



Banco de Costa Rica

Unaudited Separate Financial Statements

As of March 31, 2025, and 2024

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Unaudited Separate financial statements

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BANCO DE COSTA RICA
SEPARATE STATEMENT OF FINANCIAL POSITION
As of March 31, 2025
(In colones without cents)

ASSETS	Note	March 2025	December 2024	March 2024
Availabilities	4	€ 855,689,913,103	887,752,569,847	844,460,580,062
Cash		58,946,484,085	77,388,762,225	82,294,669,736
Central Bank of Costa Rica		668,553,268,188	674,603,749,804	621,307,325,307
Foreign financial entities		34,593,924,872	34,657,005,167	50,417,080,904
Notes payable on demand		1,158,430,104	348,430,021	499,421,528
Restricted cash and cash equivalents		92,437,805,854	100,754,622,630	89,942,082,587
Investment in financial instruments	5	1,463,491,448,764	1,594,928,255,527	1,488,472,222,212
At fair value through profit or loss		126,243,171,551	62,536,951,550	155,651,766,914
At fair value through other comprehensive income		1,310,449,040,346	1,499,707,746,596	1,073,957,847,717
At amortized cost		8,022,418,488	7,569,087,843	239,189,294,647
Interest receivable		18,776,818,379	25,114,469,538	19,673,312,934
Loan portfolio	6.b	3,455,232,287,234	3,358,675,979,445	3,122,011,913,379
Current loans		3,354,228,774,476	3,274,457,445,017	3,017,851,728,986
Past due loans		207,616,861,157	191,138,066,429	174,111,075,050
Loans in legal collection		43,501,665,998	45,396,368,759	55,058,362,527
Incremental direct costs related to loans (Deferred income loan portfolio)		30,176,348 (25,710,551,349)	- (24,224,162,181)	- (20,642,998,439)
Interest receivable	6.e	18,014,199,402	17,248,944,943	19,315,352,510
(Allowance for impairment)	6.f	(142,448,838,798)	(145,340,683,522)	(123,681,607,255)
Accounts and commissions receivable		49,078,891,268	40,007,133,801	46,514,440,261
Commissions receivable		726,141,660	811,086,963	1,239,579,194
Accounts receivable for transactions with related parties		184,270,042	271,606,924	524,039,960
Deferred income tax and income tax receivable	15	44,601,839,411	36,280,825,093	41,553,168,061
Other accounts receivable		15,663,967,945	14,872,070,879	13,792,625,389
(Allowance for impairment)		(12,097,327,790)	(12,228,456,058)	(10,594,972,343)
Foreclosed assets	7	23,477,088,848	23,528,476,143	25,641,195,031
Assets and securities acquired as recovery of loans		24,612,432,794	24,039,628,382	83,655,832,275
Other foreclosed assets		4,446,469,002	4,699,542,932	4,254,994,538
(Allowance for impairment and per legal requirement)		(5,581,812,948)	(5,210,695,171)	(62,269,631,782)
Interest in other companies' capital, net	8	144,975,912,840	143,483,005,077	116,132,643,855
Property, furniture and equipment, net	9	129,699,439,415	132,243,287,299	134,291,386,664
Property investments		6,831,625,000	6,831,625,000	6,831,625,000
Other assets	10	96,430,265,727	114,748,421,840	88,266,400,365
Deferred charges	10.a	358,160,774	411,472,080	514,457,164
Intangible assets, net	10.b	17,391,720,808	18,785,140,246	16,632,081,272
Other assets	10.c	78,680,384,145	95,551,809,514	71,119,861,929
TOTAL ASSETS	€	6,224,906,872,199	6,302,198,753,979	5,872,622,406,829

BANCO DE COSTA RICA
SEPARATE STATEMENT OF FINANCIAL POSITION
As of March 31, 2025
(In colones without cents)

<u>Note</u>	<u>March 2025</u>	<u>December 2024</u>	<u>March 2024</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Obligations with the public	¢ 4,808,998,408,288	4,717,952,140,819	4,511,916,733,474
Demand obligations	11 3,217,233,047,199	3,325,943,500,967	3,139,438,175,978
Term obligations	12 1,574,598,740,133	1,371,950,972,310	1,356,647,531,192
Other obligations with the public	161,728,584	106,864,627	132,832,501
Financial charges payable	17,004,892,372	19,950,802,915	15,698,193,803
Obligations with the Central Bank of Costa Rica	14 12,001,583,333	164,442,980,856	101,271,670,766
Term obligations	12,001,583,333	161,929,838,016	99,002,909,685
Financial charges payable	0	2,513,142,840	2,268,761,081
Obligations with entities	406,485,555,653	411,766,883,736	318,369,566,794
Demand obligations	14 35,531,512,711	42,629,465,248	57,812,345,285
Term obligations	12 369,311,415,359	367,009,385,379	259,095,695,563
Financial charges payable	1,642,627,583	2,128,033,109	1,461,525,946
Accounts payable and provisions	166,653,221,318	198,421,677,168	162,774,901,962
Provisions	16 50,136,811,260	50,905,739,927	50,639,975,479
Accounts payable for stock transactions	100,028	100,658	177,511
Deferred income tax	15 59,932,904,266	45,636,140,571	44,460,831,041
Other sundry accounts payable	17 56,583,405,764	101,879,696,012	67,673,917,931
Other liabilities	37,753,144,980	26,491,167,671	30,283,236,803
Deferred income	361,280,479	353,300,159	427,063,768
Other liabilities	37,391,864,501	26,137,867,512	29,856,173,035
Subordinated obligations	50,145,984,558	50,145,218,870	50,143,055,402
Subordinated obligations	14 49,961,562,336	49,960,796,648	49,958,633,180
Financial charges payable	14 184,422,222	184,422,222	184,422,222
TOTAL LIABILITIES	¢ 5,482,037,898,130	5,569,220,069,120	5,174,759,165,201
EQUITY			
Capital stock	18 ¢ 181,409,990,601	181,409,990,601	181,409,990,601
Adjustments to equity - Other comprehensive income	45,234,815,457	48,040,961,632	43,475,002,941
Equity reserves	1.w/18.f 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	12,696,435,385	42,624,954,756	12,075,470,216
Equity of the Development Financing Fund	53,678,819,200	48,866,249,077	48,866,249,077
TOTAL EQUITY	742,868,974,069	732,978,684,859	697,863,241,628
TOTAL LIABILITIES AND EQUITY	¢ 6,224,906,872,199	6,302,198,753,979	5,872,622,406,829
DEBIT CONTINGENT ACCOUNTS	19 ¢ 478,888,582,744	480,507,277,315	444,946,255,570
TRUST ASSETS	20 714,254,273,603	741,512,653,451	805,916,182,667
TRUST LIABILITIES	226,602,472,666	247,173,104,139	245,654,948,241
TRUST EQUITY	487,651,800,937	494,339,549,312	560,261,234,427
OTHER DEBIT MEMORANDA ACCOUNTS	21 ¢ 26,350,512,215,833	23,338,735,853,372	20,868,349,433,233
Own debit memoranda accounts	16,923,637,074,961	14,861,006,452,252	12,539,575,784,124
Third party debit memoranda accounts	127,460,629,162	53,932,153,736	130,335,557,082
Own debit memoranda accounts for custodial activities	1,094,688,212,386	1,029,882,662,881	809,062,162,567
Third party debit memoranda accounts for custodial activities	8,204,726,299,324	7,393,914,584,503	7,389,375,929,460

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
SEPARATE STATEMENT OF INCOME
For the period ended March 31, 2025
(In colones without cents)

	Note	March 2025	March 2024
Financial income			
For availabilities		544,139,972	874,798,191
For investments in financial instruments	22	23,734,511,264	20,800,239,057
For financial leases	23	69,227,119,241	66,522,703,240
For profit from financial instruments at fair value through profit or loss		142,040,375	570,236,998
For profit from financial instruments at fair value through other comprehensive income		752,523,515	4,757,973,304
For other financial income		197,254,727	180,849,775
Total financial income		94,597,589,094	93,706,800,565
Financial expenses			
For obligations with the public	24	35,953,151,186	38,647,988,981
For obligations with the Central Bank of Costa Rica		187,248,996	210,444,835
For obligations with financial and non-financial entities		2,420,909,432	1,776,480,905
For subordinated, convertible and preferred obligations		1,537,530,688	1,537,443,877
For losses due to exchange differences and DU	1-d.ii	3,073,888,672	3,198,090,902
For losses from financial instruments at fair value through other comprehensive income		80,205,016	15,592,657
Total financial expenses		43,252,933,990	45,386,042,157
Allowance for impairment of assets	25	4,073,582,238	2,733,263,397
For assets recovery and decrease in allowance and provisions	26	2,377,713,831	3,108,928,860
FINANCIAL INCOME		49,648,786,697	48,696,423,871
Other operating income			
For service fees	27	24,849,593,294	22,647,706,672
For foreclosed assets		670,002,346	4,432,360,404
For gains in participations in capital interests of other companies	28	1,228,494,371	942,209,868
For gains in participations in capital interests of entities supervised by SUGEVAL	28	715,813,777	388,664,084
For gains in participations in capital interests of entities supervised by SUPEN	28	230,349,685	241,968,529
For gains in participations in capital interests of entities supervised by SUGESE	28	845,002,597	658,316,370
For foreign currency exchange and arbitrations		9,834,803,933	9,263,998,043
For other income from related parties		686,643,675	640,655,659
For other operating income		4,357,710,124	3,009,993,830
Property investments		43,418,413,802	42,225,873,459
Other assets			
For service fees		9,112,080,764	7,507,031,536
For foreclosed assets		2,203,293,657	2,486,411,906
For loss in participations in capital interests of other companies	28	184,701,338	214,109,486
For loss in participations in capital interests of entities supervised by SUGEVAL	28	0	654,293
For provisions		336,080,037	636,749,228
For exchange and arbitration, foreign currency		166,757,671	225,080,402
For other expenses with related parties		191,234,676	46,535,374
For other operating expenses		10,696,772,962	9,938,445,536
Total other operating expenses		22,890,921,105	21,055,017,761
GROSS OPERATING INCOME		70,176,279,394	69,867,279,569
Administrative expenses			
Personnel expenses		26,883,633,901	26,010,504,268
Other administrative expenses		18,776,630,362	18,387,785,206
Total administrative expenses	29	45,660,264,263	44,398,289,474
OPERATING INCOME, NET OF INCOME TAX		24,516,015,131	25,468,990,095
Obligations with entities			
Income tax	15	0	7,570,499,515
Deferred income tax	15	19,046,185,707	1,443,650,996
Decrease in income tax	15	14,017,700,637	2,032,827,353
Legal profit allocation	30	6,791,094,676	6,412,196,721
RESULT OF THE PERIOD		12,696,435,385	12,075,470,216
Attributed to the parent company		12,696,435,385	12,075,470,216
Other liabilities			
OTHER COMPREHENSIVE INCOME OF THE PERIOD, NET OF TAX			
Adjustment for valuation of investments at fair value through other comprehensive income		2,713,843,017	7,055,236,777
Reclassification of unrealized profit to the income statement		(470,622,949)	(3,319,666,453)
Adjustment for valuation of restricted financial instruments, net of income tax		(3,707,314,914)	666,199,640
Other adjustments		(1,342,051,329)	(2,187,405,582)
OTHER COMPREHENSIVE INCOME OF THE PERIOD, NET OF TAX	31	(2,806,146,175)	2,214,364,382
COMPREHENSIVE INCOME ATTRIBUTED TO THE FINANCIAL CONGLOMERATE		9,890,289,210	14,289,834,598

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
SEPARATE STATEMENT OF CHANGES IN EQUITY
For the period ended March 31, 2025
(In colones without cents)

Adjustments to equity									
	Capital Stock	Surplus for revaluation of property, furniture and equipment	Adjustment for valuation of investments at fair value through other comprehensive income	Adjustment for valuation of investments in other companies	Total adjustments to equity	Equity reserves	Accrued earnings from previous periods	Equity of the Development Financing Fund	Total equity
Note									
Balance as of December 31, 2023	181,409,990,601	41,085,212,831	1,241,926,624	(1,066,500,896)	41,260,638,559	351,152,901,365	63,983,258,982	45,766,617,523	683,573,407,030
Allocation to legal reserve	0	0	0	0	0	0	(3,099,631,554)	3,099,631,554	0
Allocation to the Development Financing Fund	0	0	0	0	0	0	0	0	0
Balance as of December 31, 2024	181,409,990,601	41,085,212,831	1,241,926,624	(1,066,500,896)	41,260,638,559	364,708,053,622	47,328,475,171	48,866,249,077	683,573,407,030
Otros resultados integrales									
Exchange differences resulting from the translation of financial statements of foreign entities	0	0	0	(1,634,339,740)	(1,634,339,740)	0	0	0	(1,634,339,740)
Reclassification of unrealized gain from acquired subsidiary	0	0	0	(183,427,165)	(183,427,165)	0	0	0	(183,427,165)
Unrealized gain or loss in fair value of investments through other comprehensive income	0	0	22,847,182,316	0	22,847,182,316	0	0	0	22,847,182,316
Transfer of realized net gain to the income statement	0	0	(11,339,053,774)	0	(11,339,053,774)	0	0	0	(11,339,053,774)
Impairment – Investments at fair value through other comprehensive income	0	0	248,980,452	0	248,980,452	0	0	0	248,980,452
Deferred income tax recognition	15	0	(3,452,438,563)	0	(3,452,438,563)	0	0	0	(3,452,438,563)
Change in equity of subsidiaries for unrealized gain	0	0	0	293,419,547	293,419,547	0	0	0	293,419,547
Foreclosed assets	0	0	0	0	0	0	42,624,954,756	0	42,624,954,756
Other total comprehensive income	0	0	8,304,670,431	(1,524,347,358)	6,780,323,073	0	42,624,954,756	0	49,405,277,829
Balance as of December 31, 2024	181,409,990,601	41,085,212,831	9,546,597,055	(2,590,848,254)	48,040,961,632	364,708,053,622	89,953,429,927	48,866,249,077	732,978,684,859
Attributed to the financial conglomerate	€ 181,409,990,601	41,085,212,831	9,546,597,055	(2,590,848,254)	48,040,961,632	364,708,053,622	89,953,429,927	48,866,249,077	732,978,684,859
Balance as of December 31, 2024	181,409,990,601	41,085,212,831	9,546,597,055	(2,590,848,254)	48,040,961,632	364,708,053,622	89,953,429,927	48,866,249,077	732,978,684,859
Allocation to legal reserve	0	0	0	0	0	20,512,605,045	(20,512,605,045)	-	-
Allocation to the Development Financing Fund	0	0	0	0	0	0	(4,812,570,123)	4,812,570,123	-
Balance as of March 31, 2025	181,409,990,601	41,085,212,831	9,546,597,055	(2,590,848,254)	48,040,961,632	385,220,658,667	64,628,254,759	53,678,819,200	732,978,684,859
Other comprehensive income									
Exchange differences resulting from the translation of financial statements of foreign entities	0	0	0	(1,134,778,161)	(1,134,778,161)	0	0	0	(1,134,778,161)
Reclassification of unrealized gain from acquired subsidiary	0	0	0	(63,094,319)	(63,094,319)	0	0	0	(63,094,319)
Unrealized gain or loss in fair value of investments through other comprehensive income	0	0	(1,291,254,894)	0	(1,291,254,894)	0	0	0	(1,291,254,894)
Transfer of realized net gain to the income statement	0	0	(672,318,499)	0	(672,318,499)	0	0	0	(672,318,499)
Impairment – Investments at fair value through other comprehensive income	0	0	(89,593,471)	0	(89,593,471)	0	0	0	(89,593,471)
Deferred income tax recognition	15	0	589,072,018	0	589,072,018	0	0	0	589,072,018
Change in equity of subsidiaries for unrealized gain	0	0	0	(144,178,849)	(144,178,849)	0	0	0	(144,178,849)
Result of the period	0	0	0	0	0	0	12,696,435,385	0	12,696,435,385
Other total comprehensive income	0	0	(1,464,094,846)	(1,342,051,329)	(2,806,146,175)	0	12,696,435,385	0	9,890,289,210
Balance as of March 31, 2025	181,409,990,601	41,085,212,831	8,082,502,209	(3,932,899,583)	45,234,815,457	385,220,658,667	77,324,690,144	53,678,819,200	742,868,974,069
Attributed to the financial conglomerate	€ 181,409,990,601	41,085,212,831	8,082,502,209	(3,932,899,583)	45,234,815,457	385,220,658,667	77,324,690,144	53,678,819,200	742,868,974,069

Julio César Trejos D.
General Manager a.i

María Luisa Guzmán G.
Accountant

María Eugenia Zeledón P.
General Auditor

BANCO DE COSTA RICA
SEPARATE STATEMENT OF CASH FLOWS
For the period ended March 31, 2025
(In colones without cents)

	Note	March 2025	March 2024
Cash flows from operating activities			
Income of the period	€	12,696,435,385	12,075,470,216
Items applied to results not requiring cash outlays		(34,586,320,801)	(27,872,403,506)
Increase or (decrease) for			
Allowance for impairment or devaluation of financial instruments		7,580	2,783,327
Allowance for impairment of loan portfolio		3,350,000,000	620,074,271
Allowance for impairment and default of other accounts receivable		723,574,658	2,110,405,799
Allowance for impairment of assets in lieu of payment		366,304,750	0
Income from reversal of allowance for impairment or devaluation of investments		(89,601,050)	(79,658,564)
Income from reversal of allowance for impairment of loan portfolio		0	0
Income from reversal of allowance for impairment and default of accounts receivable		(788,818,308)	(1,960,598,861)
Income from reversal of allowance for impairment of assets in lieu of payment		(519,192,512)	(4,309,271,561)
Income or loss for sale of assets received in lieu of payment and of property, furniture and equipment		1,118,124,818	1,662,069,922
Interest in net profit of other companies		(2,834,959,092)	(2,016,395,072)
Depreciation		3,245,797,703	3,568,139,496
Amortization		3,431,734,792	4,187,859,301
Provisions for pending social		0	0
Provisions for pending lawsuits		336,080,037	636,749,228
Income from provisions		(1,073,320,914)	(393,005,304)
Income tax		0	7,570,499,515
Deferred income tax		19,046,185,707	1,443,650,996
Decrease in income tax		(12,667,595,914)	(2,032,827,353)
Profit sharing		6,791,094,676	6,412,196,721
Interest for obligations with the public		35,953,151,186	38,647,988,981
Interest for obligations with financial entities		4,145,689,116	3,524,369,617
Income from availabilities		(544,139,972)	(874,798,191)
Interest from investment in financial instruments		(23,734,511,264)	(20,800,239,057)
Income from loan portfolio		(69,227,119,241)	(66,522,703,240)
Net profit or loss from exchange differences and Development Units		(264,702,834)	730,306,524
Cash flows from operating activities		29,107,655,277	(148,682,372,420)
Net variation in assets increase or (decrease)			
Increase in financial instruments - at fair value through profit or loss		(177,773,194,058)	(113,757,275,500)
Decrease in financial instruments - at fair value through profit or loss		114,066,974,057	94,545,500,431
Increase in financial instruments - at fair value through comprehensive income		(105,749,007,190)	(332,633,582,651)
Decrease in financial instruments - at fair value through comprehensive income		265,721,188,243	190,492,619,439
Loan portfolio		(114,793,183,398)	(33,671,689,759)
Accounts and commissions receivable		(9,169,373,841)	(11,754,543,844)
Assets available-for-sale		1,730,664,691	5,774,222,282
Interest receivable for financial instruments		25,114,469,538	20,067,110,349
Interest receivable for loan portfolio		13,254,194,277	13,313,734,427
Other assets		16,704,922,958	18,941,532,406
Net variations in liabilities, increase or (decrease)		(94,931,416,531)	69,336,623,401
Obligations with the public		113,354,784,584	108,797,135,277
Obligations with the Central Bank of Costa Rica and other entities		(152,951,564,480)	17,416,252,308
Obligations for accounts and commissions payable and provisions		(41,926,847,664)	(16,565,756,521)
Interest payable for obligations with the public		(19,950,802,915)	(26,780,922,333)
Interest payable for obligations with the BCCR and other entities		(4,825,598,171)	(4,155,960,746)
Other liabilities		11,368,612,115	(9,374,124,584)
Interests paid		(21,266,898,125)	(22,559,455,546)
Received dividends		4,800,000,000	0
Collected interest		60,709,503,362	53,832,295,884
Paid income tax		0	(8,940,139,446)
Net cash flows provided by operating activities		(43,471,041,433)	(72,809,981,417)
Cash flows from investment activities			
Increase in financial instruments at amortized cost		(768,773,823,859)	(12,809,440,603,147)
Decrease in financial instruments at amortized cost		768,320,493,214	12,849,906,196,448
Acquisition of property, furniture and equipment		(298,614,049)	(796,238,217)
Decrease for withdrawal and transfer of property, furniture and equipment		(308,367,103)	321,578,450
Acquisition of intangibles		(2,037,573,328)	(1,567,849,276)
Decrease for withdrawal and transfer of intangibles		62,782,508	267,038,795
Interest in other companies		(4,800,000,000)	(749,999,997)
Cash flows (used for) provided by investment activities		(7,835,102,617)	37,940,123,056
Cash flows from financing activities			
Subordinated obligations		765,688	678,876
Cash flows provided by financing activities		765,688	678,876
Net increase (decrease) in cash and cash equivalents		(51,305,378,362)	(34,869,179,485)
Cash and cash equivalents at the beginning of the year		992,009,721,535	1,162,991,986,622
Effect of changes in exchange rates on cash		(3,779,245,783)	(9,511,644,024)
Cash and cash equivalents at the end of the year	4	€ 936,925,097,390	1,118,611,163,113

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 separate financial statements

(1) Summary of operations and significant accounting policies

a. Operations

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

The Bank's website is www.bancobcr.com

The Bank is mainly dedicated to extending loans and granting bid and performance bonds; issuing certificates of deposit; opening checking accounts in colones, U.S. dollars, and euros; issuing letters of credit; buying and selling foreign currency; managing trusts; providing custodial services for assets; and other banking operations. As of March 31, 2025, the Bank has 144 distributed among the national territory (144 and 155 for December and March 2024, respectively) has in operation 520 automated teller machines (520 and 556 for December and March 2024, respectively) and has 4,205 employees (4,192 and 4,091 for December and March 2024, respectively).

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

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

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

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

BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A. was organized as a corporation in September 1999 under the laws of the Republic of Costa Rica. Its main activity is managing supplemental pension plans and offering additional services related to disability and death plans to members.

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

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BANCO DE COSTA RICA

Notes to the separate financial statements

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

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

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

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

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

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

The Bank holds a 51% ownership interest in the following subsidiary: Banco Internacional de Costa Rica, S.A. and subsidiary (BICSA) was organized as a bank under the laws of the Republic of Panama in 1976. It operates under a general license granted by the Superintendence of Banks of Panama to engage in banking transactions in Panama or abroad; its office is in the city of Panama, Republic of Panama, Calle Aquilino de la Guardia, Avenida Balboa, BICSA Financial Center, floor 50. The remaining 49% of BICSA's stocks are owned by Banco Nacional de Costa Rica.

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BANCO DE COSTA RICA

Notes to the separate financial statements

b. Accounting policies for the preparation of financial statements

The Bank's financial statements are prepared in compliance with the accounting regulations applicable to Supervised Entities, in accordance with the legal provisions, rules, and accounting regulations issued by the National Financial System Supervisory Board (CONASSIF), the General Superintendence of Financial Entities (SUGEF) and the Central

Bank of Costa Rica (BCCR), and in those matters that are not covered by those entities, according to the International Financial Reporting Standards as of January 1, 2011 (IFRS).

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

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date, regardless of whether price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Bank 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.

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Notes to the separate financial statements

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

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

c. Interest in other companies

Valuation of investments by the equity method

i. Subsidiaries

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

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

d. Foreign currency

i. Transactions in foreign currency

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

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BANCO DE COSTA RICA

Notes to the separate financial statements

ii. *Monetary unit and foreign exchange regulations*

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

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

As established in the Chart of Accounts, assets and liabilities held in foreign currency should be expressed in colones at the exchange rate disclosed by the Central Bank of Costa Rica. Thus, as of March 31, 2025, monetary assets and liabilities denominated in U.S. dollars were valued at the exchange rate of ¢504.21 for US\$1.00 (¢512.73 and ¢506.60 for December and March 2024, respectively).

Valuation in colones of monetary assets and liabilities in foreign currency during the period ended March 31, 2024, gave rise to foreign exchange losses of ¢110,290,945,922, (¢530,804,680,049 and ¢103,000,141,249 for December and March 2024, respectively) and gains for ¢ ¢107,217,056,620, (¢515,573,599,066 and ¢99,802,050,347 for December and March 2024, respectively), which are presented net in the income statement.

Additionally, valuation of other assets and other liabilities gave rise to gains and losses, respectively, which are recorded in “Other operating income” and “Other operating expenses”, respectively. For the period ended March 2025, valuation of other assets gave rise to gains of ¢172,222,690, (¢108,822,906, and ¢7,448,666 for December and March 2024, respectively) and valuation of other liabilities losses rise to gains of ¢172,222,690, (¢1,454,818,796 and ¢89,298,920, for December 2023 and gains for March 2024, respectively).

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BANCO DE COSTA RICA

Notes to the separate financial statements

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

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

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

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

Valuation of the participation in the financial statements of this foreign subsidiary gave rise to net loss in the period ended March 31, 2025, for ¢3,932,899,583, (¢2,590,848,254 and ¢2,617,205,754 for December and March 2024, respectively).

e. Basis for the preparation of financial statements

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

f. Financial instruments

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

(i) *Classification*

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

The 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.

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BANCO DE COSTA RICA

Notes to the separate financial statements

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

(ii) Recognition

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

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.

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

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

(iv) Principles for measurement at fair value

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

(v) Gains and losses on subsequent measurement

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

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BANCO DE COSTA RICA

Notes to the separate financial statements

(vi) *Derecognition*

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

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BANCO DE COSTA RICA

Notes to the separate financial statements

- Besides these scenarios, the rest of the assets will be valued at fair value through profit and loss. As indicated in the Financial Reporting Regulations, investment funds in open funds must be registered in this category. Due to their characteristics, open investment funds are those that do not present restrictions for their trading, therefore, within this category, mutual funds and money market type investment funds of international markets are included, which can be settled without restriction.

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

g. Cash and cash equivalents.

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

h. Investments in financial instruments

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

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

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

1. The conventional purchase or sale of financial assets should be recorded applying the accounting on the settlement date.
2. Financial assets are divided into those that are measured at amortized cost and those that are measured at fair value.
3. Based on the business model for managing financial assets and the characteristics of the contractual cash flows of the financial asset, the entity must classify its own investments or joint portfolios in financial assets according to the following valuation categories:
 - a. Amortized cost. If an entity, according to its business model and current regulatory framework, classifies a part of its investment portfolio in this category, it will disclose:

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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

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

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

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

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BANCO DE COSTA RICA

Notes to the separate financial statements

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

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

In compliance with the provisions of the Financial Reporting Regulation with respect to IFRS 9, at the meeting of the General Board of Directors of October 29, 2019, the business model for the classification and valuation of own investments in financial assets for the

Bank is approved according to the following valuation categories, in accordance with the defined business model:

- Main business model

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

- Secondary business model

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

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

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BANCO DE COSTA RICA

Notes to the separate financial statements

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

i. Loan portfolio.

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

The loan portfolio is presented at the value of 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. The Bank follows the policy of suspending interest accruals on loans with principal or interest that is more than 180 days past due.

j. Allowance for loan losses.

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

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

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

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

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Notes to the separate financial statements

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 to meet his financial obligations under the agreed conditions.
- Historical payment behavior: The debtor's credit history in meeting his financial obligations during the last four years, regardless of whether these are current or extinct as of the cut-off date.
- Revolving credit: Credit operation that allows the debtor to use funds up to a pre-authorized limit, in which each payment increases the availability of funds, such as lines of credit, credit cards, overdrafts, and other similar credit operations.
- Debtor (or co-debtor): Person who receives funds or credit facilities directly from the entity. In addition, the discounter in the case of a discount contract, the assignor in an assignment with recourse, the person obliged to pay a document in an assignment without recourse, or the person to whom the entity grants a guarantee will be considered as such.
- Delinquency: The greatest number of days of delay in the payment of principal, interest, other products, and accounts receivable associated with the credit operation, counted from the first day of delay, that the debtor presents in the attention of its credit operations in the entity on a specific date according to the contractual payment conditions.
- Debtor with special operation: Corresponds to all the operations of a debtor, if at least one operation has been refinanced, readjusted, or extended.
- Extended operation: Credit operation in which at least one total or partial payment of principal or interest has been postponed to a future date related to the current contractual conditions, with the objective of avoiding non-compliance.
- Readjusted operation: Credit operation in which at least one of the current contractual payment conditions has been modified, with the aim of avoiding non-compliance, except for modification by extension.
- Refinanced operation: Operation that is fully or partially updated because of a new credit operation with the aim of avoiding default.

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BANCO DE COSTA RICA

Notes to the separate financial statements

- 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.

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.

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Notes to the separate financial statements

Segmentation of the credit portfolio

The credit portfolio must be classified into the following segments:

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

Also, the following are classified in this segment:

- i) Legal entity belonging to an economic interest group reported by the entity to SUGEF.
 - ii) Entities and bodies comprising the institutions of the Public Sector, according to the “Institutional Classification of the Public Sector” published by the Ministry of Finance.
 - iii) Entity supervised by SUGEF, or any Superintendence attached to the National Council for Supervision of the Financial System (CONASSIF).
- Business 2: Legal entities and natural persons not classified in the Business 1 segment and whose total balance owed, excluding the housing loans referred to in literal d) above, in the financial institution during the last 12 months has exceeded 500 million of colones at least once.
 - Business 3: Legal entities and natural 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).

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Notes to the separate financial statements

Risk categories

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

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

Analysis of payment capacity

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

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

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

Classification of payment capacity

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

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

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Notes to the separate financial statements

Classification of historical payment behavior

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

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

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

Classification of historical payment behavior

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

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

Risk rating

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

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

The above, according to following table:

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Notes to the separate financial statements

a) Segment of revolving consumer loan:

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

b) Segment of vehicle and regular consumer loans:

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

c) Segment of housing loans:

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

d) Segment of Business 3:

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

(Continued)

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Notes to the separate financial statements

e) Segment of Business 1 and Business 2:

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

f) Segment of Business 1 and Business 2:

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

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

- a) Phase 1: Operations at normal risk, in this phase there is no evidence of a significant increase in risk since the initial recognition of the operation. Includes categories 1 and 2.
- b) Phase 2: Operations under special surveillance; a significant increase in credit risk is observed from 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.

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Notes to the separate financial statements

To establish estimates in this Regulation, operations in Phase 3 are considered non-compliant.

Rate of default

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

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

Guarantee

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

Conditions to apply guarantee mitigation

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

- a) For assets that require registration in a public registry, the guarantee must be duly registered.
- 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.

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Notes to the separate financial statements

Accounting estimate

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

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

On the other hand, for entities that use internal methodologies based on expected losses, which have not obtained any objection for the creation of estimates by the Superintendence, the following criteria apply

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

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

As of March 31, 2025, the total estimated loan portfolio reflected in the accounting records amounts to ¢142,448,38,798 (¢145,340,683,522, and ¢123,681,607,255, for December and March 2024, respectively).

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.

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Notes to the separate financial statements

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.

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

Accounts and accrued interest receivable

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

(Continued)

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

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

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

Goods that meet the conditions described in IFRS5

Initial recognition:

At least among:

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

Subsequent valuation:

At least among:

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

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

Goods that do not comply with the conditions described in IFRS5:

Initial recognition:

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

Subsequent valuation: (IAS 36 Impairment of Assets).

At least among:

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

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Notes to the separate financial statements

Recoverable amount:

The greatest among:

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

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

k. Securities sold under repurchase agreements

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

underlying securities are held in asset accounts. Finance expense recognized is calculated by the effective interest method. Interest is presented as finance expense in the separate income statement and accrued interest payable in the separate balance sheet.

l. Accounting for accrued interest receivable.

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

m. Other receivables

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

n. Foreclosed assets

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

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Notes to the separate financial statements

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

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

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

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

o. Offsetting

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

p. Property, furniture and equipment

(i) *Own assets*

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

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Notes to the separate financial statements

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

(ii) Leased assets

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

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

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

(iii) Subsequent cost

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

(iv) Depreciation

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

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

(v) Revaluation

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

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Notes to the separate financial statements

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

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

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

q. Deferred charges

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

r. Intangible assets

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

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

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

s. Impairment of assets

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

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

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

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

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

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

t. Obligations with the public

These are 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. Legal benefits (severance)

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

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

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

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Notes to the separate financial statements

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

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

w. Legal reserve

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

x. Revaluation surplus

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

y. Use of estimates

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

z. Estimate for litigation

In pending litigation, provisions are recorded for the probable obligations that may arise for the Bank, because of the unfavorable result, due to lawsuits against it that are pending resolution.

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

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

aa. Uncertainty over Income Tax Treatments, IFRIC 23

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

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

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

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

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

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

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

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

bb. Recognition of main types of revenue and expenses

(i) *Financial income*

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

(ii) *Fees and commissions income*

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

(iii) *Net income from trading securities*

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

(iv) *Operating lease expenses*

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

cc. Income tax

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

(i) *Current*

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

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BANCO DE COSTA RICA

Notes to the separate financial statements

(ii) Deferred

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

dd. Pension, retirement, and outgoing personnel

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

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

ee. Statutory allocations

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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

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

ff. Development Financing Fund

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

gg. Development Credit Fund

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

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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

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

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

hh. Economic period

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

(2) Collateralized or restricted assets

The collateralized or restricted assets are as follows:

	March 2025	December 2024	March 2024
Cash due from banks (see note 4)	¢ 745,386,137,461	773,224,085,233	697,310,452,732
Investment in financial instruments (see note 5)	156,930,231,110	400,907,038,167	194,562,434,188
	¢ 902,316,368,571	1,174,131,123,400	891,872,886,920

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

(3) Balances and transactions with related parties

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

		March 2025	December 2024	March 2024
Assets:				
Availabilities	¢	18,731,401,500	17,500,390,877	22,974,310,000
Loan portfolio		18,247,721	20,992,784	3,792,969,917
Accounts receivable		428,251,253	621,210,632	913,281,305
Interest in other companies		144,975,912,840	143,483,005,077	116,132,643,855
Total assets	¢	164,153,813,314	161,625,599,370	143,813,205,077
Liabilities:				
Obligations with the public	¢	2,687,950,956	2,789,593,867	2,519,598,969
Accounts payable and provisions		900,000,000	900,000,000	700,000,000
Total liabilities	¢	3,587,950,956	3,689,593,867	3,219,598,969
Income:				
Financial income	¢	254,097,546	1,424,236,302	1,392,584
Income from investments in other companies		3,019,660,430	10,980,193,120	2,231,158,851
Sundry operating income		781,277,154	2,951,659,333	720,336,023
Total income	¢	4,055,035,130	15,356,088,755	2,952,887,458
Expenses:				
Finance expense	¢	1,075,505	114,172,104	10,005,569
Expense from investments in other companies		184,701,338	1,195,556,048	214,763,779
Sundry operating expenses		216,868,086	1,149,549,123	5,700,000
Total expenses	¢	402,644,929	2,459,277,275	230,469,348
Total expenses				
Adjustment for valuation of investments in other companies	¢	(207,273,168)	109,992,382	429,800,172

As of March 31, 2025, there are no amounts in investments for participations in funds managed by BCR Sociedad Administradora de Fondos de Inversión, S.A. (subsidiary company). (In December and March 2024 there were no such investments).

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

		March 2025	December 2024	March 2024
Short-term benefits	¢	275,099,642	1,128,191,154	282,087,452
Board per-diem		15,930,740	83,846,000,	18,446,120,
	¢	291,030,382	1,212,037,154	300,533,572

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

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BANCO DE COSTA RICA

Notes to the separate financial statements

(4) Availabilities

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

		March 2025	December 2024	March 2024
Cash	¢	58,946,484,085	77,388,762,225	82,294,669,736
Demand deposits BCCR		668,553,268,188	674,603,749,804	621,307,325,307
Checking accounts and demand deposits in financial entities abroad		34,593,924,872	34,657,005,167	50,417,080,904
Notes payable on demand		1,158,430,104	348,430,021	499,421,528
Restricted availabilities		92,437,805,854	100,754,622,630	89,942,082,587
Total cash and due from Banks		855,689,913,103	887,752,569,847	844,460,580,062
Investment in financial instruments to be traded		81,235,184,287	104,257,151,688	274,150,583,051
Total cash and cash equivalents	¢	936,925,097,390	992,009,721,535	1,118,611,163,113

As of March 31, 2025, demand deposits in the Central Bank of Costa Rica (BCCR) are restricted to comply with the minimum legal reserve for ¢745,386,137,461 (¢773,224,085,233 and ¢667,310,452,732 for December and March 2024, respectively).

As of March 31, 2025, there is a liability called “checks receivable” for an amount of ¢897,423,795 which are cleared with the account of immediate collection documents. in the clearinghouse the next day (¢526,095,018 and ¢609,187,948 for December and March 2024 respectively).

(5) Investments in financial instruments

Investments in financial instruments are as follows:

		March 2025	December 2024	March 2024
At fair value through profit or loss	¢	126,243,171,551	62,536,951,550	155,651,766,914
At fair value through other comprehensive income		1,310,449,040,346	1,499,707,746,596	1,073,957,847,717
At amortized cost		8,022,418,488	7,569,087,843	239,189,294,647
Interest receivable for investments at comprehensive income		510,704,845	7,351,675,039	2,730,595,353
Interest receivable for investments at fair value through other comprehensive income		18,266,113,534	17,762,794,499	16,942,717,581
	¢	1,463,491,448,764	1,594,928,255,527	1,488,472,222,212

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BANCO DE COSTA RICA

Notes to the separate financial statements

		March 2025	December 2024	March 2024
		Fair value	Fair value	Fair value
At fair value through profit or loss				
<u>Local issuers</u>				
Open investment funds	¢	8,216,547,280	6,173,892,287	69,529,766,914
		8,216,547,280	6,173,892,287	69,529,766,914
<u>Issuers abroad:</u>				
Private banks		118,026,624,271	56,363,059,263	86,122,000,000
	¢	126,243,171,551	62,536,951,550	155,651,766,914
		March 2025	December 2024	March 2024
At fair value through other comprehensive income				
		Fair value	Fair value	Fair value
<u>Local issuers</u>				
Government	¢	1,101,552,810,336	1,282,465,919,045	926,090,560,319
State-owned Banks		73,050,823,314	67,481,666,075	32,822,723,646
Private Banks		9,989,459,380	513,333,663	510,865,455
Private issuers		0	9,948,281,510	5,532,745,505
Other		10,506,356,484	9,010,646,810	34,439,299,399
		1,195,099,449,514	1,369,419,847,103	999,396,194,324
<u>Issuers abroad:</u>				
Private Banks		54,442,699,191	63,015,190,350	65,712,233,543
Private issuers		60,906,891,641	67,272,709,143	8,849,419,850
	¢	1,310,449,040,346	1,499,707,746,596	1,073,957,847,717
		March 2025	December 2024	March 2024
At amortized cost				
		Fair value	Fair value	Fair value
<u>Local issuers</u>				
Government	¢	8,022,418,488	7,569,087,843	239,189,294,647
	¢	8,022,418,488	7,569,087,843	239,189,294,647

As of March 31, 2025, the investment portfolio amounts to ¢68,127,407,568 (¢82,283,642,703 and ¢84,279,408,361 for December and March 2024, respectively) corresponding to the managed amounts of the Development Credit Fund (See note 36).

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

Purchased financial instruments earn annual yield rates as follows:

	<u>March 2025</u>	<u>December 2024</u>	<u>March 2024</u>
Colones	3.24% to 7.99%	3.30% to 7.25%	4.99% to 7.25%
US dollars	1.00% to 4.49%	0.00% to 6.25%	0.14% to 5.85%

As of March 31, 2025, there are investments granted as collateral for investments and deposits in the liquidity market in SINPE, as well as Deferred Term Operations, for ₡156,930,231,110 (₡400,907,038,167 and ₡194,562,434,188 for December and March 2024, respectively). (see note 2).

Repurchase operations

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

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

(6) Loan portfolio by sector

(a) Loan portfolio by economic sector

	<u>March 2025</u>	<u>December 2024</u>	<u>March 2024</u>
Current loans			
Loans–Personal	₡ 1,500,321,268,410	1,450,043,418,448	1,312,717,580,478
Loans Development Banking System	100,417,309,660	90,538,182,265	89,366,542,820
Loans-Business	167,655,960,729	167,122,951,110	108,853,117,253
Loans-Corporate	1,280,695,897,128	1,292,737,122,746	1,228,977,801,092
Loans–Public Sector	303,877,619,844	272,410,922,800	259,551,569,304
Loans–Financial Sector	1,260,718,705	1,604,847,648	18,385,118,039
	<u>3,354,228,774,476</u>	<u>3,274,457,445,017</u>	<u>3,017,851,728,986</u>
Past due loans			
Loans–Personal	142,001,620,610	133,289,664,180	125,965,013,531
Loans Development Banking System	5,797,480,823	7,161,032,680	5,171,840,670
Loans-Business	10,573,848,780	13,144,185,056	10,492,866,900
Loans-Corporate	49,243,910,944	37,543,184,513	32,481,353,949
	<u>207,616,861,157</u>	<u>191,138,066,429</u>	<u>174,111,075,050</u>
Loans on legal collection			
Loans–Personal	27,208,465,083	28,137,160,725	31,696,534,968
Loans Development Banking System	1,092,263,088	533,043,161	777,994,335
Loans-Business	2,564,238,214	2,513,285,658	4,617,530,408
Loans-Corporate	12,636,699,613	14,212,879,215	17,966,302,816
	<u>43,501,665,998</u>	<u>45,396,368,759</u>	<u>55,058,362,527</u>
	<u>₡ 3,605,347,301,631</u>	<u>3,510,991,880,205</u>	<u>3,247,021,166,563</u>

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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

(b) Loan portfolio by activity

Economic activity	March 2025	December 2024	March 2024
Artistic, entertainment and recreative activities	¢ 2,790,208,969	2,859,988,259	0
Human health care and social assistance activities	244,391,733	257,094,640	0
Activities of households as employers of domestic personnel	15,949,607	16,400,000	0
Administrative and support services activities	18,699,246,754	19,297,232,766	0
Professional, scientific and technical activities	570,287,124	614,117,003	0
Agriculture, livestock, hunting and related services	133,552,726,464	131,279,096,225	129,603,883,295
Public administration	332,648,334,671	299,932,705,635	0
Fishing and aquaculture	0	0	20,214,265
Manufacturing	204,866,020,977	214,494,591,428	234,558,858,703
Telecommunications and public utilities	78,738,055,992	79,255,365,808	432,955,900
Mining and quarrying	12,963,464	14,788,851	198,757,538,693
Trade	300,729,815,954	292,034,605,305	304,267,669,757
Services	595,388,321,529	582,140,471,349	2,955,005,551
Transportation	30,731,276,383	31,010,081,168	83,822,555,546
Financial activity and stock exchange	16,861,895	13,449,200	1,274,708,331,291
Real estate, business, and lease activities	1,272,899,035,970	1,264,669,423,151	2,603,093,757
Construction, purchase, and repair of real estate	126,140,010,944	132,299,935,117	106,764,991,110
Consumer	417,489,580,097	369,444,532,659	605,174,947,927
Hospitality	89,721,441,350	91,254,076,071	30,909,405,453
Education	92,771,754	103,925,570	506,930,755
Other activities of the non - financial private sector	0	0	271,934,784,560
	3,605,347,301,631	3,510,991,880,205	3,247,021,166,563
Interest receivable	18,014,199,402	17,248,944,943	19,315,352,510
Deferred income from loan portfolio	(25,710,551,349)	(24,224,162,181)	(20,642,998,439)
Less allowance for loan losses	(142,448,838,798)	(145,340,683,522)	(123,681,607,255)
Incremental direct costs related to loans	30,176,348	0	0
	¢ <u><u>3,455,232,287,234</u></u>	<u><u>3,358,675,979,445</u></u>	<u><u>3,122,011,913,379</u></u>

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

(c) Loan portfolio by arrears:

The loan portfolio by arrears is detailed as follows:

		March 2025	December 2024	March 2024
Current	¢	3,354,228,774,476	3,274,457,445,017	3,017,851,728,986
01 to 30 days		114,971,152,872	117,521,013,710	101,242,426,524
31 to 60 days		33,083,024,010	25,973,904,613	27,914,478,541
61 to 90 days		20,356,684,012	8,275,260,567	12,655,681,174
91 to 120 days		4,103,282,958	3,896,228,834	4,447,111,536
121 to 180 days		4,381,388,444	11,344,161,307	4,427,964,743
More than 181 days		74,222,994,859	69,523,866,157	78,481,775,059
	¢	<u>3,605,347,301,631</u>	<u>3,510,991,880,205</u>	<u>3,247,021,166,563</u>

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

(d) Past due loans

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

		March 2025	December 2024	March 2024
Number of operations		2,669	2,476	2,324
Past due loans in non-accrual Status	¢	74,222,994,859	69,523,866,157	78,481,775,058
Past due loans in accrual Status	¢	176,895,532,296	167,010,569,031	150,687,662,519
Total unearned interest	¢	21,431,913,180	20,635,361,158	11,640,425,271

Loans in legal collections as of March 31, 2025:

<u>No. of loans</u>	<u>Percentage</u>	<u>Balance</u>
1,176	1.21%	¢ <u>43,501,665,998</u>

As of March 31, 2025, the average annual interest rate accrued on the loans is 8.09% in colones (8.06% and 8.32% for December and March 2024, respectively) and 6.32% in US dollars (interest rate of 6.59% and 6.93% for December and March 2024, respectively).

Loans in legal collections as of December 31, 2024:

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

Loans in legal collections as of March 31, 2024:

<u>No. of loans</u>	<u>Percentage</u>	<u>Balance</u>
1,268	1.70%	¢ <u><u>55,058,362,527</u></u>

(e) Accrued interest receivable on loan portfolio

Interest receivable by economic sector is detailed as follows:

	<u>March 2025</u>	<u>December 2024</u>	<u>March 2024</u>
Loans – Personal	¢ 9,194,269,963	9,000,396,366	8,791,451,380
Loans Development Banking System	350,140,027	295,959,774	350,293,363
Loans - Business	991,674,336	1,849,593,901	1,236,714,445
Loans - Corporate	6,507,472,144	5,339,977,636	7,779,066,130
Loans – Public Sector	963,308,766	753,898,464	1,068,693,256
Loans – Financial Sector	7,334,166	9,118,802	89,133,936
	¢ <u>18,014,199,402</u>	<u>17,248,944,943</u>	<u>19,315,352,510</u>

Interest receivable by aging is detailed as follows:

	<u>March 2025</u>	<u>December 2024</u>	<u>March 2024</u>
Current loans	¢ 11,374,737,814	9,981,391,307	11,528,352,647
Past due loans	4,452,857,700	4,940,908,053	4,078,300,728
Loans on legal collection	2,186,603,888	2,326,645,583	3,708,699,135
	¢ <u>18,014,199,402</u>	<u>17,248,944,943</u>	<u>19,315,352,510</u>

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

(f) Allowance for loan impairment

Movement in the allowance for loan impairment is as follows:

2024, Opening balance	¢	145,340,683,522
Plus:		
Allowance charged to profit or loss (see note 25)		3,350,000,000
Less:		
Adjustment for foreign exchange differences		(774,833,214)
Transfer of paid balances		(5,467,011,510)
Balance as of March 31, 2025	¢	142,448,838,798
2023, Opening balance	¢	124,899,677,183
Plus:		
Allowance charged to profit or loss (see note 25)		25,852,159,024
Transfer of balances		17,714,197,055
Adjustment for foreign exchange differences		2,149,236,655
Less:		
Adjustment for foreign exchange differences		(3,421,860,087)
Transfer of paid balances		(2,439,929,220)
Other transfers		(12,200,000,000)
Balance as of December 31, 2024	¢	145,340,683,522
2023, Opening balance	¢	124,899,677,183
Plus:		
Allowance charged to profit or loss (see note 25)		620,074,271
Less:		
Adjustment for foreign exchange differences		(1,838,144,199)
Balance as of March 31, 2024	¢	123,681,607,255

(g) Syndicated loans

As of March 31, 2025, December and March 2024, the Bank does not have a syndicated loan portfolio with other banks.

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

(7) Foreclosed assets, net

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

		March 2025	December 2024	March 2024
Real estate	¢	24,518,098,227	23,970,962,395	83,269,742,342
Other acquired assets		94,334,567	68,665,987	386,089,933
Purchased for sale		2,456,033,876	2,583,124,876	2,031,225,862
Idle property and equipment		1,990,435,127	2,116,418,056	2,223,768,676
		<u>29,058,901,797</u>	<u>28,739,171,314</u>	<u>87,910,826,813</u>
Allowance for impairment and per legal requirement		(5,581,812,949)	(5,210,695,171)	(62,269,631,782)
	¢	<u>23,477,088,848</u>	<u>23,528,476,143</u>	<u>25,641,195,031</u>

The movement of the foreclosed assets is as follows:

		March 2025	December 2024	March 2024
At the beginning of the year	¢	28,739,171,314	92,293,332,592	92,293,332,592
Increase in foreclosed assets		2,644,514,452	19,832,815,734	3,136,410,081
Transfer of property, furniture, and equipment out of use		61,628,650	205,803,932	37,126,974
Increase in acquired-for-sale assets		3,748,246,745	12,519,537,804	1,018,089,132
Sales of assets		(8,085,341,545)	(37,665,185,060)	(8,479,184,166)
Withdrawal of property, furniture and equipment out of use		(187,611,579)	(370,975,378)	(94,947,800)
Reversals in the estimate		2,138,293,759	(58,076,158,310)	0
Balance at the end of the period	¢	<u>29,058,901,796</u>	<u>28,739,171,314</u>	<u>87,910,826,813</u>

As of March 31, 2025, the amount of ¢54,764,519,511 is recorded (¢54,764,519,511 for December and March 2024 no figures were reported) corresponding to the valuation of assets held-for-sale, with the implementation of CONASSIF Agreement 14-21 "Regulation on the Calculation of Credit Estimates," which came into effect on January 1, 2024, in its Section III "Losses in Case of Default," a change occurs in the estimates for assets held-for-sale (IFRS 5). This effect is shown in the "Reversals in the estimate" line presented in the previous table of movements of assets held-for-sale.

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

		March 2025	December 2024	March 2024
Opening balance	¢	5,210,695,171	66,661,526,999	66,661,526,999
Increases in allowance		366,304,750	59,095,010,709	0
Reversals in allowance		(519,192,512)	(67,407,374,285)	(4,309,271,561)
Settlement of allowance for sale of properties		0	(295,070,977)	0
Transfer to unused accounts		524,005,540	(52,843,397,275)	(82,623,656)
Balance at the end of the period	¢	5,581,812,949	5,210,695,171	62,269,631,782

(8) Investments in other companies

Investments in other companies are as follows:

		March 2025	December 2024	March 2024
<u>Local entities:</u>				
BCR Valores, S.A.	¢	23,807,268,098	23,403,882,774	22,830,272,517
BCR Sociedad Administradora de Fondos Inversión, S.A.		29,023,971,296	28,853,997,436	6,892,632,032
BCR Pensión, Operadora de Planes de Pensiones Complementarias, S.A.		8,112,327,884	7,883,545,808	7,669,295,032
BCR Corredora de Seguros, S.A.		8,770,450,124	7,925,484,794	8,581,172,518
Capital interest in Banprocesa, S.R.L.		107,166,499	123,554,601	169,332,320
Capital interest in Depósito Agrícola de Cartago S.A.		1,028,899,733	1,056,940,131	1,052,771,816
Capital interest in BCR Leasing		1,754,461,316	1,833,975,547	646,618,801
		72,604,544,950	71,081,381,091	47,842,095,036
<u>Foreign entities:</u>				
Banco Internacional de Costa Rica, S.A. and subsidiary	¢	72,371,367,890	72,401,623,986	68,290,548,819
		144,975,912,840	143,483,005,077	116,132,643,855

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

The Bank owns a 51 % ownership interest in BICSA (domiciled in Panamá). As of March 31, 2025, that ownership interest is represented by 6,772,137 ordinary shares of US\$10 par value each. Banco Nacional de Costa Rica owns the remaining 49% of shares.

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

The Bank's income statement as of March 31, 2025, includes ¢ 1,167,616,384, (¢4,125,976,418 and ¢909,670,624 for December 2024) for BICSA's result of operations.

The Bank's statement of changes in equity for the period ended March 31, 2025, includes a decrease in equity for ¢1,134,778,161 (decrease of ¢1,634,339,740 and ¢2,617,205,754 for December and March 2024 respectively), corresponding to changes arising from translation of BICSA's financial statements.

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

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

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

(9) Property and equipment

As of March 31, 2025, property and equipment are as follows:

Cost:	Land	Building	Furniture and equipment	Computer hardware	Vehicles	Assets for the right-of-use – buildings and infrastructure	Total
Balance on December 31, 2024	¢ 35,308,443,934	97,284,855,845	38,413,101,195	56,850,109,133	5,978,659,354	28,273,684,893	262,108,854,355
Additions	0	136,271,969	160,459,721	1,882,360	0	0	298,614,050
Withdrawals	0	0	(211,222,901)	(13,779,710)	0	0	(225,002,611)
Transfers	0	0	91,989,811	294,654,076	0	(32,250)	386,611,637
Balance as of March 31, 2025	35,308,443,934	97,421,127,814	38,454,327,826	57,132,865,859	5,978,659,354	28,273,652,643	262,569,077,430
<u>Accumulated depreciation and impairment</u>							
Balance as of December 31, 2024	0	40,414,495,845	27,273,560,779	43,382,659,374	4,801,488,538	13,993,362,520	129,865,567,057
Depreciation expense	0	494,314,884	555,271,215	1,202,703,168	59,479,529	934,028,907	3,245,797,703
Withdrawals	0	0	(121,294,062)	0	0	0	(121,294,062)
Transfers	0	0	4,145,883	(29,577,648)	0	(95,000,917)	(120,432,682)
Balance as of March 31, 2025	¢ 0	40,908,810,729	27,711,683,815	44,555,784,894	4,860,968,067	14,832,390,510	132,869,638,015
of March 31, 2025	¢ 35,308,443,934	56,512,317,085	10,742,644,011	12,577,080,965	1,117,691,287	13,441,262,133	129,699,439,415

As of December 31, 2024, the property and equipment are as follows

Cost:	Land	Building	Furniture and equipment	Computer hardware	Vehicles	Assets for the right-of-use – buildings and infrastructure	Total
Balance on December 31, 2023	35,307,716,949	96,129,721,043	38,156,498,242	52,073,062,550	5,770,974,011	28,267,914,326	255,705,887,121
Additions		1,155,134,802	1,401,535,363	5,435,985,287	210,220,922	0	8,202,876,374
Withdrawals	726,985		(498,229,987)	(921,691,732)		0	(1,419,194,734)
Transfers			(646,995,092)	262,753,028	(2,535,579)	5,770,567	(381,007,076)
Revaluation			292,670			0	292,670
Balance as of December 31, 2024	35,308,443,934	97,284,855,845	38,413,101,196	56,850,109,133	5,978,659,354	28,273,684,893	262,108,854,355
<u>Accumulated depreciation and impairment</u>							
Balance on December 31, 2023	0	38,464,231,296	26,267,920,443	38,478,231,949	4,584,525,615	10,621,600,960	118,416,510,263
Depreciation expense	0	1,950,264,549	2,390,471,555	5,849,322,468	216,962,921	3,714,900,847	14,121,922,340
Withdrawals	0		(1,450,549,011)	(910,968,431)	0	0	(2,361,517,442)
Transfers	0		65,717,792	(33,926,611)	1	(343,139,287)	(311,348,105)
Balance as of December 31, 2024	¢ 0	40,414,495,845	27,273,560,779	43,382,659,375	4,801,488,537	13,993,362,520	129,865,567,056
31 de diciembre de 2024	¢ 35,308,443,934	56,870,360,000	11,139,540,417	13,467,449,758	1,177,170,817	14,280,322,373	132,243,287,299

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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

<u>Cost:</u>	<u>Land</u>	<u>Building</u>	<u>Furniture and equipment</u>	<u>Computer hardware</u>	<u>Vehicles</u>	<u>Assets for the right-of-use – buildings and infrastructure</u>	<u>Total</u>
Balance on December 31, 2023	₡ 35,307,716,949	96,129,721,043	38,156,498,242	52,073,062,550	5,770,974,011	28,267,914,326	255,705,887,121
Additions	0	89,062,424	291,020,083	416,155,704	2	0	796,238,213
Withdrawals	0	0	(7,557,429)	(364,315,010)	0	0	(371,872,439)
Transfers	0	0	(24,351,515)	(307,826,657)	(1,867,861)	0	(334,046,033)
Revaluation	0	0	0	0	0	0	0
Balance as of March 31, 2024	<u>35,307,716,949</u>	<u>96,218,783,467</u>	<u>38,415,609,381</u>	<u>51,817,076,587</u>	<u>5,769,106,152</u>	<u>28,267,914,326</u>	<u>255,796,206,862</u>
<u>Accumulated depreciation and impairment</u>							
Balance on December 31, 2023	0	38,464,231,296	26,267,920,443	38,478,231,949	4,584,525,615	10,621,600,960	118,416,510,264
Depreciation expense	0	485,109,177	603,210,435	1,496,863,260	54,240,731	928,715,893	3,568,139,496
Withdrawals	0	0	(34,888,755)	(364,431,986)	0	0	(399,320,741)
Transfers	0	0	30,722,737	(15,742,018)	0	(95,489,539)	(80,508,820)
Balance as of March 31, 2024	₡ <u>0</u>	<u>38,949,340,473</u>	<u>26,866,964,860</u>	<u>39,594,921,205</u>	<u>4,638,766,346</u>	<u>11,454,827,314</u>	<u>121,504,820,198</u>
	₡ <u>35,307,716,949</u>	<u>57,269,442,994</u>	<u>11,548,644,521</u>	<u>12,222,155,382</u>	<u>1,130,339,806</u>	<u>16,813,087,012</u>	<u>134,291,386,664</u>

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

(10) Other assets

(a) Other deferred charges

Other deferred charges are detailed as follows:

	March 2025	December 2024	March 2024
Improvements in property in operating lease	¢ 358,160,774	411,472,080	514,457,164
	¢ <u>358,160,774</u>	<u>411,472,080</u>	<u>514,457,164</u>

(b) Intangible assets

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

2025

Cost:

Balance as of December 31, 2023	¢ 95,581,527,085
Additions to computer systems	2,037,573,328
Transfer balances	(667,069,285)
Balance of costs as of March 31, 2025	<u>96,952,031,128</u>

Accumulated amortization and impairment:

Balance as of December 31, 2023	76,796,386,839
Expense for amortization of computer systems	3,368,210,258
Transfer balances	(604,286,777)
Balance of amortization and impairment as of March 31, 2025	<u>79,560,310,320</u>
Total balance as of March 31, 2025	¢ <u>17,391,720,808</u>

Cost:

Balance as of December 31, 2023	¢ 83,003,690,715
Additions to computer systems	14,173,811,595
Transfer balances	(720,098,459)
Withdrawals	(875,876,766)
Balance of costs as of December 31, 2024	<u>95,581,527,085</u>

Accumulated amortization and impairment:

Balance as of December 31, 2023	63,544,196,717
Expense for amortization of computer systems	14,128,066,888
Withdrawals	0
Withdrawals	(875,876,766)
Balance of amortization and impairment as of December, 2024	<u>76,796,386,839</u>
Total balance as of December 31, 2024	¢ <u>18,785,140,246</u>

Balance as of December 31, 2023	¢ 83,003,690,715
Additions to computer systems	1,567,849,276
Transfer balances	(267,038,796)
Withdrawals	(4,471,106)
Balance of costs as of March 31, 2024	<u>84,300,030,089</u>

Accumulated amortization and impairment:

Balance as of December 31, 2023	63,544,196,717
Expense for amortization of computer systems	4,128,223,207
Withdrawals	(4,471,107)
Balance of amortization and impairment as of March, 2024	<u>67,667,948,817</u>
Total balance as of March 31, 2024	¢ <u>16,632,081,272</u>

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BANCO DE COSTA RICA

Notes to the separate financial statements

(c) Other assets

Other assets are detailed as follows:

	March 2025	December 2024	March 2024
Prepaid taxes	3,995,612,597	24,987,105,556	2,991,886,408
Prepaid rentals	78,383	78,383	78,383
Prepaid insurance policy	176,108,865	20,790,931	221,678,844
Other prepaid expenses	<u>0</u>	<u>0</u>	<u>0</u>
Prepaid expenses	4,171,799,845	25,007,974,870	3,213,643,635
Stationery, supplies and other materials	235,002,643	247,740,349	213,222,693
Library and works of art	45,732,354	44,900,497	17,509,333
Constructions in process	10,566,012,264	10,339,915,033	9,466,793,481
Amortized applications in development	6,444,602,033	6,255,333,242	4,843,321,035
Rights in social and union institutions	69,333,800	69,333,800	36,633,800
Other sundry assets	<u>2,064,373,130</u>	<u>2,064,373,131</u>	<u>2,064,373,132</u>
Miscellaneous goods	19,425,056,224	19,021,596,052	16,641,853,474
Missing cash	81,922,840	62,203,830	35,791,164
Transactions to be settled	33,355,753,349	28,371,293,498	50,913,962,896
Other charge pending operations	<u>46,035,866</u>	<u>116,933,079</u>	<u>122,092,724</u>
Operations pending allocation	33,483,712,055	28,550,430,407	51,071,846,784
Deposits in guarantee	<u>261,388,408</u>	<u>206,432,072</u>	<u>192,518,036</u>
Restricted assets	<u>261,388,408</u>	<u>206,432,072</u>	<u>0</u>
Other assets available-for-sale outside the scope of IFRS 5	<u>21,338,427,613</u>	<u>22,765,376,113</u>	<u>192,518,036</u>
	¢ <u>78,680,384,145</u>	¢ <u>95,551,809,514</u>	¢ <u>71,119,861,929</u>

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

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BANCO DE COSTA RICA

Notes to the separate financial statements

(11) Demand obligations with the public

Demand obligations with the public as follows:

	March 2025	December 2024	March 2024
Checking accounts	¢ 2,107,405,364,244	2,185,141,084,780	2,083,692,088,396
Certification checks	83,578,150	26,195,159	128,170,520
Demand saving deposits	1,104,124,663,392	1,135,345,347,967	1,051,153,468,452
Matured term deposits	770,856,580	1,541,540,754	1,533,783,964
Other demand obligations with the public	4,848,584,833	3,889,332,307	2,930,664,646
	¢ <u>3,217,233,047,199</u>	<u>3,325,943,500,967</u>	<u>3,139,438,175,978</u>

(12) Term and demand deposits from clients

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

	March 2025	December 2024	March 2024
	<u>Demand</u>	<u>Demand</u>	<u>Demand</u>
Public	¢ 3,212,384,462,366	3,322,054,168,660	3,136,507,511,333
Other obligations with the public	4,848,584,833	3,889,332,307	2,930,664,645
	<u>3,217,233,047,199</u>	<u>3,325,943,500,967</u>	<u>3,139,438,175,978</u>
State-owned entities	15,347,837,898	22,658,627,946	22,165,232,331
Deposits from other banks	4,527,691,222	4,655,826,031	4,123,132,345
Other financial entities	15,655,983,591	15,315,011,271	31,523,980,609
	35,531,512,711	42,629,465,248	57,812,345,285
	¢ <u>3,252,764,559,910</u>	<u>3,368,572,966,215</u>	<u>3,197,250,521,263</u>

	March 2025	December 2024	March 2024
	<u>Term</u>	<u>Term</u>	<u>Term</u>
Public	¢ 1,574,598,740,133	1,371,950,972,310	1,356,647,531,192
Other obligations with the public	0	0	0
	<u>1,574,598,740,133</u>	<u>1,371,950,972,310</u>	<u>1,356,647,531,192</u>
State-owned entities	62,314,175,009	58,800,000,000	52,130,000,000
Deposits from other banks	14,493,255,698	725,085,235	4,222,435,516
Other financial entities	292,503,984,652	307,484,300,144	202,743,260,047
	369,311,415,359	367,009,385,379	259,095,695,563
	¢ <u>1,943,910,155,492</u>	<u>1,738,960,357,689</u>	<u>1,615,743,226,755</u>

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BANCO DE COSTA RICA

Notes to the separate financial statements

As of March 31, 2025, demand deposits from customers include court-ordered deposits for ₡263,810,538,898 (₡266,239,219,955 and ₡258,775,226,314 for December and March 2024, respectively) which are restricted because of their nature.

As of March 31, 2025, the Bank has a total of 1,868,146 (1,902,794 and 1,864,259, for December and March 2024, respectively) and the term is 37,925, (36,834 and 37,530 for December and March 2024, respectively)

(13) Repurchase and reverse repurchase agreements

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

As of March 31, 2025, December and March 2024, the Bank does not hold repurchase agreements.

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

Obligations with entities are as follows:

	<u>March 2025</u>	<u>December 2024</u>	<u>March 2024</u>
Term deposits with the Central Bank de Costa Rica	₡ 12,001,583,333	161,929,838,016	99,002,909,685
Charges payable for obligations with Central Bank of Costa Rica	0	2,513,142,840	2,268,761,081
	<u>12,001,583,333</u>	<u>164,442,980,856</u>	<u>101,271,670,766</u>
Checking accounts of local entities	28,686,740,266	40,488,503,289	43,738,243,745
Overdrafts in demand checking accounts in foreign financial entities	5,947,348,650	1,614,866,940	13,464,913,592
Obligations for checks to be collected	897,423,795	526,095,019	609,187,948
Term deposits of local financial entities	95,020,809,307	74,473,462,035	71,055,275,516
Loans from foreign financial entities	38,962,827,750	14,151,348,000	32,207,095,000
Obligations for the right-of-use leased properties	13,747,952,700	14,745,760,450	17,051,594,736
Obligations for deferred liquidity operations	90,010,104,881	125,541,265,194	0
Obligations with resources from the Development Credit Fund (DCF)	131,569,720,721	138,097,549,700	138,781,730,311
Charges payable for obligations with financial and non-financial entities	1,642,627,583	2,128,033,109	1,461,525,946
	<u>406,485,555,653</u>	<u>411,766,883,736</u>	<u>318,369,566,794</u>
Subordinated loans	49,961,562,336	49,960,796,648	49,958,633,180
Charges payable subordinated loans	184,422,222	184,422,222	184,422,222
	<u>50,145,984,558</u>	<u>50,145,218,870</u>	<u>50,143,055,402</u>
	<u>₡ 468,633,123,544</u>	<u>626,355,083,462</u>	<u>469,784,292,962</u>

Maturities of term obligations with entities are from January 1, 2025, to March 12, 2026.

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

	March 2025	December 2024	March 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 8.72%

As of March 31, 2025, December and March 2024, there are no term obligations with foreign financial entities for international issuance.

(a) Maturities of loans payable

As of March 31, 2025, loans payable mature as follows:

	Central Bank of Costa Rica	Local financial entities	Foreign financial entities	International organizations	Total
Less than one year	¢ 102,011,688,214	0	0	25,865,973,000	127,877,661,214
From one to two years	0	0	0	491,604,750	491,604,750
Over 5 years	49,961,562,336	0	0	12,605,250,000	62,566,812,336
Total	¢ 151,973,250,550	0	0	38,962,827,750	190,936,078,300

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

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

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

	Central Bank of Costa Rica	Local financial entities	Foreign financial entities	International organizations	Total
Less than one year	¢ 99,002,909,685	0	0	25,330,000,000	124,332,909,685
From one to two years	0	0	0	1,811,095,000	1,811,095,000
From three to five years	0	0	0	0	0
Over 5 years	0	0	0	5,066,000,000	5,066,000,000
Total	¢ 99,002,909,685	0	0	32,207,095,000	131,210,004,685

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Notes to the separate financial statements

(b) Lease obligations

As of March 31, 2025, the Bank has the following obligations from financial leases:

		<u>Installment</u>	<u>Interest</u>	<u>Maintenance</u>	<u>Present value</u>
Less than one year	¢	3,523,549,803	769,704,966	0	2,753,844,838
Between one and five years		12,350,310,259	1,356,202,398	0	10,994,107,862
	¢	<u>15,873,860,063</u>	<u>2,125,907,363</u>	<u>0</u>	<u>13,747,952,700</u>

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

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

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

		<u>Installment</u>	<u>Interest</u>	<u>Maintenance</u>	<u>Present value</u>
Less than one year	¢	4,362,272,589	10,595,294,442	-	3,302,743,147
Between one and five years		17,525,397,524	2,495,736,414	-	15,029,660,054
	¢	<u>21,887,670,113</u>	<u>13,091,030,856</u>	<u>-</u>	<u>18,332,403,201</u>

As of March 31, 2025, the estimate of future lease payments is as follows:

	<u>Colones</u>	<u>US\$ converted to colones</u>
1 year	827,033,459	1,926,811,378
2 years	885,256,615	1,803,216,640
3 years	866,128,355	1,747,837,199
4 years	1,008,554,117	2,016,279,853
5 years	894,491,928	1,772,343,156
Over 5 years	0	0
	¢ <u>4,481,464,474</u>	<u>9,266,488,226</u>

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

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

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

	Colones	US\$ converted to colones
1 year	772,639,630	2,487,078,432
2 years	827,033,459	1,935,944,635
3 years	885,256,615	1,811,764,046
4 years	866,128,355	1,756,122,101
5 years	1,008,554,117	2,025,837,198
Over 5 years	894,491,928	1,780,744,219
	¢ 5,254,104,104	11,797,490,632

As of March 31, 2025, future payments of the lease liability are presented as follows:

Year	Payments	Amortization	Interest	Balance
1 31/3/2025	3,538,626,439	1,838,965,652	849,830,393	11,059,156,654
2 31/3/2026	3,310,762,343	2,098,146,624	606,307,859	8,354,702,171
3 31/3/2027	3,310,762,343	2,441,094,405	434,833,969	5,478,773,797
4 30/3/2028	3,310,762,343	2,805,915,490	252,423,427	2,420,434,881
5 31/3/2029	2,483,071,757	2,357,798,004	62,636,876	0
6 31/3/2030	0	0	0	0
7 31/3/2031	0	0	0	0
8 30/3/2032	0	0	0	0
9 30/3/2033	0	0	0	0
10 31/3/2034	0	0	0	0
	¢ 15,953,985,224	11,541,920,175	2,206,032,525	

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

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

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

Year		Payments	Present value	Amortization	Interest	Balance
1	31/3/2024	¢ 4,236,983,999	3,179,212,833	2,121,441,666	1,057,771,166	13,872,381,903
2	31/3/2025	3,550,151,424	2,778,126,194	2,006,100,965	772,025,229	11,094,255,709
3	31/3/2026	3,321,207,232	2,713,077,642	2,104,948,053	608,129,589	8,381,178,067
4	31/3/2027	3,321,207,232	2,885,068,922	2,448,930,612	436,138,310	5,496,109,145
5	30/3/2028	3,321,207,232	3,068,027,897	2,814,848,563	253,179,334	2,428,081,247
6	31/3/2029	2,490,905,424	2,428,081,247	2,365,257,071	62,824,177	0
7	31/3/2030	0	0	0	0	0
8	31/3/2031	0	0	0	0	0
9	30/3/2032	0	0	0	0	0
10	31/3/2033	0	0	0	0	0
	¢	<u>20,241,662,541</u>	<u>17,051,594,736</u>	<u>13,861,526,930</u>	<u>3,190,067,806</u>	

(15) Income tax

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

As of March 31, 2025, the Bank's separate balances of income tax payable and expected income tax amount to ¢0 (¢24,521,992,085 and ¢7,520,621,523 for December and March 2024) (see note 17) and income tax advances for ¢3,995,612,597, (¢24,987,105,556 and ¢2,991,886,408 for December and March 2024) are recorded as "Other assets".

Income tax expense is detailed as follows:

	March 2025	December 2024	March 2024
Income tax	¢ 0	25,043,823,507	7,570,499,515
Decrease in income tax	0	(521,831,422)	0
Adjustment for income tax of the previous period	0	0	0
	<u>0</u>	<u>24,521,992,085</u>	<u>7,570,499,515</u>
<u>Income tax expense:</u>			
Expense for current tax of the period	0	25,043,823,507	7,570,499,515
Expense for deferred income tax	19,046,185,707	7,198,875,317	1,443,650,996
	<u>19,046,185,707</u>	<u>32,242,698,824</u>	<u>9,014,150,511</u>
<u>Income for income tax:</u>			
Decrease in income tax of the period	0	(521,811,269)	0
Income for deferred income tax	(12,667,595,914)	(10,378,116,933)	(2,032,827,353)
	<u>(14,017,700,637)</u>	<u>(10,899,928,202)</u>	<u>(2,032,827,353)</u>
Expense for income tax, net	¢ <u>5,028,485,070</u>	<u>21,342,770,622</u>	<u>6,981,323,158</u>

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

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Notes to the separate financial statements

As of March 31, 2025, deferred tax assets and liabilities are attributed to the following:

	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>
Valuation of investments	¢ 465,004,887	(3,603,696,614)	(3,138,691,725)
Revaluation of buildings	242,823,928	(8,022,084,916)	(7,779,260,989)
Revaluation of property	0	(5,763,717,661)	(5,763,717,661)
Financial leases	4,148,423,438	(4,061,446,459)	86,976,980
Deferred tax on exchange differences	16,213,967,589	(38,481,958,616)	(22,267,991,027)
Taxes on deferred tax losses	7,414,653,471	0	7,414,653,471
Total	¢ <u>28,484,873,313</u>	<u>(59,932,904,266)</u>	<u>(31,448,030,952)</u>

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

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

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

	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>
Valuation of investments	¢ 1,477,422,225	(3,672,166,778)	(2,194,744,553)
Revaluation of buildings	242,823,928	(8,429,616,925)	(8,186,792,998)
Revaluation of property	0	(5,763,717,661)	(5,763,717,661)
Provisions	0	0	0
Financial leases	5,143,917,186	(5,175,905,530)	(31,988,343)
Deferred tax on exchange differences	10,881,108,456	(21,419,424,147)	(10,538,315,691)
Total	¢ <u>17,745,271,794</u>	<u>(44,460,831,041)</u>	<u>(26,715,559,246)</u>

The movement of temporary differences is as follows:

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Notes to the separate financial statements

As of March 31, 2025:

	December 31, 2024	Income statement	Equity	March 31, 2025
Liabilities account				
Valuation of investments	¢ (4,322,785,182)	0	719,088,568	(3,603,696,614)
Revaluation of buildings	(8,091,378,967)	69,294,051	0	(8,022,084,916)
Revaluation of property	(5,763,717,661)	0	0	(5,763,717,661)
Financial leases	(4,340,061,227)	278,614,768	0	(4,061,446,459)
For exchange differences	(23,118,197,534)	(15,363,761,082)	0	(38,481,958,616)
Assets account				
Valuation of investments	595,021,438		(130,016,550)	465,004,888
Income tax for revaluation of assets	242,823,928	0	0	242,823,928
Financial leases	4,449,280,529	(300,857,090)	0	4,148,423,438
Deferred income tax on exchange differences	14,690,501,499	1,523,466,090	0	16,213,967,589
Taxes on deferred tax losses	0	7,414,653,471	0	7,414,653,471
Total	¢ <u>(25,658,513,177)</u>	<u>(6,378,589,793)</u>	<u>589,072,018</u>	<u>(31,448,030,952)</u>

As of December 31, 2024:

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

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Notes to the separate financial statements

As of March 31, 2024:

	December 31, 2023	Income statement	Equity	March 31, 2024
Liabilities account				
Valuation of investments	¢ (2,880,956,515)	0	(791,210,263)	(3,672,166,778)
Revaluation of buildings	(8,498,910,976)	69,294,051	0	(8,429,616,925)
Revaluation of property	(5,763,717,661)	0	0	(5 763 717 661)
Financial leases	(5,454,520,297)	278,614,767	0	(5 175 905 530)
For exchange differences	(21,419,424,148)	1	0	(21,419,424,147)
Assets account				
Valuation of investments	2,605,631,334	0	(1,128,209,109)	1,477,422,225
Income tax for revaluation of assets	242,823,928	0	0	242,823,928
Provisions				
Financial leases	5,548,672,538	(404,755,352)	0	5,143,917,186
Deferred income tax on exchange differences	10,235,085,566	646,022,890	0	10,881,108,456
Total	¢ <u>(25,385,316,231)</u>	<u>589,176,357</u>	<u>(1,919,419,372)</u>	<u>(26,715,559,246)</u>

As of December 31, 2024, the Bank has a balance for income tax receivable of ¢ 15,210,989,667 (¢13,902,789,378 and ¢23,147,914,797 for December and March 2024, respectively), in addition to bear value added tax for ¢905,966,906 (¢2,400,398,797 and ¢659,979,745, for December and March 2024, respectively) and value added tax deductible for ¢9,525 (¢9,525 and ¢1,725 for December and March 2024, respectively).

	March 2025	December 2024	March 2024
Income tax receivable	¢ 15,210,989,667	13,902,789,378	23,147,914,797
Supported value added tax	905,966,906	2,400,398,797	659,979,745
Deductible value added tax	9,525	9,525	1,725
	¢ <u>16,116,966,098</u>	<u>16,303,197,700</u>	<u>23,807,896,267</u>

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

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

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As of March 31, 2025, the amount recorded by the Bank as provision is of ₡18,640,703,527 (₡18,640,703,527 and 18,640,703,527, for December and March 2024, respectively). The Bank's Management considers that this amount covers aspects of uncertain tax treatments between the Tax Administration and Banco de Costa Rica for the periods from 2020 to 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.

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

As of March 31, 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 de ₡38,481,958,616, (₡23,118,197,534 y ₡21,419,424,147, for December and March 2024, respectively) and ₡16,213,967,589 are recorded as an asset (₡14,690,501,499 y ₡10,881,108,456, for December and March 2024, respectively).

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BANCO DE COSTA RICA

Notes to the separate financial statements

(16) Provisions

Movement in provisions is as follows:

	<u>Severance benefits</u>	<u>Litigations</u>	<u>Others</u>	<u>Total</u>
Balance on December 31, 2024	€ 9,223,064,713	22,129,197,280	19,553,477,934	50,905,739,927
Increase in provision	0	336,080,037	308,542,677	644,622,714
Use of provision	(3,794,958)	(92,002,797)	(264,358,054)	(360,155,809)
Adjustment for foreign exchange	0	0	0	0
Reversal of provision	(238,929,676)	(806,786,061)	0	(1,045,715,737)
Balance on March 31, 2025	€ <u>8,980,340,079</u>	<u>21,558,808,624</u>	<u>19,597,662,557</u>	<u>50,136,811,260</u>

As of December 31, 2024, the movement in provisions is as follows:

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

As of March 31, 2024, the movement in provisions is as follows:

	<u>Severance benefits</u>	<u>Litigations</u>	<u>Others</u>	<u>Total</u>
Balance on December 31, 2023	€ 9,577,319,983	20,832,826,114	19,658,402,023	50,068,548,120
Increase in provision	0	636,749,228	577,140,693	1,213,889,921
Use of provision	(6,906,743)	(552,354,311)	(83,095,711)	(642,356,765)
Adjustment for foreign exchange	0	(105,797)	0	(105,797)
Balance on March 31, 2024	€ <u>9,570,413,240</u>	<u>20,917,115,234</u>	<u>20,152,447,005</u>	<u>50,639,975,479</u>

As of March 31, 2025, the number of litigations is detailed with probability of occurrence is detailed as follows:

Type	Number	High	Low	Pending evaluation	Total amount in colones	Total amount in US dollars	Provisions in colones	Provision in US dollars
Contentious	226	21	205	0	36,922,122,735	366,008,756	2,425,680,238	795,214
Criminal	7	1	6	0	461,219,445	0	187,989,445	0
Labor	259	49	210	0	3,948,900,142	825,000	2,125,779,913	0
Procedures	29	3	26	0	64,026,744	12,100	13,767,320	0
Total					€41,396,269,066	\$366,845,856	€4,753,216,916	\$795,214

As of March 31, 2025, there are no high-category litigations without an estimate (for December 2024 no high-category litigations without an estimate and 32 litigations for March 2024).

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BANCO DE COSTA RICA

Notes to the separate financial statements

As of December 31, 2024

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

As of March 31, 2024:

Type	Number	High	Low	Pending evaluation	Total amount in colones	Total amount in US dollars	Provisions in colones	Provision in US dollars
Contentious	231	22	207	2	34,708,729,403	370,404,085	2,465,724,301	2,949
Criminal	19	2	17	0	636,829,602	5,857	190,614,798	0
Labor	352	63	289	0	6,200,791,033	825,001	2,366,390,197	0
Procedures	22	0	22	0	15,096,422	2,000	0	0
Total	624	87	535	2	¢41,561,446,459.40	\$371,236,942.87	¢5,022,729,295.38	\$2,948.58

As of March 31, 2025, the Bank is a defendant in litigation, for which the following provisions have been established:

- Ordinary suits filed against the Bank have been estimated at ¢36,922,122,735 and US\$¢366,008,756 for which the Bank has provisioned ¢2,425,680,238 and US\$ 795,214.
- The criminal lawsuits against the Bank have been estimated at ¢461,219,445, for which the Bank has recorded a provision in the amount of ¢187,989,445.
- By their nature, labor suits are difficult to estimate. However, they have been estimated at ¢3,948,900,142 y US\$ 825,000 for which the Bank has recorded a provision in the amount of ¢2,125,779,913, in cases where there is a non-firm conviction.
- There are administrative proceedings at different stages in the amount ¢64,026,744 and US\$12,100 for which the Bank has recorded a provision in the amount of ¢ 13,767,320.
- A provision corresponding to the Deposit Guarantee Fund is created and recorded in "Others", in the amount of ¢301,395,421.

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

- Ordinary suits filed against the Bank have been estimated at ¢37,673,827,735 and US\$365,961,985 for which the Bank has provisioned 2,377,231,945 y US\$ 820,058.
- The criminal lawsuits against the Bank have been estimated at ¢461,219,445, for which the Bank has recorded a provision in the amount of ¢187,989,445.

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BANCO DE COSTA RICA

Notes to the separate financial statements

- By their nature, labor suits are difficult to estimate. However, they have been estimated at ¢ 4,367,132,650 y US\$ 825,000 for which the Bank has recorded a provision in the amount of ¢ 2,547,595,263 in cases where there is a non-firm conviction.
- There are administrative proceedings at different stages in the amount ¢64,026,744 and US\$12,100 for which the Bank has recorded a provision in the amount of ¢ 13,767,320.
- A provision corresponding to the Deposit Guarantee Fund is created and recorded in "Others", in the amount of ¢375,604,920.

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

- Ordinary suits filed against the Bank have been estimated at ¢34,708,729,403 and US\$370,404,085 for which the Bank has provisioned ¢2,465,724,301 and US\$2,949 respectively.
- The criminal lawsuits against the Bank have been estimated at ¢ 636,829,602 and \$5,857 for which the Bank has recorded a provision in the amount of ¢190,614,798.
- By their nature, labor suits are difficult to estimate. However, they have been estimated at ¢6,200,791,033 and \$825,001 for which the Bank has recorded a provision in the amount of ¢2,366,390,197, in cases where there is a non-firm conviction.
- There are administrative proceedings at different stages in the amounts 15,096,422 and US\$2,000.
- A provision corresponding to the Deposit Guarantee Fund is created and recorded in "Others", in the amount of ¢ ¢282,912,999.

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

(17) Other miscellaneous accounts payable

Other miscellaneous accounts payable are detailed as follows:

	March	December	March
	2025	2024	2024
Fees payable	69,596,352	54,861,559	106,880,279
Current income tax (see note 15)	0	24,521,992,085	7,570,499,515
UD Income Tax	11,427,621	11,408,206	24,177,904
Value added tax payable	155,082,775	218,558,654	94,685,039
Employer contributions	1,396,943,464	1,382,762,623	2,671,838,790
Withholdings by legal order	835,385,550	866,207,497	1,063,801,141
Retained taxes payable	3,906,708,019	3,195,483,313	2,629,539,378
Employer withholdings	502,291,474	499,554,858	1,044,731,579
Other third-party withholdings	6,992,458,698	9,613,919,802	13,489,200,504
Compensations and salaries payable	2,936,880,360	8,825,049,258	2,674,257,274
Distributions payable on results of the period (see note 30)	6,791,094,676	20,468,420,191	6,412,196,721
Accrued vacation payable	6,330,813,952	6,683,838,507	6,381,935,790
Accrued statutory Christmas bonus payable	2,139,285,079	756,800,971	2,062,863,685
Commissions payable for insurance placement	61,935,119	56,816,797	425,900,835
Sundry creditors	24,453,502,625	24,724,021,691	21,021,409,497
	56,583,405,764	101,879,696,012	67,673,917,931

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

(18) Equity

a) Capital Social

The Bank's capital is comprised as follows:

	March	December	March
Capital under Law 1644	30,000,000	30,000,000	30,000,000
Bank capitalization bonds	1,288,059,486	1,288,059,486	1,288,059,486
Capital increase under Law 7107	118,737,742,219	118,737,742,219	118,737,742,219
Capital increase under Law 8703	27,619,000,002	27,619,000,002	27,619,000,002
Capital increase under Law 9605	18,907,432,694	18,907,432,694	18,907,432,694
Increase in 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

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BANCO DE COSTA RICA

Notes to the separate financial statements

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

b) Surplus from revaluation

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

As of March 31, 2025, the revaluation surplus amounts to ¢41,085,212,831 (¢41,085,212,831 and ¢41,085,212,831 for December and March 2024, respectively).

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

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

As of March 31, 2025, the balance of adjustment for valuation of available-for-sale investments corresponds to unrealized net gain in the amount of ¢8,082,502,209, (¢9,546,597,055 and ¢5,643,696,588, for December and March 2024, respectively).

d) Adjustment for valuations of investments in other companies

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

As of March 31, 2025, changes in equity include foreign exchange differences corresponding to investments in other companies in the amount of ¢3,932,899,583, (¢2,590,848,254 and ¢3,253,906,478, for December and March 2024, respectively).

e) Equity Development Financing Fund (FOFIDE)

As of March 31, 2025, the amount for the constitution of the equity of the Development Financing Fund is ¢53,678,819,200 (¢48,866,249,077 and ¢48,866,249,077, for December and March 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.

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BANCO DE COSTA RICA

Notes to the separate financial statements

f) Equity reserves

As of March 31, 2025, the equity reserves reflected in the statement of changes in equity amount to ¢385,220,658,667, (¢364,708,053,622 and ¢364,708,053,622, for December and March 2024, respectively).

Regulatory Capital

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

	<u>March</u>	<u>December</u>	<u>March</u>
	<u>2025</u>	<u>2024</u>	<u>2024</u>
<u>Primary Capital</u>			
Ordinary paid in capital	¢ 181,409,990,601	181,409,990,601	181,409,990,601
Legal reserve	385,220,658,667	364,708,053,622	364,708,053,622
Accumulated results of previous periods	70,128,928,065	47,328,475,171	47,328,475,171
Profits of the current period	12,696,435,385	42,624,954,756	12,075,470,216
Adjustment to equity – other comprehensive income	45,234,815,456	0	0
Revaluation surplus of investment properties	(41,085,212,831)	0	0
Revaluation adjustments for interests in other companies	(6,712,721,863)	0	0
	<u>646,892,893,480</u>	<u>636,071,474,150</u>	<u>605,521,989,610</u>
<u>Secondary Capital</u>			
Adjustment for valuation of property	30,813,909,623	30,813,909,623	30,813,909,622
Adjustment to valuation of shares in other Companies	6,712,721,863	(2,590,848,254)	(3,253,906,478)
Retained earnings from prior periods			
(Accumulated losses from prior periods)	(5,500,673,306)	0	0
Income from current period			
Subordinated loan instruments	49,961,562,336	49,960,796,648	49,958,633,180
Development Financing Fund	53,678,819,200	48,866,249,077	48,866,249,077
Intangible assets	(23,836,322,841)		
Input Value-Added Tax (VAT)	(750,893,656)	0	0
	<u>111,079,123,219</u>	<u>127,050,107,094</u>	<u>126,384,885,401</u>
<u>Deductions</u>			
Interest in other companies	(144,975,912,840)	(143,483,005,077)	(116,132,643,855)
Total regulatory capital	<u>¢ 612,996,103,859</u>	<u>619,638,576,167</u>	<u>615,774,231,156</u>

For 2025, the presentation of regulatory capital was aligned with the requirements of the relevant regulatory bodies.

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BANCO DE COSTA RICA

Notes to the separate financial statements

(19) Commitments and contingencies

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

Off-balance financial instruments with risk are as follows:

	March 2025	December 2024	March 2024
Guarantees granted:			
Performance bonds	¢ 52,009,892,943	52,006,287,085	56,269,331,304
Bid bonds	586,218,562	8,524,854	60,520,378
Letters of credit issued, not negotiated	14,362,878,679	19,872,073,160	18,008,104,294
Automatic draw lines of credit	190,361,249,378	183,482,816,046	145,953,020,445
Other contingencies	221,518,924,688	225,088,150,604	224,605,858,671
Credits pending disbursement	49,418,494	49,425,566	49,420,478
	¢ 478,888,582,744	480,507,277,315	444,946,255,570

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

	March 2025	December 2024	March 2024
With prior deposit	¢ 15,089,511,732	16,838,517,597	11,967,841,491
Without prior deposit	242,280,146,324	238,580,609,113	208,372,555,408
Pending litigation and claims	221,518,924,688	225,088,150,605	224,605,858,671
Total deposits	¢ 478,888,582,744	480,507,277,315	444,946,255,570

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

As of March 31, 2025, letters of credit are backed up by 100% of the stand-by balance or by lines of credit.

As of March 31, 2025, floating guarantees in custody are for ¢219,236,331,856, (¢223,652,134,881 and ¢234,576,449,745, for December and March 2024, respectively).

Other contingencies:

As of March 31, 2025, the Bank's Legal Division reported the following contingencies and commitments:

- In contentious matters, there are active contentious proceedings filed against the Bank, which have been estimated at ¢34,496,442,497 y US\$365,213,542. In addition, there are contentious proceedings related to precautionary measures without an estimate.

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

- In criminal matters there are active ordinary labor processes which were estimated at ₡273,230,000.
- Ordinary labor suits estimated at ₡1,823,120,229 and US\$825,000.
- Administrative proceedings against the Bank have been estimated in the amount of ₡50,259,424 and US\$12,100.

As of March 31, 2025, there are judicial and administrative conditions related to the subsidiary BCR SAFI S.A., which are at different stages. These are detailed in the note on significant and subsequent events (see Note 39) and should be considered comprehensively along with the disclosures in the notes to the financial statements of the subsidiary.

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

- Administrative suits against the Bank estimated at ₡35,296,597,790 y 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.
- Ordinary labor suits estimated at ₡1,819,537,387 y US\$825,000.
- Administrative proceedings against the Bank have been estimated in the amount of ₡50,361,133 y US\$12,100.

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

- In contentious matters, there are active contentious proceedings filed against the Bank, which have been estimated at ₡32,243,005,101 y US\$370,401,136. In addition, there are contentious proceedings related to precautionary measures without an estimate.
- In criminal matters there are active ordinary labor processes which were estimated at ₡446,214,804 y US\$5,857.
- Ordinary labor suits estimated at ₡3,834,400,836 y US\$825,001.
- Administrative proceedings against the Bank have been estimated in the amount of ₡15,096,422 y US\$2,000.

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BANCO DE COSTA RICA

Notes to the separate financial statements

(20) Trusts

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

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

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

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

		March 2025	December 2024	March 2024
Cash and due from banks	¢	48,172,250,838	43,455,014,241	46,507,562,056
Investment		129,009,029,254	144,067,430,467	161,215,847,921
Loan portfolio		9,236,365,979	9,206,452,940	9,404,428,705
Allowance for loan losses		(6,792,144,870)	(6,748,792,221)	(6,903,894,611)
Assets held-for-sale		123,538,093,752	124,695,292,932	124,543,693,553
Investment in other companies		795,609,900	795,609,900	795,609,900
Other receivables		17,500,267,905	26,727,848,775	32,435,462,332
Property and equipment		94,718,681,119	97,028,966,280	100,674,329,702
Other assets		298,076,119,726	302,284,830,137	337,243,143,109
	¢	<u>714,254,273,603</u>	<u>741,512,653,451</u>	<u>805,916,182,667</u>

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

(21) Other debit memoranda accounts

Other debit memoranda accounts are as follows:

	March 2025	December 2024	March 2024
Guarantees received and held in custody	7,358,404,161,983	7,075,587,343,747	5,279,857,438,766
Guarantees received and held by third parties	3,989,588,104	4,056,759,784	4,008,430,864
Other memoranda accounts, unused authorized lines of credit	396,437,747,211	394,627,561,842	388,437,558,836
Written off assets	227,905,851,878	222,170,849,151	213,642,431,798
Suspense interest receivable	31,656,058,736	30,902,158,551	21,351,255,664
Other memoranda accounts	8,905,243,667,049	7,133,661,779,176	6,632,278,668,198
Assets and securities held in custody for third parties	127,460,629,162	53,932,153,736	130,335,557,082
Marketable securities received as collateral (Guarantee trust)	0	414,001,634	0
Unsettled futures contracts	0	239,146,429	0
Own trading securities	1,094,688,212,386	1,029,229,514,818	809,062,162,567
Cash and accounts receivable custodial activities	50,487,210,497	49,198,269,928	25,656,688,966
Third party trading securities pledged as guarantee (Guarantee Trust)	38,139,946,716	20,931,849,009	23,440,953,321
Negotiable securities pending receipt	51,084,550,771	21,543,155,646	535,683,717
Performed spot contracts pending settlement	29,495,238,879	200,000,000	683,511,960
Future contracts pending settlement	30,633,157,861	15,784,081,059	19,090,415,157
Third parties trading securities	8,004,886,194,600	7,286,257,228,862	7,319,968,676,337
¢	<u>26,350,512,215,833</u>	<u>23,338,735,853,372</u>	<u>20,868,349,433,233</u>

(22) Financial income on financial instruments

Finance income on financial instruments is as follows:

	March 2025	March 2024
Interest for investments in financial instruments at fair value through other comprehensive income	23,618,518,086	17,794,207,863
Interest from investments at amortized cost	115,717,971	3,005,095,185
Interest in investments in expired and restricted financial instruments	275,207	936,009
¢	<u>23,734,511,264</u>	<u>20,800,239,057</u>

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

(23) Financial income on credit portfolio

Financial income on credit portfolio is as follows:

	March 2025	March 2024
Current loans		
Loans – Personal	36,692,701,543	33,018,917,500
Loans - Development Financing Fund	1,042,152,530	1,076,192,530
Loans - Business	2,961,399,622	2,039,105,220
Loans – Corporate	25,035,856,259	26,442,101,994
Loans – Public Sector	938,363,636	1,129,523,251
Loans – Financial Sector	28,319,169	407,370,991
	<u>66,698,792,759</u>	<u>64,113,211,486</u>
Past due loans and loans in legal collection		
Past due loans – Personal	212,106,059	141,207,957
Past due loans – Development Banking System	18,468	2,984,741
Past due loans – Business	158,182,107	167,260,181
Past due loans – Corporate	43,754,560	126,222,237
Loans in legal collection	299,133,973	564,186,198
	<u>713,195,167</u>	<u>1,001,861,314</u>
Amortization of the net commission of the direct incremental cost associated to loans	1,257,366,792	1,051,846,916
Interest for accounts receivable associated to credit portfolio and other financial interest, other concepts not included in the previous subaccounts and analytical accounts	557,764,523	355,783,524
	<u>69,227,119,241</u>	<u>66,522,703,240</u>

(24) Expenses for obligations with the public

Finance expenses for obligations with the public are as follows:

	March 2025	March 2024
Demand deposits	14,795,951,345	17,320,103,268
Term deposits	21,157,199,841	21,327,885,713
	<u>35,953,151,186</u>	<u>38,647,988,981</u>

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BANCO DE COSTA RICA

Notes to the separate financial statements

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

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

	March 2025	March 2024
Allowance for loan losses (see note 6-e)	3,350,000,000	0
Expense for allowance of impairment and uncollectible contingent credits	723,574,658	2,110,405,799
Expenses generic estimation and against cyclic for loan (see note 6-e)	0	620,074,271
Expenses for allowance for impairment of securities at fair value through other comprehensive income	7,580	2,783,327
	4,073,582,238	2,733,263,397

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

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

	March 2025	March 2024
Recovery of written-off loans	1,499,294,473	1,068,671,435
Decrease in allowance for other doubtful receivables	788,818,308	1,960,598,861
Decrease in allowance for uncollectible investments securities	89,601,050	79,658,564
	2,377,713,831	3,108,928,860

(27) Income from service fees and commissions

Income from service fees and commissions is as follows:

	March 2025	March 2024
Drafts and transfers	609,969,508	612,398,558
Foreign trade	243,695,333	238,305,392
Certified checks	10,184,086	450,258
Trust management	639,397,824	765,172,743
Custodial services	88,693,788	96,540,395
By mandate	228,308	303,399
Collections	176,868,235	158,242,768
Credit cards	12,717,362,249	10,998,635,707
Authorized custodial services for securities	204,251,639	231,701,015
Commissions for transactions with related parties	0	3,771,269
Other commissions	10,158,942,324	9,542,185,168
	24,849,593,294	22,647,706,672

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

(28) Income from interest in other companies

Income from interest in other companies is detailed as follows:

	March 2025	March 2024
<u>Local entities:</u>		
Capital interest in BCR Valores, S.A.- Puesto de Bolsa	555,082,522	341,576,111
Capital interest in BCR Sociedad Administradora de Fondos de Inversión, S.A.	160,731,255	47,087,973
Capital interest in BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A.	230,349,685	241,968,529
Capital interest in BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A.	845,002,597	658,316,370
Capital interest in Banprocesa -TI, S.A.	60,877,986	28,265,321
Capital interest in Depósito Agrícola de Cartago S.A.	0	4,273,922
<u>Entities abroad:</u>		
Banco Internacional de Costa Rica, S.A and subsidiaries	1,167,616,385	909,670,625
	3,019,660,430	2,231,158,851

As of March 31, 2025, for the presentation of the financial statements of the Banco de Costa Rica Financial Conglomerate, due to the incorporation as a member company of the Conglomerate, and due to the nature of Banprocesa SRL's business, an adjustment was made in the amount of ₡77,266,090, corresponding to the profit generated from the service provided to support the Bank's software, in the statement of financial position and in the income statement, (₡ 216,780,896 and ₡41,543,949, for December and March 2024 respectively).

As of March 31, 2025, there are amounts recorded in the participation expense account of ₡79,514,231, from BCR Leasing, ₡27,921,018 from Depósito Agrícola de Cartago, S.A. (For December 2024, there were amounts recorded in the participation expense account of ₡623,109,827 from BCR Leasing, there are amounts of ₡654,293 from BCR Valores operations, ₡319,137,412 from BCR SAFI, ₡35,873,620 Depósito Agrícola de Cartago, and for March 2024, there were amounts recorded in the participation expense account of ₡654,292 from BCR Valores, ₡30,816,497 from Banprocesa, and ₡11,926,589 from Depósito Agrícola de Cartago and ₡171,366,400 BCR Leasing).

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

(29) Administrative expenses

Administrative expenses are as follows:

	March	March
	2025	2024
Salaries and bonuses, permanent staff	¢ 14,884,786,760	14,386,489,549
Salaries and bonuses, contractors	161,156,772	105,109,329
Compensation for directors and statutory examiners	15,930,740	18,446,120
Overtime	316,787,935	230,007,028
Per diem	104,526,867	71,213,253
Statutory Christmas bonus	1,299,804,659	1,251,843,244
Vacation	1,225,868,261	1,487,858,864
Other compensation	203,654,904	187,363,416
Severance payments	781,289,105	759,083,980
Employer social security taxes	5,873,187,540	5,633,887,278
Refreshments	11,333,233	10,536,334
Uniforms	881,307	21,892,728
Training	125,184,378	32,926,951
Employee insurance	53,616,384	35,674,234
Assets for personal use	18,584	335,156
“Back-to-school” bonus	1,494,868,094	1,449,014,044
Compulsory retirement savings account	239,286,751	229,459,134
Other personnel expenses	91,451,628	99,363,628
Outsourcing	6,531,528,896	5,819,879,032
Transportation and communications	330,023,366	462,382,676
Property insurance	1,369,915	234,504
Property maintenance and repairs	1,094,340,379	1,092,556,228
Public utilities	452,291,961	509,522,336
Leasing of property	934,028,907	928,715,893
Leasing of furniture and equipment	216,495,247	131,888,750
Depreciation of property and equipment, except vehicles	2,252,289,267	2,585,182,872
Amortization of leasehold property	63,513,915	59,636,094
Other infrastructure, expenses	1,159,132,455	788,680,969
Overhead	5,741,616,053	6,009,105,850
	¢ <u>45,660,264,263</u>	<u>44,398,289,474</u>

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

(30) Statutory allocations of earnings

Statutory allocations of earnings are as follows:

	March 2025	March 2024
Allocation for CONAPE	¢ 1,084,052,802	1,167,629,751
Allocation for Instituto Nacional de Fomento Cooperativo	1,804,451,787	1,041,099,865
Allocation for the National Emergencies Commission	650,431,681	700,577,851
Allocation for Régimen de Invalidez Vejez y Muerte	3,252,158,406	3,502,889,254
	¢ 6,791,094,676	6,412,196,721

As of March 31, 2025, there are no adjustments, (for Decembre and March 2024, there are no adjustments).

(31) Components of other comprehensive income

The components of other comprehensive income are as follows:

	March 2025		
	Amount before income tax	Profit (expense)	Net taxes
Adjustment for investments at fair value through other comprehensive income	¢ (2,053,166,864)	589,072,018	(1,464,094,846)
Exchange differences for conversion of financial statements, foreign entities	(1,134,778,161)	0	(1,134,778,161)
Changes in equity from foreign subsidiaries	(63,094,319)	0	(63,094,319)
Change in equity of subsidiaries from unrealized profit	(144,178,849)	0	(144,178,849)
	¢ (3,395,218,193)	589,072,018	(2,806,146,175)

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

	March 2024		
	Amount before income tax	Profit (expense)	Net taxes
Adjustment for investments at fair value through other comprehensive income	¢ 6,321,189,336	(1,919,419,372)	4,401,769,964
Exchange differences for conversion of financial statements, foreign entities	(2,617,205,754)	0	(2,617,205,754)
Changes in equity from foreign subsidiaries	(76,269,526)	0	(76,269,526)
Change in equity of subsidiaries from unrealized profit	506,069,698	0	506,069,698
	¢ 4,133,783,754	(1,919,419,372)	2,214,364,382

(32) Operating leases

The Bank as tenant

As to date, there are no operating leases.

(33) Fair value

Fair values of financial instruments are as follows:

	March		December		March	
	2025		2024		2024	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Cash and due from banks	¢ 855,689,913,103	855,689,913,103	887,752,569,846	887,752,569,846	844,460,580,063	844,460,580,063
Investment	1,463,491,448,764	1,444,714,630,385	1,594,928,255,527	1,569,813,785,989	1,488,472,222,211	1,468,798,909,278
Loan portfolio	3,597,681,126,033	3,672,938,037,330	3,504,016,662,967	3,755,771,091,366	3,245,693,520,634	3,388,613,044,113
	5,916,862,487,900	5,973,342,580,818	5,986,697,488,340	6,213,337,447,201	5,578,626,322,908	5,701,872,533,454
Demand deposits	3,234,399,668,157	3,234,399,668,157	3,346,001,168,510	3,346,001,168,510	3,155,269,202,282	3,155,269,202,282
Term deposits	1,574,598,740,133	1,559,295,186,310	1,371,950,972,310	1,355,389,767,264	1,356,647,531,192	1,341,657,756,786
Financial obligations	468,633,123,545	397,496,861,336	626,355,083,461	561,951,545,626	469,784,292,963	394,941,213,424
	¢ 5,277,631,531,835	5,191,191,715,804	5,344,307,224,281	5,263,342,481,400	4,981,701,026,437	4,891,868,172,492

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

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

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

(b) Investments in financial instruments

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

(c) Securities sold under repurchase agreements

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

(d) Loan portfolio

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

(e) Deposits and loans payable

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

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

(34) Risk Management

Comprehensive Risk Management

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

Corporate governance of the risk management area

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

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BANCO DE COSTA RICA

Notes to the separate financial statements

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

Objective of the Comprehensive Risk Management System

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

General Risk Principles and Policies

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

- A robust regulatory framework to provide legal, technical, and administrative certainty for the functioning, evaluation, and improvement of the SIGIR.
- Strategies that seek to strengthen the system's maturity level
- The risk management culture is promoted at all levels of the organization, thereby raising awareness of the importance of effective risk-based management.
- Methodologies and measurement models are available for the valuation of the different types of risk, which are periodically subjected to retrospective and stress tests, to adjust the variables and factors that influence the exposure to risks.
- Updated tools and systems are available to meet the needs of managing each type of risk.
- Risk and contingency management plans are in place to deal with situations that prevent the fulfillment of the stated objectives, as well as for materialized events whose consequences may generate negative impacts on the entities.

Classification of significant risks

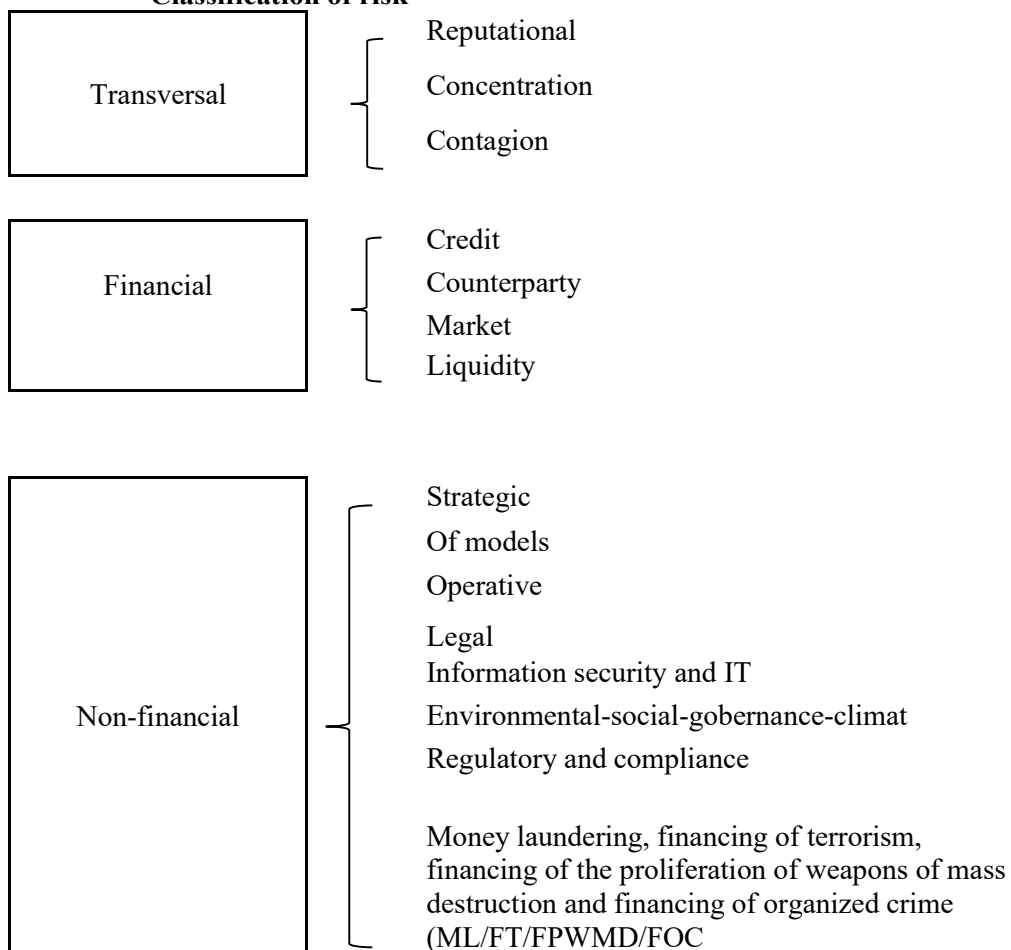
The relevant risks for the Bank are classified as follows:

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

Classification of risk



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.

(Continued)

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Notes to the separate financial statements

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

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

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

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.

(Continued)

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Notes to the separate financial statements

Process of comprehensive risk management

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

Types of risk assessments

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

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

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

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

Coverage

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

(Continued)

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Notes to the separate financial statements

Evaluation of the effectiveness and maturity of the System

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

Information generated by the Comprehensive Risk Management System

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

(a) Credit risk management

Definition

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

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

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

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

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

(Continued)

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Notes to the separate financial statements

Management methodology

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

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

For the analysis of estimates, starting in January 2024, Standard Methodology came into force, referred to in the Regulation on Calculation of Credit Estimates (CNF 14-21), which aims to establish the methodology to quantify credit risk of credit operations or debtors, and constitute the corresponding estimates to safeguard the stability and solvency of the supervised entities, as well as financial groups and conglomerates.

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

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

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

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

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

(Continued)

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Notes to the separate financial statements

Exposure and risk management

At the end of March 2025, the percentage of arrears greater than 90 days remained at 2,30% (2,70% March 2024). This last indicator is within the risk appetite according to the Risk Appetite Declaration, with personal banking showing the highest delinquencies.

As of the end of March 2025, the indicator for the 1 to 30-day portfolio stands at 3.19% and remains outside the risk appetite zone of 3.13%, as established in the Risk Appetite Declaration.

The US dollar portfolio accounts for 22.61% of the total portfolio by the end of March (23.07% March 2024). It is important to mention that the loan portfolio has been managed strategically to attract customers with an acceptable risk profile. In addition, regular monitoring of the loans in foreign currency is given, and in particular to the portfolio of clients with exposure to exchange risk.

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

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

With respect to the counterparty risk of the investment portfolio, compliance with the internal investment limits per issuer is monitored weekly. In addition, as of January 2020, the calculation of the expected loss for the investment portfolio under IFRS 9 starts. The foregoing allows for a buffer of resources to mitigate eventual defaults that may occur in the portfolio, thus maintaining a conservative profile. By the end of March 2025, the expected loss of the investment portfolio was 0.07%, (0.06% and 0.03% for December 2023 and December and March 2024, respectively).

Expected losses are shown in the following table:

(Continued)

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Notes to the separate financial statements

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

December 2024 vs March 2025

	12-month expected credit losses	Lifetime expected credit losses	Financial assets with loan impairment
Value correction for losses			
Value correction for losses as of March, 2025			
Colones	674,657,035	0	0
US dollars	121,040	0	0
UDES	564	0	0
Value correction for losses As of December 31, 2024			
Colones	739,149,409	0	0
US dollars	136,229	0	0
UDES	565	0	0
Rollover to 12-month expected credit losses			
Colones	(64,492,374)	0	0
US dollars	(15,189)	0	0
UDES	(1)	0	0

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

December 2023 vs December 2024

	12-month expected credit losses	Lifetime expected credit losses	Financial assets with loan impairment
Value correction for losses			
Value correction for losses as of December 31, 2024			
Colones	739,149,409	-	-
US dollars	136,229	-	-
UDES	565	-	-
Value correction for losses As of December 31, 2023			
Colones	424,717,621	-	-
US dollars	185,230	-	-
UDES	1 300	-	-
Rollover to 12-month expected credit losses			
Colones	314,431,788	-	-
US dollars	(49 001)	-	-
UDES	(735)	-	-

(Continued)

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Notes to the separate financial statements

Banco de Costa Rica, expected losses of the investment portfolio by currency December 2023 vs March 2024			
	12-month expected credit losses	Lifetime expected credit losses	Financial assets with loan impairment
Value correction for losses as of March 31, 2024			
Colones	363,958,677	-	-
US dollars	184,622	-	-
UDES	928	-	-
Value correction for losses As of December 31, 2023			
Colones	424,717,621	-	-
US dollars	185,230	-	-
UDES	1,300	-	-
Rollover to 12-month expected credit losses			
Colones	(60,758,621)	-	-
US dollars	(608)	-	-
UDES	(372)	-	-

As of the end of March 2025, the expected loss of the investment portfolio was 0.07%, with a variation of 0,01% with respect to December 2023. Compared with the previous quarter (December 2024).

(Continued)

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Notes to the separate financial statements

	Note	Direct loan portfolio		Contingent loan portfolio		Contingent loan portfolio	
		March	December	March	March	December	March
		2025	2024	2024	2025	2024	2024
Principal	6a	3,605,347,301,631	3,510,991,880,205	3,247,021,166,563	242,280,146,324	238,580,609,113	208,372,555,408
Interest		18,014,199,402	17,248,944,943	19,315,352,510	0	0	0
Allowance for bad debts		3,623,361,501,033	3,528,240,825,148	3,266,336,519,073	242,280,146,324	238,580,609,113	208,372,555,408
Carrying amount	¢	<u>(135,630,311,257)</u>	<u>(145,340,683,522)</u>	<u>(116,853,484,743)</u>	<u>(6,818,527,541)</u>	<u>(6,852,732,208)</u>	<u>(6,828,122,512)</u>
		<u>3,487,731,189,776</u>	<u>3,382,900,141,626</u>	<u>3,149,483,034,330</u>	<u>235,461,618,783</u>	<u>231,727,876,905</u>	<u>201,544,432,896</u>
Loan portfolio Balances, total:							
1		2,803,903,339,831	2,749,092,866,825	2,616,859,958,442	197,017,702,736	193,851,465,308	156,815,026,842
2		594,999,366,378	544,434,432,248	302,969,148,684	2,931,374,721	2,859,156,216	2,487,809,215
3		34,225,076,235	30,709,648,881	27,634,000,205	0	0	2,750,000
4		57,726,992,796	58,825,684,745	147,655,665,520	39,492,635,520	38,926,607,426	44,626,418,620
5		49,455,267,928	58,491,107,677	80,684,711,122	2,825,473,108	2,909,990,246	4,419,767,463
6		3,051,817,209	2,684,300,294	2,386,058,248	0	0	0
7		1,243,870,844	893,983,205	2,404,163,984	0	20,941,050	7,713,043
8		78,755,769,812	83,108,801,273	85,742,812,868	12,960,239	12,448,867	13,070,225
		3,623,361,501,033	3,528,240,825,148	3,266,336,519,073	242,280,146,324	238,580,609,113	208,372,555,408
Allowance for bad debts		(54,170,827,491)	(56,993,861,684)	(56,989,544,014)	0	0	0
Carrying amount, net		<u>3,569,190,673,542</u>	<u>3,471,246,963,464</u>	<u>3,209,346,975,059</u>	<u>242,280,146,324</u>	<u>238,580,609,113</u>	<u>208,372,555,408</u>
Carrying amount		3,623,361,501,033	3,528,240,825,148	3,266,336,519,073	242,280,146,324	238,580,609,113	208,372,555,408
Allowance for bad debts		(54,170,827,491)	(56,993,861,684)	(56,989,544,014)	0	0	0
(Surplus) inadequacy of allowance on structural estimate		(81,459,483,766)	(88,346,821,838)	(59,863,940,729)	(6,818,527,541)	(6,852,732,208)	(6,828,122,512)
Carrying amount, net	6a ¢	<u>3,487,731,189,776</u>	<u>3,382,900,141,626</u>	<u>3,149,483,034,330</u>	<u>235,461,618,783</u>	<u>231,727,876,905</u>	<u>201,544,432,896</u>

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

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

(Continued)

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Notes to the separate financial statements

Loan Portfolio	Direct loan portfolio		Contingent loan portfolio
	Principal	Allowance	Principal
Direct specific allowance			
1	2,803,903,339,831	(8,369,066,296)	197,017,702,736
2	594,999,366,378	(5,261,868,595)	2,931,374,721
3	34,225,076,235	(1,250,749,765)	0
4	57,726,992,796	(3,507,375,241)	39,492,635,520
5	49,455,267,928	(3,340,733,858)	2,825,473,108
6	3,051,817,209	(992,705,991)	0
7	1,243,870,844	(921,939,333)	0
8	78,755,769,812	(30,526,388,412)	12,960,239
	¢ 3,623,361,501,033	(54,170,827,491)	242,280,146,324

Loan Portfolio	Direct loan portfolio		Contingent loan portfolio
	Principal	Allowance	Principal
Aging of loan portfolio			
Direct specific allowance			
Up to date	3,365,603,512,288	(17,432,910,063)	242,280,146,324
Equal or less than 30 days	112,325,788,469	(1,638,884,884)	0
Equal or less than 60 days	36,676,865,818	(1,364,541,774)	0
Equal or less than 90 days	21,506,458,454	(1,017,692,794)	0
Equal or less than 180 days	9,039,680,383	(2,870,169,306)	0
More than 180 days	78,209,195,621	(29,846,628,670)	0
	¢ 3,623,361,501,033	(54,170,827,491)	242,280,146,324

As of December 31, 2024

Loan Portfolio	Direct loan portfolio		Contingent 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)	-
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)	-
7	893,983,205	(962,743,205)	20,941,050
8	83,108,801,273	(33,390,954,144)	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

Loan Portfolio	Direct loan portfolio		Contingent loan portfolio
	Principal	Allowance	Principal
Aging of loan portfolio			
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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

As of March 31, 2024

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

Loan Portfolio

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

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

On March 31, 2025	Loans receivable from customer	
	Gross	Net
Risk Category:		
1	2,803,903,339,831	2,795,534,273,372
2	594,999,366,378	589,737,497,819
3	34,225,076,235	32,974,326,474
4	57,726,992,796	54,219,617,555
5	49,455,267,928	46,114,534,142
6	3,051,817,209	2,059,111,218
7	1,243,870,844	321,931,510
8	78,755,769,812	48,229,381,452
	<u>¢ 3,623,361,501,033</u>	<u>3,569,190,673,542</u>

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

On December 31, 2024	Loans receivable from customer	
	Gross	Net
Risk Category:		
1	2,749,092,866,825	2,741,188,976,418
2	544,434,432,248	539,815,246,515
3	30,709,648,881	29,691,674,778
4	58,825,684,745	55,352,258,830
5	58,491,107,677	53,422,341,198
6	2,684,300,294	1,755,739,278
7	893,983,205	302,879,318
8	83,108,801,273	49,717,847,129
¢	<u>3,528,240,825,148</u>	<u>3,471,246,963,464</u>

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

In compliance with SUGEF Directive 1-05, as of March 31, 2025, the Bank must maintain a minimum allowance in the amount of ¢54,170,827,491, (¢56,993,861,684 for December and March 2024, respectively) of which ¢54,170,827,491, (¢56,993,861,684 for December and March 2024, respectively) is allocated to the valuation of the direct loan portfolio and ¢0.00 (¢0 for December and March 2024, respectively) to the contingent loan portfolio. Additionally, the countercyclical allowance is 66,613,117,400, (¢66,996,345,825, for December and March 2024, respectively).

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BANCO DE COSTA RICA

Notes to the separate financial statements

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

	March		December		March	
	2025		2024		2024	
	Loan Portfolio	Contingent Accounts	Loan Portfolio	Contingent Accounts	Loan Portfolio	Contingent Accounts
Artistic, entertainment and recreative activities	¢ 2,790,208,969	40,920,053,018	2,859,988,259	40,175,102,788	0	0
Human health care and social assistance activities	244,391,733	0	257,094,640	0	0	0
Activities of households as employers of domestic personnel	15,949,607	0	16,400,000	0	0	0
Administrative and support services activities	18,699,246,754	0	19,297,232,766	0	0	0
Professional, scientific and technical activities	570,287,124	0	614,117,003	0	0	0
Trade	300,729,815,954	16,123,296,280	292,034,605,305	19,594,912,120,	304,267,669,757	20,265,350,055
Manufacturing	204,866,020,977	6,554,821,	214,494,591,428	6,554,821	234,558,858,703	0
Construction, purchase, and repair of real estate	126,140,010,944	47,125,598	132,299,935,117	44,000,000,	106,764,991,110	44,000,000
Agriculture, livestock. Hunting and related services	133,552,726,464	0	131,279,096,225	0	129,603,883,295	0
Fishing and aquaculture	0	0		0	20,214,265	0
Consumer	417,489,580,097	183,909,821,842	369,444,532,659	175,744,502,441	605,174,947,927	0
Education	92,771,754	0	103,925,570	0	506,930,755	0
Transportation	30,731,276,383	45,094,932	31,010,081,168	45,452,772	83,822,555,546	0
Financial and stock Exchange	16,861,895	41,841,438	13,449,200	47,362,693	1,274,708,331,291	7,856,520,482
Telecommunications and public utilities	78,738,055,992	0	79,255,365,808	0	432,955,900	0
Services	595,388,321,529		582,140,471,349	0	2,955,005,551	46,166,335,306
Hospitality	89,721,441,350		91,254,076,071	0	30,909,405,453	43,195,312
Mining and quarrying	12,963,464	0	14,788,851	0	198,757,538,693	6,554,821
Real estate. business and leasing activities	1,272,899,035,970	0	1,264,669,423,151	0	2,603,093,757	0
Public Administration	332,648,334,671	16,275,870,127	299,932,705,635	19,761,239,074	0	0
Other activities from the non-financial private sector	0	0	0	0	271,934,784,560	145,958,440,923
	3,605,347,301,631	257,369,658,056	3,510,991,880,205	255,419,126,709	3,247,021,166,563	220,340,396,899
Other contingencies	0	221,518,924,688	0	225,088,150,604	0	224,605,858,671
¢	3,605,347,301,631	478,888,582,744	3,510,991,880,205	480,507,277,313	3,247,021,166,563	444,946,255,570

As of March 31, 2025, December and March 2024 the credit risk is concentrated in Costa Rica.

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BANCO DE COSTA RICA

Notes to the separate financial statements

As of March 31, 2025, the Bank has banking mandates for ₡230,169, (₡0 and ₡3,382,250, for December and March 2024, respectively).

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

		March 2025	December 2024	March 2024
Properties	₡	24,518,098,226	23,970,962,395	83,269,742,342
Other		94,334,568	68,665,987	386,089,933
	₡	<u>24,612,432,794</u>	<u>24,039,628,382</u>	<u>83,655,832,275</u>

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

	March 2025		December 2024		March 2024	
Guarantee	Loan portfolio	Contingent accounts	Loan portfolio	Contingent accounts	Loan portfolio	Contingent accounts
Fiduciary	₡ 542,790,190,610	0	544,493,900,879	0	432,425,658,499	0
Mortgage	1,491,587,885,716	0	1,486,244,738,974	0	1,454,915,783,021	0
Chattel mortgage	90,286,594,712	0	88,923,438,097	0	75,402,960,195	0
Other	1,480,682,630,593	257,369,658,056	1,391,329,802,255	222,841,813,341	1,284,276,764,847	208,940,162,550
	<u>₡ 3,605,347,301,631</u>	<u>257,369,658,056</u>	<u>3,510,991,880,205</u>	<u>222,841,813,341</u>	<u>3,247,021,166,562</u>	<u>208,940,162,550</u>

See notes 6 and 19.

As of March 31, 2025, 44% of the loan portfolio is secured by mortgage or chattel collaterals (45% and 47% for December and March 2024, respectively).

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

As of March 31, 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.

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

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Notes to the separate financial statements

As of March 31, 2025:

No.	Percentage	Band	Total value	N° customers
1	0-4,99%	28,331,532,463	74,613,272,983	1
2	5-9,99%	56,663,064,927	944,694,367,198	97
3	10-14,99%	84,994,597,390	0	0
4	15-20%	113,326,129,854	0	0
Total		¢	1 019 307 640 181	98

As of December 31, 2024:

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

As of March 31, 2024:

No.	Percentage	Band	Total value	N° customers
1	0-4,99%	27,305,902,211	81,674,962,122	1
2	5-9,99%	54,611,804,422	686,988,773,276	86
3	10-14,99%	81,917,706,633	0	0
4	15-20%	109,223,608,845	0	0
Total		¢	768 663 735 398	87

(b) Management of market and liquidity risk

Definitions

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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

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

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

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

Management methodology of market and liquidity risk

Two methodologies are used to measure exposure to price risk:

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

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

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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

Tolerance limits and risk indicators

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

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

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

Exposure and risk management

(c) Liquidity risk

Cash and cash equivalents show a year-over-year variation of -16.24%, mainly due to changes in cash, current accounts and demand deposits in foreign financial institutions, immediate collection documents, and investments in financial instruments for trading (see cash and cash equivalents table in note 4).

Demand deposits increase by 2.48% on a year-on-year basis, due to the increase in current account balances, demand savings deposits and matured time deposits (see chart of demand obligations with the public in note 12).

Wholesale funding decrease year-over-year by 0.25%, primarily due to demand obligations with BCCR, accounts payable for obligations with the Central Bank of Costa Rica (BCCR), (See the table of obligations with financial institutions and the Central Bank in note 14).

In the following table, the results for the end of March 2025 are observed:

	March 2025	December 2024	March 2023
Liquidity coverage indicator (colones)	1,59	1.19	1,56
Liquidity coverage indicator (US dollars)	1,78	1.51	1,66
Regulatory limit	1.00	1.00	1.00

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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

Regulatory liquidity matches by currency and term		March 2025	December 2024	March 2024	Approved levels	
Indicator	Interpretation	Observation	Observation	Observation		
1-month term matching US dollars	Ratio between assets and liabilities with account's volatility	1.95	1.79	2.03	Limit:	1.13
1-month term matching colones		2.70	1.69	2.75	Limit:	1.03
3-months term matching US dollars		1.47	1.31	1.54	Limit:	0.98
3-months term matching colones		1.77	1.29	1.57	Limit:	0.88

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

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

The Bank's assets and liabilities mature as follows:

As of March 31, 2025

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BANCO DE COSTA RICA

Notes to the separate financial statements

Assets	On 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	¢ 214,245,904,040	0	0	0	0	0	0	0	214,245,904,040
Cash reserve-BCCR	430,506,814,033	25,157,674,860	19,174,501,194	16,391,003,147	46,265,493,119	76,595,981,762,	27,352,540,947	0	641,444,009,062
Investments	0	193,069,580,129	14,408,775,713	6,502,299,693	61,274,583,798	150,316,185,364,	1,019,143,205,688	0	1,444,714,630,385
Interest on investments	0	11,908,417,608	2,104,072,653	831,039,477	3,907,097,131	26,191,510,	0	0	18,776,818,379
Loan portfolio	0	84,409,611,323	70,834,092,751	61,900,879,408	122,530,506,699	167,536,830,534,	2,941,383,555,768	131,041,273,800	3,579,636,750,283
Interest on loans	0	9,426,651,097	1,917,785,412	84,793,827	95,865,564	23,343,400,	30,187,340	6,465,749,111	18,044,375,751
	¢ 644,752,718,073	323,971,935,017,	108,439,227,723	85,710,015,552	234,073,546,311	394,498,532,570,	3,987,909,489,743	137,507,022,911	5,916,862,487,900
Liabilities									
Obligations with the public	¢ 3,217,233,047,200	189,355,362,926	143,617,561,994	123,251,750,466	345,290,674,452	570,342,696,949	202,902,421,930	0	4,791,993,515,917
Obligations with the BCCR	0	12,001,583,333	0	0	0	0	0	0	12,001,583,333
Obligations with financial Entities	0	0	0	0	0	0	0	0	0
Charges payable	35,531,512,711	165,392,759,809	16,622,983,000	6,358,322,421	26,780,810,336	40,015,135,473,	114,141,404,320	0	404,842,928,070
	1,497,030,482	4,055,614,295	3,742,991,341	2,053,706,131	3,283,423,830	3,047,692,020,	967,061,857	0	18,647,519,956
	3,254,261,590,393	370,805,320,363	163,983,536,335	131,663,779,018	375,354,908,618	613,405,524,442,	318,010,888,107	0	5,227,485,547,276
Assets and liabilities spread	¢ (2,609,508,872,320)	(46,833,385,346)	(55,544,308,612)	(45,953,763,466)	(141,281,362,307)	(218,906,991,872)	3,669,898,601,636	137,507,022,911	689,376,940,624

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Notes to the separate financial statements

As of December 31, 2024

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

As of March 31, 2024

Assets	On 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	¢ 243,148,737,250	0	0	0	0	0	0	0	243,148,737,250
Cash reserve- BCCR	419,863,267,074	20,965,731,452	17,029,184,379	18,070,582,123	41,207,622,341	50,112,599,707	34,062,855,737	0	601,311,842,813
Investments	0	422,487,810,541	7,314,539,429	62,035,391,383	113,774,796,224	127,099,451,245	736,086,920,455	0	1,468,798,909,277
Interest on investments	0	10,400,972,143	1,430,535,713	2,466,261,007	5,360,653,486	14,890,585	0	0	19,673,312,934
Loan portfolio	0	66,976,314,122	48,576,558,488	55,692,904,000	107,371,749,151	195,633,333,537	2,626,565,821,888	125,561,486,938	3,226,378,168,124
Interest on loans	0	9,124,518,199	2,130,774,540	106,855,949	252,143,788	19,174,788	1,811,850	7,680,073,396	19,315,352,510
	¢ 663,012,004,324	529,955,346,457	76,481,592,549	138,371,994,462	267,966,964,990	372,879,449,862	3,396,717,409,930	133,241,560,334	5,578,626,322,908
Liabilities									
Obligations with the public	3,139,438,175,978	156,651,018,013	127,308,493,024	135,128,548,052	308,190,406,811	374,742,606,124	254,759,291,669	0	4,496,218,539,671
Obligations with the BCCR	0	0	0	0	0	99,002,909,685	0	0	99,002,909,685
Obligations with financial									
Entities	57,812,345,286	146,451,424,634	17,981,197,600	5,431,646,200	51,405,313,789	17,815,721,666	20,010,391,673	0	316,908,040,848
Charges payable	1,558,092,151	3,201,046,931	3,192,627,888	2,297,306,613	3,375,587,631	4,807,933,807	995,885,809	0	19,428,480,830
	3,198,808,613,415	306,303,489,578	148,482,318,512	142,857,500,865	362,971,308,231	496,369,171,282	275,765,569,151	0	931,557,971,034
Assets and liabilities spread	(2,535,796,609,091)	223,651,856,879	(72,000,725,963)	(4,485,506,403)	(95,004,343,241)	(123,489,721,420)	3,120,951,840,779	133,241,560,334	647,068,351,874

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

(d) Price risk of the portfolio

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

In the case of own funds, a concentration of 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 results of the VaR SUGEF 03-06 methodology are detailed below, considering both portfolios:

	March 2025	December 2024	March 2024
VaR	¢ <u>1,402,875,348</u>	<u>1,097,076,397</u>	<u>11,935,766,782</u>

The decreases in requirements for price risk are explained by reductions in the market value of the investment portfolio and the Bank's investment strategy, and the output of the 25 worst observations found in August, based on the calculation methodology.

(e) Interest rate risk

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

The BCR applies to a gap model, which allows identifying the structure of rate-sensitive assets and liabilities; A sensitivity analysis is carried out on the result with the interest rates of two scenarios

- One base rate, which is close to the monthly projections of Corporate Risk Management.
- Rate adverse, which includes interest rates with a less probable behavior.

The projected BUST 2025 rates were used for the scenarios.

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

Following the results by currency:

		Results March 2025	Base scenario	Adverse scenario	Scenario +-100 bp	Scenario +-200 bp
Colones	Cumulative one-year gap	1,181,884.50	1,003,162.90	1,003,162.90	1,003,162.90	1,003,162.9
	TBP (one-year projection)	3.83%	3.50%	3.01%	5.02%	6.02%
	Impact on the margin	(2,217.74)	(6,145.80)	(11,818.84)	(+)-11,818.84	(+)-23,637.69
US dollars	Cumulative one-year gap	254,331.82	195,060.28	195,060.28	195,060.28	195,060.28
	Prime (one-year projection)	7.02%	7.09%	5.51%	8.5%	9.5%
	Impact on the margin	(1,232.67)	(1,042.76)	(5061,2)	(+)-2,543.32	(+)-5,086.64

As of March 31, 2025, the matching of interest rate terms on assets and liabilities is detailed as follows:

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BANCO DE COSTA RICA

Notes to the separate financial statements

	<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	7.09%	¢ 75,333,690,819	22,803,876,025	43,765,193,583	127,409,357,000	158,305,800,000	752,748,007,652	1,180,365,925,079
Loan portfolio	8.09%	1,746,754,844,157	187,992,511,394	42,459,974,837	69,108,108,559	105,225,834,030	1,514,992,721,856	3,666,533,994,833
Total recovered assets (*)		1,822,088,534,976	210,796,387,419	86,225,168,420	196,517,465,559	263,531,634,030	2,267,740,729,508	4,846,899,919,912
Liabilities								
Obligations with the public		131,351,225,352	197,636,597,816	278,399,971,633	454,307,370,945	98,353,640,673	47,325,108,876	1,207,373,915,295
Demand obligations	1,93%							0
Term obligations	9,89%							
Obligations with financial entities	3,56%	123,392,145,184	23,198,003,917	26,728,566,558	13,594,366,958	0	0	186,913,082,617
Total matured liabilities (*)		266,744,953,869	220,834,601,733	305,128,538,191	467,901,737,903	98,353,640,673	47,325,108,876	1,406,288,581,245
Assets and liabilities spread		¢ 1,555,343,581,107	(10,038,214,314)	(218,903,369,771)	(271,384,272,344)	165,177,993,357	2,220,415,620,632	3,440,611,338,667
US Dollars								
Assets								
Investments	4,41%	¢ 131,632,026,354	2,666,719,546	40,985,445,366	18,695,350,485	31,238,834,760	51,409,755,810	276,628,132,321
Loan portfolio	6,32%	252,523,493,859	54,830,541,383	40,679,744,246	43,279,823,648	64,857,647,302	599,870,422,235	1,056,041,672,673
Total recovered assets (*)		384,155,520,213	57,497,260,929	81,665,189,612	61,975,174,133	96,096,482,062	651,280,178,045	1,332,669,804,994
Liabilities								
Obligations with the public		63,632,115,639	80,649,665,782	83,373,388,537	94,214,202,872	25,683,233,491	14,500,689,437	362,053,295,758
Demand obligations	0,92%							
Term obligations	1,90%							
Obligations with financial entities	3,56%	718,261,142	717,925,222	696,913,783	26,676,435,788	1,835,823,054	18,787,628,564	49,432,987,553
Total matured liabilities (*)		64,350,376,781	81,367,591,004	84,070,302,320	120,890,638,660	27,519,056,545	33,288,318,001	411,486,283,311
Assets and liabilities spread		¢ 319,805,143,432	(23,870,330,075)	(2,405,112,708)	(58,915,464,527)	68,577,425,517	617,991,860,044	921,183,521,683

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BANCO DE COSTA RICA

Notes to the separate financial statements

As of December 31, 2024

	<u>Effective rate</u>	<u>1 to 30 days</u>	<u>31 to 90 days</u>	<u>91 to 180 days</u>	<u>181 to 360 days</u>	<u>361 to 720 days</u>	<u>More than 720 days</u>	<u>Total</u>
<u>Colones</u>								
<u>Assets</u>								
Investments	6.44%	¢ 103,553,655,202	28,462,985,868	89,160,938,432	85,868,900,000	265,311,100,000	763,710,016,848	1,336,067,596,350
Loan portfolio	8.06%	1,573,957,160,974	145,655,716,104	121,729,090,088	74,254,941,715	106,371,217,549	1,562,244,461,211	3,584,212,587,641
Total recovered assets (*)		1,677,510,816,176	174,118,701,972	210,890,028,520	160,123,841,715	371,682,317,549	2,325,954,478,059	4,920,280,183,991
<u>Liabilities</u>								
Obligations with the public		161,427,028,712	222,464,847,361	218,143,664,693	253,651,803,736	109,542,052,642	48,136,320,570	1,013,365,717,714
Demand obligations	1.98%							0
Term obligations	9.89%							
Obligations with financial entities	4.11%	134,453,757,157	123,507,151,961	22,943,583,056	7,868,865,553	172,629,333	0	288,945,987,060
Total matured liabilities (*)		370,900,576,230	345,971,999,322	241,087,247,749	261,520,669,289	109,714,681,975	48,136,320,570	1,377,331,495,135
Assets and liabilities spread		¢ 1,306,610,239,946	(171,853,297,350)	(30,197,219,229)	(101,396,827,574)	261,967,635,574	2,277,818,157,489	3,542,948,688,856
<u>US Dollars</u>								
<u>Assets</u>								
Investments	4.94%	¢ 65,576,934,151	15,275,877,691	9,991,976,823	58,717,326,870	35,637,811,380	57,994,890,300	243,194,817,215
Loan portfolio	6.59%	232,028,466,575	36,976,088,343	57,195,168,339	39,789,169,129	72,997,526,106	661,458,885,819	1,100,445,304,311
Total recovered assets (*)		297,605,400,726	52,251,966,034	67,187,145,162	98,506,495,999	108,635,337,486	719,453,776,119	1,343,640,121,526
<u>Liabilities</u>								
Obligations with the public		65,327,254,945	86,292,290,307	78,412,337,677	72,070,537,689	29,657,587,619	14,244,895,512	346,004,903,749
Demand obligations	0.92%							
Term obligations	1.90%							
Obligations with financial entities	4.11%	513,942,181	1,031,966,764	677,894,331	1,298,976,341	1,840,965,299	19,737,951,273	25,101,696,189
Total matured liabilities (*)		65,841,197,126	87,324,257,071	79,090,232,008	73,369,514,030	31,498,552,918	33,982,846,785	371,106,599,938
Assets and liabilities spread		¢ 231,764,203,600	(35,072,291,037)	(11,903,086,846)	25,136,981,969	77,136,784,568	685,470,929,334	972,533,521,588

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BANCO DE COSTA RICA

Notes to the separate financial statements

As of March 31, 2024

	<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>
<i>Colones</i>								
<i>Assets</i>								
Investments	8,15%	¢ 256,667,530,702	57,883,688,473	109,218,748,231	111,773,414,300	194,139,800,000	419,899,363,964	1,149,582,545,670
Loan portfolio	8,32%	1,414,712,959,927	284,079,500,219	26,926,173,320	47,598,348,713	103,134,118,500	1,384,123,828,393	3,260,574,929,072
Total recovered assets (*)		<u>1,671,380,490,629</u>	<u>341,963,188,692</u>	<u>136,144,921,551</u>	<u>159,371,763,013</u>	<u>297,273,918,500</u>	<u>1,804,023,192,357</u>	<u>4,410,157,474,742</u>
<i>Liabilities</i>								
Obligations with the public		102,906,558,461	213,889,652,910	247,421,606,521	289,776,603,856	113,564,095,853	54,559,888,436	1,022,118,406,037
Demand obligations	2,40%							
Term obligations	9,89%							
Obligations with financial entities	3,80%	<u>110,016,355,803</u>	<u>237,730,636,705</u>	<u>273,445,168,206</u>	<u>405,141,775,320</u>	<u>113,564,095,853</u>	<u>54,559,888,436</u>	<u>1,194,457,920,323</u>
Total matured liabilities (*)		<u>220,032,711,606</u>	<u>475,461,273,411</u>	<u>546,890,336,412</u>	<u>810,283,550,640</u>	<u>227,128,191,706</u>	<u>109,119,776,872</u>	<u>2,388,915,840,647</u>
Assets and liabilities spread		<u>¢ 1 451 347 779 023</u>	<u>(133,498,084,719)</u>	<u>(410,745,414,861)</u>	<u>(650,911,787,627)</u>	<u>70,145,726,794</u>	<u>1,694,903,415,485</u>	<u>2,021,241,634,095</u>
<i>US Dollars</i>								
<i>Assets</i>								
Investments	5,18%	¢ 177,871,639,760	17,639,751,664	22,247,766,444	17,075,459,600	38,521,357,400	52,945,272,600	326,301,247,468
Loan portfolio	6,93%	320,056,089,991	65,645,385,785	31,946,942,339	35,075,853,128	46,538,286,043	385,036,207,387	884,298,764,673
Total recovered assets (*)		<u>497,927,729,751</u>	<u>83,285,137,449</u>	<u>54,194,708,783</u>	<u>52,151,312,728</u>	<u>85,059,643,443</u>	<u>437,981,479,987</u>	<u>1,210,600,012,141</u>
<i>Liabilities</i>								
Obligations with the public		51,095,253,040	62,279,824,725	75,092,985,888	93,742,942,270	18,542,740,327	12,375,068,316	313,128,814,566
Demand obligations	0,92%							
Term obligations	1,90%							
Obligations with financial entities	3,80%	<u>607,046,333</u>	<u>612,779,662</u>	<u>26,108,830,872</u>	<u>1,776,510,451</u>	<u>2,002,512,052</u>	<u>13,739,251,455</u>	<u>44,846,930,825</u>
Total matured liabilities (*)		<u>51,702,299,373</u>	<u>62,892,604,387</u>	<u>101,201,816,760</u>	<u>95,519,452,721</u>	<u>20,545,252,379</u>	<u>26,114,319,771</u>	<u>357,975,745,391</u>
Assets and liabilities spread		<u>¢ 446,225,430,378</u>	<u>20,392,533,062</u>	<u>(47,007,107,977)</u>	<u>(43,368,139,993)</u>	<u>64,514,391,064</u>	<u>411,867,160,216</u>	<u>852,624,266,750</u>

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

Within the gap report (rate-sensitive assets and liabilities) in local currency, a total difference of asset recovery less maturity of liabilities as of March 31, 2025, for ₡3,440,611,338,667, (₡3,650,633,179,992 and ₡2,021,241,634,095 for December and March, 2024 respectively) while in foreign currency the same difference is of por ₡921,183,521,683, (₡2,020,449,323,309 and ₡852,634,266,750, for December and March 2024, respectively) is shown, being an improved inference in the balance sheet due to positive changes in interest rates, since the entity presents more assets than liabilities in both currencies. Regarding to term matching (sum of liquidity of assets and liabilities) as of March 2025, the total amount in local currency was of ₡679,537,192,215, (₡631,560,557,778 and ₡647,068,351,874, for December 2024 respectively) while in foreign currency, the collected data for the compliance of obligations was of ₡9,839,748,407, (₡60,974,925,151 and ₡61,086,734,042, for December and March 2024, respectively) however, on a consolidated basis it shows the necessary solvency to meet the liquid liabilities of the Organization.

(f) Foreign exchange risk

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

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

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

To comply with the Own Position in Foreign Currency, the Treasury Management had to maintain a positive position in foreign currency, reaching US\$68.7 million as of March 2025 (US\$175 million for March 2024, respectively), given that the appetite for the ratio of position in foreign currency (PME) to base capital (CB) decreased.

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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

		March 2025	Dicember 2024	March 2024
Assets:				
Cash and due from banks	US\$	443,300,136	443,846,761	488,227,762
Investments in financial instruments		543,560,736	466,060,016	638,359,104
Loan portfolio		1,538,301,955	1,515,128,941	1,393,709,963
Accounts and accrued interest receivable		2,517,240	5,192,496	947,823
Investments in other companies		143,534,178	141,208,090	134,801,715
Other		20,758,298	15,929,304	33,298,518
Total assets		2,691,972,543	2,587,365,608	2,689,344,885
Liabilities:				
Obligations with the public		2,347,150,967	2,198,061,844	2,231,156,044
Other financial obligations		241,246,103	197,153,294	259,197,267
Other account payable and provisions		23,503,144	24,585,703	22,157,737
Other liabilities		15,584,191	9,447,454	5,064,477
Total liabilities		2,627,484,405	2,429,248,295	2,517,575,525
Net position (excess of monetary assets over monetary liabilities)	US\$	64,488,138	158,117,313	171,769,360

Monetary assets and liabilities in foreign currency are valued by using the reference sale rate established by BCCR on the last business day of each month, as of March 31, 2025, that rate was ¢504.21 for US\$1.00 (¢512.75 and ¢506.60 for US\$1,00 for December and March of 2024, respectively).

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

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

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

Sensitivity to an increase in the exchange rate

	March 2025	December 2024	March 2024
Net position	64,488,139	158,117,314	171,769,359
Closing exchange rate	504.21	512.73	506.60
Increase in the exchange rate by 5%	25.21	25.64	25.33
Profit	1,625,745,984	4,054,127,931	4,350,917,863

Sensitivity to a decrease in the exchange rate

	March 2025	December 2024	March 2024
Net position	64,488,139	158,117,314	171,769,359
Closing exchange rate	504.21	512.73	506.60
Decrease in the exchange rate of 5%	(25.21)	(25.64)	(25.33)
Loss	(1,625,745,984)	(4,054,127,931)	(4,350,917,863)

Monetary assets and liabilities in Euros are detailed as follows:

		March 2025	December 2024	March 2024
Assets:				
Cash and due from banks	EUR€	6,366,897	6,981,872	5,801,526
Other assets		140	13,425	265,030
Total assets		6,367,037	6,995,297	6,066,556
Liabilities:				
Obligations with the public		6,723,064	6,774,642	6,405,015
Other financial obligations		1,077,843	1,077,843	1,147,077
Other accounts payable and provisions		79,760	27,334	23,902
Other liabilities		(825)	(1,951)	21,328
Total liabilities		7,879,842	7,877,868	7,597,322
Net position (excess of monetary assets over monetary liabilities)	EUR€	(1,512,805)	(882,571)	(1,530,766)

As of March 31, 2025, complying with SUGEF's regulations, the terms matching of the most important US dollar accounts is as follows:

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BANCO DE COSTA RICA

Notes to the separate financial statements

Assets		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	
		On demand								
Cash and due from banks	US\$	151,082,165	0	0	0	0	0	0	151,082,165	
Cash reserve- BCCR		199,176,429	15,473,739	9,792,366	9,742,973	20,104,884	29,555,885	8 371 695	292,217,971	
Investments		0	260,225,272	798,811	1,002,054	78,719,622	38,770,446	159 019 943	538,536,148	
Interest on investments		0	711,394	2,484,264	529	1,827,002	1,398	0	5,024,587	
Loan portfolio		0	42,344,969	52,092,596	45,031,731	91,117,768	110,218,587	99,780,807	1,613,468,567	
Interest on loans		0	3,217,989	108,106	10,412	100,111	4,070	4,098,808	7,582,809	
		350,258,594	321,973,363	65,276,143	55,787,699	191,869,387	178,550,386	1 340 317 060	2,607,912,247	
Liabilities										
Obligations with the public		1,595,012,678	123,914,311	78,417,653	78,022,111	161,000,701	236,684,690	67,040,865	2,340,093,009	
Obligations with financial										
Entities		14,570,768	130,081,351	0	769,227	1,308,095	53,084,687	40 611 786	240,425,914	
Charges payable		197,149	1,697,366	738,390	1,712,907	1,284,277	1,674,879	573,180	7,878,148	
		1,609,780,595	255,693,028	79,156,043	80,504,245	163,593,073	291,444 256	108 225 831	2,588,397,071	
Assets and liabilities spread	US\$	(1,259,522,001)	66,280,335	(13,879,900)	(24,716,546)	28,276,314	(112,893,870)	1,232,091,229	103,879,615	19,515,176

As of December 31, 2024, in US dollars:

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

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Notes to the separate financial statements

As of March 31, 2024, in US dollars:

		<u>On 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\$	189,268,567	0	0	0	0	0	0	0	189,268,567
Cash reserve- BCCR		209,975,227	15,948,867	9,630,464	8,583,255	17,342,983	23,347,782	14,130,617	0	298,959,195
Investments		0	348,639,146	4,568,454	25,479,860	39,738,079	33,952,291	177,274,134	0	629,651,964
Interest on investments		0	2,413,288	2,237,645	1,199,918	2,856,289	0	0	0	8,707,140
Loan portfolio		0	23,049,930	34,586,169	41,202,467	76,508,116	202,854,525	1,005,392,853	92,136,351,	1,475,730,411
Interest on loans		0	3,521,110	34,536	99,475	367,219	0	0	4,595,482,	8,617,822
		<u>399,243,794</u>	<u>393,572,341</u>	<u>51,057,268</u>	<u>76,564,975</u>	<u>136,812,686</u>	<u>260,154,598</u>	<u>1,196,797,604</u>	<u>96,731,833,</u>	<u>2,610,935,099</u>
Liabilities										
Obligations with public		1,563,487,602	118,756,181	71,708,986	63,911,408	129,136,848	173,848,924	105,217,386	0	2,226,067,335
Obligations with financial										
Entities		30,810,741	141,071,906	6,000	725,214	51,537,368	3,914,488	30,653,232	0	258,718,949
Charges payable		168,328	1,047,730	581,809	1,172,011	1,151,941	939,802	505,405	0	5,567,026
		<u>1,594,466,671</u>	<u>260,875,817</u>	<u>72,296,795</u>	<u>65,808,633</u>	<u>181,826,157</u>	<u>178,703,214</u>	<u>136,376,023</u>	<u>0</u>	<u>2,490,353,310</u>
Assets and liabilities spread	US\$	<u>(1,195,222,877)</u>	<u>132,696,524</u>	<u>(21,239,527)</u>	<u>10,756,342</u>	<u>(45,013,471)</u>	<u>81,451,384</u>	<u>1,060,421,581</u>	<u>96,731,833</u>	<u>120,581,789</u>

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BANCO DE COSTA RICA

Notes to the separate financial statements

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

For the period ended March 31, 2025, the separate accumulated financial statements show a net foreign exchange loss of ¢3,073,888,672, (¢15,051,080,983 and ¢3,198,090,902, net loss for December and March 2024, respectively).

(g) Capital Management

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

In 2025, the credit risk requirement shows higher levels compared to 2024 due to the increase in credit placement.

(h) Systemic risk

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

The size of the BCR Financial Conglomerate is according to assets of the most updated data, equivalent to the end of March 2025 of 14.01% of annual GDP. Due to the size and complexity of its operations, BCR is a systemic Entity, therefore, its performance and the decisions made have effects on the financial system.

The National Banking System has a medium concentration level, where BNCR, BCR, BPDC and BAC are the main participants.

The systemic risk analysis is carried out considering several dimensions. The first dimension corresponds to the economic context, the second the size, the third refers to concentration indicators, the fourth contagion, the fifth an index of fiscal conditions and a sixth dimension is added that correlates the previous five that acts transversally on the other dimensions.

(i) Operational risk management

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

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BANCO DE COSTA RICA

Notes to the separate 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 table number 1, are fed with the reports of materialized events recorded by the different offices of the Bank, complying with the provisions of SUGEF Agreement 2-10 Regulations for comprehensive risk management.

Gross operating losses

- Percentage distribution by type of risk-

Type of operational risk	Accumulated gross losses 2025	March 2025	December 2024	March 2024
Clients, products, and business practices	0	0.00%	0.22%	20.53%
Execution, delivery, and management of processes	28,243,689	17.13%	0.62%	14.55%
External fraud	28,374,492	17.20%	76.22%	57.27%
Internal fraud	0	0.00%	0.00%	0.00%
Business interruption and system failures	29,133,146	17.67%	22.94%	7.65%
Labor relations and safety in the workplace	79,165,469	48.00%	0.00%	0.00%
Total	€ 164,916,796	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 table above, operational loss amounts related to external fraud, internal fraud, and business disruption and system failures were comparable for the January to March 2025 period. However, in the area of labor relations and workplace safety, labor claim settlements were notably higher. Consequently, the organization will continue implementing the established controls for human capital management.

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BANCO DE COSTA RICA

Notes to the separate financial statements

(j) Information and IT security risks

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

- a- Execution of evaluations: They are carried out through a process aligned with best practices such as ISO 31000 and strict follow-up is given to the treatment actions generated.
- b- Definition of risk appetite declaration: Information and IT security risk indicators are developed and monitored, supporting compliance with business objectives TI and business.
- c- Maintenance of the technology risk profile: In compliance with the guidelines issued by the Superintendency of Financial Institutions (SUGEF), the entity's risk profile is established and updated, ensuring it aligns with the organization's defined risk tolerance level.
- d- Regulatory framework update: In accordance with regulatory bodies and internal policies, the regulatory framework is reviewed and updated at least once a year.
- e- Definition of risk strategy: A risk strategy is established to anticipate, prepare for, and effectively respond to events that may impact the achievement of objectives.
- f- Maturity assessment: An annual assessment is conducted to gain a clear understanding of the current state of the risk management process, identify strengths and weaknesses, prioritize improvements, support alignment with standards and regulations, justify resource allocation to senior management, and strengthen the risk culture.
- g- Process automation and improvements: Automated tools are being used to support the execution of risk assessments, monitoring of risk treatment plans, and tracking of key indicators, with the goal of achieving broader scope and greater agility in the execution of these processes.

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

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

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

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BANCO DE COSTA RICA

Notes to the separate financial statements

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

(k) Business Continuity

Business Continuity Testing

In the area of Business Continuity, in compliance with SUGEF Agreement 2-10 “Regulations on Operational Risk Management,” specifically the section on Business Continuity, clause E) Execution of periodic testing and evaluation of results, Banco de Costa Rica has established a Testing Plan that includes the Contingency Plan for its Commercial Branches.

Commercial Branches serve as the physical channel through which the Bank delivers its products and services to customers. It is crucial to have a contingency plan in place in the event of disruption to the bank’s priority services.

The contingency plan for commercial branches includes customer service protocols and defined steps for addressing critical services identified in the Business Impact Analysis (BIA). The most common disruption scenario involves the unavailability of services, which affects communication between a Commercial Branch and the Bank’s Data Center.

Contingency plan testing enables personnel to train for real-life incidents, identify weaknesses, propose improvements, and adjust existing procedures.

The Business Continuity Unit is responsible for coordinating commercial branches to implement the necessary adjustments to ensure the proper functioning of the contingency plan, based on the errors identified and results obtained from the tests. Additionally, it develops training programs to strengthen the organization's business continuity culture.

These tests allow the institution to measure and evaluate the effectiveness and efficiency of its business continuity plans. The outcomes enable the organization to build the capacity to withstand, respond to, and resume normal operations within a reasonable timeframe, thereby avoiding business compromise and minimizing the negative impacts of disruptions.

As part of the Business Continuity Management System, the Technology Management Department has also developed a testing plan for the applications that support the bank’s critical business processes. The purpose is to validate the effectiveness and relevance of the recovery protocols for each critical application.

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BANCO DE COSTA RICA

Notes to the separate financial statements

Business Continuity Testing and Digital Operational Resilience

As part of the Business Continuity framework and in compliance with SUGEF Agreement 2-10, Regulation on Operational Risk Management, specifically section E) Execution of periodic tests and evaluation of their results, Banco de Costa Rica has established a Testing Plan that includes the Contingency Plan for Commercial Offices.

The Commercial Offices represent a key channel for delivering financial products and services to customers. Therefore, it is essential to have contingency strategies that ensure operational continuity in the event of disruptions to the bank's priority services.

This contingency plan includes specific protocols for customer service and the management of critical services, which have been previously identified in the Business Impact Analysis (BIA). The most common disruption scenario involves service unavailability, affecting connectivity between a Commercial Office and the Bank's Data Center.

Contingency tests allow staff to simulate crisis scenarios, strengthen their response capabilities to real incidents, identify vulnerabilities, optimize procedures, and enhance the bank's operational resilience.

The Business Continuity Unit is responsible for coordinating with the commercial offices to implement necessary adjustments based on the findings obtained during the tests. It also develops training programs to strengthen the organizational culture regarding business continuity.

The tests not only allow the evaluation of the continuity plans' effectiveness, but also reinforce the bank's ability to withstand, respond to, and recover operational capacity within a reasonable time frame, minimizing negative impacts and ensuring business stability.

As part of the Digital Operational Resilience approach, Technology Management has implemented a testing plan for the applications that support the bank's critical processes. This plan aims to validate the effectiveness and currency of the technological recovery protocols, ensuring the availability of digital systems in the face of disruptive events.

In an increasingly digital and dynamic financial environment, such tests are essential to ensuring operational continuity, reinforcing customer confidence, and complying with the highest standards of security and operational resilience.

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Notes to the separate financial statements

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

Finally, in terms of managing the risk of money laundering, financing of terrorism and financing proliferation of weapons of mass destruction, this continues to be a high priority at institutional level. The permanent reinforcement of the culture in the business areas regarding the mitigation of this risk is maintained.

This management integrates normatively defined evaluation factors such as clients, products, services, channels, and geographical areas for the evaluation of new products and initiatives, as well as the continuous monitoring of clients. Permanent monitoring is provided through the Corporate Compliance Committee and the Management Body, to strengthen and promote actions that ensure the application of policies and procedures by all officials of the BCR Financial Conglomerate.

(m) Regulatory risk management and regulatory compliance

The management of regulatory risk and compliance within the Financial Conglomerate (CFBCR) has the fundamental purpose of ensuring that all its entities operate with integrity, in accordance with the applicable legal, regulatory, and ethical framework. This includes compliance with laws, regulations, internal policies, codes of conduct, and other applicable provisions, while promoting an organizational culture based on transparency, accountability, and continuous improvement.

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.

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BANCO DE COSTA RICA

Notes to the separate financial statements

In compliance with these actions for the close of the first half of 2024, 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.

These actions reflect the commitment of the Regulatory Risk Unit to integrity-driven management aligned with regulatory compliance, promoting an organizational culture based on transparency, ethics, and accountability. This approach helps minimize legal and reputational risks, thereby strengthening the trust of all stakeholders.

Legal risk management

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

Actions and results

Monitoring of legal risk indicators:

Continuous monitoring is conducted on the behavior of indicators associated with lawsuits filed against BCRFC with higher exposure, assessing potential impacts based on adverse scenarios defined by the process director.

Timely and compliant registration of notarial acts derived from credit transactions managed by the commercial areas is verified, including those handled by institutional and external notaries.

The Litigation VaR indicator continues to be monitored to proactively manage the reserve allocated for contingencies related to the payment of judicial rulings.

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BANCO DE COSTA RICA

Notes to the separate financial statements

Compliance with the General Procurement Law (Law 9986 of May 2021):

In accordance with Article 37 of this legislation, the initial decision of the procedure must include, among other elements, a risk identification process that, under no circumstances, should exceed the benefit obtained from the procurement. To ensure compliance with the provisions of Law 9986 and its regulations, by the end of the semester, 89 evaluations were conducted on public procurement processes, including simplified and minor bidding procedures, as well as evaluations of major or indeterminate-value procedures.

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.

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, a total of 69 contracts with critical suppliers were executed, identifying 204 risks, 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.

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BANCO DE COSTA RICA

Notes to the separate financial statements

(35) Financial Information of the Development Financing Fund

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

	<u>March</u>	<u>December</u>	<u>March</u>
	<u>2025</u>	<u>2024</u>	<u>2024</u>
ASSETS			
Available	¢ 513,030,013	0	2,262,345,581
Cash	513,030,013	0	0
Central Bank of Costa Rica	0	0	2,262,345,581
Investment in financial instruments	3,700,413,167	4,600,492,217	0
At fair value through profit or loss	3,700,413,167	4,600,492,217	0
Loan portfolio	¢ 49,967,266,564	47,268,427,468	47,098,928,147
Current loans	45,870,970,483	42,388,299,850	42,802,011,681
Past due loans	4,140,217,096	5,158,050,993	4,131,498,137
Loans on legal collection	587,429,481	339,694,497	777,994,335
(Deferred income loan portfolio)	(495,360,740)	(474,765,679)	(473,258,987)
Interest receivable	174,378,599	167,599,365	171,074,676
(Allowance for impairment)	(310,368,355)	(310,451,558)	(310,391,695)
Accounts and fees receivable	2,089,681	970,744	0
Other accounts receivable	2,788,697	2,473,990	0
(Allowance for impairment)	(699,016)	(1,503,246)	0
Other assets	30,105,529	30,900,441	258,053,342
Other assets	30,105,529	30,900,441	258,053,342
Total assets	¢ 54,212,904,954	51,900,790,870	49,619,327,070
Liabilities			
Obligations with entities	194	0	0
Other obligations with entities	194	0	0
Accounts payable and provisions	¢ 205,589,967	1,039,879,012	179,487,102
Other sundry accounts payable	205,589,967	1,039,879,012	179,487,102
Other liabilities	273,999,043	249,503,438	244,702,805
Other liabilities	273,999,043	249,503,438	244,702,805
Total liabilities	¢ 479,589,204	1,289,382,450	424,189,907
Equity			
Adjustments to equity - Other comprehensive income	37,738,776,194	34,671,365,413	48,866,249,077
Accumulated results from previous period	15,940,043,006	14,194,883,664	0
Result of current period	54,496,550	1,745,159,343	328,888,086
Debit contingent accounts	¢ 53,733,315,750	50,611,408,420	49,195,137,163
Other debit memoranda accounts	¢ 54,212,904,954	51,900,790,870	49,619,327,070
Debit contingent accounts	¢ 0	1,111,500	2,687,500
Other debit memoranda accounts	¢ 5,029,859,334	4,992,802,732	2,545,982,018

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BANCO DE COSTA RICA

Notes to the separate financial statements

**DEVELOPMENT FINANCING FUND
STATEMENT OF INCOME**

For the periods ended March 31, 2025

Financial Information

(In colones without cents)

	March 2025	March 2024
Financial income		
For investments in financial instruments	¢ 37,283,685	0
For loan portfolio	557,943,384	663,217,134
For gains from foreign exchange differences and development units (UD)	3,136,742	0
Total financial income	598,363,811	663,217,134
Financial expenses		
For losses on exchange differences	0	1,806,795
Total financial expenses	0	1,806,795
For allowance for assets impairment	799,606	0
For recovery of assets and decrease in estimates and provisions	1,603,836	1,042,263
Financial Result	599,168,041	662,452,602
Other Operating Income		
For other operating income	434,853	1,640,861
For currency exchange and arbitration	30,321	0
For services commissions	9,439,630	6,316,979
Recovery of settled financial assets	107,547	0
Total Other Operating Income	10,012,351	7,957,840
Other Operating Expenses		
From currency exchange and arbitrage	72,988	0
For other operating expenses	554,610,854	341,522,356
Total Other Operating Expenses	554,683,842	341,522,356
Result of the period	¢ 54,496,550	328,888,086

Loan portfolio of the Development Financing Fund

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

a) Loan portfolio by sector

Activity	March 2025	December 2024	March 2024
Artistic, entertainment and recreative activities	52,665,129	45,411,637	0
Health care and social assistance activities	134,655,224	138,683,644	0
Administrative and support services activities	995,873,654	816,026,664	0
Professional, scientific and technical activities	205,469,850	212,631,331	0
Agriculture, livestock, hunting and related services	9,177,844,278	8,932,952,684	8,285,745,969
Public administration	106,090,626	16,917,841	0
Fishing and aquaculture	1,713,653,803	945,741,589	0
Wholesale and retail trade, repair of motor vehicles and motorcycles	19,766,391,864	20,275,181,200	21,913,150,764
Services	15,910,831,588	14,138,818,684	51,484,190
Transportation	1,347,283,084	1,173,410,745	372,593,964
Financial and stock exchange activities	0	2,108,560	1,041,392,880
Real estate, business, and lease activities	87,505,273	92,954,102	170,697,338
Construction	636,828,144	581,211,912	667,763,028
Hospitality	463,524,543	513,994,747	1,119,915,178
	50,598,617,060	47,886,045,340	47,711,504,153
Plus: interest receivable	174,378,599	167,599,365	171,074,676
Less deferred income in loan portfolio	(495,360,740)	(474,765,679)	(473,258,987)
Allowance for impairment	(310,368,355)	(310,451,558)	(310,391,695)
¢	49,967,266,564	47,268,427,468	47,098,928,147

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

b) Loan portfolio by arrears:

The loan portfolio by arrears is detailed as follows:

	March 2025	December 2024	March 2024
Up to date	¢ 45,870,970,483	42,388,299,850	42,802,011,681
From 1 to 30 days	2,742,368,134	3,392,225,054	2,880,863,576
From 31 to 60 days	530,805,406	680,977,821	549,036,318
From 61 to 90 days	327,249,090	465,351,169	290,757,442
From 91 to 120 days	267,729,615	184,295,437	161,029,446
From 121 to 180 days	173,201,512	100,303,305	130,248,296
Over 180 days	98,863,339	334,898,207	119,563,059
Legal collection	587,429,481	339,694,497	777,994,335
	¢ 50,598,617,060	47,886,045,340	47,711,504,153

c) Delinquent and past due loan portfolio

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

	March 2025	December 2024	March 2024
Number of operations	168	154	50
Past due loans in non-accrual status of interest	¢ 686,292,820	674,592,704	897,557,394
Past due loans with recognized interest	¢ 4,041,353,757	4,823,152,786	4,011,935,078
Total unearned interest	¢ 22,592,639	22,592,639	1,250,024

Loans on legal collection as of March 31, 2025:

<u># operations</u>	<u>Percentage</u>	<u>Balance</u>
142	1,16%	¢ <u>587,429,481</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>

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

Loans on legal collection as of March 31, 2024:

<u># operations</u>	<u>Percentage</u>	<u>Balance</u>
20	1,63%	¢ <u><u>777,994,335</u></u>

d) Interest receivable on loan portfolio:

Interest receivables are as follows:

	<u>March</u>	<u>December</u>	<u>March</u>
	<u>2025</u>	<u>2024</u>	<u>2024</u>
Current loans	¢ 100,956,067	95,436,011	106,289,741
Past due loans	32,419,470	55,958,035	44,727,438
Loans in judicial collection	41,003,062	16,205,319	20,057,497
	¢ <u><u>174,378,599</u></u>	<u><u>167,599,365</u></u>	<u><u>171,074,676</u></u>

e) Allowance for bad loans:

The movement of allowance for bad loans is as follows:

Opening balance 2025	¢ 310,451,558
Plus:	
Adjustment for exchange differences	108,691
Less:	
Adjustment for exchange differences	(191,894)
Balance as of March 31, 2025	¢ <u><u>310,368,355</u></u>
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	¢ <u><u>310,451,558</u></u>
Opening balance 2024	¢ 310,589,741
Less:	
Adjustment for exchange differences	(198,046)
Balance as of March 31, 2024	¢ <u><u>310,391,695</u></u>

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

f) Loan portfolio by type of guarantee:

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

Guarantee	March	December	March
	2025	2024	2024
Fiduciary	¢ 226,149,917	264,232,260	378,054,115
Mortgage	27,800,115,521	24,516,781,926	22,890,766,759
Chattel	1,404,206,185	1,237,203,344	743,984,600
Others	21,168,145,437	21,867,827,810	23,698,698,679
	¢ <u>50,598,617,060</u>	<u>47,886,045,340</u>	<u>47,711,504,153</u>

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

	March	Direct Loan Portfolio	
		December	March
	2025	2024	2024
Principal	¢ 50,598,617,060	47,886,045,340	47,711,504,153
Interest receivable	174,378,599	167,599,365	171,074,676
	50,772,995,659	48,053,644,705	47,882,578,829
Allowance for bad loans	(310,368,355)	(310,451,558)	(310,391,695)
Carrying amount	¢ <u>50,462,627,304</u>	<u>47,743,193,147</u>	<u>47,572,187,134</u>
Loan portfolio			
Total balances:			
A1	¢ 0	0	0
1	46,221,085,086	43,778,274,364	45,280,962,302
2	580,325,443	645,533,586	570,048,166
3	2,602,855,996	2,530,459,303	656,564,978
4	439,088,803	278,152,594	310,019,754
5	196,278,655	103,406,242	135,780,986
6	733,361,676	717,818,616	929,202,643
	50,772,995,659	48,053,644,705	47,882,578,829
Minimum allowance	(485,533,096)	(492,325,941)	(496,216,364)
Carrying amount, net	¢ <u>50,287,462,563</u>	<u>47,561,318,764</u>	<u>47,386,362,465</u>
Carrying amount	50,772,995,659	48,053,644,705	47,882,578,829
Allowance for bad loans	(485,533,096)	(492,325,941)	(496,216,364)
Allowance (surplus) deficit on minimum allowance	175,164,741	181,874,383	185,824,669
Carrying amount, net	6a ¢ <u>50,462,627,304</u>	<u>47,743,193,147</u>	<u>47,572,187,134</u>

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

The assessed loan portfolio with estimation is detailed as follows:

As of March 31, 2025

Loan Portfolio	Direct Loan Portfolio	
	Principal	Allowance
Direct specific allowance		
1	46,221,085,086	(115,552,713)
2	580,325,443	(9,072,793)
3	2,602,855,996	(73,447,037)
4	439,088,803	(46,265,171)
5	196,278,655	(33,086,373)
6	733,361,676	(208,109,009)
	¢ 50,772,995,659	(485,533,096)

Loan Portfolio	Direct Loan Portfolio	
	Principal	Allowance
Aging of loan portfolio		
Direct specific allowance		
Up to date	45,971,926,549	(176,196,787)
Equal or less than 30 days	2,671,786,575	(9,135,344)
Equal or less than 60 days	597,125,570	(8,177,665)
Equal or less than 90 days	349,555,104	(18,332,029)
Equal or less than 180 days	451,357,834	(66,297,298)
Over 180 days	731,244,027	(207,393,973)
	¢ 50,772,995,659	(485,533,096)
	¢ 50,772,995,659	(485,533,096)

As of December 31, 2024

Loan Portfolio	Direct Loan Portfolio	
	Principal	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)
	¢ 48,053,644,705	(492,325,941)

Loan Portfolio	Direct Loan Portfolio	
	Principal	Allowance
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)

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

As of March 31, 2024

Loan Portfolio	Direct Loan Portfolio	
	Principal	Allowance
Direct generic allowance		
Direct specific allowance		
1	45,280,962,302	(113,204,085)
2	570,048,166	(7,951,481)
3	656,564,978	(43,565,607)
4	310,019,754	(46,587,062)
5	135,780,986	(25,999,951)
6	929,202,643	(258,908,178)
¢	<u>47,882,578,829</u>	<u>(496,216,364)</u>
Loan Portfolio		
Aging of loan portfolio	Direct Loan Portfolio	
	Principal	Allowance
Direct specific allowance		
Up to date	43,001,802,616	(122,087,312)
Equal or less than 30 days	2,835,535,811	(39,133,419)
Equal or less than 60 days	497,708,546	(19,778,291)
Equal or less than 90 days	343,221,435	(15,328,425)
Equal or less than 180 days	270,888,919	(44,918,785)
Over 180 days	933,421,502	(254,970,132)
¢	<u>47,882,578,829</u>	<u>(496,216,364)</u>
¢	<u>47,882,578,829</u>	<u>(496,216,364)</u>

As of March 31, 2025	Loans receivable from clients	
	Gross	Net
Risk category:		
1	¢ 46 221 085 086	46 105 532 372
2	580 325 443	571 252 651
3	2 602 855 996	2 529 408 959
4	439 088 803	392 823 632
5	196 278 655	163 192 282
6	733 361 676	525 252 667
¢	<u>50 772 995 659</u>	<u>50 287 462 563</u>

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

As of March 31, 2024 Risk category:	Loans receivable from clients	
	Gross	Net
1	¢ 45,280,962,302	45,167,758,217
2	570,048,166	562,096,684
3	656,564,978	612,999,371
4	310,019,754	263,432,692
5	135,780,986	109,781,036
6	929,202,643	670,294,465
	¢ <u>47,882,578,829</u>	<u>47,386,362,465</u>

(36) Situation of the Development Credit Fund

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

**DEVELOPMENT CREDIT FUND
STATEMENT OF FINANCIAL POSITION**
For the period ended March 31, 2025
Financial Information
(In colones without cents)

	March 2025	December 2024	March 2024
ASSETS			
Availabilities	¢ 815,064,654	797,179,843	856,687,186
Central Bank of Costa Rica	815,064,654	797,179,843	856,687,186
Investment in financial instruments	69,167,640,906	83,168,607,025	85,467,084,373
At fair value through profit or loss	1,664,832,758	586,104,860	8,264,905,010
At fair value through other comprehensive income	62,908,540,649	78,968,393,969	76,014,503,351
At amortized cost	3,554,034,161	2,729,143,874	0
Interest receivable	1,040,233,338	884,964,322	1,187,676,012
Loan Portfolio	56,401,183,058	50,007,412,745	47,347,605,588
Current loans	54,541,956,115	48,144,414,293	46,563,868,889
Past due loans	1,657,263,727	2,002,981,687	1,032,152,964
Loans on legal collection	504,833,606	193,348,664	0
(Deferred income loan portfolio)	(390,633,492)	(373,075,185)	(339,389,025)
Interest receivable	175,740,930	128,335,972	179,123,066
(Allowance for impairment)	(87,977,828)	(88,592,686)	(88,150,306)
Accounts and commissions receivable	67,793,970	103,838,873	138,179,198
Tax and deferred income tax	67,793,970	103,838,873	138,179,198
Other assets	39,400,027	43,141,375	307,737
Other assets	39,400,027	43,141,375	307,737
TOTAL ASSETS	¢ <u>126,491,082,615</u>	<u>134,120,179,861</u>	<u>133,809,864,082</u>

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

**DEVELOPMENT CREDIT FUND
STATEMENT OF FINANCIAL POSITION**

For the period ended March 31, 2025

Financial Information

(In colones without cents)

	<u>March 2025</u>	<u>December 2024</u>	<u>March 2024</u>
LIABILITIES			
Obligations with entities	€ 131,569,720,722	138,359,054,842,	138,781,730,311
On demand	131,569,720,722	0	138,781,730,311
Term obligations	0	138,097,549,701,	0
Interest payable	0	261,505,141,	0
Accounts payable and provisions	58,913,922	93,008,281,	168,431,418
Accounts receivable	0	0	4,432,604
Deferred income tax	43,667,387	76,846,413,	163,055,658
Other miscellaneous accounts payable	15,246,535	16,161,868,	943,156
Other liabilities	312,359,799	63,654,441,	421,989,517
Other liabilities	312,359,799	63,654,441,	421,989,517
TOTAL LIABILITIES	€ 131,940,994,443	138,515,717,564,	139,372,151,246
EQUITY			
Adjustments to equity – Other comprehensive income	€ (33,671,790)	(24,069,173)	122,242,970
Results of the previous period	€ (5,500,673,306)	(5,500,673,306)	(5,500,673,306)
Results of the current period	84,433,268	1,129,204,776,	(183,856,828)
TOTAL EQUITY	€ (5,449,911,828)	(4,395,537,703)	(5,562,287,164)
TOTAL LIABILITIES AND EQUITY	€ 126,491,082,615	134,120,179,861	133,809,864,082
OWN DEBIT MEMORANDA ACCOUNT			
Own debit memoranda account	€ 21,516,540,333	29,786,066,777	20,442,882,596
Interest receivable memoranda accounts	€ 13,932,602	10,392,051	12,881,259
Contingent accounts	82,535,109	9,858,770	

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

**DEVELOPMENT CREDIT FUND
INCOME STATEMENT**

For the period ended March 31, 2025

Financial Information

(In colones without cents)

	March 2025	March 2024
Financial income		
For investments in financial instruments	¢ 1,023,572,352	1,293,305,761
For loan portfolio	650,503,386	567,340,227
Other financial incomes	56,536,611	25,899,171
Total financial income	1,730,612,349	1,886,545,159
Financial expenses		
For obligations with the public	728,422,372	897,725,081
For losses in exchange differences	61,265,555	238,110,467
Other financial expenses	34,498,246	560,502
Total financial expenses	824,186,173	1,136,396,050
For allowance of asset impairment	16,289,663	11,674,596
Financial result	¢ 922,715,839	761,823,705
Other operating income		
For commission for services	203,562	0
For arbitrage and currency exchange	16,051,567	39,860,398
For other operating income	2,683	5,181,702
Total other operating income	16,257,813	45,042,100
Other operating expenses		
For arbitrage and currency exchange	12,005	1,963,117
For other operating income	111,712,399	159,549,339
Total other operating income	¢ 11,724,404	161,512,456
Other operating expenses	¢ 827,249,247	645,353,349
For exchange and arbitration, foreign currency	742,815,979	829,210,177
For other operating expenses	84,433,268	(183,856,828)
Total other operating expenses	¢ 84,433,268	(183,856,828)
Profit allocation		
Profit transferred to the National Development Trust	¢ 742,815,979	829,210,177
Commission for management of the Development Credit Fund, and the fund's own profits	84,433,268	(183,856,828)
	¢ 827,249,247	645,353,349

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

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

	March	December	March
	2025	2024	2024
At fair value through profit or loss	1,664,832,758	586,104,860	8,264,905,010
At fair value through other comprehensive income	62,908,540,649	78,968,393,969	76,014,503,351
At amortized cost	3,554,034,161	2,729,143,874	0
Interest receivable for investments at fair value through comprehensive income	1,040,233,338	884,964,322	1,187,676,012
	¢ 69,167,640,906	83,168,607,025	85,467,084,373
	March	December	March
	2025	2024	2024
At fair value through profit or loss	Fair value	Fair value	Fair value
Local issuers			
State-owned Banks	1,664,832,758	586,104,860	8,264,905,010
	¢ 1,664,832,758	586,104,860	8,264,905,010
	March	December	March
	2025	2024	2024
At fair value through other comprehensive income	Fair value	Fair value	Fair value
<u>Local issuers</u>			
Government	10,375,833,058	78,968,393,969	0
State-owned Banks	52,532,707,591	0	76,014,503,351
	¢ 62,908,540,649	78,968,393,969	76,014,503,351
	March	December	March
	2025	2024	2024
At amortized cost	Fair value	Fair value	Fair value
<u>Local issuers</u>			
State-owned Banks	3,554,034,161	2,729,143,874	0
	¢ 3,554,034,161	2,729,143,874	0

Loan portfolio of the Development Credit Fund

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

a) Loan portfolio by sector

	March 2025	December 2024	March 2024
Sector			
Artistic, entertainment and recreative activities	¢ 20,357,057	21,813,600	0
Administrative and support services activities	984,541,690	1,028,764,716	0
Professional, scientific and technical activities	107,877,488	113,251,033	0
Agriculture, livestock, hunting and related services	32,113,961,471	24,924,239,982	29,549,109,984
Manufacturing	1,539,081,687	1,557,122,574	0
Public administration	11,595,811	11,988,539	0
Exploitation of mines and quarries	0	0	449,480,545
Trade	9,885,736,496	10,137,670,390	7,165,952,153
Services	10,889,546,982	11,359,090,351	26,034,858
Transportation	758,579,183	798,771,143	43,588,879
Financial and stock market activity	0	0	880,496,199
Real estate activities	104,000,000	104,000,000	0
Construction, purchase, and repair of property	229,520,307	220,845,010	164,147,343
Consumption	0	0	8,684,688,663
Hotels and restaurants	59,255,276	63,187,306	587,588,185
Education	0	0	44,935,044
	56,704,053,448	50,340,744,644	47,596,021,853
Plus: interest receivable	175,740,930	128,335,972	179,123,066
Less: deferred income loan portfolio	(390,633,492)	(373,075,185)	(339,389,025)
Allowance for impairment	(87,977,828)	(88,592,686)	(88,150,306)
¢	56,401,183,058	50,007,412,745	47,347,605,588

b) Loan portfolio by arrears:

Loan portfolio by arrears is detailed as follows:

	March 2025	December 2024	March 2024
Up to date	¢ 54,541,956,115	48,144,414,293	46,563,868,889
From 1 to 30 days	1,364,015,384	1,391,915,528	742,595,282
From 31 to 60 days	107,455,365	155,323,706	100,853,727
From 61 to 90 days	130,417,860	227,490,766	30,355,291
From 91 to 120 days	12,424,593	38,027,971	158,348,664
From 121 to 180 days	10,440,170	188,569,732	0
More than 180 days	32,510,355	1,653,984	0
Judicial collection	54,833,606	193,348,664	0
¢	56,704,053,448	50,340,744,644	47,596,021,853

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

c) Delinquent and past due loans

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

	March	December	March
	2025	2024	2024
Number of operations	17	6	0
Delinquent and past due loans not accumulating interests	¢ 504,833,606	193,348,664	0
Delinquent and past due loans with interest recognition	¢ 1,657,263,727	2,002,981,687	1,032,152,964
Total of not received interest	¢ 13,932,6020	10,392,051	12,881,259

d) Interest receivable for loan portfolio

Interest receivables are detailed as follows:

	March	December	March
	2025	2024	2024
Current loans	¢ 156,975,772	110,474,511	173,195,988
Past due loans	7,739,931	13,787,433	5,927,078
Loans in judicial collection	11,025,227	4,074,028	0
	¢ 175,740,930	128,335,972	179,123,066

e) Allowance for bad loans

Balance at the beginning of 2025	¢	88,592,686
Plus:		
Adjustment for exchange differences		803,213
Less:		
Adjustment for exchange differences		(1,418,070)
Balance as of March 31, 2025	¢	87,977,828
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
Less:		
Adjustment for exchange differences		(1,463,536)
Balance as of March 31, 2024	¢	88,150,306

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

f) Loan portfolio by type of guarantee:

The loan portfolio detailed by guarantee is as follows:

	March 2025	December 2024	March 2024
Guarantee			
Fiduciary	628,788,453	647,190,224	173,360,758
Mortgage	¢ 19,440,549,040	20,085,678,117	13,224,351,710
Chattel	1,498,805,739	1,561,108,482	1,151,666,189
Other	35,135,910,216	28,046,767,821	33,046,643,196
	¢ 56,704,053,448	50,340,744,644	47,596,021,853

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

	<u>Direct Loan Portfolio</u>		
	March 2025	December 2024	March 2024
Principal	¢ 56,704,053,448	50,340,744,644	47,596,021,853
Interest receivable	175,740,930	128,335,972	179,123,066
	56,879,794,378	50,469,080,616	47,775,144,919
Allowance for bad loans	(87,977,828)	(88,592,686)	(88,150,306)
Carrying amount	¢ 56,791,816,550	50,380,487,930	47,686,994,613
Loan portfolio			
Total, balances:			
1	¢ 54,037,308,346	46,192,555,217	47,456,926,447
2	70,741,813	216,626,473	16,020,267
3	2,047,919,567	3,197,387,536	19,275,903
4	152,128,212	272,446,042	282,922,302
5	17,858,281	386,396,075	0
	56,879,794,378	50,469,080,616	47,775,144,919
Minimum allowance	(298,695,951)	(274,799,543)	(128,363,194)
Carrying amount, net	¢ 56,581,098,427	50,194,281,073	47,646,781,725
Carrying amount	56,879,794,378	50,469,080,616	47,775,144,919
Allowance for bad loans	(298,695,951)	(274,799,543)	(128,363,194)
(Surplus) inadequacy of Allowance	210,718,123	186,206,857	40,212,888
Carrying amount, net	6a ¢ 56,791,816,550	50,380,487,930	47,686,994,613

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

The assessed loan portfolio including allowance is detailed as follows:

As of March 31, 2025

Loan portfolio	Direct Loan Portfolio	
	Principal	Allowance
Direct specific allowance		
1	54,037,308,346	(135,093,271)
2	70,741,813	(761,330)
3	2,047,919,567	(67,164,782)
4	152,128,212	(2,664,242)
5	17,858,281	(2,624,166)
6	553,838,159	(90,388,160)
	¢ 56,879,794,378	(298,695,951)
Loan portfolio		
Aging of loan portfolio		
Direct specific allowance		
Up to date	54,698,931,887	(199,258,090)
Equal or less than 30 days	1,349,579,188	(4,230,686)
Equal or less than 60 days	104,542,524	(860,405)
Equal or less than 90 days	154,053,385	(4,960,778)
Equal or less than 180 days	216,211,226	(36,132,533)
More than 180 days	356,476,168	(53,253,459)
	¢ 56,879,794,378	(298,695,951)

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)
	50,469,080,616	(274,799,543)
¢	50,469,080,616	(274,799,543)
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	199,202,147	(19,403,402)
	50,469,080,616	(274,799,543)
¢	50,469,080,616	(274,799,543)

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

As of March 31, 2024

Loan portfolio	Direct Loan Portfolio	
	Principal	Allowance
Direct specific allowance		
1	47,456,926,447	(118,642,316)
2	16,020,267	(135,860)
3	19,275,903	(96,380)
4	282,922,302	(9,488,638)
	¢ 47,775,144,919	(128,363,194)
Loan portfolio		
Aging of loan portfolio		
Direct specific allowance		
Up to date	46,737,064,876	(120,616,595)
Equal or less than 30 days	744,879,680	(1,862,199)
Equal or less than 60 days	101,696,722	(564,242)
Equal or less than 90 days	30,737,819	(1,140,610)
Equal or less than 180 days	160,765,822	(4,179,548)
	¢ 47,775,144,919	(128,363,194)

As of March 31, 2025	Loans receivable from clients	
	Gross	Net
Risk category:		
1	¢ 54,037,308,346	53,902,215,075
2	70,741,813	69,980,483
3	2,047,919,567	1,980,754,785
4	152,128,212	149,463,970
5	17,858,281	15,234,115
6	553,838,159	463,449,999
	¢ 56,879,794,378	56,581,098,427

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

As of March 31, 2024	Loans receivable from clients	
	Gross	Net
Risk category:		
1	¢ 47,456,926,447	47,338,284,131
2	16,020,267	15,884,408
3	19,275,903	19,179,523
4	282,922,302	273,433,663
	¢ 47,775,144,919	47,646,781,725

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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

As of March 31, 2025, transfers of resources have been made from the Development Credit Fund.

	March 2025	December 2024	March 2024
Banco Scotiabank	¢ 522,500,000	6,160,340,000	491,000,000
Banco Promerica	¢ 0	1,971,808,848	2,026,225,588
	¢ 522,500,000	8,132,148,848	2,517,225,588

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

a) IAS 1: Presentation of Financial Statements

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

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

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

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

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

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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

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

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

c) IAS 7: Statement of Cash Flows

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

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

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

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

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

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

e) IAS 12: Income tax

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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

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

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

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

f) IAS 16: Property, Plant and Equipment

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

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

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

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

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

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate 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 exchange rate differential adjustments in monetary items in foreign currency.

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

h) IAS 27: Consolidated and Separate Financial Statements

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

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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

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

i) IAS 28: Investments in Associates and Joint Ventures

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

Regulated entities must present their separate financial statements.

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

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

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

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

1) IAS 38: Intangible Assets

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

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

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

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

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

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

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

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

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

m) IAS 40: Investment Property

Investment properties must be valued at fair value.

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

n) IFRS 3: Business Combinations

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

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

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

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

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

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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

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

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

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

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

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

In the case of entities supervised by SUGEF, assets awarded in judicial auctions or received in payment of obligations must be valued at the lower level of:

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

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

p) IFRS 9: Financial Instruments

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

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BANCO DE COSTA RICA

Notes to the separate financial statements

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

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

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

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

q) IFRS 13: Fair Value Measurement

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

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

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.

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BANCO DE COSTA RICA

Notes to the separate financial statements

These new standards are IFRS S1 General Requirements for Disclosures of Sustainability-related Financial Information; and IFRS S2 Climate-related Disclosures.

In accordance with Circular No. 33-2023, Adoption of International Sustainability Financial Reporting Standards issued by the College of Public Accountants of Costa Rica and published in La Gaceta No. 3 of January 10, 2024, IFRS Standards S1 and S2 are adopted by the College of Public Accountants of Costa Rica as of January 1, 2024. Its application will be voluntary as of January 1, 2024, and mandatory for Companies and Entities supervised and regulated by CONASSIF that will report in 2026 the information of the fiscal year ending as of December 31, 2025. An entity is not required to disclose comparative information in the first annual reporting period in which such standards apply.

(38) Figures for 2024

As of March 31, 2025, financial statement figures have not been reclassified for comparison with those of 2024, per modifications to the Chart of Accounts and SUGEF Directive 6-18: “Financial Information Regulations” approved by the National Supervisory Board of the Finance System.

(39) Relevant and subsequent events

As of March 31, 2025, there are relevant and subsequent events to disclose as follows:

Transfer of charges and observations

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

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

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

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Notes to the separate financial statements

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

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

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

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

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

<u>Period</u>	<u>Income tax</u>	<u>Penalties</u>	<u>Interest</u>	<u>Total</u>
2017	¢ 16,755,470,469	¢ 7,865,771,439	¢ 8,042,094,675	¢ 32,663,336,583

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

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

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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

Declaration of health alert for COVID-19

Measures adopted by the Bank facing health emergency due to COVID-19

Measures were issued in three areas:

- 1) Direct loans: A total grace period of 6 or 12 months will be provided, in which the client will pay only what corresponds to credit-related policies thus, the principal and interest will not be charged during that period. The corresponding collection will be performed after the total grace period and will be treated according to the needs of each client.

The unpaid interest will be charged through a new credit that will take effect at the end of the grace period.

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

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

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

- 2) Credit cards: At the request of each client, a total grace period will be granted for a period of up to three months. During the months of the full grace period, no late fees or interest will be charged.

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

- 3) Line of credit: Specific situations will be addressed, punctually analyzing each client to identify the need and provide a tailor-made solution.

As an immediate response to the corporate sector, the Bank will allocate close to 100 billion colones to support the liquidity of its corporate clients, readjusting its credit operations in direct loans, to improve the cash flows of the companies.

In this first stage, facilities will be provided with emphasis on Tourism and Commerce, which will allow a medium-term solution, ranging between 6 or 12 months in both currencies.

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BANCO DE COSTA RICA

Notes to the separate financial statements

In a second stage, the Transportation and Commercial sector with real estate activity will be addressed with greater emphasis, also covering other economic activities.

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

March 2025,

Activity	Loans – Colonized balances	
	Colones	Colonized US Dollars
Agriculture	5,638,051,249	17,366,076,265
Trade	42,851,617,114	19,006,823,449
Construction	2,803,944,979	1,439,337,460
Consumer goods	41,091,896,660	541,095,070
Cattle raising	1,957,993,461	0
Industry	21,302,370,977	0
Services	17,011,206,731	565,947,570
Transportation	12,317,223,895	0
Tourism	3,842,857,207	29,766,184,559
Housing	145,064,852,246	27,453,444,484
Total by currency in ¢	¢ 293,882,014,520	96,138,908,861
Total	¢ 390,020,923,381	

Activity	Amount in US		
	Colons	Dollars	Total
Agriculture	225	32	257
Trade	422	27	449
Construction	12	7	19
Consumer goods	5,255	92	5,347
Cattle raising	38		38
Industry	51		51
Services	260	7	267
Transportation	81		81
Tourism	31	13	44
Housing	6,893	817	7,710
Total	13,268	995	14,263

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

December 2024,

Activity	Loans – Colonized balances	
	Colones	Colonized US Dollars
Agriculture	5,950,996,120	17,924,335,885
Trade	44,590,850,165	19,912,916,779
Construction	4,664,494,734	2,259,316,442
Consumer goods	43,666,117,277	667,936,475
Cattle raising	2,139,411,672	0
Industry	23,411,310,853	0
Services	18,275,917,192	621,916,162
Transportation	13,181,560,474	0
Tourism	4,302,928,819	30,771,024,348
Housing	151,158,535,969	30,924,811,007
Total by currency	¢ 311,342,123,275	103,082,257,098
Total	¢ 414,424,380,373	

Activity	Colons	Dollars	Total
Agriculture	232	33	265
Trade	441	29	470
Construction	16	7	23
Consumer goods	5,454	108	5,562
Cattle raising	42		42
Industry	59		59
Services	280	8	288
Transportation	89		89
Tourism	34	16	50
Housing	7,159	856	8,015
Total	13,806	1,057	14,863

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BANCO DE COSTA RICA

Notes to the separate financial statements

March 2024,

Activity	Loans – Colonized balances	
	Colones	Colonized US Dollars
Agriculture	6,997,366,476	18,562,824,408
Trade	48,505,558,551	21,964,515,076
Construction	5,013,421,097	3,257,924,666
Consumer goods	51,150,808,878	1,039,892,924
Cattle raising	2,396,276,745	0
Industry	26,044,398,604	1,679,409,275
Services	21,820,644,848	6,481,092,580
Cards	1,678,167	1,831,871
Transportation	15,372,065,640	0
Tourism	5,057,028,154	32,555,980,989
Housing	159,332,079,712	32,825,726,971
Total by currency in ¢	¢ 342,779,653,093	118,548,879,905
Total	¢ 461,328,532,998	

Activity	Amount in US		Total
	Colons	Dollars	
Agriculture	255	36	291
Trade	506	38	544
Construction	17	9	26
Consumer goods	6,108	171	6,279
Cattle raising	48		48
Industry	70	1	71
Services	328	15	343
Cards	2	1	3
Transportation	107		107
Tourism	34	26	60
Housing	7,445	933	8,378
Total	14,920	1,230	16,120

Effects of the implementation of the Financial Information Regulation

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

The purpose of the Regulation is to regulate the application of International Financial Reporting Standards (IFRS) and their interpretations (SIC and IFRIC). Issued by the International Accounting Standards Board (IASB). Considering prudential or regulatory accounting treatments, as well as the definition of a treatment or methodology specifies when IFRS proposes two or more application alternatives.

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Notes to the separate financial statements

Incorporation of Banprocesa S.R.L. to the BCR Financial Conglomerate

Banprocesa, S.R.L. will provide exclusive services to the BCR Financial Conglomerate, in the development of software related to information technology. Significant improvements are expected in the management of this process, with an impact on reducing costs for reprocessing, timely attention, custom development and in general, greater efficiency in management as well as supporting the strategic objective of turning Banco de Costa Rica into a digital bank. Due to the nature of the company's services, its impact is seen mainly in the bank's operational risk management, and to a lesser extent, with an impact on its solvency. Therefore, no technical aspects or risk exposure are identified that constitute a disability to its incorporation into the Financial Conglomerate.

By means of official letter GG-04-276-2020, of April 24, 2020, a request for formal authorization it is sent to the General Superintendency of Financial Entities (SUGEF) on April 27, 2020, to incorporate Banprocesa, S.R.L. to the BCR Financial Conglomerate and Subsidiaries, clarifying that, currently Banco de Costa Rica owns 100% of the shares of entity.

By means of the official letter SGF-2069-2021 SGF-CONFIDENCIAL-202103143, dated July 23, 2021, a favorable opinion is rendered on the request for authorization to incorporate Banprocesa, S.R.L. to the BCR Financial Conglomerate.

BCR Leasing Premium Plus S.A

Through official letter No. GG-09-584-2024 sent on September 23, 2024, a request was made to SUGEF for the incorporation of the company BCR Leasing Premium Plus S.A. into the Financial Conglomerate, which is currently in process.

The company's main activity will be the leasing of assets to current and potential clients of BCR Financial Conglomerate.

Maximum annual interest rates for credits and microcredits

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

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

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	Semestre 1/2024	Semestre 2/2024	Semestre 1/2025
Every type of credit (except microcredits)			
Colons	38.55	38.98	38.36
US dollars	30.53	30.36	30.42
Microcredits			
Colons	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.

Estimates of loan portfolio and estimates of held-for-sale assets

Starting in 2024, CONASSIF Agreement 14-21 will come into force. Currently, until December 2023, the loan portfolio and held-for-sale assets are estimated, according to SUGEF Agreement 1-05.

CONASSIF Agreement 14-21, Regulation on calculation of credit estimates

Currently, according to SUGEF Agreement 1-05, debtors are individually classified in one of eight risk categories (A1, A2, B1, B2, C1, C2, D and E), A1 being the lowest risk and E being the higher credit risk.

With CONASSIF Agreement 14-21 entering into force as of January 1, 2024, credit operations or debts must be classified individually in risk categories, according to their classification from 1 to 8, being category 1 the one with the lowest credit risk and 8 the one with the highest credit risk.

The details of the current agreement are outlined in Note 1, *Summary of Operations and Significant Accounting Policies*, section j. *Allowance for Uncollectible Loan Portfolio*, in this document.

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Resolution regarding BCR SAFI

Resolution SGV-R-128-2024

On July 24, 2024, the General Superintendency of Securities received resolution SGV-R-128-2024, through which BCR Sociedad Administradora de Fondos de Inversión, S.A. is ordered to:

- i. *Utilize all retained earnings of BCR SAFI as of the end of the 2023 period to strengthen the share capital of this entity, a process that must be completed no later than December 31, 2024.*
- ii. *Prohibit BCR SAFI from distributing dividends to its shareholder from the issuance of this resolution and for as long as it remains in effect.*
- iii. *Require BCR SAFI to request Banco de Costa Rica to make additional capital contributions to BCR SAFI, up to an amount of 22,000 million colones, no later than December 31, 2024.*
- iv. *Order BCR SAFI to maintain the amount equivalent to the capital contributions required in the previous section of this resolution in investments in high-credit-quality securities, ensuring that these funds are used to meet obligations arising from the responsibilities that prompted this resolution, at the appropriate time and for the final determined amount.*
- v. *Impose the obligation on BCR SAFI to submit an annual report prepared by the external auditors responsible for issuing an opinion on the audited financial statements, specifically addressing whether the entity has appropriately assessed whether conditions exist for the recognition and measurement of potential provisions payable, arising from ongoing judicial and administrative proceedings or decisions regarding the disposition of Parque Empresarial del Pacífico, which belongs to the asset portfolio of the Non-Diversified Real Estate Investment Fund. The reports must be submitted along with the audited annual financial statements.*
- vi. *Request BCR SAFI to promptly record provisions payable when the conditions required by the applicable regulations for their recognition are met.*

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Regarding the request, the important dates for addressing the regulator's requirements are detailed as follows:

1. At the shareholder's meeting of September 23, 2024, the following was approved:
 - i. *Acknowledge resolution SGV-R-128-2024, dated July 23, 2024, issued by Tomás Soley Pérez, General Superintendent of Securities.*
 - ii. *Approve the capitalization of BCR Sociedad Administradora e Fondos de Inversión, S.A. for an amount of ¢23,118,000,000 (twenty-three billion one hundred eighteen million colones), as detailed below:*
 - a. *Retained earnings from the 2023 period BCR SAFI ¢1,118,000,000 (one billion one hundred eighteen million colones).*
 - b. *Contribution from the sole shareholder Banco de Costa Rica: ¢22,000,000,000 (twenty-two billion colones).*
 - c. *Record that the capitalization of ¢22,000,000,000 will be carried out once Banco de Costa Rica submits the extraordinary budget to the Comptroller General of the Republic and it is approved by the regulatory entity.*
2. On October 25, 2024, authorization for the extraordinary budget was received from the Comptroller General of the Republic to proceed with the capitalization of ¢22,000,000,000.
3. BCR SAFI received ¢22,000,000,000 in cash on November 6 from Banco de Costa Rica in its capacity as the sole shareholder, which were subsequently invested in high-credit-quality securities, as required by the resolution.
4. As required by Article 6 of the Regulation on Management Companies and Investment Funds, the process for prior authorization of the capitalization in the amount of ¢23,118,000,000 was initiated with SUGEVAL on November 15. On December 24, the second request for corrections to the process was received from SUGEVAL, which was addressed and resubmitted for review by the regulatory entity on January 7, 2025.
5. As can be observed from the indicated dates BCR SAFI and BCR Financial Conglomerate fulfilled the capital contribution of ¢22,000,000,000 and the formal approval of the capitalization of retained earnings of BCR SAFI for ¢1,118,000,000 before December 31, 2024, completing a total share capital increase of ¢23,118,000,000.

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Notes to the separate financial statements

6. On January 9, 2025, resolution SGV-R-2-2025 was received from SUGEVAL, which states:
- i. *Authorize, subject to compliance with the provisions of this Resolution (**), the registration in the National Registry of Securities and Intermediaries of the share capital increase of XXX in the amount of ¢23,118,000,000, reaching a new share capital of ¢27,957,200,000, composed of 559,144 shares of ¢50,000 each. The characteristics of the capital increase are as follows:*

CHARACTERISTICS		
Type of modification	Increase in subscribed and paid-in capital	
Increase amount	¢23.118.000.000	
Equity	Before the modification ¢4.839.200.000	After the modification ¢27.957.200.000
Date of the shareholder's assembly	Extraordinary General Assemblies N° 04-2024 of September 23, 2024, and N° 06-2024 of December 11, 2024	
Source of funds	Capitalization of retained earnings and contributions from Banco de Costa Rica	
Reason	Compliance with the requirements of this Superintendency as stated in Resolution SGV-R-128-2024 from July 23, 2024.	

(**) The issues to be fulfilled are as followed:

- ii. *Instruct BCR Sociedad Administradora de Fondos de Inversión to submit to this Superintendency the notarial or registry certification of the registration of the authorized share capital increase, as stated in section 1 of this Resolution, in the Commercial Registry.*
- iii. *Inform BCR Sociedad Administradora De Fondos de Inversión, S.A. that within a maximum period of 3 business days from its registration in the Public Registry, the controlling company must deposit the shares resulting from this capital increase in one of the securities depository institutions regulated under Law 7732, the Securities Market Regulatory Law. Additionally, XXX must submit to this Superintendency a certification of the share deposit, confirming the existence of all shares owned by the controlling company in the management company.*

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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.

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.

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On December 4, 2024, a petition was submitted to CONASSIF requesting that the appeal and the absolute nullity incident be upheld in all its aspects and, consequently, that resolution SGV-R-179-2024 issued at 16:00 hours on October 29, 2024, be revoked and annulled.

As of today, the resolution from CONASSIF is still pending.

(40) International Financial Reporting Standards (IFRS) issued but not yet applied

In accordance with the requirements of IFRS 1, "First-time Adoption of International Financial Reporting Standards," the standards, amendments, and improvements issued by the IASB that have not been early adopted in these financial statements are detailed below.

The following standards and amendments have been issued and are effective for future periods:

1. IFRS 18 - Presentation and Disclosure in Financial Statements. Effective date: Annual periods beginning on or after January 1, 2027. Early application permitted.

Expected impact: Introduces improvements in the presentation and disaggregation of information in the financial statements, including defined subtotals and better classification of income and expenses.

2. Amendments to IFRS 9 and IFRS 7 – Financial Instruments. Effective date: Annual periods beginning on January 1, 2026. Early application permitted.

Expected impact: Clarifications on the classification and measurement of financial instruments, particularly regarding changes in contractual cash flows and disclosure requirements.

3. IFRS 19 - Subsidiaries without Public Accountability. Effective date: Annual periods beginning on January 1, 2025.

Expected impact: Significant reduction in disclosure requirements for subsidiaries without public accountability, without altering the recognition and measurement principles.

4. International Financial Reporting Standard (IFRS) focused on Sustainability:

On June 26, 2023, the International Sustainability Standards Board (ISSB) approved two International Financial Reporting Standards (IFRS) focused on sustainability.

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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.

(41) Authorization date for issuance of financial statements

The General Management of the Bank authorized the issuance of the separate financial statements on April 28, 2025. SUGEF has the possibility of requiring modifications to the financial statements after their date of authorization for issuance.