FOREIGN TRADE BANK OF LATIN AMERICA, INC.
Form 6-K
July 22, 2011

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

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE
SECURITIES EXCHANGE ACT OF 1934

Long form of Press Release

BANCO LATINOAMERICANO DE COMERCIO EXTERIOR, S.A.
(Exact name of Registrant as specified in its Charter)

FOREIGN TRADE BANK OF LATIN AMERICA, INC.
(Translation of Registrant's name into English)

Calle 50 y Aquilino de la Guardia
P.O. Box 0819-08730
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.

July 21, 2011

FOREIGN TRADE BANK OF LATIN AMERICA, INC.

By: /s/ Pedro Toll

Name: Pedro Toll
Title: General Manager

BLADEX REPORTS SECOND QUARTER NET INCOME OF $25.7 MILLION; OR $0.70 PER SHARE; RETURN ON AVERAGE STOCKHOLDERS' EQUITY ("ROE") OF 14.3%

PANAMA CITY, July 21, 2011 – Banco Latinoamericano de Comercio Exterior, S.A. (NYSE: BLX, "Bladex", or "the Bank") announced today its results for the second quarter and for the six months ended June 30, 2011.

Second Quarter Business Highlights

- Second quarter 2011 Net Income (*) amounted to $25.7 million, a $24.0 million improvement over the second quarter 2010, and a $9.4 million, or 58% increase compared to the first quarter 2011. Net Income during the first six months 2011 reached $42.0 million, a $30.3 million, or 258%, increase compared to the same period 2010, mainly as the result of increased net interest income from the Commercial Portfolio and higher trading gains in the Investment Fund.

- Increased Net Income resulted in a 14.3% return on the Bank's average stockholders' equity ("ROE") in the second quarter 2011, and 11.9% during the first six months 2011. As of June 30, 2011, the Bank's Tier 1 capital ratio stood at 18.1% compared to 23.4% as of June 30, 2010, and 19.3% as of March 31, 2011. The Bank's equity consists entirely of issued and fully paid ordinary common stock.

(*) Net income or loss attributable to Bladex ("Net Income", or "Net Loss").

- Year-on-year, the Commercial Portfolio grew $1.7 billion, or 47%, and $456 million, or 10%, versus the previous quarter to reach $5.2 billion. Second quarter 2011 credit disbursements amounted to $3.2 billion, compared to $1.6 billion in the same period 2010, and $2.3 billion in the first quarter 2011.

- In the second quarter 2011, the Commercial Division's net operating revenues reached $23.7 million, an increase of 21% over the same period 2010, and 5% over the first quarter 2011. The Division's Net Income in the second quarter 2011 totaled $13.3 million, compared to $13.9 million in the second quarter 2010, and $13.6 million in the first quarter 2011. During the second quarter 2011, portfolio growth implied the creation of generic provisions, which grew $0.5 million, along with increased balances in the Commercial Portfolio.

- The Treasury Division posted Net Income of $1.1 million in the second quarter 2011, compared to a Net Loss of $2.8 million in the second quarter 2010, and a Net Loss of $0.9 million in the first quarter 2011, mainly attributable to gains on the sale of securities available for sale and the positive impact of variation on valuations of hedging instruments.

- Funding costs continued to improve as the weighted average funding cost in the second quarter 2011 stood at 1.08%, a decrease of 1 bp compared to the first quarter 2011, and a decrease of 18 bps, compared to the second quarter 2010, while during the first six months 2011, the weighted average funding cost decreased 26 bps to 1.08%, compared to the same period 2010.

- Net interest margin stood at 1.75% in the second quarter 2011, compared to 1.67% in the second quarter 2010, and 1.72% in the first quarter 2011. During the first six months 2011, net interest margin improved to 1.74% compared to 1.69% in the same period 2010.

- Net interest income amounted to $23.5 million in the second quarter 2011, a $6.3 million, or 37%, increase when compared to the second quarter 2010, and $2.1 million, or 10%, increase when compared to the first quarter 2011. During the first six months of 2011, net interest income amounted to $44.9 million, an increase of $11.4 million, or 34%, compared to $33.5 million in the same period 2010, mainly as a result of higher average interest-earning assets balances.

- The Asset Management Unit recorded Net Income of $11.3 million in the second quarter 2011, compared to a Net Loss of $9.4 million in the same period 2010, and Net Income of $3.6 million in the first quarter 2011. The increases of $20.7 million and $7.7 million, respectively, were mainly attributable to net gains from trading activities in the Bladex Capital Growth Fund (BCGF, the Investment Fund).

- As of June 30, 2011, the non-accrual portfolio stood at $29.0 million, a decrease of 36% compared to $45.3 million as of June 30, 2010, and the same level as of March 31, 2011. Principal amounts past due in the entire loan portfolio remained at $1.0 million. The ratio of the allowance for credit losses to the Commercial Portfolio stood at 1.8% as of June 30, 2011, compared to 2.7% as of June 30, 2010, and 1.9% as of March 31, 2011, while the ratio of non-accruing loans to the loan portfolio stood at 0.6%, 1.5%, and 0.7%, respectively, as of these dates.

- The Bank's efficiency ratio improved to 33% in the second quarter 2011, compared to 120% in the second quarter 2010, and 40% in the first quarter 2011. The efficiency ratio during the first six months 2011 improved to 36%, compared to 82% during the first six months 2010, as revenue growth outpaced expense growth.

CEO's Comments

Mr. Jaime Rivera, Bladex's Chief Executive Officer, stated the following regarding the Bank's results: "I view the second quarter's results as a confirmation of the favorable trends underlying our business and the soundness of our strategy.

Among many other indicators of our solid performance, the 10% commercial portfolio growth reflects our expanding franchise and the continued strength and competiveness of Latin America's trade flows. The record level of central bank deposits confirms the support and close relationship we maintain with our government shareholders. Improving intermediation margins reflect our pricing power as a strategic partner to our clients.

In spite of our gradual reduction of exposure to the Fund that we had announced, our Asset Management Unit posted one of its best quarters in 4 years.

The combination of these factors resulted in the Bank achieving an ROE of 14.3%, while maintaining a strong 18.1% Tier 1 capital ratio and improving credit quality even further.

While we are satisfied with the quarter's results, we are particularly encouraged about what they say about the Bank's ability to continue to increase its profitability in a prudent, sound, and stable manner." Mr. Rivera concluded.

RESULTS BY BUSINESS SEGMENT

COMMERCIAL DIVISION

The Commercial Division incorporates the Bank's core business of financial intermediation and fee generation activities. Net Income includes net interest income from loans, fee income, allocated operating expenses, the reversals (provisions) for loan and off-balance sheet credit losses, and any impairment on assets.

The Commercial Portfolio includes the book value of loans, acceptances, and contingencies (including letters of credit, stand-by letters of credit, and guarantees covering commercial and country risks and credit commitments).

(US$ million)	6M11	6M10	2Q11	1Q11	2Q10
Commercial Division:					
Net interest income	$ 42.1	$ 32.2	$ 21.7	$ 20.4	$ 17.0
Non-interest operating income (1)	4.1	4.9	2.0	2.1	2.7
Net operating revenues (2)	46.2	37.1	23.7	22.5	19.7
Operating expenses	(18.5)	(13.7)	(9.8)	(8.6)	(6.7)
Net operating income (3)	27.7	23.4	13.9	13.9	13.0
Reversal (provision) for loan and off-balance sheet credit losses, net	(0.8)	4.4	(0.5)	(0.3)	0.9
Impairment of assets, net of recoveries	(0.1)	0.2	(0.1)	0.0	0.0
Net Income	$ 26.8	$ 28.0	$ 13.3	$ 13.6	$ 13.9

The Commercial Division's portfolio growth continued in the second quarter, driven by demand from the Bank's established client base of corporations and financial institutions, and the continuing business expansion into the middle-market segment. Period-end balances reached \$5.2 billion, a 10% increase from the previous quarter, and a 47% increase from the second quarter 2010. The annual increase was mainly attributable to increased demand from the Bank´s established client base of corporations (+39%), and financial institutions (+48%), while the business expansion into the middle-market segment, though still a small portion of the portfolio (7%), grew 131%.

2Q11 vs. 1Q11
Net Income in the second quarter 2011 amounted to \$13.3 million, compared to \$13.6 million in the first quarter 2011. The \$1.3 million, or 6%, quarter-on-quarter increase in net interest income mainly from higher average loan portfolio balances (+8%) was mainly offset by a \$1.2 million increase in operating expenses, mostly attributable to personnel expenses associated with the expansion of the Division´s front end activities, and a net increase of \$0.2 million in provision for credit losses due to higher portfolio balances.

2Q11 vs. 2Q10
Net Income decreased \$0.6 million compared to the second quarter 2010 despite the \$4.7 million, or 28%, increase in net interest income from higher average loan portfolio balances (+50%), mainly due to the combined effects of: (i) a \$1.4 million variation in reversals (provision) for credit losses as a result of increased loan portfolio balance, (ii) a \$3.1 million increase in operating expenses related to the deployment of a larger sales force and the establishment of new representative offices, most recently in Lima, Peru, and Bogotá, Colombia, and (iii) a \$0.7 million decrease in non-interest operating income, mostly attributable to commissions from a decrease in the letter of credit business.

6M11 vs. 6M10

The Division's accumulated Net Income amounted to $26.8 million, compared to $28.0 million in the same period 2010. The $1.2 million, or 4%, decrease was mainly the result of $4.4 million in reversals of provisions for credit losses that took place during the first half 2010, compared to $0.8 million in provisions in 2011. The change in generic credit reserves due to the portfolio growth more than offset the $4.3 million, or 18%, increase in net operating income.

On an average basis, the Commercial Portfolio increased 6% in the second quarter 2011, and 47% compared to the second quarter 2010. During the first six months 2011, the average commercial portfolio increased $1.5 billion, or 47%, compared to the same period 2010.

The Commercial Portfolio continues to be mainly short-term and trade-related in nature: $3.7 billion, or 71%, of the commercial portfolio matures within one year. Trade financing operations represent 62% of the portfolio, while the remaining balance consists primarily of lending to banks and corporations involved in foreign trade. Refer to Exhibit X for information relating to the Bank's Commercial Portfolio distribution by country and Exhibit XII for the Bank's distribution of credit disbursements by country.

TREASURY DIVISION

The Treasury Division incorporates the Bank's liquidity management, and investment securities activities. Net Income is presented net of allocated operating expenses, and includes net interest income on Treasury activities and net other income (loss) relating to Treasury activities.

(US$ million)	6M11	6M10	2Q11	1Q11	2Q10
Treasury Division:					
Net interest income	$ 2.5	$ 1.1	$ 1.6	$ 1.0	$ 0.6
Non-interest operating income (loss) (1)	1.0	(2.4)	1.2	(0.3)	(1.4)
Net operating revenues (2)	3.5	(1.3)	2.8	0.7	(0.8)
Operating expenses	(3.2)	(4.2)	(1.7)	(1.6)	(2.0)
Net operating income (loss) (3, 4)	0.3	(5.5)	1.1	(0.9)	(2.8)
Net Income (Loss)	$ 0.3	$ (5.5)	$ 1.1	$ (0.9)	$ (2.8)

Liquid assets (8) stood at $351 million as of June 30, 2011, compared to $322 million as of March 31, 2011, and $593 million as of June 30, 2010, as capital markets continued to experience decreased volatility in 2011.

The Trading Portfolio stood at $23 million as of June 30, 2011, compared to $45 million as of March 31, 2011, and $51 million as of June 30, 2010 as selected positions were exited.

The Securities Available for Sale Portfolio as of June 30, 2011 amounted to $495 million, compared to $387 million as of March 31, 2011, and $457 million as of June 30, 2010. The Available for Sale Portfolio as of June 30, 2011 consisted entirely of readily quoted Latin American securities, 75% of which were sovereign and state-owned risk in nature (refer to Exhibit XI for a per country distribution of the Treasury portfolio).

The Available for Sale Portfolio is marked to market, with the impact recorded in stockholders' equity through the Other Comprehensive Income Account ("OCI"), which improved to ($3.4) million in the second quarter 2011, compared to ($3.8) million in the first quarter 2011, and ($11.4) million in the second quarter 2010, mainly as the net result of improved valuations of the securities and/or the interest rate hedging instruments associated with the securities.

Funding costs continued to improve as the weighted average funding cost during the first six months of 2011 was 1.08%, a decrease of 26 bps, or 19% compared to the same period of 2010, while in the second quarter 2011, weighted average funding cost stood at 1.08%, relatively stable compared to the 1.09% level in the first quarter 2011, and a decrease of 18 bps, or 14%, compared to the second quarter 2010.

Period-end deposit balances stood at $2.1 billion, a new historical high, a 9% increase versus the previous quarter, and a 38% year-on-year increase. Borrowings and securities sold under repurchase agreements increased 12% from the first quarter 2011 to $2.9 billion, a 41% year-on-year increase.

2Q11 vs. 1Q11

In the second quarter 2011, the Treasury Division posted Net Income of $1.1 million, compared to a Net Loss of $0.9 million in the first quarter 2011, a $2.0 million increase mostly driven by a $1.5 million increase in non-interest operating income mainly related to the contribution from gains on the sale of securities available for sale and the valuation of hedging instruments, along with a $0.6 million increase in net interest income mainly due to higher yields in the investment securities portfolio.

2Q11 vs. 2Q10

The Division's quarterly Net Income of $1.1 million represents an increase of $3.9 million versus a Net Loss of $2.8 million in the second quarter 2010, primarily as a result of a $2.6 million increase in non-interest operating income mainly related to gains on the sale of securities available for sale and the positive variation impact in the valuation of hedging instruments, along with a $1.0 million increase in net interest income, mainly due to higher yields in the investment securities portfolio and lower average liquidity balances.

6M11 vs. 6M10

The Treasury Division reported Net Income of $0.3 million in the first six months 2011, compared to a $5.5 million Net Loss in the first six months 2010. The $5.8 million increase during the period was due to the combined effects of: (i) a $3.4 million increase in non-interest operating income attributable to a positive year-on-year variation in the valuation of trading securities, and gains on the sale of securities available for sale, (ii) a $1.4 million increase in net interest income mainly due to higher yields in the investment securities portfolio and lower average liquidity balances, and (iii) a $1.0 million decrease in operating expenses.

ASSET MANAGEMENT UNIT

The Asset Management Unit incorporates the Bank's asset management activities. The Unit's Investment Fund primarily follows a Latin America macro strategy, utilizing a combination of products (foreign exchange, equity indices, interest rate swaps, and sovereign credit products) to establish long and short positions in the markets.

The Unit's Net Income includes net interest income on the Investment Fund, as well as net gains (losses) from investment fund trading, other related income (loss), allocated operating expenses, and Net Income attributable to the redeemable non-controlling interest.

(US$ million)	6M11	6M10	2Q11	1Q11	2Q10
Asset Management Unit:					