



Banco Latinoamericano de Comercio Exterior, S.A.

COMPLIANCE AREA

CORPORATE POLICY

PREVENTION OF MONEY LAUNDERING, FINANCING OF TERRORISM AND FINANCING OF THE PROLIFERATION OF MASS DESTRUCTION WEAPONS

PML/FT/FWMDP

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A. INTRODUCTION

Bladex is a supranational institution, focusing on financing foreign trade and the regional integration of Latin America.

The Bank's Customer Base consists of commercial banks, state-owned entities and private sector corporations in the Region. The Bank does not offer its products or services to individuals.

The Bank, including its Board of Directors and all its staff, is committed as an Organization to comply with all local and international laws, regulations and guidelines applicable to Bladex, its subsidiaries and the New York Agency related to the Prevention of Money Laundering, Financing of Terrorism and Financing of Proliferation of Weapons of Mass Destruction, hereinafter "Prevention of Money Laundering". For that, the Bank has established policies and procedures in line with the specific risk profile of its products, services, customers and geographic location.

The Bank has established, within its organizational structure, an independent Compliance Area that is responsible for implementing the necessary policies and procedures needed for enabling the Bank to faithfully comply with its obligations and internal policies related to "Anti-Money Laundering" regulations in the Republic of Panama, the United States of America as well as in any other country where Bladex may operate.

The Compliance Area has developed a "Know Your Customer" policy to understand and define the specific risk profile of its customers and products, as well as transaction monitoring procedures that allow understanding the nature of transactions and identify possible suspicious operations. Together with the different departments of the Bank, it has also identified the key controls that allow the Organization to mitigate the risks inherent to the business and comply with all external rules and internal policies.

The policies defined below establish the criteria approved by the Bank's Board of Directors, which constitutes the minimum framework for action whereby the Bank will apply the principles of reasonable knowledge of each customer with whom it has a contractual or business relationship. Such policies are developed and embodied in detailed processes and procedures for each case that warrants it, in accordance with the requirements of each jurisdiction. These policies must be reviewed and approved by the Board of Directors at least once a year.

The successful implementation of the "Know Your Customer" Policy and "Prevention of Money Laundering" Policy requires the cooperation of all Bank employees. That is why it is necessary to be diligent, both in linking a new customer and in reviewing each of the transactions, especially those considered high risk.

It is the obligation of each collaborator to report, through the means established by the Organization for such purpose, any suspicion related to money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction.

B. REGULATORY FRAMEWORK

The Superintendency of Banks of Panama regulates and supervises Bladex, its subsidiaries, foreign offices and agencies. In addition to the Superintendency of Banks, in Panama, the representation offices are subject to the regulations and supervision of the regulators of the respective host countries, in the case of the New York Agency, the regulations and supervision of the Federal Reserve Bank of New York (FRBNY) and the New York State Department of Financial Services (NYDFS).

1. Laws of Panama

Bladex operates in the Republic of Panama under a general license granted by the National Banking Commission, an entity that was replaced by the Superintendency of Banks of Panama, which currently regulates and supervises the Bank. Under the general license, Bladex is authorized to carry out banking activities inside and outside the Republic of Panama.

On February 26, 1998, Decree-Law No. 9 was adopted in Panama, amended by Executive Decree No. 52 of 2008, it becoming the sole text of the Banking Law in Panama. In addition, on April 27, 2015, Law No. 23 was approved, which determines the adoption of measures to prevent money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction.

All agreements, circulars and resolutions issued by the Superintendency of Banks of Panama to guarantee and regulate compliance with all laws applicable to Panama's financial system are also mandatory.

All regulations issued by the Superintendency of Banks of Panama are published on its website: www.superbancos.gob.pa.

2. Laws of Mexico

Bladex's representation Office in Mexico is governed by the Credit Institutions Law, which regulates the establishment and operation of representation offices of foreign financial institutions in Mexico. Furthermore, said office is subject to the applicable regulations and provisions to establish and operate representation offices of foreign financial institutions issued by the Ministry of Finance and Public Credit (SHCP, for its Spanish acronym), as well as the provisions issued by the SHCP and the Bank of Mexico regarding financial policies. It is also subject to inspection and supervision by the National Securities and Banking Commission.

The subsidiary BLX Soluciones, S.A. de C.V. is governed by the Law of Credit Institutions and is subject to the regulations and provisions of the National Securities and Banking Commission (CNBV, for its Spanish acronym), as well as the National Commission for the Protection and Defense of Financial Services Users.

3. Laws of Argentina

Bladex's representation Office in Argentina operates on the basis of the guidelines of the Central Bank of the Republic of Argentina (BCRA, for its Spanish acronym), which establishes the regulations applicable to the representations of foreign financial entities. The main applicable legal rules are as follows:

- Law 25,246 against money laundering and financing of terrorism and its complementary regulations.
- Regulations on Prevention of Money Laundering and Other Illicit Activities dictated by the BCRA.
- Regulations on the Prevention of Financing of Terrorism issued by the BCRA.
- Resolution UIF No. 30-E/2017 on measures and procedures that, in the financial sector, financial and exchange entities must observe to prevent, detect and report the facts, acts, omissions or operations that may come from or be linked to the commission of the crimes of money laundering and financing of terrorism.
- Resolution UIF No. 29/2013 on the Prevention of Financing of Terrorism.

4. Laws of Brazil

Bladex Representação Ltda. is the subsidiary organized under Brazilian laws that acts as the Bank's representation office in Brazil. Bladex Representação Ltda. is subject to the supervision of the Central Bank of Brazil, which regulates and supervises the activities of the representation offices of foreign financial institutions in Brazil.

5. Laws of Colombia

The Representation Office of Colombia operates under the supervision of the Financial Superintendence of Colombia. This regulatory body issues provisions to which the representation Office of Bladex is subject.

6. Laws of the United States of America (New York Agency)

- **New York State Laws:** Bladex's New York Agency operates under a license granted by the Office of Banking Supervision of the State of New York. It is subject to the supervision of the New York State Banking Department (NYSBD), as well as the laws regulating the operations of foreign banks in the State of New York.

- **Federal Laws:** In addition to the laws of the State of New York, the New York Agency is subject to federal regulations, in particular the International Banking Act of 1978 (IBA), whose regulations establish general guidelines for the offices of foreign banks operating in the United States.

Under the "Foreign Bank Supervision Supplementary Act," the New York Agency must comply with reporting and review requirements set by the "Board of Governors of the Federal Reserve System," which has the power to supervise the initiation, operation and eventual termination of the activities of foreign banks in the United States.

C. ORGANIZATIONAL STRUCTURE

The Board of Directors of Bladex has incorporated into the administrative structure of the Organization, a person called Compliance Officer, who has sufficient authority, hierarchy and independence from the other employees and Executives of the Bank, to develop, implement, administer and supervise the Compliance Program as well as a Money Laundering Prevention Manual in order to guarantee that the Bank, its Subsidiaries, representation Offices and Agencies comply with the laws and policies applicable in the different countries where Bladex operates, with special attention to issues related to the prevention of Money Laundering, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction.

This program is reviewed and approved by the Committee on Prevention of Money Laundering and Compliance of the Bank's Board of Directors at least once (1) a year or as needed due to any amendment derived from changes in the respective laws, regulations or policies and its progress is assessed and presented to the Board.

On the other hand, the New York Agency has a Compliance Officer exclusively engaged in its activities, who has the authority and independence to implement and manage the Compliance Program, which is in accordance with the regulations applicable to it by US regulators, mainly the Bank Secrecy Act, the Anti-Money Laundering and Counter-Financing of Terrorism regulations and the sanctions administered by OFAC.

1. Money Laundering Prevention and Compliance Committee

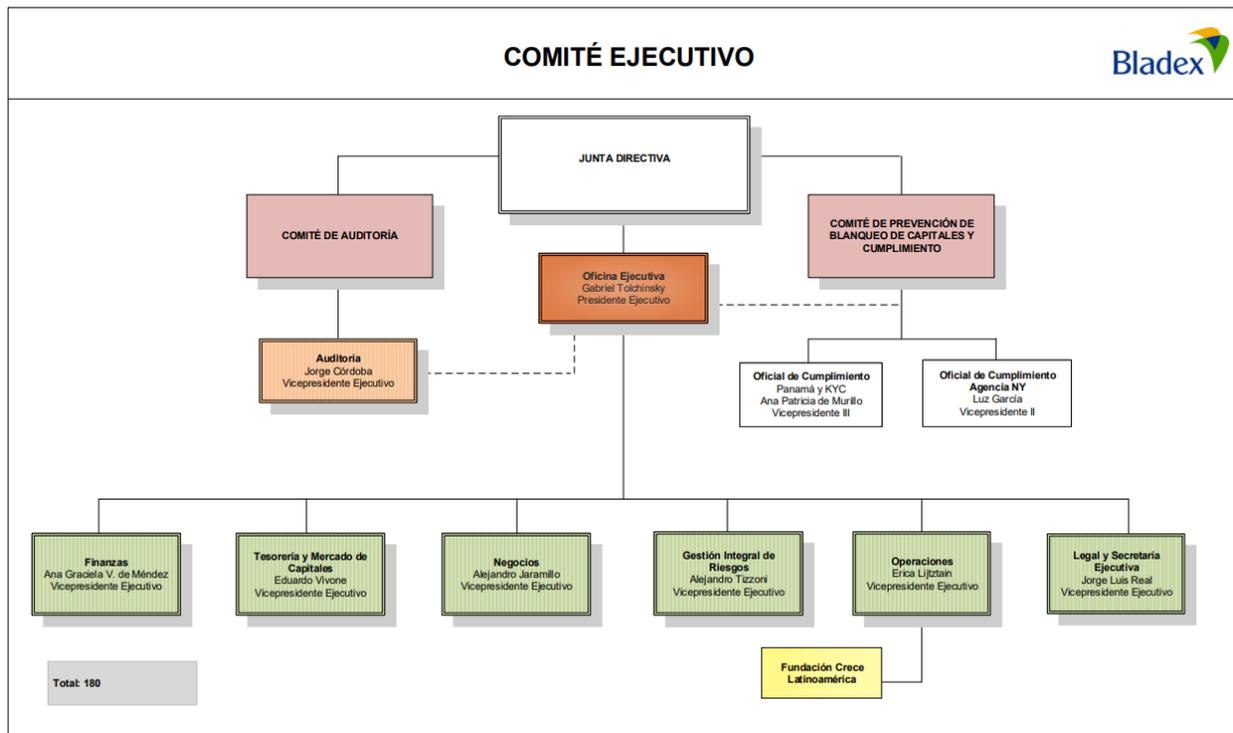
The Money Laundering Prevention and Compliance Committee of Bladex is a permanent Committee of the Bank's Board of Directors, in which members of the Bank's Administration also participate, complying with the regulatory requirements of the Superintendency of Banks of the Republic of Panama.

The Committee will support the Board of Directors in fulfilling its compliance responsibilities and will also comply with those functions assigned to it by applicable compliance laws and regulations, including the responsibility of directing the Bank's compliance program at the strategic level.

2. Executive Committee

The Executive Committee is a standing committee at Bladex, with the main objective of directing and undertaking the Bank's Administrative Management, based on the delegation of powers from the Board of Directors.

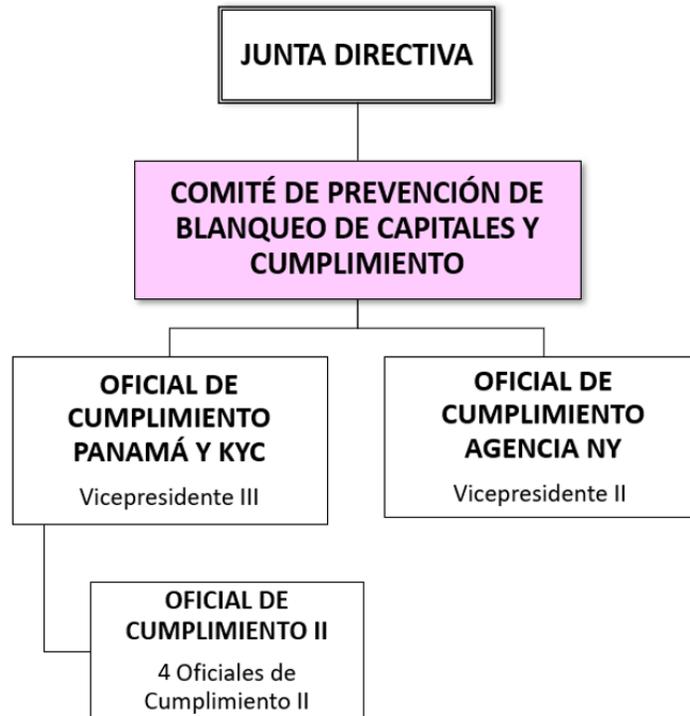
The Executive Committee will review compliance issues in order to ensure that the decisions made, and resolutions adopted by the Board of Directors and its Committees be implemented correctly.



3. Ethics Committee

The Bank's Ethics Committee is the Management body responsible for the construction, implementation, application and ongoing assessment of the provisions set forth in the Organization's Code of Ethics. In addition, it is responsible for addressing reported cases of deviations in compliance with policies and procedures governing honest and ethical behavior, as well as any conflict of interest or non-compliance with the Code of Ethics, suspicious activities related to Money Laundering, Financing of Terrorism, Financing of Proliferation of Weapons of Mass Destruction, Bribery or FCPA violations, or activities that could constitute insider trading, fraud or attempted fraud, accounting records that do not comply with generally accepted accounting principles, and the unexplained or unjustified disappearance of funds or securities.

4. Compliance Area Flowchart



D. MONEY LAUNDERING PREVENTION PROGRAM

Special attention must be paid to customers and any type of transaction that may be particularly linked to the offence of money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction, regardless of the amount involved, as established in the regulations applicable to the Bank.

In order to meet this regulatory requirement, the Bank establishes preventive measures in all its activities, paying special attention to its main activity, which is to grant credit to banks, corporations and companies in the Latin American and Caribbean region.

Due to their nature, foreign trade financing activities are susceptible to fraud, money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction and even the indirect participation of persons or countries listed in OFAC or other international restrictions on money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction.

For this reason, Bladex has identified the risk factors of money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction that could exist in these types

of financing and, therefore, has established controls to mitigate such risks, such as verification of the underlying transactions that imply a risk for the Bank.

1. Risk Mitigation

Bladex permanently reinforces its controls, regulations and procedures to prevent or detect any attempt to carry out money laundering operations, through the use of the credit facilities it grants.

In this sense, the following risk factors are taken into account in the "Prevention of Money Laundering":

1.1. Tax havens and underlying transaction in tax haven countries

In cases where the underlying transaction is made with countries that are considered tax havens by the OECD, relevant information will be obtained to identify the actual beneficiaries of the transaction.

1.2. Countries listed by the FATF

Extended or enhanced due diligence is applied to transactions that are directly or indirectly related to FATF listed countries. In such cases, approval must be obtained from the Compliance Area. However, countries included in the Red List may not be directly or indirectly linked to or be part of an operation.

1.3. OFAC List

No transaction involving individuals or companies listed on the Office of Foreign Assets Control (OFAC) list of Specially Designated Nationals (SDNs) of the U.S. Department of the Treasury will be processed.

1.4. Type of Transactions

Bladex will not carry out any type of transaction with countries, financial institutions or international transactions that have been considered by the Secretary of the Treasury of the United States of America as high risk in the issues of money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction.

In addition, the following transaction-related controls will be maintained:

- Trade details where the merchandise or product is not related to the importer's and exporter's business activity.
- Activities or products considered high risk, including those subject to international export restrictions (military equipment, weapons, ammunition, nuclear material, chemicals, etc.).

- A clear over-invoicing or under-invoicing of prices of goods and/or services.
- A clear misrepresentation of the quantities or types of goods imported or exported.
- An apparent unnecessary business structure, the reason for which is to hide the true nature of the business.
- Payment to third parties who do not participate in the financed transaction.
- Ports of loading or unloading and goods not related to the letter of credit or participants in the underlying transaction.

2. Assessment criteria

The policies and procedures for the "Prevention of Money Laundering" are mandatory for all employees of the Bank. Therefore, the Compliance Area will resolve cases that require an interpretation of the application of the policy in order to comply with the requirements inherent to it, in accordance with the supporting documentation that allows such determination and that do not imply a risk for the Bank.

In addition, the Compliance area is in charge of keeping updated the policies related to the Prevention of Money Laundering, Prevention of Financing of Terrorism and Prevention of Proliferation of Weapons of Mass Destruction of the Bank, the risks associated with these crimes and the criteria applied to the countries where Bladex operates.

Such policies must be reviewed on an annual basis, when required due to an amendment to the corresponding regulation or by improvements that Bladex or its Auditors identify for diligent compliance with the Program.

3. Independent Testing of Compliance Matters

The Bank's Internal Audit unit is responsible for assessing and permanently monitoring the internal control system and compliance with money laundering risk management policies. The Internal Audit function must be independent in its management and the personnel must be qualified and trained in issues related to Prevention of Money Laundering, Financing of Terrorism and Financing of Proliferation of Weapons of Mass Destruction.

The Compliance Program will provide for an independent review of the Prevention System with a minimum frequency of once (1) a year, which may also be conducted by External Auditors. This review requires to:

- Verify that the Bank complies with the laws and regulations in force regarding the Prevention of Money Laundering, Financing of Terrorism and Financing of Proliferation of Weapons of Mass Destruction.
- Verify the degree of implementation of the processes, procedures and internal controls contained in this Manual.
- Assess the quality of the prevention system adopted by the Bank, in light of best practices and international standards in the matter.

The results of such reviews must be reported to the Bank's Board of Directors with their respective action plans and the Compliance Officer must also report the progress and follow-up to the Committee on Prevention of Money Laundering and Compliance.

4. Training Programs

Bladex permanently promotes the development of personnel training programs so that employees have the ability to recognize warning signs and suspicious operations related to Money Laundering, Financing of Terrorism and Financing of Proliferation of Weapons of Mass Destruction, applying internal procedures.

Every director, manager and new employee who joins the Bank must undergo an induction process on the subject of Prevention of Money Laundering, Financing of Terrorism and Financing of Proliferation of Weapons of Mass Destruction within thirty (30) calendar days of joining the Bank, as well as an Annual Training Plan for all Head Office staff, the Agency in New York, the representation Offices and Subsidiaries in force, in order to keep all existing employees updated on policies, procedures and internal controls to prevent the misuse of the services they provide, as well as the various criminal modalities used for Money Laundering, Financing of Terrorism and Financing of Proliferation of Weapons of Mass Destruction.

E. "KNOW YOUR CUSTOMER" POLICY

The "Know your Customer" policy covers each and every kind of contractual or business relationship between the Bank and its Customers. For this reason, it is important to reasonably identify the customer and know their business, the markets in which they operate, shareholders, senior executives and all those who have controlling influence, among other aspects.

Each executive authorized by Bladex is responsible for meeting each and every one of the requirements established by the Bank in terms of knowing the customer in order to link a customer through a commercial, correspondent or treasury relationship.

Therefore, manifesting or alleging ignorance of the Bank's legal provisions, policies and internal manuals (intentional blindness), assuming that they are matters that do not affect Bladex, does not exonerate any employee from his or her responsibility in the event of non-compliance with the policies and procedures established by the Bank for "Prevention of Money Laundering". All employees must consult the Compliance Area in the event of any doubt.

The "Know Your Customer" policy has the following objectives:

- Reasonably know the identity and activities of the customer.
- Establish criteria for timely detection of suspicious activities of money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction.
- Protect Bladex's reputation and reduce the risk of its services being used to give legitimacy to funds that are the product of illicit activities, which could cause, among

other negative consequences, the confiscation of clients' money and the imposition of criminal, administrative and/or pecuniary sanctions on Bladex itself, its directors and/or employees.

- Establish guidelines aimed at ensuring that institutional and corporate clients, with whom a contractual or business relationship is maintained, have a physical presence (real commercial activity) and that they are duly constituted and regulated in the country where they operate.

According to article 4 of Law 23 of April 27, 2015, a client is considered to be any legal entity that establishes, maintains or has maintained a contractual or occasional business relationship for the supply of any product or service proper to our activity. For Bladex, customers are classified as follows:

- **Corporations**
 - Legal persons with direct relation
 - Guarantors
 - Secondary market legal persons
 - Counterparties

- **Financial Institutions**
 - Private Equity Banks
 - State Banks
 - Central and Multilateral Banks
 - Counterparties (Financial Institutions)
 - Class A and B Shareholders

Regardless of the historical relation between the Bank's Management and its customers, the Management emphasizes the need to maintain a close relationship with the customer that allows the Bank to remain updated on any changes that may occur. For this reason, the Bank maintains a limit flow and customer recommendation, which allows the integration of credit risk information and documentation and knows its customer, in a single file. This flow includes different scenarios, from the limit recommendation process for new customers, existing customer line renewal process, limit amendment process, line extension process, line cancellation process and customer profile updating process.

1. Client Risk

To the extent that the activities of the Bank's customers are properly known and understood, irregular or unusual behavior or abrupt changes in activity will be detected and consequently investigated. The main purpose of the application of the concept of "due diligence" is to detect signs that, although they do not mean they are evidence of some unusual behavior, they do not go unnoticed and are duly reviewed.

A customer risk classification matrix was defined in accordance with the parameters required by local regulations and on the basis of international standards, FATF recommendations and the provisions of the BSA/AML Inspection Manual of the Federal Financial Institutions Examination Council (FFIEC), which is approved annually or when required by the Committee for Prevention of Money Laundering and Compliance and subsequently ratified by the Board of Directors.

2. Review Focus

Bladex maintains its customers classified in three categories: Low, Medium and High according to the so-called AML (Anti-Money Laundering) risk.

For this reason, two types of due diligence are maintained: "Due Diligence" which includes Medium and Low Risk customers and "Enhanced Due Diligence" for High Risk customers.

To the extent that the activities of the Bank's customers are properly known and understood, irregular or unusual behavior or abrupt changes in activity will be detected and consequently investigated. The main purpose of the application of the concept of "due diligence" is to detect signs that, although they do not mean they are evidence of some unusual behavior, they do not go unnoticed and are duly reviewed.

When dealing with clients classified as High Risk, the Enhanced Due Diligence will include the following aspects:

- Special investigations (specific Internet searches that include public pages of justice entities) to the client and related parties.
- Senior Management Approval (Executive Committee)
- Annual assessment of financial and transactional profile by Compliance prior to renewal
- Compliance assessment and approval of 100% of the operations

Without prejudice to such Customers who, according to the Bank's risk assessment, are considered to be High-Risk Customers, the following are included in that category:

- Politically Exposed Person (PEP)
- Customers with equity or partners coming from territories or countries considered as non-cooperating by the Financial Action Task Force (FATF)
- 3. Any such other Customers as may be classified to be High-Risk by the Bank.

Bladex does not manage individual accounts (it is not engaged in retail banking business), as it is a Supranational Bank that specializes in trade finance in Latin America and the Caribbean. However, the Bank verifies the existence of a PEP within the boards, management teams and direct owners (Shareholders) of Bladex's clients.

3. Risk Assessment

It is Bladex Policy that, prior to onboarding each Customer and periodically for updating the profiles, a validation should be undertaken of the documents provided vis-à-vis the onboarding requirements matrix. The risk classification given to the Customer, whether low, medium or high, should also be considered.

4. Risk Mitigation

Bladex applies a Due Diligence both at the moment of establishing a Credit Facility for a Customer, as well as for each of the transactions being carried out, through its monitoring process.

The transactions that a Customer may carry out with Bladex are those that have been previously authorized by the Risk Management Area, after a quantitative and qualitative analysis of the Customer. Hence, the transactional profile of the Customer and the level of credit acceptance will depend on the credit risk analysis.

In addition to a Customer's credit analysis, the following aspects have been recognized as mitigating points in compliance with established "Anti-Money Laundering" regulations:

- No business relationship is established (active, passive or contingent) until the Due Diligence process has been completed. To do so, the Bank will maintain different levels of responsibility in the process of onboarding and updating Customers.
- There are different levels of operational responsibility for the active, passive and contingent operations being carried out.
- The Compliance Area will evaluate the results of each Due Diligence and Enhanced Due Diligence.
- For the Due Diligence process for financial institutions, Bladex will request the Patriot Act Certification and the AML/CFT Questionnaire.
- The "Anti-Money Laundering" Questionnaires related to the Know your Customer Policy are in order to check if the internal policies and procedures of the banks that are Bladex Clients are in line with international standards.
- No relationship will be established with or transactions processed for participants and countries that are mentioned on the US OFAC lists or restrictive lists of a similar nature.

All Executives in the Business Area, together with the Comprehensive Risk Management Area maintain and monitor information regarding each and every one of the Bank's Customers. Therefore, every time an Executive calls on one of his or her Customers, he or she is obliged to prepare a Call Report and keep a copy in the Customer's file, whether this is a Credit Customer or Treasury Client, for their due control and monitoring. This documentation will be the basis and the control for complying with the annual updating of files required by the regulators.

Customer files will be updated according to their risk level:

- High Risk: at least every 12 months

- Medium Risk: at least every 24 months
- Low Risk: at least every 36 months

Should there be any substantial changes in a Customer's profile, then it shall become necessary to carry out the Customer KYC Update Process.

5. Identification of the Final Beneficiary

Whenever the final beneficiary is a legal entity, then the Due Diligence will be extended until we know the natural person who is the owner or controller behind the legal entity.

In order to identify the final beneficiary for corporations, the pertinent diligences should be done for identifying the shareholders holding ten percent (10%) or more of the shares issued by our Customer.

In the case of state entities, whose final beneficiary is the Panamanian State or a foreign State, reasonable measures must be identified and taken to verify the identity of the relevant natural person holding the senior administrative position.

For trust companies, the protector, advisors or other persons, if any, who make decisions about the trust estate and its distribution should be identified.

In the case of other legal entities, whose final beneficiaries cannot be identified through shareholding, a certification or affidavit detailing the final beneficiary(ies) is requested.

6. Internal Controls

Bladex is a bank that operates with corporate clients, companies and financial institutions, previously evaluated and identified by the Risk Area. Therefore, given the characteristics of the services it offers and its risk profile, the schemes for the Prevention of the crime of Money Laundering, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction established depend on the transactions carried out, taking into account the "red flags" or risk factors that exist on the underlying operations and that arise in foreign trade operations.

The "red flags" or risk factors considered by the Compliance Area are evaluated and presented in the Risk Assessment report of the Prevention of Money Laundering, Financing of Terrorism and Proliferation of Weapons of Mass Destruction Program, so that they are controlled in each of the transactions carried out, and they are presented, when required, in reports to the Committee on Prevention of Money Laundering and Compliance of the Bank's Board of Directors.

Such reports are prepared by the Compliance Area as a sample of the measures applicable by the Bank, as well as a statistical account of the operations that were subject to prior monitoring and/or review by Compliance personnel.

6.1. Monitoring the Transactions

The “Anti-Money Laundering” monitoring process is ongoing and systematic. Through this monitoring process, the Compliance Area checks the efficiency and effectiveness of the due diligences applied by the different people responsible for them.

Monitoring transactions make it possible for the Bank to evaluate if it complies with the requirements, processes and procedures established herein and in the Compliance Manual. It is also an important factor for being certain about the integrity of the Bank’s global controls, as well as of its processes for managing the money laundering, the financing of terrorism and the financing of the proliferation of weapons of mass destruction risks.

Monitoring the transactions is done after their disbursement, pursuant to the stipulations set forth in the Compliance Area Review Plan and the Compliance Risk Profile of each Customer, Product, Service or geographical location.

7. SUSPICIOUS OPERATIONS

The Bank has procedures in place for preventing and monitoring transactions that enables us to detect any unusual or suspicious activity. We also have an anonymous suspicious transaction reporting system that makes it easy for Employees and Customers to report situations, without disclosing the source of the denunciation, with the aim of detecting, investigating and following up on potentially suspicious activities.

Every activity that is considered to be unusual or outside the approved profile of a Customer, shall be subjected to a due investigation in order to determine the viability of filing or not a suspicious activity report with the competent authorities.

Any Employee who has reported an unusual or suspicious operation, or becomes aware of an undesirable customer because it is linked to unlawful and/or money laundering activities, is obliged to keep this confidential and may not, under any circumstances, disclose any type of information related to the subject reported or of which they have become aware to the Customer or any other person related to the suspicious activity.

The Bank’s Compliance Area does have the necessary authority and independence for filing a suspicious activity report with the corresponding authorities, when the information they have so warrants it, pursuant to such procedure as may be determined thereto. The Prevention and Compliance Committee and the Bank’s Board of Directors must be informed that a Suspicious Activity Report has been filed.

8. Undesirable Customers

For Bladex, "Undesirable Customers" are considered those legal entities that carry out economic activities that, due to their high propensity to the risk of money laundering and financing of terrorism, may expose the entity to legal, reputational, operational and contagious risks.

Likewise, a non-target market will be understood to be those clients or potential clients that are included in risk lists, as well as those that have been reported to the authorities for suspicion of money laundering and/or financing of terrorism.

The bank has adopted a policy of not processing any type of operations of persons or companies that are on the OFAC lists, UN Resolutions, European Union Sanctions, UKHM Treasury and other applicable.

In addition, the following types of customers will not be accepted by the Bank:

8.1. By reason of the Customer

The following legal persons cannot be related to Bladex:

- Any legal entity which has reported to the authorities for suspicion of money laundering, financing of terrorism, financing and proliferation of weapons of mass destruction or underlying crimes.
- Are listed on OFAC, UN, EU and/or other lists for the prevention of money laundering and/or financing of terrorism, with attention to the sanctions and/or directives applicable to the entity and the particularities of the transaction being carried out.
- When any of its partner(s) or director(s) appears in the lists mentioned in the previous paragraph.

8.2. By reason of the Jurisdiction

The following legal persons cannot be related to Bladex:

- Those which reside or are incorporated, as the case may be, in countries sanctioned by OFAC or that are included in the FATF red list, with attention to the sanctions and/or directives applicable to the entity and the particularities of the transaction being carried out.
- Whose income come from countries sanctioned by OFAC or that are included in the FATF red list, with attention to the sanctions and/or directives applicable to the entity and the particularities of the transaction being carried out.

8.3. By reason of Economic Activities

The legal entities which exercise the economic activities detailed below cannot be related to Bladex:

- Games of luck and games of chance. For example: Casinos, online casinos, bingos, slot machines, lotteries, betting houses, among others.
- Exchange Houses, Money Services Businesses. For example: Purchase and sale of currencies, check cashing, processing of payment orders, FOREX businesses, among others.
- Pawn shops: Second hand retail shop.
- Activities related to illegal mining. Mining companies without control or social and environmental regulation by the State or Jurisdiction where it operates.
- Weapons: Manufacturing and commercialization of weapons, equipment and war material.
- International traders (engaged in the activities listed above).
- Intermediation and commercialization of Works of Art.
- Adult entertainment industry: Companies producing pornographic materials, brothels or related activities.
- Shell Banks.
- Companies with Bearer Shares
- Businesses that operate with virtual money (crypto currencies or bitcoins)
- National Post and Telegraphs

8.4. Environment Protection

Due to its negative impact on the environment, the non-financing of customers or operations with the following characteristics must be guaranteed:

- Exchange and commercialization of wildlife or derived products that are regulated under CITES (Convention of International Trade in Endangered Species on Wild Fauna and Flora).
- Sawmills or purchase of sawing equipment for use in tropical rainforests.
- Production or commercialization of pesticides and herbicides subject to restrictions or prohibitions contained in international treaties and conventions.
- Exchange or production of substances that affect the ozone layer and that are subject to restrictions contained in international treaties and conventions.

F. KNOW YOUR EMPLOYER POLICY

Bladex chooses and supervises appropriately the behavior of its employees, in particular those in positions related to the management of clients and control of information. Furthermore, an employee's profile must be established and regularly updated for as long as the relationship lasts.

In addition, Bladex has rules of conduct contained in the Code of Ethics, which aims to guide the actions of each of its employees, managers and directors, for the proper development of the system for the prevention of money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction.

G. KNOW YOUR SUPPLIER POLICY

All suppliers will be analyzed according to their technical capacity, financial soundness and reputation required to ensure compliance with the obligations and/or services to be offered to the Bank.

At the time of contracting and on an annual basis, every critical supplier will have a review by the Risk and Compliance Department to validate the financial solvency which will ensure that a secure service is offered to the Bank and that the suppliers, as well as their affiliates and subsidiaries, are not related to money laundering offences.

H. ANTI-CORRUPTION AND BRIBERY POLICY

The Foreign Corrupt Practices Act (FCPA) is a law enacted by the United States of America in 1997 relating to corrupt practices abroad. The FCPA is a law that prohibits U.S. companies or any of their subsidiaries, regardless of where their operations and employees are located, from directly or indirectly encouraging bribery of foreign public officials in order to benefit from this action. Failure to do so can result in severe penalties ranging from financial fines to placing the Bank under judicial supervision or a court order for its liquidation.

Bladex, in compliance with the FCPA, prohibits making or giving any type of donation to a public official for the purpose of influencing any act or decision to help the Bank obtain an inappropriate advantage.

The Compliance Officer should be the one to ensure that all areas involved manage correctly the risks of money laundering, corruption and bribery for the purpose of reporting this behavior to the Ethics Committee or the Board of Directors.

I. DUE DILIGENCE FOR CORRESPONDENT BANKING RELATIONSHIP

Bladex provides the correspondent service, which has to do with payments to third parties, only to those of its shareholders (Financial Institutions) of class A" that request it. This service is offered by Bladex, provided that the following requirements are met:

- Bladex reserves the right to make payments to third parties. That is to say, Bladex will apply its criteria to comply with the standards of prevention of Money Laundering, Financing of Terrorism and Financing for the Proliferation of Weapons of Mass Destruction.
- The client must certify that they have internal policies and procedures in place to comply with international standards for the Prevention of Money Laundering, Financing of Terrorism and Financing of Proliferation of Weapons of Mass Destruction that allow them to know the participants of the operation.
- Bladex will not make payments to third parties or in countries listed on the OFAC (Office of Foreign Assets Control) list issued by the U.S. Department of the Treasury, with the exception of those permitted by OFAC.

- The client/represented bank must provide, as a minimum, the following information of the payer and the beneficiary:
 - Name or business name
 - Physical address or, failing that, postal address.
 - Bank account number and amount of the transaction.
 - Purpose of the operation
- Any operation or transaction is subject to due diligence procedures, which must agree with the level of risk it represents.
- Bladex will not make payments to third parties against banks that do not have a physical presence in their home jurisdiction, or that do not have an affiliation with a financial group subject to consolidated supervision.

In addition, by internal policy, Bladex prohibits establishing, maintaining, administering or managing any type of correspondent relationship with the following categories of financial institutions:

- They do not have a physical presence in any country or "shell banks", unless they are subsidiaries of a bank with a physical presence and that because they are subsidiaries are subject to the supervision of government entities that supervise the parent company.
- Where any information is available from which it can be inferred or suspected that they may be related to activities of a criminal nature.
- The nature of which makes it impossible to verify the legitimacy of their activities.
- Refuse to provide the required information or documentation.
- That they are located in jurisdictions or territories that are not cooperating in the Prevention of Money Laundering, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction.

J. CONCLUSIONS OF THE PREVENTION AND COMPLIANCE COMMITTEE

It is understood that the Bladex Board and Management do not delegate the responsibility for due conduct of all operations carried out by the Bank in the Compliance Area. This responsibility falls on each and every Employee of the Bank.

The primary responsibility of the Compliance Area is to maintain an effective compliance program that includes promoting a Compliance and "Anti-Money Laundering" culture at Bladex, and to ensure that all Employees have the necessary information, training and resources needed for complying with the applicable policies, procedures, rules and regulations.

Therefore, the Bank's Management, through each and every one of the Department Heads or Supervisors, must:

1. Keep an updated copy of the "Know your Customer" and "Anti-Money Laundering" policies and procedures at hand for each of the Bank's Employees or have it available on the Bank's Intranet.

2. Ensure that, at least once every year, all staff undergo training about “Anti-Money Laundering” issues. If necessary, they will request the Compliance Area for specific training on such issues as may need to be bolstered.
3. Instruct all Employees reporting to them about the obligation to comply with the procedures deriving from the “Anti-Money Laundering” Policy.
4. Collaborate with the Authorities in combating the crimes of Money Laundering, Financing of Terrorism and the Financing of the Proliferation of Weapons of Mass Destruction.