



2019 REPORT

A SOLID BANK HAND IN
HAND WITH TECHNOLOGY

**BCR**
SOMOS EL BANCO DE COSTA RICA

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MESSAGE FROM THE BOARD OF DIRECTORS

MESSAGE FROM THE BOARD OF DIRECTORS

During 2019, the General Board of Directors was strengthened and geared its work towards the commitment of exercising a robust, transparent and reliable corporate governance, focused on creating value, mitigating risks, and securing long-term sustainability by converging the interests of clients, associates, communities, suppliers, and regulators in order to continue offering our financial services with the security that has characterized Banco de Costa Rica for over 142 years.

Costa Rica's economic performance during the first and the second half of 2019 presented an asymmetric behavior. In the first semester, the economic slowdown pace of the previous months continued as a result of the commercial conflict between USA and China, which generated a lower demand from our main trading partners. Internally, the uncertainty surrounding the implementation of the Ley de Fortalecimiento de las Finanzas Públicas (Law for the Strengthening of Public Finances) also had a negative impact on both business and consumer confidence.

In the second semester, there was an improvement in the economic activities that, according to the BCCR, brought about greater dynamism, especially in the Free Zones, and a recovery of agricultural production; this was reflected on better economic indicators.

Regarding the fiscal issues, the passing the Ley de Fortalecimiento de las Finanzas Públicas (Law No. 9635) at the end of 2018 had a beneficial impact on interest rates and also reverted the devaluation of the last quarter of 2018. This resulted in an enhanced capacity to access local and international funding, a reduction in interest rates, and an increase in the capacity to generate revenue through tax collection due to the new value added tax (VAT). Nonetheless, at the closing in December 2019, the national financial results showed a deficit of 7.0% of the GDP, greater than the 5.8% registered in 2018.

The financial market went through a significant reduction of the interest rates in local currency, mainly in Government securities – over

300 base points – which was accompanied by an expansive monetary policy by the Central Bank of Costa Rica (BCCR), aimed at the reactivation of loans during 2019, loans in local currency grew 3.1% year over year, while loans in foreign currency decreased 3.0% year over year. It should be noted, however, that from June 2019 on, recovery signal were observed in both cases.

The passing of Law 9635 considerably reduced the tensions and uncertainties in terms of exchange rates which, together with a greater foreign currency surplus in the financial market, generated an appreciation of the colón (CRC) with respect to the US Dollar of 6.0%, positioning it at levels similar to those experienced before the volatility episode at the end of 2018.

Furthermore, in the legal arena, 2019 witnessed the discussion of several bills intended to define a “usury” rate for credit activities, as well as the passing of a cap for the exchange commissions in the market of card issuers and acquirers.

Important reforms were enacted, including modifications for the implementation of strengthening supervision and for more stringent regulations and authorities on competition.

2019 also witnessed the enactment and coming into force of a novel piece of legislation, object of different criticisms, to create a regulatory framework to hold legal entities criminally liable.

The legislation to regulate “teleworking” also became effective; this law was really necessary because, so far, this issue was only regulated by the agreements between employers and employees.

Within this context, BANCO DE COSTA RICA focused on the implementation of the following actions related to its clients and its social, regulatory, compliance, corporate governance, and risk management affairs, as well as its investments and associates, all of which enhanced the organization's soundness:

- An affordable housing product for middle income individuals was launched.

MESSAGE FROM THE BOARD OF DIRECTORS

- The payment of legal stamps is now done through the Non-Banking Correspondents Network (TUCÁN).
- Our Development Bank System granted loans for two billion colones, while 25 billion were used to promote sustainable energy projects.
- Progress was made in the installation of 104 multi-functional ATMs that receive cash and check deposits in 92 offices. Moreover, service consultants were assigned to 21 offices to guide clients to migrate to electronic channels and speed up in-office services.
- Particular actions were defined for the recovery and follow-up of our credit portfolio, thus reducing our bad-loan provisions and loans overdue by 90 days or more.
- Important contributions were made to the public sector through the administration of trusts for public works, such as: CCSS, JUDESUR, UCR, and the construction of the new Congress building and road infrastructure (e.g., the San José-San Ramón Highway). We were also in charge of collecting the departure-tax payments, the SENASA fee, and the phytosanitary fee from all airlines.
- BCR, as a finance business partner of PROCOMER, implemented the official one-stop Government window for new foreign investors.
- Contributions for about \$15,440 million were made to several institutions that promote social development, such as the Comisión Nacional de Préstamos para la Educación (CONAPE), Comisión Nacional de Emergencias (CNE), Instituto Nacional de Fomento Cooperativo (INFOCOOP) and the CCSS Régimen de Invalidez, Vejez y Muerte (IVM).
- As part of our environmental responsibility, we started implementing a sustainable approach to raise awareness about a rational use of our natural resources. Four offices were remodeled and reopened with an environmental approach: Oxígeno, Santo Domingo de Heredia, Ciudad Nelly and Siquirres. This allowed saving about 30% in the use of paper.
- Regarding the regulatory approaches, we focused on the promotion of IT governance by aligning our processes with the industry's best practices to secure our technological management effectiveness, pursuant to SUGEF 14-17 directive.
- In terms of Money Laundering and Terrorism Financing, we are constantly alert to what we should and should not do as a sound and responsible institution. (Regarding monitoring, the older alerts were attended; an automated alert generation process was created; and new products for the analysis and follow up of unusual transactions were included).
- In the area of governance, the CONGLOMERADO FINANCIERO BCR strengthened its corporate governance principles, defined in the regulations issued by the Consejo Nacional del Sistema Financiero de Costa Rica (CONASSIF), the Organization for Economic Cooperation and Development (OECD), and Basel III, through the approval of policies aimed at providing a consistent approach in line with the best practices that allow for adequate risk management and internal control and that guarantee the supervision of the processes in an effective and transparent manner.
- At the level of risks, a new customer classification methodology was created and the monitoring of specific groups was started. Several policies and procedures related to the documentation of key area processes were improved.
- In the technological field, we made important progress towards digital transformation. We have worked in identifying and reducing technological obsolescence; for example, by upgrading transerver to improve the performance and operation of ATMs and cash recyclers; by implementing the new custody service to increase the commissions of the Bank and Sociedad Administradora de Fondos de Inversión (SAFI). We also migrated our electronic valuation system to minimize incidents and failures and the Core system. We upgraded Banktrade (used for international transfers) and included +30 connections in BancoBCR and Tucán. Furthermore, the look and feel, navigation, experience, accessibility, and functionalities of BCR Móvil and BCR

MESSAGE FROM THE BOARD OF DIRECTORS

Comercial were renovated. A digital form was implemented to facilitate access and create a better experience for new and current clients.

- Along the same line of progress, BANPROCESA SRL started operations to provide hardware and software processing, development, maintenance, leasing and acquisition services to meet the technological needs of Banco de Costa Rica and its subsidiaries.

- Internally, through a series of workshops to promote the transformation of our institutional culture, over 400 leaders were sensitized about the importance of their work and their impact on the business and their team members. Thus, trainers travelled throughout the country to convey this message with creativity, innovation, and enthusiasm to strengthen the culture we need to build at BCR.

- Likewise, 2019 was the year to promote teleworking to improve productivity, quality of life, social inclusion, and city mobility, as well as to reduce pollution indices.

Regarding our subsidiaries, in closing 2019, we can proudly report the following:

- SOCIEDAD ADMINISTRADORA DE FONDOS DE INVERSIÓN, our investment fund manager, has a market share of 24% in terms of total assets and 39% in terms of real-estate funds. 2019 closed with a growth in total assets of 2% with respect to 2018. Assets in the real estate funds managed by SAFI grew 14%.

- BCR OPERADORA DE PLANES DE PENSIONES COMPLEMENTARIAS, our pension operator, signed an agreement to manage the Fondo de Garantía Notarial, the notaries' fidelity bond fund, for \$51 million and started a gradual and cautious process to invest in international markets.

- BCR CORREDORA DE SEGUROS, our insurance broker, reported an 11% growth in total revenue in 2019. Its ROE was 30.78%, and its operational efficacy reached 36.42%.

- BCR VALORES PUESTO DE BOLSA, our brokerage, had an ROE of 15.66% and traded 19.03% of the market. It launched its brand STRATIC, an Individual Portfolio Management System, and created a new private mobile app for its clients. Moreover, it received the Blue Ecology Flag in the climate change category. It kept its ISO 9001-2015 quality certification, including a new service.

- BCR LOGÍSTICA, as it is called in the Conglomerado Financiero BCR, is made up by two entities: DEPÓSITO AGRÍCOLA DE CARTAGO S.A. and its subsidiary, ALMACÉN FISCAL AGRÍCOLA DE CARTAGO, S.A., as a result of the merge with BANCO CRÉDITO AGRÍCOLA DE CARTAGO.

In 2019, the subsidiaries' revenue increased 19%, their assets increased 20%, and their equity grew 13%. The profit for the period reached 49%, higher than the one obtained in 2018.

As a result of all these actions, CONGLOMERADO FINANCIERO BCR shows a net profit of ₡37,074 million colones, 69% more compared to 2018.

Thus, we report our institution's main management achievements for 2019. We would like to thank all the associates of CONGLOMERADO FINANCIERO BANCO DE COSTA RICA whose daily work and effort make it possible for our organization to be stronger and reach its objectives.

We are committed to supporting you so that together we can all achieve our institutional goals; namely, create value and secure long-term organizational sustainability, which must be translated into concrete and measurable actions and results.

Néstor Solís Bonilla
Chairman of the General Board of Directors



MESSAGE FROM THE GENERAL MANAGEMENT

MESSAGE FROM THE GENERAL MANAGEMENT

A year of challenges and achieved goals amidst an adverse environment: this summarizes what 2019 meant for Conglomerado Financiero BCR.

Hand-in-hand with over 4,000 employees and inspired by our solid values, we remained firm in our purpose to promote economic reactivation and development, both for our institution and the country in general. Proudly and with great satisfaction, I hereby list the main actions and figures resulting from the BCR family hard work, dedication, and effort.

In the financial area, our figures show our stability, security, and leadership. Net profits for ₡37,074 million represented a 69% increase over 2018, which allowed us to close with equity of ₡564,853 million. In turn, we strengthened our capital adequacy with of 6.58% profitability over equity ratio, well within the regulatory limits and internal risk profile margins. Our credit portfolio reached ₡2,890,654 million; loans reached ₡1,391,339 million and deposits, ₡3,784,628 million. Default closed at 2.65% - the lowest since 2017 – reflecting the commercial effort made throughout the year, both for personal and corporate banking. Regarding repossessed assets, 539 goods were sold, equivalent to ₡33,385 million, 146% more over 2018.

In last year's report, I mentioned that in 2019 we would "strongly pursue the main challenge of achieving the bank's digital transformation." Today, with satisfaction, I confirm our progress in the Conglomerado's strategic map of technological challenges and digital banking. This includes important achievements aimed towards the creation and launching of high quality and efficient products and services like digital envelopes, the new BCR Móvil app, the IBAN implementation in all channels, the refurbishment of the informational portal www.bancobcr.com, and the implementation of device registration for cell phones. We also renovated the telecommunication infrastructure in 50 offices, providing enhanced network, ATM, and work equipment security.

Throughout the year, we promoted project and company development and strengthening through the Development Banking System, which granted loans for ₡2,000 million. We implemented the Salesforce platform in personal banking to create the digital form as a new access channel that creates a new digital experience for prospects and existing clients. We strengthened our portfolio with new credit products (Repossessed Goods, Affordable Housing, Converting Debt from Dollars to Colones (60/40) and Total House Financing), which amounted to over ₡15 billion. Net profits in the Esfera public-work program increased 50.4% over 2018 and the first five Urgent Works (OBIS) for the San José-San Ramón Highway were awarded.

As evidenced by figures and accomplishments, last year was highly productive, and we hope 2020 will not be an exception. We will remain focused on innovation and digital transformation for our clients' benefit, as well as on supporting the country in the economic development process, as we have been doing throughout our 142 years of existence. We are confident that our spirit of excellence and our culture and values will be the best tools to face the challenges in the upcoming period. In 2020 we will strive to remain a referent institution that contributes to our great nation's economic reactivation, competitiveness, and sustainability.

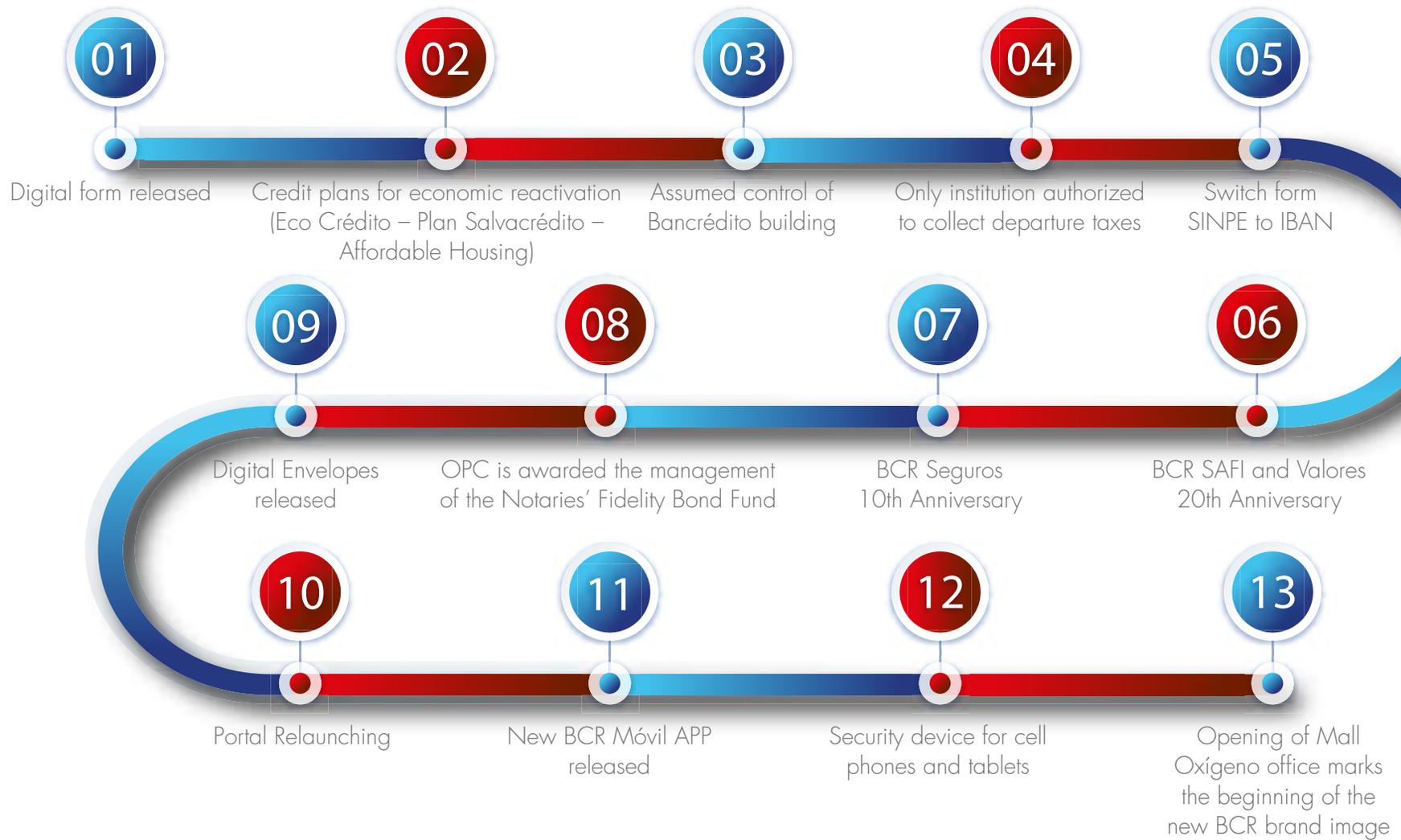
Douglas Soto Leitón
General Manager

2019



ACCOMPLISHMENTS

ACCOMPLISHMENTS

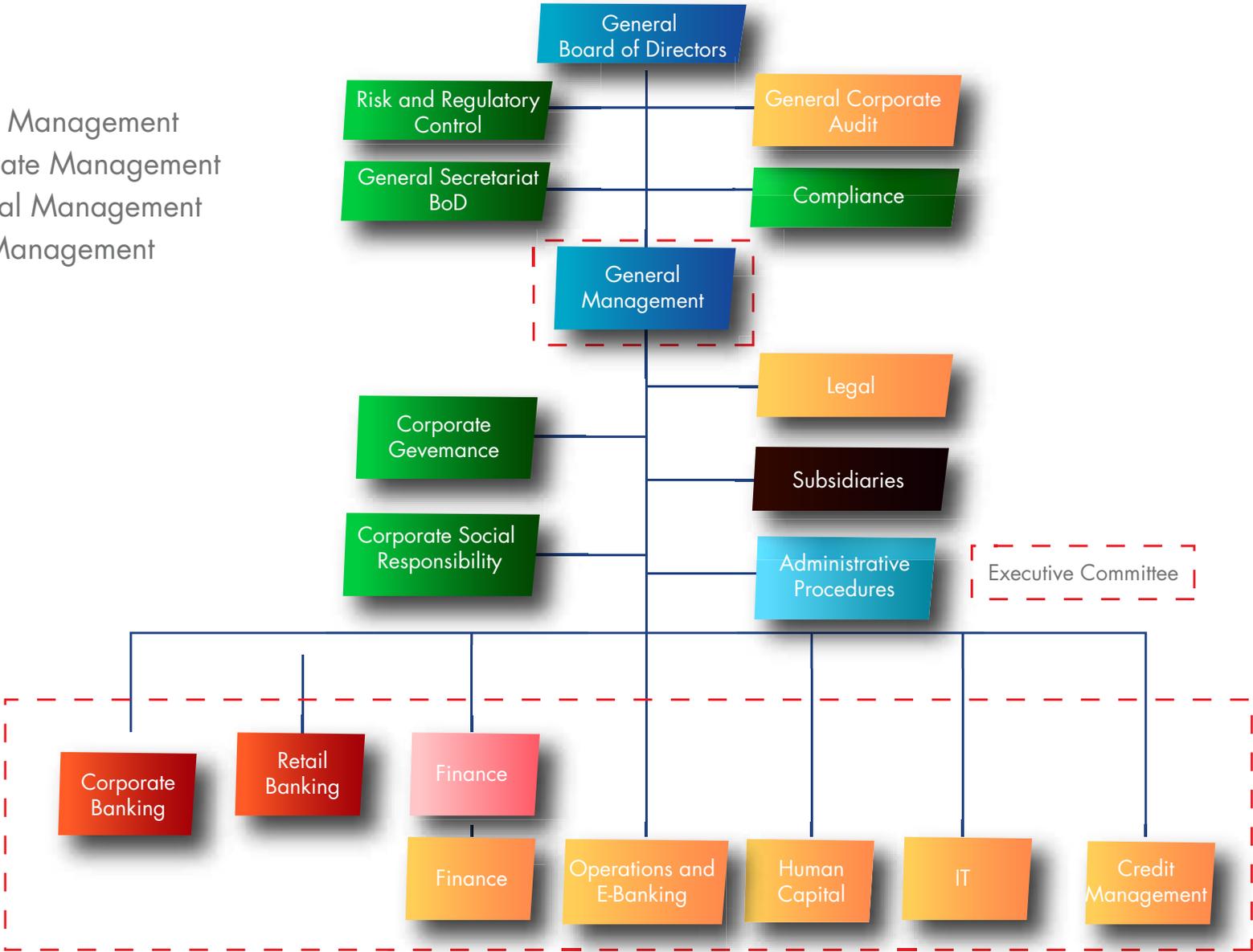




ORGANIZATIONAL STRUCTURE

ORGANIZATIONAL STRUCTURE

- Deputy Management
- Corporate Management
- Regional Management
- Local Management





CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Banco de Costa Rica is an autonomous entity under public law with its own legal status and independent administration that is fully owned by the government of Costa Rica.

The institutional activities are regulated by the legal framework set out in the Costa Rican Constitution, the Organic Law of the National Banking System (LOSBN), the Organic Law of the Central Bank of Costa Rica (LOBCCR), the General Public Administration Act, and other laws on specific matters, as well as by the regulations set by the National Council of the Costa Rican Financial System (CONASSIF), and by other regulatory and control authorities, such as the General Comptroller of the Republic.

The General Board of Directors of Conglomerado Financiero BCR has seven members appointed by the President of the Republic, pursuant to Article 20 of the Organic Law of the National Banking System.

As part of its Corporate Governance structure, both the Board of Directors and the management get support from committees that perform specific roles described in the Regulations for the Support Committees to the General Board of Directors and the Management.

Banco de Costa Rica has several subsidiaries under the figure of Conglomerado Financiero, or Financial Conglomerate, due to the many activities and businesses carried out. The Conglomerado entities are:

- BCR Valores Puesto de Bolsa S.A., the stockbroker
- BCR Sociedad Administradora de Fondos de Inversión S.A. (BCR SAFI), the investment fund administrator
- BCR Pensión, Operadora de Planes de Pensiones Complementarias S.A. (BCR OPC), the pension operator
- BCR Corredora de Seguros S.A., the insurance broker
- Depósito Agrícola de Cartago S.A. and Almacén Fiscal Agrícola de Cartago S.A. (BCR Logística), the logistics operator

- Banco Internacional de Costa Rica (BICSA), an international bank
- BanProcesa S.R.L., engaged in software and hardware management

The subsidiaries Depósito Agrícola de Cartago S.A. and Almacén Fiscal Agrícola de Cartago S.A. were incorporated as part of Conglomerado Financiero BCR by means of Law No. 9605, dated September 12, 2018. These subsidiaries are known in the Conglomerado as BCR Logística.

Banco de Costa Rica owns 100% of the subsidiaries' capital, except for Banco Internacional de Costa Rica, whose capital is shared with Banco Nacional that holds 49%, while Banco de Costa Rica holds 51%.

BanProcesa S.R.L. was created as a limited liability company on November 4, 2013, but it was not until October 8, 2018 that the General Board of Directors approved the start of its operations. During 2019, it went through an organization process. The Quotaholders Meeting is made up by the Conglomerado's General Board of Directors. Its objective is to provide technological processing services and support, as well as to acquire, lease, and maintain hardware and software, including software development to meet the technological needs in Banco de Costa Rica and its subsidiaries.

Conglomerado Financiero BCR has committed to incorporating the corporate governance principles defined in the regulations issued by the Consejo Nacional del Sistema Financiero de Costa Rica. It also relies on the Corporate Governance principles defined by the Organization for Economic Cooperation and Development (OECD) and on the Basel III Corporate Governance Principles for Banks.

The Conglomerado has issued a Corporate Governance Code and a Code of Ethics to implement a good Corporate Governance system. The former contains the corporate policies, including the relationship with clients and suppliers. The customer relations policy states equal treatment to all individuals and organizations, without

CORPORATE GOVERNANCE

discrimination of any kind whatsoever. It also defines the method to handle potential conflicts of interest and the protocol for servicing clients.

In terms of relationships with suppliers, all good and service contracts required by Conglomerado Financiero BCR will be managed according to the procedures set out in the Administrative Contracts Act, always observing the elements of transparency, equality, confidentiality, and legitimacy pursuant to such regulations.

The Code of Ethics constitutes the Conglomerado's good governance and corporate responsibility baseline, and its enforcement is mandatory to all employees on all their daily activities. Among other elements, the Code of Ethics sets out:

- The behavior guidelines that govern the professional actions by all the people in the Conglomerado
- How to control information and safeguard confidentiality
- How to deal with conflicts of interest
- How to handle external relationships and relationships with authorities

The Conglomerado has internal regulations and procedures aligned to the legal requirements, the recommendations from national and international institutions, and the financial system best practices for the prevention of money laundering and terrorist financing.

Additionally, its attitude, protection and surveillance are reflected in several documents that regulate the work of the employees in their corresponding areas, as well as in the supervision implemented through the Corporate Compliance Committee.

The internal control system of Conglomerado Financiero BCR facilitates the efficient governance and guarantees adequate internal controls with outstanding operation. This system is designed to assist the Conglomerado's Board of Directors and higher management in their oversight activities.

Conglomerado Financiero BCR has an Integral Risk Management System to generate information for the decision-making process aimed at placing the entity at a risk level consistent with its risk appetite; that is, to accomplish an adequate balance of the benefits expected from the commercial strategy through effective risk-based management.

The Corporate Audit Committee is in charge of supervising the internal audit systems and the relationship with the external auditors.

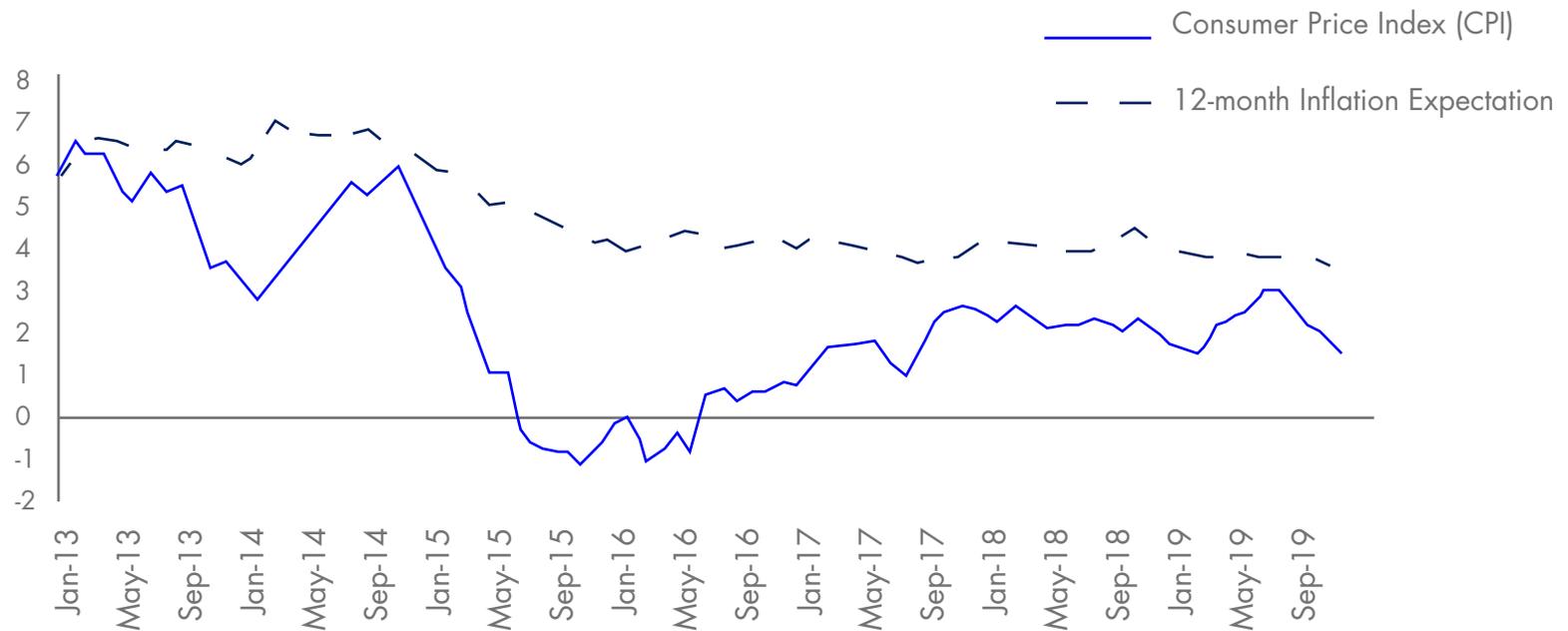
As part of the principle to guarantee transparency and the highest informative quality, information related to corporate governance and transparency is published in our website: www.bancobcr.com.



ECONOMIC AND FINANCIAL ENVIRONMENT

GENERAL INFLATION AND EXPECTATIONS

- Year-over-year variation in percentage -



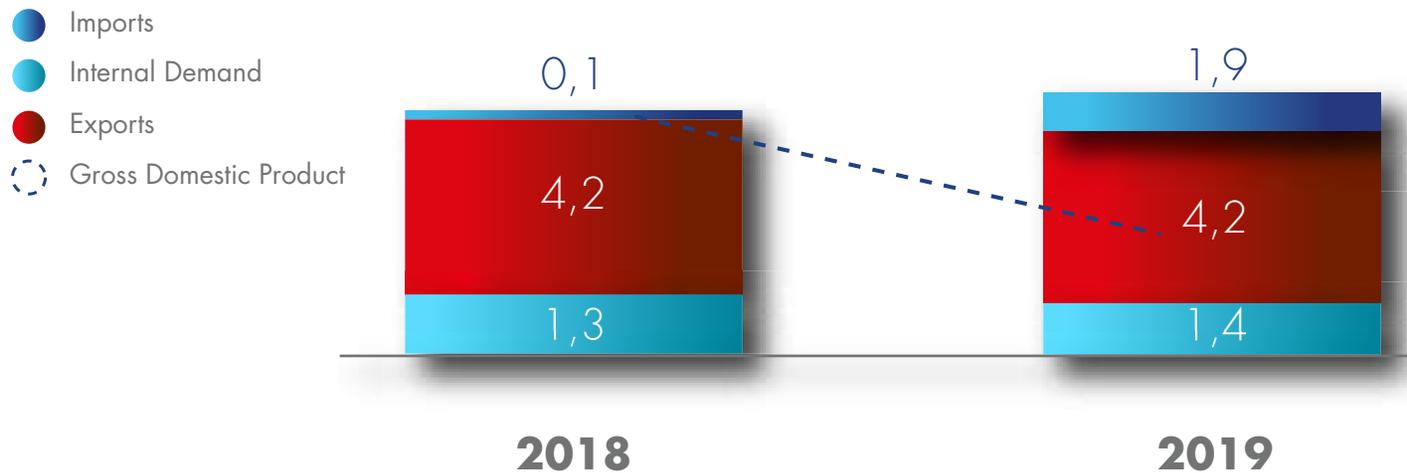
Source: Developed in-house with information from the Central Bank of Costa Rica

In 2019, imported inflation pressures on the national economy were experienced; this contributed to the re-establishment of the financial and exchange markets resulting from the passing of the Ley de Fortalecimiento de las Finanzas Públicas [Law to Strengthen Public Finances].

CONTRIBUTION TO THE GDP GROWTH, BY EXPENDITURE COMPONENT

Contribution to the GDP growth by expenditure component

- Percentage contribution to the variation rate in percentage points -



Source: Developed in house with information from the Central Bank of Costa Rica

Regarding the internal debt and the progress of the fiscal reform, the government foresees a growing trend from product commercializing due to the Central Government external debt.

The expectation is to reach the maximum boom in access to the external market between 2019 and 2023, which will lower the debt cost for the public and private sectors, thus strengthening the macro-economic stability and generating employment.

Financial performance of the reduced public sector

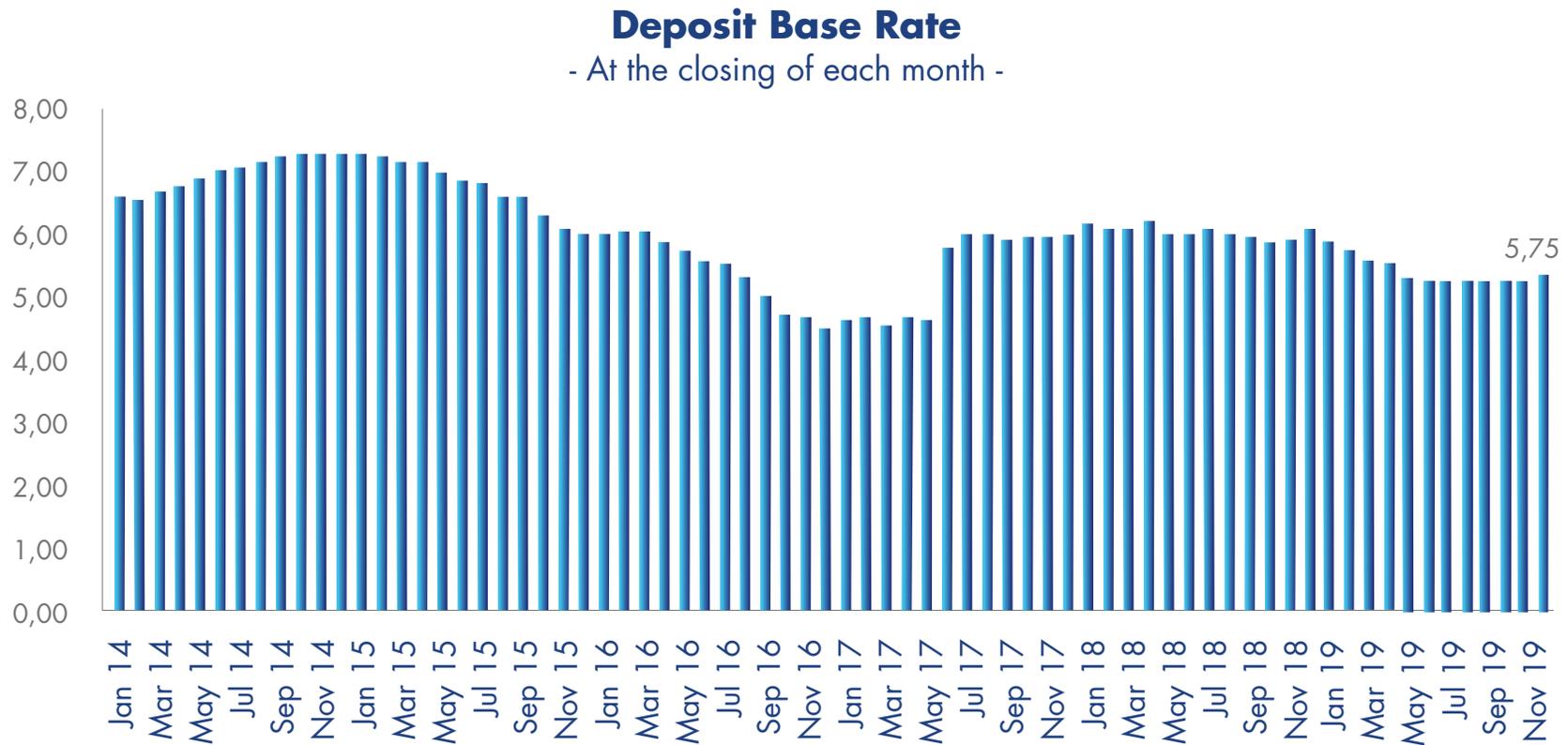
- Figures accumulated as of December, as a GDP percentage -

	2018	2019	Variation
Public Sector	-1,7	-2,0	-0,3
Central Bank of Costa Rica	-0,2	-0,1	0,1
Central Government	-2,9	-3,1	-0,2
Primary Results	-1,1	-1,1	0,0
Non-financial Public Sector Results	1,4	1,2	-0,2

Source: Central Bank of Costa Rica with information from the Ministry of Finance

As a result of the Fiscal Reform, the Central Government recognizes compliance with its obligations, which causes a decrease in interest rates that undoubtedly reduces the average cost of the debt.

DEPOSIT BASE RATE

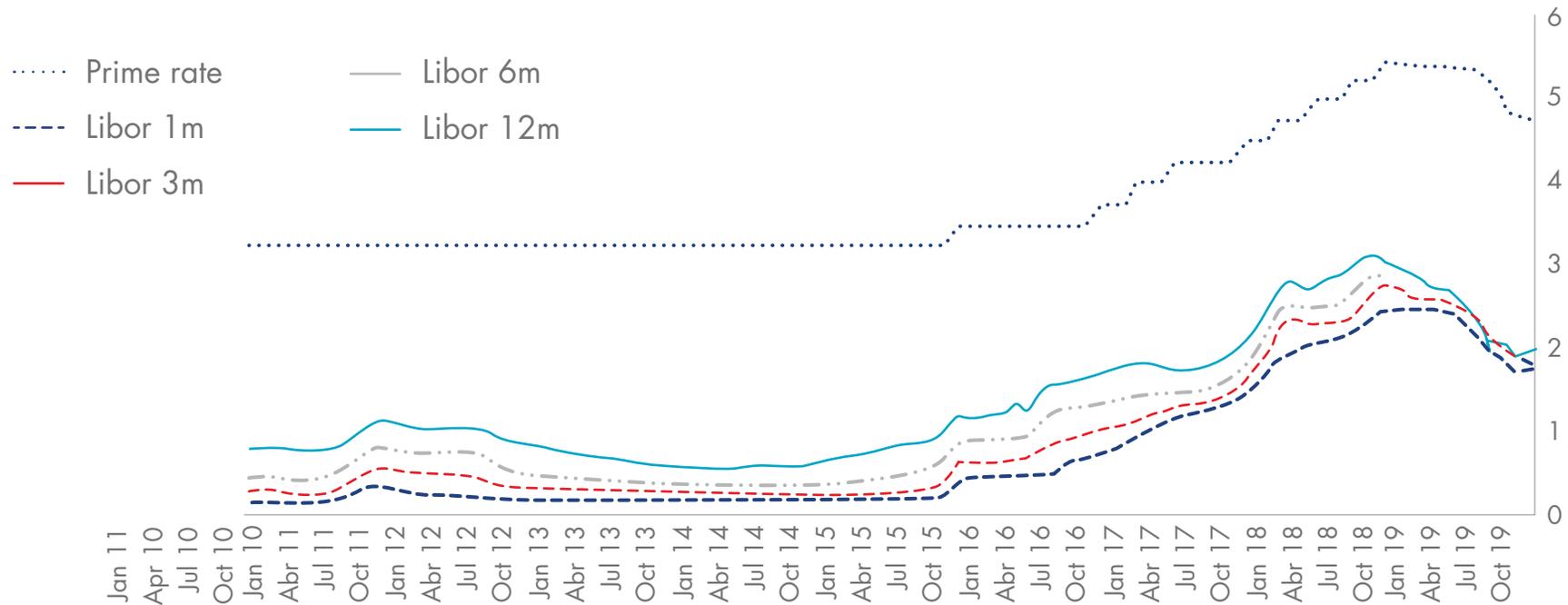


Source: Developed in-house with information from the Central Bank of Costa Rica

Due to the increase in term deposits, the deposit base rate remains within the upper limit of the rate (between 5.65% and 6.25% during 2019), thus forcing financial entities to pay higher yields.

PRIME RATE AND LIBOR

Prime Rate and Libor
- At the closing of each months -



Source: Developed in-house with information from the Central Bank of Costa Rica Costa Rica

In 2019 foreign currency rates experienced a slowdown, thus generating opportunities for loans in dollars accessible to Costa Ricans both at Prime Rate and Libor.



**FINANCIAL SITUATION
BANCO DE COSTA RICA**

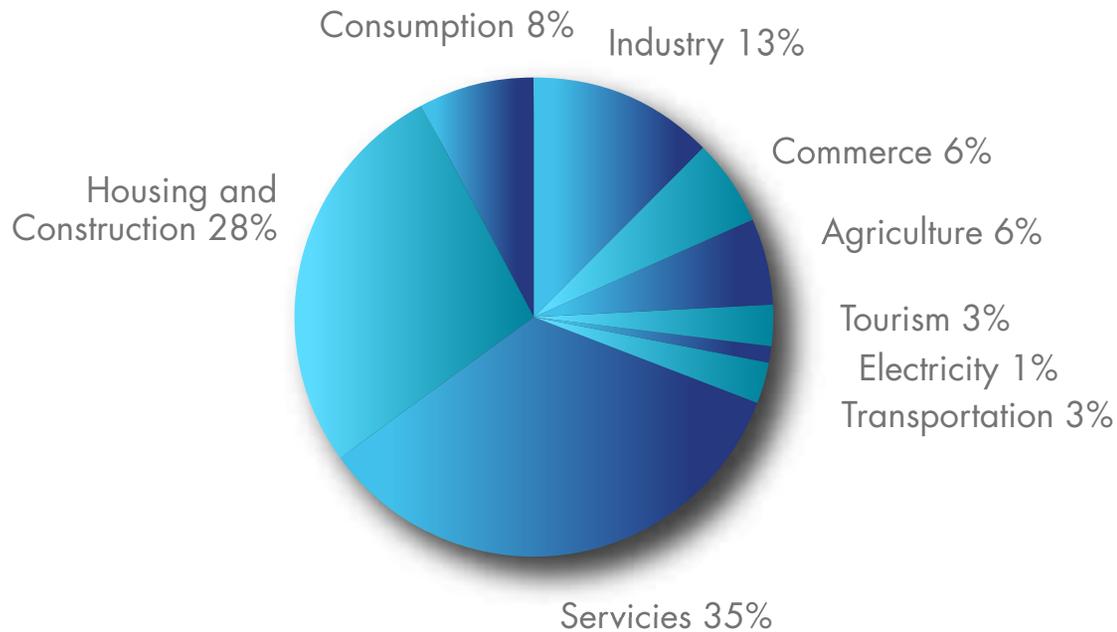
BALANCE SHEET

	Consolidated Balance Sheet		
	Million colones		
	2018	2019	% Variation
Total Assets	5.975.019	5.978.798	0%
Cash and cash equivalents	814.045	722.905	-11%
Investments in securities	1.007.200	1.211.316	20%
Net credit portfolio	3.861.684	3.749.946	-3%
Net property, plant, and equipment	114.978	121.295	5%
Other assets	177.111	173.337	-2%
Total Liability plus Equity	5.975.019	5.978.798	0%
Total Liabilities	5.352.344	5.347.807	0%
Obligations with individuals	4.064.936	4.169.351	3%
Obligations with entities	1.034.068	947.122	-8%
Other liabilities	253.340	231.333	-9%
Equity	622.675	630.992	1%
Primary capital	415.830	445.809	7%
Secondary capital	140.401	119.044	-15%
Minority interests	66.445	66.139	0%

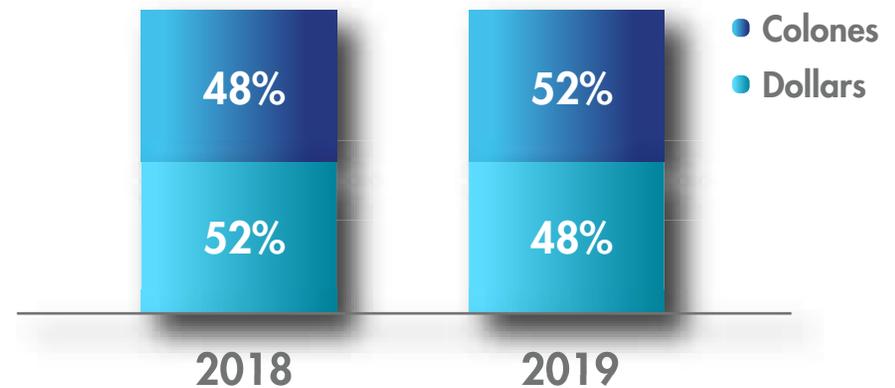
2019 evidences the behavior of BCR and its subsidiaries plus the absorption-merge with Bancrédito.

CREDIT PORTFOLIO

Portfolio Distribution by Economic Activity 2019



Credit Portfolio by Currency

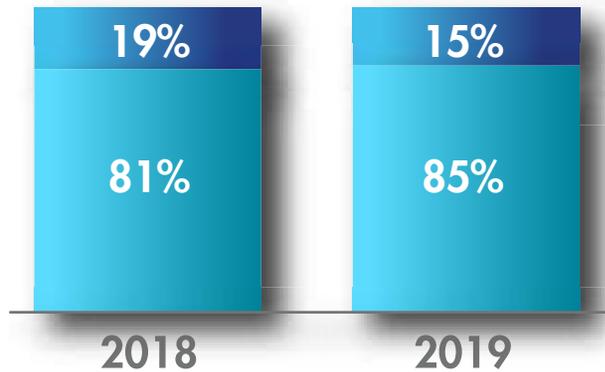


Nominal loan placements represent, in both currencies, an upsurge in housing and construction, services and consumption activities. Loan placements in national currency prevailed in 2019.

PORTFOLIO DISTRIBUTION

Credit Portfolio in Retail Banking

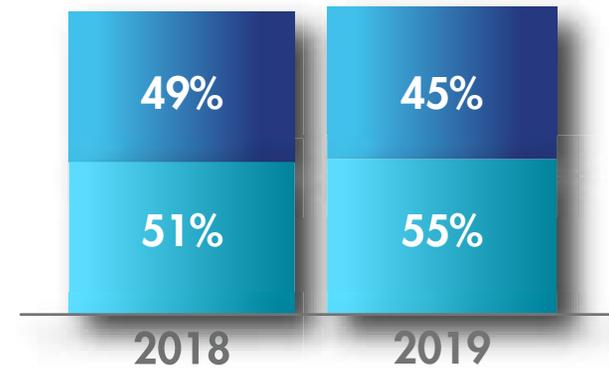
- By currency -



- Loans in dollars converted to colones
- Colones

Credit portfolio in Corporate Banking

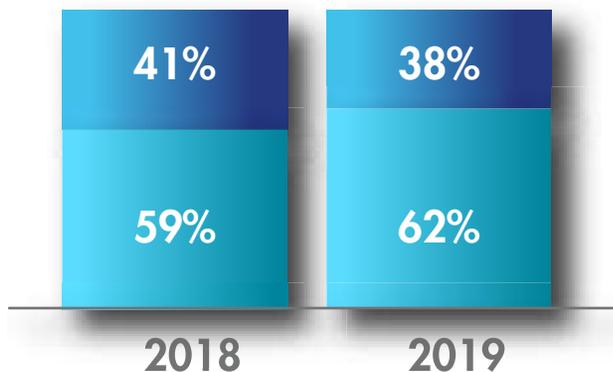
- By currency -



- Converted loans (dollars to colones)
- Colones

Credit Portafolio Bancrédito

- By currency -



- Loans in dollars converted to colones
- Colones

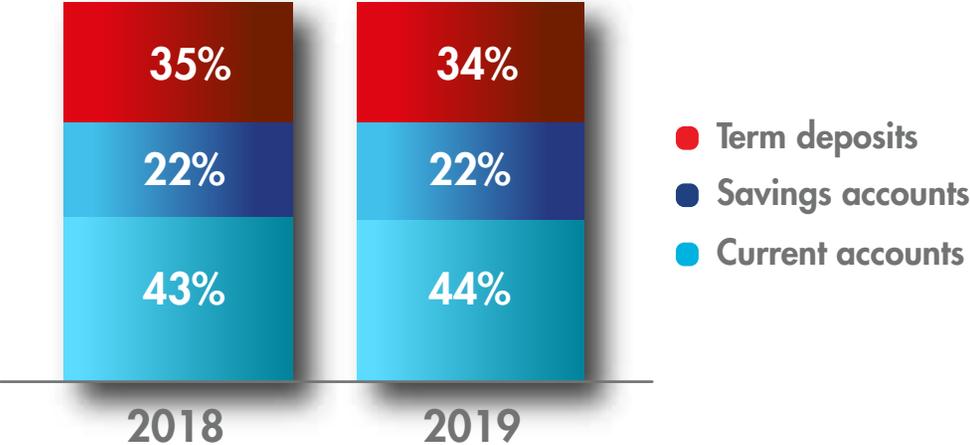
INDIVIDUALS' DEPOSITS

Individual's Deposits			
Figures in millions, total converted to colones	2018	2019	% Variation
Current Accounts	1.333.285	1.433.892	8%
National Currency	964.060	1.048.989	9%
Foreign Currency	611	675	11%
Savings Accounts	691.414	700.460	1%
National Currency	467.499	481.047	3%
Foreign Currency	370	385	4%
Term Deposits	1.098.220	1.118.224	2%
National Currency	747.537	732.089	-2%
Foreign Currency	580	677	17%
Total individuals' deposits	3.122.919	3.252.576	4%

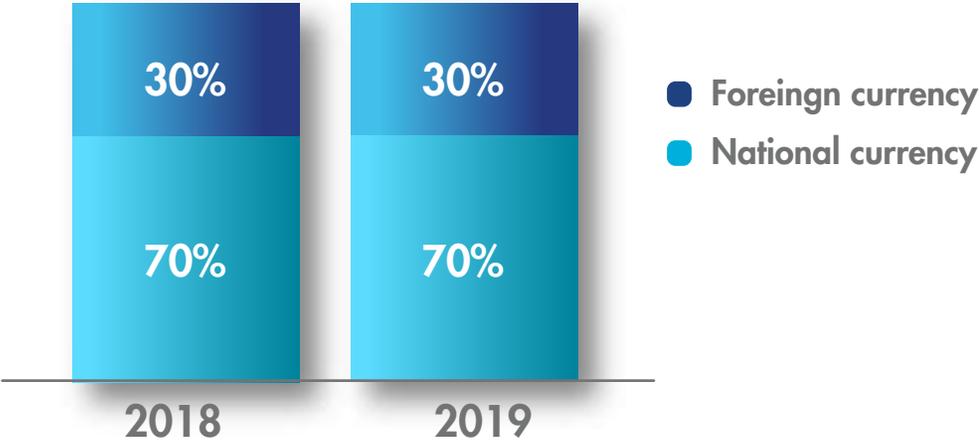
With respect to 2018, Current Accounts in foreign currency and term deposits in national currency show greater growth.

DEPOSIT DISTRIBUTION

Individuals' Deposit Structure

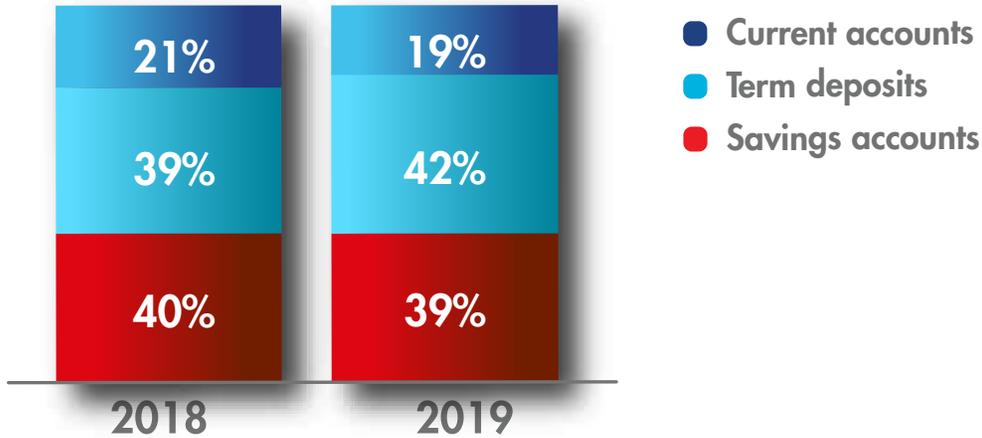


Individuals' Deposits by Currency

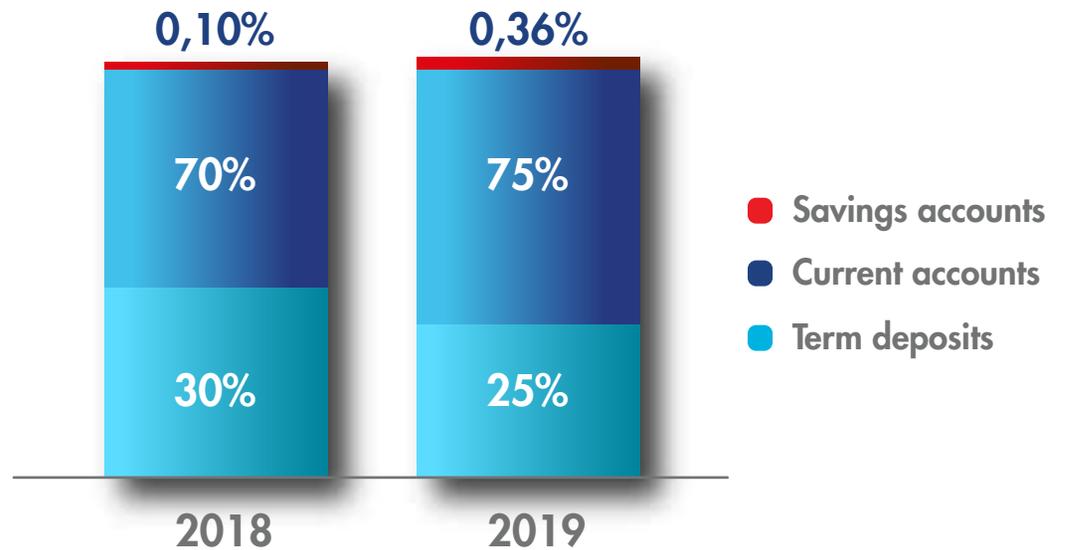


DEPOSIT DISTRIBUTION

Individuals' Deposit by Currency Retail Banking



Individuals' Deposit by Currency Retail Banking



CONSOLIDATED INCOME STATEMENT

Consolidated Income Statement

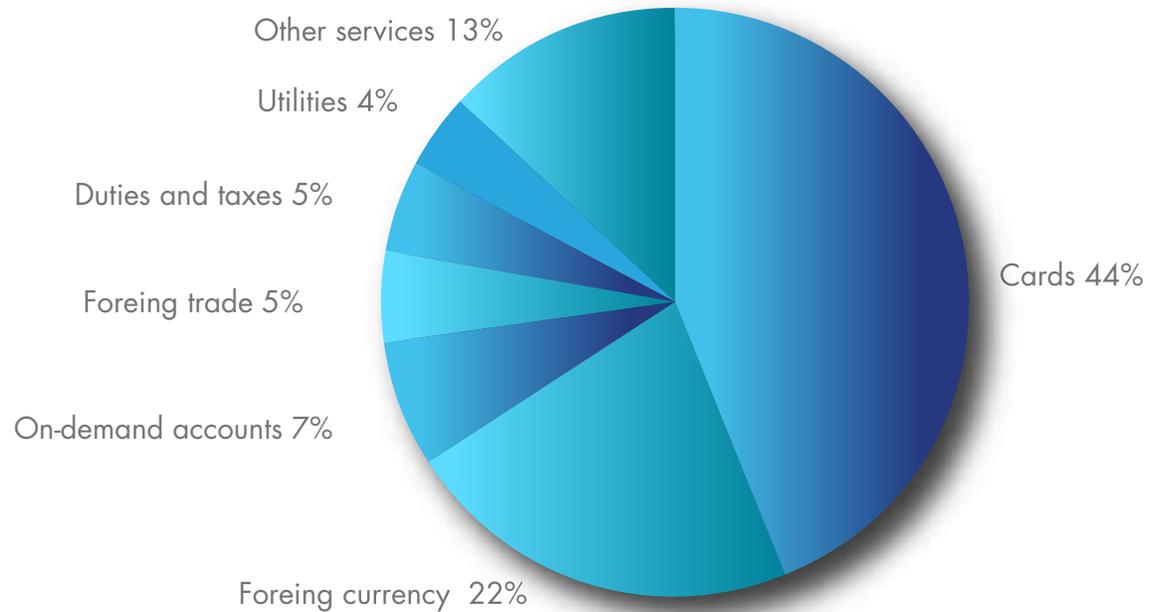
Million colones

Income from financial intermediation	400.383	414.620	4%
Expenses from financial intermediation	203.150	215.250	6%
Income from financial intermediation	142.763	210.443	47%
Income from services and other income	159.260	185.627	17%
Other operational expenses	86.560	130.305	51%
Gross operational income	215.463	265.765	23%
Overhead	180.511	192.600	7%
Net operational income	34.952	73.165	109%
Taxes and profit sharing	9.842	32.800	233%
Income for the period attributed to minority interests	3.159	3.290	4%
Total income	21.950	37.074	69%

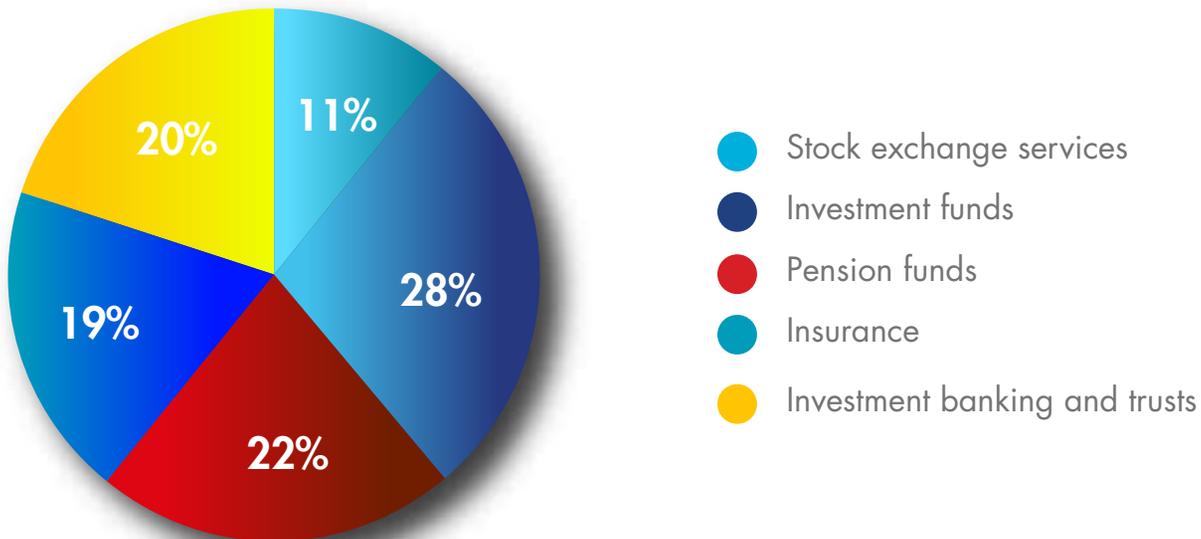
The nominal accounts show predominance of financial and service income, which supports the expenses that increased mainly due to the income in July 2019 from the Value Added Tax and the increase of Repossessed Goods directly from the bank operations, like those absorbed from the merge with Bancrédito.

INCOME DISTRIBUTION FOR NON-BANKING SERVICES

Income distribution by bank services 2019



Income distribution by non-banking services 2019



FINANCIAL INDICATORS

Main indicators	2018	2019
Performance Indicators		
Financial income / total income	71,5%	69,1%
Income from service / total income	18,9%	19,8%
Financial expenses / total expenses	42,3%	37,7%
Financial expenses / financial income	50,7%	51,9%
Overhead / total expenses	37,6%	33,7%
Financial Margin / overhead	79,1%	109,3%
Operational profit / total income	6,2%	12,2%
Net profit / total income	3,9%	6,2%
Balance Indicators		
Productive assets / total assets	81,5%	83,0%
Credit portfolio / total assets	64,6%	62,7%
Credit portfolio / productive assets	79,3%	75,6%
Credit portfolio / individuals' deposits	95,0%	89,9%
Portfolio + 90 days / credit portfolio	3,7%	3,6%
Total liabilities / total assets	89,6%	89,4%
Liability / equity (number of times)	8,6	8,5
Management Indicators		
Average Return on Assets (ROA)	0,38%	0,63%
Average Return on Equity (ROE)	3,67%	5,90%
Operational Efficiency (1)	32,25%	32,09%

(1) Operational Efficiency is the ratio between overhead and total income for the period



SUBSIDIARIES

BCR PENSION OPERATOR

BCR Operadora de Planes de Pensión Complementarios

Million colones	2018	2019
Profitability over Equity	47%	55%
Operational Efficiency Index	57%	55%
Net Profit	888	1.107
Managed Pension Funds	1.022.806	1.235.701



BCR Corredora de Seguros

Million colones	2018	2019
Profitability over Equity	41%	28%
Operational Efficiency Index	42%	36%
Net Profit	2.917	2.735
Commissions Earned	5.483	5.914

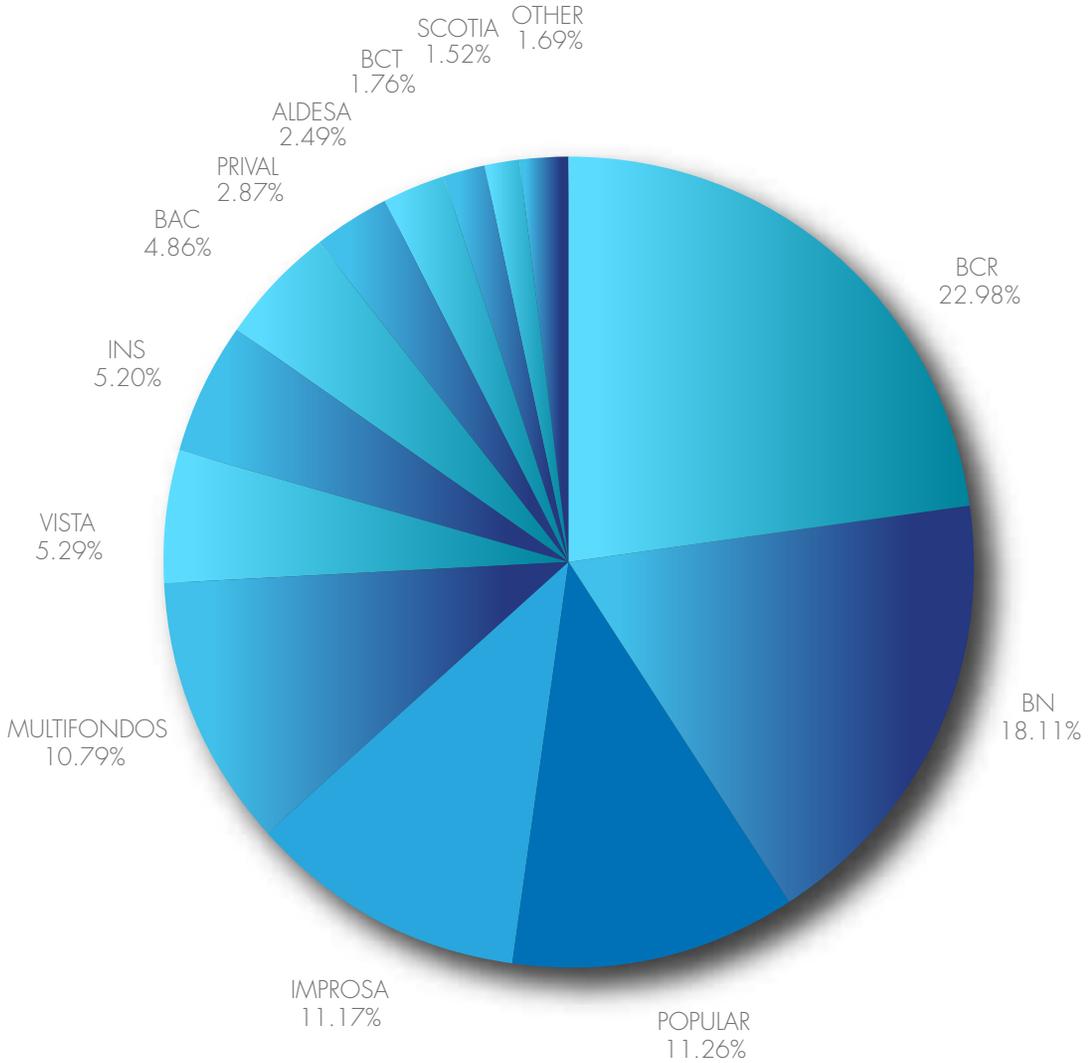
BCR INVESTMENT FUND MANAGEMENT

BCR Sociedad Administradora de Fondos de Inversión

Million colones	2018	2019
Profitability over Equity	33%	22%
Operational Efficiency Index	39%	49%
Net Profit	2.850	2.204
Pension Funds Managed	780.506	823.903

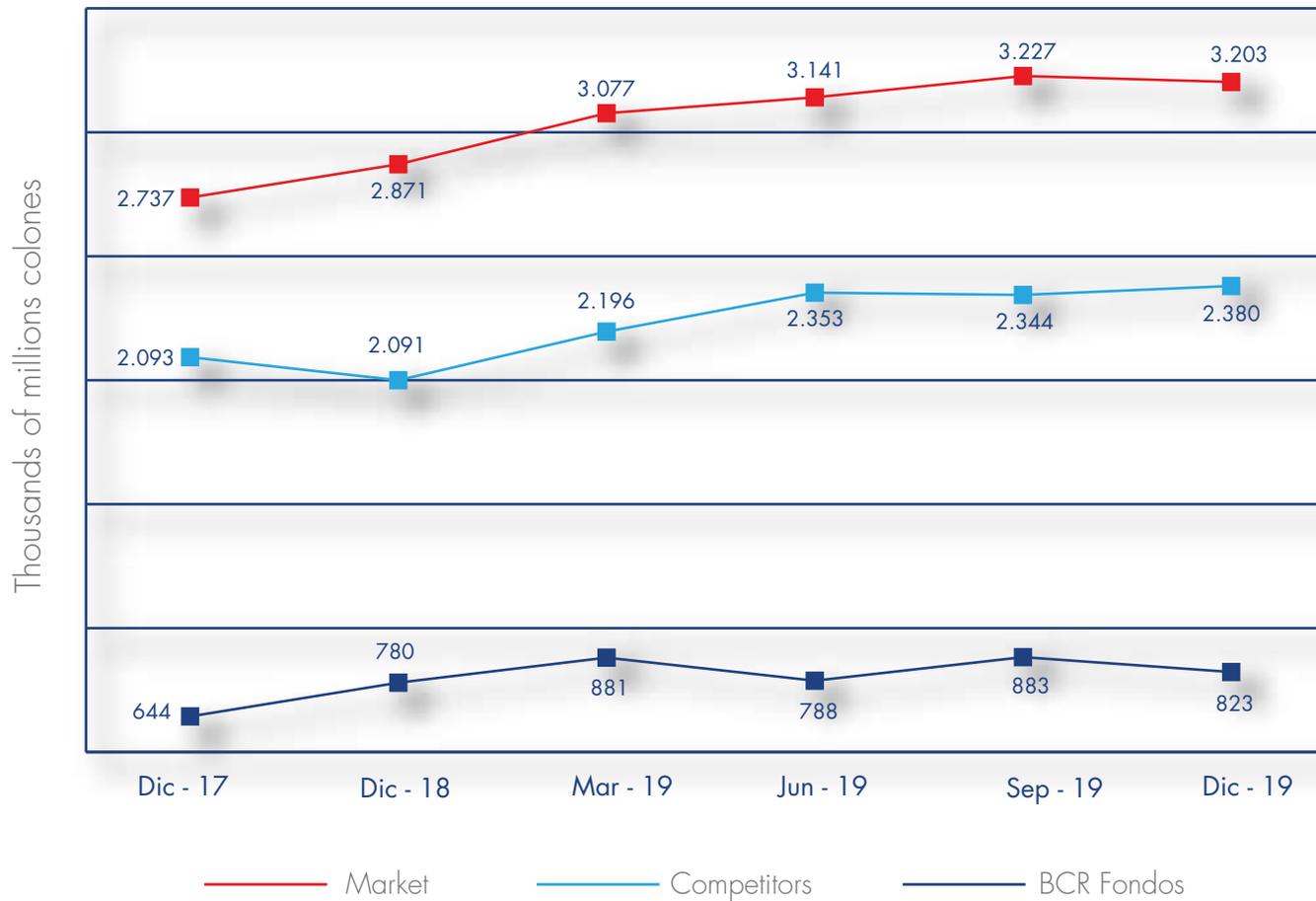
BCR SAFI is the Costa Rican industry Leader in investment funds and has remained in that privileged position for the last 16 years in a row. BCR SAFI has 12 asset investment funds operating in the market; 8 of them are financial asset investment funds and 4 are real estate investment funds.

BCR SOCIEDAD ADMINISTRADORA DE FONDOS DE INVERSIÓN



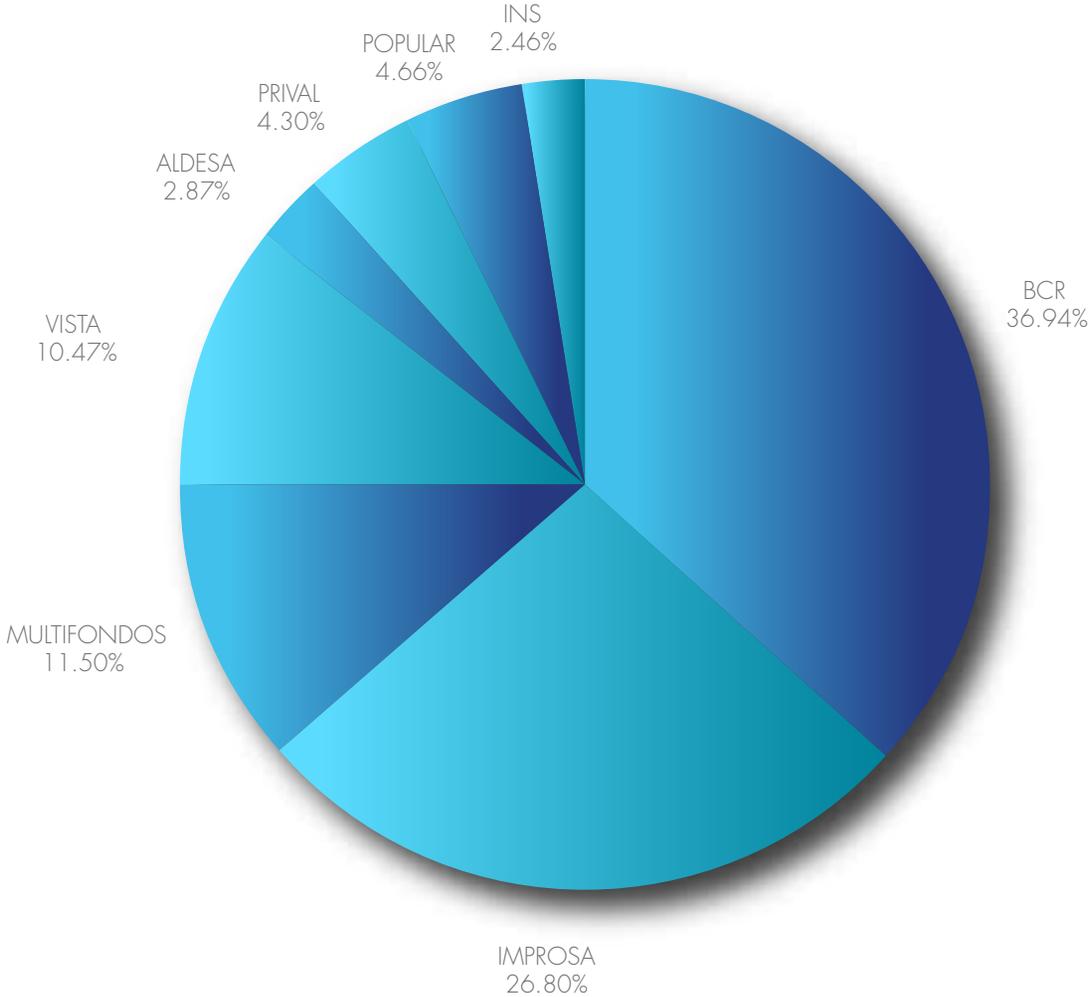
At the closing of 2019, BCR SAFI reached a market share close to 23%, consolidating its leadership for over 15 years in the investment fund industry at the regional level.

BCR SOCIEDAD ADMINISTRADORA DE FONDOS DE INVERSIÓN



Total assets managed increased 5.5% year over year showing constant growth.

BCR SOCIEDAD ADMINISTRADORA DE FONDOS DE INVERSIÓN

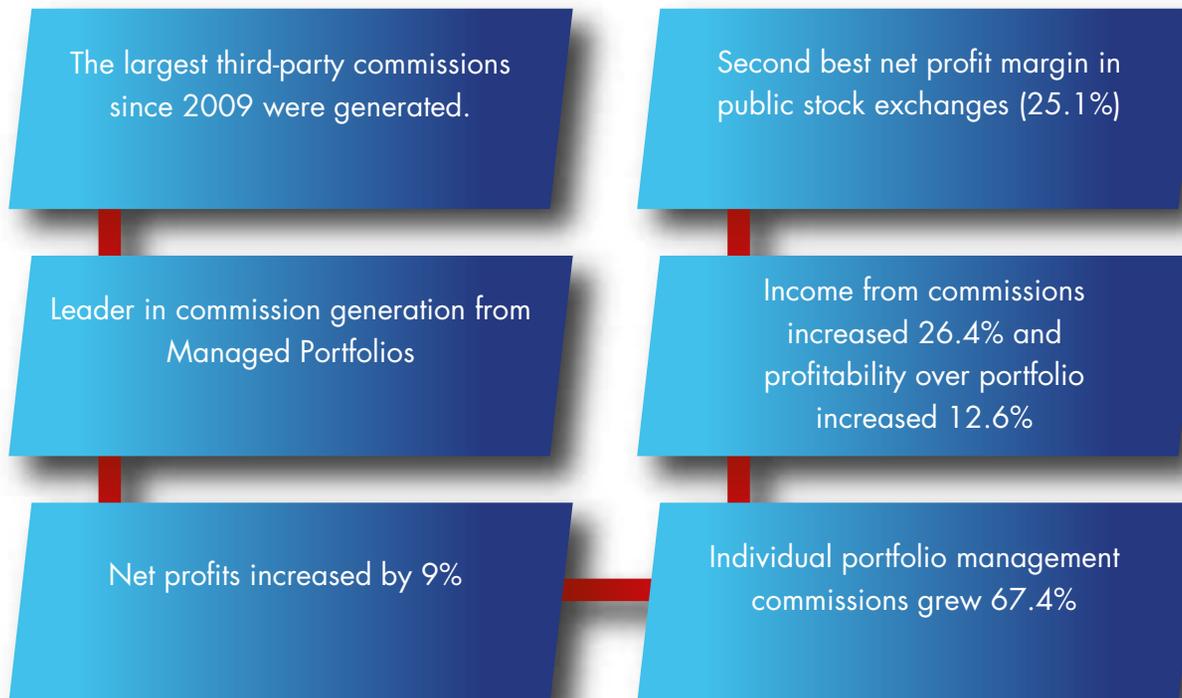


BCR SAFI has consolidated its position and leadership in the particular niche of real estate investment funds with a market share of 37%, being the most active SAFI in the real estate business.

BCR SECURITY EXCHANGE

BCR Valores Puesto de Bolsa

Million colones	2018	2019
Profitability over Equity	14%	13%
Operational Efficiency Index	52%	48%
Net Profit	2.518	2.744
Portfolios Managed	96.215	119.736



BANCO INTERNACIONAL DE COSTA RICA (BICSA)

Banco Internacional de Costa Rica

Thousands in USD	2018	2019	% Variation
Loan Portfolio	1.587	1.630	3%
Total Assets	1.924	1.984	3%
Net Profit	11	12	6%
90-day+ Delinquency	0,9%	1,6%	80%
Reserves	262,0%	169,4%	-35%
Return on Equity	5,1%	5,1%	-1%



AUDITED CONSOLIDATED FINANCIAL STATEMENTS

AUDITED CONSOLIDATED FINANCIAL STATEMENTS



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Independent Auditor's Report

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

Opinion

We have audited the separate financial statements of Banco de Costa Rica (the Bank), which comprise the separate balance sheet as of December 31, 2019, and the separate income statement, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2019, and its financial performance and its separate cash flows for the year then ended in accordance with the directives issued by the National Financial System Oversight Board and the General Superintendence of Financial Entities.

Basis for opinion

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

Basis of accounting

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

Emphasis Matters – Merger by Absorption

We emphasize on notes 37 and 40 of the separate financial statements related to Law 9605, "Merger by Absorption of Banco Crédito Agrícola de Cartago and Banco de Costa Rica" published on September 19, 2019, indicating the merger of Banco Crédito Agrícola de Cartago (Bancrédito) and Banco de Costa Rica (BCR), the latter absorbing the former and continuing as the prevailing entity. Because at the time of the merger Bancrédito's equity is negative or less than the amount required for Bancrédito to comply with a minimum capital adequacy equal to BCR's capital adequacy indicator at the effective date of the merger, with a minimum limit of ten percent (10%), the difference was contributed by the Government to Banco de Costa Rica; the contribution is disclosed in note 18 of the separate financial statements. The equity of Banco Crédito Agrícola de Cartago (Bancrédito), which includes all of its assets, liabilities, contracts, contingent accounts and debit accounts and, in general, all its rights and obligations, in effect on the date of this law and of which it is the owner, were fully integrated into the legal-equity sphere of Banco de Costa Rica (BCR) and, consequently, is reflected in the balance sheet as of the effective date of the merger.

Key Audit Matters

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

a) Loan portfolio

Key audit matter

The main asset of the Bank is the loan portfolio, which accounts for 57.66% of total assets and concentrates the main factors of credit risk management related to: recovery of outstanding balances, concentration of balances, diversification of products, among others; these factors affect the recoverable value of the asset.

The Bank estimates the loan portfolio based on the SUGEF-1-05 Agreement "General Norms for Classification and Qualification of Debtors for the Loan Portfolio", and SUGEF 19-16 "Regulations for the determination and recording of Countercyclical estimates". At December 31, 2019, the amount of these estimates is of ₡86,096,482,964 which represents 1.76% of the total assets.

Audit Response

Our audit procedures included selecting a sample of loan operations to which a balances confirmation process has been applied. We also carried out an evaluation of the allowance for doubtful accounts of the portfolio by verifying compliance with the functional areas that maintain controls and operational processes whose objective is to comply with the requirements of the SUGEF 1-05 agreement.

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Crowe Horwath CR, S.A.

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The Bank's management considers that the allowance for doubtful accounts is adequate to absorb any losses that may be incurred in the recovery of that portfolio. The regulator reviews it periodically as an integral part of its examinations, and may require modifications based on the evaluation of available information.

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

b) Investment in securities

Key audit matter

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

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

Audit Response

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

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

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

c) Transfer of charges – Income tax

Key audit matter

Income tax returns for the current period and prior periods are subject to review by the tax authorities, which as a consequence may involve the Bank's exposure to fiscal contingencies arising from non-acceptance of aspects of the methodology used to determine the amount of the income tax for those periods.

Audit Response

Our audit procedures regarding this matter were as follows:

- Review of documentation regarding transfers of charges received and payments made for tax amnesty.
- Assessment of the need to account for provisions based on the existence of a present obligation.
- Consultations with the Bank's lawyers to validate their technical and legal criteria.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Crowe Horwath CR, S.A.

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On January 02, 2019 the Bank proceeds with the payment of ₡14,138,113,417 to the Ministry of Finance, corresponding to the amounts determined in the auditing procedures for the periods from 2010 to 2014, accepting the tax amnesty as indicated in Transitory XXIV of the Law No. 9535 on Strengthening Public Finances.

In compliance with the accounting standard IFRIC 23, in October the provision for fiscal contingency against accumulated results for ₡28,083,915,851.00 and results for the period of 2019 for ₡6,988,201,066.15 respectively (does not include interest and penalties) corresponding to the periods 2015 to 2019, was recorded, in the event of a possible transfer of charges by the Ministry of Finance.

The Bank has disclosed this matter in note 40 of the separate financial statements.

- Review of documentation supporting the calculation of the different scenarios on the accounting adjustment of the records related to IFRIC 23.

The disclosures related to income tax are found in notes 1, 15 and 40.

d) Obligations with the public

Key audit matters

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

As of December 31, 2019, obligations with the public represent 85.22% of the total liabilities.

Audit Response

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

Notes 11, 12 and 34 include the Bank's disclosures on accounting treatment and other aspects relating to obligations with the public.

Crowe Horwath CR, S.A.

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

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

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

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

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

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

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

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Crowe Horwath CR, S.A.

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

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

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

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

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



San Jose, Costa Rica

February 25, 2020

Opinion signed by
Fabián Zamora Azofeifa N° 2186
Policy 0116 FIG 7, due 30-act-2020
Stamp Law 6663 of 2000
Attached to the original



AUDITED CONSOLIDATED FINANCIAL STATEMENTS

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Schedule A
1 to 2

BANCO DE COSTA RICA
SEPARATE BALANCE SHEET
As of December 31, 2019
(with corresponding figures for 2018)
(In colones without cents)

	<u>Notes</u>	<u>December 2019</u>	<u>December 2018</u>
ASSETS			
Availabilities	4, 37 y 40	¢ 640,271,292,748	742,278,663,255
Cash		99,833,051,548	111,847,520,656
Central Bank of Costa Rica		510,487,144,428	612,085,605,438
Local financial entities		2,000,967,736	1,743,378,599
Foreign financial entities		25,779,418,891	14,875,709,443
Availabilities		2,170,710,145	1,726,449,119
Investments in financial instruments	5, 37 y 40	1,067,691,046,479	857,513,058,297
Trading		120,584,039,185	47,013,948,331
Available-for-sale		938,356,539,955	790,072,874,483
Held-to-maturity		0	9,486,147,702
Interest receivable		8,750,467,339	10,940,087,781
Loan portfolio	6, 37 y 40	2,823,690,984,277	2,900,766,822,854
Current		2,598,986,655,539	2,652,740,954,368
Past due		243,535,918,981	276,271,230,328
Legal collection		48,122,502,269	45,942,892,209
Accrued interest receivable	6.d	19,142,390,452	21,406,850,362
(Allowance for loan impairment)	6.e	(86,096,482,964)	(95,595,104,413)
Accounts, fees and commissions receivable		3,538,215,113	4,930,228,116
Fees and commissions receivable		999,202,554	874,831,034
Accounts receivable for related party transactions		51,434,675	16,704,356
Deferred tax and income tax receivable	15	1,066,801,621	2,915,590,440
Other accounts receivable		9,873,400,137	8,033,251,816
(Allowance for doubtful accounts receivable)		(8,452,623,874)	(6,910,149,530)
Foreclosed assets	7, 37 y 40	38,107,221,829	42,319,605,317
Assets and securities acquired in lieu of payment		131,027,963,276	121,865,251,976
Other foreclosed assets		3,870,861,040	4,026,858,030
(Allowance for impairment and per legal requirements)		(96,791,602,487)	(83,572,504,689)
Investments in other companies, net	8	122,223,886,977	111,419,631,318
Property and equipment, net	9, 37 y 40	112,498,939,513	107,280,590,011
Property investments	40	6,441,924,521	6,441,924,521
Other assets	10, 37 y 40	82,364,903,868	78,886,883,324
Deferred charges	10.a	8,256,501,044	9,288,657,476
Intangibles assets, net	10.b	9,003,204,968	8,591,392,123
Other assets, net	10.c	65,105,197,856	61,006,833,725
TOTAL ASSETS	e	<u>4,896,828,415,325</u>	<u>4,851,837,407,013</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

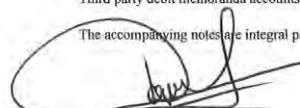
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Schedule A
2 to 2

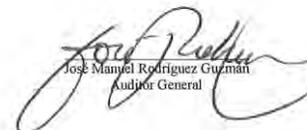
BANCO DE COSTA RICA
SEPARATE BALANCE SHEET
As of December 31, 2019
(with corresponding figures for 2018)
(In colones without cents)

	Nota	Diciembre 2019	Diciembre 2018
LIABILITIES AND EQUITY			
LIABILITIES			
Obligations with the public		€ 3,710,590,066,486	3,597,889,018,735
Demand obligations	11, 12, 37, 40	2,124,223,521,229	2,019,903,951,960
Term obligations	12	1,566,860,210,518	1,558,317,799,781
Other obligations with the public		647,124,905	3,972,730,692
Interest payable		18,859,209,834	15,694,536,302
Obligations with the Central Bank of Costa Rica		0	120,169,801,382
Demand obligations	14	0	94,396,193
Term obligations		0	120,075,405,189
Obligations with entities		410,809,972,826	458,526,603,988
Demand obligations	14	161,131,106,391	155,255,028,496
Term obligations	12	247,433,590,511	302,067,668,294
Financial charges payable		2,245,275,924	1,203,907,198
Accounts payable and provisions		160,300,501,136	79,172,703,511
Accounts payable for stock transactions	37, 40	2,142,811	104,518
Deferred tax	15	9,111,569,778	5,730,667,589
Provisions	16	60,351,915,224	17,931,083,557
Other sundry accounts payable		90,834,873,323	55,510,847,847
Other liabilities		50,280,634,355	33,783,459,895
Deferred income		17,511,645,312	16,237,832,799
Allowance for stand by credit losses		341,258,036	390,977,867
Other liabilities		32,427,731,007	17,154,649,229
Subordinated obligations		0	6,065,401,676
Subordinated obligations	14	0	6,043,900,000
Financial charges	14	0	21,501,676
TOTAL LIABILITIES		€ 4,331,981,174,803	4,295,606,989,187
EQUITY			
Capital	18	€ 181,409,990,601	162,502,557,907
Paid in capital		181,409,990,601	162,502,557,907
Non-capitalized capital contributions	37 y 40	0	18,907,432,694
Equity adjustments		51,240,522,351	37,470,719,004
Adjustments for surplus from revaluation of property and equipment	18.c	37,774,830,067	37,774,830,067
Adjustment for valuation of available-for-sale securities		7,377,220,644	(6,947,295,208)
Adjustment for valuation of restricted financial instruments		18,169,815	(1,351,481,973)
Adjustment for valuation in others companies interest		6,070,301,825	7,994,666,118
Capital reserves	1.w	264,398,962,426	253,327,207,494
Retained earnings from prior periods		974,784,271	34,427,953,825
Profit for the year		37,069,048,618	21,950,383,108
Development Financing Fund equity	37 y 40	29,753,932,255	27,644,163,794
TOTAL EQUITY		564,847,240,522	556,230,417,826
TOTAL LIABILITIES AND EQUITY		€ 4,896,828,415,325	4,851,837,407,013
DEBIT CONTINGENT ACCOUNTS	19	€ 285,794,288,979	329,880,553,290
TRUST ASSETS	20	1,153,981,536,799	2,028,009,317,616
TRUST LIABILITIES		452,162,683,011	461,310,097,572
TRUST EQUITY		701,818,853,788	1,566,699,220,045
OTHER DEBIT MEMORANDA ACCOUNTS	21	€ 18,798,286,142,213	6,775,149,939,287
Own debit memoranda accounts		13,154,109,787,672	1,939,149,981,209
Third party debit memoranda accounts		77,684,623,517	65,515,794,969
Own debit memoranda accounts for custodial activities		556,439,322,809	327,809,636,986
Third party debit memoranda accounts for custodial activities		5,010,052,408,215	4,442,674,526,123

The accompanying notes are integral part of the separate financial statements


Douglas Soto Leiton
General Manager


Ana Lorena Brenes Brenes
Accountant


José Manuel Rodríguez Guzmán
Auditor General

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

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Schedule B

BANCO DE COSTA RICA
SEPARATE INCOME STATEMENT
 For the one year period ended December 31, 2019
 (with corresponding figures for 2018)
 (In colones without cents)

	Note	December 2019	December 2018
Financial income			
Availabilities	€	965,757,483	254,351,096
Investments in financial instruments	22	55,633,996,539	59,664,999,395
Loan portfolio	23	281,149,646,439	267,968,437,085
Gain on foreign exchange and development units	34	0	2,264,000,479
Gain on trading financial instruments		1,515,149,714	654,183,571
Gain on available-for-sale financial instruments		1,206,086,682	255,538,813
Other financial income		2,064,522,851	1,216,685,975
Total financial income		342,535,159,708	332,278,216,414
Financial expenses			
Obligations with the public	24	153,102,996,550	140,481,228,622
Obligations with Central Bank of Costa Rica		573,897,769	737,438,590
Obligations with financial entities		14,191,658,641	22,751,920,205
Subordinate, exchangeable and preference obligations		527,552,913	1,618,207,548
Loss of exchange differences and UD	34	3,236,908,516	0
Loss on available-for-sale financial instruments		13,438,632	15,237,187
Total financial expenses		171,646,453,021	165,604,032,152
Allowance for impairment of assets	25	38,104,784,993	69,082,736,799
Recovery of assets and decrease in allowances	26	52,097,450,943	17,096,588,462
FINANCIAL INCOME		184,881,372,637	114,688,035,925
Other operating income			
Service fees and commissions	27	91,835,941,561	82,191,161,125
Foreclosed assets		27,473,785,292	12,601,793,508
Profit on investments in other companies	28	3,536,615,888	3,320,575,001
Profit on investments in SUGEVAL regulated entities		5,079,359,307	5,368,815,736
Profit on investments in SUPEN regulated entities		1,107,213,183	887,991,426
Profit on investments in SUGESE regulated entities		2,747,620,284	2,938,050,271
Foreign currency exchange and arbitrage		22,416,862,075	22,551,303,546
Other income related parties		3,248,496,338	2,835,069,077
Other operating income		13,721,292,265	16,424,837,185
Total other operating income		171,167,186,193	149,119,596,875
Other operating expenses			
Service fees and commissions		22,363,846,684	18,352,474,254
Foreclosed assets		52,627,233,664	30,984,201,238
Loss on investments in other companies		298,326,560	0
Loss on investments in SUGEVAL regulated entities		136,519,842	0
Loss on investments in other entities		4,299,582	829,926
Provisions		20,509,910,594	5,554,515,394
For exchange and arbitration, foreign currency		1,048,578,854	287,810,136
Other operating expenses		28,925,129,915	26,316,962,090
Total other operating expenses		125,913,847,695	81,496,793,038
GROSS OPERATING INCOME		230,134,711,135	182,310,839,762
Administrative expenses			
Personnel expenses		95,892,554,958	92,389,864,947
Other administrative expenses		69,429,454,954	63,124,881,702
Total administrative expenses	29	165,322,009,912	155,514,746,649
NET OPERATING INCOME BEFORE TAXES AND STATUTORY ALLOCATIONS		64,812,701,223	26,796,093,113
Income tax	15	12,695,295,321	1,664,738,617
Decrease in income tax	15	391,695,977	1,135,254,033
Statutory allocations	30	15,440,053,261	5,354,368,780
Decrease in statutory allocations	30	0	1,038,143,359
RESULTS OF THE PERIOD		37,069,048,618	21,950,383,108
Results of the period		37,069,048,618	21,950,383,108
RESULTS OF THE PERIOD, NET	€	37,069,048,618	21,950,383,108
OTHER COMPREHENSIVE INCOME, NET OF TAX			
Valuation adjustment, available-for-sale financial instruments, net income of tax		15,159,369,487	(559,212,354)
Reclassification unearned profits		(834,853,635)	(168,211,138)
Adjustment for valuation of restricted securities, net of income tax		1,369,651,788	(1,350,314,075)
Other		(1,924,364,293)	591,512,083
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	31	13,769,803,347	(1,486,225,484)
COMPREHENSIVE INCOME ATTRIBUTED TO THE FINANCIAL CONGLOMERATE	€	50,838,851,965	20,464,157,624
Comprehensive income attributed to the Comptroller		50,838,851,965	20,464,157,624
COMPREHENSIVE INCOME ATTRIBUTED TO THE FINANCIAL CONGLOMERATE	€	50,838,851,965	20,464,157,624

The accompanying notes are integral part of the separate financial statements


 Daniel Soto Llorca
 General Manager


 Ana Lorenz Brenes Brenes
 Accountant


 José Manuel Rodríguez Guzmán
 Auditor General

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

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Schedule C

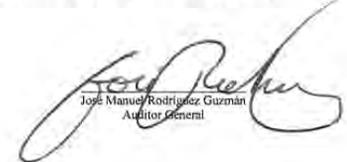
BANCO DE COSTA RICA
SEPARATE STATEMENT OF CHANGES IN EQUITY
 For the one year period ended December 31, 2019
 (with corresponding figures for 2018)
 (In colones without cents)

Note	Equity adjustments					Total adjustments to equity	Capital Reserves	Prior periods retained earnings	Development Financing Fund equity	Total Equity
	Capital Stock	Non-capitalized capital contributions	Surplus from revaluation of property and equipment	Adjustments for valuation of available for sale investments	Adjustment for valuation in other companies interest					
Balance at January 1, 2018	€ 152,513,191,949	0	38,050,329,461	(6,221,039,614)	7,403,154,035	39,232,443,882	233,662,151,966	66,722,853,148	22,100,921,217	514,231,562,162
Capital contributions according to Law 9605	18.b, 37 y 40	0	18,907,432,694	0	0	0	0	0	0	18,907,432,694
Transfers of retained earnings	18	9,713,866,564	0	0	0	0	0	(9,713,866,564)	0	0
Transfer of surplus due to revaluation of foreclosed assets	18	275,499,394	0	(275,499,394)	0	0	0	0	0	0
Legal reserve allocation	1.w	0	0	0	0	0	19,665,055,528	(19,665,055,528)	0	0
Development Financing Fund allocation		0	0	0	0	0	0	(2,915,977,231)	2,915,977,231	0
Balance at December 31, 2018		162,502,557,907	18,907,432,694	37,774,830,067	(6,221,039,614)	7,403,154,035	38,956,944,488	34,427,953,825	27,644,163,794	535,766,260,202
Other comprehensive income		0	0	0	(2,077,737,567)	591,512,083	(1,486,225,484)	0	0	20,464,157,624
Other total (net) comprehensive income		0	0	0	(2,077,737,567)	591,512,083	(1,486,225,484)	0	0	20,464,157,624
Balance at December 31, 2018	€	162,502,557,907	18,907,432,694	37,774,830,067	(8,298,777,181)	7,994,666,118	37,470,719,004	56,378,336,933	27,644,163,794	556,230,417,826
Balance at January 1, 2019	€	162,502,557,907	18,907,432,694	37,774,830,067	(8,298,777,181)	7,994,666,118	37,470,719,004	56,378,336,933	27,644,163,794	556,230,417,826
Capital contributions in compliance with Law 9605	18.b, 37 y 40	18,907,432,694	(18,907,432,694)	0	0	0	0	0	0	0
Transfer of retained earnings	18	0	0	0	0	0	0	0	0	0
Transfer of surplus due to revaluation of foreclosed assets	18	0	0	0	0	0	0	0	0	0
Legal reserve allocation	1.w	0	0	0	0	0	11,071,754,932	(11,071,754,932)	0	0
Development Financing Fund allocation		0	0	0	0	0	0	(2,109,768,460)	2,109,768,461	1
Transfer to Development Financing Fund in accordance with Law 9605	37 y 40	0	0	0	0	0	0	0	0	0
Balance at December 31, 2019		181,409,990,601	0	37,774,830,067	(8,298,777,181)	7,994,666,118	37,470,719,004	264,398,962,426	974,784,271	514,008,388,587
Other comprehensive income		0	0	0	15,694,167,640	(1,924,364,293)	13,769,803,347	0	37,069,048,618	50,838,851,965
Other comprehensive income, net		0	0	0	15,694,167,640	(1,924,364,293)	13,769,803,347	0	37,069,048,618	50,838,851,965
Balance at December 31, 2019	€	181,409,990,601	0	37,774,830,067	7,395,390,459	6,070,301,825	51,240,522,351	264,398,962,426	38,043,832,889	564,847,240,522

The accompanying notes are integral part of the separate financial statements


 Douglas Solís Leiton
 General Manager


 Ana Lorena Brenes Brenes
 Accountant


 José Manuel Rodríguez Guzmán
 Auditor General

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

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Schedule D

BANCO DE COSTA RICA
SEPARATE STATEMENT OF CASH FLOWS
 For the one year period ended December 31, 2019
 (with corresponding figures for 2018)
 (In colones without cents)

	Note	December 2019	December 2018
Cash flows from operating activities			
Profit for the year	€	37,069,048,618	21,950,383,108
Items not requiring cash			
Loss on sale of assets received in lieu of payment and property and equipment		8,591,549,543	3,957,175,052
Loss on allowance for impairment of assets received in lieu of payment		39,633,888,013	23,985,321,008
Net gains or losses on foreign exchange and development units		3,555,450,894	(2,544,102,650)
Loss on allowance for loan losses		34,407,494,925	66,688,753,460
Loss on other allowances		3,697,290,068	2,393,983,339
Deferred tax		(257,101,037)	(1,135,254,033)
Decrease in income tax from previous periods		(134,594,940)	0
Severance payment allowances		393,675,436	649,878,407
Income from reversal of allowances and provisions		(82,935,934,559)	(39,969,794,022)
Depreciation and amortization		20,844,337,677	16,091,970,542
Interest in net income of subsidiaries		(12,031,662,678)	(12,514,602,508)
Financial expense		168,396,105,873	165,588,794,965
Income tax expense		12,695,295,321	1,664,738,617
Financial income		(337,749,400,461)	(327,887,807,576)
Other provisions		20,511,584,945	5,425,844,264
Statutory allocations		15,440,053,261	4,316,225,421
Net (increase) decrease in assets		18,269,779,604	(16,241,969,441)
Loans and cash advances		(8,007,977,435)	(65,520,663,773)
Foreclosed assets		25,336,462,734	40,876,260,200
Accrued interest receivable		30,104,974,822	27,597,475,860
Other assets		(29,163,680,517)	(19,195,041,728)
Net increase (decrease in) liabilities		28,988,758,837	(403,259,206,423)
Demand and term obligations		53,426,181,160	(27,402,145,568)
Other accounts payable and provisions		6,760,606,725	(12,786,453,455)
Accrued interest payable		(16,919,945,176)	(24,212,205,599)
Other liabilities		16,581,593,924	(260,292,448)
Other financial obligations		(30,859,677,796)	(338,598,109,353)
Interest collected		312,098,505,991	296,952,158,175
Dividends received		0	6,243,996,173
Interest paid		(147,291,620,115)	(148,668,849,789)
Income tax paid		(3,627,625,869)	(1,783,646,656)
Net cash from (used in) operating activities		140,564,879,347	(338,096,010,567)
Investing activities			
Increase in financial instruments (except for trading)		(10,232,957,066,850)	(8,770,140,056,905)
Decrease in financial instruments (except for trading)		10,203,972,719,579	9,021,491,387,041
Acquisition of property and equipment		(14,403,840,864)	(9,371,733,478)
Decrease due to withdrawals and transfers of property and equipment		765,127,463	301,962,508
Absorption of banking entity, net of availabilities		0	23,589,930,703
Interests in other companies		(700,000,001)	(1,775,426,524)
Net cash (used in) from investing activities		(43,323,060,673)	264,096,063,345
Cash flows from financial activities, net			
Subordinated obligations		(5,797,310,125)	(17,565,129,313)
Cash flows provided (used) for financial activities, net		(5,797,310,125)	(17,565,129,313)
Net (decrease) increase in cash		91,444,508,549	(91,565,076,535)
Cash and cash equivalents at beginning of year		818,396,335,750	894,313,550,413
Effect on exchange rate variations on cash		(14,282,131,691)	15,647,861,872
Cash and cash equivalents at end of year	4	€ 895,558,712,608	818,396,335,750

The accompanying notes are integral part of the separate financial statements


 Douglas Soto-Leiton
 General Manager


 Ana Lorena Brenes Brenes
 Accountant


 José Manuel Rodríguez Guzmán
 Auditor General

For further details, refer to the
 Consolidated Financial Statements
www.bancobcr.com



SOMOS EL BANCO DE COSTA RICA