



# Banco Latinoamericano de Comercio Exterior, S.A. ("Bladex")

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Corporate Presentation  
As of June 30, 2020

**BLX**  
LISTED  
**NYSE**

*This presentation 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 presentation 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 government actions intended to limit its spread; 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.*

# Bladex represents a resilient and solid investment proposition in the current context

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1

Deep knowledge of the Latin American region, strong business fundamentals, unique ownership structure and world-class corporate governance

2

Resilient business model and proactive balance sheet management represent key advantages through economic cycles

3

Historical results evidence Bladex's financial strength and sustained operating performance

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1

Deep knowledge of the Latin American region, strong business fundamentals, unique ownership structure and world-class corporate governance

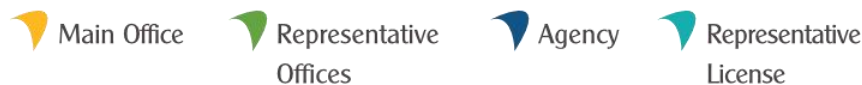
2

Resilient business model and proactive balance sheet management represent key advantages through economic cycles

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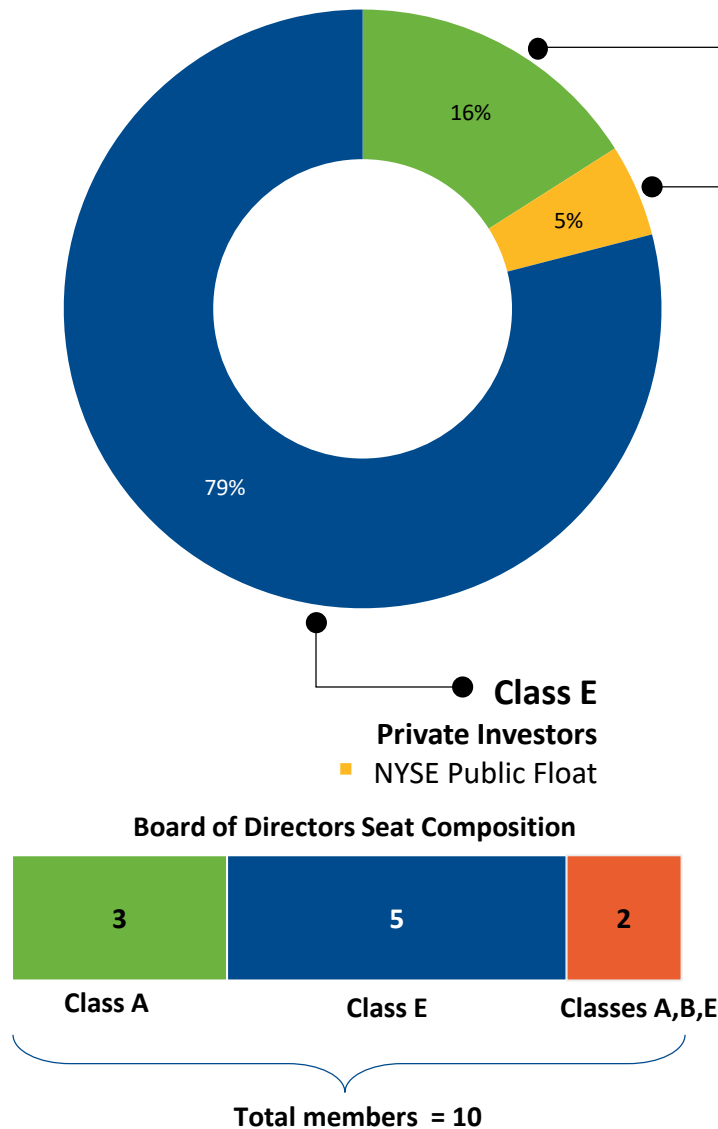
Historical results evidence Bladex's financial strength and sustained operating performance

# Bladex has developed a strong franchise with 40+ years of experience, through a broad footprint across Latin America and deep understanding of the Region's risks and opportunities



- Bladex was founded in 1978 by 23 **Central Banks** from Latin American & the Caribbean, with the participation of other financial institutions and the IFC to **promote trade and regional integration**
- In 1992, Bladex became the first Latin American bank to be **listed on the NYSE (BLX)**, and to obtain **Investment Grade** rating
- Bladex's **multinational DNA** is embedded in its regional presence, ownership structure, management and organizational culture
- Bladex is subject to multi-country regulators, including:
  - Superintendencia of Banks of Panama
  - U.S. Federal Reserve Board (New York)
  - New York State Department of Financial Services
  - U.S. Securities and Exchange Commission
  - Mexican Banking and Securities Commission

# Bladex's unique shareholder structure reinforces the Bank's corporate governance and fosters a holistic view in decision making to fulfill its mission of promoting regional trade and integration



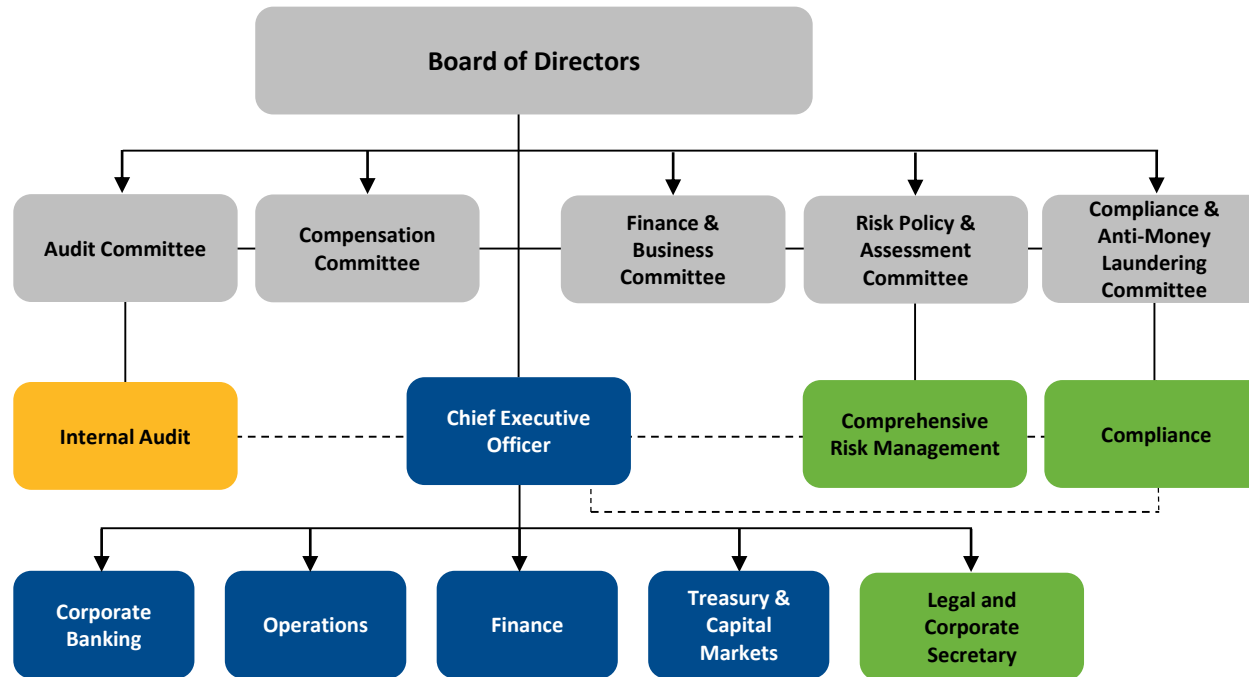
**Class A**  
Central Banks and designated state institutions of 23 countries of Latin America and the Caribbean

- Direct link between the Bank and the governments of Latin America
- Main source of Bladex's deposits, which have proven to be a stable funding source, even during periods of market volatility
- Super-majority rights: changes in the Bank's Articles of Incorporation, dissolution or mergers require 75% Class A approval
- Preferred Creditor Status in distressed scenarios

**Class B**  
LatAm & international banks and financial institutions

- 1-to-1 convertibility rights into Class E shares

# World-class Corporate Governance is the backbone of Bladex's management, centered on Enterprise Wide Risk Management



## First Line of Defense

- Includes the Business Units and related departments, where opportunities that meet the Bank's risk appetite are originated and executed

## Second Line of Defense

- Oversees that risks are managed in line with the defined level of risk appetite and in total compliance with all current regulations
- The Comprehensive Risk Management unit reports directly to the Board's Risk Policy & Assessment Committee
- The Compliance Department reports directly to the Board's Compliance & Anti-Money Laundering Committee

## Third Line of Defense

- The Internal Audit unit reports directly and with complete independence to the Board's Audit Committee
- Its responsibility is focused on regular assessments of the Bank's policies, methods and procedures and their effective implementation

# Bladex's business model focuses on top-tier clients throughout Latin America and the Caribbean, with participation in each country's strategic sectors

## Region

### LatAm Focus

- Regional scope, supported by a centralized operating structure
- Single point of contact with local presence, providing client-specific solutions

## Industry

### Strategic Sectors

- Deep and up-to-date knowledge of Latin American economies and most relevant industries
- Main focus on Financial Institutions, complemented by a well diversified exposure to corporates in various industries

## Client Base

### Top Tier

- Top-tier customer base spanning most of the countries in the Region
- Network of industry-leading clients, with extensive understanding of their financial needs and access to their key decision makers
- Focus on US Dollar generation clients with growth oriented beyond their domestic markets

**Bladex has a long-standing commitment to the Region, with USD 292 billion in cumulative credits granted since the Bank's inception**



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Resilient business model and proactive balance sheet management represent key advantages through economic cycles

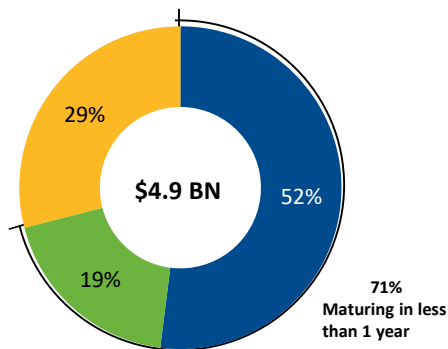
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Historical results evidence Bladex's financial strength and sustained operating performance

# Bladex's Business Model allows to rebalance credit risk swiftly



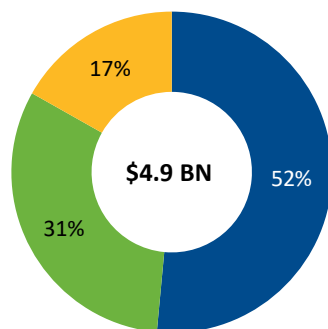
% as of 30Jun20



- Short-term
- Medium & Long-term (current)
- Medium & Long-term

- 71% maturing in less than 1 year
- 52% of its short-term portfolio in trade finance

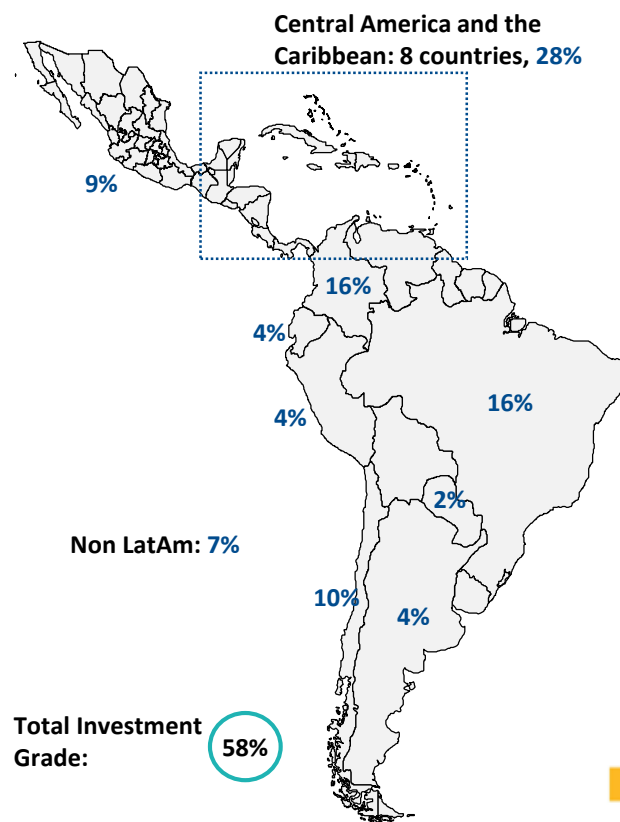
% as of 30Jun20



- Financial Institutions
- Corporations
- Sovereigns/Quasi-sovereigns

- Main financial institutions of each country, systemic
- USD generators
- Access to Capital Markets
- Minimum sales of USD \$200 millions
- Good Corporate Governance practices

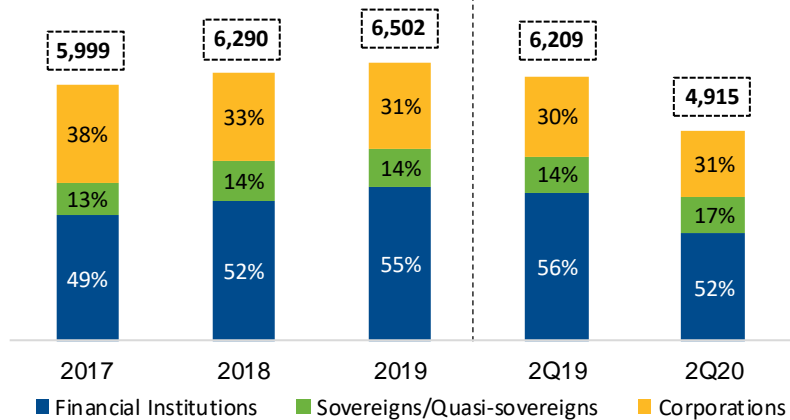
% as of 30Jun20



# Bladex's portfolio quality relies upon the short-term nature of its loans, coupled with the high quality of its client base

## Commercial Portfolio by Client

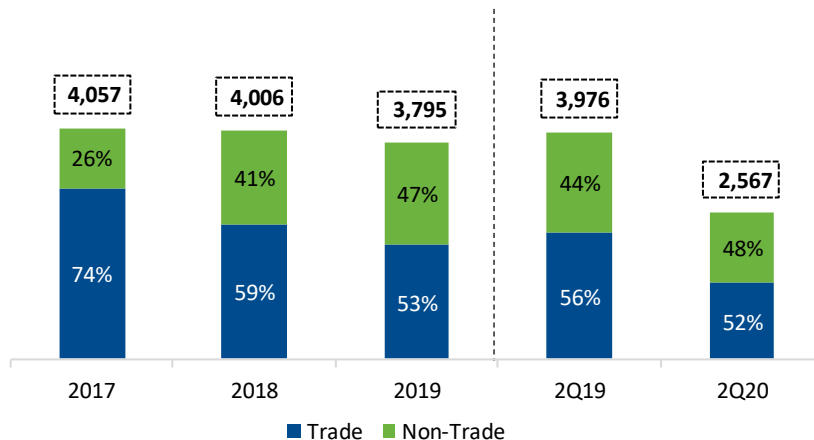
(USD millions, except for %) – EoP Balance



- The Bank's client base mainly consists of top-tier financial institutions, corporations and state-owned entities
- As of June 30, 2020, 71% of the total Commercial Portfolio was scheduled to mature within one year, and over 50% of its short-term origination was related to trade finance
- The Bank has the flexibility to adjust its exposure depending on market conditions
- Period-end balances of the Commercial Portfolio decreased as of June 30, 2020 on stricter credit underwriting parameters

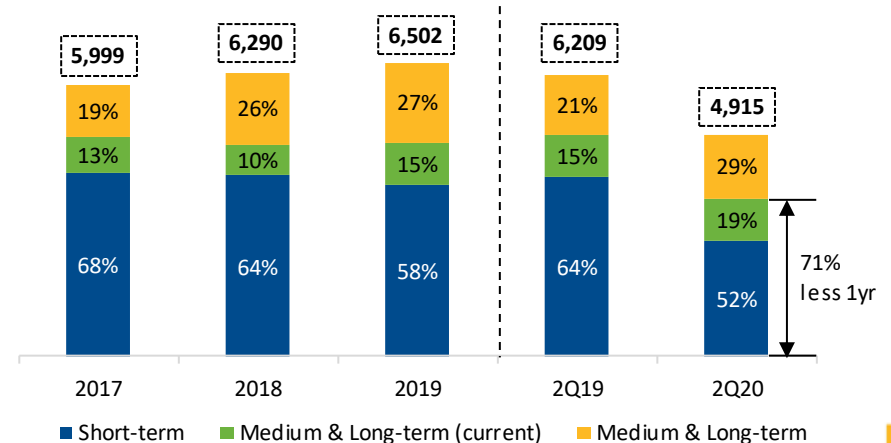
## Short-Term Portfolio Composition

(USD millions, except for %) – EoP Balance



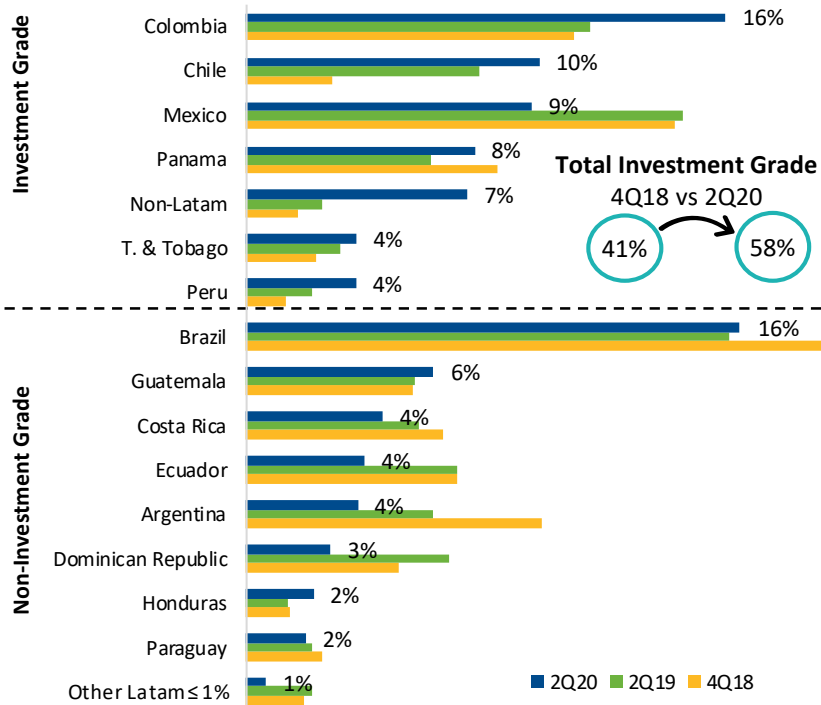
## Commercial Portfolio by Original Term

(USD millions, except for %) – EoP Balance

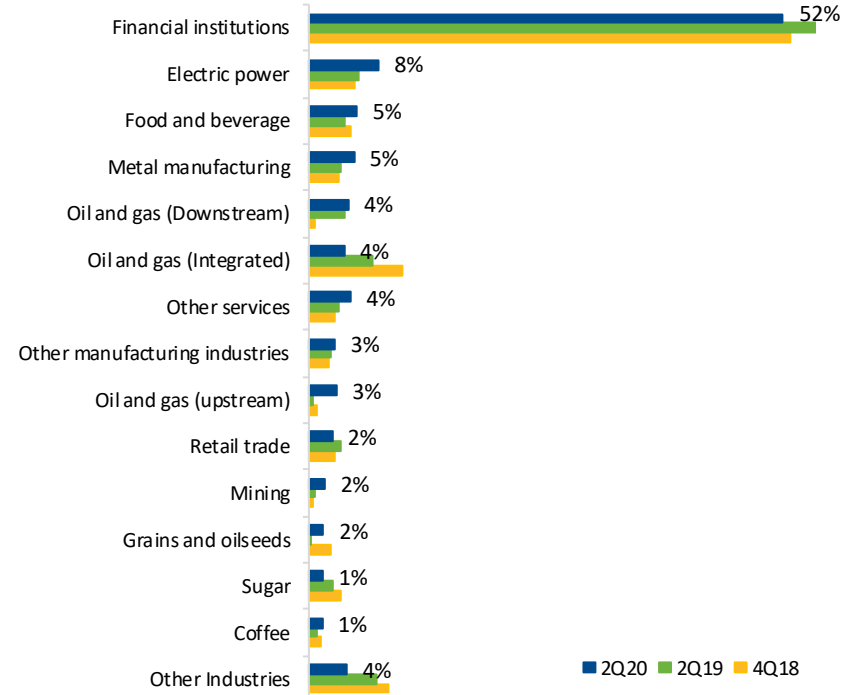


# The rebalancing of the portfolio during 2Q20 resulted in an increase in the exposure of investment grade countries to 58%, also maintaining an important participation of 52% in Financial Institutions and a well diversified portfolio in countries and sectors

## Commercial Portfolio by Country



## Commercial Portfolio by Industry



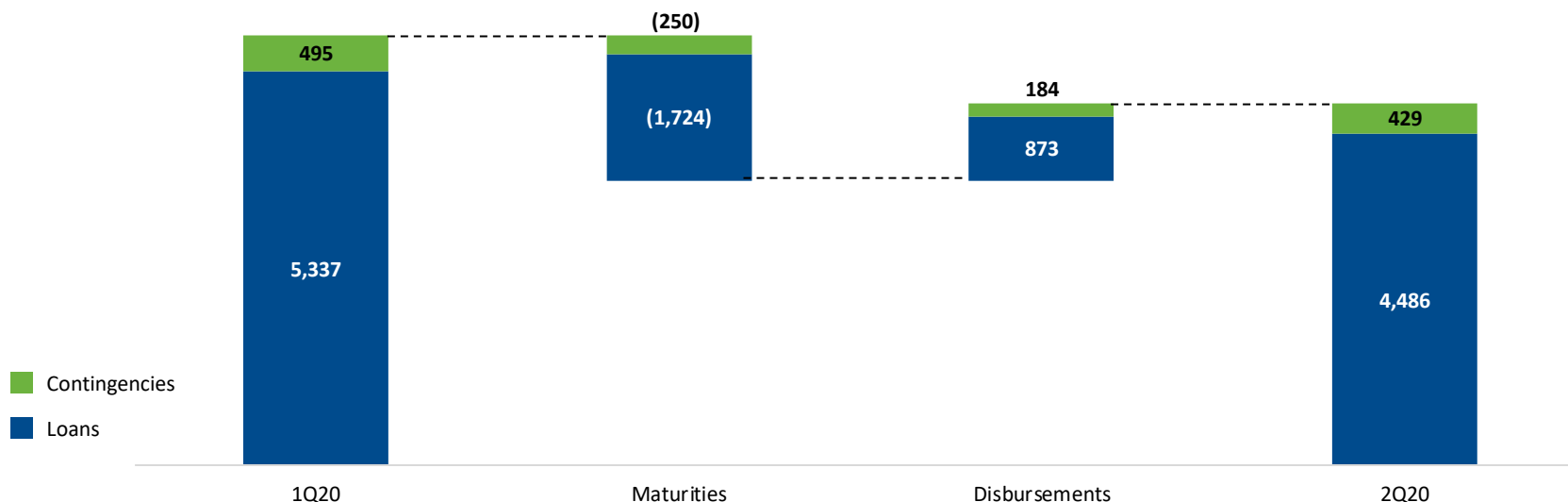
- Since 2018, the Bank has been actively engaged in a portfolio management strategy to substantially reduce exposure to commodity-related risks and has increased the exposure to clients in investment grade countries
- Exposure to higher risk sectors<sup>1</sup> represents 11.1% of the total portfolio as of 2Q20. However, most of these clients are relevant players in their respective markets and/or sovereign and quasi-sovereign institutions with no default history during prior crises
- “Non-LatAm” exposure has increased to 7% of the Commercial Portfolio. It comprises transactions carried out in the Region, supported by guarantors from investment grade OECD countries

(1) Higher Risk Sectors: airline, oil and gas upstream and supply chain, sugar, retail and auto industry.

# This flexibility of its model represents an advantage for Bladex in the current context, ensuring asset quality and incremental risk-adjusted margins.

(USD millions, except for %) - QoQ

Loan Portfolio Average Interest Rate	L+ 1.94%	L+ 1.87%	L+ 3.65%	L+ 2.31%
Total	5,832	(1,974)	+1,057	4,915



## Well-positioned at the onset of the crisis

- Top-tier clients
- No retail exposure
- 71% maturing in less than a year

## 99% collection of scheduled credit maturities

- High quality and short-term nature of the portfolio
- USD222 million in prepayments

## Selective disbursements for USD1 billion

- Tighter credit underwriting standards in defensive sectors, countries and clients
- Focus on shorter tenors, at wider risk-adjusted credit spreads

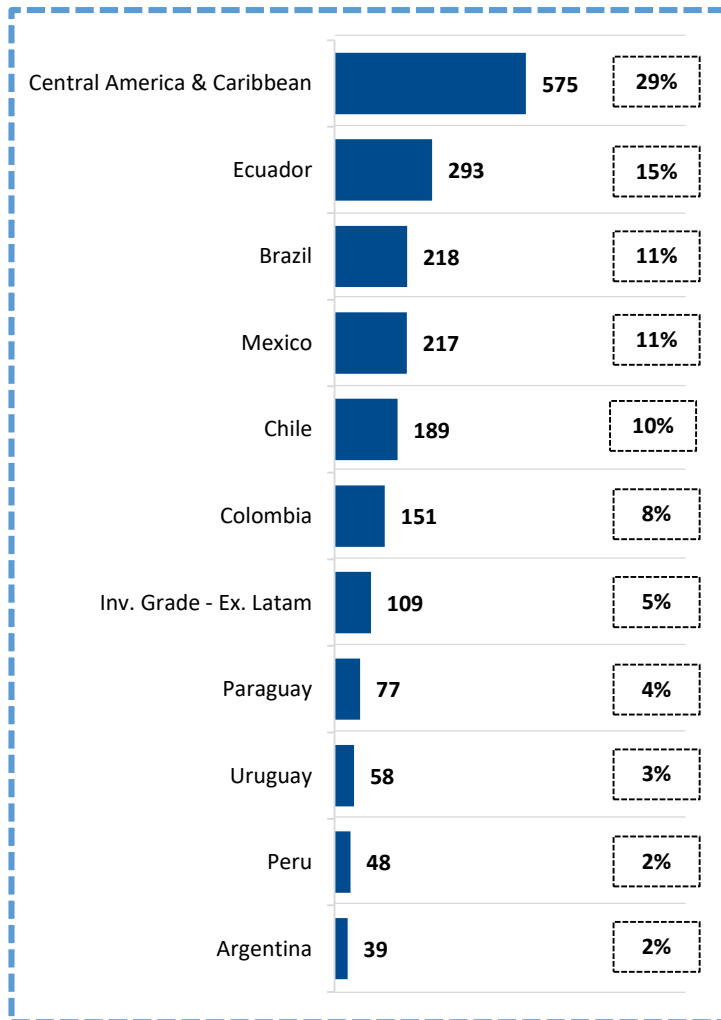
## Portfolio -16% QoQ with sound asset quality and portfolio diversification

- Robust credit quality, with USD 0 NPL's
- 58% in Investment Grade countries

# Collecting 99% of scheduled credit maturities across all countries and sectors

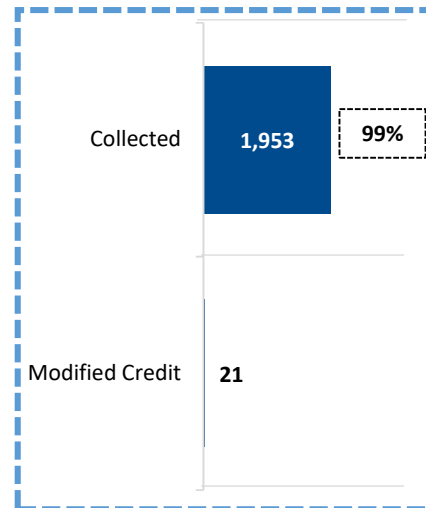
## Credit Maturities

(USD millions, except for %) – as of 30Jun20



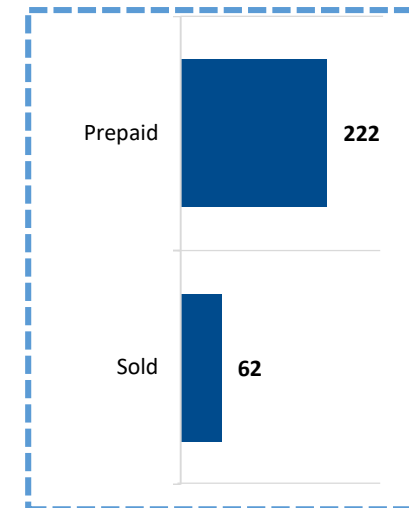
## Credit Collection

(USD millions)



## Loans Prepaid and Sold

(USD millions)

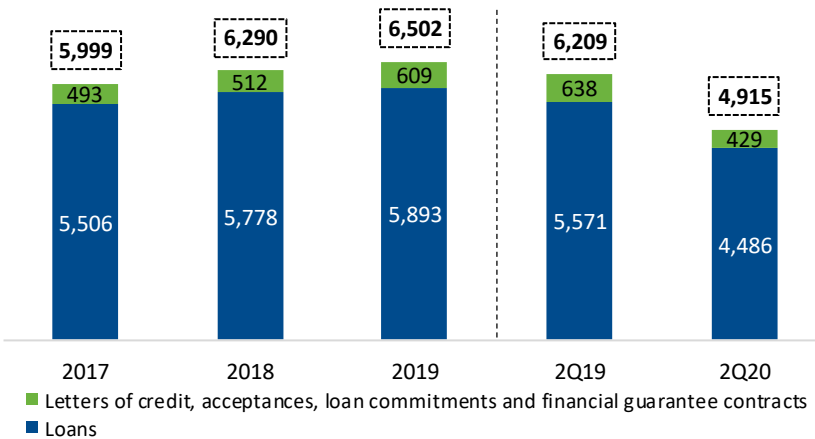


- Due to the high quality of Bladex's client base, the Bank collected 99% of all scheduled credit maturities, totaling USD 1.95 billion
- The 1% not collected during 2Q20 corresponds to USD21 million of loans modified under the guidelines provided by the Superintendence of Banks of Panama. As of June 2020, these loans are performing

# Although predominantly a trade finance bank, Bladex also provides versatile financial solutions to cater to its clients' strategic needs

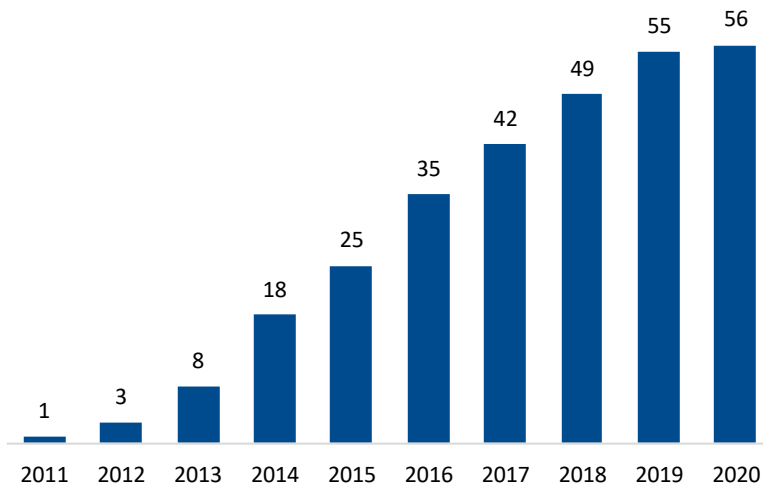
## Commercial Portfolio by Product

(USD millions) – EoP Balance



- Bladex has developed a strong and reliable franchise as a provider of financial solutions for Financial Institutions and Corporations in the Region
- The Bank supports trade finance, working capital, capex, and other needs, including the regional expansion of its strategic clients
- Bladex is a trusted partner for global and regional banks in the Latin American syndicated loan market
- Since strengthening its Syndications team in 2012, the Bank has successfully originated, structured, and distributed more than 55 transactions
- Bladex also has an established presence in the international Letter of Credit business, being able to provide risk confirmation for a large base of banks in the Region generating additional revenue for the Bank

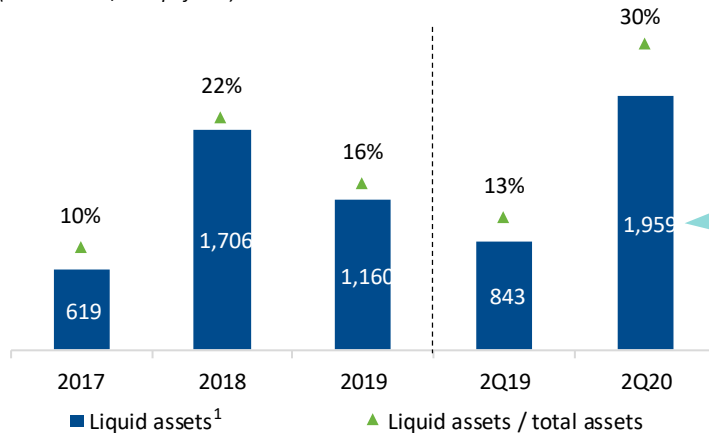
## Cumulative Number of Syndicated Transactions



# Bladex has a proven capacity to secure funding and maintain a robust liquidity during crises; liquid assets are mainly placed with the Federal Reserve Bank of New York

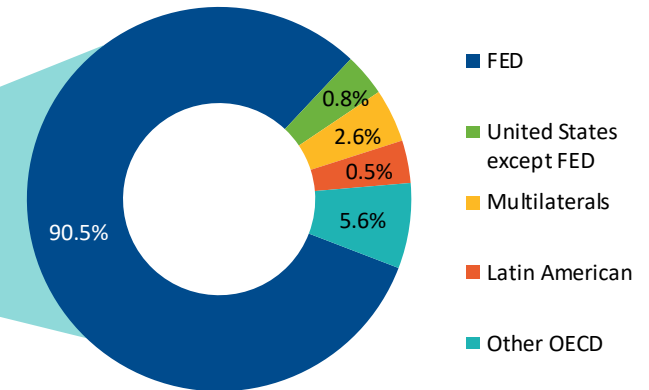
## Total Liquid Assets

(USD millions, except for %) - EoP



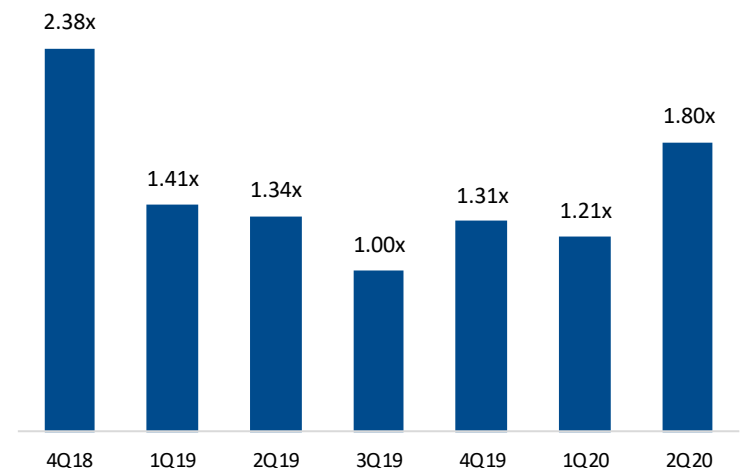
## Liquid Assets Placements

% as of 30Jun20



## Liquidity Coverage Ratio<sup>2</sup>

2Q20 - EoP



- Advanced liquidity management under Basel III framework, to monitor short and long-term liquidity
- The Bank adopted Basel III methodology in 2012. The Superintendency of Banks of Panama established LCR as a regulatory requirement in December 2018

(1) Liquid assets refer to cash and due from banks, and interest-bearing deposits in banks, less pledged deposits. As of June 30, 2020, USD1,773 million or ~91% of liquid assets were deposited at the Federal Reserve Bank of New York.

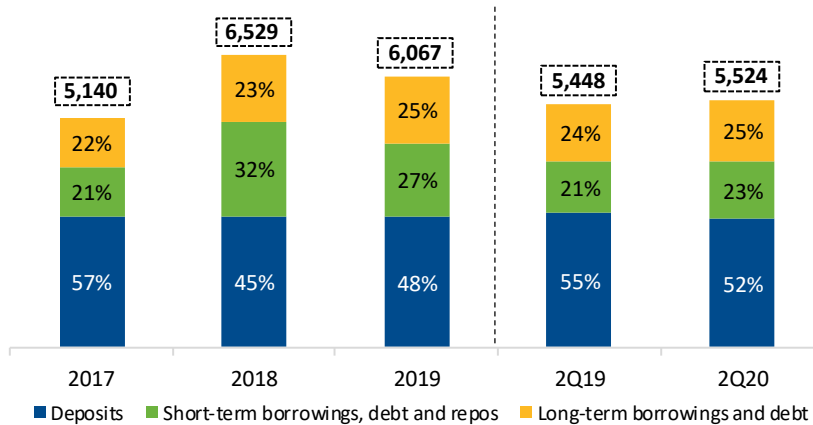
(2) The Superintendency defines the LCR as the stock of high-quality liquid assets over total net cash outflows over the next 30 calendar days. The definition is based on the Basel III Liquidity Coverage Ratio and liquidity risk monitoring tools published by the Basel Committee on Banking Supervision and adjusted by the Superintendency. LCR available on [www.bladex.com/en/investors/quarterly-earnings](http://www.bladex.com/en/investors/quarterly-earnings).



# Bladex actively pursues a wide diversification of funding sources to further enhance the stability and strength of its funding base, which includes a relevant share of deposits from its Class A shareholders

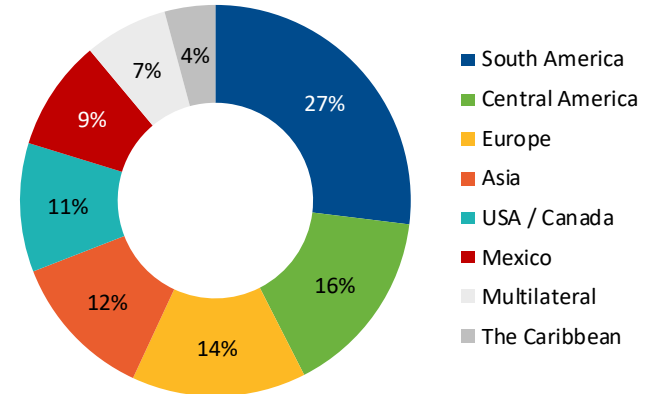
## Funding Structure

(USD millions, except for %) - EoP



## Funding Sources by Region

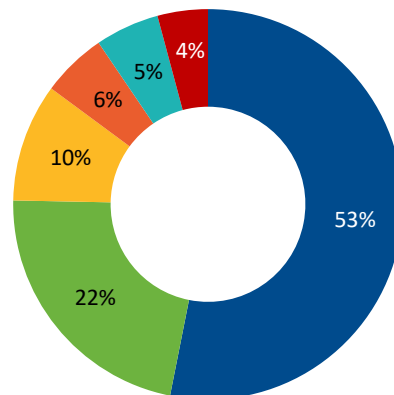
% as of 30Jun20



## Deposits by Type of Client

% as of 30Jun20

- Central Banks or designees - Class "A" shareholders
- Private banks
- State-owned banks
- State-owned corporations
- Multilaterals
- Private corporations



- The Bank has recently launched its Yankee CD program, attracting investors from both the Americas and Europe, representing 3% of total financial liabilities as of June 30, 2020
- The Bank maintains longstanding relationships with a wide network of more than 40 correspondent banks, across different geographies
- Bladex is a recurrent issuer in the US (third bond issued in the 144A/Reg S market in Sept. 2020) and Mexican debt capital markets (last placement in Mexico in June 2020) and completed its first transaction in the Tokyo Pro-Bond market in 2016
- Additionally, the Bank reaches a large number of global investors in the Americas, Europe and Asia through its EMTN program
- Bladex is also a recurrent participant in the global syndicated loan market

# Bladex recently placed 2 new bond issues in the capital markets with high oversubscription

## *5<sup>th</sup> issuance in the Mexican capital market*

### Underwriting Agents



#### ■ June 2020

- MXN 5,000 millions (USD \$235 millions)
- Original issuance 1.5 times oversubscribed
- Maturities: 3 and 5 years
- Rates: TIIE 28d+58bps for 3 years and 6.97% (M-Bond+140bps) for 5 years
- Investors: Afores, insurance companies, investment funds, private banks and bank's Treasury departments
- Reference operation in the Mexican market, as it was the first relevant transaction in the context of the global pandemic

## *3<sup>rd</sup> issuance in the international capital market under Rule 144A/Reg S*

### Underwriting Agents



#### ■ September 2020

- USD \$400 millions
- 4.0 times oversubscribed
- Maturity: 5 years
- Fixed rate of 2.475% (Treasury +220bps)
- Investors from the U.S., Europe, Asia and Latin America
- Lowest coupon of all 144A/Reg S Bladex issuances

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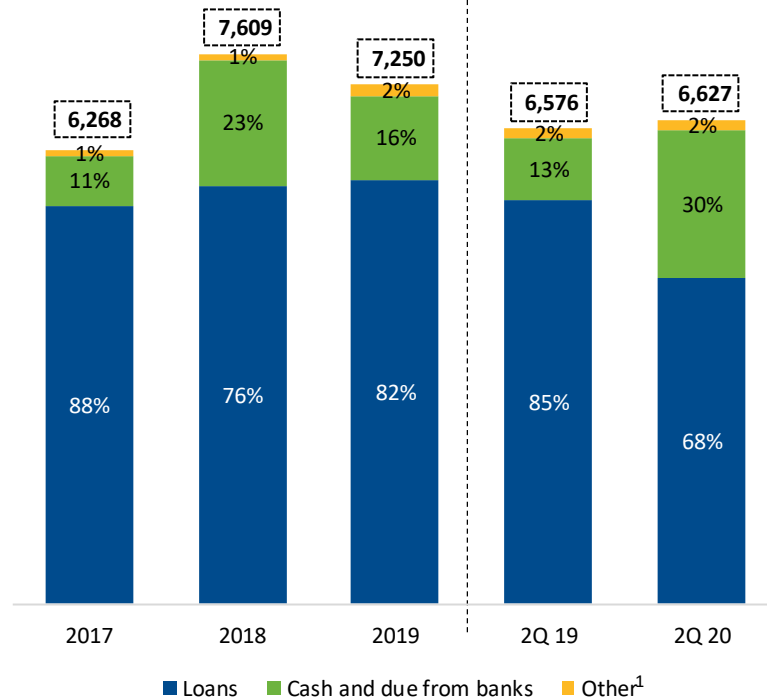
3

Historical results evidence Bladex's financial strength and sustained operating performance

# Robust balance sheet structure denotes Bladex's conservative liquidity management and capital position over time, and its ability to rapidly adjust to market conditions

## Asset Composition

(USD millions, except for %) - EoP

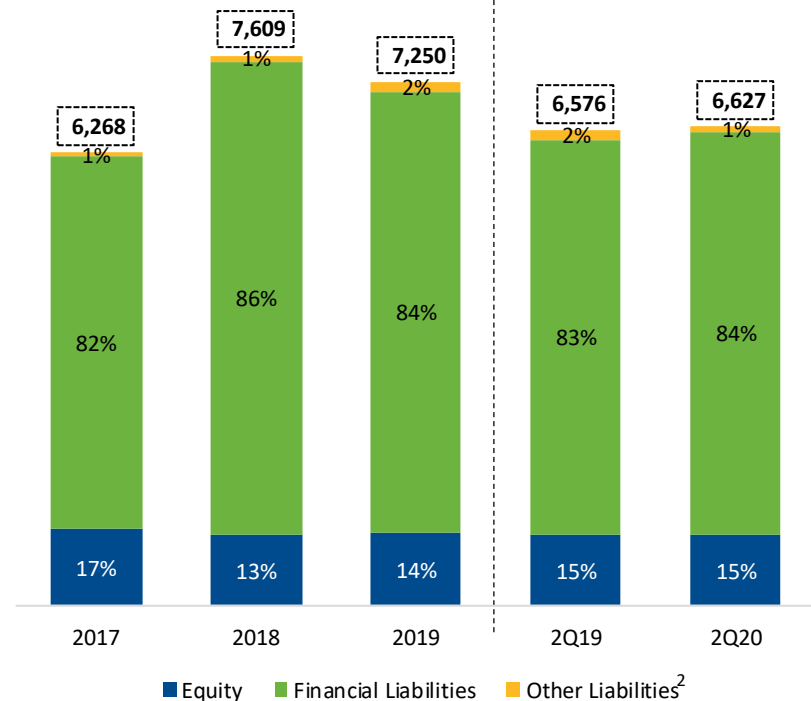


- Loans, historically representing ~ 80% of total assets, decreased in 2020 as Bladex successfully collected maturities, implemented tighter credit underwriting standards and strengthened its liquidity position, in view of increased market uncertainty

(1) Other Includes Securities and other financial assets, net; Interest receivable loans; Allowance for loan losses; Unearned interest and deferred fees loans; Customers' liabilities under acceptances; Derivative financial instruments – assets; Equipment and leasehold improvements, net; Intangibles, net; Investment properties and Other assets

## Liabilities & Equity Composition

(USD millions, except for %) - EoP



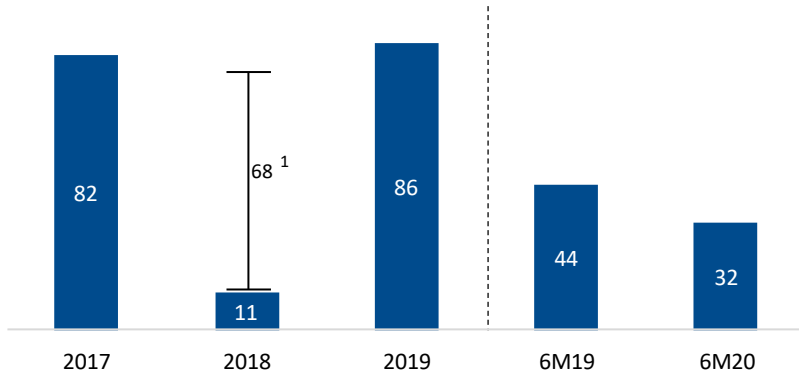
- Equity levels have remained stable at a solid level of ~ USD1 billion
- Financial liabilities support asset growth and remain widely available to Bladex in the current environment

(2) Other liabilities Includes Interest payable deposits; Interest payable borrowings and debt; Customers' liabilities under acceptances; Derivative financial instruments – liabilities; Allowance for loan commitments and financial guarantee contract losses and Other liabilities

# Excluding one-time sizeable impairment losses in 3Q2018, Bladex's profits remain sound. Net interest income from lending activities represents a predominant portion of revenues, complemented by stable fee income and decreasing expense levels

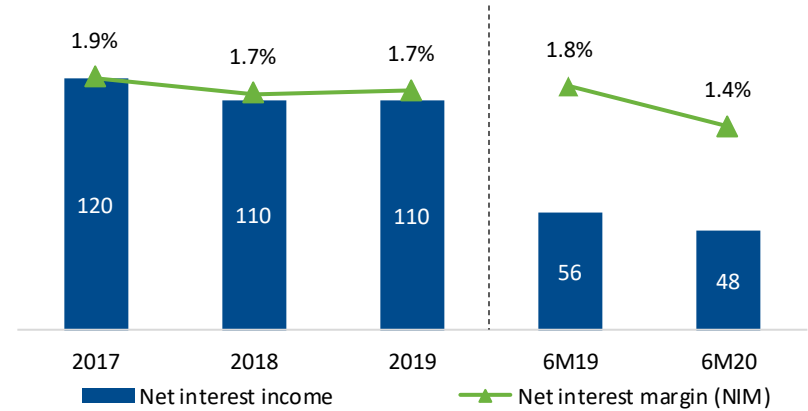
## Net Profit for the Period

(USD millions) - EoP



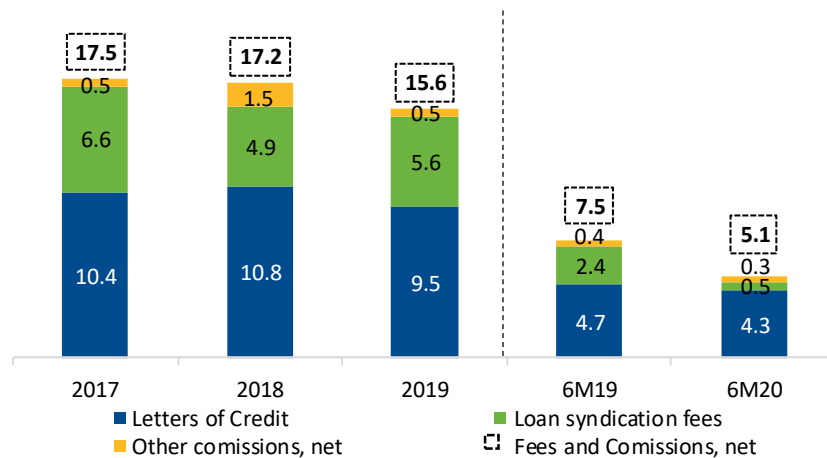
## Net Interest Income & Margins

(USD millions, except for %) - EoP



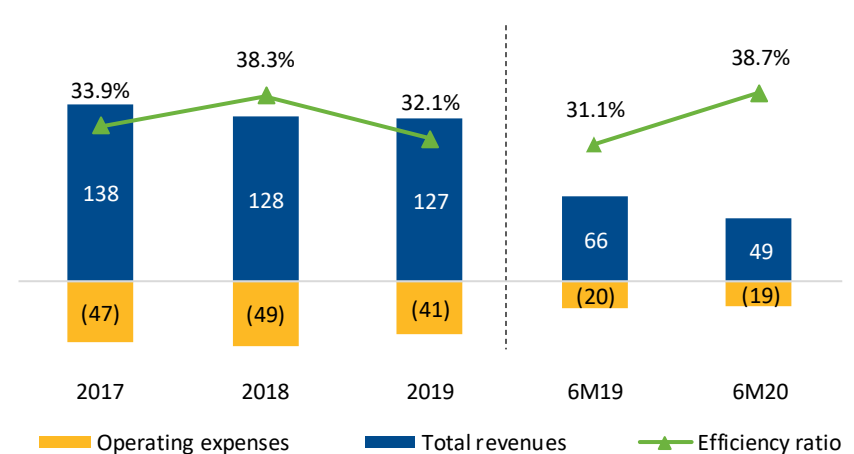
## Fees & Commissions

(USD millions) - EoP



## Efficiency Ratio

(USD millions, except for %) - EoP

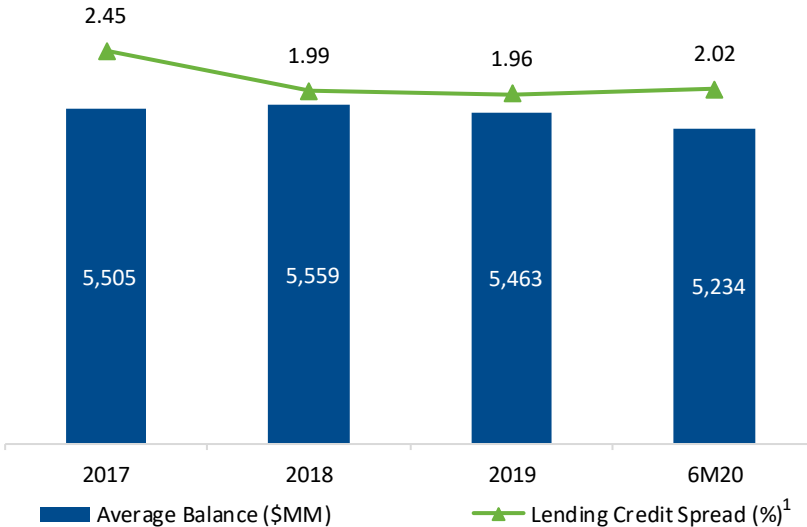


(1) One-time incremental losses on financial and non-financial assets, mostly related to individually allocated credit reserves to NPLs originated in Brazil, impacted by the country's deep negative political and credit cycle, coupled with the fall of commodity prices, in the period of 2014-2016.

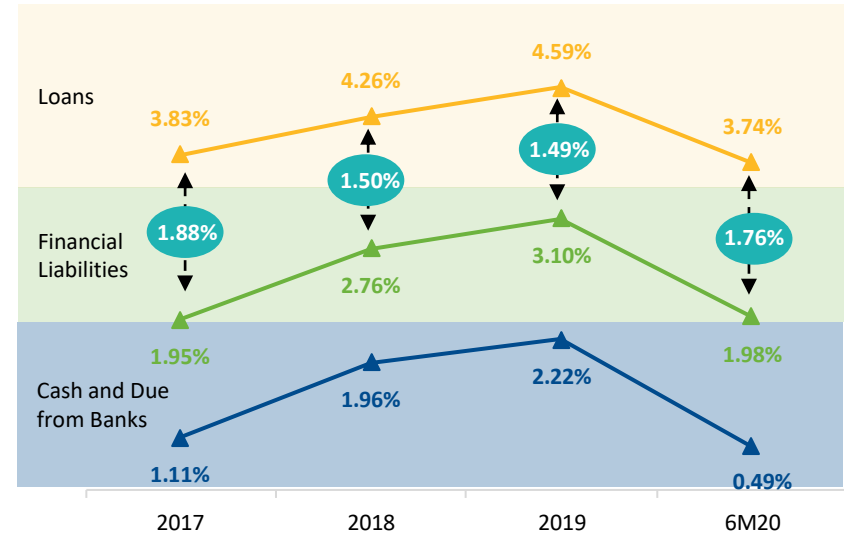
# Net interest income is driven by stable average loan portfolio balances and increasing trend in net lending spreads, while it has been negatively impacted in 2020 by Bladex's decision to increase liquidity since the onset of the current crisis

## Average Loan Portfolio

(USD millions, except for %)



## Assets & Liabilities Interest Rates



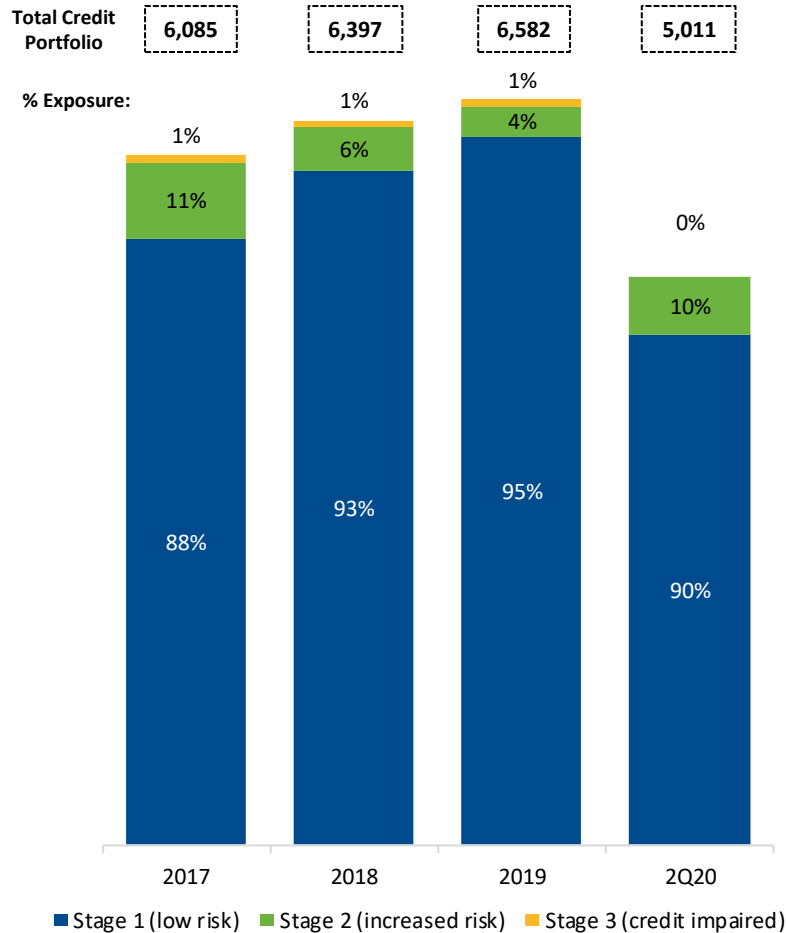
- Upward trend in net lending spreads in 2020, reverting prior periods' downward tendency, as Bladex re-profiled its loan origination toward lower-risk exposures in recent years
- Favorable interest rate gap position in decreasing market rate environment during the first half of 2020, positively impacting net interest income as liabilities repriced faster than loans
- Increase in low-yielding liquidity levels has affected net interest income and margins

(1) Represents the spread over the Libor-based rate corresponding to the tenor of the transaction of the Performing Loan Portfolio.

# Sound asset quality with zero non-performing loans. Total Credit Portfolio is current and provisioned with appropriate forward-looking credit reserve levels

## Credit Exposure by Stages

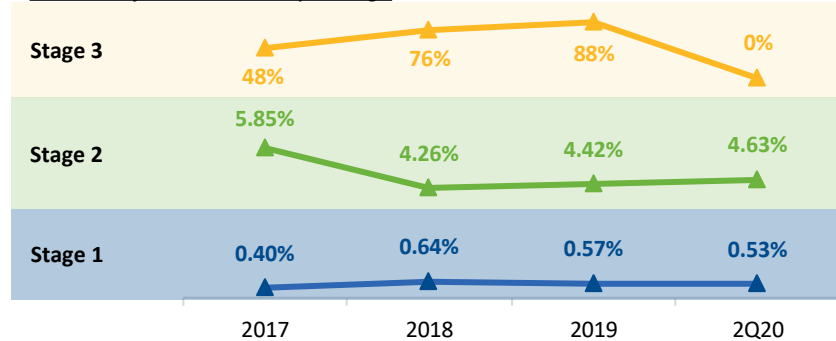
(USD millions, except for %)



## Allowance for Credit Losses

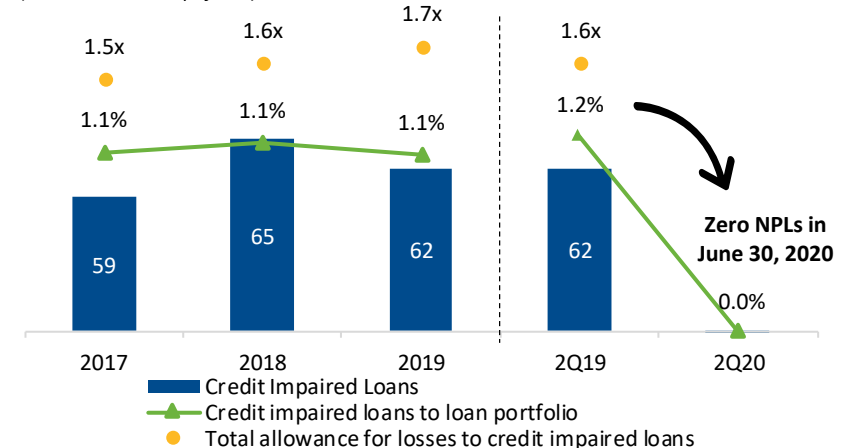
Total Allowance for Losses to Credit Portfolio	1.46%	1.63%	1.56%	0.95%
Allowance for Losses to Stages 1 + 2	1.00%	0.87%	0.73%	0.95%

### Allowance for Credit Losses per Stage



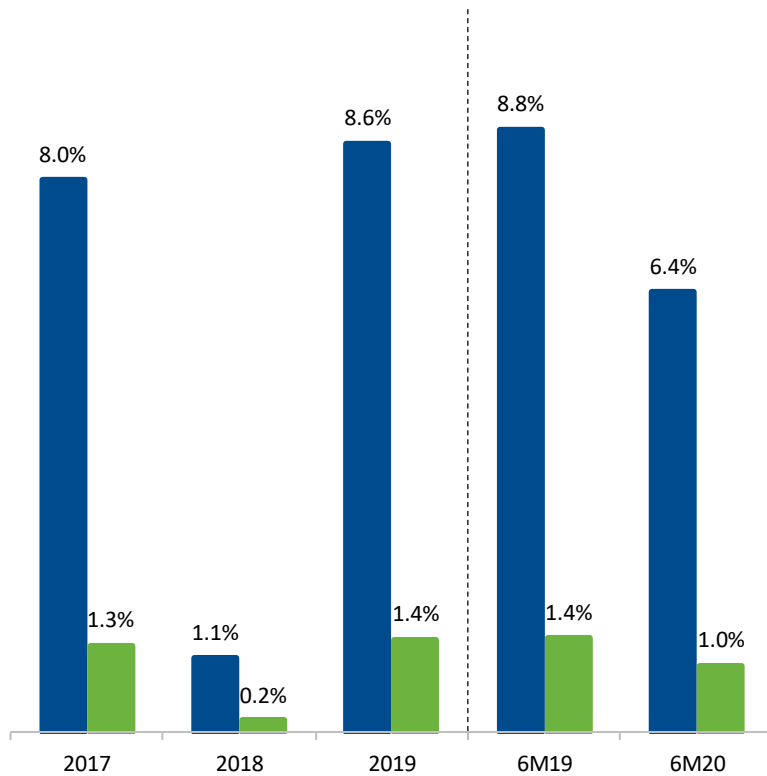
## Credit Impaired Loans

(USD millions, except for %)



# Strong solvency and stable profitability support Bladex's solid financial position and place the Bank favorably in the current context

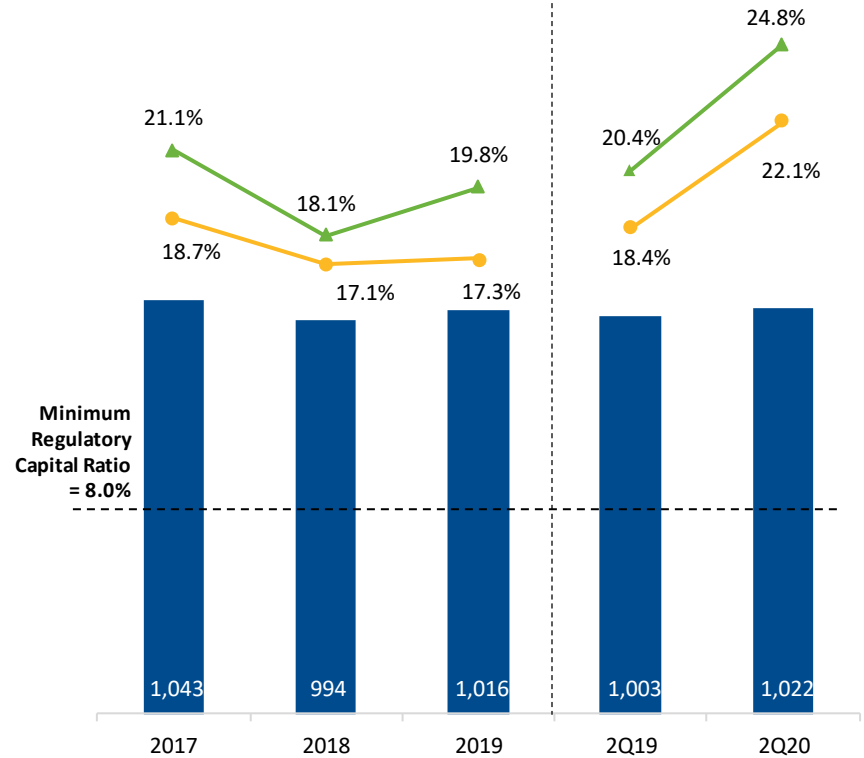
## ROAE & ROAA



■ Return on Average Equity (ROAE) ■ Return on Average Assets (ROAA)

## Capital Ratios

(USD millions, except for %) - EoP



Minimum  
Regulatory  
Capital Ratio  
= 8.0%

■ Equity ▲ Tier 1 Capital Ratio (Basel III)<sup>1</sup>  
● SBP Regulatory Capital Adequacy<sup>2</sup>

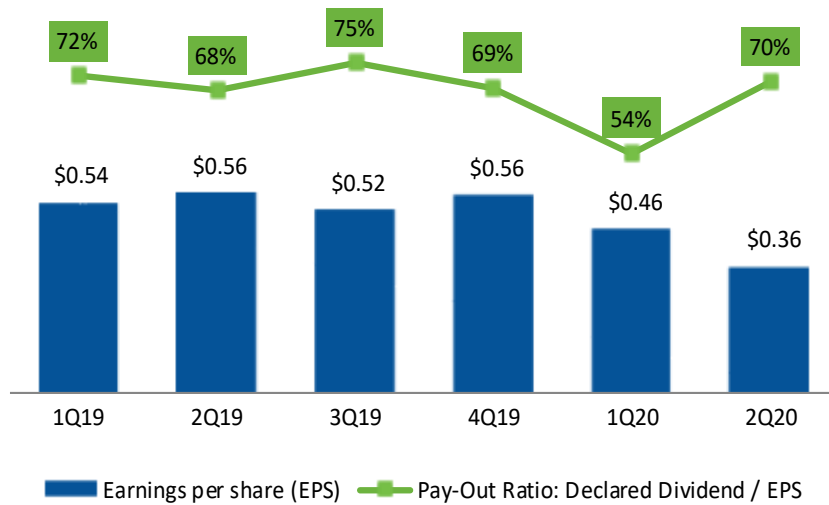
(1) Based on Basel III Internal ratings-based (IRB) approach.

(2) As defined by the Superintendence of Banks of Panama (SBP), based on Basel III Standardized Approach.

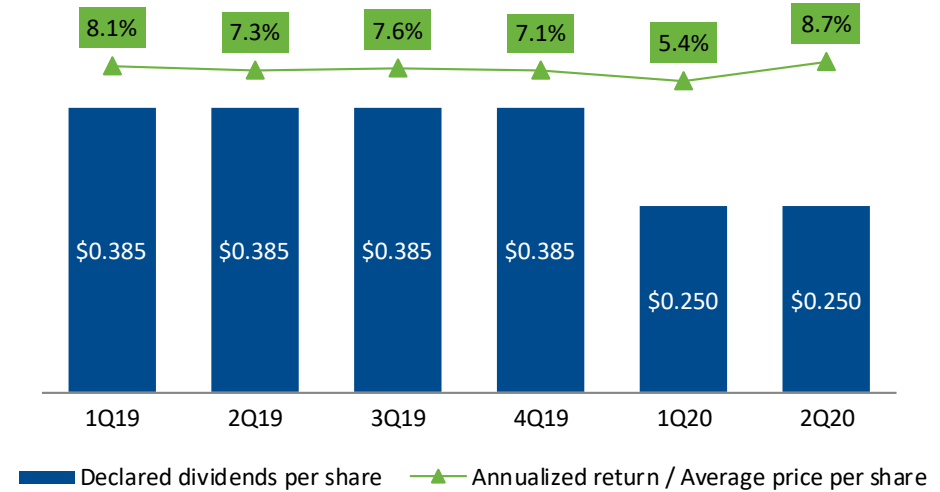


# Bladex dividends, declared by its Board of Directors on a quarterly basis, acknowledge the Bank's financial strength and have historically been stable and with an attractive pay-out ratio and dividend yield

### Dividend Pay-out Ratio



### Dividend Yield





# Appendix

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## Selected financial information

(USD millions, except % and per share amounts)	2017	2018	2019	6M19	6M20
<b>Selected Profit or Loss Data:</b>					
Net Interest Income	119.8	109.7	109.5	56.0	47.5
Fees and commissions, net	17.5	17.2	15.6	7.5	5.0
Gain (loss) on financial instruments, net	(0.7)	(1.0)	(1.4)	0.8	(4.3)
Other income, net	1.7	1.7	2.9	1.5	0.4
Total revenues	138.3	127.6	126.7	65.7	48.7
Reversal (provision) for credit losses	(9.4)	(57.5)	(0.4)	(1.8)	2.7
Impairment on non-financial assets	-	(10.0)	0.5	-	(0.1)
Operating expenses	(46.9)	(48.9)	(40.7)	(20.4)	(18.8)
Profit for the year	82.0	11.1	86.1	43.5	32.4
<b>Selected Financial Position Data</b>					
Liquidity	619	1,706	1,160	843	1,959
Loan Portfolio	5,506	5,778	5,893	5,571	4,486
Total Assets	6,268	7,609	7,250	6,576	6,627
Deposits	2,929	2,971	2,888	3,014	2,886
Repos, borrowings and debt, net	2,212	3,558	3,179	2,433	2,638
Total Equity	1,043	994	1,016	1,003	1,022
<b>Selected Financial Ratios</b>					
Return on Average Assets (ROAA)	1.3%	0.2%	1.4%	1.4%	1.0%
Return on Average Equity (ROAE)	8.0%	1.1%	8.6%	8.8%	6.4%
Net Interest Margin (NIM)	1.85%	1.71%	1.74%	1.77%	1.43%
Net Interest Spread ("NIS")	1.48%	1.21%	1.19%	1.19%	1.09%
Tier 1 Capital Ratio (Basel III)	21.1%	18.1%	19.8%	20.4%	24.8%
Efficiency Ratio	34%	38%	32%	31%	39%
Credit-impaired loans to Loan Portfolio	1.07%	1.12%	1.05%	1.16%	0.00%
Credit-impaired coverage (x times)	1.5	1.6	1.7	1.6	-
Total allowance for losses to Credit Portfolio (%)	1.45%	1.63%	1.56%	1.68%	0.95%
<b>Shares and Market Capitalization</b>					
Number of shares outstanding (thousand)	39,429	39,539	39,602	39,602	39,672
Share price (as of period end)	26.90	17.30	21.38	20.83	11.50
Market capitalization	1,061	684	847	825	456
Earnings per share (EPS)	2.09	0.28	2.17	1.10	0.82
Book value per share (BVPS)	26.45	25.13	25.66	25.31	25.76
Annualized return / Average price per share	5.5%	6.4%	7.6%	7.7%	6.7%
Pay-Out Ratio: Paid Dividend / EPS	74%	547%	71%	70%	78%
Price to EPS (times)	12.9	61.4	9.8	35.0	6.1
Price to BVPS (times)	1.0	0.7	0.8	0.8	0.4

\* Financial Information was prepared in accordance with International Financial Reporting Standards (IFRS) as issued by IASB..