



BANCO LATINOAMERICANO DE COMERCIO EXTERIOR, S.A.

MESSAGE TO SHAREHOLDERS

MIGUEL HERAS
CHAIRMAN OF THE BOARD OF DIRECTORS

APRIL 26, 2023

It is an honor to address you today to share our achievements, the challenges we face and our prospects for the future in an increasingly competitive and changing financial market.

First and foremost, I would like to express my deep appreciation for the trust you have placed in Bladex and our renewed leadership team. Their valuable contribution and support have been crucial to our success and sustained expansion.

In 2022, Bladex celebrated 30 years of listing as an issuer on the New York Stock Exchange. It is my pleasure to note this fact as I commence my remarks. Since its founding, Bladex's mission, as entrusted by its founders, has been to support the development and integration of Latin America through the financing of foreign trade in the region.

Its incorporation, 43 years ago, represented a historic effort of cooperation among 23 Latin American countries, and being listed on the world's most important stock exchange has enhanced our impact as a hard-currency financing vehicle for Latin American companies engaged in foreign trade. During times of crisis in our cherished region, precisely when the export sector is critical for economic recovery, Bladex has played a particularly important role.

I will now reflect on the business environment for 2022, report on the performance and results of your Bank during this fiscal year, and conclude with some views on the current year's outlook and what lies ahead.

The Latin American and Caribbean region is projected to grow by 3.9% in 2022. Despite disruptions from the invasion of Ukraine and global interest rate hikes, the economies of Latin America fared well last year. Early and decisive actions by the region's central banks, our Class A shareholders, allowed for a gradual absorption of global shocks.

There is no doubt that robust economic activity in the region and high commodity prices favorably impacted the Bank's performance last year. No less certain is the fact that the actions taken within the framework of our 2022-2026 Strategic Plan enabled us to play a significant role as a driver of foreign trade in the region.

According to the IMF, Latin America's GDP growth is projected to moderate to 1.6% in 2023 and 2.2% in 2024. On the other hand, foreign trade growth for the region is estimated at 1.9% and 3.9%, respectively.

Looking ahead, it is evident that 2023 will be a challenging year. Latin America's macroeconomic and financial landscape is far from stable and balanced. We see it as a year of transition in three respects:

- (1) Transition from high growth to below trend growth for GDP and foreign trade;
- (2) Transition from peak inflation to more moderate but still above target inflation; and
- (3) Evolution to lower interest rates in the second half of 2023 but still elevated compared to the recent past.

In contrast to a more volatile regional environment, recent U.S. bank failures and the forced sale of Credit Suisse, Bladex maintains a solid balance sheet based on a unique business model to meet the current challenges of the global and regional financial markets.

Allow me to share with you, our shareholders, the following highlights of the Bank's performance in 2022:

The Bank's Net Income was US\$92 million, a 47% increase year-over-year and a return on equity of close to 9%. During 2022, our profitability steadily increased, closing with a robust fourth quarter in which annualized return on equity reached 11.6%, positioning the Bank for a sustainable double-digit return going forward.

Total assets reached US\$9.3 billion, an annual increase of 15%, based on a solid 18% growth in the loan portfolio, which reached US\$6.8 billion at year-end. Contingent credits, which consist mainly of the issuance and confirmation of letters of credit, totaled US\$900 million, which, added to the loan portfolio, led to a total commercial portfolio of US\$7.7 billion at year-end, an increase of 18% over the previous year.

Our commercial business was complemented by an investment securities portfolio with a balance in excess of US\$1 billion at the end of last year that allows us greater diversification of exposure by country.

In line with Basel standards, the Bank also maintained a prudent liquidity management strategy. At year-end 2022, the Bank's liquid assets represented 14% of total assets, comprised primarily of demand deposits placed with the Federal Reserve Bank of New York.

Asset growth was supported by a funding structure that remained highly diversified in terms of products, geographies and maturities. Historically, deposits have been the most cost-effective and dependable source of funding throughout economic cycles. At the end of 2022, deposits accounted for 40% of the Bank's total funding, with nearly half coming from Central Banks, our Class A shareholders, whom we thank for their sustained support and confidence in keeping part of their reserves in Bladex. In response, our clients, both banks and corporations, have been increasing their deposits, and our Yankee CD program has also shown a growing trend in volume, providing granularity and diversification to the depositor base. In addition to deposits, the Bank has access to a variety of international funding sources, including ample availability of bilateral lines of credit from a number of major correspondent banks and regular access to global capital markets and syndicated loans.

Our strong capitalization is one of the pillars supporting our business model. During 2022, the Bank achieved a more efficient use of its capital, dramatically increasing its loan portfolio, with higher returns, and allowing us to maintain the annual dividend at US\$1 per share.

As the implementation of the Strategic Plan announced last year unfolds, Bladex has a distinct opportunity to increase its profitability, without altering its core business model or risk profile. Optimizing the use of capital, increasing cross-selling, together with fee-generating products and customized structured products with incremental returns, automating key processes, expanding the depositor base, and growing the client base are some of the avenues for growth laid down in the Strategic Plan that is currently being implemented.

Our revitalized commercial team, led by Samuel Canineu, has managed to expand the client base by 29% over the past year, leveraging our single point-of-contact relationship model and also enhancing cross-selling. Today, 15% of our customers now have at least one additional product.

In addition to hiring new sales executives in key markets, the Bank achieved a significant improvement in its new client onboarding process, which was reduced by 43% thanks to the redesign of key operating procedures to reduce inefficiencies and enable 30% higher transaction volume than the previous year.

The results for the first quarter of 2023, released a few days ago, attest to the fruits of the implementation and development of the Strategic Plan, denoting a focus on profitability, already showing an upward trend, with net income for the quarter of US\$37 million, three times higher than the result of the first quarter of the previous year and a return on equity of 13.7%. Consistent with forecasts, given the more complex macro environment, the loan portfolio remained unchanged in the quarter in comparison with the year 2022, but remains healthy and with a diverse pipeline of future operations. The same can be said of the performance in the Bank's deposit base.

On the other hand, the increasing responsibilities assigned to Board members by the different regulators, and our fiduciary duty to you, our shareholders, calls for a determined and proactive stance on our part to strengthen Corporate Governance and maintain the soundness and safety of the Bank's operations. Therefore, we reaffirm our commitment to continue

enforcing Corporate Governance standards, thereby contributing to an efficient and effective internal control structure.

We recognize the importance of conducting business and generating value for our shareholders in a sustainable manner. The Board of Directors and Management here present and Management acknowledge that sound governance, environmental management and social responsibility are essential to achieving long-term business success. We are committed to sustainable business practices and to implementing oversight and processes throughout our operations to effectively manage Environmental, Social and Governance (ESG) issues relevant to our business over time. Through various initiatives, we strive to have a positive impact on our communities, incorporate social and environmental factors into our business and investment decisions, provide an inclusive and supportive work environment, and act in an environmentally conscious manner.

As overseer of risk and steward of long-term shareholder value, the Board of Directors is ultimately responsible for monitoring ESG-related risks and opportunities that may impact our business.

In keeping with the Board's commitment to gender diversity in leadership and representation, as a result of an extensive and thorough selection process conducted by the Nomination, Compensation and Operations Committee of the Board of Directors and, following its recommendation, on March 30 of this year, the Board appointed Ms. Angélica Ruiz Celis to fill the position of Director, thus achieving, in addition to complying with Panamanian regulations and laws and in accordance with best governance practices, to have the participation of another outstanding woman, who will bring to the Board her recognized skills, capabilities and regional experience, as leader of an important global company in the energy sector for Mexico, a key country for the Bank's business and strategy, as well as for the Latin American region that she covers from her position in that company.

On the other hand, we are very pleased to propose Mr. Mario Covo for re-election to the Class E shareholders, who, after having undergone a rigorous selection process, was favored with this nomination. This reflects the confidence of the Nomination, Compensation and Operations Committee and this Board of Directors in Mr. Covo's ability to continue to contribute effectively to the long-term sustainable growth of the Bank, with his exceptional leadership skills and faithful commitment to this entity, putting

into practice his vast experience in capital markets and ensuring the continuity required for the successful implementation of our Strategic Plan, in which he played an instrumental role.

A milestone I would like to highlight for the past year is the strengthening of the Investor Relations Department, whose reins were handed over to Mr. Carlos Raad, an outstanding and well-respected professional in the field, who joined as a member of the Bank's Executive Committee, denoting the importance for the Bank of strengthening relations with our shareholders and analysts, as well as seeking the growth of the investor base and increasing the Bank's visibility.

On the other hand, I would like to highlight the fact that the Bank has successfully implemented the mechanisms for variable compensation of employees based on objective metrics, through the establishment of Balanced Score Cards, which seeks to incorporate best practices to align the compensation of the Bank's executives with the fulfillment of corporate and personal goals, thus providing greater transparency and objectivity to this process, for the benefit of the Bank's shareholders. This was one of the Bank's most significant accomplishments last year and has been the result of an outstanding effort by the Bank's Strategic Planning Office, in collaboration with the different areas of Management, under the direction of this Board of Directors.

In light of the foregoing, I am pleased to inform you that in 2022, Bladex was recognized for the second consecutive year as an excellent workplace by Great Place To Work, a fact that fills us with great pride and motivates us to continue improving the work environment as much as possible for the benefit of our employees and to cultivate all that makes us attractive for attracting and retaining the best human talent in the region.

The Bank continues to act in accordance with our commitment to ensure the highest standards of Corporate Governance, taking the necessary decisions and courses of action. In this manner, we will continue to bolster our operating and internal control systems, not only in line with international best practices and the requirements of the different regulators with which we interact, but also to maintain our focus on our corporate values of Integrity, Commitment, Respect, Humility, and Excellence.

In this regard, it gives me particular pleasure to inform you that we continue to consolidate the work developed by our Fundación Crece Latinoamérica, within the context of our holistic approach to social investment.

We have been steadfast over the past years in our commitment to offer greater opportunities to the communities we have the privilege of serving, and we are currently working with the Foundation's Board to develop a new strategy that will allow us to align the Foundation's tasks with the new realities of society, incorporating employees as an active part of volunteering and new trends in ESG, in line with the implementation of the Bank's 2022-2026 Strategic Plan.

Ladies and gentlemen, on behalf of this Board of Directors, I would like to express our special appreciation to you, as well as the support we have received the past year from our clients, our depositors, multilateral organizations, our correspondent banks, our investors and shareholder governments and, finally, from each and every one of our employees both in Panama and in the six countries where we are physically present. Their confidence, along with the satisfaction of our clients, will enable us to continue implementing our vision of Bladex's role as a financial institution of importance and relevance for foreign trade and regional integration in Latin America, and that works to create value for our shareholders and clients, thereby effectively contributing to the development of our beloved Region.

Thank you very much once again, ladies and gentlemen shareholders, for your presence today, and for your support and confidence.