

SOCIAL RESPONSIBILITY REPORT

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MESSAGE FROM THE CHAIRMAN OF THE BOARD AND THE CEO

We are pleased to present Bladex's Social Responsibility Report, reflecting the activities carried out in 2016 by our institution.

With this report, we would like to share with our stakeholders our unwavering commitment to the United Nations Global Compact and its 10 principles, which are aligned with our corporate values of Integrity, Commitment, Excellence, Respect, and Humility.

It is with pride to report that, once again this year, we successfully continued the social program of our Fundación Crece Latinoamérica, focused on providing educational and personal growth opportunities to children and young people from the most vulnerable sectors of our communities, with the strong support of Bladex's volunteer committee. In 2016, we invested a total of US\$541,159 in 14 projects implemented in eight countries.

We continue in our endeavors to reward talent and promote the career and personal development of our employees, who play a key role in our Organization's success.

The 2016 Social Responsibility Report is complemented by our Annual Report published in March, which provides our stakeholders with the quantitative and qualitative results of our work accomplished over the year.

Our aim is to continue upholding our commitment to the United Nations Global Compact, while combining value creation for customers and shareholders with the sustainable development of the communities where we operate.

Sincerely,



Gonzalo Menéndez Duque
Chairman of the Board
of Directors



Rubens V. Amaral Jr.
Chief Executive Officer



OUR VALUES CONSTITUTE THE FOUNDATIONS OF OUR CULTURE, SETTING GUIDELINES FOR INDIVIDUAL AND COLLECTIVE BEHAVIOR

Integrity

It is the foundation of our Organization, and is based on ethical behavior that reflects honesty and transparency

Commitment

It is the hallmark of how we work at Bladex, focused on meeting our client's needs and creating value for our shareholders

Excellence

Remains our overriding goal. The pursuit of quality through creativity and innovation is present in everything we do

Respect

Guides us in our behavior toward our co-workers, clients, shareholders, and the community

Humility

It is the bond that gives us strength, allowing us to appreciate the contribution of each member of the organization toward the success and achievement of the institution



Bladex, is committed to the present and future of Latin America

GLOBAL COMPACT PRINCIPLES



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

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

2

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

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

4

5 Businesses should support the effective abolition of child labor

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

6

OUR PEOPLE

At Bladex, we are well aware that any company's workforce is its most important asset. As such, we work steadily on initiatives to facilitate interaction between cultures, development of know-how, strengthening of competencies, leadership, and innovation, as well the comprehensive well-being of our employees.

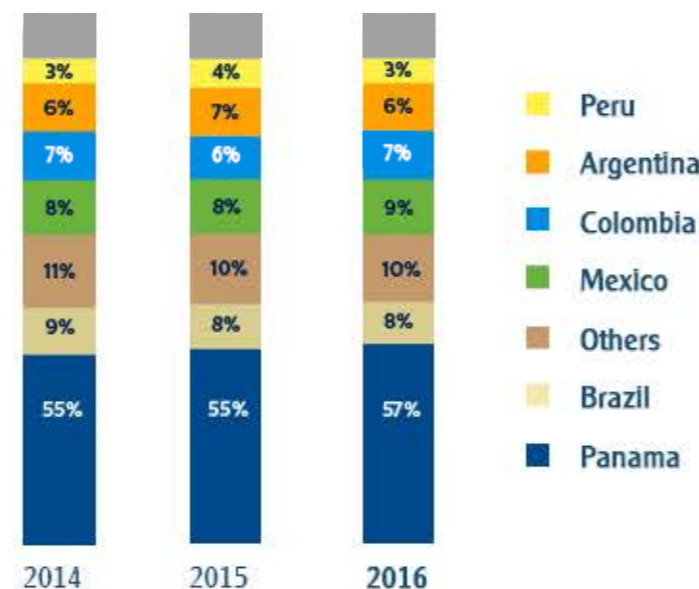
THE MULTI-CULTURAL ASPECT OF OUR HUMAN RESOURCES

We were established as a company with multicultural capital and talent and this reality is immersed in our management. We work in seven countries with a workforce of 209 employees of 18 different nationalities.

about quality and innovation, highlighting our cultural differences and the benefits of having employees with different nationalities.

In our Leadership Program run throughout the year, we placed special emphasis on understanding the different ways people express themselves and communicate. This knowledge is useful to generate assertiveness and empathy during interaction with internal and external clients.

Countries represented at Bladex



Others: Germany, Bolivia, Chile, Costa Rica, Ecuador, Spain, USA, France, Guyana, Netherlands, Uruguay and Venezuela.

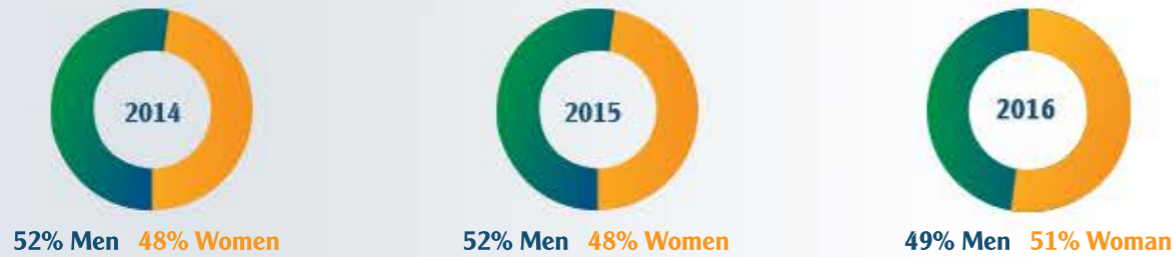
In 2016, we emphasized the importance of encouraging innovation and the generation of new ideas based on our multicultural heritage. Accordingly, during our annual "Bladex Day" meeting, the Bank organized interactive sessions about

Bladex Day
Innovating and Leading through our Multiculturalism



DISTRIBUTION OF EMPLOYEES BY GENDER

Throughout the years, we have maintained a balanced workforce, combining multiculturalism with gender equality. At Bladex, 51% of employees are women and 49% are men.



2016 EMPLOYEE EXEMPLIFYING BLADEx VALUES

Bladex awards an employee every year whose daily actions reflect our values: Commitment, Humility, Excellence, Respect, and Integrity. The nomination and selection is made by the Bank's employees, who nominate then vote for their preferred candidates.

This year the award was granted to Denia Denis, who stood out within the Organization thanks to her efficient work, fellowship and positive and proactive attitude.



Denia Margarita Denis - Financial Planning Analyst III

EMPLOYMENT OPPORTUNITIES

This year we added a new section "Employment Opportunities" to Bladex's website, posting available job openings and seeking to attract highly skilled, responsible and committed professionals for the different positions at the Bank. We also share an overview of the programs run by the Human Resources Department aimed at promoting competitiveness, motivation and commitment among employees.



TRAINING AND DEVELOPMENT

The training programs conducted during the year focused on the comprehensive development of functional competencies and the skills required for the efficient performance of employees, as well as their interaction throughout the Organization.

Individual strengths are boosted by corporate training programs aimed at developing leadership skills, such as emotional intelligence, time management and productivity, supervision and assertive communication, among others.

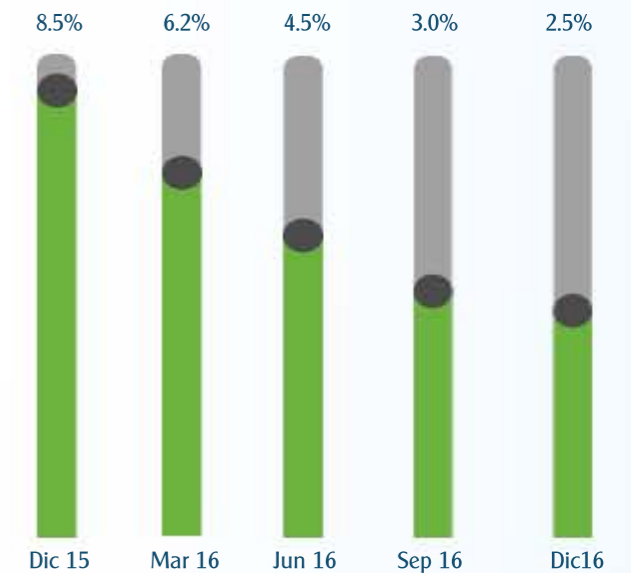


The combination of functional, regulatory and corporate training programs provide employees with the knowledge and skills needed for the Bank's strategic goals.

The corporate "Know your Bladex" program consists of training sessions delivered by employees from the business and operative areas of the Bank, where they provide information on their functions and responsibilities. These sessions are focused on the impact of each area in the strategic plans, or on current market topics of our industry. During the year 2016, we presented the modules of Business, Finance, Compliance and Economic Studies.

The Leadership Program was focused on developing competencies in the following areas: Accountability, Commercial Planning, Influencing Techniques for Leaders, Executive Communications, Leading Organizational Change, and the Fundamentals of Project Management. All employees took part in at least two corporate training activities during the year.

Yearly Voluntary Turnover



The Bank's low voluntary turnover ratio is the result of policies designed to keep our employees motivated by means of incentives with recognition programs, tangible and intangible benefits and a management framework that lets them develop their know-how, skills and competencies

WELLNESS PROGRAM

We implemented a comprehensive well-being program with activities focused on strengthening our employees' physical and emotional well-being, following best human resources practices.

The program enables the identification of particular needs in order to take remedial actions, allowing employees to improve their quality of life at work and at home.

ACTIVITIES CARRIED OUT DURING THE YEAR



The annual vaccination campaign was carried out in June with the participation of 66% of our employees.

The medical examinations promoted by the Bank in September – December were given to 62% of employees.

The Health Fair was held in October with the effective participation of 44% of employees, who received the following tests: bone density, EKG, PSA, blood pressure, glucose, and weight and height measurements, among others.

A 40-day physical fitness program was implemented to improve the lifestyles of our employees, of whom 31% participated. Additionally, between November and December, talks on nutrition were given by nutrition specialists.

PROMOTING CULTURE



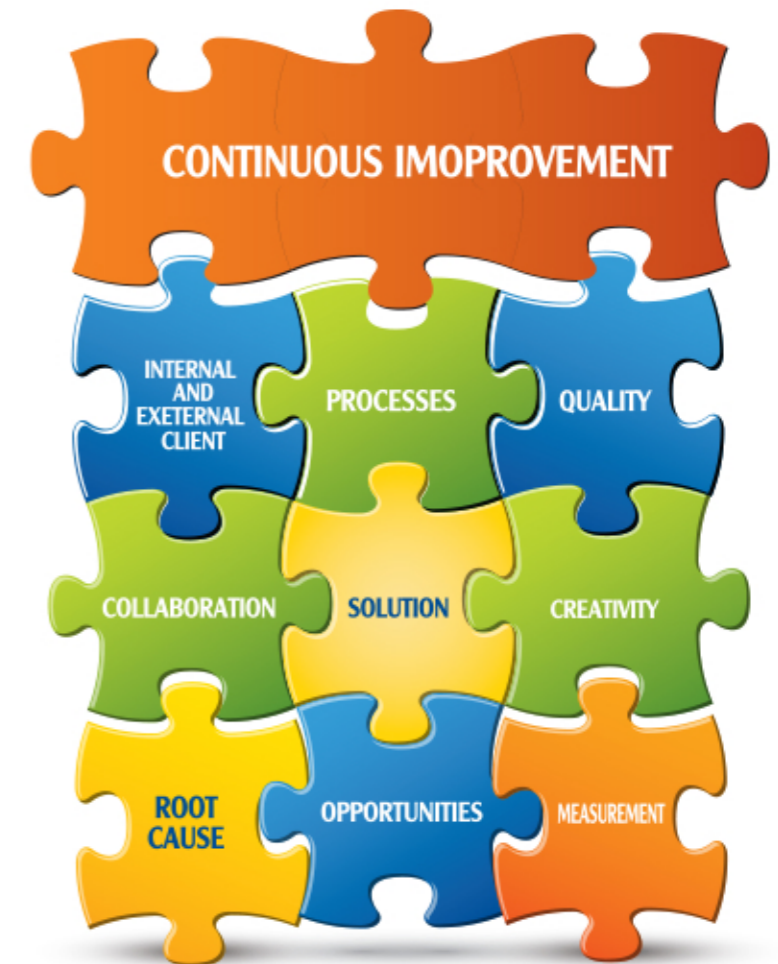
As part of the actions taken in Bladex since 2014 to strengthen a culture of continuous improvement, a number of activities were carried out throughout the year, beginning in January with two sessions (Corporate Innovation and Quality) during the annual "Bladex Day" meeting of employees.

In 2016, the Lean Six Sigma Certification Program was also initiated to create a multidisciplinary team of professionals with knowledge and experience on continuous improvement of processes designed to ensure cost reduction and increased operating efficiency and quality. The program included 16 participants in Yellow, Green and Black Belt modules.



Employees from the various departments of the Bank participated in the Lean Six Sigma Certification Program.

In addition, the concepts behind each of the ten principles underpinning the BLX Lean culture were strengthened by launching a campaign of promotional videos featuring representatives from the different areas of our organization. This involved a team of employees who developed the concept of the campaign based on an analysis of the effectiveness achieved in applying the principles in each area of the Bank.



THE LEAN CULTURE ENHANCES
EFFICIENCY AND TRANSFORMATION OF



TOWARDS GOALS ACHIEVEMENT

SOCIAL CAPITAL

Consistent with the values governing our corporate behavior, we remain committed to promoting through the “Fundación Crece Latinoamérica”, an active social program 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. In 2016, we developed 14 projects in eight countries in the Region.



PROJECTS IMPLEMENTED IN PANAMA

Marie Poussepin Educational Center (CEMP)
650 students benefited

By developing new infrastructure projects sponsored by the Bank's Foundation, the school was able to provide a nursery school since the beginning of 2016 and expand the kindergarten's capacity by adding a new classroom. Four high-school classrooms were also added, as well as a lab for the high school tourism degree program that, along with the expansion of the psychological support department and nursing area facilities, has enabled the CEMP to offer a complete quality education program.



The Bank made the adaptations to allow the CEMP to offer a nursery school as of 2016

In 2016, the first generation of CEMP students majoring in tourism received their high school diplomas, which for Bladex and the “Fundación Crece Latinoamérica” marks the culmination of twelve years of continuing efforts in partnership with the Ministry of Education of Panama and the Dominican Sisters of the Presentation.



First high school tourism degree graduation at the CEMP

In light of the excellent academic and community results achieved by the CEMP, the “Fundación Crece Latinoamérica” and the Ministry of Education of Panama decided to join efforts to replicate the model in the province of Colon, a region with high potential but beset by multiple social problems. As a result of efforts undertaken in 2016, the Government granted land to build a school with the same characteristics of the CEMP.



Bladex's next educational project will be in Los Lagos – Colon in partnership with the Ministry of Education of Panama and the Dominican Sisters of the Presentation

Hogar Divina Gracia shelter
More than 30 young people benefited

This is our second largest project undertaken in the country. During the year, we built a recreational area and made additional enhancements to the infrastructure and computer equipment, providing a more comfortable environment and better conditions to carry out training programs for teenagers living there temporarily or permanently.

Parent Education Program
370 parents graduated during the year

Over the past nine years, we have strongly supported the Program led by the Association of Bankers' Wives ("Sociedad de Esposas de Banqueros") and implemented at the CEMP. The Program is divided into three levels: basic, intermediate and advanced, with a duration of ten months covering topics such as assertive communication with their children, personal development and home economics, among others. Of the 370 graduates, 190 are new to the program and 180 attended the intermediate and advance level training sessions.

El Bale Community Center in Veraguas
More than 100 families benefited

In an effort to broaden our coverage to communities in the interior of the country, the Bank sponsored through its Foundation a project to improve the facilities of the boarding school in this Community Center, which included improvements to the boys' dormitories, equipment for the computer room, and equipment and supplies to boost production at the sustainable farm they manage.



Casa Esperanza
300 students benefited



Significant improvements were made to the computer and study room at the Regional Center of El Roble in Aguadulce, which included changes in the lighting system, ceiling repairs, and acquisition of furnishings and computers. We contributed to the center located in Boquete with equipment for the early stimulation room, mainly benefiting children and youth from indigenous sectors.

Financial Literacy Program
60 students benefited

Since 2010 we have been sponsoring the program run by the Panama Banking Association (Asociación Bancaria de Panamá), which is carried out in 25 public schools across Panama City including the Marie Poussepin Educational Center, where the Bank's employees give talks to high school students.

PROJECTS IMPLEMENTED ABROAD

As part of our strategy to broaden our social work in Latin America, we covered five new countries in 2016 through new partnerships entered into between the "Fundación Crece Latinoamérica" and local education-focused NGOs.

Fundación Oficio - Argentina
More than 1,000 young people benefited

Equipment was provided to the training center, enhancing the dynamics of the teaching-learning process for attending students to learn a technical trade, enabling them to enter the labor market or work independently.

Fundaciones Brascri y Laramara - Brasil
More than 2,000 students benefited

Sponsorship of the reading program run by the Fundación Brascri program for students from Sabiá II and Otoniel Assis de Holanda schools in Sao Paulo. The program seeks to strengthen the academic performance and comprehensive reading of over 2,000 students enrolled at both educational centers. We also contributed with 10 Braille machines and 60 canes to schools for visually impaired students.



Fundación Wong - Ecuador
More than 300 students have benefited



Support for the Sowing Technology ("Sembrando Tecnología") program to optimize the computer rooms at the Dr. Segundo Wong Mayorga Basic School, as well as the Cristóbal Colón and Rafael Wong Naranjo schools run by the Fundación Wong and located in isolated regions of the country.

Liceo Mayor de Soacha - Colombia
More than 1,500 students benefited

The Bank sponsored the reading, writing and math skills ("Palabrario y Numerario") program run by the Fundación Génesis at this school, seeking to improve literacy and mathematical logical thought academic skills. The program benefits pre-school to high school students and also provides special training for the school teachers.

**Preescolar Federico Froebel and Manito de Angel
- Honduras - More than 200 children benefited**

With the aim of significantly improving the knowledge and skills required by pre-school children, "Fundación Crece Latinoamérica", in partnership with Fundación Ficohsa, helped optimize the infrastructure and services provided by the Manito de Ángel pre-school centers, built by Bladex in 2006, as well as the Federico Froebel pre-school, located in areas at social risk outside the city of San Pedro Sula.



**Colegio Héroes del Cenepa - Perú
1,200 students benefited**

For the third year in a row, we sponsored the academic strengthening and recreational skills development program in partnership with the Fundación Crea + at the Héroes del Cenepa School in Lima, where the Bank also contributed with computer equipment to optimize the school's computer lab.



**Escuela Miguel Larreynaga - Nicaragua
100 students benefited**

The Bank sponsored the "One Laptop per Child" program run by the Fundación Zamora Terán, providing the students at the Miguel Larreynaga School located on the outskirts of Managua with the opportunity to access technology as a study tool. This second delivery of laptops to the school has also served as a working tool for teachers to improve the teaching-learning process



COMMUNITY VOLUNTEERING

The valuable participation of the Bank's employees is an important complement to the social programs carried out by the "Fundación Crece Latinoamérica" throughout the Region. Their contribution in resources, time, knowledge, and creativity has made it possible to launch educational, recreational and cultural activities, both in Panama and in Brazil and Peru.



EDUCATION

- 110 scholarships were sponsored by employees for CEMP students – Panama.
- Five talks on financial literacy were given to junior and senior students at the CEMP.
- "7 Habits of Highly Effective Teens" workshop taught by Bank employees to graduating students of the CEMP high school tourism degree program.
- Talk on financial literacy to parents at the Héroes del Cenepa School – Peru.



CULTURE AND RECREATION

- Two-day tour of Panama City for 25 boarding school students from the Virgen de Guadalupe Missionary Center (CCVG) located in El Bale, province of Veraguas – Panama, as well as the delivery of audiovisual equipment, food and medications.
- Christmas parties for 650 students at the CEMP and 30 young residents at the Hogar Divina Gracia – Panama.
- Delivery of teaching materials for the reading room of the Sabiá II School, as well as a Christmas party for children at the Fundación Brascri, Brazil.



"7 Habits of Highly Effective Teens" workshop – Panama



Hogar Divina Gracia shelter – Panama



Brascri - Brasil



CEMP - Panama



GLOBAL COMPACT PRINCIPLES

7 Businesses should support a precautionary approach to environmental challenges

Businesses should undertake **8**

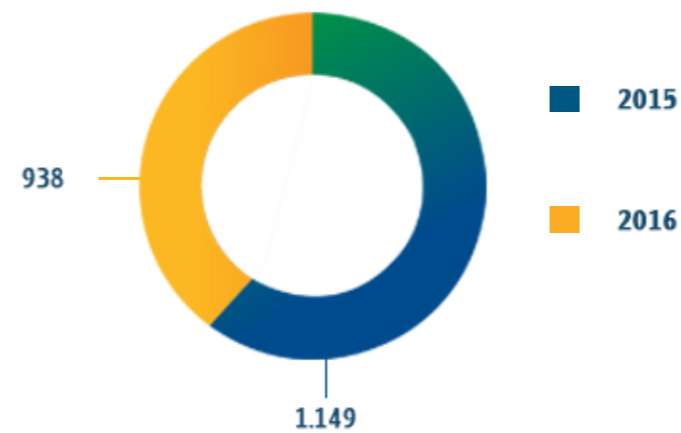
9 Businesses should encourage the development and diffusion of environmentally friendly technologies

We are well aware of the importance attached to environmental responsibility and ensure our efforts are focused on complying with LEED guidelines regarding the environment, water recycling, efficient office space use, energy savings, and the use of eco-friendly products.

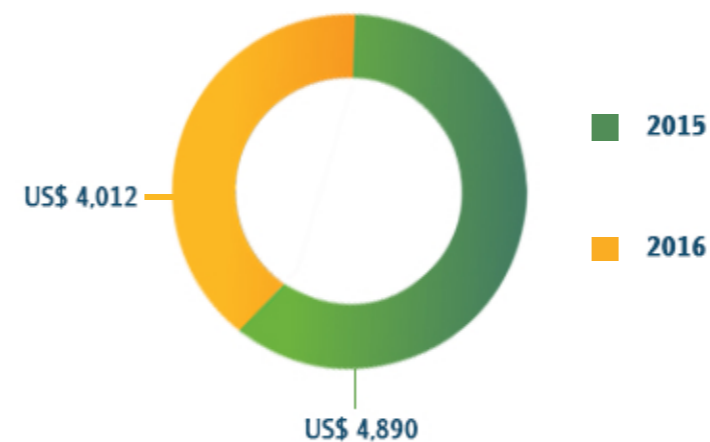
PAPERLESS

The Bank managed to reduce paper consumption by 18% by implementing a multimedia system in all work areas to avoid the use of paper and photocopiers in each area, thereby eliminating the use of printers in individual workplaces and strengthening the “clean desk” campaign.

Amount of paper reams



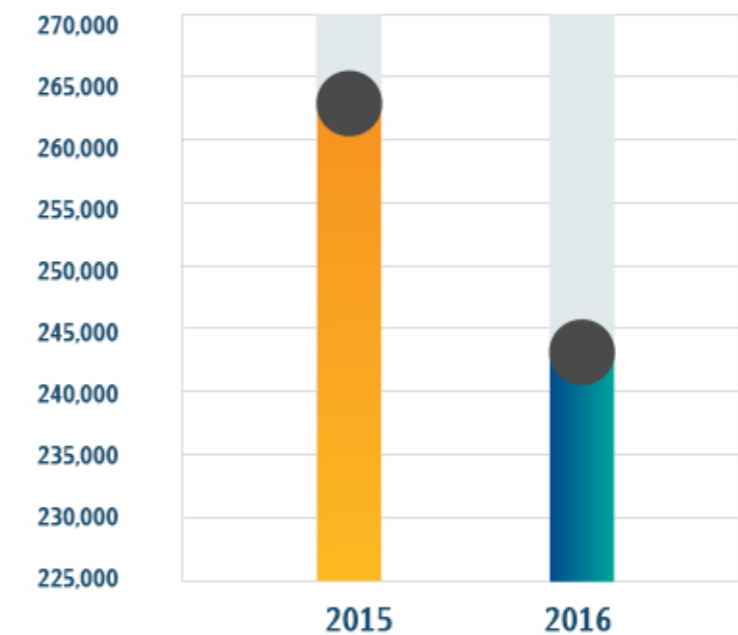
Paper cost



ENERGY SAVINGS AND RECYCLING

In 2016, we continued to use electricity efficiently, generating savings of 9% (US\$22,000) compared to the previous year. This was made possible thanks to initiatives undertaken such as turning off illuminated signs and 11 television screens and monitors at the Head Office, and using energy saver equipment.

Energy Consumption



During the year, the Head Office recycled about 89 pieces of technological equipment with Recicla Panamá, a Panamanian recycling company, which in January 2016 successfully recertified its ISO 9001:2008 Quality Management System.

OCCUPATIONAL HEALTH AND SAFETY (OHS) PLAN AND PREVENTIVE MEASURES

Bladex strives to improve and implement initiatives aimed at promoting our employees' overall and individual health care. In 2016, significant progress was made on OHS and ergonomics both in Panama and in our offices abroad, among which the following are noteworthy:

- Installation of ergonomic computer monitor arms
- Installation of large monitors
- Upgrading OHS plans to meet regulations in each country
- Information campaign on proper sitting posture
- Replacement of ergonomic chairs



As part of the steps taken to assist employees in the event of emergencies, the Bank relies on 58 safety officers trained in the use of fire extinguishers and emergency preparedness. In March, the team of safety officers successfully led the evacuation drill at the Head Office.



Annual training in the use of fire extinguishers



A talk was given by the Panama Fire Department on emergency management.

To guide employees in the event of an emergency, the Bank has created a section on its Intranet with regularly updated information on personal safety.

Bladex representatives participated in the Annual Latin American Conference on Banking Security (CELAES), in order to remain at the cutting edge in sector security practices.

OPERATING EFFICIENCY

During the year, administrative process improvements were implemented including the following:

- Automation of the budget preparation process
- Automation with document archiving and corporate telephone service platform providers
- Destruction of obsolete documents based on existing regulations
- Implementation of cost saving initiatives in the Administration Department
- Change in the core banking technology platform
- Automation of the building parking access process using "Panapass" technology, eliminating the use of magnetic cards

GLOBAL COMPACT PRINCIPLES

10

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



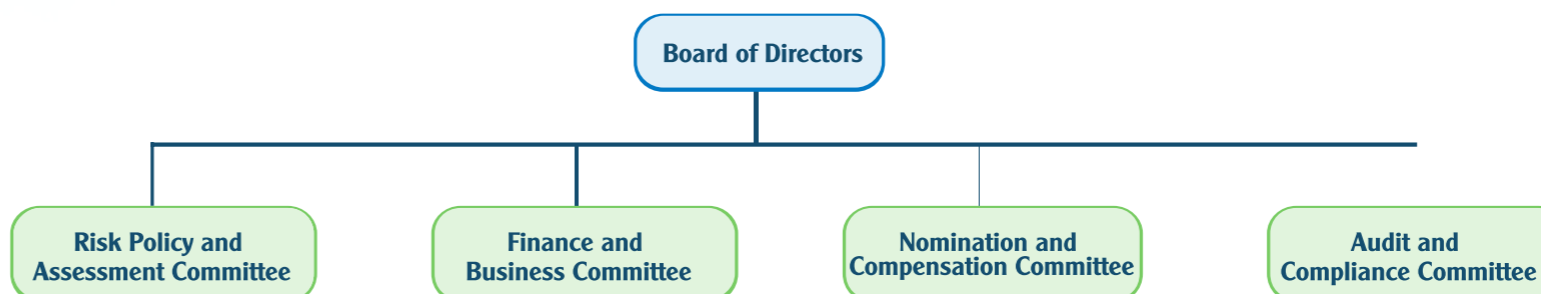
CORPORATE GOVERNANCE

Corporate governance is the very backbone of Bladex's management, reflecting its ethical and corporate commitment to generating and enhancing the confidence of its investors, while maximizing the Bank's value.

Moreover, it represents the set of principles, policies, practices, and measures for management, administration and control aimed at creating, promoting, strengthening, consolidating, and preserving an organizational culture based on business transparency.

The Bank's basic corporate governance tenants include transparency, corporate equality and fulfillment of responsibilities by the Board of Directors, senior management, employees and stakeholders. To bear out these tenants, Bladex fine tunes its policies as needed to comply with the highest international standards, ensuring long-term sustainable management and compliance with or the best international practices.

To that end, the Bank's four committees assist company executives in taking the most suitable business decisions.



ETHICS

Bladex's guiding principle for its business is to uphold its integrity and reputation in strict compliance with legal and regulatory requirements and applicable ethical standards in the markets in which it operates.

Carrying out this commitment requires the implementation of a strong corporate culture at all levels of the organization, as well as the establishment and constant updating of a whole set of policies, procedures, codes of conduct and internal controls.

Bladex's Code of Ethics serves as a guideline for establishing both internal and external relationships based on mutual trust, while always maintaining a high degree of commitment, humility, excellence, respect and integrity; in short, the values underpinning the Bank's organizational culture and forming the framework for all its actions.

The ethical guidelines are geared toward maintaining the credibility of both the organization and the individuals comprising it, setting high standards for ethical and professional conduct. This covers both day-to-day operations and the generation of new business, ensuring that the Bank's commercial activities are carried out in accordance with all applicable legal regulations and remaining vigilant around potential conflicts of interest or independence.

Bladex has also implemented the **Ethics Point system**, whereby employees can confidentially report any presumed breaches of the ethical guidelines or any irregularities or discrepancies occurring within the organization. The server that houses this tool is located off Bank premises and is managed by a specialized company, in order to ensure the anonymity of any employee filing a report.

CORPORATE POLICY ANTI-MONEY LAUNDERING

As an organization, the Bank, its Board and all staff are firmly committed to upholding national and international standards for the prevention of money laundering, financing of terrorism and financing of weapons of mass destruction applicable to Bladex, its subsidiaries and the New York Agency. The Bank has designed policies and procedures that are tailored to the specific risk profile of its products, services, customers, and geographic location.

The Compliance Area, together with the Bank's other areas, has identified the key controls to mitigate the risks inherent to the business, while complying with regulations related to the prevention of money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction in the Republic of Panama, the United States of America and any other country where Bladex operates.

The defined policies are considered as the minimum framework of action through which the Bank will apply the principles of reasonably knowing each customer with whom it has a contractual or business relationship. Those policies are developed and reflected in detailed procedures and processes for each case that so warrants it, pursuant to the requirements of each jurisdiction. These policies should be reviewed and approved by the Board of Directors at least once a year.

The successful implementation of the Bank's "Know your Customer" and "Anti-Money Laundering" policies requires the cooperation of all of its employees. It is therefore necessary to be diligent, both when onboarding a new customer as well as when reviewing all transactions, especially those considered to be high-risk.

All employees are obligated to report any suspicion of money laundering or terrorism financing through the means established thereto by the organization.

TRAINING

Bladex's training program ensures that all employees are familiar with the latest policies, procedures and internal controls, as well as the different types, cases and regulations, in order to preclude the improper use of the Bank's services and to recognize the different ways money can be laundered.

The following training was provided in 2016:

- Mandatory virtual training focused on the Prevention of Money Laundering, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction, as well as applicable regulations in each of the countries where Bladex operates. One hundred percent of the Bank's employees received the training.
- Face to face induction for new staff covering Prevention of Money Laundering, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction, as well as the "Know Your Customer" policy.
- Training on OFAC given by international speakers using case studies.
- Training given to the Bank's employees during Bladex Week, focused on case studies on Money Laundering, Corruption and Financing of Terrorism.
- Money Laundering refresher talk as part of the "Know Your Bladex" program carried out by the Bank during the year.
- Training on the use of the tools employed by the Bank to validate negative information regarding clients or entities related to our Organization.

Compliance staff also received ongoing training, participating in different local and international conferences, notably the following: the 16th FIBA AML Compliance Conference, 20th Hemispheric Congress for the Prevention of Money Laundering, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction Prevention, Typologies Forum, and the 3rd Corporate Governance Day, among others.





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