



Banco de Costa Rica and Subsidiaries  
**Audited Consolidated Financial Statements**  
December 31, 2024, and 2023

## Table of Contents

### Consolidated Audited Financial Statements

Consolidated Statement of Financial Position	- 8 -
Consolidated Statement of Comprehensive Income	- 10 -
Consolidated Statement of Changes in Equity	- 11 -
Consolidated Statement of Cash Flows	- 12 -

### Notes to the audited Financial Statements

1). Summary of operations and significant accounting policies.....	- 13 -
(a) Operations .....	- 13 -
(b) Accounting policies for the preparation of consolidated financial statements.....	- 16 -
(c) Investment in other companies.....	- 17 -
(d) Foreign currency .....	- 18 -
(e) Basis for the recognition of the consolidated financial statements .....	- 20 -
(f) Financial instruments .....	- 20 -
(g) Cash and cash equivalents.....	- 23 -
(h) Investments in financial instruments.....	- 23 -
(i) Loan portfolio.....	- 27 -
(j) Allowance for doubtful accounts .....	- 27 -
(k) Securities sold under repurchase agreements.....	- 42 -
(l) Accounting for interest receivable .....	- 43 -
(m) Other receivables.....	- 43 -
(n) Assets held-for-sale .....	- 43 -
(o) Offsetting.....	- 44 -
(p) Property, furniture, and equipment .....	- 44 -
(q) Deferred charges .....	- 46 -
(r) Intangible assets .....	- 46 -
(s) Impairment of assets.....	- 46 -
(t) Obligations with the public .....	- 47 -
(u) Accounts payable and other payables .....	- 47 -
(v) Provisions.....	- 47 -
(w) Legal reserve .....	- 49 -
(x) Revaluation surplus .....	- 49 -
(y) Use of estimates .....	- 49 -
(z) Estimates for litigation .....	- 50 -
(aa) Uncertainty over Income Tax Treatments, IFRIC 23 .....	- 50 -
(bb) Recognition of the main types of income and expenses .....	- 51 -
(cc) Income tax.....	- 52 -
(dd) BICSA - Financial leases .....	- 52 -

(ee) Pension and retirement plans, for employees of Banco de Costa Rica .....	- 53 -
(ff) Legal allocations .....	- 53 -
(gg) Development Financing Fund .....	- 54 -
(hh) Development Credit Fund .....	- 54 -
(ii) BICSA - Trusts .....	- 55 -
(jj) Fiscal year .....	- 55 -
2). Collateralized or restricted assets .....	- 55 -
3). Balances and transactions with related parties .....	- 56 -
4). Cash and cash equivalents .....	- 57 -
5). Investments in financial instruments .....	- 58 -
6). Loan portfolio .....	- 61 -
a) Loan portfolio by economic sector .....	- 61 -
b) Loan portfolio by activity .....	- 62 -
c) Current loans .....	- 63 -
d) Loan portfolio by arrears .....	- 64 -
e) Past due loans .....	- 65 -
f) Interest receivable on loan portfolio .....	- 65 -
g) Allowance for loan impairment .....	- 66 -
h) Syndicated loans .....	- 66 -
7). Held-for-sale assets, net .....	- 68 -
8). Interest in other companies' equity .....	- 69 -
9). Property, furniture, and equipment .....	- 72 -
10). Other assets .....	- 74 -
(a) Other deferred charges .....	- 74 -
(b) Intangible assets .....	- 74 -
(c) Other assets .....	- 75 -
11). Demand obligations with the public .....	- 76 -
12). Term and demand obligations with the public and entities .....	- 76 -
13). Other obligations with the public .....	- 77 -
14). Obligations with entities and the Central Bank of Costa Rica .....	- 78 -
a) Maturity of loans payable .....	- 79 -
b) Lease obligations .....	- 80 -
15). Income tax .....	- 82 -
16). Provisions .....	- 87 -
17). Other miscellaneous accounts payable .....	- 91 -
18). Equity .....	- 91 -
19). Contingent accounts .....	- 97 -
20). Trusts .....	- 100 -
21). Other debit memoranda accounts .....	- 101 -
22). Current and term brokerage operations and portfolio management operations .....	- 102 -
23). Investment fund management agreements .....	- 104 -

24). Pension fund management agreements .....	- 105 -
25). Contract for custody and storage of goods .....	- 107 -
26). Financial income on investments in financial instruments .....	- 107 -
27). Financial income on loan portfolio and other financial interests .....	- 108 -
28). Expenses from obligations with the public .....	- 108 -
29). Expenses for allowance for impairment of the loan portfolio and accounts and commissions receivable.....	- 109 -
30). Income from recovery of assets and decreases in allowances and provisions .....	- 109 -
31). Income from service fees and commissions.....	- 110 -
32). Income from interests in other companies .....	- 110 -
33). Administrative expenses .....	- 111 -
34). Legal profit allocation .....	- 111 -
35). Components of other comprehensive income .....	- 112 -
36). Operating leases .....	- 112 -
37). Fair value of financial instruments.....	- 113 -
38). Segments .....	- 114 -
39). Risk management .....	- 119 -
40). Situation of the Development Financing Fund .....	- 156 -
41). Situation of the Development Credit Fund .....	- 165 -
42). Transition to the International Financing Reporting Standards (IFRSs).....	- 173 -
43). Figures for 2024 .....	- 182 -
44). Relevant and subsequent events .....	- 182 -
45). International Financial Reporting Standards (IFRS) issued but not yet applied.....	- 196 -
46). Authorization date for issuance of financial statements.....	- 197 -



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

## **Independent Auditor's Report**

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

### **Opinion**

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Financial Conglomerate as of December 31, 2024, its financial performance and its consolidated cash flows for the one-year period then ended, in compliance with the directives issued by the National Financial System Oversight Board (CONASSIF) and the General Superintendence of Financial Entities (SUGEF).

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated 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 consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with those standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis matters that do not qualify the opinion**

The entity is subject to judicial and administrative proceedings related to its subsidiaries, which remain at different stages, as disclosed in Note 19 and Note 44.

## Emphasis matters – Basis of accounting

We draw attention to note 1 of the consolidated financial statements which describes the basis of accounting. The accompanying consolidated 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 (CONASSIF) and the General Superintendence of Financial Entities (SUGEF). As a result, the consolidated financial statements could be not suitable for other purposes.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 57.50% 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 CONASSIF Agreement 14-21 "Regulation on the calculation of expected credit losses", y ", and SUGEF 19-16 "Regulations for the determination and recording of Countercyclical estimates".

As of December 31, 2024, the amount of these estimates is of ¢157,620,715,576 which represents 2.15% of the total assets.

#### Audit response

Our audit procedures included selecting a sample of credit operations to which a balances confirmation process has been applied. We also carried out an assessment 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 CONASSIF Agreement 14-21.

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

The Bank's management considers that the allowance for doubtful accounts is adequate to absorb any losses in which it may incur 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.j, 6 and 39 to the consolidated financial statements include the disclosures regarding the respective treatment of the allowance for bad loans.

## b) Investment in securities

### Key audit matter

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

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

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

As of December 31, 2024, investments represent 24.91% of the total assets.

### Audit response

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

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

We assessed whether the classification of investments is adjusted to the contractual cash flows, and we evaluated the design and application of the methodology used to determine the expected loss, by inspecting the methodology approved by the Board of Directors.

Notes 1.h, 5 and 39 include the disclosures of the Bank on accounting treatment and other aspects related to the investment portfolio.

## c) Obligations with the public

### Key audit matter

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, 2024, obligations with the public represent 79.31% of the total liabilities.

### Audit response

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

Notes 11, 12 and 13 include the disclosures on accounting treatment and other aspects relating to obligations with the public.

**d) Measurement of contingencies and provisions**

<b>Key audit matter</b>	<b>Audit response</b>
<p>A provision is recognized in the balance sheet when the Bank incurs a legal or contractual obligation as a result of a past event, and it is probable that an economic outflow will be required to settle such obligation.</p>	<p>Our audit procedures related to this matter included:</p>
<p>On July 24, 2024, the Superintendencia General de Valores (SUGEVAL) issued Resolution SGV-R-128-2024, instructing BCR Sociedad Administradora de Fondos de Inversión S.A. (BCR SAFI) <i>to timely record provisions payable at the moment the conditions required by the prevailing regulations for their recognition are met.</i></p>	<ul style="list-style-type: none"> <li>- Reviewing documentation pertaining to contingencies.</li> <li>- Evaluating the policies for the measurement of contingencies and provisions in accordance with IAS 37.</li> <li>- Consulting with BCR SAFI's internal and external legal counsel to validate their technical and legal assessments.</li> </ul>
<p>Subsequently, on October 29, 2024, SUGEVAL issued Resolution SGV-R-179-2024, directing the Boards of Directors of both BCR SAFI and its parent company, Banco de Costa Rica, to submit, within 30 business days, an action plan aimed at normalizing the BCR Non-Diversified Real Estate Investment Fund.</p>	<p>Disclosures related to contingencies and provisions are presented in Notes 19 and 44.</p>
<p>In response to this resolution, on November 1, 2024, BCR SAFI filed a motion for reconsideration with a subsidiary appeal and an incident of absolute nullity against the resolution. SUGEVAL rejected the motion for reconsideration, suspended the execution of the administrative order, and referred the case to the Consejo Nacional de Supervisión del Sistema Financiero (CONASSIF) for further review.</p>	

**Responsibilities of Management and of those responsible for corporate governance of the Conglomerate for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Conglomerate'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 Conglomerate or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 based on these consolidated 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 consolidated 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 Conglomerate's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Conglomerate'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 consolidated 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 Conglomerate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves reasonable presentation.
- Obtain sufficient and adequate evidence regarding the financial information of the entities or business activities within the Conglomerate to express an opinion on the consolidated financial statements. We are responsible for the administration, supervision and execution of the audit of the Conglomerate. We are solely responsible for our audit opinion.

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

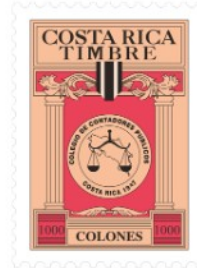
From the matters communicated to those in charge of governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or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

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

Our responsibility for this report of the audited financial statements as of December 31, 2024, extends until March 20, 2025. The date of this report indicates to the user that the auditor has considered the effect of the events and transactions of which he has become aware, and which have occurred up to that date; consequently, it is not extended by the reference of the date on which it is digitally signed.

Nombre del CPA: FABIAN  
ZAMORA AZOFEIFA  
Carné: 2186  
Cédula: 302870450  
Nombre del Cliente:  
Banco de Costa Rica  
Identificación del cliente:  
400000019  
Dirigido a:  
Banco de Costa Rica  
Fecha:  
31-03-2025 11:10:06 AM  
Tipo de trabajo:  
Informe de Auditoria

Timbre de €1000 de la Ley  
6663 adherido y cancelado en  
el original.



Código de Timbre: CPA-1000-19558

San José, Costa Rica  
March 20, 2025

Opinion signed by  
Fabián Zamora Azoifeifa N°2186  
Policy 0116FID001004809 due on 30-set-2025  
Legal stamp 6663 €1.000  
Attached to the original

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As of December 31, 2024

(With corresponding figures as of December 31, 2023)

(In colones without cents)

	Note	December 2024	December 2023
<b>ASSETS</b>			
<b>Availabilities</b>	<b>4</b>	<b>¢ 912,828,480,144</b>	<b>857,141,935,007</b>
Cash		77,839,337,223	94,545,532,532
Central Bank of Costa Rica		679,616,489,090	592,619,894,577
Local financial entities		3,413,230,974	1,417,055,883
Foreign financial entities		50,662,594,344	78,213,290,649
Notes payable on demand		348,430,021	958,261,787
Restricted cash and cash equivalents		100,947,503,231	89,387,879,925
Accounts and interest receivable		895,261	19,654
<b>Investment in financial instruments</b>	<b>5</b>	<b>1,826,143,774,133</b>	<b>1,591,327,477,747</b>
At fair value through profit or loss		64,735,383,226	137,856,680,612
At fair value through other comprehensive income		1,614,247,974,076	1,076,169,538,430
At amortized cost		120,266,502,931	356,017,903,026
Interest receivable		27,102,884,896	21,445,888,496
(Allowance for impairment)		(208,970,996)	(162,532,817)
<b>Loan portfolio</b>	<b>6b</b>	<b>4,214,989,751,393</b>	<b>3,967,208,057,310</b>
Current loans	<b>6d</b>	4,058,433,148,631	3,807,277,733,773
Past due loans		270,494,448,433	238,319,730,317
Loans in legal collection	<b>6e</b>	45,396,368,759	54,557,170,035
(Deferred income loan portfolio)		(24,241,804,713)	(20,496,872,511)
Interest receivable	<b>6f</b>	22,528,305,859	22,649,068,401
(Allowance for impairment)	<b>6g</b>	(157,620,715,576)	(135,098,772,705)
<b>Accounts and commissions receivable</b>		<b>46,359,553,833</b>	<b>43,423,565,381</b>
Commissions receivable		4,250,328,991	4,957,981,131
Accounts receivable from stock exchange operations		81,764,220	434,827,061
Accounts receivable for transactions with related parties		620,258,898	583,187,977
Deferred income tax and income tax receivable	<b>15</b>	37,339,692,081	30,538,303,112
Other accounts receivable		16,413,753,178	17,629,733,158
(Allowance for impairment)		(12,346,243,535)	(10,720,467,058)
<b>Foreclosed assets</b>	<b>7</b>	<b>39,266,035,490</b>	<b>41,509,863,245</b>
Assets and securities acquired as recovery of loans		39,867,010,925	103,865,444,108
Other foreclosed assets		4,713,467,891	4,591,791,211
(Allowance for impairment and per legal requirement)		(5,314,443,326)	(66,947,372,074)
<b>Interest in other companies' capital, net</b>	<b>8</b>	<b>1,899,392,735</b>	<b>133,402,390</b>
<b>Property, furniture and equipment, net</b>	<b>9</b>	<b>139,123,506,447</b>	<b>144,156,692,617</b>
<b>Property investmests</b>		<b>6,831,625,000</b>	<b>6,831,625,000</b>
<b>Other assets</b>		<b>142,699,727,026</b>	<b>139,362,324,641</b>
Deferred charges	<b>10a</b>	1,201,571,797	1,547,496,053
Intangible assets, net	<b>10b</b>	18,041,875,096	19,484,977,405
Other assets	<b>10c</b>	123,456,280,133	118,329,851,183
<b>TOTAL ASSETS</b>	<b>¢</b>	<b>7,330,141,846,201</b>	<b>6,791,094,943,338</b>

**BANCO DE COSTA RICA AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As of December 31, 2024

(With corresponding figures as of December 31, 2023)

(In colones without cents)

	Note	December 2024	December 2023
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Obligations with the public</b>	€	<b>5,177,097,678,122</b>	<b>4,878,769,370,734</b>
Demand obligations	11	3,385,372,438,175	3,153,836,915,299
Term obligations	12	1,766,526,057,777	1,689,297,909,582
Other obligations with the public	13	1,334,028,723	5,523,100,903
Financial charges payable		23,865,153,447	30,111,444,950
<b>Obligations with the Central Bank of Costa Rica</b>	14	<b>164,442,980,856</b>	<b>106,132,196,511</b>
Term obligations		161,929,838,016	103,950,578,331
Financial charges payable		2,513,142,840	2,181,618,180
<b>Obligations with entities</b>	14	<b>894,176,039,576</b>	<b>770,256,173,193</b>
Demand obligations	12	77,568,808,257	67,760,617,913
Term obligations	12	811,073,487,628	696,165,600,038
Financial charges payable		5,533,743,691	6,329,955,242
<b>Accounts payable and provisions</b>		<b>211,152,457,354</b>	<b>186,175,084,710</b>
Provisions	16	52,247,126,773	51,651,539,202
Accounts payable for stock transactions		74,729,007	54,807,470
Deferred income tax	15	47,154,752,479	45,230,732,356
Other sundry accounts payable	17	111,653,935,904	89,217,012,247
Financial charges payable		21,913,191	20,993,435
<b>Other liabilities</b>		<b>30,586,442,921</b>	<b>48,719,989,245</b>
Deferred income		392,796,038	539,183,054
Other liabilities		30,193,646,883	48,180,806,191
<b>Subordinated obligations</b>		<b>50,145,218,870</b>	<b>50,142,376,526</b>
Subordinated obligations	14	49,960,796,648	49,957,954,304
Financial charges payable		184,422,222	184,422,222
<b>TOTAL LIABILITIES</b>	€	<b>6,527,600,817,699</b>	<b>6,040,195,190,919</b>
<b>EQUITY</b>			
<b>Capital stock</b>	18a €	<b>181,409,990,601</b>	<b>181,409,990,601</b>
Paid-in-capital		181,409,990,601	181,409,990,601
<b>Adjustments to equity - Other comprehensive income</b>		<b>48,040,961,632</b>	<b>41,260,638,559</b>
<b>Equity reserves</b>	18g	<b>364,708,053,622</b>	<b>351,152,901,365</b>
Accrued earnings from previous periods		47,328,475,171	41,896,492,820
Profit of current period		42,624,954,756	22,086,766,162
<b>Equity of the Development Financing Fund</b>		<b>48,866,249,077</b>	<b>45,766,617,523</b>
<b>Minority interest</b>	8	<b>69,562,343,643</b>	<b>67,326,345,389</b>
<b>TOTAL EQUITY</b>		<b>802,541,028,502</b>	<b>750,899,752,419</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	€	<b>7,330,141,846,201</b>	<b>6,791,094,943,338</b>
<b>DEBIT CONTINGENT ACCOUNTS</b>	19 €	<b>558,828,766,429</b>	<b>534,078,023,412</b>
<b>TRUST ASSETS</b>	20	<b>787,828,146,554</b>	<b>894,086,593,935</b>
<b>TRUST LIABILITIES</b>		<b>247,173,104,139</b>	<b>275,164,242,326</b>
<b>TRUST EQUITY</b>		<b>540,655,042,415</b>	<b>618,922,351,609</b>
<b>OTHER DEBIT MEMORANDA ACCOUNTS</b>	21 €	<b>27,818,184,215,929</b>	<b>23,348,135,612,055</b>
Own debit memoranda accounts		15,979,848,692,594	12,192,182,211,203
Third party debit memoranda accounts		2,639,642,330,049	2,516,862,177,618
Own debit memoranda accounts for custodial activities		1,029,882,662,881	796,536,153,662
Third party debit memoranda accounts for custodial activities		8,168,810,530,405	7,842,555,069,572

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

Julio César Trejos D.  
General Manager a.i

María Luisa Guzmán G.  
Accountant

María Eugenia Zeledón P.  
General Auditor

Céd. 4000000019  
BANCO DE COSTA RICA  
Asociación Bancaria General de  
Entidades Financieras  
Registro Profesional: 39102  
Contador: GUZMÁN GRANADOS MARÍA  
LUISA  
Estado de Situación Financiera  
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VERIFICACIÓN: KN8WU07G  
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TIMBRE 300.0 COLONES

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the period ended December 31, 2024  
(With corresponding figures as of December 31, 2022)

	<b>Note</b>	<b>December 2024</b>	<b>December 2023</b>
<b>Financial income</b>			
For availabilities		€ 3,004,183,908	3,501,170,048
For investments in financial instruments	26	103,492,533,113	99,112,176,624
For loan portfolio	27	337,817,060,265	348,544,434,292
For financial leases	27	3,243,313,612	2,897,481,720
For profit from financial instruments at fair value through profit or loss		1,349,929,594	1,095,586,051
For profit from financial instruments at fair value through other comprehensive income		12,119,482,320	11,085,814,243
For other financial income		4,063,175,218	4,074,766,895
<b>Total financial income</b>		<b>465,089,678,030</b>	<b>470,311,429,873</b>
<b>Financial expenses</b>			
For obligations with the public	28	175,924,729,405	232,832,178,624
For obligations with the Central Bank of Costa Rica		789,964,310	1,070,449,342
For obligations with financial and non-financial entities		36,011,280,709	34,692,896,384
For subordinated, convertible and preferred obligations		6,150,414,909	6,149,580,890
For losses due to exchange differences and DU		15,307,631,261	13,576,779,053
For loss from financial instruments at fair value through profit or loss		155,135,019	1,167,676,193
For loss from financial instruments at fair value through other comprehensive income		237,798,623	2,171,041,483
For other financial expenses		40,817,780	53,338,599
<b>Total financial expenses</b>		<b>234,617,772,016</b>	<b>291,713,940,568</b>
Allowance for impairment of assets	29	35,426,914,330	13,739,010,967
For assets recovery and decrease in allowance and provisions	30	23,833,435,507	35,510,779,167
<b>FINANCIAL INCOME</b>		<b>218,878,427,191</b>	<b>200,369,257,505</b>
<b>Other operating income</b>			
For service fees	31	122,961,203,653	118,719,006,355
For foreclosed assets		68,247,860,033	17,471,480,808
For participations in the capital of other companies	32	219,345,500	557,059
For foreign currency exchange and arbitrations		41,463,236,985	37,011,657,608
For other income from related parties		511,600,143	435,930,700
For other operating income		16,518,722,889	23,051,925,889
<b>Total other operating income</b>		<b>249,921,969,203</b>	<b>196,690,558,419</b>
<b>Other operating expenses</b>			
For service fees		33,729,320,895	30,650,969,013
For foreclosed assets		69,131,888,868	27,534,799,110
For loss in participations in capital interests of other companies		623,109,827	282,014,799
For provisions		2,694,224,697	12,060,696,208
For exchange and arbitration, foreign currency		4,067,503,118	3,236,575,394
For other expenses with related parties		344,984,847	26,481,492
For other operating expenses		43,695,355,298	50,438,906,250
<b>Total other operating expenses</b>		<b>154,286,387,550</b>	<b>124,230,442,266</b>
<b>GROSS OPERATING INCOME</b>		<b>314,514,008,844</b>	<b>272,829,373,658</b>
<b>Administrative expenses</b>			
Personnel expenses		126,700,770,729	126,327,448,932
Other administrative expenses		93,134,275,859	89,897,823,146
<b>Total administrative expenses</b>	33	<b>219,835,046,588</b>	<b>216,225,272,078</b>
<b>OPERATING INCOME, NET OF INCOME TAX AND STATUTORY ALLOCATIONS</b>		<b>94,678,962,256</b>	<b>56,604,101,580</b>
Income tax	15	29,716,392,211	27,897,022,954
Deferred income tax	15	8,346,476,245	20,742,526,046
Decrease in income tax		11,811,890,734	29,473,936,796
Legal profit allocation	34	21,838,867,280	12,806,744,678
Decrease in profit shares		-	668,615,344
<b>RESULT OF THE PERIOD</b>		<b>46,589,117,254</b>	<b>25,300,360,042</b>
Attributed to non-controlling interests		3,964,162,498	3,213,593,880
Attributed to the parent company		<b>42,624,954,756</b>	<b>22,086,766,162</b>
<b>RESULTS OF THE PERIOD ATTRIBUTED TO THE FINANCIAL CONGLOMERATE</b>		<b>42,624,954,756</b>	<b>22,086,766,162</b>
<b>OTHER COMPREHENSIVE INCOME OF THE PERIOD, NET OF TAX</b>			
Adjustment for valuation of investments at fair value through other comprehensive income		11,841,430,127	41,522,601,069
Reclassification of unrealized profit to the income statement		(8,317,178,588)	(6,240,340,932)
Adjustment for valuation of restricted financial instruments, net of income tax		4,732,495,014	7,893,266,280
Other		(3,204,587,724)	(18,517,855,463)
<b>OTHER COMPREHENSIVE INCOME OF THE PERIOD, NET OF TAX</b>	35	<b>5,052,158,829</b>	<b>24,657,670,954</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>51,641,276,083</b>	<b>49,958,030,996</b>
Comprehensive income attributed to minority interest		2,235,998,254	(5,989,722,360)
Attributed to the parent company		<b>49,405,277,829</b>	<b>55,947,753,356</b>
<b>COMPREHENSIVE INCOME ATTRIBUTED TO THE FINANCIAL CONGLOMERATE</b>	€	<b>49,405,277,829</b>	<b>55,947,753,356</b>

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

Julio César Trejos D.  
General Manager a.i

María Luisa Guzmán G.  
Accountant

María Eugenia Zeledón P.  
General Auditor

Céd. 4000000019  
**BANCO DE COSTA RICA**  
Atención: Superintendencia General de  
Entidades Financieras  
Registro Profesional: 29182  
Contacto: GUZMAN GRANADOS MARIA  
LUIZA  
Estado de Resultados Integral  
2025-03-31 11:11:38 -0600



TIMBRE 300.0 COLONES



VERIFICACIÓN: KN8wuQ7G  
<https://timbres.contador.co.cr>

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
 For the period ended December 31, 2024  
 (With corresponding figures as of December 31, 2023)  
 (In colones without cents)

Note	Adjustments to equity										
	Capital Stock	Non-capitalized equity contributions	Surplus for revaluation of property, furniture and equipment	Adjustment for valuation of investments at fair value through other comprehensive income	Adjustment for translation of financial statements	Total adjustments to equity	Equity reserves	Accrued earnings from previous periods	Equity of the Development Financing Fund	Minority interest	Total equity
<b>Balance as of December 31, 2022</b>	181,409,990,601	-	41,085,212,831	(52,858,371,308)	19,172,809,908	7,399,651,431	325,313,265,088	73,026,024,841	40,476,721,777	73,316,067,683	700,941,721,487
Allocation of legal reserve	-	-	-	-	-	-	25,839,636,277	(25,839,636,277)	-	-	-
Allocation of the Development Financing Fund	-	-	-	-	-	-	-	(5,289,895,744)	5,289,895,746	-	2
<b>Balance as of December 31, 2023</b>	181,409,990,601	-	41,085,212,831	(52,858,371,308)	19,172,809,908	7,399,651,431	351,152,901,365	41,896,492,820	45,766,617,523	73,316,067,683	700,941,721,489
<b>Other comprehensive income</b>											
Exchange differences resulting from the translation of financial statements of foreign entities	Idiii	-	-	-	(9,444,106,286)	(9,444,106,286)	-	-	-	(9,073,749,177)	(18,517,855,463)
Unrealized gain or loss in fair value of investments through other comprehensive income		-	-	73,203,494,941	-	73,203,494,941	-	-	-	(129,566,997)	73,073,927,944
Transfer of realized net gain to the income statement		-	-	(8,914,772,760)	-	(8,914,772,760)	-	-	-	-	(8,914,772,760)
Impairment – Investments at fair value through other comprehensive		-	-	(1,685,599,339)	-	(1,685,599,339)	-	-	-	-	(1,685,599,339)
Transfer of impairment to the consolidated income statement (RIF)		-	-	-	-	-	-	-	-	-	-
Deferred income tax recognition	15	-	-	(19,298,029,428)	-	(19,298,029,428)	-	-	-	-	(19,298,029,428)
Result of the period		-	-	-	-	-	-	22,086,766,162	-	3,213,593,880	25,300,360,042
<b>Other total comprehensive income</b>		-	-	43,305,093,414	(9,444,106,286)	33,860,987,128	-	22,086,766,162	-	(5,989,722,294)	49,958,030,996
<b>Balance as of December 31, 2023</b>	181,409,990,601	-	41,085,212,831	(9,553,277,894)	9,728,703,622	41,260,638,559	351,152,901,365	63,983,258,982	45,766,617,523	67,326,345,389	750,899,752,419
Attributed to minority interest		-	-	-	-	-	-	-	-	67,326,345,389	67,326,345,389
Attributed to the financial conglomerate	€	181,409,990,601	-	41,085,212,831	(9,553,277,894)	9,728,703,622	41,260,638,559	63,983,258,982	45,766,617,523	-	683,573,407,030
<b>Balance as of December 31, 2023</b>	181,409,990,601	-	41,085,212,831	(9,553,277,894)	9,728,703,622	41,260,638,559	351,152,901,365	63,983,258,982	45,766,617,523	67,326,345,389	750,899,752,419,035
Allocation of legal reserve	-	-	-	-	-	-	13,555,152,257	(13,555,152,257)	-	-	-
Allocation of the Development Financing Fund	-	-	-	-	-	-	-	(3,099,631,554)	3,099,631,554	-	-
<b>Balance as of December 31, 2024</b>	181,409,990,601	-	41,085,212,831	(9,553,277,894)	9,728,703,622	41,260,638,559	364,708,053,622	47,328,475,171	48,866,249,077	67,326,345,389	750,899,752,419,035
<b>Other comprehensive income</b>											
Exchange differences resulting from the translation of financial statements of foreign entities	Idiii	-	-	-	(1,634,339,739)	(1,634,339,739)	-	-	-	(1,570,247,985)	(3,204,587,724)
Unrealized gain or loss in fair value of investments through other comprehensive income		-	-	23,822,136,815	-	23,822,136,815	-	-	-	(157,916,259)	23,664,220,556
Transfer of realized net gain to the income statement		-	-	(11,881,683,697)	-	(11,881,683,697)	-	-	-	-	(11,881,683,697)
Impairment – Investments at fair value through other comprehensive		-	-	248,980,452	-	248,980,452	-	-	-	-	248,980,452
Deferred income tax recognition	15	-	-	(3,774,770,758)	-	(3,774,770,758)	-	-	-	-	(3,774,770,758)
Result of the period		-	-	-	-	-	-	42,624,954,756	-	3,964,162,498	46,589,117,254
<b>Other total comprehensive income</b>		-	-	8,414,662,812	(1,634,339,739)	6,780,323,073	-	42,624,954,756	-	2,235,998,254	51,641,276,083
<b>Balance as of December 31, 2024</b>	18	181,409,990,601	-	41,085,212,831	(1,138,615,082)	8,094,363,883	48,040,961,632	89,953,429,927	48,866,249,077	69,562,343,643	802,541,028,502
Attributed to minority interest		-	-	-	-	-	-	-	-	69,562,343,643	69,562,343,643
Attributed to the financial conglomerate	€	181,409,990,601	-	41,085,212,831	(1,138,615,082)	8,094,363,883	48,040,961,632	89,953,429,927	48,866,249,077	-	732,978,684,859

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

Julio César Trejos D.  
General Manager a.i.

María Luisa Guzmán G.  
Accountant

María Eugenia Zeledón P.  
General Auditor

Céd. 4000000019  
**BANCO DE COSTA RICA**  
 Atención: Superintendencia General de Entidades Financieras  
 Registro Profesional: 29102  
 Contador: GUZMÁN GRANADOS MARÍA LUISA  
 Estado de Costos en el Patrimonio  
 2025-01-11 11:39 -0600



TIMBRE 300.0 COLONES

VERIFICACIÓN: KN8WuQ7G  
<https://timbres.comtador.co.cr>

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
 For the period ended December 31, 2024  
 (With corresponding figures as of December 31, 2023)  
 (In colones without cents)

	<b>Note</b>	<b>December 2024</b>	<b>December 2023</b>
<b>Cash flows from operating activities</b>			
Income of the period	€	42,624,954,756	22,086,766,162
<b>Items applied to results not requiring cash outlays</b>		<b>(127,800,600,397)</b>	<b>(101,360,452,371)</b>
<b>Increase or (decrease) for</b>			
Allowance for impairment or devaluation of financial instruments		510,113,345	293,085,595
Allowance for impairment of loan portfolio		29,986,405,836	9,258,581,691
Allowance for impairment and default of other accounts receivable		4,930,395,149	4,187,343,681
Allowance for impairment of assets in lieu of payment		59,095,010,709	16,095,628,678
Income from reversal of allowance for impairment or devaluation of investments		(236,889,622)	(2,080,186,610)
Income from reversal of allowance for impairment of loan portfolio		(12,200,000,000)	(15,740,896,049)
Income from reversal of allowance for impairment and default of accounts receivable		(3,011,806,209)	(6,269,034,264)
Income from reversal of allowance for impairment of assets in lieu of payment		(67,407,374,285)	(16,772,635,939)
Income or loss for sale of assets received in lieu of payment and of property, furniture and equipment		6,067,727,725	7,544,635,617
Interest in net profit of other companies		403,764,327	281,457,740
Depreciation		14,857,058,379	14,898,296,711
Amortization		15,355,266,242	20,844,183,976
Provision for social benefits		157,512,817	384,104,744
Provisions for pending lawsuits		2,515,105,559	6,801,591,464
Other provisions		6,032,083	4,881,933,871
Income from provisions		(1,492,656,820)	(1,919,740,656)
Income tax		29,716,392,211	27,897,022,954
Deferred income tax		8,346,476,245	20,742,526,046
Decrease in income tax from previous periods		(11,811,890,734)	(29,473,936,796)
Profit sharing		21,838,867,280	12,138,129,334
Interest for obligations with the public		175,924,729,405	232,832,178,624
Interest for obligations with financial entities		42,951,659,928	41,912,926,616
Income from availabilities		(3,004,183,908)	(3,501,170,048)
Interest from investment in financial instruments		(103,492,533,113)	(99,112,176,624)
Income from loan portfolio		(337,817,060,265)	(348,544,434,292)
Net profit or loss from exchange differences and Development Units		(2,318,545,440)	7,290,643,971
Minority interest in net profit of subsidiaries		3,964,162,498	3,213,593,880
Adjustments for conversion of financial statements of the entity abroad		(1,634,339,739)	(9,444,106,286)
<b>Cash flows from operating activities</b>		<b>(968,485,864,993)</b>	<b>606,812,104,390</b>
<b>Net variation in assets increase or (decrease)</b>			
Increase in financial instruments - at fair value through profit or loss		(572,228,763,399)	(552,069,538,557)
Decrease in financial instruments - at fair value through profit or loss		645,123,275,241	648,414,516,702
Increase in financial instruments - at fair value through comprehensive income		(1,629,624,141,154)	(639,432,899,558)
Decrease in financial instruments - at fair value through comprehensive income		850,163,218,519	1,189,823,692,822
Loan portfolio		(329,638,043,876)	(117,508,646,002)
Accounts and commissions receivable		(7,169,910,732)	(16,778,418,672)
Available-for-sale assets		24,933,567,662	19,325,541,419
Interest receivable for financial instruments		21,445,888,496	25,079,315,361
Interest receivable for loan portfolio		18,654,317,735	18,965,409,617
Other assets		9,854,726,515	30,993,131,258
<b>Net variations in liabilities, increase or (decrease)</b>		<b>467,439,536,858</b>	<b>(234,838,446,079)</b>
Obligations with the public		350,354,109,962	(105,179,276,892)
Obligations with the Central Bank of Costa Rica and other entities		197,694,853,710	(39,934,279,008)
Obligations for accounts and commissions payable and provisions		(24,075,027,475)	(47,043,665,811)
Interest payable for obligations with the public		(30,111,444,950)	(20,264,542,985)
Interest payable for obligations with the BCCR and other entities		(8,695,995,644)	(8,077,876,318)
Interest payable for accounts and commissions payable and provisions		(20,993,435)	(16,858,391)
Other liabilities		(17,705,965,310)	(14,321,946,674)
Interests paid		(186,758,013,942)	(235,916,671,211)
Dividends received		4,800,000,000	5,300,000,000
Collected interest		398,677,337,197	411,580,335,285
Paid income tax		(16,544,150,584)	(16,587,037,143)
<b>Net cash flows provided by operating activities</b>		<b>(386,046,801,105)</b>	<b>457,076,599,033</b>
<b>Cash flows from investment activities</b>			
Increase in financial instruments at amortized cost		(42,591,599,130,595)	(17,978,886,968,711)
Decrease in financial instruments at amortized cost		42,827,350,530,690	17,713,055,105,877
Acquisition of property, furniture and equipment		(8,933,035,244)	(9,987,117,902)
Decrease for withdrawal and transfer of property, furniture and equipment		(517,220,163)	2,313,502,631
Acquisition of intangibles		(14,507,615,293)	(16,523,509,319)
Decrease for withdrawal and transfer of intangibles		995,615,337	222,230,945
Interest in other companies		(6,969,754,672)	(5,365,564,844)
<b>Cash flows (used for) provided by investment activities</b>		<b>205,819,390,060</b>	<b>(295,172,321,323)</b>
<b>Cash flows from financing activities</b>			
Subordinated obligations		2,842,344	2,520,890
<b>Cash flows provided by financing activities</b>		<b>2,842,344</b>	<b>2,520,890</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(180,224,568,701)</b>	<b>161,906,798,600</b>
Cash and cash equivalents at the beginning of the year		1,239,883,579,946	1,124,702,795,131
Effect of changes in exchange rates on cash		(7,077,653,593)	(46,726,013,721)
Cash and cash equivalents at the end of the year	4	€ 1,052,581,357,652	1,239,883,579,946

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

Julio César Trejos D.  
General Manager a.i

María Luisa Guzmán G.  
Accountant

María Eugenia Zeledón P.  
General Auditor

Céd. 4000000019  
**BANCO DE COSTA RICA**  
 Atalaya, Superintendencia General de  
 Bancos y Seguros  
 Registro Patronal: 3012  
 Costumal: OLIVARES ORLANDO MARÍA  
 LUISA  
 Estado de Pagos en Efectivo  
 2024-02-31 11:11:38 -0000



TIMBRE 300.0 COLONES

VERIFICACIÓN: KNBwU07G  
<https://timbres.conflictor.co.cr>

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

1). Summary of operations and significant accounting policies

(a) Operations

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

The Bank's website and its subsidiaries located in Costa Rica is [www.bancoocr.com](http://www.bancoocr.com)

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

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

The Bank fully owns 100% of the following subsidiaries:

BCR Valores, S.A. - Puesto de Bolsa, was organized as a corporation in February 1999 under the laws of the Republic of Costa Rica. Its main activity is securities trading. The number of employees as of December 31, 2024, is 72 (75 for December 2023) and is regulated by the General Superintendence of Securities (SUGEVAL).

BCR Sociedad Administradora de Fondos de Inversión, S.A. was organized as a corporation in July 1999 under the laws of the Republic of Costa Rica. Its main activity is investment fund management. The number of employees as of December 31, 2024, is 95 (105 for December 2023) and is regulated by the General Superintendence of Securities (SUGEVAL).

## BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A. was organized as a corporation in September 1999 under the laws of the Republic of Costa Rica. Its main activity is managing supplemental pension plans and offering additional services related to disability and death plans to members. The number of employees as of December 31, 2024, is 113 (106 for December 2023) and is regulated by the Superintendence of Pensions (SUPEN).

BCR Sociedad Corredora de Seguros, S.A. was organized as a corporation in February 2009 under the laws of the Republic of Costa Rica. Its main activity is insurance underwriting. The number of employees as of December 31, 2024, is 96 (94 for December 2023) and it is regulated by the General Superintendence of Insurance (SUGESE).

Banprocesa, TI S.R.L. was organized as a corporation in August 2009 under the laws of the Republic of Costa Rica. Its main activity will be to provide IT processing services and technical support, purchase, lease, and maintain hardware and software, including software development, and address the Bank's IT needs. This entity has not started operations. As of December 31, 2024, the number of employees is 92 (82 for December 2023). As of July 29, 2021, CONASSIF sends communication CNS-1676/06 accepting its participation as part of the conglomerate.

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

Depósito Agrícola de Cartago, S.A. has a wholly owned subsidiary named Almacén Fiscal Agrícola de Cartago, S.A., constituted in December 1991 under the laws of the Republic of Costa Rica. Its main activity is custody and storage of merchandise on which no import taxes have been paid, regulated by the General Customs Law, and supervised by the General Customs Directorate of the Ministry of Finance. Both companies are subject to the oversight of the Comptroller General of the Republic. As of December 31, 2024, the number of employees is 51 (79 for December 2023).

BCR LEASING PREMIUM PLUS S.A. is a corporation incorporated on July 4, 2022, under the laws of the Republic of Costa Rica and is one more subsidiary of the BCR Financial Conglomerate. Its main activity is the leasing of personal property to current and potential clients of BCR Conglomerate. The number of employees as of December 31, 2024, is 13 (12 for December 2023).

## BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

The Bank also 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 located in the city of Panama, Republic of Panama, BICSA Financial Center, 50th floor, Avenida Balboa and Calle Aquilino de la Guardia. The remaining 49% of BICSA's shares are owned by Banco Nacional de Costa Rica. The number of employees as of December 31, 2024, is 242 (237 for December 2023).

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

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

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

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

#### Miami Agency

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

Panamá Branch

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

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

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

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

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

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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.

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

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

(c) Investment in other companies

Valuation of investments by the equity method

*i. Subsidiaries*

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

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

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

(d) Foreign currency

i. *Transactions in foreign currency*

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

ii. *Monetary unit and foreign exchange regulations*

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

## BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

- In this regime, the Central Bank of Costa Rica will allow the exchange rate to be freely determined by the foreign exchange market but may participate in the market in a discretionary manner, to meet its own requirements of currency and those of the non-banking Public Sector, to avoid sharp exchange fluctuations.
- The Central Bank of Costa Rica may carry out direct operations or use forex held-for-trading instruments it deems appropriate in accordance with the current regulations.

In its stabilization transactions, the Central Bank of Costa Rica will continue to use in the Foreign Currency Market (MONEX), the rules of engagement with the amendments provided for in this agreement. The Financial Stability Committee must determine the intervention procedures consistent with the strategy approved by the Board.

As established in the Chart of Accounts, assets and liabilities held in foreign currency should be expressed in colones at the exchange rate disclosed by the Central Bank of Costa Rica. Thus, as of December 31, 2024, monetary assets and liabilities denominated in U.S. dollars were valued at the exchange rate of ¢512.73 (¢526.88 for December 2023) for US\$1.00.

Valuation in colones of monetary assets and liabilities in foreign currency for the period ended December 31, 2024, gave rise to foreign exchange losses of ¢533,413,403,444 (¢611,392,816,217 for December 2023), and gains of ¢518,105,772,183, (¢597,816,037,164 for December 2023), which are presented net in the consolidated income statement.

Additionally, the valuation of other assets and other liabilities gave rise to gains and losses, respectively, which are booked as "Other operating income" and "Other operating expenses", respectively. For the period ended December 31, 2024, valuation of other assets gave rise to profits of ¢108,822,906, (¢159,390,535 loss, for December 2023) and valuation of other liabilities gave rise to gains of ¢1,482,131,263, (¢1,252,174,77 income for December 2023).

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

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

- Assets and liabilities have been converted at the closing exchange rate.

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

As result of the conversions for the period ended on December 31, 2024, losses for exchange differences arise for ¢1,634,339,739, (¢9,444,106,286 for December and 2023) shown in the equity section, within "Currency translation adjustment of the financial statements".

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

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

(f) Financial instruments

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

(i) *Classification*

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

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

*(ii) Recognition*

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

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

*(iii) Measurement*

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

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

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

*(iv) Principles of measurement at fair value*

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

*(v) Profits and losses on subsequent measurement*

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

*(vi) De-recognition*

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

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

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

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

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

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

## BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

(g) Cash and cash equivalents

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

(h) Investments in financial instruments

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

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

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

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

- Main business model

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

- Secondary business model

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

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

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

*Investments in securities of BICSA*

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

(i) Loan portfolio

Banco de Costa Rica - Loan portfolio

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

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

BICSA -Loan portfolio:

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

(j) Allowance for doubtful accounts

Banco de Costa Rica - Loan portfolio

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

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

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

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

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

## BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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.

## BANCO DE COSTA RICA

### Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

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

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

#### Credit portfolio by segments

The credit portfolio must be classified into the following segments:

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

## BANCO DE COSTA RICA

### Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

- i) Legal entity belonging to an economic interest group reported by the entity to SUGEF.
  - ii) Entities and bodies comprising the institutions of the Public Sector, according to the “Institutional Classification of the Public Sector” published by the Ministry of Finance.
  - iii) Entity supervised by SUGEF, or any Superintendence attached to the National Council for Supervision of the Financial System (CONASSIF).
- Business 2: Legal entities and natural persons not classified in the Business 1 segment and whose total balance owed, excluding the housing loans referred to in literal d) above, in the financial institution during the last 12 months has exceeded 500 million colones at least once.
  - Business 3: Legal entities and natural persons not classified in any previous segment. Also, revolving consumer loans to legal entities are classified in this segment. In the case of the Business 1 or Business 2 segments, all the debtor's transactions are classified as Business 1 or Business 2, including housing transactions and any other prior classification. The threshold of the total balance owed referred to in the definition of Business 1 and Business 2, will be adjusted at least every 3 years using the Consumer Price Index calculated by the National Institute of Statistics and Censuses (INEC).

#### Risk categories

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

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

#### Analysis of payment capacity

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

## BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

### Classification of the payment capacity

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

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

### Classification of the historical payment behavior

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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.

Risk rating

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

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

a) Segment of revolving consumer loans:

<b>Phases</b>	<b>Categories</b>	<b>Delinquency of the operation</b>	<b>CPH</b>
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	

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
 As of December 31, 2024  
 (with corresponding figures as of December 31, 2023)  
 (in colones without cents)

b) Segment of vehicle and regular consumer loans:

<b>Phases</b>	<b>Categories</b>	<b>Delinquency of the operation</b>	<b>CPH</b>
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:

<b>Phases</b>	<b>Categories</b>	<b>Delinquency of the operation</b>	<b>CPH</b>
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:

<b>Phases</b>	<b>Categories</b>	<b>Delinquency of the operation</b>	<b>CPH</b>
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	

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

e) Segment of Business 1 and Business 2:

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

f) Segments of Business 1 and Business 2:

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

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

- a) Phase 1: Operations at normal risk, in this phase there is no evidence of a significant increase in risk since the initial recognition of the operation. Includes categories 1 and 2.
- b) Phase 2: Operations under special surveillance; a significant increase in credit risk is observed since the initial recognition of the operation. Includes categories 3 and 4.

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

- c) Phase 3: Operations of doubtful recovery. At this stage, credit operations that show evidence of deterioration are classified as delinquent operations or for which there is a high probability of non-payment. Includes categories 5, 6, 7 and 8.

For the purpose of establishing estimates in this Regulation, operations in Phase 3 are considered non-compliant.

Rate of default

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

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

Guarantee

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

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:

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

Accounting estimate

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

Settlement of credit operations against the estimate

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

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

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

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

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

Likewise, at least every two years, internal methodologies must be assessed by an external body to evaluate suitability by each entity based on the eligibility criteria defined by each superintendency through general guidelines.

Internal methodologies

Entities may choose to create the specific estimates for credit risk referred to in Article 15 of this Regulation using internal methodologies, subject to no objection from the respective Superintendence.

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

Accounts and interest receivable - Banco de Costa Rica

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

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

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

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

Goods that meet the conditions described in IFRS5:

Initial recognition:

At least among:

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

Subsequent valuation:

At least among:

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

- 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 minus sales costs.

Goods not complying with the provisions of IFRS 5:

Initial recognition:

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

Subsequent valuation: (IAS 36 Impairment of Assets)

At least among:

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

Recoverable amount:

The greatest among:

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

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

As of December 31, 2024, increases in the allowance for uncollectible resulting from the minimum required estimation are recorded in the accounting records, in compliance with CONASSIF 14-21, “Regulation on the Calculation of Credit Allowances,” Article 20 (formerly Article 17 of SUGEF Agreement 1-05, “Regulation for Debtor Classification”), subject to prior authorization by the supervisory authority, in accordance with Article 10 of the Organic Law of the National Banking System.

As of December 31, 2024, Management considers the allowance to be adequate to absorb any potential losses that may be incurred in the recovery of the loan portfolio.

*BICSA- Allowance for loan impairment*

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

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

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

As of December 31, 2024, the allowance disclosed in the accounting records amounts to ₡157,620,715,576, (₡135,098,772,705 for December 2023).

*BICSA -Accounts and interest receivable*

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

(k) Securities sold under repurchase agreements

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

(l) Accounting for interest receivable

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

(m) Other receivables

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

(n) Assets held-for-sale

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

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

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

(o) Offsetting

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

(p) Property, furniture, and equipment

(i) *Own assets*

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

(ii) *Leased assets*

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

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

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

(iii) *Subsequent disbursements*

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

(iv) *Depreciation and amortization*

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

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

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

Useful lives of assets owned by BICSA:

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

(v) *Revaluation*

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

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

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

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

(q) Deferred charges

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

(r) Intangible assets

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

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

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

(s) Impairment of assets

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

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

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

(t) Obligations with the public

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

(u) Accounts payable and other payables

Accounts payable and other payables are recognized at cost.

(v) Provisions

A provision is recognized in the consolidated statement of financial position if, as a result of a past event, the Bank has a present legal or constructive obligation, and it is probable that an outflow of economic benefits will be required to settle the obligation.

## BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

The provision made approximates settlement value; however, final amounts may vary. The estimated value of provisions is adjusted at the consolidated statement of financial position date, directly affecting the consolidated income statement.

### Employees' legal benefits (severance pay)

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

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

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

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

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

### BICSA retirement savings plan

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

BICSA has adopted a voluntary retirement savings plan in which BICSA contributes twice the amount contributed by employees, up to a maximum of 10% of the monthly salaries. The contribution made by BICSA and subsidiary under this plan as of December 31, 2024, amounted to ₡372,109,183 (₡402,109,020 and ₡254,098,186, for December 2023), equivalent to US\$725,741 (US\$763,189 for December 2023).

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

BICSA -Seniority premium and indemnity for employees

Under Panamanian labor law, companies are required to establish a severance fund to guarantee payment of a seniority premium and indemnity to eligible employees upon resignation or dismissal without just cause. To create the fund, quarterly contributions of the relative portion to the employee seniority premium equivalent to 1.92% of salaries paid in the Republic of Panama are made to cover the seniority premium, while monthly contributions equivalent to 5% are made to cover the indemnity. Quarterly contributions are to be placed in a trust. As of December 31, 2024, the severance fund had a balance of ₡617,318,004, (₡833,422,472 for December 2023), equivalent to US\$1,203,983, (US\$1,581,807 for December 2023) which is disclosed in the consolidated financial statements as prepaid expenses.

(w) Legal reserve

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

(x) Revaluation surplus

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

(y) Use of estimates

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

(z) Estimates for litigation

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

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

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

(aa) Uncertainty over Income Tax Treatments, IFRIC 23

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

It may not be clear how tax laws apply to a particular transaction or circumstance. The acceptability of a particular tax treatment under tax law may not be known until a decision is made in the future by the relevant tax authority or the courts of law. 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.

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

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

(bb) Recognition of the main types of income and expenses

(i) Interest

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

(ii) Income from fees and commissions

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

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

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

(iv) Expenses from operating lease

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

(cc) Income tax

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

(i) Current:

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

(ii) Deferred:

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

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

(dd) BICSA - Financial leases

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

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

(ff) Legal allocations

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

(gg) Development Financing Fund

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

(hh) Development Credit Fund

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

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

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

- a) Managing Banks can perform services with the beneficiaries of the Development Banking System as recognized by Article 6 of Law 8634.

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

- b) In accordance with Article 35 of Law 8634 with funds from the Development Credit Fund, the Managing Banks can provide services to other financial entities, except for private banks, provided they meet the objectives and obligations under Law 8634 and that are duly approved by the Governing Board.
- c) The Banks may allocate in accordance with Article 35, Law 8634 the resources of the Development Credit Fund through: associations, cooperatives, foundations, NGOs, producer organizations or other entities if they have credit operations in programs that meet the objectives established in Law 8634 and are duly approved by the Governing Board.

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

(ii) BICSA - Trusts

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

(jj) Fiscal year

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

2). Collateralized or restricted assets

Collateralized or restricted assets are as follows:

	<u>December 2024</u>	<u>December 2023</u>
Cash and cash equivalents deposited in the Central Bank of Costa Rica (see note 4)	¢ 774,784,379,210	669,801,835,274
Restricted cash and cash equivalents (see note 4)	192,880,601	69,969,930
<b>Total cash and cash equivalents</b>	<u>774,977,259,811</u>	<u>669,871,805,204</u>
Past due and restricted financial instruments (see note 5)	456,378,359,623	146,916,193,300
Other assets	975,997,121	930,715,606
	<u>¢ 1,232,331,616,555</u>	<u>817,718,714,110</u>

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

3). Balances and transactions with related parties

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

		<b>December 2024</b>	<b>December 2023</b>
<b>Assets:</b>			
Loan portfolio	¢	936,655,314	1,000,300,653
Other accounts receivable		642,719,380	587,481,977
Interests in other entities		1,899,392,735	133,402,390
<b>Total assets</b>	<b>¢</b>	<b><u>3,478,767,429</u></b>	<b><u>1,721,185,020</u></b>
<b>Income:</b>			
Income from interest in entities		219,345,500	557,059
Sundry operating income	¢	352,711,595	435,930,700
<b>Total income</b>	<b>¢</b>	<b><u>572,057,095</u></b>	<b><u>436,487,759</u></b>
<b>Expenses:</b>			
Financial expenses		0	1,466,464,363
Expense from investments in other companies		623,109,827	282,014,799
Other operating income		<b>0</b>	<b>0</b>
<b>Total expenses</b>	<b>¢</b>	<b><u>623,109,827</u></b>	<b><u>1,748,479,162</u></b>

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

		<b>December 2024</b>	<b>December 2023</b>
Short-term benefits	¢	4,248,460,546	3,913,060,494
Long-term benefits		36,100,100	22,406,652
Directors' seating fees		268,771,324	247,615,493
	<b>¢</b>	<b><u>4,553,331,970</u></b>	<b><u>4,183,082,639</u></b>

The Bank's executive committee is considered key personnel.

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

4). Cash and cash equivalents

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

	<b>December 2024</b>	<b>December 2023</b>
Cash	77,839,337,223	94,545,532,532
Demand deposits in BCCR	679,616,489,090	592,619,894,577
Checking accounts and demand deposits		
in local financial entities	3,413,230,974	1,417,055,883
Checking accounts and demand deposits		
in foreign financial entities	50,662,594,344	78,213,290,649
Notes payable on demand	348,430,021	958,261,787
Restricted cash and cash equivalents	100,947,503,231	89,387,879,925
Interest receivable	895,261	19,654
<b>Total cash and cash equivalents</b>	<b>912,828,480,144</b>	<b>857,141,935,007</b>
Investments in short-term financial instruments	139,752,877,508	382,741,644,939
<b>Total cash and cash equivalents</b>	<b>1,052,581,357,652</b>	<b>1,239,883,579,946</b>

As of December 31, 2024, demand deposits in BCCR are restricted as a minimum legal reserve in the amount of ¢773,224,085,233, (¢669,762,792,743, for December 2023).

As of December 31, 2024, BCR Pension's deposits in BCCR are restricted as a minimum legal reserve in the amount of ¢11,634,633, (¢13,870,528 for December 2023), for a total of ¢7,015,583,507, (¢6,287,854,162 for December 2023).

As of December 31, 2024, BCR Valores, S.A. - Puesto de Bolsa holds restricted deposits in the Central Bank of Costa Rica in the amount of ¢ 1,548,659,344, (¢25,172,002 for December 2023), for a total of ¢ 50,208,912,528, (¢27,509,308,760 for December 2023).

As of December 31, 2024, BCR Valores, S.A. - Puesto de Bolsa holds restricted assets as part of the guarantee fund in the amount of ¢ 48,467,372,583, (¢27,414,166,828 for December 2023). (See note 2).

As of December 31, 2024, the Bank has a liability for outstanding checks in the amount of ¢ 526,095,018, (¢608,813,166 for December 2023), which is offset by notes payable on demand cashed the next day once cleared by the clearing house.

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

5). Investments in financial instruments

Investments in financial instruments are as follows:

	<b>December 2024</b>	<b>December 2023</b>
At fair value through profit or loss		
At fair value through other comprehensive income	¢ 64,735,383,226	137,856,680,612
At amortized cost	1,614,247,874,076	1,076,169,538,430
Interest receivable for investments at fair value through profit or loss	120,266,502,931	356,017,903,026
Interest receivable for investments at fair value through other comprehensive income	8,193,674,732	2,399,300,384
Interest receivable for investments classified at amortized cost	18,589,721,172	18,751,106,347
Allowance for impairment of financial instruments	319,488,992	295,481,765
	(208,970,996)	(162,532,817)
	<b>¢ 1,826,143,774,133</b>	<b>1,591,327,477,747</b>
	<b>December 2024</b>	<b>December 2023</b>
<b>At fair value through profit or loss</b>	<b>Fair value</b>	<b>Fair value</b>
<u>Local issuers:</u>		
Government	¢ 37,596,737	0
Other (Open Investment Funds)	8,100,284,411	53,247,645,117
	<b>8,137,881,148</b>	<b>53,247,645,117</b>
<u>Foreign issuers:</u>		
State-owned Banks	0	162,089,489
Private issuers	56,363,059,264	84,300,800,005
Other	234,442,814	146,146,001
	<b>¢ 64,735,383,226</b>	<b>137,856,680,612</b>

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

<b>At fair value through other comprehensive income</b>	<b>December 2024 Fair value</b>	<b>December 2023 Fair value</b>
<u>Local issuers:</u>		
Government	¢ 1,319,376,319,222	890,213,468,239
State-owned Banks	72,720,178,173	55,407,239,075
Private Banks	5,072,375,231	3,582,262,526
Private issuers	73,148,512,681	7,176,521,117
Other	11,963,132,857	30,353,053,121
	<b>1,482,280,518,164</b>	<b>986,732,544,078</b>
<u>Foreign issuers:</u>		
Private issuers	64,694,746,769	56,824,935,520
Other	67,272,709,143	32,612,058,832
	<b>¢ 1,614,247,974,076</b>	<b>1,076,169,538,430</b>
<b>Financial instruments at amortized cost issued by entities</b>	<b>December 2024 Fair value</b>	<b>December 2023 Fair value</b>
<u>Local issuers:</u>		
Government	¢ 31,793,201,848	283,769,481,873
State-owned Banks	4,459,267,696	26,870,880,000
Private Banks	44,607,510,000	31,803,832,794
Private issuers	0	13,573,708,359
	<b>¢ 120,266,502,931</b>	<b>356,017,903,026</b>

As of December 31, 2024, the investment portfolio amounts to ¢82,283,642,703 (¢94,495,938,981 for December 2023) corresponding to the managed amounts of the Development Credit Fund (See note 40).

Maturities for investments in financial instruments are from January 01, 2025, to August 25, 2032.

Purchased financial instruments earn annual yield rates as follows:

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

Investments have been pledged as follows:

	<b>December 2024</b>	<b>December 2023</b>
Securities in guarantee, liquidity market	¢ 400,907,038,166	113,228,042,839
Restricted minimum operating capital of BCR Pensión Operadora de Pensiones Complementarias, S.A.	7,003,948,874	6,273,983,633
Guarantee for obligations by repurchase of Securities, BCR Valores, S.A. BCR Puesto de Bolsa, S.A.	48,467,372,583	27,414,166,828
	<b>¢ 456,378,359,623</b>	<b>146,916,193,300</b>

In accordance with Article 37 of the Labor Protection Law, the Pension Fund Manager must hold a minimum operating capital equivalent to a percentage of the net assets of the managed funds that as of December 31, 2024, amount to ¢7,003,948,874, (¢6,273,983,633 for December and 2023).

As of December 31, 2024, BCR Valores holds restricted investments in securities in the amount of ¢48,467,372,583 (¢27,414,166,828 for December 2023).

Repurchase Operations:

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

As of December 31, 2024, purchased financial instruments remain under resale agreements.

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

As of December 31, 2023

<b>Issuer</b>	<b>Asset Balance</b>	<b>Fair Value of Collateral</b>	<b>Resale Date</b>	<b>Resale Price</b>
Local government	¢ 1,689,615,963	1,663,700,000	To 20/12/2023 at 04/01/2024	100%
Others	1,299,703,075	1,299,703,075	To 01/01/2024 at 31/03/2024	100%
	<b>¢ 2,989,319,038</b>	<b>2,963,403,075</b>		

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

6). Loan portfolio

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

a) Loan portfolio by economic sector

	<b>December 2024</b>	<b>December 2023</b>
<b>Current loans</b>		
Personal loans	¢ 1,458,414,844,102	1,319,024,596,705
Loans Development Banking System	90,538,182,265	81,194,734,463
Business loans	167,122,951,110	94,182,522,224
Loans - Corporate	2,068,341,400,706	2,232,385,298,886
Loans - Public sector	272,410,922,800	58,050,059,983
Loans - Financial sector	1,604,847,648	22,440,521,512
	<b>4,058,433,148,631</b>	<b>3,807,277,733,773</b>
<b>Past due loans</b>		
Personal loans	134,119,410,489	130,559,339,318
Loans Development Banking System	7,161,032,680	4,370,523,362
Business loans	13,144,185,056	13,546,557,498
Loans - Corporate	116,069,820,208	89,843,310,139
	<b>270,494,448,433</b>	<b>238,319,730,317</b>
<b>Loans on legal collection</b>		
Personal loans	28,137,160,725	31,015,697,072
Loans Development Banking System	533,043,161	742,263,981
Business loans	2,513,285,658	4,433,526,632
Loans - Corporate	14,212,879,215	18,365,682,350
	<b>45,396,368,759</b>	<b>54,557,170,035</b>
	<b>¢ 4,374,323,965,823</b>	<b>4,100,154,634,125</b>

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

b) Loan portfolio by activity

Activity	<u>December 2024</u>	<u>December 2023</u>
Artistic, entertainment and recreational activities	2,859,988,259	0
Human health care and social assistance activities	257,094,640	0
Household activities as employers of domestic staff	16,400,000	0
Administrative and support services activities	19,297,232,766	
Professional, scientific and technical activities	614,117,003	0
Agriculture, livestock, hunting and service activities	161,917,452,590	163,719,118,126
Public administration	293,485,125,885	19,382,332,809
Fishing and aquaculture	0	42,617,690
Manufacturing	350,565,301,990	352,101,468,268
Telecommunications and public services	79,255,365,808	237,657,850,422
Mining and quarrying	14,788,851	21,982,027
Retail	469,183,159,220	453,381,163,120
Services	685,249,033,065	710,227,297,856
Transportation	31,010,081,168	31,005,549,708
Financial activities and stock exchange	13,449,200	97,277,493
Real estate, business, and leasing activities	1,264,669,423,151	21,398,613,478
Construction, purchase, and repair of real estate	326,663,980,730	1,513,233,349,688
Consumer	597,893,969,856	492,299,480,166
Hospitality	91,254,076,071	104,478,630,055
Education	103,925,570	657,174,250
Other activities from the non-financial private sector	0	450,728,969
	<u>4,374,323,965,823</u>	<u>4,100,154,634,125</u>
Plus, interest receivable	22,528,305,859	22,649,068,401
Deferred income from loan portfolio	(24,241,804,713)	(20,496,872,511)
Less allowance for loan	(157,620,715,576)	(135,098,772,705)
¢	<u><u>4,214,989,751,393</u></u>	<u><u>3,967,208,057,310</u></u>

As of December 31, 2024, with the adoption of CONASSIF Regulation 14-21 'Regulation on the Calculation of Credit Provisions,' which came into effect on January 1, 2024, there is a change in the composition of the portfolio activities.

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

c) Current loans

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

	<b>December 2024</b>	<b>December 2023</b>
<b>Current</b>		
Personal	¢ 1,458,414,844,102	1,319,024,596,706
Development Banking System	90,538,182,265	81,194,734,463
Business	167,122,951,110	94,182,522,224
Corporate	2,074,788,980,456	2,234,975,320,891
Public sector	272,410,922,800	58,050,059,983
Financial sector	(4,842,732,102)	19,850,499,506
	<b>¢ 4,058,433,148,631</b>	<b>3,807,277,733,773</b>

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

	<b>December 2024</b>	<b>December 2023</b>
<b>Past due</b>		
Personal	¢ 134,119,410,489	130,559,339,317
Development Banking System	7,161,032,680	4,370,523,362
Business	13,144,185,056	13,546,557,498
Corporate	116,069,820,208	89,843,310,140
	<b>¢ 270,494,448,433</b>	<b>238,319,730,317</b>

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

	<b>December 2024</b>	<b>December 2023</b>
<b>Judicial collection</b>		
Personal	¢ 28,137,160,725	31,015,697,072
Development Banking System	533,043,161	742,263,981
Business	2,513,285,658	4,433,526,632
Corporate	14,212,879,215	18,365,682,350
	<b>¢ 45,396,368,759</b>	<b>54,557,170,035</b>

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

BICSA - Financial lease receivables

The balance of financial lease receivables is as follows:

	<b>December 2024</b>	<b>December 2023</b>
Total minimum payments	¢ 24,198,500,359	30,396,734,632
	<b>¢ 24,198,500,359</b>	<b>30,396,734,632</b>

The maturities of the financial leases are as follows:

	<b>December 2024</b>	<b>December 2023</b>
Less than a year	¢ 1,037,038,541	1,203,786,462
From 1 to 5 years	23,161,461,818	29,192,948,170
	<b>¢ 24,198,500,359</b>	<b>30,396,734,632</b>

d) Loan portfolio by arrears

The loan portfolio by arrears is detailed as follows:

	<b>December 2024</b>	<b>December 2023</b>
Current	¢ 4,058,433,148,631	3,807,277,733,773
1 to 30 days	173,519,750,454	137,628,151,472
31 to 60 days	27,842,495,234	34,006,091,018
61 to 90 days	8,416,861,913	13,688,173,686
91 to 120 days	5,821,892,469	11,706,015,302
121 to 180 days	10,389,119,170	7,321,009,903
Over 181 days	44,504,329,193	33,970,288,936
Legal collection	45,396,368,759	54,557,170,035
	<b>¢ 4,374,323,965,823</b>	<b>4,100,154,634,125</b>

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

e) Past due loans

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

	<b>December 2024</b>	<b>December 2023</b>
Number of operations	2,485	2,061
Past due loans in non-accrual status	¢ 87,772,637,121	83,308,468,126
Past due loans bearing interest	¢ 228,118,180,071	209,568,432,226
Total of unearned interest	¢ 24,953,801,895	14,608,974,402

Loans in legal collection as of December 31, 2024:

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

Loans in legal collection as of December 31, 2023:

<b><u># of operations</u></b>	<b><u>Percentage</u></b>	<b><u>Balance</u></b>
1,087	1.33%	¢ <u>54,557,170,035</u>

As of December 31, 2024, the average annual interest rate earned on loans is 8.06%, (8.77% for December 2023) in colones and 6.59%, (7.14% for December 2023) in US dollars. For Banco Internacional de Costa Rica, S.A., the annual rate for operations in US dollars is 7.99%, (8.06% for December 2023).

f) Interest receivable on loan portfolio

Interest receivable is detailed as follows:

	<b>December 2024</b>	<b>December 2023</b>
Personal	¢ 9,073,374,813	9,012,628,757
Development Banking System	295,959,774	289,864,050
Business	1,849,593,901	1,151,439,604
Corporate	10,561,075,267	11,791,269,378
Public sector	753,898,464	282,987,434
Financial sector	(5,596,360)	120,879,178
	¢ <u>22,528,305,859</u>	<u>22,649,068,401</u>

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

g) Allowance for loan impairment

Movement in the allowance for loan impairment is as follows:

<b>2024 Initial balance</b>	¢	<b>135,098,772,705</b>
Currency translation effect		(222,625,262)
<b>Adjusted balance at the beginning of 2023</b>		<b>134,876,147,443</b>
Plus:		
Allowance charged through profit or loss (see note 29)		29,986,405,835
Recoveries		329,359,293
Transfer of balances		15,877,359,263
Adjustments for exchange differences		2,149,236,655
Less:		
Adjustments for exchange differences		(3,421,860,087)
Transfer to unpaid balances		(2,763,135,740)
Reversal of allowance against income (see note 30)		(12,200,000,000)
Transfer of balances		(7,212,797,086)
<b>Balance as of December 31, 2024</b>	¢	<b>157,620,715,576</b>
<b>2023 Initial balance</b>	¢	<b>160,471,231,286</b>
Currency translation effect		(1,893,146,586)
<b>Adjusted balance at the beginning of 2022</b>		<b>158,578,084,700</b>
Plus:		
Allowance charged through profit or loss (see note 29)		9,258,581,692
Recoveries		8,202
Reversal of unsolved		318,731,125
Less:		
Adjustments for exchange differences		(7,223,777,683)
Transfer to unpaid balances		(10,104,156,554)
Reversal of allowance against income (see note 30)		(15,740,896,049)
Transfer of balances		12,197,272
<b>Balance as of December 31, 2023</b>	¢	<b>135,098,772,705</b>

h) Syndicated loans

As of December 31, 2024, the syndicated loan portfolio is detailed as follows:

Banco de Costa Rica syndicated loan portfolio:

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

BICSA - Syndicated loans

As of December 31, 2024:

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

As of December 31, 2023:

No. Operations		Syndicated balances other banks	Syndicated balance BICSA	Total balance
1	Global Bank	66,798,021,240 ¢	4,783,505,432 ¢	71,581,526,672
1	Banco Agromercantil de Guatemala, S.A.	289,145,529,450	2,745,990,550	291,891,520,000
13	Credicorp Bank	24,901,502,609	1,442,497,391	26,344,000,000
1	Credit Suisse AG	119,281,050,436	4,535,749,564	123,816,800,000
3	Prival Bank	23,687,957,767	1,082,345,405	24,770,303,172
1	Banistmo	34,502,459,140	6,411,601,661	40,914,060,801
1	Bladex	130,739,112,910	6,249,687,090	136,988,800,000
2	Banco Centroamericano de Integración Económica	109,766,447,125	8,781,552,875	118,548,000,000
3	Bancolombia	177,046,429,890	6,307,810,110	183,354,240,000
2	Banco Aliado	36,486,440,000	7,244,600,000	43,731,040,000
1	MMG Bank Corporation	1,478,814,365	682,051,171	2,160,865,536
1	Banco Santander, Natixis, ING Bank	379,400,473,447	8,383,206,553	387,783,680,000
1	BNCR	66,841,885,401	1,652,514,599	68,494,400,000
1	Banco Agente Santander	233,407,840,000	2,634,400,000	236,042,240,000
1	Banco Stander Chile	73,402,350,710	2,634,400,000	76,036,750,710
	Citigroup Global Markets Inc., Deutsche Bank AG			
5	and JPMorgan Chase Bank	524,245,600,000	2,634,400,000	526,880,000,000
1	The Bank Of New York	23,709,600,000	5,268,800,000	28,978,400,000
	JPMorgan Chase Bank, National Bank of Canada			
1	(National Bank Finacial Inc. #NBF#) y Royal Bank of Canada (RBC Capital Markets, LLC	165,967,200,000	2,634,400,000	168,601,600,000
<b>40</b>		¢ <b>2,480,808,714,490</b>	<b>76,109,512,401</b> ¢	¢ <b>2,556,918,226,891</b>

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

7). Held-for-sale assets, net

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

	<b>December 2024</b>	<b>December 2023</b>
Financial instruments	¢ 39,718,340,508	103,319,727,566
Other assets	148,670,417	545,716,542
Purchased-for-sale	2,583,124,875	2,296,276,749
Idle real property, furniture, and equipment	2,130,343,016	2,295,514,462
	<u>44,580,478,816</u>	<u>108,457,235,319</u>
Allowance for impairment and per legal requirement	(5,314,443,326)	(66,947,372,074)
	<u>¢ <b>39,266,035,490</b></u>	<u><b>41,509,863,245</b></u>

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

	<b>December 2024</b>	<b>December 2023</b>
<b>At the beginning of the year</b>	¢ <b>108,457,235,319</b>	<b>118,808,483,863</b>
Translation effect	(433,957,862)	(2,257,540,801)
<b>Adjusted balance</b>	<b>108,023,277,457</b>	<b>116,550,943,062</b>
Increase for awarded assets	20,445,104,056	16,759,393,848
Transfer to unused property, furniture, and equipment	205,803,932	503,882,698
Increase in goods acquired for sale	12,519,537,804	13,302,920,018
Sales of goods	(38,166,110,745)	(38,473,657,144)
Withdrawal of unused property, furniture, and equipment	(370,975,378)	(186,247,163)
Transfer to inactive accounts	(58,076,158,310)	0
<b>Balance at the end of the period</b>	<u>¢ <b>44,580,478,816</b></u>	<u><b>108,457,235,319</b></u>

As of December 31, 2024, an amount of ¢54,764,519,511 is recorded, corresponding to the implementation of CONASSIF Agreement 14-21 'Regulation on the Calculation of Credit Provisions,' which came into effect on January 1, 2024, in its Section III 'Losses in Case of Default,' a change occurs in the provisions for assets held-for-sale (IFRS 5). This effect is reflected in the line 'Reversals in the Provision' presented in the previous table of movements of assets held-for-sale.

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

	<b>December 2024</b>	<b>December 2023</b>
<b>Opening balance</b>	¢ <b>66,947,372,073</b>	<b>67,864,844,691</b>
Currency conversion effect	(7,301,110)	(61,916,884)
<b>Adjusted Balance</b>	<b>66,940,070,963</b>	<b>67,802,927,807</b>
Increase in the allowance	59,095,010,709	16,095,628,678
Reversal in the allowance	(67,407,374,285)	(16,772,635,939)
Reversal of the allowance due to the sale of properties	(295,070,977)	0
Transfer of balances	(53,018,193,084)	1,202,642,158
Adjustment of the estimate for appraisal of assets	0	(1,381,190,630)
<b>Closing balance</b>	¢ <b>5,314,443,326</b>	<b>66,947,372,074</b>

8). Interest in other companies' equity

Interest in other companies' equity is detailed as follows:

	<b>December 2024</b>	<b>December 2023</b>
Capital interest in Bolsa Nacional Valores, S.A.	¢ 29,060,460	29,060,460
Capital interest in Interclar Central de Valores, S.A.	36,356,728	36,356,728
Capital interest in BCR Leasing, S.A.	1,833,975,547	67,985,202
	<b>1,899,392,735</b>	<b>133,402,390</b>

As of December 31, 2024, the interest in Bolsa Nacional de Valores, S.A., is of 1,514,974 common shares with a par value of ¢19,18 each, recorded at cost since these shares are not subject to public offering.

As of December 31, 2024, the interest in Interclar Central de Valores, S.A. is of 24,545,455 common shares with a par value of ¢1.4813 each, recorded at cost since these shares are not subject to public offering.

Interest in the equity of the financial conglomerate:

As of December 31, 2024, the capital stock of BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A., is represented by 1,279,450,000 common and registered shares, with a par value of ¢1 each, for a total of ¢1,279,450,000.

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

As of December 31, 2024, the capital stock of BCR Sociedad Administradora de Fondos de Inversión, S.A. is represented by 96,784 common and registered shares, with a par value of ¢50,000 each, for a total of ¢4,839,200,000.

As of December 31, 2024, the capital stock of BCR Valores, S.A. - Puesto de Bolsa, S.A., is represented by 12,626 common and registered shares, subscribed, and paid in full, with a par value of ¢1,000,000 each, for a total of ¢12,626,000,000.

As of December 31, 2024, the capital stock of BCR Sociedad Corredora de Seguros, S.A., is represented by 45,000 common and registered shares, subscribed, and paid in full, and with a par value of ¢50,000 each, for a total of ¢2,250,000,000. At the extraordinary Shareholders' Meeting 04-19 of BCR Corredora de Seguros on December 4, 2019, an increase in the Company's share capital was authorized in the amount of 1,000,000,000, representing an increase of 20,000 shares with which the share capital reaches the amount of ¢2,250,000,000, comprised of 45,000 common and registered, authorized and issued shares with a par value of ¢50,000 each.

As of December 31, 2024, the capital stock of Depósito Agrícola de Cartago S. A., is represented by 1 common and registered shares, which are authorized and issued, with a par value for a total of ¢305,842,762.

As of December 31, 2024, the capital stock of Banprocesa, S.R.L., is represented by 100 common and registered shares, which are authorized and issued with a par value of ¢100,000, for a total of ¢10,000,000.

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

The Bank's income statement for the period ended December 31, 2024, includes the amounts of ¢ 4,125,976,418, (¢3,344,760,119 for December 2023), corresponding to the net operating income of BICSA.

The Bank's statement of changes in equity for the period ending December 31, 2024, includes an equity decrease of ¢1,634,339,740, (¢9,444,106,286 for December 2023) corresponding to the changes resulting from the currency translation effect of BICSA's financial statement.

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

As of December 31, 2024, the accumulated balance of the minority interest of Banco Nacional de Costa Rica presented in the equity section of the consolidated balance as non-controlling interest amounts to ¢69,562,343,643, (¢67,326,345,389 for December 2023) and the income of the period represents the minority interest in the consolidated income statement in the amount of ¢3,964,173,421 (¢3,213,593,880 for December 2023).

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

	December 2024		December 2023	
	Quantity	Amount in US Dollars	Quantity	Amount in US Dollars
Balance at the beginning of the period	13,278,700	132,787,000	13,278,700	132,787,000
Balance at the end of the period	<u>13,278,700</u>	<u>132,787,000</u>	<u>13,278,700</u>	<u>132,787,000</u>

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

As of December 31 2024, for the presentation of the financial statements of the Banco de Costa Rica Financial Conglomerate, due to the incorporation as a member company, and due to the nature of Banprocesa SRL's business, an adjustment was made in the amount of ¢216,780,896, (¢223,706,436 for December 2023), corresponding to the profit generated in the service provided in support of the Bank's software, in the statement of financial position and in the income statement.

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

9). Property, furniture, and equipment

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

						Assets for the right-of-use, buildings, and facilities	
<b>Cost:</b>	<b>Property</b>	<b>Buildings</b>	<b>Furniture and equipment</b>	<b>Computer hardware</b>	<b>Vehicles</b>		<b>Total</b>
<b>Balance as of December 31, 2022</b>	€ 36,112,762,169	101,494,422,613	39,930,981,792	54,066,568,409	5,960,479,952	32,152,214,688	269,717,429,623
Conversion effect	(58,803,596)	(935,984,428)	(110,697,181)	(197,708,756)	(7,206,889)	(176,421,850)	(1,486,822,700)
<b>Adjusted balance</b>	<b>36,053,958,573</b>	<b>100,558,438,185</b>	<b>39,820,284,611</b>	<b>53,868,859,653</b>	<b>5,953,273,063</b>	<b>31,975,792,838</b>	<b>268,230,606,923</b>
Additions	0	801,689,831	1,257,329,694	8,557,135,432	53,282,258	199,779,471	10,869,216,686
Withdrawals	(333,747,430)	0	(195,342,717)	(1,217,532,681)	0	0	(1,746,622,828)
Transfers	0	1,335,316,303	(1,853,229,336)	(8,227,455,050)	303,793,943	128,142,099	(8,313,432,041)
Revaluation	0	0	13,884,531	0	0	5,494,869	19,379,400
Reversal of depreciation	0	0	0	0	(59,142)	0	(59,142)
<b>Balance as of December 31, 2023</b>	<b>35,720,211,143</b>	<b>102,695,444,319</b>	<b>39,042,926,783</b>	<b>52,981,007,354</b>	<b>6,310,290,122</b>	<b>32,309,209,277</b>	<b>269,059,088,998</b>
<b><u>Accumulated depreciation and impairment</u></b>							
<b>Balance as of December 31, 2022</b>	<b>0</b>	<b>37,958,884,721</b>	<b>26,458,862,052</b>	<b>39,611,176,674</b>	<b>4,692,318,066</b>	<b>9,807,713,141</b>	<b>118,528,954,654</b>
Conversion effect	0	(183,170,595)	(106,121,276)	(166,069,641)	(7,146,973)	(122,836,032)	(585,344,517)
<b>Adjusted balance</b>	<b>0</b>	<b>37,775,714,126</b>	<b>26,352,740,775</b>	<b>39,445,107,033</b>	<b>4,685,171,093</b>	<b>9,684,877,109</b>	<b>117,943,610,136</b>
Depreciation expenses	0	2,082,716,879	3,445,414,805	4,884,259,001	310,602,780	4,175,303,246	14,898,296,711
Adjustment for previous periods	0	0	0	0	0	0	0
Withdrawals	0	0	(1,849,253,206)	(6,775,458,711)	(12,882,743)	(28,766,067)	(8,666,360,727)
Transfers	0	0	(886,738,821)	1,649,873,719	(293,717)	(35,990,920)	726,850,261
<b>Balance as of December 31, 2023</b>	<b>€ 0</b>	<b>39,858,431,005</b>	<b>27,062,163,553</b>	<b>39,203,781,042</b>	<b>4,982,597,413</b>	<b>13,795,423,368</b>	<b>124,902,396,381</b>
<b>December 31, 2023</b>	<b>€ 35,720,211,143</b>	<b>62,837,013,314</b>	<b>11,980,763,230</b>	<b>13,777,226,312</b>	<b>1,327,692,709</b>	<b>18,513,785,909</b>	<b>144,156,692,617</b>

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

10). Other assets

(a) Other deferred charges

Other deferred charges are detailed as follows:

	<b>December 2024</b>	<b>December 2023</b>
Improvement of properties in operating lease	¢ 456,623,979	578,802,141
Other deferred charges	841,100,588	968,693,912
	<b>¢ 1,297,724,567</b>	<b>1,547,496,053</b>

(b) Intangible assets

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

<b>December</b>	<b>2024</b>
<i>Cost:</i>	
<b>Balance as of December 31, 2023</b>	¢ 94,451,550,670
Currency translation effect	(184,585,982)
<b>Adjusted balance</b>	<b>94,266,964,688</b>
Additions to computer systems	14,468,784,300
Revaluation of indices	81,487,359
Transfers	(720,098,459)
Withdrawals	(875,876,766)
<b>Balance as of December 31, 2024</b>	<b>107,221,261,122</b>
<i>Accumulated depreciation and impairment:</i>	
<b>Balance as of December 31, 2023</b>	<b>74,966,573,265</b>
Currency translation effect	(147,939,093)
<b>Adjusted balance</b>	<b>74,818,634,172</b>
Amortization expense on computer systems	14,961,111,742
Transfers	275,516,878
Withdrawals	(875,876,766)
<b>Amortized balance and impairment as of December 31, 2024</b>	<b>89,179,386,026</b>
<b>Balance as of December 31, 2024</b>	<b>¢ 18,041,875,096</b>

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

<b>December</b>	<b>2023</b>
<i>Cost:</i>	
<b>Balance as of December 31, 2022</b>	¢ <b>83,282,029,043</b>
Currency translation effect	(966,937,862)
<b>Adjusted balance</b>	<b>82,315,091,181</b>
Additions to computer systems	16,755,801,520
Transfers	(2,699,330,491)
Withdrawals	(1,920,011,540)
<b>Balance as of December 31, 2023</b>	<b>94,451,550,670</b>
<i>Accumulated depreciation and impairment:</i>	
<b>Balance as of December 31, 2022</b>	<b>59,734,564,757</b>
Currency translation effect	(718,864,815)
<b>Adjusted balance</b>	<b>59,015,699,942</b>
Amortization expense on computer systems	20,347,984,409
Transfers	(4,392,639,979)
Withdrawals	(4,471,107)
<b>Amortized balance and impairment as of December 31, 2023</b>	<b>74,966,573,265</b>
<b>Balance as of December 31, 2023</b>	¢ <b>19,484,977,405</b>

(c) Other assets

Other assets are detailed as follows:

	<b>December 2024</b>	<b>December 2023</b>
Prepaid taxes	¢ 28,345,415,363	28,253,907,995
Other prepaid taxes	12,180,917	75,473,096
Prepaid leases	78,383	78,383
Prepaid insurance policy	185,707,077	552,774,612
Other prepaid expenses	125,680,875	79,443,898
<b>Prepaid expenses</b>	<b>28,669,062,615</b>	<b>28,961,677,984</b>
Stationery, supplies and other materials	249,513,763	231,667,984
Library and works of art	73,056,395	46,258,188
Construction in process	10,339,915,033	8,996,494,115
Automated applications under development	7,082,764,200	5,102,479,616
Membership in social and professional institutions	69,333,800	36,633,800
Other miscellaneous goods	24,384,727,994	24,827,434,648
<b>Miscellaneous goods</b>	<b>42,199,311,185</b>	<b>39,240,968,351</b>
Missing cash	62,203,830	48,850,004
Transactions to be settled	28,371,614,008	48,768,901,077
Other operations pending allocation	116,933,078	170,809,574
<b>Operations pending allocation</b>	<b>28,550,750,916</b>	<b>48,988,560,655</b>
Guarantee deposits	1,271,779,304	1,138,644,193
<b>Restricted assets</b>	<b>1,271,779,304</b>	<b>1,138,644,193</b>
<b>Other available-for-sale assets outside the scope of IFRS 5</b>	22,765,376,113	0
	¢ <b>123,456,280,133</b>	<b>118,329,851,183</b>

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

11). Demand obligations with the public

Demand obligations with the public are as follows:

	<b>December 2024</b>	<b>December 2023</b>
Checking accounts	¢ 2,232,879,137,660	2,077,967,789,370
Cashier’s checks	96,755,570	144,476,108
Demand savings deposits	1,140,831,489,528	1,068,469,506,288
Overdue term borrowings	1,541,540,754	1,863,395,806
Overnight deposits	4,968,353,700	1,815,101,600
Other demand obligations with the public	5,055,160,963	3,576,646,127
	<b>¢ 3,385,372,438,175</b>	<b>3,153,836,915,299</b>

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

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

	<b>December 2024</b>	<b>December 2023</b>
<u>Obligations with the public</u>	<u>Demand</u>	<u>Demand</u>
Deposits from the public	¢ 3,380,317,277,212	3,150,260,269,171
Other obligations with the public (See note 11)	5,055,160,963	3,576,646,128
	<b>3,385,372,438,175</b>	<b>3,153,836,915,299</b>
<u>Obligations with entities</u>		
Deposits from state-owned entities	23,566,448,420	10,212,383,310
Deposits from other Banks	4,980,456,319	4,188,632,771
Other obligations with entities	49,021,903,518	53,359,601,832
	77,568,808,257	67,760,617,913
	<b>¢ 3,462,941,246,432</b>	<b>3,221,597,533,212</b>

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

	<b>December 2024 Term</b>	<b>December 2023 Term</b>
<u>Obligations with the public</u>		
Deposits from the public	¢ 1,766,508,761,195	1,689,282,292,778
Other obligations with the public	17,296,582	15,616,804
	<b>1,766,526,057,777</b>	<b>1,689,297,909,582</b>
 <u>Obligations with entities</u>		
Deposits from state-owned entities	52,352,420,250	62,134,077,995
Deposits from other Banks	725,085,234	593,590,024
Other obligations with entities	757,995,982,144	633,437,932,019
	<b>811,073,487,628</b>	<b>696,165,600,038</b>
	<b>¢ 2,577,599,545,405</b>	<b>2,385,463,509,620</b>

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

As of December 31, 2024, the Bank has a total of 1,902,794, (1,896,596 for December 2023) employees with demand deposits and with term deposits 36,834, (36,047 for December 2023). The subsidiary BICSA has a total of 1,064 customers (920 for December 2023) with demand deposits and 1,577 (1,386 for December 2023).

13). Other obligations with the public

Other obligations with the public are as follows:

	<b>December 2024</b>	<b>December 2023</b>
Obligations for confirmed letters of credit	¢ 1,334,028,723	5,523,100,903
	<b>¢ 1,334,028,723</b>	<b>5,523,100,903</b>

Repurchase agreements:

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

As of December 2024, and December 2023, there are no repurchase agreements.

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

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

	<b>December 2024</b>	<b>December 2023</b>
Term obligations with the Central Bank of Costa Rica	¢ 161,929,838,016	103,950,578,331
Charges payable for obligations with the Central Bank of Costa Rica	2,513,142,840	2,181,618,180
	164,442,980,856	106,132,196,511
Checking accounts of local financial entities	40,750,221,851	23,899,287,874
Checking accounts of foreign financial entities	324,630,288	329,112,136
Overdrafts in demand checking accounts of foreign financial entities	1,614,866,941	7,021,274,657
Obligations for check deposits	526,095,018	608,813,166
Overnight deposits	34,352,994,160	35,902,130,080
Term deposits from local financial entities	75,183,197,113	80,394,940,576
Term deposits from financial entities abroad	52,298,460,000	36,901,844,305
Loan from foreign financial entities (See note 14-a)	240,066,173,446	306,997,236,235
Obligations for right-of-use assets received under leases (note 14-a)	15,755,971,653	18,720,688,670
Obligations with resources from the Development Credit Fund (DCF)	138,097,549,701	140,481,206,433
Charges payable for obligations with financial and non-financial entities	5,518,249,417	6,329,955,245
Charges payable for obligations with related parties	15,494,275	0
	604,503,903,863	657,586,489,377
Loans from local financial entities (See note 14-a)	118,255,534,468	84,682,787,997
Obligations for deferred liquidity operations (See note 14-a)	171,416,601,245	27,986,895,819
	894,176,039,576	770,256,173,193
Loans of subsidiaries		
Subordinated obligations	49,960,796,648	49,957,954,304
Charges payable for subordinated obligations	184,422,222	184,422,222
	50,145,218,870	50,142,376,526
	¢ <b>1,108,764,239,302</b>	<b>926,530,746,230</b>

The maturities of the term obligations with entities are from January 1, 2025, to June 05, 2033.

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

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

a) Maturity of loans payable

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

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

As of December 31, 2023, the maturities of loans payable are detailed as follows:

	<b>Central Bank of Costa Rica</b>	<b>Local financial entities</b>	<b>Foreign financial entities</b>	<b>International organizations</b>	<b>Total</b>
Less than one year	¢ 2,108,456,619	57,541,618,560	181,942,922,801	26,344,000,000	267,936,997,979
From one to two years	103,950,578,331	23,716,449,437	49,848,239,594	0	177,515,267,362
From three to five years	0	3,424,720,000	42,605,809,881	2,054,832,000	48,085,361,881
Over five years	0	0	4,201,431,959	0	4,201,431,959
<b>Total</b>	<b>¢ 106,059,034,950</b>	<b>84,682,787,997</b>	<b>278,598,404,235</b>	<b>28,398,832,000</b>	<b>497,739,059,182</b>

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

b) Lease obligations

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

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

As of December 31, 2023, there are obligations for the right of use – leased assets received.

		<u>Fee</u>	<u>Interest</u>	<u>Maintenance</u>	<u>Present value</u>
Less than one year	¢	4,674,882,288	1,075,348,978	0	3,599,533,310
From one to five years		<u>18,244,580,707</u>	<u>2,530,813,580</u>	<u>0</u>	<u>15,713,767,127</u>
	¢	<u><b>22,919,462,995</b></u>	<u><b>3,606,162,558</b></u>	<u><b>0</b></u>	<u><b>19,313,300,437</b></u>

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

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

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

		<u>Colones</u>	<u>US\$ translated to colones</u>
1 year	¢	1,305,192,530	3,691,623,601
2 years		1,145,864,320	3,046,220,554
3 years		1,107,240,405	2,335,851,199
4 years		1,107,240,405	2,309,660,986
5 years		1,107,240,405	2,302,595,212
Over 5 years		<u>1,107,240,405</u>	<u>2,302,595,215</u>
	¢	<u><b>6,880,018,470</b></u>	<u><b>15,988,546,767</b></u>

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

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

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

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

	<b>Year</b>	<b>Payments</b>	<b>Present value</b>	<b>Amortization</b>	<b>Interest</b>	<b>Balance of the agreement</b>
1	31/12/2022	5,016,860,198	4,978,453,485	3,933,914,845	1,096,755,159	18,085,615,539
2	31/12/2023	4,189,654,562	4,177,957,436	3,335,534,706	859,840,816	13,870,937,821
3	31/12/2024	3,471,928,178	3,476,786,450	2,805,874,895	668,025,926	10,243,379,818
4	31/12/2025	3,415,719,498	3,415,696,631	2,923,391,889	492,350,053	6,819,671,235
5	31/12/2026	3,409,835,829	3,409,835,617	3,102,247,190	307,588,427	3,409,835,617
6	31/12/2027	3,409,835,829	3,409,835,617	3,228,165,035	181,670,582	0
7	31/12/2028	0	0	0	0	0
8	31/12/2029	0	0	0	0	0
9	31/12/2030	0	0	0	0	0
10	31/12/2031	0	0	0	0	0
		<b>¢ 22,913,834,094</b>	<b>22,868,565,237</b>	<b>19,329,128,560</b>	<b>3,606,230,964</b>	

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

15). Income tax

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

As of December 31, 2024, the consolidated balance of income tax payable amounts to ¢27,528,054,931, (¢12,828,353,865 for December 2023) (see note 17) and the income tax advance payments amounted to ¢28,345,415,363, (¢28,253,907,995 for December 2023) (see note 10.c), recorded as other assets.

Income tax expenses are detailed below:

	<b>December 2024</b>	<b>December 2023</b>
Current income tax	¢ 29,716,392,211	27,897,022,954
Decrease in income tax	(527,833,234)	(13,178,030,592)
Increase in income tax	(937,832,415)	86,743,304
Adjustment for income tax of the previous period	(7,509)	(1,262,259,957)
Advances of settled income taxes	(722,664,122)	(715,121,844)
	<b><u>27,528,054,931</u></b>	<b><u>12,828,353,865</u></b>
<b><u>Expenses for income taxes:</u></b>		
Expense for current income tax of the period	29,716,384,702	27,897,022,954
Income tax expense from the prior period	7,509	0
Expense for deferred income tax	8,346,476,245	20,742,526,046
	<b><u>38,062,868,459</u></b>	<b><u>48,639,549,000</u></b>
<b><u>Income for income taxes</u></b>		
Decrease in income taxes for the period	(521,811,269)	(13,174,356,578)
Income for deferred income tax	(11,215,324,970)	(16,295,906,202)
Decrease in the deferred income tax from the previous period	(74,754,495)	(3,674,016)
	<b><u>(11,811,890,734)</u></b>	<b><u>(29,473,936,796)</u></b>
<b>Income tax, net</b>	<b>¢ <u>26,250,977,722</u></b>	<b><u>19,165,612,204</u></b>
<b>Realization of deferred income tax</b>	<b>¢ <u>2,868,848,724</u></b>	<b><u>(4,446,619,844)</u></b>

Details of the income tax reconciliation are as follows:

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

	<b>December 2024</b>	<b>December 2023</b>
Income before taxes	¢ <u>73 834 964 421</u>	<u>15 932 324 223</u>
Plus:		
Non-deductible expenses	645 748 359 197	726 563 670 888
Minus:		
Non-taxable income	<u>(623 196 315 863)</u>	<u>(695 942 990 494)</u>
Taxable income	<b>96 387 007 755</b>	<b>46 553 004 617</b>
Impact of entities with no taxable income	<u>0</u>	<u>0</u>
Taxable income of the Conglomerate	<u>96 387 007 755</u>	<u>46 553 004 617</u>
Tax rate		
Taxable base of local entities (30%)	90 616 636 482	40 748 597 258
Taxable base of foreign entities (25%)	<u>5 679 554 489</u>	<u>5 713 590 577</u>
Income tax (30%)	27 184 990 944	12 224 579 177
Income tax (25%)	<u>1 419 888 622</u>	<u>1 428 397 644</u>
Income tax expense	<b>28 604 879 566</b>	<b>13 652 976 821</b>
Income tax expense from previous period	<u>3 291</u>	<u>(418 159 930)</u>
Current income tax	¢ <u><b>28 604 882 857</b></u>	<u><b>13 234 816 891</b></u>

BICSA is subject to tax legislation in the following jurisdictions.

Panamá

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

Miami

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

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

Deferred tax assets and liabilities are attributed to the following:

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

As of December 31, 2024

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

As of December 31, 2023

	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>
Valuation of investments	¢ 3,218,370,397	(3,767,810,511)	(549,440,114)
Revaluation of assets	242,823,928	(14,262,628,638)	(14,019,804,710)
Provisions	(8,404,053)	(34,976,819)	(43,380,872)
Financial leases	5,646,614,598	(5,579,520,286)	67,094,312
Deferred taxes for exchange differences	10,392,860,153	(21,585,796,102)	(11,192,935,948)
Losses and unused tax credits	240,624,914	0	240,624,914
Allowance for doubtful accounts	88,456,126	0	88,456,126
	<u>¢ 19,821,346,063</u>	<u>(45,230,732,356)</u>	<u>(25,409,386,292)</u>

The movement of temporary differences is as follows:

As of December 31, 2024

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

As of December 31, 2023

	December 31, 2022	Effects on income statement	Effects on equity	December 31, 2023
<b>On liabilities account</b>				
Valuation of investments	¢ (469,153,500)	0	(3,298,657,011)	(3,767,810,511)
Revaluation of assets	(8,632,345,029)	146,820,397	0	(8,485,524,632)
Revaluation of land	(5,777,104,006)	0	0	(5,777,104,006)
Financial leases	(6,733,911,989)	1 154 391 703	0	(5,579,520,286)
For exchange differences	(7,280,460,002)	(14,305,336,100)	0	(21,585,796,102)
Allowance for doubtful accounts	(58,294,700)	23,317,881	0	(34,976,819)
<b>On assets account</b>				
Valuation of investments	19,159,652,189	0	(15,941,281,792)	3,218,370,397
Financial leases	7,647,460,580	(1,658,943,707)	(341,902,275)	5,646,614,598
Income tax for asset revaluation	242,823,928	0	0	242,823,928
Losses and unused tax credits	124,687,031	(167,873,767)	283,811,650	240,624,914
Provisions	23,293,290	(31,697,343)	0	(8,404,053)
Allowance for doubtful accounts	88,615,188	(159,062)	0	88,456,126
For exchange differences	0	10,392,860,154	0	10,392,860,154
	<b>¢ (1,664,737,020)</b>	<b>(4,446,619,844)</b>	<b>(19,298,029,428)</b>	<b>(25,409,386,292)</b>

As of December 31, 2024, the consolidated group presents a balance for income tax receivable of ¢14,037,349,762, (¢8,909,791,476 for December 2023) in addition to supported value added tax for ¢ ¢2,427,003,785 (¢1,785,036,658 for December 2023) and deductible value added tax for ¢35,894,383, (¢22,128,915 for December 2023).

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

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

	<b>December 2024</b>	<b>December 2023</b>
Banco de Costa Rica	¢ 18,640,703,526	18,640,703,527
BCR Valores, S.A.- Puesto de Bolsa	0	323,346,107
BCR Sociedad Administradora de Fondos de inversión, S.A.	621,557,437	229,690,558
BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A.	21,606,321	55,794,630
BCR Corredora de Seguros, S.A.	0	65,297,213
	<b>¢ 19,283,867,285</b>	<b>19,314,832,036</b>

As of December 31, 2024, the amount recorded by the Bank as a provision under IFRIC 23 is ¢18,640,703,526 (¢18,640,703,527 as of December 2023). The Bank's Management considers that this amount covers matters related to uncertain tax treatments between the Tax Administration and Banco de Costa Rica for the periods from 2020 to 2024.

On April 04, 2022, resolution No. DGT-R-09-2022, “Quantification exchange differences in entities subject to surveillance and inspection of the General Superintendence of Financial Entities (SUGEF) and the General Superintendence of Securities (SUGEVAL)” of the General Directorate of Taxation is published in the official paper La Gaceta, in effect from the 2022 period.

In articles 1 (paragraph 1) and 5 (paragraphs 2 and 27 bis) of the Income Tax Law (LSIR), the General Directorate of Taxation has defined the exchange differential that may arise, taxable or deductible as appropriate, for the Tax on Income, Capital Gains and Losses (IRGPC for its acronym in Spanish), and for the Income Tax (ISU for its acronym in Spanish). Therefore, the line to follow related to the treatment of the exchange differential under the realization criterion, has been established.

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

For tax purposes, in article 4 of the LSIR, on the closing day of the fiscal period, the entity must quantify the exchange differential, in accordance with the regulation of the position in foreign currency on that day, using the selling exchange rate of the US dollar, suggested by the Central Bank of Costa Rica, for that day. The result must be compared with the position in foreign currency corresponding to the closing day of the previous fiscal period, using the selling exchange rate for the US dollar, suggested by the Central Bank of Costa Rica, for that day.

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

As of December 31, 2024, the application of the resolution described above gave rise to a temporary difference which required the recording of a deferred income tax liability of ¢23,394,196,945, (¢21,585,796,102 for December 2023) and assets of ¢14,767,039,029, (¢10,392,860,154 for December 2023).

16). Provisions

The movement of provision is as follows:

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

		<u>Legal benefits</u>	<u>Lawsuits</u>	<u>Other</u>	<u>Total</u>
<b>Balance as of December 31, 2022</b>	¢	<b>10,655,153,393</b>	<b>15,460,700,748</b>	<b>15,294,247,597</b>	<b>41,408,245,332</b>
Currency conversion effect		(17,274,749)	1,708,575	0	(15,566,174)
<b>Adjusted balance</b>		<b>10,637,878,644</b>	<b>15,460,552,918</b>	<b>15,294,247,597</b>	<b>41,392,679,158</b>
Provision made		806,182,906	6,799,882,720	6,910,329,185	14,516,394,811
Provision used		(75,836,383)	(1,332,653,074)	(1,275,491,324)	(2,683,980,781)
Adjustment for exchange rate differences		0	(3,197,138)	0	(3,197,138)
Provisions reversed		(955,418,920)	(18,383,003)	(596,554,925)	(1,570,356,848)
<b>Balance as of December 31, 2023</b>	¢	<b>10,412,806,247</b>	<b>20,906,202,423</b>	<b>20,332,530,533</b>	<b>51,651,539,202</b>

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

Type	Number	High	Low	Pending evaluation	Total amount in colones	Total amount in US dollars	Provision in colones	Provision in US dollars
Contentious	224	20	202	2	37,673,827,735	365,961,985	2,377,231,945	820,058
Criminal	7	1	6	0	461,219,445	0	187,989,445	0
Labor	264	54	210	0	4,367,132,650	825,000	2,547,595,263	0
Proceedings	29	3	26	0	64,026,744	12,100	13,665,611	0
<b>Total</b>					¢42,566,206,574.01	\$366,799,084.89	¢5,126,482,263.17	\$820,058.32

As of December 31, 2024, there are no high-risk legal proceedings without a corresponding provision estimate (32 litigations, for December 2023).

As of December 2023

Type	Number	High	Low	Pending evaluation	Total amount in colones	Total amount in US dollars	Provision in colones	Provision in US dollars
Contentious	251	28	221	2	¢35,192,664,484	\$370,448,045	¢2,569,200,262	\$5,669
Criminal	18	2	16	0	¢636,459,162	\$5,857	¢186,625,634	\$0
Labor	354	66	288	0	¢6,575,485,878	\$825,000	¢2,689,522,920	\$0
Proceedings	22	0	22	0	¢15,096,422	\$2,000	¢0	\$0
<b>Total</b>	645	96	547	2	¢42,419,705,947	\$371,280,902	¢5,445,348,817	\$5,669

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

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

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

- For their nature, labor suits are difficult to estimate, however they are estimated in ₡4,367,132,650 and US\$825,000 for which the Bank has provisions recorded in the amount ₡2,547,595,263, in the cases in which there is no firm condemnatory.
- There are administrative proceedings in different stages, estimated in ₡64,026,744 and US\$12,100 for which the Bank recorded provisions in the amount of ₡13,665,611
- A provision in the amount of ₡282,187,390 corresponding to the Deposit Guarantee Fund is created and recorded in "Others".

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

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

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

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

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

- Ordinary suits against the Bank have been estimated for ₡33,113,828,061 and US\$370,297,533 for which the Bank has provisions recorded in the amounts of ₡1,834,841,446 and US\$5,669, respectively.
- The criminal lawsuits against the Bank have been estimated in ₡476,459,162 and US\$5,857, for which the Bank has recorded a provision in the amount of ₡182,625,634.
- For their nature, labor suits are difficult to estimate, however they are estimated in ₡6,359,515,866 and US\$825,001 for which the Bank has provisions recorded in the amount ₡2,669,522,921, in the cases in which there is no firm condemnatory.
- There are administrative proceedings in different stages, estimated for ₡15,096,422 and US\$2,000.
- A provision in the amount of ₡471,102,734 corresponding to the Deposit Guarantee Fund is created and recorded in "Others".

As of December 31, 2023, BCR Pensi3n Operadora de Planes de Pensiones Complementarias, S.A. maintains amounts provisions for ₡1,708,743 for legal processes in labor matters.

As of December 31, 2023, there are no provisions for litigation at BCR Sociedad Administradora de Fondos de Inversion S.A.

As of December 31, 2023, there is a process against BCR Valores S.A. in the amount of US\$465,000, processed under file 16-000208-1027-CA-2 of the Contentious Administrative and Civil Tax Court of the Second Judicial Circuit of San Jos3. On February 7, 2023, BCR Valores filed an appeal for revocation against the resolution of the First Chamber that processed the appeal. On September 12, 2023, the First Chamber rejected the appeal filed by BCR Valores. The First Chamber must resolve on the merits the appeal presented by the plaintiff.

As of December 31, 2023, BICSA there are no provisions for litigation.

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

17). Other miscellaneous accounts payable

Other miscellaneous accounts payable are detailed as follows:

	<b>December 2024</b>	<b>December 2023</b>
Fees payable	¢ 54,861,559	65,399,842
Due for goods and services	571,405,073	480,228,506
Current income tax	27,528,054,931	12,828,353,865
Tax on DU propts	11,408,206	24,218,622
Value added tax	328,754,014	322,573,499
Employer contributions	2,353,803,467	2,384,432,763
Court-ordered withholdings	866,843,033	836,338,637
Tax withholdings payable	3,336,068,708	3,962,650,913
Withhold employer contributions payable	1,283,072,589	1,166,801,256
Other third-party withholdings payable	9,667,031,742	13,715,553,530
Compensations and salaries payable	9,406,675,049	9,081,267,164
Interests (distributions) payable on results of the period (see note 33)	21,838,867,280	12,138,129,334
Accrued vacations	7,516,422,057	7,399,844,839
Accrued statutory Christmas bonus	1,282,107,379	1,395,494,314
Commissions payable from insurance placement	56,816,797	167,096,264
Commissions payable from insurance placement	23,531,909	13,498,575
Contribution to the Superintendence budget	6,960,669	4,825,261
Miscellaneous creditors	25,521,251,442	23,230,305,063
	<b>¢ 111,653,935,904</b>	<b>89,217,012,247</b>

18). Equity

a) Capital Stock

The Bank's capital stock is as follows:

	<b>December 2024</b>	<b>December 2023</b>
Capital under Law No. 1644	¢ 30,000,000	30,000,000
Bank capitalization bonds	1,288,059,486	1,288,059,486
Capital increase per Law No. 7107	118,737,742,219	118,737,742,219
Capital increase per Law No. 8703	27,619,000,002	27,619,000,002
Capital increase per Law No. 9605	18,907,432,694	18,907,432,694
Increase for revaluation of assets	14,130,125,230	14,130,125,230
Other	697,630,970	697,630,970
	<b>¢ 181,409,990,601</b>	<b>181,409,990,601</b>

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

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

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

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

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

As of December 31, 2024, the balance of adjustment for valuation of investments at fair value with changes through other comprehensive income corresponds to unrealized net profits in the amount of ¢1,138,615,082, (¢9,553,277,894 for December 2023).

d) Adjustments for valuations of interest in other companies

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

As of December 31, 2024, changes in equity include foreign exchange differences corresponding to investments in other companies in the amount of ¢8,094,363,883, (¢9,728,703,622 for December 2023).

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

e) Equity of the Development Financing Fund (FOFIDE)

As of December 31, 2024, the amount for the constitution of the equity of the Development Financing Fund is ₡36,671,365,413, (₡45,766,617,523 for December 2023). In compliance with Law 9605 "Merger by absorption of Banco Crédito Agrícola de Cartago and Banco de Costa Rica", the amount of ₡2,627,265,346 of the assets managed by the entity was transferred.

f) Special reserves of retained earnings from BICSA

As of December 31, 2024, from Banco de Costa Rica's retained earnings resulting from the investment in other companies, it should be considered for any purpose that there are amounts related to special reserves applied to equity accounts of BICSA for US\$47,454,023 (51% of US\$93,047,103,) (US\$36,730,185 equivalent to 51% for US\$72,019,971 for December 2023) due to changes made to policies concerning the subsidiary.

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

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

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

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

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

g) Equity reserves

As of December 31, 2024, changes in equity include amounts for equity reserves for ₡364,708,053,622, (₡351,152,901,365 for December 2023).

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

Regulatory capital

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

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

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

As of December 31, 2023, the net worth equity for the BCR Financial Conglomerate is detailed as follows:

<b>Companies of the Financial Conglomerate</b>	<b>Capital base</b>	<b>Minimum individual capital requirement</b>	<b>Individual surplus or deficit</b>	<b>Non-transferable items</b>	<b>Transferable surplus and individual deficit</b>
<b>Parent Company</b>					
Banco de Costa Rica	¢ 606,431,243,069	390,768,302,061	215,662,941,009	0	215,662,941,009
	<u>606,431,243,069</u>	<u>390,768,302,061</u>	<u>215,662,941,009</u>	<u>0</u>	<u>215,662,941,009</u>
<b>Regulated entities</b>					
Banco Internacional de Costa Rica, S. A and subsidiary	137,399,766,400	99,791,072,000	37,608,694,400	18,428,260,256	19,180,434,144
BCR Valores, S. A.- Puesto de Bolsa	19,369,565,352	6,411,919,936	12,957,645,416	0	12,957,645,416
BCR Sociedad Administradora de Fondos de inversión, S.A.	5,456,563,230	2,537,928,660	2,918,634,570	0	2,918,634,570
BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A.	4,250,408,141	3,675,413,228	574,994,913	0	574,994,913
BCR Comercializadora de Seguros, S.A.	4,423,774,250	1,902,084,460	2,521,689,790	0	2,521,689,790
	<u>¢ 170,900,077,373</u>	<u>114,318,418,284</u>	<u>56,581,659,089</u>	<u>18,428,260,256</u>	<u>38,153,398,833</u>
<b>Non-regulated entities</b>					
Banprocesa R.L.	1,223,060,900	320,604,500	902,456,400	0	902,456,400
Depósito Agrícola de Cartago S.A. and subsidiary	1,060,770,600	281,493,600	779,277,000	0	779,277,000
	<u>¢ 2,283,831,500</u>	<u>602,098,100</u>	<u>1,681,733,400</u>	<u>0</u>	<u>1,681,733,400</u>
<b>Global surplus or deficit of the Financial Conglomerate</b>					<u>¢ 255,498,073,242</u>

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

19). Contingent accounts

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

Off-balance financial instruments with risk are as follows:

	<b>December 2024</b>	<b>December 2023</b>
Guarantees granted:		
Performance bonds	¢ 56,531,129,335	69,892,937,188
Bid bonds	8,524,854	88,636,438
Other guarantees	53,453,096,867	47,062,913,733
Issued non-negotiated letters of credit	38,838,060,529	37,888,972,926
Confirmed non-negotiated letters of credit	1,377,562,628	3,932,680,134
Credit lines to be used automatically	183,482,816,046	142,278,939,278
Other contingencies	225,088,150,604	232,883,506,405
Credits pending disbursement	49,425,566	49,437,310
	<b>¢ 558,828,766,429</b>	<b>534,078,023,412</b>

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

	<b>December 2024</b>	<b>December 2023</b>
With prior deposit	¢ 16,838,517,597	15,051,804,160
Without prior deposit	316,902,098,228	286,142,712,847
Pending lawsuits and claims	225,088,150,604	232,883,506,405
	<b>¢ 558,828,766,429</b>	<b>534,078,023,412</b>

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

As of December 31, 2024, letters of credit are backed 100% by guaranteed deposits or credit facilities.

As of December 31, 2024, floating guarantees in custody are for ¢223,652,134,881 (¢238,214,652,955 for December 2023).

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

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

Other contingencies

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

- In contentious matters, there are active processes established against the Bank estimated in the amount of ₡35,296,597,790 and US\$365,141,927. In addition, other contentious processes are filed for preliminary injunction with no estimate.
- In criminal matters there are active ordinary labor processes which were estimated at ₡273,230,000.
- In labor matters there are active ordinary processes estimated in the amounts of ₡1,819,537,387 and US\$825,000.
- Administrative proceedings against the Bank have been estimated in the amounts of ₡50,361,133 and US\$12,100.

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

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

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

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

As of December 31, 2024, judicial and administrative matters concerning the subsidiary BCR SAFI are ongoing at various stages. These are detailed in the note on significant and subsequent events (Note 44) and therefore should be considered in conjunction with the disclosures provided in the notes to the financial statements of said subsidiary.

- In contentious matters, there are active processes established against the Bank estimated in the amount of ₡31,278,986,615 and US\$370,291,865. In addition, other contentious processes are filed for preliminary injunction with no estimate.
- In criminal matters there are active ordinary labor processes which were estimated at ₡289,833,528 and US\$5,857.
- In labor matters there are active ordinary processes estimated in the amounts of ₡3,689,992,945 and US\$825,000.
- Administrative proceedings against the Bank have been estimated in the amounts of ₡15,096,422 and US\$2,000.

As of December 31, 2023, there are legal claims filed against BICSA and its subsidiaries that, in the opinion of Management and external attorneys, are not expected to have a material adverse effect on the consolidated position, the consolidated performance or the entity's operations.

As of December 31, 2023, due to the merger between INS Pensiones Operadora de Pensiones Complementarias, S.A. and BCR Pensi3n Operadora de Planes de Pensiones Complementarias. S.A., a series of contingencies arose that have been reasonably covered with pledged securities from the seller.

As of December 31, 2023, there is a process against BCR Valores in the amount of US\$175,000, processed under file 16-000207-1027-CA 8 of the Administrative and Civil Court of Finance of the II Judicial Circuit of San Jos3. The Contentious Administrative Court set the time and date for the oral and public trial, which will be on January 24, 25 and 26, 2024. After that, the Court will issue the judgment of the process.

As of December 31, 2023, BCR Valores S.A. has an established process, file number 23-000523-1178-LA. The demand was received and the response with the corresponding proof is sent.

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

20). Trusts

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

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

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

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

	<b>December 2024</b>	<b>December 2023</b>
Cash and due from banks	¢ 43,455,014,241	44,520,717,107
Investments in financial instruments	173,946,474,346	195,422,921,375
Loan portfolio	25,642,902,165	32,673,020,783
Allowance for doubtful accounts	(6,748,792,221)	(7,213,903,691)
Realizable assets	124,695,292,932	155,036,648,198
Investments in other companies	795,609,900	795,609,900
Other accounts receivable	26,727,848,775	32,439,325,803
Property, furniture, and equipment	97,028,966,280	101,878,211,099
Other assets	302,284,830,136	338,534,043,361
	<b>¢ 787,828,146,554</b>	<b>894,086,593,935</b>

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

	<b>December 2024</b>	<b>December 2023</b>
Banco de Costa Rica	¢ 741,512,653,451	846,209,117,927
Banco Internacional de Costa Rica, S.A.	46,315,493,103	47,877,476,008
	<b>¢ 787,828,146,554</b>	<b>894,086,593,935</b>

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

21). Other debit memoranda accounts

Other debit memoranda accounts are detailed as follows:

	<b>December 2023</b>	<b>December 2022</b>
Own assets and securities held in		
Custody	10,374,116,571	9,429,675,151
Guarantees received and held in custody	7,396,570,892,196	5,104,022,095,964
Guarantees received and held by third parties	284,879,326,990	4,168,318,384
Granted and unused credit lines	667,984,457,627	621,783,602,758
Write-offs	261,727,510,271	252,482,078,664
Suspense interest receivable	35,220,599,289	24,169,710,558
Other memoranda accounts	7,323,091,789,651	6,176,126,729,723
Assets and securities held in custody		
for third parties	54,106,247,365	53,753,994,108
Managed funds assets	2,295,747,544,794	2,217,020,610,714
Management of individual portfolios		
by the stock market	289,788,537,890	246,087,572,796
Marketable securities received as collateral (Guarantee Trust)	414,001,634	1,843,213,774
Confirmed cash contracts pending settlement	239,146,429	0
Own held-for-trading securities	1,029,229,514,818	794,692,939,888
Cash and accounts receivable for custodial activities	52,226,403,776	108,289,699,228
Held-for-trading securities held in custody for third parties as guarantee (guarantee trust)	43,377,662,941	35,224,164,253
Held-for-trading securities pending receipt	39,322,753,643	6,662,993,266
Confirmed spot agreements pending Settlement	39,618,244,522	17,689,539,380
Futures pending settlement	56,336,980,696	27,866,013,236
Third parties held-for-trading securities	7,937,928,484,826	7,646,822,660,210
	<b>¢ 27,818,184,215,929</b>	<b>23,348,135,612,055</b>

Other memoranda accounts by subsidiaries are detailed as follows:

	<b>December 2024</b>	<b>December 2023</b>
Banco de Costa Rica	23,338,735,853,372	19,799,380,104,339
Banco Internacional de Costa Rica, S.A.	1,099,925,565,528	437,679,017,774
BCR Valores, S.A.- Puesto de Bolsa (see note 22)	1,070,927,854,042	879,123,941,958
BCR Sociedad Administradora de Fondos de Inversión, S.A. (see note 23)	511,398,177,375	598,691,302,869
BCR Pensión Operadora de Planes de Pensiones Complementarias, S.A. (see note 24)	1,794,897,577,618	1,627,924,690,020
Depósito Agrícola de Cartago S. A.	2,299,187,994	5,336,555,094
	<b>¢ 27,818,184,215,929</b>	<b>23,348,135,612,054</b>

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

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

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

a) Repurchase

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

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

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

As of December 31, 2023, forward buyer and seller positions in repurchase and reverse repurchase agreements in which BCR Valores, S.A. Puesto de Bolsa (Stock Exchange) participates, are as follows:

	Forward buyer			Forward seller		
	Colones	US Dollars	Total	Colones	US Dollars	Total
Third parties						
1 to 30 days	¢ 3,324,284,572	14,580,635,946	17,904,920,518	3,556,499,138	5,590,980,624	9,147,479,761
31 to 60 days	236,681,387	340,250,184	576,931,571	236,681,387	0	236,681,387
<b>Third parties</b>	<b>¢ 3,560,965,959</b>	<b>14,920,886,130</b>	<b>18,481,852,089</b>	<b>3,793,180,525</b>	<b>5,590,980,624</b>	<b>9,384,161,149</b>
<b>Total</b>	<b>¢ 3,560,965,959</b>	<b>14,920,886,130</b>	<b>18,481,852,089</b>	<b>3,793,180,525</b>	<b>5,590,980,624</b>	<b>9,384,161,149</b>

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

b) Guarantees granted

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

To establish a risk management system, SUGEVAL set up a guarantee fund comprised of contributions from brokerage firms. Contributions are made proportionally based on the net buyer positions during the last six months. As of December 31, 2024, the Brokerage House made contributions for a total of ¢375,604,920, (¢58,969,930 for December 2023). These contributions are registered in the subaccount "Guarantee fund - National Stock Exchange".

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

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

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

d) Customer securities and own securities in custody

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

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

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

As of December 31, 2023, BCR Valores, S.A. has following securities in custody:

<u>Place of Custody</u>	<u>Custody Type</u>	<u>Balance</u>
<i>Colones</i>		
Local	Custody free	¢ 253,581,543,957
Local	Repurchase operations	4,583,747,235
		<u>¢ 258,165,291,192</u>
<i>US dollars</i>		
Local	Custody free	¢ 195,063,141,908
Local	Repurchase operations	15,955,066,482
Foreign custodians	Custody available at face value	76,238,297,084
Foreign custodians	Shares at purchase value	3,779,462,102
		<u>¢ 291,035,967,576</u>
<b>Total own custody, colones, US dollars and other currencies</b>		<u>¢ 549,201,258,768</u>
<b>US Dollars and others</b>		<u>¢ 549,201,258,768</u>

23). Investment fund management agreements

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

<u>Investment Fund</u>	<u>Type of fund</u>	<u>December 2024</u>	<u>December 2023</u>
<i>In Colones</i>			
BCR Short-term colones, undiversified	Financial, open	¢ 50,378,730,208	41,207,514,546
BCR quarterly colones, undiversified	Financial, open, medium-term	423,646,651	483,512,737
BCR mixed colones, undiversified	Open, medium-term	32,371,502,404	39,331,350,487
BCR Portfolio Fund colones	Open, medium-term	34,289,126,274	46,015,956,767
BCR Real Estate, colones	Closed, non-financial		
Undiversified	and mixed portfolio	16,984,351,599	14,937,461,118
		<u>¢ 134,447,357,136</u>	<u>141,975,795,655</u>
<i>In US dollars</i>			
Investment Funds in US Dollars, equivalent in colones (See note 21)		<u>376,950,820,239</u>	<u>456,715,507,492</u>
		<u>¢ 511,398,177,375</u>	<u>598,691,303,147</u>
<i>Investment Funds in US dollars</i>			
BCR Liquidity Dollars, undiversified	Open	US\$ 87,349,275	55,612,191
BCR Real Estate Dollars, undiversified	Real estate, closed, long-term	239,887,339	273,793,004
BCR Real Estate Trade and Industry, undiversified	Real estate, closed, long-term		
		196,501,514	192,164,899
BCR Liquidity Fund Dollars international, undiversified	Open, money market	75,195,447	143,016,217
BCR Portfolio Fund, US dollars	Open, medium-term	28,671,529	29,524,500
BCR Evolution	Open, medium-term	1,462,224	1,104,010
BCR Real Estate Progress Fund, undiversified	Real estate, closed	87,440,672	83,169,832
PEL Development Investment Fund	Real estate, closed	18,675,859	88,445,568
		<u>US\$ 735,183,859</u>	<u>866,830,221</u>

**BANCO DE COSTA RICA**  
**Notes to the Consolidated Financial Statements**  
**As of December 31, 2024**  
**(with corresponding figures as of December 31, 2023)**  
**(in colones without cents)**

**24). Pension fund management agreements**

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

	<b>December 2024</b>	<b>December 2023</b>
Own assets and securities held in custody	¢ 10,374,116,571	9,429,675,151
Assets and securities held in custody by third parties	174,093,628	165,707,024
Mandatory pension fund	1,515,284,732,986	1,364,838,396,476
Voluntary pension fund	37,690,847,325	44,152,368,661
Labor capitalization fund	67,609,550,369	61,174,525,962
Supplementary pension funds created by special laws (see note 21)	<u>163,764,236,739</u>	<u>148,164,016,746</u>
	<b>¢ <u>1,794,897,577,618</u></b>	<b><u>1,627,924,690,020</u></b>

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

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

	<b>December 2024</b>	<b>December 2023</b>
<b>Voluntary Pension Fund (colones)</b>	<b>¢ <u>35,511,837,417</u></b>	<b><u>35,051,543,183</u></b>
<b>At fair value through other comprehensive income</b>	<b>32,842,445,525</b>	<b>34,428,220,696</b>
<b>Entities from the public sector of the country</b>	<b>27,788,934,311</b>	<b>24,470,917,562</b>
Ministry of Finance	18,728,954,309	18,759,022,291
Banco Central de Costa Rica	7,191,400,850	2,843,900,995
Other issuers from the public sector	1,868,579,152	2,867,994,276
<b>Entities from the private sector of the country</b>	<b>5,053,511,214</b>	<b>9,957,303,134</b>
Financial	4,453,602,139	9,258,182,133
Non-financial	599,909,075	699,121,001
<b>At fair value with changes through profit or loss</b>	<b>2,669,391,982</b>	<b>623,322,487</b>
<b>Entities from the private sector of the country Financial</b>	<b>2,669,391,892</b>	<b>623,322,487</b>
Financial	362,090,549	623,322,487
<b>Financial entities abroad from the private sector</b>	<b>2,307,301,343</b>	<b>0</b>
<b>Voluntary Pension Fund (US\$)</b>	<b>US <u>7,820,262,582</u></b>	<b><u>6,972,738,198</u></b>
<b>At fair value through other comprehensive income</b>	<b>6,823,711,453</b>	<b>6,929,415,458</b>
<b>Entities from the public sector of the country</b>	<b>5,702,697,993</b>	<b>4,001,471,605</b>
Ministry of Finance	5,462,812,556	3,760,616,032
Central Bank of Costa Rica	0	0
Other issuers from the public sector	239,885,437	240,855,573
<b>Entities from the private sector of the country</b>	<b>1,121,013,460</b>	<b>2,927,943,853</b>
Financial	1,121,013,460	2,927,943,853
<b>At fair value through profit or loss</b>	<b>996,551,129</b>	<b>43,322,740</b>
<b>Entities from the private sector of the country</b>	<b>996,551,129</b>	<b>43,322,740</b>
Financial	107,616,377	43,322,740
<b>Entities from the private sector abroad</b>	<b>888,934,752</b>	<b>0</b>
Financial entities	888,934,752	0

**BANCO DE COSTA RICA**  
**Notes to the Consolidated Financial Statements**  
**As of December 31, 2024**  
**(with corresponding figures as of December 31, 2023)**  
**(in colones without cents)**

	<b>December</b>	<b>December</b>
	<u>2024</u>	<u>2023</u>
<b>Mandatory Regime of Supplementary Pensions (colones)</b>	<b>¢ 1,665,392,030,003</b>	<b>1,476,782,816,435</b>
<b>At fair value through other comprehensive income</b>	<b>1,191,189,763,242</b>	<b>1,233,950,909,700</b>
<b>Entities from the public sector of the country</b>	<b>1,095,169,668,438</b>	<b>968,306,694,640</b>
Ministry,of,Finance	965,910,796,910	846,714,511,898
Banco,Central,de,Costa,Rica	50,002,388,888	28,249,645,168
Other,issuers,from,the,public,sector	79,256,482,640	93,342,537,574
<b>Entities from the private sector of the country</b>	<b>96,020,094,804</b>	<b>265,644,215,060</b>
Financial	82,882,495,726	185,641,770,299
Non-financial	13,137,599,078	16,336,088,306
In public entities abroad	0	63,666,356,455
<b>At fair value through profit or loss</b>	<b>465,396,524,192</b>	<b>242,831,906,735</b>
<b>Entities from the private sector of the country</b>	<b>9,690,756,461</b>	<b>13,430,296,426</b>
Financial	9,690,756,461	13,430,296,426
Entities from the foreign the public sector	0	0
<b>Entities from the public sector of the country</b>	<b>455,705,767,731</b>	<b>229,401,610,309</b>
Financial	<b>0</b>	223,461,235,563
In public entities abroad	429,288,540,022	5,940,374,746
At amortized cost	8,805,742,570	0
Local entities from the public sector	8,805,742,570	0
Ministry of finance	8,805,742,570	0
<b>Labor Capitalization Fund (colones)</b>	<b>¢ 67,974,181,373</b>	<b>62,206,640,209</b>
<b>At fair value through other comprehensive income</b>	<b>60,954,132,610</b>	<b>58,312,381,546</b>
<b>Entities from the public sector of the country</b>	<b>49,403,561,084</b>	<b>42,346,147,882</b>
Ministry,of,Finance	40,348,624,413	33,807,116,379
Banco,Central,de,Costa,Rica	7,187,664,511	5,581,827,569
Other,issuers,from,the,public,sector	1,867,272,160	2,957,203,934
<b>Entities from the private sector of the country</b>	<b>11,550,571,526</b>	<b>15,966,233,664</b>
Financial	10,701,739,683	15,125,050,311
Non-financial	848,831,843	841,183,353
<b>At fair value through profit or loss</b>	<b>1,834,155,007</b>	<b>3,894,258,663</b>
<b>Entities from the private sector of the country</b>	<b>1,834,155,007</b>	<b>3,894,258,663</b>
Financial	1,834,155,007	3,894,258,663
In public entities abroad	5,185,893,756	0

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

Following is a general description of the nature of the agreements entered:

**BANCO DE COSTA RICA**  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

25). Contract for custody and storage of goods

As of December 31, 2024, and December 2023, Depósito Agrícola de Cartago and its subsidiary have current contracts that are detailed below:

- a) Logistics services provided to the duty-free shops of Instituto Mixto de Ayuda Social (IMAS), management of General and Auxiliary Warehouses, transportation and distributions of goods.
- b) Banking services provided to the duty-free shops of Instituto Mixto de Ayuda Social (IMAS), for collection of sales in the shops by human cashiers.

26). Financial income on investments in financial instruments

Financial income from investments in financial instruments is as follows:

	<b>December 2024</b>	<b>December 2023</b>
Interest in investments in financial instruments at fair value through profit or loss	¢ 59,379,746	43,022,180
Interest in investments in financial instruments at fair value through comprehensive income	86,818,194,235	83,812,850,478
Interests for investments at amortized cost	13,161,828,230	12,628,840,836
Income from investments in due and restricted financial instruments	3,453,130,902	2,627,463,130
	<b>¢ 103,492,533,113</b>	<b>99,112,176,624</b>

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

	<b>December 2024</b>	<b>December 2023</b>
Personal	¢ 139,919,545,278	143,621,151,051
Development Banking System	4,209,975,858	4,235,511,716
Business	23,408,776,785	18,629,574,986
Corporate	161,210,715,557	170,402,737,256
Public sector	4,206,490,947	5,268,915,294
Financial sector	1,154,557,900	3,099,125,615
Amortization of the net commission of the incremental direct costs associated with loans	4,712,852,663	4,642,157,321
Interest in accounts receivable related to loan portfolio and other financial instruments for other concepts not included in the previous subaccounts and analytical accounts	2,237,458,889	1,542,742,773
	<u>¢ 341,060,373,877</u>	<u>351,441,916,012</u>

28). Expenses from obligations with the public

Financial expenses from obligations with the public are as follows:

	<b>December 2024</b>	<b>December 2023</b>
Expenses from demand deposits	¢ 65,024,694,718	87,608,067,371
Expenses from term deposits	110,900,034,687	144,896,058,043
Expenses from securities in repurchase agreements	0	328,053,210
	<u>¢ 175,924,729,405</u>	<u>232,832,178,624</u>

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

	<b>December 2024</b>	<b>December 2023</b>
Decrease in specific allowance for loan portfolio (See note 6-f)	¢ 29,366,331,564	3,774,025,278
Expense for allowance for impairment and bad debts from other accounts receivable	4,930,395,149	4,187,343,681
Decrease in generic allowance and counter cycle for loan portfolio (See note 6-f)	620,074,271	5,484,556,414
Expenses for allowance for impairment of investments at fair value through other comprehensive income	500,620,138	290,612,531
Expenses for allowance for impairment of financial instruments at amortized cost.	156,719	102
Expenses for allowance for impairment of expired and restricted financial instruments	9,336,489	2,472,961
	¢ <b><u>35,426,914,330</u></b>	<b><u>13,739,010,967</u></b>

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

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

	<b>December 2024</b>	<b>December 2023</b>
Recovery of written-down loans	¢ 8,384,739,676	11,419,483,998
Recovery of accounts receivable	0	1,178,245
Decrease in specific allowance for the loan portfolio (See note 6-f)	12,200,000,000	15,735,998,039
Decrease in allowance for other bad receivables	3,011,806,209	6,269,034,264
Decrease in generic allowance and counter cycle for loan portfolio (See note 6-f)	0	4,898,010
Decrease in allowance for bad investment securities	236,889,622	2,080,186,611
	¢ <b><u>23,833,435,507</u></b>	<b><u>35,510,779,167</u></b>

**BANCO DE COSTA RICA**  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

31). Income from service fees and commissions

Income from service fees and commissions is detailed as follows:

	<b>December 2024</b>	<b>December 2023</b>
Drafts and transfers	¢ 2,555,185,498	2,592,259,724
Foreign trade	1,057,924,739	875,962,156
Certified checks	10,021,000	4,018,775
Trust management	3,223,933,530	4,058,434,312
Custodial services	480,191,282	409,618,503
For mandates	1,088,577	1,412,121
Collections	574,811,524	542,852,329
Credit Cards	47,967,407,350	47,295,559,217
Investment Fund management	4,471,132,246	5,639,182,174
Pension Fund management	7,535,268,000	6,793,197,126
Insurance underwriting	6,930,525,124	6,830,628,217
Brokerage fees		
(by third parties in local market)	765,476,236	1,103,627,924
Brokerage fees		
(by third parties in other markets)	726,402,098	493,375,519
Individual portfolio management fee	1,040,283,155	915,543,665
Commissions from operations with related parties	690,340,573	426,833,431
Commission from custodial services of authorized securities	545,551,835	672,092,312
Other commissions	44,385,660,886	40,062,253,222
	<b>¢ 122,961,203,653</b>	<b>118,719,006,355</b>

32). Income from interests in other companies

	<b>December 2024</b>	<b>December 2023</b>
<u>Local entities:</u>		
Participation in Bolsa Nacional de Valores S.A.	¢ 80,245,328	557,059
Participation in Leasing Premiun S.A.	139,100,172	0
	<b>¢ 219,345,500</b>	<b>557,059</b>

As of December 31, 2024, there are ¢216,780,896 in account for participation expenses referring to Banprocesa SRL, ¢623,109,827 in BCR Leasing (As of December 31, 2023, there are ¢223,706,436 in account for participation expenses referring to Banprocesa SRL, ¢182,947,410 in BCR Valores, ¢128,582,285 in BCR SAFI and ¢282,014,799 in BCR Leasing).

**BANCO DE COSTA RICA**  
**Notes to the Consolidated Financial Statements**  
**As of December 31, 2024**  
**(with corresponding figures as of December 31, 2023)**  
**(in colones without cents)**

**33). Administrative expenses**

Administrative expenses are detailed as follows:

	<b>December 2024</b>	<b>December 2023</b>
Salaries and bonuses, permanent staff	69,373,648,482	69,340,423,655
Salaries and bonuses, contractors	1,075,620,225	836,683,248
Compensation for directors and auditors	240,009,145	217,318,875
Overtime	1,117,548,490	901,991,428
Per diem	461,233,909	400,858,837
Statutory Christmas Bonus	6,199,585,111	6,113,617,417
Vacation	6,201,234,908	6,304,005,457
Incentives	6,032,083	6,933,871
Fixed representation expenses	961,552,341	885,179,393
Other compensation	1,859,114,434	2,104,636,717
Contribution to severance payment	3,186,490,035	3,041,873,741
Social security charges	26,137,945,379	26,302,371,124
Refreshments	55,197,539	51,226,268
Uniforms	236,051,834	269,133,099
Training	634,186,563	708,374,708
Employee insurance	568,794,029	610,055,485
Assets for personal use	391,383	237,676
School bonus	6,456,366,381	6,350,323,794
Labor Capitalization Fund	1,043,503,886	1,048,507,404
Other personnel expenses	886,264,570	833,696,737
Outsourcing expenses	34,442,745,011	25,884,147,589
Transportation and communication expenses	2,222,447,751	2,339,436,526
Property insurance	310,062,476	386,452,897
Property maintenance and repair	6,529,428,264	7,548,408,414
Public utilities	2,129,420,823	2,211,037,635
By right of use-properties	3,912,756,526	3,848,445,894
By right of use-furniture, equipment, and other assets	980,146,861	980,192,941
Depreciation of property, plant and equipment, except vehicles	10,644,661,184	10,694,429,254
Amortization of leasehold property	244,546,810	316,771,030
Other infrastructure expenses	3,343,901,483	2,711,647,502
Overhead	28,374,158,672	32,976,853,462
	<b>¢ 219,835,046,588</b>	<b>216,225,272,078</b>

**34). Legal profit allocation**

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

	<b>December 2024</b>	<b>December 2023</b>
Allocation for CONAPE	3,732,575,425	1,954,018,265
Allocation for Instituto Nacional de Fomento Cooperativo	3,298,573,236	2,656,610,114
Allocation for National Emergenc Commission	2,570,289,078	1,459,383,971
Allocation for Public Pension Fund Operators	1,039,703,266	874,677,533
Allocation for Invalidity, Old Age and Death Regime	11,197,726,275	5,862,054,795
	<b>¢ 21,838,867,280</b>	<b>12,806,744,678</b>

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

As of December 31, 2024, there are no additional adjustments on legal participation (as of December 2023, there is no amount).

35). Components of other comprehensive income

The components of other comprehensive income are detailed as follows:

	<b>December 2024</b>		
	<b>Amount before taxes</b>	<b>Tax benefit (expense)</b>	<b>Net taxes</b>
Adjustment for valuation of investments at fair value through other comprehensive income.	¢ 11,782,536,859	(3,774,770,758)	8,007,766,101
Impairment – Investments at fair value through other comprehensive income	248,980,452	0	248,980,452
Exchange differences from conversion of financial statements of foreign entities	(3,204,587,724)	0	(3,204,587,724)
	<u>¢ 8,826,929,587</u>	<u>(3,774,770,758)</u>	<u>5,052,158,829</u>
	<b>December 2023</b>		
	<b>Amount before taxes</b>	<b>Tax benefit (expense)</b>	<b>Net taxes</b>
Adjustment for valuation of investments at fair value through other comprehensive income.	¢ 64,159,155,184	(19,298,029,428)	44,861,125,756
Impairment – Investments at fair value through other comprehensive income	(1,685,599,339)	0	(1,685,599,339)
Exchange differences from conversion of financial statements of foreign entities	(18,517,855,463)	0	(18,517,855,463)
	<u>¢ 43,955,700,382</u>	<u>(19,298,029,428)</u>	<u>24,657,670,954</u>

36). Operating leases

Lessee

As of December 31, 2024, and December 2023, there are no amounts in these accounts.

**BANCO DE COSTA RICA**  
**Notes to the Consolidated Financial Statements**  
**As of December 31, 2024**  
**(with corresponding figures as of December 31, 2023)**  
**(in colones without cents)**

37). Fair value of financial instruments

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

	<b>December 2024</b>		<b>December 2023</b>	
	<u>Carrying amount</u>	<u>Fair value</u>	<u>Carrying amount</u>	<u>Fair value</u>
Cash and due from banks	¢ 912,828,480,144	912,828,480,144	857,141,935,007	857,141,935,007
Investment	1,826,352,745,127	1,799,249,860,233	1,591,490,010,567	1,570,044,122,068
Loan portfolio	<u>4,372,610,466,969</u>	<u>4,591,365,563,076</u>	<u>4,102,306,830,015</u>	<u>4,238,640,523,927</u>
	<u>7,111,791,692,240</u>	<u>7,303,443,903,453</u>	<u>6,550,938,775,589</u>	<u>6,665,826,581,002</u>
Demand deposits	3,410,571,620,345	3,410,571,620,345	3,189,471,461,152	3,189,471,461,152
Term deposits	1,766,526,057,777	1,752,813,633,212	1,689,297,909,582	1,677,706,231,273
Financial obligations	<u>1,108,786,152,493</u>	<u>1,064,271,398,045</u>	<u>926,551,739,663</u>	<u>874,450,361,032</u>
	<u>¢ 6,285,883,830,615</u>	<u>6,227,656,651,603</u>	<u>5,805,321,110,397</u>	<u>5,741,628,053,457</u>

As of December 31, 2024, the financial obligations for subordinated obligations are for ¢50,145,218,871, (¢50,142,376 for December 2023).

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

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

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

- b) Investments in financial instruments

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

- c) Securities sold under repurchase agreements

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

- d) Loan portfolio

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

- e) Term deposits and loans payable

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

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

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

38). Segments

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

**BANCO DE COSTA RICA**  
**Notes to the Consolidated Financial Statements**  
**As of December 31, 2024**  
**(with corresponding figures as of December 31, 2023)**  
**(in colones without cents)**

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

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

**BANCO DE COSTA RICA**  
**Notes to the Consolidated Financial Statements**  
**As of December 31, 2024**  
**(with corresponding figures as of December 31, 2023)**  
**(in colones without cents)**

As of December 31, 2023, assets and liabilities for each segment are presented as follows:

	<b>Bank</b>	<b>Pension Fund Operator</b>	<b>Investment Fund Manager</b>	<b>Brokerage House</b>	<b>Foreign Bank</b>	<b>Insurance Broker</b>	<b>Depósito Agrícola</b>	<b>Banprocesa</b>	<b>Total</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Assets</b>											
Cash and due from banks	€ 825,116,996,393	306,982,789	758,553,133	1,305,339,439	55,033,897,056	642,987,278	32,811,663	12,826,026	883,210,393,777	(26,068,458,770)	857,141,935,007
Investment in financial instruments	1,438,028,141,674	7,480,440,695	5,828,853,414	48,953,227,436	84,166,563,341	7,401,932,206	843,539,474	1,015,429,097	1,593,718,127,337	(2,390,649,590)	1,591,327,477,747
Loan portfolio	3,118,336,134,065	0	0	0	851,465,224,394	0	0	0	3,969,801,358,459	(2,593,301,149)	3,967,208,057,310
Accounts and fees receivable	36,059,121,420	671,871,940	1,069,403,956	1,055,518,336	4,093,839,444	1,066,097,679	109,626,061	309,962,517	44,435,441,353	(1,011,875,972)	43,423,565,381
Foreclosed assets	25,631,805,593	0	0	0	15,878,057,614	0	39	0	41,509,863,246	(1)	41,509,863,245
Interest in other companies (net)	115,553,654,368	0	0	65,417,188	0	0	0	0	115,619,071,556	(115,485,669,166)	133,402,390
Property, furniture and equipment, net	137,289,376,854	96,948,189	183,628,694	132,540,281	6,102,633,728	135,357,452	254,155,004	19,242,162	144,213,882,364	(57,189,747)	144,156,692,617
Properties investments	6,831,625,000	0	0	0	0	0	0	0	6,831,625,000	0	6,831,625,000
Other assets	110,583,674,194	662,514,953	237,746,050	1,502,922,092	26,476,937,994	1,240,273,419	167,335,540	245,562,558	141,116,966,800	(1,754,642,159)	139,362,324,641
<b>TOTAL ASSETS</b>	<b>€ 5,813,430,529,561</b>	<b>9,218,758,566</b>	<b>8,078,185,247</b>	<b>53,014,964,772</b>	<b>1,043,217,153,571</b>	<b>10,486,648,034</b>	<b>1,407,467,781</b>	<b>1,603,022,360</b>	<b>6,940,456,729,892</b>	<b>(149,361,786,554)</b>	<b>6,791,094,943,338</b>
<b>Liabilities and equity</b>											
<b>Liabilities</b>											
Obligations with the public	€ 4,458,184,633,909	0	0	0	425,845,508,382	15,616,804	0	0	4,884,045,759,095	(5,276,388,361)	4,878,769,370,734
Obligations with the Central Bank of Costa Rica	106,132,196,511	0	0	0	0	0	0	0	106,132,196,511	0	106,132,196,511
Obligations with entities	301,305,080,521	112,269,175	191,223,883	28,659,126,257	466,046,715,332	137,884,327	155,986,828	16,518,727	796,624,805,050	(26,368,631,857)	770,256,173,193
Accounts payable and provisions	174,318,899,905	1,726,242,503	1,046,070,663	2,299,063,320	5,150,253,697	2,321,542,910	189,253,012	303,678,905	187,355,004,915	(1,179,920,205)	186,175,084,710
Other liabilities	39,773,935,159	0	0	0	8,773,977,710	110,855,258	1,457,266	59,763,858	48,719,989,251	(6)	48,719,989,245
Subordinated obligations	50,142,376,526	0	0	0	0	0	0	0	50,142,376,526	0	50,142,376,526
<b>Total liabilities</b>	<b>€ 5,129,857,122,531</b>	<b>1,838,511,678</b>	<b>1,237,294,546</b>	<b>30,958,189,577</b>	<b>905,816,455,121</b>	<b>2,585,899,299</b>	<b>346,697,106</b>	<b>379,961,490</b>	<b>6,073,020,131,348</b>	<b>(32,824,940,429)</b>	<b>6,040,195,190,919</b>
<b>Equity</b>											
Capital	181,409,990,601	4,954,863,228	4,839,200,000	12,626,000,000	38,609,421,071	2,250,000,000	305,842,762	710,000,000	245,705,317,662	(64,295,327,061)	181,409,990,601
Unfunded capital contributions	0	574,994,913	0	0	0	0	0	0	574,994,913	(574,994,913)	0
Equity adjustments	41,260,638,559	966,650	(84,895,968)	1,193,283,000	35,062,051,190	(29,031,300)	205,842	0	77,403,217,973	(36,142,579,414)	41,260,638,559
Capital reserves	351,152,901,365	255,890,001	967,840,000	1,721,768,996	34,615,711,015	449,999,999	38,747,162	63,489,637	389,266,348,175	(38,113,446,810)	351,152,901,365
Prior periods retained earnings	41,896,492,820	610,195,859	590,959,308	5,466,233,857	22,555,161,588	2,344,806,934	632,695,229	214,497,035	74,311,042,630	(32,414,549,810)	41,896,492,820
Profit for the period	22,086,766,162	983,336,237	527,787,361	1,049,489,342	6,558,353,586	2,884,973,102	83,279,680	235,074,198	34,409,059,668	(12,322,293,506)	22,086,766,162
Development financing fund	45,766,617,523	0	0	0	0	0	0	0	45,766,617,523	0	45,766,617,523
Minority interest	0	0	0	0	0	0	0	0	0	67,326,345,389	67,326,345,389
<b>Total equity</b>	<b>683,573,407,030</b>	<b>7,380,246,888</b>	<b>6,840,890,701</b>	<b>22,056,775,195</b>	<b>137,400,698,450</b>	<b>7,900,748,735</b>	<b>1,060,770,675</b>	<b>1,223,060,870</b>	<b>867,436,598,544</b>	<b>(116,536,846,125)</b>	<b>750,899,752,419</b>
<b>Total liabilities and equity</b>	<b>5,813,430,529,561</b>	<b>9,218,758,566</b>	<b>8,078,185,247</b>	<b>53,014,964,772</b>	<b>1,043,217,153,571</b>	<b>10,486,648,034</b>	<b>1,407,467,781</b>	<b>1,603,022,360</b>	<b>6,940,456,729,892</b>	<b>(149,361,786,554)</b>	<b>6,791,094,943,338</b>
<b>Debit contingent accounts</b>											
Trust assets	€ 465,113,925,304	0	0	0	68,964,098,109	0	0	0	534,078,023,413	(1)	534,078,023,412
Trust liabilities	€ 846,209,117,926	0	0	0	47,877,476,009	0	0	0	894,086,593,935	0	894,086,593,935
Trust equity	€ 275,164,242,326	0	0	0	0	0	0	0	275,164,242,326	0	275,164,242,326
Other debit memoranda accounts	€ 571,044,875,600	0	0	0	47,877,476,009	0	0	0	618,922,351,609	0	618,922,351,609
	€ 19,799,380,104,337	1,627,924,690,020	598,691,302,869	879,123,941,958	437,679,017,777	0	5,336,555,094	0	23,348,135,612,055	0	23,348,135,612,055

**BANCO DE COSTA RICA**  
**Notes to the Consolidated Financial Statements**  
**As of December 31, 2024**  
**(with corresponding figures as of December 31, 2023)**  
**(in colones without cents)**

As of December 31, 2024, the results of each segment are as follows:

	<u>Bank</u>	<u>Pension Fund Operator</u>	<u>Investment Fund Manager</u>	<u>Brokerage House</u>	<u>Foreign Bank</u>	<u>Insurance Broker</u>	<u>Depósito Agrícola</u>	<u>Banprocesa</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
Financial income	€ 382,377,201,319	584,266,739	403,943,222	5,572,404,824	77,217,050,141	439,487,551	37,576,999	26,865,038	466,658,795,833	(1,569,117,803)	465,089,678,030
Financial expenses	183,872,225,431	37,508,658	94,795,768	2,351,151,942	49,772,296,260	88,474,303	12,364,480	31,843,498	236,260,660,340	(1,642,888,324)	234,617,772,016
Expenses from allowance for assets impairment	31,116,518,602	2,344,547	3,635,457	165,137,051	4,134,246,812	4,972,471	13,648	45,743	35,426,914,331	(1)	35,426,914,330
Income from recovery of assets and decrease in allowance	23,797,911,261	3,359,368	1,830,855	24,999,763	0	5,270,586	8,864	54,809	23,833,435,506	1	23,833,435,507
<b>Financial income</b>	<b>191,186,368,547</b>	<b>547,772,902</b>	<b>307,342,852</b>	<b>3,081,115,594</b>	<b>23,310,507,069</b>	<b>351,311,363</b>	<b>25,207,735</b>	<b>(4,969,394)</b>	<b>218,804,656,668</b>	<b>73,770,523</b>	<b>218,878,427,191</b>
Other operating income	235,002,571,176	7,903,798,356	4,553,506,708	4,210,070,207	4,072,684,363	7,678,701,746	1,225,385,496	3,004,592,176	267,651,310,228	(17,729,341,024)	249,921,969,204
Other operating expenses	150,589,099,049	1,699,458,649	831,279,815	933,846,483	3,420,355,782	640,260,432	194,105,632	125,469,145	158,433,874,987	(4,147,487,437)	154,286,387,550
<b>Gross operating income</b>	<b>275,599,840,674</b>	<b>6,752,112,609</b>	<b>4,029,569,745</b>	<b>6,357,339,318</b>	<b>23,962,835,650</b>	<b>7,389,752,677</b>	<b>1,056,487,599</b>	<b>2,874,153,637</b>	<b>328,022,091,909</b>	<b>(13,508,083,064)</b>	<b>314,514,008,845</b>
Personnel expenses	106,580,753,302	3,059,189,928	2,920,818,503	2,819,542,712	8,060,309,788	2,475,351,102	784,805,395	2,531,212,084	129,231,982,814	(2,531,212,084)	126,700,770,730
Other administrative expenses	84,582,941,803	604,248,325	1,034,773,945	344,171,845	6,250,753,837	487,239,620	257,208,729	10,046,686	93,571,384,790	(437,108,931)	93,134,275,859
<b>Administrative expenses</b>	<b>191,163,695,105</b>	<b>3,663,438,253</b>	<b>3,955,592,448</b>	<b>3,163,714,557</b>	<b>14,311,063,625</b>	<b>2,962,590,722</b>	<b>1,042,014,124</b>	<b>2,541,258,770</b>	<b>222,803,367,604</b>	<b>(2,968,321,015)</b>	<b>219,835,046,589</b>
<b>Net operating income before taxes and statutory allocations</b>	<b>84,436,145,569</b>	<b>3,088,674,356</b>	<b>73,977,297</b>	<b>3,193,624,761</b>	<b>9,651,772,025</b>	<b>4,427,161,955</b>	<b>14,473,475</b>	<b>332,894,867</b>	<b>105,218,724,305</b>	<b>(10,539,762,049)</b>	<b>94,678,962,256</b>
Income tax	25,043,823,507	909,322,844	75,224,460	833,830,018	1,419,888,671	1,308,045,587	21,805,928	104,451,194	29,716,392,209	2	29,716,392,211
Deferred income tax	7,198,875,317	22,587,645	492,530,007	481,466,295	141,744,438	1,573,270	0	7,699,272	8,346,476,244	1	8,346,476,245
Decrease in income tax	10,899,928,202	15,302,894	470,278,290	408,399,365	0	1,038,745	4,914,359	12,028,878	11,811,890,733	1	11,811,890,734
Profit sharing	20,468,420,191	1,132,363,496	220,659	95,808,751	0	130,855,943	1,211,391	9,986,847	21,838,867,278	2	21,838,867,280
<b>Net profit for the year</b>	<b>42,624,954,756</b>	<b>1,039,703,265</b>	<b>(23,719,539)</b>	<b>2,190,919,062</b>	<b>8,090,138,916</b>	<b>2,987,725,900</b>	<b>(3,629,485)</b>	<b>222,786,432</b>	<b>57,128,879,307</b>	<b>(10,539,762,053)</b>	<b>46,589,117,254</b>
Results for the period attributable to minority interests	0	0	0	0	0	0	0	0	0	3,964,162,498	3,964,162,498
<b>Results for the period attributable to the comptroller</b>	<b>42,624,954,756</b>	<b>1,039,703,265</b>	<b>(23,719,539)</b>	<b>2,190,919,062</b>	<b>8,090,138,916</b>	<b>2,987,725,900</b>	<b>(3,629,485)</b>	<b>222,786,432</b>	<b>57,128,879,307</b>	<b>(6,575,599,555)</b>	<b>42,624,954,756</b>
<b>Net income for the periods</b>	<b>€ 42,624,954,756</b>	<b>1,039,703,265</b>	<b>(23,719,539)</b>	<b>2,190,919,062</b>	<b>8,090,138,916</b>	<b>2,987,725,900</b>	<b>(3,629,485)</b>	<b>222,786,432</b>	<b>57,128,879,307</b>	<b>(6,575,599,555)</b>	<b>42,624,954,756</b>

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

As of December 31, 2023, the results of each segment are as follows:

	<u>Bank</u>	<u>Pension Fund Operator</u>	<u>Investment Fund Manager</u>	<u>Brokerage House</u>	<u>Foreign Bank</u>	<u>Insurance Broker</u>	<u>Depósito Agrícola</u>	<u>Banprocesa</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
Financial income	€ 391,009,527,038	526,038,255	392,938,163	4,579,050,170	74,928,391,992	452,703,232	66,803,896	57,444,762	472,012,897,508	(1,623,404,832)	470,389,492,676
Financial expenses	242,930,665,254	79,155,017	578,030,413	2,899,706,655	46,563,769,646	412,312,929	23,078,917	67,110,759	293,553,829,590	(1,761,826,207)	291,792,003,383
Expenses from allowance for assets impairment	10,204,593,567	19,121,195	3,419,930	161,084,122	3,297,898,641	51,748,282	1,145,127	102	13,739,010,966	1	13,739,010,967
Income from recovery of assets and decrease in allowance	35,266,736,318	41,138,490	5,099,816	113,112,755	0	83,512,871	1,171,065	7,853	35,510,779,168	2	35,510,779,170
<b>Financial income</b>	<b>173,141,004,535</b>	<b>468,900,533</b>	<b>(183,412,364)</b>	<b>1,631,372,148</b>	<b>25,066,723,705</b>	<b>72,154,892</b>	<b>43,750,917</b>	<b>(9,658,246)</b>	<b>200,230,836,120</b>	<b>138,421,376</b>	<b>200,369,257,496</b>
Other operating income	181,166,820,937	7,235,026,591	5,774,250,188	3,815,954,866	3,097,977,891	7,570,205,428	1,238,006,007	2,764,028,960	212,662,270,868	(15,971,712,450)	196,690,558,418
Other operating expenses	119,240,219,870	1,560,172,450	987,179,792	823,077,610	4,817,494,857	422,910,120	141,051,134	132,191,657	128,124,297,490	(3,893,855,227)	124,230,442,263
<b>Gross operating income</b>	<b>235,067,605,602</b>	<b>6,143,754,674</b>	<b>4,603,658,032</b>	<b>4,624,249,404</b>	<b>23,347,206,739</b>	<b>7,219,450,200</b>	<b>1,140,705,790</b>	<b>2,622,179,057</b>	<b>284,768,809,498</b>	<b>(11,939,435,847)</b>	<b>272,829,373,651</b>
Personnel expenses	106,318,144,957	2,819,807,205	3,090,016,429	2,715,228,398	8,202,762,535	2,451,148,769	730,340,639	2,266,971,111	128,594,420,043	(2,266,971,112)	126,327,448,931
Other administrative expenses	81,066,116,546	593,658,152	678,696,936	367,402,728	6,965,418,753	497,643,879	282,643,002	10,008,262	90,461,588,258	(563,765,112)	89,897,823,146
<b>Administrative expenses</b>	<b>187,384,261,503</b>	<b>3,413,465,357</b>	<b>3,768,713,365</b>	<b>3,082,631,126</b>	<b>15,168,181,288</b>	<b>2,948,792,648</b>	<b>1,012,983,641</b>	<b>2,276,979,373</b>	<b>219,056,008,301</b>	<b>(2,830,736,224)</b>	<b>216,225,272,077</b>
<b>Net operating income before taxes and statutory allocations</b>	<b>47,683,344,099</b>	<b>2,730,289,317</b>	<b>834,944,667</b>	<b>1,541,618,278</b>	<b>8,179,025,451</b>	<b>4,270,657,552</b>	<b>127,722,149</b>	<b>345,199,684</b>	<b>65,712,801,197</b>	<b>(9,108,699,623)</b>	<b>56,604,101,574</b>
Income tax	23,386,290,155	791,187,818	418,159,930	474,628,921	1,428,397,623	1,250,121,964	40,451,742	107,784,802	27,897,022,955	(1)	27,897,022,954
Deferred income tax	19,784,750,524	28,602,442	472,921,912	230,703,319	192,274,242	25,319,630	159,062	7,794,905	20,742,526,036	1	20,742,526,037
Decrease in income tax	28,550,941,530	26,163,632	606,315,373	259,451,852	0	15,254,197	0	15,810,212	29,473,936,796	(1)	29,473,936,795
Profit sharing	11,645,094,132	953,326,452	22,390,837	46,248,548	0	125,497,053	3,831,665	10,355,991	12,806,744,678	2	12,806,744,680
Decrease in allocation of profit	668,615,344	0	0	0	0	0	0	0	668,615,344	0	668,615,344
<b>Net profit for the year</b>	<b>22,086,766,162</b>	<b>983,336,237</b>	<b>527,787,361</b>	<b>1,049,489,342</b>	<b>6,558,353,586</b>	<b>2,884,973,102</b>	<b>83,279,680</b>	<b>235,074,198</b>	<b>34,409,059,668</b>	<b>(9,108,699,626)</b>	<b>25,300,360,042</b>
Results for the period attributable to minority interests	0	0	0	0	0	0	0	0	0	(3,213,593,880)	3,213,593,880
<b>Results for the period attributable to the comptroller</b>	<b>22,086,766,162</b>	<b>983,336,237</b>	<b>527,787,361</b>	<b>1,049,489,342</b>	<b>6,558,353,586</b>	<b>2,884,973,102</b>	<b>83,279,680</b>	<b>235,074,198</b>	<b>34,409,059,668</b>	<b>(12,322,293,506)</b>	<b>22,086,766,162</b>
<b>Net income for the periods</b>	<b>€ 22,086,766,162</b>	<b>983,336,237</b>	<b>527,787,361</b>	<b>1,049,489,342</b>	<b>6,558,353,586</b>	<b>2,884,973,102</b>	<b>83,279,680</b>	<b>235,074,198</b>	<b>34,409,059,668</b>	<b>(12,322,293,506)</b>	<b>22,086,766,162</b>

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

39). Risk management

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

Corporate governance of the risk management area

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

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

Objective of the Comprehensive Risk Management System

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

General Risk Principles and Policies

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

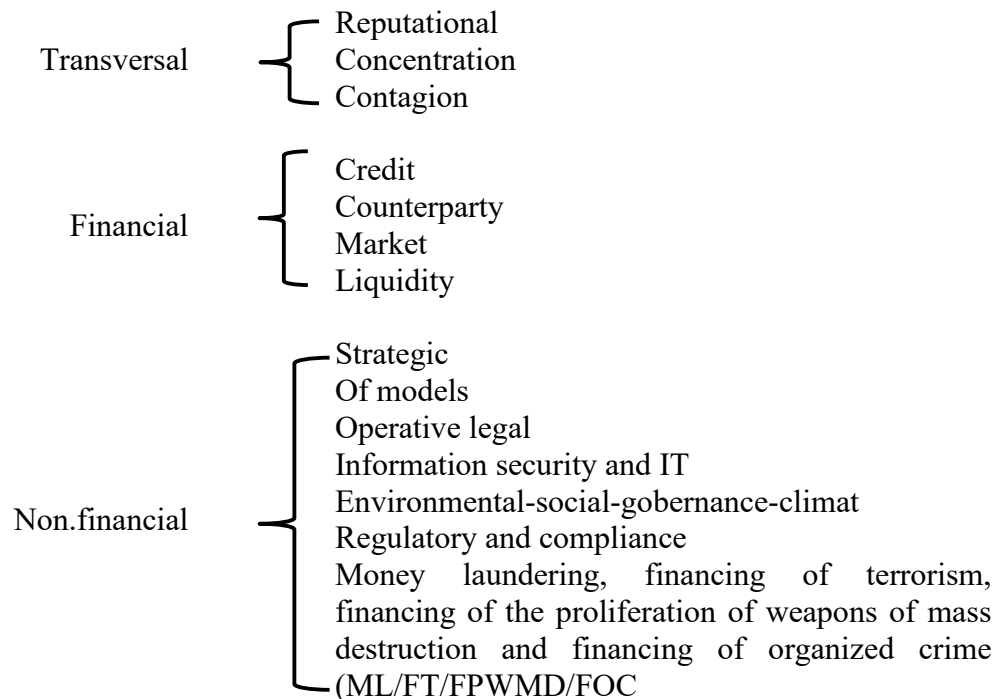
- Updated tools and systems are available to meet the needs of managing each type of risk.
- Risk and contingency management plans are in place to deal with situations that prevent the fulfillment of the objectives defined, as well as for materialized events whose consequences may generate negative impacts on the entities.

Classification of significant risks

The relevant risks to the Bank are classified as follows:

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Classification of risk



**BANCO DE COSTA RICA**  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

Types of risks related to the strategic plan

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

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

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

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

Process of comprehensive risk management

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

Types of risk assessments

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

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

Risk control framework

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

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

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

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

Coverage

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

Evaluation of the effectiveness and maturity of the System

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

Information generated by the Comprehensive Risk Management System

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

(a) Credit risk management

Definition

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

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

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

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

Management methodology

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

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

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

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

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

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

Exposure and risk management

As of December 31, 2024, the percentage of arrears greater than 90 days was 2.43% (2.46% for September 2024). This last indicator is within the risk appetite according to the Risk Appetite Declaration.

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

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

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

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

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

Expected credit losses are disclosed in the following table:

Banco de Costa Rica, expected losses of the investment portfolio by currency December 2023 vs December 2024			
	December 2023 vs December 2024 12-month expected credit losses	Lifetime expected credit losses	Financial assets with loan impairment
Value correction for losses as of December 31, 2024			
Colones	806,320,686	6,914,486	41,018,322,284
US dollars	163,361	0	4,909,708
UDES	565	0	0
Value correction for losses As of December 31, 2023			
Colones	517,742,018	4,247,578	57,336,452,678
US dollars	235,138	0	21,752,838
UDES	1,300	0	0
Rollover to 12-month expected credit losses			
Colones	340,284,909	(2,666,908)	16,318,130,394
US dollars	(26,225)	0	16,843,130
UDES	(735)	0	0

For the closing of December 2024, the expected loss of the investment portfolio was 0.05%, with a variation 0.01% compared to December 2023. When compared to the previous quarter (September 2024), there is no change in the expected loss metric.

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

As of December 2023

Expected losses from the investment portfolio of the BCR Conglomerate			
By currency			
December 2022 vs December 2023			
Value adjustment for losses	Twelve-month expected credit losses	Lifetime expected credit losses	Impaired financial assets
Value adjustment for losses			
As of December 31, 2023			
Colones	424,717,621	0	0
US dollars	185,230	0	0
UDES	1,300	0	0
Value adjustment for losses			
As of December 31, 2022			
Colones	1,352,956,981	116,852,886	5,753,000,000
US dollars	856,310	0	0
UDES	0	50,098	1,862,000
Transfer to 12-months expected credit losses			
Colones	(928,239,361)	(116,852,886)	(5,753,000,000)
US dollars	(671,081)	0	0
UDES	1,300	(50,098)	(1,862,000)

**BANCO DE COSTA RICA**  
**Notes to the Consolidated Financial Statements**  
**As of December 31, 2024**  
**(with corresponding figures as of December 31, 2023)**  
**(in colones without cents)**

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

	Note	Direct loan portfolio		Contingent loan portfolio	Contingent loan portfolio	
		December		December	December	
		2024	2023	2024	2023	
Principal	6a	€	3,510,991,880,205	3,245,765,363,343	238,580,609,113	217,178,614,739
Interest			17,248,944,943	17,936,955,267	0	0
			3,528,240,825,148	3,263,702,318,610	238,580,609,113	217,178,614,739
Allowance for bad debts			(145,340,683,522)	(124,601,629,687)	(6,852,732,208)	(298,047,496)
Carrying amount	€		3,382,900,141,626	3,139,100,688,923	231,727,876,905	216,880,567,243
<b>Loan portfolio</b>						
<b>Total balances:</b>						
A1	€		0	2,563,133,496,963	0	211,322,024,388
A2			0	3,117,196,781	0	319,588,092
B1			0	260,868,161,925	0	2,910,408,383
B2			0	1,285,748,107	0	42,883,009
C1			0	140,255,975,763	0	1,059,762,559
C2			0	2,552,664,227	0	23,769,022
D			0	107,278,513,781	0	293,991,268
E			0	98,878,396,515	0	1,200,289,606
1			2,749,092,866,825	80,019,058,345	193,851,465,308	5,898,412
2			544,434,432,248	512,502,422	2,859,156,216	0
3			30,709,648,881	4,166,260,134	0	0
4			58,825,684,745	585,107,861	38,926,607,426	0
5			58,491,107,677	228,027,154	2,909,990,246	0
6			2,684,300,294	821,208,632	0	0
7			893,983,205	0	20,941,050	0
8			83,108,801,273	0	12,448,867	0
			3,528,240,825,148	3,263,702,318,610	238,580,609,113	217,178,614,739
Allowance for bad debts			(56,993,861,684)	(67,629,859,159)	0	(104,465,012)
Carrying amount, net			3,471,246,963,464	3,196,072,459,451	238,580,609,113	217,074,149,727
Carrying amount			3,528,240,825,148	3,263,702,318,610	238,580,609,113	217,178,614,739
Allowance for bad debts			(56,993,861,684)	(67,629,859,159)	0	(104,465,012)
(Surplus) inadequacy of allowance on structural estimate			(88,346,824,838)	(56,971,770,528)	(6,852,732,208)	(193,582,484)
Carrying amount, net	6.a	€	3,382,900,141,626	3,139,100,688,923	231,727,876,905	216,880,567,243

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

	<u>December 2024</u>	<u>December 2023</u>
<b>Banco de Costa Rica</b>		
Loan portfolio, gross	¢ 3,510,991,880,205	3,245,765,363,343
Plus, interest receivable	17,248,944,943	17,936,955,267
Less, allowance for impairment	<u>(145,340,683,522)</u>	<u>(124,899,677,183)</u>
<b>Loan portfolio, net</b>	<b>¢ <u>3,382,900,141,626</u></b>	<b><u>3,138,802,641,427</u></b>
 <b>Banco Internacional de Costa Rica, S.A. and subsidiary</b>		
Loan portfolio, gross	¢ 869,779,665,368	856,979,292,788
Plus, interest receivable	5,294,076,077	4,715,392,277
Less, allowance for impairment	<u>(12,280,032,053)</u>	<u>(10,051,645,931)</u>
<b>Loan portfolio. Net</b>	<b>¢ <u>862,793,709,392</u></b>	<b><u>851,643,039,134</u></b>
 <b>Total consolidated loan portfolio, net</b>	 <b>¢ <u>4,245,693,851,018</u></b>	 <b><u>3,990,445,680,561</u></b>

**BANCO DE COSTA RICA**  
**Notes to the Consolidated Financial Statements**  
**As of December 31, 2024**  
**(with corresponding figures as of December 31, 2023)**  
**(in colones without cents)**

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

Loan Portfolio	Direct loan portfolio				Contingent loan portfolio	
	Principal	Covered Balance	Overdraft	Allowance	Principal	Allowance
Direct specific allowance						
1	2,749,092,866,825	0	0	(7,903,890,407)	193,851,465,308	0
2	544,434,432,248	0	0	(4,619,185,733)	2,859,156,216	0
3	30,709,648,881	0	0	(1,017,974,104)	0	0
4	58,825,684,745	0	0	(3,473,425,915)	38,926,607,426	0
5	58,491,107,677	0	0	(4,697,127,161)	2,909,990,246	0
6	2,684,300,294	0	0	(928,561,015)	0	0
7	893,983,205	0	0	(962,743,205)	20,941,050	0
8	83,108,801,273	0	0	(33,390,951,144)	12,448,867	0
€	<b>3,528,240,825,148</b>	<b>0</b>	<b>0</b>	<b>(56,993,861,684)</b>	<b>238,580,609,113</b>	<b>0</b>
€	<b>3,528,240,825,148</b>	<b>0</b>	<b>0</b>	<b>(56,993,861,684)</b>	<b>238,580,609,113</b>	<b>0</b>
Direct specific allowance						
Aging of loan portfolio						
Direct specific allowance						
Up to date	3,284,438,836,324	0	0	(18,193,859,969)	238,580,609,113	0
Equal or less than 30 days	117,026,338,110	0	0	(1,728,694,627)	0	0
Equal or less than 60 days	28,034,974,531	0	0	(1,043,141,244)	0	0
Equal or less than 90 days	8,305,644,192	0	0	(839,337,519)	0	0
Equal or less than 180 days	16,093,718,589	0	0	(4,654,624,210)	0	0
More than 180 days	74,341,313,402	0	0	(30,534,204,115)	0	0
€	<b>3,528,240,825,148</b>	<b>0</b>	<b>0</b>	<b>(56,993,861,684)</b>	<b>238,580,609,113</b>	<b>0</b>
€	<b>3,528,240,825,148</b>	<b>0</b>	<b>0</b>	<b>(56,993,861,684)</b>	<b>238,580,609,113</b>	<b>0</b>

**BANCO DE COSTA RICA**  
**Notes to the Consolidated Financial Statements**  
**As of December 31, 2024**  
**(with corresponding figures as of December 31, 2023)**  
**(in colones without cents)**

As of December 31, 2023

Loan portfolio	Direct Loan Portfolio				Contingent Loan Portfolio	
	Principal	Covered balance	Overdraft	Allowance	Principal	Allowance
Direct generic allowance						
A1	2,563,133,496,963	1,639,416,720,292	923,716,776,671	(12,815,667,606)	211,322,024,388	(76,415,023)
A2	3,117,196,781	2,494,873,000	622,323,781	(15,585,984)	319,588,092	(30,216)
1	80,019,058,345	44,908,905,801	35,110,152,544	(200,495,693)	5,898,412	(3,687)
	<u>2,646,269,752,089</u>	<u>1,686,820,499,093</u>	<u>959,449,252,996</u>	<u>(13,031,749,283)</u>	<u>211,647,510,892</u>	<u>(76,448,926)</u>
Direct specific allowance						
A1						
A2						
B1	260,868,161,925	235,722,793,856	25,145,368,069	(2,435,882,375)	2,910,408,383	(2,008,722)
B2	1,285,748,107	1,097,617,810	188,130,297	(24,301,119)	42,883,009	0
C1	140,255,975,763	136,543,775,200	3,712,200,563	(1,610,769,019)	1,059,762,559	(26,007,364)
C2	2,552,664,227	2,348,985,915	203,678,312	(113,584,086)	23,769,022	0
D	107,278,513,781	99,030,359,135	8,248,154,646	(6,581,097,083)	293,991,268	0
E	98,878,396,515	54,389,090,524	44,489,305,991	(43,562,602,256)	1,200,289,606	0
2	512,502,422	411,363,467	101,138,955	(7,113,765)	0	0
3	4,166,260,134	3,781,197,826	385,062,308	(115,171,566)	0	0
4	585,107,861	548,557,928	36,549,933	(21,017,756)	0	0
5	228,027,154	172,209,513	55,817,641	(39,933,396)	0	0
6	821,208,632	738,262,489	82,946,143	(86,637,455)	0	0
	<u>617,432,566,521</u>	<u>534,784,213,663</u>	<u>82,648,352,858</u>	<u>(54,598,109,876)</u>	<u>5,531,103,847</u>	<u>(28,016,086)</u>
	<u>3,263,702,318,610</u>	<u>2,221,604,712,756</u>	<u>1,042,097,605,854</u>	<u>(67,629,859,159)</u>	<u>217,178,614,739</u>	<u>(104,465,012)</u>

Loan portfolio	Direct Loan Portfolio				Contingent Loan Portfolio	
	Principal	Covered balance	Overdraft	Allowance	Principal	Allowance
Aging loan portfolio						
Direct generic allowance						
Up to date	2,483,574,903,534	1,574,128,233,217	909,446,670,317	(12,612,023,255)	211,641,612,480	(76,448,926)
Equal or less than 30 days	80,686,218,879	66,157,226,250	14,528,992,629	(409,688,717)	0	0
Equal or less than 60 days	1,989,571,331	1,626,133,825	363,437,506	(10,037,310)	0	0
	<u>2,566,250,693,744</u>	<u>1,641,911,593,292</u>	<u>924,339,100,452</u>	<u>(13,031,749,282)</u>	<u>211,641,612,480</u>	<u>(76,448,926)</u>
Direct specific allowance						
Up to date	535,062,978,125	470,067,923,766	64,995,054,359	(8,883,069,863)	5,537,002,259	(28,016,086)
Equal or less than 30 days	22,366,657,523	18,811,662,152	3,554,995,371	(1,480,303,260)	0	0
Equal or less than 60 days	31,186,921,044	26,474,744,860	4,712,176,184	(1,242,906,751)	0	0
Equal or less than 90 days	14,449,102,164	12,142,726,694	2,306,375,470	(1,178,678,556)	0	0
Equal or less than 180 days	11,949,861,098	7,223,206,615	4,726,654,483	(4,410,933,021)	0	0
More than 180 days	82,436,104,912	44,972,855,377	37,463,249,535	(37,402,218,426)	0	0
	<u>697,451,624,866</u>	<u>579,693,119,464</u>	<u>117,758,505,402</u>	<u>(54,598,109,877)</u>	<u>5,537,002,259</u>	<u>(28,016,086)</u>
	<u>3,263,702,318,610</u>	<u>2,221,604,712,756</u>	<u>1,042,097,605,854</u>	<u>(67,629,859,159)</u>	<u>217,178,614,739</u>	<u>(104,465,012)</u>

**BANCO DE COSTA RICA**  
**Notes to the Consolidated Financial Statements**  
**As of December 31, 2024**  
**(with corresponding figures as of December 31, 2023)**  
**(in colones without cents)**

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

On December 31, 2024	Risk Category:	Loans receivable from customer	
		Gross	Net
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>

As of December 31, 2023	Risk category:	Loans receivable	
		Gross	Net
A1	¢	2,563,133,496,962	2,550,317,829,357
A2		3,117,196,781	3,101,610,797
B1		260,868,161,925	258,432,279,550
B2		1,285,748,107	1,261,446,988
C1		140,255,975,763	138,645,206,744
C2		2,552,664,227	2,439,080,141
D		107,278,513,781	100,697,416,698
E		98,878,396,515	55,315,794,259
1		80,019,058,346	79,818,562,653
2		512,502,422	505,388,657
3		4,166,260,134	4,051,088,567
4		585,107,861	564,090,105
5		228,027,154	188,093,758
6		821,208,632	734,571,177
	¢	<u>3,263,702,318,610</u>	<u>3,196,072,459,451</u>

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

**BANCO DE COSTA RICA**  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

	<u>December 2024</u>	<u>December 2023</u>
<b>Banco Internacional de Costa Rica, S.A. and subsidiaries</b>		
Principal	¢ 869,779,664,994	856,979,292,766
Interest	5,294,076,200	4,715,392,647
	<u>875,073,741,194</u>	<u>861,694,685,413</u>
Allowance for doubtful accounts	(12,280,032,192)	(10,051,645,931)
Carrying amount	¢ <u>862,793,709,002</u>	<u>851,643,039,482</u>
<b>Loan portfolio, net of allowance</b>	¢ <u><b>856,272,468,922</b></u>	<u><b>841,556,263,300</b></u>
<b>At amortized cost</b>		
Level 1: Normal or low risk	821,637,263,115	812,436,493,492
Level 2: Special mention	19,623,892,182	25,616,890,847
Level 3: Subnormal	9,411,953,369	8,611,199,742
Level 4: Doubtful	892,266,077	1,282,596,629
Level 5: Uncollectable	18,214,290,251	9,032,111,530
	<u>869,779,664,994</u>	<u>856,979,292,240</u>
Allowance for impairment	(12,280,032,192)	(10,051,645,931)
Carrying amount	<u>857,499,632,802</u>	<u>846,927,646,309</u>
<b>Impaired renegotiated loans</b>		
Gross amount	<u>2,640,467,209</u>	<u>4,990,389,759</u>
Impaired amount	<u>2,640,467,209</u>	<u>4,990,389,759</u>
Allowance for impairment	570,002,966	985,320,923
<b>Total, net</b>	<u><b>2,070,464,243</b></u>	<u><b>4,005,068,836</b></u>
<b>Not in arrears or impaired:</b>		
Level 1: Normal or low risk	821,637,263,115	812,436,493,492
Level 2: Special mention	19,623,892,182	25,616,890,847
<b>Sub-total</b>	<u><b>841,261,155,297</b></u>	<u><b>838,053,384,339</b></u>
<b>Individually impaired</b>		
Level 3: Subnormal	9,411,953,369	8,611,199,742
Level 4: Doubtful	892,266,077	1,282,596,629
Level 5: Uncollectable	18,214,290,251	9,032,111,529
<b>Sub-total</b>	<u><b>28,518,509,697</b></u>	<u><b>18,925,907,900</b></u>
<b>Allowance for impairment</b>		
Specific	<u>12,280,032,192</u>	<u>10,051,645,931</u>
Total allowance for impairment	<u><b>12,280,032,192</b></u>	<u><b>10,051,645,931</b></u>
<b>Clients' obligations for acceptances</b>		
Carrying amount	¢ <u>1,227,163,880</u>	<u>5,371,383,536</u>
Interest receivable	¢ <u>5,294,076,200</u>	<u>4,715,392,646</u>
<b>Net loan portfolio (carrying amount)</b>	¢ <u><b>862,793,709,002</b></u>	<u><b>851,643,039,482</b></u>

As of December 31, 2024, the allowance for impairment of BICSA's loan portfolio is of ¢12,280,032,053, (¢10,051,645,931 for December 2023).

**BANCO DE COSTA RICA**  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

	<b>December 2024</b>		<b>December 2023</b>	
	<b>Loan Portfolio</b>	<b>Contingent Accounts</b>	<b>Loan Portfolio</b>	<b>Contingent Accounts</b>
Artistic, entertainment and recreative activities	¢ 2,859,988,259	40,175,102,788	0	0
Human health care and social assistance activities	257,094,640	0	0	0
Household activities as employers of domestic staff	16,400,000	0	0	0
Administrative and support services activities	19,297,232,766	0	0	0
Professional, scientific and technical activities	614,117,003	0	0	0
Trade	469,183,159,220	24,245,194,191	453,381,163,120	35,356,935,448
Manufacturing	350,565,301,990	1,961,187,203	352,101,468,268	1,809,770,535
Construction, purchase and repair of real estate	326,663,980,730	9,214,964,116	1,513,233,349,688	9,162,413,946
Agriculture, livestock. Hunting and related services	161,917,452,590	7,777,088,640	163,719,118,126	1,703,988,931
Fishing and aquaculture	0	0	42,617,690	0
Consumer	597,893,969,856	175,877,812,241	492,299,480,166	142,284,376,588
Education	103,925,570	0	657,174,250	0
Transportation	31,010,081,168	563,972,006	31,005,549,708	537,631,534
Financial and stock exchange	13,449,200	47,362,693	97,277,493	0
Telecommunications and public utilities	79,255,365,808	0	237,657,850,422	0
Services	685,249,033,065	52,408,596,455	710,227,297,856	99,238,882,327
Hospitality	91,254,076,071	0	104,478,630,055	0
Mining and quarrying	14,788,851	0	21,982,027	0
Real estate. business and leasing activities	1,264,669,423,151	0	21,398,613,478	0
Public Administration	293,485,125,885	19,761,239,074	19,382,332,809	10,820,576,851
Other activities from the non financial private sector	0	0	450,728,969	279,940,847
	<b>4,374,323,965,823</b>	<b>332,032,519,407</b>	<b>4,100,154,634,125</b>	<b>301,194,517,007</b>
Other contingencies	0	225,088,150,604	0	232,883,506,405
¢	<b>4,374,323,965,823</b>	<b>557,120,670,011</b>	<b>4,100,154,634,125</b>	<b>534,078,023,412</b>

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

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

	<b>December</b>	<b>December</b>
	<b>2024</b>	<b>2023</b>
Germany	¢ 2,502,767,927	459,345,401
Brazil	0	64,279,360
Chile	10,961,960,770	4,602,324,767
China	1,599,861,677	1,392,951,693
Colombia	7,501,832,103	2,521,193,625
Costa Rica	248,565,081,031	259,039,366,343
Denmark	743,458,500	1,707,091,200
Ecuador	69,416,617,599	63,832,677,132
El Salvador	93,717,184,202	85,421,764,134
Spain	16,071,486,984	16,729,465,140
United States of America	13,301,867,703	7,420,155,246
Guatemala	42,454,903,848	39,328,596,034
Honduras	25,589,795,937	26,460,890,098
England	7,639,677,000	2,634,400,000
México	39,504,944,608	33,997,533,007
Nicaragua	5,849,285,368	7,227,243,034
Panamá	250,046,251,866	283,014,820,027
Perú	2,432,037,849	5,511,790,992
Dominican Republic	14,841,333,888	4,945,753,223
Switzerland	58,096,924	8,222,489
Uruguay	8,189,061,555	8,383,231,632
Others *	8,792,158,029	2,276,198,211
	<b>¢ 869,779,665,368</b>	<b>856,979,292,788</b>

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

	<b>December</b>	<b>December</b>
	<b>2024</b>	<b>2023</b>
Costa Rica	¢ 3,510,991,880,205	3,245,765,363,343
	<b>¢ 3,510,991,880,205</b>	<b>3,245,765,363,343</b>

As of December 31, 2024, the Bank keeps trust commissions in the amount of ¢522,519, (¢166,500 for December 2023).

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

	<b>December 2024</b>	<b>December 2023</b>
Properties	¢ 39,718,340,508	103,319,727,566
Other	148,670,417	545,716,543
	<b>¢ 39,867,010,925</b>	<b>103,865,444,109</b>

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

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

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

	<b>December 2024</b>	<b>December 2023</b>
<b>Guarantee</b>		
Pledged assets	¢ 37,145,125,805	39,088,696,105
Fiduciary	544,493,900,879	450,206,132,232
Mortgage	1,718,598,297,229	1,693,832,362,226
Chattel	207,805,697,828	170,151,424,154
Others	1,866,280,944,082	1,746,876,019,408
	<b>¢ 4,374,323,965,823</b>	<b>4,100,154,634,125</b>

As of December 31, 2024, 44% of the loan portfolio is secured by mortgage or chattel collaterals, (45% for December 2023).

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

As of December 31, 2024, groups of borrowers (members) having operations that add 2% or more of adjusted capital and in groups report 5% or more of adjusted capital, are reported.

**BANCO DE COSTA RICA**  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

As of December 31, 2024:

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

As of December 31, 2023:

<u>No.</u>	<u>Percentage</u>	<u>Band</u>	<u>Total amount</u>	<u>N° customers</u>
1	0-4,99%	26,628,144,598 ¢	251,485,817,622	4,005
2	5-9,99%	53,256,289,197	343,175,303,819	290
3	10-14,99%	79,884,433,795	360,703,008,502	297
4	15-20%	106,512,578,393	213,198,007,207	46
<b>Total</b>			<b><u>1,168,562,137,150</u></b>	<b><u>4,638</u></b>

(b) Management of market and liquidity risk

Definitions

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

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

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

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.

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

Management methodology of market and liquidity risk

Two methodologies are used to measure exposure to price risk:

- Regulatory methodology: Conducted monthly using historical simulation, the results of which are weighted in the calculation of price risk associated with capital adequacy.
- Internal methodology: Uses a parametric Value at Risk (VaR) model with daily exponential smoothing, which measures the impact of factors such as interest rates and exchange rates on the performance of the investment portfolio.

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

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

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

Tolerance limits and risk indicators

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

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

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

(c) Liquidity risk

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

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

Wholesale funding showed a year-over-year increase of 36.88%, mainly in term obligations with the BCCR, accrued expenses for obligations with the BCCR, current accounts of domestic financial institutions, obligations from deferred liquidity operations, accrued expenses for obligations with financial and non-financial institutions, and subordinated loans (see table of obligations with financial institutions and the Central Bank in Note 14).

In the following table, the year-on-year results for the end of December 2024 are observed:

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

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

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

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

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

**BANCO DE COSTA RICA**  
**Notes to the Consolidated Financial Statements**  
**As of December 31, 2024**  
**(with corresponding figures as of December 31, 2023)**  
**(in colones without cents)**

As of December 31, 2024

Assets	Demand	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	More than 365 days	Items overdue for more than thirty days	Total
Availabilities	¢ 244,682,098,424	0	0	0	0	0	192,880,601	0	244,874,979,025
Legal cash requirement BCCR	473,169,742,600	29,108,481,246	25,154,578,597	19,339,334,376	40,001,641,453	48,816,626,091	32,363,096,755	0	667,953,501,118
Investment in securities	272,039,551	240,336,825,560	7,332,276,292	31,813,665,438	100,742,364,002	171,849,514,729	1,246,903,174,660	0	1,799,249,860,232
Interest on investments	2,377,201	4,518,047,859	6,762,408,683	8,058,597,050	6,781,157,700	655,542,336	324,754,067	0	27,102,884,896
Loan portfolio	0	158,247,001,910	121,201,020,919	136,805,343,169	319,345,463,047	275,169,104,273	3,223,758,239,759	115,555,988,033	4,350,082,161,110
Interest on loan portfolio	0	9,403,060,762	618,855,975	587,386,723	2,147,619,898	519,726,593	2,129,013,638	7,122,642,270	22,528,305,859
	<b>¢ 718,126,257,776</b>	<b>441,613,417,337</b>	<b>161,069,140,466</b>	<b>196,604,326,756</b>	<b>469,018,246,100</b>	<b>497,010,514,022</b>	<b>4,505,671,159,480</b>	<b>122,678,630,303</b>	<b>7,111,791,692,240</b>
<b>Liabilities</b>									
Obligations with the public	¢ 3,437,828,981,237	190,827,263,323	190,007,603,788	156,726,305,033	343,170,438,429	469,589,795,635	359,082,137,229	0	5,153,232,524,674
Obligations with BCCR	0	161,929,838,016	0	0	0	0	0	0	161,929,838,016
Obligations with financial Entities	25,023,399,217	375,403,858,587	112,994,697,039	54,877,701,125	103,307,170,442	143,980,093,222	73,055,376,253	0	888,642,295,885
Charges payable on obligations	3,791,218,101	6,096,203,265	8,546,828,629	2,870,752,031	4,469,658,407	3,760,564,806	2,398,727,930	0	31,933,953,169
	<b>3,466,643,598,555</b>	<b>734,257,163,191</b>	<b>317,549,129,456</b>	<b>214,474,758,189</b>	<b>450,947,267,278</b>	<b>617,330,453,663</b>	<b>434,536,241,412</b>	<b>0</b>	<b>6,235,738,611,744</b>
<b>Asset-liability gap</b>	<b>¢ (2,748,517,340,779)</b>	<b>(292,643,745,854)</b>	<b>(156,479,988,990)</b>	<b>(17,870,431,433)</b>	<b>18,070,978,822</b>	<b>(120,319,939,641)</b>	<b>4,071,134,918,068</b>	<b>122,678,630,303</b>	<b>876,053,080,496</b>

As of December 31, 2023

Assets	Demand	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 365 days	More than 365 days	Items overdue for more than thirty days	Total
Availabilities	¢ 285,847,685,695	0	0	0	0	0	69,969,930	0	285,917,655,625
Legal cash requirement BCCR	400,893,880,857	34,998,613,247	19,019,785,000	15,414,830,100	32,711,519,093	35,131,400,368	33,054,250,719	0	571,224,279,384
Investment in securities	624,023,167	526,834,374,316	17,183,736,117	10,881,768,526	102,785,884,508	151,910,870,897	759,823,464,537	0	1,570,044,122,068
Interest on investments	3,143,247	8,993,162,104	5,106,156,003	936,858,518	4,303,310,056	1,065,950,551	1,037,308,017	0	21,445,888,496
Loan portfolio	0	153,588,045,761	118,010,632,629	104,070,338,112	311,783,519,509	284,621,998,276	2,972,112,256,584	135,470,970,744	4,079,657,761,615
Interest on loan portfolio	0	9,956,174,357	542,465,551	366,395,449	1,566,784,602	556,654,642	1,909,311,793	7,751,282,007	22,649,068,401
	<b>¢ 687,368,732,966</b>	<b>734,370,369,785</b>	<b>159,862,775,300</b>	<b>131,670,190,705</b>	<b>453,151,017,768</b>	<b>473,286,874,734</b>	<b>3,768,006,561,580</b>	<b>143,222,252,751</b>	<b>6,550,938,775,589</b>
<b>Liabilities</b>									
Obligations with the public	¢ 3,153,204,629,595	307,978,776,426	187,083,194,497	143,435,224,840	296,484,414,533	353,339,336,602	407,132,349,291	0	4,848,657,925,784
Obligations with BCCR	0	0	0	0	0	0	103,950,578,331	0	103,950,578,331
Obligations with financial Entities	67,198,718,575	199,060,821,386	57,193,557,703	40,017,370,665	107,644,295,624	142,409,346,495	150,402,107,502	0	763,926,217,950
Charges payable on obligations	1,977,667,169	13,778,080,123	6,055,429,530	2,701,780,382	4,508,847,616	3,772,377,051	5,849,829,935	0	38,644,011,806
	<b>3,222,381,015,339</b>	<b>520,817,677,935</b>	<b>250,332,181,730</b>	<b>186,154,375,887</b>	<b>408,637,557,773</b>	<b>499,521,060,148</b>	<b>667,334,865,059</b>	<b>0</b>	<b>5,755,178,733,871</b>
<b>Asset-liability gap</b>	<b>¢ (2,535,012,282,373)</b>	<b>213,552,691,850</b>	<b>(90,469,406,430)</b>	<b>(54,484,185,182)</b>	<b>44,513,459,995</b>	<b>(26,234,185,414)</b>	<b>3,100,671,696,521</b>	<b>143,222,252,751</b>	<b>795,760,041,718</b>

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

(d) Price risk of the portfolio

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

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

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

	<b>December 2024</b>	<b>December 2023</b>
VaR	¢ <u>1,097,076,397</u>	<u>13,762,383,855</u>

The year-on-year increase in the indicator is an effect of the increase in price volatility of investment instruments because of the global pandemic, the election year, the Russia-Ukraine war and the market value of the portfolio and the removal of the 25 worst observations identified in November, given the calculation methodology, occurred in December (latest observations).

(e) Interest rate risk

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

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

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

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

The following are the results by currency:

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

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

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

	<u>Effective rate</u>	<u>1 to 30 days</u>	<u>31 to 90 days</u>	<u>91 to 180 days</u>	<u>181 to 360 days</u>	<u>361 to 720 days</u>	<u>More than 720 days</u>	<u>Total</u>
<b><u>Colones</u></b>								
<b><u>Assets</u></b>								
Investments	6.48%	¢ 106,082,184,808	37,927,871,661	102,762,404,539	98,160,651,151	268,281,824,388	821,891,096,630	1,435,106,033,177
Loan portfolio	8.06%	1,573,957,160,974	145,655,716,104	121,729,090,088	74,254,941,715	106,371,217,549	1,562,244,461,211	3,584,212,587,641
<b>Total recovered assets (*)</b>		<b><u>1,680,039,345,782</u></b>	<b><u>183,583,587,765</u></b>	<b><u>224,491,494,627</u></b>	<b><u>175,415,592,866</u></b>	<b><u>374,653,041,937</u></b>	<b><u>2,384,135,557,841</u></b>	<b><u>5,019,318,620,818</u></b>
<b><u>Liabilities</u></b>								
Obligations with the public		160,442,873,338	222,464,847,361	218,143,664,693	252,411,846,336	109,542,052,642	48,136,320,570	1,011,141,604,940
Obligations with financial entities	4.11%	128,043,154,432	123,508,508,911	22,944,495,838	7,870,710,798	132,329,512	0	282,499,199,491
<b>Total matured liabilities (*)</b>		<b><u>363,505,818,131</u></b>	<b><u>345,973,356,272</u></b>	<b><u>241,088,160,531</u></b>	<b><u>260,282,557,134</u></b>	<b><u>109,674,382,154</u></b>	<b><u>48,136,320,570</u></b>	<b><u>1,368,660,594,792</u></b>
<b>Assets and liabilities spread</b>		<b><u>¢ 1,316,533,527,651</u></b>	<b><u>(162,389,768,507)</u></b>	<b><u>(16,596,665,904)</u></b>	<b><u>(87,866,964,268)</u></b>	<b><u>264,978,659,783</u></b>	<b><u>2,335,999,237,271</u></b>	<b><u>3,650,658,026,026</u></b>
<b><u>Dollars</u></b>								
<b><u>Assets</u></b>								
Investments	4.91%	¢ 127,626,189,943	15,426,867,262	118,772,062,118	89,052,905,031	258,009,812,260	654,601,043,463	1,263,488,880,077
Loan portfolio	7.29%	244,082,510,609	54,673,620,152	43,860,030,220	38,793,955,709	65,829,135,169	662,737,435,430	1,109,976,687,289
<b>Total recovered assets (*)</b>		<b><u>371,708,700,552</u></b>	<b><u>70,100,487,414</u></b>	<b><u>162,632,092,338</u></b>	<b><u>127,846,860,740</u></b>	<b><u>323,838,947,429</u></b>	<b><u>1,317,338,478,893</u></b>	<b><u>2,373,465,567,366</u></b>
<b><u>Liabilities</u></b>								
Obligations with the public		64,791,029,879	86,292,290,307	78,412,337,677	72,070,537,689	29,657,587,619	14,244,895,512	345,468,678,683
Demand obligations	0.46%	341,537,571	40,578,208	192,830,492	278,386,767	123,661,060	123,900,037	1,100,894,135
Obligations with financial entities	4.05%	(17,092,123,849)	1,020,007,320	677,894,331	1,298,976,341	1,840,965,299	19,801,845,932	7,547,565,374
<b>Total matured liabilities (*)</b>		<b><u>47,698,906,030</u></b>	<b><u>87,312,297,627</u></b>	<b><u>79,090,232,008</u></b>	<b><u>73,369,514,030</u></b>	<b><u>31,498,552,918</u></b>	<b><u>34,046,741,444</u></b>	<b><u>353,016,244,057</u></b>
<b>Assets and liabilities spread</b>		<b><u>¢ 324,009,794,522</u></b>	<b><u>(17,211,810,213)</u></b>	<b><u>83,541,860,330</u></b>	<b><u>54,477,346,710</u></b>	<b><u>292,340,394,511</u></b>	<b><u>1,283,291,737,449</u></b>	<b><u>2,020,449,323,309</u></b>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

As of December 31, 2023, interest rate terms for assets and liabilities are as follows:

	Effective interest rate	1 to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	361 to 720 days	More than 720 days	Total
<b>Colones:</b>								
<b>Assets</b>								
Investment in securities	6.75%	¢ 331,867,860,571	22,531,615,104	66,058,474,119	111,194,556,022	206,560,179,268	428,690,798,366	1,166,903,483,450
Loan portfolio	8.77%	1,485,366,749,918	106,691,826,684	109,597,126,789	58,752,719,059	117,380,301,144	1,375,106,671,181	3,252,895,394,775
<b>Total recovery of assets (*)</b>		<b>1,817,234,610,489</b>	<b>129,223,441,788</b>	<b>175,655,600,908</b>	<b>169,947,275,081</b>	<b>323,940,480,412</b>	<b>1,803,797,469,547</b>	<b>4,419,798,878,225</b>
<b>Liabilities</b>								
Obligations with the public		221,903,425,083	191,111,033,827	206,713,281,918	172,930,621,624	116,562,673,410	58,466,759,532	967,687,795,394
Obligations with financial entities	2.62%	31,101,053,219	36,708,637,172	23,182,201,066	13,377,111,292	103,901,409,914	0	208,270,412,663
<b>Total matured liabilities (*)</b>		<b>253,004,478,302</b>	<b>227,819,670,999</b>	<b>229,895,482,984</b>	<b>186,307,732,916</b>	<b>220,464,083,324</b>	<b>58,466,759,532</b>	<b>1,175,958,208,057</b>
<b>Asset and liability gap</b>		<b>1,564,230,132,187</b>	<b>(98,596,229,211)</b>	<b>(54,239,882,076)</b>	<b>(16,360,457,835)</b>	<b>103,476,397,088</b>	<b>1,745,330,710,015</b>	<b>3,243,840,670,168</b>
<b>US dollars:</b>								
<b>Assets</b>								
Investment in securities	4.46%	¢ 179,087,252,399	41,370,359,313	49,819,700,723	42,301,060,140	45,531,568,083	67,473,432,031	425,583,372,689
Loan portfolio	7.60%	248,713,620,947	31,913,610,170	48,776,693,523	88,685,380,933	87,984,061,187	377,957,315,206	884,030,681,966
<b>Total recovery of assets (*)</b>		<b>427,800,873,346</b>	<b>73,283,969,483</b>	<b>98,596,394,246</b>	<b>130,986,441,073</b>	<b>133,515,629,270</b>	<b>445,430,747,237</b>	<b>1,309,614,054,655</b>
<b>Liabilities</b>								
Obligations with the public		67,296,629,878	79,898,503,871	67,864,980,095	95,836,440,464	18,802,236,956	11,816,832,458	341,515,623,722
Demand obligations	0.34%	158,903,995,281	78,625,204,382	43,305,848,783	96,796,017,830	125,222,760,834	11,646,614,385	514,500,441,495
Obligations with financial entities	2.07%	(20,574,364,424)	780,352,231	632,728,395	27,630,918,694	2,288,366,797	13,225,794,809	23,983,796,502
<b>Total matured liabilities (*)</b>		<b>46,722,265,454</b>	<b>80,678,856,102</b>	<b>68,497,708,490</b>	<b>123,467,359,158</b>	<b>21,090,603,753</b>	<b>25,042,627,267</b>	<b>365,499,420,224</b>
<b>Asset and liability gap</b>		<b>381,078,607,892</b>	<b>(7,394,886,619)</b>	<b>30,098,685,756</b>	<b>7,519,081,915</b>	<b>112,425,025,517</b>	<b>420,388,119,970</b>	<b>944,114,634,431</b>

(\*) Interest rate sensitive

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

Within the gap report (rate-sensitive assets and liabilities) in local currency, a total difference of asset recovery less maturity of liabilities as of December 31, 2024, for ₡3,542,948,688,856, (₡944,114,634,431 for December 2023) while in foreign currency the same difference is of ₡1,983,214,040,539, (₡827,915,461,820 for December 2023) being an improved inference in the balance sheet due to positive changes in interest rates, since the entity presents more assets than liabilities in both currencies. Regarding term matching (sum of liquidity of assets and liabilities), as of December 31, 2024, the total amount in local currency was of ₡876,053,080,496, (₡795,760,041,718 for December 2023) while in foreign currency, the collected data for the compliance of obligations was of \$354,673,724, (\$363,381,161 for December 2023) which shows the necessary solvency to meet the liquid liabilities of the Organization.

(f) Foreign exchange risk

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

These currencies experience periodic fluctuations with respect to the Costa Rican colon, in accordance with the monetary and exchange policies of the Central Bank of Costa Rica (BCCR). Therefore, any fluctuation in the value of the US Dollar affects the results, financial position and cash flows of the entity.

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

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

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

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

		<b>December 2024</b>	<b>December 2023</b>
Assets:			
Cash and due from banks	US\$	490,150,174	510,224,893
Investments in financial instruments		721,534,963	796,961,999
Loan portfolio		3,185,264,269	2,941,077,001
Accounts and accrued interest receivable		6,714,075	3,415,384
Other		17,834,734	16,664,180
<b>Total assets</b>		<b>4,421,498,215</b>	<b>4,268,343,457</b>
Liabilities:			
Obligations with the public		3,097,891,481	2,913,368,701
Other financial obligations		1,057,008,606	1,082,030,491
Other account payable and provisions		35,189,067	34,236,061
Other liabilities		17,382,870	23,138,581
<b>Total liabilities</b>		<b>4,207,472,024</b>	<b>4,052,773,834</b>
<b>Net position</b>	US\$	<b>214,026,191</b>	<b>215,569,623</b>

The valuation of monetary assets and liabilities in foreign currency is carried out with reference to the purchase exchange rate set by the BCCR the last business day of each month for December 30, 2024, the exchange rate of ¢ 512.75 for US \$1.00 (¢524.88 for December 2023) was used.

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

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

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

Sensitivity to an increase in the exchange rate

		<b>December 2024</b>	<b>December 2023</b>
Net position	US\$	214,026,191	215,569,623
Closing exchange rate		512.73	526.88
Increase in the exchange rate by 5%		25.64	26.34
<b>Profit</b>	¢	<b>5,487,631,537</b>	<b>5,678,103,870</b>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

Sensitivity to a decrease in the exchange rate

	<b>December 2024</b>	<b>December 2023</b>
Net position	US\$ 214,026,191	215,569,623
Closing exchange rate	512.73	526.88
Decrease in the exchange rate of 5%	(25.64)	(26.34)
<b>Loss</b>	<b>¢ (5,487,631,537)</b>	<b>(5,678,103,870)</b>

Assets and liabilities in Euros are detailed as follows:

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

BANCO DE COSTA RICA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

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

		<u>Demand</u>	<u>1 to 30 days</u>	<u>31 to 60 days</u>	<u>61 to 90 days</u>	<u>91 to 180 days</u>	<u>181 to 365 days</u>	<u>More than 365 days</u>	<u>More than 30 days past due</u>	<u>Total</u>
<b>Assets</b>										
Cash and due from banks	US\$	193,292,881	0	0	0	0	0	354,730	0	193,647,611
Cash Reserve- BCCR		201,296,818	16,424,120	14,053,028	8,955,898	20,089,903	25,590,125	10,290,746	0	296,700,638
Investments		258,773	270,932,065	2,637,203	40,903,164	19,145,968	147,054,815	235,644,721	0	716,576,709
Interest on investments		2,894	1,635,039	285,070	1,260,179	1,234,311	883,911	333,279	0	5,634,683
Loan portfolio		0	209,596,456	158,549,656	209,727,468	480,224,185	311,016,200	1,840,052,536	81,892,102	3,291,058,603
Interest on loans		0	4,605,486	679,573	999,444	2,815,738	961,282	4,141,827	5,629,121	19,832,471
		<u>394,851,366</u>	<u>503,193,166</u>	<u>176,204,530</u>	<u>261,846,153</u>	<u>523,510,105</u>	<u>485,506,333</u>	<u>2,090,817,839</u>	<u>87,521,223</u>	<u>4,523,450,715</u>
<b>Liabilities</b>										
Obligations with public		1,706,231,685	92,606,830	139,670,475	106,335,791	267,844,557	435,794,066	334,213,262	0	3,082,696,666
Obligations with financial entities		(25,472,744)	352,861,655	98,502,315	79,982,786	158,018,866	265,056,218	135,020,737	0	1,063,969,833
Charges payable		793,164	5,369,901	2,547,631	2,516,545	3,537,016	4,025,816	3,320,419	0	22,110,492
		<u>1,681,552,105</u>	<u>450,838,386</u>	<u>240,720,421</u>	<u>188,835,122</u>	<u>429,400,439</u>	<u>704,876,100</u>	<u>472,554,418</u>	<u>0</u>	<u>4,168,776,991</u>
<b>Assets and liabilities spread</b>	US\$	<u>(1,286,700,739)</u>	<u>52,354,780</u>	<u>(64,515,891)</u>	<u>73,011,031</u>	<u>94,109,666</u>	<u>(219,369,767)</u>	<u>1,618,263,421</u>	<u>87,521,223</u>	<u>354,673,724</u>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

As of December 31, 2023, in US dollars:

<b>Assets</b>		<b><u>Demand</u></b>	<b><u>1 to 30 days</u></b>	<b><u>31 to 60 days</u></b>	<b><u>61 to 90 days</u></b>	<b><u>91 to 180 days</u></b>	<b><u>181 to 365 days</u></b>	<b><u>More than 365 days</u></b>	<b><u>Past due for over 30 days</u></b>	<b><u>Total</u></b>
Cash and due from banks	US\$	242,104,007	0	0	0	0	0	111,923	0	242,215,930
Legal reserve account-BCCR		180,671,963	15,888,177	10,780,884	8,580,764	15,840,380	23,340,901	13,104,896	0	268,207,965
Investments in securities		4,216	389,032,760	20,408,644	6,456,314	87,377,654	77,795,674	208,800,261	0	789,875,523
Interest on investments		1,771	1,593,445	422,247	(3,078)	3,217,979	1,730,647	483,096	0	7,446,107
Loan portfolio		0	197,042,479	174,102,457	151,952,968	458,690,251	346,371,983	1,617,028,981	93,923,791	3,039,112,910
Interest on loans		0	4,889,096	727,644	587,396	1,412,229	1,002,172	3,619,735	4,637,393	16,875,665
	US\$	<b><u>422,781,957</u></b>	<b><u>608,445,957</u></b>	<b><u>206,441,876</u></b>	<b><u>167,574,364</u></b>	<b><u>566,538,493</u></b>	<b><u>450,241,377</u></b>	<b><u>1,843,148,892</u></b>	<b><u>98,561,184</u></b>	<b><u>4,363,734,100</u></b>
<b>Liabilities</b>										
Obligations with the public	US\$	1,502,264,640	193,783,033	159,297,779	112,350,888	205,107,511	339,935,169	388,924,758	0	2,901,663,778
Obligations with financial Entities		85,540,120	192,055,899	57,060,426	59,818,878	161,658,994	245,752,759	276,310,196	0	1,078,197,272
Charges payable on obligations		248,479	2,026,450	2,582,111	2,118,221	4,305,946	4,106,678	5,104,004	0	20,491,889
		<b><u>1,588,053,239</u></b>	<b><u>387,865,382</u></b>	<b><u>218,940,316</u></b>	<b><u>174,287,987</u></b>	<b><u>371,072,451</u></b>	<b><u>589,794,606</u></b>	<b><u>670,338,958</u></b>	<b><u>0</u></b>	<b><u>4 000 352 939</u></b>
<b>Asset and liability gaps</b>	US\$	<b><u>(1,165,271,282)</u></b>	<b><u>220,580,575</u></b>	<b><u>(12,498,440)</u></b>	<b><u>(6,713,623)</u></b>	<b><u>195,466,042</u></b>	<b><u>(139,553,229)</u></b>	<b><u>1,172,809,934</u></b>	<b><u>98,561,184</u></b>	<b><u>363,381,161</u></b>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

As of December 31, 2024, the financial statements show a net foreign exchange loss of ¢15,307,631,261, (¢13,576,779,053, net loss for December 2023).

(g) Capital Management

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

In 2024, the credit risk requirement shows higher levels than in 2023 due to the increase in credit placement. Additionally, the climate risk requirement (incorporated in 2023) maintains the same behavior due to its dependence on the credit portfolio.

(h) Systemic risk

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

The size of the BCR Financial Conglomerate is according to assets of the most updated data, equivalent to the end of December 2024 of 15.26% of annual GDP. Due to the size and complexity of its operations, BCR is a systemic Entity, therefore, its performance and the decisions made have effects on the financial system.

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

The systemic risk analysis is carried out considering several dimensions. The first dimension corresponds to the economic context, the second the size, the third refers to concentration indicators, the fourth contagion, the fifth an index of fiscal conditions and in 2023 a sixth dimension is added that correlates the previous five that acts transversally on the other dimensions.

(i) Operational risk management

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

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

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

**Gross operating losses**  
**- Percentage distribution by type of risk-**

<b>Type of operational risk</b>	<b>Accumulated gross losses 2024</b>	<b>December 2024</b>	<b>December 2023</b>
Clients, products, and business practices	153,494	0.22%	1.14%
Execution, delivery, and management of processes	420,749	0.62%	47.64%
External fraud	52,094,040	76.22%	46.19%
Internal fraud	0	0.00%	2.15%
Business interruption and system failures	15,680,794	22.94%	2.52%
Labor relations and safety in the workplace	0	0.00%	0.37%
<b>Total</b>	<b>¢ 68,349,076</b>	<b>100.00%</b>	<b>100.00%</b>

*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. Execution, delivery and process management, the main type of risk for operational losses and External Fraud in debit and credit cards, was the main materialized factor. Mitigation measures continue to be applied, such as the Safe Environment project (3D`S) and the use of electronic wallets, for the period from October to December 2024.

(j) Information security and IT Risk

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

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

As part of the evaluations and monitoring of the indicators, corrective actions are applied if required. They are defined, together with the risk takers, as part of the continuous improvement of the process.

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

All in line with prudential regulations applicable and best international practices, allowing Corporate Risk Management to support the fulfillment of institutional strategic objectives, and minimize the materialization of impacts sensitive to the services provided to customers.

(k) Business Continuity

Business continuity plan and contingency testing

The Business Continuity Management System (BCMS) is structured as a repeatable process (based on continuous improvement), which is further divided into seven phases: Business Impact Analysis (BIA), risk assessment, business continuity strategies and solutions, plan development, training and culture building, testing and exercising of the plans, and crisis management. The Business Continuity Unit of Banco de Costa Rica is responsible for the development, implementation, and maintenance of this Management System across the BCR Financial Conglomerate. To carry out this lifecycle, the Unit aligns its work plan with the reference frameworks of ISO 22301 and ISO 22317 standards.

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

The primary objective of the BCMS is to identify and prioritize the critical services, processes, and activities of the BCR Financial Conglomerate that require focused efforts to ensure continuity in order to meet current organizational goals. To achieve continuity, the BCMS must provide response plans that enable the rapid restoration of service availability following an unplanned disruption, minimizing the impact of the event and preserving the organization's reputation.

(l) Risk of money laundering, financing of terrorism and financing of 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 as well as the evaluation of new products and initiatives and the continuous monitoring of clients. Permanent monitoring is provided through the Corporate Compliance Committee and the Management Body, to strengthen and promote actions that ensure the application of policies and procedures by all officials of the BCR Financial Conglomerate.

(m) Management of Regulatory Risk and Compliance

This management entails the responsibility of promoting and ensuring that CFBCR entities operate with integrity and in compliance with laws, regulations, policies, codes, and other internal provisions.

Implemented actions

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

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

- Supervision of Hiring Processes: Specific evaluations are conducted on hiring processes, including personnel, suppliers, and strategic partners, to ensure compliance with the ethical and regulatory standards established by the conglomerate.

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

Legal risk management

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

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, self-assessments are conducted for minor and reduced bidding procedures, while evaluations are carried out for major or invaluable procedures.

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

3. Supervision of binding external regulations:
  - The self-assessments conducted on the applicable external regulations have shown that the entity maintains a low-risk level in regulatory compliance analysis.
4. Self-assessments of critical suppliers:
  - As part of the risk management strategy, the process of analyzing the contractual monitoring of suppliers providing services to the Bank's critical processes was strengthened. Through the self-assessment mechanism, 88% more contracts were addressed compared to the previous quarter, generating 27 treatment plans that are currently being executed by the contract administrator.

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

40). Situation of the Development Financing Fund

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

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

**DEVELOPMENT FINANCING FUND**  
**STATEMENT OF FINANCIAL POSITION**  
As of December 31, 2024  
Financial Information  
(In colones without cents)

	<b>December 2024</b>	<b>December 2023</b>
<b>ASSETS</b>		
<b>Available</b>	¢ <b>0</b>	<b>127,357,508</b>
<b>Central Bank of Costa Rica</b>	0	127,357,508
<b>Investment in financial instruments</b>	<b>4,600,492,217</b>	0
At fair value through profit or loss	4,600,492,217	0
<b>Loan portfolio</b>	¢ <b>47,268,427,468</b>	<b>47,165,995,600</b>
Current loans	42,388,299,850	43,307,881,313
Past due loans	5,158,050,993	3,721,715,771
Loans on legal collection	339,694,497	742,263,981
(Deferred income loan portfolio)	(474,765,679)	(465,477,019)
Interest receivable	167,599,365	170,201,295
(Allowance for impairment)	(310,451,558)	(310,589,741)
<b>Accounts and commissions receivable</b>	<b>970,744</b>	<b>0</b>
Others account receivable	2,473,990	0
(Allowance for impairment)	(1,503,246)	0
<b>Other assets</b>	<b>30,900,441</b>	<b>165,766,632</b>
Intangible assets	0	2,767,988
Other assets	30,900,441	162,998,644
<b>TOTAL ASSETS</b>	¢ <b><u>51,900,790,870</u></b>	<b><u>47,459,119,740</u></b>
<b>LIABILITIES</b>		
<b>Accounts payable and provisions</b>	<b>1,039,879,012</b>	<b>160,713,385</b>
Other sundry accounts payable	1,039,879,012	160,713,385
<b>Other liabilities</b>	<b>249,503,438</b>	<b>159,166,840</b>
Other liabilities	249,503,438	159,166,840
<b>TOTAL LIABILITIES</b>	¢ <b><u>1,289,382,450</u></b>	<b><u>319,880,225</u></b>
<b>EQUITY</b>		
<b>Adjustments to equity - Other comprehensive income</b>	<b>34,671,365,413</b>	<b>45,766,617,523</b>
<b>Retained earnings from previous years</b>	<b>14,194,883,664</b>	<b>0</b>
<b>Result of current period</b>	<b>1,745,159,343</b>	<b>1,372,621,992</b>
<b>DEBIT CONTINGENT ACCOUNTS</b>	¢ <b><u>50,611,408,420</u></b>	<b><u>47,139,239,515</u></b>
<b>OTHER DEBIT MEMORANDA ACCOUNTS</b>	¢ <b><u>51,900,790,870</u></b>	<b><u>47,459,119,740</u></b>
<b>DEBIT CONTINGENT ACCOUNTS</b>	¢ <b>1,111,500</b>	<b>5,898,412</b>
<b>OTHER DEBIT MEMORANDA ACCOUNTS</b>	¢ <b>4,992,802,732</b>	<b>3,912,542,628</b>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

**DEVELOPMENT FINANCING FUND**  
**STATEMENT OF INCOME**  
As of December 31, 2024  
Financial Information  
(In colones without cents)

	<u>December 2024</u>	<u>December 2023</u>
<b>Financial income</b>		
For investment in financial instruments	109,733,953	0
For loan portfolio	2,443,102,075	3,079,922,811
<b>Total financial income</b>	<u>2,552,836,028</u>	<u>3,079,922,811</u>
<b>Financial expenses</b>		
For losses on exchange differences	1,204,124	5,228,191
<b>Total financial expenses</b>	<u>1,204,124</u>	<u>5,228,191</u>
For allowance of asset impairment		
For recovery of assets and decrease in estimates and provisions	70,502	864,080
<b>FINANCIAL RESULT</b>	<u>2,551,702,406</u>	<u>3,075,558,700</u>
<b>Other operating income</b>		
For other operating income	3,672,619	9,336,226
For currency exchange and arbitrage	1,540,244	819
For services commissions	32,583,119	23,962,557
<b>Total other operating income</b>	<u>37,795,982</u>	<u>33,299,602</u>
<b>Other operating expenses</b>		
For other operating expenses	844,339,045	1,736,236,310
<b>Total other operating expenses</b>	<u>844,339,045</u>	<u>1,736,236,310</u>
<b>RESULT OF THE PERIOD</b>	<u>1,745,159,343</u>	<u>1,372,621,992</u>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

Loan Portfolio of the Development Financing Fund

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

a) Loan portfolio by sector

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

b) Loan portfolio by arrears:

The loan portfolio by arrears is detailed as follows:

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

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

c) Past due loans

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

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

Loans on legal collection as of December 31, 2024:

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

Loans on legal collection as of December 31, 2023:

<b><u># operations</u></b>	<b><u>Percentage</u></b>	<b><u>Balance</u></b>
18	1.69%	¢ <u>807,172,385</u>

d) Interest receivable on loan portfolio

Interest receivable is as follows:

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

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

e) Allowance for bad loans

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

<b>Opening balance 2024</b>		<b>310,589,741</b>
Plus:		
Allowance charged to profit or loss		1,120,804
Adjustment for exchange differences		1,763,531
Less:		
Adjustment for exchange differences		(1,760,828)
Reversal of allowance against income		(1,261,690)
<b>Balance as of December 31, 2024</b>		<b><u>310,451,558</u></b>
<b>Opening balance December 31, 2023</b>	¢	<b>313,014,745</b>
Plus:		
Adjustment for exchange differences		34,473
Less:		
Adjustment for exchange differences		(767,967)
Reversal of allowance against income		(433,630)
Transfer of balances		(1,257,880)
<b>Balance as of December 31, 2023</b>	¢	<b><u>310,589,741</u></b>

f) Loan portfolio by type of guarantee:

The loan portfolio by type of guarantee is as follows:

		<u>December 2024</u>	<u>December 2023</u>
<b>Guarantee</b>			
Fiduciary	¢	264,232,260	419,464,873
Mortgage		24,516,781,926	24,056,648,740
Chattel		1,237,203,344	812,341,917
Others		21,867,827,810	22,483,405,535
	¢	<b><u>47,886,045,430</u></b>	<b><u>47,771,861,065</u></b>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

**BANCO DE COSTA RICA AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**  
**As of December 31, 2024**  
**(with corresponding figures as of December 31, 2023)**  
**(in colones without cents)**

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

As of December 31, 2024

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

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

As of December 31, 2023

Loan portfolio	Direct Loan Portfolio			
	Principal	Covered balance	Overdraft	Allowance
Direct generic allowance				
1	¢ 44,777,040,112	29,698,239,693	15,078,800,419	(111,942,601)
A1	<u>255,673,081</u>	<u>0</u>	<u>255,673,081</u>	<u>(1,278,365)</u>
	45,032,713,193	29,698,239,693	15,334,473,500	(113,220,966)
Direct specific allowance				
2	365,650,505	292,682,646	72,967,859	(5,111,806)
3	1,019,592,785	834,272,899	185,319,886	(50,501,336)
4	501,789,956	465,240,023	36,549,933	(20,601,167)
5	201,107,289	157,549,507	43,557,782	(31,278,195)
6	821,208,632	738,262,489	82,946,143	(86,637,455)
	<u>2,909,349,167</u>	<u>2,488,007,564</u>	<u>421,341,603</u>	<u>(194,129,959)</u>
¢	<u>47,942,062,360</u>	<u>32,186,247,257</u>	<u>15,755,815,103</u>	<u>(307,350,925)</u>

BANCO DE COSTA RICA AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

Loan portfolio

Aging of loan portfolio	<b>Direct Loan Portfolio</b>			
	Principal	Covered balance	Overdraft	Allowance
Direct generic allowance				
Up to date	¢ 255,673,082	0	255,673,082	(113,220,966)
	255,673,082	0	255,673,082	(113,220,966)
Direct specific allowance				
Up to date	43,163,497,990	28,394,313,103	14,769,184,887	(41,289,340)
Equal or less than 30 days	2,462,832,602	2,005,589,402	457,243,199	(5,538,181)
Equal or less than 60 days	393,851,680	314,974,213	78,877,467	(6,830,766)
Equal or less than 90 days	563,550,915	514,400,843	49,150,072	(15,318,877)
Equal or less than 180 days	281,267,928	215,503,498	65,764,430	(41,990,068)
Over 180 days	821,388,163	741,466,198	79,921,966	(83,162,727)
	¢ 47,686,389,278	32,186,247,257	15,500,142,021	(194,129,959)
	¢ 47,942,062,360	32,186,247,257	15,755,815,103	(307,350,925)

As of December 31, 2024	<b>Loans receivable from clients</b>	
	<b>Gross</b>	<b>Net</b>
Risk category:		
1	¢ 43,778,274,364	43,668,827,984
2	645,533,586	636,137,060
3	2,530,459,303	2,424,525,728
4	278,152,594	251,310,272
5	103,406,242	91,073,656
6	717,818,616	489,444,064
	¢ 48,053,644,705	47,561,318,764

As of December 31, 2023	<b>Loans receivable from clients</b>	
	<b>Gross</b>	<b>Net</b>
Risk category:		
1	¢ 44,777,040,112	44,665,097,511
2	365,650,505	360,538,699
3	1,019,592,785	969,091,449
4	501,789,956	481,188,789
5	201,107,289	169,829,094
6	821,208,632	734,571,177
A1	255,673,081	254,394,716
	¢ 47,942,062,360	47,634,711,435

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

41). Situation of the Development Credit Fund

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

**DEVELOPMENT FINANCING FUND  
STATEMENT OF FINANCIAL POSITION**

As of December 31, 2024

Financial Information

*(In colones without cents)*

	December 2024	December 2023
<b>ASSETS</b>		
<b>Availabilities</b>	€ 797,179,843	795,892,500
Central Bank of Costa Rica	797,179,843	795,892,500
<b>Investment in financial instruments</b>	<b>83,168,607,025</b>	<b>95,377,292,181</b>
At fair value through profit or loss	586,104,860	4,957,598,565
At fair value through other comprehensive income	78,968,393,969	86,755,969,894
At amortized cost	2,729,143,874	2,782,370,522
Interest receivable	884,964,322	881,353,200
<b>Loan Portfolio</b>	<b>50,007,412,745</b>	<b>38,248,570,855</b>
Current loans	48,144,414,293	37,877,348,151
Past due loans	2,002,981,687	648,807,590
Loans in judicial collection	193,348,664	0
(Deferred income loan portfolio)	(373,075,185)	(307,590,574)
Interest receivable	128,335,972	119,619,530
(Allowance for impairment)	(88,592,686)	(89,613,842)
<b>Accounts and commissions receivable</b>	<b>103,838,873</b>	<b>231,188,813</b>
Tax and deferred income tax	103,838,873	231,188,813
<b>Other assets</b>	<b>43,141,375</b>	<b>83,192</b>
Other assets	43,141,375	83,192
<b>TOTAL ASSETS</b>	<b>€ 134,120,179,861</b>	<b>134,653,027,541</b>
<b>LIABILITIES</b>		
<b>Obligations with entities</b>	€ 138,359,054,842	140,481,206,433
Term obligations	138,097,549,701	140,481,206,433
Other obligations	261,505,141	0
<b>Accounts payable and provisions</b>	<b>93,008,281</b>	<b>42,148,639</b>
Accounts receivable	0	2,127,704
Deferred income tax	76,846,413	40,020,935
Other sundry accounts payable	16,161,868	0
<b>Other liabilities</b>	<b>63,654,441</b>	<b>531,663</b>
Other liabilities	63,654,441	531,663
<b>TOTAL LIABILITIES</b>	<b>€ 138,515,717,564</b>	<b>140,523,886,735</b>
<b>EQUITY</b>		
<b>Adjustments to equity – Other comprehensive income</b>	€ (24,069,173)	(370,185,888)
<b>Results of the previous period</b>	€ (5,500,673,306)	0
<b>Results of the current period</b>	<b>1,129,204,776</b>	<b>(5,500,673,306)</b>
<b>TOTAL EQUITY</b>	<b>€ (4,395,537,703)</b>	<b>(5,870,859,194)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>€ 134,120,179,861</b>	<b>134,653,027,541</b>
<b>OWN DEBIT MEMORANDA ACCOUNT</b>		
Own debit memoranda accounts	€ 29,786,066,777	27,583,777,748
Interest receivable memoranda accounts	€ 10,392,051	9,096,849
Contingent accounts	€ 9,858,770	0

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

**DEVELOPMENT CREDIT FUND**

**INCOME STATEMENT**

For the period ended December 31, 2024

Financial Information

(In colones without cents)

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

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

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

	<b>December 2024 Fair value</b>	<b>December 2023 Fair value</b>
<b>At fair value through profit or loss</b>		
<u>Local issuers:</u>		
State-owned Banks	¢ 586,104,860	4,957,598,565
	<b>¢ 586,104,860</b>	<b>4,957,598,565</b>

	<b>December 2024 Fair value</b>	<b>December 2023 Fair value</b>
<b>At fair value through other comprehensive income</b>		
<u>Local issuers:</u>		
Government	78,968,393,969	0
State-owned Banks	0	86,755,969,894
	<b>¢ 78,968,393,969</b>	<b>86,755,969,894</b>

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

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

**BANCO DE COSTA RICA**  
**Notes to the Consolidated Financial Statements**  
**As of December 31, 2024**  
**(with corresponding figures as of December 31, 2023)**  
**(in colones without cents)**

Loan Portfolio of the Development Credit Fund

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

a) Loan portfolio by sector

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

b) Loan portfolio by arrears:

The loan portfolio by arrears is detailed as follows:

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

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

c) Delinquent and past due loan portfolio

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

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

d) Loan portfolio by type of guarantee:

The loan portfolio by type of guarantee is as follows:

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

e) Allowance for impairment of loan portfolio

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

f) Loan portfolio by kind of guarantee:

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

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

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

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

**BANCO DE COSTA RICA**  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

The assessed loan portfolio including allowance is detailed as follows:

As of December 31, 2024

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

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

As of December 31, 2023

Loan portfolio	<b>Direct Loan Portfolio</b>			
	Principal	Covered balance	Overdraft	Allowance
Direct generic allowance				
1	35,242,018,234	15,210,666,108	20,031,352,126	(88,553,092)
¢	<u>35,242,018,234</u>	<u>15,210,666,108</u>	<u>20,031,352,126</u>	<u>(88,553,092)</u>
Direct specific allowance				
2	146,851,917	118,680,821	28,171,096	(2,001,959)
3	3,146,667,348	2,946,924,926	199,742,422	(64,670,230)
4	83,317,906	83,317,906	0	(416,590)
5	26,919,866	14,660,007	12,259,859	(8,655,201)
	<u>3,403,757,037</u>	<u>3,163,583,660</u>	<u>240,173,377</u>	<u>(75,743,980)</u>
¢	<u>38,645,775,271</u>	<u>18,374,249,768</u>	<u>20,271,525,503</u>	<u>(164,297,072)</u>

**BANCO DE COSTA RICA**  
**Notes to the Consolidated Financial Statements**  
**As of December 31, 2024**  
**(with corresponding figures as of December 31, 2023)**  
**(in colones without cents)**

Loan portfolio

Aging of loan portfolio

	Direct Loan Portfolio			
	Principal	Covered balance	Overdraft	Allowance
Direct generic allowance				
Up to date	¢ 37,991,305,295	17,812,796,932	20,178,508,363	(88,057,226)
Equal to or less than 30 days	288,282,303	235,696,118	52,586,185	(495,866)
Equal to or less than 60 days	174,740,501	146,569,405	28,171,096	0
Equal to or less than 90 days	164,527,307	164,527,307	0	0
Equal to or less than 180 days	26,919,865	14,660,006	12,259,859	0
More than 180 days	0	0	0	0
	<u>38,645,775,271</u>	<u>18,374,249,768</u>	<u>20,271,525,503</u>	<u>(88,553,092)</u>

	Principal	Covered, balance	Overdraft	Allowance
Direct specific allowance				
Up to date	37,991,305,295	17,812,796,932	20,178,508,363	(63,675,061)
Equal to or less than 30 days	288,282,303	235,696,118	52,586,185	(449,679)
Equal to or less than 60 days	174,740,501	146,569,405	28,171,096	(2,141,402)
Equal to or less than 90 days	164,527,307	164,527,307	0	(822,637)
Equal to or less than 180 days	26,919,865	14,660,006	12,259,859	(8,655,201)
More than 180 days				
	¢ <u>38,645,775,271</u>	<u>18,374,249,768</u>	<u>20,271,525,503</u>	<u>(75,743,980)</u>

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

As of December 31, 2023	Loans receivable from clients	
	Gross	Net
Risk category:		
1	¢ 35,242,018,234	35,153,465,142
2	146,851,917	144,849,958
3	3,146,667,348	3,081,997,118
4	83,317,906	82,901,316
5	26,919,866	18,264,665
	¢ <u>38,645,775,271</u>	<u>38,481,478,199</u>

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

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

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

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

a) IAS 1: Presentation of Financial Statements

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

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

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

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

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

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

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

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

c) IAS 7: Statements of Cash Flows

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

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

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

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

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

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

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

e) IAS 12: Income tax

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

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

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

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

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

f) IAS 16: Property, Plant and Equipment

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

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

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

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

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

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

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

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

h) IAS 27: Consolidated and Separate Financial Statements

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

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

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

Amended IAS 27 (2008) requires accounting for changes in ownership interests by the Bank in a subsidiary, while maintaining control, to be recognized as an equity transaction. When the Bank loses control of a subsidiary, any interest retained in the former subsidiary

will be measured at fair value with the gain or loss recognized in profit or loss. The amendments to IAS 27 became mandatory for the Bank's 2010 consolidated financial statements. These amendments have not been adopted by the Board.

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

i) IAS 28: Investments in Associates and Joint Ventures

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

Supervised entities must present their separate financial statements.

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

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

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

1) IAS 38: Intangible Assets

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

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

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

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

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

The supervised entity's senior management must establish the appropriate mechanisms and procedures to determine whether an intangible asset with an indefinite useful life has deteriorated. For the respective verification, it will compare its recoverable amount with its carrying amount. This comparison must be carried out when there is any indication that the value of the asset could have deteriorated or, at least, on an annual basis. This provision also applies to goodwill acquired in a business combination.

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

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

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

m) IAS 40: Investment Property

Investment properties must be valued at fair value.

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

n) IFRS 3: Business combinations (revised)

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

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

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

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

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

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

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

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

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

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

a. Assets that the entity is legally restricted from selling, such as forest land, which by law becomes part of the State's forest heritage, except as provided in Law No. 7575, "Forestry Law," when they are declared part of the State's natural heritage after the authorization of a credit operation with entities of the National Banking System.

b. Shares awarded to the entity in a judicial auction or received as payment in kind for credit operations, in accordance with Article 72 of Law 1644 (LOSBN). In this case, the carrying amount of the shares must be written off within a maximum period of two years from the date of adjudication or receipt of the asset in payment.

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

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

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

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

p) IFRS 9: Financial Instruments

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

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

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

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

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

q) IFRS 13: Fair Value Measurement

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

Expenses or losses from equity reserves created by law or voluntarily by regulated entities cannot be directly recorded, without having previously gone through profit or loss of the period.

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

r) International Financial Reporting Standard (IFRS) focused on Sustainability

On June 26, 2023, the International Sustainability Standards Board (ISSB) approved two International Financial Reporting Standards (IFRS) focused on Sustainability. These new standards are IFRS S1 General Requirements for Disclosures of Sustainability-related Financial Information; and IFRS S2 Climate-related Disclosures.

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

43). Figures for 2024

As of December 31, 2024, financial statement figures have not been reclassified for comparison with those of 2023, per modifications to the Chart of Accounts and CONASSIF Directive 06-18: "Regulation on the financial information" approved by CONASSIF.

44). Relevant and subsequent events

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

a) Transfer of charges and observations

As of July 3, 2020, the BCCR publishes Law 9859 "Law to fight Usury" defining a maximum on interest rates on loans and credit cards equivalent to 37.69% per year in colones and 30.36% in US dollars, in force for the second quarter of 2020. BCR credit cards offer an interest rate of 32% per year, one of the lowest in the market at the time of the entry into force of Law 9859, therefore it did not generate a financial impact on the income for credit card interest.

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

As of December 31, 2022, an adjustment for ¢11,124,931,039 (¢1,734,981,794.69 for provision reversal for IFRIC 23 is carried out by prescription corresponding to the period 2017, for December 31, 2020, corresponding to 2015 and ¢8,487,028,342, for December 2021, corresponding to 2016).

As of December 31, 2022, BCR Operadora de Pensiones Complementarias does not make a provision reversal adjustment corresponding to 2017 for ¢84,945,625, (¢51,013,093 for December 31, 2020, corresponding to 2015. By prescription, for December 2021, the entity did not perform a reversal adjustment of the IFRIC23 provision).

As of December 31, 2022, BCR Corredora de Seguros carried out the reversal of the respective contingency for ¢34,566,861 corresponding to the 2017 period (¢40,880,144, for December 31, 2020, and ¢54,313,692 for December 2021. Corresponding to the 2015 period).

As of December 2022, BCR Valores S.A. did not perform an adjustment for reversal of provision CINIIF23 (¢194,676,459, for December 31, 2020, and ¢264,905,511 as of December 31, 2021, corresponding to 2015).

As of December 31, 2022, BCR Sociedad Administradora de Fondos de Inversión S.A. performed the reversion corresponding to 2017 for ¢78,779,564, (¢42,457,128, for December 31, 2020, and ¢36,435,373 as of December 2021, corresponding to 2015.)

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

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

As of April 5, 2022, the Bank paid ¢32,663,336,583 to the Treasury.

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

b) Value added tax

With the enactment of Law No. 9635, Law on Strengthening Public Finances of December 3, 2018, the sales tax system is comprehensively reformed, derogating entirely the General Sales Tax Law, Law No. 6826 of November 8, 1982, and its reforms, migrating its Title I to a new regulatory framework, called the Value Added Tax Law. This tax is regulated in Article 1 of the Law. In this new regulatory framework, all goods and services are taxed generally, presupposing an improvement in the control and oversight of the tax, since the list of exempt goods and services is considerably reduced, according to what is established in Article 8 of the Law. Likewise, the essential elements of the tax, being the taxable event, the accrual, the taxable persons, and the taxable base, were modified with Article 1 of the Law for Strengthening Public Finances.

c) New administration of the Notarial Guarantee Fund

On October 8, 2019, BCR Pensiones started managing the Notarial Guarantee Fund; this fund was created with the enactment of the Notarial Code ruling in 1998.

The National Directorate of Notaries carried out a comprehensive market study to determine the existence of options to manage its fund, thus transferring the Fund to BCR Pensiones.

In official letter BCROPC-048-20 dated February 11, 2020, the deadline for delivery of the audited financial statements of the Individual Capitalization Fund of Notarial Guarantee is extended once the National Directorate of Notaries delivers the corresponding audited financial statements to the period from January 1 to October 7, 2020, which was administered by another Complementary Pension Operator.

Declaration of health alert for COVID-19

Measures adopted by the Bank in the face of the health emergency due to COVID-19.  
Measures were generated in three areas:

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

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

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

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

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

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

- 2) Credit cards: With reference to credit cards, at the request of each client, a total grace period will be granted for a period of up to three months. During the months of the full grace period, there will be no charges for fees or default interest. During the months of the full grace period, no late fees nor default interests will be charged.

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

- 3) Credit lines: They will be attended to as specific situations, punctually analyzing each client to identify the need and provide a tailor-made solution.

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

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

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

As of December 31, 2024, Loans are detailed by activity in operations readjusted by Covid-19:

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

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

<b>Activity</b>	<b>Colones</b>	<b>Activity US dollars</b>	<b>Total</b>
Agriculture	232	33	265
Trade	441	29	470
Construction	16	7	23
Retail	5,454	108	5,562
Livestock	42		42
Industry	59		59
Services	280	8	288
Transportation	89		89
Tourism	34	16	50
Housing	7,159	856	8,015
<b>Total</b>	<b>13,806</b>	<b>1,057</b>	<b>14,863</b>

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

As of December 31, 2023

<b>Loans – Balances converted to colones</b>		
<b>Activity</b>	<b>Colones</b>	<b>Converted US dollars</b>
Agriculture	1,586,034,594	17,709,765,259
Trade	50,067,144,541	22,809,378,485
Construction	5,087,905,404	5,238,731,448
Retail	52,809,343,502	1,173,198,722
Livestock	2,464,920,387	0
Industry	27,384,406,858	1,731,379,009
Services	22,573,412,503	6,732,713,182
Transportation	16,203,835,083	0
Tourism	5,224,164,678	33,774,824,930
Housing	162,029,778,536	34,339,518,048
<b>Total by currency</b>	<b>¢ 345,430,946,086</b>	<b>123,509,509,083</b>
<b>Total</b>	<b>¢ 468,940,455,169</b>	

<b>Activity</b>	<b>Colones</b>	<b>Activity</b>	
		<b>US dollars</b>	<b>Total</b>
Agriculture	75	4	79
Trade	541	41	582
Construction	17	11	28
Retail	6,289	184	6,473
Livestock	50		50
Industry	75	1	76
Services	342	16	358
Transportation	117		117
Tourism	35	31	66
Housing	7,527	952	8,479
<b>Total</b>	<b>15,068</b>	<b>1,240</b>	<b>16,308</b>

Effects of the pandemic on BICSA

As of December 31, 2020, the number of moratoriums granted by BICSA Group reaches an amount of 184.7 million dollars, which represents 12% of the total portfolio and provisions were made to cover the potential effect of macroeconomic impairment of the loan portfolio according to the entity's expected loss models.

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

Faced with the pandemic, Grupo BICSA was forced to respond quickly to critical questions in the operational and financial areas. In particular, the recalibration and updating of IFRS 9 models are of particular importance as a fundamental task in the current context because of various factors that in turn have an impact on provisions. These reviews considered adjustments to conventional methodological aspects such as the probability of default (PD), the loss given default (LGD) and the forward-looking adjustment (prospective economic effect of the IFRS 9 model). The classification criteria in Stages have also been revised to incorporate the effects that the COVID-19 environment could bring to customers, in this case it is necessary to define criteria for a significant increase in credit risk (ISRC) based on the risk of the economic sector, the activity within the economic sector and the particular characteristics of each client. Finally, based on the methodology defined taking as reference the international regulations and the local regulatory context, the Bank defined the Post Model Adjustments (Overlays) with general guidelines for the classification process of modified loans in the different stages established by IFRS 9. After applying the adjustments, the bank resulted in an increase in its IFRS 9 reserve estimate of \$1.3 million.

Management and impacts of the pandemic for COVID-19 at BICSA

As of the second quarter of 2020, the Group increased its volume of current assets to an average greater than 63.65% of the Legal Liquidity indicator, doubling the minimum 30% required (see Note 5 - Liquidity Risk). Finally, the Group's solvency level has improved compared to the previous closing ended on December 31, 2019, and remains well above the requirements of the SBP in 12.76% of weighted equity/assets based on risk (see Note 5 - Capital Management). The final magnitude of the impact of the pandemic for COVID-19 on the Group's business, financial situation and results will depend on future and uncertain events, including the intensity and persistence over time of the consequences derived from the pandemic in the different geographies in which the Group operates.

Financial Information Regulation

Through articles 6 and 5 of the minutes of sessions 1442-2018, held on September 11, 2018, CONASSIF approved the Financial Information Regulation, in effect from January 1, 2020.

The purpose of the Regulations is to moderate the application of the International Financial Reporting Standards (IFRS) and their interpretations (SIC and IFRIC), issued by the International Accounting Standards Board (IASB). Considering prudential or regulatory accounting treatments. As well as the definition of a specific treatment or methodology when IFRS propose two or more application alternatives.

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

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

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

BCR Leasing Premium Plus S.A

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

Maximum annual interest rates for credits and microcredits

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

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.

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

	<b>Semiannual</b>	<b>Semiannual</b>	<b>Semiannual</b>
<b>Every type of credit (except microcredits)</b>	<b>2/2023</b>	<b>1/2024</b>	<b>2/2024</b>
Colones	38.16	38.55	38.98
US dollars	30.27	30.53	30.36
<b>Microcredits</b>			
Colones	53.83	54.37	54.98
US dollars	42.86	43.23	42.99
Credits in other currencies	7.38	7.56	7.44

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

CONASSIF Agreement 14-21 Regulation on calculation of credit estimates

Prior to 2024, SUGEF Agreement 1-05 was in effect, under which debtors are individually classified in one of eight risk categories (A1, A2, B1, B2, C1, C2, D and E), with A1 being the lowest risk and E being the higher credit risk.

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

The details of the current agreement are provided in Note 1 – Summary of Operations and Significant Accounting Policies, section j. Allowance for Uncollectible Loans, of this same document.

Dividend distribution

As of April 29, 2024, Banporcesa S.R.L. distributed dividends in the amount of ¢200,000,000, according to the resolution of the Extraordinary General Meeting of Quota Holders No. 05-24, dated April 1, 2024.

As of May 9, 2024, BCR Pensión Operadora de Planes de Pensiones, S.A. distributed dividends in the amount of ¢600,000,000, according to the resolution of the Extraordinary General Meeting of Shareholders No. 09-24, dated March 20, 2024.

As of May 28, 2024, BCR Corredora de Seguros, S.A. distributed dividends in the amount of ¢3,000,000,000, according to the resolution of the Extraordinary General Meeting of Shareholders No. 06-24, dated March 4, 2024.

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

As of April 14, 2023, BCR Pensión Operadora de Planes de Pensiones, S.A. distributed dividends in the amount of ¢500,000,000, according to the resolution of the Extraordinary General Meeting of Shareholders No. 02-23, dated March 20, 2023.

As of April 21, 2023, BCR Sociedad Administradora de Fondos de Inversión, S.A. distributed dividends in the amount of ¢1,400,000,000, according to the resolution of the Extraordinary General Meeting of Shareholders No. 02-23, dated March 20, 2023.

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

As of May 31, 2023, BCR Corredora de Seguros, S.A. distributed dividends in the amount of ¢3,000,000,000, according to the resolution of the Extraordinary General Meeting of Shareholders No. 08-23 dated April 23, 2023.

Resolution regarding BCR SAFI  
Resolution SGV-R-128-2024

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

- i. Use all retained earnings of BCR SAFI as of the end of the 2023 period to strengthen the share capital of this entity, a procedure that must be completed no later than December 31, 2024.*
- ii. Prohibit BCR SAFI from distributing dividends to its shareholder, effective from the issuance of the present resolution and for as long as it remains in force.*
- iii. Require BCR SAFI to request Banco de Costa Rica to make additional capital contributions to BCR SAFI, for an amount of up to 22.000 million colones, no later than December 31, 2024.*

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

- iv. *Instruct BCR SAFI to maintain, in investments in high credit quality securities, an amount equivalent to the capital contributions required in the preceding section of this resolution, so that these funds may be used to meet the obligations arising from the responsibilities that gave rise to this resolution, at the appropriate time and for the final amount to be determined.*
- v. *Impose the obligation on BCR SAFI to submit an annual report prepared by the external auditors responsible for issuing an opinion on the audited financial statements, specifically addressing whether the entity has properly assessed if the conditions for recognition and measurement of potential provisions payable are already met, arising from ongoing judicial and administrative proceedings or from decisions regarding the disposition of Parque Empresarial del Pacífico belonging to the asset portfolio of the Non-Diversified Real Estate Investment Fund. These reports must be submitted together with the delivery of the audited annual financial statements.*
- vi. *Require XXX to timely record provisions payable at the moment the conditions established in the applicable regulations for their recognition are met.*

In relation to the request, the important dates for addressing the regulator's requirements are outlined below:

1. At the shareholders' meeting of BCR SAFI held on September 23, 2024, the following was approved:
  - i. *Acknowledge resolution SGV-R-128-2024, dated July 23, 2024, submitted by Mr. Tomás Soley Pérez, General Superintendent of Securities.*
  - ii. *Approve the capitalization of BCR Sociedad Administradora de Fondos de Inversión, S.A. in the amount of ₡23,118,000,000 (twenty-three billion one hundred eighteen million colones), as detailed below:*
    - a. *Retained earnings from the 2023 period of BCR SAFI: ₡1,118,000,000 (one billion one hundred eighteen million colones).*
    - b. *Contribution from the sole shareholder Banco de Costa Rica: ₡22,000,000,000 (twenty-two billion colones).*
  - iii. *Record that the capitalization of ₡22,000,000,000 will be carried out once Banco de Costa Rica submits the extraordinary budget to the Office of the Comptroller General of the Republic and it is approved by said regulatory authority.*

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

2. On October 25, 2024, authorization for the extraordinary budget to proceed with the capitalization of ¢22,000,000,000 was received from the Office of the Comptroller General of the Republic.
3. On November 6, BCR SAFI received ¢22,000,000,000 in cash from Banco de Costa Rica in their capacity as sole shareholder, which were subsequently invested in high credit quality securities, as required by the resolution.
4. As required by Article 6 of the Regulation on Management Companies and Investment Funds, the authorization process for the capitalization in the amount of ¢23,118,000,000 was initiated before SUGEVAL on November 15. On December 24, a second request for corrections to the process was received from SUGEVAL; these corrections were addressed and resubmitted to the regulatory authority for review on January 7, 2025.
5. As can be seen from the dates indicated, BCR SAFI and the BCR Finacial Conglomerate fulfilled the capital contribution of ¢22,000,000,000 and the formal approval of the capitalization of retained earnings of BCR SAFI in the amount of ¢1,118,000,000 prior to December 31, 2024, in order to complete a total share capital increase of ¢23,118,000,000.
6. On January 9, 2025, resolution SGV-R-2-2025 was received from SUGEVAL, which states the following:
  - i. *Authorize, subject to compliance with the provisions established in this Resolution (\*\*), the registration in the National Registry of Securities and Intermediaries of the capital increase of BCR Sociedad Administradora de Fondos de Inversión S.A. in the amount of ¢23,118,000,000, to reach a new share capital of ¢27,957,200,000, consisting of 559,144 shares with a nominal value of ¢50,000 each. The characteristics of the capital increase are as follows:*

**BANCO DE COSTA RICA**  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

<b>CHARACTERISTICS</b>		
Type of modification	Increase in subscribed and paid-in capital	
Amount of the increase	¢23.118.000.000	
Share capital	Before the modification ¢4.839.200.000	After the modification ¢27.957.200.000
Date of the Shareholders' meeting	General Extraordinary Assembly N° 04-2024 dated September 23, 2024, and N° 06-2024 from December 11, 2024	
Source of funds	Capitalization of retained earnings and capital contribution from Banco de Costa Rica	
Reason	Comply with the requirements of the Superintendency as stated resolution SGV-R-128-2024 del 23 from July, 2024	

(\*\*) The requirements to be met are as follows:

- ii. *Instruct BCR Sociedad Administradora de Fondos de Inversión to submit to this Superintendency the notarial or registry certification of the registration of the authorized share capital increase, as stated in section 1 of this Resolution, in the Commercial Registry.*
  - 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.

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

Resolution SGV-R-179-2024

On October 29, 2024, Resolution SGV-R-179-2024 was received from the General Superintendence of Securities, requiring the Board of Directors of BCR Sociedad Administradora de Fondos de Inversión, S.A. and the Board of Directors of Banco de Costa Rica, as the controlling entity, to submit an action plan to the General Superintendence of Securities within 30 business days. This action plan must facilitate the normalization of the BCR Non-Diversified Real Estate Investment Fund, with normalization understood as restoring the Investment Fund to its functional and financial condition prior to the acquisition of Parque Empresarial del Pacífico.

In response to the resolution, on November 1, 2024, BCR Sociedad Administradora de Fondos de Inversión, S.A. filed a motion for revocation with a subsidiary appeal and an absolute nullity incident against Resolution SGV-R-179-2024. Similarly, on the same date by agreement taken in session 54-24, Article II, on November 1, 2024, Banco de Costa Rica filed a motion for revocation with an appeal in higher instance and a concomitant incident against Resolution SGV-R-179-2024.

On November 29, 2024, resolution SGV-R-198-2024 was received from SUGEVAL, through which it was decided:

*To reject in all its aspects the appeals for revocation and the nullity claims filed by BCR Sociedad Administradora de Fondos de Inversión, S.A. and Banco de Costa Rica as the controlling entity, against administrative order SGV-R-179-2024 issued at 16:00 hours on October 29, 2024, maintaining the orders established therein.*

***The execution of the imposed administrative order is suspended until the appeal filed by BCR Sociedad Administradora de Fondos de Inversión and Banco de Costa Rica, in their capacity as the controlling entity, is analyzed by the National Council for the Supervision of the Financial System.***

*In accordance with Articles 345, 346, and 349 of the General Law of Public Administration and Articles 170 and 171, subsection (g) of the Securities Market Regulatory Law, the administrative file is submitted to the National Council for the Supervision of the Financial System so that it may issue the corresponding resolution regarding the Subsidiary Appeal filed against said act. For this purpose, the appellants are required to appear before the higher authority within a period of three business days to assert their rights and designate a location for receiving notifications.*

BANCO DE COSTA RICA  
Notes to the Consolidated Financial Statements  
As of December 31, 2024  
(with corresponding figures as of December 31, 2023)  
(in colones without cents)

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

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

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

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

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

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

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

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

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

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

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

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

These new standards are IFRS S1 – General Requirements for Sustainability-Related Financial Disclosures and IFRS S2 – Climate-Related Disclosures.

BANCO DE COSTA RICA

Notes to the Consolidated Financial Statements

As of December 31, 2024

(with corresponding figures as of December 31, 2023)

(in colones without cents)

Their application will be voluntary starting January 1, 2024. For regulated financial entities within the financial system, the standards are expected to come into effect for the 2027 fiscal year.

5. Annual Standards Review 2024. Effective date: Applicable for annual periods beginning on or after January 1, 2025.

Key changes:

- a. IFRS 10 – Consolidated Financial Statements: Adjustments related to the treatment of control over entities under specific circumstances, providing greater clarity on the application of the control principle.
- b. IFRS 9 – Financial Instruments: Modifications to enhance the presentation of expected credit losses and clarifications on substantial modifications of contractual terms.
- c. IFRS 1 – First-time Adoption of IFRS: Minor changes to facilitate the transition to IFRS in specific operations, particularly for first-time adopting subsidiaries.
- d. IAS 7 – Statement of Cash Flows: Clarifications on the presentation of cash flows related to financial instruments.
- e. IFRS 7 – Financial Instruments: Disclosures: Inclusion of additional requirements related to liquidity risks and significant changes during the period.

Expected impact: These modifications aim to clarify terms and ensure consistency in application, with limited impact on current accounting policies.

The management of Banco de Costa Rica is analyzing the effects of these standards and amendments on the financial statements. Although no significant material impacts are anticipated, adjustments will be made to the presentation and disclosure of information to comply with the new requirements. Banco de Costa Rica does not apply standards early, as stated in CONASSIF Agreement 6-18, Financial Information Regulation, Article 3: Adoption of Accounting Standards.

46). Authorization date for issuance of financial statements

The General Management of the Bank authorized the issuance of the separate financial statements on January 24, 2025. SUGEF has the possibility of requiring modifications to the financial statements after their date of authorization for issuance.