

LATIN AMERICAN EXPORT BANK
Form 20-F
June 21, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF
THE SECURITIES EXCHANGE ACT OF 1934

OR

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2005

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-11414

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)

REPUBLIC OF PANAMA
(Jurisdiction of incorporation or organization)

**Calle 50 y Aquilino de la Guardia
P.O. Box 0819-08730
Panama City, Republic of Panama
(507) 210-8500**

(Address and telephone number of Registrant's principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
Class E Common Stock	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

6,342,189

Shares of Class A Common Stock

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3,214,344	Shares of Class B Common Stock
<u>28,540,242</u>	Shares of Class E Common Stock
38,096,775	Total Shares of Common Stock

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes
 No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes
 No

Note Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer Accelerated Filer Non-accelerated Filer

Indicate by check mark which financial statement item the Registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

BANCO LATINOAMERICANO DE EXPORTACIONES, S.A.

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In this Annual Report on Form 20-F (this Annual Report), references to the Bank or Bladex are to Banco Latinoamericano de Exportaciones, S.A., a specialized supranational bank incorporated under the laws of the Republic of Panama (Panama) and its subsidiaries. References to dollars or \$ are to United States dollars. The Bank accepts deposits and raises funds principally in United States dollars, grants loans mostly in United States dollars and publishes its consolidated financial statements in United States dollars. The numbers and percentages set out in this Annual Report have been rounded and, accordingly, may not total exactly.

Upon written or oral request, the Bank will provide without charge to each person to whom this Annual Report is delivered, a copy of any or all of the documents listed as exhibits to this Annual Report (other than exhibits to those documents, unless the exhibits are specifically incorporated by reference in the documents). Written requests for copies should be directed to the attention of Carlos Yap, Chief Financial Officer, Bladex, as follows: (1) if by regular mail, to P.O. Box 0819-08730, Panama City, Republic of Panama, and (2) if by courier, to Calle 50 y Aquilino de la Guardia, Panama City, Republic of Panama.

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Telephone requests may be directed to Mr. Yap at 011-507-210-8653. Written requests also may be faxed to Mr. Yap at 011-507-269-6333 or sent via e-mail to cyap@blx.com. Information is also available on the Bank's website at: www.blx.com.

This Annual Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Forward-looking statements include statements regarding:

- the anticipated growth of the Bank's credit portfolio, including its trade finance portfolio;
- the Bank's ability to increase the number of corporate clients;
- 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;
- anticipated operating income in future periods;
- the adequacy of the Bank's allowance for credit losses;
- the necessity of making additional provisions for credit losses;
- the Bank's ability to maintain its investment-grade credit ratings;
- the availability and cost of future funding sources for the Bank's lending operations; and
- the adequacy of the Bank's sources of liquidity to cover large deposit withdrawals.

In addition, the statements included under the headings Strategy and Trends are forward-looking statements. Forward-looking statements involve risks and uncertainties, and actual results may differ materially from those discussed in any such statement. Factors that could cause actual results to differ materially from these forward-looking statements include the risks described in the section titled Risk Factors. All forward-looking statements in this Annual Report are made as of the date hereof, based on information available to the Bank as of the date hereof, and the Bank assumes no obligation to update any forward-looking statement.

Terms Relating to the Bank's Credit Portfolio

As used in this Annual Report, the following terms relating to the Bank's credit portfolio have the meanings set forth below, unless otherwise indicated:

Credit portfolio consists of loans, securities purchased under agreements to resell, selected securities held to maturity and available for sale (presented at their estimated fair value) and contingencies. Certain investment securities (selected investment securities) are considered part of the Bank's credit portfolio when the acquisition of these such securities is subject to the same lending policies, including credit approval criteria, as the rest of the credit portfolio.

Contingencies consist of financial instruments with off-balance sheet credit risk, including letters of credit, reimbursement undertakings, guarantees, credit commitments, and customers' liabilities under acceptances.

References to provision for credit losses are to additions to the allowance for credit losses in a particular period that are charged to income. References to allowance for credit losses are to the aggregate allowance for credit losses shown as of a particular date as a balance sheet item.

Total loans includes total performing loans and total impaired loans. Total impaired loans includes only principal. For a description of the Bank's policies regarding the classification of loans as impaired, see Information on the Company Asset Quality.

Total loans, net refers to total loans less allowance for loan losses and unearned income.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not required in this Annual Report.

Item 2. Offer Statistics and Expected Timetable

Not required in this Annual Report.

Item 3. Key Information**A. Selected Financial Data**

The following table presents consolidated selected financial data for the Bank. The financial data presented below are at and for the years ended December 31, 2001, 2002, 2003, 2004 and 2005 and are derived from the Bank's consolidated financial statements for the years indicated, which were prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and audited by KPMG. The consolidated financial statements of the Bank at December 31, 2004 and 2005 and for each of the years in the three-year period ended December 31, 2005 (the Consolidated Financial Statements) are included in this Annual Report, together with the report of KPMG. The information below is qualified in its entirety by the detailed information included elsewhere herein and should be read in conjunction with Information on the Company, Operating and Financial Review and Prospects and the Consolidated Financial Statements and notes thereto included in this Annual Report.

Consolidated Selected Financial Information

	At and for the Year Ended December 31,				
	2001	2002	2003	2004	2005
	(in \$ thousands, except per share amounts and ratios)				
Income Statement Data:					
Net interest income ¹	\$117,688	\$64,779	\$53,987	\$42,025	45,253
Commission income, net ¹	14,741	8,886	7,446	5,928	5,824
Reversal (Provision) for credit losses ²	(77,144)	(278,756)	58,905	112,271	38,374
Total operating expenses	(24,008)	(19,259)	(22,561)	(21,352)	(24,691)
Income (loss) from continuing operations	3,752	(266,492)	111,496	141,730	77,518
Cumulative effect of accounting changes	1,129	0	0	0	2,583
Net income (loss)	2,494	(268,838)	111,496	141,730	80,101
Balance Sheet Data:					
Investment securities	356,098	160,714	77,793	192,856	208,570
Loans	4,733,710	2,516,512	2,275,031	2,441,686	2,610,019
Allowance for loan losses	177,484	429,720	224,347	106,352	39,448
Total assets	5,917,842	2,925,401	2,560,612	2,732,940	3,159,231
Total deposits	1,571,359	551,973	702,955	864,160	1,046,618
Short-term borrowings and placements	1,823,324	647,344	687,214	704,718	760,699
Medium and long-term borrowings and placements	1,787,161	1,285,493	485,516	403,621	533,860
Total liabilities	5,304,192	2,584,002	1,976,283	2,076,810	2,542,449
Total stockholders' equity	598,418	328,923	584,329	656,130	616,782
Average number of shares outstanding	18,102	17,343	28,675	39,232	38,550
Per Common Share Data:					
Net income (loss) per share	0.07	(15.56)	3.88	3.61	2.08
Diluted earnings per share	0.07	(15.56)	3.88	3.60	2.06
Book value (period end)	34.44				