BANCO NACIONAL

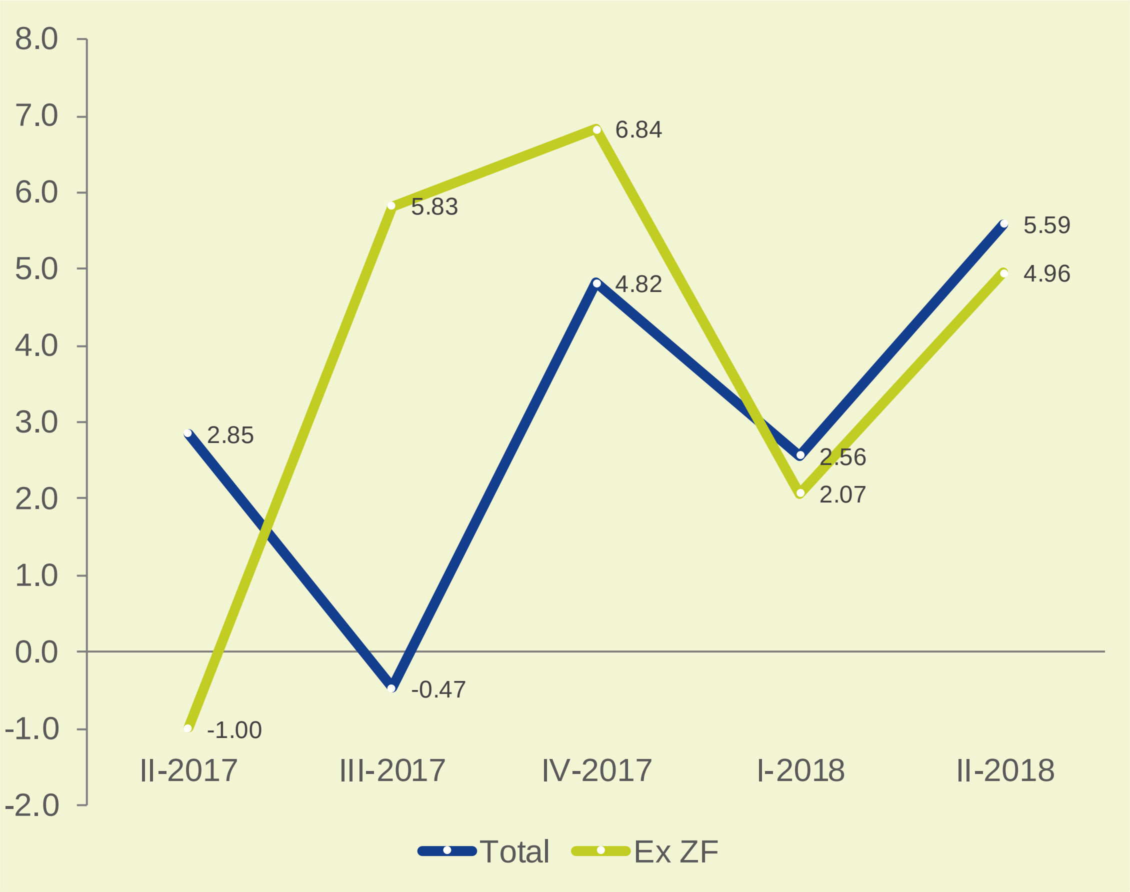
INVESTORS REPORT

THIRD QUARTER, 2018

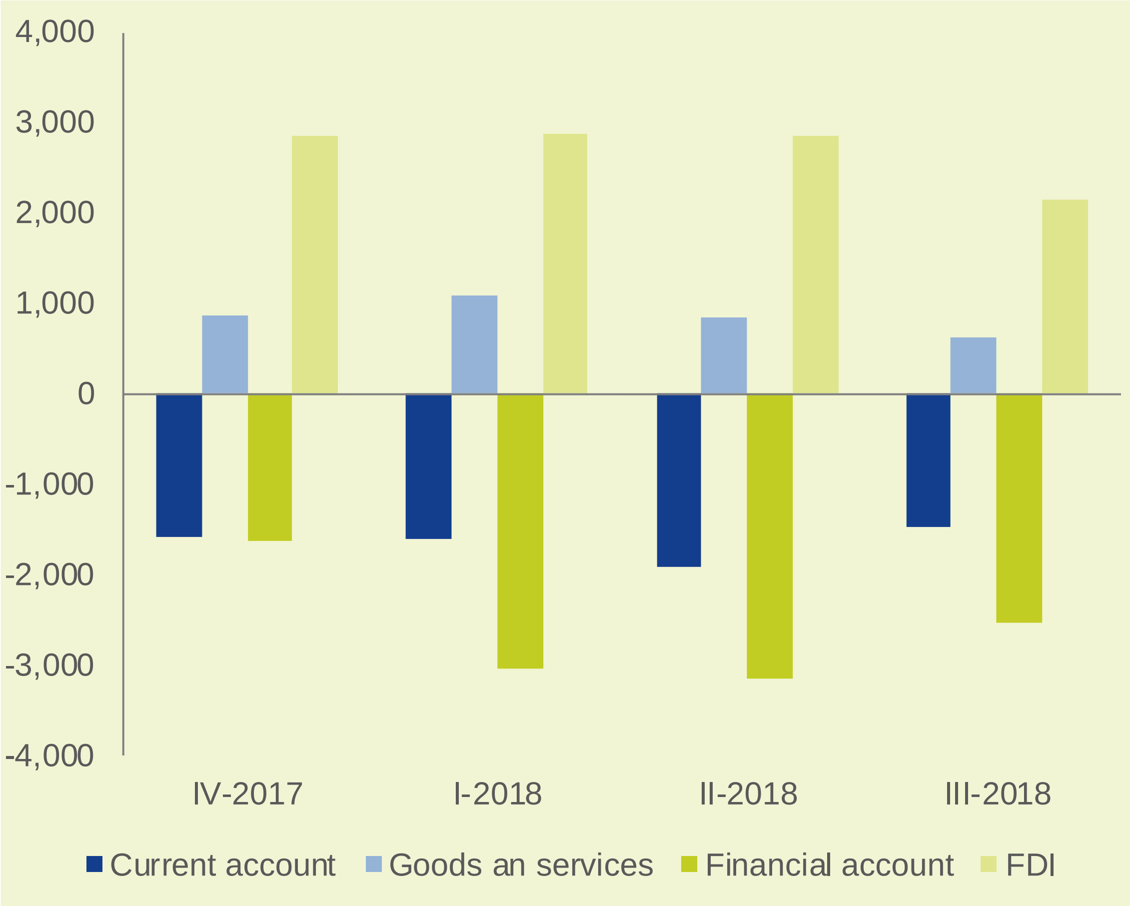
Juntos somos Progreso

COSTA RICA: ECONOMIC ACTIVITY

IMAE[1] (QoQ variation annualized, %)



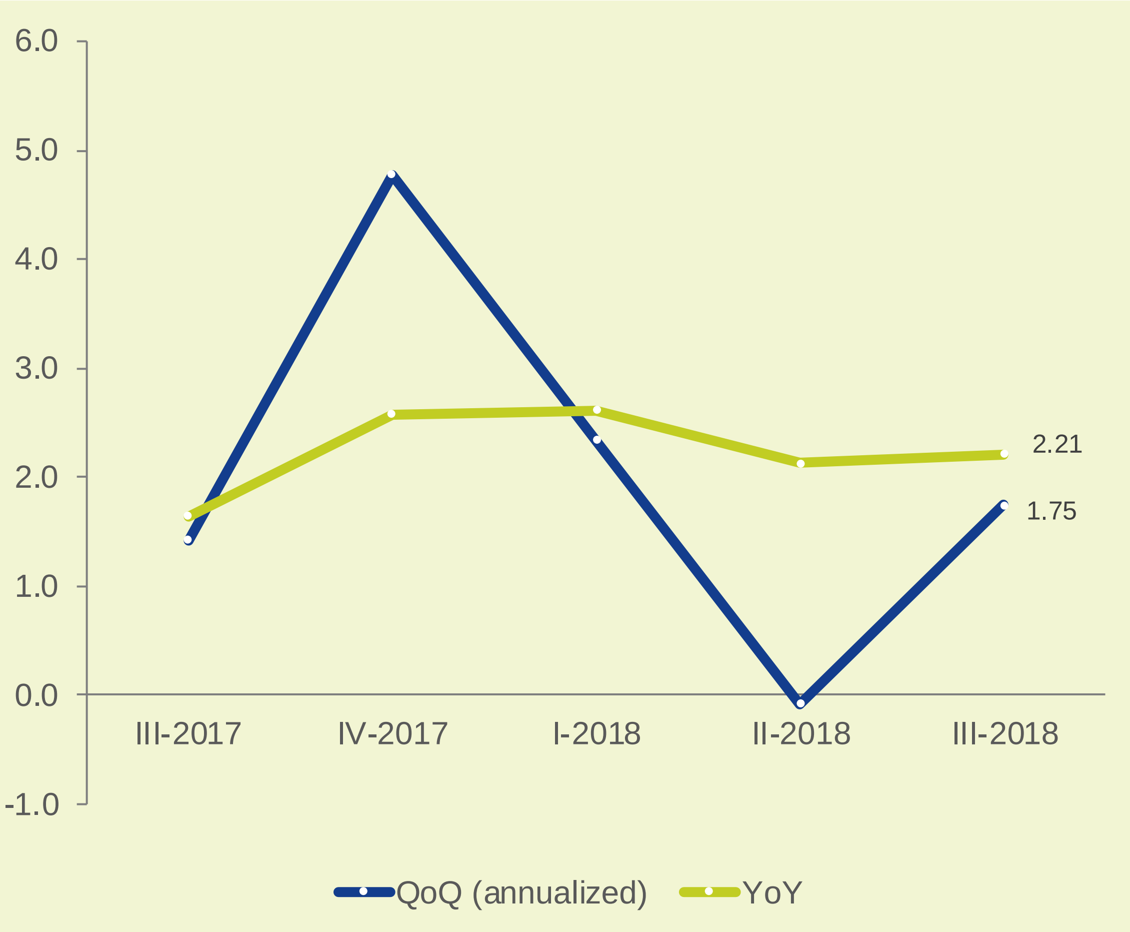
Balance of Payments (last year, million USD)



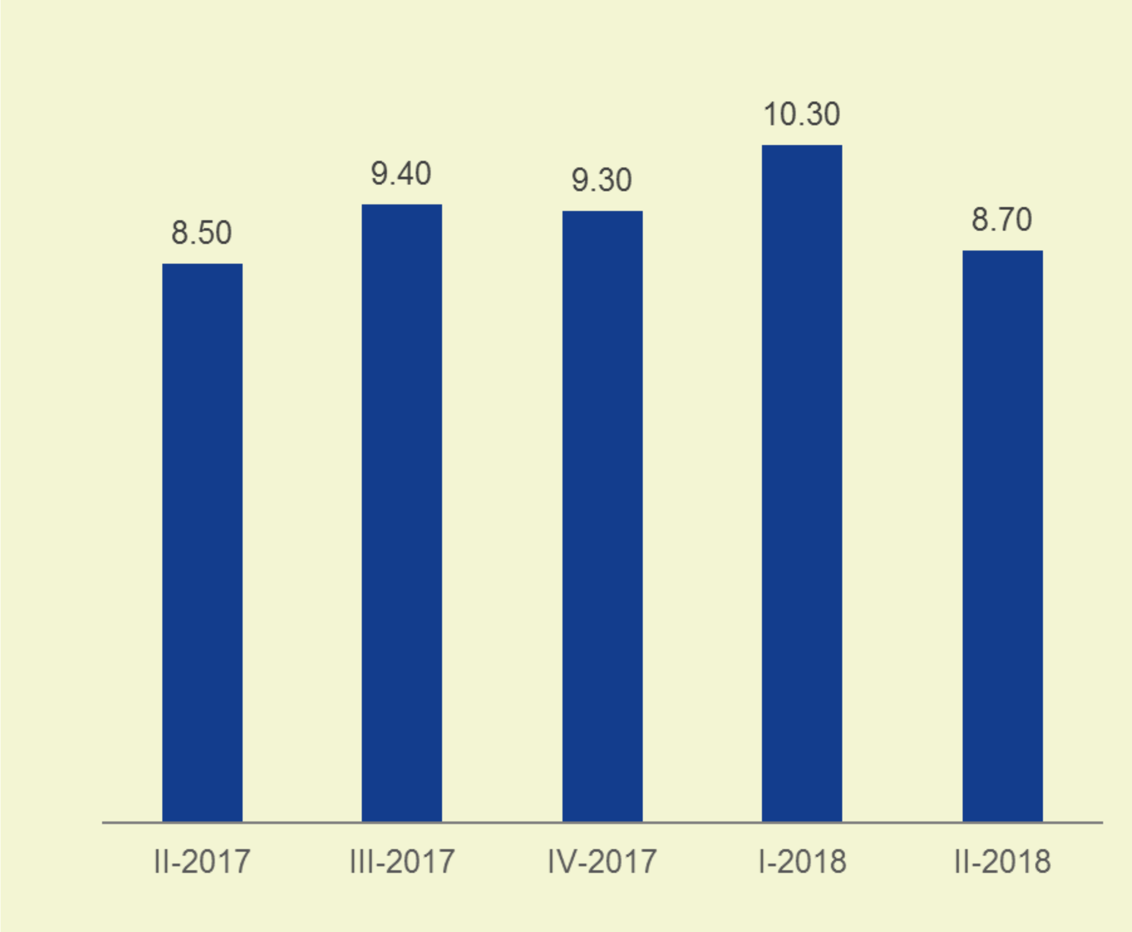
(1) IMAE stands for Índice Mensual de Actividad Económica, it is a gauge of economic activity computed by the Central Bank

Costa Rica: Inflation and unemployment

Consumer Price index (CPI)



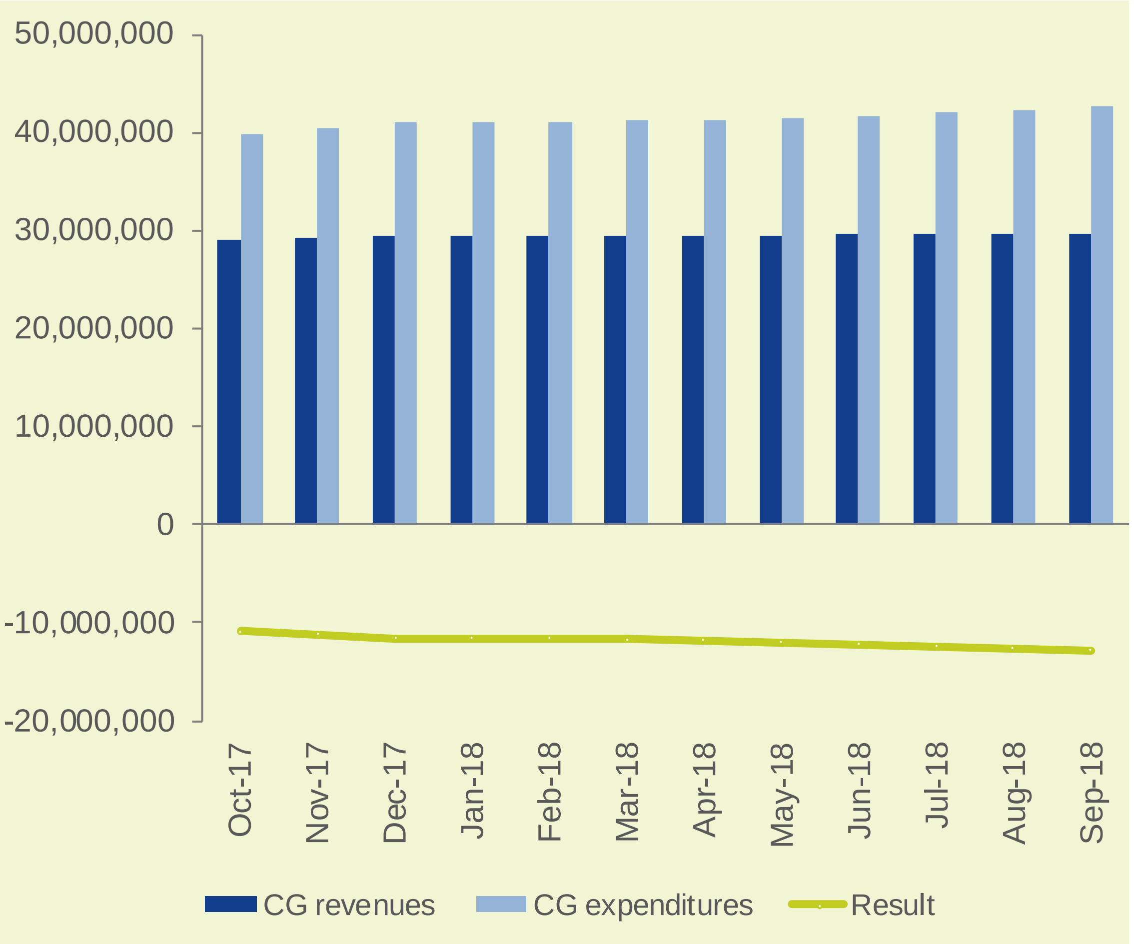
Unemployment



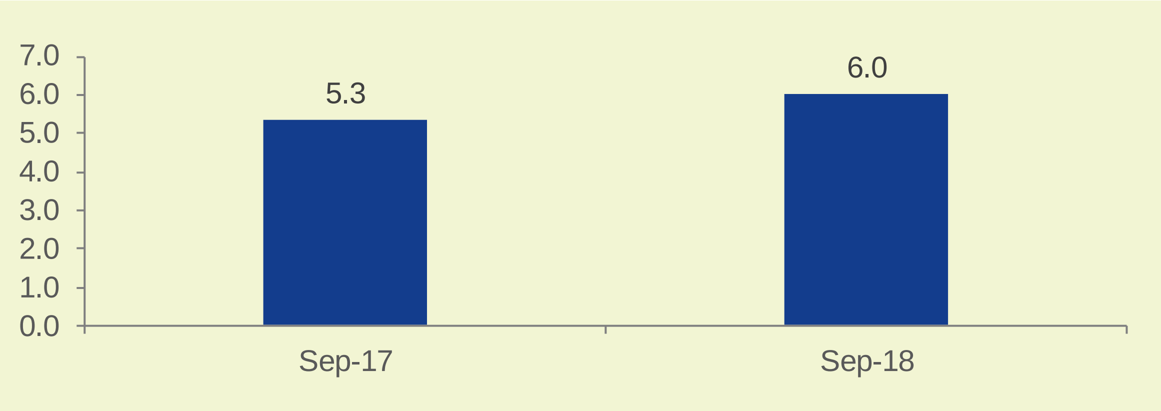
Source: Banco Central de Costa Rica e Instituto Nacional de Estadística y Censos (INEC)

COSTA RICA: FISCAL PERFORMANCE

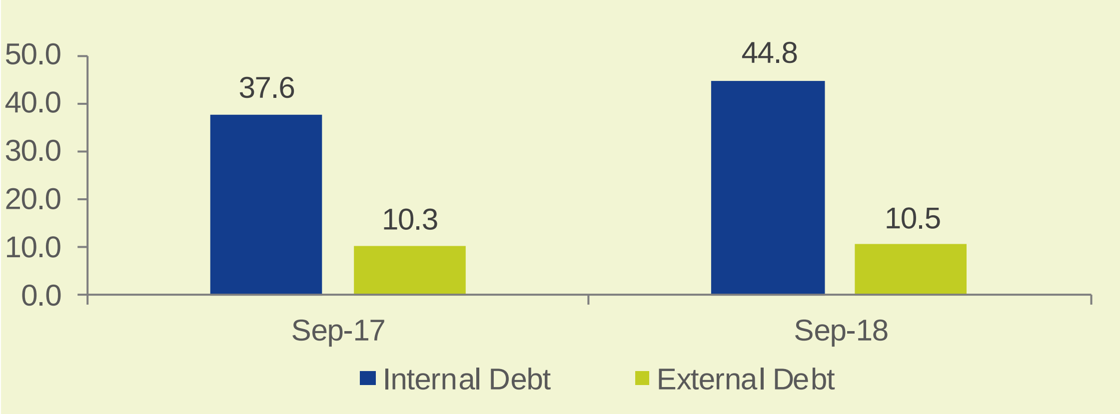
Central government: revenues and expenditures (last year, million CRC)



Central Government Deficit / GDP (%)



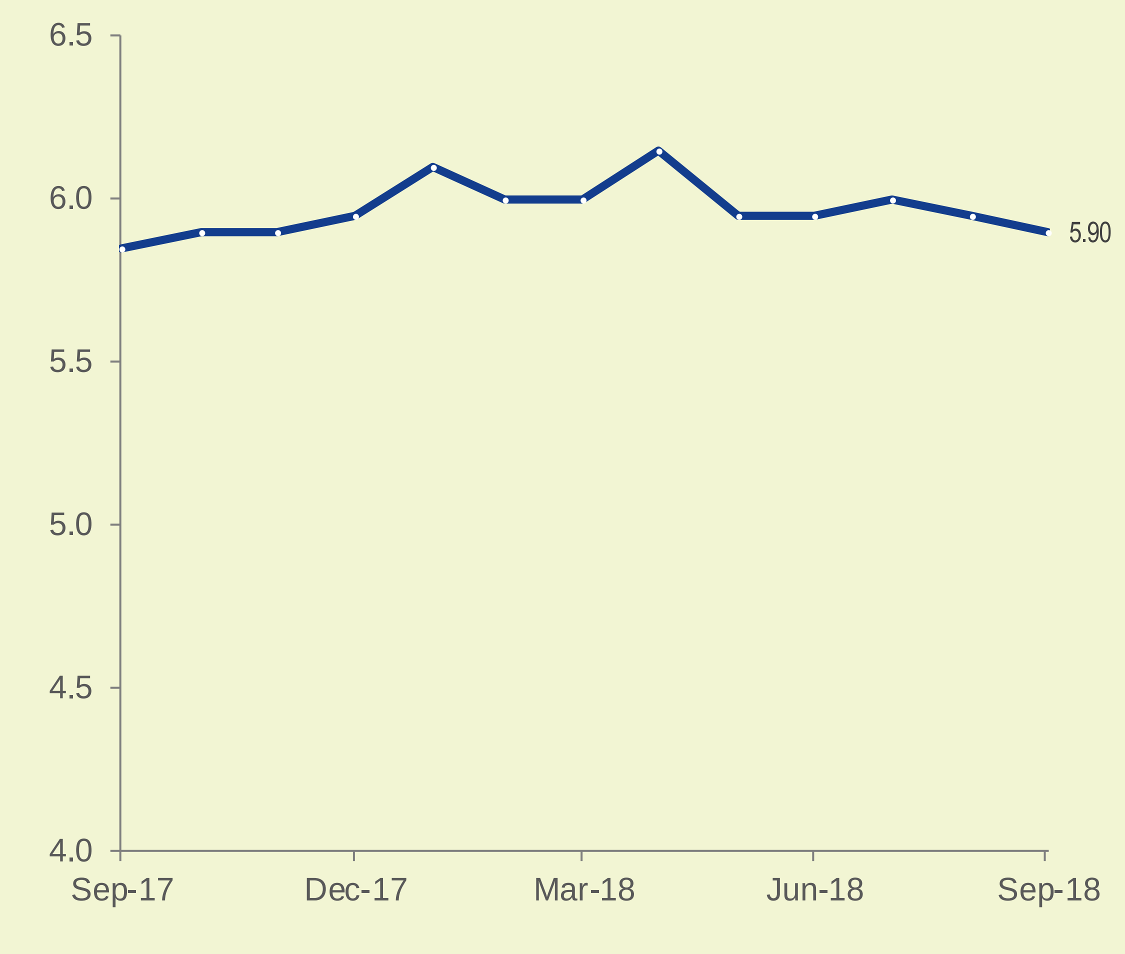
Central Government Debt/ GDP (%)



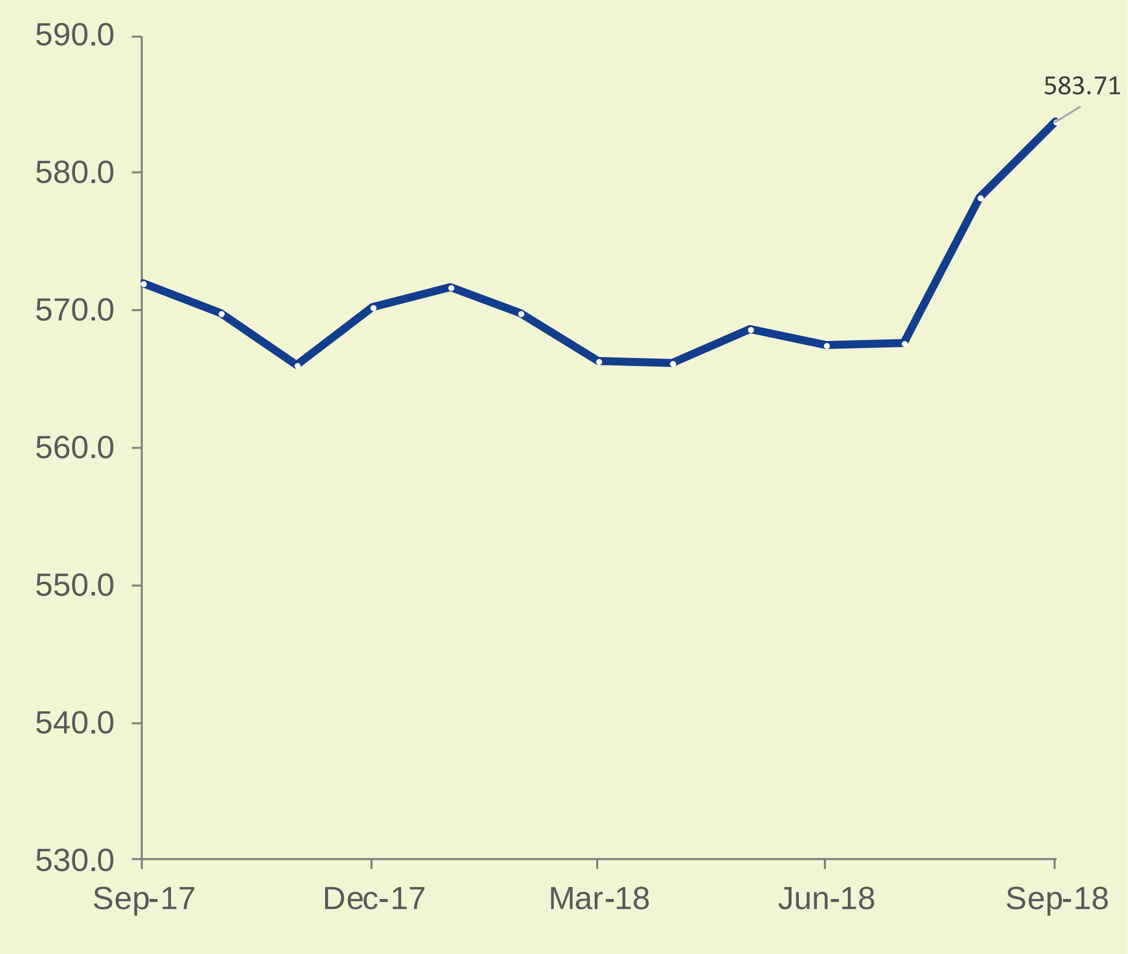
Source: Costa Rica Ministry of Finance

COSTA RICA: INTEREST AND EXCHANGE RATES

Tasa básica pasiva



Average exchange rate USDCRC (Monex)

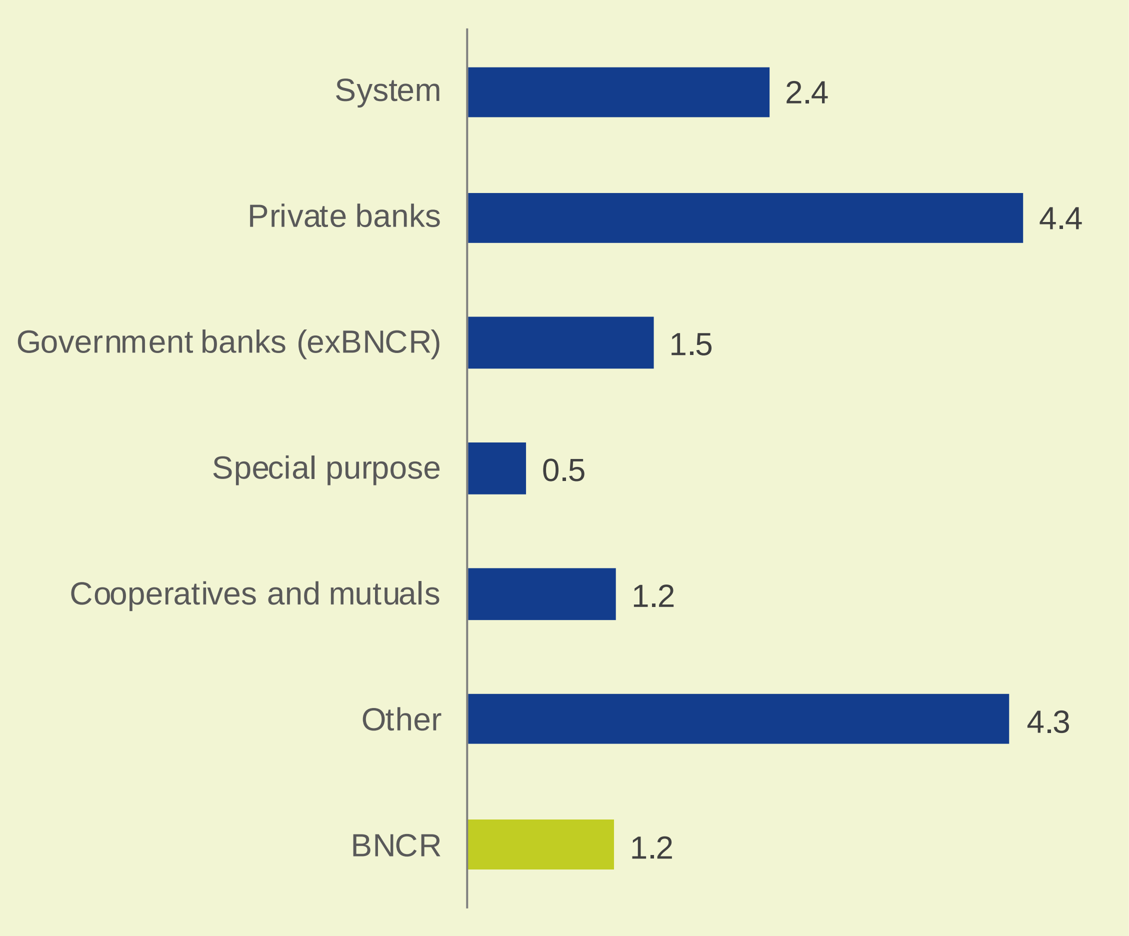


Source: Banco Central de Costa Rica

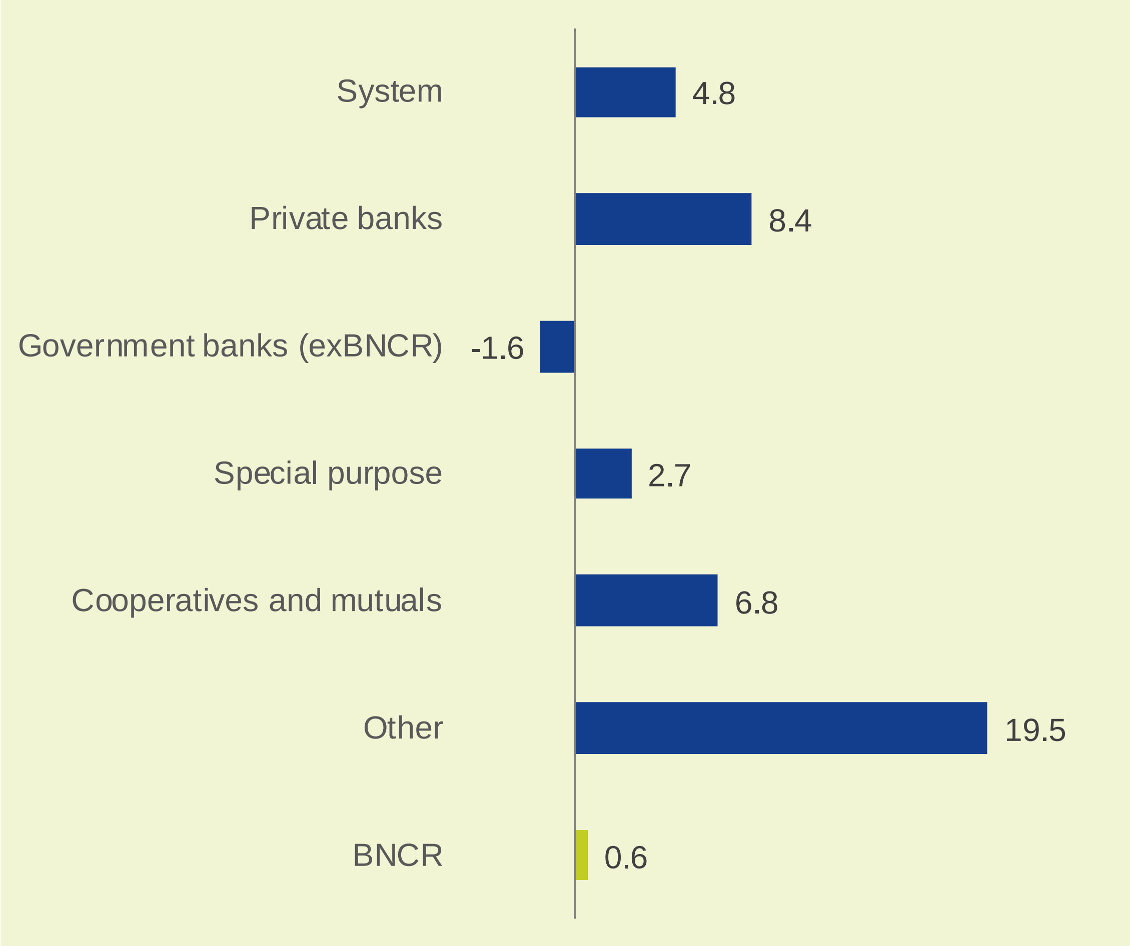
Juntos somos Progreso

BANK SYSTEM: CREDIT (GROSS)

Quarterly growth (3Q 2018)

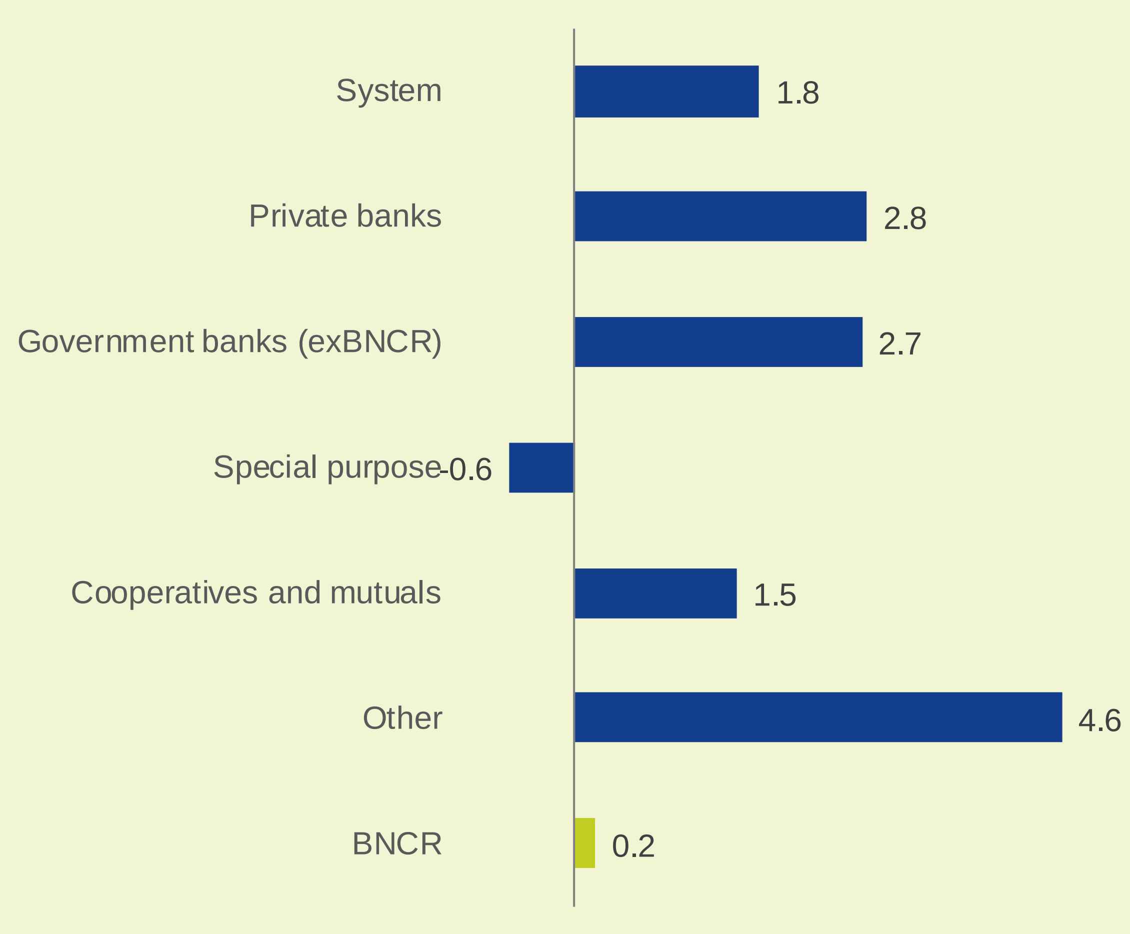


Year growth (3Q 2018)

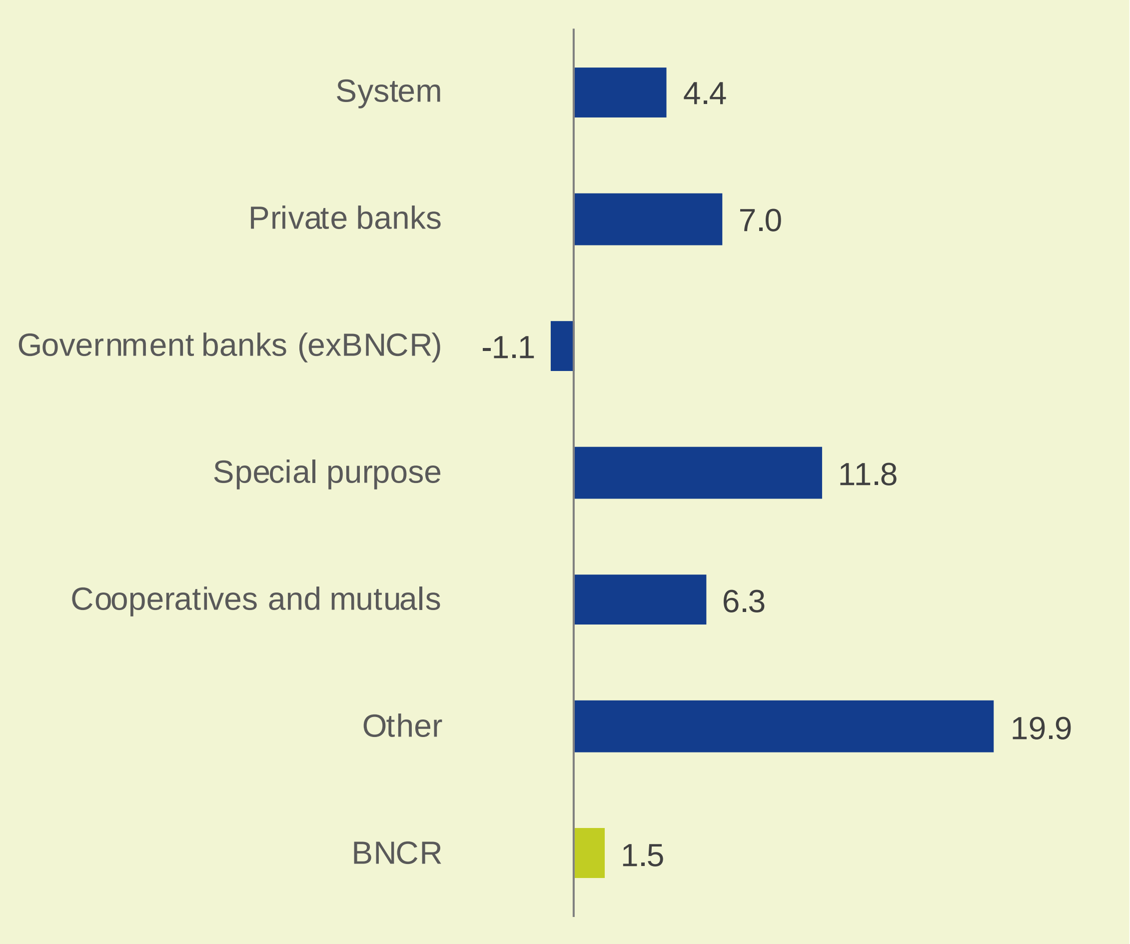


BANK SYSTEM: DEPOSITS

Quarterly growth (3Q 2018)



Year growth (3Q 2018)



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

Marvin Arias Aguilar

Victor Hugo Carranza

Mario Carazo Zeledón

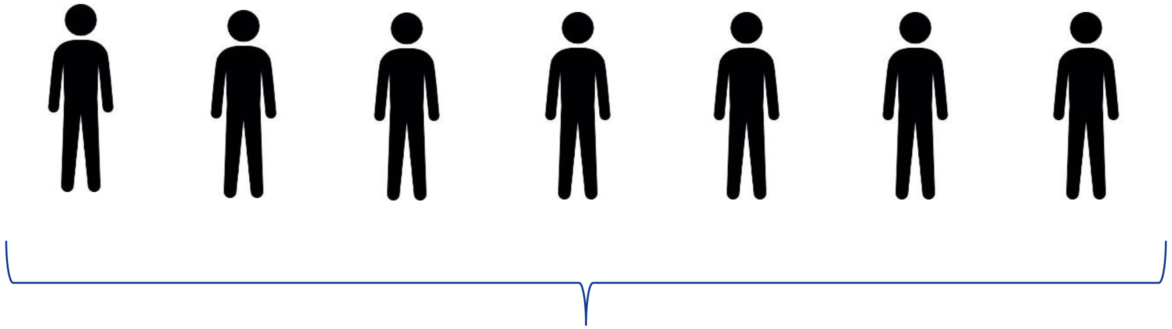
Internal and external independent auditors

Chief Executive Officer a.i.

Gustavo Vargas Fernández

Officers and Support Committees

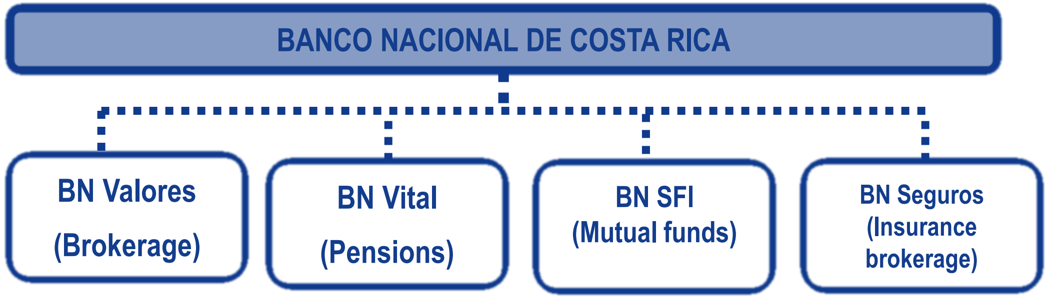
Independent Board of Directors



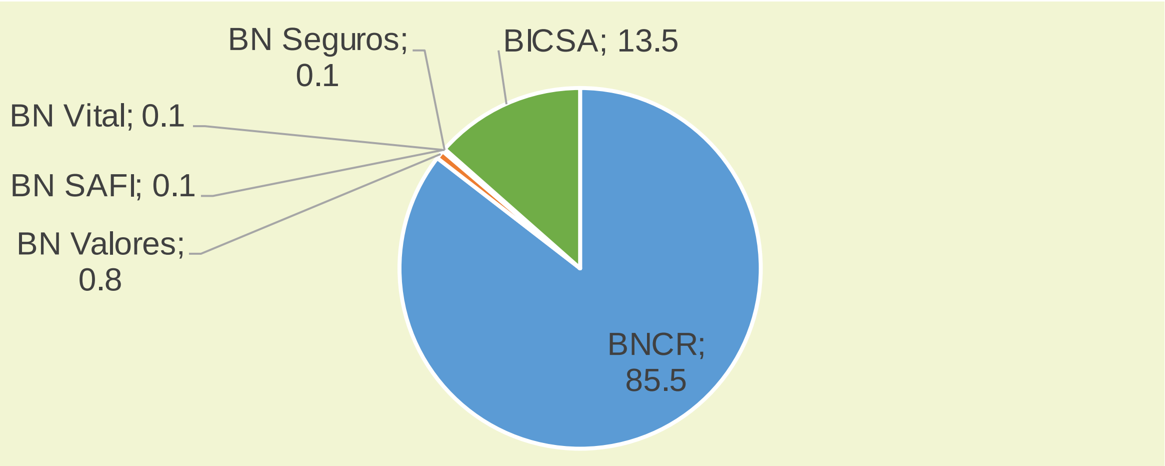
100% independent

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

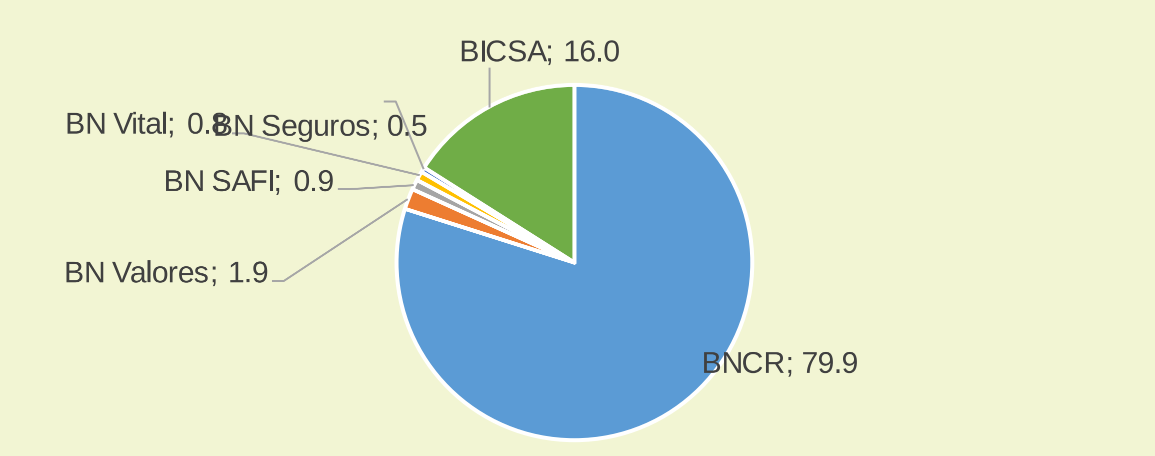
CORPORATE GOVERNANCE (CONT.)



Assets (September-18)



Equity (September-18)



BNCR owns a 49% stake in BICSA

Total assets and equity of BNCR Group amount CRC 7,123,812 million and equity CRC 679,529 million (excluding BICSA)

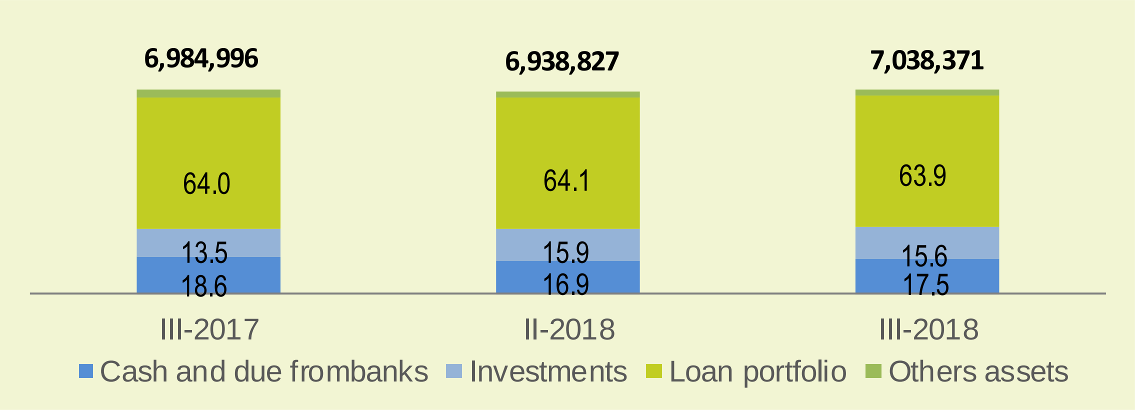
BNCR: INVESTMENT HIGHLIGHTS (3Q 2018)

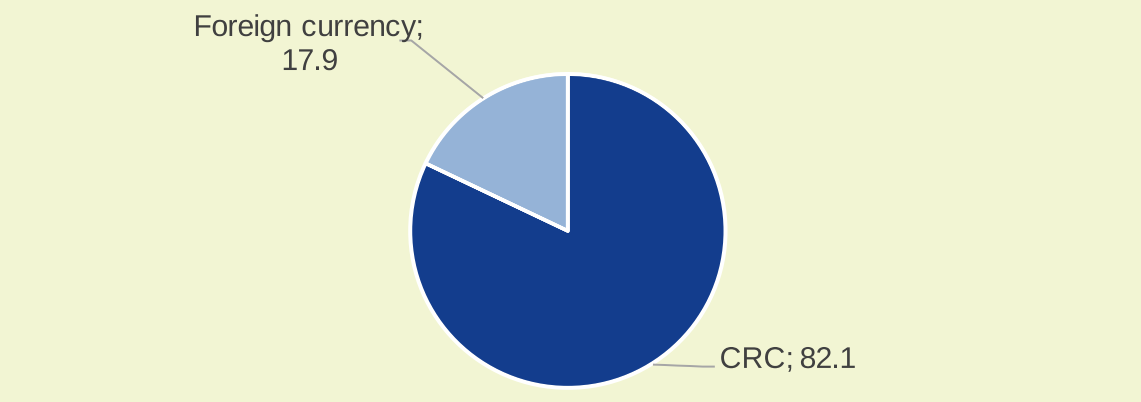
Profitability	Net income	CRC 2,766 millones	↘ 67.3% QoQ	↘ 62.5% YoY
	ROAE	1.72%	↘ 364 b.p QoQ	↘ 306 b.p. YoY
	ROAA	0.16%	↘ 33 b.p. QoQ	↘ 26 b.p. YoY
Credit	Loan portfolio	CRC 4,497,367 million	↗ 1.15% QoQ	↗ 0.61% YoY
	Provisions	CRC 22,429 million	↗ 22.85% QoQ	↗ 69.57% YoY
	Cost of risk(1)	2.01%	↗ 36.6 b.p. QoQ	↗81.8 b.p. YoY
NII and NIM	Net Financial income	CRC 42,132 million	↘ 8.57% QoQ	↘ 10.34% YoY
	NIM	4.65%	↗ 7 b.p. QoQ	↗ 33 b.p. YoY
	Net NIM(2)	3.12%	↘29 b.p. QoQ	↘ 40 b.p. YoY
Efficiency	Efficiency ratio(3)	61.89%	↘ 45 b.p. QoQ	↘ 663 b.p. YoY
Capital	ISP(4)	13.17%	↘ 2 b.p. QoQ	↗ 36 p.b. 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

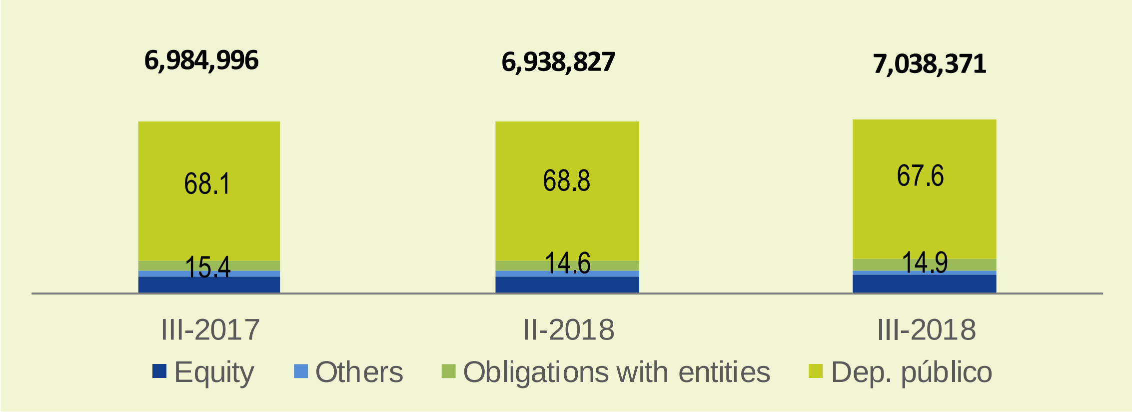
BNCR (STAND-ALONE): BALANCE SHEET BREAKDOWN

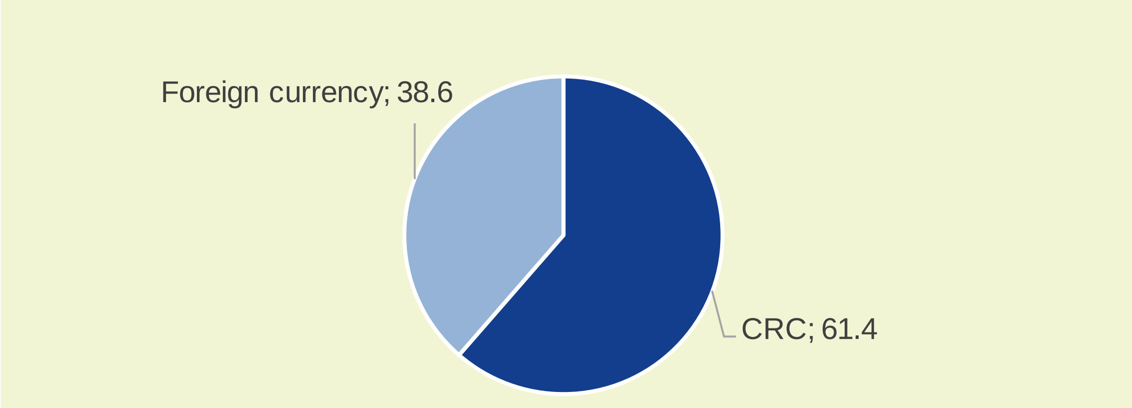
Assets (million CRC)





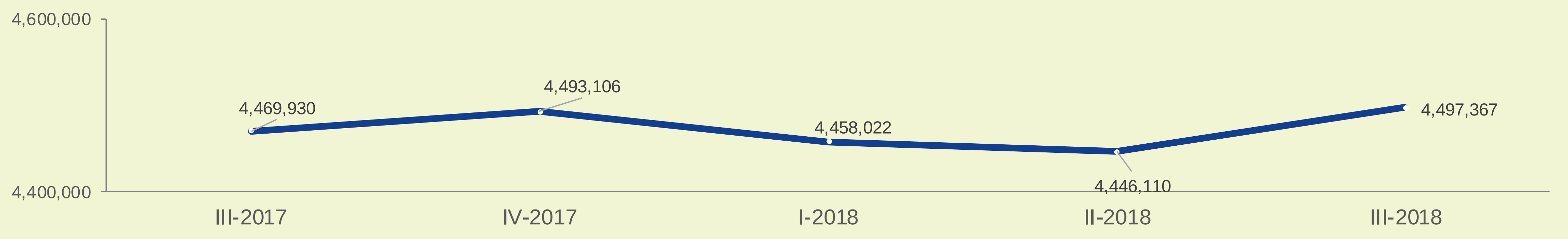
Liabilities and Equity (million CRC)



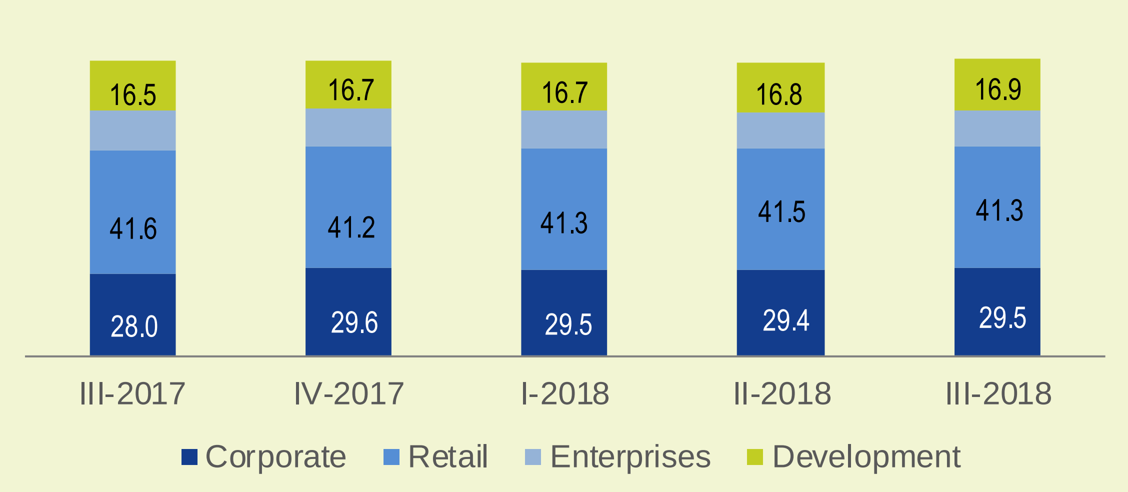


BNCR (STAND-ALONE): LOAN PORFOLIO

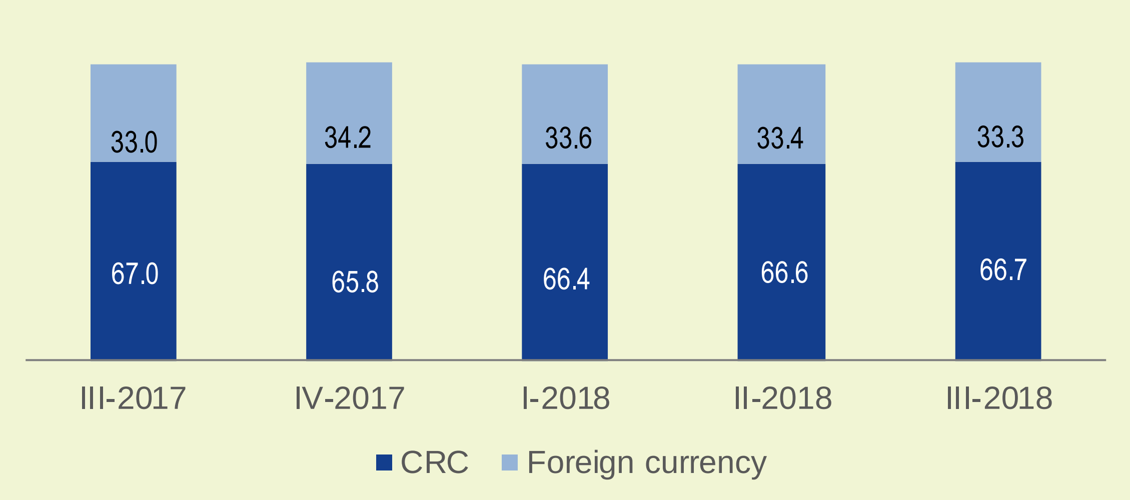
Loan portfolio gross (million CRC)



Portfolio composition (%)

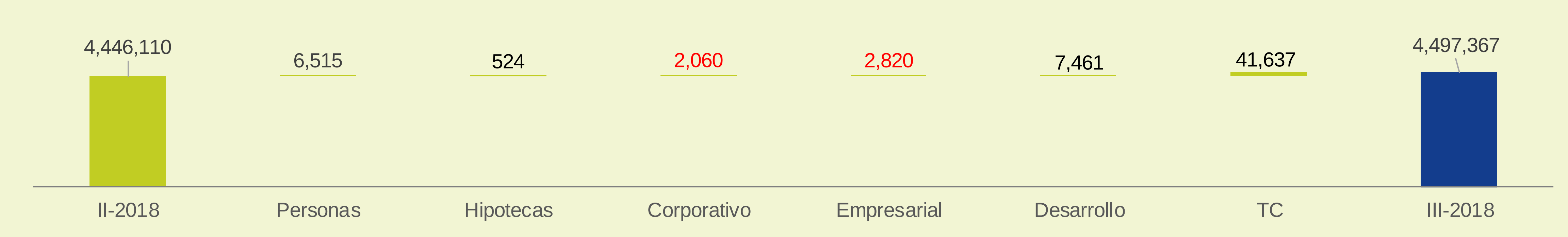


Loan portfolio by currency (%)

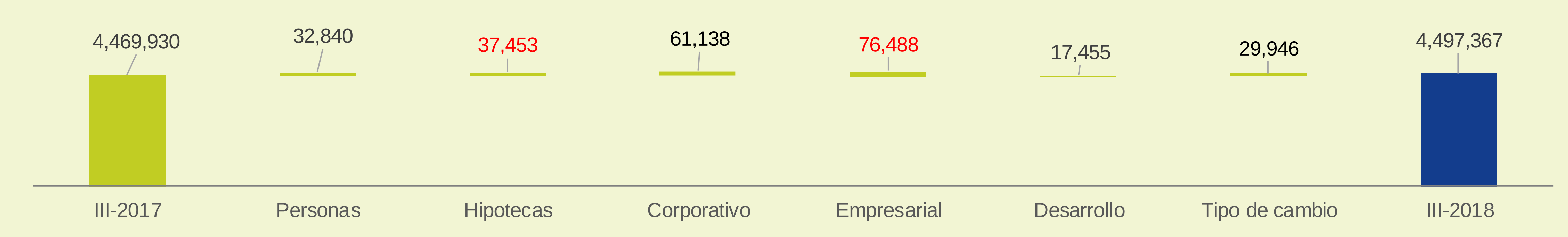


BNCR (STAND-ALONE): LOAN PORTFOLIO

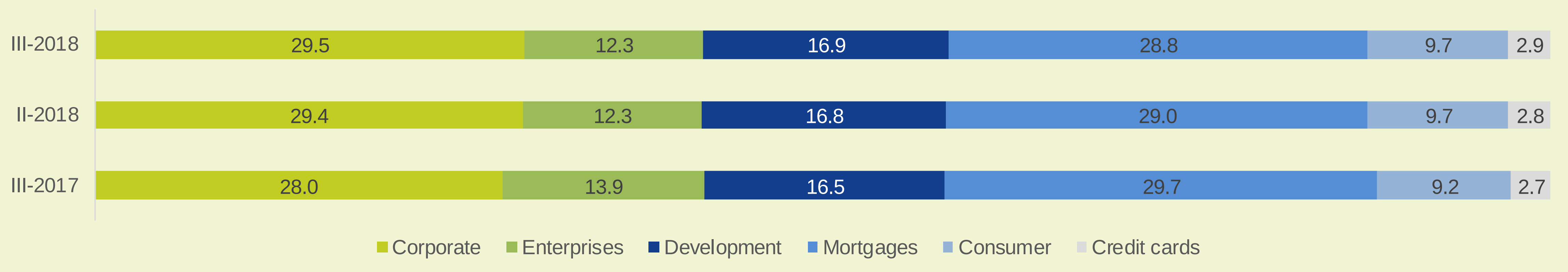
Contribution to portfolio growth QoQ (million CRC)



Contribution to portfolio growth YoY (million CRC)

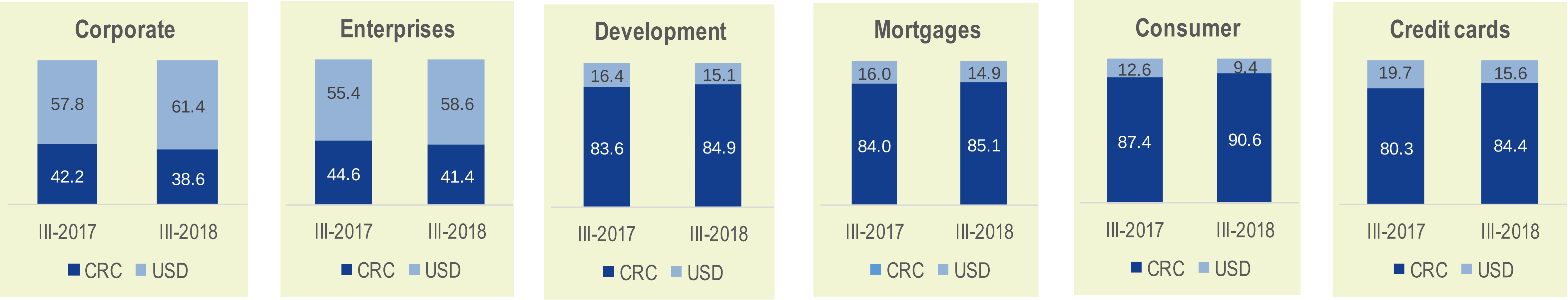


BNCR (STAND-ALONE): LOAN PORTFOLIO BY SEGMENT



Loans million CRC	As of the end of 3Q 2017	2Q 2018	3Q 2018	% Part. 3Q 2018	% nominal change QoQ	YoY	% real change QoQ	YoY
Corporate	1,249,876	1,306,784	1,327,123	29.5	1.6	6.2	1.1	3.9
Development								
Enterprises	622,724	546,547	552,660	12.3	1.1	-11.3	0.7	-13.2
SME	738,618	747,689	758,437	16.9	1.4	2.7	1.0	0.5
Personas								
Mortgages	1,327,589	1,288,120	1,293,956	28.8	0.5	-2.5	0.0	-4.6
Credit cards	118,550	125,823	130,249	2.9	3.5	9.9	3.1	7.5
Consumer	412,574	431,146	434,942	9.7	0.9	5.4	0.4	3.1
Total	**4,469,930**	**4,446,110**	**4,497,367**	**100**	**1.2**	**0.6**	**0.7**	**-1.6**

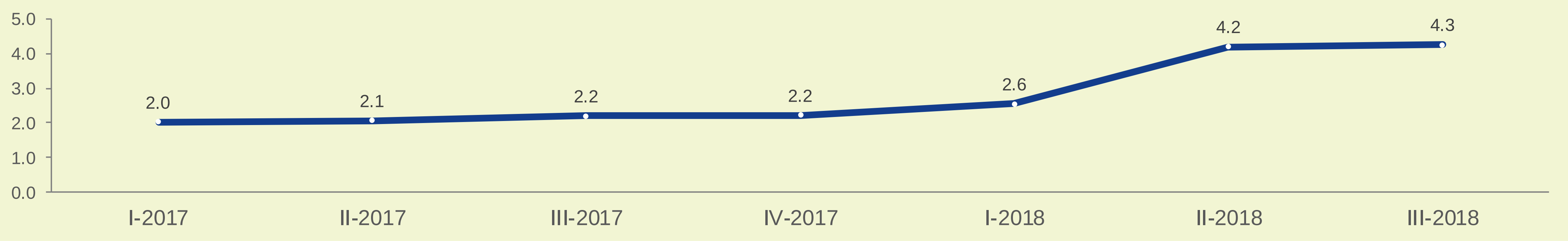
BNCR (STAND-ALONE): LOAN PORTFOLIO BY SEGMENT



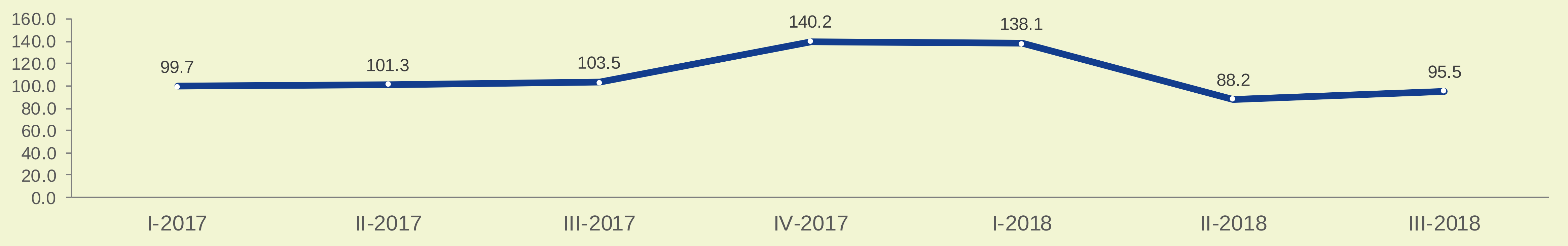
Loans	Local currency (million CRC)					Foreign currency (million de CRC)				
million CRC	3Q 2017	2Q 2018	3Q 2018	Δ QoQ (%)	Δ YoY (%)	3Q 2017	2Q 2018	3Q 2018	Δ QoQ (%)	Δ YoY (%)
Corporate	526,944	505,029	522,029	3.3	-0.9	722,932	801,755	805,095	-2.4	9.1
Development										
Enterprises	277,951	226,480	231,608	2.2	-16.7	344,773	320,067	321,051	-2.5	-8.7
SME	617,483	634,489	640,305	0.9	3.7	121,135	113,201	118,132	1.4	-4.4
Personas										
Mortgages	1,114,545	1,096,457	1,103,032	0.6	-1.0	213,044	191,664	190,924	-3.3	-12.2
Credit cards	95,228	106,153	109,220	2.9	14.7	23,322	19,670	21,029	3.9	-11.6
Consumer	360,670	390,636	394,611	1.0	9.4	51,904	40,510	40,332	-3.3	-23.9
Total	**2,992,820**	**2,959,244**	**3,000,805**	**1.4**	**0.3**	**1,477,110**	**1,486,866**	**1,496,562**	**-2.1**	**-0.7**

BNCR (STAND-ALONE): ASSET QUALITY

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

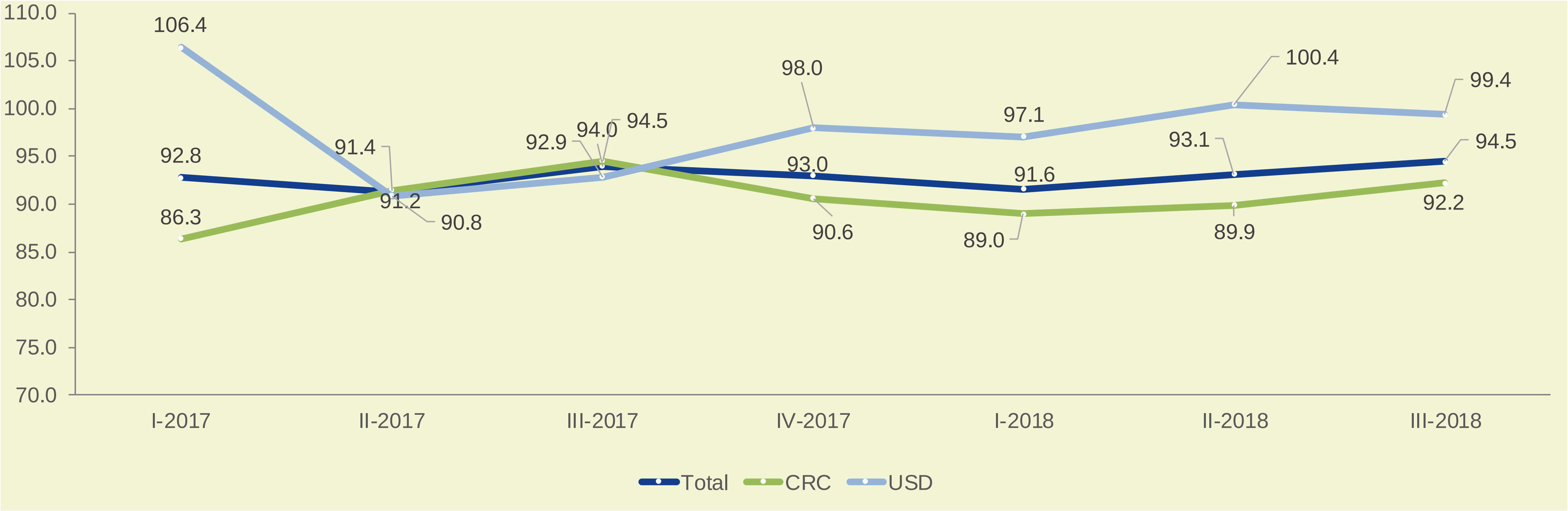


Coverage ratio[2]



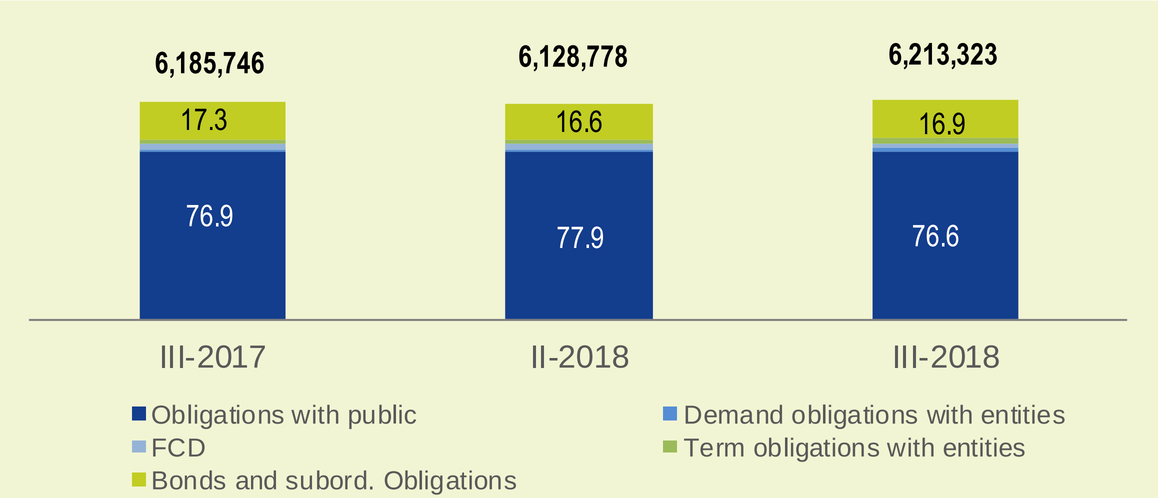
(1) NPL: credits more delay 90 days
(2) Allowances for loan impairments over NPLs

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

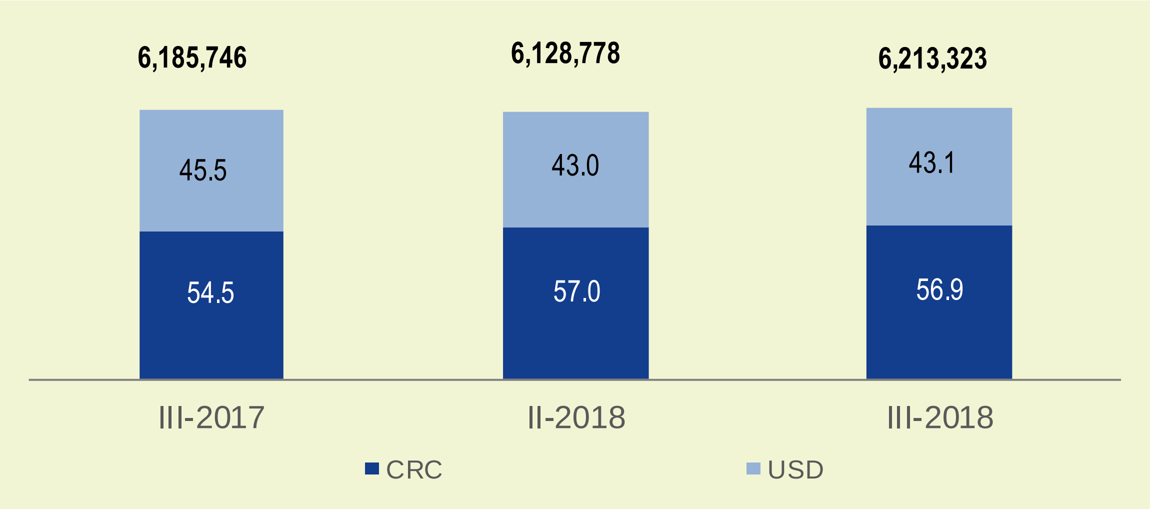


BNCR (STAND-ALONE): FUNDING STRUCTURE

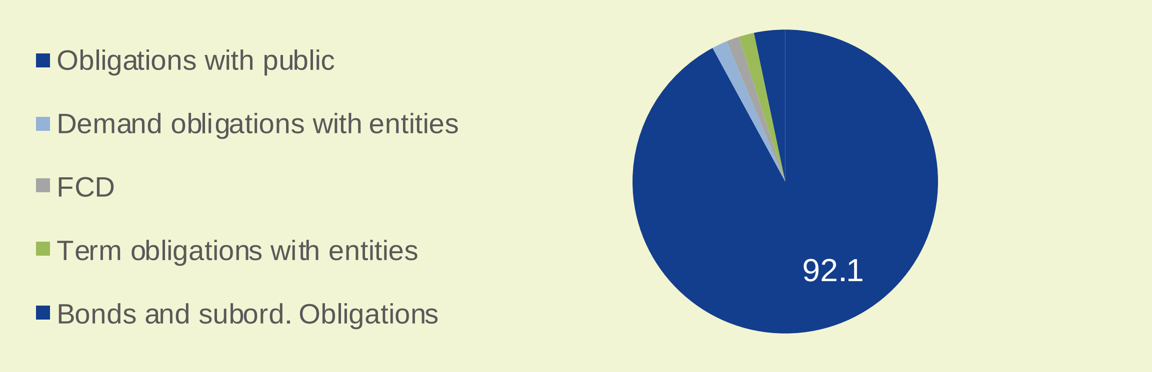
By product



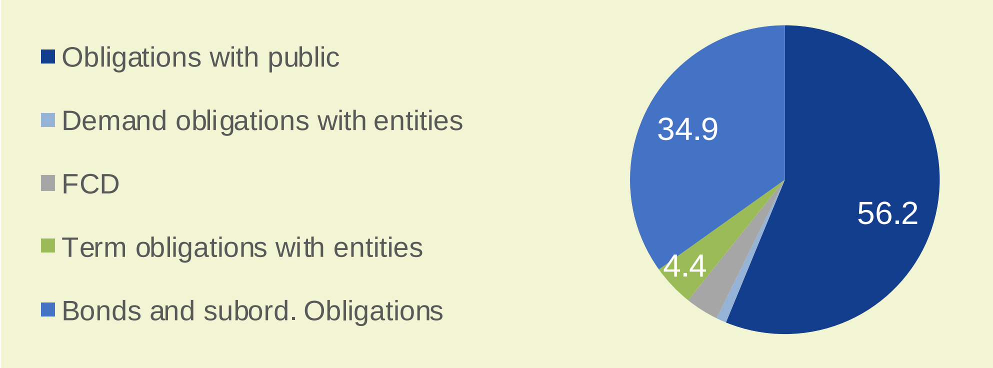
By currency



CRC

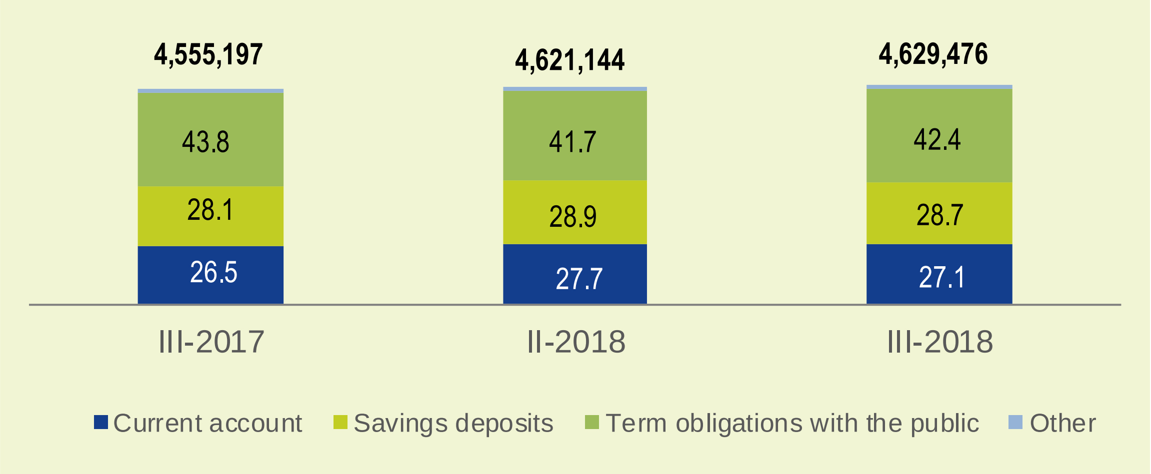


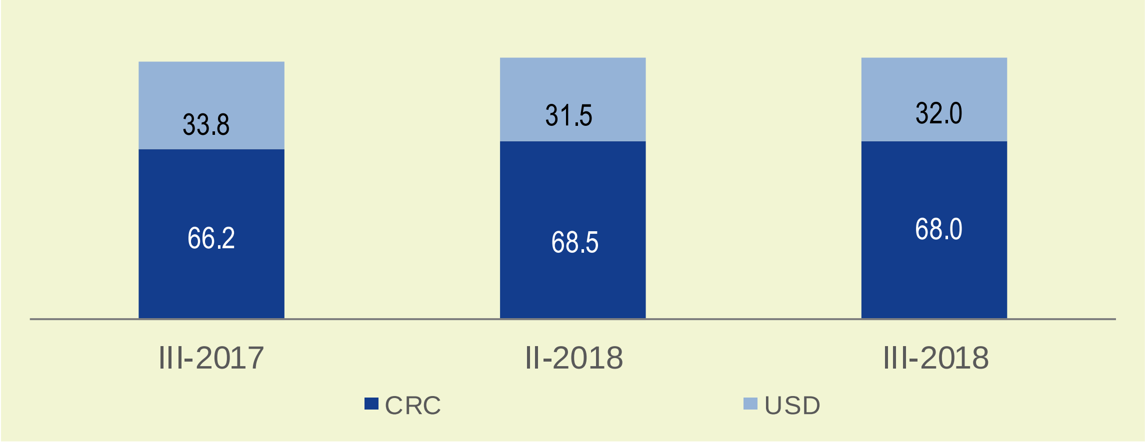
Foreign currency



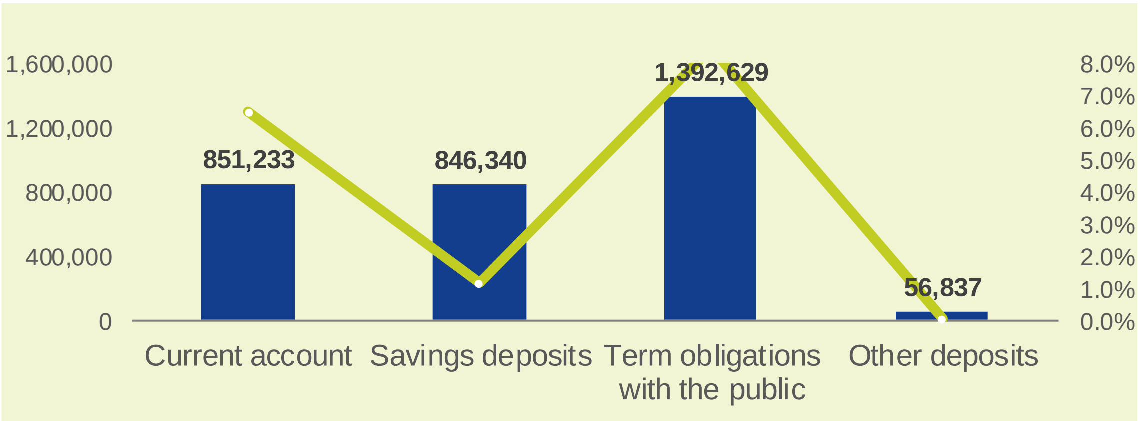
BNCR (STAND-ALONE): DEPOSIT BREAKDOWN

Structure of deposits

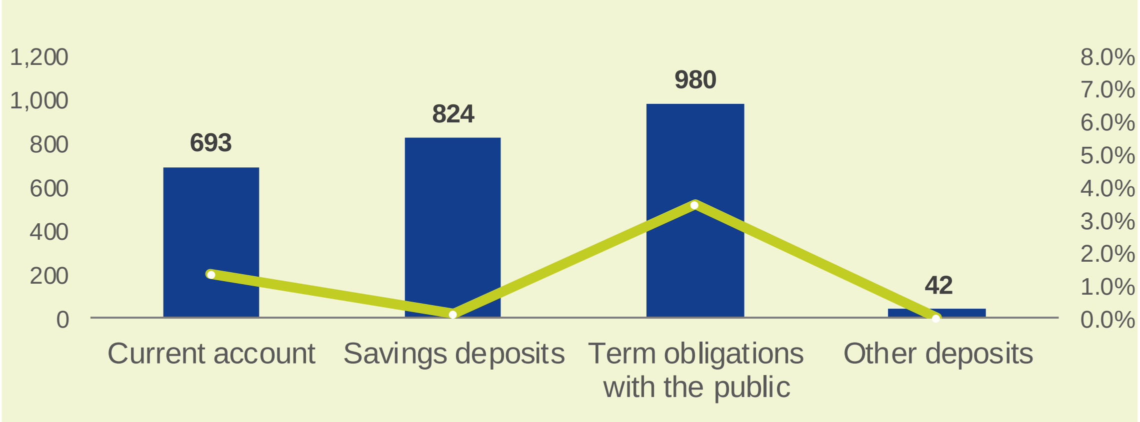




Deposits and average cost (CRC)



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 años	CRC	20,000 MM	20,000	8.03%
BNCR4B	20-set-2017	20-set-2019	2 años	CRC	20,000 MM	14,175	8.09%
BNRC4C	06-oct-2017	06-oct-2020	3 años	CRC	20,000 MM	11,601	8.39%
Subordinated	27-may-2014	15-nov-2023	9.6 años	USD	100 MM	100 MM	Libor6m+5.00%
Subordinated	2-nov-2014	23-oct-2029	15 años	USD	30 MM	30 MM	Libor6m+5.25%
RegS / 144A	1-nov-2013	1-nov-2018	5 años	USD	500 MM	500 MM	4.875
RegS / 144A	25-abr-2016	25-abr-2021	5 años	USD	500 MM	500 MM	5.875
RegS / 144A	1-nov-2013	1-nov-2023	10 años	USD	500 MM	500 MM	6.25

Long term obligations	MM CRC		MM USD	%
Local	35,396	4.50%		
International			163.7 MM	5.92
Total	35,396	4.50%	163.7 MM	5.92

CREDIT RATINGS

Local

BNCR	Fitch
Last	Jun-18

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

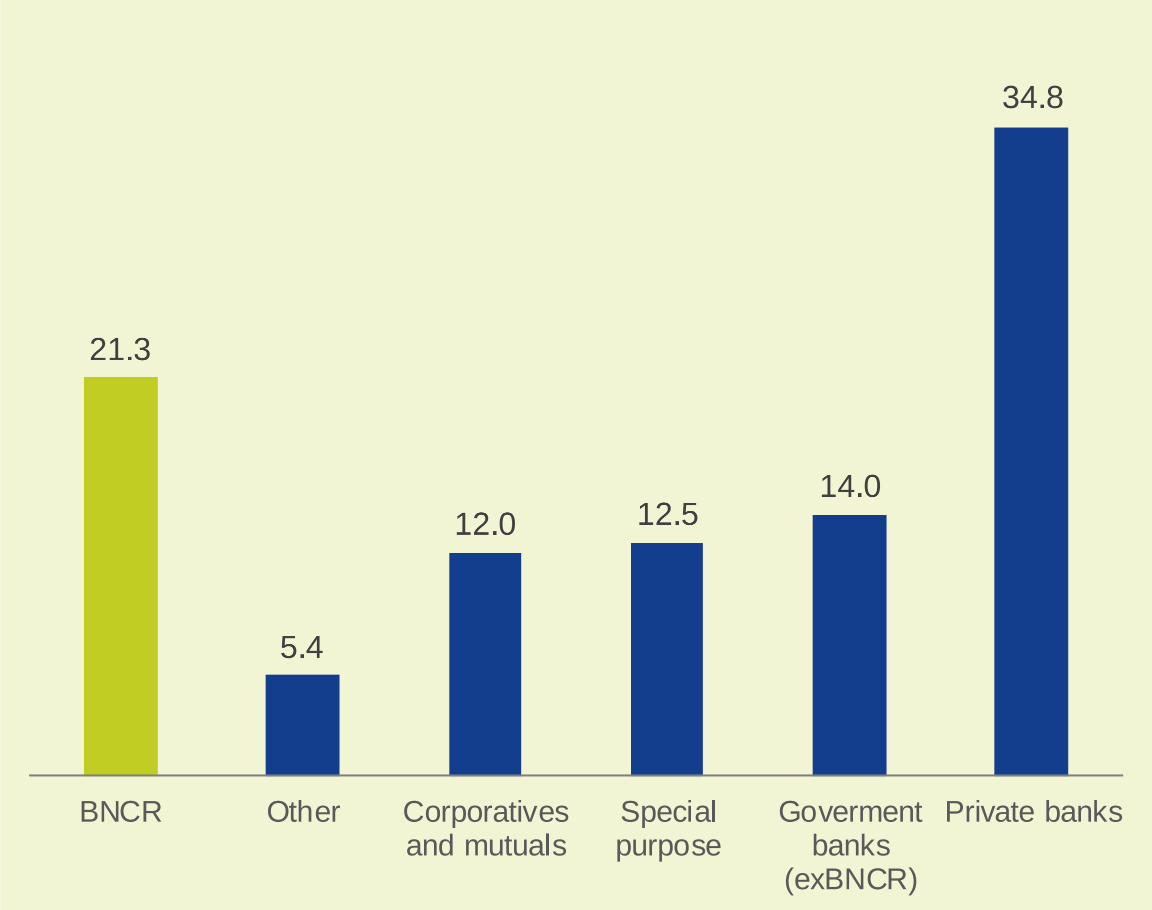
Short term debt	Fitch
Short term deposits	F1+
Certificates of deposits	F1+

International

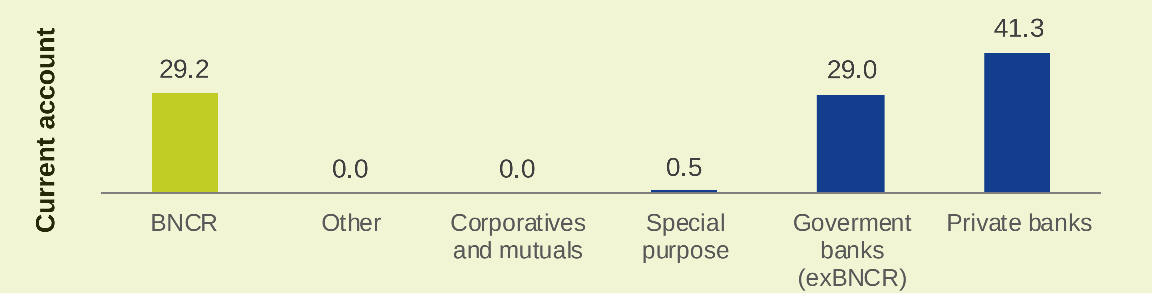
BNCR	Fitch	Moody’s
Last	Nov-17	Feb-18
Outlook	Est	Neg
Stand alone rating foreign currency	BB	Ba3

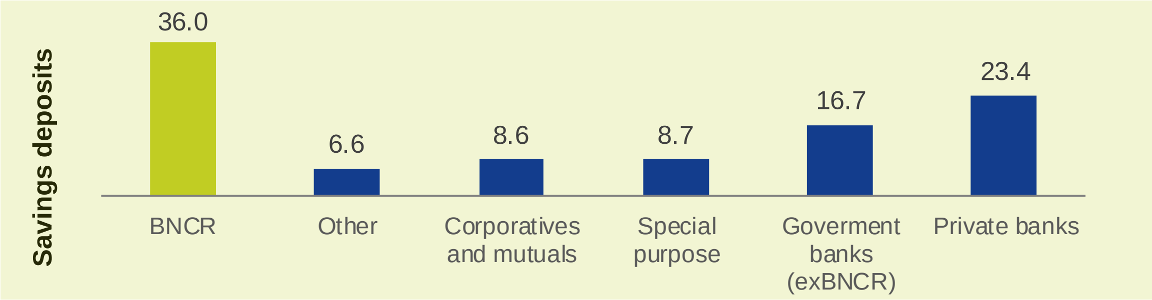
MARKET SHARE

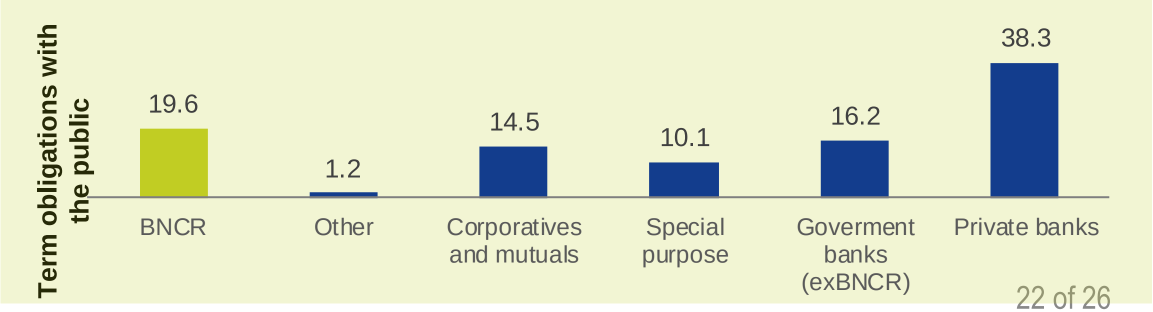
Credit



Deposits

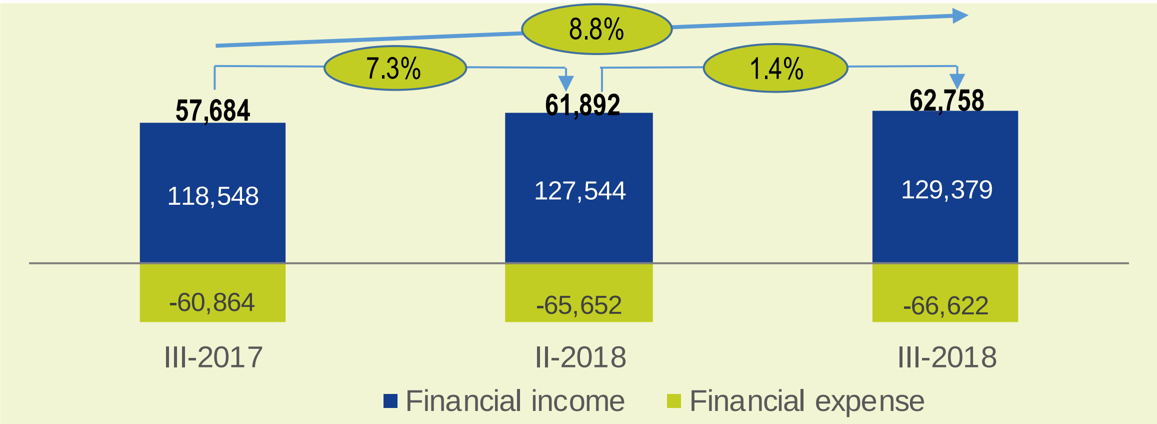




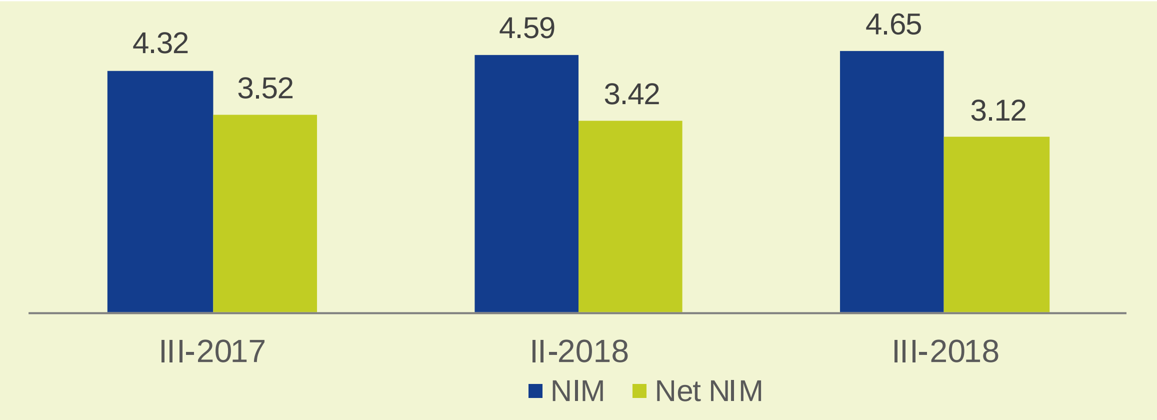


FINANCIAL PERFORMANCE

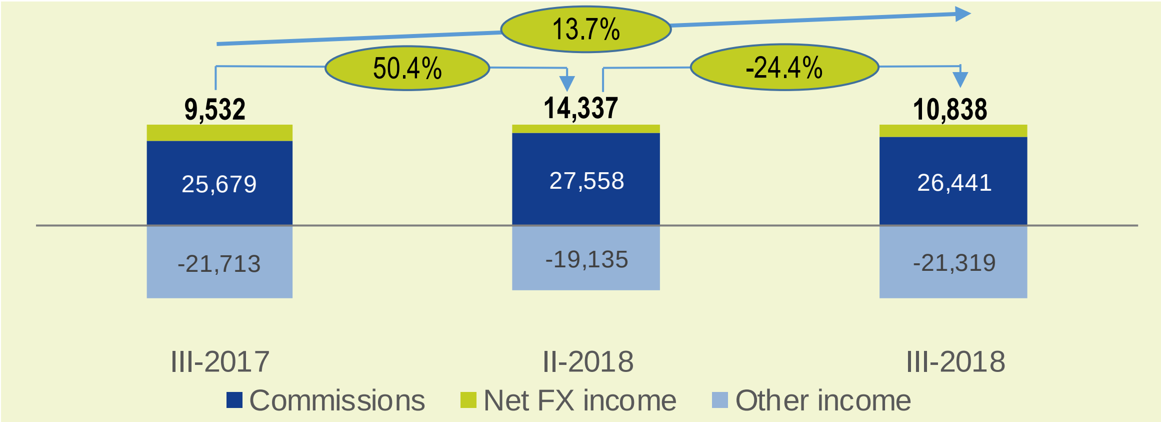
Financial income (million CRC)



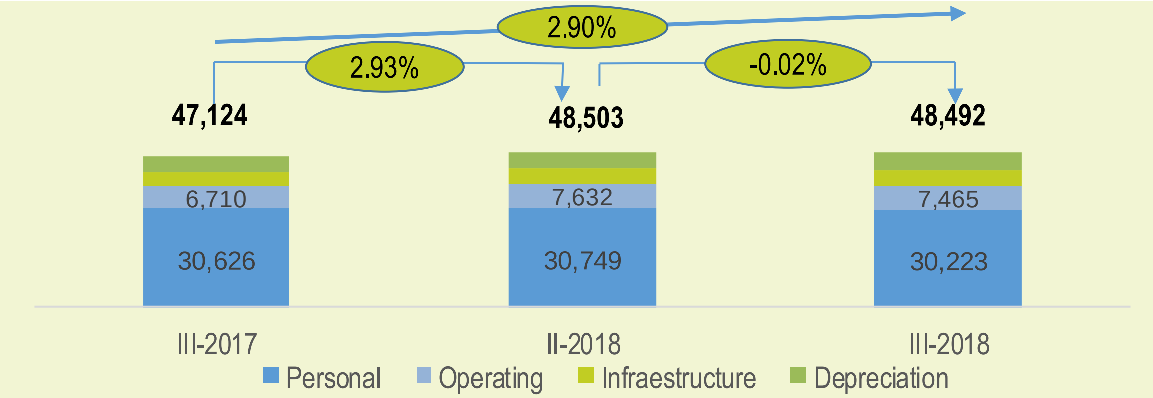
NIM



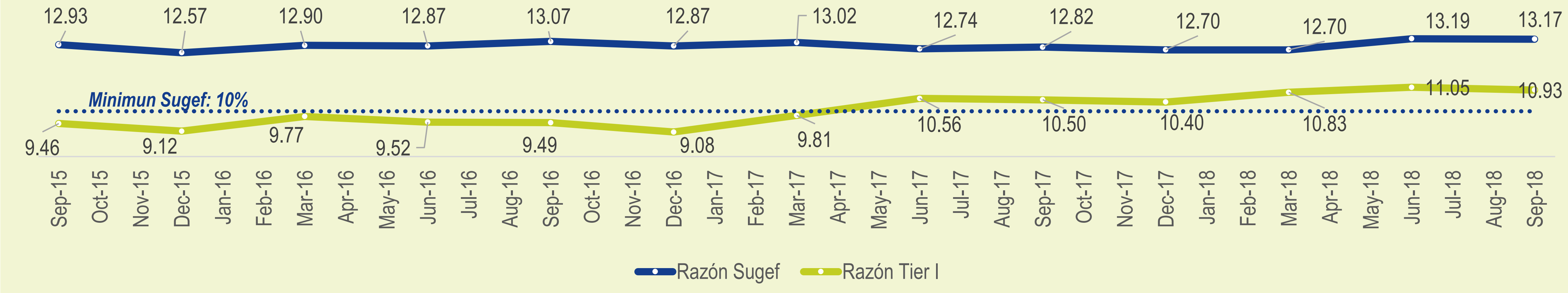
Fee income (million CRC)



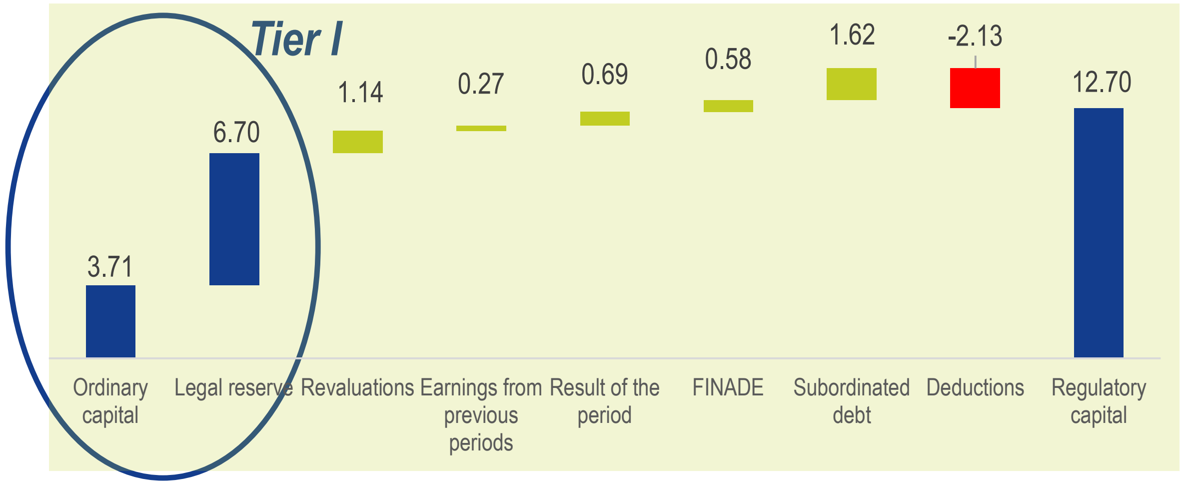
Operational expenditure (million CRC)



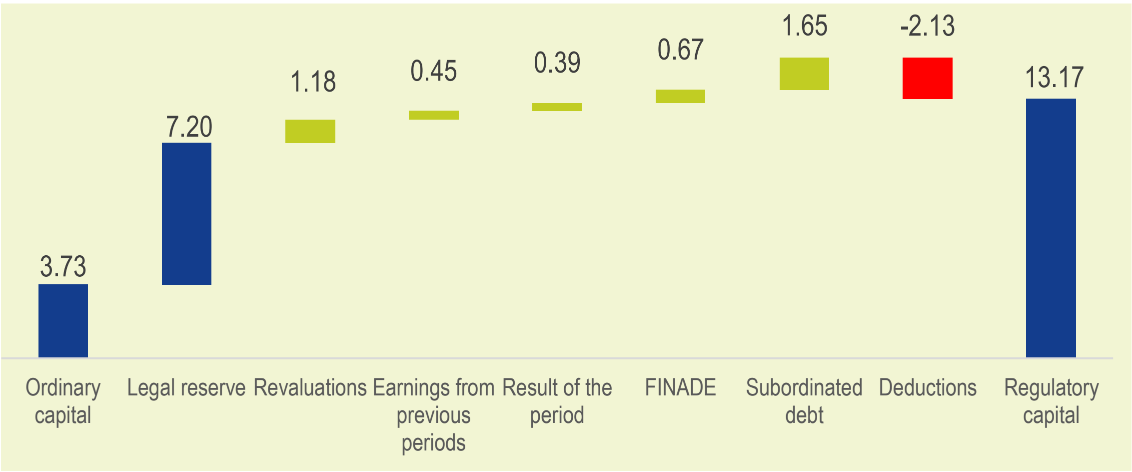
CAPITALIZATION



ISP composition (Dec-17)

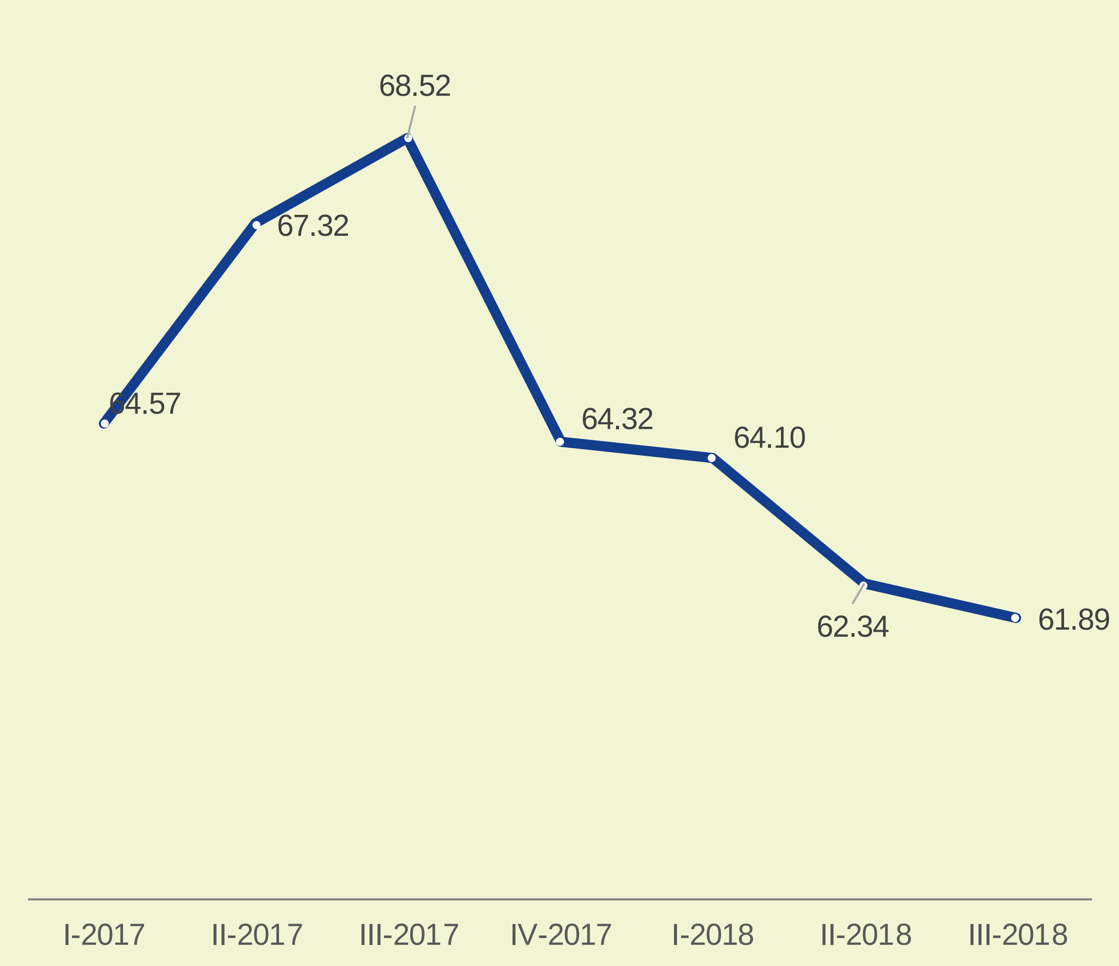


ISP composition (Sept-18)

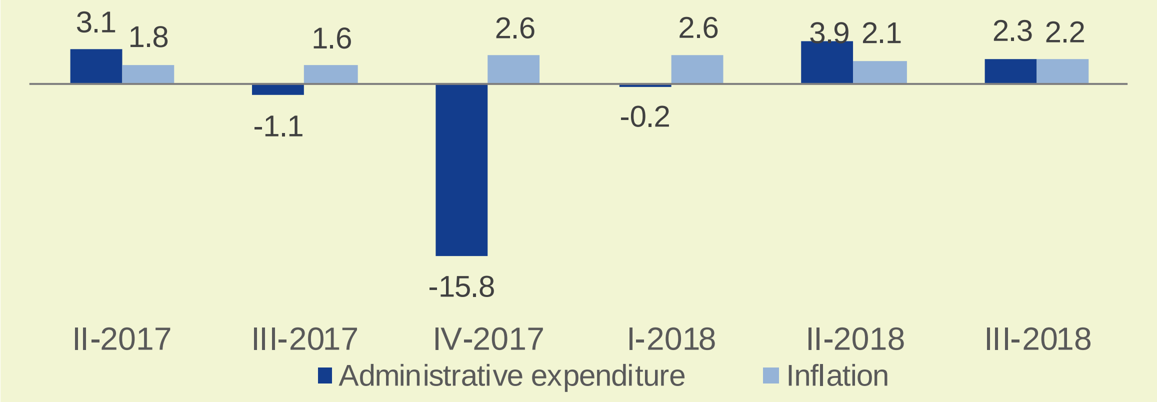


EFFICIENCY

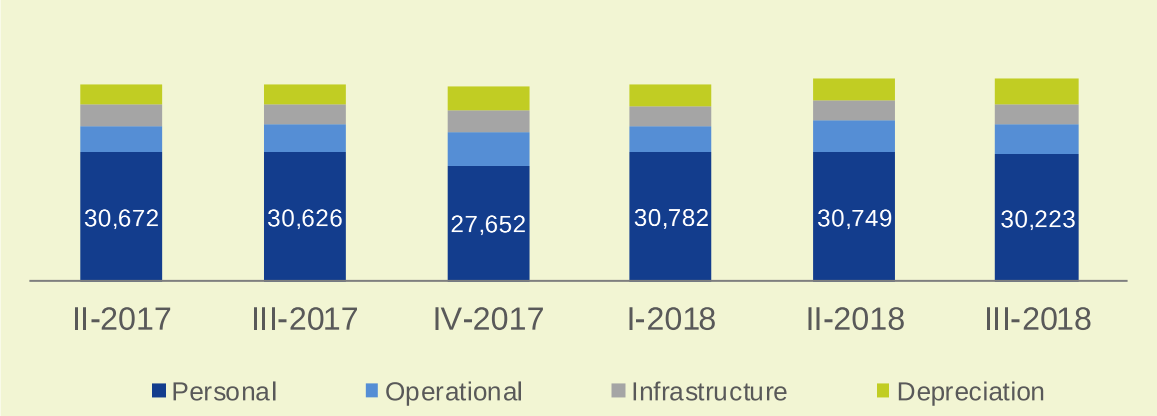
Efficiency ratio



Administrative expenditure (YoY growth, %)

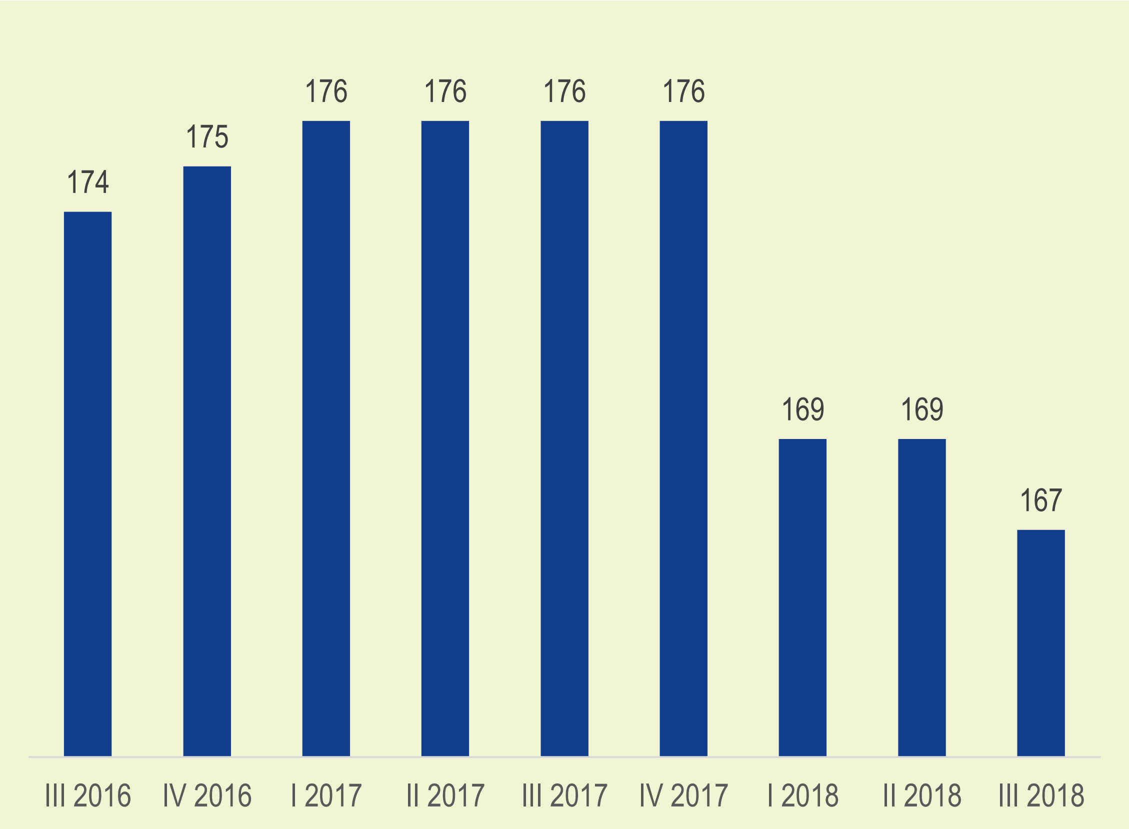


Administrative expenditure breakdown (million CRC)

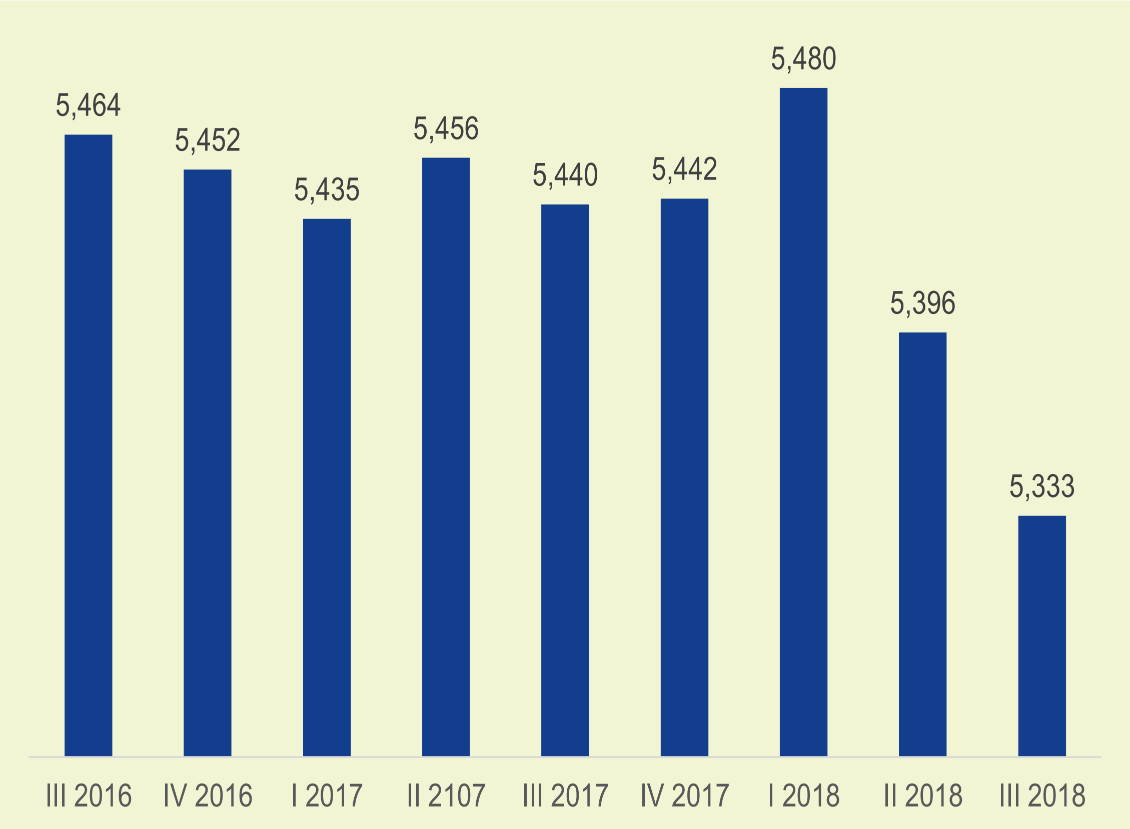


BRANCHES AND PAYROLL

Branches(1)



Payroll(1)



(1) Includes all BNCR Group