LATIN AMERICAN EXPORT BANK
Form 6-K
August 16, 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
P.O. 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.

August 15, 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$8.9 million for the Second Quarter of 2006

Financial Highlights:

During the quarter, the Bank s credit portfolio grew by 4%. Compared to June 30, 2005, the portfolio has grown 27%, while disbursements have grown by 62%.

In the second quarter, Net Interest Income rose by 29% to US$14.9 million. Year to date, Net Interest Income has increased by US$5.4 million, or 26%, compared to the same period in 2005.

During the first six months of 2006, Net Interest Income on the restructured portfolio amounted to 5% of total Net Interest Income, compared to 23% a year before.

Operating Income [1] for the second quarter totaled US$7.3 million, US$1.9 million, or 21%, below the level reported in the first quarter, due to net trading losses of US$2.4 million in the second quarter. Year to date, Operating Income was US$16.5 million, US$3.8 million, or 30%, above the level of the previous year.

Driven by lower reversals of provisions for credit losses, Net Income for the second quarter totaled US$8.9 million (US$7.7 million, or 46%, below the results of the first quarter), and US$25.6 million year to date (US$18.3 million, or 42%, below the same period in 2005).

Subsequent to the close of the quarter, the Bank completed its US$50 million stock buyback program.

Panama City, Republic of Panama, August 15, 2006 Banco Latinoamericano de Exportaciones, S.A. (NYSE: BLX) (Bladex or the Bank) announced today its results for the second quarter ended June 30, 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):

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

Key Financial Figures

(US$ million, except percentages and per share amounts)	6M05	6M06	2Q05	1Q06	2Q06
Net Interest Income	$21.1	$26.5	$9.9	$11.6	$14.9
Operating Income	$12.7	$16.5	$5.5	$9.2	$7.3
Net Income	$43.8	$25.6	$13.6	$16.7	$8.9
EPS (2)	$1.13	$0.68	$0.35	$0.44	$0.24
Return on Average Equity	13.9%	8.7%	9.0%	11.1%	6.2%
Tier 1 Capital Ratio	46.5%	28.9%	46.5%	32.2%	28.9%
Net Interest Margin	1.63%	1.75%	1.60%	1.62%	1.87%
Book Value per common share	$15.6	$15.3	$15.6	$15.4	$15.3

(2) 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 following regarding the quarter s results:

The results of the second quarter are the strongest indication yet of the established nature of the transformation of our business. When compared to a year ago, disbursements have increased 62%, the portfolio has grown 27%, operating income is 30% higher, and our efficiency ratios are stronger. During the second quarter, we saw pricing continue to improve as a result of markets moving in the Bank s favor and the diversification of our business into the corporate segment, which in June accounted for 56% of revenues, compared to 33% in June 2005.

The underlying dynamics of our pristine commercial portfolio quality remain stable: 73% of our exposure is trade finance in nature, with 80% of the total credit portfolio due to mature within one year. No interest or principal payments are past due.

Financially, the second quarter was a challenging one for our Treasury where, after two quarters of strong securities gains, unusually volatile markets resulted in trading losses that took some off the luster of the quarter s operating results. The volatility in the market, however, allowed us to complete our stock buyback program under very favorable terms for the Bank.

On the non-financial front, we obtained the regulatory approvals necessary to move forward with our Clavex s initiative, and successfully went live with our new technology platform.

Our work for the remainder of the year will continue to focus on translating our progress to the bottom line, as we move forward with disciplined implementation of our strategic plan to achieve steady, quality growth through a wider array of trade finance services.

BUSINESS OVERVIEW

During the second quarter of 2006, the Bank continued to increase its volume of business, with credit disbursements amounting to over US$2.0 billion, a 43% increase over total disbursements in the second quarter of 2005. For the first six months of 2006, credit disbursements amounted to US$4.1 billion, a 62% increase compared to the same period of 2005.

As depicted in the following graph, at June 30, 2006, the total credit portfolio exposure was US$3.7 billion, US$154.6 million, or 4%, above the level as of March 31, 2006, and US$802.9 million, or 27%, above the total as of June 30, 2005. The quarter-to-quarter increase in the total credit portfolio was mainly the result of a US$113.8 million, or 5%, increase in the trade portfolio. In addition, during the quarter as well, the Bank s investment securities portfolio grew by US$52.0 million, or 16%.

OPERATING INCOME

Despite higher net interest income and operating expenses which were essentially flat, trading losses of US$2.4 million during the quarter, brought Operating Income for the second quarter down to US$7.3 million, compared to the US$9.2 million reported in the first quarter.

For the first half of the year, Operating Income increased US$3.8 million, or 30%, with respect to the same period of 2005, mainly reflecting stronger net interest and commission income. The Bank s efficiency during the same period improved, as operating revenues increased by US$5.2 million, or 22%, while expenses increased US$1.4 million, or 12%.

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)

	6M05	6M06	2Q05	1Q06	2Q06
Interest Income:					
Accruing assets	45.3	84.1	$23.5	$37.8	$46.3
Non-accruing assets	6.4	2.0	1.5	0.3	1.7
Interest Expense	(30.6)	(59.5)	(15.1)	(26.5)	(33.0)
Net Interest Income	**$21.1**	**$26.5**	**$9.9**	**$11.6**	**$14.9**
Net Interest Margin (1)	1.63%	1.75%	1.60%	1.62%	1.87%
Net Interest Spread (2)	0.65%	0.64%	0.60%	0.44%	0.82%

(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.

2Q06 vs. 1Q06

Net interest income for the second quarter of 2006 totaled US$14.9 million, an increase of US$3.4 million, or 29%, from the previous quarter, mostly due to increased average loan and investment portfolios, as well as higher margins.

Net interest margin (NIM) and net interest spread (NIS) increased 25 bps and 38 bps, respectively. The increases were mainly due to the positive impact of:

i. Loan fee income related to the prepayment of restructured non-accruing loans (16 bps in both NIM and in NIS);

ii. Higher average lending spreads (9 bps in NIM and 11 bps in NIS);

iii. Lower interest expense on the Bank s preferred shares, which were redeemed in-full during the second quarter of 2006 (5 bps in NIM, 7 bps in NIS);

iv. Increased market interest rates, which had a positive impact on the Bank s interest rate gap (4 bps in NIM and in NIS);

These were partially offset by the negative impact of rising interest rates on the Bank s funding structure, as its capital component was reduced due to dividend distributions and share buybacks (-9 bps in NIM).

6M06 vs. 6M05

As shown in the table on the previous page, when compared to the first six months of 2005, net interest income increased US$5.4 million, or 26%. Contributing to these results were:

i. Increased average balances on the Bank s accruing loan and investment securities portfolio, and

ii. Higher earnings on the Bank s available capital due to increasing interest rates.
Both factors were partially offset by the impact of the collection of the Bank s richly priced non-accruing portfolio.

COMMISSION INCOME

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

(In US$ thousands)

	6M05	6M06	2Q05	1Q06	2Q06
Letters of credit	$1,221	$1,796	$571	$981	$815
Guarantees:					
Country risk guaranty	433	670	249	409	261
Other guarantees	801	99	132	29	70
Loans and other	177	315	82	160	155
Commission Income	**$2,631**	**$2,881**	**$1,034**	**$1,580**	**$1,301**
Commission Expense	**(20)**	**(16)**	**(9)**	**(8)**	**(8)**
Commission Income, net	**$2,611**	**$2,864**	**$1,024**	**$1,571**	**$1,293**

During the second quarter of 2006, commission income, net, decreased by US$279 thousand, or 18%, mostly due to decreased volume and pricing of Letters of Credit.

The US$253 thousand, or 10%, increase in commission income, net, during the first half of 2006, compared to the first half of 2005, was mainly the result of an increase in the average volumes of Letters of Credit.

PROVISION FOR CREDIT LOSSES

(In US$ million)

	6M05	6M06	2Q05	1Q06	2Q06
Reversal (provision) for loan losses	14.4	(5.7)	7.1	(3.8)	(2.0)
Reversal (provision) for losses on off-balance sheet credit risk	3.9	14.8	1.0	11.2	3.6
Total reversal of provision for credit losses before the cumulative effect on prior periods of a change in the credit loss reserve methodology	**$18.3**	**$9.0**	**$8.1**	**$7.4**	**$1.6**
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
Total reversal of provision for credit losses	**$21.0**	**$9.0**	**$8.1**	**$7.4**	**$1.6**

The US$1.6 million and US$9.0 million reversals of provision for credit losses during the second quarter and the first six months of 2006, respectively, were driven by decreases in specific reserves assigned to restructured credits in Argentina and Brazil. The lower year-to-date provision reversals in 2006 reflect the reduction of the non-accruing portfolio over the period.

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

(In US$ million)

	30-JUN-05	30-SEP-05	31-DEC-05	31-MAR-06	30-JUN-06
Allowance for credit losses					
At beginning of period	$121.6	$113.4	$103.3	$91.5	$84.1
Reversal of provision for credit losses	(8.1)	(12.5)	(7.5)	(7.4)	(1.6)
Loan recoveries [1]	0.0	2.4	0.1	0.0	0.0
Loans written-off against the allowance for loan losses	0.0	0.0	(4.4)	0.0	0.0
Balance at end of period	**$113.4**	**$103.3**	**$91.5**	**$84.1**	**$82.5**

[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)

	6M05	6M06	2Q05	1Q06	2Q06
Salaries and other employee expenses	$5,823	$7,025	$2,728	$3,530	$3,495
Depreciation of premises and equipment	484	396	240	174	222
Professional services	1,525	1,469	886	701	768
Maintenance and repairs	571	474	289	269	206
Other operating expenses	2,847	3,283	1,474	1,653	1,631
Total Operating Expenses	**$11,249**	**$12,648**	**$5,616**	**$6,327**	**$6,321**

2Q06 vs. 1Q06

During the second quarter of 2006, expense levels remained flat.

6M06 vs. 6M05

During the first half of 2006, total operating expenses amounted US$12.6 million, compared to US$11.2 million during the first half of 2005. The US$1.4 million, or 12% increase was mostly due to higher expenses associated with the strengthening of the Bank s sales effort.

CREDIT PORTFOLIO

As of June 30, 2006, 80% of the Bank s outstanding commercial portfolio (credit portfolio excluding non-accruing credits and investment securities), was scheduled to mature within one year, compared to 77% as of March 31, 2006, and 81% as of June 30, 2005.

As of June 30, 2006, the Bank s non-accruing portfolio amounted to US$41.3 million, or 1.1%, of the total credit portfolio, compared to US$115.3 million, or 3.9%, of the total credit portfolio at June 30, 2005, and US$28.8 million, or 0.8% of the credit total portfolio as of March 31, 2006 (the Bank considers the quarterly increase temporary in nature). Net of reserves for credit losses, the non-accruing portfolio at June 30, 2006 amounted to US$27.7 million, representing 0.8% of the total net credit portfolio.

As of June 30, 2006, the Bank had no past due interest or principal amounts.

The composition of the Bank s outstanding commercial portfolio for the dates indicated was as follows:

	June 30, 2006								
	Argentina	Brazil	Chile	Peru	Colombia	Rest of Countries	Total	Total 31-MAR-06	Total 30-JUN-05
Transaction-Type									
Trade	88%	83%	73%	74%	17%	70%	73%	72%	84%
Non-Trade	12%	17%	27%	26%	83%	30%	27%	28%	16%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Client-Type									
Financial Entities	9%	56%	98%	58%	97%	66%	58%	64%	78%
Non-Financial Entities	91%	40%	2%	42%	3%	31%	40%	33%	19%
Sovereign borrowers	0%	4%	0%	0%	0%	3%	3%	3%	3%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

See Exhibit VIII for a breakdown of the credit portfolio by individual country.

PERFORMANCE AND CAPITAL RATIOS

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

	6M05	6M06	2Q05	1Q06	2Q06
ROE (return on average stockholders equity)	13.9%	8.7%	9.0%	11.1%	6.2%
ROA (return on average assets)	3.4%	1.7%	2.2%	2.3%	1.1%

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Although the Bank is not subject to the capital adequacy requirements of the U.S. Federal Reserve Board, if the U.S. 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:

	30-JUN-05	**31-MAR-06**	**30-JUN-06**
Tier 1 Capital Ratio	46.5%	32.2%	28.9%
Total Capital Ratio	47.7%	33.5%	30.1%

On July 17, 2006, the Bank completed its three-year US$50 million open market share repurchase program. Since the establishment of the program in August 2004, the Bank repurchased a total of 3.0 million shares at an average price of US$16.43, or 1.05 times the Bank s weighted average book value during the period.

During the second quarter of 2006, the Bank repurchased a total of 1.3 million shares, bringing the total number of shares outstanding to 36.5 million, compared to 37.8 million as of March 31, 2006, and 38.6 million at June 30, 2005.

OTHER EVENTS

New Technology Platform During June 2006, Bladex began the use of i-flex® s FLEXCUBE® platform for internal processing purposes. The project was completed on schedule, and its implementation did not impact the business flow of the Bank nor its clients.

Clavex, LLC On July 14, 2006, Bladex announced the establishment of Clavex, LLC, a wholly owned subsidiary, incorporated in the United States of America. Clavex has the exclusive rights to deliver the IdenTrust Digital Identity Solution for e-commerce and financial transactions in Latin America. Clavex will be led by Mrs. Catherine McGrail, who joined the new company from her position as Head of Products at Bladex.

Quarterly Common Dividend Payments On July 17, 2006, the Bank paid a regular quarterly dividend of US$0.1875 per share pertaining to the second quarter, to stockholders of record as of July 7, 2006.

Note: Various numbers and percentages set forth 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 the growth of the credit portfolio, including the trade portfolio, the increase in the number of the Bank s corporate clients, the positive trend of lending spreads, the increase in activities engaged in by the Bank that are derived from the Bank s client base, anticipated operating income in future periods, including income derived from the treasury function, the improvement in the financial strength of the Bank and the progress the Bank is making. 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: the anticipated growth of the Bank s credit portfolio; the continuation of the Bank s preferred creditor status; the impact of increasing interest rates and of improving macroeconomic environment in the Region on the Bank s financial condition; the execution of the Bank s strategies and initiatives, including its revenue diversification strategy; the adequacy of the Bank s allowance for credit losses; the need for additional provisions for credit losses; the Bank s ability to achieve future growth, to reduce its liquidity levels and increase its leverage; the Bank s ability to maintain its investment-grade credit ratings; the availability and mix of future sources of funding for the Bank s lending operations; the possibility of fraud; and the adequacy of the Bank s sources of liquidity to replace large deposit withdrawals.

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 June 30, 2006, Bladex had disbursed accumulated credits of over US$140 billion.

CONSOLIDATED BALANCE SHEETS EXHIBIT I

	AT THE END OF,						
	(A) Jun. 30, 2005	(B) Mar. 31, 2006	(C) Jun. 30, 2006	(C) - (B) CHANGE	%	(C) - (A) CHANGE	%
	(In US$ millions, except percentages)						
ASSETS							
Cash and due from banks	$1	$1	$163	$162	25,732%	$162	19,871%
Interest-bearing deposits with banks [1]	163	149	116	(33)	(22)	(47)	(29)
Trading assets	0	0	15	15	n.a. (*)	15	n.a. (*)
Securities available for sale	58	287	340	52	18	282	486
Securities held to maturity	27	26	135	109	417	108	396
Loans	2,244	2,590	2,709	119	5	465	21
Less:							
Allowance for loan losses	(81)	(43)	(45)	(2)	5	36	(44)
Unearned income and deferred loan fees	(4)	(5)	(4)	1	(18)	(0)	6
Loans, net	2,159	2,541	2,659	118	5	500	23
Customers liabilities under acceptances	59	47	40	(7)	(16)	(19)	(32)
Premises and equipment, net	3	3	4	1	24	1	20
Accrued interest receivable	20	35	41	6	18	21	102
Derivatives financial instruments - assets	0	2	5				