

## BLADEx ANNOUNCES A 61% YOY INCREASE IN NET PROFIT TO \$37.1 MILLION OR \$1.02 PER SHARE FOR THE 2Q23; ANNUALIZED RETURN ON EQUITY OF 13.4% IN 2Q23

PANAMA CITY, REPUBLIC OF PANAMA, July 20, 2023

**Banco Latinoamericano de Comercio Exterior, S.A.** (NYSE: BLX, "Bladex", or "the Bank"), a Panama-based multinational bank originally established by the central banks of 23 Latin-American and Caribbean countries to promote foreign trade and economic integration in the Region, announced today its results for the Second Quarter ("2Q23") and six months ("6M23") ended June 30, 2023.

The consolidated financial information in this document has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

### FINANCIAL SNAPSHOT

(US\$ million, except percentages and per share amounts)	2Q23	1Q23	2Q22	6M23	6M22
<b>Key Income Statement Highlights</b>					
Net Interest Income ("NII")	\$54.5	\$52.6	\$32.7	\$107.1	\$58.4
Fees and commissions, net	\$6.5	\$4.8	\$4.3	\$11.3	\$8.2
(Loss) gain on financial instruments, net	(\$3.6)	\$1.7	(\$0.1)	(\$1.9)	\$0.5
Total revenues	\$57.4	\$59.2	\$36.9	\$116.6	\$67.2
Provision for credit losses	(\$4.7)	(\$6.3)	(\$0.8)	(\$11.0)	(\$8.9)
Operating expenses	(\$15.6)	(\$15.9)	(\$13.1)	(\$31.5)	(\$24.1)
Profit for the period	\$37.1	\$37.0	\$23.0	\$74.0	\$34.1
<b>Profitability Ratios</b>					
Earnings per Share ("EPS") <sup>(1)</sup>	\$1.02	\$1.02	\$0.63	\$2.03	\$0.94
Return on Average Equity ("ROE") <sup>(2)</sup>	13.4%	13.7%	9.1%	13.6%	6.8%
Return on Average Assets ("ROA") <sup>(3)</sup>	1.6%	1.6%	1.1%	1.6%	0.8%
Net Interest Margin ("NIM") <sup>(4)</sup>	2.42%	2.41%	1.54%	2.42%	1.43%
Net Interest Spread ("NIS") <sup>(5)</sup>	1.79%	1.82%	1.32%	1.80%	1.24%
Efficiency Ratio <sup>(6)</sup>	27.2%	26.9%	35.4%	27.0%	35.9%
<b>Assets, Capital, Liquidity &amp; Credit Quality</b>					
Credit Portfolio <sup>(7)</sup>	\$9,114	\$8,716	\$8,685	\$9,114	\$8,685
Commercial Portfolio <sup>(8)</sup>	\$8,114	\$7,778	\$7,583	\$8,114	\$7,583
Investment Portfolio	\$1,000	\$938	\$1,102	\$1,000	\$1,102
Total assets	\$10,134	\$9,249	\$8,925	\$10,134	\$8,925
Total equity	\$1,128	\$1,096	\$1,019	\$1,128	\$1,019
Market capitalization <sup>(9)</sup>	\$804	\$633	\$482	\$804	\$482
Tier 1 Capital to risk-weighted assets (Basel III – IRB) <sup>(10)</sup>	15.7%	15.3%	15.1%	15.7%	15.1%
Capital Adequacy Ratio (Regulatory) <sup>(11)</sup>	13.6%	13.5%	12.9%	13.6%	12.9%
Total assets / Total equity (times)	9.0	8.4	8.8	9.0	8.8
Liquid Assets / Total Assets <sup>(12)</sup>	17.3%	14.1%	10.6%	17.3%	10.6%
Credit-impaired loans to Loan Portfolio <sup>(13)</sup>	0.1%	0.5%	0.2%	0.1%	0.2%
Impaired credits <sup>(14)</sup> to Credit Portfolio	0.1%	0.4%	0.1%	0.1%	0.1%
Total allowance for losses to Credit Portfolio <sup>(15)</sup>	0.6%	0.8%	0.6%	0.6%	0.6%
Total allowance for losses to impaired credits (times) <sup>(15)</sup>	5.0	2.1	5.3	5.0	5.3

### 2Q23 & 6M23 FINANCIAL & BUSINESS HIGHLIGHTS

- **Sustained trend for higher Profitability**, with Net Profit of \$37.1 million in 2Q23 (+0.3% QoQ; +61% YoY) and \$74.0 million in 6M23 (+117% YoY), on the back of the continued growth trend on Net Interest Income ("NII") and fee income generation.
- **Solid Annualized Return on Equity ("ROE")** of 13.4% in 2Q23 (-30bps QoQ; +434 bps YoY) and 13.6% in 6M23 (+677bps YoY). The Bank's Tier 1 Basel III Capital and Regulatory Capital Adequacy Ratios improved to 15.7% and 13.6%, respectively, as the Bank remained committed to a sound capitalization.
- **Growth trend in NII for ninth consecutive quarter**, increasing to \$54.5 million in 2Q23 (+3% QoQ; +67% YoY), to reach \$107.1 million (+83% YoY) in 6M23. Net Interest Margin ("NIM") expanded to 2.42% in 2Q23 (+1 bp QoQ; +88 bps YoY) and 6M23 (+98 bps YoY), on the back of higher lending spreads and market rates.
- **Higher Fees and Commissions** totaling \$6.5 million for 2Q23 (+35% QoQ; +52% YoY), as fee income from letters of credit sustained its increasing trend for a seventh consecutive quarter (+28% QoQ; +44% YoY), along with increased loan syndication activity. These positive results boosted fee income to \$11.3 million (+38% YoY) in 6M23.
- **Improved YoY levels of Efficiency Ratio** of 27.2% in 2Q23 and 27.0% in 6M23, on the back of higher total revenues, overcompensating the YoY increases in operating expenses related to strategy execution. 2Q23 operating expenses remained relatively stable QoQ.
- **Record Credit Portfolio** at \$9,114 million as of June 30, 2023 (+5% both QoQ and YoY).
  - Commercial Portfolio EoP balances reached record levels of \$8,114 million in 2Q23 (+4% QoQ; +7% YoY), on cross-sell efforts and the incorporation of new clients.
  - Investment Portfolio increased 7% QoQ to \$1,000 million, entirely consisting of credit investments held at amortized cost, enhancing credit exposure diversification.
- **Healthy asset quality**. Most of the credit portfolio (98%) remains classified as low risk or Stage 1. Impaired credits (Stage 3) decreased to \$10 million at 2Q23 (-71% QoQ; -5% YoY) or 0.1% of total Credit Portfolio, with a reserve coverage of almost 5x, due to write-offs for \$27 million, mostly related to impaired credits of a single non-bank financial intermediary borrower.
- **Deposits surpassed \$4Bn milestone in 2Q23, reaching \$4,074 million** (+14% QoQ; +31% YoY), coupled with ample and constant access to interbank and debt capital markets, which reflects the Bank's sound and diversified funding structure.
- **Solid liquidity position** at \$1,757 million, or 17% of total assets as of June 30, 2023, consisting of cash and due from banks mostly placed with the Federal Reserve Bank of New York.

## CEO's Comments

Mr. Jorge Salas, Bladex's Chief Executive Officer said: "Bladex had another outstanding quarter. All relevant financial metrics keep showing a positive trend as we continue to execute our strategic plan. Both, our treasury unit and our renewed commercial unit had a very strong performance. The results speak for themselves. This was record braking quarter. Fifty four million dollars (USD 54MM) in NII for the quarter, 67% higher than the same period last year. Net interest margin stood at 2.42%, 88 basis points higher year-on-year. All this has been possible largely because we have been gradually and strategically reconfiguring our asset and liability mix. Also, deposits as of quarter-end were over 4 billion dollars for the first time in Bladex's history and our letter of credit unit surpassed 1 billion in outstanding balances also for the first time. Bottom line for the quarter was 37.1 million dollars in line with our 2023 guidance and our long-term guidance of attaining sustainable mid-teens returns by 2026."

## RECENT EVENTS

- **Quarterly dividend payment:** The Board of Directors approved a quarterly common dividend of \$0.25 per share corresponding to 2Q23. The cash dividend will be paid on August 15, 2023, to shareholders registered as of July 31, 2023.

### Notes:

- Numbers and percentages set forth in this earnings release have been rounded and accordingly may not total exactly.
- QoQ and YoY refer to quarter-on-quarter and year-on-year variations, respectively.

### Footnotes:

- 1) Earnings per Share ("EPS") calculation is based on the average number of shares outstanding during each period.
- 2) ROE refers to return on average stockholders' equity which is calculated based on unaudited daily average balances.
- 3) ROA refers to return on average assets which is calculated based on unaudited daily average balances.
- 4) NIM refers to net interest margin which constitutes to Net Interest Income ("NII") divided by the average balance of interest-earning assets.
- 5) NIS refers to net interest spread which constitutes the average yield earned on interest-earning assets, less the average yield paid on interest-bearing liabilities.
- 6) Efficiency Ratio refers to consolidated operating expenses as a percentage of total revenues.
- 7) The Bank's "Credit Portfolio" includes gross loans at amortized cost (or the "Loan Portfolio"), securities at FVOCI and at amortized cost, gross of interest receivable and the allowance for expected credit losses, loan commitments and financial guarantee contracts, such as confirmed and stand-by letters of credit, and guarantees covering commercial risk; and other assets consisting of customers' liabilities under acceptances.
- 8) The Bank's "Commercial Portfolio" includes gross loans at amortized cost (or the "Loan Portfolio"), loan commitments and financial guarantee contracts, such as issued and confirmed letters of credit, stand-by letters of credit, guarantees covering commercial risk and other assets consisting of customers' liabilities under acceptances.
- 9) Market capitalization corresponds to total outstanding common shares multiplied by market close price at the end of each corresponding period.
- 10) Tier 1 Capital ratio is calculated according to Basel III capital adequacy guidelines, and as a percentage of risk-weighted assets. Risk-weighted assets are estimated based on Basel III capital adequacy guidelines, utilizing internal-ratings based approach or "IRB" for credit risk and standardized approach for operational risk.
- 11) As defined by the Superintendency of Banks of Panama through Rules No. 01-2015 and 03-2016, based on Basel III standardized approach. The capital adequacy ratio is defined as the ratio of capital funds to risk-weighted assets, rated according to the asset's categories for credit risk. In addition, risk-weighted assets consider calculations for market risk and operating risk.
- 12) Liquid assets refer to total cash and cash equivalents, consisting of cash and due from banks and interest-bearing deposits in banks, excluding pledged deposits and margin calls; as well as highly rated corporate debt securities (above 'A-'). Liquidity ratio refers to liquid assets as a percentage of total assets.

- 13) Loan Portfolio refers to gross loans at amortized cost, excluding interest receivable, the allowance for loan losses, and unearned interest and deferred fees. Credit-impaired loans are also commonly referred to as Non-Performing Loans or NPLs.
- 14) Impaired Credits refers to Non-Performing Loans or NPLs and non-performing securities at FVOCI and at amortized cost.
- 15) Total allowance for losses refers to allowance for loan losses plus allowance for loan commitments and financial guarantee contract losses and allowance for investment securities losses.

## SAFE HARBOR STATEMENT

*This press release contains forward-looking statements of expected future developments within the meaning of the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements can be identified by words such as: "anticipate", "intend", "plan", "goal", "seek", "believe", "project", "estimate", "expect", "strategy", "future", "likely", "may", "should", "will" and similar references to future periods. The forward-looking statements in this press release include the Bank's financial position, asset quality and profitability, among others. These forward-looking statements reflect the expectations of the Bank's management and are based on currently available data; however, actual performance and results are subject to future events and uncertainties, which could materially impact the Bank's expectations. Among the factors that can cause actual performance and results to differ materially are as follows: the coronavirus (COVID-19) pandemic and geopolitical events; the anticipated changes in the Bank's credit portfolio; the continuation of the Bank's preferred creditor status; the impact of increasing/decreasing interest rates and of the macroeconomic environment in the Region on the Bank's financial condition; the execution of the Bank's strategies and initiatives, including its revenue diversification strategy; the adequacy of the Bank's allowance for expected credit losses; the need for additional allowance for expected credit losses; the Bank's ability to achieve future growth, to reduce its liquidity levels and increase its leverage; the Bank's ability to maintain its investment-grade credit ratings; the availability and mix of future sources of funding for the Bank's lending operations; potential trading losses; the possibility of fraud; and the adequacy of the Bank's sources of liquidity to replace deposit withdrawals. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.*

## ABOUT BLADEX

Bladex, a multinational bank originally established by the central banks of Latin-American and Caribbean countries, began operations in 1979 to promote foreign trade and economic integration in the Region. The Bank, headquartered in Panama, also has offices in Argentina, Brazil, Colombia, Mexico, and the United States of America, and a Representative License in Peru, supporting the regional expansion and servicing its customer base, which includes financial institutions and corporations.

Bladex is listed on the NYSE in the United States of America (NYSE: BLX), since 1992, and its shareholders include: central banks and state-owned banks and entities representing 23 Latin American countries; commercial banks and financial institutions; and institutional and retail investors through its public listing.

## CONFERENCE CALL INFORMATION

There will be a conference call to discuss the Bank's quarterly results on Friday, July 21, 2023 at 11:00 a.m. New York City time (Eastern Time). For those interested in participating, please dial +1 888 686-3653 in the United States or, if outside the United States, +1 718 866-4614. Participants should use conference passcode 877068, and dial in five minutes before the call is set to begin. There will also be a live audio webcast of the conference at <http://www.bladex.com>. The webcast presentation will be available for viewing and downloads on <http://www.bladex.com>. The conference call will become available for review one hour after its conclusion.

For more information, please access <http://www.bladex.com> or contact:

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