

FOREIGN TRADE BANK OF LATIN AMERICA, INC.  
Form 6-K  
October 29, 2018

**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

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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: October 25, 2018

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

By: /s/ Ana Graciela de Méndez

Name: Ana Graciela de Méndez

Title: CFO

**BLADEx REPORTED A \$40.7 MILLION LOSS FOR 3Q18, OR -\$1.03 PER SHARE, DUE TO HIGHER ALLOCATED CREDIT RESERVES FOR ITS NPL EXPOSURE; ROBUST TIER 1 CAPITALIZATION AT 17.8%**

**PANAMA CITY, REPUBLIC OF PANAMA, October 25, 2018**

**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 third quarter (“3Q18”) and nine months (“9M18”) ended September 30, 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)                               | 9M18      | 9M17    | 3Q18      | 2Q18    | 3Q17    |
|--|-----------|---------|-----------|---------|---------|
| <b>Key Income Statement Highlights</b>   |           |         |           |         |         |
| Net Interest Income (“NII”)  | \$81.8    | \$91.7  | \$27.3    | \$27.9  | \$27.9  |
| Fees and commissions, net  | \$11.8    | \$11.8  | \$3.7     | \$5.0   | \$3.6   |
| Impairment loss from ECL on loans, loan commitments and financial guarantees contracts | \$58.9    | \$9.0   | \$55.1    | \$1.8   | \$0.6   |
| Operating expenses <sup>(1)</sup>  | \$36.5    | \$33.8  | \$10.9    | \$11.4  | \$10.0  |
| (Loss) Profit for the period   | \$(9.6 )  | \$61.4  | \$(40.7 ) | \$16.6  | \$20.5  |
| <b>Profitability Ratios</b>  |           |         |           |         |         |
| Earnings per Share (“EPS”) <sup>(2)</sup>  | \$(0.24 ) | \$1.56  | \$(1.03 ) | \$0.42  | \$0.52  |
| Return on Average Equity (“ROAE”) <sup>(3)</sup>                                       | -1.2 %    | 8.1 %   | -15.5 %   | 6.4 %   | 7.9 %   |
| Return on Average Assets (“ROAA”)  | -0.20 %   | 1.26 %  | -2.58 %   | 1.07 %  | 1.30 %  |
| Net Interest Margin (“NIM”) <sup>(4)</sup>   | 1.74 %    | 1.87 %  | 1.74 %    | 1.81 %  | 1.76 %  |
| Net Interest Spread (“NIS”) <sup>(5)</sup>   | 1.26 %    | 1.51 %  | 1.20 %    | 1.31 %  | 1.37 %  |
| Efficiency Ratio <sup>(6)</sup>  | 39.7 %    | 32.5 %  | 36.5 %    | 36.1 %  | 32.0 %  |
| <b>Assets, Capital, Liquidity &amp; Credit Quality</b>                                 |           |         |           |         |         |
| Commercial Portfolio <sup>(7)</sup>  | \$6,305   | \$5,706 | \$6,305   | \$6,054 | \$5,706 |

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|   |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|
| Treasury Portfolio  | \$93    | \$88    | \$93    | \$94    | \$88    |
| Total assets  | \$6,561 | \$6,200 | \$6,561 | \$6,331 | \$6,200 |
| Total stockholders' equity                                      | \$989   | \$1,032 | \$989   | \$1,047 | \$1,032 |
| Market capitalization <sup>(8)</sup>                            | \$827   | \$1,159 | \$827   | \$975   | \$1,159 |
| Tier 1 Basel III Capital Ratio <sup>(9)</sup>                   | 17.8 %  | 20.3 %  | 17.8 %  | 20.0 %  | 20.3 %  |
| Total assets / Total stockholders' equity (times)               | 6.6     | 6.0     | 6.6     | 6.0     | 6.0     |
| Liquid Assets / Total Assets <sup>(10)</sup>                    | 11.7 %  | 12.2 %  | 11.7 %  | 10.3 %  | 12.2 %  |
| NPL to Loan Portfolio <sup>(11)</sup>                           | 2.08 %  | 1.20 %  | 2.08 %  | 0.98 %  | 1.20 %  |
| Total allowance for ECL <sup>(12)</sup> to Commercial Portfolio | 2.26 %  | 2.04 %  | 2.26 %  | 1.44 %  | 2.04 %  |
| Total allowance for ECL <sup>(12)</sup> to NPL (times)          | 1.2     | 1.8     | 1.2     | 1.6     | 1.8     |

### 3Q18 & 9M18 Highlights

Bladex reported a loss for the 3Q18 of \$40.7 million, resulting in a loss of \$9.6 million for 9M18, mainly due to higher allocated credit provision from expected credit losses (“ECL”) on non-performing loans (“NPL”).

NPL balance increased to \$119.0 million, or 2.08% of total Loan Portfolio at the end of 3Q18. This compares to \$54.3 million, or 0.98%, at the end of 2Q18 and \$64.1 million, or 1.20%, at the end of 3Q17. The increase was mainly driven by the deterioration of one credit in the sugar industry in Brazil.

Total credit provision charges for ECL in the 3Q18 were \$55.1 million which brought allowance for ECL to Commercial Portfolio to 2.26%, compared to 1.44% in 2Q18 and 2.04% last year. Total allowance for ECL covers 1.2 times NPL balances as of the end of 3Q18.

3Q18 end-of-period Commercial Portfolio balances increased to \$6.3 billion (+4% QoQ; +10% YoY), which drove average balances up to \$6.0 billion in 3Q18 (+3% QoQ; +6% YoY) and 9M18 (+2% YoY). The Bank increased exposure to Financial Institutions (“FIs”) to 52% of total Commercial Portfolio from 50% in the 2Q18 and 44% a year ago.

Net Interest Income (“NII”) for the 3Q18 decreased 2% QoQ to \$27.3 million, on lower Net Interest Margin (“NIM”) of 1.74% (-7 bps QoQ), mainly due to the reversal of accrued interest on NPL reclassification. NII for the 9M18 was \$81.8 million, a decrease of 11% YoY on lower NIM (-13 bps YoY).

Fee and commissions income totaled \$3.7 million in 3Q18 (-27% QoQ; +4% YoY) and \$11.8 million in 9M18 (flat YoY), as improved commissions from letters of credit offset lower loan structuring fees, reflecting the uneven nature of the business.

Efficiency Ratio stood at 36.5% in 3Q18 and 39.7% in 9M18. The Bank’s run-rate of quarterly expense base has decreased to \$9.8 million in 3Q18, excluding charges related to severance and other one-time expenses. Excluding these items, the adjusted level of Efficiency Ratio stands at 33.2% for 3Q18.

In the effort to continue a comprehensive revision of operating and technology processes and infrastructure, the Bank disposed of obsolete software for a total of \$4.1 million in 3Q18, presented within the line items “Impairment loss in other assets” and “Loss on derecognition of intangible assets” of the consolidated statements of profit or loss.

The Bank’s Tier 1 Basel III Capital Ratio was 17.8% at the end of 3Q18, as compared to 20.0% a quarter ago and 20.3% a year ago, on higher level of risk-weighted assets (“RWA”) resulting from Commercial Portfolio growth, coupled with lower equity levels on the quarterly loss.

## CEO’s Comments

Mr. N. Gabriel Tolchinsky, Bladex’s Chief Executive Officer, said, “*During our last quarter conference call, we identified key events that were impacting emerging markets, Latin America and commodity-related industries, such as sugar. First was the effect of higher US interest rates and a stronger US dollar – often a negative backdrop for*

*emerging markets' assets. Second was the protectionist rhetoric from the US regarding world trade, along with the negative impact of tariffs. Third was the political and macroeconomic uncertainty and overall lower growth prospects, or outright recession, for some key countries in Latin America.*

*These trends came to a head in the third quarter.*

*Specifically, a further deterioration in sugar fundamentals during the quarter, with prices trading significantly below the marginal cost of production, became too much for many Brazilian producers to bear. This included one of our credits and impacted our financial results for the quarter.*

*Looking forward, we want to highlight the credit strengths of our current portfolio. That strength enhances our capacity to withstand what we expect will continue to be a challenging environment. Bladex's expertise, through solid credit underwriting, complements our ability to capitalize on opportunities – particularly in these more volatile times.*

*Bladex continues to improve its origination, with a better mix of medium-term to short-term loans, thereby lengthening the average life of our portfolio and increasing our origination margins. We believe our current portfolio, cost base and allowances for expected credit losses, improve our earnings generation capacity.”*

## **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, structured and syndicated credits, short- and medium-term loans, customers' liabilities under acceptances, loan commitments and financial guarantee contracts, such as confirmed and stand-by letters of credit, and guarantees covering commercial risk. Profits from the Commercial Business Segment include (i) net interest income from loans; (ii) Fees and Other Income from the issuance, confirmation and negotiation of letters of credit, guarantees and loan commitments, and through loan structuring and syndication activities; and (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) loss on investment properties at fair value through profit or loss; (v) impairment loss (recovery) from ECL on loans, loan commitments and financial guarantee contracts, as well as impairment loss in other assets; and (vi) direct and allocated operating expenses.

As of September 30, 2018, Commercial Portfolio balances reached \$6.3 billion, a 4% increase compared to \$6.1 billion as of June 30, 2018 and a 10% increase compared to \$5.7 billion as of September 30, 2017, with increased exposure to FIs to 52% of total Commercial Portfolio from 50% in the 2Q18 and 44% a year ago. Consequently, 3Q18 and 9M18 average Commercial Portfolio balances both reached \$6.0 billion, a 3% increase from \$5.8 billion a quarter ago, and a 6% increase from \$5.7 billion a year ago, and a 2% increase from \$5.9 billion in the 9M17. As of September 30, 2018, trade finance transactions represented 47% of the Commercial Portfolio, down from 54% a quarter ago and 66% a year ago, while 75% of the Commercial Portfolio was scheduled to mature within a year, compared to 81% a quarter and year ago.





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)   | 9M18   | 9M17   | YoY (%) |   | 3Q18     | 2Q18   | 3Q17   | QoQ (%) |   | YoY (%) |   |
|--|--------|--------|---------|---|----------|--------|--------|---------|---|---------|---|
| Commercial Business Segment:   |        |        |         |   |          |        |        |         |   |         |   |
| Net interest income  | \$81.4 | \$91.6 | -11     | % | \$26.4   | \$27.8 | \$28.3 | -5      | % | -7      | % |
| Fees and commissions, net  | 11.8   | 11.9   | -1      | % | 3.7      | 5.0    | 3.6    | -27     | % | 4       | % |
| Net other income (loss), excluding fees and commissions <sup>(13)</sup>                | (1.1)  | 0.5    | -308    | % | 0.1      | (0.7)  | 0.2    | 120     | % | -5      | % |
| Total income   | 92.1   | 104.1  | -11     | % | 30.3     | 32.1   | 32.1   | -6      | % | -6      | % |
| Less:  |        |        |         |   |          |        |        |         |   |         |   |
| Impairment loss from ECL on loans, loan commitments and financial guarantees contracts | 58.9   | 9.0    | 552     | % | 55.1     | 1.8    | 0.6    | n.m.    |   | n.m.    |   |
| Impairment loss in other assets  | 2.1    | 0.0    | n.m.    |   | 0.4      | 1.7    | 0.0    | -78     | % | n.m.    |   |
| Operating expenses   | 28.1   | 26.2   | 7       | % | 8.6      | 8.8    | 7.7    | -3      | % | 11      | % |
| Profit (Loss) for the period   | \$3.0  | \$68.8 | -96     | % | \$(33.8) | \$19.8 | \$23.8 | -271    | % | -242    | % |

"n.m." means not meaningful.

2018 Third Quarter and Year-to-Date Commercial Business Segment's results were mainly affected by a \$55.1 million impairment loss from ECL recorded in 3Q18 which was primarily associated with higher allocated allowances for ECL on NPL. In addition, year-to-date results were also mainly impacted by lower NII due to narrower net lending spreads on shorter tenor loan origination and higher FIs exposure.

## **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 OCI and investment securities at amortized cost ("Investment Securities 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), impairment loss from ECL on investment securities, and direct and allocated operating expenses.

Liquidity balances amounted to \$0.8 billion as of September 30, 2018, of which 97% of the Bank's liquid assets were held in deposits with the Federal Reserve Bank of New York, compared to \$0.6 billion, or the same portion of liquid assets, at the end of 2Q18, and compared to \$0.8 billion, or 99% of liquid assets, at the end of 3Q17. As of these quarter-end dates, the liquid assets to total assets ratios were 11.7%, 10.3%, and 12.2%, respectively, while the liquid assets to total deposits ratios were 27.5%, 21.7%, and 25.2%, respectively.

The Investment Securities Portfolio balances totaled \$93 million as of September 30, 2018, compared to \$94 million as of June 30, 2018, and compared to \$88 million as of September 30, 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 77% represented sovereign or state-owned risk at the end of the 3Q18 and 2Q18, compared to 85% of sovereign or state-owned risk from a year ago (refer to Exhibit X for a per-country risk distribution of the Investment Securities Portfolio).

On the funding side, deposit balances decreased 7% QoQ and 8% YoY to reach \$2.8 billion, or 51% of total funding sources, at the end of 3Q18, compared to 57% and 59% of total funding sources at the end of 2Q18 and 3Q17, respectively. Deposits placed by central banks or designees (i.e.: Class A shareholders of the Bank) were up to 74% of total deposits as of September 30, 2018, compared to 73% and 63%, respectively. As of September 30, 2018, total

borrowings and debt increased 20% QoQ and 27% YoY, mainly from an up-size and extension of a three-year credit syndication and several bilateral funding loans with maturities of up to five years. Weighted average funding costs were 2.89% in 3Q18 (up 24 bps QoQ and 83 bps YoY) and 2.62% in 9M18 (up 71 bps YoY), mainly reflecting higher LIBOR-based market rates, partly compensated by lower funding spreads from a year ago.

| (US\$ million)   | 9M18    | 9M17    | YoY (%) | 3Q18      | 2Q18    | 3Q17    | QoQ (%) | YoY (%) |      |   |
|--|---------|---------|---------|-----------|---------|---------|---------|---------|------|---|
| Treasury Business Segment:                                   |         |         |         |           |         |         |         |         |      |   |
| Net interest income  | \$0.3   | \$0.0   | n.m.    | \$0.9     | \$0.0   | \$(0.4) | n.m.    | 295     | %    | % |
| Net other income (loss) <sup>(13)</sup>                      | (0.5)   | (0.3)   | -85     | % (1.4)   | (0.7)   | (0.6)   | -115    | %       | -161 | % |
| Total income (loss)  | (0.2)   | (0.3)   | 33      | % (0.6)   | (0.6)   | (1.0)   | 6       | %       | 40   | % |
| Less:  |         |         |         |           |         |         |         |         |      |   |
| (Recovery) Impairment loss from ECL on investment securities | (0.0)   | (0.4)   | 88      | % 0.0     | (0.0)   | 0.1     | 100     | %       | -100 | % |
| Operating expenses   | 8.4     | 7.5     | 12      | % 2.3     | 2.6     | 2.2     | -10     | %       | 3    | % |
| Loss for the period  | \$(8.5) | \$(7.4) | -15     | % \$(2.9) | \$(3.2) | \$(3.3) | 9       | %       | 12   | % |

"n.m." means not meaningful.

2018 Third Quarter and Year-to-Date Treasury Business Segment's results were mainly impacted by higher NII from improved positive gap income in the repricing of the Bank's assets and liabilities, coupled with lower funding spreads from a year ago.

## NET INTEREST INCOME AND MARGINS

| (US\$ million, except percentages) | 9M18    | 9M17    | YoY (%) | 3Q18     | 2Q18   | 3Q17   | QoQ (%) | YoY (%) |    |   |
|------------------------------------|---------|---------|---------|----------|--------|--------|---------|---------|----|---|
| Net Interest Income                |         |         |         |          |        |        |         |         |    |   |
| Interest income                    | \$184.4 | \$170.3 | 8       | % \$65.0 | \$61.9 | \$55.1 | 5       | %       | 18 | % |
| Interest expense                   | (102.6) | (78.6)  | 31      | % (37.7) | (34.0) | (27.2) | 11      | %       | 39 | % |
| Net Interest Income                | \$81.8  | \$91.7  | -11     | % \$27.3 | \$27.9 | \$27.9 | -2      | %       | -2 | % |
| Net Interest Margin                |         |         |         |          |        |        |         |         |    |   |
|                                    | 1.74    | % 1.87  | % -7    | % 1.74   | % 1.81 | % 1.76 | % -4    | %       | -1 | % |

3Q18 NII and NIM were mainly impacted by the reversal of accrued interest on NPL reclassification, partially offset by higher average lending volumes and 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.

Year-to-date 2018 NII of \$81.8 million decreased 11% mainly due to narrower net lending spreads on shorter tenor loan origination and higher FIs exposure.

## FEES AND OTHER INCOME

Fees and Other Income 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 and secondary markets.

| (US\$ million)                                 | 9M18   | 9M17   | YoY (%) |   | 3Q18  | 2Q18  | 3Q17  | QoQ (%) |   | YoY (%) |   |
|--|--------|--------|---------|---|-------|-------|-------|---------|---|---------|---|
| Fees and Commissions, net                      | \$11.8 | \$11.8 | 0       | % | \$3.7 | \$5.0 | \$3.6 | -27     | % | 4       | % |
| Letters of credit and other contingent credits | 8.8    | 7.9    | 11      | % | 2.8   | 3.0   | 2.3   | -8      | % | 22      | % |
| Loan structuring and distribution fees         | 3.0    | 3.9    | -24     | % | 0.9   | 2.0   | 1.3   | -54     | % | -29     | % |
| (Loss) gain on sale of loans                   | (0.6)  | 0.1    | n.m.    |   | 0.0   | 0.0   | 0.0   | n.m.    |   | n.m.    |   |
| Other income, net                              | 1.2    | 0.8    | 49      | % | 0.6   | 0.5   | 0.2   | 6       | % | 180     | % |
| Fees and Other Income                          | \$12.4 | \$12.8 | -3      | % | \$4.3 | \$5.6 | \$3.8 | -23     | % | 13      | % |

"n.m." means not meaningful.

2018 Third Quarter and Year-to-date Fees and Other Income were mainly impacted by improved commissions from letters of credit business and lower loan structuring fees, reflecting the uneven nature of the business. In addition, year-to-date fees and commission from letters of credit and syndication business remained stable at \$11.8 million.



**PORTFOLIO QUALITY AND ALLOWANCE FOR ECL ON LOANS, LOAN COMMITMENTS AND FINANCIAL GUARANTEE CONTRACTS**

| (US\$ million, except percentages)  | 30-Sep-18 | 30-Jun-18 | 31-Mar-18 | 31-Dec-17 | 30-Sep-17 |
|---|-----------|-----------|-----------|-----------|-----------|
| Allowance for ECL on loans  |           |           |           |           |           |
| Balance at beginning of the period  | \$ 85.7   | \$ 82.7   | \$ 81.3   | \$ 111.7  | \$ 115.6  |
| Provisions (reversals)  | 53.6      | 7.6       | 1.4       | (1.1 )    | 0.4       |
| Write-offs, net of recoveries   | 0.0       | (4.5 )    | 0.0       | (29.3 )   | (4.2 )    |
| End of period balance   | \$ 139.3  | \$ 85.7   | \$ 82.7   | \$ 81.3   | \$ 111.7  |
| Allowance for ECL on loan commitments and financial guarantee contracts:  |           |           |           |           |           |
| Balance at beginning of the period  | \$ 1.7    | \$ 7.4    | \$ 6.8    | \$ 4.8    | \$ 4.6    |
| Provisions (reversals)  | 1.6       | (5.8 )    | 0.6       | 2.0       | 0.2       |
| End of period balance   | \$ 3.2    | \$ 1.7    | \$ 7.4    | \$ 6.8    | \$ 4.8    |
| Total allowance for ECL (allowance for ECL on loans plus allowance for ECL on loan commitments and financial guarantee contracts) | \$ 142.5  | \$ 87.4   | \$ 90.1   | \$ 88.1   | \$ 116.6  |
| Total allowance for ECL to Commercial Portfolio   | 2.26 %    | 1.44 %    | 1.57 %    | 1.47 %    | 2.04 %    |
| NPL to gross loan portfolio   | 2.08 %    | 0.98 %    | 1.12 %    | 1.07 %    | 1.20 %    |
| Total allowance for ECL to NPL (times)  | 1.2       | 1.6       | 1.5       | 1.5       | 1.8       |

The total allowance for ECL amounted to \$142.5 million at September 30, 2018, representing 2.26% of the total Commercial Portfolio, compared to \$87.4 million and 1.44%, respectively, as of June 30, 2018, and compared to \$116.6 million and 2.04%, respectively, as of September 30, 2017. The \$55.1 million QoQ increase was primarily associated with higher allocated allowances for ECL on increased NPL due to a significant deterioration in sugar industry fundamentals during the quarter.

NPL balances stood at \$119.0, or 2.08% of total Loan Portfolio balances at the end of 3Q18, versus NPLs of \$54.3 million, or 0.98% of total Loan Portfolio balances, at the end of 2Q18, and \$64.1 million, or 1.20% of total Loan Portfolio balances, at the end of 3Q17. The increase was mainly driven by the deterioration of one credit in the sugar industry in Brazil in the amount of \$61.8 million, which significantly deteriorated and entered a complex restructuring process during the quarter.





**OPERATING EXPENSES**

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

| (US\$ million, except percentages)                   | 9M18   | 9M17   | YoY (%) |   | 3Q18   | 2Q18   | 3Q17   | QoQ (%) |   | YoY (%) |   |
|--|--------|--------|---------|---|--------|--------|--------|---------|---|---------|---|
| Operating expenses                                   |        |        |         |   |        |        |        |         |   |         |   |
| Salaries and other employee expenses                 | 21.4   | 20.3   | 5       | % | 5.2    | 6.1    | 5.8    | -14     | % | -11     | % |
| Depreciation of equipment and leasehold improvements | 1.0    | 1.2    | -18     | % | 0.3    | 0.3    | 0.4    | -1      | % | -18     | % |
| Amortization of intangible assets                    | 1.0    | 0.6    | 83      | % | 0.3    | 0.3    | 0.2    | 0       | % | 93      | % |
| Other expenses                                       | 13.2   | 11.7   | 12      | % | 5.0    | 4.6    | 3.6    | 8       | % | 40      | % |
| Total Operating Expenses                             | \$36.5 | \$33.8 | 8       | % | \$10.9 | \$11.4 | \$10.0 | -5      | % | 9       | % |

3Q18 and year-to-date 2018 Operating Expenses were mainly impacted by quarterly decreasing trend in salaries and other employee expenses. In the following table, a run-rate base of operating expenses is presented, segregating severance related employee expenses and other one-time expenses incurred in the Bank's effort of optimizing personnel, processes and technology infrastructure.

| (US\$ million, except percentages)   | 9M18   | 9M17   | YoY (%) |   | 3Q18   | 2Q18   | 3Q17   | QoQ (%) |   | YoY (%) |   |
|--|--------|--------|---------|---|--------|--------|--------|---------|---|---------|---|
| Run-rate base of operating expenses  |        |        |         |   |        |        |        |         |   |         |   |
| Salaries and other employee expenses, excluding severance related expenses | 19.6   | 18.7   | 5       | % | 4.8    | 5.2    | 5.8    | -7      | % | -18     | % |
| Other expenses, excluding one-time charges                                 | 14.2   | 13.5   | 5       | % | 5.0    | 4.9    | 4.1    | 3       | % | 23      | % |
| Sub-total run-rate operating expenses                                      | \$33.7 | \$32.1 | 5       | % | \$9.8  | \$10.1 | \$10.0 | -2      | % | -1      | % |
| Severance related expenses   | 1.8    | 1.6    | 11      | % | 0.4    | 0.9    | 0.0    | -56     | % | n.m.    |   |
| One-time charges   | 1.0    | 0.0    | n.m.    |   | 0.6    | 0.4    | 0.0    | 57      | % | n.m.    |   |
| Total Operating Expenses   | \$36.5 | \$33.8 | 8       | % | \$10.9 | \$11.4 | \$10.0 | -5      | % | 9       | % |
| Adjusted Efficiency Ratio  | 36.7%  | 31.0%  | 19      | % | 33.2%  | 32.0%  | 32.0%  | 4       | % | 4       | % |
| Efficiency Ratio   | 39.7%  | 32.5%  | 22      | % | 36.5%  | 36.1%  | 32.0%  | 1       | % | 14      | % |

"n.m." means not meaningful.

The Bank's run-rate of quarterly expense base decreased to \$9.8 million in 3Q18, excluding charges related to severance and other one-time expenses, resulting in an adjusted Efficiency Ratio of 33.2% for 3Q18.

**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) | 30-Sep-18 | 30-Jun-18 | 30-Sep-17 | QoQ (%) | YoY (%) |     |   |
|---|-----------|-----------|-----------|---------|---------|-----|---|
| Tier 1 Capital <sup>(9)</sup>                             | \$ 990    | \$ 1,048  | \$ 1,032  | -6      | %       | -4  | % |
| Risk-Weighted Assets Basel III <sup>(9)</sup>             | \$ 5,574  | \$ 5,233  | \$ 5,082  | 7       | %       | 10  | % |
| Tier 1 Basel III Capital Ratio <sup>(9)</sup>             | 17.8 %    | 20.0 %    | 20.3 %    | -11     | %       | -13 | % |
| Total stockholders' equity                                | \$ 989    | \$ 1,047  | \$ 1,032  | -6      | %       | -4  | % |
| Total stockholders' equity to total assets                | 15.1 %    | 16.5 %    | 16.6 %    | -9      | %       | -9  | % |
| Accumulated other comprehensive income (loss) ("OCI")     | \$ 2      | \$ 2      | \$ (2 )   | -24     | %       | 190 | % |
| Total assets / Total stockholders' equity (times)         | 6.6       | 6.0       | 6.0       | 10      | %       | 10  | % |
| Shares outstanding (in thousand)                          | 39,539    | 39,638    | 39,365    | 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 September 30, 2018. At the same date, the Bank's ratio of total assets to stockholders' equity was 6.6 times, and the Tier 1 Basel III Capital Ratio stood at 17.8%, on higher level of RWA resulting from Commercial Portfolio growth, coupled with lower equity levels on the quarterly loss.

**RECENT EVENTS**

**Quarterly dividend payment:** The Bank's Board of Directors approved a quarterly common dividend of \$0.385 per \$ share corresponding to the third quarter 2018. The dividend will be paid on November 20, 2018, to stockholders registered as of November 6, 2018.

**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:**

Total operating expenses includes the following expenses line items of the consolidated statements of profit or loss:

- 1) salaries and other employee expenses, depreciation of equipment and leasehold improvements, amortization of intangible assets, and other expenses.
- 2) Earnings per Share (“EPS”) calculation is based on the average number of shares outstanding during each period.
- 3) ROAE refers to return on average stockholders’ equity which is calculated on the basis of unaudited daily average balances.
- 4) NIM refers to net interest margin which constitutes to net interest income divided by the average balance of interest-earning assets.

5) 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.

6) Efficiency Ratio refers to consolidated operating expenses as a percentage of total income.

The Bank's "Commercial Portfolio" includes gross loans (or the "Loan Portfolio"), 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.

8) 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' 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 deposits in banks, excluding pledged deposits and margin calls. Liquidity ratio refers to liquid assets as a percentage of total assets.

11) Loan Portfolio refers to loans, gross of the allowance for expected credit losses and unearned interest and deferred fees.

12) Total allowance for ECL refers to allowance for expected credit losses on loans plus allowance for expected credit losses on loan commitments and financial guarantee contracts.

13) Net other income (loss) by Business Segment consists of the following items:

Commercial Business Segment: gain on sale of loans, loss on investment properties at fair value through profit or loss, and net related other income.

- Treasury Business Segment: net other income 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 net related other income.

## 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, October 25, 2018 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: 81824564.

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)

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## EXHIBIT I

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

|  | AT THE END OF,                                     |                         |                              | (A) - (B)         |            | (A) - (C)         |            |
|--|--|-------------------------|------------------------------|-------------------|------------|-------------------|------------|
|  | (A)<br>September<br>30, 2018<br>(In US\$ thousand) | (B)<br>June 30,<br>2018 | (C)<br>September 30,<br>2017 | CHANGE            | %          | CHANGE            | %          |
| <b>ASSETS:</b>   |  |                         |                              |                   |            |                   |            |
| Cash and cash equivalents  | \$ 792,952   | \$ 683,523              | \$ 799,435                   | \$ 109,429        | 16 %       | \$(6,483 )        | (1 )%      |
| <b>Financial Instruments:</b>  |  |                         |                              |                   |            |                   |            |
| At fair value through OCI  | 20,971   | 21,076                  | 16,796                       | (105 )            | (0 )       | 4,175             | 25         |
| Securities at amortized<br>cost, net                                 | 77,562   | 78,129                  | 70,697                       | (567 )            | (1 )       | 6,865             | 10         |
| Loans  | 5,724,518  | 5,555,254               | 5,343,191                    | 169,264           | 3          | 381,327           | 7          |
| <b>Less:</b>   |  |                         |                              |                   |            |                   |            |
| Allowance for expected<br>credit losses                              | 139,318  | 85,711                  | 111,728                      | 53,607            | 63         | 27,590            | 25         |
| Unearned interest and<br>deferred fees                               | 7,357  | 6,660                   | 5,838                        | 697               | 10         | 1,519             | 26         |
| Loans, net   | 5,577,843  | 5,462,883               | 5,225,625                    | 114,960           | 2          | 352,218           | 7          |
| Derivative financial<br>instruments used for<br>hedging – receivable | 3,391  | 6,379                   | 11,034                       | (2,988 )          | (47 )      | (7,643 )          | (69 )      |
| Investment properties, net   | 2,289  | 3,971                   | 0                            | (1,682 )          | (42 )      | 2,289             | n.m. (*)   |
| Property and equipment,<br>net                                       | 6,692  | 6,958                   | 7,849                        | (266 )            | (4 )       | (1,157 )          | (15 )      |
| Intangibles, net   | 1,798  | 4,790                   | 2,368                        | (2,992 )          | (62 )      | (570 )            | (24 )      |
| <b>Other assets:</b>   |  |                         |                              |                   |            |                   |            |
| Customers' liabilities under<br>acceptances                          | 24,232   | 13,656                  | 4,902                        | 10,576            | 77         | 19,330            | 394        |
| Accrued interest receivable  | 45,367   | 38,379                  | 32,869                       | 6,988             | 18         | 12,498            | 38         |
| Other assets   | 7,661  | 11,330                  | 28,545                       | (3,669 )          | (32 )      | (20,884 )         | (73 )      |
| Total of other assets  | 77,260   | 63,365                  | 66,316                       | 13,895            | 22         | 10,944            | 17         |
| <b>TOTAL ASSETS</b>  | <b>\$ 6,560,758</b>                                | <b>\$ 6,331,074</b>     | <b>\$ 6,200,120</b>          | <b>\$ 229,684</b> | <b>4 %</b> | <b>\$ 360,638</b> | <b>6 %</b> |

**LIABILITIES AND  
STOCKHOLDERS'  
EQUITY:**
**Deposits:**

|                |           |           |           |           |       |             |        |
|----------------|-----------|-----------|-----------|-----------|-------|-------------|--------|
| Demand         | \$78,131  | \$20,001  | \$205,133 | \$58,130  | 291 % | \$(127,002) | (62 )% |
| Time           | 2,699,404 | 2,969,001 | 2,797,876 | (269,597) | (9 )  | (98,472 )   | (4 )   |
| Total deposits | 2,777,535 | 2,989,002 | 3,003,009 | (211,467) | (7 )  | (225,474)   | (8 )   |

**Derivative financial  
instruments used for  
hedging – payable**

|        |        |        |          |       |     |   |
|--------|--------|--------|----------|-------|-----|---|
| 26,394 | 30,064 | 25,617 | (3,670 ) | (12 ) | 777 | 3 |
|--------|--------|--------|----------|-------|-----|---|

**Securities sold under  
repurchase agreement**

|        |   |   |        |          |        |          |
|--------|---|---|--------|----------|--------|----------|
| 39,767 | 0 | 0 | 39,767 | n.m. (*) | 39,767 | n.m. (*) |
|--------|---|---|--------|----------|--------|----------|

**Short-term borrowings and  
debt**

|           |           |         |         |    |         |    |
|-----------|-----------|---------|---------|----|---------|----|
| 1,237,603 | 1,048,470 | 737,129 | 189,133 | 18 | 500,474 | 68 |
|-----------|-----------|---------|---------|----|---------|----|

**Long-term borrowings and  
debt, net**

|           |           |           |         |    |        |   |
|-----------|-----------|-----------|---------|----|--------|---|
| 1,423,952 | 1,169,672 | 1,357,796 | 254,280 | 22 | 66,156 | 5 |
|-----------|-----------|-----------|---------|----|--------|---|

**Other liabilities:**
**Acceptances outstanding**

|        |        |       |        |    |        |     |
|--------|--------|-------|--------|----|--------|-----|
| 24,232 | 13,656 | 4,902 | 10,576 | 77 | 19,330 | 394 |
|--------|--------|-------|--------|----|--------|-----|

**Accrued interest payable**

|        |        |        |       |    |       |    |
|--------|--------|--------|-------|----|-------|----|
| 23,427 | 15,953 | 18,191 | 7,474 | 47 | 5,236 | 29 |
|--------|--------|--------|-------|----|-------|----|

**Allowance for expected  
credit losses on loan  
commitments and financial  
guarantee contracts**

|       |       |       |       |    |          |       |
|-------|-------|-------|-------|----|----------|-------|
| 3,219 | 1,652 | 4,830 | 1,567 | 95 | (1,611 ) | (33 ) |
|-------|-------|-------|-------|----|----------|-------|

**Other liabilities**

|        |        |        |     |   |          |      |
|--------|--------|--------|-----|---|----------|------|
| 15,678 | 15,226 | 16,907 | 452 | 3 | (1,229 ) | (7 ) |
|--------|--------|--------|-----|---|----------|------|

**Total other liabilities**

|        |        |        |        |    |        |    |
|--------|--------|--------|--------|----|--------|----|
| 66,556 | 46,487 | 44,830 | 20,069 | 43 | 21,726 | 48 |
|--------|--------|--------|--------|----|--------|----|

**TOTAL LIABILITIES**

|             |             |             |           |     |           |     |
|-------------|-------------|-------------|-----------|-----|-----------|-----|
| \$5,571,807 | \$5,283,695 | \$5,168,381 | \$288,112 | 5 % | \$403,426 | 8 % |
|-------------|-------------|-------------|-----------|-----|-----------|-----|

**STOCKHOLDERS'  
EQUITY:**
**Common stock**

|         |         |         |   |     |   |     |
|---------|---------|---------|---|-----|---|-----|
| 279,980 | 279,980 | 279,980 | 0 | 0 % | 0 | 0 % |
|---------|---------|---------|---|-----|---|-----|

**Treasury stock**

|           |           |           |          |   |       |      |
|-----------|-----------|-----------|----------|---|-------|------|
| (61,076 ) | (58,635 ) | (64,667 ) | (2,441 ) | 4 | 3,591 | (6 ) |
|-----------|-----------|-----------|----------|---|-------|------|

**Additional paid-in capital  
in excess of assigned value  
of common stock**

|         |         |         |     |   |    |   |
|---------|---------|---------|-----|---|----|---|
| 119,523 | 119,059 | 119,436 | 464 | 0 | 87 | 0 |
|---------|---------|---------|-----|---|----|---|

**Capital reserves**

|        |        |        |   |   |   |   |
|--------|--------|--------|---|---|---|---|
| 95,210 | 95,210 | 95,210 | 0 | 0 | 0 | 0 |
|--------|--------|--------|---|---|---|---|

**Dynamic provision**

|         |         |         |   |   |       |   |
|---------|---------|---------|---|---|-------|---|
| 108,756 | 108,756 | 107,392 | 0 | 0 | 1,364 | 1 |
|---------|---------|---------|---|---|-------|---|

**Regulatory credit reserve**

|    |        |       |           |       |          |       |
|----|--------|-------|-----------|-------|----------|-------|
| 25 | 15,201 | 7,996 | (15,176 ) | (100) | (7,971 ) | (100) |
|----|--------|-------|-----------|-------|----------|-------|

**Retained earnings**

|         |         |         |           |      |           |      |
|---------|---------|---------|-----------|------|-----------|------|
| 444,959 | 485,724 | 488,135 | (40,765 ) | (8 ) | (43,176 ) | (9 ) |
|---------|---------|---------|-----------|------|-----------|------|

**Accumulated other  
comprehensive income  
(loss)**

|       |       |          |        |       |       |       |
|-------|-------|----------|--------|-------|-------|-------|
| 1,574 | 2,084 | (1,743 ) | (510 ) | (24 ) | 3,317 | (190) |
|-------|-------|----------|--------|-------|-------|-------|

**TOTAL**
**STOCKHOLDERS'  
EQUITY**

|           |             |             |             |       |             |       |
|-----------|-------------|-------------|-------------|-------|-------------|-------|
| \$988,951 | \$1,047,379 | \$1,031,739 | \$(58,428 ) | (6 )% | \$(42,788 ) | (4 )% |
|-----------|-------------|-------------|-------------|-------|-------------|-------|

|             |             |             |           |     |           |     |
|-------------|-------------|-------------|-----------|-----|-----------|-----|
| \$6,560,758 | \$6,331,074 | \$6,200,120 | \$229,684 | 4 % | \$360,638 | 6 % |
|-------------|-------------|-------------|-----------|-----|-----------|-----|

TOTAL LIABILITIES  
AND STOCKHOLDERS'  
EQUITY

(\*) "n.m." means not meaningful.

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## EXHIBIT II

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

|   | FOR THE THREE MONTHS ENDED |               |               |                 |              |                 |              |  |
|---|----------------------------|---------------|---------------|-----------------|--------------|-----------------|--------------|--|
|   | (A)                        | (B)           | (C)           | (A) - (B)       |              | (A) - (C)       |              |  |
|   | September                  | June 30,      | September 30, | CHANGE          | %            | CHANGE          | %            |  |
|   | 30, 2018                   | 2018          | 2017          |                 |              |                 |              |  |
| <b>NET INTEREST INCOME:</b>   |                            |               |               |                 |              |                 |              |  |
| Interest income   | \$ 65,020                  | \$ 61,919     | \$ 55,050     | \$ 3,101        | 5            | \$ 9,970        | 18           |  |
| Interest expense  | (37,724 )                  | (34,030 )     | (27,153 )     | (3,694 )        | 11           | (10,571 )       | 39           |  |
| <b>NET INTEREST INCOME</b>  | <b>27,296</b>              | <b>27,889</b> | <b>27,897</b> | <b>(593 )</b>   | <b>(2 )</b>  | <b>(601 )</b>   | <b>(2 )</b>  |  |
| <b>OTHER INCOME:</b>  |                            |               |               |                 |              |                 |              |  |
| Fees and commissions, net   | 3,692                      | 5,032         | 3,566         | (1,340 )        | (27 )        | 126             | 4            |  |
| Loss on derivative financial instruments and foreign currency exchange    | (1,554 )                   | (516 )        | (616 )        | (1,038 )        | 201          | (938 )          | 152          |  |
| Gain (Loss) per financial instrument at fair value through profit or loss | 109                        | (280 )        | 3             | 389             | (139)        | 106             | 3,533        |  |
| Gain on sale of loans   | 0                          | 0             | 15            | 0               | n.m. (*)     | (15 )           | (100 )       |  |
| Loss on investment properties at fair value through profit or loss        | (412 )                     | (1,148 )      | 0             | 736             | (64 )        | (412 )          | n.m. (*)     |  |
| Other income, net   | 564                        | 530           | 201           | 34              | 6            | 363             | 181          |  |
| <b>NET OTHER INCOME</b>   | <b>2,399</b>               | <b>3,618</b>  | <b>3,169</b>  | <b>(1,219 )</b> | <b>(34 )</b> | <b>(770 )</b>   | <b>(24 )</b> |  |
| <b>TOTAL INCOME</b>   | <b>29,695</b>              | <b>31,507</b> | <b>31,066</b> | <b>(1,812 )</b> | <b>(6 )</b>  | <b>(1,371 )</b> | <b>(4 )</b>  |  |
| <b>EXPENSES:</b>  |                            |               |               |                 |              |                 |              |  |
| Impairment loss from expected credit losses on loans                      | 53,568                     | 7,564         | 362           | 46,004          | 608          | 53,206          | 14,698       |  |

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|  |                    |                  |                  |                    |               |                    |                |
|--|--------------------|------------------|------------------|--------------------|---------------|--------------------|----------------|
| Impairment loss (recovery) from expected credit losses on investment securities                              | 0                  | (22 )            | 75               | 22                 | (100)         | (75 )              | (100 )         |
| Impairment loss (recovery) from expected credit losses on loan commitments and financial guarantee contracts | 1,566              | (5,771 )         | 215              | 7,337              | (127)         | 1,351              | 628            |
| Impairment loss in other assets  | 1,724              | 1,740            | 0                | (16 )              | (1 )          | 1,724              | n.m. (*)       |
| Loss on derecognition of intangible assets   | 2,705              | 0                | 0                | 2,705              | n.m. (*)      | 2,705              | n.m. (*)       |
| <b>OPERATING EXPENSES:</b>   |                    |                  |                  |                    |               |                    |                |
| Salaries and other employee expenses   | 5,213              | 6,083            | 5,842            | (870 )             | (14 )         | (629 )             | (11 )          |
| Depreciation of equipment and leasehold improvements   | 315                | 319              | 384              | (4 )               | (1 )          | (69 )              | (18 )          |
| Amortization of intangible assets  | 336                | 337              | 174              | (1 )               | (0 )          | 162                | 93             |
| Other expenses   | 4,987              | 4,631            | 3,553            | 356                | 8             | 1,434              | 40             |
| <b>TOTAL OPERATING EXPENSES</b>  | <b>10,851</b>      | <b>11,370</b>    | <b>9,953</b>     | <b>(519 )</b>      | <b>(5 )</b>   | <b>898</b>         | <b>9</b>       |
| <b>TOTAL EXPENSES</b>  | <b>70,414</b>      | <b>14,881</b>    | <b>10,605</b>    | <b>55,533</b>      | <b>373</b>    | <b>59,809</b>      | <b>564</b>     |
| <b>(LOSS) PROFIT FOR THE PERIOD</b>  | <b>\$(40,719 )</b> | <b>\$ 16,626</b> | <b>\$ 20,461</b> | <b>\$(57,345 )</b> | <b>(345)%</b> | <b>\$(61,180 )</b> | <b>(299 )%</b> |
| <b>PER COMMON SHARE DATA:</b>  |                    |                  |                  |                    |               |                    |                |
| Basic earnings per share   | \$(1.03 )          | \$ 0.42          | \$ 0.52          |                    |               |                    |                |
| Diluted earnings per share   | \$(1.03 )          | \$ 0.42          | \$ 0.52          |                    |               |                    |                |
| Book value (period average)  | \$ 26.43           | \$ 26.34         | \$ 26.02         |                    |               |                    |                |
| Book value (period end)  | \$ 25.01           | \$ 26.42         | \$ 26.21         |                    |               |                    |                |
| Weighted average basic shares  | 39,540             | 39,626           | 39,362           |                    |               |                    |                |
| Weighted average diluted shares  | 39,540             | 39,651           | 39,413           |                    |               |                    |                |
| Basic shares period end  | 39,539             | 39,638           | 39,365           |                    |               |                    |                |
| <b>PERFORMANCE RATIOS:</b>   |                    |                  |                  |                    |               |                    |                |
| Return on average assets   | -2.58 %            | 1.07 %           | 1.30 %           |                    |               |                    |                |
| Return on average stockholders' equity   | -15.5 %            | 6.4 %            | 7.9 %            |                    |               |                    |                |
| Net interest margin  | 1.74 %             | 1.81 %           | 1.76 %           |                    |               |                    |                |

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|  |      |   |      |   |      |   |
|--|------|---|------|---|------|---|
| Net interest spread                        | 1.20 | % | 1.31 | % | 1.37 | % |
| Efficiency Ratio                           | 36.5 | % | 36.1 | % | 32.0 | % |
| Operating expenses to total average assets | 0.69 | % | 0.73 | % | 0.63 | % |

(\*) "n.m." means not meaningful.

## EXHIBIT III

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

|   | FOR THE NINE MONTHS ENDED    |                              |                     |              |
|---|------------------------------|------------------------------|---------------------|--------------|
|   | (A)<br>September 30,<br>2018 | (B)<br>September 30,<br>2017 | (A) - (B)<br>CHANGE | %            |
| <b>NET INTEREST INCOME:</b>   |                              |                              |                     |              |
| Interest income   | \$ 184,376                   | \$ 170,280                   | \$ 14,096           | 8 %          |
| Interest expense  | (102,601 )                   | (78,606 )                    | (23,995 )           | 31           |
| <b>NET INTEREST INCOME</b>  | <b>81,775</b>                | <b>91,674</b>                | <b>(9,899 )</b>     | <b>(11 )</b> |
| <b>OTHER INCOME:</b>  |                              |                              |                     |              |
| Fees and commissions, net   | 11,783                       | 11,848                       | (65 )               | (1 )         |
| Loss on derivative financial instruments and foreign<br>currency exchange                     | (404 )                       | (12 )                        | (392 )              | 3,267        |
| Loss per financial instrument at fair value through<br>profit or loss                         | (233 )                       | (706 )                       | 473                 | (67 )        |
| Gain per financial instrument at fair value through<br>OCI                                    | 0                            | 79                           | (79 )               | (100 )       |
| (Loss) gain on sale of loans  | (625 )                       | 113                          | (738 )              | (653 )       |
| Loss on investment properties at fair value through<br>profit or loss                         | (1,560 )                     | 0                            | (1,560 )            | n.m. (*)     |
| Other income, net   | 1,209                        | 810                          | 399                 | 49           |
| <b>NET OTHER INCOME</b>   | <b>10,170</b>                | <b>12,132</b>                | <b>(1,962 )</b>     | <b>(16 )</b> |
| <b>TOTAL INCOME</b>   | <b>91,945</b>                | <b>103,806</b>               | <b>(11,861 )</b>    | <b>(11 )</b> |
| <b>EXPENSES:</b>  |                              |                              |                     |              |
| Impairment loss from expected credit losses on loans  | 62,509                       | 9,981                        | 52,528              | 526          |
| Recovery from expected credit losses on investment<br>securities                              | (47 )                        | (390 )                       | 343                 | (88 )        |
| Recovery from expected credit losses on loan<br>commitments and financial guarantee contracts | (3,626 )                     | (946 )                       | (2,680 )            | 283          |
| Impairment loss in other assets   | 3,464                        | 0                            | 3,464               | n.m. (*)     |



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|  |                   |                    |                    |               |
|--|-------------------|--------------------|--------------------|---------------|
| Loss on derecognition of intangible assets           | 2,705             | 0                  | 2,705              | n.m. (*)      |
| <b>OPERATING EXPENSES:</b>                           |                   |                    |                    |               |
| Salaries and other employee expenses                 | 21,390            | 20,306             | 1,084              | 5             |
| Depreciation of equipment and leasehold improvements | 957               | 1,171              | (214)              | (18)          |
| Amortization of intangible assets                    | 1,011             | 553                | 458                | 83            |
| Other expenses                                       | 13,177            | 11,731             | 1,446              | 12            |
| <b>TOTAL OPERATING EXPENSES</b>                      | <b>36,535</b>     | <b>33,761</b>      | <b>2,774</b>       | <b>8</b>      |
| <b>TOTAL EXPENSES</b>                                | <b>101,540</b>    | <b>42,406</b>      | <b>59,134</b>      | <b>139</b>    |
| <br>   |                   |                    |                    |               |
| <b>(LOSS) PROFIT FOR THE PERIOD</b>                  | <b>\$ (9,595)</b> | <b>) \$ 61,400</b> | <b>\$ (70,995)</b> | <b>(116)%</b> |
| <br>   |                   |                    |                    |               |
| <b>PER COMMON SHARE DATA:</b>                        |                   |                    |                    |               |
| Basic earnings per share                             | \$ (0.24)         | ) \$ 1.56          |                    |               |
| Diluted earnings per share                           | \$ (0.24)         | ) \$ 1.56          |                    |               |
| Book value (period average)                          | \$ 26.41          | \$ 25.93           |                    |               |
| Book value (period end)                              | \$ 25.01          | \$ 26.21           |                    |               |
| <br>   |                   |                    |                    |               |
| Weighted average basic shares                        | 39,544            | 39,289             |                    |               |
| Weighted average diluted shares                      | 39,544            | 39,319             |                    |               |
| Basic shares period end                              | 39,539            | 39,365             |                    |               |
| <br>   |                   |                    |                    |               |
| <b>PERFORMANCE RATIOS:</b>                           |                   |                    |                    |               |
| Return on average assets                             | -0.20             | %                  | 1.26               | %             |
| Return on average stockholders' equity               | -1.2              | %                  | 8.1                | %             |
| Net interest margin                                  | 1.74              | %                  | 1.87               | %             |
| Net interest spread                                  | 1.26              | %                  | 1.51               | %             |
| Efficiency Ratio                                     | 39.7              | %                  | 32.5               | %             |
| Operating expenses to total average assets           | 0.77              | %                  | 0.69               | %             |

(\*) "n.m." means not meaningful.

## EXHIBIT IV

## CONSOLIDATED NET INTEREST INCOME AND AVERAGE BALANCES

|  | FOR THE THREE MONTHS ENDED |                 |               |                    |                 |               |                    |                 |               |
|--|----------------------------|-----------------|---------------|--------------------|-----------------|---------------|--------------------|-----------------|---------------|
|  | September 30, 2018         |                 |               | June 30, 2018      |                 |               | September 30, 2017 |                 |               |
|  | AVERAGE                    | AVG.            | AVERAGE       | AVG.               | AVERAGE         | AVG.          | AVERAGE            | AVG.            |               |
|  | BALANCE                    | INTEREST        | BALANCE       | INTEREST           | BALANCE         | INTEREST      | BALANCE            | INTEREST        |               |
|  | (In US\$ thousand)         |                 |               |                    |                 |               |                    |                 |               |
| <b>INTEREST EARNING ASSETS</b>                             |                            |                 |               |                    |                 |               |                    |                 |               |
| Cash and cash equivalents                                  | \$608,989                  | 3,129           | 2.01 %        | \$689,288          | 3,225           | 1.85 %        | \$798,466          | \$2,995         | 1.47 %        |
| Financial Instruments at fair value through profit or loss | 0                          | 0               | 0.00          | 0                  | 0               | 0.00          | 1                  | 0               | 0.00          |
| Securities at fair value through OCI                       | 15,728                     | 150             | 3.73          | 16,291             | 143             | 3.47          | 16,823             | 124             | 2.89          |
| Securities at amortized cost <sup>(1)</sup>                | 77,939                     | 599             | 3.01          | 71,467             | 521             | 2.88          | 66,623             | 474             | 2.78          |
| Loans, net of unearned interest                            | 5,517,471                  | 61,142          | 4.34          | 5,398,233          | 58,030          | 4.25          | 5,389,948          | 51,457          | 3.74          |
| <b>TOTAL INTEREST EARNING ASSETS</b>                       | <b>\$6,220,127</b>         | <b>\$65,020</b> | <b>4.09 %</b> | <b>\$6,175,279</b> | <b>\$61,919</b> | <b>3.97 %</b> | <b>\$6,271,861</b> | <b>\$55,050</b> | <b>3.43 %</b> |
| Allowance for expected credit losses on loans              | (84,958 )                  |                 |               | (86,664 )          |                 |               | (115,631 )         |                 |               |
| Non interest earning assets                                | 119,272                    |                 |               | 132,226            |                 |               | 86,060             |                 |               |
| <b>TOTAL ASSETS</b>  | <b>\$6,254,441</b>         |                 |               | <b>\$6,220,841</b> |                 |               | <b>\$6,242,290</b> |                 |               |
| <b>INTEREST BEARING LIABILITIES</b>                        |                            |                 |               |                    |                 |               |                    |                 |               |
| Deposits   | 2,904,153                  | \$16,767        | 2.26 %        | 3,130,345          | \$16,388        | 2.07 %        | \$3,301,112        | \$12,510        | 1.48 %        |

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|   |                    |                 |              |                    |                 |              |                    |                 |              |
|---|--------------------|-----------------|--------------|--------------------|-----------------|--------------|--------------------|-----------------|--------------|
| Trading liabilities   | 0                  | 0               | 0.00         | 11                 | 0               | 0.00         | 6                  | 0               | 0.00         |
| Securities sold under repurchase agreement and short-term borrowings and debt | 934,653            | 7,094           | 2.97         | 820,052            | 6,293           | 3.04         | 446,652            | 2,209           | 1.94         |
| Long-term borrowings and debt, net <sup>(2)</sup>                             | 1,268,857          | 13,863          | 4.28         | 1,121,591          | 11,349          | 4.00         | 1,398,233          | 12,434          | 3.48         |
| <b>TOTAL INTEREST BEARING LIABILITIES</b>                                     | <b>\$5,107,663</b> | <b>\$37,724</b> | <b>2.89%</b> | <b>\$5,071,999</b> | <b>\$34,030</b> | <b>2.65%</b> | <b>\$5,146,003</b> | <b>\$27,153</b> | <b>2.06%</b> |
| Non interest bearing liabilities and other liabilities                        | \$101,796          |                 |              | \$104,967          |                 |              | \$72,152           |                 |              |
| <b>TOTAL LIABILITIES</b>  | <b>5,209,459</b>   |                 |              | <b>5,176,966</b>   |                 |              | <b>5,218,155</b>   |                 |              |
| <b>STOCKHOLDERS' EQUITY</b>   | <b>1,044,982</b>   |                 |              | <b>1,043,875</b>   |                 |              | <b>1,024,134</b>   |                 |              |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>                             | <b>\$6,254,441</b> |                 |              | <b>\$6,220,841</b> |                 |              | <b>\$6,242,290</b> |                 |              |
| <b>NET INTEREST SPREAD</b>  |                    |                 | <b>1.20%</b> |                    |                 | <b>1.31%</b> |                    |                 | <b>1.37%</b> |
| <b>NET INTEREST INCOME AND NET INTEREST MARGIN</b>                            |                    | <b>\$27,296</b> | <b>1.74%</b> |                    | <b>\$27,889</b> | <b>1.81%</b> |                    | <b>\$27,897</b> | <b>1.76%</b> |

(1)Gross of the allowance for expected credit 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 NINE MONTHS ENDED |                   |               |                    |                   |               |
|---|---------------------------|-------------------|---------------|--------------------|-------------------|---------------|
|   | September 30, 2018        |                   |               | September 30, 2017 |                   |               |
|   | AVERAGE                   | AVG.              |               | AVERAGE            | AVG.              |               |
|   | BALANCE                   | INTEREST          | RATE          | BALANCE            | INTEREST          | RATE          |
|   | (In US\$ thousand)        |                   |               |                    |                   |               |
| <b>INTEREST EARNING ASSETS</b>  |                           |                   |               |                    |                   |               |
| Cash and cash equivalents   | \$683,109                 | \$ 9,293          | 1.79 %        | \$968,544          | \$ 7,818          | 1.06 %        |
| Financial Instruments at fair value through profit or loss                    | 0                         | 0                 | 0.00          | 1                  | 0                 | 0.00          |
| Securities at fair value through OCI  | 16,220                    | 416               | 3.38          | 19,985             | 420               | 2.77          |
| Securities at amortized cost <sup>(1)</sup>                                   | 72,780                    | 1,605             | 2.91          | 67,082             | 1,448             | 2.85          |
| Loans, net of unearned interest   | 5,497,234                 | 173,062           | 4.15          | 5,513,151          | 160,594           | 3.84          |
| <b>TOTAL INTEREST EARNING ASSETS</b>  | <b>\$6,269,343</b>        | <b>\$ 184,376</b> | <b>3.88 %</b> | <b>\$6,568,762</b> | <b>\$ 170,280</b> | <b>3.42 %</b> |
| Allowance for expected credit losses on loans                                 | (84,378 )                 |                   |               | (110,759 )         |                   |               |
| Non interest earning assets   | 122,176                   |                   |               | 81,152             |                   |               |
| <b>TOTAL ASSETS</b>   | <b>\$6,307,141</b>        |                   |               | <b>\$6,539,155</b> |                   |               |
| <b>INTEREST BEARING LIABILITIES</b>   |                           |                   |               |                    |                   |               |
| Deposits  | \$3,084,876               | \$ 47,160         | 2.02 %        | \$3,164,639        | \$ 30,310         | 1.26 %        |
| Trading liabilities   | 1                         | 0                 | 0.00          | 29                 | 0                 | 0.00          |
| Securities sold under repurchase agreement and short-term borrowings and debt | 913,032                   | 19,962            | 2.88          | 707,348            | 8,264             | 1.54          |
| Long-term borrowings and debt, net <sup>(2)</sup>                             | 1,167,928                 | 35,479            | 4.01          | 1,566,619          | 40,032            | 3.37          |
| <b>TOTAL INTEREST BEARING LIABILITIES</b>                                     | <b>\$5,165,837</b>        | <b>\$ 102,601</b> | <b>2.62 %</b> | <b>\$5,438,634</b> | <b>\$ 78,606</b>  | <b>1.91 %</b> |
| Non interest bearing liabilities and other liabilities                        | \$97,072                  |                   |               | \$81,676           |                   |               |
| <b>TOTAL LIABILITIES</b>  | <b>5,262,909</b>          |                   |               | <b>5,520,311</b>   |                   |               |

|  |             |        |             |        |
|--|-------------|--------|-------------|--------|
| STOCKHOLDERS' EQUITY                           | 1,044,232   |        | 1,018,844   |        |
| TOTAL LIABILITIES AND<br>STOCKHOLDERS' EQUITY  | \$6,307,141 |        | \$6,539,155 |        |
| NET INTEREST SPREAD                            |             | 1.26 % |             | 1.51 % |
| NET INTEREST INCOME AND NET<br>INTEREST MARGIN | \$ 81,775   | 1.74 % | \$ 91,674   | 1.87 % |

(1)Gross of the allowance for expected credit 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)

|   | NINE<br>MONTHS<br>ENDED<br>SEP 30/18 | FOR THE THREE MONTHS ENDED |               |               |               |               | NINE<br>MONTHS<br>ENDED<br>SEP 30/17 |
|---|--------------------------------------|----------------------------|---------------|---------------|---------------|---------------|--------------------------------------|
|   |                                      | SEP<br>30/18               | JUN<br>30/18  | MAR<br>31/18  | DEC<br>31/17  | SEP<br>30/17  |                                      |
| <b>NET INTEREST INCOME:</b>   |                                      |                            |               |               |               |               |                                      |
| Interest income   | \$ 184,376                           | \$65,020                   | \$61,919      | \$57,437      | \$55,799      | \$55,050      | \$ 170,280                           |
| Interest expense  | (102,601 )                           | (37,724)                   | (34,030 )     | (30,847 )     | (27,658 )     | (27,153 )     | (78,606 )                            |
| <b>NET INTEREST INCOME</b>  | <b>81,775</b>                        | <b>27,296</b>              | <b>27,889</b> | <b>26,590</b> | <b>28,141</b> | <b>27,897</b> | <b>91,674</b>                        |
| <b>OTHER INCOME (LOSS):</b>   |                                      |                            |               |               |               |               |                                      |
| Fees and commissions, net   | 11,783                               | 3,692                      | 5,032         | 3,059         | 5,666         | 3,566         | 11,848                               |
| (Loss) Gain on derivative financial instruments and foreign currency exchange | (404 )                               | (1,554 )                   | (516 )        | 1,666         | (425 )        | (616 )        | (12 )                                |
| (Loss) Gain per financial instrument at fair value through profit or loss     | (233 )                               | 109                        | (280 )        | (62 )         | (26 )         | 3             | (706 )                               |
| Gain per financial instrument at fair value through OCI                       | 0                                    | 0                          | 0             | 0             | 170           | 0             | 79                                   |
| (Loss) Gain on sale of loans  | (625 )                               | 0                          | 0             | (625 )        | 68            | 15            | 113                                  |
| Loss on investment properties at fair   | (1,560 )                             | (412 )                     | (1,148 )      | 0             | 0             | 0             | 0                                    |

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|  |             |              |           |           |           |           |           |   |  |  |  |  |
|--|-------------|--------------|-----------|-----------|-----------|-----------|-----------|---|--|--|--|--|
| value through profit or loss   |             |              |           |           |           |           |           |   |  |  |  |  |
| Other income, net  | 1,209       | 564          | 530       | 115       | 913       | 201       | 810       |   |  |  |  |  |
| NET OTHER INCOME   | 10,170      | 2,399        | 3,618     | 4,153     | 6,366     | 3,169     | 12,132    |   |  |  |  |  |
| TOTAL INCOME   | 91,945      | 29,695       | 31,507    | 30,743    | 34,507    | 31,066    | 103,806   |   |  |  |  |  |
| Impairment loss (recovery) from expected credit losses on loans  | 62,509      | 53,568       | 7,564     | 1,377     | (1,122 )  | 362       | 9,981     |   |  |  |  |  |
| (Recovery) Impairment loss from expected credit losses on investment securities                              | (47 )       | 0            | (22 )     | (25 )     | (99 )     | 75        | (390 )    |   |  |  |  |  |
| (Recovery) Impairment loss from expected credit losses on loan commitments and financial guarantee contracts | (3,626 )    | 1,566        | (5,771 )  | 579       | 2,015     | 215       | (946 )    |   |  |  |  |  |
| Impairment loss in other assets  | 3,464       | 1,724        | 1,740     | 0         | 0         | 0         | 0         |   |  |  |  |  |
| Loss on derecognition of intangible assets   | 2,705       | 2,705        | 0         | 0         | 0         | 0         | 0         |   |  |  |  |  |
| Operating expenses   | 36,535      | 10,851       | 11,370    | 14,314    | 13,114    | 9,953     | 33,761    |   |  |  |  |  |
| (LOSS) PROFIT FOR THE PERIOD   | \$ (9,595 ) | \$ (40,719 ) | \$ 16,626 | \$ 14,498 | \$ 20,599 | \$ 20,461 | \$ 61,400 |   |  |  |  |  |
| SELECTED FINANCIAL DATA  |             |              |           |           |           |           |           |   |  |  |  |  |
| PER COMMON SHARE DATA  |             |              |           |           |           |           |           |   |  |  |  |  |
| Basic earnings per share   | \$ (0.24 )  | \$ (1.03 )   | \$ 0.42   | \$ 0.37   | \$ 0.52   | \$ 0.52   | \$ 1.56   |   |  |  |  |  |
| PERFORMANCE RATIOS   |             |              |           |           |           |           |           |   |  |  |  |  |
| Return on average assets   | -0.20       | % -2.58      | % 1.07    | % 0.91    | % 1.31    | % 1.30    | % 1.26    | % |  |  |  |  |
| Return on average stockholders' equity   | -1.2        | % -15.5      | % 6.4     | % 5.6     | % 7.9     | % 7.9     | % 8.1     | % |  |  |  |  |
| Net interest margin  | 1.74        | % 1.74       | % 1.81    | % 1.68    | % 1.78    | % 1.76    | % 1.87    | % |  |  |  |  |
| Net interest spread  | 1.26        | % 1.20       | % 1.31    | % 1.26    | % 1.38    | % 1.37    | % 1.51    | % |  |  |  |  |

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|  |      |   |      |   |      |   |      |   |      |   |      |   |      |   |
|--|------|---|------|---|------|---|------|---|------|---|------|---|------|---|
| Efficiency Ratio                                 | 39.7 | % | 36.0 | % | 34.8 | % | 46.6 | % | 38.0 | % | 32.0 | % | 32.5 | % |
| Operating expenses<br>to total average<br>assets | 0.77 | % | 0.69 | % | 0.73 | % | 0.90 | % | 0.83 | % | 0.63 | % | 0.69 | % |



## EXHIBIT VII

## BUSINESS SEGMENT ANALYSIS

(In US\$ thousand)

|  | FOR THE NINE MONTHS<br>ENDED |                    | FOR THE THREE MONTHS ENDED |                   |                   |
|--|------------------------------|--------------------|----------------------------|-------------------|-------------------|
|  | SEP 30/18                    | SEP 30/17          | SEP 30/18                  | JUN 30/18         | SEP 30/17         |
| <b>COMMERCIAL BUSINESS SEGMENT:</b>  |                              |                    |                            |                   |                   |
| Net interest income <sup>(1)</sup>   | \$ 81,431                    | \$ 91,647          | \$26,445                   | \$27,847          | \$28,333          |
| Net other income <sup>(2)</sup>  | 10,683                       | 12,410             | 3,843                      | 4,289             | 3,723             |
| Total income   | 92,114                       | 104,057            | 30,287                     | 32,136            | 32,056            |
| Less:  |                              |                    |                            |                   |                   |
| Impairment loss from expected credit losses on loans, loan commitments and financial guarantee contracts | 58,883                       | 9,035              | 55,134                     | 1,793             | 577               |
| Impairment loss in other assets  | 2,118                        | 0                  | 378                        | 1,740             | 0                 |
| Operating expenses <sup>(3)</sup>  | 28,119                       | 26,217             | 8,553                      | 8,806             | 7,723             |
| <b>PROFIT FOR THE PERIOD</b>   | <b>\$ 2,994</b>              | <b>\$ 68,805</b>   | <b>\$(33,778 )</b>         | <b>\$19,797</b>   | <b>\$23,756</b>   |
| Average interest-earning assets <sup>(4)</sup>   | 5,497,234                    | 5,513,151          | 5,517,471                  | 5,398,233         | 5,389,948         |
| End-of-period interest-earning assets <sup>(4)</sup>   | 5,717,161                    | 5,337,353          | 5,717,161                  | 5,548,594         | 5,337,353         |
| <b>TREASURY BUSINESS SEGMENT:</b>  |                              |                    |                            |                   |                   |
| Net interest income <sup>(1)</sup>   | \$ 344                       | \$ 27              | \$851                      | \$42              | \$(436 )          |
| Net other income (loss) <sup>(2)</sup>   | (513 )                       | (278 )             | (1,444 )                   | (671 )            | (554 )            |
| Total income (loss)  | (169 )                       | (251 )             | (593 )                     | (629 )            | (990 )            |
| Less:  |                              |                    |                            |                   |                   |
| (Recovery) Impairment loss from expected credit losses on investment securities                          | (47 )                        | (390 )             | 0                          | (22 )             | 75                |
| Operating expenses <sup>(3)</sup>  | 8,416                        | 7,544              | 2,298                      | 2,564             | 2,230             |
| <b>LOSS FOR THE PERIOD</b>   | <b>\$ (8,538 )</b>           | <b>\$ (7,405 )</b> | <b>\$(2,891 )</b>          | <b>\$(3,171 )</b> | <b>\$(3,295 )</b> |

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|  |         |           |         |         |         |
|--|---------|-----------|---------|---------|---------|
| Average interest-earning assets <sup>(5)</sup>       | 772,109 | 1,055,611 | 702,656 | 777,046 | 881,913 |
| End-of-period interest-earning assets <sup>(5)</sup> | 886,105 | 887,149   | 886,105 | 777,912 | 887,149 |

COMBINED BUSINESS SEGMENT  
TOTAL:

|  |             |           |             |           |           |
|--|-------------|-----------|-------------|-----------|-----------|
| Net interest income <sup>(1)</sup>   | \$ 81,775   | \$ 91,674 | \$27,296    | \$27,889  | \$27,897  |
| Net other income <sup>(2)</sup>  | 10,170      | 12,132    | 2,399       | 3,618     | 3,169     |
| Total income   | 91,945      | 103,806   | 29,695      | 31,507    | 31,066    |
| Less:  |             |           |             |           |           |
| Impairment loss from expected credit losses on loans, loan commitments and financial guarantee contracts | 58,883      | 9,035     | 55,134      | 1,793     | 577       |
| Recovery from expected credit losses on investment securities  | (47 )       | (390 )    | 0           | (22 )     | 75        |
| Impairment loss in other assets  | 2,118       | 0         | 378         | 1,740     | 0         |
| Operating expenses <sup>(3)</sup>  | 36,535      | 33,761    | 10,851      | 11,370    | 9,953     |
| TOTAL PROFIT OR LOSS FOR REPORTABLE SEGMENTS   | (5,544 )    | 61,400    | (36,668 )   | 16,626    | 20,461    |
| Unallocated disposal of intangible and other assets <sup>(6)</sup>                                       | (4,051 )    | 0         | (4,051 )    | 0         | 0         |
| (LOSS) PROFIT FOR THE PERIOD   | \$ (9,595 ) | \$ 61,400 | \$(40,719 ) | \$ 16,626 | \$20,461  |
| Average interest-earning assets  | 6,269,343   | 6,568,762 | 6,220,127   | 6,175,279 | 6,271,861 |
| End-of-period interest-earning assets  | 6,603,266   | 6,224,502 | 6,603,266   | 6,326,506 | 6,224,502 |

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 systematic basis.

(1) Interest income on interest-earning assets, net of allocated cost of funds.

(2) Net other income (loss) by Business Segment consists of the following items:

- Commercial Business Segment: net fees and commissions, loss on investment properties at fair value through profit or loss, gain on sale of loans, and net related other income.

- Treasury Business Segment: net other income 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 net related other income.

(3) Operating Expenses allocation methodology assigns overhead expenses based on resource consumption by business segment. Total operating expenses includes the following line items of the consolidated statements of profit or loss: salaries and other employee expenses, depreciation of equipment and leasehold improvements, amortization of

intangible assets, and other expenses.

(4) Includes loans, net of unearned interest and deferred fees.

(5) Includes cash and cash equivalents, financial instruments at fair value through profit or loss, securities at fair value through OCI and securities at amortized cost, gross of the allowance for expected credit losses.

(6) Includes a loss of \$2,705 on disposal of intangible assets and an impairment loss of \$1,346 in other assets.

## EXHIBIT VIII

## CREDIT PORTFOLIO

## DISTRIBUTION BY COUNTRY

(In US\$ million)

| COUNTRY (*)        | AT THE END OF,     |                        |               |                        |                    |                        | Change in |           |
|--------------------|--------------------|------------------------|---------------|------------------------|--------------------|------------------------|-----------|-----------|
|                    | (A)                |                        | (B)           |                        | (C)                |                        | (A) - (B) | (A) - (C) |
|                    | September 30, 2018 | % of Total Outstanding | June 30, 2018 | % of Total Outstanding | September 30, 2017 | % of Total Outstanding |           |           |
| ARGENTINA          | \$587              | 9                      | \$555         | 9                      | \$321              | 6                      | \$32      | \$266     |
| BELGIUM            | 15                 | 0                      | 13            | 0                      | 14                 | 0                      | 2         | 1         |
| BOLIVIA            | 20                 | 0                      | 10            | 0                      | 10                 | 0                      | 10        | 10        |
| BRAZIL             | 1,230              | 19                     | 1,049         | 17                     | 1,023              | 18                     | 181       | 207       |
| CHILE              | 164                | 3                      | 193           | 3                      | 214                | 4                      | (29 )     | (50 )     |
| COLOMBIA           | 807                | 13                     | 773           | 13                     | 734                | 13                     | 34        | 73        |
| COSTA RICA         | 357                | 6                      | 367           | 6                      | 415                | 7                      | (10 )     | (58 )     |
| DOMINICAN REPUBLIC | 290                | 5                      | 270           | 4                      | 142                | 2                      | 20        | 148       |
| ECUADOR            | 365                | 6                      | 383           | 6                      | 307                | 5                      | (18 )     | 58        |
| EL SALVADOR        | 60                 | 1                      | 31            | 0                      | 79                 | 1                      | 29        | (19 )     |
| GERMANY            | 23                 | 0                      | 28            | 0                      | 43                 | 1                      | (5 )      | (20 )     |
| GUATEMALA          | 265                | 4                      | 300           | 5                      | 238                | 4                      | (35 )     | 27        |
| HONDURAS           | 88                 | 1                      | 79            | 1                      | 82                 | 1                      | 9         | 6         |
| JAMAICA            | 56                 | 1                      | 57            | 1                      | 14                 | 0                      | (1 )      | 42        |
| MEXICO             | 925                | 14                     | 906           | 15                     | 943                | 16                     | 19        | (18 )     |
| NICARAGUA          | 25                 | 0                      | 25            | 0                      | 33                 | 1                      | 0         | (8 )      |
| PANAMA             | 668                | 10                     | 505           | 8                      | 533                | 9                      | 163       | 135       |
| PARAGUAY           | 125                | 2                      | 69            | 1                      | 58                 | 1                      | 56        | 67        |
| PERU               | 136                | 2                      | 233           | 4                      | 352                | 6                      | (97 )     | (216 )    |
| SINGAPORE          | 50                 | 1                      | 43            | 1                      | 9                  | 0                      | 7         | 41        |
| SWITZERLAND        | 1                  | 0                      | 1             | 0                      | 6                  | 0                      | 0         | (5 )      |
| TRINIDAD & TOBAGO  | 119                | 2                      | 183           | 3                      | 166                | 3                      | (64 )     | (47 )     |
| UNITED STATES      | 0                  | 0                      | 0             | 0                      | 23                 | 0                      | 0         | (23 )     |
| URUGUAY            | 2                  | 0                      | 58            | 1                      | 19                 | 0                      | (56 )     | (17 )     |

|   |         |     |           |     |           |     |         |       |
|---|---------|-----|-----------|-----|-----------|-----|---------|-------|
| OTHER   | 20      | 0   | 17        | 0   | 16        | 0   | 3       | 4     |
| TOTAL CREDIT PORTFOLIO<br>(1)   | \$6,398 | 100 | % \$6,148 | 100 | % \$5,794 | 100 | % \$250 | \$604 |
| UNEARNED INTEREST AND<br>DEFERRED FEES                                    | (7 )    |     | (7 )      |     | (6 )      |     | 0       | (1 )  |
| TOTAL CREDIT PORTFOLIO,<br>NET OF UNEARNED<br>INTEREST & DEFERRED<br>FEES | \$6,391 |     | \$6,141   |     | \$5,788   |     | \$250   | \$603 |

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,     |                        |               |                        |                    |                        | Change in |           |
|--------------------|--------------------|------------------------|---------------|------------------------|--------------------|------------------------|-----------|-----------|
|                    | (A)                |                        | (B)           |                        | (C)                |                        | (A) - (B) | (A) - (C) |
|                    | September 30, 2018 | % of Total Outstanding | June 30, 2018 | % of Total Outstanding | September 30, 2017 | % of Total Outstanding |           |           |
| ARGENTINA          | \$587              | 9                      | \$555         | 9                      | \$321              | 6                      | \$32      | \$266     |
| BELGIUM            | 15                 | 0                      | 13            | 0                      | 14                 | 0                      | 2         | 1         |
| BOLIVIA            | 20                 | 0                      | 10            | 0                      | 10                 | 0                      | 10        | 10        |
| BRAZIL             | 1,226              | 19                     | 1,045         | 17                     | 1,015              | 18                     | 181       | 211       |
| CHILE              | 159                | 3                      | 188           | 3                      | 209                | 4                      | (29 )     | (50 )     |
| COLOMBIA           | 779                | 12                     | 744           | 12                     | 705                | 12                     | 35        | 74        |
| COSTA RICA         | 357                | 6                      | 367           | 6                      | 415                | 7                      | (10 )     | (58 )     |
| DOMINICAN REPUBLIC | 290                | 5                      | 270           | 4                      | 142                | 2                      | 20        | 148       |
| ECUADOR            | 365                | 6                      | 383           | 6                      | 307                | 5                      | (18 )     | 58        |
| EL SALVADOR        | 60                 | 1                      | 31            | 1                      | 79                 | 1                      | 29        | (19 )     |
| GERMANY            | 23                 | 0                      | 28            | 0                      | 43                 | 1                      | (5 )      | (20 )     |
| GUATEMALA          | 265                | 4                      | 300           | 5                      | 238                | 4                      | (35 )     | 27        |
| HONDURAS           | 88                 | 1                      | 79            | 1                      | 82                 | 1                      | 9         | 6         |
| JAMAICA            | 56                 | 1                      | 57            | 1                      | 14                 | 0                      | (1 )      | 42        |
| MEXICO             | 898                | 14                     | 879           | 15                     | 923                | 16                     | 19        | (25 )     |
| NICARAGUA          | 25                 | 0                      | 25            | 0                      | 33                 | 1                      | 0         | (8 )      |
| PANAMA             | 647                | 10                     | 484           | 8                      | 516                | 9                      | 163       | 131       |
| PARAGUAY           | 125                | 2                      | 69            | 1                      | 58                 | 1                      | 56        | 67        |
| PERU               | 136                | 2                      | 233           | 4                      | 352                | 6                      | (97 )     | (216 )    |
| SINGAPORE          | 50                 | 1                      | 43            | 1                      | 9                  | 0                      | 7         | 41        |
| SWITZERLAND        | 1                  | 0                      | 1             | 0                      | 6                  | 0                      | 0         | (5 )      |
| TRINIDAD & TOBAGO  | 111                | 2                      | 175           | 3                      | 157                | 3                      | (64 )     | (46 )     |
| UNITED STATES      | 0                  | 0                      | 0             | 0                      | 23                 | 0                      | 0         | (23 )     |
| URUGUAY            | 2                  | 0                      | 58            | 1                      | 19                 | 0                      | (56 )     | (17 )     |

|  |         |     |           |     |           |     |         |       |
|--|---------|-----|-----------|-----|-----------|-----|---------|-------|
| OTHER  | 20      | 0   | 17        | 0   | 16        | 0   | 3       | 4     |
| TOTAL COMMERCIAL PORTFOLIO <sup>(1)</sup>                            | \$6,305 | 100 | % \$6,054 | 100 | % \$5,706 | 100 | % \$251 | \$599 |
| UNEARNED INTEREST AND DEFERRED FEES                                  | (7 )    |     | (7 )      |     | (6 )      |     | 0       | (1 )  |
| TOTAL COMMERCIAL PORTFOLIO, NET OF UNEARNED INTEREST & DEFERRED FEES | \$6,298 |     | \$6,047   |     | \$5,700   |     | \$251   | \$598 |

Includes gross loans (or the “Loan Portfolio”), loan commitments and financial guarantee contracts, such as confirmed (1) 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,               |                              |                      |                              |                           |                              |                     |              |
|--|------------------------------|------------------------------|----------------------|------------------------------|---------------------------|------------------------------|---------------------|--------------|
|  | (A)<br>September 30,<br>2018 |                              | (B)<br>June 30, 2018 |                              | (C)<br>September 30, 2017 |                              | Change in<br>Amount |              |
|  | Amount                       | % of<br>Total<br>Outstanding | Amount               | % of<br>Total<br>Outstanding | Amount                    | % of<br>Total<br>Outstanding | (A) -<br>(B)        | (A) -<br>(C) |
| BRAZIL                                     | \$4                          | 5                            | \$4                  | 5                            | \$8                       | 9                            | \$0                 | \$ (4 )      |
| CHILE                                      | 5                            | 5                            | 5                    | 5                            | 5                         | 6                            | 0                   | 0            |
| COLOMBIA                                   | 28                           | 30                           | 29                   | 30                           | 29                        | 33                           | (1 )                | (1 )         |
| MEXICO                                     | 27                           | 29                           | 27                   | 28                           | 20                        | 23                           | 0                   | 7            |
| PANAMA                                     | 21                           | 23                           | 21                   | 23                           | 17                        | 19                           | 0                   | 4            |
| TRINIDAD & TOBAGO                          | 8                            | 8                            | 8                    | 9                            | 9                         | 10                           | 0                   | (1 )         |
| TOTAL TREASURY<br>PORTFOLIO <sup>(1)</sup> | \$93                         | 100                          | % \$94               | 100                          | % \$88                    | 100                          | % \$ (1 )           | \$ 5         |

<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 (*)                         | YEAR-TO-DATE |             | QUARTERLY   |             |             | Change in Amount |           |           |
|-------------------------------------|--------------|-------------|-------------|-------------|-------------|------------------|-----------|-----------|
|                                     | (A)<br>9M18  | (B)<br>9M17 | (C)<br>3Q18 | (D)<br>2Q18 | (E)<br>3Q17 | (A) -<br>(B)     | (C) - (D) | (C) - (E) |
| ARGENTINA                           | \$704        | \$288       | \$247       | \$326       | \$150       | \$416            | \$ (79 )  | \$ 97     |
| BELGIUM                             | 13           | 10          | 3           | 6           | 1           | 3                | (3 )      | 2         |
| BOLIVIA                             | 20           | 10          | 10          | 10          | 10          | 10               | 0         | 0         |
| BRAZIL                              | 774          | 686         | 331         | 327         | 171         | 88               | 4         | 160       |
| CHILE                               | 369          | 374         | 41          | 143         | 70          | (5 )             | (102 )    | (29 )     |
| COLOMBIA                            | 991          | 1,048       | 326         | 385         | 374         | (57 )            | (59 )     | (48 )     |
| COSTA RICA                          | 344          | 530         | 96          | 90          | 218         | (186)            | 6         | (122 )    |
| DOMINICAN REPUBLIC                  | 430          | 455         | 123         | 189         | 181         | (25 )            | (66 )     | (58 )     |
| ECUADOR                             | 726          | 656         | 226         | 313         | 197         | 70               | (87 )     | 29        |
| EL SALVADOR                         | 89           | 102         | 49          | 19          | 24          | (13 )            | 30        | 25        |
| GUATEMALA                           | 279          | 422         | 41          | 167         | 136         | (143)            | (126 )    | (95 )     |
| HONDURAS                            | 96           | 109         | 41          | 38          | 47          | (13 )            | 3         | (6 )      |
| JAMAICA                             | 220          | 139         | 56          | 97          | 14          | 81               | (41 )     | 42        |
| MEXICO                              | 3,608        | 3,519       | 1,050       | 1,146       | 1,247       | 89               | (96 )     | (197 )    |
| NICARAGUA                           | 52           | 48          | 17          | 35          | 6           | 4                | (18 )     | 11        |
| PANAMA                              | 664          | 758         | 265         | 321         | 253         | (94 )            | (56 )     | 12        |
| PARAGUAY                            | 126          | 15          | 62          | 36          | 6           | 111              | 26        | 56        |
| PERU                                | 986          | 771         | 283         | 343         | 123         | 215              | (60 )     | 160       |
| SINGAPORE                           | 50           | 604         | 7           | 43          | 123         | (554)            | (36 )     | (116 )    |
| SWITZERLAND                         | 401          | 6           | 0           | 201         | 6           | 395              | (201 )    | (6 )      |
| TRINIDAD & TOBAGO                   | 145          | 329         | 45          | 23          | 151         | (184)            | 22        | (106 )    |
| UNITED STATES                       | 33           | 87          | 0           | 0           | 0           | (54 )            | 0         | 0         |
| URUGUAY                             | 10           | 36          | 2           | 8           | 0           | (26 )            | (6 )      | 2         |
| OTHER                               | 26           | 42          | 8           | 12          | 8           | (16 )            | (4 )      | 0         |
| TOTAL LOAN DISBURSED <sup>(1)</sup> | \$11,156     | \$11,044    | \$3,329     | \$4,278     | \$3,516     | \$112            | \$ (949 ) | \$ (187 ) |

(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.

