



4Q17 Earnings Results Presentation

February 9, 2018

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2017 Highlights

- *Cleaner and stronger balance sheet - negative credit cycle is over*
- *Positive trends of business confirmed with a strong performance in 4Q17*
- *Streamlined and leaner organization – focus on productivity*

ACHIEVEMENTS

- Higher disbursements during the year
- Resumed loan growth in 4Q17
- Fee income close to record highs, with resilient growth YoY and QoQ
- Lower operating expenses, excluding non-recurring charges
- Effective loan restructuring efforts with lower specific provisions and problem exposures
- Strong liquidity and funding mix

CHALLENGES

- Portfolio growth – tighter margins and high levels of liquidity
- Keep increased levels of fee income
- Maximize the use of capital – return to double-digit ROAE

Favorable economic environment – Recent upward revisions for Latin America GDP and Trade Flows

Geopolitical risks still remain

Structural changes at Bladex strengthen the Bank's offering and franchise

- Emphasis on fee income generation - Cross-selling of traditional Letters of Credit business and Loans syndications
- Increase client base and share of wallet of existing clients to spur portfolio growth
- Laser focused discipline on productivity – investments in IT and leaner organization
- Improve products offering for Trade Supply Chain Financing
- Return to double-digit ROE while keeping attractive dividend policy

Financial Performance Overview

4Q17 & FY17 Highlights

Commercial Portfolio resumed growth

- Commercial portfolio growth in 4Q17 (+5% EoP and +3% Avg.)
- Strong origination - Annual disbursements reached \$14.6Bn, +22% YoY

Improved NII & NIM during 4Q17

- Upward shift in NII and NIM in 4Q17 mainly on increased average loan volumes
- In 2017 NII and NIM were impacted by lower volumes and tighter lending margins on abundant liquidity and short term trade finance focus, partially offset by increase in base rates

Solid & diversified funding mix

- Average deposits in excess of US\$ 3 billion helps replacing more expensive funding
- Stable cost of funds – annual increase due to higher base rates

Strong fee-based income

- Fees & Other Income close to record highs
- Two structured deals executed in 4Q17; Seven in 2017

Finalized credit restructurings

- NPLs (-10%) in 2017: successful restructuring and collection; write-offs against existing reserves
- Allowances for ECL (-21%) YoY and (-24%) QoQ on improved credit quality => Reserve coverage at 1.47%

Operating expenses driven by non-recurring charges

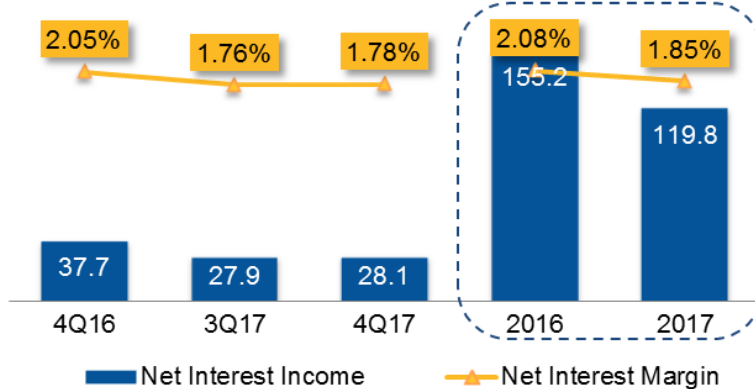
- Operating expenses increased on non-recurring personnel-related costs
- Recurring expenses were down 4% for the year 2017

Stable Return metrics with strong capitalization levels

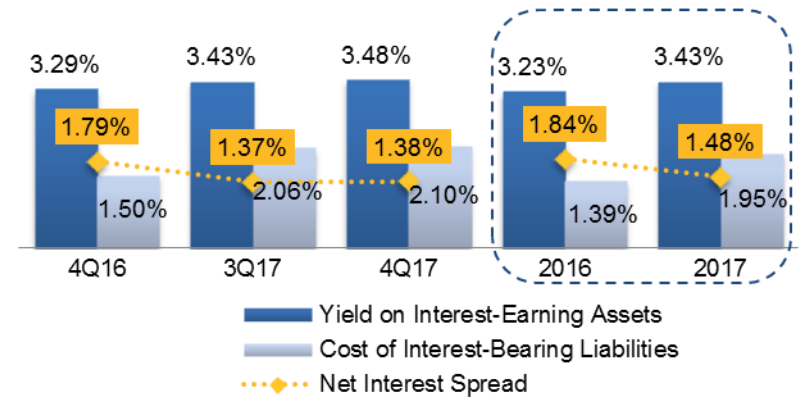
- 4Q17 Profit of \$20.6 MM (+1% QoQ, +54% YoY). FY17 Profit of \$82.0 MM (-6% YoY)
- RoAE of 8.0% in 2017 with a 21.1% Tier I Basel III Capital Ratio

Net Interest Income & Financial Margins

Net Interest Income & Margins
(In US\$ million, except percentages)

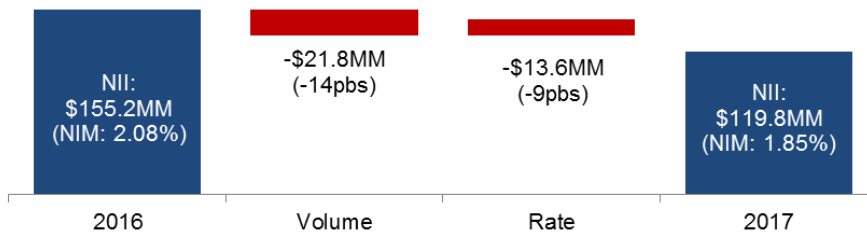


Net Interest Spread



NII & NIM - Var YoY
(\$ millions, except %)

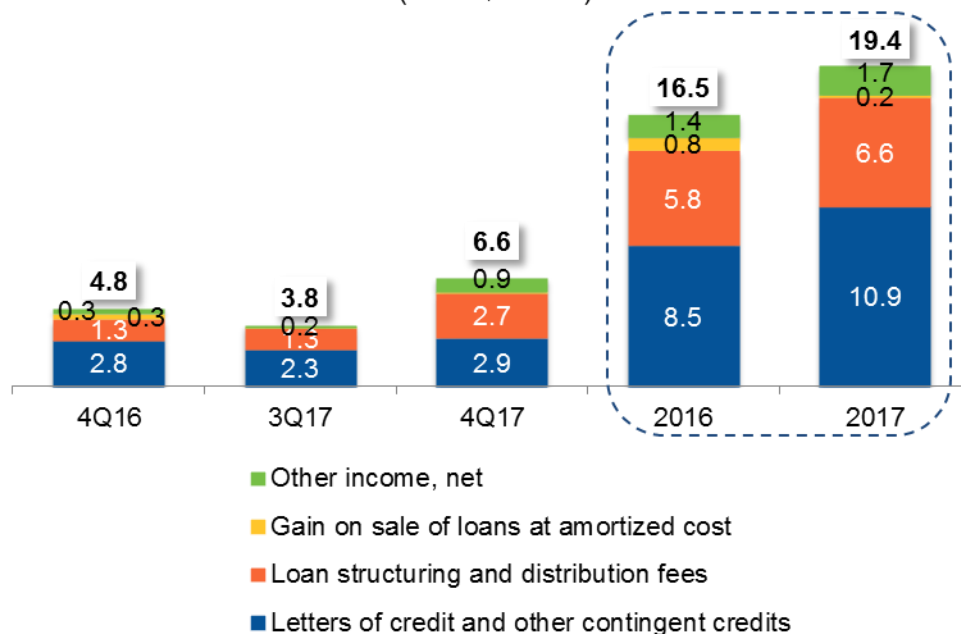
Total variation: -\$35.4MM in NII or -23pbs in NIM



- **QoQ NII and NIM** - Slight improvement on higher average lending balances
- **YoY NII and NIM** – Negatively impacted by reduced average loan volumes and lower net lending spreads

Fees & Other Income

Fees & Other Income
(In US\$ million)

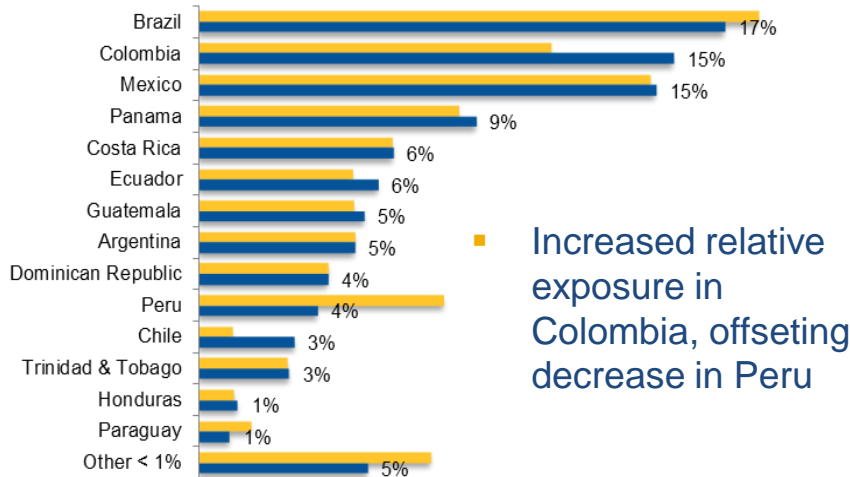


- Two syndicated transactions executed in 4Q17 for a total of seven deals in FY17
- Improved L/C business activity in 4Q17 and FY17

Commercial Portfolio Highlights

■ 31-Dec-2016
■ 31-Dec-2017

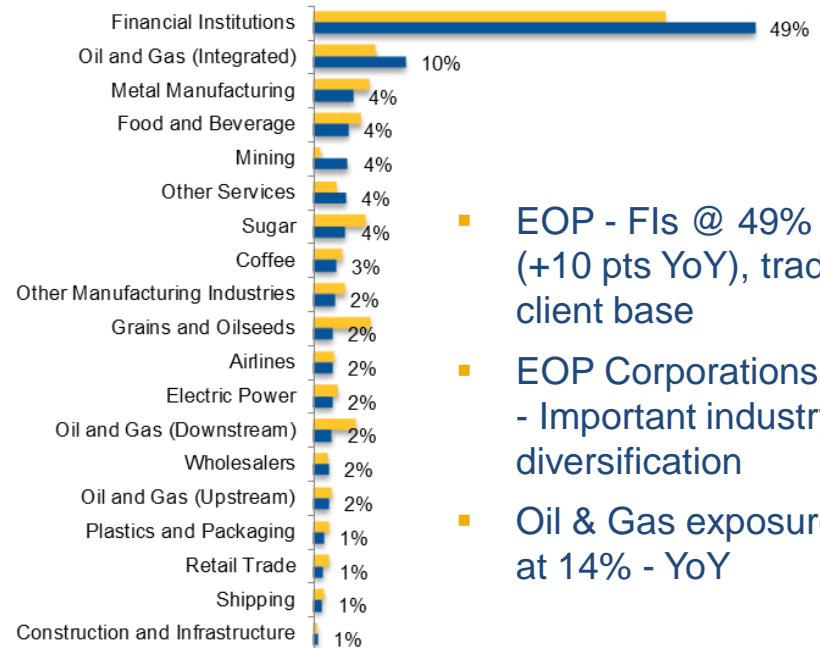
Commercial Portfolio by Country



■ Increased relative exposure in Colombia, offsetting decrease in Peru

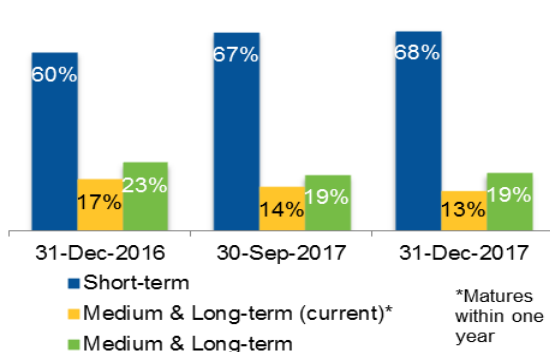
Commercial Portfolio by Industry

■ 31-Dec-2016
■ 31-Dec-2017



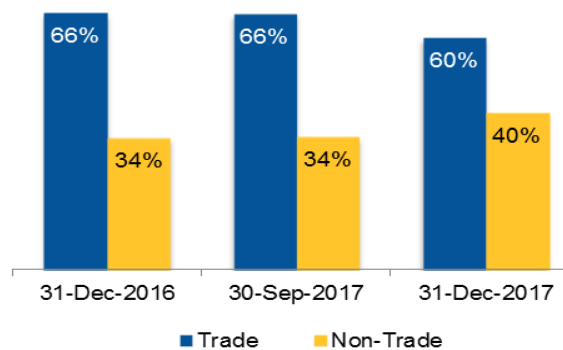
- EOP - FIs @ 49% of total (+10 pts YoY), traditional client base
- EOP Corporations @ 51% - Important industry diversification
- Oil & Gas exposure stable at 14% - YoY

Commercial Portfolio by Term



*Matures within one year

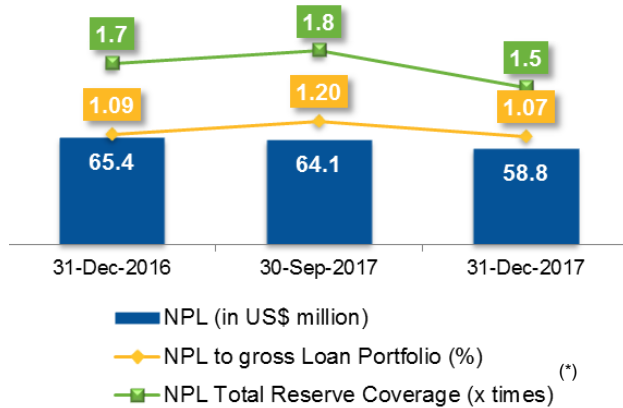
Commercial Portfolio by Trade Indicator



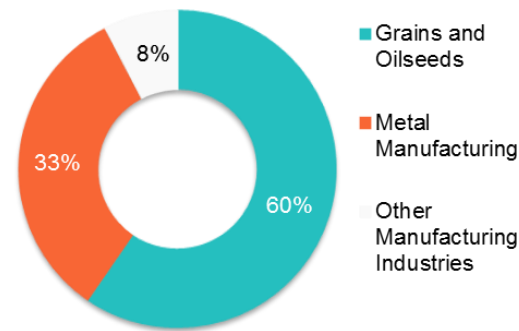
- Increase on non-trade reflects renewed focus on lending to financial institutions
- 81% maturing within one year +4 pts YoY

Credit Quality - NPL

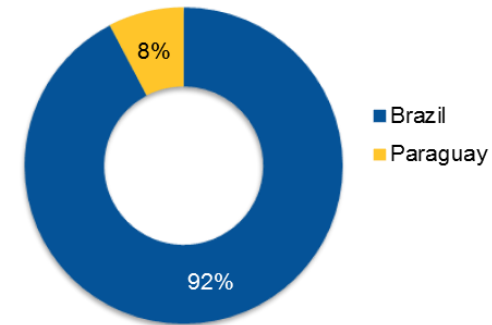
Non-Performing Loans "NPL"



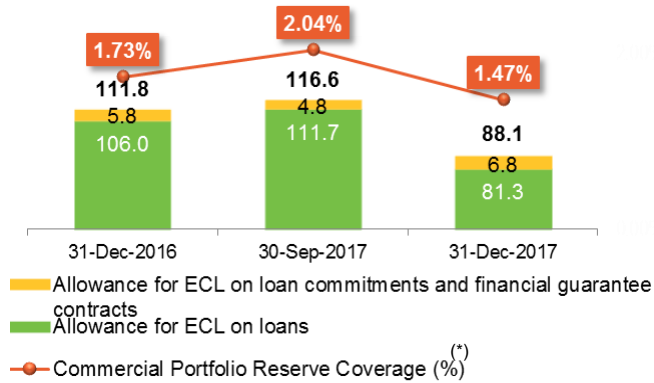
NPL Portfolio by Industry Risk (As of December 31, 2017)



NPL Portfolio by Country Risk (As of December 31, 2017)



Allowance for ECL (In US\$ million, except %)

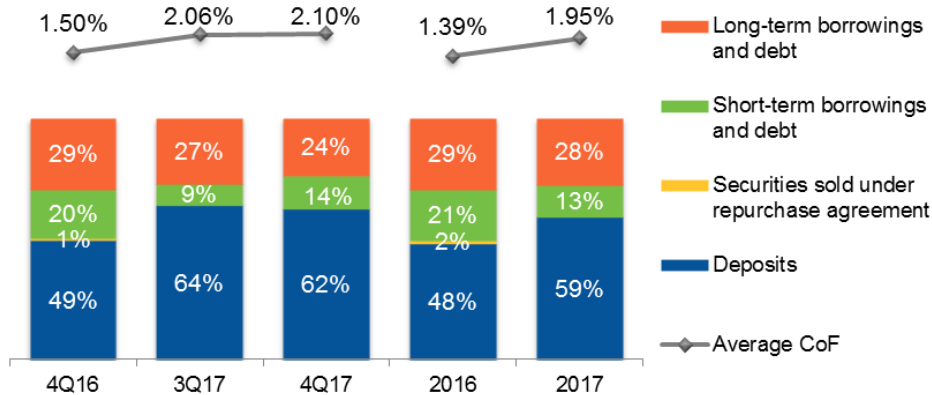


- NPL balances down on collections, write-offs against existing individually allocated reserves and migration from underperforming
- ECL decrease on lower NPLs, with NPL total reserve coverage of 1.5 times

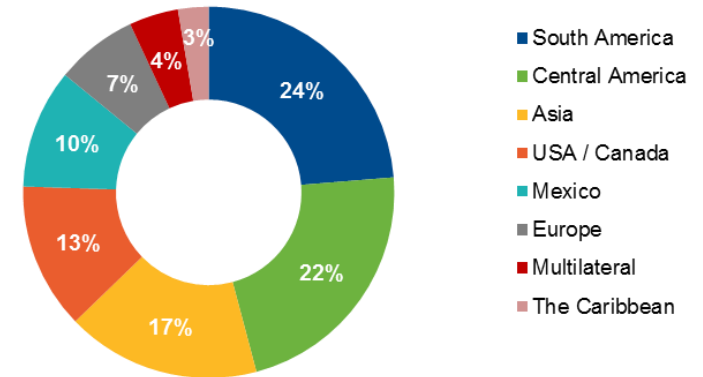
(*) Reserve refers to the allowance for expected credit losses on loans, loan commitments and financial guarantee contracts.

Funding Sources

Average Funding Sources and Cost of Funds

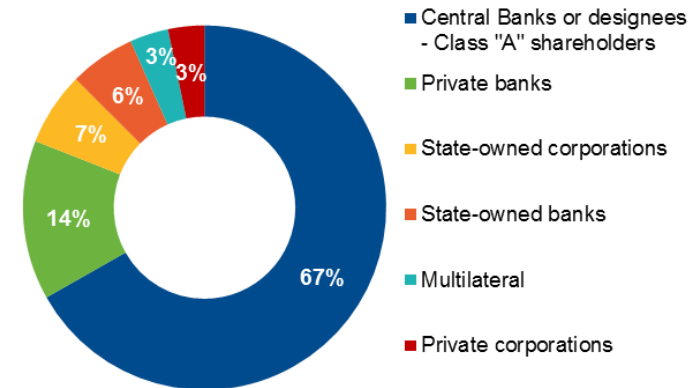


Funding Sources by Geography (As of December 31, 2017)



- EoP deposits balance closed at \$2.9 B; with 67% placed by Central Banks or designees
- Avg. deposits stable at \$3.2 B for 4Q17 and FY17, representing 62% and 59% of avg. total funding respectively (vs. 49% and 48% a year earlier);
- ST borrowings and debt +5 pts QoQ

Deposits by Type of Client (As of December 31, 2017)



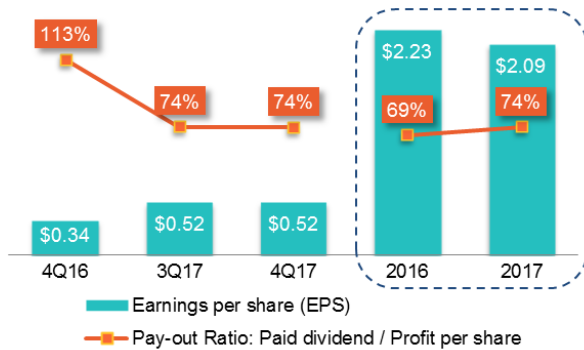
Shareholder Returns

BLX's Stock Price Evolution and Volume

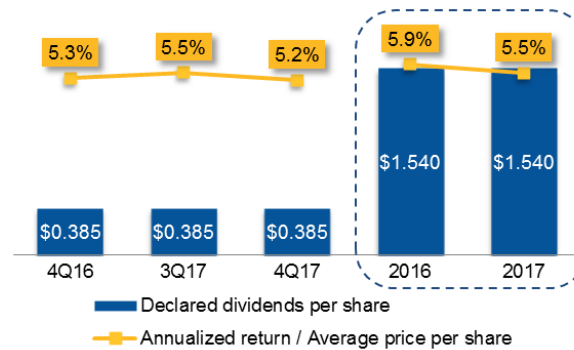


- \$0.385/share declared for 4Q17
- Attractive dividend yield of 5.5% in 2017

Dividend Pay-out



Dividend Yield



Q&A

Appendix

Key Financial Metrics

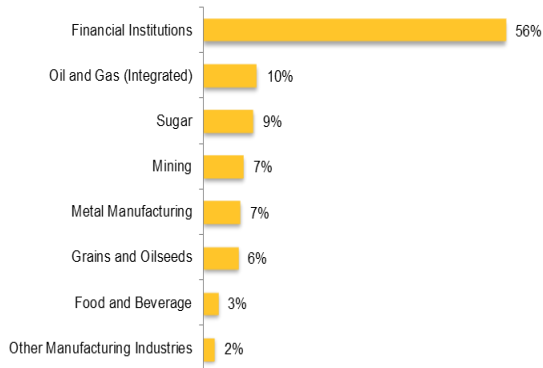


	(In US\$ million, except percentages)	Quarterly Results					Full-Year Results		
		4Q17	3Q17	4Q16	QoQ	YoY	2017	2016	YoY
Results	Profit for the period	\$20.6	\$20.5	\$13.3	1%	54%	\$82.0	\$87.0	-6%
	EPS (US\$)	\$0.52	\$0.52	\$0.34	0%	53%	\$2.09	\$2.23	-6%
Performance	Return on Average Equity ("ROAE")	7.9%	7.9%	5.3%	0%	50%	8.0%	8.8%	-8%
	Return on Average Assets (ROAA)	1.30%	1.30%	0.73%	0%	79%	1.27%	1.16%	9%
	Net Interest Margin ("NIM")	1.78%	1.76%	2.05%	1%	-13%	1.85%	2.08%	-11%
	Net Interest Spread ("NIS")	1.38%	1.37%	1.79%	1%	-23%	1.48%	1.84%	-20%
Portfolio Quality ^(*)	Loan Portfolio	5,506	5,343	6,021	3%	-9%	5,506	6,021	-9%
	Commercial Portfolio	5,999	5,706	6,444	5%	-7%	5,999	6,444	-7%
	Total Allowance for ECL on loans, loan commitments and financial guarantee contracts to Commercial Portfolio	1.47%	2.04%	1.73%	-28%	-15%	1.47%	1.73%	-15%
	Non-Performing Loans to Gross Loan Portfolio (%)	1.07%	1.20%	1.09%	-11%	-2%	1.07%	1.09%	-2%
	Total Allowance for ECL on loans, loan commitments and financial guarantee contracts to Non-Performing Loans (x times)	1.5	1.8	1.7	-17%	-12%	1.5	1.7	-12%
Efficiency	Efficiency Ratio	38%	32%	28%	19%	35%	34%	27%	24%
Scale & Capitalization ^(*)	Market Capitalization	1,061	1,159	1,153	-8%	-8%	1,061	1,153	-8%
	Assets	6,273	6,200	7,181	1%	-13%	6,273	7,181	-13%
	Tier 1 Capital Ratio Basel III	20.4%	20.3%	17.9%	1%	14%	20.4%	17.9%	14%
	Leverage (times)	6.0	6.0	7.1	0%	-15%	6.0	7.1	-15%

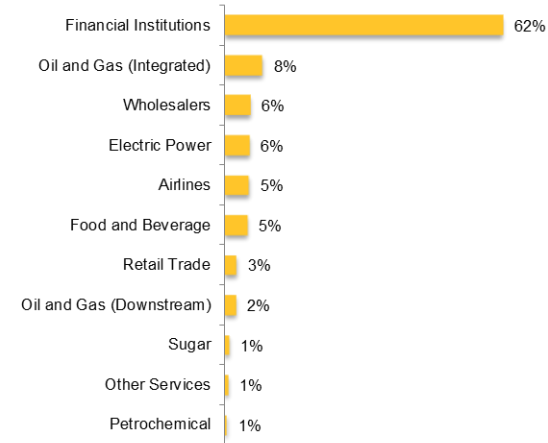
^(*) End-of-period balances.

Regional Exposure by Industry as of December 31, 2017

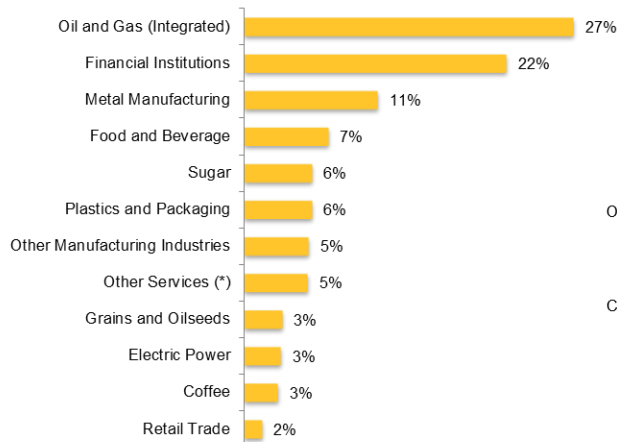
Brazil



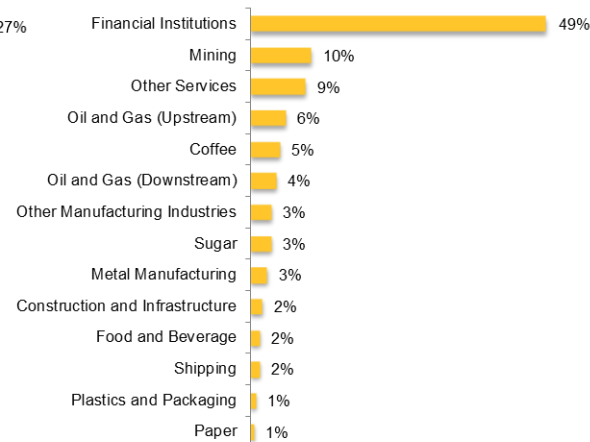
Central America & The Caribbean



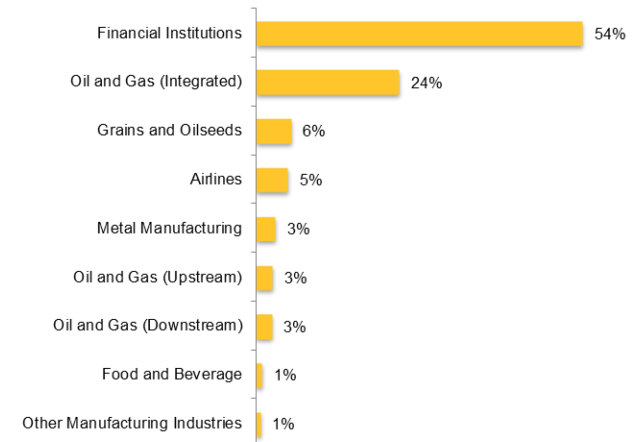
Mexico



Andean (*)



Southern Cone (*)



(*) Includes support activities for Construction and Oil and Gas Industry.

(*) Includes Bolivia, Colombia, Ecuador and Peru.

(*) Includes Argentina, Chile, Paraguay and Uruguay.