

FOREIGN TRADE BANK OF LATIN AMERICA, INC.  
Form 20-F  
April 23, 2015

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

FORM 20-F

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

OR

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

For the fiscal year ended December 31, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

OR

“ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report.....

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-11414

**BANCO LATINOAMERICANO DE COMERCIO EXTERIOR, S.A.**

*(Exact name of Registrant as specified in its charter)*

**FOREIGN TRADE BANK OF LATIN AMERICA, INC. REPUBLIC OF PANAMA**

*(Translation of Registrant’s name into English)*

*(Jurisdiction of incorporation or organization)*

**Torre V, Business Park**

**Avenida La Rotonda, Urb. Costa del Este**

**P.O. Box 0819-08730**

**Panama City, Republic of Panama**

*(Address of principal executive offices)*

**Christopher Schech**

**Chief Financial Officer**

**+507 210-8500**

**Email address: cschech@bladex.com**

*(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)*

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

**Title of each class      Name of each exchange on which registered**

Class E Common Stock New York Stock Exchange

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

None

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

None

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

6,342,189	Shares of Class A Common Stock
2,479,050	Shares of Class B Common Stock
29,956,100	Shares of Class E Common Stock
0	Shares of Class F Common Stock
38,777,339	Total Shares of Common Stock

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

Yes  No

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

Yes  No

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

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

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

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

Large Accelerated Filer  Accelerated Filer  Non-accelerated Filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP  International Financial Reporting Standards as issued by the International Accounting Standards Board  Other

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17

Item 18

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

Yes

No

**BANCO LATINOAMERICANO DE COMERCIO EXTERIOR, S.A.**

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In this Annual Report on Form 20-F, or this Annual Report, references to the “Bank” or “Bladex” are to Banco Latinoamericano de Comercio Exterior, S.A., a specialized multinational bank incorporated under the laws of the Republic of Panama (“Panama”), and its consolidated subsidiaries. References to “Bladex Head Office” are to Banco Latinoamericano de Comercio Exterior, S.A. in its individual capacity. References to “U.S. dollars” or “\$” are to United States (“U.S.”), dollars. References to the “Region” are to Latin America and the Caribbean. The Bank accepts deposits and raises funds principally in U.S. dollars, grants loans mostly in U.S. dollars and publishes its consolidated financial statements in U.S. dollars. The numbers and percentages set forth in this Annual Report have been rounded and, accordingly, may not total exactly.

Upon written or oral request, the Bank will provide without charge to each person to whom this Annual Report is delivered, a copy of any or all of the documents listed as exhibits to this Annual Report (other than exhibits to those documents, unless the exhibits are specifically incorporated by reference in the documents). Written requests for copies should be directed to the attention of Christopher Schech, Chief Financial Officer, Bladex, as follows: (1) if by regular mail, to P.O. Box 0819-08730, Panama City, Republic of Panama, and (2) if by courier, to Torre V, Business Park, Avenida La Rotonda, Urb. Costa del Este, Panama City, Republic of Panama. Telephone requests may be directed to Mr. Schech at +507 210-8630. Written requests may also be sent via e-mail to cschech@bladex.com.

#### Forward-Looking Statements

In addition to historical information, this Annual Report contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements may appear throughout this Annual Report. The Bank uses words such as “believe,” “intend,” “expect,” “anticipate,” “plan,” “may,” “will,” “should,” “estimate,” “potential,” “project” and similar expressions to identify forward-looking statements. Such statements include, among others, those concerning the Bank’s expected financial performance and strategic and operational plans, as well as all assumptions, expectations, predictions, intentions or beliefs about future events. Forward-looking statements involve risks and uncertainties, and actual results may differ materially from those discussed in any such statement. Factors that could cause actual results to differ materially from these forward-looking statements include the risks described in the section titled “Risk Factors.” Forward-looking statements include statements regarding:

- the growth of the Bank’s credit portfolio, including its trade finance portfolio;
- the Bank’s ability to increase the number of its clients;
- the Bank’s ability to maintain its investment-grade credit ratings and preferred creditor status;
- the effects of changing interest rates, inflation, exchange rates and the 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;
- anticipated operating income and return on equity in future periods;
- the Bank’s level of capitalization and debt;
- the implied volatility of the Bank’s Treasury revenues;

- levels of defaults by borrowers and the adequacy of the Bank's allowance and provisions for credit losses;
- the availability and mix of future sources of funding for the Bank's lending operations;
- the adequacy of the Bank's sources of liquidity to cover large deposit withdrawals;
- management's expectations and estimates concerning the Bank's future financial performance, financing, plans and programs, and the effects of competition;
- existing and future governmental banking and tax regulations, including Basel II and Basel III capital and leverage requirements and Basel Committee on Banking Supervision liquidity requirements as adopted in the countries in which the Bank does business, and the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") on the Bank's business, business practices, and costs of operation as a foreign bank with offices in the United States of America ("United States" or "USA");
- credit and other risks of lending and investment activities; and

the Bank's ability to sustain or improve its operating performance.

In addition, the statements included under the headings "Item 4.B. Business Overview—Strategies for 2015 and Subsequent Years" and "Item 5.D. Trend Information" are forward-looking statements. Given the risks and uncertainties surrounding forward-looking statements, undue reliance should not be placed on these statements. Many of these factors are beyond the Bank's ability to control or predict. The Bank's forward-looking statements speak only as of the date of this Annual Report. Other than as required by law, the Bank undertakes no obligation to update or revise forward-looking statements, whether as a result of new information, future events, or otherwise.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not required in this Annual Report.

Item 2. Offer Statistics and Expected Timetable

Not required in this Annual Report.

Item 3. Key Information

A. Selected Financial Data

The following table presents selected consolidated financial data for the Bank. The financial data presented below are at and for the years ended December 31, 2014, 2013, 2012, 2011, and 2010, and are derived from the Bank's consolidated financial statements for the years indicated, which were prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and are stated in U.S. dollars. The consolidated financial statements for the years ended December 31, 2014, 2013, 2012, 2011, and 2010 were audited by the independent registered public accounting firm Deloitte, Inc. ("Deloitte"). The consolidated financial statements of the Bank for each of the three years in the period ended December 31, 2014 (the "Consolidated Financial Statements") are included in this Annual Report, together with the report of the independent registered public accounting firm Deloitte. The information below is qualified in its entirety by the detailed information included elsewhere herein and should be read in conjunction with Item 4, "Information on the Company," Item 5, "Operating and Financial Review and Prospects," and the Consolidated Financial Statements and notes thereto included in this Annual Report.

**Consolidated Selected Financial Information**

	As of and for the Year Ended December 31,				
	2014	2013	2012	2011	2010
	(in \$ thousands, except per share data and ratios)				
<b>Income Statement Data:</b>					
Interest income	\$212,730	\$205,303	\$192,437	\$157,427	119,478
Interest expense	71,599	82,211	87,460	54,717	44,975

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Net interest income	141,131	123,092	104,977	102,710	74,503
Reversal of provision (provision) for loan losses <sup>(1)</sup>	(6,895 )	1,598	8,343	(8,841 )	(9,091 )
Net interest income, after reversal of provision (provision) for loan losses	134,236	124,690	113,320	93,869	65,412
Reversal of provision (provision) for losses on off-balance sheet credit risk <sup>(1)</sup>	(1,627 )	(381 )	4,046	4,448	13,926
Fees and commissions, net	17,502	13,669	10,021	10,619	9,811
Derivative financial instruments and hedging	106	353	71	2,923	(1,446 )
Recoveries, net of impairment of assets	7	108	0	(57 )	233
Net gain (loss) from investment fund trading	3,409	(6,702 )	7,011	20,314	(7,995 )
Net gain (loss) from trading securities	(393 )	3,221	11,234	(6,494 )	(3,603 )
Net gain on sale of securities available-for-sale	1,871	1,522	6,030	3,413	2,346
Net gain on sale of loans	2,546	588	1,147	64	201
Net gain (loss) on foreign currency exchange	766	(3,834 )	(10,525 )	4,269	1,870
Gain on sale of premises and equipment	0	0	5,626	0	0
Other income, net	1,744	1,644	1,839	995	1,081
Net other income	25,931	10,188	36,500	40,494	16,422
Total operating expenses	53,702	54,306	55,814	50,087	42,218
Net income from continuing operations	106,465	80,572	94,006	84,276	39,615
Net income (loss) from discontinued operations <sup>(2)</sup>	0	(4 )	(681 )	(420 )	206
Net income	106,465	80,568	93,325	83,856	39,821
Net income (loss) attributable to the redeemable noncontrolling interest	(475 )	(4,185 )	293	676	(2,423 )
Net income attributable to Bladex stockholders	\$106,940	\$84,753	\$93,032	\$83,180	\$42,244
Balance Sheet Data:					
Interest-bearing deposits in banks	775,530	837,557	700,312	830,670	431,144

**Consolidated Selected Financial Information**

	As of and for the Year Ended December 31,				
	2014	2013	2012	2011	2010
	(in \$ thousands, except per share data and ratios)				
Trading assets	0	0	5,265	20,436	50,412
Securities available-for-sale	338,973	334,368	183,017	416,300	353,250
Securities held-to-maturity	54,180	33,759	34,113	26,536	33,181
Investment funds	57,574	118,661	105,888	120,425	167,291
Loans	6,686,244	6,148,298	5,715,556	4,959,573	4,064,332
Allowance for loan losses	79,675	72,751	72,976	88,547	78,615
Total assets	8,025,272	7,471,312	6,756,396	6,360,032	5,100,087
Total deposits	2,506,694	2,361,336	2,317,260	2,303,506	1,820,925
Trading liabilities	52	72	32,304	5,584	3,938
Securities sold under repurchase agreements and short-term borrowings and debt	2,993,056	2,991,527	1,607,397	1,700,468	1,360,327
Long-term borrowings and debt	1,405,519	1,153,871	1,905,540	1,487,548	1,075,140
Total liabilities	7,114,209	6,563,461	5,926,537	5,595,203	4,384,087
Common stock	279,980	279,980	279,980	279,980	279,980
Total stockholders' equity	911,063	857,952	826,475	759,282	697,050
Weighted average basic shares	38,693				