

BANCO LATINOAMERICANO DE COMERCIO EXTERIOR, S.A.

**CHARTER
RISK POLICY AND ASSESSMENT COMMITTEE**

I. Objectives

The Risk Policy and Assessment Committee (the "Committee") of Banco Latinoamericano de Comercio Exterior, S.A. (the "Bank") is a standing committee of the Board of Directors. The Committee is responsible for reviewing and recommending to the Board of Directors (the "Board"), for its approval, all policies related to prudent enterprise risk management. The Committee also reviews and assesses exposures to the risks facing the business, within the risk levels the Bank is willing to take according to the related policies, including the review and assessment of the quality and profile of the Bank's credit facilities, the exposure to market risks and the analysis of operational risks, which take into account the legal risks associated with the Bank's products.

The Committee performs its duties based on reports received regularly from Management Committee and through its interactions with the Enterprise Risk Management area and other members of the Bank's management. In performing its functions, the Committee shall apply criteria of reasonableness and materiality in the scope of its duties.

The Committee is not responsible for enforcing policies or compliance with legal limits or other restrictions that may apply. Such responsibilities fall to the Enterprise Risk Management function and Management of the Bank as a whole.

II. Organization

The Committee shall consist of no less than three Directors. , Subject to this minimum, the exact number of members of the Committee shall be determined, from time to time, by the Bank's Board. One Director should also be a member of the Audit and Compliance Committee. Moreover, the head of Enterprise Risk Management and the heads of the Business areas should belong to the Committee.

The members of the Committee and its Chairman shall be elected and removed by the Board and shall serve for a period of one year, but they may be reelected indefinitely.

III. Meetings and Resolutions

The Committee shall meet at least four times per year, or more often if the circumstances so require. The Committee meetings shall be called up by its Chairman or upon request of two of its members. Those meetings shall take place at such venue, date and time as may be determined in the respective call up. The invitations to the meetings should contain their agenda. The Committee may also meet by conference call.

A presence of the majority of the Committee members shall be needed to constitute the quorum required to hold meetings of the Committee.



The Committee meetings shall be chaired by its Chairman and in the absence thereof, by such ad-hoc chairperson as may be designated at the meeting to act as chair.

In virtue of this Charter, the Bank's Board has delegated sufficient powers to this Committee for adopting resolutions that need to be complied with mandatorily in order to discharge the duties and responsibilities assigned thereto. However, such resolutions as may be adopted by the Committee in virtue of this delegation of powers may, at no time, contradict the Bank's Articles of Incorporation or its By-Laws, this Charter or any resolutions adopted by the Bank's Shareholders or the Board. The delegation of powers granted by the Board herein shall not prevent, under any circumstances, that the Board also adopt any resolutions regarding the issues that fall under the competence of the Committee.

All resolutions of the Committee shall be adopted by a favorable vote of no less than a majority of its members.

The discussions and resolutions of the Committee shall be recorded in minutes that shall be signed by the Chairman and the Secretary of the Committee and kept in registrar of minutes or in electronic form.

IV. Duties and Responsibilities

The Committee shall put forth the following matters before the Board for consideration and approval, as appropriate:

a) Regarding oversight of Enterprise Risk Management:

- Monitoring of risk exposures and compliance with risk tolerance thresholds
- Evaluation of the risk management function
- General risk assessment policies and approaches
- Other relevant matters

b) Regarding oversight of Credit Risk:

- Policies affecting credit management and risk
- Credit Risk Manual
- Recommendations for stricter internal credit risk limits than regulatory limits
- Recommendations for country risk limits and capital allocation by country, for subsequent approval by the Board
- Compliance with existing limits and approval of exceptions to the policy on country risk limits and allocation of capital for specific cases as required in the ordinary course of the Bank's business, with the duty of informing the Board of Directors of such exceptions at the following meeting
- Loan approval levels that can be delegated to different Management levels
- The quality and trend of credit facilities
- Reports on doubtful or impaired assets
- The reasonableness and adequacy of credit reserves
- Any issues that could have a material impact on the portfolio



- Exceptionally, it will address special situations that may arise in the day-to-day lending operations that require its approval
- Assess and approve credit limits and approve Management proposals for granting all kinds of financing and undertaking of contingencies, including loans, credit lines and facilities, letters of credit, financial leasing, factoring, bank deposits, securities, bank guarantees, and other contingencies, whether secured or unsecured, in favor of the Bank, as well as to buy and sell loans, financing, contingencies and secondary market portfolios, up to the legal limit applicable to the Bank in accordance with current regulations on the date of approval of each transaction and/or economic group, reporting to their Board, and referring the transaction to the Board for consideration and approval when the transaction limit exceeds the authorization limit delegated to the Committee

c) Regarding oversight of Operational Risk:

- Policies affecting Operational Risk management
- Operational Risk Manual
- Outcome of assessments of Operational Risk in processes
- The trend in Operational Risk management
- Reports on the operational loss database

d) Regarding oversight of Technology and Information Security Risk:

- Policies affecting Technology and Information Security Risk
- Technology and Information Security Risk Manual
- Outcome of assessments of Cybersecurity Risk
- The trend in Technology and Information Security Risk

e) Regarding oversight of Money Laundering, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction (AML/CFT and CFPWMD) Risk

- Outcome of assessments of Risks Prevention of AML AND CFT

f) Regarding oversight of Market Risk and Liquidity:

- Market Risk and Liquidity Policies
- Market Risk and Liquidity Manual
- Recommendations for stricter internal Market Risk limits than regulatory limits
- Degree of compliance with existing limits
- Trends in exposure to market risks (price, foreign currency, interest rate and liquidity risk).
- Any matters that could have a material impact on investment positions and balance sheet structure

V. Interaction with Bank Management

The Committee shall meet with the Executive Vice President of Enterprise Risk Management and with such other members of Management as it may deem to be convenient.

At such meetings, Management shall submit to the Committee, though a scorecard, the most relevant changes occurring that have occurred since the date of the previous meeting, including issues such as:

- Evolution of the loan portfolio and investments
- Status of doubtful or impaired loans
- Analysis of country risk and expectations that could affect the Bank given its particular situation in certain countries
- Evolution of operational risk indicators and the operational loss database
- Analysis and review of the Technology and Information Security risk indicators
- Trends of indicators related to market risk management and liquidity
- Any other matter that the Committee or Management may deem appropriate
- Degree of compliance with existing policies

The Committee shall make recommendations for action plans and corrective measures that could be adopted by Management and indicate such other changes or measures that would be convenient. Those recommendations shall be submitted to the Board for their review and approval, as appropriate.

VI. Management of Conflicts of Interest

Any transaction involving the Bank and a shareholder, Director, Officer, or employee of the Bank, or any person for whom such shareholder, Director, Officer, or employee is a shareholder, director, official, employee, or agent or any person with whom any of them has a family relationship (all of them “Related Persons”), poses a situation of potential conflict of interest. Therefore, all such transactions, including approval of limits or loans, interest-bearing bank deposits, management of the Bank's portfolio or any other business dealing must be carried out in the best interest of the Bank, comply strictly with applicable laws and rules, and never be carried out for the individual benefit of a shareholder, Director, Officer, or employee of the Bank or of their Related Persons.

The Committee shall proceed as follows with respect to transactions that could pose a conflict of interest:

- Any Director facing a conflict of interest situation regarding a specific transaction must disclose it to the Committee
- Any Director facing a conflict of interest situation regarding a specific transaction shall abstain from any communications with Management that could interfere therewith on the issue causing the conflict of interest
- Any Director facing a conflict of interest situation regarding a specific transaction shall withdraw from the meeting room to allow the other Committee members to have a broad and open discussion on the transaction
- The Committee will make the decision with the abstention of the Director having the conflict of interest
- When analyzing country risk limits and capital allocation by country, the Director belonging to the country under analysis may give his or her professional opinion on the matter, but shall withdraw before the voting

VII. Compensation

The Committee members shall receive such compensation as the Board may determine from time to time.

VIII. Amendments

This Charter may be amended by the Bank's Board whenever they consider it convenient or necessary based on its reviews, but at least on an annual basis.

Latest revision: February 5, 2018

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