BANCO NACIONAL

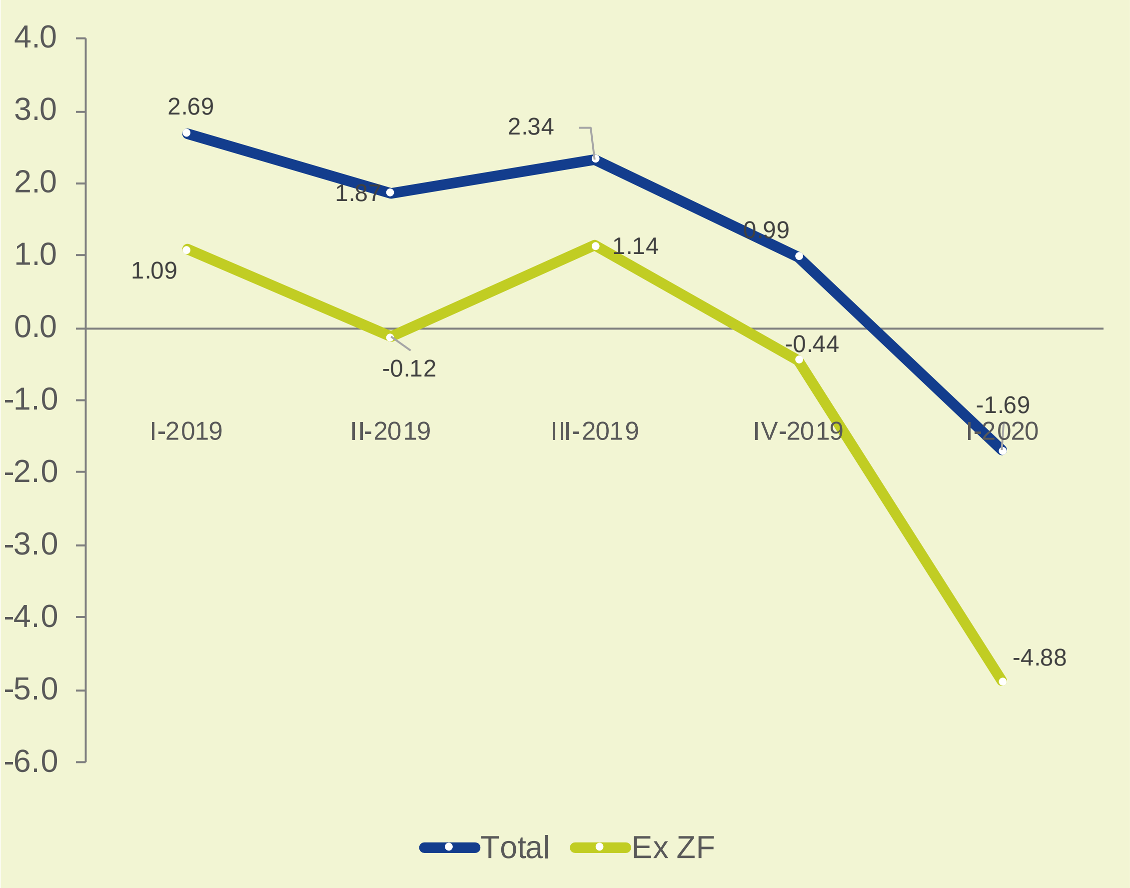
INVESTORS REPORT

FIRST QUARTER, 2020

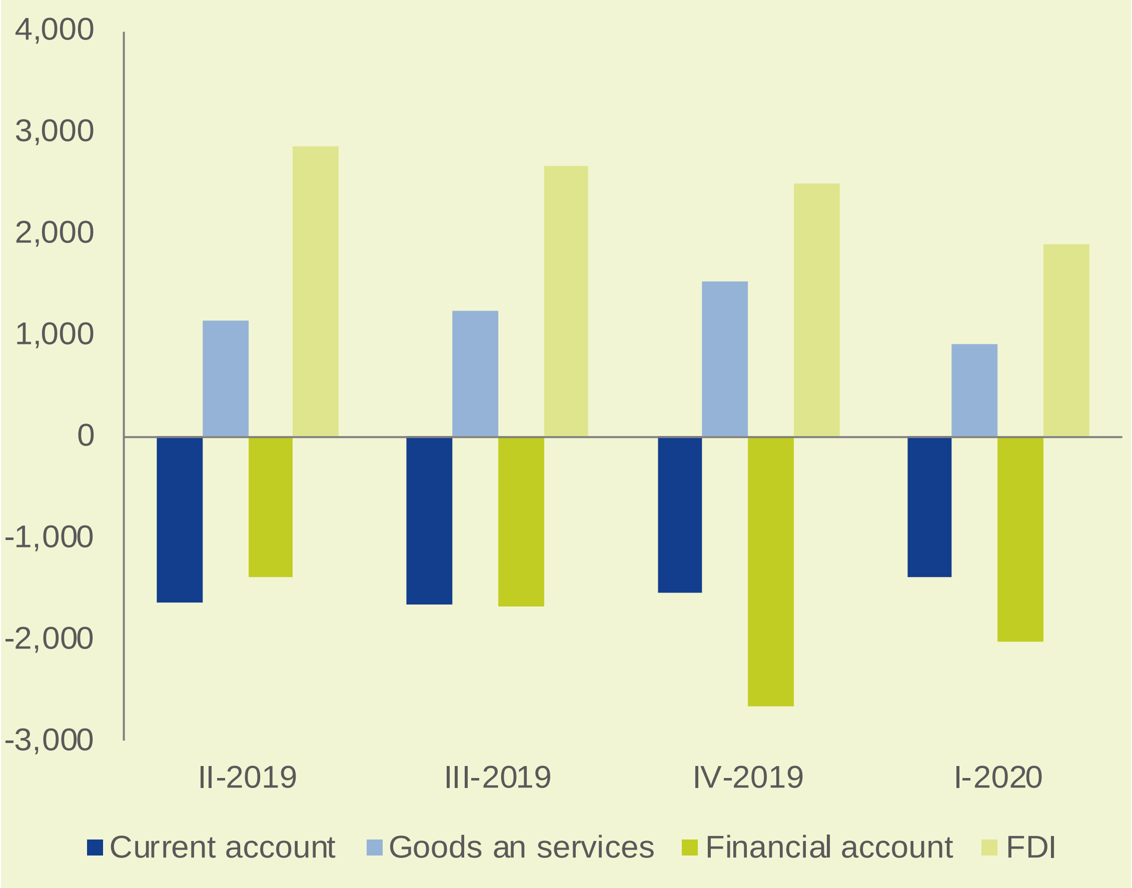
Juntos somos
Progreso

COSTA RICA: ECONOMIC ACTIVITY

IMAE(1) (YoY variation, %)



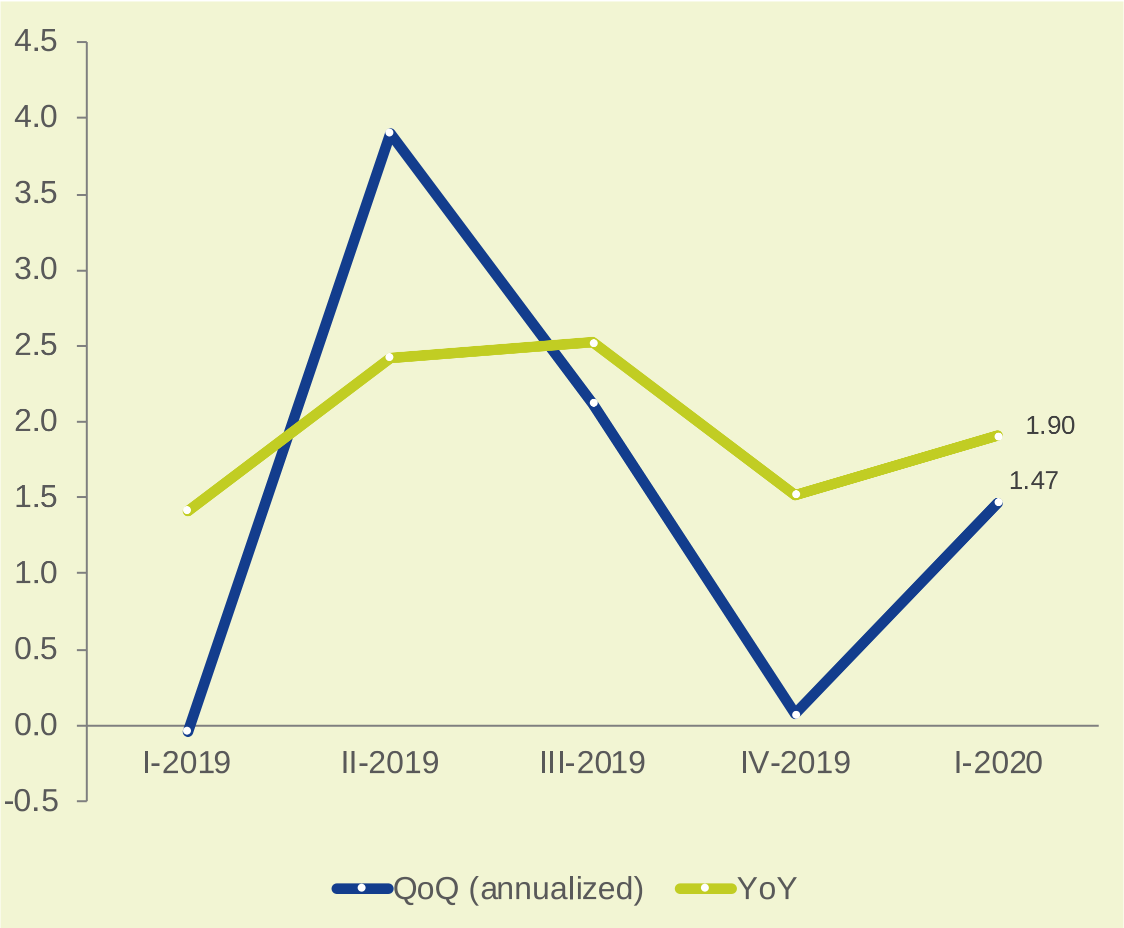
Balance of Payments (last year, million USD)



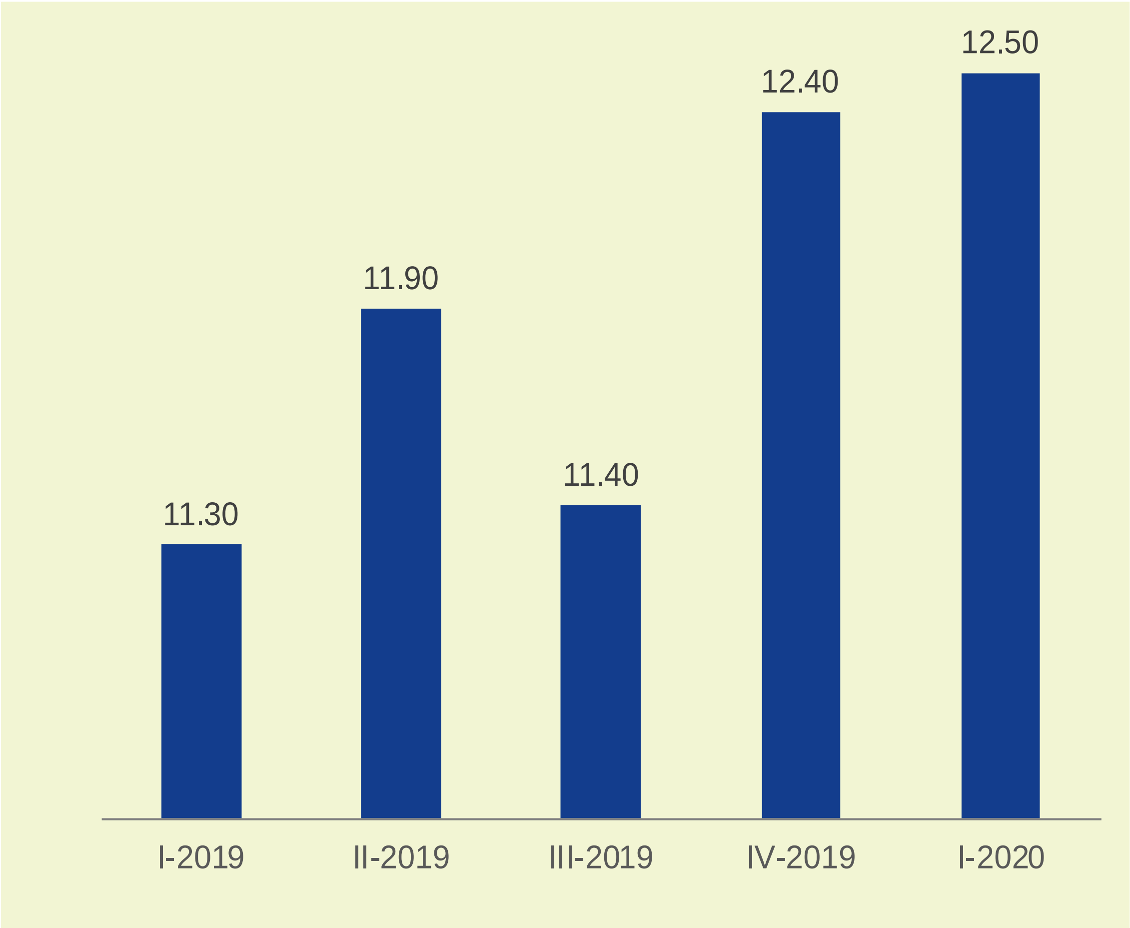
(1) IMAE stands for Índice Mensual de Actividad Económica, it is a gauge of economic activity computed by the Central Bank

COSTA RICA: INFLATION AND UNEMPLOYMENT

Consumer Price index (CPI)



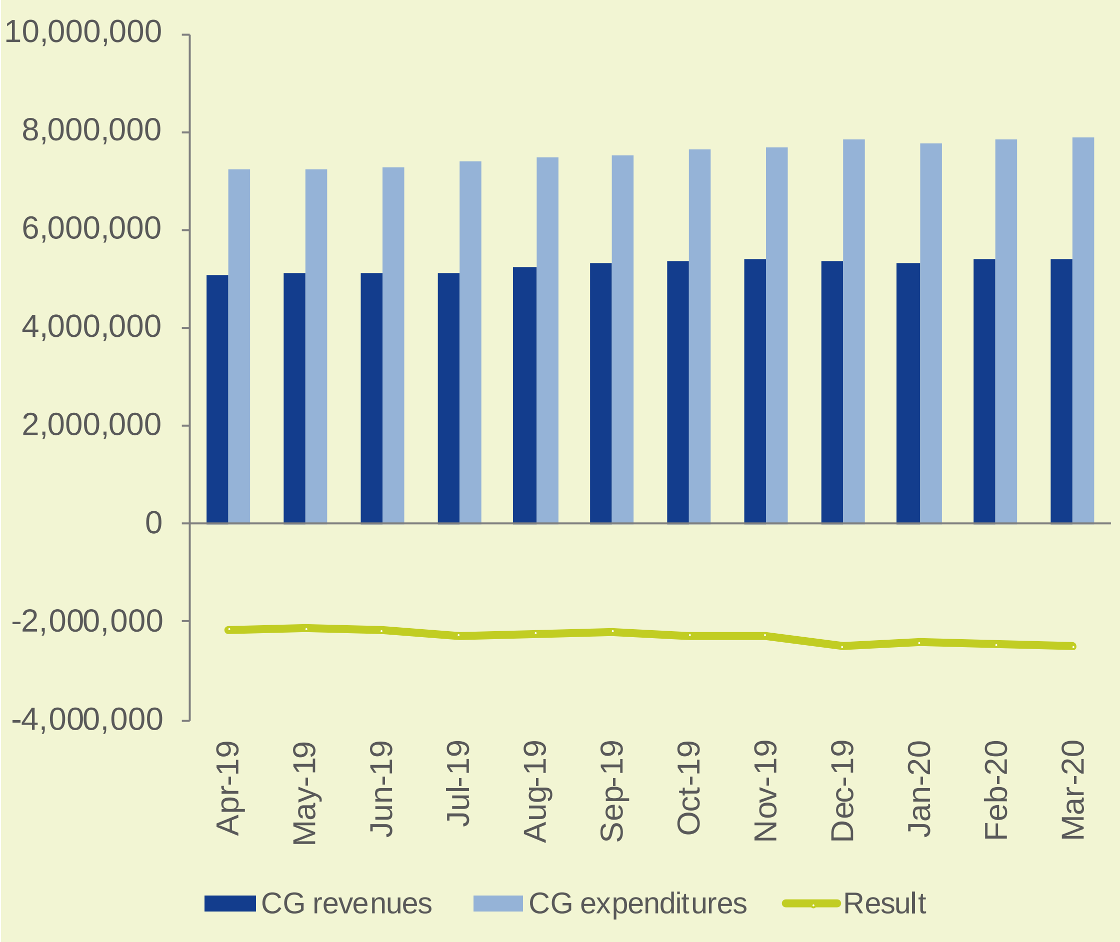
Unemployment



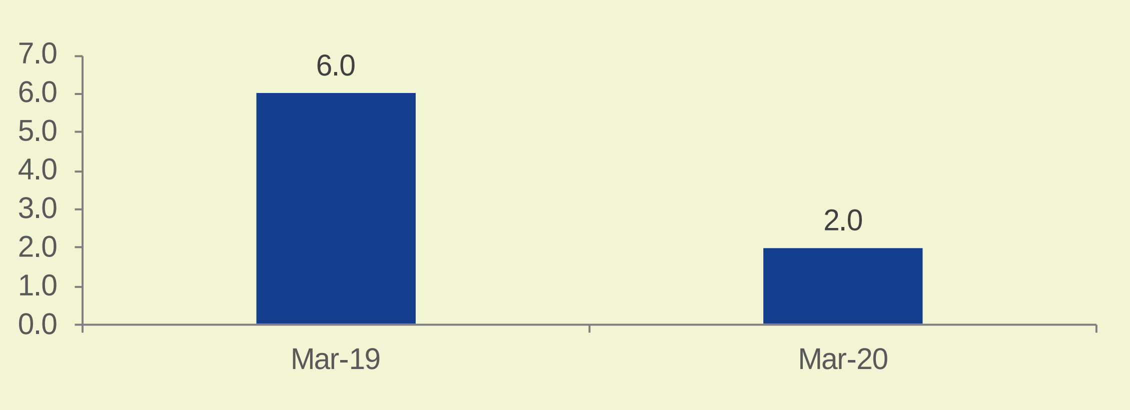
Source: Banco Central de Costa Rica e Instituto Nacional de Estadística y Censos (INEC)

COSTA RICA: FISCAL PERFORMANCE

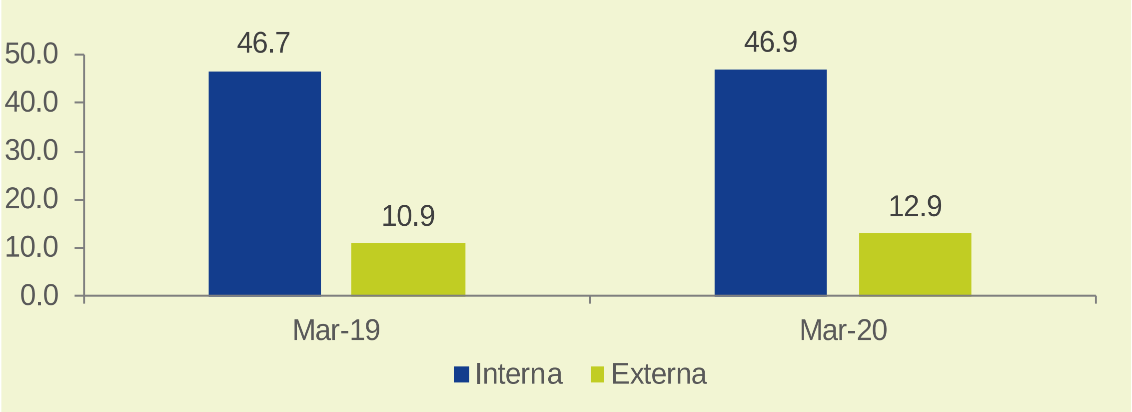
Central government: revenues and expenditures (last year, million CRC)



Central Government Deficit / GDP (%)



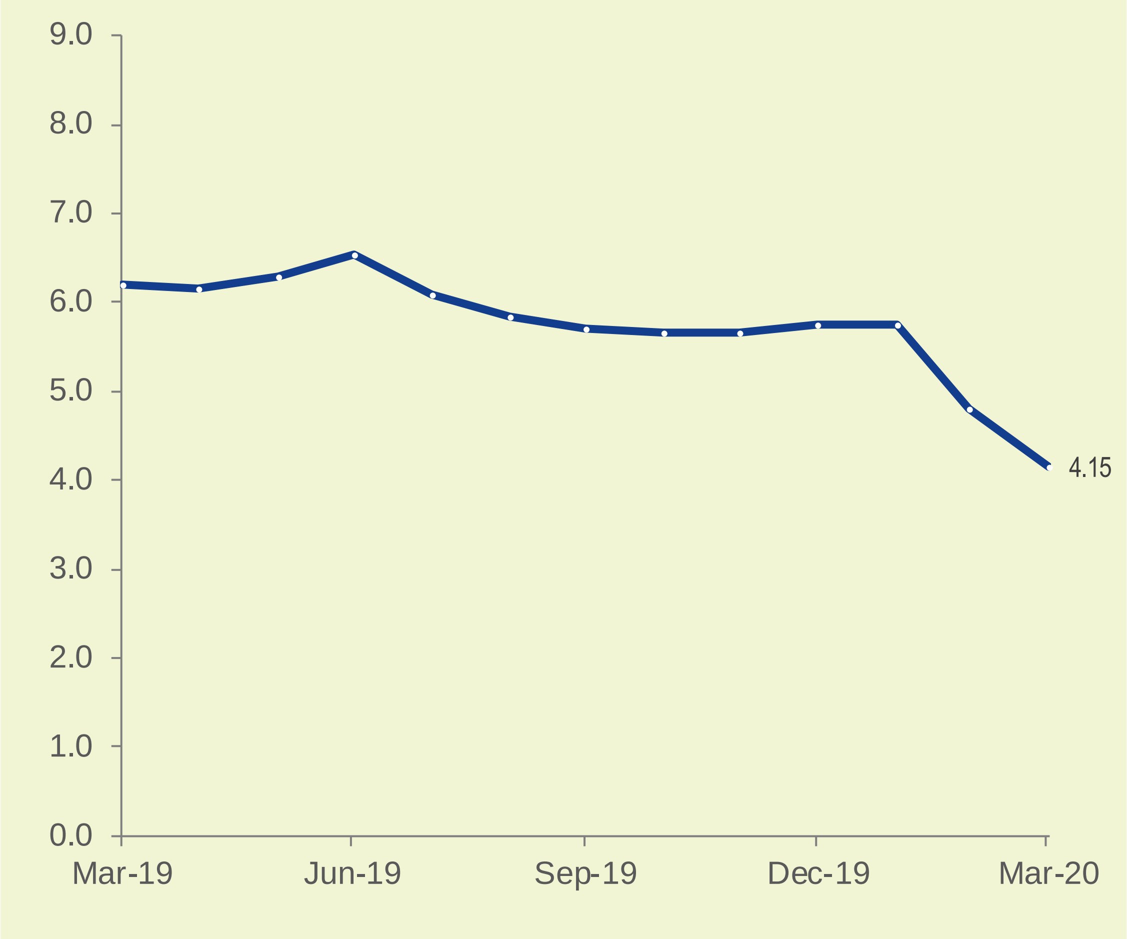
Central Government Debt/ GDP (%)



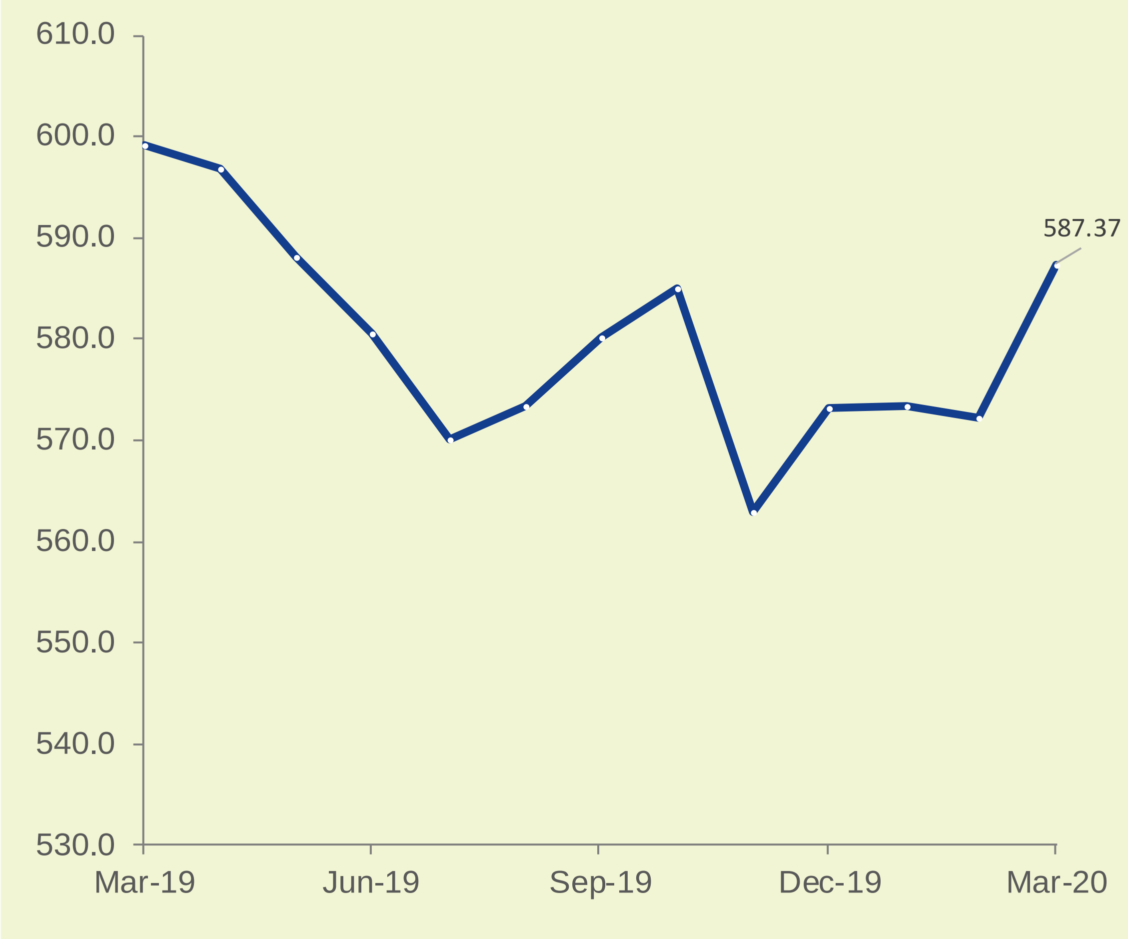
Source: Costa Rica Ministry of Finance

COSTA RICA: INTEREST AND EXCHANGE RATES

Tasa básica pasiva



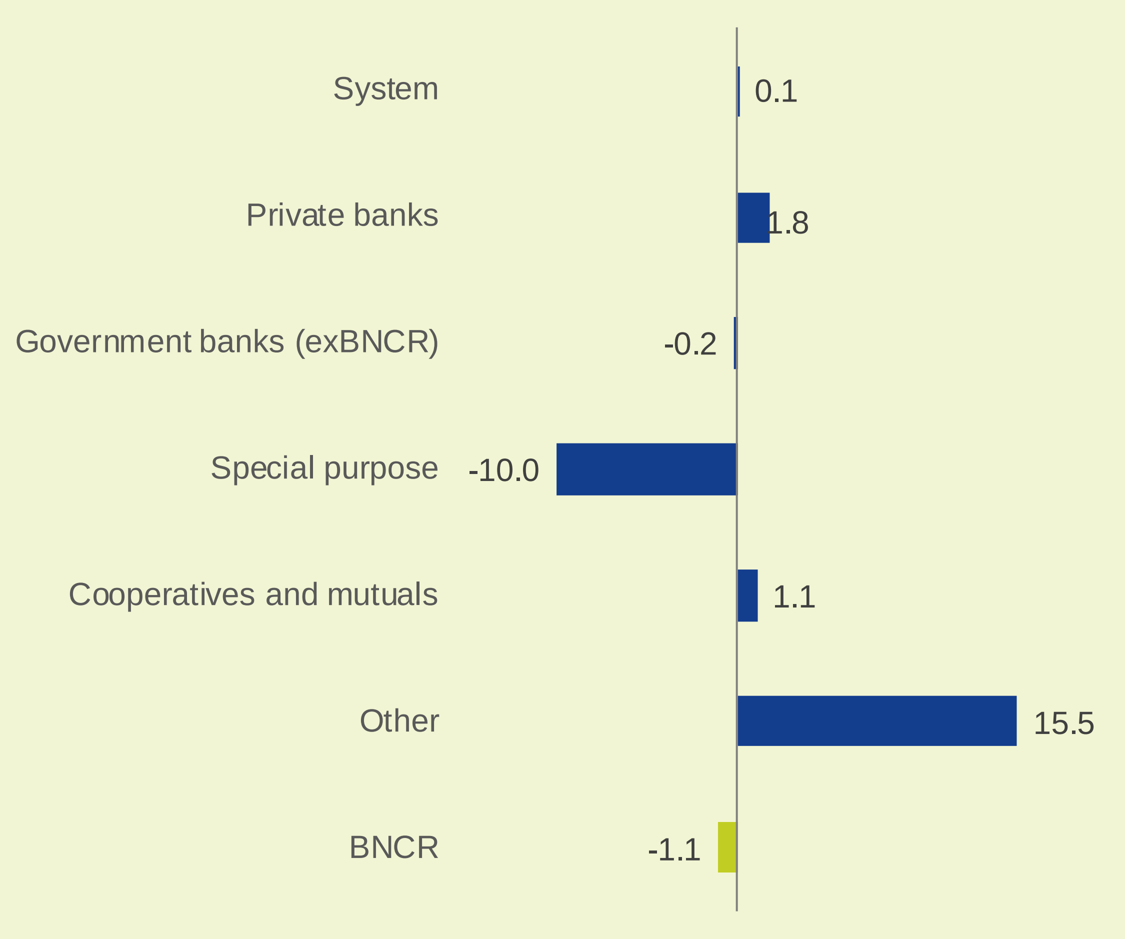
Average exchange rate USDCRC (Monex)



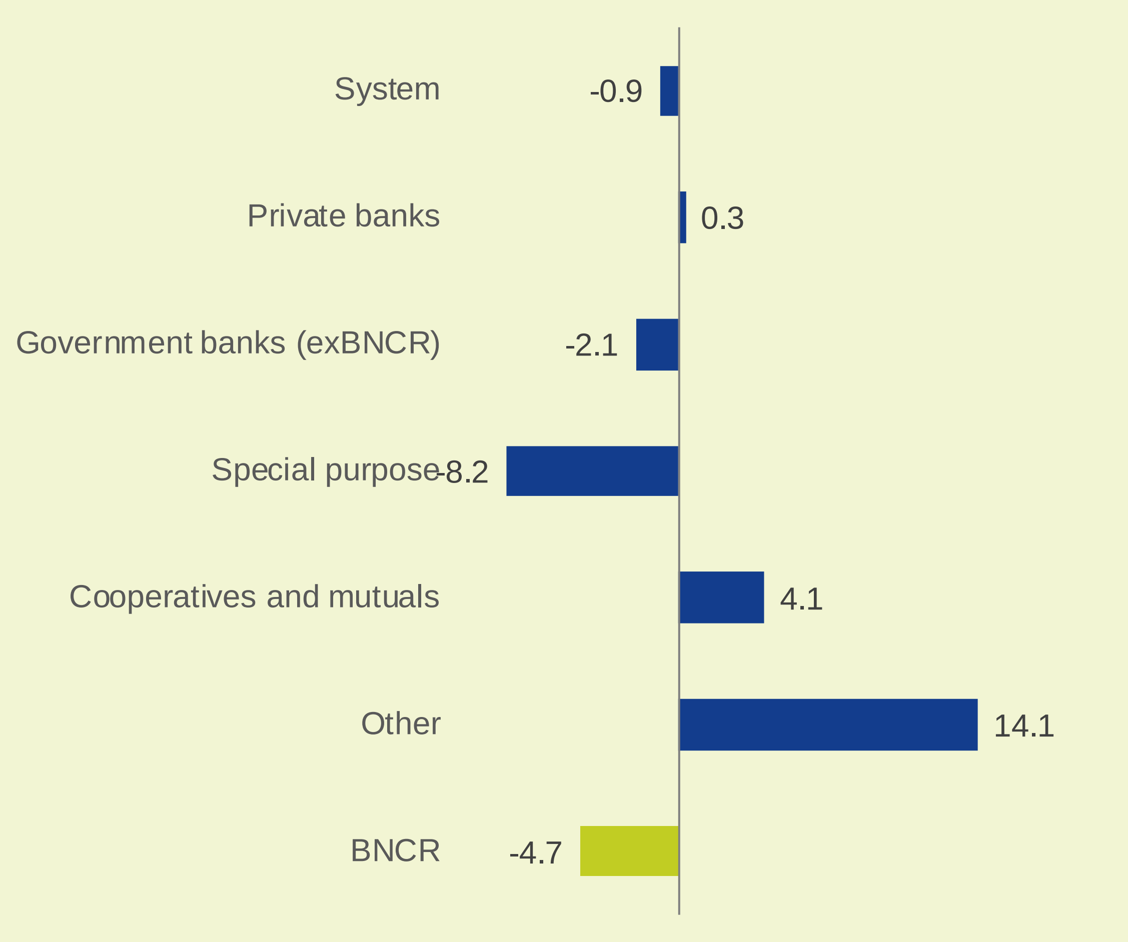
Source: Banco Central de Costa Rica

Bank system: credit (gross)

Quarterly growth (1Q 2020)

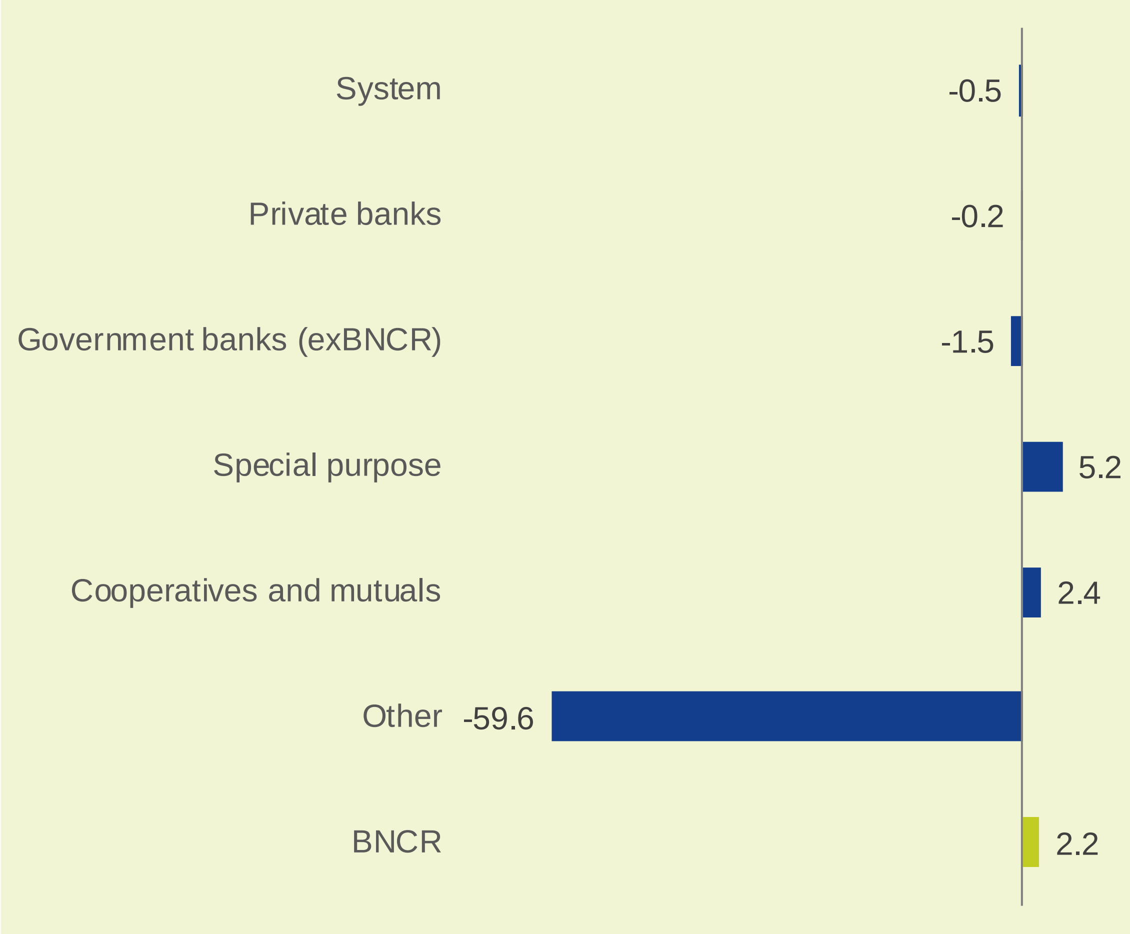


Year growth (1Q 2020)

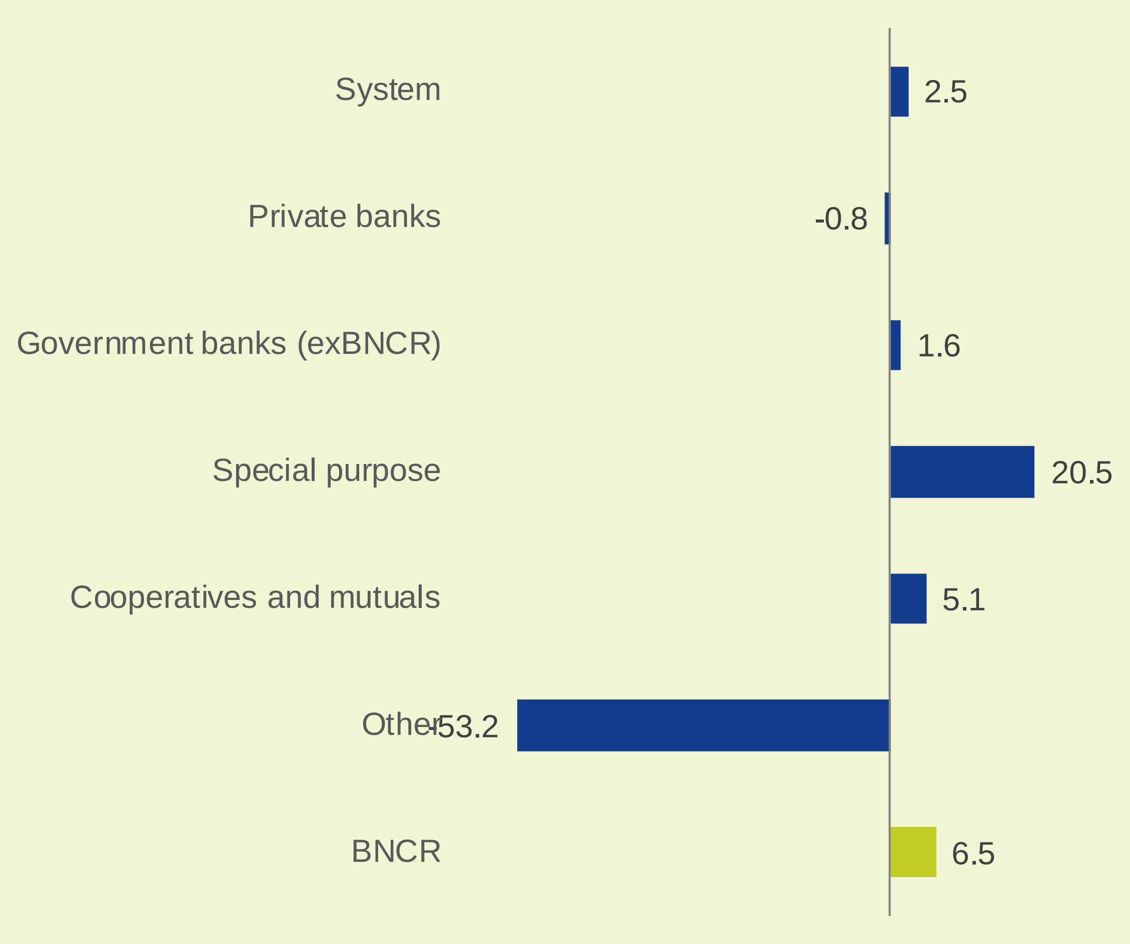


Bank System: deposits

Quarterly growth (1Q 2020)



Year growth (1Q 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
Ruth Alfaro Jara
María Magdalena Rojas Figueredo
Mario Carazo Zeledón

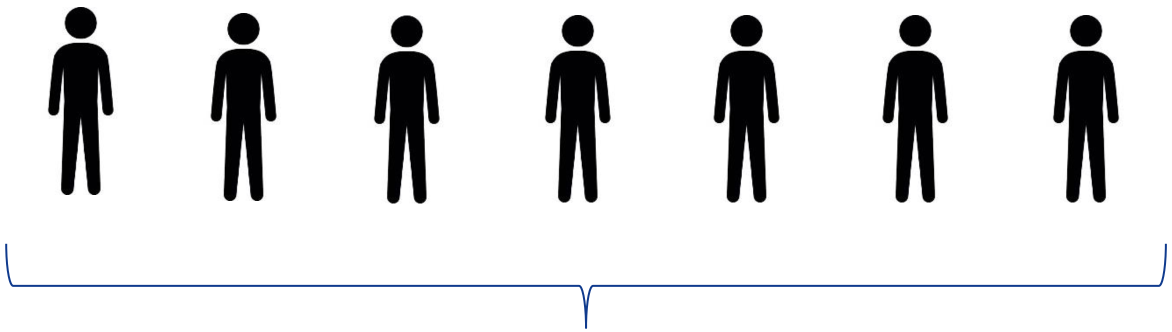
Internal and external independent auditors

Chief Executive Officer

Gustavo Vargas Fernández

Officers and Support Committees

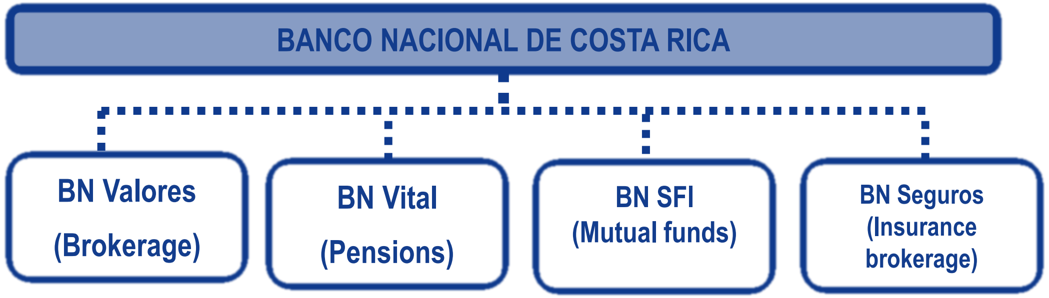
Independent Board of Directors



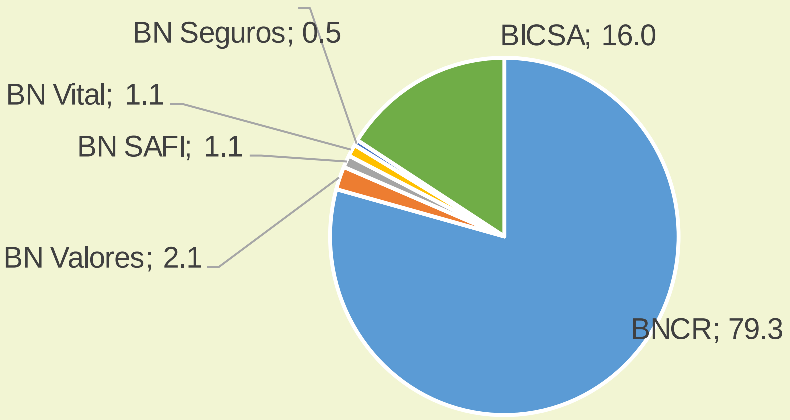
100% independent

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

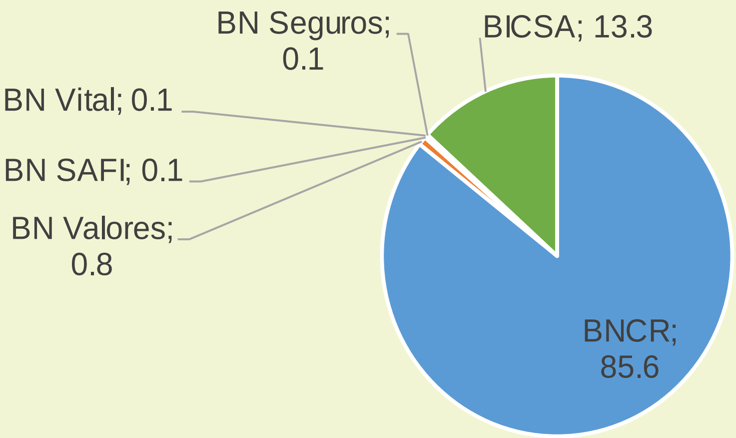
CORPORATE GOVERNANCE (CONT.)



Equity (March-20)



Assets (March-20)



BNCR owns a 49% stake in BICSA

Total assets and equity of BNCR Group amount CRC 7,287,597 million and equity CRC 738,822 million (excluding BICSA)

BNCR: INVESTMENT HIGHLIGHTS (1Q 2020)

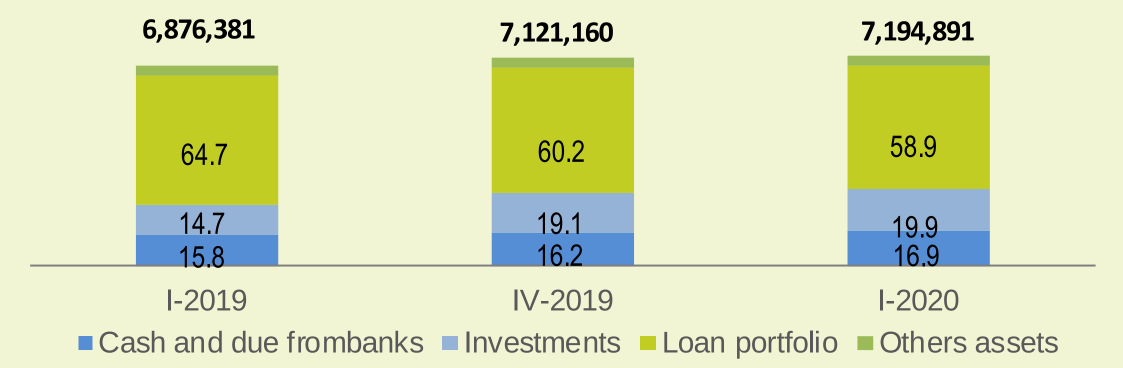
Profitability	Net income	CRC 4,689 million	↘	11.3% QoQ	↘	34.8% YoY
	ROAE	2.64 %	↘	44 b.p QoQ	↘	175 b.p YoY
	ROAA	0.26 %	↘	4 b.p QoQ	↘	15 b.p YoY
Credit	Loan portfolio	CRC 4,241,118 million	↘	1.05% QoQ	↘	4.72% YoY
	Provisions	CRC 15,943 million	↗	12.96% QoQ	↗	30.97% YoY
	Cost of risk (1)	1.50 %	↘	19 b.p QoQ	↘	42 b.p YoY
NII and NIM	Net Financial income	CRC 63,424 million	↗	19.47% QoQ	↗	11.04% YoY
	NIM	5.39 %	↗	68.8 b.p QoQ	↗	41 b.p YoY
	NIM neto (2)	4.51 %	↗	63 b.p QoQ	↗	28 b.p YoY
Efficiency	Efficiency ratio (3)	62.65 %	↘	32 b.p QoQ	↘	188 b.p YoY
Capital	ISP (4)	13.64 %	↘	4 b.p QoQ	↗	78 b.p YoY

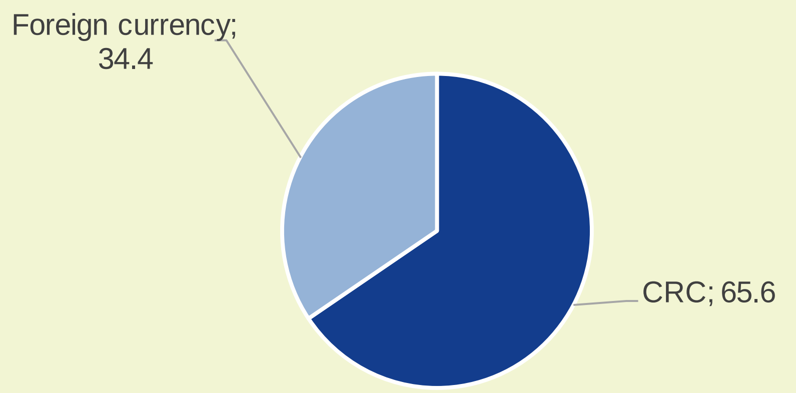
(1) Cost of risk: annualized provisions for loan loses on average gross loans.
(2) After allowances for impairment and recovery of assets and decrease in allowances
(3) Administrative expenditure on gross operational income.
(4) Regulatory Capital Adequacy Ratio

Juntos somos Progreso

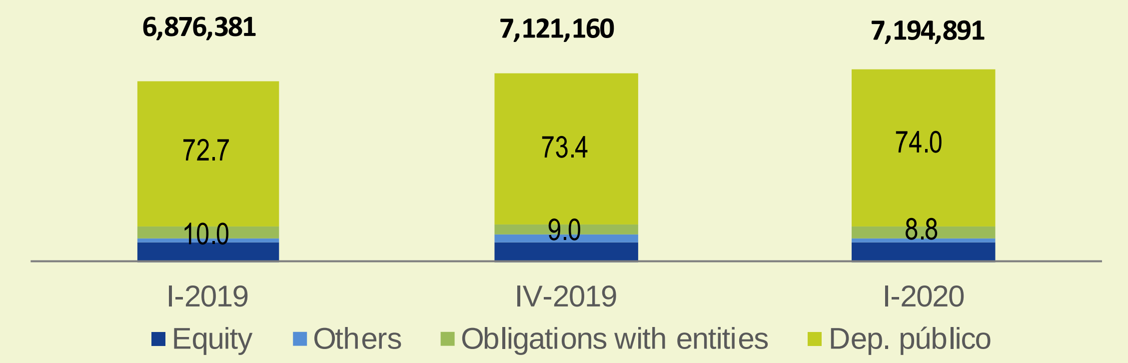
BNCR (STAND-ALONE): BALANCE SHEET BREAKDOWN

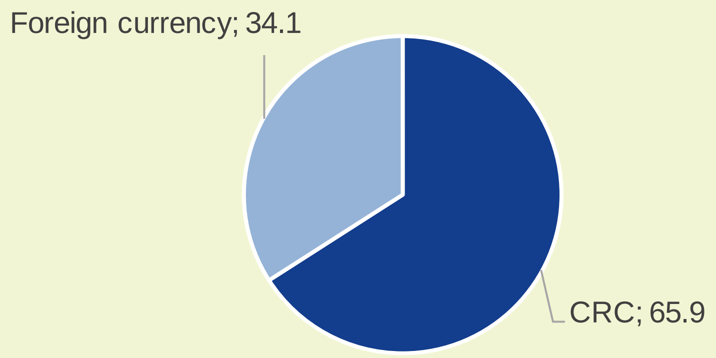
Assets (million CRC)





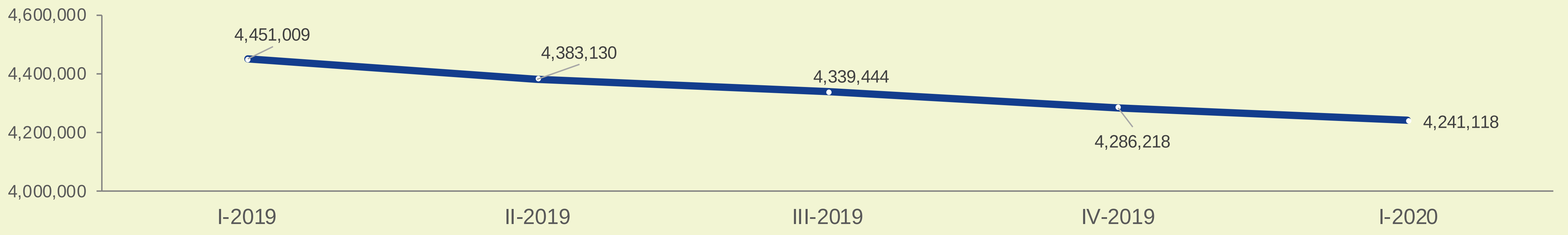
Liabilities and Equity (million CRC)



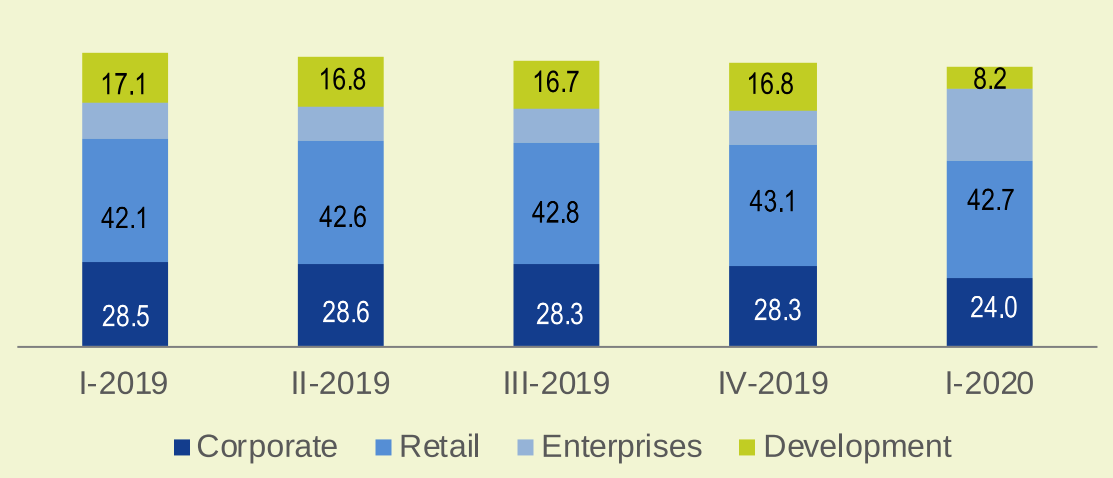


BNCR (STAND-ALONE): LOAN PORFOLIO

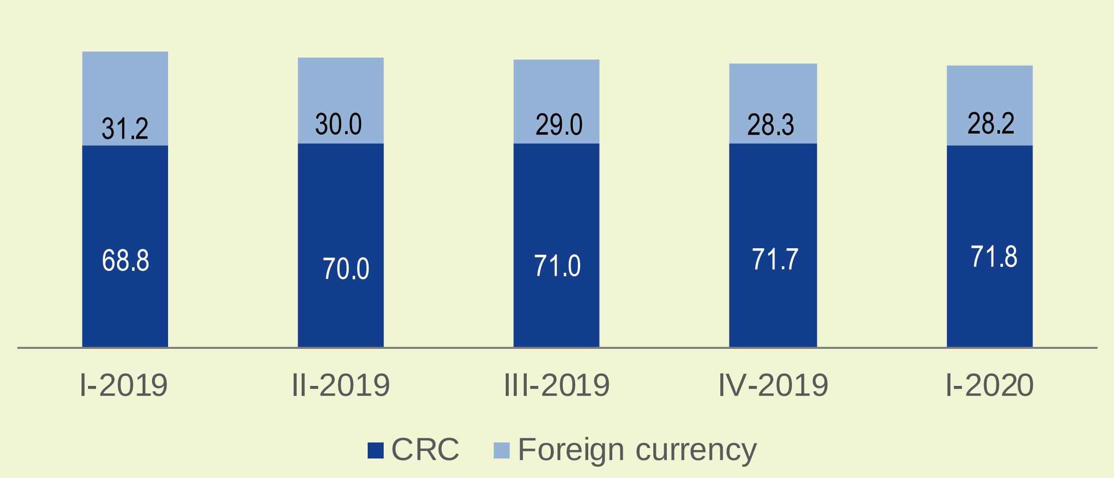
Loan portfolio gross (million CRC)



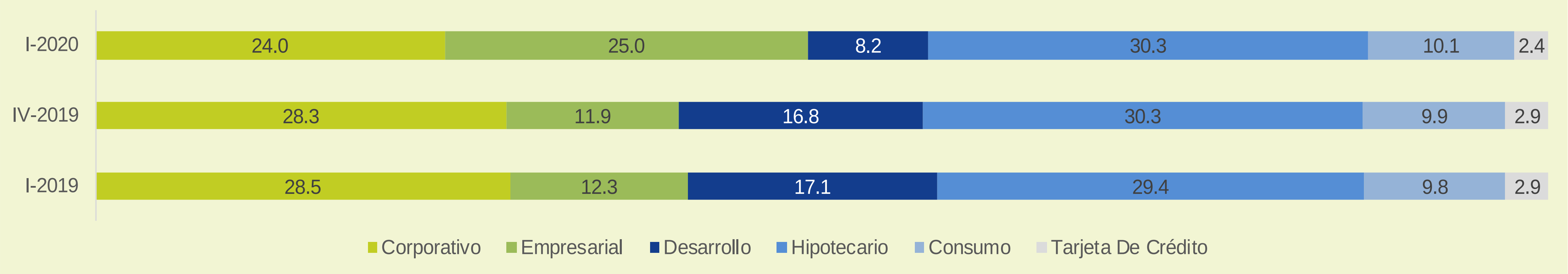
Portfolio composition (%)



Loan portfolio by currency (%)



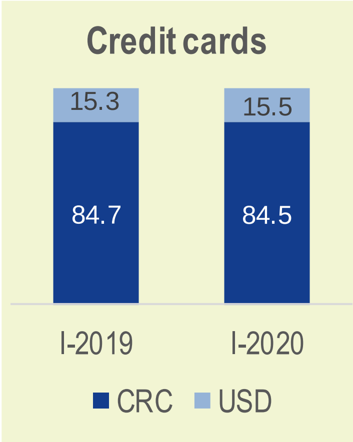
BNCR (STAND-ALONE): LOAN PORTFOLIO BY SEGMENT

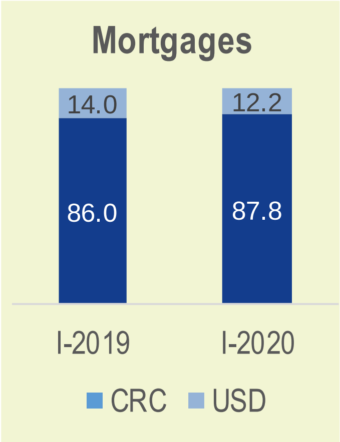


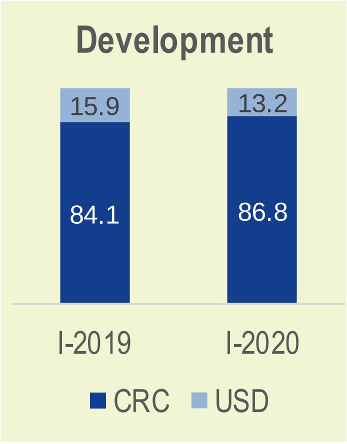
Loans million CRC	As of the end of I-2019	IV-2019	I-2020	% Part. 1T 2020	% nominal change QoQ	YoY	% real change QoQ	YoY
Corporate	1,269,651	1,211,766	1,248,237	29.4	3.0	-1.7	2.6	-3.5
Development								
Enterprises	545,611	508,605	1,061,289	25.0	108.7	94.5	107.9	90.9
MSE	761,272	718,972	111,265	2.6	-84.5	-85.4	-84.6	-85.7
Personas								
Retail	1,308,792	1,298,363	1,283,730	30.3	-1.1	-1.9	-1.5	-3.7
Credit cards	131,148	126,199	110,139	2.6	-12.7	-16.0	-13.0	-17.6
Consumer	434,536	422,312	426,458	10.1	1.0	-1.9	0.6	-3.7
Total	**4,451,009**	**4,286,218**	**4,241,118**	**100.0**	**-1.1**	**-4.7**	**-1.4**	**-6.5**

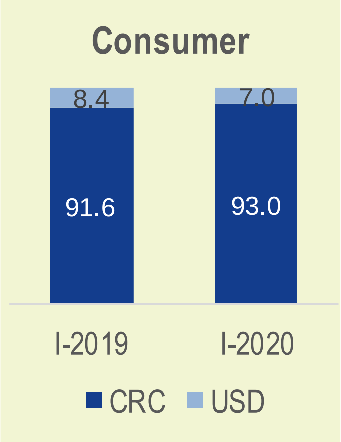
Due to the adjustment in the accounting catalog, according to the Financial Information Regulation (RIF), a change is reflected in the categories of the portfolio.
The Medium Business portfolio was in the Development category, this portfolio is transferred to Business.
The Development portfolio now only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

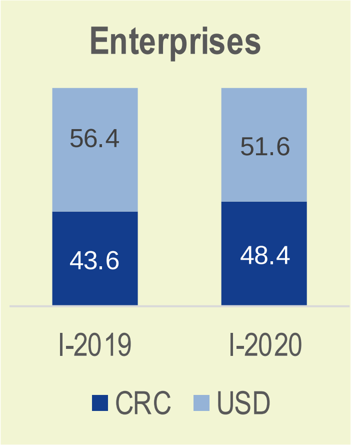
BNCR (STAND-ALONE): LOAN PORTFOLIO BY SEGMENT











Loans million CRC	Local currency (million CRC)					Foreign currency (million de CRC)				
	I-2019	IV-2019	I-2020	∆ QoQ (%)	∆ YoY (%)	I-2019	IV-2019	I-2020	∆ QoQ (%)	∆ YoY (%)
Corporate	548,569	564,245	622,635	9.4	13.5	721,081	647,522	625,602	-6.1	-11.5
Development										
Enterprises	238,139	246,280	689,134	64.3	189.4	307,471	262,325	372,155	27.8	23.5
MSE	640,474	624,075	108,997	-472.6	-83.0	120,798	94,897	2,269	-4,185.5	-98.1
Personas										
Retail	1,125,082	1,140,547	1,133,037	-0.7	0.7	183,709	157,816	150,693	-7.3	-16.3
Credit cards	111,055	106,595	94,236	-11.6	-15.1	20,093	19,605	15,903	-20.8	-19.3
Consumer	398,039	392,813	397,585	1.2	-0.1	36,497	29,499	28,873	-4.7	-19.3
Total	**3,061,359**	**3,074,554**	**3,045,624**	**-0.9**	**-0.5**	**1,389,650**	**1,211,664**	**1,195,494**	**-3.7**	**-12.2**

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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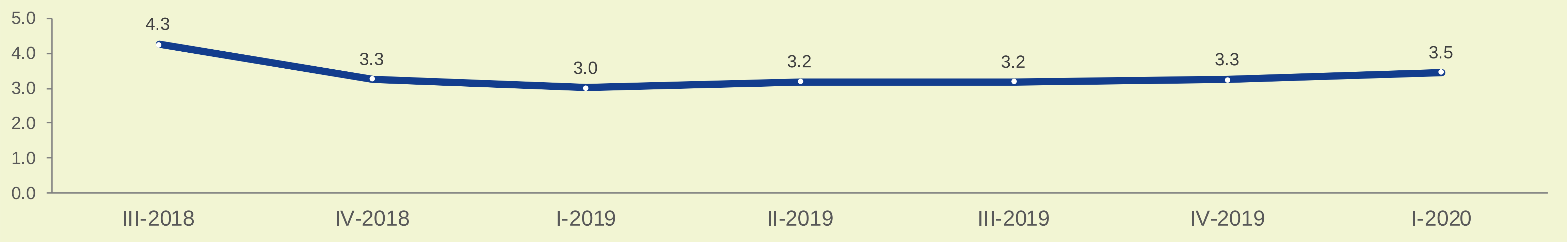
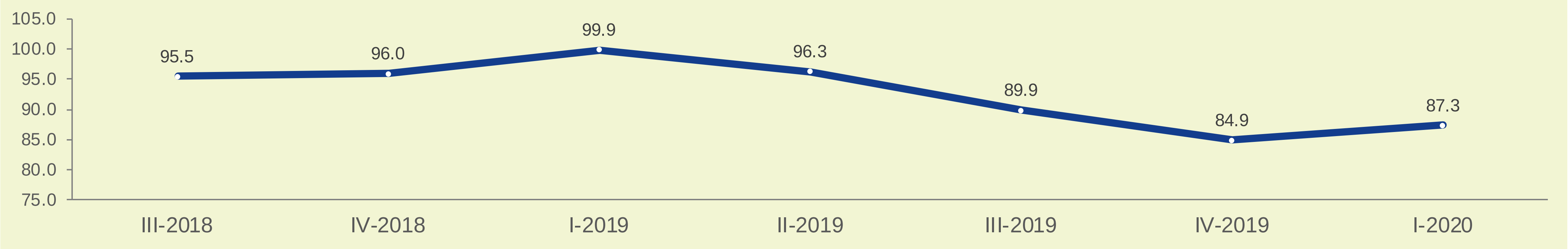
BNCR (STAND-ALONE): ASSET QUALITY

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



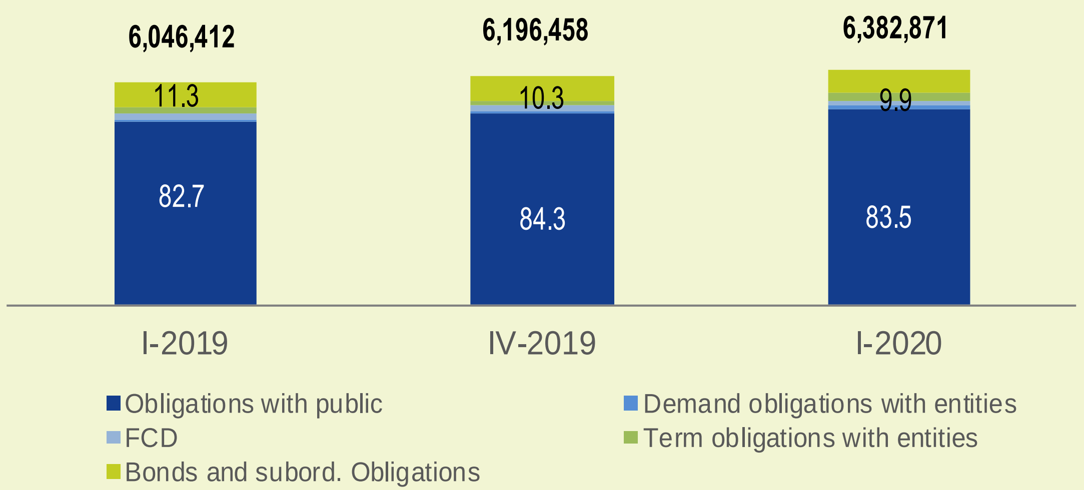
Coverage ratio[2]



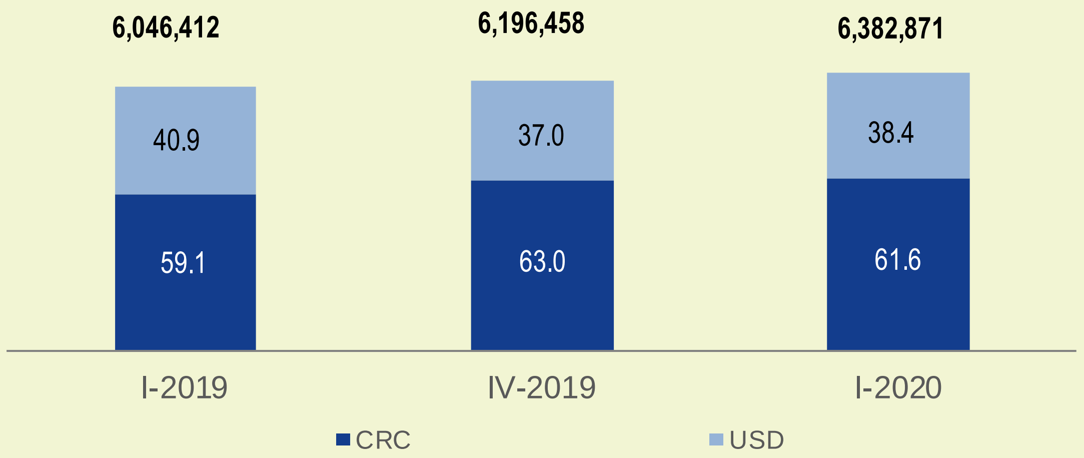
(1) NPL: credits more delay 90 days
(2) Allowances for loan impairments over NPLs

BNCR (STAND-ALONE): FUNDING STRUCTURE

By product

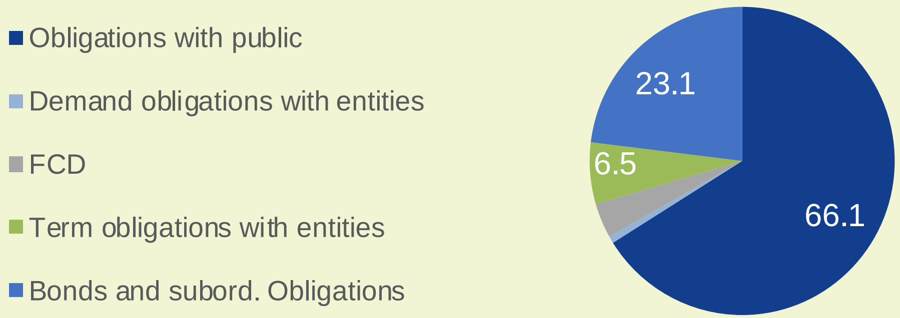


By currency



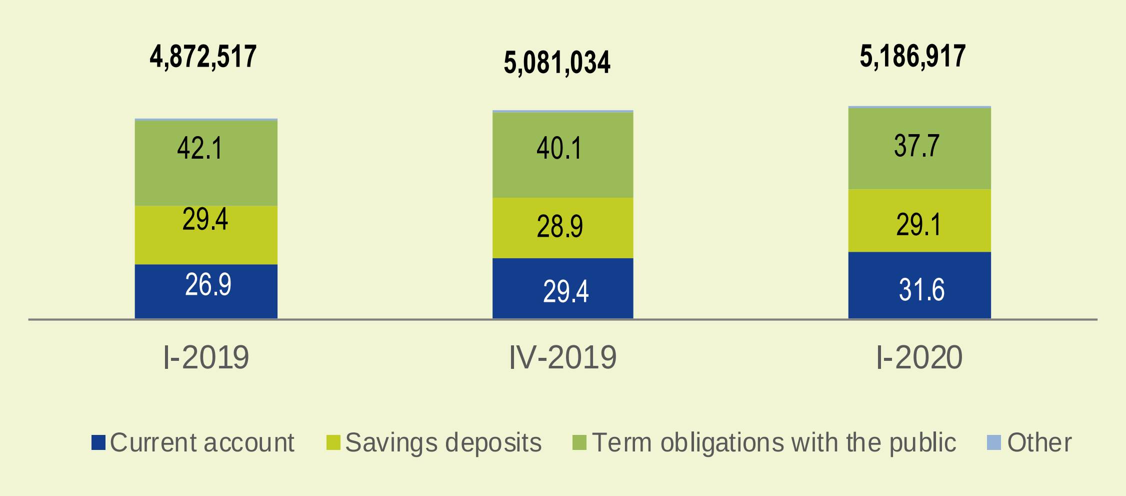
CRC

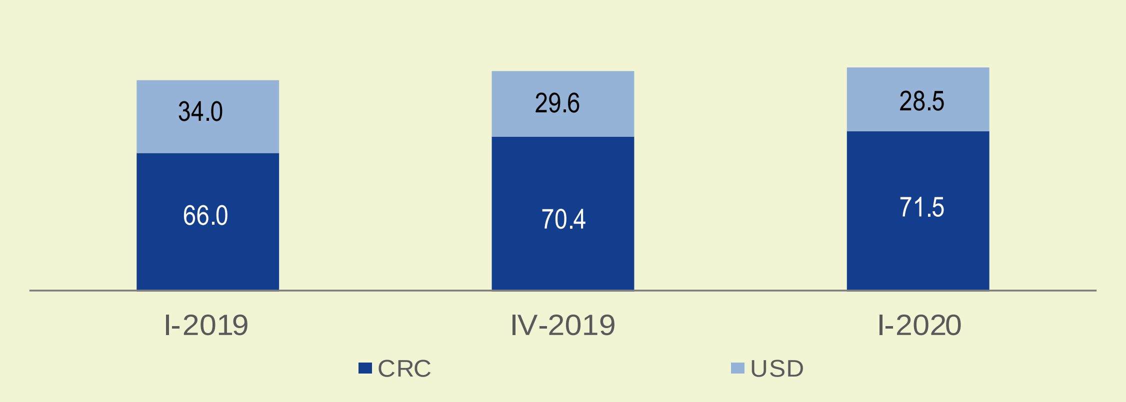
Foreign currency



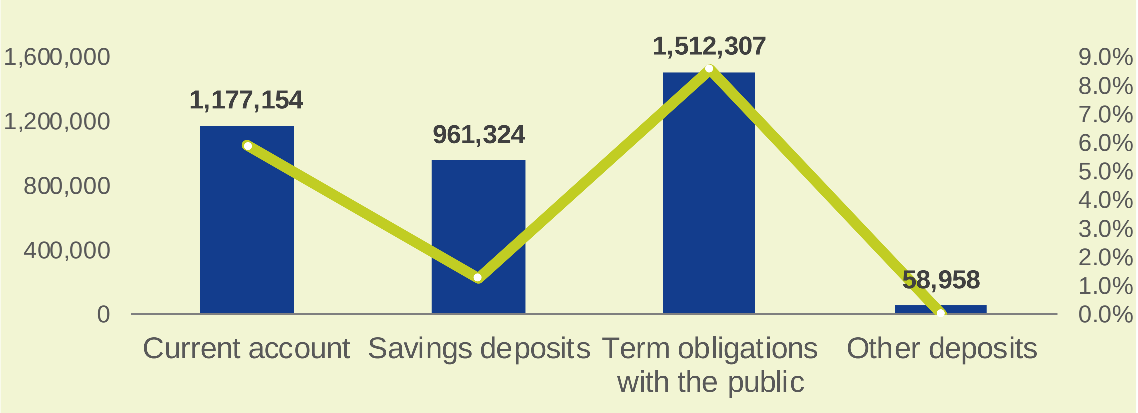
BNCR (STAND-ALONE): DEPOSIT BREAKDOWN

Structure of deposits

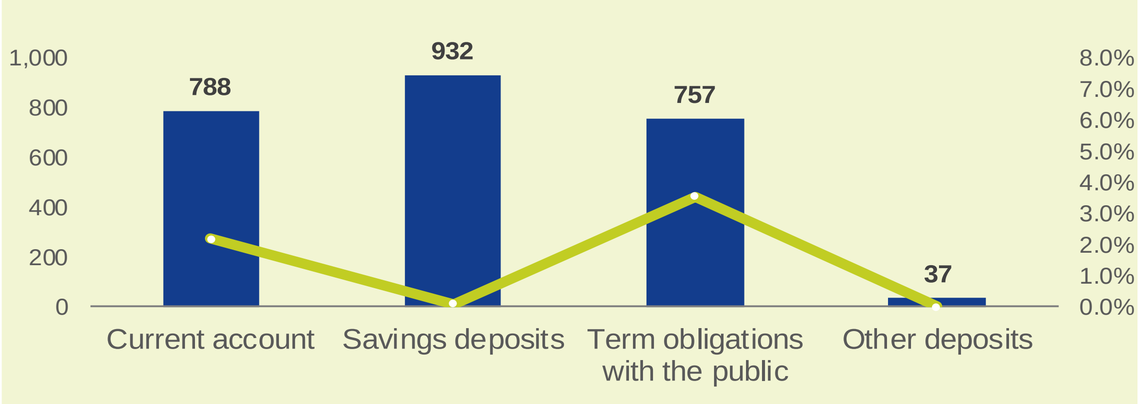




Deposits and average cost (CRC)



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%
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

Long term obligations Loans	MM CRC	rate	MM USD	rate
Local	32,092	3.47%		
International			180.09 MM	5.59%
Total	32,092	3.47%	180.09 MM	5.59%

BNCR: International Bonds

CUSIP	Trade Date	Settlement Date	Price($)	Notional Amount	Contraparte
USP14623AC98	13/3/2020	17/3/2020	$100.250	350,000.00	JP Morgan
USP14623AC98	16/3/2020	18/3/2020	$100.250	21,862,000.00	JP Morgan
USP14623AC98	17/3/2020	19/3/2020	$100.250	5,000,000.00	JP Morgan
USP14623AC98	18/3/2020	20/3/2020	$ 99.975	2,788,000.00	JP Morgan
USP14623AC98	19/3/2020	23/3/2020	$ 99.000	10,000,000.00	Oppenheimer
Total				**40,000,000.00**	

CUSIP	Trade Date	Settlement Date	Price($)	Notional Amount	Contraparte
USP14623AB16	17/3/2020	20/3/2020	$ 94.363	2,000,000.00	BN Valores
USP14623AB16	18/3/2020	20/3/2020	$ 94.370	2,000,000.00	BN Valores
USP14623AB16	18/3/2020	20/3/2020	$ 94.170	5,000,000.00	BN Valores
USP14623AB16	18/3/2020	20/3/2020	$ 94.170	2,500,000.00	BN Valores
USP14623AB16	18/3/2020	20/3/2020	$ 93.670	950,000.00	BN Valores
USP14623AB16	19/3/2020	23/3/2020	$ 93.500	6,000,000.00	Oppenheimer
USP14623AB16	19/3/2020	23/3/2020	$ 93.000	700,000.00	Oppenheimer
Total				**19,150,000.00**	

CREDIT RATINGS

Local

BNCR	Fitch
Last	Dic-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

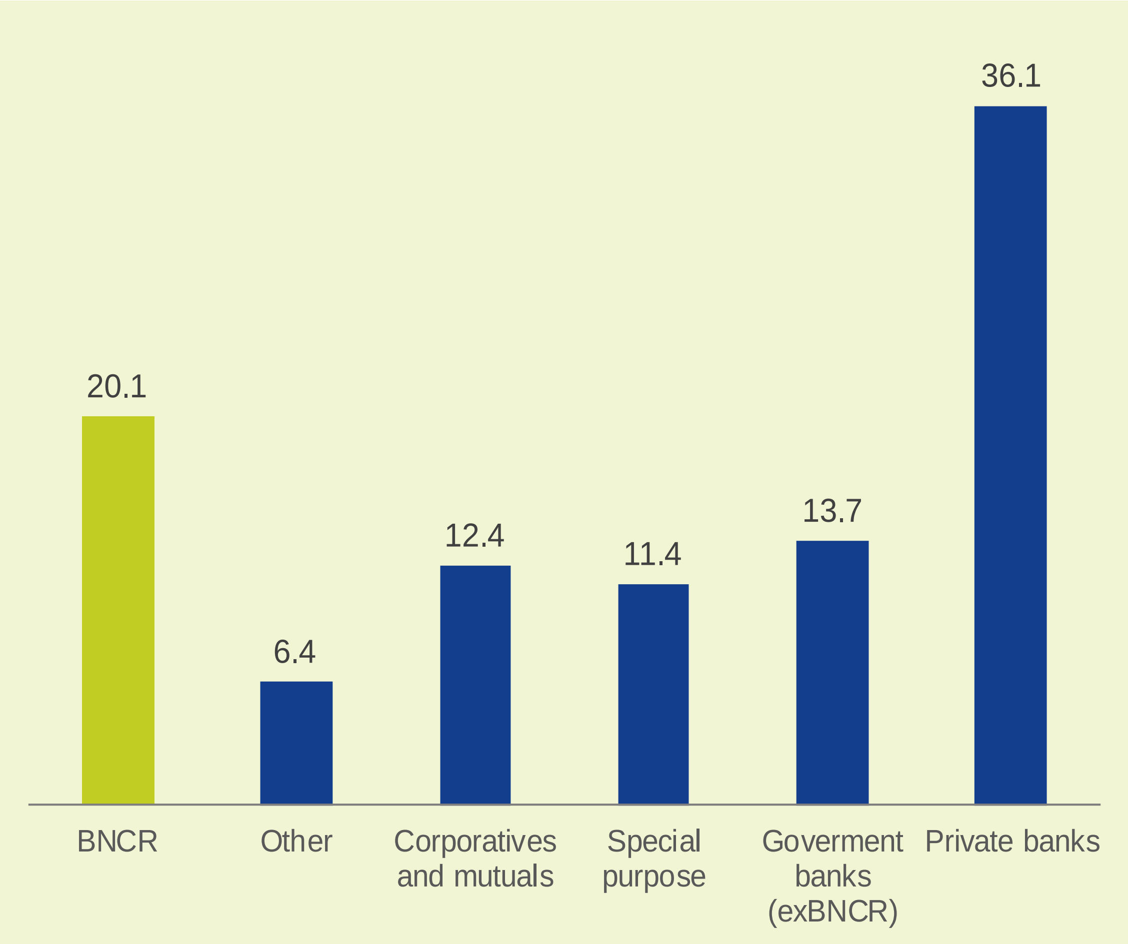
BNCR	Fitch	Moody's
Last	Nov-19	Feb-20
Outlook	Neg	Stable
Stand alone rating foreign currency	B+	B2


BNALCR 6 ¾ 11/01/23 $↓91.426 -.982 Yld 9.205
A 12:45 Source BMRK
BNALCR 6 ¾ 11/01/23 91) Diagrama de ratings • 92) Alerta Pg 1/1 Perfil de ráting de crédit
Banco Nacional de Costa Rica

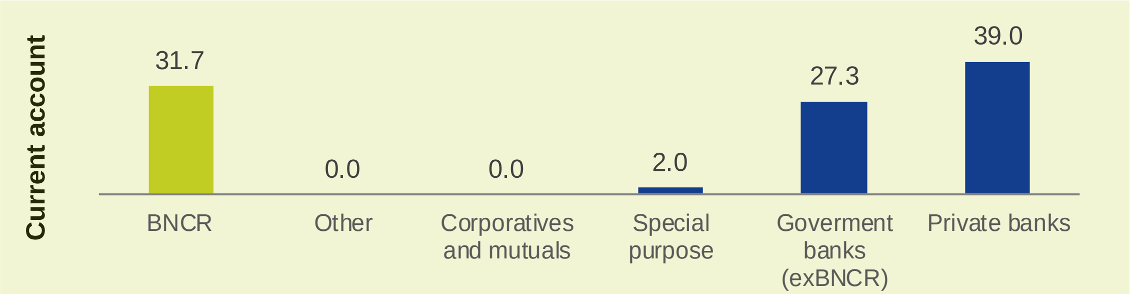
Moody's		Fitch	
1) BNALCR 6 ¾ 11/01/23	B2	19) BNALCR 6 ¾ 11/01/23	B
2) Panorama	STABLE	20) Ráting recup emisión	RR4
3) Foreign LT Bank Deposits	B3	21) Panorama	NEG
4) Local LT Bank Deposits	B2	22) Ráting de emisor a LP	B
5) Deuda superior sin aval	B2	23) Quiebra emisor LC LP	B
6) Solvencia financiera banc	WR	24) Deuda superior sin aval	B
7) Deuda CP mon extranjera	NP	25) Ráting de emisor CP	B
8) Deuda CP divisa local	NP	26) Quiebra emisor LC CP	B
9) Evaluación de riesgo de contrapa…	B1(cr)	27) Ráting de soporte	4
10) Evaluación de riesgo de contrapa…	NP(cr)	28) Viabilidad	b
11) Depósito de banco CP (externo)	NP		
12) Depósito de banco CP (interno)	NP	Fitch National	
13) Evaluación de crédito de línea ba…	b2	29) Natl Long Term	AA+(cri)
14) Evaluación de crédito de línea ba…	b2	30) Natl Sr Unsecured	AA+(cri)
15) LT Counterparty Risk Rating (For…	B1	31) Natl Short Term	F1+(cri)
16) LT Counterparty Risk Rating (Do…	B1		
17) ST Counterparty Risk Rating (For…	NP		
18) ST Counterparty Risk Rating (Do…	NP		

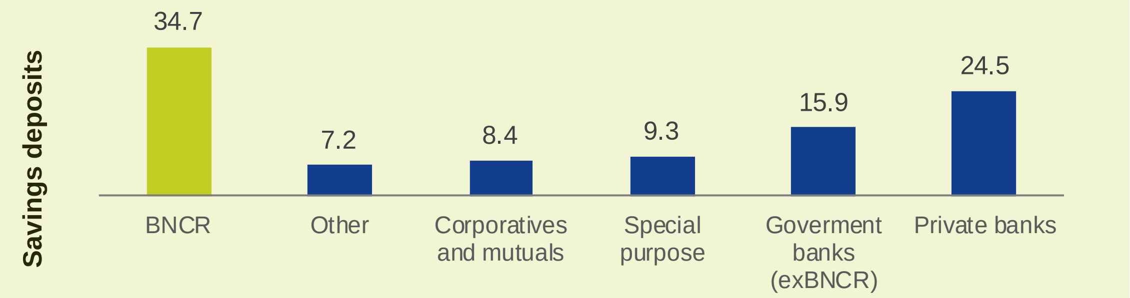
MARKET SHARE

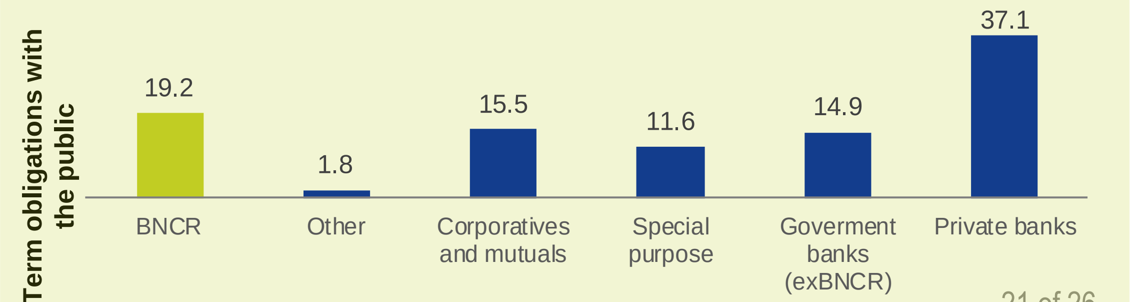
Credit



Deposits

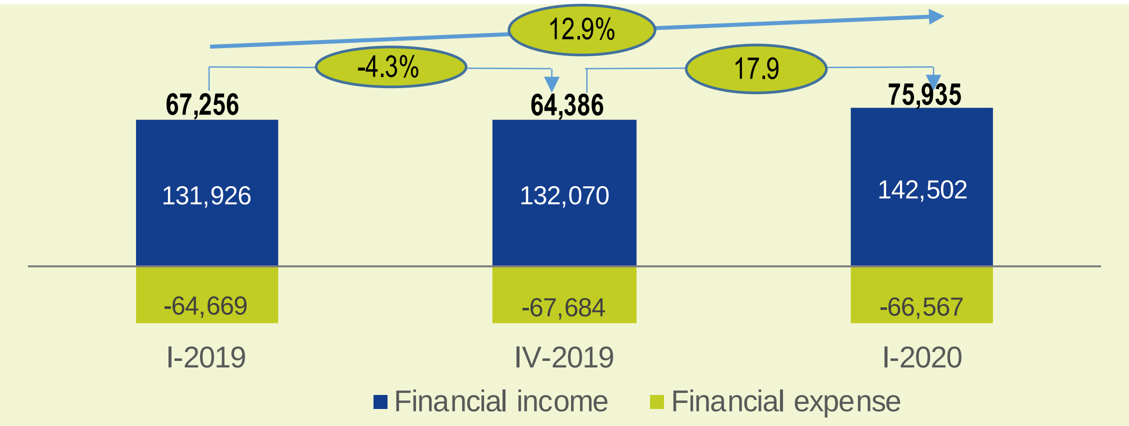




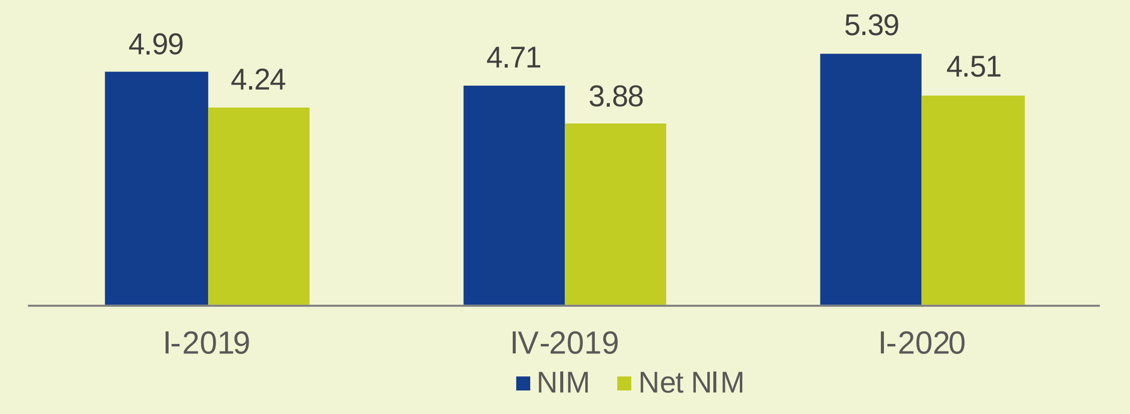


FINANCIAL PERFORMANCE (ANNUAL)

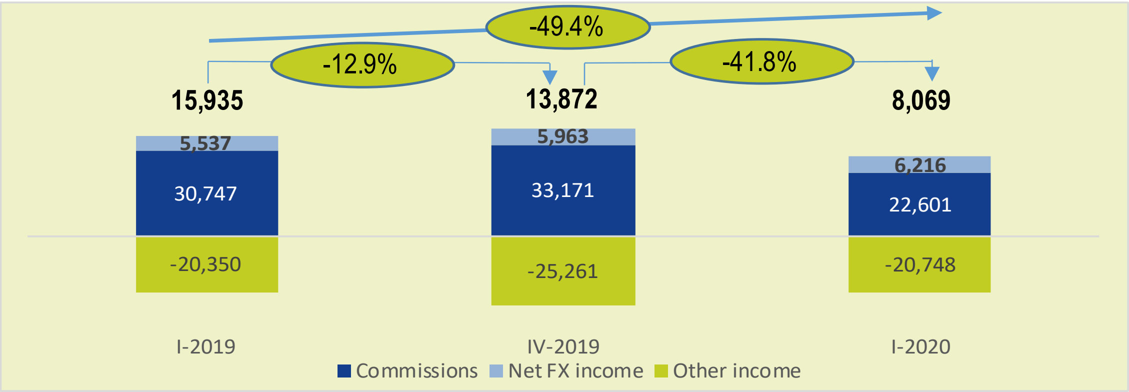
Financial income (million CRC)



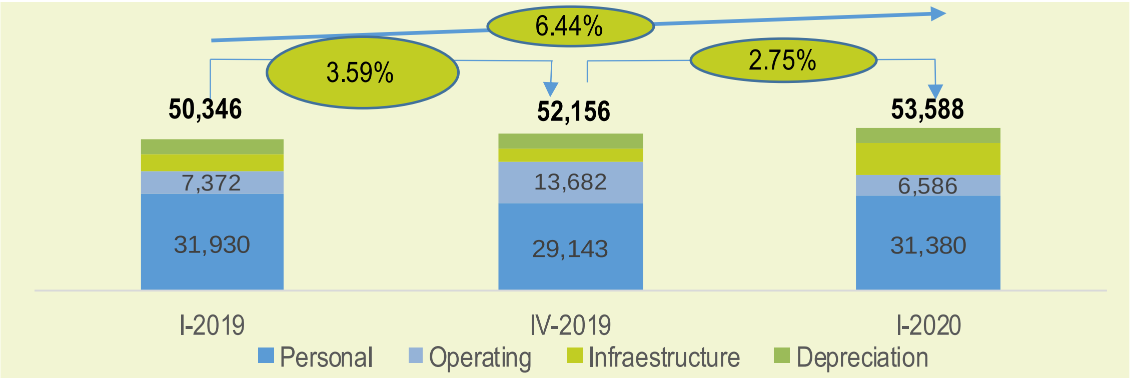
NIM



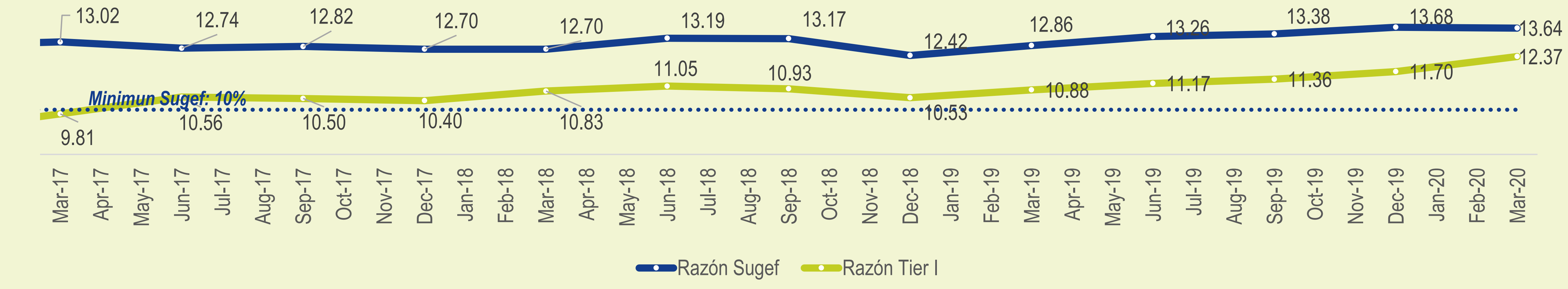
Fee income (million CRC)



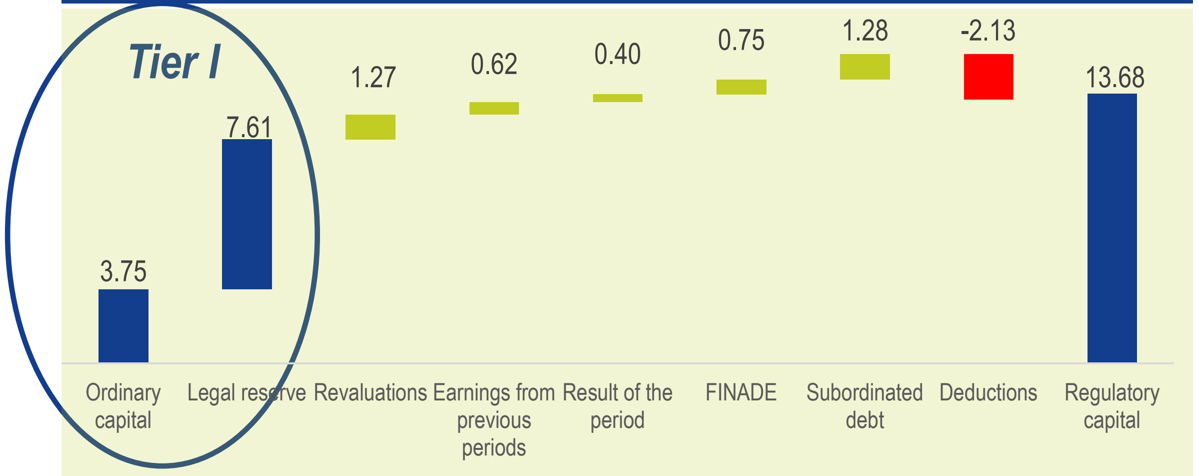
Operational expenditure (million CRC)



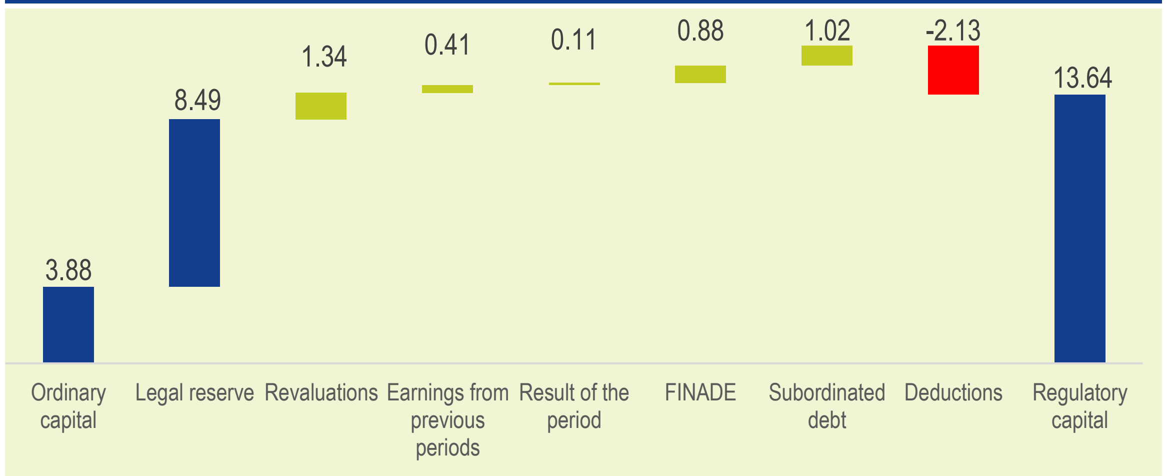
CAPITALIZATION



ISP composition (Dec-19)

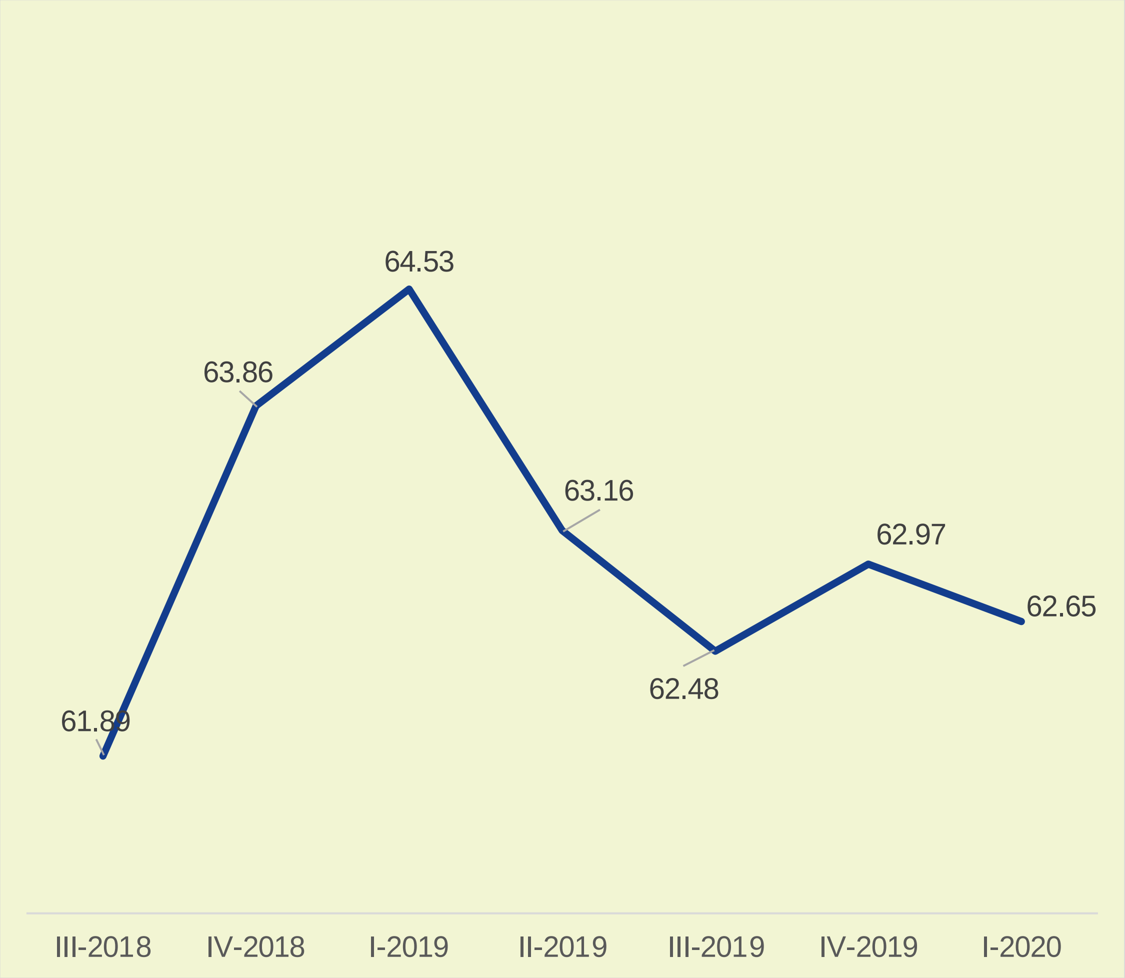


ISP composition (March-20)

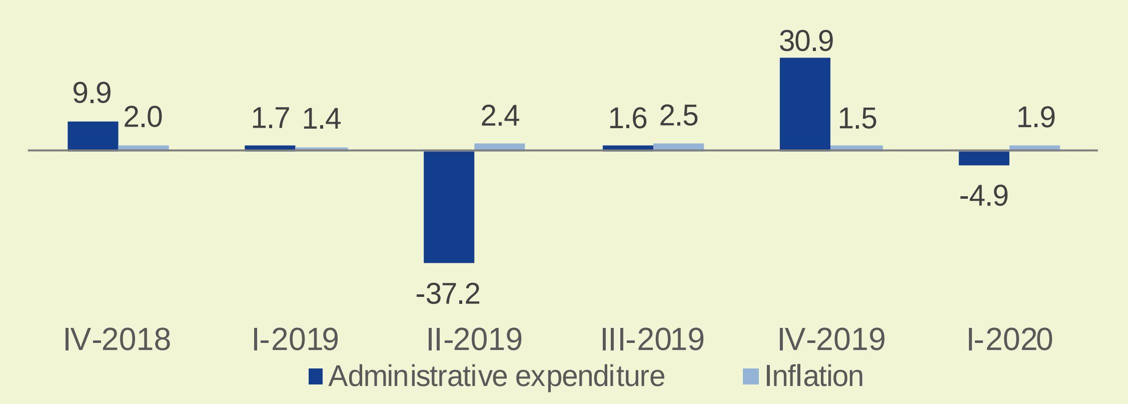


EFFICIENCY

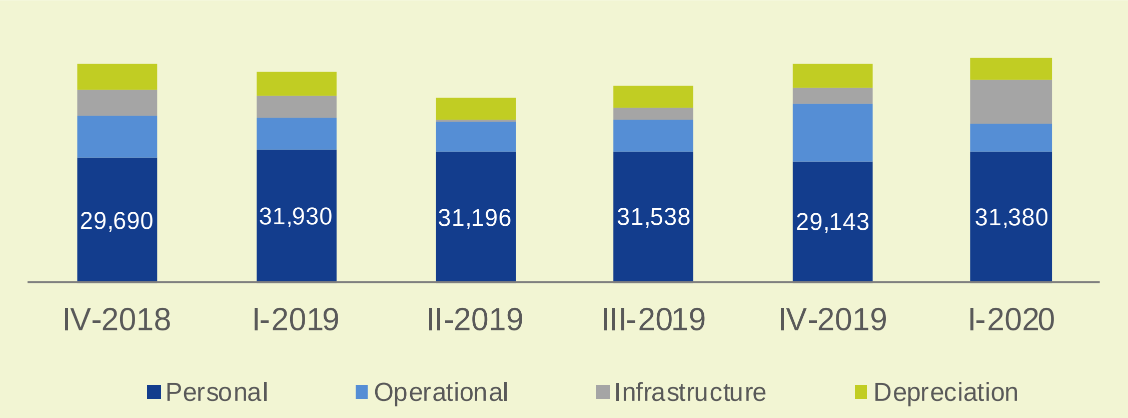
Efficiency ratio



Administrative expenditure (YoY growth, %)

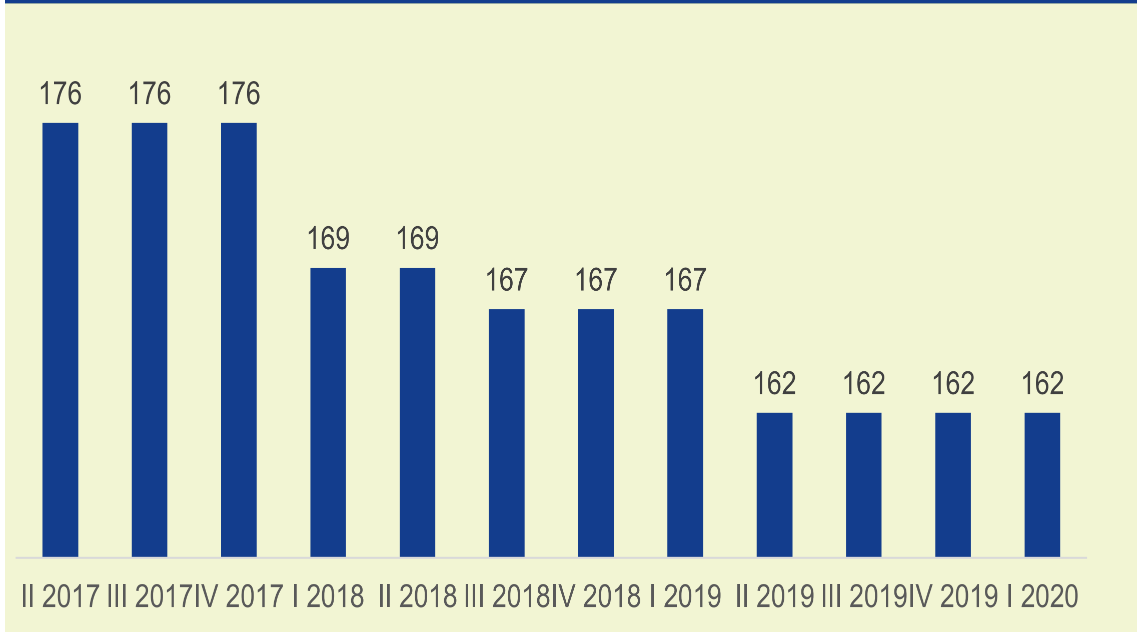


Administrative expenditure breakdown (million CRC)



BRANCHES AND PAYROLL

Branches(1)



Payroll(1)

As of march 31 2020, the Bank has 162 offices, 457 automated taller machines, and a total of 5,606 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.-182 employees (2019:188); BN Sociedad Administradora de Fondos de Inversión, S.A.- 86 employees (2019:78); and BN Corredora de Seguros, S.A.-101 employees (2019:93). The Bank's website is www.bncr.fi.cr.

(1) Includes all BNCR Group