

LATIN AMERICAN EXPORT BANK  
Form 6-K  
February 18, 2005

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**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 o.)

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**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.

February 17, 2005

BANCO LATINOAMERICANO DE EXPORTACIONES, S.A.

By: /s/ PEDRO TOLL

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Name: Pedro Toll

Title: Deputy Manager

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**FOR IMMEDIATE RELEASE****Bladex Reports Net Income of US\$53.9 million for the Fourth Quarter 2004 and Record Net Income of US\$141.7 million for 2004****Fourth Quarter and Year 2004 Financial Highlights**

Net income in the fourth quarter of 2004 was US\$53.9 million, compared to US\$33.7 million in the third quarter of 2004, and US\$16.2 million in the fourth quarter of 2003.

For the year, net income was a record US\$141.7 million, compared to US\$111.5 million in 2003.

During the fourth quarter of 2004, the trade credit portfolio increased 15%, or US\$279 million. For the year, the trade credit portfolio increased 25%, or US\$431 million.

During the fourth quarter of 2004, the credit portfolio in Argentina decreased by US\$86 million, or 26%. For the year, the credit portfolio in the country decreased by US\$195 million, or 45%.

The Argentine credit portfolio at December 31, 2004 was US\$240 million, or US\$156 million net of allowances for credit losses. During 2004, provision reversals related to the reduction in the portfolio in Argentina amounted to US\$104.9 million in 2004, compared to US\$48.4 million in 2003.

**Panama City, Republic of Panama, February 15, 2005** Banco Latinoamericano de Exportaciones, S.A. (NYSE: BLX) ( Bladex or the Bank ) announced its results for the fourth quarter ended December 31, 2004.

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 Figures**

|                             | <b>2003</b> | <b>2004</b> | <b>4Q03</b> | <b>3Q04</b> | <b>4Q04</b> |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| Net Income (In US\$million) | \$ 111.5    | \$ 141.7    | \$ 16.2     | \$ 33.7     | \$ 53.9     |
| EPS (*)                     | \$ 3.88     | \$ 3.61     | \$ 0.41     | \$ 0.86     | \$ 1.39     |
| Return on Average Equity    | 23.9%       | 22.8%       | 11.2%       | 21.2%       | 33.1%       |
| Tier 1 Capital Ratio        | 35.4%       | 42.8%       | 35.4%       | 43.8%       | 42.8%       |
| Net Interest Margin         | 1.87%       | 1.65%       | 2.07%       | 1.74%       | 1.46%       |

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

**Comments from the Chief Executive Officer**

Jaime Rivera, Chief Executive Officer of Bladex stated, "The fourth quarter proved a fitting end to a solid year. In January 2004, we established four main objectives for the year. First, the execution of our commercial strategy, focused around re-leveraging the balance sheet and developing new sources of fee income. Second, the management of our portfolio in Argentina, an effort geared around completing pending restructurings and maximizing collections. Third, taking capital management action in view of the Bank's medium-term needs, and fourth, expanding our shareholder base to increase the liquidity of our common stock.

In our view, the quantitative and qualitative results for the year are evidence of significant progress in respect of all four objectives.

Regarding our commercial strategy, the critical job of re-leveraging the balance sheet is well underway. During the fourth quarter, and in spite of significant reductions in non-trade credits in Argentina, the amount of our total assets reached its highest level since the first quarter of 2003. In addition, the US\$1.6 billion in disbursements in the fourth quarter represented an increase of 52% over the activity during the previous quarter.

The figures reflecting the management of our Argentine portfolio speak for themselves. Our success along this front exceeded our expectations.

Regarding capital management, we achieved our objective of maintaining a solid capitalization while providing significant cash flow to our shareholders. Since January 1, 2004, and including the recently announced US\$2.00 per share special dividend, we have returned a total of US\$144.0 million in equity capital to our shareholders, and still have a balance of US\$42.5 million with which to purchase shares in the open market under our US\$50.0 million share repurchase program.

We were also glad to see our investor relations efforts pay off handsomely. Average daily trading volumes for the year increased by 42% (152,949 in 2004 vs. 107,535 in 2003). In addition, we had the honor of welcoming a number of prestigious new institutions as shareholders of the Bank.

Beyond these four objectives, Bladex made important headway in a number of different areas. The launching of our new corporate identity, for instance, has resonated well in the market, making a significant contribution to our commercial efforts.

Despite our progress in 2004, we are well aware that we still have work to do, particularly in one important area: the generation of additional fee income. We are focusing our efforts in 2005 accordingly.

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The principles behind our work in 2005 remain unchanged: to continue making progress towards our vision of becoming the leading trade finance house in the Latin American and Caribbean region (the Region), while creating significant added value for our shareholders, and improving opportunities for people in the Region.

To this end, our priorities for 2005 remain unchanged: executing our commercial strategy, making continued progress with respect to our Argentine portfolio, paying special attention to capital management, and increasing the liquidity of our common stock. We believe Bladex has the skills, clients, contacts, and financial resources to execute accordingly.

#### **BUSINESS OVERVIEW**

The following tables set forth information regarding the Bank's outstanding credit portfolio and credit portfolio disbursements for the dates and periods indicated.

At December 31, 2004, the Bank's credit portfolio totaled US\$2.9 billion, compared to US\$2.7 billion at September 30, 2004, and US\$2.8 billion at December 31, 2003. The US\$286 million increase in the credit portfolio in the fourth quarter of 2004 was primarily the result of a US\$279 million, or 15%, increase in the Bank's trade portfolio. The distribution of the Bank's credit portfolio is shown on Exhibit VIII.

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Credit disbursements during the fourth quarter of 2004 increased by 52% over the third quarter of 2004, to a total of US\$1.6 billion. During 2004, credit disbursements amounted to US\$4.6 billion, a 14% increase over 2003.

**NET INTEREST INCOME AND MARGINS**

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

(In US\$ million)

|                     | 2003    | 2004    | 4Q03    | 3Q04    | 4Q04   | 4Q04A <sup>(1)</sup> |
|---------------------|---------|---------|---------|---------|--------|----------------------|
| Net Interest Income | \$ 54.0 | \$ 42.0 | \$ 13.3 | \$ 10.6 | \$ 9.1 | \$ 10.0              |
| Net Interest Margin | 1.87%   | 1.65%   | 2.07%   | 1.74%   | 1.46%  | 1.61%                |
| Net Interest Spread | 1.23%   | 0.98%   | 1.41%   | 1.02%   | 0.57%  | 0.79%                |

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<sup>(1)</sup> Fourth quarter ratios adjusted exclude the impact of a US\$0.9 million one-time payment to preferred shareholders.

**4Q04 vs. 3Q04**

The decline in net interest income, net interest margin and net interest spread was mainly due to:

- (i) A one-time payment of US\$0.9 million to preferred shareholders, which is accounted for as an interest expense under U.S. GAAP. This payment relates to the US\$1.00 per share special dividend paid to common shareholders on October 7, 2004. Pursuant to the terms of the 1986 preferred stock issue, the dividend yield was adjusted to a level equivalent to that of the common shares (the calculation excludes the impact of stock dividends). Preferred shares with a par value of US\$6,092,790 remain outstanding, of which 50% will be redeemed on May 15, 2005, and the balance a year later.
- (ii) A US\$1.1 million decrease in interest collections on the impaired Argentine portfolio, resulting from decreasing principal balances.

Partially offsetting these factors in the net interest margin was the effect of higher interest rates on the Bank's available capital. The net interest margin, excluding the effect of the one-time additional preferred dividend, was 1.61%. During January 2005, the Bank's net interest margin was 1.90%, 44 basis points increase over the net interest margin during the fourth quarter of 2004.

**2004 vs. 2003**

The decline in net interest income, net interest margin and net interest spread was mainly due to:

- (i) Lower spreads over LIBOR on the Bank's accruing loan portfolio, resulting from a generally improved risk perception in the Bank's markets and buoyant U.S. dollar liquidity;
  - (ii) The collection of higher-margin non-trade loans; and
  - (iii) Decreased interest collections on the impaired Argentine portfolio, resulting from the US\$195 million principal reduction in this portfolio.
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**COMMISSION INCOME**

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

| (In US\$thousands)             | 2003            | 2004            | 4Q03            | 3Q04            | 4Q04            |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Letters of credit              | \$ 4,242        | \$ 3,894        | \$ 794          | \$ 1,116        | \$ 747          |
| Guarantees:                    |                 |                 |                 |                 |                 |
| Country risk coverage business | 1,251           | 1,078           | 309             | 285             | 186             |
| Other guarantees               | 936             | 462             | 145             | 103             | 109             |
| Loans and other                | 1,460           | 603             | 347             | 81              | 177             |
| <b>Total Commission Income</b> | <b>\$ 7,889</b> | <b>\$ 6,037</b> | <b>\$ 1,595</b> | <b>\$ 1,584</b> | <b>\$ 1,219</b> |
| Commission Expenses            | (443)           | (109)           | (195)           | (15)            | (18)            |
| <b>Commission Income, net</b>  | <b>\$ 7,446</b> | <b>\$ 5,928</b> | <b>\$ 1,400</b> | <b>\$ 1,569</b> | <b>\$ 1,201</b> |

Net commission income for the fourth quarter of 2004 decreased US\$368 thousand, or 23%, compared to the third quarter of 2004, mostly due to lower pricing in a highly competitive letter of credit business.

The 20% decline in net commission income during 2004, compared to 2003, was mainly due to: i) a 59% decline in loans and other commission income related to the Bank's decision to reduce non-trade loan commitments, and to a one-time loan commitment fee of US\$344 thousand that was recognized during the first quarter of 2003, and ii) a 17% average volume decrease in letters of credit and guarantees, reflecting risk-based decisions by the Bank, as well as competitive pressure.

**PROVISIONS FOR CREDIT LOSSES**

During the fourth quarter of 2004, the Bank reversed US\$49.7 million in provisions for credit losses, compared to US\$23.7 million in the third quarter of 2004. The US\$49.7 million total is reflected in the Bank's income statement as a US\$45.0 million in loan loss provision reversal, and a US\$4.7 million provision reversal related to off-balance sheet credit risk.

The US\$49.7 million in provision reversals during the fourth quarter of 2004 were mainly the net result of:

- (i) US\$53.7 million provision reversals resulting from:
  - a. Principal payments and prepayments on Argentine restructured loans (US\$48.2 million),
  - b. The sale of Argentine loans that had not been restructured (US\$5.0 million), and
  - c. Recoveries on previously charged-off Argentine loans (US\$0.5 million).
- (ii) An increase in specific reserves of US\$4.3 million assigned to a Brazilian loan classified as non-accruing during the fourth quarter of 2004.
- (iii) A US\$0.2 million net decrease in generic country reserves due to improved country risk.



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For the year 2004, provision reversals amounted to US\$112.3 million, compared to US\$58.9 million in 2003. The US\$112.3 million total is reflected in the Bank's income statement as a US\$111.4 million in loan loss provision reversal, and US\$0.9 million in provision reversal related to off-balance sheet credit risk. During 2004, provision reversals related to Argentina, (included in the US\$112.3 million total), amounted to US\$104.9 million, and were due to:

- (i) US\$92.2 million in payments and prepayments on restructured loans,
- (ii) US\$6.4 million in loan recoveries, and
- (iii) US\$6.3 million in sales of loans.

In addition, during the year, the Bank decreased US\$9.5 million in generic reserves assigned to certain countries mainly due to improved risk levels, and reversed US\$2.1 million in specific reserves related to a non-accruing loan in Brazil due to payments received. These reversals were partially offset by a US\$4.3 million increase in specific reserves assigned to a loan in Brazil placed on non-accrual status during the fourth quarter of 2004.

Provision reversals in 2003 amounted to US\$58.9 million, and were mainly due to gains on the sale of US\$214.5 million (nominal value) of Argentine loans.

### OPERATING EXPENSES

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

| (In US\$ thousands)                  | 2003             | 2004             | 4Q03            | 3Q04            | 4Q04            |
|--------------------------------------|------------------|------------------|-----------------|-----------------|-----------------|
| Salaries and other employee expenses | \$ 11,390        | \$ 10,335        | \$ 4,298        | \$ 2,382        | \$ 3,083        |
| Depreciation                         | 1,512            | 1,298            | 381             | 330             | 272             |
| Professional services                | 3,147            | 2,572            | 984             | 416             | 779             |
| Maintenance and repairs              | 1,166            | 1,207            | 335             | 299             | 302             |
| Other operating expenses             | 5,346            | 5,941            | 1,813           | 1,365           | 1,709           |
| <b>Total Operating Expenses</b>      | <b>\$ 22,561</b> | <b>\$ 21,352</b> | <b>\$ 7,812</b> | <b>\$ 4,792</b> | <b>\$ 6,145</b> |

#### *4Q04 vs. 3Q04*

Salaries and other employee expenses for the fourth quarter of 2004 and the third quarter of 2004 include variable compensation and special severance provisions of US\$0.9 million and US\$0.3 million, respectively. Excluding the impact of these provisions, salaries and other employee expenses increased by US\$122 thousand, or 6%. Professional services increased by US\$362 thousand, primarily due to legal fees relating to regulatory reporting, rating agencies fees, and project expenses in the area of Human Resources. Other operating expenses increased by US\$345 thousand, reflecting increased marketing activity.

**2004 vs. 2003**

For the year, operating expenses declined by US\$1.2 million, or 5%, mostly due to lower salaries and other employee expenses, depreciation, and professional services. The 11% increase in other operating expenses was mainly due to higher insurance premiums, and outlays related to new product development, branding, and marketing.

**CREDIT PORTFOLIO**

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

|                         | <b>Brazil</b> | <b>Mexico</b> | <b>Caribbean<br/>and<br/>Central<br/>America</b> | <b>Other<br/>South<br/>America</b> | <b>Total<br/>31-DEC-04</b> | <b>Total<br/>30-SEP-04</b> | <b>Total<br/>31-DEC-03</b> |
|-------------------------|---------------|---------------|--|------------------------------------|----------------------------|----------------------------|----------------------------|
| <b>Client type</b>      |               |               |  |                                    |                            |                            |                            |
| Financial Entities      | 87%           | 60%           | 79%  | 75%                                | 78%                        | 82%                        | 69%                        |
| Non-Financial Entities  | 13%           | 40%           | 21%  | 25%                                | 22%                        | 18%                        | 31%                        |
| <b>Transaction type</b> |               |               |  |                                    |                            |                            |                            |
| Trade                   | 94%           | 50%           | 86%  | 73%                                | 81%                        | 82%                        | 73%                        |
| Non-Trade               | 6%            | 50%           | 14%  | 27%                                | 19%                        | 18%                        | 27%                        |

As of December 31, 2004, 77% of the Bank's outstanding credit portfolio (excluding the non-accruing portfolio), was scheduled to mature on or before December 31, 2005. The equivalent figures (portfolio maturing within the next year) as of September 30, 2004 and December 31, 2003, were 83% and 92%, respectively. The distribution of the Bank's credit portfolio as of December 31, 2004, was as follows:

**Brazilian Exposure**

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

(In US\$ million)

|                             | December 31, 2004 |                          |                 |                   | Sep. 30,<br>2004  | Dec. 31,<br>2003  |
|-----------------------------|-------------------|--------------------------|-----------------|-------------------|-------------------|-------------------|
|                             | Loans             | Investment<br>Securities | Contingencies   | Total             | Total             | Total             |
| Nominal Value               | \$ 1,054.1        | \$ 11.0                  | \$ 114.8        | \$ 1,179.9        | \$ 1,122.0        | \$ 1,152.6        |
| Fair value adjustments      | n.a.              | 0.4                      | n.a.            | 0.4               | 0.6               | 1.3               |
| <b>Credit Portfolio</b>     | <b>\$ 1,054.1</b> | <b>\$ 11.4</b>           | <b>\$ 114.8</b> | <b>\$ 1,180.3</b> | <b>\$ 1,122.6</b> | <b>\$ 1,153.9</b> |
| Allowance for credit losses | (28.7)            | n.a.                     | (0.5)           | (29.3)            | (24.2)            | (35.1)            |
| <b>Net Exposure</b>         | <b>\$ 1,025.3</b> | <b>\$ 11.4</b>           | <b>\$ 114.3</b> | <b>\$ 1,151.0</b> | <b>\$ 1,098.4</b> | <b>\$ 1,118.8</b> |

During the fourth quarter of 2004, the Bank placed a US\$6 million exposure to a Brazilian bank in non-accrual status, of which US\$1 million in principal was past due. The rest of the Bank's Brazilian portfolio was current on interest and principal. The credit portfolio in Brazil included another non-accruing restructured loan to a corporation in the amount of US\$43 million, which is current in interest and principal, an amount unchanged from September 30, 2004, and compared to US\$47 million at December 31, 2003. As of December 31, 2004, the US\$29 million allowance for credit losses allocated to Brazil included a US\$19 million specific allowance assigned to these non-accruing loans, compared to US\$14 million related to these non-accruing loans at September 30, 2004.

**Argentine Exposure**

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

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At December 31, 2004, the Bank's US\$156 million exposure in Argentina, net of the allowance for credit losses, represented 24% of its total stockholders' equity, compared to 29% at September 30, 2004, and 41% at December 31, 2003.

The Bank's Argentine net exposure and the components thereof at the dates indicated is presented in the following table:

(In US\$ million)

|                                      | December 31, 2004 |                          |                                     |                 | Sep. 30,<br>2004 | Dec. 31,<br>2003 |
|--------------------------------------|-------------------|--------------------------|-------------------------------------|-----------------|------------------|------------------|
|                                      | Loans             | Investment<br>Securities | Acceptances<br>and<br>Contingencies | Total           | Total            | Total            |
| Nominal Value ( gross portfolio )    | \$ 206.8          | \$ 5.3                   | \$ 32.3                             | \$ 244.4        | \$ 330.9         | \$ 439.7         |
| Impairment loss on securities        | n.a.              | (4.4)                    | n.a.                                | (4.4)           | (4.4)            | (4.6)            |
| <b>Credit Portfolio</b>              | <b>206.8</b>      | <b>0.9</b>               | <b>32.3</b>                         | <b>240.0</b>    | <b>326.5</b>     | <b>435.1</b>     |
| Specific allowance for credit losses | (63.2)            | n.a.                     | (20.7)                              | (83.9)          | (148.5)          | (195.4)          |
| <b>Net Exposure</b>                  | <b>\$ 143.6</b>   | <b>\$ 0.9</b>            | <b>\$ 11.6</b>                      | <b>\$ 156.1</b> | <b>\$ 178.0</b>  | <b>\$ 239.7</b>  |

The Bank's credit portfolio in the country is denominated in U.S. dollars (89%) and Euros (11%).

The US\$86.5 million reduction in the Argentine credit portfolio during the fourth quarter of 2004 was mainly due to:

- (i) Scheduled repayments of restructured loans of US\$12.6 million;
- (ii) Principal loan prepayments in the amount of US\$56.1 million;
- (iii) The sale of US\$18.8 million (face value) of loans that had not been restructured and were not paying interest; and
- (iv) Changes in value caused by changing foreign currency (Euro) exchange rates (-US\$0.9 million).

During 2004, the Bank's Argentine credit portfolio declined by US\$195.1 million, or 45%. This reduction was mainly due to:

- (i) The sale of loans and investment securities totaling US\$27.6 million;
- (ii) Payments and prepayments of restructured credits in the amount of US\$168.3 million; and
- (iii) Fair value adjustments of investment securities and changes in value caused by changing foreign currency (Euro) exchange rates (-US\$0.8 million).

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The distribution of the Argentine credit portfolio by industry type at the dates indicated was as follows:

(In US\$ million, except percentages)

| Industry  | Credit Portfolio<br>as of December, 31,<br>2004 |             |
|---|---|-------------|
|   | \$  | %           |
| <b>Non-Financial Entities</b>                             |   |             |
| Beverage  | \$ 11   | 5%          |
| Food production   | 13  | 6%          |
| Mining and oil and gas extraction                         | 37  | 15%         |
| Utilities   | 19  | 8%          |
| <b>Total Non-Financial Entities</b>                       | <b>\$ 80</b>                                    | <b>33%</b>  |
| <b>Financial Entities</b>                                 |   |             |
| Controlled subsidiaries of major<br>US and European Banks | \$ 40   | 17%         |
| State owned banks guaranteed<br>by third party paper      | 51  | 21%         |
| State-owned banks   | 69  | 29%         |
| <b>Total Financial Entities</b>                           | <b>\$ 160</b>                                   | <b>67%</b>  |
| <b>Total</b>  | <b>\$ 240</b>                                   | <b>100%</b> |

At September 30, 2004 and December 31, 2003, the Bank had securities purchased under agreements to resell with Argentine counterparties totaling US\$30 million and US\$132 million, respectively. These assets were fully collateralized with U.S. Treasury securities, and were classified as U.S. country risk. By December 31, 2004, the balance on these securities purchased under agreements to resell had been paid in full.

The Bank's interest payments on Argentine credits are recorded on a cash basis. The Bank collected interest from Argentine borrowers for US\$3 million during the fourth quarter of 2004, compared to US\$5 million during the third quarter of 2004, and to US\$5 million during the fourth quarter of 2003. During the fourth quarter of 2004, interest payments received represented 96% of the payments due and payable within the quarter, compared to 100% during the third quarter of 2004, and to 98% during the fourth quarter of 2003. Although significant amounts of interest have been received on a consistent basis from most of the Bank's borrowers in the country, the Bank allocates loan loss allowances to this portfolio based on estimated future cash flow projections and other factors.

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The composition and maturity profile of the Bank's remaining Argentine credit portfolio as of December 31, 2004, was as follows:

(In US\$ million, except percentages)

| Argentine Credit Portfolio Status                          | Outstanding<br>as of<br>Dec. 31,<br>2004 | %           | Repayment Schedule |              |              |              |             |
|--|--|-------------|--------------------|--------------|--------------|--------------|-------------|
|  |  |             | 2005               | 2006         | 2007         | 2008-2010    | Past Due    |
| Performing under original terms                            | \$ 27                                    | 11%         | \$ 12              | \$ 13        | \$ 2         | \$ 0         | \$ 0        |
| Restructured and performing<br>under<br>renegotiated terms | 202                                      | 84%         | 56                 | 60           | 62           | 23           | 0           |
| Neither restructured nor paying<br>interest                | 11                                       | 4%          | 8                  | 0            | 0            | 0            | 3           |
| <b>Total</b>   | <b>\$ 240</b>                            | <b>100%</b> | <b>\$ 76</b>       | <b>\$ 73</b> | <b>\$ 65</b> | <b>\$ 23</b> | <b>\$ 3</b> |

The Restructured and performing under renegotiated terms portfolio has an average term to maturity of approximately 2 years. Assets Neither restructured nor paying interest as of December 31, 2004, consisted of an obligation from a company in the utilities sector.

### 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)

|   | 31-DEC-03       | 31-MAR-04       | 30-JUN-04       | 30-SEP-04       | 31-DEC-04       |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Allowance for credit losses</b>        |                 |                 |                 |                 |                 |
| At beginning of period                    | \$ 272.3        | \$ 258.3        | \$ 236.9        | \$ 220.8        | \$ 200.0        |
| Provisions (reversals) charged to expense | (9.4)           | (21.4)          | (17.4)          | (23.7)          | (49.7)          |
| Credit recoveries <sup>(1)</sup>          | 0.0             | 0.0             | 1.3             | 4.6             | 0.5             |
| Credits written-off against the allowance | (4.6)           | 0.0             | 0.0             | (1.6)           | (11.4)          |
| <b>Balance at end of period</b>           | <b>\$ 258.3</b> | <b>\$ 236.9</b> | <b>\$ 220.8</b> | <b>\$ 200.0</b> | <b>\$ 139.5</b> |

<sup>(1)</sup> In 2004, consisted solely of Argentine loan recoveries, which had been charged-off against the allowance for loan losses in previous years.

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As of December 31, 2004, the allowance for credit losses and the Bank's loan and contingencies portfolio on a per country basis were as follows:

(In US\$ million)

|                 | September 30, 2004                               |                                | December 31, 2004                                |                                | Change<br>(Dec. 31, 2004 vs. Sep. 30,<br>2004)   |                                |
|-----------------|--|--------------------------------|--|--------------------------------|--|--------------------------------|
|                 | Loans and<br>Contingencies<br>(Nominal<br>Value) | Allowance for<br>credit losses | Loans and<br>Contingencies<br>(Nominal<br>Value) | Allowance for<br>credit losses | Loans and<br>Contingencies<br>(Nominal<br>Value) | Allowance for<br>credit losses |
| Argentina       | \$ 326   | \$ (148)                       | \$ 239   | \$ (84)                        | \$ (86)  | \$ 65                          |
| Brazil          | 1,111  | (24)                           | 1,169  | (29)                           | 58   | (5)                            |
| Other Countries | 1,141  | (27)                           | 1,342  | (26)                           | 200  | 1                              |
| <b>Total</b>    | <b>\$ 2,578</b>                                  | <b>\$ (200)</b>                | <b>\$ 2,750</b>                                  | <b>\$ (139)</b>                | <b>\$ 172</b>                                    | <b>\$ 61</b>                   |

As of December 31, 2004, the Bank had past due loans in principal and interest for US\$4 million (one client in Argentina and one in Brazil). The remainder of the Bank's credit portfolio is current.

### LIQUIDITY

The following table shows the net cash position of the Bank as a percentage of its overall balance sheet and as a percentage of total deposits at the following dates:

|   | 31-DEC-03 | 30-SEP-04 | 31-DEC-04 |
|---|-----------|-----------|-----------|
| Net cash position <sup>(1)</sup> / total assets | 9.9%      | 7.8%      | 5.5%      |
| Net cash position <sup>(1)</sup> / deposits     | 35.9%     | 21.2%     | 17.4%     |

<sup>(1)</sup>The Bank's net cash position consists of: cash due from banks, plus interest-bearing deposits with banks, less pledged certificates of deposit.

As of December 31, 2004, the Bank's deposits were US\$864 million, compared to US\$866 million at September 30, 2004. Deposits increased 23%, or US\$161 million, from a year ago, primarily reflecting new deposits from central and commercial banks in the Region. The December 31, 2004 liquidity ratios reflect the Bank's decision to return its liquidity position to historical levels prior to the restructurings in Argentina.

### PERFORMANCE AND CAPITAL RATIOS

At December 31, 2004 the number of common shares outstanding was 38.9 million, compared to 39.1 million at September 30, 2004, and compared to 39.4 million at December 31, 2003. The 224,458 share difference in the number of shares outstanding during the quarter, corresponds mostly to common shares repurchased under the open market share repurchase program. The Bank repurchased 461,900 common shares under the repurchase program during 2004.

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

|  | 2003  | 2004  | 4Q03  | 3Q04  | 4Q04  |
|--|-------|-------|-------|-------|-------|
| ROE (return on average stockholders' equity) | 23.9% | 22.8% | 11.2% | 21.2% | 33.1% |
| ROA (return on average assets)               | 4.2%  | 5.8%  | 2.7%  | 5.8%  | 8.8%  |

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:

|                      | 31DEC03 | 30SEP04 | 31DEC04 |
|----------------------|---------|---------|---------|
| Tier 1 Capital Ratio | 35.4%   | 43.8%   | 42.8%   |
| Total Capital Ratio  | 36.7%   | 45.0%   | 44.1%   |



## RECENT EVENTS

**New Treasurer** On January 1, 2005, Mr. Gregory Testerman was named Treasurer of the Bank. Mr. Testerman joins Bladex after a career with Banco Santander and Chase Manhattan Bank, where he served in treasury management roles in the U.S., Asia, and Europe.

**Quarterly Common Dividends** - On January 17, 2005, Bladex a the quarterly cash dividend of US\$0.15 per share corresponding to the fourth quarter of 2004.

**Special Common Dividends** - On February 4, 2005, the Bank announced that its Board of Directors authorized a special dividend in the amount of US\$2.00 per common share.

**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 executing the Bank's commercial strategy, progress with respect to the Bank's Argentine portfolio, capital management actions, increasing the liquidity of the Bank's common stock and the ability of the Bank to make progress in these areas. 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 Brazil or Argentina, 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 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 Brazil or Argentina 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, the Bank's operations being less profitable than anticipated, or higher than anticipated equity capital requirements.*

## 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 December 31, 2004, over its 25 years of operations, Bladex had disbursed accumulated credits of over US\$129 billion.

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For more information, please access our website on the Internet at [www.blx.com](http://www.blx.com) or contact:

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## CONSOLIDATED BALANCE SHEETS

## AT THE END OF,

|   | (A)<br>Dec. 31, 2003 | (B)<br>Sep. 30, 2004 | (C)<br>Dec. 31, 2004 | (C) - (B)<br>CHANGE | %          | (C) - (A)<br>CHANGE | %         |
|---|----------------------|----------------------|----------------------|---------------------|------------|---------------------|-----------|
| (In US\$ thousands, except percentages)             |                      |                      |                      |                     |            |                     |           |
| <b>ASSETS</b>                                       |                      |                      |                      |                     |            |                     |           |
| Cash and due from banks                             | \$ 868               | \$ 877               | \$ 687               | \$ (190)            | (22)%      | \$ (181)            | (21)%     |
| Interest-bearing deposits with banks (1)            | 253,946              | 184,500              | 154,099              | (30,401)            | (16)       | (99,847)            | (39)      |
| Securities purchased under agreements to resell     | 132,022              | 29,825               | 0                    | (29,825)            | (100)      | (132,022)           | (100)     |
| Securities available for sale                       | 48,341               | 51,064               | 164,872              | 113,808             | 223        | 116,531             | 241       |
| Securities held to maturity                         | 29,452               | 28,353               | 27,984               | (369)               | (1)        | (1,468)             | (5)       |
| Loans   | 2,275,031            | 2,121,210            | 2,441,686            | 320,476             | 15         | 166,655             | 7         |
| Less:   |                      |                      |                      |                     |            |                     |           |
| Allowance for loan losses                           | (224,347)            | (162,230)            | (106,352)            | 55,878              | (34)       | 117,995             | (53)      |
| Unearned income                                     | (4,282)              | (1,154)              | (3,845)              | (2,692)             | 233        | 437                 | (10)      |
| Loans, net  | 2,046,402            | 1,957,827            | 2,331,488            | 373,662             | 19         | 285,087             | 14        |
| Customers liabilities under acceptances             | 29,006               | 64,854               | 32,530               | (32,324)            | (50)       | 3,524               | 12        |
| Premises and equipment                              | 4,119                | 3,450                | 3,508                | 59                  | 2          | (610)               | (15)      |
| Accrued interest receivable                         | 10,931               | 10,447               | 15,448               | 5,001               | 48         | 4,517               | 41        |
| Derivatives financial instruments - assets          | 2,256                | 0                    | 0                    | 0                   | 0          | (2,256)             | (100)     |
| Other assets  | 6,214                | 6,296                | 5,491                | (806)               | (13)       | (723)               | (12)      |
| <b>TOTAL ASSETS</b>                                 | <b>\$ 2,563,556</b>  | <b>\$ 2,337,494</b>  | <b>\$ 2,736,107</b>  | <b>\$ 398,614</b>   | <b>17%</b> | <b>\$ 172,552</b>   | <b>7%</b> |
| <b>LIABILITIES AND STOCKHOLDERS EQUITY</b>          |                      |                      |                      |                     |            |                     |           |
| <b>Deposits</b>                                     |                      |                      |                      |                     |            |                     |           |
| Noninterest-bearing - Demand                        | \$ 19,370            | \$ 19,731            | \$ 22,619            | \$ 2,888            | 15%        | \$ 3,249            | 17%       |
| Interest-bearing - Time                             | 683,585              | 846,184              | 841,540              | (4,643)             | (1)        | 157,956             | 23        |
| Total Deposits                                      | 702,955              | 865,915              | 864,160              | (1,755)             | (0)        | 161,205             | 23        |
| Short-term borrowings                               | 687,214              | 362,366              | 704,718              | 342,352             | 94         | 17,504              | 3         |
| Medium and long-term borrowings and placements      | 485,516              | 326,410              | 403,621              | 77,211              | 24         | (81,895)            | (17)      |
| Acceptances outstanding                             | 29,006               | 64,854               | 32,530               | (32,324)            | (50)       | 3,524               | 12        |
| Accrued interest payable                            | 5,432                | 5,456                | 6,477                | 1,021               | 19         | 1,046               | 19        |
| Derivatives financial instruments - liabilities     | 13,021               | 0                    | 0                    | 0                   | 0          | (13,021)            | (100)     |
| Reserve for losses on off-balance sheet credit risk | 33,973               | 37,816               | 33,101               | (4,715)             | (12)       | (871)               | (3)       |
| Redeemable preferred stock                          | 10,946               | 8,035                | 7,860                | (175)               | (2)        | (3,086)             | (28)      |
| Other liabilities                                   | 11,163               | 54,241               | 27,509               | (26,731)            | (49)       | 16,346              | 146       |
| <b>TOTAL LIABILITIES</b>                            | <b>\$ 1,979,227</b>  | <b>\$ 1,725,095</b>  | <b>\$ 2,079,977</b>  | <b>\$ 354,883</b>   | <b>21%</b> | <b>\$ 100,750</b>   | <b>5%</b> |
| <b>STOCKHOLDERS EQUITY</b>                          |                      |                      |                      |                     |            |                     |           |
| Common stock, no par value                          | 279,978              | 279,978              | 279,978              |                     |            |                     |           |

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|  |              |              |              |            |     |            |     |
|--|--------------|--------------|--------------|------------|-----|------------|-----|
| Capital surplus                            | 133,786      | 133,817      | 133,785      |            |     |            |     |
| Capital reserves                           | 95,210       | 95,210       | 95,210       |            |     |            |     |
| Retained earnings                          | 150,789      | 185,974      | 233,701      |            |     |            |     |
| Treasury stock                             | (85,310)     | (89,365)     | (92,627)     |            |     |            |     |
| Accumulated other comprehensive income     | 9,876        | 6,785        | 6,082        |            |     |            |     |
| <hr/>                                      |              |              |              |            |     |            |     |
| TOTAL STOCKHOLDERS EQUITY                  | \$ 584,329   | \$ 612,399   | \$ 656,130   | \$ 43,731  | 7%  | \$ 71,802  | 12% |
| <hr/>                                      |              |              |              |            |     |            |     |
| TOTAL LIABILITIES, AND STOCKHOLDERS EQUITY | \$ 2,563,556 | \$ 2,337,494 | \$ 2,736,107 | \$ 398,614 | 17% | \$ 172,552 | 7%  |
| <hr/>                                      |              |              |              |            |     |            |     |

- (1) Interest-bearing deposits with banks includes pledged certificates of deposit in the amount of US\$2.2 million at December 31, 2003 and September 30, 2004, and US\$4.2 million at December 31, 2004.

## CONSOLIDATED STATEMENTS OF INCOME

## FOR THE THREE MONTHS ENDED

|  | (A)<br>Dec. 31, 2003 | (B)<br>Sep. 30, 2004 | (C)<br>Dec. 31, 2004 | (C) - (B)<br>CHANGE | %            | (C) - (A)<br>CHANGE | %            |
|--|----------------------|----------------------|----------------------|---------------------|--------------|---------------------|--------------|
| (In US\$ thousands, except percentages and per share amounts)          |                      |                      |                      |                     |              |                     |              |
| <b>INCOME STATEMENT DATA:</b>  |                      |                      |                      |                     |              |                     |              |
| Interest income  | \$ 21,522            | \$ 18,535            | \$ 20,422            | \$ 1,887            | 10%          | \$ (1,101)          | (5)%         |
| Interest expense   | (8,253)              | (7,950)              | (11,358)             | (3,408)             | 43           | (3,105)             | 38           |
| <b>NET INTEREST INCOME</b>   | <b>13,270</b>        | <b>10,585</b>        | <b>9,064</b>         | <b>(1,521)</b>      | <b>(14)</b>  | <b>(4,206)</b>      | <b>(32)</b>  |
| Reversal of provision for loan losses                                  | 14,661               | 27,413               | 45,010               | 17,597              | 64           | 30,350              | 207          |
| <b>NET INTEREST INCOME AFTER REVERSAL OF PROVISION FOR LOAN LOSSES</b> | <b>27,930</b>        | <b>37,998</b>        | <b>54,074</b>        | <b>16,076</b>       | <b>42</b>    | <b>26,144</b>       | <b>94</b>    |
| <b>OTHER INCOME (EXPENSE):</b>   |                      |                      |                      |                     |              |                     |              |
| Commission income, net   | 1,400                | 1,569                | 1,201                | (368)               | (23)         | (199)               | (14)         |
| Reversal (provision) for losses on off-balance sheet credit risk       | (5,127)              | (3,683)              | 4,715                | 8,398               | (228)        | 9,842               | (192)        |
| Derivatives and hedging activities                                     | (199)                | 24                   | 0                    | (24)                | (100)        | 199                 | (100)        |
| Gain on the sale of securities available for sale                      | 0                    | 2,589                | 0                    | (2,589)             | (100)        | 0                   | n.a.(*)      |
| Gain on foreign currency exchange                                      | 3                    | 5                    | 7                    | 3                   | 55           | 5                   | 184          |
| Other income (expense)   | 38                   | 14                   | 60                   | 46                  | 342          | 22                  | 60           |
| <b>NET OTHER INCOME (EXPENSE)</b>                                      | <b>(3,886)</b>       | <b>518</b>           | <b>5,984</b>         | <b>5,466</b>        | <b>1,055</b> | <b>9,870</b>        | <b>(254)</b> |
| <b>OPERATING EXPENSES:</b>   |                      |                      |                      |                     |              |                     |              |
| Salaries and other employee expenses                                   | (4,298)              | (2,382)              | (3,083)              | (701)               | 29           | 1,215               | (28)         |
| Depreciation of premises and equipment                                 | (381)                | (330)                | (272)                | 58                  | (18)         | 110                 | (29)         |
| Professional services  | (984)                | (416)                | (779)                | (362)               | 87           | 206                 | (21)         |
| Maintenance and repairs  | (335)                | (299)                | (302)                | (3)                 | 1            | 33                  | (10)         |
| Other operating expenses   | (1,813)              | (1,365)              | (1,709)              | (345)               | 25           | 104                 | (6)          |
| <b>TOTAL OPERATING EXPENSES</b>  | <b>(7,812)</b>       | <b>(4,792)</b>       | <b>(6,145)</b>       | <b>(1,353)</b>      | <b>28</b>    | <b>1,667</b>        | <b>(21)</b>  |
| <b>NET INCOME</b>  | <b>\$ 16,233</b>     | <b>\$ 33,724</b>     | <b>\$ 53,913</b>     | <b>\$ 20,189</b>    | <b>60</b>    | <b>\$ 37,680</b>    | <b>232</b>   |
| <b>NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS</b>                    | <b>\$ 16,233</b>     | <b>\$ 33,724</b>     | <b>\$ 53,913</b>     | <b>\$ 20,189</b>    | <b>60%</b>   | <b>\$ 37,680</b>    | <b>232%</b>  |
| <b>PER COMMON SHARE DATA:</b>  |                      |                      |                      |                     |              |                     |              |
| Net income, after Preferred Stock dividend                             | 0.41                 | 0.86                 | 1.39                 |                     |              |                     |              |
| Diluted earnings per share   | 0.41                 | 0.85                 | 1.38                 |                     |              |                     |              |
| <b>COMMON SHARES OUTSTANDING:</b>                                      |                      |                      |                      |                     |              |                     |              |
| Period average   | 39,343               | 39,310               | 38,916               |                     |              |                     |              |
| <b>PERFORMANCE RATIOS:</b>   |                      |                      |                      |                     |              |                     |              |
| Return on average assets   | 2.71%                | 5.82%                | 8.83%                |                     |              |                     |              |
| Return on average stockholders equity                                  | 11.15%               | 21.18%               | 33.15%               |                     |              |                     |              |
| Net interest margin  | 2.07%                | 1.74%                | 1.46%                |                     |              |                     |              |

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|  |       |       |       |
|--|-------|-------|-------|
| Net interest spread                              | 1.41% | 1.02% | 0.57% |
| Total operating expenses to total average assets | 1.31% | 0.83% | 1.01% |

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(\*) n.a. means not applicable.

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SUMMARY CONSOLIDATED FINANCIAL DATA  
(Consolidated Statements of Income, Balance Sheets, and Selected Financial Ratios)

| (In US\$ thousands, except per share amounts & ratios)                       | FOR THE YEAR ENDED DEC. 31, |                   |
|--|-----------------------------|-------------------|
|  | 2003                        | 2004              |
| <b>INCOME STATEMENT DATA:</b>  |                             |                   |
| Net interest income  | \$ 53,987                   | \$ 42,025         |
| Reversal of provision for loan losses and off-balance sheet credit risk      | 58,905                      | 112,271           |
| Commission income, net   | 7,446                       | 5,928             |
| Derivatives and hedging activities   | (7,988)                     | 48                |
| Impairment loss on securities  | (953)                       | 0                 |
| Gain on the sale of securities available for sale                            | 22,211                      | 2,922             |
| Gain on early extinguishment of debt   | 789                         | 6                 |
| Loss on foreign currency exchange  | (382)                       | (194)             |
| Other income (expense)   | 42                          | 77                |
| Operating expenses   | (22,561)                    | (21,352)          |
|  | \$ 111,496                  | \$ 141,730        |
| <b>NET INCOME</b>  | <b>\$ 111,496</b>           | <b>\$ 141,730</b> |
|  | \$ 111,130                  | \$ 141,730        |
| <b>NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS</b>                          | <b>\$ 111,130</b>           | <b>\$ 141,730</b> |
| <b>BALANCE SHEET DATA:</b>   |                             |                   |
| Securities purchased under agreements to resell                              | 132,022                     | 0                 |
| Investment securities  | 77,793                      | 192,856           |
| Loans, net   | 2,046,402                   | 2,331,488         |
| Total assets   | 2,563,556                   | 2,736,107         |
| Deposits   | 702,955                     | 864,160           |
| Short-term borrowings  | 687,214                     | 704,718           |
| Medium and long-term borrowings and placements                               | 485,516                     | 403,621           |
| Total liabilities.   | 1,979,227                   | 2,079,977         |
| Stockholders' equity   | 584,329                     | 656,130           |
| <b>PER COMMON SHARE DATA:</b>  |                             |                   |
| Net income, after Preferred Stock dividend                                   | 3.88                        | 3.61              |
| Diluted earnings per share   | 3.88                        | 3.60              |
| Book value (period average)  | 16.21                       | 15.88             |
| Book value (period end)  | 14.84                       | 16.87             |
| <b>COMMON SHARES OUTSTANDING:</b>  |                             |                   |
| Period average   | 28,675                      | 39,232            |
| Period end   | 39,353                      | 38,897            |
| <b>SELECTED FINANCIAL RATIOS:</b>  |                             |                   |
| <b>PERFORMANCE RATIOS:</b>   |                             |                   |
| Return on average assets   | 4.24%                       | 5.82%             |
| Return on average stockholders' equity                                       | 23.91%                      | 22.75%            |
| Net interest margin  | 1.87%                       | 1.65%             |
| Net interest spread  | 1.23%                       | 0.98%             |
| Total operating expenses to total average assets                             | 0.86%                       | 0.88%             |
| <b>ASSET QUALITY RATIOS:</b>   |                             |                   |
| Non-accurring loans and investments to total loan and investment portfolio   | 18.15%                      | 9.75%             |
| Net charge offs to total loan and investment portfolio                       | 5.48%                       | 0.25%             |
| Allowance for loan losses to total loans                                     | 9.88%                       | 4.36%             |
| Allowance for loan losses to non-accurring loans                             | 50.43%                      | 41.62%            |
| Allowance for losses on off-balance sheet credit risk to total contingencies | 9.39%                       | 10.74%            |
| <b>CAPITAL RATIOS:</b>   |                             |                   |
| Stockholders' equity to total assets   | 22.79%                      | 23.98%            |
| Tier 1 capital to risk-weighted assets                                       | 35.42%                      | 42.82%            |

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Total capital to risk-weighted assets

36.67%

44.07%

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## CONSOLIDATED STATEMENTS OF INCOME

|   | FOR THE YEAR<br>ENDED DEC. 31, |                   |                  |             |
|---|--------------------------------|-------------------|------------------|-------------|
|   | 2003                           | 2004              | CHANGE           | %           |
| (In US\$ thousands, except percentages)                                     |                                |                   |                  |             |
| <b>INCOME STATEMENT DATA:</b>   |                                |                   |                  |             |
| Interest income   | \$ 98,395                      | \$ 76,152         | \$ (22,243)      | (23)%       |
| Interest expense  | (44,408)                       | (34,127)          | 10,282           | (23)        |
| <b>NET INTEREST INCOME</b>  | <b>53,987</b>                  | <b>42,025</b>     | <b>(11,962)</b>  | <b>(22)</b> |
| Reversal of provision for loan losses                                       | 69,508                         | 111,400           | 41,892           | 60          |
| <b>NET INTEREST INCOME AFTER REVERSAL OF PROVISION FOR<br/>LOAN LOSSES.</b> | <b>123,495</b>                 | <b>153,425</b>    | <b>29,930</b>    | <b>24</b>   |
| <b>OTHER INCOME (EXPENSE):</b>  |                                |                   |                  |             |
| Commission income, net  | 7,446                          | 5,928             | (1,519)          | (20)        |
| Reversal (provision) for losses on off-balance sheet credit risk            | (10,603)                       | 871               | 11,474           | (108)       |
| Derivatives and hedging activities  | (7,988)                        | 48                | 8,036            | (101)       |
| Impairment loss on securities   | (953)                          | 0                 | 953              | (100)       |
| Gain on the sale of securities available for sale                           | 22,211                         | 2,922             | (19,289)         | (87)        |
| Gain on early extinguishment of debt  | 789                            | 6                 | (783)            | (99)        |
| Loss on foreign currency exchange   | (382)                          | (194)             | 188              | (49)        |
| Other income (expense)  | 42                             | 77                | 35               | 84          |
| <b>NET OTHER INCOME (EXPENSE)</b>   | <b>10,562</b>                  | <b>9,658</b>      | <b>(904)</b>     | <b>(9)</b>  |
| <b>OPERATING EXPENSES:</b>  |                                |                   |                  |             |
| Salaries and other employee expenses  | (11,390)                       | (10,335)          | 1,056            | (9)         |
| Depreciation of premises and equipment                                      | (1,512)                        | (1,298)           | 213              | (14)        |
| Professional services   | (3,147)                        | (2,572)           | 575              | (18)        |
| Maintenance and repairs   | (1,166)                        | (1,207)           | (41)             | 4           |
| Other operating expenses  | (5,346)                        | (5,941)           | (595)            | 11          |
| <b>TOTAL OPERATING EXPENSES</b>   | <b>(22,561)</b>                | <b>(21,352)</b>   | <b>1,209</b>     | <b>(5)</b>  |
| <b>NET INCOME</b>   | <b>\$ 111,496</b>              | <b>\$ 141,730</b> | <b>\$ 30,234</b> | <b>27</b>   |

## CONSOLIDATED NET INTEREST INCOME AND AVERAGE BALANCES

## FOR THE THREE MONTHS ENDED,

|   | December 31, 2003   |                  |              | September 30, 2004  |                  |              | December 31, 2004   |                  |              |
|---|---------------------|------------------|--------------|---------------------|------------------|--------------|---------------------|------------------|--------------|
|   | AVERAGE<br>BALANCE  | INTEREST         | AVG.<br>RATE | AVERAGE<br>BALANCE  | INTEREST         | AVG.<br>RATE | AVERAGE<br>BALANCE  | INTEREST         | AVG.<br>RATE |
| (In US\$ thousands, except percentages)                       |                     |                  |              |                     |                  |              |                     |                  |              |
| <b>INTEREST EARNING ASSETS</b>                                |                     |                  |              |                     |                  |              |                     |                  |              |
| Interest-bearing deposits with banks                          | \$ 301,941          | \$ 720           | 0.93%        | \$ 217,305          | \$ 777           | 1.40%        | \$ 165,364          | \$ 800           | 1.89%        |
| Securities purchased under agreements to resell               | 132,022             | 624              | 1.85         | 90,393              | 502              | 2.17         | 3,890               | 24               | 2.45         |
| Loans, net of discount  | 1,556,705           | 12,096           | 3.04         | 1,691,634           | 11,113           | 2.57         | 1,894,880           | 13,824           | 2.85         |
| Impaired loans  | 460,126             | 6,599            | 5.61         | 347,789             | 4,693            | 5.28         | 265,552             | 3,900            | 5.75         |
| Investment securities   | 90,135              | 1,484            | 6.44         | 74,670              | 1,450            | 7.60         | 140,458             | 1,873            | 5.22         |
| <b>TOTAL INTEREST EARNING ASSETS</b>                          | <b>\$ 2,540,929</b> | <b>\$ 21,522</b> | <b>3.31%</b> | <b>\$ 2,421,792</b> | <b>\$ 18,535</b> | <b>2.99%</b> | <b>\$ 2,470,144</b> | <b>\$ 20,422</b> | <b>3.24%</b> |
| <b>Non interest earning assets</b>                            |                     |                  |              |                     |                  |              |                     |                  |              |
| Allowance for loan losses                                     | (235,680)           |                  |              | (180,272)           |                  |              | (115,539)           |                  |              |
| Other assets  | 8,768               |                  |              | 6,614               |                  |              | 6,034               |                  |              |
| <b>TOTAL ASSETS</b>   | <b>\$ 2,373,521</b> |                  |              | <b>\$ 2,306,840</b> |                  |              | <b>\$ 2,427,717</b> |                  |              |
| <b>INTEREST BEARING LIABILITIES</b>                           |                     |                  |              |                     |                  |              |                     |                  |              |
| Deposits  | \$ 636,163          | \$ 1,915         | 1.18%        | \$ 754,364          | \$ 3,068         | 1.59%        | \$ 851,046          | \$ 4,469         | 2.05%        |
| Short-term borrowings   | 513,653             | 2,138            | 1.63         | 449,535             | 2,006            | 1.75         | 485,311             | 2,918            | 2.35         |
| Medium and long-term borrowings and placements                | 546,485             | 4,200            | 3.01         | 368,824             | 2,876            | 3.05         | 332,447             | 3,971            | 4.67         |
| <b>TOTAL INTEREST BEARING LIABILITIES</b>                     | <b>\$ 1,696,301</b> | <b>\$ 8,253</b>  | <b>1.90%</b> | <b>\$ 1,572,723</b> | <b>\$ 7,950</b>  | <b>1.98%</b> | <b>\$ 1,668,804</b> | <b>\$ 11,358</b> | <b>2.66%</b> |
| <b>Non interest bearing liabilities and other liabilities</b> |                     |                  |              |                     |                  |              |                     |                  |              |
| TOTAL LIABILITIES   | 1,796,038           |                  |              | 1,673,437           |                  |              | 1,780,625           |                  |              |
| <b>STOCKHOLDERS EQUITY</b>                                    |                     |                  |              |                     |                  |              |                     |                  |              |
| TOTAL LIABILITIES AND STOCKHOLDERS                            | \$ 2,373,521        |                  |              | \$ 2,306,840        |                  |              | \$ 2,427,717        |                  |              |

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EQUITY

|                     |  |       |  |       |  |       |
|---------------------|--|-------|--|-------|--|-------|
| NET INTEREST SPREAD |  | 1.41% |  | 1.02% |  | 0.57% |
|---------------------|--|-------|--|-------|--|-------|

|   |           |       |           |       |          |       |
|---|-----------|-------|-----------|-------|----------|-------|
| NET INTEREST INCOME AND NET INTEREST MARGIN | \$ 13,270 | 2.07% | \$ 10,585 | 1.74% | \$ 9,064 | 1.46% |
|---|-----------|-------|-----------|-------|----------|-------|

## CONSOLIDATED NET INTEREST INCOME AND AVERAGE BALANCES

FOR THE YEAR ENDED DECEMBER 31,

|  | 2003                |                  |              | 2004                |                  |              |
|--|---------------------|------------------|--------------|---------------------|------------------|--------------|
|  | AVERAGE<br>BALANCE  | INTEREST         | AVG.<br>RATE | AVERAGE<br>BALANCE  | INTEREST         | AVG.<br>RATE |
| (In US\$ thousands, except percentages)                |                     |                  |              |                     |                  |              |
| <b>INTEREST EARNING ASSETS</b>                         |                     |                  |              |                     |                  |              |
| Interest-bearing deposits with banks                   | \$ 401,159          | \$ 4,621         | 1.14%        | \$ 212,801          | \$ 2,729         | 1.26%        |
| Securities purchased under agreements to resell        | 132,022             | 2,619            | 1.96         | 88,692              | 1,733            | 1.92         |
| Loans, net of discount                                 | 1,654,002           | 59,240           | 3.53         | 1,795,388           | 47,055           | 2.58         |
| Impaired loans   | 572,812             | 24,086           | 4.15         | 356,278             | 18,692           | 5.16         |
| Investment securities                                  | 124,686             | 7,830            | 6.19         | 92,051              | 5,942            | 6.35         |
| <b>TOTAL INTEREST EARNING ASSETS</b>                   | <b>\$ 2,884,681</b> | <b>\$ 98,395</b> | <b>3.36%</b> | <b>\$ 2,545,209</b> | <b>\$ 76,152</b> | <b>2.94%</b> |
| Non interest earning assets                            | \$ 56,553           |                  |              | \$ 61,213           |                  |              |
| Allowance for loan losses                              | (324,758)           |                  |              | (178,513)           |                  |              |
| Other assets   | 14,428              |                  |              | 7,188               |                  |              |
| <b>TOTAL ASSETS</b>                                    | <b>\$ 2,630,904</b> |                  |              | <b>\$ 2,435,097</b> |                  |              |
| <b>INTEREST BEARING LIABILITIES</b>                    |                     |                  |              |                     |                  |              |
| Deposits   | \$ 573,348          | \$ 7,348         | 1.26%        | \$ 772,060          | \$ 11,939        | 1.52%        |
| Short-term borrowings                                  | 604,209             | 12,050           | 1.97         | 533,232             | 9,388            | 1.73         |
| Medium and long-term borrowings and placements         | 872,917             | 25,009           | 2.83         | 401,290             | 12,800           | 3.14         |
| <b>TOTAL INTEREST BEARING LIABILITIES</b>              | <b>\$ 2,050,474</b> | <b>\$ 44,408</b> | <b>2.14%</b> | <b>\$ 1,706,582</b> | <b>\$ 34,127</b> | <b>1.97%</b> |
| Non interest bearing liabilities and other liabilities | \$ 115,566          |                  |              | \$ 105,553          |                  |              |
| <b>TOTAL LIABILITIES</b>                               | <b>2,166,040</b>    |                  |              | <b>1,812,134</b>    |                  |              |
| <b>STOCKHOLDERS EQUITY</b>                             | <b>464,864</b>      |                  |              | <b>622,963</b>      |                  |              |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS EQUITY</b>       | <b>\$ 2,630,904</b> |                  |              | <b>\$ 2,435,097</b> |                  |              |
| <b>NET INTEREST SPREAD</b>                             |                     |                  | <b>1.23%</b> |                     |                  | <b>0.98%</b> |
| <b>NET INTEREST INCOME AND NET INTEREST MARGIN</b>     |                     | <b>\$ 53,987</b> | <b>1.87%</b> |                     | <b>\$ 42,025</b> | <b>1.65%</b> |

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

|  | YEAR<br>ENDED<br>DEC 31/03 | FOR THE THREE MONTHS ENDED |                  |                  |                  |                  | YEAR<br>ENDED<br>DEC 31/04 |
|--|----------------------------|----------------------------|------------------|------------------|------------------|------------------|----------------------------|
|  |                            | DEC 31/03                  | MAR 31/04        | JUN 30/04        | SEP 30/04        | DEC 31/04        |                            |
| <b>INCOME STATEMENT DATA:</b>  |                            |                            |                  |                  |                  |                  |                            |
| Interest income  | \$ 98,395                  | \$ 21,522                  | \$ 19,508        | \$ 17,687        | \$ 18,535        | \$ 20,422        | \$ 76,152                  |
| Interest expense   | (44,408)                   | (8,253)                    | (8,186)          | (6,632)          | (7,950)          | (11,358)         | (34,127)                   |
| <b>NET INTEREST INCOME</b>   | <b>53,987</b>              | <b>13,270</b>              | <b>11,322</b>    | <b>11,054</b>    | <b>10,585</b>    | <b>9,064</b>     | <b>42,025</b>              |
| Reversal of provision for loan losses                                  | 69,508                     | 14,661                     | 18,338           | 20,638           | 27,413           | 45,010           | 111,400                    |
| <b>NET INTEREST INCOME AFTER REVERSAL OF PROVISION FOR LOAN LOSSES</b> | <b>123,495</b>             | <b>27,930</b>              | <b>29,660</b>    | <b>31,692</b>    | <b>37,998</b>    | <b>54,074</b>    | <b>153,425</b>             |
| <b>OTHER INCOME (EXPENSE):</b>   |                            |                            |                  |                  |                  |                  |                            |
| Commission income, net   | 7,446                      | 1,400                      | 1,686            | 1,471            | 1,569            | 1,201            | 5,928                      |
| Reversal (provision) for losses on off-balance sheet credit risk       | (10,603)                   | (5,127)                    | 3,051            | (3,212)          | (3,683)          | 4,715            | 871                        |
| Derivatives and hedging activities                                     | (7,988)                    | (199)                      | 113              | (89)             | 24               | 0                | 48                         |
| Impairment loss on securities  | (953)                      | 0                          | 0                | 0                | 0                | 0                | 0                          |
| Gain on the sale of securities available for sale                      | 22,211                     | 0                          | 0                | 332              | 2,589            | 0                | 2,922                      |
| Gain on early extinguishment of debt                                   | 789                        | 0                          | 6                | 0                | 0                | 0                | 6                          |
| Gain (loss) on foreign currency exchange                               | (382)                      | 3                          | (1)              | (205)            | 5                | 7                | (194)                      |
| Other income (expense)   | 42                         | 38                         | 2                | 1                | 14               | 60               | 77                         |
| <b>NET OTHER INCOME (EXPENSE)</b>                                      | <b>10,562</b>              | <b>(3,886)</b>             | <b>4,858</b>     | <b>(1,702)</b>   | <b>518</b>       | <b>5,984</b>     | <b>9,658</b>               |
| <b>TOTAL OPERATING EXPENSES</b>  | <b>(22,561)</b>            | <b>(7,812)</b>             | <b>(4,689)</b>   | <b>(5,727)</b>   | <b>(4,792)</b>   | <b>(6,145)</b>   | <b>(21,352)</b>            |
| <b>NET INCOME</b>  | <b>\$ 111,496</b>          | <b>\$ 16,233</b>           | <b>\$ 29,830</b> | <b>\$ 24,263</b> | <b>\$ 33,724</b> | <b>\$ 53,913</b> | <b>\$ 141,730</b>          |
| <b>NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS</b>                    |                            |                            |                  |                  |                  |                  |                            |
|  | \$ 111,130                 | \$ 16,233                  | \$ 29,830        | \$ 24,263        | \$ 33,724        | \$ 53,913        | \$ 141,730                 |
| <b>SELECTED FINANCIAL DATA</b>   |                            |                            |                  |                  |                  |                  |                            |
| <b>PER COMMON SHARE DATA</b>   |                            |                            |                  |                  |                  |                  |                            |
| Net income after preferred stock dividend                              | \$ 3.88                    | \$ 0.41                    | \$ 0.76          | \$ 0.62          | \$ 0.86          | \$ 1.39          | \$ 3.61                    |
| <b>PERFORMANCE RATIOS</b>  |                            |                            |                  |                  |                  |                  |                            |
| Return on average assets   | 4.24%                      | 2.71%                      | 4.71%            | 3.97%            | 5.82%            | 8.83%            | 5.82%                      |

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|   |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
| Return on average<br>stockholders' equity     | 23.91% | 11.15% | 20.20% | 15.81% | 21.18% | 33.15% | 22.75% |
| Net interest margin                           | 1.87%  | 2.07%  | 1.69%  | 1.72%  | 1.74%  | 1.46%  | 1.65%  |
| Net interest spread                           | 1.23%  | 1.41%  | 1.11%  | 1.19%  | 1.02%  | 0.57%  | 0.98%  |
| Total operating expenses to<br>average assets | 0.86%  | 1.31%  | 0.74%  | 0.94%  | 0.83%  | 1.01%  | 0.88%  |

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

| COUNTRY   | (A)<br>31DEC03  | (B)<br>30SEP04  | (C)<br>31DEC04   | (C) - (B)     | (C) - (A)    |
|---|-----------------|-----------------|------------------|---------------|--------------|
| ARGENTINA   | \$ 435          | \$ 327          | \$ 240           | \$ (86)       | \$ (195)     |
| BRAZIL  | 1,154           | 1,123           | 1,180            | 58            | 26           |
| CHILE   | 133             | 141             | 363              | 221           | 229          |
| COLOMBIA  | 123             | 138             | 172              | 35            | 49           |
| COSTA RICA  | 75              | 43              | 38               | (5)           | (37)         |
| DOMINICAN REPUBLIC                                    | 37              | 28              | 27               | (0)           | (9)          |
| ECUADOR   | 87              | 98              | 101              | 3             | 13           |
| EL SALVADOR   | 31              | 62              | 71               | 9             | 41           |
| GUATEMALA   | 36              | 21              | 40               | 19            | 4            |
| HONDURAS  | 0               | 9               | 11               | 3             | 11           |
| JAMAICA   | 25              | 20              | 26               | 6             | 1            |
| MEXICO  | 247             | 311             | 380              | 69            | 133          |
| NICARAGUA   | 14              | 9               | 5                | (5)           | (10)         |
| PANAMA  | 44              | 90              | 99               | 10            | 56           |
| PERU  | 106             | 88              | 85               | (3)           | (21)         |
| TRINIDAD & TOBAGO                                     | 100             | 77              | 92               | 15            | (8)          |
| VENEZUELA   | 61              | 36              | 5                | (31)          | (56)         |
| OTHER   | 139             | 37              | 8 <sup>(1)</sup> | (29)          | (131)        |
| <b>TOTAL CREDIT PORTFOLIO (2)</b>                     | <b>\$ 2,847</b> | <b>\$ 2,658</b> | <b>\$ 2,944</b>  | <b>\$ 286</b> | <b>\$ 97</b> |
| <b>UNEARNED INCOME (3)</b>                            | <b>\$ (4)</b>   | <b>\$ (1)</b>   | <b>\$ (4)</b>    | <b>\$ (3)</b> | <b>\$ 0</b>  |
| <b>TOTAL CREDIT PORTFOLIO, NET OF UNEARNED INCOME</b> | <b>\$ 2,843</b> | <b>\$ 2,657</b> | <b>\$ 2,940</b>  | <b>\$ 283</b> | <b>\$ 98</b> |

(1) Includes guarantees issued in the amount of US\$8 million to a multilateral bank in Honduras.

(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 reimbursement undertaking and guarantees covering commercial and country risks and credit commitments).

(3) Represents unearned income on loans.