



Banco de Costa Rica and Subsidiaries

Unaudited Consolidated Financial Statements

June 30, 2024, and 2025

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BANCO DE COSTA RICA AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of June 30, 2025
(In colones without cents)

	Note	June 2025	December 2024	June 2024
ASSETS				
Availabilities	4	938,626,323,871	912,828,480,144	918,348,547,892
Cash		63,972,530,863	77,839,337,223	73,695,927,327
Central Bank of Costa Rica		715,358,104,072	679,616,489,090	694,011,710,731
Local financial entities		1,626,580,834	3,413,230,974	2,746,818,821
Foreign financial entities		54,505,114,340	50,662,594,344	52,330,132,333
Notes payable on demand		1,814,552,325	348,430,021	1,963,015,223
Restricted cash and cash equivalents		101,349,436,918	100,947,503,231	93,600,943,457
Accounts and interest receivable		4,519	895,261	-
Investment in financial instruments	5	1,649,303,153,403	1,826,143,774,133	1,662,878,536,127
At fair value through profit or loss		82,738,869,710	64,735,383,226	64,189,150,963
At fair value through other comprehensive income		1,439,958,649,145	1,614,247,974,076	1,367,409,320,809
At amortized cost		102,147,267,613	120,266,502,931	206,134,918,039
Interest receivable		24,631,651,108	27,102,884,896	25,309,968,408
(Allowance for impairment)		(173,284,173)	(208,970,996)	(164,822,092)
Loan portfolio	6.b	4,423,726,571,726	4,214,989,751,393	4,016,477,497,806
Current loans	6.d	4,290,736,455,154	4,058,433,148,631	3,885,919,587,347
Past due loans		253,316,058,085	270,494,448,433	267,465,597,402
Loans in legal collection	6.e	40,862,828,592	45,396,368,759	49,843,092,734
Costos directos incrementales asociados a créditos		44,813,391	-	-
(Deferred income loan portfolio)		(27,282,066,884)	(24,241,804,713)	(21,494,721,011)
Interest receivable	6.f	23,056,470,748	22,528,305,859	22,616,090,216
(Allowance for impairment)	6.g	(157,007,987,360)	(157,620,715,576)	(187,872,148,882)
Accounts and commissions receivable		53,268,388,124	46,359,553,833	55,403,637,674
Commissions receivable		4,283,170,831	4,250,328,991	4,285,771,692
Accounts receivable from stock exchange operations		202,648,006	81,764,220	235,986,266
Accounts receivable for transactions with related parties		647,073,346	620,258,898	851,690,247
Deferred income tax and income tax receivable	15	42,649,577,114	37,339,692,081	45,202,569,318
Other accounts receivable		18,431,660,709	16,413,753,178	15,834,685,363
(Allowance for impairment)		(12,945,741,882)	(12,346,243,535)	(11,007,065,212)
Foreclosed assets	7	35,301,466,008	39,266,035,490	47,044,107,977
Assets and securities acquired as recovery of loans		36,149,510,291	39,867,010,925	44,525,595,368
Other foreclosed assets		4,601,793,877	4,713,467,891	4,604,004,367
(Allowance for impairment and per legal requirement)		(5,449,838,160)	(5,314,443,326)	(2,085,491,758)
Interest in other companies' capital, net	8	1,740,440,238	1,899,392,735	537,190,901
Property, furniture and equipment, net	9	134,748,548,808	139,123,506,447	137,941,394,523
Property investments		6,831,625,000	6,831,625,000	6,831,625,000
Other assets		131,695,866,502	142,699,727,026	153,666,188,928
Deferred charges	10.a	1,016,738,013	1,201,571,797	1,354,654,256
Intangible assets, net	10.b	16,363,001,993	18,041,875,096	16,536,949,116
Other assets	10.c	114,316,126,496	123,456,280,133	135,774,585,556
TOTAL ASSETS	€	7,375,242,383,680	7,330,141,846,201	6,999,128,726,828

BANCO DE COSTA RICA AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of June 30, 2025
(In colones without cents)

	Note	June 2025	December 2024	June 2024
LIABILITIES AND EQUITY				
LIABILITIES				
Obligations with the public	€	5,553,794,490,071	5,177,097,678,122	5,092,031,894,964
Demand obligations	11	3,479,440,861,116	3,385,372,438,175	3,140,746,737,908
Term obligations	12	2,040,858,924,105	1,766,526,057,777	1,926,731,255,714
Other obligations with the public	13	11,435,222,233	1,334,028,723	3,180,239,592
Financial charges payable		22,059,482,617	23,865,153,447	21,373,661,750
Obligations with the Central Bank of Costa Rica	14	-	164,442,980,856	96,289,569,008
Term obligations		-	161,929,838,016	93,950,614,443
Financial charges payable		-	2,513,142,840	2,338,954,565
Obligations with entities	14	725,120,879,491	894,176,039,576	756,079,683,508
Demand obligations	12	75,432,240,514	77,568,808,257	90,671,899,169
Term obligations	12	643,548,237,864	811,073,487,628	657,676,067,650
Financial charges payable		6,140,401,113	5,533,743,691	7,731,716,689
Accounts payable and provisions		193,709,946,780	211,152,457,354	190,996,528,718
Provisions	16	52,127,769,241	52,247,126,773	52,286,173,850
Accounts payable for stock transactions		514,050,481	74,729,007	296,184,447
Deferred income tax	15	60,371,197,201	47,154,752,479	46,253,388,729
Other sundry accounts payable	17	80,671,022,985	111,653,935,904	92,137,558,347
Financial charges payable		25,906,872	21,913,191	23,223,345
Other liabilities		29,820,694,674	30,586,442,921	25,872,751,729
Deferred income		488,209,938	392,796,038	453,024,528
Other liabilities		29,332,484,736	30,193,646,883	25,419,727,201
Subordinated obligations		50,146,773,695	50,145,218,870	50,143,754,979
Subordinated obligations	14	49,962,351,473	49,960,796,648	49,959,332,757
Financial charges payable		184,422,222	184,422,222	184,422,222
TOTAL LIABILITIES	€	6,552,592,784,711	6,527,600,817,699	6,211,414,182,906
EQUITY				
Capital stock	18.a	181,409,990,601	181,409,990,601	181,409,990,601
Adjustments to equity - Other comprehensive income		44,072,007,842	48,040,961,632	50,273,943,601
Equity reserves	18.g	385,220,658,667	364,708,053,622	364,708,053,622
Accrued earnings from previous periods		64,628,254,759	47,328,475,171	47,328,475,171
Profit of current period		22,409,107,476	42,624,954,756	25,422,445,503
Equity of the Development Financing Fund		53,678,819,200	48,866,249,077	48,866,249,077
Minority interest	8	71,230,760,424	69,562,343,643	69,705,386,347
TOTAL EQUITY		822,649,598,969	802,541,028,502	787,714,543,922
TOTAL LIABILITIES AND EQUITY	€	7,375,242,383,680	7,330,141,846,201	6,999,128,726,828
DEBIT CONTINGENT ACCOUNTS	19	602,140,088,913	558,828,766,429	520,421,202,216
TRUST ASSETS	20	745,565,340,718	787,828,146,554	859,024,516,035
TRUST LIABILITIES		219,729,028,152	247,173,104,139	245,832,795,048
TRUST EQUITY		525,836,312,566	540,655,042,415	613,191,720,988
OTHER DEBIT MEMORANDA ACCOUNTS	21	26,935,200,561,263	27,818,184,215,929	26,715,398,463,670
Own debit memoranda accounts		18,924,518,750,254	15,979,848,692,594	14,512,482,626,188
Third party debit memoranda accounts		2,862,731,848,587	2,639,642,330,049	2,697,561,908,076
Own debit memoranda accounts for custodial activities		1,159,909,747,893	1,029,882,662,881	1,059,426,243,321
Third party debit memoranda accounts for custodial activities		3,988,040,214,529	8,168,810,530,405	8,445,927,686,085

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

BANCO DE COSTA RICA AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ending June 30, 2025
(In colones without cents)

	Note	Quarter from			
		June 2025	June 2024	2025	April 1 to June 30 2024
Financial income					
For availabilities	€	916,239,202	1,716,165,681	442,352,800	611,510,012
For investments in financial instruments	26	53,438,614,251	48,594,541,370	26,577,483,336	25,434,140,864
For loan portfolio	27	174,900,974,963	167,874,772,816	89,724,303,194	85,310,907,921
For financial leases	27	1,669,841,829	1,577,169,553	804,069,683	810,375,248
For profit from financial instruments at fair value through profit or loss		477,244,432	800,109,159	327,194,637	225,101,228
For profit from financial instruments at fair value through other comprehensive income		1,579,683,549	5,765,131,023	818,194,660	746,666,841
For other financial income		2,031,300,925	2,006,448,292	1,017,239,990	1,133,013,226
Total financial income		235,013,899,151	228,334,337,894	119,710,838,300	114,271,715,340
Financial expenses					
For obligations with the public	28	85,433,288,619	87,420,786,294	44,065,442,898	43,611,595,138
For obligations with the Central Bank of Costa Rica		197,871,051	403,598,002	10,622,055	193,153,167
For obligations with financial and non-financial entities		17,588,957,619	18,855,256,619	8,448,561,157	9,118,356,368
For subordinated, convertible and preferred obligations		3,075,084,825	3,075,421,019	1,537,554,137	1,537,977,142
For losses due to exchange differences and DU		7,955,254,124	7,529,665,705	4,734,957,704	3,982,052,316
For loss from financial instruments at fair value through profit or loss		83,637,256	75,666,435	75,967,405	74,781,528
For loss from financial instruments at fair value through other comprehensive income		82,236,655	46,373,457	1,507,736	30,780,800
For other financial expenses		8,531,956	7,161,929	5,032,092	5,783,322
Total financial expenses		114,424,862,105	117,413,929,460	58,879,645,184	58,554,479,781
Allowance for impairment of assets	29	13,088,189,416	7,546,051,455	8,114,671,794	4,081,402,590
For assets recovery and decrease in allowance and provisions	30	4,641,390,238	5,736,144,081	2,248,894,159	2,617,919,895
FINANCIAL INCOME		112,142,237,868	109,110,501,060	54,965,415,481	54,253,752,864
Other operating income					
For service fees	31	63,827,757,002	58,954,306,828	32,526,520,430	30,243,258,578
For foreclosed assets		1,870,114,069	65,274,423,738	1,200,111,723	60,842,063,334
For foreign currency exchange and arbitrations		19,499,666,946	21,552,161,032	9,664,852,227	12,288,162,989
For other income from related parties		63,579,819	124,486,436	(19,711,745)	(138,228,576)
For other operating income		11,413,525,241	8,841,228,760	6,484,391,486	5,256,197,999
Total other operating income		96,697,630,611	154,826,852,122	49,879,151,655	108,571,699,652
Other operating expenses					
For service fees		19,820,035,264	16,263,806,661	10,151,828,563	8,158,575,403
For foreclosed assets		4,573,181,432	60,397,491,601	2,369,887,775	57,911,079,695
For loss in participations in capital interests of other companies		158,952,497	346,211,489	79,438,266	174,845,089
For provisions		1,188,911,967	1,327,818,842	775,715,666	677,286,370
For exchange and arbitration, foreign currency		805,366,578	1,176,151,243	638,608,892	951,070,841
For other expenses with related parties		162,313,416	105,410	71,136,055	(40,755,792)
For other operating expenses		24,900,029,520	21,140,515,805	13,613,146,157	10,622,445,528
Total other operating expenses		51,608,790,674	100,652,101,051	27,699,761,374	78,545,437,134
GROSS OPERATING INCOME		157,231,077,805	163,285,252,131	77,144,805,762	84,370,905,382
Administrative expenses					
Personnel expenses		65,000,702,965	62,731,699,439	33,126,960,610	31,875,627,009
Other administrative expenses		43,473,234,949	45,105,237,019	22,797,631,429	25,105,920,389
Total administrative expenses	33	108,473,937,914	107,836,936,458	55,924,592,039	56,981,547,398
OPERATING INCOME, NET OF INCOME TAX AND STATUTORY ALLOCATIONS		48,757,139,891	55,448,315,673	21,220,213,723	27,389,357,984
Income tax	15	3,551,680,923	18,557,926,286	1,983,214,655	9,592,756,043
Deferred income tax	15	26,441,939,597	3,289,775,600	7,040,728,587	1,665,354,474
Decrease in income tax		17,860,286,942	6,723,056,833	3,492,954,456	4,512,009,181
Legal profit allocation	34	11,905,362,965	13,004,008,430	4,789,044,480	6,273,062,213
Decrease in profit shares		-	-	-	-
RESULT OF THE PERIOD		24,718,443,348	27,319,662,190	10,900,180,457	14,370,194,435
Attributed to non-controlling interests		2,309,335,872	1,897,216,687	1,187,508,366	1,023,219,148
Attributed to the parent company		22,409,107,476	25,422,445,503	9,712,672,091	13,346,975,287
RESULTS OF THE PERIOD ATTRIBUTED TO THE FINANCIAL CONGLOMERATE		22,409,107,476	25,422,445,503	9,712,672,091	13,346,975,287
OTHER COMPREHENSIVE INCOME OF THE PERIOD, NET OF TAX					
Adjustment for valuation of investments at fair value through other comprehensive income		1,776,595,425	8,832,523,128	(675,275,375)	1,238,421,816
Reclassification of unrealized profit to the income statement		(1,048,212,826)	(4,003,130,296)	(571,680,847)	(501,120,228)
Adjustment for valuation of restricted financial instruments, net of income tax		(4,441,815,555)	3,299,746,897	(734,500,641)	2,633,547,257
Other		(896,439,925)	1,365,989,584	1,328,615,293	6,497,765,572
OTHER COMPREHENSIVE INCOME OF THE PERIOD, NET OF TAX	35	(4,609,872,881)	9,495,129,313	(652,841,570)	9,868,614,417
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		20,108,570,467	36,814,791,503	10,247,338,887	24,238,808,852
Comprehensive income attributed to minority interest		1,668,416,781	2,379,040,958	1,697,474,411	4,092,892,905
Attributed to the parent company		18,440,153,686	34,435,750,545	8,549,864,476	20,145,915,947
COMPREHENSIVE INCOME ATTRIBUTED TO THE FINANCIAL CONGLOMERATE	€	18,440,153,686	34,435,750,545	8,549,864,476	20,145,915,947

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

BANCO DE COSTA RICA AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ending June 30, 2025
(In colones without cents)

Ajustes al patrimonio											
	Capital Stock		Surplus for revaluation of property, furniture and equipment	Adjustment for valuation of investments at fair value through other comprehensive income	Adjustment for translation of financial statements	Total adjustments to equity	Equity reserves	Accrued earnings from previous periods	Equity of the Development Financing Fund	Minority interest	Total equity
Note	Non-capitalized equity contributions										
Balance as of December 31, 2023	181,409,990,601	41,085,212,831	(9,553,277,894)	9,728,703,622	41,260,638,559	351,152,901,365	63,983,258,982	45,766,617,523	67,326,345,389	750,899,752,419	
Income tax payment for prior fiscal years	-	-	-	-	-	13,555,152,257	(13,555,152,257)	-	-	-	
Adjustment for profit-sharing under IFRIC 23	-	-	-	-	-	-	(3,099,631,554)	3,099,631,554	-	-	
Balance as of December 31, 2024	181,409,990,601	41,085,212,831	(9,553,277,894)	9,728,703,622	41,260,638,559	364,708,053,622	47,328,475,171	48,866,249,077	67,326,345,389	750,899,752,419	
Other comprehensive income											
Exchange differences resulting from the translation of financial statements of foreign entities	-	-	-	696,654,688	696,654,688	-	-	-	669,334,896	(3,204,587,724)	
Unrealized gain or loss in fair value of investments through other comprehensive income	-	-	17,750,908,554	-	17,750,908,554	-	-	-	(187,510,625)	23,664,220,556	
Transfer of realized net gain to the income statement	-	-	(5,718,757,566)	-	(5,718,757,566)	-	-	-	-	(11,881,683,697)	
Impairment – Investments at fair value through other comprehensive income	-	-	-	21,542,122	21,542,122	-	-	-	-	248,980,452	
Transfer of impairment to the consolidated income statement (RIF)	-	-	-	-	-	-	-	-	-	-	
Deferred income tax recognition	-	-	(3,737,042,756)	-	(3,737,042,756)	-	-	-	-	(3,774,770,758)	
Result of the period	-	-	-	-	-	-	25,422,445,503	-	1,897,216,687	46,589,117,254	
Other total comprehensive income	-	-	8,316,650,354	696,654,688	9,013,305,042	-	25,422,445,503	-	2,379,040,958	36,814,791,503	
Balance as of June 30, 2024	181,409,990,601	41,085,212,831	(1,236,627,540)	10,425,358,310	50,273,943,601	364,708,053,622	72,750,920,674	48,866,249,077	69,705,386,347	787,714,543,922	
Attributed to minority interest	-	-	-	-	-	-	-	-	69,705,386,347	69,705,386,347	
Attributed to the financial conglomerate	€ 181,409,990,601	41,085,212,831	(1,236,627,540)	10,425,358,310	50,273,943,601	364,708,053,622	72,750,920,674	48,866,249,077	-	718,009,157,575	
Balance as of December 31, 2024	181,409,990,601	41,085,212,831	(1,138,615,082)	8,094,363,883	48,040,961,632	364,708,053,622	89,953,429,927	48,866,249,077	69,562,343,643	802,541,028,502	
Allocation of legal reserve	-	-	-	-	-	20,512,605,045	(20,512,605,045)	-	-	-	
Allocation of the Development Financing Fund	-	-	-	-	-	-	(4,812,570,123)	4,812,570,123	-	-	
Balance as of June 30, 2025	181,409,990,601	41,085,212,831	(1,138,615,082)	8,094,363,883	48,040,961,632	385,220,658,667	64,628,254,759	53,678,819,200	69,562,343,643	802,541,028,502	
Other comprehensive income											
Exchange differences resulting from the translation of financial statements of foreign entities	-	-	-	(457,184,362)	(457,184,362)	-	-	-	(439,255,563)	(896,439,925)	
Unrealized gain or loss in fair value of investments through other comprehensive income	-	-	(3,380,624,526)	-	(3,380,624,526)	-	-	-	(201,663,528)	(3,582,288,054)	
Transfer of realized net gain to the income statement	-	-	(1,497,446,894)	-	(1,497,446,894)	-	-	-	-	(1,497,446,894)	
Impairment – Investments at fair value through other comprehensive income	-	-	-	(79,611,591)	(79,611,591)	-	-	-	-	(79,611,591)	
Deferred income tax recognition	-	-	1,445,913,583	-	1,445,913,583	-	-	-	-	1,445,913,583	
Result of the period	-	-	-	-	-	-	22,409,107,476	-	2,309,335,872	24,718,443,348	
Other total comprehensive income	-	-	(3,511,769,428)	(457,184,362)	(3,968,953,790)	-	22,409,107,476	-	1,668,416,781	20,108,570,467	
Balance as of June 30, 2025	181,409,990,601	41,085,212,831	(4,650,384,510)	7,637,179,521	44,072,007,842	385,220,658,667	87,037,362,235	53,678,819,200	71,230,760,424	822,649,598,969	
Attributed to minority interest	-	-	-	-	-	-	-	-	71,230,760,424	71,230,760,424	
Attributed to the financial conglomerate	€ 181,409,990,601	41,085,212,831	(4,650,384,510)	7,637,179,521	44,072,007,842	385,220,658,667	87,037,362,235	53,678,819,200	-	751,418,838,545	

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

BANCO DE COSTA RICA AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ending June 30, 2025
(In colones without cents)

	Note	June 2025	June 2024
Cash flows from operating activities			
Income of the period	€	22,409,107,476	25,422,445,503
Items applied to results not requiring cash outlays		(69,759,042,525)	(60,990,407,887)
Increase or (decrease) for			
Allowance for impairment or devaluation of financial instruments		68,682,797	129,616,245
Allowance for impairment of loan portfolio		10,762,657,484	4,727,142,561
Allowance for impairment and default of other accounts receivable		2,256,849,135	2,689,292,649
Allowance for impairment of assets in lieu of payment		1,092,908,454	54,901,867,896
Income from reversal of allowance for impairment or devaluation of investments		(144,550,466)	(100,128,142)
Income from reversal of allowance for impairment and default of accounts receivable		(1,421,791,233)	(2,263,902,261)
Income from reversal of allowance for impairment of assets in lieu of payment		(1,547,347,167)	(64,787,448,046)
Income or loss for sale of assets received in lieu of payment and of property, furniture and equipment		1,976,344,628	3,866,368,237
Interest in net profit of other companies		135,964,963	265,966,161
Depreciation		6,654,071,284	7,532,656,784
Amortization		7,364,635,177	8,256,570,729
Provision for social benefits		185,517,064	27,304,515
Provisions for pending lawsuits		1,003,394,903	1,300,514,327
Other provisions		-	3,391,250
Income from provisions		(1,222,654,742)	(442,542,205)
Income tax		3,551,680,923	18,557,926,285
Deferred income tax		26,441,939,597	3,289,775,600
Decrease in income tax from previous periods		(16,510,182,219)	(6,723,056,833)
Decrease in income tax from previous periods		(1,350,104,723)	-
Profit sharing		11,905,362,965	13,004,008,430
Interest for obligations with the public		85,433,288,619	87,420,786,294
Interest for obligations with financial entities		20,861,913,495	22,334,275,640
Income from availabilities		(916,239,202)	(1,716,165,681)
Interest from investment in financial instruments		(53,438,614,251)	(48,594,541,370)
Income from loan portfolio		(174,900,974,963)	(167,874,772,816)
Net profit or loss from exchange differences and Development Units		146,053,443	610,814,489
Minority interest in net profit of subsidiaries		2,309,335,872	1,897,216,687
Adjustments for conversion of financial statements of the entity abroad		(457,184,362)	696,654,688
Cash flows from operating activities		(66,097,409,305)	(384,273,951,480)
Net variation in assets increase or (decrease)			
Increase in financial instruments - at fair value through profit or loss		(373,112,491,113)	(302,233,665,246)
Decrease in financial instruments - at fair value through profit or loss		355,149,185,475	375,873,996,067
Increase in financial instruments - at fair value through comprehensive income		(464,777,933,830)	(789,047,402,119)
Decrease in financial instruments - at fair value through comprehensive income		593,371,398,199	361,042,320,577
Loan portfolio		(239,074,402,931)	(53,145,282,529)
Accounts and commissions receivable		(7,784,566,955)	(14,215,604,129)
Available-for-sale assets		8,260,633,269	9,991,649,920
Interest receivable for financial instruments		27,102,884,896	21,445,888,496
Interest receivable for loan portfolio		19,481,801,723	18,333,262,549
Other assets		15,286,081,963	(12,319,115,065)
Net variations in liabilities, increase or (decrease)		(6,838,406,490)	93,085,701,923
Obligations with the public		392,785,698,101	210,732,761,287
Obligations with the Central Bank of Costa Rica and other entities		(326,983,637,053)	(29,646,119,628)
Obligations for accounts and commissions payable and provisions		(39,823,668,549)	(26,231,370,541)
Interest payable for obligations with the public		(23,865,153,447)	(30,111,444,950)
Interest payable for obligations with the BCCR and other entities		(8,231,308,753)	(8,695,995,644)
Interest payable for accounts and commissions payable and provisions		(21,913,191)	(20,993,435)
Other liabilities		(698,423,598)	(22,941,135,166)
Interests paid		(77,884,989,290)	(78,103,083,363)
Dividends received		4,200,000,000	3,800,000,000
Collected interest		184,614,210,696	174,575,227,095
Paid income tax		(6,232,214,719)	(5,081,642,727)
Net cash flows provided by operating activities		(15,588,744,156)	(231,565,710,936)
Cash flows from investment activities			
Increase in financial instruments at amortized cost		(3,007,757,180,926)	(24,706,931,689,813)
Decrease in financial instruments at amortized cost		3,025,876,416,244	24,856,814,674,800
Acquisition of property, furniture and equipment		(863,154,358)	(1,194,298,395)
Decrease for withdrawal and transfer of property, furniture and equipment		(1,528,454,912)	239,232,828
Acquisition of intangibles		(6,840,700,690)	(5,608,480,008)
Decrease for withdrawal and transfer of intangibles		1,359,015,665	498,373,329
Interest in other companies		(4,177,012,466)	(4,469,754,672)
Cash flows (used for) provided by investment activities		6,068,928,557	139,348,058,069
Cash flows from financing activities			
Subordinated obligations		1,554,825	1,378,453
Cash flows provided by financing activities		1,554,825	1,378,453
Net increase (decrease) in cash and cash equivalents		(9,518,260,774)	(92,216,274,414)
Cash and cash equivalents at the beginning of the year		1,052,581,357,652	1,239,883,579,946
Effect of changes in exchange rates on cash		(2,296,580,094)	1,778,867,562
Cash and cash equivalents at the end of the year	4 €	<u>1,040,766,516,784</u>	<u>1,149,446,173,094</u>

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

1). Summary of operations and significant accounting policies

(a) Operations

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

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

The Bank is mainly dedicated to extending loans and granting bid and performance bonds; issuing deposit certificates; opening checking accounts in colones, U.S. dollars, and euros; issuing letters of credit; providing collection services; buying and selling foreign currency; managing trusts; providing custodial services for assets; and other banking operations. As of June 30, 2025, the Bank has a total of 144 (144 and 146 for December and June 2024, respectively) branches distributed across the national territory, has 513 (520 and 533 for December and June 2024, respectively) ATM's and has 4,185 (4,192 and 4,098 for December and June 2024, respectively) employees.

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

The Bank fully owns 100% of the following subsidiaries:

BCR Valores, S.A. - Puesto de Bolsa, was organized as a corporation in February 1999 under the laws of the Republic of Costa Rica. Its main activity is securities trading. The number of employees as of June 30, 2025, is 70 (72 and 73 for December and June 2024, respectively) and is regulated by the General Superintendence of Securities (SUGEVAL).

BCR Sociedad Administradora de Fondos de Inversión, S.A. was organized as a corporation in July 1999 under the laws of the Republic of Costa Rica. Its main activity is investment fund management. The number of employees as of June 30, 2025, is 91 (95 and 101 for December and June 2024, respectively) and is regulated by the General Superintendence of Securities (SUGEVAL).

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A. was organized as a corporation in September 1999 under the laws of the Republic of Costa Rica. Its main activity is managing supplemental pension plans and offering additional services related to disability and death plans to members. The number of employees as of June 30, 2025, is 110 (113 and 111 for December and June 2024, respectively) and is regulated by the Superintendence of Pensions (SUPEN).

BCR Sociedad Corredora de Seguros, S.A. was organized as a corporation in February 2009 under the laws of the Republic of Costa Rica. Its main activity is insurance underwriting. The number of employees as of June 30, 2025, is 92 (96 and 92 for December and June 2024, respectively) and it is regulated by the General Superintendence of Insurance (SUGESE).

Banprocesa, TI S.R.L. was organized as a corporation in August 2009 under the laws of the Republic of Costa Rica. Its main activity will be to provide IT processing services and technical support, purchase, lease, and maintain hardware and software, including software development, and address the Bank's IT needs. This entity has not started operations. As of June 30, 2025, the number of employees is 97 (92 and 82 for December and June 2024, respectively). As of July 29, 2021, CONASSIF sends communication CNS-1676/06 accepting its participation as part of the conglomerate.

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

Depósito Agrícola de Cartago, S.A. has a wholly owned subsidiary named Almacén Fiscal Agrícola de Cartago, S.A., constituted in December 1991 under the laws of the Republic of Costa Rica. Its main activity is custody and storage of merchandise on which no import taxes have been paid, regulated by the General Customs Law, and supervised by the General Customs Directorate of the Ministry of Finance. Both companies are subject to the oversight of the Comptroller General of the Republic. As of June 30, 2025, the number of employees is 67 (51 and 75 for December and June 2024, respectively).

BCR LEASING PREMIUM PLUS S.A. is a corporation incorporated on July 4, 2022, under the laws of the Republic of Costa Rica and is one more subsidiary of the BCR Financial Conglomerate. Its main activity is the leasing of personal property to current and potential clients of BCR Conglomerate. The number of employees as of June 30, 2025, is 10 (13 and 14 for December and June 2024, respectively).

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

Banco Internacional de Costa Rica, S.A. and subsidiary (BICSA) was organized as a bank under the laws of the Republic of Panama in 1976. It operates under a general license granted by the Superintendence of Banks of Panama to engage in banking transactions in Panama or abroad; its office is located in the city of Panama, Republic of Panama, BICSA Financial Center, 50th floor, Avenida Balboa and Calle Aquilino de la Guardia. The remaining 49% of BICSA's shares are owned by Banco Nacional de Costa Rica. The number of employees as of June 30, 2025, is 246 (242 and 243 for December and June 2024, respectively).

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

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

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

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

Miami Agency

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

Panamá Branch

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

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

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

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

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

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

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

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

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

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

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

(c) Investment in other companies

Valuation of investments by the equity method

i. Subsidiaries

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

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

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

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

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

(d) Foreign currency

i. Transactions in foreign currency

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

ii. Monetary unit and foreign exchange regulations

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

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

As established in the Chart of Accounts, assets and liabilities held in foreign currency should be expressed in colones at the exchange rate disclosed by the Central Bank of Costa Rica. Thus, as of June 30, 2025, monetary assets and liabilities denominated in U.S. dollars were valued at the exchange rate of ¢508.28 (¢512.73 and ¢530.41 for December and June 2024, respectively) for US\$1.00.

Valuation in colones of monetary assets and liabilities in foreign currency for the period ended June 30, 2025, gave rise to foreign exchange losses of ¢233,914,200,719, (¢533,413,403,444 and ¢268,233,462,621 for December and June 2024, respectively), and gains of ¢225,958,946,595, (¢518,105,772,183 and ¢260,703,796,916, for December and June 2024, respectively), which are presented net in the consolidated income statement.

Additionally, the valuation of other assets and other liabilities gave rise to gains and losses, respectively, which are booked as "Other operating income" and "Other operating expenses", respectively. For the period ended June 30, 2025, valuation of other assets gave rise to profits of ¢245,899,565, (¢108,822,906 and ¢237,235,958 loss for December and gains for June 2024, respectively) and valuation of other liabilities gave rise to losses of ¢247,970,052, (¢1,482,131,263 and ¢337,673,883 loss for December and gains for June 2024, respectively).

iii. Financial statements of foreign subsidiaries (BICSA)

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

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

As result of the conversions for the period ended on June 30, 2025, losses for exchange differences arise for ₡7,637,179,521, (₡1,634,339,739 and ₡7,529,665,705, for December and June 2024, respectively) shown in the equity section, within "Currency translation adjustment of the financial statements".

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

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

(f) Financial instruments

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

(i) *Classification*

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

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

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

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

(ii) Recognition

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

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

(iii) Measurement

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

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

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

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

(iv) Principles of measurement at fair value

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

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(v) *Profits and losses on subsequent measurement*

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

(vi) *De-recognition*

A financial asset is derecognized when the Bank loses control over the contractual rights that comprise the asset. This occurs when the rights are realized, expired, or surrendered. 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. Sales of financial assets
3. A combination of both

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

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

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

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- 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: Information to be disclosed.

(g) Cash and cash equivalents

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

(h) Investments in financial instruments

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

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

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

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

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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 annual financial statement audited.
 - ii. The profit or loss that should have been recognized in the result for the period, for the financial statements indicated in the previous section.
 - b. Fair value through other comprehensive income.
 - c. Fair value through profit or loss: Participations in open investment funds must be recorded in this category.

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

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

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

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

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

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

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

- Main business model

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

- Secondary business model

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

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

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

Investments in securities of BICSA

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

(i) Loan portfolio

Banco de Costa Rica - Loan portfolio

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

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

BICSA -Loan portfolio:

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

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(j) Allowance for doubtful accounts

Banco de Costa Rica - Loan portfolio

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

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 authorities.

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

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

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

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- 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.
- 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.

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

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

Credit portfolio by segments

The credit portfolio must be classified into the following segments:

- Revolving consumer loans to individuals. Loans for vehicles to individuals and legal entities, whose sole purpose is to allocate it to the acquisition of the vehicle by an individual.
- Regular consumer loans: Consumer loans to individuals not belonging to the previous paragraph. Housing loans to individuals and legal entities.
- Business: Credits to micro and small businesses, medium businesses, large businesses (Corporate) and Central Government, according to the following classification:

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- 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 Superintendence attached to the National Council for Supervision of the Financial System (CONASSIF).
- Business 2: Legal entities and natural persons not classified in the Business 1 segment and whose total balance owed, excluding the housing loans referred to in literal d) above, in the financial institution during the last 12 months has exceeded 500 million colones at least once.
- Business 3: Legal entities and natural people 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.

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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 the 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 the payment capacity,
- c) Level 3: has serious weaknesses in the payment capacity, and
- d) Level 4: has no payment capacity.

Classification of the historical payment behavior

The entity must classify historical payment behavior according to 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.

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.

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Risk rating

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

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

a) Segment of revolving consumer loans:

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	

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	

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d) Segment of Business 3:

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

e) 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) Segments of Business 1 and Business 2:

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

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

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

For the 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.

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Conditions to apply guarantee mitigation

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

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

Accounting estimate

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

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 any objection for the creation of estimates by 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.

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

Settlement of credit operations against the estimate

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

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

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

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

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

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.

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

Accounts and interest receivable - Banco de Costa Rica

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

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

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

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

Goods that meet the conditions described in IFRS5:

Initial recognition:

At least among:

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

Subsequent valuation:

At least among:

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

(Continued)

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

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

Goods not complying with the provisions of IFRS 5:

Initial recognition:

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

Subsequent valuation: (IAS 36 Impairment of Assets)

At least among:

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

Recoverable amount:

The greatest among:

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

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

The Management considers the allowance for potential uncollectible loans to be adequate. The regulatory entity periodically reviews the accumulated allowance for uncollectible loans as an integral part of its examinations. The regulatory entity may require additional allowances to be recognized based on its assessment of the information available as of the date of its examinations.

As of June 30, 2025, the total estimated allowance for the loan portfolio, as recorded in the accounting records, amounts to ¢146,923,635,405 (¢145,340,683,522 and ¢175,922,157,323, for December and June 2024, respectively).

As of June 30, 2025, increases in the allowance for uncollectible resulting from the minimum required estimation are recorded in the accounting records, in compliance with CONASSIF 14-21, "Regulation on the Calculation of Credit Allowances," Article 20 (formerly Article 17 of SUGEF Agreement 1-05, "Regulation for Debtor Classification"), subject to prior authorization by the supervisory authority, in accordance with Article 10 of the Organic Law of the National Banking System.

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Notes to the Consolidated Financial Statements

As of June 30, 2025, Management considers the allowance to be adequate to absorb any potential losses that may be incurred in the recovery of the loan portfolio.

BICSA- Allowance for loan impairment

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

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

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

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

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

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

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Notes to the Consolidated Financial Statements

As of June 30, 2025, the allowance disclosed in the accounting records amounts to ₡157,007,987,360, (₡157,620,715,576 and ₡187,872,148,882, for December and June 2024, respectively).

BICSA -Accounts and interest receivable

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

(k) Securities sold under repurchase agreements

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

(l) Accounting for interest receivable

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

(m) Other receivables

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

(n) Assets held-for-sale

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

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

Starting January 1, 2024, the new CONASSIF Agreement 14-21 "Regulation on the Calculation of Credit Estimates" will come into force in Section III "Losses in the Event of Default."

Entities using the standard methodology must keep the amount of the estimate referred to in Article 14 and Article 15 of this Regulation recorded individually in their books, with a counterpart in the income statement, at the closing of each month. Entities may record an amount for estimates higher than the minimum established using the standard methodology. In such cases, applying percentages corresponding to higher risk categories will imply the automatic reclassification of the debtor or operation to the risk category associated with the reported estimate.

Article 16 of CONASSIF Agreement 6-18 also indicates the actions that have been awarded 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 book value of the shares must be written off within a maximum period of two years from the date of award or receipt of the asset in payment in kind.

When the asset no longer meets the conditions to be 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 consolidated financial statements when the Bank has a legal right to set off the recognized balances and intends to settle on a net basis.

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Notes to the Consolidated Financial Statements

(p) Property, furniture, and equipment

(i) *Own assets*

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

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

(ii) *Leased assets*

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

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

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

(iii) *Subsequent disbursements*

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

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Notes to the Consolidated Financial Statements

(iv) *Depreciation and amortization*

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

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

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

Useful lives of assets owned by BICSA:

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

(v) *Revaluation*

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

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

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

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

(q) Deferred charges

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

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Notes to the Consolidated Financial Statements

(r) Intangible assets

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

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

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

(s) Impairment of assets

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

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

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

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

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

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Notes to the Consolidated Financial Statements

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

(t) Obligations with the public

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

(u) Accounts payable and other payables

Accounts payable and other payables are recognized at cost.

(v) Provisions

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

Employees' legal benefits (severance pay)

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

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

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

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

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

BICSA retirement savings plan

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

BICSA has adopted a voluntary retirement savings plan in which BICSA contributes twice the amount contributed by employees, up to a maximum of 10% of the monthly salaries. The contribution made by BICSA and subsidiary under this plan as of June 30, 2025, amounted to ₡225,197,520, (₡372,109,183 and ₡194,192,460, for December and June 2024, respectively), equivalent to US\$443,058, (US\$725,741 and US\$382,647, for December and June 2024, respectively).

BICSA -Seniority premium and indemnity for employees

Under Panamanian labor law, companies are required to establish a severance fund to guarantee payment of a seniority premium and indemnity to eligible employees upon resignation or dismissal without just cause. To create the fund, quarterly contributions of the relative portion to the employee seniority premium equivalent to 1.92% of salaries paid in the Republic of Panama are made to cover the seniority premium, while monthly contributions equivalent to 5% are made to cover the indemnity. Quarterly contributions are to be placed in a trust. As of June 30, 2025, the severance fund had a balance of ₡654,710,685, (₡617,318,004, and ₡606,165,432, for December and June 2024, respectively), equivalent to US\$1,288,091, (US\$1,203,983 and US\$1,142,824 for December and June 2024, respectively) which is disclosed in the consolidated financial statements as prepaid expenses.

(w) Legal reserve

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

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Notes to the Consolidated Financial Statements

(x) Revaluation surplus

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

(y) Use of estimates

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

(z) Estimates for litigation

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

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

Regarding lawsuits deemed inestimable at the outset of the process, the lead attorneys will carry out an analysis and assessment to include an estimate in cases where it can be reasonably determined, following the previously mentioned provision calculation methodology. In cases where for any reason, the estimate cannot be calculated, the corresponding justification will be included in the Bank's judicial proceedings records.

(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.

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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.

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

- (a) The most probable amount—the single most probable amount over a range of possible outcomes. The most probable amount can better predict the resolution of the uncertainty if the possible outcomes are dual or concentrated in one value.
- (b) The expected value - the sum of the amounts weighted by their probability over a range of possible outcomes. The expected value can better predict the resolution of uncertainty if there is a range of possible outcomes that are neither dual nor concentrated on 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 the main types of income and expenses

(i) Interest

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

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Notes to the Consolidated Financial Statements

(ii) Income from fees and commissions

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

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

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

(iv) Expenses from operating lease

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

(cc) Income tax

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

(i) Current:

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

(ii) Deferred:

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

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

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Notes to the Consolidated Financial Statements

(dd) BICSA - Financial leases

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

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

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

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

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

(ff) Legal allocations

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

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

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

(gg) Development Financing Fund

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

(hh) Development Credit Fund

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

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

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

- a) Managing Banks can perform services with the beneficiaries of the Development Banking System as recognized by Article 6 of Law 8634.
- b) In accordance with Article 35 of Law 8634 with funds from the Development Credit Fund, the Managing Banks can provide services to other financial entities, except for private banks, provided they meet the objectives and obligations under Law 8634 and that are duly approved by the Governing Board.

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Notes to the Consolidated Financial Statements

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

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

(ii) BICSA - Trusts

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

(jj) Fiscal year

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

2). Collateralized or restricted assets

Collateralized or restricted assets are as follows:

	June 2025	December 2024	June 2024
Cash and cash equivalents deposited in the Central			
Bank of Costa Rica (see note 4)	¢ 796,412,048,524	774,784,379,210	705,987,915,877
Restricted cash and cash equivalents (see note 4)	<u>75,315,108</u>	<u>192,880,601</u>	<u>169,769,111</u>
Total cash and cash equivalents	<u>796,487,364,632</u>	<u>774,977,259,811</u>	<u>706,157,684,988</u>
Past due and restricted financial instruments (see note 5)	147,719,418,815	456,378,359,623	213,517,792,836
Other assets	967,526,411	975,997,121	936,951,231
	<u>¢ 945,174,309,858</u>	<u>1,232,331,616,555</u>	<u>920,612,429,055</u>

(Continued)

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Notes to the Consolidated Financial Statements

3). Balances and transactions with related parties

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

	June 2025	December 2024	June 2024
Assets:			
Loan portfolio	¢ 811,212,733	936,655,314	985,262,664
Other accounts receivable	649,220,346	642,719,380	898,651,531
Interests in other entities	1,740,440,238	1,899,392,735	537,190,901
Total assets	¢ 3,200,873,317	3,478,767,429	2,421,105,096
Income:			
Income from interest in entities	22,987,534	219,345,500	80,245,328
Sundry operating income	¢ 20,552,544	352,711,595	124,486,436
Total income	¢ 43,540,078	572,057,095	204,731,764
Expenses:			
Expense from investments in other companies	158,952,497	623,109,827	346,211,489
Total expenses	¢ 158,952,497	623,109,827	346,211,489

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

	June 2025	December 2024	June 2024
Short-term benefits	¢ 2,065,810,813	4,248,460,546	2,119,284,798
Long-term benefits	15,672,583	36,100,100	19,727,441
Directors' seating fees	139,244,247	268,771,324	144,319,660
	¢ 2,220,727,643	4,553,331,970	2,283,331,899

The Bank's executive committee is considered key personnel.

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

4). Cash and cash equivalents

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

	June 2025	December 2024	June 2024
Cash	¢ 63,972,530,863	77,839,337,223	73,695,927,327
Demand deposits in BCCR	715,358,104,072	679,616,489,090	694,011,710,731
Checking accounts and demand deposits in local financial entities	1,626,580,834	3,413,230,974	2,746,818,821
Checking accounts and demand deposits in foreign financial entities	54,505,114,340	50,662,594,344	52,330,132,333
Notes payable on demand	1,814,552,325	348,430,021	1,963,015,223
Restricted cash and cash equivalents	101,349,436,918	100,947,503,231	93,600,943,457
Interest receivable	4,519	895,261	0
Total cash and cash equivalents	938,626,323,871	912,828,480,144	918,348,547,892
Investments in short-term financial instruments	102,140,192,913	139,752,877,508	231,097,625,202
Total cash and cash equivalents	¢ 1,040,766,516,784	1,052,581,357,652	1,149,446,173,094

As of June 30, 2025, demand deposits in BCCR are restricted as a minimum legal reserve in the amount of ¢796,292,499,281, (¢773,224,085,233 and ¢705,673,799,814, for December and June 2024, respectively).

As of June 30, 2025, BCR Pension's deposits in BCCR are restricted as a minimum legal reserve in the amount of ¢10,335,273, (¢11,634,633 and ¢6,537,278,286, for December and June 2024, respectively), for a total of ¢5,962,524,483, (¢7,015,583,507 and ¢6,537,278,286, for December and June 2024, respectively).

As of June 30, 2025, BCR Valores, S.A. - Puesto de Bolsa holds restricted deposits in the Central Bank of Costa Rica in the amount of ¢109,213,969, (¢1,548,659,344 and ¢36,613,621,465, for December and June 2024, respectively), for a total of ¢47,104,468,315, (¢50,208,912,528 and ¢37,090,343,443, for December and June 2024, respectively).

As of June 30, 2025, BCR Valores, S.A. - Puesto de Bolsa holds restricted assets as part of the guarantee fund in the amount of ¢46,919,938,238, (¢48,467,372,583 and ¢36,613,621,465, for December and June 2024, respectively). (See note 2).

As of June 30, 2025, the Bank has a liability for outstanding checks in the amount of ¢934,247,177 (¢526,095,018 and ¢906,019,691, for December and June 2024, respectively), which is offset by notes payable on demand cashed the next day once cleared by the clearing house.

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BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

5). Investments in financial instruments

Investments in financial instruments are as follows:

	June 2025	December 2024	June 2024
At fair value through profit or loss	¢ 82,738,869,710	64,735,383,226	64,189,150,963
At fair value through other comprehensive income	1,439,958,649,145	1,614,247,874,076	1,367,409,320,809
At amortized cost	102,147,267,613	120,266,502,931	206,134,918,039
Interest receivable for investments at fair value through profit or loss	1,928,535,996	8,193,674,732	3,673,327,312
Interest receivable for investments at fair value through other comprehensive income	22,324,508,310	18,589,721,172	21,265,637,596
Interest receivable for investments classified at amortized cost	378,606,802	319,488,992	371,003,500
Allowance for impairment of financial instruments	(173,284,173)	(208,970,996)	(164,822,092)
	¢ 1,649,303,153,403	1,826,143,774,133	1,662,878,536,127
	June 2025	December 2024	June 2024
At fair value through profit or loss	Fair value	Fair value	Fair value
<u>Local issuers</u>			
Government	¢ 88,822,074	37,596,737	1,753,267,806
State-owned Banks	91,168,929	0	0
Other (Open Investment Funds)	47,967,621,463	8,100,284,411	6,413,674,586
	48,147,612,466	8,137,881,148	8,166,942,392
<u>Foreign issuers</u>			
Private issuers	34,054,760,000	56,363,059,264	55,693,050,000
Other	536,497,244	234,442,814	329,158,571
	¢ 82,738,869,710	64,735,383,226	64,189,150,963
	June 2025	December 2024	June 2024
At fair value through other comprehensive income	Fair value	Fair value	Fair value
<u>Local issuers</u>			
Government	¢ 1,238,095,630,106	1,319,376,319,222	1,068,795,422,137
State-owned Banks	55,892,093,032	72,720,178,173	67,607,655,267
Private Banks	5,738,254,010	5,072,375,231	7,318,354,779
Private issuers	18,347,721,308	73,148,512,681	62,450,998,876
Other	9,941,697,061	11,963,132,857	21,560,481,654
	1,328,015,395,517	1,482,280,518,164	1,227,732,912,713
<u>Foreign issuers</u>			
Private Banks	49,089,208,286	0	2,461,337,736
Private issuers	62,854,045,342	64,694,746,769	120,493,465,266
Other	0	67,272,709,143	16,721,605,094
	¢ 1,439,958,649,145	1,614,247,974,076	1,367,409,320,809

(Continued)

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

Financial instruments at amortized cost issued by entities	June 2025 Fair value	December 2024 Fair value	June 2024 Fair value
<u>Local issuers</u>			
Government	¢ 50,094,858,544	31,793,201,848	127,792,536,181
State-owned Banks	23,269,268,477	4,459,267,696	30,401,316,132
Private Banks	16,757,222,572	44,607,510,000	34,282,411,796
Private issuers	11,571,274,685	0	13,658,653,930
Other	454,643,335	39,406,523,387	0
	¢ 102,147,267,613	120,266,502,931	206,134,918,039

As of June 30, 2025, the investment portfolio amounts to ¢72,916,023,799 (¢82,283,642,703 and ¢81,548,173,712, for December and June 2024, respectively) corresponding to the managed amounts of the Development Credit Fund (See note 40).

Maturities for investments in financial instruments are from June 01, 2025, to August 27, 2031.

Purchased financial instruments earn annual yield rates as follows:

	June 2025	December 2024	June 2024
Colones	3.24% to 7.99%	3.30% to 7.25%	4.25% to 7.25%
US dollars	1.00% to 4.79%	0,00% to 6.25%	0.14% to 6.25%

Investments have been pledged as follows:

	June 2024	December 2024	June 2024
Securities in guarantee, liquidity market	¢ 94,847,291,368	400,907,038,166	170,366,893,085
Restricted minimum operating capital of BCR Pensión Operadora de Pensiones Complementarias, S.A.	5,952,189,209	7,003,948,874	6,537,278,286
Guarantee for obligations by repurchase of Securities, BCR Valores, S.A. Puesto de Bolsa	46,919,938,238	48,467,372,583	36,613,621,465
	¢ 147,719,418,815	456,378,359,623	213,517,792,836

(Continued)

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

In accordance with Article 37 of the Labor Protection Law, the Pension Fund Manager must hold a minimum operating capital equivalent to a percentage of the net assets of the managed funds that as of June 30, 2025, amount to ¢5,952,189,209, (¢7,003,948,874 and ¢6,537,278,286 for December and June 2024, respectively).

As of June 30, 2025, BCR Valores holds restricted investments in securities in the amount of ¢46,919,938,238 (¢48,467,372,583, and ¢36,613,621,465, for December and June 2024, respectively).

Repurchase Operations:

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

As of June 2025, and June 2024 there are no repurchase operations.

As of December 31, 2024

Issuer	Asset Balance	Fair Value of Collateral	Resale Date	Resale Price
Others	1,652,845,662	1,652,845,662	To 01/10/24 at 31/12/2024	100%
	¢ <u>1,652,845,662</u>	<u>1,652,845,662</u>		

As of June 30, 2024

Issuer	Asset Balance	Fair Value of Collateral	Resale Date	Resale Price
Others	186,045,726	186,045,726	To 01/01/24 at 30/06/2024	100%
	¢ <u>186,045,726</u>	<u>186,045,726</u>		

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

6). Loan portfolio

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

a) Loan portfolio by economic sector

	June 2025	December 2024	June 2024
Current loans			
Personal loans	¢ 1,580,711,474,555	1,458,414,844,102	1,352,571,052,895
Loans Development Banking System	99,199,407,248	90,538,182,265	89,568,782,640
Business loans	171,282,857,570	167,122,951,110	157,323,789,669
Loans - Corporate	2,141,304,744,242	2,068,341,400,706	2,014,361,984,776
Loans - Public sector	297,364,385,153	272,410,922,800	255,472,101,470
Loans - Financial sector	873,586,386	1,604,847,648	16,621,875,897
	4,290,736,455,154	4,058,433,148,631	3,885,919,587,347
Past due loans			
Personal loans	145,235,168,178	134,119,410,489	129,826,719,462
Loans Development Banking System	6,024,079,706	7,161,032,680	5,535,246,379
Business loans	8,963,505,917	13,144,185,056	11,667,008,023
Loans - Corporate	93,093,304,284	116,069,820,208	120,436,623,538
	253,316,058,085	270,494,448,433	267,465,597,402
Loans on legal collection			
Personal loans	27,902,072,631	28,137,160,725	30,303,835,438
Loans Development Banking System	1,129,512,812	533,043,161	581,220,609
Business loans	2,365,056,951	2,513,285,658	4,119,168,017
Loans - Corporate	9,466,186,198	14,212,879,215	14,838,868,670
	40,862,828,592	45,396,368,759	49,843,092,734
	¢ 4,584,915,341,831	4,374,323,965,823	4,203,228,277,483

b) Loan portfolio by activity

	June 2025	December 2024	June 2024
Activity			
Artistic, entertainment and recreational activities	¢ 2,851,966,208	2,859,988,259	3,016,212,413
Human health care and social assistance activities	230,172,427	257,094,640	279,744,139
Household activities as employers of domestic staff	15,494,855	16,400,000	19,598,021,663
Administrative and support services activities	20,287,006,904	19,297,232,766	524,030,084
Professional, scientific and technical activities	690,467,794	614,117,003	0
Agriculture, livestock, hunting and service activities	154,479,999,162	161,917,452,590	163,091,049,613
Public administration	321,301,134,634	293,485,125,885	284,261,697,670
Manufacturing	364,510,800,422	350,565,301,990	340,778,053,620
Telecommunications and public services	86,171,307,158	79,255,365,808	79,551,869,798
Mining and quarrying	11,124,320	14,788,851	18,425,717
Retail	494,571,324,994	469,183,159,220	449,813,667,422
Services	738,590,988,001	685,249,033,065	674,869,768,918
Transportation	30,313,415,982	31,010,081,168	30,404,566,753
Financial activities and stock exchange	13,386,209	13,449,200	(7,400,008,072)
Real estate, business, and leasing activities	1,288,088,971,479	1,264,669,423,151	1,242,803,801,157

(Continued)

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

	June 2025	December 2024	June 2024
Activity			
Construction, purchase, and repair of real estate	¢ 270,480,896,412	326,663,980,730	314,555,241,447
Consumer	721,829,155,547	597,893,969,856	520,519,037,448
Hospitality	90,395,234,203	91,254,076,071	86,034,846,178
Education	82,495,120	103,925,570	508,251,515
	<u>4,584,915,341,831</u>	<u>4,374,323,965,823</u>	<u>4,203,228,277,483</u>
Plus, interest receivable	23,056,470,748	22,528,305,859	22,616,090,216
Deferred income from loan portfolio	(27,282,066,884)	(24,241,804,713)	(21,494,721,011)
Less allowance for loan	(157,007,987,360)	(157,620,715,576)	(187,872,148,882)
Incremental direct costs related to loans	44,813,391	0	0
	<u>¢ 4,423,726,571,726</u>	<u>4,214,989,751,393</u>	<u>4,016,477,497,806</u>

As of June 30, 2025, with the adoption of CONASSIF Regulation 14-21 'Regulation on the Calculation of Credit Provisions,' which came into effect on January 1, 2024, there is a change in the composition of the portfolio activities.

c) Current loans

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

	June 2025	December 2024	June 2024
Current			
Personal	¢ 1,580,711,474,556	1,458,414,844,102	1,352,571,052,894
Development Banking System	99,199,407,248	90,538,182,265	89,568,782,640
Business	171,282,857,570	167,122,951,110	157,323,789,669
Corporate	2,145,519,625,533	2,074,788,980,456	2,021,880,546,527
Public sector	297,364,385,153	272,410,922,800	255,472,101,470
Financial sector	(3,341,294,906)	(4,842,732,102)	9,103,314,147
	<u>¢ 4,290,736,455,154</u>	<u>4,058,433,148,631</u>	<u>3,885,919,587,347</u>

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

	June 2025	December 2024	June 2024
Past due			
Personal	¢ 145,235,168,178	134,119,410,489	129,826,719,463
Development Banking System	6,024,079,706	7,161,032,680	5,535,246,379
Business	8,963,505,917	13,144,185,056	11,667,008,023
Corporate	93,093,304,284	116,069,820,208	120,436,623,537
	<u>¢ 253,316,058,085</u>	<u>270,494,448,433</u>	<u>267,465,597,402</u>

(Continued)

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

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

		June 2025	December 2024	June 2024
Judicial collection				
Personal	¢	27,902,072,631	28,137,160,725	30,303,835,438
Development Banking System		1,129,512,812	533,043,161	581,220,609
Business		2,365,056,951	2,513,285,658	4,119,168,017
Corporate		9,466,186,198	14,212,879,215	14,838,868,670
	¢	40,862,828,592	45,396,368,759	49,843,092,734

BICSA - Financial lease receivables

The balance of financial lease receivables is as follows:

		June 2025	December 2024	June 2024
Total minimum payments	¢	32,621,750,568	24,198,500,359	28,582,051,959
	¢	32,621,750,568	24,198,500,359	28,582,051,959

The maturities of the financial leases are as follows:

		June 2025	December 2024	June 2024
Less than a year	¢	1,290,050,348	1,037,038,541	1,752,195,631
From 1 to 5 years		31,331,700,220	23,161,461,818	26,829,856,328
	¢	32,621,750,568	24,198,500,359	28,582,051,959

d) Loan portfolio by arrears

The loan portfolio by arrears is detailed as follows:

		June 2025	December 2024	June 2024
Current	¢	4,290,736,455,154	4,058,433,148,631	3,885,919,587,347
1 to 30 days		149,908,885,245	173,519,750,454	166,358,598,256
31 to 60 days		27,883,919,225	27,842,495,234	33,333,723,963
61 to 90 days		13,529,744,032	8,416,861,913	9,822,153,261
91 to 120 days		5,112,576,164	5,821,892,469	3,667,704,540
121 to 180 days		6,941,045,998	10,389,119,170	8,023,254,487
Over 181 days		49,939,887,421	44,504,329,193	46,260,162,895
Legal collection		40,862,828,592	45,396,368,759	49,843,092,734
	¢	4,584,915,341,831	4,374,323,965,823	4,203,228,277,483

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

(Continued)

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

e) Past due loans

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

	June 2025	December 2024	June 2024
Number of operations	3,433	2,485	2,390
Past due loans in non-accrual status	¢ <u>89,123,217,568</u>	<u>87,772,637,121</u>	<u>86,211,527,950</u>
Past due loans bearing interest	¢ 205,055,669,109	228,118,180,071	231,097,162,186
Total of unearned interest	¢ 24,078,505,496	24,953,801,895	23,974,867,277

Loans in legal collection as of June 30, 2025:

<u># of operations</u>	<u>Percentage</u>	<u>Balance</u>
1,294	0.89%	¢ <u>40,862,828,592</u>

Loans in legal collection as of December 31, 2024:

<u># of operations</u>	<u>Percentage</u>	<u>Balance</u>
1,256	1.04%	¢ <u>45,396,368,759</u>

Loans in legal collection as of June 30, 2024:

<u># of operations</u>	<u>Percentage</u>	<u>Balance</u>
1,159	1.19%	¢ <u>49,843,092,734</u>

As of June 30, 2025, the average annual interest rate earned on loans is 8.18%, (8.06% and 8.592% for December and June 2024, respectively) in colones and 6.56%, (6.59% and 7.34% for December and June 2024, respectively) in US dollars. For Banco Internacional de Costa Rica, S.A., the annual rate for operations in US dollars is 8.04%, (7.99% and 8.08% for December and June 2024, respectively).

f) Interest receivable on loan portfolio

Interest receivable is detailed as follows:

	June 2025	December 2024	June 2024
Personal	¢ 10,042,081,419	9,073,374,813	8,780,021,194
Development Banking System	331,676,956	295,959,774	330,780,863
Business	1,025,471,896	1,849,593,901	1,965,797,376
Corporate	10,924,723,907	10,561,075,267	10,649,371,748
Public sector	732,601,409	753,898,464	822,325,171
Financial sector	(84,839)	(5,596,360)	67,793,864
	¢ <u>23,056,470,748</u>	<u>22,528,305,859</u>	<u>22,616,090,216</u>

(Continued)

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

g) Allowance for loan impairment

Movement in the allowance for loan impairment is as follows:

2024 Initial balance	¢	157,620,715,576
Currency translation effect		(66,722,307)
Adjusted balance at the beginning of 2024		157,553,993,269
Plus:		
Allowance charged through profit or loss (see note 29)		10,762,657,484
Recoveries		53,665,219
Less:		
Adjustments for exchange differences		437,777,238
Transfer to unpaid balances		(11,820,943,297)
Transfer of balances		20,837,447
Balance as of June 30, 2025	¢	157,007,987,360
2024 Initial balance	¢	135,098,772,705
Currency translation effect		(222,625,262)
Adjusted balance at the beginning of 2023		134,876,147,443
Plus:		
Allowance charged through profit or loss (see note 29)		29,986,405,835
Recoveries		329,359,293
Transfer of balances		15,877,359,263
Adjustments for exchange differences		2,149,236,655
Less:		
Adjustments for exchange differences		(3,421,860,087)
Transfer to unpaid balances		(2,763,135,740)
Reversal of allowance against income (see note 30)		(12,200,000,000)
Transfer of balances		(7,212,797,086)
Balance as of December 31, 2024	¢	157,620,715,576
2024 Initial balance	¢	135,098,772,705
Currency translation effect		140,877,667
Adjusted balance at the beginning of 2023		135,239,650,372
Plus:		
Allowance charged through profit or loss (see note 29)		4,727,142,561
Recoveries		3,182,459
Transfer of balances		54,764,519,511
Adjustments for exchange differences		2,149,236,655
Less:		
Adjustments for exchange differences		(1,838,144,196)
Transfer to unpaid balances		(7,173,438,480)
Balance as of June 30, 2024	¢	187,872,148,882

h) Syndicated loans

As of June 30, 2025, the syndicated loan portfolio is detailed as follows:

Banco de Costa Rica syndicated loan portfolio:

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

(Continued)

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

BICSA - Syndicated loans

As of June 30, 2025:

No. Operations		Syndicated balances other banks	Syndicated balance BICSA	Total balance
1	Prival Bank	5,116,524,886	982,835,114	6,099,360,000
3	BLADEX	74,481,810,603	10,337,633,465	84,819,444,068
4	Banco Aliado	27,701,260,000	10,419,740,000	38,121,000,000
1	BANCOLOMBIA	48,540,740,000	2,287,260,000	50,828,000,000
1	MMG Bank Corporation	18,187,501,653	602,886,665	18,790,388,318
1	BNCR	30,193,662,825	5,080,969,175	35,274,632,000
1	BANCO SANTANDER CHILE	69,794,529,702	3,557,960,000	73,352,489,702
	Citigroup Global Markets Inc., Deutsche Bank AG and JPMorgan			
5	Chase Bank	505,738,600,000	2,541,400,000	508,280,000,000
1	THE BANK OF NEW YORK	22,872,600,000	5,082,800,000	27,955,400,000
1	CITIBANK N.Y.	43,203,800,000	7,624,200,000	50,828,000,000
1	Banco Santander	414,140,418,209	7,986,121,791	422,126,540,000
1	Banco Industrial, S.A.	68,617,800,000	5,082,800,000	73,700,600,000
1	DEUTSCHE BANK AG	200,846,842,000	2,465,158,000	203,312,000,000
1	BCO G&T CONTINENTAL	8,063,928,785	2,236,432,000	10,300,360,785
1	ARTCAP ADVISORY SERVICES LTD.	7,624,200,000	2,541,400,000	10,165,600,000
1	BANCO SANTANDER AND DEUTSCHE BANK	48,833,001,000	1,994,999,000	50,828,000,000
3	Banco BanReservas	62,685,884,205	3,898,795,795	66,584,680,000
1	SCOTIABANK	175,611,372,300	1,270,067,700	176,881,440,000
2	Banco Sabadell	65,731,080,159	853,599,841	66,584,680,000
1	BANISMO	30,959,757,689	4,354,011,871	35,313,769,560
1	BANCO AGROMERCANTIL DE GUATEMALA, S.A.	45,168,597,001	2,439,766,873	47,608,363,875
1	BLADEX Y BANCO AGRICOLA S.A. (Grupo Bancolombia)	96,573,200,000	5,082,800,000	101,656,000,000
1	Citi Bank	134,694,200,000	5,082,800,000	139,777,000,000
1	Grupo Bancolombia	108,986,254,560	802,225,440	109,788,480,000
36		¢ 2,314,367,565,578	94,608,662,730	2,408,976,228,307

As of December 31, 2024:

No. Operations		Syndicated balances other banks	Syndicated balance BICSA	Total balance
1	Global Bank	5,136,057,044	1,016,702,956	6,152,760,000
4	Prival Bank	71,678,920,089	13,883,119,648	85,562,039,737
5	Banco Aliado	25,380,135,000	13,074,615,000	38,454,750,000
1	BANCOLOMBIA	48,196,620,000	3,076,380,000	51,273,000,000
1	MMG Bank Corporation	18,331,950,070	622,948,266	18,954,898,336
1	BNCR	30,456,162,005	5,127,299,995	35,583,462,000
1	BANCO SANTANDER CHILE	70,405,581,754	3,589,110,000	73,994,691,754
	Citigroup Global Markets Inc., Deutsche Bank AG and JPMorgan			
5	Chase Bank	510,166,350,000	2,563,650,000	512,730,000,000
1	THE BANK OF NEW YORK	23,072,850,000	5,127,300,000	28,200,150,000
1	CITIBANK N.Y.	43,582,050,000	7,690,950,000	51,273,000,000
1	Banco Santander	417,662,941,959	8,159,323,041	425,822,265,000
1	Banco Industrial, S.A.	69,218,550,000	5,127,300,000	74,345,850,000
1	DEUTSCHE BANK AG	202,579,623,000	2,512,377,000	205,092,000,000
1	BANISTMO	30,683,115,715	4,939,826,495	35,622,942,210
1	BANCO AGROMERCANTIL DE GUATEMALA, S.A.	45,518,560,156	2,506,615,750	48,025,175,906
1	BCO G&T CONTINENTAL	8,544,712,618	1,845,828,000	10,390,540,618
1	ARTCAP ADVISORY SERVICES LTD.	7,690,950,000	2,563,650,000	10,254,600,000
1	BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA	40,892,127,465	2,311,946,182	43,204,073,647
1	BANCO SANTANDER Y DEUTSCHE BANK	49,222,080,000	2,050,920,000	51,273,000,000
3	Banco BanReservas	63,234,700,110	3,932,929,890	67,167,630,000
1	SCOTIABANK	177,076,068,659	1,353,971,341	178,430,040,000
34		¢ 1,958,730,105,644	93,076,763,564	¢ 2,051,806,869,208

(Continued)

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of June 30, 2024:

No. Operations		Syndicated balances other banks	Syndicated balance BICSA	Total balance
1	Banco Agromercantil de Guatemala, S.A.	69,394,395,846	2,666,714,012 ¢	72,061,109,858
1	BANISTMO	288,594,560,633	5,252,579,367	293,847,140,000
8	Credicorp Bank	25,489,650,059	1,030,849,941	26,520,500,000
1	Credit Suisse AG	120,495,315,221	4,151,034,779	124,646,350,000
3	GLOBAL BANK	20,380,083,539	4,556,176,152	24,936,259,691
1	PRIVAL BANK	40,114,863,295	1,073,314,258	41,188,177,553
1	Banco Centroamericano de Integración Económica	129,508,220,652	8,398,379,348	137,906,600,000
3	BLADEX	109,811,166,285	9,531,083,715	119,342,250,000
3	Banco Aliado	177,952,555,000	6,630,125,000	184,582,680,000
2	Bancolombia	38,556,447,942	5,467,582,058	44,024,030,000
1	MMG Bank Corporation	1,502,157,299	673,185,642	2,175,342,941
1	BNCR	64,217,849,044	4,735,450,956	68,953,300,000
1	BANCO SANTANDER CHILE	234,971,630,000	2,652,050,000	237,623,680,000
5	Citigroup Global Markets Inc., Deutsche Bank AG and JPMorgan Chase Bank	73,894,133,086	2,652,050,000	76,546,183,086
1	THE BANK OF NEW YORK	525,105,900,000	5,304,100,000	530,410,000,000
1	JPMorgan Chase Bank, National Bank of Canada (National Bank Financial Inc. #NBF#) y Royal Bank of Canada (RBC Capital Markets, LLC	28,234,214,224	938,335,776	29,172,550,000
1	CITIBANK N.Y.	161,775,050,000	7,956,150,000	169,731,200,000
1	Banco Santander	431,957,987,509	8,547,517,491	440,505,505,000
1	Banco Industrial, S.A.	71,340,145,000	5,304,100,000	76,644,245,000
2	DEUTSCHE BANK AG	207,416,830,500	4,747,169,500	212,164,000,000
39		¢ 2,820,713,155,134	¢ 92,267,947,995	¢ 2,912,981,103,129

7). Assets held-for-sale, net

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

	June 2025	December 2024	June 2024
Financial instruments	¢ 35,626,617,145	39,718,340,508	44,366,501,086
Other assets	522,893,145	148,670,417	159,094,282
Purchased-for-sale	2,546,888,569	2,583,124,875	2,403,437,706
Idle real property, furniture, and equipment	2,054,905,308	2,130,343,016	2,200,566,661
	40,751,304,168	44,580,478,816	49,129,599,735
Allowance for impairment and per legal requirement	(5,449,838,160)	(5,314,443,326)	(2,085,491,758)
	¢ 35,301,466,008	39,266,035,490	47,044,107,977

(Continued)

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

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

	June 2025	December 2024	June 2024
At the beginning of the year	¢ 44,580,478,816	108,457,235,319	108,457,235,319
Translation effect	(155,084,646)	(433,957,862)	115,834,006
Adjusted balance	44,425,394,170	108,023,277,457	108,573,069,325
Increase for awarded assets	5,817,969,702	20,445,104,056	9,506,682,739
Transfer to unused property, furniture, and equipment	257,361,034	205,803,932	83,441,687
Increase in goods acquired for sale	6,026,471,832	12,519,537,804	5,011,785,353
Sales of goods	(16,319,947,974)	(38,166,110,745)	(20,063,400,111)
Withdrawal of unused property, furniture, and equipment	(332,798,743)	(370,975,378)	(178,389,487)
Transfer to inactive accounts	876,854,147	(58,076,158,310)	(53,803,589,771)
Balance at the end of the period	¢ 40,751,304,168	44,580,478,816	49,129,599,735

As of June 30, 2025, there are no additional records corresponding to the implementation of CONASSIF Agreement 14-21 'Regulation on the Calculation of Credit Provisions (¢54,764,519,511 for December 2024 and in June 2024 there were no amounts), which came into effect on January 1, 2024, in its Section III 'Losses in Case of Default,' a change occurs in the provisions for assets held-for-sale (IFRS 5). This effect is reflected in the line 'Reversals in the Provision' presented in the previous table of movements of assets held-for-sale.

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

	June 2025	December 2024	June 2024
Opening balance	¢ 5,314,443,326	66,947,372,073	66,947,372,073
Currency conversion effect	(779,538)	(7,301,110)	1,825,099
Adjusted Balance	5,313,663,788	66,940,070,963	66,949,197,172
Increase in the allowance	1,092,908,454	59,095,010,709	54,901,867,896
Reversal in the allowance	(1,547,347,167)	(67,407,374,285)	(64,787,448,046)
Reversal of the allowance due to the sale of properties	608,132,212	(295,070,977)	0
Transfer of balances	(17,519,127)	(53,018,193,084)	(54,978,125,264)
Closing balance	¢ 5,449,838,160	5,314,443,326	2,085,491,758

(Continued)

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

8). Interest in other companies' equity

Interest in other companies' equity is detailed as follows:

	June 2025	December 2024	June 2024
Capital interest in Bolsa Nacional Valores, S.A.	¢ 29,060,460	29,060,460	29,060,460
Capital interest in Interclar Central de Valores, S.A.	36,356,728	36,356,728	36,356,728
Capital interest in BCR Leasing, S.A.	<u>1,675,023,050</u>	<u>1,833,975,547</u>	<u>471,773,713</u>
	<u>¢ 1,740,440,238</u>	<u>1,899,392,735</u>	<u>537,190,901</u>

As of June 30, 2025, the interest in Bolsa Nacional de Valores, S.A., is of 1,514,974 common shares with a par value of ¢19,18 each, recorded at cost since these shares are not subject to public offering.

As of June 30, 2025, the interest in Interclar Central de Valores, S.A. is of 24,545,455 common shares with a par value of ¢1.4813 each, recorded at cost since these shares are not subject to public offering.

Interest in the equity of the financial conglomerate:

As of June 30, 2025, the capital stock of BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A., is represented by 1,279,450,000 common and registered shares, with a par value of ¢1 each, for a total of ¢1,279,450,000.

As of June 30, 2025, the capital stock of BCR Sociedad Administradora de Fondos de Inversión, S.A. is represented by 559,144 common and registered shares, with a par value of ¢50,000 each, for a total of ¢27,957,200,000.

As of June 30, 2025, the capital stock of BCR Valores, S.A. - Puesto de Bolsa, S.A., is represented by 12,626 common and registered shares, subscribed, and paid in full, with a par value of ¢1,000,000 each, for a total of ¢12,626,000,000.

As of June 30, 2025, the capital stock of BCR Sociedad Corredora de Seguros, S.A., is represented by 45,000 common and registered shares, subscribed, and paid in full, and with a par value of ¢50,000 each, for a total of ¢2,250,000,000. At the extraordinary Shareholders' Meeting 04-19 of BCR Corredora de Seguros on December 4, 2019, an increase in the Company's share capital was authorized in the amount of 1,000,000,000, representing an increase of 20,000 shares with which the share capital reaches the amount of ¢2,250,000,000, comprised of 45,000 common and registered, authorized and issued shares with a par value of ¢50,000 each.

As of June 30, 2025, the capital stock of Depósito Agrícola de Cartago S. A., is represented by 1 common and registered shares, which are authorized and issued, with a par value for a total of ¢305,842,762.

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of June 30, 2025, the capital stock of Banprocesa, S.R.L., is represented by 100 common and registered shares, which are authorized and issued with a par value of ¢100,000, for a total of ¢10,000,000.

The Bank owns a 51% ownership interest in BICSA (domiciled in Panama). As of June 30, 2025, ownership interest is represented by 6,772,137 common shares of US\$10 par value each. The remaining 49% of shares is owned by Banco Nacional de Costa Rica.

The Bank's income statement for the period ended June 30, 2025, includes the amounts of ¢2,403,594,561 (¢4,125,976,418 and ¢1,974,654,328, for December and June 2024, respectively), corresponding to the net operating income of BICSA.

The Bank's statement of changes in equity for the period ending June 30, 2025, includes an equity decrease of ¢457,184,362, (¢1,634,339,740 and ¢696,654,688 for December and June 2024, respectively) corresponding to the changes resulting from the currency translation effect of BICSA's financial statement.

As of June 30, 2025, the accumulated balance of the minority interest of Banco Nacional de Costa Rica presented in the equity section of the consolidated balance as non-controlling interest amounts to ¢71,230,760,424, (¢69,562,343,643 and ¢69,705,386,347 for December and June 2024, respectively) and the income of the period represents the minority interest in the consolidated income statement in the amount of ¢2,309,335,872 (¢3,964,173,421 and ¢1,897,216,687 for December and June 2024, respectively).

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

	June 2025		December 2024		June 2024	
	Quantity	Amount in US Dollars	Quantity	Amount in US Dollars	Quantity	Amount in US Dollars
Balance at the beginning of the period	13,278,700	132,787,000	13,278,700	132,787,000	13,278,700	132,787,000
Balance at the end of the period	13,278,700	132,787,000	13,278,700	132,787,000	13,278,700	132,787,000

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

As of June 30, 2025, for the presentation of the financial statements of the Banco de Costa Rica Financial Conglomerate, due to the incorporation as a member company, and due to the nature of Banprocesa SRL's business, an adjustment was made in the amount of ¢135,799,383, (¢216,780,896 and ¢151,793,259 for December and June 2024, respectively), corresponding to the profit generated in the service provided in support of the Bank's software, in the statement of financial position and in the income statement.

(Continued)

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

9). Property, furniture, and equipment

As of June 30, 2025, property, furniture, and equipment are detailed as follows:

	Property	Buildings	Furniture and equipment	Computer hardware	Vehicles	Assets for the right-of-use, buildings, and facilities	Total
Cost:							
Balance as of December 31, 2024	₡ 35,709,860,097	103,674,248,677	39,283,864,157	57,711,436,734	6,516,190,715	32,111,128,705	275,006,729,085
Conversion effect	(3,483,903)	(55,453,744)	(6,602,496)	(7,011,773)	(561,282)	(4,943,868)	(78,057,066)
Adjusted balance	35,706,376,194	103,618,794,933	39,277,261,661	57,704,424,961	6,515,629,432	32,106,184,837	274,928,672,018
Additions	0	254,571,561	327,035,237	275,512,614	1,300,000	59,044,416	917,463,828
Withdrawals	0	0	(338,404,397)	(67,217,413)	(27,222,916)	(821,122,869)	(1,253,967,595)
Transfers	0	0	(81,537,103)	1,041,201,961	0	(5,669,931)	953,994,927
Balance as of June 30, 2025	35,706,376,194	103,873,366,494	39,184,355,398	58,953,922,123	6,489,706,516	31,338,436,453	275,546,163,178
<u>Accumulated depreciation and impairment</u>							
Balance as of December 31, 2024	0	41,887,838,775	28,054,807,616	44,091,456,609	5,238,430,448	16,610,689,190	135,883,222,638
Conversion effect	0	(11,349,177)	(5,799,831)	(4,432,129)	(305,459)	(1,861,001)	(23,747,597)
Adjusted balance	0	41,876,489,598	28,049,007,786	44,087,024,480	5,238,124,989	16,608,828,188	135,859,475,041
Depreciation expenses	0	1,042,932,688	1,118,867,657	2,410,733,591	138,819,131	1,942,718,217	6,654,071,284
Withdrawals	0	0	(479,261,289)	(514,734,834)	(27,222,916)	(775,383,768)	(1,796,602,807)
Transfers	0	0	7,736,102	11,848,157	0	61,086,593	80,670,852
Balance as of June 30, 2025	₡ 0	42,919,422,286	28,696,350,256	45,994,871,394	5,349,721,204	17,837,249,230	140,797,614,370
June 30, 2025	₡ 35,706,376,194	60,953,944,208	10,488,005,142	12,959,050,729	1,139,985,312	13,501,187,223	134,748,548,808

(Continued)

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

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

		Property	Buildings	Furniture and equipment	Computer hardware	Vehicles	Assets for the right-of-use, buildings, and facilities	Total
Cost:								
Balance as of December 31, 2023	¢	35,720,211,143	102,695,444,319	39,042,926,783	52,981,007,354	6,310,290,123	32,309,209,276	269,059,088,998
Conversion effect		(11,078,031)	(176,330,444)	(21,041,438)	(22,962,789)	(1,784,751)	(36,302,563)	(269,500,016)
Adjusted balance		35,709,133,112	102,519,113,875	39,021,885,345	52,958,044,565	6,308,505,372	32,272,906,713	268,789,588,982
Additions		0	1,155,134,802	1,428,518,690	5,528,431,916	210,220,922	777,413,115	9,099,719,445
Withdrawals		726,985	0	(498,229,987)	(921,691,732)	0	(240,656,650)	(1,659,851,384)
Transfers		0	0	(668,602,561)	146,651,985	(2,535,579)	(698,534,473)	(1,223,020,628)
Revaluation		0	0	292,670	0	0	0	292,670
Balance as of December 31, 2024		35,709,860,097	103,674,248,677	39,283,864,157	57,711,436,734	6,516,190,715	32,111,128,705	275,006,729,085
Accumulated depreciation and impairment								
Balance as of December 31, 2023		0	39,858,431,004	27,062,163,552	39,203,781,042	4,982,597,414	13,795,423,368	124,902,396,380
Conversion effect		0	(36,014,382)	(19,000,987)	(16,600,717)	(964,601)	(29,840,462)	(102,421,149)
Adjusted balance		0	39,822,416,622	27,043,162,565	39,187,180,325	4,981,632,813	13,765,582,906	124,799,975,231
Depreciation expenses		0	2,065,422,153	2,417,967,754	5,958,956,629	256,797,634	4,157,914,209	14,857,058,379
Withdrawals		0	0	(1,472,033,423)	(1,020,658,811)	0	(1,238,388,094)	(3,731,080,328)
Transfers		0	0	65,717,792	(33,926,611)	1	(74,419,831)	(42,628,649)
Reversal of accumulated depreciation		0	0	(7,072)	(94,923)	0	0	(101,995)
Balance as of December 31, 2024	¢	0	41,887,838,775	28,054,807,616	44,091,456,609	5,238,430,448	16,610,689,190	135,883,222,638
December 31, 2024	¢	35,709,860,097	61,786,409,902	11,229,056,541	13,619,980,125	1,277,760,267	15,500,439,515	139,123,506,447

(Continued)

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of June 30, 2024, property, furniture, and equipment are detailed as follows:

		Property	Buildings	Furniture and equipment	Computer hardware	Vehicles	Assets for the right-of-use, buildings, and facilities	Total
Cost:								
Balance as of December 31, 2023	¢	35,720,211,143	102,695,444,319	39,042,926,783	52,981,007,354	6,310,290,123	32,309,209,276	269,059,088,998
Conversion effect		2,763,636	43,989,150	5,249,084	5,728,272	445,243	9,056,443	67,231,828,
Adjusted balance		35,722,974,779	102,739,433,469	39,048,175,867	52,986,735,626	6,310,735,366	32,318,265,719	269,126,320,826
Additions		0	89,062,424	297,947,355	771,807,388	2	0	1,158,817,169
Withdrawals		0	0	(318,198,193)	(419,690,648)	0	(111,801,087)	(1,613,035,102)
Transfers		0	0	(507,032,551)	(388,734,335)	(1,867,861)	(715,400,355)	(1,613,035,102)
Balance as of June 30, 2024		35,722,974,779	102,828,495,893	38,521,185,148	52,950,118,031	6,308,867,507	31,491,064,277	267,822,705,635
Accumulated depreciation and impairment								
Balance as of December 31, 2023		0	39,858,431,004	27,062,163,552	39,203,781,042	4,982,597,414	13,795,423,368	124,902,396,380
Conversion effect		0	11,945,847	5,326,069	6,951,483	475,238	7,444,269	32,142,906
Adjusted balance		0	39,870,376,851	27,067,489,621	39,210,732,525	4,983,072,652	13,802,867,637	124,934,539,286
Depreciation expenses		0	1,028,115,712	1,263,117,522	3,024,848,318	128,411,902	2,088,163,330	7,532,656,784
Withdrawals		0	0	(952,681,022)	(444,100,334)	0	(1,167,835,396)	(2,564,616,752)
Transfers		0	0	42,306,421	(41,815,825)	0	(21,659,169)	(21,168,573)
Balance as of June 30, 2024	¢	0	40,898,492,563	27,420,227,830	41,749,569,763	5,111,484,554	14,701,536,402	129,881,311,112
June 30, 2024	¢	35,722,974,779	61,930,003,330	11,100,957,318	11,200,548,268	1,197,382,953	16,789,527,875	137,941,394,523

(Continued)

BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

10). Other assets

(a) Other deferred charges

Other deferred charges are detailed as follows:

		<u>June 2025</u>	<u>December 2024</u>	<u>June 2024</u>
Improvement of properties in operating lease	¢	316,038,509	416,144,783	460,773,192
Other deferred charges		700,699,504	785,427,014	893,881,064
	¢	<u><u>1,016,738,013</u></u>	<u><u>1,201,571,797</u></u>	<u><u>1,354,654,256</u></u>

(b) Intangible assets

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

Cost:

Balance as of December 31, 2024	¢	107,221,261,122
Currency translation effect		(58,049,774)
Adjusted balance		107,163,211,352
Additions to computer systems		6,861,768,016
Transfers		(1,914,477,019)
Adjustment for amortization		(28,205,317)
Withdrawals		(4,528,070,278)
Balance as of June 30, 2025		<u><u>107,554,226,754</u></u>

Accumulated depreciation and impairment:

Balance as of December 31, 2024		89,179,386,026
Currency translation effect		(42,415,994)
Adjusted balance		89,136,970,032
Amortization expense on computer systems		7,137,786,361
Transfers		(4,337,693,672)
Withdrawals		(745,837,960)
Amortized balance and impairment as of June 30, 2025		<u><u>91,191,224,761</u></u>
Balance as of June 30, 2025	¢	<u><u>16,363,001,993</u></u>

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BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

<i>Cost:</i>	
Balance as of December 31, 2023	€ 94,451,550,670
Currency translation effect	(184,585,982)
Adjusted balance	94,266,964,688
Additions to computer systems	14,468,784,300
Revaluation of indices	81,487,359
Transfers	(720,098,459)
Withdrawals	(875,876,766)
Balance as of December 31, 2024	107,221,261,122
 <i>Accumulated depreciation and impairment:</i>	
Balance as of December 31, 2023	74,966,573,265
Currency translation effect	(147,939,093)
Adjusted balance	74,818,634,172
Amortization expense on computer systems	14,961,111,742
Transfers	275,516,878
Withdrawals	(875,876,766)
Amortized balance and impairment as of December 31, 2024	89,179,386,026
Balance as of December 31, 2024	€ 18,041,875,096
 <i>Cost:</i>	
Balance as of December 31, 2023	€ 94,451,550,670
Currency translation effect	46,048,551
Adjusted balance	94,497,599,221
Additions to computer systems	5,530,396,538
Revaluation of indices	81,487,359
Transfers	(401,534,971)
Withdrawals	(534,860,216)
Balance as of June 30, 2024	99,173,087,931
 <i>Accumulated depreciation and impairment:</i>	
Balance as of December 31, 2023	74,966,573,265
Currency translation effect	49,090,298
Adjusted balance	75,015,663,563
Amortization expense on computer systems	8,058,497,110
Transfers	96,838,358
Withdrawals	(534,860,216)
Amortized balance and impairment as of June 30, 2024	82,636,138,815
Balance as of June 30, 2024	€ 16,536,949,116

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BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

(c) Other assets

Other assets are detailed as follows:

	<u>June 2025</u>	<u>December 2024</u>	<u>June 2024</u>
Prepaid taxes	¢ 14,834,889,000	28,345,415,363	8,092,783,953
Other prepaid taxes	510,039,485	12,180,917	301,409,054
Prepaid leases	78,383	78,383	78,383
Prepaid insurance policy	572,537,332	185,707,077	373,366,775
Other prepaid expenses	1,811,350,687	125,680,875	460,623,842
Prepaid expenses	17,728,894,887	28,669,062,615	9,228,262,007
Stationery, supplies and other materials	200,540,203	249,513,763	230,707,091
Library and works of art	74,496,021	73,056,395	49,921,063
Construction in process	10,950,052,076	10,339,915,033	10,186,488,881
Automated applications under development	6,904,192,687	7,082,764,200	5,584,892,063
Membership in social and professional institutions	69,333,800	69,333,800	36,633,800
Other miscellaneous goods	23,201,498,919	24,384,727,994	24,080,300,042
Miscellaneous goods	41,400,113,706	42,199,311,185	40,168,942,940
Missing cash	56,513,645	62,203,830	35,500,848
Transactions to be settled	31,297,484,221	28,371,614,008	31,232,024,153
Other operations pending allocation	38,081,728	116,933,078	116,807,347
Operations pending allocation	31,392,079,594	28,550,750,916	31,384,332,348
Guarantee deposits	1,292,606,426	1,271,779,304	1,189,458,491
Restricted assets	1,292,606,426	1,271,779,304	1,189,458,491
Other available-for-sale assets outside the scope of IFRS 5	22,502,431,883	22,765,376,113	53,803,589,770
	¢ 114,316,126,496	123,456,280,133	135,774,585,556

For the 2024 period, amendments to the Financial Reporting Regulation CONASSIF 6-18 come into effect. Transitional provision XX, subsection (d), states that the carrying amount of assets recorded under account 188 ‘Other assets held for sale outside the scope of IFRS 5’ must be determined in accordance with IAS 36 ‘Impairment of Assets’.

11). Demand obligations with the public

Demand obligations with the public are as follows:

	<u>June 2025</u>	<u>December 2024</u>	<u>June 2024</u>
Checking accounts	¢ 2,368,855,077,623	2,232,879,137,660	2,077,181,471,079
Cashier’s checks	324,365,368	96,755,570	310,664,517
Demand savings deposits	1,097,535,455,515	1,140,831,489,528	1,052,232,957,222
Overdue term borrowings	1,066,977,674	1,541,540,754	1,604,031,128
Overnight deposits	5,883,341,000	4,968,353,700	2,710,395,100
Other demand obligations with the public	5,775,643,936	5,055,160,963	6,707,218,862
	¢ 3,479,440,861,116	3,385,372,438,175	3,140,746,737,908

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BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

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

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

	June 2025	December 2024	June 2024
<u>Obligations with the public</u>	<u>Demand</u>	<u>Demand</u>	<u>Demand</u>
Deposits from the public	¢ 3,473,665,217,179	3,380,317,277,212	3,134,039,519,046
Other obligations with the public (See note 11)	<u>5,775,643,937</u>	<u>5,055,160,963</u>	<u>6,707,218,862</u>
	<u>3,479,440,861,116</u>	<u>3,385,372,438,175</u>	<u>3,140,746,737,908</u>
<u>Obligations with entities</u>			
Deposits from state-owned entities	13,570,164,586	23,566,448,420	27,886,374,741
Deposits from other Banks	4,142,154,476	4,980,456,319	3,778,948,029
Other obligations with entities	<u>57,719,921,452</u>	<u>49,021,903,518</u>	<u>59,006,576,399</u>
	<u>75,432,240,514</u>	<u>77,568,808,257</u>	<u>90,671,899,169</u>
¢	<u>3,554,873,101,630</u>	<u>3,462,941,246,432</u>	<u>3,231,418,637,077</u>
	June 2025	December 2024	June 2024
<u>Obligations with the public</u>	<u>Term</u>	<u>Term</u>	<u>Term</u>
Deposits from the public	¢ 2,040,840,234,051	1,766,508,761,195	1,926,714,921,719
Other obligations with the public	<u>18,690,054</u>	<u>17,296,582</u>	<u>16,333,995</u>
	<u>2,040,858,924,105</u>	<u>1,766,526,057,777</u>	<u>1,926,731,255,714</u>
<u>Obligations with entities</u>			
Deposits from state-owned entities	56,820,999,709	52,352,420,250	54,061,438,250
Deposits from other Banks	990,930,429	725,085,234	5,539,385,210
Other obligations with entities	<u>585,736,307,726</u>	<u>757,995,982,144</u>	<u>598,075,244,190</u>
	<u>643,548,237,864</u>	<u>811,073,487,628</u>	<u>657,676,067,650</u>
¢	<u>2,684,407,161,969</u>	<u>2,577,599,545,405</u>	<u>2,584,407,323,364</u>

As of June 30, 2025, demand deposits with the public include court-ordered deposits for ¢278,279,388,767, (¢266,239,219,955 and ¢260,252,700,979, for December and June 2024, respectively), which are restricted because of their nature.

As of June 30, 2025, the Bank has a total of 1,895,178, (1,902,794 and 1,247,922, for December and June 2024, respectively) employees with demand deposits and with term deposits 38,707, (36,834 and 36,340, for December and June 2024, respectively). The subsidiary BICSA has a total of 1,091 customers (1,064 and 988 for December and June 2024, respectively) with 1,670 demand deposits (1,577 and 1,476 for December and June 2024, respectively).

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BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

13). Other obligations with the public

Other obligations with the public are as follows:

	June 2025	December 2024	June 2024
Obligations for confirmed letters of credit	¢ 11,435,222,233	1,334,028,723	3,180,239,592
	¢ 11,435,222,233	1,334,028,723	3,180,239,592

Repurchase agreements:

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

As of June 2025, June and December 2024, there are no repurchase agreements.

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

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

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

	June 2025	December 2024	June 2024
Term obligations with the Central Bank of Costa Rica	¢ 0	161,929,838,016	93,950,614,443
Charges payable for obligations with the Central Bank of Costa Rica	0	2,513,142,840	2,338,954,565
	0	164,442,980,856	96,289,569,008
Checking accounts of local financial entities	34,146,572,424	40,750,221,851	45,852,013,587
Checking accounts of foreign financial entities	228,833,872	324,630,288	140,638,397
Overdrafts in demand checking accounts of foreign financial entities	4,981,814,589	1,614,866,941	5,995,071,403
Obligations for check deposits	934,247,177	526,095,018	906,019,691
Overnight deposits	35,140,772,452	34,352,994,160	37,778,156,090
Term deposits from local financial entities	92,945,340,095	75,183,197,113	85,053,256,961
Term deposits from financial entities abroad	29,480,240,000	52,298,460,000	30,269,665,490
Loan from foreign financial entities (See note 14-a)	225,020,297,221	240,066,173,446	229,476,961,479
Obligations for assets for the right-of-use received under leases (note 14-a)	13,838,606,451	15,755,971,653	17,308,320,428
Obligations with resources from the Development Credit Fund (DCF)	130,941,840,859	138,097,549,701	137,850,179,783
Charges payable for obligations with financial and non-financial entities	6,135,602,594	5,518,249,417	7,719,572,085
Charges payable for obligations with related parties	4,798,520	15,494,275	12,144,607
	573,798,966,254	604,503,903,863	598,362,000,001
Loans from local financial entities (See note 14-a)	105,382,200,678	118,255,534,468	120,700,630,008
Obligations for deferred liquidity operations (See note 14-a)	45,939,712,559	171,416,601,245	37,017,053,499
	725,120,879,491	894,176,039,576	756,079,683,508
Loans of subsidiaries			
Subordinated obligations	49,962,351,473	49,960,796,648	49,959,332,757
Charges payable for subordinated obligations	184,422,222	184,422,222	184,422,222
	50,146,773,695	50,145,218,870	50,143,754,979
	¢ 775,267,653,186	1,108,764,239,302	902,513,007,495

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BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

The maturities of the term obligations with entities are from June 1, 2025, to March 12, 2026. Annual interest rates for the new obligations with entities are as follows:

	June 2025	December 2024	June 2024
Colones	3.99% to 4.75%	0.20% to 5.50%	6.03% to 9.75%
US dollars	1.79% to 6.00%	2.66% to 8.91%	2.66% to 8.91%

As of June 30, 2025, June and December 2024, there are no term obligations with foreign financial entities for international issuance.

a) Maturity of loans payable

As of June 30, 2025, the maturities of loans payable are detailed as follows:

	Central Bank of Costa Rica	Local financial entities	Foreign financial entities	International organizations	Total
Less than one year	¢ 0	96,709,419,040	143,773,292,460	25,414,000,000	265,896,711,500
From one to two years	0	0	19,126,780,140	991,146,000	20,117,926,140
From three to five years	0	8,672,781,638	23,008,078,621	0	31,680,860,259
Over five years	49,962,351,473	0	0	12,707,000,000	62,669,351,473
Total	¢ 49,962,351,473	105,382,200,678	185,908,151,221	39,112,146,000	380,364,849,372

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

	Central Bank of Costa Rica	Local financial entities	Foreign financial entities	International organizations	Total
Less than one year	¢ 287,471,103,210	111,561,844,320	188,244,807,974	666,549,000	587,944,304,504
From one to two years	0	3,332,745,000	5,423,440,390	499,911,750	9,256,097,140
From three to five years	0	3,360,945,150	32,246,577,082	166,637,250	35,774,159,482
Over five years	49,960,796,648	0	0	12,818,250,000	62,779,046,648
Total	¢ 337,431,899,858	118,255,534,470	225,914,825,446	14,151,348,000	695,753,607,774

As of June 30, 2024, the maturities of loans payable are detailed as follows:

	Central Bank of Costa Rica	Local financial entities	Foreign financial entities	International organizations	Total
Less than one year	¢ 93,950,614,443	98,361,962,600	116,998,708,409	26,520,500,000	335,831,785,452
From one to two years	0	16,920,440,000	44,400,487,271	1,723,832,500	63,044,759,771
From three to five years	0	0	18,135,140,383	0	18,135,140,383
Over five years	49,959,332,757	0	0	13,260,250,000	63,219,582,757
Total	¢ 143,909,947,200	115,282,402,600	179,534,336,062	41,504,582,500	480,231,268,362

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BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

b) Lease obligations

As of June 30, 2025, there are obligations for the right of use – leased assets received.

	<u>Fee</u>	<u>Interest</u>	<u>Maintenance</u>	<u>Present value</u>
Less than one year	¢ 3,527,502,950	740,217,876	0	2,787,285,075
From one to five years	12,280,877,041	1,218,321,154	0	11,062,555,887
	¢ 15,808,379,991	1,958,539,030	0	13,849,840,961

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

	<u>Fee</u>	<u>Interest</u>	<u>Maintenance</u>	<u>Present value</u>
Less than one year	¢ 4,062,602,352	832,735,847	0	3,229,866,506
From one to five years	14,302,792,933	1,584,115,833	0	12,718,677,100
	¢ 18,365,395,285	2,416,851,680	0	15,948,543,606

As of June 30, 2024, there are obligations for the right of use – leased assets received.

	<u>Fee</u>	<u>Interest</u>	<u>Maintenance</u>	<u>Present value</u>
Less than one year	¢ 4,610,587,989	949,886,863	0	3,660,701,126
From one to five years	15,992,914,638	2,002,998,589	0	13,989,916,049
	¢ 20,603,502,627	2,952,885,452	0	17,650,617,175

As of June 30, 2025, the allowance for future lease payments is as follows:

	<u>Colones</u>	<u>US\$ translated to colones</u>
1 year	¢ 850,078,657	2,012,597,618
2 years	900,441,921	2,087,873,634
3 years	880,985,543	1,926,287,692
4 years	1,025,854,415	2,203,222,403
5 years	631,448,769	1,331,050,310
Over 5 years	0	0
	¢ 4,288,809,304	9,561,031,656

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

	<u>Colones</u>	<u>US\$ translated to colones</u>
1 year	¢ 862,683,273	2,649,232,920
2 years	870,327,398	2,117,917,987
3 years	931,598,447	2,055,298,720
4 years	911,468,852	1,998,842,813
5 years	1,061,350,386	2,213,881,381
Over 5 years	91,748,668	184,192,761
	¢ 4,729,177,024	11,219,366,582

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Notes to the Consolidated Financial Statements

As of June 30, 2024, the allowance for future lease payments is as follows:

		Colones	US\$ translated to colones
1 year	¢	836,175,838	3,090,511,677
2 years		880,026,652	2,148,025,351
3 years		900,441,921	1,924,751,331
4 years		880,985,543	1,865,639,311
5 years		1,025,854,415	2,152,174,691
Over 5 years		631,448,502	1,314,581,946
	¢	5,154,932,870	12,495,684,306

As of June 30, 2025, future payments of the lease liability are presented as follows:

	Year	Payments	Present value	Amortization	Interest	Balance of the agreement
1	31/12/2024	3,609,972,156	2,792,881,440	1,988,571,471	821,710,428	11,060,792,013
2	31/12/2025	3,583,970,309	3,012,823,130	2,456,503,417	578,309,602	8,044,136,391
3	31/12/2026	3,467,036,653	3,074,760,499	2,687,331,898	397,123,706	4,969,375,892
4	31/12/2027	3,469,390,940	3,263,315,109	3,059,732,543	208,569,097	1,706,060,784
5	31/12/2028	1,735,590,810	1,706,060,784	1,676,882,046	29,881,320	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	31/12/2032	0	0	0	0	0
10	31/12/2033	0	0	0	0	0
		¢ 15,865,960,868	13,849,840,961	11,869,021,379	2,035,594,153	

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

	Year	Payments	Present value	Amortization	Interest	Balance of the agreement
1	31/12/2022	4,345,434,980	3,403,109,230	2,508,182,295	929,435,064	12,699,683,559
2	31/12/2023	3,705,436,819	3,043,003,633	2,403,012,308	669,658,386	9,502,430,743
3	31/12/2024	3,487,696,709	3,003,874,390	2,524,942,065	488,712,312	6,498,556,352
4	31/12/2025	3,490,071,608	3,187,788,427	2,888,020,341	304,798,275	3,310,767,925
5	31/12/2026	3,419,937,404	3,310,767,925	3,201,952,814	109,523,847	(0)
6	31/12/2027	0	0	0	0	(0)
7	31/12/2028	0	0	0	0	0
8	31/12/2029	0	0	0	0	0
9	31/12/2030	0	0	0	0	0
10	31/12/2031	0	0	0	0	0
		¢ 18,448,577,520	15,948,543,606	13,526,109,824	2,502,127,884	

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Notes to the Consolidated Financial Statements

As of June 30, 2024, future payments of the lease liability are presented as follows:

Year	Payments	Present value	Amortization	Interest	Balance of the agreement
1 31/12/2022	4,888,772,772	3,798,616,524	2,793,120,433	1,059,545,093	14,016,139,241
2 31/12/2023	3,888,876,306	3,091,805,625	2,380,968,720	765,708,762	10,886,740,485
3 31/12/2024	3,425,262,799	2,842,251,598	2,259,240,398	583,011,201	7,917,943,429
4 31/12/2025	3,425,262,799	3,022,151,148	2,619,039,498	403,111,650	4,895,792,281
5 31/12/2026	3,425,262,799	3,213,504,157	3,001,745,516	211,758,641	1,682,288,123
6 31/12/2027	1,712,631,399	1,682,288,123	1,651,944,847	30,343,276	0
7 31/12/2028	0	0	0	0	0
8 31/12/2029	0	0	0	0	0
9 31/12/2030	0	0	0	0	0
10 31/12/2031	0	0	0	0	0
	¢ 20,766,068,873	17,650,617,176	14,706,059,412	3,053,478,623	

15). Income tax

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

As of June 30, 2025, the consolidated balance of income tax payable amounts to ¢3,700,640,034, (¢27,528,054,931 and ¢18,922,178,753 for December and June 2024, respectively) (see note 17) and the income tax advance payments amounted to ¢14,834,889,000, (¢28,345,415,363 and ¢8,092,783,953 for December and June 2024, respectively) (see note 10.c), recorded as other assets.

Income tax expenses are detailed below:

	<u>June 2025</u>	<u>December 2024</u>	<u>June 2024</u>
Current income tax	¢ 3,551,680,923	29,716,392,211	18,557,926,286
Decrease in income tax	0	(527,833,234)	65,981,192
Increase in income tax	148,959,111	(937,832,415)	298,271,275
Adjustment for income tax of the previous period	0	(7,509)	0
Advances of settled income taxes	0	(722,664,122)	0
	<u>3,700,640,034</u>	<u>27,528,054,931</u>	<u>18,922,178,753</u>
<u>Expenses for income taxes:</u>			
Expense for current income tax of the period	3,551,680,923	29,716,384,702	18,557,926,286
Income tax expense from the prior period	0	7,509	0
Expense for deferred income tax	26,441,939,597	8,346,476,245	3,289,775,600
	<u>29,993,620,520</u>	<u>38,062,868,456</u>	<u>21,847,701,886</u>
<u>Income for income taxes</u>			
Decrease in income taxes for the period	0	(521,811,269)	0
Income for deferred income tax	(16,510,182,219)	(11,215,324,970)	(6,722,308,910)
Decrease in the deferred income tax from the previous period	(1,350,104,723)	(74,754,495)	(747,923)
	<u>(17,860,286,942)</u>	<u>(11,811,890,734)</u>	<u>(6,723,056,833)</u>
Income tax, net	¢ 12,133,333,578	26,250,977,722	15,124,645,053
Realization of deferred income tax	¢ (9,931,757,378)	2,868,848,724	3,432,533,311

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BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

BICSA is subject to tax legislation in the following jurisdictions.

Panamá

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

Miami

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

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

Deferred tax assets and liabilities are attributed to the following:

As of June 30, 2025

	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>
Valuation of investments	€ 857,186,918	(3,835,000,900)	(2,977,813,982)
Revaluation of assets	242,823,928	(13,716,508,526)	(13,473,684,598)
Provisions	55,573,310	(21,374,722)	34,198,588
Financial leases	3,916,368,885	(4,155,547,295)	(239,178,410)
Deferred taxes for exchange differences	19,739,996,992	(38,642,765,758)	(18,902,768,766)
Allowance for doubtful accounts	40,608,970	0	40,608,970
Taxes for deferred tax losses	717,486,078	0	717,486,078
	€ 25,570,045,080	(60,371,197,201)	(34,801,152,121)

As of December 31, 2024

	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>
Valuation of investments	€ 1,009,005,251	(5,298,913,855)	(4,289,908,604)
Revaluation of assets	242,823,928	(13,868,482,973)	(13,625,659,045)
Provisions	(33,068,044)	(9,715,782)	(42,783,826)
Financial leases	4,480,776,530	(4,583,442,924)	(102,666,394)
Deferred taxes for exchange differences	14,767,039,029	(23,394,196,945)	(8,627,157,916)
Allowance for doubtful accounts	372,867,457	0	372,867,457
	€ 20,839,444,151	(47,154,752,479)	(26,315,308,328)

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BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

As of June 30, 2024

	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>
Valuation of investments	¢ 1,373,530,748	(5,681,399,540)	(4,307,868,792)
Revaluation of assets	242,823,928	(13,993,684,731)	(13,750,860,803)
Provisions	(6,299,808)	(21,374,722)	(27,674,530)
Financial leases	5,129,758,462	(4,996,882,758)	132,875,704
Deferred taxes for exchange differences	13,440,992,239	(21,560,046,978)	(8,119,054,738)
Losses and unused tax credits	270,231,294	0	270,231,294
Allowance for doubtful accounts	88,456,126	0	88,456,126
	¢ 20,539,492,989	(46,253,388,729)	(25,713,895,739)

The movement of temporary differences is as follows:

As of June 30, 2025

	<u>December 31, 2024</u>	<u>Effects on income statement</u>	<u>Effects on equity</u>	<u>June 30, 2025</u>
On liabilities account				
Valuation of investments	¢ (5,298,913,856)	0	1,463,912,956	(3,835,000,900)
Revaluation of assets	(8,091,378,967)	138,588,102	0	(7,952,790,865)
Revaluation of land	(5,763,717,661)	0	0	(5,763,717,661)
Financial leases	(4,583,442,924)	426,041,429	1,854,200	(4,155,547,295)
For exchange differences	(23,407,583,288)	(15,235,182,470)	0	(38,642,765,758)
Allowance for doubtful accounts	(9,715,782)	(11,658,940)	0	(21,374,722)
On assets account				
Valuation of investments	1,009,005,251	0	(151,818,333)	857,186,918
Financial leases	4,480,776,531	(564,407,646)	0	3,916,368,885
Income tax for asset revaluation	242,823,928	0	0	242,823,928
Provisions	55,333,629	239,681	0	55,573,310
Allowance for doubtful accounts	284,465,785	(243,856,815)	0	40,608,970
For exchange differences	14,767,039,029	4,840,993,203	131,964,760	19,739,996,992
Taxes for deferred tax losses	0	717,486,078	0	717,486,078
	¢ (26,315,308,325)	(9,931,757,378)	1,445,913,583	(34,801,152,121)

As of December 31, 2024

	<u>December 31, 2023</u>	<u>Effects on income statement</u>	<u>Effects on equity</u>	<u>December 31, 2024</u>
On liabilities account				
Valuation of investments	¢ (3,767,810,512)	0	(1,531,103,343)	(5,298,913,855)
Revaluation of assets	(8,485,524,632)	407,532,009	(13,386,344)	(8,091,378,967)
Revaluation of land	(5,777,104,006)	0	0	(5,777,104,006)
Financial leases	(5,579,520,286)	1,146,880,732	(150,803,370)	(4,583,442,924)
For exchange differences	(21,585,796,102)	(1,821,787,187)	13,386,344	(23,394,196,945)
Allowance for doubtful accounts	(34,976,819)	25,261,037	0	(9,715,782)
On assets account				
Valuation of investments	3,218,370,397	0	(2,209,365,146)	1,009,005,251
Financial leases	5,646,614,597	(1,165,838,067)	0	4,480,776,530
Income tax for asset revaluation	242,823,928	0	0	242,823,928
Losses and unused tax credits	240,624,914	(400,837,786)	160,212,872	0
Provisions	(8,404,053)	(24,663,991)	0	(33,068,044)
Allowance for doubtful accounts	88,456,126	284,411,331	0	372,867,457
For exchange differences	10,392,860,154	4,417,890,646	(43,711,771)	14,767,039,029
	¢ (25,409,386,294)	2,868,848,724	(3,774,770,758)	(26,315,308,328)

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BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

As of June 30, 2024

	<u>December 31, 2023</u>	<u>Effects on income statement</u>	<u>Effects on equity</u>	<u>June 30, 2024</u>
On liabilities account				
Valuation of investments	¢ (3,767,810,512)	0	(1,913,589,028)	(5,681,399,540)
Revaluation of assets	(8,485,524,632)	268,943,907	0	(8,216,580,725)
Revaluation of land	(5,777,104,006)	0	0	(5,777,104,006)
Financial leases	(5,579,520,286)	778,088,327	(195,450,799)	(4,996,882,758)
For exchange differences	(21,585,796,102)	25,749,124	0	(21,560,046,978)
Allowance for doubtful accounts	(34,976,819)	13,602,097	0	(21,374,722)
On assets account				
Valuation of investments	3,218,370,397	0	(1,844,839,649)	1,373,530,748
Financial leases	5,646,614,597	(516,856,135)	0	5,129,758,462
Income tax for asset revaluation	242,823,928	0	0	242,823,928
Losses and unused tax credits	240,624,914	(187,230,340)	216,836,720	270,231,294
Provisions	(8,404,053)	2,104,245	0	(6,299,808)
Allowance for doubtful accounts	88,456,126	0	0	88,456,126
For exchange differences	10,392,860,154	3,048,132,086	0	13,440,992,240
	<u>¢ (25,409,386,294)</u>	<u>3,432,533,311</u>	<u>(3,737,042,756)</u>	<u>(25,713,895,739)</u>

As of June 30, 2025, the consolidated group presents a balance for income tax receivable of ¢15,871,813,852, (¢14,037,349,762, and ¢23,468,916,980 for December and June 2024, respectively) in addition to supported value added tax for ¢1,185,965,025, (¢2,427,003,785 and ¢1,168,611,440 for December and June 2024, respectively) and deductible value added tax for ¢21,753,157, (¢35,894,383, and ¢25,547,909, for December and June 2024, respectively).

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

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

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BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

IFRIC – “Uncertainty over Income Tax Treatments” establishes that an entity must assess how an uncertain tax treatment affects the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits, and tax rates. In making this assessment, the entity shall assume that a taxation authority will examine amounts it has a right to examine and will have full knowledge of all related information when conducting such examinations. Therefore, the provision made is detailed below, covering amounts related to uncertain tax treatments between the Tax Administration and the BCR Financial Group for the periods from 2020 to 2024:

	June 2025	December 2024	June 2024
Banco de Costa Rica	¢ 18,640,703,526	18,640,703,526	18,640,703,527
BCR Sociedad Administradora de Fondos de inversión, S.A.	633,686,182	621,557,437	238,906,073
BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A.	12,964,641	21,606,321	55,794,630
BCR Corredora de Seguros, S.A.	0	0	68,665,274
	¢ 19,287,354,350	19,283,867,285	¢ 19,327,415,611

As of December 31, 2024, the amount recorded by the Bank as a provision under IFRIC 23 is ¢18,640,703,526 (¢18,640,703,526 and ¢18,640,703,527, for December and June 2024, respectively). The Bank's Management considers that this amount covers matters related to uncertain tax treatments between the Tax Administration and Banco de Costa Rica for the periods from 2020 to 2025.

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.

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BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

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 June 30, 2025, the application of the resolution described above gave rise to a temporary difference which required the recording of a deferred income tax liability of ¢38,642,765,758, (¢23,394,196,945 and ¢27,419,424,148, for December and June 2024, respectively) and assets of ¢19,739,996,992, (¢14,767,039,029 and ¢13,027,311,154 for December and June 2024, respectively).

16). Provisions

The movement of provision is as follows:

	<u>Legal benefits</u>	<u>Lawsuits</u>	<u>Other</u>	<u>Total</u>
Balance as of December 31, 2023	¢ 9,842,446,314	22,208,038,768	20,196,641,692	52,247,126,773
Currency conversion effect	(5,357,588)	(534,000)	0	(5,891,588)
Adjusted balance	9,837,088,727	22,207,504,767	20,196,641,692	52,241,235,186
Provision made	169,028,121	1,003,394,903	706,050,985	1,878,474,009
Provision used	(16,724,198)	(98,897,090)	(665,420,728)	(781,042,016)
Adjustment for exchange rate differences	0	(3,360,716)	0	(3,360,716)
Provisions reversed	(306,569,826)	(892,325,716)	(8,641,680)	(1,207,537,222)
Balance as of June 30, 2025	¢ 9,682,822,824	22,216,316,148	20,228,630,269	52,127,769,241

	<u>Legal benefits</u>	<u>Lawsuits</u>	<u>Other</u>	<u>Total</u>
Balance as of December 31, 2023	¢ 10,412,806,247	20,906,202,424	20,332,530,532	51,651,539,203
Currency conversion effect	(22,382,450)	(1,698,000)	0	(24,080,451)
Adjusted balance	10,390,423,797	20,904,504,424	20,332,530,532	51,627,458,752
Provision made	166,438,261	2,549,845,049	1,865,931,984	4,582,215,294
Provision used	(71,716,073)	(687,277,169)	(936,468,128)	(1,695,461,370)
Reversal of restructured social security charges	0	(8,174,069)	0	(8,174,069)
Provisions reversed	(642,699,671)	(550,859,467)	(1,065,352,697)	(2,258,911,835)
Balance as of December 31, 2024	¢ 9,842,446,314	22,208,038,768	20,196,641,691	52,247,126,773

	<u>Legal benefits</u>	<u>Lawsuits</u>	<u>Other</u>	<u>Total</u>
Balance as of December 31, 2023	¢ 10,412,806,247	20,906,202,424	20,332,530,532	51,651,539,203
Currency conversion effect	9,532,990	43,660,010	0	53,193,000
Adjusted balance	10,422,339,237	20,949,862,434	20,332,530,532	51,704,732,203
Provision made	91,866,013	1,257,277,915	972,539,981	2,321,683,909
Provision used	(30,485,843)	(1,001,254,641)	(379,678,478)	(1,411,418,962)
Adjustment for exchange rate differences	0	(611,607)	0	(611,607)
Provisions reversed	(328,211,693)	0	0	(328,211,693)
Balance as of June 30, 2024	¢ 10,155,507,714	21,205,274,101	20,925,392,035	52,286,173,850

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Notes to the Consolidated Financial Statements

As of June 2025, the number of litigations with the probability of occurrence is detailed as follows:

Type	Number	High	Low	Pending evaluation	Total amount in colones	Total amount in US dollars	Provision in colones	Provision in US dollars
Contentious	210	24	186	0	48,610,141,764	386,022,322	2,042,833,055	1,227,470
Criminal	5	1	4	0	460,839,445	0	184,501,061	0
Labor	249	42	207	0	3,706,580,086	825,000	2,022,247,324	0
Proceedings	29	3	26	0	64,026,744	12,100	14,003,584	0
Total	493	70	423	0	¢52,841,588,039	\$386,859,422	¢4,263,585,024	\$1,227,470

As of June 30, 2025, there are no high-risk legal proceedings without a corresponding provision estimate (16 lawsuits as of June 2024 and for December 2024, there are no lawsuits in this category).

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

Type	Number	High	Low	Pending evaluation	Total amount in colones	Total amount in US dollars	Provision in colones	Provision in US dollars
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
Proceedings	29	3	26	0	64,026,744	12,100	13,665,611	0
Total	524	78	444	2	¢42,566,206,574.01	\$366,799,084.89	¢5,126,482,263.17	\$820,058.32

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

Type	Number	High	Low	Pending evaluation	Total amount in colones	Total amount in US dollars	Provision in colones	Provision in US dollars
Contentious	230	23	203	4	34,440,707,807	358,316,485	2,374,764,973	0
Criminal	19	2	17	0	636,829,602	5,857	194,469,562	0
Labor	355	62	293	0	6,404,397,102	825,001	2,404,492,873	0
Proceedings	3	0	0	0	15,096,422	2,000	0	0
Total	626	87	535	4	¢41,497,030,933	\$359,149,343	¢4,973,727,407	\$0.00

As of June 30, 2025, the Bank is a defendant in litigation, for which the following provisions have been recorded:

- Ordinary suits against the Bank have been estimated for ¢48,610,141,764 and US\$386,022,322 for which the Bank has provisions recorded in the amounts of ¢2,042,833,055 and US\$1,227,470.
- The criminal lawsuits against the Bank have been estimated in ¢ 460,839,445 for which the Bank has recorded a provision in the amount of ¢184,501,061.

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BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

- For their nature, labor suits are difficult to estimate, however they are estimated in ¢3,706,580,086 and US\$825,000 for which the Bank has provisions recorded in the amount ¢2,022,247,324, in cases in which there is no firm condemnatory.
- There are administrative proceedings in different stages, estimated in ¢64,026,744 and US\$12,100 for which the Bank recorded provisions in the amount of ¢14,003,584.
- A provision in the amount of ¢292,049,262 corresponding to the Deposit Guarantee Fund is created and recorded in "Others".

As of June 30, 2025, BCR Valores is subject to legal proceedings under court file number 23-000523-1178-LA. On March 27, 2025, the court ruled on an objection concerning the improper accumulation of claims. On June 5, 2025, BCR was required to provide evidence; therefore, support was requested from Human Capital.

As of June 30, 2025, BCR Valores has an ongoing proceeding, judicial case number 17-002581-1178-LA, for which a provision of ¢8,441,966 has been recorded. On February 5, 2025, the constitutional challenge was resolved, granting the parties a three-day period, and a hearing was held on June 23, 2025.

As of June 30, 2025, there are no provisions for litigation in BICSA.

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

- Ordinary suits against the Bank have been estimated for ¢37,673,827,735 and US\$365,961,985 for which the Bank has provisions recorded in the amounts of ¢2,377,231,945 and US\$820,058.
- The criminal lawsuits against the Bank have been estimated in ¢461,219,445 for which the Bank has recorded a provision in the amount of ¢187,989,445.
- For their nature, labor suits are difficult to estimate, however they are estimated in ¢4,367,132,650 and US\$825,000 for which the Bank has provisions recorded in the amount ¢2,547,595,263, in the cases in which there is no firm condemnatory.
- There are administrative proceedings in different stages, estimated in ¢64,026,744 and US\$12,100 for which the Bank recorded provisions in the amount of ¢13,665,611.
- A provision in the amount of ¢282,187,390 corresponding to the Deposit Guarantee Fund is created and recorded in "Others".

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

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Notes to the Consolidated Financial Statements

As of December 31, 2024, there is a process against BCR Valores S.A. in the amount of US\$465,000, processed under file 16-000208-1027-CA-2 of the Contentious Administrative and Civil Tax Court of the Second Judicial Circuit of San José, is as follows: By resolution 105-F-S1-2024 of January 23, 2024, at 2:15 pm, the First Chamber declared the appeal filed by the plaintiff against the ruling of the Contentious Administrative Court void. As a result, the legal proceedings are definitively concluded.

As of December 31, 2024, the current status of the case brought by BCR Valores S.A. against the Central Bank of Costa Rica (BCCR), the General Superintendency of Securities (SUGEVAL), and the National Council of Financial Supervision (CONASSIF), with an estimated amount of ₡43,236,411.88, filed under case number 19-005051-1027-CA before the Administrative and Civil Tax Court, is as follows: By resolution 1501-F-S1-1027-CA issued at 3:49 p.m. on October 24, 2024, the First Chamber of the Supreme Court of Justice dismissed in its entirety the cassation appeal filed by BCR Valores, ordering the claimant to bear the legal costs. As a result, the legal proceedings are definitively concluded.

As of December 31, 2024, BCR Valores is involved in a legal process under judicial file number 23-000523-1178-LA. On July 12, 2023, the lawsuit was received and a response with supporting evidence was submitted. On November 29, 2023, a hearing was held regarding the improper joinder of claims.

As of December 31, 2024, there are no provisions for litigation in BICSA.

As of June 30, 2024, the Bank is a defendant in litigation, for which the following provisions have been recorded:

- Ordinary suits against the Bank have been estimated for ₡34,440,707,807 and US\$358,316,485 for which the Bank has provisions recorded in the amounts of ₡2,374,764,973.
- The criminal lawsuits against the Bank have been estimated in ₡636,829,602 and US\$5,857, for which the Bank has recorded a provision in the amount of ₡194,469,562.
- For their nature, labor suits are difficult to estimate, however they are estimated in ₡6,404,397,102 and US\$825,001 for which the Bank has provisions recorded in the amount ₡2,404,492,873, in the cases in which there is no firm condemnatory.
- There are administrative proceedings in different stages, estimated for ₡15,096,422 and US\$2,000.
- A provision in the amount of ₡ ₡158,769,111 corresponding to the Deposit Guarantee Fund is created and recorded in "Others".

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Notes to the Consolidated Financial Statements

As of June 30, 2024, BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A. maintains amounts provisioned for ¢1,708,743 for legal processes in labor matters.

As of June 30, 2024, BCR Sociedad Administradora de Fondos de Inversión, S.A. keeps provisions for ¢164,769,008 related to the BCR Fondo de Inversión Inmobiliario.

As of June 30, 2024, BCR Valores S.A. has an ongoing proceeding under case number 08-001181-1027-CA of the Administrative and Civil Tax Court of the Second Judicial Circuit of San José. Following the judgment, the plaintiff filed an appeal for cassation, which remains pending resolution. On March 15, 2021, the First Chamber of the Supreme Court of Justice, through ruling number 169-F-S1-2021, stated in the resolution: “The appeal is dismissed... with costs charged to the party who filed it.” Consequently, the decision issued by the executing judge in ruling number 402-2019, which acquitted BCR Valores S.A., became final. For this litigation, there is a provision of ¢125,148,933 (US\$202,736), which was reversed in April 2021.

As of June 30, 2024, there is a process against BCR Valores S.A. in the amount of US\$465,000, processed under file 16-000208-1027-CA-2 of the Contentious Administrative and Civil Tax Court of the Second Judicial Circuit of San José.

As of June 30, 2024, there are no provisions for litigation in BICSA.

17). Other miscellaneous accounts payable

Other miscellaneous accounts payable are detailed as follows:

	<u>June 2025</u>	<u>December 2024</u>	<u>June 2024</u>
Fees payable	¢ 51,567,187	54,861,559	74,681,687
Due for goods and services	574,022,567	571,405,073	662,458,853
Current income tax	3,700,640,034	27,528,054,931	18,922,178,753
Tax on DU propts	11,519,211	11,408,206	24,178,240
Value added tax	376,593,302	328,754,014	291,491,974
Employer contributions	2,336,551,740	2,353,803,467	2,425,111,507
Court-ordered withholdings	832,099,019	866,843,033	831,176,865
Tax withholdings payable	4,032,845,505	3,336,068,708	5,288,561,149
Withhold employer contributions payable	1,582,690,109	1,283,072,589	1,281,937,631
Other third-party withholdings payable	6,321,008,296	9,667,031,742	14,284,591,391
Compensations and salaries payable	5,453,600,221	9,406,675,049	5,080,116,331
Interests (distributions) payable on results of the period (see note 33)	11,908,605,241	21,838,867,280	13,004,008,431
Accrued vacations	7,393,403,960	7,516,422,057	7,437,537,950
Accrued statutory Christmas bonus	4,444,589,274	1,282,107,379	4,279,205,271
Commissions payable from insurance placement	37,601,652	56,816,797	3,573,986
Commissions payable related parties	18,103,769	23,531,909	6,141,098
Contribution to the Superintendence budget	18,360,027	6,960,669	21,017,541
Miscellaneous creditors	31,577,221,871	25,521,251,442	18,219,589,689
	<u>¢ 80,671,022,985</u>	<u>111,653,935,904</u>	<u>92,137,558,347</u>

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BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

18). Equity

a) Capital Stock

The Bank's capital stock is as follows:

	June 2025	December 2024	June 2024
Capital under Law No. 1644	¢ 30,000,000	30,000,000	30,000,000
Bank capitalization bonds	1,288,059,486	1,288,059,486	1,288,059,486
Capital increase per Law No. 7107	118,737,742,219	118,737,742,219	118,737,742,219
Capital increase per Law No. 8703	27,619,000,002	27,619,000,002	27,619,000,002
Capital increase per Law No. 9605	18,907,432,694	18,907,432,694	18,907,432,694
Increase for revaluation of assets	14,130,125,230	14,130,125,230	14,130,125,230
Other	697,630,970	697,630,970	697,630,970
	¢ 181,409,990,601	181,409,990,601	181,409,990,601

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

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

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

As of June 30, 2025, the revaluation surplus amounts to ¢41,085,212,831, (¢41,085,212,831 and ¢41,085,212,831, for December and June 2024, respectively).

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

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

As of June 30, 2025, the balance of adjustment for valuation of investments at fair value with changes through other comprehensive income corresponds to unrealized net profits in the amount of ¢4,650,384,510, (¢1,138,615,082 and ¢1,236,627,540, for December and June 2024, respectively).

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BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

d) Adjustments for valuations of interest in other companies

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

As of June 30, 2025, changes in equity include foreign exchange differences corresponding to investments in other companies in the amount of ¢7,637,179,521, (¢8,094,363,883 and ¢10,425,358,310, for December and June 2024, respectively).

e) Equity of the Development Financing Fund (FOFIDE)

As of June 30, 2025, the amount for the constitution of the equity of the Development Financing Fund is ¢53,678,819,200, (¢36,671,365,413 and ¢48,866,249,077 for December and June 2024, respectively). In compliance with Law 9605 "Merger by absorption of Banco Crédito Agrícola de Cartago and Banco de Costa Rica", the amount of ¢2,627,265,346 of the assets managed by the entity was transferred.

f) Special reserves of retained earnings from BICSA

As of June 30, 2025, from Banco de Costa Rica's retained earnings resulting from the investment in other companies, it should be considered for any purpose that there are amounts related to special reserves applied to equity accounts of BICSA for US\$ \$45,777,223, (51% of US\$ 89,759,261) (US\$ 47,454,023 and US\$45,383,502, equivalent to 51% for US\$93,047,103 and US\$88,987,259 for December and June 2024, respectively) due to changes made to policies concerning the subsidiary.

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

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

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Notes to the Consolidated Financial Statements

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

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

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

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

g) Equity reserves

As of June 30, 2025, changes in equity include amounts for equity reserves for ₡385,220,658,667, (₡364,708,053,622 and ₡364,708,053,622 for December and June 2024, respectively).

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Notes to the Consolidated Financial Statements

Regulatory capital

As of June 30, 2025, the net worth equity for the BCR Financial Conglomerate is detailed as follows:

Companies of the Financial Conglomerate	Capital base	Minimum individual capital requirement	Individual surplus or deficit	Non-transferable items	Transferable surplus and individual deficit
Parent Company					
Banco de Costa Rica	¢ 621,822,985,455	409,421,667,017	212,401,318,437	0	212,401,318,437
	<u>621,822,985,455</u>	<u>409,421,667,017</u>	<u>212,401,318,437</u>	<u>0</u>	<u>212,401,318,437</u>
Regulated entities					
Banco Internacional de Costa Rica, S. A and subsidiary	145,439,239,200	102,586,152,400	42,853,086,800	20,998,012,532	21,855,074,268
BCR Valores, S. A.- Puesto de Bolsa	22,342,670,720	4,332,013,281	18,010,657,439	0	18,010,657,443
BCR Sociedad Administradora de Fondos de inversión, S.A.	27,881,612,644	2,030,786,901	25,850,825,743	0	25,850,825,740
BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A.	4,650,408,141	4,272,829,464	377,578,677	0	377,578,677
BCR Comercializadora de Seguros, S.A.	4,612,408,480	1,582,081,810	3,030,326,670	0	3,030,326,660
	¢ <u>204,926,339,185</u>	<u>114,803,863,855</u>	<u>90,122,475,329</u>	<u>20,998,012,532</u>	<u>69,124,462,788</u>
Non-regulated entities					
Banprocesa R.L.	1,037,393,000	310,257,400	727,135,600	0	727,135,600
Depósito Agrícola de Cartago S.A. and subsidiary	1,032,499,000	344,560,000	687,939,000	0	687,939,000
	¢ <u>2,069,892,000</u>	<u>654,817,400</u>	<u>1,415,074,600</u>	<u>0</u>	<u>1,415,074,600</u>
Global surplus or deficit of the Financial Conglomerate					¢ <u><u>282,940,855,825</u></u>

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Notes to the Consolidated Financial Statements

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

Companies of the Financial Conglomerate	<u>Capital base</u>	<u>Minimum individual capital requirement</u>	<u>Individual surplus or deficit</u>	<u>Non-transferable items</u>	<u>Transferable surplus and individual deficit</u>
Parent Company					
Banco de Costa Rica	¢ 619,638,576,167	385,692,116,831	233,946,459,336	0	233,946,459,336
	<u>619,638,576,167</u>	<u>385,692,116,831</u>	<u>233,946,459,336</u>	<u>0</u>	<u>233,946,459,336</u>
Regulated entities					
Banco Internacional de Costa Rica, S. A and subsidiary	141,964,682,400	103,694,515,200	38,270,167,200	18,752,381,928	19,517,785,272
BCR Valores, S. A.- Puesto de Bolsa	21,282,134,992	3,520,842,142	17,761,292,850	0	17,761,292,850
BCR Sociedad Administradora de Fondos de inversión, S.A.	10,287,035,940	2,125,269,350	8,161,766,590	0	8,161,766,590
BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A.	4,250,408,141	4,051,462,827	198,945,314	0	198,945,314
BCR Comercializadora de Seguros, S.A.	4,609,519,200	1,973,479,540	2,636,039,660	0	2,636,039,660
	¢ <u>182,393,780,672</u>	<u>115,365,569,059</u>	<u>67,028,211,614</u>	<u>18,752,381,928</u>	<u>48,275,829,686</u>
Non-regulated entities					
Banprocesa R.L.	1,245,847,303	313,153,242	932,694,061	0	932,694,061
Depósito Agrícola de Cartago S.A. and subsidiary	1,056,940,100	362,518,700	694,421,400	0	694,421,400
	¢ <u>2,302,787,403</u>	<u>675,671,942</u>	<u>1,627,115,461</u>	<u>0</u>	<u>1,627,115,461</u>
Global surplus or deficit of the Financial Conglomerate					¢ <u>283,849,404,483</u>

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Notes to the Consolidated Financial Statements

As of June 30, 2024, the net worth equity for the BCR Financial Conglomerate is detailed as follows:

Companies of the Financial Conglomerate	Capital base	Minimum individual capital requirement	Individual surplus or deficit	Non-transferable items	Transferable surplus and individual deficit
Parent Company					
Banco de Costa Rica	¢ 629,938,650,684	407,694,996,510	222,243,654,174	0	222,243,654,174
	<u>629,938,650,684</u>	<u>407,694,996,510</u>	<u>222,243,654,174</u>	<u>0</u>	<u>222,243,654,174</u>
Regulated entities					
Banco Internacional de Costa Rica, S. A and subsidiary	142,255,962,000	99,451,875,000	42,804,087,000	20,974,002,630	21,830,084,370
BCR Valores, S. A.- Puesto de Bolsa	21,222,357,210	8,386,931,125	12,835,426,085	0	12,835,426,085
BCR Sociedad Administradora de Fondos de inversión, S.A.	5,732,516,630	2,294,109,690	3,438,406,940	0	3,438,406,940
BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A.	4,250,408,141	3,927,342,955	323,065,186	0	323,065,186
BCR Comercializadora de Seguros, S.A.	4,706,059,130	1,478,569,260	3,227,489,870	0	3,227,489,870
	¢ <u>178,167,303,111</u>	<u>115,538,828,029</u>	<u>62,628,475,081</u>	<u>20,974,002,630</u>	<u>41,654,472,451</u>
Non-regulated entities					
Banprocesa R.L.	1,099,338,600	290,591,500	808,747,100	0	808,747,100
Depósito Agrícola de Cartago S.A. and subsidiary	1,052,388,100	239,456,700	812,931,400	0	812,931,400
	¢ <u>2,151,726,700</u>	<u>530,048,200</u>	<u>1,621,678,500</u>	<u>0</u>	<u>1,621,678,500</u>
Global surplus or deficit of the Financial Conglomerate					¢ <u><u>265,519,805,125</u></u>

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Notes to the Consolidated Financial Statements

19). Contingent accounts

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

Off-balance financial instruments with risk are as follows:

	June 2025	December 2024	June 2024
Guarantees granted:			
Performance bonds	¢ 50,900,968,739	56,531,129,335	57,703,480,788
Bid bonds	590,899,062	8,524,854	14,140,936
Other guarantees	76,164,531,123	53,453,096,867	50,351,026,427
Issued non-negotiated letters of credit	31,202,057,815	38,838,060,529	26,715,442,208
Confirmed non-negotiated letters of credit	941,720,345	1,377,562,628	4,825,481,444
Credit lines to be used automatically	197,703,478,516	183,482,816,046	153,742,483,695
Other contingencies	244,587,011,441	225,088,150,604	227,019,706,478
Credits pending disbursement	49,421,872	49,425,566	49,440,240
	¢ 602,140,088,913	558,828,766,429	520,421,202,216

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

	June 2025	December 2024	June 2024
With prior deposit	¢ 14,368,773,643	16,838,517,597	8,747,831,748
Without prior deposit	343,184,303,829	316,902,098,228	284,653,663,990
Pending lawsuits and claims	244,587,011,441	225,088,150,604	227,019,706,478
	¢ 602,140,088,913	558,828,766,429	520,421,202,216

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

As of June 30, 2025, letters of credit are backed 100% by guaranteed deposits or credit facilities.

As of June 30, 2025, floating guarantees in custody are for ¢239,765,342,540 (¢223,652,134,881 and ¢234,879,427,381 for December and June 2024, respectively).

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

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Notes to the Consolidated Financial Statements

Other contingencies

As of June 30, 2025, the Bank's Legal Division reported the following contingencies and commitments:

- In contentious matters, there are active processes established against the Bank estimated in the amount of ₡46,567,308,710 and US\$384,794,852. 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 ₡276,338,384.
- In labor matters there are active ordinary processes estimated in the amounts of ₡1,684,332,762 and US\$825,000.
- Administrative proceedings against the Bank have been estimated in the amounts of ₡50,023,160 and US\$12,100.

As of June 30, 2025, legal proceedings involving subsidiary BCR SAFI are ongoing at various levels; further details are provided in the note on significant and subsequent events (see Note 39).

As of June 30, 2025, there are legal claims filed against BICSA and its subsidiaries which, in the opinion of Management and external legal counsel, are not expected to have a material adverse effect on the entity's consolidated financial position, performance, or operations.

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

- In contentious matters, there are active processes established against the Bank estimated in the amount of ₡35,296,597,790 and US\$365,141,927. 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 ₡273,230,000.
- In labor matters there are active ordinary processes estimated in the amounts of ₡1,819,537,387 and US\$825,000.
- Administrative proceedings against the Bank have been estimated in the amounts of ₡50,361,133 and US\$12,100.

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As of December 31, 2024, there are legal claims filed against BICSA and its subsidiaries that, in the opinion of Management and external attorneys, are not expected to have a material adverse effect on the consolidated position, the consolidated performance or the entity's operations.

As of December 31, 2024, BCR Valores is facing a lawsuit for US\$175,000, which is being processed under file number 16-000207-1027-CA-8 of the Administrative and Civil Court of the Treasury of the Second Judicial Circuit of San José, as follows: By judgment 2024-8841 issued at 10:57 a.m. on November 27, 2024, the Court ordered payment in favor of the plaintiff in the amount of ₡500,000 for personal legal costs and ₡339,000 for procedural expenses, in addition to ₡2,500,000 for moral damages paid to the plaintiff. All the amounts have already been paid by BCR Valores. There is no record that the plaintiff has appealed the Court's decision; therefore, the case is considered closed.

As of December 31, 2024, BCR Valores S.A. is involved in a labor-related case, judicial file number 17-002581-1178-LA, for which a provision of ₡8,441,966 has been set aside. On July 16, 2024, a new suspension of the proceedings was received due to constitutional action 23-023832-0007-CO.

As of June 30, 2024, the Bank's Legal Division reported the following contingencies and commitments:

- In contentious matters, there are active processes established against the Bank estimated in the amount of ₡32,065,942,834 and US\$358,316,485. 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 ₡442,360,041 and US\$5,857.
- In labor matters there are active ordinary processes estimated in the amounts of ₡3,999,904,229 and US\$825,001.
- Administrative proceedings against the Bank have been estimated in the amounts of ₡15,096,422 y US\$2,000. As of June 30, 2024, there are legal claims filed against BICSA and its subsidiaries that, in the opinion of Management and external attorneys, are not expected to have a material adverse effect on the consolidated position, the consolidated performance or the entity's operations.

As of June 30, 2024, due to the merger between INS Pensiones Operadora de Pensiones Complementarias, S.A. and BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A., a series of contingencies arose that have been reasonably covered with pledged securities from the seller.

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As of June 30, 2024, BCR Valores is facing a lawsuit for US\$175,000, which is being processed under file number 16-000207-1027-CA-8 of the Administrative and Civil Court of the Treasury of the Second Judicial Circuit of San José. To date, and according to the opinion of the lawyers, it is not feasible to estimate the potential outcome.

As of June 30, 2024, there is a legal labor process, judicial file number 17-002581-1178-LA, provisioned in the amount of ₡8,441,966.

20). Trusts

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

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

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

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

	June 2025	December 2024	June 2024
Cash and due from banks	₡ 59,220,733,357	43,455,014,241	44,448,910,515
Investments in financial instruments	157,255,647,137	173,946,474,346	195,784,271,496
Loan portfolio	24,327,198,266	25,642,902,165	28,886,022,801
Allowance for doubtful accounts	(6,811,175,146)	(6,748,792,221)	(6,880,809,631)
Realizable assets	122,966,913,427	124,695,292,932	126,590,585,437
Investments in other companies	795,609,900	795,609,900	795,609,900
Other accounts receivable	15,488,408,910	26,727,848,775	31,640,137,757
Property, furniture, and equipment	93,172,770,854	97,028,966,280	99,752,046,568
Other assets	279,149,234,013	302,284,830,136	338,007,741,192
	₡ 745,565,340,718	787,828,146,554	859,024,516,035

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

	June 2025	December 2024	June 2024
Banco de Costa Rica	₡ 697,807,896,795	741,512,653,451	809,186,779,778
Banco Internacional de Costa Rica, S.A.	47,757,443,923	46,315,493,103	49,837,736,257
	₡ 745,565,340,718	787,828,146,554	859,024,516,035

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Notes to the Consolidated Financial Statements

21). Other debit memoranda accounts

Other debit memoranda accounts are detailed as follows:

	June 2025	December 2024	June 2024
Own assets and securities held in			
Custody	¢ 9,190,056,377	10,374,116,571	9,493,306,565
Guarantees received and held in custody	7,960,730,666,936	7,396,570,892,196	5,965,047,238,373
Guarantees received and held by third parties	312,224,775,054	284,879,326,990	4,196,148,904
Granted and unused credit lines	613,052,203,567	667,984,457,627	644,122,378,111
Write-offs	273,007,737,370	261,727,510,271	260,632,167,344
Suspense interest receivable	34,434,668,885	35,220,599,289	33,514,909,699
Other memoranda accounts	9,721,878,642,066	7,323,091,789,651	7,595,476,477,192
Assets and securities held in custody for third parties	160,922,365,923	54,106,247,365	123,644,296,278
Managed funds assets	2,403,625,466,040	2,295,747,544,794	2,289,983,946,976
Management of individual portfolios			
by the stock market	298,184,016,624	289,788,537,890	283,933,664,821
Marketable securities received as collateral (Guarantee Trust)	0	414,001,634	0
Marketable securities pending receipt	0	0	10,919,324,583
Confirmed cash contracts pending settlement	0	0	10,926,849,557
Futures pending settlement	0	239,146,429	0
Own held-for-trading securities	1,159,909,747,893	1,029,229,514,818	1,037,580,069,181
Cash and accounts receivable for custodial activities	28,193,306,413	52,226,403,776	25,260,255,055
Held-for-trading securities held in custody for third parties as guarantee (guarantee trust)	64,524,424,847	43,377,662,941	39,018,017,621
Held-for-trading securities pending receipt	42,643,788,036	39,322,753,643	13,805,498,547
Confirmed spot agreements pending Settlement	54,022,262,371	39,618,244,522	39,818,100,829
Futures pending settlement	62,719,014,747	56,336,980,696	58,495,180,924
Third parties held-for-trading securities	3,735,937,418,114	7,937,928,484,826	8,269,530,633,110
	¢ <u>26,935,200,561,263</u>	<u>27,818,184,215,929</u>	<u>26,715,398,463,670</u>

Other memoranda accounts by subsidiaries are detailed as follows:

	June 2025	December 2024	June 2024
Banco de Costa Rica	¢ 22,256,367,537,836	23,338,735,853,372	22,458,954,321,164
Banco Internacional de Costa Rica, S.A.	1,131,080,049,462	1,099,925,565,528	877,578,188,879
BCR Valores, S.A.- Puesto de Bolsa (see note 22)	1,131,920,899,086	1,070,927,854,042	1,074,886,361,748
BCR Sociedad Administradora de Fondos de Inversión, S.A. (see note 23)	522,796,942,882	511,398,177,375	561,195,300,291
BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A. (see note 24)	1,890,190,370,114	1,794,897,577,618	1,738,456,193,310
Depósito Agrícola de Cartago S. A.	2,844,761,883	2,299,187,994	4,328,098,279
	¢ <u>26,935,200,561,263</u>	<u>27,818,184,215,929</u>	<u>26,715,398,463,671</u>

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Notes to the Consolidated Financial Statements

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

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

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

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

a) Repurchase

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

As of June 30, 2025, forward buyer and seller positions in repurchase and reverse repurchase agreements in which BCR Valores, S.A. Puesto de Bolsa participates, are as follows:

	Forward buyer			Forward seller		
	Colones	US Dollars	Total	Colones	US Dollars	Total
Third parties						
1 to 30 days	¢ 2,215,563,901	9,046,546,431	11,262,110,332	880,238,967	6,285,509,229	7,165,748,197
31 to 60 days	1,004,495,845	8,013,179,419	9,017,675,264	81,020,851	4,810,826,503	4,891,847,354
Third parties	3,220,059,746	17,059,725,849	20,279,785,596	961,259,818	11,096,335,733	12,057,595,551
Total	¢ 3,220,059,746	17,059,725,849	20,279,785,596	961,259,818	11,096,335,733	12,057,595,551

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

	Forward buyer			Forward seller		
	Colones	US Dollars	Total	Colones	US Dollars	Total
Third parties						
1 to 30 days	¢ 5,978,763,648	19,965,853,471	25,944,617,119	3,072,492,110	8,476,294,097	11,548,786,207
31 to 60 days	0	940,422,787	940,442,787	0	2,119,073,524	2,119,073,524
Third parties	5,978,763,648	20,906,276,258	26,885,039,906	3,072,492,110	10,595,367,622	13,667,859,732
Total	¢ 5,978,763,648	20,906,276,258	26,885,039,906	3,072,492,110	10,595,367,622	13,667,859,732

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As of June 30, 2024, forward buyer and seller positions in repurchase and reverse repurchase agreements in which BCR Valores, S.A. Puesto de Bolsa (Stock Exchange) participates, are as follows:

	Forward buyer			Forward seller		
	Colones	US Dollars	Total	Colones	US Dollars	Total
Third parties						
1 to 30 days	¢ 10,844,723,601	22,573,583,272	33,418,306,873	2,173,206,929	3,653,402,800	5,826,609,729
31 to 60 days	90,533,607	872,506,227	963,039,834	0	0	0
Third parties	¢ 10,935,257,208	23,446,089,500	34,381,346,707	2,173,206,929	3,653,402,800	5,826,609,729
Total	10,935,257,208	23,446,089,500	34,381,346,707	2,173,206,929	3,653,402,800	5,826,609,729

b) Guarantees granted

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

To establish a risk management system, SUGEVAL set up a guarantee fund comprised of contributions from brokerage firms. Contributions are made proportionally based on the net buyer positions during the last six months. As of June 30, 2025, the Brokerage House made contributions for a total of ¢25,413,848, (¢58,969,930 and ¢158,769,111 for December and June 2024, respectively). These contributions are registered in the subaccount "Guarantee fund - National Stock Exchange".

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

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

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

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Notes to the Consolidated Financial Statements

d) Customer securities and own securities in custody

As of June 30, 2025, BCR Valores, S.A. has following securities in custody:

<u>Place of Custody</u>	<u>Custody Type</u>	<u>Balance</u>
<i>Colones</i>		
Local	Custody free	¢ 332,581,319,714
Local	Repurchase operations	4,258,041,870
		¢ <u>336,839,361,584</u>
<i>US dollars</i>		
Local	Custody free	¢ 332,252,694,786
Local	Repurchase operations	25,313,496,350
		¢ <u>357,566,191,136</u>
<i>Canadian dollars</i>		
Foreign custodians	Custody free	¢ 531,361
Total own custody, colones, US dollars and other currencies		¢ <u>694,406,084,081</u>
US Dollars and others		¢ <u><u>694,406,084,081</u></u>

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

<u>Place of Custody</u>	<u>Custody Type</u>	<u>Balance</u>
<i>Colones</i>		
Local	Custody free	¢ 301,833,946,812
Local	Repurchase operations	6,981,079,910
		¢ <u>308,815,026,722</u>
<i>US dollars</i>		
Local	Custody free	¢ 311,439,760,108
Local	Repurchase operations	31,415,938,679
		¢ <u>342,855,698,787</u>
<i>Canadian dollars</i>		
Foreign custodians	Custody free	¢ 530,455
Total own custody, colones, US dollars and other currencies		¢ <u>651,671,255,964</u>
US Dollars and others		¢ <u><u>651,671,255,964</u></u>

As of June 30, 2024, BCR Valores, S.A. has following securities in custody:

<u>Place of Custody</u>	<u>Custody Type</u>	<u>Balance</u>
<i>Colones</i>		
Local	Custody free	¢ 308,022,968,696
Local	Repurchase operations	13,015,500,540
		¢ <u>321,038,469,236</u>
<i>US dollars</i>		
Local	Custody free	¢ 180,612,082,265
Local	Repurchase operations	34,174,871,300
Foreign custodians	Custody available at face value	141,223,135,804
		¢ <u>356,010,089,369</u>
Total own custody, colones, US dollars and other currencies		¢ <u>677,048,558,605</u>
Total custody, third parties, US Dollars and others		¢ <u><u>677,048,558,605</u></u>

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Notes to the Consolidated Financial Statements

23). Investment fund management agreements

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

<u>Investment Fund</u>	<u>Type of fund</u>		<u>June 2025</u>	<u>December 2024</u>	<u>June 2024</u>
<i>In Colones</i>					
BCR Short-term colones, undiversified	Financial, open	¢	56,203,301,758	50,378,730,208	31,683,091,476
BCR quarterly colones, undiversified	Financial, open, medium-term		466,726,531	423,646,651	415,869,317
BCR mixed colones, undiversified	Open, medium-term		41,213,685,952	32,371,502,404	51,134,430,481
BCR Portfolio Fund colones	Open, medium-term		33,970,641,946	34,289,126,274	51,301,588,092
BCR Real Estate, colones Undiversified	Closed, non-financial and mixed portfolio		17,168,547,448	16,984,351,599	16,247,771,547
		¢	<u>149,022,903,635</u>	<u>134,447,357,136</u>	<u>150,782,750,913</u>
<i>In US dollars</i>					
Investment Funds in US Dollars, equivalent in colones (See note 21)			<u>373,774,039,247</u>	<u>376,950,820,239</u>	<u>410,412,549,378</u>
		¢	<u>522,796,942,882</u>	<u>511,398,177,375</u>	<u>561,195,300,291</u>
<i>Investment Funds in US dollars</i>					
BCR Liquidity Dollars, undiversified	Open	US\$	83,288,253	87,349,275	84,676,845
BCR Real Estate Dollars, undiversified	Real estate, closed, long-term		240,075,875	239,887,339	240,300,582
BCR Real Estate Trade and Industry, undiversified	Real estate, closed, long-term		197,103,575	196,501,514	194,062,646
BCR Liquidity Fund Dollars international, undiversified	Open, money market		85,597,132	75,195,447	120,727,680
BCR Portfolio Fund, US dollars	Open, medium-term		19,213,243	28,671,529	26,564,332
BCR Evolution	Open, medium-term		4,567,763	1,462,224	1,427,757
BCR Real Estate Progress Fund, undiversified	Real estate, closed		87,347,842	87,440,672	85,281,221
PEL Development Investment Fund	Real estate, closed		18,176,663	18,675,859	20,723,665
		US\$	<u>735,370,346</u>	<u>735,183,859</u>	<u>773,764,728</u>

24). Pension fund management agreements

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

		<u>June 2025</u>	<u>December 2024</u>	<u>June 2024</u>
Own assets and securities held in custody	¢	9,190,056,377	10,374,116,571	9,493,306,565
Assets and securities held in custody by third parties		171,790,580	174,093,628	174,240,059
Mandatory pension fund		1,598,714,973,937	1,515,284,732,986	1,468,727,027,417
Voluntary pension fund		38,175,635,780	37,690,847,325	37,016,139,331
Labor capitalization fund		72,241,175,738	67,609,550,369	65,194,015,120
Supplementary pension funds created by special laws (see note 21)		171,696,737,702	163,764,236,739	157,851,464,818
	¢	<u>1,890,190,370,114</u>	<u>1,794,897,577,618</u>	<u>1,738,456,193,310</u>

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Notes to the Consolidated Financial Statements

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

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

		<u>June 2025</u>	<u>December 2024</u>	<u>June 2024</u>
Voluntary Pension Fund (colones)	¢	23,617,637,949	35,511,837,417	28,089,422,417
At fair value through other comprehensive income		21,496,318,710	32,842,445,525	27,710,354,563
Entities from the public sector of the country		17,239,155,331	27,788,934,311	19,857,949,308
Ministry of Finance		16,142,983,483	18,728,954,309	16,319,561,863
Banco Central de Costa Rica		726,475,949	7,191,400,850	1,584,339,250
Other issuers from the public sector		369,695,899	1,868,579,152	1,954,048,195
Entities from the private sector of the country		4,257,163,379	5,053,511,214	7,852,405,255
Financial		4,257,163,379	4,453,602,139	7,252,539,728
Non-financial		0	599,909,075	599,865,527
At fair value through profit or loss		2,121,319,239	2,669,391,982	379,067,854
Entities from the private sector of the country		2,121,319,239	2,669,391,982	379,067,854
Financial		0	362,090,549	199,874,850
Financial entities abroad from the private sector financial		2,121,319,239	2,307,301,343	179,193,004
Voluntary Pension Fund (US\$)	US	13,197,905,511	7,820,262,582	7,048,389,551
At fair value through other comprehensive income		11,661,075,399	6,823,711,453	6,958,767,112
Entities from the public sector of the country		9,636,926,415	5,702,697,993	4,385,613,378
Ministry of Finance		9,048,081,932	5,462,812,556	4,149,907,013
Central Bank of Costa Rica		319,403,205	0	0
Other issuers from the public sector		269,441,278	239,885,437	235,706,365
Entities from the private sector of the country		2,024,148,984	1,121,013,460	2,573,153,734
Financial		2,024,148,984	1,121,013,460	2,573,153,734
At fair value through profit or loss		1,536,830,112	996,551,129	89,622,439
Entities from the private sector of the country		1,536,830,112	996,551,129	89,622,439
Financial		187,127,876	107,616,377	89,622,439
Entities from the private sector abroad		1,349,702,236	888,934,752	0
Financial entities		1,349,702,236	888,934,752	0

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	June 2024	December 2024	June 2024
Mandatory Regime of Supplementary Pensions (colones) ¢	2,698,381,939,313	1,665,392,030,003	1,594,203,626,104
At fair value through other comprehensive income	2,121,863,863,455	1,191,189,763,242	1,211,895,146,169
Entities from the public sector of the country	2,052,333,809,800	1,095,169,668,438	1,078,484,624,013
Ministry of Finance	1,103,160,697,617	965,910,796,910	942,218,389,931
Banco Central de Costa Rica	890,930,577,996	50,002,388,888	51,665,629,037
Other issuers from the public sector	58,242,534,187	79,256,482,640	84,600,605,045
Entities from the private sector of the country	69,530,053,655	96,020,094,804	133,410,522,156
Financial	69,530,053,655	82,882,495,726	120,291,485,635
Non-financial	0	13,137,599,078	13,119,036,521
At fair value through profit or loss	567,715,042,993	465,396,524,192	382,308,479,935
Entities from the private sector of the country	8,820,853,628	9,960,756,461	30,618,117,084
Financial	8,820,853,628	9,960,756,461	22,403,388,143
Entities from the foreign the public sector	0	0	8,214,728,941
Entities from the public sector of the country	558,894,189,365	455,705,767,731	351,690,362,851
Financial	0	0	0
In public entities abroad	532,485,090,770	429,288,540,022	351,690,362,851
At amortized cost	8,803,032,865	8,805,742,570	0
Entities from the public sector of the country	8,803,032,865	8,805,742,570	0
Ministry of Finance	8,803,032,865	8,805,742,570	0
Labor Capitalization Fund (colones) ¢	71,325,758,912	67,974,181,373	64,996,973,247
At fair value through other comprehensive income	64,347,031,311	60,954,132,610	61,621,444,891
Entities from the public sector of the country	51,615,593,022	49,403,561,084	46,725,244,596
Ministry of Finance	48,911,172,690	40,348,624,413	38,646,197,702
Banco Central de Costa Rica	1,688,630,692	7,187,664,511	6,187,739,559
Other issuers from the public sector	1,015,789,640	1,867,272,160	1,891,307,335
Entities from the private sector of the country	12,731,438,289	11,550,571,526	14,896,200,295
Financial	12,731,438,289	10,701,739,683	14,050,218,815
Non-financial	0	848,831,843	845,981,48
At fair value through profit or loss	1,273,031,368	1,834,155,007	3,375,528,356
Entities from the private sector of the country	1,273,031,368	1,834,155,007	3,375,528,356
Financial	1,273,031,368	1,834,155,007	3,375,528,356
In public entities of the country	5,705,696,233	5,185,893,756	0

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

The following is a general description of the nature of the agreements entered:

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The Labor Protection Law seeks to establish mechanisms to expand coverage and strengthen the funding base for the Disability, Old Age, and Death System of the CCSS through supplemental pension funds. The Law establishes a voluntary personal savings system, whereby contributions are recorded and controlled by the Centralized Collection System of the CCSS, or directly by the pension fund operators. A close relationship exists between the funds, plans, and agreements, the latter being a formal requirement for eligibility to access pension funds. The agreements define and stipulate the rights and obligations of both parties. The funds are separate equity funds administered by pension fund operators for a stated purpose, i.e. long-term savings to be used by the member as a supplemental pension fund. The funds are comprised of voluntary contributions from members and third-party contributors.

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

25). Contract for custody and storage of goods

As of June 30, 2025, June and December 2024, Depósito Agrícola de Cartago and its subsidiary have current contracts that are detailed below:

- a) Logistics services provided to the duty-free shops of Instituto Mixto de Ayuda Social (IMAS)

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

- b) Administrative services agreement signed between Depósito Agrícola de Cartago, S.A. and Banco de Costa Rica.

On December 23, 2019, an administrative services agreement was signed with the purpose of having the Bank provide the support or auxiliary services required by the company for the performance of its activities.

The purpose of the agreement is for Depósito Agrícola to engage Banco de Costa Rica to provide all administrative services that the former deems necessary for its proper functioning and efficient operation.

- c) Forklift Lease Agreement signed between Depósito Agrícola de Cartago, S.A. and Forklift Equipment S.A.

The Company maintains a forklift lease agreement with FORKLIF for a one-year period.

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- d) Warehouse Lease Agreement for the Document Storage and Management Project entered into between Depósito Agrícola de Cartago S.A. and Cía Las Brisas S.A.

The purpose of the agreement is to provide document transfer and custody services, under the modality of closed-box and/or open-box on-demand service, as well as document digitization and inquiry response. The term of the contract is five years.

- e) Agreement for the Provision of Logistic, Administrative, and Operational Services signed between Depósito Agrícola de Cartago S.A. and Banco de Costa Rica.

On November 20, 2023, Contract No. 2023PX-000005-0005300001 was executed between Depósito Agrícola and Banco de Costa Rica, with the objective of establishing a framework agreement under which the Bank may engage Depósito Agrícola for the provision of all logistic, operational, and administrative services deemed necessary for its proper functioning and efficient operation.

On the same date, Addendum No. 1 was also signed, allowing Depósito Agrícola to provide sales collection services at IMAS stores. This service consists of issuing invoices at the cash registers of IMAS duty-free stores through the designated information system or any other mechanism established either permanently or temporarily for this purpose. It also includes verifying passenger requirements and recording pertinent information.

For the year 2024, new addenda were signed to incorporate the new services implemented by the Subsidiary for Banco de Costa Rica, in alignment with its role as an exclusive service provider to the Bank. These include Addendum No. 2, corresponding to the Document Storage and Management Service, Addendum No. 3, covering services for document archive transfer, reception and registration of files, uploading of digitized images, and file review, and Addendum No. 4, corresponding to miscellaneous support services.

26). Financial income on investments in financial instruments

Financial income from investments in financial instruments is as follows:

	<u>June 2025</u>	<u>June 2024</u>	<u>Quarter from April 1 to June 30</u>	
			<u>2025</u>	<u>2024</u>
Interest for investments in financial instruments at fair value through profit or loss	¢ 27,513,345	34,882,151	13,560,454	30,647,177
Interests for investments in financial instruments at fair value through comprehensive income	48,668,541,170	39,280,308,363	24,124,309,690	20,867,956,867
Interests for investments at amortized cost	2,732,571,265	7,664,213,989	1,498,450,667	3,657,282,808
Income from investments in due and restricted financial instruments	<u>2,009,988,471</u>	<u>1,615,136,867</u>	<u>941,162,525</u>	<u>878,254,012</u>
	<u>¢ 53,438,614,251</u>	<u>48,594,541,370</u>	<u>26,577,483,336</u>	<u>25,434,140,864</u>

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

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

	June 2025	June 2024	Quarter from April 1 to June 30	
			2025	2024
Personal	¢ 76,036,726,735	68,359,806,755	38,648,606,370	34,671,619,209
Development Banking System	2,073,102,381	2,193,956,757	1,026,438,900	1,114,748,499
Business	11,966,080,665	11,106,484,520	5,899,449,705	5,586,409,127
Corporate	80,392,250,556	81,208,896,246	41,615,351,332	41,104,499,800
Public sector	1,829,969,409	2,208,895,303	909,290,008	1,079,372,052
Financial sector	48,920,633	745,784,712	20,601,464	344,146,847
Amortization of the net commission of the incremental direct costs associated with loans	2,586,561,983	2,300,644,395	1,329,195,191	1,248,797,479
Interest in accounts receivable related to loan portfolio and other financial instruments for other concepts not included in the previous subaccounts and analytical accounts	1,637,204,430	1,327,473,681	1,079,439,907	971,690,156
	<u>¢ 176,570,816,792</u>	<u>169,451,942,369</u>	<u>90,528,372,877</u>	<u>86,121,283,169</u>

28). Expenses from obligations with the public

Financial expenses from obligations with the public are as follows:

	June 2025	June 2024	Quarter from April 1 to June 30	
			2025	2024
Expenses from demand deposits	¢ 30,001,343,874	33,526,536,389	15,159,033,020	15,992,464,103
Expenses from term deposits	55,431,944,745	53,894,249,905	28,906,409,878	27,619,131,051
Expenses from securities in repurchase agreements	0	0	0	(16)
	<u>¢ 85,433,288,619</u>	<u>87,420,786,294</u>	<u>44,065,442,898</u>	<u>43,611,595,138</u>

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

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

	<u>June 2025</u>	<u>June 2024</u>	<u>Quarter from April 1 to June 30</u>	
			<u>2025</u>	<u>2024</u>
Decrease in specific allowance for loan portfolio (See note 6-f)	¢ 10,762,657,484	4,107,068,290	6,680,192,001	3,396,669,498
Expense for allowance for impairment and bad debts from other accounts receivable	2,256,849,135	2,689,292,649	1,378,843,857	566,990,726
Decrease in generic allowance and counter cycle for loan portfolio (See note 6-f)	0	620,074,271	0	0
Expenses for allowance for impairment of investments at fair value through other comprehensive income	67,723,884	128,570,485	55,200,798	116,964,208
Expenses for allowance for impairment of financial instruments at amortized cost.	34,921	51,754	(1,128)	50,409
Expenses for allowance for impairment of expired and restricted financial instruments	923,992	994,006	436,266	727,749
	<u>¢ 13,088,189,416</u>	<u>7,546,051,455</u>	<u>8,114,671,794</u>	<u>4,081,402,590</u>

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

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

	<u>June 2025</u>	<u>June 2024</u>	<u>Quarter from April 1 to June 30</u>	
			<u>2025</u>	<u>2024</u>
Recovery of written-down loans	¢ 3,075,048,539	3,372,113,678	1,575,754,066	2,303,442,243
Decrease in allowance for other bad receivables	1,421,791,233	2,263,902,261	632,343,870	298,293,663
Decrease in allowance for bad investment securities	144,550,466	100,128,142	40,796,223	16,183,989
	<u>¢ 4,641,390,238</u>	<u>5,736,144,081</u>	<u>2,248,894,159</u>	<u>2,617,919,895</u>

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Notes to the Consolidated Financial Statements

31). Income from service fees and commissions

Income from service fees and commissions is detailed as follows:

		June 2025	June 2024	Quarter from April 1 to June 30	
				2025	2024
Drafts and transfers	¢	1,263,106,034	1,296,194,997	617,448,137	643,202,398
Foreign trade		560,351,240	537,452,438	267,099,052	280,898,142
Certified checks		25,001,200	2,237,897	14,324,680	1,386,000
Trust management		1,412,094,109	1,641,775,548	725,649,647	798,132,567
Custodial services		242,891,610	225,626,048	107,828,545	111,658,940
For mandates		767,599	618,228	539,291	314,829
Collections		303,916,820	307,347,443	121,862,984	146,578,091
Credit Cards		26,837,456,063	22,630,986,474	14,120,093,814	11,632,350,767
Investment Fund management		2,067,759,222	2,403,281,034	1,048,431,478	1,159,252,905
Pension Fund management		3,958,839,125	3,659,461,929	2,010,448,678	1,849,788,331
Insurance underwriting		3,902,601,274	3,333,252,985	2,039,112,123	1,716,708,328
Brokerage fees					
(by third parties in local market)		563,711,245	416,565,280	181,216,100	244,472,353
Brokerage fees					
(by third parties in other markets)		292,762,414	409,725,995	131,377,501	169,189,812
Individual portfolio management fee		452,769,463	524,187,879	227,539,824	266,451,510
Commissions from operations with related parties		323,922,011	308,509,141	127,994,289	202,062,417
Commission from custodial services of authorized securities		236,366,269	281,227,961	136,684,818	134,680,446
Other commissions		21,413,441,304	20,975,855,551	10,648,869,469	10,886,130,742
	¢	<u>63,827,757,002</u>	<u>58,954,306,828</u>	<u>32,526,520,430</u>	<u>30,243,258,578</u>

32). Income from interests in other companies

As of June 30, 2025, the income from equity participation in other companies.

		June 2025	June 2024	Quarter from April 1 to June 30	
				2025	2024
<u>Local entities:</u>	¢				
Participation in Bolsa Nacional de Valores S.A.		22,987,534	80,245,328	22,987,534	80,245,328
	¢	<u>22,987,534</u>	<u>80,245,328</u>	<u>22,987,534</u>	<u>80,245,328</u>

As of June 30, 2025, an amount of ¢135,799,383 is recorded in the expense account for equity participation related to Banprocesa SRL, and ¢158,952,497 in BCR Leasing (As of December 31, 2024, there are ¢216,780,896, in account for participation expenses referring to Banprocesa SRL and ¢623,109,827, in BCR Leasing and for June, 2024 there are ¢151,793,259, in account for participation expenses referring to Banprocesa SRL and ¢346,211,489 in BCR Leasing).

(Continued)

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

33). Administrative expenses

Administrative expenses are detailed as follows:

		June 2025	June 2024	Quarter from April 1 to June 30	
				2025	2024
Salaries and bonuses, permanent staff	¢	35,473,574,278	34,455,938,499	18,039,970,610	17,487,779,488
Salaries and bonuses, contractors		685,543,932	456,776,512	344,126,294	252,518,75
Compensation for directors and auditors		111,095,950	115,497,865	55,757,590	54,923,846
Overtime		695,823,469	515,073,107	366,508,090	266,169,141
Per diem		277,534,163	200,475,389	151,194,504	112,681,242
Statutory Christmas Bonus		3,187,876,248	3,062,872,678	1,622,258,542	1,551,510,351
Vacation		3,054,230,133	3,199,320,500	1,655,255,461	1,585,909,462
Incentives		0	3,391,250	0	1,660,833
Fixed representation expenses		492,435,274	467,302,043	251,962,476	244,660,464
Other compensation		1,028,687,977	1,012,154,325	499,541,294	530,873,629
Contribution to severance payment		1,644,180,229	1,586,998,205	832,236,688	798,896,045
Social security charges		13,509,712,593	12,973,680,049	6,879,962,401	6,583,540,029
Refreshments		33,548,797	23,274,741	20,382,896	10,473,297
Uniforms		913,107	28,575,825	31,800	6,174,842
Training		243,561,214	237,244,357	100,967,920	163,972,833
Employee insurance		276,684,617	264,666,411	135,361,398	156,421,644
Assets for personal use		38,487	344,383	19,903	9,227
School bonus		3,338,560,932	3,211,331,068	1,690,691,392	1,612,892,747
Labor Capitalization Fund		538,668,337	517,058,354	275,314,444	263,457,418
Other personnel expenses		408,033,226	399,723,878	205,416,903	191,101,719
Outsourcing expenses		16,724,336,980	17,170,632,729	9,133,222,288	10,352,823,445
Transportation and communication expenses		1,047,779,190	1,121,166,953	626,251,956	554,454,666
Property insurance		24,557,051	30,745,610	19,949,832	14,366,227
Property maintenance and repair		2,600,501,961	2,291,878,654	1,465,847,153	1,188,949,969
Public utilities		1,004,964,782	1,099,133,376	524,603,048	565,700,085
By right of use-properties		1,794,023,412	1,911,133,474	782,108,801	1,050,689,379
By right of use-furniture, equipment, and other assets		464,727,213	364,553,059	227,133,227	213,433,262
Depreciation of property, plant and equipment, except vehicles		4,676,403,674	5,441,943,631	2,321,748,416	2,727,405,910
Amortization of leasehold property		128,093,406	120,431,052	64,036,576	60,244,211
Other infrastructure expenses		2,079,581,059	1,701,336,712	920,119,471	912,594,305
Overhead		12,928,266,223	13,852,281,769	6,712,610,665	7,465,258,930
	¢	<u>108,473,937,914</u>	<u>107,836,936,458</u>	<u>55,924,592,039</u>	<u>56,981,547,398</u>

34). Legal profit allocation

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

		June 2025	June 2024	Quarter from April 1 to June 30	
				2025	2024
Allocation for CONAPE	¢	1,801,966,755	2,254,344,634	717,913,953	1,086,714,883
Allocation for Instituto Nacional de Fomento Cooperativo		2,910,039,275	1,938,044,302	1,105,587,488	896,944,437
Allocation for National Emergency Commission		1,296,361,494	1,529,880,559	551,055,691	752,521,740
Allocation for Public Pension Fund Operators		491,095,176	518,705,031	260,745,490	276,736,503
Allocation for Invalidity, Old Age and Death Regime		5,405,900,265	6,763,033,904	2,153,741,858	3,260,144,650
	¢	<u>11,905,362,965</u>	<u>13,004,008,430</u>	<u>4,789,044,480</u>	<u>6,273,062,213</u>

As of June 30, 2025, there are no additional adjustments on legal participation (as of December and June 2024 there is no amount).

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BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

35). Components of other comprehensive income

The components of other comprehensive income are detailed as follows:

	June 2025		
	Amount before taxes	Tax benefit (expense)	Net taxes
Adjustment for valuation of investments at fair value through other comprehensive income.	€ (5,079,734,948)	1,445,913,583	(3,633,821,365)
Impairment – Investments at fair value through other comprehensive income	(79,611,591)	0	(79,611,591)
Exchange differences from conversion of financial statements of foreign entities	(896,439,925)	0	(896,439,925)
	€ (6,055,786,464)	1,445,913,583	(4,609,872,881)
	June 2024		
	Amount before taxes	Tax benefit (expense)	Net taxes
Adjustment for valuation of investments at fair value through other comprehensive income.	€ 11,844,640,363	(3,737,042,756)	8,107,597,607
Impairment – Investments at fair value through other comprehensive income	21,542,122	0	21,542,122
Exchange differences from conversion of financial statements of foreign entities	1,365,989,584	0	1,365,989,584
	€ 13,232,172,069	(3,737,042,756)	9,495,129,313

36). Operating leases

Lessee

As of June 30, 2025, December and June 2024, there are no amounts in these accounts.

37). Fair value of financial instruments

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

	June 2025		December 2024		June 2024	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Cash and due from banks	€ 938,626,323,872	938,626,323,872	912,828,480,144	912,828,480,144	918,348,547,891	918,348,547,891
Investment	1,649,476,437,576	1,643,335,289,168	1,826,352,745,127	1,799,249,860,233	1,663,043,358,219	1,637,733,389,811
Loan portfolio	4,580,734,559,085	4,775,330,375,403	4,372,610,466,969	4,591,365,563,076	4,204,349,646,688	3,542,453,659,455
	7,168,837,320,533	7,357,291,988,443	7,111,791,692,240	7,303,443,903,453	6,785,741,552,798	6,098,535,597,157
Demand deposits	3,512,935,565,966	3,512,935,565,966	3,410,571,620,345	3,410,571,620,345	3,165,300,639,251	3,165,300,639,251
Term deposits	2,040,858,924,105	2,028,237,057,112	1,766,526,057,777	1,752,813,633,212	1,926,731,255,714	1,514,185,537,271
Financial obligations	775,293,560,058	721,332,528,661	1,108,786,152,493	1,064,271,398,045	902,536,230,838	452,353,456,284
	€ 6,329,088,050,129	6,262,505,151,740	6,285,883,830,615	6,227,656,651,603	5,994,568,125,803	5,131,839,632,806

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BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of June 30, 2025, the financial obligations for subordinated obligations are for ¢50,146,773,695, (¢50,145,218,871 and ¢50,143,754,979 for December and June 2024, respectively).

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

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

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

- b) Investments in financial instruments

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

- c) Securities sold under repurchase agreements

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

- d) Loan portfolio

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

- e) Term deposits and loans payable

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

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

38). Segments

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

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BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

As of June 30, 2025, assets and liabilities for each segment are presented as follows:

	<u>Bank</u>	<u>Pension Fund Operator</u>	<u>Investment Fund Manager</u>	<u>Brokerage House</u>	<u>Foreign Bank</u>	<u>Insurance Broker</u>	<u>Depósito Agrícola</u>	<u>Banprocesa</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
Assets											
Cash and due from banks	€ 913,263,961,237	141,062,042	240,647,874	441,238,172	42,486,927,962	382,741,993	4,792,326	1,508,737	956,962,880,343	(18,336,556,472)	938,626,323,871
Investment in financial instruments	1,451,646,214,498	7,366,049,898	29,349,412,046	75,024,093,163	78,883,162,092	6,676,610,706	804,993,181	814,460,965	1,650,564,996,549	(1,261,843,146)	1,649,303,153,403
Loan portfolio	3,563,646,939,175	0	0	0	864,299,312,310	0	0	0	4,427,946,251,485	(4,219,679,759)	4,423,726,571,726
Accounts and fees receivable	44,573,193,495	687,352,991	1,240,246,496	1,045,805,641	4,435,987,361	810,044,523	113,574,019	623,005,311	53,529,209,837	(260,821,713)	53,268,388,124
Foreclosed assets	20,616,581,768	0	0	0	14,684,884,201	0	39	0	35,301,466,008	0	35,301,466,008
Interest in other companies (net)	144,679,897,623	0	0	65,417,188	0	0	0	0	144,745,314,811	(143,004,874,573)	1,740,440,238
Property, furniture and equipment, net	128,347,476,391	4,894,473	1,121,071	11,595,702	5,700,716,672	7,218,237	678,670,046	1,084,386	134,752,777,068	(4,228,260)	134,748,548,808
Properties investments	6,831,625,000	0	0	0	0	0	0	0	6,831,625,000	0	6,831,625,000
Other assets	106,275,373,241	889,164,348	244,772,573	752,703,238	24,713,040,191	821,385,010	120,770,668	111,227,626	133,928,436,895	(2,232,570,393)	131,695,866,502
TOTAL ASSETS	€ 6,379,881,262,428	9,088,523,752	31,076,200,060	77,340,853,104	1,035,204,030,789	8,698,000,559	1,722,800,279	1,551,287,025	7,544,562,957,996	(169,320,574,316)	7,375,242,383,680
Liabilities and equity											
Liabilities											
Obligations with the public	€ 5,052,997,226,500	0	0	0	503,054,100,546	18,691,054	0	0	5,556,070,017,100	(2,275,527,029)	5,553,794,490,071
Obligations with the Central Bank of Costa Rica	0	0	0	0	0	0	0	0	0	0	0
Obligations with entities	316,655,760,834	0	0	50,242,562,478	379,210,961,302	0	564,007,378	1,374,357	746,674,666,349	(21,553,786,858)	725,120,879,491
Accounts payable and provisions	180,583,934,059	1,729,731,980	1,720,402,433	2,886,341,564	5,819,770,502	1,843,357,807	126,247,671	363,504,704	195,073,290,720	(1,363,343,940)	193,709,946,780
Other liabilities	28,078,728,795	0	0	0	1,685,361,776	56,604,102	0	0	29,820,694,673	1	29,820,694,674
Subordinated obligations	50,146,773,695	0	0	0	0	0	0	0	50,146,773,695	0	50,146,773,695
Total liabilities	€ 5,628,462,423,883	1,729,731,980	53,128,904,042	53,128,904,042	889,770,194,126	1,918,651,963	690,255,049	364,879,061	6,577,785,442,537	(25,192,657,826)	6,552,592,784,711
Equity											
Capital	181,409,990,601	5,552,279,464	27,957,200,000	12,626,000,000	38,609,421,071	2,250,000,000	305,842,762	710,000,000	269,420,733,898	(88,010,743,297)	181,409,990,601
Unfunded capital contributions	0	377,578,677	0	0	0	0	0	0	377,578,677	(377,578,677)	0
Equity adjustments	44,072,007,842	48,713,094	(30,972,864)	847,806,310	31,272,706,873	1,286,905	(106,995)	0	76,211,441,165	(32,139,433,323)	44,072,007,842
Capital reserves	385,220,658,667	255,889,999	967,840,002	1,883,789,418	43,373,740,244	449,999,998	42,911,145	86,382,670	432,281,212,143	(47,060,553,476)	385,220,658,667
Prior periods retained earnings	64,628,254,759	633,235,362	(22,972,871)	7,544,621,840	27,400,088,212	2,217,505,937	708,181,440	249,464,633	103,358,379,312	(38,730,124,553)	64,628,254,759
Profit for the period	22,409,107,476	491,095,176	484,703,360	1,309,731,494	4,777,880,263	1,860,555,756	(24,283,122)	140,560,661	31,449,351,064	(9,040,243,588)	22,409,107,476
Development financing fund	53,678,819,200	0	0	0	0	0	0	0	53,678,819,200	0	53,678,819,200
Minority interest	0	0	0	0	0	0	0	0	0	71,230,760,424	71,230,760,424
Total equity	751,418,838,545	7,358,791,772	29,335,797,627	24,211,949,062	145,433,836,663	6,779,348,596	1,032,545,230	1,186,407,964	966,777,515,459	(144,127,916,490)	822,649,598,969
Total liabilities and equity	6,379,881,262,428	9,088,523,752	31,076,200,060	77,340,853,104	1,035,204,030,789	8,698,000,559	1,722,800,279	1,551,287,025	7,544,562,957,996	(169,320,574,316)	7,375,242,383,680
Debit contingent accounts											
Trust assets	€ 502,203,586,073	0	0	0	99,936,502,839	0	0	0	602,140,088,912	1	602,140,088,912
Trust liabilities	€ 697,807,896,794	0	0	0	47,757,443,924	0	0	0	745,565,340,718	0	745,565,340,718
Trust equity	€ 219,729,028,152	0	0	0	0	0	0	0	219,729,028,152	0	219,729,028,152
Trust equity	€ 478,078,868,642	0	0	0	47,757,443,924	0	0	0	525,836,312,566	0	525,836,312,566
Other debit memoranda accounts	€ 22,256,367,537,837	1,890,190,370,114	522,796,942,882	1,131,920,899,086	1,131,080,049,462	0	2,844,761,883	0	26,935,200,561,264	(1)	26,935,200,561,264

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BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

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

	<u>Bank</u>	<u>Pension Fund Operator</u>	<u>Investment Fund Manager</u>	<u>Brokerage House</u>	<u>Foreign Bank</u>	<u>Insurance Broker</u>	<u>Depósito Agrícola</u>	<u>Banprocesa</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
Assets											
Cash and due from banks	€ 887,752,569,846	183,088,450	590,359,380	1,834,382,699	40,810,941,505	630,463,138	5,254,768	33,056,714	931,840,116,500	(19,011,636,356)	912,828,480,144
Investment in financial instruments	1,594,928,255,528	8,449,521,238	28,308,142,801	74,619,342,046	111,923,676,870	7,597,420,481	718,059,195	877,216,952	1,827,421,635,111	(1,277,860,978)	1,826,143,774,133
Loan portfolio	3,358,675,979,445	0	0	0	862,776,066,860	0	0	0	4,221,452,046,305	(6,462,294,912)	4,214,989,751,393
Accounts and fees receivable	40,007,133,801	687,176,921	566,144,353	567,225,250	3,619,498,394	831,221,550	109,816,756	488,666,475	46,876,883,500	(517,329,667)	46,359,553,833
Foreclosed assets	23,528,476,143	0	0	0	15,737,559,307	0	39	0	39,266,035,489	1	39,266,035,490
Interest in other companies (net)	143,483,005,077	0	0	65,417,188	0	0	0	0	143,548,422,265	(141,649,029,530)	1,899,392,735
Property, furniture and equipment, net	132,243,287,299	41,426,663	61,773,661	51,910,562	5,905,172,276	49,914,691	771,371,608	4,673,257	139,129,530,017	(6,023,570)	139,123,506,447
Properties investments	6,831,625,000	0	0	0	0	0	0	0	6,831,625,000	0	6,831,625,000
Other assets	114,748,421,840	646,880,394	747,109,642	1,353,579,491	25,320,378,277	1,548,858,618	208,091,180	162,152,812	144,735,472,254	(2,035,745,228)	142,699,727,026
TOTAL ASSETS	€ 6,302,198,753,979	10,008,093,666	30,273,529,837	78,491,857,236	1,066,093,293,489	10,657,878,478	1,812,593,546	1,565,766,210	7,501,101,766,441	(170,959,920,240)	7,330,141,846,201
Liabilities and equity											
Liabilities											
Obligations with the public	€ 4,717,952,140,819	0	0	0	461,917,834,587	17,296,582	0	0	5,179,887,271,988	(2,789,593,866)	5,177,097,678,122
Obligations with the Central Bank of Costa Rica	164,442,980,856	0	0	0	0	0	0	0	164,442,980,856	0	164,442,980,856
Obligations with entities	411,766,883,735	36,977,025	63,894,659	52,487,921,029	453,281,741,239	46,109,573	643,167,673	4,114,977	918,330,809,910	(24,154,770,334)	894,176,039,576
Accounts payable and provisions	198,421,677,167	2,087,570,833	1,355,637,743	2,600,053,431	4,886,584,571	2,616,877,746	112,485,743	315,803,931	212,396,691,165	(1,244,233,811)	211,152,457,354
Other liabilities	26,491,167,672	0	0	0	4,043,165,465	52,109,785	0	1	30,586,442,923	(2)	30,586,442,921
Subordinated obligations	50,145,218,870	0	0	0	0	0	0	0	50,145,218,870	0	50,145,218,870
Total liabilities	€ 5,569,220,069,119	2,124,547,858	1,419,532,402	55,087,974,460	924,129,325,862	2,732,393,686	755,653,416	319,918,909	6,555,789,415,712	(28,188,598,013)	6,527,600,817,699
Equity											
Capital	181,409,990,601	5,330,912,827	4,839,200,000	12,626,000,000	38,609,421,071	2,250,000,000	305,842,762	710,000,000	246,081,367,261	(64,671,376,660)	181,409,990,601
Unfunded capital contributions	0	198,945,314	22,000,000,000	0	0	0	0	0	22,198,945,314	(22,198,945,314)	0
Equity adjustments	48,040,961,633	64,562,305	(48,069,694)	1,349,471,518	32,123,423,301	7,978,857	4,784	0	81,538,332,704	(33,497,371,072)	48,040,961,632
Capital reserves	364,708,053,622	255,890,000	967,839,999	1,883,789,418	45,168,136,093	449,999,999	42,911,144	75,243,346	413,551,863,621	(48,843,809,999)	364,708,053,622
Prior periods retained earnings	47,328,475,171	993,532,097	1,118,746,669	5,353,702,778	17,972,848,246	2,229,780,036	711,810,925	237,817,523	75,946,713,445	(28,618,238,274)	47,328,475,171
Profit for the period	42,624,954,756	1,039,703,265	(23,719,539)	2,190,919,062	8,090,138,916	2,987,725,900	(3,629,485)	222,786,432	57,128,879,307	(14,503,924,551)	42,624,954,756
Development financing fund	48,866,249,077	0	0	0	0	0	0	0	48,866,249,077	0	48,866,249,077
Minority interest	0	0	0	0	0	0	0	0	0	69,562,343,643	69,562,343,643
Total equity	732,978,684,860	7,883,545,808	28,853,997,435	23,403,882,776	141,963,967,627	7,925,484,792	1,056,940,130	1,245,847,301	945,312,350,729	(142,771,322,227)	802,541,028,502
Total liabilities and equity	€ 6,302,198,753,979	10,008,093,666	30,273,529,837	78,491,857,236	1,066,093,293,489	10,657,878,478	1,812,593,546	1,565,766,210	7,501,101,766,441	(170,959,920,240)	7,330,141,846,201
Debit contingent accounts											
Trust assets	€ 480,507,277,315	0	0	0	78,321,489,114	0	0	0	558,828,766,429	0	558,828,766,429
Trust liabilities	€ 741,512,653,451	0	0	0	46,315,493,103	0	0	0	787,828,146,554	0	787,828,146,554
Trust equity	€ 247,173,104,139	0	0	0	0	0	0	0	247,173,104,139	0	247,173,104,139
Other debit memoranda accounts	€ 494,339,549,312	0	0	0	46,315,493,103	0	0	0	247,173,104,139	0	247,173,104,139
	€ 23,338,735,853,372	1,794,897,577,618	511,398,177,375	1,070,927,854,042	1,099,925,565,528	0	2,299,187,994	0	27,818,184,215,929	0	27,818,184,215,929

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BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

As of June 30, 2024, assets and liabilities for each segment are presented as follows:

	<u>Bank</u>	<u>Pension Fund Operator</u>	<u>Investment Fund Manager</u>	<u>Brokerage House</u>	<u>Foreign Bank</u>	<u>Insurance Broker</u>	<u>Depósito Agrícola</u>	<u>Banprocesa</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
Assets											
Cash and due from banks	€ 900,588,521,784	78,664,882	1,806,705,900	851,313,695	40,300,086,132	272,622,251	20,160,130	7,587,980	943,925,662,754	(25,577,114,862)	918,348,547,892
Investment in financial instruments	1,490,306,068,084	7,486,665,887	5,251,693,242	68,084,031,711	85,167,228,296	6,439,073,852	732,162,752	700,609,417	1,664,167,533,241	(1,288,997,114)	1,662,878,536,127
Loan portfolio	3,169,619,629,952	0	0	0	854,386,941,391	0	0	0	4,024,006,571,343	(7,529,073,537)	4,016,477,497,806
Accounts and fees receivable	47,656,642,242	658,226,444	974,224,195	908,333,363	4,267,386,010	731,130,038	177,464,893	658,404,402	56,031,811,587	(628,173,913)	55,403,637,674
Foreclosed assets	30,813,727,384	0	0	0	16,230,380,555	0	39	0	47,044,107,978	(1)	47,044,107,977
Interest in other companies (net)	118,553,528,208	0	0	65,417,188	0	0	0	0	118,618,945,396	(118,081,754,495)	537,190,901
Property, furniture and equipment, net	131,184,162,482	51,086,197	122,701,177	92,225,421	6,276,876,894	92,636,072	111,145,348	10,965,972	137,941,799,563	(405,040)	137,941,394,523
Properties investments	6,831,625,000	0	0	0	0	0	0	0	6,831,625,000	0	6,831,625,000
Other assets	126,550,416,760	910,301,720	380,913,558	1,149,116,564	25,743,855,968	551,324,979	156,350,338	75,389,556	155,517,669,443	(1,851,480,515)	153,666,188,928
TOTAL ASSETS	€ 6,022,104,321,896	9,184,945,130	8,536,238,072	71,150,437,942	1,032,372,755,246	8,086,787,192	1,197,283,500	1,452,957,327	7,154,085,726,305	(154,956,999,477)	6,999,128,726,828
Liabilities and equity											
Liabilities											
Obligations with the public	€ 4,621,454,763,222	0	0	0	474,036,593,385	16,333,995	0	0	5,095,507,690,602	(3,475,795,638)	5,092,031,894,964
Obligations with the Central Bank of Costa Rica	96,289,569,008	0	0	0	0	0	0	0	96,289,569,008	0	96,289,569,008
Obligations with entities	334,583,077,761	76,469,193	130,247,082	44,699,248,190	407,727,017,619	93,916,267	21,943,445	9,450,576	787,341,370,133	(31,261,686,625)	756,079,683,508
Accounts payable and provisions	177,854,441,441	1,760,816,527	1,270,130,414	2,967,894,780	6,357,139,002	1,566,435,915	122,652,612	281,901,889	192,181,412,580	(1,184,883,862)	190,996,528,718
Other liabilities	23,769,557,910	0	0	0	1,996,103,202	44,524,970	299,334	62,266,314	25,872,751,730	(1)	25,872,751,729
Subordinated obligations	50,143,754,979	0	0	0	0	0	0	0	50,143,754,979	0	50,143,754,979
Total liabilities	€ 5,304,095,164,321	1,837,285,720	1,400,377,496	47,667,142,970	890,116,853,208	1,721,211,147	144,895,391	353,618,779	6,247,336,549,032	(35,922,366,126)	6,211,414,182,906
Equity											
Capital	181,409,990,601	5,206,792,955	4,839,200,000	12,626,000,000	38,609,421,071	2,250,000,000	305,842,762	710,000,000	245,957,247,389	(64,547,256,788)	181,409,990,601
Unfunded capital contributions	0	323,065,186	0	0	0	0	0	0	323,065,186	(323,065,186)	0
Equity adjustments	50,273,943,601	49,674,139	(76,619,043)	1,609,871,673	36,487,298,756	(1,698,350)	315,350	0	88,342,786,126	(38,068,842,525)	50,273,943,601
Capital reserves	364,708,053,622	255,890,001	967,840,000	1,774,243,465	43,177,591,155	449,999,999	42,911,145	75,243,346	411,451,772,733	(46,743,719,111)	364,708,053,622
Prior periods retained earnings	47,328,475,171	993,532,097	1,118,746,669	6,463,248,731	20,109,720,041	2,229,780,036	711,810,925	237,817,523	79,193,131,193	(31,864,656,022)	47,328,475,171
Profit for the period	25,422,445,503	518,705,032	286,692,950	1,009,931,103	3,871,871,015	1,437,494,360	(8,492,073)	76,277,679	32,614,925,569	(7,192,480,066)	25,422,445,503
Development financing fund	48,866,249,077	0	0	0	0	0	0	0	48,866,249,077	0	48,866,249,077
Minority interest	0	0	0	0	0	0	0	0	0	69,705,386,347	69,705,386,347
Total equity	718,009,157,575	7,347,659,410	7,135,860,576	23,483,294,972	142,255,902,038	6,365,576,045	1,052,388,109	1,099,338,548	906,749,177,273	(119,034,633,351)	787,714,543,922
Total liabilities and equity	6,022,104,321,896	9,184,945,130	8,536,238,072	71,150,437,942	1,032,372,755,246	8,086,787,192	1,197,283,500	1,452,957,327	7,154,085,726,305	(154,956,999,477)	6,999,128,726,828
Debit contingent accounts											
Trust assets	€ 449,861,519,819	0	0	0	70,559,682,398	0	0	0	520,421,202,217	(1)	520,421,202,216
Trust liabilities	€ 809,186,779,776	0	0	0	49,837,736,259	0	0	0	859,024,516,035	0	859,024,516,035
Trust equity	€ 245,832,795,048	0	0	0	0	0	0	0	245,832,795,048	0	245,832,795,048
Trust equity	€ 563,353,984,729	0	0	0	49,837,736,259	0	0	0	613,191,720,988	0	613,191,720,988
Other debit memoranda accounts	€ 22,458,954,321,163	1,738,456,193,310	561,195,300,291	1,074,886,361,748	877,578,188,879	0	4,328,098,279	0	26,715,398,463,670	1	26,715,398,463,671

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BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

As of June 30, 2025, the results of each segment are as follows:

	<u>Bank</u>	<u>Pension Fund Operator</u>	<u>Investment Fund Manager</u>	<u>Brokerage House</u>	<u>Foreign Bank</u>	<u>Insurance Broker</u>	<u>Depósito Agrícola</u>	<u>Banprocesa</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
Financial income	€ 193,182,925,908	285,326,392	641,067,102	3,361,134,539	37,855,793,658	235,524,623	13,607,973	12,306,631	235,587,686,736	(573,787,585)	235,013,899,151
Financial expenses	90,046,017,865	13,298,974	20,818,243	1,230,904,193	23,679,093,411	10,447,267	7,037,252	210,019	115,007,827,224	(582,965,119)	114,424,862,105
Expenses from allowance for assets impairment	11,322,752,015	3,923,231	2,213,350	194,739,189	1,562,657,485	1,810,177	84,903	9,066	13,088,189,416	0	13,088,189,416
Income from recovery of assets and decrease in allowance	4,612,273,636	4,506,443	2,640,842	21,038,923	0	867,859	60,863	1,673	4,641,390,239	(1)	4,641,390,238
Financial income	96,426,429,664	271,610,630	620,676,261	1,956,530,080	12,614,042,762	224,135,038	6,546,681	12,089,219	112,133,060,335	9,177,533	112,142,237,868
Other operating income	90,286,371,161	4,108,769,706	2,086,806,413	2,094,090,514	1,862,881,488	4,310,681,670	530,163,025	1,719,340,857	106,999,104,834	(10,301,474,223)	96,697,630,611
Other operating expenses	49,565,194,699	882,433,269	400,643,097	393,955,959	1,584,819,744	349,956,773	118,775,826	59,427,154	53,355,206,521	(1,746,415,847)	51,608,790,674
Gross operating income	137,147,606,126	3,498,947,067	2,306,839,577	3,656,664,635	12,892,104,506	4,184,859,935	417,933,880	1,672,002,922	165,776,958,648	(8,545,880,843)	157,231,077,805
Personnel expenses	54,919,653,655	1,736,040,383	1,315,792,508	1,503,002,859	3,994,249,565	1,240,471,327	291,492,668	1,458,096,983	66,458,799,948	(1,458,096,983)	65,000,702,965
Other administrative expenses	39,817,411,365	285,512,237	262,068,568	187,686,148	2,963,506,010	165,362,743	144,774,118	3,789,905	43,830,111,094	(356,876,145)	43,473,234,949
Administrative expenses	94,737,065,020	2,021,552,620	1,577,861,076	1,690,689,007	6,957,755,575	1,405,834,070	436,266,786	1,461,886,888	110,288,911,042	(1,814,973,128)	108,473,937,914
Net operating income before taxes and statutory allocations	42,410,541,106	1,477,394,447	728,978,501	1,965,975,628	5,934,348,931	2,779,025,865	(18,332,906)	210,116,034	55,488,047,606	(6,730,907,715)	48,757,139,891
Income tax	0	450,072,005	436,951,521	1,007,311,417	752,000,456	835,136,915	5,613,481	64,595,128	3,551,680,923	0	3,551,680,923
Deferred income tax	25,976,353,433	11,093,108	19,036,283	27,721,051	404,468,212	212,800	0	3,054,710	26,441,939,597	0	26,441,939,597
Decrease in income tax	17,174,006,151	10,282,852	233,582,019	437,767,594	0	250,381	0	4,397,946	17,860,286,943	(1)	17,860,286,942
Profit sharing	11,199,086,348	535,417,010	21,869,356	58,979,260	0	83,370,775	336,735	6,303,481	11,905,362,965	0	11,905,362,965
Decrease in allocation of profit	0	0	0	0	0	0	0	0	0	0	0
Net profit for the year	22,409,107,476	491,095,176	484,703,360	1,309,731,494	4,777,880,263	1,860,555,756	(24,283,122)	140,560,661	31,449,351,064	(6,730,907,716)	27,718,443,348
Results for the period attributable to minority interests	0	0	0	0	0	0	0	0	0	2,309,335,872	2,309,335,872
Results for the period attributable to the comptroller	22,409,107,476	491,095,176	484,703,360	1,309,731,494	4,777,880,263	1,860,555,756	(24,283,122)	140,560,661	31,449,351,064	(4,421,571,844)	22,409,107,476
Net income for the periods	€ 22,409,107,476	491,095,176	484,703,360	1,309,731,494	4,777,880,263	1,860,555,756	(24,283,122)	140,560,661	31,449,351,064	(4,421,571,844)	22,409,107,476

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BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

As of June 30, 2024, the results of each segment are as follows:

	<u>Bank</u>	<u>Pension Fund Operator</u>	<u>Investment Fund Manager</u>	<u>Brokerage House</u>	<u>Foreign Bank</u>	<u>Insurance Broker</u>	<u>Depósito Agrícola</u>	<u>Banprocesa</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
Financial income	€ 187,557,604,797	304,498,602	160,151,020	2,755,184,481	38,119,696,703	224,242,755	16,133,216	16,043,580	229,153,555,154	(819,217,260)	228,334,337,894
Financial expenses	91,932,213,063	3,553,840	4,882,174	1,114,998,205	25,175,123,524	22,062,573	6,899,476	31,113,644	118,290,846,499	(876,917,039)	117,413,929,460
Expenses from allowance for assets impairment	5,898,587,582	1,088,041	350,166	35,916,452	1,606,835,910	3,273,304	0	0	7,546,051,455	0	7,546,051,455
Income from recovery of assets and decrease in allowance	5,724,601,188	818,715	347,100	5,222,779	0	5,137,650	0	16,648	5,736,144,080	1	5,736,144,081
Financial income	95,451,405,340	300,675,436	155,265,780	1,609,492,603	11,337,737,269	204,044,528	9,233,740	(15,053,416)	109,052,801,280	57,699,780	109,110,501,060
Other operating income	147,481,216,865	3,826,882,301	2,405,020,926	2,094,466,981	2,109,386,138	3,657,235,422	587,403,624	1,383,476,711	163,545,088,968	(8,718,236,846)	154,826,852,122
Other operating expenses	98,767,153,406	796,917,992	421,022,389	444,929,616	1,721,850,282	301,784,659	89,984,311	56,404,172	102,600,046,827	(1,947,945,776)	100,652,101,051
Gross operating income	144,165,468,799	3,330,639,745	2,139,264,317	3,259,029,968	11,725,273,125	3,559,495,291	506,653,053	1,312,019,123	169,997,843,421	(6,712,591,290)	163,285,252,131
Personnel expenses	52,765,111,505	1,479,339,563	1,503,037,694	1,421,953,824	3,934,955,593	1,241,158,249	386,143,013	1,192,353,638	63,924,053,079	(1,192,353,640)	62,731,699,439
Other administrative expenses	41,466,114,201	303,219,410	199,978,985	149,793,394	2,915,314,041	173,459,659	116,765,037	5,566,566	45,330,211,293	(224,974,274)	45,105,237,019
Administrative expenses	94,231,225,706	1,782,558,973	1,703,016,679	1,571,747,218	6,850,269,634	1,414,617,908	502,908,050	1,197,920,204	109,254,264,372	(1,417,327,914)	107,836,936,458
Net operating income before taxes and statutory allocations	49,934,243,093	1,548,080,772	436,247,638	1,687,282,750	4,875,003,491	2,144,877,383	3,745,003	114,098,919	60,743,579,049	(5,295,263,376)	55,448,315,673
Income tax	15,336,464,346	466,570,107	319,120,460	742,050,757	1,003,132,476	642,477,398	11,880,931	36,229,811	18,557,926,286	0	18,557,926,286
Deferred income tax	3,073,723,402	10,739,995	137,692,208	61,213,122	0	1,540,477	0	4,866,396	3,289,775,600	0	3,289,775,600
Decrease in income tax	6,206,419,778	13,081,816	320,345,409	175,530,723	0	981,173	0	6,697,934	6,723,056,833	0	6,723,056,833
Profit sharing	12,308,029,620	565,147,454	13,087,429	49,618,491	0	64,346,321	356,145	3,422,967	13,004,008,427	3	13,004,008,430
Net profit for the year	25,422,445,503	518,705,032	286,692,950	1,009,931,103	3,871,871,015	1,437,494,360	(8,492,073)	76,277,679	32,614,925,569	(5,295,263,379)	27,319,662,190
Results for the period attributable to minority interests	0	0	0	0	0	0	0	0	0	(1,897,216,687)	1,897,216,687
Results for the period attributable to the comptroller	25,422,445,503	518,705,032	286,692,950	1,009,931,103	3,871,871,015	1,437,494,360	(8,492,073)	76,277,679	32,614,925,569	(7,192,480,066)	25,422,445,503
Net income for the periods	€ 25,422,445,503	518,705,032	286,692,950	1,009,931,103	3,871,871,015	1,437,494,360	(8,492,073)	76,277,679	32,614,925,569	(7,192,480,066)	25,422,445,503

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BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

39). Risk management

Comprehensive Risk Management

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

Corporate governance of the risk management area

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

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

Objective of the Comprehensive Risk Management System

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

General Risk Principles and Policies

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

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

(Continued)

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

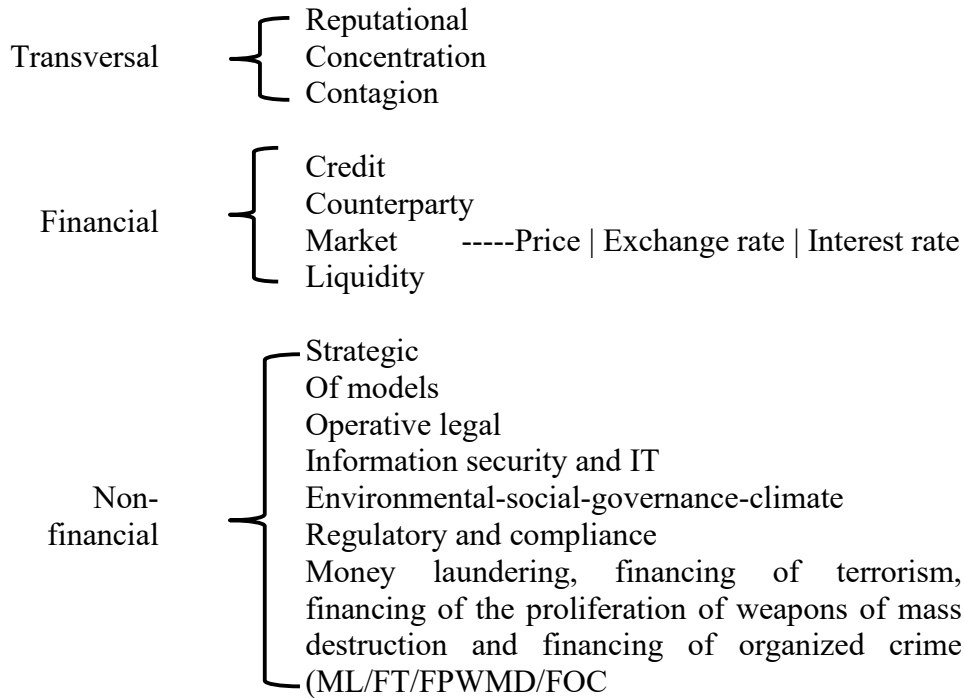
- Risk and contingency management plans are in place to deal with situations that prevent the fulfillment of the objectives defined, as well as for materialized events whose consequences may generate negative impacts on the entities.

Classification of significant risks

The relevant risks to the Bank are classified as follows:

The relevant risks for the Bank are classified as follows:

Classification of risk



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Types of risks related to the strategic plan

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

Indicator by type of risk	Strategic objective				
	Strengthen BCR's profitability	Be a market leader with a robust business model and growing diversified portfolios	Prioritize the external customer experience, promoting digital and internal transformation, and employee satisfaction	Promote efficient management of the business and conglomerate, based on an agile culture	Promote the development and the sustainability of the country
Capital	Equity adequacy				
Credit	Expected loss for credit risk				
	Debtors with exposure to high-risk currency risk				
Marketing	Capital requirement for foreign 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. Securities pledged as collateral MILIndicator net income for the period		User satisfaction in the contact center call channel		
TI			Availability of the technological platform		
			Vulnerability analysis of the technological platform Management of changes in applications		

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

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

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

Process of comprehensive risk management

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

Types of risk assessments

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

In addition, during the period under study, the management generated reports about risk on new services and products or modifications 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.

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

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

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Coverage

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

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

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

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

Management methodology

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

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

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

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

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

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

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

Exposure and risk management

As of June 30, 2025, the percentage of arrears greater than 90 days was 2.29% (2.43% and 2.53% for December and June 2024). This last indicator is within the risk appetite according to the Risk Appetite Declaration.

Regarding the 1-to-30-day portfolio, as of the end of June 2025, the indicator for the 1 to 30-day portfolio stands at 3.06% and is within the risk appetite zone of 3.13%, as established in the Risk Appetite Declaration.

The dollar portfolio accounts for 22.14% at the closing of June (23.33% and 24.63% for December and June 2024) of the total portfolio. It is important to mention that the loan portfolio has been managed strategically to attract customers with an acceptable risk profile. In addition, regular monitoring of the loans in foreign currency is given, and the portfolio of clients with exposure to exchange risk.

In the vintage analysis, Corporate Banking shows the highest deterioration in 2014 (24.39%), mainly due to Ticofrut S.A., while in Personal Banking, the most affected vintage is 2024 (18.42%), associated with consumer lending and showing a high concentration in amounts exceeding ₡5 billion.

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

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

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

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With respect to the counterparty risk of the investment portfolio, compliance with the internal investment limits per issuer is monitored weekly. In addition, as of January 2020, the calculation of the expected loss for the investment portfolio under IFRS 9 begins, the foregoing allows for a buffer of resources to mitigate eventual defaults that may occur in the portfolio, thus maintaining a conservative profile. By the end of June 2025, the expected loss of the investment portfolio corresponded to 0.05% of the portfolio (0.05%, and 0.04% for December and June 2024, respectively).

Expected credit losses are disclosed in the following table:

Banco de Costa Rica, expected losses of the investment portfolio by currency December 2024 vs June 2025			
Value correction for losses	12-month expected credit losses	Lifetime expected credit losses	Financial assets with loan impairment
Value correction for losses as of June 30, 2025			
Colones	770,874,836	4,247,578	57,336,849,445
US dollars	165,461	0	21,753,704
UDES	566	0	0
Value correction for losses As of December 31, 2024			
Colones	787,124,124	3,956,048	54,951,469,864
US dollars	175,834	0	29,653,365
UDES	565	0	0
Rollover to 12-month expected credit losses			
Colones	(61,821,888)	(291,530)	(2,383,280,136)
US dollars	(43,912,565)	0	5,803,770
UDES	1	0	0
Banco de Costa Rica, expected losses of the investment portfolio by currency December 2023 vs December 2024			
Value correction for losses	12-month expected credit losses	Lifetime expected credit losses	Financial assets with loan impairment
Value correction for losses as of December 31, 2024			
Colones	806,320,686	6,914,486	41,018,322,284
US dollars	163,361	0	4,909,708
UDES	565	0	0
Value correction for losses As of December 31, 2023			
Colones	517,742,018	4,247,578	57,336,452,678
US dollars	235,138	0	21,752,838
UDES	1,300	0	0
Rollover to 12-month expected credit losses			
Colones	340,284,909	(2,666,908)	16,318,130,394
US dollars	(26,225)	0	16,843,130
UDES	(735)	0	0

(Continued)

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June 2024,

Banco de Costa Rica, expected losses of the investment portfolio by currency			
December 2023 vs June 2024			
Value correction for losses	12-month expected credit losses	Lifetime expected credit losses	Financial assets with loan impairment
Value correction for losses as of June 30, 2024			
Colones	488,901,906	13,828,972	82,037,501,739
US dollars	225,870	0	9,816,898
UDES	928	0	0
Value correction for losses As of December 31, 2023			
Colones	561,633,805	13,267,294	101,956,934,913
US dollars	244,862	0	21,684,852
UDES	1,300	0	0
Rollover to 12-month expected credit losses			
Colones	(52,417,572)	(561,678)	19,919,795,942
US dollars	65,171	0	11,868,067
UDES	(372)	0	0

For the closing of June 2025, the expected loss of the investment portfolio was 0.05%, with a variation 0.01% compared to prior quarter (March 2025).

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

	Note	Direct loan portfolio	Direct loan portfolio	Direct loan portfolio	Contingent loan portfolio	Contingent loan portfolio	Contingent loan portfolio
		June	December	June	June	December	June
		2025	2024	2024	2025	2024	2024
Principal	6a	€ 3,720,470,501,708	3,510,991,880,205	3,349,498,591,607	243,247,800,990	238,580,609,113	214,093,981,593
Interest		17,310,785,101	17,248,944,943	17,514,257,264	0	0	0
Allowance for bad debts		3,737,781,286,809	3,528,240,825,148	3,367,012,848,871	243,247,800,990	238,580,609,113	214,093,981,593
Carrying amount		€ 3,597,692,518,498	3,382,900,141,626	3,198,014,402,453	236,412,933,896	231,727,876,905	207,170,270,688
Loan portfolio							
Total balances:							
1		€ 2,924,064,174,961	2,749,092,866,825	2,576,484,524,402	204,461,726,047	193,851,465,308	167,223,218,755
2		584,644,670,046	544,434,432,248	546,707,126,359	2,569,253,782	2,859,156,216	2,850,809,490
3		30,374,618,401	30,709,648,881	46,518,761,632	0	0	0
4		56,000,572,050	58,825,684,745	64,989,027,515	33,693,466,049	38,926,607,426	40,284,498,283
5		57,912,932,364	58,491,107,677	44,571,848,738	2,503,776,620	2,909,990,246	3,696,686,085
6		4,374,833,248	2,684,300,294	1,998,204,225	0	0	0
7		3,339,155,495	893,983,205	4,674,911,921	6,101,490	20,941,050	31,793,004
8		77,070,330,244	83,108,801,273	81,068,444,079	13,477,002	12,448,867	6,975,976
Allowance for bad debts		3,737,781,286,809	3,528,240,825,148	3,367,012,848,871	243,247,800,990	238,580,609,113	214,093,981,593
Carrying amount, net		(58,443,385,501)	(56,993,861,684)	(54,233,462,462)	0	0	0
		3,679,337,901,308	3,471,246,963,464	3,312,779,386,409	243,247,800,990	238,580,609,113	214,093,981,593
Carrying amount		3,737,781,286,809	3,528,240,825,148	3,367,012,848,871	243,247,800,990	238,580,609,113	214,093,981,593
Allowance for bad debts		(58,443,385,501)	(56,993,861,684)	(54,233,462,462)	0	0	0
(Surplus) inadequacy of allowance on structural estimate		(81,645,382,810)	(88,346,824,838)	(114,764,983,956)	(6,834,867,094)	(6,852,732,208)	(6,923,710,905)
Carrying amount, net	6.a	€ 3,597,692,518	3,382,900,141,626	3,198,014,402,453	236,412,933,896	231,727,876,905	207,170,270,688

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

	<u>June 2025</u>	<u>December 2024</u>	<u>June 2024</u>
Banco de Costa Rica			
Loan portfolio, gross	¢ 3,720,470,501,709	3,510,991,880,205	3,349,498,591,606
Plus, interest receivable	17,310,785,101	17,248,944,943	17,514,257,264
Minus, allowance for impairment	(146,923,635,405)	(145,340,683,522)	(175,922,157,323)
Loan portfolio, net	¢ 3,590,857,651,406	3,382,900,141,626	3,191,090,691,547
Banco Internacional de Costa Rica, S.A. and subsidiary			
Loan portfolio, gross	¢ 868,659,721,414	869,779,665,368	861,248,247,849
Plus, interest receivable	5,750,484,115	5,294,076,077	5,112,344,494
Minus, allowance for impairment	(10,084,351,955)	(12,280,032,053)	(11,949,991,402)
Loan portfolio, Net	¢ 864,325,853,574	862,793,709,392	854,410,600,941
Total consolidated loan portfolio, net	¢ 4,455,183,504,980	4,245,693,851,018	4,045,501,292,488

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

Loan Portfolio	<u>Direct loan portfolio</u>		<u>Contingent loan portfolio</u>
	<u>Principal</u>	<u>Allowance</u>	<u>Principal</u>
Direct specific allowance			
1	2,924,064,174,961	(9,054,469,423)	204,461,726,047
2	584,644,670,046	(5,278,753,534)	2,569,253,782
3	30,374,618,401	(1,199,771,410)	0
4	56,000,572,050	(3,658,208,794)	33,693,466,049
5	57,912,932,364	(3,814,517,174)	2,503,776,620
6	4,374,833,248	(1,706,767,157)	0
7	3,339,155,495	(1,532,222,244)	6,101,490
8	77,070,330,244	(32,198,675,765)	13,477,002
	¢ 3,737,781,286,809	(58,443,385,501)	243,247,800,990
Direct specific allowance			
Aging of loan portfolio			
Direct specific allowance			
Up to date	3,493,312,073,660	(18,201,751,182)	243,247,800,900
Equal or less than 30 days	112,595,003,723	(1,902,910,837)	0
Equal or less than 60 days	28,591,085,940	(1,191,308,969)	0
Equal or less than 90 days	11,948,693,712	(1,112,299,475)	0
Equal or less than 180 days	14,297,234,914	(4,211,496,245)	0
More than 180 days	77,037,194,860	(31,823,618,792)	0
	¢ 3,737,781,286,809	(58,443,385,501)	243,247,800,900

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As of December 2024, the evaluated loan portfolio with an estimate is detailed as follows:

Loan Portfolio	Direct loan portfolio		Contingent loan portfolio
Loan Portfolio	Principal	Allowance	Principal
Direct specific allowance			
1	2,749,092,866,825	(7,903,890,407)	193,851,465,308
2	544,434,432,248	(4,619,185,733)	2,859,156,216
3	30,709,648,881	(1,017,974,104)	0
4	58,825,684,745	(3,473,425,915)	38,926,607,426
5	58,491,107,677	(4,697,127,161)	2,909,990,246
6	2,684,300,294	(928,561,015)	0
7	893,983,205	(962,743,205)	20,941,050
8	83,108,801,273	(33,390,951,144)	12,448,867
	€ 3,528,240,825,148	(56,993,861,684)	238,580,609,113
	€ 3,528,240,825,148	(56,993,861,684)	238,580,609,113

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

As of June 30, 2024

On June 30, 2024	Risk Category:	Loans receivable from customer	
		Gross	Net
1	€	2,576,484,524,402	2,569,749,382,364
2		546,707,126,359	542,058,033,237
3		46,518,761,632	44,278,414,764
4		64,989,027,515	61,310,275,696
5		44,571,848,738	41,630,226,266
6		1,998,204,225	1,428,082,269
7		4,674,911,921	3,849,141,345
8		81,068,444,079	48,475,830,468
	€	3,367,012,848,871	3,312,779,386,409

Direct specific allowance	Contingent loan portfolio	
Aging of loan portfolio	Principal	Allowance
Direct specific allowance		
Up to date	3,120,077,389,466	(17,052,136,524)
Equal or less than 30 days	115,611,110,588	(1,681,764,701)
Equal or less than 60 days	31,213,038,619	(942,992,873)
Equal or less than 90 days	10,312,964,586	(741,779,762)
Equal or less than 180 days	11,127,468,556	(2,484,812,841)
More than 180 days	78,670,877,056	(31,329,975,761)
	€ 3,367,012,848,871	(54,233,462,462)
	€ 3,367,012,848,871	(54,233,462,462)

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

		Loans receivable from customer	
		Gross	Net
On June 30, 2025			
Risk Category:			
1	¢	2,924,064,174,961	2,915,009,704,869
2		584,644,670,046	579,365,916,527
3		30,374,618,401	29,174,846,999
4		56,000,572,050	52,342,363,280
5		57,912,932,364	54,098,415,213
6		4,374,833,248	2,668,066,091
7		3,339,155,495	1,806,933,784
8		77,070,330,244	44,871,654,545
	¢	<u>3,737,781,286,809</u>	<u>3,679,337,901,308</u>
		Loans receivable from customer	
		Gross	Net
On December 31, 2024			
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>
		Loans receivable from customer	
		Gross	Net
On June 30, 2024			
Risk Category:			
1	¢	2,576,484,524,402	2,569,749,382,364
2		546,707,126,359	542,058,033,237
3		46,518,761,632	44,278,414,764
4		64,989,027,515	61,310,275,696
5		44,571,848,738	41,630,226,266
6		1,998,204,225	1,428,082,269
7		4,674,911,921	3,849,141,345
8		81,068,444,079	48,475,830,468
	¢	<u>3,367,012,848,871</u>	<u>3,312,779,386,409</u>

In compliance with SUGEF Directive 1-05, as of June 30, 2025, the Bank must maintain a minimum allowance in the amount of ¢58,443,385,501, (¢56,993,861,68 and ¢54,233,462,46, for December and June 2024, respectively) of which ¢58,443,385,501 (¢56,993,861,684, and ¢54,233,462,462 for December and June 2024, respectively) is allocated to the valuation of the direct loan portfolio and ¢0.00, (¢0 and for ¢0 for December and June 2024, respectively) to the contingent loan portfolio. In addition, the countercyclical allowance is ¢66,796,185,439, (¢66,996,345,825 and ¢48,845,927,626, for December and June 2024, respectively).

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

	<u>June 2025</u>	<u>December 2024</u>	<u>June 2024</u>
Banco Internacional de Costa Rica, S.A. and subsidiaries			
Principal	¢ 868,659,721,393	869,779,664,994	861,248,247,403
Interest	5,750,484,232	5,294,076,200	5,112,344,587
	<u>874,410,205,625</u>	<u>875,073,741,194</u>	<u>866,360,591,990</u>
Allowance for doubtful accounts	(10,084,351,950)	(12,280,032,192)	(11,949,991,559)
Carrying amount	¢ <u><u>864,325,853,675</u></u>	<u><u>862,793,709,002</u></u>	<u><u>854,410,600,431</u></u>
Loan portfolio, net of allowance	¢ <u><u>847,277,684,515</u></u>	<u><u>856,272,468,922</u></u>	<u><u>846,248,145,339</u></u>
At amortized cost			
Level 1: Normal or low risk	819,769,444,353	821,637,263,115	813,306,849,867
Level 2: Special mention	23,671,240,541	19,623,892,182	17,509,069,172
Level 3: Subnormal	9,859,343,510	9,411,953,369	11,651,429,742
Level 4: Doubtful	642,715,994	892,266,077	9,890,949,879
Level 5: Uncollectable	14,716,976,995	18,214,290,251	8,889,948,968
	<u>868,659,721,393</u>	<u>869,779,664,994</u>	<u>861,248,247,628</u>
Allowance for impairment	(10,084,351,950)	(12,280,032,192)	(11,949,991,559)
Carrying amount	<u><u>858,575,369,443</u></u>	<u><u>857,499,632,802</u></u>	<u><u>849,298,256,069</u></u>
Impaired renegotiated loans			
Gross amount	6,436,904,682	2,640,467,209	2,682,431,142
Impaired amount	<u>6,436,904,682</u>	<u>2,640,467,209</u>	<u>2,682,431,142</u>
Allowance for impairment	608,897,584	570,002,966	1,046,251,554
Total, net	<u><u>5,828,007,098</u></u>	<u><u>2,070,464,243</u></u>	<u><u>1,636,179,588</u></u>
Not in arrears or impaired:			
Level 1: Normal or low risk	819,769,444,353	821,637,263,115	813,306,849,867
Level 2: Special mention	23,671,240,541	19,623,892,182	17,509,069,172
Sub-total	<u><u>843,440,684,894</u></u>	<u><u>841,261,155,297</u></u>	<u><u>830,815,919,039</u></u>
Individually impaired			
Level 3: Subnormal	9,859,343,510	9,411,953,369	11,651,429,742
Level 4: Doubtful	642,715,994	892,266,077	9,890,949,879
Level 5: Uncollectable	14,716,976,995	18,214,290,251	8,889,948,967
Sub-total	<u><u>25,219,036,499</u></u>	<u><u>28,518,509,697</u></u>	<u><u>30,432,328,588</u></u>
Allowance for impairment			
Specific	10,084,351,950	12,280,032,192	11,949,991,559
Total allowance for impairment	<u><u>10,084,351,950</u></u>	<u><u>12,280,032,192</u></u>	<u><u>11,949,991,559</u></u>
Clients' obligations for acceptances			
Carrying amount	¢ <u><u>11,297,684,928</u></u>	<u><u>1,227,163,880</u></u>	<u><u>3,050,110,506</u></u>
Interest receivable	¢ <u><u>5,750,484,232</u></u>	<u><u>5,294,076,200</u></u>	<u><u>5,112,344,586</u></u>
Net loan portfolio (carrying amount)	¢ <u><u>864,325,853,675</u></u>	<u><u>862,793,709,002</u></u>	<u><u>854,410,600,431</u></u>

As of June 30, 2025, the allowance for impairment of BICSA's loan portfolio is of ¢10,084,351,955, (¢12,280,032,053 and ¢11,949,991,559 for December and June 2024, respectively).

(Continued)

BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

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

	June 2025	December 2024	June 2024		June 2024	
	Loan Portfolio	Contingent Accounts	Loan Portfolio	Contingent Accounts	Loan Portfolio	Contingent Accounts
Artistic, entertainment and recreative activities	2,851,966,208	34,789,627,235	2,859,988,259	40,175,102,788	3,016,212,413	0
Human health care and social assistance activities	230,172,427	0	257,094,640	0	279,744,139	0
Household activities as employers of domestic staff	15,494,855	0	16,400,000	0	0	0
Administrative and support services activities	20,287,006,904	0	19,297,232,766	0	19,598,021,663	0
Professional, scientific and technical activities	690,467,794	0	614,117,003	0	524,030,084	0
Trade	494,571,324,994	21,041,213,231	469,183,159,220	24,245,194,191	449,813,667,422	27,734,860,621
Manufacturing	364,510,800,422	2,951,694,840	350,565,301,990	1,961,187,203	340,778,053,620	1,786,904,322
Construction, purchase and repair of real estate	270,480,896,412	8,656,732,424	326,663,980,730	9,214,964,116	314,555,241,447	12,103,652,888
Agriculture, livestock. Hunting and related services	154,749,999,162	16,973,693,433	161,917,452,590	7,777,088,640	163,091,049,613	1,697,312,000
Fishing and aquaculture	0	0	0	0	0	124,175,542
Consumer	721,829,155,547	191,700,736,063	597,893,969,856	175,877,812,241	520,519,037,448	0
Education	82,495,120	0	103,925,570	0	508,251,515	0
Transportation	30,313,415,982	45,265,872	31,010,081,168	563,972,006	30,404,566,753	482,721,564
Financial and stock exchange	13,386,209	45,317,124	13,449,200	47,362,693	(7,400,008,072)	0
Telecommunications and public utilities	86,171,307,158	0	79,255,365,808	0	79,551,869,798	0
Services	738,590,988,001	65,958,817,046	685,249,033,065	52,408,596,455	674,869,768,918	91,417,134,244
Hospitality	90,395,234,203	14,432,865	91,254,076,071	0	86,034,846,178	45,195,332
Mining and quarrying	11,124,320	0	14,788,851	0	18,425,717	6,554,821
Real estate. business and leasing activities	1,288,088,971,479	0	1,264,669,423,151	0	1,242,803,801,157	38,935,850
Public Administration	321,301,134,634	15,375,547,339	293,485,125,885	19,761,239,074	284,261,697,670	0
financial private sector	0	0	0	0	0	157,964,048,554
	4,584,915,341,831	357,553,077,472	4,374,323,965,823	332,032,519,407	4,203,228,277,483	293,401,495,738
Other contingencies	0	244,587,011,441	0	225,088,150,604	0	227,019,706,478
	4,584,915,341,831	602,140,088,913	4,374,323,965,823	557,120,670,011	4,203,228,277,483	520,421,202,216

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BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

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

	June 2025	December 2024	June 2024
Germany	¢ 398,056,519	2,502,767,927	1,356,768,624
Brazil	258,206,240	0	0
Chile	9,507,572,996	10,961,960,770	7,409,184,949
China	11,772,773,233	1,599,861,677	5,462,042,233
Colombia	7,785,911,925	7,501,832,103	2,538,085,163
Costa Rica	259,669,258,336	248,565,081,031	245,183,778,103
Denmark	2,923,021,717	743,458,500	1,425,562,637
Ecuador	68,325,037,765	69,416,617,599	86,353,332,571
El Salvador	90,991,596,281	93,717,184,202	87,716,980,847
Spain	14,745,948,182	16,071,486,984	16,321,122,578
United States of America	19,759,712,912	13,301,867,703	7,351,062,717
Guatemala	51,205,689,388	42,454,903,848	40,431,959,960
Honduras	35,578,649,582	25,589,795,937	1,356,768,624
Virgin British Islands	2,541,400,000	0	27,418,712,662
England	7,547,958,000	7,639,677,000	7,929,629,500
México	35,935,105,777	39,504,944,608	39,610,115,703
Nicaragua	5,063,250,748	5,849,285,368	6,809,159,045
Panamá	213,771,547,885	250,046,251,866	260,184,094,698
Peru	3,910,526,536	2,432,037,849	1,748,097,203
Portugal	116,904,400	0	0
Hong Kong	100,639,440	0	0
Dominican Republic	10,229,990,862	14,841,333,888	3,182,460,000
Singapore	59,825,313	58,096,924	22,206,092
Switzerland	8,015,602,076	8,189,061,555	8,547,517,491
Uruguay	102,672,560	0	0
Others *	8,342,862,740	8,792,158,029	4,246,375,073
	¢ <u>868,659,721,413</u>	<u>869,779,665,368</u>	<u>861,248,247,849</u>

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

	June 2024	December 2024	June 2024
Costa Rica	¢ <u>3,720,470,501,708</u>	<u>3,510,991,880,205</u>	<u>3,349,498,591,607</u>
	¢ <u>3,720,470,501,708</u>	<u>3,510,991,880,205</u>	<u>3,349,498,591,607</u>

As of June 30, 2025, the Bank keeps trust commissions in the amount of ¢375,709, (¢522,519 and ¢671,489 for December and June 2024, respectively).

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BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

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

		June 2025	December 2024	June 2024
Properties	¢	35,626,617,145	39,718,340,508	44,366,501,086
Other		522,893,146	148,670,417	159,094,282
	¢	<u>36,149,510,291</u>	<u>39,867,010,925</u>	<u>44,525,595,368</u>

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

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

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

		June 2025	December 2024	June 2024
Guarantee				
Pledged assets	¢	42,962,236,880	37,145,125,805	38,289,956,846
Fiduciary		545,639,533,961	544,493,900,879	480,411,706,766
Mortgage		1,785,332,126,543	1,718,598,297,229	1,697,732,802,577
Chattel		203,083,195,391	207,805,697,828	190,138,342,765
Others		2,007,898,249,055	1,866,280,944,082	1,796,655,468,529
	¢	<u>4,584,915,341,830</u>	<u>4,374,323,965,823</u>	<u>4,203,228,277,483</u>

As of June 30, 2025, 43% of the loan portfolio is secured by mortgage or chattel collaterals, (44% and 45% for December and June 2024, respectively).

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

As of June 30, 2025, 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.

BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

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

As of June 30, 2025:

	<u>Percentage</u>	<u>Band</u>	<u>Total value</u>	<u>N° customers</u>
1	0-4,99%	28,331,532,463	¢ 252,821,453,625	3,627
2	5-9,99%	56,663,064,927	1,162,797,528,630	413
3	10-14,99%	84,994,597,390	381,741,111,938	321
4	15-20%	113,326,129,854	192,253,212,771	41
Total			¢ 1,989,613,306,964	4,402

As of December 31, 2024:

	<u>Percentage</u>	<u>Band</u>	<u>Total value</u>	<u>N° customers</u>
1	0-4,99%	27,305,902,211	¢ 261,043,929,953	3,664
2	5-9,99%	54,611,804,422	1,058,119,706,046	396
3	10-14,99%	81,917,706,633	364,611,279,364	316
4	15-20%	109,223,608,845	205,312,390,325	45
Total			¢ 1,889,087,305,688	4,421

As of June 30, 2024:

	<u>Percentage</u>	<u>Band</u>	<u>Total value</u>	<u>N° customers</u>
1	0-4,99%	27,305,902,211	¢ 255,413,274,007	3,634
2	5-9,99%	54,611,804,422	897,087,165,484	381
3	10-14,99%	81,917,706,633	385,482,706,005	0
4	15-20%	109,223,608,845	182,281,411,349	38
Total			¢ 1,720,264,556,845	4,053

(b) Management of market and liquidity risk

Definitions

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

Liquidity risk arises when a financial institution is unable to meet its obligations to third parties due to insufficient cash flow. This risk may stem from mismatches between the maturity of asset recovery (lending operations) and the maturity of liabilities (borrowing operations), or from inadequate pricing mechanisms that prevent the conversion of an asset and/or liability into liquidity.

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

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BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

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.

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

Management methodology of market and liquidity risk

Two methodologies are used to measure exposure to price risk:

- Regulatory methodology: Conducted monthly using historical simulation, the results of which are weighted in the calculation of price risk associated with capital adequacy.
- 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 performance of the investment portfolio.

In terms of interest rates, the Bank exhibits sensitivity due to the mix of rates and terms, both in assets and liabilities. This sensibility is mitigated by means of the management of variable rates and the combination of terms monitored by internal models.

Furthermore, the management of operational liquidity risk is periodically evaluated by updating the Bank's six months projected cash flow and calculating the liquidity coverage indicator; the deadlines are prepared on a weekly basis. All liquidity risk indicators are calculated by currency. And structural liquidity through the Net Stable Funding Ratio (NSFR) indicator.

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

Tolerance limits and risk indicators

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

- Liquidity risk: Maximum expected outflow of deposits of the public, match at one- and three months match and liquidity coverage ratio (ICL) by currency as well as the Net Stable Funding Ratio (NSFR) indicator.
- Price risk: VaR of the Investment portfolio through internal and regulatory models.
- Exchange risk: Capital requirement for exchange risk, through internal models.

BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

- Interest rate risk: Sensitivity of the financial margin due to movements in reference interest rates.

These indicators include parameters of acceptability and limits that are approved by the General Board of Directors.

(c) Liquidity risk

Cash and cash equivalents show a year-over-year variation of -9.19%, mainly due to changes in cash, current accounts and demand deposits in foreign financial institutions, immediate collection documents, and investments in financial instruments held for trading (see cash and cash equivalents table in Note 4).

Demand deposits increase by 10.68% on a year-on-year basis, due to the increase in current account balances, savings deposits and other demand obligations with the public (see chart of demand obligations with the public in note 12).

Wholesale funding showed a year-over-year decrease of 23.74%, mainly in term obligations with the BCCR, accrued expenses for obligations with the BCCR, current accounts of domestic financial institutions (see table of obligations with financial institutions and the Central Bank in Note 14).

In the following table, the year-on-year results for the end of June 2025 are observed:

	June 2025	December 2024	June 2024
Liquidity coverage indicator (colones)	1.47	1.19	1.57
Liquidity coverage indicator (US dollars)	1.72	1.51	1.41
Regulatory limit	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>

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

Regulatory liquidity matches by currency and term		June 2025	December 2024	June 2024	
Indicator	Interpretation	Observation	Observation	Observation	Approved levels
1-month term matching US dollars	Ratio between assets and liabilities with account's volatility	1.75	1.79	1.95	Limit: 1.13
1-month term matching colones		2.81	1.69	2.58	Limit: 1.03
3-months term matching US dollars		1.46	1.31	1.31	Limit: 0.98
3-months term matching colones		<u>1.65</u>	<u>1.29</u>	<u>1.58</u>	Limit: 0.88

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

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

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

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BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

As of June 30, 2025

Assets	Demand	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	More than 365 days	Items overdue for more than thirty days	Total
Availabilities	¢ 261,394,654,186	0	0	0	0	0	75,316,108	0	261,469,970,294
Legal cash requirement BCCR	457,560,358,382	26,149,416,677	20,660,454,549	21,011,308,660	69,377,827,448	54,396,754,316	28,000,233,545	0	677,156,353,577
Investment in securities	455,806,193	182,338,659,230	33,586,831,489	14,632,805,216	89,610,647,645	247,147,774,790	1,057,072,261,905	0	1,624,844,786,468
Interest on investments	1,748,384	2,088,459,676	7,690,403,245	7,458,285,715	5,553,859,801	237,901,779	1,600,992,508	0	24,631,651,108
Loan portfolio	0	143,761,264,874	131,397,630,211	135,648,875,569	342,846,370,135	275,303,966,796	3,400,796,342,900	127,842,824,461	4,557,633,274,946
Interest on loan portfolio	0	10,004,218,199	1,117,666,527	484,738,868	2,148,602,027	429,091,586	8,872,319,260	44,647,673	23,101,284,140
	<u>¢ 719,412,567,145</u>	<u>364,342,018,656</u>	<u>194,452,986,021</u>	<u>179,272,014,028</u>	<u>509,537,307,056</u>	<u>577,515,489,267</u>	<u>4,496,417,466,226</u>	<u>127,887,472,134</u>	<u>7,168,837,320,533</u>
Liabilities									
Obligations with the public	¢ 3,479,459,551,170	241,936,800,851	208,468,052,802	172,229,241,003	563,616,507,393	522,329,173,454	343,695,680,781	0	5,531,735,007,454
Obligations with BCCR	0	0	0	0	0	0	0	0	0
Obligations with financial entities	75,735,338,372	189,436,258,918	106,544,164,815	49,753,328,830	99,713,050,372	121,969,740,715	75,828,596,356	0	718,980,478,378
Charges payable on obligations	1,678,155,913	4,914,183,150	4,367,416,628	3,879,650,602	5,573,982,201	4,925,724,528	2,886,677,580	0	28,225,790,602
	<u>3,556,873,045,455</u>	<u>436,287,242,919</u>	<u>319,379,634,245</u>	<u>225,862,220,435</u>	<u>668,903,539,966</u>	<u>649,224,638,697</u>	<u>422,410,954,717</u>	<u>0</u>	<u>6,278,941,276,434</u>
Asset-liability gap	<u>¢ (2,837,460,478,310)</u>	<u>(71,945,224,263)</u>	<u>(124,926,648,224)</u>	<u>(46,590,206,407)</u>	<u>(159,366,232,910)</u>	<u>(71,709,149,430)</u>	<u>4,074,006,511,509</u>	<u>127,887,472,134</u>	<u>889,896,044,099</u>

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 360 days	More than 365 days	Items overdue for more than thirty days	Total
Availabilities	¢ 244,682,098,424	0	0	0	0	0	192,880,601	0	244,874,979,025
Legal cash requirement 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
Investment in securities	272,039,551	240,336,825,560	7,332,276,292	31,813,665,438	100,742,364,002	171,849,514,729	1,246,903,174,660	0	1,799,249,860,232
Interest on investments	2,377,201	4,518,047,859	6,762,408,683	8,058,597,050	6,781,157,700	655,542,336	324,754,067	0	27,102,884,896
Loan portfolio	0	158,247,001,910	121,201,020,919	136,805,343,169	319,345,463,047	275,169,104,273	3,223,758,239,759	115,555,988,033	4,350,082,161,110
Interest on loan portfolio	0	9,403,060,762	618,855,975	587,386,723	2,147,619,898	519,726,593	2,129,013,638	7,122,642,270	22,528,305,859
	<u>¢ 718,126,257,776</u>	<u>441,613,417,337</u>	<u>161,069,140,466</u>	<u>196,604,326,756</u>	<u>469,018,246,100</u>	<u>497,010,514,022</u>	<u>4,505,671,159,480</u>	<u>122,678,630,303</u>	<u>7,111,791,692,240</u>
Liabilities									
Obligations with the public	¢ 3,437,828,981,237	190,827,263,323	196,007,603,788	156,726,305,033	343,170,438,429	469,589,795,635	359,082,137,229	0	5,153,232,524,674
Obligations with BCCR	0	161,929,838,016	0	0	0	0	0	0	161,929,838,016
Obligations with financial entities	25,023,399,217	375,403,858,587	112,994,697,039	54,877,701,125	103,307,170,442	143,980,093,222	73,055,376,253	0	888,642,295,885
Charges payable on obligations	3,791,218,101	6,096,203,265	8,546,828,629	2,870,752,031	4,469,658,407	3,760,564,806	2,398,727,930	0	31,933,953,169
	<u>3,466,643,598,555</u>	<u>734,257,163,191</u>	<u>317,549,129,456</u>	<u>214,474,758,189</u>	<u>450,947,267,278</u>	<u>617,330,453,663</u>	<u>434,536,241,412</u>	<u>0</u>	<u>6,235,738,611,744</u>
Asset-liability gap	<u>¢ (2,748,517,340,779)</u>	<u>(292,643,745,854)</u>	<u>(156,479,988,990)</u>	<u>(17,870,431,433)</u>	<u>18,070,978,822</u>	<u>(120,319,939,641)</u>	<u>4,071,134,918,068</u>	<u>122,678,630,303</u>	<u>876,053,080,496</u>

(Continued)

BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

As of June 30, 2024

Assets	Demand	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	More than 365 days	Items overdue for more than thirty days	Total
Availabilities	284,733,039,655	0	0	0	0	0	0	0	284,733,039,655
Legal cash requirement BCCR	422,989,481,419	26,787,807,992	20,047,877,340	19,127,993,210	66,395,848,712	40,836,652,214	37,429,847,349	0	633,615,508,236
Investment in securities	2,082,426,377	284,203,013,011	37,425,581,194	76,063,182,875	37,611,713,585	205,566,149,708	994,781,306,412	0	1,637,733,373,162
Interest on investments	2,169,632	7,971,696,927	6,252,229,934	4,618,666,112	5,718,847,651	266,752,610	479,605,542	0	25,309,968,408
Loan portfolio	0	160,078,480,697	109,382,529,893	102,236,483,898	315,865,740,970	246,248,436,930	3,128,160,847,241	119,761,036,843	4,181,733,556,472
Interest on loan portfolio	0	9,907,943,011	663,444,467	437,762,504	1,602,125,510	730,285,953	4,915,425,217	4,359,103,554	22,616,090,216
	709,807,117,083	488,948,941,638	173,771,662,828	202,484,088,599	427,194,276,428	493,648,277,415	4,165,767,031,761	124,120,140,397	6,785,741,536,149
Liabilities									
Obligations with the public	3,140,763,071,905	212,788,776,692	175,661,801,201	161,044,452,433	526,887,634,808	421,277,616,096	432,234,880,079	0	5,070,658,233,214
Obligations with BCCR	0	0	0	0	0	93,950,614,443	0	0	93,950,614,443
Obligations with financial Entities	430,536,041,593	190,340,118,028	12,170,007,646	39,593,721,470	22,558,476,665	25,466,292,279	27,683,309,137	0	31,467,556,349
Charges payable on obligations	11,535,952,721	4,271,563,424	3,255,758,443	2,509,263,862	3,160,878,267	5,697,739,453	1,036,400,179	0	748,347,966,818
	3,582,835,066,219	407,400,458,144	191,087,567,290	203,147,437,765	552,606,989,740	546,392,262,271	460,954,589,395	0	5,944,424,370,824
Asset-liability gap	(2,873,027,949,136)	81,548,483,494	(17,315,904,462)	(663,349,166)	(125,412,713,312)	(52,743,984,856)	3,704,812,442,366	124,120,140,397	841,317,165,325

(Continued)

BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

(d) Price risk of the portfolio

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

In the case of own funds, a concentration of 41,32% 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 following are the results of the VaR methodology-SUGEF 03-06, considering both portfolios:

	June 2025	December 2024	June 2024
VaR	1,597,964,964	1,097,076,397	13,886,549,828

The reduction in the price risk requirement is attributable to lower volatility of the instruments, a decrease in the market value of the investment portfolio, and adjustments in the Bank's investment strategy.

(e) Interest rate risk

The Bank has a credit portfolio, investments, and obligations with the public and with entities subject to variable interest rates which creates a risk both for cash flow and for the present value of financial instruments.

To manage this risk, the Bank applies a gap model that identifies the structure of interest rate-sensitive assets and liabilities. This model allows for sensitivity analysis under two scenarios:

- Base scenario: based on the monthly projections of Corporate Risk Management.
- Adverse scenario: based on interest rates reflecting a less likely but plausible behavior.

In applying these scenarios, the projected rate variations from the 2024 BUST were used.

The following are the results by currency:

		Results June 2025	Base scenario	Adverse scenario	Scenario +-100 pb	Scenario +-200 pb
Colones	Cumulative one-year gap	1,279,627.86	1,279,627.86	1,279,627.86	1,279,627.86	1,279,627.86
	TBP (one-year projection)	3.68%	4.04%	4.69%	4.91%	5.91%
	Impact on the margin	(2,933.51)	258.28	8,524.70	(+)-11,388.69	(+)-24,184.97
US dollars	Cumulative one-year gap	231,815.99	231,815.99	231,815.99	231,815.99	231,815.99
	Prime (one-year projection)	6.90%	6.23%	7.30%	8.50%	9.50%
	Impact on the margin	(1,381.62)	(2,951.37)	974.42	(+)-2,318.18	(+)-4,636.32

(Continued)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of June 30, 2025, interest rate terms for assets and liabilities are matched as follows:

	<u>Effective rate</u>	<u>1 to 30 days</u>	<u>31 to 90 days</u>	<u>91 to 180 days</u>	<u>181 to 360 days</u>	<u>361 to 720 days</u>	<u>More than 720 days</u>	<u>Total</u>
Colones								
Assets								
Investments	7.02%	¢ 30,533,995,030	39,815,920,921	87,814,867,181	194,418,095,017	74,377,840,847	866,339,213,600	1,293,299,932,596
Loan portfolio	8.18%	1,609,492,355,492	223,219,130,635	122,715,978,156	75,850,036,479	106,531,168,345	1,607,486,359,046	3,826,295,028,153
Total recovered assets (*)		<u>1,721,026,350,522</u>	<u>263,035,051,556</u>	<u>210,530,845,337</u>	<u>270,268,131,496</u>	<u>180,909,009,192</u>	<u>2,473,825,572,646</u>	<u>5,119,594,960,749</u>
Liabilities								
Obligations with the public		138,993,025,429	243,653,880,229	415,164,283,213	301,111,102,032	87,990,122,623	43,545,824,952	1,230,458,238,478
Obligations with financial entities	3.03%	13,825,138,776	57,269,128,047	16,003,964,865	38,469,687,922	2,152,099,796	0	127,720,019,406
Total matured liabilities (*)		<u>152,818,164,205</u>	<u>300,923,008,276</u>	<u>431,168,248,078</u>	<u>339,580,789,954</u>	<u>90,142,222,419</u>	<u>43,545,824,952</u>	<u>1,358,178,257,884</u>
Assets and liabilities spread		¢ <u>1,568,208,186,317</u>	<u>(37,887,956,720)</u>	<u>(220,637,402,741)</u>	<u>(69,312,658,458)</u>	<u>90,766,786,773</u>	<u>2,430,279,747,694</u>	<u>3,761,416,702,865</u>
Dollars								
Assets								
Investments	3.21%	¢ 146,911,500,631	43,244,736,769	32,158,420,174	46,992,633,442	22,288,954,754	76,719,493,824	368,315,739,594
Loan portfolio	7.30%	254,762,868,527	51,759,646,293	50,739,015,986	41,629,584,936	70,559,046,661	614,116,341,089	1,083,566,503,492
Total recovered assets (*)		<u>401,674,369,158</u>	<u>95,004,383,062</u>	<u>82,897,436,160</u>	<u>88,622,218,378</u>	<u>92,848,001,415</u>	<u>690,835,834,913</u>	<u>1,451,882,243,086</u>
Liabilities								
Obligations with the public		59,843,574,583	79,555,502,764	92,238,923,538	113,181,966,707	22,059,853,708	17,718,933,742	384,598,755,042
Demand obligations	0.30%	195,469,660,326	27,041,807,177	98,650,225,193	97,669,766,148	71,564,393,287	61,194,860,924	551,590,713,055
Obligations with financial entities	2.32%	(17,291,335,312)	13,945,332,833	667,966,967	27,289,917,723	1,876,680,189	18,305,138,993	44,793,701,393
Total matured liabilities (*)		<u>45,552,239,271</u>	<u>93,500,835,597</u>	<u>92,906,890,505</u>	<u>140,471,884,430</u>	<u>23,936,533,897</u>	<u>36,024,072,735</u>	<u>429,392,456,435</u>
Assets and liabilities spread		¢ <u>359,122,129,887</u>	<u>1,503,547,465</u>	<u>(10,009,454,345)</u>	<u>(51,849,666,052)</u>	<u>68,911,467,518</u>	<u>654,811,762,178</u>	<u>1,022,489,786,651</u>

(Continued)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

	<u>Effective rate</u>	<u>1 to 30 days</u>	<u>31 to 90 days</u>	<u>91 to 180 days</u>	<u>181 to 360 days</u>	<u>361 to 720 days</u>	<u>More than 720 days</u>	<u>Total</u>
Colones								
Assets								
Investments	6.48%	¢ 106,082,184,808	37,927,871,661	102,762,404,539	98,160,651,151	268,281,824,388	821,891,096,630	1,435,106,033,177
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 (*)		1,680,039,345,782	183,583,587,765	224,491,494,627	175,415,592,866	374,653,041,937	2,384,135,557,841	5,019,318,620,818
Liabilities								
Obligations with the public		160,442,873,338	222,464,847,361	218,143,664,693	252,411,846,336	109,542,052,642	48,136,320,570	1,011,141,604,940
Obligations with financial entities	4.11%	128,043,154,432	123,508,508,911	22,944,495,838	7,870,710,798	132,329,512	0	282,499,199,491
Total matured liabilities (*)		363,505,818,131	345,973,356,272	241,088,160,531	260,282,557,134	109,674,382,154	48,136,320,570	1,368,660,594,792
Assets and liabilities spread		¢ 1,316,533,527,651	(162,389,768,507)	(16,596,665,904)	(87,866,964,268)	264,978,659,783	2,335,999,237,271	3,650,658,026,026
Dollars								
Assets								
Investments	4.91%	¢ 127,626,189,943	15,426,867,262	118,772,062,118	89,052,905,031	258,009,812,260	654,601,043,463	1,263,488,880,077
Loan portfolio	7.29%	244,082,510,609	54,673,620,152	43,860,030,220	38,793,955,709	65,829,135,169	662,737,435,430	1,109,976,687,289
Total recovered assets (*)		371,708,700,552	70,100,487,414	162,632,092,338	127,846,860,740	323,838,947,429	1,317,338,478,893	2,373,465,567,366
Liabilities								
Obligations with the public		64,791,029,879	86,292,290,307	78,412,337,677	72,070,537,689	29,657,587,619	14,244,895,512	345,468,678,683
Demand obligations	0.46%	341,537,571	40,578,208	192,830,492	278,386,767	123,661,060	123,900,037	1,100,894,135
Obligations with financial entities	4.05%	(17,092,123,849)	1,020,007,320	677,894,331	1,298,976,341	1,840,965,299	19,801,845,932	7,547,565,374
Total matured liabilities (*)		47,698,906,030	87,312,297,627	79,090,232,008	73,369,514,030	31,498,552,918	34,046,741,444	353,016,244,057
Assets and liabilities spread		¢ 324,009,794,522	(17,211,810,213)	83,541,860,330	54,477,346,710	292,340,394,511	1,283,291,737,449	2,020,449,323,309

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BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of June 30, 2024, interest rate terms for assets and liabilities are 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>
Colones								
Assets								
Investments	6.37%	¢ 165,327,770,249	75,694,850,870	29,166,130,780	173,470,380,716	371,677,167,866	460,979,145,061	1,276,315,445,542
Loan portfolio	8.59%	1,499,836,083,007	135,320,088,539	104,822,546,157	49,237,920,293	91,058,949,929	1,449,654,403,405	3,329,929,991,330
Total recovered assets (*)		1,665,163,853,256	211,014,939,409	133,988,676,937	222,708,301,009	462,736,117,795	1,910,633,548,466	4,606,245,436,872
Liabilities								
Obligations with the public		146,845,510,736	208,363,259,838	397,030,716,622	219,784,642,696	124,436,181,851	60,043,498,612	1,156,503,810,355
Obligations with financial entities	2.17%	43,978,792,273	25,286,988,728	22,435,227,288	117,861,668,760	5,601,259	0	209,568,278,308
Total matured liabilities (*)		190,833,899,227	233,650,248,566	419,465,943,910	337,646,311,456	124,441,783,110	60,043,498,612	1,366,072,088,663
Assets and liabilities spread		¢ 1,474,329,954,029	(22,635,309,157)	(285,477,266,973)	(114,938,010,447)	338,294,334,685	1,850,590,049,854	3,240,173,348,209
Dollars								
Assets								
Investments	4.62%	¢ 101,542,322,198	81,317,325,210	25,186,239,875	27,565,590,405	78,561,833,679	52,259,058,228	366,432,369,595
Loan portfolio	7.71%	245,129,312,008	41,310,841,534	60,256,862,372	37,981,175,884	61,379,642,710	660,509,109,651	1,106,566,944,159
Total recovered assets (*)		346,671,634,206	122,628,166,744	85,443,102,247	65,546,766,289	139,941,476,389	712,768,167,879	1,472,999,313,754
Liabilities								
Obligations with the public		53,148,970,271	77,815,964,237	101,509,554,131	81,929,184,809	19,983,259,726	14,236,404,285	348,623,337,459
Demand obligations	0.31%	178,814,740,698	50,924,351,689	43,703,550,443	127,573,997,854	106,720,958,407	51,781,296,936	559,518,896,027
Obligations with financial entities	3.03%	(14,887,253,352)	27,265,394,785	910,188,047	2,051,678,449	1,886,521,818	21,664,951,035	38,891,480,782
Total matured liabilities (*)		38,261,716,919	105,081,359,022	102,419,742,178	83,980,863,258	21,869,781,544	35,901,355,320	387,514,818,241
Assets and liabilities spread		¢ 308,409,917,287	17,546,807,722	(16,976,639,931)	(18,434,096,969)	118,071,694,845	676,866,812,559	1,085,484,495,513

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BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Within the gap report (rate-sensitive assets and liabilities) in local currency, a total difference of asset recovery less maturity of liabilities as of June 30, 2025, for ₡3,761,416,702,865 (₡3,542,948,688,856 and ₡3,240,173,348,209 for December and June 2024, respectively) while in foreign currency the same difference is of ₡1,022,489,786,6, (₡1,983,214,040,539 and ₡1,085,484,495,513 for December and June 2024, respectively) being an improved inference in the balance sheet due to positive changes in interest rates, since the entity presents more assets than liabilities in both currencies. Regarding term matching (sum of liquidity of assets and liabilities), as of December 31, 2024, the total amount in local currency was of ₡889,896,044,099, (₡876,053,080,496 and ₡841,317,165,325, for December and June 2024, respectively) while in foreign currency, the collected data for the compliance of obligations was of US\$277,331,738, (US\$354,673,724 and US\$365,370,574 for December and June 2024, respectively) which 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 minority Euros.

These currencies experience 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 flow of the entity.

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

To comply with the Own Position in Foreign Currency, the Treasury Management had to maintain a positive position in foreign currency, reaching US\$75.03 million as of June 2025 (US\$164 million and US\$170 million for December and June 2024, respectably), given that the appetite for the ratio of position in foreign currency (PME) to base capital (CB) decreased.

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

		<u>June</u> <u>2025</u>	<u>December</u> <u>2024</u>	<u>June</u> <u>2024</u>
Assets:				
Cash and due from banks	US\$	542,020,655	490,150,174	497,632,083
Investments in financial instruments		683,180,973	721,534,963	680,766,467
Loan portfolio				
Accounts and accrued interest receivable		3,235,014,518	3,185,264,269	3,069,006,949
Investments in other companies		3,477,111	6,714,075	4,126,984
Other		12,297,003	17,834,734	11,421,115
Total assets		<u>4,475,990,266</u>	<u>4,421,498,215</u>	<u>4,262,953,598</u>
Liabilities:				
Obligations with the public		3,321,531,135	3,097,891,481	3,011,168,044
Other financial obligations		963,451,099	1,057,008,606	983,624,224
Other account payable and provisions		38,463,301	35,189,067	33,624,119
Other liabilities		12,875,400	17,382,870	10,147,194
Total liabilities		<u>4,336,320,935</u>	<u>4,207,472,024</u>	<u>4,038,563,581</u>
Net position	US\$	<u><u>139,669,331</u></u>	<u><u>214,026,191</u></u>	<u><u>224,390,017</u></u>

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BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The valuation of monetary assets and liabilities in foreign currency is carried out with reference to the purchase exchange rate set by the BCCR, the last business day of each month for June 30, 2025, the exchange rate of ¢ 508.28 for US \$1.00 (¢512.75 and ¢528.80 for December and June 2024, respectively) was used.

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

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

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

Sensitivity to an increase in the exchange rate

		June 2025	December 2024	June 2024
Net position	US\$	139,669,330	214,026,191	224,390,016
Closing exchange rate		508.28	512.73	530.41
Increase in the exchange rate by 5%		25.41	25.64	26.52
Profit	¢	<u>3,548,997,675</u>	<u>5,487,631,537</u>	<u>5,950,823,224</u>

Sensitivity to a decrease in the exchange rate

		June 2025	December 2024	June 2024
Net position	US\$	139,669,330	214,026,191	224,390,016
Closing exchange rate		508.28	512.73	530.41
Decrease in the exchange rate of 5%		(25.41)	(25.64)	(26.52)
Loss	¢	<u>(3,548,997,675)</u>	<u>(5,487,631,537)</u>	<u>(5,950,823,224)</u>

Assets and liabilities in Euros are detailed as follows:

		June 2025	December 2024	June 2024
Assets:				
Cash and due from banks	EUR€	8,860,717	6,981,872	9,957,508
Other assets		80	13,425	100
Total assets		<u>8,860,797</u>	<u>6,995,297</u>	<u>9,957,608</u>
Liabilities:				
Obligations with the public		6,210,700	6,774,642	6,870,712
Other financial obligations		1,019,834	1,077,843	1,168,302
Other accounts payable and provisions		28,118	27,334	23,909
Other liabilities		491	(1,951)	7,182
Total liabilities		<u>7,259,143</u>	<u>7,877,868</u>	<u>8,070,105</u>
Net position (excess of monetary assets over monetary liabilities)	EUR€	<u>1,601,654</u>	<u>(882,571)</u>	<u>1,887,503</u>

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BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of June 30, 2025, in compliance with SUGEF's regulations, the terms matching the most important US dollars (US\$) accounts are as follows:

Assets		Demand	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 365 days	More than 365 days	More than 30 days past due	Total
Cash and due from banks	US\$	225,837,654	0	0	0	0	0	50,000	0	225,887,654
Cash Reserve- BCCR		209,917,595	15,786,411	12,196,524	8,598,018	30,686,807	29,862,429	9,202,642	0	316,250,426
Investments		403,454	302,439,675	35,834,274	23,289,768	35,544,659	90,832,832	192,838,698	0	678,183,360
Interest on investments		2,833	1,602,720	584,310	1,438,264	1,075,217	8,012	1,034,020	0	5,745,376
Loan portfolio		0	163,133,683	176,954,253	175,366,104	511,450,972	332,456,831	1,887,204,988	79,883,685	3,326,450,516
Interest on loans		0	5,188,546	1,810,394	785,214	2,880,591	809,087	7,638,573	68,888	19,181,293
		436,161,536	488,151,035	227,379,755	209,477,368	578,638,246	453,969,191	2,097,968,921	79,952,573	4,571,698,625
Liabilities										
Obligations with public		1,697,244,729	210,032,028	197,908,104	94,618,396	319,577,380	454,468,175	333,904,004	0	3,307,752,816
Obligations with financial entities		83,239,058	213,692,449	115,239,982	80,260,482	165,302,972	165,292,735	140,462,135	0	963,489,813
Charges payable		288,042	3,472,965	2,898,404	2,234,019	5,217,466	4,695,661	4,317,701	0	23,124,258
		1,780,771,829	427,197,442	316,046,490	177,112,897	490,097,818	624,456,571	478,683,840	0	4,294,366,887
Assets and liabilities spread	US\$	(1,344,610,293)	60,953,593	(88,666,735)	32,364,471	88,540,428	(170,487,380)	1,619,285,081	79,952,573	277,331,738

As of December 31, 2024, in compliance with SUGEF's regulations, the terms matching the most important US dollars (US\$) accounts are as follows:

Assets		Demand	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 365 days	More than 365 days	More than 30 days past due	Total
Cash and due from banks	US\$	193,292,881	0	0	0	0	0	354,730	0	193,647,611
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		258,773	270,932,065	2,637,203	40,903,164	19,145,968	147,054,815	235,644,721	0	716,576,709
Interest on investments		2,894	1,635,039	285,070	1,260,179	1,234,311	883,911	333,279	0	5,634,683
Loan portfolio		0	209,596,456	158,549,656	209,727,468	480,224,185	311,016,200	1,840,052,536	81,892,102	3,291,058,603
Interest on loans		0	4,605,486	679,573	999,444	2,815,738	961,282	4,141,827	5,629,121	19,832,471
		394,851,366	503,193,166	176,204,530	261,846,153	523,510,105	485,506,333	2,090,817,839	87,521,223	4,523,450,715
Liabilities										
Obligations with public		1,706,231,685	92,606,830	139,670,475	106,335,791	267,844,557	435,794,066	334,213,262	0	3,082,696,666
Obligations with financial entities		(25,472,744)	352,861,655	98,502,315	79,982,786	158,018,866	265,056,218	135,020,737	0	1,063,969,833
Charges payable		793,164	5,369,901	2,547,631	2,516,545	3,537,016	4,025,816	3,320,419	0	22,110,492
		1,681,552,105	450,838,386	240,720,421	188,835,122	429,400,439	704,876,100	472,554,418	0	4,168,776,991
Assets and liabilities spread	US\$	(1,286,700,739)	52,354,780	(64,515,891)	73,011,031	94,109,666	(219,369,767)	1,618,263,421	87,521,223	354,673,724

(Continued)

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

As of June 30, 2024, 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\$	205,043,462	0	0	0	0	0	0	0	205,043,462
Cash reserve- BCCR		195,578,875	14,073,478	10,835,372	9,408,597	26,530,969	21,472,906	14,846,649	0	292,746,846
Investments		246,008	243,328,737	51,382,507	43,973,270	42,712,935	51,405,859	241,022,504	0	674,071,820
Interest on investments		1,771	1,599,679	880,148	2,844,648	732,245	300,635	676,083	0	7,035,209
Loan portfolio		0	207,654,105	150,545,560	141,068,802	451,713,153	294,731,595	1,841,675,588	88,535,199	3,175,924,002
Interest on loans		0	5,546,271	838,391	721,983	1,622,863	1,361,482	9,263,862	0	19,354,852
		<u>400,870,116</u>	<u>472,202,270</u>	<u>214,481,978</u>	<u>198,017,300</u>	<u>523,312,165</u>	<u>369,272,477</u>	<u>2,107,484,686</u>	<u>88,535,199</u>	<u>4,374,176,191</u>
Liabilities										
Obligations with public		1,540,978,727	135,967,872	134,867,170	109,547,673	275,082,767	392,363,170	409,187,656	0	2,997,995,035
Obligations with financial										
Entities		727,569,273	157,094,273	404,120	50,731,087	1,557,324	4,297,432	44,120,270	0	985,773,779
Charges payable		18,793,172	1,187,965	783,039	1,351,878	1,152,470	1,210,767	557,512	0	25,036,803
		<u>2,287,341,172</u>	<u>294,250,110</u>	<u>136,054,329</u>	<u>161,630,638</u>	<u>277,792,561</u>	<u>397,871,369</u>	<u>453,865,438</u>	<u>0</u>	<u>4,008,805,617</u>
Assets and liabilities spread	US\$	<u>(1,886,471,056)</u>	<u>177,952,160</u>	<u>78,427,649</u>	<u>36,386,662</u>	<u>245,519,604</u>	<u>(28,598,892)</u>	<u>1,653,619,248</u>	<u>88,535,199</u>	<u>365,370,574</u>

(Continued)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

As of June 30, 2025, the financial statements show a net foreign exchange loss of ¢7,896,593,444, (¢15,307,631,261 and ¢7,556,960,746 net loss for December and June 2024, respectively

(g) Capital Management

The Capital Management Process in the BCR Financial Conglomerate is analyzed 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 2025, the liquidity risk requirement decreased compared to 2024, as a result of a methodological change aimed at aligning with best international practices.

(h) Systemic risk

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

The size of the BCR Financial Conglomerate is according to assets of the most updated data, equivalent to the end of June 2025 of 14.79% 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 in 2023 a sixth dimension is added that correlates the previous five that acts transversally on the other dimensions.

(i) Operational risk management

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

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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 the following table are fed with the reports of materialized events recorded by the different offices of the Bank, which is consolidated, complying with the provisions of SUGEF Agreement 2-10 Regulations for comprehensive risk management.

Gross operating losses

- Percentage distribution by type of risk-

Gross operating losses				
- Percentage distribution by type of risk-				
Type of operational risk	Accumulated	June	December	June
	gross losses			
	2025	2025	2024	2024
Clients, products, and business practices	4,325,472	1.98%	0.22%	21.70%
Execution, delivery, and management of processes	500,550	0.23%	0.62%	10.73%
External fraud	155,879,374	71.34%	76.22%	47.38%
Internal fraud	0	0.00%	0.00%	0.00%
Business interruption and system failures	51,305,306	23.48%	22.94%	11.53%
Labor relations and safety in the workplace	6,494,292	2.97%	0.00%	8.67%
Total	€ 218,504,994	100.00%	100.00%	100.00%

Source: Operational Risk Unit

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.

As shown in the previously presented table, the amounts corresponding to operational losses from external fraud were higher during the period from April to June 2025. However, as part of the mitigation measures adopted, the BINs of the compromised cards were incorporated into the 3DS system, and the affected cards were replaced during that period. Preventive actions continue to be applied on a regular basis.

(Continued)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(j) Information security and IT Risk

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

- Execution of evaluations: These are carried out through a process aligned with international best practices, such as the ISO 31000 standard. In addition, strict follow-up is conducted on the treatment actions resulting from these assessments.
- Definition of risk appetite declaration: Information security and IT risk indicators are developed and monitored to support the achievement of both IT and business strategic objectives.
- Technology risk profile management: In compliance with SUGEF guidelines, the entity's risk profile is defined and regularly updated, ensuring alignment with the previously established risk tolerance level.
- Regulatory framework update: In accordance with regulatory bodies and internal policies, the regulatory framework is reviewed and updated at least once a year.
- Risk strategy formulation: A comprehensive strategy is designed to anticipate, prepare for, and effectively respond to events that may impact the achievement of institutional objectives.
- Maturity assessment: It is carried out annually to gain a clear understanding of the current state of the process, identify strengths and opportunities for improvement, align with standards and regulations, justify resources to the senior management, and strengthen the organizational risk culture.
- Process automation and continuous improvement: Technological tools are implemented to automate the execution of assessments, the follow-up of treatment plans, and the monitoring of indicators, with the aim of increasing the coverage and agility of the process.

Evaluations related to requirements under the PCI DSS (Payment Card Industry Data Security Standard) processes, projects, applications, strategy, services, platforms, hiring, criteria and IT security are included in the annual work plan. 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 monitoring of risk assessments and indicators, corrective actions are implemented in response to deviations from the parameters defined in the risk appetite. These actions are agreed upon jointly with the areas responsible, promoting continuous improvement of the process.

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

(Continued)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

All of the above is carried out in compliance with current prudential regulations and international standards, enabling the Corporate Risk Management Office to contribute to the achievement of institutional strategic objectives and reduce the likelihood of significant impacts on the services provided to clients.

(k) Business Continuity

The Corporate Risk Management Office oversees the Business Continuity Management System (hereinafter BCMS) of the BCR Financial Conglomerate, for which a regulatory framework has been established. This framework is reviewed and updated periodically to reflect organizational changes.

The BCMS is composed of six phases: Business Impact Analysis (BIA), continuity risk analysis, continuity strategies, development of continuity plans, training and awareness on the plans, and testing. In addition, the system includes a defined structure for response and crisis management, both at the business level and for technological services.

The Business Impact Analysis phase was updated in 2023, based on the conglomerate's process map. As of June 2025, a total of 309 active processes has been recorded. After applying the prioritization methodology, 44 processes were identified as critical (14.25%), and 265 as non-critical (85.75%).

Critical Processes of CFBCR

Processes of BCRFC	Number	Percentage
Critical	44	14.25%
Non-critical	265	85.75%
Total	309	100%

As a result of the above analysis, the recovery priority of the processes was determined based on the criticality of their activities, as detailed in the following table.

Classification of Critical Processes of the BCRFC

Critical Processes	Number	Percentage
High	7	15.90%
Medium	37	84.10%
Total	44	100%

(Continued)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Business Impact Analysis (BIA) within Financial Conglomerate BCR constitutes one of the fundamental pillars for business continuity and is one of the most critical stages of the Business Continuity Management System (BCMS). This analysis provides key information about the organization's operations, and its results guide efforts, plans, and strategies to ensure that operations can continue even in the face of disruptive events.

Business Continuity Testing

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

Finally, in terms of managing the risk of money laundering, financing 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 knowledge policies and 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.

(m) Management of Regulatory Risk and Compliance

Regulatory risk and compliance management in the Financial Conglomerate (BCRFC) seeks to ensure that all its entities operate ethically and legally, complying with laws, regulations, internal policies, codes of conduct, and other applicable provisions. An organizational culture based on transparency and continuous improvement is promoted.

In other words, regulatory risk and compliance management in the BCRFC has the following main objectives:

- Ensure that all entities within the financial conglomerate act with integrity and in accordance with the law. This means complying with all established standards and regulations, both internal and external.
- Promote a strong organizational culture. This involves fostering transparency, accountability, and continuous improvement in all operations of the conglomerate.
- Comply with all applicable laws, regulations, internal policies, codes of conduct, and other provisions. This ensures that the BCRFC operates ethically and responsibly.

In summary, the BCRFC strives to create an environment where legality, ethics, and transparency are fundamental pillars of its operations.

(Continued)

BANCO DE COSTA RICA AND SUBSIDIARIES

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Implemented actions

1. Periodic compliance and risk management assessments: Systematic evaluations and self-assessments are carried out to identify gaps in relation to applicable external regulations. These allow for the assessment of the effectiveness of existing controls, the establishment of action plans, and the monitoring of their execution. This process contributes to strengthening the compliance management system and reinforcing a culture of integrity.
2. Regulatory integration into internal processes: The conglomerate has a structured mechanism in place to incorporate new regulatory provisions and normative updates into its operational processes. This integration ensures alignment with current standards and supports a zero-tolerance policy toward non-compliance, guaranteeing that functions, activities, and operational decisions remain within the regulatory framework.
3. Supervision of hiring and procurement processes: Specific reviews are applied to the hiring processes of personnel, suppliers, and strategic partners. These evaluations aim to verify compliance with the legal, ethical, and regulatory requirements established by the conglomerate, and to mitigate risks related to conflicts of interest, integrity, and reputation.

In compliance with these actions for the close of the first half of June 2025, the following stands out: the execution of 39 risk assessments related to internal and external regulations applicable to the Bank, as well as the monitoring of the integration of regulations issued by supervisory bodies. These include SUGEF Agreement 10-07 on the Regulation for the Disclosure of Information and Advertising of Financial Products and Services, CONASSIF 5-24 on the General Regulation of Corporate Governance and Information Technology Management, and Chapter IV of SUGEF Agreement 2-10 regarding the Assessment of ESG Risks, among others. Additionally, active participation is taking place in audit AUD-0024-2025 regarding the regulatory changes in the Law for the Protection of Individuals related to the Processing of their Personal Data No. 8968.

These actions reflect the commitment of the Regulatory Risk Unit 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 on 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.

(Continued)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Actions and results

1. Monitoring 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, in accordance with the provisions of Law 9986 and its regulations, by the end of the semester, 42 evaluations of public procurement processes were carried out 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, 69 contracts with critical suppliers were executed, identifying 204 risks and 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.

(Continued)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

40). Situation of the Development Financing Fund

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

**DEVELOPMENT FINANCING FUND
STATEMENT OF FINANCIAL POSITION**

For the period ended June 30, 2025

Financial Information

(In colones without cents)

	<u>June 2025</u>	<u>December 2024</u>	<u>June 2024</u>
ASSETS			
Available	€ 0	0	3,499,530,917
Cash	0	0	3,499,530,917
Investment in financial instruments	2,500,277,778	4,600,492,217	1,500,593,772
At fair value through profit or loss	0	0	1,500,593,772
At fair value through other comprehensive income	2,500,277,778	0	0
At amortized cost	0	4,600,492,217	0
Loan portfolio	€ 54,178,242,725	47,268,427,468	44,753,205,119
Current loans	49,931,063,978	42,388,299,850	40,741,348,097
Past due loans	4,327,211,246	5,158,050,993	4,181,656,082
Loans on legal collection	589,938,140	339,694,497	437,827,953
(Deferred income loan portfolio)	(539,206,990)	(474,765,679)	(450,287,913)
Interest receivable	179,644,452	167,599,365	153,285,114
(Allowance for impairment)	(310,408,101)	(310,451,558)	(310,624,214)
Accounts and fees receivable	886,483	970,744	0
Other accounts receivable	2,788,697	2,473,990	0
(Allowance for impairment)	(1,902,214)	(1,503,246)	0
Other assets	28,367,809	30,900,441	26,894,563
Other assets	28,367,809	30,900,441	26,894,563
Total assets	€ <u>56,707,774,794</u>	<u>51,900,790,870</u>	<u>49,780,224,371</u>
Liabilities			
Obligations with entities	194	0	0
Other obligations with entities	194	0	0
Accounts payable and provisions	€ 2,236,584,531	1,039,879,012	191,532,799
Other sundry accounts payable	243,124,180	1,039,879,012	191,532,799
Non-interest-bearing checking accounts from domestic financial institutions	1,993,460,351		
Other liabilities	286,313,365	249,503,438	16,521,970
Other liabilities	286,313,365	249,503,438	16,521,970
Total liabilities	€ <u>2,522,898,090</u>	<u>1,289,382,450</u>	<u>208,054,769</u>
Equity			
Adjustments to equity - Other comprehensive income	53,678,819,200	34,671,365,413	48,866,249,077
Accumulated results from previous period	0	14,194,883,664	0
Result of current period	506,057,505	1,745,159,343	705,920,525
Debit contingent accounts	€ <u>54,184,876,705</u>	<u>50,611,408,420</u>	<u>49,572,169,602</u>
Other debit memoranda accounts	€ <u>56,707,774,795</u>	<u>51,900,790,870</u>	<u>49,780,224,371</u>
Debit contingent accounts	€ 0	1,111,500	1,111,500
Other debit memoranda accounts	€ 5,856,227,064	4,992,802,732	2,416,022,402

(Continued)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

DEVELOPMENT FINANCING FUND

STATEMENT OF INCOME

For the period ended June 30, 2025

Financial Information

(In colones without cents)

	June 2025	June 2024	Quarter from April 1 to June 30	
			2025	2024
Financial income				
For investments in financial instruments	¢ 696,006,229	16,572,939	31,722,544	16,572,939
For loan portfolio	1,126,550,756	1,325,429,143	568,607,372	662,212,009
For profit on exchange differences	1,5569,713	0	0	0
Total financial income	1,197,116,698	1,342,002,082	600,329,916	678,784,948
Financial expenses				
For losses on exchange differences	0	474,299	0	(1,332,496)
Total financial expenses	0	474,299	0	(1,332,496)
For allowance of asset impairment	2,003,554	0	1,203,948	0
For recovery of assets and decrease in estimates and provisions	1,604,586	121,825	750	(920,438)
Financial result	1,196,717,730	1,341,649,608	599,126,718	679,197,006
Other operating income				
For other operating income	3,026,328	1,985,807	2,591,475	344,946
Foreign exchange and other arbitrage gains/losses	55,135	0	24,814	0
For services commissions	19,578,910	14,430,921	10,139,280	8,113,942
Recovery of liquid financial assets	298,166	0	0	0
Total Other Operating Income	22,958,539	16,416,728	12,755,569	8,458,888
Other Operating Expenses				
Foreign exchange and other arbitrage gains/losses	201,414	0	128,426	0
For Other Operating Expenses	713,417,350	652,145,811	158,806,496	310,623,455
Total Other Operating Expenses	713,618,764	652,145,811	158,934,922	310,623,455
Profit for the period	506,057,505	705,920,525	452,947,365	377,032,439

(Continued)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Loan Portfolio of the Development Financing Fund

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

a) Loan portfolio by sector

	June 2025	December 2024	June 2024
Activity			
Artistic, entertainment and recreative activities	¢ 156,775,891	45,411,637	50,936,705
Health care and social assistance activities	130,592,926	138,683,644	146,495,955
Administrative and support services activities	922,555,165	816,026,664	749,412,490
Professional, scientific and technical activities	246,727,245	212,631,331	170,947,500
Agriculture, livestock, hunting and related services	9,557,576,995	8,932,952,684	8,155,291,604
Public administration	187,922,985	16,917,841	0
Fishing and aquaculture	1,987,186,945	945,741,589	1,073,053,373
Wholesale and retail trade, repair of motor vehicles and motorcycles	20,496,638,437	20,275,181,200	20,686,929,081
Services	17,506,479,165	14,138,818,684	12,042,916,658
Transportation	1,622,671,986	1,173,410,745	1,058,188,533
Financial and stock exchange activities	0	2,108,560	98,786,195
Real estate, business, and lease activities	80,331,149	92,954,102	110,028,213
Construction	716,952,839	581,211,912	641,661,763
Hospitality	1,235,801,639	513,994,747	376,184,062
	54,848,213,364	47,886,045,340	45,360,832,132
Plus: interest receivable	179,644,452	167,599,365	153,285,114
Less deferred income in loan portfolio	(539,206,990)	(474,765,679)	(450,287,913)
Allowance for impairment	(310,408,101)	(310,451,558)	(310,624,214)
	¢ <u>54,178,242,725</u>	<u>47,268,427,468</u>	<u>44,753,205,119</u>

b) Loan portfolio by arrears:

The loan portfolio by arrears is detailed as follows:

	June 2025	December 2024	June 2024
Up to date	¢ 49,931,063,978	42,388,299,850	40,741,348,097
From 1 to 30 days	2,251,485,902	3,392,225,054	2,406,392,793
From 31 to 60 days	866,114,649	680,977,821	921,998,419
From 61 to 90 days	382,481,641	465,351,169	370,848,569
From 91 to 120 days	421,369,763	184,295,437	145,604,629
From 121 to 180 days	134,479,175	100,303,305	103,754,600
Over 180 days	271,280,116	334,898,207	233,057,072
Legal collection	589,938,140	339,694,497	437,827,953
	¢ <u>54,848,213,364</u>	<u>47,886,045,340</u>	<u>45,360,832,132</u>

(Continued)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

c) Past due loans

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

	June 2025	December 2024	June 2024
Number of operations	206	154	76
Past due loans in non- accrual status of interest	¢ <u>861,218,256</u>	<u>674,592,704</u>	<u>670,885,025</u>
Past due loans for which interest is recognized	¢ 4,055,931,130	4,823,152,786	3,948,599,010
Total unearned interest	¢ 26,506,925	22,592,639	22,293,120

Loans on legal collection as of June 30, 2025:

<u># operations</u>	<u>Percentage</u>	<u>Balance</u>
143	1.08%	¢ <u>589,938,140</u>

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>

Loans on legal collection as of June 30, 2024:

<u># operations</u>	<u>Percentage</u>	<u>Balance</u>
21	0.97%	¢ <u>437,827,953</u>

d) Interest receivable on loan portfolio

Interest receivable is as follows:

	June 2025	December 2024	June 2024
Current loans	¢ 96,026,215	95,436,011	91,109,526
Past due loans	42,099,140	55,958,035	49,168,460
Loans in judicial collection	41,519,097	16,205,319	13,007,128
	¢ <u>179,644,452</u>	<u>167,599,365</u>	<u>153,285,114</u>

(Continued)

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

e) Allowance for bad loans

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

Opening balance 2025	¢	310,451,558
Plus:		
Adjustment for exchange differences		314,068
Less:		
Adjustment for exchange differences		(357,525)
Balance as of June 30, 2025	¢	310,408,101

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

Opening balance 2024	¢	310,589,741
Plus:		
Allowance charged to results		(944,866)
Adjustment for exchange differences		1,177,385
Less:		
Adjustment for exchange differences		(255,411)
Reversal of allowance against income		57,365
Balance as of June 30, 2024	¢	310,624,214

f) Loan portfolio by type of guarantee:

The loan portfolio by type of guarantee is as follows:

Guarantee		June	December	June
		2025	2024	2024
Fiduciary	¢	422,390,957	264,232,260	342,933,239
Mortgage		31,580,998,162	24,516,781,926	21,607,927,522
Chattel		1,531,302,098	1,237,203,344	731,798,572
Others		21,313,522,147	21,867,827,810	22,678,172,799
	¢	54,848,213,364	47,886,045,340	45,360,832,132

(Continued)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

		Direct Loan Portfolio		
		June	December	June
		2025	2024	2024
Principal	¢	54,848,213,364	47,886,045,340	45,360,832,132
Interest receivable		179,644,452	167,599,365	153,285,114
		55,027,857,816	48,053,644,705	45,514,117,246
Allowance for bad loans		(310,408,101)	(310,451,558)	(310,624,214)
Carrying amount	¢	<u>54,717,449,715</u>	<u>47,743,193,147</u>	<u>45,203,493,032</u>
Loan portfolio				
Total balances:				
A1	¢		0	
1		48,843,228,908	43,778,274,364	42,799,140,117
2		802,175,111	645,533,586	938,539,173
3		3,539,781,680	2,530,459,303	672,332,810
4		768,593,590	278,152,594	290,804,095
5		141,128,374	103,406,242	116,216,490
6		932,950,153	717,818,616	697,084,561
		55,027,857,816	48,053,644,705	45,514,117,246
Minimum allowance		(623,492,966)	(492,325,941)	(406,685,560)
Carrying amount, net	¢	<u>54,404,364,850</u>	<u>47,561,318,764</u>	<u>45,107,431,686</u>
Carrying amount		55,027,857,816	48,053,644,705	45,514,117,246
Allowance for bad loans		(623,492,966)	(492,325,941)	(406,685,560)
Allowance (surplus) deficit on minimum allowance		313,084,865	181,874,383	96,061,346
Carrying amount, net	6a ¢	<u>54,717,449,715</u>	<u>47,743,193,147</u>	<u>45,203,493,032</u>

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

As of June 30, 2025

Loan Portfolio	Direct Loan Portfolio	
	Principal	Allowance
Direct specific allowance		
1	48,843,228,908	(122,108,072)
2	802,175,111	(9,789,280)
3	3,539,781,680	(127,215,699)
4	768,593,590	(79,524,169)
5	141,128,374	(23,859,645)
6	932,950,153	(260,996,101)
	¢ <u>55,027,857,816</u>	<u>(623,492,966)</u>
Loan Portfolio		
Aging of loan portfolio		
Direct specific allowance		
Up to date	50,027,090,194	(243,675,197)
Equal or less than 30 days	2,260,312,508	(7,750,788)
Equal or less than 60 days	871,946,138	(15,524,559)
Equal or less than 90 days	386,262,971	(24,153,257)
Equal or less than 180 days	565,867,185	(73,177,458)
Over 180 days	916,375,820	(259,211,707)
	¢ <u>55,027,857,816</u>	<u>(623,492,966)</u>
	¢ <u>55,027,857,816</u>	<u>(623,492,966)</u>

(Continued)

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2024

Loan Portfolio	Direct Loan Portfolio	
	Principal	Allowance
Direct generic allowance		
Direct specific allowance		
1	43,778,274,364	(109,446,381)
2	645,533,586	(9,396,526)
3	2,530,459,303	(105,933,575)
4	278,152,594	(26,842,322)
5	103,406,242	(12,332,585)
6	717,818,616	(228,374,552)
¢	48,053,644,705	(492,325,941)
Loan Portfolio		
Aging of loan portfolio		
Direct specific allowance		
Up to date	42,483,735,861	(172,949,970)
Equal or less than 30 days	3,388,675,393	(13,494,875)
Equal or less than 60 days	702,634,899	(10,827,566)
Equal or less than 90 days	470,214,080	(29,963,106)
Equal or less than 180 days	298,514,574	(44,664,591)
Over 180 days	709,869,898	(220,425,833)
¢	48,053,644,705	(492,325,941)
¢	48,053,644,705	(492,325,941)

As of June 30, 2024

Loan Portfolio	Principal	Allowance
	Direct generic allowance	
Direct specific allowance		
1	42,799,140,117	(106,998,546)
2	938,539,173	(12,474,562)
3	672,332,810	(46,598,636)
4	290,804,095	(31,507,759)
5	116,216,490	(23,203,055)
6	697,084,561	(185,903,002)
¢	45,514,117,246	(406,685,560)
Loan Portfolio		
Aging of loan portfolio		
Direct specific allowance		
Up to date	40,832,457,621	(130,175,772)
Equal or less than 30 days	2,311,682,206	(8,817,833)
Equal or less than 60 days	973,127,619	(15,651,024)
Equal or less than 90 days	426,611,412	(21,217,040)
Equal or less than 180 days	278,357,373	(48,654,805)
Over 180 days	691,881,015	(182,169,086)
¢	45,514,117,246	(406,685,560)
¢	45,514,117,246	(406,685,560)

(Continued)

BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

41). Situation of the Development Credit Fund

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

DEVELOPMENT CREDIT FUND			
STATEMENT OF FINANCIAL POSITION			
For the period ended June 30, 2025			
Financial Information			
<i>(In colones without cents)</i>			
	June	December	June
	2025	2024	2024
ASSETS			
Availabilities	¢ 1,159,046,209	797,179,843	709,444,140
Cash	1,159,046,209	0	709,444,140
Central Bank of Costa Rica	0	797,179,843	0
Investment in financial instruments	73,849,089,352	83,168,607,025	82,313,832,385
At fair value through profit or loss	25,798,816	586,104,860	454,703,418
At fair value through other comprehensive income	72,485,911,337	78,968,393,969	80,853,817,943
At amortized cost	404,313,646	2,729,143,874	239,652,351
Interest receivable	933,065,553	884,964,322	765,658,673
Loan Portfolio	51,240,447,826	50,007,412,745	50,099,703,176
Current loans	49,265,009,939	48,144,414,293	48,826,897,688
Past due loans	1,696,868,460	2,002,981,687	1,346,051,997
Loans on legal collection	539,574,672	193,348,664	143,392,655
(Deferred income loan portfolio)	(324,748,149)	(373,075,185)	(304,179,449)
Interest receivable	152,014,449	128,335,972	177,408,874
(Allowance for impairment)	(88,271,545)	(88,592,686)	(89,868,589)
Accounts and commissions receivable	61,516,775	103,838,873	125,869,856
Tax and deferred income tax	61,516,775	103,838,873	125,869,856
Other assets	323,209	43,141,375	1,045,126
Other assets	323,209	43,141,375	1,045,126
TOTAL ASSETS	¢ 126,310,423,371	134,120,179,861	133,249,894,683
LIABILITIES			
Obligations with entities	¢ 130,941,840,859	138,359,054,842	137,850,179,784
On demand	130,941,840,859	0	137,850,179,784
Term obligations	0	138,097,549,701	0
Interest payable	0	261,505,141	0
Other obligations	0	0	3,957,842
Accounts payable and provisions	39,396,534	93,008,281	103,076,453
Accounts receivable	0	0	5,392,640
Deferred income tax	31,036,377	76,846,413	96,468,843
Other miscellaneous accounts payable	8,360,157	16,161,868	1,214,970
Other liabilities	258,712,334	63,654,441	236,256,990
Other liabilities	258,712,334	63,654,441	236,256,990
TOTAL LIABILITIES	¢ 131,239,949,727	138,515,717,564	138,193,471,069
EQUITY			
Adjustments to equity – Other comprehensive income	¢ 0	(24,069,173)	(4,424,756)
Contributions from Banco de Costa Rica	¢ 0	0	0
Results of the previous period	¢ (5,535,964,513)	(5,500,673,306)	(5,500,673,306)
Results of the current period	606,438,157	1,129,204,776	561,521,676
TOTAL EQUITY	¢ (4,929,526,356)	(4,395,537,703)	(4,943,576,386)
TOTAL LIABILITIES AND EQUITY	¢ 126,310,423,371	134,120,179,861	133,249,894,683
OWN DEBIT MEMORANDA ACCOUNT			
Own debit memoranda account	¢ 25,735,372,258	29,786,066,777	22,978,823,795
Interest receivable memoranda accounts	¢ 21,193,109	10,392,051	20,912,844
Contingent accounts	0	9,858,770	0

(Continued)

BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

**DEVELOPMENT CREDIT FUND
INCOME STATEMENT**

For the period ended June 30, 2025

Financial Information

(In colones without cents)

	June	June	Quarter from	
	2025	2024	April 1 to June 30	2024
Financial income				
For investments in financial instruments	¢ 1,987,261,130	2,564,941,904	693,955,369	1,271,636,143
For loan portfolio	1,261,157,912	1,191,839,630	693,817,685	624,499,403
Other financial incomes	68,310,790	192,852,445	42,411,619	166,953,274
Total financial income	3,316,729,832	3,949,633,979	1,430,184,673	2,063,088,820
Financial expenses				
For obligations with the public	1,404,816,725	1,795,739,976	507,091,644	898,014,895
For losses in exchange differences	32,945,070	103,026,147	(205,165,397)	(135,084,320)
Other financial expenses	35,027,437	15,728,728	34,466,935	15,168,226
Total financial expenses	1,472,789,232	1,914,494,851	336,393,182	778,098,801
For allowance of asset impairment	18,527,714	(7,434,808)	6,853,118	(19,109,404)
Asset recovery and decrease in allowance	(15,444,203)	19,129,693	(15,444,203)	19,129,693
Financial result	¢ 1,847,024,111	2,046,834,013	1,071,494,170	1,323,229,116
Other operating income				
For commission for services	323,413	228,369	323,413	228,369
For arbitrage and currency exchange	26,179,312	60,810,113	(13,681,086)	20,949,715
For other operating income	3,171,572	6,712,232	(2,010,130)	1,530,530
Total other operating income	¢ 29,674,297	67,750,714	(15,367,803)	22,708,614
Other operating expenses				
For arbitrage and currency exchange	215,485	5,189,859	(1,747,632)	3,226,742
For other operating income	233,899,733	328,451,877	74,350,394	168,902,538
Total other operating income	¢ 234,115,218	333,641,736	72,602,762	172,129,280
Gross operating income	¢ 1,642,583,190	1,780,942,991	983,523,605	1,173,808,450
Profit transferred to the National Development Trust	1,036,145,033	1,219,421,315	206,934,856	390,211,138
RESULT FOR THE PERIOD	¢ 606,438,157	561,521,676	776,588,749	783,597,312
Profit allocation				
Profit transferred to the National Development Trust	1,036,145,033	1,219,421,315	206,934,856	390,211,138
Commission for management of the Development Credit Fund, and the fund's own profits	606,438,157	561,521,676	790,294,985	(643,773,999)
RESULT FOR THE PERIOD	¢ 1,642,583,190	1,780,942,991	997,229,841	1,135,589,642

(Continued)

BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

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

	June 2025	December 2024	June 2024
At fair value through profit or loss	¢ 25,798,816	586,104,860	454,703,418
At fair value through other comprehensive income	72,485,911,337	78,968,393,969	80,853,817,943
At amortized cost	404,313,646	2,729,143,874	239,652,351
Interest receivable for investments at fair value through comprehensive income	933,065,553	884,964,322	765,658,673
	¢ 73,849,089,352	83,168,607,025	82,313,832,385
	June 2025 Fair value	December 2024 Fair value	June 2024 Fair value
At fair value through profit or loss			
Local issuers			
State-owned Banks	¢ 25,798,816	586,104,860	454,703,418
	¢ 25,798,816	586,104,860	454,703,418
	June 2025 Fair value	December 2024 Fair value	June 2024 Fair value
At fair value through other comprehensive income			
<u>Local issuers</u>			
Government	32,797,110,671	78,968,393,969	8,714,551,051
State-owned Banks	39,688,800,666	0	72,139,266,892
	¢ 72,485,911,337	78,968,393,969	80,853,817,943
	June 2025 Fair value	December 2024 Fair value	June 2024 Fair value
At amortized cost			
<u>Local issuers</u>			
State-owned Banks	404,313,646	2,729,143,874	239,652,351
	¢ 404,313,646	2,729,143,874	239,652,351

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

(Continued)

BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

Loan Portfolio of the Development Credit Fund

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

a) Loan portfolio by sector

Sector	June 2025	December 2024	June 2024
Artistic, entertainment and recreative activities	¢ 18,887,929	21,813,600	24,657,208
Administrative and support services activities	886,656,427	1,028,764,716	971,818,263
Professional, scientific and technical activities	114,856,516	113,251,033	74,491,223
Agriculture, livestock, hunting and related services	26,226,606,854	24,924,239,982	28,058,273,295
Manufacturing	1,536,055,799	1,557,122,574	1,399,191,291
Public administration	11,199,802	11,988,539	0
Wholesale and retail trade; repair of motor vehicles and motorcycles	9,575,959,529	10,137,670,390	8,994,153,686
Other service activities	11,988,947,455	11,359,090,351	9,727,643,556
Transportation and storage	776,944,695	798,771,143	659,219,898
Real estate activities	102,000,000	104,000,000	103,000,000
Construction, purchase, and repair of property	222,443,121	220,845,010	233,410,243
Hotels and restaurants	43,894,944	63,187,306	70,483,677
	<u>51,501,453,071</u>	<u>50,340,744,644</u>	<u>50,316,342,340</u>
Plus: interest receivable	152,014,449	128,335,972	177,408,874
Less: deferred income loan portfolio	(324,748,149)	(373,075,185)	(304,179,449)
Allowance for impairment	(88,271,545)	(88,592,686)	(89,868,589)
	<u>¢ 51,240,447,826</u>	<u>50,007,412,745</u>	<u>50,099,703,176</u>

b) Loan portfolio by arrears:

The loan portfolio by arrears is detailed as follows:

	June 2025	December 2024	June 2024
Up to date	¢ 49,265,009,939	48,144,414,293	48,826,897,688
From 1 to 30 days	1,360,232,343	1,391,915,528	667,747,362
From 31 to 60 days	151,078,635	155,323,706	533,616,601
From 61 to 90 days	18,964,436	227,490,766	114,732,025
From 91 to 120 days	118,426,896	38,027,971	15,000,000
From 121 to 180 days	36,850,543	188,569,732	14,956,009
More than 180 days	11,315,607	1,653,984	0
Judicial collection	539,574,672	193,348,664	143,392,655
	<u>¢ 51,501,453,071</u>	<u>50,340,744,644</u>	<u>50,316,342,340</u>

(Continued)

BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

c) Delinquent and past due loan portfolio

Delinquent and past due loans, including loans with recognition of interest based on cash and interest not received on these loans, are summarized below:

	June 2025	December 2024	June 2024
Number of operations	20	6	1
Delinquent and past due loans not accumulating interests			
	¢ 539,574,672	193,348,664	143,392,655
Delinquent and past due loans with interest recognition	¢ 1,696,868,460	2,002,981,687	1,346,051,997
Total of not received interest	¢ 21,193,110	10,392,051	20,912,844

d) Loan portfolio by type of guarantee:

The loan portfolio by type of guarantee is as follows:

	June 2025	December 2024	June 2024
Current loans	¢ 128,145,358	110,474,511	164,746,958
Past due loans	12,112,507	13,787,433	9,062,388
Loans in judicial collection	11,756,584	4,074,028	3,599,528
	¢ 152,014,449	128,335,972	177,408,874

e) Allowance for impairment of loan portfolio

Balance at the beginning of 2025	¢	88,592,686
Plus:		
Adjustment for exchange differences		2,320,874
Less:		
Adjustment for exchange differences		(2,642,015)
Balance as of June 30, 2025	¢	88,271,545
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, 2024	¢	88,592,686
Balance at the beginning of 2024	¢	89,613,842
Plus:		
Allowance charged to results		(14,869,615)
Adjustment for exchange differences		16,587,899
Less:		
Adjustment for exchange differences		(1,463,537)
Balance as of June 30, 2024	¢	89,868,589

(Continued)

BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

f) Loan portfolio by kind of guarantee:

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

Guarantee	June 2025	December 2024	June 2024
Fiduciary	612,198,804	647,190,224	683,953,767
Mortgage	¢ 19,045,542,468	20,085,678,117	17,539,252,215
Chattel	1,429,303,648	1,561,108,482	1,326,808,825
Other	30,414,408,151	28,046,767,821	30,766,327,533
	¢ 51,501,453,071	50,340,744,644	50,316,342,340

g) DCF financial instruments with exposure to credit risk are detailed as follows:

	<u>Direct Loan Portfolio</u>		
	June 2025	December 2024	June 2024
Principal	¢ 51,501,453,71	50,340,744,644	50,316,342,340
Interest receivable	152,014,449	128,335,972	177,408,874
	51,653,467,520	50,469,080,616	50,493,751,214
Allowance for bad loans	(88,271,545)	(88,592,686)	(89,868,589)
Carrying amount	¢ 51,565,195,975	50,380,487,930	50,403,882,625
Loan portfolio			
Total, balances:			
1	¢ 49,302,293,401	46,192,555,217	49,578,613,694
2	203,211,269	216,626,473	598,289,008
3	1,157,119,187	3,197,387,536	114,696,761
4	385,742,408	272,446,042	0
5	37,364,076	386,396,075	0
	567,737,179	203,669,273	202,151,751
	51,653,467,520	50,469,080,616	50,493,751,214
Minimum allowance	(298,370,976)	(274,799,543)	(148,820,215)
Carrying amount, net	¢ 51,355,096,544	50,194,281,073	50,344,930,999
Carrying amount	51,653,467,520	50,469,080,616	50,493,751,214
Allowance for bad loans	(298,370,976)	(274,799,543)	(148,820,215)
(Surplus) inadequacy of Allowance	210,099,431	186,206,857	58,951,626
Carrying amount, net	6a ¢ 51,565,195,975	50,380,487,930	50,403,882,625

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Notes to the Consolidated Financial Statements

The assessed loan portfolio including allowance is detailed as follows:

As of June 30, 2025

Loan portfolio	Direct Loan Portfolio	
	Principal	Allowance
Direct specific allowance		
1	49,302,293,401	(123,255,734)
2	203,211,269	(2,274,418)
3	1,157,119,187	(55,295,288)
4	385,742,408	(7,399,318)
5	37,364,076	(7,609,019)
6	567,737,179	(102,537,199)
	<u>51,653,467,520</u>	<u>(298,370,976)</u>
	¢	
Loan portfolio		
Aging of loan portfolio		
Direct specific allowance		
Up to date	49,393,155,297	(176,265,294)
Equal or less than 30 days	1,351,646,051	(8,222,274)
Equal or less than 60 days	168,040,069	(1,817,961)
Equal or less than 90 days	0	0
Equal or less than 180 days	177,139,177	(13,778,501)
More than 180 days	563,486,926	(98,286,946)
	<u>51,653,467,520</u>	<u>(298,370,976)</u>
	¢	

As of December 31, 2024

Loan portfolio	Direct Loan Portfolio	
	Principal	Allowance
Direct specific allowance		
1	46,192,555,217	(115,487,550)
2	216,626,473	(2,058,978)
3	3,197,387,536	(82,367,913)
4	272,446,042	(10,257,854)
5	386,396,075	(40,756,719)
6	203,669,273	(23,870,529)
	<u>50,469,080,616</u>	<u>(274,799,543)</u>
	¢	
Loan portfolio		
Aging of loan portfolio		
Direct specific allowance		
Up to date	48,254,888,803	(197,949,462)
Equal or less than 30 days	1,339,463,977	(7,949,832)
Equal or less than 60 days	214,880,840	(2,017,972)
Equal or less than 90 days	229,941,449	(20,651,836)
Equal or less than 180 days	230,703,400	(26,827,039)
More than 180 days	199,202,147	(19,403,402)
	<u>50,469,080,616</u>	<u>(274,799,543)</u>
	¢	

(Continued)

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Notes to the Consolidated Financial Statements

As of June 30, 2024

Loan portfolio		
Direct specific allowance	<u>Principal</u>	<u>Allowance</u>
1	49,578,613,694	(123,946,536)
2	598,289,008	(3,774,857)
3	114,696,761	(856,923)
4	202,151,751	(20,241,899)
	¢ <u>50,493,751,214</u>	<u>(148,820,215)</u>
Loan portfolio		
Aging of loan portfolio		
Direct specific allowance	<u>Principal</u>	<u>Allowance</u>
Up to date	48,991,644,646	(127,617,355)
Equal or less than 30 days	670,195,494	(1,675,489)
Equal or less than 60 days	538,552,835	(5,515,756)
Equal or less than 90 days	116,196,914	(1,619,611)
Equal or less than 180 days	15,213,133	(2,343,273)
More than 180	161,948,192	(10,048,731)
	¢ <u>50,493,751,214</u>	<u>(148,820,215)</u>

Loans receivable from clients		
<u>Gross</u>		
<u>Net</u>		
As of June 30, 2025		
Risk category:		
1	¢ 49,302,293,401	49,179,037,668
2	203,211,269	200,936,851
3	1,157,119,187	1,101,823,899
4	385,742,408	378,343,089
5	37,364,076	29,755,057
6	567,737,179	465,199,980
	¢ <u>51,653,467,520</u>	<u>51,355,096,544</u>

Loans receivable from clients		
<u>Gross</u>		
<u>Net</u>		
As of December 31, 2024		
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
	¢ <u>50,469,080,616</u>	<u>50,194,281,073</u>

Loans receivable from clients		
<u>Gross</u>		
<u>Net</u>		
As of June 30, 2024		
Risk category:		
1	¢ 49,578,613,694	49,454,667,159
2	598,289,008	594,514,151
3	114,696,761	113,839,838
6	202,151,751	181,909,851
	¢ <u>50,493,751,214</u>	<u>50,344,930,999</u>

(Continued)

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Notes to the Consolidated Financial Statements

By request for change made by private banks to operate in accordance with the provisions of subsection ii) of Law N.1644, Organic Law of the National Banking System, the Governing Council of the Development Banking System authorizes the managing banks to transfer the resources from the Development Credit Fund, the repayment of which will be in monthly installments for a maximum period of six months.

As of June 30, 2025, resources have been transferred from the Development Credit Fund.

		June 2025	December 2024	June 2024
Banco Scotiabank	¢	522,500,000	6,160,340,000	3,143,050,000
Banco Promerica	¢	0	1,971,808,848	2,039,800,930
	¢	<u>522,500,000</u>	<u>8,132,148,848</u>	<u>5,182,850,930</u>

42). Transition to the International Financing Reporting Standards (IFRSs)

Following is some of the main differences between the accounting standards issued by the Board and IFRSs, as well as the IFRSs or interpretations of the International Financial Reporting Interpretations Committee (IFRICs) yet to be adopted:

a) IAS 1: Presentation of Financial Statements

The new IAS 1 became effective as of the periods beginning on or after January 1, 2009.

The presentation of financial statements required by the Board differs in some respects from presentation under IAS 1. 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 in periods beginning on or after July 1, 2012. The changes that have been included in IAS 1 are to specific paragraphs related to the presentation of other comprehensive income. These changes will require other comprehensive income to be presented separating those that cannot be reclassified subsequently to the income statement and those that may be subsequently reclassified to the income statement if certain specific conditions are met.

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Notes to the Consolidated Financial Statements

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

Revised IAS 1 changes the name of some financial statements, using “statement of financial position” instead of balance sheet.

IAS 1 requires an entity to present a statement of financial position as at the beginning of the earliest comparative period in a complete set of financial statements when the entity applies an accounting policy retrospectively or makes retrospective restatement.

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

c) IAS 7: Statements of Cash Flows

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

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

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

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

Any change in accounting estimates is prospective and is recorded in income for the period.

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

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Notes to the Consolidated Financial Statements

e) IAS 12: Income tax

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

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

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

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

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

f) IAS 16: Property, Plant and Equipment

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

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

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

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

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

The supervised entities must keep their records and present their financial statements in Costa Rican colones.

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Notes to the Consolidated Financial Statements

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

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

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

h) IAS 27: Consolidated and Separate Financial Statements

The Board requires that the financial statements of a parent entity to be presented separately, measuring its investments by the equity method. Under IAS 27, a parent is required to present consolidated financial statements. A parent company 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 of the companies of the group in which it holds an ownership interest of twenty five percent (25%) or more, irrespective of control. For such purposes, proportionate consolidation should not be used, except for the consolidation of investments in joint ventures.

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

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Notes to the Consolidated Financial Statements

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

i) IAS 28: Investments in Associates and Joint Ventures

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

Supervised entities must present their separate financial statements.

j) Amendments to IAS 32: Financial Instruments 0 Presentation and IAS 1: Presentation of Financial Statements 0 Puttable Financial Instruments and Obligations Arising on Liquidation

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

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

SUGEF requires that a provision for possible losses must be booked for contingent assets. IAS 37 does not allow this type of provision.

l) IAS 38: Intangible Assets

The commercial banks listed in article 1 of Internal Regulations National Banking System (Law No. 1644) may present organization and installation expenses as an asset in the balance sheet, however, those expenses must be fully amortized on the straight0line method over a maximum of five years. Similar procedure and term must be used for the amortization of goodwill acquired.

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

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

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Notes to the Consolidated Financial Statements

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

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

The supervised entity's senior management must establish the appropriate mechanisms and procedures to determine whether an intangible asset with an indefinite useful life has deteriorated. For the respective verification, it will compare its recoverable amount with its carrying amount. This comparison must be carried out when there is any indication that the value of the asset could have deteriorated or, at least, on an annual basis.

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

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

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

m) IAS 40: Investment Property

Investment properties must be valued at fair value.

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

n) IFRS 3: Business combinations (revised)

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

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Notes to the Consolidated Financial Statements

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

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

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.
- 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).

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

- a. 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.
- b. 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 minus 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.

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.

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Notes to the Consolidated Financial Statements

- c. At fair value through profit or loss: Participations in open investment funds must be registered in this category.

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

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

q) IFRS 13: Fair Value Measurement

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

Expenses or losses from equity reserves created by law or voluntarily by regulated entities cannot be directly recorded, without having previously gone through profit or loss of the period.

r) International Financial Reporting Standard (IFRS) focused on Sustainability

On June 26, 2023, the International Sustainability Standards Board (ISSB) approved two International Financial Reporting Standards (IFRS) focused on Sustainability. These new standards are IFRS S1 General Requirements for Disclosures of Sustainability-related Financial Information; and IFRS S2 Climate-related Disclosures.

In accordance with Circular No. 33-2023, Adoption of International Sustainability Financial Reporting Standards issued by the College of Public Accountants of Costa Rica and published in La Gaceta No. 3 of January 10, 2024, IFRS Standards S1 and S2 are adopted by the College of Public Accountants of Costa Rica as of January 1, 2024. Its application will be voluntary as of January 1, 2024, and mandatory for Companies and Entities supervised and regulated by CONASSIF that will report in 2026 the information of the fiscal year ending as of December 31, 2025. An entity is not required to disclose comparative information in the first annual reporting period in which such standards apply.

43). Figures for 2024

As of June 30, 2025, financial statement figures have not been reclassified for comparison with those of 2024, per modifications to the Chart of Accounts and CONASSIF Directive 06-18: "Regulation on the financial information" approved by CONASSIF.

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Notes to the Consolidated Financial Statements

44). Relevant and subsequent events

As of June 2025, there are relevant and subsequent events to disclose as follows:

a) Transfer of charges and observations

As of July 3, 2020, the BCCR publishes Law 9859 "Law to fight Usury" defining a maximum on interest rates on loans and credit cards equivalent to 37.69% per year in colones and 30.36% in US dollars, in force for the second quarter of 2020. BCR credit cards offer an interest rate of 32% per year, one of the lowest in the market at the time of the entry into force of Law 9859, therefore it did not generate a financial impact on the income for credit card interest.

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

As of December 31, 2022, an adjustment for ¢11,124,931,039 (¢1,734,981,794.69 for provision reversal for IFRIC 23 is carried out by prescription corresponding to the period 2017, for December 31, 2020, corresponding to 2015 and ¢8,487,028,342, for December 2021, corresponding to 2016).

As of December 31, 2022, BCR Operadora de Pensiones Complementarias does not make a provision reversal adjustment corresponding to 2017 for ¢84,945,625, (¢51,013,093 for December 31, 2020, corresponding to 2015. By prescription, for December 2021, the entity did not perform a reversal adjustment of the IFRIC23 provision).

As of December 31, 2022, BCR Corredora de Seguros carried out the reversal of the respective contingency for ¢34,566,861 corresponding to the 2017 period (¢40,880,144, for December 31, 2020, and ¢54,313,692 for December 2021. Corresponding to the 2015 period).

As of December 2022, BCR Valores S.A. did not perform an adjustment for reversal of provision CINIIF23 (¢194,676,459, for December 31, 2020, and ¢264,905,511 as of December 31, 2021, corresponding to 2015).

As of December 31, 2022, BCR Sociedad Administradora de Fondos de Inversión S.A. performed the reversion corresponding to 2017 for ¢78,779,564, (¢42,457,128, for December 31, 2020, and ¢36,435,373 as of December 2021, corresponding to 2015.)

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

(Continued)

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Notes to the Consolidated Financial Statements

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

As of April 5, 2022, the Bank paid ¢32,663,336,583 to the Treasury.

<u>Period</u>		<u>Income tax</u>		<u>Penalties</u>		<u>Interest</u>		<u>Total</u>
2017	¢	16,755,470,469	¢	7,865,771,439	¢	8,042,094,675	¢	32,663,336,583

b) Value added tax

With the enactment of Law No. 9635, Law on Strengthening Public Finances of December 3, 2018, the sales tax system is comprehensively reformed, derogating entirely the General Sales Tax Law, Law No. 6826 of November 8, 1982, and its reforms, migrating its Title I to a new regulatory framework, called the Value Added Tax Law. This tax is regulated in Article 1 of the Law. In this new regulatory framework, all goods and services are taxed generally, presupposing an improvement in the control and oversight of the tax, since the list of exempt goods and services is considerably reduced, according to what is established in Article 8 of the Law. Likewise, the essential elements of the tax, being the taxable event, the accrual, the taxable persons, and the taxable base, were modified with Article 1 of the Law for Strengthening Public Finances.

c) New administration of the Notarial Guarantee Fund

On October 8, 2019, BCR Pensiones started managing the Notarial Guarantee Fund; this fund was created with the enactment of the Notarial Code ruling in 1998.

The National Directorate of Notaries carried out a comprehensive market study to determine the existence of options to manage its fund, thus transferring the Fund to BCR Pensiones.

In official letter BCROPC-048-20 dated February 11, 2020, the deadline for delivery of the audited financial statements of the Individual Capitalization Fund of Notarial Guarantee is extended once the National Directorate of Notaries delivers the corresponding audited financial statements to the period from January 1 to October 7, 2020, which was administered by another Complementary Pension Operator.

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Notes to the Consolidated Financial Statements

Declaration of health alert for COVID-19

Measures adopted by the Bank in the face of the health emergency due to COVID-19.
Measures were generated in three areas:

- 1) Direct loan: A total grace period of 6 or 12 months will be provided, in which the client will pay only what corresponds to credit-related policies, that is, the principal and interest will not be charged during that period; the collection will be carried out after the total grace period and will be treated according to the needs of each client.

The unpaid interest will be charged through a new loan that will take effect at the end of the grace period.

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

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

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

- 2) Credit cards: With reference to credit cards, at the request of each client, a total grace period will be granted for a period of up to three months. During the months of the full grace period, there will be no charges for fees or default interest. During the months of the full grace period, no late fees nor default interests will be charged.

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

- 3) Credit lines: They will be attended to as specific situations, punctually analyzing each client to identify the need and provide a tailor-made solution.

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.

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Notes to the Consolidated Financial Statements

As of June 30, 2025, Loans are detailed by activity in operations readjusted by Covid-19:

June 2025,

Activity	Loans – Colonized balances	
	Colones	Colonized US Dollars
Agriculture	5,441,444,097	17,332,791,545
Trade	41,604,257,188	17,427,779,268
Construction	2,539,432,313	1,329,697,117
Consumer goods	38,851,759,257	462,713,740
Cattle raising	1,815,897,368	0
Industry	20,506,951,378	0
Services	15,537,989,002	293,418,481
Transportation	11,666,132,266	0
Tourism	845,331,328	29,646,547,041
Housing	141,964,917,861	26,471,739,753
Total by currency in ¢	¢ 280,744,112,058	92,964,686,945
Total	¢ 373,708,799,003	

Activity	Amount in US		
	Colones	Dollars	Total
Agriculture	219	32	251
Trade	402	26	428
Construction	11	7	18
Consumer goods	5,024	82	5,106
Cattle raising	36	0	36
Industry	46	0	46
Services	249	5	254
Transportation	70	0	70
Tourism	23	13	36
Housing	6,776	793	7,569
Total	12,856	958	13,814

As of December 31, 2024

Activity	Loans – Balances converted to colones	
	Colones	Converted 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
Retail	43,666,117,277	667,936,475
Livestock	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
	414,424,380,373	

(Continued)

BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

Activity	Colones	Activity US dollars	Total
Agriculture	232	33	265
Trade	441	29	470
Construction	16	7	23
Retail	5,454	108	5,562
Livestock	42	0	42
Industry	59	0	59
Services	280	8	288
Transportation	89	0	89
Tourism	34	16	50
Housing	7,159	856	8,015
Total	13,806	1,057	14,863

As of June 31, 2024

Activity	Loans – Colonized balances	
Activity	Colones	Colonized US Dollars
Agriculture	6,711,853,565,	18,856,949,701
Trade	46,738,311,865	22,068,727,827
Construction	4,856,550,390	3,124,433,104
Consumer goods	48,026,163,523	894,530,402
Cattle raising	2,300,672,426	0
Industry	24,546,256,752	1,686,924,944
Services	20,514,843,570	6,566,647,510
Transportation	14,476,349,278	0
Tourism	4,726,899,382	32,749,193,681
Housing	155,692,318,261	32,409,554,378
Total by currency in ¢	¢ 328,590,219,012	118,356,961,547
	446,947,180,559	

Activity	Amount in US		
	Colones	Dollars	Total
Agriculture	248	34	282
Trade	483	36	519
Construction	16	9	25
Consumer goods	5,888	147	6,035
Cattle raising	47	0	47
Industry	60	1	61
Services	310	15	325
Transportation	105	0	105
Tourism	34	22	56
Housing	7,315	899	8,214
Total	14,506	1,163	15,669

(Continued)

BANCO DE COSTA RICA
Notes to the Consolidated Financial Statements

Effects of the pandemic on BICSA

As of December 31, 2020, the number of moratoriums granted by BICSA Group reaches an amount of 184.7 million dollars, which represents 12% of the total portfolio and provisions were made to cover the potential effect of macroeconomic impairment of the loan portfolio according to the entity's expected loss models.

Faced with the pandemic, Grupo BICSA was forced to respond quickly to critical questions in the operational and financial areas. In particular, the recalibration and updating of IFRS 9 models are of particular importance as a fundamental task in the current context because of various factors that in turn have an impact on provisions. These reviews considered adjustments to conventional methodological aspects such as the probability of default (PD), the loss given default (LGD) and the forward-looking adjustment (prospective economic effect of the IFRS 9 model). The classification criteria in Stages have also been revised to incorporate the effects that the COVID-19 environment could bring to customers, in this case it is necessary to define criteria for a significant increase in credit risk (ISRC) based on the risk of the economic sector, the activity within the economic sector and the particular characteristics of each client. Finally, based on the methodology defined taking as reference the international regulations and the local regulatory context, the Bank defined the Post Model Adjustments (Overlays) with general guidelines for the classification process of modified loans in the different stages established by IFRS 9. After applying the adjustments, the bank resulted in an increase in its IFRS 9 reserve estimate of \$1.3 million.

Management and impacts of the pandemic for COVID-19 at BICSA

As of the second quarter of 2020, the Group increased its volume of current assets to an average greater than 63.65% of the Legal Liquidity indicator, doubling the minimum 30% required (see Note 5 - Liquidity Risk). Finally, the Group's solvency level has improved compared to the previous closing ended on December 31, 2019, and remains well above the requirements of the SBP in 12.76% of weighted equity/assets based on risk (see Note 5 - Capital Management). The final magnitude of the impact of the pandemic for COVID-19 on the Group's business, financial situation and results will depend on future and uncertain events, including the intensity and persistence over time of the consequences derived from the pandemic in the different geographies in which the Group operates.

Financial Information Regulation

Through articles 6 and 5 of the minutes of sessions 1442-2018, held on September 11, 2018, CONASSIF approved the Financial Information Regulation, in effect from January 1, 2020.

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Notes to the Consolidated Financial Statements

The purpose of the Regulations is to moderate the application of the International Financial Reporting Standards (IFRS) and their interpretations (SIC and IFRIC), issued by the International Accounting Standards Board (IASB). Considering prudential or regulatory accounting treatments. As well as the definition of a specific treatment or methodology when IFRS propose two or more application alternatives.

Incorporation of Banprocesa S.R.L. to the BCR Financial Conglomerate

Banprocesa, S.R.L. will provide exclusive services to the BCR Financial Conglomerate, in the development of software related to information technology. Significant improvements are expected in the management of this process, with an impact on reducing costs for reprocessing, timely attention, custom development and in general, greater efficiency in management as well as supporting the strategic objective of turning Banco de Costa Rica into a digital bank. Due to the nature of the company's services, its impact is seen mainly in the bank's operational risk management, and to a lesser extent, with an impact on its solvency. Therefore, no technical aspects or risk exposure are identified that constitute a disability to its incorporation into the Financial Conglomerate.

By means of official letter GG-04-276-2020, of April 24, 2020, a request for formal authorization it is sent to the General Superintendency of Financial Entities (SUGEF) on April 27, 2020, to incorporate Banprocesa, S.R.L. to the BCR Financial Conglomerate and Subsidiaries, clarifying that, currently Banco de Costa Rica owns 100% of the shares of the entity.

By means of 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 submitted to SUGEF for the incorporation of the company BCR Leasing Premium Plus S.A. into the Financial Conglomerate; the process is currently underway.

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.

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Notes to the Consolidated Financial Statements

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

Every type of credit (except microcredits)	Semiannual 1/2024	Semiannual 2/2024	Semiannual 1/2025
Colones	38.55	38.98	38.36
US dollars	30.53	30.36	30.42
Microcredits			
Colones	54.37	54.98	54.11
US dollars	43.23	42.99	43.08
Credits in other currencies	7.56	7.44	7.48

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.

CONASSIF Agreement 14-21 Regulation on calculation of credit estimates

Prior to 2024, SUGEF Agreement 1-05 was in effect, under which debtors are individually classified in one of eight risk categories (A1, A2, B1, B2, C1, C2, D and E), with A1 being the lowest risk and E being the higher credit risk.

With the entry into force of the CONASSIF Agreement 14-21 as of January 1, 2024, credit operations or debts must be classified individually in risk categories, according to their classification from 1 to 8, with category 1 corresponding to the one with the lowest credit risk and 8 the one with the highest credit risk.

The details of the current agreement are provided in Note 1 – Summary of Operations and Significant Accounting Policies, section j. Allowance for Uncollectible Loans, of this same document.

Dividend distribution

As of April 28, 2025, Banporcesa S.R.L. distributed dividends in the amount of ¢200,000,000, according to the resolution of the Extraordinary General Meeting of Quota Holders No. 04-25, dated March 31, 2025.

As of May 2, 2025, BCR Pensión Operadora de Planes de Pensiones, S.A. distributed dividends in the amount of ¢1,000,000,000, according to the resolution of the Extraordinary General Meeting of Shareholders No. 03-25, dated April 28, 2025.

As of May 29, 2025, BCR Corredora de Seguros, S.A. distributed dividends in the amount of ¢3,000,000,000, according to the resolution of the Extraordinary General Meeting of Shareholders No. 08-25, dated April 01, 2025.

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BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of April 29, 2024, Banporcesa S.R.L. distributed dividends in the amount of ¢200,000,000, according to the resolution of the Extraordinary General Meeting of Quota Holders No. 05-24, dated April 1, 2024.

As of May 9, 2024, BCR Pensión Operadora de Planes de Pensiones, S.A. distributed dividends in the amount of ¢600,000,000, according to the resolution of the Extraordinary General Meeting of Shareholders No. 09-24, dated March 20, 2024.

As of May 28, 2024, BCR Corredora de Seguros, S.A. distributed dividends in the amount of ¢3,000,000,000, according to the resolution of the Extraordinary General Meeting of Shareholders No. 06-24, dated March 4, 2024.

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

Resolution regarding BCR SAFI

Resolution SGV-R-128-2024

On July 24, 2024, resolution SGV-R-128-2024 was received from the General Superintendency of Securities, by which BCR Sociedad Administradora de Fondos de Inversión S.A. is ordered to:

- i. Use all retained earnings of BCR SAFI as of the end of the 2023 period to strengthen the share capital of this entity, a procedure that must be completed no later than December 31, 2024.*
- ii. Prohibit BCR SAFI from distributing dividends to its shareholder, effective from the issuance of the present resolution and for as long as it remains in force.*
- iii. Require BCR SAFI to request Banco de Costa Rica to make additional capital contributions to BCR SAFI, for an amount of up to 22.000 million colones, no later than December 31, 2024.*
- iv. Instruct BCR SAFI to maintain, in investments in high credit quality securities, an amount equivalent to the capital contributions required in the preceding section of this resolution, so that these funds may be used to meet the obligations arising from the responsibilities that gave rise to this resolution, at the appropriate time and for the final amount to be determined.*

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

- 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 properly assessed if the conditions for recognition and measurement of potential provisions payable are already met, arising from ongoing judicial and administrative proceedings or from decisions regarding the disposition of Parque Empresarial del Pacífico belonging to the asset portfolio of the Non-Diversified Real Estate Investment Fund. These reports must be submitted together with the delivery of the audited annual financial statements.*
- vi. *Require XXX to timely record provisions payable at the moment the conditions established in the applicable regulations for their recognition are met.*

In relation to the request, the important dates for addressing the regulator's requirements are outlined below:

1. At the shareholders' meeting of BCR SAFI held on September 23, 2024, the following was approved:
 - i. *Acknowledge resolution SGV-R-128-2024, dated July 23, 2024, submitted by Mr. Tomás Soley Pérez, General Superintendent of Securities.*
 - ii. *Approve the capitalization of BCR Sociedad Administradora de Fondos de Inversión, S.A. in the amount of ¢23,118,000,000 (twenty-three billion one hundred eighteen million colones), as detailed below:*
 - a. *Retained earnings from the 2023 period of 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).*
 - iii. *Record that the capitalization of ¢22,000,000,000 will be carried out once Banco de Costa Rica submits the extraordinary budget to the Office of the Comptroller General of the Republic and it is approved by said regulatory authority.*
2. On October 25, 2024, authorization for the extraordinary budget to proceed with the capitalization of ¢22,000,000,000 was received from the Office of the Comptroller General of the Republic.
3. On November 6, BCR SAFI received ¢22,000,000,000 in cash from Banco de Costa Rica in their capacity as sole shareholder, which were subsequently invested in high credit quality securities, as required by the resolution.

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BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

4. As required by Article 6 of the Regulation on Management Companies and Investment Funds, the authorization process for the capitalization in the amount of ¢23,118,000,000 was initiated before SUGEVAL on November 15. On December 24, a second request for corrections to the process was received from SUGEVAL; these corrections were addressed and resubmitted to the regulatory authority for review on January 7, 2025.
5. As can be seen from the dates indicated, BCR SAFI and the BCR Finacial Conglomerate fulfilled the capital contribution of ¢22,000,000,000 and the formal approval of the capitalization of retained earnings of BCR SAFI in the amount of ¢1,118,000,000 prior to December 31, 2024, in order to complete 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 the following:
 - i. *Authorize, subject to compliance with the provisions established in this Resolution (**), the registration in the National Registry of Securities and Intermediaries of the capital increase of BCR Sociedad Administradora de Fondos de Inversión S.A. in the amount of ¢23,118,000,000, to reach a new share capital of ¢27,957,200,000, consisting of 559,144 shares with a nominal value of ¢50,000 each. The characteristics of the capital increase are as follows:*

CHARACTERISTICS		
Type of modification	Increase in subscribed and paid-in capital	
Amount of the increase	¢23.118.000.000	
Share capital	Before the modification ¢4.839.200.000	After the modification ¢27.957.200.000
Date of the Shareholders' meeting	General Extraordinary Assembly N° 04-2024 dated September 23, 2024, and N° 06-2024 from December 11, 2024	
Source of funds	Capitalization of retained earnings and capital contribution from Banco de Costa Rica	
Reason	Comply with the requirements of the Superintendency as stated resolution SGV-R-128-2024 del 23 from July, 2024	

(**) The requirements to be met are as follows:

- 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.*

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BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

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.

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.

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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.

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.

45). 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:

On June 26, 2023, the International Sustainability Standards Board (ISSB) approved two International Financial Reporting Standards (IFRS) focused on sustainability.

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Notes to the Consolidated Financial Statements

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.

46). Authorization date for issuance of financial statements

The General Management of the Bank authorized the issuance of the separate financial statements on July 28, 2025. SUGEF has the possibility of requiring modifications to the financial statements after their date of authorization for issuance.