

FOREIGN TRADE BANK OF LATIN AMERICA, INC.

Form 6-K

March 05, 2019

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 6-K**

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE

SECURITIES EXCHANGE ACT OF 1934

Long Form of Press Release

Commission File Number 1-11414

**BANCO LATINOAMERICANO DE COMERCIO EXTERIOR, S.A.**

(Exact name of Registrant as specified in its Charter)

**FOREIGN TRADE BANK OF LATIN AMERICA, INC.**

(Translation of Registrant's name into English)

Business Park Torre V, Ave. La Rotonda, Costa del Este

P.O. Box 0819-08730

Edgar Filing: FOREIGN TRADE BANK OF LATIN AMERICA, INC. - Form 6-K

Panama City, Republic of Panama

(Address of Registrant's Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes ☐ No ☒

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes ☐ No ☒

## **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 5, 2019

FOREIGN TRADE BANK OF  
LATIN AMERICA, INC.  
*(Registrant)*

By: /s/ Ana Graciela de Méndez

Name: Ana Graciela de Méndez

Title: CFO

**BLADEX ANNOUNCES PROFIT FOR THE FOURTH QUARTER 2018 OF \$20.7 MILLION, OR \$0.52 PER SHARE;**

**FULL-YEAR 2018 PROFIT OF \$11.1 MILLION, OR \$0.28 PER SHARE**

**PANAMA CITY, REPUBLIC OF PANAMA, February 28, 2019**

**Banco Latinoamericano de Comercio Exterior, S.A.** (NYSE: BLX, “Bladex”, or “the Bank”), a Panama-based multinational bank originally established by the central banks of 23 Latin-American and Caribbean countries to promote foreign trade and economic integration in the region, today announced its results for the fourth quarter (“4Q18”) and Full-Year (“FY18”) ended December 31, 2018.

The consolidated financial information in this document has been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

**FINANCIAL SNAPSHOT**

| (US\$ million, except percentages and per share amounts) | 2018      | 2017      | 4Q18      | 3Q18      | 4Q17      |
|----------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| <b>Key Income Statement Highlights</b>                   |           |           |           |           |           |
| Net Interest Income ("NII")                              | \$109.7   | \$119.8   | \$28.0    | \$27.3    | \$28.1    |
| Fees and commissions, net                                | \$17.2    | \$17.5    | \$5.4     | \$3.7     | \$5.7     |
| Total revenues                                           | \$127.6   | \$138.3   | \$34.1    | \$30.1    | \$34.5    |
| (Impairment loss) recovery on financial instruments      | \$(57.5 ) | \$(9.4 )  | \$1.3     | \$(55.1 ) | \$(0.8 )  |
| Impairment loss on non-financial assets                  | \$(10.0 ) | \$0.0     | \$(2.3 )  | \$(4.8 )  | \$0.0     |
| Operating expenses                                       | \$(48.9 ) | \$(46.9 ) | \$(12.4 ) | \$(10.9 ) | \$(13.1 ) |
| Profit (Loss) for the period                             | \$11.1    | \$82.0    | \$20.7    | \$(40.7 ) | \$20.6    |
| <b>Profitability Ratios</b>                              |           |           |           |           |           |
| Earnings per Share ("EPS") <sup>(1)</sup>                | \$0.28    | \$2.09    | \$0.52    | \$(1.03 ) | \$0.52    |
| Return on Average Equity ("ROAE") <sup>(2)</sup>         | 1.1 %     | 8.0 %     | 8.3 %     | -15.5 %   | 7.9 %     |
| Return on Average Assets ("ROAA")                        | 0.17 %    | 1.27 %    | 1.20 %    | -2.58 %   | 1.31 %    |
| Net Interest Margin ("NIM") <sup>(3)</sup>               | 1.71 %    | 1.85 %    | 1.61 %    | 1.74 %    | 1.78 %    |
| Net Interest Spread ("NIS") <sup>(4)</sup>               | 1.21 %    | 1.48 %    | 1.08 %    | 1.20 %    | 1.38 %    |

Edgar Filing: FOREIGN TRADE BANK OF LATIN AMERICA, INC. - Form 6-K

|                                                                    |         |         |         |         |         |
|--------------------------------------------------------------------|---------|---------|---------|---------|---------|
| Efficiency Ratio <sup>(5)</sup>                                    | 38.3 %  | 33.9 %  | 36.3 %  | 36.0 %  | 38.0 %  |
| Assets, Capital, Liquidity & Credit Quality                        |         |         |         |         |         |
| Commercial Portfolio <sup>(6)</sup>                                | \$6,290 | \$5,999 | \$6,290 | \$6,305 | \$5,999 |
| Treasury Portfolio                                                 | \$107   | \$86    | \$107   | \$93    | \$86    |
| Total assets                                                       | \$7,609 | \$6,268 | \$7,609 | \$6,561 | \$6,268 |
| Total stockholders' equity                                         | \$994   | \$1,043 | \$994   | \$989   | \$1,043 |
| Market capitalization <sup>(7)</sup>                               | \$684   | \$1,061 | \$684   | \$975   | \$1,061 |
| Tier 1 Basel III Capital Ratio <sup>(8)</sup>                      | 18.1 %  | 21.1 %  | 18.1 %  | 17.8 %  | 21.1 %  |
| Total assets / Total stockholders' equity (times)                  | 7.7     | 6.0     | 7.7     | 6.6     | 6.0     |
| Liquid Assets / Total Assets <sup>(9)</sup>                        | 22.4 %  | 9.9 %   | 22.4 %  | 11.7 %  | 9.9 %   |
| NPL to Loan Portfolio <sup>(10)</sup>                              | 1.12 %  | 1.07 %  | 1.12 %  | 2.08 %  | 1.07 %  |
| Total allowance for losses <sup>(11)</sup> to Commercial Portfolio | 1.65 %  | 1.47 %  | 1.65 %  | 2.26 %  | 1.47 %  |
| Total allowance for losses <sup>(11)</sup> to NPL (times)          | 1.6     | 1.5     | 1.6     | 1.2     | 1.5     |

#### 4Q18 & FY18 Highlights

Bladex reported a profit of \$20.7 million in 4Q18, compared to a loss of \$40.7 million in 3Q18, on quarterly improvement of top line revenues (+13% QoQ), and lower impairment losses. 4Q18 Profit increased 1% YoY, reflecting stable total revenues (-1% YoY) and improved efficiency.

For the year, the Bank's \$11.1 million profit was primarily impacted by impairment loss on financial instruments for \$57.5 million, from credit provisions associated to credit impaired loans (Non-Performing Loans or "NPLs"), mainly in Brazil's sugar sector. The Bank also incurred a \$10.0 million impairment loss on non-financial assets, related to credit restructurings and to the disposal of obsolete technology, in line with the Bank's objective to optimize its operating platform.

Net Interest Income (“NII”) for the 4Q18 increased 2% QoQ to \$28.0 million (-1% YoY). Net Interest Margin (“NIM”) decreased by 13bps to 1.61% QoQ due to higher than anticipated increases in central bank deposits at year end, resulting in significant liquidity positions of low yielding assets.

NII for FY18 totaled \$109.7 million, 8% lower YoY, mostly impacted by a 14bps decrease in NIM to 1.71%, on narrower net lending spreads from a portfolio with exposure to high quality borrowers such as systemic financial institutions, sovereign and quasi-sovereign entities, and USD generating top-tier corporate clients.

Fees and Commissions income totaled \$5.4 million in 4Q18 (+46% QoQ; -5% YoY), and \$17.2 million for all of 2018 (-2% YoY). The upward trend in commissions from letters of credit was offset by lower loan structuring fees. Bladex closed seven syndicated transactions in 2018.

Operating expenses were \$12.4 million in 4Q18 (+14% QoQ; -6% YoY), and \$48.9 million in FY18 (+4% YoY). The annual increase in expenses was primarily attributable to non-recurring charges from personnel restructuring and the streamlining of processes and of technological infrastructure. Efficiency Ratio stood at 36% for 4Q18 and 38% for FY18.

NPL balances decreased to \$64.7 million, or 1.12% of total Loan Portfolio balances at the end of 4Q18. This compares to \$119.0 million, or 2.08%, at the end of 3Q18, and to \$58.8 million, or 1.07%, at the end of 4Q17. The decrease was primarily associated with loan restructurings, collections through sales and partial write-offs against individually allocated allowances for expected credit losses.

Allowance for credit losses on the Commercial Portfolio totaled \$104.1 million at year-end 2018, or 1.65% of the portfolio from 1.47% YoY, representing a reserve coverage of 1.6 times NPL balances.

End-of-period Commercial Portfolio balances increased by 5% YoY and remained stable QoQ at \$6.3 billion. Average balances were up to \$6.2 billion in 4Q18 (+3% QoQ; +6% YoY) and to \$6.0 billion in FY18 (+3% YoY).

The Bank’s Tier 1 Basel III Capital Ratio remained solid at 18.1%, with increased level of risk-weighted assets reflecting annual Commercial Portfolio growth.

## CEO’s Comments

Mr. N. Gabriel Tolchinsky, Bladex's Chief Executive Officer, said, *"In our third quarter 2018 conference call we mentioned that the credit quality of our portfolio, cost structure and allowances for expected credit losses, set the base to improve our earnings generation capacity. Our fourth quarter 2018 earnings are the first step in that direction.*

*Although still sub-par, growth rates of 2% – or slightly higher – are now possible for Latin America in 2019, we saw some recent positive news. Jair Bolsonaro's election hit the ground running with several market friendly announcements regarding opening the Brazilian economy and introducing fiscal adjustments reforms. The USMCA was a bright spot in an otherwise grim picture from Mexico. Argentina completed its IMF agreement, without the social unrest feared by some. Even Costa Rica, which stretched the patience of the rating agencies, managed to approve in their famous Sala IV a fiscal reform package.*

*That said, problem spots such as Mexico, which seems to be deviating from the macroeconomic policies established over the last 20 years, and Argentina, which is in the midst of a recession generated by restrictive IMF policies, will continue to increase volatility and dampen growth expectations.*

*At the same time, macroeconomic global risks are intensifying. Now we need to add the prospects of slowing economies in Europe and China (and possibly the U.S.) to a tense protectionist trade environment.*

*What does this all mean for Bladex? A macroeconomic context that offers no room for complacency as risks of major economies slowing and trade tensions continuing are partially counterbalanced by a somewhat better macroeconomic picture in a few key countries in Latin America.*

*Although our headline margins were impacted by low yielding liquidity due to higher than expected central bank deposits, Bladex continues to improve its origination. We have a better mix of medium-term to short-term loans, thereby lengthening the average life of our portfolio and increasing our origination margins.*

*Our NPLs declined due to asset sales, restructurings and partial write-offs. Our Tier 1 capital ratio remains strong. Our book value remains solid over \$25 a share. On this basis, Bladex's Board of Directors approved to maintain our quarterly dividend.*

*Against this backdrop, both the management of Bladex, and its Board of Directors are cautiously optimistic for 2019 and look for an improvement in profitability throughout the year."*

## **RESULTS BY BUSINESS SEGMENT**

The Bank's activities are managed and executed in two business segments, Commercial and Treasury. The business segment results are determined based on the Bank's managerial accounting process as defined by IFRS 8 – Operating Segments, which assigns consolidated statement of financial positions, revenue and expense items to each business segment on a systemic basis.

### **COMMERCIAL BUSINESS SEGMENT**

The Commercial Business Segment encompasses the Bank's core business of financial intermediation and fee generation activities developed to cater to corporations, financial institutions and investors in Latin America. The extensive array of products and services include the origination of bilateral short- and medium-term loans, structured and syndicated credits, loan commitments, letter of credit contingencies such as issued and confirmed letters of credit, stand-by letters of credit, guarantees covering commercial risk, and other assets consisting of customers' liabilities under acceptances. Profits from the Commercial Business Segment include (i) net interest income from loans; (ii) fees and commissions from the issuance, confirmation and negotiation of letters of credit, guarantees and loan commitments, and through loan structuring and syndication activities; (iii) gain on the sale of loans generated through loan intermediation activities, such as sales in the secondary market and distribution in the primary market; (iv) recovery (impairment loss) on financial instruments, such as loans at amortized cost and loan commitments and financial guarantee contracts, as well as impairment loss in other non-financial assets; and (v) direct and allocated operating expenses.

As of December 31, 2018, Commercial Portfolio balances remained stable QoQ at \$6.3 billion, a 5% increase compared to \$6.0 billion as of December 31, 2017. Average Commercial Portfolio balances were up to \$6.2 billion in 4Q18, resulting in a 3% QoQ and 6% YoY increases, and to \$6.0 billion in FY18, a 3% increase from a year ago.

The exposure of the portfolio remains well diversified across regions and industry sectors, with 52% of total Commercial Portfolio on the Bank's traditional client base of Financial Institutions (49% in 2017) and a steady 19% of total Commercial Portfolio placed in Brazil, unchanged from a quarter ago and still representing the country with the largest exposure. As of December 31, 2018, trade finance transactions represented 59% of the short-term Commercial Portfolio, nearly unchanged from 60% a quarter ago and down from 74% a year ago. 74% of the Commercial Portfolio was scheduled to mature within a year, nearly stable compared to 75% a quarter ago and down from 81% a year ago, reflecting higher mid-term lending origination throughout the year.





The following graphs illustrate the geographic distribution of the Bank's Commercial Portfolio, highlighting the portfolio's risk diversification by country and across industry segments:

Refer to Exhibit IX for additional information relating to the Bank's Commercial Portfolio distribution by country, and Exhibit XI for the Bank's distribution of loan disbursements by country.

| (US\$ million)                           | 2018    | 2017    | YoY<br>(%) |   | 4Q18   | 3Q18     | 4Q17   | QoQ<br>(%) |   | YoY<br>(%) |   |
|------------------------------------------|---------|---------|------------|---|--------|----------|--------|------------|---|------------|---|
| Commercial Business Segment:             |         |         |            |   |        |          |        |            |   |            |   |
| Net interest income                      | \$109.8 | \$120.6 | -9         | % | \$28.4 | \$26.4   | \$28.9 | 7          | % | -2         | % |
| Other income (expense)                   | 18.0    | 18.9    | -5         | % | 5.8    | 4.3      | 6.5    | 35         | % | -12        | % |
| Total revenues                           | 127.8   | 139.5   | -8         | % | 34.1   | 30.7     | 35.4   | 11         | % | -4         | % |
| Impairment loss on financial instruments | (57.6 ) | (9.9 )  | -480       | % | 1.3    | (55.1)   | (0.9 ) | 102        | % | 241        | % |
| Impairment loss on non-financial assets  | (6.0 )  | 0.0     | n.m.       |   | (2.3 ) | (0.8 )   | 0.0    | -190       | % | n.m.       |   |
| Operating expenses                       | (37.4 ) | (35.9 ) | -4         | % | (9.3 ) | (8.6 )   | (9.7 ) | -9         | % | 4          | % |
| Profit (Loss) for the segment            | \$26.8  | \$93.7  | -71        | % | \$23.8 | \$(33.8) | \$24.9 | 170        | % | -4         | % |

"n.m." means not meaningful.

The Commercial Business Segment reported a profit of \$23.8 million for the 4Q18, a QoQ positive swing resulting mainly from the impairment losses charged in the previous quarter and an 11% improvement in total revenues from higher NII and fee income generation.

Full-Year 2018 Commercial Business Segment's result of \$26.8 million was mainly impacted by impairment loss on financial instruments from higher credit provisions associated to NPLs, mainly in Brazil's sugar sector, and the impairment loss on non-financial assets related to credit restructurings. In addition, the yearly result was also impacted by lower NII due to narrower net lending spreads from a portfolio with exposure to high quality borrowers such as systemic financial institutions, sovereign and quasi-sovereign entities, and USD generating top-tier corporate clients.

## TREASURY BUSINESS SEGMENT

The Treasury Business Segment focuses on managing the Bank's investment portfolio and the overall structure of its assets and liabilities to achieve more efficient funding and liquidity positions for the Bank, mitigating the traditional financial risks associated with its balance sheet, such as interest rate, liquidity, price and currency risks. Interest-earning assets managed by the Treasury Business Segment include liquidity positions (cash and cash equivalents), and security instruments related to the investment management activities, consisting of securities at fair value through other comprehensive income ("OCI") and investment securities at amortized cost ("Treasury Portfolio"). The Treasury Business Segment also manages the Bank's interest-bearing liabilities, which constitute its funding sources, mainly deposits, short- and long-term borrowings and debt.

Profit from the Treasury Business Segment includes net interest income derived from the above mentioned treasury assets and liabilities and related net other income (net results from derivative financial instruments and foreign currency exchange, gain (loss) per financial instruments at fair value through profit or loss, gain (loss) per financial instruments at fair value through OCI, and other income), recovery (impairment loss) on financial instruments, and direct and allocated operating expenses.

Liquidity balances amounted to \$1.7 billion at year-end 2018, of which 97% were held in deposits with the Federal Reserve Bank of New York, compared to \$0.8 billion, or same portion of liquid assets, at the end of 3Q18, and compared to \$0.6 billion, or 98% of liquid assets, a year ago. Year-end liquidity balances were above historical levels, as the Bank resorted to alternative funding sources in anticipation of a potential temporary decline of its deposit base. Although the average deposit balances declined 12% QoQ, this trend was reverted by the end of the year, resulting in a 7% increase QoQ. Consequently, liquidity balances represented 22.4% of total assets and 57.4% of total deposits at year-end 2018, compared to 11.7% and 27.5% a quarter ago, and 9.9% and 21.1% a year ago, respectively.

The Treasury Portfolio balances totaled \$107 million as of December 31, 2018, compared to \$93 million as of September 30, 2018, and compared to \$86 million as of December 31, 2017. As of these dates, the Investment Securities Portfolio accounted for 1% of total assets, respectively, mostly consisting of readily-quoted Latin American securities, and of which 76% represented sovereign or state-owned risk at the end of the 4Q18, compared to 77% and 79% a quarter and year ago, respectively (refer to Exhibit X for a per-country risk distribution of the Treasury Portfolio).

On the funding side, deposit balances increased 7% QoQ and 1% YoY to reach \$3.0 billion, which represents 46% of total funding sources, at the end of 4Q18, compared to \$2.8 billion, or 51% of total funding sources at the end of 3Q18 and \$2.9 billion, or 57% of total funding sources at the end of the 4Q17. The majority of the deposits are placed by central banks or designees (i.e.: Class A shareholders of the Bank), with 71%, 74%, and 67%, of total deposits, at the end of these periods, respectively. As of December 31, 2018, borrowings and debt increased 32% QoQ and 59% YoY, as a result of a conservative liquidity management approach and the funding requirements of the Bank's commercial origination.

Weighted average funding costs were 3.13% in 4Q18 (up 24bps QoQ and 103bps YoY) and 2.76% in FY18 (up 81bps YoY), mainly reflecting higher LIBOR-based market rates with funding spreads annually down but slightly up on a quarterly basis.

| (US\$ million)                    | 2018     | 2017     | YoY (%) | 4Q18       | 3Q18    | 4Q17     | QoQ (%) | YoY (%) |
|-----------------------------------|----------|----------|---------|------------|---------|----------|---------|---------|
| Treasury Business Segment:        |          |          |         |            |         |          |         |         |
| Net interest income               | \$(0.0 ) | \$(0.8 ) | 95      | % \$(0.4 ) | \$0.9   | \$(0.8 ) | -145    | % 52 %  |
| Other income (expense)            | (0.2 )   | (0.4 )   | 64      | % 0.4      | (1.4 )  | (0.2 )   | 125     | % 338 % |
| Total revenues                    | (0.2 )   | (1.2 )   | 84      | % (0.0 )   | (0.6 )  | (0.9 )   | 96      | % 97 %  |
| Recovery on financial instruments | 0.1      | 0.5      | -78     | % 0.1      | 0.0     | 0.1      | n.m.    | -41 %   |
| Operating expenses                | (11.5)   | (11.0)   | -5      | % (3.1)    | (2.3)   | (3.4)    | -33     | % 10 %  |
| Loss for the segment              | \$(11.6) | \$(11.7) | 1       | % \$(3.0)  | \$(2.9) | \$(4.3)  | -5      | % 29 %  |

"n.m." means not meaningful.

Fourth Quarter and Full-Year 2018 Treasury Business Segment's losses were \$3.0 million (-5% QoQ; 29% YoY) and \$11.6 million (+1% YoY), respectively. The annual improvement was primarily associated to an increase in total revenues mainly from higher NII, as the Bank optimized its GAP position. Other income (expense), mostly related to hedging derivatives valuations and gain on sale of financial instruments, remained relatively stable on a full-year basis.

# NET INTEREST INCOME AND MARGINS

| (US\$ million, except percentages) | 2018    | 2017    | YoY<br>(%) | 4Q18     | 3Q18   | 4Q17   | QoQ<br>(%) | YoY<br>(%) |     |   |
|------------------------------------|---------|---------|------------|----------|--------|--------|------------|------------|-----|---|
| Net Interest Income                |         |         |            |          |        |        |            |            |     |   |
| Interest income                    | \$258.5 | \$226.1 | 14         | % \$74.1 | \$65.0 | \$55.8 | 14         | %          | 33  | % |
| Interest expense                   | (148.7) | (106.3) | -40        | % (46.1) | (37.7) | (27.7) | -22        | %          | -67 | % |
| Net Interest Income                | \$109.7 | \$119.8 | -8         | % \$28.0 | \$27.3 | \$28.1 | 2          | %          | -1  | % |
| Net Interest Margin                | 1.71    | % 1.85  | % -7       | % 1.61   | % 1.74 | % 1.78 | -8         | %          | -10 | % |

NII for the 4Q18 increased 2% QoQ to \$28.0 million (-1% YoY), while NIM decreased by 13bps to 1.61%. Lower margins reflect increased low-yield liquidity position, as the Bank resorted to alternative funding sources in anticipation of a potential temporary decline of its deposit base, which actually increased during the last weeks of the year.

The reduced level of NII and NIM during 2018 relates to narrower net lending spreads from a portfolio with exposure to high quality borrowers such as systemic financial institutions, sovereign and quasi-sovereign entities, and USD generating top-tier corporate clients. These effects were partially offset by the net positive effect in the repricing of the Bank's assets and liabilities in an increasing interest rate environment. The Bank maintained a narrow interest rate gap structure due to the short-term nature of its loan portfolio, and was able to pass along LIBOR-based market rates increases in its funding to its asset base.

**FEES AND COMMISSIONS**

Fees and Commissions, net, includes the fee income associated with letters of credit and other contingent credits, such as guarantees and credit commitments, as well as fee income derived from loan structuring and syndication activities, together with loan intermediation and distribution activities in the primary market.

| (US\$ million)                                 | 2018   | 2017   | YoY (%) | 4Q18  | 3Q18  | 4Q17  | QoQ (%) | YoY (%) |
|------------------------------------------------|--------|--------|---------|-------|-------|-------|---------|---------|
| Letters of credit and other contingent credits | 12.3   | 10.9   | 12 %    | 3.5   | 2.8   | 2.9   | 25 %    | 17 %    |
| Loan structuring and distribution fees         | 4.9    | 6.6    | -26 %   | 1.9   | 0.9   | 2.7   | 112 %   | -28 %   |
| Fees and Commissions, net                      | \$17.2 | \$17.5 | -2 %    | \$5.4 | \$3.7 | \$5.7 | 46 %    | -5 %    |

Full-Year 2018 Fees and Commissions decreased 2% YoY as a result of the net effect of: i) a 12% increase in fees from the letters of credit and other contingent credits activities, which represented an upward trend in fee generation over the last two years congruent with the Bank's focus on deepening its participation in the trade value chain; offset by ii) a 26% year-on-year decrease in loan structuring and syndication fees with seven transactions structured in 2018.

On a quarterly basis, Fourth Quarter 2018 Fees and Commissions increased 46% QoQ and decreased 5% YoY, reflecting the fee income improvement from letters of credit activities and the uneven nature of the loan syndication business.



**PORTFOLIO QUALITY AND TOTAL ALLOWANCE FOR LOANS, LOAN COMMITMENTS AND FINANCIAL GUARANTEE CONTRACTS LOSSES**

| (US\$ million, except percentages)                                                      | 31-Dec-18 | 30-Sep-18 | 30-Jun-18 | 31-Mar-18 | 31-Dec-17 |
|-----------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Allowance for loans losses                                                              |           |           |           |           |           |
| Balance at beginning of the period                                                      | \$ 139.3  | \$ 85.8   | \$ 82.7   | \$ 81.3   | \$ 111.7  |
| Provisions (reversals)                                                                  | (1.3 )    | 53.6      | 7.6       | 1.4       | (1.1 )    |
| Write-offs, net of recoveries                                                           | (37.2 )   | 0.0       | (4.5 )    | 0.0       | (29.3 )   |
| End of period balance                                                                   | \$ 100.8  | \$ 139.3  | \$ 85.8   | \$ 82.7   | \$ 81.3   |
| Allowance for loan commitments and financial guarantee contracts losses                 |           |           |           |           |           |
| Balance at beginning of the period                                                      | \$ 3.2    | \$ 1.7    | \$ 7.4    | \$ 6.8    | \$ 4.8    |
| Provisions (reversals)                                                                  | 0.1       | 1.6       | (5.8 )    | 0.6       | 2.0       |
| End of period balance                                                                   | \$ 3.3    | \$ 3.2    | \$ 1.7    | \$ 7.4    | \$ 6.8    |
| Total allowance for loans and loan commitments and financial guarantee contracts losses | \$ 104.1  | \$ 142.5  | \$ 87.4   | \$ 90.1   | \$ 88.1   |
| Total allowance for losses to Commercial Portfolio                                      | 1.65 %    | 2.26 %    | 1.44 %    | 1.57 %    | 1.47 %    |
| NPL to gross loan portfolio                                                             | 1.12 %    | 2.08 %    | 0.98 %    | 1.12 %    | 1.07 %    |
| Total allowance for losses to NPL (times)                                               | 1.6       | 1.2       | 1.6       | 1.5       | 1.5       |

The total allowance for credit losses on the Commercial Portfolio totaled \$104.1 million at December 31, 2018, or 1.65% of the portfolio, compared to \$142.5 million, or 2.26%, respectively, as of September 30, 2018, and compared to \$88.1 million, or 1.47%, respectively, as of December 31, 2017. The \$38.4 million QoQ decrease was primarily associated with loan restructurings through sales and partial write-offs against individually allocated allowances for expected credit losses. Consequently, NPL balances decreased to \$64.7 million, or 1.12% of total Loan Portfolio balances at the end of 4Q18, versus NPLs of \$119.0 million, or 2.08% of total Loan Portfolio balances, at the end of 3Q18, and \$58.8 million, or 1.07% of total Loan Portfolio balances, at the end of 4Q17. At year-end 2018, the impaired sugar loan accounted for 96% of total NPLs and for most of the Stage 3 (under IFRS 9) individually allocated reserve for expected credit losses.

**OPERATING EXPENSES**

Operating expenses include the following line items of the consolidated statements of profit or loss:

Edgar Filing: FOREIGN TRADE BANK OF LATIN AMERICA, INC. - Form 6-K

| (US\$ million, except percentages)                   | 2018   | 2017   | YoY<br>(%) |   | 4Q18   | 3Q18   | 4Q17   | QoQ<br>(%) | YoY<br>(%) |       |
|------------------------------------------------------|--------|--------|------------|---|--------|--------|--------|------------|------------|-------|
| Operating expenses                                   |        |        |            |   |        |        |        |            |            |       |
| Salaries and other employee expenses                 | 28.0   | 27.7   | 1          | % | 6.6    | 5.2    | 7.3    | 27         | %          | -10 % |
| Depreciation of equipment and leasehold improvements | 1.3    | 1.6    | -19        | % | 0.3    | 0.3    | 0.4    | 3          | %          | -20 % |
| Amortization of intangible assets                    | 1.2    | 0.8    | 40         | % | 0.2    | 0.3    | 0.3    | -51        | %          | -42 % |
| Other expenses                                       | 18.5   | 16.8   | 10         | % | 5.3    | 5.0    | 5.1    | 6          | %          | 4 %   |
| Total Operating Expenses                             | \$48.9 | \$46.9 | 4          | % | \$12.4 | \$10.9 | \$13.1 | 14         | %          | -6 %  |
| Efficiency Ratio                                     | 38.3 % | 33.9 % | 13         | % | 36.3 % | 36.0 % | 38.0 % | 1          | %          | -4 %  |

Total Operating Expenses in 4Q18 increased 14% QoQ mainly due to seasonal effects, and decreased 6% YoY mostly associated to personnel restructuring charges incurred in 4Q17. Efficiency Ratio of 36% in 4Q18, nearly unchanged from a quarter ago and down from 38% in 4Q17.

Full-Year 2018 Operating Expenses increased 4% YoY, mainly impacted by non-recurring charges in 2018, from personnel restructuring and the streamlining of processes and of technological infrastructure. Efficiency Ratio stood at 38% for the FY18, compared to 34% a year ago, on lower total revenues and operating expenses mainly impacted by those one-time expenses.

## CAPITAL RATIOS AND CAPITAL MANAGEMENT

The following table shows capital amounts and ratios as of the dates indicated:

| (US\$ million, except percentages and shares outstanding) | 31-Dec-18 | 30-Sep-18 | 31-Dec-17 | QoQ<br>(%) | YoY<br>(%) |     |   |
|-----------------------------------------------------------|-----------|-----------|-----------|------------|------------|-----|---|
| Tier 1 Capital <sup>(8)</sup>                             | \$ 994    | \$ 990    | \$ 1,043  | 0          | %          | -5  | % |
| Risk-Weighted Assets Basel III <sup>(8)</sup>             | \$ 5,494  | \$ 5,574  | \$ 4,931  | -1         | %          | 11  | % |
| Tier 1 Basel III Capital Ratio <sup>(8)</sup>             | 18.1      | % 17.8    | % 21.1    | 2          | %          | -14 | % |
| Total stockholders' equity                                | \$ 994    | \$ 989    | \$ 1,043  | 0          | %          | -5  | % |
| Total stockholders' equity to total assets                | 13.1      | % 15.1    | % 16.6    | -13        | %          | -22 | % |
| Accumulated other comprehensive income (loss) ("OCI")     | \$ 0      | \$ 2      | \$ 2      | -73        | %          | -79 | % |
| Total assets / Total stockholders' equity (times)         | 7.7       | 6.6       | 6.0       | 15         | %          | 27  | % |
| Shares outstanding (in thousand)                          | 39,539    | 39,539    | 39,429    | 0          | %          | 0   | % |

The Bank's equity consists entirely of issued and fully paid ordinary common stock, with 39.5 million common shares outstanding as of December 31, 2018. At the same date, the Bank's ratio of total assets to stockholders' equity was 7.7 times, and the Tier 1 Basel III Capital Ratio remained solid at 18.1%, with increased level of risk-weighted assets reflecting annual Commercial Portfolio growth. Equity levels decreased 5% from a year ago on a strong dividend pay-out ratio.

## RECENT EVENTS

**Quarterly dividend payment:** The Bank's Board of Directors approved a quarterly common dividend of \$0.385 per share corresponding to the fourth quarter 2018. The dividend will be paid on March 26, 2019, to stockholders registered as of March 11, 2019.

**Ratings updates:** On October 29, 2018, Moody's Investors Service affirmed the Bank's long- and short-term foreign currency deposit and senior unsecured debt ratings at 'Baa2/P-2', respectively. The outlook remained negative.

**Notes:**

-Numbers and percentages set forth in this earnings release have been rounded and accordingly may not total exactly.

-QoQ and YoY refer to quarter-on-quarter and year-on-year variations, respectively.

**Footnotes:**

- 1) Earnings per Share (“EPS”) calculation is based on the average number of shares outstanding during each period.
  - 2) ROAE refers to return on average stockholders’ equity which is calculated on the basis of unaudited daily average balances.
  - 3) NIM refers to net interest margin which constitutes to net interest income divided by the average balance of interest-earning assets.
  - 4) NIS refers to net interest spread which constitutes the average yield earned on interest-earning assets, less the average yield paid on interest-bearing liabilities.
  - 5) Efficiency Ratio refers to consolidated operating expenses as a percentage of total revenues.
- The Bank’s “Commercial Portfolio” includes gross loans (or the “Loan Portfolio”), loan commitments and financial
- 6) guarantee contracts, such as issued and confirmed letters of credit, stand-by letters of credit, guarantees covering commercial risk and other assets consisting of customers’ liabilities under acceptances.
  - 7) Market capitalization corresponds to total outstanding common shares multiplied by market close price at the end of each corresponding period.
- Tier 1 Capital is calculated according to Basel III capital adequacy guidelines, and is equivalent to stockholders’
- 8) equity excluding certain effects such as the OCI effect of the financial instruments at fair value through OCI. Tier 1 Capital ratio is calculated as a percentage of risk-weighted assets. Risk-weighted assets are estimated based on Basel III capital adequacy guidelines.
- Liquid assets refer to total cash and cash equivalents, consisting of cash and due from banks, and interest-bearing
- 9) deposits in banks, excluding pledged deposits and margin calls. Liquidity ratio refers to liquid assets as a percentage of total assets.
  - 10) Loan Portfolio refers to loans, gross of the allowance for loan losses and unearned interest and deferred fees.

- 11) Total allowance for losses refers to allowance for loans losses plus allowance for loan commitments and financial guarantee contracts losses.

## SAFE HARBOR STATEMENT

*This press release contains forward-looking statements of expected future developments within the meaning of the Private Securities Litigation Reform Act of 1995. The forward-looking statements in this press release include the growth of the credit portfolio, including the trade portfolio, the increase in the number of the Bank's corporate clients, the trend of lending spreads, changes in activities engaged in by the Bank that are derived from the Bank's client base, anticipated operating results and return on equity in future periods, including income derived from the Treasury Business Segment, and changes in the financial and performance strength of the Bank. These forward-looking statements reflect the expectations of the Bank's management and are based on currently available data; however, actual performance and results are subject to future events and uncertainties, which could materially impact the Bank's expectations. Among the factors that can cause actual performance and results to differ materially are as follows: the anticipated changes in the Bank's credit portfolio; the continuation of the Bank's preferred creditor status; the impact of increasing/decreasing interest rates and of the macroeconomic environment in the Region on the Bank's financial condition; the execution of the Bank's strategies and initiatives, including its revenue diversification strategy; the adequacy of the Bank's allowance for expected credit losses; the need for additional allowance for expected credit losses; the Bank's ability to achieve future growth, to reduce its liquidity levels and increase its leverage; the Bank's ability to maintain its investment-grade credit ratings; the availability and mix of future sources of funding for the Bank's lending operations; potential trading losses; the possibility of fraud; and the adequacy of the Bank's sources of liquidity to replace deposit withdrawals. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.*

## ABOUT BLADEX

Bladex, a multinational bank originally established by the central banks of Latin-American and Caribbean countries, began operations in 1979 to promote foreign trade and economic integration in the Region. The Bank, headquartered in Panama, also has offices in Argentina, Brazil, Colombia, Mexico, Peru, and the United States of America, supporting the regional expansion and servicing its customer base, which includes financial institutions and corporations.

Bladex is listed on the NYSE in the United States of America (NYSE: BLX), since 1992, and its shareholders include: central banks and state-owned banks and entities representing 23 Latin American countries; commercial banks and financial institutions; and institutional and retail investors through its public listing.

## CONFERENCE CALL INFORMATION

There will be a conference call to discuss the Bank's quarterly results on Thursday, February 28, 2019 at 11:00 a.m. New York City time (Eastern Time). For those interested in participating, please dial (800) 311-9401 in the United States or, if outside the United States, (334) 323-7224. Participants should use conference ID# 8034, and dial in five minutes before the call is set to begin. There will also be a live audio webcast of the conference at <http://www.bladex.com>. The webcast presentation will be available for viewing and downloads on <http://www.bladex.com>.

The conference call will become available for review on Conference Replay one hour after its conclusion, and will remain available for 60 days. Please dial (877) 919-4059 or (334) 323-0140, and follow the instructions. The replay passcode is: 43528324.

For more information, please access <http://www.bladex.com> or contact:

Mrs. Ana Graciela de Méndez

Chief Financial Officer

Tel: +507 210-8563

E-mail address: [amendez@bladex.com](mailto:amendez@bladex.com)

## EXHIBIT I

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

|                                            | AT THE END OF,     |                    |                   |              |       |              |       |
|--------------------------------------------|--------------------|--------------------|-------------------|--------------|-------|--------------|-------|
|                                            | (A)                | (B)                | (C)               | (A) - (B)    |       | (A) - (C)    |       |
|                                            | December 31, 2018  | September 30, 2018 | December 31, 2017 | CHANGE       | %     | CHANGE       | %     |
|                                            | (In US\$ thousand) |                    |                   |              |       |              |       |
| Assets:                                    |                    |                    |                   |              |       |              |       |
| Cash and cash equivalents                  | \$ 1,745,652       | \$ 792,952         | \$ 672,048        | \$952,700    | 120 % | \$ 1,073,604 | 160 % |
| Securities and other financial assets, net | 123,598            | 99,441             | 95,484            | 24,157       | 24    | 28,114       | 29    |
| Loans                                      | 5,778,424          | 5,724,518          | 5,505,658         | 53,906       | 1     | 272,766      | 5     |
| Interest receivable                        | 41,144             | 44,426             | 29,409            | (3,282 )     | (7 )  | 11,735       | 40    |
| Allowance for loans losses                 | (100,785 )         | (139,318 )         | (81,294 )         | 38,533       | 28    | (19,491 )    | (24 ) |
| Unearned interest and deferred fees        | (16,525 )          | (7,357 )           | (4,985 )          | (9,168 )     | (125) | (11,540 )    | (231) |
| Loans, net                                 | 5,702,258          | 5,622,269          | 5,448,788         | 79,989       | 1     | 253,470      | 5     |
| Customers' liabilities under acceptances   | 9,696              | 24,232             | 6,369             | (14,536 )    | (60 ) | 3,327        | 52    |
| Derivative financial instruments assets    | 2,688              | 3,391              | 13,338            | (703 )       | (21 ) | (10,650 )    | (80 ) |
| Property and equipment, net                | 6,686              | 6,692              | 7,420             | (6 )         | (0 )  | (734 )       | (10 ) |
| Intangibles, net                           | 1,633              | 1,798              | 5,425             | (165 )       | (9 )  | (3,792 )     | (70 ) |
| Investment properties                      | 0                  | 2,289              | 5,119             | (2,289 )     | (100) | (5,119 )     | (100) |
| Other assets                               | 16,974             | 7,694              | 13,756            | 9,280        | 121   | 3,218        | 23    |
| Total assets                               | \$ 7,609,185       | \$ 6,560,758       | \$ 6,267,747      | \$ 1,048,427 | 16 %  | \$ 1,341,438 | 21 %  |
| Liabilities                                |                    |                    |                   |              |       |              |       |
| Demand deposits                            | \$ 211,381         | \$ 78,131          | \$ 82,064         | \$ 133,250   | 171 % | \$ 129,317   | 158 % |
| Time deposits                              | 2,759,441          | 2,699,404          | 2,846,780         | 60,037       | 2     | (87,339 )    | (3 )  |



Edgar Filing: FOREIGN TRADE BANK OF LATIN AMERICA, INC. - Form 6-K

|                                                                         |             |              |              |             |       |             |          |
|-------------------------------------------------------------------------|-------------|--------------|--------------|-------------|-------|-------------|----------|
| Total deposits                                                          | 2,970,822   | 2,777,535    | 2,928,844    | 193,287     | 7     | 41,978      | 1        |
| Securities sold under repurchase agreement                              | 39,767      | 39,767       | 0            | 0           | 0     | 39,767      | n.m. (*) |
| Borrowings and debt, net                                                | 3,518,446   | 2,661,555    | 2,211,567    | 856,891     | 32    | 1,306,879   | 59       |
| Interest payable                                                        | 25,917      | 23,427       | 15,816       | 2,490       | 11    | 10,101      | 64       |
| Customers' liabilities under acceptances                                | 9,696       | 24,232       | 6,369        | (14,536 )   | (60 ) | 3,327       | 52       |
| Derivative financial instruments liability                              | 34,043      | 26,394       | 34,943       | 7,649       | 29    | (900 )      | (3 )     |
| Allowance for loan commitments and financial guarantee contracts losses | 3,289       | 3,219        | 6,845        | 70          | 2     | (3,556 )    | (52 )    |
| Other liabilities                                                       | 13,615      | 15,678       | 20,551       | (2,063 )    | (13 ) | (6,936 )    | (34 )    |
| Total liabilities                                                       | \$6,615,595 | \$ 5,571,807 | \$ 5,224,935 | \$1,043,788 | 19 %  | \$1,390,660 | 27 %     |
| Stockholders' equity:                                                   |             |              |              |             |       |             |          |
| Common stock                                                            | \$279,980   | \$ 279,980   | \$ 279,980   | \$0         | 0 %   | \$0         | 0 %      |
| Treasury stock                                                          | (61,076 )   | (61,076 )    | (63,248 )    | 0           | 0     | 2,172       | 3        |
| Additional paid-in capital in excess of assigned value of common stock  | 119,987     | 119,523      | 119,941      | 464         | 0     | 46          | 0        |
| Capital reserves                                                        | 95,210      | 95,210       | 95,210       | 0           | 0     | 0           | 0        |
| Regulatory reserves                                                     | 136,019     | 108,781      | 129,254      | 27,238      | 25    | 6,765       | 5        |
| Retained earnings                                                       | 423,050     | 444,959      | 479,712      | (21,909 )   | (5 )  | (56,662 )   | (12 )    |
| Other comprehensive income                                              | 420         | 1,574        | 1,963        | (1,154 )    | (73 ) | (1,543 )    | (79 )    |
| Total stockholders' equity                                              | \$993,590   | \$ 988,951   | \$ 1,042,812 | \$4,639     | 0 %   | \$(49,222 ) | (5 )%    |
| Total liabilities and stockholders' equity                              | \$7,609,185 | \$ 6,560,758 | \$ 6,267,747 | \$1,048,427 | 16 %  | \$1,341,438 | 21 %     |

(\*)

"n.m." means not meaningful.

## EXHIBIT II

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(In US\$ thousand, except per share amounts and ratios)

|                                                      | FOR THE THREE MONTHS ENDED  |                              |                             | (A) - (B) |       | (A) - (C) |         |
|------------------------------------------------------|-----------------------------|------------------------------|-----------------------------|-----------|-------|-----------|---------|
|                                                      | (A)<br>December<br>31, 2018 | (B)<br>September 30,<br>2018 | (C)<br>December 31,<br>2017 | CHANGE    | %     | CHANGE    | %       |
| Net Interest Income:                                 |                             |                              |                             |           |       |           |         |
| Interest income                                      | \$ 74,114                   | \$ 65,020                    | \$ 55,799                   | \$ 9,094  | 14 %  | \$ 18,315 | 33 %    |
| Interest expense                                     | (46,146 )                   | (37,724 )                    | (27,658 )                   | (8,422 )  | (22 ) | (18,488 ) | (67 )   |
| Net Interest Income                                  | 27,968                      | 27,296                       | 28,141                      | 672       | 2     | (173 )    | (1 )    |
| Other income (expense):                              |                             |                              |                             |           |       |           |         |
| Fees and commissions, net                            | 5,402                       | 3,692                        | 5,666                       | 1,710     | 46    | (264 )    | (5 )    |
| Gain (Loss) on financial instruments, net            | 253                         | (1,445 )                     | (213 )                      | 1,698     | 118   | 466       | 219     |
| Other income, net                                    | 461                         | 564                          | 913                         | (103 )    | (18 ) | (452 )    | (50 )   |
| Total other income, net                              | 6,116                       | 2,811                        | 6,366                       | 3,305     | 118   | (250 )    | (4 )    |
| Total revenues                                       | 34,084                      | 30,107                       | 34,507                      | 3,977     | 13    | (423 )    | (1 )    |
| Recovery (impairment loss) on financial instruments  | 1,321                       | (55,134 )                    | (794 )                      | 56,455    | 102   | 2,115     | 266     |
| Impairment loss on non-financial assets              | (2,289 )                    | (4,841 )                     | 0                           | 2,552     | 53    | (2,289 )  | n.m.(*) |
| Operating expenses:                                  |                             |                              |                             |           |       |           |         |
| Salaries and other employee expenses                 | (6,599 )                    | (5,213 )                     | (7,347 )                    | (1,386 )  | (27 ) | 748       | 10      |
| Depreciation of equipment and leasehold improvements | (325 )                      | (315 )                       | (407 )                      | (10 )     | (3 )  | 82        | 20      |
| Amortization of intangible assets                    | (165 )                      | (336 )                       | (285 )                      | 171       | 51    | 120       | 42      |
| Other expenses                                       | (5,294 )                    | (4,987 )                     | (5,075 )                    | (307 )    | (6 )  | (219 )    | (4 )    |
| Total operating expenses                             | (12,383 )                   | (10,851 )                    | (13,114 )                   | (1,532 )  | (14 ) | 731       | 6       |

Edgar Filing: FOREIGN TRADE BANK OF LATIN AMERICA, INC. - Form 6-K

|                              |           |            |   |           |           |       |        |   |   |
|------------------------------|-----------|------------|---|-----------|-----------|-------|--------|---|---|
| Profit (loss) for the period | \$ 20,733 | \$ (40,719 | ) | \$ 20,599 | \$ 61,452 | 151 % | \$ 134 | 1 | % |
|------------------------------|-----------|------------|---|-----------|-----------|-------|--------|---|---|

PER COMMON SHARE

DATA:

|                             |          |          |   |          |
|-----------------------------|----------|----------|---|----------|
| Basic earnings per share    | \$ 0.52  | \$ (1.03 | ) | \$ 0.52  |
| Diluted earnings per share  | \$ 0.52  | \$ (1.03 | ) | \$ 0.52  |
| Book value (period average) | \$ 25.05 | \$ 26.43 |   | \$ 26.21 |
| Book value (period end)     | \$ 25.13 | \$ 25.01 |   | \$ 26.45 |

|                                 |        |        |  |        |
|---------------------------------|--------|--------|--|--------|
| Weighted average basic shares   | 39,539 | 39,540 |  | 39,375 |
| Weighted average diluted shares | 39,539 | 39,540 |  | 39,408 |
| Basic shares period end         | 39,539 | 39,539 |  | 39,429 |

PERFORMANCE RATIOS:

|                                            |      |   |       |   |      |   |
|--------------------------------------------|------|---|-------|---|------|---|
| Return on average assets                   | 1.20 | % | -2.58 | % | 1.31 | % |
| Return on average stockholders' equity     | 8.3  | % | -15.5 | % | 7.9  | % |
| Net interest margin                        | 1.61 | % | 1.74  | % | 1.78 | % |
| Net interest spread                        | 1.08 | % | 1.20  | % | 1.38 | % |
| Efficiency Ratio                           | 36.3 | % | 36.0  | % | 38.0 | % |
| Operating expenses to total average assets | 0.71 | % | 0.69  | % | 0.83 | % |

(\*)

"n.m." means not meaningful.

## EXHIBIT III

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(In US\$ thousand, except per share amounts and ratios)

|                                                      | FOR THE YEAR ENDED |                   | (A) - (B)    |          |
|------------------------------------------------------|--------------------|-------------------|--------------|----------|
|                                                      | (A)                | (B)               | (A) - (B)    | %        |
|                                                      | December           | December 31, 2017 | CHANGE       |          |
|                                                      | 31, 2018           |                   |              |          |
| Net Interest Income:                                 |                    |                   |              |          |
| Interest income                                      | \$ 258,490         | \$ 226,079        | \$ 32,411    | 14 %     |
| Interest expense                                     | (148,747 )         | (106,264 )        | (42,483 )    | (40 )    |
| Net Interest Income                                  | 109,743            | 119,815           | (10,072 )    | (8 )     |
| Other income (expense):                              |                    |                   |              |          |
| Fees and commissions, net                            | 17,185             | 17,514            | (329 )       | (2 )     |
| Loss on financial instruments, net                   | (1,009 )           | (739 )            | (270 )       | (37 )    |
| Other income, net                                    | 1,670              | 1,723             | (53 )        | (3 )     |
| Total other income, net                              | 17,846             | 18,498            | (652 )       | (4 )     |
| Total revenues                                       | 127,589            | 138,313           | (10,724 )    | (8 )     |
| Impairment loss on financial instruments             | (57,515 )          | (9,439 )          | (48,076 )    | (509 )   |
| Impairment loss on non-financial assets              | (10,018 )          | 0                 | (10,018 )    | n.m. (*) |
| Operating expenses:                                  |                    |                   |              |          |
| Salaries and other employee expenses                 | (27,989 )          | (27,653 )         | (336 )       | (1 )     |
| Depreciation of equipment and leasehold improvements | (1,282 )           | (1,578 )          | 296          | 19       |
| Amortization of intangible assets                    | (1,176 )           | (838 )            | (338 )       | (40 )    |
| Other expenses                                       | (18,471 )          | (16,806 )         | (1,665 )     | (10 )    |
| Total operating expenses                             | (48,918 )          | (46,875 )         | (2,043 )     | (4 )     |
| Profit for the year                                  | \$ 11,138          | \$ 81,999         | \$ (70,861 ) | (86 )%   |
| PER COMMON SHARE DATA:                               |                    |                   |              |          |
| Basic earnings per share                             | \$ 0.28            | \$ 2.09           |              |          |
| Diluted earnings per share                           | \$ 0.28            | \$ 2.08           |              |          |
| Book value (period average)                          | \$ 26.06           | \$ 26.00          |              |          |
| Book value (period end)                              | \$ 25.13           | \$ 26.45          |              |          |

Edgar Filing: FOREIGN TRADE BANK OF LATIN AMERICA, INC. - Form 6-K

|                                 |        |        |
|---------------------------------|--------|--------|
| Weighted average basic shares   | 39,543 | 39,311 |
| Weighted average diluted shares | 39,543 | 39,329 |
| Basic shares period end         | 39,539 | 39,429 |

PERFORMANCE RATIOS:

|                                            |      |   |      |   |
|--------------------------------------------|------|---|------|---|
| Return on average assets                   | 0.17 | % | 1.27 | % |
| Return on average stockholders' equity     | 1.1  | % | 8.0  | % |
| Net interest margin                        | 1.71 | % | 1.85 | % |
| Net interest spread                        | 1.21 | % | 1.48 | % |
| Efficiency Ratio                           | 38.3 | % | 33.9 | % |
| Operating expenses to total average assets | 0.76 | % | 0.72 | % |

(\*)

"n.m." means not meaningful.

## EXHIBIT IV

## CONSOLIDATED NET INTEREST INCOME AND AVERAGE BALANCES

|                                                                               | FOR THE THREE MONTHS ENDED |           |        |                    |           |        |                   |           |        |
|-------------------------------------------------------------------------------|----------------------------|-----------|--------|--------------------|-----------|--------|-------------------|-----------|--------|
|                                                                               | December 31, 2018          |           |        | September 30, 2018 |           |        | December 31, 2017 |           |        |
|                                                                               | AVERAGE                    | AVG.      |        | AVERAGE            | AVG.      |        | AVERAGE           | AVG.      |        |
|                                                                               | BALANCE                    | INTEREST  | RATE   | BALANCE            | INTEREST  | RATE   | BALANCE           | INTEREST  | RATE   |
|                                                                               | (In US\$ thousand)         |           |        |                    |           |        |                   |           |        |
| INTEREST EARNING ASSETS                                                       |                            |           |        |                    |           |        |                   |           |        |
| Cash and cash equivalents                                                     | \$ 1,083,628               | 6,322     | 2.28 % | \$ 608,989         | 3,129     | 2.01 % | \$ 730,965        | \$ 2,444  | 1.31 % |
| Securities at fair value through OCI                                          | 19,135                     | 252       | 5.15   | 15,728             | 150       | 3.73   | 16,771            | 125       | 2.91   |
| Securities at amortized cost <sup>(1)</sup>                                   | 79,907                     | 626       | 3.06   | 77,939             | 599       | 3.01   | 69,446            | 499       | 2.81   |
| Loans, net of unearned interest                                               | 5,714,077                  | 66,914    | 4.58   | 5,517,471          | 61,142    | 4.34   | 5,454,016         | 52,732    | 3.78   |
| TOTAL INTEREST EARNING ASSETS                                                 | \$ 6,896,749               | \$ 74,114 | 4.21 % | \$ 6,220,127       | \$ 65,020 | 4.09 % | \$ 6,271,198      | \$ 55,799 | 3.48 % |
| Allowance for expected credit losses on loans                                 | (138,848 )                 |           |        | (84,958 )          |           |        | (107,679 )        |           |        |
| Non interest earning assets                                                   | 121,939                    |           |        | 119,272            |           |        | 94,884            |           |        |
| TOTAL ASSETS                                                                  | \$ 6,879,839               |           |        | \$ 6,254,441       |           |        | \$ 6,258,402      |           |        |
| INTEREST BEARING LIABILITIES                                                  |                            |           |        |                    |           |        |                   |           |        |
| Deposits                                                                      | 2,551,232                  | \$ 15,986 | 2.45 % | 2,904,153          | \$ 16,767 | 2.26 % | \$ 3,210,409      | \$ 12,537 | 1.53 % |
| Securities sold under repurchase agreement and short-term borrowings and debt | 1,747,793                  | 13,979    | 3.13   | 934,653            | 7,094     | 2.97   | 717,956           | 3,704     | 2.02   |
|                                                                               | 1,472,192                  | 16,180    | 4.30   | 1,268,857          | 13,863    | 4.28   | 1,214,190         | 11,418    | 3.68   |

Long-term  
borrowings and  
debt, net <sup>(2)</sup>

TOTAL INTEREST  
BEARING  
LIABILITIES

|             |          |        |             |          |        |             |          |        |
|-------------|----------|--------|-------------|----------|--------|-------------|----------|--------|
| \$5,771,217 | \$46,145 | 3.13 % | \$5,107,663 | \$37,724 | 2.89 % | \$5,142,554 | \$27,659 | 2.10 % |
|-------------|----------|--------|-------------|----------|--------|-------------|----------|--------|

Non interest bearing  
liabilities and other  
liabilities

|           |  |           |  |          |
|-----------|--|-----------|--|----------|
| \$118,153 |  | \$101,796 |  | \$83,697 |
|-----------|--|-----------|--|----------|

TOTAL  
LIABILITIES

|           |  |           |  |           |
|-----------|--|-----------|--|-----------|
| 5,889,370 |  | 5,209,459 |  | 5,226,251 |
|-----------|--|-----------|--|-----------|

STOCKHOLDERS'  
EQUITY

|         |  |           |  |           |
|---------|--|-----------|--|-----------|
| 990,469 |  | 1,044,982 |  | 1,032,151 |
|---------|--|-----------|--|-----------|

TOTAL  
LIABILITIES AND  
STOCKHOLDERS'  
EQUITY

|             |  |             |  |             |
|-------------|--|-------------|--|-------------|
| \$6,879,839 |  | \$6,254,441 |  | \$6,258,402 |
|-------------|--|-------------|--|-------------|

NET INTEREST  
SPREAD

|  |        |  |        |        |
|--|--------|--|--------|--------|
|  | 1.08 % |  | 1.20 % | 1.38 % |
|--|--------|--|--------|--------|

NET INTEREST  
INCOME AND  
NET INTEREST  
MARGIN

|          |        |          |        |          |        |
|----------|--------|----------|--------|----------|--------|
| \$27,969 | 1.61 % | \$27,296 | 1.74 % | \$28,140 | 1.78 % |
|----------|--------|----------|--------|----------|--------|

(1) Gross of the allowance for losses relating to securities at amortized cost.

(2) Net of prepaid commissions.

Note: Interest income and/or expense includes the effect of derivative financial instruments used for hedging.

## EXHIBIT V

## CONSOLIDATED NET INTEREST INCOME AND AVERAGE BALANCES

|                                                                               | FOR THE YEAR ENDED |            |        |                   |            |        |
|-------------------------------------------------------------------------------|--------------------|------------|--------|-------------------|------------|--------|
|                                                                               | December 31, 2018  |            |        | December 31, 2017 |            |        |
|                                                                               | AVERAGE            |            | AVG.   | AVERAGE           |            | AVG.   |
|                                                                               | BALANCE            | INTEREST   | RATE   | BALANCE           | INTEREST   | RATE   |
|                                                                               | (In US\$ thousand) |            |        |                   |            |        |
| INTEREST EARNING ASSETS                                                       |                    |            |        |                   |            |        |
| Cash and cash equivalents                                                     | \$784,062          | \$ 15,615  | 1.96 % | \$908,661         | \$ 10,261  | 1.11 % |
| Securities at fair value through OCI                                          | 16,955             | 668        | 3.89   | 19,175            | 545        | 2.80   |
| Securities at amortized cost <sup>(1)</sup>                                   | 74,577             | 2,231      | 2.95   | 67,678            | 1,947      | 2.84   |
| Loans, net of unearned interest                                               | 5,551,890          | 239,976    | 4.26   | 5,498,246         | 213,326    | 3.83   |
| TOTAL INTEREST EARNING ASSETS                                                 | \$6,427,483        | \$ 258,490 | 3.97 % | \$6,493,759       | \$ 226,079 | 3.43 % |
| Allowance for expected credit losses on loans                                 | (98,107 )          |            |        | (109,983 )        |            |        |
| Non interest earning assets                                                   | 122,117            |            |        | 84,613            |            |        |
| TOTAL ASSETS                                                                  | \$6,451,492        |            |        | \$6,468,390       |            |        |
| INTEREST BEARING LIABILITIES                                                  |                    |            |        |                   |            |        |
| Deposits                                                                      | \$2,950,368        | \$ 63,146  | 2.11 % | \$3,176,175       | \$ 42,847  | 1.33 % |
| Securities sold under repurchase agreement and short-term borrowings and debt | 1,123,438          | 33,941     | 2.98   | 710,021           | 11,967     | 1.66   |
| Long-term borrowings and debt, net <sup>(2)</sup>                             | 1,244,619          | 51,659     | 4.09   | 1,477,788         | 51,450     | 3.43   |
| TOTAL INTEREST BEARING LIABILITIES                                            | \$5,318,425        | \$ 148,746 | 2.76 % | \$5,363,984       | \$ 106,264 | 1.95 % |
| Non interest bearing liabilities and other liabilities                        | \$102,386          |            |        | \$82,207          |            |        |
| TOTAL LIABILITIES                                                             | 5,420,812          |            |        | 5,446,191         |            |        |
| STOCKHOLDERS' EQUITY                                                          | 1,030,681          |            |        | 1,022,199         |            |        |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY                                    | \$6,451,492        |            |        | \$6,468,390       |            |        |



|                                             |            |        |            |        |
|---------------------------------------------|------------|--------|------------|--------|
| NET INTEREST SPREAD                         |            | 1.21 % |            | 1.48 % |
| NET INTEREST INCOME AND NET INTEREST MARGIN | \$ 109,743 | 1.71 % | \$ 119,815 | 1.85 % |

(1) Gross of the allowance for losses relating to securities at amortized cost.

(2) Net of prepaid commissions.

Note: Interest income and/or expense includes the effect of derivative financial instruments used for hedging.

## EXHIBIT VI

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(In US\$ thousand, except per share amounts and ratios)

|                                                           | FOR THE<br>YEAR<br>ENDED<br>DEC 31/18 | FOR THE THREE MONTHS ENDED |              |              |              | DEC<br>31/17 | FOR THE<br>YEAR<br>ENDED<br>DEC 31/17 |
|-----------------------------------------------------------|---------------------------------------|----------------------------|--------------|--------------|--------------|--------------|---------------------------------------|
|                                                           |                                       | DEC<br>31/18               | SEP<br>30/18 | JUN<br>30/18 | MAR<br>31/18 |              |                                       |
| Net Interest Income:                                      |                                       |                            |              |              |              |              |                                       |
| Interest income                                           | \$ 258,490                            | \$74,114                   | \$65,020     | \$61,919     | \$57,437     | \$55,799     | \$ 226,079                            |
| Interest expense                                          | (148,747 )                            | (46,146)                   | (37,724 )    | (34,030 )    | (30,847 )    | (27,658 )    | (106,264 )                            |
| Net Interest Income                                       | 109,743                               | 27,968                     | 27,296       | 27,889       | 26,590       | 28,141       | 119,815                               |
| Other income<br>(expense):                                |                                       |                            |              |              |              |              |                                       |
| Fees and<br>commissions, net                              | 17,185                                | 5,402                      | 3,692        | 5,032        | 3,059        | 5,666        | 17,514                                |
| (Loss) gain on<br>financial<br>instruments, net           | (1,009 )                              | 253                        | (1,445 )     | (796 )       | 979          | (213 )       | (739 )                                |
| Other income, net                                         | 1,670                                 | 461                        | 564          | 530          | 115          | 913          | 1,723                                 |
| Total other income,<br>net                                | 17,846                                | 6,116                      | 2,811        | 4,766        | 4,153        | 6,366        | 18,498                                |
| Total revenues                                            | 127,589                               | 34,084                     | 30,107       | 32,655       | 30,743       | 34,507       | 138,313                               |
| (Impairment loss)<br>recovery on financial<br>instruments | (57,515 )                             | 1,321                      | (55,134 )    | (1,771 )     | (1,931 )     | (794 )       | (9,439 )                              |
| Impairment loss on<br>non-financial assets                | (10,018 )                             | (2,289 )                   | (4,841 )     | (2,888 )     | 0            | 0            | 0                                     |
| Total operating<br>expenses                               | (48,918 )                             | (12,383)                   | (10,851 )    | (11,370 )    | (14,314 )    | (13,114 )    | (46,875 )                             |
| Profit (loss) for the<br>period                           | \$ 11,138                             | \$20,733                   | \$(40,719 )  | \$16,626     | \$14,498     | \$20,599     | \$ 81,999                             |

SELECTED  
FINANCIAL DATA

PER COMMON  
SHARE DATA

|                          |         |  |        |  |           |        |  |        |  |        |  |         |
|--------------------------|---------|--|--------|--|-----------|--------|--|--------|--|--------|--|---------|
| Basic earnings per share | \$ 0.28 |  | \$0.52 |  | \$(1.03 ) | \$0.42 |  | \$0.37 |  | \$0.52 |  | \$ 2.09 |
|--------------------------|---------|--|--------|--|-----------|--------|--|--------|--|--------|--|---------|

PERFORMANCE  
RATIOS

|                                            |      |   |      |   |       |   |      |   |      |   |      |   |      |   |
|--------------------------------------------|------|---|------|---|-------|---|------|---|------|---|------|---|------|---|
| Return on average assets                   | 0.17 | % | 1.20 | % | -2.58 | % | 1.07 | % | 0.91 | % | 1.31 | % | 1.27 | % |
| Return on average stockholders' equity     | 1.1  | % | 8.3  | % | -15.5 | % | 6.4  | % | 5.6  | % | 7.9  | % | 8.0  | % |
| Net interest margin                        | 1.71 | % | 1.61 | % | 1.74  | % | 1.81 | % | 1.68 | % | 1.78 | % | 1.85 | % |
| Net interest spread                        | 1.21 | % | 1.08 | % | 1.20  | % | 1.31 | % | 1.26 | % | 1.38 | % | 1.48 | % |
| Efficiency Ratio                           | 38.3 | % | 36.3 | % | 36.0  | % | 34.8 | % | 46.6 | % | 38.0 | % | 33.9 | % |
| Operating expenses to total average assets | 0.76 | % | 0.71 | % | 0.69  | % | 0.73 | % | 0.90 | % | 0.83 | % | 0.72 | % |

## EXHIBIT VII

## BUSINESS SEGMENT ANALYSIS

(In US\$ thousand)

|                                                     | FOR THE YEAR ENDED |             | FOR THE THREE MONTHS ENDED |              |            |
|-----------------------------------------------------|--------------------|-------------|----------------------------|--------------|------------|
|                                                     | DEC 31/18          | DEC 31/17   | DEC 31/18                  | SEP 30/18    | DEC 31/17  |
| COMMERCIAL BUSINESS SEGMENT:                        |                    |             |                            |              |            |
| Net interest income                                 | \$ 109,781         | \$ 120,581  | \$ 28,350                  | \$ 26,445    | \$ 28,933  |
| Other income (expense)                              | 18,002             | 18,926      | 5,759                      | 4,255        | 6,516      |
| Total revenues                                      | 127,783            | 139,507     | 34,109                     | 30,700       | 35,449     |
| (Impairment loss) recovery on financial instruments | (57,621 )          | (9,928 )    | 1,263                      | (55,134 )    | (893 )     |
| Impairment loss on non-financial assets             | (5,967 )           | 0           | (2,289 )                   | (790 )       | 0          |
| Operating expenses                                  | (37,436 )          | (35,916 )   | (9,317 )                   | (8,553 )     | (9,699 )   |
| Profit (Loss) for the segment                       | \$ 26,759          | \$ 93,663   | \$ 23,766                  | \$ (33,777 ) | \$ 24,857  |
| Segment assets                                      | 5,726,977          | 5,470,947   | 5,726,977                  | 5,654,316    | 5,470,947  |
| TREASURY BUSINESS SEGMENT:                          |                    |             |                            |              |            |
| Net interest income                                 | \$(38 )            | \$(766 )    | \$(382 )                   | \$ 851       | \$(792 )   |
| Other income (expense)                              | (156 )             | (428 )      | 357                        | (1,444 )     | (150 )     |
| Total revenues                                      | (194 )             | (1,194 )    | (25 )                      | (593 )       | (942 )     |
| Recovery on financial instruments                   | 106                | 489         | 58                         | 0            | 99         |
| Operating expenses                                  | (11,482 )          | (10,959 )   | (3,066 )                   | (2,298 )     | (3,415 )   |
| Loss for the segment                                | \$(11,570 )        | \$(11,664 ) | \$(3,033 )                 | \$(2,891 )   | \$(4,258 ) |
| Segment assets                                      | 1,857,196          | 772,517     | 1,857,196                  | 890,290      | 772,517    |
| TOTAL:                                              |                    |             |                            |              |            |
| Net interest income                                 | \$ 109,743         | \$ 119,815  | \$ 27,968                  | \$ 27,296    | \$ 28,141  |
| Other income (expense)                              | 17,846             | 18,498      | 6,116                      | 2,811        | 6,366      |
| Total revenues                                      | 127,589            | 138,313     | 34,084                     | 30,107       | 34,507     |
| (Impairment loss) recovery on financial instruments | (57,515 )          | (9,439 )    | 1,321                      | (55,134 )    | (794 )     |
| Impairment loss on non-financial assets             | (5,967 )           | 0           | (2,289 )                   | (790 )       | 0          |

Edgar Filing: FOREIGN TRADE BANK OF LATIN AMERICA, INC. - Form 6-K

|                                                     |           |           |           |              |           |
|-----------------------------------------------------|-----------|-----------|-----------|--------------|-----------|
| Operating expenses                                  | (48,918 ) | (46,875 ) | (12,383 ) | (10,851 )    | (13,114 ) |
| Total profit (loss) for reportable segments         | 15,189    | 81,999    | 20,733    | (36,668 )    | 20,599    |
| Unallocated impairment loss on non-financial assets | (4,051 )  | 0         | 0         | (4,051 )     | 0         |
| Profit (Loss) for the period                        | \$ 11,138 | \$ 81,999 | \$ 20,733 | \$ (40,719 ) | \$ 20,599 |
| Total segment assets                                | 7,584,173 | 6,243,464 | 7,584,173 | 6,544,606    | 6,243,464 |
| Unallocated assets                                  | 25,012    | 24,283    | 25,012    | 16,152       | 24,283    |
| Total assets                                        | 7,609,185 | 6,267,747 | 7,609,185 | 6,560,758    | 6,267,747 |

## EXHIBIT VIII

## CREDIT PORTFOLIO

## DISTRIBUTION BY COUNTRY

(In US\$ million)

| COUNTRY (*)        | AT THE END OF,       |                              |                       |                              |                   |                              |              |              |
|--------------------|----------------------|------------------------------|-----------------------|------------------------------|-------------------|------------------------------|--------------|--------------|
|                    | (A)                  |                              | (B)                   |                              | (C)               |                              | Change in    |              |
|                    | December 31,<br>2018 | % of<br>Total<br>Outstanding | September 30,<br>2018 | % of<br>Total<br>Outstanding | December 31, 2017 | % of<br>Total<br>Outstanding | (A) -<br>(B) | (A) -<br>(C) |
| ARGENTINA          | \$611                | 10                           | \$587                 | 9                            | \$302             | 5                            | \$24         | \$309        |
| BELGIUM            | 13                   | 0                            | 15                    | 0                            | 11                | 0                            | (2 )         | 2            |
| BOLIVIA            | 14                   | 0                            | 20                    | 0                            | 15                | 0                            | (6 )         | (1 )         |
| BRAZIL             | 1,210                | 19                           | 1,230                 | 19                           | 1,024             | 17                           | (20 )        | 186          |
| CHILE              | 182                  | 3                            | 164                   | 3                            | 191               | 3                            | 18           | (9 )         |
| COLOMBIA           | 706                  | 11                           | 807                   | 13                           | 949               | 16                           | (101 )       | (243 )       |
| COSTA RICA         | 409                  | 6                            | 357                   | 6                            | 376               | 6                            | 52           | 33           |
| DOMINICAN REPUBLIC | 318                  | 5                            | 290                   | 5                            | 250               | 4                            | 28           | 68           |
| ECUADOR            | 438                  | 7                            | 365                   | 6                            | 347               | 6                            | 73           | 91           |
| EL SALVADOR        | 71                   | 1                            | 60                    | 1                            | 56                | 1                            | 11           | 15           |
| GERMANY            | 36                   | 1                            | 23                    | 0                            | 38                | 1                            | 13           | (2 )         |
| GUATEMALA          | 344                  | 5                            | 265                   | 4                            | 321               | 5                            | 79           | 23           |
| HONDURAS           | 89                   | 1                            | 88                    | 1                            | 75                | 1                            | 1            | 14           |
| JAMAICA            | 22                   | 0                            | 56                    | 1                            | 24                | 0                            | (34 )        | (2 )         |
| MEXICO             | 917                  | 14                           | 925                   | 14                           | 906               | 15                           | (8 )         | 11           |
| NICARAGUA          | 0                    | 0                            | 25                    | 0                            | 30                | 0                            | (25 )        | (30 )        |
| PANAMA             | 555                  | 9                            | 668                   | 10                           | 556               | 9                            | (113 )       | (1 )         |
| PARAGUAY           | 159                  | 2                            | 125                   | 2                            | 60                | 1                            | 34           | 99           |
| PERU               | 83                   | 1                            | 136                   | 2                            | 229               | 4                            | (53 )        | (146 )       |
| SINGAPORE          | 38                   | 1                            | 50                    | 1                            | 55                | 1                            | (12 )        | (17 )        |
| TRINIDAD & TOBAGO  | 153                  | 2                            | 119                   | 2                            | 184               | 3                            | 34           | (31 )        |
| UNITED STATES      | 0                    | 0                            | 0                     | 0                            | 44                | 1                            | 0            | (44 )        |
| URUGUAY            | 11                   | 0                            | 2                     | 0                            | 18                | 0                            | 9            | (7 )         |
| OTHER              | 18                   | 0                            | 21                    | 0                            | 24                | 0                            | (3 )         | (6 )         |
|                    | \$6,397              | 100                          | % \$6,398             | 100                          | % \$6,085         | 100                          | % \$(1 )     | \$312        |

TOTAL CREDIT PORTFOLIO

(1)

|                                                                           |         |          |          |      |        |
|---------------------------------------------------------------------------|---------|----------|----------|------|--------|
| UNEARNED INTEREST AND<br>DEFERRED FEES                                    | 17      | 7        | 5        | 10   | 12     |
| TOTAL CREDIT<br>PORTFOLIO, NET OF<br>UNEARNED INTEREST &<br>DEFERRED FEES | \$6,414 | \$ 6,405 | \$ 6,090 | \$ 9 | \$ 324 |

(1) Includes gross loans (or the “Loan Portfolio”), securities at fair value through OCI and at amortized cost, gross of the allowance for expected credit losses, loan commitments and financial guarantee contracts, such as confirmed and stand-by letters of credit, and guarantees covering commercial risk; and other assets consisting of customers’ liabilities under acceptances.

(\*) Risk in countries outside the Region related to transactions carried out in the Region.

## EXHIBIT IX

## COMMERCIAL PORTFOLIO

## DISTRIBUTION BY COUNTRY

(In US\$ million)

| COUNTRY (*)        | AT THE END OF,       |                              |                       |                              |                      |                              |              |              |
|--------------------|----------------------|------------------------------|-----------------------|------------------------------|----------------------|------------------------------|--------------|--------------|
|                    | (A)                  |                              | (B)                   |                              | (C)                  |                              | Change in    |              |
|                    | December 31,<br>2018 | % of<br>Total<br>Outstanding | September 30,<br>2018 | % of<br>Total<br>Outstanding | December 31,<br>2017 | % of<br>Total<br>Outstanding | (A) -<br>(B) | (A) -<br>(C) |
| ARGENTINA          | \$611                | 10                           | \$ 587                | 9                            | \$ 302               | 5                            | \$ 24        | \$ 309       |
| BELGIUM            | 13                   | 0                            | 15                    | 0                            | 11                   | 0                            | (2 )         | 2            |
| BOLIVIA            | 14                   | 0                            | 20                    | 0                            | 15                   | 0                            | (6 )         | (1 )         |
| BRAZIL             | 1,206                | 19                           | 1,226                 | 19                           | 1,019                | 17                           | (20 )        | 187          |
| CHILE              | 177                  | 3                            | 159                   | 3                            | 186                  | 3                            | 18           | (9 )         |
| COLOMBIA           | 678                  | 11                           | 779                   | 12                           | 920                  | 15                           | (101 )       | (242 )       |
| COSTA RICA         | 409                  | 6                            | 357                   | 6                            | 376                  | 6                            | 52           | 33           |
| DOMINICAN REPUBLIC | 318                  | 5                            | 290                   | 5                            | 250                  | 4                            | 28           | 68           |
| ECUADOR            | 438                  | 7                            | 365                   | 6                            | 347                  | 6                            | 73           | 91           |
| EL SALVADOR        | 71                   | 1                            | 60                    | 1                            | 56                   | 1                            | 11           | 15           |
| GERMANY            | 36                   | 1                            | 23                    | 0                            | 38                   | 1                            | 13           | (2 )         |
| GUATEMALA          | 344                  | 5                            | 265                   | 4                            | 321                  | 5                            | 79           | 23           |
| HONDURAS           | 89                   | 1                            | 88                    | 1                            | 75                   | 1                            | 1            | 14           |
| JAMAICA            | 22                   | 0                            | 56                    | 1                            | 24                   | 0                            | (34 )        | (2 )         |
| MEXICO             | 890                  | 14                           | 898                   | 14                           | 886                  | 15                           | (8 )         | 4            |
| NICARAGUA          | 0                    | 0                            | 25                    | 0                            | 30                   | 0                            | (25 )        | (30 )        |
| PANAMA             | 520                  | 8                            | 647                   | 10                           | 538                  | 9                            | (127 )       | (18 )        |
| PARAGUAY           | 159                  | 3                            | 125                   | 2                            | 60                   | 1                            | 34           | 99           |
| PERU               | 83                   | 1                            | 136                   | 2                            | 229                  | 4                            | (53 )        | (146 )       |
| SINGAPORE          | 38                   | 1                            | 50                    | 1                            | 55                   | 1                            | (12 )        | (17 )        |
| TRINIDAD & TOBAGO  | 145                  | 2                            | 111                   | 2                            | 175                  | 3                            | 34           | (30 )        |
| UNITED STATES      | 0                    | 0                            | 0                     | 0                            | 44                   | 1                            | 0            | (44 )        |
| URUGUAY            | 11                   | 0                            | 2                     | 0                            | 18                   | 0                            | 9            | (7 )         |
| OTHER              | 18                   | 0                            | 21                    | 0                            | 24                   | 0                            | (3 )         | (6 )         |
|                    | \$6,290              | 100                          | % \$ 6,305            | 100                          | % \$ 5,999           | 100                          | % \$(15 )    | \$ 291       |



TOTAL COMMERCIAL  
PORTFOLIO <sup>(1)</sup>

|                                                                               |         |          |          |         |        |
|-------------------------------------------------------------------------------|---------|----------|----------|---------|--------|
| UNEARNED INTEREST AND<br>DEFERRED FEES                                        | 17      | 7        | 5        | 10      | 12     |
| TOTAL COMMERCIAL<br>PORTFOLIO, NET OF<br>UNEARNED INTEREST &<br>DEFERRED FEES | \$6,307 | \$ 6,312 | \$ 6,004 | \$ (5 ) | \$ 303 |

Includes gross loans (or the “Loan Portfolio”), loan commitments and financial guarantee contracts, such as confirmed <sup>(1)</sup>and stand-by letters of credit, and guarantees covering commercial risk; and other assets consisting of customers’ liabilities under acceptances.

(\*) Risk in countries outside the Region related to transactions carried out in the Region.

## EXHIBIT X

## TREASURY PORTFOLIO

## DISTRIBUTION BY COUNTRY

(In US\$ million)

| COUNTRY                                 | AT THE END OF, |                        |               |                        |              |                        |   |   | Change in |           |
|-----------------------------------------|----------------|------------------------|---------------|------------------------|--------------|------------------------|---|---|-----------|-----------|
|                                         | (A)            |                        | (B)           |                        | (C)          |                        |   |   | Amount    |           |
|                                         | December 31,   |                        | September 30, |                        | December 31, |                        |   |   |           |           |
|                                         | 2018           |                        | 2018          |                        | 2017         |                        |   |   |           |           |
|                                         | Amount         | % of Total Outstanding | Amount        | % of Total Outstanding | Amount       | % of Total Outstanding |   |   | (A) - (B) | (A) - (C) |
| BRAZIL                                  | \$4            | 4                      | \$ 4          | 5                      | \$ 5         | 5                      |   |   | \$ 0      | \$ (1 )   |
| CHILE                                   | 5              | 5                      | 5             | 5                      | 5            | 6                      |   |   | 0         | 0         |
| COLOMBIA                                | 28             | 26                     | 28            | 30                     | 29           | 34                     |   |   | 0         | (1 )      |
| MEXICO                                  | 27             | 25                     | 27            | 29                     | 20           | 24                     |   |   | 0         | 7         |
| PANAMA                                  | 35             | 32                     | 21            | 23                     | 18           | 21                     |   |   | 14        | 17        |
| TRINIDAD & TOBAGO                       | 8              | 7                      | 8             | 8                      | 9            | 10                     |   |   | 0         | (1 )      |
| TOTAL TREASURY PORTFOLIO <sup>(1)</sup> | \$107          | 100                    | % \$ 93       | 100                    | % \$ 86      | 100                    | % | % | \$ 14     | \$ 21     |

<sup>(1)</sup> Includes securities at fair value through OCI and at amortized cost, gross of the allowance for expected credit losses.

## EXHIBIT XI

## LOAN DISBURSEMENTS

## DISTRIBUTION BY COUNTRY

(In US\$ million)

| COUNTRY (*)                         | FULL-YEAR |          | QUARTERLY |         |         | Change in Amount |           |           |
|-------------------------------------|-----------|----------|-----------|---------|---------|------------------|-----------|-----------|
|                                     | (A)       | (B)      | (C)       | (D)     | (E)     | (A) -            | (C) - (D) | (C) - (E) |
|                                     | 2018      | 2017     | 4Q18      | 3Q18    | 4Q17    | (B)              |           |           |
| ARGENTINA                           | \$958     | \$400    | \$252     | \$247   | \$112   | \$558            | \$ 5      | \$ 140    |
| BELGIUM                             | 13        | 11       | 0         | 3       | 2       | 2                | (3 )      | (2 )      |
| BOLIVIA                             | 24        | 15       | 4         | 10      | 5       | 9                | (6 )      | (1 )      |
| BRAZIL                              | 1,015     | 1,080    | 240       | 331     | 394     | (65 )            | (91 )     | (154 )    |
| CHILE                               | 396       | 488      | 28        | 41      | 115     | (92 )            | (13 )     | (87 )     |
| COLOMBIA                            | 1,276     | 1,539    | 285       | 326     | 491     | (263)            | (41 )     | (206 )    |
| COSTA RICA                          | 577       | 667      | 233       | 96      | 138     | (90 )            | 137       | 95        |
| DOMINICAN REPUBLIC                  | 532       | 663      | 103       | 123     | 209     | (131)            | (20 )     | (106 )    |
| ECUADOR                             | 998       | 765      | 272       | 226     | 109     | 233              | 46        | 163       |
| EL SALVADOR                         | 119       | 125      | 30        | 49      | 23      | (6 )             | (19 )     | 7         |
| GUATEMALA                           | 470       | 599      | 191       | 41      | 178     | (129)            | 150       | 13        |
| HONDURAS                            | 146       | 136      | 49        | 41      | 27      | 10               | 8         | 22        |
| JAMAICA                             | 278       | 192      | 58        | 56      | 52      | 86               | 2         | 6         |
| MEXICO                              | 4,523     | 4,740    | 915       | 1,050   | 1,222   | (217)            | (135 )    | (307 )    |
| NICARAGUA                           | 57        | 71       | 5         | 17      | 24      | (14 )            | (12 )     | (19 )     |
| PANAMA                              | 824       | 967      | 160       | 265     | 208     | (143)            | (105 )    | (48 )     |
| PARAGUAY                            | 195       | 44       | 70        | 62      | 28      | 151              | 8         | 42        |
| PERU                                | 1,073     | 994      | 87        | 283     | 223     | 79               | (196 )    | (136 )    |
| SINGAPORE                           | 88        | 661      | 39        | 7       | 57      | (573)            | 32        | (18 )     |
| SWITZERLAND                         | 401       | 6        | 0         | 0       | 0       | 395              | 0         | 0         |
| TRINIDAD & TOBAGO                   | 231       | 382      | 86        | 45      | 52      | (151)            | 41        | 34        |
| UNITED STATES                       | 33        | 122      | 0         | 0       | 35      | (89 )            | 0         | (35 )     |
| URUGUAY                             | 22        | 36       | 12        | 2       | 0       | (14 )            | 10        | 12        |
| OTHER                               | 54        | 57       | 29        | 8       | 15      | (3 )             | 21        | 14        |
| TOTAL LOAN DISBURSED <sup>(1)</sup> | \$14,303  | \$14,760 | \$3,148   | \$3,329 | \$3,719 | \$(457)          | \$ (181 ) | \$ (571 ) |

(1)

Total loan disbursed does not include loan commitments and financial guarantee contracts, nor other interest-earning assets such as investment securities.

(\*) Risk in countries outside the Region related to transactions carried out in the Region.

