BANCO NACIONAL

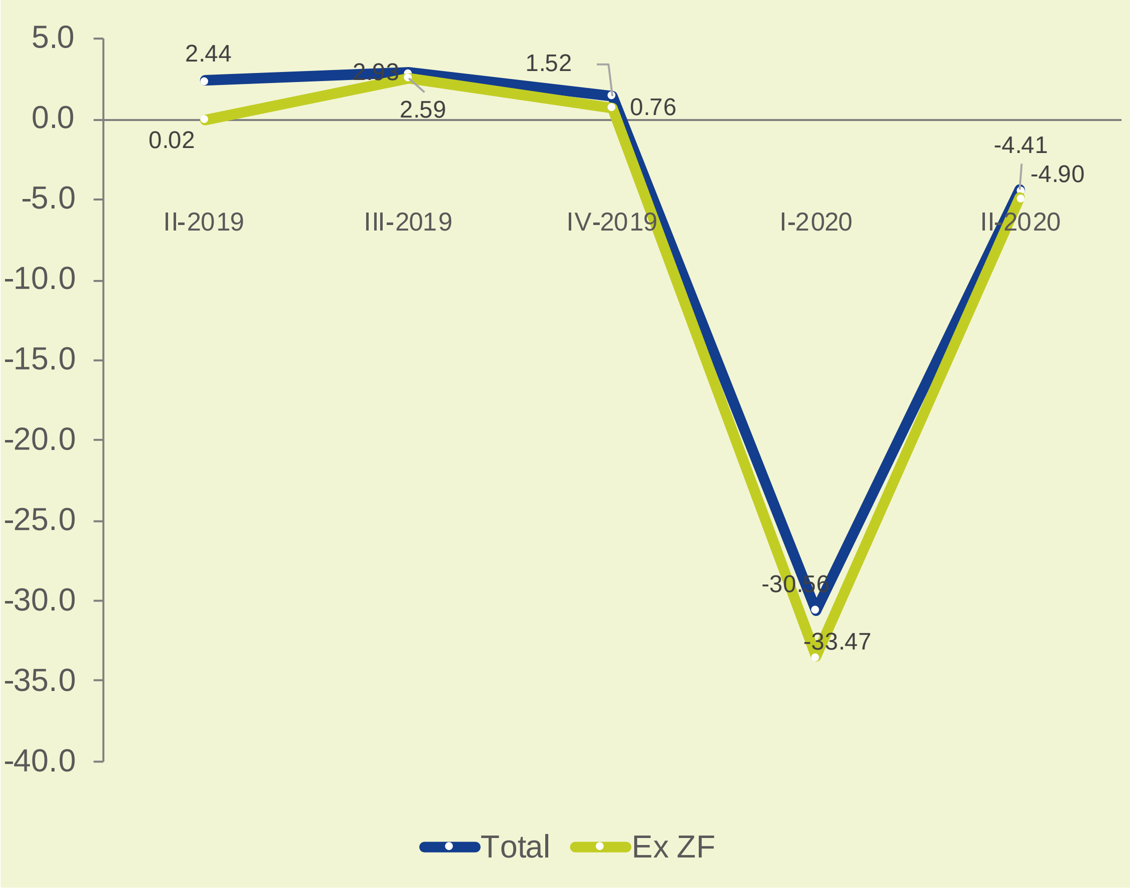
INVESTORS REPORT

SECOND QUARTER, 2020

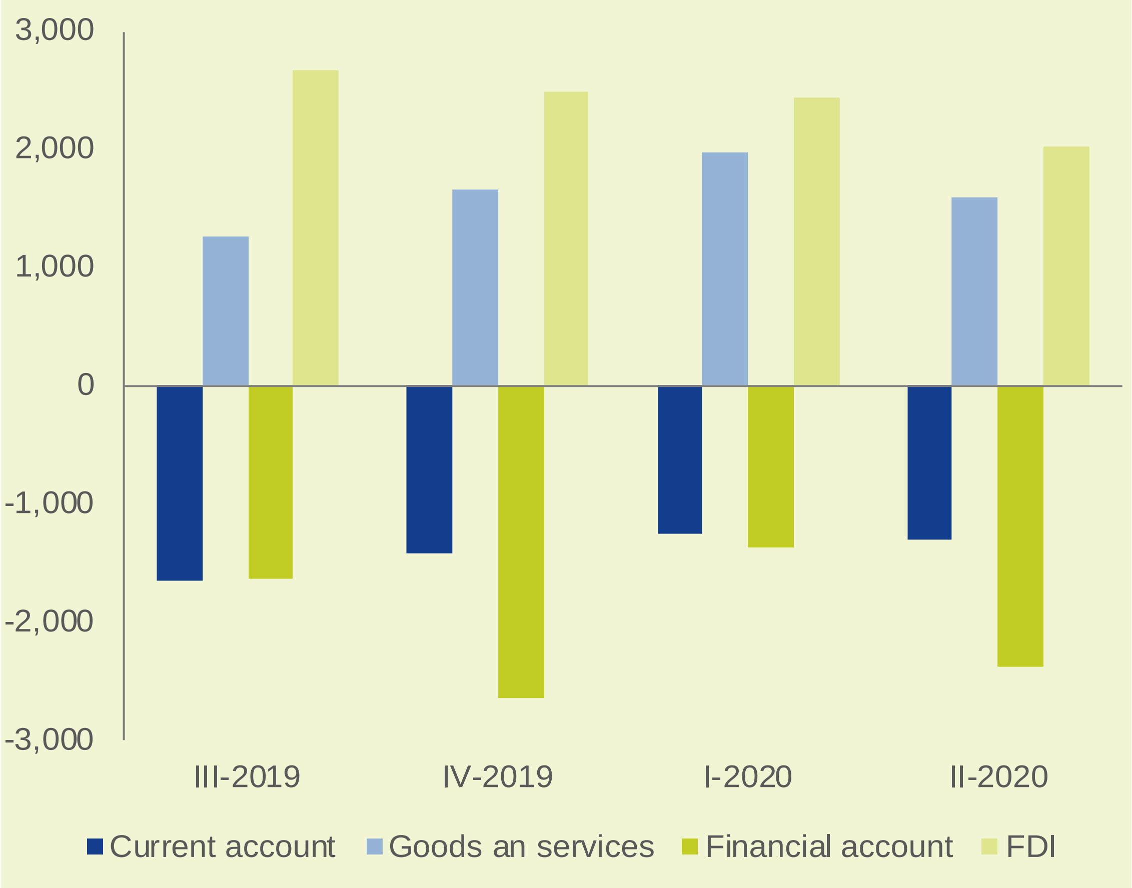
Juntos somos Progreso

COSTA RICA: ECONOMIC ACTIVITY

IMAE(1) (YoY variation, %)



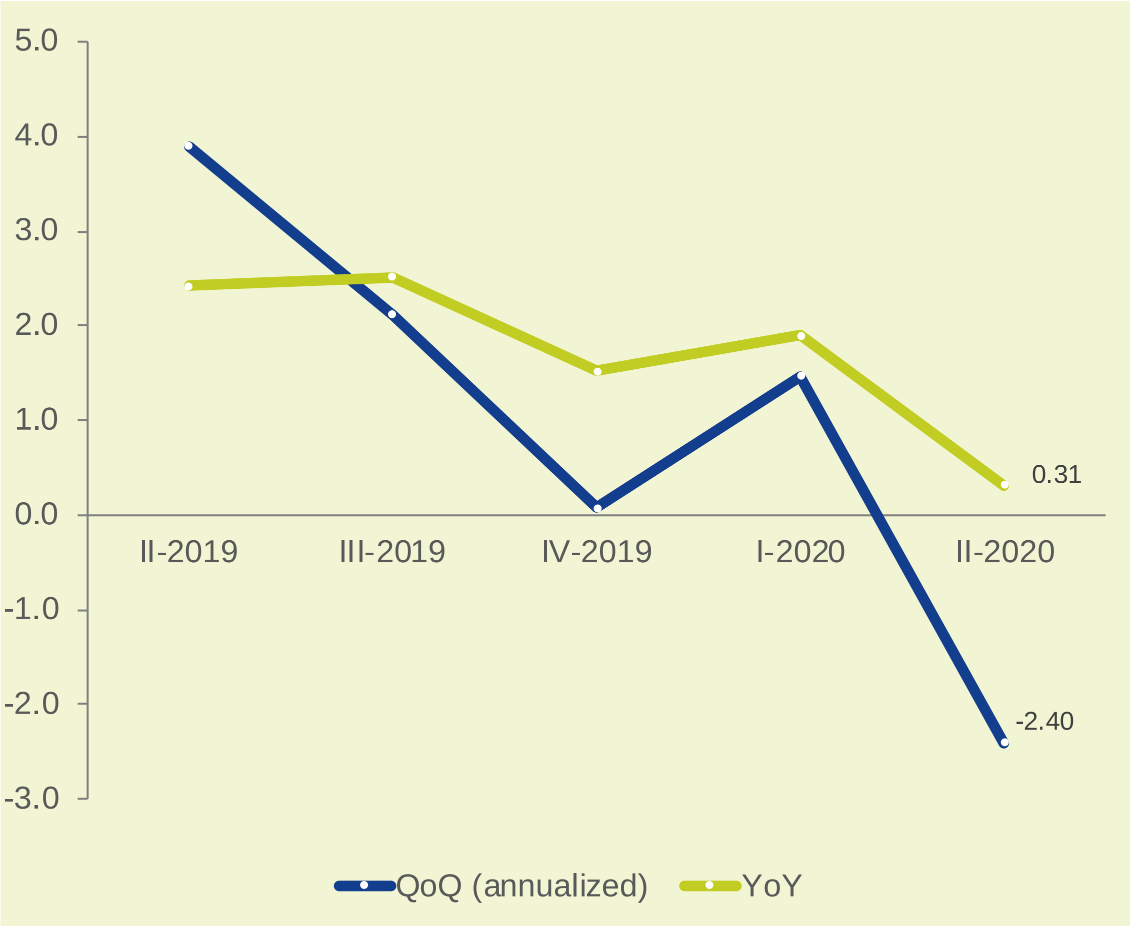
Balance of Payments (last year, million USD)



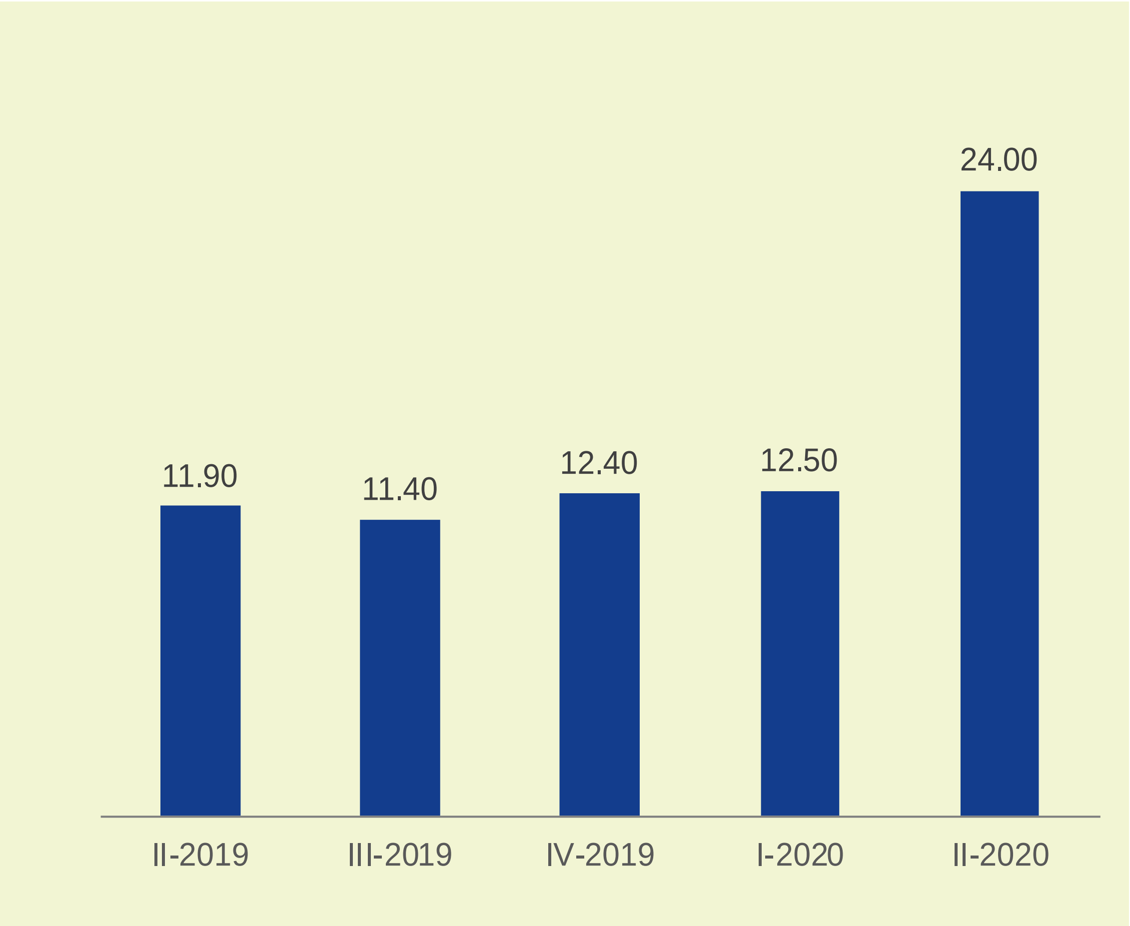
(1) IMAE stands for Índice Mensual de Actividad Económica, it is a gauge of economic activity computed by the Central Bank

Costa Rica: Inflation and unemployment

Consumer Price index (CPI)



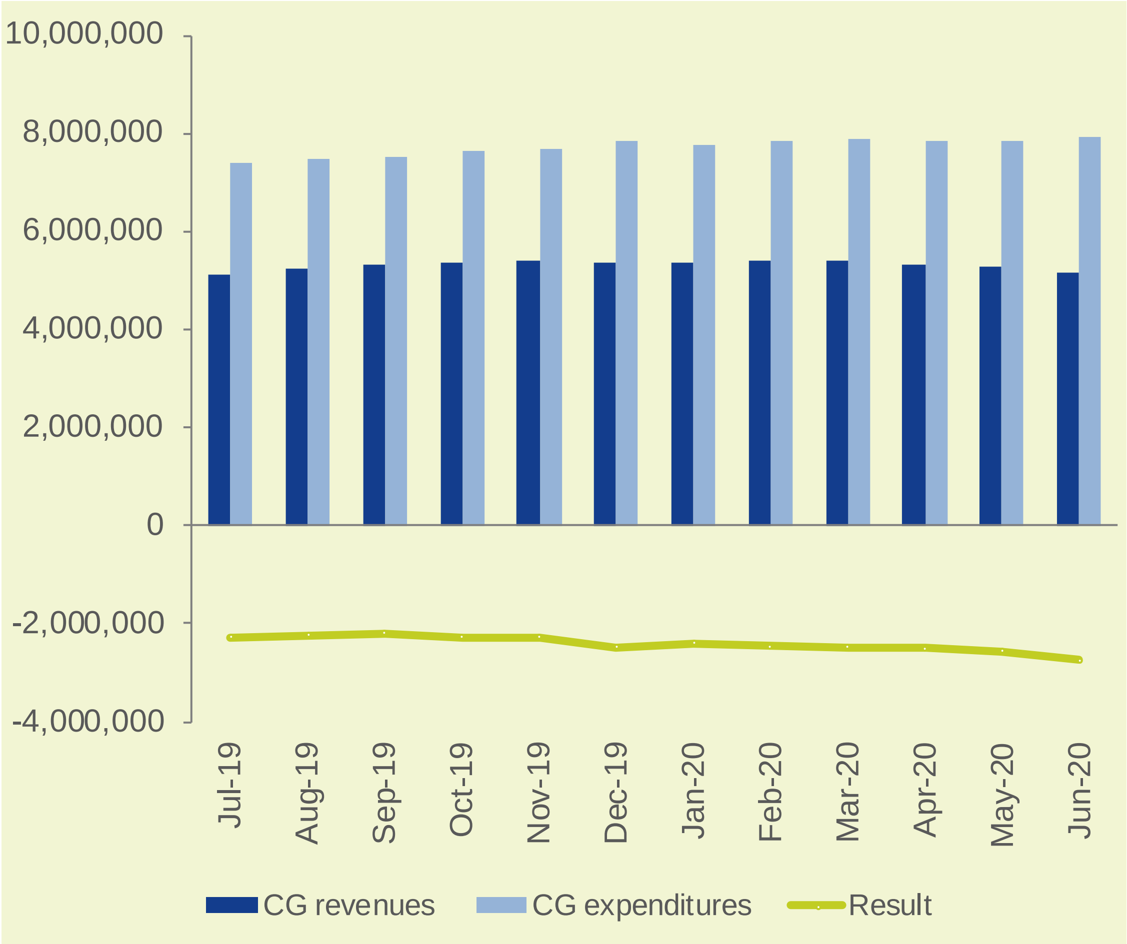
Unemployment



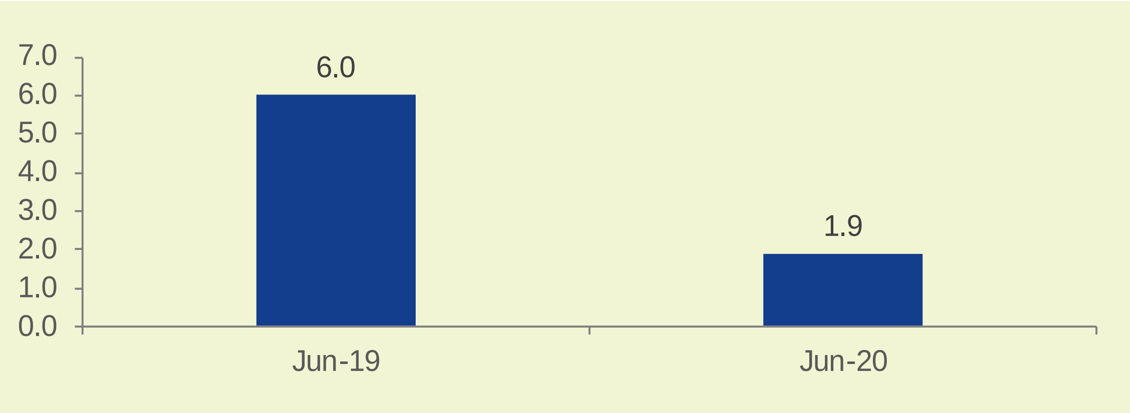
Source: Banco Central de Costa Rica e Instituto Nacional de Estadística y Censos (INEC)

COSTA RICA: FISCAL PERFORMANCE

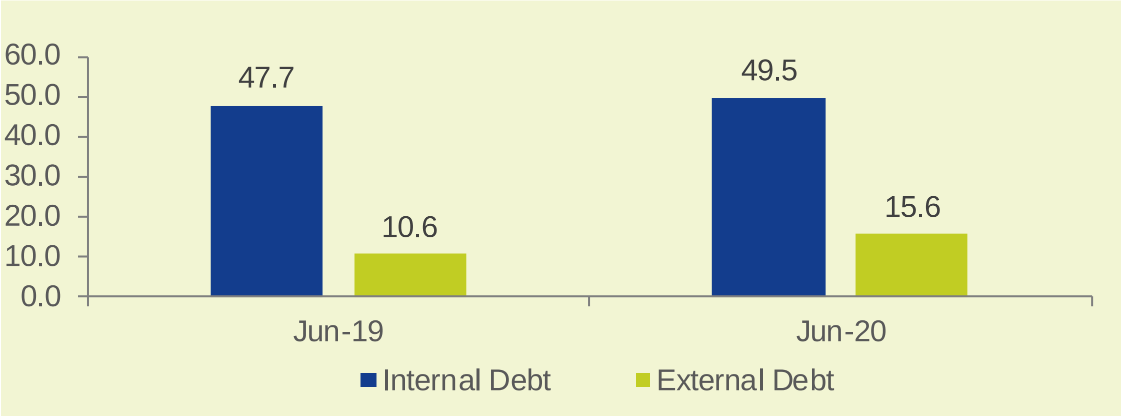
Central government: revenues and expenditures (last year, million CRC)



Central Government Deficit / GDP (%)



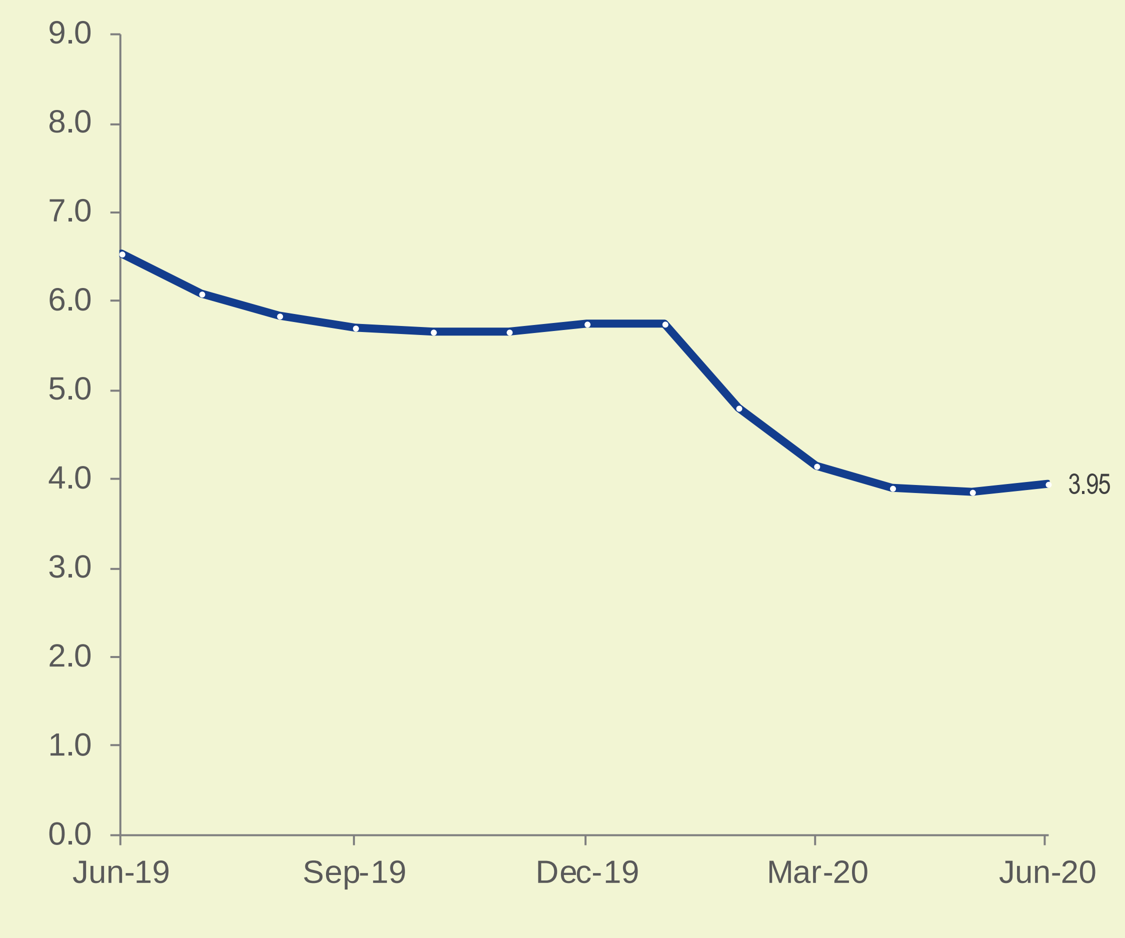
Central Government Debt/ GDP (%)



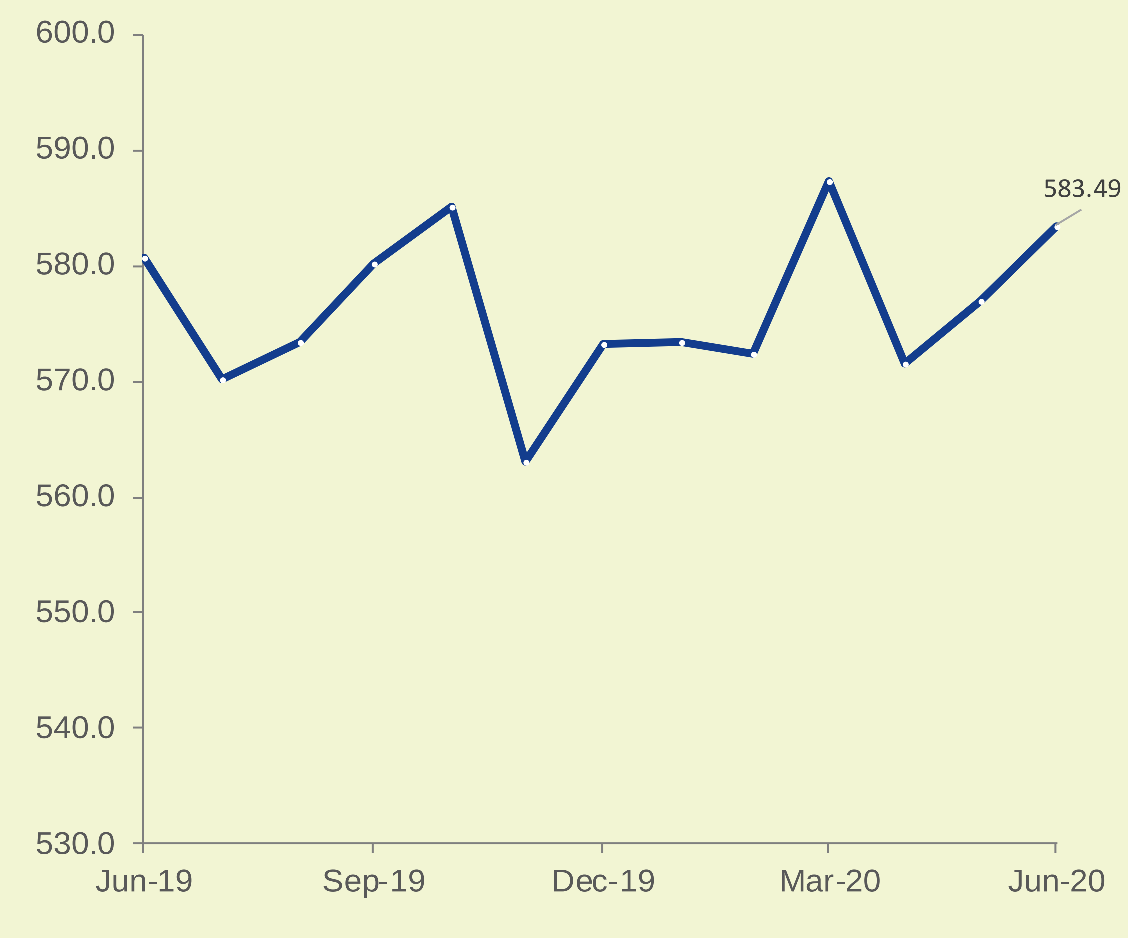
Source: Costa Rica Ministry of Finance

COSTA RICA: INTEREST AND EXCHANGE RATES

Tasa básica pasiva



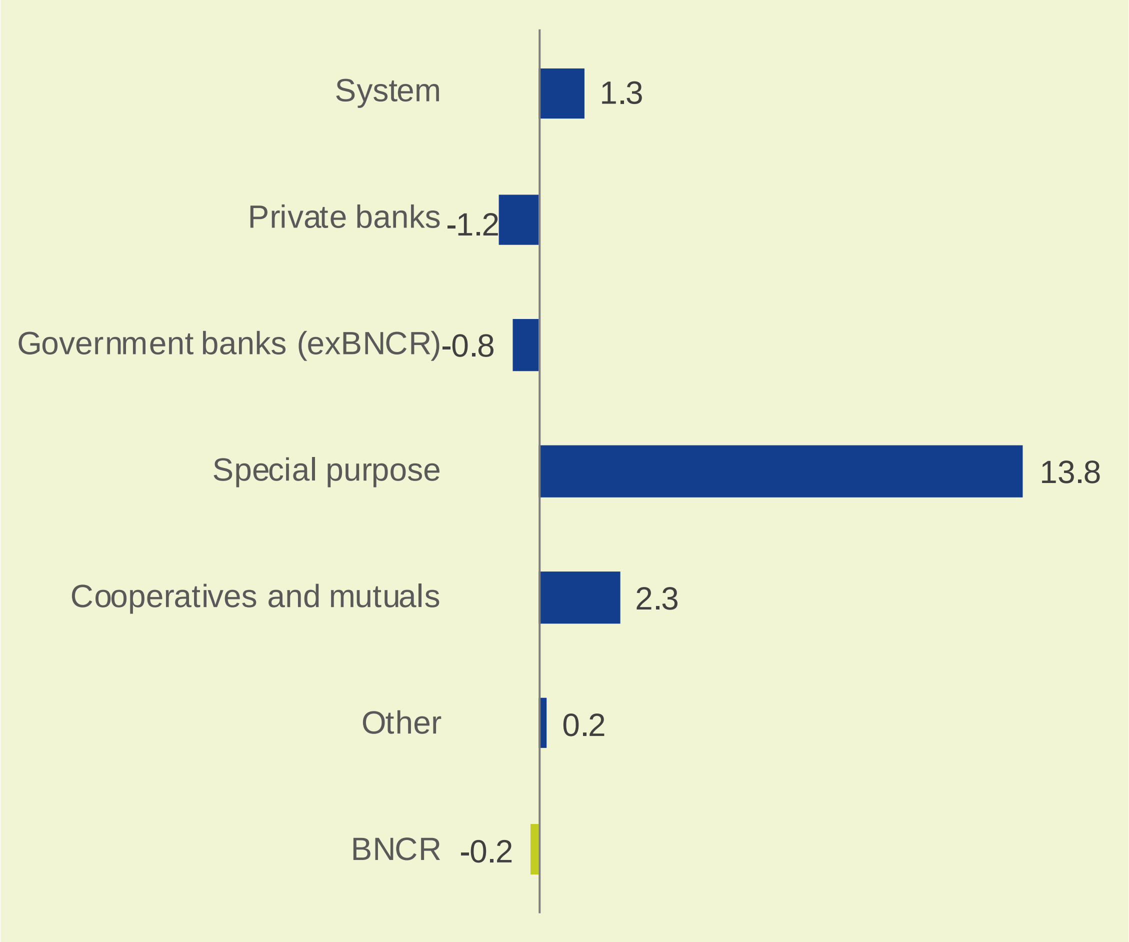
Average exchange rate USDCRC (Monex)



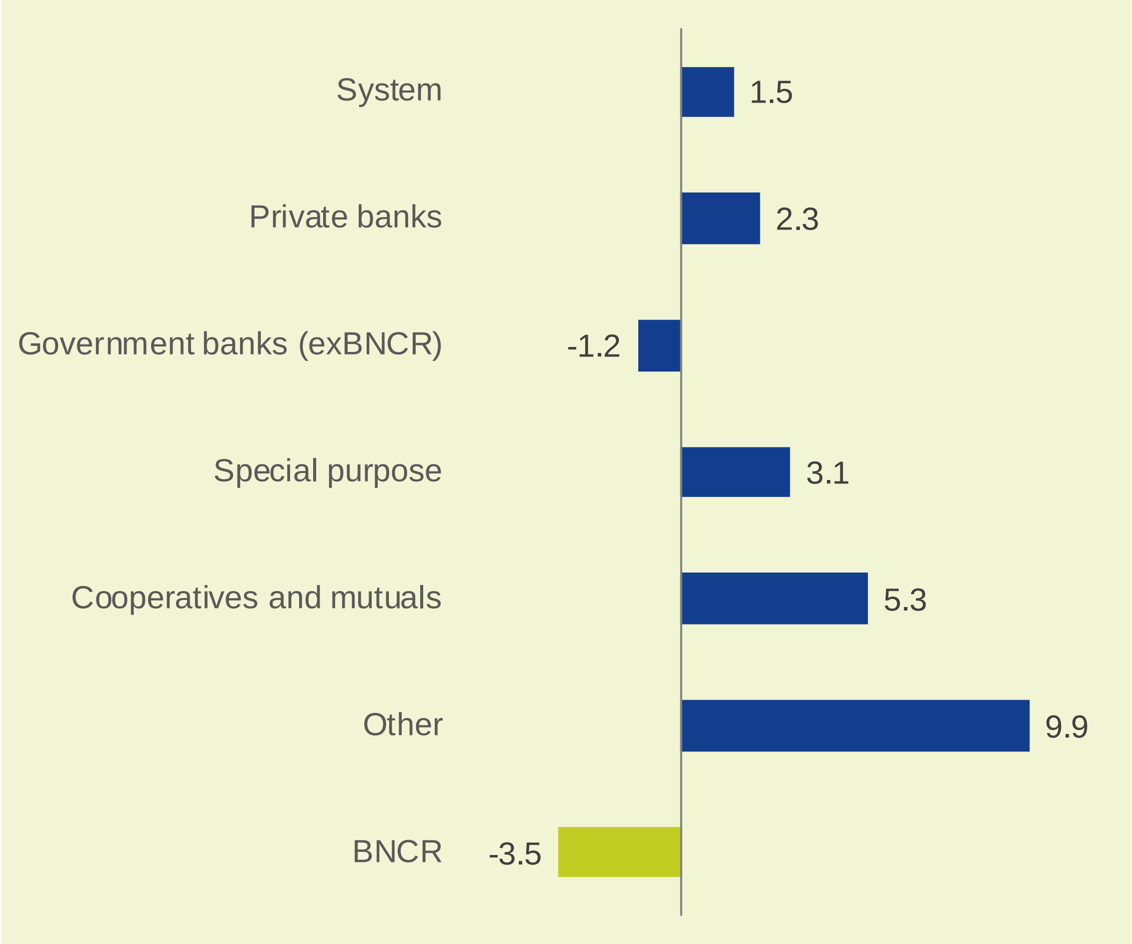
Source: Banco Central de Costa Rica

BANK SYSTEM: CREDIT (GROSS)

Quarterly growth (2Q 2020)

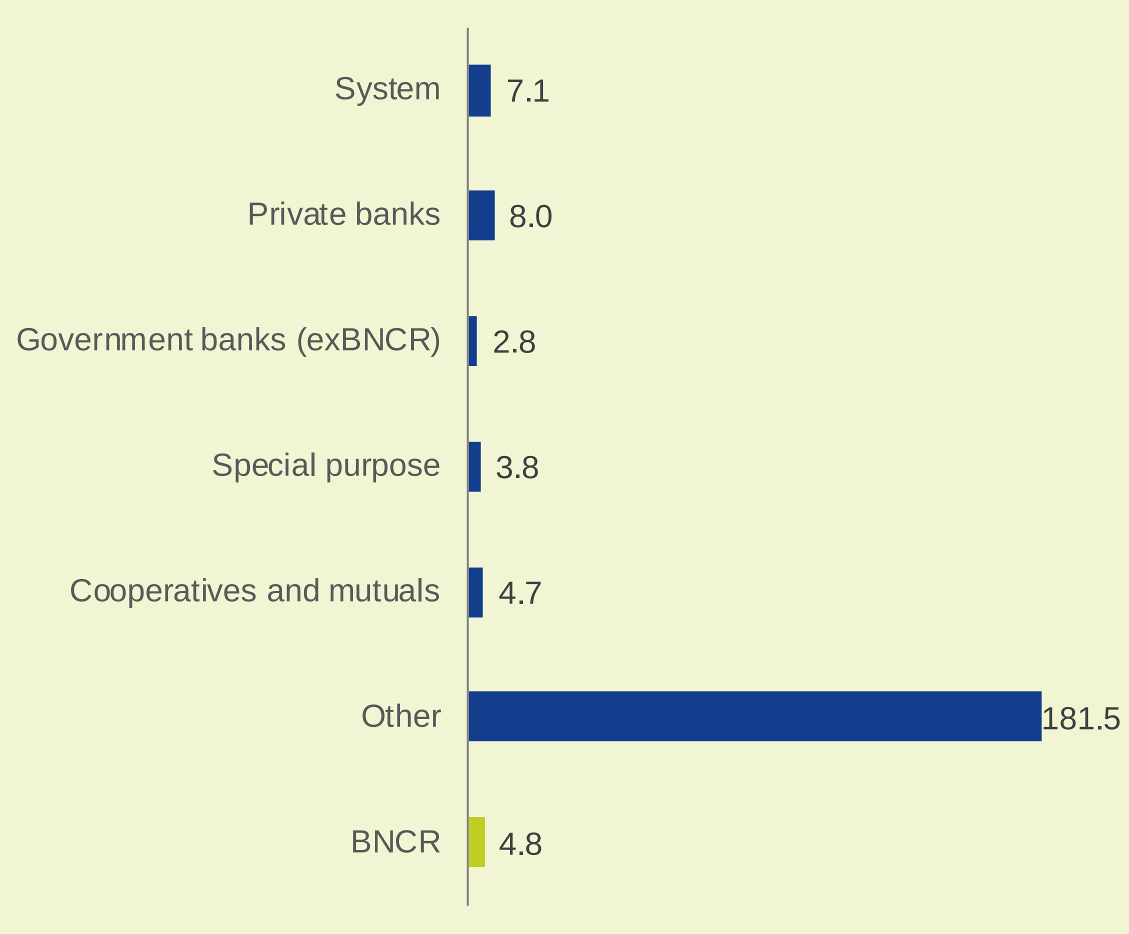


Year growth (2Q 2020)

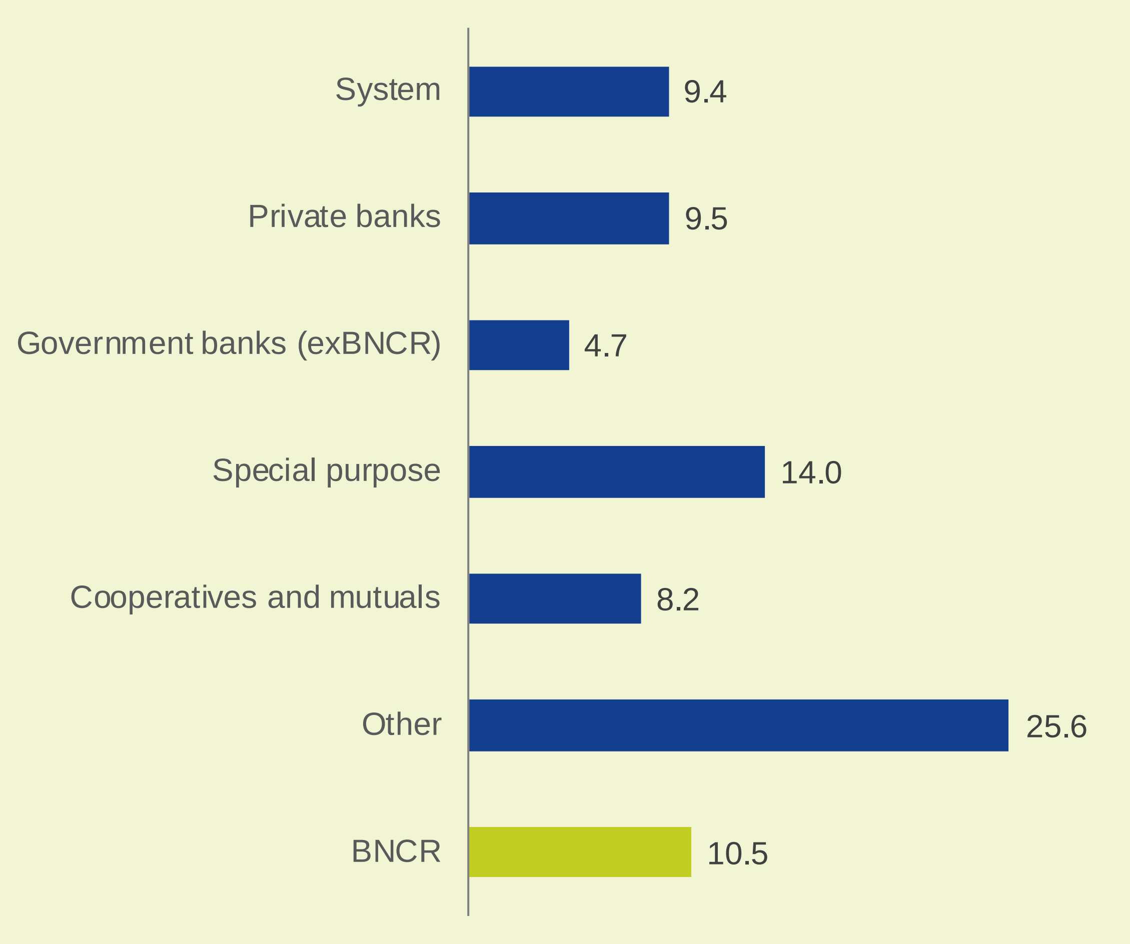


BANK SYSTEM: DEPOSITS

Quarterly growth (2Q 2020)



Year growth (2Q 2020)



Corporate Governance

Governance Structure

Board of Directors

Chairman

Jeannette Ruíz Delgado

Vice-chairman

Marvin Arias Aguilar

Secretary

Rodolfo González Cuadra

Directors

Ana Isabel Solano Brenes
María Magdalena Rojas Figueredo
Ruth Alfaro Jara
Mario Carazo Zeledón

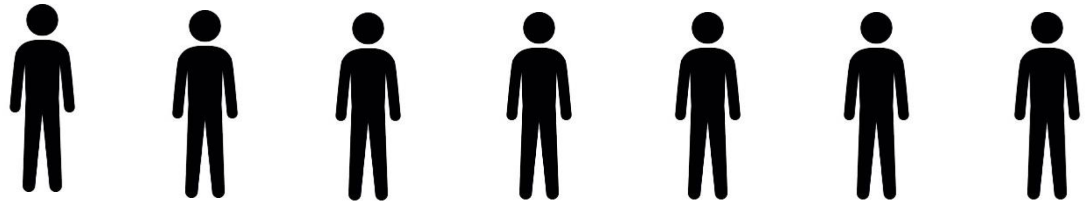
Internal and external independent auditors

Chief Executive Officer

Gustavo Vargas Fernández

Officers and Support Committees

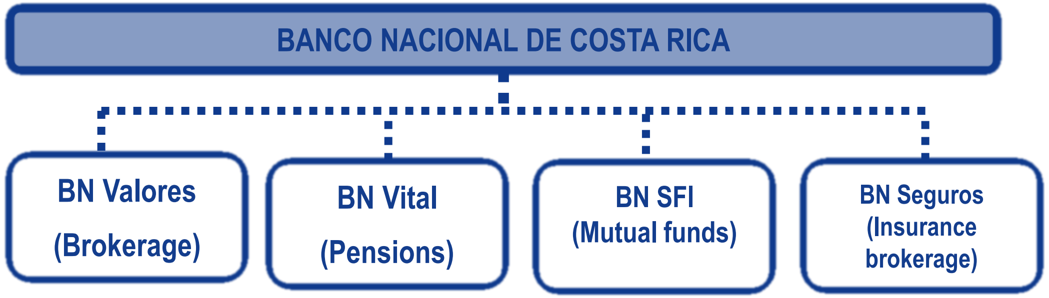
Independent Board of Directors



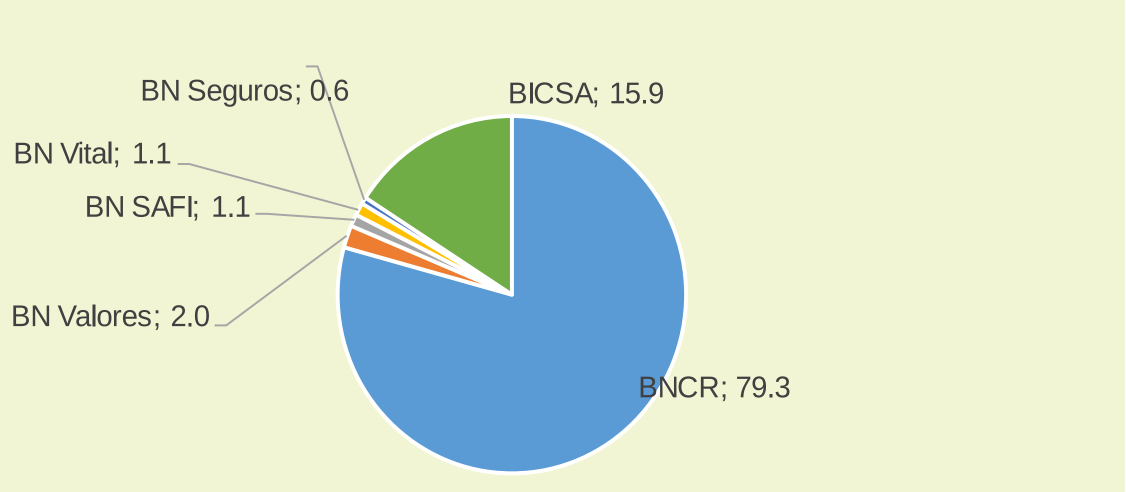
100% independent

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

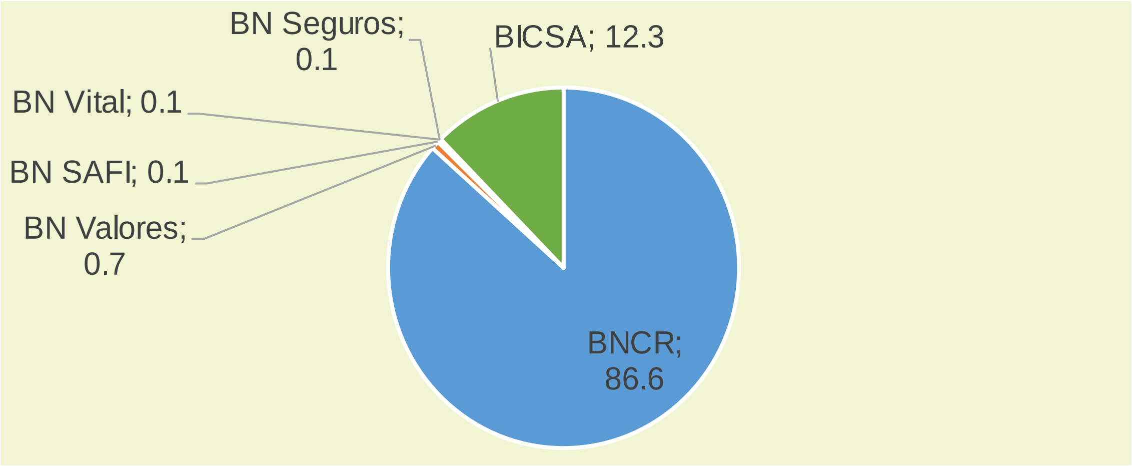
CORPORATE GOVERNANCE (CONT.)



Equity (June-20)



Assets (June-20)



BNCR owns a 49% stake in BICSA

Total assets and equity of BNCR Group amount CRC 7,537,538 million and equity CRC 1,061,261 MM million (excluding BICSA).

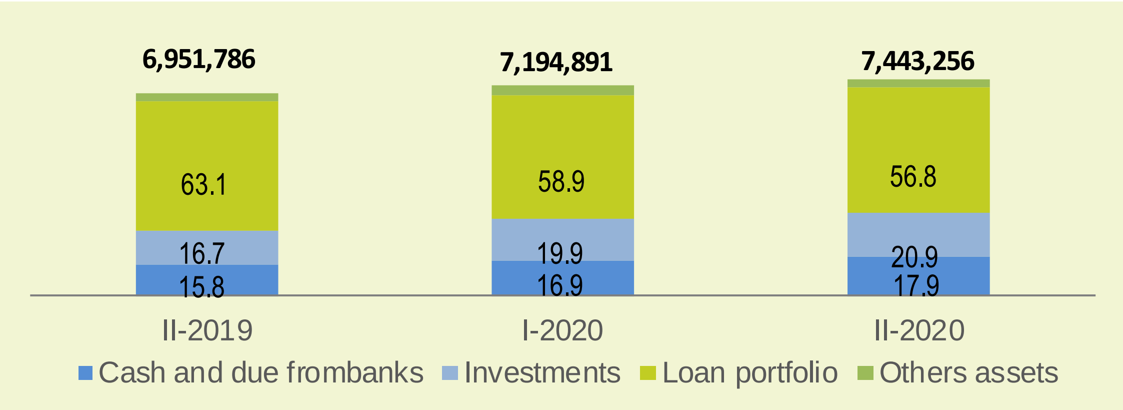
BNCR: INVESTMENT HIGHLIGHTS (2Q 2020)

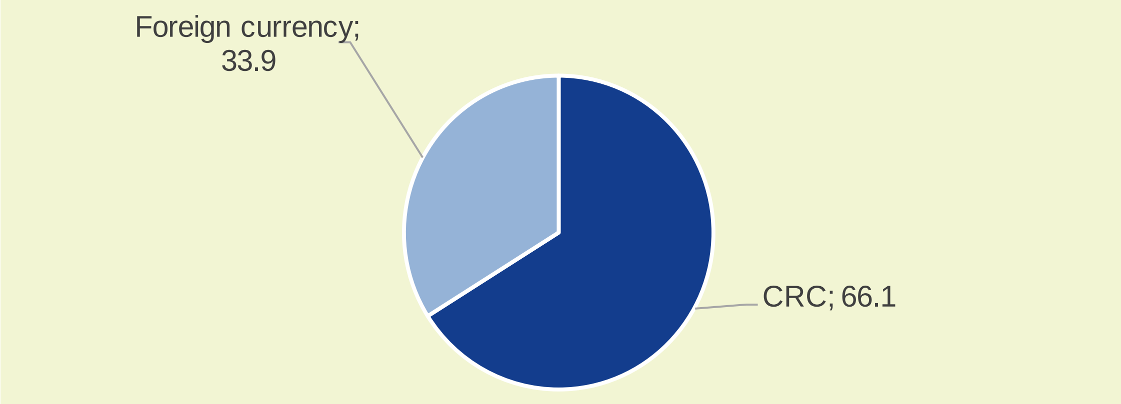
Profitability	Net income	CRC 2,382	million	↘ 49.2%	QoQ	↘ 59.3%	YoY
	ROAE	1.37 %		↘ 127 b.p	QoQ	↘ 213 b.p	YoY
	ROAA	0.13 %		↘ 13 b.p	QoQ	↘ 21 b.p	YoY
Credit	Loan portfolio	CRC 4,230,634	million	↘ 0.25%	QoQ	↘ 3.48%	YoY
	Provisions	CRC 22,530	million	↗ 41.32%	QoQ	↗ 26.35%	YoY
	Cost of risk (1)	2.13 %		↘ 63.3 b.p	QoQ	↘ 51.6 b.p	YoY
NII and NIM	Net Financial income	CRC 46,576	million	↗ 26.56%	QoQ	↗ -3.00%	YoY
	NIM	4.26 %		↗ 113 b.p	QoQ	↗ 55 b.p	YoY
	NIM neto (2)	3.28 %		↗ 123 b.p	QoQ	↗ 32 b.p	YoY
Efficiency	Efficiency ratio (3)	64.36 %		↘ 171 b.p	QoQ	↘ 120 b.p	YoY
Capital	ISP (4)	13.91 %		↘ 27 b.p	QoQ	↗ 65 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

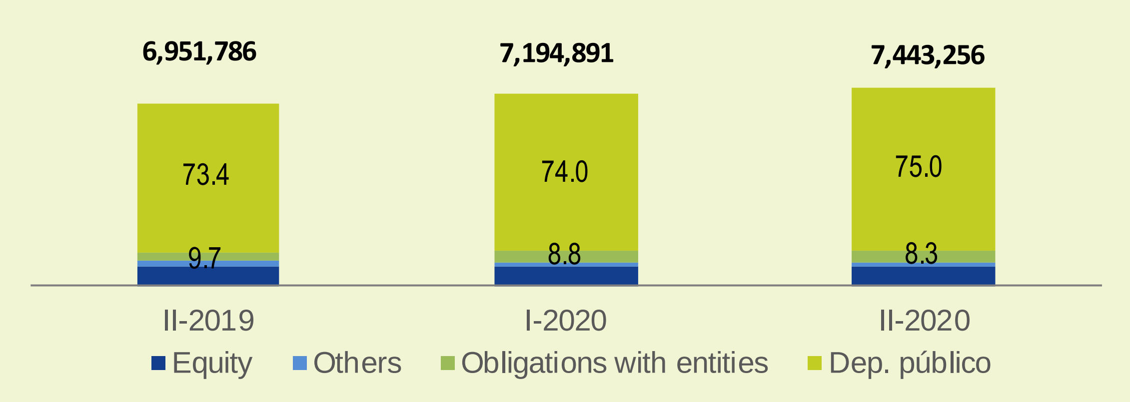
BNCR (STAND-ALONE): BALANCE SHEET BREAKDOWN

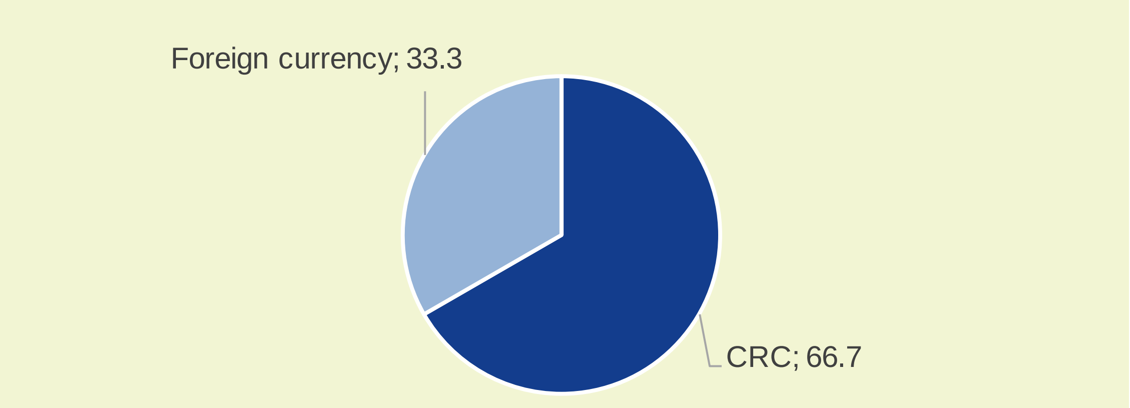
Assets (million CRC)





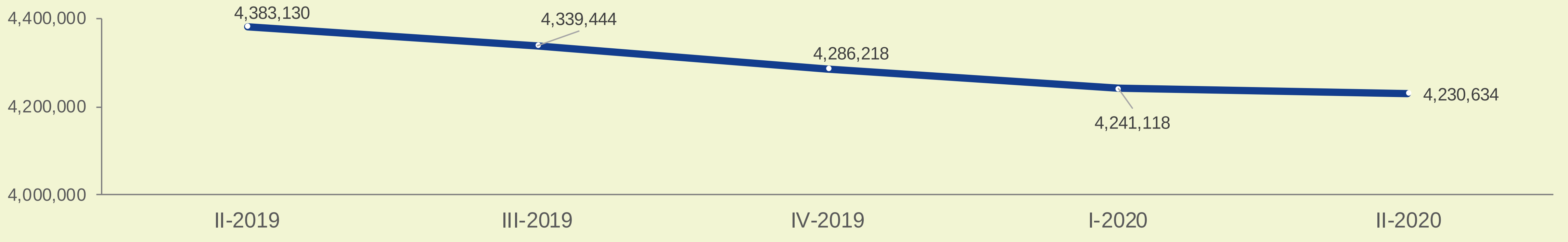
Liabilities and Equity (million CRC)



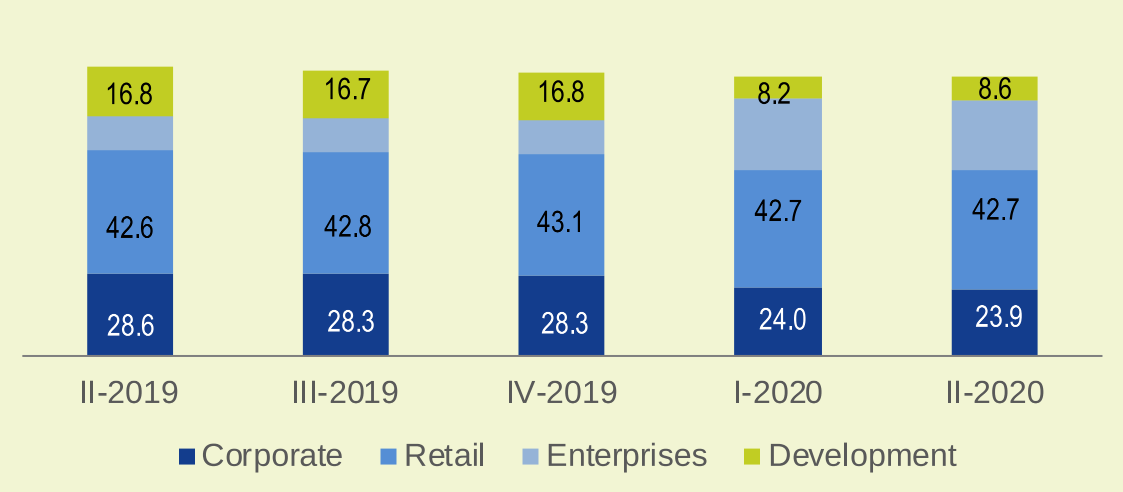


BNCR (STAND-ALONE): LOAN PORFOLIO

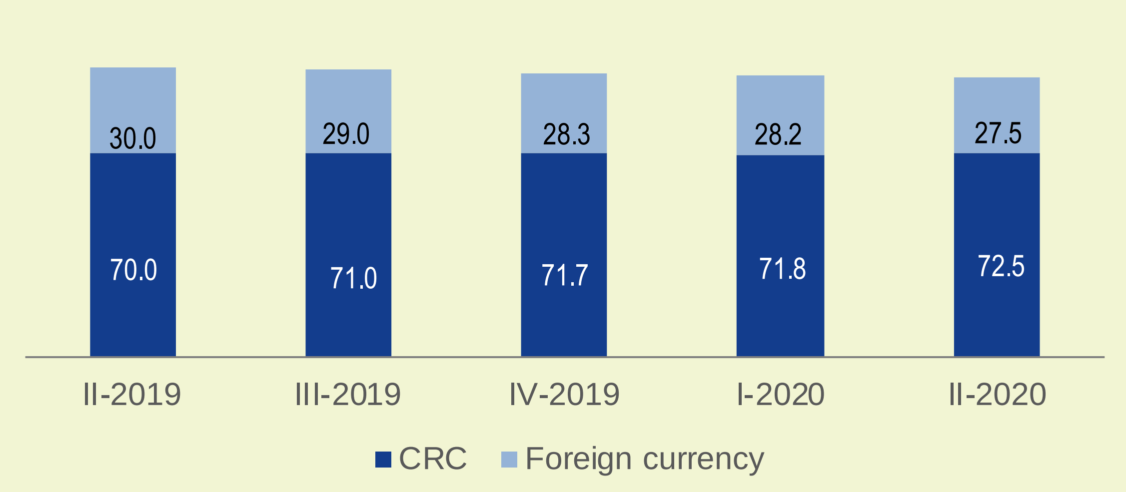
Loan portfolio gross (million CRC)



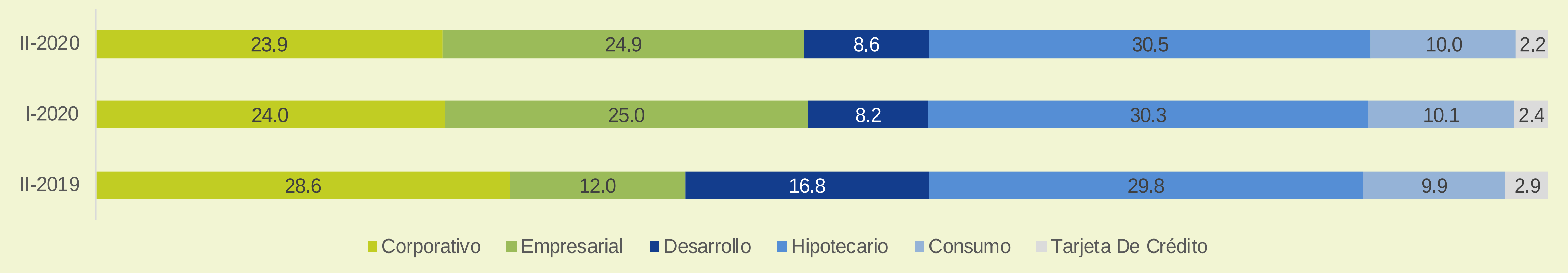
Portfolio composition (%)



Loan portfolio by currency (%)



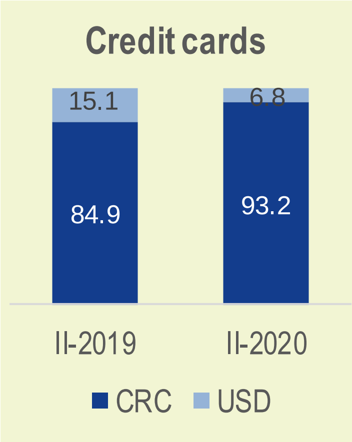
BNCR (STAND-ALONE): LOAN PORTFOLIO BY SEGMENT

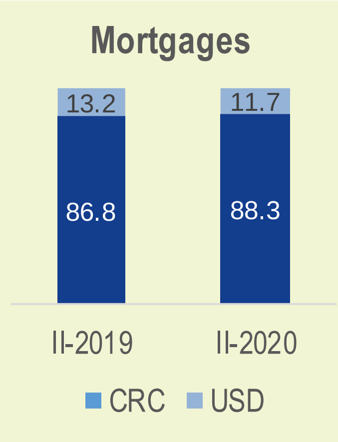


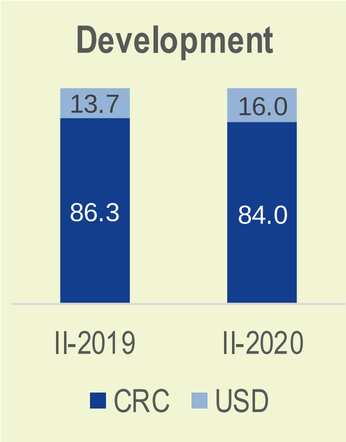
Loans million CRC	As of the end of II-2019	I-2020	II-2020	% Part. 2T 2020	% nominal change QoQ	YoY	% real change QoQ	YoY
Corporate	1,251,490	1,248,237	1,254,898	29.7	0.5	0.3	1.1	0.0
Development								
Enterprises	525,329	1,061,289	1,050,409	24.8	-1.0	100.0	-0.4	99.3
MSE	738,271	111,265	112,449	2.7	1.1	-84.8	1.7	-84.8
Personas								
Retail	1,305,876	1,283,730	1,288,263	30.5	0.4	-1.3	1.0	-1.7
Credit cards	128,846	110,139	102,846	2.4	-6.6	-20.2	-6.1	-20.4
Consumer	433,318	426,458	421,769	10.0	-1.1	-2.7	-0.5	-3.0
Total	**4,383,130**	**4,241,118**	**4,230,634**	**100.0**	**-0.2**	**-3.5**	**0.4**	**-3.8**

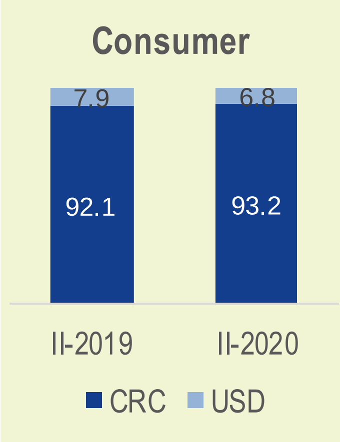
Due to the adjustment in the accounting catalog, according to the Financial Information Regulation (RIF), a change is reflected in the categories of the portfolio.
The Medium Business portfolio was in the Development category, this portfolio is transferred to Business.
The Development portfolio now only includes Micro and small Business

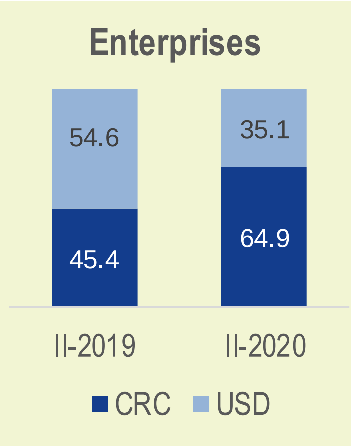
BNCR (STAND-ALONE): LOAN PORTFOLIO BY SEGMENT











Loans million CRC	Local currency (million CRC)					Foreign currency (million de CRC)				
	II-2019	I-2020	II-2020	∆ QoQ (%)	∆ YoY (%)	II-2019	I-2020	II-2020	∆ QoQ (%)	∆ YoY (%)
Corporate	551,930	622,635	646,441	3.7	17.1	699,559	625,602	608,457	0.7	-11.0
Development										
Enterprises	238,340	689,134	685,634	-0.5	187.7	286,989	372,155	364,774	0.7	29.0
MSE	637,301	108,997	110,736	1.6	-82.6	100,970	2,269	1,713	0.7	-97.8
Personas										
Retail	1,133,527	1,133,037	1,141,248	0.7	0.7	172,349	150,693	147,016	0.7	-13.0
Credit cards	109,403	94,236	89,349	-5.2	-18.3	19,442	15,903	13,497	0.7	-18.6
Consumer	399,278	397,585	394,225	-0.9	-1.3	34,040	28,873	27,544	0.7	-15.6
Total	**3,069,780**	**3,045,624**	**3,067,633**	**0.7**	**-0.1**	**1,313,350**	**1,195,494**	**1,163,001**	**0.7**	**-9.4**

Due to the adjustment in the accounting catalog, according to the Financial Information Regulation (RIF), a change is reflected in the categories of the portfolio.
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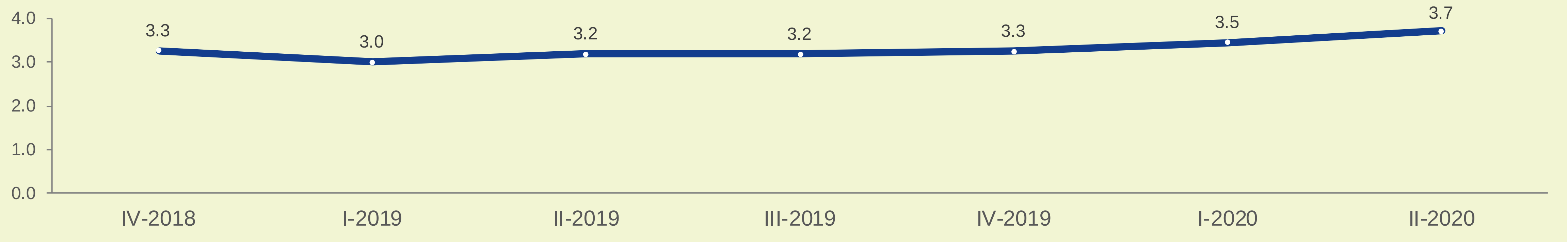
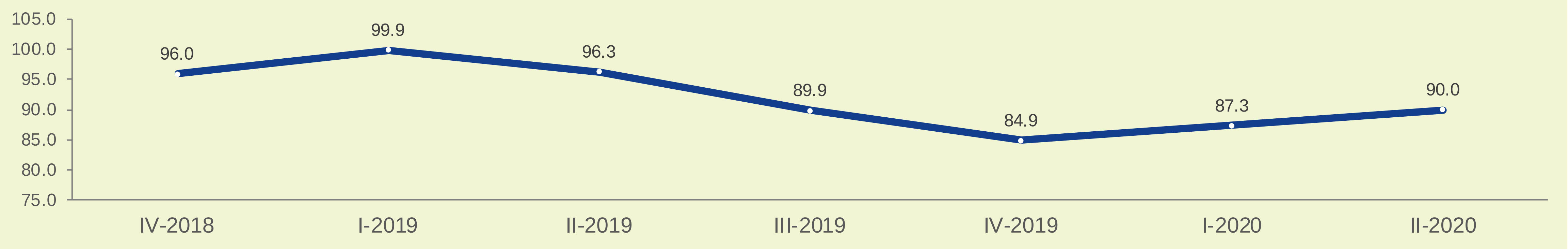
BNCR (STAND-ALONE): ASSET QUALITY

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



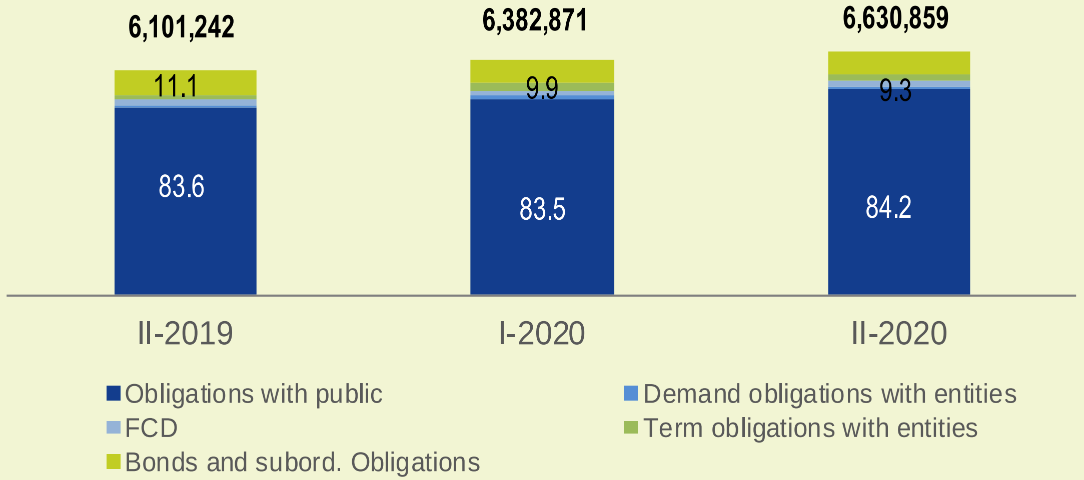
Coverage ratio[2]



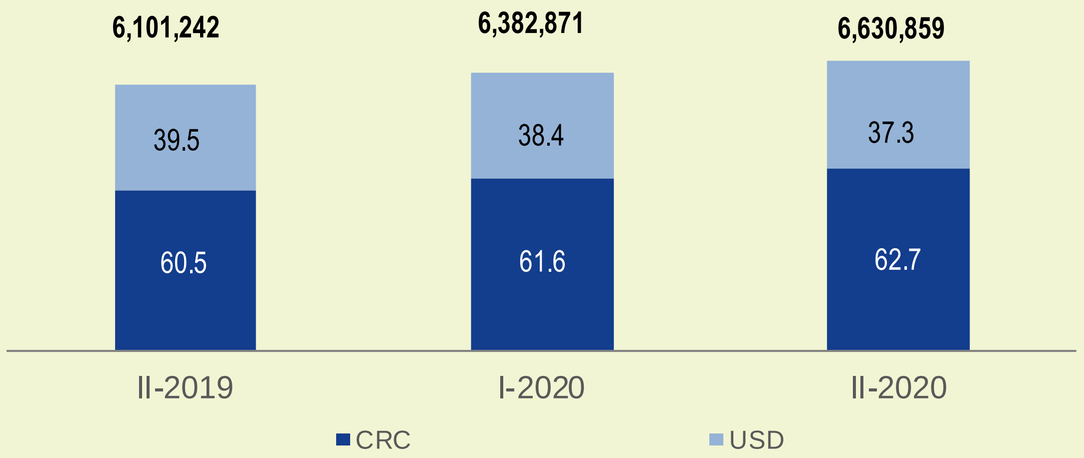
(1) NPL: credits more delay 90 days
(2) Allowances for loan impairments over NPLs

BNCR (STAND-ALONE): FUNDING STRUCTURE

By product

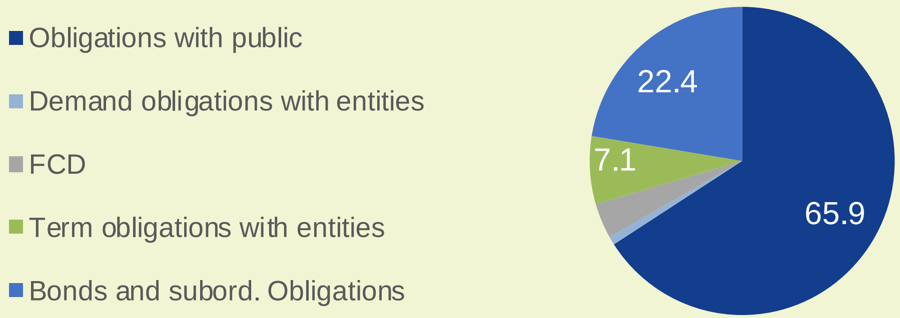


By currency



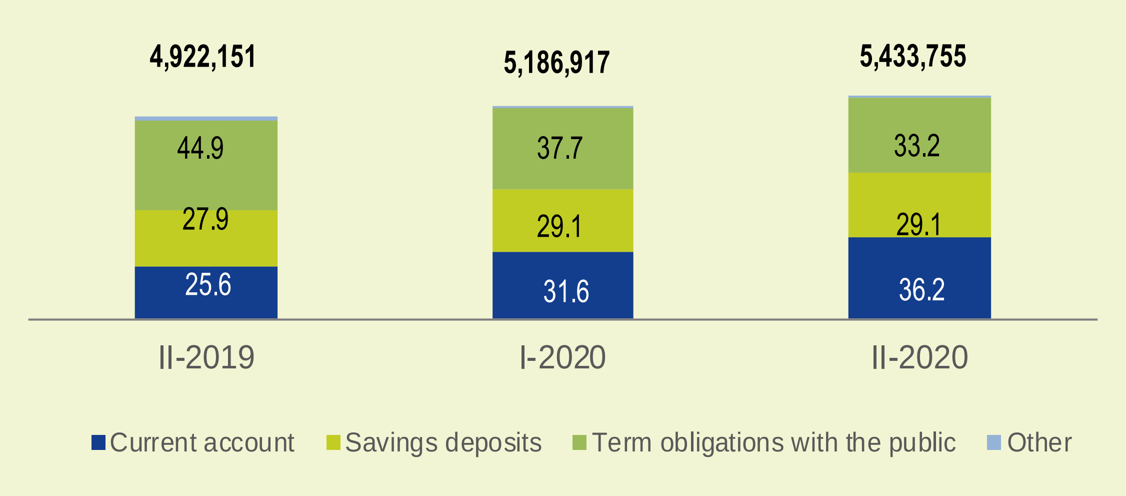
CRC

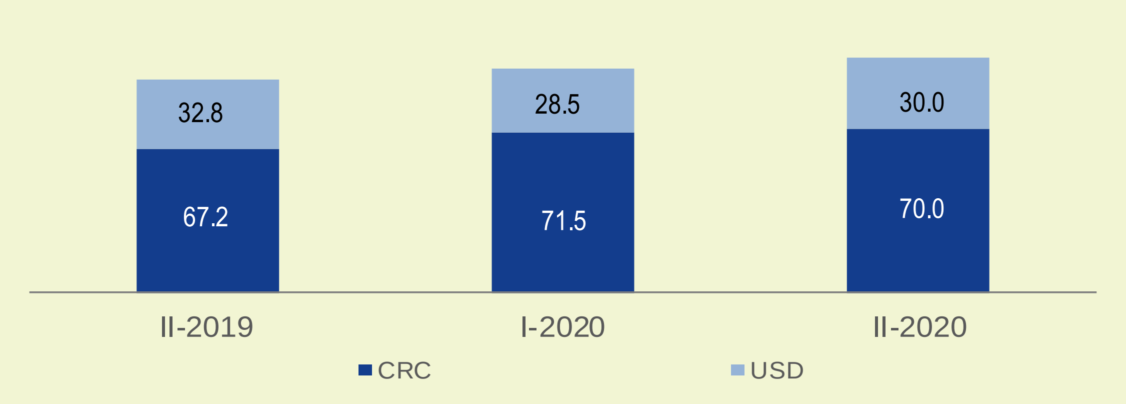
Foreign currency



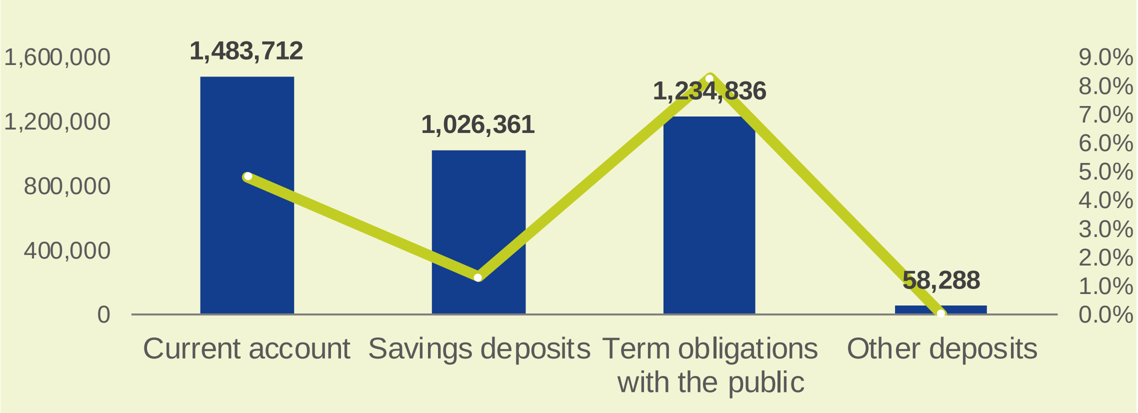
BNCR (STAND-ALONE): DEPOSIT BREAKDOWN

Structure of deposits

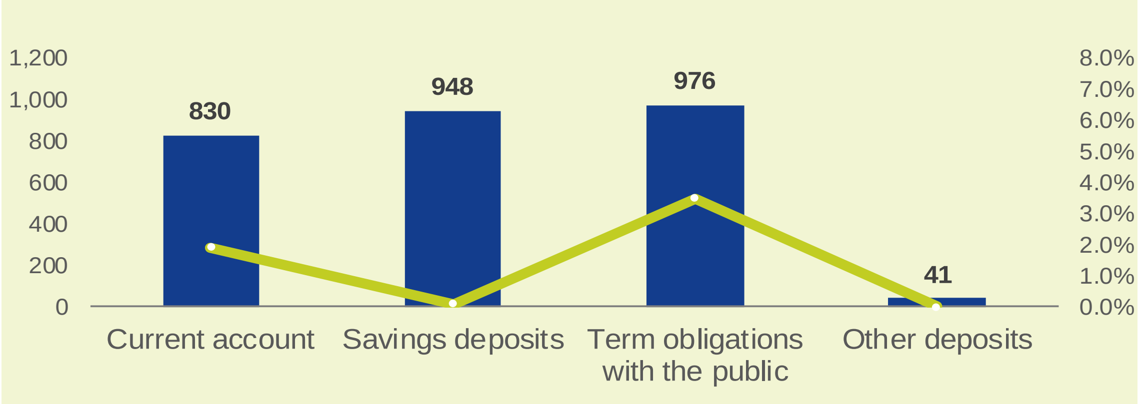




Deposits and average cost (CRC)



Deposits and average cost (other)



BNCR: OUTSTANDING DEBT

Security	Issue date	Maturity	Initial term (years)	Currency	Issued amount (million)	Outstanding amount	Interest rate
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%
BNCR5E	15-mayo-2020	15-mayo-2023	3 años	CRC	15,000 MM	8,752	6.75%
Subordinated	27-may-2014	15-nov-2023	9.6	USD	100 MM	90 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	310.2 MM	5.875
RegS / 144A	1-nov-2013	1-nov-2023	10	USD	500 MM	480.85 MM	6.25

Deuda de largo plazo (empréstitos)	MM de CRC	Tasa	MM de USD	Tasa
Local	31,463	3.74%		
Internacional			226.49	4.98%
Total	**31,463**	**3.74%**	**226.49**	**4.98%**

CREDIT RATINGS

Local

BNCR	Fitch
Last	May-20

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

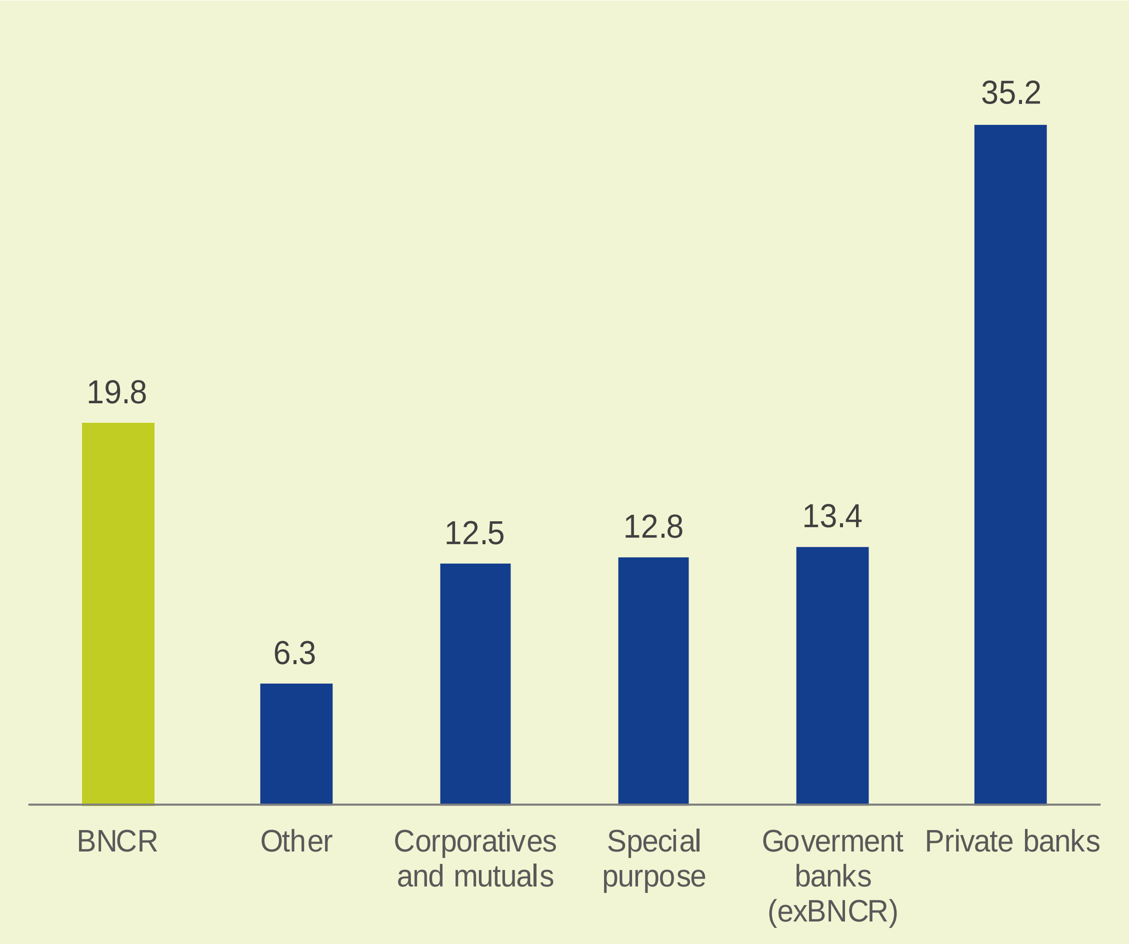
Short term debt	Fitch
Short term deposits	F1+
Certificates of deposits	F1+

International

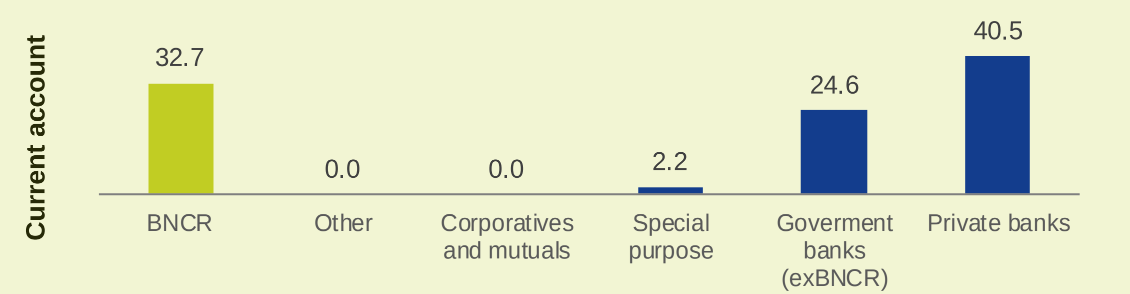
BNCR	Fitch	Moody's
Last	May-20	Jun-20
Outlook	Neg	Neg
Stand alone rating foreign currency	B	B1

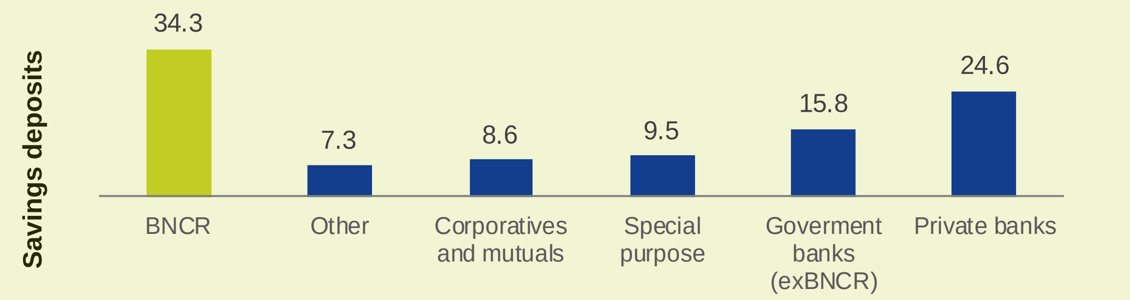
MARKET SHARE

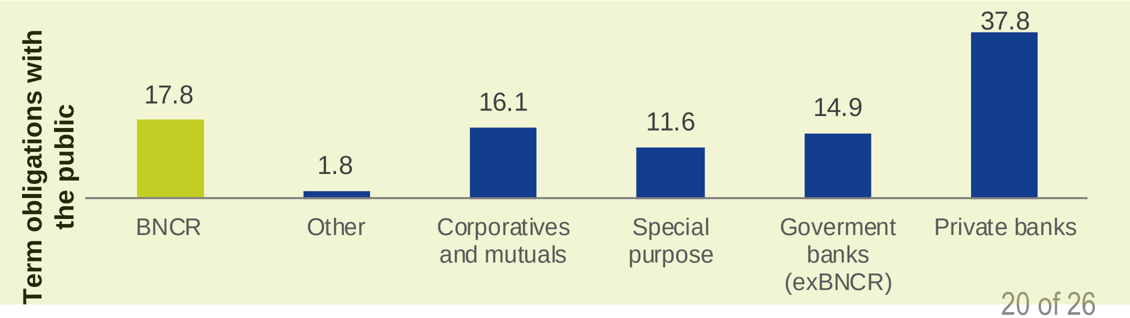
Credit



Deposits

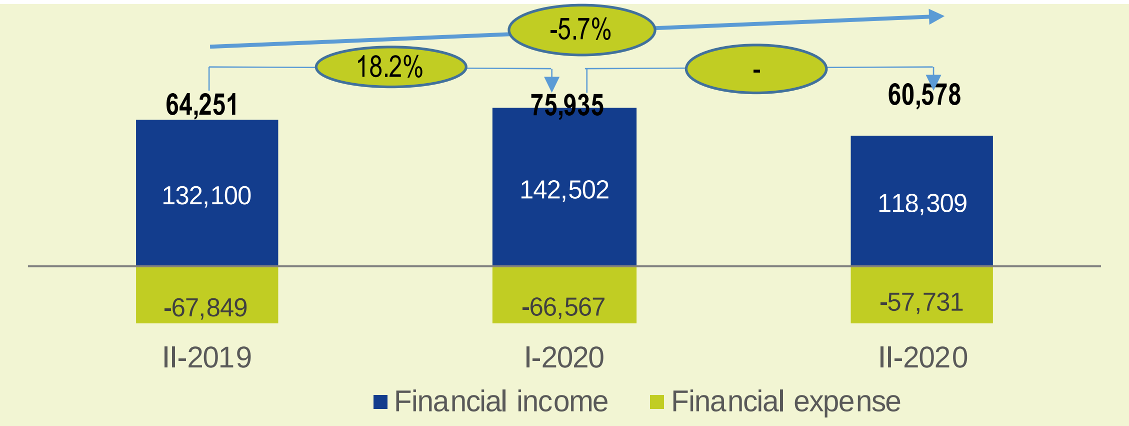




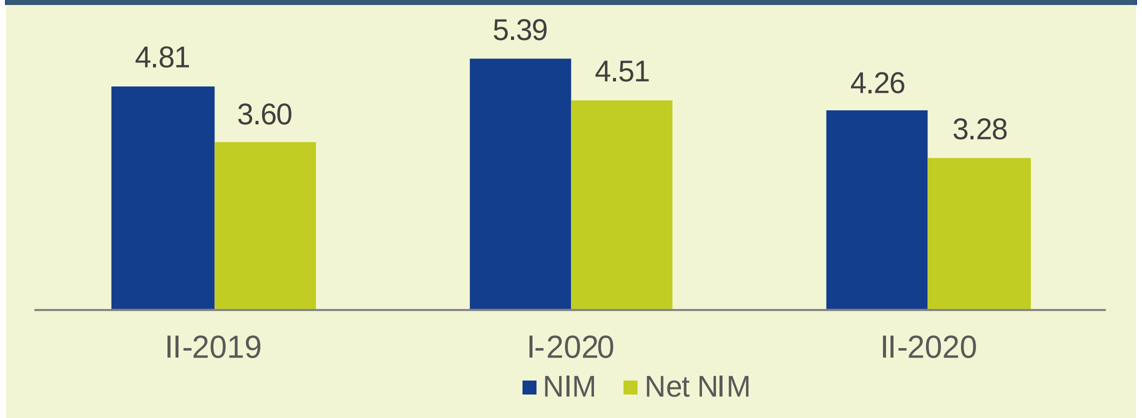


FINANCIAL PERFORMANCE (ANNUAL)

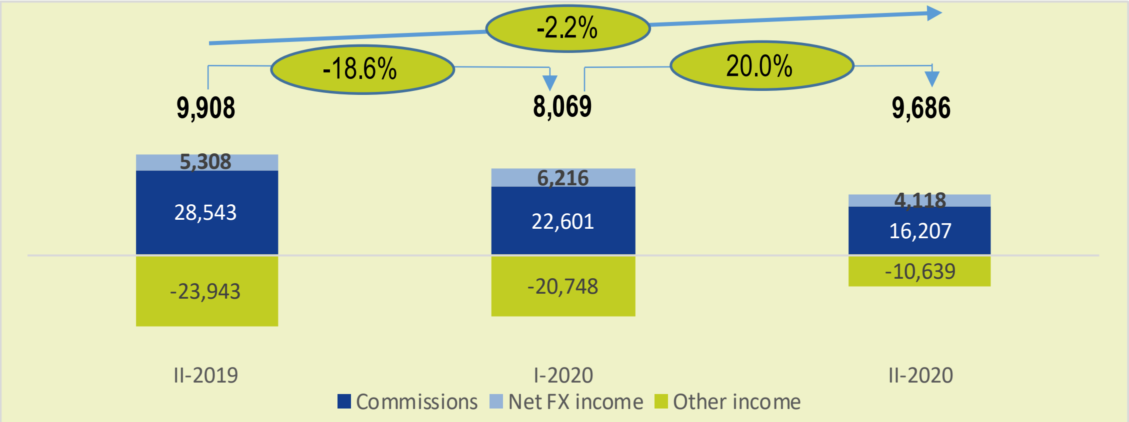
Financial income (million CRC)



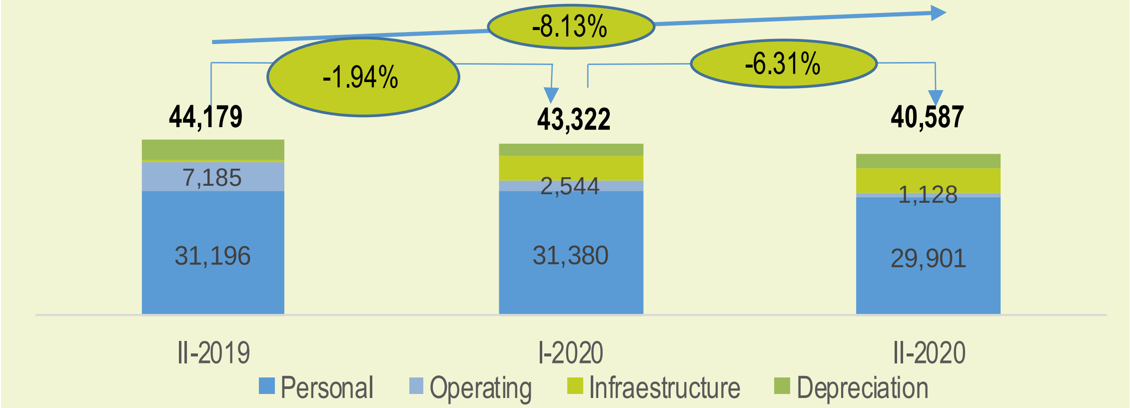
NIM



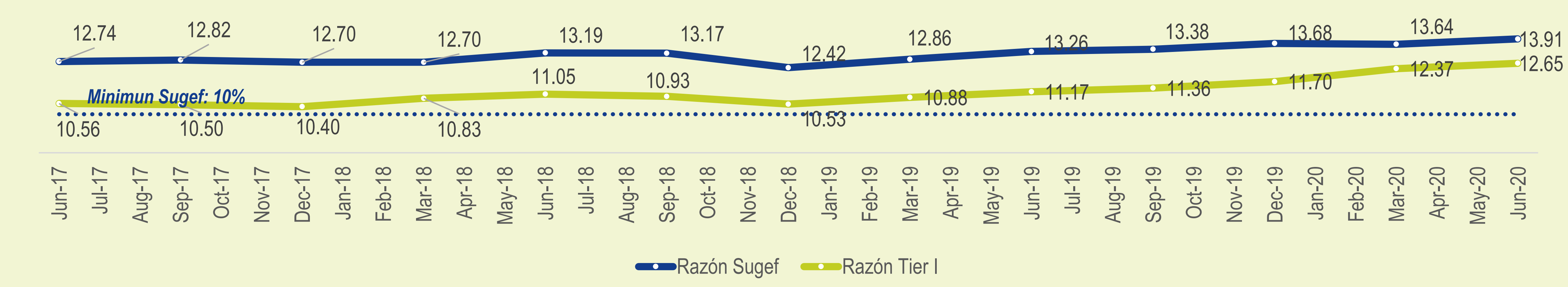
Fee income (million CRC)



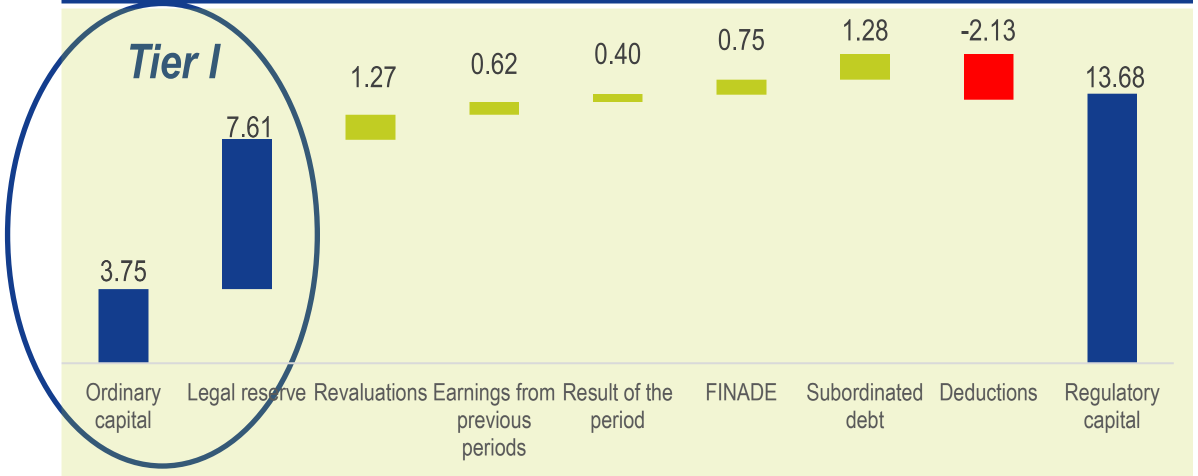
Operational expenditure (million CRC)



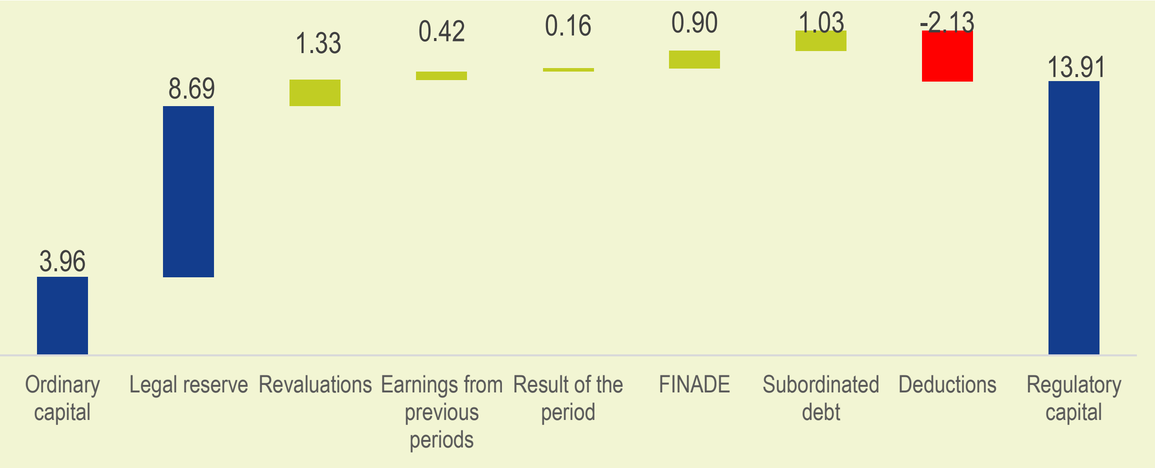
CAPITALIZATION



ISP composition (Dec-19)

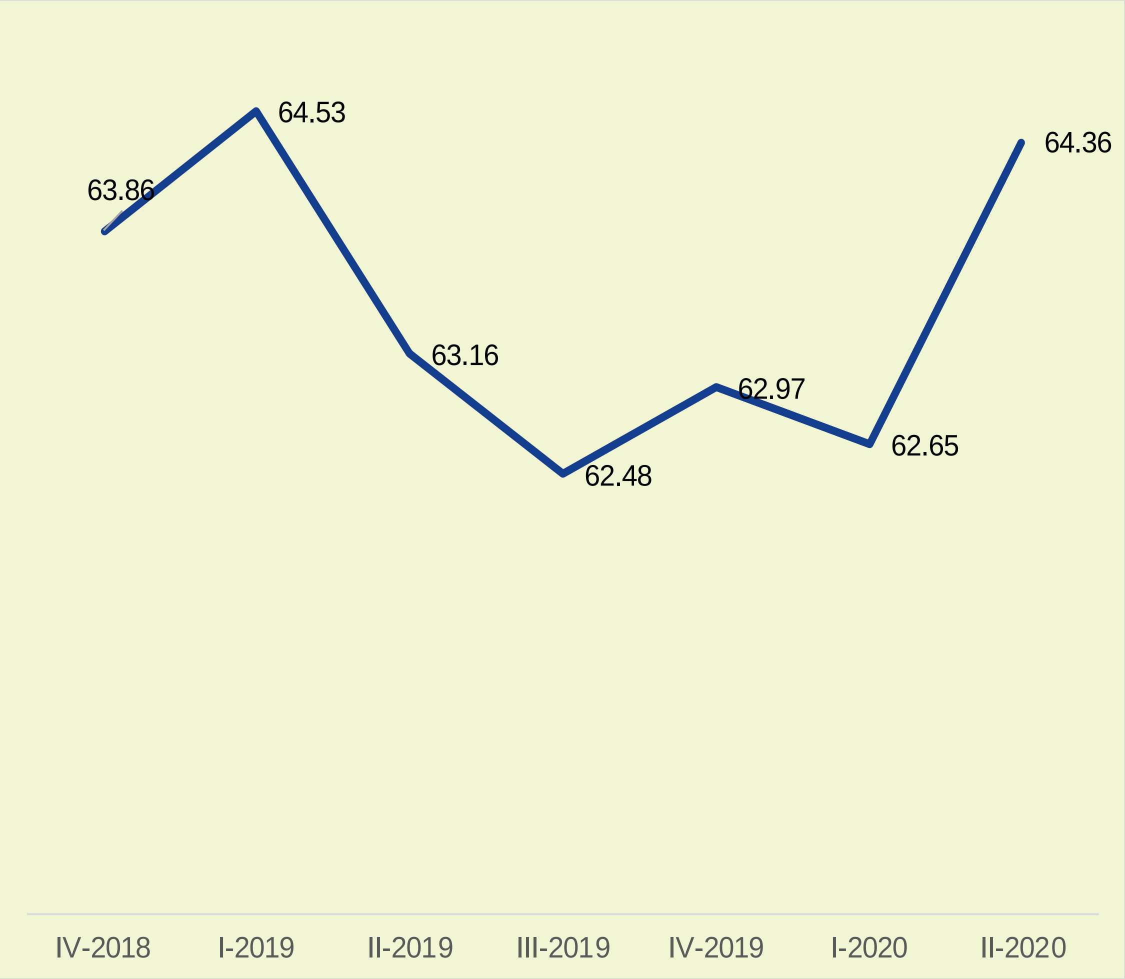


ISP composition (June-20)

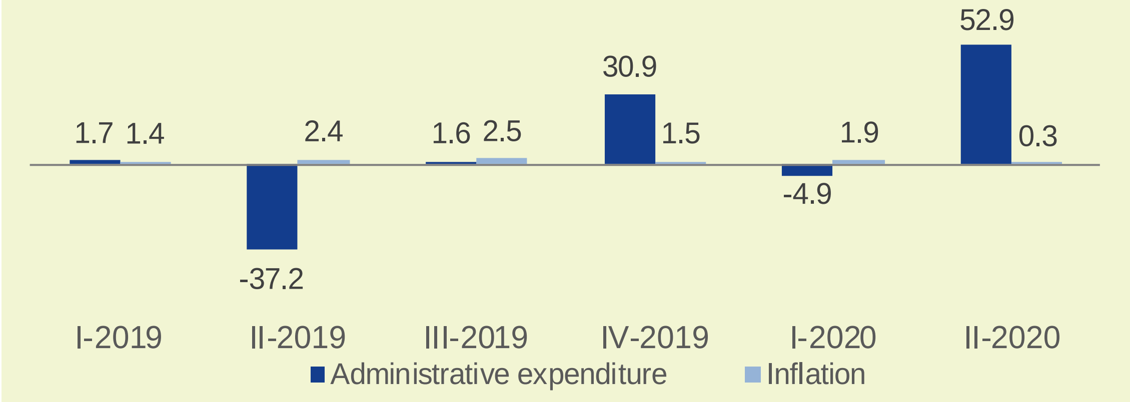


EFFICIENCY

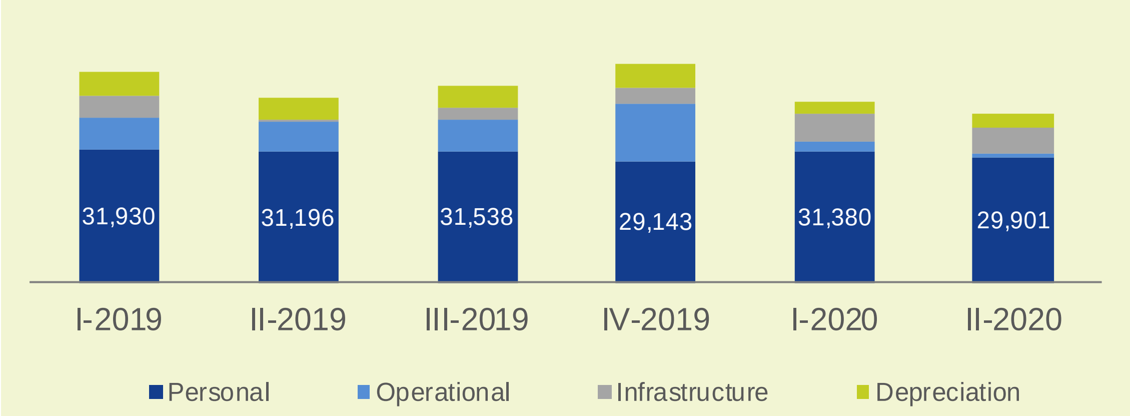
Efficiency ratio



Administrative expenditure (YoY growth, %)

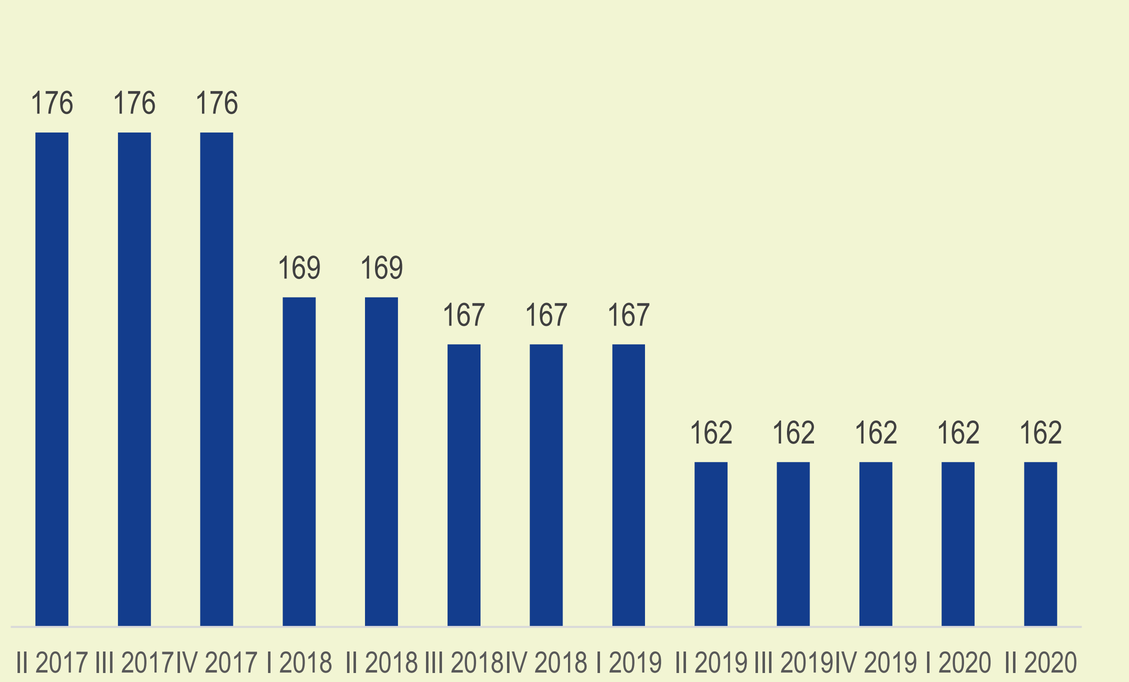


Administrative expenditure breakdown (million CRC)

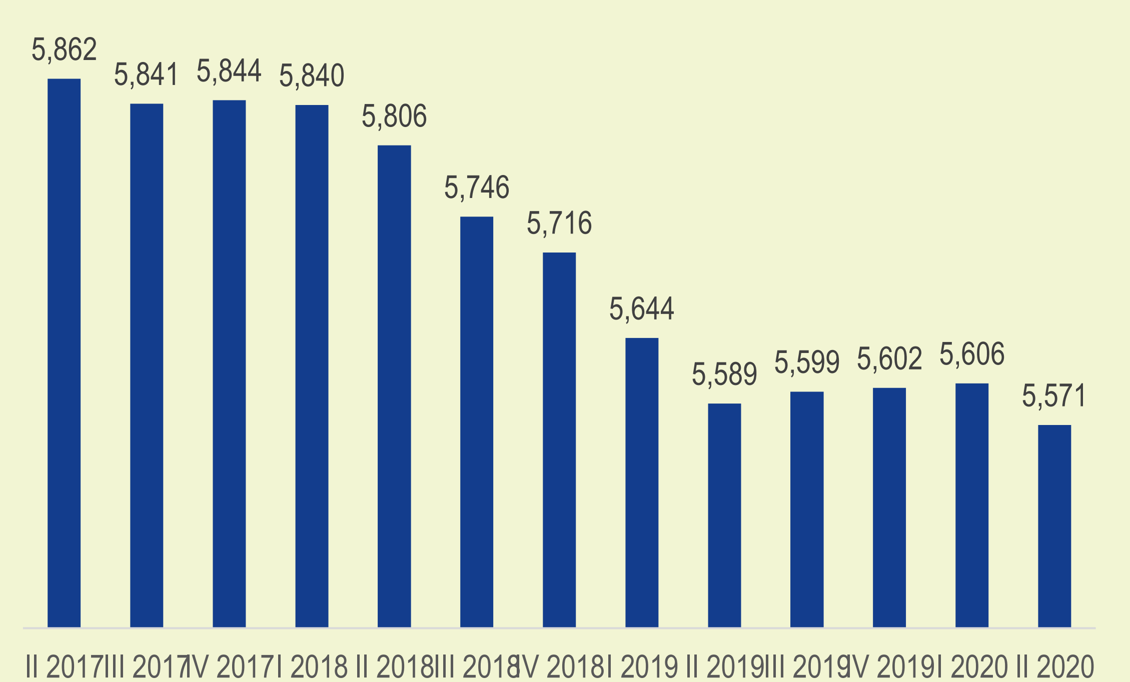


BRANCHES AND PAYROLL

Branches(1)



Payroll(1)



As of June 30 2020, the Bank has 162 offices, 473 automated taller machines, and a total of 5,571 employees (2019: 167 offices, 470 automated taller machines, and 5,644 employees). Employees are distributed as follows: Banco Nacional de Costa Rica – 5,168 employees (2019: 5,215); BN Valores Puesto de Bolsa, S.A. -69 employees (2019:70); BN Vital Operadora de Planes de Pensiones Complementarias S.A.-183 employees (2019:188); BN Sociedad Administradora de Fondos de Inversión, S.A.- 88 employees (2019:78); and BN Corredora de Seguros, S.A.-103 employees (2019:93). The Bank's website is www.bncr.fi.cr.

(1) Includes all BNCR Group