01, 2024, to August 25, 2032.

Purchased financial instruments earn annual yield rates as follows:

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Colones	4.99% to 7.25%	4.60% to 11.53%	8,04% to 11.53%
US dollars	0,01% to 6.58%	0,01% to 6.58%	0,01% to 6.58%

Investments have been pledged as follows:

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Securities in guarantee, liquidity market	¢ 194,562,434,188	113,228,042,839	289,962,396,967
Restricted minimum operating capital of BCR Pensión			
Operadora de Pensiones Complementarias, S.A.	6,136,288,286	6,273,983,633	5,540,750,987
Guarantee for obligations by repurchase of Securities, BCR Valores, S.A.			
BCR Puesto de Bolsa, S.A.	38,288,513,823	27,414,166,828	25,519,301,310
	<b>¢ 238,987,236,297</b>	<b>146,916,193,300</b>	<b>321,022,449,264</b>

In accordance with Article 37 of the Labor Protection Law, the Pension Fund Manager must hold a minimum operating capital equivalent to a percentage of the net assets of the managed funds that as of March 31, 2024, amount to ¢6,136,288,286, (¢6,273,983,633 and ¢5,540,750,987 for December and March 2023, respectively).

As of March 31, 2024, BCR Valores holds restricted investments in securities in the amount of ¢38,288,513,823, (¢27,414,166,828 and ¢30,001,250,836 for December and March 2023, respectively).

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

Repurchase Operations:

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

As of March 31, 2024, purchased financial instruments remain under resale agreements.

<u>Issuer</u>	<u>Asset Balance</u>	<u>Fair Value of Collateral</u>	<u>Resale Date</u>	<u>Resale Price</u>
Others	1,506,908,856	1,506,908,856	To 01/01/24 at 31/03/2024	100%
	¢ <u>1,506,908,856</u>	<u>1,506,908,856</u>		

As of December 31, 2023

<u>Issuer</u>	<u>Asset Balance</u>	<u>Fair Value of Collateral</u>	<u>Resale Date</u>	<u>Resale Price</u>
Local government	¢ 1,689,615,963	1,663,700,000	To 20/12/2023 at 04/01/2024	100%
Others	1,299,703,075	1,299,703,075	To 01/01/2024 at 31/03/2024	100%
	¢ <u>2,989,319,038</u>	<u>2,963,403,075</u>		

As of March 31, 2023

<u>Issuer</u>	<u>Asset Balance</u>	<u>Fair Value of Collateral</u>	<u>Resale Date</u>	<u>Resale Price</u>
Others	2,540,798,382	2,540,798,382	To 01/10/22 at 31/12/2022	100%
	¢ <u>2,540,798,382</u>	<u>2,540,798,382</u>		

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

6). Loan portfolio

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

a) Loan portfolio by economic sector

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
<b>Current loans</b>			
Personal loans	¢ 1,320,152,198,844	1,319,024,596,705	1,415,413,810,534
Loans Development Banking System	89,366,542,820	81,194,734,463	77,816,617,379
Business loans	108,853,117,253	94,182,522,224	92,106,624,149
Loans - Corporate	2,006,719,341,355	2,232,385,298,886	2,063,516,168,885
Loans - Public sector	259,551,569,304	58,050,059,983	71,080,838,409
Loans - Financial sector	18,385,118,039	22,440,521,512	36,440,588,350
	<b>3,803,027,887,615</b>	<b>3,807,277,733,773</b>	<b>3,756,374,647,706</b>
<b>Past due loans</b>			
Personal loans	127,161,784,139	130,559,339,318	135,398,174,777
Loans Development Banking System	5,171,840,670	4,370,523,362	3,771,745,604
Business loans	10,492,866,900	13,546,557,498	14,885,954,669
Loans - Corporate	107,279,110,465	89,843,310,139	91,636,455,867
Loans - Public sector	0	0	227,616
	<b>250,105,602,174</b>	<b>238,319,730,317</b>	<b>245,692,558,533</b>
<b>Loans in legal collection</b>			
Personal loans	31,696,534,967	31,015,697,072	28,148,090,423
Loans Development Banking System	777,994,335	742,263,981	682,543,525
Business loans	4,617,530,408	4,433,526,632	4,224,621,045
Loans - Corporate	17,966,302,817	18,365,682,350	18,318,542,660
	55,058,362,527	54,557,170,035	51,373,797,653
	¢ <b>4,108,191,852,316</b>	<b>4,100,154,634,125</b>	<b>4,053,441,003,892</b>

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

b) Loan portfolio by activity

Activity	<u>March 2024</u>	<u>December 2023</u>	<u>March 2023</u>
Agriculture, livestock, hunting and service activities	¢ 152,419,761,967	163,719,118,126	168,588,179,264
Public administration	0	19,382,332,809	21,806,970,584
Fishing and aquaculture	20,214,265	42,617,690	42,986,799
Manufacturing	368,268,493,335	352,101,468,268	389,851,724,811
Telecommunications and public services	432,955,900	237,657,850,422	245,252,320,540
Mining and quarrying	198,757,538,693	21,982,027	27,153,578
Retail	460,493,091,742	453,381,163,120	446,512,047,511
Services	109,531,731,332	710,227,297,856	694,416,126,708
Transportation	83,822,555,546	31,005,549,708	35,440,559,599
Financial activities and stock exchange	1,270,939,227,291	97,277,493	3,227,204,933
A Real estate, business, and leasing Activities	2,603,093,757	21,398,613,478	25,037,418,747
Construction, purchase, and repair of real estate	339,356,419,214	1,513,233,349,688	1,474,734,199,764
Consumer	818,195,648,506	492,299,480,166	436,998,932,095
Hospitality	30,909,405,453	104,478,630,055	110,312,448,423
Education	506,930,755	657,174,250	717,837,785
Other activities from the non-financial private sector	271,934,784,560	450,728,969	474,892,750
	<u>4,108,191,852,316</u>	<u>4,100,154,634,125</u>	<u>4,053,441,003,891</u>
Plus, interest receivable	24,801,652,785	22,649,068,401	25,307,068,620
Deferred income from loan portfolio	(20,667,641,566)	(20,496,872,511)	(20,285,105,077)
Less allowance for loan	(134,206,491,102)	(135,098,772,705)	(152,624,501,179)
	<u>¢ 3,978,119,372,433</u>	<u>3,967,208,057,310</u>	<u>3,905,838,466,255</u>

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

c) Current loans

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

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
<b>Current</b>			
Personal	¢ 1,320,152,198,844	1,319,024,596,706	1,415,413,810,534
Development Banking System	89,366,542,820	81,194,734,463	77,816,617,379
Business	108,853,117,253	94,182,522,224	92,106,624,149
Corporate	2,010,488,445,355	2,234,975,320,891	2,063,516,168,885
Public sector	259,551,569,304	58,050,059,983	71,080,838,409
Financial sector	14,616,014,039	19,850,499,506	36,440,588,350
	<b>¢ 3,803,027,887,615</b>	<b>3,807,277,733,773</b>	<b>3,756,374,647,706</b>

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

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
<b>Past due</b>			
Personal	¢ 127,161,784,139	130,559,339,317	135,398,174,776
Development Banking System	5,171,840,670	4,370,523,362	3,771,745,604
Business	10,492,866,900	13,546,557,498	14,885,954,669
Corporate	107,279,110,465	89,843,310,140	91,636,455,868
Public sector	0	0	227,616
	<b>¢ 250,105,602,174</b>	<b>238,319,730,317</b>	<b>245,692,558,533</b>

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

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
<b>Judicial collection</b>			
Personal	¢ 31,696,534,968	31,015,697,072	28,148,090,424
Development Banking System	777,994,335	742,263,981	682,543,525
Business	4,617,530,408	4,433,526,632	4,224,621,045
Corporate	17,966,302,816	18,365,682,350	18,318,542,659
	<b>¢ 55,058,362,527</b>	<b>54,557,170,035</b>	<b>51,373,797,653</b>

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

BICSA - Financial lease receivables

The balance of financial lease receivables is as follows:

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Total minimum payments	¢ 30,414,522,148	30,396,734,632	26,116,331,055
	<b>¢ 30,414,522,148</b>	<b>30,396,734,632</b>	<b>26,116,331,055</b>

The maturities of the financial leases are as follows:

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Less than a year	¢ 1,157,451,833	1,203,786,462	1,509,348,700
From 1 to 5 years	29,257,070,315	29,192,948,170	24,606,982,355
	<b>¢ 30,414,522,148</b>	<b>30,396,734,632</b>	<b>26,116,331,055</b>

d) Loan portfolio by arrears

The loan portfolio by arrears is detailed as follows:

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Current	¢ 3,803,027,887,615	3,807,277,733,773	3,756,374,647,705
1 to 30 days	153,502,578,623	137,929,240,036	137,274,625,374
31 to 60 days	29,324,959,839	34,046,028,490	40,046,001,284
61 to 90 days	15,024,546,746	13,845,615,392	13,950,208,949
91 to 120 days	5,458,025,276	12,143,907,508	6,734,652,065
121 to 180 days	7,040,681,632	9,013,618,794	6,584,419,409
Over 181 days	94,813,172,585	85,898,490,132	92,476,449,105
	<b>¢ 4,108,191,852,316</b>	<b>4,100,154,634,125</b>	<b>4,053,441,003,891</b>

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



BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

e) Past due loans

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

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Number of operations	2,379	2,061	1,910
Past due loans in non-accrual status	¢ <u>91,044,068,585</u>	<u>83,308,468,126</u>	<u>92,476,449,105</u>
Past due loans bearing interest	¢ 214,119,896,116	209,568,432,226	204,589,907,081
Total of unearned interest	¢ 15,002,800,395	14,608,974,402	14,808,230,209

Loans in legal collection as of March 31, 2024:

<b><u># of operations</u></b>	<b><u>Percentage</u></b>	<b><u>Balance</u></b>
1,268	1.34%	¢ <u>55,058,362,527</u>

Loans in legal collection as of December 31, 2023:

<b><u># of operations</u></b>	<b><u>Percentage</u></b>	<b><u>Balance</u></b>
1,087	1.33%	¢ <u>54,557,170,035</u>

Loans in legal collection as of March 31, 2023

<b><u># of operations</u></b>	<b><u>Percentage</u></b>	<b><u>Balance</u></b>
1,062	1.27%	¢ <u>51,373,797,653</u>

As of March 31, 2024, the average annual interest rate earned on loans is de 8.32%, (8.77% and 9.44% for December and March 2023, respectively) in colones and 6.93%, (7.14% and 7.51% for December and March 2023, respectively) in US dollars. For Banco Internacional de Costa Rica, S.A., the annual rate for operations in US dollars is 8.01%, (8.06% and 8.12% for December and March 2023, respectively).

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

f) Interest receivable on loan portfolio

Interest receivable is detailed as follows:

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Personal	¢ 8,830,406,326	9,012,628,757	9,250,806,915
Development Banking System	350,293,363	289,864,050	334,228,309
Business	1,236,714,445	1,151,439,604	1,160,385,398
Corporate	13,229,241,651	11,791,269,378	13,795,848,757
Public sector	1,068,693,256	282,987,434	627,132,806
Financial sector	86,303,744	120,879,178	138,666,435
	<b>¢ 24,801,652,785</b>	<b>22,649,068,401</b>	<b>25,307,068,620</b>

g) Allowance for loan impairment

Movement in the allowance for loan impairment is as follows:

<b>2024 Initial balance</b>	¢	<b>135,098,772,705</b>
Currency translation effect		(386,130,272)
<b>Adjusted balance at the beginning of 2023</b>		<b>134,712,642,433</b>
Plus:		
Allowance charged through profit or loss (see note 29)		1,330,473,063
Recoveries		1,519,800
Less:		
Adjustments for exchange differences		(1,838,144,194)
<b>Balance as of March 31, 2024</b>	¢	<b>134,206,491,102</b>
<b>2023 Initial balance</b>	¢	<b>160,471,231,286</b>
Currency translation effect		(1,893,146,586)
<b>Adjusted balance at the beginning of 2022</b>		<b>158,578,084,700</b>
Plus:		
Allowance charged through profit or loss (see note 29)		9,258,581,692
Recoveries		8,202
Reversal of unsolved		318,731,125
Less:		
Adjustments for exchange differences		(7,223,777,683)
Transfer to unpaid balances		(10,104,156,554)
Reversal of allowance against income (see note 30)		(15,740,896,049)
Transfer of balances		12,197,272
<b>Balance as of December 31, 2023</b>	¢	<b>135,098,772,705</b>

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

<b>2023 Initial balance</b>	¢	<b>160,471,231,286</b>
Currency translation effect		(1,381,272,940)
<b>Adjusted balance at the beginning of 2023</b>		<b>159,089,958,346</b>
Plus:		
Allowance charged through profit or loss (see note 29)		1,911,940,656
Less:		
Adjustments for exchange differences		(5,169,891,181)
Transfer to unpaid balances		(2,867,603,166)
Reversal of allowance against income (see note 30)		(342,795,919)
Transfer of balances		2,892,443
<b>Balance as of March 31, 2023</b>	¢	<b>152,624,501,179</b>

h) Syndicated loans

As of March 31, 2024, the syndicated loan portfolio is detailed as follows:

Banco de Costa Rica syndicated loan portfolio:

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

BICSA - Syndicated loans

As of March 31, 2024:

No. Operations		Syndicated balances other banks	Syndicated balance BICSA	Total balance
1	Global Bank	¢ 32,573,423,404,444	2,293,980,625,416 ¢	34,867,404,029,860
1	Banco Agromercantil de Guatemala, S.A.	140,854,511,211,252	1,326,021,028,748	142,180,532,240,000
13	Credicorp Bank	12,300,274,454,145	531,903,545,855	12,832,178,000,000
1	Credit Suisse AG	58,202,296,042,642	2,108,940,557,358	60,311,236,600,000
3	Prival Bank	11,542,372,339,658	523,257,003,947	12,065,629,343,605
1	Banistmo	17,034,738,417,715	2,894,524,826,284	19,929,263,243,999
1	Bladex	63,797,615,429,496	2,929,710,170,504	66,727,325,600,000
2	Banco Centroamericano de Integración Económica	53,467,301,394,295	4,277,499,605,705	57,744,801,000,000
3	Bancolombia	86,448,854,522,020	2,863,104,357,980	89,311,958,880,000
2	Banco Aliado	18,093,370,980,000	3,208,044,500,000	21,301,415,480,000
1	MMG Bank Corporation	722,095,951,725	330,462,929,967	1,052,558,881,692
1	BNCR	31,873,652,901,334	1,490,009,898,666	33,363,662,800,000
1	Banco Agente Santander	113,705,929,258,000	1,270,385,622,000	114,976,314,880,000
1	Banco Stander Chile	35,754,328,497,436	1,283,217,800,000	37,037,546,297,436
5	Citigroup Global Markets Inc., Deutsche Bank AG and JPMorgan Chase Bank	255,360,342,200,000	1,283,217,800,000	256,643,560,000,000
1	The Bank Of New York	11,548,960,200,000	2,566,435,600,000	14,115,395,800,000
1	JPMorgan Chase Bank, National Bank of Canada (National Bank Financial Inc. #NBF#) y Royal Bank of Canada (RBC Capital Markets, LLC)	80,842,721,400,000	1,283,217,800,000	82,125,939,200,000
		¢ <b>1,024,122,788,604,160</b>	<b>32,463,933,672,430 ¢</b>	<b>1,056,586,722,276,590</b>

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

As of December 31, 2023:

No. Operations		Syndicated balances other banks	Syndicated balance BICSA	Total balance
1	Global Bank	¢ 66,798,021,240	4,783,505,432	¢ 71,581,526,672
1	Banco Agromercantil de Guatemala, S.A.	289,145,529,450	2,745,990,550	291,891,520,000
13	Credicorp Bank	24,901,502,609	1,442,497,391	26,344,000,000
1	Credit Suisse AG	119,281,050,436	4,535,749,564	123,816,800,000
3	Prival Bank	23,687,957,767	1,082,345,405	24,770,303,172
1	Banistmo	34,502,459,140	6,411,601,661	40,914,060,801
1	Bladex	130,739,112,910	6,249,687,090	136,988,800,000
2	Banco Centroamericano de Integración Económica	109,766,447,125	8,781,552,875	118,548,000,000
3	Bancolombia	177,046,429,890	6,307,810,110	183,354,240,000
2	Banco Aliado	36,486,440,000	7,244,600,000	43,731,040,000
1	MMG Bank Corporation	1,478,814,365	682,051,171	2,160,865,536
1	Banco Santander, Natixis, ING Bank	379,400,473,447	8,383,206,553	387,783,680,000
1	BNCR	66,841,885,401	1,652,514,599	68,494,400,000
1	Banco Agente Santander	233,407,840,000	2,634,400,000	236,042,240,000
1	Banco Stander Chile	73,402,350,710	2,634,400,000	76,036,750,710
	Citigroup Global Markets Inc., Deutsche Bank AG and			
5	JPMorgan Chase Bank	524,245,600,000	2,634,400,000	526,880,000,000
1	The Bank Of New York	23,709,600,000	5,268,800,000	28,978,400,000
1	JPMorgan Chase Bank, National Bank of Canada (National Bank Financial Inc. #NBF#) y Royal Bank of Canada (RBC Capital Markets, LLC			
		165,967,200,000	2,634,400,000	168,601,600,000
<b>40</b>		¢ <b><u>2,480,808,714,490</u></b>	<b><u>76,109,512,401</u></b>	¢ <b><u>2,556,918,226,891</u></b>

As of March 31, 2023

No. Operations		Syndicated balances other banks	Syndicated balance BICSA	Total balance
4	Global Bank	¢ 67,387,117,325	6,785,245,126	¢ 74,172,362,451
1	Banco Agromercantil de Guatemala, S.A.	299,561,769,733	2,894,530,267	302,456,300,000
13	Credicorp Bank	4,035,843,109	1,702,548,897	5,738,392,006
2	Credit Suisse Ag	118,266,418,750	10,031,831,250	128,298,250,000
2	Prival Bank	16,380,356,230	9,286,487,753	25,666,843,983
1	Banistmo	35,883,681,310	6,511,231,183	42,394,912,493
2	Bladex	126,171,914,513	15,775,085,487	141,947,000,000
1	Banco Centroamericano de Integracion Economica	112,829,666,849	10,009,083,151	122,838,750,000
1	Bancolombia	183,127,071,104	6,863,528,896	189,990,600,000
2	Banco Aliado	39,348,017,954	5,965,832,046	45,313,850,000
1	MMG Bank Corporation	1,512,761,390	726,314,956	2,239,076,346
1	Banco Santander, Natixis, Ing Bank	393,248,779,721	8,570,420,279	401,819,200,000
<b>31</b>		¢ <b><u>1,397,753,397,988</u></b>	<b><u>85,122,139,291</u></b>	¢ <b><u>1,482,875,537,279</u></b>

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

7). Held-for-sale assets, net

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

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Financial instruments	¢ 99,241,862,386	103,319,727,566	115,319,317,390
Other assets	465,137,862	545,716,542	748,345,987
Purchased-for-sale	2,031,225,860	2,296,276,749	1,318,518,839
Idle real property, furniture, and equipment	2,237,693,636	2,295,514,462	2,064,586,831
	<u>103,975,919,744</u>	<u>108,457,235,319</u>	<u>119,450,769,047</u>
Allowance for impairment and per legal requirement	(62,559,094,973)	(66,947,372,074)	(69,717,554,778)
	<u>¢ 41,416,824,771</u>	<u>41,509,863,245</u>	<u>49,733,214,269</u>

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

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
<b>At the beginning of the year</b>	¢ <b>108,457,235,319</b>	<b>118,808,483,863</b>	<b>118,808,483,863</b>
Translation effect	(620,536,883)	(2,257,540,801)	(1,679,692,086)
<b>Adjusted balance</b>	<b>107,836,698,436</b>	<b>116,550,943,062</b>	<b>117,128,791,777</b>
Increase for awarded assets	3,672,953,789	16,759,393,848	5,933,834,868
Transfer to unused property, furniture, and equipment	37,126,974	503,882,698	86,968,564
Increase goods acquired for sale	1,018,089,132	13,302,920,018	1,949,417,409
Sales of goods	(8,494,000,787)	(38,473,657,144)	(5,647,982,909)
Withdrawal of unused property, furniture, and equipment	(94,947,800)	(186,247,163)	(260,662)
<b>Balance at the end of the period</b>	¢ <b>103,975,919,744</b>	<b>108,457,235,319</b>	<b>119,450,769,047</b>

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

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
<b>Opening balance</b>	¢ <b>66,947,372,073</b>	<b>67,864,844,691</b>	<b>67,864,844,691</b>
Currency conversion effect	(10,464,350)	(61,916,884)	(46,196,807)
<b>Adjusted Balance</b>	<b>66,936,907,723</b>	<b>67,802,927,807</b>	<b>67,818,647,884</b>
Increase in the allowance	0	16,095,628,678	4,538,955,881
Reversal in the allowance	(4,309,271,561)	(16,772,635,939)	(2,633,865,557)
Transfer of balances	(68,541,189)	1,202,642,158	780,662,094
Adjustment of the estimate for appraisal of assets	0	(1,381,190,630)	(786,845,524)
<b>Closing balance</b>	¢ <b>62,559,094,973</b>	<b>66,947,372,074</b>	<b>69,717,554,778</b>

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

8). Interest in other companies' capital

Interest in other companies 'capital is detailed as follows:

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Capital interest in Bolsa Nacional			
Valores, S.A.	¢ 29,060,460	29,060,460	29,057,201
Capital interest in Interclar Central de Valores, S.A.	36,356,728	36,356,728	36,359,987
Capital interest in Banprocesa. S.R.L.	0	0	330,726,883
Capital interest in BCR Leasing, S.A.	646,618,801	67,985,202	350,000,000
	<b>¢ 712,035,989</b>	<b>133,402,390</b>	<b>746,144,071</b>

As of March 31, 2024, the interest in Bolsa Nacional de Valores, S.A., is of 1,514,974 common shares with a par value of ¢19,18 each, recorded at cost since these shares are not subject to public offering.

As of March 31, 2024, the interest in Interclar Central de Valores, S.A. is of 24,545,455 common shares with a par value of ¢1.4813 each, recorded at cost since these shares are not subject to public offering.

Interest in the equity of the financial conglomerate:

As of March 31, 2024, the capital stock of BCR Pensi3n Operadora de Planes de Pensiones Complementarias, S.A., is represented by 1,279,450,000 common and registered shares, with a par value of ¢1 each, for a total of ¢1,279,450,000.

As of March 31, 2024, the capital stock of BCR Sociedad Administradora de Fondos de Inversi3n, S.A. is represented by 96,784 common and registered shares, with a par value of ¢50,000 each, for a total of ¢4,839,200,000.

As of March 31, 2024, the capital stock of BCR Valores, S.A. - Puesto de Bolsa, S.A., is represented by 12,626 common and registered shares, subscribed, and paid in full, with a par value of ¢1,000,000 each, for a total of ¢12,626,000,000.

As of March 31, 2024, the capital stock of BCR Sociedad Corredora de Seguros, S.A., is represented by 45,000 common and registered shares, subscribed, and paid in full, and with a par value of ¢50,000 each, for a total of ¢2,250,000,000. At the extraordinary Shareholders' Meeting 04-19 of BCR Corredora de Seguros on December 4, 2019, an increase in the Company's share capital was authorized in the amount of 1,000,000,000, representing an increase of 20,000 shares with which the share capital reaches the amount of ¢2,250,000,000 comprised of 45,000 common and registered, authorized and issued shares with a par value of ¢50,000 each.

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

As of March 31, 2024, the capital stock of Depósito Agrícola de Cartago S. A., is represented by 1 common and registered shares, which are authorized and issued, with a par value for a total of ¢305,842,762.

As of March 31, 2024, the capital stock of Banprocesa, S.R.L., is represented by 100 common and registered shares, which are authorized and issued with a par value of ¢100,000, for a total of ¢10,000,000.

The Bank owns a 51% ownership interest in BICSA (domiciled in Panama). As of March 31, 2024, ownership interest is represented by 6,772,137 common shares of US\$10 par value each. The remaining 49% of shares is owned by Banco Nacional de Costa Rica.

The Bank's income statement for the period ended March 2024, includes the amounts of ¢2,617,205,754, (¢3,344,760,119 and ¢811,033,338 for December and March 2023, respectively), corresponding to the net operating income of BICSA.

The Bank's statement of changes in equity for the period ended March 31, 2024, includes an equity decrease of ¢2,617,205,754, (¢9,444,106,286 and ¢7,086,445,459 for December and March 2023, respectively) corresponding to the changes resulting from the currency translation effect of BICSA's financial statement.

As of March 31, 2024, the accumulated balance of the minority interest of Banco Nacional de Costa Rica presented in the equity section of the consolidated balance sheet amounts to ¢65,612,493,169, (¢67,326,345,389 and ¢67,289,565,909 for December and March 2023, respectively) and the income of the period represents the minority interest in the consolidated income statement in the amount of ¢873,997,266, (¢3,213,593,880 and ¢779,228,281 for December and March 2023, respectively).

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

	<b>March 2024</b>		<b>December 2023</b>		<b>March 2023</b>	
	<b>Quantity</b>	<b>Amount in US Dollars</b>	<b>Quantity</b>	<b>Amount in US Dollars</b>	<b>Quantity</b>	<b>Amount in US Dollars</b>
Balance at the beginning of the period	13,278,700	132,787,000	13,278,700	132,787,000	13,278,700	132,787,000
Balance at the end of the period	<b>13,278,700</b>	<b>132,787,000</b>	<b>13,278,700</b>	<b>132,787,000</b>	<b>13,278,700</b>	<b>132,787,000</b>

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

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

As of March 31 2024, for the presentation of the financial statements of the Banco de Costa Rica Financial Conglomerate, due to the incorporation as a member company, and due to the nature of Banprocesa SRL's business, an adjustment was made in the amount of ¢41,543,949, (¢223,706,436 and ¢201,841,788 for December and March 2023, respectively), corresponding to the profit generated in the service provided in support of the Bank's software, in the statement of financial position and in the income statement.



BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

9). Property, furniture, and equipment

As of March 31, 2024, property, furniture, and equipment are detailed as follows:

<u>Cost:</u>	<u>Property</u>	<u>Buildings</u>	<u>Furniture and equipment</u>	<u>Computer hardware</u>	<u>Vehicles</u>	<u>Assets for the right-of-use, buildings, and facilities</u>	<u>Total</u>
<b>Balance as of December 31, 2023</b>	¢ 35,720,211,143	102,695,444,319	39,042,926,783	52,981,007,354	6,310,290,123	32,309,209,276	269,059,088,998
Conversion effect	(15,877,206)	(252,719,534)	(30,156,889)	(32,910,427)	(2,557,932)	(52,029,786)	(386,251,774)
<b>Adjusted balance</b>	<b>35,704,333,937</b>	<b>102,442,724,785</b>	<b>39,012,769,894</b>	<b>52,948,096,927</b>	<b>6,307,732,191</b>	<b>32,257,179,490</b>	<b>268,672,837,224</b>
Additions	0	89,062,424	292,826,851	436,297,421	2	0	818,186,698
Withdrawals	0	0	(7,557,429)	(364,315,010)	0	(62,226,653)	(434,099,092)
Transfers	0	0	(26,896,673)	(355,858,923)	(1,867,861)	(18,422,509)	(403,045,966)
<b>Balance as of March 31, 2024</b>	<b>35,704,333,937</b>	<b>102,531,787,209</b>	<b>39,271,142,643</b>	<b>52,664,220,415</b>	<b>6,305,864,332</b>	<b>32,176,530,328</b>	<b>268,653,878,864</b>
<b><u>Accumulated depreciation and impairment</u></b>							
<b>Balance as of December 31, 2023</b>	0	39,858,431,004	27,062,163,552	39,203,781,042	4,982,597,414	13,795,423,368	124,902,396,380
Conversion effect	0	(53,405,145)	(27,592,900)	(25,506,295)	(1,524,264)	(42,767,627)	(150,796,231)
<b>Adjusted balance</b>	<b>0</b>	<b>39,805,025,859</b>	<b>27,034,570,652</b>	<b>39,178,274,747</b>	<b>4,981,073,150</b>	<b>13,752,655,741</b>	<b>124,751,600,149</b>
Depreciation expenses	0	513,648,623	609,920,917	1,522,341,254	64,181,948	954,954,782	3,665,047,524
Withdrawals	0	0	(37,383,253)	(411,263,103)	0	(73,215,490)	(521,861,846)
Transfers	0	0	30,722,737	(15,742,018)	0	82,091,625	97,072,344
<b>Balance as of March 31, 2024</b>	¢ 0	<b>40,318,674,482</b>	<b>27,637,831,053</b>	<b>40,273,515,959</b>	<b>5,045,255,098</b>	<b>14,716,486,658</b>	<b>127,991,763,250</b>
<b>March 31, 2024</b>	¢ <b>35,704,333,937</b>	<b>62,213,112,727</b>	<b>11,633,311,590</b>	<b>12,390,704,456</b>	<b>1,260,609,234</b>	<b>17,460,043,670</b>	<b>140,662,115,614</b>

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

As of December 31, 2023, property, furniture, and equipment are detailed as follows:

	Property	Buildings	Furniture and equipment	Computer hardware	Vehicles	Assets for the right-of-use, buildings, and facilities	Total
<b>Cost:</b>							
<b>Balance as of December 31, 2022</b>	¢ 36,112,762,169	101,494,422,613	39,930,981,792	54,066,568,409	5,960,479,952	32,152,214,688	269,717,429,623
Conversion effect	(58,803,596)	(935,984,428)	(110,697,181)	(197,708,756)	(7,206,889)	(176,421,850)	(1,486,822,700)
<b>Adjusted balance</b>	<b>36,053,958,573</b>	<b>100,558,438,185</b>	<b>39,820,284,611</b>	<b>53,868,859,653</b>	<b>5,953,273,063</b>	<b>31,975,792,838</b>	<b>268,230,606,923</b>
Additions	0	801,689,831	1,257,329,694	8,557,135,432	53,282,258	199,779,471	10,869,216,686
Withdrawals	(333,747,430)	0	(195,342,717)	(1,217,532,681)	0	0	(1,746,622,828)
Transfers	0	1,335,316,303	(1,853,229,336)	(8,227,455,050)	303,793,943	128,142,099	(8,313,432,041)
Revaluation	0	0	13,884,531	0	0	5,494,869	19,379,400
Reversal of depreciation	0	0	0	0	(59,142)	0	(59,142)
<b>Balance as of December 31, 2023</b>	<b>35,720,211,143</b>	<b>102,695,444,319</b>	<b>39,042,926,783</b>	<b>52,981,007,354</b>	<b>6,310,290,122</b>	<b>32,309,209,277</b>	<b>269,059,088,998</b>
<b>Accumulated depreciation and impairment</b>							
<b>Balance as of December 31, 2022</b>	0	37,958,884,721	26,458,862,052	39,611,176,674	4,692,318,066	9,807,713,141	118,528,954,654
Conversion effect	0	(183,170,595)	(106,121,276)	(166,069,641)	(7,146,973)	(122,836,032)	(585,344,517)
<b>Adjusted balance</b>	<b>0</b>	<b>37,775,714,126</b>	<b>26,352,740,775</b>	<b>39,445,107,033</b>	<b>4,685,171,093</b>	<b>9,684,877,109</b>	<b>117,943,610,136</b>
Depreciation expenses	0	2,082,716,879	3,445,414,805	4,884,259,001	310,602,780	4,175,303,246	14,898,296,711
Adjustment for previous periods	0	0	0	0	0	0	0
Withdrawals	0	0	(1,849,253,206)	(6,775,458,711)	(12,882,743)	(28,766,067)	(8,666,360,727)
Transfers	0	0	(886,738,821)	1,649,873,719	(293,717)	(35,990,920)	726,850,261
<b>Balance as of December 31, 2023</b>	¢ 0	<b>39,858,431,005</b>	<b>27,062,163,553</b>	<b>39,203,781,042</b>	<b>4,982,597,413</b>	<b>13,795,423,368</b>	<b>124,902,396,381</b>
<b>December 31, 2023</b>	¢ <b>35,720,211,143</b>	<b>62,837,013,314</b>	<b>11,980,763,230</b>	<b>13,777,226,312</b>	<b>1,327,692,709</b>	<b>18,513,785,909</b>	<b>144,156,692,617</b>

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the audited Consolidated Financial Statements

As of March 31, 2023, property, furniture, and equipment are detailed as follows:

<b>Cost:</b>	<b>Property</b>	<b>Buildings</b>	<b>Furniture and equipment</b>	<b>Computer hardware</b>	<b>Vehicles</b>	<b>Assets for the right-of-use, buildings, and facilities</b>	<b>Total</b>
<b>Balance as of December 31, 2022</b>	€ 36,112,762,169	101,494,422,613	39,930,981,792	54,066,568,409	5,960,479,952	32,152,214,688	269,717,429,623
Conversion effect	(43,873,699)	(698,343,328)	(82,591,830)	(147,511,691)	(5,377,038)	(131,628,649)	(1,109,326,235)
<b>Adjusted balance</b>	<b>36,068,888,470</b>	<b>100,796,079,285</b>	<b>39,848,389,962</b>	<b>53,919,056,718</b>	<b>5,955,102,914</b>	<b>32,020,586,039</b>	<b>268,608,103,388</b>
Additions	0	1,195,239,639	606,096,400	803,028,323	234,838	0	2,604,599,200
Withdrawals	0	0	(31,877,474)	(32,793,847)	0	0	(64,671,321)
Transfers	0	0	(373,483,295)	(557,764,373)	0	72,275,591	(858,972,077)
Revaluation	0	0	4,775,204	0	0	(437,638)	4,337,566
<b>Balance as of March 31, 2023</b>	<b>36,068,888,470</b>	<b>101,991,318,924</b>	<b>40,053,900,797</b>	<b>54,131,526,821</b>	<b>5,955,337,752</b>	<b>32,092,423,992</b>	<b>270,293,396,756</b>
<b><u>Accumulated depreciation and impairment</u></b>							
<b>Balance as of December 31, 2022</b>	0	37,958,884,721	26,458,862,052	39,611,176,674	4,692,318,066	9,807,713,141	118,528,954,654
Conversion effect	0	(135,519,710)	(79,055,790)	(122,787,585)	(5,302,953)	(91,648,697)	(434,314,735)
<b>Adjusted balance</b>	<b>0</b>	<b>37,823,365,011</b>	<b>26,379,806,262</b>	<b>39,488,389,089</b>	<b>4,687,015,113</b>	<b>9,716,064,444</b>	<b>118,094,639,919</b>
Depreciation expenses	0	543,090,589	637,087,536	1,415,874,020	76,774,739	837,187,142	3,510,014,026
Withdrawals	0	0	(101,722,385)	(39,590,552)	0	0	(141,312,937)
Transfers	0	0	15,638,227	(16,995,775)	(111,194)	168,943,600	167,474,858
<b>Balance as of March 31, 2023</b>	€ <b>0</b>	<b>38,366,455,600</b>	<b>26,930,809,640</b>	<b>40,847,676,782</b>	<b>4,763,678,658</b>	<b>10,722,195,186</b>	<b>121,630,815,866</b>
<b>March 31, 2023</b>	€ <b>36,068,888,470</b>	<b>63,624,863,324</b>	<b>13,123,091,157</b>	<b>13,283,850,039</b>	<b>1,191,659,094</b>	<b>21,370,228,806</b>	<b>148,662,580,890</b>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

10). Other assets

(a) Other deferred charges

Other deferred charges are detailed as follows:

	<u>March 2024</u>	<u>December 2023</u>	<u>March 2023</u>
Improvement of properties in operating lease	¢ 520,741,213	578,802,141	779,552,190
Other deferred charges	892,581,539	968,693,912	1,129,282,409
	<u>¢ 1,413,322,752</u>	<u>1,547,496,053</u>	<u>1,908,834,599</u>

(b) Intangible assets

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

<b>March</b>	<b>2024</b>
<i>Cost:</i>	
<b>Balance as of December 31, 2023</b>	¢ <b>94,451,550,670</b>
Currency translation effect	(264,550,883)
<b>Adjusted balance</b>	<b>94,186,999,787</b>
Additions to computer systems	1,567,849,276
Transfers	(267,038,796)
Withdrawals	(4,471,106)
<b>Balance as of March 31, 2024</b>	<u><b>95,483,339,161</b></u>
<i>Accumulated depreciation and impairment:</i>	
<b>Balance as of December 31, 2023</b>	<b>74,966,573,265</b>
Currency translation effect	(219,505,687)
<b>Adjusted balance</b>	<b>74,747,067,578</b>
Amortization expense on computer systems	4,342,390,110
Transfers	33,079,121
Withdrawals	(4,471,107)
<b>Amortized balance and impairment as of March 31, 2024</b>	<u><b>79,118,065,702</b></u>
<b>Balance as of March 31, 2024</b>	<u>¢ <b>16,365,273,459</b></u>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

<b>December</b>	<b>2023</b>
<i>Cost:</i>	
<b>Balance as of December 31, 2022</b>	¢ <b>83,282,029,043</b>
Currency translation effect	(966,937,862)
<b>Adjusted balance</b>	<b>82,315,091,181</b>
Additions to computer systems	16,755,801,520
Transfers	(2,699,330,491)
Withdrawals	<u>(1,920,011,540)</u>
<b>Balance as of December 31, 2023</b>	<b><u>94,451,550,670</u></b>
<i>Accumulated depreciation and impairment:</i>	
<b>Balance as of December 31, 2022</b>	<b>59,734,564,757</b>
Currency translation effect	(718,864,815)
<b>Adjusted balance</b>	<b>59,015,699,942</b>
Amortization expense on computer systems	20,347,984,409
Transfers	(4,392,639,979)
Withdrawals	<u>(4,471,107)</u>
<b>Amortized balance and impairment as of December 31, 2023</b>	<b><u>74,966,573,265</u></b>
<b>Balance as of December 31, 2023</b>	¢ <b><u>19,484,977,405</u></b>
<b>March</b>	<b>2023</b>
<i>Cost:</i>	
<b>Balance as of December 31, 2022</b>	¢ <b>83,282,029,043</b>
Currency translation effect	(721,438,013)
<b>Adjusted balance</b>	<b>82,560,591,030</b>
Additions to computer systems	3,003,053,991
Transfers	(180,198,122)
Withdrawals	<u>(14,353,613)</u>
<b>Balance as of March 31, 2023</b>	<b><u>85,369,093,286</u></b>
<i>Accumulated depreciation and impairment:</i>	
<b>Balance as of December 31, 2022</b>	<b>59,734,564,757</b>
Currency translation effect	(529,285,139)
<b>Adjusted balance</b>	<b>59,205,279,618</b>
Amortization expense on computer systems	4,705,367,419
Transfers	152,960,672
Withdrawals	<u>(9,820,930)</u>
<b>Amortized balance and impairment as of March 31, 2023</b>	<b><u>64,053,786,779</u></b>
<b>Balance as of March 31, 2023</b>	¢ <b><u>21,315,306,507</u></b>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

(c) Other assets

Other assets are detailed as follows:

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Prepaid taxes	¢ 4,253,294,495	28,253,907,995	7,524,082,042
Other prepaid taxes	434,323,890	75,473,096	643,692,044
Prepaid leases	78,383	78,383	78,383
Prepaid insurance policy	616,127,333	552,774,612	736,381,180
Other prepaid expenses	430,502,208	79,443,898	335,093,723
<b>Prepaid expenses</b>	<b>5,734,326,309</b>	<b>28,961,677,984</b>	<b>9,239,327,372</b>
Stationery, supplies and other materials	215,102,716	231,667,984	173,545,978
Library and works of art	45,328,611	46,258,188	41,459,053
Construction in process	9,466,793,481	8,996,494,115	7,944,796,998
Automated applications under development	5,270,715,492	5,102,479,616	4,839,371,351
Membership in social and professional institutions	36,633,800	36,633,800	36,633,800
Other miscellaneous goods	23,584,553,799	24,827,434,648	21,995,336,397
<b>Miscellaneous goods</b>	<b>38,619,127,899</b>	<b>39,240,968,351</b>	<b>35,031,143,577</b>
Missing cash	35,791,164	48,850,004	55,294,638
Transactions to be settled	50,914,348,931	48,768,901,077	102,237,007,141
Other operations pending allocation	122,092,724	170,809,574	169,330,506
<b>Operations pending allocation</b>	<b>51,072,232,819</b>	<b>48,988,560,655</b>	<b>102,461,632,285</b>
Guarantee deposits	1,089,769,510	1,138,644,193	1,086,860,806
<b>Restricted assets</b>	<b>1,089,769,510</b>	<b>1,138,644,193</b>	<b>1,086,860,806</b>
	¢ <b>96,515,456,537</b>	<b>118,329,851,183</b>	<b>147,818,964,040</b>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

11). Demand obligations with the public

Demand obligations with the public are as follows:

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Checking accounts	¢ 2,135,193,153,164	2,077,967,789,370	1,901,356,653,567
Cashier's checks	211,473,337	144,476,108	190,606,120
Demand savings deposits	1,055,669,256,677	1,068,469,506,288	1,005,104,826,476
Overdue term borrowings	1,533,783,964	1,863,395,806	1,956,484,451
Overnight deposits	1,030,931,000	1,815,101,600	1,616,012,000
Other demand obligations with the public	3,554,780,855	3,576,646,127	18,851,707,893
	<b>¢ 3,197,193,378,997</b>	<b>3,153,836,915,299</b>	<b>2,929,076,290,507</b>

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

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

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
<u>Obligations with the public</u>	<b>Demand</b>	<b>Demand</b>	<b>Demand</b>
Deposits from the public	¢ 3,193,638,598,141	3,150,260,269,171	2,910,224,582,614
Other obligations with the public	3,554,780,856	3,576,646,128	18,851,707,893
(See note 11)	<b>3,197,193,378,997</b>	<b>3,153,836,915,299</b>	<b>2,929,076,290,507</b>
<u>Obligations with entities</u>			
Deposits from state-owned entities	22,496,452,006	10,212,383,310	18,221,706,407
Deposits from other Banks	4,637,849,095	4,188,632,771	4,471,598,061
Other obligations with entities	66,091,106,594	53,359,601,832	65,513,407,283
	<b>93,225,407,695</b>	<b>67,760,617,913</b>	<b>88,206,711,751</b>
	<b>¢ 3,290,418,786,692</b>	<b>3,221,597,533,212</b>	<b>3,017,283,002,258</b>

BANCO DE COSTA RICA AND SUBSIDIARIES  
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	<b>March 2024 Term</b>	<b>December 2023 Term</b>	<b>March 2023 Term</b>
<u>Obligations with the public</u>			
Deposits from the public	¢ 1,723,485,151,998	1,689,282,292,778	2,091,056,227,296
Other obligations with the public	15,359,188	15,616,804	12,859,049
	<u>1,723,500,511,186</u>	<u>1,689,297,909,582</u>	<u>2,091,069,086,345</u>
<u>Obligations with entities</u>			
Deposits from state-owned entities	48,360,896,001	62,134,077,995	47,407,825,924
Deposits from other Banks	4,222,435,516	593,590,024	9,160,204,850
Other obligations with entities	617,258,631,182	633,437,932,019	550,357,008,479
	<u>669,841,962,699</u>	<u>696,165,600,038</u>	<u>606,925,039,253</u>
	<u>¢ 2,393,342,473,885</u>	<u>2,385,463,509,620</u>	<u>2,697,994,125,598</u>

As of March 31, 2024, demand deposits with the public include court-ordered deposits for ¢258,755,226,314, (¢258,756,472,753 and ¢250,145,353,841 for December and March 2023, respectively), which are restricted because of their nature.

As of March 31, 2024, the Bank has a total of de 1,864,259 (1,896,596 and 1,794,733 for December and March 2023, respectively) employees with demand deposits and with term deposits 37,530 (36,047 and 38,411 for December and March 2023, respectively). The subsidiary BICSA has a total of 941 customers (920 and 886 for December and March 2023, respectively) with demand deposits and 1,420 (1,386 and 1,252 for December and March 2023, respectively).

13). Other obligations with the public

Other obligations with the public are as follows:

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Obligations for confirmed letters of credit	¢ 2,867,706,132	5,523,100,903	3,158,140,630
Obligations for security tripartite agreements forward buyer	0	0	8,393,035,872
	<u>¢ 2,867,706,132</u>	<u>5,523,100,903</u>	<u>11,551,176,502</u>



BANCO DE COSTA RICA AND SUBSIDIARIES  
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Repurchase agreements:

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

As of March 31, 2024, and December and March 2023, there are no repurchase agreements.

Changes in the amendment to the Securities Clearing and Settlement Regulations (SUGEVAL) have no impact on the custodian. In the event of a default in payments, the Default Guarantee Fund would be used.

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

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

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Term obligations with the Central Bank of Costa Rica	€ 99,002,909,685	103,950,578,331	106,607,072,703
Charges payable for obligations with the Central Bank of Costa Rica	<u>2,268,761,081</u>	<u>2,181,618,180</u>	<u>1,592,823,783</u>
	101,271,670,766	106,132,196,511	108,199,896,486
Checking accounts of local financial entities	43,986,669,203	23,899,287,874	36,281,818,688
Checking accounts of foreign financial entities	514,716,750	329,112,136	460,474,103
Overdrafts on demand checking accounts of foreign financial entities	13,464,913,593	7,021,274,657	10,108,909,536
Obligations for check deposits	609,187,948	608,813,166	2,512,804,775
Overnight deposits	34,649,920,200	35,902,130,080	38,842,704,650
Term deposits from local financial entities	72,327,515,061	80,394,940,576	65,553,525,774
Term deposits from financial entities abroad	22,543,700,000	36,901,844,305	26,478,575,000
Loan from foreign financial entities (See note 14-a)	287,585,161,001	306,997,236,235	238,214,881,235
Obligations for right-of-use assets received under leases (note 14-a)	17,296,927,925	18,720,688,670	21,820,220,905
Obligations with resources from the Development Credit Fund (DCF)	138,781,730,311	140,481,206,433	157,378,387,591
Charges payable for obligations with financial and non-financial entities	<u>8,581,154,750</u>	<u>6,329,955,245</u>	<u>6,254,678,868</u>
	640,341,596,742	657,586,489,377	603,906,981,125
Loans from local financial entities (See note 14-a)	95,290,446,797	84,682,787,997	76,721,261,597
Obligations for deferred liquidity operations (See note 14-a)	<u>36,016,481,600</u>	<u>27,986,895,819</u>	<u>20,758,187,148</u>
	<u>771,648,525,139</u>	<u>770,256,173,193</u>	<u>701,386,429,870</u>
Loans of subsidiaries			
Subordinated obligations	49,958,633,180	49,957,954,304	49,956,035,633
Charges payable for subordinated obligations	184,422,222	184,422,222	184,422,222
	<u>50,143,055,402</u>	<u>50,142,376,526</u>	<u>50,140,457,855</u>
	<u>€ 923,063,251,307</u>	<u>926,530,746,230</u>	<u>859,726,784,211</u>

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The maturities of the term obligations with entities are from January 1, 2024, to February 03, 2025.

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

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Colones	6.03 % to 9.75%	6.03 % to 9.75%	7.97 % to 9.75%
US dollars	2.66% to 8.72%	1.0% to 7.59%	2.99% to 3.43%

As of March 31, 2024, and December and March 2023, there are no term obligations with foreign financial entities for the international issuance.

a) Maturity of loans payable

As of March 31, 2024, the maturities of loans payable are detailed as follows:

	<b>Central Bank of Costa Rica</b>	<b>Local financial entities</b>	<b>Foreign financial entities</b>	<b>International organizations</b>	<b>Total</b>
Less than one year	¢ 2,108,456,619	74,893,210,997	168,303,148,975	26,344,000,000	271,648,816,590
From one to two years	103,950,578,331	18,117,535,800	59,109,696,740	0	181,177,810,872
From three to five years	0	2,279,700,000	27,965,220,349	2,054,832,000	32,299,752,349
<b>Total</b>	¢ <b>106,059,034,950</b>	<b>95,290,446,797</b>	<b>255,378,066,064</b>	<b>28,398,832,000</b>	<b>485,126,379,811</b>

As of December 31, 2023, the maturities of loans payable are detailed as follows:

	<b>Central Bank of Costa Rica</b>	<b>Local financial entities</b>	<b>Foreign financial entities</b>	<b>International organizations</b>	<b>Total</b>
Less than one year	¢ 2,108,456,619	57,541,618,560	181,942,922,801	26,344,000,000	267,936,997,979
From one to two years	103,950,578,331	23,716,449,437	49,848,239,594	0	177,515,267,362
From three to five years	0	3,424,720,000	42,605,809,881	2,054,832,000	48,085,361,881
Over five years	0	0	4,201,431,959	0	4,201,431,959
<b>Total</b>	¢ <b>106,059,034,950</b>	<b>84,682,787,997</b>	<b>278,598,404,235</b>	<b>28,398,832,000</b>	<b>497,739,059,182</b>

As of March 31, 2023, the maturities of loans payable are detailed as follows:

	<b>Central Bank of Costa Rica</b>	<b>Local financial entities</b>	<b>Foreign financial entities</b>	<b>International organizations</b>	<b>Total</b>
Less than one year	¢ 35,027,717,170	59,424,238,870	241,387,218,173	0	335,839,174,213
From one to two years	0	6,934,924,800	18,792,936,101	0	25,727,860,901
From three to five years	109,474,722,461	17,766,530,870	54,546,509,693	3,130,348,000	184,918,111,024
Over five years	0	0	9,892,771,930	0	9,892,771,930
<b>Total</b>	¢ <b>144,502,439,631</b>	<b>84,125,694,540</b>	<b>324,619,435,897</b>	<b>3,130,348,000</b>	<b>556,377,918,068</b>

BANCO DE COSTA RICA AND SUBSIDIARIES  
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b) Lease obligations

As of March 31, 2024, there are obligations for the right of use – leased assets received.

		<u>Fee</u>	<u>Interest</u>	<u>Maintenance</u>	<u>Present value</u>
Less than one year	¢	4,519,522,175	976,067,841	0	3,543,454,334
From one to five years		16,426,018,861	2,179,613,240	0	14,246,405,621
	¢	<u><b>20,945,541,036</b></u>	<u><b>3,155,681,081</b></u>	<u><b>0</b></u>	<u><b>17,789,859,955</b></u>

As of December 31, 2023, there are obligations for the right of use – leased assets received.

		<u>Fee</u>	<u>Interest</u>	<u>Maintenance</u>	<u>Present value</u>
Less than one year	¢	4,674,882,288	1,075,348,978	0	3,599,533,310
From one to five years		18,244,580,707	2,530,813,580	0	15,713,767,127
	¢	<u><b>22,919,462,995</b></u>	<u><b>3,606,162,558</b></u>	<u><b>0</b></u>	<u><b>19,313,300,437</b></u>

As of March 31, 2023, there are obligations for the right of use – leased assets received.

		<u>Fee</u>	<u>Interest</u>	<u>Maintenance</u>	<u>Present value</u>
Less than one year	¢	3,685,427,951	379,053,726	0	3,306,374,224
From one to five years		20,637,657,135	1,211,566,647	0	19,426,090,488
	¢	<u><b>24,323,085,085</b></u>	<u><b>1,590,620,373</b></u>	<u><b>0</b></u>	<u><b>22,732,464,712</b></u>

As of March 31, 2024, the allowance for future lease payments is as follows:

		<u>Colones</u>	<u>US\$ translated to colones</u>
1 year	¢	913,794,397	2,895,532,575
2 years		864,098,059	2,087,536,345
3 years		885,256,615	1,811,764,046
4 years		866,128,355	1,756,122,101
5 years		1,008,554,117	2,025,837,198
Over 5 years		894,491,928	1,780,744,219
	¢	<u><b>5,432,323,470</b></u>	<u><b>12,357,536,485</b></u>

As of December 31, 2023, the allowance for future lease payments is as follows:

		<u>Colones</u>	<u>US\$ translated to colones</u>
1 year	¢	1,305,192,530	3,691,623,601
2 years		1,145,864,320	3,046,220,554
3 years		1,107,240,405	2,335,851,199
4 years		1,107,240,405	2,309,660,986
5 years		1,107,240,405	2,302,595,212
Over 5 years		1,107,240,405	2,302,595,215
	¢	<u><b>6,880,018,470</b></u>	<u><b>15,988,546,767</b></u>

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

		<u>Colones</u>	<u>US\$ translated to colones</u>
1 year	¢	742,664,909	2,904,758,276
2 years		878,105,954	3,217,949,840
3 years		862,301,550	2,296,257,101
4 years		880,251,970	1,943,034,401
5 years		942,221,709	2,059,616,493
Over 5 years		1,903,046,045	4,102,256,464
	¢	<u><b>6,208,592,137</b></u>	<u><b>16,523,872,575</b></u>

As of March 31, 2024, future payments of the lease liability are presented as follows:

	<b>Year</b>	<b>Payments</b>	<b>Present value</b>	<b>Amortization</b>	<b>Interest</b>	<b>Balance of the agreement</b>
1	31-12-2022	4,816,102,053	3,728,821,697	2,644,247,342	1,118,260,347	14,150,865,130
2	31-12-2023	3,712,590,770	2,966,782,549	2,165,950,890	774,555,830	11,176,841,524
3	31-12-2024	3,321,207,232	2,713,077,642	2,104,948,053	608,129,589	8,381,178,067
4	31-12-2025	3,321,207,232	2,885,068,922	2,448,930,612	436,138,310	5,496,109,145
5	31-12-2026	3,321,207,232	3,068,027,897	2,814,848,563	253,179,334	2,428,081,247
6	31-12-2027	2,490,905,424	2,428,081,247	2,365,257,071	62,824,177	0
7	31-12-2028	0	0	0	0	0
	¢	<u><b>20,983,219,941</b></u>	<u><b>17,789,859,955</b></u>	<u><b>14,544,182,531</b></u>	<u><b>3,253,087,587</b></u>	

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

	<b>Year</b>	<b>Payments</b>	<b>Present value</b>	<b>Amortization</b>	<b>Interest</b>	<b>Balance of the agreement</b>
1	31/12/2022	5,016,860,198	4,978,453,485	3,933,914,845	1,096,755,159	18,085,615,539
2	31/12/2023	4,189,654,562	4,177,957,436	3,335,534,706	859,840,816	13,870,937,821
3	31/12/2024	3,471,928,178	3,476,786,450	2,805,874,895	668,025,926	10,243,379,818
4	31/12/2025	3,415,719,498	3,415,696,631	2,923,391,889	492,350,053	6,819,671,235
5	31/12/2026	3,409,835,829	3,409,835,617	3,102,247,190	307,588,427	3,409,835,617
6	31/12/2027	3,409,835,829	3,409,835,617	3,228,165,035	181,670,582	0
7	31/12/2028	0	0	0	0	0
	¢	<u><b>22,913,834,094</b></u>	<u><b>22,868,565,237</b></u>	<u><b>19,329,128,560</b></u>	<u><b>3,606,230,964</b></u>	

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

	Year	Payments	Present value	Amortization	Interest	Balance of the agreement
1	30-09-2022	4,946,431,229	3,544,020,919	2,090,725,031	1,300,742,537	19,386,929,358
2	30-09-2023	5,386,204,004	4,111,381,622	3,083,539,515	1,062,290,582	15,325,710,212
3	30-09-2024	4,003,221,552	3,174,804,343	2,349,011,080	828,419,544	12,007,544,837
4	30-09-2025	3,493,176,428	2,840,506,754	2,187,837,079	652,669,674	9,061,751,074
5	30-09-2026	3,493,176,428	3,020,091,800	2,547,007,173	473,084,627	6,041,659,274
6	30-09-2027	3,493,176,428	3,211,096,428	2,929,016,428	282,080,000	2830562846
7	30-09-2028	2,910,980,356	2,830,562,846	2,750,145,335	80,417,511	0
	¢	<u>27,726,366,425</u>	<u>22,732,464,712</u>	<u>17,937,281,641</u>	<u>4,679,704,475</u>	

15). Income tax

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

As of March 31, 2024, the consolidated balance of income tax payable amounts to ¢9,415,944,449, (¢12,828,353,865 and ¢5,121,121,385 for December and March 2023, respectively) (see note 17) and the income tax advance payments amounted to ¢4,253,294,495, (¢28,253,907,995 and ¢7,524,082,042 for December and March 2023, respectively) (see note 10.c), recorded as other assets.

Income tax expenses are detailed below:

	March 2024	December 2023	March 2023
Current income tax	¢ 8,965,170,243	27,897,022,954	4,784,217,370
Decrease in income tax	(5,259,288)	(13,178,030,592)	(185,922,378)
Increase in income tax	456,033,494	86,743,304	0
Adjustment for income tax of the previous period	0	(1,262,259,957)	522,826,393
Advances of settled income taxes	0	(715,121,844)	0
	<u>9,415,944,449</u>	<u>12,828,353,865</u>	<u>5,121,121,385</u>
<b><u>Expenses for income taxes:</u></b>			
Expense for current income tax of the period	8,965,170,243	27,897,022,954	4,784,217,370
Expense for deferred income tax	1,624,421,126	20,742,526,046	1,374,745,152
	<u>10,589,591,369</u>	<u>48,639,549,000</u>	<u>6,158,962,522</u>
<b><u>Income for income taxes</u></b>			
Decrease of income taxes for the period	0	(13,174,356,578)	(186,052,859)
Income for deferred income tax	(2,211,047,652)	(16,295,906,202)	(1,699,347,439)
Decrease in the deferred income tax from the previous period	0	(3,674,016)	117,023
	<u>(2,211,047,652)</u>	<u>(29,473,936,796)</u>	<u>(1,885,283,275)</u>
<b>Income tax, net</b>	¢ <u>8,378,543,717</u>	<u>19,165,612,204</u>	<u>4,273,679,247</u>
<b>Realization of deferred income tax</b>	¢ <u>586,626,526</u>	<u>(4,446,619,844)</u>	<u>324,602,287</u>

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BICSA is subject to tax legislation in the following jurisdictions.

Panamá

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

Miami

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

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

Deferred tax assets and liabilities are attributed to the following:

As of March 31, 2024

	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>
Valuation of investments	¢ 1,885,819,011	(4,693,152,187)	(2,807,333,176)
Revaluation of assets	242,823,928	(14,193,334,587)	(13,950,510,659)
Provisions	(13,115,400)	(27,204,192)	(40,319,592)
Financial leases	5,218,006,198	(5,290,554,350)	(72,548,152)
Deferred taxes for exchange differences	11,060,463,649	(21,605,566,470)	(10,545,102,820)
Losses and unused tax credits	383,455,404	0	383,455,404
Allowance for doubtful accounts	88,456,126	0	88,456,126
	<b>¢ 18,865,908,916</b>	<b>(45,809,811,786)</b>	<b>(26,943,902,869)</b>

As of December 31, 2023

	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>
Valuation of investments	¢ 3,218,370,397	(3,767,810,511)	(549,440,114)
Revaluation of assets	242,823,928	(14,262,628,638)	(14,019,804,710)
Provisions	(8,404,053)	(34,976,819)	(43,380,872)
Financial leases	5,646,614,598	(5,579,520,286)	67,094,312
Deferred taxes for exchange differences	10,392,860,153	(21,585,796,102)	(11,192,935,948)
Losses and unused tax credits	240,624,914	0	240,624,914
Allowance for doubtful accounts	88,456,126	0	88,456,126
	<b>¢ 19,821,346,063</b>	<b>(45,230,732,356)</b>	<b>(25,409,386,292)</b>

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As of March 31, 2024

	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>
Valuation of investments	¢ 12,634,368,494	(1,193,816,828)	11,440,551,666
Revaluation of assets	242,823,928	(14,340,154,985)	(14,097,331,057)
Provisions	33,004,090	(52,465,230)	(19,461,140)
Financial leases	6,889,834,455	(6,456,567,534)	433,266,921
Deferred taxes for exchange differences	1,302,156,239	(7,801,269,206)	(6,499,112,967)
Losses and unused tax credits	28,349,335	0	28,349,335
Allowance for doubtful accounts	77,351,338	0	77,351,338
	<u>¢ 21,207,887,879</u>	<u>(29,844,273,783)</u>	<u>(8,636,385,904)</u>

The movement of temporary differences is as follows:

As of March 31, 2024

	<u>December 31, 2023</u>	<u>Effects on income statement</u>	<u>Effects on equity</u>	<u>March 31, 2024</u>
<b>On liabilities account</b>				
Valuation of investments	¢ (3,767,810,512)	0	(925,341,675)	(4,693,152,187)
Revaluation of assets	(8,485,524,632)	69,294,051	0	(8,416,230,581)
Revaluation of land	(5,777,104,006)	0	0	(5,777,104,006)
Financial leases	(5,579,520,286)	288,965,936	0	(5,290,554,350)
For exchange differences	(21,585,796,102)	(19,770,368)	0	(21,605,566,470)
Allowance for doubtful accounts	(34,976,819)	7,772,627	0	(27,204,192)
<b>On assets account</b>				
Valuation of investments	3,218,370,397	0	(1,332,551,386)	1,885,819,011
Financial leases	5,646,614,597	(428,608,399)	0	5,218,006,198
Income tax for asset revaluation	242,823,928	0	0	242,823,928
Losses and unused tax credits	240,624,914	6,080,531	136,749,959	383,455,404
Provisions	(8,404,053)	(4,711,347)	0	(13,115,400)
Allowance for doubtful accounts	88,456,126	0	0	88,456,126
For exchange differences	10,392,860,154	667,603,495	0	11,060,463,649
	<u>¢ (25,409,386,294)</u>	<u>586,626,526</u>	<u>(2,121,143,102)</u>	<u>(26,943,902,870)</u>

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
Notes to the audited Consolidated Financial Statements

As of December 31, 2023

	<u>December 31, 2022</u>	<u>Effects on income statement</u>	<u>Effects on equity</u>	<u>December 31, 2023</u>
<b>On liabilities account</b>				
Valuation of investments	¢ (469,153,500)	0	(3,298,657,011)	(3,767,810,511)
Revaluation of assets	(8,632,345,029)	146,820,397	0	(8,485,524,632)
Revaluation of land	(5,777,104,006)	0	0	(5,777,104,006)
Financial leases	(6,733,911,989)	1 154 391 703	0	(5,579,520,286)
For exchange differences	(7,280,460,002)	(14,305,336,100)	0	(21,585,796,102)
Allowance for doubtful accounts	(58,294,700)	23,317,881	0	(34,976,819)
<b>On assets account</b>				
Valuation of investments	19,159,652,189	0	(15,941,281,792)	3,218,370,397
Financial leases	7,647,460,580	(1,658,943,707)	(341,902,275)	5,646,614,598
Income tax for asset revaluation	242,823,928	0	0	242,823,928
Losses and unused tax credits	124,687,031	(167,873,767)	283,811,650	240,624,914
Provisions	23,293,290	(31,697,343)	0	(8,404,053)
Allowance for doubtful accounts	88,615,188	(159,062)	0	88,456,126
For exchange differences	0	10,392,860,154	0	10,392,860,154
	<u>¢ (1,664,737,020)</u>	<u>(4,446,619,844)</u>	<u>(19,298,029,428)</u>	<u>(25,409,386,292)</u>

As of March 31, 2023

	<u>December 31, 2021</u>	<u>Effects on income statement</u>	<u>Effects on equity</u>	<u>March 31, 2023</u>
<b>On liabilities account</b>				
Valuation of investments	¢ (469,153,500)	0	(724,663,328)	(1,193,816,828)
Revaluation of assets	(8,632,345,029)	69,294,050	0	(8,563,050,979)
Revaluation of land	(5,777,104,006)	0	0	(5,777,104,006)
Financial leases	(6,733,911,989)	277,344,455	0	(6,456,567,534)
For exchange differences	(7,280,460,002)	(520,809,205)	0	(7,801,269,207)
<b>On assets account</b>				
Valuation of investments	19,159,652,189	0	(6,525,283,695)	12,634,368,494
Financial leases	7,647,460,580	(753,188,150)	(4,437,975)	6,889,834,455
Income tax for asset revaluation	242,823,928	0	0	242,823,928
Losses and unused tax credits	124,687,031	(54,471,522)	(41,866,174)	28,349,335
Provisions	23,293,290	9,710,800	0	33,004,090
Allowance for doubtful accounts	88,615,188	(11,263,850)	0	77,351,338
For exchange differences	0	1,302,156,239	0	1,302,156,239
	<u>¢ (1,664,737,020)</u>	<u>324,602,287</u>	<u>(7,296,251,172)</u>	<u>(8,636,385,905)</u>



BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

As of March 31, 2024, the consolidated group presents a balance for income tax receivable of ¢23,633,824,162, (¢8,909,791,476 and ¢10,181,462,347 for December and March 2023, respectively), in addition to supported value added tax for ¢670,156,108, (¢1,785,036,658 and ¢732,966,117 for for December and March 2023, respectively) and deductible value added tax for ¢34,986,188, (¢22,128,915 and ¢31,011,363 for December and March 2023, respectively).

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

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

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

	March 2024	December 2023	March 2023
Banco de Costa Rica	¢ 18,640,703,527	18,640,703,527	14,376,721,967
BCR Valores, S.A.- Puesto de Bolsa	323,346,107	323,346,107	635,236,468
BCR Sociedad Administradora de Fondos de inversión, S.A.	231,390,940	229,690,558	155,205,344
BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A.	55,794,630	55,794,630	164,453,335
BCR Corredora de Seguros, S.A.	65,297,213	65,297,213	152,719,661
	<b>¢ 19,316,532,418</b>	<b>¢ 19,314,832,036</b>	<b>¢ 15,484,336,775</b>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

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

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

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

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

As of March 31, 2024, the application of the resolution described above gave rise to a temporary difference which required the recording of a deferred income tax liability of ¢27,204,192, (¢21,585,796,102 and ¢7,801,269,207 for December and March 2023, respectively) and assets of ¢11,060,463,649 (¢10,392,860,154 and ¢1,302,156,239 for December and March 2023, respectively).

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

16). Provisions

The movement of provision is as follows:

	<u>Legal benefits</u>	<u>Lawsuits</u>	<u>Other</u>	<u>Total</u>
<b>Balance as of December 31, 2023</b>	€ 10,412,806,247	20,906,202,424	20,332,530,532	51,651,539,203
Currency conversion effect	(31,760,656)	(2,433,606)	0	(34,194,262)
<b>Adjusted balance</b>	<b>10,381,045,591</b>	<b>20,903,768,818</b>	<b>20,332,530,532</b>	<b>51,617,344,941</b>
Provision made	35,885,268	783,273,146	578,841,075	1,397,999,489
Provision used	(7,639,686)	(552,354,311)	(83,095,711)	(643,089,708)
Adjustment for exchange rate differences	0	(105,797)	0	(105,797)
Provisions reversed	(282,583,304)	(146,523,918)	0	(429,107,222)
<b>Balance as of March 31, 2024</b>	<b>€ 10,126,707,869</b>	<b>20,988,057,938</b>	<b>20,828,275,896</b>	<b>51,943,041,703</b>

	<u>Legal benefits</u>	<u>Lawsuits</u>	<u>Other</u>	<u>Total</u>
<b>Balance as of December 31, 2022</b>	€ 10,655,153,393	15,460,700,748	15,294,247,597	41,408,245,332
Currency conversion effect	(17,274,749)	1,708,575	0	(15,566,174)
<b>Adjusted balance</b>	<b>10,637,878,644</b>	<b>15,460,552,918</b>	<b>15,294,247,597</b>	<b>41,392,679,158</b>
Provision made	806,182,906	6,799,882,720	6,910,329,185	14,516,394,811
Provision used	(75,836,383)	(1,332,653,074)	(1,275,491,324)	(2,683,980,781)
Adjustment for exchange rate differences	0	(3,197,138)	0	(3,197,138)
Provisions reversed	(955,418,920)	(18,383,003)	(596,554,925)	(1,570,356,848)
<b>Balance as of December 31, 2023</b>	<b>€ 10,412,806,247</b>	<b>20,906,202,423</b>	<b>20,332,530,533</b>	<b>51,651,539,202</b>

	<u>Legal benefits</u>	<u>Lawsuits</u>	<u>Other</u>	<u>Total</u>
<b>Balance as of December 31, 2022</b>	€ 10,668,568,025	15,461,132,749	15,294,247,597	41,423,948,370
Currency conversion effect	639,139	(174)	0	638,965
<b>Adjusted balance</b>	<b>10,669,207,164</b>	<b>15,461,132,575</b>	<b>15,294,247,597</b>	<b>41,424,587,335</b>
Provision made	180,969,663	1,194,156,912	453,489,588	1,828,616,163
Provision used	(80,913,858)	(530,034,419)	(263,400,410)	(874,348,687)
Adjustment for exchange rate differences	0	(2,620,874)	0	(2,620,874)
<b>Balance as of March 31, 2023</b>	<b>€ 10,769,262,969</b>	<b>16,122,634,194</b>	<b>15,484,336,775</b>	<b>42,376,233,937</b>

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
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As of March 2024, the number of litigations with the probability of occurrence is detailed as follows:

Type	Number	High	Low	Pending evaluation	Total amount in colones	Total amount in US dollars	Provision in colones	Provision in US dollars	Contingency in colones	Contingency in US dollars
Contentious	231	22	207	2	€34,708,729,402.56	\$370,404,084.89	€2,465,724,301.12	\$2,948.58	€32,243,005,101.44	\$370,401,136.31
Criminal	19	2	17	0	€636,829,601.60	\$5,856.98	€190,614,797.56	\$0	€446,214,804.04	\$5,856.98
Labor	352	63	289	0	€6,200,791,032.80	\$825,001.00	€2,366,390,196.70	\$0	€3,834,400,836.10	\$825,001.00
Proceedings	22	0	22	0	€15,096,422.44	\$2,000.00	€0	\$0	€15,096,422.44	\$2,000.00
<b>Total</b>	<b>624</b>	<b>87</b>	<b>535</b>	<b>2</b>	<b>€41,561,446,459.40</b>	<b>\$371,236,942.87</b>	<b>€5,022,729,295.38</b>	<b>\$2,948.58</b>	<b>€36,538,717,164.02</b>	<b>\$371,233,994.29</b>

As of March 31, 2024, there are 5 high category litigations without estimation (32 and 32 litigations, for December and March 2023, respectively).

As of December 2023

Type	Number	High	Low	Pending evaluation	Total amount in colones	Total amount in US dollars	Provision in colones	Provision in US dollars	Contingency in colones	Contingency in US dollars
Contentious	251	28	221	2	€35,192,664,484.29	\$370,448,045.39	€2,569,200,262.33	\$5,668.82	€32,623,464,221.96	\$370,442,376.57
Criminal	18	2	16	0	€636,459,161.60	\$5,856.98	€186,625,633.57	\$0	€449,833,528.03	\$5,856.98
Labor	354	66	288	0	€6,575,485,878.51	\$825,000.00	€2,689,522,920.92	\$0	€3,885,962,957.59	\$825,000.00
Proceedings	22	0	22	0	€15,096,422.44	\$2,000.00	€0	\$0	€15,096,422.44	\$2,000.00
<b>Total</b>					<b>€42,419,705,946.84</b>	<b>\$371,280,902.37</b>	<b>€5,445,348,816.82</b>	<b>\$5,668.82</b>	<b>€36,974,357,130.01</b>	<b>\$371,275,233.55</b>

As of March 2023:

Type	Number	High	Low	Pending evaluation	Total amount in colones	Total amount in US dollars	Provision in colones	Provision in US dollars	Contingency in colones	Contingency in US dollars
Contentious	214	27	184	3	€22,177,457,902.09	\$372,822,817.39	€793,493,603.35	\$47,278.35	€21,383,964,298.74	\$372,775,539.04
Criminal	16	2	14	0	€476,459,161.60	\$5,856.98	€169,544,162.63	\$0	€306,914,998.97	\$5,856.98
Labor	360	79	281	0	€5,700,857,724.98	\$825,000.00	€2,526,050,064.42	\$0	€3,174,807,660.57	\$825,000.00
Proceedings	22	0	22	0	€15,096,422.44	\$2,000.00	€0	\$0	€15,096,422.44	\$2,000.00
<b>Total</b>					<b>€28,369,871,211.11</b>	<b>\$373,655,674.37</b>	<b>€3,489,087,830.39</b>	<b>\$47,278.35</b>	<b>€24,880,783,380.72</b>	<b>\$373,608,396.02</b>

As of March 31, 2024, the Bank is a defendant in litigation, for which the following provisions have been recorded:

- Ordinary suits against the Bank have been estimated for €34,708,729,403 and US\$370,404,085 for which the Bank has provisions recorded in the amounts of €2,465,724,301 and US\$2,949, respectively.
- The criminal lawsuits against the Bank have been estimated in €636,829,602 and US\$5,857, for which the Bank has recorded a provision in the amount of €190,614,798.

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- For their nature, labor suits are difficult to estimate, however they are estimated in ¢6,200,791,033 and US\$825,001 for which the Bank has provisions recorded in the amount ¢2,366,390,197, in the cases in which there is no firm condemnatory.
- There are administrative proceedings in different stages, estimated for ¢15,096,422 and US\$2,000.
- A provision in the amount of ¢282,912,999 corresponding to the Deposit Guarantee Fund is created and recorded in "Others".

As of March 31, 2024, BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A. maintains amounts provisioned for ¢1,708,743 for legal processes in labor matters.

As of March 31, 2024, BCR Sociedad Administradora de Fondos de Inversión, S.A. keeps provisions for ¢164,769,008 related to the BCR Fondo de Inversión Inmobiliario.

As of March 31, 2024, there is a process against BCR Valores S.A. in the amount of US\$465,000, processed under file 16-000208-1027-CA-2 of the Contentious Administrative and Civil Tax Court of the Second Judicial Circuit of San José. On February 7, 2023, BCR Valores filed an appeal for revocation against the resolution of the First Chamber that processed the appeal. On September 12, 2023, the First Chamber rejected the appeal filed by BCR Valores. By resolution 105-F-S1-2024 of January 23, 2024, at 2:15 pm, the First Chamber declared the appeal filed by the plaintiff against the ruling of the Contentious Administrative Court void. With this, this process is completed. BCR Valores may file a judgment execution process to try to collect the costs of the process (legal fees).

As of March 31, 2024, there is a process against BCR Valores S.A. in the amount of US\$175,000, under file number 16-000207-1027-CA-8 from the Tribunal Contencioso Administrativo y Civil de Hacienda of the II Judicial Circuit of San José. The oral and public trial of the process took place on January 24, 2024, at the TCA headquarters in San José. By ruling 2024-871 of February 14, 2024, at 12:03 pm the TCA issued the resolution of the process in which it partially declared the plaintiff's claim admissible and sentenced BCR Valores, but only to pay moral damages for ¢2.5 million, as well as the costs (lawyer fees of both parties and expenses of the process). The plaintiff must now propose a process of execution of the sentence for the payment of moral damages for ¢2.5 million, as well as costs (lawyer fees for both parties and expenses of the process). BCR Valores must be notified of this process and will have the opportunity to defend itself before the respective Court.

As of March 31, 2024, BICSA there are no provision for litigation.

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As of December 2023, the Bank is a defendant in litigation, for which the following provisions have been recorded:

- Ordinary suits against the Bank have been estimated for ₡33,113,828,061 and US\$370,297,533 for which the Bank has provisions recorded in the amounts of ₡1,834,841,446 and US\$5,669, respectively.
- The criminal lawsuits against the Bank have been estimated in ₡476,459,162 and US\$5,857, for which the Bank has recorded a provision in the amount of ₡182,625,634.
- For their nature, labor suits are difficult to estimate, however they are estimated in ₡6,359,515,866 and US\$825,001 for which the Bank has provisions recorded in the amount ₡2,669,522,921, in the cases in which there is no firm condemnatory.
- There are administrative proceedings in different stages, estimated for ₡15,096,422 and US\$2,000.
- A provision in the amount of ₡471,102,734 corresponding to the Deposit Guarantee Fund is created and recorded in "Others".

As of December 31, 2023, BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A. maintains amounts provisions for ₡1,708,743 for legal processes in labor matters.

As of December 31, 2023, there are no provisions for litigation at BCR Sociedad Administradora de Fondos de Inversion S.A.

As of December 31, 2023, there is a process against BCR Valores S.A. in the amount of US\$465,000, processed under file 16-000208-1027-CA-2 of the Contentious Administrative and Civil Tax Court of the Second Judicial Circuit of San José. On February 7, 2023, BCR Valores filed an appeal for revocation against the resolution of the First Chamber that processed the appeal. On September 12, 2023, the First Chamber rejected the appeal filed by BCR Valores. The First Chamber must resolve on the merits the appeal presented by the plaintiff.

As of December 31, 2023, BCR Valores S.A. has a labor process against it, judicial file number 17-002581-1178-LA, for which there is a provision in the amount of ₡8,441,966. The trial is currently suspended due to unconstitutionality action No. 19-014055-0007-CO.

As of December 31, 2023, BICSA there are no provision for litigation.

BANCO DE COSTA RICA AND SUBSIDIARIES  
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As of March 31, 2023, the Bank is a defendant in litigation, for which the following provisions have been recorded:

- Ordinary suits against the Bank have been estimated for ¢24,280,811,453 and US\$372,973,329 for which the Bank has provisions recorded in the amounts of ¢1,528,300,357 and US\$47,278, respectively.
- The criminal lawsuits against the Bank have been estimated in ¢1,879,803,039 and \$5,857, for which the Bank has recorded a provision in the amount of ¢169,544,163.
- For their nature, labor suits are difficult to estimate, however they are estimated in ¢5,920,827,737 and \$825,000 for which the Bank has provisions recorded in the amount ¢2,549,994,246, in the cases in which there is no firm condemnatory.
- There are administrative proceedings in different stages, estimated for ¢15,096,422 and US\$2,000.
- A provision in the amount of ¢221,227,571 corresponding to the Deposit Guarantee Fund is created and recorded in "Others".

As of March 31, 2023, there are no provisions for litigation at BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A.

As of March 31, 2023, there are no provisions for litigation at BCR Sociedad Administradora de Fondos de Inversion S.A.

As of March 31, 2023, there is a process against BCR Valores S.A., processed under file 08-001181-1027-CA of the Contentious Administrative and Civil Tax Court of the Second Judicial Circuit of San José. Given de sentence, the plaintiff filed an appeal, which was awaiting resolution. On March 15, 2021, the First Chamber of the Supreme Court of Justice, through vote number 169-F-S1-2021, states: "The appeal is declared inadmissible...its costs are responsibility of the interposing person". Consequently, the ruling by the executing judge in sentence number 402-2019, exonerating BCR Valores S.A., remains firm. For this litigation, there was a provision of ¢125,148,933 (US\$202,736), which was reversed in April 2021.

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As of March 31, 2023, there is a process against BCR Valores S.A. in the amount of US\$465,000, processed under file 16-000208-1027-CA-2 of the Contentious Administrative and Civil Tax Court of the Second Judicial Circuit of San José. On September 22, 2021, the Court issued a ruling in favor of BCR Valores. On October 11, 2021, the losing plaintiff in the process filed an appeal before the First Chamber of the Supreme Court of Justice, which has not yet been resolved.

As of March 31, 2023, BICSA there are no provision for litigation.

17). Other miscellaneous accounts payable

Other miscellaneous accounts payable are detailed as follows:

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Fees payable	106,880,279	65,399,842	85,529,118
Due for goods and services	494,792,456	480,228,506	543,276,723
Current income tax	9,415,944,449	12,828,353,865	5,121,121,385
Tax on DU propts	24,177,904	24,218,622	(11,458,739)
Value added tax	192,406,685	322,573,499	355,177,581
Other taxes payable	19,246,420	0	0
Employer contributions	3,801,513,106	2,384,432,763	8,386,158,814
Court-ordered withholdings	1,064,335,963	836,338,637	828,305,616
Tax withholdings payable	3,321,448,059	3,962,650,913	17,074,177,219
Withheld employer contributions payable	1,894,187,063	1,166,801,256	3,446,399,209
Other third-party withholdings payable	13,525,177,862	13,715,553,530	14,836,841,199
Compensations and salaries payable	2,829,060,650	9,081,267,164	2,930,718,084
Interests (distributions) payable on results of the period (see note 33)	6,730,946,218	12,138,129,334	1,075,300,507
Accrued vacations	7,109,441,800	7,399,844,839	7,239,224,868
Accrued statutory Christmas bonus	2,606,622,852	1,395,494,314	2,615,137,629
Commissions payable from insurance placement	425,900,835	167,096,264	358,630,568
Commissions payable from insurance placement	9,159,066	13,498,575	32,661,796
Contribution to the Superintendence budget	11,785,931	4,825,261	17,763,350
Miscellaneous creditors	21,618,731,538	23,230,305,063	25,363,294,791
	<b>¢ 75,201,759,136</b>	<b>89,217,012,247</b>	<b>90,298,259,718</b>



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18). Equity

a) Capital Stock

The Bank's capital stock is as follows:

	<b>March</b>	<b>December</b>	<b>March</b>
	<b>2024</b>	<b>2023</b>	<b>2023</b>
Capital under Law No. 1644	¢ 30,000,000	30,000,000	30,000,000
Bank capitalization bonds	1,288,059,486	1,288,059,486	1,288,059,486
Capital increase per Law No. 7107	118,737,742,219	118,737,742,219	118,737,742,219
Capital increase per Law No. 8703	27,619,000,002	27,619,000,002	27,619,000,002
Capital increase per Law No. 9605	18,907,432,694	18,907,432,694	18,907,432,694
Increase for revaluation of assets	14,130,125,230	14,130,125,230	14,130,125,230
Other	697,630,970	697,630,970	697,630,970
	<b>¢ 181,409,990,601</b>	<b>181,409,990,601</b>	<b>181,409,990,601</b>

On December 23, 2008, the Executive Branch of the Costa Rican Government authorized a capital contribution funded under Law No. 8703 "Amendment to the Law on Ordinary and Extraordinary Budget of the Republic for Tax Year 2008 (Law No. 8627)." Such law grants funds to capitalize three State owned banks, including Banco de Costa Rica, in order to stimulate productive sectors and particularly small and medium sized enterprises. For such purposes, the Bank received four securities for a total of US\$50,000,000 equivalent to ¢27,619,000,002.

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

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

As of March 31, 2024, the revaluation surplus amounts to ¢41,085,212,831, (¢41,085,212,831 and ¢41,085,212,831 for December and March 2023, respectively).

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

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

As of March 31, 2024, the balance of the adjustment for valuation of investments at fair value with changes through other comprehensive income corresponds to unrealized net profits in the amount of ¢4,721,707,758, (¢9,553,277,894 and ¢37,107,377,330 for December and March 2023, respectively).

BANCO DE COSTA RICA AND SUBSIDIARIES  
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d) Adjustments for valuations of interest in other companies

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

As of March 31, 2024, changes in equity include foreign exchange differences corresponding to investments in other companies in the amount of ¢7,111,497,868, (¢9,728,703,622 and ¢12,086,364,449 for December and March 2023, respectively).

e) Equity of the Development Financing Fund (FOFIDE)

As of March 31, 2024, the amount for the constitution of the equity of the Development Financing Fund is of ¢48,866,249,077, (¢45,766,617,523 and ¢45,766,617,523 for December and March 2023, respectively). In compliance with Law 9605 "Merger by absorption of Banco Crédito Agrícola de Cartago and Banco de Costa Rica", the amount of ¢2,627,265,346 of the assets managed by the entity was transferred.

f) Special reserves of retained earnings from BICSA

As of March 31, 2024, from Banco de Costa Rica's retained earnings resulting from the investment in other companies, it should be considered for any purpose, that there are amounts related to special reserves applied to equity accounts of BICSA for US\$41,661,025, (51% de US\$81,688,285) (US\$36,730,185 equivalent to 51% for US\$72,019,971 and US\$71,376,898 for December and March 2023, respectively) due to changes made to policies concerning the subsidiary.

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

The General Board of Directors resolution SBP-GJD-003-2013 dated July 9, 2013 establishes the accounting for the differences that may arise between the regulations issued by the Superintendence of Banks and the IFRS, so that: 1) the accounting records and the financial statements are prepared in accordance with IFRS as required by agreement No.006-2012 dated December 18, 2012; 2) according to standards applicable to banks and presenting additional specific accounting aspects than those required by IFRS, in the event that an estimate of provision or reserve is greater than the correspondent calculation under IFRS, the excess of provision or reserve will be recognized in the equity.

BANCO DE COSTA RICA AND SUBSIDIARIES  
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This general resolution came into effect for the accounting periods ending on or after December 31, 2014. Subject to prior authorization of the Superintendence of Banks, banks can reverse the established provision, partially or totally, based on justification duly evidenced and presented to the Superintendence of Banks.

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

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

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

g) Reservas Patrimoniales

As of March 31, 2024, changes in equity include amounts for equity reserves for ¢364,708,053,622, (¢351,152,901,365 and ¢351,152,901,365, for December and March 2023, respectively).

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(with corresponding figures as of December 31, 2022  
(in colones with no cents)

Regulatory capital

As of March 31, 2024, the net worth equity for the BCR Financial Conglomerate is detailed as follows:

<b>Companies of the Financial Conglomerate</b>	<b>Capital base</b>	<b>Minimum individual capital requirement</b>	<b>Individual surplus or deficit</b>	<b>Non-transferable items</b>	<b>Transferable surplus and individual deficit</b>
<b>Parent Company</b>					
Banco de Costa Rica	¢ 615,774,231,157	386,279,765,181	229,494,465,976	0	229,494,465,976
	<u>615,774,231,157</u>	<u>386,279,765,181</u>	<u>229,494,465,976</u>	<u>0</u>	<u>229,494,465,976</u>
<b>Regulated entities</b>					
Banco Internacional de Costa Rica, S. A and subsidiary	133,902,995,310	97,719,745,167	36,183,250,143	17,729,792,570	18,453,457,573
BCR Valores, S. A.- Puesto de Bolsa	20,474,599,500	7,853,703,837	12,620,895,663	0	12,620,895,663
BCR Sociedad Administradora de Fondos de inversión, S.A.	5,549,092,380	2,450,893,030	3,098,199,350	0	3,098,199,350
BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A.	4,250,408,141	3,779,861,631	470,546,509	0	470,546,509
BCR Comercializadora de Seguros, S.A.	4,699,415,186	1,817,714,561	2,881,700,625	0	2,881,700,625
	<u>¢ 168,876,510,517</u>	<u>113,621,918,226</u>	<u>55,254,592,291</u>	<u>17,729,792,570</u>	<u>37,524,799,721</u>
<b>Non-regulated entities</b>					
Banprocesa R.L.	1,248,344,100	296,564,300	951,779,800	0	951,779,800
Depósito Agrícola de Cartago S.A. and subsidiary	1,052,771,800	259,867,300	792,904,500	0	792,904,500
	<u>¢ 2,301,115,900</u>	<u>556,431,600</u>	<u>1,744,684,300</u>	<u>0</u>	<u>1,744,684,300</u>
<b>Global surplus or deficit of the Financial Conglomerate</b>				<u>¢ 0</u>	<u>¢ 268,763,949,997</u>

BANCO DE COSTA RICA AND SUBSIDIARIES  
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(with corresponding figures as of December 31, 2022  
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As of December 31, 2023, the net worth equity for the BCR Financial Conglomerate is detailed as follows:

Companies of the Financial Conglomerate	Capital base	Minimum individual capital requirement	Individual surplus or deficit	Non-transferable items	Transferable surplus and individual deficit
<b>Parent Company</b>					
Banco de Costa Rica	¢ 606,431,243,069	390,768,302,061	215,662,941,009	0	215,662,941,009
	<u>606,431,243,069</u>	<u>390,768,302,061</u>	<u>215,662,941,009</u>	<u>0</u>	<u>215,662,941,009</u>
<b>Regulated entities</b>					
Banco Internacional de Costa Rica, S. A and subsidiary	137,399,766,400	99,791,072,000	37,608,694,400	18,428,260,256	19,180,434,144
BCR Valores, S. A.- Puesto de Bolsa	19,369,565,352	6,411,919,936	12,957,645,416	0	12,957,645,416
BCR Sociedad Administradora de Fondos de inversión, S.A.	5,456,563,230	2,537,928,660	2,918,634,570	0	2,918,634,570
BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A.	4,250,408,141	3,675,413,228	574,994,913	0	574,994,913
BCR Comercializadora de Seguros, S.A.	4,423,774,250	1,902,084,460	2,521,689,790	0	2,521,689,790
	¢ <u>170,900,077,373</u>	<u>114,318,418,284</u>	<u>56,581,659,089</u>	<u>18,428,260,256</u>	<u>38,153,398,833</u>
<b>Non-regulated entities</b>					
Banprocesa R.L.	1,223,060,900	320,604,500	902,456,400	0	902,456,400
Depósito Agrícola de Cartago S.A. and subsidiary	1,060,770,600	281,493,600	779,277,000	0	779,277,000
	¢ <u>2,283,831,500</u>	<u>602,098,100</u>	<u>1,681,733,400</u>	<u>0</u>	<u>1,681,733,400</u>
<b>Global surplus or deficit of the Financial Conglomerate</b>				¢	<u><u>255,498,073,242</u></u>

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(with corresponding figures as of December 31, 2022

(in colones with no cents)

As of March 31, 2023, the net worth equity for the BCR Financial Conglomerate is detailed as follows:

Companies of the Financial Conglomerate	<u>Capital base</u>	<u>Minimum individual capital requirement</u>	<u>Individual surplus or deficit</u>	<u>Non-transferable items</u>	<u>Transferable surplus and individual deficit</u>
<b>Parent Company</b>					
Banco de Costa Rica	¢ 566,049,173,846	440,349,440,716	125,699,733,130	0	125,699,733,130
	<u>566,049,173,846</u>	<u>440,349,440,716</u>	<u>125,699,733,130</u>	<u>0</u>	<u>125,699,733,130</u>
<b>Regulated entities</b>					
Banco Internacional de Costa Rica, S. A and subsidiary	137,328,263,000	94,946,164,500	42,382,098,500	20,767,228,265	21,614,870,235
BCR Valores, S. A.- Puesto de Bolsa	16,784,244,810	5,986,966,820	10,797,277,990	0	10,797,277,990
BCR Sociedad Administradora de Fondos de inversión, S.A.	5,592,472,270	2,773,797,120	2,818,675,150	0	2,818,675,150
BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A.	4,000,408,141	3,335,515,113	664,893,028	0	664,893,028
BCR Comercializadora de Seguros, S.A.	4,252,103,740	1,744,003,770	2,508,099,970	0	2,508,099,970
	¢ <u>167,957,491,961</u>	<u>108,786,447,323</u>	<u>59,171,044,638</u>	<u>20,767,228,265</u>	<u>38,403,816,373</u>
<b>Non-regulated entities</b>					
Banprocesa R.L.	1,491,960,000	352,880,700	1,139,079,300	0	1,139,079,300
Depósito Agrícola de Cartago S.A. and subsidiary	1,003,004,500	263,630,400	739,374,100	0	739,374,100
	¢ <u>2,494,964,500</u>	<u>616,511,100</u>	<u>1,878,453,400</u>	<u>0</u>	<u>1,878,453,400</u>
<b>Global surplus or deficit of the Financial Conglomerate</b>					¢ <u><u>165,982,002,903</u></u>

BANCO DE COSTA RICA AND SUBSIDIARIES  
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19). Contingent accounts

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

Off balance financial instruments with risk are as follows:

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Guarantees granted:			
Performance bonds	¢ 60,768,445,904	69,892,937,188	77,836,022,835
Bid bonds	60,520,378	88,636,438	740,900,504
Other guarantees	46,392,037,862	47,062,913,733	41,382,512,092
Issued non-negotiated letters of credit	24,470,870,404	37,888,972,926	24,706,049,077
Confirmed non-negotiated letters of credit	1,474,219,172	3,932,680,134	1,512,756,477
Credit lines to be used automatically	145,953,020,445	142,278,939,278	120,747,134,438
Other contingencies	224,605,858,671	232,883,506,405	231,902,375,720
Credits pending disbursement	49,420,478	49,437,310	123,619,805
	<b>¢ 503,774,393,314</b>	<b>534,078,023,412</b>	<b>498,951,370,948</b>

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

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
With prior deposit	¢ 11,967,841,491	15,051,804,160	7,705,435,625
Without prior deposit	267,200,693,152	286,142,712,847	259,343,559,603
Pending lawsuits and claims	224,605,858,671	232,883,506,405	231,902,375,720
	<b>¢ 503,774,393,314</b>	<b>534,078,023,412</b>	<b>498,951,370,948</b>

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

As of March 31, 2024, letters of credit are backed 100% by guaranteed deposits or credit facilities.

As of March 31, 2024, floating guarantees in custody are for ¢234,576,449,745 (¢238,214,652,955 and ¢228,345,841,944 for December and March 2023, respectively).

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

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Other contingencies

As of March 31, 2024, the Bank's Legal Division reported the following contingencies and commitments:

- In contentious matters, there are active processes established against the Bank estimated in the amount of ¢32,243,005,101 and US\$370,401,136. In addition, other contentious processes are filed for preliminary injunction with no estimate.
- In criminal matters there are active ordinary labor processes which were estimated at ¢446,214,804 and US\$5,857.
- In labor matters there are active ordinary processes estimated in the amounts of ¢3,834,400,836 and US\$825,001.
- Administrative proceedings against the Bank have been estimated in the amounts of ¢15,096,422 y US\$2,000.

As of December 31, 2023, there are legal claims filed against BICSA and its subsidiaries that, in the opinion of Management and external attorneys, are not expected to have a material adverse effect on the consolidated position, the consolidated performance or the entity's operations.

As of December 31, 2023, due to the merger between INS Pensiones Operadora de Pensiones Complementarias, S.A. and BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A., a series of contingencies arose that have been reasonably covered with pledged securities from the seller.

As of March 31, 2024, there is a legal labor process, judicial file number 17-002581-1178-LA, provisioned in the amount of ¢8,441,966. The process is currently suspended for unconstitutionality action N° 19-014055-0007-CO.

As of March 31, 2024, BCR Valores S.A. has an established process, file number 23-000523-1178-LA. The demand was received and the response with the corresponding proof is sent.

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

- In contentious matters, there are active processes established against the Bank estimated in the amount of ¢31,278,986,615 and US\$370,291,865. In addition, other contentious processes are filed for preliminary injunction with no estimate.



BANCO DE COSTA RICA AND SUBSIDIARIES  
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- In criminal matters there are active ordinary labor processes which were estimated at ₡289,833,528 and US\$5,857.
- In labor matters there are active ordinary processes estimated in the amounts of ₡3,689,992,945 and US\$825,001.
- Administrative proceedings against the Bank have been estimated in the amounts of ₡15,096,422 and US\$2,000.

As of December 31, 2023, there are legal claims filed against BICSA and its subsidiaries that, in the opinion of Management and external attorneys, are not expected to have a material adverse effect on the consolidated position, the consolidated performance or the entity's operations.

As of December 31, 2023, due to the merger between INS Pensiones Operadora de Pensiones Complementarias, S.A. and BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A., a series of contingencies arose that have been reasonably covered with pledged securities from the seller.

As of December 31, 2023, there is a process against BCR Valores in the amount of US\$175,000, processed under file 16-000207-1027-CA 8 of the Administrative and Civil Court of Finance of the II Judicial Circuit of San José. The Contentious Administrative Court set the time and date for the oral and public trial, which will be on January, 24, 25 and 26, 2024. After that, the Court will issue the judgment of the process.

As of December 31, 2023, BCR Valores S.A. has an established process, file number 23-000523-1178-LA. The demand was received and the response with the corresponding proof is sent.

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

- In contentious matters, there are active processes established against the Bank estimated in the amount of ₡22,752,511,096 and US\$372,926,051. In addition, other contentious processes are filed for preliminary injunction with no estimate.
- In labor matters there are active ordinary processes estimated in the amounts of ₡3,370,833,492 and US\$825,000.
- Criminal proceedings in which the Bank is a third-party defendant are estimated at ₡1,710,258,876 and US\$5,857.

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

As of March 31, 2023, there are legal claims filed against BICSA and its subsidiaries that, in the opinion of Management and external attorneys, are not expected to have a material adverse effect on the consolidated position, the consolidated performance or the entity's operations.

As of March 31, 2023, due to the merger between INS Pensiones Operadora de Pensiones Complementarias, S.A. and BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A., a series of contingencies arose that have been reasonably covered with pledged securities from the seller.

As of March 31, 2023, there is a process against BCR Valores in the amount of US\$175,000, processed under file 16-000207-1027-CA 8 of the Administrative and Civil Court of Finance of the II Judicial Circuit of San José. To date and in accordance with the criteria of the lawyers, an estimate of the eventual outcome is not feasible.

As of March 31, 2023, there is a process of labor nature against BCR Valores S.A., file 17-002581-1178-LA, which has been estimated in an amount of ₡8,441,966.

20). Trusts

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

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

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

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

BANCO DE COSTA RICA AND SUBSIDIARIES  
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	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Cash and due from banks	¢ 46,507,562,056	44,520,717,107	81,583,123,546
Investments in financial instruments	187,068,255,868	195,422,921,375	180,996,482,940
Loan portfolio	29,561,662,248	32,673,020,783	33,130,675,190
Allowance for doubtful accounts	(6,903,894,611)	(7,213,903,691)	(7,664,901,008)
Realizable assets	124,543,693,553	155,036,648,198	76,267,563,745
Investments in other companies	795,609,900	795,609,900	852,972,583
Other accounts receivable	32,435,462,332	32,439,325,803	56,784,434,647
Property, furniture, and equipment	100,674,329,702	101,878,211,099	134,180,059,356
Other assets	337,243,143,109	338,534,043,361	329,090,272,563
	¢ <b><u>851,925,824,157</u></b>	<b><u>894,086,593,935</u></b>	<b><u>885,220,683,562</u></b>

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

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Banco de Costa Rica	¢ 805,916,182,668	846,209,117,927	840,032,017,168
Banco Internacional de Costa Rica, S.A.	46,009,641,489	47,877,476,008	45,188,666,394
	¢ <b><u>851,925,824,157</u></b>	<b><u>894,086,593,935</u></b>	<b><u>885,220,683,562</u></b>

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21). Other debit memoranda accounts

Other debit memoranda accounts are detailed as follows:

	<b>March 2023</b>	<b>December 2022</b>	<b>March 2022</b>
Own assets and securities held in			
Custody	¢ 9,053,218,867	9,429,675,151	7,166,121,250
Guarantees received and held in custody	5,279,857,438,765	5,104,022,095,964	5,468,057,464,152
Guarantees received and held by third parties	4,008,430,864	4,168,318,384	1,698,106,264
Granted and unused credit lines	618,747,287,389	621,783,602,758	411,402,813,289
Write-offs	251,368,662,261	252,482,078,664	248,129,907,074
Suspense interest receivable	24,713,630,788	24,169,710,558	24,324,722,973
Other memoranda accounts	6,799,540,485,154	6,176,126,729,723	5,559,831,753,364
Assets and securities held in custody			
for third parties	130,511,546,891	53,753,994,108	86,436,754,663
Managed funds assets	2,239,871,257,613	2,217,020,610,714	2,100,907,102,059
Management of individual portfolios			
by the stock market	259,541,665,924	246,087,572,796	256,151,628,284
Marketable securities received as collateral (Guarantee Trust)	0	1,843,213,774	0
Own held-for-trading securities	809,062,162,567	794,692,939,888	961,955,112,666
Cash and accounts receivable for custodial activities	27,501,841,613	108,289,699,228	69,910,167,652
Held-for-trading securities held in custody for third parties as guarantee (guarantee trust)	39,904,141,416	35,224,164,253	72,589,109,991
Held-for-trading securities pending receipt	12,960,973,029	6,662,993,266	7,719,461,240
Confirmed spot agreements pending Settlement	15,848,483,497	17,689,539,380	18,691,694,100
Futures pending settlement	57,602,589,142	27,866,013,236	53,700,190,702
Third parties held-for-trading securities	7,939,635,851,205	7,646,822,660,210	6,997,997,743,946
	¢ <b>24,519,729,666,985</b>	<b>23,348,135,612,055</b>	<b>22,346,669,853,669</b>

Other memoranda accounts by subsidiaries are detailed as follows:

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Banco de Costa Rica	¢ 20,868,349,433,233	19,799,380,104,339	18,180,075,501,236
Banco Internacional de Costa Rica, S.A.	426,516,229,119	437,679,017,774	1,113,431,452,895
BCR Valores, S.A.- Puesto de Bolsa (see note 22)	972,449,512,366	879,123,941,958	940,129,955,878
BCR Sociedad Administradora de Fondos de Inversión, S.A. (see note 23)	575,352,157,433	598,691,302,869	626,740,242,958
BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A. (see note 24)	1,673,748,308,857	1,627,924,690,020	1,481,453,838,057
Depósito Agrícola de Cartago S. A.	3,314,025,977	5,336,555,094	4,838,862,645
	¢ <b>24,519,729,666,985</b>	<b>23,348,135,612,054</b>	<b>22,346,669,853,669</b>

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

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

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

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

a) Repurchase

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

As of March 31, 2024, forward buyer and seller positions in repurchase and reverse repurchase agreements in which BCR Valores, S.A. Puesto de Bolsa (Brokerage House) participates, are as follows:

	Forward buyer			Forward seller		
	Colones	US Dollars	Total	Colones	US Dollars	Total
Third parties						
1 to 30 days	¢ 3,753,262,625	6,571,273,175	10,324,535,800	5,231,872,836	1,775,298,835	7,007,171,671
31 to 60 days	5,614,256,277	13,708,046,106	19,322,302,383	1,703,936,353	0	1,703,936,353
61 to 90 days	0	154,227,779	154,227,779	0	0	0
<b>Third parties</b>	<b>¢ 9,367,518,902</b>	<b>20,433,547,060</b>	<b>29,801,065,962</b>	<b>6,935,809,189</b>	<b>1,775,298,835</b>	<b>8,711,108,024</b>
<b>Total</b>	<b>¢ 9,367,518,902</b>	<b>20,433,547,060</b>	<b>29,801,065,962</b>	<b>6,935,809,189</b>	<b>1,775,298,835</b>	<b>8,711,108,024</b>

As of December 31, 2023, forward buyer and seller positions in repurchase and reverse repurchase agreements in which BCR Valores, S.A. Puesto de Bolsa (Stock Exchange) participates, are as follows:

	Forward buyer			Forward seller		
	Colones	US Dollars	Total	Colones	US Dollars	Total
Third parties						
1 to 30 days	¢ 3,324,284,572	14,580,635,946	17,904,920,518	3,556,499,138	5,590,980,624	9,147,479,761
31 to 60 days	236,681,387	340,250,184	576,931,571	236,681,387	0	236,681,387
<b>Third parties</b>	<b>¢ 3,560,965,959</b>	<b>14,920,886,130</b>	<b>18,481,852,089</b>	<b>3,793,180,525</b>	<b>5,590,980,624</b>	<b>9,384,161,149</b>
<b>Total</b>	<b>¢ 3,560,965,959</b>	<b>14,920,886,130</b>	<b>18,481,852,089</b>	<b>3,793,180,525</b>	<b>5,590,980,624</b>	<b>9,384,161,149</b>

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As of March 31, 2023, forward buyer and seller positions in repurchase and reverse repurchase agreements in which BCR Valores, S.A. Puesto de Bolsa (Brokerage House) participates, are as follows:

	<b>Forward buyer</b>			<b>Forward seller</b>		
	<b>Colones</b>	<b>US Dollars</b>	<b>Total</b>	<b>Colones</b>	<b>US Dollars</b>	<b>Total</b>
<b>Third parties</b>						
1 to 30 days	¢ 10,570,103,879	18,449,121,317	29,019,225,196	3,159,791,950	4,922,894,437	8,082,686,386
31 to 60 days	1,478,021,634	12,038,293,893	13,516,315,527	0	2,454,759,276	2,454,759,276
61 to 90 days	0	0	0	0	627,204,317	627,204,317
<b>Third parties</b>	<b>¢ 12,048,125,513</b>	<b>30,487,415,210</b>	<b>42,535,540,723</b>	<b>3,159,791,950</b>	<b>8,004,858,030</b>	<b>11,164,649,979</b>
<b>Total</b>	<b>¢ 12,048,125,513</b>	<b>30,487,415,210</b>	<b>42,535,540,723</b>	<b>3,159,791,950</b>	<b>8,004,858,030</b>	<b>11,164,649,979</b>

b) Guarantees granted

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

To establish a risk management system, SUGEVAL set up a guarantee fund comprised of contributions from brokerage firms. Contributions are made proportionally based on the net buyer positions during the last six months. As of March 31, 2024, the Brokerage House had made contributions for a total of ¢282,912,999, (¢58,969,930 and ¢137,486,055 for December and March 2023, respectively). These contributions are registered in the subaccount "Guarantee fund - National Stock Exchange".

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

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

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

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d) Customer securities and own securities in custody

As of March 31, 2024, BCR Valores, S.A. has following securities in custody:

<u>Place of Custody</u>	<u>Custody Type</u>	<u>Balance</u>
<i>Colones</i>		
Local	Custody free	¢ 292,436,362,548
Local	Repurchase operations	11,311,124,200
		¢ <u>303,747,486,748</u>
<i>US dollars</i>		
Local	Custody free	¢ 283,813,043,872
Local	Repurchase operations	30,285,813,611
Foreign custodians	Custody available at face value	35,462,000
Foreign custodians	Shares at purchase value	1,785,368,636
		¢ <u>315,919,688,119</u>
<b>Total own custody, colones, US dollars and other currencies</b>		¢ <u><b>619,667,174,867</b></u>
Total custody, third parties,		
<b>US Dollars and others</b>		¢ <u><b>619,667,174,867</b></u>

As of December 31, 2023, BCR Valores, S.A. has following securities in custody:

<u>Place of Custody</u>	<u>Custody Type</u>	<u>Balance</u>
<i>Colones</i>		
Local	Custody free	¢ 253,581,543,957
Local	Repurchase operations	4,583,747,235
		¢ <u>258,165,291,192</u>
<i>US dollars</i>		
Local	Custody free	¢ 195,063,141,908
Local	Repurchase operations	15,955,066,482
Foreign custodians	Shares at purchase value	3,779,462,102
		¢ <u>291,035,967,576</u>
<b>Total own custody, colones, US dollars and other currencies</b>		¢ <u><b>549,201,258,768</b></u>
Total custody, third parties,		
<b>US Dollars and others</b>		¢ <u><b>549,201,258,768</b></u>

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As of March, 2023, BCR Valores, S.A. has following securities in custody:

<u>Place of Custody</u>	<u>Custody Type</u>	<u>Balance</u>
<i>Colones</i>		
Local	Custody free	¢ 274,718,306,947
Local	Repurchase operations	16,887,335,800
		<u>¢ 291,605,642,747</u>
<i>US dollars</i>		
Local	Custody free	¢ 245,823,564,619
Local	Repurchase operations	40,642,926,287
		<u>¢ 286,466,490,906</u>
<b>Total own custody, colones, US dollars and other currencies</b>		<u>¢ 578,072,133,653</u>
Total custody, third parties, <b>US Dollars and others</b>		<u>¢ 578,072,133,653</u>

23). Investment fund management agreements

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

<u>Investment Fund</u>	<u>Type of fund</u>	<u>March 2024</u>	<u>December 2023</u>	<u>March 2023</u>
<i>In Colones</i>				
BCR Short-term colones, undiversified	Financial, open	¢ 45,216,041,768	41,207,514,546	55,420,749,501
BCR quarterly colones, undiversified	Financial, open, medium-term	421,925,242	483,512,737	661,432,042
BCR mixed colones, undiversified	Open, medium-term	44,672,435,309	39,331,350,487	24,852,988,492
BCR Portfolio Fund colones	Open, medium-term	46,610,371,268	46,015,956,767	43,715,550,922
BCR Real Estate, colones Undiversified	Closed, non-financial and mixed portfolio	16,227,655,867	14,937,461,118	16,015,889,863
		<u>¢ 153,148,429,454</u>	<u>141,975,795,655</u>	<u>140,666,610,820</u>
<i>In US dollars</i>				
Investment Funds in US Dollars, equivalent in colones (See note 21)		<u>422,203,727,979</u>	<u>456,715,507,492</u>	<u>486,073,632,138</u>
		<u>¢ 575,352,157,433</u>	<u>598,691,303,147</u>	<u>626,740,242,958</u>
<i>Investment Funds in US dollars</i>				
BCR Liquidity Dollars, undiversified	Open	US\$ 63,300,805	55,612,191	103,512,503
BCR Real Estate Dollars, undiversified	Real estate, closed, long-term	239,315,162	273,793,004	274,358,594
BCR Real Estate Trade and Industry, undiversified	Real estate, closed, long-term	191,731,796	192,164,899	198,631,888
BCR Liquidity Fund Dollars international, undiversified	Open, money market	131,922,037	143,016,217	114,594,261
BCR Portfolio Fund, US dollars	Open, medium-term	31,415,598	29,524,500	28,641,554
BCR Evolution	Open, medium-term	1,399,143	1,104,010	457,811
BCR Real Estate Progress Fund, undiversified	Real estate, closed	85,111,047	83,169,832	83,456,530
PEL Development Investment Fund	Real estate, closed	89,210,901	88,445,568	86,673,137
		<u>US\$ 833,406,489</u>	<u>866,830,221</u>	<u>890,326,278</u>



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24). Pension fund management agreements

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

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Own assets and securities held in custody	¢ 9,053,218,867	9,429,675,151	7,166,121,250
Assets and securities held in custody by third parties	175,989,810	165,707,024	120,857,706
Mandatory pension fund	1,410,245,485,325	1,364,838,396,476	1,243,753,718,116
Voluntary pension fund	38,738,777,056	44,152,368,661	33,703,034,059
Labor capitalization fund	62,960,390,130	61,174,525,962	56,749,292,851
Supplementary pension funds created by special laws (see note 21)	152,574,447,669	148,164,016,746	139,960,814,075
	<b>¢ <u>1,673,748,308,857</u></b>	<b><u>1,627,924,690,020</u></b>	<b><u>1,481,453,838,057</u></b>

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

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

	March 2024	December 2023	March 2023
<b>Voluntary Pension Fund (colones)</b>	<b>¢ 30,257,230,199</b>	<b>35,051,543,183</b>	<b>25,468,597,066</b>
<b>At fair value through other comprehensive income</b>	<b>29 026 776 394</b>	<b>34,428,220,696</b>	<b>25,288,479,218</b>
<b>Entities from the public sector of the country</b>	<b>21,125,332,433</b>	<b>24,470,917,562</b>	<b>18,175,804,240</b>
Ministry of Finance	17,205,883,259	18,759,022,291	12,611,567,735
Banco Central de Costa Rica	1,950,081,628	2,843,900,995	1,847,645,046
Other issuers from the public sector	1,969,367,546	2,867,994,276	3,716,591,459
<b>Entities from the private sector of the country</b>	<b>7,901,443,961</b>	<b>9,957,303,134</b>	<b>7,112,674,978</b>
Financial	7,301,766,734	9,258,182,133	5,078,669,890
Non-financial	599,677,227	699,121,001	2,034,005,088
<b>At fair value with changes through profit or loss</b>	<b>1,230,453,805</b>	<b>623,322,487</b>	<b>180,117,848</b>
<b>Entities from the private sector of the country Financial</b>	<b>1,230,453,805</b>	<b>623,322,487</b>	<b>180,117,848</b>
<b>Voluntary Pension Fund (US\$)</b>	<b>US 7,048,389,551</b>	<b>6,972,738,198</b>	<b>6,976,710,119</b>
<b>At fair value through other comprehensive income</b>	<b>6 958 767 112</b>	<b>6,929,415,458</b>	<b>6,930,345,484</b>
<b>Entities from the public sector of the country</b>	<b>4,385,613,378</b>	<b>4,001,471,605</b>	<b>3,868,519,218</b>
Ministry of Finance	4,149,907,013	3,760,616,032	3,618,381,399
Central Bank of Costa Rica	0	0	0
Other issuers from the public sector	235,706,365	240,855,573	250,137,819
<b>Entities from the private sector of the country</b>	<b>2,573,153,734</b>	<b>2,927,943,853</b>	<b>3,061,826,266</b>
Financial	2,573,153,734	2,927,943,853	3,061,826,266
Non-financial	0	0	0
<b>At fair value through profit or loss</b>	<b>89,622,439</b>	<b>43,322,740</b>	<b>46,364,635</b>
<b>Entities from the private sector of the country Financial</b>	<b>89,622,439</b>	<b>43,322,740</b>	<b>46,364,635</b>

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	March 2024	December 2023	March 2023
<b>Mandatory Regime of Supplementary Pensions (colones) €</b>	<b>1,534,861,140,143</b>	<b>1,476,782,816,435</b>	<b>1,344,124,652,578</b>
<b>At fair value through other comprehensive income</b>	<b>1,186,352,748,679</b>	<b>1,233,950,909,700</b>	<b>1,099,846,851,563</b>
<b>Entities from the public sector of the country</b>	<b>1,012,644,279,590</b>	<b>968,306,694,640</b>	<b>881,744,355,588</b>
Ministry of Finance	899,678,082,970	846,714,511,898	748,227,225,206
Banco Central de Costa Rica	28,236,648,663	28,249,645,168	26,487,716,409
Other issuers from the public sector	84,729,547,957	93,342,537,574	107,029,413,973
<b>Entities from the private sector of the country</b>	<b>173,708,469,089</b>	<b>265,644,215,060</b>	<b>218,102,495,975</b>
Financial	160,606,939,082	185,641,770,299	194,810,753,862
Non-financial	13,101,530,007	16,336,088,306	23,291,742,113
In public entities abroad	0	63,666,356,455	255,399,488,435
<b>At fair value through profit or loss</b>	<b>348,508,391,464</b>	<b>242,831,906,735</b>	<b>244,277,801,015</b>
<b>Entities from the private sector of the country</b>	<b>29,799,598,085</b>	<b>13,430,296,426</b>	<b>30,870,549,719</b>
Financial	29,799,598,085	13,430,296,426	30,870,549,719
Entities from the foreign the public sector	0	0	11,121,687,420
Entities from the public sector of the country	<b>318,708,793,379</b>	<b>229,401,610,309</b>	11,121,687,420
Financial	5,328,041,787	223,461,235,563	0
In public entities abroad	313,380,751,592	5,940,374,746	0
<b>Labor Capitalization Fund (colones) €</b>	<b>64,987,265,998</b>	<b>62,206,640,209</b>	<b>59,691,068,079</b>
<b>At fair value through other comprehensive income</b>	<b>59,059,812,071</b>	<b>58,312,381,546</b>	<b>58,333,233,440</b>
<b>Entities from the public sector of the country</b>	<b>44,070,120,015</b>	<b>42,346,147,882</b>	<b>42,033,167,894</b>
Ministry of Finance	36,886,177,623	33,807,116,379	33,071,397,545
Banco Central de Costa Rica	5,284,497,827	5,581,827,569	3,953,861,811
Other issuers from the public sector	1,899,444,565	2,957,203,934	5,007,908,538
<b>Entities from the private sector of the country</b>	<b>14,989,692,056</b>	<b>15,966,233,664</b>	<b>16,300,065,546</b>
Financial	14,146,288,678	15,125,050,311	15,413,273,889
Non-financial	843,403,378	841,183,353	886,791,657
<b>At fair value through profit or loss</b>	<b>5,927,453,927</b>	<b>3,894,258,663</b>	<b>1,357,834,639</b>
<b>Entities from the private sector of the country</b>	<b>5,927,453,927</b>	<b>3,894,258,663</b>	<b>1,357,834,639</b>
Financial	5,927,453,927	3,894,258,663	1,357,834,639

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

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

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

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

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

25). Contract for custody and storage of goods

As of March 31, 2024, and December and March 2023, Depósito Agrícola de Cartago and its subsidiary have current contracts that are detailed below:

- a) Logistics services provided to the duty-free shops of Instituto Mixto de Ayuda Social (IMAS), management of the General and Auxiliary Warehouses, transportation and distributions of goods.
- b) Banking services provided to the duty-free shops of Instituto Mixto de Ayuda Social (IMAS), for collection of sales in the shops by human cashiers.

26). Financial income on investments in financial instruments

Financial income on investments in financial instruments is as follows:

	<b>March 2024</b>	<b>March 2023</b>
Interest for investments in financial instruments at fair value through profit or loss	¢ 4,234,974	14,501,963
Interests for investments in financial instruments at fair value through comprehensive income	18,412,351,496	21,740,508,287
Interests for investments at amortized cost	4,006,931,181	516,895,578
Income from investments in due and restricted financial instruments	736,882,855	601,772,494
	¢ <b>23,160,400,506</b>	<b>23,911,651,227</b>

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

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

	<b>March 2024</b>	<b>March 2023</b>
Personal	¢ 33,688,187,546	36,994,543,409
Development Banking System	1,079,208,258	1,093,775,239
Business	5,520,075,393	4,442,421,062
Corporate	40,104,396,446	43,317,841,846
Public sector	1,129,523,251	1,335,364,656
Financial sector	401,637,865	1,124,832,481
Amortization of the net commission of the incremental direct costs associated with loans	1,051,846,916	1,235,131,380
Interest for accounts receivable related to loan portfolio and other financial instruments for other concepts not included in the previous subaccounts and analytical accounts	355,783,525	349,681,370
	<b>¢ <u>83,330,659,200</u></b>	<b><u>89,893,591,443</u></b>

28). Expenses from obligations with the public

Financial expenses from obligations with the public are as follows:

	<b>March 2024</b>	<b>March 2023</b>
Expenses from demand deposits	¢ 17,534,072,286	24,012,337,088
Expenses from term deposits	26,275,118,854	36,383,149,736
Expenses from securities in repurchase agreements	16	165,543,369
	<b>¢ <u>43,809,191,156</u></b>	<b><u>60,561,030,193</u></b>

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

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

	<b>March 2024</b>	<b>March 2023</b>
Decrease in specific allowance for loan portfolio (See note 6-f)	¢ 710,398,792	1,012,528,367
Expense for allowance for impairment and bad debts from other accounts receivable	2,122,301,923	1,297,842,308
Decrease in generic allowance and counter cycle for loan portfolio (See note 6-f)	620,074,271	915,396,732
Expenses for allowance for impairment of investments at fair value through other comprehensive income	11,606,277	119,832,234
Expenses for allowance for impairment of financial instruments at amortized cost.	1,345	0
Expenses for allowance for impairment of expired and restricted financial instruments	266,257	1,104,297
	<b>¢ 3,464,648,865</b>	<b>3,384,136,711</b>

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

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

	<b>March 2024</b>	<b>March 2023</b>
Recovery of written-down loans	¢ 1,068,671,435	4,031,564,819
Decrease in specific allowance for the loan portfolio (See note 6-f)	0	342,756,183
Decrease in allowance for other bad receivables	1,965,608,598	1,014,584,312
Decrease in generic allowance and counter cycle for loan portfolio (See note 6-f)	0	39,736
Decrease in allowance for bad investment securities	83,944,153	1,296,251,319
	<b>¢ 3,118,224,186</b>	<b>6,685,196,369</b>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

31). Income from service fees and commissions

Income from service fees and commissions is detailed as follows:

	<b>March 2024</b>	<b>March 2023</b>
Drafts and transfers	¢ 652,992,599	699,773,472
Foreign trade	256,554,296	192,468,286
Certified checks	851,897	976,427
Trust management	843,642,981	1,070,931,355
Custodial services	113,967,108	96,121,827
For mandates	303,399	765,501
Collections	160,769,352	177,182,261
Credit Cards	10,998,635,707	11,128,656,082
Investment Fund management	1,244,028,1229	1,589,984,83
Pension Fund management	1,809,673,598	1,584,971,468
Insurance underwriting	1,616,544,657	1,640,553,091
Brokerage fees (by third parties in local market)	172,092,927	265,663,394
Brokerage fees (by third parties in other markets)	240,536,183	160,032,799
Individual portfolio management fee	257,736,369	166,119,293
Commissions from operations with related parties	106,446,724	63,821,114
Commission from custodial services of authorized securities	146,547,515	249,939,179
Other commissions	10,089,724,809	10,108,513,996
	<b>¢ 28,711,048,250</b>	<b>29,196,474,377</b>

32). Income from interests in other companies

As of March 31, 2024, and 2023 there no amounts recorded for this concept.

As of March 31, 2024, there are ¢41,543,949 in account for participation expenses referring to Banprocesa SRL, ¢171,366,400 in BCR Leasing (As of December 31, 2023, there are ¢223,706,436 in account for participation expenses referring to Banprocesa SRL, ¢182,947,410 in BCR Valores, ¢128,582,285 in BCR SAFI and ¢282,014,799 in BCR Leasing and As of March 31, 2023, there are ¢88,457,712 in account for participation expenses referring to Banprocesa SRL).

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

33). Administrative expenses

Administrative expenses are detailed as follows:

	<b>March 2024</b>	<b>March 2023</b>
Salaries and bonuses, permanent staff	¢ 16,968,159,011	16,932,320,003
Salaries and bonuses, contractors	204,257,760	231,093,355
Compensation for directors and auditors	60,574,019	56,596,050
Overtime	248,903,966	253,231,655
Per diem	87,794,147	106,799,954
Statutory Christmas Bonus	1,511,362,327	1,523,973,180
Vacation	1,613,411,038	1,577,262,591
Incentives	1,730,417	1,801,667
Fixed representation expenses	222,641,579	210,474,996
Other compensation	481,280,696	659,567,139
Contribution to severance payment	788,102,160	736,209,481
Social security charges	6,390,140,020	6,313,032,614
Refreshments	12,801,444	13,612,005
Uniforms	22,400,983	942,024
Training	73,271,524	68,352,568
Employee insurance	108,244,767	73,293,327
Assets for personal use	335,156	156,924
School bonus	1,598,438,321	1,580,186,402
Labor Capitalization Fund	253,600,936	512,055,332
Other personnel expenses	208,622,159	200,126,132
Outsourcing expenses	6,817,809,284	4,837,177,454
Transportation and communication expenses	566,712,287	653,545,832
Property insurance	16,379,383	49,436,192
Property maintenance and repair	1,102,928,685	1,647,309,621
Public utilities	533,433,291	502,773,673
By right of use-properties	860,444,095	780,416,510
By right of use-furniture, equipment, and other assets	151,119,797	264,935,655
Depreciation of property, plant and equipment, except vehicles	2,714,537,721	2,663,486,119
Amortization of leasehold property	60,186,841	101,244,079
Impairment loss	0	0
Other infrastructure expenses	788,742,407	479,461,392
Overhead	6,387,022,839	7,865,409,828
	¢ <b><u>50,855,389,060</u></b>	<b><u>50,896,283,754</u></b>



BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

34). Legal profit allocation

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

	<b>March 2024</b>	<b>March 2023</b>
Allocation for CONAPE	1,167,629,751	377,082,026
Allocation for Instituto Nacional de Fomento Cooperativo	1,041,099,865	239,242,909
Allocation for National Emergency Commission	777,358,819	280,166,566
Allocation for Public Pension Fund Operators	241,968,528	180,062,263
Allocation for Invalidity, Old Age and Death Regime	3,502,889,254	1,131,246,077
	<b><u>6,730,946,217</u></b>	<b><u>2,207,799,841</u></b>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

35). Components of other comprehensive income

The components of other comprehensive income are detailed as follows:

		<b>March 2024</b>		
		<b>Amount before taxes</b>	<b>Tax benefit (expense)</b>	<b>Net taxes</b>
Adjustment for valuation of investments at fair value through other comprehensive income.	¢	6,956,309,224	(2,121,143,102)	4,835,166,122
Impairment – Investments at fair value through other comprehensive income		(76,875,238)	0	(76,875,238)
Exchange differences from conversion of financial statements of foreign entities		(5,131,775,988)	0	(5,131,775,988)
	¢	<u><b>1,747,657,998</b></u>	<u><b>(2,121,143,102)</b></u>	<u><b>(373,485,104)</b></u>
		<b>December 2023</b>		
		<b>Amount before taxes</b>	<b>Tax benefit (expense)</b>	<b>Net taxes</b>
Adjustment for valuation of investments at fair value through other comprehensive income.	¢	64,159,155,184	(19,298,029,428)	44,861,125,756
Impairment – Investments at fair value through other comprehensive income		(1,685,599,339)	0	(1,685,599,339)
Exchange differences from conversion of financial statements of foreign entities		(18,517,855,463)	0	(18,517,855,463)
	¢	<u><b>43,955,700,382</b></u>	<u><b>(19,298,029,428)</b></u>	<u><b>24,657,670,954</b></u>
		<b>March 2023</b>		
		<b>Amount before taxes</b>	<b>Tax benefit (expense)</b>	<b>Net taxes</b>
Adjustment for valuation of investments at fair value through other comprehensive income.	¢	24,116,641,851	(7,296,251,172)	16,820,390,679
Impairment – Investments at fair value through other comprehensive income		(1,066,581,173)	0	(1,066,581,173)
Exchange differences from conversion of financial statements of foreign entities		(13,894,991,096)	0	(13,894,991,096)
	¢	<u><b>9,155,069,582</b></u>	<u><b>(7,296,251,172)</b></u>	<u><b>1,858,818,410</b></u>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

36). Operating leases

Lessee

As of March 31, 2024, December and March, 2023, there are no amounts in these accounts.

37). Fair value of financial instruments

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

	March 2024		December 2023		March 2023	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Cash and due from banks	¢ 855,700,383,212	855,700,383,212	857,141,935,007	857,141,935,007	994,864,548,096	994,864,548,096
Investment	1,643,392,756,531	1,622,469,436,730	1,591,490,010,567	1,570,044,122,068	1,585,312,761,736	1,570,284,855,059
Loan portfolio	4,112,325,863,535	3,390,314,988,282	4,102,306,830,015	4,238,640,523,927	4,058,462,967,435	4,379,469,067,746
	<u>6,611,419,003,278</u>	<u>5,868,484,808,224</u>	<u>6,550,938,775,589</u>	<u>6,665,826,581,002</u>	<u>6,638,640,277,267</u>	<u>6,944,618,470,901</u>
Demand deposits	3,219,351,016,928	3,219,351,016,928	3,189,471,461,152	3,189,471,461,152	2,969,838,437,841	2,969,838,437,841
Term deposits	1,723,500,511,186	1,342,388,131,768	1,689,297,909,582	1,677,706,231,273	2,091,069,086,345	2,077,964,039,542
Financial obligations	923,086,616,237	436,267,510,991	926,551,739,663	874,450,361,032	859,744,241,131	810,201,637,059
	<u>¢ 5,865,938,144,351</u>	<u>4,998,006,659,687</u>	<u>5,805,321,110,397</u>	<u>5,741,628,053,457</u>	<u>5,920,651,765,317</u>	<u>5,858,004,114,441</u>

As of March 31, 2024, the financial obligations for subordinated obligations are for ¢50,143,055,402, (¢50,142,376,526 and ¢50,140,457,855 for December and March 2023, respectively).

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

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

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

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

- b) Investments in financial instruments

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

- c) Securities sold under repurchase agreements

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

- d) Loan portfolio

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

- e) Term deposits and loans payable

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

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

38). Segments

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

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
Notes to the audited Consolidated Financial Statements

As of March 31, 2024, assets and liabilities for each segment are presented as follows:

	<u>Bank</u>	<u>Pension Fund Operator</u>	<u>Investment Fund Manager</u>	<u>Brokerage House</u>	<u>Foreign Bank</u>	<u>Insurance Broker</u>	<u>Depósito Agrícola</u>	<u>Banprocesa</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b>Assets</b>											
Cash and due from banks	€ 844,460,580,063	139,290,826	768,533,486	306,499,554	33,902,789,443	271,007,714	25,177,814	15,686,441	879,889,565,341	(24,189,192,263)	855,700,373,078
Investment in financial instruments	1,488,472,222,211	7,265,516,608	5,649,786,095	62,289,655,441	70,955,743,615	8,527,655,571	620,291,385	766,259,860	1,644,547,130,786	(1,304,726,838)	1,643,242,403,948
Loan portfolio	3,122,011,913,379	0	0	0	859,879,393,245	0	0	0	3,981,891,306,624	(3,771,934,191)	3,978,119,372,433
Accounts and fees receivable	46,514,440,262	689,808,375	1,059,948,570	1,076,001,000	3,814,538,877	744,698,371	341,577,486	675,360,499	54,916,373,440	(830,060,081)	54,086,313,359
Foreclosed assets	25,641,195,031	0	0	0	15,775,629,702	0	39	0	41,416,824,772	(1)	41,416,824,771
Interest in other companies (net)	116,132,643,855	0	0	65,417,188	0	0	0	0	116,198,061,043	(115,486,025,054)	712,035,989
Property, furniture and equipment, net	134,291,386,664	74,017,193	153,164,936	112,382,851	5,756,524,869	113,996,762	197,263,795	16,379,153	140,715,116,223	(53,000,609)	140,662,115,614
Properties investments	6,831,625,000	0	0	0	0	0	0	0	6,831,625,000	0	6,831,625,000
Other assets	88,266,400,365	674,424,591	230,673,299	1,140,233,199	25,514,081,312	131,799,198	115,026,123	9,135,665	116,081,773,752	(1,787,721,004)	114,294,052,748
<b>TOTAL ASSETS</b>	<b>€ 5,872,622,406,830</b>	<b>8,843,057,593</b>	<b>7,862,106,386</b>	<b>64,990,189,233</b>	<b>1,015,598,701,063</b>	<b>9,789,157,616</b>	<b>1,299,336,642</b>	<b>1,482,821,618</b>	<b>6,982,487,776,981</b>	<b>(147,422,649,908)</b>	<b>6,835,065,116,940</b>
<b>Liabilities and equity</b>											
<b>Liabilities</b>											
Obligations with the public	€ 4,511,916,733,474	0	0	0	433,439,034,420	15,359,188	0	0	4,945,371,127,082	(2,519,609,101)	4,942,851,517,981
Obligations with the Central Bank of Costa Rica	101,271,670,766	0	0	0	0	0	0	0	101,271,670,766	0	101,271,670,766
Obligations with entities	318,369,566,794	90,622,770	154,354,353	39,973,968,592	440,070,312,206	111,299,103	103,891,016	13,686,525	798,887,701,359	(27,239,176,220)	771,648,525,139
Accounts payable and provisions	162,774,901,963	1,083,139,792	815,120,000	2,185,948,123	5,866,427,255	1,004,216,768	142,484,858	220,790,952	174,093,029,711	(1,098,837,844)	172,994,191,867
Other liabilities	30,283,236,803	0	0	0	2,319,884,919	77,110,041	188,954	1	32,680,420,718	(3)	32,680,420,715
Subordinated obligations	50,143,055,403	0	0	0	0	0	0	0	50,143,055,403	(1)	50,143,055,402
<b>Total liabilities</b>	<b>€ 5,174,759,165,203</b>	<b>1,173,762,562</b>	<b>969,474,353</b>	<b>42,159,916,715</b>	<b>881,695,658,800</b>	<b>1,207,985,100</b>	<b>246,564,828</b>	<b>234,477,478</b>	<b>6,102,447,005,039</b>	<b>(30,857,623,169)</b>	<b>6,071,589,381,870</b>
<b>Equity</b>											
Capital	181,409,990,601	5,059,311,631	4,839,200,000	12,626,000,000	38,609,421,071	2,250,000,000	305,842,762	710,000,000	245,809,766,065	(64,399,775,464)	181,409,990,601
Unfunded capital contributions	0	470,546,509	0	0	0	0	0	0	470,546,509	(470,546,509)	0
Equity adjustments	43,475,002,940	48,046,266	(80,242,610)	1,625,858,503	29,969,450,958	(6,923,889)	(140,350)	0	75,031,051,818	(31,556,048,877)	43,475,002,941
Capital reserves	364,708,053,622	255,889,999	967,840,001	1,774,243,466	39,557,110,978	449,999,999	42,911,144	75,243,348	407,831,292,557	(43,123,238,935)	364,708,053,622
Prior periods retained earnings	47,328,475,171	1,593,532,097	1,118,746,669	6,463,248,731	23,983,391,093	5,229,780,036	711,810,925	437,817,523	86,866,802,245	(39,538,327,074)	47,328,475,171
Profit for the period	12,075,470,216	241,968,529	47,087,973	340,921,818	1,783,668,163	658,316,370	(7,652,667)	25,283,269	15,165,063,671	(3,089,593,455)	12,075,470,216
Development financing fund	48,866,249,077	0	0	0	0	0	0	0	48,866,249,077	0	48,866,249,077
Minority interest	0	0	0	0	0	0	0	0	0	65,612,493,442	65,612,493,442
<b>Total equity</b>	<b>697,863,241,627</b>	<b>7,669,295,031</b>	<b>6,892,632,033</b>	<b>22,830,272,518</b>	<b>133,903,042,263</b>	<b>8,581,172,516</b>	<b>1,052,771,814</b>	<b>1,248,344,140</b>	<b>880,040,771,942</b>	<b>(116,565,036,872)</b>	<b>763,475,735,070</b>
<b>Total liabilities and equity</b>	<b>5,872,622,406,830</b>	<b>8,843,057,593</b>	<b>7,862,106,386</b>	<b>64,990,189,233</b>	<b>1,015,598,701,063</b>	<b>9,789,157,616</b>	<b>1,299,336,642</b>	<b>1,482,821,618</b>	<b>6,982,487,776,981</b>	<b>(147,422,649,908)</b>	<b>6,835,065,116,940</b>
<b>Debit contingent accounts</b>											
Trust assets	€ 444,946,255,570	0	0	0	58,828,137,744	0	0	0	503,774,393,314	0	503,774,393,314
Trust liabilities	€ 805,916,182,667	0	0	0	46,009,641,490	0	0	0	851,925,824,157	0	851,925,824,157
Trust equity	€ 245,654,948,241	0	0	0	0	0	0	0	245,654,948,241	0	245,654,948,241
Other debit memoranda accounts	€ 560,261,234,427	0	0	0	46,009,641,490	0	0	0	606,270,875,917	0	606,270,875,917
	€ 20,868,349,433,233	1,673,748,308,857	575,352,157,433	972,449,512,366	426,516,229,120	0	3,314,025,977	0	24,519,729,666,986	(1)	24,519,729,666,985

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
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As of December 31, 2023, assets and liabilities for each segment are presented as follows:

	<u>Bank</u>	<u>Pension Fund Operator</u>	<u>Investment Fund Manager</u>	<u>Brokerage House</u>	<u>Foreign Bank</u>	<u>Insurance Broker</u>	<u>Depósito Agrícola</u>	<u>Banprocesa</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b>Assets</b>											
Cash and due from banks	€ 963,931,522,636	712,583,280	783,696,474	879,684,055	55,885,696,271	455,932,596	19,384,254	843,710	1,022,669,343,276	(27,804,795,180)	994,864,548,096
Investment in financial instruments	1,431,286,319,777	5,826,241,931	6,585,685,866	49,802,047,985	87,306,089,639	8,251,782,379	811,843,884	1,340,141,497	1,591,210,152,958	(5,996,575,202)	1,585,213,577,756
Loan portfolio	3,100,593,382,776	0	0	0	0	0	0	0	0	0	0
Accounts and fees receivable	34,162,505,091	701,142,836	969,208,822	1,124,444,810	5,264,997,931	859,904,541	124,857,364	376,086,970	43,583,148,365	(1,471,882,936)	42,111,265,429
Foreclosed assets	33,246,403,751	0	0	0	16,486,810,480	0	39	0	49,733,214,270	(1)	49,733,214,269
Interest in other companies (net)	113,841,186,326	0	0	65,417,188	0	0	0	0	113,906,603,514	(113,160,459,443)	746,144,071
Property, furniture and equipment, net	141,114,081,994	166,739,817	275,019,968	193,012,571	6,529,271,587	195,499,125	220,686,977	23,168,123	148,717,480,162	(54,899,272)	148,662,580,890
Properties investments	6,831,625,000	0	0	0	0	0	0	0	6,831,625,000	0	6,831,625,000
Other assets	144,832,382,727	806,719,065	1,113,408,294	934,430,430	25,039,140,351	104,796,483	141,379,610	24,163,235	172,996,420,195	(1,953,315,050)	171,043,105,145
<b>TOTAL ASSETS</b>	<b>€ 5,969,839,410,078</b>	<b>8,213,426,929</b>	<b>9,727,019,424</b>	<b>52,999,037,039</b>	<b>1,001,757,089,738</b>	<b>9,867,915,124</b>	<b>1,318,152,128</b>	<b>1,764,403,535</b>	<b>7,055,486,453,995</b>	<b>(150,441,927,084)</b>	<b>6,905,044,526,911</b>
<b>Liabilities and equity</b>											
<b>Liabilities</b>											
Obligations with the public	€ 4,614,043,546,034	0	0	8,393,035,872	447,473,323,612	12,859,049	0	0	5,069,922,764,567	(9,015,240,382)	5,060,907,524,185
Obligations with the Central Bank of Costa Rica	108,199,896,486	0	0	0	0	0	0	0	108,199,896,486	0	108,199,896,486
Obligations with entities	297,004,701,425	170,697,785	290,743,188	21,031,764,970	408,249,137,039	203,847,940	114,608,480	19,302,850	727,084,803,677	(25,698,373,807)	701,386,429,870
Accounts payable and provisions	152,578,884,486	1,082,505,205	1,639,113,650	4,501,696,640	5,170,435,357	1,095,608,087	200,052,317	252,394,442	166,520,690,184	(914,538,402)	165,606,151,782
Other liabilities	107,666,296,044	0	0	0	3,538,547,992	102,795,882	486,883	746,272	111,308,873,073	2	111,308,873,075
Subordinated obligations	50,140,457,856	0	0	0	0	0	0	0	50,140,457,856	(1)	50,140,457,855
<b>Total liabilities</b>	<b>€ 5,329,633,782,331</b>	<b>1,253,202,990</b>	<b>1,929,856,838</b>	<b>33,926,497,482</b>	<b>864,431,444,000</b>	<b>1,415,110,958</b>	<b>315,147,680</b>	<b>272,443,564</b>	<b>6,233,177,485,843</b>	<b>(35,628,152,590)</b>	<b>6,197,549,333,253</b>
<b>Equity</b>											
Capital	181,409,990,601	4,614,965,113	4,839,200,000	12,626,000,000	38,609,421,071	2,250,000,000	305,842,762	710,000,000	245,365,419,547	(63,955,428,946)	181,409,990,601
Unfunded capital contributions	0	664,893,028	0	0	0	0	0	0	664,893,028	(664,893,028)	0
Equity adjustments	16,064,199,960	(115,782,325)	(120,895,070)	(758,947,570)	39,648,244,580	(132,614,082)	3,957,607	0	54,588,163,100	(38,523,963,140)	16,064,199,960
Capital reserves	351,152,901,365	255,890,000	967,840,002	1,262,600,001	34,434,536,196	449,999,999	38,747,161	63,489,636	388,626,004,360	(37,473,102,995)	351,152,901,365
Prior periods retained earnings	41,896,492,820	1,360,195,859	1,990,959,308	5,925,402,853	23,043,182,272	5,344,806,934	632,695,229	614,497,035	80,808,232,310	(38,911,739,490)	41,896,492,820
Profit for the period	3,915,425,478	180,062,264	120,058,346	17,484,273	1,590,261,619	540,611,315	21,761,689	103,973,300	6,489,638,284	(2,574,212,806)	3,915,425,478
Development financing fund	45,766,617,523	0	0	0	0	0	0	0	45,766,617,523	0	45,766,617,523
Minority interest	0	0	0	0	0	0	0	0	0	67,289,565,911	67,289,565,911
<b>Total equity</b>	<b>640,205,627,747</b>	<b>6,960,223,939</b>	<b>7,797,162,586</b>	<b>19,072,539,557</b>	<b>137,325,645,738</b>	<b>8,452,804,166</b>	<b>1,003,004,448</b>	<b>1,491,959,971</b>	<b>822,308,968,152</b>	<b>(114,813,774,494)</b>	<b>707,495,193,658</b>
<b>Total liabilities and equity</b>	<b>5,969,839,410,078</b>	<b>8,213,426,929</b>	<b>9,727,019,424</b>	<b>52,999,037,039</b>	<b>1,001,757,089,738</b>	<b>9,867,915,124</b>	<b>1,318,152,128</b>	<b>1,764,403,535</b>	<b>7,055,486,453,995</b>	<b>(150,441,927,084)</b>	<b>6,905,044,526,911</b>
<b>Debit contingent accounts</b>	€ 441,914,064,169	0	0	0	57,037,306,779	0	0	0	498,951,370,948	(1)	498,951,370,948
<b>Trust assets</b>	€ 840,032,017,167	0	0	0	45,188,666,395	0	0	0	885,220,683,562	0	885,220,683,562
<b>Trust liabilities</b>	€ 265,913,210,902	0	0	0	0	0	0	0	265,913,210,902	0	265,913,210,902
<b>Trust equity</b>	€ 574,118,806,266	0	0	0	45,188,666,395	0	0	0	619,307,472,661	0	619,307,472,661
<b>Other debit memoranda accounts</b>	€ 18,180,075,501,234	1,481,453,838,057	626,740,242,958	940,129,955,878	1,113,431,452,897	0	4,838,862,645	0	22,346,669,853,669	1	22,346,669,853,669

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
Notes to the audited Consolidated Financial Statements

s of March 31, 2023, assets and liabilities for each segment are presented as follows:

	<b>Bank</b>	<b>Pension Fund Operator</b>	<b>Investment Fund Manager</b>	<b>Brokerage House</b>	<b>Foreign Bank</b>	<b>Insurance Broker</b>	<b>Depósito Agrícola</b>	<b>Banprocesa</b>	<b>Total</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Assets</b>											
Cash and due from banks	€ 963,931,522,636	712,583,280	783,696,474	879,684,055	55,885,696,271	455,932,596	19,384,254	843,710	1,022,669,343,276	(27,804,795,180)	994,864,548,096
Investment in financial instruments	1,431,286,319,777	5,826,241,931	6,585,685,866	49,802,047,985	87,306,089,639	8,251,782,379	811,843,884	1,340,141,497	1,591,210,152,958	(5,996,575,202)	1,585,213,577,756
Loan portfolio	3,100,593,382,776	0	0	0	805,245,083,479	0	0	0	3,905,838,466,255	0	3,905,838,466,255
Accounts and fees receivable	34,162,505,091	701,142,836	969,208,822	1,124,444,810	5,264,997,931	859,904,541	124,857,364	376,086,970	43,583,148,365	(1,471,882,936)	42,111,265,429
Foreclosed assets	33,246,403,751	0	0	0	16,486,810,480	0	39	0	49,733,214,270	(1)	49,733,214,269
Interest in other companies (net)	113,841,186,326	0	0	65,417,188	0	0	0	0	113,906,603,514	(113,160,459,443)	746,144,071
Property, furniture and equipment, net	141,114,081,994	166,739,817	275,019,968	193,012,571	6,529,271,587	195,499,125	220,686,977	23,168,123	148,717,480,162	(54,899,272)	148,662,580,890
Properties investments	6,831,625,000	0	0	0	0	0	0	0	6,831,625,000	0	6,831,625,000
Other assets	144,832,382,727	806,719,065	1,113,408,294	934,430,430	25,039,140,351	104,796,483	141,379,610	24,163,235	172,996,420,195	(1,953,315,050)	171,043,105,145
<b>TOTAL ASSETS</b>	<b>€ 5,969,839,410,078</b>	<b>8,213,426,929</b>	<b>9,727,019,424</b>	<b>52,999,037,039</b>	<b>1,001,757,089,738</b>	<b>9,867,915,124</b>	<b>1,318,152,128</b>	<b>1,764,403,535</b>	<b>7,055,486,453,995</b>	<b>(150,441,927,084)</b>	<b>6,905,044,526,911</b>
<b>Liabilities and equity</b>											
<b>Liabilities</b>											
Obligations with the public	€ 4,614,043,546,034	0	0	8,393,035,872	447,473,323,612	12,859,049	0	0	5,069,922,764,567	(9,015,240,382)	5,060,907,524,185
Obligations with the Central Bank of Costa Rica	108,199,896,486	0	0	0	0	0	0	0	108,199,896,486	0	108,199,896,486
Obligations with entities	297,004,701,425	170,697,785	290,743,188	21,031,764,970	408,249,137,039	203,847,940	114,608,480	19,302,850	727,084,803,677	(25,698,373,807)	701,386,429,870
Accounts payable and provisions	152,578,884,486	1,082,505,205	1,639,113,650	4,501,696,640	5,170,435,357	1,095,608,087	200,052,317	252,394,442	166,520,690,184	(914,538,402)	165,606,151,782
Other liabilities	107,666,296,044	0	0	0	3,538,547,992	102,795,882	486,883	746,272	111,308,873,073	2	111,308,873,075
Subordinated obligations	50,140,457,856	0	0	0	0	0	0	0	50,140,457,856	(1)	50,140,457,855
<b>Total liabilities</b>	<b>€ 5,329,633,782,331</b>	<b>1,253,202,990</b>	<b>1,929,856,838</b>	<b>33,926,497,482</b>	<b>864,431,444,000</b>	<b>1,415,110,958</b>	<b>315,147,680</b>	<b>272,443,564</b>	<b>6,233,177,485,843</b>	<b>(35,628,152,590)</b>	<b>6,197,549,333,253</b>
<b>Equity</b>											
Capital	181,409,990,601	4,614,965,113	4,839,200,000	12,626,000,000	38,609,421,071	2,250,000,000	305,842,762	710,000,000	245,365,419,547	(63,955,428,946)	181,409,990,601
Unfunded capital contributions	0	664,893,028	0	0	0	0	0	0	664,893,028	(664,893,028)	0
Equity adjustments	16,064,199,960	(115,782,325)	(120,895,070)	(758,947,570)	39,648,244,580	(132,614,082)	3,957,607	0	54,588,163,100	(38,523,963,140)	16,064,199,960
Capital reserves	351,152,901,365	255,890,000	967,840,002	1,262,600,001	34,434,536,196	449,999,999	38,747,161	63,489,636	388,626,004,360	(37,473,102,995)	351,152,901,365
Prior periods retained earnings	41,896,492,820	1,360,195,859	1,990,959,308	5,925,402,853	23,043,182,272	5,344,806,934	632,695,229	614,497,035	80,808,232,310	(38,911,739,490)	41,896,492,820
Profit for the period	3,915,425,478	180,062,264	120,058,346	17,484,273	1,590,261,619	540,611,315	21,761,689	103,973,300	6,489,638,284	(2,574,212,806)	3,915,425,478
Development financing fund	45,766,617,523	0	0	0	0	0	0	0	45,766,617,523	0	45,766,617,523
Minority interest	0	0	0	0	0	0	0	0	0	67,289,565,911	67,289,565,911
<b>Total equity</b>	<b>640,205,627,747</b>	<b>6,960,223,939</b>	<b>7,797,162,586</b>	<b>19,072,539,557</b>	<b>137,325,645,738</b>	<b>8,452,804,166</b>	<b>1,003,004,448</b>	<b>1,491,959,971</b>	<b>822,308,968,152</b>	<b>(114,813,774,494)</b>	<b>707,495,193,658</b>
<b>Total liabilities and equity</b>	<b>€ 5,969,839,410,078</b>	<b>8,213,426,929</b>	<b>9,727,019,424</b>	<b>52,999,037,039</b>	<b>1,001,757,089,738</b>	<b>9,867,915,124</b>	<b>1,318,152,128</b>	<b>1,764,403,535</b>	<b>7,055,486,453,995</b>	<b>(150,441,927,084)</b>	<b>6,905,044,526,911</b>
<b>Debit contingent accounts</b>											
€ 441,914,064,169	0	0	0	57,037,306,779	0	0	0	0	498,951,370,948	0	498,951,370,948
<b>Trust assets</b>											
€ 840,032,017,167	0	0	0	45,188,666,395	0	0	0	0	885,220,683,562	0	885,220,683,562
<b>Trust liabilities</b>											
€ 265,913,210,902	0	0	0	0	0	0	0	0	265,913,210,902	0	265,913,210,902
<b>Trust equity</b>											
€ 574,118,806,266	0	0	0	45,188,666,395	0	0	0	0	619,307,472,661	0	619,307,472,661
<b>Other debit memoranda accounts</b>											
€ 18,180,075,501,234	1,481,453,838,057	626,740,242,958	940,129,955,878	1,113,431,452,897	0	4,838,862,645	0	22,346,669,853,669	0	22,346,669,853,669	

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
Notes to the audited Consolidated Financial Statements

As of March 31, 204, results of each segment are as follows:

	<u>Bank</u>	<u>Pension Fund Operator</u>	<u>Investment Fund Manager</u>	<u>Brokerage House</u>	<u>Foreign Bank</u>	<u>Insurance Broker</u>	<u>Depósito Agrícola</u>	<u>Banprocesa</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
Financial income	€ 93,706,800,565	138,368,174	70,165,643	1,338,046,073	18,691,721,055	109,799,686	8,865,073	8,861,845	114,072,628,114	(10,005,561)	114,062,622,553
Financial expenses	45,386,042,156	28,986,451	156,549,505	619,158,806	12,599,965,888	86,175,875	2,888,040	15,148,889	58,894,915,610	(35,465,931)	58,859,449,679
Expenses from allowance for assets impairment	2,733,263,397	1,184,545	98,802	16,505,077	710,398,793	3,198,252	0	0	3,464,648,866	(1)	3,464,648,865
Income from recovery of assets and decrease in allowance	3,108,928,860	754,772	125,108	3,405,709	0	5,009,737	0	0	3,118,224,186	0	3,118,224,186
<b>Financial income</b>	<b>48,696,423,872</b>	<b>108,951,950</b>	<b>(86,357,556)</b>	<b>705,787,899</b>	<b>5,381,356,374</b>	<b>25,435,296</b>	<b>5,977,033</b>	<b>(6,287,044)</b>	<b>54,831,287,824</b>	<b>25,460,371</b>	<b>54,856,748,195</b>
Other operating income	42,225,873,458	1,890,448,154	1,244,941,359	1,028,509,993	846,896,609	1,785,546,668	310,872,144	645,588,900	49,978,677,285	(3,723,524,815)	46,255,152,470
Other operating expenses	21,055,017,761	388,749,637	229,689,073	220,810,476	759,825,539	158,321,674	51,676,234	27,512,279	22,891,602,673	(694,048,756)	22,197,553,917
<b>Gross operating income</b>	<b>69,867,279,569</b>	<b>1,610,650,467</b>	<b>928,894,730</b>	<b>1,513,487,416</b>	<b>5,468,427,444</b>	<b>1,652,660,290</b>	<b>265,172,943</b>	<b>611,789,577</b>	<b>81,918,362,436</b>	<b>(3,004,015,688)</b>	<b>78,914,346,748</b>
Personnel expenses	26,010,504,268	716,918,126	762,938,165	709,597,270	1,871,189,573	591,171,906	193,753,122	568,410,798	31,424,483,228	(568,410,798)	30,856,072,430
Other administrative expenses	18,387,785,206	169,573,386	87,778,235	69,762,451	1,353,088,369	79,092,972	69,371,423	2,873,569	20,219,325,611	(220,008,981)	19,999,316,630
<b>Administrative expenses</b>	<b>44,398,289,474</b>	<b>886,491,512</b>	<b>850,716,400</b>	<b>779,359,721</b>	<b>3,224,277,942</b>	<b>670,264,878</b>	<b>263,124,545</b>	<b>571,284,367</b>	<b>51,643,808,839</b>	<b>(788,419,779)</b>	<b>50,855,389,060</b>
<b>Net operating income before taxes and statutory allocations</b>											
Income tax	25,468,990,095	724,158,955	78,178,330	734,127,695	2,244,149,502	982,395,412	2,048,398	40,505,210	30,274,553,597	(2,215,595,909)	28,058,957,688
Deferred income tax	7,570,499,515	218,544,116	6,945,668	391,891,807	460,481,349	294,063,734	9,701,065	13,042,991	8,965,170,245	(2)	8,965,170,243
Decrease in income tax	1,443,650,996	6,493,922	130,460,025	37,901,596	(10)	1,502,921	0	4,411,666	1,624,421,116	9	1,624,421,125
Profit sharing	2,032,827,353	6,540,908	108,660,687	58,611,356	0	959,476	0	3,447,872	2,211,047,652	0	2,211,047,652
Decrease in allocation of profit	6,412,196,721	263,693,296	2,345,351	22,023,830	0	29,471,863	0	1,215,156	6,730,946,217	0	6,730,946,217
<b>Net profit for the year</b>	<b>12,075,470,216</b>	<b>241,968,529</b>	<b>47,087,973</b>	<b>340,921,818</b>	<b>1,783,668,163</b>	<b>658,316,370</b>	<b>(7,652,667)</b>	<b>25,283,269</b>	<b>15,165,063,671</b>	<b>(2,215,595,916)</b>	<b>12,949,467,755</b>
Results for the period attributable to minority interests	0	0	0	0	0	0	0	0	0	(873,997,539)	873,997,539
<b>Results for the period attributable to the comptroller</b>	<b>12,075,470,216</b>	<b>241,968,529</b>	<b>47,087,973</b>	<b>340,921,818</b>	<b>1,783,668,163</b>	<b>658,316,370</b>	<b>(7,652,667)</b>	<b>25,283,269</b>	<b>15,165,063,671</b>	<b>(3,089,593,455)</b>	<b>12,075,470,216</b>
<b>Net income for the periods</b>	<b>€ 12,075,470,216</b>	<b>241,968,529</b>	<b>47,087,973</b>	<b>340,921,818</b>	<b>1,783,668,163</b>	<b>658,316,370</b>	<b>(7,652,667)</b>	<b>25,283,269</b>	<b>15,165,063,671</b>	<b>(3,089,593,455)</b>	<b>12,075,470,216</b>



**BANCO DE COSTA RICA AND SUBSIDIARIES**  
Notes to the audited Consolidated Financial Statements

As of March 31, 2023, results of each segment are as follows:

	<b>Bank</b>	<b>Pension Fund Operator</b>	<b>Investment Fund Manager</b>	<b>Brokerage House</b>	<b>Foreign Bank</b>	<b>Insurance Broker</b>	<b>Depósito Agrícola</b>	<b>Banprocesa</b>	<b>Total</b>	<b>Eliminations</b>	<b>Consolidated</b>
Financial income	€ 98,374,309,830	131,098,800	103,354,528	994,503,727	17,603,632,680	123,735,117	16,145,799	19,731,939	117,366,512,420	(396,040,652)	116,970,471,768
Financial expenses	67,011,410,575	49,695,320	358,570,493	873,356,995	10,796,719,310	284,782,796	3,779,125	16,372,573	79,394,687,187	(410,253,426)	78,984,433,761
Expenses from allowance for assets impairment	2,347,650,667	7,432,535	1,242,683	42,354,084	951,832,756	32,478,859	1,145,127	0	3,384,136,711	0	3,384,136,711
Income from recovery of assets and decrease in allowance	6,573,677,312	36,479,716	1,490,204	69,879,572	0	2,985,202	680,978	3,386	6,685,196,370	(1)	6,685,196,369
<b>Financial income</b>	<b>35,588,925,900</b>	<b>110,450,661</b>	<b>(254,968,444)</b>	<b>148,672,220</b>	<b>5,855,080,614</b>	<b>(190,541,336)</b>	<b>11,902,525</b>	<b>3,362,752</b>	<b>41,272,884,892</b>	<b>14,212,773</b>	<b>41,287,097,665</b>
Other operating income	43,323,075,659	1,672,333,296	1,596,850,699	861,612,138	927,056,075	1,813,417,902	329,487,985	744,908,405	51,268,742,159	(3,624,794,942)	47,643,947,217
Other operating expenses	25,725,752,387	390,190,238	267,798,060	212,197,884	1,028,063,842	116,739,240	71,118,964	30,198,345	27,842,058,960	(983,430,679)	26,858,628,281
<b>Gross operating income</b>	<b>53,186,249,172</b>	<b>1,392,593,719</b>	<b>1,074,084,195</b>	<b>798,086,474</b>	<b>5,754,072,847</b>	<b>1,506,137,326</b>	<b>270,271,546</b>	<b>718,072,812</b>	<b>64,699,568,091</b>	<b>(2,627,151,490)</b>	<b>62,072,416,601</b>
Personnel expenses	26,171,055,339	693,545,433	775,375,920	623,429,318	1,996,040,235	608,044,431	183,596,722	559,516,758	31,610,604,156	(559,516,758)	31,051,087,398
Other administrative expenses	17,773,686,023	161,662,916	105,103,644	109,750,419	1,829,240,428	88,704,280	47,198,609	2,500,242	20,117,846,561	(272,650,205)	19,845,196,356
<b>Administrative expenses</b>	<b>43,944,741,362</b>	<b>855,208,349</b>	<b>880,479,564</b>	<b>733,179,737</b>	<b>3,825,280,663</b>	<b>696,748,711</b>	<b>230,795,331</b>	<b>562,017,000</b>	<b>51,728,450,717</b>	<b>(832,166,963)</b>	<b>50,896,283,754</b>
<b>Net operating income before taxes and statutory allocations</b>	<b>9,241,507,810</b>	<b>537,385,370</b>	<b>193,604,631</b>	<b>64,906,737</b>	<b>1,928,792,184</b>	<b>809,388,615</b>	<b>39,476,215</b>	<b>156,055,812</b>	<b>12,971,117,374</b>	<b>(1,794,984,527)</b>	<b>11,176,132,847</b>
Income tax	3,600,686,962	162,308,640	265,043,045	172,059,159	266,351,795	253,178,736	16,530,238	48,058,795	4,784,217,370	0	4,784,217,370
Deferred income tax	1,268,169,984	5,371,550	19,018,054	5,551,404	72,178,770	883,041	0	3,572,348	1,374,745,151	1	1,374,745,152
Decrease in income tax	1,516,594,842	6,540,908	216,322,953	132,135,301	0	9,566,136	0	4,123,135	1,885,283,275	0	1,885,283,275
Profit sharing	1,973,820,228	196,183,824	5,808,139	1,947,202	0	24,281,659	1,184,288	4,574,504	2,207,799,844	(3)	2,207,799,841
<b>Net profit for the year</b>	<b>3,915,425,478</b>	<b>180,062,264</b>	<b>120,058,346</b>	<b>17,484,273</b>	<b>1,590,261,619</b>	<b>540,611,315</b>	<b>21,761,689</b>	<b>103,973,300</b>	<b>6,489,638,284</b>	<b>(1,794,984,525)</b>	<b>4,694,653,759</b>
Results for the period attributable to minority interests	0	0	0	0	0	0	0	0	0	(779,228,281)	779,228,281
<b>Results for the period attributable to the comptroller</b>	<b>3,915,425,478</b>	<b>180,062,264</b>	<b>120,058,346</b>	<b>17,484,273</b>	<b>1,590,261,619</b>	<b>540,611,315</b>	<b>21,761,689</b>	<b>103,973,300</b>	<b>6,489,638,284</b>	<b>(2,574,212,806)</b>	<b>3,915,425,478</b>
<b>Net income for the periods</b>	<b>€ 3,915,425,478</b>	<b>180,062,264</b>	<b>120,058,346</b>	<b>17,484,273</b>	<b>1,590,261,619</b>	<b>540,611,315</b>	<b>21,761,689</b>	<b>103,973,300</b>	<b>6,489,638,284</b>	<b>(2,574,212,806)</b>	<b>3,915,425,478</b>

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39). Risk management

Comprehensive risk management

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

Corporate governance of the risk management area

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

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

Objective of the Comprehensive Risk Management System

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

General Risk Principles and Policies

The BCR Financial Conglomerate has established general principles and policies for effective comprehensive risk management, among which the following stand out:

- A robust regulatory framework to provide legal, technical, and administrative certainty for the functioning, evaluation, and improvement of the System.
- Strategies that seek to strengthen the system's maturity level.
- The risk management culture is promoted at all levels of the organization, thereby raising awareness of the importance of effective risk-based management.
- Methodologies and measurement models are available for the valuation of the different types of risk, which are periodically subjected to retrospective and stress tests, to adjust the variables and factors that influence the exposure to risks.
- Updated tools and systems are available to meet the needs of managing each type of risk.

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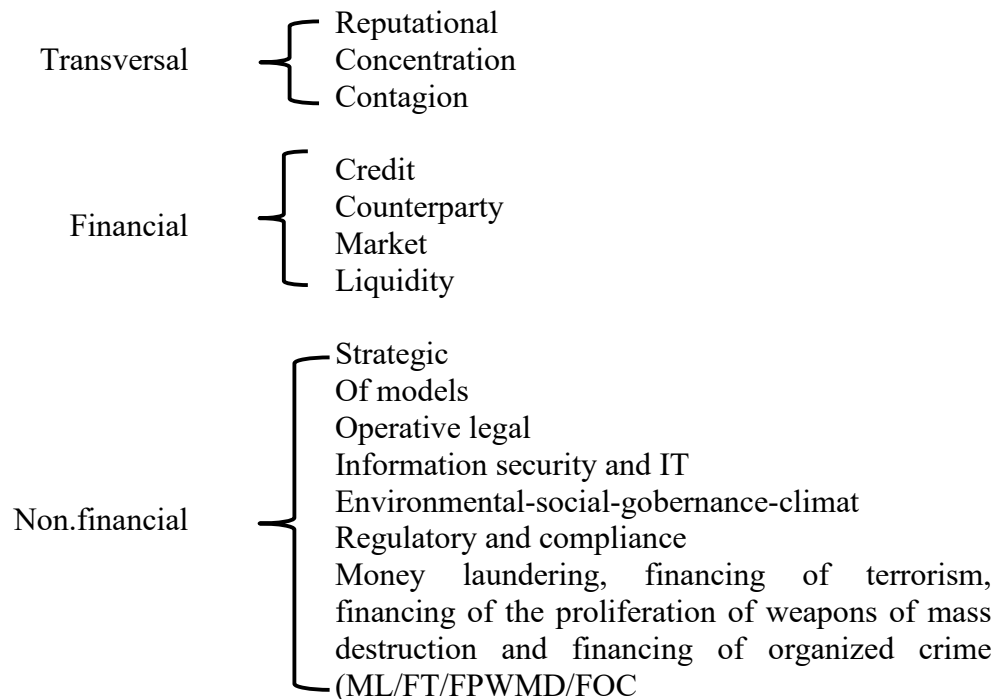
- Risk and contingency management plans are in place to deal with situations that prevent the fulfillment of the objectives defined, as well as for materialized events whose consequences may generate negative impacts on the entities.

Classification of significant risks

The relevant risks to the Bank are classified as follows:

The relevant risks for the Bank are classified as follows:

Classification of risk



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Types of risks related to the strategic plan

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

Indicator by type of risk	Strategic objective				
	Strengthen BCR's profitability	Be a market leader with a robust business model and growing diversified portfolios	Prioritize the external customer experience, promoting digital and internal transformation, and employee satisfaction	Promote efficient management of the business and conglomerate, based on an agile culture	Promote the development and the sustainability of the country
Capital	Equity adequacy				
Credit	Expected loss for credit risk				
	Debtors with exposure to high-risk currency risk				
Marketing	Value at Risk by SUGEF 3-06				
	Sensitivity of the financial margin to movements in the interest rate				
Liquidity	Liquidity coverage ratio by currency	Banking cycle by currency			
Operative	Expected loss due to operational risk		Number of negative mentions / total mentions		
	VaR for litigations.				
TI			Vulnerability analysis of the technological platform		
			Management of changes in applications		

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

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

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

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Process of comprehensive risk management

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

Types of risk assessments

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

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

Risk control framework

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

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

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

Coverage

In accordance with the regulations, estimates and provisions are maintained. Implemented risk assessment models seek to establish additional capital requirements to cover non-expected losses. Likewise, BCR net worth equity indicator is evaluated to analyze its ability to respond to different types of risk, and as of June 2023 it went to normality 1 (equal or greater than 14.00%) in accordance with the General Superintendence of Financial Entities.

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Evaluation of the effectiveness and maturity of the System

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

Information generated by the Comprehensive Risk Management System

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

(a) Credit risk management

Definition

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

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

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

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

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

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Management methodology

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

The statistical support is complemented with expert criteria to analyze the borrower's ability to pay, as well a stress analysis on exposures to macroeconomic variables that are related to microeconomic and Bank's internal variables. From January 2024 the Standard Methodology, referred to in the Regulation for Calculation of Credit Estimates (CNF 14-21, for the analysis of estimates, came into force, with the objective to establish the methodology to quantify the credit risk of credit operations or debtors, and constitute the corresponding estimates to safeguard the stability and solvency of the supervised entities, as well as financial groups and conglomerates.

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

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

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

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

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

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Exposure and risk management

As of March 31, 2024, the percentage of arrears greater than 90 days was 2.70% (2.74% and 2.70% for December and March 2023, respectively). This last indicator is within the risk appetite according to the Risk Appetite Declaration, with personal banking showing the highest delinquencies.

The dollar portfolio accounts for 23.07% at the closing of March (22.98% and 23.04% for December and March 2023, respectively) of the total portfolio. It is important to mention that the loan portfolio has been managed strategically to attract customers with an acceptable risk profile. In addition, regular monitoring of the loans in foreign currency is given, and the portfolio of clients with exposure to exchange risk.

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

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

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

With respect to the counterparty risk of the investment portfolio, compliance with the internal investment limits per issuer is monitored weekly. In addition, as of January 2020, the calculation of the expected loss for the investment portfolio under IFRS 9 begins, the foregoing allows for a buffer of resources to mitigate eventual defaults that may occur in the portfolio, thus maintaining a conservative profile. By the end of March 2024, the expected loss of the investment portfolio corresponded to 0.03% of the portfolio (0.04%, and 0.08% for December and March 2023, respectively).



BANCO DE COSTA RICA AND SUBSIDIARIES  
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Expected credit losses are disclosed in the following table:

Banco de Costa Rica, expected losses of the investment portfolio by currency December 2023 vs March 2024			
Value correction for losses	12-month expected credit losses	Lifetime expected credit losses	Financial assets with loan impairment
Value correction for losses as of March 31, 2024			
Colones	424,613,197	6,914,486	41,018,932,310
US dollars	203,944	0	4,908,505
UDES	928	0	0
Value correction for losses As of December 31, 2023			
Colones	492,505,313	6,662,972	52,563,569,429
US dollars	210,291	0	8,588,829
UDES	1,300	0	0
Rollover to 12-month expected credit losses			
Colones	(57,257,356)	(251,514)	11,544,999,887
US dollars	2,527	0	3,680,436
UDES	(372)	0	0

For the closing of March 2024, the expected loss of the investment portfolio was 0.03%, with a variation of -0.01% compared to December 2023, under a decrease of approximately 13% in the face value due to instrument maturity in 2023.

Expected losses of the investment portfolio of the BCR Conglomerate By currency December 2022 vs December 2023			
Value adjustment for losses	Twelve-months expected credit losses	Lifetime expected credit losses	Impaired financial assets
Value adjustment for losses As of December 31, 2023			
Colones	424,717,621	0	0
US dollars	185,230	0	0
UDES	1,300	0	0
Value adjustment for losses As of December 31, 2022			
Colones	1,352,956,981	116,852,886	5,753,000,000
US dollars	856,310	0	0
UDES	0	50,098	1,862,000
Transfer to 12-months expected credit losses			
Colones	(928,239,361)	(116,852,886)	(5,753,000,000)
US dollars	(671,081)	0	0
UDES	1,300	(50,098)	(1,862,000)

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As of March 31, 2023

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

<u>Value correction for losses</u>	<u>12-month expected credit losses</u>	<u>Lifetime expected credit losses</u>	<u>Financial assets with loan impairment</u>
Value correction for losses as of March 31, 2023			
Colones	1,006,629,894	46,063,698	36,120,630,285
US dollars	519,930	0	11,171,030
UDES	4,146	0	0
Value correction for losses As of December 31, 2022			
Colones	1,466,272,577	124,206,683	41,108,868,465
US dollars	901,940	0	11,164,189
UDES	0	50,098	1,862,000
Rollover to 12-month expected credit losses			
Colones	(530,005,642)	(155,562,787)	(6,517,761,820)
US dollars	(475,018)	0	(6,841)
UDES	4,146	(50,098)	(1,862,000)

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

	<u>March 2024</u>	<u>December 2023</u>	<u>March 2023</u>
<b>Banco de Costa Rica</b>			
Loan portfolio, gross	¢ 3,247,021,166,563	3,245,765,363,343	3,240,532,751,774
Plus, interest receivable	19,315,352,510	17,936,955,267	21,020,608,643
Less, allowance for impairment	(123,681,607,255)	(124,899,677,183)	(140,720,422,302)
<b>Loan portfolio, net</b>	<b>¢ 3,142,654,911,818</b>	<b>3,138,802,641,427</b>	<b>3,120,832,938,115</b>
<b>Banco Internacional de Costa Rica, S.A. and subsidiary</b>			
Loan portfolio, gross	¢ 864,939,789,753	856,979,292,788	812,908,252,117
Plus, interest receivable	5,489,130,466	4,715,392,277	4,286,459,977
Less, allowance for impairment	(10,524,883,848)	(10,051,645,931)	(11,683,623,721)
<b>Loan portfolio, Net</b>	<b>¢ 859,904,036,371</b>	<b>851,643,039,134</b>	<b>805,511,088,373</b>
<b>Total consolidated loan portfolio, net</b>	<b>¢ 4,002,558,948,189</b>	<b>3,990,445,680,561</b>	<b>3,926,344,026,488</b>
<b>Portfolio, net (Note No. 6)</b>	<b>¢ 3,978,119,372,433</b>	<b>3,967,208,057,310</b>	<b>3,905,838,466,255</b>
Difference in ¢	24,439,575,756	23,237,623,251	20,505,560,233
Difference in \$	48,242,352	44,104,204	37,559,411

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
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The Bank's financial instruments exposed to credit risk are as follows:

	Note	Direct loan portfolio		Direct loan portfolio		Contingent loan portfolio		Contingent loan portfolio	
		March		December		March		December	
		2024	2023	2023	2024	2023	2023		
Principal	6a	€	3,247,021,166,563	3,245,765,363,343	3,240,532,751,774	208,372,555,408	217,178,614,739	202,306,252,824	
Interest			19,315,352,510	17,936,955,267	21,020,608,643	0	0	0	
			3,266,336,519,073	3,263,702,318,610	3,261,553,360,417	208,372,555,408	217,178,614,739	202,306,252,824	
Allowance for bad debts			(116,853,484,743)	(124,601,629,687)	(140,413,120,463)	(6,828,122,512)	(298,047,496)	(307,301,839)	
Carrying amount		€	3,149,483,034,330	3,139,100,688,923	3,121,140,239,954	201,544,432,896	216,880,567,243	201,998,950,985	
Loan portfolio									
Total balances:		€							
A1			0	2,563,133,496,963	2,639,901,687,408	0	211,322,024,388	194,699,430,574	
A2			0	3,117,196,781	36,692,333,113	0	319,588,092	1,238,336,668	
B1			0	260,868,161,925	222,399,463,886	0	2,910,408,383	3,866,311,197	
B2			0	1,285,748,107	19,218,239,190	0	42,883,009	217,370,935	
C1			0	140,255,975,763	34,850,793,825	0	1,059,762,559	376,319,545	
C2			0	2,552,664,227	5,683,190,684	0	23,769,022	72,412,526	
D			0	107,278,513,781	71,824,875,039	0	293,991,268	444,645,523	
E			0	98,878,396,515	148,894,926,194	0	1,200,289,606	1,378,007,059	
1			2,616,859,958,442	80,019,058,345	78,402,662,286	156,815,026,842	5,898,412	13,418,797	
2			302,969,148,684	512,502,422	549,283,796	2,487,809,215	0	0	
3			27,634,000,205	4,166,260,134	1,288,556,500	2,750,000	0	0	
4			147,655,665,520	585,107,861	1,078,595,845	44,626,418,620	0	0	
5			80,684,711,122	228,027,154	125,080,327	4,419,767,463	0	0	
6			2,386,058,248	821,208,632	643,672,324	0	0	0	
7			2,404,163,984	0	0	7,713,043	0	0	
8			85,742,812,868	0	0	13,070,225	0	0	
			3,266,336,519,073	3,263,702,318,610	3,261,553,360,417	208,372,555,408	217,178,614,739	202,306,252,824	
Allowance for bad debts			(56,989,544,014)	(67,629,859,159)	(74,334,500,527)	0	(104,465,012)	(95,606,898)	
Carrying amount, net			3,209,346,975,059	3,196,072,459,451	3,187,218,859,890	208,372,555,408	217,074,149,727	202,210,645,926	
Carrying amount			3,266,336,519,073	3,263,702,318,610	3,261,553,360,417	208,372,555,408	217,178,614,739	202,306,252,824	
Allowance for bad debts			(56,989,544,014)	(67,629,859,159)	(74,334,500,527)	0	(104,465,012)	(95,606,898)	
(Surplus) inadequacy of allowance on structural estimate			(59,863,940,729)	(56,971,770,528)	(66,078,619,936)	(6,828,122,512)	(193,582,484)	(211,694,941)	

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

As of March 31, 2024

Loan Portfolio	Direct loan portfolio				Contingent loan portfolio	
	Principal	Covered Balance	Overdraft	Allowance	Principal	Allowance
Direct specific allowance						
1	2,616,859,958,442	0	0	0	156,815,026,842	0
2	302,969,148,684	0	0	0	2,487,809,215	0
3	27,634,000,205	0	0	0	2,750,000	0
4	147,655,665,520	0	0	0	44,626,418,620	0
5	80,684,711,122	0	0	0	4,419,767,463	0
6	2,386,058,248	0	0	0	0	0
7	2,404,163,984	0	0	0	7,713,043	0
8	85,742,812,868	0	0	0	13,070,225	0
¢	<b>3,266,336,519,073</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>208,372,555,408</b>	<b>0</b>
¢	<b>3,266,336,519,073</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>208,372,555,408</b>	<b>0</b>

Direct specific allowance Aging of loan portfolio	Direct loan portfolio				Contingent loan portfolio	
	Principal	Covered Balance	Overdraft	Allowance	Principal	Allowance
Direct specific allowance						
Up to date	3,029,380,081,634	0	0	0	208,372,555,408	0
Equal or less than 30 days	101,295,216,213	0	0	0	0	0
Equal or less than 60 days	28,685,317,046	0	0	0	0	0
Equal or less than 90 days	13,652,590,961	0	0	0	0	0
Equal or less than 180 days	9,340,477,296	0	0	0	0	0
More than 180 days	83,982,835,923	0	0	0	0	0
¢	<b>3,266,336,519,073</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>208,372,555,408</b>	<b>0</b>
¢	<b>3,266,336,519,073</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>208,372,555,408</b>	<b>0</b>

BANCO DE COSTA RICA AND SUBSIDIARIES  
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As of December 31, 2023

Loan portfolio	Direct Loan Portfolio				Contingent Loan Portfolio	
	Principal	Covered balance	Overdraft	Allowance	Principal	Allowance
Direct generic allowance						
A1	¢ 2,563,133,496,963	1,639,416,720,292	923,716,776,671	(12,815,667,606)	211,322,024,388	(76,415,023)
A2	3,117,196,781	2,494,873,000	622,323,781	(15,585,984)	319,588,092	(30,216)
1	80,019,058,345	44,908,905,801	35,110,152,544	(200,495,693)	5,898,412	(3,687)
	<u>2,646,269,752,089</u>	<u>1,686,820,499,093</u>	<u>959,449,252,996</u>	<u>(13,031,749,283)</u>	<u>211,647,510,892</u>	<u>(76,448,926)</u>
Direct specific allowance						
A1						
A2						
B1	260,868,161,925	235,722,793,856	25,145,368,069	(2,435,882,375)	2,910,408,383	(2,008,722)
B2	1,285,748,107	1,097,617,810	188,130,297	(24,301,119)	42,883,009	0
C1	140,255,975,763	136,543,775,200	3,712,200,563	(1,610,769,019)	1,059,762,559	(26,007,364)
C2	2,552,664,227	2,348,985,915	203,678,312	(113,584,086)	23,769,022	0
D	107,278,513,781	99,030,359,135	8,248,154,646	(6,581,097,083)	293,991,268	0
E	98,878,396,515	54,389,090,524	44,489,305,991	(43,562,602,256)	1,200,289,606	0
2	512,502,422	411,363,467	101,138,955	(7,113,765)	0	0
3	4,166,260,134	3,781,197,826	385,062,308	(115,171,566)	0	0
4	585,107,861	548,557,928	36,549,933	(21,017,756)	0	0
5	228,027,154	172,209,513	55,817,641	(39,933,396)	0	0
6	821,208,632	738,262,489	82,946,143	(86,637,455)	0	0
	¢ <u>617,432,566,521</u>	<u>534,784,213,663</u>	<u>82,648,352,858</u>	<u>(54,598,109,876)</u>	<u>5,531,103,847</u>	<u>(28,016,086)</u>
	¢ <u>3,263,702,318,610</u>	<u>2,221,604,712,756</u>	<u>1,042,097,605,854</u>	<u>(67,629,859,159)</u>	<u>217,178,614,739</u>	<u>(104,465,012)</u>

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
Notes to the audited Consolidated Financial Statements

Loan portfolio

Aging loan portfolio

	Direct Loan Portfolio				Contingent Loan Portfolio	
	Principal	Covered balance	Overdraft	Allowance	Principal	Allowance
Direct generic allowance						
Up to date	2,483,574,903,534	1,574,128,233,217	909,446,670,317	(12,612,023,255)	211,641,612,480	(76,448,926)
Equal or less than 30 days	80,686,218,879	66,157,226,250	14,528,992,629	(409,688,717)	0	0
Equal or less than 60 days	1,989,571,331	1,626,133,825	363,437,506	(10,037,310)	0	0
	<u>2,566,250,693,744</u>	<u>1,641,911,593,292</u>	<u>924,339,100,452</u>	<u>(13,031,749,282)</u>	<u>211,641,612,480</u>	<u>(76,448,926)</u>
Direct specific allowance						
Up to date	535,062,978,125	470,067,923,766	64,995,054,359	(8,883,069,863)	5,537,002,259	(28,016,086)
Equal or less than 30 days	22,366,657,523	18,811,662,152	3,554,995,371	(1,480,303,260)	0	0
Equal or less than 60 days	31,186,921,044	26,474,744,860	4,712,176,184	(1,242,906,751)	0	0
Equal or less than 90 days	14,449,102,164	12,142,726,694	2,306,375,470	(1,178,678,556)	0	0
Equal or less than 180 days	11,949,861,098	7,223,206,615	4,726,654,483	(4,410,933,021)	0	0
More than 180 days	82,436,104,912	44,972,855,377	37,463,249,535	(37,402,218,426)	0	0
	<u>697,451,624,866</u>	<u>579,693,119,464</u>	<u>117,758,505,402</u>	<u>(54,598,109,877)</u>	<u>5,537,002,259</u>	<u>(28,016,086)</u>
	<u>¢ 3,263,702,318,610</u>	<u>2,221,604,712,756</u>	<u>1,042,097,605,854</u>	<u>(67,629,859,159)</u>	<u>217,178,614,739</u>	<u>(104,465,012)</u>

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
Notes to the audited Consolidated Financial Statements

As of March 31, 2023

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

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
Notes to the audited Consolidated Financial Statements

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



**BANCO DE COSTA RICA AND SUBSIDIARIES**  
Notes to the audited Consolidated Financial Statements

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

On March 31, 2024	Loans receivable from customer	
	Gross	Net
Risk Category:		
1	¢ 2,616,859,958,442	2,609,840,019,833
2	302,969,148,684	300,807,977,218
3	27,634,000,205	26,740,924,620
4	147,655,665,520	141,277,676,437
5	80,684,711,122	77,529,059,129
6	2,386,058,248	1,697,935,675
7	2,404,163,984	1,733,772,100
8	85,742,812,868	49,719,610,047
	¢ <u>3,266,336,519,073</u>	<u>3,209,346,975,059</u>

As of December 31, 2023	Loans receivable	
	Gross	Net
Risk category:		
A1	¢ 2,563,133,496,962	2,550,317,829,357
A2	3,117,196,781	3,101,610,797
B1	260,868,161,925	258,432,279,550
B2	1,285,748,107	1,261,446,988
C1	140,255,975,763	138,645,206,744
C2	2,552,664,227	2,439,080,141
D	107,278,513,781	100,697,416,698
E	98,878,396,515	55,315,794,259
1	80,019,058,346	79,818,562,653
2	512,502,422	505,388,657
3	4,166,260,134	4,051,088,567
4	585,107,861	564,090,105
5	228,027,154	188,093,758
6	821,208,632	734,571,177
	¢ <u>3,263,702,318,610</u>	<u>3,196,072,459,451</u>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

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

In compliance with SUGEF Directive 1-05, as of March 31, 2024, the Bank must maintain a minimum allowance in the amount of ¢56,989,544,014, (¢67,734,324,171 and ¢74,430,107,425 for December and March 2023, respectively) of which ¢56,989,544,014, (¢67,629,859,159 and ¢74,334,500,527 for December and March 2023, respectively) is allocated to the valuation of the direct loan portfolio and ¢0.00, (¢104,465,012 and ¢95,606,898 for December and March 2023, respectively) to the contingent loan portfolio. In addition, the countercyclical allowance is of ¢43,357,256,419, (¢12,817,921,587 and ¢5,694,346,858 for December and March 2023, respectively).

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

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
Notes to the audited Consolidated Financial Statements

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
<b>Banco Internacional de Costa Rica, S.A. and subsidiaries</b>			
Principal	¢ 864,939,789,530	856,979,292,766	812,908,252,657
Interest	5,489,130,559	4,715,392,647	4,286,459,820
	<b>870,428,920,089</b>	<b>861,694,685,413</b>	<b>817,194,712,477</b>
Allowance for doubtful accounts	(10,524,884,005)	(10,051,645,931)	(11,683,623,721)
Carrying amount	¢ <b>859,904,036,084</b>	<b>851,643,039,482</b>	<b>805,511,088,756</b>
<b>Loan portfolio, net of allowance</b>	¢ <b>851,680,032,012</b>	<b>841,556,263,300</b>	<b>789,541,005,216</b>
<b>At amortized cost</b>			
Level 1: Normal or low risk	822,666,135,598	812,436,493,492	759,129,843,174
Level 2: Special mention	14,915,279,712	25,616,890,847	27,658,154,024
Level 3: Subnormal	9,370,519,915	8,611,199,742	9,459,847,624
Level 4: Doubtful	9,407,581,757	1,282,596,629	1,769,934,959
Level 5: Uncollectable	8,580,272,549	9,032,111,530	14,890,472,876
	864,939,789,531	856,979,292,240	812,908,252,657
Allowance for impairment	(10,524,884,005)	(10,051,645,931)	(11,683,623,721)
Carrying amount	<b>854,414,905,526</b>	<b>846,927,646,309</b>	<b>801,224,628,936</b>
<b>Impaired renegotiated loans</b>			
Gross amount	2,601,558,685	4,990,389,759	6,222,383,778
Impaired amount	<b>2,601,558,685</b>	<b>4,990,389,759</b>	<b>6,222,383,778</b>
Allowance for impairment	956,023,605	985,320,923	1,112,215,346
<b>Total, net</b>	<b>1,645,535,080</b>	<b>4,005,068,836</b>	<b>5,110,168,432</b>
<b>Not in arrears or impaired:</b>			
Level 1: Normal or low risk	822,666,135,598	812,436,493,492	759,129,843,174
Level 2: Special mention	14,915,279,712	25,616,890,847	27,658,154,024
<b>Sub-total</b>	<b>837,581,415,310</b>	<b>838,053,384,339</b>	<b>786,787,997,198</b>
<b>Individually impaired</b>			
Level 3: Subnormal	9,370,519,915	8,611,199,742	9,459,847,624
Level 4: Doubtful	9,407,581,757	1,282,596,629	1,769,934,959
Level 5: Uncollectable	8,580,272,548	9,032,111,529	14,890,472,875
<b>Sub-total</b>	<b>27,358,374,220</b>	<b>18,925,907,900</b>	<b>26,120,255,458</b>
<b>Allowance for impairment</b>			
Specific	10,524,884,005	10,051,645,931	11,683,623,721
Total allowance for impairment	<b>10,524,884,005</b>	<b>10,051,645,931</b>	<b>11,683,623,721</b>
<b>Clients' obligations for acceptances</b>			
Carrying amount	¢ <b>2,734,873,514</b>	<b>5,371,383,536</b>	<b>11,683,623,721</b>
<b>Interest receivable</b>	¢ <b>5,489,130,558</b>	<b>4,715,392,646</b>	<b>4,286,459,819</b>
<b>Net loan portfolio (carrying amount)</b>	¢ <b>859,904,036,084</b>	<b>851,643,039,482</b>	<b>805,511,088,756</b>

As of March 31, 2024 the allowance for impairment of BICSA's loan portfolio is of ¢10,524,884,005, (¢10,051,645,931, and ¢11,683,623,721 for December and March 2023, respectively).

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
Notes to the audited Consolidated Financial Statements

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

	March 2024		December 2023		March 2023	
	Loan Portfolio	Contingent Accounts	Loan Portfolio	Contingent Accounts	Loan Portfolio	Contingent Accounts
Trade	460,493,091,742	25,915,284,987	453,381,163,120	35,356,935,448	446,512,047,511	32,189,920,256
Manufacturing	368,268,493,335	1,809,950,084	352,101,468,268	1,809,770,535	389,851,724,811	2,120,627,779
Construction, purchase and repair of real estate	339,356,419,214	9,813,756,177	1,513,233,349,688	9,162,413,946	1,474,734,199,764	9,780,820,343
Agriculture, livestock. Hunting and related services	152,419,761,967	1,638,401,139	163,719,118,126	1,703,988,931	168,588,179,264	2,561,799,402
Fishing and aquaculture	20,214,265	0	42,617,690	0	42,986,799	0
Consumer	818,195,648,506	0	492,299,480,166	142,284,376,588	436,998,932,095	120,826,754,242
Education	506,930,755	0	657,174,250	0	717,837,785	0
Transportation	83,822,555,546	475,860,019	31,005,549,708	537,631,534	35,440,559,599	44,248,012
Financial and stock Exchange	1,270,939,227,291	7,856,520,482	97,277,493	0	3,227,204,933	0
Telecommunications and public utilities	432,955,900	0	237,657,850,422	0	245,252,320,540	0
Services	109,531,731,332	85,650,570,699	710,227,297,856	99,238,882,327	694,416,126,708	96,129,512,908
Hospitality	30,909,405,453	43,195,312	104,478,630,055	0	110,312,448,423	0
Mining and quarrying	198,757,538,693	6,554,821	21,982,027	0	27,153,578	0
Real estate. business and leasing activities	2,603,093,757	0	21,398,613,478	0	25,037,418,747	0
Public Administration	0	0	19,382,332,809	10,820,576,851	21,806,970,584	3,377,941,258
Other activities from the non financial private sector	271,934,784,560	145,958,440,923	450,728,969	279,940,847	474,892,750	17,371,028
	<b>4,108,191,852,316</b>	<b>279,168,534,643</b>	<b>4,100,154,634,125</b>	<b>301,194,517,007</b>	<b>4,053,441,003,891</b>	<b>267,048,995,228</b>
Other contingencies	0	224,605,858,671	0	232,883,506,405	0	231,902,375,720
	<b>4,108,191,852,316</b>	<b>503,774,393,314</b>	<b>4,100,154,634,125</b>	<b>534,078,023,412</b>	<b>4,053,441,003,891</b>	<b>498,951,370,948</b>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

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

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Germany	¢ 337,757,733	459,345,401	0
Brazil	0	64,279,360	238,577,966
Chile	5,709,915,490	4,602,324,767	8,283,906,811
China	5,070,301,120	1,392,951,693	1,214,356,585
Colombia	2,424,151,022	2,521,193,625	1,870,392,489
Costa Rica	235,076,557,659	259,039,366,343	245,716,652,258
Denmark	1,077,873,412	1,707,091,200	1,958,684,069
Ecuador	66,345,942,839	63,832,677,132	70,126,043,653
El Salvador	85,363,805,844	85,421,764,134	82,958,486,483
Spain	16,296,661,890	16,729,465,140	12,741,956,531
United States of America	6,589,999,704	7,420,155,246	9,165,749,273
Guatemala	40,562,514,471	39,328,596,034	38,790,289,082
Netherlands	0	0	5,118,281,250
Honduras	29,840,783,391	26,460,890,098	17,657,388,421
England	2,507,670,000	2,634,400,000	0
México	40,583,862,448	33,997,533,007	2,729,750,000
Nicaragua	6,650,446,598	7,227,243,034	45,813,757,307
Panamá	303,695,906,571	283,014,820,027	10,775,909,235
Paraguay	0	0	231,477,082,812
Perú	2,461,136,870	5,511,790,992	4,135,117,020
Dominican Republic	4,096,746,233	4,945,753,223	9,597,243,039
Switzerland	5,619,030	8,222,489	0
Uruguay	8,163,821,122	8,383,231,632	8,570,420,279
Others *	2,078,316,632	2,276,198,211	3,968,207,554
	<b>¢ 864,939,790,079</b>	<b>856,979,292,788</b>	<b>3,968,207,554</b>

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

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Costa Rica	¢ 3,247,021,166,563	3,245,765,363,343	3,240,532,751,774
	<b>¢ 3,247,021,166,563</b>	<b>3,245,765,363,343</b>	<b>3,240,532,751,774</b>

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As of March 31, 2024, the Bank keeps trust commissions in the amount of ¢3,382,250, (¢166,500 and ¢452,625 for December and March 2023, respectively).

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

		<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Properties	¢	99,241,862,386	103,319,727,566	115,319,317,390
Other		465,137,862	545,716,543	748,345,987
	¢	<b><u>99,707,000,248</u></b>	<b><u>103,865,444,109</u></b>	<b><u>116,067,663,377</u></b>

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

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

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

		<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
<b>Guarantee</b>				
Pledged assets	¢	33,559,745,876	39,088,696,105	43,707,653,570
Fiduciary		432,425,658,499	450,206,132,232	432,151,561,340
Mortgage		1,660,738,905,841	1,693,832,362,226	1,721,814,834,235
Chattel		155,956,826,381	170,151,424,154	191,662,575,776
Others		1,825,510,715,719	1,746,876,019,408	1,664,104,378,970
	¢	<b><u>4,108,191,852,316</u></b>	<b><u>4,100,154,634,125</u></b>	<b><u>4,053,441,003,891</u></b>

As of March 31, 2024, 44% of the loan portfolio is secured by mortgage or chattel collaterals, (45% and 47% for December and March 2023, respectively).

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

As of March 31, 2024, groups of borrowers (members) having operations that add 2% or more of adjusted capital and in groups report 5% or more of adjusted capital, are reported.

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

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As of March 31, 2024:

	<u>Percentage</u>	<u>Band</u>	<u>Total value</u>	<u>N° customers</u>
1	0-4,99%	27,305,902,211	242,481,685,438	4,265
2	5-9,99%	54,611,804,422	795,264,278,304	366
3	10-14,99%	81,917,706,633	377,319,941,519	333
4	15-20%	109,223,608,845	218,537,620,679	46
<b>Total</b>		¢	<b><u>1,633,603,525,940</u></b>	<b><u>5,010</u></b>

As of December 31, 2023:

<u>No.</u>	<u>Percentage</u>	<u>Band</u>	<u>Total amount</u>	<u>N° of customers</u>
1	0-4,99%	26,628,144,598 ¢	251,485,817,622	4,005
2	5-9,99%	53,256,289,197	343,175,303,819	290
3	10-14,99%	79,884,433,795	360,703,008,502	297
4	15-20%	106,512,578,393	213,198,007,207	46
<b>Total</b>		¢	<b><u>1,168,562,137,150</u></b>	<b><u>4,638</u></b>

As of March 31, 2023:

	<u>Percentage</u>	<u>Band</u>	<u>Total value</u>	<u>N° customers</u>
1	0-4,99%	26,628,144,598	248,676,906,403	2,916
2	5-9,99%	53,256,289,197	379,568,693,856	260
3	10-14,99%	79,884,433,795	324,183,976,062	270
4	15-20%	106,512,578,393	220,795,547,040	43
<b>Total</b>		¢	<b><u>1,173,225,123,361</u></b>	<b><u>3,489</u></b>

(b) Management of market and liquidity risk

Definitions

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

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

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

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

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

Management methodology of market and liquidity risk

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

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

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

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



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Tolerance limits and risk indicators

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

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

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

(c) Liquidity risk

Cash and cash equivalents show a year-on-year increase of 16.57%, mainly due to decrease on-demand deposits, in current accounts and demand deposits in foreign financial institutions as well as held-for-trading financial instruments (see cash and cash equivalents table in note 4).

Demand deposits decreased by 4.05% on a year-on-year basis, due to the decrease in current account balances, certificates and demand savings deposits (see chart of demand obligations with the public in note 12).

Wholesale funding decreased on a year-on-year basis by 10.69%, mainly in term obligations with the BCCR, obligations for checks due for collection, current accounts with financial institutions in the country, loans from financial entities abroad, obligations for assets for-the-right of use received under lease and obligations for deferred liquidity operations and obligations with resources from the Development Credit Fund. (See table of obligations with financial institutions and the Central Bank in note 14 of this document).

In the following table, the year-on-year results for the end of March 2024 are observed:

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Liquidity coverage indicator (colones)	1.56	1.26	1.31
Liquidity coverage indicator (US dollars)	1.66	1.80	1.66
Regulatory limit	1.00	1.00	1.00

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On the other hand, the term matches, another regulatory indicator, had the following results:

Regulatory liquidity matches by currency and term		March 2024	December 2023	March 2023	Approved levels	
Indicator	Interpretation	Observation	Observation	Observation		
1-month term matching US dollars	Ratio between assets and liabilities with account's volatility	2.03	1.90	1.93	Limite:	1.13
1-month term matching colones		2.75	2.19	2.76	Limite:	1.03
3-months term matching US dollars		1.54	1.26	1.50	Limite:	0.98
3-months term matching colones		1.57	1.45	1.72	Limite:	0.88

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

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

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

As of March 31, 2024

Assets	Demand	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	More than 365 days	Items overdue for more than thirty days	Total
Availabilities	254,388,530,266	0	0	0	0	0	0	0	254,388,530,266
Legal cash requirement BCCR	419,863,267,074	20,965,731,452	17,029,184,379	18,070,582,123	41,207,622,341	50,112,599,707	34,062,855,737	0	601,311,842,813
Investment in securities	997,514,732	473,848,768,449	8,772,523,075	64,855,070,857	121,104,844,326	139,105,827,180	813,784,888,112	0	1,622,469,436,731
Interest on investments	1,577,853	10,507,907,544	1,464,024,256	2,468,924,674	5,437,366,368	88,237,561	955,281,544	0	20,923,319,800
Loan portfolio	0	174,348,111,415	118,645,206,591	126,642,425,893	281,168,476,015	286,381,740,575	2,974,776,763,323	0	4,087,524,210,750
Interest on loan portfolio	0	9,483,753,395	2,690,381,494	480,753,082	1,393,779,354	635,289,320	2,437,622,744	0	24,801,652,785
	<u>675,250,889,925</u>	<u>689,154,272,255</u>	<u>148,601,319,795</u>	<u>212,517,756,629</u>	<u>450,312,088,404</u>	<u>476,323,694,343</u>	<u>3,826,017,411,460</u>	<u>133,241,560,334</u>	<u>6,611,418,993,145</u>
<b>Liabilities</b>									
Obligations with the public	3,196,501,396,761	177,484,776,173	143,924,197,647	153,315,363,545	364,028,976,396	469,677,570,027	418,629,315,765	0	4,923,561,596,314
Obligations with BCCR	0	0	0	0	0	99,002,909,685	0	0	99,002,909,685
Obligations with financial Entities	92,785,398,675	236,700,566,766	54,955,396,483	20,709,385,790	107,559,626,737	122,308,021,464	128,048,974,479	0	763,067,370,394
Charges payable on obligations	1,601,772,824	4,637,066,546	4,453,535,313	3,067,658,423	5,027,240,276	7,861,374,367	3,514,554,673	0	30,163,202,422
	<u>3,290,888,568,260</u>	<u>418,822,409,485</u>	<u>203,333,129,443</u>	<u>177,092,407,758</u>	<u>476,615,843,409</u>	<u>698,849,875,543</u>	<u>550,192,844,917</u>	<u>0</u>	<u>5,815,795,078,815</u>
<b>Asset-liability gap</b>	<u><u>¢ (2,615,637,678,335)</u></u>	<u><u>270,331,862,770</u></u>	<u><u>(54,731,809,648)</u></u>	<u><u>35,425,348,871</u></u>	<u><u>(26,303,755,005)</u></u>	<u><u>(222,526,181,200)</u></u>	<u><u>3,275,824,566,543</u></u>	<u><u>133,241,560,334</u></u>	<u><u>795,623,914,330</u></u>

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<b>Assets</b>	<b>Demand</b>	<b>1 to 30 days</b>	<b>31 to 60 days</b>	<b>61 to 90 days</b>	<b>91 to 180 days</b>	<b>181 to 365 days</b>	<b>More than 365 days</b>	<b>Items overdue for more than thirty days</b>	<b>Total</b>
Availabilities	¢ 285,847,685,695	0	0	0	0	0	69,969,930	0	285,917,655,625
Legal cash requirement BCCR	400,893,880,857	34,998,613,247	19,019,785,000	15,414,830,100	32,711,519,093	35,131,400,368	33,054,250,719	0	571,224,279,384
Investment in securities	624,023,167	526,834,374,316	17,183,736,117	10,881,768,526	102,785,884,508	151,910,870,897	759,823,464,537	0	1,570,044,122,068
Interest on investments	3,143,247	8,993,162,104	5,106,156,003	936,858,518	4,303,310,056	1,065,950,551	1,037,308,017	0	21,445,888,496
Loan portfolio	0	153,588,045,761	118,010,632,629	104,070,338,112	311,783,519,509	284,621,998,276	2,972,112,256,584	135,470,970,744	4,079,657,761,615
Interest on loan portfolio	0	9,956,174,357	542,465,551	366,395,449	1,566,784,602	556,654,642	1,909,311,793	7,751,282,007	22,649,068,401
	<b>¢ 687,368,732,966</b>	<b>734,370,369,785</b>	<b>159,862,775,300</b>	<b>131,670,190,705</b>	<b>453,151,017,768</b>	<b>473,286,874,734</b>	<b>3,768,006,561,580</b>	<b>143,222,252,751</b>	<b>6,550,938,775,589</b>
<b>Liabilities</b>									
Obligations with the public	¢ 3,153,204,629,595	307,978,776,426	187,083,194,497	143,435,224,840	296,484,414,533	353,339,336,602	407,132,349,291	0	4,848,657,925,784
Obligations with BCCR	0	0	0	0	0	0	103,950,578,331	0	103,950,578,331
Obligations with financial Entities	67,198,718,575	199,060,821,386	57,193,557,703	40,017,370,665	107,644,295,624	142,409,346,495	150,402,107,502	0	763,926,217,950
Charges payable on obligations	1,977,667,169	13,778,080,123	6,055,429,530	2,701,780,382	4,508,847,616	3,772,377,051	5,849,829,935	0	38,644,011,806
	<b>3,222,381,015,339</b>	<b>520,817,677,935</b>	<b>250,332,181,730</b>	<b>186,154,375,887</b>	<b>408,637,557,773</b>	<b>499,521,060,148</b>	<b>667,334,865,059</b>	<b>0</b>	<b>5,755,178,733,871</b>
<b>Asset-liability gap</b>	<b>¢ (2,535,012,282,373)</b>	<b>213,552,691,850</b>	<b>(90,469,406,430)</b>	<b>(54,484,185,182)</b>	<b>44,513,459,995</b>	<b>(26,234,185,414)</b>	<b>3,100,671,696,521</b>	<b>143,222,252,751</b>	<b>795,760,041,718</b>

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As of March 31, 2023

Assets	Demand	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 365 days	More than 365 days	Items overdue for more than thirty days	Total
Availabilities	¢ 366,067,400,856	0	0	0	0	0	148,486,055	0	366,215,886,911
Legal cash requirement									
BCCR	392,882,565,403	20,087,165,439	24,249,193,746	24,442,648,332	51,839,265,594	86,504,894,034	28,642,928,636	0	628,648,661,184
Investment in securities	(823,180,558)	226,594,253,433	44,542,620,323	43,366,328,345	188,345,596,571	161,420,189,259	904,334,523,686	2,504,524,000	1,570,284,855,059
Interest on investments	1,119,352	1,391,982,448	2,128,983,733	3,219,160,717	7,298,575,325	206,882,154	731,162,567	50,040,380	15,027,906,676
Loan portfolio	0	143,882,023,839	97,908,118,662	134,279,891,786	255,925,928,149	234,464,770,643	490,267,325,548	2,676,427,840,188	4,033,155,898,815
Interest on loan portfolio	0	9,547,056,128	3,322,114,583	446,357,881	657,257,293	646,940,543	10,685,043,870	2,298,322	25,307,068,620
	¢ <u>758,127,905,053</u>	<u>401,502,481,287</u>	<u>172,151,031,047</u>	<u>205,754,387,061</u>	<u>504,066,622,932</u>	<u>483,243,676,633</u>	<u>1,434,809,470,362</u>	<u>2,678,984,702,890</u>	<u>6,638,640,277,265</u>
<b>Liabilities</b>									
Obligations with the public	¢ 2,923,763,751,142	165,651,218,546	212,532,924,106	198,566,081,810	442,786,037,958	733,576,219,266	354,820,320,526	0	5,031,696,553,354
Obligations with BCCR	0	0	0	0	0	0	106,607,072,703	0	106,607,072,703
Obligations with financial									
Entities	88,367,694,569	247,851,069,520	23,099,638,679	43,641,333,491	66,291,823,078	113,304,367,988	112,575,823,680	0	695,131,751,005
Charges payable on obligations	2,251,680,851	5,067,879,637	4,807,788,244	3,504,176,697	6,107,659,626	11,142,451,338	4,194,294,006	0	37,075,930,399
	<u>3,014,383,126,562</u>	<u>418,570,167,703</u>	<u>240,440,351,029</u>	<u>245,711,591,998</u>	<u>515,185,520,662</u>	<u>858,023,038,592</u>	<u>578,197,510,915</u>	<u>0</u>	<u>5,870,511,307,461</u>
<b>Asset-liability gap</b>	¢ <u>(2,256,255,221,509)</u>	<u>(17,067,686,416)</u>	<u>(68,289,319,982)</u>	<u>(39,957,204,937)</u>	<u>(11,118,897,730)</u>	<u>(374,779,361,959)</u>	<u>856,611,959,447</u>	<u>2,678,984,702,890</u>	<u>768,128,969,804</u>

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(d) Price risk of the portfolio

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

In the case of own funds, a concentration of 40.44% is observed in instruments issued by the Ministry of Finance, In this sense and with the purpose of mitigating the market risk of these instruments, a strategy was defined in the investment position of this issuer.

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

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
VaR	₡ 11,935,766,782	13,762,383,855	23,444,647,768

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

(e) Interest rate risk

The Bank has a credit portfolio, investments, and obligations with the public and with entities subject to variable interest rates and therefore sensitive to fluctuations in interest rates and cash flow risk.

The BCR applies a gap model, which allows identifying the structure of rate-sensitive assets and liabilities; A sensitivity analysis is carried out on the result with the interest rates of two scenarios, one base rate, which is close to the monthly projections of the Corporate Risk Management and another rate adverse, which includes interest rates with a less probable behavior.

Following, the results by currency:

		<b>Results March 2024</b>	<b>Base scenario</b>	<b>Adverse scenario</b>
Colones	Cumulative	1,282,526.43	1,282,526.43	1,282,526.43
	one-year gap			
	TBP (one-year projection)	4.28%	4.76%	6.78%
	Impact on the margin	(9,063.67)	(2,587.14)	24,918.21
US dollars	Cumulative	379,242.72	379,242.72	379,242.72
	one-year gap			
	Prime (one-year projection)	7.70%	7.65%	8.97%
	Impact on the margin	(3,108.99)	3,302.56	1,826.12

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As of March 31, 2024, interest rate terms for assets and liabilities are matched as follows:

	<u>Effective rate</u>	<u>1 to 30 days</u>	<u>31 to 90 days</u>	<u>91 to 180 days</u>	<u>181 to 360 days</u>	<u>361 to 720 days</u>	<u>More than 720 days</u>	<u>Total</u>
<b><u>Colones</u></b>								
<b><u>Assets</u></b>								
Investments	8.15%	¢ 260,693,005,356	61,002,588,413	115,196,133,570	114,357,977,885	205,728,896,146	464,265,947,747	1,221,244,549,117
Loan portfolio	8.32%	1,414,712,959,927	284,079,500,219	26,926,173,320	47,598,348,713	103,134,118,500	1,384,123,828,393	3,260,574,929,072
<b>Total recovered assets (*)</b>		<b>1,675,405,965,283</b>	<b>345,082,088,632</b>	<b>142,122,306,890</b>	<b>161,956,326,598</b>	<b>308,863,014,646</b>	<b>1,848,389,776,140</b>	<b>4,481,819,478,189</b>
<b><u>Liabilities</u></b>								
Obligations with the public		102,037,208,389	213,889,652,910	247,421,606,521	288,524,313,256	113,564,095,853	54,559,888,436	1,019,996,765,365
Obligations with financial entities	2.56%	142,164,611,971	237,731,376,754	273,447,404,352	405,146,320,480	113,516,523,016	54,559,888,436	1,226,566,125,009
<b>Total matured liabilities (*)</b>		<b>251,320,541,570</b>	<b>475,462,013,460</b>	<b>546,892,572,558</b>	<b>809,035,805,200</b>	<b>227,080,618,869</b>	<b>109,119,776,872</b>	<b>2,418,902,404,661</b>
<b>Assets and liabilities spread</b>		<b>¢ 1,424,085,423,713</b>	<b>(130,379,924,828)</b>	<b>(404,770,265,668)</b>	<b>(647,079,478,602)</b>	<b>81,782,395,777</b>	<b>1,739,269,999,268</b>	<b>2,062,917,073,528</b>
<b><u>Dollars</u></b>								
<b><u>Assets</u></b>								
Investments	4.64	¢ 207,879,863,318	37,162,886,785	24,281,115,133	26,454,001,947	46,256,971,120	66,689,465,931	408,724,304,234
Loan portfolio	7.47	320,056,089,991	65,645,385,785	31,946,942,339	35,075,853,128	46,538,286,043	385,036,207,387	884,298,764,673
<b>Total recovered assets (*)</b>		<b>527,935,953,309</b>	<b>102,808,272,570</b>	<b>56,228,057,472</b>	<b>61,529,855,075</b>	<b>92,795,257,163</b>	<b>451,725,673,318</b>	<b>1,293,023,068,907</b>
<b><u>Liabilities</u></b>								
Obligations with the public		50,731,247,022	62,279,824,725	75,092,985,888	93,742,942,270	18,542,740,327	12,375,068,316	312,764,808,548
Demand obligations	0.30%	155,910,007,759	38,099,129,604	54,821,973,820	98,241,065,043	113,753,284,200	47,755,505,661	508,580,966,087
Obligations with financial entities	3.74%	(22,616,713,488)	608,251,787	26,108,830,872	1,776,510,451	2,002,512,052	13,930,475,338	21,809,867,012
<b>Total matured liabilities (*)</b>		<b>28,114,533,534</b>	<b>62,888,076,512</b>	<b>101,201,816,760</b>	<b>95,519,452,721</b>	<b>20,545,252,379</b>	<b>26,305,543,654</b>	<b>334,574,675,560</b>
<b>Assets and liabilities spread</b>		<b>¢ 499,821,419,775</b>	<b>39,920,196,058</b>	<b>(44,973,759,288)</b>	<b>(33,989,597,646)</b>	<b>72,250,004,784</b>	<b>425,420,129,664</b>	<b>958,448,393,347</b>

BANCO DE COSTA RICA AND SUBSIDIARIES  
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As of December 31, 2023, interest rate terms for assets and liabilities are matched as follows:

	Effective interest rate	1 to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	361 to 720 days	More than 720 days	Total
<b>Colones:</b>								
<b>Assets</b>								
Investment in securities	6.75%	¢ 331,867,860,571	22,531,615,104	66,058,474,119	111,194,556,022	206,560,179,268	428,690,798,366	1,166,903,483,450
Loan portfolio	8.77%	1,485,366,749,918	106,691,826,684	109,597,126,789	58,752,719,059	117,380,301,144	1,375,106,671,181	3,252,895,394,775
<b>Total recovery of assets (*)</b>		<b>1,817,234,610,489</b>	<b>129,223,441,788</b>	<b>175,655,600,908</b>	<b>169,947,275,081</b>	<b>323,940,480,412</b>	<b>1,803,797,469,547</b>	<b>4,419,798,878,225</b>
<b>Liabilities</b>								
Obligations with the public		221,903,425,083	191,111,033,827	206,713,281,918	172,930,621,624	116,562,673,410	58,466,759,532	967,687,795,394
Obligations with financial entities	2.62%	31,101,053,219	36,708,637,172	23,182,201,066	13,377,111,292	103,901,409,914	0	208,270,412,663
<b>Total matured liabilities (*)</b>		<b>253,004,478,302</b>	<b>227,819,670,999</b>	<b>229,895,482,984</b>	<b>186,307,732,916</b>	<b>220,464,083,324</b>	<b>58,466,759,532</b>	<b>1,175,958,208,057</b>
<b>Asset and liability gap</b>		<b>1,564,230,132,187</b>	<b>(98,596,229,211)</b>	<b>(54,239,882,076)</b>	<b>(16,360,457,835)</b>	<b>103,476,397,088</b>	<b>1,745,330,710,015</b>	<b>3,243,840,670,168</b>
<b>US dollars:</b>								
<b>Assets</b>								
Investment in securities	4.46%	¢ 179,087,252,399	41,370,359,313	49,819,700,723	42,301,060,140	45,531,568,083	67,473,432,031	425,583,372,689
Loan portfolio	7.60%	248,713,620,947	31,913,610,170	48,776,693,523	88,685,380,933	87,984,061,187	377,957,315,206	884,030,681,966
<b>Total recovery of assets (*)</b>		<b>427,800,873,346</b>	<b>73,283,969,483</b>	<b>98,596,394,246</b>	<b>130,986,441,073</b>	<b>133,515,629,270</b>	<b>445,430,747,237</b>	<b>1,309,614,054,655</b>
<b>Liabilities</b>								
Obligations with the public		67,296,629,878	79,898,503,871	67,864,980,095	95,836,440,464	18,802,236,956	11,816,832,458	341,515,623,722
Demand obligations	0.34%	158,903,995,281	78,625,204,382	43,305,848,783	96,796,017,830	125,222,760,834	11,646,614,385	514,500,441,495
Obligations with financial entities	2.07%	(20,574,364,424)	780,352,231	632,728,395	27,630,918,694	2,288,366,797	13,225,794,809	23,983,796,502
<b>Total matured liabilities (*)</b>		<b>46,722,265,454</b>	<b>80,678,856,102</b>	<b>68,497,708,490</b>	<b>123,467,359,158</b>	<b>21,090,603,753</b>	<b>25,042,627,267</b>	<b>365,499,420,224</b>
<b>Asset and liability gap</b>		<b>381,078,607,892</b>	<b>(7,394,886,619)</b>	<b>30,098,685,756</b>	<b>7,519,081,915</b>	<b>112,425,025,517</b>	<b>420,388,119,970</b>	<b>944,114,634,431</b>

(\*) Interest rate sensitive



**BANCO DE COSTA RICA AND SUBSIDIARIES**  
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As of March 31, 2023, interest rate terms for assets and liabilities are matched as follows:

	Effective interest rate	1 to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	361 to 720 days	More than 720 days	<u>Total</u>
<b>Colones:</b>								
<b>Assets</b>								
Investment in securities	6.41%	¢ 43,085,730,552	19,848,518,687	106,351,427,257	184,602,960,311	415,252,631,679	532,455,633,738	1,301,596,902,224
Loan portfolio	9.44%	1,465,413,440,434	240,567,924,320	42,715,694,631	57,432,535,980	80,928,113,498	1,336,261,554,034	3,223,319,262,897
<b>Total recovery of assets (*)</b>		<b>1,508,499,170,986</b>	<b>260,416,443,007</b>	<b>149,067,121,888</b>	<b>242,035,496,291</b>	<b>496,180,745,177</b>	<b>1,868,717,187,772</b>	<b>4,524,916,165,121</b>
<b>Liabilities</b>								
Obligations with the public		150,618,751,379	307,998,707,594	223,030,375,899	513,141,630,860	67,081,176,693	73,036,626,248	1,334,907,268,673
Obligations with Banco Central de Costa Rica		18,849,000,000	0	0	0	0	0	18,849,000,000
Obligations with financial entities	5.70%	10,202,972,587	17,115,560,952	20,552,780,921	11,576,125,777	106,600,349,194	4,691,763	166,052,481,194
<b>Total matured liabilities (*)</b>		<b>179,670,723,966</b>	<b>325,114,268,546</b>	<b>243,583,156,820</b>	<b>524,717,756,637</b>	<b>173,681,525,887</b>	<b>73,041,318,011</b>	<b>1,519,808,749,867</b>
<b>Asset and liability gap</b>		<b>1,328,828,447,020</b>	<b>(64,697,825,539)</b>	<b>(94,516,034,932)</b>	<b>(282,682,260,346)</b>	<b>322,499,219,290</b>	<b>1,795,675,869,761</b>	<b>3,005,107,415,254</b>
<b>US dollars:</b>								
<b>Assets</b>								
Investment in securities	3.25%	¢ 169,169,459,443	112,157,272,519	109,531,437,720	27,172,569,263	41,475,320,825	152,205,776,610	611,711,836,380
Loan portfolio	15.03%	333,921,530,096	49,246,082,889	18,680,117,740	30,388,341,631	88,700,448,435	298,172,269,212	819,108,790,003
<b>Total recovery of assets (*)</b>		<b>503,090,989,539</b>	<b>161,403,355,408</b>	<b>128,211,555,460</b>	<b>57,560,910,894</b>	<b>130,175,769,260</b>	<b>450,378,045,822</b>	<b>1,430,820,626,383</b>
<b>Liabilities</b>								
Obligations with the public		74,825,138,758	84,843,909,799	97,168,486,209	84,886,558,192	22,079,108,271	14,701,935,360	378,505,136,589
Demand obligations	0.58%	165,880,539,102	49,165,998,257	63,799,113,747	110,244,508,370	0	142,491,395,729	
Obligations with financial entities	0.85%	(21,966,625,455)	2,974,279,156	9,051,827,963	1,494,494,320	2,667,278,388	10,189,740,876	4,410,995,248
<b>Total matured liabilities (*)</b>		<b>52,858,513,303</b>	<b>87,818,188,955</b>	<b>106,220,314,172</b>	<b>86,381,052,512</b>	<b>24,746,386,659</b>	<b>24,891,676,236</b>	<b>382,916,131,837</b>
<b>Asset and liability gap</b>		<b>450,232,476,236</b>	<b>73,585,166,453</b>	<b>21,991,241,288</b>	<b>(28,820,141,618)</b>	<b>105,429,382,601</b>	<b>425,486,369,586</b>	<b>1,047,904,494,546</b>

(\*) Interest rate sensitive

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

Within the gap report (rate-sensitive assets and liabilities) in local currency, a total difference of asset recovery less maturity of liabilities as of March 31, 2024, for ₡2,062,917,073,528, (₡944,114,634,431 and ₡3,005,107,415,254 for December and March 2023, respectively) while in foreign currency the same difference is of ₡958,448,393,347, (₡827,915,461,820 and ₡1,048,009,381,838, for December and March 2023, respectively) being an improved inference in the balance sheet due to positive changes in interest rates, since the entity presents more assets than liabilities in both currencies. Regarding to term matching (sum of liquidity of assets and liabilities), as of March 31, 2024, the total amount in local currency was of ₡795,623,914,330, (₡795,760,041,718 and ₡768,128,969,804 for December and March 2023, respectively) while in foreign currency, the collected data for the compliance of obligations was of \$337,014,237, (\$363,381,161 and \$394,683,510 for December and March 2023, respectively) which shows the necessary solvency to meet the liquid liabilities of the Organization.

(f) Foreign exchange risk

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

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

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

To comply with the Own Position in Foreign Currency, the Treasury Management had to maintain a positive position in foreign currency, reaching US\$168 million as of March 2024 (US\$154 million and US\$219 for December and March 2023, respectively), given that the appetite for the ratio of position in foreign currency (PME) to base capital (CB) decreased.

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

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

		<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Assets:				
Cash and due from banks	US\$	509,993,817	510,224,893	669,550,878
Investments in financial instruments		800,373,721	796,961,999	1,073,630,555
Loan portfolio				
Accounts and accrued interest receivable		3,083,623,680	2,941,077,001	2,755,153,223
Investments in other companies		3,694,145	3,415,384	3,882,407
Other		35,049,993	16,664,180	50,338,182
<b>Total assets</b>		<b>4,432,735,336</b>	<b>4,268,343,457</b>	<b>4,552,555,245</b>
Liabilities:				
Obligations with the public		3,086,012,604	2,913,368,701	3,260,171,705
Other financial obligations		1,082,949,328	1,082,030,491	957,710,262
Other account payable and provisions		34,331,162	34,236,061	30,854,706
Other liabilities		9,742,966	23,138,581	58,708,879
<b>Total liabilities</b>		<b>4,213,036,060</b>	<b>4,052,773,834</b>	<b>4,307,445,552</b>
<b>Net position (excess of monetary assets over monetary liabilities)</b>	US\$	<b>219,699,276</b>	<b>215,569,623</b>	<b>245,109,693</b>

The valuation of monetary assets and liabilities in foreign currency is carried out with reference to the purchase exchange rate set by the BCCR the last business day of each month for December 29, 2023, the exchange rate of ¢526.88 for US \$1.00 (¢601.99 and ¢545.95 for December and March 2023, respectively) was used.

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

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

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

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

Sensitivity to an increase in the exchange rate

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Net position	219,699,276	215,569,623	245,413,305
Closing exchange rate	506.60	526.88	632.72
Increase in the exchange rate by 5%	25.33	26.34	27.30
<b>Profit</b>	<b>5,564,982,661</b>	<b>5,678,103,870</b>	<b>6,699,783,227</b>

Sensitivity to a decrease in the exchange rate

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Net position	219,699,276	215,569,623	245,413,305
Closing exchange rate	506.60	526.88	632.72
Decrease in the exchange rate by 5%	(25.33)	(26.34)	(27.30)
<b>Loss</b>	<b>(5,564,982,661)</b>	<b>(5,678,103,870)</b>	<b>(6,699,783,227)</b>

Assets and liabilities in Euros are detailed as follows:

		<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Assets:				
Cash and due from banks	EUR€	5,801,526	7,270,923	7,351,485
Other assets		265,030	290,519	3,813
<b>Total assets</b>		<b>6,066,556</b>	<b>7,561,442</b>	<b>7,355,298</b>
Liabilities:				
Obligations with the public		6,405,015	6,449,613	6,991,706
Other financial obligations		1,147,077	105,668	998,560
Other accounts payable and provisions		23,902	43,680	31,224
Other liabilities		21,328	32,397	3,392
<b>Total liabilities</b>		<b>7,597,322</b>	<b>6,631,358</b>	<b>8,024,882</b>
<b>Net position (excess of monetary assets over monetary liabilities)</b>	EUR€	<b>(1,530,766)</b>	<b>930,084</b>	<b>(669,584)</b>

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
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As of March 31, 2024 in compliance with SUGEF's regulations, the term matching of the most important US dollars (US\$) accounts are as follows:

<b>Assets</b>		<b>Demand</b>	<b>1 to 30 days</b>	<b>31 to 60 days</b>	<b>61 to 90 days</b>	<b>91 to 180 days</b>	<b>181 to 365 days</b>	<b>More than 365 days</b>	<b>More than 30 days past due</b>	<b>Total</b>
Cash and due from banks	US\$	211,058,374	0	0	0	0	0	0	0	211,058,374
Cash reserve- BCCR		209,975,227	15,948,867	9,630,464	8,583,255	17,342,983	23,347,782	14,130,617	0	298,959,195
Investments		136,419	442,614,148	5,768,726	26,781,257	43,739,512	52,465,314	219,770,223	0	791,275,599
Interest on investments		1,771	2,509,159	2,285,281	1,198,551	2,893,608	53,484	483,969	0	9,425,823
Loan portfolio		0	242,435,839	172,897,752	181,252,845	419,573,111	381,986,793	1,692,741,731	92,136,351	3,183,024,422
Interest on loans		0	4,235,807	1,139,169	837,527	2,620,743	1,216,176	4,808,154	4,595,482	19,453,058
		<u>421,171,791</u>	<u>707,743,820</u>	<u>191,721,392</u>	<u>218,653,435</u>	<u>486,169,957</u>	<u>459,069,549</u>	<u>1,931,934,694</u>	<u>96,731,833</u>	<u>4,513,196,471</u>
<b>Liabilities</b>										
Obligations with public		1,677,776,134	159,930,352	104,507,456	99,811,163	239,359,054	363,717,172	428,687,627	0	3,073,788,958
Obligations with financial Entities		99,845,587	255,938,682	72,990,996	30,881,155	162,378,420	210,165,944	243,618,149	0	1,075,818,933
Charges payable		254,551	3,654,862	3,070,769	2,737,711	4,412,211	6,967,122	5,477,117	0	26,574,343
		<u>1,777,876,272</u>	<u>419,523,896</u>	<u>180,569,221</u>	<u>133,430,029</u>	<u>406,149,685</u>	<u>580,850,238</u>	<u>677,782,893</u>	<u>0</u>	<u>4,176,182,234</u>
<b>Assets and liabilities spread</b>	US\$	<u>(1,356,704,481)</u>	<u>288,219,924</u>	<u>11,152,171</u>	<u>85,223,406</u>	<u>80,020,272</u>	<u>(121,780,689)</u>	<u>1,254,151,801</u>	<u>96,731,833</u>	<u>337,014,237</u>

As of December 31, 2023, in US dollars:

<b>Assets</b>		<b>Demand</b>	<b>1 to 30 days</b>	<b>31 to 60 days</b>	<b>61 to 90 days</b>	<b>91 to 180 days</b>	<b>181 to 365 days</b>	<b>More than 365 days</b>	<b>Past due for over 30 days</b>	<b>Total</b>
Cash and due from banks	US\$	242,104,007	0	0	0	0	0	111,923	0	242,215,930
Legal reserve account-BCCR		180,671,963	15,888,177	10,780,884	8,580,764	15,840,380	23,340,901	13,104,896	0	268,207,965
Investments in securities		4,216	389,032,760	20,408,644	6,456,314	87,377,654	77,795,674	208,800,261	0	789,875,523
Interest on investments		1,771	1,593,445	422,247	(3,078)	3,217,979	1,730,647	483,096	0	7,446,107
Loan portfolio		0	197,042,479	174,102,457	151,952,968	458,690,251	346,371,983	1,617,028,981	93,923,791	3,039,112,910
Interest on loans		0	4,889,096	727,644	587,396	1,412,229	1,002,172	3,619,735	4,637,393	16,875,665
	US\$	<u>422,781,957</u>	<u>608,445,957</u>	<u>206,441,876</u>	<u>167,574,364</u>	<u>566,538,493</u>	<u>450,241,377</u>	<u>1,843,148,892</u>	<u>98,561,184</u>	<u>4,363,734,100</u>
<b>Liabilities</b>										
Obligations with the public	US\$	1,502,264,640	193,783,033	159,297,779	112,350,888	205,107,511	339,935,169	388,924,758	0	2,901,663,778
Obligations with financial Entities		85,540,120	192,055,899	57,060,426	59,818,878	161,658,994	245,752,759	276,310,196	0	1,078,197,272
Charges payable on obligations		248,479	2,026,450	2,582,111	2,118,221	4,305,946	4,106,678	5,104,004	0	20,491,889
		<u>1,588,053,239</u>	<u>387,865,382</u>	<u>218,940,316</u>	<u>174,287,987</u>	<u>371,072,451</u>	<u>589,794,606</u>	<u>670,338,958</u>	<u>0</u>	<u>4 000 352 939</u>
<b>Asset and liability gaps</b>	US\$	<u>(1,165,271,282)</u>	<u>220,580,575</u>	<u>(12,498,440)</u>	<u>(6,713,623)</u>	<u>195,466,042</u>	<u>(139,553,229)</u>	<u>1,172,809,934</u>	<u>98,561,184</u>	<u>363,381,161</u>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

As of March 31, 2023, in US dollars:

<b>Assets</b>		<b><u>Demand</u></b>	<b><u>1 to 30 days</u></b>	<b><u>31 to 60 days</u></b>	<b><u>61 to 90 days</u></b>	<b><u>91 to 180 days</u></b>	<b><u>181 to 365 days</u></b>	<b><u>More than 365 days</u></b>	<b><u>Past due for over 30 days</u></b>	<b><u>Total</u></b>
Cash and due from banks	US\$	339,632,016	0	0	0	0	0	251,829	0	339,883,845
Legal reserve account-BCCR		233,432,859	12,753,776	12,903,495	11,935,974	27,404,641	22,449,926	8,786,362	0	329,667,033
Investments in securities		(2,375,115)	340,651,415	81,313,045	62,169,827	194,102,437	55,845,774	336,176,056	0	1,067,883,439
Interest on investments		1,778	167,655	3,611,611	5,153	1,602,171	50,124	490,298	0	5,928,790
Loan portfolio		0	169,667,533	123,277,061	156,069,699	349,083,613	260,787,101	724,360,753	1,069,824,825	2,853,070,585
Interest on loans		0	3,783,521	511,591	717,763	1,151,133	1,152,624	8,815,150	0	16,131,782
	US\$	<b><u>570,691,538</u></b>	<b><u>527,023,900</u></b>	<b><u>221,616,803</u></b>	<b><u>230,898,416</u></b>	<b><u>573,343,995</u></b>	<b><u>340,285,549</u></b>	<b><u>1,078,880,448</u></b>	<b><u>1,069,824,825</u></b>	<b><u>4,612,565,474</u></b>
<b>Liabilities</b>										
Obligations with the public	US\$	1,829,447,559	128,920,447	147,617,636	125,363,474	320,717,594	364,093,056	332,860,729	0	3,249,020,495
Obligations with financial										
Entities		96,460,472	295,183,743	24,261,447	66,581,913	83,122,481	187,197,679	196,299,601	0	949,107,336
Charges payable on obligations		214,995	2,637,727	1,531,926	2,503,588	3,849,871	5,297,636	3,718,390	0	19,754,133
		<b><u>1,926,123,026</u></b>	<b><u>426,741,917</u></b>	<b><u>173,411,009</u></b>	<b><u>194,448,975</u></b>	<b><u>407,689,946</u></b>	<b><u>556,588,371</u></b>	<b><u>532,878,720</u></b>	<b><u>0</u></b>	<b><u>4,217,881,964</u></b>
<b>Asset and liability gaps</b>	US\$	<b><u>(1,355,431,488)</u></b>	<b><u>100,281,983</u></b>	<b><u>48,205,794</u></b>	<b><u>36,449,441</u></b>	<b><u>165,654,049</u></b>	<b><u>(216,302,822)</u></b>	<b><u>546,001,728</u></b>	<b><u>1,069,824,825</u></b>	<b><u>394,683,510</u></b>

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

As of March 31, 2024, the financial statements show a net foreign exchange loss of ¢3,547,613,389, (¢13,576,779,053 and ¢5,732,972,248 net loss for December and March 2023, respectively).

(g) Capital Management

In the 2023 monitoring of the Capital Management Process in the BCR Financial Conglomerate an update is being carried out, aligned with the best practices established in the Basel regulatory framework; as well as documents issued by the European Central Bank.

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

The capital requirement for price risk has maintained a downward trend since April 2023, it remains at lower levels than those shown before June 2023, which is explained by what was mentioned about the appetite of the PME/CB ratio.

(h) Systemic risk

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

The size of the BCR Financial Conglomerate is according to assets of the most updated data, equivalent to the end of March 2024 of 14.53% of annual GDP. Due to the size and complexity of its operations, the BCR is a systemic Entity, therefore, its performance and the decisions made have effects on the financial system.

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

The systemic risk analysis is carried out considering several dimensions. The first dimension corresponds to the economic context, the second the size, the third refers to concentration indicators, the fourth contagion, the fifth an index of fiscal conditions and in 2023 a sixth dimension is added that correlates the previous five that acts transversally on the other dimensions.

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(i) Operational risk management

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

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

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

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

The results are obtained from the compilation of the losses by type of operational risk, to which the BCR has been exposed in the evaluated period, which allows studying the effectiveness of the implemented measures. The Execution, delivery and process management, the main type of risk for operational losses and External Fraud in debit and credit cards, was the main materialized factor, which presented an increase in the month of March. Mitigation measures continue to be applied, such as the Safe Environment project (3D'S) and the use of electronic wallets, for the period from January to March 2024.

**Gross operating losses**  
**- Percentage distribution by type of risk-**

<b>Type of operational risk</b>	<b>Accumulated gross losses 2024</b>	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Clients, products, and business practices	26,808,574	20.53%	1.14%	0.52%
Execution, delivery, and management of processes	18,992,795	14.55%	47.64%	2.39%
External fraud	74,766,918	57.27%	46.19%	75.91%
Internal fraud	0	0.00%	2.15%	12.83%
Business interruption and system failures	9,985,737	7.65%	2.52%	7.61%
Labor relations and safety in the workplace	0	0.00%	0.37%	0.74%
<b>Total</b>	<b>€ 130,554,024</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>



BANCO DE COSTA RICA AND SUBSIDIARIES  
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Information security and IT risks are managed from the BCR with a conglomerate scope, among its main pillars are the following:

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

Related to processes, projects, applications, strategy, services, platforms, hiring, criteria and IT security. In addition, risk indicators are reviewed and proposed, in order to monitor and control different events to which the BCR Financial Conglomerate may be exposed.

As part of the evaluations and monitoring of the indicators, corrective actions are applied if required. They are defined together with the risk takers, as part of the continuous improvement of the process.

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

All in line with prudential regulations applicable and best international practices, allowing the Corporate Risk Management to support the fulfillment of institutional strategic objectives, avoiding sensitive impacts on the services provided to clients.

(j) Business Continuity

Business Continuity Testing

In the Business Continuity Management System, aligned with SUGEF Agreement 2-10 “Regulations on Comprehensive Risk Management”, in article 91 Business Continuity, section E) Execution of periodic tests and evaluation of their results, the Bank of Costa Rica has established a Testing Plan, within which the Contingent Procedure for Commercial Offices is executed, being the Bank’s channels to provide its clients with products and services.

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Business Impact Analysis

The BCR Financial Conglomerate has a Business Continuity Management System with the purpose of reducing the possible impacts caused by any disruptive event, guaranteeing the continuity of operations.

One of the most relevant stages of the system corresponds to the Business Impact Analysis known as BIA for its acronym in English (Business Impact Analysis). In the last update, the Conglomerate's process map was used as the main input to establish the scope and focus resources on business continuity management. Applying the methodology, the priority of the groups, processes, and activities was determined at the different levels analyzed: strategic, tactical, and operational.

During the execution of the operational level, activities were prioritized by business process and the minimum required resources were identified, such as: human resources, technological infrastructure, and assets.

The resources were identified through the information provided by the specialist areas and were prioritized according to the defined methodology. In the case of technological resources, the application catalog was used; this prioritization was developed with the support of the responsible areas, identifying essential services, critical platforms and applications that support the operation of business processes and are associated according to the recovery urgency in a total of eight groups.

Once the BIA is completed, it is essential to focus on continuity efforts to establish contingent procedures that guide the actions to follow during disruptive incidents. These procedures will be part of the Business Continuity Plan that is designed to address unexpected events while ensuring the safety and efficiency of operations.

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

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

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

BANCO DE COSTA RICA AND SUBSIDIARIES  
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(1) Regulatory risk management and regulatory compliance

This management entails the responsibility of promoting and ensuring that CFBCR entities operate with integrity and in compliance with laws, regulations, policies, codes, and other internal provisions. Reason for which periodic evaluations and self-evaluations are carried out to determine the level of compliance with the established obligations, and also verifying that there is a timely integration in the processes of the Conglomerate when new regulations or modifications to the existing ones arise.

Regarding legal risk management, the entity monitors legal, regulatory, and contractual matters, as well as the rights and obligations associated with image rights and intellectual property. For first quarter of 2024, the behavior of the legal risk indicators was monitored, corresponding to the litigation that represents the greatest exposure for the BCR Financial Conglomerate, this in the face of an adverse scenario in its judicial and extra judicial result, as well as the registration in time and form of the notarial acts both from institutional and external notaries, product of commercial business carried out. Likewise, the monitoring of the litigation VAR indicator related to the provision for the payment of judgments.

In addition, monitoring of the behavior of the legislative projects that are in the Legislative Assembly that could significantly impact the CFBCR is maintained, such as the proposed sale of the Bank, as well as file No. 21,824, Law to abolish the regimes of special complementary pensions.

The applicability of the provisions of the General Public Procurement Law was also carried out, in terms of public procurement processes (article 37 of the appointment law), this through self-evaluations to reduced and minor tenders and evaluations to larger tenders or of inestimable amount. As of the cut-off date of this note, a total of 11 risk identification exercises have been carried out, of which 5 correspond to assessments and 6 to self-assessments.

For the quarter, the implementation of self-evaluations of external regulations binding on the Entity will begin, as well as the mechanism to apply this evaluation to the Bank's internal regulations.

BANCO DE COSTA RICA AND SUBSIDIARIES  
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40). Situation of the Development Financing Fund

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

**DEVELOPMENT FINANCING FUND**  
**STATEMENT OF FINANCIAL POSITION**  
For the periods ended March 31, 2024  
Financial Information  
(In colones without cents)

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
<b>ASSETS</b>			
<b>Available</b>	¢ 2,262,345,581	127,357,508	2,064,354,568
<b>Central Bank of Costa Rica</b>	2,262,345,581	127,357,508	2,064,354,568
<b>Loan portfolio</b>	¢ 47,098,928,147	47,165,995,600	44,032,114,573
Current loans	42,802,011,681	43,307,881,313	40,685,793,706
Past due loans	4,131,498,137	3,721,715,771	3,292,230,531
Loans on legal collection (Deferred income loan portfolio)	777,994,335 (473,258,987)	742,263,981 (465,477,019)	586,722,381 (404,427,018)
Interest receivable (Allowance for impairment)	171,074,676 (310,391,695)	170,201,295 (310,589,741)	183,850,247 (312,055,274)
<b>Accounts and commissions receivable</b>	<b>0</b>	<b>0</b>	<b>5,733,518</b>
Other accounts receivable (Allowance for impairment)	0 0	0 0	2,011,089 3,722,429
<b>Other assets</b>	<b>258,053,342</b>	<b>165,766,632</b>	<b>0</b>
Intangible assets	0	2,767,988	0
Other assets	258,053,342	162,998,644	0
<b>TOTAL ASSETS</b>	<b>¢ 49,619,327,070</b>	<b>47,459,119,740</b>	<b>46,102,202,659</b>
<b>LIABILITIES</b>			
<b>Accounts payable and provisions</b>	¢ 179,487,102	160,713,385	89,642,435
Other sundry accounts payable	179,487,102	160,713,385	89,642,435
<b>Other liabilities</b>	<b>244,702,805</b>	<b>159,166,840</b>	<b>10,862,672</b>
Other liabilities	244,702,805	159,166,840	10,862,672
<b>TOTAL LIABILITIES</b>	<b>¢ 424,189,907</b>	<b>319,880,225</b>	<b>100,505,107</b>
<b>EQUITY</b>			
<b>Adjustments to equity - Other comprehensive income</b>	48,866,249,077	45,766,617,523	45,766,617,523
<b>Result of current period</b>	328,888,086	1,372,621,992	235,080,029
<b>DEBIT CONTINGENT ACCOUNTS</b>	¢ 49,195,137,163	47,139,239,515	46,001,697,552
<b>OTHER DEBIT MEMORANDA ACCOUNTS</b>	¢ 49,619,327,070	47,459,119,740	46,102,202,659
<b>DEBIT CONTINGENT ACCOUNTS</b>	¢ 2,687,500	5,898,412	13,418,797
<b>OTHER DEBIT MEMORANDA ACCOUNTS</b>	¢ 2,545,982,018	3,912,542,628	7,266,263,514

BANCO DE COSTA RICA AND SUBSIDIARIES  
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**DEVELOPMENT FINANCING FUND**  
**STATEMENT OF INCOME**  
For the periods ended March 31, 2024  
Financial Information  
(In colones without cents)

	<u>March 2024</u>	<u>March 2023</u>
<b>Financial income</b>		
For loan portfolio	663,217,134	798,398,499
For profit on exchange differences	0	0
<b>Total financial income</b>	<u>663,217,134</u>	<u>798,398,499</u>
<b>Financial expenses</b>		
For losses on exchange differences	1,806,795	4,883,058
<b>Total financial expenses</b>	<u>1,806,795</u>	<u>4,883,058</u>
For allowance of asset impairment	0	103,414
For recovery of assets and decrease in estimates and provisions	1,042,263	1,156,443
<b>FINANCIAL RESULT</b>	<u>662,452,602</u>	<u>794,568,470</u>
<b>Other operating income</b>		
For other operating income	1,640,861	273,520
For currency exchange and arbitration	0	0
For services commissions	6,316,979	8,639,116
<b>Total other operating income</b>	<u>7,957,840</u>	<u>8,912,636</u>
<b>Other operating expenses</b>		
For other operating expenses	341,522,356	568,401,077
<b>Total other operating expenses</b>	<u>341,522,356</u>	<u>568,401,077</u>
<b>OPERATING RESULT, GROSS</b>	<u>328,888,086</u>	<u>235,080,029</u>
<b>RESULT OF THE PERIOD</b>	¢ <u>328,888,086</u>	<u>235,080,029</u>

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
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Loan Portfolio of the Development Financing Fund

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

a) Loan portfolio by sector

<b>Sector</b>	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Agriculture, livestock, hunting and related services	¢ 8,285,745,969	9,105,455,860	9,838,683,442
Public administration	0	17,866,560	20,849,708
Fishing and aquaculture	0	42,617,690	42,986,799
Manufacturing	0	1,085,570,230	1,157,835,305
Exploitation of mines and quarries	1,107,559,565	0	0
Trade	21,913,150,764	24,229,865,712	21,295,546,693
Services	51,484,190	9,983,278,228	8,795,301,258
Transportation	372,593,964	1,146,209,128	999,040,944
Financial and stock exchange activities	1,041,392,880	254,903,080	499,180,378
Real estate, business, and rental,activities	170,697,338	126,361,591	144,117,999
Construction, purchase, and repair,of,real,estate,	667,763,028	671,402,655	669,110,924
Retail	12,805,590,057	0	0
Hospitality	1,119,915,178	1,108,330,331	1,102,093,168
Education	175,611,220	0	0
	<u>47,711,504,153</u>	<u>47,771,861,065</u>	<u>44,564,746,618</u>
Plus: interest receivable	171,074,676	170,201,295	183,850,247
Less deferred income in loan portfolio	(473,258,987)	(465,477,019)	(404,427,018)
Allowance for impairment	(310,391,695)	(310,589,741)	(312,055,274)
	<u>¢ 47,098,928,147</u>	<u>47,165,995,600</u>	<u>44,032,114,573</u>

b) Loan portfolio by arrears:

The loan portfolio by arrears is detailed as follows:

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Up to date	¢ 42,802,011,681	43,307,881,313	40,685,793,706
From 1 to 30 days	2,880,863,576	2,480,510,289	2,172,433,216
From 31 to 60 days	549,036,318	364,846,799	546,481,684
From 61 to 90 days	290,757,442	545,253,895	491,066,727
From 91 to 120 days	161,029,446	83,178,140	9,280,364
From 121 to 180 days	130,248,296	138,522,588	29,079,104
Over 180 days	119,563,059	109,404,060	43,889,436
Legal collection	777,994,335	742,263,981	586,722,381
	<u>¢ 47,711,504,153</u>	<u>47,771,861,065</u>	<u>44,564,746,618</u>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

c) Past due loans

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

	<u>March 2024</u>	<u>December 2023</u>	<u>March 2023</u>
Number of operations	50	36	17
Past due loans in non- accrual status of interest	¢ <u>897,557,394</u>	<u>851,668,041</u>	<u>630,611,817</u>
Past due loans for which interest is recognized	¢ 4,011,935,078	3,612,311,711	3,248,341,095
Total unearned interest	¢ 1,250,024	1,250,024	1,250,024

Loans on legal collection as of March 31, 2024:

<u># operations</u>	<u>Percentage</u>	<u>Balance</u>
20	1.63%	¢ <u>777,994,335</u>

Loans on legal collection as of December 31, 2023:

<u># operations</u>	<u>Percentage</u>	<u>Balance</u>
18	1.69%	¢ <u>807,172,385</u>

Loans on legal collection as of March 31, 2023:

<u># operations</u>	<u>Percentage</u>	<u>Balance</u>
9	1.32%	¢ <u>586,722,381</u>

d) Interest receivable on loan portfolio

Interest receivable is as follows:

	<u>March 2024</u>	<u>December 2023</u>	<u>March 2023</u>
Current loans	¢ 106,289,741	111,289,759	139,501,052
Past due loans	44,727,438	40,046,717	32,784,611
Loans in judicial collection	20,057,497	18,864,819	11,564,584
	¢ <u>171,074,676</u>	<u>170,201,295</u>	<u>183,850,247</u>

BANCO DE COSTA RICA AND SUBSIDIARIES  
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e) Allowance for bad loans

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

<b>Opening balance 2024</b>			<b>310,589,741</b>
Less:			
Adjustment for exchange differences			(198,046)
<b>Balance as of March 31, 2024</b>			<u><u>310,391,695</u></u>
<b>Opening balance December 31, 2023</b>	¢		<b>313,014,745</b>
Plus:			
Adjustment for exchange differences			34,473
Less:			
Adjustment for exchange differences			(767,967)
Reversal of allowance against income			(433,630)
Transfer of balances			(1,257,880)
<b>Balance as of December 31, 2023</b>	¢		<u><u>310,589,741</u></u>
<b>Balance as of March 31, 2023</b>	¢		<b>313,014,745</b>
Less:			
Adjustment for exchange differences			(547,264)
Transfer of balances			(412,207)
<b>Balance as of March 31, 2023</b>	¢		<u><u>312,055,274</u></u>

f) Loan portfolio by type of guarantee:

The loan portfolio by type of guarantee is as follows:

		<u>March 2024</u>	<u>December 2023</u>	<u>March 2023</u>
<b>Guarantee</b>				
Fiduciary	¢	378,054,115	419,464,873	553,756,336
Mortgage		22,890,766,759	24,056,648,740	27,014,841,674
Chattel		743,984,600	812,341,917	979,646,540
Others		23,698,698,679	22,483,405,535	16,016,502,068
	¢	<u><u>47,711,504,153</u></u>	<u><u>47,771,861,065</u></u>	<u><u>44,564,746,618</u></u>



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

		<b>Direct Loan Portfolio</b>		
		<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Principal	¢	47,711,504,153	47,771,861,065	44,564,746,618
Interest receivable		171,074,676	170,201,295	183,850,247
		47,882,578,829	47,942,062,360	44,748,596,865
Allowance for bad loans		(310,391,695)	(310,589,741)	(312,055,274)
Carrying amount	¢	<u>47,572,187,134</u>	<u>47,631,472,619</u>	<u>44,436,541,591</u>
Loan portfolio				
Total balances:				
A1	¢	0	255,673,081	500,819,946
1		45,280,962,302	44,777,040,112	41,300,425,078
2		570,048,166	365,650,505	364,394,753
3		656,564,978	1,019,592,785	1,054,036,979
4		310,019,754	501,789,956	854,885,745
5		135,780,986	201,107,289	30,362,039
6		929,202,643	821,208,632	643,672,325
		47,882,578,829	47,942,062,360	44,748,596,865
Minimum allowance		(496,216,364)	(307,350,925)	(261,222,909)
Carrying amount, net	¢	<u>47,386,362,465</u>	<u>47,634,711,435</u>	<u>44,487,373,956</u>
Carrying amount		47,882,578,829	47,942,062,360	44,748,596,865
Allowance for bad loans		(496,216,364)	(307,350,925)	(261,222,909)
Allowance (surplus) deficit on minimum allowance		185,824,669	(3,238,816)	(50,832,365)
Carrying amount, net	6a ¢	<u>47,572,187,134</u>	<u>47,631,472,619</u>	<u>44,436,541,591</u>

BANCO DE COSTA RICA AND SUBSIDIARIES  
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The loan portfolio assessed with an allowance is detailed as follows:

As of March 31, 2024

Loan Portfolio	Direct Loan Portfolio			
	Principal	Covered Balance	Overdraft	Allowance
Direct generic allowance				
Direct specific allowance				
1	45,280,962,302	0	0	(113,204,085)
2	570,048,166	0	0	(7,951,481)
3	656,564,978	0	0	(43,565,607)
4	310,019,754	0	0	(46,587,062)
5	135,780,986	0	0	(25,999,951)
6	929,202,643	0	0	(258,908,178)
¢	<u>47,882,578,829</u>	<u>0</u>	<u>0</u>	<u>(496,216,364)</u>
Loan Portfolio				
Aging of loan portfolio	Direct Loan Portfolio			
Direct specific allowance	Principal	Covered Balance	Overdraft	Allowance
Up to date	43,001,802,616	0	0	(122,087,312)
Equal or less than 30 days	2,835,535,811	0	0	(39,133,419)
Equal or less than 60 days	497,708,546	0	0	(19,778,291)
Equal or less than 90 days	343,221,435	0	0	(15,328,425)
Equal or less than 180 days	270,888,919	0	0	(44,918,785)
Over 180 days	933,421,502	0	0	(254,970,132)
¢	<u>47,882,578,829</u>	<u>0</u>	<u>0</u>	<u>(496,216,364)</u>
¢	<u>47,882,578,829</u>	<u>0</u>	<u>0</u>	<u>(496,216,364)</u>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

As of December 31, 2023

Loan portfolio		<b>Direct Loan Portfolio</b>			
		Principal	Covered balance	Overdraft	Allowance
Direct generic allowance					
1	¢	44,777,040,112	29,698,239,693	15,078,800,419	(111,942,601)
D		255,673,081	0	255,673,081	(1,278,365)
		<u>45,032,713,193</u>	<u>29,698,239,693</u>	<u>15,334,473,500</u>	<u>(113,220,966)</u>
Direct specific allowance					
2		365,650,505	292,682,646	72,967,859	(5,111,806)
3		1,019,592,785	834,272,899	185,319,886	(50,501,336)
4		501,789,956	465,240,023	36,549,933	(20,601,167)
5		201,107,289	157,549,507	43,557,782	(31,278,195)
6		821,208,632	738,262,489	82,946,143	(86,637,455)
		<u>2,909,349,167</u>	<u>2,488,007,564</u>	<u>421,341,603</u>	<u>(194,129,959)</u>
	¢	<u>47,942,062,360</u>	<u>32,186,247,257</u>	<u>15,755,815,103</u>	<u>(307,350,925)</u>
Loan portfolio					
Aging of loan portfolio		<b>Direct Loan Portfolio</b>			
Direct generic allowance		Principal	Covered balance	Overdraft	Allowance
Up to date	¢	<u>255,673,082</u>	<u>0</u>	<u>255,673,082</u>	<u>(113,220,966)</u>
		255,673,082	0	255,673,082	(113,220,966)
Direct specific allowance					
Up to date		43,163,497,990	28,394,313,103	14,769,184,887	(41,289,340)
Equal or less than 30 days		2,462,832,602	2,005,589,402	457,243,199	(5,538,181)
Equal or less than 60 days		393,851,680	314,974,213	78,877,467	(6,830,766)
Equal or less than 90 days		563,550,915	514,400,843	49,150,072	(15,318,877)
Equal or less than 180 days		281,267,928	215,503,498	65,764,430	(41,990,068)
Over 180 days		821,388,163	741,466,198	79,921,966	(83,162,727)
	¢	<u>47,686,389,278</u>	<u>32,186,247,257</u>	<u>15,500,142,021</u>	<u>(194,129,959)</u>
	¢	<u>47,942,062,360</u>	<u>32,186,247,257</u>	<u>15,755,815,103</u>	<u>(307,350,925)</u>

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
Notes to the audited Consolidated Financial Statements

As of March 31, 2023

Loan Portfolio	Direct Loan Portfolio			
	Principal	Covered Balance	Overdraft	Allowance
Direct generic allowance				
1	¢ 41,300,425,078	27,409,464,630	13,890,960,448	(103,251,062)
A1	500,819,946	0	500,819,946	(2,504,100)
	<u>41,801,245,024</u>	<u>27,409,464,630</u>	<u>14,391,780,394</u>	<u>(105,755,162)</u>
Direct specific allowance				
3	364,394,753	336,546,435	27,848,318	(3,075,148)
4	1,054,036,979	826,857,548	227,179,431	(60,929,146)
5	854,885,745	752,263,951	102,621,794	(55,072,217)
6	30,362,039	29,673,959	688,080	(630,026)
A1	643,672,325	610,965,944	32,706,381	(35,761,210)
	<u>2,947,351,841</u>	<u>2,556,307,837</u>	<u>391,044,004</u>	<u>(155,467,747)</u>
	¢ <u>44,748,596,865</u>	<u>29,965,772,467</u>	<u>14,782,824,398</u>	<u>(261,222,909)</u>
Loan Portfolio				
Aging of loan portfolio				
Direct generic allowance				
Up to date	¢ 40,825,294,758	26,460,017,750	14,365,277,008	(100,946,930)
Equal or less than 30 days	2,189,803,153	1,849,143,189	340,659,964	(4,808,232)
	<u>43,015,097,911</u>	<u>28,309,160,939</u>	<u>14,705,936,972</u>	<u>(105,755,162)</u>
Direct specific allowance				
Equal or less than 30 days	553,166,792	539,085,764	14,081,028	(82,060,888)
Equal or less than 60 days	498,433,767	467,418,603	31,015,164	(38,365,089)
Equal or less than 90 days	39,141,217	39,141,217	0	(195,706)
Equal or less than 180 days	642,757,178	610,965,944	31,791,234	(34,846,064)
	¢ <u>1,733,498,954</u>	<u>1,656,611,528</u>	<u>76,887,426</u>	<u>(155,467,747)</u>
	¢ <u>44,748,596,865</u>	<u>29,965,772,467</u>	<u>14,782,824,398</u>	<u>(261,222,909)</u>

As of March 31, 2024	Loans receivable from clients	
	Gross	Net
Risk category:		
1	¢ 45,280,962,302	45,167,758,217
2	570,048,166	562,096,684
3	656,564,978	612,999,371
4	310,019,754	263,432,692
5	135,780,986	109,781,036
6	929,202,643	670,294,465
	¢ <u>47,882,578,829</u>	<u>47,386,362,465</u>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

As of December 31, 2023	Loans receivable from clients	
	Gross	Net
Risk category:		
1	¢ 44,777,040,112	44,665,097,511
2	365,650,505	360,538,699
3	1,019,592,785	969,091,449
4	501,789,956	481,188,789
5	201,107,289	169,829,094
6	821,208,632	734,571,177
A1	255,673,081	254,394,716
	¢ <u>47,942,062,360</u>	<u>47,634,711,435</u>

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

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

41). Situation of the Development Credit Fund

The Bank presents the following financial information as manager of the Development Credit Fund (DCF):

**DEVELOPMENT FINANCING FUND  
STATEMENT OF FINANCIAL POSITION**

As of March 31, 2024

Financial Information

*(In colones without cents)*

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
<b>ASSETS</b>			
<b>Availabilities</b>	¢ 856,687,186	795,892,500	984,780,489
Central Bank of Costa Rica	856,687,186	795,892,500	984,780,489
<b>Investment in financial instruments</b>	<b>85,467,084,373</b>	<b>95,377,292,181</b>	<b>112,490,383,133</b>
At fair value through profit or loss	8,264,905,010	4,957,598,565	1,754,226,968
At fair value through other comprehensive income	76,014,503,351	86,755,969,894	109,039,718,714
At amortized cost	0	2,782,370,522	790,186,484
Interest receivable	1,187,676,012	881,353,200	906,250,967
<b>Loan Portfolio</b>	<b>47,347,605,588</b>	<b>38,248,570,855</b>	<b>37,505,029,883</b>
Current loans	46,563,868,889	37,877,348,151	37,130,425,678
Past due loans	1,032,152,964	648,807,590	467,268,496
Loans in judicial collection	0	0	92,402,727
(Deferred income loan portfolio)	(339,389,025)	(307,590,574)	(244,054,221)
Interest receivable	179,123,066	119,619,530	149,977,260
(Allowance for impairment)	(88,150,306)	(89,613,842)	(90,990,057)
<b>Accounts and commissions receivable</b>	<b>138,179,198</b>	<b>231,188,813</b>	<b>352,695,026</b>
Tax and deferred income tax	138,179,198	231,188,813	352,695,026
<b>Other assets</b>	<b>307,737</b>	<b>83,192</b>	<b>2,139,092,663</b>
Other assets	307,737	83,192	2,139,092,663
<b>TOTAL ASSETS</b>	<b>¢ 133,809,864,082</b>	<b>134,653,027,541</b>	<b>153,471,981,194</b>
<b>LIABILITIES</b>			
<b>Obligations with entities</b>	¢ 138,781,730,311	140,481,206,433	157,378,387,594
Demand obligations	138,781,730,311	0	0
Term obligations	0	140,481,206,433	156,784,485,750
Charges payable to financial entities	0	0	593,901,840
Interest payable	0	0	4
<b>Accounts payable and provisions</b>	<b>168,431,418</b>	<b>42,148,639</b>	<b>117,204,978</b>
Accounts receivable	4,432,604	2,127,704	227,500
Deferred income tax	163,055,658	40,020,935	116,977,478
Other sundry accounts payable	943,156	0	0
<b>Other liabilities</b>	<b>421,989,517</b>	<b>531,663</b>	<b>0</b>
Other liabilities	421,989,517	531,663	0
<b>TOTAL LIABILITIES</b>	<b>¢ 139,372,151,246</b>	<b>140,523,886,735</b>	<b>157,495,592,572</b>
<b>EQUITY</b>			
<b>Adjustments to equity – Other comprehensive income</b>	¢ 122,242,970	(370,185,888)	(434,849,510)
<b>Results of the previous period</b>	¢ (5,500,673,306)	0	0
<b>Results of the current period</b>	<b>(183,856,828)</b>	<b>(5,500,673,306)</b>	<b>(3,588,761,868)</b>
<b>TOTAL EQUITY</b>	<b>¢ (5,562,287,164)</b>	<b>(5,870,859,194)</b>	<b>(4,023,611,378)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>¢ 133,809,864,082</b>	<b>134,653,027,541</b>	<b>153,471,981,194</b>
<b>OWN DEBIT MEMORANDA ACCOUNT</b>			
Own debit memoranda accounts	¢ 20,442,882,596	27,583,777,748	10,536,795,327
Interest receivable memoranda accounts	¢ 12,881,259	9,096,849	11,662,568

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

**DEVELOPMENT CREDIT FUND  
INCOME STATEMENT**

For the period ended March 31, 2024

Financial Information

(In colones without cents)

		<b>March 2024</b>	<b>March 2023</b>
<b>Financial income</b>			
For investments in financial instruments	¢	1,293,305,761	1,413,033,163
For loan portfolio		567,340,227	447,282,420
For exchange rate differences		0	0
Other financial incomes		25,899,171	213,129,135
<b>Total financial income</b>		<b>1,886,545,159</b>	<b>2,073,444,718</b>
<b>Financial expenses</b>			
For obligations with the public		897,725,081	996,675,064
For losses in exchange differences		238,110,467	3,385,442,206
Other financial expenses		560,502	1,040,877,033
<b>Total financial expenses</b>		<b>1,136,396,050</b>	<b>5,422,994,303</b>
For allowance of asset impairment		11,674,596	36,998,752
Asset recovery and decrease in allowance		0	170,011,690
<b>Financial result</b>	¢	<b>761,823,705</b>	<b>(3,216,536,647)</b>
<b>Other operating income</b>			
For commission for services		0	6,840
For arbitrage and currency exchange		39,860,398	149,380,738
For other operating income		5,181,702	30,229,553
<b>Total otros ingresos de operación</b>	¢	<b>45,042,100</b>	<b>179,617,131</b>
<b>Otros gastos de operación</b>			
For arbitrage and currency exchange		1,963,117	24,060,038
For other operating income		159,549,339	13,660,509
<b>Total other operating income</b>	¢	<b>161,512,456</b>	<b>37,720,547</b>
<b>Other operating expenses</b>	¢	<b>645,353,349</b>	<b>(3,074,640,063)</b>
For exchange and arbitration, foreign currency		829,210,177	514,121,805
For other operating expenses		(183,856,828)	(3,588,761,868)
<b>Total other operating expenses</b>	¢	<b>(183,856,828)</b>	<b>(3,588,761,868)</b>
<b>Profit allocation</b>			
Profit transferred to the National Development Trust	¢	829,210,177	514,121,805
Commission for management of the Development Credit Fund, and the fund's own profits		(183,856,828)	(3,588,761,868)
	¢	<b>645,353,349</b>	<b>(3,074,640,063)</b>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

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

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
At fair value through profit or loss	¢ 8,264,905,010	4,957,598,565	1,754,226,968
At fair value through other comprehensive income	76,014,503,351	86,755,969,894	109,039,718,714
At amortized cost	0	2,782,370,522	790,186,484
Interest receivable for investments at fair value through comprehensive income	1,187,676,012	881,353,200	906,250,967
	<b>¢ 85,467,084,373</b>	<b>95,377,292,181</b>	<b>112,490,383,133</b>
	<b>March 2024 Fair value</b>	<b>December 2023 Fair value</b>	<b>March 2023 Fair value</b>
<u>Local issuers:</u>			
State-owned Banks	¢ 8,264,905,010	4,957,598,565	1,754,226,968
	<b>¢ 8,264,905,010</b>	<b>4,957,598,565</b>	<b>1,754,226,968</b>
	<b>March 2024 Fair value</b>	<b>December 2023 Fair value</b>	<b>March 2023 Fair value</b>
<b>At fair value through other comprehensive income</b>			
<u>Local issuers:</u>	0	0	24,271,549,770
State-owned Banks	76,014,503,351	86,755,969,894	84,768,168,944
	<b>¢ 76,014,503,351</b>	<b>86,755,969,894</b>	<b>109,039,718,714</b>
	<b>March 2024 Fair value</b>	<b>December 2023 Fair value</b>	<b>March 2023 Fair value</b>
<b>At amortized cost</b>			
<u>Local issuers:</u>			
State-owned Banks	¢ 0	2,782,370,522	0
	<b>¢ 0</b>	<b>2,782,370,522</b>	<b>0</b>

As of November 27, 2014, after Law No. 9274 was reformed (Comprehensive Reform of the Development Banking System.), as per article 36, the managing bank will receive a commission of maximum 10% or the earnings, set by the Governing Board, to cover operation costs, services and any other cost arising from managing the investments.



BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

Loan Portfolio of the Development Credit Fund

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

a) Loan portfolio by sector

<b>Sector</b>	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Agriculture, livestock, hunting and related services	¢ 29,549,109,984	23,339,203,469	22,557,917,534
Manufacturing	0	3,892,042,294	11,265,397,998
Exploitation of mines and quarries	449,480,545	0	0
Trade	7,165,952,153	6,866,246,060	1,963,368,411
Services	26,034,858	3,264,743,870	1,331,148,942
Transportation	43,588,879	451,641,799	281,127,287
Financial and stock market activity	880,496,199	0	0
Construction, purchase, and repair of property	164,147,343	170,934,267	97,519,660
Consumption	8,684,688,663	0	0
Hotels and restaurants	587,588,185	541,343,982	193,617,069
Education	44,935,044	0	0
	<u>47,596,021,853</u>	<u>38,526,155,741</u>	<u>37,690,096,901</u>
Plus: interest receivable	179,123,066	119,619,530	149,977,260
Less: deferred income loan portfolio	(339,389,025)	(307,590,574)	(244,054,221)
Allowance for impairment	(88,150,306)	(89,613,842)	(90,990,057)
	<u>¢ 47,347,605,588</u>	<u>38,248,570,855</u>	<u>37,505,029,883</u>

b) Loan portfolio by arrears:

The loan portfolio by arrears is detailed as follows:

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Up to date	¢ 46,563,868,889	37,877,348,151	37,130,425,678
From 1 to 30 days	742,595,282	286,988,550	289,623,426
From 31 to 60 days	100,853,727	173,070,453	177,645,070
From 61 to 90 days	30,355,291	162,443,747	0
From 91 to 120 days	158,348,664	26,304,840	92,402,727
	<u>¢ 47,596,021,853</u>	<u>38,526,155,741</u>	<u>37,690,096,901</u>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

c) Delinquent and past due loan portfolio

Delinquent and past due loans, including loans with recognition of interest based on cash and interest not received on these loans, are summarized below:

	<b>March</b>	<b>December</b>	<b>March</b>
	<b>2024</b>	<b>2023</b>	<b>2023</b>
Number of operations	0	0	1
Delinquent and past due loans not accumulating interests	¢ 0	0	92,402,727
Delinquent and past due loans with interest recognition	¢ 1,032,152,964	648,807,590	467,268,496
Total of not received interest	¢ 12,881,259	9,096,849	11,662,568

d) Loan portfolio by type of guarantee:

The loan portfolio by type of guarantee is as follows:

	<b>March</b>	<b>December</b>	<b>March</b>
	<b>2024</b>	<b>2023</b>	<b>2023</b>
Current loans	¢ 173,195,988	113,957,144	144,291,242
Past due loans	5,927,078	5,662,386	3,370,458
Loans in judicial collection	0	0	2,315,560
	¢ <b>179,123,066</b>	<b>119,619,530</b>	<b>149,977,260</b>

e) Allowance for impairment of loan portfolio

<b>Balance at the beginning of 2024</b>	¢ <b>89,613,842</b>
Less:	
Adjustment for exchange differences	<b>(1,463,536)</b>
<b>Balance as of March 31, 2024</b>	¢ <b>88,150,306</b>
<b>Balance at the beginning of 2023</b>	¢ <b>95,034,266</b>
Plus:	
Adjustment for exchange differences	254,748
Less:	
Adjustment for exchange differences	<b>(5,675,172)</b>
<b>Balance as of December 31, 2023</b>	¢ <b>89,613,842</b>
<b>Balance at the beginning of 2023</b>	¢ <b>95,034,266</b>
Less:	
Adjustment for exchange differences	<b>(4,044,209)</b>
<b>Balance as of March 31, 2023</b>	¢ <b>90,990,057</b>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

f) Loan portfolio by kind of guarantee:

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

	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
<b>Guarantee</b>			
Fiduciary	173,360,758	188,119,186	223,730,084
Mortgage ¢	13,224,351,710	11,193,376,745	3,390,599,826
Chattel	1,151,666,189	900,171,724	384,861,675
Other	33,046,643,196	26,244,488,086	33,690,905,316
¢	<b><u>47,596,021,853</u></b>	<b><u>38,526,155,741</u></b>	<b><u>37,690,096,901</u></b>

g) DCF financial instruments with exposure to credit risk are detailed as follows:

	<b>Direct Loan Portfolio</b>		
	<b>March 2024</b>	<b>December 2023</b>	<b>March 2023</b>
Principal	¢ 47,596,021,853	38,526,155,741	37,690,096,901
Interest receivable	179,123,066	119,619,530	149,977,260
	47,775,144,919	38,645,775,271	37,840,074,161
Allowance for bad loans	(88,150,306)	(89,613,842)	(90,990,057)
Carrying amount	¢ <u>47,686,994,613</u>	<u>38,556,161,429</u>	<u>37,749,084,104</u>
Loan portfolio			
Total, balances:			
1	¢ 47,456,926,447	35,242,018,234	37,102,237,209
2	16,020,267	146,851,917	184,889,043
3	19,275,903	3,146,667,348	234,519,521
4	282,922,302	83,317,906	223,710,101
5	0	26,919,866	94,718,287
	47,775,144,919	38,645,775,271	37,840,074,161
Minimum allowance	(128,363,194)	(164,297,072)	(102,973,567)
Carrying amount, net	¢ <u>47,646,781,725</u>	<u>38,481,478,199</u>	<u>37,737,100,594</u>
Carrying amount	47,775,144,919	38,645,775,271	37,840,074,161
Allowance for bad loans	(128,363,194)	(164,297,072)	(102,973,567)
(Surplus) inadequacy of Allowance	40,212,888	74,683,230	11,983,510
Carrying amount, net	6a ¢ <u>47,686,994,613</u>	<u>38,556,161,429</u>	<u>37,749,084,104</u>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

The assessed loan portfolio including allowance is detailed as follows:

As of March 31, 2024

Loan portfolio	<b>Direct Loan Portfolio</b>			
	Principal	Covered balance	Overdraft	Allowance
Direct specific allowance				
1	47,456,926,447			(118,642,316)
2	16,020,267	0	0	(135,860)
3	19,275,903	0	0	(96,380)
4	282,922,302	0	0	(9,488,638)
¢	<u>47,775,144,919</u>	<u>0</u>	<u>0</u>	<u>(128,363,194)</u>

Loan portfolio	<b>Direct Loan Portfolio</b>			
	Principal	Covered balance	Overdraft	Allowance
Aging of loan portfolio				
Direct specific allowance				
Up to date	46,737,064,876	0	0	(120,616,595)
Equal or less than 30 days	744,879,680	0	0	(1,862,199)
Equal or less than 60 days	101,696,722	0	0	(564,242)
Equal or less than 90 days	30,737,819	0	0	(1,140,610)
Equal or less than 180 days	160,765,822	0	0	(4,179,548)
¢	<u>47,775,144,919</u>	<u>0</u>	<u>0</u>	<u>(128,363,194)</u>

As of December 31, 2023

Loan portfolio	<b>Direct Loan Portfolio</b>			
	Principal	Covered balance	Overdraft	Allowance
Direct generic allowance				
1	35,242,018,234	15,210,666,108	20,031,352,126	(88,553,092)
¢	<u>35,242,018,234</u>	<u>15,210,666,108</u>	<u>20,031,352,126</u>	<u>(88,553,092)</u>
Direct specific allowance				
2	146,851,917	118,680,821	28,171,096	(2,001,959)
3	3,146,667,348	2,946,924,926	199,742,422	(64,670,230)
4	83,317,906	83,317,906	0	(416,590)
5	26,919,866	14,660,007	12,259,859	(8,655,201)
6	0	0	0	0
	<u>3,403,757,037</u>	<u>3,163,583,660</u>	<u>240,173,377</u>	<u>(75,743,980)</u>
¢	<u>38,645,775,271</u>	<u>18,374,249,768</u>	<u>20,271,525,503</u>	<u>(164,297,072)</u>

BANCO DE COSTA RICA AND SUBSIDIARIES  
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Loan portfolio

Aging of loan portfolio

	Direct Loan Portfolio			
	Principal	Covered balance	Overdraft	Allowance
Direct generic allowance				
Up to date	¢ 37,991,305,295	17,812,796,932	20,178,508,363	(88,057,226)
Equal to or less than 30 days	288,282,303	235,696,118	52,586,185	(495,866)
Equal to or less than 60 days	174,740,501	146,569,405	28,171,096	0
Equal to or less than 90 days	164,527,307	164,527,307	0	0
Equal to or less than 180 days	26,919,865	14,660,006	12,259,859	0
More than 180 days	0	0	0	0
	<u>38,645,775,271</u>	<u>18,374,249,768</u>	<u>20,271,525,503</u>	<u>(88,553,092)</u>

	Principal	Covered, balance	Overdraft	Allowance
Direct specific allowance				
Up to date	37,991,305,295	17,812,796,932	20,178,508,363	(63,675,061)
Equal to or less than 30 days	288,282,303	235,696,118	52,586,185	(449,679)
Equal to or less than 60 days	174,740,501	146,569,405	28,171,096	(2,141,402)
Equal to or less than 90 days	164,527,307	164,527,307	0	(822,637)
Equal to or less than 180 days	26,919,865	14,660,006	12,259,859	(8,655,201)
More than 180 days				
	<u>38,645,775,271</u>	<u>18,374,249,768</u>	<u>20,271,525,503</u>	<u>(75,743,980)</u>
¢	<u>77,291,550,542</u>	<u>36,748,499,536</u>	<u>40,543,051,006</u>	<u>(164,297,072)</u>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

As of December 31, 2022

Loan portfolio		Direct Loan Portfolio			
		Principal	Covered balance	Overdraft	Allowance
Direct generic allowance					
1	¢	37,102,237,209	12,204,623,877	24,897,613,332	(93,206,497)
		37,102,237,209	12,204,623,877	24,897,613,332	(93,206,497)
Direct specific allowance					
2					
3		184,889,043	179,559,773	5,329,270	(1,164,262)
4		234,519,521	234,519,521	0	(1,172,598)
5		223,710,101	211,916,022	11,794,079	(6,956,619)
6		94,718,287	94,718,287	0	(473,591)
		737,836,952	720,713,603	17,123,349	(9,767,070)
	¢	37,840,074,161	12,925,337,480	24,914,736,681	(102,973,567)
Loan portfolio					
Aging of loan portfolio					
Direct generic allowance					
Up to date	¢	37,274,716,920	12,363,952,900	24,910,764,020	(92,813,744)
Equal or less than 30 days		291,079,181	287,106,520	3,972,661	(392,753)
		37,565,796,101	12,651,059,420	24,914,736,681	(93,206,497)
Direct specific allowance					
Up to date					
Equal or less than 30 days		179,559,773	179,559,773	0	(8,395,680)
Equal or less than 60 days		0	0	0	(897,799)
Equal or less than 90 days		94,718,287	94,718,287	0	(473,591)
		274,278,060	274,278,060	0	(9,767,070)
	¢	37,840,074,161	12,925,337,480	24,914,736,681	(102,973,567)

As of March 31, 2024		Loans receivable from clients	
		Gross	Net
Risk category:			
1	¢	47,456,926,447	47,338,284,131
2		16,020,267	15,884,408
3		19,275,903	19,179,523
4		282,922,302	273,433,663
	¢	47,775,144,919	47,646,781,725

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Notes to the audited Consolidated Financial Statements

As of December 31, 2023		<b>Loans receivable from clients</b>	
		<b>Gross</b>	<b>Net</b>
Risk category:			
1	¢	35,242,018,234	35,153,465,142
2		146,851,917	144,849,958
3		3,146,667,348	3,081,997,118
4		83,317,906	82,901,316
5		26,919,866	18,264,665
6		0	0
	¢	<u>38,645,775,271</u>	<u>38,481,478,199</u>

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

By request for change made by private banks to operate in accordance with the provisions of subsection ii) of Law N.1644, Organic Law of the National Banking System, the Governing Council of the Development Banking System authorizes the managing banks to transfer the resources from the Development Credit Fund, the repayment of which will be in monthly installments for a maximum period of six months.

As of March 31, 2024, resources have been transferred from the Development Credit Fund.

	<b>March</b>	<b>December</b>	<b>March</b>
	<b>2024</b>	<b>2023</b>	<b>2023</b>
Banco Scotiabank	¢ 491,000,000	3,437,000,000	0
Banco Promerica	¢ 2,026,225,588	4,302,366,182	491,568,608
	<u>¢ 2,517,225,588</u>	<u>7,739,366,182</u>	<u>491,568,608</u>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

42). Transition to the International Financing Reporting Standards (IFRSs)

Following are some of the main differences between the accounting standards issued by the Board and IFRSs, as well as the IFRSs or interpretations of the International Financial Reporting Interpretations Committee (IFRICs) yet to be adopted:

a) IAS 1: Presentation of Financial Statements

The new IAS 1 became effective as of the periods beginning on or after January 1, 2009.

The presentation of financial statements required by the Board differs in some respects from presentation under IAS 1. Following are some of the most significant differences:

SUGEF Standards do not allow certain transactions, such as clearing house balances, gains or losses on the sale of financial instruments, income taxes, among others, to be presented on a net basis. Given their nature, IFRSs require those balances to be presented net to prevent assets and liabilities or profit or loss from being overstated.

b) IAS 1: Presentation of Financial Statements (revised)

This standard is applicable in periods beginning on or after July 1, 2012. The changes that have been included in IAS 1 are to specific paragraphs related to the presentation of other comprehensive income. These changes will require other comprehensive income to be presented separating those that cannot be reclassified subsequently to the income statement and those that may be subsequently reclassified to the income statement if certain specific conditions are met.

IAS 1 requires an entity to disclose reclassification adjustments and income tax relating to each component of other comprehensive income. Reclassification adjustments are amounts reclassified to profit or loss in the current period that were previously recognized in other comprehensive income.

Revised IAS 1 changes the name of some financial statements, using “statement of financial position” instead of balance sheet.

IAS 1 requires an entity to present a statement of financial position as at the beginning of the earliest comparative period in a complete set of financial statements when the entity applies an accounting policy retrospectively or makes retrospective restatement.

The financial statements presentation format is determined by the Board and can be different from the options permitted on certain IFRS and IAS.



BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the audited Consolidated Financial Statements

c) IAS 7: Statements of Cash Flows

The Board has only authorized preparation of the cash flow statement using the indirect method. The direct method is also acceptable under IAS 7.

d) IAS 8: Accounting Policies, Changes in Accounting Estimates, and Errors

In some cases, SUGEF has authorized the reporting of notices of deficiencies received from Tax Authorities against prior period retained earnings.

Accounting estimates are the best approximations of values or items that are included in the financial statements to measure the effects of events or economic transactions that have already occurred, or a current situation that is typical of an asset or liability of the entity, including adjustments that occur after the evaluation of an item as a result of new information or new events.

Any change in accounting estimates is prospective and is recorded in income for the period.

Based on its business model, nature, size, complexity, risk profile and other circumstances inherent to its operational activity, the entity must implement policies and procedures to define the representative framework to determine whether the information is material or not, which involves considerations of quantitative and qualitative factors. The entity shall disclose material inaccuracies or omissions, and related accounting policies, in the financial statements.

e) IAS 12: Income tax

A company recognizes all the tax consequences of paying dividends in the same way as income tax.

IAS 12 allows assets and liabilities to be presented net when they belong to the same tax entity, income or expense is presented net, as part of total income tax.

In the presentation of the SUGEF chart of accounts, each deferred income tax account must be presented separately.

In the case of a dispute regarding a specific tax treatment by the Tax Authority, which begins with the notification of a transfer of charges, the entity must:

- a. Record against results of the period in the event that, according to the assessment by senior management, it is concluded that the entity has an immediate enforceable obligation with the Tax Administration.

BANCO DE COSTA RICA AND SUBSIDIARIES  
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- b. Record a provision, for those treatments not considered in the previous paragraph, and whose amount must reflect the uncertainty for each of the tax treatments in dispute, according to the method that best predicts its resolution, as indicated by IFRIC 23.

f) IAS 16: Property, Plant and Equipment

The Standard issued by the Board requires the revaluation of property through appraisals made by independent appraisers at least once every five years, eliminating the option to carry these assets at cost or to revalue other types of assets.

The revaluation must be supported by an appraisal made by an independent professional, authorized by the respective college.

Furthermore, SUGEF permits the conversion (capitalize) of the surplus revaluation directly in equity (only for state banks), without having to relocate previously to retained earnings, as required by IAS 16.

Moreover, under IAS 16, depreciation continues on property, plant and equipment, even if the asset is idle. The Standard issued by the Board allows entities to suspend the depreciation of idle assets and reclassify them as held-for-sale.

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

The supervised entities must keep their records and present their financial statements in Costa Rican colones.

The supervised entities must use the reference sale exchange rate of the Central Bank of Costa Rica that prevails at the time the operation is carried out for the accounting record of the conversion of foreign currency to the official currency 'colón', except for pension funds and labor capitalization funds, which must use the reference purchase exchange rate of the Central Bank of Costa Rica. Pension funds created by special or basic law managed by non-banking public sector institutions may use the purchase exchange rate referred to in article 89 of the Organic Law of the Central Bank of Costa Rica.

At the end of each month, the corresponding reference exchange rate will be used as indicated in the previous paragraph, in force on the last day of each month for the recognition of the adjustments for exchange rate differences in monetary items in foreign currency.

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The provisions of this article do not prevent entities from generating information on a currency other than the Costa Rican colón, in the terms described in IAS 21 on functional currency. However, this information may not be used for the purposes of calculating prudential indicators, for presentation to the respective Superintendence or for publication to the public as required in the legal provisions that regulate the Financial System.

h) IAS 27: Consolidated and Separate Financial Statements

The Board requires that the financial statements of a parent entity to be presented separately, measuring its investments by the equity method. Under IAS 27, a parent is required to present consolidated financial statements. A parent company needs not to present consolidated financial statements when the ultimate or any intermediate parent of the parent produces consolidated financial statements available for public use, provided certain other requirements are also met. However, in this case, IAS 27 requires that investments be accounted for at cost.

In the case of financial groups, the holding company must consolidate the financial statements of all of the companies of the group in which it holds an ownership interest of twenty five percent (25%) or more, irrespective of control. For such purposes, proportionate consolidation should not be used, except in the consolidation of investments in joint ventures.

Amended IAS 27 (2008) requires accounting for changes in ownership interests by the Bank in a subsidiary, while maintaining control, to be recognized as an equity transaction. When the Bank loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognized in profit or loss. The amendments to IAS 27 became mandatory for the Bank's 2010 consolidated financial statements. These amendments have not been adopted by the Board.

The objective of this standard is to describe accounting treatment and disclosures required by subsidiaries, joint ventures and associates when the entity presents separate financial statements.

i) IAS 28: Investments in Associates and Joint Ventures

In application of IAS 28 *Investments in associates and joint ventures*, the entity with legal power to participate in the equity of other companies or special purpose entity, such as joint Ventures, associated, Trusts, must use the equity method, from the date it acquires the investment or from the date it becomes an associate, joint ventures, or special purpose entity.

Supervised entities must present their separate financial statements.

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j) Amendments to IAS 32: Financial Instruments 0 Presentation and IAS 1: Presentation of Financial Statements 0 Puttable Financial Instruments and Obligations Arising on Liquidation

The amendments to the standards require puttable instruments and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation to be classified as equity if certain conditions are met. These changes have not been adopted by the Board.

k) IAS 37: Provisions, Contingent Liabilities and Contingent Assets

SUGEF requires that a provision for possible losses must be booked for contingent assets. IAS 37 does not allow this type of provision.

l) IAS 38: Intangible Assets

The commercial banks listed in article 1 of Internal Regulations National Banking System (Law No. 1644) may present organization and installation expenses as an asset in the balance sheet, however, those expenses must be fully amortized on the straight0line method over a maximum of five years. Similar procedure and term must be used for the amortization of goodwill acquired.

Automatic applications should be amortized systematically by the straight-line method during the term which produces economic benefits; such term could not exceed five years. Similar proceeding applies to obtained goodwill.

IAS 38 allows different methods to distribute an asset amortizable amount during useful life. Useful life of automatic applications could be longer than five years as stated by CONASIF standards.

On the other hand, IFRS do not require annual goodwill amortization, only yearly assessment for impairment is required.

After initial recognition, intangible assets with a defined useful life must be accounted for at their acquisition cost less accumulated amortization and accumulated impairment losses that may have affected them.

The supervised entity's senior management must establish the appropriate mechanisms and procedures to determine whether an intangible asset with an indefinite useful life has deteriorated. For the respective verification, it will compare its recoverable amount with its carrying amount. This comparison must be carried out when there is any indication that the value of the asset could have deteriorated or, at least, on an annual basis. This provision also applies to goodwill acquired in a business combination.

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The automated applications in use must be systematically amortized by the straight-line method, in the course of the period in which it is expected to produce economic benefits for the entity, which must be based on its accounting policy.

In the case of commercial banks, indicated in article 1 of the Organic Law of the National Banking System, Law 1644, organization and installation expenses can be presented in the statement of financial position as an asset, but must be fully amortized by the straight-line method within a maximum period of five years.

m) IAS 40: Investment Property

Investment properties must be valued at fair value.

For leased investment properties in which the fair value cannot be reliably measured on a continuous basis, its value will be measured by applying the cost model indicated in IAS 16 Property, Plant and Equipment. The residual value of the investment property should be assumed to be zero.

n) IFRS 3: Business combinations (revised)

In the application of IFRS 3, non-controlling interests in the acquiree, which are interests in current ownership and which grant the right to a proportional participation in the net assets of the entity, in the event of settlement must be measured, by the acquirer, at fair value on the acquisition date.

The combination that involves entities or businesses under common control or that the acquiree is a subsidiary of an investment entity, must be carried out by integrating its assets and liabilities measured at carrying value using even accounting policies, for which adjustments in the financial statements of the acquiree will be previously carried out, to ensure that the accounting policies correspond to those used by the acquirer.

o) IFRS 5: Non-current Held-for-Sale Assets and Discontinued Operations

In the case of entities supervised by SUGEF, assets awarded in judicial auctions or received in payment of obligations must be valued at the lower of:

- a) its carrying amount; and
- b) its fair value less selling costs.

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

BANCO DE COSTA RICA AND SUBSIDIARIES  
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Within a 24-months period from the date of award or receipt of the asset, the entity must request the Superintendent, by the means provided by the latter, an extension for an equal period for the sale of the asset. By means of duly reasoned criteria, the Superintendent may deny the request for an extension, in which case he will demand the constitution of an allowance of the property for 100% of its carrying amount

Also, an allowance for 100% of the carrying amount of the asset will be required when at the end of the indicated term, the entity did not request the extension. However, it will be a necessary condition that within 24 months from the date of award or receipt of the asset, it is estimated to be at least 50% of its carrying amount.

To determine the carrying amount of the assets awarded in judicial auctions or received in payment of obligations, the entity must record an allowance at the rate of one-forty-eighth per month until completing one hundred percent of the carrying amount of the asset. This accounting record will begin from the closing date of the month in which the asset was awarded or received in payment.

p) IFRS 9: Financial Instruments

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

Financial assets are divided into those that are measured at amortized cost and those that are measured at fair value. Based on the business model for managing financial assets and the characteristics of the contractual cash flows of the financial asset, the entity should classify its own investments or pooled portfolios in financial assets according to the following valuation categories:

- a. At amortized cost. If an entity, in accordance with its business model and the current regulatory framework, classifies a part of its investment portfolio in this category, it will disclose:
  - i. the fair value of financial assets classified in this category, in the quarterly financial statements and in the audited annual financial statement; and
  - ii. the gain or loss that should have been recognized in profit or loss for the financial statements indicated in the previous section.
- b. At fair value through other comprehensive income.
- c. At fair value through profit or loss: Participations in open investment funds must be registered in this category.

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Regulated entities must have policies and procedures to determine when to suspend the accrual of commissions and interest on loan operations.

However, the period of suspension of accrual should not be more than one hundred and eighty days.

q) IFRS 13: Fair Value Measurement

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

Expenses or losses from equity reserves created by law or voluntarily by regulated entities cannot be directly recorded, without having previously gone through profit or loss of the period.

r) International Financial Reporting Standard (IFRS) focused on Sustainability

On June 26, 2023, the International Sustainability Standards Board (ISSB) approved two International Financial Reporting Standards (IFRS) focused on Sustainability. These new standards are IFRS S1 General Requirements for Disclosures of Sustainability-related Financial Information; and IFRS S2 Climate-related Disclosures.

In accordance with Circular No. 33-2023, Adoption of International Sustainability Financial Reporting Standards issued by the College of Public Accountants of Costa Rica and published in La Gaceta No. 3 of January 10, 2024, IFRS Standards S1 and S2 are adopted by the College of Public Accountants of Costa Rica as of January 1, 2024. Its application will be voluntary as of January 1, 2024, and mandatory for Companies and Entities supervised and regulated by CONASSIF that will report in 2026 the information of the fiscal year ending as of December 31, 2025. An entity is not required to disclose comparative information in the first annual reporting period in which such standards apply.

43). Figures for 2024

As of March 31, 2024, financial statement figures have not been reclassified for comparison with those of 2023, per modifications to the Chart of Accounts and CONASSIF Directive 06-18: "Regulation on the financial information" approved by CONASSIF.

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44). Relevant and subsequent events

As of March 2024, there are relevant and subsequent events to disclose as follows:

a) Transfer of charges and observations

As of July 3, 2020, the BCCR publishes Law 9859 "Law to fight Usury" defining a maximum on interest rates on loans and credit cards equivalent to 37.69% per year in colones and 30.36% in US dollars, in force for the second quarter of 2020. BCR credit cards offer an interest rate of 32% per year, one of the lowest in the market at the time of the entry into force of Law 9859, therefore it did not generate a financial impact on the income for credit card interest.

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

As of December 31, 2022, an adjustment for ₡11,124,931,039 (₡1,734,981,794.69 for provision reversal for IFRIC 23 is carried out by prescription corresponding to the period 2017, for December 31, 2020, corresponding to 2015 and ₡8,487,028,342, for December, 2021, corresponding to 2016).

As of December 31, 2022, BCR Operadora de Pensiones Complementarias does not make a provision reversal adjustment corresponding to 2017 for ₡84,945,625, (₡51,013,093 for December 31, 2020, corresponding to 2015. By prescription, for December 2021, the entity did not perform a reversal adjustment of the IFRIC23 provision).

As of December 31, 2022, BCR Corredora de Seguros carried out the reversal of the respective contingency for ₡34,566,861 corresponding to the 2017 period (₡40,880,144, for December 31, 2020, and ₡54,313,692 for December 2021. Corresponding to the 2015 period).

As of December 2022, BCR Valores S.A. did not perform an adjustment for reversal of provision CINIIF23 (₡194,676,459, for December 31, 2020, and ₡264,905,511 as of December 31, 2021, corresponding to 2015).

As of December 31, 2022, BCR Sociedad Administradora de Fondos de Inversión S.A. performed the reversion corresponding to 2017 for ₡78,779,564, (₡42,457,128, for December 31, 2020, and ₡36,435,373 as of December 2021, corresponding to 2015.)

On March 21, 2022, the Regularization Provision Proposal No. DGCN-SFPD-28-2021-4-321-03 is notified, informing the Bank of the differences found in the tax bases and tax quotas, as well as the facts and legal bases supporting it. The total debt is of ₡16,755,470,468 and interest of ₡8,042,094,675, corresponding to the 2017 fiscal period.



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The Bank of Costa Rica expressed partial disagreement with the regulation proposal and is awaiting notification of the administrative act of settlement, with concrete expression of the facts and the legal bases that motivate the differences in the taxable bases and the tax quotas.

As of April 5, 2022, the Bank paid ¢32,663,336,583 to the Treasury.

<u>Period</u>	<u>Income tax</u>	<u>Penalties</u>	<u>Interest</u>	<u>Total</u>
2017	¢ 16,755,470,469	¢ 7,865,771,439	¢ 8,042,094,675	¢ 32,663,336,583

b) Value added tax

With the enactment of Law No. 9635, Law on Strengthening Public Finances of December 3, 2018, the sales tax system is comprehensively reformed, derogating entirely the General Sales Tax Law, Law No. 6826 of November 8, 1982, and its reforms, migrating its Title I to a new regulatory framework, called the Value Added Tax Law. This tax is regulated in Article 1 of the Law. In this new regulatory framework, all goods and services are taxed generally, presupposing an improvement in the control and oversight of the tax, since the list of exempt goods and services is considerably reduced, according to what is established in Article 8 of the Law. Likewise, the essential elements of the tax, being the taxable event, the accrual, the taxable persons, and the taxable base, were modified with Article 1 of the Law for Strengthening Public Finances.

c) New administration of the Notarial Guarantee Fund

On October 8, 2019, BCR Pensiones started managing the Notarial Guarantee Fund; this fund was created with the enactment of the Notarial Code started ruling in 1998.

The National Directorate of Notaries carried out a comprehensive market study to determine the existence of options to manage its fund, thus transferring the Fund to BCR Pensiones.

In official letter BCROPC-048-20 dated February 11, 2020, the deadline for delivery of the audited financial statements of the Individual Capitalization Fund of Notarial Guarantee is extended once the National Directorate of Notaries delivers the corresponding audited financial statements to the period from January 1 to October 7, 2020, which was administered by another Complementary Pension Operator.

BANCO DE COSTA RICA AND SUBSIDIARIES  
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Declaration of health alert for COVID-19

Actions of the Government of Costa Rica

As of March 17, 2020, the decree of Fiscal Relief for COVID-19 is approved, establishing moratorium measures in the payment of income tax (VAT, selective consumption, and duties, from April to June 2020 they be declared and may be paid free of charge for interest or penalties until December 2020, a postponement of the payment term is granted, there is no forgiveness or amnesty).

In addition, it will not be necessary to pay the rent advance for the months of April to June 2020 and the VAT exemption on commercial rentals in the months of April to June 2020.

On March 18, 2020, directive 075-H was signed to instruct the State commercial banks, in exercise of their constitutional autonomy, to carry out all the necessary and effective measures to readjust the credits of the debtors affected by the current situation.

The guideline urges banks to assess measures such as the following:

1. Decrease in interest rates according to the terms of each loan.
2. Extension of the term of loans.
3. Extension in the payment of the principal and/or interest for the time that is necessary.
4. Extraordinary payments to the principal amount without penalty.

Financial Information Regulation

As of March 2020, multiple regulations have been issued with the aim of mitigating the impact of COVID-19 related to the banking and financial sector, as follows:

**Approved by CONASSIFF**

- a. To extend to June 30, 2021, the option to renegotiate the agreed conditions of the credits up to twice in a 24-month period, without these being considered a special operation and therefore, without these adjustments having negative effects on the debtors' file at the Credit Information Center (CIC) (CP-BCCR-007-2020).
- b. This measure covers loans of more than ₡100 million and those equal to or less than this amount that already have two adjustments in the last 24 months.
- c. Loans of 100 million colones or less that to date have had two readjustments within the last 24 months, may readapt their operation once more during the period ending June 30, 2021, without qualifying as a special operation.

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- d. This measure allows a third payment readjustment to clients who have already had two arrangements; that the renegotiations be for any operation regardless of the balance and suspend, for one year, the countercyclical provisions (an amount of the profits that should be kept month by month), to all financial entities.
- e. The National Council for the Supervision of the Financial System approved on Monday, March 23, new mitigation measures against the negative effects of the coronavirus on the economy of Costa Rica. These measures are complementary to those already taken previously and have the objective of granting access to credit measures to the affected debtors.
- f. Measures regarding the Payment Capacity: It was agreed to maintain the level of payment capacity that the companies or individuals had prior to the effects of COVID-19. This particular measure aims to facilitate the readjustments and / or refinancing of the credits. This measure is temporary; it is in force until March 31, 2021.
- g. Measures related credit policies and procedures: A measure that will ease the procedures for both the granting of new credits and their readjustments and/or refinancing, where financial institutions may omit, in their credit policies and procedures, the information that they ordinarily request from their clients to verify their ability to pay. This provision will be in force until March 31, 2021. Measures regarding the Suspension of Classification of Irregularities of the Sanitation Plan: It was agreed to suspend, for one year, the provision that classifies a financial entity in "type irregularity", when the institution has losses for six months or more, in the last 12 months. When a financial institution presents losses for six months or more, in the last 12 months, SUGEF immediately orders the implementation of a reorganization plan to counteract the situation. It is important to note that SUGEF must amend the parameters for determining the liquidity indicators. This measure will be in force for a twelve-month period.
- h. Measures regarding the granting of periods of grace: In accordance with Directive 075-H issued by the Government, it was agreed to allow financial entities to establish grace periods for clients, without the payment of interest or principal. It is important to highlight that this measure will be implemented under the criteria of each financial entity, the term of the grace periods will be determined by each financial entity.
- i. Measures regarding the de-accumulation of countercyclical provisions: It was agreed to allow financial entities to establish processes of de-accumulation of counter-cyclical provisions and classify them as income. These estimates correspond to the money those financial institutions reserve to protect themselves from economic cycle risks and / or the effects of portfolio defaults.

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**General Superintendence of Financial Entities**

- a. By Resolution SGF-0971-2 dated March 20, 2020, SUGEF agreed to reduce the “M” factor in the countercyclical allowance formula with the aim of adding opportunity and effectiveness to the dynamics of the countercyclical allowance model.
- b. It was agreed to establish the value of the “M” factor referred to in Article 6 of the SUGEF 19-16 Agreement.
- c. This minimum required percentage level of countercyclical allowance (“M”) will apply from the monthly close of March 2020 and will be subject to revision during the year 2020.
- d. This measure will allow financial entities to allocate resources to grant credits, which would ordinarily be foreseen for the reserves required by law.

**Central Bank of Costa Rica**

The Board of Directors of the Central Bank of Costa Rica approved the following reforms:

- a. It reduced the Monetary Policy Rate (TPM) by 100 basis points, to locate it at 1.25% annually, as of March 17, 2020,
- b. In addition, it agreed to reduce the gross interest rate on overnight deposits (DON) to 0.01% per year as of March 17, 2020, and those of the Permanent Credit Facility and the Permanent Market Deposit Facility Integrated Liquidity at 2.00% and 0.01%, respectively; and
- c. Modify the control of the Minimum Legal Reserve from 97.5% to a minimum of 90%: “during each and every day of the reserve control period, the balance at the end of the day of deposits in the Central Bank must not be less than 90% of the minimum legal reserve requiring two previous natural fortnights”. This measure aims to free up a little daily liquidity in the country's commercial banks; however, it is important to note that the required percentages of the Minimum Legal Reserve have not changed (15% in US dollars and 12% in colones).
- d. With the aim of positively impacting the liquidity markets, as of March 24, the Central Bank will participate in the liquidity markets of the National Stock Market (overnight market and repurchase market) as an investor in US dollars. In addition, it will participate as an investor in colones with one-day and up to thirty-days terms.
- e. The Central Bank has informed its intention of participating in the Integrated Liquidity Market (the banks' liquidity market) during the next days, with investor positions in an one-day term.

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- f. Through resolution JD-5922/09, the Board of Directors of the Central Bank agreed to modify the Regulations for credit operations of last instance in national currency of the Central Bank of Costa Rica, related to the reforms necessary for credit applications to be approved through a technological platform.
- g. The decisions are based on the analysis of the expected trajectory for inflation and its determinants, the risks in that forecast, and the lag with which the monetary policy measures take effect.
- h. These monetary policy measures are intended to continue to press down interest rates in the market, and thereby ease the financial situation of companies and households in the country.

Measures adopted by the Bank in the face of the health emergency due to COVID-19.  
Measures were generated in three areas:

- 1) Direct loan: A total grace period of 6 or 12 months will be provided, in which the client will pay only what corresponds to credit-related policies, that is, the principal and interest will not be charged during that period; the collection will be carried out after the total grace period and will be treated according to the needs of each client.

The unpaid interest will be charged through a new loan that will take effect at the end of the grace period.

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

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

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

- 2) Credit cards: With reference to credit cards, at the request of each client, a total grace period will be granted for a period of up to three months. During the months of the full grace period, you will be no charges for fees or default interest. During the months of the full grace period, no late fees nor default interests will be charged.

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

- 3) Credit lines: They will be attended to as specific situations, punctually analyzing each client to identify the need and provide a tailor-made solution.

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
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As an immediate response to the corporate sector, the Bank will allocate close to 100 billion colones to support the liquidity of its corporate clients, readjusting its credit operations in direct loans, to improve the cash flows of the companies.

In this first stage, facilities will be given with emphasis on Tourism and Commerce, which will allow a medium-term solution, ranging between 6 or 12 months in both currencies.

In a second stage, the Transportation and Commercial sector with real estate activity will be addressed with greater emphasis, also covering other economic activities.

As of March 31, 2024, Loans are detailed by activity in operations readjusted by Covid-19:

<b>Loans – Balances converted to colones</b>		
<b>Activity</b>	<b>Colones</b>	<b>Converted US dollars</b>
Agriculture	6,997,366,476	18,562,824,408
Trade	48,505,558,551	21,964,515,076
Construction	5,013,421,097	3,257,924,666
Retail	51,150,808,878	1,039,892,924
Livestock	2,396,276,745	0
Industry	26,044,398,604	1,679,409,275
Services	21,820,644,848	6,481,092,580
Credit Cards	1,678,167	1,831,871
Transportation	15,372,065,640	0
Tourism	5,057,028,154	32,555,980,989
Housing	159,332,079,712	32,825,726,971
<b>Total by currency</b>	<b>¢ 342,779,653,093</b>	<b>118,548,879,905</b>

<b>Activity</b>	<b>Activity</b>		
	<b>Colones</b>	<b>US dollars</b>	<b>Total</b>
Agriculture	255	36	291
Trade	506	38	544
Construction	17	9	26
Retail	6,108	171	6,279
Livestock	48		48
Industry	70	1	71
Services	328	15	343
Credit Cards	2	1	3
Transportation	107		107
Tourism	34	26	60
Housing	7,445	933	8,378
<b>Total</b>	<b>14,920</b>	<b>1,230</b>	<b>16,150</b>

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As of December 31, 2023

<b>Loans – Balances converted to colones</b>		
<b>Activity</b>	<b>Colones</b>	<b>Converted US dollars</b>
Agriculture	1,586,034,594	17,709,765,259
Trade	50,067,144,541	22,809,378,485
Construction	5,087,905,404	5,238,731,448
Retail	52,809,343,502	1,173,198,722
Livestock	2,464,920,387	0
Industry	27,384,406,858	1,731,379,009
Services	22,573,412,503	6,732,713,182
Transportation	16,203,835,083	0
Tourism	5,224,164,678	33,774,824,930
Housing	162,029,778,536	34,339,518,048
<b>Total by currency</b>	<b>¢ 345,430,946,086</b>	<b>123,509,509,083</b>
<b>Total</b>	<b>¢ 468,940,455,169</b>	

<b>Activity</b>	<b>Colones</b>	<b>Activity US dollars</b>	<b>Total</b>
Agriculture	75	4	79
Trade	541	41	582
Construction	17	11	28
Retail	6,289	184	6,473
Livestock	50		50
Industry	75	1	76
Services	342	16	358
Transportation	117		117
Tourism	35	31	66
Housing	7,527	952	8,479
<b>Total</b>	<b>15,068</b>	<b>1,240</b>	<b>16,308</b>

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As of March 31, 2023

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

<b>Activity</b>	<b>Colones</b>	<b>Amount in US Dollars</b>	<b>Total</b>
Agriculture	77	5	82
Trade	663	49	712
Construction	19	14	33
Retail	6,970	323	7,293
Livestock	61		61
Industry	82	2	84
Services	387	24	411
Transportation	141	2	143
Tourism	38	36	74
Housing	7,929	1,045	8,974
<b>Total</b>	<b>16,367</b>	<b>1,500</b>	<b>17,867</b>



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Effects of the pandemic on BICSA

As of December 31, 2020, the number of moratoriums granted by BICSA Group reaches an amount of 184.7 million dollars, which represents 12% of the total portfolio and provisions were made to cover the potential effect of macroeconomic impairment of the loan portfolio according to the entity's expected loss models.

Faced with the pandemic, Grupo BICSA was forced to respond quickly to critical questions in the operational and financial areas. In particular, the recalibration and updating of IFRS 9 models is of particular importance as a fundamental task in the current context because of various factors that in turn have an impact on provisions. These reviews considered adjustments to conventional methodological aspects such as the probability of default (PD), the loss given default (LGD) and the forward-looking adjustment (prospective economic effect of the IFRS 9 model). The classification criteria in Stages have also been revised to incorporate the effects that the COVID-19 environment could bring to customers, in this case it is necessary to define criteria for a significant increase in credit risk (ISRC) based on the risk of the economic sector, the activity within the economic sector and the particular characteristics of each client. Finally, based on the methodology defined taking as reference the international regulations and the local regulatory context, the Bank defined the Post Model Adjustments (Overlays) with general guidelines for the classification process of modified loans in the different stages established by IFRS 9. After applying the adjustments, the bank resulted in an increase in its IFRS 9 reserve estimate of \$1.3 million.

Management and impacts of the pandemic for COVID-19 at BICSA

As of the second quarter of 2020, the Group increased its volume of current assets to an average greater than 63.65% of the Legal Liquidity indicator, doubling the minimum 30% required (see Note 5 - Liquidity Risk). Finally, the Group's solvency level has improved compared to the previous closing ended on December 31, 2019 and remains well above the requirements of the SBP in 12.76% of weighted equity/assets based on risk (see Note 5 - Capital Management). The final magnitude of the impact of the pandemic for COVID-19 on the Group's business, financial situation and results will depend on future and uncertain events, including the intensity and persistence over time of the consequences derived from the pandemic in the different geographies in which the Group operates.

Financial Information Regulation

Through articles 6 and 5 of the minutes of sessions 1442-2018, held on September 11, 2018, CONASSIF approved the Financial Information Regulation, in effect from January 1, 2020.

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The purpose of the Regulations is to moderate the application of the International Financial Reporting Standards (IFRS) and their interpretations (SIC and IFRIC), issued by the International Accounting Standards Board (IASB). Considering prudential or regulatory accounting treatments. As well as the definition of a specific treatment or methodology when IFRS propose two or more application alternatives.

Incorporation of Banprocesa S.R.L. to the BCR Financial Conglomerate

Banprocesa, S.R.L. will provide exclusive services to the BCR Financial Conglomerate, in the development of software related to information technology. Significant improvements are expected in the management of this process, with an impact on reducing costs for reprocessing, timely attention, custom development and in general, greater efficiency in management as well as supporting the strategic objective of turning Banco de Costa Rica into a digital bank. Due to the nature of the company's services, its impact is seen mainly in the bank's operational risk management, and to a lesser extent, with an impact on its solvency. Therefore, no technical aspects or risk exposure are identified that constitute a disability to its incorporation into the Financial Conglomerate.

By means of official letter GG-04-276-2020, of April 24, 2020, a request for formal authorization it is sent to the General Superintendency of Financial Entities (SUGEF) on April 27, 2020, to incorporate Banprocesa, S.R.L. to the BCR Financial Conglomerate and Subsidiaries, clarifying that, currently Banco de Costa Rica owns 100% of the shares of the entity.

By means of official letter SGF-2069-2021 SGF-CONFIDENCIAL-202103143, dated July 23, 2021, a favorable opinion is rendered on the request for authorization to incorporate Banprocesa, S.R.L. to the BCR Financial Conglomerate.

Gradual increase of the Minimum Legal Reserve

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

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

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Maximum annual interest rates for credits and microcredits

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

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

<b>Every type of credit (except microcredits)</b>	<b>Semiannual</b>	<b>Semiannual</b>	<b>Semiannual</b>
	<b>1/2023</b>	<b>2/2023</b>	<b>1/2024</b>
Colones	35.51	38.16	38.55
US dollars	28.71	30.27	30.53
<b>Microcredits</b>			
Colones	50.16	53.83	54.37
US dollars	40.70	42.86	43.23
Credits in other currencies	6.34	7.38	7.56

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

Asset appraisal

As of September 2022, a net appraisal was recorded in buildings for ¢11,447,128,295 and in property for ¢456,051,531.

CONASSIF Agreement 14-21 Regulation on calculation of credit estimates

Currently, according to SUGEF Agreement 1-05, debtors are individually classified in one of eight risk categories (A1, A2, B1, B2, C1, C2, D and E), with A1 being the lowest risk and E being the higher credit risk.

With the entry into force of the CONASSIF Agreement 14-21 as of January 1, 2024, credit operations or debts must be classified individually in risk categories, according to their classification from 1 to 8, with category 1 corresponding to the one with the lowest credit risk and 8 the one with the highest credit risk.

Approved by the National Council for Supervision of the Financial System through articles 8 and 9, of the minutes of sessions 1699-2021 and 1700-2021, held on November 11 and 15, 2021, respectively, it comes into force as of January 1, 2024. Published in scope 241 of the official paper La Gaceta 229 on Friday, November 26, 2021.

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Through article 7, of the minutes of session 540-2005, held on November 24, 2005, the CONASSIF approved the Regulation for the Classification of Debtors, SUGEF Agreement 1-05, establishing the methodological framework for the classification of debtors and the corresponding estimates. Such Regulation covers the entities supervised by SUGEF.

In accordance with articles 6 and 5 of the minutes of sessions 1442-2018 and 1443-2018, both held on September 11, 2018, the Financial Reporting Regulations, CONASSIF Agreement 06-18, (hereinafter: RIF) were approved, effective as of January 1, 2020, and published in Scope 188 of the official paper La Gaceta 196 of October 24, 2018. The RIF is a regulation with scope to all entities supervised by the four financial superintendencies of the country. With the approval of the RIF, the regulatory accounting base was updated with the purpose of moving towards the adoption in the National Financial System (SFN) of the International Financial Reporting Standards (IFRS) with its most recent amendments, issued by the International Standards Board of Accounting (IASB), to promote comparability and the reading of financial information for both national and foreign users. In Consideration XXXIV of such Regulation, it was established that until IFRS 9, Financial Instruments, for the loan portfolio of financial intermediaries is implemented in Costa Rica, the provisions established in the Regulation for the classification of debtors of SUGEF Agreement 1-05 will remain in force and the entities will continue to calculate the estimates according to the methodology provided in such Regulation. Likewise, through Transitory III of the RIF it was established that for the application of IFRS 9, specifically for the measurement of expected credit losses, the prudential regulation issued by CONASSIF for the portfolio of loans and contingent credits granted will continue, until this rule is modified.

The proposed regulation is an advance with respect to the current regulation in at least the following aspects: i) It recognizes the existence of different lines of credit business, so that the measurement of credit estimates is more sensitive to the inherent risk of each relevant line. ii) It establishes segments according to the type of credit that allow to distinguish between an operation approach, for retail portfolios that can be treated as homogeneous risk groups, and a debtor approach, for business and corporate portfolios. iii) It improves the calculation of estimates for each relevant line using prospective elements consistent with expected credit loss approaches. These approaches identify three essential components of credit losses: a) the probability of default, b) the severity of loss given default, and c) the exposure given default. In all cases, relevant historical information from each line of business is used to calibrate the corresponding risk factors. In the particular case of the probability of default, the usual practice contemplates the calculation of historical default rates and their subsequent transformation into default probabilities, using a forecast function that includes scenarios for the relevant environmental conditions over a 12-month horizon. Through this forecast, the default metric is given its prospective value. This Regulation establishes a standard methodology developed by SUGEF. The methodology incorporates several of the concepts indicated in the previous points, however, the standard model is not pure IFRS 9 and contains prudential aspects. This implies that it is up to SUGEF to design the model and update the parameters of the standard model that entities will use to calculate regulatory credit estimates. However, the Regulation allows entities to develop and use internal IFRS 9 methodologies for regulatory segments, which may be used in the internal calculation of their credit estimates.

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It adjusts the credit mitigation value, transforming the “acceptance percentage” included in the current regulation, by an adjustment factor calculated with loss severity criteria in case of default (one minus recovery percentage), likewise, it comprehensively reviews the admissible guarantees and collateral to limit their use in the standard methodology to those that have demonstrated recovery effectiveness under stress scenarios.

The regulation segments the credit portfolio into several risk categories that can be associated with the three stages identified by IFRS 9. Supervised entities may calculate the corresponding probabilities of default for 12 months and for the life of the credit according to the provisions of IFRS 9 and complement the calculation of regulatory estimates. These three segments are defined in the regulation as follows:

- a) Stage 1: Operations at Normal Risk. Includes transactions without evidence of a significant increase in credit risk since their initial recognition.
- b) Stage 2: Special Surveillance Operations. Included are operations that present a significant increase in credit risk with respect to the risk assessment carried out in the initial recognition of the operation, without becoming doubtful or failed operations. To evaluate whether there is a significant increase in credit risk, the entity will use qualitative and quantitative indicators (relative variation in the Probability of Default with respect to that estimated at the time the operation originated). Likewise, the automatic criteria that define a debtor with a special operation will be applied. In this case, classification to Stage 2 will be made for the total amount of the credit.
- c) Stage 3: Operations of Doubtful Recovery. Included are operations that present objective evidence of impairment, which occurs when a non-compliance event has occurred, or it is considered that there is a high probability that it will occur.

The concept of Special Operations is adjusted as provided in the current regulation, to give rise to the concept of Debtor with Special Operation, located in Stage 2 (Operations under Special Surveillance) or in Stage 3 (Operations of doubtful recovery). The classification in these stages is consistent with healthy risk management, by identifying credit operations whose payment conditions have been modified or that have special payment conditions such as extension, readjustment, or refinancing. Currently, the regulation refers to special operations in individual terms and in this case, the impact of the operations will be considered at the debtor’s level. Therefore, the debtor's rating must be maintained for a reasonable period before improving its rating to evaluate the debtor's payment behavior under the modified terms or maintain the debtor's rating while it has at least one loan with special payment conditions.

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Financial institutions may use internal methodologies based on expected credit losses to calculate credit estimates. However, the recorded amount of these estimates may not be less than the amount resulting from using the standard approach if such methodologies have not obtained no objection from the SUGEF and a prudential period of up to a maximum of 24 months has elapsed and that SUGEF will determine in the same act. During this period, both results will be calculated and reported in parallel and the amount in excess of that minimum must be recorded in accounting in a reserve account duly identified in assets.

The guarantee that supports more than one credit operation must be considered according to the percentage of responsibility established in the credit contract for the calculation of the adjusted value of the guarantee corresponding to each credit operation. If the percentage of liability is not established, the guaranteed coverage is calculated in proportion to the total balances owed from the guaranteed credit operations. For the purposes of this calculation, the total balance owed on contingent operations must be multiplied by the respective credit equivalence factor.

The application of the mitigating effect of guarantees in the calculation of credit estimates will be conditional on compliance with each of the following aspects, which will be considered a minimum to provide legal certainty on the collectability of guarantees: a) For the assets that require registration in a public registry, that the guarantee is duly registered; b) That the legal mechanism for delivery, transfer, appropriation, adjudication and settlement of the collateral asset corresponds to its nature, and; c) That it is legally enforceable unconditionally in the event of non-compliance with credit obligations. It is the responsibility of the financial institution to verify compliance with each of the above aspects, before applying the mitigation effect of the guarantees.

The loss in case of default to be used in the calculation of the specific estimates will be determined according to the following methodology:

- a) In the case of real collateral, such as real estate or personal property, the regulatory LGD (Loss Given Default) is calculated using the following formula:

$$\text{LGD average} = \max \{(\text{EAD}_R - \text{Guarantee mitigating amount}) / \text{EAD}_R, 0\}$$
$$\text{LGD}_R = \text{LGD min} + (1 - \text{LGD min}) \times \text{LGD average}$$

Where:

**LGD min:** Minimum LGD value of 10%

**LGD average:** Percentage of EAD value lost after default.

**LGD regulatory (LryGDR):** Loss given default to be used in the calculation of specific estimates.

**EAD<sub>R</sub>:** Exposure in the event of non-compliance, regulatory.

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- b) In the case of financial collateral and other collection rights, the regulatory LGD is calculated using the following formula:

$$\text{LGD}_{\text{prom}} = \max \{(\text{EAD}_{\text{R}} - \text{Guarantee mitigating amount}) / \text{EAD}_{\text{R}}, 0\}$$
$$\text{LGD}_{\text{R}} = \text{LGD}_{\text{min}} + (1 - \text{LGD}_{\text{min}}) \times \text{LGD}_{\text{average}}$$

Where:

**LGD min:** Minimum LGD value of 5%

**LGD average:** Percentage of EAD value lost after default.

**LGD regulatory (LGD<sub>R</sub>):** Loss given default to be used in the calculation of specific estimates.

**EAD<sub>R</sub>:** Exposure in the event of non-compliance, regulatory.

(45) Authorization date for issuance of financial statements

The General Management of the Bank authorized the issuance of the separate financial statements on April 26, 2024. SUGEF has the possibility of requiring modifications to the financial statements after their date of authorization for issuance.