



Banco de Costa Rica

Audited Separate Financial Statements

December 31, 2024 and 2023

Table of contents

Audited Separate financial statements

Separate statement of financial position	- 7 -
Separate statement of income	- 9 -
Separate statement of changes in equity	- 10 -
Separate statement of cash flows	- 11 -

Audited notes to separate financial statements.

(1) Summary of operations and significant accounting policies	- 12 -
a. Operations.....	- 12 -
b. Accounting policies for the preparation of financial statements	- 14 -
c. Interest in other companies.....	- 15 -
d. Foreign currency	- 16 -
e. Basis for the preparation of financial statements.....	- 17 -
f. Financial instruments.....	- 17 -
g. Cash and cash equivalents.....	- 20 -
h. Investments in financial instruments	- 20 -
i. Loan portfolio.....	- 23 -
j. Allowance for loan losses.....	- 24 -
k. Securities sold under repurchase agreements	- 36 -
l. Accounting for accrued interest receivable.....	- 37 -
m. Other receivables	- 37 -
n. Foreclosed assets	- 37 -
o. Offsetting	- 38 -
p. Property, furniture and equipment.....	- 38 -
q. Deferred charges.....	- 40 -
r. Intangible assets.....	- 40 -
s. Impairment of assets	- 40 -
t. Obligations with the public.....	- 41 -
u. Accounts payable and other payables.....	- 41 -
v. Legal benefits (severance)	- 41 -
w. Legal reserve.....	- 42 -
x. Revaluation surplus	- 42 -
y. Use of estimates	- 42 -
z. Estimate for litigation	- 42 -
aa. Uncertainty over Income Tax Treatments, IFRIC 23	- 43 -
bb. Recognition of main types of revenue and expenses.....	- 44 -
cc. Income tax	- 45 -
dd. Pension, retirement, and outgoing personnel.....	- 45 -
ee. Statutory allocations	- 46 -

ff.	Development Financing Fund.....	- 46 -
gg.	Development Credit Fund.....	- 47 -
hh.	Economic period.....	- 48 -
(2)	Collateralized or restricted assets	- 48 -
(3)	Balances and transactions with related parties	- 48 -
(4)	Availabilities.....	- 50 -
(5)	Investments in financial instruments	- 51 -
(6)	Loan portfolio by sector.....	- 53 -
(a)	Loan portfolio by economic sector	- 53 -
(b)	Loan portfolio by activity	- 55 -
(c)	Loan portfolio by arrears:	- 56 -
(d)	Past due loans	- 56 -
(e)	Accrued interest receivable on loan portfolio.....	- 57 -
(f)	Allowance for loan impairment.....	- 58 -
(g)	Syndicated loans	- 58 -
(7)	Foreclosed assets, net.....	- 59 -
(8)	Investments in other companies.....	- 60 -
(9)	Property and equipment	- 63 -
(10)	Other assets	- 65 -
(a)	Other deferred charges.....	- 65 -
(b)	Intangible assets.....	- 65 -
(c)	Other assets	- 66 -
(11)	Demand obligations with the public	- 67 -
(12)	Term and demand deposits from clients	- 67 -
(13)	Repurchase and reverse repurchase agreements.....	- 68 -
(14)	Obligations with entities and obligations with the Central Bank of Costa Rica	- 68 -
(a)	Maturities of loans payable.....	- 69 -
(b)	Lease obligations	- 70 -
(15)	Income tax.....	- 71 -
(16)	Provisions.....	- 76 -
(17)	Other miscellaneous accounts payable	- 78 -
(18)	Equity.....	- 79 -
(19)	Commitments and contingencies	- 81 -
(20)	Trusts	- 83 -
(21)	Other debit memoranda accounts	- 84 -
(22)	Financial income on financial instruments	- 85 -
(23)	Financial income on credit portfolio.....	- 85 -
(24)	Expenses for obligations with the public.....	- 86 -
(25)	Expenses for allowance for impairment of investments in financial instruments and allowance for loan losses.....	- 87 -
(26)	Income from recovery of financial assets and decreases in allowances	- 87 -

(27)	Income from service fees and commissions	- 88 -
(28)	Income from interest in other companies	- 89 -
(29)	Administrative expenses	- 90 -
(30)	Statutory allocations of earnings.....	- 91 -
(31)	Components of other comprehensive income.....	- 91 -
(32)	Operating leases	- 92 -
(33)	Fair value	- 92 -
(34)	Risk Management	- 94 -
(35)	Financial Information of the Development Financing Fund	- 128 -
(36)	Situation of the Development Credit Fund	- 137 -
(37)	Transition to the International Financing Reporting Standards (IFRSs)	- 147 -
(38)	Figures for 2024.....	- 156 -
(39)	Relevant and subsequent events	- 156 -
(40)	International Financial Reporting Standards (IFRS) issued but not yet applied.....	- 168 -
(41)	Authorization date for issuance of financial statements	- 170 -



Crowe Horwath CR, S.A.
2442 Avenida 2
Apdo. 7108-1000
San José, Costa Rica
Tel + (506) 2221 4657
Fax + (506) 2233 8072
www.crowe.cr

Independent Auditor's Report

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

Opinion

We have audited the separate financial statements of Banco de Costa Rica (the Bank), which comprise the separate statement of financial position as of December 31, 2024, and the separate statements of income, of changes in equity and of cash flows for the year then ended, and notes to the separate financial statements, including material information of accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2024, and its financial performance, changes in equity and its separate cash flows for the year then ended in accordance with the directives issued by the National Financial System Oversight Board and the General Superintendence of Financial Entities.

Basis for opinion

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

Emphasis matters that do not qualify the opinion

The entity is subject to judicial and administrative proceedings related to its subsidiaries, which are ongoing at various stages and are disclosed in Note 19 and Note 39.

Emphasis matters – Basis of accounting

We draw attention to note 1.b of the separate financial statements which describes the basis of accounting. The accompanying separate financial statements have been prepared by the management of Banco de Costa Rica in compliance with the directives issued by the National Financial System Oversight Board and the General Superintendence of Financial Entities. The Bank issues consolidated financial statements that are its main financial statements; the separate financial statements, with the investment in subsidiaries presented by the equity method, have been prepared to be used only by the Bank's management and by the General Superintendence of Financial Entities. As a result, the separate financial statements could not be suitable for other purposes.

Key Audit Matters

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

a) Loan portfolio

Key audit matter

The main asset of the Bank is the loan portfolio, which accounts for 53.29% of total assets and concentrates on the main factors of credit risk management related to: recovery of outstanding balances, concentration of balances, diversification of products, among others; these factors affect the recoverable value of the asset.

The Bank estimates the loan portfolio based on the CONASSIF 14-21 Agreement "Regulation Governing Credit Risk Management and Evaluation for the Development Banking System", SUGEF 15-16 "Regulation on credit risk management and evaluation for the development banking system" and SUGEF 19-16 "Regulations for the determination and recording of Countercyclical estimates".

As of December 31, 2024, the amount of these estimates is ¢145,340,683,522 which represents 2.31% of the total assets.

Audit Response

Our audit procedures included selecting a sample of loan operations to which a balances confirmation process has been applied. We also carried out an evaluation of the allowance for doubtful accounts of the portfolio by verifying compliance with the functional areas that maintain controls and operational processes whose objective is to comply with the requirements of the CONASSIF 14-21 Agreement.

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

The Bank's management considers that the allowance for doubtful accounts is adequate to absorb any losses that may be incurred in the recovery of that portfolio.

The regulator reviews it periodically as an integral part of its examinations and may require modifications based on the evaluation of available information.

Notes 1.i, 1.k, 6 and 34 include the Bank's disclosures regarding the respective treatment of the allowance for bad loans.

b) Investment in securities

Key audit matter

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

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

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

As of December 31, 2024, investments represent 25.31% of the total assets.

Audit Response

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

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

We assessed whether the investment classification is adjusted to the contractual cash flows and the design and application of the methodology for determining the expected credit loss, by inspecting the methodology approved by the Board of Directors.

Notes 1.h, 5 and 34 include the Bank's disclosures on accounting treatment and other aspects related to the investment portfolio.

c) Obligations with the public

Key audit matters

Obligations with the public are demand and term obligations that are agreed with the clients according to specific conditions as to their use, term, and interest rates.

Audit response

Among other procedures, we carried out a process of confirmation of balances and analytical procedures to verify the cycles and interest rates.

<p>As of December 31, 2024, obligations with the public represent 84.71% of the total liabilities.</p>	<p>Notes 11, 12 and 34 include the Bank's disclosures on accounting treatment and other aspects relating to obligations with the public.</p>
--	--

d) Measurement of Contingencies and Provisions

Key audit matters	Audit response
<p>A provision is recognized in the statement of financial position when the Bank incurs a legal or contractual obligation as a result of a past event, and it is probable that an economic outflow will be required to settle such obligation.</p> <p>On July 24, 2024, Resolution SGV-R-28-2024 was received from SUGEVAL, through which BCR Sociedad Administradora de Fondos de Inversión, S.A...<i>Is instructed to require BCR SAFI to record provisions payable in a timely manner, once the conditions established in the applicable regulations for their recognition are met.</i></p> <p>On October 29, 2024, Resolution SGV-R-179-2024 was received from SUGEVAL, through which the Board of Directors of BCR Sociedad Administradora de Fondos de Inversión S.A. and the Board of Directors of Banco de Costa Rica, as the controlling entity, are instructed to submit an action plan within 30 business days aimed at normalizing the operations of the BCR Non-Diversified Real Estate Investment Fund.</p> <p>In response to this resolution, on November 1, 2024, BCR Sociedad Administradora de Fondos de Inversión, S.A. filed a motion for reversal with a subsidiary appeal, as well as a motion for absolute nullity against the resolution. SUGEVAL rejected the motion for reversal, suspended the execution of the administrative order, and referred the case file to CONASSIF.</p>	<p>Our audit procedures in relation to this matter were as follows:</p> <ul style="list-style-type: none"> - Review of documentation related to contingencies. - Assessment of the entity's policies for measuring contingencies and provisions, in compliance with IAS 37 - Consultations with BCR SAFIS's internal and external legal advisors to validate their technical and legal opinions. <p>Disclosures regarding contingencies and provisions can be found in Notes 19 and 39 to the financial statements.</p>

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank’s ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves reasonable presentation.

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

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

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

The engagement partner on the audit resulting in this independent auditor’s report is Fabián Zamora Azofeifa.

Our responsibility for this report of the audited financial statements as of December 31, 2024, extends until February 19, 2025. The date of this report indicates to the user that the auditor has considered the effect of the events and transactions of which he has become aware, and which have occurred up to that date; consequently, it is not extended by the reference of the date on which it is digitally signed.

Nombre del CPA: FABIAN
ZAMORA AZOFEIFA
Carné: 2186
Cédula: 302870450
Nombre del Cliente:
Banco de Costa Rica
Identificación del cliente:
400030019
Dirigido a:
Banco de Costa Rica
Fecha:
25-02-2025 11:00:20 AM
Tipo de trabajo:
Informe de Auditoría
Timbre de €1000 de la Ley
6663 adherido y cancelado en
el original.



Código de Timbre: CPA-1000-18116

San José, Costa Rica
February 19, 2025

Opinion signed by
Fabian Zamora Azofeifa N° 2186
Policy 0116FID001004809 due on set, 30 2025
Legal Stamp 6663 €1.000
Attached to the original

BANCO DE COSTA RICA
SEPARATE STATEMENT OF FINANCIAL POSITION
As of December 31, 2024
(In colones without cents)

	Note	December 2024	December 2023
ASSETS			
Availabilities	4	887,752,569,847	825,116,996,393
Cash	€	77,388,762,225	93,808,332,597
Central Bank of Costa Rica		674,603,749,804	589,362,481,806
Foreign financial entities		34,657,005,167	51,670,455,421
Notes payable on demand		348,430,021	957,816,574
Restricted cash and cash equivalents		100,754,622,630	89,317,909,995
Investment in financial instruments	5	1,594,928,255,527	1,438,028,141,674
At fair value through profit or loss		62,536,951,550	136,439,991,845
At fair value through other comprehensive income		1,499,707,746,596	1,001,866,151,532
At amortized cost		7,569,087,843	279,654,887,948
Interest receivable		25,114,469,538	20,067,110,349
Loan portfolio	6.b	3,358,675,979,445	3,118,336,134,065
Current loans		3,274,457,445,017	3,008,536,812,492
Past due loans		191,138,066,429	182,671,380,816
Loans in legal collection		45,396,368,759	54,557,170,035
(Deferred income loan portfolio)		(24,224,162,181)	(20,466,507,362)
Interest receivable	6.e	17,248,944,943	17,936,955,267
(Allowance for impairment)	6.f	(145,340,683,522)	(124,899,677,183)
Accounts and commissions receivable		40,007,133,801	36,059,121,421
Commissions receivable		811,086,963	1,456,380,663
Accounts receivable for transactions with related parties		271,606,924	621,306,263
Deferred income tax and income tax receivable	15	36,280,825,093	28,954,662,053
Other accounts receivable		14,872,070,879	15,599,909,754
(Allowance for impairment)		(12,228,456,058)	(10,573,137,312)
Foreclosed assets	7	23,528,476,143	25,631,805,593
Assets and securities acquired as recovery of loans		24,039,628,382	87,715,466,340
Other foreclosed assets		4,699,542,932	4,577,866,252
(Allowance for impairment and per legal requirement)		(5,210,695,171)	(66,661,526,999)
Interest in other companies' capital, net	8	143,483,005,077	115,553,654,368
Property, furniture and equipment, net	9	132,243,287,299	137,289,376,854
Property investments		6,831,625,000	6,831,625,000
Other assets	10	114,748,421,840	110,583,674,194
Deferred charges	10.a	411,472,080	571,688,544
Intangible assets, net	10.b	18,785,140,246	19,459,493,998
Other assets	10.c	95,551,809,514	90,552,491,652
TOTAL ASSETS	€	6,302,198,753,979	5,813,430,529,562

BANCO DE COSTA RICA
SEPARATE STATEMENT OF FINANCIAL POSITION
As of December 31, 2024
(In colones without cents)

	<u>Note</u>	<u>December 2024</u>	<u>December 2023</u>
<u>LIABILITIES AND EQUITY</u>			
LIABILITIES			
Obligations with the public	€	4,717,952,140,819	4,458,184,633,908
Demand obligations	11	3,325,943,500,967	3,109,625,393,854
Term obligations	12	1,371,950,972,310	1,321,626,600,481
Other obligations with the public		106,864,627	151,717,240
Financial charges payable		19,950,802,915	26,780,922,333
Obligations with the Central Bank of Costa Rica	14	164,442,980,856	106,132,196,511
Term obligations		161,929,838,016	103,950,578,331
Financial charges payable		2,513,142,840	2,181,618,180
Obligations with entities		411,766,883,736	301,305,080,521
Demand obligations	14	42,629,465,248	31,253,391,901
Term obligations	12	367,009,385,379	268,261,768,276
Financial charges payable		2,128,033,109	1,789,920,344
Accounts payable and provisions		198,421,677,168	174,318,899,906
Provisions	16	50,905,739,927	50,068,548,121
Accounts payable for stock transactions		100,658	612,746
Deferred income tax	15	45,636,140,571	44,017,529,597
Other sundry accounts payable	17	101,879,696,012	80,232,209,442
Other liabilities		26,491,167,671	39,773,935,160
Deferred income		353,300,159	380,309,303
Other liabilities		26,137,867,512	39,393,625,857
Subordinated obligations		50,145,218,870	50,142,376,526
Subordinated obligations	14	49,960,796,648	49,957,954,304
Financial charges payable	14	184,422,222	184,422,222
TOTAL LIABILITIES	€	5,569,220,069,120	5,129,857,122,532
EQUITY			
Capital stock	18	181,409,990,601	181,409,990,601
Adjustments to equity - Other comprehensive income		48,040,961,632	41,260,638,559
Equity reserves	1.w/18.f	364,708,053,622	351,152,901,365
Accrued earnings from previous periods		47,328,475,171	41,896,492,820
Profit of current period		42,624,954,756	22,086,766,162
Equity of the Development Financing Fund		48,866,249,077	45,766,617,523
TOTAL EQUITY		732,978,684,859	683,573,407,030
TOTAL LIABILITIES AND EQUITY	€	6,302,198,753,979	5,813,430,529,562
DEBIT CONTINGENT ACCOUNTS	19	480,507,277,315	465,113,925,304
TRUST ASSETS	20	741,512,653,451	846,209,117,926
TRUST LIABILITIES		247,173,104,139	275,164,242,326
TRUST EQUITY		494,339,549,312	571,044,875,600
OTHER DEBIT MEMORANDA ACCOUNTS	21	23,338,735,853,372	19,799,380,104,336
Own debit memoranda accounts		14,861,006,452,252	11,729,415,475,180
Third party debit memoranda accounts		53,932,153,736	53,588,287,084
Own debit memoranda accounts for custodial activities		1,029,882,662,881	796,536,153,662
Third party debit memoranda accounts for custodial activities		7,393,914,584,503	7,219,840,188,410

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

Julio César Trejos D.
General Manager a.i

María Luisa Guzmán G.
Accountant

María Eugenia Zeledón P.
General Auditor

Céd. 4000000019
BANCO DE COSTA RICA
Atención: Superintendencia General
de Entidades Financieras
Registro Profesional: 29182
Contador: GUZMAN GRANADOS
MARIA LUISA
Estado de Situación Financiera
2025-02-20 11:40:12 -0600



TIMBRE 300.0 COLONES

VERIFICACIÓN: 702K030U
<https://timbres.contador.co.cr>

BANCO DE COSTA RICA
SEPARATE STATEMENT OF INCOME
 For the period ended December 31, 2024
 (In colones without cents)

	Note	December 2024	December 2023
Financial income			
For availabilities		€ 3,410,644,922	3,876,102,125
For investments in financial instruments	22	93,134,892,545	89,838,247,009
For financial leases	23	272,177,001,929	285,038,522,796
For profit from financial instruments at fair value through profit or loss		1,307,668,653	1,062,832,921
For profit from financial instruments at fair value through other comprehensive income		11,563,541,574	10,410,186,475
For other financial income		783,451,695	783,635,711
Total financial income		382,377,201,318	391,009,527,037
Financial expenses			
For obligations with the public	24	154,838,310,319	214,448,918,844
For obligations with the Central Bank of Costa Rica		789,964,310	1,070,449,342
For obligations with financial and non-financial entities		6,683,462,171	5,757,429,257
For subordinated, convertible and preferred obligations		6,150,414,909	6,149,580,890
For losses due to exchange differences and DU		15,051,080,983	12,257,949,237
For losses from financial instruments at fair value through profit or loss	1-d.ii	134,504,940	1,166,454,164
For losses from financial instruments at fair value through other comprehensive income		224,487,800	2,079,883,521
Total financial expenses		183,872,225,432	242,930,665,255
Allowance for impairment of assets	25	31,116,518,602	10,204,593,567
For assets recovery and decrease in allowance and provisions	26	23,797,911,261	35,266,736,318
FINANCIAL INCOME		191,186,368,545	173,141,004,533
Other operating income			
For service fees	27	97,973,795,872	93,379,398,825
For foreclosed assets		68,247,860,033	17,471,480,808
For gains in participations in capital interests of other companies	28	4,465,772,728	3,670,405,688
For gains in participations in capital interests of entities supervised by SUGEVAL	28	2,486,991,227	1,888,806,397
For gains in participations in capital interests of entities supervised by SUPEN	28	1,039,703,265	983,336,237
For gains in participations in capital interests of entities supervised by SUGESE	28	2,987,725,900	2,884,973,102
For foreign currency exchange and arbitrations		41,456,912,146	37,009,632,300
For other income from related parties		2,573,286,792	2,871,408,141
For other operating income		13,770,523,215	21,007,379,441
Total other operating income		235,002,571,178	181,166,820,939
Other operating expenses			
For service fees		31,334,215,534	28,503,436,393
For foreclosed assets		69,131,888,868	27,534,799,110
For loss in participations in capital interests of other companies	28	875,764,343	513,012,924
For loss in participations in capital interests of entities supervised by SUGEVAL	28	319,791,705	311,529,694
For provisions		2,523,256,659	11,674,882,720
For exchange and arbitration, foreign currency		4,047,152,196	3,224,450,395
For other expenses with related parties		1,149,549,123	620,351,248
For other operating expenses		41,207,480,621	46,857,757,387
Total other operating expenses		150,589,099,049	119,240,219,871
GROSS OPERATING INCOME		275,599,840,674	235,067,605,601
Administrative expenses			
Personnel expenses		106,580,753,302	106,318,144,957
Other administrative expenses		84,582,941,803	81,066,116,545
Total administrative expenses	29	191,163,695,105	187,384,261,502
OPERATING INCOME, NET OF INCOME TAX AND STATUTORY ALLOCATIONS		84,436,145,569	47,683,344,099
Income tax	15	25,043,823,507	23,386,290,155
Deferred income tax	15	7,198,875,317	19,784,750,524
Decrease in income tax	15	10,899,928,202	28,550,941,530
Legal profit allocation	30	20,468,420,191	11,645,094,132
Decrease in profit allocation	30	-	668,615,344
RESULT OF THE PERIOD		42,624,954,756	22,086,766,162
Attributed to the parent company		42,624,954,756	22,086,766,162
OTHER COMPREHENSIVE INCOME OF THE PERIOD, NET OF TAX			
Adjustment for valuation of investments at fair value through other comprehensive income		11,509,513,059	38,359,508,494
Reclassification of unrealized profit to the income statement		(7,937,337,642)	(5,831,212,068)
Adjustment for valuation of restricted financial instruments, net of income tax		4,732,495,014	7,893,266,280
Other adjustments		(1,524,347,358)	(6,560,575,578)
OTHER COMPREHENSIVE INCOME OF THE PERIOD, NET OF TAX	31	6,780,323,073	33,860,987,128
COMPREHENSIVE INCOME ATTRIBUTED TO THE FINANCIAL CONGLOMERATE		49,405,277,829	55,947,753,290

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

Julio César Trejos D.
General Manager a.i

María Luisa Guzmán G.
Accountant

María Eugenia Zeledón P.
General Auditor

Céd. 400000019
BANCO DE COSTA RICA
 Banco Suplenacional del
 de Estado Financiero
 Registro Profesional 2812
 Contador: GUZMÁN GUZMÁN
 MARÍA LUISA
 Estado de Resultados Integral
 305-00-01-11-01-000



TIMBRE 300.0 COLONES

VERIFICACIÓN: 702K030U
<https://timbres.contador.co.cr>

BANCO DE COSTA RICA
SEPARATE STATEMENT OF CHANGES IN EQUITY
 For the period ended December 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 valuation of investments in other companies	Total adjustments to equity	Equity reserves	Accrued earnings from previous periods	Equity of the Development Financing Fund	Total equity
Balance as of December 31, 2022	181,409,990,601	41,085,212,831	(39,179,636,082)	5,494,074,682	7,399,651,431	325,313,265,088	73,026,024,844	40,476,721,777	627,625,653,741
Allocation to legal reserve	-	-	-	-	-	25,839,636,277	(25,839,636,277)	-	-
Allocation to the Development Financing Fund	-	-	-	-	-	-	(5,289,895,747)	5,289,895,746	(1)
Balance as of December 31, 2023	181,409,990,601	41,085,212,831	(39,179,636,082)	5,494,074,682	7,399,651,431	351,152,901,365	41,896,492,820	45,766,617,523	627,625,653,740
Other comprehensive income									
Exchange differences resulting from the translation of financial statements of foreign entities	1.d.iii	-	-	(9,444,106,286)	(9,444,106,286)	-	-	-	(9,444,106,286)
Reclassification of unrealized gain from acquired subsidiary		-	-	(137,745,109)	(137,745,109)	-	-	-	(137,745,109)
Unrealized gain or loss in fair value of investments through other comprehensive income		-	68,482,829,768	-	68,482,829,768	-	-	-	68,482,829,768
Transfer of realized net gain to the income statement		-	(8,330,302,954)	-	(8,330,302,954)	-	-	-	(8,330,302,954)
Impairment – Investments at fair value through other comprehensive income		-	(1,685,599,339)	-	(1,685,599,339)	-	-	-	(1,685,599,339)
Deferred income tax recognition	15	-	(18,045,364,769)	-	(18,045,364,769)	-	-	-	(18,045,364,769)
Change in equity of subsidiaries for unrealized gain		-	-	3,021,275,817	3,021,275,817	-	-	-	3,021,275,817
Result of the period		-	-	-	-	-	22,086,766,162	-	22,086,766,162
Other total comprehensive income		-	40,421,562,706	(6,560,575,578)	33,860,987,128	-	22,086,766,162	-	55,947,753,290
Balance as of December 31, 2023	181,409,990,601	41,085,212,831	1,241,926,624	(1,066,500,896)	41,260,638,559	351,152,901,365	63,983,258,982	45,766,617,523	683,573,407,030
Attributed to the financial conglomerate	€	181,409,990,601	41,085,212,831	1,241,926,624	(1,066,500,896)	41,260,638,559	351,152,901,365	63,983,258,982	45,766,617,523
Balance as of December 31, 2023	18	181,409,990,601	41,085,212,831	1,241,926,624	(1,066,500,896)	41,260,638,559	351,152,901,365	63,983,258,982	45,766,617,523
Allocation to legal reserve		-	-	-	-	13,555,152,257	(13,555,152,257)	-	-
Allocation to the Development Financing Fund		-	-	-	-	-	(3,099,631,554)	3,099,631,554	-
Balance as of December 30, 2024	18	181,409,990,601	41,085,212,831	1,241,926,624	(1,066,500,896)	41,260,638,559	364,708,053,622	47,328,475,171	48,866,249,077
Other comprehensive income									
Exchange differences resulting from the translation of financial statements of foreign entities	1.d.iii	-	-	(1,634,339,740)	(1,634,339,740)	-	-	-	(1,634,339,740)
Reclassification of unrealized gain from acquired subsidiary		-	-	(183,427,165)	(183,427,165)	-	-	-	(183,427,165)
Unrealized gain or loss in fair value of investments through other comprehensive income		-	22,847,182,316	-	22,847,182,316	-	-	-	22,847,182,316
Transfer of realized net gain to the income statement		-	-	(11,339,053,774)	(11,339,053,774)	-	-	-	(11,339,053,774)
Impairment – Investments at fair value through other comprehensive income		-	248,980,452	-	248,980,452	-	-	-	248,980,452
Deferred income tax recognition	15	-	(3,452,438,563)	-	(3,452,438,563)	-	-	-	(3,452,438,563)
Change in equity of subsidiaries for unrealized gain		-	-	293,419,547	293,419,547	-	-	-	293,419,547
Result of the period		-	-	-	-	-	42,624,954,756	-	42,624,954,756
Other total comprehensive income		-	8,304,670,431	(1,524,347,358)	6,780,323,073	-	42,624,954,756	-	49,405,277,829
Balance as of December 30, 2024	18	181,409,990,601	41,085,212,831	9,546,597,055	(2,590,848,254)	48,040,961,632	364,708,053,622	89,953,429,927	48,866,249,077
Attributed to the financial conglomerate	€	181,409,990,601	41,085,212,831	9,546,597,055	(2,590,848,254)	48,040,961,632	364,708,053,622	89,953,429,927	48,866,249,077

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

Julio César Trejos D.
General Manager a.i

María Luisa Guzmán G.
Accountant

María Eugenia Zeledón P.
General Auditor

Céd. 400000019
BANCO DE COSTA RICA
 Dirección: Superintendencia General de Entidades Financieras
 Registro Previsional: 20102
 Contador: GUZMÁN GRANADOS MARÍA LUISA
 Estado de Cambios en el Patrimonio
 2024-02-30 11:40:13 -0600



TIMBRE 300.0 COLONES

VERIFICACION: 702K030U
<https://timbres.contador.co.cr>

BANCO DE COSTA RICA
SEPARATE STATEMENT OF CASH FLOWS
 For the period ended December 31, 2024
 (In colones without cents)

	Note	December 2024	December 2023
Cash flows from operating activities			
Income of the period	€	42,624,954,756	22,086,766,162
Items applied to results not requiring cash outlays		(124,308,038,603)	(93,663,097,472)
Increase or (decrease) for			
Allowance for impairment or devaluation of financial instruments		455,616,415	234,057,292
Allowance for impairment of loan portfolio		25,852,159,024	5,960,683,052
Allowance for impairment and default of other accounts receivable		4,808,743,163	4,009,853,223
Allowance for impairment of assets in lieu of payment		59,095,010,709	16,095,628,678
Income from reversal of allowance for impairment or devaluation of investments		(206,635,963)	(1,919,656,633)
Income from reversal of allowance for impairment of loan portfolio		(12,200,000,000)	(15,740,896,049)
Income from reversal of allowance for impairment and default of accounts receivable		(3,006,535,622)	(6,185,521,393)
Income from reversal of allowance for impairment of assets in lieu of payment		(67,407,374,285)	(16,772,635,939)
Income or loss for sale of assets received in lieu of payment and of property, furniture and equipment		6,067,727,725	7,544,635,617
Interest in net profit of other companies		(9,784,637,072)	(8,602,978,806)
Depreciation		14,121,922,340	14,143,682,916
Amortization		14,370,748,776	19,500,959,247
Provisión para prestaciones sociales		17,023,021	-
Provisions for pending lawsuits		2,506,233,637	6,799,882,720
Otras provisiones		-	4,875,000,000
Income from provisions		(916,488,327)	(1,253,983,846)
Income tax		25,043,823,507	23,386,290,155
Deferred income tax		7,198,875,317	19,784,750,524
Decrease in income tax		(10,899,928,202)	(28,550,941,530)
Profit sharing		20,468,420,191	10,976,478,788
Interest for obligations with the public		154,838,310,319	214,448,918,844
Interest for obligations with financial entities		13,623,841,390	12,977,459,489
Income from availabilities		(3,410,644,922)	(3,876,102,125)
Interest from investment in financial instruments		(93,134,892,545)	(89,838,247,009)
Income from loan portfolio		(272,177,001,929)	(285,038,522,796)
Net profit or loss from exchange differences and Development Units		367,644,730	3,378,108,109
Cash flows from operating activities		(886,862,716,438)	629,857,316,451
Net variation in assets increase or (decrease)			
Increase in financial instruments - at fair value through profit or loss		(524,207,114,689)	(516,605,471,483)
Decrease in financial instruments - at fair value through profit or loss		598,110,154,984	610,142,550,076
Increase in financial instruments - at fair value through comprehensive income		(1,488,758,316,829)	(573,358,858,929)
Decrease in financial instruments - at fair value through comprehensive income		761,148,885,297	1,109,448,496,522
Loan portfolio		(294,641,702,088)	(72,044,083,264)
Accounts and commissions receivable		(7,805,659,040)	(18,467,152,662)
Assets available-for-sale		24,180,781,035	16,602,305,092
Interest receivable for financial instruments		20,067,110,349	23,632,804,149
Interest receivable for loan portfolio		13,942,204,601	14,438,433,890
Other assets		11,100,939,942	36,068,293,060
Net variations in liabilities, increase or (decrease)		403,379,903,619	(190,054,867,560)
Obligations with the public		297,051,337,255	(90,852,407,254)
Obligations with the Central Bank of Costa Rica and other entities		170,850,157,918	(38,197,991,754)
Obligations for accounts and commissions payable and provisions		(20,414,287,768)	(23,366,528,886)
Interest payable for obligations with the public		(26,780,922,333)	(17,268,041,973)
Interest payable for obligations with the BCCR and other entities		(4,155,960,746)	(2,694,486,340)
Other liabilities		(13,170,420,707)	(17,675,411,353)
Interests paid		(143,685,750,623)	(196,489,495,254)
Received dividends		4,800,000,000	-
Collected interest		330,353,875,581	345,266,317,532
Paid income tax		(16,400,812,388)	(38,220,425,631)
Net cash flows provided by operating activities		(390,098,584,096)	478,782,514,229
Cash flows from investment activities			
Increase in financial instruments at amortized cost		(41,941,442,575,360)	(17,688,231,866,774)
Decrease in financial instruments at amortized cost		42,213,528,329,588	17,422,550,841,525
Acquisition of property, furniture and equipment		(8,203,169,048)	(10,502,586,652)
Decrease for withdrawal and transfer of property, furniture and equipment		(523,753,883)	2,291,266,188
Acquisition of intangibles		(14,173,811,595)	(16,602,941,796)
Decrease for withdrawal and transfer of intangibles		720,098,459	378,354,905
Interest in other companies		(24,469,060,995)	(752,870,285)
Return of capital from subsidiaries		-	5,300,000,000
Cash flows (used for) provided by investment activities		225,436,057,166	(285,569,802,889)
Cash flows from financing activities			
Subordinated obligations		2,842,344	2,520,890
Cash flows provided by financing activities		2,842,344	2,520,890
Net increase (decrease) in cash and cash equivalents		(164,659,684,586)	193,215,232,230
Cash and cash equivalents at the beginning of the year		1,162,991,986,622	1,007,949,584,962
Effect of changes in exchange rates on cash		(6,322,580,501)	(38,172,830,566)
Cash and cash equivalents at the end of the year	4	€ 992,009,721,535	1,162,991,986,622

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

Julio César Trejos D.
General Manager a.i

María Luisa Guzmán G.
Accountant

María Eugenia Zeledón P.
General Auditor

Céd. 400000019
BANCO DE COSTA RICA
 Banco Suplementario General
 de Fideicomiso
 Registro Profesional: 3782
 Contador: GUSTAVO GRANADOS
 MARÍA LUISA
 Estado de Pagos de Enefito
 202-60-21-11-40-14-000



TIMBRE 300.0 COLONES

VERIFICACIÓN: 702K030U
<https://timbres.comitador.co.cr>

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(1) Summary of operations and significant accounting policies

a. Operations

Banco de Costa Rica (the Bank) is an autonomous, independently managed, public law institution organized in 1877, with its own legal identity and independence in administrative matters. 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 is www.bancobcr.com

The Bank is mainly dedicated to extending loans and granting bid and performance bonds; issuing certificates of deposit; opening checking accounts in colones, U.S. dollars, and euros; issuing letters of credit; buying and selling foreign currency; managing trusts; providing custodial services for assets; and other banking operations. As of December 31, 2024, the Bank has 144 distributed among the national territory (161 for December) has in operation 520 automated teller machines (557 for December 2023) and has 4,192 employees (4,050 for December 2023).

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

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

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

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

BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A. 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.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

BCR 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.

Banprocesa, S.R.L. was organized as a corporation in August 2009 under the laws of the Republic of Costa Rica. Its main activity will be to provide IT processing services and technical support, purchase, lease, and maintain hardware and software, including software development, and address the Bank's IT needs.

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

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

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

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

BCR Leasing Premium Plus, S.A. is a corporation incorporated on July 4, 2022, under the laws of the Republic of Costa Rica and is one more subsidiary of the BCR Financial Conglomerate. Its main activity is the leasing of personal property to current and potential clients of BCR Conglomerate.

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

Banco Internacional de Costa Rica, S.A. and subsidiary (BICSA) was organized as a bank under the laws of the Republic of Panama in 1976. It operates under a general license granted by the Superintendencia 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, Calle Aquilino de la Guardia, Avenida Balboa, BICSA Financial Center, floor 50. The remaining 49% of BICSA's stocks are owned by Banco Nacional de Costa Rica.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

b. Accounting policies for the preparation of financial statements

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

In January 2008, CONASSIF issued the Accounting Regulations Applicable to Entities Supervised by SUGEF, SUGEVAL and SUPEN and to non-financial issuers, and in September 2018 the Financial Information Regulation, CONASSIF Agreement 06-18, was issued, in which CONASSIF establishes the accounting policies that must be used when IFRS have alternative treatments and their exceptions, which favors their comparability and the reading of financial information, both for national and foreign users. In addition, it includes the provisions on remission, presentation, and publication of financial statements in a single regulatory body, which provides greater uniformity in the performance of supervisory bodies, as well as avoiding duplication and redundancy.

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

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

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

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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. Interest in other companies

Valuation of investments by the equity method

i. Subsidiaries

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

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

d. Foreign currency

i. *Transactions in foreign currency*

Assets and liabilities held in foreign currency are converted to colones at the exchange rate ruling at the separate balance sheet date. Transactions in foreign currency during the year are converted at the foreign exchange rate ruling at the date of the transaction. Conversion gains or losses are presented in the income statement.

ii. *Monetary unit and foreign exchange regulations*

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

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

As established in the Chart of Accounts, assets and liabilities held in foreign currency should be expressed in colones at the exchange rate disclosed by the Central Bank of Costa Rica. Thus, as of December 31, 2024, monetary assets and liabilities denominated in U.S. dollars were valued at the exchange rate of ¢512.73 for US\$1.00 (¢526.88 for December 2023). Valuation in colones of monetary assets and liabilities in foreign currency during the period ended December 31, 2024, gave rise to foreign exchange losses of ¢530,804,680,049 (¢607,501,302 for December 2023) and gains for ¢515,573,599,066 (¢595,243,352,981 for December 2023), which are presented net in the income statement.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

Additionally, valuation of other assets and other liabilities gave rise to gains and losses, respectively, which are recorded in “Other operating income” and “Other operating expenses”, respectively. For the period ended December 31, 2024, valuation of other assets gave rise to losses of ¢108,822,906 (¢159,390,535 for December 2023) and valuation of other liabilities gave rise to gains of ¢1,454,818,796 (¢1,239,839,265 for December 2023).

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

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

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

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

Valuation of the participation in the financial statements of this foreign subsidiary gave rise to net loss in the period ended December 31, 2024, for ¢2,590,848,254 (¢12,257,949,237 for December 2023).

e. Basis for the preparation of financial statements

The financial statements have been prepared on the fair value basis for available-for-sale assets and trading financial instruments. Other financial and non-financial assets and liabilities are recorded at amortized or historical cost. The accounting policies have been consistently applied.

f. Financial instruments

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(i) Classification

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

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

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

(ii) Recognition

The Bank recognizes assets at fair value through other comprehensive income at the time it becomes an obligated party, according to the contractual clauses of the instrument. From this date, any gains or losses arising from changes in the fair value of the assets are recognized in equity.

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

(iii) Measurement

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

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

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(iv) *Principles for measurement at fair value*

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

(v) *Gains and losses on subsequent measurement*

Gains and losses produced by a change in the fair value of assets with changes through other comprehensive income are recognized directly in equity, until an investment is considered impaired, at which time the loss is recognized in the income statement. When the financial assets are sold, collected, or otherwise disposed of, the cumulative gain or loss recognized in equity is transferred to the income statement.

(vi) *Derecognition*

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

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

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

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

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

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

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

g. Cash and cash equivalents.

The Bank considers cash and due from banks, demand and term deposits, and investment securities that the Bank has the intent to convert into cash within two months or less to be cash and cash equivalents.

h. Investments in financial instruments

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

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

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

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

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

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

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

In compliance with the provisions of the Financial Reporting Regulation with respect to IFRS 9, at the meeting of the General Board of Directors of October 29, 2019, the business model for the classification and valuation of own investments in financial assets for the Bank is approved according to the following valuation categories, in accordance with the defined business model:

- Main business model

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

- Secondary business model

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

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

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

- i. Loan portfolio.

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

j. Allowance for loan losses.

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.

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:

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

- 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.
- 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.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

- 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.

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.

Segmentation of the credit portfolio

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.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

- 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:
 - 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 Superintendencia 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.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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:

- 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 payment capacity

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

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

Classification of historical payment behavior

The entity must classify historical payment behavior according to the 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.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
 For the period ended December 31, 2024
 (with corresponding figures as of December 31, 2023)
 (In colones without cents)

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.

Classification of 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.

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.

The above, according to following table:

- a) Segment of revolving consumer loan:

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	

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
 For the period ended December 31, 2024
 (with corresponding figures as of December 31, 2023)
 (In colones without cents)

b) Segment of vehicle and regular consumer 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	

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	

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

e) Segment of Business 1 and Business 2:

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	

f) Segment 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		

The eight risk categories indicated in the tables above are associated with the following three classification stages 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.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
 For the period ended December 31, 2024
 (with corresponding figures as of December 31, 2023)
 (In colones without cents)

For the purpose 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%

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.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

- 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

- 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.

As of December 31, 2024, the total estimated loan portfolio reflected in the accounting records amounts to ¢145,340,683,522 (¢124,899,677,183 as of December 2023).

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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.

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.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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 accrued interest receivable

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

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

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

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.

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) Award amount or appraisal amount in case of payment in kind.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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 that do not comply with the conditions described in IFRS5:

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 sales costs
- b) Value in use (discounted cash flows).

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

k. Securities sold under repurchase agreements

The Bank enters sales of securities under repurchase agreements for a certain date in the future at a fixed price. The obligation to repurchase securities sold is reflected as a liability in the separate balance sheet and stated at the value of the original agreement. The underlying securities are held in asset accounts. Finance expense recognized is calculated by the effective interest method. Interest is presented as finance expense in the separate income statement and accrued interest payable in the separate balance sheet.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

l. Accounting for accrued interest receivable.

Interest receivable is accounted for on the accrual basis. Under current regulations, interest accrual is suspended on loan operations that are more than 180 days past due. Accrued interest receivable on those loans is recorded when collected.

m. Other receivables

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

n. Foreclosed assets

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

The assets and securities that are transferred in favor of, or awarded to, a bank in payment of obligations in judicial auctions must be sold within a maximum period of two years from the date of acquisition. This period may be extended by the General Superintendent of Financial Entities for equal periods, at the request of the respective bank. In such cases, the Superintendent may require the creation of a reserve of up to one hundred percent (100%) of the assets' value. The sale of these assets may be based on appraisals by experts from the same banking institution, and such sales should be considered part of the entity's regular business activities. The sales of assets and securities made by banks will be subject to the limitations established by Article 1068 of the Civil Code.

Starting from January 1, 2024, the new CONASSIF Agreement 14-21 "Regulation on the Calculation of Credit Estimates" will come into effect. In Section III "Losses in Case of Default," entities using the standard methodology must record, with a counterpart in the income statement, at the end of each month, individually in their books, at a minimum, the amount of the estimate referred to in Article 14 and Article 15 of this Regulation. Entities may record an estimate amount higher than the minimum established using the standard methodology. In such cases, the application of percentages corresponding to higher risk categories will automatically imply the reclassification of the debtor or operation to the risk category associated with the reported estimate.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

In CONASSIF Agreement 6-18, Article 16 also indicates the actions that have been awarded in judicial auctions or received as payment in kind for credit operations, in accordance with Article 72 of Law 1644 LOSBN. In such cases, the book value of the shares must be written off within a maximum period of two years from the date of adjudication or receipt of the asset in payment in kind.

When the asset no longer meets the conditions to remain recorded under IFRS 5, it must be reclassified to other assets, where the entity must apply the valuation criteria of IAS 36 on impairment.

o. Offsetting

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

p. Property, furniture and equipment

(i) *Own assets*

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

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

(ii) *Leased assets*

Leases, in terms of which the Bank assumes substantially all the risks and rewards of ownership, are classified as finance leases.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

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

(iii) Subsequent cost

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

(iv) Depreciation

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

	<u>Useful lives</u>
Building	50 years
Vehicles	10 years
Furniture and equipment	10 years
Computer hardware	5 years
Improvements	5 years

(v) Revaluation

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

If the realizable value of the assets is different than the one included in the accounting records, the Bank must adjust the book value to the resulting value of the appraisal.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

The last appraisal was done in 2022 and the accounting record on December 31, 2022.

q. Deferred charges

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

r. Intangible assets

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

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

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

s. Impairment of assets

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

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

The recoverable amount of an asset is the greater of its net selling price and value in use. The net selling price is equivalent to the value obtained in an arm's length transaction. Value in use is the present value of future cash flows and disbursements derived from continuing use of an asset and from its disposal at the end of its useful life.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

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

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

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. Legal benefits (severance)

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

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

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

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

w. Legal reserve

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

x. Revaluation surplus

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

y. Use of estimates

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

z. Estimate 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 against it that are pending resolution.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

The methodology used to calculate provisions for legal proceedings at Banco de Costa Rica is based on IAS 37, which requires the bank to generate a provision only for cases with a higher probability of an unfavorable outcome. In these instances, the lead attorneys handling the legal proceedings must determine the estimated amount and the probability of loss occurrence based on case analysis and expert judgment.

Regarding litigations that are deemed inestimable at the beginning of the process, the lead attorneys will conduct an analysis and assessment to include an estimate in cases where it can be determined, following the previously mentioned provisioning calculation methodology. For cases where an estimate cannot be calculated for any reason, the corresponding justification will be included in the Bank's legal proceedings registry.

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.

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.

If an entity concludes that the tax authority is not likely to accept an uncertain tax treatment, the entity shall reflect the effect of the uncertainty in determining the tax profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

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:

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

- (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 revenue and expenses

(i) *Financial income*

Financial income and expense are recognized in the separate income statement as it accrues considering the effective yield or interest rate. Financial income and expense include amortization of any premium or discount during the term of the instrument and until its maturity and is calculated on an effective interest basis.

(ii) *Fees and commissions income*

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

(iii) *Net income on trading securities*

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

(iv) *Operating lease expenses*

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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 enacted at the separate balance sheet date, and any adjustment to tax payable in respect of previous years.

(ii) *Deferred*

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

dd. Pension, retirement, and outgoing personnel

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

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

ee. Statutory allocations

Under article 12 of IRNBS, the net earnings of commercial State-owned banks are allocated as follows: 50% to a legal reserve; 10% to increase the capital of the National Institute for Cooperative Development (INFOCOOP); and the remainder to increase the Bank's capital, pursuant to article 20 of Law No. 6074. Transition provision III of Law No. 8634 "Development Banking System" establishes that for a five-year period starting in 2007, the contributions made by State-owned banks equivalent to 5% of their annual net earnings (prescribed by article 20 of the Law for the creation of the National Commission for Educational Loans (CONAPE) will be allocated as follows: two percent (2%) to CONAPE and three percent (3%) to the capital of the Development Financing Fund (FINADE). On January 2013 transitory III is removed and will continue calculating a 5% for CONAPE, in accordance with law 9092, Return of Income of the National Commissions for Educational Loans.

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

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

ff. Development Financing Fund

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

gg. Development Credit Fund

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

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

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

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

The contract signed for a five-year term will be renewable for equal and successive periods unless otherwise decided by the Governing Board, notified in writing at least three months in advance. It may be terminated as provided for in Article 12 paragraph j) of the Law 8634 and its executive regulations, if the Banks Administrators demonstrate proven lack of capacity and expertise. (See note 36).

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

hh. Economic period

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

(2) Collateralized or restricted assets

The collateralized or restricted assets are as follows:

	December 2024	December 2023
Cash due from banks (see note 4)	¢ 773,224,085,233	669,762,792,743
Investment in financial instruments (see note 5)	400,907,038,167	113,228,042,840
	¢ 1,174,131,123,400	782,990,835,583

(3) Balances and transactions with related parties

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

	December 2024	December 2023
Assets:		
Availabilities	¢ 17,500,390,877	23,182,720,000
Loan portfolio	20,992,784	2,616,269,195
Accounts receivable	621,210,632	1,076,573,773
Interest in other companies	143,483,005,077	115,553,654,368
Total assets	¢ 161,625,599,370	142,429,217,336
Liabilities:		
Obligations with the public	¢ 2,789,593,867	5,276,388,361
Accounts payable and provisions	900,000,000	700,000,000
Total liabilities	¢ 3,689,593,867	5,976,388,361
Income:		
Financial income	¢ 1,424,236,302	1,466,464,363
Income from investments in other companies	10,980,193,120	9,427,521,424
Sundry operating income	2,951,659,333	2,907,259,863
Total income	¢ 15,356,088,755	13,801,245,650

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

	December 2024	December 2023
Expenses:		
Finance expense	¢ 114,172,104	1,701,467,644
Expense from investments in other companies	1,195,556,048	824,542,618
Sundry operating expenses	<u>1,149,549,123</u>	<u>6,627,840</u>
Total expenses	¢ <u>2,459,277,275</u>	<u>2,532,638,102</u>
Total expenses		
Adjustment for valuation of investments in other companies	¢ <u>109,992,382</u>	<u>2,883,530,708</u>

As of September 30, 2024, there are no amounts in investments for participations in funds managed by BCR Sociedad Administradora de Fondos de Inversión, S.A. (subsidiary company). (In December and September 2023 there were no such investments).

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

	December 2024	December 2023
Short-term benefits	¢ 1,128,191,154	1,135,537,530
Board per-diem	<u>83,846,000</u>	<u>69,592,180</u>
	¢ <u>1,212,037,154</u>	<u>1,205,129,710</u>

Key personnel include the employees who make up the executive committee.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(4) Availabilities

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

	December 2024	December 2023
Cash	¢ 77,388,762,225	93,808,332,597
Demand deposits BCCR	674,603,749,804	589,362,481,806
Checking accounts and demand deposits, in, financial, entities, abroad	34,657,005,167	51,670,455,421
Notes payable on demand	348,430,021	957,816,574
Restricted availabilities	100,754,622,630	89,317,909,995
Total cash and due from Banks	887,752,569,847	825,116,996,393
Investment in financial instruments to be traded	104,257,151,688	337,874,990,229
Total cash and cash equivalents	¢ 992,009,721,535	1,162,991,986,622

As of December 31, 2024, demand deposits in the Central Bank of Costa Rica (BCCR) are restricted to comply with the minimum legal reserve for ¢773,224,085,233, (¢669,762,792,743 for December 2023).

As of December 31, 2024, there is a liability called “checks receivable” for an amount of ¢526,095,018, which are cleared with the account of immediate collection documents. in the clearinghouse the next day (¢608,813,166 for December 2023 respectively).

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(5) Investments in financial instruments

Investments in financial instruments are as follows:

	December 2024	December 2023
At fair value through profit or loss	¢ 62,536,951,550	136,439,991,845
At fair value through other comprehensive income	1,499,707,746,596	1,001,866,151,532
At amortized cost	7,569,087,843	279,654,887,948
Interest receivable for investments at comprehensive income	7,351,675,039	1,864,437,267
Interest receivable for investments at fair value through other comprehensive income	17,762,794,499	18,202,673,082
	¢ 1,594,928,255,527	1,438,028,141,674
	December 2024	December 2023
At fair value through profit or loss	Fair value	Fair value
<u>Local issuers:</u>		
Open investment funds	¢ 6,173,892,287	52,139,191,840
	6,173,892,287	52,139,191,840
<u>Issuers abroad:</u>		
Private banks	56,363,059,263	84,300,800,005
	¢ 62,536,951,550	136,439,991,845

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

	December 2024	December 2023
At fair value through other comprehensive income	Fair value	Fair value
<u>Local issuers:</u>		
Government	¢ 1,282,465,919,045	846,587,975,609
State-owned Banks	67,481,666,075	32,815,264,882
Private Banks	513,333,663	0
Private issuers	9,948,281,510	4,518,798,370
Other	9,010,646,810	29,962,553,575
	1,369,419,847,103	913,884,592,436
<u>Issuers abroad:</u>		
Private Banks	63,015,190,350	55,369,500,264
Private issuers	67,272,709,143	32,612,058,832
	¢ 1,499,707,746,596	1,001,866,151,532
	December 2024	December 2023
At amortized cost	Fair value	Fair value
<u>Local issuers:</u>		
Government	¢ 7,569,087,843	279,654,887,948
	¢ 7,569,087,843	279,654,887,948

As of December 31, 2024, the investment portfolio amounts to ¢82,283,642,703, (¢94,495,938,981 for December 2023) corresponding to the managed amounts of the Development Credit Fund (See note 36).

Maturities for investments in financial instruments are from January 01, 2025, to August 22, 2035.

Purchased financial instruments earn annual yield rates as follows:

	December 2024	December 2023
Colones	3.30% to 7.25%	4.60% to 11.53%
US dollars	0,00% to 6.25%	0,01% to 6.58%

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

As of December 31, 2024, there are investments granted as collateral for investments and deposits in the liquidity market in SINPE, as well as Deferred Term Operations, for ¢400,907,038,167, (¢113,228,042,840 for December 2023). (see note 2).

Repurchase operations

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

As of December 2024, there are no repurchase operations.

As of December 31, 2023, repurchase operations are detailed as follows:

<u>Issuer</u>	<u>Asset's balance</u>	<u>Guarantee's fair value</u>	<u>Repurchase date</u>	<u>Repurchase Price</u>
Central Bank of Costa Rica	0	0	to 30/12/2021 at 03/01/2024	100.00%
Local government	¢ 1,689,615,963	1,663,700,000	to 20/12/2023 at 04/01/2024	100.00%
	¢ <u>1,689,615,963</u>	<u>1,663,700,000</u>		

(6) Loan portfolio by sector

(a) Loan portfolio by economic sector

	<u>December 2024</u>	<u>December 2023</u>
Current loans		
Loans–Personal	¢ 1,450,043,418,448	1,312,346,890,460
Loans Development Banking System	90,538,182,265	81,194,734,463
Loans-Business	167,122,951,110	94,182,522,224
Loans-Corporate	1,292,737,122,746	1,440,322,083,850
Loans–Public Sector	272,410,922,800	58,050,059,983
Loans–Financial Sector	1,604,847,648	22,440,521,512
	<u>3,274,457,445,017</u>	<u>3,008,536,812,492</u>

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
 For the period ended December 31, 2024
 (with corresponding figures as of December 31, 2023)
 (In colones without cents)

	December 2024	December 2023
Past due loans		
Loans–Personal	133,289,664,180	127,857,664,760
Loans Development Banking System	7,161,032,680	4,370,523,362
Loans-Business	13,144,185,056	13,546,557,498
Loans-Corporate	37,543,184,513	36,896,635,196
	<u>191,138,066,429</u>	<u>182,671,380,816</u>
Loans in legal collection		
Loans–Personal	28,137,160,725	31,015,697,072
Loans Development Banking System	533,043,161	742,263,981
Loans-Business	2,513,285,658	4,433,526,632
Loans-Corporate	14,212,879,215	18,365,682,350
	<u>45,396,368,759</u>	<u>54,557,170,035</u>
	¢ <u>3,510,991,880,205</u>	<u>3,245,765,363,343</u>

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(b) Loan portfolio by activity

Economic activity	December 2024	December 2023
Artistic, entertainment and recreative activities	¢ 2,859,988,259	0
Human health care and social assistance activities	257,094,640	0
Activities of households as employers of domestic personnel	16,400,000	0
Administrative and support services activities	19,297,232,766	0
Professional, scientific and technical activities	614,117,003	0
Agriculture, livestock, hunting and related services	131,279,096,225	133,828,756,266
Public administration	299,932,705,635	19,382,332,809
Fishing and aquaculture	0	42,617,690
Manufacturing	214,494,591,428	232,754,738,209
Telecommunications and public utilities	79,255,365,808	237,657,850,422
Mining and quarrying	14,788,851	21,982,027
Trade	292,034,605,305	296,138,155,439
Services	582,140,471,349	582,789,273,745
Transportation	31,010,081,168	31,005,549,708
Financial activity and stock exchange	13,449,200	2,687,299,499
Real estate, business, and lease activities	1,264,669,423,151	21,398,613,478
Construction, purchase, and repair of real estate	132,299,935,117	1,316,723,625,795
Consumer	369,444,532,659	265,748,034,982
Hospitality	91,254,076,071	104,478,630,055
Education	103,925,570	657,174,250
Other activities of the non - financial private sector	0	450,728,969
	<u>3,510,991,880,205</u>	<u>3,245,765,363,343</u>
Interest receivable	17,248,944,943	17,936,955,267
Deferred income from loan portfolio	(24,224,162,181)	(20,466,507,362)
Less allowance for loan losses	<u>(145,340,683,522)</u>	<u>(124,899,677,183)</u>
	<u>¢ 3,358,675,979,445</u>	<u>3,118,336,134,065</u>

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(c) Loan portfolio by arrears:

The loan portfolio by arrears is detailed as follows:

		December 2024	December 2023
Current	¢	3,274,457,445,017	3,008,536,812,492
01 to 30 days		117,521,013,710	104,340,825,497
31 to 60 days		25,973,904,613	30,973,659,406
61 to 90 days		8,275,260,567	13,435,672,836
91 to 120 days		3,896,228,834	4,285,463,214
121 to 180 days		11,344,161,307	6,900,329,305
More than 181 days		69,523,866,157	77,292,600,593
	¢	<u>3,510,991,880,205</u>	<u>3,245,765,363,343</u>

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

(d) Past due loans

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

		December 2024	December 2023
Number of operations		2,476	2,033
Past due loans in non-accrual			
Status	¢	<u>69,523,866,157</u>	<u>77,292,600,592</u>
Past due loans in accrual			
Status	¢	167,010,569,031	159,935,950,259
Total unearned interest	¢	<u>20,635,361,158</u>	<u>11,858,154,997</u>

Loans in legal collections as of December 31, 2024:

<u>No. of loans</u>	<u>Percentage</u>	<u>Balance</u>
1,189	1.29%	¢ <u>45,396,368,759</u>

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

As of December 31, 2024, the average annual interest rate accrued on the loans is 8.06% in colones (8.77% for December 2023) and 6.59% in US dollars (interest rate of 7.14 % for December 2023).

Loans in legal collections as of December 31, 2023:

<u>No. of loans</u>	<u>Percentage</u>	<u>Balance</u>
1,087	1.68%	¢ <u>54,557,170,035</u>

(e) Accrued interest receivable on loan portfolio

Interest receivables by economic sector are detailed as follows:

		<u>December 2024</u>	<u>December 2023</u>
Loans – Personal	¢	9,000,396,366	8,925,961,415
Loans Development Banking System		295,959,774	289,864,050
Loans - Business		1,849,593,901	1,151,439,604
Loans - Corporate		5,339,977,636	7,162,544,441
Loans – Public Sector		753,898,464	282,987,434
Loans – Financial Sector		9,118,802	124,158,323
	¢	<u>17,248,944,943</u>	<u>17,936,955,267</u>

Interest receivable by aging is detailed as follows:

		<u>December 2024</u>	<u>December 2023</u>
Current loans	¢	9,981,391,307	10,101,069,167
Past due loans		4,940,908,053	4,208,698,435
Loans in legal collection		2,326,645,583	3,627,187,665
	¢	<u>17,248,944,943</u>	<u>17,936,955,267</u>

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(f) Allowance for loan impairment

Movement in the allowance for loan impairment is as follows:

2023 opening balance	¢	124,899,677,183
Plus:		
Allowance charged to profit or loss (see note 25)		25,852,159,024
Transfer of balances		17,714,197,055
Adjustment for foreign exchange differences		2,149,236,655
Less:		
Adjustment for foreign exchange differences		(3,421,860,087)
Transfer of paid balances		(2,439,929,220)
Reversal of estimate against income (See note 26)		(12,200,000,000)
Transfer of balances		(7,212,797,088)
Balance as of December 31, 2024	¢	<u>145,340,683,522</u>
2022 opening balance	¢	145,623,881,422
Plus:		
Allowance charged to profit or loss (see note 25)		5,960,683,052
Transfer of balances		8,202
Adjustment for foreign exchange differences		318,731,125
Less:		
Adjustment for foreign exchange differences		(7,223,777,684)
Transfer of paid balances		(4,038,952,885)
Other transfers		(15,740,896,049)
Balance as of December 31, 2023	¢	<u>124,899,677,183</u>

(g) Syndicated loans

As of December 31, 2024, December 31 and September 2023, the Bank does not have a syndicated loan portfolio with other banks.

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(7) Foreclosed assets, net

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

	December 2024	December 2023
Real estate	¢ 23,970,962,395	87,259,101,407
Other acquired assets	68,665,987	456,364,933
Purchased for sale	2,583,124,876	2,296,276,749
Idle property and equipment	2,116,418,056	2,281,589,503
	<u>28,739,171,314</u>	<u>92,293,332,592</u>
Allowance for impairment and per legal requirement	<u>(5,210,695,171)</u>	<u>(66,661,526,999)</u>
	¢ 23,528,476,143	25,631,805,593

The movement of the foreclosed assets is as follows:

	December 2024	December 2023
At the beginning of the year	¢ 92,293,332,592	100,745,669,591
Increase of foreclosed assets	19,832,815,734	15,710,715,606
Transfer of property, furniture, and equipment out of use	205,803,932	503,882,698
Increase in acquired-for-sale assets	12,519,537,804	13,302,920,018
Sale of assets	(37,665,185,060)	(37,783,608,158)
Withdrawal of property, furniture and equipment out of use	(370,975,378)	(186,247,163)
Reversals in the estimate	<u>(58,076,158,310)</u>	<u>0</u>
Balance at the end of the period	¢ <u>28,739,171,314</u>	<u>92,293,332,592</u>

As of December 31, 2024, with the implementation of CONASSIF Agreement 14-21 "Regulation on the Calculation of Credit Estimates," which came into effect on January 1, 2024, in its Section III "Losses in Case of Default," a change occurs in the estimates for assets held-for-sale (IFRS 5). This effect is shown in the "Reversals in the estimate" line presented in the previous table of movements of assets held-for-sale. The amount of ¢54,764,519,511 is recorded.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

	December 2024	December 2023
Opening balance	¢ 66,661,526,999	67,354,646,156
Increases in allowance	59,095,010,709	16,095,628,678
Reversals in allowance	(67,407,374,285)	(16,772,635,939)
Settlement of allowance for sale of properties	(295,070,977)	0
Transfer to unused accounts	(52,843,397,275)	(16,111,896)
Balance at the end of the period	¢ 5,210,695,171	66,661,526,999

(8) Investments in other companies

Investments in other companies are as follows:

	December 2024	December 2023
<u>Local entities:</u>		
BCR Valores, S.A.	¢ 23,403,882,774	22,056,775,195
BCR Sociedad Administradora de Fondos Inversión, S.A.	28,853,997,436	6,840,890,701
BCR Pensión, Operadora de Planes de Pensiones Complementarias, S.A.	7,883,545,808	7,380,246,887
BCR Corredora de Seguros, S.A.	7,925,484,794	7,900,748,736
Capital interest in Banprocesa, S.R.L.	123,554,601	171,883,497
Capital interest in Depósito Agrícola de Cartago S.A.	1,056,940,131	1,060,770,675
Capital interest in BCR Leasing	1,833,975,547	67,985,201
	71,081,381,091	45,479,300,892
<u>Foreign entities:</u>		
Banco Internacional de Costa Rica, S.A. and subsidiary	72,401,623,986	70,074,353,476
	¢ 143,483,005,077	115,553,654,368

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

Banco Internacional de Costa Rica, S.A. and subsidiary (BICSA) was organized as a bank under the laws of the Republic of Panamá in 1976. It operates under a general license granted by the Superintendence of Banks of Panama to engage in banking transactions in Panama or abroad. BICSA is in the city of Panama, Republic of Panama, BICSA Financial Center, 50 floor, Avenida Balboa and Calle Aquilino de la Guardia.

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

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

The Bank's income statement as of December 31, 2024, includes ¢4,125,976,418, (¢3,344,760,119 for December 2023) for BICSA's result of operations.

The Bank's statement of changes in equity for the period ended December 31, 2024, includes a decrease in equity for ¢1,634,339,740, (increases of ¢9,444,106,286 for December 2023), corresponding to changes arising from translation of BICSA's financial statements.

As of April 29, 2024, BANPROCESA, S.R.L., distributes dividends in the amount of ¢200,000,000, according to the agreement from the Extraordinary General Meeting of Quota Holders No. 05-24, held on April 1, 2024.

As of May 09, 2024, BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A., distributes dividends in the amount of ¢600,000,000, according to the agreement from the Extraordinary General Shareholders' Meeting N° 09-24, dated March 20, 2024.

As of December 24, 2024, BCR Valores, S.A. distributes dividends in the amount of ¢1,000,000,000, according to the resolution of the Extraordinary General Shareholders' Meeting No. 04-24, held on December 11, 2024.

As of May 28, 2024, BCR Corredora de Seguros S.A., distributes dividends in the amount of ¢3,000,000,000, according to the agreement from the Extraordinary General Shareholders' Meeting N° 06-24, dated March 4, 2024.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

As of April 14, 2023, BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A, distributes dividends in the amount of ¢500,000,000, according to the agreement from the Extraordinary General Shareholders' Meeting N° 02-23, dated March 20, 2023.

As of April 21, 2023, BCR Sociedad Administradora de Fondos de Inversión, S.A., distributes dividends in the amount of ¢1,400,000,000, according to the agreement from the Extraordinary General Shareholders' Meeting N° 02-23, dated March 20, 2023.

As of April 24, 2023, BANPROCESA, S.R.L., distributes dividends in the amount of ¢400,000,000, according to the agreement from the Extraordinary General Meeting of Quota Holders No. 07-23 dated March 20, 2023.

As of May 31, 2023, BCR Corredora de Seguros S.A. distributes dividends in the amount of ¢3,000,000,000, according to agreement from the Extraordinary General Shareholders Meeting N° 08-23, dated April 24, 2023

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(9) Property and equipment

As of December 31, 2024, property and equipment is as follows:

Cost:	Land	Building	Furniture and equipment	Computer hardware	Vehicles	Assets for the right-of-use – buildings and infrastructure	Total
Balance on December 31, 2023	¢ 35,307,716,949	96,129,721,043	38,156,498,242	52,073,062,550	5,770,974,011	28,267,914,326	255,705,887,121
Additions	0	1,155,134,802	1,401,535,363	5,435,985,287	210,220,922	0	8,202,876,374
Withdrawals	726,985	0	(498,229,987)	(921,691,732)	0	0	(1,419,194,734)
Transfers	0	0	(646,995,092)	262,753,028	(2,535,579)	5,770,567	(381,007,076)
Revaluation	0	0	292,670	0	0	0	292,670
Balance as of December 31, 2024	<u>35,308,443,934</u>	<u>97,284,855,845</u>	<u>38,413,101,196</u>	<u>56,850,109,133</u>	<u>5,978,659,354</u>	<u>28,273,684,893</u>	<u>262,108,854,355</u>
<u>Accumulated depreciation and impairment</u>							
Balance as of December 31, 2023	0	38,464,231,296	26,267,920,443	38,478,231,949	4,584,525,615	10,621,600,960	118,416,510,264
Depreciation expense	0	1,950,264,549	2,390,471,555	5,849,322,468	216,962,921	3,714,900,847	14,121,922,340
Withdrawals	0	0	(1,450,549,011)	(910,968,431)	0	0	(2,361,517,442)
Transfers	0	0	65,717,792	(33,926,611)	1	(343,139,287)	(311,348,105)
Balance as of December 31, 2024	¢ <u>0</u>	<u>40,414,495,845</u>	<u>27,273,560,779</u>	<u>43,382,659,375</u>	<u>4,801,488,537</u>	<u>13,993,362,520</u>	<u>129,865,567,056</u>
December 31, 2024	¢ <u>35,308,443,934</u>	<u>56,870,360,000</u>	<u>11,139,540,417</u>	<u>13,467,449,758</u>	<u>1,177,170,817</u>	<u>14,280,322,373</u>	<u>132,243,287,299</u>

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

						Assets for the right-of-use – buildings and infrastructure	Total
Cost:			Furniture and equipment	Computer hardware	Vehicles		
Balance on December 31, 2022	¢ 35,641,464,379	93,992,714,909	38,953,482,134	52,429,641,539	5,430,093,554	28,231,216,964	254,678,613,480
Conversion effect	0	0	0	0	0	0	0
Adjusted balance	35,641,464,379	93,992,714,909	38,953,482,134	52,429,641,539	5,430,093,554	28,231,216,964	254,678,613,479
Additions	0	801,689,831	1,198,978,477	8,464,033,813	24,000,000	0	10,488,702,121
Withdrawals	(333,747,430)	0	(195,342,717)	(1,217,532,681)	0	0	(1,746,622,828)
Transfers	0	1,335,316,303	(1,814,504,183)	(7,603,080,121)	316,939,599	36,697,362	(7,728,631,040)
Revaluation	0	0	13,884,531	0	0	0	13,884,531
Reversion of revaluation	0	0	0	0	(59,142)	0	(59,142)
Impairment	0	0	0	0	0	0	0
Balance a of December 31, 2023	35,307,716,949	96,129,721,043	38,156,498,242	52,073,062,550	5,770,974,011	28,267,914,326	255,705,887,121
Accumulated depreciation and impairment							
Balance as of December 31, 2022	0	36,502,815,587	25,536,628,894	38,236,667,509	4,310,722,155	7,287,001,898	111,873,836,042
Conversion effect	0	0	0	0	0	0	0
Adjusted balance	0	36,502,815,587	25,536,628,894	38,236,667,509	4,310,722,155	7,287,001,898	111,873,836,043
Depreciation expense	0	1,961,415,710	3,429,332,937	4,763,973,520	274,097,178	3,714,863,571	14,143,682,916
Adjustment from previous periods	0	0	0	0	0	0	0
Withdrawals	0	0	(1,811,302,566)	(6,172,282,799)	0	0	(7,983,585,365)
Transfers	0	0	(886,738,821)	1,649,873,719	(293,717)	(380,264,508)	382,576,673
Revaluation	0	0	0	0	0	0	0
Reversion of accumulated depreciation	0	0	0	0	0	0	0
Balance as of December 31, 2023	0	38,464,231,297	26,267,920,444	38,478,231,949	4,584,525,616	10,621,600,961	118,416,510,267
Net balances:							
December 31, 2023	¢ 35,307,716,949	57,665,489,746	11,888,577,798	13,594,830,601	1,186,448,395	17,646,313,365	137,289,376,854

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(10) Other assets

(a) Other deferred charges

Other deferred charges are detailed as follows:

	<u>December 2024</u>	<u>December 2023</u>
Improvements in property in operating lease	¢ 411,472,080	571,688,544
	<u>¢ 411,472,080</u>	<u>571,688,544</u>

(b) Intangible assets

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

	<u>2024</u>
<i>Cost:</i>	
Balance as of December 31, 2023	¢ 83,003,690,715
Additions to computer systems	14,173,811,595
Transfer balances	(720,098,459)
Withdrawals	(875,876,766)
Balance of costs as of December 31, 2024	<u>95,581,527,085</u>
<i>Accumulated amortization and impairment:</i>	
Balance as of December 31, 2023	63,544,196,717
Expense for amortization of computer systems	14,128,066,888
Withdrawals	(875,876,766)
Balance of amortization and impairment as of December 31, 2024	<u>76,796,386,839</u>
Total balance as of December 31, 2024	¢ <u>18,785,140,246</u>
<i>Cost:</i>	
Balance as of December 31, 2022	¢ 71,146,283,273
Additions to computer systems	16,602,941,796
Transfer balances	(2,825,522,814)
Withdrawals	(1,920,011,540)
Balance of costs as of December 31, 2023	<u>83,003,690,715</u>
<i>Accumulated amortization and impairment:</i>	
Balance as of December 31, 2022	48,724,952,010
Expense for amortization of computer systems	19,186,424,156
Withdrawals	(4,362,708,342)
Transfer balances	(4,471,107)
Balance of amortization and impairment as of December, 2023	<u>63,544,196,717</u>
Total balance as of December 31, 2023	¢ <u>19,459,493,998</u>

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(c) Other assets

Other assets are detailed as follows:

	December 2024	December 2023
Prepaid taxes	24,987,105,556	25,248,384,621
Prepaid rentals	78,383	78,383
Prepaid insurance policy	20,790,931	39,031,578
Prepaid expenses	25,007,974,870	25,287,494,582
Stationery, supplies and other materials	247,740,349	229,335,584
Library and works of art	44,900,497	17,325,262
Constructions in process	10,339,915,033	8,996,494,115
Amortized applications in development	6,255,333,242	4,734,897,934
Rights in social and union institutions	69,333,800	36,633,800
Other sundry assets	2,064,373,131	2,064,373,132
Miscellaneous goods	19,021,596,052	16,079,059,827
Missing cash	62,203,830	48,850,004
Transactions to be settled	28,371,293,498	48,768,901,076
Other charge pending operations	116,933,079	170,809,575
Operations pending allocation	28,550,430,407	48,988,560,655
Deposits in guarantee	206,432,072	197,376,588
Restricted assets	206,432,072	197,376,588
Other assets available for-sale outside the scope of IFRS 5	22,765,376,113	0
	95,551,809,514	90,552,491,652

For the 2024 period, changes in the CONASSIF 6-18 Financial Information Regulation come into effect, specifically in Transitory XX, section (d), which states that the carrying amount of assets recorded in account 188 'Other assets available for sale outside the scope of IFRS 5,' must be determined in accordance with IAS 36 'Impairment of Assets.'

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(11) Demand obligations with the public

Demand obligations with the public as follows:

	December 2024	December 2023
Checking accounts	¢ 2,185,141,084,780	2,040,666,112,404
Certification checks	26,195,159	114,965,048
Demand saving deposits	1,135,345,347,967	1,064,033,527,490
Matured term deposits	1,541,540,754	1,863,395,806
Other demand obligations with the public	3,889,332,307	2,947,393,106
	¢ 3,325,943,500,967	3,109,625,393,854

(12) Term and demand deposits from clients

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

	December 2024	December 2023
	<u>A la vista</u>	<u>A la vista</u>
Public	¢ 3,322,054,168,660	3,106,678,000,747
Other obligations with the public	3,889,332,307	2,947,393,107
	3,325,943,500,967	3,109,625,393,854
State-owned entities	22,658,627,946	9,627,823,007
Deposits from other banks	4,655,826,031	3,859,520,635
Other financial entities	15,315,011,271	17,766,048,259
	42,629,465,248	31,253,391,901
	¢ 3,368,572,966,215	3,140,878,785,755
	December 2024	December 2023
	<u>Term</u>	<u>Term</u>
Public	¢ 1,371,950,972,310	1,321,626,600,481
	1,371,950,972,310	1,321,626,600,481
State-owned entities	58,800,000,000	64,724,100,000
Deposits from other banks	725,085,235	593,590,023
Other financial entities	307,484,300,144	202,944,078,253
	367,009,385,379	268,261,768,276
	¢ 1,738,960,357,689	1,589,888,368,757

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

As of December 31, 2024, demand deposits from customers include court-ordered deposits for ¢266,239,219,955 (¢258,756,472,753 for December 2023) which are restricted because of their nature.

As of December 31, 2024, the Bank has a total of 1,902,794, (1,896,596 for December 2023) customers with demand deposits and has a total 36,834, (36,047 for December 2023).

(13) Repurchase and reverse repurchase agreements

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

As of December 31, 2024, and December 2023, the Bank does not hold repurchase agreements.

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

Obligations with entities are as follows:

	December 2024	December 2023
Term deposits with the Central Bank de Costa Rica	¢ 161,929,838,016	103,950,578,331
Charges payable for obligations with Central Bank of Costa Rica	2,513,142,840	2,181,618,180
Checking accounts of local entities	164,442,980,856	106,132,196,511
Overdrafts in demand checking accounts in foreign financial entities	40,488,503,289	23,623,304,079
Obligations for checks to be collected	1,614,866,940	7,021,274,656
Term deposits of local financial entities	526,095,019	608,813,166
Loans from foreign financial entities	74,473,462,035	78,940,870,024
Obligations for the right-of-use leased properties	14,151,348,000	28,398,831,999
Obligations for deferred liquidity operations	14,745,760,450	18,332,403,201
Obligations with resources from the Development, Credit, Fund, (DCF)	125,541,265,194	2,108,456,619
Charges payable for obligations with, financial, and, non-financial, entities	138,097,549,700	140,481,206,433
Subordinated loans	2,128,033,109	1,789,920,344
Charges payable subordinated loans	411,766,883,736	301,305,080,521
	49,960,796,648	49,957,954,304
	184,422,222	184,422,222
	50,145,218,870	50,142,376,526
	¢ 626,355,083,462	457,579,653,558

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

Maturities of term obligations with entities are from December 1, 2024, to June 05, 2033.

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

	December 2024	December 2023
Colones	0.20% to 5.50%	6.03% to 9.75%
US dollars	2.66% to 8.91%	1.0% to 7.59%

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

(a) Maturities of loans payable

As of December 31, 2024, loans payable mature as follows:

	Banco Central de Costa Rica	Local financial entities	Foreign financial entities	International organizations	Total
Less than one year	¢ 287,471,103,210	0	0	666,549,000	288,137,652,210
From one to two years	0	0	0	499,911,750	499,911,750
From three to five years	0	0	0	166,637,250	166,637,250
Over 5 years	49,960,796,648	0	0	12,818,250,000	62,779,046,648
Total	¢ 337,431,899,858	0	0	14,151,348,000	351,583,247,858

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

	Banco Central de Costa Rica	Local financial entities	Foreign financial entities	International organizations	Total
Less than one year	2,108,456,619	0	0	26,344,000,000	2,108,456,619
From one to two years	103,950,578,331	0	0	0	103,950,578,331
From three to five years	0	0	0	2,054,832,000	2,054,832,000
Total	¢ 106,059,034,950	0	0	28,398,832,000	134,457,866,950

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(b) Lease obligations

As of December 31, 2024, the Bank has the following obligations from financial leases:

		<u>Installment</u>	<u>Interest</u>	<u>Maintenance</u>	<u>Present value</u>
Less than one year	¢	3,796,316,125	822,718,645	0	2,973,597,481
Between one and five years		13,321,922,665	1,549,759,696	0	11,772,162,969
	¢	<u>17,118,238,791</u>	<u>2,372,478,341</u>	<u>0</u>	<u>14,745,760,450</u>

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

		<u>Installment</u>	<u>Interest</u>	<u>Maintenance</u>	<u>Present value</u>
Less than one year	¢	4,362,272,589	1,059,529,442	0	3,302,743,147
Between one and five years		17,525,397,524	2,495,736,414	0	15,029,660,054
	¢	<u>21,887,670,113</u>	<u>3,555,265,856</u>	<u>0</u>	<u>18,332,403,201</u>

As of December 31, 2024, the estimate of future lease payments is as follows:

	<u>Colones</u>	<u>US\$ converted to colones</u>
1 year	813,086,135	2,160,511,346
2 years	870,327,398	1,807,168,737
3 years	931,598,447	1,915,598,853
4 years	911,468,852	1,856,768,048
5 years	1,061,350,386	2,141,940,819
Over 5 years	91,748,668	184,192,761
	¢	<u>4,679,579,885</u>
		<u>10,066,180,564</u>

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

	<u>Colones</u>	<u>US\$ converted to colones</u>
1 year	¢	1,107,240,405
2 years		1,107,240,405
3 years		1,107,240,405
4 years		1,107,240,405
5 years		1,107,240,405
Over 5 years		1,107,240,405
	¢	<u>6,643,442,430</u>
		<u>15,244,227,684</u>

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

Year	Payments	Present value	Amortization	Interest	Balance
1 31/12/2024	3,811,425,802	2,903,532,511	1,995,639,220	907,893,291	11,842,227,939
2 31/12/2025	3,347,996,842	2,693,512,391	2,039,027,939	654,484,452	9,148,715,548
3 31/12/2026	3,347,996,842	2,864,174,523	2,380,352,205	483,822,319	6,284,541,025
4 31/12/2027	3,347,996,842	3,045,713,662	2,743,430,481	302,283,180	3,238,827,363
5 31/12/2028	3,347,996,842	3,238,827,363	3,129,657,884	109,169,479	0
6 31/12/2029	0	0	0	0	0
7 31/12/2030	0	0	0	0	0
8 31/12/2031	0	0	0	0	0
9 30/12/2032	0	0	0	0	0
10 31/12/2033	0	0	0	0	0
	¢ 17,203,413,170	14,745,760,450	12,288,107,729	2,457,652,721	

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

Year	Payments	Present value	Amortization	Interest	Balance
1 31/12/2024	¢ 4,362,272,590	4,362,272,589	3,302,743,147	1,059,529,442	17,525,396,468
2 31/12/2025	3,886,054,209	3,886,053,998	3,037,912,278	848,141,720	13,639,342,470
3 31/12/2026	3,409,835,829	3,409,835,617	2,743,827,330	666,008,287	10,229,506,852
4 31/12/2027	3,409,835,829	3,409,835,617	2,917,508,220	492,327,397	6,819,671,235
5 31/12/2028	3,409,835,829	3,409,835,617	3,102,247,190	307,588,427	3,409,835,617
6 31/12/2029	3,409,835,829	3,409,835,617	3,228,165,035	181,670,582	0
7 31/12/2030	0	0	0	0	0
8 31/12/2031	0	0	0	0	0
9 31/12/2032	0	0	0	0	0
10 31/12/2033	0	0	0	0	0
	¢ 21,887,670,114	21,887,669,057	18,332,403,201	3,555,265,856	

(15) Income tax

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

As of December 31, 2024, the Bank's separate balances of income tax payable and expected income tax amount to ¢24,521,992,085, (¢10,162,055,585 for December 2023) (see note 17) and income tax advances for ¢24,987,105,556, (¢19,477,106,850 for December 2023) are recorded as "Other assets".

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

Income tax expense is detailed as follows:

	December 2024	December 2023
Income tax	¢ 25,043,823,507	23,386,290,155
Decrease in income tax	(521,831,422)	(13,174,356,578)
Adjustment for income tax of the previous period	0	(49,877,992)
	<u>24,521,992,085</u>	<u>10,162,055,585</u>
<u>Income tax expense:</u>		
Expense for current tax of the period	25,043,823,507	23,386,290,155
Expense for deferred income tax	7,198,875,317	19,784,750,524
	<u>32,242,698,824</u>	<u>43,171,040,679</u>
<u>Income for income tax:</u>		
Decrease in income tax of the period	(521,811,269)	(13,174,356,578)
Income for deferred income tax	(10,378,116,933)	(15,376,584,952)
	<u>(10,899,928,202)</u>	<u>(28,550,941,530)</u>
Expense for income tax, net	¢ <u>21,342,770,622</u>	<u>14,620,099,149</u>

The reconciliation of income taxes is detailed as follows:

	December 2024	December 2023
Income before taxes	¢ <u>57,370,915,362</u>	<u>3,360,724,188</u>
<i>Plus:</i>		
Non-deductible expenses	578,048,423,279	676,993,765,848
<i>Less:</i>		
Non-taxable income	<u>(553,679,365,025)</u>	<u>(646,480,971,421)</u>
Taxable base	81,739,973,616	33,873,518,615
Tax rate	<u>30%</u>	<u>30%</u>
Income tax expense	<u>24,521,992,085</u>	<u>10,162,055,585</u>
Current income tax	¢ <u>24,521,992,085</u>	<u>10,162,055,585</u>

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

As of December 31, 2024, deferred tax assets and liabilities are attributed to the following:

	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>
Valuation of investments	¢ 595,021,438	(4,322,785,182)	(3,727,763,744)
Revaluation of buildings	242,823,928	(8,091,378,967)	(7,848,555,040)
Revaluation of property	0	(5,763,717,661)	(5,763,717,661)
Financial leases	4,449,280,529	(4,340,061,227)	109,219,302
Deferred tax on exchange differences	14,690,501,498	(23,118,197,534)	(8,427,696,035)
Total	<u>¢ 19,977,627,393</u>	<u>(45,636,140,571)</u>	<u>(25,658,513,177)</u>

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

	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>
Valuation of investments	¢ 2,605,631,334	(2,880,956,515)	(275,325,181)
Revaluation of buildings	242,823,928	(8,498,910,976)	(8,256,087,048)
Revaluation of property	0	(5,763,717,661)	(5,763,717,661)
Financial leases	5,548,672,538	(5,454,520,297)	94,152,241
Deferred tax on exchange differences	10,235,085,566	(21,419,424,148)	(11,184,338,582)
Total	<u>¢ 18,632,213,366</u>	<u>(44,017,529,597)</u>	<u>(25,385,316,231)</u>

The movement of temporary differences is as follows:

As of December 31, 2024:

	December 31, 2023	Income statement	Equity	December 31, 2024
Liabilities account				
Valuation of investments	¢ (2,880,956,515)	0	(1,441,828,667)	(4,322,785,182)
Revaluation of buildings	(8,498,910,976)	407,532,009	0	(8,091,378,967)
Revaluation of property	(5,763,717,661)	0	0	(5,763,717,661)
Financial leases	(5,454,520,297)	1,114,459,070	0	(4,340,061,227)
For exchange differences	(21,419,424,148)	(1,698,773,387)	0	(23,118,197,534)
Assets account				
Valuation of investments	2,605,631,334	0	(2,010,609,896)	595,021,438
Income tax for revaluation of assets	242,823,928	0	0	242,823,928
Financial leases	5,548,672,538	(1,099,392,009)	0	4,449,280,529
Deferred income tax on exchange differences	10,235,085,566	4,455,415,933	0	14,690,501,499
Total	<u>¢ (25,385,316,231)</u>	<u>3,179,241,616</u>	<u>(3,452,438,563)</u>	<u>(25,658,513,177)</u>

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

As of December 31, 2023:

	December 31, 2022	Income statement	Equity	December 31, 2023
Liabilities account				
Valuation of investments	¢ (382,461,507)	0	(2,498,495,008)	(2,880,956,515)
Revaluation of buildings	(8,645,731,373)	146,820,397	0	(8,498,910,976)
Revaluation of property	(5,763,717,661)	0	0	(5,763,717,661)
Financial leases	(6,568,979,369)	1,114,459,072	0	(5,454,520,297)
For exchange differences	(7,094,329,886)	(14,325,094,262)	0	(21,419,424,148)
Assets account				
Valuation of investments	18,152,501,095	0	(15,546,869,761)	2,605,631,334
Income tax for revaluation of assets	242,823,928	0	0	242,823,928
Financial leases	7,128,108,883	(1,579,436,345)	0	5,548,672,538
Deferred income tax on exchange differences	0	10,235,085,566	0	10,235,085,566
Total	¢ <u>(2,931,785,889)</u>	<u>(4,408,165,572)</u>	<u>(18,045,364,769)</u>	<u>(25,385,316,231)</u>

As of December 31, 2024, the Bank has a balance for income tax receivable of ¢13,902,789,378, (¢8,568,979,468, for December 2023), in addition to bear value added tax for ¢2,400,398,797, (¢1,753,467,495 for December 2023) and value added tax deductible for ¢9,525 (¢1,725 for December 2023).

	December 2024	December 2023
Income tax receivable	¢ 13,902,789,378	8,568,979,468
Supported value added tax	2,400,398,797	1,753,467,495
Deductible value added tax	9,525	1,725
	¢ <u>16,303,197,700</u>	<u>10,322,448,688</u>

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

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

As of December 31, 2024, the amount recorded by the Bank as provision is of ¢18,640,703,527 (¢18,640,703,527 for December 2023). The Bank's Management considers that this amount covers aspects of uncertain tax treatments between the Tax Administration and Banco de Costa Rica for the periods from 2020 to 2024.

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 December 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 de ¢23,118,197,535, (¢21,419,424,148 for December September 2023) and ¢14,690,501,499 are recorded as an asset (¢10,235,085,565 for December 2023).

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(16) Provisions

Movement in provisions is as follows:

		<u>Severance benefits</u>	<u>Litigations</u>	<u>Others</u>	<u>Total</u>
Balance on December 31, 2023	¢	9,577,319,983	20,832,826,114	19,658,402,023	50,068,548,120
Increase in provision		17,023,021	2,506,608,637	1,407,443,174	3,931,074,832
Use of provision		(67,119,883)	(687,277,169)	(936,468,128)	(1,690,865,180)
Adjustment for foreign exchange		0	0	0	0
Reversal of provision		(304,158,408)	(514,786,233)	(575,899,135)	(1,394,843,776)
Balance on December 31, 2024	¢	<u>9,223,064,713</u>	<u>22,129,197,280</u>	<u>19,553,477,934</u>	<u>50,905,739,927</u>

As of December 31, 2023, the movement in provisions is as follows:

		<u>Severance benefits</u>	<u>Litigations</u>	<u>Others</u>	<u>Total</u>
Balance on December 31, 2022	¢	10,057,853,284	15,387,176,608	14,186,632,788	39,631,662,680
Increase in provision		0	6,799,882,720	6,747,260,559	13,547,143,279
Use of provision		(73,566,955)	(1,332,653,074)	(1,275,491,323)	(2,681,711,352)
Adjustment for foreign exchange		0	(3,197,138)	0	(3,197,138)
Reversal of provision		(406,966,345)	(18,383,003)	0	(425,349,348)
Balance on December 31, 2023	¢	<u>9,577,319,984</u>	<u>20,832,826,113</u>	<u>19,658,402,024</u>	<u>50,068,548,121</u>

As of December 31, 2024, the number of litigations is detailed with probability of occurrence is detailed as follows:

Type	Number	High	Low	Pending evaluation	Total amount in colones	Total amount in US dollars	Provisions in colones	Provision in US dollars
Contentious	224	20	202	2	37,673,827,735	365,961,985	2,377,231,945	820,058
Criminal	7	1	6	0	461,219,445	0	187,989,445	0
Labor	264	54	210	0	4,367,132,650	825,000	2,547,595,263	0
Procedures	29	3	26	0	64,026,744	12,100	13,665,611	0
Total					¢42,566,206,574	\$366,799,085	¢5,126,482,263	\$820,058

As of December 31, 2024, there are no high-category litigations without an estimate (32 for December 2023).

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

As of December 31, 2023:

Type	Number	High	Low	Pending evaluation	Total amount in colones	Total amount in US dollars	Provisions in colones	Provision in US dollars
Contentious	251	28	221	2	¢35,192,664,484	\$370,448,045	¢2,569,200,262	\$5,669
Criminal	18	2	16	0	¢636,459,162	\$5,857	¢186,625,634	\$0
Labor	354	66	288	0	¢6,575,485,879	\$825,000	¢2,689,522,921	\$0
Procedures	22	0	22	0	¢15,096,422	\$2,000	¢0	\$0
Total	645	96	547	2	¢42,419,705,947	\$371,280,902	¢5,445,348,817	\$5,669

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

- Ordinary suits filed against the Bank have been estimated at ¢37,673,827,735 and US\$365,961,985 for which the Bank has provisioned ¢2,377,231,945 and US\$820,058.
- The criminal lawsuits against the Bank have been estimated at ¢461,219,445, for which the Bank has recorded a provision in the amount of ¢187,989,445.
- By their nature, labor suits are difficult to estimate. However, they have been estimated at ¢4,367,132,650 and US\$825,000 for which the Bank has recorded a provision in the amount of ¢2,547,595,263, in cases where there is a non-firm conviction.
- There are administrative proceedings at different stages in the amount ¢64,026,744 and US\$12,100 for which the Bank has recorded a provision in the amount of ¢13,665,611.
- A provision corresponding to the Deposit Guarantee Fund is created and recorded in "Others", in the amount of ¢282,187,390.

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

- Ordinary suits filed against the Bank have been estimated at ¢33,113,828,061 and US\$370,297,533 for which the Bank has provisioned ¢1,834,841,446 and US\$5,669, respectively.
- The criminal lawsuits against the Bank have been estimated at ¢476,459,162 and \$5,857, for which the Bank has recorded a provision in the amount of ¢182,625,634.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

- By their nature, labor suits are difficult to estimate. However, they have been estimated at ₡6,359,515,866 and \$825,001 for which the Bank has recorded a provision in the amount of ₡2,669,522,921, in cases where there is a non-firm conviction.
- There are administrative proceedings at different stages in the amount of ₡15,096,422 and US\$2,000.
- A provision corresponding to the Deposit Guarantee Fund is created and recorded in "Others", in the amount of ₡471,102,734.

(17) Other miscellaneous accounts payable

Other miscellaneous accounts payable are detailed as follows:

	December 2024	December 2023
Fees payable	₡ 54,861,559	65,399,842
Current income tax (see note 15)	24,521,992,085	10,162,055,585
UD Income Tax	11,408,206	24,218,622
Value added tax payable	218,558,654	198,113,498
Employer contributions	1,382,762,623	1,335,592,744
Withholdings by legal order	866,207,497	835,607,709
Retained taxes payable	3,195,483,313	3,619,656,255
Employer withholdings	499,554,858	485,109,396
Other third-party withholdings	9,613,919,802	13,677,110,349
Compensations and salaries payable	8,825,049,258	8,495,648,557
Distributions payable on results of the period (see note 30)	20,468,420,191	10,976,478,788
Accrued vacation payable	6,683,838,507	6,648,624,589
Accrued statutory Christmas bonus payable	756,800,971	725,408,200
Commissions payable for insurance placement	56,816,797	167,096,264
Sundry creditors	24,724,021,691	22,816,089,044
	₡ 101,879,696,012	80,232,209,442

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(18) Equity

a) Capital Social

The Bank's capital is comprised as follows:

	December 2024	December 2023
Capital under Law 1644	¢ 30,000,000	30,000,000
Bank capitalization bonds	1,288,059,486	1,288,059,486
Capital increase under Law 7107	118,737,742,219	118,737,742,219
Capital increase under Law 8703	27,619,000,002	27,619,000,002
Capital increase under Law 9605	18,907,432,694	18,907,432,694
Increase in revaluation of assets	14,130,125,230	14,130,125,230
Other	697,630,970	697,630,970
	¢ 181,409,990,601	181,409,990,601

On December 23, 2008, the Executive Branch of the Costa Rican Government authorized a capital contribution funded under Law No. 8703 "Amendment to the Law on the Ordinary and Extraordinary Budget of the Republic for Tax Year 2008 (Law No. 8627)". Such law grants funds to capitalize three State-owned banks, including the Bank, in order to stimulate productive sectors, particularly small and medium-sized enterprises. For such purposes, the Bank handed over four securities for a total of US\$50,000,000, equivalent to ¢27,619,000,002 (¢27,619,000,002 for December 2023), for its capitalization, to stimulate the productive sectors, especially small and medium enterprises.

b) Surplus from revaluation

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

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

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

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

As of December 31, 2024, the balance of the adjustment for valuation of available-for-sale investments corresponds to unrealized net gain in the amount of ¢9,546,597,055, (¢1,241,926,624 for December 2023).

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

d) Adjustment for valuations of investments in other companies

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

As of December 31, 2024, changes in equity include foreign exchange differences corresponding to investments in other companies in the amount of ¢2,590,848,254, (¢1,066,500,896, for December 2023).

e) Equity Development Financing Fund (FOFIDE)

As of December 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 for December 2023). 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) Equity reserves

As of December 31, 2024, the equity reserves reflected in the statement of changes in equity amount to ¢364,708,053,622, (¢351,152,901,365 for December 2023).

Regulatory Capital

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

	December 2024	December 2023
<u>Primary Capital</u>		
Ordinary paid in capital	¢ 181,409,990,601	181,409,990,601
Legal reserve	364,708,053,622	351,152,901,365
Accumulated results of previous periods	47,328,475,171	41,896,492,820
Profits of the current period	42,624,954,756	22,086,766,162
	<u>636,071,474,150</u>	<u>596,546,150,948</u>
<u>Secondary Capital</u>		
Adjustment for valuation of property	30,813,909,623	30,813,909,622
Adjustment for valuation of restricted Financial Instruments	0	(33,234,065)
Adjustment to valuation of shares in other Companies	(2,590,848,254)	(1,066,500,896)
Subordinated loan instruments	49,960,796,648	49,957,954,304
Development Financing Fund	48,866,249,077	45,766,617,523
	<u>127,050,107,094</u>	<u>125,438,746,488</u>
<u>Deductions</u>		
Interest in other companies	(143,483,005,077)	(115,553,654,368)
Total regulatory capital	¢ <u>619,638,576,167</u>	<u>606,431,243,068</u>

(19) Commitments and contingencies

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

Off-balance financial instruments with risk are as follows:

	December 2024	December 2023
Guarantees granted:		
Performance bonds	¢ 52,006,287,085	63,975,547,908
Bid bonds	8,524,854	88,636,438
Letters of credit issued, not negotiated	19,872,073,160	25,837,857,965
Automatic draw lines of credit	183,482,816,046	142,278,939,278
Other contingencies	225,088,150,604	232,883,506,405
Credits pending disbursement	49,425,566	49,437,310
	<u>¢ 480,507,277,315</u>	<u>465,113,925,304</u>

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

		December	December
		2024	2023
With prior deposit	¢	16,838,517,597	15,051,804,160
Without prior deposit		238,580,609,113	217,178,614,739
Pending litigation and Claims		225,088,150,605	232,883,506,405
Total deposits	¢	480,507,277,315	465,113,925,304

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

As of December 31, 2024, letters of credit are backed up by 100% of the stand-by balance or by lines of credit.

As of December 31, 2024, floating guarantees in custody are for ¢223,652,134,881, (¢238,796,296,606 for December 2023).

Other contingencies:

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

- In contentious matters, there are active contentious proceedings filed against the Bank, which have been estimated at ¢35,296,597,790 and US\$365,141,927. In addition, there are contentious proceedings related to precautionary measures without an estimate.
- In criminal matters there are active ordinary labor processes which were estimated at ¢273,230,000.
- Ordinary labor suits estimated at ¢1,819,537,387 and US\$825,000.
- Administrative proceedings against the Bank have been estimated in the amount of ¢50,361,133 and US\$12,100.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

As of December 31, 2024, there are judicial and administrative conditions related to the subsidiary BCR SAFI S.A., which are at different stages. These are detailed in the note on significant and subsequent events (see Note 39) and should be considered comprehensively along with the disclosures in the notes to the financial statements of the subsidiary.

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

- Administrative suits against the Bank estimated at ₡31,278,986,615 and US\$370,291,865. 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 ₡289,833,528 and US\$5,857
- Ordinary labor suits estimated at ₡3,689,992,945 and US\$825,000.
- Administrative proceedings against the Bank have been estimated in the amount of ₡15,096,422 and US\$2,000.

(20) Trusts

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

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

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

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

	December 2024	December 2023
Cash and due from banks	¢ 43,455,014,241	44,520,717,107
Investment	144,067,430,467	170,539,523,358
Loan portfolio	9,206,452,940	9,678,942,791
Allowance for loan losses	(6,748,792,221)	(7,213,903,691)
Assets held-for-sale	124,695,292,932	155,036,648,198
Investment in other companies	795,609,900	795,609,900
Other receivables	26,727,848,775	32,439,325,803
Property and equipment	97,028,966,280	101,878,211,099
Other assets	302,284,830,137	338,534,043,361
	¢ 741,512,653,451	846,209,117,926

(21) Other debit memoranda accounts

Other debit memoranda accounts are as follows:

	December 2024	December 2023
Guarantees received and held in custody	¢ 7,075,587,343,747	5,104,022,095,963
Guarantees received and held by third parties	4,056,759,784	4,168,318,384
Other memoranda accounts, unused authorized lines of credit	394,627,561,842	389,898,541,851
Written off assets	222,170,849,151	213,245,607,472
Suspense interest receivable	30,902,158,551	21,418,891,153
Other memoranda accounts	7,133,661,779,176	5,996,662,020,357
Assets and securities held in custody for third parties	53,932,153,736	53,588,287,084
Marketable securities received as) collateral (Guarantee trust	414,001,634	1,843,213,774
Own trading securities	1,029,229,514,818	794,692,939,888
Cash and accounts receivable custodial activities	49,198,269,928	106,272,676,594
Third party trading securities pledged as guarantee (Guarantee Trust)	20,931,849,009	15,946,110,376
Negotiable securities pending receipt	21,543,155,646	
Performed spot contracts pending settlement	200,000,000	0
Future contracts pending settlement	15,784,081,059	0
Third parties trading securities	7,286,257,228,862	7,097,621,401,440
	¢ 23,338,735,853,372	19,799,380,104,336

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
 For the period ended December 31, 2024
 (with corresponding figures as of December 31, 2023)
 (In colones without cents)

(22) Financial income on financial instruments

Finance income on financial instruments is as follows:

	December 2024	December 2023
Interest for investments in financial instruments at fair value through other comprehensive income	¢ 84,132,082,631	81,235,686,536
Interest from investments at amortized cost	8,944,868,422	8,480,935,021
Interest in investments in expired and restricted financial instruments	57,941,492	121,625,452
	¢ 93,134,892,545	89,838,247,009

(23) Financial income on credit portfolio

Financial income on credit portfolio is as follows:

	December 2024	December 2023
Current loans		
Loans – Personal	¢ 136,716,456,242	140,454,682,743
Loans - Development Financing Fund	4,162,598,353	4,188,817,553
Loans - Business	9,941,197,327	7,966,327,150
Loans – Corporate	104,900,759,932	113,910,463,384
Loans – Public Sector	4,228,637,323	5,268,915,294
Loans – Financial Sector	1,154,557,900	3,123,814,285
	261,104,207,077	274,913,020,409

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

	December 2024	December 2023
Past due loans and loans in legal collection		
Past due loans – Personal	553,490,834	632,363,162
Past due loans – Development Banking System	5,989,983	25,317,654
Past due loans – Business	654,182,425	827,797,460
Past due loans – Corporate	387,842,152	653,962,021
Loans in legal collection	<u>2,520,977,905</u>	<u>1,801,161,996</u>
	4,122,483,299	3,940,602,293
Amortization of the net commission of the direct incremental cost associated to loans Interest for accounts receivable associated to credit portfolio and other financial interest, other concepts not included in the previous subaccounts and analytical accounts	4,712,852,663	4,642,157,321
	<u>2,237,458,890</u>	<u>1,542,742,773</u>
	¢ <u>272,177,001,929</u>	¢ <u>285,038,522,796</u>

(24) Expenses for obligations with the public

Finance expense for obligations with the public is as follows:

	December 2024	December 2023
Demand deposits	¢ 65,452,458,222	88,174,034,313
Term deposits	89,385,852,097	126,274,884,531
	¢ <u>154,838,310,319</u>	¢ <u>214,448,918,844</u>

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

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

	December	December
	2024	2023
Allowance for loan losses (see note 6-e)	¢ 25,232,084,753	476,126,638
Expense for allowance of impairment and uncollectible contingent credits	4,808,743,163	4,009,853,223
Expenses generic estimation and against cyclic for loan (see note 6-e)	620,074,271	5,484,556,414
Expenses for allowance for impairment of securities at fair value through other comprehensive income	455,570,538	234,057,292
Expense for allowance of impairment of financial instruments at amortized cost	45,877	0
	¢ 31,116,518,602	10,204,593,567

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

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

	December	December
	2024	2023
Recovery of written-off loans	¢ 8,384,739,676	11,419,483,998
Recovery of accounts receivable	0	1,178,245
Decrease in allowance for loan losses (see note 6-e)	12,200,000,000	15,735,998,039
Decrease in allowance for other doubtful receivables	3,006,535,622	6,185,521,393
Decrease in generic and countercyclical estimation for loans (see note 6-e))	0	4,898,010
Decrease in allowance for uncollectible investments securities	206,635,963	1,919,656,633
	¢ 23,797,911,261	35,266,736,318

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(27) Income from service fees and commissions

Income from service fees and commissions is as follows:

	December 2024	December 2023
Drafts and transfers	¢ 2,391,333,386	2,419,244,001
Foreign trade	987,475,971	826,380,880
Certified checks	8,377,577	2,103,631
Trust management	3,003,528,781	3,795,794,408
Custodial services	411,247,351	337,075,957
By mandate	1,088,577	1,412,121
Collections	552,193,700	527,679,827
Credit cards	47,967,407,350	47,295,559,217
Authorized custodial services for securities	923,924,377	961,236,794
Commissions for transactions with related parties	7,615,492	252,388
Other commissions	41,719,603,310	37,212,659,601
	<u>¢ 97,973,795,872</u>	<u>93,379,398,825</u>

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(28) Income from interest in other companies

Income from interest in other companies is detailed as follows:

	<u>December 2024</u>	<u>December 2023</u>
<u>Local entities:</u>		
Capital interest in BCR Valores, S.A.- Puesto de Bolsa	¢ 2,191,573,354	1,232,436,751
Capital interest in BCR Sociedad Administradora de Fondos de Inversión, S.A.	295,417,873	656,369,646
Capital interest in BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A.	1,039,703,265	983,336,237
Capital interest in BCR Corredora de Seguros, S.A.	2,987,725,900	2,884,973,102
Capital interest in Banprocesa -TI, S.A.	168,452,001	242,365,888
Capital interest in Depósito Agrícola de Cartago S.A.	32,244,135	83,279,680
Capital interest in BCR Leasing	139,100,173	0
<u>Entities abroad:</u>		
Banco Internacional de Costa Rica, S.A and subsidiaries	4,125,976,419	3,344,760,120
	<u>¢ 10,980,193,120</u>	<u>9,427,521,424</u>

As of December 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 of the Conglomerate, and due to the nature of Banprocesa SRL's business, an adjustment was made in the amount of ¢216,780,896, corresponding to the profit generated from the service provided to support the Bank's software, in the statement of financial position and in the income statement, (¢333,890,203 for December 2023).

As of December 31, 2024, there are amounts recorded in the participation expense account of ¢623,109,827 from BCR Leasing, ¢654,293 from BCR Valores, ¢319,137,412 from BCR SAFI, and ¢35,873,620 from Depósito Agrícola de Cartago, S.A. (For December 2023, there were amounts recorded in the participation expense account of ¢182,947,410 from BCR Valores operations, ¢128,582,284 from BCR SAFI, ¢230,998,125 from Banprocesa, and ¢282,014,799 from BCR Leasing).

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(29) Administrative expenses

Administrative expenses are as follows:

	December	December
	2024	2023
Salaries and bonuses, permanent staff	58,869,231,444	58,741,457,740
Salaries and bonuses, contractors	557,521,613	426,883,152
Compensation for directors and statutory examiners	83,846,000	69,592,180
Overtime	1,029,073,854	859,647,181
Per diem	361,732,231	334,136,154
Statutory Christmas bonus	5,109,568,661	5,109,202,562
Vacation	5,662,951,716	5,751,628,895
Other compensation	698,495,530	653,461,015
Severance payments	3,069,481,104	2,928,140,566
Employer social security taxes	23,058,092,243	23,252,246,688
Refreshments	47,463,660	39,920,898
Uniforms	234,695,850	268,746,570
Training	414,350,380	534,481,625
Employee insurance	199,255,014	222,005,163
Assets for personal use	391,383	237,676
“Back-to-school” bonus	5,850,289,820	5,755,769,420
Compulsory retirement savings account	946,375,668	953,814,915
Other personnel expenses	387,937,130	416,772,558
Outsourcing	29,611,918,506	21,018,866,277
Transportation and communications	1,790,762,163	1,906,642,338
Property insurance	178,590,358	171,083,129
Property maintenance and repairs	6,473,293,339	7,420,666,769
Public utilities	2,012,978,354	2,089,798,318
Leasing of property	3,714,900,847	3,714,863,571
Leasing of furniture and equipment	895,921,828	879,113,399
Depreciation of property and equipment, except vehicles	10,190,058,572	10,155,015,883
Amortization of leasehold property	242,324,527	314,430,191
Other infrastructure, expenses	3,342,629,649	2,710,365,678
Overhead	26,129,563,661	30,685,270,991
	¢ 191,163,695,105	187,384,261,502

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(30) Statutory allocations of earnings

Statutory allocations of earnings are as follows:

	December 2024	December 2023
Allocation for CONAPE	¢ 3,732,575,425	1,954,018,265
Allocation for Instituto Nacional de Fomento Cooperativo	3,298,573,236	2,656,610,114
Allocation for the National Emergencies Commission	2,239,545,255	1,172,410,959
Allocation for Régimen de Invalidez, Vejez y Muerte	11,197,726,275	5,862,054,794
	¢ 20,468,420,191	11,645,094,132

As of December 31, 2024, there are no adjustments, (for Decembre 2023 there is an increase in legal allocations of profit for Elderly and Death Regime, ¢62,281,667 for the National Emergency Commission and a decrease of ¢730,897,010 for INFOCOOP for a total of ¢668,615,344.

(31) Components of other comprehensive income

The components of other comprehensive income are as follows:

	December 2024		
	Amount before income tax	Profit (expense)	Net taxes
Adjustment for investments at fair value through other comprehensive income	¢ 11,757,108,994	(3,452,438,563)	8,304,670,431
Exchange differences for conversion of financial statements, foreign entities	(1,634,339,740)	0	(1,634,339,740)
Changes in equity from foreign subsidiaries	(183,427,165)	0	(183,427,165)
Change in equity of subsidiaries from unrealized profit	293,419,547	0	293,419,547
	¢ 10,232,761,636	(3,452,438,563)	6,780,323,073

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

	December 2023		
	Amount before income tax	Profit (expense)	Net taxes
Adjustment for investments at fair value through other comprehensive income	¢ 58,466,927,475	(18,045,364,769)	40,421,562,706
Exchange differences for conversion of financial statements, foreign entities	(9,444,106,286)	0	(9,444,106,286)
Changes in equity from foreign subsidiaries	(137,745,109)	0	(137,745,109)
Change in equity of subsidiaries from unrealized profit	3,021,275,817	0	3,021,275,817
	¢ 51,906,351,897	(18,045,364,769)	33,860,987,128

(32) Operating leases

The Bank as tenant

As to date there are no operating leases.

(33) Fair value

Fair values of financial instruments are as follows:

	December 2024		December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash and due from banks	¢ 887,752,569,846	887,752,569,846	825,116,996,393	825,116,996,393
Investment	1,594,928,255,527	1,569,813,785,989	1,438,028,141,675	1,417,961,031,325
Loan portfolio	3,504,016,662,967	3,755,771,091,366	3,243,235,811,248	3,434,520,458,713
	5,986,697,488,340	6,213,337,447,201	5,506,380,949,316	5,677,598,486,431
Demand deposits	3,346,001,168,510	3,346,001,168,510	3,136,558,033,428	3,136,558,033,428
Term deposits	1,371,950,972,310	1,355,389,767,264	1,321,626,600,481	1,305,524,221,793
Financial obligations	626,355,083,461	561,951,545,626	457,579,653,559	384,497,841,250
	¢ 5,344,307,224,281	5,263,342,481,400	4,915,764,287,468	4,826,580,096,471

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

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

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

- (b) Investments in financial instruments

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

- (c) Securities sold under repurchase agreements

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

- (d) Loan portfolio

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

- (e) Deposits and loans payable

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

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(34) Risk Management

Comprehensive Risk Management

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

Corporate governance of the risk management area

Boards of Directors, committees, and senior managers of member institutions of the Financial Conglomerate strengthen and ensure the above-mentioned SIGIR, aware of its contribution to the improvement of institutional processes, and hence to the achievement of objectives and goals.

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

Objective of the Comprehensive Risk Management System

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

General Risk Principles and Policies

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

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

(Continues)

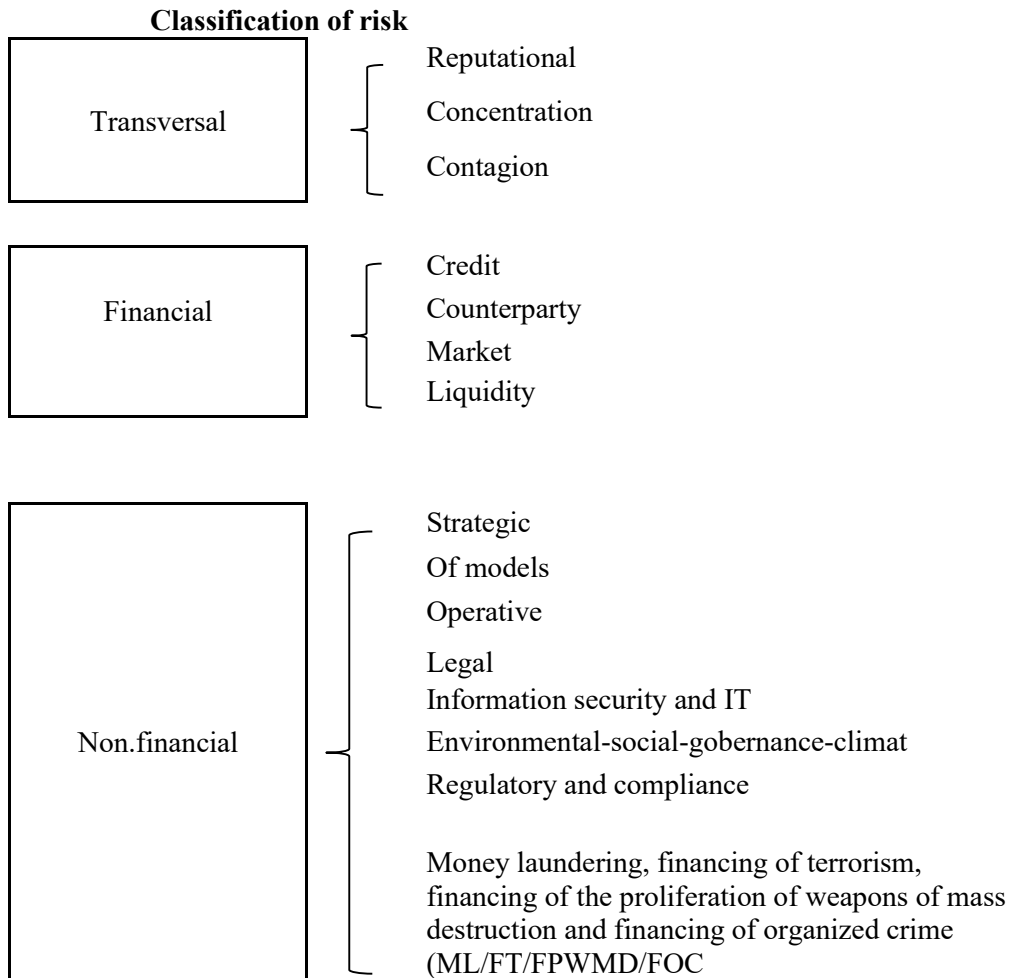
BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

Classification of significant risks

The relevant risks for the Bank are classified as follows:



(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
 For the period ended December 31, 2024
 (with corresponding figures as of December 31, 2023)
 (In colones without cents)

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	Capital requirement for exchange risk				
	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			Availability of technological platform Vulnerability analysis of the technological platform. Management of changes in applications		

A Risk Appetite Statement is established for the BCR Financial Conglomerate approved by the General Board of Directors as well as for each member entity of the Conglomerate approved by their boards of directors and the Assembly of Shareholders. These documents are part of the comprehensive risk management framework, which are periodically reviewed and updated.

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

Process of comprehensive risk management

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

Types of risk assessments

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

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

Risk control framework

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

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

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

Coverage

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

Evaluation of the effectiveness and maturity of the System

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

Information generated by the Comprehensive Risk Management System

During the period under analysis, the system generated timely and periodic reports for the Boards of Directors, Committees, and other risk-taking areas of the Conglomerate as a result of Comprehensive Risk Management, or by the occurrence of significant events that should be known 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 to 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 the country's risk and transfer risk.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

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

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

Management methodology

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

In addition, statistical support is complemented with expert criteria for the analysis of debtors' payment capacity, where macroeconomic and microeconomic factors are considered, as well as the Bank's own variables.

For the analysis of estimates, starting in January 2024, Standard Methodology came into force, referred to in the Regulation on Calculation of Credit Estimates (CNF 14-21), which aims to establish the methodology to quantify 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.

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

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

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

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

Exposure and risk management

At the end of December 2024, the percentage of arrears greater than 90 days remained at 2,43% (2,46% September 2024). This last indicator is within the risk appetite according to the Risk Appetite Declaration, with personal banking showing the highest delinquencies.

As of the end of December 2024, the indicator for the 1 to 30-day portfolio stands at 3.35% and remains outside the risk appetite zone of 3.13%, as established in the Risk Appetite Declaration.

The US dollar portfolio accounts for 23.33% of the total portfolio by the end of December (24.09% September 2024). It is important to mention that the loan portfolio has been managed strategically to attract customers with an acceptable risk profile. In addition, regular monitoring of the loans in foreign currency is given, and in particular to the portfolio of clients with exposure to exchange risk.

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
 For the period ended December 31, 2024
 (with corresponding figures as of December 31, 2023)
 (In colones without cents)

On the other hand, adequate and timely communication mechanisms are implemented on the Bank's exposure to credit risk at all levels of the organizational structure, allowing to obtain a prospective view of the impact on credit estimates and capital. The related reports consider both the exposure as well as the deviations that may arise with respect to the defined limits and tolerance levels. The commercial area is kept informed of the inherent risks of the economic activities associated with credit underwriting, through specific studies, as well as new credit instruments the Bank is planning to offer.

With respect to the counterparty risk of the investment portfolio, compliance with the internal investment limits per issuer is monitored weekly. In addition, as of January 2020, the calculation of the expected loss for the investment portfolio under IFRS 9 starts. The foregoing allows for a buffer of resources to mitigate eventual defaults that may occur in the portfolio, thus maintaining a conservative profile. By the end of December 2024, the expected loss of the investment portfolio was 0.05%, (0.04% and 0.14% for December 2023 and December 2022, respectively).

Expected losses are shown in the following table:

Banco de Costa Rica, expected losses of the investment portfolio by currency			
	December 2023 vs December 2024		
<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 December 30, 2024			
Colones	739,149,409	0	0
US dollars	136,229	0	0
UDES	565	0	0
Value correction for losses As of December 31, 2023			
Colones	424,717,621	0	0
US dollars	185,230	0	0
UDES	1,300	0	0
Rollover to 12-month expected credit losses			
Colones	314,431,788	0	0
US dollars	(49,001)	0	0
UDES	(735)	0	0

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

Banco de Costa Rica, expected losses of the investment portfolio
by currency

Value correction for losses	December 2022 vs December 2023		Financial assets with loan impairment
	12-month expected credit losses	Lifetime expected credit losses	
Value correction 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 correction for losses As of December 31, 2022			
Colones	1,352,956,981	116,852,886	5,753,000,000
US dollars	856,310	0	0
UDES	0	50,098	1,862,000
Rollover to 12-month expected credit losses			
Colones	(928,239,361)	(116,852,886)	(5,753,000,000)
US dollars	(671,081)	0	0
UDES	1,300	(50,098)	(1,862,000)

As of the end of December 2024, the expected loss of the investment portfolio was 0.05%, with a variation of 0,01% with respect to December 2023. Compared with the previous quarter (September 2024), there is no variation in the expected loss indicator.

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

	Note	Direct loan portfolio		Contingent loan portfolio	
		December 2024	December 2023	December 2024	Contingent loan portfolio December 2023
Principal	6a	¢ 3,510,991,880,205	3,245,765,363,343	238,580,609,113	217,178,614,739
Interest		17,248,944,943	17,936,955,267	0	0
Allowance for bad debts		3,528,240,825,148 (138,487,951,314)	3,263,702,318,610 (124,601,629,687)	238,580,609,113 (6,852,732,208)	217,178,614,739 (298,047,496)
Carrying amount	¢	<u>3,389,752,873,834</u>	<u>3,139,100,688,923</u>	<u>231,727,876,905</u>	<u>216,880,567,243</u>
Loan portfolio					
Balances, total:					
A1	¢	0	2,563,133,496,963	0	211,322,024,388
A2		0	3,117,196,781	0	319,588,092
B1		0	260,868,161,925	0	2,910,408,383
B2		0	1,285,748,107	0	42,883,009
C1		0	140,255,975,763	0	1,059,762,559
C2		0	2,552,664,227	0	23,769,022
D		0	107,278,513,781	0	293,991,268
E		0	98,878,396,515	0	1,200,289,606
1		2,749,092,866,825	80,019,058,345	193,851,465,308	5,898,412
2		544,434,432,248	512,502,422	2,859,156,216	0
3		30,709,648,881	4,166,260,134	0	0
4		58,825,684,745	585,107,861	38,926,607,426	0
5		58,491,107,677	228,027,154	2,909,990,246	0
6		2,684,300,294	821,208,632	0	0
7		893,983,205	0	20,941,050	0
8		83,108,801,273	0	12,448,867	0
		<u>3,528,240,825,148</u>	<u>3,263,702,318,610</u>	<u>238,580,609,113</u>	<u>217,178,614,739</u>
Allowance for bad debts		<u>(56,993,861,684)</u>	<u>(67,629,859,159)</u>	<u>0</u>	<u>(104,465,012)</u>
Carrying amount, net		<u>3,471,246,963,464</u>	<u>3,196,072,459,451</u>	<u>238,580,609,113</u>	<u>217,074,149,727</u>
Carrying amount		3,528,240,825,148	3,263,702,318,610	238,580,609,113	217,178,614,739
Allowance for bad debts		(56,993,861,684)	(67,629,859,159)	0	(104,465,012)
(Surplus) inadequacy of allowance on structural estimate		<u>(81,494,089,630)</u>	<u>(56,971,770,528)</u>	<u>(6,852,732,208)</u>	<u>(193,582,484)</u>
Carrying amount, net	6a	<u>¢ 3,389,752,873,834</u>	<u>3,139,100,688,923</u>	<u>231,727,876,905</u>	<u>216,880,567,243</u>

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

Loan Portfolio

	Direct loan portfolio			Allowance	Contingent loan portfolio	
	Principal	Covered Balance	Overdraft		Principal	Allowance
Direct specific allowance						
1	2,749,092,866,825	0	0	(7,903,890,407)	193,851,465,308	0
2	544,434,432,248	0	0	(4,619,185,733)	2,859,156,216	0
3	30,709,648,881	0	0	(1,017,974,104)	0	0
4	58,825,684,745	0	0	(3,473,425,915)	38,926,607,426	0
5	58,491,107,677	0	0	(4,697,127,161)	2,909,990,246	0
6	2,684,300,294	0	0	(928,561,015)	0	0
7	893,983,205	0	0	(962,743,205)	20,941,050	0
8	83,108,801,273	0	0	(33,390,954,144)	12,448,867	0
¢	3,528,240,825,148	0	0	(56,993,861,684)	238,580,609,113	0
¢	3,528,240,825,148	0	0	(56,993,861,684)	238,580,609,113	0

Loan Portfolio

Aging of loan portfolio

	Direct loan portfolio			Allowance	Contingent loan portfolio	
	Principal	Covered Balance	Overdraft		Principal	Allowance
Direct specific allowance						
Al día	3,284,438,836,324	0	0	(18,193,859,969)	238,580,609,113	0
Equal or less than 30 days	117,026,338,110	0	0	(1,728,694,627)	0	0
Equal or less than 60 days	28,034,974,531	0	0	(1,043,141,244)	0	0
Equal or less than 90 days	8,305,644,192	0	0	(839,337,519)	0	0
Equal or less than 180 days	16,093,718,589	0	0	(4,654,624,210)	0	0
More than 180 days	74,341,313,402	0	0	(30,534,204,115)	0	0
¢	3,528,240,825,148	0	0	(56,993,861,684)	238,580,609,113	0
¢	3,528,240,825,148	0	0	(56,993,861,684)	238,580,609,113	0

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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)
	2,646,269,752,089	1,686,820,499,093	959,449,252,996	(13,031,749,283)	211,647,510,892	(76,448,926)
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
	¢ 617,432,566,521	534,784,213,663	82,648,352,858	(54,598,109,876)	5,531,103,847	(28,016,086)
	¢ 3,263,702,318,610	2,221,604,712,756	1,042,097,605,854	(67,629,859,159)	217,178,614,739	(104,465,012)
Loan Portfolio						
Aging of loan portfolio						
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
	2,566,250,693,744	1,641,911,593,292	924,339,100,452	(13,031,749,282)	211,641,612,480	(76,448,926)
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
	¢ 697,451,624,866	579,693,119,464	117,758,505,402	(54,598,109,877)	5,537,002,259	(28,016,086)
	¢ 3,263,702,318,610	2,221,604,712,756	1,042,097,605,854	(67,629,859,159)	217,178,614,739	(104,465,012)

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

On December 30, 2024	Loans receivable from customer	
	Gross	Net
Risk Category:		
1	2,749,092,866,825	2,741,188,976,418
2	544,434,432,248	539,815,246,515
3	30,709,648,881	29,691,674,778
4	58,825,684,745	55,352,258,830
5	58,491,107,677	53,422,341,198
6	2,684,300,294	1,755,739,278
7	893,983,205	302,879,318
8	83,108,801,273	49,717,847,129
	<u>¢ 3,528,240,825,148</u>	<u>3,471,246,963,464</u>

On December 31, 2023	Loans receivable from customer	
	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>

In compliance with SUGEF Directive 1-05, as of December 31, 2024, the Bank must maintain a minimum allowance in the amount of ¢56,993,861,684, (¢67,734,324,171 and, for December 2023) of which ¢56,993,861,684, (¢67,629,859,159 for December 2023) is allocated to the valuation of the direct loan portfolio and ¢0.00 (¢104,465,012 for December 2023) to the contingent loan portfolio. Additionally, the countercyclical allowance is of ¢66,996,345,825 (¢12,817,921,587 for December 2023).

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

	December 2024		December 2023	
	Loan Portfolio	Contingent Accounts	Loan Portfolio	Contingent Accounts
Artistic, entertainment and recreative activities	¢ 2,859,988,259	40,175,102,788	0	0
Human health and social assistance activities	257,094,640	0	0	0
Activities of households as employers of domestic personnel	16,400,000	0	0	0
Administrative and support activities	19,297,232,766	0	0	0
Professional, scientific and technical activities	614,117,003	0	0	0
Trade	292,034,605,305	19,594,912,120	296,138,155,439	25,451,223,818
Manufacturing	214,494,591,428	6,554,821	232,754,738,209	6,554,821
Construction, purchase and repair of real estate	132,299,935,117	44,000,000	1,316,723,625,795	44,000,000
Agriculture, livestock. Hunting and related services	131,279,096,225	0	133,828,756,266	0
Fishing and aquaculture	0	0	42,617,690	0
Consumer	369,444,532,659	175,744,502,441	265,748,034,982	142,284,376,588
Education	103,925,570	0	657,174,250	0
Transportation	31,010,081,168	45,452,772	31,005,549,708	43,447,072
Financial and stock Exchange	13,449,200	47,362,693	2,687,299,499	0
Telecommunications and public utilities	79,255,365,808	0	237,657,850,422	0
Services	582,140,471,349	0	582,789,273,745	53,300,298,901
Hospitality	91,254,076,071	0	104,478,630,055	0
Mining and quarrying	14,788,851	0	21,982,027	0
Real estate. business and leasing activities	1,264,669,423,151	0	21,398,613,478	0
Public Administration	299,932,705,635	19,761,239,074	19,382,332,809	10,820,576,851
Other activities from the non financial private sector	0	0	450,728,969	279,940,847
	3,510,991,880,205	255,419,126,709	3,245,765,363,343	232,230,418,898
Other contingencies	0	225,088,150,604	0	232,883,506,405

As of December 31, 2024, and 2023 the credit risk is concentrated in Costa Rica.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

As of December 31, 2024, the Bank has banking mandates for ¢0.00, (¢166,500 for December 2023).

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

		December 2024	December 2023
Properties	¢	23,970,962,395	87,259,101,407
Other		68,665,987	456,364,933
	¢	24,039,628,382	87,715,466,340

The loan portfolio by type of guarantee is as follows:

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

		December 2024		December 2023	
		Loan portfolio	Contingent accounts	Loan portfolio	Contingent accounts
Guarantee					
Fiduciary	¢	544,493,900,879	0	450,206,132,232	0
Mortgage		1,486,244,738,974	0	1,467,751,992,020	0
Chattel mortgage		88,923,438,097	0	82,033,046,093	0
Other		1,391,329,802,255	222,841,813,341	1,245,774,192,998	208,940,162,550
	¢	3,510,991,880,205	222,841,813,341	3,245,765,363,343	208,940,162,550

See notes 6 and 19.

As of December 31, 2024, 45% of the loan portfolio is secured by mortgage or chattel collaterals (48% for December 2023).

In compliance with SUGEF 4-22 regulations, "Regulations on limits to active, direct, and indirect operations of a supervised entity" (formerly SUGEF Directive 5-04: "Regulations on Credit Limits to Individual Persons and Economic Interest Groups"), the Bank deperates information on reported data of economic interest groups as part of their responsibility to identify significant administrative and stockholder's equity relationships among debtors with total active operations.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

As of December 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:

As of December 31, 2024:

<u>No.</u>	<u>Percentage</u>	<u>Band</u>	<u>Total value</u>	<u>N° customers</u>
1	0-4,99%	27,305,902,211	76,246,504,251	1
2	5-9,99%	54,611,804,422	943,061,135,930	97
3	10-14,99%	81,917,706,633	0	0
4	15-20%	109,223,608,845	0	0
Total		¢	1,019,307,640,181	98

As of December 31, 2023:

<u>No.</u>	<u>Percentage</u>	<u>Band</u>	<u>Total value</u>	<u>N° customers</u>
1	0-4.99%	26,628,144,598 ¢	83,084,177,539	1
2	5-9.99%	53,256,289,197	227,731,503,220	3
3	10-14.99%	79,884,433,795	0	0
4	15-20%	106,512,578,393	0	0
Total		¢	310,815,680,759	4

(b) Management of market and liquidity risk

Definitions

Market risk refers to potential losses that may occur in the value of assets and liabilities in the balance sheet due to adverse movements in the factors that determine their price, also known as risk factors, such as liquidity, interest rates, exchange rate and inflation, including the portfolios under management.

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

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

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

Management methodology of market and liquidity risk

Two methodologies are used to measure exposure to price risk:

- **Regulatory methodology:** uses historical simulation and its results are weighted in the price risk of Equity Sufficiency
- **Internal methodology:** uses a parametric Value at Risk (VaR) model with daily exponential smoothing, which measures the impact of factors such as interest rates and exchange rates on the investment portfolio's performance.

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.

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

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

Tolerance limits and risk indicators

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

- Liquidity risk: maximum expected collection received from the public by currency, term matching one and three months by currency and coverage of Liquidity Index (ICL) by currency, as well as the Stable Net Funding Indicator.
- Price risk: VaR of the Investment portfolio through internal models and regulations.
- Exchange risk: Capital requirement for exchange risk through internal models.
- Interest rate risk: Sensitivity of the financial margin due to movements in reference interest rates.

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

Exposure and risk management

(c) Liquidity risk

Cash and cash equivalents show a year-over-year variation of -14.70%, mainly due to changes in cash, current accounts and demand deposits in foreign financial institutions, immediate collection documents, and investments in financial instruments for trading (see cash and cash equivalents table in note 4).

Demand deposits increase by 6.96% on a year-on-year basis, due to the increase in current account balances, demand savings deposits and matured time deposits (see chart of demand obligations with the public in note 12).

Wholesale funding increased year-over-year by 36.88%, primarily due to demand obligations with BCCR, accounts payable for obligations with the Central Bank of Costa Rica (BCCR), overdrafts in demand deposit accounts with foreign financial institutions term deposits from domestic financial institutions, loans from foreign financial institutions, charges payable for obligations with financial and non-financial entities and subordinated loans (See the table of obligations with financial institutions and the Central Bank in note 14).

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
 For the period ended December 31, 2024
 (with corresponding figures as of December 31, 2023)
 (In colones without cents)

In the following table, the results for the end of September 2024 are observed:

	December 2024	December 2023
Liquidity coverage indicator (colones)	1.19	1.26
Liquidity coverage indicator (US dollars)	1.51	1.80
Regulatory limit	<u>1.00</u>	<u>1.00</u>

On the other hand, the term matches another regulatory indicator:

Regulatory liquidity matches by currency and term		December 2024	December 2023		
Indicator	Interpretation	Observation	Observation	Approved levels	
1-month term matching US dollars	Ratio between assets and liabilities with account's volatility	1.79	1.90	Limit:	1.13
1-month term matching colones		1.69	2.19	Limit:	1.03
3-months term matching US dollars		1.31	1.26	Limit:	0.98
3-months term matching colones		<u>1.29</u>	<u>1.45</u>	Limit:	<u>0.88</u>

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

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

The Bank's assets and liabilities mature as follows:

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

As of December 31, 2024

Assets	Demand	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 365 days	More than 365 days	More than 30 days past due	Total
Cash and due from banks	¢ 219,799,068,728	0	0	0	0	0	0	0	219,799,068,728
Cash reserve- BCCR	473,169,742,600	29,108,481,246	25,154,578,597	19,339,334,376	40,001,641,453	48,816,626,091	32,363,096,755	0	667,953,501,118
Investments	0	163,776,044,155	3,018,059,082	17,828,344,480	80,429,037,213	146,796,885,110	1,157,965,415,949	0	1,569,813,785,989
Interest on investments	0	4,439,750,491	6,625,953,420	7,430,120,611	6,170,390,813	448,254,203	0	0	25,114,469,538
Loan portfolio	0	75,033,508,509	53,560,196,242	46,913,526,691	134,708,732,619	162,184,436,741	2,898,811,329,189	115,555,988,033	3,486,767,718,024
Interest on loans	0	8,992,950,783	317,295,260	79,926,983	703,906,419	26,848,572	5,374,656	7,122,642,270	17,248,944,943
	¢ <u>692,968,811,328</u>	<u>281,350,735,184</u>	<u>88,676,082,601</u>	<u>91,591,253,141</u>	<u>262,013,708,517</u>	<u>358,273,050,717</u>	<u>4,089,145,216,549</u>	<u>122,678,630,303</u>	<u>5,986,697,488,340</u>
Liabilities									
Obligations with the public	¢ 3,325,943,500,967	205,543,056,373	177,590,937,770	136,106,569,274	281,887,168,410	344,254,364,832	226,675,740,278	0	4,698,001,337,904
Obligations with the BCCR	0	161,929,838,016	0	0	0	0	0	0	161,929,838,016
Obligations with financial									
Entities	42,629,465,247	272,751,544,991	22,297,055,902	14,270,231,354	22,885,855,651	9,506,717,215	25,297,980,266	0	409,638,850,626
Charges payable	3,757,271,820	4,124,912,704	7,971,165,235	1,988,208,337	3,466,291,881	2,227,121,466	1,057,007,421	0	24,591,978,864
	<u>3,372,330,238,034</u>	<u>644,349,352,084</u>	<u>207,859,158,907</u>	<u>152,365,008,965</u>	<u>308,239,315,942</u>	<u>355,988,203,513</u>	<u>253,030,727,965</u>	<u>0</u>	<u>5,294,162,005,410</u>
Assets and liabilities spread	¢ <u>(2,679,361,426,706)</u>	<u>(362,998,616,900)</u>	<u>(119,183,076,306)</u>	<u>(60,773,755,824)</u>	<u>(46,225,607,425)</u>	<u>2,284,847,204</u>	<u>3,836,114,488,584</u>	<u>122,678,630,303</u>	<u>692,535,482,930</u>

As of December 31, 2023

Assets	Demand	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 365 days	More than 365 days	More than 30 days past due	Total
Cash and due from banks	¢ 253,892,717,009	0	0	0	0	0	0	0	253,892,717,009
Cash reserve- 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
Investments	0	463,897,287,503	10,428,871,619	6,651,217,219	98,711,806,689	142,342,282,496	695,929,565,800	0	1,417,961,031,326
Interest on investments	0	8,898,203,698	5,060,250,151	950,649,936	4,266,460,054	891,546,510	0	0	20,067,110,349
Loan portfolio	0	59,971,234,877	33,866,618,540	36,115,237,694	117,434,652,954	197,780,928,755	2,644,659,212,417	135,470,970,744	3,225,298,855,981
Interest on loans	0	9,030,053,409	187,126,531	115,007,835	822,709,629	28,630,253	2,145,603	7,751,282,007	3,225,298,855,981
	¢ <u>654,786,597,866</u>	<u>576,795,392,734</u>	<u>68,562,651,841</u>	<u>59,246,942,784</u>	<u>253,947,148,419</u>	<u>376,174,788,382</u>	<u>3,373,645,174,539</u>	<u>143,222,252,751</u>	<u>5,506,380,949,316</u>
Liabilities									
Obligations with the public	¢ 3,109,625,393,854	271,480,890,184	147,648,524,063	119,655,335,781	253,792,663,855	272,903,074,147	256,297,829,692	0	4,431,403,711,576
Obligations with the BCCR	0	0	0	0	0	0	103,950,578,331	0	103,950,578,331
Obligations with financial									
Entities	31,253,391,901	150,996,543,030	27,750,209,005	8,500,000,000	23,099,800,285	40,553,374,825	17,361,841,132	0	299,515,160,178
Charges payable	1,953,277,310	13,108,132,023	5,282,934,671	2,111,658,651	2,726,736,007	2,093,631,094	3,476,091,101	0	30,752,460,857
	<u>3,142,832,063,065</u>	<u>435,585,565,237</u>	<u>180,681,667,739</u>	<u>130,266,994,432</u>	<u>279,619,200,147</u>	<u>315,550,080,066</u>	<u>381,086,340,256</u>	<u>0</u>	<u>4,865,621,910,942</u>
Assets and liabilities spread	¢ <u>(2,488,045,465,199)</u>	<u>(141,209,827,497)</u>	<u>(112,119,015,898)</u>	<u>(71,020,051,648)</u>	<u>(25,672,051,728)</u>	<u>60,624,708,316</u>	<u>2,992,558,834,283</u>	<u>143,222,252,751</u>	<u>640,759,038,374</u>

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(d) Price risk of the portfolio

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

In the case of own funds, a concentration of 49.03% is observed in instruments issued by the Ministry of Finance. In this sense and with the purpose of mitigating the market risk of these instruments, a strategy was defined in the investment position of this issuer.

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

	December 2024	December 2023
VaR	1,097,076,397	13,762,383,855

The decreases in requirements for price risk are explained by reductions in the market value of the investment portfolio and the Bank's investment strategy, and the output of the 25 worst observations found in August, based on the calculation methodology, which came out in September (they were the last observations).

(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 to 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 Corporate Risk Management.
- Rate adverse, which includes interest rates with a less probable behavior.

The projected BUST 2024 rates were used for the scenarios.

Following the results by currency:

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
 For the period ended December 31, 2024
 (with corresponding figures as of December 31, 2023)
 (In colones without cents)

		Results September 2024	Base scenario	Adverse scenario	Scenario +-100 bp	Scenario +-200 bp
Colones	Cumulative one-year gap	812,006.69	812,006.69	812,006.69	812,006.69	812,006.69
	TBP (one-year projection)	4.08%	3.50%	4.55%	5.28%	6.28%
	Impact on the margin	(1,856.55)	(4,595.42)	5,105.50	(+)-9,282.73	(+)-18,565.46
US dollars	Cumulative one-year gap	405,663.08	405,663.08	405,663.08	405,663.08	405,663.08
	Prime (one-year projection)	7.02%	6.55%	9.87%	9.00%	10.00%
	Impact on the margin	(3,454.31)	(5,098.25)	6,591.39	(+)-3,524.80	(+)-7,049.61

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

As of December 31, 2024, the matching of interest rate terms on assets and liabilities is detailed 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>
<u>Colones</u>								
<u>Assets</u>								
Investments	6.44%	¢ 103,553,655,202	28,462,985,868	89,160,938,432	85,868,900,000	265,311,100,000	763,710,016,848	1,336,067,596,350
Loan portfolio	8.06%	1,573,957,160,974	145,655,716,104	121,729,090,088	74,254,941,715	106,371,217,549	1,562,244,461,211	3,584,212,587,641
Total recovered assets (*)		1,677,510,816,176	174,118,701,972	210,890,028,520	160,123,841,715	371,682,317,549	2,325,954,478,059	4,920,280,183,991
<u>Liabilities</u>								
Obligations with the public		161,427,028,712	222,464,847,361	218,143,664,693	253,651,803,736	109,542,052,642	48,136,320,570	1,013,365,717,714
Demand obligations	1.98%							0
Term obligations	9.89%							
Obligations with financial entities	4.11%	134,453,757,157	123,507,151,961	22,943,583,056	7,868,865,553	172,629,333	0	288,945,987,060
Total matured liabilities (*)		370,900,576,230	345,971,999,322	241,087,247,749	261,520,669,289	109,714,681,975	48,136,320,570	1,377,331,495,135
Assets and liabilities spread		¢ 1,306,610,239,946	(171,853,297,350)	(30,197,219,229)	(101,396,827,574)	261,967,635,574	2,277,818,157,489	3,542,948,688,856
<u>US Dollars</u>								
<u>Assets</u>								
Investments	4.94%	¢ 65,576,934,151	15,275,877,691	9,991,976,823	58,717,326,870	35,637,811,380	57,994,890,300	243,194,817,215
Loan portfolio	6.59%	232,028,466,575	36,976,088,343	57,195,168,339	39,789,169,129	72,997,526,106	661,458,885,819	1,100,445,304,311
Total recovered assets (*)		297,605,400,726	52,251,966,034	67,187,145,162	98,506,495,999	108,635,337,486	719,453,776,119	1,343,640,121,526
<u>Liabilities</u>								
Obligations with the public		65,327,254,945	86,292,290,307	78,412,337,677	72,070,537,689	29,657,587,619	14,244,895,512	346,004,903,749
Demand obligations	0.92%							
Term obligations	1.90%							
Obligations with financial entities	4.11%	513,942,181	1,031,966,764	677,894,331	1,298,976,341	1,840,965,299	19,737,951,273	25,101,696,189
Total matured liabilities (*)		65,841,197,126	87,324,257,071	79,090,232,008	73,369,514,030	31,498,552,918	33,982,846,785	371,106,599,938
Assets and liabilities spread		¢ 231,764,203,600	(35,072,291,037)	(11,903,086,846)	25,136,981,969	77,136,784,568	685,470,929,334	972,533,521,588

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

As of December 31, 2023

	<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>
Colones								
Assets								
Investments	6.68%	¢ 327,790,476,180	20,604,817,350	63,574,487,485	106,030,034,892	196,616,500,000	394,967,221,544	1,109,583,537,451
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
Total recovered assets (*)		1,813,157,226,098	127,296,644,034	173,171,614,274	164,782,753,951	313,996,801,144	1,770,073,892,725	4,362,478,932,226
Liabilities								
Obligations with the public		224,173,564,980	191,111,033,827	206,713,281,918	175,264,063,924	116,562,673,410	58,466,759,532	972,291,377,591
Demand obligations	2.74%							
Term obligations	9.89%							
Obligations with financial entities	2.41%	8,208,806,050	36,707,117,033	23,179,900,304	13,372,434,796	103,950,578,331	0	185,418,836,514
Total matured liabilities (*)		232,382,371,030	227,818,150,860	229,893,182,222	188,636,498,720	220,513,251,741	58,466,759,532	1,157,710,214,105
Assets and liabilities spread		¢ 1,580,774,855,068	(100,521,506,826)	(56,721,567,948)	(23,853,744,769)	93,483,549,403	1,711,607,133,193	3,204,768,718,121
US Dollars								
Assets								
Investments	4.96%	¢ 146,357,487,599	5,421,828,081	48,196,179,873	37,877,403,200	37,429,028,320	55,064,755,680	330,346,682,753
Loan portfolio	7.14%	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
Total recovered assets (*)		395,071,108,546	37,335,438,251	96,972,873,396	126,562,784,133	125,413,089,507	433,022,070,886	1,214,377,364,719
Liabilities								
Obligations with the public		67,939,178,661	79,898,503,871	67,864,980,095	95,836,440,464	18,802,236,956	11,816,832,458	342,158,172,505
Demand obligations	0.92%							
Term obligations	1.90%							
Obligations with financial entities	2.41%	2,635,337,340	787,777,946	632,728,395	27,630,918,694	2,288,366,797	10,328,601,220	44,303,730,392
Total matured liabilities (*)		70,574,516,001	80,686,281,817	68,497,708,490	123,467,359,158	21,090,603,753	22,145,433,678	386,461,902,897
Assets and liabilities spread		¢ 324,496,592,545	(43,350,843,566)	28,475,164,906	3,095,424,975	104,322,485,754	410,876,637,208	827,915,461,822

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

Within the gap report (rate-sensitive assets and liabilities) in local currency, a total difference of asset recovery less maturity of liabilities as of December 31, 2024, for ₡3,650,633,179,992, (₡3,204,768,718,121 for December 2023) while in foreign currency the same difference is of ₡2,020,449,323,309, (₡827,915,461,822 for December 2023) is shown, being an improved inference in the balance sheet due to positive changes in interest rates, since the entity presents more assets than liabilities in both currencies. Regarding to term matching (sum of liquidity of assets and liabilities) as of December 2024, the total amount in local currency was of ₡631,560,557,778, (₡640,759,038,371 for December 2023) while in foreign currency, the collected data for the compliance of obligations was of ₡60,974,925,151, (₡73,732,001,886, for December 2023) however, on a consolidated basis it shows the necessary solvency to meet the liquid liabilities of the Organization.

(f) Foreign exchange risk

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

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

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

To comply with the Own Position in Foreign Currency, the Treasury Management had to maintain a positive position in foreign currency, reaching US\$164 million as of December 2024 (US\$171 million for December 2023, respectively), given that the appetite for the ratio of position in foreign currency (PME) to base capital (CB) decreased.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

		December 2024	December 2023
Assets:			
Cash and due from banks	US\$	443,846,761	449,804,193
Investments in financial instruments		466,060,016	616,367,171
Loan portfolio		1,515,128,941	1,329,941,254
Accounts and accrued interest receivable		5,192,496	1,143,790
Investments in other companies		141,208,090	132,998,697
Other		15,929,304	14,896,019
Total assets		2,587,365,608	2,545,151,124
Liabilities:			
Obligations with the public		2,198,061,844	2,106,349,595
Other financial obligations		197,153,294	240,460,507
Other account payable and provisions		24,585,703	23,855,679
Other liabilities		9,447,454	6,431,950
Total liabilities		2,429,248,295	2,377,097,731
Net position (excess of monetary assets over monetary liabilities)	US\$	158,117,313	168,053,393

Monetary assets and liabilities in foreign currency are valued by using the reference sale rate established by BCCR on the last business day of each month, as of December 31, 2024, that rate was ¢512.75 for US\$1.00 (¢524.88 for US \$1.00 in December 2023).

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

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

The following table shows the possible annual gains (losses) if there are variations of 5 percentage points in the exchange rates, respectively.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

Sensitivity to an increase in the exchange rate

	December 2024	December 2023
Net position	158,117,314	168,053,392
Closing exchange rate	512.73	526.88
Increase in the exchange rate by 5%	25.64	26.34
Profit	<u>4,054,127,931</u>	<u>4,426,526,345</u>

Sensitivity to a decrease in the exchange rate

	December 2024	December 2023
Net position	158,117,314	168,053,392
Closing exchange rate	512.73	526.88
Decrease in the exchange rate by 5%	(25.64)	(26.34)
Loss	<u>(4,054,127,931)</u>	<u>(4,426,526,345)</u>

Monetary assets and liabilities in Euros are detailed as follows:

		December 2024	December 2023
Assets:			
Cash and due from banks	EUR€	6,981,872	7,270,923
Other assets		13,425	290,519
Total assets		<u>6,995,297</u>	<u>7,561,442</u>
Liabilities:			
Obligations with the public		6,774,642	6,449,613
Other financial obligations		1,077,843	105,668
Other accounts payable and provisions		27,334	43,680
Other liabilities		(1,951)	32,397
Total liabilities		<u>7,877,868</u>	<u>6,631,358</u>
Net position (excess of monetary assets over monetary liabilities)	EUR€	<u>(882,571)</u>	<u>930,084</u>

As of December 31, 2024, complying with SUGEF's regulations, the terms matching of the most important US dollar accounts is as follows:

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

		<u>Demand</u>	<u>1 to 30 days</u>	<u>31 to 60 days</u>	<u>61 to 90 days</u>	<u>91 to 180 days</u>	<u>181 to 365 days</u>	<u>More than 365 days</u>	<u>More than 30 days past due</u>	<u>Total</u>
Assets										
Cash and due from banks	US\$	147,146,124	0	0	0	0	0	0	0	147,146,124
Cash reserve- BCCR		201,296,818	16,424,120	14,053,028	8,955,898	20,089,903	25,590,125	10,290,746	0	296,700,638
Investments		0	126,232,478	1,988,010	25,980,648	14,757,853	113,512,473	178,833,326	0	461,304,788
Interest on investments		0	1,520,972	235,746	1,022,540	1,101,720	874,250	0	0	4,755,228
Loan portfolio		0	34,726,499	26,626,763	34,407,482	120,119,002	90,657,205	1,206,294,202	81,892,102	1,594,723,255
Interest on loans		0	3,776,930	91,426	9,723	0	0	0	5,629,121	9,507,200
		<u>348,442,942</u>	<u>182,680,999</u>	<u>42,994,973</u>	<u>70,376,291</u>	<u>156,068,478</u>	<u>230,634,053</u>	<u>1,395,418,274</u>	<u>87,521,223</u>	<u>2,514,137,233</u>
Liabilities										
Obligations with public		1,486,147,641	121,257,092	103,751,637	66,120,208	148,321,084	188,928,487	75,975,209	0	2,190,501,358
Obligations with financial										
Entities		8,865,146	140,079,307	1,200,152	785,127	1,171,399	2,815,057	41,798,776	0	196,714,964
Charges payable		769,696	1,680,760	1,434,299	795,281	1,580,106	1,035,073	703,602	0	7,998,817
		<u>1,495,782,483</u>	<u>263,017,159</u>	<u>106,386,088</u>	<u>67,700,616</u>	<u>151,072,589</u>	<u>192,778,617</u>	<u>118,477,587</u>	<u>0</u>	<u>2,395,215,139</u>
Assets and liabilities spread	US\$	<u>(1,147,339,541)</u>	<u>(80,336,160)</u>	<u>(63,391,115)</u>	<u>2,675,675</u>	<u>4,995,889</u>	<u>37,855,436</u>	<u>1,276,940,687</u>	<u>87,521,223</u>	<u>118,922,094</u>

As of December 31, 2023, in US dollars:

		<u>Demand</u>	<u>1 to 30 days</u>	<u>31 to 60 days</u>	<u>61 to 90 days</u>	<u>91 to 180 days</u>	<u>181 to 365 days</u>	<u>More than 365 days</u>	<u>More than 30 days past due</u>	<u>Total</u>
Assets										
Cash and due from banks	US\$	181,596,229	0	0	0	0	0	0	0	181,596,229
Cash reserve- BCCR		180,671,963	15,888,177	10,780,884	8,580,764	15,840,380	23,340,901	13,104,896	0	181,596,229
Investments		0	276,102,025	9,686,245	0	84,328,893	69,406,218	170,198,165	0	268,207,965
Interest on investments		0	1,484,216	368,815	0	3,178,863	1,613,732	0	0	609,721,546
Loan portfolio		0	14,445,240	14,400,031	22,976,540	89,822,831	181,550,640	995,534,439	93,923,791	6,645,626
Interest on loans		0	3,125,127	53,223	110,271	0	0	0	4,637,393	1,412,653,512
		<u>362,268,192</u>	<u>311,044,785</u>	<u>35,289,198</u>	<u>31,667,575</u>	<u>193,170,967</u>	<u>275,911,491</u>	<u>1,178,837,500</u>	<u>98,561,184</u>	<u>2,486,750,892</u>
Liabilities										
Obligations with public		1,415,295,262	124,460,158	84,452,139	67,217,482	124,085,740	182,841,135	102,657,305	0	2,101,009,221
Obligations with financial										
Entities		17,317,134	144,067,172	1,180,855	0	1,200,836	52,442,527	23,946,569	0	240,155,093
Charges payable		202,188	930,034	1,115,942	954,856	923,560	920,476	598,730	0	5,645,786
		<u>1,432,814,584</u>	<u>269,457,364</u>	<u>86,748,936</u>	<u>68,172,338</u>	<u>126,210,136</u>	<u>236,204,138</u>	<u>127,202,604</u>	<u>0</u>	<u>2,346,810,100</u>
Assets and liabilities spread	US\$	<u>(1,070,546,392)</u>	<u>41,587,421</u>	<u>(51,459,738)</u>	<u>(36,504,763)</u>	<u>66,960,831</u>	<u>39,707,353</u>	<u>1,051,634,896</u>	<u>98,561,184</u>	<u>139,940,792</u>

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

For the period ended December 31, 2024, the separate accumulated financial statements show a net foreign exchange loss of ¢15,051,080,983, (¢12,257,949,237 net loss for December 2023).

(g) Capital Management

The Capital Management Process in the BCR Financial Conglomerate 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.

In 2024, the credit risk requirement shows higher levels compared to 2023 due to the increase in credit placement. In addition, the climate risk requirement (introduced in 2023) maintains the same behavior due to its dependency on the credit portfolio.

(h) Systemic risk

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

The size of the BCR Financial Conglomerate is according to assets of the most updated data, equivalent to the end of December 2024 of 15.26% of annual GDP. Due to the size and complexity of its operations, 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 a sixth dimension is added that correlates the previous five that acts transversally on the other dimensions.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(i) Operational risk management

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

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

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

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

Gross operating losses
- Percentage distribution by type of risk-

Type of operational risk	Accumulated gross losses 2024	December 2024	December 2023
Clients, products, and business practices	153,494	0.22%	1.14%
Execution, delivery, and management of processes	420,749	0.62%	47.64%
External fraud	52,094,040	76.22%	46.19%
Internal fraud	0	0.00%	2.15%
Business interruption and system failures	15,680,794	22.94%	2.52%
Labor relations and safety in the workplace	0	0.00%	0.37%
Total	€ 68,349,076	100,00%	100,00%

Source: Operational Risk Unit

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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 external fraud in debit and credit cards, was the main materialized factor. Mitigation measures continue to be applied, such as the Safe Environment project (3D'S) and the use of electronic wallets, for the period from October to December 2024.

(j) Information and IT security risks

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

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

Evaluations and self-assessments are included in the annual work plan related to processes: PCI DSS (Payment Card Industry Data Security Standard) requirements projects, applications, strategy, services, platforms, hiring, criteria, and IT security are incorporated. In addition, risk indicators are reviewed and proposed, to monitor and control different events to which the BCR Financial Conglomerate may be exposed.

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

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

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(k) Business Continuity

Business Continuity Management System (BCMS)

The Business Continuity Management System (BCMS) consists of a repeatable process (based on continuous improvement), which is further subdivided into seven phases: Business Impact Analysis (BIA), risk assessment, business continuity strategies and solutions, plan development, training and culture building, testing and exercises of the plans, and crisis management. The Business Continuity Unit of Banco de Costa Rica is responsible for the development, implementation, and maintenance of this Management System within the BCR Financial Conglomerate. To fulfill this lifecycle, its work plan considers the reference framework of ISO 22301 and ISO 22317 standards.

The primary objective of the BCMS is to identify and prioritize the critical services, processes, and activities of the BCR Financial Conglomerate, where efforts should be focused to maintain continuity and achieve the organization's current objectives. To ensure continuity, the BCMS must provide response plans that enable the rapid restoration of service availability after an unplanned disruption, minimizing the impact of the event and preserving the organization's reputation.

(l) Risk of money laundering, financing 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 for the evaluation of new products and initiatives, as well as the continuous monitoring of clients. 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.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(m) 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.

Implemented actions

- Periodic Evaluations and Self-Assessments: To ensure regulatory compliance and mitigate associated risks, continuous evaluations and self-assessments of the applicable external standard are conducted. These assessments help identify gaps, establish mitigation plans, and monitor progress, ultimately reducing risk events related to non-compliance and strengthening the compliance culture.
- Integration of Regulations into Processes: As part of the process of integrating provisions or modifications of regulations issued by supervisory bodies, a procedure is in place to ensure alignment with current regulatory standards and reinforce the commitment to zero tolerance for any non-compliance with the applicable external regulatory framework.
- Supervision of Hiring Processes: Specific evaluations are conducted on hiring processes, including personnel, suppliers, and strategic partners, to ensure compliance with the ethical and regulatory standards established by the conglomerate.

These actions reflect the conglomerate's commitment to integrity-driven management and regulatory compliance, fostering an organizational culture based on transparency, ethics, and responsibility. This approach helps minimize legal and reputational risks, strengthening the trust of all stakeholders.

Legal risk management

Legal Risk Management at the BCR Financial Conglomerate focuses on the identification, assessment, and proactive mitigation of potential legal risks arising from non-compliance with legal, regulatory, contractual provisions, and judicial rulings. These risks may impact the entity's operations and reputation, as well as, more broadly, the protection of intangible assets such as intellectual property and image rights. This approach ensures regulatory compliance and business sustainability.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

Actions and results

1. Monitoring of legal risk indicators:
 - Continuous monitoring is conducted on the behavior of indicators associated with lawsuits filed against BCRFC with higher exposure, assessing potential impacts based on adverse scenarios defined by the process director.
 - Timely and compliant registration of notarial acts derived from credit transactions managed by the commercial areas is verified, including those handled by institutional and external notaries.
 - The Litigation VaR indicator continues to be monitored to proactively manage the reserve allocated for contingencies related to the payment of judicial rulings.
2. Compliance with the General Procurement Law (Law 9986 of May 2021):
 - In accordance with Article 37 of this legislation, the initial decision of the procedure must include, among other elements, a risk identification process that, under no circumstances, should exceed the benefit obtained from the procurement. To ensure compliance, self-assessments are conducted for minor and reduced bidding procedures, while evaluations are carried out for major or invaluable procedures.
3. Supervision of binding external regulations:
 - The self-assessments conducted on the applicable external regulations have shown that the entity maintains a low-risk level in regulatory compliance analysis.
4. Self-assessments of critical suppliers:
 - As part of the risk management strategy, the process of analyzing the contractual monitoring of suppliers providing services to the Bank's critical processes was strengthened. Through the self-assessment mechanism, 88% more contracts were addressed compared to the previous quarter, generating 27 treatment plans that are currently being executed by the contract administrator.

Given the above, it can be concluded that the entity maintains a technical and preventive approach to legal risk management, ensuring alignment with current regulations and mitigating potential legal and contractual exposures. This strengthens the conglomerate's ability to manage contingencies and ensures compliance with its regulatory and legal obligations in business operations.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(35) Financial Information of the Development Financing Fund

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

DEVELOPMENT FINANCING FUND		
STATEMENT OF FINANCIAL POSITION		
For the periods ended December 31, 2024		
Financial Information		
(In colones without cents)		
	December 2024	December 2023
ASSETS		
Available	¢ 0	127,357,508
Central Bank of Costa Rica	0	127,357,508
Investment in financial instruments	4,600,492,217	0
At fair value through profit or loss	4,600,492,217	0
Loan portfolio	¢ 47,268,427,468	47,165,995,600
Current loans	42,388,299,850	43,307,881,313
Past due loans	5,158,050,993	3,721,715,771
Loans on legal collection	339,694,497	742,263,981
(Deferred income loan portfolio)	(474,765,679)	(465,477,019)
Interest receivable	167,599,365	170,201,295
(Allowance for impairment)	(310,451,558)	(310,589,741)
Accounts and fees receivable	970,744	0
Other accounts receivable	2,473,990	0
(Allowance for impairment)	(1,503,246)	0
Other assets	30,900,441	165,766,632
Intangible assets	0	2,767,988
Other assets	30,900,441	162,998,644
Total assets	¢ 51,900,790,870	47,459,119,740
Liabilities		
Obligations with entities	¢ 1,039,879,012	160,713,385
Other obligations with entities	1,039,879,012	160,713,385
Other liabilities	249,503,438	159,166,840
Other liabilities	249,503,438	159,166,840
Total liabilities	¢ 1,289,382,450	319,880,225
Equity		
Adjustments to equity - Other comprehensive income	34,671,365,413	45,766,617,523
Accumulated results from previous period	14,194,883,664	0
Result of current period	1,745,159,343	1,372,621,992
Debit contingent accounts	¢ 50,611,408,420	47,139,239,515
Other debit memoranda accounts	¢ 51,900,790,870	47,459,119,740
Debit contingent accounts	¢ 1,111,500	5,898,412
Other debit memoranda accounts	¢ 4,992,802,732	3,912,542,628

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

DEVELOPMENT FINANCING FUND

STATEMENT OF INCOME

For the periods ended December 31, 2024

Financial Information

(In colones without cents)

	December	December
	2024	2023
Financial income		
For investments in financial instruments	¢ 109,733,953	0
For loan portfolio	2,443,102,075	3,079,922,811
Total financial income	2,552,836,028	3,079,922,811
Financial expenses		
For losses on exchange differences	1,204,124	5,228,191
Total financial expenses	1,204,124	5,228,191
For recovery of assets and decrease in estimates and provisions	70,502	864,080
Financial Result	2,551,702,406	3,075,558,700
Other Operating Income		
For other operating income	3,672,619	9,336,226
For currency exchange and arbitration	1,540,244	819
For services commissions	32,583,119	23,962,557
Total Other Operating Income	37,795,982	33,299,602
Other Operating Expenses		
For other operating expenses	844,339,045	1,736,236,310
Total Other Operating Expenses	844,339,045	1,736,236,310
Result of the period	¢ 1,745,159,343	1,372,621,992

Loan portfolio of the Development Financing Fund

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

a) Loan portfolio by sector

Activity	December 2024	December 2023
Artistic, entertainment and recreative activities	¢ 45,411,637	0
Health care and social assistance activities	138,683,644	0
Administrative and support services activities	816,026,664	0
Professional, scientific and technical activities	212,631,331	0
Agriculture, livestock, hunting and related services	8,932,952,684	9,105,455,860
Public administration	16,917,841	17,866,560
Fishing and aquaculture	0	42,617,690
Manufacturing	945,741,589	1,085,570,230
Wholesale and retail trade, repair of motor vehicles and motorcycles	20,275,181,200	24,229,865,712
Services	14,138,818,684	9,983,278,228
Transportation	1,173,410,745	1,146,209,128
Financial and stock exchange activities	2,108,560	254,903,080
Real estate, business, and lease activities	92,954,102	126,361,591
Retail	581,211,912	671,402,655
Hospitality	513,994,747	1,108,330,331
	<u>47,886,045,340</u>	<u>47,771,861,065</u>
Plus: interest receivable	167,599,365	170,201,295
Less deferred income in loan portfolio	(474,765,679)	(465,477,019)
Allowance for impairment	(310,451,558)	(310,589,741)
	<u>¢ 47,268,427,468</u>	<u>47,165,995,600</u>

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

b) Loan portfolio by arrears:

The loan portfolio by arrears is detailed as follows:

		December 2024	December 2023
Up to date	¢	42,388,299,850	43,307,881,313
From 1 to 30 days		3,392,225,054	2,480,510,289
From 31 to 60 days		680,977,821	364,846,799
From 61 to 90 days		465,351,169	545,253,895
From 91 to 120 days		184,295,437	83,178,140
From 121 to 180 days		100,303,305	138,522,588
Over 180 days		334,898,207	109,404,060
Legal collection		339,694,497	742,263,981
	¢	<u>47,886,045,340</u>	<u>47,771,861,065</u>

c) Delinquent and past due loan portfolio

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

		December 2024	December 2023
Number of operations		154	36
Past due loans in non- accrual status of interest	¢	<u>674,592,704</u>	<u>851,668,041</u>
Past due loans with recognized interest	¢	4,823,152,786	3,612,311,711
Total unearned interest	¢	22,592,639	1,250,024

Loans on legal collection as of December 31, 2024:

<u># operations</u>	<u>Percentage</u>	<u>Balance</u>
46	0.71%	¢ <u>339,694,497</u>

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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>

d) Interest receivable on loan portfolio:

Interest receivables are as follows:

	<u>December 2024</u>	<u>December 2023</u>
Current loans	¢ 95,436,011	111,289,759
Past due loans	55,958,035	40,046,717
Loans in judicial collection	16,205,319	18,864,819
	¢ <u>167,599,365</u>	<u>170,201,295</u>

e) Allowance for bad loans:

The movement of allowance for bad loans is as follows:

Opening balance 2024	¢	310,589,741
Plus:		
Allowance charged to results		1,120,804
Adjustment for exchange differences		1,763,531
Less:		
Adjustment for exchange differences		(1,760,828)
Reversal of allowance against income		(1,261,690)
Balance as of December 31, 2024	¢	<u>310,451,558</u>
Opening balance 2023	¢	313,014,745
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)
Balance as of December 31, 2023	¢	<u>310,589,741</u>

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

f) Loan portfolio by type of guarantee:

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

	December	December
Guarantee	2024	2023
Fiduciary	¢ 264,232,260	419,464,873
Mortgage	24,516,781,926	24,056,648,740
Chattel	1,237,203,344	812,341,917
Others	21,867,827,810	22,483,405,535
	¢ 47,886,045,340	47,771,861,065

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

		Direct Loan Portfolio	
		Diciembre	Diciembre
		2024	2023
Principal	¢	47,886,045,340	47,771,861,065
Interest receivable		167,599,365	170,201,295
		48,053,644,705	47,942,062,360
Allowance for bad loans		(310,451,558)	(310,589,741)
Carrying amount	¢	47,743,193,147	47,631,472,619
Loan portfolio			
Total balances:			
A1	¢	0	255,673,081
1		43,778,274,364	44,777,040,112
2		645,533,586	365,650,505
3		2,530,459,303	1,019,592,785
4		278,152,594	501,789,956
5		103,406,242	201,107,289
6		717,818,616	821,208,632
		48,053,644,705	47,942,062,360
Minimum allowance		(492,325,941)	(307,350,925)
Carrying amount, net	¢	47,561,318,764	47,634,711,435
Carrying amount		48,053,644,705	47,942,062,360
Allowance for bad loans		(492,325,941)	(307,350,925)
Allowance (surplus) deficit on minimum allowance		181,874,383	(3,238,816)
Carrying amount, net	6a ¢	47,743,193,147	47,631,472,619

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

The assessed loan portfolio with estimation is detailed as follows:

As of December 30, 2024

Loan Portfolio	Direct Loan Portfolio			
	Principal	Covered Balance	Overdraft	Allowance
Direct generic allowance				
Direct specific allowance				
1	43,778,274,364	0	0	(109,446,381)
2	645,533,586	0	0	(9,396,526)
3	2,530,459,303	0	0	(105,933,575)
4	278,152,594	0	0	(26,842,322)
5	103,406,242	0	0	(12,332,585)
6	717,818,616	0	0	(228,374,552)
¢	<u>48,053,644,705</u>	<u>0</u>	<u>0</u>	<u>(492,325,941)</u>

Loan Portfolio	Direct Loan Portfolio			
	Principal	Covered Balance	Overdraft	Allowance
Aging of loan portfolio				
Direct specific allowance				
Up to date	42,483,735,861	0	0	(172,949,970)
Equal or less than 30 days	3,388,675,393	0	0	(13,494,875)
Equal or less than 60 days	702,634,899	0	0	(10,827,566)
Equal or less than 90 days	470,214,080	0	0	(29,963,106)
Equal or less than 180 days	298,514,574	0	0	(44,664,591)
Over 180 days	709,869,898	0	0	(220,425,833)
¢	<u>48,053,644,705</u>	<u>0</u>	<u>0</u>	<u>(492,325,941)</u>
¢	<u>48,053,644,705</u>	<u>0</u>	<u>0</u>	<u>(492,325,941)</u>

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

As of December 31, 2023

Loan Portfolio	Direct Loan Portfolio			
	Principal	Covered Balance	Overdraft	Allowance
Direct generic allowance				
1	¢ 44,777,040,112	29,698,239,693	15,078,800,419	(111,942,601)
A1	255,673,081	0	255,673,081	(1,278,365)
	45,032,713,193	29,698,239,693	15,334,473,500	(113,220,966)
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)
	2,909,349,167	2,488,007,564	421,341,603	(194,129,959)
	¢ 47,942,062,360	32,186,247,257	15,755,815,103	(307,350,925)
Loan Portfolio				
Aging of loan portfolio				
Direct generic allowance				
Up to date	¢ 255,673,082	0	255,673,082	(113,220,966)
	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)
	¢ 47,686,389,278	32,186,247,257	15,500,142,021	(194,129,959)
	¢ 47,942,062,360	32,186,247,257	15,755,815,103	(307,350,925)

Loans receivable from clients

As of December 30, 2024	Loans receivable from clients	
	Gross	Net
Risk category:		
1	¢ 43,778,274,364	43,668,827,984
2	645,533,586	636,137,060
3	2,530,459,303	2,424,525,728
4	278,152,594	251,310,272
5	103,406,242	91,073,656
6	717,818,616	489,444,064
	¢ 48,053,644,705	47,561,318,764

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

As of December 30, 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>

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(36) Situation of the Development Credit Fund

The Bank presents the following financial information as manager of the Development Credit Fund (DCF):

DEVELOPMENT CREDIT FUND		
STATEMENT OF FINANCIAL POSITION		
For the period ended December 31, 2024		
Financial Information		
<i>(In colones without cents)</i>		
	December 2024	December 2023
ASSETS		
Availabilities	¢ 797,179,843	795,892,500
Central Bank of Costa Rica	797,179,843	795,892,500
Investment in financial instruments	83,168,607,025	95,377,292,181
At fair value through profit or loss	586,104,860	4,957,598,565
At fair value through other comprehensive income	78,968,393,969	86,755,969,894
At amortized cost	2,729,143,874	2,782,370,522
Interest receivable	884,964,322	881,353,200
Loan Portfolio	50,007,412,745	38,248,570,855
Current loans	48,144,414,293	37,877,348,151
Past due loans	2,002,981,687	648,807,590
Loans on legal collection	193,348,664	0
(Deferred income loan portfolio)	(373,075,185)	(307,590,574)
Interest receivable	128,335,972	119,619,530
(Allowance for impairment)	(88,592,686)	(89,613,842)
Accounts and commissions receivable	103,838,873	231,188,813
Tax and deferred income tax	103,838,873	231,188,813
Other assets	43,141,375	83,192
Other assets	43,141,375	83,192
TOTAL ASSETS	¢ 134,120,179,861	134,653,027,541
LIABILITIES		
Obligations with entities	¢ 138,359,054,842	140,481,206,433
Term obligations	138,097,549,701	140,481,206,433
Interest payable	261,505,141	0
Accounts payable and provisions	93,008,281	42,148,639
Accounts receivable	0	2,127,704
Deferred income tax	76,846,413	40,020,935
Other miscellaneous accounts payable	16,161,868	0
Other liabilities	63,654,441	531,663
Other liabilities	63,654,441	531,663
TOTAL LIABILITIES	¢ 138,515,717,564	140,523,886,735
EQUITY		
Adjustments to equity – Other comprehensive income	¢ (24,069,173)	(370,185,888)
Results of the previous period	¢ (5,500,673,306)	0
Results of the current period	1,129,204,776	(5,500,673,306)
TOTAL EQUITY	¢ (4,395,537,703)	(5,870,859,194)
TOTAL LIABILITIES AND EQUITY	¢ 134,120,179,861	134,653,027,541
OWN DEBIT MEMORANDA ACCOUNT		
Own debit memoranda account	¢ 29,786,066,777	27,583,777,748
Interest receivable memoranda accounts	¢ 10,392,051	9,096,849
Contingent accounts	9,858,770	0

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

**DEVELOPMENT CREDIT FUND
INCOME STATEMENT**

For the period ended December 31, 2024

Financial Information
(In colones without cents)

	<u>December 2024</u>	<u>December 2023</u>
Financial income		
For investments in financial instruments	¢ 4,918,284,129	5,690,042,671
For loan portfolio	2,293,932,154	1,659,475,185
Other financial incomes	295,965,576	686,041,721
Total financial income	<u>7,508,181,859</u>	<u>8,035,559,577</u>
Financial expenses		
For obligations with the public	3,442,942,475	3,940,069,421
For losses in exchange differences	330,105,536	4,929,263,553
Other financial expenses	53,896,764	1,346,359,485
Total financial expenses	<u>3,826,944,775</u>	<u>10,215,692,459</u>
For allowance of asset impairment	36,959,262	(173,829,994)
Financial result	¢ <u>3,718,196,346</u>	<u>(2,006,302,888)</u>
Other operating income		
For commission for services	294,619	469,554
For arbitrage and currency exchange	289,342,778	336,608,995
For other operating income	144,006	113,329,885
Total other operating income	¢ <u>289,781,403</u>	<u>450,408,434</u>
Other operating expenses		
For arbitrage and currency exchange	123,577,923	66,409,165
For other operating income	534,591,271	2,627,833,737
Total other operating income	¢ <u>658,169,194</u>	<u>2,694,242,902</u>
Gross operating income	¢ <u>3,349,808,555</u>	<u>(4,250,137,356)</u>
Profit transferred to the National Development Trust	<u>2,220,603,779</u>	<u>1,250,535,950</u>
RESULT FOR THE PERIOD	¢ <u>1,129,204,776</u>	<u>(5,500,673,306)</u>
TOTAL COMPREHENSIVE RESULTS OF THE PERIOD	¢ <u>1,129,204,776</u>	<u>(5,500,673,306)</u>
Profit allocation		
Profit transferred to the National Development Trust	¢ 2,220,603,779	1,250,535,950
Commission for management of the Development Credit Fund, and the fund's own profits	<u>1,129,204,776</u>	<u>(5,500,673,306)</u>
	¢ <u>3,349,808,555</u>	<u>(4,250,137,356)</u>

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

From November 27, 2014, after Law No. 9274 was reformed (Comprehensive Reform of the Development Banking System), as per article 36, the managing bank will receive a commission of maximum 10% of the earnings, set by the Governing Board, to cover operation costs, services and any other cost arising from managing the investments.

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

	December 2024	December 2023
At fair value through profit or loss	¢ 586,104,860	4,957,598,565
At fair value through other comprehensive income	78,968,393,969	86,755,969,894
At amortized cost	2,729,143,874	2,782,370,522
Interest receivable for investments at fair value through comprehensive income	884,964,322	881,353,200
	¢ 83,168,607,025	95,377,292,181
	December 2024	December 2023
At fair value through profit or loss	Fair value	Fair value
<u>Local issuers:</u>		
State-owned Banks	¢ 586,104,860	4,957,598,565
	¢ 586,104,860	4,957,598,565
	December 2024	December 2023
At fair value through other comprehensive income	Fair value	Fair value
<u>Local issuers:</u>		
Government	¢ 78,968,393,969	0
State-owned Banks	0	86,755,969,894
	¢ 78,968,393,969	86,755,969,894

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

		December 2024 Fair value	December 2023 Fair value
At amortized cost			
<u>Local issuers:</u>			
State-owned Banks	¢	2,729,143,874	2,782,370,522
		2,729,143,874	2,782,370,522

Loan portfolio of the Development Credit Fund

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

a) Loan portfolio by sector

Sector		December 2024	December 2023
Artistic, entertainment and recreative activities	¢	21,813,600	0
Administrative and support activities		1,028,764,716	0
Professional, scientific and technical activities		113,251,033	0
Agriculture, livestock, hunting and related services		24,924,239,982	23,339,203,469
Manufacturing		1,557,122,574	3,892,042,294
Public administration		11,988,539	0
Trade		10,137,670,390	6,866,246,060
Services		11,359,090,351	3,264,743,870
Transportation		798,771,143	451,641,799
Real estate activities		104,000,000	0
Construction, purchase, and repair of property		220,845,010	170,934,267
Hotels and restaurants		63,187,306	541,343,982
		50,340,744,644	38,526,155,741
Plus: interest receivable		128,335,972	119,619,530
Less: deferred income loan portfolio		(373,075,185)	(307,590,574)
Allowance for impairment		(88,592,686)	(89,613,842)
	¢	50,007,412,745	38,248,570,855

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
 For the period ended December 31, 2024
 (with corresponding figures as of December 31, 2023)
 (In colones without cents)

b) Loan portfolio by arrears:

Loan portfolio by arrears is detailed as follows:

	December 2024	December 2023
Up to date	¢ 48,144,414,293	37,877,348,151
From 1 to 30 days	1,391,915,528	286,988,550
From 31 to 60 days	155,323,706	173,070,453
From 61 to 90 days	227,490,766	162,443,747
From 91 to 120 days	38,027,971	26,304,840
From 121 to 180 days	188,569,732	0
More than 180	1,653,984	0
Judicial collection	193,348,664	0
	¢ 50,340,744,644	38,526,155,741

c) Delinquent and past due loans

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

	December 2024	December 2023
Number of operations	6	0
Delinquent and past due loans in interest accumulation	¢ 193,348,664	0
Delinquent and past due loans with interest recognition	¢ 2,002,981,687	648,807,590
Total of not received interest	¢ 10,392,051	9,096,849

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

d) Interest receivable for loan portfolio

Interest receivables are detailed as follows:

	December 2024	December 2023
Current loans	¢ 110,474,511	113,957,144
Past due loans	13,787,433	5,662,386
Loans in legal collection	4,074,028	0
	¢ 128,335,972	119,619,530

e) Allowance for bad loans

Balance at the beginning of 2024	¢	89,613,842
Plus:		
Adjustment for exchange differences		1,718,284
Less:		
Adjustment for exchange differences		(2,739,440)
Balance as of December 31, 2023	¢	88,592,686
Balance at the beginning of 2023	¢	95,034,266
Plus:		
Adjustment for exchange differences		254,748
Less:		
Adjustment for exchange differences		(5,675,172)
Balance as of December 31, 2023	¢	89,613,842

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

f) Loan portfolio by type of guarantee:

The loan portfolio detailed by guarantee is as follows:

	December 2024	December 2023
Guarantee		
Fiduciary	647,190,224	188,119,186
Mortgage	¢ 20,085,678,117	11,193,376,745
Chattel	1,561,108,482	900,171,724
Other	28,046,767,821	26,244,488,086
	¢ 50,340,744,644	38,526,155,741

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

	Direct Loan Portfolio	
	December 2024	December 2023
Principal	¢ 50,340,744,644	38,526,155,741
Interest receivable	128,335,972	119,619,530
	50,469,080,616	38,645,775,271
Allowance for bad loans	(88,592,686)	(89,613,842)
Carrying amount	¢ 50,380,487,930	38,556,161,429
Loan portfolio		
Total, balances:		
1	¢ 46,192,555,217	35,242,018,234
2	216,626,473	146,851,917
3	3,197,387,536	3,146,667,348
4	272,446,042	83,317,906
5	386,396,075	26,919,866
	50,469,080,616	38,645,775,271
Minimum allowance	(274,799,543)	(164,297,072)
Carrying amount, net	¢ 50,194,281,073	38,481,478,199
Carrying amount	50,469,080,616	38,645,775,271
Allowance for bad loans	(274,799,543)	(164,297,072)
(Surplus) inadequacy of allowance	186,206,857	74,683,230
Carrying amount, net	6a ¢ 50,380,487,930	38,556,161,429

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

The assessed loan portfolio including allowance is detailed as follows:

As of December 31, 2024

Loan portfolio	Direct Loan Portfolio			
	Principal	Covered balance	Overdraft	Allowance
Direct specific allowance				
1	46,192,555,217			(115,487,550)
2	216,626,473	0	0	(2,058,978)
3	3,197,387,536	0	0	(82,367,913)
4	272,446,042	0	0	(10,257,854)
5	386,396,075	0	0	(40,756,719)
6	203,669,273	0	0	(23,870,529)
	50,469,080,616	0	0	(274,799,543)
¢	50,469,080,616	0	0	(274,799,543)

Loan portfolio	Direct Loan Portfolio			
	Principal	Covered balance	Overdraft	Allowance
Aging of loan portfolio				
Direct specific allowance				
Up to date	48,254,888,803	0	0	(197,949,462)
Equal or less than 30 days	1,339,463,977	0	0	(7,949,832)
Equal or less than 60 days	214,880,840	0	0	(2,017,972)
Equal or less than 90 days	229,941,449	0	0	(20,651,836)
Equal or less than 180 days	230,703,400	0	0	(26,827,039)
More than 180	199,202,147	0	0	(19,403,402)
	50,469,080,616	0	0	(274,799,543)
¢	50,469,080,616	0	0	(274,799,543)

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

As of December 31, 2023

Loan portfolio		Direct Loan Portfolio			
		Principal	Covered balance	Overdraft	Allowance
Direct generic allowance					
1	¢	35,242,018,234	15,210,666,108	20,031,352,126	(88,553,092)
		35,242,018,234	15,210,666,108	20,031,352,126	(88,553,092)
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)
		3,403,757,037	3,163,583,660	240,173,377	(75,743,980)
	¢	38,645,775,271	18,374,249,768	20,271,525,503	(164,297,072)
Loan portfolio					
Aging of loan portfolio					
Direct generic allowance					
Up to date	¢	37,991,305,295	17,812,796,932	20,178,508,363	(88,057,226)
Equal or less than 30 days		288,282,303	235,696,118	52,586,185	(495,866)
Equal or less than 60 days		174,740,501	146,569,405	28,171,096	0
Equal or less than 90 days		164,527,307	164,527,307	0	0
Equal or less than 180 days		26,919,866	14,660,007	12,259,859	0
		38,645,775,272	18,374,249,769	20,271,525,503	(88,553,092)
Direct specific allowance					
Up to date		37,991,305,295	17,812,796,932	20,178,508,363	(63,675,061)
Equal or less than 30 days		288,282,303	235,696,118	52,586,185	(449,679)
Equal or less than 60 days		174,740,501	146,569,405	28,171,096	(2,141,402)
Equal or less than 90 days		164,527,307	164,527,307	0	(822,637)
Equal or less than 180 days		26,919,865	14,660,006	12,259,859	(8,655,201)
	¢	38,645,775,271	18,374,249,768	20,271,525,503	(75,743,980)

Loans receivable from clients

As of December 31, 2024		Gross	Net
Risk category:			
1	¢	46,192,555,217	46,077,067,667
2		216,626,473	214,567,495
3		3,197,387,536	3,115,019,623
4		272,446,042	262,188,188
5		386,396,075	345,639,356
6		203,669,273	179,798,744
	¢	50,469,080,616	50,194,281,073

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

As of December 31, 2023	Loans receivable from clients	
	Gross	Net
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
	¢ <u>38,645,775,271</u>	<u>38,481,478,199</u>

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

As of December 31, 2024, transfers of resources have been made from the Development Credit Fund.

	December 2024	December 2023
Banco Scotiabank	¢ 6,160,340,000	3,437,000,000
Banco Promerica	¢ 1,971,808,848	4,302,366,182
	¢ <u>8,132,148,848</u>	<u>7,739,366,182</u>

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

a) IAS 1: Presentation of Financial Statements

New IAS I is effective as from the periods beginning on or after January 1, 2009.

The presentation of financial statements required by the Board differs in some respects from presentation under IAS 1. The following are some of the most significant differences:

SUGEF Standards do not allow certain transactions, such as clearing house balances, gains, or losses on the sale of financial instruments, income taxes, among others, to be presented on a net basis. Given their nature, IFRSs require those balances to be presented net to prevent assets and liabilities or profit or loss from being overstated.

b) IAS 1: Presentation of Financial Statements (revised)

This standard is applicable for periods beginning on or after July 1, 2012. The changes that have been included in IAS 1 are specific paragraphs related to the presentation of other comprehensive income. These changes will require the other comprehensive income to be presented separating those that cannot be reclassified subsequently to the income statement and those that may be reclassified subsequent to the income statement if certain specific conditions are met.

IAS 1 requires an entity to disclose reclassification adjustments and income tax relating to each component of other comprehensive income. Reclassification adjustments are amounts reclassified to profit or loss in the current period that were previously recognized in other comprehensive income.

Revised IAS I changes the name of some financial statements, using “statement of financial position” instead of balance sheet.

IAS I require an entity to present a statement of financial position as at the beginning of the earliest comparative period in a complete set of financial statements when the entity applies an accounting policy retrospectively or makes retrospective restatement.

The financial statements presentation format is determined by the Board and can be different from the options permitted on certain IFRS and IAS.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

c) IAS 7: Statement of Cash Flows

The Board has only authorized preparation of the cash flow statement using the indirect method. The direct method is also acceptable under IAS 7.

d) IAS 8: Accounting Policies. Changes in Accounting Estimates and Errors

In some cases, SUGEF has authorized the reporting of notices of deficiencies received from Tax Authorities against prior period retained earnings.

Accounting estimates are the best approximations of values or items that are included in the financial statements to measure the effects of events or economic transactions that have already occurred, or a current situation that is typical of an asset or liability, including adjustments that occur after the assessment of an item because of new information or new events.

Any change in accounting estimates is prospective and is recorded in profit or loss of the period.

Based on its business model, nature, size, complexity, risk profile and other circumstances inherent to its operational activity, the entity must implement policies and procedures to define the representative threshold to determine whether the information is material or not, which involves considerations of quantitative and qualitative factors. The entity shall disclose material inaccuracies or omissions, and related accounting policies, in the financial statements.

e) IAS 12: Income tax

A company recognizes all the tax consequences of the payment of dividends in the same way as the income tax.

IAS 12 allows assets and liabilities to be presented on a net basis when they belong to the same tax entity; the income or expense is presented net, as part of the total income tax.

In the presentation of the SUGEF chart of accounts, each deferred income tax account must be presented separately.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

In the case of a dispute regarding a specific tax treatment by the Tax Authority, which begins with the notification of a transfer of charges, the entity must:

- a. Record against results for the period if, according to the assessment by senior management, it is concluded that the entity has an immediate enforceability obligation with the Tax Administration.
- b. Record a provision for those treatments not considered in the previous paragraph, and whose amount must reflect the uncertainty for each of the tax treatments in dispute, according to the method that best predicts its resolution, as indicated by IFRIC 23.

f) IAS 16: Property, Plant and Equipment

The Standard issued by the Board requires the revaluation of property through appraisals made by independent appraisers at least once every five years, eliminating the option to carry these assets at cost or to revalue other types of assets.

The revaluation must be supported by an appraisal made by an independent professional, authorized by the respective institute.

Furthermore, SUGEF permits the conversion (capitalize) of the surplus revaluation directly in equity (only for state banks), without having to relocate previously to retained earnings, as required by IAS 16.

Moreover, under IAS 16, depreciation continues on property, plant and equipment, even if the asset is idle. The Standard issued by the Board allows entities to suspend the depreciation of idle assets and reclassify them as held-for-sale assets.

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

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

The supervised entities must use the reference sale exchange rate of the Central Bank of Costa Rica that prevails at the time the operation is carried out for the accounting record of the conversion of foreign currency to the official currency 'colón', except for pension funds and labor capitalization funds, which must use the reference purchase exchange rate of the Central Bank of Costa Rica. Pension funds created by special or basic law managed by non-banking public sector institutions may use the purchase exchange rate referred to in article 89 of the Organic Law of the Central Bank of Costa Rica.

At the end of each month, the corresponding reference exchange rate will be used as indicated in the previous paragraph, in force on the last day of each month, for the recognition of exchange rate differential adjustments in monetary items in foreign currency.

The provisions of this article do not inhibit entities from generating information on a currency other than the Costa Rican colón, in the terms described in IAS 21 on functional currency. However, this information may not be used for purposes of calculating prudential indicators, for presentation to the respective Superintendence or for publication to the public as required by legal provisions regulating the Financial System.

h) IAS 27: Consolidated and Separate Financial Statements

The Board requires that the financial statements of a parent entity to be presented separately, measuring its investments by the equity method. Under IAS 27, a parent is required to present consolidated financial statements. A parent company does not need to present consolidated financial statements when the ultimate or any intermediate parent of the parent produces consolidated financial statements available for public use, provided certain other requirements are also met. However, in this case, IAS 27 requires that investments be accounted for at cost.

In the case of financial groups, the holding company must consolidate the financial statements of all the companies of the group in which it holds an ownership interest of twenty-five percent (25%) or more, irrespective of control. For such purposes, proportionate consolidation should not be used, except for the consolidation of investments in joint ventures.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

Amended IAS 27 (2008) requires accounting for changes in ownership interests by the Bank in a subsidiary, while maintaining control, to be recognized as an equity transaction. When the Bank loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognized in profit or loss. The amendments to IAS 27 became mandatory for the Bank's 2010 consolidated financial statements. These amendments have not been adopted by the Board.

The objective of this standard is to describe accounting treatment and disclosures required by subsidiaries, joint ventures, and associates when the entity presents separate financial statements.

i) IAS 28: Investments in Associates and Joint Ventures

In application of IAS 28, Investments in associates and joint ventures, the entity with legal power to participate in the equity of other companies or special purpose entity, such as joint Ventures, associated, Trusts, must use the equity method, from the date it acquires the investment or from the date it becomes an associate, joint venture, or special purpose entity.

Regulated entities must present their separate financial statements.

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

The amendments to the standards require puttable instruments and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation to be classified as equity if certain conditions are met. These changes have not been adopted by the Board.

k) IAS 37: Provisions, Contingent Liabilities and Contingent Assets

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

1) IAS 38: Intangible Assets

The commercial banks listed in article 1 of Internal Regulations National Banking System (Law No. 1644) may present organization and installation expenses as an asset in the balance sheet, however, those expenses must be fully amortized on the straight-line method over a maximum of five years. The foregoing is not in accordance with the provisions of the Standard.

Automatic applications should be amortized systematically by the straight-line method during the term which produces economic benefits; such term could not exceed five years. Similar proceeding applies to obtained goodwill.

IAS 38 allows different methods to distribute an amortizable asset during useful life. Useful life of automatic applications could be longer than five years as stated by CONASSIF standards.

On the other hand, IFRS do not require annual goodwill amortization, only yearly assessment for impairment is required.

After initial recognition, intangible assets with a defined useful life must be accounted for at their acquisition cost less accumulated amortization and impairment losses that may have affected them.

The supervised entity's senior management must establish the appropriate mechanisms and procedures to determine whether an intangible asset with an indefinite useful life has deteriorated. For the verification, it will compare its recoverable amount with its carrying amount. This comparison should be carried out when there is no indication that the value of the asset could have deteriorated or, at least, on an annual basis.

This provision also applies to goodwill acquired in a business combination.

The automated applications in use must be systematically amortized by the straight-line method, during the period in which it is expected to produce the economic benefits for the entity, which must be based on its accounting policy.

In the case of commercial banks, indicated in article 1 of the Organic Law of the National Banking System, law 1644, the organization and installation expenses can be presented in the statement of financial position as an asset, but they must be fully amortized by the straight-line method within a maximum of a five-year period.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

m) IAS 40: Investment Property

Investment properties must be valued at fair value.

For leased investment properties in which the fair value cannot be reliably measured on a continuous basis, its value will be measured by applying the cost model indicated in IAS 16 Property, Plant and Equipment. The residual value of the investment property should be assumed to be zero.

n) IFRS 3: Business Combinations

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

The combination that involves entities or businesses under common control or that the acquiree is a subsidiary of an investment entity, must be carried out by integrating its assets and liabilities at carrying amount using even accounting policies, for which adjustments in the financial statements of the acquiree will be previously carried out, to ensure that the accounting policies correspond to those employed by the acquirer.

o) IFRS 5: Non-current Assets Held for Sale and Discontinued Operations

With the changes to the Financial Information Regulation (CONASSIF 6-18), which take effect starting in 2024, Transitory XX details the treatment that must be applied to assets held for sale, including:

a. Determine which assets registered in account 151, 'Assets and Values Acquired in Credit Recovery,' will remain in that account and which will be reclassified to account 188, 'Other Assets Available for Sale Outside the Scope of IFRS 5.'

b. Reclassify the assets registered in account 151, 'Assets and Values Acquired in Credit Recovery,' to account 188, 'Other Assets Available for Sale Outside the Scope of IFRS 5,' along with their corresponding accumulated impairment balances recorded in subaccounts 159.01, 159.02, 159.03, and 159.04. For this purpose, the carrying amount in account 188 must correspond to the original value minus the estimated impairment of the asset as of the reclassification date.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

c. The carrying amount of the assets registered in account 151, 'Assets and Values Acquired in Credit Recovery,' must be determined in accordance with the criteria of IFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations.' For this purpose, the carrying amount must correspond to the original value minus the estimated impairment of the asset recorded in subaccounts 159.01, 159.02, 159.03, and 159.04.

d. The carrying amount of the assets registered in account 188, 'Other Assets Available for Sale Outside the Scope of IFRS 5,' must be determined in accordance with IAS 36, 'Impairment of Assets.'

e. In all cases mentioned in sections c) and d) above, where applicable, a prospective approach will be applied. That is, it will not have retroactive effects.

The accumulated balance in subaccount 159.10 (Regulatory Estimate for Assets Held for Sale) must be reclassified to subaccount 139.02.M.04 (Generic Component for the Loan Portfolio - Transitional).

In the case of entities supervised by SUGEF, the following assets must be written off:

1. Assets that the entity is legally restricted from selling, such as forest land, which by law becomes part of the State's forest heritage, except as provided in Law No. 7575, "Forestry Law," when they are declared part of the State's natural heritage after the authorization of a credit operation with entities of the National Banking System.
2. Shares awarded to the entity in a judicial auction or received as payment in kind for credit operations, in accordance with Article 72 of Law 1644 (LOSBN). In this case, the carrying amount of the shares must be written off within a maximum period of two years from the date of adjudication or receipt of the asset in payment.

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 level of:

- a) its carrying amount, and
- b) its fair value less cost of sales.

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

p) IFRS 9: Financial Instruments

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

Financial assets are divided into those that are measured at amortized cost and those that are measured at fair value. Based on the business model for managing financial assets and the characteristics of the contractual cash flows of the financial asset, the entity should classify its own investments or pooled portfolios in financial assets according to the following valuation categories:

- a. At amortized cost. If an entity, in accordance with its business model and the current regulatory framework, classifies a part of its investment portfolio in this category, it will disclose:
 - i. the fair value of financial assets classified in this category, in the quarterly financial statements and in the audited annual financial statement; and
 - ii. the gain or loss that should have been recognized in profit or loss for the financial statements indicated in the previous section.
- b. At fair value through other comprehensive income.
- c. At fair value through profit or loss: Participations in open investment funds must be recorded in this category.

Regulated entities must have policies and procedures to determine when to suspend the accrual of commissions and interest on loan operations.

However, the period of suspension of accrual should not be more than one hundred and eighty days.

q) IFRS 13: Fair Value Measurement

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

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.

(38) Figures for 2024

As of December 31, 2024, financial statement figures have not been reclassified for comparison with those of 2024, per modifications to the Chart of Accounts and SUGEF Directive 6-18: “Financial Information Regulations” approved by the National Supervisory Board of the Finance System.

(39) Relevant and subsequent events

As of December 31, 2024, there are relevant and subsequent events to disclose as follows:

Transfer of charges and observations

In the month of June 2020, the first advance payment of the Income Tax was due, however the administration of the Bank of Costa Rica decided to avail itself of the benefit offered by the Tax Relief Law No.9830, due to COVID-19, according to the which, as disclosed in article 2 of the Law and article 8 of its Regulations, regarding to discard partial payments to be made in the months of April, May and June 2020 for a single time.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

As of July 03, 2020, the BCCR publishes Law 9859 “Law to Combat Usury” with which it defines the cap on interest rates for loans and credit cards equivalent to 37.69% per year in colones and 30.36% in US dollars, valid for the second quarter of 2020. The BCR credit cards offer an interest rate of 32% per year, one of the lowest in the market at the time of the entry into force of Law 9859, therefore it did not generate a financial impact on the credit card returns.

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

As of December 31, 2022, an adjustment for reversal of the IFRIC 23 provision corresponding to 2017 is carried out for ¢11,124,931,039, (¢1,734,981,794, for December 2020, corresponding to 2015 and ¢8,717,265,589 as of December 2021 corresponding to 2016).

On August 13, 2021, the Dirección de Grandes Contribuyentes Nacionales (DGCN) notified the Bank of the Communication of the Start of Verification Action Investigation through which the inspection process of the Income Tax declared by the Bank for the 2017 fiscal period begins.

On March 21, 2022, the Regularization Provision Proposal No. DGCN-SFPD-28-2021-4-321-03 is notified, informing the Bank of the differences found in the tax bases and tax quotas, as well as the facts and legal bases supporting it. The total debt is of ¢16,755,470,468 and interest of ¢8,042,094,675, corresponding to the 2017 fiscal period.

The Bank of Costa Rica expressed partial disagreement with the regulation proposal and is awaiting notification of the administrative act of settlement, with concrete expression of the facts and the legal bases that motivate the differences in the taxable bases and the tax quotas.

As of April 5, 2022, the Bank paid ¢32,663,336,584 to the Treasury.

<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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

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

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

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

Declaration of health alert for COVID-19

Measures adopted by the Bank facing health emergency due to COVID-19

Measures were issued in three areas:

- 1) Direct loans: A total grace period of 6 or 12 months will be provided, in which the client will pay only what corresponds to credit-related policies thus, the principal and interest will not be charged during that period. The corresponding collection will be performed after the total grace period and will be treated according to the needs of each client.

The unpaid interest will be charged through a new credit that will take effect at the end of the grace period.

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

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

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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

- 2) Credit cards: At the request of each client, a total grace period will be granted for a period of up to three months. During the months of the full grace period, no late fees or interest will be charged.

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

- 3) Line of credit: Specific situations will be addressed, punctually analyzing each client to identify the need and provide a tailor-made solution.

As an immediate response to the corporate sector, the Bank will allocate close to 100 billion colones to support the liquidity of its corporate clients, readjusting its credit operations in direct loans, to improve the cash flows of the companies.

In this first stage, facilities will be provided 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.

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

Activity	Loans – Colonized balances	
	Colones	Colonized US Dollars
Agriculture	5,950,996,120	17,924,335,885
Trade	44,590,850,165	19,912,916,779
Construction	4,664,494,734	2,259,316,442
Consumer goods	43,666,117,277	667,936,475
Cattle raising	2,139,411,672	0
Industry	23,411,310,853	0
Services	18,275,917,192	621,916,162
Transportation	13,181,560,474	0
Tourism	4,302,928,819	30,771,024,348
Housing	151,158,535,969	30,924,811,007
Total by currency ¢	311,342,123,275	103,082,257,098
Total ¢	414,424,380,373	

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
 For the period ended December 31, 2024
 (with corresponding figures as of December 31, 2023)
 (In colones without cents)

Activity	Colons	Dollars	Total
Agriculture	232	33	265
Trade	441	29	470
Construction	16	7	23
Consumer goods	5,454	108	5,562
Cattle raising	42		42
Industry	59		59
Services	280	8	288
Transportation	89		89
Tourism	34	16	50
Housing	7,159	856	8,015
Total	13,806	1,057	14,863

December 2023

Activity	Loans – Colonized balances	
	Colones	Colonized US Dollars
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
Consumer goods	52,809,343,502	1,173,198,722
Cattle raising	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
Total by currency in ¢	¢ 345,430,946,086	123,509,509,083
Total	¢ 468,940,455,169	

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
 For the period ended December 31, 2024
 (with corresponding figures as of December 31, 2023)
 (In colones without cents)

Activity	Colons	Amount in US		Total
		Dollars		
Agriculture	75	4		79
Trade	541	41		582
Construction	17	11		28
Consumer goods	6,289	184		6,473
Cattle raising	50			50
Industry	75	1		76
Services	342	16		358
Transportation	117			117
Tourism	35	31		66
Housing	7,527	952		8,479
Total	15,068	1,240		16,308

Effects of the implementation of the Financial Information Regulation

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

The purpose of the Regulation is to regulate the application of International Financial Reporting Standards (IFRS) and their interpretations (SIC and IFRIC). Issued by the International Accounting Standards Board (IASB). Considering prudential or regulatory accounting treatments, as well as the definition of a treatment or methodology specifies when IFRS proposes two or more application alternatives.

Incorporation of Banprocesa S.R.L. to the BCR Financial Conglomerate

Banprocesa, S.R.L. will provide exclusive services to the BCR Financial Conglomerate, in the development of software related to information technology. Significant improvements are expected in the management of this process, with an impact on reducing costs for reprocessing, timely attention, custom development and in general, greater efficiency in management as well as supporting the strategic objective of turning Banco de Costa Rica into a digital bank. Due to the nature of the company's services, its impact is seen mainly in the bank's operational risk management, and to a lesser extent, with an impact on its solvency. Therefore, no technical aspects or risk exposure are identified that constitute a disability to its incorporation into the Financial Conglomerate.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

By means of official letter GG-04-276-2020, of April 24, 2020, a request for formal authorization it is sent to the General Superintendency of Financial Entities (SUGEF) on April 27, 2020, to incorporate Banprocesa, S.R.L. to the BCR Financial Conglomerate and Subsidiaries, clarifying that, currently Banco de Costa Rica owns 100% of the shares of entity.

By means of the 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.

BCR Leasing Premium Plus S.A

Through official letter No. GG-09-584-2024 sent on September 23, 2024, a request was made to SUGEF for the incorporation of the company BCR Leasing Premium Plus S.A. into the Financial Conglomerate, which is currently in process.

The company's main activity will be the leasing of assets to current and potential clients of BCR Financial Conglomerate.

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.

	Semestre 2/2023	Semestre 1/2024	Semestre 2/2024
Every type of credit (except microcredits)			
Colons	38.16	38.55	38.98
US dollars	30.27	30.53	30.36
Microcredits			
Colons	53.83	54.37	54.98
US dollars	42.86	43.23	42.99
Credits in other currencies	7.38	7.56	7.44

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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.

Estimates of loan portfolio and estimates of held-for-sale assets

Starting in 2024, CONASSIF Agreement 14-21 will come into force. Currently, until December 2023, the loan portfolio and held-for-sale assets are estimated, according to SUGEF Agreement 1-05.

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), A1 being the lowest risk and E being the higher credit risk.

With CONASSIF Agreement 14-21 entering into force as of January 1, 2024, credit operations or debts must be classified individually in risk categories, according to their classification from 1 to 8, being category 1 the one with the lowest credit risk and 8 the one with the highest credit risk.

The details of the current agreement are outlined in Note 1, *Summary of Operations and Significant Accounting Policies*, section j. *Allowance for Uncollectible Loan Portfolio*, in this document.

Resolution regarding BCR SAFI

Resolution SGV-R-128-2024

On July 24, 2024, the General Superintendency of Securities received resolution SGV-R-128-2024, through which BCR Sociedad Administradora de Fondos de Inversión, S.A. is ordered to:

- i. *Utilize all retained earnings of BCR SAFI as of the end of the 2023 period to strengthen the share capital of this entity, a process that must be completed no later than December 31, 2024.*
- ii. *Prohibit BCR SAFI from distributing dividends to its shareholder from the issuance of this resolution and for as long as it remains in effect.*

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

- iii. *Require BCR SAFI to request Banco de Costa Rica to make additional capital contributions to BCR SAFI, up to an amount of 22,000 million colones, no later than December 31, 2024.*
- iv. *Order BCR SAFI to maintain the amount equivalent to the capital contributions required in the previous section of this resolution in investments in high-credit-quality securities, ensuring that these funds are used to meet obligations arising from the responsibilities that prompted this resolution, at the appropriate time and for the final determined amount.*
- v. *Impose the obligation on BCR SAFI to submit an annual report prepared by the external auditors responsible for issuing an opinion on the audited financial statements, specifically addressing whether the entity has appropriately assessed whether conditions exist for the recognition and measurement of potential provisions payable, arising from ongoing judicial and administrative proceedings or decisions regarding the disposition of Parque Empresarial del Pacífico, which belongs to the asset portfolio of the Non-Diversified Real Estate Investment Fund. The reports must be submitted along with the audited annual financial statements.*
- vi. *Request BCR SAFI to promptly record provisions payable when the conditions required by the applicable regulations for their recognition are met.*

Regarding the request, the important dates for addressing the regulator's requirements are detailed as follows:

1. At the shareholder's meeting of September 23, 2024, the following was approved:
 - i. *Acknowledge resolution SGV-R-128-2024, dated July 23, 2024, issued by Tomás Soley Pérez, General Superintendent of Securities.*
 - ii. *Approve the capitalization of BCR Sociedad Administradora e Fondos de Inversión, S.A. for an amount of ₡23,118,000,000 (twenty-three billion one hundred eighteen million colones), as detailed below:*
 - a. *Retained earnings from the 2023 period BCR SAFI ₡1,118,000,000 (one billion one hundred eighteen million colones).*
 - b. *Contribution from the sole shareholder Banco de Costa Rica: ₡22,000,000,000 (twenty-two billion colones).*

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

- c. Record that the capitalization of ¢22,000,000,000 will be carried out once Banco de Costa Rica submits the extraordinary budget to the Comptroller General of the Republic and it is approved by the regulatory entity.*
2. On October 25, 2024, authorization for the extraordinary budget was received from the Comptroller General of the Republic to proceed with the capitalization of ¢22,000,000,000.
 3. BCR SAFI received ¢22,000,000,000 in cash on November 6 from Banco de Costa Rica in its capacity as the sole shareholder, which were subsequently invested in high-credit-quality securities, as required by the resolution.
 4. As required by Article 6 of the Regulation on Management Companies and Investment Funds, the process for prior authorization of the capitalization in the amount of ¢23,118,000,000 was initiated with SUGEVAL on November 15. On December 24, the second request for corrections to the process was received from SUGEVAL, which was addressed and resubmitted for review by the regulatory entity on January 7, 2025.
 5. As can be observed from the indicated dates BCR SAFI and BCR Financial Conglomerate fulfilled the capital contribution of ¢22,000,000,000 and the formal approval of the capitalization of retained earnings of BCR SAFI for ¢1,118,000,000 before December 31, 2024, completing a total share capital increase of ¢23,118,000,000.
 6. On January 9, 2025, resolution SGV-R-2-2025 was received from SUGEVAL, which states:
 - i. Authorize, subject to compliance with the provisions of this Resolution (**), the registration in the National Registry of Securities and Intermediaries of the share capital increase of XXX in the amount of ¢23,118,000,000, reaching a new share capital of ¢27,957,200,000, composed of 559,144 shares of ¢50,000 each. The characteristics of the capital increase are as follows:*

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

CHARACTERISTICS		
Type of modification	Increase in subscribed and paid-in capital	
Increase amount	¢23.118.000.000	
Equity	Before the modification ¢4.839.200.000	After the modification ¢27.957.200.000
Date of the shareholder's assembly	Extraordinary General Assemblies N° 04-2024 of September 23, 2024, and N° 06-2024 of December 11, 2024	
Source of funds	Capitalization of retained earnings and contributions from Banco de Costa Rica	
Reason	Compliance with the requirements of this Superintendency as stated in Resolution SGV-R-128-2024 from July 23, 2024.	

(**) The issues to be fulfilled are as followed:

- ii. *Instruct BCR Sociedad Administradora de Fondos de Inversión to submit to this Superintendency the notarial or registry certification of the registration of the authorized share capital increase, as stated in section 1 of this Resolution, in the Commercial Registry.*
 - iii. *Inform BCR Sociedad Administradora De Fondos de Inversión, S.A. that within a maximum period of 3 business days from its registration in the Public Registry, the controlling company must deposit the shares resulting from this capital increase in one of the securities depository institutions regulated under Law 7732, the Securities Market Regulatory Law. Additionally, XXX must submit to this Superintendency a certification of the share deposit, confirming the existence of all shares owned by the controlling company in the management company.*
7. The documentation was submitted to the National Registry on January 16, 2025, and was registered on January 22, 2025.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

Resolution SGV-R-179-2024

On October 29, 2024, Resolution SGV-R-179-2024 was received from the General Superintendence of Securities, requiring the Board of Directors of BCR Sociedad Administradora de Fondos de Inversión, S.A. and the Board of Directors of Banco de Costa Rica, as the controlling entity, to submit an action plan to the General Superintendence of Securities within 30 business days. This action plan must facilitate the normalization of the BCR Non-Diversified Real Estate Investment Fund, with normalization understood as restoring the Investment Fund to its functional and financial condition prior to the acquisition of Parque Empresarial del Pacífico.

In response to the resolution, on November 1, 2024, BCR Sociedad Administradora de Fondos de Inversión, S.A. filed a motion for revocation with a subsidiary appeal and an absolute nullity incident against Resolution SGV-R-179-2024. Similarly, on the same date by agreement taken in session 54-24, Article II, on November 1, 2024, Banco de Costa Rica filed a motion for revocation with an appeal in higher instance and a concomitant incident against Resolution SGV-R-179-2024.

On November 29, 2024, resolution SGV-R-198-2024 was received from SUGEVAL, through which it was decided:

To reject in all its aspects the appeals for revocation and the nullity claims filed by BCR Sociedad Administradora de Fondos de Inversión, S.A. and Banco de Costa Rica as the controlling entity, against administrative order SGV-R179-2024 issued at 16:00 hours on October 29, 2024, maintaining the orders established therein.

The execution of the imposed administrative order is suspended until the appeal filed by BCR Sociedad Administradora de Fondos de Inversión and Banco de Costa Rica, in their capacity as the controlling entity, is analyzed by the National Council for the Supervision of the Financial System.

In accordance with Articles 345, 346, and 349 of the General Law of Public Administration and Articles 170 and 171, subsection (g) of the Securities Market Regulatory Law, the administrative file is submitted to the National Council for the Supervision of the Financial System so that it may issue the corresponding resolution regarding the Subsidiary Appeal filed against said act. For this purpose, the appellants are required to appear before the higher authority within a period of three business days to assert their rights and designate a location for receiving notifications.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

On December 4, 2024, a petition was submitted to CONASSIF requesting that the appeal and the absolute nullity incident be upheld in all its aspects and, consequently, that resolution SGV-R-179-2024 issued at 16:00 hours on October 29, 2024, be revoked and annulled.

As of today, the resolution from CONASSIF is still pending.

(40) International Financial Reporting Standards (IFRS) issued but not yet applied

In accordance with the requirements of IFRS 1, "First-time Adoption of International Financial Reporting Standards," the standards, amendments, and improvements issued by the IASB that have not been early adopted in these financial statements are detailed below.

The following standards and amendments have been issued and are effective for future periods:

1. IFRS 18 - Presentation and Disclosure in Financial Statements. Effective date: Annual periods beginning on or after January 1, 2027. Early application permitted.

Expected impact: Introduces improvements in the presentation and disaggregation of information in the financial statements, including defined subtotals and better classification of income and expenses.

2. Amendments to IFRS 9 and IFRS 7 – Financial Instruments. Effective date: Annual periods beginning on January 1, 2026. Early application permitted.

Expected impact: Clarifications on the classification and measurement of financial instruments, particularly regarding changes in contractual cash flows and disclosure requirements.

3. IFRS 19 - Subsidiaries without Public Accountability. Effective date: Annual periods beginning on January 1, 2025.

Expected impact: Significant reduction in disclosure requirements for subsidiaries without public accountability, without altering the recognition and measurement principles.

4. International Financial Reporting Standard (IFRS) focused on Sustainability:

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

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 Sustainability-Related Financial Disclosures and IFRS S2 – Climate-Related Disclosures.

Their application will be voluntary starting January 1, 2024. For regulated financial entities within the financial system, the standards are expected to come into effect for the 2027 fiscal year.

5. Annual Standards Review 2024. Effective date: Applicable for annual periods beginning on or after January 1, 2025.

Key changes:

- a. IFRS 10 – Consolidated Financial Statements: Adjustments related to the treatment of control over entities under specific circumstances, providing greater clarity on the application of the control principle.
- b. IFRS 9 – Financial Instruments: Modifications to enhance the presentation of expected credit losses and clarifications on substantial modifications of contractual terms.
- c. IFRS 1 – First-time Adoption of IFRS: Minor changes to facilitate the transition to IFRS in specific operations, particularly for first-time adopting subsidiaries.
- d. IAS 7 – Statement of Cash Flows: Clarifications on the presentation of cash flows related to financial instruments.
- e. IFRS 7 – Financial Instruments: Disclosures: Inclusion of additional requirements related to liquidity risks and significant changes during the period.

Expected impact: These modifications aim to clarify terms and ensure consistency in application, with limited impact on current accounting policies.

The management of Banco de Costa Rica is analyzing the effects of these standards and amendments on the financial statements. Although no significant material impacts are anticipated, adjustments will be made to the presentation and disclosure of information to comply with the new requirements. Banco de Costa Rica does not apply standards early, as stated in CONASSIF Agreement 6-18, Financial Information Regulation, Article 3: Adoption of Accounting Standards.

(Continues)

BANCO DE COSTA RICA

Notes to the separate financial statements
For the period ended December 31, 2024
(with corresponding figures as of December 31, 2023)
(In colones without cents)

(41) Authorization date for issuance of financial statements

The General Management of the Bank authorized the issuance of the separate financial statements on January 27, 2024. SUGEF has the possibility of requiring modifications to the financial statements after their date of authorization for issuance.