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, 2013

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
2,520,422	Shares of Class B Common Stock
29,710,556	Shares of Class E Common Stock
0	Shares of Class F Common Stock
38,573,167	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 supranational bank incorporated under the laws of the Republic of Panama, or 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, or U.S., dollars. 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. Information is also available on the Bank's website at: http://www.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, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or 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 Latin America and the Caribbean 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 and trading 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, or 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 2014 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, 2013, 2012, 2011, 2010, and 2009, 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, or U.S. GAAP, and are stated in U.S. dollars. The consolidated financial statements for the years ended December 31, 2013, 2012, 2011, 2010, and 2009 were audited by the independent registered public accounting firm Deloitte, Inc. The consolidated financial statements of the Bank for each of the three years in the period ended December 31, 2013, or the Consolidated Financial Statements, are included in this Annual Report, together with the report of the independent registered public accounting firm Deloitte, Inc. 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,				
	2013	2012	2011	2010	2009
	(in $ thousand, except per share data and ratios)				
Income Statement Data:					
Interest income	$ 205,303	$ 192,437	$ 157,427	119,478	141,964
Interest expense	82,211	87,460	54,717	44,975	77,212
Net interest income	123,092	104,977	102,710	74,503	64,752
Reversal of provision (provision) for loan losses (1)	1,598	8,343	(8,841)	(9,091)	(18,293)
Net interest income, after reversal of provision (provision) for loan losses	124,690	113,320	93,869	65,412	46,459
Reversal of provision (provision) for losses on off-balance sheet credit risk (1)	(381)	4,046	4,448	13,926	3,463
Fees and commissions, net	13,669	10,021	10,619	9,811	6,452
Derivative financial instruments and hedging	353	71	2,923	(1,446)	(2,534)
Recoveries, net of impairment of assets	108	0	(57)	233	(120)
Net gain (loss) from investment fund trading	(6,702)	7,011	20,314	(7,995)	24,997
Net gain (loss) from trading securities	3,221	11,234	(6,494)	(3,603)	13,113
Net gain on sale of securities available-for-sale	1,522	6,030	3,413	2,346	546
Net gain (loss) on foreign currency exchange	(3,834)	(10,525)	4,269	1,870	613
Gain on sale of premises and equipment	0	5,626	0	0	0
Other income, net	2,232	2,986	1,059	1,279	1,451
Net other income	10,188	36,500	40,494	16,422	47,982
Total operating expenses	(54,306)	(55,814)	(50,087)	(42,218)	(38,674)
Net income from continuing operations	80,572	94,006	84,276	39,615	55,767
Net income (loss) from discontinued operations (2)	(4)	(681)	(420)	206	214
Net income	80,568	93,325	83,856	39,821	55,980
Net income (loss) attributable to the redeemable noncontrolling interest	(4,185)	293	676	(2,423)	1,118
Net income attributable to Bladex stockholders	**84,753**	**93,032**	**83,180**	**42,244**	**54,862**
Balance Sheet Data:					
Interest-bearing deposits in banks	837,557	700,312	830,670	431,144	421,595
Trading assets	0	5,265	20,436	50,412	50,277
Securities available-for-sale	334,368	183,017	416,300	353,250	456,984
Securities held-to-maturity	33,759	34,113	26,536	33,181	0

	As of and for the Year Ended December 31,				
	2013	2012	2011	2010	2009
	(in $ thousand, except per share data and ratios)				
Investment funds	118,661	105,888	120,425	167,291	197,575
Loans	6,148,298	5,715,556	4,959,573	4,064,332	2,779,262
Allowance for loan losses	72,751	72,976	88,547	78,615	73,789
Total assets	7,471,312	6,756,396	6,360,032	5,100,087	3,878,771
Total deposits	2,361,336	2,317,260	2,303,506	1,820,925	1,256,246
Trading liabilities	72	32,304	5,584	3,938	3,152
Securities sold under repurchase agreements and short-term borrowings and debt	2,991,527	1,607,397	1,700,468	1,360,327	399,132
Long-term borrowings and debt	1,153,871	1,905,540	1,487,548	1,075,140	1,390,387
Total liabilities	6,563,461	5,926,537	5,595,203	4,384,087	3,168,234
Capital stock	279,980	279,980	279,980	279,980	279,980
Total stockholders' equity	857,952	826,475	759,282	697,050	675,637
Weighted average basic shares	38,406	37,824	36,969	36,647	36,493
Weighted average diluted shares	38,533	37,938	37,145	36,814	36,571
Per Common Share Data:					
Basic earnings per share	2.21	2.46	2.25	1.15	1.50
Diluted earnings per share	2.20	2.45	2.24	1.15	1.50
Book value per share (period end)	22.24	21.67	20.45	18.99	18.49
Regular cash dividends per share	1.25	1.10	0.85	0.67	0.60
Special cash dividends per share	0.00	0.00	0.00	0.00	0.00
Selected Financial Ratios:					
Performance Ratios:					
Return on average assets (3)	1.20%	1.51%	1.46%	0.97%	1.38%
Return on average stockholders' equity (3)	10.02%	11.57%	11.40%	6.21%	8.60%
Net interest margin (4)	1.75%	1.70%	1.81%	1.70%	1.62%
Net interest spread (4)	1.55%	1.44%	1.62%	1.43%	1.12%
Total operating expenses to total average assets (3)	0.77%	0.90%	0.88%	0.97%	0.97%
Regular cash dividend payout ratio	56.64%	44.72%	37.78%	58.12%	39.91%
Special cash dividend payout ratio	0.00%	0.00%	0.00%	0.00%	0.00%
Liquidity Ratios:					
Liquid assets (5) / total assets	11.12%	10.21%	12.36%	8.25%	10.36%
Liquid assets (5) / total deposits	35.18%	29.78%	34.11%	23.10%	32.00%
Asset Quality Ratios:					
Non-accrual loans to total loans (6)	0.05%	n.m.(*)	0.65%	0.71%	1.82%
Impaired loans to total loans (6)	0.05%	n.m.(*)	0.65%	0.71%	1.29%
Charged-off loans to total loans	0.00%	0.13%	0.02%	0.13%	0.00%
Allowance for loan losses to total loans, net of unearned income and deferred commission	1.18%	1.28%	1.79%	1.94%	2.66%
Allowance for losses on off-balance sheet credit risk to total contingencies	1.08%	2.05%	2.45%	3.50%	8.28%
Capital Ratios:					
Stockholders' equity to total assets	11.48%	12.23%	11.94%	13.67%	17.42%
Average stockholders' equity to total average assets (3)	12.01%	13.03%	12.83%	15.62%	16.06%
Leverage ratio (7)	8.7x	8.2x	8.4x	7.3x	5.7x
Tier 1 capital to risk-weighted assets (8)	15.9%	17.9%	18.6%	20.5%	25.8%
Total capital to risk-weighted assets (9)	17.1%	19.2%	19.9%	21.8%	27.0%
Risk-weighted assets	$ 5,472,589	$ 4,609,221	$ 4,090,333	$ 3,416,782	$ 2,633,482

(*) "n.m." means not meaningful.

(1) Includes reversal of provision (provision) for loan losses and for losses on off-balance sheet credit risks. For information regarding reversal of provision (provision) for credit losses, see Item 5, "Operating and Financial Review and Prospects—Operating Results."

(2) On April 2, 2013 the Bank reached a final agreement to sell its Asset Management Unit to Alpha4X Asset Management, LLC and its related companies ("Alpha4X"). The Bank applied discontinued operations accounting to the operations of the Asset Management Unit in accordance with ASC Topic 205-20 – Presentation of Financial Statements – Discontinued Operations. The amounts reported for the years ended December 31, 2011, 2010, and 2009 have been reclassified to conform with the presentation of discontinued operations in 2012. See Item 4.B, "Business Overview-Overview", for a discussion of the Asset Management Unit.

(3) Average assets and average stockholders' equity are calculated on the basis of unaudited daily average balances.

(4) For information regarding calculation of the net interest margin and the net interest spread, see Item 5.A, "Operating and Financial Review and Prospects—Operating Results—Net Interest Income and Margins."

(5) Liquid assets consist of investment-grade "A" securities, and cash and due from banks, excluding pledged deposits. See Item 5.B. "Operating and Financial Review and Prospects—Liquidity and Capital Resources—Liquidity" and Item 18, "Financial Statements" Notes 4 and 6 to the Audited Financial Statements.

(6) As of December 31, 2013 the Bank had $3 million in non-accrual status, all of which corresponded to impaired loans. As of December 31, 2012, the Bank did not have any loans in non-accrual status. As of December 31, 2011 and 2010 non-accrual loans amounted $32 million and $29 million, respectively, all of which corresponded to impaired loans. As of December 31, 2009, non-accrual loans amounted $51 million, of which $36 million corresponded to impaired loans. Impairment factors considered by the Bank's management include collection status, collateral value, the probability of collecting scheduled principal and interest payments when due, and economic conditions in the borrower's country of residence.

(7) Leverage ratio is the ratio of total assets to stockholders' equity.

[8] Tier 1 capital is calculated according to Basel I capital adequacy guidelines, and is equivalent to stockholders' equity, excluding the Other Comprehensive Income account effect of the available-for-sale portfolio. The Tier 1 capital ratio is calculated as a percentage of risk-weighted assets. Risk-weighted assets are, in turn, also calculated based on Basel I capital adequacy guidelines.

[9] Total capital refers to Tier 1 capital plus Tier 2 capital, based on Basel I capital adequacy guidelines. Total capital refers to the total capital ratio as a percentage of risk-weighted assets.

B. Capitalization and Indebtedness

Not required in this Annual Report.

C. Reasons for the Offer and Use of Proceeds

Not required in this Annual Report.

D. Risk Factors

Risks Relating to the Bank's Business

Bladex faces liquidity risk, and its failure to adequately manage this risk could result in a liquidity shortage, which could adversely affect its financial condition, results of operations and cash flows.

Bladex, like all financial institutions, faces liquidity risk, or the risk of not being able to maintain adequate cash flow to repay its deposits and borrowings and fund its credit portfolio on a timely basis. Failure to adequately manage its liquidity risk could produce an available funds shortage as a result of which the Bank would not be able to repay its obligations as they become due.

As of December 31, 2013, approximately 38% of the Bank's funding represents short-term borrowings and debt from international private banks, which compete with the Bank in its credit extension activity. If these international banks cease to provide funding to the Bank, the Bank would have to seek funding from other sources, which may not be available, or if available, may be at a higher cost.

Financial turmoil in the international markets could negatively impact liquidity in the financial markets, reducing the Bank's access to credit or increasing its cost of funding, which could lead to tighter lending standards. An example of this situation is the liquidity constraint experienced in the second half of 2007 in the international financial markets, which intensified during the third quarter of 2008, driven first by the subprime crisis in the United States and then followed by the credit crisis, and in the ongoing European sovereign debt crisis. The reoccurrence of such unfavorable market conditions could have a material adverse effect on the Bank's liquidity.

As of December 31, 2013, approximately 78% of the Bank's total deposits represented deposits from central and state-owned banks, and 14% of the Bank's deposits represented deposits from private sector commercial banks and financial institutions.

As a U.S. dollar-based economy, Panama does not have a central bank in the traditional sense, and there is no lender of last resort to the banking system in the country. Central Banks in Latin America and the Caribbean, or the Region, would not be obligated to act as lenders of last resort if Bladex were to face a liquidity shortage and the Bank would have to rely on commercial liquidity sources to cover the shortfall.

The credit ratings of Bladex are an important factor in maintaining the Bank's liquidity. A reduction in the Bank's credit rating could reduce the Bank's access to debt markets or materially increase the cost of issuing debt, trigger additional collateral or funding requirements, and decrease the number of investors and counterparties willing or permitted, contractually or otherwise, to do business with or lend to the Bank. This in turn could reduce the Bank's liquidity and negatively impact its operating results and financial position.

The Bank's allowances for credit losses could be inadequate to cover credit losses related to its loans and contingencies.

The Bank determines the appropriate level of allowances for credit losses based on a process that estimates the probable loss inherent in its portfolio, which is the result of a statistical analysis supported by the Bank's historical portfolio performance, external sources, and the judgment of the Bank's management. The latter reflects assumptions and estimates made in the context of changing political and economic conditions in the Region. The Bank's allowances could be inadequate to cover losses in its commercial portfolio due to exposure concentration or deterioration in certain sectors or countries, which in turn could have a material adverse effect on the Bank's financial condition, results of operations and cash flows.

The Bank's businesses are subject to market risk.

Market risk generally represents the risk that values of assets and liabilities or revenues will be adversely affected by changes in market conditions. Market risk is inherent in the financial instruments associated with many of the Bank's operations and activities, including loans, deposits, investment and trading securities, short-term borrowings, long-term debt, derivatives and trading positions. Among many other market conditions that may shift from time to time are fluctuations in interest rates and currency exchange rates, changes in the implied volatility of interest rates and changes in securities prices, due to changes in either market perception or actual credit quality of either the relevant issuer or its country of origin. Accordingly, depending on the instruments or activities impacted, market risks can have wide ranging, complex adverse effects on the Bank's financial condition, results of operations, cash flows and business.

See Item 11, "Quantitative and Qualitative Disclosures About Market Risk."

The Bank faces interest rate risk that is caused by the mismatch in maturities of interest-earning assets and interest-bearing liabilities. If not properly managed, this mismatch can reduce net interest income as interest rates fluctuate.

As a bank, Bladex faces interest rate risk because interest-bearing liabilities generally reprice at a different pace than interest-earning assets. Bladex's exposure to instruments whose values vary with the level or volatility of interest rates contributes to its interest rate risk. Failure to adequately manage eventual mismatches may reduce the Bank's net interest income during periods of fluctuating interest rates.

The Bank's credit portfolio may decrease or may not continue to grow at the present rate or at a similar rate. Additionally, growth in the Bank's credit portfolio may expose the Bank to an increase in allowance for loan losses.

It is difficult to predict whether the Bank's credit portfolio, including the Bank's foreign trade portfolio, will continue to grow in the future at historical rates. A reversal in the growth rate of the Region's economy and trade volumes could adversely affect the growth rate of the Bank's credit portfolio. Additionally, the future expansion of Bladex's credit portfolio may expose the Bank to higher levels of potential or actual losses and require an increase in credit risk reserves, which could negatively impact the Bank's operating results and financial position. Non-performing or low credit quality loans can negatively impact the Bank's results of operations. The Bank may not be able to effectively control the level of the impaired loans in its total loan portfolio. In particular, the amount of its reported non-performing and/or non-accruing loans may increase in the future as a result of growth in its loan portfolio, including loan portfolios that the Bank may acquire in the future, or factors beyond the Bank's control, such as the impact of economies trends and political events affecting the Region, events affecting certain industries or events affecting financial markets and global economies.

Increased competition and banking industry consolidation could limit the Bank's ability to grow and may adversely affect results of operations.

Most of the competition the Bank faces in the trade finance business comes from domestic and international banks, the majority of which are European and North American institutions. Many of these banks have substantially greater resources than the Bank and enjoy access to less expensive funding than the Bank does. It is difficult to predict how increased competition will affect the Bank's growth prospects and results of operations.

Over time, there has been substantial consolidation among companies in the financial services industry, and this trend continued accelerating in recent years as the credit crisis led to numerous mergers and asset acquisitions among industry participants and in certain cases reorganization, restructuring, or even bankruptcy. Merger activity in the financial services industry has produced companies that are capable of offering a wide array of financial products and services at competitive prices. In addition, whenever economic conditions and risk perception improve in the Region, competition from commercial banks, the securities markets and other new participants generally increases.

Globalization of the capital markets and financial services industries exposes the Bank to further competition. To the extent the Bank expands into new business areas and new geographic regions, the Bank may face competitors with more experience and more established relationships with clients, regulators and industry participants in the relevant market, which could adversely affect the Bank's ability to compete. The Bank's ability to grow its business and therefore, its earnings, is affected by these competitive pressures.

The Bank's businesses rely heavily on data collection, management and processing, and information systems, the failure of which could have a material adverse effect on the Bank, including the effectiveness of the Bank's risk management and internal control systems.

All of the Bank's principal businesses are highly dependent on the ability to timely collect and process a large amount of financial and other information across numerous and diverse markets, at a time when transaction processes have become increasingly complex with increasing volume. The proper functioning of financial control, accounting or other data collection and processing systems is critical to the Bank's businesses and to its ability to compete effectively. A partial or complete failure of any of these primary systems could materially and adversely affect the Bank's decision-making process, the Bank's risk management and internal control systems, as well as the Bank's ability to respond on a timely basis to changing market conditions. If the Bank cannot maintain an effective data collection, management and processing system, it may be materially and adversely affected.

The Bank is also dependent on information systems to operate its website, process transactions, respond to customer inquiries on a timely basis and maintain cost-efficient operations. The Bank may experience operational problems with its information systems as a result of system failures (including failure to update systems), viruses, computer "hackers" or other causes. The Bank's ability to remain competitive depends in part on its ability to upgrade its information technology on a timely and cost-effective basis. The Bank continually makes investments and improvements in its information technology infrastructure in order to remain competitive. In the future, the Bank may not be able to maintain the level of capital expenditures necessary to support the improvement or upgrading of its information technology infrastructure. Any failure to effectively improve or upgrade its information technology infrastructure and management information systems in a timely manner could have a material adverse effect on the Bank.

Operational problems or errors can have a material adverse impact on the Bank's business, financial condition, results of operations and cash flows.

Bladex, like all financial institutions, is exposed to operational risks, including the risk of fraud by employees and outsiders, failure to obtain proper internal authorizations, failure to properly document transactions, equipment failures, and errors by employees, and any failure, interruption or breach in the security or operation of the Bank's information technology systems could result in interruptions in such activities. Operational problems or errors may occur, and their occurrence may have a material adverse impact on the Bank's business, financial condition, results of operations and cash flows.

Any delays or failure to implement business initiatives that the Bank may undertake could prevent the Bank from realizing the anticipated revenues and benefits of the initiatives.

Part of the Bank's strategy is to diversify income sources through business initiatives, including targeting new clients and developing new products and services. These initiatives may not be fully implemented within the time frame the Bank expects, or at all. In addition, even if such initiatives are fully implemented, they may not generate revenues as expected. Any delays in implementing these business initiatives could prevent the Bank from realizing the anticipated benefits of the initiatives, which could adversely affect the Bank's business, results of operations and growth prospects.

Any failure to remain in compliance with applicable banking laws or other applicable regulations in the jurisdictions in which the Bank operates could harm its reputation and/or cause it to become subject to fines, sanctions or legal enforcement, which could have an adverse effect on the Bank's business, financial condition and results of operations.

Bladex has adopted various policies and procedures to ensure compliance with applicable laws, including internal controls and "know-your-customer" procedures aimed at preventing money laundering and terrorism financing; however, participation of multiple parties in any given trade finance transaction can make the process of due diligence difficult. Further, because trade finance can be more document-based than other banking activities, it is susceptible to documentary fraud, which can be linked to money laundering, terrorism financing, illicit activities and/or the circumvention of sanctions or other restrictions (such as export prohibitions, licensing requirements, or other trade controls). While the Bank is alert to high-risk transactions, it is also aware that efforts, such as forgery, double invoicing, partial shipments of goods and use of fictitious goods, may be used to evade applicable laws and regulations. If the Bank's policies and procedures are ineffective in preventing third parties from using it as a conduit for money laundering or terrorism financing without its knowledge, the Bank's reputation could suffer and/or it could become subject to fines, sanctions or legal action (including being added to any "blacklists" that would prohibit certain parties from engaging in transactions with the Bank), which could have an adverse effect on the Bank's business, financial condition and results of operations. In addition, amendments to applicable laws and regulations in Panama and other countries in which the Bank operates could impose additional compliance burdens on the Bank.

Panamanian laws and regulations, including future government restrictions on interest rates or changes in reserves and capitalization requirements, may have a material adverse effect on the Bank.

The Bank is subject to extensive laws and regulations regarding the Bank organization, operations, lending and funding activities, capitalization and other matters. In 2010, the Basel Committee on Banking Regulations and Supervisory Practices, or the Basel committee, proposed comprehensive changes to the liquidity coverage ratio and liquidity risk monitoring tools, known as Basel III. On December 16, 2010 and January 13, 2011, the Basel Committee issued its original guidance (which was updated in 2013) on a number of regulatory reforms to the regulatory capital framework in order to strengthen minimum capital requirements, including the phasing out of innovative Tier 1 and 2 Capital instruments with incentive-based redemption clauses and implementing a leverage ratio on institutions in addition to current risk-based regulatory requirements. The Superintendency of Banks of Panama (Superintendencia de Bancos de Panamá, or the Superintendency) is authorized to increase the minimum capital requirement percentage in Panama in the event that generally accepted international capitalization standards (the standards set by the Basel Committee on Banking Supervision) become more stringent. Non-compliance with this legal lending limit could result in the assessment of administrative sanctions by the Superintendency for such violations, taking into consideration the magnitude of the offense and any prior occurrences, and the magnitude of damages and prejudice caused to third parties.

***Legislation regarding the financial services industry may subject the Bank to significant and extensive regulation, which may have an impact on the Bank's operations*.**

On July 21, 2010, the Dodd-Frank Act, was signed into law in the United States. The Dodd-Frank Act is intended primarily to overhaul the financial regulatory framework in the United States following the global financial crisis and may impact substantially all financial institutions including the Bank. The Dodd-Frank Act, among other things, imposes higher prudential standards, including more stringent risk-based capital, leverage, liquidity and risk-management requirements, establishes a Bureau of Consumer Financial Protection, establishes a systemic risk regulator, consolidates certain federal bank regulators, imposes additional requirements related to corporate governance and executive compensation and requires various U.S. federal agencies to adopt a broad range of new implementing rules and regulations, for which they are given broad discretion. The Bank is closely monitoring this rulemaking process, and analyzing, the impact of new rules on the Bank's business. On December 10, 2013, pursuant to the Dodd-Frank Act, federal banking and securities regulators issued final rules to implement Section 619 of the Dodd-Frank Act (the Volcker Rule). Generally, subject to a transition period and certain exceptions, the Volcker Rule restricts banks from: (i) short-term proprietary trading as principal in securities and other financial instruments, and (ii) sponsoring or acquiring or retaining an ownership interest in private equity and hedge funds. After the transition period, the Volcker Rule prohibitions and restrictions will apply to banking entities, including the Bank, unless an exception applies. We are analyzing the impact of the Volcker Rule on our investment portfolio and changes to our investment strategies may occur.

The Bank, as a foreign financial institution (FFI), will be subject to provisions of the U.S. Foreign Account Tax Compliance Act (FATCA). Pursuant to this legislation, the Bank entered on April 23, 2014 into an agreement with the Internal Revenue Service (IRS), which will require the Bank to identify U.S. accounts, report certain information regarding the U.S. accounts to the IRS and withhold a 30% tax on "pass-thru payments" made to non-participating FFIs or accountholders that fail to provide requested information.

Risk Relating to the Region

The Bank's credit portfolio is concentrated in the Region. The Bank also faces borrower concentration. Adverse economic changes in the Region or in the condition of the Bank's largest borrowers could adversely affect the Bank's growth, asset quality, prospects, profitability, financial condition and financial results.

The Bank's credit activities are concentrated in the Region, which is a reflection of the Bank's mission and strategy. Historically, economies of countries in the Region have occasionally experienced significant volatility characterized, in some cases, by political uncertainty, slow growth or recessions, declining investments, government and private sector debt defaults and restructurings, and significant inflation and/or currency devaluation. Global economic changes, including fluctuations in oil prices, commodities prices, U.S. dollar interest rates and the U.S. dollar exchange rate, and slower economic growth in industrialized countries, could have a significant adverse effect on the economic condition of countries in the Region, including Panama and the other countries where the Bank operates. In turn, adverse changes affecting the economies of countries in the Region could have a significant adverse impact on the quality of the Bank's credit portfolio, including increased loan loss provisions, debt restructuring, and loan losses. As a result, this could also have an adverse impact on the Bank's asset growth, asset quality, prospects, profitability and financial condition.

The Bank's credit activities are concentrated in a number of countries. Adverse changes affecting the economies in one or more of those countries could have an adverse impact on the Bank's credit portfolio and, as a result, its financial condition, growth, prospects, results of operations and financial condition. As of December 31, 2013, approximately 63% of the Bank's credit portfolio was outstanding to borrowers in the following five countries: Brazil ($1,805 million, or 26%), Colombia ($838 million, or 12%), Peru ($662 million, or 9%), Mexico ($572 million, or 8%), and Chile ($532 million, or 8%).

In addition, as of December 31, 2013, of the Bank's total credit portfolio balances, 7% were to five borrowers in Chile, 6% were to five borrowers in Brazil, 6% were to five borrowers in Colombia, 5% were to five borrowers in Peru, and 3% were to five borrowers in Mexico. A significant deterioration of the financial or economic condition of any of these countries or borrowers could have an adverse impact on the Bank's credit portfolio, requiring the Bank to create additional allowances for credit losses, or suffer credit losses with the effect being accentuated because of this concentration.

See Item 4.B. "Information on the Company—Business Overview—Developments During 2013".

Local country foreign exchange controls or currency devaluation may harm the Bank's borrowers' ability to pay U.S. dollar-denominated obligations.

The Bank makes mostly U.S. dollar-denominated loans and investments. As a result, the Bank faces the risk that local country foreign exchange controls will restrict the ability of the Bank's borrowers, even if they are exporters, to acquire dollars to repay loans on a timely basis, and/or that significant currency devaluation might occur, which could increase the cost, in local currency terms, to the Bank's borrowers of acquiring dollars to repay loans.

Increased risk perception in countries in the Region where the Bank has large credit exposure could have an adverse impact on the Bank's credit ratings, funding activities and funding costs.

Increased risk perception in any country in the Region where the Bank has large exposures could trigger downgrades to the Bank's credit ratings. A credit rating downgrade would likely increase the Bank's funding costs, and reduce its deposit base and access to the debt capital markets. In that case, the Bank's ability to obtain the necessary funding to carry on its financing activities in the Region at meaningful levels could be affected in an important way.

Item 4. Information on the Company

A. History and Development of the Company

The Bank, a corporation *(sociedad anónima, S.A.)* organized under the laws of Panama and headquartered in Panama City, Panama, is a specialized supranational bank originally established by central banks of Latin American and Caribbean countries to promote trade finance in the Region.

The Bank was established pursuant to a May 1975 proposal presented to the Assembly of Governors of Central Banks in the Region, which recommended the creation of a multinational organization to increase foreign trade financing capacity of the Region. The Bank was organized in 1977, incorporated in 1978 as a corporation pursuant to the laws of the Republic of Panama, and officially initiated operations on January 2, 1979. Panama was selected as the location of the Bank's headquarters because of the country's importance as a banking center in the Region, the benefits of a fully U.S. dollar-based economy, the absence of foreign exchange controls, its geographic location, and the quality of its communications facilities. Under a contract signed in 1978 between the Republic of Panama and Bladex, the Bank was granted certain privileges by the Republic of Panama, including an exemption from payment of income taxes in Panama.

On June 17, 2009, the Bank changed its name from "Banco Latinoamericano de Exportaciones, S.A." to "Banco Latinoamericano de Comercio Exterior, S.A.," although it continues to operate under the commercial name of "Bladex."

The Bank offers its services through its head office in Panama City, its subsidiaries and offices in New York City, including its agency, or the New York Agency, its subsidiaries in Brazil, its international administrative office in Miami, or the Florida Administrative Office, and its representative offices in Buenos Aires, Argentina, in Mexico City, D.F. and Monterrey, Mexico, in Porto Alegre, Brazil, in Lima, Peru and in Bogota, Colombia, as well as through a worldwide network of correspondent banks. Bladex's shares of Class E common stock are listed on the New York Stock Exchange Euronext, or NYSE , under the symbol "BLX."

The following is a description of the Bank's subsidiaries:

Bladex Representação Ltda., incorporated under the laws of Brazil on January 7, 2000, acts as the Bank's representative office in Brazil. Bladex Representação Ltda. is 99.999% owned by Bladex Head Office and 0.001% owned by Bladex Holdings Inc.

Bladex Holdings Inc., or Bladex Holdings, is a wholly owned subsidiary, incorporated under the laws of the State of Delaware, USA, on May 30, 2000. Bladex Holdings exercised control over Bladex Asset Management Inc., or Bladex Asset Management, incorporated on May 24, 2006 under the laws of the State of Delaware, USA, which, until its dissolution, provided investment management services to Bladex Offshore Feeder Fund, or the Feeder, and Bladex Capital Growth Fund, or the Fund. On September 8, 2009, Bladex Asset Management was registered as a foreign entity in the Republic of Panama, to establish a branch in Panama, which was mainly engaged in providing administrative and operating services to Bladex Asset Management Inc. in USA. Bladex Asset Management Inc. was dissolved, in the Republic of Panama on July 5, 2013 and, in the USA on September 18, 2013, and its net assets were transferred to the Head Office. Bladex Holdings maintains ownership in two companies: Bladex Representacao Ltda. and Baldex Investimentos Ltda.

The Feeder was incorporated on February 21, 2006 under the laws of the Cayman Islands, and invested substantially all its assets in the Fund, which was also incorporated under the laws of the Cayman Islands.

Bladex Head Office owned 50% of the equity shares of BCG PA LLC, or BCG, a company incorporated under the laws of the State of Delaware, USA. BCG owned "Class C" shares of the Fund, which were sold as part of the sale of the Asset Management Unit. The "Class C" shares entitled BCG to receive a performance allocation on third-party investments in the Feeder and in the Fund. BCG was dissolved on August 14, 2013 and its net assets were transferred to its investors.

Bladex Investimentos Ltda. was incorporated under the laws of Brazil on May 3, 2011. Bladex Head Office owns 99% of Bladex Investimentos Ltda. and Bladex Holdings owns the remaining 1%. Bladex Investimentos Ltda. has invested substantially all its assets in an investment fund incorporated in Brazil ("the Brazilian Fund"), registered with the Brazilian Securities Commission, ("CVM"). The Brazilian Fund is a non-consolidating variable interest entity, or VIE.

The objective of the Brazilian Fund is to achieve capital gains by dealing in the interest, currency, securities, commodities and debt markets, and by trading instruments available in the spot and derivative markets.

BLX Brazil Ltd. was incorporated under the laws of the Cayman Islands on October 5, 2010. Bladex Head Office owned 99.8% of BLX Brazil Ltd. In turn, BLX Brazil Ltd. owned 99.9999% of Bladex Asset Management Brazil – Gestora de Recursos Ltda., or BAM Brazil, and Bladex Asset Management owned the remaining 0.0001%. BAM Brazil was incorporated under the laws of Brazil on January 6, 2011, and provided investment advisory services to the Brazilian Fund. BLX Brazil Ltd. and BAM Brazil were sold as part of the sale of the Asset Management Unit.

On April 2, 2013, Bladex reached a definitive agreement to sell its Asset Management Unit. The Asset Management Unit was sold to Alpha4X Asset Management, LLC ("Alpha4X"), a company majority-owned by former executives of the Asset Management Unit. The Bank has a committed to remain an investor in these funds, net of annual contractual redemptions, until to March 31, 2016. As part of the agreement, a subsidiary of XL Group plc will also become an anchor investor in the Fund under Alpha4X's management. The sale agreement included, among other terms, the transfer of the Bank's participation in BLX Brazil Ltd. and BAM Brazil, the termination of the investment advisory contracts between Bladex Asset Management Inc. and the Feeder and the Fund, and the change of name of Bladex Offshore Feeder Fund to Alpha4X Feeder Fund, of Bladex Capital Growth Fund to Alpha4X Capital Growth Fund, and of Bladex Latam Fundo de Investimento Multimercado to Alpha4X Latam Fundo de Investimento Multimercado.

Bladex Head Office has a participation of 55.87% in Alpha4X Feeder Fund (formerly Bladex Offshore Feeder Fund), a fund constituted under the laws of the Cayman Islands, that invests substantially all its assets in Alpha4X Capital Growth Fund (formerly Bladex Capital Growth Fund), which is also incorporated under the laws of the Cayman Islands (see Note 7). Alpha4X Feeder Fund is a VIE, and has been consolidated in these consolidated financial statements. Both funds, Alpha4X Feeder Fund and Alpha4X Capital Growth Fund are registered with the Cayman Island Monetary Authority ("CIMA"), under the Mutual Funds Law of the Cayman Islands. The objective of these Funds is to achieve capital appreciation by investing in Latin American debt securities, stock indexes, currencies, and trading derivative instruments.

On June, 2012, the Bank's headquarters office were relocated to Torre V, Business Park, Avenida La Rotonda, Urb. Costa del Este, Panama City, Panama, and its telephone number is +507 210-8500. Bladex's New York Agency its located at 370 Lexington Avenue, Suite 500, New York, NY 10017, and its telephone number is (212) 754-9191.

The Bank's financial statements are prepared in accordance with U.S. GAAP.

See Item 18. "Financial Statements," notes 1, 2(a), 3 and 7.

B. Business Overview

Overview

The Bank's mission is to provide seamless support to Latin America's foreign trade, while creating value for its stockholders. The Bank is principally engaged in providing trade financing to selected commercial banks, corporations and middle-market companies in the Region. The Bank's lending and investing activities are funded by interbank deposits, primarily from central banks and financial institutions in the Region, by borrowings from international commercial banks, and by sales of the Bank's debt securities to financial institutions and investors in Asia, Europe, North America and the Region. The Bank does not provide retail banking services to the general public, such as retail savings accounts or checking accounts, and does not take retail deposits.

Bladex intermediates in the financial and capital markets throughout the Region, through two business segments.

The Commercial Division is responsible for the Bank's core business of financial intermediation and fee generation activities relating to the commercial portfolio. The division's portfolio includes the loan portfolio (bilateral and syndicated trade and non-trade finance lending, short and medium term loans), selected deposits placed, equity investments, customer liabilities under acceptances and contingencies (including confirmed and stand-by letters of credit and guarantees covering commercial risk, credit commitments). The majority of the Bank's loans are extended in connection with specifically identified foreign trade transactions. Through its revenue diversification strategy, the Bank's Commercial Division has introduced a broader range of products, services and solutions associated with foreign trade, including co-financing arrangements, underwriting of syndicated credit facilities, structured trade financing, asset-based financing in the form of factoring, vendor financing and leasing.

The Treasury Division is responsible for the Bank's funding and liquidity management, along with the management of its activities in investment securities, which comprise trading assets, securities available-for-sale, and securities held-to-maturity, the Bank's investments in investment funds, and the management of the Bank's interest rate, liquidity, price and currency risks.

Historically, trade finance has been afforded favorable treatment under Latin American debt restructurings. This has been, in part, due to the perceived importance that governments and other borrowers in the Region have attributed to maintaining access to trade finance. The Bank believes that, in the past, the combination of its focus on trade finance and the composition of its Class A shareholders has been instrumental in obtaining some exceptions on U.S. dollars convertibility and transfer limitations imposed on the servicing of external obligations, or preferred creditor status. Although the Bank maintains its focus both on trade finance and its Class A shareholders, it cannot guarantee that such exceptions will be granted in all future debt restructurings.

The Asset Management Unit, which was comprised of the Bank's interests in BAM Brazil, BCG, BLX Brazil Ltd. and Bladex Asset Management, was responsible for the Bank's asset management activities, including its investments in the Investment Fund and the Brazilian Fund. Following the sale of the Bladex Asset Management Unit in April 2013, the Treasury Division now comprises the Bank's remaining investment in the investment funds.

As of December 31, 2013, the Bank had 62 employees, or 32% of its total employees, across its offices responsible for marketing the Bank's financial products and services to existing and potential customers.

See Item 18. "Financial Statements," note 7.

Developments During 2013

After years of modest growth or outright recession, recovery appears to be taking hold in high-income economies. Among the three major high-income economies (the USA, the Euro Area, and Japan), the recovery appears the most advanced in the USA.

Growth in emerging markets remained at levels higher than most developed economies; however, the growth patterns tended to become more disparate amongst emerging market economies. In China, uncertainty regarding the sustainability of its growth and the possibility of a hard landing alleviated throughout the course of the year, although some of the more recent economic data once again suggested performance below market expectations. Moderate global trade growth, less supportive commodity markets, and domestic challenges curbed growth in 2013 in some parts of the Region. Real gross domestic product, or GDP, grew by 2.5 percent in 2013, broadly unchanged from 2012. Growth in regional merchandise exports was modest in 2013. Prices of agriculture products, base metals and precious metals fell compared to the prior year, resulting in a widening of the Region's current account deficit from 1.7 percent of GDP in 2012 to 2.6 percent in 2013.

Despite increased volatility brought about the prospect of the commencement of reducing monetary stimuli in the United States, gross capital flows to the Region increased to $178 billion in 2013, compared with $150 billion in 2012. However, key regional currencies depreciated, losing 3 to 13 percent of their values. The depreciated currencies have provided support to the recent strengthening of exports in some of the Region's economies, notwithstanding softer commodity prices.

Domestic demand also softened in 2013, from cyclical highs reached in prior years, as private and government consumption growth moderated from well over 3 percent in 2012 to 2.6 percent and 2.2 percent, respectively, in 2013.

The Bank's full-year 2013 financial results showed a strengthening of core business activities and income. Average portfolio growth, net interest margin evolution, and fee income generation were stronger, as the Bank´s core competencies allowed it to compete effectively within challenging financial sector and debt capital markets conditions. Bladex's growth was achieved without compromising credit quality, as the portfolio mix shifted towards better-quality clients, average tenors were maintained, and overall expenses were reduced year-on-year.

Net income attributable to Bladex stockholders amounted to $84.8 million, or $2.21 per share compared to $93.0 million, or $2.46 per share in 2012. The decrease in net income compared to 2012 was attributable primarily to losses from the participation in investment funds, lower reversals of provisions for credit losses and the absence of non-recurring gains on the sale of premises and equipment in 2012 associated with the relocation of the Bank's headquarters.

Fees and commissions totaled $13.7 million for the year 2013, an increase of $3.6 million, or 36%, compared to $10.0 million achieved in 2012, mostly driven by an increase in the activity in the letter of credit business, and by loan intermediation fees from mandated transactions reflecting the Bank's progress in establishing its structured finance and syndication platform.

The Bank's Tier 1 capitalization stood at 15.9% as of December 31, 2013, with leverage at 8.7 times, as the Bank continued to deploy capital towards business growth, compared with 17.9% of Tier 1 capital and 8.2 times, as of December 31, 2012.

Liquidity totaled $831 million as of December 31, 2013, compared to $690 million as of December 31, 2012, as the Bank maintained its proactive approach to liquidity management, in particular by increasing its liquidity position as a preventive measure as a result of heightened market volatility. The ratio of liquid assets to total assets stood at 11.1% as of December 31, 2013, compared to 10.2% as of December 31, 2012.

On December 10, 2013, the Bank's Board of Directors, or the Board, approved an increase in quarterly dividends distributed to holders of common shares from $0.30 to $0.35 per share pertaining to the fourth quarter of 2013. This 17% increase in quarterly dividends reaffirmed the Bank's commitment to continuing its established dividend approach that reflects the development and growth of the Bank's core business.

See Item 5, "Operating and Financial Review and Prospects—Operating Results—Net Income Attributable to Bladex" and Item 18, "Financial Statements," note 27.

Strategies for 2014 and Subsequent Years

Further extend the Bank's business in politically and economically stable, high-growth markets
The Bank's expertise in risk and capital management and extensive knowledge of the Region allows it to identify and strategically focus on stable and growth-oriented markets, including investment grade countries in the Region. Bladex maintains strategically placed representative offices in order to provide focused products and services in markets that the Bank considers key to its continued growth.

Targeted growth in expanding and diversifying the Bank's client base
The Bank's strategy to participate in a broad range of activities and further diversify its client base includes targeting clients that offer the potential for longstanding relationships and a wider presence in the Region, such as financial institutions, corporations and middle-market companies, including through participation in bilateral and co-financed transactions. The Bank intends to continue to cultivate existing and new longstanding client relationships through the quality of the Bank's services and the Bank's agile decision-making and credit approval processes.

Enhance current products and services by providing relevant sector-specific solutions in the Region
The Bank intends to continue its focus on the development of expertise in the sectors in which the Bank currently operates, while strategically targeting industries with significant growth potential by offering sector-specific products and solutions to clients in these industries. These sectors include some of the most profitable industries in the Region, such as oil & gas, food, mining and agribusiness commodities, as well as growth sectors such as Latin American intra-regional trade. Bladex also intends to continue to explore key regional and local partnerships to bolster its range of services and increase its presence in key economic sectors throughout the Region.

Increase the range of products and services that the Bank offers
Due to the Bank's relationships throughout, and knowledge of, the Region, the Bank is strongly positioned to strategically identify key additional products and services to offer to clients. The Bank's Articles of Incorporation permit a broad scope of potential activities, encompassing all types of banking, investment, and financial and other businesses that support foreign trade flows and the development of the trade in the Region. This support the Bank's ongoing strategy to develop new products and services, such as factoring and vendor finance, debt intermediation in primary and secondary markets, and structure financing, including export insurance programs, that complement the Bank's expertise in foreign trade finance and risk management.

The Bank's management believes that the Bank is well positioned to comply with its objective to provide seamless support to Latin America's foreign trade and economic integration in the Region, while creating value for its stockholders.

Lending Policies

The Bank extends credit directly to financial institutions, corporations and middle market companies within the Region. The distinction between corporations and middle-market companies depends on the client level of annual sales in relation to the country risk, among other criteria. The Bank finances import and export transactions for all types of goods and products, with the exception of articles such as weapons, ammunition, military equipment, hallucinogenic drugs or narcotics not utilized for medical purposes. Imports and exports financed by the Bank are destined for buyers/sellers in countries both inside and outside the Region. The Bank analyzes credit requests from eligible borrowers in the light of credit risk criteria, including economic and market conditions. The Bank maintains a consistent lending policy and applies the same credit criteria to all types of potential borrowers in evaluating creditworthiness.

Due to the nature of trade finance, the Bank's loans are generally unsecured. However, in certain instances, based upon the Bank's credit review of the borrower and the economic and political situation and trends in the borrower's home country, the Bank has determined that the level of risk involved may require that a loan be secured by collateral.

Country Credit Limits

The Bank maintains a continuous review of each country's risk profile evolution, supporting its analysis with various factors, both quantitative and qualitative, the main driving factors of which include: the evolution of macroeconomic policies (fiscal, monetary, and exchange rate policy), fiscal and external performance, price stability, level of liquidity in foreign currency, changes of legal and institutional framework, as well as material social and political events, among others, including industry analysis relevant to Bladex business activities.

Bladex has a methodology for capital allocation by country and its risk weights for assets. The Risk Policy and Assessment Committee, or the CPER, of the Board approves a level of "allocated capital" for each country, in addition to nominal exposure limits. These country capital limits are reviewed at least once a year by the CPER and more often if necessary. The methodology helps to establish the capital equivalent of each transaction, based on the internal numeric rating assigned to each country, which is approved by the CPER.

The amount of capital allocated to a transaction is based on customer type (sovereign, state-owned or private, middle-market companies, corporate or financial institution), the type of transaction (trade or non-trade), and the average remaining term of the transaction (from one to 180 days, 181 days to a year, between one and three years, or longer than three years). Capital utilizations by the business units cannot exceed the Bank's reported stockholders' equity.

Borrower Lending Limits

The Bank generally establishes lines of credit for each borrower according to the results of its risk analysis and potential business prospects; however, the Bank is not required to lend under these lines of credit. Once a line of credit has been established, credit generally is extended after receipt of a request from the borrower for financing, usually related to foreign trade, which accounted for 58% of such credit as of December 31, 2013. Loan pricing is determined in accordance with prevailing market conditions and the borrower's creditworthiness.

For existing borrowers, the Bank's management has authority to approve credit lines up to the legal lending limit prescribed by Panamanian law (see Item 4.B. "Information on the Company—Business Overview—Regulations—Panamanian Law"), provided that the credit lines comply fully with the country credit limits and conditions for the borrower's country of domicile set by the Board. Approved borrower lending limits are reported to the CPER quarterly. Panamanian Law sets forth certain concentration limits, which are applicable and strictly adhered to by the Bank, including a 30% limit as a percentage of capital and reserves for any one borrower and borrower group, in the case of financial institutions, and a 25% limit as a percentage of capital and reserves for any one borrower and borrower group, in the case of corporate, sovereign and middle-market companies. As of December 31, 2013, the legal lending limit prescribed by Panamanian law for corporations, sovereign borrowers and middle-market companies amounted to $214 million, and for financial institutions and financial groups amounted to $257 million. Non-compliance with this legal lending limit could result in the assessment of administrative sanctions by the Superintendency for such violations, taking into consideration the magnitude of the offense and any prior occurrences, and the magnitude of damages and prejudice caused to third parties. On a quarterly basis, the CPER reviews the impaired portfolio, if any, along with certain non-impaired credits. As of December 31, 2013, the Bank was in compliance with regulatory legal lending limits. See Item 4.B, "Information on the Company—Business Overview—Regulations—Panamanian Law."

Credit Portfolio

The Bank's credit portfolio, which consists of the commercial portfolio and investment securities portfolio, increased to $6,998 million as of December 31, 2013, from $6,170 million as of December 31, 2012, and from $5,814 million as of December 31, 2011. The $828 million, or 13%, credit portfolio increase during 2013 was largely attributable to increased demand from the Bank's established client base of corporations ($621 million, or 20%), and financial institutions ($304 million, or 13%) segments, partially offset by decreased demand of $97 million, or 14%, in the middle-market companies segment.

Commercial Portfolio

The commercial portfolio includes the loan portfolio, selected deposits placed, equity investments, customer liabilities under acceptances, and contingencies (including confirmed and stand-by letters of credit and guarantees covering commercial risk and credit commitments).

The Bank's commercial portfolio increased to $6,630 million as of December 31, 2013, an 11% increase from $5,953 million as of December 31, 2012, and a 24% increase from $5,354 million as of December 31, 2011. The increase in 2013 was largely attributable to growing demand from the Bank's established client base of corporations (which grew by $576 million, or 20%) and financial institutions (by $199 million, or 9%), which was partially offset by a decrease of $97 million, or 14%, in the middle-market segment.

As of December 31, 2013, 58% of the Bank's commercial portfolio represented trade-related credits, and the remaining balance consisted primarily of lending to financial institutions and corporations involved in foreign trade. The corporation segment represented 53% of the total commercial portfolio, of which 68% represented trade financing.

The following table sets forth the distribution of the Bank's commercial portfolio, by product category, as of December 31 of each year:

	As of December 31,									
	2013(1)	%	2012(2)	%	2011(3)	%	2010(4)	%	2009(5)	%
	(in $ million, except percentages)									
Loans	$ 6,148	92.7	$ 5,716	96.0	$ 4,960	92.6	$ 4,064	91.4	$ 2,779	89.4
Selected deposits placed	0	0.0	0	0.0	30	0.6	0	0.0	0	0.0
Contingencies and other assets	482	7.3	237	4.0	364	6.8	382	8.6	331	10.6
Total	**$ 6,630**	**100.0**	**$ 5,953**	**100.0**	**$ 5,354**	**100.0**	**$ 4,446**	**100.0**	**$ 3,110**	**100.0**

(1) Includes non-accrual loans for $3 million as of December 31, 2013.

(2) There were nil non-accrual loans as of December 31, 2012.

(3) Includes non-accrual loans for $32 million as of December 31, 2011.

(4) Includes non-accrual loans for $29 million as of December 31, 2010.

(5) Includes non-accrual loans for $51 million as of December 31, 2009.

Loan Portfolio

As of December 31, 2013, the Bank's total loans amounted to $6,148 million, compared to $5,716 million as of December 31, 2012 and compared to $4,960 million as of December 31, 2011. As of December 31, 2013, 73% of the Bank's loans were scheduled to mature within one year.

As of December 31, 2013, the Bank had non-accrual loans for $3 million (or 0.05% of loan portfolio), compared to nil non-accrual loans as of December 31, 2012, and compared to $32 million (or 0.65% of loan portfolio) as of December 31, 2011.

For more detailed information, see Item 5, "Operating and Financial Review and Prospects-Operating Results—Changes in Financial Condition" and "Operating and Financial Review and Prospects—-Operating Results—Asset Quality and Allowance for Credit Losses," and Item 18, "Financial Statements," note 8 and note 9.

For more information about non-accrual loans, see Item 18 "Financial Statements," note 8.

Loans by Country Risk

The following table sets forth the distribution of the Bank's loans by country risk at the dates indicated:

	As of December 31,									
	2013	% of Total Loans	2012	% of Total Loans	2011	% of Total Loans	2010	% of Total Loans	2009	% of Total Loans
	(in $ million, except percentages)									
Argentina	$ 190	3.1	$ 222	3.9	$ 390	7.9	$ 237	5.8	$ 73	2.6
Belgium	0	0.0	31	0.5	0	0.0	0	0.0	0	0.0
Brazil (1)	1,709	27.8	1,773	31.0	1,852	37.3	1,583	38.9	1,335	48.0
Chile	491	8.0	310	5.4	376	7.6	328	8.1	258	9.3
Colombia	702	11.4	450	7.9	734	14.8	585	14.4	200	7.2
Costa Rica	410	6.7	197	3.4	109	2.2	88	2.2	83	3.0
Dominican Republic	191	3.1	111	1.9	118	2.4	135	3.3	31	1.1
Ecuador	126	2.0	174	3.0	22	0.4	18	0.4	23	0.8
El Salvador	123	2.0	66	1.2	21	0.4	39	1.0	41	1.5
France	101	1.6	60	1.0	0	0.0	0	0.0	0	0.0
Germany	0	0.0	0	0.0	5	0.1	0	0.0	0	0.0
Guatemala	200	3.3	273	4.8	161	3.2	92	2.3	74	2.7

	As of December 31,									
	2013	% of Total Loans	2012	% of Total Loans	2011	% of Total Loans	2010	% of Total Loans	2009	% of Total Loans
	(in $ million, except percentages)									
Honduras	74	1.2	71	1.2	46	0.9	38	0.9	23	0.8
Jamaica	61	1.0	10	0.2	2	0.0	64	1.6	31	1.1
Mexico [(2)]	517	8.4	496	8.7	416	8.4	404	9.9	302	10.9
Netherlands	15	0.2	77	1.4	20	0.4	0	0.0	0	0.0
Nicaragua	8	0.1	10	0.2	10	0.2	0	0.0	1	0.0
Panama	224	3.6	277	4.8	119	2.4	47	1.2	41	1.5
Paraguay	102	1.7	27	0.5	30	0.6	0	0.0	0	0.0
Peru	581	9.4	841	14.7	342	6.9	343	8.4	161	5.8
Spain	0	0.0	10	0.2	0	0.0	0	0.0	0	0.0
Trinidad & Tobago	143	2.3	119	2.1	76	1.5	63	1.6	72	2.6
United States of America	28	0.5	3	0.1	0	0.0	0	0.0	0	0.0
Uruguay	155	2.5	109	1.9	110	2.2	0	0.0	30	1.1
Total	**$ 6,148**	**100.0**	**$ 5,716**	**100.0**	**$ 4,960**	**100.0**	**$ 4,064**	**100.0**	**$ 2,779**	**100.0**

(1) Includes non-accrual loans in Brazil of $3 million in 2013, $1 million in 2010 and $7 million in 2009.

(2) Includes non-accrual loans in Mexico of $32 million in 2011, $28 million in 2010 and $44 million in 2009.

As of December 31, 2013, the loans extended in European countries represented $116 million or 1.88% of total loan portfolio, compared to $177 million or 3.1% as of December 31, 2012. All loans granted in 2013 to European countries corresponded to corporations in France ($101 million, or 1.64% of the total loan portfolio), and in the Netherlands ($15 million, or 0.24% of the total loan portfolio), consisting mainly of loans extended to their subsidiaries in Latin America with head-office guarantee.

Loans by Type of Borrower

The following table sets forth the amounts of the Bank's loans by type of borrower at the dates indicated:

	As of December 31,									
	2013	% of Total Loans	2012	% of Total Loans	2011	% of Total Loans	2010	% of Total Loans	2009	% of Total Loans
	(in $ million, except percentages)									
Private sector commercial banks and financial institutions	$ 1,786	29.0	$ 1,776	31.1	$ 1,716	34.6	$ 1,381	34.0	$ 875	31.5
State-owned commercial banks	449	7.3	416	7.3	448	9.0	320	7.9	334	12.0
Central banks	25	0.4	0	0.0	0	0.0	0	0.0	0	0.0
Sovereign debt	0	0.0	100	1.8	27	0.5	54	1.3	96	3.4
State-owned organizations [(1)]	939	15.3	539	9.4	233	4.7	312	7.7	193	7.0
Private middle-market companies [(2)]	574	9.3	682	11.9	446	9.0	225	5.5	129	4.6
Private corporations [(3)]	2,375	38.6	2,203	38.5	2,090	42.1	1,772	43.6	1,153	41.5
Total [(4)]	**$ 6,148**	**100.0**	**$ 5,716**	**100.0**	**$ 4,960**	**100.0**	**$ 4,064**	**100.0**	**$ 2,779**	**100.0**

(1) In 2013, 79% of loans to state-owned organizations correspond to the oil and petroleum derived products sector, 11% of loans correspond to the industrial sector, and 10% of loans correspond to the agricultural sector.

(2) In 2013, 46% of loans to private middle-market companies correspond to the industrial sector and 30% of loans correspond to the agricultural sector.

(3) In 2013, 28% of loans to private corporations correspond to the agricultural sector, 26% of loans correspond to the industrial sector, and 16% of loans correspond to oil and petroleum derived products.

(4) Includes $3 million, $32 million, $29 million and $51 million in non-accrual loans in 2013, 2011, 2010 and 2009, respectively.

The Bank did not have any exposure to European sovereign debt, as of December 31, 2013 and December 31, 2012.

As of December 31, 2013, the Bank's loan portfolio amounted to $6,148 million, an increase of $432 million, or 8%, from $5,716 million, as of December 31, 2012. The increase resulted from a higher demand for the Bank's lending products, as the Bank´s core competencies allowed it to compete effectively within challenging financial sector and debt capital markets conditions, along with moderate economic growth in the Region. As of December 31, 2013, 29% of the Bank's $3,888 million loan exposure to private corporations, state-owned organizations and private middle-market companies was concentrated in the oil & gas industry in countries such as Peru, Chile, Brazil, Uruguay, Trinidad & Tobago, France, Costa Rica, Jamaica, Argentina, Guatemala, Colombia, Dominican Republic, and Mexico.

Maturities and Sensitivities of the Loan Portfolio to Changes in Interest Rates

The following table sets forth the remaining term of the maturity profile of the Bank's loan portfolio as of December 31, 2013, by type of rate and type of borrower:

	As of December 31, 2013 (in $ million)			
	Due in one year or less	**Due after one year through five years**	**Due after five years through ten years**	**Total**
FIXED RATE				
Private sector commercial banks and financial institutions	$ 712	$ 16	$ 0	$ 728
State-owned commercial banks	394	0	0	394
State-owned organizations	663	0	0	663
Private middle-market companies	335	5	0	340
Private corporations	1,107	21	0	1,128
Sub-total	**$ 3,210**	**$ 42**	**$ 0**	**$ 3,252**
FLOATING RATE				
Private sector commercial banks and financial institutions	$ 485	$ 573	$ 0	$ 1,058
State-owned commercial banks	14	42	0	56
Central banks	25	0	0	25
State-owned organizations	60	216	0	276
Private middle-market companies	133	101	0	234
Private corporations	564	683	0	1,247
Sub-total	**$ 1,281**	**$ 1,615**	**$ 0**	**$ 2,896**
Total	**$ 4,491**	**$ 1,657**	**$ 0**	**$ 6,148**

Contingencies and Other Assets

The Bank's contingencies and other assets included in the commercial portfolio consist of selected financial instruments with off-balance sheet credit risk, customers' liabilities under acceptances, equity investment, guarantees covering commercial risk and credit commitments.

The Bank, on behalf of its client base, advises and confirms letters of credit to facilitate foreign trade transactions. The Bank also provides stand-by letters of credit, guarantees, and commitments to extend credit, which are binding legal agreements to lend to a customer.

The Bank applies the same credit policies used in its lending process to its evaluation of these instruments, and, once issued, the commitment is irrevocable and remains valid until its expiration. As of December 31, 2013, total contingencies and other assets in the commercial portfolio amounted to $482 million (7% of the total commercial portfolio), of which 64% corresponded to letters of credit.

As of December 31, 2012, total contingencies and other assets in the commercial portfolio amounted to $237 million (4% of the total commercial portfolio), of which 56% corresponded to letters of credit.

As of December 31, 2011, total contingencies and other assets in the commercial portfolio amounted to $364 million (7% of the total commercial portfolio), of which 79% corresponded to letters of credit.

The following table presents the amount of contingencies and other assets, as of December 31 of each year:

	As of December 31,					
	2013		2012		2011	
	Amount	% of Total Contingencies and other assets	Amount	% of Total Contingencies and other assets	Amount	% of Total Contingencies and other assets
	(in $ million, except percentages)					
Customers' liabilities under acceptances	$ 1	0.2	$ 1	0.5	$ 1	0.3
Contingencies						
Argentina	0	0.1	0	0.0	0	0.0
Bolivia	0	0.0	1	0.3	1	0.3
Brazil	23	4.7	24	10.0	41	11.3
Chile	0	0.0	6	2.6	12	3.4
Colombia	39	8.0	9	3.8	2	0.7
Costa Rica	1	0.2	1	0.4	12	3.2
Dominican Republic	0	0.0	2	0.6	2	0.4
Ecuador	153	31.8	80	33.6	215	59.1
El Salvador	0	0.0	1	0.3	2	0.6
Guatemala	44	9.0	0	0.1	1	0.1
Honduras	0	0.1	1	0.2	0	0.1
Jamaica	0	0.1	0	0.0	0	0.1
Mexico	21	4.5	28	11.9	16	4.4
Netherlands	18	3.7	0	0.0	0	0.0
Panama	97	20.1	58	24.6	2	0.5
Peru	41	8.5	3	1.2	2	0.7
Spain	0	0.0	0	0.0	10	2.7
Switzerland	1	0.2	0	0.0	1	0.1
United States of America	0	0.0	0	0.0	22	6.0
Uruguay	41	8.5	0	0.0	0	0.0
Venezuela	2	0.4	23	9.8	22	6.0
Total Contingencies	$ 481	99.8	$ 236	99.5	$ 363	99.7
Total Contingencies and Other Assets	**$ 482**	**100.0**	**$ 237**	**100.0**	**$ 364**	**100.0**

See Item 18, "Financial Statements," note 19.

Investment Securities Portfolio

The Bank's investment securities portfolio consists of debt securities available-for-sale, securities held-to-maturity (including trading assets in 2011), and excludes the Bank's investments in the investment funds.

In the normal course of business, the Bank utilizes interest rate swaps for hedging purposes with respect to its assets (mainly its investment securities) and liabilities management activities.

The following table sets forth information regarding the carrying value of the Bank's investment securities portfolio at the dates indicated.

	As of December 31,		
	2013	2012	2011
		(in $ millions)	
Treasury trading assets [(1)]	$ 0	$ 0	$ 17
Securities available-for-sale	334	183	416
Securities held-to-maturity	34	34	27
Total investment securities	**$ 368**	**$ 217**	**$ 460**

(1) The Treasury trading assets as of December 31, 2012 and 2011 does not include trading assets related to the Brazilian Fund ($5 million and $3 million), respectively which are shown of the trading assets on the consolidated information of the Bank's balance sheet.

The following tables sets forth the distribution of the Bank's investment securities portfolio (treasury trading assets, securities available-for-sale and securities held-to-maturity) by country risk, type of borrower and contractual maturity at the dates indicated:

	As of December 31,					
	2013		2012		2011	
	Amount	%	Amount	%	Amount	%
	(in $ millions, except percentages)					
Brazil	$ 74	20.0	$ 44	20.5	$ 91	19.7
Chile	41	11.2	3	1.4	0	0.0
Colombia	98	26.6	29	13.5	102	22.1
Costa Rica	2	0.5	0	0.0	0	0.0
Guatemala	0	0.0	0	0.0	5	1.2
Mexico	33	9.0	22	10.3	65	14.2
Panama	34	9.2	54	25.0	58	12.6
Peru	40	11.0	1	0.3	41	8.9
Trinidad and Tobago	5	1.2	0	0.0	0	0.0
Multilateral Organizations	41	11.2	63	29.0	98	21.3
Total	**$ 368**	**100.0**	**$ 217**	**100.0**	**$ 460**	**100.0**

	As of December 31,					
	2013		2012		2011	
	Amount	%	Amount	%	Amount	%
	(in $ millions, except percentages)					
Private sector commercial banks and financial institutions	$ 139	37.7	$ 26	12.2	$ 50	11.0
State-owned commercial banks	18	4.9	4	1.9	12	2.7
Sovereign debt	105	28.4	102	46.9	206	44.8
State-owned organizations	99	27.0	81	37.4	148	32.1
Private corporations	7	1.9	4	1.7	44	9.5
Total	**$ 368**	**100.0**	**$ 217**	**100.0**	**$ 460**	**100.0**

	As of December 31,					
	2013		2012		2011	
	Amount	%	Amount	%	Amount	%
	(in $ millions, except percentages)					
In one year	$ 45	12.2	$ 54	24.8	$ 22	4.8
After one year through five years	192	52.1	155	71.3	341	74.1
After five years through ten years	131	35.7	9	3.9	97	21.2
Total	**$ 368**	**100.0**	**$ 217**	**100.0**	**$ 460**	**100.0**

As of December 31, 2013, and 2012, no security issuer exceeded ten percent of Bladex's stockholders equity.

Trading assets

As of December 31, 2013 and 2012, the Bank's treasury trading assets amounted to nil, compared to $17 million as of December 31, 2011. See Item 18, "Financial Statements", notes 2(i) and 5.

Securities available-for-sale

As of December 31, 2013, the Bank's securities available-for-sale amounted to $334 million and consisted of investments with issuers in the Region, of which 61% corresponded to sovereign and state owned borrowers, and 39% corresponded to private corporations and banks. The $151 million increase in the securities available-for-sale portfolio as of December 31, 2013 compared to December 31, 2012 reflects the net effect of: (i) $313.0 million in investment securities acquired during 2013, (ii) the sale of $105.9 million in book value ($102.5 million in nominal value) which generated gains of $1.5 million during 2013, (iii) the redemption of $34.3 million of investment securities, (iv) a negative $16.7 million variance of the fair value of the available for sale securities portfolio, and (v) a $5.3 million decrease in amortization of premiums and discounts.

As of December 31, 2012, the Bank's securities available-for-sale amounted to $183 million and consisted of investments with issuers in the Region, of which 47% corresponded to sovereign borrowers, and 14% corresponded to private corporations and banks. The $233 million decrease in the securities available-for-sale portfolio during 2012 compared to 2011 reflects the net effect of: (i) $40.0 million on investment securities acquired during 2012, (ii) the sale of $254.8 million in book value ($239.6 million in nominal value) which generated gains of $6.0 million during 2012, (iii) redemption of $15.3 million of investment securities, iv) a $0.3 million variance of fair value of the available for sale securities portfolio, and (v) a $3.0 million decrease in amortization of premiums and discounts.

As of December 31, 2011, the Bank's securities available-for-sale amounted to $416 million and consisted of investments with issuers in the Region, of which 79% corresponded to sovereign borrowers, and 21% corresponded to private corporations and banks. The $63 million increase in the securities available-for-sale portfolio during 2011 compared to 2010 reflects the net effect of: (i) $364.9 million on investment securities acquired during 2011, (ii) the sale of $264.9 million in book value ($243.6 million in nominal value) which generated net gains of $3.4 million during 2011, (iii) redemption of $19.4 million of investment securities, (iv) a $10.7 million variance of fair value of the available for sale securities portfolio, and (v) a $6.7 million decrease in amortization of premiums and discounts.

See Item 18, "Financial Statements," notes 2 (j) and 6.

Securities held-to-maturity

The held-to-maturity portfolio amounted to $34 million as of December 31, 2013, compared to the same amount as of December 31, 2012, and compared to $27 million as of December 31, 2011.

See Item 18, "Financial Statements," notes 2 (j) and 6.

Investment Funds

The Bank's investment funds consist of its investment in the Funds' net assets and is managed by a third party following the sale of the Bladex Asset Management Unit which concluded in the second quarter of 2013. See Item 4 – Information on the Company – History and Development of the Company."

The funds' net assets are composed of cash, investment in equity and debt instruments, and derivative financial instruments that are quoted and traded in active markets. The funds report trading gains and losses from negotiation of these instruments as realized and unrealized gains and losses on investments.

As of December 31, 2013, the funds' net asset value totaled $119 million, compared to $106 million as of December 31, 2012, and compared to $120 million as of December 31, 2011, of which the redeemable noncontrolling interest in the investment funds amounted to $50 million, $3 million, and $6 million, respectively. The Bank's participation in Alpha4X Feeder Fund (formerly Bladex Offshore Feeder Fund) was 55.87% as of December 31, 2013, 98.06% as of December 31, 2012, and 95.84% as of December 31, 2011, with the remaining balances owned by third party investors. The redemptions from the investment in the funds, amounted to $36 million in 2013, $15 million in 2012, and $50 million in 2011.

Bladex continues to consolidate its participation in the Alpha4X Offshore Feeder Fund under prevailing accounting rules while its participation exceeds 50%.

See Item 18, “Financial Statements,” notes 1, 2(e), 2(k), 7, and 24.

Total Outstandings by Country

The following table sets forth the aggregate amount of the Bank’s cross-border outstandings, consisting of cash and due from banks, interest-earning deposits in other banks, trading assets, investment securities, loans, investment funds outstandings and accrued interest receivable, but not including contingencies as of December 31 of each year:

	As of December 31,					
	2013		2012		2011	
	Amount	% of Total Outstandings	Amount	% of Total Outstandings	Amount	% of Total Outstandings
	(in $ million, except percentages)					
Argentina	$ 192	2.6	$ 225	3.3	$ 392	6.1
Brazil	1,798	23.9	1,837	27.1	1,962	30.5
Chile	534	7.1	313	4.6	377	5.9
Colombia	804	10.7	482	7.1	843	13.1
Costa Rica	414	5.5	199	2.9	110	1.7
Dominican Republic	191	2.5	112	1.6	149	2.3
Ecuador	126	1.7	174	2.6	22	0.3
El Salvador	124	1.7	66	1.0	21	0.3
France	102	1.4	60	0.9	1	0.0
Guatemala	201	2.7	274	4.0	168	2.6
Honduras	74	1.0	71	1.0	46	0.7
Mexico	557	7.4	523	7.7	484	7.5
Netherlands	15	0.2	77	1.1	20	0.3
Panama	259	3.4	333	4.9	181	2.8
Paraguay	104	1.4	27	0.4	31	0.5
Peru	626	8.3	846	12.5	386	6.0
Trinidad & Tobago	148	2.0	120	1.8	77	1.2
United States of America	801	10.7	681	10.0	779	12.1
Uruguay	155	2.1	109	1.6	110	1.7
Multilateral Organization	42	0.6	64	0.9	99	1.5
Other countries (1)	131	1.7	82	1.2	46	0.7
Sub-Total	**$ 7,397**	**98.4**	**$ 6,678**	**98.4**	**$ 6,304**	**98.1**
Investment funds (2)	119	1.6	111	1.6	120	1.9
Total (3)	**$ 7,516**	**100.0**	**$ 6,789**	**100.0**	**$ 6,425**	**100.0**

(1) Other countries consists of cross-border outstandings to countries in which cross-border outstandings did not exceed 1% for any of the periods indicated. Other countries in 2013 was comprised of $61 million in Jamaica, $60 million in Japan, $8 million in Nicaragua and $2 million in United Kingdom. Other countries in 2012 was comprised of $31 million in Belgium, $20 million in Japan, $10 million in Jamaica, $10 million in Nicaragua, $10 million in Spain and $2 million in United Kingdom. Other countries in 2011 was comprised of $11 million in Japan, $10 million in Nicaragua, $10 million in China, $7 million in Germany, $4 million in Spain, $2 million in Jamaica and $1 million in United Kingdom.

(2) The balances in investment funds represent the participation of the Feeder in the net asset value of the Fund, as well as trading assets of the Brazilian Fund.

(3) The outstandings by country does not include contingencies. See Item 4.B, “Business Overview—Contingencies and Other Assets.”

In allocating country risk limits, the Bank applies a portfolio management approach that takes into consideration several factors, including the Bank’s perception of country risk levels, business opportunities, and economic and political analysis.

The composition of the outstandings per country portfolio has increased over the last three years. Some exposures in certain countries have been adjusted in accordance with the Bank's risk perception.

Cross-border outstandings in countries outside the Region correspond principally to the Bank's liquidity placements. See Item 5, "Operating and Financial Review and Prospects—Liquidity and Capital Resources—Liquidity."

The following table sets forth the amount of the Bank's cross-border outstandings by type of institution as of December 31 of each year:

	As of December 31,		
	2013	**2012**	**2011**
		(in $ million)	
Private sector commercial banks and financial institutions	$ 2,042	$ 1,828	$ 1,823
State-owned commercial banks	469	424	505
Central banks	761	653	761
Sovereign debt	106	203	238
State-owned organizations	1,043	623	383
Private middle-market companies	579	727	449
Private corporations	2,397	2,218	2,146
Sub-Total	**$ 7,397**	**$ 6,678**	**$ 6,304**
Investment funds (1)	119	111	120
Total	**$ 7,516**	**$ 6,789**	**$ 6,425**

(1) The balances in investment funds represent the net asset value of the Feeder, as well as Bladex's participation in the Brazilian Fund.

Net Revenues Per Country

The following table sets forth information regarding the Bank's net revenues by country at the dates indicated, with net revenues calculated as the sum of net interest income, net fees and commissions, derivative financial instruments and hedging, net gain (loss) from investment funds trading, net gain (loss) from trading securities, net gain (loss) on sale of securities available-for-sale, net gain (loss) on foreign currency exchange, and other income (expense), net:

	For the year ended December 31,		
	2013	**2012**	**2011**
		(in $ million)	
Argentina	$ 11.4	$ 10.3	$ 8.4
Brazil	40.3	40.5	37.5
Chile	6.6	3.8	3.5
Colombia	9.4	9.3	12.0
Costa Rica	8.3	3.9	1.9
Dominican Republic	2.9	2.5	2.8
Ecuador	6.8	5.9	5.8
El Salvador	1.6	0.6	0.5
Guatemala	6.8	3.4	0.8
Honduras	2.2	1.7	1.8
Jamaica	1.1	1.3	1.4
Mexico	15.1	16.6	18.8
Panama	4.9	2.2	2.5
Paraguay	1.8	0.8	0.4
Peru	16.2	12.2	8.7
Trinidad and Tobago	0.8	1.6	1.7
Uruguay	2.5	1.7	1.3

	For the year ended December 31,		
	2013	2012	2011
		(in $ million)	
Venezuela	0.4	1.5	2.6
Other countries [1]	1.0	3.8	4.6
Investment funds	(6.6)	8.3	21.6
Total net revenues	**$ 133.6**	**$ 131.8**	**$ 138.8**
Reversal of provision (provision) for credit losses	1.2	12.4	(4.4)
Recoveries, net of impairment of assets	0.1	0.0	(0.1)
Operating expenses	(54.3)	(55.8)	(50.1)
Net income – business segment	**$ 80.6**	**$ 88.4**	**$ 84.3**
Net income (loss) attributable to the redeemable non-controlling interest	(4.2)	0.3	0.7
Net income attributable to Bladex stockholders – business segment	**$ 84.8**	**$ 88.1**	**$ 83.6**
Other income unallocated — Gain on sale of premises and equipment	0.0	5.6	0.0
Net loss from discontinued operations	0.0	(0.7)	(0.4)
Net income attributable to Bladex stockholders	**$ 84.8**	**$ 93.0**	**$ 83.2**

[1] Other countries consists of net revenues per country in which net revenues did not exceed $1 million for any of the periods indicated above.

The table above provides a reconciliation of the net revenues (as defined previously) to the Bank's net income. Net revenues do not include the effects of reversal of provision (provision) for credit losses, recoveries on assets, net of impairments, operating expenses, the income (loss) attributable to the redeemable non-controlling interest, other income unallocated—gain on sale of premises and equipment, and net income (loss) from discontinued operations. The objective of the aforementioned table is to show net revenues before operating expenses generated from the Bank's Commercial and Treasury Division, on a by-country basis. Given that the Bank's business segments generate revenues not only from net interest income, but from other sources including fees and commissions, gains and losses on investments and derivative financial instruments, which form part of other income rather than net interest income, the Bank adds those amounts to net interest income to show net revenues earned before operating expenses. Reversal of provision (provision) for credit losses, and recoveries, net of impairment of assets, are not included as part of net revenues as the Bank believes such amounts, which are based on management estimates, may distort trend analysis. Thus, the Bank believes excluding such amounts from net revenues provides a more accurate and clear indicator of the Bank's performance within its two business segments for each country, and thus provides a better analysis of the efficiency of the Bank. The Bank also believes the presentation of net revenues helps facilitate comparisons of performance between periods. However, net revenues should not be considered a substitute for, or superior to, financial measures calculated differently on a U.S. GAAP basis. Furthermore, net revenues may be calculated differently by other companies in the financial industry.

Competition

The Bank operates in a highly competitive environment in most of its markets, and faces competition principally from international banks, the majority of which are European or North American, as well as Latin American regional banks, in making loans and providing fee-generating services. The Bank competes in its lending and deposit-taking activities with other banks and international financial institutions, many of which have greater financial resources, enjoy access to less expensive funding and offer sophisticated banking services. Whenever economic conditions and risk perception improve in the Region, competition from commercial banks, the securities markets and other new participants generally increases. Competition may have the effect of reducing the spreads of the Bank's lending rates over its funding costs and constraining the Bank's profitability.

Increased open account exports and new financing requirements from multinational corporations are changing the way banks intermediate foreign trade financing. Trade finance volumes are also dependent on global economic conditions.

The Bank also faces competition from investment banks and the local and international securities markets, which provide liquidity to the financial systems in certain countries in the Region, as well as non-bank specialized financial institutions. The Bank competes primarily on the basis of agility, pricing, and quality of service. See Item 3.D., "Key Information—Risk Factors."

Regulations

General

The Superintendency regulates, supervises and examines the Bank on a consolidated basis. The New York Agency is regulated, supervised and examined by the New York State Department of Financial Services and the Board of Governors of the Federal Reserve System, or the U.S. Federal Reserve Board, and the Florida International Administrative Office is regulated, supervised and examined by the Florida Office of Financial Regulation and the U.S. Federal Reserve Board. The Bank's direct and indirect nonbanking subsidiaries doing business in the United States are subject to regulation by the U.S. Federal Reserve Board. The Bank is subject to regulations in each jurisdiction in which the Bank has a physical presence. The regulation of the Bank by relevant Panamanian authorities differs from the regulation generally imposed on banks, including foreign banks, in the United States by U.S. federal and state regulatory authorities.

The Superintendency of Banks has signed and executed agreements or letters of understanding with 26 foreign supervisory authorities for the sharing of supervisory information under the principles of reciprocity, appropriateness, national agreement, and confidentiality. These 26 entities include the U.S. Federal Reserve Board, the Office of the Comptroller of Currency of the Treasury Department or the OCC, the Federal Deposit Insurance Corporation and the Office of Thrift Supervision. In addition, the Statement of Cooperation between the United States and Panama promotes cooperation between U.S. and Panamanian banking regulators and demonstrates the commitment of the U.S. regulators and the Superintendency to the principles of comprehensive and consolidated supervision.

Panamanian Law

The Bank operates in Panama under a General Banking License issued by the National Banking Commission, predecessor of the Superintendency of Banks. Banks operating under a General Banking License, or General License Banks, may engage in all aspects of the banking business in Panama, including taking local and offshore deposits, as well as making local and international loans.

All banking institutions in Panama are governed by Executive Decree 52 of April 30, 2008, or the Banking Law.

Under the Banking Law, a bank's capital composition includes primary, secondary and tertiary capital. Primary capital is made up of paid-in capital, declared reserves and retained earnings. Secondary capital is made up of undeclared reserves, hybrid instruments of debt and equity, and long-term subordinated debt. Tertiary capital is made up of short-term subordinated debt incurred for the management of market risk. Under the Banking Law, the sum of secondary and tertiary capital cannot exceed primary capital.

General License Banks must have paid-in capital of not less than $10 million. Additionally, they must maintain a minimum total capital of 8% of their total risk-weighted assets, and primary equity capital must be equal to or greater than 4% of the bank's assets and off-balance sheet operations that represent a contingency to the bank. The Superintendency is authorized to take into account market risks, operational risks and country risks, among others, to evaluate capital adequacy. In addition, the Superintendency is authorized to increase the minimum capital requirement percentage in Panama in the event that generally accepted international capitalization standards (the standards set by the Basel Committee on Banking Supervision) become more stringent.

General License Banks are required to maintain 30% of their global deposits in liquid assets (which include short-term loans to other banks and other liquid assets) of the type prescribed by the Superintendency. Under the Banking Law, deposits from central banks and other similar depositories of the international reserves of sovereign states are immune from attachment or seizure proceedings.

Pursuant to the Banking Law, banks cannot grant loans or issue guarantees or any other obligation, or Credit Facilities, to any one person or group of related persons in excess of 25% of the Bank's total capital. This limitation also extends to Credit Facilities granted to parties related to the ultimate parent of the banking group. However, the Banking Law establishes that, in the case of Credit Facilities granted by mixed-capital banks with headquarters in Panama whose principal business is the granting of loans to other banks, the limit is 30% of the bank's capital funds. As confirmed by the Superintendency, the Bank currently applies the limit of 30% of the Bank's total capital with respect to the Bank's credit facilities in favor of financial institutions and the limit of 25% of the Bank's total capital with respect to the Bank's credit facilities in favor of corporations, middle-market companies and sovereign borrowers.

Under the Banking Law, a bank and the ultimate parent of the banking group may not grant loans or issue guarantees or any other obligation to "related parties" that exceed (1) 5% of its total capital, in the case of unsecured transactions, and (2) 10% of its total capital, in the case of collateralized transactions (other than loans secured by deposits in the bank). For these purposes, a "related party" is (a) any one or more of the bank's directors, (b) any stockholder of the bank who directly or indirectly owns 5% or more of the issued and outstanding capital stock of the bank, (c) any company of which one or more of the bank's directors is a director or officer or where one or more of the bank's directors is a guarantor of the loan or credit facility, (d) any company or entity in which the bank or any one of its directors or officers can exercise a controlling influence, (e) any company or entity in which the bank or any one of its directors or officers owns 20% or more of the issue and outstanding capital stock of the company or entity and (f) managers, officers and employees of the bank, or their respective spouses (other than home mortgage loans or guaranteed personal loans under general programs approved by the bank for employees). The Superintendency currently limits the total amount of secured and unsecured Credit Facilities (other than Credit Facilities secured by deposits in the bank) granted by a bank or the ultimate parent of a banking group to related parties to 25% of the total capital of the bank.

The Superintendency of Banks may authorize the total or partial exclusion of loans or credits from the computation of these limitations in cases of unsecured loans and other credits granted by mixed-capital banks with headquarters in Panama whose principal business is the granting of loans to other banks, which is the case of the Bank. This authorization is subject to the following conditions: (1) the ownership of shares in the debtor bank–directly or indirectly–by the shared director or shared officer, may not exceed 5% of the bank's capital, or may not amount to any sum that would ensure his or her majority control over the decisions of the bank; (2) the ownership of shares in the creditor bank–directly or indirectly–by the debtor bank represented in any manner by the shared director or shared officer, may not exceed 5% of the shares outstanding of the creditor bank, or may not amount to any sum that would ensure his or her majority control over the decisions of the bank; (3) the shared director or shared officer must abstain from participating in the deliberations and in the voting sessions held by the creditor bank regarding the loan or credit request; and (4) the loan or credit must strictly comply with customary standards of discretion set by the grantor bank's credit policy. The Superintendency will determine the amount of the exclusion in the case of each loan or credit submitted for its consideration.

The Banking Law contains additional limitations and restrictions with respect to related party loans and Credit Facilities. For instance, under the Banking Law, banks may not grant Credit Facilities to any employee in an amount that exceeds the employee's annual compensation package, and all Credit Facilities to managers, officers, employees or stockholders who are owners of 5% or more of the issued and outstanding capital stock of the lending bank or the ultimate parent of the banking group, will be made on terms and conditions similar to those given by the bank to its clients in arm's-length transactions and which reflect market conditions for a similar type of operation. Shares of a bank cannot be pledged or offered as security for loans or Credit Facilities issued by the bank.

In addition to the foregoing requirements, there are certain other requirements applicable to General License Banks, including (1) a requirement that a bank must notify the Superintendency before opening or closing a branch or office in Panama and obtain approval from the Superintendency before opening or closing a branch or subsidiary outside Panama, (2) a requirement that a bank obtain approval from the Superintendency before it liquidates its operations, merges or consolidates with another bank or sells all or substantially all of its assets, (3) a requirement that a bank must designate the certified public accounting firm that it wishes to contract to carry out the duty of external auditing for the new fiscal term, within the first three months of each fiscal term, and notify the Superintendency within 7 days of such designation, (4) a requirement that a bank obtain prior approval from the Superintendency of the rating agency it wishes to hire to perform the risk rating of the bank, (5) a requirement that a bank must publish in a local newspaper the risk rating issued by the rating agency and any risk rating update, and (6) a requirement that a bank must provide written affirmation of the Bank's audited financial statements signed by the Bank's Chairman of the Board, the Chief Executive Officer and Chief Financial Officer. The subsidiaries of Panamanian banks established in foreign jurisdictions must observe the legal and regulatory provisions applicable in Panama regarding the sufficiency of capital, as prescribed under the Banking Law.

The Banking Law regulates banks and the entire "banking group" to which each bank belongs. Banking groups are defined as the holding company and all direct and indirect subsidiaries of the holding company, including the bank in question. Banking groups must comply with audit standards and various limitations set forth in the Banking Law, in addition to all compliance required of the bank in question. The Banking Law provides that banks and banking groups in Panama are subject to inspection by the Superintendency, which must take place at least once every two years. The Superintendency is empowered to request from any bank or any company that belongs to the economic group of which a bank in Panama is a member, the documents and reports pertaining to its operations and activities. Banks are required to file with the Superintendency weekly, monthly, quarterly and annual information, including financial statements, an analysis of their credit facilities and any other information requested by the Superintendency. In addition, banks are required to make available for inspection any reports or documents that are necessary for the Superintendency to ensure compliance with Panamanian banking laws and regulations. Banks subject to supervision may be fined by the Superintendency for violations of Panamanian banking laws and regulations.

Panamanian Anti-Money Laundering laws and regulations

In Panama, all banks and trust corporations must take necessary measures to prevent their operations and/or transactions from being used to commit the felony of money laundering, terrorism financing or any other illicit activity contemplated in the laws and regulations addressing this matter.

United States Law

The Bank operates a New York state-licensed agency in New York, New York and maintains a direct wholly-owned non-banking subsidiary in Delaware, Bladex Holdings, which is not engaged in activities. Bladex Holdings formerly owned one wholly-owned subsidiary, Bladex Asset Management, which was dissolved on September 18, 2013, with its net assets transferred to the Head Office. Bladex Holdings also previously owned another wholly-owned subsidiary, Clavex LLC, which was dissolved on April 7, 2011 and its net assets were transferred to its controlling entity. On October 30, 2006, the Bank established the Florida International Administrative Office in Miami, Florida. On April 16, 2008, the Bank incorporated a direct fifty percent (50%) owned subsidiary in Delaware, BCG PA LLC, which received the performance allocation of the Fund, therefore dissolved on August 14, 2013. See Item 4.A "Information on the Company—History and Development of the Company."

Federal Law

In addition to being subject to New York and Florida state laws and regulations, the New York Agency and the Florida International Administrative Office are subject to federal regulations, primarily under the International Banking Act of 1978, as amended, or IBA, and are subject to examination and supervision by the U.S. Federal Reserve Board. The IBA generally extends federal banking supervision and regulation to the U.S. offices of foreign banks and to the foreign bank itself. Under the IBA, the U.S. branches and agencies of foreign banks, including the New York Agency, are subject to reserve requirements on certain deposits. At present, the New York Agency has no deposits subject to such requirements. The New York Agency also is subject to reporting and examination requirements imposed by the U.S. Federal Reserve Board similar to those imposed on domestic banks that are members of the U.S. Federal Reserve System. The Foreign Bank Supervision Enhancement Act of 1991, or the FBSEA, amended the IBA to enhance the authority of the U.S. Federal Reserve Board to supervise the operations of foreign banks in the United States. In particular, the FBSEA expanded the U.S. Federal Reserve Board's authority to regulate the entry of foreign banks into the United States, supervise their ongoing operations, conduct and coordinate examinations of their U.S. offices with state banking authorities, and terminate their activities in the United States for violations of law or for unsafe or unsound banking practices.

In addition, under the FBSEA, state-licensed branches and agencies of foreign banks may not engage in any activity that is not permissible for a "federal branch" (i.e., a branch of a foreign bank licensed by the federal government through the OCC, rather than by a state), unless the U.S. Federal Reserve Board has determined that such activity is consistent with sound banking practices.

The New York Agency does not engage in retail deposit-taking from persons in the United States. Under the FBSEA, the New York Agency may not obtain Federal Deposit Insurance Corporation, or FDIC, insurance and generally may not accept deposits from persons in the United States, but may accept credit balances incidental to its lawful powers, from persons in the United States, and accept deposits from non-U.S. citizens who are non-U.S. residents, but must inform each customer that the deposits are not insured by the FDIC.

The IBA also restricts the ability of a foreign bank with a branch or agency in the United States to engage in non-banking activities in the United States, to the same extent as a U.S. bank holding company. Bladex is subject to certain provisions of the Federal Bank Holding Company Act of 1956, or the BHCA, because it maintains an agency in the United States. Generally, any nonbanking activity engaged in by Bladex directly or through a subsidiary in the United States is subject to certain limitations under the BHCA. Under the Gramm-Leach-Bliley Financial Modernization Act of 1999, or GLB Act, a foreign bank with a branch or agency in the United States may engage in a broader range of non-banking financial activities, provided it is qualified and has filed a declaration with the U.S. Federal Reserve Board to be a "financial holding company". The application with the U.S. Federal Reserve Board to obtain financial holding company status, filed by the Bank on January 29, 2008, was withdrawn, effective March 2, 2012, as the Bank no longer considered the financial holding company status to be a necessary requirement in order to achieve its long-term strategic goals and objectives. At present, the Bank has subsidiaries in the United States, Bladex Holdings, a wholly-owned corporation incorporated under Delaware law that is not presently engaged in any activity, and which formerly owned Bladex Asset Management, a Delaware corporation and BCG, a fifty percent (50%) owned subsidiary incorporated under the laws of Delaware. Bladex Asset Management and BCG were dissolved on September 18, 2013, and August 14, 2013, respectively.

In addition, pursuant to the Financial Services Regulatory Relief Act of 2006, the SEC and the U.S. Federal Reserve Board finalized Regulation R. Regulation R defines the scope of exceptions provided for in the GLB Act for securities brokerage activities which banks may conduct without registering with the SEC as securities brokers or moving such activities to a broker-dealer affiliate. The "push out" rules exceptions contained in Regulation R enable banks, subject to certain conditions, to continue to conduct securities transactions for customers as part of the bank's trust and fiduciary, custodial, and deposit "sweep" functions, and to refer customers to a securities broker-dealer pursuant to a networking arrangement with the broker-dealer. The New York Agency is subject to Regulation R with respect to its securities activities.

Certain provisions of the Dodd-Frank Act also require regulatory agencies, including the SEC, to establish regulations for implementation of many of the provisions of the Dodd-Frank Act. The Bank is closely monitoring this rulemaking process and analyzing the exact impact of the new rules on the Bank's business. The Bank will continue to monitor all relevant developments and rulemaking initiatives, and expects to successfully implement any new applicable legislative and regulatory requirements.

Finally, under the regulations of the Office of Foreign Asset Control, or OFAC, the Bank is required to monitor and block transactions with certain "specially designated nationals" which OFAC has determined pose a risk to U.S. national security.

New York State Law

The New York Agency, established in 1989, is licensed by the Superintendent of Financial Services of the State of New York, or the Superintendent, under the New York Banking Law. The New York Agency maintains an international banking facility that also is regulated by the Superintendent and the U.S. Federal Reserve Board. The New York Agency is examined by the Department of Financial Services and is subject to banking laws and regulations applicable to a foreign bank that operates a New York agency. New York agencies of foreign banks are regulated substantially the same as, and have similar powers to, New York state-chartered banks, except with respect to capital requirements and deposit-taking activities.

The Superintendent is empowered by law to require any branch or agency of a foreign bank to maintain in New York specified assets equal to a percentage of the branch's or agency's liabilities, as the Superintendent may designate. Under the current requirement, the New York Agency is required to maintain a pledge of a minimum of $2 million with respect to its total third-party liabilities and such pledge may be up to 1% of the agency's third party liabilities, or upon meeting eligibility criteria, up to a maximum amount of $100 million. As of December 31, 2013, the New York Agency maintained a pledge deposit with a carrying value of $3.0 million with the New York State Department of Financial Services, complying with the minimum required amount.

In addition, the Superintendent retains the authority to impose specific asset maintenance requirements upon individual agencies of foreign banks on a case-by-case basis. No special requirement has been prescribed for the New York Agency.

The New York Banking Law generally limits the amount of loans to any one person to 15 percent of the capital, surplus fund and undivided profits of a bank. For foreign bank agencies, the lending limits are based on the capital of the foreign bank and not that of the agency.

The Superintendent is authorized to take possession of the business and property of a New York agency of a foreign bank whenever an event occurs that would permit the Superintendent to take possession of the business and property of a state-chartered bank. These events include the violation of any law, unsafe business practices, an impairment of capital, and the suspension of payments of obligations. In liquidating or dealing with an agency's business after taking possession of the agency, the New York Banking Law provides that the claims of creditors which arose out of transactions with the agency may be granted a priority with respect to the agency's assets over other creditors of the foreign bank.

Florida Law

The Florida International Administrative Office, established in October 2006, is licensed and supervised by the Florida Office of Financial Regulation under the Florida Financial Institutions Codes. The activities of the Florida International Administrative Office are subject to the restrictions described below as well as to Florida banking laws and regulations that are applicable generally to foreign banks that operate offices in Florida. The Florida International Administrative Office is also subject to regulation by the U.S. Federal Reserve Board under the IBA.

Pursuant to Florida law, the Florida International Administrative Office is authorized to conduct certain "back office" functions on behalf of the Bank, including administration of the Bank's personnel and operations, data processing and record keeping activities, and negotiating and servicing loans or extensions of credit and investments. Under the provisions of the Florida Financial Institutions Codes, as well as the IBA and the regulations of the U.S. Federal Reserve Board, the Florida International Administrative Office is also permitted to function as a representative office of the Bank. In this capacity it may solicit new business for the Bank and conduct research. It may also act in a liaison capacity between the Bank and its customers.

Anti-Money Laundering Laws

U.S. anti-money laundering laws, as amended by the USA PATRIOT Act of 2001, impose significant compliance and due diligence obligations, on financial institutions doing business in the United States. Both the New York Agency and the Florida International Administrative Office are "financial institutions" for these purposes. Failure of a financial institution to comply with the requirements of these laws and regulations could have serious legal and reputational consequences for an institution. The New York Agency and the Florida International Administrative Office have adopted comprehensive policies and procedures to address these requirements.

C. Organizational Structure

For information regarding the Bank's organizational structure, see Item 18, "Financial Statements," note 1.

D. Property, Plant and Equipment

The Bank leases its headquarters, with 4,990 square meters of office space located at Business Park - Tower V, Costa del Este, Panama City, Panama. The Bank leases 11 square meters of computer equipment hosting, located at Gavilan Street Balboa, Panama City, Panama and 21 square meters of office space and internet access, as a contingency, located at 75E Street San Francisco, in Panama City, Panama. The Bank also leases, as contingency, 10 square meters of computer equipment hosting, located at Cable & Wireless Howard IDC, Brujas Street (Perimetral Oeste), behind the International Business Park, Arraijan, Panama.

In addition, the Bank leases office space for its representative offices in Mexico City and Monterrey, Mexico, Buenos Aires, Argentina, Lima, Peru, Bogotá, Colombia, Bladex Representação Ltda. in São Paulo and Porto Alegre, Brazil, its New York Agency in New York City, New York, and the Florida International Administrative Office in Miami, Florida. See Item 18, "Financial Statements," notes 2(q), 10 and 20.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

The following discussion should be read in conjunction with the Bank's Consolidated Financial Statements and the notes thereto included elsewhere in this Annual Report. See Item 18, "Financial Statements."

Nature of Earnings

The Bank derives income from net interest income, fees and commissions, derivative financial instruments and hedging, recoveries, net of impairment of assets, net gain (loss) from investment funds trading, net gain (loss) from trading securities, net gain on sale of securities available-for-sale, net gain (loss) on foreign currency exchange, and other income (net). Net interest income, or the difference between the interest income the Bank receives on its interest-earning assets and the interest it pays on interest-bearing liabilities, is generated principally by the Bank's lending activities. The Bank generates fees and commissions mainly through the issuance, confirmation and negotiation of letters of credit and guarantees, and through loan intermediation activities.

A. Operating Results

The following table summarizes changes in components of the Bank's net income and performance for the periods indicated:

	For the Year Ended December 31,		
	2013	**2012**	**2011**
	(in $ thousand, except per share amounts and percentages)		
Total interest income	$ 205,303	$ 192,437	$ 157,427
Total interest expense	82,211	87,460	54,717
Net interest income	123,092	104,977	102,710
Reversal of provision (provision) for loan losses	1,598	8,343	(8,841)
Net interest income, after reversal of provision (provision) for loan losses	124,690	113,320	93,869
Other income (expense):			
Reversal of provision (provision) for losses on off-balance sheet credit risk	(381)	4,046	4,448
Fees and commissions, net	13,669	10,021	10,619
Derivative financial instruments and hedging	353	71	2,923
Recoveries, net of impairment of assets	108	0	(57)
Net gain (loss) from investment funds trading	(6,702)	7,011	20,314
Net gain (loss) from trading securities	3,221	11,234	(6,494)
Net gain on sale of securities available-for-sale	1,522	6,030	3,413
Net gain (loss) on foreign currency exchange	(3,834)	(10,525)	4,269
Gain on sale of premises and equipment	0	5,626	0
Other income, net	2,232	2,986	1,059
Net other income	10,188	36,500	40,494
Total operating expenses	(54,306)	(55,814)	(50,087)
Net income from continuing operations	80,572	94,006	84,276
Net loss from discontinued operations (1)	(4)	(681)	(420)
Net income	80,568	93,325	83,856
Net income (loss) attributable to the redeemable noncontrolling interest	(4,185)	293	676
Net income attributable to Bladex stockholders	**$ 84,753**	**$ 93,032**	**$ 83,180**
Net income from continuing operations	84,757	93,713	83,600
Net loss from discontinued operations (1)	(4)	(681)	(420)
Basic earnings per share	$ 2.21	$ 2.46	$ 2.25
Diluted earnings per share	$ 2.20	$ 2.45	$ 2.24
Return on average assets (2)	1.20%	1.51%	1.46%
Return on average stockholders' equity (3)	10.02%	11.57%	11.40%

(1) On April 2, 2013, the Bank reached a final agreement to sell its Asset Management Unit to Alpha4X and related companies. The Bank applied discontinued operations accounting to the operations of the Asset Management Unit in accordance with ASC Topic 205-20 – Presentation of Financial Statements – Discontinued Operations.

(2) Average assets calculated on the basis of unaudited daily average balances.

(3) Average stockholders' equity calculated on the basis of unaudited daily average balances.

Business Segment Analysis

The Bank's activities are operated and managed in two business segments: Commercial and Treasury. The Asset Management Unit was discontinued since the fourth quarter of 2012 as a result of its divestiture.

The business segment results are determined based on the Bank's managerial accounting process, which assigns consolidated balance sheets, revenue and expense items to each reportable division on a systemic basis.

The Bank incorporates net operating income by business segment in order to disclose the revenue and expense items related to its normal course of business, segregating from the net income, the impact of provisions or reversals of provisions for loan losses and off-balance sheet credit risk, and recoveries on assets. In addition, the Bank's net interest income represents the main driver of net operating income. The current interest expense allocation methodology reflects allocated funding on a matched-funded basis, net of risk adjusted capital by business segment. The current operating expense allocation methodology allocates overhead expenses based on resource consumption by business segment. The following table summarizes net operating income of the Bank, both by business segment and on a consolidated basis for the periods indicated:

	For the Year Ended December 31,		
	2013	2012	2011
	(in $ million, except percentages)		
COMMERCIAL DIVISION:			
Net interest income	$ 115.1	$ 110.0	$ 81.7
Non-interest operating income	15.3	12.2	11.0
Operating expenses	(40.9)	(38.3)	(34.8)
Net operating income	**89.5**	**83.9**	**57.9**
Reversal of provision (provision) for loan and off-balance sheet credit losses, net	1.2	12.4	(4.4)
Recoveries, net of impairment of assets	0.1	0.0	(0.1)
NET INCOME ATTRIBUTABLE TO BLADEX STOCKHOLDERS	**$ 90.8**	**$ 96.3**	**$ 53.4**
TREASURY DIVISION:			
Net interest income	$ 8.0	$ (5.0)	$ 21.0
Non-interest operating income	(4.8)	14.6	25.1
Operating expenses	(13.4)	(17.5)	(15.2)
Net operating income (loss)	**(10.2)**	**(7.9)**	**30.9**
Net income (loss)	(10.2)	(7.9)	30.9
Net income (loss) attributable to the redeemable noncontrolling interest	(4.2)	0.3	0.7
NET INCOME (LOSS) ATTRIBUTABLE TO BLADEX STOCKHOLDERS	**$ (6.0)**	**$ (8.2)**	**$ 30.2**
CONSOLIDATED:			
Net interest income	$ 123.1	$ 105.0	$ 102.7
Non-interest operating income	10.5	26.8	36.1
Operating expenses	(54.3)	(55.8)	(50.0)
Net operating income	**79.3**	**76.0**	**88.8**
Reversal of provision (provision) for loan and off-balance sheet credit losses, net	1.2	12.4	(4.4)
Recoveries, net of impairment of assets	0.1	0.0	(0.1)
Net income – business segment	**80.6**	**88.4**	**84.3**

	For the Year Ended December 31,		
	2013	2012	2011
	(in $ million, except percentages)		
Net income (loss) attributable to the redeemable non-controlling interest	(4.2)	0.3	0.7
NET INCOME ATTRIBUTABLE TO BLADEX STOCKHOLDERS – BUSINESS SEGMENT	**84.8**	**88.1**	**83.6**
Other income unallocated – Gain on sale of premises and equipment	0.0	5.6	0.0
Net loss from discontinued operations	0.0	(0.7)	(0.4)
NET INCOME ATTRIBUTABLE TO BLADEX STOCKHOLDERS	**$ 84.8**	**$ 93.0**	**$ 83.2**

For further information on net income by business segment, see Item 18, "Financial Statements," notes 3 and 27.

The Commercial Division

The Commercial Division is responsible for the Bank's core business of financial intermediation and fee generation activities relating to the Bank's commercial portfolio. This activity includes the origination of bilateral and syndicated credits, short- and medium-term loans, acceptances and contingent credits. The division's portfolio includes the loan portfolio, selected deposits placed, equity investments, acceptances and contingencies (including letters of credit, stand-by letters of credit, and guarantees covering commercial risk and credit commitments). The Commercial Division's net income includes net interest income from loans, fee income, allocated operating expenses, the provisions or the reversal of provisions for credit losses, and any recoveries, net of impairment of assets.

Year 2013 vs. Year 2012

The Commercial Division's net income amounted to $90.8 million for the year ended December 31, 2013, compared to $96.3 million for the year ended December 31, 2012. The decrease for the year was mainly the result of reversals of provisions for credit losses during 2012 , mostly related to the resolution of a non-accruing loan exposure. Excluding the effect of reversals (provisions) for credit losses, the Commercial Division's net operating income improved by 7% during 2013 to $89.5 million, compared to $83.9 million in 2012, reflecting increased core revenues from higher average portfolio balances and fee generating activities. Higher average loan balances (+17%) resulted in a $5.1 million, or 5%, increase in the Commercial Division's net interest income, while increased letters of credit activity along with the growth of the Bank's structuring and syndication platform resulted in a $3.6 million, or 36% increase in fee income, partially offset by a $2.6 million, or 7% increase in allocated operating expenses.

The Commercial Division's portfolio balances totaled $6,630 million by the end of year 2013, an 11% increase from $5,953 million as of December 31, 2012. The year-on-year increase was mainly attributable to growing demand in the Bank's client base of corporations (+20%), and financial institutions (+9%). On an annual average basis, the Commercial Portfolio reached $6,337 million, an increase of $926 million, or 17% compared to average balances of $5,411 million during 2012.

The Commercial Portfolio continued to be short-term and trade-related in nature, with $4,846 million, or 73%, of the Commercial Portfolio maturing within one year. Trade financing operations represented 58% of the portfolio, while the remaining balance consisted primarily of lending to banks and corporations involved in foreign trade.

Credit disbursements in 2013 increased 26% to $14,276 million, a record level, compared to $11,338 million disbursed in 2012, as credit demand strengthened. The non-accrual portfolio amounted to $3.1 million representing 0.05% of the loan portfolio as of December 31, 2013, compared to a balance of nil as of December 31, 2012.

Year 2012 vs. Year 2011

The Commercial Division's net income amounted to $96.3 million for the year ended December 31, 2012, compared to $53.4 million for the year ended December 31, 2011. The $42.9 million, or 80%, increase in 2012 was mainly the result of: (i) a $29.5 million, or 32%, increase in net operating revenues mainly attributable to increased net interest income (an increase of $28.3 million, or 35%) from higher loan portfolio balances (an increase of 11%) and lending rates (an increased of 55 basis points), and (ii) a $16.8 million positive variation in provisions for credit losses due to improved country and client risk exposure profiles in the Commercial Portfolio. These effects were partially offset by a $3.5 million, or 10%, increase in allocated operating expenses mainly due to higher average headcount.

The Commercial Division's portfolio balance amounted to $5,953 million, a 11% increase from the balances as of December 31, 2011. The increases were mainly attributable to growing demand in the Bank's client base of corporations (which grew by 19%) and continued diversification into the middle-market companies (which grew by 56%), offset by a 6% decrease in the financial institutions segment.

The Commercial Portfolio continued to be short-term and trade-related in nature with $4,563 million, or 77%, of the Commercial Portfolio maturing within one year. Trade financing operations represented 61% of the portfolio, while the remaining balance consisted primarily of lending to banks and corporations involved in foreign trade.

Credit disbursements in 2012 increased 8% to $11,338 million, the highest level in 15 years, compared to $10,479 million disbursed in 2011. As of December 31, 2012, the Bank had no portfolio balances in non-accrual, compared to $32.0 million, or 0.6% of the loan portfolio balances in non-accrual,as of December 31, 2011.

The Treasury and Capital Markets Division

The Treasury and Capital Markets Division, or Treasury Division, is responsible for the Bank's funding and liquidity management, along with the management of its activities in investment securities, which comprise trading assets, securities available-for-sale, securities held-to-maturity, the Bank's investments in the investment funds, and the management of the Bank's interest rate, liquidity, price and currency risks. The Bank will continue to consolidate its participation in the Alpha4X Offshore Feeder Fund under prevailing accounting rules while its participation exceeds 50%.

The Treasury Division's net income is presented net of allocated operating expenses, and includes net interest income from interest-bearing deposits with banks, investment securities, and trading assets, net of allocated cost of funds, other income (expense) from derivative financial instruments and hedging, net gain (loss) from trading securities, net gain (loss) on sale of securities available for sale, gain (loss) on foreign currency exchange, gains (losses) from investments in the investment funds and allocated operating expenses.

Year 2013 vs. Year 2012

For the year 2013 the Treasury Division reported a net loss of $6.0 million compared to a net loss of $8.2 million during 2012. The Treasury Division's net loss during 2013 was attributable to a decrease of $19.4 million in non-interest operating income, mainly related to net losses from the remaining participation in investment funds and lower gains on sale of securities available-for-sale, which was partially offset by the combined effects of: (i) a $13.0 million increase in net interest income, which resulted from an effective interest rate gap management, higher net interest income from increased average investment securities balances, and lower average cost of funds; (ii) a $4.1 million decrease in allocated operating expenses; and (iii) a $4.5 million positive variation in net income attributable to the redeemable non-controlling interest in the funds.

Liquidity assets amounted to $831 million as of December 31, 2013, compared to $690 million as of December 31, 2012, as the Bank maintained its proactive approach to liquidity management, increasing its liquidity position as a response to heightened market volatility. Liquid assets as of December 31, 2013 represented 11.1% of total assets and 12.7% of total liabilities, compared to 10.2% and 11.6%, respectively, as of December 31, 2012.

Deposit balances increased $44 million, or 2%, to $2,361 million as of December 31, 2013, compared to $2,317 million as of December 31, 2012. Deposits represented 36% of total liabilities as of December 31, 2013, compared to 39% as of December 31, 2012. Short-term borrowings and debt, including securities sold under repurchase agreements, totaled $2,991 million as of December 31, 2013, an 86% year-on-year increase, while long-term borrowings and debt totaled $1,154 million, a 39% year-on-year decrease, as the Bank opted to pre-pay certain medium-term obligations with remaining tenors of less than a year, as part of its proactive funding and interest rate position management. Consequently, weighted average funding costs for the year ended December 31, 2013 reached 1.33%, a decrease of 30 bps, or 18%, compared to 1.63% for the year ended December 31, 2012.

Year 2012 vs. Year 2011

The Treasury Division reported a net loss of $8.2 million for the year ended December 31, 2012, compared to a net income of $30.2 million for the year ended December 31, 2011. The $38.4 million, or 127%, decrease during 2012 was due to the combined effects of: (i) a $26.0 million decrease in net interest income, as a result of higher average funding costs due to increased funding tenors, along with lower average interest-earning securities portfolio balances and $5.0 million in amortizations to the carrying amount of certain financial instruments for which hedge accounting was discontinued in the third quarter of 2012, (ii) a $10.5 million decrease in non-interest operating income mainly from lower gains from investments in the Investment Fund and (iii) a $2.3 million increase in allocated operating expenses.

Liquidity balance as of December 31, 2012 amounted to $690 million, compared to $786 million as of December 31, 2011. Liquid assets as of December 31, 2012 represented 10.2% of total assets and 11.6% of total liabilities, compared to 12.4% and 14.0%, respectively, as of December 31, 2011. Deposit balances increased $13 million, or 1%, to $2,317 million as of December 31, 2012, compared to $2,304 million as of December 31, 2011.

Weighted average funding costs for the year ended December 31, 2012 amounted to 1.63%, an increase of 51 basis points, or 46%, compared to 1.12% for the year ended December 31, 2011, mainly as a result of inflows recorded in the first half of 2012 from bond issuances and a loan syndication.

Short-term borrowings and securities sold under repurchase agreements amounted to $1,607 million, a decrease of 5% during 2012. Borrowings and long-term debt increased 28% during 2012 to $1,906 million as of December 31, 2012, compared to $1,488 million as of December 31, 2011.

Net Income Attributable to Bladex

The results for 2013 demonstrated the strength of Bladex's business model, as the Bank continued to add value to its clients with a focus on trade finance. During the year, the Bank experienced increased demand for its lending products, as the Bank´s core competencies allowed it to compete effectively within a challenging financial sector and debt capital markets conditions, along with moderate economic growth in the Region, which helped propel the increase in balances of the Bank's credit portfolio during 2013, especially in the segments of corporations and financial institutions.

Net Income attributable to Bladex stockholders reached $84.8 million in 2013, compared to $93.0 million in 2012. The 2013 results were negatively impacted by the remaining participation in investment funds pertaining to the Asset Management Unit sold earlier in the year, offsetting improved performance from business activities: higher net interest income from robust average portfolio growth, improving net interest margin and fee income, strong portfolio quality and lower operating expenses.

Bladex's financial results strengthened in 2012, mainly as the result of growth and increased profitability in the Commercial Division. Net Income attributable to Bladex reached $93.0 million in 2012, compared to $83.2 million in 2011. The $9.8 million, or 12%, increase, was the result of improved performance in core financial intermediation activity, partially offset by lower contributions from investment activities in the Treasury Division. Additional reasons for the increase include contributions from the non-core activities of the Asset Management Unit (presented as a discontinued operation as of December 31, 2012), and extraordinary items, including a $5.6 million gain on the sale of premises and equipment associated with the relocation of the Bank's headquarters.

Net Interest Income and Margins

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

	For the Year Ended December 31,		
	2013	**2012**	**2011**
	(in $ million, except percentages)		
Net interest income (loss)			
Commercial Division	$ 115.1	$ 110.0	$ 81.7
Treasury Division	8.0	(5.0)	21.0
Total Net Interest Income	**$ 123.1**	**$ 105.0**	**$ 102.7**
Net interest margin	1.75%	1.70%	1.81%
Net interest spread	1.55%	1.44%	1.62%

Distribution of Assets, Liabilities and Stockholders' Equity; Interest Rates and Differentials

The following table presents the distribution of consolidated average assets, liabilities and stockholders' equity, as well as the total dollar amounts of interest income from average interest-earning assets and the resulting yields, the dollar amounts of interest expense and average interest-bearing liabilities, and corresponding information regarding rates. Average balances have been computed on the basis of consolidated daily average balances:

	For the Year ended December 31,								
	2013			2012			2011		
Description	**Average balance**	**Interest**	**Average yield/rate**	**Average balance**	**Interest**	**Average yield/rate**	**Average balance**	**Interest**	**Average yield/rate**
	(in $ million, except percentages)								
Interest-Earning Assets									
Interest bearing deposits with banks	$ 635	$ 1.5	0.24%	$ 711	$ 1.9	0.26%	$ 458	$ 1.4	0.29%
Loans, net of unearned income & deferred loan fees	5,934	193.0	3.21%	5,064	181.1	3.52%	4,576	137.9	2.97%
Non-accrual loans (1)	0	0.0	n.m.(*)	23	2.1	9.17%	29	2.4	8.03%
Trading assets	2	0.0	0.00%	7	0.1	0.94%	30	1.8	5.79%
Investment securities (2)	346	8.5	2.43%	254	6.4	2.48%	441	11.7	2.61%
Investment funds	113	2.3	2.01%	117	0.9	0.74%	148	2.3	1.56%
Total interest-earning assets	**$ 7,028**	**$ 205.3**	**2.88%**	**$ 6,177**	**$ 192.4**	**3.06%**	**$ 5,681**	**$ 157.4**	**2.73%**

Description	2013 Average balance	2013 Interest	2013 Average yield/rate	2012 Average balance	2012 Interest	2012 Average yield/rate	2011 Average balance	2011 Interest	2011 Average yield/rate
	For the Year ended December 31, (in $ million, except percentages)								
Non-interest-earning assets	77			55			71		
Allowance for loan losses	(71)			(82)			(81)		
Other assets	13			20			16		
Total Assets	**$ 7,048**			**$ 6,169**			**$ 5,687**		
Interest-Bearing Liabilities									
Demand Deposits (3)	$ 95	0.2	0.19%	$ 137	0.4	0.29%	$ 53	0.2	0.35%
Time Deposits (3)	2,418	12.2	0.50%	2,121	12.5	0.58%	2,021	8.6	0.42%
Deposits (3)	2,513	12.4	0.49%	2,258	12.9	0.56%	2,074	8.8	0.42%
Trading liabilities	7	0.0	n.m.(*)	10	0.0	n.m.(*)	2	0.0	n.m.(*)
Investment funds	0	1.8	n.m.(*)	0	0.1	n.m.(*)	0	0.3	n.m.(*)
Securities sold under repurchase agreements	227	1.3	0.56%	153	1.6	1.05%	267	2.0	0.75%
Short-term borrowings and debt	2,048	25.7	1.24%	973	19.0	1.92%	1,102	13.7	1.23%
Long-term borrowings and debt	1,318	41.0	3.07%	1,892	53.7	2.79%	1,392	29.8	2.11%
Total interest-bearing liabilities	**$ 6,112**	**$ 82.2**	**1.33%**	**$ 5,285**	**$ 87.5**	**1.63%**	**$ 4,838**	**$ 54.7**	**1.12%**
Non-interest bearing liabilities and other liabilities	$ 61			$ 76			$ 111		
Total Liabilities	**$ 6,173**			**$ 5,361**			**$ 4,949**		
Redeemable noncontrolling interest	29			4			8		
Stockholders' equity	**846**			**804**			**730**		
Total Liabilities and Stockholders' Equity	**$ 7,048**			**$ 6,169**			**$ 5,687**		
Net interest spread			1.55%			1.44%			1.62%
Net interest income and net interest margin		**$ 123.1**	1.75%		**$ 105.0**	1.70%		**$ 102.7**	1.81%

(1)Interest received on non-accrual loans is only recorded as earned when collected.

(2)The average yield of the investment securities portfolio (including securities available-for-sale and securities held to maturity) using cost-based average balances, would have been 2.55%, 2.64%, and 2.84%, for 2013, 2012 and 2011, respectively.

(3)The Bank obtains deposits in the form of demand deposits and time deposits from its central bank shareholders, commercial banks and corporations.

Note: Interest income and/or expense includes the effect of derivative financial instruments used for hedging.

(*)"n.m." means not meaningful.

Changes in Net Interest Income — Volume and Rate Analysis

Net interest income is affected by changes in volume and changes in interest rates. Volume changes are caused by differences in the level of interest-earning assets and interest-bearing liabilities. Rate changes result from differences in yields earned on interest-earning assets and rates accrued on interest-bearing liabilities. The following table sets forth a summary of the changes in net interest income of the Bank resulting from changes in average interest-earning asset and interest-bearing liability volume and changes in average interest rates for 2013 compared to 2012 and for 2012 compared to 2011. Volume and rate variances have been calculated based on daily movements in average balances over the period and changes in interest rates on average interest-earning assets and average interest-bearing liabilities.

	2013 vs. 2012			2012 vs. 2011		
	Volume(*)	Rate(*)	Net Change	Volume(*)	Rate(*)	Net Change
	(in $ thousand)					
Increase (decrease) in interest income						
Interest bearing deposits with banks	$ (186)	$ (164)	$ (350)	$ 670	$ (145)	$ 525
Accruing loans, net	28,021	(16,109)	11,912	17,653	25,472	43,125
Non-accrual loans	(3)	(2,146)	(2,149)	(569)	343	(226)
Trading assets	(0)	(69)	(69)	(214)	(1,474)	(1,688)
Investment securities	2,247	(146)	2,101	(4,689)	(575)	(5,264)
Investment funds	(86)	1,507	1,421	(230)	(1,232)	(1,462)
Total increase (decrease)	**$ 29,993**	**$ (17,127)**	**$ 12,866**	**$ 12,621**	**$ 22,389**	**$ 35,010**
Increase (decrease) in interest expense						
Deposits	(1,240)	1,803	563	1,063	3,063	4,126
Trading liabilities	0	0	0	0	0	0
Investment funds	630	(2,365)	(1,735)	(25)	(189)	(214)
Securities sold under repurchase agreement and Short-term borrowings and debt	(13,577)	7,306	(6,271)	(4,436)	9,355	4,920
Long-term borrowings and debt	17,943	(5,251)	12,692	14,234	9,677	23,911
Total increase (decrease)	**$ 3,756**	**$ 1,493**	**$ 5,249**	**$ 10,836**	**$ 21,907**	**32,743**
Increase (decrease) in net interest income	**$ 33,749**	**$ (15,634)**	**$ 18,115**	**$ 1,785**	**$ 482**	**$ 2,267**

(*) Volume variation effect in net interest income is calculated by multiplying the difference in average volumes by the current year's average yield. Rate variation effect in net interest income is calculated by multiplying the difference in average yield by the prior year's average volume.

Net Interest Income and Net Interest Margin Variation

<u>2013 vs. 2012</u>

The $18.1 million, or 17% increase in net interest income for the year ended December 31, 2013 was primarily driven by:

i A $33.7 million overall increase in net interest income, mainly driven by higher average interest-earning assets, mostly from higher average balances in the loan portfolio (+17%) and in investment securities (+33%), along with lower average long-term debt and borrowings (-30%), partially offset by higher short-term interest-bearing liabilities (deposits +11%, borrowings and repo's +102%), as the Bank shifted its funding composition to shorter tenors.

ii. A $15.6 million overall decrease in net interest income as a result of lower average interest rates on the Bank's assets (-18 basis points), partly offset by lower rates paid on the Bank's liabilities (-30 basis points).

Net interest margin increased 5 basis points to 1.75% in 2013 compared to 1.70% in 2012, mainly from lower cost of funds.

<u>2012 vs. 2011</u>

The $2.3 million, or 2% increase in net interest income for the year ended December 31, 2012 primarily reflected the combined effects of:

i. Higher average interest-earning asset levels (increase of 9%), mainly average loan portfolio balances, which resulted in a $12.6 million overall increase in interest income, partially offset by a $10.8 million increase in interest expense, resulting from a 9% increase in average interest-bearing liabilities.

ii. A $0.9 million increase in net interest income from the net impact of higher average interest rates on the Bank's assets and liabilities, mainly driven by an increase in lending rates (increase of 55 basis points), partly offset by a shift towards longer interest bearing liability tenors, resulting in higher rates (increase of 51 basis points) along with $5.0 million in amortizations of free-standing financial instruments.

Net interest margin decreased 11 basis points to 1.70% in 2012 compared to 1.81% in 2011, mainly due to increasingly higher cost of funds associated with increase in interest bearing liabilities balances, which offset the increase in average yields of interest earning assets, mainly in the loan portfolio.

Reversal (Provision) for Loan Losses

	For the year ended December 31,		
	2013	**2012**	**2011**
		(in $ million)	
Net Brazil specific reserve reversals (provisions)	(1.0)	0.0	(0.7)
Net Mexico specific reserve reversals (provisions)	0.0	7.3	(3.6)
Total specific reserve reversals (provisions)	**(1.0)**	**7.3**	**(4.3)**
Generic reserve reversals (provisions) — due to changes in credit portfolio composition and risk levels and loan recoveries	2.6	1.0	(4.5)
Total generic reserve reversals (provisions)	**2.6**	**1.0**	**(4.5)**
Total reversals (provisions) of allowance for loan losses	**$ 1.6**	**$ 8.3**	**$ (8.8)**

As of December 31, 2013, the Bank had $3.1 million in non-accrual loans, compared to nil loans in non-accrual status as of December 31, 2012, and compared to $32.0 million in non-accrual loans as of December 31, 2011, all of which corresponded to impaired loans for which specific reserves of $1.0 million and $14.8 million were allocated in 2013 and 2011, respectively.

The $1.6 million reversal of provision for loan losses during the year ended December 31, 2013 was the result of a $2.6 million reversal of generic reserves mainly associated with the improved risk profile of the Bank's loan portfolio (+$1.2 million), and recoveries from previous years charge-off loans (+$1.4 million), which was partially offset by a $1.0 million specific loan loss reserve assigned to the $3.1 million impaired loan as of December 31, 2013.

During 2012, the Bank reversed $8.3 million in provisions for loan losses, as a result of the release of specific reserves associated with the exit of a non-accruing loan exposure, along with a reversal of generic reserves associated with the improved risk profile of the Bank's loan portfolio.

The $8.8 million provision for loan losses in 2011 was the result of: (i) $4.5 million in generic provision for loan losses driven by the combination of an increase in the Bank's loan portfolio, attributable to increased demand from the Bank's client base of corporations, financial institutions and middle-market companies, and an improvement in client-specific and country risk levels in the Region; and ii) $4.3 million in charges for specific loan loss reserves assigned to the impaired portfolio which totaled $32.0 million as of December 31, 2011.

The Bank's loan loss reserve coverage was 1.2% as of December 31, 2013, a decrease from 1.3% as of December 31, 2012, and a decrease from 1.8% as of December 31, 2011. The decrease in the loan loss reserve coverage reflects the impact of changes in the composition of the Bank's loan portfolio and improvement of the risk profile of the portfolio as measured in the Bank's reserve model.

For more detailed information, see Item 5, "Operating and Financial Review and Prospects/Operating Results/Asset Quality and Allowance for Credit Losses," and Item 18, "Financial Statements," note 9.

For more detailed information about Non-Accrual Loans, see Item 18 "Financial Statements," note 8.

Reversals (Provisions) for Losses on Off-Balance Sheet Credit Risk

During 2013, the Bank accrued $0.4 million on provision for losses on off-balance sheet credit risk mainly due to higher balances in the off-balance sheet exposures in the commercial portfolio, partially mitigated by an improvement of the risk profile of the Region.

The $4.0 million reversal of provision for losses on off-balance sheet credit risk in 2012 was primarily the result of lower balances in the off-balance sheet exposures in the commercial portfolio and improved risk profile of the Bank's portfolio composition.

The $4.4 million reversal of provision for losses on off-balance sheet credit risk in 2011 was primarily due to improved risk profile in the off-balance sheet exposures in the commercial portfolio, primarily in customer liabilities under acceptances and contingencies, at the end of year 2011.

The off-balance sheet reserve coverage decreased to 1.1% as of December 31, 2013, compared to 2.1% as of December 31, 2012, and compared to 2.5% as of December 31, 2011.

For more detailed information, see Item 5, "Operating and Financial Review and Prospects/Operating Results/Asset Quality and Allowance for Credit Losses," and Item 18, "Financial Statements," note 9.

Fees and Commissions, net

The Bank generates fee and commission income primarily from originating letters of credit confirmations, guarantees (including commercial and country risk coverage), loan origination and distribution, and service activities. The following table shows the components of the Bank's fees and commissions, net, for the periods indicated:

	For the Year Ended December 31,		
	2013	**2012**	**2011**
		(in $ thousand)	
Letters of credit	$ 9,244	$ 7,617	$ 9,360
Guarantees	142	184	14
Loan Fees	4,220	2,153	1,109
Other [1]	63	67	136
Fees and commissions, net	**$ 13,669**	**$ 10,021**	**$ 10,619**

[1] Net of commission expense.

Fees and commissions totaled $13.7 million for the year 2013, compared to $10.0 million for the year 2012. The $3.6 million, or 36% growth resulted from higher loan intermediation fees mainly from mandated transactions, reflecting the Bank's progress in establishing a track record as lead arranger of syndications, and an increase in the activity of the letter of credit business.

In 2012, fees and commissions totaled $10.0 million, compared to $10.6 million in 2011. The $0.6 million, or 6% decrease reflects reduced commissions from lower average balances in the letters of credit portfolio, partially offset by increased fees and commissions from transactional loans.

The $0.4 million, or 4%, increase in fees and commissions during 2011 was mostly attributable to increased commission income from higher average volumes in the letter of credit business (which increased 28%), partially offset by lower loan and asset management fee income.

For more information, see Item 18, "Financial Statements," notes 2(p).

Derivative Financial Instruments and Hedging

The Bank recorded net gains of $0.4 million, $0.1 million, and $2.9 million in 2013, 2012 and 2011, respectively, in derivative financial instruments and hedging.

The 2011 results reflect the effect of recording the effectiveness on hedging relationships, which was offset by the discount of the Bank's own credit risk when calculating the fair value of its cross currency swap portfolio that it contracts for hedging purposes.

For additional information, see Item 11, "Quantitative and Qualitative Disclosure about Market Risk," and Item 18, "Financial Statements," notes 2(u) and 21.

Net Gain (Loss) from Investment Funds Trading

The Bank recorded a net loss of $6.7 million from investment funds trading in 2013, compared to net gains of $7.0 million and $20.3 million in 2012 and 2011, respectively, related to the performance of the trading activities of the funds.

For additional information, see Item 18, "Financial Statements," notes 5 and 24.

Net Gain (Loss) from Trading Securities

In 2013, the Bank recorded a gain from trading securities of $3.2 million, compared to a $11.2 million gain in 2012, and a $6.5 million loss in 2011.

The $3.2 million gain in 2013 was mainly due to changes in valuations of derivative instruments used for risk management purposes that did not qualify for hedge accounting and/or in respect of which hedge accounting was discontinued.

The $11.2 million gain in 2012 was mainly due to valuations of financial derivative instruments for which hedge accounting was discontinued in 2012.

The $6.5 million loss in 2011 was due to diminished valuations of trading securities and valuations of financial instruments that do not qualify for hedge accounting.

For additional information, see Item 18, "Financial Statements," note 5.

Net Gain on Sale of Securities Available-for-Sale

The Bank purchases debt instruments with the intention of selling them prior to maturity. These debt instruments are classified as securities available-for-sale and are included as part of the Bank's credit portfolio.

The Bank's net gain on sale of securities available-for-sale in 2013 was $1.5 million, compared to $6.0 million in 2012, and compared to $3.4 million in 2011. Detail of the net gains is as follows:

	For the year ended December 31,		
	2013	**2012**	**2011**
		(in $ millions)	
Nominal amount	$ 102.5	$ 239.6	$ 243.6
Amortized cost	$ (105.9)	$ (254.8)	$ (265.0)

	For the year ended December 31,		
	2013	2012	2011
Proceeds	109.8	262.2	279.7
Net effect of unwinding hedging derivatives of the available for-sale securities portfolio	(2.4)	(1.4)	(11.3)
Total net gain on sale of securities available-for-sale	**$ 1.5**	**$ 6.0**	**$ 3.4**

For additional information, see Item 18, "Financial Statements," notes 6.

Gain (Loss) on Foreign Currency Exchange

The Bank recorded a net loss of $3.8 million on foreign currency exchange during 2013, compared to a net loss of $10.5 million in 2012, and compared to a net gain of $4.3 million in 2011. The results reflect the effects of currency exchanges in assets and liabilities economically hedged with derivatives that do not qualify for hedge accounting, the impact of which is shown under Net Gain (Loss) from Trading Securities.

Operating Expenses

The following table shows a breakdown of the components of the Bank's total operating expenses for the periods indicated:

	For the Year Ended December 31,		
	2013	2012	2011
		(in $ thousand)	
Salaries and other employee expenses	$ 31,702	$ 33,171	27,825
Depreciation and amortization of equipment and leasehold improvements.	2,747	2,269	2,139
Professional services	4,010	4,053	4,151
Maintenance and repairs	1,529	1,936	1,634
Expenses from investment funds	2,589	2,953	4,372
Other operating expenses	11,729	11,432	9,966
Total operating expenses	**$ 54,306**	**$ 55,814**	**$ 50,087**

During 2013, the Bank's operating expenses totaled $54.3 million, compared to $55.8 million in 2012. The $1.5 million, or 3%, year-on-year decrease in operating expenses was mainly attributable to lower salary and other employee expenses.

During 2012, the Bank's operating expenses amounted $55.8 million, compared to $50.1 million for the year ended December 31, 2011. The $5.7 million, or 11% increase in operating expenses over the year was primarily attributable to: (i) salary and other employee expenses mainly from higher average headcount in the Commercial Division and Risk Department, and (ii) other operating expenses associated with relocation of the Bank's headquarters.

Changes in Financial Condition

The following table presents components of the Bank's balance sheet at the dates indicated:

	As of December 31,		
	2013	2012	2011
		(in $ thousand)	
Assets			
Cash and due from banks	$ 2,161	$ 6,718	$ 12,814
Interest-bearing deposits in banks	837,557	700,312	830,670

	As of December 31,		
	2013	2012	2011
		(in $ thousand)	
Trading assets	0	5,265	20,436
Securities available-for-sale	334,368	183,017	416,300
Securities held-to-maturity	33,759	34,113	26,536
Investment funds	118,661	105,888	120,425
Loans	6,148,298	5,715,556	4,959,573
Less:			
Allowance for loan losses	72,751	72,976	88,547
Unearned income and deferred fees	6,668	7,100	6,697
Loans, net	6,068,879	5,635,480	4,864,329
Customers' liabilities under acceptances	1,128	1,157	1,110
Accrued interest receivable	40,727	37,819	38,168
Equipment and leasehold improvements, net	10,466	12,808	6,673
Derivative financial instruments used for hedging — receivable	15,217	19,239	4,159
Other assets	8,389	14,580	18,412
Total Assets	**$ 7,471,312**	**$ 6,756,396**	**$ 6,360,032**
Liabilities and Stockholders' Equity			
Deposits	$ 2,361,336	$ 2,317,260	$ 2,303,506
Trading liabilities	72	32,304	5,584
Securities sold under repurchase agreements	286,162	158,374	377,002
Short-term borrowings and debt	2,705,365	1,449,023	1,323,466
Acceptances outstanding	1,128	1,157	1,110
Accrued interest payable	13,786	17,943	11,790
Long-term borrowings and debt	1,153,871	1,905,540	1,487,548
Derivative financial instruments used for hedging - payable	8,572	11,747	53,742
Reserve for losses on off-balance sheet credit risk	5,222	4,841	8,887
Other liabilities	27,947	28,348	22,568
Total Liabilities	**$ 6,563,461**	**$ 5,926,537**	**$ 5,595,203**
Redeemable noncontrolling interest	49,899	3,384	5,547
Stockholders' Equity			
Common stock, no par value	279,980	279,980	279,980
Additional paid-in capital in excess of assigned value of common stock	118,646	121,419	130,177
Capital reserves	95,210	95,210	95,210
Retained earnings	458,699	422,048	372,644
Accumulated other comprehensive loss	(12,575)	(730)	(3,112)
Treasury stock	(82,008)	(91,452)	(115,617)
Total Stockholders' Equity	**857,952**	**826,475**	**759,282**
Total Liabilities and Stockholders' Equity	**$ 7,471,312**	**$ 6,756,396**	**$ 6,360,032**

2013 vs. 2012

The Bank's total assets amounted to $7,471 million as of December 31, 2013, a $715 million, or 11%, increase from $6,756 million as of December 31, 2012, mainly as a result of increased balances related to the loan portfolio (an increase of $432 million), securities available-for-sale (an increase of $151 million) and cash and due from banks (an increase of $133 million). As of December 31, 2013, the Bank's loan portfolio amounted to $6,148 million, with an average remaining maturity term of 289 days, as 73% of the portfolio was scheduled to mature within one year. Trade financing operations represented 58% of the loan portfolio, while the remaining balance consisted primarily of lending to banks and corporations involved in foreign trade.

The Bank's liquidity amounted to $831 million as of December 31, 2013, compared to $690 million as of December 31, 2012, as the Bank maintained its proactive approach to liquidity management.

The 2013 increase in assets resulted in a $637 million increase in liabilities, mainly in short-term borrowings and debt (which increased by $1,256 million, or 87%), and securities sold under repurchase agreements (which increased by $128 million, or 81%), partially offset by the decrease in long-term borrowings and debt (which decreased by $752 million, or 39%), as the Bank opted to pre-pay certain medium-term obligations with remaining tenors of less than a year, as part of its proactive funding and interest rate position management.

2012 vs. 2011

During 2012, total assets increased by $396 million, or 6%, mainly from a 15%, or $756 million, increase in the Bank's loan portfolio, as a result of strong growth in the corporate and middle-market companies segment of the Bank's loan portfolio. This increase was offset by a $248 million decrease in trading assets and securities available for sale portfolio, and a $136 million decrease in cash and due from banks. As of December 31, 2012, the Bank's loan portfolio amounted to $5,716 million, with an average maturity term of 264 days, as 76% of the portfolio were scheduled to mature within one year. 61% of the loan portfolio was trade-related in nature and 39% constituted non-trade loans mainly extended to private banks and corporations.

As of December 31, 2012, the Bank's liquidity amounted to $690 million, compared to $786 million as of December 31, 2011, as a result of the Bank's long-standing approach to prudent and proactive liquidity management.

The increase in assets during 2012 was accompanied by a $331 million increase in liabilities, mainly as a result of: (i) an increase in borrowings and long-term debt (which increased by $418 million, or 28%), as a result of inflows recorded in the first half of 2012 from bond issuances and loan syndications, short-term borrowings (which increased by $126 million, or 10%), and deposits (which increased by $13 million, or 1%), and (ii) a decrease in securities sold under repurchase agreements of $219 million, or 58%.

Asset Quality

The Bank believes that its asset quality is a function of its strong client base, the importance that governments and borrowers alike attribute to maintaining continued access to trade financing, its preferred creditor status, and its strict adherence to commercial criteria in its credit activities. The Bank's management and the CPER review periodically a report of all loan delinquencies. The Bank's collection policies include rapid internal notification of any delinquency and prompt initiation of collection efforts, usually involving senior management.

The Bank maintains a system of internal credit quality indicators. These indicators are assigned depending on several factors which include: profitability, quality of assets, liquidity and cash flows, capitalization and indebtedness, economic environment and positioning, regulatory framework and/or industry, sensitivity scenarios and the quality of debtor's management and shareholders. A description of these indicators is as follows:

Rating	Classification	Description
1 to 6	Normal	Clients with payment ability to satisfy their financial commitments.
7	Special Mention	Clients exposed to systemic risks specific to the country or the industry in which they are located, facing adverse situations in their operation or financial condition. At this level, access to new funding is uncertain.
8	Substandard	Clients whose primary source of payment (operating cash flow) is inadequate and who show evidence of deterioration in their working capital that does not allow them to satisfy payments on the agreed terms, endangering recovery of unpaid balances.

Rating	Classification	Description
9	Doubtful	Clients whose operating cash flow continuously shows insufficiency to service the debt on the originally agreed terms. Due to the fact that the debtor presents an impaired financial and economic situation, the likelihood of recovery is low.
10	Unrecoverable	Clients with operating cash flow that does not cover their costs, are in suspension of payments, presumably they will also have difficulties to fulfill possible restructuring agreements, are in a state of insolvency, or have filed for bankruptcy, among others.

Impaired Assets and Contingencies

The Bank's assets that are subject to impairment consist mainly of loans and securities. For more information on impaired loans, see Item 18, "Financial Statements", Notes 2(m) and 8. For information on impaired securities, see Item 18, "Financial Statements," notes 2(j) and 6. For more information on contingencies, see Item 18, "Financial Statements", note 19, and see Item 5, "Operating and Financial Review and Prospects—Operating Results—Reversal (Provision) for Loan Losses."

The Bank identifies loans as delinquent when no debt service and/or interest payment has been received for 30 days after such payments were due. The outstanding balance of a loan is considered past due when the total principal balance with one single balloon payment has not been received within 30 days after such payment was due, or when no agreed-upon periodic payment has been received for a period of 90 days after the agreed-upon date.

Loans are placed on a non-accrual status when interest or principal is overdue for 90 days or more, or before if the Bank's management believes there is uncertainty with respect to the ultimate collection of principal or interest. Any interest receivable on non-accruing loans is reversed and charged-off against earnings. Interest on these loans is only recorded as earned when collected. Non-accruing loans are returned to an accrual status when (1) all contractual principal and interest amounts are current; (2) there is a sustained period of repayment performance in accordance with the contractual terms of at least six months; and (3) if in the Bank management's opinion the loan is fully collectible.

A modified loan is considered a troubled debt restructuring when the debtor is experiencing financial difficulties and if the restructuring constitutes a concession to the debtor. A concession may include modification of terms such as an extension of maturity date, reduction in the stated interest rate, rescheduling of future cash flows, and reduction in the face amount of the debt or reduction of accrued interest, among others. Marketable securities received in exchange for loans under troubled debt restructurings are initially recorded at fair value, with any gain or loss recorded as a recovery or charge to the allowance, and are subsequently accounted for as securities available-for-sale.

A loan is considered impaired, and also placed on a non-accrual basis when, based on current information and events, it is probable that the Bank will be unable to collect all amounts due according to original contractual terms of the loan agreement. Factors considered by the Bank's management in determining impairment include collection status, collateral value, and economic conditions in the borrower's country of residence. Impaired loans also include those modified loans considered troubled debt restructurings. When current events or available information confirm that specific impaired loans or portions thereof are uncollectible, such impaired loans are charged-off against the allowance for loan losses.

The reserve for losses on impaired loans is determined considering all available evidence, including the present value of expected future cash flows discounted at the loan's original contractual interest rate and/or the fair value of the collateral, if applicable. If the loan's repayment is dependent on the sale of the collateral, the fair value considers costs to sell.

The following table sets forth information regarding the Bank's impaired assets and contingencies at the dates indicated:

	As of December 31,				
	2013	2012	2011	2010	2009
	(in $ million, except percentages)				
Impaired loans	$ 3	$ 0	$ 32	$ 29	$ 36
Allocation from the allowance for loan losses	1	0	15	12	14
Impaired loans as a percentage of total loans, net of unearned income and deferred commission	0.1%	0.0%	0.6%	0.7%	1.3%
Impaired contingencies	$ 0	$ 0	$ 0	$ 0	$ 0
Allocation from the reserve for losses on off balance-sheet credit risks	0	0	0	0	0
Impaired contingencies as a percentage of total contingencies	0.0%	0.0%	0.0%	0.0%	0.0%
Impaired securities (par value)	$ 0	$ 0	$ 0	$ 0	$ 0
Estimated fair value adjustments on options and impaired securities (1)	0	0	0	0	0
Estimated fair value of impaired securities	$ 0	$ 0	$ 0	$ 0	$ 0
Impaired securities as a percentage of total securities (2)	0.0%	0.0%	0.0%	0.0%	0.0%
Impaired assets and contingencies as a percentage of total credit portfolio (3)	0.0%	0.0%	0.6%	0.6%	1.0%

(1) Includes impairment losses on securities, estimated unrealized gain (loss) on impaired securities, premiums and discounts.

(2) Total securities consist of investment securities considered part of the Bank's credit portfolio.

(3) The total credit portfolio consists of loans net of unearned income and deferred loan fees, selected commercial deposits placed, fair value of investment securities, acceptances and contingencies (including confirmed letters of credit, stand-by letters of credit, equity investments, guarantees covering commercial risk and credit commitments).

As of December 31, 2013, 2012 and 2011, the Bank did not have impaired loans in its loan portfolio without related allowance.
The Bank has not had any troubled debt restructurings for the years ended December 31, 2013 and 2012.

The following table sets forth the distribution of the Bank's loans charged-off against the allowance for loan losses by country as of December 31 of each year:

	As of December 31,									
	2013	%	2012	%	2011	%	2010	%	2009	%
	(in $ million, except percentages)									
Brazil	0	0.0	0	0.0	1	100.0	2	40.5	0	0.0
Mexico	0	0.0	7	100.0	0	0.0	3	59.5	0	0.0
Total	**$ 0**	**0.0**	**$ 7**	**100.0**	**$ 1**	**100.0**	**$ 5**	**100.0**	**$ 0**	**0.0**

As of December 31, 2013, the Bank did not have any loans charged-off against the allowance for loan losses, compared to charge-offs to total loan portfolio of 0.13% as of December 31, 2012, and 0.02% as of December 31, 2011, respectively.

In the five year period ended December 31, 2013, the Bank has disbursed $48 billion in credits and has charged-off credits for $13 million, which represents 0.03% of total credits disbursed.

The following table summarizes information regarding loans in non-accrual status, and interest amounts on non-accrual loans:

	For the year ended December 31,		
	2013	2012	2011
		(in $ thousands)	
Loans in non-accrual status:			
Private corporations	$ 3,125	$ 0	$ 32,000
Total loans in non-accrual status	**$ 3,125**	**$ 0**	**$ 32,000**
Interest which would have been recorded if the loans had not been in a non-accrual status	67	0	2,325
Interest income collected on non-accruing loans	0	2,288	2,375

Allowance for Credit Losses

The allowance for credit losses, which includes the allowance for loan losses and the reserve for losses on off-balance sheet credit risk, covers the credit risk on loans and contingencies. The allowance for credit losses is provided for losses derived from the credit extension process, inherent in the loan portfolio and off-balance sheet financial instruments, using the reserve method of providing for credit losses. Additions to the allowance for credit losses are made by creating a provision debiting earnings. Credit losses are deducted from the allowance, and subsequent recoveries are added. The allowance is also decreased by reversals of the allowance back to earnings. The allowance attributable to loans is reported as a deduction of loans and the allowance for off-balance sheet credit risk, such as letters of credit and guarantees, is reported as a liability.

The allowance for credit losses includes an asset-specific component and a formula-based component. The asset-specific component, or specific allowance, relates to provision for losses on credits considered impaired and measured individually on a case-by-case basis. A specific allowance is established when the discounted cash flows (or observable fair value of collateral) of the credit is lower than the carrying value of that credit. The formula-based component, or generic allowance, covers the Bank's performing credit portfolio and is established based on a process that estimates the probable loss inherent in the portfolio, based on statistical analysis and management's qualitative judgment. The statistical calculation is a product of internal risk classifications, probabilities of default and loss given default. The probability of default is supported by Bladex's historical portfolio performance complemented by probabilities of default provided by external sources, in view of the greater robustness of this external data for some cases. The loss given default is based on Bladex's historical losses experience and best practices. The reserve balances, for both on and off-balance sheet credit exposures, are calculated by applying the following formula:

Reserves = Σ(E x PD x LGD); where:

a) Exposure (E) = the total accounting balance (on- and off-balance sheet) at the end of the period under review.
b) Probabilities of Default (PD) = one-year probability of default applied to the portfolio. Default rates are based on the Bank's historical portfolio performance per rating category, complemented by Standard & Poor's, or S&P, probabilities of default for categories 6, 7 and 8, in view of the greater robustness of S&P data for such cases.
c) Loss Given Default (LGD) = a factor utilized, based on historical information, and as based on best practices in the banking industry. Management applies judgment for imprecision and uncertainty and historical loss experience.

Management can also apply complementary judgment to capture elements of a prospective nature or loss expectations based on risks identified in the environment that are not necessarily reflected in the historical data.

The allowance policy is applicable to all classes of loans and off-balance sheet financial instruments of the Bank.

For additional information regarding allowance for credit losses, see Item 18, "Financial Statements," notes 2(o) and 9.

The following table sets forth information regarding the Bank's allowance for credit losses with respect to the total commercial portfolio outstanding as of December 31 of each year:

	As of December 31,				
	2013	2012	2011	2010	2009
	(in $ million, except percentages)				
Components of the allowance for credit losses					
Allowance for loan losses:					
Balance at beginning of the year	$ 73.0	$ 88.5	$ 78.6	$ 73.8	$ 54.6
Provision (reversal)	(1.6)	(8.3)	8.8	9.1	18.3
Recoveries	1.4	0.3	2.2	1.0	0.9
Loans charged-off	0.0	(7.5)	(1.1)	(5.3)	0.0
Balance at the end of the year	$ 72.8	$ 73.0	88.5	78.6	73.8
Reserve for losses on off-balance sheet credit risk:					
Balance at beginning of the year	4.8	8.9	13.3	27.3	30.7
Provision (reversal)	0.4	(4.0)	(4.4)	(13.9)	(3.5)
Balance at end of the year	5.2	4.8	8.9	13.3	27.3
Total allowance for credit losses	**$ 78.0**	**$ 77.8**	**$ 97.4**	**$ 92.0**	**$ 101.0**
Allowance for credit losses to total commercial portfolio	1.18%	1.31%	1.83%	2.07%	3.25%
Net charge offs to average loans outstanding	0.00%	0.15%	0.02%	0.16%	n.m.(*)

(*) "n.m." means not meaningful.

The allowance for credit losses to total commercial portfolio amounted to 1.18% as of December 31, 2013 compared to 1.31% as of December 31, 2012, and 1.83% as of December 31, 2011. The decrease of 13 basis points in 2013 is mainly associated with an improved risk profile of the Bank's portfolio composition in terms of client and country exposures.

The annual variation in 2012 compared to 2011 in the allowance for credit losses to total commercial portfolio was primarily due to the release of specific reserves associated with the reduction in exposure from non-accruing loans, the reversal of provisions for losses on off-balance sheet credit risk as total contingencies declined during the year, and an improved risk profile in the composition of the Bank's portfolio.

The following table sets forth information regarding the Bank's allowance for credit losses allocated by country of exposure as of December 31 of each year:

	As of December 31,					
	2013		2012		2011	
	Total	%	Total	%	Total	%
	(in $ million, except percentages)					
Allowance for loan losses						
Argentina	$ 5.8	8.0	$ 9.2	12.7	$ 16.1	18.1
Brazil	17.5	24.0	12.0	16.4	11.5	13.0
Chile	7.6	10.4	1.2	1.6	1.8	2.0
Colombia	4.7	6.5	5.2	7.2	11.6	13.0
Costa Rica	8.5	11.7	5.3	7.2	2.9	3.3
Dominican Republic	3.1	4.2	4.6	6.3	6.1	6.9
Ecuador	2.4	3.3	8.3	11.4	2.7	3.1
El Salvador	2.9	3.9	1.8	2.4	0.6	0.6
Guatemala	4.6	6.3	7.3	10.0	4.3	4.8

	As of December 31,					
	2013		2012		2011	
	Total	%	Total	%	Total	%
	(in $ million, except percentages)					
Honduras	2.5	3.5	2.9	4.0	1.9	2.1
Jamaica	1.0	1.3	0.3	0.5	0.1	0.1
Mexico	4.5	6.2	3.9	5.3	18.4	20.7
Nicaragua	0.3	0.4	1.3	1.7	1.2	1.4
Panama	0.7	1.0	1.4	1.9	0.7	0.8
Paraguay	2.4	3.3	0.7	1.0	0.8	0.9
Peru	3.4	4.6	4.3	5.9	4.8	5.4
Uruguay	0.6	0.8	2.9	4.0	2.9	3.3
Other	0.3	0.5	0.4	0.5	0.3	3.4
Total Allowance for loan losses	**$ 72.8**	**100.0**	**$ 73.0**	**100.0**	**$ 88.5**	**100.0**
Reserve for losses on off-balance sheet credit risk						
Ecuador	2.1	39.7	2.8	57.2	7.3	82.7
Guatemala	1.0	19.1	0.0	0.2	0.0	0.2
Panama	0.5	9.8	0.4	8.6	0.0	0.0
Venezuela	0.2	4.0	0.8	16.5	0.6	7.0
Other	1.4	27.4	0.8	17.5	0.9	10.1
Total Reserve for losses on off-balance sheet credit risk	**$ 5.2**	**100.0**	**$ 4.8**	**100.0**	**$ 8.9**	**100.0**
Allowance for credit losses						
Argentina	5.8	7.5	9.2	11.9	16.0	16.5
Brazil	17.9	22.9	12.3	15.9	11.6	11.9
Chile	7.6	9.7	1.2	1.6	1.9	1.9
Colombia	5.1	6.5	5.3	6.8	11.6	11.9
Costa Rica	8.6	11.0	5.3	6.8	3.2	3.3
Dominican Republic	3.1	3.9	4.6	6.0	6.1	6.3
Ecuador	4.5	5.7	11.1	14.3	10.1	10.3
El Salvador	2.9	3.7	1.8	2.3	0.6	0.6
Guatemala	5.6	7.2	7.3	9.4	4.3	4.4
Honduras	2.6	3.3	2.9	3.8	1.9	2.0
Jamaica	1.0	1.2	0.3	0.4	0.1	0.1
Mexico	4.8	6.2	4.1	5.2	18.5	19.0
Nicaragua	0.3	0.4	1.3	1.6	1.2	1.3
Panama	1.2	1.6	1.8	2.3	0.7	0.7
Paraguay	2.4	3.1	0.7	0.9	0.8	0.8
Peru	3.6	4.6	4.4	5.6	4.8	5.0
Uruguay	0.8	1.0	2.9	3.7	2.9	3.0
Venezuela	0.2	0.3	0.8	1.0	0.6	0.6
Other [(1)]	0.3	0.4	0.4	0.5	0.4	0.4
Total Allowance for credit losses	**$ 78.0**	**100.0**	**$ 77.8**	**100.0**	**$ 97.4**	**100.0**

(1) Other consists of allowances for credit losses allocated to countries in which allowances for credit losses outstanding did not exceed $1 million for any of the periods.

The following table sets forth information regarding the Bank's allowance for loan losses by type of borrower as of December 31 of each year:

	As of December 31,					
	2013		2012		2011	
	Total	%	Total	%	Total	%
	(in $ million, except percentages)					
Private sector commercial banks and Financial Institutions	$ 25	34.4	$ 20	26.9	$ 22	22.7
State-owned commercial banks	5	7.2	9	12.6	16	16.8
Central banks	1	0.8	0	0.0	0	0.1
Sovereign debt	0	0.0	1	1.0	0	0.3
State-owned organization	5	6.2	2	3.3	3	3.3
Private middle - market companies	10	14.3	11	14.9	9	9.3
Private corporations	27	37.2	30	41.2	46	47.5
Total	**$ 73**	**100.0**	**$ 73**	**100.0**	**$ 98**	**100.0**

Critical Accounting Policies

General

The Bank prepares its consolidated financial statements in conformity with U.S. GAAP. As a result, the Bank is required to make estimates, judgments and assumptions in applying its accounting policies that have a significant impact on the results it reports in its consolidated financial statements. Some of the Bank's accounting policies require management to use subjective judgment, often as a result of the need to make estimates of matters that are inherently uncertain. The Bank's Management bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances. Actual results may differ from the estimates.

The Bank's critical accounting estimates include assessments of allowances for fair value of certain financial instruments, credit losses, and impairment of securities available-for-sale and held-to-maturity. For information regarding the Bank's significant accounting policies, see Item 18, "Financial Statements," note 2.

Variable interest entities

Variable interest entities, or VIEs, are entities that have either a total equity investment that is insufficient to permit the entity to finance its activities without additional subordinated financial support, or whose equity investors lack the characteristics of a controlling financial interest. Investors that finance the VIE through debt or equity interests or other counterparties that provide other forms of support, such as guarantees, or certain types of derivative contracts, are variable interest holders in the entity.

The variable interest holder, if any, that has a controlling financial interest in a VIE is deemed to be the primary beneficiary and must consolidate the VIE. The Bank would be deemed to have a controlling financial interest and be the primary beneficiary if it has both of the following characteristics:

− power to direct the activities of a VIE that most significantly impact the entity's economic performance; and

− obligation to absorb losses of the entity that could potentially be significant to the VIE or right to receive benefits from the entity that could potentially be significant to the VIE.

See Item 18, “Financial Statements,” note 2 (c).

Fair Value of Financial Instruments

The Bank determines the fair value of its financial instruments using the fair value hierarchy established in ASC Topic 820 – Fair Value Measurements and Disclosure, which requires the Bank to maximize the use of observable inputs (those that reflect the assumptions that market participants would use in pricing the asset or liability developed based on market information obtained from sources independent of the reporting entity) and to minimize the use of unobservable inputs (those that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances) when measuring fair value. Fair value is used on a recurring basis to measure assets and liabilities in which fair value is the primary basis of accounting. Fair value is used on a recurring basis to measure assets and liabilities in which fair value is the primary basis of accounting. Additionally, fair value is used on a non-recurring basis to evaluate assets and liabilities for impairment or for disclosure purposes. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Depending on the nature of the asset or liability, the Bank uses various valuation techniques and assumptions when estimating fair value.

The Bank applied the following fair value hierarchy:

Level 1 – Assets or liabilities for which an identical instrument is traded in an active market, such as publicly-traded instruments or futures contracts.

Level 2 – Assets or liabilities valued based on observable market data for similar instruments, quoted prices in markets that are not active, or other observable inputs that can be corroborated by observable market data for substantially the full term of the asset or liability.

Level 3 – Assets or liabilities for which significant valuation assumptions are not readily observable in the market; instruments measured based on the best available information, which might include some internally-developed data, and considers risk premiums that a market participant would require.

When determining the fair value measurements for assets and liabilities that are required or permitted to be recorded at fair value, the Bank considers the principal or most advantageous market in which it would transact and considers the assumptions that market participants would use when pricing the asset or liability. When possible, the Bank uses active and observable markets to price identical assets or liabilities. When identical assets and liabilities are not traded in active markets, the Bank uses observable market information for similar assets and liabilities. However, certain assets and liabilities are not actively traded in observable markets and the Bank must use alternative valuation techniques to determine the fair value measurement. The frequency of transactions, the size of the bid-ask spread and the size of the investment are factors considered in determining the liquidity of markets and the relevance of observed prices in those markets.

When there has been a significant decrease in the volume or level of activity for a financial asset or liability, the Bank uses the present value technique which considers market information to determine a representative fair value in usual market conditions.

Additionally, as of December 31, 2013, 4.48% of the Bank’s assets were accounted for at fair value using quoted market prices in an active market, and 1.79% of total assets were accounted for at fair value using internally developed models with significant observable market information.

The Bank’s management uses its best judgment in estimating the fair value of the Bank’s financial instruments; however, there are limitations in any estimation technique. The estimated fair value amounts have been measured as of their respective year-ends, and have not been re-expressed or updated subsequent to the dates of these consolidated financial statements. As a result, the estimated fair values of these financial instruments subsequent to the respective reporting dates may be different than the amounts reported at each year-end.

Fair value calculations are only provided for a limited portion of the Bank’s financial assets and liabilities. Due to a wide range of valuation techniques and the degree of subjectivity used in making the estimates, comparison of fair value information of the Bank and other companies may not be meaningful for comparative analysis.

A description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis, including the general classification of such assets and liabilities under the fair value hierarchy is presented below:

Trading assets and liabilities and securities available-for-sale

Trading assets and liabilities are carried at fair value, which is based upon quoted prices when available, or if quoted market prices are not available, on discounted expected cash flows using market rates commensurate with the credit quality and maturity of the security.

Securities available-for-sale are carried at fair value, based on quoted market prices when available, or if quoted market prices are not available, based on discounted expected cash flows using market rates commensurate with the credit quality and maturity of the security.

When quoted prices are available in an active market, available-for-sale securities and trading assets and liabilities are classified in level 1 of the fair value hierarchy. If quoted market prices are not available or they are available in markets that are not active, then fair values are estimated based upon quoted prices of similar instruments, or where these are not available, by using internal valuation techniques, principally discounted cash flows models. Such securities are classified within level 2 of the fair value hierarchy.

Investment Funds

The investment funds invest in trading assets and liabilities that are carried at fair value, which are based upon quoted market prices when available. For financial instruments for which quoted prices are not available, the investment funds use independent valuations from pricing providers that use their own proprietary valuation models that take into consideration discounted expected cash flows, using market rates commensurate with the credit quality and maturity of the security. These prices are compared to independent valuations from counterparties.

The investment funds are not traded in an active market and, therefore, representative market quotes are not readily available. Their fair value is adjusted on a monthly basis based on its financial results, its operating performance, its liquidity and the fair value of its long and short investment portfolio that are quoted and traded in active markets. Such investment is classified within level 2 of the fair value hierarchy.

Derivative financial instruments

The valuation techniques and inputs depend on the type of derivative and the nature of the underlying instrument. Exchange-traded derivatives that are valued using quoted prices are classified within level 1 of the fair value hierarchy.

For those derivative contracts without quoted market prices, fair value is based on internal valuation techniques using inputs that are readily observable and that can be validated by information available in the market. The principal technique used to value these instruments is the discounted cash flows model and the key inputs considered in this technique include interest rate yield curves and foreign exchange rates. These derivatives are classified within level 2 of the fair value hierarchy.

The fair value adjustments applied by the Bank to its derivative carrying values include credit valuation adjustments, or CVA, which are applied to over-the-counter derivative instruments, in which the base valuation generally discounts expected cash flows using the London Interbank Offered Rate, or LIBOR, interest rate curves. Because not all counterparties have the same credit risk as that implied by the relevant LIBOR curve, a CVA is necessary to incorporate the market view of both, counterparty credit risk and the Bank's own credit risk, in the valuation.

Own-credit and counterparty CVA is determined using a fair value curve consistent with the Bank's or counterparty credit rating. The CVA is designed to incorporate a market view of the credit risk inherent in the derivative portfolio. However, most of the Bank's derivative instruments are negotiated bilateral contracts and are not commonly transferred to third parties. Derivative instruments are normally settled contractually, or if terminated early, are terminated at a value negotiated bilaterally between the counterparties. Therefore, the CVA (both counterparty and own-credit) may not be realized upon a settlement or termination in the normal course of business. In addition, all or a portion of the credit valuation adjustments may be reversed or otherwise adjusted in future periods in the event of changes in the credit risk of the Bank or its counterparties or due to the anticipated termination of the transactions.

Notwithstanding the level of subjectivity inherent in determining fair value, the Bank's management believes that its estimates of fair value are adequate. The use of different models or assumptions could lead to changes in the Bank's reported results. See Item 18, "Financial Statements," note 21 and 24.

Allowance for Credit Losses

The classification of the Bank's credit portfolio for allowances for credit losses under U.S. GAAP is determined by risk management and approved by the CPER of the Bank's Board through statistical modeling, internal risk ratings and estimates. Informed judgments must be made when identifying impaired loans, the probability of default, the expected loss, the value of collateral and current economic conditions. Even though the Bank's management considers its allowances for credit losses to be adequate, the use of different estimates and assumptions could produce different allowances for credit losses, and amendments to the allowances may be required in the future due to changes in the value of collateral, the amount of cash expected to be received or other economic events. In addition, risk management has established and maintains reserves for the probable credit losses related to the Bank's off-balance sheet exposures. See Item 18, "Financial Statements," note 2(o).

The estimates of the inherent risks of the Bank's portfolio and overall recovery vary with changes in the economy, individual industries or sectors, and countries and individual borrowers' or counterparties' concentrations, ability, capacity and willingness to repay their obligations. The degree to which any particular assumption affects the allowance for credit losses depends on the severity of the change and its relationship to the other assumptions. See Item 5, "Operating and Financial Review and Prospects/Operating Results/Allowance for Credit Losses."

Impairment of Securities

The Bank conducts periodic reviews of all securities with unrealized losses to evaluate whether the impairment is other-than-temporary. Impairment of securities is evaluated considering numerous factors, and their relative significance varies case-by-case. Factors considered in determining whether unrealized losses are temporary include: (1) the length of time and extent to which the fair value has been less than cost, (2) the severity of the impairment, (3) the cause of the impairment and the financial condition of the issuer, (4) activity in the market of the issuer which may indicate adverse credit conditions, and (5) the intent and ability of the Bank to retain the security for a sufficient period of time to allow for an anticipated recovery in the fair value (with respect to equity securities) and the intent and probability of the Bank to sell the security before the recovery of its amortized cost (with respect to debt securities). If, based on the analysis, it is determined that the impairment is other-than-temporary, the security is written down to its fair value, and a loss is recognized through earnings as impairment loss on assets.

In cases where the Bank does not intend to sell a debt security and estimates that it will not be required to sell the security before the recovery of its amortized cost basis, the Bank periodically estimates if it will recover the amortized cost of the security through the present value of expected cash flows. If the present value of expected cash flows is less than the amortized cost of the security, it is determined that an other-than-temporary impairment has occurred. The amount of this impairment representing credit loss is recognized through earnings and the residual of the other-than-temporary impairment related to non-credit factors is recognized in other comprehensive income (loss).

In periods subsequent to the recognition of the other-than-temporary impairment, the difference between the new amortized cost and the expected cash flows to be collected is accreted as interest income. The present value of the expected cash flows is estimated over the life of the debt security.

The other-than-temporary impairment of securities held-to-maturity that has been recognized in other comprehensive income (loss) is accreted to the amortized cost of the debt security prospectively over its remaining life.

Interest accrual is suspended on securities that are in default, or on which it is likely that future interest payments will not be received as scheduled.

See Item 18, "Financial Statements," note 2(j).

Recently issued accounting standards

As of December 31, 2013, new accounting standards, modifications, interpretations, and updates to standards, or "ASU", applicable to the Bank, have been issued and are not in effect. These standards establish the following:

<u>ASU 2013-05 – Foreign Currency Matters (Topic 830)</u>

The objective of the amendments in this update is to resolve the diversity in practice about the release of the cumulative translation adjustment into net income when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary. When a reporting entity (parent) ceases to have a controlling financial interest in a subsidiary, the parent is required to release any related cumulative translation adjustment into net income.

The amendments in this update clarify that the sale of an investment in a foreign entity includes both (1) events that result in the loss of a controlling financial interest in a foreign entity, and (2) events that result in an acquirer obtaining control of an acquiree in which it held an equity interest immediately before the acquisition date (sometimes also referred to as a step acquisition). Accordingly, the cumulative translation adjustment should be released into net income upon the occurrence of those events.

This update is effective for annual and interim periods beginning after December 15, 2013. The amendments should be applied prospectively to derecognition events occurring after the effective date. Early adoption is permitted. The Bank does not anticipate any material impact on its financial statement upon adoption of this update.

ASU 2013-07 – Presentation of Financial Statements (Topic 205)

The amendments in this update require an entity to prepare its financial statements using the liquidation basis of accounting when the liquidation is imminent. In addition, the guidance provides principles for the recognition and measurement of assets and liabilities and requirements for financial statements prepared using the liquidation basis of accounting.

The amendments are effective for entities that determine liquidation is imminent during annual reporting periods beginning after December 15, 2013, and interim reporting periods therein. Entities should apply the requirements prospectively from the day that liquidation becomes imminent. Early adoption is permitted. The Bank does not anticipate any material impact on its financial statement upon adoption of this update.

ASU 2013-08 – Financial Services – Investment Companies (Topic 946)

The amendments in this update affect the scope, measurement, and disclosure requirements for investment companies under U.S. GAAP. The amendments in this update change the assessment of whether an entity is an investment company by developing a new two-tiered approach for that assessment, which requires an entity to possess certain fundamental characteristics while allowing judgment in assessing other typical characteristics. The new approach requires an entity to assess all of the characteristics of an investment company and consider its purpose and design to determine whether it is an investment company. These amendments also clarify the characteristics of an investment company and provide additional implementation guidance for that assessment.

This update is effective for annual and interim periods beginning after December 15, 2013. Early application is prohibited. The Bank does not anticipate any material impact on its financial statement upon adoption of this update.

ASU 2013-11 – Income Taxes (Topic 740)

The objective of the amendments in this update is to eliminate the diversity in practice on the financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. An unrecognized tax benefit, or a portion of it, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, except as when those instances are not available, entities should present them as a liability and should not combined them with deferred tax assets.

These amendments are effective for fiscal years, and interim periods beginning after December 15, 2013. Early adoption is permitted. The Bank does not anticipate any material impact on its financial statement upon adoption of this update.

B. Liquidity and Capital Resources

Liquidity

Liquidity refers to the Bank's ability to maintain adequate cash flows to fund operations and meet obligations and other commitments on a timely basis. The Bank maintains its liquid assets mainly in demand deposits, overnight funds and time deposits with well-known international banks. These liquid assets are adequate to cover 24-hour deposits from customers, which theoretically could be withdrawn on the same day. As of December 31, 2013, the Bank's 24-hour deposits from customers (demand deposit accounts and call deposits) amounted to $63 million, representing 3% of the Bank's total deposits. The liquidity requirement resulting from these maturities is satisfied by the Bank's liquid assets, which as of December 31, 2013 were $831 million (representing 35% of total deposits) of which $60 million corresponds to time deposits.

As established by the Bank's liquidity policy, the Bank's liquid assets are held in the form of interbank deposits with reputable international banks that have A1, P1, or F1 ratings from two of the major internationally – recognized rating agencies and are located outside of the Region. These banks must have a correspondent relationship with the Bank. In addition, the Bank's liquidity policy allows for investing in negotiable money market instruments, including Euro certificates of deposit, commercial paper, bankers' acceptances and other liquid instruments with maturities of up to three years. These instruments must be of investment grade quality A or better and must have a liquid secondary market.

The Bank performs daily reviews, controls and periodic stress tests on its liquidity position, including the application of a series of limits to restrict its overall liquidity risk and to monitor the liquidity level according to the macroeconomic environment. The Bank determines the level of liquid assets to be held on a daily basis, utilizing a Liquidity Coverage Ratio methodology referencing the Basel Committee guidelines. Additionally, specific limits have been established to control (1) cumulative maturity "gaps" between assets and liabilities, for each maturity classification presented in the Bank's internal liquidity reports, and (2) concentrations of deposits taken from any client or economic group maturing in one day and total maximum deposits maturing in one day.

The Bank follows a Contingent Liquidity Plan. The plan contemplates the regular monitoring of several quantified internal and external reference benchmarks (such as deposit level, quality of assets, Emerging Markets Bonds Index Plus, cost of funds, LIBOR-OIS spread and market interest rates), which in cases of high volatility would trigger implementation of a series of precautionary measures to reinforce the Bank's liquidity position. In the Bank's opinion, its liquidity position is adequate for the Bank's present requirements.

The following table shows the Bank's liquid assets, by principal geographic area as of December 31 of each year:

	As of December 31,		
	2013	**2012**	**2011**
		(in $ million)	
Europe	$ 0	$ 0	$ 2
United States of America	769	668	762
Other O.E.C.D.	62	22	21
Total	**$ 831**	**$ 690**	**$ 786**

As of December 31, 2013, liquidity amounted to $831 million. $736 million, or 89%, of liquid assets were deposited at the Federal Reserve Bank of New York. The remaining liquid assets consisted of short-term funds deposited with other banks.

While the Bank's liabilities generally mature over somewhat shorter periods than its assets, the associated liquidity risk is diminished by the short-term nature of the loan portfolio, as the Bank is engaged primarily in the financing of foreign trade. As of December 31, 2013, the average original term to maturity of the Bank's short-term portfolio of $3,616 million maturing up to one year based on original term (which comprised $20 million of investment securities) was approximately 183 days.

Medium-term assets (maturing beyond one year based on original term) totaled $2,900 million as of December 31, 2013. Of that amount, $329 million corresponded to the Bank's securities available-for-sale portfolio and $19 million in the securities held to maturity. The remaining $2,552 million in medium-term assets represented loans portfolio.

Credit Ratings

The cost and availability of financing for the Bank are influenced by its credit ratings, among other factors. The credit ratings of the Bank as of December 31, 2013, were as follows:

	As of December 31, 2013		
	Fitch	Moody's	Standard & Poor's
Short -Term	F2	P-2	A-2
Long-Term	BBB+	Baa2	BBB
Rating Outlook	Stable	Stable	Stable

Credit Rating from Fitch Ratings Ltd.
On July 30, 2013, Fitch Ratings Ltd., or Fitch, confirmed the Bank's credit ratings, the Bank's Issuer Default Rating, or IDR, to "BBB+", with an Outlook Stable.

Credit Rating from Moody's Investor Service, Inc.
The credit ratings from Moody's Investor Service, Inc., or Moody's, have been unchanged since December 19, 2007, and on May 8, 2013, Moody's confirmed its credit rating of the Bank.

Credit Rating from Standard & Poor's
The credit ratings from Standard & Poor's, or S&P, have been unchanged since May 13, 2008, and on July 4, 2013, S&P confirmed its credit ratings of the Bank.

Critical factors in maintaining the Bank's high credit ratings, include a substantial expansion in core earnings, the maintenance of a high-quality balance sheet, and strong tier one capitalization. Although the Bank closely monitors and manages factors influencing its credit ratings, there is no assurance that such ratings will not be lowered in the future.

Funding Sources

The Bank's principal sources of funds are deposits, borrowed funds and floating and fixed rate placements. While these sources are expected to continue providing the majority of the funds required by the Bank in the future, the exact composition of the Bank's funding sources, as well as the possible use of other sources of funds, will depend upon future economic and market conditions. The following table shows the Bank's funding distribution as of December 31 of each year:

	As of December 31,		
	2013	2012	2011
		(in percentages)	
Interbank deposits	36.0%	39.1%	41.2%
Securities sold under repurchase agreements	4.4%	2.7%	6.7%
Borrowings and debts	58.8%	56.6%	50.2%
Other liabilities.	0.9%	1.6%	1.9%
Total liabilities	**100.0%**	**100.0%**	**100.0%**

Short- and long-term borrowings and debt are important funding sources for the Bank's loan portfolio because they permit the Bank to diversify its funding sources outside the Region, and because the Bank uses these borrowings and placements, which generally have longer maturities than deposits, to manage its asset and liability positions. See "Cash—Asset—Liability Management."

Among other sources, Bladex funds itself through short- and medium-term loans taken from international correspondent banks mainly from the United States and Europe. Among those European banks with credit lines in favor of Bladex, the largest country concentrations are from banks located in the United Kingdom and Germany. Bladex has not taken funding from banks based in Ireland or Greece. The volume of funds taken from Italian, Spanish and Portuguese banks has been minimal in recent years, with $30 million outstanding from Italian banks and $25 million from Spanish banks, as of December 31, 2013. There is no balance outstanding from Portuguese banks as of this date.

During the period of concerns over European sovereign debt and interbank liquidity that arose in 2011, the Bank suffered minimal impact to the volume of credit lines available from its European correspondent banks. However, the pricing of credit from European banks in favor of Bladex did increase to some extent, reflecting increases in European banks' own funding costs, particularly during the fourth quarter of 2011.

Deposits

The Bank obtains deposits principally from central and commercial banks mostly in the Region. As of December 31, 2013, approximately 78% of the deposits held by the Bank were deposits made by central and state owned banks of countries in the Region, and 14% of the Bank's total deposits represented deposits from private sector commercial banks and financial institutions. Many of these banks deposit a portion of their dollar reserves with the Bank. The average term remaining to maturity of deposits from central banks of countries in the Region as of December 31, 2013, 2012, and 2011, was 85 days, 76 days, and 72 days, respectively. The bulk of the Bank's other deposits is obtained primarily from commercial banks mostly located in the Region. As of December 31, 2013, deposits from the Bank's five largest depositors, of which four were central banks in the Region, represented 57% of the Bank's total deposits. See Item 18, "Financial Statements," note 12.

The following table analyzes the Bank's deposits by country as of December 31 of each year:

	As of December 31,		
	2013	**2012**	**2011**
		(in $ million)	
Argentina	$ 60	$ 68	$ 71
Bahamas	2	2	2
Barbados	30	33	35
Bolivia	1	2	0
Brazil	371	386	465
Cayman Island	19	21	7
Colombia	23	49	4
Costa Rica	18	0	0
Dominican Republic	0	0	0
Ecuador	598	471	746
El Salvador	25	25	28
France	1	2	0
Germany	50	0	0
Guatemala	70	20	50
Haiti	44	181	78
Honduras	138	86	71
Jamaica	1	1	1
Mexico	50	50	50
Multilateral	32	0	0
Nicaragua	72	59	57
Panama	372	235	125
Paraguay	274	275	250
Peru	0	30	21
Trinidad and Tobago	19	29	19
United Kingdom	0	74	50
United States of America	1	28	27
Venezuela	91	191	146
Total	**$ 2,361**	**$ 2,317**	**$ 2,304**

Securities Sold Under Repurchase Agreements and Short-Term Borrowings and debt

The Bank enters into repurchase agreements, or Repos, with international banks, utilizing its investment securities portfolio as collateral to secure cost-effective funding. Repurchase agreements are accounted for either as sales of securities or as secured financings in the financial statements. As of December 31, 2013, securities sold under repurchase agreements amounted to $286 million, an increase of $128 million from $158 million as of December 31, 2012, and a decrease of $91 million from $377 million as of December 31, 2011. See Item 18, “Financial Statements,” note 13.

The Bank’s short-term borrowings and debt consist of borrowings from banks that have maturities of up to 365 days, and debt instruments from notes issued under the Bank’s Euro Medium Term Note Program. Short-term borrowings are made available to the Bank on an uncommitted basis for the financing of trade-related loans. Approximately 14 European, 10 North American, five Latin American and four Asian banks provide these short-term borrowings to the Bank.

During 2013, the Bank issued short-term private placements through its Euro Medium-Term Note Program (EMTN). As of December 31 2013, the short-term issuances under the program amounted to $398 million, mainly placed in Asia, Europe, Japan, Middle East and Latin America.

As of December 31, 2013, short-term borrowings and debt amounted to $2,705 million, a $1,256 million, or 87%, increase compared to $1,449 million as of December 31, 2012. Short-term borrowings increased as the Bank opted to replace long-term debt with tenors of less than a year in order to improve its cost of funds, along with more credit demand, as a result of higher commercial portfolio, as well as increased access to additional funding as the result of new relationships with correspondent banks and the increased credit lines from existing counterparties. The average term remaining to maturity of short-term borrowings and debt as of December 31, 2013 was approximately 132 days. See Item 18, “Financial Statements,” note 13 and 14.

The following table presents information regarding the amounts outstanding under, and interest rates on, the Bank’s short-term borrowings and securities sold under repurchase agreements at the dates and during the periods indicated.

	As of and for the Year Ended December 31,		
	2013	2012	2011
	(in $ million, except percentages)		
Short-term borrowings, debt and securities sold under repurchase agreements			
Advances from banks and financial institutions	$ 2,705	$ 1,449	$ 1,323
Securities sold under repurchase agreements	286	158	377
Total short-term borrowings, debt and securities sold under repurchase agreements	**$ 2,991**	**$ 1,607**	**$ 1,700**
Maximum amount outstanding at any month-end	$ 2,991	$ 1,607	$ 1,700
Amount outstanding at year-end	$ 2,991	$ 1,607	$ 1,700
Average amount outstanding	$ 2,275	$ 1,126	$ 1,369
Weighted average interest rate on average amount outstanding	1.17%	1.81%	1.12%
Weighted average interest rate on amount outstanding at year end	0.89%	1.27%	0.91%

Long-term borrowings and debt

Borrowings consist of long-term and syndicated loans obtained from international banks. Debt instruments consist of notes issued under the EMTN Program, and local – currency bond issuances in Latin America.

Interest rates on most long-term borrowings are adjusted quarterly or semi-annually based on short-term LIBOR rates plus a credit spread. The credit spread is defined according to several factors, including credit ratings, risk perception, and the remaining term to maturity. The Bank uses these funds to primarily finance its medium-term and long-term loan portfolio. As of December 31, 2013, the average term remaining to maturity of the Bank’s medium and long-term debt was 2 years.

The following table presents information regarding the amounts outstanding under, and interest rates on, the Bank's borrowings and long-term debt at the dates and during the periods indicated. See Item 18, "Financial Statements," notes 15, 21 and Item 11, "Quantitative and Qualitative Disclosure About Market Risk." See Item 18, Financial Statements—Consolidated Balance Sheets as of December 31, 2013 and 2012."

	As of and for the Year Ended December 31,		
	2013	2012	2011
	(in $ million, except percentages)		
Borrowings and long-term debt			
Amount outstanding at year-end	**$ 1,154**	**$ 1,906**	**$ 1,488**
Maximum amount outstanding at any month-end	$ 1,893	$ 2,153	$ 1,548
Average amount outstanding	$ 1,318	$ 1,894	$ 1,392
Weighted average interest rate on average amount outstanding	3.08%	2.79%	1.94%
Weighted average interest rate on amount outstanding at year end	3.06%	2.92%	2.16%

As part of its interest rate and currency risk management, the Bank may from time to time enter into foreign exchange forwards, cross-currency contracts and interest rate swaps to hedge the risk associated with a portion of the notes issued under its various programs.

On October 1, 2013, the Bank successfully closed a $103 million three-year syndicated loan structured placed within the Asian financial markets. The transaction further enhanced the Bank's presence in Asian markets.

The Bank is a party to certain financing agreements which contain financial covenants and minimum required ratios related to capital adequacy, loan loss reserves to non-performing loans and short-term assets to short-term liabilities, with which the Bank must comply. The Bank is, and has remained, in compliance with such financial covenants.

Debt Capital Markets
Program in Mexico

In 2012, the Bank established a short- and long-term notes program, or "Mexico Program", in the Mexican local market, registered with Mexican National Registry of Securities *(Registro Nacional de Valores)* maintained by the National Banking and Securities Commission *(Comisión Nacional Bancaria y de Valores),* for an authorized aggregate principal amount of 10 billion Mexican Pesos or its equivalent in "Investment Unit" *(Unidades de Inversión),* U.S. dollars or Euros and with maturities from one day to 30 years. The total amount outstanding under this program as of December 31, 2013 was $153 million, consisting of the issuance of "certificados bursátiles" in the Mexican capital markets, in the amount of Pesos 2.0 billion (two billion Mexican pesos), maturing in 2015.

Euro Medium Term Note (EMTN) Program

The Bank manages an EMTN program primarily targeted at non-bank institutional investors with multiple placements in short-, medium-, and long-term tenors. As of December 31, 2013, total outstanding amount under this program was $823 million, which includes a Rule 144A/Regulation S offering of 3.750% fixed-rate notes due in 2017, with an aggregate principal amount of $400 million.

Cost and Maturity Profile of Borrowed Funds and Floating-Rate and Fixed-Rate Placements

The following table sets forth certain information regarding the weighted average cost and the remaining maturities of the Bank's borrowed funds and floating and fixed-rate placements (including securities sold under repurchase agreements) as of December 31, 2013:

		Amount	Weighted Average Cost
		(in $ million, except percentage)	
Short-term borrowings and Securities sold under repurchase agreements at fixed interest rate			
Due in 0 to 30 days	$	165	1.21%
Due in 31 to 90 days		799	0.82%
Due in 91 to 180 days		346	1.01%
Due in 181 to 365 days		266	1.15%
Total	**$**	**1,576**	**0.96%**
Short-term borrowings at floating interest rate			
Due in 0 to 30 days	$	54	0.97%
Due in 31 to 90 days		191	1.58%
Due in 91 to 180 days		431	0.95%
Due in 181 to 365 days		341	1.15%
Total	**$**	**1,018**	**1.14%**
Short-term fixed-rate placements			
Due in 0 to 30 days	$	8	1.03%
Due in 31 to 90 days		160	1.11%
Due in 91 to 180 days		15	0.69%
Due in 181 to 365 days		105	0.82%
Total	**$**	**288**	**0.98%**
Short-term floating-rate placements			
Due in 91 to 180 days	$	110	1.33%
Total	**$**	**110**	**1.33%**
Medium and long-term borrowings at fixed interest rate			
Due in 1 through 6 years	$	25	1.50%
Total	**$**	**25**	**1.50%**
Medium and long-term borrowings at floating interest rate			
Due in 0 to 30 days	$	17	0.62%
Due in 31 to 90 days		13	0.58%
Due in 91 to 180 days		9	0.54%
Due in 181 to 365 days		268	2.26%
Due in 1 through 6 years		198	1.79%
Total	**$**	**506**	**1.95%**
Medium and long-term fixed-rate placements			
Due in 181 to 365 days	$	44	6.50%
Due in 1 through 6 years		401	3.75%
Total	**$**	**445**	**4.02%**
Medium and long-term floating-rate placements			
Due in 1 through 6 years	$	178	4.07%
Total	**$**	**178**	**4.07%**
Grand Total	**$**	**4,145**	**1.60%**

The lines granted to Bladex are advised, they are not committed. The utilization of lines from correspondent banks may contain restrictions such as the assets to be financed should be trade related.

Cash flows

The following discussion highlights the major activities and transactions that affected the Bank's cash flows during 2013, 2012, and 2011.

Cash flows from operating activities

The Bank’s operating assets and liabilities reflect the Bank’s capital markets and lending activities, including the origination of loans and the purchase of securities such as the Bank’s portfolio of securities available-for-sale. Operating assets and liabilities can vary significantly in the normal course of business due to the amount and timing of cash flows, which are affected by client-driven activities, market conditions, and trading strategies. Management believes cash flows from operations, adequate reserve coverage levels, and the Bank’s ability to generate cash through short and long-term borrowings are sufficient to fund its operating liquidity needs.

For the year ended December 31, 2013, net cash provided by operating activities was $54.6 million. Net cash was mainly provided by net income of $80.6 million during the period, partially offset by a net decrease of $32.2 million in trading liabilities.

For the year ended December 31, 2012, net cash provided by operating activities was $97.1 million primarily as a result of a net income of $93.3 million, a net decrease in the Fund portfolio by $14.5 million mainly due to redemptions of part of the Bank’s interest therein, and the net variance in derivatives financial instruments of $47.7 million, offset by a net increase of $26.7 million in trading liabilities mainly composed by freestanding derivative financial instruments and a net decrease of $14.3 million in trading assets.

For the year ended December 31, 2011, net cash provided by operating activities was $180.2 million. Net cash was provided by net income of $83.9 million, a net decrease in the Fund portfolio by $46.9 million, mainly due to redemptions of part of the Bank’s interest therein, net decrease in the trading assets by $29.8 million, and by net cash of $17.2 million provided by activities of derivative financial instruments and hedging.

Cash flows from investing activities

The Bank’s investing activities predominantly include loans originated by the Bank, as well as the portfolio of securities available-for-sale and securities held-to-maturity.

In 2013, net cash of $602 million was used in investing activities, primarily as a result of a net increase in loans of $521 million from increased commercial activity, and $333 million increased in available-for-sale and held-to-maturity investment securities, partially offset by main inflows from the net sale of loans and investment securities of $89 million and $106 million, respectively, and proceeds of $20 million from maturities of securities held-to-maturity.

For the year ended December 31, 2012, net cash of $504 million was used in investing activities, mostly in form of a net increase in loans of $909 million from increased commercial activity, with main inflows from the net sale of $146 million of loans and the sale of investment securities of $255 million.

For the year ended December 31, 2011, net cash of $1,006 million was used in investing activities, mostly from a net increase in loans originated by the Bank, resulting from increased commercial activity during 2011, and net cash used to purchase investment securities.

Cash flows from financing activities

The Bank’s financing activities primarily reflect cash flows related to raising deposits, short-term borrowings and debt and securities sold under repurchase agreements, and proceeds from, and repayments of, long-term borrowings and debt.

For the year ended December 31, 2013, net cash provided by financing activities was $685 million, as the net cash increase of $1,384 million provided by short-term borrowings and debt and securities sold under repurchase agreements, more than offset the net repayments of $752 million in long-term borrowings and debt.

In 2012, net cash provided by financing activities was $310 million. This was mainly due to a net increase in borrowings and long-term debt of $418 million, offset by a decrease of short-term borrowings and securities sold under repurchase agreements of $93 million.

In 2011, net cash provided by financing activities was $1,196 million. This resulted from an increase in deposits, short-term borrowings and securities sold under repurchase agreements.

Asset/Liability Management

The Bank seeks to manage its assets and liabilities to reduce the potential adverse impact on net interest income that could result from interest rate changes. The Bank controls interest rate risk through systematic monitoring of maturity mismatches. The Bank's investment decision-making takes into account not only the rates of return and the respective underlying degrees of risk, but also liquidity requirements, including minimum cash reserves, withdrawal and maturity of deposits and additional demand for funds. For any given period, a matched pricing structure exists when an equal amount of assets and liabilities are repriced. An excess of assets or liabilities over these matched items results in a "gap" or "mismatch," as shown in the table under "Interest Rate Sensitivity" below. A negative gap denotes liability sensitivity and normally means that a decline in interest rates would have a positive effect on net interest income, while an increase in interest rates would have a negative effect on net interest income. Most of the Bank's assets and most of its liabilities are denominated in U.S. dollars and, therefore, the Bank has no material foreign exchange risk. The foreign exchange risk is mitigated by the use of derivatives, which, though economically perfectly hedged, might give rise to some accounting volatility.

Interest Rate Sensitivity

The following table presents the projected maturities and interest rate adjustment periods of the Bank's assets, liabilities and stockholders' equity based upon the contractual maturities and adjustment dates as of December 31, 2013. The Bank's interest-earning assets and interest-bearing liabilities and the related interest rate sensitivity gap shown in the following table may not reflect positions in subsequent periods.

The Bank actively uses interest rate swaps as part of its interest rate risk management. Interest rate swaps are contracted either in a single currency or cross-currency for a prescribed period in order to exchange a series of interest payment flows, which generally involve swapping fixed for floating-rate.

See Item 11 "Quantitative and Qualitative Disclosure About Market Risk".

	Total	**0-30 Days**	**31-90 Days**	**91-180 Days**	**181-365 Days**	**More than 365 Days**	**Non-Interest Sensitive / without maturity**
	(in $ million, except percentages)						
Interest-earning assets							
Cash, due from banks & interest-bearing deposits with banks	840	820	20	0	0	0	0
Trading assets	0	0	0	0	0	0	0
Securities available-for-sale	334	26	56	28	16	209	0
Securities held to maturity	34	13	0	2	17	2	0
Investment funds	119	0	0	0	0	0	119
Loans, net	6,148	1,771	2,703	1,338	319	15	3
Total interest-earning assets	**7,475**	**2,629**	**2,778**	**1,368**	**351**	**226**	**122**
Non-interest earning assets, allowance for loan losses and other asset	(3)	0	0	0	0	0	(3)
Total assets	**7,471**	**2,629**	**2,778**	**1,368**	**351**	**226**	**118**
Interest-bearing liabilities							
Deposits	2,361	1,680	311	207	157	6	0
Trading liabilities	0	0	0	0	0	0	0
Securities sold under repurchase agreements	286	13	254	19	0	0	0

	Total	0-30 Days	31-90 Days	91-180 Days	181-365 Days	More than 365 Days	Non-Interest Sensitive / without maturity
			(in $ million, except percentages)				
Borrowings and debt	3,859	772	1,452	945	594	96	0
Total interest-bearing liabilities	**6,507**	**2,466**	**2,017**	**1,172**	**751**	**102**	**0**
Non-interest-bearing liabilities	57	0	0	0	0	0	57
Total liabilities	**6,563**	**2,466**	**2,017**	**1,172**	**751**	**102**	**57**
Redeemable noncontrolling interest	50	0	0	0	0	0	50
Stockholders' equity	858	0	0	0	0	0	858
Total liabilities and stockholders' equity	**7,471**	**2,466**	**2,017**	**1,172**	**751**	**102**	**965**
Interest rate sensitivity gap	0	163	762	197	(400)	124	(846)
Cumulative interest rate sensitivity gap		163	925	1,122	722	846	(0)
Cumulative gap as a % of total interest-earning assets		2%	12%	15%	10%	11%	0%

The Bank's interest rate risk is the exposure of earnings (current and potential) and capital to adverse changes in interest rates and is managed by attempting to match the term and repricing characteristics of the Bank's interest rate sensitive assets and liabilities. The Bank's interest rate risk typically arises from the Bank's liability sensitive short-term position, which means that the Bank's interest-bearing liabilities reprice more quickly than the Bank's interest-earning assets. As a result, there is a potential adverse impact on the Bank's net interest income from interest rate increases. The Bank's policy with respect to interest rate risk provides that the Bank establish limits with regards to: (1) changes in net interest income due to a potential impact, given certain movements in interest rates and (2) changes in the amount of available equity funds of the Bank, given a one basis point movement in interest rates.

As part of its normal Treasury operation, Bladex is exploring new markets for short- and medium-term financing, anticipating funding needs related to the projected Bank's growth. These funding sources should come from the international correspondent banks and from new financings obtained in the capital markets.

Stockholders' Equity

The following table presents information concerning the Bank's capital position at the dates indicated:

	As of December 31, 2013	2012	2011
		(in $ thousand)	
Common stock	$ 279,980	$ 279,980	$ 279,980
Additional paid-in capital in excess of assigned value of common stock	118,646	121,419	130,177
Capital reserves	95,210	95,210	95,210
Retained earnings	458,699	422,048	372,644
Accumulated other comprehensive loss	(12,575)	(730)	(3,112)
Treasury stock	(82,008)	(91,452)	(115,617)
Total stockholders' equity	**$ 857,952**	**$ 826,475**	**$ 759,282**

As of December 31, 2013, stockholders' equity amounted to $858 million, compared to $826 million, as of December 31, 2012 and compared to $759 million as of December 31, 2011.

During 2013, stockholders' equity increased $32 million compared to 2012, mainly as a result of: (i) a $37 million increase in retained earnings due to the $85 million net income attributable to the Bank's stockholders, partially offset by $48 million declared as cash dividends, (ii) a $9 million decrease in treasury stock, partially offset by (iii) a $12 million decrease in accumulated other comprehensive losses from a decrease in the fair value of securities and/or hedging instruments associated with such securities.

The $67 million increase during 2012 compared to 2011 was the net result of (i) increased retained earnings as a result of net income attributable to Bladex of $93 million, partially offset by $44 million declared as cash dividends, (ii) $15 million net variance due to the exercise of stock-based compensation plans ($13 million) and compensation cost of $2 million, and (iii) $2 million net variance in other comprehensive loss as the net result of improved valuations of the securities and/or hedging instruments.

Capital reserves are established by the Bank from retained earnings. Capital reserves are intended to strengthen the Bank's capital position. Reductions of these reserves, for purposes such as the payment of dividends, require the approval of the Board and Panamanian banking authorities. Panamanian banking regulations do not require the Bank to maintain any particular level of capital reserves.

As of December 31, 2013, the capital ratio of total stockholders' equity to total assets was 11.5% and the Bank's Tier 1 and total capital ratios calculated according to Basel I capital adequacy guidelines were 15.9% and 17.1%, respectively. As of December 31, 2013, the Bank's total capital to risk-weighted asset ratio, calculated according to the guidelines of the Banking Law, was 14.65%. See Item 4, "Information on the Company—Business Overview—Regulations."

C. Research and Development, Patents and Licenses, etc.

Not applicable.

D. Trend Information

The following are the most important trends, uncertainties and events that are likely to materially affect the Bank or that would cause the financial information disclosed herein not to be indicative of the Bank's future operating results or financial condition:

- Changes in global economic conditions, including prices of oil and other commodities, the U.S. dollar exchange rate, interest rates, and slower economic growth in developed countries and trading partners, and the effect that these changes may have on the economic condition of countries in the Region, including the Region's foreign trade growth, and, therefore, the growth of the Bank's trade financing business;
- The outlook for the Region maybe impacted by weaker than expected growth in the high-income economies, which could affect the Region's growth prospects in export oriented industries.
- The outlook assumes a moderate decline in commodity prices. Given importance of chinese demand in global commodity markets, a sharper-than-expected slowdown in China could result in a more pronounced slump in commodity prices, thereby eroding regional export and government revenues, and potentially aggravating current account imbalances.
- The accelerated pace of the incremental withdrawal of monetary stimuli, could result in a further increase in global interest rates. With a sharp increase in global interest rates, capital flows to the Region could be curtailed significantly, potentially destabilizing exchange rates and the financing of current account balances, resulting in inflationary pressures, and tighter monetary policies with potentially detrimental impact on growth prospects. The effect that an economic slowdown or political events in the Region may have on the Bank's asset quality, results of operations and growth prospects;
- Risk perception in the markets in which the Bank operates, increased competition, and U.S. dollar liquidity, which could affect spreads over the cost of funds on the Bank's loan portfolio and, in turn, impact the Bank's net interest spreads; and
- A continued downturn in the capital markets, or a continued downturn in investor confidence, which could affect the Bank's access to funding or increase its cost of funding.

Year 2013

The Bank's net income amounted to $84.8 million in 2013, compared to $93.0 million in 2012.

As of December 31, 2013, the Bank's commercial portfolio amounted to $6,630 million, an increase of $677 million or 11%, compared to $5,953 million as of December 31, 2012. This reflected an increased demand for the Bank's lending products, as the Bank's core competencies allowed it to compete effectively within a challenging financial sector and debt capital markets conditions, along with moderate economic growth in the Region. The non-accrual portfolio amounted to $3.1 million as of December 31, 2013, compared to nil as of December 31, 2012. The reserve to commercial portfolio coverage ratio was 1.18% as of December 31, 2013 compared to 1.31% as of December 31, 2012, a reflection of the improved risk profile of the Bank's portfolio composition. The deposits balance amounted to $2,361 million, an annual increase of 2%, and represented 36% of total financial liabilities as of December 31, 2013. Short-term borrowings and debt, including securities sold under repurchase agreement, totaled $2,991 million as of December 31, 2013, while long-term borrowings and debt totaled $1,154 million as of December 31, 2013, a 39% decrease over the year, as the Bank opted to pre-pay certain medium-term obligations with remaining tenors of less than a year, as part of its proactive funding and interest rate position management. Consequently, weighted average funding costs for the year ended December 31, 2013 were 1.33%, a decrease of 30 basis points compared to 1.63% for the year ended December 31, 2012.

Year 2012

The Bank's performance in 2012 continued to be strong as it leveraged its fundamental strengths, notwithstanding an environment of heightened volatility and uncertainty, which resulted in generally more subdued growth in both Latin American and global economies. The Region's average growth of 3.1% was lower compared to 4.1% in 2011, but still significantly higher than the global average of 2.2%. Within this challenging operating environment, the Bank focused on ensuring sustained growth with more clients in more markets, while gradually improving margins and risks profile through careful management of the Bank's portfolio mix. As of December 31, 2012, the Bank's net income amounted to $93.0 million in 2012, compared to $83.2 million as of December 31, 2011. The increase was due to improved performance in the Commercial Division.

As of December 31, 2012, the Bank's commercial portfolio amounted to $5,953 million, an increase of $599 million, or 11%, compared to $5,354 million as of December 31, 2011, as a result of increases associated with corporate and middle-market companies segments. The Bank's credit quality continued to improve with no loan balances in non-accrual status as of December 31, 2012, compared to $32 million, or 0.6%, of the loan portfolio, as of December 31, 2011. Liquid assets totaled $690 million as of December 31, 2012 as a result of the Bank's long-standing approach to prudent and proactive liquidity management. Deposit balances remained at $2,317 million as of December 31, 2012, nearly flat compared to as of December 31, 2011. Short-term borrowings and securities sold under repurchase agreements reached $1,607 million, while borrowings and long-term debt amounted to $1,906 million as of December 31, 2012, as a result of inflows recorded in the first half of 2012 from bond issuances and a loan syndication.

In addition, see Item 3.D. "Key Information—Risk Factors," for a discussion of the risks the Bank faces, which could affect the Bank's business, results of operations and/or financial condition.

E. Off-Balance Sheet Arrangements

In the normal course of business, in order to meet the financing needs of its customers, the Bank is party to financial instruments with off-balance sheet credit risk. As of December 31, 2013, the Bank's off-balance sheet arrangements included confirmed letters of credit, stand-by letters of credit, guarantees (covering commercial risk and country risk), and credit commitments (including unused commitments and other commitments). These arrangements are kept off-balance sheet as long as the Bank does not incur an obligation relating to them or itself become entitled to an asset. Such off-balance sheet arrangements are exposed to credit and market risk. Therefore, a reserve for losses on off-balance sheet credit risk is recognized on the balance sheet, with the resulting provision recorded in the income statement. As of December 31, 2013 and 2012, total reserves for losses on off-balance sheet arrangements amounted to $5 million for both years, compared to $9 million as of December 31, 2011. See Item 18, "Financial Statements," note 9 and 19.

As of December 31, 2013, the total off-balance sheet portfolio amounted $480 million, compared to $235 million as of December 31, 2012, and $361 million as of December 31, 2011.

Fees and commission income from off-balance sheet arrangements amounted to $10 million, $8 million, and $10 million, for the years ended December 31, 2013, December 31, 2012, and December 31, 2011, respectively.

For additional information, see Item 5 "Operating and Financial Review and Prospects—Operating Results—Fees and Commissions, net."

No obligations have arisen from variable interest entities as defined in U.S. GAAP, including indemnification agreements with the Bank's executive officers and directors. The Bank provides indemnity insurance pursuant to which directors and officers are indemnified or insured against liability or loss under certain circumstances, including liabilities or related losses arising under the Securities Act and the Exchange Act.

F. Tabular Disclosure of Contractual Obligations

The following tables set forth information regarding the Bank's contractual obligations and commercial commitments as of December 31, 2013.

	Payments Due by Period				
Contractual Obligations	**Total**	**Less than 1 year**	**1 – 3 years**	**3 – 5 years**	**More than 5 years**
			(in $ million)		
Deposits	$ 2,361	$ 2,355	$ 6	$ 0	$ 0
Trading liabilities	0	0	0	0	0
Securities sold under repurchase agreement	286	286	0	0	0
Short-term borrowings and debt	2,705	2,705	0	0	0
Long-term borrowings and debt (1)	1,154	352	802	0	0
Accrued interest payable	14	14	0	0	0
Future contractual interest payable, not yet accrued (2)	87	20	16	41	10
Leasehold obligations (3)	25	2	4	5	14
Total contractual obligations	**$ 6,632**	**$ 5,735**	**$ 828**	**$ 46**	**$ 24**

(1) Certain debt obligations are subject to covenants that could accelerate the payment of these obligations.

(2) Consists of future interest payable on interest-bearing liabilities and their hedges, calculated on the basis of their respective interest rates as of December 31, 2013 for the days remaining to maturity. Some of these obligations have floating interest rates which could fluctuate in the future and hence change the value of interest payable accordingly.

(3) Obligations under the agreement for the leasing of the Bank's new offices commenced in June of 2012. Minimum payments have not been reduced by minimum sublease rentals of $2.6 million due in the future under non-cancelable subleases.

	Amount of Commitment Expiration by Period				
Other Commercial Commitments	**Total**	**Less than 1 year**	**1 – 3 years**	**3 – 5 years**	**More than 5 years**
			(in $ million)		
Letters of credit (4)	$ 223	$ 180	$ 43	0	0
Stand-by letters of credit	83	61	22	0	0
Guarantees	54	0	54	0	0
Other commercial commitments	121	114	7	0	1
Total Commercial Commitments	**$ 482**	**$ 355**	**$ 126**	**$ 0**	**$ 1**

(4) Includes customers' liabilities under acceptances outstanding (on-balance sheet assets) for a total amount of $1.1 million as of December 31, 2013.

The covenants included in some of the Bank's liabilities contracts are standard market covenants. Bladex has been and expects to continue to be in compliance with regards to these covenants.

See Item 18, "Financial Statements," notes 19 and 20.

Item 6. Directors, Executive Officers and Employees

A. Directors and Executive Officers

Directors

The following table sets forth certain information concerning the Directors of the Bank as of the date of this Annual Report.

Name	Country of Citizenship	Position Held with The Bank	Year Term Expires	Director Since	Age
CLASS A					
Esteban Alejandro Acerbo Second Vice President Banco de la Nación Argentina, Argentina	Argentina	Director	2017	2010	52
Roland Holst Director Banco Central de Paraguay, Paraguay	Paraguay	Director	2017	2014	44
João Carlos de Nóbrega Pecego Vice President Banco Patagonia, Argentina	Brazil	Director	2016	2010	50
CLASS E					
Mario Covo Managing Partner DanaMar LLC, U.S.A.	U.S.A.	Director	2017	1999	56
Herminio A. Blanco Chief Executive Officer Soluciones Estratégicas Consultoría, Mexico	Mexico	Director	2016	2004	63
Maria da Graça França Brazil	Brazil	Director	2016	2004	65
William D. Hayes President Whaleco, Inc., U.S.A	U.S.A.	Director	2016	2004	70
Guillermo Güémez García Mexico	Mexico	Director	2015	1997	73
ALL CLASSES OF COMMON STOCK (1)					
Gonzalo Menéndez Duque Director Banco de Chile, Chile	Chile	Chairman of the Board	2015	1990	65
Rubens V. Amaral Jr. Chief Executive Officer Bladex, Panama	Brazil	Director	2015	2012	54

(1) Denotes class(es) of common stock of the Bank that elect the directors listed.

Esteban Alejandro Acerbo has served as a Director of the Board since 2010. Mr. Acerbo has served as Vice President of Nación Fideicomiso S.A. since 2013, Second Vice President of Banco de la Nación Argentina since 2012, Director of Banco de la Nación Argentina from 2006 to 2012 and President of Nación Leasing since 2006. Mr. Acerbo has also served as main advisor of the Administrative Council on behalf of the partners and members of Garantizar – Sociedad de Garantías Recíprocas, President of Nación Reaseguros S.A., Compañía de Reaseguros from 2011 to 2012. Mr. Acerbo is President of the following Commissions of Banco de la Nación Argentina: Commercial and Individual Banking since 2010 and from 2006 until 2008, Risk and Collection from 2008 to 2010 and Planning and Control from 2009 until 2010. He also has served as Vice President of the International Relations and Foreign Trade Commission of Banco de la Nación Argentina since 2008 and was Vice President of the Finance and Credit Policy Commission from 2006 to 2008. Mr. Acerbo was an Associate of the Treasury Division of the Ministry of Economy of Argentina in 2005, Advisor and associate in accounting, taxes and finance to the Chamber of Commerce, Industry and Production from 1991 to 2001. Prior to that, Mr. Acerbo was Principal of Estudio Acerbo y Asociados from 1989 to 2005, member of the Development Commission of the Production Office of the Daireaux Municipality, Argentina from 2001 to 2004 and associate in tax policy for the creation of industrial parks in different districts of the Buenos Aires Province in Argentina from 1991 to 2001. Mr. Acerbo holds a degree of Public Accountant from Universidad Nacional del Sur, Argentina, and a degree of Chartered Accountant with honors from Colegio Nacional y Sección Comercial Anexa de Daireaux, Argentina. Mr. Acerbo's professional experience in the fields of tax, accounting and finance qualifies him to serve on the Board.

Roland Holst has served as a Director of the Board of Banco Central del Paraguay since 2012. Dr. Holst served as Head of Fixed Income Research at State Street Global Markets in Boston, MA from 2007 to 2011 and Quantitative Analyst at Starmine Corp. in San Francisco, CA from 2006 to 2007. He was Teaching Assistant of Econometrics, Public Finance, Finance, Program Evaluation, Macroeconomics and Labor Economics at the University of Chicago from 2003 to 2006. Dr. Holst worked at Garantia PFP, a pension fund corporation, as Investment Manager from 1997 to 2001 and General Manager of Bolsa de Valores de Asunción, Paraguay from 1995 to 1997. He is the author of Social Security and Policy Risk: Evidence of its effects on welfare costs and savings published in 2007. Dr. Holst holds a Ph.D. in Public Policy and a Master in Economics from the University of Chicago. He also holds a Master in Economics from Universidad Católica de Asunción Paraguay, degrees in Economics and Agronomy from Universidad Nacional de Asunción, Paraguay and a Financial Risk Manager (FRM) certification. Mr. Holst's professional experience in the fields of finance and economics and his academic skills qualify him to serve on the Board.

João Carlos de Nóbrega Pecego has served as Director of the Board since 2010. Mr. Pecego has served as Director of Visa Argentina since 2012, Vice President of Banco Patagonia, Argentina and President of GPAT since 2011 and Regional General Manager – Head of Latin America of Banco do Brasil based in Argentina since 2009. He has been employed by Banco do Brasil in various capacities since 1978, holding the positions of Executive Regional Manager of the South Region of Brazil (Rio Grande do Sul, Santa Catarina and Parana) from 2006 to 2009, Executive Manager responsible for Corporate and Project Finance from 2003 to 2006, Executive Manager of the Corporate Area of Banco do Brasil in Sao Paulo from 2000 to 2003, Regional Superintendent of the Sao Paulo Unit from 1995 to 2000, General Manager of the main agencies of Banco do Brasil in Sao Paulo from 1990 to 1995, and in various other capacities from 1978 to 1990. Mr. Pecego holds a degree in Business Administration from Universidad Costa Braga, Sao Paulo, a postgraduate degree in Business Management from Instituto San Luiz, Sao Paulo and an MBA in International Business from Fundación Don Cabral, Minais Gerais and in Marketing from Pontificia Universidade Católica do Rio de Janeiro –PUC-, Rio de Janeiro. Mr. Pecego's professional experience related to the banking industry qualifies him to serve on the Board.

Mario Covo has served as a Director of the Board since 1999. Dr. Covo is the Founding Partner of DanaMar LLC in New York, a financial consulting corporation established in 2013. He was Founding Partner of Helios Advisors in 2003, Founding Partner of Finaccess International, Inc. in 2000 and of Columbus Advisors in 1995, in New York. Dr. Covo worked at Merrill Lynch from 1989 to 1995, where he was Head of Emerging Markets-Capital Markets. Prior to working for Merrill Lynch, Dr. Covo worked at Bankers Trust Company of New York from 1985 to 1989 as Vice President in the Latin American Merchant Banking Group, focusing on corporate finance and debt-for-equity swaps. Prior to that Dr. Covo was an International Economist for Chase Econometrics from 1984 to 1985, focusing primarily on Venezuela and Colombia. Dr. Covo holds a Ph.D. in Economics from Rice University and a B.A. with honors from Instituto Tecnológico Autónomo de Mexico. Dr. Covo's extensive background and experience in the financial services industry, and his exposure to the markets where the Bank operates qualify him to serve on the Board.

Herminio A. Blanco has served as a Director of the Board since 2004. Dr. Blanco is the founder and CEO of Soluciones Estratégicas Consultoría, in Mexico City. Dr. Blanco has been the Chairman of IQOM, a consulting corporation and a daily analytical electronic newspaper specializing in international trade in Latin America since 2005. He has been a member of the Advisory Board of SSA Mexico since 2008. Dr. Blanco has served on the boards of Banorte and CYDSA since 2006 and Arcelor Mittal Steel U.S. since 2004. He has been a member of the International Advisory Committee of Mitsubishi Corporation and the Trilateral Commission since 2000. He was the Secretary of Trade and Industry of Mexico from 1994 to 2000, the Undersecretary for International Trade and Negotiations from 1993 to 1994 and Mexico's Chief Negotiator of the North American Free Trade Agreement (NAFTA) from 1990 to 1993. Dr. Blanco was one of the three members of the Council of Economic Advisors to the President of Mexico from 1985 to 1988. In addition, he was responsible for the negotiation of the Mexico-European Union and Mexico and the European Free Trade Area free trade agreements and various other free trade agreements with Latin American countries and with Israel. Dr. Blanco also contributed to the launching of negotiations for the free trade agreement with Japan. He was Assistant Professor of Economics at Rice University, in Houston, Texas from 1980 to 1985. Dr. Blanco served as senior advisor to the Finance Minister of Mexico from 1978 to 1980. Dr. Blanco holds a B.A. in Economics from Instituto Tecnológico de Estudios Superiores de Monterrey, a M.A. and a Ph.D. in Economics from University of Chicago. Dr. Blanco's extensive experience and background in foreign trade along with his academic and consulting skills qualify him to serve on the Board.

Maria da Graça França has served as a Director of the Board since 2004. Ms. França served as Director of Internal Control of Banco do Brasil from 2006 to 2007. She also served in various other capacities during her tenure with Banco do Brasil, since 1971, as Head of North America and General Manager of Banco do Brasil, New York Branch from 2004 to 2005, Executive General Manager of the International Division in Brasilia, Brazil from 2002 to 2003, Regional Manager for the operations of the Bank in South America based in Argentina in 2002, General Manager of Banco do Brasil, Paris Branch from 1999 to 2002, Deputy General Manager of Banco do Brasil, Miami Branch from 1993 to 1999, General Manager of the department responsible for Banco do Brasil's foreign network from 1992 to 1993, Deputy General Manager for foreign exchange from 1989 to 1992, Assistant Manager within the Risk Management Area from 1988 to 1989, Assistant Manager for foreign exchange internal controls from 1984 to 1987 and employee in the Foreign Exchange Department from 1971 to 1984. Ms. França holds a degree in Economics and Accounting from Universidad Federal de Uberlandia-Minais Gerais, Brazil. Ms. França's experience managing operations and internal controls in international banking as well as her extensive tenure with Banco do Brasil, provide her unique insight, and qualify her to serve on the Board.

William Dick Hayes has served as a Director of the Board since 2004 and as a Director of Bladex Asset Management from 2008 to 2013. Mr. Hayes has served as President of Whaleco, Inc., New York since 1994, as Managing Director of MacGregor Design Development, LLC, Connecticut since 2006 and as Chairman and charter member of the Board of Directors and the Investment Committee of Tricon Forfaiting Fund Limited, Bermuda since 2000. He served as Managing Director-Emerging Markets and Global Head of Emerging Market Fixed Income Sales and in other Latin American regional capacities, based in London and New York, for West Merchant Bank, Chartered WestLB and Standard Chartered Merchant Bank from 1987 to 2000. Mr. Hayes served as Senior Vice President- Trading for Libra Bank Limited, New York Agency from 1986 to 1987, Principal of W.D. Hayes and Associates, California from 1984 to 1986, and in numerous administrative, lending and Latin American investment banking functions for Wells Fargo Bank, N.A., San Francisco, California from 1969 to 1984. Mr. Hayes holds a B.A. and MBA from Stanford University and he pursued additional graduate studies at Instituto Tecnológico y de Estudios Superiores de Monterrey. Mr. Hayes' diversified financial services industry experience, including his experience in emerging markets and exposure to international capital markets qualify him to serve on the Board.

Guillermo Güémez García has served as Director of the Board since 1997. Mr. Güémez is a member of the Board and the chairman of the Risk Committee of Banco Santander (Mexico) S.A., chairman of the Audit Committee of Zurich Compañia de Seguros S.A. and Zurich Vida Compañia de Seguros S.A., a member of the Senior Advisory Board of Oliver Wyman Financial Services and a member of the Board of Directors of Zurich Santander Seguros Mexico S.A. since 2012. Mr. Güémez serves as a member of the Institute of International Finance Board of Director's Alumni Council, a member of the Board of Directors of Zurich Compañia de Seguros S.A. and Zurich Vida Compañia de Seguros S.A., a member of the Board of Directors and a member of the Investment Committee of Afore Sura (former ING pension fund in Mexico) since 2011. He served as Deputy Governor of Banco de Mexico from 1995 to 2010. He also served as a Board Member of the National Insurance Commission and Casa de Moneda de Mexico since 1995. He served as President of the Executive Committee of Grupo Azucarero Mexico and Vice Chairman of Grupo de Embotelladoras Unidas, S.A. de C.V. from 1993 to 1994. Mr. Güémez served as Co-Chairman of the North American Committee, Board Member of Home Mart, S.A. de C.V. and Vice Chairman of the Board of Grupo Embotelladoras Unidas, S.A. de C.V. from 1992 to 1994. He served on the Mexican Business Coordinating Council for the North American Free Trade Agreement (NAFTA) in the capacity of Executive Director from 1990 to 1992. He was employed by Banco Nacional de Mexico (Banamex) in various capacities from 1974 to 1991, including Manager for Foreign Currency Funding and International Credits from 1974 to 1978, Representative in London from 1979 to 1981, Executive Vice President of International Treasury and Foreign Exchange, Exchange Controls and Ficorca from 1982 to 1986, and Executive Vice President for International Products from 1986 to 1990. Mr. Güémez founded and was President of Euromex Casa de Cambio and Euroamerican Capital Corporation from 1986 to 1990. Mr. Güémez is the Chairman of Fundación de Reintegración Social del Estado de Mexico. He also has served as a Board Member of the Institute of International Finance and as a Board Member and Chairman of the Executive Committee of International Mexican Bank Ltd. Prior to that Mr. Güémez was employed by Bank of America Corporation in Mexico as Assistant Representative. Mr. Güémez holds a degree in Civil Engineering with honors from Universidad Nacional Autónoma de Mexico and a M.S. from Stanford University. Mr. Güémez's extensive background and professional experience in risk assessment, financial services and international banking qualify him to serve on the Board.

Gonzalo Menéndez Duque has served as a Director of the Board since 1990. Mr. Menéndez Duque is a senior director of the Luksic companies in Chile and serves as Director of the following Luksic group holding companies: Banco de Chile since 2001, Aguas de Antofagasta S.A. since 2004, Andsberg Investment Ltd. since 2007, Andsberg Ltd. since 2007, Antofagasta Group since 1997, Antofagasta PLC since 1985, Holdings Quiñenco since 1996, Socofin S.A. since 2010, Compañía Sudamericana de Vapores S.A. and Sudamericana Agencias Aéreas y Marítimas S.A.-SAAM since 2011 and Sociedad Matriz SAAM S.A., since 2012. In addition, he has served as President of Inversiones Vita since 2000, a Luksic group company. He also serves as Vice Chairman of Fundación Andrónico Luksic A. and Fundación Pascual Baburizza since 2005, and of Inmobiliaria e Inversiones Rio Claro S.A. since 2013. Previously, Mr. Menéndez Duque served as Director and President of several companies related to Grupo Luksic since 1985, including the following: Banco de A. Edwards and related companies, Banco Santiago, Empresas Lucchetti, S.A., Banco O'Higgins, Banchile Corredores de Bolsa S.A. and Banchile Administradora General de Fondos. Mr. Menéndez Duque has been the Chairman of the Board of Bladex since 2002, and was previously the Chairman of the Board of Bladex from 1995 to 1997. Mr. Menéndez holds a degree in Business Administration and Accounting with honors from Universidad de Chile. Mr. Menéndez Duque's skills, leadership and managerial experience in large complex organizations in various extensively regulated industries, and his experience as a board member in different companies, qualify him to serve on the Board.

Rubens V. Amaral Jr. has served as a Director of the Board and Chief Executive Officer of the Bank since August 2012. Prior to his appointment as the Chief Executive Officer, Mr. Amaral was Executive Vice President, Chief Commercial Officer of the Bank, and the alternate to the Chief Executive Officer since April 2004. He previously served as General Manager and Managing Director for North America at Banco do Brasil, New York Branch, and a Director of the Board of Bladex from 2000 to 2004. Mr. Amaral served in various capacities with Banco do Brasil since 1975, holding the positions of Managing Director of the International Division and alternate member of the board of directors in 1998, among others. Mr. Amaral also served as a representative in banking supervision for the Central Bank of Brazil from 1982 to 1988, and in various roles at institutions in the banking industry, including as Trustee of the Board of Trustees of the Institute of International Bankers - IIB, a member of the Advisory Board of the Center for Latin America Studies at the George Washington University, a member of the International Advisory Council at the Bankers Association for Finance and Trade - BAFT, and a Director of the Brazilian American Chamber of Commerce, in New York. He is a graduate in Economics, and he holds a special certification from the Association of Alumni of the Brazilian Superior School of War in Political and Economic Affairs.

Executive Officers

The following table and information sets forth the names of the executive officers of Bladex, their respective positions at the date hereof and positions held by them with the Bank and other entities in prior years:

Name	Position Held with The Bank	Country of Citizenship	Age
Rubens V. Amaral Jr.	Chief Executive Officer	Brazil	54
Ulysses Marciano	Executive Vice President Chief Commercial Officer	Brazil	46
Daniel Otero	Executive Vice President Chief Risk Officer	Argentina	44
Miguel Moreno	Executive Vice President Chief Operating Officer	Colombia	60
Christopher Schech	Executive Vice President Chief Financial Officer	Germany	49
Gustavo Díaz	Executive Vice President Chief Audit Officer	Colombia	51

Presented below is a brief biographical description of each executive officer that is not a member of the Bank's Board:

Rubens V. Amaral Jr. Please see "Information as to the Board, Committees, Non-Executive Officers of the Board, Advisory Council and Executive Officers of the Bank" discussed above.

Ulysses Marciano Jr. has served as Executive Vice President, Chief Commercial Officer of the Bank since May 2012. Mr. Marciano previously served as Director of Corporate Banking & Governments of the Bank from 2008 to 2011. Prior to his reincorporation to Bladex, he was Executive Director of Corporate Banking of BBVA Representative Office, São Paulo, Brazil. He has served in various capacities with Banco Santander Brasil S/A since 2003, holding the positions of Senior Banker – Corporate & Investment Banking from 2006 to 2008, Senior Relationship Manager – Corporate & Investment Banking Group from 2004 to 2006. Mr. Marciano has an MBA degree from Instituto Brasileiro de Mercado de Capitais - IBMEC, a Post Graduate in Business Administration from Escola de Administração de Empresas da Fundação Getulio Vargas - FGV, and a B.S. degree in Economics from Oswaldo Cruz – São Paulo.

Daniel Otero has served as Executive Vice President, Chief Risk Officer of the Bank since August 2012. Mr. Otero has over 22 years of international financial experience. Prior to joining the Bank, he was Chief Risk Officer of Centro Financiero BHD, Santo Domingo, Dominican Republic from 2006 to 2012. Prior to that, he has served in various capacities with PricewaterhouseCoopers Buenos Aires, PricewaterhouseCoopers Santiago de Chile, and PricewaterhouseCoopers London since 1990. Mr. Otero is founder director of the Global Association of Risk Professionals and the Professional Risk Managers International Association, both in Argentina. He is a Certified Public Accountant from Universidad de Buenos Aires, Argentina.

Miguel Moreno has served as Executive Vice President, Chief Operating Officer of the Bank since July 2007. He previously served as Senior Vice President and Controller of the Bank since September 2001. He was a Management Consulting Partner for PricewaterhouseCoopers LLP, Bogotá, Colombia, from 1988 to 2001, and served as Vice President of Information Technology and Operations for Banco de Crédito, Bogotá, Colombia, from 1987 to 1988. Mr. Moreno served as Chief Executive Officer of TM Ingeniería, Bogotá, Colombia, from 1983 to 1987, and as Head of Industrial Engineering Department, Universidad de Los Andes, Colombia, from 1982 to 1984. Mr. Moreno was employed by SENA, Colombia, as Chief of the Organization and Systems Office, from 1977 to 1981, and served as Advisor to the Minister for the Finance and Public Credit Ministry of Colombia, from 1976 to 1977. Mr. Moreno holds a B.S. degree and a M.S. degree in Industrial Engineering, both from Universidad de Los Andes, in Colombia.

Christopher Schech has served as Executive Vice President, Chief Financial Officer of the Bank since 2012, and as Senior Vice President and Chief Financial Officer of the Bank since September 2009. Previously, Mr. Schech served as Chief Financial Officer in the Region International division at Volvo Financial Services, part of AB Volvo Group based in Gothenburg, Sweden, covering operations in Latin America, Eastern Europe, Asia and Australia. Prior to that, Mr. Schech served in various capacities in Audit, Finance, and Business Development at General Electric Company (GE), from 1996 to 2008. Mr. Schech's background also includes serving in various positions in the Financial Services Audit Division at Coopers & Lybrand Deutsche Revision in Frankfurt, Germany, from 1990 to 1996. Mr. Schech is a certified Public Tax Advisor, and holds a M.S. degree in Economic Studies from the University of Konstanz, Germany.

Gustavo Díaz has served as Executive Vice President, Chief Audit Officer of the Bank since 2014. He previously served as Senior Vice President and Controller of the Bank since September 2009. Prior to joining the Bank, he served as Chief Audit Executive for Central American Bank for Economic Integration (CABEI) in Honduras covering operations in Central America, from 2000 to 2009. Prior to that, he served as Director of Internal Audit and Chief Compliance Officer for Corporación Financiera del Valle (Corfivalle) in Colombia, from 1994 to 2000. Mr. Díaz served in various capacities with KPMG Colombia and KPMG Chile, from 1985 to 1994 specializing in the financial industry. Mr. Díaz has an MBA and a M.S. degree in Professional Management, both from the University of Miami, a Postgraduate in Finance with a specialization in International Business from Universidad ICESI, Colombia, and B.S. degree in Accounting from Universidad Jorge Tadeo Lozano, Colombia. Mr. Díaz has CIA, CFSA, and CCSA certifications, granted by The Institute of Internal Auditors (IIA), and AML/CA certification granted by Florida International Bankers Association (FIBA) and Florida International University (FIU).

B. Compensation

Compensation Consultant

The Nomination and Compensation Committee has authority to retain compensation consulting firms to assist it in the evaluation of executive officer and employee compensation and benefit programs. During 2013, the Nomination and Compensation Committee did not retain or obtain the advice of any compensation consultant.

Cash and Stock-Based Compensation

Executive Officers Compensation

The aggregate amount of cash compensation paid by the Bank during the year ended December 31, 2013, to the executive officers employed in the Bank's Head Office as a group for services in all capacities was $3,070,500. During the fiscal year ended December 31, 2013, the Bank accrued, and paid on February 19, 2014, performance-based bonuses to the Bank's executive officers in the aggregate amount of $1,343,000.

In February 2008, the Board approved the 2008 Stock Incentive Plan (the "2008 Plan"), which allows the Bank, from time to time, to grant restricted shares, restricted stock units, stock options and/or other stock-based awards to the directors, executive officers and non-executive employees of the Bank.

On February 5, 2013, the Bank granted to current executive officers 111,004 restricted stock units. The restricted stock units vest 25% per year, measured from the award date, on each anniversary of the award date. As of December 31, 2013, the compensation cost charged against the Bank's 2013 income in connection with these restricted stock units was $469,261. The total remaining compensation cost of $1,613,172 will be charged over a period of 3.1 years.

The Bank sponsors a defined contribution plan for its expatriate officers. The Bank's contributions are determined as a percentage of the eligible officer's annual salary, with each officer contributing an additional amount withheld from his salary. All contributions are administered by a trust through an independent third party. During 2013, the Bank charged to salaries expense $120,030 with respect to the contribution plan. As of December 31, 2013, the total amount set aside or accrued by the Bank under this plan amounted to $175,907.

2013 Chief Executive Officer Compensation

The 2013 compensation of the Bank's Chief Executive Officer included a base salary of $350,000, a performance-based cash bonus of $400,000, a performance-based restricted stock units grant with a value of $700,000, an aggregate of $14,000 from the Bank to the Chief Executive Officer's contribution plan, and limited perquisites and other benefits amounting to $13,535. In addition, the Chief Executive Officer has a contractual severance payment of $350,000 in the event of his termination without cause.

Results of the 2013 Advisory Vote on Compensation of Executive Officers

At the Company's annual meeting of shareholders held in April of 2013, our shareholders were asked to approve, on an advisory basis, the Bank's fiscal 2012 executive officers' compensation programs (commonly referred to as "say on pay" proposal). A substantial majority (95%) of the votes cast on the say on pay proposal at that meeting were voted in favor of the proposal. The Nomination and Compensation Committee believes that these results affirm our shareholders' support for the Bank's approach to executive compensation, and therefore did not change its approach in 2013. The Nomination and Compensation Committee will continue working to ensure that the design of the Bank's executive officers' compensation program is focused on long-term shareholder value creation and emphasizes pay for performance.

Compensation and Risk

The Bank reviews and monitors the extent to which compensation practices and programs for executive officers, senior executives and employees whose activities, individually or as a group, may create incentives for excessive risk taking.

In light of the actions referred to above, the Bank and the Board have not identified any risks arising from the Bank's compensation policies and practices that are reasonably likely to have a material adverse effect on the Bank. Furthermore, certain aspects of the Bank's executive compensation programs, such as the combination of performance-based short-term cash bonuses and performance-based long-term equity awards, reduce the likelihood of excessive risk-taking, and instead create incentives for senior executives to work for long-term growth of the Bank.

Board of Directors Compensation

Each non-employee director of the Bank receives an annual cash retainer of $85,000 for his or her services as a director and the Chairman of the Board receives an annual cash retainer in the amount of $135,000.

The Chairman of the Audit and Compliance Committee receives an annual retainer of $8,500 and the Chairmen of the Assets and Liabilities Committee, Nomination and Compensation Committee, and Risk Policy and Assessment Committee, each receive an annual retainer of $5,000. The Chairman of the Business Committee received an annual retainer of $5,000 for the fiscal year ended 2013. The non-Chairman members of the Audit and Compliance Committee receive an annual retainer of $3,000, and each member of the Board receives an additional annual retainer of $8,500 for his or her participation in excess of two committees.

The aggregate amount of cash compensation paid by the Bank during the year ended December 31, 2013 to the directors of the Bank as a group for their services as directors was $944,025.

The aggregate number of restricted shares awarded during the year ended December 31, 2013, to non-employee directors of the Bank as a group under the 2008 Plan was 28,500 class E shares. As of December 31, 2013, the total cost for these restricted shares amounted to $712,500 of which $114,781 was registered during 2013, and the remaining compensation cost of $597,719 for these restricted shares will be charged against income over a period of 2.54 years.

Beneficial Ownership

As of December 31, 2013, the Bank’s executive officers and directors as a group, beneficially owned an aggregate of 327,862 class E shares, representing approximately 1.10% (based on 29,710,556 class E shares outstanding as of December 31, 2013) of all issued and outstanding class E shares as of such date. “Beneficial ownership” means the sole or shared power to vote or direct the voting or to dispose or direct the disposition of any security. A person is deemed to be the beneficial owner of securities that can be acquired within 60 days from December 31, 2013 through the exercise of any option or through the vesting of any restricted stock or restricted stock units. Ordinary shares subject to options that are currently exercisable or exercisable within 60 days, or that constitute restricted stock or restricted stock units that will vest within 60 days, are deemed outstanding for computing the beneficial ownership percentage of the person holding such options, restricted stock or restricted stock units, but are not deemed outstanding for computing the ownership percentage of any other person.

The following table sets forth information regarding beneficial ownership of the Bank’s class E shares, including stock options, deferred equity units, and restricted stock units and holdings of unvested stock options, unvested deferred equity units, and unvested restricted stock units by the Bank’s executive officers as of December 31, 2013. Except where noted, all holders listed below have sole voting power and investment power over the shares beneficially owned by them. Unless otherwise noted, the address of each person listed below is c/o Torre V, Business Park, Avenida La Rotonda, Urb. Costa del Este, Panama, Republic of Panama.

Name and Position of Executive Officer	Number of Shares Owned as of Dec. 31, 2013 (1)	Number of Shares that may be acquired within 60 days of Dec. 31, 2013 (2)	Total Number of Shares Beneficially Owned	Percent of Class Beneficially Owned	Stock Options (3)	Unvested Restricted Stock Units (2008 Stock Incentive Plan) (4)
Rubens V. Amaral Jr. Chief Executive Officer	91,672	41,471	133,143	*	0	42,294
Ulysses Marciano Jr. Executive Vice President Chief Commercial Officer	0	5,197	5,197	*	0	15,591
Gregory D. Testerman (5) Executive Vice President Chief Strategy Officer	0	37,515	37,515	*	0	29,965
Miguel Moreno Executive Vice President Chief Operating Officer	7,655	19,821	27,476	*	12,791	10,980
Daniel Otero Executive Vice President Chief Risk Officer	0	1,532	1,532	*	0	4,598
Christopher Schech Executive Vice President Chief Financial Officer	305	6,070	6,375	*	0	13,151
Gustavo Díaz Executive Vice President Chief Audit Officer	1,500	3,100	4,600	*	0	6,424
Total	**101,132**	**114,706**	**215,838**	*	**12,791**	**123,003**

* Less than one percent of the outstanding class E shares.

(1) Includes shares purchased by the executive and restricted stock units vested and transferred to the executive as of such date.

(2) Includes vested traditional stock options, as well as options, restricted stock units that will vest within 60 days of December 31, 2013.

(3) Includes 12,791 stock options granted to executives officers on February 14, 2012, under the 2008 Plan. Also, an aggregate amount of 42,387 and 7,064 stock options were granted to other non-executive employees under the 2008 Plan on February 14, 2012 and February 15, 2011, respectively. The exercise price and expiration date of these stock options are as follows: Grant of February 14, 2012, exercise price of $18.93 and expiration date of February 14, 2019; Grant of February 15, 2011, exercise price of $17.81 and expiration date of February 15, 2018. Any unvested portion of the grants referenced above that will not vest within 60 days of December 31, 2013, is not deemed to be beneficially owned by the individuals listed in the table.

(4) Includes 83,255, 26,249 and 13,499 unvested restricted stock units granted to executive officers on February 5, 2013, February 14, 2012, and February 15, 2011, respectively, under the 2008 Plan; these restricted stock units vest 25% each year on the relevant grant date's anniversary. Also, an aggregate amount of 41,746, and 7,537 restricted stock units were granted to other non-executive officers under the 2008 Plan on February 14, 2012, and February 15, 2011, respectively. Any unvested portion of the grants referenced above that will not vest within 60 days of December 31, 2013, is not deemed to be beneficially owned by the individuals listed in the table.

(5) Mr. Gregory D. Testerman submitted his resignation as Executive Vice President, Chief Strategy Officer, effective March 31, 2014.

The following table sets forth information regarding beneficial ownership of the Bank's class E shares, including restricted shares, indexed stock options, and stock options and holdings of unvested restricted shares, unvested indexed stock options, and unvested stock options by members of the Bank's Board, as of December 31, 2013:

Name of Director	Number of Shares Owned as of Dec. 31, 2013 (1)	Number of Shares that may be acquired within 60 days of Dec. 31, 2013 (2)	Total Number of Shares Beneficially Owned	Percent of Class Beneficially Owned	Restricted Shares (3)
Esteban Alejandro Acerbo (4)	0	0	0	*	0
João Carlos de Nóbrega Pecego (5)	0	0	0	*	0
Manuel Sánchez González	1,856	0	1,856	*	6,911
Mario Covo	17,809	0	17,809	*	9,318
Herminio Blanco	43,538	0	43,538	*	9,318
Maria da Graça França	10,084	0	10,084	*	9,318
William Dick Hayes	13,271	0	13,271	*	9,318
Guillermo Güémez García	1,558	0	1,558	*	6,464
Gonzalo Menéndez Duque	23,908	0	23,908	*	13,973
Total	112,024	0	112,024	*	64,620

* Less than one percent of the outstanding class E shares.

(1) Includes class E shares purchased by the director or restricted shares vested and transferred to the director pursuant to the 2003 Restricted Stock Plan and the 2008 Plan as of such date.

(2) Includes vested / unexercised traditional stock options.

(3) Includes unvested restricted class E shares granted under the Bank's 2008 Plan. An aggregate amount of 28,500 restricted shares were granted to directors on July 16, 2013; these restricted shares vest 35% in the first and second year and 30% in the third year on the relevant grant date's anniversary.

(4) 12,779 class E shares corresponding to Mr. Acerbo's entitlement under the 2008 Plan have been issued to his employer, Banco de la Nación Argentina.

(5) 12,779 class E shares corresponding to Mr. Pecego's entitlement under the 2008 Plan have been issued to his employer, Banco do Brasil.

Stock Ownership Policy for Directors and Executive Officers

Since October 2013, the Board of Directors has adopted share ownership guidelines for directors and executive officers. This policy enables the Bank to meet its objective of aligning directors' and executives' interests with those of the shareholders.

Under these guidelines each director, within three years of joining the Board, is required to accumulate 4,500 shares (6,750 for the Chairman of the Board), and to maintain at least this ownership level while serving as a member of the Board.

The Chief Executive Officer is required to own shares of the Bank's common stock worth at least four times his annual base salary. Other executive officers are required to own stock equal to one time their annual base salary. These executive officers have up to seven years to comply with this share ownership requirement, measured from the later of the date of adoption of these guidelines or the date that they became subject to the guidelines.

The following elements are included in determining the director's and executive's share ownership for purposes of these guidelines: shares owned individually and by minor dependents or spouses; unvested restricted shares and restricted stock units, and vested or unvested stock options.

For additional information regarding stock options granted to executive officers and directors, see Item 18, "Financial Statements," note 17.

C. Board Practices

Non-Executive Officers of the Board, Dignatarios

The following table sets forth the names, countries of citizenship and ages of the Board's non-executive officers ("*dignatarios") and their current office or position with other institutions. *Dignatarios* are elected annually by the members of the Board. "*Dignatarios"* attend meetings of the Board, participate in discussions and offer advice and counsel to the Board, but do not have the power to vote (unless they also are directors of the Bank).

Name	Country of Citizenship	Position held by Dignatario with the Bank	Age
Gonzalo Menéndez Duque Director Banco de Chile, Chile	Chile	Chairman of the Board	65
Maria da Graça França	Brazil	Treasurer	65
Ricardo Manuel Arango Partner Arias, Fábrega & Fábrega	Panama	Secretary	53

For information regarding the date of expiration of the current term of office of the members of the Board and the period during which the directors have served in that office, see Item 6 "Directors and Executive Officers."

Committees of the Board

During the fiscal year ended December 31, 2013, the Board held 9 meetings. Directors attended an average of 94% of the total number of Board meetings held during the fiscal year ended December 31, 2013.

The committees of the Board are composed of directors and executive officers of the Bank. The following table sets forth the five committees established by the Board, the current number of director members of each committee, the total number of participants of each committee and the total number of meetings held by each committee during the fiscal year ended December 31, 2013:

Committee	Number of director members	Total number of participants (*)	Total number of meetings held
Audit and Compliance Committee	4	6	6
Risk Policy and Assessment Committee	5	7	5
Assets and Liabilities Committee	5	6	5
Business Committee (**)	5	7	4
Nomination and Compensation Committee	4	5	6

(*) In addition to director member, each committee is comprised of certain non-member participants, as described with respect to each committee below.
(**) On December 9, 2013, the Board of Directors decided to dissolve the Business Committee. All business issues are now discussed in meetings of the Board.

Corporate Governance Committee

The Board has decided not to establish a corporate governance committee. Given the importance that corporate governance has for the Bank, the Board decided to address all matters related to corporate governance at the Board level. Further, the Audit and Compliance Committee is responsible for promoting continued improvement in the Bank's corporate governance and verifying compliance with all applicable policies.

The Bank has included the information regarding its corporate governance practices necessary to comply with Section 303A of the NYSE's Listed Company Manual/Corporate Governance Rules on its website at http://www.bladex.com.

Shareholders, employees of the Bank, and other interested parties may communicate directly with the Board by corresponding to the address below:

Board of Directors of Banco Latinoamericano de Comercio Exterior, S.A.
c/o Mr. Gonzalo Menéndez Duque
Director and Chairman of the Board of Directors
Torre V, Business Park
Avenida La Rotonda, Urb. Costa del Este
P.O. Box 0819-08730
Panama City, Republic of Panama

In addition, the Bank has selected EthicsPoint, an on-line reporting system, to provide shareholders, employees of the Bank, and other interested parties with an alternative channel to report anonymously, any actual or possible violations of the Bank's Code of Ethics, as well as other work-related situations or irregular or suspicious transactions, accounting matters, internal audit or accounting controls. In order to file a report, a link is provided on the Bank's website at http://www.bladex.com.

Audit and Compliance Committee

The Audit and Compliance Committee is a standing committee of the Board. According to its Charter, the Audit and Compliance Committee must be comprised of at least three directors. The current members of the Audit and Compliance Committee are Herminio Blanco (Chairman), Gonzalo Menéndez Duque, Esteban Alejandro Acerbo and Maria da Graça França. The current non-member participants of the Audit and Compliance Committee are Gustavo Díaz, Executive Vice President, Chief Audit Officer and Julio Javier Antelo, Vice President of Compliance.

The Board has determined that all members of the Audit and Compliance Committee are independent directors under the terms defined by applicable laws and regulations, including rules promulgated by the SEC under the Sarbanes-Oxley Act, Section 303A of the rules of the NYSE, and Agreement No. 5-2011 of the Superintendency. In addition, at least one of the members of the Audit and Compliance Committee is an "audit committee financial expert," as defined by the SEC in Item 407 of Regulation S-K. The Audit and Compliance Committee's financial expert is Gonzalo Menéndez Duque.

The purpose of the Audit and Compliance Committee is to provide assistance to the Board in fulfilling its oversight responsibilities regarding the processing of the Bank's financial information, the integrity of the Bank's financial statements, the Bank's system of internal controls over financial reporting, the performance of both the internal audit and the independent registered public accounting firm, the Bank's corporate governance, compliance with legal and regulatory requirements and the Bank's Code of Ethics. The Audit and Compliance Committee meets with each of the internal and independent auditors, and the Bank's management to discuss the Bank's audited consolidated financial statements and management's discussion and analysis of financial condition and results of operations.

The Audit and Compliance Committee meets at least six times per year, as required by the Superintendency, or more often if the circumstances so require. During the fiscal year ended December 31, 2013, the committee met six times.

The Audit and Compliance Committee, in its capacity as a committee of the Board, is directly responsible for the final approval of its recommendation to the shareholders for the renewal or replacement of the Bank's independent auditors at the Annual Shareholders' Meeting, the compensation of the independent auditors (including the pre-approval of all audit and non-audit services) and oversight of the independent auditors, including the resolution of disagreements regarding financial reporting between the Bank's management and the independent auditors. The Bank's independent auditors are required to report directly to the committee.

The Charter of the Audit and Compliance Committee requires an annual self-evaluation of the committee's performance.

The Audit and Compliance Committee pre-approved all audit and non-audit services of the Bank's independent auditors in 2013.

The Audit and Compliance Committee's Charter may be found on the Bank's website at http://www.bladex.com/investors/Committees-bod-charters.

Risk Policy and Assessment Committee

The Risk Policy and Assessment Committee is a standing committee of the Board. The Board has determined that all members of the Risk Policy and Assessment Committee are independent. The current members of the Risk Policy and Assessment Committee are Mario Covo (Chairman), Gonzalo Menéndez Duque, Herminio Blanco, Guillermo Güémez García and João Carlos de Nóbrega Pecego. The current non-member participants of the Risk Policy and Assessment Committee are Daniel Otero, Executive Vice President, Chief Risk Officer and Alejandro Tizzoni, Senior Vice President of Credit Risk Department.

The Risk Policy and Assessment Committee is responsible for reviewing and recommending to the Board, for their approval, all policies related to the prudent enterprise risk management of the Bank (credit, operational and market risk). The committee also reviews and evaluates the exposures, within the risk levels the Bank is willing to take, depending on the Bank's business management, including the quality and profile of the Bank's credit facilities, the exposure and analysis to market risks and operational risks, which take into account the legal risks associated with the Bank's products and services.

The Risk Policy and Assessment Committee performs its duties through the review of periodic reports from Risk Management, and by way of its interaction with the Chief Risk Officer and other members of the Bank's management. The Risk Policy and Assessment Committee meets at least four times per year. During the fiscal period ended December 31, 2013, the Risk Policy and Assessment Committee held five meetings.

The Risk Policy and Assessment Committee Charter may be found on the Bank's website at http://www.bladex.com/investors/Committees-bod-charters.

Assets and Liabilities Committee

The Assets and Liabilities Committee is a standing committee of the Board. The Board has determined that all members of the Assets and Liabilities Committee are independent directors. The current members of the Assets and Liabilities Committee are Guillermo Güémez García (Chairman), Mario Covo, William Dick Hayes, João Carlos de Nóbrega Pecego and Manuel Sánchez González. The current non-member participant of the Assets and Liabilities Committee is Christopher Schech, Executive Vice President, Chief Financial Officer.

The Assets and Liabilities Committee is responsible for reviewing and recommending to the Board all policies related to the Bank's management of assets and liabilities to meet profitability, liquidity, and market risk control objectives. As part of its responsibilities, the committee reviews and recommends to the Board, among other things, policies related to the Bank's funding, interest rate and liquidity gaps, liquidity investments, securities investments, derivative positions, funding strategies, and market risk.

The Assets and Liabilities Committee carries out its duties by reviewing periodic reports that it receives from the Bank's management, and by way of its interaction with the Executive Vice President-Chief Financial Officer and other members of the Bank's management. The Assets and Liabilities Committee meets at least four times per year. During the fiscal year ended December 31, 2013, the Assets and Liabilities Committee held five meetings.

The Assets and Liabilities Committee Charter may be found on the Bank's website at http://www.bladex.com/investors/Committees-bod-charters.

Business Committee

The Business Committee was a standing committee of the Board until its dissolution on December 9, 2013, by decision of the Board of Directors. All business issues are now discussed in meetings of the Board.

The Board has determined that all members of the Business Committee were independent directors. The members of the Business Committee were William Dick Hayes (Chairman), Gonzalo Menéndez Duque, Herminio Blanco, Mario Covo and João Carlos de Nóbrega Pecego.

The Business Committee's primary responsibility was to support the Bank's management with business ideas and strategies and to provide follow-up on the business directives of the Board. The committee's main objective was to improve the Bank's efficiency in the management of the Bank's various business units.

The Business Committee met at least four times per year. During the fiscal year ended December 31, 2013, the committee held four meetings.

Nomination and Compensation Committee

The Nomination and Compensation Committee is a standing committee of the Board. No member of the Nomination and Compensation Committee can be an employee of the Bank. The Board has determined that all members of the Nomination and Compensation Committee are independent under the terms defined by applicable laws and regulations, including rules promulgated by the SEC under the Sarbanes-Oxley Act, Section 303A of the rules of the NYSE, and Agreement No. 5-2011 of the Superintendency. The current members of the Nomination and Compensation Committee are Maria da Graça França (Chairman), Esteban Alejandro Acerbo, William Dick Hayes and Manuel Sánchez González. The current non-member participant of the Nomination and Compensation Committee is Miguel Moreno, Executive Vice President, Chief Operating Officer.

The Nomination and Compensation Committee meets at least five times per year. During the fiscal year ended December 31, 2013, the committee held six meetings.

The Nomination and Compensation Committee's primary responsibilities are to assist the Board by identifying candidates to become Board members and recommending nominees for the annual meetings of shareholders; by making recommendations to the Board concerning candidates for Chief Executive Officer and counseling on succession planning for executive officers; by recommending compensation for Board members and committee members, including cash and equity compensation; by recommending compensation policies for executive officers and employees of the Bank, including cash and equity compensation, policies for senior management and employee benefit programs and plans; by reviewing and recommending changes to the Bank's Code of Ethics; and by advising executive officers on issues related to the Bank's personnel.

The Nomination and Compensation Committee will consider qualified director candidates recommended by shareholders. All director candidates will be evaluated in the same manner regardless of how they are recommended, including recommendations by shareholders. For the current director nominees, the committee considers candidate qualifications and other factors, including, but not limited to, diversity in background and experience, industry knowledge, educational level and the needs of the Bank. Shareholders can mail any recommendations and an explanation of the qualifications of the candidates to the Secretary of the Bank at Torre V, Business Park, P.O. Box 0819-08730, Panama City, Republic of Panama.

Although the Bank does not have a formal policy or specific guidelines for the consideration of diversity by the Nomination and Compensation Committee in identifying nominees for director, diversity is one of the factors the Nomination and Compensation Committee considers. The Nomination and Compensation Committee generally views and values diversity from the perspective of professional and life experiences, and recognizes that diversity in professional and life experiences may include considerations of gender, race, national origin or other characteristics, in identifying individuals who possess the qualifications that the Committee believes are important to be represented on the Board. The current composition of the Bank's Board of Directors, where out of a total of ten (10) members, five (5) different nationalities are represented, reflects the importance given to diversity by the Nomination and Compensation Committee.

The Charter of the Nomination and Compensation Committee requires an annual self-evaluation of the committee's performance.

The Nomination and Compensation Committee Charter may be found on the Bank's website at http://www.bladex.com/investors/Committees-bod-charters.

Mr. Rubens V. Amaral Jr. is the only executive officer who serves as a member of the Board. None of the Bank's executive officers serve as a director or a member of the Nomination and Compensation Committee, or any other committee serving an equivalent function, of any other entity that has one or more of its executive officers serving as a member of the Board or the Nomination and Compensation Committee. None of the members of the Nomination and Compensation Committee has ever been an employee of the Bank.

Advisory Council

The Advisory Council was created by the Board in April 2000 pursuant to the powers granted to the Board under the Bank's Articles of Incorporation. The duties of Advisory Council members consist primarily of providing advice to the Board with respect to the business of the Bank in their areas of expertise. Each member of the Advisory Council receives $5,000 for each Advisory Council meeting attended. The aggregate amount of fees for services rendered by the Advisory Council during 2013 amounted to $35,000. During the fiscal year ended December 31, 2013, the Advisory Council met once. The Advisory Council meets when convened by the Board.

The following table sets forth the names, positions, countries of citizenship and ages of the members of the Advisory Council of the Bank.

Name	Position	Country of Citizenship	Age
Roberto Feletti	Member of the National Chamber of Deputies, President of the Congressional Budgetary and Treasury Commission of Argentina	Argentina	55
Roberto Teixeira da Costa	Board Member Sul America, S.A.	Brazil	79
Carlos Martabit	General Manager, Finance Division BancoEstado	Chile	60
Santiago Perdomo	President Banco Colpatria, Multibanca Colpatria	Colombia	56
Alberto Motta, Jr.	President Inversiones Bahía Ltd.	Panama	67
Enrique Cornejo	Director Soluciones Consultores Internacionales SAC	Peru	57
Jaime Rivera	Former Chief Executive Officer of Bladex Panama	Guatemala	60

D. Employees

The following table presents the total number of permanent employees, geographically distributed, at the dates indicated:

	As of December 31,		
	2013	**2012**	**2011**
Bladex Head Office in Panama	136	137	135
New York Agency	4	4	4
Bladex Asset Management	0	7	9
Representative Office in Argentina	6	4	4
Representative Office in Brazil	15	17	20
Representative Office in Mexico	13	14	19
Florida International Administrative Office	7	9	10
Representative Office in Colombia	4	3	3
Representative Office in Peru	6	6	4
Total Number of Permanent Employees	**191**	**201**	**208**

The decrease in number of permanent employees in the last two years was mainly associated with the divestiture of Bladex Asset Management.

E. Share Ownership

See Item 6.B, "Directors, Executive Officers and Employees/Compensation/Beneficial Ownership."

Item 7. Major Stockholders and Related Party Transactions

A. Major Stockholders

As of December 31, 2013, the Bank was not directly or indirectly owned or controlled by another corporation or any foreign government, and no person was the registered owner of more than 6.3% of the total outstanding shares of voting capital stock of the Bank.

The following table sets forth information regarding the Bank's shareholders that are the beneficial owners of 5% or more of any one class of the Bank's voting stock, on December 31, 2013:

	As of December 31, 2013		
	Number of Shares	**% of Class**	**% of Total Common Stock**
Class A Common Stock			
Banco de la Nación Argentina [(1)] Bartolomé Mitre 326 1036 Buenos Aires, Argentina	1,045,348	16.5	2.7
Banco do Brasil [(2)] SBS ED. Sede 111-24º Andar CEP 70.073—901 Brasilia, Brazil	974,551	15.4	2.5
Banco de Comercio Exterior de Colombia Edif. Centro de Comercio Internacional Calle 28 No. 13A-15 Bogotá, Colombia	488,547	7.7	1.3
Banco de la Nación (Perú) Ave. Republica de Panamá 3664 San Isidro, Lima, Perú	446,556	7.0	1.2
Banco Central del Paraguay Federación Rusa y Sargento Marecos Asunción, Paraguay	434,658	6.9	1.1
Banco Central del Ecuador Ave. 10 de Agosto N11- 409 y Briceño Quito, Ecuador	431,217	6.8	1.1
Banco del Estado de Chile Ave. Libertador Bernardo O'Higgins 1111 Santiago, Chile	323,413	5.1	0.8
Sub-total shares of Class A Common Stock	4,144,290	65.4	10.7
Total Shares of Class A Common Stock	**6,342,189**	**100.0**	**16.4**
Class B Common Stock	**Number of Shares**	**% of Class**	**% of Total Common Stock**
Banco de la Provincia de Buenos Aires. San Martin 137 C1004AAC Buenos Aires, Argentina	884,461	35.1	2.3
Banco de la Nación Argentina Bartolomé Mitre 326 1036 Buenos Aires, Argentina	295,945	11.7	0.8
The Korea Exchange Bank 181, Euljiro 2GA Jungu, Seoul, Korea	147,173	5.8	0.4
Sub-total shares of Class B Common Stock	1,327,579	52.6	3.5
Total Shares of Class B Common Stock	**2,520,422**	**100.0**	**6.5**
Class E Common Stock	**Number of Shares**	**% of Class**	**% of Total Common Stock**
Brandes Investment Partners, LP [(3)] 11988 El Camino Real, Suite 600 San Diego, California 92130	2,415,494	8.1	6.3
LSV Asset Management [(4)] 155 N. Wacker Drive, Suite 4600 Chicago, Illinois 60606	1,625,952	5.5	4.2
First Trust Portfolios LP [(5)] 120 East Liberty Drive, Suite 400 Wheaton, Illinois 60187	1,531,535	5.2	4.0
Sub-total shares of Class E Common Stock	5,572,981	18.8	14.5
Total Shares of Class E Common Stock	**29,710,556**	**100.0**	**77.0**
Class F Common Stock	**Number of Shares**	**% of Class**	**% of Total Common Stock**
Total Shares of Class F Common Stock	0	0.0	0.0
Total Shares of Common Stock	**38,573,167**		**100.0**

[(1)] Does not include an aggregate of 20,061 Class E shares corresponding to former Directors' entitlements under the 2008 Stock Incentive Plan, that were issued to their employer, Banco de la Nación Argentina.

[(2)] Does not include an aggregate of 21,259 Class E shares corresponding to former Directors' entitlements under the 2003 Restricted Stock Plan and the 2008 Stock Incentive Plan that were issued to their employer, Banco do Brasil.

[(3)] Source: Schedule 13G/A (Amendment No. 10) filing with the U.S. Securities and Exchange Commission dated February 10, 2014.

[(4)] Source: Schedule 13F – HR filing with the U.S. Securities and Exchange Commission dated February 4, 2014.

[(5)] Source: Schedule 13G filing with the U.S. Securities and Exchange Commission dated January 7, 2014.

All common shares have the same rights and privileges regardless of their class, except that:

- The affirmative vote of three-quarters (3/4) of the issued and outstanding Class A shares is required (1) to dissolve and liquidate the Bank, (2) to amend certain material provisions of the Articles of Incorporation, (3) to merge or consolidate the Bank with another entity and (4) to authorize the Bank to engage in activities other than those described in its Articles of Incorporation;
- The Class E shares are freely transferable without restriction to any person, while the Class A shares, Class B shares and Class F shares can only be transferred to qualified holders of each class;
- The Class B shares and Class F shares may be converted into Class E shares;
- The holders of Class A shares, Class B shares and Class F shares benefit from pre-emptive rights in respect of shares of the same class of shares owned by them that may be issued by virtue of a capital increase, in proportion to the shares of the class owned by them, but the holders of Class E shares do not; and
- All classes vote separately for their respective directors. The holders of the Class A common shares have the right to elect three (3) Directors; the holders of the Class E common shares can elect five (5) Directors; and the holders of the Class F common shares have the right to elect one (1) Director, so long as the number of issued and outstanding Class F common shares is equal to or greater than fifteen per cent (15%) of the total number of issued and outstanding common shares of the corporation.

Set forth below are the number of shares of each class of the Bank's stock issued and outstanding as of December 31, 2013:

Class of Shares	Number of Shares Outstanding as of December 31, 2013	Number of Shares Outstanding as of December 31, 2012
Class A Common Shares	6,342,189	6,342,189
Class B Common Shares	2,520,422	2,531,926
Class E Common Shares	29,710,556	29,271,067
Class F Common Shares	0	0
Total Common Shares	**38,573,167**	**38,145,182**

As of December 31, 2013, the Bank's Class A common shares outstanding stood at the same level as of December 31, 2012. Class B common shares were nearly unchanged from 2012 except for minor conversions to Class E common shares in 2013. Class E common shares outstanding increased by 0.4 million shares during the same period as a result of exercised of stock options of Bank's executive officers and directors.

The Bank had no preferred stock issued and outstanding as of December 31, 2013.

B. Related Party Transactions

Certain directors of the Bank are also directors and executive officers of banks and/or other companies located in Latin America, the Caribbean and elsewhere. Certain banks and/or other companies own shares of the Bank's common stock.

As of December 31, 2013, the Bank had extended loans, in the ordinary course of business, to three entities whose directors and/or executive officers are also directors of the Bank. These entities were: i) Compañía Sud Americana de Vapores S.A., in which the Bank's director Gonzalo Menéndez Duque is also a director. The loan was made on November 26, 2013 in the principal amount of $100 million, with an interest rate of 3.92%; ii) Valores Quimicos, S.A., in which the Bank's director Herminio Blanco is also a director of a parent company. The loan was made on September 20, 2011 in the principal amount of $13 million, with an interest rate of 2.75%; and iii) Banco de la Nación Argentina, in which the Bank's director Esteban Alejandro Acerbo is an executive officer. Three loans were made between September 27 and December 23, 2013, in the total principal amount of $52 million, with a weighted average interest and commission rate of 3.91%. All of these loans were granted for commercial business purposes. The terms and conditions of the loan transactions, including interest rates and collateral requirements, are the same as the terms and conditions of comparable loan transactions entered into with other persons under similar market conditions. As a matter of policy, directors of the Bank do not participate in the approval process for credit facilities extended to institutions in which they are executive officers or directors, nor do they participate with respect to decisions regarding country exposure limits in countries in which the institutions are domiciled.

Since January 1, 2013, the Bank has entered into credit transactions in the ordinary course of business with 20% of its Class A and Class B stockholders. All transactions are made based on arm's-length terms, subject to prevailing commercial criteria and market rates and subject to the Bank's Corporate Governance and control procedures. As of December 31, 2013 approximately 12% of the outstanding loan portfolio was placed with the Bank's Class "A" and "B" stockholders and their related parties, and 2.7% of the outstanding loan portfolio is with companies in which Bladex's board of directors members are also director members and executive officers. As of December 31, 2013, the Bank was not directly or indirectly owned or controlled by another corporation or any foreign government, and no Class "A" or "B" shareholder was the registered owner of more than 3.5% of the total outstanding shares of the voting capital stock of the Bank.

C. Interests of Experts and Counsel

Not required in this Annual Report.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

The information included in Item 18 of this Annual Report is referred to and incorporated by reference into this Item 8.A.

There have been no legal or arbitration proceedings, which may have, or have had in the recent past, significant effects on the Bank's financial position or profitability, including proceedings pending or known to be contemplated.

Dividends

The Board's policy is to declare and distribute quarterly cash dividends on the Bank's common stock. Dividends are declared at the Board's discretion and, from time to time, the Bank has declared special dividends.

On December 10, 2013, the Bank's Board, approved an increase in quarterly dividends distributed to holders of common shares from $0.30 to $0.35 per share pertaining to the fourth quarter of 2013. This 17% increase in quarterly dividends reaffirmed the Bank's commitment to continuing its established dividend approach that reflects the development and growth of the Bank's core business.

On January 17, 2012 the Bank increased quarterly dividends from $0.20 to $0.25 per share of common stock, corresponding to the fourth quarter of 2011, and from $0.25 to $0.30 per share of common stock in the third quarter of 2012.

During 2013, Bladex declared $48.1 million in quarterly dividends, compared to $41.8 million in 2012, and $31.5 million in 2011.

No special dividends were declared during 2013, 2012 and 2011.

The following table presents information about common dividends paid on the dates indicated:

Payment date	Record date	Dividend per share	
January 14, 2014	January 6, 2014	$	0.35
November 6, 2013	October 28, 2013	$	0.30
August 6, 2013	July 29, 2013	$	0.30
May 7, 2013	April 29, 2013	$	0.30
February 8, 2013	February 1, 2013	$	0.30
November 1, 2012	October 26, 2012	$	0.30
August 7, 2012	July 30, 2012	$	0.25
May 10, 2012	April 30, 2012	$	0.25
February 9, 2012	January 31, 2012	$	0.25
November 8, 2011	October 31, 2011	$	0.20
August 9, 2011	August 1, 2011	$	0.20
May 9, 2011	May 2, 2011	$	0.20
February 11, 2011	February 3, 2011	$	0.20
November 1, 2010	October 22, 2010	$	0.17
August 4, 2010	July 26, 2010	$	0.15
May 6, 2010	April 26, 2010	$	0.15
February 8, 2010	January 29, 2010	$	0.15

The following table presents information about preferred dividends paid on the dates indicated:

Payment date	Record date	Dividend per share	
May 15, 2006	April 28, 2006	$	2.22
November 15, 2005	October 31, 2005	$	2.18
May 16, 2005	April 29, 2005	$	2.15
November 15, 2004	November 8, 2004	$	1.90
May 17, 2004	April 30, 2004	$	0.40

The Bank has no preferred shares issued and outstanding as of December 31, 2013.

B. Significant Changes

No significant change has occurred since the date of the annual financial statements (December 31, 2013).

Item 9. The Offer and Listing

A. Offer and Listing Details

The Bank's Class E shares are listed on the NYSE under the symbol "BLX." The following table shows the high and low market prices of the Class E shares on the NYSE for the periods indicated:

	Price per Class E Share (in $) [1]	
	High	**Low**
2013	28.80	21.71
2012	23.15	16.00
2011	19.03	14.84
2010	18.99	11.87
2009	15.09	6.83
2014:		
March	27.17	25.00
February	26.60	24.30
January	27.67	25.06
2013:		
December	28.80	25.98
November	27.21	25.56
October	27.24	24.31
2014:		
First Quarter		
2013:		
First Quarter	25.38	21.80
Second Quarter	25.29	21.71
Third Quarter	26.37	22.37
Fourth Quarter	28.80	24.31
2012:		
First Quarter	21.52	16.00
Second Quarter	21.99	18.49
Third Quarter	23.15	19.50
Fourth Quarter	23.15	20.41

[1] Corresponds to the highest and lowest sales price of the stock at any time during any given trading day. Source from NYSE Euronext.

B. Plan of Distribution

Not required in this Annual Report.

C. Markets

The Bank's Class A shares and Class B shares were sold in private placements or sold in connection with the Bank's 2003 rights offering, are not listed on any exchange and are not publicly traded. The Bank's Class E shares, which constitute the only class of shares publicly traded (listed on the NYSE), represent approximately 77.0% of the total shares of the Bank's common stock issued and outstanding as of December 31, 2013. The Bank's Class B shares are convertible into Class E shares on a one-to-one basis. There are no issued or outstanding shares regarding the Class F shares.

D. Selling Shareholders

Not required in this Annual Report.

E. Dilution

Not required in this Annual Report.

F. Expenses of the Issue

Not required in this Annual Report.

Item 10. Additional Information

A. Share Capital

Not required in this Annual Report.

B. Memorandum and Articles of Association

Articles of Incorporation

Bladex is a bank organized under the laws of the Republic of Panama, and its Articles of Incorporation are recorded in the Public Registry Office of Panama, Republic of Panama, Section of Mercantile Persons, at microjacket 021666, roll 1050 and frame 0002.

Article 2 of Bladex's Articles of Incorporation states that the purpose of the Bank is to promote the economic development and foreign trade of Latin American countries. To achieve this purpose, the Bank may engage in any banking or financial business, investment or other activity intended to promote the foreign trade and economic development of countries in Latin America. The Articles of Incorporation provide that Bladex may engage in activities beyond those described above provided that it has obtained stockholder approval in a resolution adopted upon the affirmative majority vote of the common shares, either present or represented, in a meeting of stockholders called to obtain such authorization, including the affirmative vote of the holders of three-fourths (3/4) of the Class A shares issued and outstanding.

Bladex's Articles of Incorporation provide that the Board shall direct and control the business and management of the assets of the Bank, except for those matters specifically reserved to stockholders by law or the Articles of Incorporation. The Board, however, may grant general and special powers of attorney authorizing directors, officers and employees of the Bank or other persons to transact such business and affairs within the competence of the Board, as the Board may deem convenient to entrust to such persons.

The Articles of Incorporation of Bladex do not contain a provision limiting the ability of the Board to approve a proposal, arrangement or contract in which a Director is materially interested, a provision limiting the ability of the Board to fix the compensation of its members, a provision requiring the mandatory retirement of a Director at any prescribed age, or a provision requiring a person to own a certain number of shares to qualify as a Director.

The Board consists of ten members: three Directors elected by the holders of the Class A common shares; five Directors elected by the holders of the Class E common shares; and two Directors elected by the holders of all common shares. For so long as the number of Class F common shares issued and outstanding is equal to or greater than fifteen percent (15%) of the total number of common shares issued and outstanding, the holders of the Class F common shares will have the right to elect one director and the Board will consist of eleven members. As of December 31, 2013, no Class F shares or preferred shares were issued and outstanding.

The number of Class F shares issued and outstanding is measured annually as provided in the Articles of Incorporation to determine whether the holders of Class F shares have a right to elect a Director or, if the holders of Class F shares have previously elected a Director whose term is not scheduled to expire, to determine whether to retain or replace such Director on the Board at the following annual ordinary shareholders' meeting.

The Directors are elected by stockholders for periods of three (3) years and they may be re-elected. The holders of the Class A, Class E and Class F shares vote separately as a class in the election of Directors representing their respective class. In the election of Directors, each stockholder of each class electing a Director has a number of votes equal to the number of shares of such class held by such stockholder multiplied by the number of Directors to be elected by such class. The stockholder may cast all votes in favor of one candidate or distribute them among two or more of the Directors to be elected, as the shareholder may decide.

All common shares have the same rights and privileges regardless of their class, except that:

- the affirmative vote of three-quarters (3/4) of the issued and outstanding Class A shares is required (A) to dissolve and liquidate the Bank, (B) to amend certain material provisions of the Articles of Incorporation, (C) to merge or consolidate the Bank with another entity and (D) to authorize the Bank to engage in activities other than those described as the purposes of the Bank in its Articles of Incorporation;

- the Class E shares are freely transferable, but the Class A shares, Class B shares and Class F shares may only be transferred to qualified holders;
- the Class B shares and Class F shares may be converted into Class E shares;
- the holders of Class A shares, Class B shares and Class F shares benefit from pre-emptive rights, but the holders of Class E shares do not;
- the classes vote separately for their representative directors; and
- the rights, preferences, privileges and obligations of the preferred shares are determined by the Board at the time of their issuance in a certificate of designation.

Under the Bank's Articles of Incorporation, preferred shares have no voting rights, except in accordance with their certificate of designation mentioned above. Holders of preferred shares will have the right to elect one Director only upon a default in the terms of such preferred shares and only if contemplated in the certificate of designation. In the event the holders of the preferred shares are entitled to elect a Director, the total number of Directors in the Board will be increased by one. The rights of the holders of the common shares may be changed by an amendment to the Articles of Incorporation of the Bank.

Amendments to the Articles of Incorporation may be adopted by the affirmative majority vote of the common shares represented at the respective meeting, except for the following amendments which require, in addition, the affirmative vote of three-quarters (3/4) of all issued and outstanding Class A shares: (i) any amendment to the Bank's purposes or powers, (ii) any amendment to the capital structure of the Bank and the qualifications to become a holder of any particular class of shares, (iii) any amendment to the provisions relating to the notice, quorum and voting at stockholders' meetings, (iv) any amendment to the composition and election of the Board, as well as notices, quorum and voting at meetings of Directors, (v) any amendments to the powers of the Chief Executive Officer of the Bank and (vi) any amendments to the fundamental financial policies of the Bank.

The Articles of Incorporation of Bladex provide that there will be a general meeting of holders of the common shares every year, on such date and in such place as may be determined by resolution of the Board, to elect Directors and transact any other business duly submitted to the meeting by the Board. In addition, extraordinary meetings of holders of the common shares may be called by the Board, as it deems necessary. The Board or the Chairman of the Board must call an extraordinary meeting of holders of the common shares when requested in writing by one or more holders of common shares representing at least one-twentieth (1/20) of the issued and outstanding capital.

Notice of meetings of stockholders, whether ordinary or extraordinary, are personally delivered to each registered shareholder or sent by fax, telex, courier, air mail or any other means authorized by the Board of the Directors, at least 30 days before the date of the meeting, counted from the date that the notice is sent. The notice of the meeting must include the agenda of the meeting. At any meeting of stockholders, stockholders with a right to vote may be represented by a proxy, who need not be a shareholder and who may be appointed by public or private document, with or without power of substitution.

Upon request to the Board or the Chairman of the Board, stockholders representing at least one-twentieth (1/20) of the issued and outstanding shares of any given class may hold a meeting separately as a class for the purpose of considering any matter which, in accordance with the provisions of the Articles of Incorporation and the By-laws, is within their competence. In order to have a quorum at any meeting of stockholders, a majority of the common shares issued and outstanding must be represented at the meeting. Whenever a quorum is not obtained at a meeting of stockholders, the meeting shall be held on the second date set forth in the notice of the meeting. All resolutions of stockholders shall be adopted by the affirmative majority vote of the common shares represented at the meeting where the resolution was adopted, except where a super-majority vote of the Class A shareholders is required, as described above.

Class A shares may be issued only as registered shares in the name of the following entities in Latin American countries: (i) central banks, (ii) banks in which the State is the majority shareholder or (iii) other government agencies. Class B shares may be issued only in the name of banks or financial institutions. Class E shares and preferred shares may be issued in the name of any person, whether a natural person or a legal entity. Class F shares may be issued only (i) in the name of state entities or agencies of countries that are not Latin American countries, including central banks and banks in which the State is the majority shareholder or (ii) in the name of multilateral financial institutions, whether international or regional.

Neither Bladex's Articles of Incorporation nor its By-laws contain any provision requiring disclosure with respect to a shareholder's ownership above a certain threshold. There are no conditions imposed by the Articles of Incorporation regarding changes in capital that are more stringent than conditions imposed by Panamanian law.

The Amended and Restated Articles of Incorporation were filed as an exhibit to the Form 20-F for the fiscal year ended December 31, 2008 filed with the SEC on June 26, 2009 and the By-Laws were filed as an exhibit to the Form 20-F for the fiscal year ended December 31, 2009 filed with the SEC on June 11, 2010.

C. Material Contracts

The Bank has not entered into any material contract outside the ordinary course of business during the two-year period immediately preceding the date of this Annual Report.

D. Exchange Controls

Currently, there are no restrictions or limitations under Panamanian law on the export or import of capital, including foreign exchange controls, the payment of dividends or interest, or the rights of foreign stockholders to hold or vote stock.

E. Taxation

The following is a summary of certain U.S. federal and Panamanian tax matters that may be relevant with respect to the acquisition, ownership and disposition of the Bank's Class E shares. Prospective purchasers of Class E shares should consult their own tax advisors as to the United States, Panamanian or other tax consequences of the acquisition, ownership and disposition of Class E shares. The Bank may be subject to the tax regime of other countries or jurisdictions due to its operations.

This summary does not address the consequences of the acquisition, ownership or disposition of the Bank's Class A or Class B shares.

United States Taxes

This summary describes the material U.S. federal income tax consequences of the ownership and disposition of the Class E shares, but does not purport to be a comprehensive description of all of the tax considerations that may be relevant to holders of Class E shares. This summary applies only to current holders that hold Class E shares as capital assets for U.S. federal income tax purposes and does not address classes of holders that are subject to special treatment under the United States Internal Revenue Code of 1986, as amended, or the Code, such as dealers in securities or currencies, financial institutions, tax-exempt entities, regulated investment companies, insurance companies, securities traders that elect mark-to-market tax accounting, persons subject to the alternative minimum tax, certain U.S. expatriates, persons holding Class E shares as part of a hedging, constructive ownership or conversion transaction or a straddle, holders whose functional currency is not the U.S. dollar, or a holder that owns 10% or more (directly, indirectly or constructively) of the voting shares of the Bank.

This summary is based upon the Code, existing, temporary and proposed regulations promulgated thereunder, judicial decisions and administrative pronouncements, all as in effect on the date of this Annual Report and which are subject to change (possibly on a retroactive basis) and to differing interpretations. Purchasers or holders of Class E shares should consult their own tax advisors as to the U.S. federal, state and local, and foreign tax consequences of the ownership and disposition of Class E shares in their particular circumstances.

As used herein, a "U.S. Holder" refers to a beneficial holder of Class E shares that is, for U.S. federal income tax purposes, (1) an individual citizen or resident of the United States, (2) a corporation, or an entity treated as a corporation, organized or created in or under the laws of the United States or any political subdivision thereof, (3) an estate the income of which is subject to U.S. federal income taxation without regard to the source of its income, (4) a trust, if both (A) a court within the United States is able to exercise primary supervision over the administration of the trust and (B) one or more U.S. persons (as defined in the Code) have the authority to control all substantial decisions of the trust, or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust, and (5) any holder otherwise subject to U.S. federal income taxation on net income basis with respect to Class E shares (including a non-resident alien individual or foreign corporation that holds, or is deemed to hold, any Class E share in connection with the conduct of a U.S. trade or business). If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of Class E shares, the U.S. federal income tax consequences to a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. A holder of Class E shares that is a partnership and the partners in such partnership should consult their own tax advisors regarding the U.S. federal income tax consequences of the ownership and disposition of Class E shares.

Taxation of Distributions

Subject to the "Passive Foreign Investment Company Status" discussion below, to the extent paid out of current or accumulated earnings and profits of the Bank as determined under U.S. federal income tax principles ("earnings and profits"), distributions made with respect to Class E shares (other than certain pro rata distributions of capital stock of the Bank or rights to subscribe for shares of capital stock of the Bank) will be includable in income of a U.S. Holder as ordinary dividend income in accordance with the U.S. Holder's regular method of accounting for U.S. federal income tax purposes whether paid in cash or Class E shares. To the extent that a distribution exceeds the Bank's earnings and profits, such distribution will be treated, first, as a nontaxable return of capital to the extent of the U.S. Holder's tax basis in the Class E shares and will reduce the U.S. Holder's tax basis in such shares, and thereafter as a capital gain from the sale or disposition of Class E shares. See Item 10, "Additional Information/Taxation/United States Taxes-Taxation of Capital Gains." The amount of the distribution will equal the gross amount of the distribution received by the U.S. Holder, including any Panamanian taxes withheld from such distribution.

Distributions made with respect to Class E shares out of earnings and profits generally will be treated as dividend income from sources outside the United States. U.S. Holders that are corporations will not be entitled to the "dividends received deduction" under Section 243 of the Code with respect to such dividends. Dividends may be eligible for special rates applicable to "qualified dividend income" received by an individual, provided, that (1) the Bank is not a "passive foreign investment company" in the year in which the dividend is paid nor in the immediately preceding year, (2) the class of stock with respect to which the dividend is paid is readily tradable on an established securities market in the United States, and (3) the U.S. Holder held his shares for more than 60 days during the 121-day period beginning 60 days prior to the ex-dividend date and meets other holding period requirements. Subject to certain conditions and limitations, Panamanian tax withheld from dividends will be treated as a foreign income tax eligible for deduction from taxable income or as a credit against a U.S. Holder's U.S. federal income tax liability. Distributions of dividend income made with respect to Class E shares generally will be treated as "passive" income or, in the case of certain U.S. Holders, "general category income," for purposes of computing a U.S. Holder's U.S. foreign tax credit.

Less than 25% of the Bank's gross income is effectively connected with the conduct of a trade or business in the United States, and the Bank expects this to remain true. If this remains the case, a holder of Class E shares that is not a U.S. Holder, or non-U.S. Holder, generally will not be subject to U.S. federal income tax or withholding tax on distributions received on Class E shares that are treated as dividend income for U.S. federal income tax purposes. Special rules may apply in the case of non-U.S. Holders (1) that are engaged in a U.S. trade or business, (2) that are former citizens or long-term residents of the United States, "controlled foreign corporations," corporations that accumulate earnings to avoid U.S. federal income tax, and certain foreign charitable organizations, each within the meaning of the Code, or (3) certain non-resident alien individuals who are present in the United States for 183 days or more during a taxable year. Such persons should consult their own tax advisors as to the U.S. federal income or other tax consequences of the ownership and disposition of Class E shares.

Taxation of Capital Gains

Subject to the "Passive Foreign Investment Company Status" discussion below, gain or loss realized by a U.S. Holder on the sale or other disposition of Class E shares generally will be subject to U.S. federal income tax as capital gain or loss in an amount equal to the difference between the U.S. Holder's tax basis in the Class E shares and the amount realized on the disposition. Such gain will be treated as long-term capital gain if the Class E shares are held by the U.S. Holder for more than one year at the time of the sale or other disposition. Otherwise, the gain will be treated as a short-term capital gain. Gain realized by a U.S. Holder on the sale or other disposition of Class E shares generally will be treated as U.S. source income for U.S. foreign tax credit purposes, unless the gain is attributable to an office or fixed place of business maintained by the U.S. Holder outside the United States or is recognized by an individual whose tax home is outside the United States, and certain other conditions are met. For U.S. federal income tax purposes, capital losses are subject to limitations on deductibility. As a general rule, U.S. Holders that are corporations can use capital losses for a taxable year only to offset capital gains in that year. A corporation may be entitled to carry back unused capital losses to the three preceding tax years and to carry over losses to the five following tax years. In the case of non-corporate U.S. Holders, capital losses in a taxable year are deductible to the extent of any capital gains plus ordinary income of up to $3,000. Unused capital losses of non-corporate U.S. Holders may be carried over indefinitely.

A non-U.S. Holder of Class E shares will generally not be subject to U.S. federal income tax or withholding tax on gain realized on the sale or other disposition of Class E shares. However, special rules may apply in the case of non-U.S. Holders (1) that are engaged in a U.S. trade or business, (2) that are former citizens or long-term residents of the United States, "controlled foreign corporations," corporations which accumulate earnings to avoid U.S. federal income tax, and certain foreign charitable organizations, each within the meaning of the Code, or (3) certain non-resident alien individuals who are present in the United States for 183 days or more during a taxable year. Such persons should consult their own tax advisors as to the United States or other tax consequences of the purchase, ownership and disposition of the Class E shares.

Passive Foreign Investment Company Status

Under the Code, certain rules apply to an entity classified as a "passive foreign investment company", or PFIC. A PFIC is defined as any foreign (i.e., non-U.S.) corporation if either (1) 75% or more of its gross income for the taxable year is passive income (generally including, among other types of income, dividends, interest and gains from the sale of stock and securities) or (2) 50% or more of its assets (by value) produce, or are held for the production of, passive income. The application of the PFIC rules to banks is not entirely clear under present U.S. federal income tax law. Banks generally derive a substantial part of their income from assets that are interest bearing or that otherwise could be considered passive under the PFIC rules. The Internal Revenue Service, or IRS, issued a notice in 1989, or the Notice, and has proposed regulations, the Proposed Regulations, that exclude from passive income any income derived in the active conduct of a banking business by a qualifying foreign bank, or the "active bank exception". The Notice and the Proposed Regulations have different requirements for qualifying as an active foreign bank, and for determining the banking income that may be excluded from passive income under the active bank exception. Moreover, the Proposed Regulations have been outstanding since 1994 and will not be effective unless finalized.

While the Bank conducts, and intends to continue to conduct, a significant banking business, there can be no assurance that the Bank will satisfy the specific requirements for the active bank exception under either the Notice or the Proposed Regulations. However, based on certain estimates of the Bank's gross income and gross assets and the nature of its business, the Bank does not qualify as a PFIC for the taxable year ending December 31, 2013.

If the Bank were to become a PFIC for purposes of the Code, unless a U.S. Holder makes one of the elections described below, a U.S. Holder generally will be subject to a special tax charge with respect to (a) any gain realized on the sale or other disposition of Class E shares and (b) any "excess distribution" by the Bank to the U.S. Holder (generally, any distributions including return of capital distributions, received by the U.S. Holder on the Class E shares in a taxable year that are greater than 125% of the average annual distributions received by the U.S. Holder in the three preceding taxable years, or, if shorter, the U.S. Holder's holding period). Under these rules (1) the gain or excess distribution would be allocated ratably over the U.S. Holder's holding period for the Class E shares, (2) the amount allocated to the current taxable year would be treated as ordinary income, (3) the amount allocated to each prior taxable year generally would be subject to tax at the highest rate in effect for that year, and (4) an interest charge at the rate generally applicable to underpayments of tax would be imposed with respect to the resulting tax attributable to each such prior taxable year. For purposes of the foregoing rules, a U.S. Holder of Class E shares that uses such stock as security for a loan will be treated as having disposed of such stock.

If the Bank were to become a PFIC, U.S. Holders of interests in a holder of Class E shares may be treated as indirect holders of their proportionate share of the Class E shares and may be taxed on their proportionate share of any excess distributions or gain attributable to the Class E shares. An indirect holder also must treat an appropriate portion of its gain on the sale or disposition of its interest in the actual holder as gain on the sale of Class E shares.

If the Bank were to become a PFIC, a U.S. Holder could make an election, provided the Bank complies with certain reporting requirements, to have the Bank treated, with respect to such U.S. Holder, as a "qualified electing fund", hereinafter referred to as a QEF election, in which case, the electing U.S. Holder would be required to include annually in gross income the U.S. Holder's proportionate share of the Bank's ordinary earnings and net capital gains, whether or not such amounts are actually distributed. If the Bank were to become a PFIC, the Bank intends to so notify each U.S. Holder and to comply with all reporting requirements necessary for a U.S. Holder to make a QEF election and will provide to record U.S. Holders of Class E shares such information as may be required to make such QEF election.

If the Bank were to become a PFIC in any year, a U.S. Holder that beneficially owns Class E shares during such year must make an annual return on IRS Form 8621, which describes the income received (or deemed to be received if a QEF election is in effect) from the Bank. The Bank will, if applicable, provide all information necessary for a U.S. Holder of record to make an annual return on IRS Form 8621.

A U.S. Holder that owns certain "marketable stock" in a PFIC may elect to mark-to-market such stock and, subject to certain exceptions, include in income any gain (increases in market value) or loss (decreases in market value to the extent of prior gains recognized) realized as ordinary income or loss to avoid the adverse consequences described above. U.S. Holders of Class E shares are urged to consult their own tax advisors as to the consequences of owning stock in a PFIC and whether such U.S. Holder would be eligible to make either of the aforementioned elections to mitigate the adverse effects of such consequences.

Information Reporting and Backup Withholding

Each U.S. payor making payments in respect of Class E shares will generally be required to provide the IRS with certain information, including the name, address and taxpayer identification number of the beneficial owner of Class E shares, and the aggregate amount of dividends paid to such beneficial owner during the calendar year. Under the backup withholding rules, a holder may be subject to backup withholding at a current rate of 28% with respect to proceeds received on the sale or exchange of Class E shares within the United States by non-corporate U.S. Holders and to dividends paid, unless such holder (1) is a corporation or comes within certain other exempt categories (including securities broker-dealers, other financial institutions, tax-exempt organizations, qualified pension and profit sharing trusts and individual retirement accounts), and, when required, demonstrates this fact or (2) provides a taxpayer identification number, certifies as to no loss of exemption and otherwise complies with the applicable requirements of the backup withholding rules. Non-U.S. Holders generally are exempt from information reporting and backup withholding, but may be required to provide a properly completed IRS Form W-8BEN (or other similar form) or otherwise comply with applicable certification and identification procedures in order to prove their exemption. Backup withholding is not an additional tax and any amounts withheld from a payment to a holder of Class E shares will be refunded (or credited against such holder's U.S. federal income tax liability, if any) provided that the required information is timely furnished to the IRS.

There is no income tax treaty between Panama and the United States.

3.8% Medicare Tax On "Net Investment Income"

Certain U.S. Holders who are individuals, estates or trusts may be required to pay an additional 3.8% tax on, among other things, dividends and capital gains from the sale or other disposition of Class E shares.

Foreign Asset Reporting

Certain U.S. Holders who are individuals are required to report information relating to an interest in the Bank's Class E shares, subject to certain exceptions (including an exception for Class E shares held in custodial accounts maintained by United States financial institutions) by filing IRS Form 8938 with their annual U.S. federal income tax return. U.S. Holders are urged to consult their tax advisors regarding their information reporting obligations with respect to their ownership and disposition of the Class E shares.

The above description is not intended to constitute a complete analysis of all tax consequences relating to the acquisition, ownership and disposition of the Class E shares. Prospective purchasers should consult their own tax advisors to determine the tax consequences of their particular situations.

Panamanian Taxes

The following is a summary of the principal Panamanian tax consequences arising in connection with the ownership and disposition of the Bank's Class E shares. This summary is based upon the laws and regulations of Panama, as well as court precedents and interpretative rulings, in effect as of the date of this Annual Report, all of which are subject to prospective and retroactive change.

General Principle

The Bank is exempt from income tax in Panama under a special exemption granted to the Bank pursuant to Contract 103-78 of July 25, 1978 between the Nation and Bladex. In addition, under general rules of income tax in Panama, only income that is deemed to be Panamanian source income is subject to taxation in Panama. Accordingly, since the Bank's income is derived primarily from sources outside of Panama and is not deemed to be Panamanian source income, even in the absence of the special exemption, the Bank would have limited income tax liability in Panama.

Taxation of Distributions

Dividends, whether cash or in kind, paid by the Bank in respect of its shares are also exempt from dividend tax or other withholding under the special exemption described above. In the absence of this special exemption, there would be a 10% withholding tax on dividends or distributions paid in respect of the Bank's registered shares to the extent the dividends were paid from income derived by the Bank from Panamanian sources, and a 5% withholding tax on dividends or distributions paid from income derived by the Bank from non-Panamanian sources.

Taxation of Capital Gains

Since the Class E shares are listed on the NYSE, any capital gains realized by an individual or a corporation, regardless of its nationality or residency, on the sale or other disposition of such shares outside of Panama, would be exempted from capital gains taxes or any other taxes in Panama.

F. Dividends and Paying Agents

Not required in this Annual Report.

G. Statement by Experts

Not required in this Annual Report.

H. Documents on Display

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 Mr. 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. Information is also available on the Bank's website at: http://www.bladex.com.

I. Subsidiary Information

Not applicable.

Item 11. Quantitative and Qualitative Disclosure About Market Risk

The Bank's risk management policies, as approved by the Board from time to time, are designed to identify and control the Bank's credit and market risks by establishing and monitoring appropriate limits on the Bank's credit and market exposures. Certain members of the Board constitute the Assets and Liabilities Committee, which meets on a regular basis and monitors and controls the risks in each specific area. At the management level, the Bank has a Risk Management Department that measures and controls overall risk management of the Bank (credit, operational and market risk).

The Bank's businesses are subject to market risk. The components of this market risk are interest rate risk inherent in the Bank's balance sheet, foreign exchange risk, and the price risk in the Bank's investment portfolio and in the Bank's trading portfolios.

For quantitative information relating to the Bank's interest rate risk and information relating to the Bank's management of interest rate risk, see Item 5, "Operating and Financial Review and Prospects/Liquidity and Capital Resources."

For information regarding derivative financial instruments, see Item 18, "Financial Statements," notes 2(u) and 21.

For information regarding investment securities, see Item 4, "Information on the Company/Business Overview/Investment Securities," and Item 18, "Financial Statements," note 6.

The table below lists for each of the years from 2014 to 2018 the notional amounts and weighted interest rates, as of December 31, 2013, for derivative financial instruments and other financial instruments that are sensitive to changes in interest rates, including the Bank's investment securities, loans, borrowings and placements, interest rate swaps, cross currency swaps, forward currency exchange agreements, and trading assets and liabilities. Amounts presented below exclude the Bank's participation in the Fund. The Bank consolidates the Feeder retaining the specialized accounting for investment companies applied by the Feeder in the Fund, reporting it within the "Investment funds" line in the consolidated balance sheet; see Item 18, "Financial Statements", notes 2 (e) and 7.

Interest Rate Risk Management and Sensitivity

As of December 31, 2013

	Expected maturity date								
	2014	**2015**	**2016**	**2017**	**2018**	**There-after**	**Without maturity**	**Total 2013**	**Fair value 2013**
	($ Equivalent in thousand)								
ASSETS:									
Investment Securities									
Fixed rate									
U.S. Dollars	43,583	17,050	61,500	47,000	32,500	124,544	-	326,177	340,235
Average fixed rate	6.10%	7.63%	5.47%	4.16%	3.85%	5.84%	-	5.46%	
Floating rate									
U.S. Dollars	-	28,000	-	-	-	-	-	28,000	27,768
Average floating rate	-	2.03%	-	-	-	-	-	2.03%	
Loans									
Fixed rate									
U.S. Dollars	3,096,904	8,479	12,491	4,072	6,856	-	-	3,128,802	3,140,065
Average fixed rate	2.60%	4.38%	3.83%	4.16%	4.02%	-	-	2.61%	
Mexican Peso	113,503	7,789	2,187	31	19	-	-	123,529	125,520
Average fixed rate	5.63%	6.01%	6.78%	7.43%	7.43%	-	-	5.67%	
Floating rate									
U.S. Dollars	1,249,002	906,445	420,998	146,189	75,981	-	-	2,798,616	2,899,300

	Expected maturity date								
	2014	**2015**	**2016**	**2017**	**2018**	**There-after**	**Without maturity**	**Total 2013**	**Fair value 2013**
			($ Equivalent in thousand)						
Average floating rate	3.17%	3.30%	3.70%	3.62%	3.36%	-	-	3.32%	
Mexican Peso	31,900	22,739	20,676	15,136	6,899	-	-	97,351	99,739
Average floating rate	5.93%	6.32%	6.46%	6.58%	7.17%	-	-	6.32%	
LIABILITIES:									
Borrowings and Placements (1)									
Fixed rate									
U.S. Dollars	1,737,507	25,000	-	400,739	-	-	-	2,163,246	2,187,252
Average fixed rate	0.91%	1.50%	-	3.75%	-	-	-	1.44%	
Mexican Peso	31,906	-	-	-	-	-	-	31,906	32,013
Average fixed rate	4.30%	-	-	-	-	-	-	4.30%	
Peruvian Soles	43,980	-	-	-	-	-	-	43,980	46,241
Average fixed rate	6.50%	-	-	-	-	-	-	6.50%	
Swiss franc	89,837	-	-	-	-	-	-	89,837	90,017
Average fixed rate	0.80%	-	-	-	-	-	-	0.80%	
Japanese Yen	4,749	-	-	-	-	-	-	4,749	4,758
Average fixed rate	0.75%	-	-	-	-	-	-	0.75%	
Floating rate									
U.S. Dollars	1,323,590	58	203,058	-	-	-	-	1,526,706	1,532,709
Average floating rate	1.05%	0.75%	1.50%	-	-	-	-	1.11%	
Mexican Peso	112,042	172,930	-	-	-	-	-	284,973	285,986
Average floating rate	4.83%	4.47%	-	-	-	-	-	4.61%	
INTEREST SWAPS:									
Interest Rate Swaps – Investment Securities									
U.S. Dollars fixed to floating	10,000	13,050	-	9,500	5,000	43,000	-	80,550	(298)
Average pay rate	7.75%	7.73%	-	4.31%	6.37%	5.04%	-	5.81%	
Average receive rate	2.74%	3.53%	-	3.61%	5.16%	3.12%	-	3.32%	
Interest Rate Swaps – Loans									
U.S. Dollars fixed to floating	-	-	-	14,008	-	-	-	14,008	(13)
Average pay rate	-	-	-	3.73%	-	-	-	3.73%	
Average receive rate	-	-	-	3.26%	-	-	-	3.26%	
Interest Rate Swaps – Borrowings									
U.S. Dollars fixed to floating	383,000	-	-	-	-	79,000	-	453,000	151
Average pay rate	1.26%	-	-	-	-	2.16%	-	1.32%	
Average receive rate	1.16%	-	-	-	-	0.16%	-	1.04%	
Interest Rate Swaps – Issuances									
U.S. Dollars fixed to floating	-	-	-	400,000	-	-	-	400,000	3,533
Average pay rate	-	-	-	2.81%	-	-	-	2.81%	
Average receive rate	-	-	-	3.75%	-	-	-	3.75%	
CROSS CURRENCY SWAPS:									
Cross Currency Swaps									
Receive U.S. Dollars	19,208	19,108	1,024	367	-	-	-	39,707	(495)
U.S. Dollars fixed rate	-	-	-	-	-	-	-	-	
U.S. Dollars floating rate	3.33%	3.01%	3.90%	4.28%	-	-	-	3.20%	
Pay US Dollars	198,733	157,356	-	-	-	-	-	356,090	2,835
U.S. Dollars fixed rate	2.66%	-	-	-	-	-	-	2.66%	
U.S. Dollars floating rate	2.59%	2.02%	-	-	-	-	-	2.20%	

	Expected maturity date								
	2014	2015	2016	2017	2018	There-after	Without maturity	Total 2013	Fair value 2013
	($ Equivalent in thousand)								
Receive Mexican Peso	67,384	157,356	-	-	-	-	-	224,740	
Mexican Peso fixed rate	-	-	-	-	-	-	-	-	
Mexican Peso floating rate	5.29%	4.44%	-	-	-	-	-	4.70%	
Pay Mexican Peso	19,208	19,108	1,024	367	-	-	-	39,707	
Mexican Peso fixed rate	6.67%	5.93%	6.50%	-	-	-	-	6.35%	
Mexican Peso floating rate	6.34%	6.23%	6.86%	6.84%	-	-	-	6.30%	
Receive Peruvian Soles	41,021	-	-	-	-	-	-	41,021	
Peruvian Soles fixed rate	6.50%	-	-	-	-	-	-	6.50%	
Receive Swiss franc	85,288	-	-	-	-	-	-	85,288	
Swiss franc fixed rate	0.80%	-	-	-	-	-	-	0.80%	
Receive Japanese Yen	5,041	-	-	-	-	-	-	5,041	
Japanese Yen fixed rate	0.75%	-	-	-	-	-	-	0.75%	
FORWARD CURRENCY EXCHANGE AGREEMENTS									
Receive U.S. Dollars/ Pay Mexican Pesos	88,130	-	-	-	-	-	-	88,130	592
Average exchange rate	13.04							13.04	
Receive U.S. Dollars/ Pay Brazilian Reales	5,810	-	-	-	-	-	-	5,810	340
Average exchange rate	2.24	-	-	-	-	-	-	2.24	
TRADING									
Trading Liabilities									
Interest rate swaps:									
U.S. Dollars fixed to floating	-	-	14,000	-	-	-	-	14,000	(65)
Average pay rate	-	-	5.54%	-	-	-	-	5.54%	
Average receive rate	-	-	5.08%	-	-	-	-	5.08%	
Cross currency swaps:									
Receive US Dollars	600	-	-	-	-	-	-	600	(7)
U.S. Dollars fixed rate	7.04%							7.04%	
Pay Mexican Peso	600	-	-	-	-	-	-	600	
Mexican Peso fixed rate	12.50%	-	-	-	-	-	-	12.50%	

(1) Borrowings and placements include securities sold under repurchase agreements and short and long-term borrowings and debt.

As of December 31, 2012

	Expected maturity date								
	2013	2014	2015	2016	2017	There-after	Without maturity	Total 2012	Fair value 2012
	($ Equivalent in thousand)								
ASSETS									
Investment Securities									
Fixed rate									
U.S. Dollars	52,910	30,571	50,000	13,000	11,918	7,500	-	165,899	178,789
Average fixed rate	4.85%	7.15%	8.04%	4.00%	6.56%	6.74%	-	6.38%	
Floating rate									
U.S. Dollars	277	10,000	28,000	-	-	-	-	38,277	38,378
Average floating rate	3.75%	2.43%	2.11%	-	-	-	-	2.21%	
Loans									
Fixed rate									
U.S. Dollars	3,192,351	19,162	21,169	-	-	-	-	3,232,682	3,243,241

	Expected maturity date								
	2013	2014	2015	2016	2017	There-after	Without maturity	Total 2012	Fair value 2012
	($ Equivalent in thousand)								
Average fixed rate	2.89%	4.04%	4.35%	-	-	-	-	2.91%	
Mexican Peso	49,489	705	-	-	-	-	-	50,194	51,138
Average fixed rate	7.45%	11.90%	-	-	-	-	-	7.51%	
Floating rate									
U.S. Dollars	1,099,775	632,949	513,462	99,082	26,671	14,538	-	2,386,478	2,442,676
Average floating rate	3.40%	3.76%	3.67%	4.06%	4.28%	3.19%	-	3.59%	
Mexican Peso	4,008	9,695	11,310	13,123	8,067	-	-	46,203	47,118
Average floating rate	8.49%	8.42%	8.45 %	8.57 %	8.57%	-	-	8.50%	
LIABILITIES									
Borrowings and Placements [(1)]									
Fixed rate									
U.S. Dollars	1,300,831	479	-	-	405,185	-	-	1,706,495	1,722,691
Average fixed rate	1.29%	0.69%	-	-	3.75%	-	-	1.88%	
Mexican Peso	1,435	-	-	-	-	-	-	1,435	1,497
Average fixed rate	9.21%	-	-	-	-	-	-	9.21%	
Peruvian Soles	-	48,188	-	-	-	-	-	48,188	52,449
Average fixed rate	-	6.50%	-	-	-	-	-	6.50%	
Euro	39,633	-	-	-	-	-	-	39,633	39,656
Average fixed rate	0.70%	-	-	-	-	-	-	0.70%	
Floating rate									
U.S. Dollars	520,888	815,083	-	-	-	-	-	1,335,971	1,338,816
Average floating rate	1.35%	1.72%	-	-	-	-	-	1.58%	
Mexican Peso	156,761	70,508	153,947	-	-	-	-	381,215	378,968
Average floating rate	5.57%	6.34%	5.50%	-	-	-	-	5.69%	
INTEREST RATE SWAPS									
Interest Rate Swaps – Investment Securities									
U.S. Dollars fixed to floating	10,000	10,000	50,000	10,000	-	-	-	80,000	(6,600)
Average pay rate	5.20%	7.75%	7.13%	3.75%	-	-	-	6.54%	
Average receive rate	1.54%	3.04%	3.10%	2.69%	-	-	-	2.85%	
Interest Rate Swaps – Issuances									
U.S. Dollars fixed to floating	-	-	-	-	400,000	-	-	400,000	8,319
Average pay rate	-	-	-	-	3.07%	-	-	3.07%	
Average receive rate	-	-	-	-	3.75%	-	-	3.75%	
CROSS CURRENCY SWAPS									
Receive U.S. Dollars	5,804	3,691	2,634	609	368	-	-	13,106	(18)
U.S. Dollars fixed rate	7.04%	7.04%	-	-	-	-	-	7.04%	
U.S. Dollars floating rate	4.25%	4.36%	4.28%	4.35%	4.33%	-	-	4.29%	
Pay US Dollars	-	108,405	157,356	-	-	-	-	265,761	6,188
U.S. Dollars fixed rate	-	-	-	-	-	-	-	5.35%	
U.S. Dollars floating rate	-	-	-	-	-	-	-	2.43%	
Receive Mexican Peso	-	-	-	-	-	-	-	224,741	
Mexican Peso floating rate	-	-	-	-	-	-	-	5.75%	
Pay Mexican Peso	5,804	3,691	2,634	609	368	-	-	13,106	
Mexican Peso fixed rate	9.29%	11.71%	-	-	-	-	-	9.75%	
Mexican Peso floating rate	6.89%	7.97%	7.94%	7.92%	7.90%	-	-	7.64%	
Receive Peruvian Soles	-	41,020	-	-	-	-	-	41,020	

	Expected maturity date								
	2013	2014	2015	2016	2017	There-after	Without maturity	Total 2012	Fair value 2012
			($ Equivalent in thousand)						
Peruvian Soles fixed rate	-	6.50%	-	-	-	-	-	6.50%	
FORWARD CURRENCY EXCHANGE AGREEMENTS									
Receive U.S. Dollars/ Pay Mexican Pesos	35,997	-	-	-	-	-	-	35,997	(304)
Average exchange rate	13.10	-	-	-	-	-	-	13.10	
Receive U.S. Dollars/ Pay Brazilian Reales	6,196	-	-	-	-	-	-	6,196	(48)
Average exchange rate	2.06	-	-	-	-	-	-	2.06	
Pay U.S. Dollars/ Receive Euro	39,736	-	-	-	-	-	-	39,736	(45)
Average exchange rate	1.32	-	-	-	-	-	-	1.32	
TRADING									
Trading Assets									
Debt securities:									
Brazilian Reales	-	-	-	-	-	1,954	-	1,954	5,146
Average floating rate	-	-	-	-	-	2.78%	-	2.78%	
Trading Liabilities									
Interest rate swaps:									
U.S. Dollars fixed to floating	-	-	35,291	-	-	-	-	35,291	(100)
Average pay rate	-	-	4.25%	-	-	-	-	4.25%	
Average receive rate	-	-	3.98%	-	-	-	-	3.98%	
Cross currency swaps:									
Pay US Dollars	147,242	-	-	-	-	-	-	147,242	(32,182)
U.S. Dollars floating rate	2.35%	-	-	-	-	-	-	2.35%	
Receive Mexican Peso	147,242	-	-	-	-	-	-	147,242	
Mexican Peso floating rate	5.70%	-	-	-	-	-	-	5.70%	
US Dollars / Chilean Pesos	2,056	-	-	-	-	-	-	2,056	6
US Dollars / Colombian Pesos	1,026	-	-	-	-	-	-	1,026	27
US Dollars / Brazilian Reales	991	-	-	-	-	-	-	991	12
Euro / Brazilian Reales	3,766	-	-	-	-	-	-	3,766	4
Forward Currency exchange agreements:									
Receive U.S. dollars / Pay Mexican Peso	5,107	-	-	-	-	-	-	5,107	28
Average exchange rate.	12.87	-	-	-	-	-	-	12.87	
Receive Mexican Peso / Pay U.S. dollars..	2,045	-	-	-	-	-	-	2,045	
Average exchange rate	12.85	-	-	-	-	-	-	12.85	(22)
Futures:									
Currency futures	41	-	-	-	-	-	-	41	(5)
Index futures	10	-	-	-	-	-	-	10	20
Swap futures	6,845	-	-	-	-	-	-	6,845	5

(1) Borrowings and placements include securities sold under repurchase agreements and short and long-term borrowings and debt.

Although certain assets and liabilities may have similar maturities or periods of re-pricing, they may be impacted in varying degrees to changes in market interest rates. The maturity of certain types of assets and liabilities may fluctuate in advance of changes in market rates, while the maturity of other types of assets and liabilities may lag behind changes in market rates. In the event of a change in interest rates, prepayment and early withdrawal levels could deviate significantly from the maturities assumed in calculating the table above.

For information regarding the fair value disclosure of financial instruments, see Item 18, "Financial Statements," note 21. For information regarding the fair value of trading assets and liabilities of the Fund, See Item 18, "Financial Statements," notes 2(i) and 5.

Foreign Exchange Risk Management and Sensitivity

The Bank accepts deposits and raises funds principally in U.S. dollars, and makes loans mostly in U.S. dollars. Currency exchange risk arises when the Bank accepts deposits or raises funds in one currency and lends or invests the proceeds in another. In general, foreign currency-denominated assets are funded with liability instruments denominated in the same currency. In those cases where assets are funded in different currencies, forward foreign exchange or cross-currency swap contracts are used to fully hedge the risk resulting from this cross currency funding. During 2013, the Bank did not hold significant open foreign exchange positions. The Fund invests in securities denominated in foreign currency, as well as forward foreign currency exchange contracts and cross currency swap contracts, all for trading purposes. As of December 31, 2013, the Bank had an equivalent of $224 million in non-U.S. dollar financial assets and $457 million of non-U.S. dollar financial liabilities which are fully hedged.

Price Risk Management and Sensitivity

Price risk corresponds to the risk that arises from the volatility in the price of the financial instruments held by the Bank, which may result from observed transaction prices that fluctuate freely according to supply and demand or from changes in the risk factors used for determining prices (interest rates, exchange rates, credit risk spreads, etc.).

The table below lists the carrying amount and fair value of the investment securities portfolio and the interest rate swaps associated with this portfolio as of the dates below:

	As of December 31, 2013		As of December 31, 2012	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
	(in $ thousand)			
INVESTMENT SECURITIES				
Investment available for sale	334,368	334,368	183,017	183,017
Investment held-to-maturity	33,759	33,634	34,113	34,149
Interest rate swaps (1)	(363)	(363)	(6,600)	(6,600)
TRADING ASSETS				
Trading Assets	0	0	5,146	5,146

(1) As of December 31, 2013 includes interest rate swaps that applies for hedge accounting.

For additional information regarding derivative financial instruments, see Item 18, "Financial Statements," notes 2(u) and 21, for information regarding trading assets and liabilities, see Item 18, "Financial Statements," note 5 and for information regarding investment securities, see Item 18, "Financial Statements," note 6.

Item 12. Description of Securities Other than Equity Securities

Not applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

None.

Item 15. Controls and Procedures

a) Disclosure Controls and Procedures

The Bank maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports it files under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Such controls include those designed to ensure that information for disclosure is accumulated and communicated to the members of the Board and management, as appropriate to allow timely decisions regarding required disclosure.

The Chief Executive Officer, or CEO, and the Chief Financial Officer, or CFO, evaluated the effectiveness of the Bank's disclosure controls and procedures as of December 31, 2013, and concluded that they were effective as of December 31, 2013.

b) Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f) or 15d-15(f). Management, with the participation and supervision of the Bank's CEO and CFO, has evaluated the effectiveness of its internal control over financial reporting as of December 31, 2013 and based its conclusion on such evaluation, which included (i) the documentation and understanding of the Bank's internal control over financial reporting and (ii) a test of the design and the operating effectiveness of internal controls over financial reporting. This evaluation was the basis of management's conclusions.

Management's evaluation was based on the criteria set forth by the Internal Control-Integrated Framework of the Committee of Sponsoring Organizations of the Treadway Commission.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Bank's internal control over financial reporting includes policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the Bank's transactions and dispositions of its assets;

(2) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that the Bank's receipts and expenditures are being made only in accordance with authorizations of the Bank's management and the Board; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Bank's assets that could have a material effect on its financial statements.

Because of its inherent limitations, internal control over financial reporting determined to be effective can provide only reasonable assurance with respect to financial statement preparation and may not prevent or detect all misstatements. Also, projections of any evaluation of the effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Based on the assessment and criteria described above, the Bank's management concluded that, as of December 31, 2013, the Bank's internal control over financial reporting was effective.

The Company's independent registered public accounting firm, Deloitte, Inc., has issued an attestation report on the effectiveness of the Bank's internal control over financial reporting.

c) Attestation Report of the Registered Public Accounting Firm

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Banco Latinoamericano de Comercio Exterior, S.A. and Subsidiaries

We have audited the internal control over financial reporting of *Banco Latinoamericano de Comercio Exterior, S.A.* and subsidiaries (the "Bank") as of December 31, 2013, based on criteria established in *Internal Control — Integrated Framework 1992* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Bank's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Bank's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Bank maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the criteria established in *Internal Control — Integrated Framework 1992* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2013 of Banco Latinoamericano de Comercio Exterior, S.A. and Subsidiaries and our report dated April 25, 2014, expressed an unqualified opinion on those financial statements.

/s/ Deloitte, Inc.

April 25, 2014
Panama, Republic of Panama

d) Changes in Internal Control over Financial Reporting

- There has been no change in the Bank's internal control over financial reporting during the fiscal year ended December 31, 2013 that has materially affected, or is reasonably likely to materially affect, the Bank's internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act.

Item 16. [Reserved]

Item 16A. Audit and Compliance Committee Financial Expert

The Board has determined that at least one member of the Audit and Compliance Committee is an "audit committee financial expert," as defined in the rules enacted by the SEC under the Sarbanes-Oxley Act. The Audit and Compliance Committee's financial expert is Gonzalo Menéndez Duque. Mr. Menéndez Duque is independent as defined by the NYSE Listed Company Manual, or the NYSE Rules.

See Item 6.A, "Directors and Executive Officers."

Item 16B. Code of Ethics

The Bank has adopted a Code of Ethics that applies to the Bank's principal executive officer, principal financial and principal accounting officers. The Bank's Code of Ethics includes the information regarding its corporate governance practices necessary to comply with Section 303A of the NYSE Rules.

A copy of the Bank's Code of Ethics is being filed as an Exhibit to the Form 20-F for the fiscal year ended December 31, 2013 and may also be found on the Bank's website (http://www.bladex.com) at Investors / Corporate Overview / Corporate Governance / Code of Ethics (For purposes of Section 406 of the Sarbanes-Oxley Act of 2002). Written requests for copies should be directed to the attention of Christopher Schech, Chief Financial Officer, via e-mail to cschech@bladex.com.

Item 16C. Principal Accountant Fees and Services

The following table summarizes the fees paid or accrued by the Bank for audit and other services provided by Deloitte, Inc., the Bank's independent accounting firm, for each of the years ended December 31, 2013 and 2012:

	As of December 31,	
	2013	2012
Audit fees	$ 658,161	$ 681,775
Audit-related fees	$ 148,195	$ 128,900
Tax fees	$ 0	$ 0
All other fees	$ 0	$ 0
Total	**$ 806,356**	**$ 810,675**

The following is a description of the type of services included within the categories listed above:

- Audit fees include aggregate fees billed for professional services rendered by Deloitte, Inc. for the audit of the Bank's annual financial statements and services that are normally provided in connection with statutory and regulatory filings or engagements.
- Audit–related fees include aggregate fees billed for assurance and related services by Deloitte, Inc. that are reasonably related to the performance of the audit or review of the Bank's financial statements and are not reported under the "Audit fees". These services are associated with funding programs, as part of the normal course of business of the Bank.

Audit and Compliance Committee Pre-Approval Policies and Procedures

The Audit and Compliance Committee pre-approves all audit and non-audit services to be provided to the Bank by the Bank's independent accounting firm. All of the services related to the audit fees, audit-related fees, tax fees and all other fees described above were approved by the Audit and Compliance Committee.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Not applicable.

Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

The corporate governance practices of the Bank and those required by the NYSE for domestic companies in the United States differ in two significant ways:

First, under Section 303A.04 of the NYSE Rules, a listed company must have a nomination/corporate governance committee comprised entirely of independent directors. However, it is common practice among public companies in Panama not to have a corporate governance committee. The Bank addresses all corporate governance matters in plenary meetings of the Board, and the Audit and Compliance Committee has been given the responsibility of improving the Bank's corporate governance practices and monitoring compliance with such practices.

Second, under Section 303A.08 of the NYSE Rules, stockholders must approve all equity compensation plans and material revisions to such plans, subject to limited exceptions. However, under Panamanian law, any contracts, agreements and transactions between the Bank and one or more of its directors or officers, or companies in which they have an interest, only need to be approved by the Board, including equity compensation plans. The Board must inform stockholders of the equity compensation plans and/or material revisions to such plans at the next stockholders' meeting. In addition, stockholders may revoke the Board's approval of the equity compensation plans and/or material revisions to such plans at a meeting, if there is adequate justification and whenever convenient, by invoking the fiduciary duty of the directors that approved such plans and/or revisions.

Item 16H. Mine Safety Disclosure

Not applicable.

PART III

Item 17. Financial Statements

The Bank is providing the financial statements and related information specified in Item 18.

Item 18. Financial Statements

List of Consolidated Financial Statements

Item 19. Exhibits

List of Exhibits

Exhibit 1.1.	Amended and Restated Articles of Incorporation*
Exhibit 1.2.	By-Laws**
Exhibit 8.1.	List of Subsidiaries***
Exhibit 11.1.	Code of Ethics ***
Exhibit 12.1.	Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a – 14(a) and 15d – 14(a)
Exhibit 12.2.	Certification of Principal Financial Officer pursuant to Exchange Act Rules 13a – 14(a) and 15d – 14(a)
Exhibit 13.1.	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002****
Exhibit 13.2.	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002****
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed as an exhibit to the Form 20-F for the fiscal year ended December 31, 2008 filed with the SEC on June 26, 2009.

** Filed as an exhibit to the Form 20-F for the fiscal year ended December 31, 2009 filed with the SEC on June 11, 2010.

*** Filed as an exhibit to the Form 20-F for the fiscal year ended December 31, 2013.

**** Furnished herewith.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

BANCO LATINOAMERICANO DE COMERCIO EXTERIOR, S.A.

/s/Rubens V. Amaral Jr.
Chief Executive Officer

April 25, 2014

EXHIBIT INDEX

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**** Furnished herewith.

Banco Latinoamericano de Comercio Exterior, S. A. and Subsidiaries

With Report of Independent Registered Public Accounting firm

Consolidated Balance Sheets as of December 31, 2013 and 2012, and Related Consolidated Statements of Income, Comprehensive Income, Stockholders' Equity and Redeemable Noncontrolling Interest and Cash Flows for the Three Years in the Period Ended December 31, 2013

Banco Latinoamericano de Comercio Exterior, S. A.
and Subsidiaries

Consolidated Financial Statements 2013, 2012 and 2011

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INDEPENDENT AUDITOR'S REPORT

Deloitte, Inc.
Contadores Públicos Autorizados
Apartado 0816-01558
Panamá, Rep. de Panamá

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Banco Latinoamericano de Comercio Exterior, S.A. and Subsidiaries
Panama, Republic of Panama

We have audited the accompanying consolidated balance sheets of *Banco Latinoamericano de Comercio Exterior, S.A.* and subsidiaries (the "Bank") as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, change in stockholders' equity and redeemable noncontrolling interest, and cash flows for each of the three years in the period ended December 31, 2013. These consolidated financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of *Banco Latinoamericano de Comercio Exterior, S.A.* and subsidiaries as of December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Bank's internal control over financial reporting as of December 31, 2013, based on the criteria established in *Internal Control — Integrated Framework 1992* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated April 25, 2014 expressed an unqualified opinion on the Bank's internal control over financial reporting.

Deloitte.

April 25, 2014
Panama, Republic of Panama

Auditoría. Impuestos. Consultoría. Asesoría Financiera.

A member firm of
Deloitte Touche Tohmatsu

Banco Latinoamericano de Comercio Exterior, S. A. and Subsidiaries

Consolidated balance sheets
December 31, 2013 and 2012
(in US$ thousand, except share amounts)

	Notes	2013	2012
Assets			
Cash and due from banks	4,24	2,161	6,718
Interest-bearing deposits in banks (including pledged deposits of $9,032 in 2013 and $14,519 in 2012)	4,24	837,557	700,312
Trading assets (including pledged securities to creditors of $1,262 in 2012)	5,23,24	-	5,265
Securities available-for-sale (including pledged securities to creditors of $296,811 in 2013 and $152,340 in 2012)	6,24	334,368	183,017
Securities held-to-maturity (fair value of $33,634 in 2013 and $34,149 in 2012) (including pledged securities to creditors of $13,007 in 2013 and $19,453 in 2012)	6,24	33,759	34,113
Investment funds	7,24	118,661	105,888
Loans	8	6,148,298	5,715,556
Less:			
Allowance for loan losses	9	72,751	72,976
Unearned income and deferred fees		6,668	7,100
Loans, net	24	6,068,879	5,635,480
Customers' liabilities under acceptances	24	1,128	1,157
Accrued interest receivable	24	40,727	37,819
Equipment and leasehold improvements (net of accumulated depreciation and amortization of $13,881 in 2013 and $11,688 in 2012)	10	10,466	12,808
Derivative financial instruments used for hedging - receivable	21,23,24	15,217	19,239
Other assets	11	8,389	14,580
Total assets		7,471,312	6,756,396
Liabilities and stockholders' equity			
Deposits:	12,24		
Noninterest-bearing - Demand		663	580
Interest-bearing - Demand		62,384	131,295
Time		2,298,289	2,185,385
Total deposits		2,361,336	2,317,260
Trading liabilities	5,23,24	72	32,304
Securities sold under repurchase agreement	4,6,13,23,24	286,162	158,374
Short-term borrowings and debt	14,24	2,705,365	1,449,023
Acceptances outstanding	24	1,128	1,157
Accrued interest payable	24	13,786	17,943
Long-term borrowings and debt	15,24	1,153,871	1,905,540
Derivative financial instruments used for hedging - payable	5,21,23,24	8,572	11,747
Reserve for losses on off-balance sheet credit risk	9	5,222	4,841
Other liabilities	11	27,947	28,348
Total liabilities		6,563,461	5,926,537
Commitments and contingencies	19,20,21,24,25		
Redeemable noncontrolling interest		49,899	3,384
Stockholders' equity:	16,17,18,22,26		
Class A common stock, no par value, assigned value of $6.67 (Authorized 40,000,000; outstanding 6,342,189)		44,407	44,407
Class B common stock, no par value, assigned value of $6.67 (Authorized 40,000,000; outstanding 2,520,422 in 2013 and 2,531,926 in 2012)		20,683	20,683
Class E common stock, no par value, assigned value of $6.67 (Authorized 100,000,000; outstanding 29,710,556 in 2013 and 29,271,067 in 2012)		214,890	214,890
Additional paid-in capital in excess of assigned value of common stock		118,646	121,419
Capital reserves		95,210	95,210
Retained earnings		458,699	422,048
Accumulated other comprehensive loss	6,21,22	(12,575)	(730)
Treasury stock	16	(82,008)	(91,452)
Total stockholders' equity		857,952	826,475
Total liabilities and stockholders' equity		7,471,312	6,756,396

The accompanying notes are an integral part of these consolidated financial statements.

Banco Latinoamericano de Comercio Exterior, S. A. and Subsidiaries

Consolidated statements of income
Years ended December 31, 2013, 2012 and 2011
(in US$ thousand, except per share amounts)

	Notes	2013	2012	2011
Interest income:	21			
Deposits		1,526	1,876	1,351
Trading assets		-	69	1,758
Investment securities:				
Available-for-sale		7,655	5,675	10,780
Held-to-maturity		842	721	880
Investment funds		2,301	880	2,341
Loans		192,979	183,216	140,317
Total interest income		205,303	192,437	157,427
Interest expense:	21			
Deposits		12,381	12,944	8,818
Investment funds		1,844	109	323
Short-term borrowings and debt		26,944	20,673	15,753
Long-term borrowings and debt		41,042	53,734	29,823
Total interest expense		82,211	87,460	54,717
Net interest income		123,092	104,977	102,710
Reversal of provision (provision) for loan losses	9	1,598	8,343	(8,841)
Net interest income, after reversal of provision (provision) for loan losses		124,690	113,320	93,869
Other income (expense):				
Reversal of provision (provision) for losses on off-balance sheet credit risk	9	(381)	4,046	4,448
Fees and commissions, net		13,669	10,021	10,619
Derivative financial instruments and hedging	21	353	71	2,923
Recoveries, net of impairment of assets		108	-	(57)
Net gain (loss) from investment funds trading		(6,702)	7,011	20,314
Net gain (loss) from trading securities		3,221	11,234	(6,494)
Net gain on sale of securities available-for-sale	6	1,522	6,030	3,413
Net gain (loss) on foreign currency exchange		(3,834)	(10,525)	4,269
Gain on sale of premises and equipment	10	-	5,626	-
Other income, net		2,232	2,986	1,059
Net other income		10,188	36,500	40,494
Operating expenses:				
Salaries and other employee expenses		31,702	33,171	27,825
Depreciation and amortization of equipment and leasehold improvements		2,747	2,269	2,139
Professional services		4,010	4,053	4,151
Maintenance and repairs		1,529	1,936	1,634
Expenses from investment funds		2,589	2,953	4,372
Other operating expenses		11,729	11,432	9,966
Total operating expenses		54,306	55,814	50,087
Net income from continuing operations		80,572	94,006	84,276
Net loss from discontinued operations	3	(4)	(681)	(420)
Net income		80,568	93,325	83,856
Net income (loss) attributable to the redeemable noncontrolling interest		(4,185)	293	676
Net income attributable to Bladex stockholders		84,753	93,032	83,180
Amounts attributable to Bladex stockholders:				
Net income from continuing operations		84,757	93,713	83,600
Net loss from discontinued operations		(4)	(681)	(420)
		84,753	93,032	83,180
Earning per share from continuing operations:				
Basic	18	2.21	2.48	2.26
Diluted	18	2.20	2.47	2.25
Loss per share from discontinued operations:				
Basic	18	0.00	(0.02)	(0.01)
Diluted	18	0.00	(0.02)	(0.01)
Earning per share:				
Basic	18	2.21	2.46	2.25
Diluted	18	2.20	2.45	2.24
Weighted average basic shares	18	38,406	37,824	36,969
Weighted average diluted shares	18	38,533	37,938	37,145

The accompanying notes are an integral part of these consolidated financial statements.

Banco Latinoamericano de Comercio Exterior, S. A. and Subsidiaries

Consolidated statements of comprehensive income
Years ended December 31, 2013, 2012 and 2011
(in US$ thousand)

	Notes	2013	2012	2011
Net income		80,568	93,325	83,856
Other comprehensive income (loss):				
Unrealized gains (losses) on securities available-for-sale:				
Unrealized gains (losses) arising from the year	22	(9,640)	8,436	4,095
Less: reclassification adjustments for net gains included in net income	22	(1,487)	(5,775)	(2,079)
Net change in unrealized gains (losses) on securities available for sale		(11,127)	2,661	2,016
Unrealized gains (losses) on derivative financial instruments:				
Unrealized gains (losses) arising from the year	22	(2,302)	5,699	1,097
Less: reclassification adjustments for net (gains) losses included in net income	22	1,985	(5,427)	960
Net change in unrealized gains (losses) on derivative financial instruments		(317)	272	2,057
Foreign currency translation adjustment, net of hedges:				
Current year change		(330)	(735)	(744)
Reclassification adjustments for net losses included in net income		24	-	-
Net change in foreign currency translation adjustment		(306)	(735)	(744)
Other comprehensive income (loss)		(11,750)	2,198	3,329
Comprehensive income		68,818	95,523	87,185
Comprehensive income (loss) attributable to the redeemable noncontrolling interest		(4,090)	109	676
Comprehensive income attributable to Bladex stockholders		72,908	95,414	86,509

The accompanying notes are an integral part of these consolidated financial statements.

Banco Latinoamericano de Comercio Exterior, S. A. and Subsidiaries

Consolidated statements of changes in stockholders' equity and redeemable noncontrolling interest
Years ended December 31, 2013, 2012 and 2011
(in US$ thousand)

	Stockholders' equity							
	Common stock	Additional paid-in capital in excess of assigned value of common stock	Capital reserves	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total stockholders' equity	Redeemable noncontrolling interest
Balances at January 1, 2011	279,980	133,815	95,210	320,153	(6,441)	(125,667)	697,050	18,950
Net income	-	-	-	83,180	-	-	83,180	676
Redeemable noncontrolling interest - subscriptions	-	-	-	-	-	-	-	531
Redeemable noncontrolling interest - redemptions	-	-	-	-	-	-	-	(14,610)
Other comprehensive income	-	-	-	-	3,329	-	3,329	-
Compensation cost - stock options and stock units plans	-	2,311	-	-	-	-	2,311	-
Issuance of restricted shares	-	(609)	-	-	-	609	-	-
Exercised options and stock units vested	-	(5,340)	-	-	-	9,441	4,101	-
Dividends declared	-	-	-	(30,689)	-	-	(30,689)	-
Balances at December 31, 2011	279,980	130,177	95,210	372,644	(3,112)	(115,617)	759,282	5,547
Net income	-	-	-	93,032	-	-	93,032	293
Redeemable noncontrolling interest - subscriptions	-	-	-	-	-	-	-	1,773
Redeemable noncontrolling interest - redemptions	-	-	-	-	-	-	-	(4,045)
Other comprehensive income (loss)	-	-	-	-	2,382	-	2,382	(184)
Compensation cost - stock options and stock units plans	-	2,271	-	-	-	-	2,271	-
Issuance of restricted shares	-	(771)	-	-	-	771	-	-
Exercised options and stock units vested	-	(10,258)	-	-	-	23,394	13,136	-
Dividends declared	-	-	-	(43,628)	-	-	(43,628)	-
Balances at December 31, 2012	279,980	121,419	95,210	422,048	(730)	(91,452)	826,475	3,384
Effect of deconsolidating a variable interest entity ("VIE")	-	-	-	-	-	-	-	(565)
Net income (loss)	-	-	-	84,753	-	-	84,753	(4,185)
Redeemable noncontrolling interest - subscriptions	-	-	-	-	-	-	-	53,000
Redeemable noncontrolling interest - redemptions	-	-	-	-	-	-	-	(1,830)
Other comprehensive income (loss)	-	-	-	-	(11,845)	-	(11,845)	95
Compensation cost - stock options and stock units plans	-	2,996	-	-	-	-	2,996	-
Issuance of restricted shares	-	(629)	-	-	-	629	-	-
Exercised options and stock units vested	-	(5,140)	-	-	-	8,842	3,702	-
Repurchase of "Class E" common stock	-	-	-	-	-	(27)	(27)	-
Dividends declared	-	-	-	(48,102)	-	-	(48,102)	-
Balances at December 31, 2013	279,980	118,646	95,210	458,699	(12,575)	(82,008)	857,952	49,899

The accompanying notes are an integral part of these consolidated financial statements.

Banco Latinoamericano de Comercio Exterior, S. A. and Subsidiaries

Consolidated statements of cash flows
Years ended December 31, 2013, 2012 and 2011
(in US$ thousand)

	2013	2012	2011
Cash flows from operating activities:			
Net income	80,568	93,325	83,856
Adjustments to reconcile net income to net cash provided by operating activities:			
Activities of derivative financial instruments and hedging	8,126	(47,678)	17,177
Depreciation and amortization of equipment and leasehold improvements	2,747	2,269	2,139
Provision (reversal of provision) for loan losses	(1,598)	(8,343)	8,841
Provision (reversal of provision) for losses on off-balance sheet credit risk	381	(4,046)	(4,448)
Impairment loss on assets	-	-	57
Net gain on sale of securities available-for-sale	(1,522)	(6,030)	(3,413)
Gain on sale of premises and equipment	-	(5,626)	-
Compensation cost - compensation plans	2,996	2,271	2,311
Amortization of premium and discounts on investments	5,015	3,075	6,912
Net decrease (increase) in operating assets:			
Trading assets	281	14,338	29,766
Investment funds	(7,174)	14,537	46,866
Accrued interest receivable	(2,908)	349	(7,058)
Other assets	6,169	3,786	(7,498)
Net increase (decrease) in operating liabilities:			
Trading liabilities	(32,232)	26,720	1,647
Accrued interest payable	(4,157)	6,153	1,706
Other liabilities	(2,230)	2,250	1,126
Net change from discontinued operating activities	92	(256)	200
Net cash provided by operating activities	54,554	97,094	180,187
Cash flows from investing activities:			
Effect on cash of desconsolidating a VIE	(2,135)	-	-
Net decrease (increase) in pledged deposits	5,487	9,475	(7,919)
Net decrease (increase) in deposits with original maturities greater than three months	-	30,000	(30,000)
Net increase in loans	(521,333)	(909,019)	(901,103)
Proceeds from the sale of loans	89,532	146,211	9,261
Acquisition of equipment and leasehold improvements	(476)	(10,823)	(2,220)
Proceeds from the sale of premises and equipment	-	8,023	-
Proceeds from the redemption of securities available-for-sale	34,277	15,277	19,484
Proceeds from the sale of securities available-for-sale	105,942	254,772	264,997
Proceeds from maturities of securities held-to-maturity	19,910	7,050	13,500
Purchases of investments available-for-sale	(313,036)	(39,982)	(364,993)
Purchases of investments held-to-maturity	(19,843)	(14,811)	(7,050)
Net change from discontinued investing activities	63	(3)	(88)
Net cash used in investing activities	(601,612)	(503,830)	(1,006,131)
Cash flows from financing activities:			
Net increase in due to depositors	43,845	13,754	482,581
Net increase (decrease) in short-term borrowings and debt and securities sold under repurchase agreements	1,384,130	(93,071)	340,141
Proceeds from long-term borrowings and debt	273,270	817,827	824,139
Repayments of long-term borrowings and debt	(1,024,939)	(399,835)	(411,731)
Dividends paid	(46,025)	(39,714)	(29,505)
Subscriptions of redeemable noncontrolling interest	53,000	1,773	531
Redemptions of redeemable noncontrolling interest	(1,830)	(4,045)	(14,610)
Exercised stock options	3,702	13,136	4,101
Repurchase of common stock	(27)	-	-
Net change from discontinued financing activities	27	-	-
Net cash provided by financing activities	685,153	309,825	1,195,647
Effect of exchange rate fluctuations on cash and cash equivalents	80	(68)	(852)
Net Increase (decrease) in cash and cash equivalents	138,175	(96,979)	368,851
Cash and cash equivalents at beginning of the year	692,511	789,490	420,639
Cash and cash equivalents at end of the year	830,686	692,511	789,490
Supplemental disclosures of cash flow information:			
Cash paid during the year for interest	86,368	81,307	54,717

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization

Banco Latinoamericano de Comercio Exterior, S. A. ("Bladex Head Office" and together with its subsidiaries "Bladex" or the "Bank"), headquartered in Panama City, Republic of Panama, is a specialized supranational bank established to support the financing of trade and economic integration in Latin America and the Caribbean (the "Region"). The Bank was established pursuant to a May 1975 proposal presented to the Assembly of Governors of Central Banks in the Region, which recommended the creation of a multinational organization to increase the foreign trade financing capacity of the Region. The Bank was organized in 1977, incorporated in 1978 as a corporation pursuant to the laws of the Republic of Panama, and officially initiated operations on January 2, 1979. Under a contract signed in 1978 between the Republic of Panama and Bladex, the Bank was granted certain privileges by the Republic of Panama, including an exemption from payment of income taxes in Panama.

The Bank operates under a general banking license issued by the National Banking Commission of Panama, predecessor of the Superintendency of Banks of Panama (the "SBP").

In the Republic of Panama, banks are regulated by the SBP through Executive Decree No. 52 of April 30, 2008, which adopts the text of the Law Decree No. 9 of February 26, 1998, modified by the Law Decree No. 2 of February 22, 2008. Banks are also regulated by resolutions and agreements issued by this entity. The main aspects of this law and its regulations include: the authorization of banking licenses, minimum capital and liquidity requirements, consolidated supervision, procedures for management of credit and market risks, measures to prevent money laundering, the financing of terrorism and related illicit activities, and procedures for banking intervention and liquidation, among others.

Bladex Head Office's subsidiaries are the following:

- Bladex Holdings Inc. is a wholly owned subsidiary, incorporated under the laws of the State of Delaware, United States of America (USA), on May 30, 2000. Bladex Holdings Inc. exercised control over Bladex Asset Management Inc., incorporated on May 24, 2006, under the laws of the State of Delaware, USA, which, until its dissolution, provided investment management services to Bladex Offshore Feeder Fund and Bladex Capital Growth Fund (see Note 7). On September 8, 2009, Bladex Asset Management Inc. was registered as a foreign entity in the Republic of Panama, to establish a branch in Panama, which was mainly engaged in providing administrative and operating services to Bladex Asset Management Inc. in USA. Bladex Asset Management Inc. was dissolved, in the Republic of Panama on July 5, 2013 and, in the USA on September 18, 2013, and their net assets were transferred to the Head Office. Bladex Holdings Inc. maintains ownership in two companies: Bladex Representacao Ltda. and Bladex Investimentos Ltda.

- Bladex Offshore Feeder Fund was incorporated on February 21, 2006 under the laws of the Cayman Islands, and invested substantially all its assets in Bladex Capital Growth Fund, which was also incorporated under the laws of the Cayman Islands.

- Bladex Representacao Ltda., incorporated under the laws of Brazil on January 7, 2000, acts as the Bank's representative office in Brazil. Bladex Representacao Ltda. is 99.999% owned by Bladex Head Office and the remaining 0.001% owned by Bladex Holdings Inc.

- Bladex Investimentos Ltda. was incorporated under the laws of Brazil on May 3, 2011. Bladex Head Office owns 99% of Bladex Investimentos Ltda. and Bladex Holdings Inc. owns the remaining 1%. This company has invested substantially all its assets in an investment fund incorporated in Brazil ("the Brazilian Fund"), registered with the Brazilian Securities Commission ("CVM", for its acronym in Portuguese). The Brazilian Fund is a non-consolidating variable interest entity (see Note 7).

  The objective of the Brazilian Fund is to achieve capital gains by dealing in the interest, currency, securities, commodities and debt markets, and by trading instruments available in the spot and derivative markets.

- BLX Brazil Ltd., was incorporated under the laws of the Cayman Islands on October 5, 2010. Bladex Head Office owned 99.80% of BLX Brazil Ltd. In turn, BLX Brazil Ltd. owned 99.9999% of Bladex Asset Management Brazil – Gestora de Recursos Ltda. and Bladex Asset Management Inc. owned the remaining 0.0001%. Bladex Asset Management Brazil – Gestora de Recursos Ltda. was incorporated under the laws of Brazil on January 6, 2011, and provided investment advisory services to Bladex Latam Fundo de Investimento Multimercado. BLX Brazil Ltd. and Bladex Asset Management Brazil – Gestora de Recursos, Ltda. were sold as part of the sale of the asset management unit (see Note 7).

Bladex Head Office has a participation of 55.87% in Alpha4X Feeder Fund (formerly Bladex Offshore Feeder Fund), a fund constituted under the laws of the Cayman Islands, that invests substantially all its assets in Alpha4X Capital Growth Fund (formerly Bladex Capital Growth Fund), which is also incorporated under the laws of the Cayman Islands (see Note 7). Alpha4X Feeder Fund is a variable interest entity (“VIE”), and has been consolidated in these consolidated financial statements. Both funds, Alpha4X Feeder Fund and Alpha4X Capital Growth Fund are registered with the Cayman Island Monetary Authority (“CIMA”), under the Mutual Funds Law of the Cayman Islands. The objective of these Funds is to achieve capital appreciation by investing in Latin American debt securities, stock indexes, currencies, and trading derivative instruments.

Bladex Head Office has an agency in New York City, USA (the “New York Agency”), which began operations on March 27, 1989. The New York Agency is principally engaged in financing transactions related to international trade, mostly the confirmation and financing of letters of credit for customers of the Region. The New York Agency is also licensed by the State of New York Banking Department, USA, to operate an International Banking Facility (“IBF”).

The Bank has representative offices in Buenos Aires, Argentina; in Mexico City, D.F. and Monterrey, Mexico; in Porto Alegre, Brazil; in Lima, Peru; in Bogota, Colombia; and an international administrative office in Miami, Florida, USA.

Bladex Head Office owned 50% of the equity shares of BCG PA LLC, a company incorporated under the laws of the State of Delaware, USA. This company owned “Class C” shares of Bladex Capital Growth Fund, which were sold as part of the sale of the asset management unit (see Note 7). The “Class C” shares entitled this company to receive a performance allocation on third-party investments in Bladex Offshore Feeder Fund and in Bladex Capital Growth Fund. This company was dissolved on August 14, 2013 and its net assets were transferred to its investors.

2. Summary of significant accounting policies

a) Basis of presentation

These consolidated financial statements have been prepared under accounting principles generally accepted in the United States of America (“U.S. GAAP”). All amounts presented in the consolidated financial statements and notes are expressed in dollars of the United Stated of America (“US$”), which is the Bank’s functional currency. The accompanying consolidated financial statements have been translated from Spanish to English for users outside of the Republic of Panama.

The Accounting Standards Codification (the “ASC”) issued by the Financial Accounting Standards Board (the “FASB”) constitute the single official source of authoritative, non-governmental GAAP, other than guidance issued by the Securities and Exchange Commission (“SEC”). All other literature is considered non-authoritative.

b) Principles of consolidation

The consolidated financial statements include the accounts of Bladex Head Office and its subsidiaries. Bladex Head Office consolidates its subsidiaries in which it holds a controlling financial interest. The usual condition for a controlling financial interest is ownership of a majority voting interest. All intercompany balances and transactions have been eliminated for consolidation purposes.

When Bladex holds an interest in investment companies under the “Feeder-Master” structure where the Feeder’s shareholding is diluted and such entity is registered as a mutual fund with a regulatory body, it is considered an investment company. In those cases, the Feeder, and thereby Bladex indirectly, consolidates its participation in the Fund in one line item in the balance sheet, as required by the specialized accounting in the ASC Topic 946 - Financial Services – Investment Companies.

c) Variable interest entities

Variable interest entities (“VIE”) are entities that have either a total equity investment that is insufficient to permit the entity to finance its activities without additional subordinated financial support, or whose equity investors lack the characteristics of a controlling financial interest. Investors that finance the VIE through debt or equity interests or other counterparties that provide other forms of support, such as guarantees, or certain types of derivative contracts, are variable interest holders in the entity.

The variable interest holder, if any, that has a controlling financial interest in a VIE is deemed to be the primary beneficiary and must consolidate the VIE. The Bank would be deemed to have a controlling financial interest and be the primary beneficiary if it has both of the following characteristics:

- power to direct the activities of a VIE that most significantly impact the entity’s economic performance; and
- obligation to absorb losses of the entity that could potentially be significant to the VIE or right to receive benefits from the entity that could potentially be significant to the VIE.

d) Equity method

Investments in companies in which Bladex Head Office exercises significant influence, but not control over its financial and operating policies, and holds an equity participation of at least 20% but not more than 50%, are initially accounted for at cost, which is subsequently adjusted to record the participation of the investment in gains (losses) of the investee after the acquisition date.

e) Specialized accounting for investment companies

Alpha4X Feeder Fund ("Feeder") and Alpha4X Capital Growth Fund ("Master") are organized under a "Feeder-Master" structure. Under this structure, the Feeder invests all its assets in the Master which in turn invests in various assets on behalf of its investor. Specialized accounting for investment companies requires the Feeder to reflect its investment in the Master in a single line item equal to its proportionate share of the net assets of the Master, regardless of the level of Feeder's interest in the Master. The Feeder records the Master's results by accounting for its participation in the net interest income and expenses of the Master, as well as its participation in the realized and unrealized gains or losses of the Master (see Note 7).

As permitted by ASC Topic 810-10-25-15 – Consolidation, when Bladex consolidates its investment in the Feeder, it retains the specialized accounting for investment companies applied by the Feeder in the Master, reporting it within the "Investment funds" line item in the consolidated balance sheet, and presenting the third party investments in the Feeder in the "Redeemable noncontrolling interest" line item between liabilities and stockholders' equity. The Bank reports the Feeder's proportionate participation in the interest income and expense from the Master in the Investment funds line item within interest income and expense, realized and unrealized gains and losses in the "Net gain (loss) from investment fund trading" line item, and expenses from the Master are reported in "Expenses from the investment funds" line item in the consolidated statements of income.

f) Use of estimates

The preparation of the consolidated financial statements requires Management to make estimates and use assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Material estimates that are particularly susceptible to significant changes relate to the determination of the allowances for credit losses, impairment of securities available-for-sale and held-to-maturity, and the fair value of financial instruments. Actual results could differ from those estimates. Management believes these estimates are adequate.

g) Cash equivalents

Cash equivalents include demand deposits in banks and interest-bearing deposits in banks with original maturities of three months or less, excluding pledged deposits.

h) Repurchase agreements

Repurchase agreements are generally treated as collateralized financing transactions. When the criteria set forth in the following paragraph are met to account for the transaction as secured financing, the transaction is recorded at the amounts at which the securities will be subsequently reacquired including interest paid, as specified in the respective agreements. Interest is recognized in the consolidated statement of income over the life of the transaction. The fair value of securities to be repurchased is continuously monitored, and additional collateral is obtained or provided where appropriate, to protect against credit exposure.

The Bank's policy is to relinquish possession of the securities sold under agreements to repurchase. Despite such relinquishment of possession, repurchase agreements qualify as secured financings if and only if all of the following conditions are met: the repurchase agreement must grant the transferor the right and obligation to repurchase or redeem the transferred financial assets; the assets to be repurchased are the same or substantially the same as those transferred; the agreement is to repurchase or redeem them before maturity, at a fixed and determinable price; and the agreement is entered into concurrently at the transfer date.

When repurchase agreements do not meet the above-noted conditions, they qualify as sales of securities, for which the related security is removed from the balance sheet and a forward purchase agreement is recognized for the obligation to repurchase the security. Changes in fair value of the forward purchase agreement as well as any gain or loss resulting from the sale of securities under repurchase agreements are reported in earnings of the period within net gain (loss) from trading securities.

i) Trading assets and liabilities

Trading assets and liabilities include bonds acquired for trading purposes, and receivables (unrealized gains) and payables (unrealized losses) related to derivative financial instruments which are not designated as hedges or which do not qualify for hedge accounting.

Trading assets and liabilities are carried at fair value. Unrealized and realized gains and losses on trading assets and liabilities are recorded in earnings as net gain (loss) from trading securities.

j) Investment securities

Securities are classified at the date of purchase based on the ability and intent to sell or hold them as investments. These securities consist of debt securities such as: negotiable commercial paper, bonds and floating rate notes.

Interest on securities is recognized based on the interest method. Amortization of premiums and discounts are included in interest income as an adjustment to the yield.

Securities available-for-sale

These securities consist of debt instruments not classified as either trading securities or as held-to-maturity securities, and are subject to the same approval criteria as the rest of the credit portfolio. These securities are carried at fair value. Unrealized gains and losses are reported as net increases or decreases to other comprehensive income (loss) (OCI) in stockholders' equity until they are realized. Realized gains and losses from the sale of securities which are included in net gain on sale of securities are determined using the specific identification method.

Securities held-to-maturity

Securities classified as held-to-maturity represent securities that the Bank has the ability and the intent to hold until maturity. These securities are carried at amortized cost and are subject to the same approval criteria as the rest of the credit portfolio.

Impairment of securities

The Bank conducts periodic reviews of all securities with unrealized losses to evaluate whether the impairment is other-than-temporary. Impairment of securities is evaluated considering numerous factors, and their relative significance varies case by case. Factors considered in determining whether unrealized losses are temporary include: the length of time and extent to which the fair value has been less than cost, the severity of the impairment, the cause of the impairment and the financial condition of the issuer, activity in the market of the issuer which may indicate adverse credit conditions, the intent and ability of the Bank to retain the security for a sufficient period of time to allow of an anticipated recovery in the fair value (with respect to equity securities) and the intent and probability of the Bank to sell the security before the recovery of its amortized cost (with respect to debt securities). If, based on the analysis, it is determined that the impairment is other-than-temporary, the security is written down to its fair value, and a loss is recognized through earnings as impairment loss on assets.

In cases where the Bank does not intend to sell a debt security and estimates that it will not be required to sell the security before the recovery of its amortized cost basis, the Bank periodically estimates if it will recover the amortized cost of the security through the present value of expected cash flows. If the present value of expected cash flows is less than the amortized cost of the security, it is determined that an other-than-temporary impairment has occurred. The amount of this impairment representing credit loss is recognized through earnings and the residual of the other-than-temporary impairment related to non-credit factors is recognized in other comprehensive income (loss).

In periods subsequent to the recognition of the other-than-temporary impairment, the difference between the new amortized cost and the expected cash flows to be collected is accreted as interest income. The present value of the expected cash flows is estimated over the life of the debt security.

The other-than-temporary impairment of securities held-to-maturity that has been recognized in other comprehensive income (loss) is accreted to the amortized cost of the debt security prospectively over its remaining life.

Interest accrual is suspended on securities that are in default, or on which it is likely that future interest payments will not be received as scheduled.

k) Investment Funds

The investment funds line includes the net asset value of the Feeder and the net value of Bladex investment in the Brazilian Fund. The Feeder records its investment in the Master at fair value, which is the Feeder’s proportionate interest in the net assets of the Master. The Master invests in trading assets and liabilities that are carried at fair value. The Master reports trading gains and losses from negotiation of these instruments as realized and unrealized gains and losses on investments (see Note 7).

l) Other investments

Other investments that mainly consist of unlisted stock are recorded at cost and are included in other assets. The Bank determined that it is not practicable to obtain the fair value of these investments, as these shares are not traded in a secondary market. Performance of these investments is evaluated periodically and any impairment that is determined to be other-than-temporary is charged to earnings as impairment on assets (see Note 11).

m) Loans

Loans are reported at their amortized cost considering the principal outstanding amounts net of unearned income, deferred fees and allowance for loan losses. Interest income is recognized using the interest method. The amortization of net unearned income and deferred fees are recognized as an adjustment to the related loan yield using the effective interest method.

Purchased loans are recorded at acquisition cost. The difference between the principal and the acquisition cost of loans, the premiums and discounts, is amortized over the life of the loan as an adjustment to the yield. All other costs related to acquisition of loans are expensed when incurred.

The Bank identifies loans as delinquent when no debt service and/or interest payment has been received for 30 days after such payments were due. The outstanding balance of a loan is considered past due when the total principal balance with one single balloon payment has not been received within 30 days after such payment was due, or when no agreed-upon periodical payment has been received for a period of 90 days after the agreed-upon date.

Loans are placed in a non-accrual status when interest or principal is overdue for 90 days or more, or before if the Bank's Management believes there is an uncertainty with respect to the ultimate collection of principal or interest. Any interest receivable on non-accruing loans is reversed and charged-off against earnings. Interest on these loans is only recorded as earned when collected. Non-accruing loans are returned to an accrual status when (1) all contractual principal and interest amounts are current; (2) there is a sustained period of repayment performance in accordance with the contractual terms of at least six months; and (3) if in the Bank Management's opinion the loan is fully collectible.

A modified loan is considered a troubled debt restructuring when the debtor is experiencing financial difficulties and if the restructuring constitutes a concession to the debtor. A concession may include modification of terms such as an extension of maturity date, reduction in the stated interest rate, rescheduling of future cash flows, and reduction in the face amount of the debt or reduction of accrued interest, among others. Marketable securities received in exchange for loans under troubled debt restructurings are initially recorded at fair value, with any gain or loss recorded as a recovery or charge to the allowance, and are subsequently accounted for as securities available-for-sale.

A loan is considered impaired, and also placed on a non-accrual basis, when based on current information and events, it is probable that the Bank will be unable to collect all amounts due according to original contractual terms of the loan agreement. Factors considered by the Bank's Management in determining impairment include collection status, collateral value, and economic conditions in the borrower's country of residence. Impaired loans also include those modified loans considered troubled debt restructurings. When current events or available information confirm that specific impaired loans or portions thereof are uncollectible, such impaired loans are charged-off against the allowance for loan losses.

The reserve for losses on impaired loans is determined considering all available evidence, including the present value of expected future cash flows discounted at the loan's original contractual interest rate and/or the fair value of the collateral, if applicable. If the loan's repayment is dependent on the sale of the collateral, the fair value considers costs to sell.

The Bank maintains a system of internal credit quality indicators. These indicators are assigned depending on several factors which include: profitability, quality of assets, liquidity and cash flows, capitalization and indebtedness, economic environment and positioning, regulatory framework and/or industry, sensitivity scenarios and the quality of debtor's management and shareholders. A description of these indicators is as follows:

Rating	Classification	Description
1 to 6	Normal	Clients with payment ability to satisfy their financial commitments.
7	Special Mention	Clients exposed to systemic risks specific to the country or the industry in which they are located, facing adverse situations in their operation or financial condition. At this level, access to new funding is uncertain.
8	Substandard	Clients whose primary source of payment (operating cash flow) is inadequate and who show evidence of deterioration in their working capital that does not allow them to satisfy payments on the agreed terms, endangering recovery of unpaid balances.
9	Doubtful	Clients whose operating cash flow continuously shows insufficiency to service the debt on the originally agreed terms. Due to the fact that the debtor presents an impaired financial and economic situation, the likelihood of recovery is low.
10	Unrecoverable	Clients with operating cash flow that does not cover their costs, are in suspension of payments, presumably they will also have difficulties to fulfill possible restructuring agreements, are in a state of insolvency, or have filed for bankruptcy, among others.

In order to maintain a periodical monitoring of the quality of the portfolio, loans with ratings between 1 and 4 are reviewed every 18 months, ratings 5 are reviewed annually, ratings 6 are reviewed semi-annually, and those with ratings above 6 are reviewed quarterly.

The Bank's lending portfolio is summarized in the following segments: corporations, sovereign, middle-market companies and banking and financial institutions. The distinction between corporations and middle-market companies depends on the client's level of annual sales in relation to the country risk, among other criteria. Except for the sovereign segment, segments are broken down into state-owned and private.

The Bank's lending policy is applicable to all classes of loans.

n) Transfer of financial assets

Transfers of financial assets, primarily loans, are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when: (1) the assets have been isolated from the Bank even in bankruptcy or other receivership; (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets; and (3) the Bank does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity or does not have the right to cause the assets to be returned. Upon completion of a transfer of assets that satisfies the conditions described above to be accounted for as a sale, the Bank recognizes the assets as sold and records in earnings any gain or loss on the sale. The Bank may retain interest in loans sold in the form of servicing rights. Gains or losses on sale of loans depend in part on the carrying amount of the financial instrument involved in the transfer, and its fair value at the date of transfer.

o) Allowance for credit losses

The allowance for credit losses is provided for losses derived from the credit extension process, inherent in the loan portfolio and off-balance sheet financial instruments, using the reserve method of providing for credit losses. Additions to the allowance for credit losses are made by debiting earnings. Credit losses are deducted from the allowance, and subsequent recoveries are added. The allowance is also decreased by reversals of the allowance back to earnings. The allowance attributable to loans is reported as a deduction of loans and the allowance for off-balance sheet credit risk, such as, letters of credit and guarantees, is reported as a liability.

The allowance for possible credit losses includes an asset-specific component and a formula-based component. The asset-specific component, or specific allowance, relates to the provision for losses on credits considered impaired and measured individually case-by-case. A specific allowance is established when the discounted cash flows (or observable fair value of collateral) of the credit is lower than the carrying value of that credit. The formula-based component, or generic allowance, covers the Bank's performing credit portfolio and is established based in a process that estimates the probable loss inherent in the portfolio, based on statistical analysis and management's qualitative judgment. The statistical calculation is a product of internal risk classifications, probabilities of default and loss given default. The probability of default is supported by Bladex's historical portfolio performance, complemented by probabilities of default provided by external sources, in view of the greater robustness of this external data for some cases. The loss given default is based on Bladex's historical losses experience and best practices. The reserve balances, for both on and off-balance sheet credit exposures, are calculated applying the following formula:

Reserves = $\sum(E \times PD \times LGD)$; where:

- Exposure (E) = the total accounting balance (on and off-balance sheet) at the end of the period under review.
- Probabilities of Default (PD) = one-year probability of default applied to the portfolio. Default rates are based on Bladex's historical portfolio performance per rating category, complemented by Standard & Poor's ("S&P") probabilities of default for categories 6, 7 and 8, in view of the greater robustness of S&P data for such cases.

- Loss Given Default (LGD) = a factor is utilized, based on historical information, same as based on best practices in the banking industry. Management applies judgment and historical loss experience.

Management can also apply complementary judgment to capture elements of prospective nature or loss expectations based on risks identified in the environment that are not necessarily reflected in the historical data.

The allowance policy is applicable to all classes of loans and off-balance sheet financial instruments of the Bank.

p) Fees and commissions

Loan origination fees, net of direct loan origination costs, are deferred, and the net amount is recognized as revenue over the contractual term of the loans as an adjustment to the yield. These net fees are not recognized as revenue during periods in which interest income on loans is suspended because of concerns about the realization of loan principal or interest. Underwriting fees are recognized as revenue when the Bank has rendered all services to the issuer and is entitled to collect the fee from the issuer, when there are no contingencies related to the fee. Underwriting fees are recognized net of syndicate expenses. In addition, the Bank recognizes credit arrangement and syndication fees as revenue after satisfying certain retention, timing and yield criteria. Fees received in connection with a modification of terms of a troubled debt restructuring are applied as a reduction of the recorded investment in the loan. Fees earned on letters of credit, guarantees and other commitments are amortized using the straight-line method over the life of such instruments.

q) Equipment and leasehold improvements

Equipment and leasehold improvements, including the electronic data processing equipment, are carried at cost less accumulated depreciation and amortization. Depreciation and amortization are charged to operations using the straight-line method, over the estimated useful life of the related asset. The estimated original useful life for furniture and equipment is 3 to 5 years and for improvements is 3 to 15 years.

The Bank defers the cost of internal-use software that has a useful life in excess of one year in accordance with ASC Topic 350-40 - Intangibles – Goodwill and Other – Internal-Use Software. These costs consist of payments made to third parties related to the use of licenses and installation of both, software and hardware. Subsequent additions, modifications or upgrades to internal-use software are capitalized only to the extent that they allow the software to perform a task it previously did not perform. Software maintenance and training costs are expensed in the period in which they are incurred. Capitalized internal use software costs are amortized using the straight-line method over their estimated useful lives, generally consisting of 5 years.

r) Borrowings and debt

Short and long-term borrowings and debt are accounted for at amortized cost.

s) Capital reserves

Capital reserves are established as a segregation of retained earnings and are, as such, a form of retained earnings. Even though the constitution of capital reserves is not required by the SBP, their reductions require the approval of the Bank's Board of Directors and the SBP.

t) Stock-based compensation and stock options plans

The Bank applies ASC Topic 718 – Compensation - Stock Compensation to account for compensation costs on restricted stock and stock option plans. Compensation cost is based on the grant date fair value of both stock and options and is recognized over the requisite service period of the employee, using the straight-line method. The fair value of each option is estimated at the grant date using a binomial option-pricing model.

When options and stock are exercised, the Bank's policy is to reissue shares from treasury stock.

u) Derivative financial instruments and hedge accounting

The Bank uses derivative financial instruments for its management of interest rate and foreign exchange risks. Interest rate swap contracts, cross-currency swap contracts and forward foreign exchange contracts have been used to manage interest rate and foreign exchange risks associated with debt securities and borrowings with fixed and floating rates, and loans and borrowings in foreign currency. These contracts can be classified as fair value and cash flow hedges. In addition, forward foreign exchange contracts are used to hedge exposures to changes in foreign currency in subsidiary companies with functional currencies other than US dollar. These contracts are classified as net investment hedges.

The accounting for changes in value of a derivative depends on whether the contract is for trading purposes or has been designated and qualifies for hedge accounting.

Derivatives held for trading purposes include interest rate swap, cross-currency swap, forward foreign exchange and future contracts used for risk management purposes that do not qualify for hedge accounting. The fair value of trading derivatives is reported as trading assets or trading liabilities, as applicable. Changes in realized and unrealized gains and losses and interest from these trading instruments are included in net gain (loss) from trading securities.

Derivatives for hedging purposes primarily include forward foreign exchange contracts and interest rate swap contracts in US dollars and cross-currency swaps. Derivative contracts designated and qualifying for hedge accounting are reported in the consolidated balance sheet as derivative financial instruments used for hedging - receivable and payable, as applicable, and hedge accounting is applied. In order to qualify for hedge accounting, a derivative must be considered highly effective at reducing the risk associated with the exposure being hedged. Each derivative must be designated as a hedge, with documentation of the risk management objective and strategy, including identification of the hedging instrument, the hedged item and the risk exposure, as well as how effectiveness will be assessed prospectively and retrospectively. The extent to which a hedging instrument is effective at achieving offsetting changes in fair value or cash flows must be assessed at least quarterly. Any ineffectiveness must be reported in current-period earnings.

The Bank discontinues hedge accounting prospectively in the following situations:

1. It is determined that the derivative is no longer effective in offsetting changes in the fair value or cash flows of a hedged item.
2. The derivative expires or is sold, terminated or exercised.
3. The Bank otherwise determines that designation of the derivative as a hedging instrument is no longer appropriate.

The Bank carries all derivative financial instruments in the consolidated balance sheet at fair value. For qualifying fair value hedges, all changes in the fair value of the derivative and the fair value of the item for the risk being hedged are recognized in earnings. If the hedge relationship is terminated, then the fair value adjustment to the hedged item continues to be reported as part of the basis of the item and is amortized to earnings as a yield adjustment. The Bank applies the shortcut method of hedge accounting that does not recognize ineffectiveness in hedges of interest rate swap that meet the requirements of ASC Topic 815-20-25-104. For qualifying cash flow hedges and net investment hedges, the effective portion of the change in the fair value of the derivative is recorded in OCI and recognized in the consolidated statement of income when the hedged cash flows affect earnings. The ineffective portion is recognized in the consolidated statement of income as activities of derivative financial instruments and hedging. If the cash flow hedge relationship is terminated, related amounts in OCI are reclassified into earnings when hedged cash flows occur.

v) Foreign currency translation

Assets and liabilities of foreign subsidiaries whose local currency is considered their functional currency, are translated into the reporting currency, US dollars, using period-end spot foreign exchange rates. The Bank uses monthly-averaged exchange rates to translate revenues and expenses from local functional currency into US dollars. The effects of those translations adjustments are reported as a component of the Accumulated other comprehensive loss in the stockholders’ equity.

Transactions whose terms are denominated in a currency other than the functional currency, including transactions denominated in local currency of the foreign entity with the US dollar as their functional currency, are recorded at the exchange rate prevailing at the date of the transaction. Assets and liabilities in foreign currency are translated into US dollars using period-end spot foreign exchange rates. The effects of translation of monetary assets and liabilities into US dollars are included in current year’s earnings in the Gain (loss) on foreign currency exchange line item.

w) Income taxes

- Bladex Head Office is exempted from payment of income taxes in Panama in accordance with the contract signed between the Republic of Panama and Bladex.
- The Feeder and the Master are not subject to income taxes in accordance with the laws of the Cayman Islands. These companies received an undertaking exempting them from taxation of all future profits until March 7, 2026.
- Bladex Representacao Ltda. and Bladex Investimentos Ltda., are subject to income taxes in Brazil.

- The New York Agency and Bladex's subsidiaries incorporated in USA are subject to federal and local taxation in USA based on the portion of income that is effectively connected with its operations in that country.

  Such amounts of income taxes have been immaterial to date.

x) Redeemable noncontrolling interest

ASC Topic 810 - Consolidation requires that a noncontrolling interest, previously referred to as a minority interest, in a consolidated subsidiary be reported as a separate component of equity and the amount of consolidated net income specifically attributable to the noncontrolling interest be presented separately, below net income in the consolidated statement of income.

Furthermore, in accordance with ASC 480-10-S99, equity securities that are redeemable at the option of the holder and not solely within the control of the issuer must be classified outside of equity. The terms of third party investments in the consolidated funds contain a redemption clause which allows the holders the option to redeem their investment at fair value. Accordingly, the Bank presents the noncontrolling interest between liabilities and stockholders' equity in the consolidated balance sheets.

Net assets of the Feeder and the Brazilian Fund are measured and presented at fair value, given the nature of their net assets (i.e. represented mainly by cash and investments in securities). Therefore, when calculating the value of the redeemable noncontrolling interest of the Feeder under ASC Topic 810, such amount is already recorded at its fair value and no further adjustments under ASC 480-10-S99 are necessary.

y) Earnings per share

Basic earnings per share is computed by dividing the net income attributable to Bladex stockholders (the numerator) by the weighted average number of common shares outstanding (the denominator) during the year. Diluted earnings per share measure performance incorporating the effect that potential common shares, such as stock options and restricted stock units outstanding during the same period, would have on net earnings per share. The computation of diluted earnings per share is similar to the computation of basic earnings per share, except for the denominator, which is increased to include the number of additional common shares that would have been issued if the beneficiaries of stock purchase options and other stock plans could exercise their options. The number of potential common shares that would be issued is determined using the treasury stock method.

z) Recently issued accounting standards

At the consolidated balance sheet date, new accounting standards, modifications, interpretations, and updates to standards ("ASU"), applicable to the Bank, have been issued and are not in effect. These standards establish the following:

ASU 2013-05 – Foreign Currency Matters (Topic 830)

The objective of the amendments in this update is to resolve the diversity in practice about the release of the cumulative translation adjustment into net income when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary. When a reporting entity (parent) ceases to have a controlling financial interest in a subsidiary, the parent is required to release any related cumulative translation adjustment into net income.

The amendments in this update clarify that the sale of an investment in a foreign entity includes both (1) events that result in the loss of a controlling financial interest in a foreign entity, and (2) events that result in an acquirer obtaining control of an acquiree in which it held an equity interest immediately before the acquisition date (sometimes also referred to as a step acquisition). Accordingly, the cumulative translation adjustment should be released into net income upon the occurrence of those events.

This update is effective for annual and interim periods beginning after December 15, 2013. The amendments should be applied prospectively to derecognition events occurring after the effective date. Early adoption is permitted. The Bank does not anticipate any material impact on its financial statement upon adoption of this update.

ASU 2013-07 – Presentation of Financial Statements (Topic 205)

The amendments in this update require an entity to prepare its financial statements using the liquidation basis of accounting when the liquidation is imminent. In addition, the guidance provides principles for the recognition and measurement of assets and liabilities and requirements for financial statements prepared using the liquidation basis of accounting.

The amendments are effective for entities that determine liquidation is imminent during annual reporting periods beginning after December 15, 2013, and interim reporting periods therein. Entities should apply the requirements prospectively from the day that liquidation becomes imminent. Early adoption is permitted. The Bank does not anticipate any material impact on its financial statement upon adoption of this update.

ASU 2013-08 – Financial Services – Investment Companies (Topic 946)

The amendments in this update affect the scope, measurement, and disclosure requirements for investment companies under U.S. GAAP. The amendments in this update change the assessment of whether an entity is an investment company by developing a new two-tiered approach for that assessment, which requires an entity to possess certain fundamental characteristics while allowing judgment in assessing other typical characteristics. The new approach requires an entity to assess all of the characteristics of an investment company and consider its purpose and design to determine whether it is an investment company. These amendments also clarify the characteristics of an investment company and provide additional implementation guidance for that assessment.

This update is effective for annual and interim periods beginning after December 15, 2013. Early application is prohibited. The Bank does not anticipate any material impact on its financial statement upon adoption of this update.

ASU 2013-11 – Income Taxes (Topic 740)

The objective of the amendments in this update is to eliminate the diversity in practice on the financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. An unrecognized tax benefit, or a portion of it, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, except as when those instances are not available, entities should present them as a liability and should not combined them with deferred tax assets.

These amendments are effective for fiscal years, and interim periods beginning after December 15, 2013. Early adoption is permitted. The Bank does not anticipate any material impact on its financial statement upon adoption of this update.

3. Sale of the asset management unit and discontinued operations

On April 2, 2013, the Bank reached a definitive agreement to sale its asset management unit (the "Management Unit") to Alpha4X Asset Management, LLC and related companies ("Alpha4X"). Alpha 4X Asset Management, LLC is a company majority-owned by former executives of the Management Unit (see Note 7). The sale closed in the second quarter of 2013.

The sale resulted in a gain of $455 thousand, which is reported in net loss from discontinued operations in the consolidated statements of income. The Bank applied discontinued operations accounting to the operations of the Management Unit in accordance with ASC Topic 205-20 – Presentation of Financial Statements – Discontinued Operations.

The following table summarizes the operating results of the discontinued operations:

	Year ended December 31		
(In thousands of US$)	**2013**	**2012**	**2011**
Other income:			
Fees and commissions [1]	610	2,683	2,942
Other income	468	20	-
	1,078	2,703	2,942
Operating expenses:			
Salaries and other employee expenses	373	1,535	1,443
Depreciation and amortization	8	21	27
Professional services	462	699	731
Maintenance and repairs	1	7	5
Other operating expenses	238	1,122	1,156
Total operating expenses	1,082	3,384	3,362
Net loss from discontinued operations	(4)	(681)	(420)

(1) Includes management fees from investment funds for $567 thousand, $2,588 thousand and $2,832 in 2013, 2012 y 2011, respectively.

4. Cash and cash equivalents

Cash and cash equivalents are as follows:

	December 31,	
(In thousands of US$)	**2013**	**2012**
Cash and due from banks	2,161	6,718
Interest-bearing deposits in banks	837,557	700,312
Total	839,718	707,030
Less:		
Pledged deposits	9,032	14,519
	830,686	692,511

On December 31, 2013 and 2012, the New York Agency had a pledged deposit with a carrying value of $3.0 million with the New York State Banking Department, as required by law since March 1994. As of December 31, 2013 and 2012, the Bank had pledged deposits with a carrying value of $6.0 million and $11.5 million, respectively, to secure derivative financial instruments transactions and repurchase agreements.

5. Trading assets and liabilities

The fair value of trading assets and liabilities is as follows:

	December 31,	
(In thousands of US$)	**2013**	**2012**
Trading assets:		
Sovereign bonds	-	5,146
Cross-currency swaps	-	49
Forward foreign exchange	-	50
Future contracts	-	20
Total	-	5,265
Trading liabilities:		
Interest rate swaps	65	100
Cross-currency interest rate swaps	7	32,182
Forward foreign exchange	-	22
Total	72	32,304

Sovereign bonds were outstanding as of December 31, 2012, generated gains of $0.1 million during 2012, which were recorded in earnings. As of December 31, 2012, bonds with a carrying value of $1.3 million, secured derivative financial instruments transactions.

During 2013, 2012 and 2011, the Bank recognized the following gains and losses related to trading derivative financial instruments:

(In thousands of US$)	Year ended December 31		
	2013	**2012**	**2011**
Interest rate swaps	(9)	(310)	(299)
Cross-currency swaps	67	-	-
Cross-currency interest rate swaps	3,236	11,537	(4,858)
Forward foreign exchange	(6)	27	93
Future contracts	191	207	(29)
Total	3,479	11,461	(5,093)

These amounts are reported in the Net gain (loss) from trading securities and Net gain (loss) from investment funds trading lines in the consolidated statements of income.

In addition to the trading derivative financial instruments, the Bank has hedging derivative financial instruments that are disclosed in Note 21.

As of December 31, 2013 and 2012, trading derivative liabilities include or have included interest rate swap and cross-currency interest rate swap contracts that were previously designated as fair value and cash flow hedges. Adjustments to the carrying value of the hedged underlying transactions are amortized in the interest income and expense lines over the remaining term of these transactions. Changes in the fair value of these derivative instruments after discontinuation of hedge accounting are recorded in Net gain (loss) from trading securities.

As of December 31, 2013 and 2012, information on the nominal amounts of derivative financial instruments held for trading purposes is as follows:

(In thousands of US$)	**2013**			**2012**		
	Nominal	**Fair Value**		**Nominal**	**Fair Value**	
	Amount	**Asset**	**Liability**	**Amount**	**Asset**	**Liability**
Interest rate swaps	14,000	-	65	35,291	-	100
Cross-currency interest rate swaps	600	-	7	155,081	49	32,182
Forward foreign exchange	-	-	-	7,152	50	22
Future contracts	-	-	-	6,896	20	-
Total	14,600	-	72	204,420	119	32,304

6. Investment securities

Securities available-for-sale

The amortized cost, related unrealized gross gain (loss) and fair value of securities available-for-sale by country risk and type of debt, are as follows:

	December 31, 2013			
(In thousands of US$)	**Amortized Cost**	**Unrealized Gross Gain**	**Unrealized Gross Loss**	**Fair Value**
Corporate debt:				
Brazil	41,439	11	778	40,672
Colombia	44,536	65	1,351	43,250
Chile	21,807	15	751	21,071
Honduras	9,400	-	136	9,264
Panama	7,159	-	78	7,081
Peru	29,439	42	674	28,807
Venezuela	29,871	-	1,848	28,023
	183,651	133	5,616	178,168
Sovereign debt:				
Brazil	32,751	936	645	33,042
Colombia	42,776	-	1,125	41,651
Chile	20,772	12	610	20,174
Mexico	35,730	-	2,445	33,285
Panama	12,485	71	553	12,003
Peru	11,589	-	65	11,524
Trinidad and Tobago	4,665	-	144	4,521
	160,768	1,019	5,587	156,200
Total	344,419	1,152	11,203	334,368

	December 31, 2012			
(In thousands of US$)	**Amortized Cost**	**Unrealized Gross Gain**	**Unrealized Gross Loss**	**Fair Value**
Corporate debt:				
Brazil	13,581	158	-	13,739
Colombia	986	60	-	1,046
Chile	1,967	87	-	2,054
Peru	530	17	-	547
	17,064	322	-	17,386
Sovereign debt:				
Brazil	28,783	1,965	-	30,748
Colombia	15,489	-	199	15,290
Chile	1,061	1	-	1,062
Honduras	15,986	224	-	16,210
Mexico	20,553	1,779	-	22,332
Panama	37,845	1,828	-	39,673
Venezuela	39,548	801	33	40,316
	159,265	6,598	232	165,631
Total	176,329	6,920	232	183,017

As of December 31, 2013 and 2012, securities available-for-sale with a carrying value of $296.8 million and $152.3 million, respectively, were pledged to secure repurchase transactions accounted for as secured financings.

The following table discloses those securities that have had unrealized losses for less than 12 months and for 12 months or longer:

	December 31, 2013					
(In thousands of US$)	Less than 12 months		12 months or longer		Total	
	Fair Value	Unrealized Gross Losses	Fair Value	Unrealized Gross Losses	Fair Value	Unrealized Gross Losses
Corporate debt	136,895	5,113	6,866	503	143,761	5,616
Sovereign debt	107,239	5,210	18,557	377	125,796	5,587
	244,134	10,323	25,423	880	269,557	11,203

	December 31, 2012					
(In thousands of US$)	Less than 12 months		12 months or longer		Total	
	Fair Value	Unrealized Gross Losses	Fair Value	Unrealized Gross Losses	Fair Value	Unrealized Gross Losses
Sovereign debt	10,188	79	10,009	153	20,197	232
	10,188	79	10,009	153	20,197	232

Gross unrealized losses are related mainly to changes in market interest rates and other market factors, and not due to underlying credit concerns by the Bank regarding the issuers.

The following table presents the realized gains and losses on sale of securities available-for-sale:

	Year ended December 31		
(In thousands of US$)	2013	2012	2011
Gains	1,523	6,141	3,825
Losses	(1)	(111)	(412)
Net	1,522	6,030	3,413

The amortized cost and fair value of securities available-for-sale by contractual maturity as of December 31, 2013, are shown in the following table:

(In thousands of US$)	Amortized Cost	Fair Value
Due within 1 year	25,970	26,257
After 1 year but within 5 years	177,810	176,622
After 5 years but within 10 years	140,639	131,489
	344,419	334,368

Securities held-to-maturity

The amortized cost, related unrealized gross gain (loss) and fair value of securities held-to-maturity by country risk and type of debt are as follows:

	December 31, 2013			
(In thousands of US$)	**Amortized Cost**	**Unrealized Gross Gain**	**Unrealized Gross Loss**	**Fair Value**
Corporate debt:				
Costa Rica	2,000	-	-	2,000
Honduras	4,118	-	-	4,118
Panama	14,634	8	18	14,624
	20,752	8	18	20,742
Sovereign debt:				
Colombia	13,007	-	115	12,892
Total	33,759	8	133	33,634

	December 31, 2012			
(In thousands of US$)	**Amortized Cost**	**Unrealized Gross Gain**	**Unrealized Gross Loss**	**Fair Value**
Corporate debt:				
Panama	12,660	-	-	12,660
Sovereign debt:				
Colombia	13,011	4	3	13,012
Honduras	6,442	9	19	6,432
Panama	2,000	45	-	2,045
	21,453	58	22	21,489
Total	34,113	58	22	34,149

Securities that show gross unrealized losses have had losses for less than 12 months. These losses are related mainly to changes in market interest rates and other market factors and not due to underlying credit concerns by the Bank about the issuers; therefore, such losses are considered temporary.

The amortized cost and fair value of securities held-to-maturity by contractual maturity as of December 31, 2013, are shown in the following table:

(In thousands of US$)	**Amortized Cost**	**Fair Value**
Due within 1 year	18,701	18,709
After 1 year but within 5 years	15,058	14,925
	33,759	33,634

As of December 31, 2013 and 2012, securities held-to-maturity with a carrying value of $13.0 million and $19.4 million, respectively, were pledged to secure repurchase transactions accounted for as secured financings.

7. Investment funds

Until March 31, 2013, the Bank had an interest in two investment funds: Bladex Offshore Feeder Fund (98.74%) and Bladex Latam Fundo de Investimento Multimercado (92.38%). Prior to the sale of the Management Unit, the Bank consolidated these funds following applicable consolidation guidance.

The Bank determined that Bladex Offshore Feeder Fund was evaluated under the requirements of ASC 810-10 - Consolidation prior to the implementation of Statement of Financial Accounting Standards (“SFAS”) 167 (FIN 46 (R) (ASU 2009-17 - Consolidation of Variable Interest Entities), because this fund met the deferral criteria in ASU 2010-10 "Amendments for Certain Investment Funds”. Prior consolidation guidance required that a VIE be consolidated by the party that will absorb a majority of the entity’s expected losses or residual returns, or both.

Bladex Latam Fundo de Investimento Multimercado, a VIE, was consolidated line by line following the consolidation accounting policy of VIEs described in Note 2 (c).

As described in Note 3, the Bank sold the Management Unit. The sale agreement included, among others, the transfer of the Bank's participation in BLX Brazil Ltd. and Bladex Asset Management Brazil – Gestora de Recursos Ltda., the termination of the investment advisory contracts between Bladex Asset Management Inc. and Bladex Offshore Feeder Fund and Bladex Capital Growth Fund, and the change of name of Bladex Offshore Feeder Fund to Alpha4X Offshore Feeder Fund, of Bladex Capital Growth Fund to Alpha4X Capital Growth Fund, and of Bladex Latam Fundo de Investimento Multimercado to Alpha4X Latam Fundo de Investimento Multimercado.

With the sale of the Management Unit, the Bank deconsolidated Bladex Latam Fundo de Investimento Multimercado because it ceased to be the primary beneficiary of that VIE. The deconsolidation of this fund affected the balance of the redeemable noncontrolling interest. Since the date of sale of the Management Unit, the Bank's investment in Alpha4X Latam Fundo de Investimento Multimercado is adjusted to record the Bank's participation in the profits and losses of that fund in the Net gain (loss) from investment funds trading line.

The Bank continues to consolidate its investment in Alpha4X Feeder Fund, following the previous consolidation guide for VIEs applied to former Bladex Offshore Feeder Fund. At December 31, 2013, the Bank has a participation of 55.87% in that fund. As disclosed in Note 2 (e), while consolidating the Feeder, the Bank retains the specialized accounting for investment companies applied by the Feeder in the Master.

The following table summarizes the balances of investments in investment funds:

	December 31,	
(In thousands of US$)	**2013**	**2012**
Bladex Offshore Feeder Fund	-	105,888
Alpha4X Feeder Fund	113,069	-
Alpha4X Latam Fundo de Investimento Multimercado	5,592	-
	118,661	105,888

The Bank has a commitment to remain an investor in these funds, net of annual contractual redemptions, up to March 31, 2016.

8. Loans

The following table set forth details of the Bank's loan portfolio:

(In thousands of US$)	December 31, 2013	December 31, 2012
Corporations:		
Private	2,375,178	2,202,613
State-owned	938,878	538,638
Banking and financial institutions:		
Private	1,785,798	1,775,938
State-owned	474,193	416,085
Middle-market companies:		
Private	574,107	681,912
Sovereign	144	100,370
Total	6,148,298	5,715,556

The composition of the loan portfolio by industry is as follows:

(In thousands of US$)	December 31, 2013	December 31, 2012
Banking and financial institutions	2,259,991	2,192,023
Industrial	936,290	1,108,223
Oil and petroleum derived products	1,170,684	894,368
Agricultural	924,251	853,377
Services	398,736	210,925
Mining	10,000	22,122
Sovereign	144	100,370
Others	448,202	334,148
Total	6,148,298	5,715,556

Loans classified by debtor's credit quality indicators are as follows:

(In thousands of US$)	December 31, 2013						
Rating [1]	Corporations		Banking and financial institutions		Middle-market companies	Sovereign	Total
	Private	State-owned	Private	State-owned	Private		
1-6	2,372,053	938,878	1,785,798	474,193	574,107	144	6,145,173
7	-	-	-	-	-	-	-
8	3,125	-	-	-	-	-	3,125
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
Total	2,375,178	938,878	1,785,798	474,193	574,107	144	6,148,298

(In thousands of US$)	December 31, 2012						
Rating [1]	**Corporations**		**Banking and financial institutions**		**Middle-market companies**	**Sovereign**	**Total**
	Private	**State-owned**	**Private**	**State-owned**	**Private**		
1-6	2,202,613	538,638	1,775,938	416,085	681,912	100,370	5,715,556
7	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
Total	2,202,613	538,638	1,775,938	416,085	681,912	100,370	5,715,556

[1] Current ratings as of December 31, 2013 and 2012, respectively.

The remaining loan maturities are summarized as follows:

(In thousands of US$)	December 31,	
	2013	**2012**
Current:		
Up to 1 month	1,017,794	1,155,222
From 1 month to 3 months	1,749,348	1,475,201
From 3 months to 6 months	949,364	962,377
From 6 months to 1 year	774,803	752,822
From 1 year to 2 years	942,327	662,511
From 2 years to 5 years	711,537	692,884
More than 5 years	-	14,539
	6,145,173	5,715,556
Impaired:		
Delinquent with impairment	3,125	-
	3,125	-
Total	6,148,298	5,715,556

The following table provides a breakdown of loans by country risk:

(In thousands of US$)	December 31, 2013	December 31, 2012
Country:		
Argentina	189,828	222,159
Belgium	-	30,692
Brazil	1,708,592	1,773,401
Chile	490,869	309,712
Colombia	701,577	450,037
Costa Rica	410,295	196,857
Dominican Republic	190,589	110,688
Ecuador	126,001	173,782
El Salvador	123,076	66,013
France	101,006	59,501
Guatemala	199,873	273,051
Honduras	73,524	70,701
Jamaica	60,784	9,772
Mexico	517,278	495,954
Netherlands	14,867	77,336
Nicaragua	7,823	10,169
Panama	223,505	277,144
Paraguay	102,244	27,060
Peru	580,881	841,032
Spain	-	9,695
Trinidad and Tobago	142,642	119,347
United States of America	28,283	2,925
Uruguay	154,761	108,528
	6,148,298	5,715,556

The fixed and floating interest rate distribution of the loan portfolio is as follows:

(In thousands of US$)	December 31, 2013	December 31, 2012
Fixed interest rates	3,252,331	3,282,876
Floating interest rates	2,895,967	2,432,680
	6,148,298	5,715,556

As of December 31, 2013 and 2012, for both years, 92% of the loan portfolio at fixed interest rates has remaining maturities of less than 180 days.

The following is a summary of information of non-accruing loan balances, and interest amounts on non-accruing loans:

(In thousands of US$)	December 31,		
	2013	**2012**	**2011**
Loans in non-accrual status			
Private corporations	3,125	-	32,000
Total loans in non-accrual status	3,125	-	32,000
Interest which would have been recorded if the loans had not been in a non-accrual status	67	-	2,325
Interest income collected on non-accruing loans	-	2,288	2,375

An analysis of non-accruing loans with impaired balances as of December 31, 2013 and 2012 is detailed as follows:

(In thousands of US$)	**December 31, 2013**			**2013**	
	Recorded investment	**Unpaid principal balance**	**Related allowance**	**Average principal loan balance**	**Interest income recognized**
With an allowance recorded					
Private corporations	3,125	3,125	954	9	-
Total	3,125	3,125	954	9	-

(In thousands of US$)	**December 31, 2012**			**2012**	
	Recorded investment	**Unpaid principal balance**	**Related allowance**	**Average principal loan balance**	**Interest income recognized**
With an allowance recorded					
Private corporations	-	-	-	-	2,288
Total	-	-	-	-	2,288

During 2011, the average principal balance of impaired loans amounted to $26,860 thousand.

As of December 31, 2013 and 2012, there were no impaired loans without related allowance.

As of December 31, 2013 and 2012, the Bank did not have any troubled debt restructurings.

The following table presents an aging analysis of the loan portfolio:

(In thousands of US$)	**December 31, 2013**							
	91-120 days	**121-150 days**	**151-180 days**	**Greater than 180 days**	**Total Past Due**	**Delinquent**	**Current**	**Total Loans**
Corporations	-	-	-	-	-	3,125	3,310,931	3,314,056
Banking and financial institutions	-	-	-	-	-	-	2,259,991	2,259,991
Middle-market companies	-	-	-	-	-	-	574,107	574,107
Sovereign	-	-	-	-	-	-	144	144
Total	-	-	-	-	-	3,125	6,145,173	6,148,298

(In thousands of US$)	December 31, 2012							
	91-120 days	**121-150 days**	**151-180 days**	**Greater than 180 days**	**Total Past Due**	**Delinquent**	**Current**	**Total Loans**
Corporations	-	-	-	-	-	-	2,741,251	2,741,251
Banking and financial institutions	-	-	-	-	-	-	2,192,023	2,192,023
Middle-market companies	-	-	-	-	-	-	681,912	681,912
Sovereign	-	-	-	-	-	-	100,370	100,370
Total	-	-	-	-	-	-	5,715,556	5,715,556

As of December 31, 2013 and 2012, the Bank has credit transactions in the normal course of business with 20% and 29%, respectively, of its Class “A” and “B” stockholders. All transactions are made based on arm’s-length terms and subject to prevailing commercial criteria and market rates and are subject to all of the Bank’s Corporate Governance and control procedures. As of December 31, 2013 and 2012, approximately 12% and 18%, respectively, of the outstanding loan portfolio is placed with the Bank’s Class “A” and “B” stockholders and their related parties. As of December 31, 2013, the Bank was not directly or indirectly owned or controlled by another corporation or any foreign government, and no Class “A” or “B” shareholder was the registered owner of more than 3.5% of the total outstanding shares of the voting capital stock of the Bank.

During 2013, 2012 and 2011, the Bank sold loans with a book value of $89.5 million, $146.2 million and $9.3 million, respectively, with a net gain of $421 thousand, $1,147 thousand and $64 thousand in 2013, 2012 and 2011, respectively.

9. Allowance for credit losses

The Bank classifies the allowance for credit losses into two components as follows:

a) Allowance for loan losses:

(In thousands of US$)	Year ended December 31, 2013				
	Corporations	**Banking and financial institutions**	**Middle-market companies**	**Sovereign**	**Total**
Balance at beginning of the year	32,488	28,836	10,887	765	72,976
Provision (reversal of provision) for loan losses	(972)	656	(518)	(764)	(1,598)
Loan recoveries and other	-	1,373	-	-	1,373
Loans written-off	-	-	-	-	-
Balance at end of the year	31,516	30,865	10,369	1	72,751
Components:					
Generic allowance	30,562	30,865	10,369	1	71,797
Specific allowance	954	-	-	-	954
Total allowance for loan losses	31,516	30,865	10,369	1	72,751

(In thousands of US$)	Year ended December 31, 2012				
	Corporations	**Banking and financial institutions**	**Middle-market companies**	**Sovereign**	**Total**
Balance at beginning of the year	48,865	30,523	8,952	207	88,547
Provision (reversal of provision) for loan losses	(8,887)	(1,704)	1,690	558	(8,343)
Loan recoveries and other	-	17	245	-	262
Loans written-off	(7,490)	-	-	-	(7,490)
Balance at end of the year	32,488	28,836	10,887	765	72,976
Components:					
Generic allowance	32,488	28,836	10,887	765	72,976
Specific allowance	-	-	-	-	-
Total allowance for loan losses	32,488	28,836	10,887	765	72,976

(In thousands of US$)	Year ended December 31, 2011				
	Corporations	**Banking and financial institutions**	**Middle-market companies**	**Sovereign**	**Total**
Balance at beginning of the year	54,160	18,790	5,265	400	78,615
Provision (reversal of provision) for loan losses	(5,295)	10,017	4,312	(193)	8,841
Loan recoveries and other	-	1,716	440	-	2,156
Loans written-off	-	-	(1,065)	-	(1,065)
Balance at end of the year	48,865	30,523	8,952	207	88,547
Components:					
Generic allowance	34,065	30,523	8,952	207	73,747
Specific allowance	14,800	-	-	-	14,800
Total allowance for loan losses	48,865	30,523	8,952	207	88,547

Provision (reversal of provision) of generic allowance for credit losses are mostly related to changes in volume and composition of the credit portfolio. The net decrease in the generic allowance for loan losses in 2013 was primarily due to an increased exposure in countries, customers and type of transactions with better ratings and a decreased exposure in those with lower ratings.

Following is a summary of loan balances and reserves for loan losses:

(In thousands of US$)	December 31, 2013				
	Corporations	**Banking and financial institutions**	**Middle-market companies**	**Sovereign**	**Total**
Allowance for loan losses					
Generic allowance	30,562	30,865	10,369	1	71,797
Specific allowance	954	-	-	-	954
Total of allowance for loan losses	31,516	30,865	10,369	1	72,751
Loans					
Loans with generic allowance	3,310,931	2,259,991	574,107	144	6,145,173
Loans with specific allowance	3,125	-	-	-	3,125
Total loans	3,314,056	2,259,991	574,107	144	6,148,298

(In thousands of US$)	December 31, 2012				
	Corporations	**Banking and financial institutions**	**Middle-market companies**	**Sovereign**	**Total**
Allowance for loan losses					
Generic allowance	32,488	28,836	10,887	765	72,976
Specific allowance	-	-	-	-	-
Total of allowance for loan losses	32,488	28,836	10,887	765	72,976
Loans					
Loans with generic allowance	2,741,251	2,192,023	681,912	100,370	5,715,556
Loans with specific allowance	-	-	-	-	-
Total loans	2,741,251	2,192,023	681,912	100,370	5,715,556

b) Reserve for losses on off-balance sheet credit risk:

(In thousands of US$)	Year ended December 31,		
	2013	**2012**	**2011**
Balance at beginning of the period	4,841	8,887	13,335
Provision (reversal of provision) for losses on off-balance sheet credit risk	381	(4,046)	(4,448)
Balance at end of the period	5,222	4,841	8,887

The reserve for losses on off-balance sheet credit risk reflects the Bank's Management estimate of probable losses on off-balance sheet credit risk items such as: confirmed letters of credit, stand-by letters of credit, guarantees and credit commitments (see Note 19). The 2013's net increase in the reserve for losses on off-balance sheet credit risk was primarily due to changes in volume, composition, and risk profile of the portfolio.

10. Equipment and leasehold improvements

A breakdown of cost and accumulated depreciation and amortization for equipment and leasehold improvements as of December 31, 2013 and 2012 is as follows:

(In thousands of US$)	December 31,	
	2013	**2012**
Leasehold improvements	7,414	7,194
Furniture and equipment	16,933	17,302
	24,347	24,496
Less: accumulated depreciation and amortization	13,881	11,688
	10,466	12,808

In June 2012, the Bank recorded a gain on sale of premises and equipment of $5.6 million due to the sale of its former head office's premises.

11. Other assets and other liabilities

Following is a summary of other assets and other liabilities as of December 31, 2013 and 2012:

(In thousands of US$)	**December 31,**	
	2013	**2012**
Other assets		
Prepaid commissions	5,042	10,193
Accounts receivable	1,514	1,749
Equity investment in a private fund (at cost)	530	961
Other	1,303	1,677
	8,389	14,580

(In thousands of US$)	**December 31,**	
	2013	**2012**
Other liabilities		
Accruals and provisions	22,516	20,345
Accounts payable	2,471	6,045
Other	2,960	1,958
	27,947	28,348

12. Deposits

The remaining maturity profile of the Bank's deposits is as follows:

	December 31,	
(In thousands of US$)	**2013**	**2012**
Demand	63,047	131,875
Up to 1 month	1,617,059	1,194,102
From 1 month to 3 months	311,048	540,619
From 3 months to 6 months	207,182	281,120
From 6 months to 1 year	157,000	152,000
From 1 year to 2 years	6,000	7,000
From 2 years to 5 years	-	10,544
	2,361,336	2,317,260

The following table presents additional information about deposits:

	December 31,	
(In thousands of US$)	**2013**	**2012**
Aggregate amounts of time deposits of $100,000 or more	2,298,289	2,185,277
Aggregate amounts of deposits in offices outside Panama	227,559	229,170
Interest expense paid to deposits in offices outside Panama	1,235	1,332

13. Securities sold under repurchase agreements

The Bank's financing transactions under repurchase agreements amounted to $286.2 million and $158.4 million as of December 31, 2013 and 2012, respectively.

During 2013, 2012 and 2011, interest expense related to financing transactions under repurchase agreements totaled $1.3 million, $1.7 million and $2.1 million, respectively, corresponding interest expense generated by the financing contracts under repurchase agreements. These expenses are included in the interest expense – short-term borrowings and debt line in the consolidated statements of income.

14. Short-term borrowings and debt

The breakdown of short-term borrowings and debt, together with contractual interest rates, is as follows:

	December 31,	
(In thousands of US$)	**2013**	**2012**
Borrowings:		
At fixed interest rates	1,289,851	1,181,133
At floating interest rates	1,017,527	267,890
Total borrowings	2,307,378	1,449,023
Debt:		
At fixed interest rates	287,987	-
At floating interest rates	110,000	-
Total debt	397,987	-
Total short-term borrowings and debt	2,705,365	1,449,023
Average outstanding balance during the year	2,048,110	967,629
Maximum balance at any month-end	2,705,365	1,449,023
Range of fixed interest rates on borrowings and debt in U.S. dollars	0.67% to 1.43%	0.75% to 1.92%
Range of floating interest rates on borrowings and debt in U.S. dollars	0.79% to 1.47%	1.06% to 1.99%
Fixed interest rate on borrowings in Euros	-	0.70%
Fixed interest rate on borrowings in Mexican pesos	4.13% to 4.58%	-
Floating interest rate on borrowings in Mexican pesos	4.03% to 4.24%	5.14% to 5.25%
Fixed interest rate on debt in Japanese yens	0.75%	-
Fixed interest rate on debt in Swiss francs	0.80%	-
Weighted average interest rate at end of the year	1.09%	1.48%
Weighted average interest rate during the year	1.21%	1.79%

The balances of short-term borrowings and debt by currency, is as follows:

(In thousands of US$)	December 31, 2013	December 31, 2012
Currency		
U.S. dollar	2,536,815	1,365,500
Euro	-	39,633
Mexican peso	73,964	43,890
Japanese yen	4,749	-
Swiss franc	89,837	-
Total	2,705,365	1,449,023

15. Long-term borrowings and debt

Borrowings consist of long-term and syndicated loans obtained from international banks. Debt instruments consist of Euro-Notes and issuances in Latin America. The breakdown of borrowings and long-term debt (original maturity of more than one year), together with contractual interest rates, is as follows:

(In thousands of US$)	December 31, 2013	December 31, 2012
Borrowings:		
At fixed interest rates with due dates in June 2015	25,000	1,435
At floating interest rates with due dates from March 2014 to December 2016	506,346	1,296,785
Total borrowings	531,346	1,298,220
Debt:		
At fixed interest rates with due dates from November 2014 to April 2017	444,719	453,373
At floating interest rates with due dates from March 2015 to July 2016	177,806	153,947
Total debt	622,525	607,320
Total long-term borrowings and debt outstanding	1,153,871	1,905,540
Average outstanding balance during the year	1,317,983	1,893,580
Maximum outstanding balance at any month-end	1,893,149	2,152,584
Fixed interest rates on borrowings and debt in U.S. dollars	1.50% to 3.75%	3.75%
Range of floating interest rates on borrowings and debt in U.S. dollars	0.52% to 1.77%	0.68% to 2.40%
Range of fixed interest rates on borrowings and debt in Mexican pesos	-	7.60% to 9.90%
Range of floating interest rates on borrowings and debt in Mexican pesos	4.44% to 5.29%	5.50% to 6.34%

	December 31,	
	2013	**2012**
Fixed interest rate on debt in Peruvian nuevos soles	6.50%	6.50%
Weighted average interest rate at the end of the year	3.06%	2.92%
Weighted average interest rate during the year	3.08%	2.74%

The balances of long-term borrowings and debt by currency, is as follows:

	December 31,	
(In thousands of US$)	**2013**	**2012**
Currency		
U.S. dollar	866,975	1,518,592
Mexican peso	242,916	338,760
Peruvian nuevo sol	43,980	48,188
Total	1,153,871	1,905,540

The Bank's funding activities include: (i) Euro Medium Term Note Program ("EMTN"), which may be used to issue notes for up to $2.3 billion, with maturities from 7 days up to a maximum of 30 years, at fixed or floating interest rates, or at discount, and in various currencies. The notes are generally issued in bearer or registered form through one or more authorized financial institutions; (ii) Short-and Long-Term Notes "Certificados Bursatiles" Program (the "Mexico Program") in the Mexican local market, registered with the Mexican National Registry of Securities maintained by the National Banking and Securities Commission in Mexico ("CNBV", for its acronym in Spanish), for an authorized aggregate principal amount of 10 billion Mexican pesos with maturities from one day to 30 years; (iii) a Program in Peru to issue corporate bonds under a private offer in Peruvian nuevos soles ("PEN"), offered exclusively to institutional investors domiciled in the Republic of Peru, for an maximum aggregate limit of the equivalent of $300 million, with different maturities and interest rate structures.

Some borrowing agreements include various events of default and covenants related to minimum capital adequacy ratios, incurrence of additional liens, and asset sales, as well as other customary covenants, representations and warranties. As of December 31, 2013, the Bank was in compliance with all covenants.

The future remaining maturities of long-term borrowings and debt outstanding as of December 31, 2013, are as follows:

(In thousands of US$) **Due in:**	**Outstanding**
2014	352,085
2015	197,989
2016	203,058
2017	400,739
	1,153,871

16. Common stock

The Bank's common stock is divided into four categories:

1) "Class A"; shares may only be issued to Latin American Central Banks or banks in which the state or other government agency is the majority shareholder.
2) "Class B"; shares may only be issued to banks or financial institutions.
3) "Class E"; shares may be issued to any person whether a natural person or a legal entity.
4) "Class F"; can only be issued to state entities and agencies of non-Latin American countries, including, among others, central banks and majority state-owned banks in those countries, and multilateral financial institutions either international or regional institutions.

The holders of "Class B" shares have the right to convert or exchange their "Class B" shares, at any time, and without restriction, for "Class E" shares, at a rate of one to one.

The following table provides detailed information on the Bank's common stock activity per class for each of the years in the three-year period ended December 31, 2013:

(Share units)	**"Class A"**	**"Class B"**	**"Class E"**	**"Class F"**	**Total**
Authorized	40,000,000	40,000,000	100,000,000	100,000,000	280,000,000
Outstanding at January 1, 2011	**6,342,189**	**2,542,021**	**27,826,330**	**-**	**36,710,540**
Conversions	-	(10,095)	10,095	-	-
Repurchase of common stock	-	-	-	-	-
Restricted stock issued - directors	-	-	25,541	-	25,541
Exercised stock options - compensation plans	-	-	325,996	-	325,996
Restricted stock units - vested	-	-	69,865	-	69,865
Outstanding at December 31, 2011	**6,342,189**	**2,531,926**	**28,257,827**	**-**	**37,131,942**
Conversions	-	-	-	-	-
Restricted stock issued - directors	-	-	32,317	-	32,317
Exercised stock options - compensation plans	-	-	895,674	-	895,674
Restricted stock units - vested	-	-	85,249	-	85,249
Outstanding at December 31, 2012	**6,342,189**	**2,531,926**	**29,271,067**	**-**	**38,145,182**
Conversions	-	(11,504)	11,503	-	(1)
Repurchase of common stock	-	-	(1,083)	-	(1,083)
Restricted stock issued - directors	-	-	28,500	-	28,500
Exercised stock options - compensation plans	-	-	276,079	-	276,079
Restricted stock units - vested	-	-	124,490	-	124,490
Outstanding at December 31, 2013	**6,342,189**	**2,520,422**	**29,710,556**	**-**	**38,573,167**

The following table presents information regarding shares repurchased but not retired by the Bank and accordingly classified as treasury stock:

(In thousands of US$, except per share data)	"Class A"		"Class B"		"Class E"		Total	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
Outstanding at January 1, 2011	**318,140**	**10,708**	**568,010**	**15,655**	**4,383,150**	**99,304**	**5,269,300**	**125,667**
Repurchase of common stock	-	-	-	-	-	-	-	-
Restricted stock issued - directors	-	-	-	-	(25,541)	(609)	(25,541)	(609)
Exercised stock options - compensation plans	-	-	-	-	(325,996)	(7,775)	(325,996)	(7,775)
Restricted stock units - vested	-	-	-	-	(69,865)	(1,666)	(69,865)	(1,666)
Outstanding at December 31, 2011	**318,140**	**10,708**	**568,010**	**15,655**	**3,961,748**	**89,254**	**4,847,898**	**115,617**
Restricted stock issued - directors	-	-	-	-	(32,317)	(771)	(32,317)	(771)
Exercised stock options - compensation plans	-	-	-	-	(895,674)	(21,361)	(895,674)	(21,361)
Restricted stock units - vested	-	-	-	-	(85,249)	(2,033)	(85,249)	(2,033)
Outstanding at December 31, 2012	**318,140**	**10,708**	**568,010**	**15,655**	**2,948,508**	**65,089**	**3,834,658**	**91,452**
Repurchase of common stock	-	-	-	-	1,083	27	1,083	27
Restricted stock issued - directors	-	-	-	-	(28,500)	(629)	(28,500)	(629)
Exercised stock options - compensation plans	-	-	-	-	(276,079)	(6,094)	(276,079)	(6,094)
Restricted stock units - vested	-	-	-	-	(124,490)	(2,748)	(124,490)	(2,748)
Outstanding at December 31, 2013	**318,140**	**10,708**	**568,010**	**15,655**	**2,520,522**	**55,645**	**3,406,672**	**82,008**

17. Cash and stock-based compensation plans

The Bank has established equity compensation plans under which it manages restricted stock, restricted stock units and stock purchase option plans to attract, retain and motivate Directors and top employees and compensate them for their contributions to the growth and profitability of the Bank. Vesting conditions for each of the Bank's plans are only comprised of specified requisite service periods.

A. 2008 Stock Incentive Plan – Directors and Executives

In February 2008, the Board of Directors of the Bank approved an incentive plan for Directors and Executives allowing the Bank to grant restricted stock, restricted stock units, stock purchase options, and/or other similar compensation instruments. The maximum aggregate number of shares which may be granted under this plan is three million "Class E" common shares. The 2008 Stock Incentive Plan is administered by the Board of Directors which has the authority in its discretion to select the Directors and Executives to whom the Award may be granted; to determine whether and to what extent awards are granted, and to amend the terms of any outstanding award under this plan.

Restricted stocks are issued at the grant date, but are withheld by the Bank until the vesting date. Restricted stocks are entitled to receive dividends. A restricted stock unit is a grant valued in terms of the Bank's stock, but no stock is issued at the grant date. Restricted stock units are not entitled to dividends. The Bank issues and delivers common stock at the vesting date of the restricted stock units.

During 2013, 2012 and 2011, the Board of Directors approved the grant of restricted stock to Directors and stock options and restricted stock units to certain Executives of the Bank, as follows:

Restricted stock – Directors

In the years 2013, 2012 and 2011, the Board of Directors granted 28,500, 32,317 and 25,541"Class E" common shares. The fair value of restricted stock granted was based on the stock closing price in the New York Stock Exchange of the "Class E" shares on July 16, 2013, October 16, 2012, July 17, 2012, and July 15, 2011. The fair value of restricted stock granted totalled $713 thousand in 2013, $714 thousand in 2012 and $462 thousand in 2011, of which $637 thousand, $428 thousand and $414 thousand were charged against income during 2013, 2012 and 2011, respectively. The remaining cost pending amortization of $1,401 thousand at December 31, 2013 will be amortized over 2.39 years.

Restricted stock vest on the grant's date anniversary, as follows:

Year of Grant	
2013	35% in the first and second year, 30% in the third year
2012	25% each year
2011	20% each year

A summary of the restricted stock granted to Directors is presented below:

	Shares	Weighted average grant date fair value
Outstanding at January 1, 2011	88,027	$ 13.07
Granted	25,541	18.07
Vested	(31,563)	13.14
Outstanding at December 31, 2011	82,005	14.59
Granted	32,317	22.09
Vested	(23,493)	14.35
Outstanding at December 31, 2012	90,829	17.32
Granted	28,500	25.00
Vested	(34,467)	16.84
Outstanding at December 31, 2013	84,862	$ 20.10
Expected to vest	84,862	$ 20.10

The fair value of vested stock during the years 2013, 2012 and 2011 was $581 thousand, $337 thousand and $415 thousand, respectively.

Restricted Stock Units and Stock Purchase Options granted to certain Executives

The Board of Directors approved the grant of stock purchase options and restricted stock units to certain Executives of the Bank with a grant date fair value of $2.1 million in 2013, $3.7 million in 2012 and $1.7 million in 2011. The 2013 grant was in restricted stock units only. In 2012, the distribution of the fair value in restricted stock units and stock purchase options was $3.2 million and $0.5 million, respectively. In the year 2011, the distribution of the fair value in restricted stock units and stock purchase options was $1.5 million and $0.2 million, respectively.

The Bank grants one "Class E" share per each exercised option or vested restricted stock unit.

Restricted stock units:

The fair value of the stock units was based on the "Class E" stock closing price in the New York Stock Exchange on the grants date. These stock units vest 25% each year on the grant date's anniversary.

Compensation costs of the restricted stock units are amortized during the period of restriction. Costs charged against income during 2013, 2012 and 2011 due to the amortization of these grants totaled $2,077 thousand, $1,317 thousand and $1,020 thousand, respectively. The remaining compensation cost pending amortization of $2,883 thousand in 2013 will be amortized over 2.55 years.

A summary of the status of the restricted stock units granted to certain Executives is presented below:

	Stock units	Weighted average grant date fair value	Weighted average remaining contractual term	Aggregate intrinsic value (thousands)
Outstanding at January 1, 2011	222,710	$ 10.96		
Granted	94,496	15.84		
Forfeited	(20,931)	12.63		
Vested	(69,865)	11.09		
Outstanding at December 31, 2011	226,410	12.80		
Granted	181,598	17.52		
Forfeited	(54,367)	13.88		
Vested	(85,249)	12.31		
Outstanding at December 31, 2012	268,392	15.93		
Granted	114,070	18.76		
Forfeited	(15,223)	16.81		
Vested	(124,490)	16.08		$ 1,067
Outstanding at December 31, 2013	242,749	$ 17.13	2.30 years	$ 2,643
Expected to vest	242,749	$ 17.13		$ 2,643

The fair value of vested stock during the years 2013, 2012 and 2011 was $2,002 thousand, $1,050 thousand and $775 thousand, respectively.

Stock purchase options:

The fair value of stock purchase options granted to certain Executives during 2012 and 2011 was estimated using a binomial option-pricing model, based on the following factors:

	2013	2012	2011
Weighted average fair value per option	-	$ 3.01	$ 2.92
Weighted average expected term, in years	-	5.50	5.50
Expected volatility	-	33.35%	30%
Risk-free rate	-	0.18% a 1.34%	2.52%
Expected dividend	-	5.30%	4.50%

These options expire seven years after the grant date and are exercisable at a rate of 25% each year on the grant date's anniversary.

Related cost charged against income during 2013, 2012 and 2011 as a result of the amortization of these plans amounted to $282 thousand, $485 thousand and $765, respectively. The remaining compensation cost pending amortization of $163 thousand in 2013 will be amortized over a period of 1.80 years. A summary of stock options granted is presented below:

	Options	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value (thousands)
Outstanding at January 1, 2011	1,142,019	$ 12.39		
Granted	72,053	17.81		
Forfeited	(58,067)	12.16		
Exercised	(240,439)	12.27		
Outstanding at December 31, 2011	915,566	12.87		
Granted	182,420	18.93		
Forfeited	(231,639)	15.82		
Exercised	(442,675)	12.90		
Outstanding at December 31, 2012	423,672	13.83		
Granted	-	-		
Forfeited	(9,780)	18.18		
Exercised	(226,147)	12.76		
Outstanding at December 31, 2013	187,745	$ 14.90	3.65 years	$ 2,464
Exercisable	53,994	$ 11.58	1.12 years	$ 888
Expected to vest	133,751	$ 16.24	4.09 years	$ 1,576

The intrinsic value of exercised options during the years 2013, 2012 and 2011 was $2,673 thousand, $3,375 thousand and $1,322 thousand, respectively. During the years 2013, 2012 and 2011 the Bank received $2,886 thousand, $5,709 thousand and $2,949 thousand, respectively, from exercised options.

B. Restricted Stock – Directors (Discontinued)

During 2003, the Board of Directors approved a restricted stock award plan for Directors of the Bank that was amended in 2007 and subsequently terminated in 2008. No grants were made after the 2007's grant. The restricted stock vested at a rate of 20% each year on the grant date's anniversary.

Related costs charged against income related to these grants amounted to $41 thousand and $87 thousand in 2012 and 2011, respectively. Since December 31, 2012, the Bank has neither unrecognized compensation costs nor restricted stock related to this plan.

A summary of restricted stock granted to Directors is presented below:

	Shares	Weighted average grant date fair value
Non vested at January 1, 2011	8,917	$ 20.77
Granted	-	-
Vested	(5,399)	20.39
Non vested at December 31, 2011	3,518	21.35
Granted	-	-
Vested	(3,518)	$ 21.35
Non vested at December 31, 2012	-	$ -

The total fair value of vested stock during the years ended December 31, 2012 and 2011 was $75 thousand and $110 thousand, respectively.

C. Stock Option Plan 2006 – Directors and Executives (Discontinued)

The 2006 Stock Option Plan was terminated in 2008. The options granted under this plan had an expiration term of seven years after the grant date. No grants were made after the 2007's grant.

Related cost charged against income as a result of the amortization of options granted under this compensation plan amounted to $25 thousand in 2011. As of December 31, 2011, there were no compensation costs pending amortization or outstanding options related to this plan.

A summary of the share options granted to Directors and certain Executives is presented below:

	Options	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value (thousands)
Outstanding at January 1, 2011	207,706	$ 16.34		
Forfeited	-	-		
Exercised	(27,552)	16.34		
Outstanding at December 31, 2011	180,154	16.34		
Forfeited	-	-		
Exercised	(130,350)	16.34		
Outstanding at December 31, 2012	49,804	16.34		
Forfeited	-	-		
Exercised	(49,804)	16.34		
Outstanding at December 31, 2013	-	$ -	-	$ -

The intrinsic value of exercised options during the year ended December 31, 2013, 2012 and 2011 was $442 thousand, $570 thousand and $45 thousand, respectively. During the year ended December 31, 2013, 2012 and 2011, the Bank received $814 thousand, $2,130 thousand and $450 thousand from exercised options, respectively.

D. Indexed Stock Option Plan (Discontinued)

During 2004, the Board of Directors approved an indexed stock purchase option plan for Directors and certain executives of the Bank, which was subsequently terminated in 2006. The indexed stock options had an expiration term of ten years after the grant date. The exercise price is adjusted based on the change in a customized Latin American general market index. There is no compensation cost pending amortization, or outstanding options related to this plan.

A summary of the indexed stock purchase options is presented below:

	Options	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value (thousands)
Outstanding at January 1, 2011	385,469	$ 17.98		
Forfeited	-	-		
Expired	(4,100)	11.87		
Exercised	(55,433)	12.12		
Outstanding at December 31, 2011	325,936	12.86		
Forfeited	-	-		
Expired	(3,542)	14.48		
Exercised	(322,394)	16.41		
Outstanding at December 31, 2012	-	$ -	-	$ -

The intrinsic value of options exercised during the years ended December 31, 2012 and 2011 was $1,213 thousand and $235 thousand, respectively. During the years ended December 31, 2012 and 2011, the Bank received $5,292 thousand and $672 thousand, respectively, from exercised options.

E. Deferred Compensation Plan (the "DC Plan")

In 1999, the Board of Directors approved the DC Plan, which was subsequently terminated in 2003. The Bank could grant a number of deferred equity units ("DEU"). Eligible employees would vest the DEU after three years of service, and distributions were made on the later of (i) the date the vested DEU were credited to the employee's account, and (ii) ten years the employee was first credited with DEU. Participating employees received dividends with respect to their unvested deferred equity units. A summary on changes is presented below:

	2013	2012	2011
Outstanding at beginning of year	534	1,812	17,746
Exercised	(534)	(1,278)	(15,934)
Outstanding at end of year	-	534	1,812

Related cost charged against income related to this plan amounted to $1 thousand in 2012 and 2011. There is no compensation cost related to this plan in 2013.

F. Other plans - Expatriate Officer Plan

The Bank sponsors a defined contribution plan for its expatriate top executives based in Panama, which are not eligible to participate in the Panamanian social security system. The Bank's contributions are determined as a percentage of the annual salaries of top executives eligible for the plan, each contributing an additional amount withheld from their salary. Contributions to this plan are managed by a fund manager through a trust. The executives are entitled to the Bank's contributions after completing at least three years of service in the Bank. During the years 2013, 2012 and 2011, the Bank charged to salaries expense $120 thousand, $131 thousand and $119 thousand, respectively, that correspond to the Bank's contributions to this plan. As of December 31, 2013 and 2012, the accumulated liability payable amounted to $176 thousand and $198 thousand, respectively.

18. Earnings per share

The following table presents a reconciliation of the income and share data used in the basic and diluted earnings per share ("EPS") computations for the dates indicated:

(In thousands of US$, except per share amounts)	Year ended December 31,		
	2013	**2012**	**2011**
Net income from continuing operations attributable to Bladex stockholders for both basic and diluted EPS	84,757	93,713	83,600
Net loss from discontinued operations	(4)	(681)	(420)
Net income attributable to Bladex stockholders for both basic and diluted EPS	84,753	93,032	83,180
Basic earnings per share from continuing operations	2.21	2.48	2.26
Diluted earnings per share from continuing operations	2.20	2.47	2.25
Basic loss per share from discontinued operations	(0.00)	(0.02)	(0.01)
Diluted loss per share from discontinued operations	(0.00)	(0.02)	(0.01)
Basic earnings per share	2.21	2.46	2.25
Diluted earnings per share	2.20	2.45	2.24
Weighted average common shares outstanding - applicable to basic	38,406	37,824	36,969
Weighted average common shares outstanding - applicable to basic	38,406	37,824	36,969
Effect of dilutive securities:			
Stock options and restricted stock units plans	127	114	176
Adjusted weighted average common shares outstanding applicable to diluted EPS	38,533	37,938	37,145

19. Financial instruments with off-balance sheet credit risk

In the normal course of business, to meet the financing needs of its customers, the Bank is party to financial instruments with off-balance sheet credit risk. These financial instruments involve, to varying degrees, elements of credit and market risk in excess of the amount recognized in the consolidated balance sheet. Credit risk represents the possibility of loss resulting from the failure of a customer to perform in accordance with the terms of a contract.

The Bank's outstanding financial instruments with off-balance sheet credit risk were as follows:

	December 31,	
(In thousands of US$)	**2013**	**2012**
Confirmed letters of credit	221,963	106,415
Stand-by letters of credit and guarantees - Commercial risk	137,285	25,167
Credit commitments	121,175	103,294
	480,423	234,876

As of December 31, 2013, the remaining maturity profile of the Bank's outstanding financial instruments with off-balance sheet credit risk is as follows:

(In thousands of US$)

Maturities	**Amount**
Within 1 year	353,721
From 1 to 2 years	93,175
From 2 to 5 years	32,905
After 5 years	622
	480,423

As of December 31, 2013 and 2012 the breakdown of the Bank's off-balance sheet exposure by country risk is as follows:

(In thousands of US$)	**December 31,**	
Country:	**2013**	**2012**
Argentina	295	-
Bolivia	80	820
Brazil	22,567	23,630
Chile	-	6,084
Colombia	38,545	9,098
Costa Rica	897	1,000
Dominican Republic	108	1,535
Ecuador	153,072	79,760
El Salvador	25	625
Guatemala	43,548	180
Honduras	412	562
Jamaica	338	-
Mexico	20,969	27,289
Netherlands	17,833	-
Panama	96,943	58,219
Paraguay	2	-
Peru	41,063	2,843
Switzerland	1,000	-
United Kingdom	70	-
Uruguay	40,946	-
Venezuela	1,710	23,231
	480,423	234,876

Letters of credit and guarantees

The Bank, on behalf of its client base, advises and confirms letters of credit to facilitate foreign trade transactions. When confirming letters of credit, the Bank adds its own unqualified assurance that the issuing bank will pay and that if the issuing bank does not honor drafts drawn on the credit, the Bank will. The Bank provides stand-by letters of credit and guarantees, which are issued on behalf of institutional customers in connection with financing between its customers and third parties. The Bank applies the same credit policies used in its lending process, and once issued the commitment is irrevocable and remains valid until its expiration. Credit risk arises from the Bank's obligation to make payment in the event of a customer's contractual default to a third party. Risks associated with stand-by letters of credit and guarantees are included in the evaluation of the Bank's overall credit risk.

Credit commitments

Commitments to extend credit are binding legal agreements to lend to customers. Commitments generally have fixed expiration dates or other termination clauses and require payment of a fee to the Bank. As some commitments expire without being drawn down, the total commitment amounts do not necessarily represent future cash requirements.

20. Leasehold commitments

As of December 31, 2013, leasehold commitments are as follows:

(In thousands of US$) **Year**	
2014	2,236
2015	1,991
2016	1,676
2017	1,585
2018	1,621
Thereafter	15,798
Total minimum payments (1)	24,907

(1) Minimum payments have not been reduced by minimum sublease rentals of $2,644 thousand due in the future under non-cancelable subleases.

The following table presents an analysis of all operating leases:

	2013	**2012**	**2011**
Rent expense	2,925	2,468	1,403
Less: Sublease rentals	(559)	(386)	(129)
	2,366	2,082	1,274

21. Derivative financial instruments for hedging purposes

As of December 31, 2013 and 2012, quantitative information on derivative financial instruments held for hedging purposes is as follows:

	2013			**2012**		
	Nominal	**Fair Value (1)**		**Nominal**	**Fair Value (1)**	
(In thousands of US$)	**Amount**	**Asset**	**Liability**	**Amount**	**Asset**	**Liability**
Fair value hedges:						
Interest rate swaps	494,558	4,625	1,403	480,000	8,319	6,600
Cross-currency interest rate swaps	269,488	2,783	6,834	236,866	3,525	4,665
Cash flow hedges:						
Interest rate swaps	453,000	393	243	-	-	-
Cross-currency interest rate swaps	126,308	6,392	-	42,001	7,333	23
Forward foreign exchange	88,130	684	92	75,733	62	411
Net investment hedges:						
Forward foreign exchange	5,810	340	-	6,196	-	48
Total	1,437,294	15,217	8,572	840,796	19,239	11,747
Net gain on the ineffective portion of hedging activities (2)	353			71		

(1) The fair value of assets and liabilities is reported within the derivative financial instruments used for hedging - receivable and payable lines in the consolidated balance sheets, respectively.

(2) Gains and losses resulting from ineffectiveness and credit risk in hedging activities are reported within the derivative financial instruments and hedging line in the consolidated statements of income.

The gains and losses resulting from activities of derivative financial instruments and hedging recognized in the consolidated statements of income are presented below:

2013

(In thousands of US$)	Gain (loss) recognized in OCI (effective portion)	Classification of gain (loss)	Gain (loss) reclassified from accumulated OCI to the statements of income (effective portion)	Gain (loss) recognized on derivatives (ineffective portion)
Derivatives – cash flow hedge				
Interest rate swaps	226			
Cross-currency interest rate swaps	(734)	Gain (loss) on foreign currency exchange	-	-
		Interest income – loans	(11)	-
Forward foreign exchange	1,544	Interest income – loans	(1,461)	-
		Interest expense – borrowings and debt	31	-
		Gain (loss) on foreign currency exchange	1,562	-
Total	1,036		121	-
Derivatives – net investment hedge				
Forward foreign exchange	464	Gain (loss) on foreign currency exchange	-	-
Total	464		-	-

2012

(In thousands of US$)	Gain (loss) recognized in OCI (effective portion)	Classification of gain (loss)	Gain (loss) reclassified from accumulated OCI to the statements of income (effective portion)	Gain (loss) recognized on derivatives (ineffective portion)
Derivatives – cash flow hedge				
Interest rate swaps	217			
Cross-currency interest rate swaps	3,740	Gain (loss) on foreign currency exchange	2,481	-
Forward foreign exchange	1,742	Interest income – loans	(564)	-
		Interest expense – borrowings and debt	(169)	-
		Gain (loss) on foreign currency exchange	3,679	-
Total	5,699		5,427	-
Derivatives – net investment hedge				
Forward foreign exchange	109	Gain (loss) on foreign currency exchange	-	-
Total	109		-	-

2011

(In thousands of US$)	Gain (loss) recognized in OCI (effective portion)	Classification of gain (loss)	Gain (loss) reclassified from accumulated OCI to the statements of income (effective portion)	Gain (loss) recognized on derivatives (ineffective portion)
Derivatives – cash flow hedge				
Interest rate swaps	987			
Cross-currency interest rate swaps	2,270	Gain (loss) on foreign currency exchange	1,958	-
Forward foreign exchange	(2,160)	Interest income – loans	(124)	-
		Interest expense – borrowings and debt	172	-
		Gain (loss) on foreign currency exchange	(2,966)	-
Total	1,097		(960)	-
Derivatives – net investment hedge				
Forward foreign exchange	289	Gain (loss) on foreign currency exchange	-	-
Total	289		-	-

The Bank recognized in earnings the gain (loss) on derivative financial instruments and the gain (loss) of the hedged asset or liability related to qualifying fair value hedges, as follows:

2013

(In thousands of US$)	Classification in statements of income	Gain (loss) on derivatives	Gain (loss) on hedged item	Net gain (loss)
Derivatives - fair value hedge				
Interest rate swaps	Interest income – securities available-for-sale	(3,088)	4,649	1,561
	Interest income – loans	(39)	350	311
	Interest expense – borrowings and debt	3,192	(16,204)	(13,012)
	Derivative financial instruments and hedging	(3,622)	3,942	320
Cross-currency interest rate swaps	Interest income – loans	(795)	1,548	753
	Interest expense – borrowings and debt	6,905	(12,452)	(5,547)
	Derivative financial instruments and hedging	(6,117)	6,150	33
	Gain (loss) on foreign currency exchange	(430)	458	28
		(3,994)	(11,559)	(15,553)

2012

(In thousands of US$)	Classification in statements of income	Gain (loss) on derivatives	Gain (loss) on hedged item	Net gain (loss)
Derivatives - fair value hedge				
Interest rate swaps	Interest income – securities available-for-sale	(2,982)	4,776	1,794
	Interest expense – borrowings and debt	1,564	(12,022)	(10,458)
	Derivative financial instruments and hedging	59	-	59
Cross-currency interest rate swaps	Interest income – loans	(239)	522	283
	Interest expense – borrowings and debt	8,024	(11,187)	(3,163)
	Derivative financial instruments and hedging	12	-	12
	Gain (loss) on foreign currency exchange	5,873	(6,469)	(596)
		12,311	(24,380)	(12,069)

2011

(In thousands of US$)	Classification in statements of income	Gain (loss) on derivatives	Gain (loss) on hedged item	Net gain (loss)
Derivatives - fair value hedge				
Interest rate swaps	Interest income – securities available-for-sale	(6,857)	10,266	3,409
	Interest expense – borrowings and debt	-	-	-
	Derivative financial instruments and hedging	74	-	74
Cross-currency interest rate swaps	Interest income – loans	(33)	55	22
	Interest expense – borrowings and debt	4,352	(7,874)	(3,522)
	Derivative financial instruments and hedging	2,849	-	2,849
	Gain (loss) on foreign currency exchange	(17,427)	17,475	48
		(17,042)	19,922	2,880

For control purposes, derivative instruments are recorded at their nominal amount ("notional amount") in memorandum accounts. Interest rate swaps are made either in a single currency or cross currency for a prescribed period to exchange a series of interest rate flows, which involve fixed for floating interest payments, and viceversa. The Bank also engages in certain foreign exchange trades to serve customers' transaction needs and to manage the foreign currency risk. All such positions are hedged with an offsetting contract for the same currency. The Bank manages and controls the risks on these foreign exchange trades by establishing counterparty credit limits by customer and by adopting policies that do not allow for open positions in the credit and investment portfolio. The Bank also uses foreign currency exchange contracts to hedge the foreign exchange risk associated with the Bank's equity investment in a non-U.S. dollar functional currency foreign subsidiary. Derivative and foreign exchange instruments negotiated by the Bank are executed mainly over-the-counter (OTC). These contracts are executed between two counterparties that negotiate specific agreement terms, including notional amount, exercise price and maturity.

The maximum length of time over which the Bank has hedged its exposure to the variability in future cash flows on forecasted transactions is 7.48 years.

The Bank estimates that approximately $551 thousand of losses reported in OCI as of December 31, 2013 related to forward foreign exchange contracts are expected to be reclassified into interest income as an adjustment to yield of hedged loans during the twelve-month period ending December 31, 2014.

Types of Derivatives and Foreign Exchange Instruments

Interest rate swaps are contracts in which a series of interest rate flows in a single currency are exchanged over a prescribed period. The Bank has designated a portion of these derivative instruments as fair value hedges and a portion as cash flow hedges. Cross currency swaps are contracts that generally involve the exchange of both interest and principal amounts in two different currencies. The Bank has designated a portion of these derivative instruments as fair value hedges and a portion as cash flow hedges. Forward foreign exchange contracts represent an agreement to purchase or sell foreign currency at a future date at agreed-upon terms. The Bank has designated these derivative instruments as cash flow hedges and net investment hedges.

In addition to hedging derivative financial instruments, the Bank has derivative financial instruments held for trading purposes that have been disclosed in Note 5.

22. Accumulated other comprehensive income (loss)

As of December 31, 2013, 2012 and 2011 the breakdown of accumulated other comprehensive income (loss) related to investment securities available-for-sale and derivative financial instruments, and foreign currency translation is as follows:

(In thousands of US$)	**Securities available-for-sale**	**Derivative financial instruments**	**Foreign currency translation adjustment, net of hedges**	**Total**
Balance as of January 1, 2011	(3,744)	(2,697)	-	(6,441)
Net unrealized gains arising from the year	4,095	1,097	-	5,192
Reclassification adjustment for (gains) loss included in net income [1]	(2,079)	960	-	(1,119)
Foreign currency translation adjustment, net	-	-	(744)	(744)
Other comprehensive income (loss) from the year	2,016	2,057	(744)	3,329
Balance as of December 31, 2011	(1,728)	(640)	(744)	(3,112)
Net unrealized gains arising from the year	8,436	5,699	-	14,135
Reclassification adjustment for gains included in net income [1]	(5,775)	(5,427)	-	(11,202)
Foreign currency translation adjustment, net	-	-	(551)	(551)
Other comprehensive income (loss) from the year	2,661	272	(551)	2,382
Balance as of December 31, 2012	933	(368)	(1,295)	(730)
Net unrealized loss arising from the year	(9,640)	(2,302)	-	(11,942)
Reclassification adjustment for (gains) loss included in net income [1]	(1,487)	1,985	24	522
Foreign currency translation adjustment, net	-	-	(425)	(425)
Other comprehensive income (loss) from the year	(11,127)	(317)	(401)	(11,845)
Balance as of December 31, 2013	(10,194)	(685)	(1,696)	(12,575)

(1) Reclassification adjustments include amounts recognized in net income during the current period that had been part of other comprehensive income (loss) in this and previous periods.

The following table presents amounts reclassified from other comprehensive income to the net income of the period:

2013

(In thousands of US$) **Details about accumulated other comprehensive income components**	**Amount reclassified from accumulated other comprehensive income**	**Affected line item in the statement where net income is presented**
Realized gains (losses) on securities available-for-sale:		
	2	Interest income – securities available-for-sale
	1,152	Net gain on sale of securities available-for-sale
	333	Derivative financial instruments and hedging
	1,487	
Gains (losses) on derivative financial instruments:		
Forward foreign exchange	(1,472)	Interest income - loans
	31	Interest expense – borrowings and debt
	(544)	Net gain (loss) on foreign currency exchange
	(1,985)	
Loss on foreign currency translation adjustment	(24)	Net loss from discontinued operations

2012

(In thousands of US$) **Details about accumulated other comprehensive income components**	**Amount reclassified from accumulated other comprehensive income**	**Affected line item in the statement where net income is presented**
Realized gains (losses) on securities available-for-sale:		
	-	Interest income – securities available-for-sale
	5,775	Net gain on sale of securities available-for-sale
	-	Derivative financial instruments and hedging
	5,775	
Gains (losses) on derivative financial instruments:		
Forward foreign exchange	(564)	Interest income - loans
	(169)	Interest expense – borrowings and debt
	6,160	Net gain (loss) on foreign currency exchange
	5,427	
Loss on foreign currency translation adjustment	-	Net loss from discontinued operations

2011		
(In thousands of US$) **Details about accumulated other comprehensive income components**	**Amount reclassified from accumulated other comprehensive income**	**Affected line item in the statement where net income is presented**
Realized gains (losses) on securities available-for-sale:		
	-	Interest income – securities available-for-sale
	2,079	Net gain on sale of securities available-for-sale
	-	Derivative financial instruments and hedging
	2,079	
Gains (losses) on derivative financial instruments:		
Forward foreign exchange	(124)	Interest income - loans
	172	Interest expense – borrowings and debt
	(1,008)	Net gain (loss) on foreign currency exchange
	(960)	
Loss on foreign currency translation adjustment	-	Net loss from discontinued operations

23. Offsetting of financial assets and liabilities

In the ordinary course of business, the Bank enters into derivative financial instrument transactions and securities sold under repurchase agreements under industry standards agreements. Depending on the collateral requirements stated in the contracts, the Bank and counterparties can receive or deliver collateral based on the fair value of the financial instruments transacted between parties. Collateral typically consists of cash deposits and securities. The master netting agreements include clauses that, in the event of default, provide for close-out netting, which allows all positions with the defaulting counterparty to be terminated and net settled with a single payment amount.

The following tables summarize financial assets and liabilities that have been offset in the consolidated balance sheet or are subject to master netting agreements:

a) Derivative financial instruments - assets

December 31, 2013						
(In thousands of US$)				Gross amounts not offset in the balance sheet		
Description	**Gross amounts of assets**	**Gross amounts offset in the balance sheet**	**Net amount of assets presented in the balance sheet**	**Financial instruments**	**Cash collateral received**	**Net amount**
Derivative financial instruments	15,217	-	15,217	-	(1,050)	14,167

December 31, 2012						
(In thousands of US$)				Gross amounts not offset in the balance sheet		
Description	**Gross amounts of assets**	**Gross amounts offset in the balance sheet**	**Net amount of assets presented in the balance sheet**	**Financial instruments**	**Cash collateral received**	**Net amount**
Derivative financial instruments	19,385	(27)	19,358	-	(2,950)	16,408

The following table presents the reconciliation of assets that have been offset or are subject to master netting agreements to individual line items in the balance sheet as of December 31, 2013 and 2012:

(In thousands of US$)	2013			2012		
Description	**Gross amounts of assets**	**Gross amounts offset in the balance sheet**	**Net amount of assets presented in the balance sheet**	**Gross amounts of assets**	**Gross amounts offset in the balance sheet**	**Net amount of assets presented in the balance sheet**
Derivative financial instruments:						
Trading assets	-	-	-	146	(27)	119
Derivative financial instruments used for hedging - receivable	15,217	-	15,217	19,239	-	19,239
Total derivative financial instruments	15,217	-	15,217	19,385	(27)	19,358

b) Financial liabilities and derivative financial instruments - liabilities

December 31, 2013						
(In thousands of US$)				Gross amounts not offset in the balance sheet		
Description	**Gross amounts of liabilities**	**Gross amounts offset in the balance sheet**	**Net amount of liabilities presented in the balance sheet**	**Financial instruments**	**Cash collateral pledged**	**Net amount**
Securities sold under repurchase agreements	286,162	-	286,162	(285,471)	(691)	-
Derivative financial instruments	8,644	-	8,644	-	(5,340)	3,304
Total	294,806	-	294,806	(285,471)	(6,031)	3,304

(In thousands of US$)	December 31, 2012			Gross amounts not offset in the balance sheet		
Description	**Gross amounts of liabilities**	**Gross amounts offset in the balance sheet**	**Net amount of liabilities presented in the balance sheet**	**Financial instruments**	**Cash collateral pledged**	**Net amount**
Securities sold under repurchase agreements	158,374	-	158,374	(157,705)	(669)	-
Derivative financial instruments	44,078	(27)	44,051	-	(10,849)	33,202
Total	202,452	(27)	202,425	(157,705)	(11,518)	33,202

The following table presents the reconciliation of liabilities that have been offset or are subject to master netting agreements to individual line items in the balance sheet as of December 31, 2013 and 2012:

(In thousands of US$)	2013			2012		
Description	**Gross amounts of liabilities**	**Gross amounts offset in the balance sheet**	**Net amount of liabilities presented in the balance sheet**	**Gross amounts of liabilities**	**Gross amounts offset in the balance sheet**	**Net amount of liabilities presented in the balance sheet**
Securities sold under repurchase agreements	286,162	-	286,162	158,374	-	158,374
Derivative financial instruments:						
Trading liabilities	72	-	72	32,331	(27)	32,304
Derivative financial instruments used for hedging - payable	8,572	-	8,572	11,747	-	11,747
Total derivative financial instruments	8,644	-	8,644	44,078	(27)	44,051

24. Fair value of financial instruments

The Bank determines the fair value of its financial instruments using the fair value hierarchy established in ASC Topic 820 - Fair Value Measurements and Disclosure, which requires the Bank to maximize the use of observable inputs (those that reflect the assumptions that market participants would use in pricing the asset or liability developed based on market information obtained from sources independent of the reporting entity) and to minimize the use of unobservable inputs (those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances) when measuring fair value. Fair value is used on a recurring basis to measure assets and liabilities in which fair value is the primary basis of accounting. Additionally, fair value is used on a non-recurring basis to evaluate assets and liabilities for impairment or for disclosure purposes. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Depending on the nature of the asset or liability, the Bank uses some valuation techniques and assumptions when estimating fair value. The Bank applied the following fair value hierarchy:

Level 1 – Assets or liabilities for which an identical instrument is traded in an active market, such as publicly-traded instruments or futures contracts.

Level 2 – Assets or liabilities valued based on observable market data for similar instruments, quoted prices in markets that are not active; or other observable inputs that can be corroborated by observable market data for substantially the full term of the asset or liability.

Level 3 – Assets or liabilities for which significant valuation assumptions are not readily observable in the market; instruments measured based on the best available information, which might include some internally-developed data, and considers risk premiums that a market participant would require.

When determining the fair value measurements for assets and liabilities that are required or permitted to be recorded at fair value, the Bank considers the principal or most advantageous market in which it would transact and considers the assumptions that market participants would use when pricing the asset or liability. When possible, the Bank uses active and observable markets to price identical assets or liabilities. When identical assets and liabilities are not traded in active markets, the Bank uses observable market information for similar assets and liabilities. However, certain assets and liabilities are not actively traded in observable markets and the Bank must use alternative valuation techniques to determine the fair value measurement. The frequency of transactions, the size of the bid-ask spread and the size of the investment are factors considered in determining the liquidity of markets and the relevance of observed prices in those markets.

When there has been a significant decrease in the volume or level of activity for a financial asset or liability, the Bank uses the present value technique which considers market information to determine a representative fair value in usual market conditions.

A description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis, including the general classification of such assets and liabilities under the fair value hierarchy is presented below:

Trading assets and liabilities and securities available-for-sale

Trading assets and liabilities are carried at fair value, which is based upon quoted prices when available, or if quoted market prices are not available, on discounted expected cash flows using market rates commensurate with the credit quality and maturity of the security.

Securities available-for-sale are carried at fair value, based on quoted market prices when available, or if quoted market prices are not available, based on discounted expected cash flows using market rates commensurate with the credit quality and maturity of the security.

When quoted prices are available in an active market, available-for-sale securities and trading assets and liabilities are classified in level 1 of the fair value hierarchy. If quoted market prices are not available or they are available in markets that are not active, then fair values are estimated based upon quoted prices of similar instruments, or where these are not available, by using internal valuation techniques, principally discounted cash flows models. Such securities are classified within level 2 of the fair value hierarchy.

Investment funds

The investment funds invest in trading assets and liabilities that are carried at fair value, which is based upon quoted market prices when available. For financial instruments for which quoted prices are not available, the investment funds use independent valuations from pricing providers that use their own proprietary valuation models that take into consideration discounted expected cash flows, using market rates commensurate with the credit quality and maturity of the security. These prices are compared to independent valuations from counterparties.

The investment funds are not traded in an active market and, therefore, representative market quotes are not readily available. Their fair value is adjusted on a monthly basis based on its financial results, its operating performance, its liquidity and the fair value of its long and short investment portfolio that are quoted and traded in active markets. Such investments are classified within level 2 of the fair value hierarchy.

Derivative financial instruments

The valuation techniques and inputs depend on the type of derivative and the nature of the underlying instrument. Exchange-traded derivatives that are valued using quoted prices are classified within level 1 of the fair value hierarchy.

For those derivative contracts without quoted market prices, fair value is based on internal valuation techniques using inputs that are readily observable and that can be validated by information available in the market. The principal technique used to value these instruments is the discounted cash flows model and the key inputs considered in this technique include interest rate yield curves and foreign exchange rates. These derivatives are classified within level 2 of the fair value hierarchy.

The fair value adjustments applied by the Bank to its derivative carrying values include credit valuation adjustments ("CVA"), which are applied to OTC derivative instruments, in which the base valuation generally discounts expected cash flows using the London Interbank Offered Rate ("LIBOR") interest rate curves. Because not all counterparties have the same credit risk as that implied by the relevant LIBOR curve, a CVA is necessary to incorporate the market view of both, counterparty credit risk and the Bank's own credit risk, in the valuation.

Own-credit and counterparty CVA is determined using a fair value curve consistent with the Bank's or counterparty credit rating. The CVA is designed to incorporate a market view of the credit risk inherent in the derivative portfolio. However, most of the Bank's derivative instruments are negotiated bilateral contracts and are not commonly transferred to third parties. Derivative instruments are normally settled contractually, or if terminated early, are terminated at a value negotiated bilaterally between the counterparties. Therefore, the CVA (both counterparty and own-credit) may not be realized upon a settlement or termination in the normal course of business. In addition, all or a portion of the CVA may be reversed or otherwise adjusted in future periods in the event of changes in the credit risk of the Bank or its counterparties or due to the anticipated termination of the transactions.

Transfer of financial assets

Gains or losses on sale of loans depend in part on the carrying amount of the financial assets involved in the transfer, and its fair value at the date of transfer. The fair value of instruments is determined based upon quoted market prices when available, or are based on the present value of future expected cash flows using information related to credit losses, prepayment speeds, forward yield curves, and discounted rates commensurate with the risk involved.

Financial instruments measured at fair value on a recurring basis by caption on the consolidated balance sheets using the fair value hierarchy are described below:

(In thousands of US$)	**2013**			
	Quoted market prices in an active market (Level 1)	**Internally developed models with significant observable market information (Level 2)**	**Internally developed models with significant unobservable market information (Level 3)**	**Total carrying value in the consolidated balance sheets**
Assets				
Securities available-for-sale				
Corporate debt	178,168	-	-	178,168
Sovereign debt	156,200	-	-	156,200
Total securities available-for-sale	334,368	-	-	334,368
Investment funds	-	118,661	-	118,661
Derivative financial instruments used for hedging - receivable				
Interest rate swaps	-	5,018	-	5,018
Cross-currency interest rate swaps	-	9,175	-	9,175
Forward foreign exchange	-	1,024	-	1,024
Total derivative financial instruments used for hedging - receivable	-	15,217	-	15,217
Total assets at fair value	334,368	133,878	-	468,246
Liabilities				
Trading liabilities				
Interest rate swaps	-	65	-	65
Cross-currency interest rate swaps	-	7	-	7
Total trading liabilities	-	72	-	72
Derivative financial instruments used for hedging – payable				
Interest rate swaps	-	1,646	-	1,646
Cross-currency interest rate swaps	-	6,834	-	6,834
Forward foreign exchange	-	92	-	92
Total derivative financial instruments used for hedging - payable	-	8,572	-	8,572
Total liabilities at fair value	-	8,644	-	8,644

Securities available-for-sale with fair value of $4,116 thousand as of December 31, 2013 were transferred during 2013 from level 2 to level 1 of the fair value hierarchy, because quoted prices of those securities are now available in an active market.

(In thousands of US$)	**2012**			
	Quoted market prices in an active market (Level 1)	**Internally developed models with significant observable market information (Level 2)**	**Internally developed models with significant unobservable market information (Level 3)**	**Total carrying value in the consolidated balance sheets**
Assets				
Trading assets				
Sovereign bonds	5,146	-	-	5,146
Cross-currency swaps	49	-	-	49
Forward foreign exchange	-	50	-	50
Future contracts	20	-	-	20
Total trading assets	5,215	50	-	5,265
Securities available-for-sale				
Corporate debt	17,386	-	-	17,386
Sovereign debt	165,355	276	-	165,631
Total securities available-for-sale	182,741	276	-	183,017
Investment fund	-	105,888	-	105,888
Derivative financial instruments used for hedging - receivable				
Interest rate swaps	-	8,319	-	8,319
Cross-currency interest rate swaps	-	10,858	-	10,858
Forward foreign exchange	-	62	-	62
Total derivative financial instruments used for hedging - receivable	-	19,239	-	19,239
Total assets at fair value	187,956	125,453	-	313,409
Liabilities				
Trading liabilities				
Interest rate swaps	-	100	-	100
Cross-currency interest rate swaps	-	32,182	-	32,182
Forward foreign exchange	-	22	-	22
Total trading liabilities	-	32,304	-	32,304
Derivative financial instruments used for hedging – payable				
Interest rate swaps	-	6,600	-	6,600
Cross-currency interest rate swaps	-	4,688	-	4,688
Forward foreign exchange	-	459	-	459
Total derivative financial instruments used for hedging - payable	-	11,747	-	11,747
Total liabilities at fair value	-	44,051	-	44,051

ASC Topic 825 - Financial Instruments requires disclosure of fair value of financial instruments including those assets and liabilities for which the Bank did not elect the fair value option. Bank's management uses its best judgment in estimating the fair value of the Bank's financial instruments; however, there are limitations in any estimation technique. The estimated fair value amounts have been measured as of their respective period-end. As such, the estimated fair values of these financial instruments subsequent to the respective reporting dates may be different than the amounts reported at each period-end.

The following information should not be interpreted as an estimate of the fair value of the Bank. Fair value calculations are only provided for a limited portion of the Bank's financial assets and liabilities. Due to a wide range of valuation techniques and the degree of subjectivity used in making the estimates, comparison of fair value information of the Bank and other companies may not be meaningful for comparative analysis.

The following methods and assumptions were used by the Bank's management in estimating the fair values of financial instruments whose fair value is not measured on a recurring basis:

Financial instruments with carrying value that approximates fair value

The carrying value of certain financial assets, including cash and due from banks, interest-bearing deposits in banks, customers' liabilities under acceptances, accrued interest receivable and certain financial liabilities including customer's demand and time deposits, securities sold under repurchase agreements, accrued interest payable, and acceptances outstanding, as a result of their short-term nature, are considered to approximate fair value. These instruments are classified in Level 2.

Securities held-to-maturity

The fair value has been based upon current market quotations, where available. If quoted market prices are not available, fair value has been estimated based upon quoted price of similar instruments, or where these are not available, on discounted expected cash flows using market rates commensurate with the credit quality and maturity of the security. These securities are classified in Levels 1 and 2.

Loans

The fair value of the loan portfolio, including impaired loans, is estimated by discounting future cash flows using the current rates at which loans would be made to borrowers with similar credit ratings and for the same remaining maturities, considering the contractual terms in effect as of December 31 of the relevant period. These assets are classified in Level 2.

Short and long-term borrowings and debt

The fair value of short and long-term borrowings and debt is estimated using discounted cash flow analysis based on the current incremental borrowing rates for similar types of borrowing arrangements, taking into account the changes in the Bank's credit margin. These liabilities are classified in Level 2.

Commitments to extend credit, stand-by letters of credit, and financial guarantees written

The fair value of commitments is estimated using the fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the present creditworthiness of the counterparties. For loan commitments, fair value also considers the difference between current levels of interest rates and the committed rates. The fair value of guarantees and letters of credit is based on fees currently charged for similar agreements which consider the counterparty risks; which fair value is calculated based on the present value of the premium to be received or a specific allowance for off-balance sheet credit contingencies, whichever is greater. These commitments are classified in Level 3 since the second quarter of 2013 given the limited information available on the market. Fair value of these instruments is provided for disclosure purposes only.

The following table provides information on the carrying value and estimated fair value of the Bank's financial instruments that are not measured on a recurring basis:

(In thousands of US$)	December 31, 2013				
	Carrying Value	Fair Value	Quoted market prices in an active market (Level 1)	Internally developed models with significant observable market information (Level 2)	Internally developed models with significant unobservable market information (Level 3)
Financial assets:					
Instruments with carrying value that approximates fair value	881,573	881,573	-	881,573	-
Securities held-to-maturity	33,759	33,634	17,010	16,624	-
Loans, net (1)	6,068,879	6,264,624	-	6,264,624	-
Financial liabilities:					
Instruments with carrying value that approximates fair value	2,662,412	2,662,609	-	2,662,609	-
Short-term borrowings and debt	2,705,365	2,711,936	-	2,711,936	-
Long-term borrowings and debt	1,153,871	1,180,877	-	1,180,877	-
Commitments to extend credit, standby letters of credit, and financial guarantees written	6,827	5,365	-	-	5,365

(1) The carrying value of loans is net of the Allowance for loan losses of $72.7 million and unearned income and deferred fees of $6.7 million for December 31, 2013.

(In thousands of US$)	December 31, 2012				
	Carrying Value	Fair Value	Quoted market prices in an active market (Level 1)	Internally developed models with significant observable market information (Level 2)	Internally developed models with significant unobservable market information (Level 3)
Financial assets:					
Instruments with carrying value that approximates fair value	746,006	746,006	-	746,006	-
Securities held-to-maturity	34,113	34,149	19,444	14,705	-
Loans, net (1)	5,635,480	5,784,172	-	5,784,172	-
					-
Financial liabilities:					
Instruments with carrying value that approximates fair value	2,494,734	2,494,824	-	2,494,824	-
Short-term borrowings	1,449,023	1,453,159	-	1,453,159	-
Long-term borrowings and debt	1,905,540	1,922,544	-	1,922,544	-
Commitments to extend credit, standby letters of credit, and financial guarantees written	5,781	4,841	-	4,841	-

(1) The carrying value of loans is net of the Allowance for loan losses of $73.0 million and unearned income and deferred fees of $7.1 million for December 31, 2012.

25. Litigation

Bladex is not engaged in any litigation that is material to the Bank's business or, to the best of the knowledge of the Bank's management that is likely to have an adverse effect on its business, financial condition or results of operations.

26. Capital adequacy

The Banking Law in the Republic of Panama requires banks with general banking license to maintain a total capital adequacy index that shall not be lower than 8% of total assets and off-balance sheet irrevocable contingency transactions, weighted according to their risk; and primary capital equivalent that shall not be less than 4% of its assets and off-balance sheet irrevocable contingency transactions, weighted according to their risk. As of December 31, 2013, the Bank's capital adequacy ratio is 14.65% which is in compliance with the capital adequacy ratios required by the Banking Law in the Republic of Panama.

27. Business segment information

The Bank's activities are operated and managed in two segments, Commercial and Treasury. The Asset Management unit was discontinued since the fourth quarter of 2012. The segment information reflects this operational and management structure, in a manner consistent with the requirements outlined in ASC Topic 280 - Segment Reporting. The segment results are determined based on the Bank's managerial accounting process, which assigns consolidated balance sheets, revenue and expense items to each reportable division on a systematic basis.

The Bank incorporates net operating income[(3)] by business segment in order to disclose the revenue and expense items related to its normal course of business, segregating from the net income, the impact of reversals of reserves for loan losses and off-balance sheet credit risk, and recoveries on assets. In addition, the Bank's net interest income represents the main driver of net operating income; therefore, the Bank presents its interest-earning assets by business segment, to give an indication of the size of business generating net interest income. Interest-earning assets also generate gains and losses on sales, such as for securities available-for-sale and trading assets and liabilities, which are included in net other income, in the Treasury Segment. The Bank also discloses its other assets and contingencies by business segment, to give an indication of the size of business that generates net fees and commissions, also included in net other income, in the Commercial Segment.

The Bank believes that the presentation of net operating income provides important supplementary information to investors regarding financial and business trends relating to the Bank's financial condition and results of operations. These measures exclude the impact of reversals (provisions) for loan losses and reversals (provisions) for losses on off-balance sheet credit risk (together referred to as "Reversal of provision (provision) for credit losses") which Bank's management considers distort trend analysis.

Net operating income disclosed by the Bank should not be considered a substitute for, or superior to, financial measures calculated differently from similar measures used by other companies. These measures, therefore, may not be comparable to similar measurements used by other companies.

The Commercial Segment incorporates all of the Bank's financial intermediation and fees generated by the commercial portfolio. The commercial portfolio includes book value of loans, selected deposits placed, acceptances and contingencies. Operating income from the Commercial Segment includes net interest income from loans, fee income and allocated operating expenses.

The Treasury Segment incorporates deposits in banks and all of the Bank's trading assets, securities available-for-sale and held-to-maturity, and the balance of the investment funds. Operating income from the Treasury Segment includes net interest income from deposits with banks, trading securities and securities available-for-sale and held-to-maturity, net interest margin related to investment funds, derivative and hedging activities, net gain (loss) from investment funds trading, net gain (loss) from trading securities, net gain on sale of securities available-for-sale, net gain (loss) on foreign currency exchange, and allocated income and operating expenses.

The following table provides certain information regarding the Bank's continuing operations by segment:

Business Segment Analysis (1)

(In thousands of US$)	**2013**	**2012**	**2011**
COMMERCIAL			
Interest income	192,979	183,365	140,697
Interest expense	(77,931)	(73,398)	(58,969)
Net interest income	115,048	109,967	81,728
Net other income (2)	15,338	12,216	11,001
Operating expenses	(40,945)	(38,322)	(34,895)
Net operating income (3)	**89,441**	**83,861**	**57,834**
Reversal of provision (provision) for loan and off-balance sheet credit losses	1,217	12,389	(4,393)
Recoveries, net of impairment of assets	108	-	(57)
Net income attributable to Bladex stockholders	**90,766**	**96,250**	**53,384**
Commercial assets and contingencies (end of period balances):			
Interest-earning assets (4 y 6)	6,141,630	5,708,456	4,982,876
Other assets and contingencies (5)	482,117	237,077	364,016
Total interest-earning assets, other assets and contingencies	**6,623,747**	**5,945,533**	**5,346,892**
TREASURY			
Interest income	12,324	9,072	16,730
Interest expense	(4,280)	(14,062)	4,252
Net interest income	8,044	(4,990)	20,982
Net other income (expense)(2)	(4,877)	14,612	25,102
Operating expenses	(13,361)	(17,492)	(15,192)
Net operating income (3)	**(10,194)**	**(7,870)**	**30,892**
Net income (loss)	**(10,194)**	**(7,870)**	**30,892**
Net income attributable to the redeemable noncontrolling interest	(4,185)	293	676
Net income (loss) attributable to Bladex stockholders	**(6,009)**	**(8,163)**	**30,216**
Treasury assets and contingencies (end of period balances):			
Interest-earning assets (6)	1,326,506	1,035,313	1,397,181
Redeemable noncontrolling interest	(49,898)	(3,384)	(5,547)
Total interest-earning assets, other assets and contingencies	**1,276,608**	**1,031,929**	**1,391,634**

(In thousands of US$)	**2013**	**2012**	**2011**
TOTAL			
Interest income	205,303	192,437	157,427
Interest expense	(82,211)	(87,460)	(54,717)
Net interest income	123,092	104,977	102,710
Net other income (2)	10,461	26,828	36,103
Operating expenses	(54,306)	(55,814)	(50,087)
Net operating income (3)	**79,247**	**75,991**	**88,726**
Reversal of provision (provision) for loans and off-balance sheet credit losses	1,217	12,389	(4,393)
Recoveries, net of impairment of assets	108	-	(57)
Net income – business segment	80,572	88,380	84,276
Net income (loss) attributable to the redeemable noncontrolling interest	(4,185)	293	676
Net income attributable to Bladex stockholders – business segment	**84,757**	**88,087**	**83,600**
Other income unallocated - gain on sale of premises and equipment	-	5,626	-
Discontinued operations (Note 3)	(4)	(681)	(420)
Net income attributable to Bladex stockholders	**84,753**	**93,032**	**83,180**
Total assets and contingencies (end of period balances):			
Interest-earning assets (4 y 6)	7,468,136	6,743,769	6,380,057
Other assets and contingencies (5)	482,117	237,077	364,016
Redeemable noncontrolling interest	(49,898)	(3,384)	(5,547)
Total interest-earning assets, other assets and contingencies	**7,900,355**	**6,977,462**	**6,738,526**

(1) The numbers set out in these tables have been rounded and accordingly may not total exactly.

(2) Net other income excludes reversals (provisions) for loans and off-balance sheet credit losses, recoveries on assets, and gain on sale of premises and equipment.

	2013	2012	2011
Reconciliation of Net other income:			
Net other income – business segment	10,461	26,828	36,103
Reversal of provision (provision) for losses on off-balance sheet credit risk	(381)	4,046	4,448
Recoveries, net of impairment of assets	108	-	(57)
Gain on sale of premises and equipment	-	5,626	-
Net other income – consolidated financial statements	**10,188**	**36,500**	**40,494**

(3) Net operating income refers to net income excluding reversals (provisions) for loans and off-balance sheet credit losses and recoveries on assets.

(4) Includes selected deposits placed, and loans, net of unearned income and deferred loan fees.

(5) Includes customers' liabilities under acceptances, letters of credit and guarantees covering commercial and country risk, and credit commitments.

(6) Includes cash and due from banks, interest-bearing deposits with banks, securities available-for-sale and held-to-maturity, trading securities and the balance of investment funds.

	2013	2012	2011
Reconciliation of Total assets:			
Interest-earning assets – business segment	7,468,136	6,743,769	6,380,057
Allowance for loan losses	(72,751)	(72,976)	(88,547)
Customers' liabilities under acceptances	1,128	1,157	1,110
Accrued interest receivable	40,727	37,819	38,168
Equipment and leasehold improvements, net	10,466	12,808	6,673
Derivative financial instruments used for hedging - receivable	15,217	19,239	4,159
Other assets	8,389	14,580	18,412
Total assets – consolidated financial statements	**7,471,312**	**6,756,396**	**6,360,032**

Geographic information is as follows:

(In thousands of US$)	**2013**				
	Panama	Brazil	United States of America	Cayman Islands	Total
Interest income	184,501	33	18,501	2,268	205,303
Interest expense	(79,132)	-	(1,235)	(1,844)	(82,211)
Net interest income	105,369	33	17,266	424	123,092
Long-lived assets:					
Equipment and leasehold improvements, net	10,237	-	229	-	10,466

(In thousands of US$)	**2012**				
	Panama	Brazil	United States of America	Cayman Islands	Total
Interest income	173,663	155	17,894	725	192,437
Interest expense	(86,019)	-	(1,332)	(109)	(87,460)
Net interest income	87,644	155	16,562	616	104,977
Long-lived assets:					
Equipment and leasehold improvements, net	12,397	8	403	-	12,808

(In thousands of US$)	2011				
	Panama	Brazil	United States of America	Cayman Islands	Total
Interest income	144,491	114	10,595	2,227	157,427
Interest expense	(53,411)	-	(983)	(323)	(54,717)
Net interest income	91,080	114	9,612	1,904	102,710
Long-lived assets:					
Equipment and leasehold improvements, net	6,125	10	538	-	6,673

Exhibit 8.1

Subsidiaries of Banco Latinoamericano de Comercio Exterior, S.A.

Name of Subsidiary	Jurisdiction of Incorporation
Bladex Holdings Inc.	United States
Bladex Representacao Ltda.	Brazil
Bladex Investimentos Ltda.	Brazil

Exhibit 11.1

CODE OF ETHICS

Updated: May 2013
Approved by the Nomination and Compensation Committee in its meeting held on July 15, 2013, as stated in the corresponding minutes.

INTRODUCTION

The set of ethical principles adopted by Banco Latinoamericano de Comercio Exterior, S.A. **("Bladex")** shall be a guideline for its Board of Directors and team of Employees regarding the independent performance of business transactions as well as for their personal and interpersonal conduct, both within and without the Bank.

These ethical principles shall also be for ensuring and enhancing the image of an Organization that can be relied upon because of its sound principles and values.

Bladex, as a supranational bank with a shareholding structure representing the public and private sectors, has to deal with a series of different interests that require guidelines for carrying out its business. To this extent, the values of the Bank: Commitment, Humility, Excellence, Respect and Integrity constitute the foundations of its organizational culture and are the framework for the individual and collective behavior of all employees.

The principles set forth hereunder have been adopted as the Code of Ethics governing all members of the Board of Directors as well as all other Bladex employees.

The Board of Directors is responsible, together with the Administration Committee, for promoting the highest ethical standards, as well as for promoting and strengthening an organizational culture focused on values and showing and emphasizing to all Employees the importance of each one at the Bank.

All members of the Bladex team shall avoid any situation that might cause a conflict of interest between the Bank, its Clients, Shareholders, Directors, Members of the Advisory Board, Suppliers, Vendors and Employees. At the same time, each Supervisor shall ensure that his/her subordinates participate exclusively in such assignments and tasks for which they possess the required knowledge, abilities and expertise.

1. Objectives

The Bladex Code of Ethics pursues the following objectives:

- To act as a guideline for establishing relationships based on trust, both within as well as without the Bank, which will make it possible to always and under any circumstances keep up a high reputation of Commitment, Humility, Excellence, Respect and Integrity.
- To ensure the highest quality conduct of its work team, Board of Directors, and Staff.
- To maintain both organizational and individual credibility, through the highest standards of ethical and professional conduct, for organizational operations, as well as for generating business.
- To ensure that its commercial activities are being performed in accordance with the legal regulations applying to Bladex.
- To report, as far as possible, any potential conflicts of interest and independence.

2. Scope of Action

The Bladex Code of Ethics shall apply to the Board of Directors as well as to all other Staff at the Head Office, Agencies, Representation Offices and Subsidiaries.

This Code sets forth all standards of conduct for our Bank, the people representing it as well as the expectations of our Clients.

3. General Principles

The Banking Business is based on an impeccable reputation of credibility and trust, as banks are custodians of the business community's financial resources. A bank's success is measured by the degree of trust demonstrated by its Clients and Investors.

This trust is contingent on the manner in which the members of the organization achieve excellence through commitment, humility, respect and integrity in the performance of their duties, thus extolling the high ethical standards represented by Bladex, the protection of confidentiality of information related to its Clients, the avoidance of conflicts of interest and compliance with the laws and regulations governing the Bank's activities.

Under no circumstances may personal conduct go against organization values and interests.

All Bladex staff members are responsible for ensuring that the Bank's values and principles are honored at all times, both within as well as without the organization.

4. Conduct and Behavior Based on Organizational Values

The conduct of all Bladex Employees must be characterized, at all times, by modeling the values of the organization: commitment, honesty, excellence, respect and integrity when fulfilling their assigned duties and in their interpersonal relationships.

In the performance of their assigned duties, they shall adopt the same attitude that honorable persons with a sound character would manifest in their interpersonal relationships and the management of their own business.

The conduct of the members of the Board of Directors and that of all Bladex Employees shall at all times reflect the values of the Bank, always driven by the goal of achieving excellence. Likewise, behaviors must be modeled as associated with each of the following values.

Commitment:

- Put the success of the organization ahead of our own interest
- Work together constructively
- Be aligned with the Bank's strategy and personally committed to the objective of the organization

Humility:

- Admit our mistakes and learn from them
- Acknowledge the contributions made by others
- Accept feedback

Excellence:

- Give our very best
- Exceed our own and our clients' expectations
- Keep up to date with the necessary skills and knowledge to perform our duties

Respect:

- Treat other people nicely
- Foster harmony in interpersonal relationships

Integrity:

- Be transparent, honest, professional and reliable
- Promote and enforce standards for appropriate behavior
- Have zero tolerance for fraud or corruption

Due to their position of trust, the personal finances of all of the Bank's Employees should be managed with caution. Matters of personal finance must be conducted in an upright manner, avoiding situations that might affect their image and that of the organization they represent.

Employees are responsible for maintaining ethical standards, including due controls over accounting activities.

Any behavior to the detriment of the value of the organization shall be considered unacceptable and is not in line with the ethical values of the organization**.**

4.1. External Matters

- To carryout business transactions in representation of the Bank, with institutions or companies in which they have some type of personal and/or proprietary interest. If, for any reason and under no preferential treatment conditions, the aforementioned transactions are performed, the Bank's Senior Vice-President - Compliance shall be informed in writing.
- To use their hierarchical position or the information to which they have access to influence decisions favoring personal or third parties' interests.
- The performance of business transactions with Bladex's Securities or with the securities of any other company and/or institution that is a Bladex Client, while in possession of important insider information that is not in the public domain. In other words, all Employees and Directors of the Bank are subject to restrictions regarding commercial transactions with inside information. (Refer to Section 6: Insider Trading).
- To directly or indirectly request, accept or offer gifts or sinecures, with a representative or nominal value exceeding USD 200.00 (except for Invitations regarding food and beverages), which could influence objective decision making.
- To use the Bank's funds for payments to any type of organization, individuals or government representatives, in order to obtain favors, business or to influence their decisions in favor of Bladex.

Note: Publications, speeches, interviews with the media and other public presentations, in matters related to the Bank, shall be previously approved by the Institutional Relations and Marketing Department.

4.2. Internal Matters

- Any type of discriminatory, harassing or intimating attitude or behavior towards Employees.
- The usage of equipment or facilities assigned for the performance of their duties for personal purposes.
- The usage of time during working hours for personal matters.
- The usage or transfer of technology, methods and processes developed for the use of the Institution for personal purposes or in benefit of third parties.

– Infringement of established policies, rules and procedures in detriment of the Organization.

4.3. Preventing the Consumption of Illegal Substances

The Bank recognizes that the consumption of illegal substances is a real problem nowadays and that such behavior could harm the health and quality of life of people and their families, negatively impacting the society we live in. Therefore, the Bank's Employees are prohibited from consuming illegal substances.

Upon hiring each Employee, the Bank shall undertake such tests as may be permitted by current laws in force for detecting the consumption of illegal substances.

5. Managing Information

We should always act in the best interests of the Bank, maintaining confidentiality of its business and operations, as well as the confidentiality of its Clients' information. This premise is especially important in the case of those Directors, Members of the Advisory Board or Employees whose activities are directly or mainly related to the Bank's line of business, or who have frequent or habitual access to confidential and insider information of Bladex or its Clients.

5.1. Definitions:

a. Confidential Information: All past, present or future information about the Bank and its business is considered confidential.

This includes, in a non-restrictive manner, information related to marketing and advertising plans, products, services, clients, markets, technology applications, equipment, configurations, processes, designs and finance. Confidential information may include commercial secrets and, in general, information, products, objects, trademarks and inventions protected by Intellectual Property Laws.

b. Insider Information: Information concerning the activities of Bladex or of a Client of Bladex or of its Economic Group, that has not been disclosed to the public or to third parties and the knowledge of which could influence the price of stock, securities or derived products of Bladex or of a Bladex Client or of its Economic Group, including information about, among others:

- A company's strategic plan
  - Expected financial results
  - Future expected earnings per share
  - Any decision related to dividend payments

- Possible mergers, acquisitions and/or strategic alliances.
- Criminal proceedings against the company or its Main Executives
- Development of important products or services
- Decisions related to the company's capital

c. **"Banking Secrecy":** The Banking Law of the Republic of Panama, which regulates the banking business in or from Panama, establishes that banks shall only disclose information regarding their clients or the operations of said clients with their written consent, except when there exists a formal request from competent authority, in accordance with the law.

d. **Information considered as Non-Public:** Information must be considered as non-public information until it has been disclosed, by the same person to whom such information belongs, through public media and/or media previously established thereto. In addition, information will maintain the condition of non-public until it has been disseminated. (Please refer to section Nº 6 – Insider Trading).

5.2. Managing Confidential and Insider Information

5.2.1. Information received from Clients

a. Those employees authorized to request information from Bladex's Clients or future Clients, will request the necessary information for their correct identification, as well as information about their financial situation, business plans and/or future objectives, when it is relevant for the services that are or will be offered by the Bank and/or its subsidiaries to such Clients or future Clients.

b. Non-public information obtained from Clients or future Clients, in accordance with the previously stated, shall be considered as insider and confidential information.

Prohibitions:

Based on the above, it is prohibited to use any confidential and insider information for illegitimate business purposes, for purposes different from those for which it was requested or for personal benefit or that of third parties or family members that are closely related to the Employee.

Directors, Members of the Advisory Board, Employees and the even Bank itself could become exposed to civil suits and criminal sanctions as a consequence of the violation of applicable regulations in the management of confidential and inside information.

In this sense, Directors, Members of the Advisory Board and Employees that have or may have frequent, regular or occasional access to relevant information concerning a Bladex Client, will not be allowed to perform, promote or protect, on their own behalf or that of a third party, directly or indirectly, any of the following behaviors:

⇒ Buy or sell stock or any other investments while in possession of, or, **after becoming aware of or receiving** non-disclosed material and/or insider information concerning a Bladex Client or its Economic Group that has not been made public yet.

⇒ Disclose non-public material or insider information pertaining to a Bladex Client or its Economic Group, to a third party, including family members, friends or colleagues, so that this information can be used by third parties to make a profit in the Securities Market.

⇒ Recommend or suggest to any person the buying, selling or retaining of shares or other securities investments in a Bladex Client or of its Economic Group.

⇒ Grant access, to whom is not entitled to it, to non-public material or insider information pertaining to a Bladex Client or its Economic Group.

5.2.2. Information about Bladex

Financial information about the Bank and other information obtained inside the Institution shall neither be used to satisfy personal interests, nor commented with third parties, unless it has been expressly transmitted by the Bank's Management in reports or through conferences intended for the public knowledge. No direct or indirect advantage shall be obtained from such information. (Please refer to section Nº - 6 Insider Trading):

5.2.3. Information provided by Bladex to its Employees, Directors, Clients, Investors, Suppliers, Vendors, Outsourcing Providers or Competent Authorities.

a. All information shall be provided in accordance with the operational procedures established and following the legal requirements applicable to the Bank's operations. In cases when providing information is required, approval from authorized persons shall be obtained and the information shall be provided in accordance with internally established policies, rules and procedures.

b. Persons authorized by Bladex to provide information related to the Bank or its Group shall be extremely cautious with the purpose of avoiding any improper behavior in the use or transmission of the information.

c. The Bank's Disclosure Committee shall previously review and evaluate all confidential and/or insider information related to Bladex intended for disclosure to Employees, Directors, Clients, Investors, Suppliers, Vendors, Outsourcing Providers or Competent Authorities.

5.2.4. Care and Diligence in Information Management

Bladex must organize and permanently control the responsible usage of information, by adopting the necessary measures and using adequate resources to efficiently perform its activity. Consequently:

a. The necessary administrative procedures shall be established for adequate control of information management and of the risk levels derived from said information, ensuring that the access and safeguard systems of its IT media are sufficient for this purpose.

b. It will be ensured that the information of each of the different areas of the Bank, derived from the respective specific activities performed there, according to current rules and regulations is not, directly or indirectly, available to the other areas of the Bank, so that each function shall operate autonomously and independently.

6. Insider Trading (Regarding Bladex)

All confidential and/or insider information obtained related to Bladex and its business shall be used solely for the legitimate purposes of Bladex's business and not otherwise. Moreover, under no circumstances shall any Director, Member of the Advisory Board, Officer or Employee buy or sell Bladex shares or securities, or carry out transactions related thereto, based on confidential or insider information of material importance regarding Bladex and its business, regardless if such purchase is made for their own account, by proxy or a third party to whom such confidential or insider information of material importance has been disclosed. This will subsist while there is an existing relationship with the Bank as well as when such relationship has ended.

Any Director, Member of the Advisory Board, Officer or Employee, and even the Bank itself, may be exposed to civil lawsuits or criminal charges as a result of any breach of regulations applicable to the handling of confidential and inside information. To that effect, the Bank's Directors, Members of the Advisory Board, Officers and Employees shall not carry out, promote or cover, on their own or another party's account, either directly or indirectly, any type of transaction related to Bladex shares, without taking into account the internal policies set forth below.

6.1. Window Period:

A Window period is the time interval during which the Directors, Members of the Advisory Board, Officers and Employees of a publicly traded company are permitted to trade its stock.

Generally, unless there is any reason for the Bank to close this time interval during which its Directors, Members of the Advisory Board, Officers and Employees are permitted to trade its stock, the period set forth to carry out any type of trades in Bladex shares shall begin three (3) business days following the issue of the press release on the Bank's financial results with a duration of forty-five (45) calendar days subsequent to the issue of the corresponding press release. The period that begins after the forty-five (45) calendar days of the Window Period and ends after the three (3) business days following the next press release of the Bank's financial results is referred to as a Blackout Period.

Bladex shall retain the right to increase the length of the blackout period or restrict the window period at its discretion.

Directors, Members of the Advisory Board, Officers and Employees shall submit written notification using the form provided by the Bank thereto of any type of trades of Bladex shares carried out, immediately upon their execution, to the following persons designated for this purpose:

- For Bank Directors, Members of the Advisory Board or Officers, including the CEO, notification should be made to the Chairman of the Board of Directors of the Bank with a copy to the Shareholder Relations Department.

- For the Chairman of the Board of Directors of the Bank, notification should be made to the Chairman of the Audit and Compliance Committee of the Bank with a copy to the Shareholder Relations Department.

- For Bank Employees, notification should be made to the CEO with a copy to the Human Resources Department.

The above designated persons shall send copies of the completed notification forms received to the Bank's Shareholders Relations Department (in case of Directors, Members of the Advisory Board and Officers), and to the Human Resources Department (in case of Employees).

Notification forms are available through the Bank's network or Shareholders Relations Department. A copy of the signed form, either an original or copy received by fax or in PDF format, shall be filed in the employee records of the corresponding Director, Member of the Advisory Board, Officer or Employee kept in the Bank's Shareholders Relations and Human Resources Departments.

The procedures established herein are applicable to any type of purchase, sale or trade of Bladex shares (including shares obtained by exercising stock options), carried out on their own account or through another party, either an individual or legal entity, including family members, friends or coworkers.

Notwithstanding the above, the Bank's Directors, Members of the Advisory Board, Officers and Employees shall abstain from carrying out trades in Bladex shares, even if within the "Window Period" set forth in this section, if they become aware of any confidential or insider information of material importance related to Bladex and its business that has not been disclosed to the market by Bladex.

Any of the above mentioned individuals to whom this policy is applicable who does not comply with the dispositions contained herein and performs a transaction of selling/buying shares during the restricted period (outside the Window Period), shall reverse said transaction within two (2) weeks. Any profits obtained from this reversion shall be handed to the Bank and any loss shall be assumed by the individual.

The Audit and Compliance Committee of the Board of Directors shall determine the severity of the infringement and shall apply such disciplinary measures as it may deem to be appropriate.

6.2. Securities and Exchange Commission (SEC) Rule 10b5-1

Any Director, Member of the Advisory Board, Officer and Employee of the Bank has the option of adopting a pre-arranged stock trading plan, instruction or agreement in accordance with Rule 10b5-1 of the U.S. Securities and Exchange Commission Act of 1934, that allows the buying and/or selling of the Bank's shares during the Black-Out periods.

Such pre-arranged plan, instruction or agreement for buying and selling shares being adopted with the respective broker may only be implemented during a Window Period and should specify the quantity of shares to be sold or bought as well as the price and the date of selling or buying them. As an alternative to the above, some written formula or algorithm or computer program may be included as shall operate for determining the quantity, price and data for selling or buying the stock.

Such pre-arranged plan, instruction or agreement shall prohibit that the interested party may modify or alter the quantity, price and date for selling or buying the shares later on, unless such modification is made during a Window Period, when the interested party does not have any knowledge of any confidential or insider information.

Any pre-arranged plan, instruction or agreement for buying and selling shares that one wishes to use should first be approved in writing, before becoming valid, by the following authorities:

- If the pre-arranged plan, agreement or instruction for buying and selling shares is for a Director, Member of the Advisory Board or Officer of the Bank, including the CEO, then it must be approved by the Bank's Chairman of the Board.

- If the pre-arranged plan, agreement or instruction for buying and selling shares is for the Bank's Chairman of the Board, then it must be approved by the Chairman of the Bank's Audit and Compliance

  Committee.

- If the pre-arranged plan, agreement or instruction for buying and selling shares is for an Employee of the Bank, then it must be approved by the Bank's CEO.

Apart from that, for Directors, Members of the Advisory Board, Officers and the Chairman of the Board of Directors of the Bank, a copy of the pre-arranged plan, agreement or instruction for selling and buying shares should be sent to the Shareholder Relations Department and, for the Bank's Employees, this copy should be sent to the Human Resources Department.

Transitory Paragraph: Such pre-arranged plans, agreements and instructions as may already exist and were set up prior to the validity of this Code of Ethics, should be approved pursuant to the previous paragraph.

Revoking and Modifying Pre-Arranged Plans, Agreements or Instructions for Buying and Selling Shares:

Any Director, Member of the Advisory Board, Officer and Employee of the Bank may revoke their pre-arranged plan, agreement or instruction during a Window Period by notifying their broker in writing.

Under certain circumstances, a Pre-Arranged Plan, Agreement or Instruction for buying or selling shares should be revoked. This includes such circumstances as the announcement of a merger or any event that would cause such transaction to be in violation of the law or to have an adverse effect on the Bank. In such circumstances, the Shareholder Relations Department is authorized to notify the Broker of the owner of the Pre-Arranged Plan, Agreement or Instruction thereof.

6.3. Insider Trading (regarding Customers)

All confidential and insider information about the Clients of Bladex and/or its subsidiaries that is being held, received or known, shall be used exclusively for legitimate purposes of the Bank's business. Under no circumstances may any Director, Member of the Advisory Board, Officer or Employee buy, sell or engage in any transactions with any shares or securities of Clients or their economic groups, based on confidential and insider information with a material significance, whether such transactions are made on their own behalf, by proxy o closely related family member, for family members (to the second degree of consanguinity and first degree of affinity), or for any other person close to them, to whom such materially significant confidential or insider information was disclosed.

6.4. Consequences of Non-Compliance with the Policy on Handling and Control of Confidential and Insider Information

Non-compliance pursuant to Sections 5 and 6 hereof shall be subject to the imposition of the corresponding administrative sanctions, without prejudice to the outcome of the application of existing labor laws or any other applicable, internal or external rules or regulations in force.

6.5. Transactions after having Terminated the Relationship with the Bank

The policies set forth herein shall continue to be applicable to transactions with the Bank's shares, even after having terminated the relationship as Director, Member of the Advisory Board, Officer and Employee of the Bank, In the event that any such person would have confidential or insider information of material importance when the relationship with the Bank ends, such persons may not trade in the Bank's shares until such information has become public or ceases to be of material importance. However, the exercise of stock options granted by the Bank is excepted form this prohibition.

It shall be the responsibility of each ex-employee to comply with the insider trading rules established by law.

7. Relations with Customers and Service Providers

The Bank's commitment with Customer Satisfaction shall be made clear by the respect and search of solutions meeting their needs in parallel with the Bank's profitability and business objectives.

All customers and service providers shall be treated courteously, providing them with all required information in a clear, concise and transparent manner. At no times should any preferential treatment be given for furthering personal interests or due to any personal affinity.

In the case of service providers such as External Auditors, the Bank shall comply with the foregoing, as well as with the provisions of the SEC's Independence Standards Boards ("ISB") Standard No.1 and the Sarbanes-Oxley Act, with regards to the independence rules forbidding the hiring of staff from the external auditing firm who have been a part of the team auditing the financial statements of the Bank and its subsidiaries for the past two years.

8. Shareholders Relations

The relations with our shareholders are based on transparent, objective and timely communications that will let them monitor the Bank's performance and progress at all times.

Any information that has not been publicly disclosed shall be kept as confidential in order to protect the interests of the Bank's Shareholders.

9. Relationships with the Public Sector and Regulatory Entities

Deference and courtesy by Bladex and its representatives towards members of the public sector and regulatory entities should be an organizational trait. Those relationships should never be used for personal advantage by people who work at Bladex.

High moral and civic standards and respect for the law should be observed at all times.

Bladex, as a multinational institution, is subject to a series of laws and regulations for its operations in different countries. Any non-compliance with those laws and regulations could be the object of sanctions. It is a responsibility o each and every person to know and understand the legal aspects that apply to the performance of the tasks assigned to them, the activity of each of the Departments as well as of the Bank as a whole, in order to avoid any legal problems that could be caused for the Bank.

10. Interpersonal Relationships at the Workplace

As a world-class organization, Bladex pays a lot of attention to strengthening its social capital in its networking, both internally as well as externally, in order to achieve its business targets and organization strengthening goals. In order for that to be possible, being of sound character should be a distinctive trait of each of its Employees, so that the interpersonal relations, with regards to dealing with Customers and labor relations at the Bank do reflect the highest levels and standards of trustworthiness.

Workplace relations shall at all times be distinguished by humility and respect. Each of the colleagues at the workplace should collaborate in creating a teamwork climate, full of trust and commitment, compatible with the institution's values. It is mandatory that the relations among coworkers be respectful of moral principles and that they do not attempt against family integrity.

The Bank respects the right to privacy of its employees, therefore, matters of a personal nature concerning current or past employees of the Bank, shall be treated in strict confidentiality. Spreading rumors referring to third parties is considered a lack of character and integrity.

All persons holding a supervisory position shall role model their values and behavior on what they expect from their team members.

The high professional level of interpersonal relations of Bladex Staff is mainly distinguished by:

- The quality of the results obtained through teamwork;
- The Satisfaction of the Bank's Clients;
- The productive work climate that is focused on results;
- The respect for individual differences as well as for opinions that are contrary to their own;
- Humility in accepting and receiving feedback and ideas from others;
- A fair, objective and equitable treatment at the workplace;
- Facilitating human and organizational growth and development;
- Rejecting obnoxious behavior, such as degrading words to describe a person, talk about third parties behind their backs or tolerating drug and alcohol addictions;
- Not spreading any rumors at the Bank;
- Complying with all established policies, rules and procedures in the Organization.

11. Handling Conflicts of Interest

The existence of any kind of personal interest in a transaction, work relation or work decision creates a conflict of interest situation that could get in the way of objectivity and good judgment in order for the best interest of the Bank to prevail. A conflict of interest would also be implied by using their position at Bladex in order to obtain personal benefits or advantages at the cost of the Bank.

Each and every Bladex Employee is entitled to their private life and the pursuit of their private interests outside the organization. Therefore, everyone is responsible for conducting their personal and financial matters as they may see fit, provided however that this is not a cause or appears to be a cause of conflict of interest with the Bank.

The following situations are considered as conflicts of interest:

- To partake in the approval or consideration of a credit, transaction or any other activity for his or her own benefit or that of a family member or of persons with whom business interests are shared.

- To request or accept from, or offer valuable gifts to the Banks suppliers or Customers, such as services, training, discounts or entertainment, with a representative or nominal value exceeding USD200.00 (Except for invitations regarding food and beverages), which could be interpreted as a gesture for obtaining special privileges and not necessarily in the best interest or at the best terms for Bladex.

- To use their condition as a Bladex Employee for requesting preferential treatment or any kind of special concession in transactions of a personal nature.

- To invest in capital and/or debt issues of institutions that are Bladex Customers, with whom there is a direct business relationship that is managed by the Employee and which would amount to more than 2% of the total, in each case.

- To hold positions such as Director, Partner, Consultant or any other remunerated employment with institutions or corporations with which Bladex does business or that are considered to be competitors of the Bank. Should such a situation occur, then the Bank should be notified in writing and its approval obtained.

- Any other situation where there could be any doubt, although not included in this Code, should be consulted with the Heads of the Compliance and/or Audit Department at the Bank, in order to have it duly checked out.

12. Transactions with Related Parties

Bladex should adhere to the regulatory guidelines establishing limitations on transactions between natural and juridical persons that are being considered as “Related Parties”, as established by legislation in the different jurisdictions that apply to Bladex. Should there be any difference between those, then the strictest one shall be adopted.

Any transaction carried out with a Related Party must be assessed in the first instance by the Bank's Legal Risk Department and the Compliance Department. This review is in order to consider if such transaction does not contravene the laws and regulations enacted by the Government of the Republic of Panama, by the Securities and Exchange Commission (SEC) of the United States or any other existing legal disposition applicable to the Bank.

Any transaction or transactions that are approved shall have to comply fully and at all times with all of the Bank's established internal policies and procedures.

13. A High-Level Culture of Honesty and Ethics

The Sarbanes-Oxley Act of 2002, proclaimed in the United States of America, establishes the obligation to ensure adequate internal controls at the organization in order to:

- ✓ Be reasonably sure that transactions are duly recorded and that they are being carried out only according to authorizations from the Board of Directors.
- ✓ Have designed effective internal controls to ensure that significant information about the Company and its consolidating subsidiaries is being disclosed.
- ✓ Publicly traded Companies must implement measures to avoid, dissuade and detect fraud. The implementation of such measures should be evidenced by a separate document drawn up by the Bank's Management, in accordance with generally accepted international standards about that matter.

14. Environmental Protection

The Bank recognizes that protecting the environment is vital for society's survival. Therefore, the Bank favors, in its business dealings, such measures as may seek to protect the environment. Likewise, the Bank shall promote the efficient use of natural resources and recycling among its Employees.

15. Administration of the Code of Ethics

The Code of Ethics shall be reviewed periodically in order to keep it up to date as a function of the regulatory framework that applies to Bladex.

16. Ethics Committee

The Ethics Committee shall be responsible for ongoing evaluation and updating of this Code and review and implement the necessary mechanisms for disclosing and encouraging the highest standards of conduct at the institution.

The Ethics Committee consists of:

- Chief Executive Officer (CEO)
- Executive Vice-President - Administration (COO)
- Executive Vice-President - Risk Management
- Vice-President - Human Resources
- Legal Counsel

The Heads of the Audit and Compliance Departments shall partake in the Ethics Committee as independent observes, who shall be heard but are non-voting members, in order to assess and oversee compliance with the Code of Ethics.

17. Approval of and Modifications to the Code of Ethics

The Code of Ethics should be approved by the Board's Nomination and Compensation Committee, who shall also evaluate such proposals for modifications and/or updates as the Ethics Committee may deem to be pertinent.

18. Compliance with the Code of Ethics

The Code of Ethics must be strictly adhered to by the Directors of Bladex, Members of its Advisory Board and its Employees. The monitoring and compliance assurance of the stipulations of the Code of Ethics shall be the responsibility of the Board's Audit and Compliance Committee, based on the reports submitted by the Comptroller Area.

Each of the members of the Bladex team is responsible for the notification of any conflict of interests or non-compliance with the Code of Ethics, suspicious activities that could constitute transactions involving insider information, frauds or fraud attempts, accounting entries that do not comply with generally accepted accounting principles, as well as any mysterious disappearance of funds or securities whenever they become aware thereof. Employees may report these to the person(s) designated by the Bank for this purpose, following the procedures or systems established thereto.

In the case of Bank employees, the sanctions for Code of Ethics violations will be the joint responsibility of the Supervisors and the CEO, and in the case of the Directors, the sanctions will be the responsibility of the Board's Nomination and Compensation Committee. The Ethics Committee will be informed of these sanctions.

Any violations of the Clauses contained in the Code of Ethics shall have consequences for those involved in such violations, at all levels of the Organization. Any violation of the Code of Ethics that implies a felony may end up in the courts after the corresponding competent authorities have been notified thereof. Employees not complying with the Code of Ethics may also become the subject of internal disciplinary measures, as set forth in Articles 40, 41 and 42 of the Employee Handbook.

19. Other Considerations

The Code of Ethics is part of the Bank's regulatory framework, together with the

Discipline and Internal Rules and Regulations, the Procedures, Standards and Policies Manuals as well as other Operating Instructions.

Should there be any doubt about the interpretation of the contents of this Code or the respective application thereof, or particularly about conflicts of interest, then the Bank's Heads of the Compliance or Audit Departments should be consulted.

Latest revision: July 15, 2013

BANCO LATINOAMERICANO DE COMERCIO EXTERIOR, S.A. ("Bladex")

ADDENDA (THE "ADDENDA") TO THE CODE OF ETHICS (THE "CODE") FOR THE MAIN EXECUTIVES AND SENIOR FINANCIAL EXECUTIVES

The Chief Executive Officer, the Executive Vice President - Finance and the Vice President – Accounting, as Bladex senior executives (The "Senior Executives"), herewith and hereby accept the contents of the Bladex Code of Ethics and agree to be bound by the additional dispositions contained herein.

I. This Addenda Applies to all Senior Executives at Bladex, with the Purpose of Encouraging:

- Honest and ethical conduct, including ethical management of actual or apparent conflict of interest between their personal and professional relationships;
- A complete, fair, precise, timely and understandable disclosure in the reports and documents that Bladex issues or files with the Securities and Exchange Commission ("SEC"), as well as in other public communications made by Bladex.;
- Compliance with applicable laws and governmental rules and regulations:
- Timely internal reports about violations of the Code to an appropriate person or to the persons identified in the Code; and
- Responsibility for adhering to the Code.

All Senior Executives shall adhere to high ethical business standards and should be sensitive about situations that could result in actual or apparent conflicts of interest. Bladex expects that its Senior Executives comply at all times with the principles of this Code. Any violation of this Code shall be cause for disciplinary actions, including dismissal and possible legal action. Any consultations about the application of this Code should be referred to the Bladex Board of Directors' Audit and Compliance Committee.

II. Senior Executives should Ethically Manage Actual or Apparent Conflicts of Interests.

Summary. A "Conflict of Interest" occurs when a Senior Executive's private interest interferes with the interest of, or his or her service at, Bladex. For example, a Senior Executive's conflict of interest could arise if a Senior Executive or a member of his or her family would receive improper personal benefits as a result of his or her position at Bladex.

All Senior Executives must ensure they strictly follow the guidelines for Handling Conflicts of Interest, described in Clause 11 of the Code of Ethics and particularly avoid the situations depicted there.

In situations involving a Senior Executive, where the appearance or the potential of a conflict of interests is involved, but where the Senior Executive does not believe that a significant conflict of interests exists, the Senior Executive should obtain approval from the Audit and Compliance Committee before getting involved in that situation. No such approval shall be considered as a waiver of this Code.

III. Disclosure and Compliance

- All Senior Executives should get acquainted with the disclosure and compliance requirements that are generally applicable to Bladex;
- All Senior Executives should not distort, or cause others to distort, facts about Bladex, whether within or without Bladex, including Bladex Directors and Auditors, or to government regulators and autonomous organizations;
- All Senior Executives must, as far as appropriate in their area of responsibility, consult with other Bladex Executives and Employees in order to promote full, fair, precise, timely and understandable disclosure in reports issued by Bladex or filed with the SEC, as well as in other public communications made by Bladex; and
- It is a responsibility of all Senior Executives to encourage compliance with the standards and restrictions imposed by applicable laws, rules and regulations.

IV. Reports and Responsibilities

All Senior Executives shall:

- Once this code has been adopted (or if applicable later on, upon becoming a Senior Executive), file a written statement with the Board of Directors that they have received, read and understood this Code;
- Not take any retributive actions against any other Bladex Senior Executive or Employee or their family members for reports about potential violations that were made in good faith;
- Promptly notify the Audit and Compliance Committee if they are aware of any violation to this Code. To omit any such notification shall be considered as a violation of this Code.

The Audit and Compliance Committee is responsible for applying this Code in specific situations where there could be some doubt, and they have the authority to construe this Code for any particular situation. Any exception for a Senior Executive should be considered by the Audit and Compliance Committee.

Bladex shall follow the following procedures when investigating compliance with this Code:

- The Audit and Compliance Committee shall take all appropriate actions necessary for investigating any potential violation that may have been reported to them;
- If, after investigating, the Audit and Compliance Committee believes that no violation has occurred, then it is not required for the Audit and Compliance Committee to take any further action;
- If the Audit and Compliance Committee should determine that there has been a violation, then they shall consider the appropriate measures that could include a review of, or revision to, the applicable policies and procedures, or a recommendation for dismissing the Senior Executive;
- The Audit and Compliance Committee shall be responsible for granting waivers to this Code, as may be appropriate; and
- Any change or exception to this code shall be disclosed to the necessary extent, as established by SEC Regulations.

V. Changes or Exceptions to the Code

Any and all exceptions stipulated in this Code shall be reported to and filed with the SEC and shall be reported to Bladex Shareholders within the timeframe required by SEC Regulations and any applicable laws from any banking regulators or regulators of securities and stock markets where Bladex is listed.

VI. Other Policies and Procedures

This Code shall be the only Ethics Code adopted by Bladex, concerning the "Sarbanes-Oxley Act" of 2002 and the rules and forms applying to companies listed therein.

VII. Amendments

Any amendment to this Code must be approved by the Nominating and Compensation Committee and ratified by a majority vote of the Board of Directors' Audit and Compliance Committee.

VIII. Confidentiality

All reports and records drawn up or kept pursuant to this Code shall be considered as confidential and shall be kept and protected as such. Except where required by Law or by this Code, such matters shall not be disclosed to anybody outside the Audit and Compliance Committee and the Board of Directors of Bladex.

IX. Internal Use

This Code is exclusively for the internal use of Bladex and does not represent any admission, by or on behalf of, Bladex, of any fact, circumstance or legal conclusion.

I have read and understood the terms of the Code. I recognize the responsibilities and obligations incurred by me as a result of being subject to this Code. I herewith express my agreement to comply with this Code.

/s/ Rubens V. Amaral Jr.
President & Chief Executive Officer

/s/ Christopher Schech
Executive Vice President – Finance

/s/ Eduardo Sánchez
Vice President – Accounting

Exhibit 12.1

CERTIFICATION

I, Rubens V. Amaral, Jr., certify that:

1. I have reviewed this Annual Report on Form 20-F of Banco Latinoamericano de Comercio Exterior, S.A.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the Audit and Compliance Committee of the company's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 25, 2014

By:
/s/ Rubens V. Amaral Jr.
Chief Executive Officer

Exhibit 12.2

CERTIFICATION

I, Christopher Schech, certify that:

1. I have reviewed this Annual Report on Form 20-F of Banco Latinoamericano de Comercio Exterior, S.A.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the Audit and Compliance Committee of the company's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 25, 2014

By:
/s/ Christopher Schech
Chief Financial Officer

Exhibit 13.1

CERTIFICATION

This certification is provided pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and accompanies the Annual Report on Form 20-F (the "Report") for the period ended December 31, 2013 of Banco Latinoamericano de Comercio Exterior, S.A. (the "Company").

I, Rubens V. Amaral, Jr. Chief Executive Officer of the Company, certify that:

(i) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; as amended; and
(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods presented.

Date: April 25, 2014

By:
/s/ Rubens V. Amaral Jr.
Chief Executive Officer

Exhibit 13.2

CERTIFICATION

This certification is provided pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and accompanies the Annual Report on Form 20-F (the "Report") for the period ended December 31, 2013 of Banco Latinoamericano de Comercio Exterior, S.A. (the "Company").

I, Christopher Schech, the Chief Financial Officer of the Company, certify that:

(i) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; as amended; and
(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods presented.

Date: April 25, 2014

By:
/s/ Christopher Schech
Chief Financial Officer