LATIN AMERICAN EXPORT BANK
Form 6-K
May 11, 2006

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
PO Box 0819-08730
El Dorado, Panama City
Republic of Panama
(Address of Registrant s Principal Executive Offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F x Form 40-F o

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

Yes o No x

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

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

May 10, 2006

Banco Latinoamericano de Exportaciones, S.A.

By: /s/ Pedro Toll

Name: Pedro Toll
Title: Deputy Manager

FOR IMMEDIATE RELEASE

Bladex Reports Net Income of US$16.7 million for the First Quarter of 2006

First Quarter 2006 Financial Highlights:

Operating Income [1] increased 4% to US$9.2 million compared to the previous quarter. Excluding revenues on the restructured portfolio, Operating Income grew 7%, and 183% with respect to the fourth quarter of 2005 and the first quarter of 2005, respectively.

Net Income grew 2% to US$16.7 million, or US$0.44 per share. As a result of lower credit provision reversals on the impaired portfolio, net income decreased US$13.6 million when compared to the first quarter of 2005.

For the third consecutive quarter, disbursements exceeded US$2 billion, while the client base grew 8% in the quarter.

Operating expenses decreased 15% to US$6.3 million compared to the previous quarter.

Panama City, Republic of Panama, May 10, 2006 Banco Latinoamericano de Exportaciones, S.A. (NYSE: BLX) (Bladex or the Bank) announced today its results for the first quarter ended March 31, 2006.

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

Key Financial Figures

(US$ million, except percentages and per share amounts)	1Q05	4Q05	1Q06
Net Income	$30.2	$16.4	$16.7
EPS [2]	$0.78	$0.43	$0.44
Return on Average Equity	18.4%	10.6%	11.1%
Tier 1 Capital Ratio	40.9%	33.7%	32.2%
Net Interest Margin	1.66%	1.77%	1.62%
Book Value per common share	$15.36	$16.19	$15.40

[2] Earnings per share calculations are based on the average number of shares outstanding during each period.

[1] Operating Income refers to net income excluding reversals of provisions for credit losses and recovery of impairment loss on securities.

Comments from the Chief Executive Officer

Jaime Rivera, Chief Executive Officer of Bladex, stated the following regarding the quarter s results:

With a successful first quarter behind us, we are off to a solid start for 2006. During what is the seasonally weakest period of the year, we were able to improve upon the solid operating income results achieved last quarter.

In terms of revenue, what drove our results was the expansion of our client base and gains realized from our treasury function, offset by unprecedentedly low credit spreads. The new corporate client activity has already allowed us to reverse the thinning trend in spreads. Notably, we were able to convert the lower underlying risk perception in the market into our advantage through gains in our securities portfolio. In our opinion, this supports our strategy of converting the treasury function into a revenue center.

We continue to be pleased with our success in replacing the revenue generated by our restructured portfolio, which has been collected almost in its entirety. Operating income, excluding net revenues on the restructured portfolio, has nearly tripled in the last year.

In terms of expenses, the first quarter followed our pattern of cost reductions when compared to the relatively heavy year-end period. The 15% seasonal reduction in expenses reported this quarter, however, is nearly double the 8% realized in the first quarter of 2005.

Other initiatives are moving forward as well. The deployment of our new technology platform is about 75% done, and the approval by the U.S. Federal Reserve Board of our representative office in Miami will allow us to accelerate the pace of our intermediation in US - Latin America trade flows.

Our opinion on the macro environment for the rest of the year in the Region remains largely positive. While we are watching both the political landscape and oil prices carefully, we believe the strong demand for the Region s products will result in healthy growth rates for the year, a pattern which we expect will benefit our business.

Lastly, on behalf of the Board of Directors and all of us at Bladex, I d like to thank our shareholders for their overwhelming support of all motions presented during the recent Annual Shareholders Meeting.

BUSINESS OVERVIEW

With new client activity and the successful conversion of the Bank s Treasury into a profit center, the Bank has replaced the revenue stream associated with the impaired portfolio, which a year ago amounted to over 55% of operating income. In contrast, over 99% of the first quarter s operating income was generated by the Bank s core business.

Business origination during the January March period was strong; for the third consecutive quarter, Bladex disbursed credits in excess of US$2 billion. Disbursements of US$2.1 billion during the quarter were US$953.9 million, or 86% above the level of the first quarter of 2005. Most notably, the Bank reduced the seasonal effect typical of the weak first quarter to less than a third of the decrease in business a year ago.

At March 31, 2006, the Bank s credit portfolio stood at US$3.6 billion, US$42.6 million below the level as of December 31, 2005, and US$678.5 million, or 23% above that as of March 31, 2005. The quarter-to-quarter reduction in the total portfolio was mostly the result of diminished trade volumes following the seasonal surge in oil-related transactions at the end of 2005. However, during the quarter, the non-trade and investment securities portfolios grew by US$252.6 million, or 26%, as the Bank continued to replace its restructured non-trade exposure in Argentina with new credits.

In addition, during the first quarter, new transactions across the entire Region resulted in an improved geographic diversification of the business (the distribution of the Bank s credit portfolio by country can be found in Exhibit VI).

The Bank s client diversification initiative is bearing fruit, as new clients representing an increase of 8% from the 2005 year-end client base were added during the first quarter, slightly above the Bank s expectations for the period.

NET INTEREST INCOME AND MARGINS

The table below shows the Bank s net interest income, net interest margin and net interest spread for the periods indicated:

(In US$ million, except percentages)

	1Q05	4Q05	1Q06
Interest Income:			
Accruing assets	$21.8	$34.4	$37.8
Non-accruing assets	4.9	0.7	0.3
Interest Expense	(15.5)	(22.6)	(26.5)
Net Interest Income	**$11.1**	**$12.5**	**$11.6**
Net Interest Margin [1]	1.66%	1.77%	1.62%
Net Interest Spread [2]	0.70%	0.69%	0.44%

[1] Net interest income divided by average balance of interest-earning assets.

[2] Average rate of average interest-earning assets, less average rate of average interest-bearing liabilities.

1Q06 vs. 4Q05

Net interest income for the first quarter of 2006 totaled US$11.6 million, down US$0.9 million, or 7%, from the previous quarter. Net interest margin (NIM) and net interest spread (NIS) decreased 15 bps and 25 bps, respectively.

These reductions were mainly due to:

i. The impact of increasing market interest rate levels on the Bank s short-term, liability-sensitive, interest rate gap (-9 bps in NIM, -12 bps in NIS);

ii. Thinner average lending spreads (-9 bps in NIM, -8 bps in NIS);

iii. The increased dividend expense on the Bank s preferred shares, following the declaration of the special dividend in February, 2006 (-4 bps in NIM, -5 bps in NIS); and

iv. The positive effect of increasing market interest rates on the re-pricing of interest-earning assets (+7 bps in NIM).

In March 2006, the richer pricing on the Bank s loans to corporate clients reversed the diminishing lending spread trend:

1Q06 vs. 1Q05

As shown in the table on page 5, when compared to the first quarter of 2005, net interest income for the first quarter of 2006 increased US$0.4 million, or 4%, resulting from higher market interest rates which had a positive effect in the re-pricing of interest-earning assets, and from increased average balances on the Bank s accruing loan and investment portfolio. These factors were partially offset by the reduction of the Bank s richly priced non-accruing portfolio, which was the main reason for the decrease in both net interest margin and net interest spread.

COMMISSION INCOME

The following table provides a breakdown of commission income for the periods indicated:

(In US$ thousands)

	1Q05	4Q05	1Q06
Letters of credit	$650	$1,176	$981
Guarantees:			
Country risk guaranty	184	319	409
Other guarantees	669	60	29
Loans and other	94	134	160
Commission Income	**$1,598**	**$1,689**	**$1,580**
Commission Expense	**(11)**	**(22)**	**(8)**
Commission Income, net	**$1,587**	**$1,667**	**$1,571**

6

During the first quarter of 2006, commission income, net, decreased by US$95 thousand, or 6%, mostly due to a seasonal decrease in the volume of Letters of Credit and Acceptances, related mostly to oil transactions.

The US$16 thousand or 1% decline in the commission income, net during the first quarter of 2006, compared to the first quarter of 2005, was mainly attributed to restructured guaranteed loan fees that were recognized in the first quarter of 2005 when the related loans were prepaid.

TREASURY INCOME

The Bank is moving forward with its plans to leverage its capital and knowledge of the Region to realize profits from its treasury function. Consistent with this approach, revenues from gains on the sale of securities available for sale and from hedging activities, during the first quarter of 2006, amounted to US$2.4 million compared to US$2.3 million during the fourth quarter of 2005.

PROVISION FOR CREDIT LOSSES

(In US$ million)

	1Q05	4Q05	1Q06
Reversal (provision) for loan losses	7.3	15.8	(3.8)
Reversal (provision) for losses on off-balance sheet credit risk	2.9	(8.3)	11.2
Total reversal of provision for credit losses before the cumulative effect on prior periods of a change in the credit loss reserve methodology	**$10.2**	**$7.5**	**$7.4**
Cumulative effect on prior years (to December 31, 2004) of a change in the credit loss reserve methodology	2.7	0.0	0.0
Total reversal of provision for credit losses	**$12.9**	**$7.5**	**$7.4**

The US$7.4 million reversal of provision for credit losses during the first quarter of 2006 was mainly driven by:

i. A US$5.7 million reversal of specific credit provisions assigned to Argentine and Brazilian restructured credits, reflecting payments during the quarter; and

ii. A US$1.7 million reversal of generic credit provisions, resulting from changes in the overall portfolio composition.

The following table sets forth the allowance for credit losses for the periods indicated:

(In US$ million)

	For the three months ended				
	31-MAR-05	30-JUN-05	30-SEP-05	31-DEC-05	31-MAR-06
Allowance for credit losses					
At beginning of period	$139.5	$121.6	$113.4	$103.3	$91.5
Reversal of provision for credit losses	(10.2)	(8.1)	(12.5)	(7.5)	(7.4)
Cumulative effect on prior years (to December 31, 2004) of a change in the credit loss reserve methodology	(2.7)	0.0	0.0	0.0	0.0
Loan recoveries [1]	0.1	0.0	2.4	0.1	0.0
Loans written-off against the allowance for loan losses	(5.1)	0.0	0.0	(4.4)	0.0
Balance at end of period	**$121.6**	**$113.4**	**$103.3**	**$91.5**	**$84.1**

[1] In 2005, the amount was mostly related to a loan recovery from a Mexican corporation, which was charged-off in the year 2000.

OPERATING EXPENSES

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

(In US$ thousands)

	1Q05	4Q05	1Q06
Salaries and other employee expenses	$3,096	$4,102	$3,530
Depreciation of premises and equipment	244	188	174
Professional services	639	994	701
Maintenance and repairs	282	322	269
Other operating expenses	1,373	1,801	1,653
Total Operating Expenses	**$5,633**	**$7,407**	**$6,327**

1Q06 vs. 4Q05

Quarterly expenses decreased by US$1.1 million, or 15%, mostly as a result of i) the impact of the early adoption of FAS 123R (related to stock-based compensation), whose cost for the entire year of 2005 was accounted for in the fourth quarter of 2005; ii) lower severance related expenses; and iii) lower legal and professional services mostly related to new business initiatives.

1Q06 vs. 1Q05

Operating expenses increased by US$0.7 million, or 12%, mostly due to increased expenses associated with the strengthening of the Bank s sales team.

CREDIT PORTFOLIO

As of March 31, 2006, 77% of the Bank s outstanding credit portfolio (excluding the non-accruing credits and investment securities), was scheduled to mature within one year, compared to 78% as of December 31, 2005, and 84% as of March 31, 2005.

As of March 31, 2006, the Bank s non-accruing portfolio amounted to US$28.8 million, or 0.8%, of the total credit portfolio, compared to US$42.2 million, or 1.2%, of the total credit portfolio at December 31, 2005. Net of reserves for credit losses, the non-accruing portfolio at March 31, 2006 amounted to US$16.0 million, representing 0.5% of the total net credit portfolio.

The geographic composition of the Bank s credit portfolio for the dates indicated was as follows:

	March 31, 2006								
	Argentina	Brazil	Colombia	Chile	Peru	Rest of Countries	Total	Total 31-DEC-05	Total 31-MAR-05
Transaction-Type									