BANCO NACIONAL

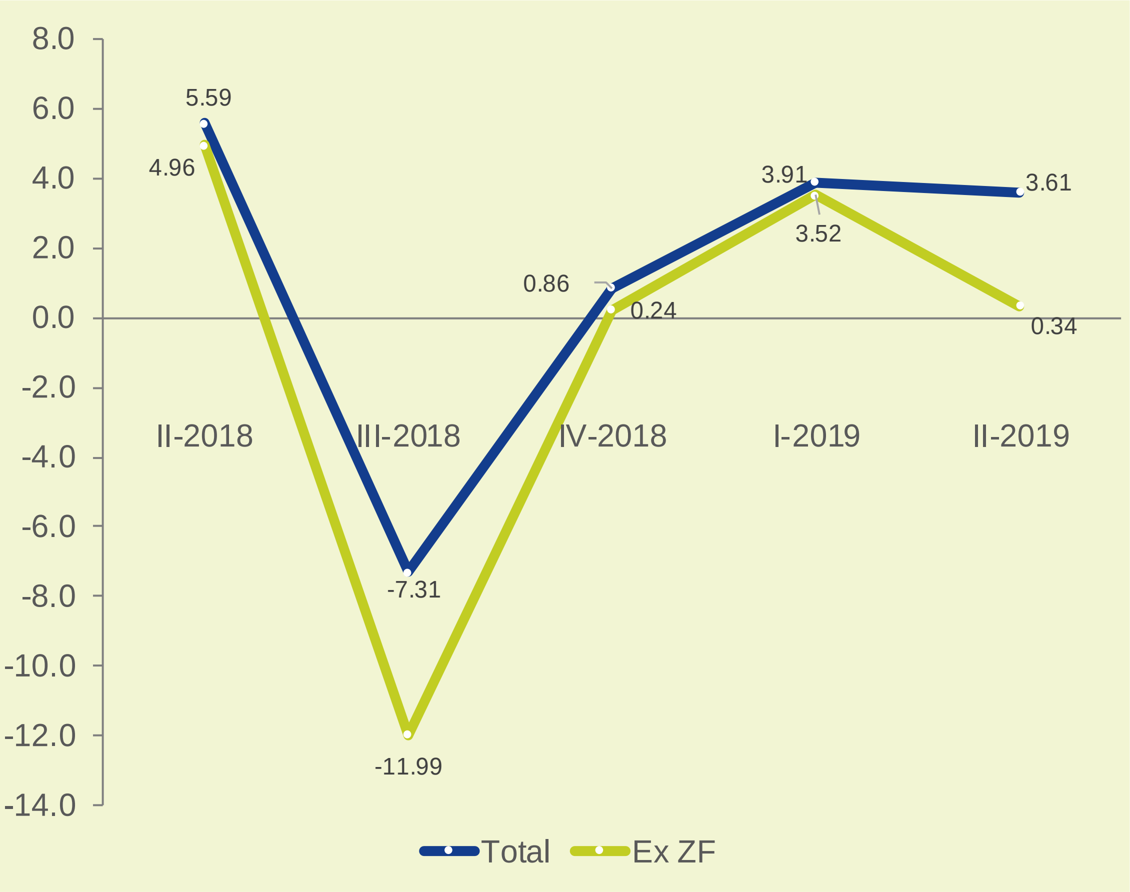
INVESTORS REPORT

SECOND QUARTER, 2019

Juntos somos
Progreso

COSTA RICA: ECONOMIC ACTIVITY

IMAE[1] (QoQ variation annualized, %)

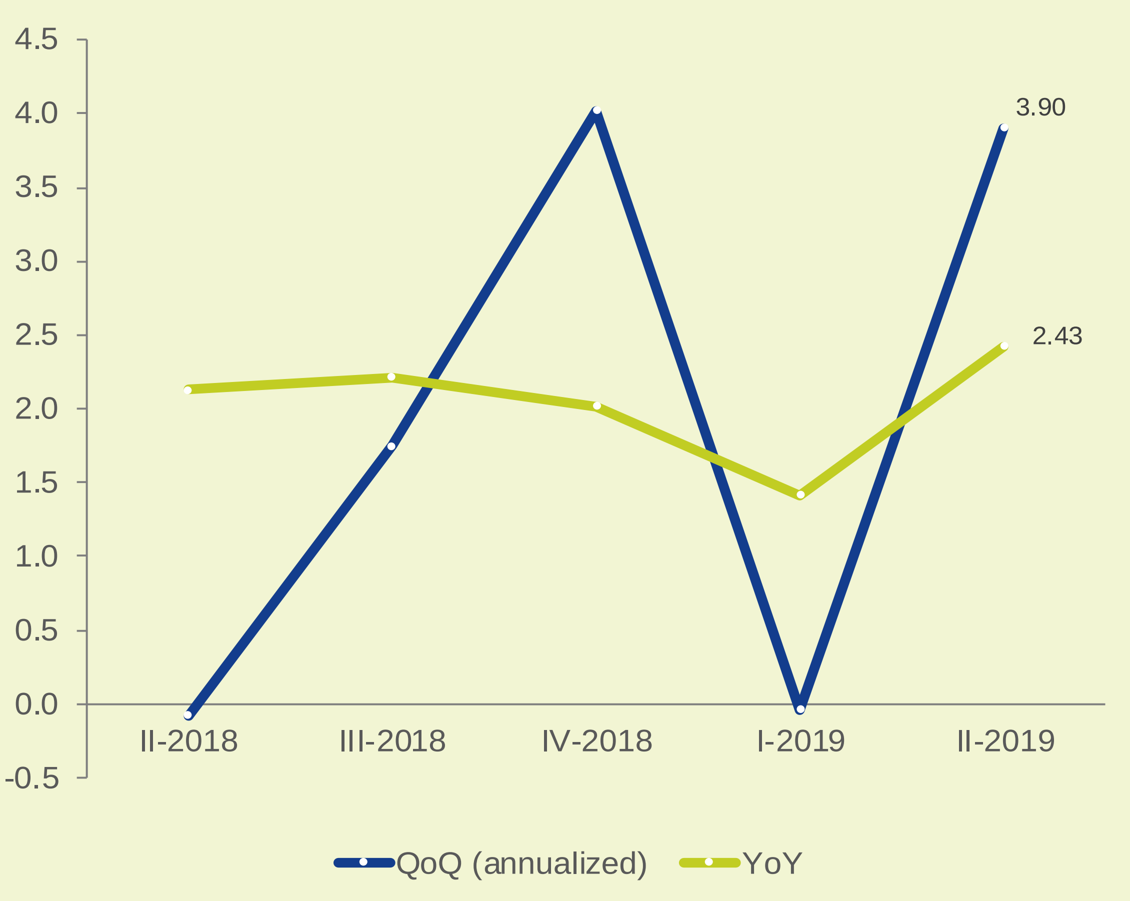


Balance of Payments (last year, million USD)

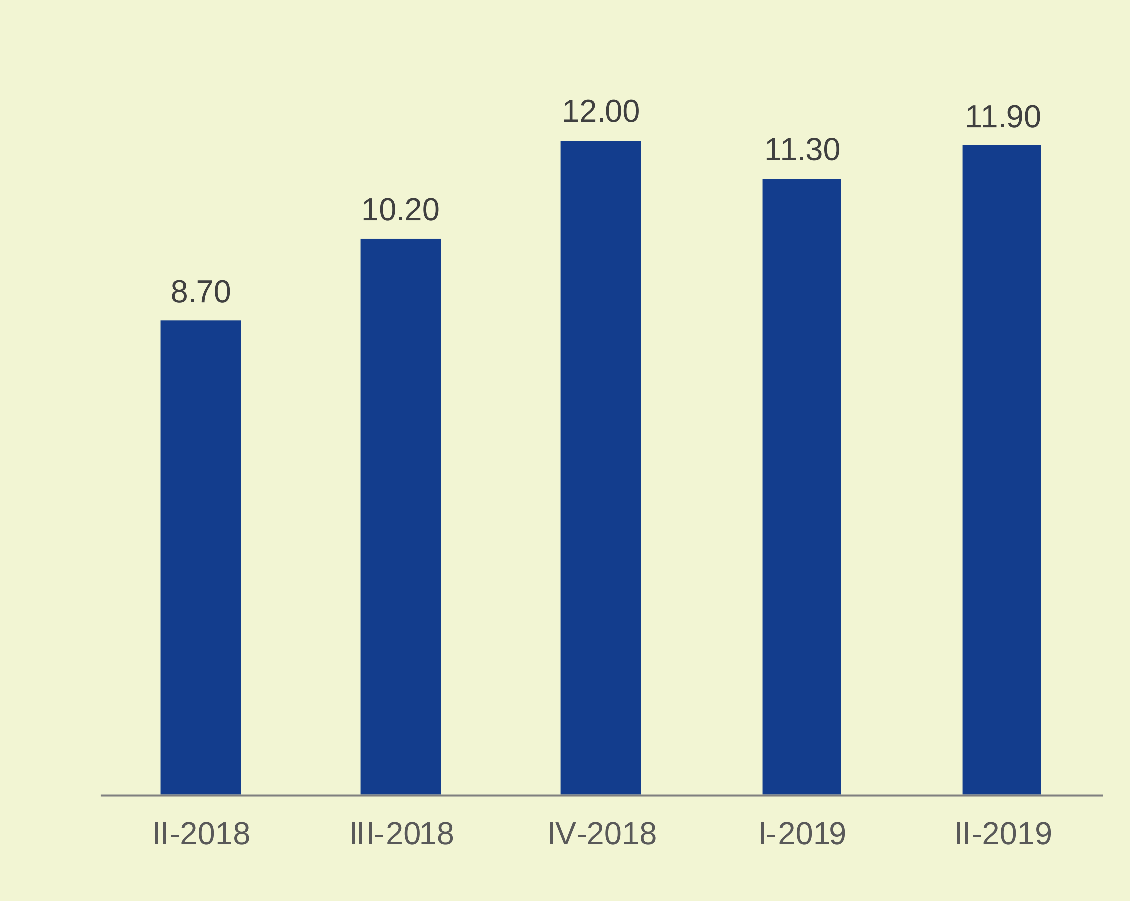
(1) IMAE stands for Índice Mensual de Actividad Económica, it is a gauge of economic activity computed by the Central Bank

COSTA RICA: INFLATION AND UNEMPLOYMENT

Consumer Price index (CPI)



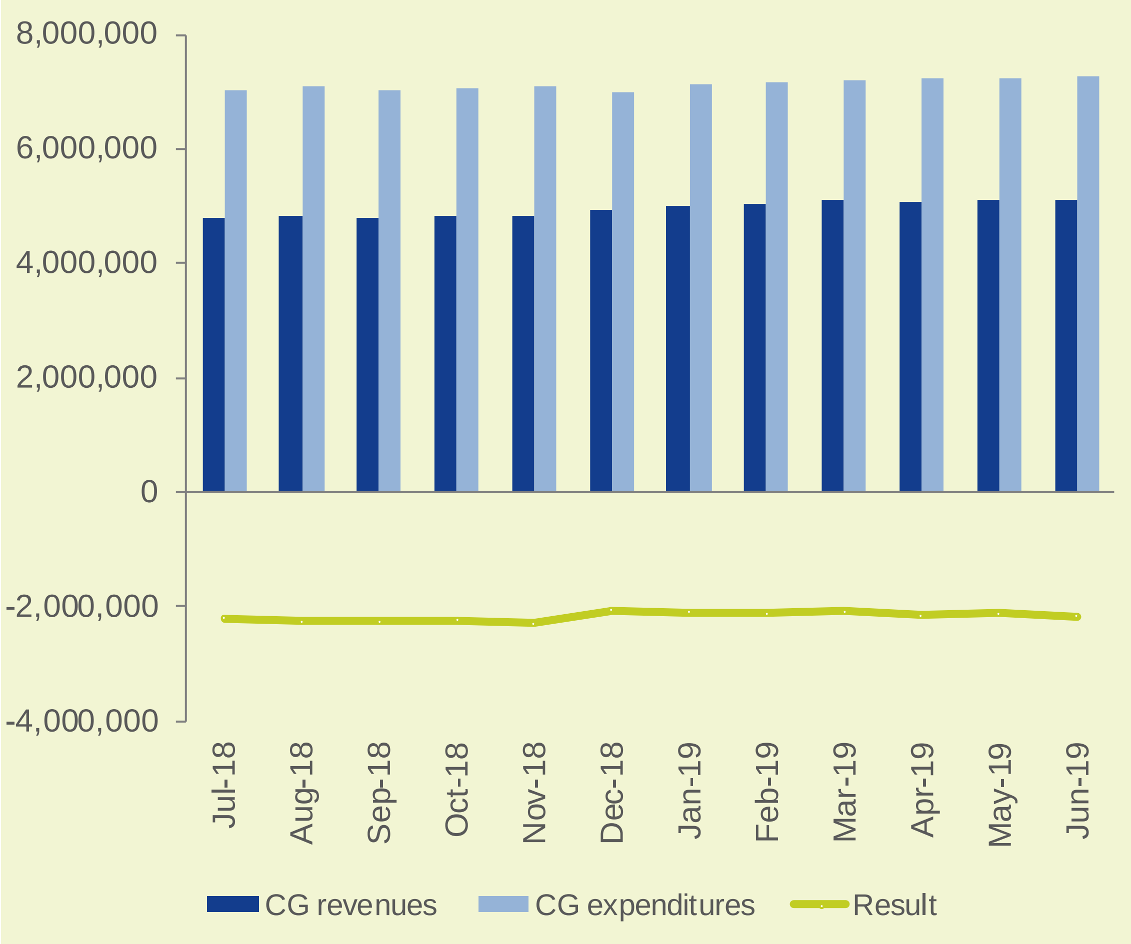
Unemployment



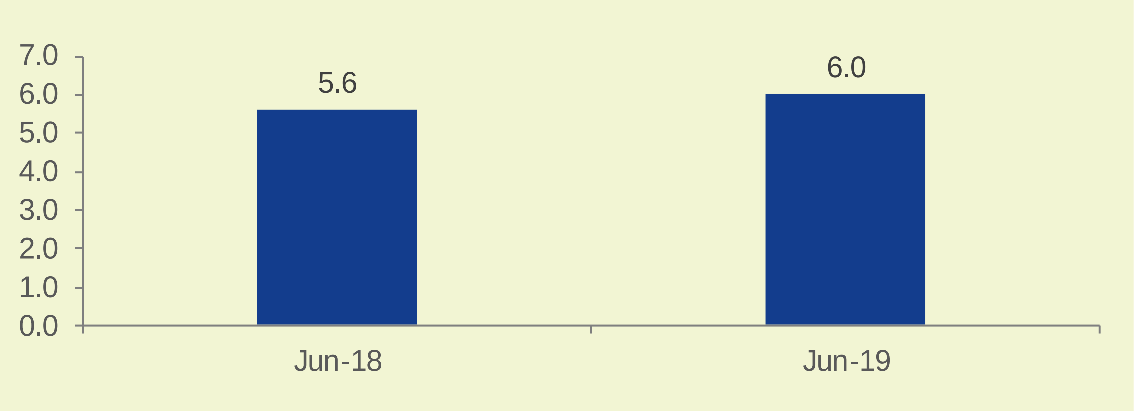
Source: Banco Central de Costa Rica e Instituto Nacional de Estadística y Censos (INEC)

COSTA RICA: FISCAL PERFORMANCE

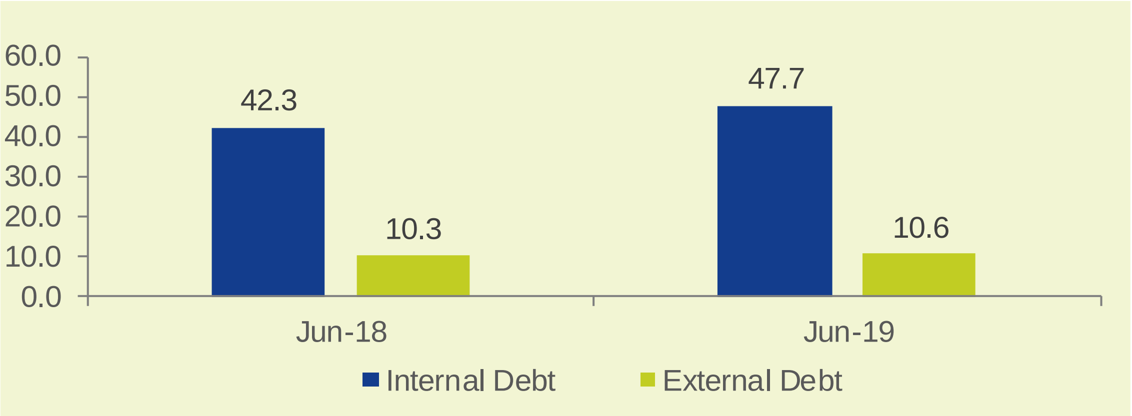
Central government: revenues and expenditures (last year, million CRC)



Central Government Deficit / GDP (%)



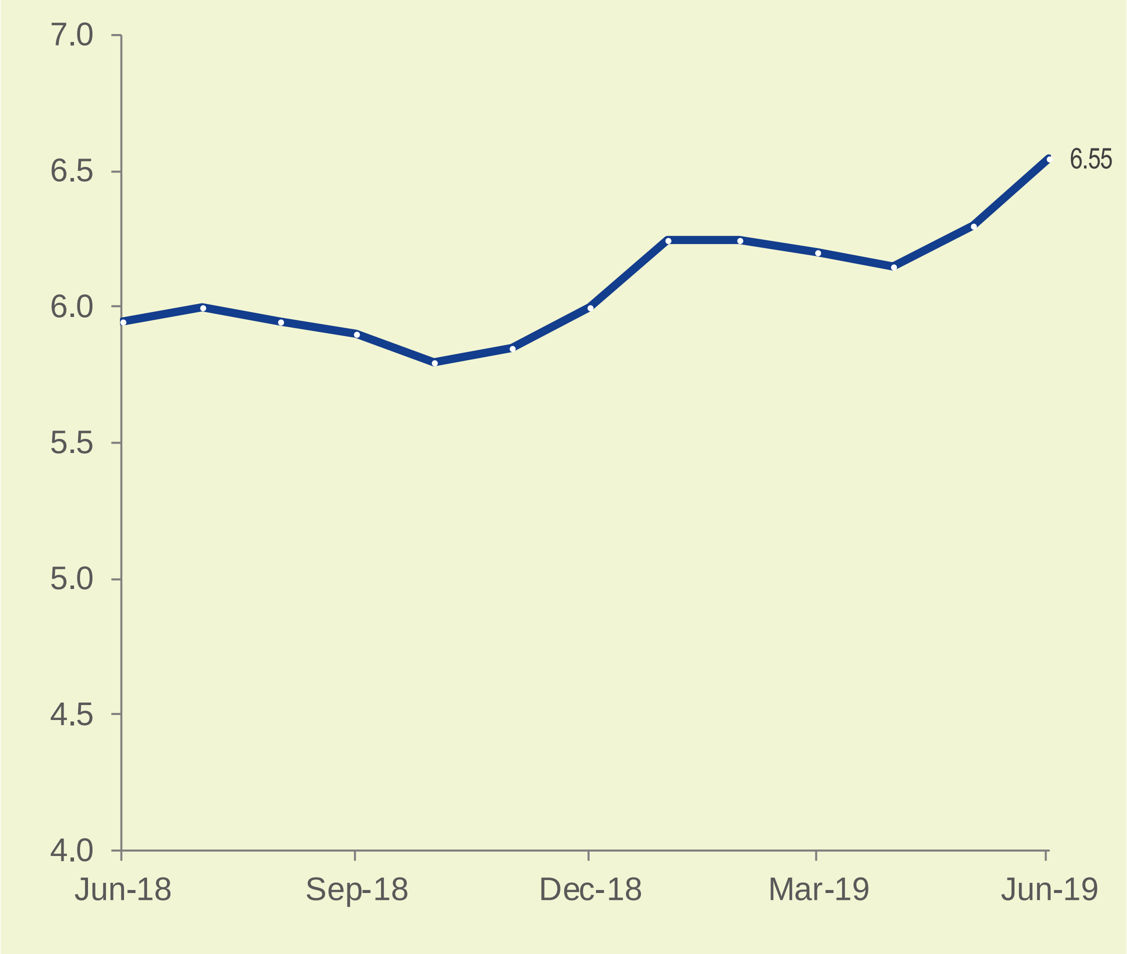
Central Government Debt/ GDP (%)



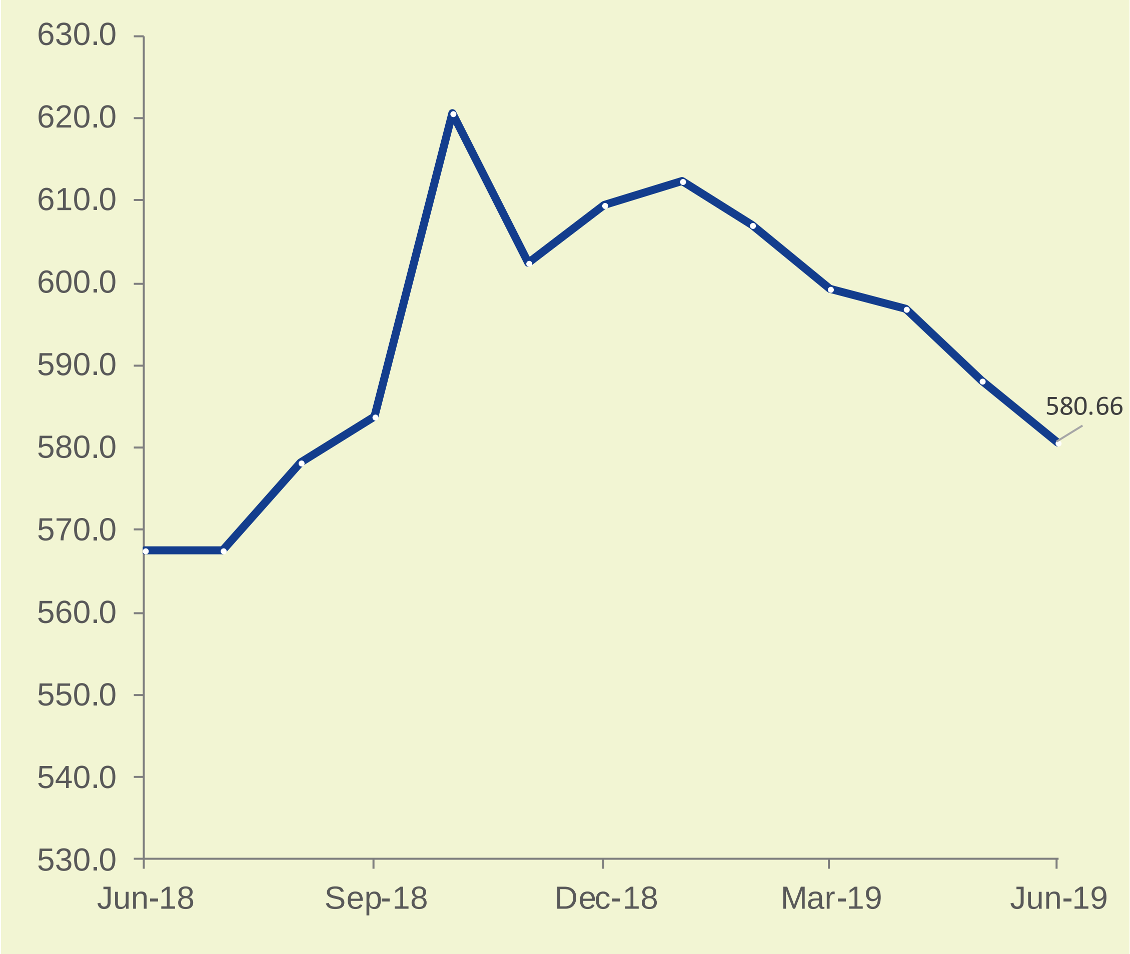
Source: Costa Rica Ministry of Finance

COSTA RICA: INTEREST AND EXCHANGE RATES

Tasa básica pasiva



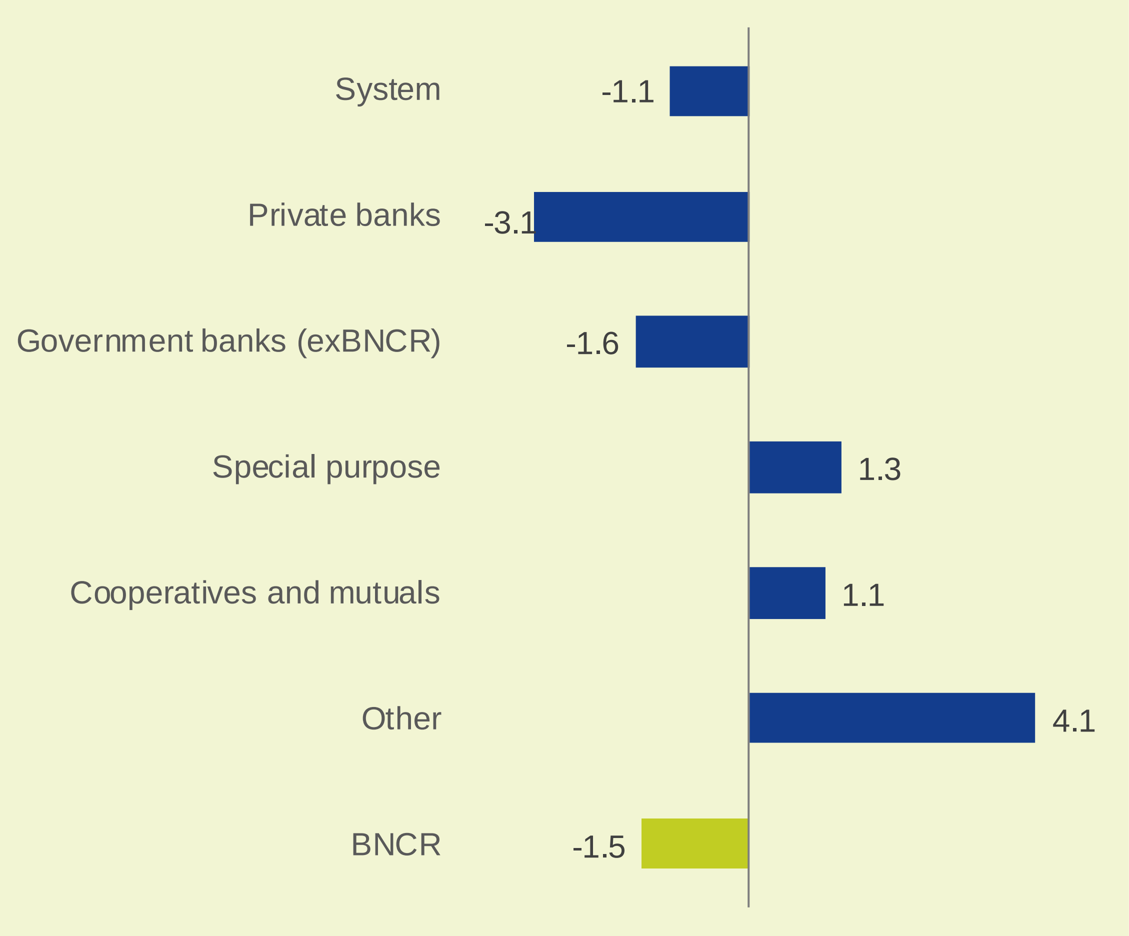
Average exchange rate USDCRC (Monex)



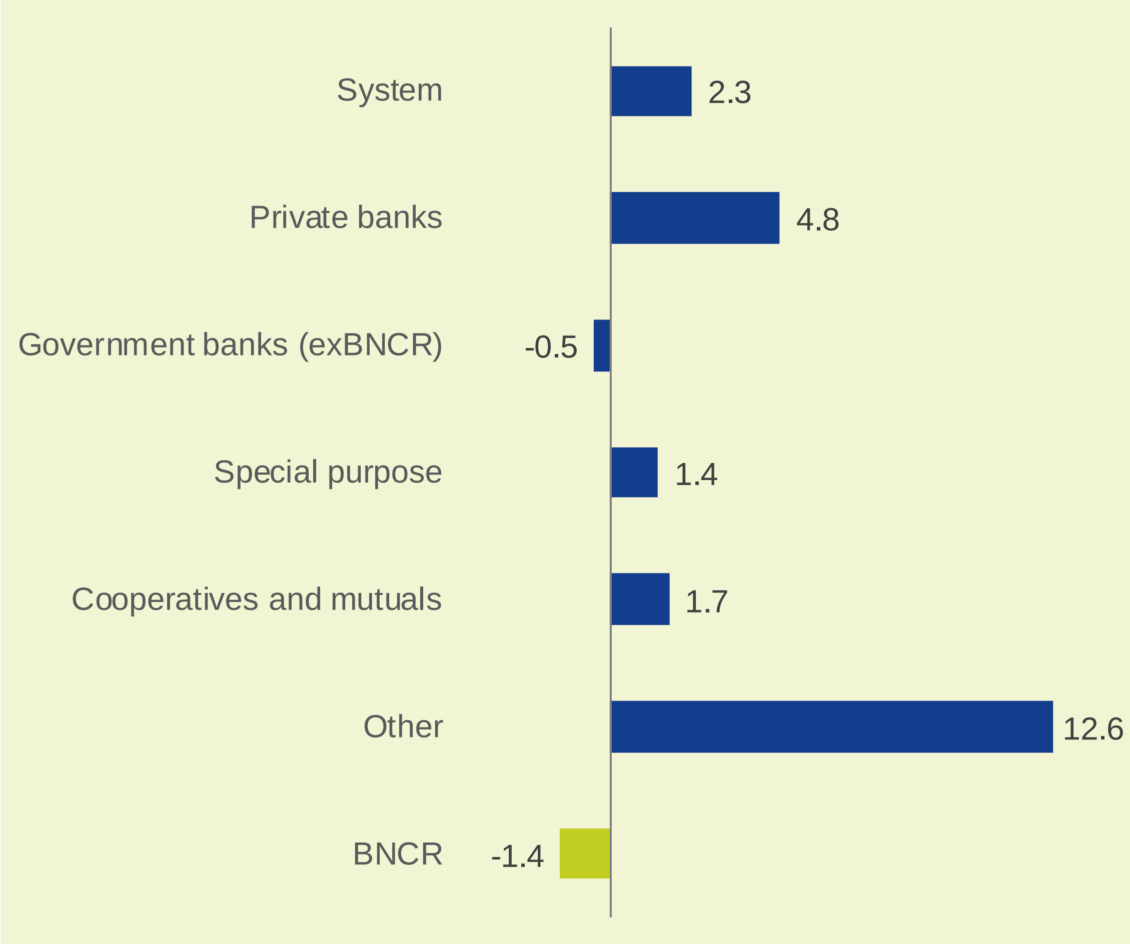
Source: Banco Central de Costa Rica

BANK SYSTEM: CREDIT (GROSS)

Quarterly growth (2Q 2019)

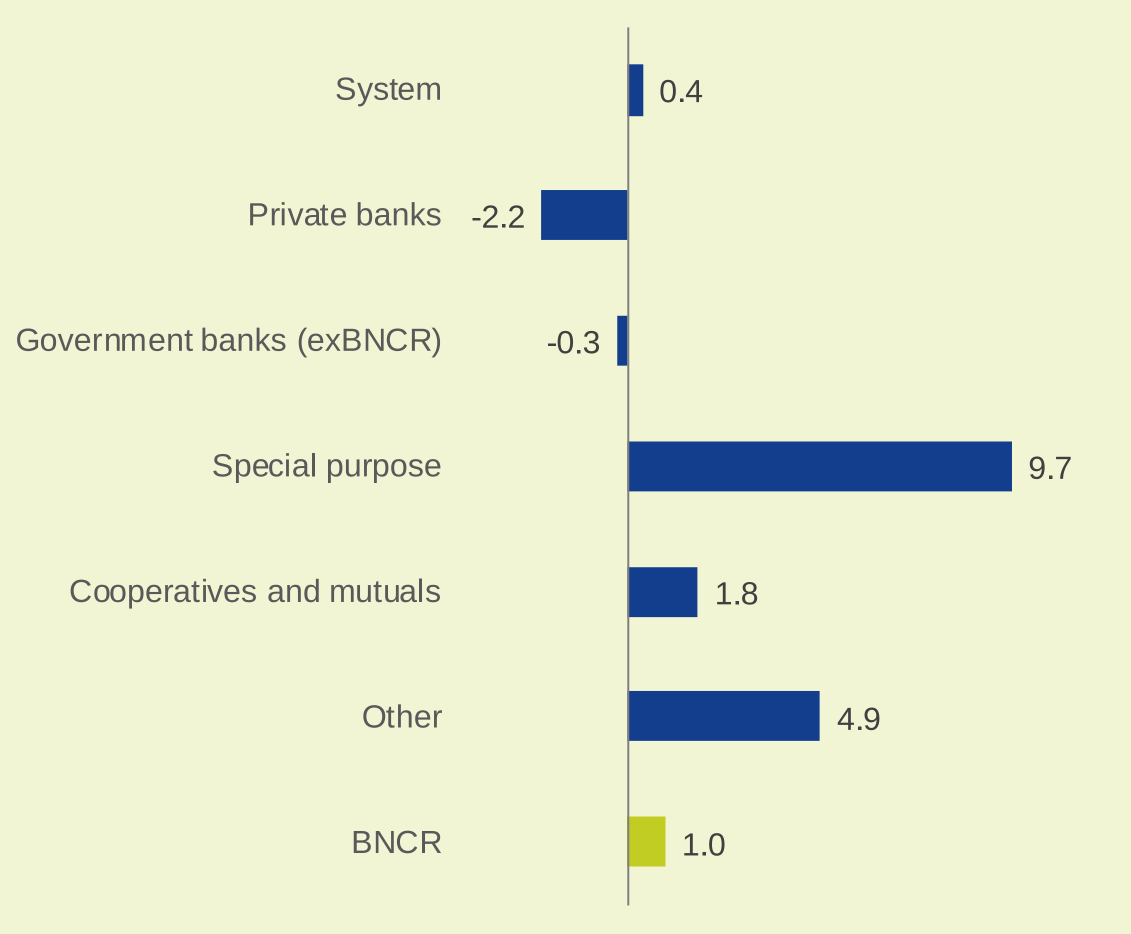


Year growth (2Q 2019)

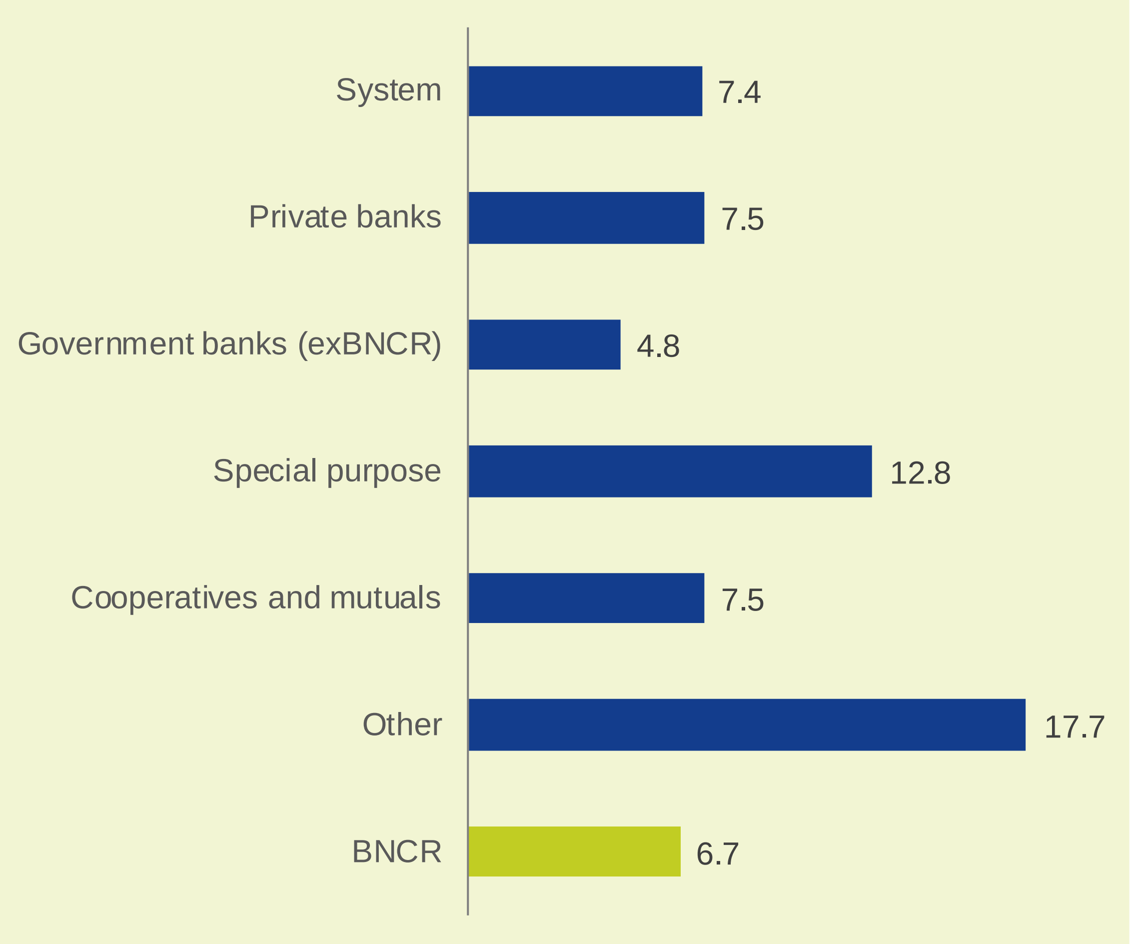


Bank System: deposits

Quarterly growth (2Q 2019)



Year growth (2Q 2019)



CORPORATE GOVERNANCE

Governance Structure

Board of Directors

Chairman

Jeannette Ruíz Delgado

Vice-chairman

Ruth Alfaro Jara

Secretary

Rodolfo González Cuadra

Directors

Ana Isabel Solano Brenes
Victor Hugo Carranza
Marvin Arias Aguilar
Mario Carazo Zeledón

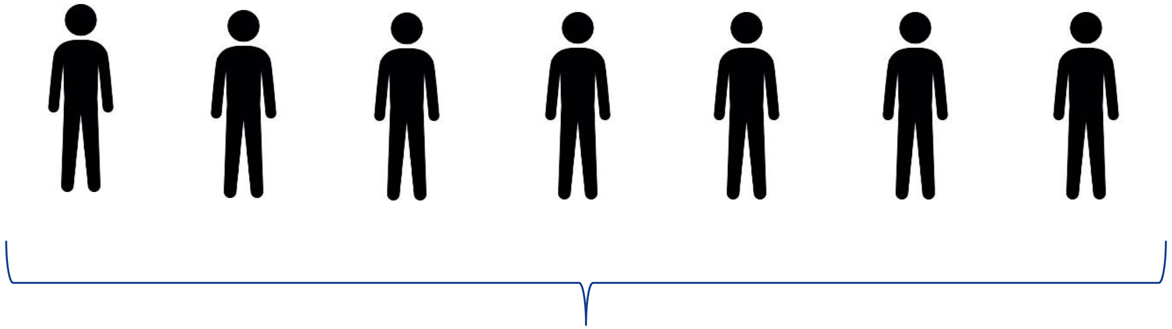
Internal and external independent auditors

Chief Executive Officer

Gustavo Vargas Fernández

Officers and Support Committees

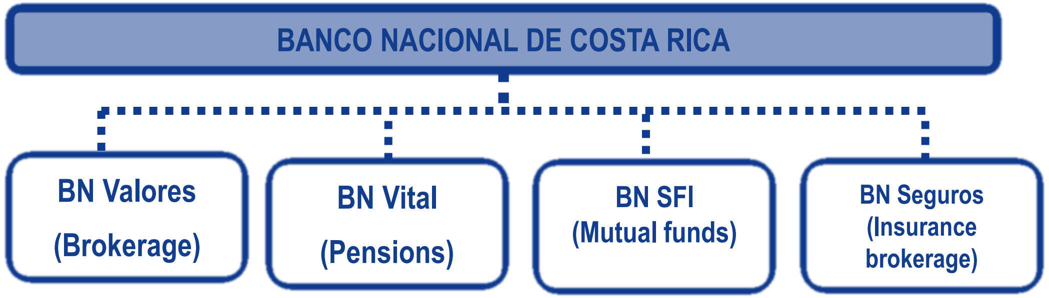
Independent Board of Directors



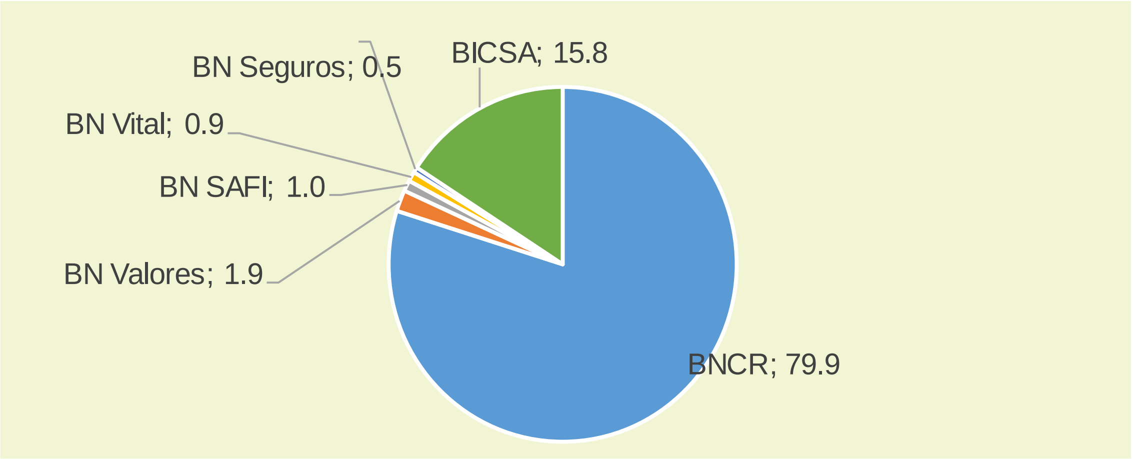
100% independent

- Appointed by the Counsel of Ministers.
- 8-year term.
- Every 4 years, 3 or 4 members change.

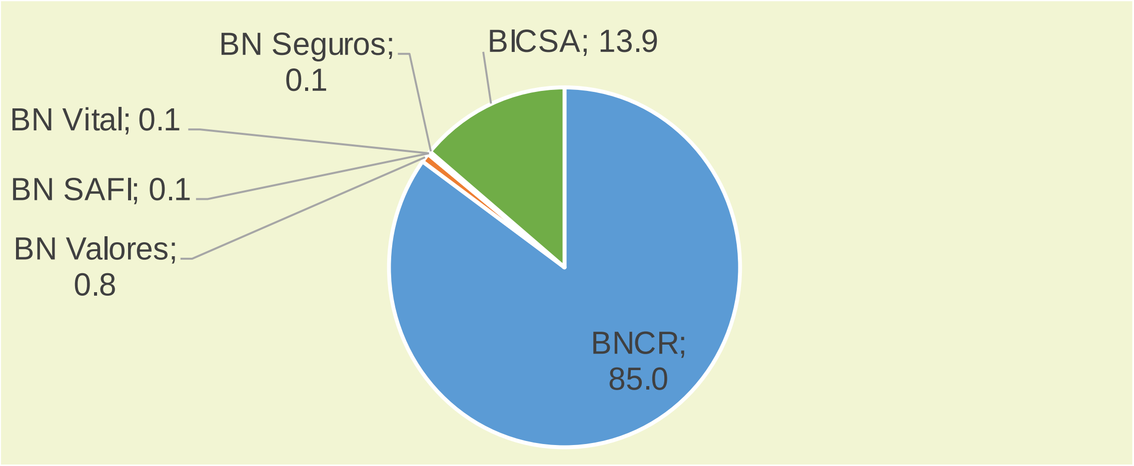
CORPORATE GOVERNANCE (CONT.)



Equity (Jun-19)



Assets (Jun-19)



BNCR owns a 49% stake in BICSA

Total assets and equity of BNCR Group amount CRC 6,964,431 million and equity CRC 702,964 million (excluding BICSA)

BNCR: INVESTMENT HIGHLIGHTS (2Q 2019)

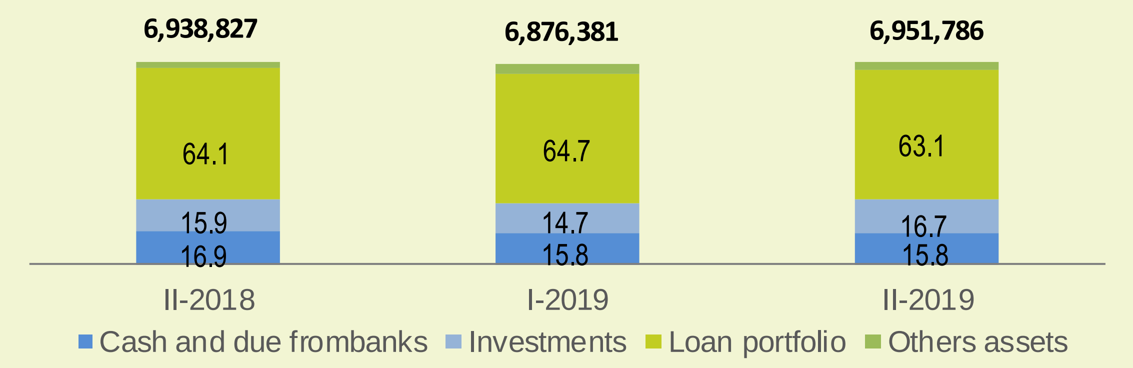
Profitability	Net income	CRC 5,857 million	↗	19%	QoQ	↗ 31%	YoY
	ROAE	3.50 %	↗	89 b.p	QoQ	↗ 186 b.p	YoY
	ROAA	0.34 %	↗	8 b.p	QoQ	↗ 15 b.p	YoY
Credit	Loan portfolio	CRC 4,383,130 million	↘	1.53%	QoQ	↘ 1.42%	YoY
	Provisions	CRC 17,831 million	↘	46.48%	QoQ	↘ 2.33%	YoY
	Cost of risk (1)	1.62 %	↘	53 b.p	QoQ	↘ 2.6 b.p	YoY
NII and NIM	Net Financial income	CRC 48,015 million	↗	15.94%	QoQ	↗ 4.20%	YoY
	NIM	4.81 %	↘	17.7 b.p	QoQ	↘ 22 b.p	YoY
	NIM neto (2)	3.60 %	↗	64 b.p	QoQ	↗ 18 b.p	YoY
Efficiency	Efficiency ratio (3)	63.16 %	↗	137 b.p	QoQ	↗ 82 b.p	YoY
Capital	ISP (4)	13.26 %	↗	40 b.p	QoQ	↗ 7 b.p	YoY

(1) Cost of risk: annualized provisions for loan loses on average gross loans.
(2) After allowances for impairment and recovery of assets and decrease in allowances
(3) Administrative expenditure on gross operational income.
(4) Regulatory Capital Adequacy Ratio

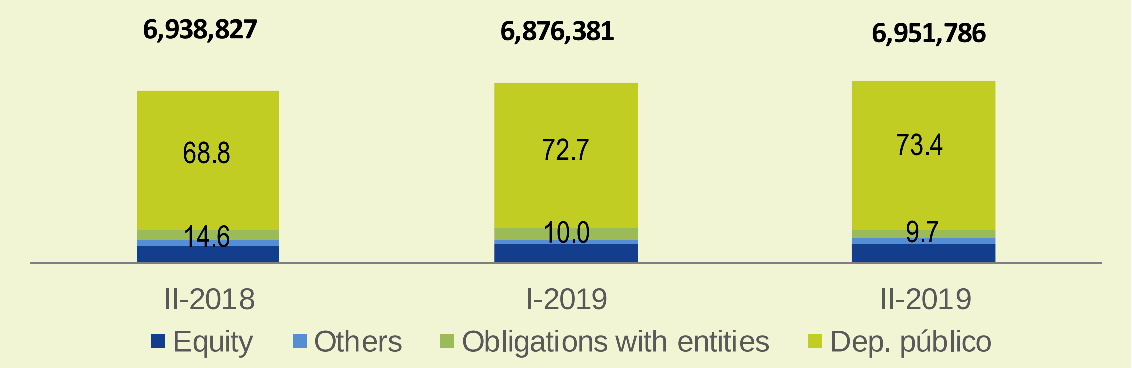
Juntos somos
Progreso

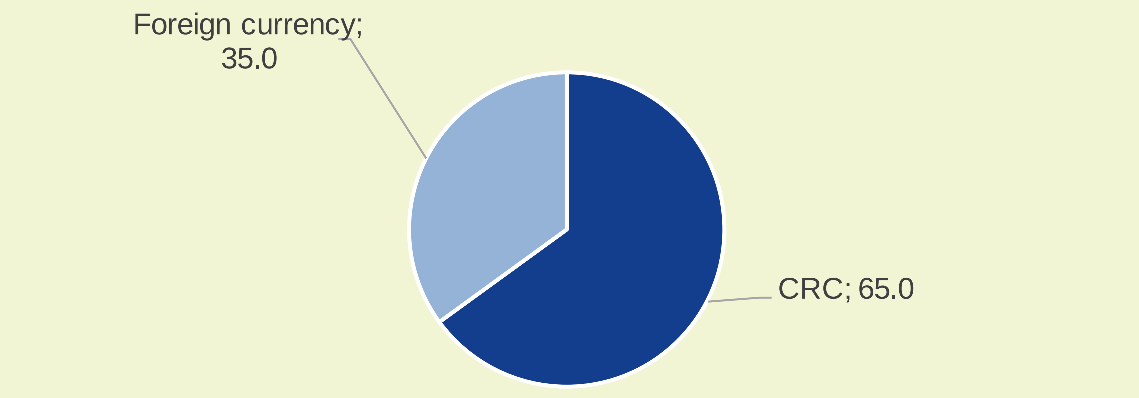
BNCR (STAND-ALONE): BALANCE SHEET BREAKDOWN

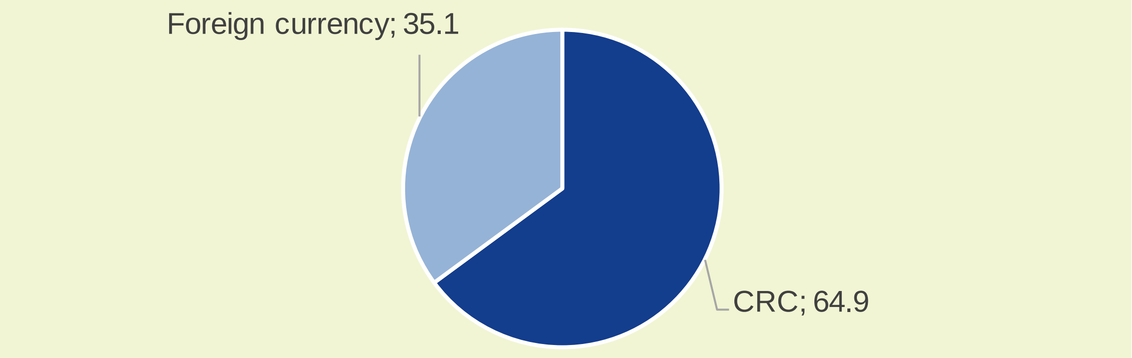
Assets (million CRC)



Liabilities and Equity (million CRC)

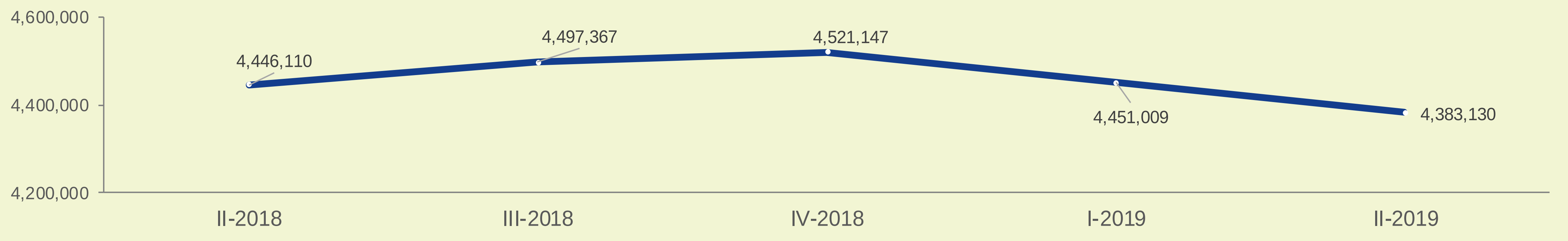




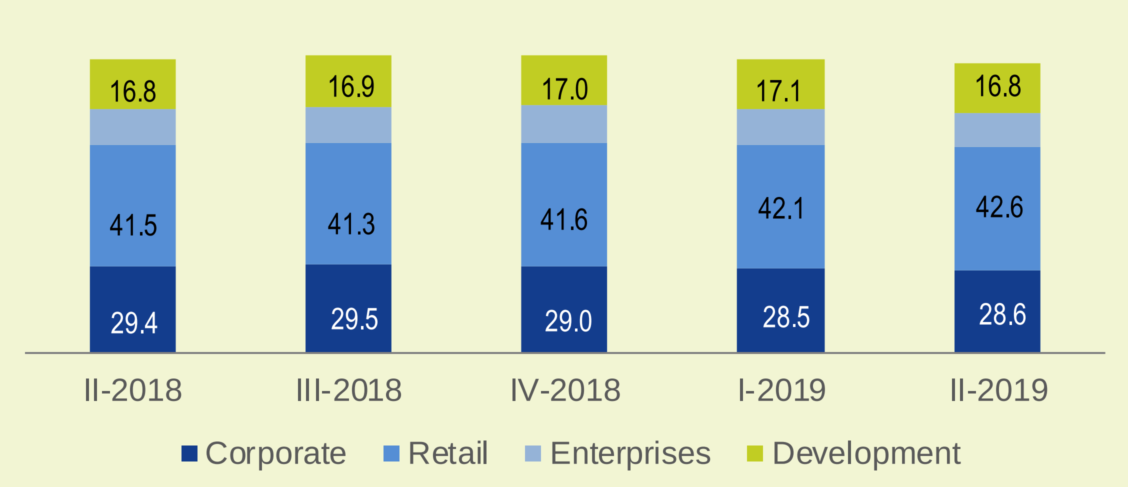


BNCR (STAND-ALONE): LOAN PORFOLIO

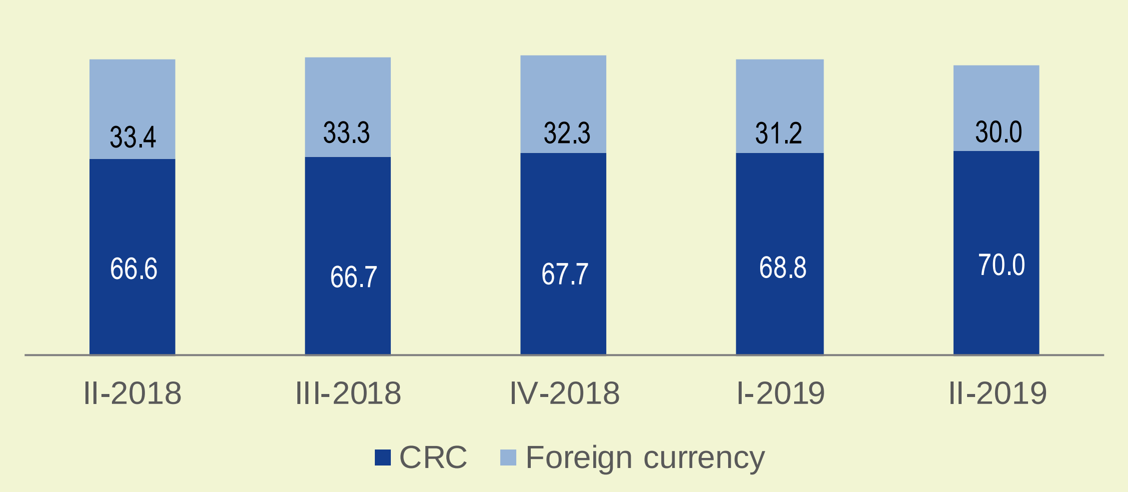
Loan portfolio gross (million CRC)



Portfolio composition (%)

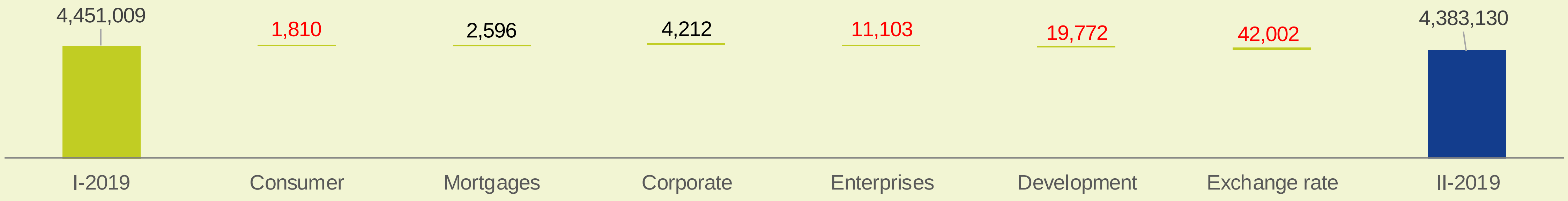


Loan portfolio by currency (%)

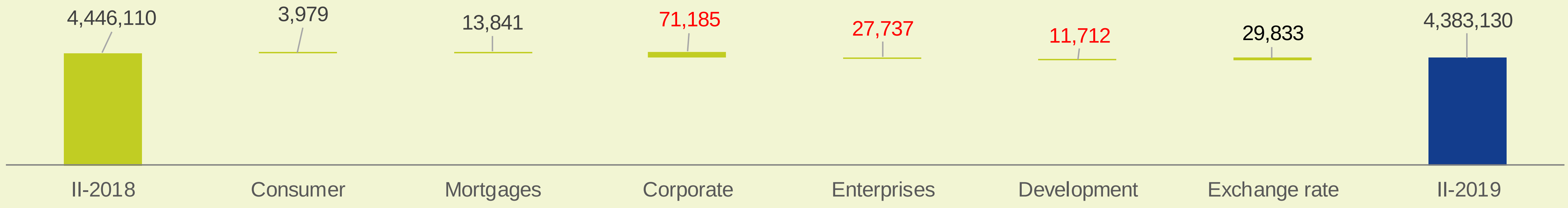


BNCR (STAND-ALONE): LOAN PORTFOLIO

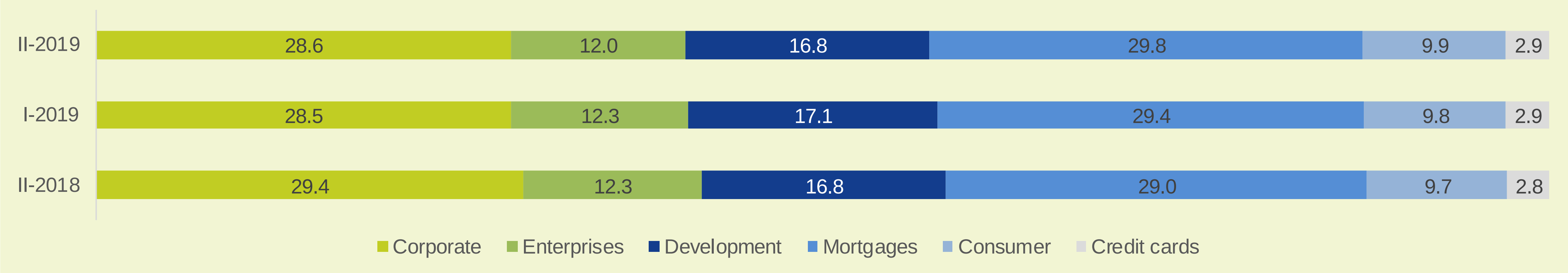
Contribution to portfolio growth QoQ (million CRC)



Contribution to portfolio growth YoY (million CRC)

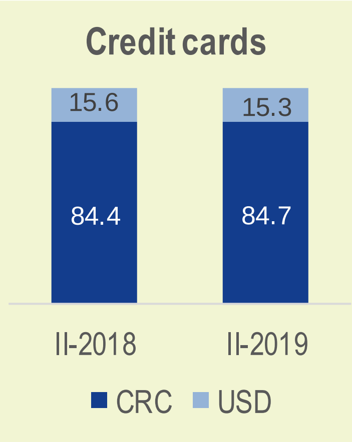


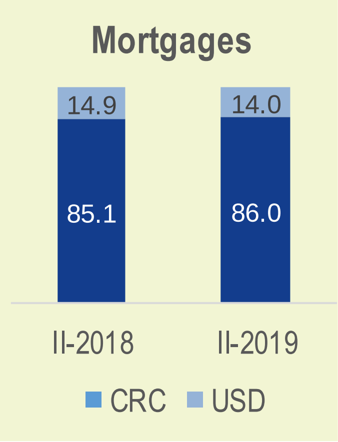
BNCR (STAND-ALONE): LOAN PORTFOLIO BY SEGMENT

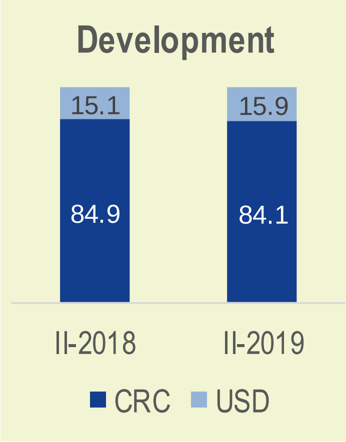


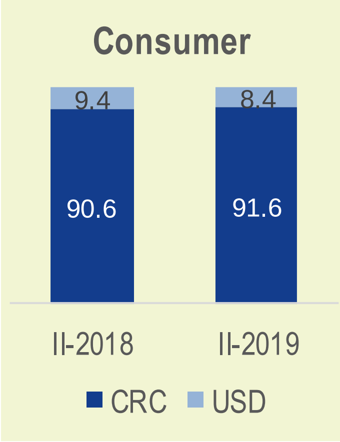
Crédito MM de CRC	Trimestre II-2018	Trimestre I-2019	Trimestre II-2019	% Part. 2T 2019	% cambio nominal Trimestral	% cambio nominal Interanual	% cambio real Trimestral	% cambio real Interanual
Corporativo	1,306,784	1,269,651	1,251,490	28.6	-1.4	-4.2	-2.4	-6.5
Desarrollo								
Empresarial	546,547	545,611	525,329	12.0	-3.7	-3.9	-4.6	-6.2
SME	747,689	761,272	738,271	16.8	-3.0	-1.3	-4.0	-3.6
Personas								
Hipotecas	1,288,120	1,308,792	1,305,876	29.8	-0.2	1.4	-1.2	-1.0
Tarjetas	125,823	131,148	128,846	2.9	-1.8	2.4	-2.7	0.0
Consumo	431,146	434,536	433,318	9.9	-0.3	0.5	-1.2	-1.9
Total	**4,446,110**	**4,451,009**	**4,383,130**	**100**	**-1.5**	**-1.4**	**-2.5**	**-3.8**

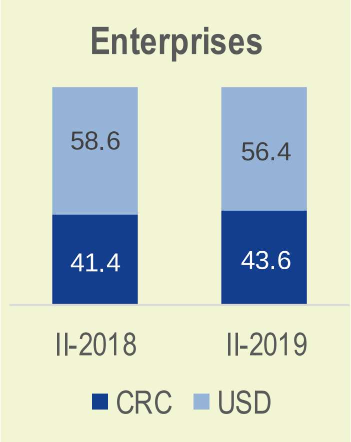
BNCR (STAND-ALONE): LOAN PORTFOLIO BY SEGMENT











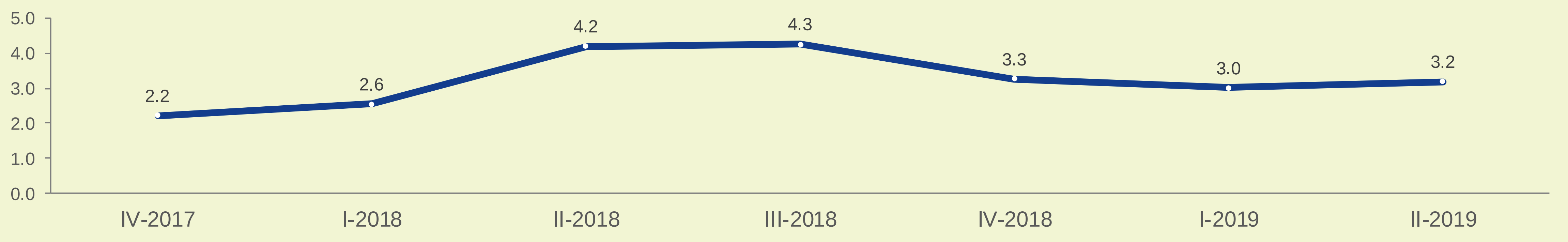
Loans	Local currency (million CRC)					Foreign currency (million de CRC)				
million CRC	II-2018	I-2019	II-2019	∆ QoQ (%)	∆ YoY (%)	II-2018	I-2019	II-2019	∆ QoQ (%)	∆ YoY (%)
Corporate	505,029	548,569	551,930	0.6	9.3	801,755	721,081	699,559	0.1	-14.7
Development										
Enterprises	226,480	238,139	238,340	0.1	5.2	320,067	307,471	286,989	-3.8	-12.4
SME	634,489	640,474	637,301	-0.5	0.4	113,201	120,798	100,970	-15.9	-12.8
Personas										
Mortgages	1,096,457	1,125,082	1,133,527	0.7	3.4	191,664	183,709	172,349	-3.3	-12.1
Credit cards	106,153	111,055	109,403	-1.5	3.1	19,670	20,093	19,442	-0.1	-3.4
Consumer	390,636	398,039	399,278	0.3	2.2	40,510	36,497	34,040	-3.9	-17.9
Total	**2,959,244**	**3,061,359**	**3,069,780**	**0.3**	**3.7**	**1,486,866**	**1,389,650**	**1,313,350**	**-2.5**	**-13.7**

BANCO NACIONAL

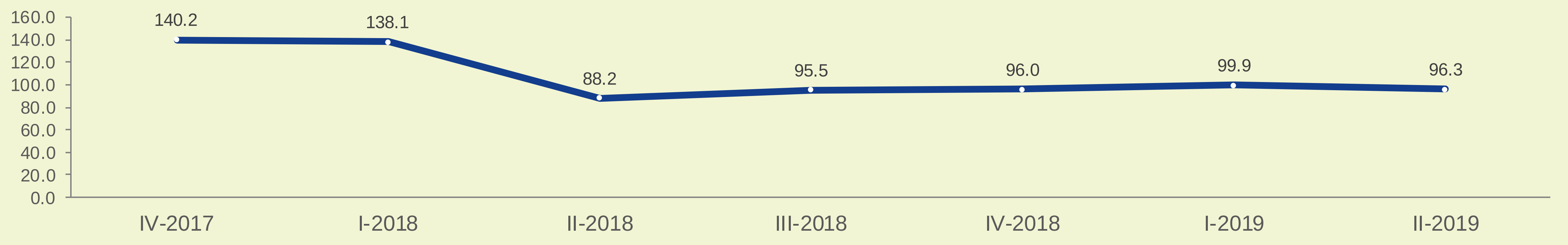
Juntos somos Progreso

BNCR (STAND-ALONE): ASSET QUALITY

NPLs[1] percentage of the loan portfolio (gross)

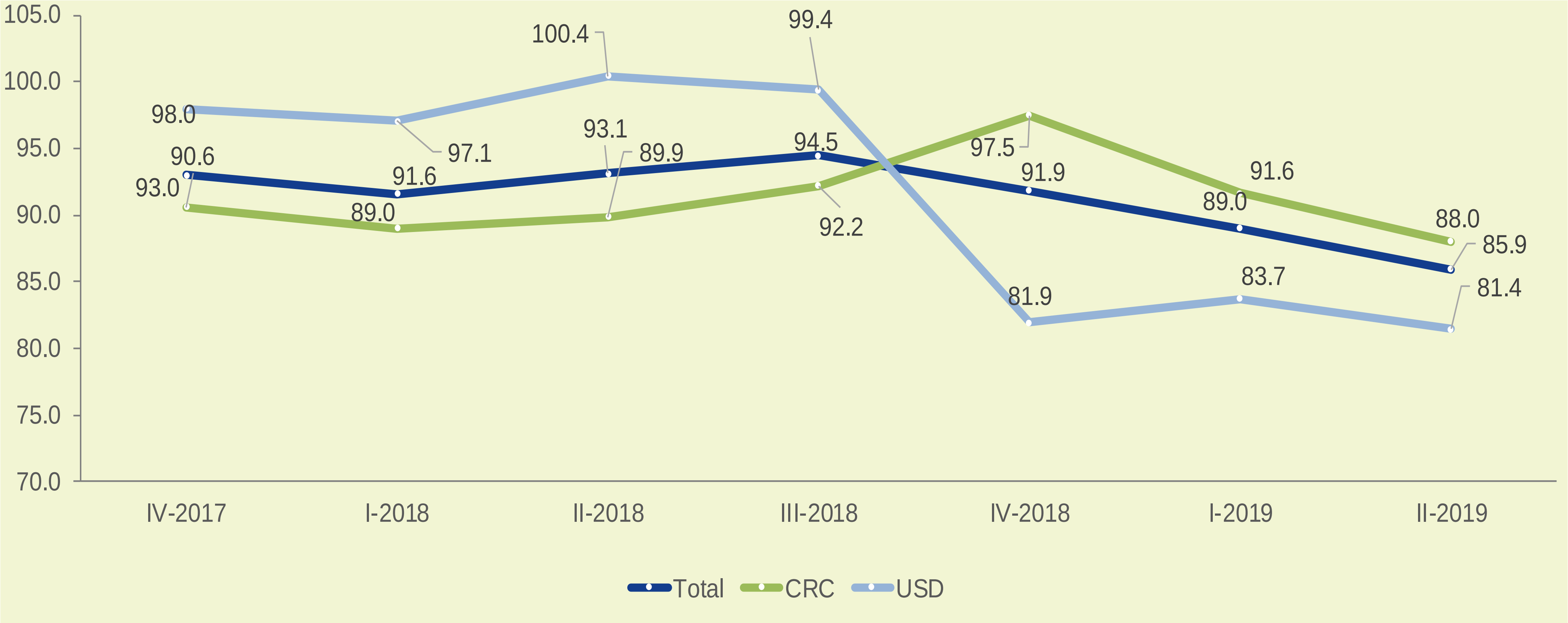


Coverage ratio[2]



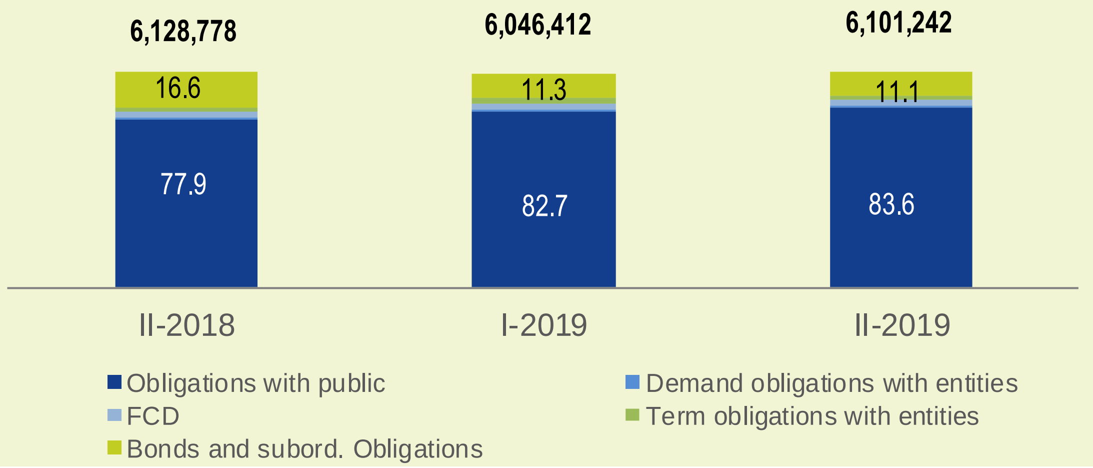
(1) NPL: credits more delay 90 days
(2) Allowances for loan impairments over NPLs

BNCR (STAND-ALONE): LOAN-TO-DEPOSIT RATIO

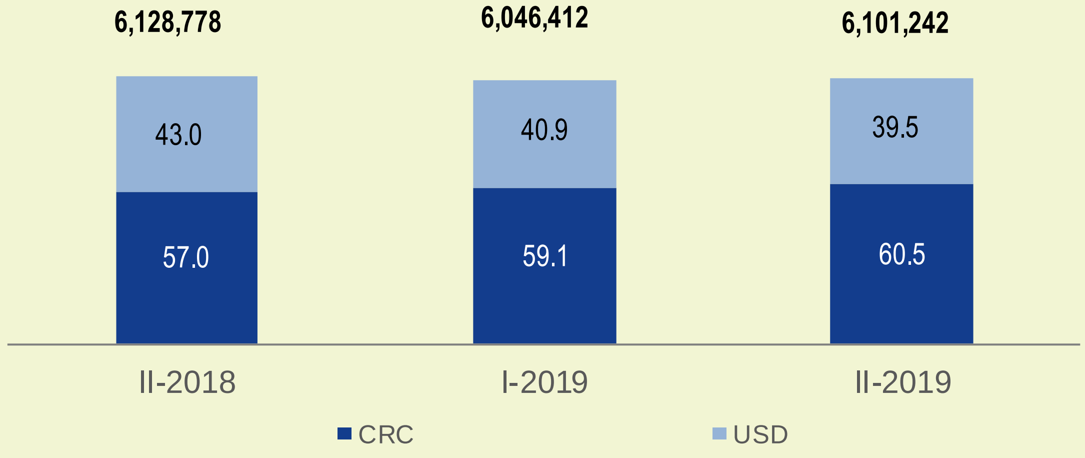


BNCR (STAND-ALONE): FUNDING STRUCTURE

By product

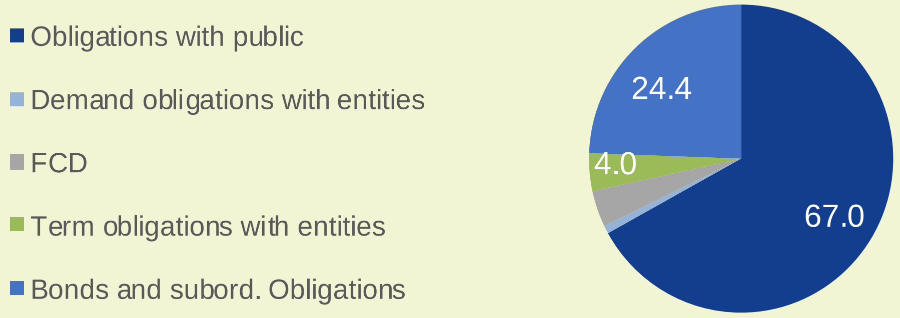


By currency



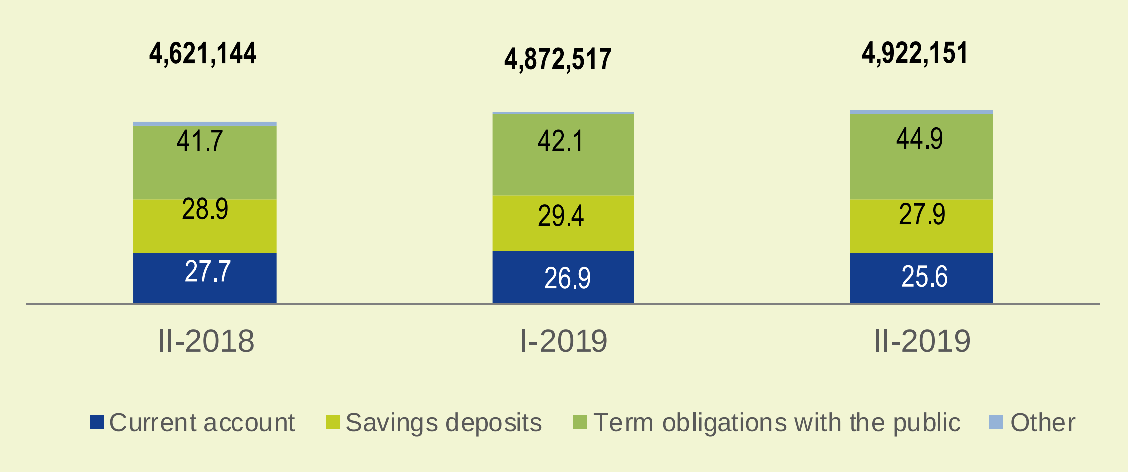
CRC

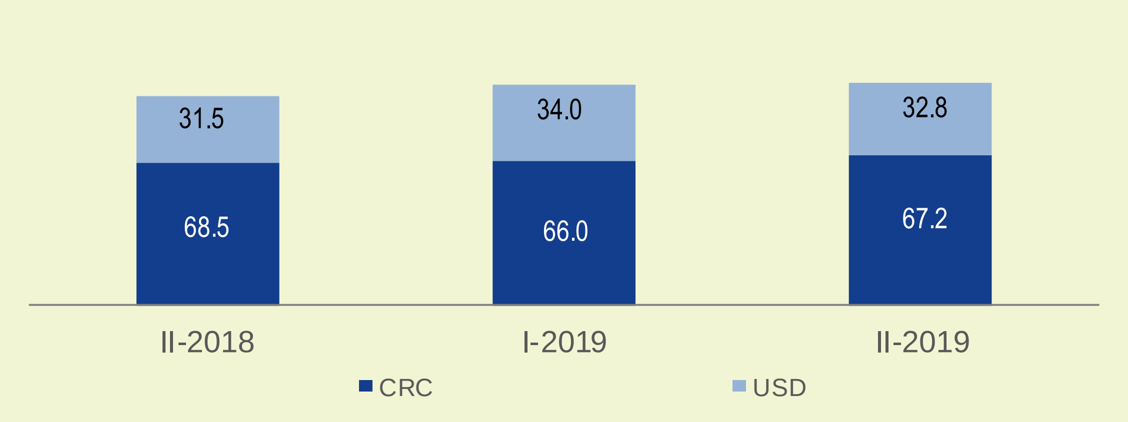
Foreign currency



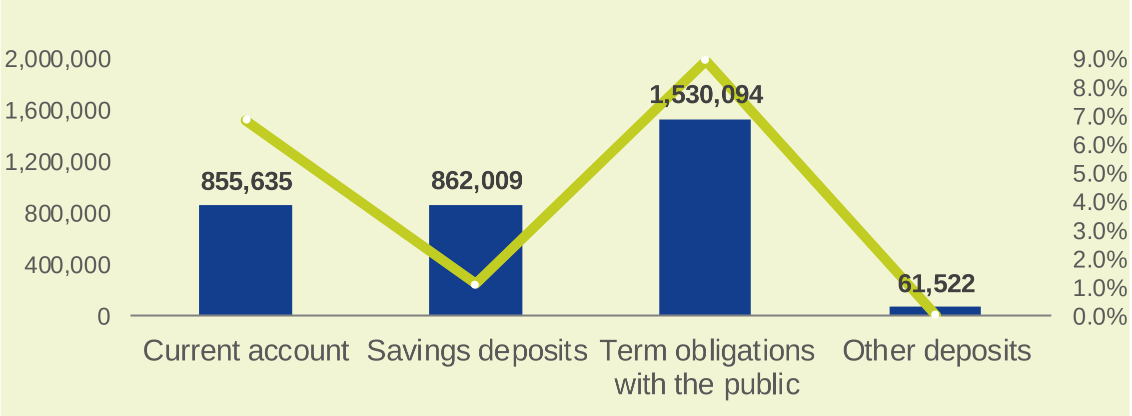
BNCR (STAND-ALONE): DEPOSIT BREAKDOWN

Structure of deposits

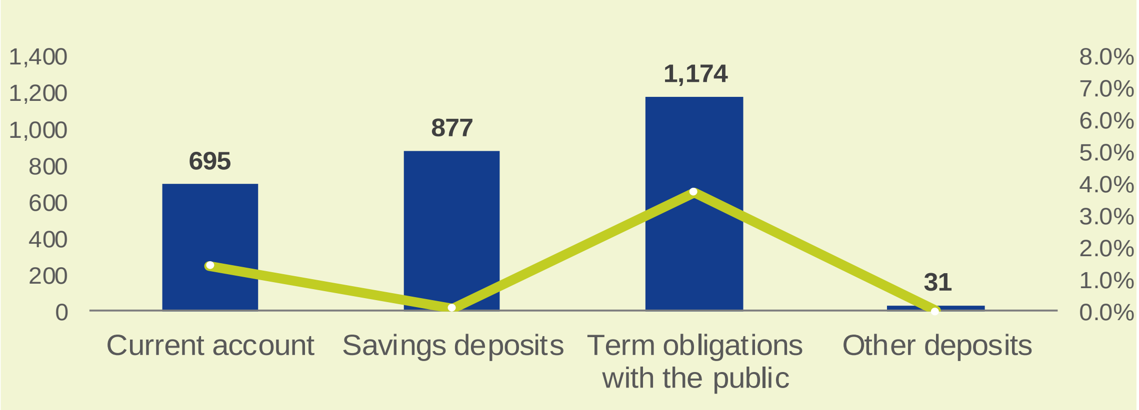




Deposits and average cost (CRC)



Deposits and average cost (other)



BNCR: OUTSTANDING DEBT

Security	Issue date	Maturity	Initial term (years)	Currency	Issued amount (million)	Outstanding amount	Interest rate
BNCR4A	12-jul-2017	12-jul-2019	2	CRC	20,000 MM	20,000	8.03%
BNCR4B	20-set-2017	20-set-2019	2	CRC	20,000 MM	14,175	8.09%
BNRC4C	06-oct-2017	06-oct-2020	3	CRC	20,000 MM	11,601	8.39%
BNRC4D	12/02/2019	12/08/2020	1.5	CRC	20,000 MM	20,000	9.10%
BNRC5A	21/01/2019	21/01/2022	3	CRC	35,000 MM	35,000	10.03%
BNRC5B	29/01/2019	29/01/2021	2	CRC	35,000 MM	24,016	9.15%
Subordinated	27-may-2014	15-nov-2023	9.6	USD	100 MM	100 MM	Libor6m+5.00%
Subordinated	2-nov-2014	23-oct-2029	15	USD	30 MM	30 MM	Libor6m+5.25%
RegS / 144A	25-abr-2016	25-abr-2021	5	USD	500 MM	350.2 MM	5.875
RegS / 144A	1-nov-2013	1-nov-2023	10	USD	500 MM	500 MM	6.25

Long term obligations Loans	MM CRC	rate	MM USD	rate
Local	33,750	4.72%		
International			155.58 MM	6.00%
Total	33,750	4.71%	155.58 MM	6.00%

CREDIT RATINGS

Local

BNCR	Fitch
Last	May-19

Long term debt	Fitch
Corporative bonds	AA+
Mortgage bonds	AA+
Long term deposits	AA+

Short term debt	Fitch
Short term deposits	F1+
Certificates of deposits	F1+

International

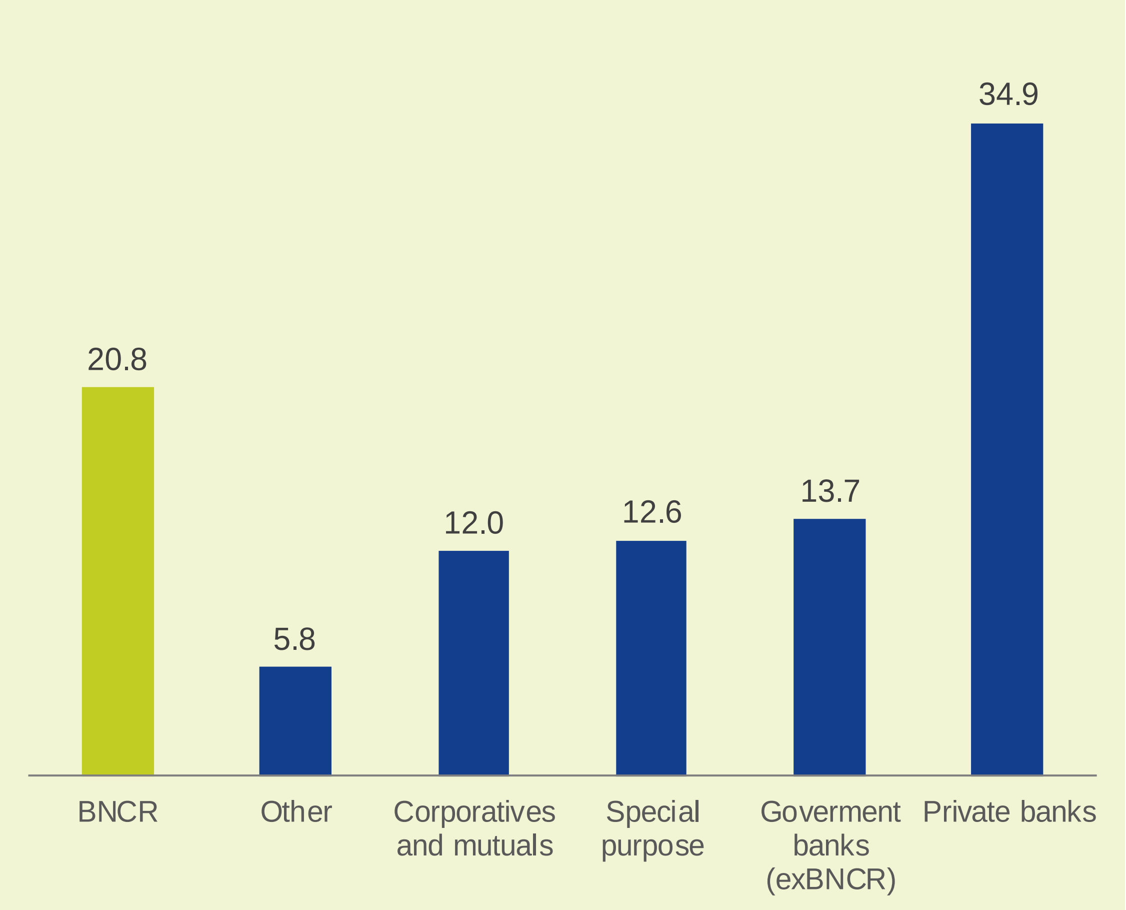
BNCR	Fitch	Moody's
Last	Jun-19	Dic-18
Outlook	Neg	Neg
Stand alone rating foreign currency	B+	Ba3

Category	Moody's Rating
BANCO NACIONAL DE COSTA RICA	
Outlook	Negative
Counterparty Risk Rating	Ba3/NP
Bank Deposits -Fgn Curr	B2/NP
Bank Deposits -Dom Curr	B1/NP
Baseline Credit Assessment	b1
Adjusted Baseline Credit Assessment	b1
Counterparty Risk Assessment	Ba3(cr)/NP(cr)
Senior Unsecured	B1

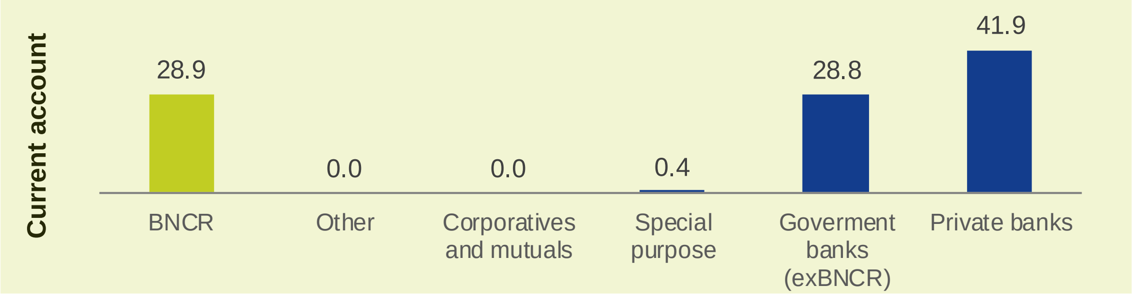
Source: Moody's Investors Service

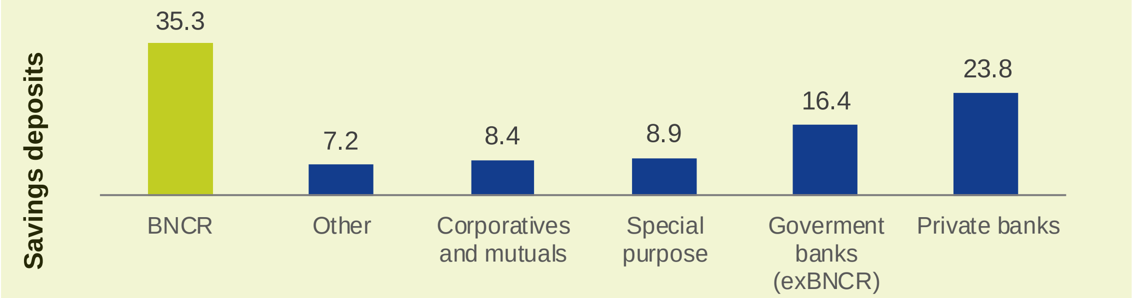
Market share

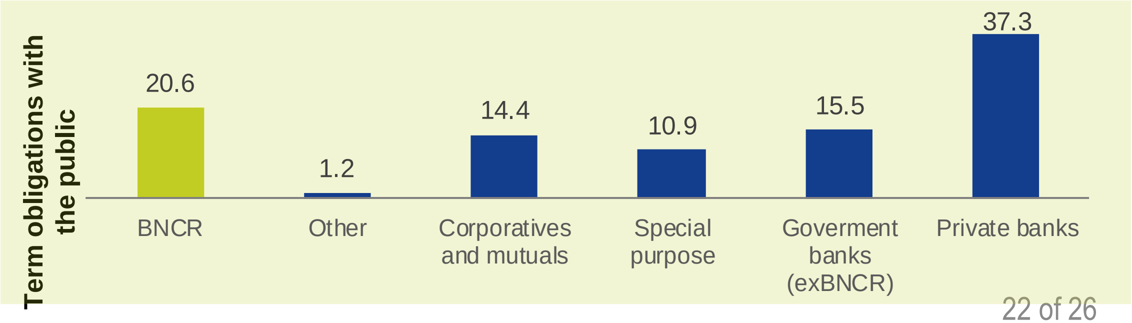
Credit



Deposits

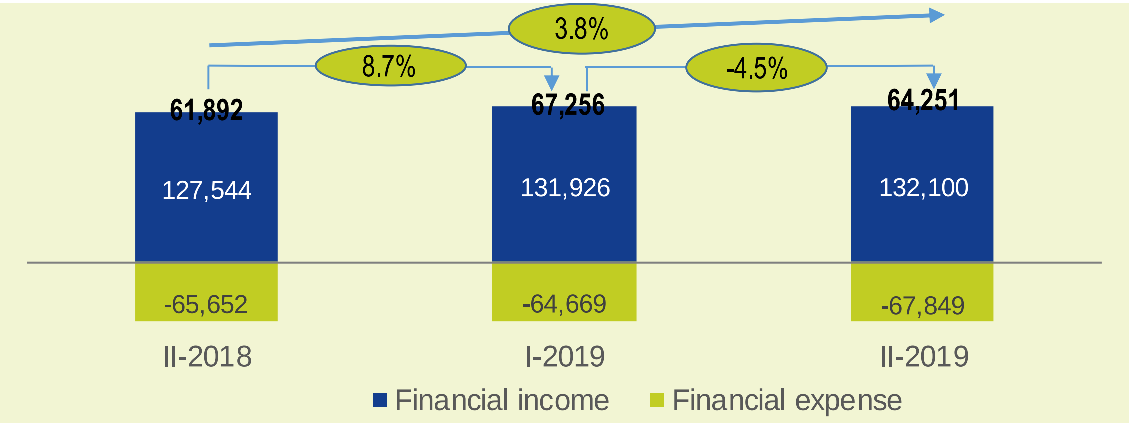




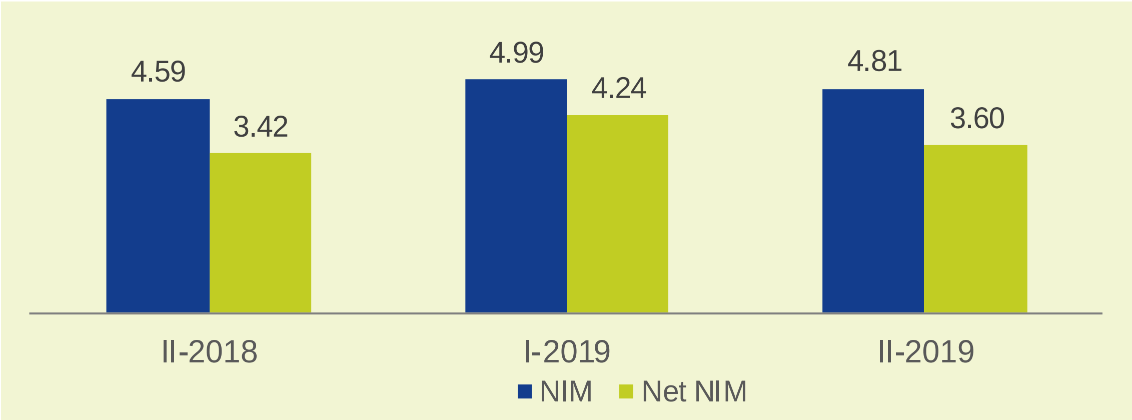


FINANCIAL PERFORMANCE

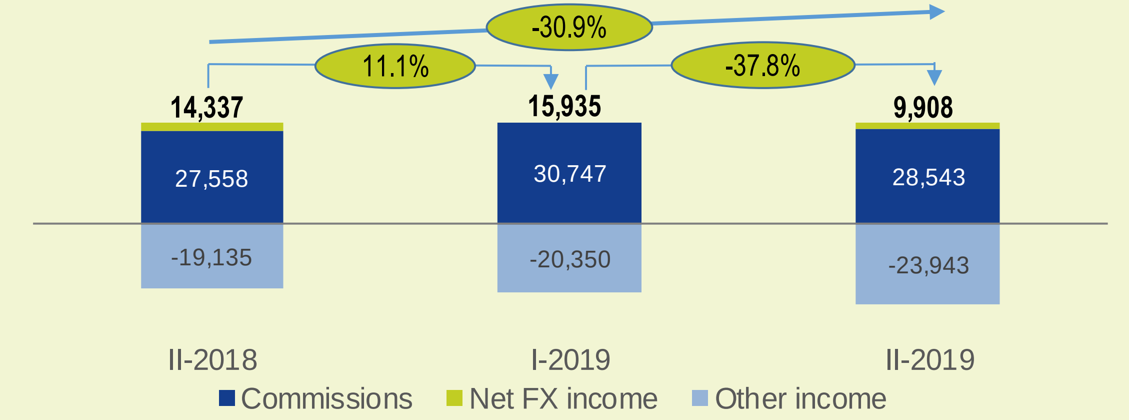
Financial income (million CRC)



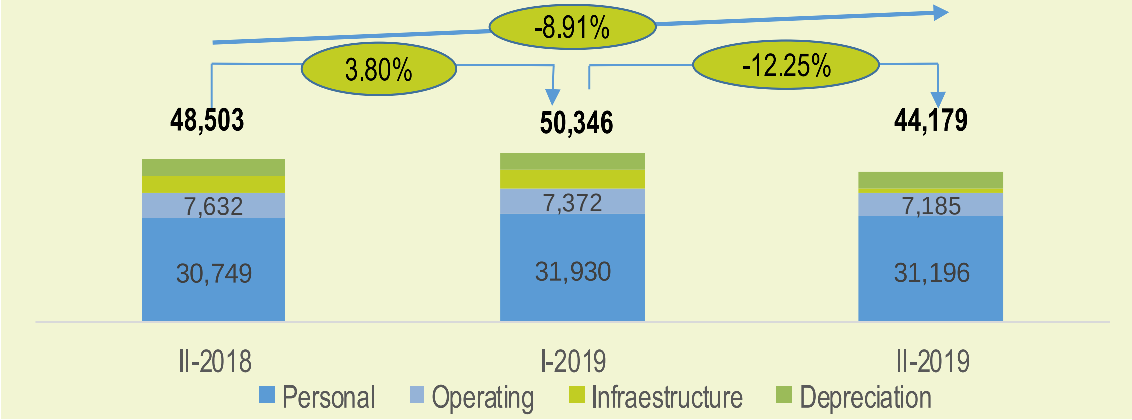
NIM



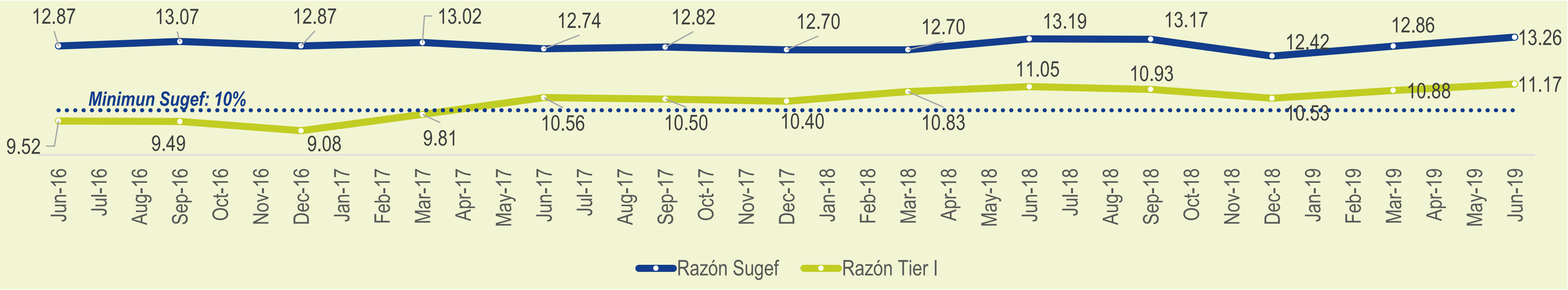
Fee income (million CRC)



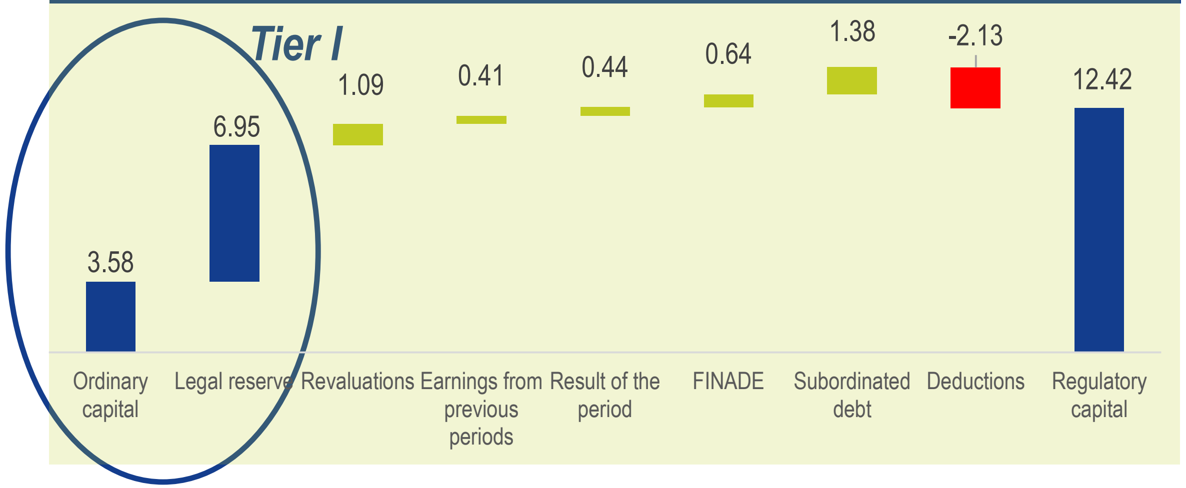
Operational expenditure (million CRC)



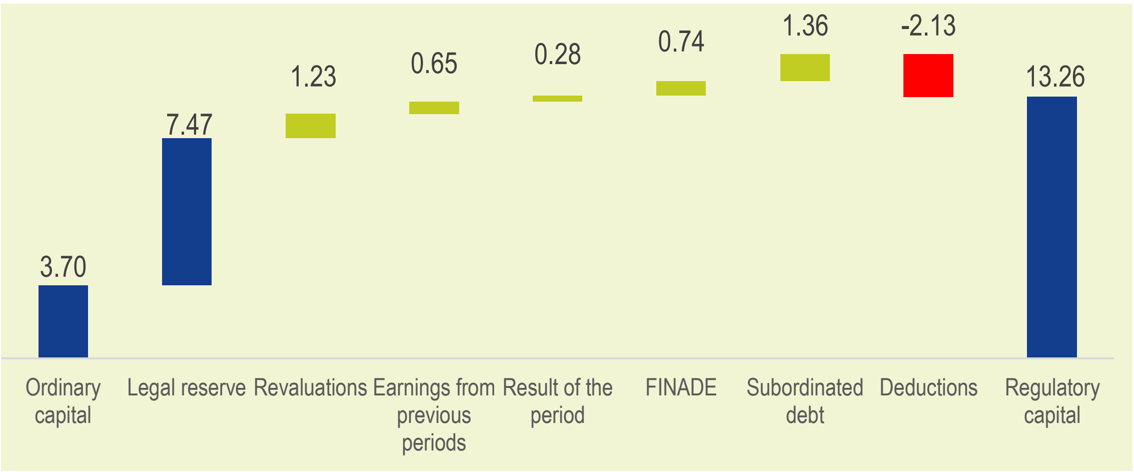
CAPITALIZATION



ISP composition (Dec-18)

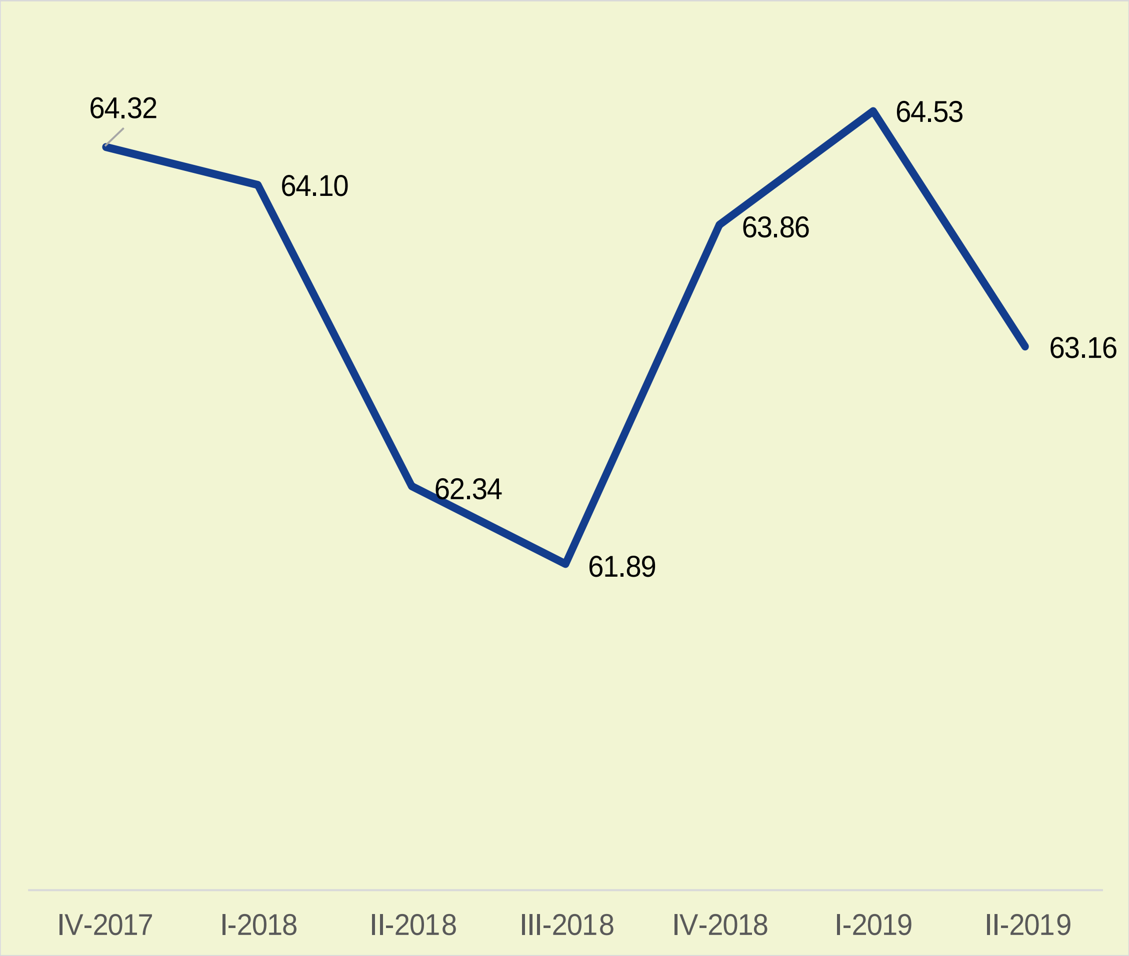


ISP composition (Jun-19)

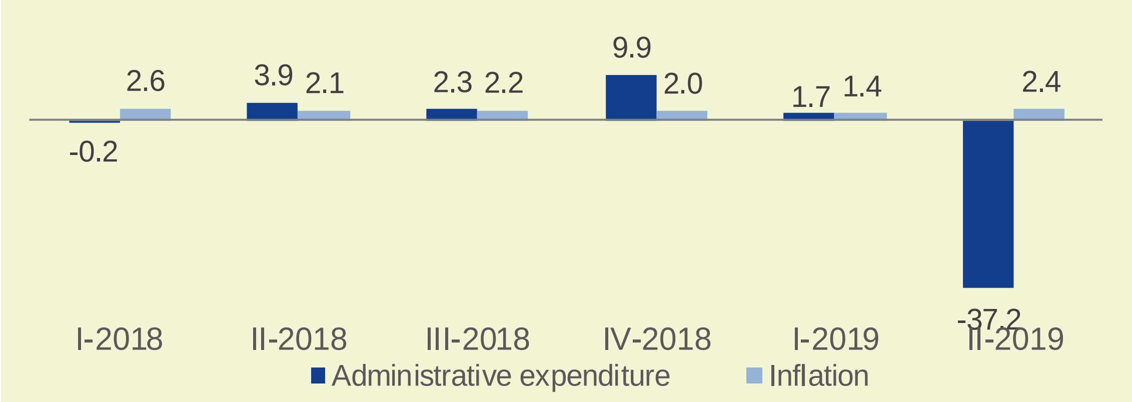


EFFICIENCY

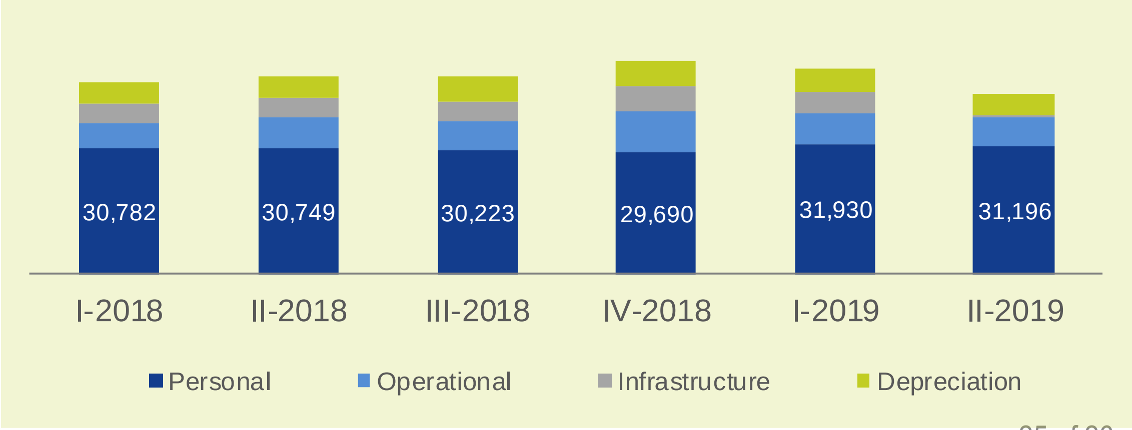
Efficiency ratio



Administrative expenditure (YoY growth, %)

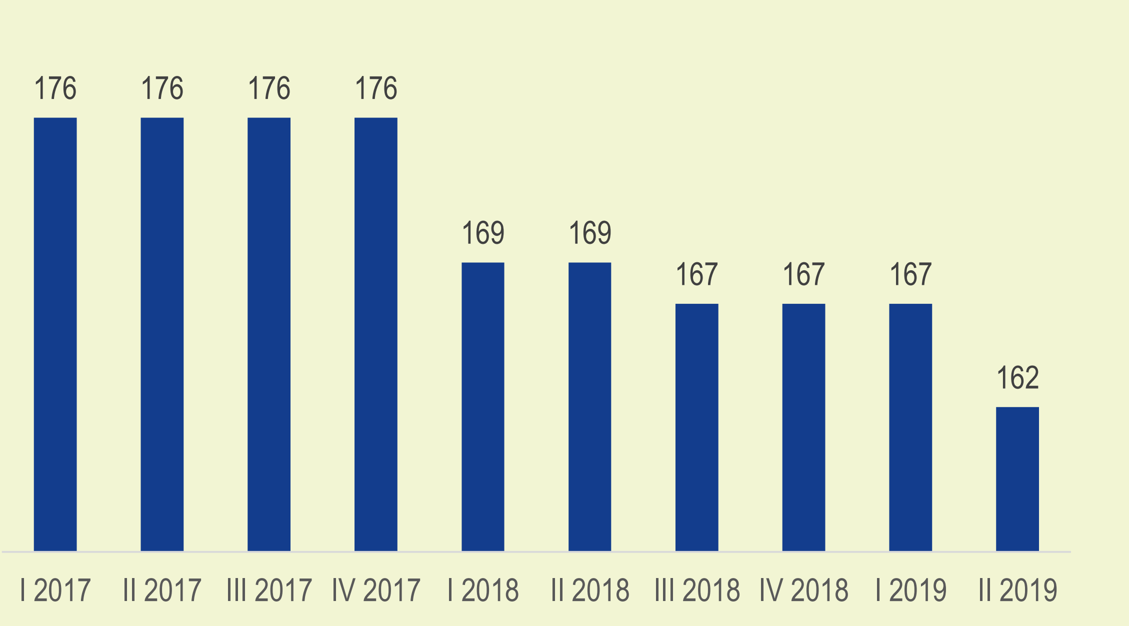


Administrative expenditure breakdown (million CRC)

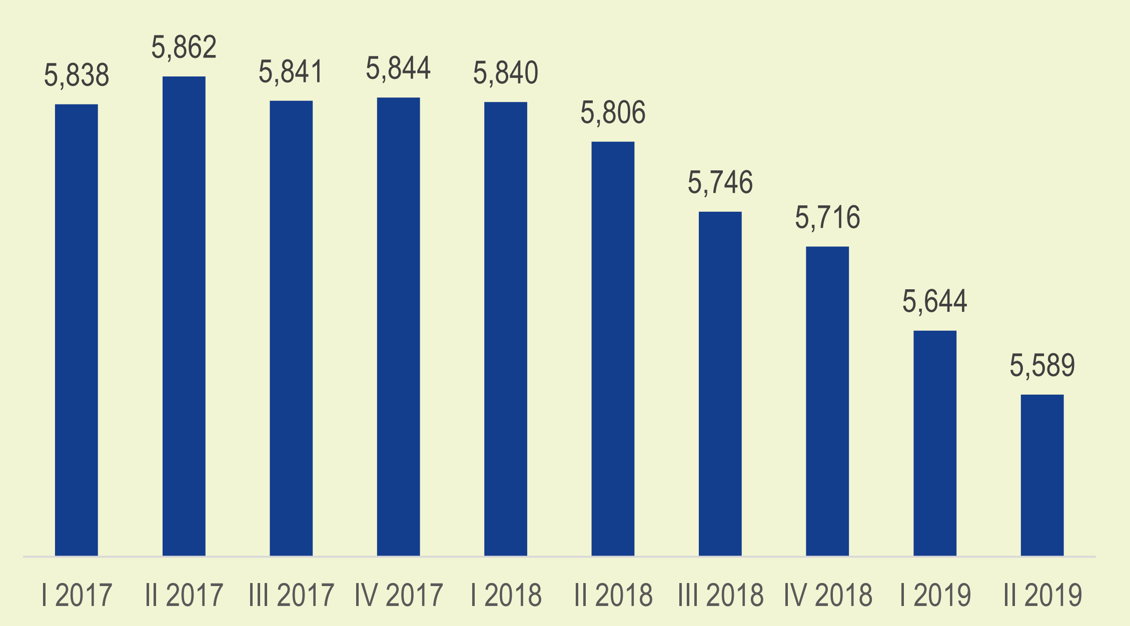


BRANCHES AND PAYROLL

Branches[1]



Payroll[1]



As of June 30, 2019, the Bank has 162 offices, 464 automated taller machines, and a total of 5,589 employees (2018: 169 offices, 466 automated taller machines, and 5,806 employees). Employees are distributed as follows: Banco Nacional de Costa Rica – 5,145 employees (2018: 5,396); BN Valores Puesto de Bolsa, S.A. -70 employees (2018:73); BN Vital Operadora de Planes de Pensiones Complementarias S.A.-195 employees (2018:170); BN Sociedad Administradora de Fondos de Inversión, S.A.- 85 employees (2018:77); and BN Corredora de Seguros, S.A.-94 employees (2018:90). The Bank's website is www.bncr.fi.cr.

(1) Includes all BNCR Group