



SOCIAL RESPONSIBILITY REPORT

2018



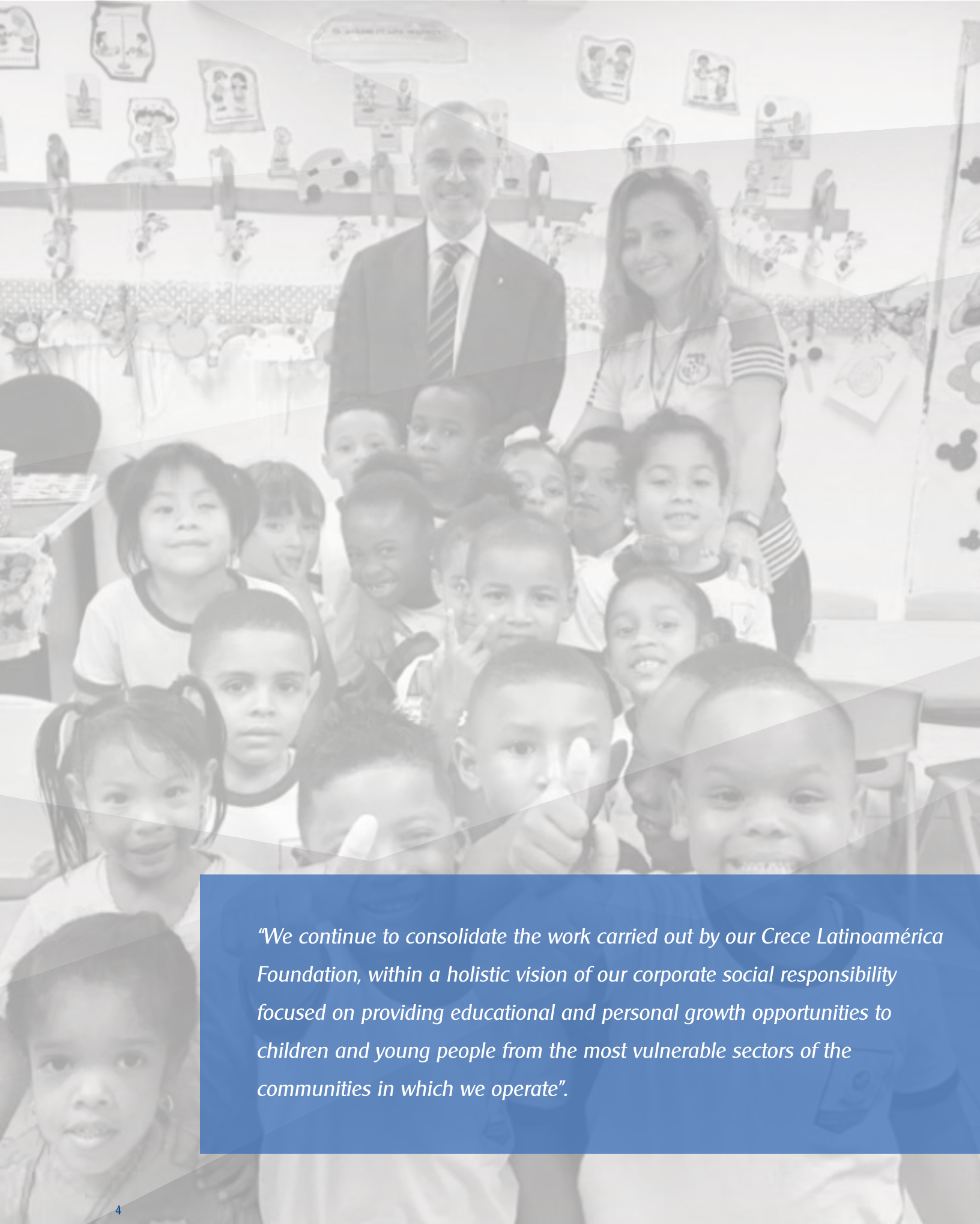
Fundación
Crece
Latinoamérica





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"We continue to consolidate the work carried out by our Crece Latinoamérica Foundation, within a holistic vision of our corporate social responsibility focused on providing educational and personal growth opportunities to children and young people from the most vulnerable sectors of the communities in which we operate".

Message from the Chief Executive Officer

Over the years, the values that govern our corporate conduct: excellence, integrity, respect, commitment and humility have become a core part of the spirit of the Organization, serving as a guide when developing your business and successfully facing both changes in the industry and those derived from economic cycles.

Consistent with our values, Bladex has worked hard to continue strengthening its Corporate Governance standards, enhancing the operating and internal control systems, in line with international best practices and the requirements of the different regulators with which we interact. Knowing the importance of maintaining a dynamic, prepared and committed workforce, we work on initiatives that seek greater professional development and personal well-being for our employees.

We continue to consolidate the work carried out by our Crece Latinoamérica Foundation, within a holistic vision of our corporate social responsibility focused on providing educational and personal growth opportunities to children and young people from the most vulnerable sectors of the communities in which we operate. A total of US\$ 225,000.00 were invested in six projects developed, mainly in Panama, headquarters of our Head



Office, benefiting more than 3,000 students. This work also counted on the valuable support of the Bank's team of volunteers, who have contributed their talents, resources and time to the success of the social programs that we have been developing through the Foundation.

Below we share with you the 2018 Social Responsibility Report, reconfirming our commitment to continue working on initiatives aligned with the principles of the United Nations Global Compact. This report, together with the 2018 Annual Report, provides our stakeholders with valuable information about the qualitative and quantitative results achieved during the year.

N. Gabriel Tolchinsky

Presidente Ejecutivo

Global Compact Principles

1

Businesses should support and respect the protection of internationally proclaimed human right

2

Businesses should make sure that they are not complicit in human rights abuses

3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

4

Businesses should support the elimination of all forms of forced and compulsory labor

5

Businesses should support the effective abolition of child labor

6

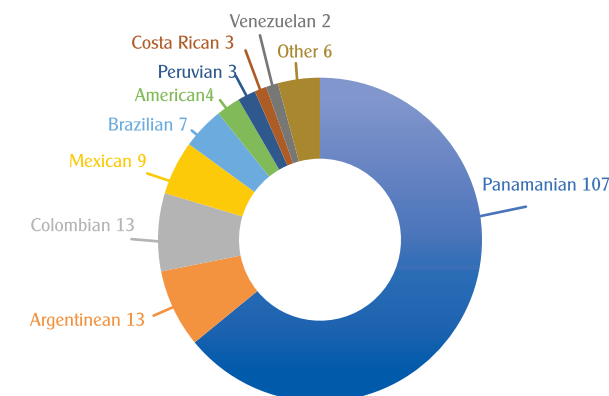
Businesses should support the elimination of discrimination in respect of employment and occupation

Nuestra Gente

Bladex management of the Human Capital considers fundamental aspects, such as the diversity of nationalities and cultures, gender equality and the alignment of our employees with the five corporate

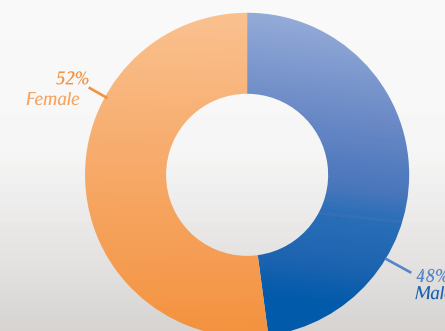
values: Commitment, Humility, Excellence, Respect and Integrity. As of December 31, 2018, Bladex has 167 employees representing 16 nationalities, of which 96% correspond to Latin American countries.

Nationalities represented in Bladex

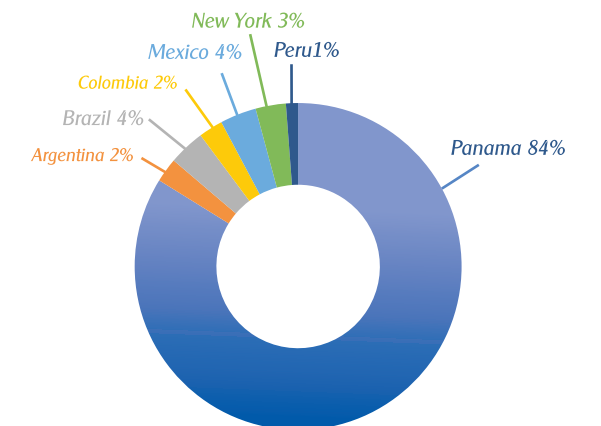


In the general composition of Bladex we have equal presence of both genders. For the first time since 2018, there is female representation in

Percentage of Employees by Gender

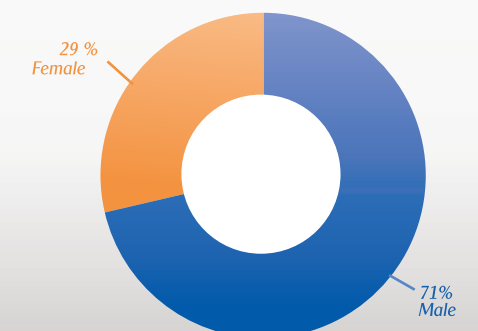


Employees per Office as of December 31, 2018



the Executive Committee of the Bank, with the Executive Vice President of Finance and the Executive Vice President of Operations.

Gender Representation in the Executive Committee

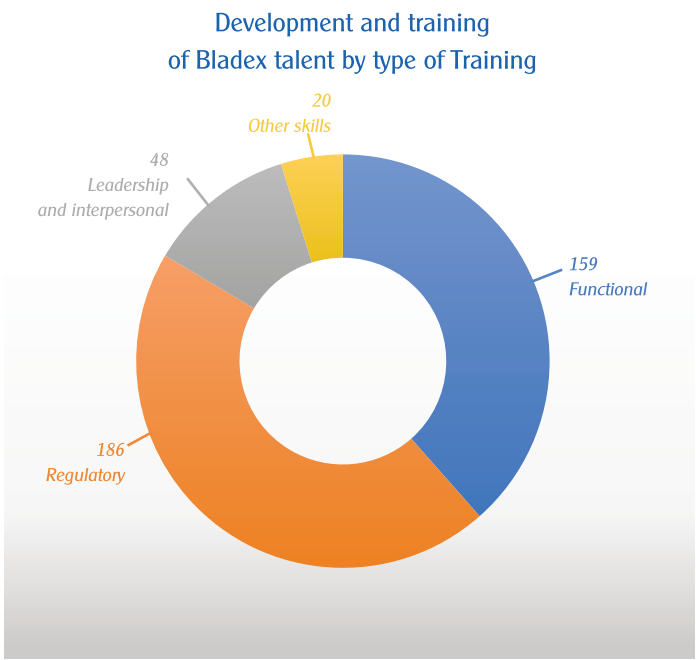


With multiculturalism, the constant strengthening of our values, the diversity of our workforce and the benefits we offer, we ensure that we maintain a motivated team committed to both organizational goals and the Bladex culture.

Talent Development

The training plan included the development of competencies, both functional and regulatory as well as leadership and interpersonal skills, supporting the strategic plans that were the basis of the Organization in the process of change.

In total, 413 training instances were carried out on various topics, the majority of which were functional and regulatory.



Functional and Regulatory by Area	
Audit	23
Compliance	2
Finances	37
Comprehensive Risk Management	24
Legal and Executive Secretary	24
Businesses	22
Operations	36
Treasury and Capital Market	7
All employees (annual compliance training)	170
Total	345

Training and Development Plan

<p>Functional and Regulatory Competencies</p> <p>Provide and/or update the knowledge and functional skills required to meet the specific needs of each area. It includes regulatory courses</p>	<ul style="list-style-type: none">Know Your BladexLetters of CreditSupply Chain FinanceAnnual Compliance and Information Security Training
<p>Leadership and Interpersonal Skills</p> <p>Increase contribution individually and as part of a Team. Promote the behaviors associated with corporate values</p>	<ul style="list-style-type: none">Leadership Training Program: “Boosting the Energy of Bladex”Development for Star Talent
<p>Other Skills</p> <p>Provide techniques and tools that allow working more effectively</p>	<ul style="list-style-type: none">Your Mindset is everythingInternal CommunicationMental Fit Planning and Integration

Additionally, a training program for leaders was implemented, focused on aligning and reinforcing in the team the skills required to manage the impact of the changing environment and face future challenges with commitment and high performance. A career development program for personnel identified as Star Talent began, aimed at strengthening and developing skills and abilities that allow the collaborator to position him/herself and to have a sustained growth in the Organization.

Integral Wellness Program

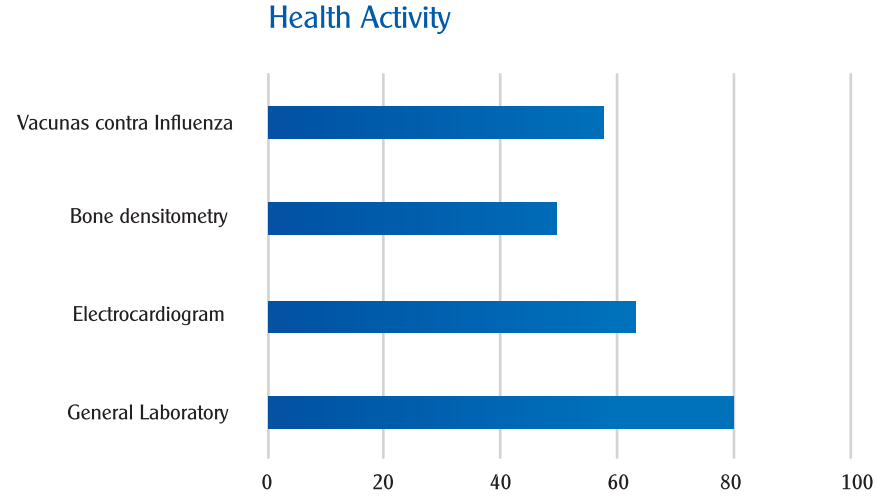
With the purpose of promoting integral wellbeing among all employees, Bladex maintains various annual activities aimed at cultural integration and promoting health care. In July, the annual influenza vaccination campaign was carried out, in which 58

employees and 70 dependents were vaccinated. Additionally, in October, the Health Fair was held with the participation of different suppliers, performing vision tests, weight measurement, pressure, laboratory tests and electrocardiogram among others.

Health Activities: spaces to encourage beneficial habits for you

Monday October 15	Tuesday October 16	Wednesday October 17
Healthy breakfast at the Head Office and representative offices Talk: Breathing and Active Pause	General fasting test (glucose and lipid profile) Blood PSA for men and electrocardiogram Talk: Financial Health	Health Fair (Panama) Closing Talk: Joey Levy “Your Minset is Everything”

Other excellent benefits offered by Bladex in its concern for the integral health of its employees is the Dental and Optical Health Plan, which is maintained as an alternative plan to the benefit of life and health insurance collective coverage, not only for the employee but also for their dependents. We also offer primary care to our employees, with the assistance of health professionals in our General Laboratory offices in the Head Office.



Bladex promotes greater closeness among its employees and families

Every year the Bank holds the customary Mother's Day and Father's Day celebrations. The Bank also developed a program of activities, throughout the year, that included sports competitions

and recreational events for national and end-of-year festivities, both in Panama and among employees and their families.



Mother's day



Father's day



National Holidays



Race day, bowling competitions and costume contests

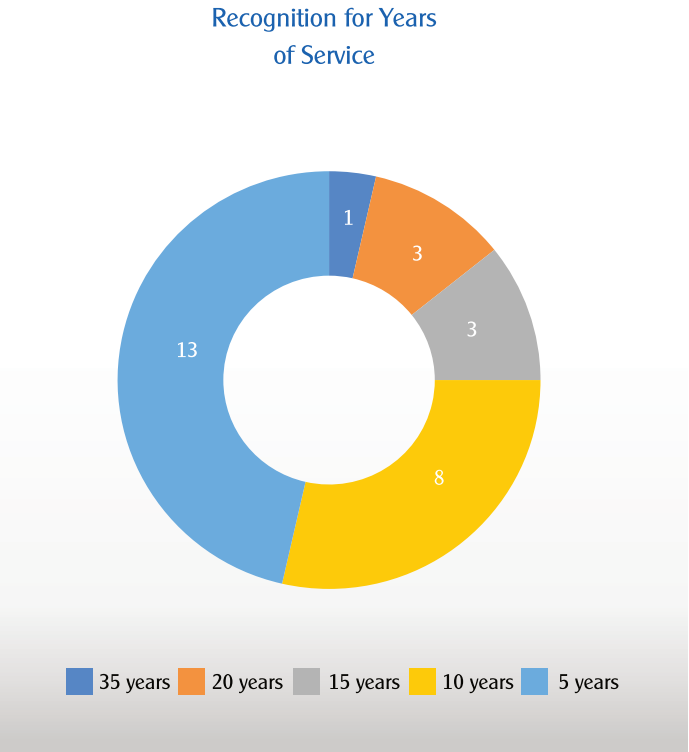
Recognition Program

Bladex promotes recognition to employees who stand out by their commitment, teamwork and outstanding results. This year, 18 members of the Bank were rewarded for their contribution on various topics, which generally implies going beyond their regular



Chief Executive Officer Gabriel Tolchinsky, along with other executives, gives Ms. Luisa de Polo a special recognition for her 35 years of uninterrupted service at the Bank.

functions. Likewise, during the end of the year parties, special recognition is given to employees for their years of service.



Employee Living the Bladex Values

Each year the Bank rewards the employee who with his/her outstanding behavior has modeled the values of the Organization: **Commitment, Humility, Excellence, Respect and Integrity.**

This year 29 employees were nominated, and Mr. Ismael Rodriguez was selected, for demonstrating his high level of commitment, enthusiasm and dedication in the implementation of technological projects and in treatment of his internal clients.



Ismael Rodriguez
Employee Living the Bladex Values



Our Social Capital

We continue to move forward with determination in our commitment to offer greater educational and personal growth opportunities for children and youth people from the vulnerable areas of the communities in which we have the privilege of operating. This commitment was translated into concrete programs and actions implemented during the year by the Crece Latinoamérica Foundation, the executing arm of the Bank's social works, benefiting more than 3,000 students.

In Panama, headquarters of our Head Office, Bladex officially inaugurated the facilities that house the secondary school of the Marie Poussepin Educational Center (CEMP, for its Spanish acronym), which has sixteen classrooms, four laboratories, a psychopedagogical cabinet, a nurse's station, administrative offices and a recreation area. The Bank also contributed with the equipment of the language laboratory and classrooms, as well as with the sponsorship of an English language reinforcement program for graduating students. More than 700 students today have a school that provides them with an academic offer from daycare center to the twelfth grade with quality education with values.



El 19 de julio se hizo entrega oficial de los tres edificios que conforman la secundaria del CEMP, el cual ofrece un bachillerato en Ciencias y uno en Turismo, beneficiando a 710 estudiantes del plantel.

School for Parents

Aware that the school performance of children and young people depend, to a large extent, on the participation of parents in the educational process of their children, we continue to sponsor the School for Parents program developed at CEMP. The alliance that we have maintained for ten years with the Society of Bankers' Wives, the organizer of the program, has contributed to the successful completion of their training of 200 members of this school during this period.



A total of 226 parents of the Marie Poussepin Educational Center (CEMP) graduated from this program at the initial, intermediate and advanced levels.

Financial Education

The Bank has maintained a permanent commitment to the promotion of financial education at the school level. That is why during 2018 it continued to sponsor the Financial Education program promoted by the Banking Association of Panama (ABP, for its Spanish acronym) and actively participated in the organization and implementation of said program in the 26 participating public schools, benefiting a total of 2,300 students who successfully completed the training.



Members of the Bladex Volunteer Committee dictated the five modules of the program at CEMP

Bladex led the Sub Commission of Financial Education, which is part of the Sustainability Commission of the Banking Association of Panama (ABP) composed of seven national and international banks in the country. This Sub Commission was in charge of the update of the financial education program that was taught in the selected public schools, as well as representing the ABP before the Superintendency of Banks of Panama, to contribute to the elaboration of the national financial education strategy that they are developing together with several entities government, which should be launched in 2020. Additionally, it represented the ABP before the Latin American Committee of Education and Financial Inclusion (CLEIF, for its Spanish acronym) at its annual meeting held in Panama on September 27, and where the IV Report on Financial Inclusion in Latin America prepared by the Latin American Bank Federation (FELABAN) was presented.



Bladex represented the ABP at the annual CLEIF meeting where representatives of the banking associations of Argentina, Brazil, Bolivia, Colombia, Ecuador, Honduras, Panama, Paraguay and Peru participated.

Divina Gracia Home

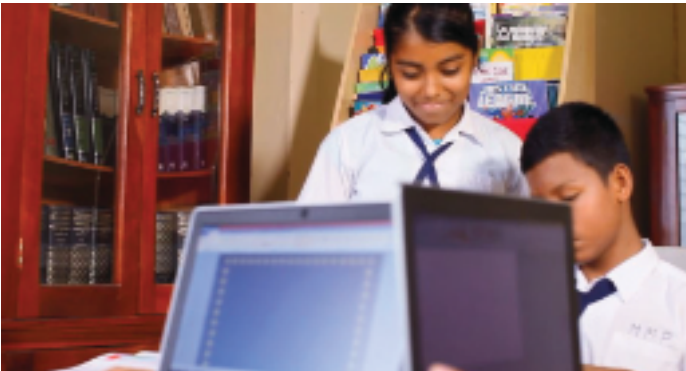
We continue making improvements in the physical structure of the Institution with the construction of a perimeter wall and electric gate, an additional emergency door and an external corridor for emergency exit. We continue to sponsor an annual plan for physical training and training in basic and intermediate computer programs for all the young residents of the Home.



25 young people graduated from the Computer Science program, which has a duration of 6 months

El Bale Community Center

In order to provide a greater number of students from remote rural areas the opportunity to attend a secondary school, Crece Latinoamérica Foundation sponsored the expansion and equipping of the boarding school in the Virgen de Guadalupe Community Center in El Bale, Veraguas province. The new accommodations will house a total of 50 young people, both girls and boys, from indigenous and rural communities, doubling the initial capacity of the facilities.



The Bank delivered 10 laptops and set up Internet throughout the Community Center, making it easier for young people to study during their stay at the boarding school.



The bedrooms are equipped with wardrobes, beds, fans, bathrooms and external area for rest.

Comprehensive Reading Program

This year we continue to implement the comprehensive reading reinforcement program at the Sabiá II School Center, located in Sao Paulo, an activity that we have been developing in the last four years in partnership with the Brasci Foundation. More than 1,800 primary level students benefit from these trainings, allowing them to improve their learning at an academic level with cognitive development.



Students between 5 and 12 years of age participate daily in a comprehensive reading program, which allows them to take better advantage of the academic content taught on the campus.



Volunteering in the community

The work carried out by the Crece Latinoamérica Foundation is enriched by the voluntary work of our employees, who participated during the year in various educational, recreational and cultural activities, providing resources, time, knowledge and creativity.



At educational level

- A total of 115 CEMP students were awarded scholarships by Bank employees.
- Five lectures on financial education were given during the year to 60 pre-graduating students and graduates of CEMP.
- A motivation and leadership workshop was given for the youth of the El Bale Community Center.



At recreational and cultural level

- A talent show for CEMP students was organized by volunteers, to which about 60 students attended.
- A tour to the Visitor Center of the Panama Canal, in the province of Colón and a tour of places of interest in this city was organized for 25 young people from the Divina Gracia Home
- Donation of food, medicine and personal items to the El Bale Community Center. Organization of a Christmas party for the 710 students of CEMP, as well as for infants assisted by the Brasci Foundation in Brazil.





The Bladex Volunteers Committee promotes the sponsorship program among its employees, which benefits students from CEMP (school built by the Bank in the Curundú sector, Panama City) who are at social risk. Since its implementation in 2008, more than 1,100 students have benefited from these scholarships.



Financial Education Program at CEMP



Workshop for students of the El Bale Community Center. Talent contest - elementary and middle school students of CEMP



Talent contest - CEMP primary and secondary students



Donation of food, medicine, school supplies for boarding school at the El Bale Community Center



End of the year party for 700 CEMP students



Christmas party for the children of the Brasci Foundation - Brazil



Divina Gracia Home residents participate in a tour to the Visitor Center of the Panama Canal - Colón



Christmas party for the children of the Brasci Foundation - Brazil

Global Compact Principles

7

Businesses should support a precautionary approach to environmental challenges

Businesses should undertake initiatives to promote greater environmental responsibility

8

9

Businesses should encourage the development and diffusion of environmentally friendly technologies

Bladex continues to comply with the guidelines of the LEED GOLD certification in Commercial Interiors, which it obtained in 2013 for its Head Office in Panama, whose building also gained the "LEED core and Shell (CS)" certificate.



With regard to recycling, 857 pounds of material were collected, including paper, cardboard, cans, tretapack containers and plastic, from our offices abroad and the Head Office.



"Paper less" program
The paper-saving culture is reflected in its controlled consumption and the "clean desk" policy application that is applied in all our offices.



This year, a standard maintenance plan for all offices was prepared to ensure that they are in optimal condition and there is an investment plan for improvements in each one of them.



The occupational health plan is reviewed and updated annually and the Occupational Health Committee composed of eight collaborators from the Head Office and from our offices abroad, is responsible for verifying and reporting the requirements of the personnel in terms of ergonomics.



Occupational health and preventive measures

The annual evacuation drill was carried out by the Bank staff, both in our main office and abroad offices, with the support of the brigade members who remain trained for these purposes.

Both the members of the Occupational Health Committee and the 20 collaborators that make up the brigade body of the Bank participated in emergency management and first aid training.



Global Compact Principles

10

Businesses should work against corruption in all its forms, including extortion and bribery

Corporate Governance

In Bladex we have a Compliance System, which is based on international standards and allows us to comply with regulatory requirements and offer our clients legal and reputational support. Within our system, we implement the following programs: Prevention of Money Laundering, Financing of Terrorism and Proliferation of Weapons of Mass Destruction, Control of International Lists, Fiscal Transparency, Regulatory Compliance and Ethics and Conduct.

The Compliance Area focuses on continually training Bank staff to keep them at the forefront of internal policies, procedures and controls, as well as the different typologies, cases and regulations applicable to the Bank, especially in relation to international business activities such as correspondent banking, international private banking, and foreign trade financing.

During 2018 the following actions were carried out:

- The Compliance Area was in charge of the training program for employees in the matter of Prevention of Money Laundering, Financing of Terrorism and the Proliferation of Weapons of Mass Destruction, with the

aim of expanding knowledge about AML/FT best practices recognized globally, and which include issues related to the knowledge and due diligence of the client and/or last beneficiary.

Additionally, the training program included other aspects such as:

- Face-to-face training for first-time staff
- Virtual training of 100% of employees
- Face-to-face and specialized training for our Directors
- Training in the use of the tools used by the Bank for the validation of information regarding clients or entities related to our Organization.
- Informational capsules about warning signs and fraud prevention

The Compliance staff remained in permanent training, participating in various national and international conferences, among which are:



18th FIBA AML Compliance Conference



XXII Hemispheric Congress for the Prevention of Money Laundering, Financing of Terrorism and Proliferation of Weapons of Mass Destruction.




18º Pan-American Congress of Money Laundering and Financing of Terrorism Risk

Strengthening of Information Security Controls


Bladex has a defined strategy to properly manage information security and cybersecurity based on the risk profile. One of the most important aspects is the awareness and training of all employees, since a well-trained user becomes one of the strongest information security controls the Bank has.

Activities carried out during the year:




An annual awareness talk on information security and cybersecurity issues, segmented into three different sessions:

- Oriented to general users: a session entitled "Security: Reality vs. Digital, a general approach"
- Oriented to technical personnel: a session entitled "Security: Reality vs. Digital, a technical approach"
- Oriented to top management: a session entitled "Cybersecurity: Current Status"



Sending of informative capsules covering the following topics:

- A capsule with recommendations for the proper use of technological resources.
- A capsule with general recommendations to maintain the security of information in daily work activities.
- A capsule with recommendations to properly classify Bank information.



Project for classification of information by categories to establish security controls appropriate to the type of information. With this classification, we also comply with national and international regulatory regulations.

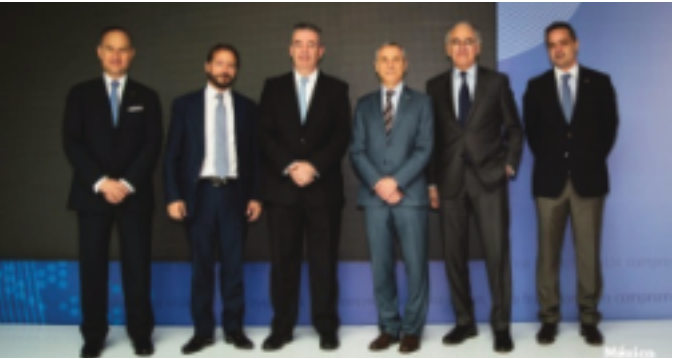


Active presence of Bladex in international forums and events

Bladex holds two business meetings in the Region



The business meeting held in Bogotá on August 29 was attended by Dr. Carlos Caballero Argáez, Colombian Internationalist and Former Minister of State, who spoke about the current situation of the Colombian economy and the challenges for the new Government.



In Mexico City the event took place on September 25 and featured the Governor of the Bank of Mexico, Mr. Alejandro Díaz de León as a guest speaker, who spoke about "The Perspectives of the Mexican Economy". In both meetings the Bank's Chief Executive Officer, Mr. Gabriel Tolchinsky, offered updated information from Bladex as a facilitator of foreign trade in Latin America.

Bladex Chief Executive Officer participates in CLACE



With the theme "Foreign Trade in Latin America: Prospects for Evolution and Financing," Mr. Tolchinsky pointed out to the directors of Clace and Felaban representatives the important role that banks and regulators of Latin American banks can play in promoting foreign trade within our Region.

Bladex participates in the Lex Mundi 2018 in Buenos Aires



From March 1st to 3rd, the 2018 Lex Mundi Regional Conference of Latin America and the Caribbean was held, where Mr. Celso Faria, Vice President of Legal Advice of Bladex, participated in the panel that developed current legal issues in Latin America impacting on regional and international banking, mainly with regard to the compliance rules applied in Latin American countries, smart contracts, fintech and blockchain in regional banking, litigation and credit recovery in Latin America.