



Banco de Costa Rica

Unaudited Separate Financial Statements

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

	Note	June 2025	December 2024	June 2024
ASSETS				
Availabilities	4	€ 913,263,961,238	887,752,569,847	900,588,521,783
Cash		63,426,358,109	77,388,762,225	73,213,173,755
Central Bank of Costa Rica		713,081,557,016	674,603,749,804	692,094,462,697
Foreign financial entities		33,667,372,978	34,657,005,167	39,887,218,216
Notes payable on demand		1,814,552,325	348,430,021	1,962,492,769
Restricted cash and cash equivalents		101,274,120,810	100,754,622,630	93,431,174,346
Investment in financial instruments	5	1,451,646,214,498	1,594,928,255,527	1,490,306,068,084
At fair value through profit or loss		81,294,049,891	62,536,951,550	61,407,338,915
At fair value through other comprehensive income		1,323,188,531,669	1,499,707,746,596	1,284,529,493,356
At amortized cost		24,465,979,878	7,569,087,843	120,658,143,753
Interest receivable		22,697,653,060	25,114,469,538	23,711,092,060
Loan portfolio	6.b	3,563,646,939,174	3,358,675,979,445	3,169,619,629,953
Current loans		3,483,058,508,779	3,274,457,445,017	3,110,116,408,290
Past due loans		196,549,164,337	191,138,066,429	189,539,090,583
Loans in legal collection		40,862,828,592	45,396,368,759	49,843,092,734
Incremental direct costs related to loans		44,813,391	-	-
(Deferred income loan portfolio)		(27,255,525,621)	(24,224,162,181)	(21,471,061,595)
Interest receivable	6.e	17,310,785,101	17,248,944,943	17,514,257,264
(Allowance for impairment)	6.f	(146,923,635,405)	(145,340,683,522)	(175,922,157,323)
Accounts and commissions receivable		44,573,193,495	40,007,133,801	47,656,642,241
Commissions receivable		668,488,165	811,086,963	915,323,727
Accounts receivable for transactions with related parties		95,267,231	271,606,924	425,416,381
Deferred income tax and income tax receivable	15	40,747,108,496	36,280,825,093	43,619,943,371
Other accounts receivable		15,901,289,927	14,872,070,879	13,662,569,052
(Allowance for impairment)		(12,838,960,324)	(12,228,456,058)	(10,966,610,290)
Foreclosed assets	7	20,616,581,767	23,528,476,143	30,813,727,384
Assets and securities acquired as recovery of loans		21,393,101,518	24,039,628,382	28,152,451,657
Other foreclosed assets		4,587,868,918	4,699,542,932	4,590,079,409
(Allowance for impairment and per legal requirement)		(5,364,388,669)	(5,210,695,171)	(1,928,803,682)
Interest in other companies' capital, net	8	144,679,897,623	143,483,005,077	118,553,528,208
Property, furniture and equipment, net	9	128,347,476,391	132,243,287,299	131,184,162,482
Property investments		6,831,625,000	6,831,625,000	6,831,625,000
Other assets	10	106,275,373,241	114,748,421,840	126,550,416,759
Deferred charges	10.a	316,038,514	411,472,080	454,775,650
Intangible assets, net	10.b	17,537,131,381	18,785,140,246	16,951,527,647
Other assets	10.c	88,422,203,346	95,551,809,514	109,144,113,462
TOTAL ASSETS	€	6,379,881,262,427	6,302,198,753,979	6,022,104,321,894

BANCO DE COSTA RICA
SEPARATE STATEMENT OF FINANCIAL POSITION
As of June 30, 2025
(In colones without cents)

<u>Note</u>	<u>June 2025</u>	<u>December 2024</u>	<u>June 2024</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Obligations with the public	€ 5,052,997,226,500	4,717,952,140,819	4,621,454,763,222
Demand obligations	11 3,401,782,109,023	3,325,943,500,967	3,073,465,542,123
Term obligations	12 1,632,167,895,142	1,371,950,972,310	1,530,297,740,776
Other obligations with the public	137,537,325	106,864,627	130,129,087
Financial charges payable	18,909,685,010	19,950,802,915	17,561,351,236
Obligations with the Central Bank of Costa Rica	14 -	164,442,980,856	96,289,569,008
Term obligations	-	161,929,838,016	93,950,614,443
Financial charges payable	-	2,513,142,840	2,338,954,565
Obligations with entities	316,655,760,834	411,766,883,736	334,583,077,761
Demand obligations	14 39,822,015,714	42,629,465,248	52,486,441,276
Term obligations	12 274,960,056,006	367,009,385,379	280,478,191,764
Financial charges payable	1,873,689,114	2,128,033,109	1,618,444,721
Accounts payable and provisions	180,583,934,060	198,421,677,168	177,854,441,441
Provisions	16 50,746,036,649	50,905,739,927	50,874,484,815
Accounts payable for stock transactions	100,329	100,658	101,965
Deferred income tax	15 59,021,663,963	45,636,140,571	44,966,356,256
Other sundry accounts payable	17 70,816,133,119	101,879,696,012	82,013,498,405
Other liabilities	28,078,728,793	26,491,167,671	23,769,557,908
Deferred income	374,520,689	353,300,159	384,274,996
Other liabilities	27,704,208,104	26,137,867,512	23,385,282,912
Subordinated obligations	50,146,773,695	50,145,218,870	50,143,754,979
Subordinated obligations	14 49,962,351,473	49,960,796,648	49,959,332,757
Financial charges payable	14 184,422,222	184,422,222	184,422,222
TOTAL LIABILITIES	€ 5,628,462,423,882	5,569,220,069,120	5,304,095,164,319
EQUITY			
Capital stock	18 € 181,409,990,601	181,409,990,601	181,409,990,601
Adjustments to equity - Other comprehensive income	44,072,007,842	48,040,961,632	50,273,943,601
Equity reserves	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	22,409,107,476	42,624,954,756	25,422,445,503
Equity of the Development Financing Fund	53,678,819,200	48,866,249,077	48,866,249,077
TOTAL EQUITY	751,418,838,545	732,978,684,859	718,009,157,575
TOTAL LIABILITIES AND EQUITY	€ 6,379,881,262,427	6,302,198,753,979	6,022,104,321,894
DEBIT CONTINGENT ACCOUNTS	19 € 502,203,586,073	480,507,277,315	449,861,519,819
TRUST ASSETS	20 697,807,896,794	741,512,653,451	809,186,779,776
TRUST LIABILITIES	219,729,028,152	247,173,104,139	245,832,795,048
TRUST EQUITY	478,078,868,642	494,339,549,312	563,353,984,729
OTHER DEBIT MEMORANDA ACCOUNTS	21 € 19,936,548,042,051	23,338,735,853,372	22,458,954,321,162
Own debit memoranda accounts	17,772,994,563,824	14,861,006,452,252	13,615,645,444,214
Third party debit memoranda accounts	160,750,575,344	53,932,153,736	123,470,056,219
Own debit memoranda accounts for custodial activities	(1,159,909,747,893)	1,029,882,662,881	1,059,426,243,321
Third party debit memoranda accounts for custodial activities	3,162,712,650,776	7,393,914,584,503	7,660,412,577,408

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 June 30, 2025
(In colones without cents)

	Note	Quarter from			
		June 2025	June 2024	April 1 to June 30 2025	2024
Financial income					
For availabilities		¢ 1,060,831,359	1,909,951,442	516,691,387	1,035,153,251
For investments in financial instruments	22	47,183,489,871	43,606,724,620	23,448,978,607	22,806,485,563
For financial leases	23	142,958,325,113	135,552,331,015	73,731,205,872	69,029,627,775
For profit from financial instruments at fair value through profit or loss		428,908,337	782,811,722	286,867,962	212,574,724
For profit from financial instruments at fair value through other comprehensive income		1,150,510,126	5,344,834,962	397,986,611	586,861,658
For other financial income		400,861,102	360,951,037	203,606,375	180,101,262
Total financial income		193,182,925,908	187,557,604,798	98,585,336,814	93,850,804,233
Financial expenses					
For obligations with the public	24	74,399,911,149	77,362,831,080	38,446,759,963	38,714,842,099
For obligations with the Central Bank of Costa Rica		197,871,051	403,598,002	10,622,055	193,153,167
For obligations with financial and non-financial entities		4,351,887,248	3,421,269,048	1,930,977,816	1,644,788,143
For subordinated, convertible and preferred obligations		3,075,084,825	3,075,421,019	1,537,554,137	1,537,977,142
For losses due to exchange differences and DU	1-d.ii	7,896,593,444	7,556,960,746	4,822,704,772	4,358,869,844
For losses from financial instruments at fair value through other comprehensive income		81,497,049	46,373,457	1,292,033	30,780,800
Total financial expenses		90,046,017,865	91,932,213,064	46,793,083,875	46,546,170,907
Allowance for impairment of assets	25	11,322,752,015	5,898,587,582	7,249,169,777	3,165,324,185
For assets recovery and decrease in allowance and provisions	26	4,612,273,636	5,724,601,188	2,234,559,805	2,615,672,328
FINANCIAL INCOME		96,426,429,664	95,451,405,340	46,777,642,967	46,754,981,469
Other operating income					
For service fees	27	50,791,253,911	46,553,152,049	25,941,660,617	23,905,445,377
For foreclosed assets		1,870,114,069	65,274,423,738	1,200,111,723	60,842,063,334
For gains in participations in capital interests of other companies	28	2,551,532,645	2,063,005,538	1,323,038,274	1,120,795,670
For gains in participations in capital interests of entities supervised by SUGEVAL	28	1,794,434,854	1,297,278,346	1,078,621,077	908,614,262
For gains in participations in capital interests of entities supervised by SUPEN	28	491,095,176	518,705,032	260,745,491	276,736,503
For gains in participations in capital interests of entities supervised by SUGESE	28	1,860,555,756	1,437,494,360	1,015,553,159	779,177,990
For foreign currency exchange and arbitrations		19,499,652,992	21,547,516,032	9,664,849,059	12,283,517,989
For other income from related parties		1,266,829,140	1,207,769,005	580,185,465	567,113,346
For other operating income		10,160,902,616	7,581,872,768	5,803,192,492	4,571,878,938
Property investments		90,286,371,159	147,481,216,868	46,867,957,357	105,255,343,409
Other assets					
For service fees		18,680,943,989	15,043,283,636	9,568,863,225	7,536,252,100
For foreclosed assets		4,573,181,432	60,397,491,601	2,369,887,775	57,911,079,695
For loss in participations in capital interests of other companies	28	326,412,426	468,478,574	141,711,088	254,369,088
For loss in participations in capital interests of entities supervised by SUGEVAL	28	-	654,293	-	-
For provisions		1,061,030,922	1,257,277,915	724,950,885	620,528,687
For exchange and arbitration, foreign currency		805,366,551	1,176,151,246	638,608,880	951,070,844
For other expenses with related parties		336,151,864	559,430,676	144,917,188	512,895,302
For other operating expenses		23,782,107,512	19,864,385,467	13,085,334,550	9,925,939,931
Total other operating expenses		49,565,194,696	98,767,153,408	26,674,273,591	77,712,135,647
GROSS OPERATING INCOME		137,147,606,127	144,165,468,800	66,971,326,733	74,298,189,231
Administrative expenses					
Personnel expenses		54,919,653,655	52,765,111,505	28,036,019,754	26,754,607,237
Other administrative expenses		39,817,411,366	41,466,114,202	21,040,781,004	23,078,328,996
Total administrative expenses	29	94,737,065,021	94,231,225,707	49,076,800,758	49,832,936,233
OPERATING INCOME, NET OF INCOME TAX					
Obligations with entities		42,410,541,106	49,934,243,093	17,894,525,975	24,465,252,998
Income tax	15	-	15,336,464,346	-	7,765,964,831
Deferred income tax	15	25,976,353,433	3,073,723,402	6,930,167,726	1,630,072,406
Decrease in income tax	15	17,174,006,151	6,206,419,778	3,156,305,514	4,173,592,425
Legal profit allocation	30	11,199,086,348	12,308,029,620	4,407,991,672	5,895,832,899
RESULT OF THE PERIOD		22,409,107,476	25,422,445,503	9,712,672,091	13,346,975,287
Attributed to the parent company		22,409,107,476	25,422,445,503	9,712,672,091	13,346,975,287
Other liabilities					
OTHER COMPREHENSIVE INCOME OF THE PERIOD, NET OF TAX					
Adjustment for valuation of investments at fair value through other comprehensive income		2,409,533,254	8,372,257,765	(304,309,763)	1,317,020,988
Reclassification of unrealized profit to the income statement		(748,309,154)	(3,708,923,054)	(277,686,205)	(389,256,601)
Adjustment for valuation of restricted financial instruments, net of income tax		(4,441,815,555)	3,299,746,897	(734,500,641)	2,633,547,257
Other adjustments		(1,188,362,335)	1,050,223,434	153,688,994	3,237,629,016
OTHER COMPREHENSIVE INCOME OF THE PERIOD, NET OF TAX	31	(3,968,953,790)	9,013,305,042	(1,162,807,615)	6,798,940,660
COMPREHENSIVE INCOME ATTRIBUTED TO THE FINANCIAL CONGLOMERATE		18,440,153,686	34,435,750,545	8,549,864,476	20,145,915,947

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

Julio César Trejos D.
General Manager a.i

María Luisa Guzmán G.
Accountant

María Eugenia Zeledón P.
General Auditor

BANCO DE COSTA RICA
SEPARATE STATEMENT OF CHANGES IN EQUITY
As of June 30, 2025
(In colones without cents)

		<u>Adjustments to equity</u>								
	Note	Capital Stock	Surplus for revaluation of property, furniture and equipment	Adjustment for valuation of investments at fair value through other comprehensive income	Adjustment for valuation of investments in other companies	Total adjustments to equity	Equity reserves	Accrued earnings from previous periods	Equity of the Development Financing Fund	Total equity
Balance as of December 31, 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
Result of the period		-	-	-	-	-	13,555,152,257	(13,555,152,257)	-	-
Allocation to legal reserve		-	-	-	-	-	-	(3,099,631,554)	3,099,631,554	-
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
Other comprehensive income										
Exchange differences resulting from the translation of financial statements of foreign entities										
	1.d.iii	-	-	-	696,915,817	696,915,817	-	-	-	696,915,817
Reclassification of unrealized gain from acquired subsidiary										
		-	-	-	(195,407,930)	(195,407,930)	-	-	-	(195,407,930)
Unrealized gain or loss in fair value of investments through other comprehensive income										
		-	-	16,643,517,915	-	16,643,517,915	-	-	-	16,643,517,915
Transfer of realized net gain to the income statement										
		-	-	(5,298,461,505)	-	(5,298,461,505)	-	-	-	(5,298,461,505)
Impairment – Investments at fair value through other comprehensive income										
		-	-	21,542,122	-	21,542,122	-	-	-	21,542,122
Deferred income tax recognition										
	15	-	-	(3,403,516,924)	-	(3,403,516,924)	-	-	-	(3,403,516,924)
Change in equity of subsidiaries for unrealized gain										
		-	-	-	548,715,547	548,715,547	-	-	-	548,715,547
Foreclosed assets										
		-	-	-	-	-	-	25,422,445,503	-	25,422,445,503
Other total comprehensive income										
		-	-	7,963,081,608	1,050,223,434	9,013,305,042	-	25,422,445,503	-	34,435,750,545
Balance as of December 31, 2024		181,409,990,601	41,085,212,831	9,205,008,232	(16,277,462)	50,273,943,601	364,708,053,622	72,750,920,674	48,866,249,077	718,009,157,575
Attributed to the financial conglomerate	€	181,409,990,601	41,085,212,831	9,205,008,232	(16,277,462)	50,273,943,601	364,708,053,622	72,750,920,674	48,866,249,077	718,009,157,575
Balance as of December 31, 2024	18	181,409,990,601	41,085,212,831	9,546,597,055	(2,590,848,254)	48,040,961,632	364,708,053,622	89,953,429,927	48,866,249,077	732,978,684,859
Allocation to legal reserve										
		-	-	-	-	-	20,512,605,045	(20,512,605,045)	-	-
Allocation to the Development Financing Fund										
		-	-	-	-	-	-	(4,812,570,123)	4,812,570,123	-
Balance as of June 30, 2025	18	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										
	1.d.iii	-	-	-	(457,184,362)	(457,184,362)	-	-	-	(457,184,362)
Reclassification of unrealized gain from acquired subsidiary										
		-	-	-	(223,956,652)	(223,956,652)	-	-	-	(223,956,652)
Unrealized gain or loss in fair value of investments through other comprehensive income										
		-	-	(2,789,529,586)	-	(2,789,529,586)	-	-	-	(2,789,529,586)
Transfer of realized net gain to the income statement										
		-	-	(1,069,013,077)	-	(1,069,013,077)	-	-	-	(1,069,013,077)
Impairment – Investments at fair value through other comprehensive income										
		-	-	(79,611,591)	-	(79,611,591)	-	-	-	(79,611,591)
Deferred income tax recognition										
	15	-	-	1,157,562,799	-	1,157,562,799	-	-	-	1,157,562,799
Change in equity of subsidiaries for unrealized gain										
		-	-	-	(507,221,321)	(507,221,321)	-	-	-	(507,221,321)
Result of the period										
		-	-	-	-	-	-	22,409,107,476	-	22,409,107,476
Other total comprehensive income										
		-	-	(2,780,591,455)	(1,188,362,335)	(3,968,953,790)	-	22,409,107,476	-	18,440,153,686
Balance as of June 30, 2025	18	181,409,990,601	41,085,212,831	6,766,005,600	(3,779,210,589)	44,072,007,842	385,220,658,667	87,037,362,235	53,678,819,200	751,418,838,545
Attributed to the financial conglomerate	€	181,409,990,601	41,085,212,831	6,766,005,600	(3,779,210,589)	44,072,007,842	385,220,658,667	87,037,362,235	53,678,819,200	751,418,838,545

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

	Note	June 2025	June 2024
Cash flows from operating activities			
Income of the period	€	22,409,107,476	25,422,445,503
Items applied to results not requiring cash outlays		(71,113,603,816)	(63,979,802,314)
Increase or (decrease) for			
Allowance for impairment or devaluation of financial instruments		36,690,133	115,265,021
Allowance for impairment of loan portfolio		9,200,000,000	3,120,306,652
Allowance for impairment and default of other accounts receivable		2,086,061,882	2,663,015,909
Allowance for impairment of assets in lieu of payment		1,092,908,454	54,901,867,896
Income from reversal of allowance for impairment or devaluation of investments		(116,301,723)	(93,722,899)
Income from reversal of allowance for impairment of loan portfolio		-	-
Income from reversal of allowance for impairment and default of accounts receivable		(1,420,923,374)	(2,258,764,611)
Income from reversal of allowance for impairment of assets in lieu of payment		(1,547,347,167)	(64,787,448,046)
Income or loss for sale of assets received in lieu of payment and of property, furniture and equipment		1,976,344,628	3,866,368,237
Interest in net profit of other companies		(6,371,206,005)	(4,847,350,409)
Depreciation		6,436,616,094	7,155,848,406
Amortization		6,919,726,348	7,755,486,362
Provisions for pending social		57,636,018	-
Provisions for pending lawsuits		1,003,394,903	1,257,277,915
Income from provisions		(1,169,692,830)	(409,572,064)
Income tax		-	15,336,464,346
Deferred income tax		25,976,353,433	3,073,723,402
Decrease in income tax		(15,823,901,428)	(6,206,419,778)
Profit sharing		11,199,086,348	12,308,029,620
Interest for obligations with the public		74,399,911,149	77,362,831,080
Interest for obligations with financial entities		7,624,843,124	6,900,288,069
Income from availabilities		(1,060,831,359)	(1,909,951,442)
Interest from investment in financial instruments		(47,183,489,871)	(43,606,724,620)
Income from loan portfolio		(142,958,325,113)	(135,552,331,015)
Net profit or loss from exchange differences and Development Units		(121,052,737)	(124,290,345)
Cash flows from operating activities		(47,182,680,511)	(384,673,125,549)
Net variation in assets increase or (decrease)			
Increase in financial instruments - at fair value through profit or loss		(318,269,290,080)	(276,841,375,665)
Decrease in financial instruments - at fair value through profit or loss		299,512,191,739	351,874,028,595
Increase in financial instruments - at fair value through comprehensive income		(241,802,334,315)	(741,528,192,604)
Decrease in financial instruments - at fair value through comprehensive income		386,123,666,514	325,252,400,168
Loan portfolio		(226,367,425,019)	(58,832,517,304)
Accounts and commissions receivable		(5,372,870,892)	(13,624,359,299)
Assets available-for-sale		6,844,251,588	9,789,398,973
Interest receivable for financial instruments		25,114,469,538	20,067,110,349
Interest receivable for loan portfolio		14,202,440,807	13,621,149,415
Other assets		12,832,219,609	(14,450,768,177)
Net variations in liabilities, increase or (decrease)		30,669,953,166	116,766,341,090
Obligations with the public		346,167,264,750	165,031,241,167
Obligations with the Central Bank of Costa Rica and other entities		(256,013,853,378)	22,376,951,556
Obligations for accounts and commissions payable and provisions		(36,336,750,956)	(23,678,064,384)
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		1,629,693,836	(16,026,904,170)
Interests paid		(61,056,957,927)	(62,559,946,405)
Received dividends		4,200,000,000	3,800,000,000
Collected interest		154,240,712,318	144,159,463,603
Paid income tax		(5,792,971,840)	(4,100,203,097)
Net cash flows provided by operating activities		26,373,558,866	(225,164,827,169)
Cash flows from investment activities			
Increase in financial instruments at amortized cost		(2,754,248,904,495)	(24,397,355,402,367)
Decrease in financial instruments at amortized cost		2,737,352,012,460	24,556,352,100,685
Acquisition of property, furniture and equipment		(825,916,915)	(1,095,026,834)
Decrease for withdrawal and transfer of property, furniture and equipment		(1,530,033,123)	237,922,052
Acquisition of intangibles		(6,712,977,468)	(5,529,523,479)
Decrease for withdrawal and transfer of intangibles		1,168,639,059	401,534,971
Interest in other companies		(214,048,876)	(902,299,997)
Cash flows (used for) provided by investment activities		(25,011,229,358)	152,109,305,031
Cash flows from financing activities			
Subordinated obligations		1,554,825	1,378,454
Cash flows provided by financing activities		1,554,825	1,378,454
Net increase (decrease) in cash and cash equivalents		1,363,884,333	(73,054,143,684)
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		(2,083,309,787)	1,614,941,255
Cash and cash equivalents at the end of the year	4 €	991,290,296,081	1,091,552,784,193

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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 June 30, 2025, the Bank has 144 distributed among the national territory (144 and 146 for December and June 2024, respectively), has in operation 513 automated teller machines (520 and 533 for December and June 2024, respectively) and has 4,185 employees (4,192 and 4,098 for December and June 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 June 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.

(Continued)

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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BANCO DE COSTA RICA

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.

(Continued)

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 June 30, 2025, monetary assets and liabilities denominated in U.S. dollars were valued at the exchange rate of ¢508.28 for US\$1.00 (¢512.73 and ¢530.41 for December and June 2024, respectively).

Valuation in colones of monetary assets and liabilities in foreign currency during the period ended June 30, 2024, gave rise to foreign exchange losses of ¢232,875,088,888, (¢530,804,680,049 and ¢266,925,053,952 for December and June 2024, respectively) and gains for ¢ ¢224,978,495,444, (¢515,573,599,066 and ¢259,368,093,206 for December and June 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 June 2025, valuation of other assets gave rise to gains of ¢245,899,565, (¢108,822,906, and ¢237,235,958 for December and losses for June 2024, respectively) and valuation of other liabilities losses rise to gains of ¢247,752,893, (¢1,454,818,796 and ¢315,069,601, for December 2024 and gains for June 2024, respectively).

(Continued)

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 June 30, 2025, for ¢3,779,210,589, (¢2,590,848,254 and ¢7,556,960,746 for December and June 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.

(Continued)

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.

(Continued)

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:

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

- a. Amortized cost. If an entity, according to its business model and current regulatory framework, classifies a part of its investment portfolio in this category, it will disclose:
 - i. The fair value of financial assets 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.

(Continued)

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.

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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

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

i. Loan portfolio.

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

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.

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

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

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

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

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

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- Readjusted operation: Credit operation in which at least one of the current contractual payment conditions has been modified, with the aim of avoiding non-compliance, except for modification by extension.
- Refinanced operation: Operation that is fully or partially updated because of a new credit operation with the aim of avoiding default.
- Adjusted value of the guarantee: The result of multiplying the last appraisal value by the discount factor and by the recovery percentage.
- Default rate (DR): Number of credit operations in default divided by the total credit operations, in a given time horizon.
- Probability of default (PD): It is a prospective metric on the expected default rate for a 12-month horizon, associated with each credit segment, considering possible scenarios for its forecast. Exposure: Corresponds to the exposed risk volume (amount) of the total balance owed from the credit operation.
- Exposure given default (EAD): Corresponds to the volume of risk exposed at the time of default.
- Loss given default (LGD): Final percentage of loss in the event of default, that is, the percentage not recovered.
- Lifetime probability of default (LTPD): It is a prospective metric on the expected default rate for the remaining term of the operation, associated with each credit segment, considering possible scenarios for its forecast.
- Total balance due: Sum of direct and contingent principal balance, interest, other products and accounts receivable associated with a credit operation.

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.

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

Segmentation of the credit portfolio

The credit portfolio must be classified into the following segments:

- Revolving consumer loans to individuals. Loans for vehicles to individuals and legal entities, whose sole purpose is to allocate it to the acquisition of the vehicle by an individual.
- Regular consumer loans: Consumer loans to individuals not belonging to the previous paragraph. Housing loans to individuals and legal entities.
- 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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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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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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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	

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

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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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.

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Accounts and accrued interest receivable

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

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

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

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

Goods that meet the conditions described in IFRS5

Initial recognition:

At least among:

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

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.

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

Initial recognition:

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

Subsequent valuation: (IAS 36 Impairment of Assets).

At least among:

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

Recoverable amount:

The greatest among:

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

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

k. Securities sold under repurchase agreements

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

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

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.

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m. Other receivables

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

n. Foreclosed assets

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

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

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

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.

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o. Offsetting

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

p. Property, furniture and equipment

(i) *Own assets*

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

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

(ii) *Leased assets*

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

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.

An asset for the right-of-use 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.

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(iv) *Depreciation*

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

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

(v) *Revaluation*

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

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

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.

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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.

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.

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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.

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.

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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.

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.

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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

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

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

bb. Recognition of main types of 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.

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

cc. Income tax

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

(i) *Current*

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

(ii) *Deferred*

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

dd. Pension, retirement, and outgoing personnel

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

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

ee. Statutory allocations

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

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

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

ff. Development Financing Fund

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

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BANCO DE COSTA RICA

Notes to the separate financial statements

gg. Development Credit Fund

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

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

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

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

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BANCO DE COSTA RICA

Notes to the separate financial statements

(2) Collateralized or restricted assets

The collateralized or restricted assets are as follows:

		June 2025	December 2024	June 2024
Cash due from banks (see note 4)	¢	796,292,499,281	773,224,085,233	738,649,588,340
Investment in financial instruments (see note 5)		94,847,291,368	400,907,038,167	170,366,893,086
	¢	891,139,790,649	1,174,131,123,400	909,016,481,426

(3) Balances and transactions with related parties

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

		June 2025	December 2024	June 2024
Assets:				
Availabilities	¢	17,322,872,588	17,500,390,877	23,930,316,340
Loan portfolio		2,020,433	20,992,784	19,534,659
Accounts receivable		328,439,367	621,210,632	1,133,234,847
Interest in other companies		144,679,897,623	143,483,005,077	132,300,644,732
Total assets	¢	162,333,230,011	161,625,599,370	154,563,550,578
Liabilities:				
Obligations with the public	¢	2,275,527,029	2,789,593,867	34,561,317,418
Accounts payable and provisions		1,100,000,000	900,000,000	907,932,889
Total liabilities	¢	3,375,527,029	3,689,593,867	35,470,711,307
Income:				
Financial income	¢	505,014,764	1,424,236,302	0
Income from investments in other companies		6,697,618,431	10,980,193,120	3
Sundry operating income		3,603,855,791	2,951,659,333	400,230,079
Total income	¢	10,806,488,986	15,356,088,755	400,230,082
Expenses:				
Finance expense	¢	54,568,766	114,172,104	28,311,813
Expense from investments in other companies		326,412,426	1,195,556,048	0
Sundry operating expenses		336,115,864	1,149,549,123	105,999,827
Total expenses	¢	717,133,056	2,459,277,275	133,649,640
Total expenses				
Adjustment for valuation of investments in other companies	¢	(731,177,973)	109,992,382	353,307,617

As of June 30, 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 June 2024 there were no such investments).

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

		June 2025	December 2024	June 2024
Short-term benefits	¢	578,755,714	1,128,191,154	564,174,903
Board per-diem		37,940,315	83,846,000,	37,940,315
	¢	616,696,029	1,212,037,154	602,115,218

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

(Continued)

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:

	June 2025	December 2024	June 2024
Cash	¢ 63,426,358,109	77,388,762,225	73,213,173,755
Demand deposits BCCR	713,081,557,016	674,603,749,804	692,094,462,697
Checking accounts and demand deposits in financial entities abroad	33,657,372,978	34,657,005,167	39,887,218,216
Notes payable on demand	1,814,552,325	348,430,021	1,960,422,769
Restricted availabilities	101,274,120,810	100,754,622,630	93,431,174,346
Total cash and due from Banks	913,263,961,238	887,752,569,847	900,586,421,783
Investment in financial instruments to be traded	78,026,334,843	104,257,151,688	190,964,262,410
Total cash and cash equivalents	¢ 991,290,296,081	992,009,721,535	1,091,552,784,193

As of June 30, 2025, demand deposits in the Central Bank of Costa Rica (BCCR) are restricted to comply with the minimum legal reserve for ¢796,292,499,281, (¢773,224,085,233 and ¢738,649,588,340, for December and June 2024, respectively).

As of June 30, 2025, there is a liability called “checks receivable” for an amount of ¢934,247,177 which are cleared with the account of immediate collection documents. in the clearinghouse the next day (¢526,095,018 and ¢906,019,691 for December and June 2024 respectively).

(5) Investments in financial instruments

Investments in financial instruments are as follows:

	June 2025	December 2024	June 2024
At fair value through profit or loss	¢ 81,294,049,891	62,536,951,550	61,407,338,915
At fair value through other comprehensive income	1,323,188,531,669	1,499,707,746,596	1,284,529,493,356
At amortized cost	24,465,979,878	7,569,087,843	120,658,143,753
Interest receivable for investments at comprehensive income	1,223,928,027	7,351,675,039	2,954,328,045
Interest receivable for investments at fair value through other comprehensive income	21,473,725,033	17,762,794,499	20,756,754,015
	¢ 1,451,646,214,498	1,594,928,255,527	1,490,306,068,084

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

	June 2025	December 2024	June 2024
	Fair value	Fair value	Fair value
At fair value through profit or loss			
<u>Local issuers</u>			
Open investment funds	¢ 47,239,289,891	6,173,892,287	5,714,288,915
	47,239,289,891	6,173,892,287	5,714,288,915
<u>Issuers abroad:</u>			
Private banks	34,054,760,000	56,363,059,263	55,693,050,000
	81,294,049,891	62,536,951,550	61,407,338,915
	June 2025	December 2024	June 2024
	Fair value	Fair value	Fair value
At fair value through other comprehensive income			
<u>Local issuers</u>			
Government	¢ 1,149,563,892,905	1,282,465,919,045	1,047,362,486,769
State-owned Banks	50,680,902,711	67,481,666,075	62,923,634,972
Private Banks	0	513,333,663	5,528,959,195
Private issuers	4,000,011,320	9,948,281,510	11,514,471,025
Other	8,262,337,315	9,010,646,810	21,560,476,540
	1,212,507,144,251	1,369,419,847,103	1,148,890,028,501
<u>Issuers abroad:</u>			
Private Banks	49,089,208,286	63,015,190,350	118,917,859,761
Private issuers	61,592,179,132	67,272,709,143	16,721,605,094
	1,323,188,531,669	1,499,707,746,596	1,284,529,493,356
	June 2025	December 2024	June 2024
	Fair value	Fair value	Fair value
At amortized cost			
<u>Local issuers</u>			
Government	¢ 24,465,979,878	7,569,087,843	120,658,143,753
	24,465,979,878	7,569,087,843	120,658,143,753

As of June 31, 2025, the investment portfolio amounts to ¢72,916,023,799 (¢82,283,642,703 and ¢81,548,173,712, for December and June 2024, respectively) corresponding to the managed amounts of the Development Credit Fund (See note 36).

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

Purchased financial instruments earn annual yield rates as follows:

	June 2025	December 2024	June 2024
Colones	3.24% to 7.99%	3.30% to 7.25%	4.25% to 7.25%
US dollars	1.00% to 4.79%	0.00% to 6.25%	0.14% to 6.25%

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

As of June 30, 2025, there are investments granted as collateral for investments and deposits in the liquidity market in SINPE, as well as Deferred Term Operations, for ¢94,847,291,368, (¢400,907,038,167 and ¢170,366,893,086 for December and June 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 price and yield.

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

(6) Loan portfolio by sector

(a) Loan portfolio by economic sector

	<u>June 2025</u>	<u>December 2024</u>	<u>June 2024</u>
Current loans			
Loans–Personal	¢ 1,572,896,473,859	1,450,043,418,448	1,344,286,822,900
Loans Development Banking System	99,199,407,248	90,538,182,265	89,568,782,640
Loans–Business	171,282,857,570	167,122,951,110	157,323,789,669
Loans–Corporate	1,341,441,798,563	1,292,737,122,746	1,246,843,035,714
Loans–Public Sector	297,364,385,360	272,410,922,800	255,472,071,242
Loans–Financial Sector	873,586,386	1,604,847,648	16,621,875,897
	<u>3,483,058,508,779</u>	<u>3,274,457,445,017</u>	<u>3,110,116,408,290</u>
Past due loans			
Loans–Personal	143,790,956,735	133,289,664,180	129,440,803,988
Loans Development Banking System	6,024,079,706	7,161,032,680	5,355,246,379
Loans–Business	8,963,505,917	13,144,185,056	11,667,008,023
Loans–Corporate	37,770,621,979	37,543,184,513	42,896,032,193
	<u>196,549,164,337</u>	<u>191,138,066,429</u>	<u>189,593,090,583</u>
Loans on legal collection			
Loans–Personal	27,902,072,631	28,137,160,725	30,303,835,438
Loans Development Banking System	1,129,511,226	533,043,161	581,220,609
Loans–Business	2,365,056,951	2,513,285,658	4,119,168,071
Loans–Corporate	9,466,186,198	14,212,879,215	14,838,868,670
	<u>40,862,828,592</u>	<u>45,396,368,759</u>	<u>49,843,092,734</u>
	<u>¢ 3,720,470,501,708</u>	<u>3,510,991,880,205</u>	<u>3,349,489,591,607</u>

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

(b) Loan portfolio by activity

	June	December	June
	2025	2024	2024
Economic activity			
Artistic, entertainment and recreative activities	2,851,966,208	2,859,988,259	3,016,212,413
Human health care and social assistance activities	230,172,427	257,094,640	279,744,139
Activities of households as employers of domestic personnel	15,494,855	16,400,000	0
Administrative and support services activities	20,287,006,904	19,297,232,766	19,598,021,663
Professional, scientific and technical activities	690,467,794	614,117,003	524,030,084
Agriculture, livestock, hunting and related services	126,230,388,888	131,279,096,225	132,173,761,309
Public administration	325,516,015,925	299,932,705,635	284,261,697,670
Manufacturing	213,006,876,592	214,494,591,428	204,612,719,636
Telecommunications and public utilities	86,171,307,158	79,255,365,808	79,551,869,798
Mining and quarrying	11,124,320	14,788,851	18,425,717
Trade	299,786,340,062	292,034,605,305	279,842,777,265
Services	629,388,242,757	582,140,471,349	564,397,632,710
Transportation	30,313,415,982	31,010,081,168	30,404,566,753
Financial activity and stock exchange	13,386,209	13,449,200	118,553,678
Real estate, business, and lease activities	1,288,088,971,479	1,264,669,423,151	1,242,803,801,157
Construction, purchase, and repair of real estate	130,690,423,942	132,299,935,117	134,741,157,924
Consumer	476,701,170,883	369,444,532,659	286,610,522,002
Hospitality	90,395,234,203	91,254,076,071	86,034,846,178
Education	82,495,120	103,925,570	508,251,515
	3,720,470,501,708	3,510,991,880,205	3,349,489,591,607
Interest receivable	17,310,785,101	17,248,944,943	17,514,257,264
Deferred income from loan portfolio	(27,255,525,621)	(24,224,162,181)	(21,471,061,595)
Less allowance for loan losses	(146,943,635,405)	(145,340,683,522)	(175,922,157,323)
Incremental direct costs related to loans	44,813,391	0	0
	3,563,646,939,174	3,358,675,979,445	3,169,619,629,953

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

(c) Loan portfolio by areas:

The loan portfolio by arrears is detailed as follows:

		June 2025	December 2024	June 2024
Current	¢	3,483,058,779	3,274,457,445,017	3,110,116,408,290
01 to 30 days		113,848,280,508	117,521,013,710	116,904,017,926
31 to 60 days		26,401,719,992	25,973,904,613	28,619,956,716
61 to 90 days		12,155,933,280	8,275,260,567	9,693,928,097
91 to 120 days		5,034,247,352	3,896,228,834	3,754,505,171
121 to 180 days		7,278,874,069	11,344,161,307	6,759,738,749
More than 181 days		72,692,937,728	69,523,866,157	73,650,036,658
	¢	<u>3,720,470,501,708</u>	<u>3,510,991,880,205</u>	<u>3,349,498,591,607</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:

		June 2025	December 2024	June 2024
Number of operations		3,356	2,476	2,324
Past due loans in non-accrual Status	¢	<u>72,692,937,729</u>	<u>69,523,866,157</u>	<u>73,650,036,660</u>
Past due loans in accrual Status	¢	164,719,055,200	167,010,569,031	165,732,146,657
Total unearned interest	¢	<u>20,797,213,483</u>	<u>20,635,361,158</u>	<u>19,797,145,953</u>

Loans in legal collections as of June 30, 2025:

<u>No. of loans</u>	<u>Percentage</u>	<u>Balance</u>
1,294	1.10%	¢ <u>40,862,828,592</u>

As of June 30, 2025, the average annual interest rate accrued on the loans is 8.18% in colones (8.06% and 8.59% for December and June 2024, respectively) and 6.56% in US dollars (interest rate of 6.59% and 7.34% for December and June 2024, respectively).

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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><u>45,396,368,759</u></u>

Loans in legal collections as of June 30, 2024:

<u>No. of loans</u>	<u>Percentage</u>		<u>Balance</u>
1,159	1.49%	¢	<u><u>49,843,092,734</u></u>

(e) Accrued interest receivable on loan portfolio

Interest receivable by economic sector is detailed as follows:

		<u>June 2025</u>	<u>December 2024</u>	<u>June 2024</u>
Loans – Personal	¢	9,975,333,372	9,000,396,366	8,695,006,342
Loans Development Banking System		331,676,956	295,959,774	330,780,863
Loans - Business		1,025,471,896	1,849,593,901	1,965,797,376
Loans - Corporate		5,240,987,838	5,339,977,636	5,622,041,860
Loans – Public Sector		732,601,409	753,898,464	822,325,171
Loans – Financial Sector		4,713,630	9,118,802	78,305,652
	¢	<u><u>17,310,785,101</u></u>	<u><u>17,248,944,943</u></u>	<u><u>17,514,257,264</u></u>

Interest receivable by aging is detailed as follows:

		<u>June 2025</u>	<u>December 2024</u>	<u>June 2024</u>
Current loans	¢	10,253,564,882	9,981,391,307	9,960,981,175
Past due loans		4,928,736,995	4,940,908,053	4,827,745,539
Loans on legal collection		2,128,483,224	2,326,645,583	2,725,530,550
	¢	<u><u>17,310,785,101</u></u>	<u><u>17,248,944,943</u></u>	<u><u>17,514,257,264</u></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)		9,200,000,000
Less:		
Adjustment for foreign exchange differences		437,777,238
Transfer of paid balances		(8,054,825,355)
Balance as of June 31, 2025	¢	146,923,635,405
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)
Reversal of the allowance against income (See Note 26)		(7,212,797,088)
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)		3,120,306,652
Transfer of balances		54,764,519,511
Adjustment for foreign exchange differences		2,149,236,655
Less:		
Adjustment for foreign exchange differences		(1,838,144,196)
Transfer of paid balances		(7,173,438,482)
Balance as of June 31, 2024	¢	175,922,157,323

(g) Syndicated loans

As of June 30, 2025, December and June 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:

		June 2025	December 2024	June 2024
Real estate	¢	21,264,210,077	23,970,962,395	28,076,120,525
Other acquired assets		128,891,441	68,665,987	76,331,132
Purchased for sale		2,546,888,570	2,583,124,876	2,403,437,707
Idle property and equipment		2,040,980,349	2,116,418,056	2,186,641,702
		<u>25,980,970,437</u>	<u>28,739,171,314</u>	<u>32,742,531,066</u>
Allowance for impairment and per legal requirement		(5,364,388,670)	(5,210,695,171)	(1,928,803,682)
	¢	<u>20,616,581,767</u>	<u>23,528,476,143</u>	<u>30,813,727,384</u>

The movement of the foreclosed assets is as follows:

		June 2025	December 2024	June 2024
At the beginning of the year	¢	<u>28,739,171,314</u>	<u>92,293,332,592</u>	<u>92,293,332,592</u>
Increase in foreclosed assets		5,454,263,127	19,832,815,734	8,952,108,851
Transfer of property, furniture, and equipment out of use		257,361,034	205,803,932	83,441,687
Increase in acquired-for-sale assets		6,026,471,832	12,519,537,804	5,011,785,353
Sales of assets		(15,040,352,275)	(37,665,185,060)	(19,616,158,159)
Withdrawal of property, furniture and equipment out of use		(332,798,743)	(370,975,378)	(178,389,487)
Reversals in the estimate		876,854,147	(58,076,158,310)	(53,803,589,771)
Balance at the end of the period	¢	<u>25,980,970,436</u>	<u>28,739,171,314</u>	<u>32,742,531,066</u>

As of June 30, 2025, there are no additional records related to the implementation of CONASSIF Agreement 14-21 "Regulation on the Calculation of Credit Estimates, (¢54,764,519,511 for December 2024 and no amounts in June 2024), " 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:

		June 2025	December 2024	June 2024
Opening balance	¢	<u>5,210,695,171</u>	<u>66,661,526,999</u>	<u>66,661,526,999</u>
Increases in allowance		1,092,908,454	59,095,010,709	54,901,867,896
Reversals in allowance		(1,547,347,167)	(67,407,374,285)	(64,787,448,046)
Settlement of allowance for sale of properties		0	(295,070,977)	0
Transfer to unused accounts		608,132,212	(52,843,397,275)	(54,847,143,167)
Balance at the end of the period	¢	<u>5,364,388,670</u>	<u>5,210,695,171</u>	<u>1,928,803,682</u>

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

(8) Investments in other companies

Investments in other companies are as follows:

	June 2025	December 2024	June 2024
<u>Local entities:</u>			
BCR Valores, S.A.	¢ 24,211,949,060	23,403,882,774	23,483,294,972
	29,335,797,626	28,853,997,436	7,135,860,576
BCR Pensión, Operadora de Planes de Pensiones Complementarias, S.A.	7,358,791,772	7,883,545,808	7,347,659,408
BCR Corredora de Seguros, S.A.	6,779,348,597	7,925,484,794	6,365,576,047
Capital interest in Banprocesa, S.R.L.	128,315,879	123,554,601	146,459,692
Capital interest in Depósito Agrícola de Cartago S.A.	1,032,545,231	1,056,940,131	1,052,388,110
Capital interest in BCR Leasing	1,675,023,050	1,833,975,547	471,773,712
	<u>70,541,771,215</u>	<u>71,081,381,091</u>	<u>46,003,012,517</u>
<u>Foreign entities:</u>			
Banco Internacional de Costa Rica, S.A. and subsidiary	74,138,126,408	72,401,623,986	72,550,515,691
	<u>¢ 144,679,897,623</u>	<u>143,483,005,077</u>	<u>118,553,528,208</u>

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 June 30, 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.

The Bank's income statement as of June 30, 2025, includes ¢2,403,594,561, (¢4,125,976,418 and ¢1,974,654,328 for December and June 2024) for BICSA's result of operations.

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BANCO DE COSTA RICA

Notes to the separate financial statements

The Bank's statement of changes in equity for the period ended June 30, 2025, includes a decrease in equity for ¢457,184,362 (decrease of ¢1,634,339,740 and ¢696,915,817 for December and June 2024 respectively), corresponding to changes arising from translation of BICSA's financial statements.

As of April 28, 2025, 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. 04-25, held on March 31, 2025.

As of May 02, 2025, BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A, distributes dividends in the amount of ¢1,000,000,000, according to the agreement from the Extraordinary General Shareholders' Meeting N° 03-25, dated April 28, 2025.

As of May 29, 2025, BCR Corredora Seguro S.A. distributes dividends in the amount of ¢3,000,000,000, according to the resolution of the Extraordinary General Shareholders' Meeting No. 08-25, held on April 01, 2025.

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 June 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.

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BANCO DE COSTA RICA

Notes to the separate financial statements

(9) Property and equipment

As of June 30, 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	254,571,561	323,590,927	247,754,427	0	0	825,916,915
Withdrawals	0	0	(326,132,953)	(19,212,806)	0	0	(345,345,759)
Transfers	0	0	(81,537,103)	1,041,201,961	0	(32,251)	959,632,607
Balance as of June 30, 2025	35,308,443,934	97,539,427,406	38,329,022,066	58,119,852,715	5,978,659,354	28,273,652,642	263,549,058,117
<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	986,583,556	1,105,749,257	2,362,579,424	118,959,058	1,862,744,799	6,436,616,094
Withdrawals	0	0	(471,649,962)	(505,870,632)	0	0	(977,520,594)
Transfers	0	0	7,736,102	54,070,468	0	(184,887,399)	(123,080,829)
Balance as of June 30, 2025	¢ 0	41,401,079,401	27,915,396,176	45,293,438,634	4,920,447,596	15,671,219,920	135,201,581,727
of June 30, 2025	¢ 35,308,443,934	56,138,348,005	10,413,625,890	12,826,414,081	1,058,211,758	12,602,432,722	128,347,476,390

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
December 31, 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 June 30, 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	0	89,062,424	293,283,296	712,388,438	2	0	1,094,734,160
Withdrawals	0	0	(318,198,193)	(419,690,648)	0	0	(737,888,841)
Transfers	0	0	(504,367,771)	(338,444,572)	(1,867,861)	2,720,182	(841,960,022)
Revaluation		0	292,670	0	0	0	292,670
Balance as of June 30, 2024	35,307,716,949	96,218,783,467	37,627,508,244	52,027,315,768	5,769,106,152	28,270,634,508	255,221,065,088
<u>Accumulated depreciation and impairment</u>							
Balance as of December 31, 2023	0	38,464,231,296	26,267,920,443	38,478,231,949	4,584,525,615	10,621,600,960	118,416,510,263
Depreciation expense	0	970,417,535	1,249,522,293	2,969,995,332	108,481,461	1,857,431,785	7,155,848,406
Withdrawals	0	0	(950,069,416)	(395,068,173)	0	0	(1,345,137,589)
Transfers	0	0	42,306,421	(41,815,825)	0	(190,809,070)	(190,318,474)
Balance as of June 30, 2024	0	39,434,648,831	26,609,679,741	41,011,343,283	4,693,007,076	12,288,223,675	124,036,902,606
June 30, 2024	¢ 35,307,716,949	56,784,134,636	11,017,828,503	11,015,972,485	1,076,099,076	15,982,410,833	131,184,162,482

(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:

	June 2025	December 2024	June 2024
Improvements in property in operating lease	¢ 316,038,514	411,472,080	454,775,650
	<u>¢ 316,038,514</u>	<u>411,472,080</u>	<u>454,775,650</u>

(b) Intangible assets

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

	2025
<i>Cost:</i>	
Balance as of December 31, 2024	¢ 95,581,527,085
Additions to computer systems	6,712,983,643
Transfer balances	(1,914,477,019)
Balance of costs as of June 30, 2025	<u>100,380,033,709</u>
<i>Accumulated amortization and impairment:</i>	
Balance as of December 31, 2024	76,796,386,839
Expense for amortization of computer systems	6,792,353,449
Transfer balances	(745,837,960)
Balance of amortization and impairment as of June 31, 2025	<u>82,842,902,328</u>
Total balance as of June 30, 2025	¢ <u>17,537,131,381</u>
<i>Cost:</i>	
Balance as of December 31, 2023	¢ 83,003,690,715
Additions to computer systems	14,173,811,595
Transfer balances	(720,098,459)
Withdrawals	(875,876,766)
Balance of costs as of December 31, 2024	<u>95,581,527,085</u>
<i>Accumulated amortization and impairment:</i>	
Balance as of December 31, 2023	63,544,196,717
Expense for amortization of computer systems	14,128,066,888
Withdrawals	0
Transfer balances	(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>
<i>Cost:</i>	
Balance as of December 31, 2023	¢ 83,003,690,715
Additions to computer systems	5,529,523,479
Transfer balances	(401,534,971)
Withdrawals	(534,860,216)
Balance of costs as of June 30, 2024	<u>87,596,819,007</u>
<i>Accumulated amortization and impairment:</i>	
Balance as of December 31, 2023	63,544,196,717
Expense for amortization of computer systems	7,635,954,859
Withdrawals	(534,860,216)
Balance of amortization and impairment as of June, 2024	<u>70,645,291,360</u>
Total balance as of June 30, 2024	¢ <u>16,951,527,647</u>

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BANCO DE COSTA RICA

Notes to the separate financial statements

(c) Other assets

Other assets are detailed as follows:

	June 2025	December 2024	June 2024
Prepaid taxes	13,146,705,313	24,987,105,556	5,955,127,246
Prepaid rentals	78,383	78,383	78,383
Prepaid insurance policy	124,034,070	20,790,931	130,379,310
Other prepaid expenses	<u>1,507,333,143</u>	<u>0</u>	<u>0</u>
Prepaid expenses	14,778,150,909	25,007,974,870	6,085,584,939
Stationery, supplies and other materials	198,796,788	247,740,349	228,659,164
Library and works of art	46,584,489	44,900,497	20,794,291
Constructions in process	10,950,052,076	10,339,915,033	10,186,488,881
Amortized applications in development	6,156,898,109	6,255,333,242	5,134,421,214
Rights in social and union institutions	69,333,800	69,333,800	36,633,800
Other sundry assets	<u>2,064,373,132</u>	<u>2,064,373,131</u>	<u>2,064,373,132</u>
Miscellaneous goods	19,486,038,394	19,021,596,052	17,671,370,482
Missing cash	56,313,645	62,203,830	35,500,848
Transactions to be settled	31,297,077,044	28,371,293,498	31,232,024,152
Other charge pending operations	<u>38,081,729</u>	<u>116,933,079</u>	<u>116,807,348</u>
Operations pending allocation	31,391,672,418	28,550,430,407	31,384,332,348
Deposits in guarantee	<u>263,909,742</u>	<u>206,432,072</u>	<u>199,235,923</u>
Restricted assets	<u>263,909,742</u>	<u>206,432,072</u>	<u>199,235,923</u>
Other assets available-for-sale outside the scope of IFRS 5	<u>22,502,431,883</u>	<u>22,765,376,113</u>	<u>53,803,589,770</u>
	¢ <u>88,422,203,346</u>	¢ <u>95,551,809,514</u>	¢ <u>109,144,113,462</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.'

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

(11) Demand obligations with the public

Demand obligations with the public as follows:

	June 2025	December 2024	June 2024
Checking accounts	¢ 2,305,364,263,416	2,185,141,084,780	2,019,359,447,554
Certification checks	122,094,620	26,195,159	238,046,434
Demand saving deposits	1,090,018,631,605	1,135,345,347,967	1,045,681,221,511
Matured term deposits	1,066,977,674	1,541,540,754	1,604,031,128
Other demand obligations with the public	5,210,141,708	3,889,332,307	6,582,795,496
	¢ 3,401,782,109,023	3,325,943,500,967	3,073,465,542,123

(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:

	June 2025	December 2024	June 2024
	<u>Demand</u>	<u>Demand</u>	<u>Demand</u>
Public	¢ 3,396,571,967,315	3,322,054,168,660	3,066,882,746,627
Other obligations with the public	5,210,141,708	3,889,332,307	6,582,795,496
	3,401,782,109,023	3,325,943,500,967	3,073,465,542,123
State-owned entities	13,375,137,489	22,658,627,946	27,618,412,888
Deposits from other banks	3,913,320,604	4,655,826,031	3,638,309,632
Other financial entities	22,533,557,621	15,315,011,271	21,229,718,756
	39,822,015,714	42,629,465,248	52,486,441,276
	¢ 3,441,604,124,737	3,368,572,966,215	3,125,951,983,399

	June 2025	December 2024	June 2024
	<u>Term</u>	<u>Term</u>	<u>Term</u>
Public	¢ 1,632,167,895,142	1,371,950,972,310	1,530,297,740,776
	1,632,167,895,142	1,371,950,972,310	1,530,297,740,776
State-owned entities	61,035,881,000	58,800,000,000	61,580,000,000
Deposits from other banks	990,930,429	725,085,235	5,539,385,210
Other financial entities	212,933,244,577	307,484,300,144	213,358,806,554
	274,960,056,006	367,009,385,379	280,478,191,764
	¢ 1,907,127,951,148	1,738,960,357,689	1,810,775,932,540

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Notes to the separate financial statements

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

As of June 30, 2025, the Bank has a total of 1,895,178 (1,902,794 and 1,247,922, for December and June 2024, respectively) and the terms are 38,707, (36,834 and 36,340 for December and June 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 June 30, 2025, December and June 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>June 2025</u>	<u>December 2024</u>	<u>June 2024</u>
Term deposits with the Central Bank de Costa Rica	¢ 0	161,929,838,016	93,950,614,443
Charges payable for obligations with Central Bank of Costa Rica	0	2,513,142,840	2,338,954,565
	0	164,442,980,856	96,289,569,008
Checking accounts of local entities	33,905,953,949	40,488,503,289	45,585,350,183
Overdrafts in demand checking accounts in foreign financial entities	4,981,814,588	1,614,866,940	5,995,071,402
Obligations for checks to be collected	934,247,177	526,095,019	906,019,691
Term deposits of local financial entities	91,931,714,029	74,473,462,035	84,342,455,210
Loans from foreign financial entities	39,112,146,000	14,151,348,000	41,504,582,500
Obligations for the right-of-use leased properties	12,974,355,118	14,745,760,450	16,780,974,271
Obligations for deferred liquidity operations	0	125,541,265,194	0
Obligations with resources from the Development Credit Fund (DCF)	130,941,840,859	138,097,549,700	137,850,179,783
Charges payable for obligations with financial and non-financial entities	1,873,689,114	2,128,033,109	1,618,444,721
	316,655,760,834	411,766,883,736	334,583,077,761
Subordinated loans	49,962,351,473	49,960,796,648	49,959,332,757
Charges payable subordinated loans	184,422,222	184,422,222	184,422,222
	50,146,773,695	50,145,218,870	50,143,754,979
	<u>¢ 366,802,534,529</u>	<u>626,355,083,462</u>	<u>481,016,401,748</u>

Maturities of term obligations with entities are from January 03, 2025, to March 12, 2026.

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Notes to the separate financial statements

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

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

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

(a) Maturities of loans payable

As of June 30, 2025, loans payable mature as follows:

	Central Bank of Costa Rica	Local financial entities	Foreign financial entities	International organizations	Total
Less than one year	¢ 0	0	0	25,414,000,000	25,414,000,000
From one to two years	0	0	0	991,146,000	991,146,000
Over 5 years	49,962,351,473	0	0	12,707,000,000	62,669,351,473
Total	¢ 49,962,351,473	0	0	39,112,146,000	89,074,497,473

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 June 30, 2024, loans payable mature as follows:

	Central Bank of Costa Rica	Local financial entities	Foreign financial entities	International organizations	Total
Less than one year	93,950,614,443	0	0	26,520,500,000	120,471,114,443
From one to two years	0	0	0	1,723,832,500	1,723,832,500
Over 5 years	49,959,332,757	0	0	13,260,250,000	63,219,582,757
Total	¢ 143,909,947,200	0	0	41,504,582,500	185,414,529,700

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Notes to the separate financial statements

(b) Lease obligations

As of June 30, 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	¢ 3,313,127,898	731,864,550	0	2,581,263,348
Between one and five years	11,588,288,736	1,195,196,966	0	10,393,091,770
	¢ 14,901,416,634	1,927,061,516	0	12,974,355,118

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
	¢ 17,118,238,791	2,372,478,341	0	14,745,760,450

As of June 30, 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	¢ 4,368,898,850	940,825,323	0	3,428,073,528
Between one and five years	15,333,272,714	1,980,371,971	0	13,352,900,743
	¢ 19,702,171,565	2,921,197,294	0	16,780,974,271

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

	<u>Colones</u>	<u>US\$ converted to colones</u>
1 year	841,220,031	1,740,043,317
2 years	900,441,921	1,844,446,007
3 years	880,985,543	1,787,800,285
4 years	1,025,854,415	2,062,380,709
5 years	631,448,768	1,259,734,123
	¢ 4,279,950,677	8,694,404,440

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
	¢ 4,679,579,885	10,066,180,564

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Notes to the separate financial statements

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

		<u>Colones</u>	<u>US\$ converted to colones</u>
1 year	¢	785,893,153	2,642,180,375
2 years		841,220,031	1,815,803,053
3 years		900,441,921	1,924,751,331
4 years		880,985,543	1,865,639,311
5 years		1,025,854,415	2,152,174,691
Over 5 years		631,448,502	1,314,581,946
	¢	<u>5,065,843,564</u>	<u>11,715,130,706</u>

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

	Year	Payments	Amortization	Interest	Balance
1	30/6/2025	3,328,549,246	1,710,709,669	808,919,788	10,454,725,660
2	30/6/2026	3,328,549,246	2,193,919,870	567,314,688	7,693,491,102
3	30/6/2027	3,328,549,246	2,543,996,938	392,276,154	4,757,218,010
4	29/6/2028	3,328,549,246	2,916,397,583	206,075,831	1,634,744,596
5	30/6/2029	1,664,274,623	1,605,214,569	29,530,027	0
6	30/6/2030	0	0	0	0
7	30/6/2031	0	0	0	0
8	29/6/2032	0	0	0	0
9	30/6/2033	0	0	0	0
10	30/6/2034	0	0	0	0
	¢	<u>14,978,471,606</u>	<u>10,970,238,630</u>	<u>2,004,116,488</u>	

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
	¢	<u>17,203,413,170</u>	<u>12,288,107,729</u>	<u>2,457,652,721</u>	

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Notes to the separate financial statements

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

Year	Payments	Present value	Amortization	Interest	Balance
1 30/6/2024 ¢	4,384,080,712	3,347,663,382	2,311,246,052	1,036,417,330	13,433,310,888
2 30/6/2025	3,425,262,799	2,673,115,861	1,920,968,924	752,146,937	10,760,195,027
3 30/6/2026	3,425,262,799	2,842,251,598	2,259,240,398	583,011,201	7,917,943,429
4 30/6/2027	3,425,262,799	3,022,151,148	2,619,039,498	403,111,650	4,895,792,281
5 30/6/2028	3,425,262,799	3,213,504,157	3,001,745,516	211,758,641	1,682,288,123
6 30/6/2029	1,712,631,399	1,682,288,123	1,651,944,847	30,343,276	0
7 30/6/2030	0	0	0	0	0
8 30/6/2031	0	0	0	0	0
9 29/6/2032	0	0	0	0	0
10 30/6/2033	0	0	0	0	0
¢	<u>19,797,763,305</u>	<u>16,780,974,271</u>	<u>13,764,185,236</u>	<u>3,016,789,035</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 June 31, 2025, the Bank's separate balances of income tax payable and expected income tax amount to ¢0 (¢24,521,992,085 and ¢15,336,444,192 for December and June 2024) (see note 17) and income tax advances for ¢13,146,705,313, (¢24,987,105,556 and ¢5,955,127,246, for December and June 2024) are recorded as "Other assets".

Income tax expense is detailed as follows:

	June 2025	December 2024	June 2024
Income tax	¢ 0	25,043,823,507	15,336,464,346
Decrease in income tax	0	(521,831,422)	(20,154)
	<u>0</u>	<u>24,521,992,085</u>	<u>15,336,444,192</u>
<u>Income tax expense:</u>			
Expense for current tax of the period	0	25,043,823,507	15,336,464,346
Expense for deferred income tax	25,976,353,433	7,198,875,317	3,073,723,402
	<u>25,976,353,433</u>	<u>32,242,698,824</u>	<u>18,410,187,748</u>
<u>Income for income tax:</u>			
Decrease in income tax of the period	0	(521,811,269)	0
Income for deferred income tax	(15,823,901,428)	(10,378,116,933)	(6,206,419,778)
Decrease in income tax from the prior period	(1,350,104,723)	0	0
	<u>(17,174,006,151)</u>	<u>(10,899,928,202)</u>	<u>(6,206,419,778)</u>
Expense for income tax, net	¢ <u>8,802,347,282</u>	<u>21,342,770,622</u>	<u>12,203,767,970</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 June 30, 2025, deferred tax assets and liabilities are attributed to the following:

	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>
Valuation of investments	¢ 470,164,184	(3,040,365,130)	(2,570,200,944)
Revaluation of buildings	242,823,928	(7,952,790,865)	(7,709,966,938)
Revaluation of property	0	(5,763,717,661)	(5,763,717,661)
Financial leases	3,915,423,107	(3,782,831,691)	132,591,416
Deferred tax on exchange differences	19,022,364,283	(38,481,958,616)	(19,459,594,333)
Taxes on deferred tax losses	717,486,078	0	717,486,078
Total	<u>¢ 24,368,261,579</u>	<u>(59,021,663,963)</u>	<u>(34,653,402,383)</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 June 30, 2024, deferred tax assets and liabilities are attributed to the following:

	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>
Valuation of investments	¢ 977,114,512	(4,655,956,617)	(3,678,842,105)
Revaluation of buildings	242,823,928	(8,229,967,069)	(7,987,143,141)
Revaluation of property	0	(5,763,717,661)	(5,763,717,661)
Financial leases	5,062,969,884	(4,897,290,761)	165,679,123
Deferred tax on exchange differences	13,027,311,154	(21,419,424,148)	(8,392,112,994)
Total	<u>¢ 19,310,219,477</u>	<u>(44,966,356,256)</u>	<u>(25,656,136,778)</u>

The movement of temporary differences is as follows:

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As of June 30, 2025:

	December 31, 2024	Income statement	Equity	June 30, 2025
Liabilities account				
Valuation of investments	¢ (4,322,785,182)	0	1,282,420,052	(3,040,365,130)
Revaluation of buildings	(8,091,378,967)	138,588,102	0	(7,952,790,865)
Revaluation of property	(5,763,717,661)	0	0	(5,763,717,661)
Financial leases	(4,340,061,227)	557,229,535	0	(3,782,831,691)
For exchange differences	(23,118,197,534)	(15,363,761,082)	0	(38,481,958,616)
Assets account				
Valuation of investments	595,021,438	0	(124,857,253)	470,164,185
Income tax for revaluation of assets	242,823,928	0	0	242,823,928
Financial leases	4,449,2580,529	(533,857,422)	0	3,915,423,107
Deferred income tax on exchange differences	14,690,501,499	4,331,862,784	0	19,022,364,283
Taxes on deferred tax losses	0	717,486,078	0	717,486,078
Total	¢ <u>(25,658,513,177)</u>	<u>(10,152,452,005)</u>	<u>1,157,562,799</u>	<u>(34,653,402,383)</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 June 30, 2024:

	December 31, 2023	Income statement	Equity	June 30, 2024
Liabilities account				
Valuation of investments	¢ (2,880,956,515)	0	(1,775,000,102)	(4,655,956,617)
Revaluation of buildings	(8,498,910,976)	268,943,907	0	(8,229,967,069)
Revaluation of property	(5,763,717,661)	0	0	(5,763,717,661)
Financial leases	(5,454,520,297)	557,229,536	0	(4,897,290,761)
For exchange differences	(21,419,424,148)	0	0	(21,419,424,148)
Assets account				
Valuation of investments	2,605,631,334	0	(1,628,516,822)	977,114,512
Income tax for revaluation of assets	242,823,928	0	0	242,823,928
Financial leases	5,548,672,538	(485,702,654)	0	5,062,969,884
Deferred income tax on exchange differences	10,235,085,566	2,792,225,588,	0	13,027,311,154
Total	¢ (25,385,316,231)	3,132,696,376,	(3,403,516,924)	(25,656,136,778)

As of June 30, 2024, the Bank has a balance for income tax receivable of ¢ 15,210,991,469 (¢13,902,789,378 and ¢23,147,914,797 for December and June 2024, respectively), in addition to bear value added tax for ¢1,167,845,923 (¢2,400,398,797 and ¢1,161,752,153, for December and June 2024, respectively) and value added tax deductible for ¢9,525 (¢9,525 and ¢9,525 for December and June 2024, respectively).

	June 2025	December 2024	June 2024
Income tax receivable	¢ 15,210,991,469	13,902,789,378	23,147,962,216
Supported value added tax	1,167,845,923	2,400,398,797	1,161,752,153
Deductible value added tax	9,525	9,525	9,525
	¢ 16,378,846,917	16,303,197,700	24,309,723,894

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 June 30, 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 June 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 June 30, 2025, the application of the resolution described above gave rise to a temporary difference which required the recording of a deferred income tax liability of de ₡38,481,958,616, (₡23,118,197,534 y ₡21,419,424,147, for December and June 2024, respectively) and ₡717,486,078 are recorded as an asset (₡14,690,501,499 y ₡13,027,311,154, for December and June 2024, respectively).

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Notes to the separate financial statements

(16) Provisions

Movement in provisions is as follows:

	Severance benefits	Litigations	Others	Total
Balance on December 31, 2024	¢ 9,223,064,713	22,129,197,280	19,553,477,934	50,905,739,927
Increase in provision	57,636,018	1,003,394,903	693,922,240	1,754,953,161
Use of provision	()	(98,897,090)	(665,420,728)	(780,040,331)
Adjustment for foreign exchange	0	(3,360,716)	0	(3,360,716)
Reversal of provision	()	(892,325,716)	0	(1,131,255,392)
Balance on June 30, 2025	¢ 9,026,048,542	22,138,008,661	19,581,979,446	50,746,036,649

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

	Severance benefits	Litigations	Others	Total
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	¢ 9,223,064,713	22,129,197,280	19,553,477,934	50,905,739,927

As of June 30, 2024, the movement in provisions is as follows:

	Severance benefits	Litigations	Others	Total
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	1,257,277,915	959,956,406	2,217,234,321
Use of provision	(29,752,900)	(1,001,254,641)	(379,678,478)	(1,410,686,019)
Adjustment for foreign exchange	0	(611,607)	0	(611,607)
Balance on June 31, 2024	¢ 9,547,567,083	21,088,237,781	20,238,679,951	50,874,484,815

As of June 30, 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	210	24	186	0	48,610,141,764	386,022,322	2,042,833,055	1,227,470
Criminal	5	1	4	0	460,839,445	0	184,501,061	0
Labor	249	42	207	0	3,706,580,086	825,000	2,022,247,324	0
Procedures	29	3	26	0	64,026,744	12,100	14,033,584	0
Total					¢52,841,588,039	\$386,859,422	¢4,263,585,024	\$1,227,470

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Notes to the separate financial statements

As of June 30, 2025, there are no high-category litigations without an estimate (for December 2024 no high-category litigations without an estimate and 16 litigations for June 2024).

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 June 30, 2024:

Type	Number	High	Low	Pending evaluation	Total amount in colones	Total amount in US dollars	Provisions in colones	Provision in US dollars
Contentious	230	23	203	4	34,440,707,807	358,316,485	2,374,764,973	0
Criminal	19	2	17	0	636,829,602	5,857	194,469,562	0
Labor	355	62	293	0	6,404,397,102	825,001	2,404,492,873	0
Procedures	22	0	22	0	15,096,422	2,000	0	0
Total	626	87	535	4	¢41,497,030,933	\$359,149,343	¢4,973,727,407	\$0

As of June 30, 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 ¢48,610,141,764 and US\$ ¢386,022,322 for which the Bank has provisioned ¢2,042,833,055 and US\$ 1,227,470.
- The criminal lawsuits against the Bank have been estimated at ¢460,839,445, for which the Bank has recorded a provision in the amount of ¢184,501,061.
- By their nature, labor suits are difficult to estimate. However, they have been estimated at ¢3,706,580,086 and US\$ 825,000 for which the Bank has recorded a provision in the amount of ¢2,022,247,324, 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 ¢14,003,584.
- A provision corresponding to the Deposit Guarantee Fund is created and recorded in "Others", in the amount of ¢292,049,262.

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Notes to the separate financial statements

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.
- 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 ¢ 13,665,611.
- A provision corresponding to the Deposit Guarantee Fund is created and recorded in "Others", in the amount of ¢375,604,920.

As of June 30, 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 ¢34,440,707,807 and US\$358,316,485 for which the Bank has provisioned ¢2,374,764,973
- 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 ¢194,469,562.
- By their nature, labor suits are difficult to estimate. However, they have been estimated at ¢6,404,397,102 and \$825,001 for which the Bank has recorded a provision in the amount of ¢2,404,492,873, in cases where there is a non-firm conviction.
- There are administrative proceedings at different stages in the amount of ¢15,096,422 and US\$2,000.
- A provision corresponding to the Deposit Guarantee Fund is created and recorded in "Others", in the amount of ¢158,769,111.

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Notes to the separate financial statements

(17) Other miscellaneous accounts payable

Other miscellaneous accounts payable are detailed as follows:

	June	December	June
	2025	2024	2024
Fees payable	51,567,187	54,861,559	74,681,687
Current income tax (see note 15)	0	24,521,992,085	15,336,444,192
UD Income Tax	11,519,211	11,408,206	24,178,240
Value added tax payable	254,881,206	218,558,654	162,510,600
Employer contributions	1,430,462,715	1,382,762,623	1,349,089,821
Withholdings by legal order	831,477,731	866,207,497	830,642,042
Retained taxes payable	3,872,267,569	3,195,483,313	4,744,221,686
Employer withholdings	517,770,923	499,554,858	486,530,289
Other third-party withholdings	6,270,652,939	9,613,919,802	14,246,417,327
Compensations and salaries payable	5,138,466,066	8,825,049,258	4,774,333,963
Distributions payable on results of the period (see note 30)	11,199,086,348	20,468,420,191	12,308,029,620
Accrued vacation payable	6,487,561,138	6,683,838,507	6,627,723,014
Accrued statutory Christmas bonus payable	3,554,069,088	756,800,971	3,401,436,259
Commissions payable for insurance placement	37,601,652	56,816,797	3,573,986
Sundry creditors	31,158,749,346	24,724,021,691	17,643,685,679
	70,816,133,119	101,879,696,012	82,013,498,405

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:

	June	December	June
Capital under Law 1644	30,000,000	30,000,000	30,000,000
Bank capitalization bonds	1,2588,059,486	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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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 June 30, 2025, the revaluation surplus amounts to ¢41,085,212,831 (¢41,085,212,831 and ¢41,085,212,831 for December and June 2024, respectively).

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

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

As of June 30, 2025, the balance of adjustment for valuation of available-for-sale investments corresponds to unrealized net gain in the amount of ¢6,776,005,600, (¢9,546,597,055 and ¢9,205,008,232 for December and June 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 June 30, 2025, changes in equity include foreign exchange differences corresponding to investments in other companies in the amount of ¢3,779,210,589, (¢2,590,848,254 and ¢16,277,462, for December and June 2024, respectively).

e) Equity Development Financing Fund (FOFIDE)

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

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BANCO DE COSTA RICA

Notes to the separate financial statements

f) Equity reserves

As of June 30, 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 June 2024, respectively).

Regulatory Capital

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

	June 2025	December 2024	June 2024
<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	22,409,107,476	42,624,954,756	25,422,445,503
Adjustment to equity – other comprehensive income	44,072,842	0	0
Revaluation surplus of investment properties	(41,085,212,831)	0	0
Revaluation adjustments for interests in other companies	(7,390,315,662)	0	0
	<u>654,765,164,158</u>	<u>636,071,474,150</u>	<u>618,868,964,897</u>
<u>Secondary Capital</u>			
Adjustment for valuation of property	30,813,909,623	30,813,909,623	30,813,909,623
Adjustment to valuation of shares in other Companies	7,390,315,662	(2,590,848,254)	(16,277,462)
Retained earnings from prior periods			
(Accumulated losses from prior periods)	(5,500,673,306)	0	0
Income from current period			
Subordinated loan instruments	49,962,351,473	49,960,796,648	49,959,332,757
Development Financing Fund	53,678,819,200	48,866,249,077	48,866,249,077
Intangible assets	(23,694,029,491)		
Input Value-Added Tax (VAT)	(912,974,242)	0	0
	<u>111,737,718,919</u>	<u>127,050,107,094</u>	<u>129,623,213,995</u>
<u>Deductions</u>			
Interest in other companies	(144,679,897,623)	(143,483,005,077)	(118,553,528,208)
Total regulatory capital	¢ <u><u>621,822,985,454</u></u>	<u><u>619,638,576,167</u></u>	<u><u>629,938,650,684</u></u>

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

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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:

	June 2025	December 2024	June 2024
Guarantees granted:			
Performance bonds	¢ 45,991,863,772	52,006,287,085	52,996,092,038
Bid bonds	590,899,062	8,524,854	14,140,936
Letters of credit issued, not negotiated	13,280,911,410	19,872,073,160	16,039,656,432
Automatic draw lines of credit	197,703,478,516	183,482,816,046	153,742,483,695
Other contingencies	244,587,011,441	225,088,150,604	227,019,706,478
Credits pending disbursement	49,421,872	49,425,566	49,440,240
	¢ 502,203,586,073	480,507,277,315	449,861,519,819

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

	June 2025	December 2024	June 2024
With prior deposit	¢ 14,368,773,643	16,838,517,597	8,747,831,748
Without prior deposit	243,247,800,990	238,580,609,113	214,093,981,593
Pending litigation and claims	244,587,011,440	225,088,150,605	227,019,706,478
Total deposits	¢ 502,203,586,073	480,507,277,315	449,861,519,819

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 June 30, 2025, letters of credit are backed up by 100% of the stand-by balance or by lines of credit.

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

Other contingencies:

As of June 30, 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 ¢46,567,308,710 y US\$384,794,852. In addition, there are contentious proceedings related to precautionary measures without an estimate.

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BANCO DE COSTA RICA

Notes to the separate financial statements

- In criminal matters there are active ordinary labor processes which were estimated at ¢276,338,384.
- Ordinary labor suits estimated at ¢1,684,332,762 and US\$825,000.
- Administrative proceedings against the Bank have been estimated in the amount of ¢50,023,160 and US\$12,100.

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

- Administrative suits against the Bank estimated at ¢32,065,942,834 and US\$358,316,485. In addition, other contentious processes are filed for preliminary injunction with no estimate.
- In criminal matters there are active ordinary labor processes which were estimated at ¢442,360,041 and US\$5,857.
- Ordinary labor suits estimated at ¢3,999,904,229 and US\$825,001.
- Administrative proceedings against the Bank have been estimated in the amount of ¢15,096,422 and US\$2,000. As of June 30, 2024, there are legal claims filed against BICSA and its subsidiaries that, in the opinion of Management and external legal counsel, are not expected to result in a materially adverse effect on the consolidated financial position, consolidated performance, or operations of the entity.

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Notes to the separate financial statements

As of June 30, 2024, due to the merger process of INS Pensiones Operadora de Pensiones Complementarias, S.A. with BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A., a series of contingencies have arisen. These have been reasonably covered through pledged securities provided by the seller.

As of June 30, 2024, BCR Valores S.A. is involved in a legal proceeding amounting to US\$175,000, filed under case number 16-000207-1027-CA-8 before the Administrative and Civil Tax Court of the Second Judicial Circuit of San José. As of this date, and based on the legal counsel's opinion, it is not feasible to estimate the potential outcome.

As of June 30, 2024, BCR Valores S.A. is also subject to a labor-related legal proceeding under judicial case number 17-002581-1178-LA, for which a provision of ₡8,441,966 has been set aside.

(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:

		June 2025	December 2024	June 2024
Cash and due from banks	¢	59,220,733,357	43,455,014,241	44,448,910,515
Investment		124,589,875,583	144,067,430,467	165,473,705,094
Loan portfolio		9,235,525,896	9,206,452,940	9,358,852,945
Allowance for loan losses		(6,811,175,146)	(6,748,792,221)	(6,880,809,631)
Assets held-for-sale		122,966,913,427	124,695,292,932	126,590,585,437
Investment in other companies		795,609,900	795,609,900	795,609,900
Other receivables		15,488,408,910	26,727,848,775	31,640,137,757
Property and equipment		93,172,770,854	97,028,966,280	99,752,046,568
Other assets		279,149,234,013	302,284,830,137	338,007,741,191
	¢	<u>697,807,896,794</u>	<u>741,512,653,451</u>	<u>809,186,779,776</u>

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Notes to the separate financial statements

(21) Other debit memoranda accounts

Other debit memoranda accounts are as follows:

	<u>June 2025</u>	<u>December 2024</u>	<u>June 2024</u>
Guarantees received and held in custody	¢ 7,634,172,418,813	7,075,587,343,747	5,639,255,392,391
Guarantees received and held by third parties	4,021,675,984	4,056,759,784	4,196,148,904
Other memoranda accounts, unused authorized lines of credit	388,753,371,670	394,627,561,842	374,569,376,613
Written off assets	230,015,263,929	222,170,849,151	221,265,146,691
Suspense interest receivable	31,153,376,871	30,902,158,551	29,337,188,375
Other memoranda accounts	9,484,878,456,557	7,133,661,779,176	7,347,022,191,240
Assets and securities held in custody for third parties	160,750,575,344	53,932,153,736	123,470,056,219
Marketable securities received as collateral (Guarantee trust)	0	414,001,634	0
Tradable securities pending receipt	0	0	10,919,324,583
Confirmed cash contracts pending settlement	0	0	10,926,849,557
Unsettled futures contracts	0	239,146,429	0
Own trading securities	(1,159,909,747,893)	1,029,229,514,818	1,037,580,069,181
Cash and accounts receivable custodial activities	25,317,354,046	49,198,269,928	22,990,975,382
Third party trading securities pledged as guarantee (Guarantee Trust)	38,985,902,298	20,931,849,009	24,636,066,701
Negotiable securities pending receipt	23,955,647,538	21,543,155,646	278,395,549
Performed spot contracts pending settlement	2,540,779,261	200,000,000	1,774,969,487
Future contracts pending settlement	30,381,633,599	15,784,081,059	18,287,224,487
Third parties trading securities	3,041,531,334,034	7,286,257,228,862	7,592,444,945,802
	¢ <u>19,936,548,042,051</u>	<u>23,338,735,853,372</u>	<u>22,458,954,321,162</u>

(22) Financial income on financial instruments

Finance income on financial instruments is as follows:

	<u>June 2025</u>	<u>June 2024</u>	<u>Quarter from April 1 to June 30</u>	
			<u>2025</u>	<u>2024</u>
Interest for investments in financial instruments at fair value through other comprehensive income	¢ 46,755,350,131	38,015,534,024	23,136,832,045	20,221,326,161
Interest from investments at amortized cost	427,864,533	5,535,540,168	312,146,562	2,530,444,983
Interest for investments in expired and restricted financial instruments	275,207	55,650,428	0	54,714,419
	¢ <u>47,183,489,871</u>	<u>43,606,724,620</u>	<u>23,448,978,607</u>	<u>22,806,485,563</u>

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Notes to the separate financial statements

(23) Financial income on credit portfolio

Financial income on credit portfolio is as follows:

	June 2025	June 2024	Quarter from April 1 to June 30	
			2025	2024
Current loans				
Loans – Personal	¢ 74,705,381,796	66,886,456,914	38,012,680,253	33,867,539,414
Loans - Development Financing Fund	2,068,274,135	2,159,934,183	1,026,121,605	1,083,741,653
Loans - Business	5,947,152,186	4,222,177,505	2,985,752,564	2,183,072,285
Loans – Corporate	50,459,042,969	53,570,340,949	25,423,186,710	27,128,238,955
Loans – Public Sector	1,844,173,465	2,225,024,251	905,809,829	1,095,501,000
Loans – Financial Sector	¢ 48,920,633	745,784,712	20,601,464	338,413,721
	<u>135,072,945,184</u>	<u>129,809,718,514</u>	<u>68,374,152,425</u>	<u>65,696,507,028</u>
Past due loans and loans in legal collection				
Past due loans – Personal	329,771,540	289,779,944	117,665,481	148,571,987
Past due loans – Development Banking System	18,468	4,863,310	0	1,878,569
Past due loans – Business	907,115,057	307,222,331	748,932,950	139,962,150
Past due loans – Corporate	81,301,018	291,424,731	37,546,458	165,202,494
Past due loans – Financial Sector	<u>2,343,407,431</u>	<u>1,221,204,110</u>	<u>2,044,273,458</u>	<u>657,017,912</u>
Loans in legal collection	3,661,613,514	2,114,494,426	2,948,418,347	1,112,633,112
Amortization of the net commission of the direct incremental cost associated to loans	2,586,561,983	2,300,644,395	1,329,195,191	1,248,797,479
Interest for accounts receivable associated to credit portfolio and other financial interest, other concepts not included in the previous subaccounts and analytical accounts	<u>1,637,204,432</u>	<u>1,327,473,680</u>	<u>1,079,439,909</u>	<u>971,690,156</u>
	<u>¢ 142,958,325,113</u>	<u>135,552,331,015</u>	<u>73,731,205,872</u>	<u>69,029,627,775</u>

(24) Expenses for obligations with the public

Finance expenses for obligations with the public are as follows:

	June 2025	June 2024	Quarter from April 1 to June 30	
			2025	2024
Demand deposits	¢ 29,871,104,157	33,795,127,655	15,075,152,812	16,475,024,387
Term deposits	44,528,806,992	43,567,703,425	23,371,607,151	22,239,817,712
	<u>¢ 74,399,911,149</u>	<u>77,362,831,080</u>	<u>38,446,759,963</u>	<u>38,714,842,099</u>

(Continued)

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:

	June 2025	June 2024	Quarter from April 1 to June 30	
			2025	2024
Allowance for loan losses (see note 6-e) ¢	9,200,000,000	2,500,232,381	5,850,000,000	2,500,232,381
Allowance for other doubtful receivables	2,086,061,182	2,663,015,909	1,362,487,224	552,610,110
Expenses generic estimation and against cyclic for loan (see note 6-e)	0	620,074,271	0	0
Expenses for allowance for impairment of securities at fair value through other comprehensive income	36,690,133	115,219,144	36,682,553	112,435,817
Expense for allowance of impairment of financial instruments at amortized cost	0	45,877	0	45,877
¢	<u>11,322,752,015</u>	<u>5,898,587,582</u>	<u>7,249,169,777</u>	<u>3,165,324,185</u>

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

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

	June 2025	June 2024	Quarter from April 1 to June 30	
			2025	2024
Recovery of written-off loans ¢	3,075,048,539	3,372,113,678	1,575,754,066	2,303,442,243
Decrease in allowance for other doubtful receivables	1,420,923,374	2,258,764,611	632,105,066	298,165,750
Decrease in allowance for uncollectible investments securities	116,301,723	93,722,899	26,700,673	14,064,335
¢	<u>4,612,273,636</u>	<u>5,724,601,188</u>	<u>2,234,559,805</u>	<u>2,615,672,328</u>

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

(27) Income from service fees and commissions

Income from service fees and commissions is as follows:

	June 2025	June 2024	Quarter from April 1 to June 30	
			2025	2024
Drafts and transfers	¢ 1,190,138,626	1,209,439,423	580,169,118	597,040,865
Foreign trade	476,394,369	497,117,784	232,699,036	258,812,392
Certified checks	23,767,061	1,303,594	13,582,975	853,336
Trust management	1,313,316,638	1,526,664,584	673,918,814	761,491,841
Custodial services	180,096,682	191,073,056	91,402,894	94,532,661
By mandate	767,599	618,228	539,291	314,829
Collections	293,864,663	298,767,940	116,996,428	140,525,172
Credit cards	26,837,456,063	22,630,986,474	14,120,093,814	11,632,350,767
Authorized custodial services for securities	443,460,099	461,104,856	239,208,460	229,403,841
Commissions for transactions with related parties	0	6,562,149	0	2,790,880
Other commissions	20,031,992,111	19,729,513,961	9,873,049,787	10,187,328,793
	¢ 50,791,253,911	46,553,152,049	25,941,660,617	23,905,445,377

(28) Income from interest in other companies

Income from interest in other companies is detailed as follows:

	June 2025	June 2024	Quarter from April 1 to June 30	
			2024	2025
<u>Local entities:</u>				
Capital interest in BCR Valores, S.A.- Puesto de Bolsa	¢ 1,309,731,494	1,010,585,396	754,648,972	669,009,285
Capital interest in BCR Sociedad Administradora de Fondos de Inversión, S.A.	484,703,360	286,692,950	323,972,105	239,604,977
Capital interest in BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A.	491,095,176	518,705,032	260,745,491	276,736,503
Capital interest in BCR Corredora de Seguros, S.A.	1,860,555,756	1,437,494,360	1,015,553,159	779,177,990
Capital interest in Banprocesa -TI, S.A.	140,560,658	79,259,731	79,682,672	50,994,410
Capital interest in Depósito Agrícola de Cartago S.A.	7,377,425	9,091,478	7,377,425	4,817,556
<u>Entities abroad:</u>				
Banco Internacional de Costa Rica, S.A and subsidiaries	2,403,594,562	1,974,654,329	1,235,978,177	1,064,983,704
	6,697,618,431	5,316,483,276	3,677,958,001	3,085,324,425

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Notes to the separate financial statements

As of June 30, 2025, for the presentation of the financial statements of the Banco de Costa Rica Financial Conglomerate, due to the incorporation as a member company of the Conglomerate, and due to the nature of Banprocesa SRL's business, an adjustment was made in the amount of ¢135,799,383, 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 ¢151,793,259, for December and June 2024 respectively).

As of June 30, 2025, there are amounts recorded in the participation expense account of ¢158,952,497, from BCR Leasing, ¢31,660,546 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 June 2024, there were amounts recorded in the participation expense account of ¢654,293 from BCR Valores, ¢104,683,534 from Banprocesa, and ¢17,583,551 from Depósito Agrícola de Cartago and ¢346,211,489 BCR Leasing).

(29) Administrative expenses

Administrative expenses are as follows:

		June 2025	June 2024	Quarter from April 1 to June 30	
				2025	2024
Salaries and bonuses, permanent staff	¢	30,318,081,443	29,232,944,883	15,433,294,683	14,846,455,334
Salaries and bonuses, contractors		336,773,573	234,790,766	175,616,801	129,681,437
Compensation for directors and statutory examiners		37,940,315	37,940,315	22,009,575	19,494,195
Overtime		667,908,556	476,996,668	351,120,621	246,989,640
Per diem		222,843,212	164,085,175	118,316,345	92,871,922
Statutory Christmas bonus		2,646,751,396	2,536,664,776	1,346,946,737	1,284,821,532
Vacation		2,716,880,224	2,917,526,852	1,491,011,963	1,429,667,988
Other compensation		381,396,525	364,650,513	177,741,621	177,287,097
Severance payments		1,583,918,467	1,529,225,546	802,629,362	770,141,566
Employer social security taxes		11,952,037,973	11,441,446,575	6,078,850,433	5,807,559,297
Refreshments		28,759,037	19,770,533	17,425,804	9,234,199
Uniforms		881,307	27,840,819	0	5,948,091
Training		199,897,884	131,662,525	74,713,506	98,735,574
Employee insurance		105,425,422	90,405,363	51,809,038	54,731,129
Assets for personal use		38,487	344,383	19,903	9,227
“Back-to-school” bonus		3,028,580,767	2,908,497,237	1,533,712,673	1,459,483,193
Compulsory retirement savings account		489,968,982	468,762,009	250,682,231	239,302,875
Other personnel expenses		201,570,085	181,556,567	110,118,457	82,192,939
Outsourcing		14,509,398,802	15,013,660,311	7,977,869,906	9,193,781,279
Transportation and communications		848,693,648	906,551,154	518,670,282	444,168,478
Property insurance		4,434,726	820,739	3,064,811	586,235
Property maintenance and repairs		2,575,634,950	2,268,296,018	1,481,294,571	1,175,739,790
Public utilities		946,512,200	1,042,910,558	494,220,239	533,388,222
Leasing of property		1,862,744,799	1,857,431,785	928,715,892	928,715,892
Leasing of furniture and equipment		424,091,084	326,807,374	207,595,837	194,918,624
Depreciation of property and equipment, except vehicles		4,454,912,237	5,189,935,160	2,202,622,970	2,604,752,288
Amortization of leasehold property		127,368,455	119,317,608	63,854,540	59,681,514
Other infrastructure, expenses		2,078,726,826	1,700,808,825	919,594,371	912,127,856
Overhead		11,984,893,639	13,039,574,670	6,243,277,586	7,030,468,820
		<u>94,737,065,021</u>	<u>94,231,225,707</u>	<u>49,076,800,758</u>	<u>49,832,936,233</u>

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Notes to the separate financial statements

(30) Statutory allocations of earnings

Statutory allocations of earnings are as follows:

	June 2025	June 2024	Quarter from April 1 to June 30	
			2025	2024
Allocation for CONAPE	1,801,966,755	2,254,344,634	717,913,953	1,086,714,883
Allocation for Instituto Nacional de Fomento Cooperativo	2,910,039,275	1,938,044,302	1,105,587,488	896,944,437
Allocation for the National Emergencies Commission	1,081,180,053	1,352,606,781	430,748,372	652,028,930
Allocation for Régimen de Invalidez, Vejez y Muerte	5,405,900,265	6,763,033,903	2,153,741,859	3,260,144,649
	<u>11,199,086,348</u>	<u>12,308,029,620</u>	<u>4,407,991,672</u>	<u>5,895,832,899</u>

As of June 30, 2025, there are no adjustments, (for Decembre and June 2024, there are no adjustments).

(31) Components of other comprehensive income

The components of other comprehensive income are as follows:

	June 2025		
	Amount before income tax	Profit (expense)	Net taxes
Adjustment for investments at fair value through other comprehensive income	¢ (3,938,154,254)	1,157,562,799	(2,780,591,455)
Exchange differences for conversion of financial statements, foreign entities	(457,184,362)	0	(457,184,362)
Changes in equity from foreign subsidiaries	(223,956,652)	0	(223,956,652)
Change in equity of subsidiaries from unrealized profit	(507,221,321)	0	(507,221,321)
	<u>¢ (5,126,516,589)</u>	<u>1,157,562,799</u>	<u>(3,968,953,790)</u>

	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
	<u>¢ 10,232,761,636</u>	<u>(3,452,438,563)</u>	<u>6,780,323,073</u>

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Notes to the separate financial statements

	June 2024		
	Amount before income tax	Profit (expense)	Net taxes
Adjustment for investments at fair value through other comprehensive income	¢ 11,366,598,532	(3,403,516,924)	7,963,081,608
Exchange differences for conversion of financial statements, foreign entities	696,915,817	0	696,915,817
Changes in equity from foreign subsidiaries	(195,407,930)	0	(195,407,930)
Change in equity of subsidiaries from unrealized profit	548,715,547	0	548,715,547
	¢ 12,416,821,966	(3,403,516,924)	9,013,305,042

(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:

	June 2025		December 2024		June 2024	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	Cash and due from banks	¢ 913,263,961,238	913,263,961,238	887,752,569,846	887,752,569,846	900,588,521,784
Investment	1,451,646,214,498	1,428,948,561,438	1,594,928,255,527	1,569,813,785,989	1,490,306,068,084	1,466,594,976,024
Loan portfolio	3,710,570,574,579	3,930,782,458,160	3,504,016,662,967	3,755,771,091,366	3,345,541,787,275	3,542,377,680,333
	6,075,480,750,315	6,272,944,980,836	5,986,697,488,340	6,213,337,447,201	5,736,436,377,143	5,909,561,178,141
Demand deposits	3,420,829,331,358	3,420,829,331,358	3,346,001,168,510	3,346,001,168,510	3,091,157,022,446	3,091,157,022,446
Term deposits	1,632,167,895,142	1,618,314,834,500	1,371,950,972,310	1,355,389,767,264	1,530,297,740,776	1,514,025,437,546
Financial obligations	366,802,534,529	295,471,258,113	626,355,083,461	561,951,545,626	481,016,401,748	405,675,217,595
	¢ 5,419,799,761,029	5,334,615,423,972	5,344,307,224,281	5,263,342,481,400	5,102,471,164,970	5,010,857,677,587

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)

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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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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.

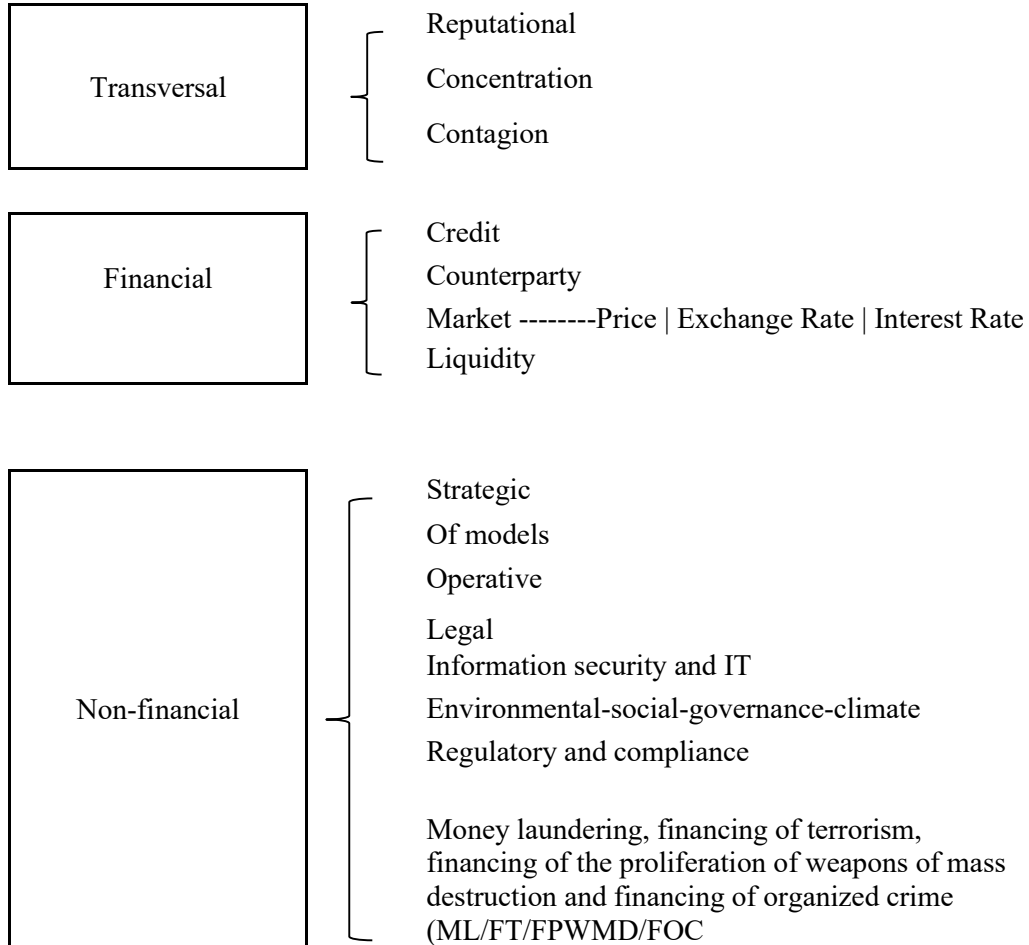
Classification of significant risks

The relevant risks for the Bank are classified as follows:

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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.

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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		Climate Risks (Physical risks)
	VaR for litigations. Securities pledged as collateral MILIndicator net income for the period		Customer Satisfaction in the Contact Center's call channel		
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.

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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.

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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.

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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.

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Notes to the separate financial statements

Exposure and risk management

At the end of June 2025, the percentage of arrears greater than 90 days remained at 2,29% (2,43% and 2.53% for December and June 2024, respectively). 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 June 2025, the indicator for the 1 to 30-day portfolio stands at 3.06% and is within the risk appetite zone of 3.13%, as established in the Risk Appetite Declaration.

The US dollar portfolio accounts for 22.14% of the total portfolio by the end of June (33% and 24.63% for December and June 2024, respectively). 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.

In harvest analysis, Corporate Banking shows greater deterioration in 2014 (24.39%), mainly due to Ticofrut S.A., while in Personal Banking, the most affected harvest is 2024 (18.42%), associated with consumption, with a high concentration in amounts exceeding €5 billion.

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 June 2025, the expected loss of the investment portfolio was 0.05%, (0.05% and 0.04% for December and June 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 June 2025

Value correction for losses	12-month expected credit losses	Lifetime expected credit losses	Financial assets with loan impairment
Value correction for losses as of June, 2025			
Colones	678,165,301	0	0
US dollars	106,835	0	0
UDES	566	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	(60,984,108)	0	0
US dollars	(29,394)	0	0
UDES	1	0	0

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

December 2023 vs December 2024

Value correction for losses	12-month expected credit losses	Lifetime expected credit losses	Financial assets with loan impairment
Value correction for losses as of December 31, 2024			
Colones	739,149,409	0	0
US dollars	136,229	0	0
UDES	565	0	0
Value correction for losses as of December 31, 2023			
Colones	424,717,621	0	0
US dollars	185,230	0	0
UDES	1 300	0	0
Rollover to 12-month expected credit losses			
Colones	314,431,788	0	0
US dollars	(49 001)	0	0
UDES	(735)	0	0

(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 June 2024		
	12-month expected	Lifetime expected	Financial assets with
<u>Value correction for losses</u>	<u>credit losses</u>	<u>credit losses</u>	<u>loan impairment</u>
Value correction for losses as of June 30, 2024			
Colones	424,613,197	6,914,486	41,018,932,310
US dollars	203,944	0	4,908,505
UDES	928	0	0
Value correction for losses As of December 31, 2023			
Colones	492,505,313	6,662,972	52,563,569,429
US dollars	210,291	0	8,588,829
UDES	1,300	0	0
Rollover to 12-month expected credit losses			
Colones	(57,257,356)	(251,514)	11,544,999,887
US dollars	52,527	0	3,680,436
UDES	(372)	0	0

As of the end of June 2025, the expected loss of the investment portfolio was 0,05%, with a variation of 0,01% with respect to December 2023. Compared with the previous quarter (March 2025).

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

	Note	Direct loan portfolio		Contingent loan portfolio		Contingent loan portfolio	
		June 2025	December 2024	June 2024	June 2025	December 2024	June 2024
Principal	6a	¢ 3,720,470,501,708	3,510,991,880,205	3,349,498,591,607	243,247,800,990	238,580,609,113	214,093,981,593
Interest		17,310,785,101	17,248,944,943	17,514,257,264	0	0	0
Allowance for bad debts		3,737,781,286,809	3,528,240,825,148	3,367,012,848,871	243,247,800,990	238,580,609,113	214,093,981,593
Carrying amount	¢	<u>(140,088,768,311)</u>	<u>(145,340,683,522)</u>	<u>(168,998,446,418)</u>	<u>(6,834,867,094)</u>	<u>(6,852,732,208)</u>	<u>(6,923,710,905)</u>
		<u>3,597,692,518,498</u>	<u>3,382,900,141,626</u>	<u>3,198,014,402,453</u>	<u>236,412,933,896</u>	<u>231,727,876,905</u>	<u>207,170,270,688</u>
Loan portfolio Balances, total:							
1		2,924,064,174,961	2,749,092,866,825	2,576,484,524,402	204,461,726,047	193,851,465,308	167,223,218,755
2		584,644,670,046	544,434,432,248	546,707,126,359	2,569,253,782	2,859,156,216	2,850,809,490
3		30,374,618,401	30,709,648,881	46,518,761,632	0	0	0
4		56,000,572,050	58,825,684,745	64,989,027,515	33,693,466,049	38,926,607,426	40,284,498,283
5		57,912,932,364	58,491,107,677	44,571,848,738	2,503,776,620	2,909,990,246	3,696,686,085
6		4,374,833,248	2,684,300,294	1,998,204,225	0	0	0
7		3,339,155,495	893,983,205	4,674,911,921	6,101,490	20,941,050	31,793,004
8		77,070,330,244	83,108,801,273	81,068,444,079	13,477,002	12,448,867	6,975,976
		3,737,781,286,809	3,528,240,825,148	3,367,012,848,871	243,247,800,990	238,580,609,113	214,093,981,593
Allowance for bad debts		(58,443,385,501)	(56,993,861,684)	(54,233,462,462)	0	0	0
Carrying amount, net		<u>3,679,337,901,308</u>	<u>3,471,246,963,464</u>	<u>(54,233,462,462)</u>	<u>243,247,800,990</u>	<u>238,580,609,113</u>	<u>214,093,981,593</u>
Carrying amount		3,737,781,286,809	3,528,240,825,148	3,367,012,848,871	243,247,800,990	238,580,609,113	214,093,981,593
Allowance for bad debts		(58,443,385,501)	(56,993,861,684)	(54,233,462,462)	0	0	0
(Surplus) inadequacy of allowance on structural estimate		(81,645,382,810)	(88,346,821,838)	(114,764,983,956)	(6,834,867,094)	(6,852,732,208)	(6,923,710,905)
Carrying amount, net	6a	¢ <u>3,597,692,518,498</u>	<u>3,382,900,141,626</u>	<u>3,198,014,402,453</u>	<u>236,412,933,896</u>	<u>231,727,876,905</u>	<u>207,170,270,688</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)

BANCO DE COSTA RICA

Notes to the separate financial statements

Loan Portfolio	Direct loan portfolio		Contingent loan portfolio
	Principal	Allowance	
Direct specific allowance			Principal
1	2,924,064,174,961	(9,054,469,423)	204,461,726,047
2	584,644,670,046	(5,278,753,534)	2,569,253,782
3	30,374,618,401	(1,199,771,410)	0
4	56,000,572,050	(3,658,208,794)	33,693,466,049
5	57,912,932,364	(3,814,517,174)	2,503,776,620
6	4,374,833,248	(1,706,767,157)	0
7	3,339,155,495	(1,532,222,244)	6,101,490
8	77,070,330,244	(32,198,675,765)	13,477,002
¢	<u>3,737,781,286,809</u>	<u>(58,443,385,501)</u>	<u>243,247,800,990</u>

Loan Portfolio	Direct loan portfolio		Contingent loan portfolio
	Principal	Allowance	
Aging of loan portfolio			Principal
Direct specific allowance			
Up to date	3,493,312,073,660	(18,201,753,182)	243,247,800,990
Equal or less than 30 days	112,595,003,723	(1,902,910,837)	0
Equal or less than 60 days	28,591,085,940	(1,191,308,969)	0
Equal or less than 90 days	11,948,693,712	(1,112,299,475)	0
Equal or less than 180 days	14,297,234,914	(4,211,496,245)	0
More than 180 days	77,037,194,860	(31,823,618,793)	0
¢	<u>3,737,781,286,809</u>	<u>(58,443,385,501)</u>	<u>243,247,800,990</u>

As of December 31, 2024

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

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

(Continued)

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Notes to the separate financial statements

As of June 30, 2024

Loan portfolio	Direct loan portfolio	
	Principal	Allowance
Direct specific allowance		
1	¢ 2,576,484,524,402	(6,735,142,077)
2	546,707,126,359	(4,649,093,129)
3	46,518,761,632	(2,240,346,869)
4	64,989,027,515	(3,678,751,821)
5	44,571,848,738	(2,941,622,472)
6	1,998,204,225	(570,121,957)
7	4,674,911,921	(825,770,576)
8	81,068,444,079	(32,592,613,561)
	¢ <u>3,367,012,848,871</u>	<u>(54,233,462,462)</u>

Direct specific allowance	Direct loan portfolio	
	Principal	Allowance
Up to date	3,120,077,389,466	(17,052,136,524)
Equal or less than 30 days	115,611,110,588	(1,681,764,701)
Equal or less than 60 days	31,213,038,619	(942,992,873)
Equal or less than 90 days	10,312,964,586	(741,779,762)
Equal or less than 180 days	11,127,468,556	(2,484,812,841)
More than 180 days	78,670,877,056	(31,329,975,761)
	¢ <u>3,367,012,848,871</u>	<u>(54,233,462,462)</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 June 30, 2025	Loans receivable from customer	
	Gross	Net
Risk Category:		
1	2,924,064,174,961	2,915,009,704,869
2	584,644,670,046	579,365,916,527
3	30,374,618,401	29,174,846,999
4	56,000,572,050	52,342,363,280
5	57,912,932,364	54,098,415,213
6	4,374,833,248	2,668,066,091
7	3,339,155,495	1,806,933,784
8	77,070,330,244	44,871,654,545
	¢ <u>3,737,781,286,809</u>	<u>3,679,337,901,308</u>

(Continued)

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

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

(Continued)

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:

	June		December		June	
	2025		2024		2024	
	Loan Portfolio	Contingent Accounts	Loan Portfolio	Contingent Accounts	Loan Portfolio	Contingent Accounts
Artistic, entertainment and recreative activities	¢ 2,851,966,208	34,789,627,235	2,859,988,259	40,175,102,788	3,016,212,413	0
Human health care and social assistance activities	230,172,427	0	257,094,640	0	279,744,139	0
Activities of households as employers of domestic personnel	15,494,855	0	16,400,000	0	0	0
Administrative and support services activities	20,287,006,904	0	19,297,232,766	0	19,598,021,663	0
Professional, scientific and technical activities	690,467,794	0	614,117,003	0	524,030,084	0
Trade	299,786,340,062	16,084,879,545	292,034,605,305	19,594,912,120	279,842,777,265	22,442,815,078
Manufacturing	213,006,876,592	6,554,821	214,494,591,428	6,554,821	204,612,719,636	0
Construction, purchase, and repair of real estate	130,690,423,942	44,000,000	132,299,935,117	44,000,000	134,741,157,920	44,000,000
Agriculture, livestock. Hunting and related services	126,230,388,888	0	131,279,096,225	0		
Fishing and aquaculture				0	132,173,761,309	0
Consumer	476,701,170,883	191,210,949,831	369,444,532,659	175,744,502,441	286,610,522,002	0
Education	82,495,120	0	103,925,570	0	508,251,515	0
Transportation	30,313,415,982	45,265,872	31,010,081,168	45,452,772	30,404,566,753	0
Financial and stock Exchange	13,386,209	45,317,124	13,449,200	47,362,693	118,553,678	0
Telecommunications and public utilities	86,171,307,158	0	79,255,365,808	0	79,551,869,798	0
Services	629,388,242,757	0	582,140,471,349	0	564,397,632,710	42,300,263,706
Hospitality	90,395,234,203	14,432,865	91,254,076,071	0	86,034,846,178	45,195,332
Mining and quarrying	11,124,320	0	14,788,851	0	18,425,717	6,554,821
Real estate. business and leasing activities	1,288,088,971,479	0	1,264,669,423,151	0	1,242,803,801,157	38,935,850
Public Administration	325,516,015,925	15,375,547,339	299,932,705,635	19,761,239,074	284,261,697,670	0
Other activities from the non-financial private sector	0	0	0	0	0	157,964,048,554
	3,720,470,501,708	257,616,574,632	3,510,991,880,205	255,419,126,709	3,349,498,591,607	222,841,813,341
Other contingencies	0	244,587,011,441	0	225,088,150,604	0	227,019,706,478
¢	3,720,470,501,708	502,203,586,073	3,510,991,880,205	480,507,277,313	3,349,498,591,607	449,861,519,819

As of June 30, 2025, December and June 2024 the credit risk is concentrated in Costa Rica.

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Notes to the separate financial statements

As of June 30, 2025, the Bank has banking mandates for ₡375,709 (₡0 and ₡671,489, for December and June 2024, respectively).

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

		June 2025	December 2024	June 2024
Properties	₡	21,264,210,077	23,970,962,395	28,076,120,525
Other		128,891,441	68,665,987	76,331,132
	₡	<u>21,393,101,518</u>	<u>24,039,628,382</u>	<u>28,152,451,657</u>

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

	June 2025		December 2024		June 2024	
	Loan portfolio	Contingent accounts	Loan portfolio	Contingent accounts	Loan portfolio	Contingent accounts
Guarantee						
Fiduciary	₡ 545,639,533,961	0	544,493,900,879	0	480,411,706,766	0
Mortgage	1,512,011,020,340	0	1,486,244,738,974	0	1,468,299,518,076	0
Chattel mortgage	90,983,698,384	0	88,923,438,097	0	81,162,387,085	0
Other	1,571,836,249,023	257,369,658,056	1,391,329,802,255	222,841,813,341	1,319,624,979,680	222,841,813,341
	₡ <u>3,720,470,501,708</u>	<u>257,369,658,056</u>	<u>3,510,991,880,205</u>	<u>222,841,813,341</u>	<u>3,349,498,591,607</u>	<u>222,841,813,341</u>

See notes 6 and 19.

As of June 31, 2025, 43% of the loan portfolio is secured by mortgage or chattel collaterals (45% and 46% for December and June 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 June 30, 2025, groups of borrowers (members) having operations that add 2% or more of adjusted capital and in groups report 5% or more of adjusted capital, are reported.

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 June 30, 2025:

No.	Percentage	Band	Total value	N° customers
1	0-4,99%	28,331,532,463	72,531,776,140	1
2	5-9,99%	56,663,064,927	1,048,421,809,940	116
3	10-14,99%	84,994,597,390	0	0
4	15-20%	113,326,129,854	0	0
Total		¢	<u>1,120,953,586,080</u>	<u>117</u>

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		¢	<u>1,019,307,640,181</u>	<u>98</u>

As of June 30, 2024:

No.	Percentage	Band	Total value	N° customers
1	0-4,99%	27,305,902,211	79,759,664,462	1
2	5-9,99%	54,611,804,422	779,256,644,981	86
3	10-14,99%	81,917,706,633	0	0
4	15-20%	109,223,608,845	0	0
Total		¢	<u>859,016,309,443</u>	<u>87</u>

(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.

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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.

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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 -9.19%, mainly due to changes in cash, current accounts and demand deposits in foreign financial institutions, immediate collection documents, and investments in financial instruments for trading (see cash and cash equivalents table in note 4).

Demand deposits increase by 10.68% on a year-on-year basis, due to the increase in current account balances, 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 23.74%, 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 June 2025 are observed:

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

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

Regulatory liquidity matches by currency and term		June 2025	December 2024	June 2024	Approved levels	
Indicator	Interpretation	Observation	Observation	Observation		
1-month term matching US dollars	Ratio between assets and liabilities with account's volatility	1.75	1.79	1.95	Limit:	1.13
1-month term matching colones		2.81	1.69	2.58	Limit:	1.03
3-months term matching US dollars		1.46	1.31	1.31	Limit:	0.98
3-months term matching colones		1.65	1.29	1.58	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 June 30, 2025

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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	¢ 236,107,607,660	0	0	0	0	0	0	0	236,107,607,660
Cash reserve-BCCR	457,560,358,383	26,149,416,677	20,660,454,549	21,011,308,660	69,377,827,448	54,396,754,316	28,000,233,544	0	677,156,353,577
Investments	0	138,699,958,772	20,620,425,960	12,937,096,186	80,790,202,097	211,769,233,173	964,131,645,250	0	1,428,948,561,438
Interest on investments	0	2,009,466,267	7,632,864,516	7,415,241,722	5,519,849,121	120,231,434	0	0	22,697,653,060
Loan portfolio	0	81,512,999,108	54,443,199,203	69,461,639,355	145,549,657,875	161,822,501,358	3,052,582,154,727	127,842,824,462	3,693,214,976,088
Interest on loans	0	9,340,218,406	251,746,894	86,683,976	687,336,947	20,401,428	6,924,563,168	44,647,673	17,355,598,492
	¢ 693,667,966,043	257,712,059,230	103,608,691,122	110,911,969,899	301,924,873,488	428,129,121,709	4,051,638,596,689	127,887,472,135	6,075,480,750,315
Liabilities									
Obligations with the public	¢ 3,401,782,109,023	194,203,938,998	153,454,117,254	156,267,666,793	515,859,284,037	404,150,909,219	208,369,516,166	0	5,034,087,541,490
Obligations with the BCCR	0	0	0	0	0	0	0	0	0
Obligations with financial Entities	39,822,015,714	148,571,189,234	11,422,692,862	9,301,709,523	16,287,291,849	64,906,036,344	24,471,136,194	0	314,782,071,720
Charges payable	1,664,182,107	3,919,255,607	3,431,779,282	3,141,050,399	3,889,358,238	3,732,409,538	1,005,338,953	0	20,783,374,124
	3,443,268,306,844	346,694,383,839	168,308,589,398	168,710,426,715	536,035,934,124	472,789,355,101	233,845,991,313	0	5,369,652,987,334
Assets and liabilities spread	¢ (2,749,600,340,801)	(88,982,324,609)	(64,699,898,276)	(57,798,456,816)	(234,111,060,636)	(44,660,233,392)	3,817,792,605,376	127,887,472,135	705,827,762,981

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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 June 31, 2024

Assets	Demand	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 365 days	More than 365 days	More than 30 days past due	Total
Cash and due from banks	¢ 266,973,013,548	0	0	0	0	0	0	0	266,973,013,548
Cash reserve- BCCR	422,989,481,419	26,787,807,992	20,047,877,340	19,127,993,210	66,395,848,712	40,836,652,214	37,429,847,349	0	633,615,508,236
Investments	0	215,569,321,229	36,802,280,101	75,191,200,674	33,066,998,235	187,002,507,346	918,962,668,439	0	1,466,594,976,024
Interest on investments	0	7,786,272,128	5,911,667,621	4,147,706,329	5,483,384,951	228,639,939	153,421,092	0	23,711,092,060
Loan portfolio	0	72,703,172,999	38,676,360,392	39,754,905,472	143,243,806,440	140,005,198,648	2,773,883,049,217	119,761,036,843	3,328,027,530,011
Interest on loans	0	8,969,165,360	237,538,479	110,304,232	741,342,846	8,142,305	3,088,660,488	4,359,103,554	17,514,257,264
	¢ 689,962,494,967	331,815,739,708	101,675,723,933	138,332,109,917	248,931,381,184	368,081,140,452	3,733,517,646,585	124,120,140,397	5,736,436,377,143
Liabilities									
Obligations with the public	3,073,465,542,123	194,586,274,113	145,617,556,933	138,966,537,077	482,572,993,784	296,636,276,723	272,048,231,233	0	4,603,893,411,986
Obligations with the BCCR	0	0	0	0	0	93,950,614,443	0	0	93,950,614,443
Obligations with financial									
Entities	52,486,441,276	153,244,089,822	12,169,393,304	39,593,104,919	22,542,844,914	25,453,691,858	27,475,066,947	0	332,964,633,040
Charges payable	1,670,039,462	4,174,193,634	3,255,758,443	2,523,741,084	3,160,878,267	5,697,739,453	1,036,400,179	0	21,518,750,522
	3,127,622,022,861	352,004,557,569	161,042,708,680	181,083,383,080	508,276,716,965	421,738,322,477	300,559,698,359	0	5,052,327,409,991
Assets and liabilities spread	(2,437,659,527,894)	(20,188,817,861)	(59,366,984,747)	(42,751,273,163)	(259,345,335,781)	(53,657,182,025)	3,432,957,948,226	124,120,140,397	684,108,967,152

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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 47.02% 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:

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

The decreases in the price risk requirement are explained by reductions in the volatility of the instruments, the market value of the investment portfolio, and the Bank's investment strategy.

(e) Interest rate risk

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

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

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

The projected BUST 2024 rates were used for the scenarios.

Following the results by currency:

		Results June 2025	Base scenario	Adverse scenario	Scenario +-100 bp	Scenario +-200 bp
Colones	Cumulative one-year gap	1,279,627.86	1,279,627.86	1,279,627.86	1,279,627.86	1,279,627.86
	TBP (one-year projection)	3.68%	4.04%	4.69%	4.91%	5.91%
	Impact on the margin	(2,933.51)	258.28	8,524.70	(+)-11,388.69	(+)-24,184.97
US dollars	Cumulative one-year gap	231,815.99	231,815.99	231,815.99	231,815.99	231,815.99
	Prime (one-year projection)	6.90%	6.23%	7.30%	8.50%	9.50%
	Impact on the margin	(1,381.61)	(2,951.38)	974.42	(+)-2,318.18	(+)-4,636.32

As of June 30, 2025, the matching of interest rate terms on assets and liabilities is detailed as follows:

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	<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	7.00%	¢ 28,195,474,348	39,254,996,078	80,253,639,546	177,484,491,000	69,641,950,000	804,504,368,408	1,199,334,919,380
Loan portfolio	8.18%	1,690,492,355,492	223,219,130,635	122,715,978,156	75,850,036,479	106,531,168,345	1,607,486,359,046	3,826,295,028,153
Total recovered assets (*)		1,718,687,829,840	262,474,126,713	202,969,617,702	253,334,527,479	176,173,118,345	2,411,990,727,454	5,025,629,947,533
<u>Liabilities</u>								
Obligations with the public		139,550,357,022	243,653,880,229	415,164,283,213	302,333,083,232	87,990,122,623	43,545,824,952	1,232,237,551,271
Demand obligations	1.94%							
Term obligations	9.89%							
Obligations with financial entities	3.32%	18,040,020,067	20,581,128,047	16,003,964,865	38,469,687,922	2,156,328,056	0	95,251,128,957
Total matured liabilities (*)		157,590,377,089	264,235,008,276	431,168,248,078	340,802,771,154	90,146,450,679	43,545,824,952	1,327,488,680,228
Assets and liabilities spread		¢ 1,561,097,452,751	(1,760,881,563)	(228,198,630,376)	(87,468,243,675)	86,026,667,666	2,368,444,902,502	3,698,141,267,305
<u>US Dollars</u>								
<u>Assets</u>								
Investments	4.47%	¢ 112,867,298,813	18,193,454,120	16,302,645,658	29,930,576,080	19,842,742,920	50,382,746,720	247,519,464,311
Loan portfolio	6.56%	254,762,868,527	51,759,646,293	50,739,015,986	41,629,584,936	70,559,046,661	614,116,341,089	1,083,566,503,492
Total recovered assets (*)		367,630,167,340	69,953,100,413	67,041,661,644	71,560,161,016	90,401,789,581	664,499,087,809	1,331,085,967,803
<u>Liabilities</u>								
Obligations with the public		60,309,139,321	79,555,502,764	92,238,923,538	113,181,966,707	22,059,853,708	17,718,933,742	385,064,319,780
Demand obligations	0.92%							
Term obligations	1.90%							
Obligations with financial entities	3.32%	15,536,396	489,783,772	667,507,264	27,289,917,723	1,876,680,189	18,305,138,993	48,644,564,337
Total matured liabilities (*)		60,324,675,717	80,045,286,536	92,906,430,802	140,471,884,430	23,936,533,897	36,024,072,735	433,708,884,117
Assets and liabilities spread		¢ 307,305,491,623	(10,092,186,123)	(25,864,769,158)	(68,911,723,414)	66,465,255,684	628,475,015,074	897,377,083,686

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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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	<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	6.25%	¢ 158,463,340,032	75,071,106,160	28,163,051,341	169,311,599,000	363,751,800,000	411,159,710,300	1,205,920,606,833
Loan portfolio	8.59%	1,499,836,083,007	135,320,088,539	104,822,546,157	49,237,920,293	91,058,949,929	1,449,654,403,405	3,329,929,991,330
Total recovered assets (*)		<u>1,658,299,423,039</u>	<u>210,391,194,699</u>	<u>132,985,597,498</u>	<u>218,549,519,293</u>	<u>454,810,749,929</u>	<u>1,860,814,113,705</u>	<u>4,535,850,598,163</u>
<i>Liabilities</i>								
Obligations with the public		148,016,916,495	208,363,259,838	397,030,716,622	221,032,907,296	124,436,181,851	60,043,498,612	1,158,923,480,714
Demand obligations	2.28%							
Term obligations	9.89%							
Obligations with financial entities	3.87%	15,119,884,830	25,285,757,835	22,433,364,306	117,857,882,089	3,436,268	0	180,700,325,328
Total matured liabilities (*)		<u>163,136,801,325</u>	<u>233,649,017,673</u>	<u>419,464,080,928</u>	<u>338,890,789,385</u>	<u>124,439,618,119</u>	<u>60,043,498,612</u>	<u>1,339,623,806,042</u>
Assets and liabilities spread		<u>¢ 1,495,162,621,714</u>	<u>(23,257,822,974)</u>	<u>(286,478,483,430)</u>	<u>(120,341,270,092)</u>	<u>330,371,131,810</u>	<u>1,800,770,615,093</u>	<u>3,196,226,792,121</u>
<i>US Dollars</i>								
<i>Assets</i>								
Investments	5.33%	¢ 66,204,083,354	52,679,916,497	22,221,702,197	18,370,750,350	71,295,060,150	34,702,074,250	265,473,586,798
Loan portfolio	7.34%	245,129,312,008	41,310,841,534	60,256,862,372	37,981,175,884	61,379,642,710	660,509,109,651	1,106,566,944,159
Total recovered assets (*)		<u>311,333,395,362</u>	<u>93,990,758,031</u>	<u>82,478,564,569</u>	<u>56,351,926,234</u>	<u>132,674,702,860</u>	<u>695,211,183,901</u>	<u>1,372,040,530,957</u>
<i>Liabilities</i>								
Obligations with the public		54,174,284,333	77,815,964,237	101,509,554,131	81,929,184,809	19,983,259,726	14,236,404,285	349,648,651,521
Demand obligations	0.92%							
Term obligations	1.90%							
Obligations with financial entities	3.87%	531,364,738	27,277,354,229	910,188,047	2,051,678,449	1,886,521,818	21,534,703,953	54,191,811,234
Total matured liabilities (*)		<u>54,705,649,071</u>	<u>105,093,318,466</u>	<u>102,419,742,178</u>	<u>83,980,863,258</u>	<u>21,869,781,544</u>	<u>35,771,108,238</u>	<u>403,840,462,755</u>
Assets and liabilities spread		<u>256,627,746,291</u>	<u>(11,102,560,435)</u>	<u>(19,941,177,609)</u>	<u>(27,628,937,024)</u>	<u>110,804,921,316</u>	<u>659,440,075,663</u>	<u>968,200,068,202</u>

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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 June 30, 2025, for ₡3,698,141,267,305, (₡3,650,633,179,992 and ₡3,196,226,792,121 for December and June, 2024 respectively) while in foreign currency the same difference is of ₡897,377,083,686, (₡2,020,449,323,309 and ₡968,200,068,202, for December and June 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 June 2025, the total amount in local currency was of ₡688,837,929,590, (₡631,560,557,778 and ₡684,108,967,152, for December 2024 respectively) while in foreign currency, the collected data for the compliance of obligations was of ₡16,989,833,391, (₡60,974,925,151 and ₡74,464,150,582, for December and June 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\$75.03 million as of June 2025 (US\$164 million and US\$170 million for December and June 2024, respectively), given that the appetite for the ratio of position in foreign currency (PME) to base capital (CB) decreased.

(Continued)

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Notes to the separate financial statements

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

		June 2025	Dicember 2024	June 2024
Assets:				
Cash and due from banks	US\$	492,472,244	443,846,761	465,176,688
Investments in financial instruments		481,590,869	466,060,016	490,247,515
Loan portfolio		1,542,867,608	1,515,128,941	1,472,377,211
Accounts and accrued interest receivable		2,365,004	5,192,496	2,215,780
Investments in other companies		145,860,798	141,208,090	136,781,953
Other		10,323,681	15,929,304	9,619,078
Total assets		2,675,480,204	2,587,365,608	2,576,418,225
Liabilities:				
Obligations with the public		2,332,752,163	2,198,061,844	2,119,406,351
Other financial obligations		233,237,130	197,153,294	257,572,449
Other account payable and provisions		25,456,464	24,585,703	20,961,531
Other liabilities		9,488,598	9,447,454	6,331,176
Total liabilities		2,600,934,355	2,429,248,295	2,404,271,507
Net position (excess of monetary assets over monetary liabilities)	US\$	74,545,849	158,117,313	172,146,718

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 June 30, 2025, that rate was ¢508.28 for US\$1.00 (¢512.75 and ¢528.80 for US\$1,00 for December and June 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.

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Notes to the separate financial statements

Sensitivity to an increase in the exchange rate

	June 2025	December 2024	June 2024
Net position	74,545,849	158,117,314	172,146,719
Closing exchange rate	508.28	512.73	530.41
Increase in the exchange rate by 5%	25.41	25.64	26.52
Profit	1,894,210,023	4,054,127,931	4,565,330,908

Sensitivity to a decrease in the exchange rate

	June 2025	December 2024	June 2024
Net position	74,545,849	158,117,314	172,146,719
Closing exchange rate	508.28	512.73	530.41
Decrease in the exchange rate of 5%	(25.41)	(25.64)	(26.52)
Loss	(1,894,210,023)	(4,054,127,931)	(4,565,330,908)

Monetary assets and liabilities in Euros are detailed as follows:

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

As of June 30, 2025, complying with SUGEF's regulations, the terms matching of the most important US dollar accounts is as follows:

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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	US\$	176,221,819	0	0	0	0	0	0	0	176,221,819
Cash reserve- BCCR		209,917,595	15,786,411	12,196,524	8,598,018	30,686,807	29,862,429	9,202,642	0	316,250,426
Investments		0	220,398,398	10,992,582	22,495,887	27,772,065	58,819,780	136,510,039	0	476,988,751
Interest on investments		0	1,518,935	567,935	1,459,250	1,055,999	0	0	0	4,602,119
Loan portfolio		0	32,372,790	25,552,602	45,077,215	123,285,567	109,191,180	1,202,121,593	79,883,685	1,617,484,632
Interest on loans		0	3,872,739	106,767	2,073	5,669	5,022	3,806,520	68,888	7,867,678
		386,139,414	273,949,273	49,416,410	77,632,443	182,806,107	197,878,411	1,351,640,794	79,952,573	2,599,415,425
Liabilities										
Obligations with the public		1,543,379,003	116,066,567	89,672,613	63,215,283	225,618,886	219,557,800	67,660,664	0	2,325,170,816
Obligations with financial										
Entities		12,582,486	125,001,273	277,726	676,078	1,170,410	53,041,917	39,412,146	0	232,162,036
Charges payable		260,549	1,690,066	1,057,612	780,882	1,903,104	2,347,909	616,319	0	8,656,441
		1,556,222,038	242,757,906	91,007,951	64,672,243	228,692,400	274,947,626	107,689,129	0	2,565,989,293
Assets and liabilities spread	US\$	(1,170,082,624)	31,191,367	(41,591,541)	12,960,200	(45,886,293)	(77,069,215)	1,243,951,665	79,952,573	33,426,132

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 June 30, 2024, in US dollars:

Assets		Demand	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 365 days	More than 365 days	More than 30 days past due	Total
Cash and due from banks	US\$	172,429,844	0	0	0	0	0	0	0	172,429,844
Cash reserve- BCCR		195,578,875	14,073,478	10,835,372	9,408,597	26,530,969	21,472,906	14,846,649	0	292,746,846
Investments		0	123,169,241	51,382,507	42,329,292	38,823,368	34,073,649	194,196,223	0	483,974,280
Interest on investments		0	1,493,701	841,938	2,706,260	644,584	297,500	289,250	0	6,273,233
Loan portfolio		0	28,747,468	17,240,816	23,270,158	126,263,153	94,427,607	1,173,743,615	88,535,199	1,552,228,016
Interest on loans		0	3,756,544	35,416	104,615	0	0	5,819,800	0	9,716,375
		368,008,719	171,240,432	80,336,049	77,818,922	192,262,074	150,271,662	1,388,895,537	88,535,199	2,517,368,594
Liabilities										
Obligations with public		1,411,941,416	101,600,575	78,223,736	67,923,429	191,534,868	155,019,221	107,182,322	0	2,113,425,567
Obligations with financial										
Entities		14,996,576	141,420,380	404,120	50,731,087	1,555,159	4,282,020	43,730,541	0	257,119,883
Charges payable		192,630	1,162,507	783,039	1,374,425	1,152,470	1,210,767	557,512	0	6,433,350
		1,427,130,622	244,183,462	79,410,895	120,028,941	194,242,497	160,512,008	151,470,375	0	2,376,978,800
Assets and liabilities spread	US\$	(1,059,121,903)	(72,943,030)	925,154	(42,210,019)	(1,980,423)	(10,240,346)	1,237,425,162	88,535,199,	140,389,794

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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 June 30, 2025, the separate accumulated financial statements show a net foreign exchange loss of ¢7,896,593,444, (¢15,051,080,983 and ¢7,556,960,746, net loss for December and June 2024, respectively).

(g) Capital Management

The Capital Management Process in the BCR Financial Conglomerate is 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 liquidity risk requirement is lower than that observed during 2024, due to a methodological change implemented to align with good international practices.

(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 June 2025 of 14.79% of annual GDP. Due to the size and complexity of its operations, BCR is a systemic Entity, therefore, its performance and the decisions made have effects on the financial system.

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

The systemic risk analysis is carried out considering several dimensions. The first dimension corresponds to the economic context, the second the size, the third refers to concentration indicators, the fourth contagion, the fifth an index of fiscal conditions and 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	June 2025	December 2024	June 2024
Clients, products, and business practices	4,325,472	1.98%	0.22%	21.70%
Execution, delivery, and management of processes	500,550	0.23%	0.62%	10.73%
External fraud	155,879,374	71.34%	76.22%	47.38%
Internal fraud	0	0.00%	0.00%	0.00%
Business interruption and system failures	51,305,306	23.48%	22.94%	11.53%
Labor relations and safety in the workplace	6,494,292	2.97%	0.00%	8.67%
Total	€ 218,504,994	100,00%	100,00%	100,00%

Source: Operational Risk Unit

The results are obtained from the compilation of the losses by type of operational risk, to which the BCR has been exposed in the evaluated period, which allows studying the effectiveness of the implemented measures.

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

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

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

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

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Notes to the separate financial statements

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

(k) Business Continuity

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

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

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

Critical Processes of BCRFC

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

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

Classification of critical processes of the BCRFC

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

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

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

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

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

(m) Regulatory risk management and regulatory compliance

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

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

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

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

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Implemented actions

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

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

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.

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Actions and results

1. Monitoring legal risk indicators:

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

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

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

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

In accordance with Article 37 of this legislation, the initial decision of the procedure must include, among other elements, a risk identification process that, under no circumstances, should exceed the benefit obtained from the procurement. 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.

3. Supervision of binding external regulations:

The self-assessments conducted on the applicable external regulations have shown that the entity maintains a low-risk level in regulatory compliance analysis.

4. Self-assessments of critical suppliers:

As part of the risk management strategy, the process of analyzing the contractual monitoring of suppliers providing services to the Bank's critical processes was strengthened. Through the self-assessment mechanism, a total of 14 contracts with critical suppliers were executed, identifying 42 risks, generating 2 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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(35) Financial Information of the Development Financing Fund

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

DEVELOPMENT FINANCING FUND			
STATEMENT OF FINANCIAL POSITION			
For the periods ended June 30, 2025			
Financial Information			
(In colones without cents)			
	June	December	June
	2025	2024	2024
ASSETS			
Available	¢ 0	0	3,499,530,917
Cash	0	0	3,499,530,917
Investment in financial instruments	2,500,277,778	4,600,492,217	1,500,593,772
At fair value through profit or loss	0	0	1,500,593,772
At fair value through other comprehensive income	2,500,277,778	0	0
At amortized cost	0	4,600,492,217	0
Loan portfolio	¢ 54,178,242,725	47,268,427,468	44,753,205,119
Current loans	49,931,063,978	42,388,299,850	40,741,348,097
Past due loans	4,327,211,246	5,158,050,993	4,181,656,082
Loans on legal collection	589,938,140	339,694,497	437,827,953
(Deferred income loan portfolio)	(539,206,990)	(474,765,679)	(450,287,913)
Interest receivable	179,644,452	167,599,365	153,285,114
(Allowance for impairment)	(310,408,101)	(310,451,558)	(310,624,214)
Accounts and fees receivable	886,483	970,744	0
Other accounts receivable	2,788,697	2,473,990	0
(Allowance for impairment)	(1,902,214)	(1,503,246)	0
Other assets	28,367,809	30,900,441	26,894,563
Other assets	28,367,809	30,900,441	26,894,563
Total assets	¢ <u>56,707,774,794</u>	<u>51,900,790,870</u>	<u>49,780,224,371</u>
Liabilities			
Obligations with entities	194	0	0
Other obligations with entities	194	0	0
Accounts payable and provisions	¢ 2,236,584,531	1,039,879,012	191,532,799
Other sundry accounts payable	243,124,180	1,039,879,012	191,532,799
Non-interest-bearing checking accounts from domestic financial institutions	1,993,460,351		
Other liabilities	286,313,365	249,503,438	16,521,970
Other liabilities	286,313,365	249,503,438	16,521,970
Total liabilities	¢ <u>2,522,898,090</u>	<u>1,289,382,450</u>	<u>208,054,769</u>
Equity			
Adjustments to equity - Other comprehensive income	53,678,819,200	34,671,365,413	48,866,249,077
Accumulated results from previous period	0	14,194,883,664	0
Result of current period	506,057,505	1,745,159,343	705,920,525
Debit contingent accounts	¢ <u>54,184,876,705</u>	<u>50,611,408,420</u>	<u>49,572,169,602</u>
Other debit memoranda accounts	¢ <u>56,707,774,795</u>	<u>51,900,790,870</u>	<u>49,780,224,371</u>
Debit contingent accounts	¢ 0	1,111,500	1,111,500
Other debit memoranda accounts	¢ 5,856,227,064	4,992,802,732	2,416,022,402

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

DEVELOPMENT FINANCING FUND

STATEMENT OF INCOME

For the periods ended June 30, 2025

Financial Information

(In colones without cents)

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

Loan portfolio of the Development Financing Fund

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

a) Loan portfolio by sector

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

(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:

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

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:

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

Loans on legal collection as of June 30, 2025:

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

Loans on legal collection as of December 31, 2024:

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

Loans on legal collection as of June 30, 2024:

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

d) Interest receivable on loan portfolio:

Interest receivables are as follows:

	<u>June</u>	<u>December</u>	<u>June</u>
	<u>2025</u>	<u>2024</u>	<u>2024</u>
Current loans	¢ 96,026,215	95,436,011	91,109,526
Past due loans	42,099,140	55,958,035	49,168,460
Loans in judicial collection	41,519,097	16,205,319	13,007,128
	¢ <u><u>179,644,452</u></u>	<u><u>167,599,365</u></u>	<u><u>153,285,114</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		314,068
Less:		
Adjustment for exchange differences		(357,525)
Balance as of June 30, 2025	¢	<u><u>310,408,101</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
Plus:		
Allowance charged to results		(944,866)
Adjustment for exchange differences		1,177,385
Less:		
Adjustment for exchange differences		(255,411)
Reversal of allowance against income		57,365
Balance as of June 30, 2024	¢	<u><u>310,624,214</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		June	December	June
		2025	2024	2024
Fiduciary	¢	422,390,957	264,232,260	342,933,239
Mortgage		31,580,998,162	24,516,781,926	21,607,927,522
Chattel		1,531,302,098	1,237,203,344	731,798,572
Others		21,313,522,147	21,867,827,810	22,678,172,799
	¢	54,848,213,364	47,886,045,340	45,360,832,132

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

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

The assessed loan portfolio with estimation is detailed as follows:

As of June 30, 2025

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

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		
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 June 30, 2024

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

As of June 30, 2025		Loans receivable from clients	
		Gross	Net
Risk category:			
1	¢	48,843,228,907	48,721,120,835
2		802,175,111	792,385,831
3		3,539,781,680	3,412,565,982
4		768,593,590	689,069,422
5		141,128,374	117,268,729
6		932,950,154	671,954,051
	¢	<u>55,027,857,816</u>	<u>54,404,364,850</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 June 30, 2024	Loans receivable from clients	
	Gross	Net
Risk category:		
1	¢ 42,799,140,117	42,692,141,571
2	938,539,173	926,064,611
3	672,332,810	625,734,174
4	290,804,095	259,296,336
5	116,216,490	93,013,436
6	697,084,561	511,181,558
	¢ <u>45,514,117,246</u>	<u>45,107,431,686</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 June 30, 2025			
Financial Information			
<i>(In colones without cents)</i>			
	June 2025	December 2024	June 2024
ASSETS			
Availabilities	¢ 1,159,046,209	797,179,843	709,444,140
Cash	1,159,046,209	0	709,444,140
Central Bank of Costa Rica	0	797,179,843	0
Investment in financial instruments	73,849,089,352	83,168,607,025	82,313,832,385
At fair value through profit or loss	25,798,816	586,104,860	454,703,418
At fair value through other comprehensive income	72,485,911,337	78,968,393,969	80,853,817,943
At amortized cost	404,313,646	2,729,143,874	239,652,351
Interest receivable	933,065,553	884,964,322	765,658,673
Loan Portfolio	51,240,447,826	50,007,412,745	50,099,703,176
Current loans	49,265,009,939	48,144,414,293	48,826,897,688
Past due loans	1,696,868,460	2,002,981,687	1,346,051,997
Loans on legal collection	539,574,672	193,348,664	143,392,655
(Deferred income loan portfolio)	(324,748,149)	(373,075,185)	(304,179,449)
Interest receivable	152,014,449	128,335,972	177,408,874
(Allowance for impairment)	(88,271,545)	(88,592,686)	(89,868,589)
Accounts and commissions receivable	61,516,775	103,838,873	125,869,856
Tax and deferred income tax	61,516,775	103,838,873	125,869,856
Other assets	323,209	43,141,375	1,045,126
Other assets	323,209	43,141,375	1,045,126
TOTAL ASSETS	¢ <u>126,310,423,371</u>	<u>134,120,179,861</u>	<u>133,249,894,683</u>

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

**DEVELOPMENT CREDIT FUND
STATEMENT OF FINANCIAL POSITION**

For the period ended June 30, 2025

Financial Information

(In colones without cents)

	June 2025	December 2024	June 2024
LIABILITIES			
Obligations with entities	¢ 130,941,840,859	138,359,054,842	137,850,179,784
On demand	130,941,840,859	0	137,850,179,784
Term obligations	0	138,097,549,701	0
Interest payable	0	261,505,141	0
Other obligations	0	0	3,957,842
Accounts payable and provisions	39,396,534	93,008,281	103,076,453
Accounts receivable	0	0	5,392,640
Deferred income tax	31,036,377	76,846,413	96,468,843
Other miscellaneous accounts payable	8,360,157	16,161,868	1,214,970
Other liabilities	258,712,334	63,654,441	236,256,990
Other liabilities	258,712,334	63,654,441	236,256,990
TOTAL LIABILITIES	¢ <u>131,239,949,727</u>	<u>138,515,717,564</u>	<u>138,193,471,069</u>
EQUITY			
Adjustments to equity – Other comprehensive income	¢ 0	(24,069,173)	(4,424,756)
Contributions from Banco de Costa Rica	¢ 0	0	0
Results of the previous period	¢ (5,535,964,513)	(5,500,673,306)	(5,500,673,306)
Results of the current period	606,438,157	1,129,204,776	561,521,676
TOTAL EQUITY	¢ <u>(4,929,526,356)</u>	<u>(4,395,537,703)</u>	<u>(4,943,576,386)</u>
TOTAL LIABILITIES AND EQUITY	¢ <u>126,310,423,371</u>	<u>134,120,179,861</u>	<u>133,249,894,683</u>
OWN DEBIT MEMORANDA ACCOUNT			
Own debit memoranda account	¢ 25,735,372,258	29,786,066,777	22,978,823,795
Interest receivable memoranda accounts	¢ 21,193,109	10,392,051	20,912,844
Contingent accounts	0	9,858,770	0

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

**DEVELOPMENT CREDIT FUND
INCOME STATEMENT**

For the period ended June 30, 2025

Financial Information

(In colones without cents)

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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:

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

Loan portfolio of the Development Credit Fund

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

Loan portfolio by sector

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

a) Loan portfolio by arrears:

Loan portfolio by arrears is detailed as follows:

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

b) 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:

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

c) Interest receivable for loan portfolio

Interest receivables are detailed as follows:

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

d) Allowance for bad loans

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

e) Loan portfolio by type of guarantee:

The loan portfolio detailed by guarantee is as follows:

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

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

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

The assessed loan portfolio including allowance is detailed as follows:

As of June 30, 2025

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

As of December 31, 2024

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

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

As of June 30, 2024

Loan portfolio		
Direct specific allowance	<u>Principal</u>	<u>Allowance</u>
1	49,578,613,694	(123,946,536)
2	598,289,008	(3,774,857)
3	114,696,761	(856,923)
4	202,151,751	(20,241,899)
	¢ <u>50,493,751,214</u>	<u>(148,820,215)</u>

Loan portfolio		
Aging of loan portfolio		
Direct specific allowance	<u>Principal</u>	<u>Allowance</u>
Up to date	48,991,644,646	(127,617,355)
Equal or less than 30 days	670,195,494	(1,675,489)
Equal or less than 60 days	538,552,835	(5,515,756)
Equal or less than 90 days	116,196,914	(1,619,611)
Equal or less than 180 days	15,213,133	(2,343,273)
More than 180	161,948,192	(10,048,731)
	¢ <u>50,493,751,214</u>	<u>(148,820,215)</u>

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

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

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

(Continued)

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 June 30, 2025, transfers of resources have been made from the Development Credit Fund.

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

(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.

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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.

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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.

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.

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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

i) IAS 28: Investments in Associates and Joint Ventures

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

l) IAS 38: Intangible Assets

The commercial banks listed in article 1 of Internal Regulations National Banking System (Law No. 1644) may present organization and installation expenses as an asset in the balance sheet, however, those expenses must be fully amortized on the 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.

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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

After initial recognition, intangible assets with a defined useful life must be accounted for at their acquisition cost less accumulated amortization and 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.

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.

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BANCO DE COSTA RICA

Notes to the separate financial statements

The combination that involves entities or businesses under common control or that the acquiree is a subsidiary of an investment entity, must be carried out by integrating its assets and liabilities 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.

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

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

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

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

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Notes to the separate financial statements

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.

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.

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Notes to the separate financial statements

- 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. 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.

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(38) Figures for 2024

As of June 30, 2025, financial statement figures have not been reclassified for comparison with those of 2024, per modifications to the Chart of Accounts and SUGEF Directive 6-18: “Financial Information Regulations” approved by the National Supervisory Board of the Finance System.

(39) Relevant and subsequent events

As of June 30, 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.

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.

(Continued)

BANCO DE COSTA RICA

Notes to the separate financial statements

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

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

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.

(Continued)

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Notes to the separate financial statements

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.

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:

(Continued)

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Notes to the separate financial statements

June 2025,

Activity	Loans – Colonized balances	
	Colones	Colonized US Dollars
Agriculture	5,441,444,097	17,332,791,545
Trade	41,604,257,188	17,427,779,268
Construction	2,539,432,313	1,329,697,117
Consumer goods	38,851,759,257	462,713,740
Cattle raising	1,815,897,368	0
Industry	20,506,951,378	0
Services	15,537,989,002	293,418,481
Transportation	11,666,132,266	0
Tourism	845,331,328	29,646,547,041
Housing	141,964,917,861	26,471,739,753
Total by currency in ¢	¢ 280,744,112,058	92,964,686,945
Total	¢ 373,708,799,003	

Activity	Amount in US		
	Colons	Dollars	Total
Agriculture	219	32	251
Trade	402	26	428
Construction	11	7	18
Consumer goods	5,024	82	5,106
Cattle raising	36	0	36
Industry	46	0	46
Services	249	5	254
Transportation	70	0	70
Tourism	23	13	36
Housing	6,776	793	7,569
Total	12,856	958	13,814

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	

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Notes to the separate financial statements

Activity	Colones	Dollars	Total
Agriculture	232	33	265
Trade	441	29	470
Construction	16	7	23
Consumer goods	5,454	108	5,562
Cattle raising	42	0	42
Industry	59	0	59
Services	280	8	288
Transportation	89	0	89
Tourism	34	16	50
Housing	7,159	856	8,015
Total	13,806	1,057	14,863

June 2024

Activity	Loans – Colonized balances	
	Colones	Colonized US Dollars
Agriculture	6,711,853,565,	18,856,949,701
Trade	46,738,311,865	22,068,727,827
Construction	4,856,550,390	3,124,433,104
Consumer goods	48,026,163,523	894,530,402
Cattle raising	2,300,672,426	0
Industry	24,546,256,752	1,686,924,944
Services	20,514,843,570	6,566,647,510
Transportation	14,476,349,278	0
Tourism	4,726,899,382	32,749,193,681
Housing	155,692,318,261	32,409,554,378
Total by currency in ¢	¢ 328,590,219,012	118,356,961,547
	446,947,180,559	

Activity	Colones	Amount in US		Total
		Dollars		
Agriculture	248	34		282
Trade	483	36		519
Construction	16	9		25
Consumer goods	5,888	147		6,035
Cattle raising	47	0		47
Industry	60	1		61
Services	310	15		325
Transportation	105	0		105
Tourism	34	22		56
Housing	7,315	899		8,214
Total	14,506	1,163		15,669

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Notes to the separate financial statements

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.

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.

	Semester 1/2024	Semester 2/2024	Semester1/2025
Every type of credit (except microcredits)			
Colones	38.55	38.98	38.36
US dollars	30.53	30.36	30.42
Microcredits			
Colones	54.37	54.98	54.11
US dollars	43.23	42.99	43.08
Credits in other currencies	7.56	7.44	7.48

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For the purposes of this law, microcredit is understood to be any credit that does not exceed a maximum amount of 1.5 times the base salary of clerk 1 of the Judiciary, according to Law 7337, of May 5, 1993. Credit cards are excluded from microcredits.

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

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

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

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

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

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

Resolution regarding BCR SAFI

Resolution SGV-R-128-2024

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

- i. *Utilize all retained earnings of BCR SAFI as of the end of the 2023 period to strengthen the share capital of this entity, a process that must be completed no later than December 31, 2024.*
- ii. *Prohibit BCR SAFI from distributing dividends to its shareholder from the issuance of this resolution and for as long as it remains in effect.*
- 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.*

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BANCO DE COSTA RICA

Notes to the separate financial statements

- iv. *Order BCR SAFI to maintain the amount equivalent to the capital contributions required in the previous section of this resolution in investments in high-credit-quality securities, ensuring that these funds are used to meet obligations arising from the responsibilities that prompted this resolution, at the appropriate time and for the final determined amount.*
- v. *Impose the obligation on BCR SAFI to submit an annual report prepared by the external auditors responsible for issuing an opinion on the audited financial statements, specifically addressing whether the entity has appropriately assessed whether conditions exist for the recognition and measurement of potential provisions payable, arising from ongoing judicial and administrative proceedings or decisions regarding the disposition of Parque Empresarial del Pacífico, which belongs to the asset portfolio of the Non-Diversified Real Estate Investment Fund. The reports must be submitted along with the audited annual financial statements.*
- vi. *Request BCR SAFI to promptly record provisions payable when the conditions required by the applicable regulations for their recognition are met.*

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

1. At the shareholder's meeting of September 23, 2024, the following was approved:
 - i. *Acknowledge resolution SGV-R-128-2024, dated July 23, 2024, issued by Tomás Soley Pérez, General Superintendent of Securities.*
 - ii. *Approve the capitalization of BCR Sociedad Administradora e Fondos de Inversión, S.A. for an amount of ¢23,118,000,000 (twenty-three billion one hundred eighteen million colones), as detailed below:*
 - a. *Retained earnings from the 2023 period BCR SAFI ¢1,118,000,000 (one billion one hundred eighteen million colones).*
 - b. *Contribution from the sole shareholder Banco de Costa Rica: ¢22,000,000,000 (twenty-two billion colones).*
 - 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.

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3. BCR SAFI received ¢22,000,000,000 in cash on November 6 from Banco de Costa Rica in its capacity as the sole shareholder, which were subsequently invested in high-credit-quality securities, as required by the resolution.
4. As required by Article 6 of the Regulation on Management Companies and Investment Funds, the process for prior authorization of the capitalization in the amount of ¢23,118,000,000 was initiated with SUGEVAL on November 15. On December 24, the second request for corrections to the process was received from SUGEVAL, which was addressed and resubmitted for review by the regulatory entity on January 7, 2025.
5. As can be observed from the indicated dates BCR SAFI and BCR Financial Conglomerate fulfilled the capital contribution of ¢22,000,000,000 and the formal approval of the capitalization of retained earnings of BCR SAFI for ¢1,118,000,000 before December 31, 2024, completing a total share capital increase of ¢23,118,000,000.
6. On January 9, 2025, resolution SGV-R-2-2025 was received from SUGEVAL, which states:
 - i. *Authorize, subject to compliance with the provisions of this Resolution (**), the registration in the National Registry of Securities and Intermediaries of the share capital increase of XXX in the amount of ¢23,118,000,000, reaching a new share capital of ¢27,957,200,000, composed of 559,144 shares of ¢50,000 each. The characteristics of the capital increase are as follows:*

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:

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- ii. *Instruct BCR Sociedad Administradora de Fondos de Inversión to submit to this Superintendency the notarial or registry certification of the registration of the authorized share capital increase, as stated in section 1 of this Resolution, in the Commercial Registry.*
 - iii. *Inform BCR Sociedad Administradora De Fondos de Inversión, S.A. that within a maximum period of 3 business days from its registration in the Public Registry, the controlling company must deposit the shares resulting from this capital increase in one of the securities depository institutions regulated under Law 7732, the Securities Market Regulatory Law. Additionally, XXX must submit to this Superintendency a certification of the share deposit, confirming the existence of all shares owned by the controlling company in the management company.*
7. The documentation was submitted to the National Registry on January 16, 2025, and was registered on January 22, 2025.

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.

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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.

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.

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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.

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.

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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 July 28, 2025. SUGEF has the possibility of requiring modifications to the financial statements after their date of authorization for issuance.