

Edgar Filing: LATIN AMERICAN EXPORT BANK - Form 6-K

LATIN AMERICAN EXPORT BANK  
Form 6-K  
May 12, 2004

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  Form 40-F

(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  No

(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.

May 6, 2004

Banco Latinoamericano de Exportaciones, S.A.

By: /s/ Pedro Toll

Name: Pedro Toll  
Title: General Manager

FOR IMMEDIATE RELEASE

BANCO LATINOAMERICANO DE EXPORTACIONES, S.A. ("BLADEX")  
REPORTS FIRST QUARTER 2004 NET INCOME OF US\$29.8 MILLION

## Edgar Filing: LATIN AMERICAN EXPORT BANK - Form 6-K

### 1Q04 Financial Highlights

- o Net Income was US\$29.8 million in the 1Q04, compared to US\$16.2 million for the 4Q03, and US\$10.4 million for the 1Q03.
- o Exposure in Argentina (net of allowance for credit losses and impairment loss) is US\$222 million, down 45% from a year ago, and down 7% from last quarter.

Panama City, Republic of Panama, May 4, 2004 - Banco Latinoamericano de Exportaciones, S.A. ("BLADEX" or "the Bank") (NYSE: BLX), announced today its results for the first quarter ended March 31, 2004. (The Bank's financial statements are prepared in accordance with U.S. GAAP, and all figures are stated in U.S. dollars.)

The Bank reported net income of US\$29.8 million for the first quarter of 2004, or US\$0.76 per share, compared to net income of US\$16.2 million, or US\$0.41 per share, in the previous quarter, and net income of US\$10.4 million, or US\$0.58 per share, in the first quarter of 2003.

Net income for the first quarter of 2004 reflected the effect of US\$36 million in partial payments and prepayments of Argentine restructured loans, which contributed to the reversals of the allowance for credit losses in the amount of US\$19 million out of a total of US\$21.4 million.

### Key Figures

	1Q03	4Q03	1Q04
Net Income (In US\$ million)	\$10.4	\$16.2	\$29.8
EPS*	\$0.58	\$0.41	\$0.76
Return on Average Equity	12.1%	11.2%	20.2%
Tier 1 Capital Ratio	18.2%	35.4%	37.9%
Net interest margin	1.73%	2.07%	1.69%

\*Earnings per share calculations are based on the average number of shares outstanding during each period. During the first quarter of 2004 the average number of common shares was 39.4 million, compared to 39.3 million in the fourth quarter of 2003, and 17.3 million during the first quarter of 2003.

1

### Comments from the Chief Executive Officer

Jaime Rivera, Chief Executive Officer of BLADEX stated, "With the turnaround of the Bank now complete, the overall framework of our operations is being defined by significantly improved prospects for economic growth in the Region, continued progress on our plan to strengthen and broaden the scope of our business model and, generally, a stable or improved risk profile in our portfolio. Within this context, the first quarter's financial results were driven by three factors: first, strong principal repayments in Argentina; second, a market temporarily flushed with liquidity, resulting in declining interest rates and pressure on

## Edgar Filing: LATIN AMERICAN EXPORT BANK - Form 6-K

lending margins, and third, continued progress on improving our efficiency levels.

The strong performance of our portfolio in Argentina was related to generally increasing levels of liquidity in the local market, and to record high commodity (export) prices. I'm pleased to report that we collected US\$36 million in principal repayments during the period, bringing our total net exposure to US\$222 million, 7% lower than at year-end 2003.

Regarding the pressure on margins that we saw during the quarter, we have taken the position that, given the improved economic growth prospects in the Region, this trend is likely to reverse itself as credit demand strengthens. As a result, we elected to slow down our lending in order to preserve lending capacity within our credit limits and have it available once pricing terms improve in our favor.

The approximate 5 basis point decrease in short-term LIBOR interest rates over the quarter hurt us because, with our assets re-pricing faster than our liabilities, our balance sheet is positioned to take advantage of interest rate increases. We maintain our view that interest rates are heading for an increase, however, and currently expect to keep our maturity profile unchanged. All other things being equal, we estimate that a 25 basis points increase in the general level of interest rates would result in a US\$2.1 million additional net interest income through year-end.

The most exciting developments during the quarter took place outside the scope of the financial statements, however. With the arrival of Mr. Rubens Amaral to head our commercial operations out of our New York Agency, we put in place the last of the missing pieces needed to put the transformation of the Bank into high gear. We are taking steps to optimize our client coverage model, changing the segmentation of our client base to allow for more effective cross selling tactics identifying and pursuing new product opportunities, optimizing the structure of our sales force, and incorporating the feedback developed during our brand and perception study into our plans. Most importantly, we have been very successful in attracting top caliber people to our team.

I'm pleased to report that at our Annual Shareholders' Meeting, we received approval by practically 100% of the votes cast on all items submitted to shareholders. Furthermore, we are seeing greater interest from the market in our company, evidenced by a greater flow of our information, broader analyst coverage, and an overall higher level of Investor Relations activity.

2

Lastly, we continue studying the capital management question closely, aiming to arrive at a solution that will make the most sense in view of risk levels, growth opportunities, and our shareholders' best interests. Assuming a stable scenario, it is the Bank's intention to take additional action on the capital management front during 2004."

### NET INTEREST INCOME

Net interest income in the first quarter of 2004 amounted to US\$11.3 million, compared to US\$13.3 million in the fourth quarter of 2003, and US\$13.8 million in the first quarter 2003. The US\$1.9 million decline in the first quarter 2004 compared to the fourth quarter of 2003 was mainly attributable to lower lending margins, decreased scheduled interest payments on the Bank's single non-accrual loan outside Argentina, and lower interest rates, which had a negative impact on the interest rate gap, which currently is asset sensitive. These factors were partially offset by higher average loan volumes.

## Edgar Filing: LATIN AMERICAN EXPORT BANK - Form 6-K

### Net interest margin

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

	1Q03	4Q03	1Q04
Net Interest Margin	1.73%	2.07%	1.69%
Net Interest Spread	1.13%	1.41%	1.11%

### 1Q04 vs. 4Q03

The decreases in net interest margin and net interest spread for the first quarter of 2004, compared to the fourth quarter of 2003, were 38 basis points and 30 basis points, respectively. The 38 basis point decrease in the net interest margin was mainly due to: (i) lower spreads over LIBOR on the accruing loan and investment portfolio (-15 basis points); (ii) lower interest collections on the Bank's single non-accrual loan portfolio outside Argentina, resulting from lower interest payment scheduled maturities during the first quarter of 2004 (-13 basis points); and (iii) falling interest rates, which had a negative impact on the asset sensitive interest rate gap, and generated a lower return on the Bank's available capital funds (-10 basis points). The decrease in net interest spread reflects the combination of re-pricing assets in a falling interest rate environment, and generally lower lending spreads over LIBOR.

3

### COMMISSION INCOME

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

(In US\$ thousands)	1Q03	4Q03	1Q04
Letters of credit	\$1,241	\$794	\$1,124
Guarantees:			
Country risk coverage business	328	309	306
Other guarantees	294	145	130
Loans	576	346	165
Total Commission Income	\$2,438	\$1,595	\$1,724
	=====	=====	=====

Commission income for the first quarter of 2004 increased by 8% compared to the fourth quarter of 2003 mostly due to increased volumes in letters of credit.

### PROVISIONS FOR CREDIT LOSSES

During the first quarter of 2004, the Bank reversed US\$21.4 million of its

## Edgar Filing: LATIN AMERICAN EXPORT BANK - Form 6-K

allowance for credit losses, mainly as a result of principal payments on Argentine restructured loans. During the quarter as well, the Bank increased its general reserve coverage for Dominican Republic credits, and lowered certain general reserves in line with reduced country exposure levels. (For additional information, please refer to Asset Quality section on page 10.)

### OPERATING EXPENSES

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

(In US\$ thousands)

	1Q03	4Q03	1Q04
Salaries and other employee expenses	\$2,549	\$4,298	\$2,377
Depreciation	376	381	359
Professional services	488	984	507
Maintenance and repairs	214	335	256
Other operating expenses	958	1,813	1,190
<b>Total Operating Expenses</b>	<b>\$4,585</b>	<b>\$7,812</b>	<b>\$4,689</b>

1Q04 vs. 4Q03

Salaries and other employee expenses for the fourth quarter of 2003 and first quarter of 2004 include variable compensation and severance provisions of US\$2.1 million and US\$0.4 million, respectively. Excluding the impact of these provisions, salaries and other employee expenses for the first quarter of 2004 decreased by 12%. Professional service expenses for the first quarter of 2004 decreased by US\$0.5 million (49%), reflecting the one-time nature of recruiting and legal fees during the fourth quarter of 2003. Other operating expenses for the first quarter of 2004 decreased by US\$0.6 million (34%), primarily due to expenses related to the Bank's brand image project incurred during the fourth quarter of 2003.

4

### BUSINESS OVERVIEW

[The following table was depicted as a bar chart in the printed material.]

#### Credit Portfolio Disbursements

	US\$ Million
1QTR03	974
2QTR03	962
3QTR03	986
4QTR03	1,208
1QTR04	991

[The following table was depicted as a bar chart in the printed material.]

# Edgar Filing: LATIN AMERICAN EXPORT BANK - Form 6-K

## Credit Portfolio

US\$ Million

	Trade	Non-Trade	Non-Accrual Credit Portfolio	
31-Mar-03	1,528	997	758	3,283
30-Jun-03	1,455	857	632	2,944
30-Sep-03	1,580	717	500	2,797
31-Dec-03	1,719	646	482	2,847
31-Mar-04	1,740	524	446	2,710

Lower disbursements in the first quarter of 2004 reflect the decision by the Bank to preserve availability within its credit facilities in the face of narrow spreads.

The geographic composition (excluding the non-accruing portfolio in Argentina) of the Bank's credit portfolio by type of client as of March 31, 2004, was as follows:

	Brazil	Mexico	Dominican Republic	Caribbean and Central America	South America	Other (*)	To 03/
Banks	78%	48%	100%	49%	65%	100%	
Other	22%	52%	0%	51%	35%	0%	
Trade	82%	81%	91%	98%	60%	5%	
Non-Trade	18%	19%	9%	2%	40%	95%	

(\*) Other - consists of reverse repurchase agreements classified as U.S. country risk of US\$132 million, guarantees for US\$7 million issued to a multilateral bank in Honduras and a US\$52 thousand letter of credit confirmed for a bank in Spain.

5

As of March 31, 2004, 87% of the Bank's credit portfolio (excluding Argentina) was scheduled to mature on or before March 31, 2005.

The Bank's total assets and contingencies, and risk-weighted assets by country, as of March 31, 2004 were as follows:

[The following table was depicted as a pie chart in the printed material.]

Assets and Contingencies - Credit Exposure  
(in US\$ Million, except percentages)

Argentina	\$399	15%
-----------	-------	-----

## Edgar Filing: LATIN AMERICAN EXPORT BANK - Form 6-K

Brazil	\$1,074	40%
Chile	\$137	5%
Dominican Republic	\$25	1%
Mexico	\$333	12%
Venezuela	\$48	2%
Other Countries (1)	\$694	26%

(1) Other countries - includes securities purchased under agreements to resell of US\$132 million classified as US country risk, US\$7 million in guarantees issued to a multilateral bank in Honduras and a US\$52 thousand letter of credit confirmed for a bank in Spain.

Does not include US\$206 million correspondent to cash and due from banks, interest-bearing deposits with banks, unearned income, premises and equipment, accrued interest receivable, derivative financial instruments-assets, and other assets.

[The following table was depicted as a pie chart in the printed material.]

### Risk Weighted Assets (In US\$ Million, except percentages)

Argentina	\$399	26%
Brazil	\$507	32%
Chile	\$65	4%
Dominican Republic	\$5	0%
Mexico	\$186	12%
Venezuela	\$48	3%
Other Countries (1)	\$352	23%

(1) Other countries - includes securities purchased under agreements to resell of US\$132 million classified as US country risk, US\$7 million in guarantees issued to a multilateral bank in Honduras and a US\$52 thousand letter of credit confirmed for a bank in Spain.

Does not include US\$51 million correspondent to cash and due from banks, interest-bearing deposits with banks, unearned income, premises and equipment, accrued interest receivable, derivative financial instruments-assets, and other assets.

6

### ARGENTINE EXPOSURE

[The following table was depicted as a bar chart in the printed material.]

	US\$ Million		Reserve and mark-to-market as a % of nominal value
	Nominal Value	Net Exposure	
Dec-01	1,155	1,002	13%
Mar-02	1,001	828	17%
Jun-02	961	494	49%
Sep-02	929	462	50%
Dec-02	847	394	53%
Mar-03	824	401	51%
Jun-03	618	350	43%
Sep-03	457	272	40%

## Edgar Filing: LATIN AMERICAN EXPORT BANK - Form 6-K

Dec-03	440	240	45%
Mar-04	403	222	45%

As of March 31, 2004, the Bank's US\$222 million exposure in Argentina, net of allowance for credit losses, represented 36% of the total equity capital of the Bank, compared to 41% as of December 31, 2003, and 115% as of March 31, 2003.

The Bank's exposure in Argentina as of March 31, 2004, December 31, 2003 and March 31, 2003 is presented in the following table:

(In US\$ million)

	Loans	Investments	Acceptances and Contingencies	Total	Re Ag
Nominal Value ("gross portfolio")	\$362	\$10	\$31	\$403	
Impairment loss	n.a. ----	(4) ---	n.a. ---	(4) ----	
Credit Portfolio at Mar. 31, 2004	362	5	31	399	
Specific allowance for credit losses	(157)	n.a.	(20)	(176)	
Collateral (U.S. Treasury Strips)	0 ----	0 ---	0 ---	0 ----	
Net Exposure at Mar. 31, 2004	\$205 ====	\$5 ===	\$11 ===	\$222 ====	
Net Exposure at Dec. 31, 2003	\$223 ====	\$5 ===	\$11 ===	\$240 ====	
Net Exposure at Mar. 31, 2003	\$332 ====	\$42 ===	\$28 ===	\$401 ====	

As of March 31, 2004, the Bank's gross portfolio in Argentina amounted to US\$403 million, a reduction of US\$421 million, or 51%, compared to March 31, 2003, and US\$37 million, or 8%, since December 31, 2003. The US\$37 million reduction in the first quarter of 2004 was mainly due to the repayments under restructured Argentine loans.

7

The Bank's entire exposure in Argentina continues to be denominated in U.S. dollars (93%) and Euros (7%). The Argentine credit portfolio distribution by industry type as of March 31, 2004 was as follows:

(In US\$ million, except percentages)

Industry	Claims (Credit Portfolio) As of Mar. 31/04	%



## Edgar Filing: LATIN AMERICAN EXPORT BANK - Form 6-K

### Non-Financial Entities

Beverage	\$22	5%
Telecommunications	4	1%
Food production	15	4%
Mining and oil and gas extraction	50	12%
Primary metal manufacturing	6	1%
Utilities	46	12%
	-----	---
Total Non-Financial Entities	\$142	36%
	-----	

### Financial Institutions

Controlled subsidiaries of major US and European Banks	\$48	12%
State owned banks guaranteed by third party paper	64	16%
State-owned banks	144	36%
	-----	---
Total Financial Institutions	\$256	64%
	-----	
Total	\$399	100%
	=====	===

In addition, as of March 31, 2004, the Bank had reverse repurchase agreements with Argentine counterparties totaling US\$132 million, which were fully collateralized with U.S. Treasury securities, an amount unchanged from December 31, 2003 and March 31, 2003. These assets are classified as U.S. country risk.

Interest payments on Argentine credits (loans and securities) are recorded on a cash basis. The Bank collected interest from Argentine borrowers of approximately US\$5 million during the first quarter 2004, an amount unchanged from the fourth quarter of 2003. The ratio of interest collected from Argentine borrowers to total interest payments due and payable from these borrowers during the first quarter 2004 was 98%, a figure unchanged from the fourth quarter 2003, and compared to 74% during the first quarter of 2003. Although significant amounts of interest have been received on a consistent basis from most of the Bank's clients in the country, the ultimate collection of principal on these credits is evaluated separately.

The composition and maturity profile of the Argentine credit portfolio in terms of restructured loans as of March 31, 2004 was as follows:

8

(In US\$ million, except percentages)

Pa

Edgar Filing: LATIN AMERICAN EXPORT BANK - Form 6-K

Status	Outstanding As of Mar. 31, 2004	%	2004	2005
Performing under original terms	\$28	7%	\$3	\$11
Restructured and performing under renegotiated terms	321	81%	56	62
In negotiations to be restructured (current in interest)	16	4%	16	0
Not yet restructured and not paying interest	34	8%	5	8
Total	\$399	100%	\$80	\$81

The portfolio of restructured and performing loans, under the renegotiated terms, has an average life of 2.3 years. No restructurings have involved discounts or losses of principal. Assets not yet restructured and not paying interest consist of obligations from four companies in the utilities sector.

BRAZILIAN EXPOSURE

At March 31, 2004, December 31, 2003, and March 31, 2003, the Bank's exposure in Brazil was as follows:

(In US\$ million)

	Loans	Investments	Contingencies	Total
Nominal Value	\$948	\$15	\$110	\$1,073
Fair value adjustments	n.a.	1	n.a.	1
Credit Portfolio at Mar. 31, 2004	948	16	110	1,074
Allowance for credit losses	(33)	n.a.	(1)	(33)
Net Exposure at Mar. 31, 2004	\$915	\$16	\$109	\$1,040
Net Exposure at Dec. 31, 2003	\$978	\$16	\$125	\$1,119
Net Exposure at Mar. 31, 2003	\$851	\$31	\$187	\$1,069

As of March 31, 2004, the Bank's credit exposure in Brazil was composed of 78% obligations due from banks and 22% from non-financial entities, a distribution unchanged from December 31, 2003. As of March 31, 2004, the trade finance segment of the Brazilian credit portfolio was 82%, compared to 78% as of December 31, 2003, and 65% as of March 31, 2003.

## Edgar Filing: LATIN AMERICAN EXPORT BANK - Form 6-K

At the end of the first quarter of 2004, the Brazilian portfolio had no past due interest amounts, and included one impaired loan on non-accrual status in the amount of US\$47 million to a Brazilian corporation, for which the Bank has established a US\$17 million specific allowance for possible loan losses. During the first quarter of 2004, the Bank collected interest income on a cash basis of US\$0.9 million from this borrower, versus US\$1.6 million of interest income collected in the fourth quarter of 2003, due to lower interest payment scheduled maturities.

9

### LIQUIDITY

Deposits increased by 25% to US\$719 million from a year ago, primarily reflecting new deposits from central banks and state-owned companies in the Region.

Since the third quarter of 2003, the Bank has been managing its liquidity funds to gradually match historical levels. The Bank's net cash position (cash due from banks, plus interest bearing deposits with banks) as a percentage of its overall balance sheet was 7.6% at the end of the first quarter of 2004, compared to 9.9% as of December 31, 2003, and 18.8% as of March 31, 2003, respectively. The Bank's net cash position represented 25.6% of deposits as of March 31, 2004, 35.9% as of December 31, 2003, and 92.9% as of March 31, 2003.

### ASSET QUALITY

The Bank's US\$237 million allowance for credit losses as of March 31, 2004 compares to an allowance of US\$258 million as of December 31, 2003, and US\$446 million as of March 31, 2003. The US\$21 million decrease in the allowance for credit losses in the first quarter of 2004 was principally due to: i) a US\$19 million reduction in specific reserves assigned to Argentine credits as a result of principal payments received on restructured loans and prepayments; ii) a US\$5 million reduction in general reserves mainly as a result of the reduction of the Bank's exposure in Brazil and Venezuela; and iii) US\$3 million increase in general reserves in the Dominican Republic.

The following table sets forth changes in the Bank's allowance for credit losses for the quarters ended at the dates indicated:

(In US\$ million)

	31-MAR-03	30-JUN-03	30-SEP-03	31-DEC-03	31-MAR-04
Allowance for credit losses					
At beginning of period	\$453.1	\$445.6	\$322.8	\$272.3	\$258.3
Provisions charged to expense (1)	0.3	-44.6	-5.1	-9.4	-2.6
Credit recoveries	0.0	0.0	2.0	0.0	0.0
Credits written-off against the allowance	-7.8	-78.2	-47.4	-4.6	-2.6
Balance at end of period	<u>\$445.6</u>	<u>\$322.8</u>	<u>\$272.3</u>	<u>\$258.3</u>	<u>\$237.1</u>

## Edgar Filing: LATIN AMERICAN EXPORT BANK - Form 6-K

(1) Includes reversals in the provision for loan losses of US\$44.1 million, US\$9.9 million and US\$8.7 million as a result of the sale of Argentine loans during the 2Q03, 3Q03 and 4Q03, respectively.

At March 31, 2004, the allowance for credit losses and net exposure on a per country basis was as follows:

10

(In US\$ million)

	Loans and Contingencies (Nominal Value)	Allowance for credit losses	Loans and Contingencies (Net Value)	Investments (Net of impairment loss)	Net Exposure
Argentina	\$393	\$(176)	\$217	\$5	\$222
Brazil	1,058	(33)	1,024	16	1,040
Other Countries	1,180	(27)	1,153	57	1,210
<b>Total</b>	<b>\$2,631</b>	<b>\$(237)</b>	<b>\$2,394</b>	<b>\$78</b>	<b>\$2,473</b>

### PERFORMANCE AND CAPITAL RATIOS

At the end of the first quarter of 2004, the number of common shares outstanding was 39.4 million, compared to 17.3 million common shares outstanding at March 31, 2003, reflecting a 22 million increase in the number of shares resulting from the issuance of new equity capital in the amount of US\$147 million at the end of the second quarter of 2003.

The return on average shareholder's equity and the return on average assets for the first quarter of 2004 were 20.2% and 4.7%, respectively, compared to 11.2% and 2.7%, respectively, for the fourth quarter of 2003, and 12.1% and 1.5%, respectively, for the first quarter of 2003.

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 as of March 31, 2004 would have been 37.9% and 39.2%, respectively. Equivalent figures for December 31, 2003, would have been 35.4% and 36.7%, respectively, and 18.2% and 19.4%, respectively, for March 31, 2003.

### RECENT EVENTS

- o Indexed Option Plan: On April 13, 2004, the Board of Directors granted options to purchase Class E shares under a new indexed option plan for Executive Officers and Directors. The plan uses an option exercise price, which is indexed to a customized Latin American general market index. The underlying rationale of the plan is to reward option holders for BLADEX stock price performance superior to the market index. Options have a seven-year term, with cliff vesting after four years. Depending on

## Edgar Filing: LATIN AMERICAN EXPORT BANK - Form 6-K

position and individual performance, executive officers are eligible for grants equivalent to 40% to 100% of yearly salary. Directors are eligible for grants valued at US\$10,000 per year, except for the Chairman, who is eligible for a US\$15,000 yearly grant.

- o Payment of Quarterly Dividends - On April 5, 2004, BLADEX's paid quarterly cash dividends of US\$0.10 per common share.

11

- o Annual Shareholders Meeting - BLADEX's Annual Shareholders Meeting took place on April 14, 2004, in Panama. At this meeting, Herminio Blanco, William Hayes and Alexandre Lodygensky were elected to fill the three available Director positions representing Class E shares. Two of these three Class E Board seats represent positions formerly held by representatives of the Bank's Class B shares, which were forfeited to the Class E shareholders when the Class B ownership of the Bank fell below 10%. Also, during the Annual Shareholders' meeting, Maria da Graca Franca was elected as a Class A Director, and CEO Jaime Rivera was elected as a Director to represent all share classes.

### ABOUT BLADEX

BLADEX is a multinational 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 and commercial banks in 23 countries of the Region, as well as international banks and private investors. Through March 31, 2004, over its 25 years of operations, BLADEX had disbursed accumulated credits of over US\$125 billion in the Region.

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

-----  
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 trend of pressure on margins reversing itself as credit demand strengthens and the increase in interest rates in the future. 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: a decline in the willingness of international lenders and depositors to provide funding to the Bank, causing a contraction of the Bank's credit portfolio, adverse economic or political developments in the Region, particularly in Argentina or Brazil, which could increase the level of impaired loans in the Bank's loan portfolio and, if sufficiently severe, result in the Bank's allowance for probable credit losses being insufficient to cover losses in the portfolio, unanticipated developments with respect to international banking transactions (including among other things, interest rate spreads and competitive conditions), a change in the Bank's credit ratings, events in Argentina and Brazil or other countries in the Region unfolding in a manner that is detrimental to the Bank, or which might result in adequate liquidity being unavailable to the Bank, or the Bank's operations being less profitable than anticipated.  
-----

## Edgar Filing: LATIN AMERICAN EXPORT BANK - Form 6-K

There will be a conference call to discuss the quarterly results on May 5, 2004 at 11:00 a.m. New York City time. For those interested in participating, please call (800) 500-0177 in the United States or, if outside the United States, please dial (719) 457-2679. All participants should give the conference name "BLADEX Quarterly Call" or the conference ID#202247 to the telephone operator five minutes before the call is set to begin. There will also be a live audio webcast of the event at [www.blx.com](http://www.blx.com).

The BLADEX Conference Call will become available for review on Conference Replay one hour after the conclusion of the conference call, and will remain available through May 6, 2004. Please dial (888) 203-1112 or (719) 457-0820 and follow the instructions. The Conference ID# for the call that will be replayed is 202247.

### CONSOLIDATED BALANCE SHEET

	AT THE END OF,			
	(A)	(B)	(C)	(C) -
	Mar. 31, 2003	Dec. 31, 2003	Mar. 31, 2004	CHANG
	(In US\$ thousands, except percentages)			
<b>ASSETS</b>				
Cash and due from banks .....	\$1,030	\$868	\$2,565	\$1,6
Interest-bearing deposits with banks (1) ....	537,127	253,946	183,800	(70,1
Securities purchased under agreements to resell .....	132,022	132,022	132,022	
Securities available for sale .....	145,341	48,341	48,858	5
Securities held to maturity .....	10,798	29,452	29,087	(3
Loans .....	2,380,877	2,275,031	2,181,538	(93,4
Less:				
Allowance for loan losses .....	(414,553)	(224,347)	(206,010)	18,3
Unearned income .....	(7,333)	(4,282)	(2,711)	1,5
Loans, net .....	1,958,991	2,046,402	1,972,817	(73,5
Customers' liabilities under acceptances ....	28,473	29,006	40,516	11,5
Premises and equipment .....	4,798	4,119	3,886	(2
Accrued interest receivable .....	14,511	10,931	10,585	(3
Derivatives financial instruments - assets ..	3,082	2,256	2,366	1
Other assets .....	15,824	6,214	5,495	(7
<b>TOTAL ASSETS .....</b>	<b>\$2,851,998</b>	<b>\$2,563,556</b>	<b>\$2,431,997</b>	<b>(\$131,5</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
<b>Deposits</b>				
Noninterest-bearing - Demand .....	\$24,456	\$19,370	\$21,101	\$1,7
Interest-bearing - Time .....	552,935	683,585	698,011	14,4
<b>Total Deposits .....</b>	<b>577,391</b>	<b>702,955</b>	<b>719,112</b>	<b>16,1</b>
Short-term borrowings and placements .....	664,923	687,214	575,627	(111,5
Medium and long-term borrowings and placements .....	1,146,448	485,516	416,305	(69,2



## Edgar Filing: LATIN AMERICAN EXPORT BANK - Form 6-K

OTHER INCOME (EXPENSE):				
Commission income, net .....	2,430	1,400	1,674	2,430
Provision for losses on off-balance sheet credit risk .....	(7,642)	(5,127)	3,051	8,127
Derivatives and hedging activities .....	(802)	(199)	113	3,051
Impairment loss on securities .....	(3)	0	0	0
Gain on early extinguishment of debt .....	0	0	6	6
Gain (loss) on foreign currency exchange .....	(27)	3	(1)	(1)
Other income .....	(91)	38	14	(91)
	-----	-----	-----	-----
NET OTHER INCOME (EXPENSE) .....	(6,135)	(3,886)	4,858	8,770
OPERATING EXPENSES:				
Salaries and other employee expenses .....	(2,549)	(4,298)	(2,377)	1,900
Depreciation of premises and equipment .....	(376)	(381)	(359)	4,298
Professional services .....	(488)	(984)	(507)	4,298
Maintenance and repairs .....	(214)	(335)	(256)	6,135
Other operating expenses .....	(958)	(1,813)	(1,190)	6,135
	-----	-----	-----	-----
TOTAL OPERATING EXPENSES .....	(4,585)	(7,812)	(4,689)	3,127
NET INCOME .....	\$10,376	\$16,233	\$29,830	\$13,500
	=====	=====	=====	=====
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS .....	\$10,127	\$16,233	\$29,830	\$13,500
PER COMMON SHARE DATA:				
Net income, after Preferred Stock dividend .....	0.58	0.41	0.76	0.76
Diluted earnings per share .....	0.58	0.41	0.76	0.76
COMMON SHARES OUTSTANDING:				
Period average .....	17,343	39,343	39,353	39,353
PERFORMANCE RATIOS:				
Return on average assets .....	1.46%	2.71%	4.71%	4.71%
Return on average common stockholders' equity .....	12.13%	11.15%	20.20%	20.20%
Net interest margin .....	1.73%	2.07%	1.69%	1.69%
Net interest spread .....	1.13%	1.41%	1.11%	1.11%
Total operating expenses to total average assets .....	0.65%	1.31%	0.74%	0.74%

(\*) The meaning of the abbreviation "n.a." for the percentage change of periods presented means not applicable.

### SUMMARY CONSOLIDATED FINANCIAL DATA

(Consolidated Statement of Operations, Balance Sheet and Selected Financial Ratios)

FOR THE THREE MONTHS  
ENDING 2003

(In US\$ thousands, except per share)

INCOME STATEMENT DATA:	
Net interest income .....	\$13,770
Provision for loan losses and off-balance sheet credit risk .....	(317)
Commission income, net .....	2,430
Derivatives and hedging activities .....	(802)



## Edgar Filing: LATIN AMERICAN EXPORT BANK - Form 6-K

Impairment loss on securities .....	(3)
Gain on early extinguishment of debt .....	0
Gain (loss) on foreign currency exchange .....	(27)
Other income .....	(91)
Operating expenses .....	(4,585)
	-----
NET INCOME .....	\$10,376
	=====
Net income available for common stockholders .....	\$10,127
 BALANCE SHEET DATA:	
Loans, net .....	1,958,991
Securities purchased under agreements to resell .....	132,022
Investment securities .....	156,139
Total assets .....	2,851,998
Deposits .....	577,391
Short-term borrowings and placements .....	664,923
Medium and long-term borrowings and placements .....	1,146,448
Redeemable preferred stock (1) .....	0
Total liabilities .....	2,489,073
Redeemable preferred stock .....	12,458
Common stockholders' equity .....	350,466
 PER COMMON SHARE DATA:	
Net income, after Preferred Stock dividend .....	0.58
Diluted earnings per share .....	0.58
Book value (period average) .....	19.50
Book value (period end) .....	20.19
 COMMON SHARES OUTSTANDING:	
Period average .....	17,343
Period end .....	17,343
 SELECTED FINANCIAL RATIOS:	
PERFORMANCE RATIOS:	
Return on average assets .....	1.46
Return on average stockholders' equity .....	12.13
Net interest margin .....	1.73
Net interest spread .....	1.13
Total operating expenses to total average assets .....	0.65
 ASSET QUALITY RATIOS:	
Non-accruing loans and investments to total loan and investment portfolio .....	26.66
Net charge offs to total loan and investment portfolio .....	0.29
Allowance for loan losses to total loans .....	17.47
Allowance for loan losses to non-accruing loans .....	62.06
Allowance for losses on off-balance sheet credit risk to total contingencies .....	5.05
 CAPITAL RATIOS:	
Common stockholders' equity to total assets .....	12.29
Tier 1 capital to risk-weighted assets .....	18.16
Total capital to risk-weighted assets .....	19.41
-----	

(1) SFAS 150 regarding the inclusion of redeemable preferred stock as part of the "other liability" line item was effective as of July 1, 2003.

# Edgar Filing: LATIN AMERICAN EXPORT BANK - Form 6-K

## CONSOLIDATED NET INTEREST INCOME AND AVERAGE BALANCES

	FOR THE THREE MONTHS ENDED					
	March 31, 2003			December 31, 2003		
	AVERAGE BALANCE	INTEREST	AVG. RATE	AVERAGE BALANCE	INTEREST	RATE
(In US\$ thousands, except per						
<b>INTEREST EARNING ASSETS</b>						
Interest-bearing deposits						
with banks .....	\$531,334	\$1,655	1.25%	\$301,941	\$720	0
Securities purchased under						
agreements to resell .....	132,022	681	2.06	132,022	624	1
Loans, net of discount .....	1,720,598	16,734	3.89	1,556,705	12,096	3
Impaired loans .....	678,265	6,107	3.60	460,126	6,599	5
Investment securities .....	158,475	2,662	6.72	90,135	1,484	6
<b>TOTAL INTEREST EARNING ASSETS .....</b>	<b>\$3,220,693</b>	<b>\$27,840</b>	<b>3.46%</b>	<b>\$2,540,929</b>	<b>\$21,522</b>	<b>3</b>
Non interest earning assets .....	\$57,194			\$59,504		
Allowance for loan losses .....	(422,924)			(235,680)		
Other assets .....	21,532			8,768		
<b>TOTAL ASSETS .....</b>	<b>\$2,876,496</b>			<b>\$2,373,521</b>		
<b>INTEREST BEARING LIABILITIES</b>						
Deposits .....	\$561,471	\$2,001	1.43%	\$636,163	\$1,915	1
Short-term borrowings						
and placements .....	647,790	3,509	2.17	513,653	2,138	1
Medium and long-term borrowings						
and placements .....	1,210,421	8,559	2.83	536,080	3,834	2
Redeemable preferred stock (1) .....	0	0	n.a.	10,405		13
					366	
<b>TOTAL INTEREST BEARING LIABILITIES ..</b>	<b>\$2,419,682</b>	<b>\$14,069</b>	<b>2.33%</b>	<b>\$1,696,301</b>	<b>\$8,253</b>	<b>1</b>
Non interest bearing liabilities						
and other liabilities .....	\$105,885			\$99,738		
<b>TOTAL LIABILITIES .....</b>	<b>2,525,567</b>			<b>1,796,038</b>		
REDEEMABLE PREFERRED STOCK (1) .....	12,472			0		
STOCKHOLDERS' EQUITY .....	338,457			577,483		
<b>TOTAL LIABILITIES, REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY .....</b>	<b>\$2,876,496</b>			<b>\$2,373,521</b>		
<b>NET INTEREST SPREAD .....</b>			<b>1.13%</b>			<b>1</b>
<b>NET INTEREST INCOME AND NET INTEREST MARGIN .....</b>		<b>\$13,770</b>	<b>1.73%</b>	<b>\$13,270</b>		<b>2</b>

(1) SFAS 150 regarding the inclusion of redeemable preferred stock as part of the "other liability" line item was effective as of July 1, 2003.

Edgar Filing: LATIN AMERICAN EXPORT BANK - Form 6-K

CONSOLIDATED STATEMENT OF OPERATIONS  
(In US\$ thousands, except percentages & ratios)

	FOR THE YEAR ENDED		FOR THE THREE MONTHS	
	DEC 31/02	MAR 31/03	JUN 30/03	SEP 30/03
<b>INCOME STATEMENT DATA:</b>				
Interest income .....	\$165,800	\$27,840	\$26,265	\$22,769
Interest expense (1) .....	(101,021)	(14,069)	(12,748)	(9,339)
<b>NET INTEREST INCOME .....</b>	<b>64,779</b>	<b>13,770</b>	<b>13,517</b>	<b>13,430</b>
Provision for loan losses .....	(272,586)	7,325	37,429	10,093
<b>NET INTEREST INCOME (LOSS) AFTER PROVISION FOR LOAN LOSSES .....</b>	<b>(207,807)</b>	<b>21,096</b>	<b>50,946</b>	<b>23,523</b>
<b>OTHER INCOME (EXPENSE):</b>				
Commission income, net (1) .....	8,886	2,430	1,835	1,782
Provision for losses on off-balance sheet credit risk .....	(6,170)	(7,642)	7,209	(5,043)
Derivatives and hedging activities .....	(341)	(802)	(320)	(6,667)
Impairment loss on securities .....	(44,268)	(3)	(875)	(75)
Gain on early extinguishment of debt .....	1,430	0	789	0
Gain on sale of securities available for sale .....	184	0	13,351	8,860
Gain (loss) on foreign currency exchange .....	301	(27)	(534)	176
Other income .....	553	(91)	93	2
<b>NET OTHER INCOME (EXPENSE) .....</b>	<b>(39,425)</b>	<b>(6,135)</b>	<b>21,547</b>	<b>(965)</b>
<b>TOTAL OPERATING EXPENSES .....</b>	<b>(19,259)</b>	<b>(4,585)</b>	<b>(5,410)</b>	<b>(4,755)</b>
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS, NET .....</b>	<b>(266,492)</b>	<b>10,376</b>	<b>67,084</b>	<b>17,803</b>
<b>DISCONTINUED OPERATIONS:</b>				
Loss from operations and disposal of business segment .....	(2,346)	0	0	0
<b>NET INCOME (LOSS) .....</b>	<b>(\$268,838)</b>	<b>\$10,376</b>	<b>\$67,084</b>	<b>\$17,803</b>
<b>NET INCOME (LOSS) AVAILABLE FOR STOCKHOLDERS .....</b>	<b>(\$269,850)</b>	<b>\$10,127</b>	<b>\$66,899</b>	<b>\$17,803</b>
<b>SELECTED FINANCIAL DATA</b>				
<b>PER COMMON SHARE DATA</b>				
Net income (loss) after preferred stock dividend ...	(\$15.56)	\$0.58	\$3.65	\$0.45
<b>PERFORMANCE RATIOS</b>				
Return on average assets .....	-6.47%	1.46%	9.79%	2.83%
Return on average common stockholder's equity .....	-60.48%	12.13%	70.25%	12.65%
Net interest margin .....	1.48%	1.73%	1.78%	1.96%
Net interest spread .....	0.96%	1.13%	1.18%	1.31%
Total operating expenses to average assets .....	0.46%	0.65%	0.79%	0.76%

Edgar Filing: LATIN AMERICAN EXPORT BANK - Form 6-K

- (1) For 2002, commission expenses related to borrowings and placements were re-classified from commission expense and other charges to interest expense to conform with the presentation for 2003 in accordance with US GAAP.

EXHIBIT

CREDIT PORTFOLIO  
DISTRIBUTION BY COUNTRY  
(In US\$ million)

COUNTRY	(A) 31MAR03	(B) 31DEC03	(C) 31MAR04	(C) - (A)	(C) - (B)
ARGENTINA .....	\$758	\$435	\$399	(\$360)	(\$436)
BOLIVIA .....	12	0	0	(12)	(0)
BRAZIL .....	1,141	1,154	1,074	(67)	(80)
CHILE .....	70	133	137	67	4
COLOMBIA .....	71	123	81	9	(42)
COSTA RICA .....	37	75	51	14	(24)
DOMINICAN REPUBLIC .....	242	37	25	(217)	(12)
ECUADOR .....	97	87	77	(20)	(10)
EL SALVADOR .....	9	31	34	25	3
GUATEMALA .....	30	36	36	5	0
HONDURAS .....	0	0	1	1	1
JAMAICA .....	22	25	22	(0)	(3)
MEXICO .....	214	247	333	118	86
NICARAGUA .....	11	14	11	0	(3)
PANAMA .....	29	44	51	21	7
PARAGUAY .....	1	0	0	(1)	(0)
PERU .....	139	106	105	(34)	(1)
TRINIDAD & TOBAGO .....	91	100	86	(5)	(14)
VENEZUELA .....	147	61	48	(99)	(13)
OTHER (1) .....	160	139	139	(21)	0
TOTAL CREDIT PORTFOLIO (2) .....	\$3,283	\$2,847	\$2,710	(\$574)	(\$137)
UNEARNED INCOME (3) .....	(\$7)	(\$4)	(\$3)	\$5	\$1
TOTAL CREDIT PORTFOLIO, NET OF UNEARNED INCOME .....	\$3,276	\$2,843	\$2,707	(\$569)	(\$138)

- (1) Includes: (i) securities purchased under agreements to resell with Argentine counterparties of US\$132 million at March 31, 2004, which were fully collateralized with US Treasury securities, and which the Bank classifies as US country risk; (ii) guarantees issued of US\$7 million at March 31, 2004 to a Multilateral Bank in Honduras with shareholder

## Edgar Filing: LATIN AMERICAN EXPORT BANK - Form 6-K

composition of 16% in Guatemala, Costa Rica, El Salvador, Honduras, Nicaragua, 11% in Taiwan, and 9% in Mexico; and (iii) a US\$52 thousand letter of credit confirmed for a bank in Spain.

- (2) Includes book value of loans, fair value of investment securities, securities purchased under agreements to resell, acceptances, and contingencies including confirmed letters of credit, stand-by letters of credit and guarantees covering commercial and country risks. Includes credit commitments of US\$39 million at March 31, 2004, which includes US\$16 million in Brazil and US\$23 million in Mexico; US\$56 million at December 31, 2003, and US\$112 million at March 31, 2003.
- (3) Represents unearned income for loans.