LATIN AMERICAN EXPORT BANK
Form 6-K
August 15, 2005

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 Or 15d-16 Of The
Securities Exchange Act of 1934

Long Form of Press Release

BANCO LATINOAMERICANO DE EXPORTACIONES, S.A.

(Exact name of Registrant as specified in its Charter)

LATIN AMERICAN EXPORT BANK

(Translation of Registrant s name into English)

Calle 50 y Aquilino de la Guardia
Apartado 6-1497
El Dorado, 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 x Form 40-F o

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing information to the Commission pursuant to Rule 12g-3-2(b) under the Securities Exchange Act of 1934.)

Yes o No x

(If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b). 82__.)

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, thereto duly authorized.

August 11, 2005

BANCO LATINOAMERICANO DE EXPORTACIONES, S.A.

By:	/s/ PEDRO TOLL
Name:	Pedro Toll
Title:	Deputy Manager

FOR IMMEDIATE RELEASE

Bladex Reports Net Income of US$8.0 million for the Second Quarter of 2005

Second Quarter 2005 Financial Highlights

Net income in the second quarter of 2005 amounted to US$8.0 million, compared to US$40.1 million in the first quarter of 2005, and US$24.3 million in the second quarter of 2004. The results reflect a US$30.3 million quarter-to-quarter reduction in credit provision reversals and in recoveries of impairment losses on securities.

Disbursements amounted to US$1.4 billion, a 28.0% increase over the US$1.1 billion disbursed in the first quarter. The trade portfolio reached US$2.3 billion at June 30, 2005, an increase of US$65.5 million, or 2.9% compared to March 31, 2005, and up US$433.1 million, or 23.4% since June 30, 2004. Compared to the first quarter of 2005, interest income on accruing assets grew 8% to US$23.5 million.

During the quarter, the Argentine credit portfolio decreased by US$10.2 million, or 10.1%, to US$91.3 million. Net of allowances for credit losses, the Argentine credit portfolio at June 30, 2005, stood at US$41.4 million.

In August 2005, Bladex signed an agreement to raise US$235 million through a three-year, unsecured, syndicated revolving credit facility.

Panama City, Republic of Panama, August 10, 2005 Banco Latinoamericano de Exportaciones, S.A. (NYSE: BLX) (Bladex or the Bank) announced today its results for the second quarter ended June 30, 2005.

The table below depicts selected key figures and ratios for the periods indicated (the Bank s financial statements are prepared in accordance with U.S. GAAP, and all figures are stated in U.S. dollars):

Key Financial Figures

	6M04	6M05	2Q04	1Q05	2Q05
Net Income (US$ million)	$54.1	$48.2	$24.3	$40.1	$8.0
EPS (*)	$1.37	$1.24	$0.62	$1.03	$0.21
Return on Average Equity	18.0%	15.2%	15.8%	24.4%	5.3%
Tier 1 Capital Ratio	41.2%	46.5%	41.2%	41.6%	46.5%
Net Interest Margin	1.70%	1.63%	1.72%	1.66%	1.60%

(*) Earnings per share calculations are based on the average number of shares outstanding during each period.

Comments from the Chief Executive Officer

Jaime Rivera, CEO of Bladex stated the following regarding the quarter s results:

The second quarter marked the first period during the last two years in which provision entries did not play a major role in shaping our results. Therefore, our results were driven largely by the execution of our commercial strategy and current market dynamics.

This quarter, our ability to generate new business continued to strengthen. Disbursements exceeded US$1.4 billion, up 28.0%, while the trade portfolio balance grew by nearly 3%, in spite of US$70 million in pre-payments, which for the first time became a factor in this segment of our business. We believe that these pre-payments reflect the same underlying macroeconomic reality that continues to exert pressure on lending margins and fees: an unprecedented level of U.S. Dollar liquidity, which is bringing about a de-leveraging of corporate balance sheets.

In-line with our plan announced earlier in the year, part of our short-term response to market conditions relies on the use of our balance sheet strength to secure funding on the best possible terms to support the growth of our operating income over the coming quarters. Along these lines, we recently accessed the debt capital markets for the first time since 2001, under some of the best conditions in the Bank s recent history. Our successful US$235 million bank syndication was consistent with this approach.

From a Latin American market perspective, the quarter saw levels of uncertainty generally on the rise. While most of this was expected as we enter a period of elections in a number of countries in our region, this volatility evidences the region s continuing vulnerability to shifts in macroeconomic and political fundamentals. Bladex has assessed the changing business and risk scenarios, and has made adjustments as necessary.

For the balance of the year, we remain committed to executing our medium-term strategy: focusing on profitable growth in our intermediation activities, while developing new sources of revenue and improving efficiency.

BUSINESS OVERVIEW

The following graph illustrates the Bank s outstanding credit portfolio for the dates indicated.

The US$65.5 million increase in the trade portfolio during the second quarter of 2005 was partially offset by the US$35.3 million reduction in the non-trade and non-accruing credit portfolio. The country distribution of the Bank s credit portfolio is shown in Exhibit VIII.

Credit disbursements during the second quarter of 2005 amounted to US$1.4 billion, compared to US$1.1 billion during the first quarter of 2005, and US$1.2 billion during the second quarter of 2004.

NET INTEREST INCOME AND MARGINS

The table below shows the Bank s net interest income, net interest margin (defined as net interest income divided by the average balance of interest-earning assets), and net interest spread (defined as average yield earned on interest-earning assets, less the average rate paid on interest-bearing liabilities) for the periods indicated:

(In US$ million, except percentages)

	6M04	6M05	2Q04	1Q05	2Q05
Interest Income:					
Accruing assets	$26.9	$45.3	$13.1	$21.8	$23.5
Non-accruing assets	10.3	6.4	4.6	4.9	1.5
Interest Expense	(14.8)	(30.6)	(6.6)	(15.5)	(15.1)
Net Interest Income	**$22.4**	**$21.1**	**$11.1**	**$11.1**	**$9.9**
Net Interest Margin	1.70%	1.63%	1.72%	1.66%	1.60%
Net Interest Spread	1.15%	0.65%	1.19%	0.70%	0.60%

The decrease in the net interest income, net interest margin, and net interest spread during the second quarter of 2005, compared to the first quarter of 2005, and during the first six months of 2005 in comparison to the first six months of 2004, was mainly due to lower interest collections on the Bank s non-accruing assets, resulting from principal reductions in the Argentine portfolio.

The increase in interest income on accruing assets and interest expense for the first six months of 2005 compared to the same period in 2004 was mostly due to the increase in market interest rates (Libor).

COMMISSION INCOME

The following table shows the components of commission income for the periods indicated:

(In US$ thousands)

	6M04	6M05	2Q04	1Q05	2Q05
Letters of credit	$2,031	$1,221	$907	$650	$571
Guarantees:					
Country risk guaranty	608	433	302	184	249
Other guarantees	250	801	120	669	132
Loans and other	345	177	169	94	82
Commission Income	**$3,233**	**$2,631**	**$1,498**	**$1,598**	**$1,034**
Commission Expense	**(76)**	**(20)**	**(27)**	**(11)**	**(9)**
Commission Income, net	**$3,157**	**$2,611**	**$1,471**	**$1,587**	**$1,024**

Commission income, net, for the second quarter of 2005 decreased US$563 thousand, or 35%, compared to the first quarter of 2005, mostly due to restructured loan fees that were recognized in the first quarter of 2005 when the related loans were prepaid.

During the first six months of 2005, net commission income decreased by US$546 thousand, or 17%, mostly due to lower pricing in the letter of credit business and the country risk guaranty business.

REVERSAL OF PROVISION FOR CREDIT LOSSES

(In US$ million)

	6M04	6M05	2Q04	1Q05	2Q05
Reversal of provision for loan losses	$39.0	$25.7	$20.6	$19.8	$5.9
Reversal (provision) for off-balance sheet credit risk	(0.2)	(0.3)	(3.2)	3.0	(3.3)
Total Reversal of provision for credit losses	**$38.8**	**$25.4**	**$17.4**	**$22.8**	**$2.6**

In terms of specific and generic provisions, the US$2.6 million reversal of provisions for credit losses for the second quarter of 2005 was mainly the net result of:

i. US$11.5 million net decreases in specific reserves assigned mostly to restructured credits in Argentina and Brazil, resulting from principal payments on these credits; and

ii. US$9.0 million net increases in generic reserves in-line with increased country risk levels.

For the first six months of 2005, credit provision reversals amounted to US$25.4 million, compared to US$38.8 million during the first six months of 2004. The US$13.4 million decline was mainly due to reduced credit exposure in Argentina (For additional information, please refer to the Asset Quality section on page 9).

RECOVERY OF IMPAIRMENT LOSS ON SECURITIES

During the first half of 2005, the Bank recovered US$10.1 million in impairment losses on securities, mainly as a result of:

i. Payments and pre-payments of obligations from two Argentine clients, which resulted in a recovery of US$10.7 million; and

ii. The charge-off of an Argentine investment security for US$0.9 million (book value), which resulted in a US$0.6 million impairment loss charge.

OPERATING EXPENSES

The following table shows a breakdown of the components of operating expenses for the periods indicated:

(In US$ thousands)

	6M04	6M05	2Q04	1Q05	2Q05
Salaries and other employee expenses	$4,870	$5,823	$2,493	$3,096	**$2,728**
Depreciation of premises and equipment	697	484	338	244	**240**
Professional services	1,376	1,525	870	639	**886**
Maintenance and repairs	605	571	349	282	**289**
Other operating expenses	2,867	2,847	1,676	1,373	**1,474**
Total Operating Expenses	**$10,415**	**$11,249**	**$5,727**	**$5,633**	**$5,616**

2Q05 vs. 1Q05

Operating expenses decreased US$17 thousand, or 0.3%, in the second quarter of 2005 compared to the first quarter of 2005, mainly due to lower salary expenses, partially offset by an increase in consulting fees related to the Bank s new technology platform.

6M05 vs. 6M04

Operating expenses increased US$0.8 million, or 8% in the first half of 2005, compared to the first half of 2004, mainly due to increased salary and other employee expenses, primarily associated with the addition of new members to the commercial team, and consulting fees related to new product development and the upgrade in the Bank s technology platform.

CREDIT PORTFOLIO

The geographic composition of the Bank s credit portfolio (excluding the non-accruing portfolio) by client type and transaction type for the dates indicated, was as follows:

	Brazil	Mexico	Caribbean and Central America	Other South America	Other	Total 30-JUN-05	Total 31-MAR-05	Total 30-JUN-04
Client type								
Financial Entities	81%	74%	77%	85%	100%	81%	78%	80%
Non-Financial Entities	19%	26%	23%	15%	0%	19%	22%	20%
Transaction type								
Trade	90%	73%	84%	68%	100%	81%	80%	78%
Non-Trade	10%	27%	16%	32%	0%	19%	20%	22%

As of June 30, 2005, 79% of the Bank s outstanding credit portfolio (excluding the non-accruing portions), was scheduled to mature within the next year, unchanged from March 31, 2005, compared to 85% as of June 30, 2004. The distribution of the Bank s credit portfolio at June 30, 2005 was as follows:

Brazilian Exposure

The following table sets forth information regarding the Bank s Brazilian exposure for the periods indicated:

(In US$ million)

	June 30, 2005				Mar. 31, 2005	Jun. 30, 2004
	Loans	**Investment Securities**	**Contingencies**	**Total**	**Total**	**Total**
Nominal Value	$1,096.2	$15.0	$213.8	$1,325.0	$1,278.6	$1,253.0
Fair value adjustments	n.a.	(0.2)	n.a.	(0.2)	(0.3)	0.7
Credit Portfolio	**$1,096.2**	**14.8**	**213.8**	**1,324.8**	**$1,278.2**	**$1,253.7**
Allowance for credit losses	(31.1)	n.a.	(10.1)	(41.1)	(41.9)	(34.3)
Net Exposure	**$1,065.1**	**$14.8**	**$203.7**	**$1,283.6**	**$1,236.3**	**$1,219.4**

At June 30, 2005, the Bank s non-accruing credit portfolio in Brazil amounted to US$36.2 million, compared to US$41.9 million at March 31, 2005, and US$42.8 million at June 30, 2004. Of the US$36.2 million total, US$30.8 million is related to a restructured loan, which is current in interest and principal. The US$5.4 million balance represents a loan to a financial institution, US$5.1 million of which is past due.

As of June 30, 2005, the allowance for credit losses allocated to Brazil totaled US$41.1 million, including a US$12.7 million specific allowance assigned to the non-accruing loans.

Argentine Exposure

The graph below sets forth information regarding the Bank s Argentine exposure for the periods indicated:

The Bank s net exposure in Argentina and the components thereof at the dates indicated are presented in the following table:

(In US$ million)

	June 30, 2005				Mar. 31, 2005	Jun. 30, 2004
	Loans	Investment Securities	Contingencies	Total	Total	Total
Nominal Value (gross portfolio)	$71.2	$0.0	$20.1	$91.3	$101.5	$364.4
Impairment loss on securities	n.a.	0.0	0.0	0.0	0.0	(4.3)
Credit Portfolio	**71.2**	**0.0**	**20.1**	**91.3**	**101.5**	**360.1**
Specific allowance for credit losses	(34.8)	n.a.	(15.2)	(49.9)	(55.7)	(158.2)
Net Exposure	**$36.4**	**$0.0**	**$5.0**	**$41.4**	**$45.8**	**$201.9**

The US$10.2 million, or 10.1% reduction in the Argentine credit portfolio during the second quarter of 2005 was mainly due to:

i. Scheduled principal loan and contingency payments in the amount of US$8.7 million; and

ii. Changes resulting from foreign currency (Euro) exchange rates of US$1.5 million.

The US$268.8 million, or 74.6%, Argentine credit portfolio reduction from June 30, 2005 to June 30, 2004, was primarily a result of:

i. Principal loan and contingency payments and pre-payments of US$228.4 million;

ii. The sale of loans and investment securities totaling US$38.3 million;

iii. Fair value adjustments of investment securities and the impact of changes in foreign currency (Euro) exchange rates of US$1.2 million; and

iv. Charge-off of an Argentine investment security for US$0.9 million (book value).

The Bank s credit portfolio in the country is denominated in U.S. dollars (78%) and Euros (22%). Credit portfolio exposure consists of 60% in state owned banks, 20% in subsidiaries of U.S. and European banks, and 20% in non-financial entities.

Interest payments on non-accruing Argentine credits are recorded on a cash basis. The Bank collected interest from Argentine borrowers in the amount of US$1 million during the second quarter of 2005, compared to US$4 million during the first quarter of 2005, and US$4 million during the second quarter of 2004. During the second quarter of 2005, 100% of the interest payments due and payable were received within the quarter, compared to 99% during the first quarter of 2005, and 97% during the second quarter of 2004. Although significant amounts of interest have been received on a consistent basis from most of the Bank s borrowers in Argentina, the Bank allocates loan loss allowances to this portfolio based on estimated future cash flow projections and other factors.

The composition and maturity profile of the Bank s remaining Argentine credit portfolio as of June 30, 2005 was as follows:

(In US$ million, except percentages)

Argentine Credit Portfolio Status	Outstanding as of Jun. 30, 2005	%	2005	Repayment Schedule 2006	2007	2008-2009
Accruing Status						
Performing	$12	13%	$1	$2	$3	$6
Non-Accruing Status						
Performing under original terms	20	22%	6	11	2	0
Restructured and performing under renegotiated terms	59	65%	12	22	18	7
Total Non-Accruing	**79**	**87%**	**19**	**33**	**20**	**7**
Total	**$91**	**100%**	**$20**	**$36**	**$23**	**$13**

The Restructured and performing under renegotiated terms portfolio has an average term to maturity of approximately 16 months.

ASSET QUALITY

The following table sets forth changes in the Bank s allowance for credit losses for each of the quarters ended on the dates indicated:

(In US$ million)

	30-JUN-04	30-SEP-04	31-DEC-04	31-MAR-05	30-JUN-05
Allowance for credit losses					
At beginning of period	$236.9	$220.8	$200.0	$139.5	$111.7
Reversals charged to expense	(17.4)	(23.7)	(49.7)	(22.8)	(2.6)
Credit recoveries [1]	1.3	4.6	0.5	0.1	0.0
Credits written-off against the allowance	0.0	(1.6)	(11.4)	(5.1)	0.0
Balance at end of period	**$220.8**	**$200.0**	**$139.5**	**$111.7**	**$109.1**

(1) In 2004 and 1Q05, consisted solely of Argentine loan recoveries.

As of June 30, 2005, the allowance for credit losses and the Bank s loan and contingencies portfolio on a per country basis were as follows:

(In US$ million)

	March 31, 2005	June 30, 2005

					Change (Jun. 30, 2005 vs. Mar. 31, 2005)	
	Loans and Contingencies (Nominal Value)	**Allowance for credit losses**	**Loans and Contingencies (Nominal Value)**	**Allowance for credit losses**	**Loans and Contingencies (Nominal Value)**	**Allowance for credit losses**
Argentina	$102	$56	$91	$50	$(10)	$(6)
Brazil	1,243	42	1,310	41	67	(1)
Other Countries	1,371	14	1,433	18	62	4
Total	**$2,715**	**$112**	**$2,834**	**$109**	**$120**	**$(3)**

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As of June 30, 2005, the Bank had past due loans of US$5.1 million. The remainder of the Bank s credit portfolio was current in principal payments and had US$1.8 thousand in interest past due.

PERFORMANCE AND CAPITAL RATIOS

The following table sets forth the return on average stockholders equity and the return on average assets for the periods indicated:

	6M04	6M05	2Q04	1Q05	2Q05
ROE (return on average stockholders equity)	18.0%	15.2%	15.8%	24.4%	5.3%
ROA (return on average assets)	4.4%	3.7%	4.0%	6.1%	1.3%

The decline in ROE and ROA in the second quarter of 2005 compared to the first quarter of 2005 was mainly due to a combination of lower reversals of provisions for credit losses related to the Argentine credit portfolio and higher generic provisions for credit losses.

Although the Bank is not subject to the capital adequacy requirements of the Federal Reserve Board, if the Federal Reserve Board risk-based capital adequacy requirements were applied, the Bank s Tier 1 and Total Capital Ratios at the dates indicated would be as follows:

	30-JUN-04	31-MAR-05	30-JUN-05
Tier 1 Capital Ratio	41.2%	41.6%	46.5%
Total Capital Ratio	42.4%	42.9%	47.7%

At June 30, 2005, the total number of common shares outstanding was 38.6 million, compared to 38.9 at March 31, 2005, and compared to 39.4 million at June 30, 2004. The decrease in the number of common shares outstanding was principally the result of the share repurchase program approved on August 5, 2004.

EVENTS

Quarterly Common Dividends On July 15, 2005, Bladex paid the quarterly dividend of US$0.15 per common share corresponding to the second quarter of 2005 to all common shareholders registered as of July 5, 2005.

Note: Various numbers and percentages set out in this press release have been rounded and, accordingly, may not total exactly.

SAFE HARBOR STATEMENT

This press release contains forward-looking statements of expected future developments. The Bank wishes to ensure that such statements are accompanied by meaningful cautionary statements pursuant to the safe harbor established by the Private Securities Litigation Reform Act of 1995. The forward-looking statements in this press release refer to the growth of the trade portfolio, the increase in the number of the Bank s clients, the increase in activities engaged in by the Bank that are derived from the Bank s trade finance client base, anticipated operating income in future periods, the improvement in the financial strength of the Bank and the progress the Bank is making. These forward-looking statements reflect the expectations of the Bank s management and are based on currently available data; however, actual experience with respect to these factors is 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 possibility that the Bank will need to renegotiate, restructure or write-off certain of its Argentine loans; the possibility of pre-payments; the anticipated growth of the Bank s trade finance portfolio; the continuation of the Bank s preferred creditor status; the effects of increased interest rates on the Bank s financial condition; the implementation of the Bank s strategies and initiatives, including its revenue diversification strategy; the pending applications in the United States to open a representative office in Miami, Florida; the adequacy of the Bank s allowance for credit losses to address the likely impact of the Argentine crisis and other credit risks on the Bank s loan portfolio; the necessity of making additional provisions for 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; and the adequacy of the Bank s sources of liquidity to cover large deposit withdrawals.

About Bladex

Bladex is a supranational bank originally established by the Central Banks of Latin American and Caribbean countries to promote trade finance in the Region. Based in Panama, its shareholders include central banks and state-owned entities in 23 countries in the Region, as well as Latin American and international commercial banks, along with institutional and retail investors. Through June 30, 2005, Bladex had disbursed accumulated credits of over US$131 billion.

EXHIBIT I

CONSOLIDATED BALANCE SHEETS

	AT THE END OF,						
	(A) Jun. 30, 2004	**(B) Mar. 31, 2005**	**(C) Jun. 30, 2005**	**(C) - (B) CHANGE**	**%**	**(C) - (A) CHANGE**	**%**
	(In US$thousands, except percentages)						
ASSETS							
Cash and due from banks	$747	$726	$817	$90	12%	$70	9%
Interest-bearing deposits with banks (1)	224,501	246,150	163,300	(82,850)	(34)	(61,200)	(27)
Securities purchased under agreements to resell	112,433	0	0	0	0	(112,433)	(100)
Securities available for sale	43,273	147,026	57,928	(89,098)	(61)	14,655	34
Securities held to maturity	28,722	27,623	27,258	(365)	(1)	(1,464)	(5)
Loans	2,209,417	2,311,880	2,244,095	(67,785)	(3)	34,678	2
Less:							
Allowance for loan losses	(186,624)	(81,568)	(75,705)	5,863	(7)	110,919	(59)
Unearned interest income and commission	(5,169)	(5,119)	(3,964)	1,155	(23)	1,205	(23)
Loans, net	2,017,623	2,225,193	2,164,426	(60,767)	(3)	146,802	7
Customers liabilities under acceptances	50,356	59,093	58,584	(509)	(1)	8,228	16
Premises and equipment	3,726	3,460	3,290	(171)	(5)	(436)	(12)
Accrued interest receivable	11,218	20,089	20,315	226	1	9,097	81
Other assets	6,397	44,584	4,743	(39,841)	(89)	(1,654)	(26)
TOTAL ASSETS	$2,498,995	$2,773,943	$2,500,659	$ (273,284)	(10)%	$1,664	0%
LIABILITIES AND STOCKHOLDERS EQUITY							
Deposits							
Noninterest-bearing - Demand	$16,426	$13,818	$21,432	$7,614	55%	$5,006	30%
Interest-bearing - Time	824,625	809,606	883,629	74,024	9	59,005	7
Total Deposits	841,051	823,424	905,061	81,638	10	64,010	8
Short-term borrowings	510,417	750,666	521,586	(229,080)	(31)	11,169	2
Medium and long-term borrowings and placements	405,007	389,287	341,377	(47,909)	(12)	(63,630)	(16)
Acceptances outstanding	50,356	59,093	58,584	(509)	(1)	8,228	16
Accrued interest payable	5,602	12,574	12,591	17	0	6,988	125
Derivatives financial instruments - liabilities	4,876	0	0	0	0	(4,876)	(100)
Reserve for losses on off-balance sheet credit risk	34,134	30,125	33,411	3,286	11	(723)	(2)
Redeemable preferred stock	8,248	8,829	6,753	(2,076)	(24)	(1,495)	(18)
Other liabilities	9,535	92,584	16,083	(76,501)	(83)	6,548	69
TOTAL LIABILITIES	$1,869,226	$2,166,582	$1,895,446	$ (271,135)	(13)%	$26,220	1%
STOCKHOLDERS EQUITY							
Common stock, no par value	279,978	279,978	279,979				
Capital surplus	133,817	134,022	133,785				
Capital reserves	95,210	95,210	95,210				
Retained earnings	197,239	190,178	192,463				

Treasury stock	(85,570)	(92,846)	(97,928)
Accumulated other comprehensive income	9,094	819	1,704