FOREIGN TRADE BANK OF LATIN AMERICA, INC.
Form 6-K
February 27, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE

SECURITIES EXCHANGE ACT OF 1934

Long form of Press Release

BANCO LATINOAMERICANO DE COMERCIO EXTERIOR, S.A.

(Exact name of Registrant as specified in its Charter)

FOREIGN TRADE BANK OF LATIN AMERICA, INC.

(Translation of Registrant's name into English)

Calle 50 y Aquilino de la Guardia

P.O. Box 0819-08730

Panama City, Republic of Panama

(Address of Registrant's Principal Executive Offices)

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

Form 20-F x Form 40-F ¨

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

Yes ¨ No x

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

SIGNATURES

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

February 23, 2012

FOREIGN TRADE
BANK OF LATIN
AMERICA, INC.

By: /s/ Pedro Toll

Name: Pedro Toll
Title: General Manager

BLADEX'S FULL YEAR NET INCOME NEARLY DOUBLES TO $83.2 MILLION, OR

$2.25 PER SHARE;

FOURTH QUARTER NET INCOME INCREASES 52% TO $24.8 MILLION, OR $0.67

PER SHARE

PANAMA CITY, February 23, 2012 – Banco Latinoamericano de Comercio Exterior, S.A. (NYSE: BLX, "Bladex", or "the Bank") announced today its results for the fourth quarter and full-year ended December 31, 2011.

Full-year and fourth quarter 2011 Business Highlights

- Bladex's full-year 2011 Net Income(*) totaled $83.2 million, compared to $42.2 million in 2010. The $40.9 million, or 97%, increase was driven by improved performance at each of the Bank´s business segments: Commercial Division (+29%), Treasury Division (+37%), and Asset Management Unit (n.m.).

- The Bank's fourth quarter 2011 Net Income reached $24.8 million, a $9.3 million, or 60%, improvement from the fourth quarter 2010, and a $8.5 million, or 52%, increase from the third quarter 2011, mainly driven by the Commercial Division's sustained growth in Net Income ($17.7 million, +57% vs. 4Q 2010, and +22% vs. 3Q 2011). The Treasury Division and Asset Management Unit contributed $3.3 million and $3.9 million, respectively, to the quarterly result.

- During the fourth quarter, ROE was 13.1% compared to 8.9% a year earlier and 8.7% in the third quarter 2011. 2011 ROE reached 11.4%, compared to 6.2% in 2010.

- Net interest income totaled $102.7 million in 2011, compared to $74.5 million in 2010. The $28.2 million, or 38%, increase was mainly attributable to higher average interest-earning asset balances (+30%) and improved net interest margins (+11 bps). Fourth quarter 2011 net interest income was $29.1 million, an $8.1 million, or 39%, increase from the fourth quarter 2010, and a $0.4 million, or 2%, increase from the previous quarter.

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- As of December 31, 2011, the Commercial Portfolio totaled $5.4 billion, a $0.9 billion, or 20%, year-on-year increase. While the average portfolio grew 3% during the fourth quarter, up 26% from the fourth quarter 2010 and 39% year-on-year, end-of-year balances were 4% lower than the previous quarter as the Bank opted to temporarily slow disbursements and increase liquidity position towards the end of the quarter in response to market volatility. Full-year credit disbursements reached $10.5 billion, a $3.1 billion, or 42% increase from the previous year.

- As the Bank placed greater emphasis on liquidity during the year-end-period, liquid assets [9] amounted to $786 million as of December 31, 2011, compared to $421 million as of December 31, 2010, and $532 million as of September 30, 2011. The liquid assets to total assets ratio increased to 12.4%, compared to 8.2% as of December 31, 2010, and 8.5% as of September 30, 2011.

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- As of December 31, 2011, the non-accrual portfolio was $32.0 million, or 0.6% of the loan portfolio, compared to 0.7% a year ago. The ratio of credit reserves to the non-accrual portfolio was 304%, compared to 317% in 2010. As of December 31, 2011, the ratio of the allowance for credit losses to the Commercial Portfolio was 1.82%, compared to 2.07% a year ago, and 1.70% as of September 30, 2011.

- The efficiency ratio improved to 36% in 2011, compared to 55% in 2010. The fourth quarter 2011 efficiency ratio was 34%, versus 44% in the fourth quarter 2010, and 40% in third quarter 2011.

- As of December 31, 2011, the Bank's Tier 1 capital ratio was 18.6%, compared to 20.5% as of December 31, 2010, and 16.9% as of September 30, 2011. The Bank's equity consists entirely of issued and fully paid ordinary common stock.

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

CEO's Comments

Mr. Jaime Rivera, Bladex's Chief Executive Officer, stated the following regarding the Bank's results: "Financially, fourth quarter 2011 results capped, in a particularly convincing manner, a remarkable year for Bladex, with fourth quarter ROE exceeding 13%, and Tier 1 capitalization of nearly 19%. As a whole, 2011's average commercial portfolio grew more than 38%, disbursements rose 42%, intermediation margins widened 11 bps, the Asset Management Unit returned to historical levels of profitability, and the Region retained a good deal of momentum despite the global economic slowdown. Taken together, these factors allowed Bladex to nearly double Net Income in 2011. Just as important, given the Bank's view on the sustainability of these results, the decision was recently made to increase the common quarterly dividend from $0.20 to $0.25 cents per share, the third time the dividend has been raised in the last two years.

Beyond the dollar figures, however, Bladex is especially encouraged as 2011 results validate the soundness of two strategic principles that have underpinned the Bank's actions since 2008: First, Latin America has become an essential and key supplier of much of the food, minerals, energy and, in some cases, manufactured goods an evolving world requires as emerging nations develop and established economies transform. Second, as a result of the Bank's investments over the past two years, Bladex is both ideally and uniquely positioned to profit from the resulting growth in foreign trade that this process has brought about. During 2012, Bladex will continue to execute based on these strategic principles.

In conclusion, Bladex's fourth quarter and full-year 2011 results confirm the essence of the Bank's business: Trade Finance in Latin America. While Latin America is neither immune nor indifferent to events affecting European Union financial institutions, Bladex has effectively positioned its business in one of the sweeter and more resilient spots of the global economy, Latin America's growing trade flows."

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RESULTS BY BUSINESS SEGMENT [1]

COMMERCIAL DIVISION

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

The Commercial Portfolio includes the book value of loans, 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).

As of December 31, 2011, the Commercial Division portfolio balances totaled $5.4 billion, a 4% decrease from the previous quarter, and a 20% increase from the fourth quarter 2010. On an average basis, the Commercial Portfolio increased 3% in the fourth quarter 2011 compared to the previous quarter, 26% from the fourth quarter 2010, and 39% year-on-year. The annual increase was mainly attributable to the Division's portfolio growth and diversification driven by solid demand from the Bank's established client base of corporations (+8%) and financial institutions (+26%), along with the continuing business expansion into the middle market segment (+101%).

The Commercial Portfolio continues to be short-term and trade-related in nature: $3.7 billion, or 70%, of the Commercial Portfolio matures within one year, and $1.7 billion, or 32%, within 90 days. Trade financing operations represent 59% of the portfolio, while the remaining balance consists primarily of lending to banks and corporations involved in foreign trade.

The following graphs illustrate the geographic composition of the Bank's Commercial Division by country of risk and the diversification of corporate and middle-market companies across a variety of industry segments:

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Fourth quarter 2011 credit disbursements totaled $2.3 billion, compared to $2.2 billion in the fourth quarter 2010, and $2.7 billion in the third quarter 2011. Full-year credit disbursements reached $10.5 billion, a $3.1 billion, or 42%, increase due to strong demand from the Bank's established client base, as well as the Bank's expansion of its cross border vendor finance business in the year.

Refer to Exhibit X for additional information relating to the Bank's Commercial Portfolio distribution by country, and Exhibit XII for the Bank's distribution of credit disbursements by country.

(US$ million)	2011	2010	4Q11	3Q11	4Q10
Commercial Division:					
Net interest income	$81.7	$54.5	$24.6	$22.4	$16.0
Non-interest operating income (2)	11.0	10.3	3.1	3.7	3.3
Net operating revenues (3)	92.7	64.8	27.7	26.1	19.3
Operating expenses	(34.8)	(28.3)	(8.8)	(9.2)	(8.6)
Net operating income (4)	57.9	36.5	18.9	16.9	10.7
(Provision) Reversal for loan and off-balance sheet credit losses, net	(4.4)	4.8	(1.2)	(2.4)	0.6
Impairment of assets, net of recoveries	(0.1)	0.2	0.0	0.0	0.0
Net Income	$53.4	$41.5	$17.7	$14.5	$11.3

<u>4Q11 vs. 3Q11</u>

Net Income in the fourth quarter 2011 totaled $17.7 million, compared to $14.5 million in the third quarter 2011. The $3.2 million, or 22%, increase in Net Income was mainly driven by (i) a $2.2 million increase in net interest income from higher loan margins (+17 bps) and from higher average loan portfolio balances (+5%), and (ii) a $1.2 million net decrease in provisions for credit losses mainly as a result of prior period loan loss recoveries.

<u>4Q11 vs. 4Q10</u>

Net Income increased $6.4 million, or 57%, compared to the fourth quarter 2010 primarily due to a $8.4 million, or 44% increase in net operating revenues mostly attributable to a $8.6 million, or 54%, increase in net interest income as a result of higher average interest-earning assets (+29%) and improved net interest margins (+14 bps). These results were partially offset by a $1.8 million net increase in provisions for credit losses mainly due to higher commercial portfolio balances (+20%).

<u>2011 vs. 2010</u>

Full year 2011 Division's accumulated Net Income was $53.4 million, an $11.9 million, or 29%, increase compared to the $41.5 million Net Income in 2010. Net operating revenues amounted to $92.7 million, a $27.9 million, or 43%, increase from 2010, mostly attributable to a $27.2 million, or 50%, increase in net interest income, reflecting higher average loan portfolio balances (+40%) and improved net interest margins (+11 bps), along with a $0.7 million, or 7%, increase in non-interest operating income. The revenue increase was partly offset by (i) a $6.5 million increase in operating expenses, as the Division expanded its sales force and local presence in the Region, and (ii) $4.4 million in credit provision charges in 2011 related to higher portfolio balances, compared to $4.8 million in reversals of provisions that took place in 2010.

TREASURY DIVISION

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

Liquid assets [9] amounted to $786 million as of December 31, 2011, compared to $532 million as of September 30, 2011, and $421 million as of December 31, 2010, as the Bank maintained proactive liquidity management, increasing its liquidity position in response to market volatility.

As of December 31, 2011, the securities available-for-sale portfolio totaled $416 million, compared to $412 million as of September 30, 2011, and $353 million as of December 31, 2010. As of December 31, 2011, the available-for-sale portfolio consisted entirely of readily quoted Latin American securities, 79% of which were sovereign or state-owned risk in nature (refer to Exhibit XI for a per country distribution of the Treasury portfolio).

The available-for-sale portfolio is marked-to-market, with the impact recorded in stockholders' equity through the Other Comprehensive Income (Loss) Account ("OCI"), which improved to ($3.1) million in the fourth quarter 2011, compared to ($12.7) million in the third quarter 2011, and ($6.4) million in the fourth quarter 2010, mainly as the net result of improved valuations of the securities and/or the interest rate hedging instruments associated with such securities.

Funding costs improved year-on-year, as the weighted average funding cost in 2011 was 1.12%, a decrease of 14 bps, or 11%, compared to 2010, while in the fourth quarter 2011, weighted average funding cost increased 17 bps to 1.22%, compared to the third quarter 2011, and 5 bps compared to the fourth quarter 2010, reflecting volatile capital market conditions.

As of December 31, 2011, deposit balances were $2.3 billion, a 27% year-on-year increase, and an 8% decrease versus the historic highs recorded in the previous quarter. Deposits originate from central banks, financial institutions and corporations throughout the Latin America, represent 41% of total liabilities. Borrowings and securities sold under repurchase agreement reached $3.2 billion, a 10% increase from the third quarter 2011, and up 31% year-on-year.

(US$ million)	2011	2010	4Q11	3Q11	4Q10
Treasury Division:					
Net interest income	$20.7	$20.7	$4.6	$5.9	$5.6
Non-interest operating income (loss) (2)	4.2	(0.7)	1.3	2.1	2.2
Net operating revenues (3)	24.9	20.0	5.9	8.0	7.8
Operating expenses	(10.2)	(9.3)	(2.6)	(2.7)	(2.0)
Net operating income (4, 5)	14.7	10.7	3.3	5.3	5.8
Net Income	$14.7	$10.7	$3.3	$5.3	$5.8

4Q11 vs. 3Q11

The Division's Net Income in the fourth quarter 2011 was $3.3 million, compared to Net Income of $5.3 million in the third quarter 2011. The $2.0 million decrease was mostly driven by (i) a $1.3 million decrease in net interest income mainly attributable to higher interest expense as a result of 17 bps increase in funding costs, and (ii) a $0.8 million decrease in non-interest operating income as the positive net effect of valuations on trading securities and related hedging instruments was more than offset by lower gains on sale of securities available for sale.

4Q11 vs. 4Q10

The Division's quarterly Net Income of $3.3 million represented a decrease of $2.5 million from the $5.8 million Net Income reported in the fourth quarter 2010, due to the combined effects of: (i) a $0.9 million decrease in non-interest operating income primarily as a result of lower gains on sale of securities available for sale, (ii) a $1.0 million decrease in net interest income mainly attributable to increased interest expenses reflecting primarily higher short-term borrowing balances, and (ii) a $0.6 million increase in operating expenses.

2011 vs. 2010

Full year 2011 Division's accumulated Net Income totaled $14.7 million, a $4.0 million, or 37%, increase compared to Net Income of $10.7 million in 2010, primarily as a result of a $4.9 million increase in non-interest operating income attributable to higher gains on sale of securities available for sale and the positive year-on-year net variation on the valuation of trading securities and its associated trading derivatives.

ASSET MANAGEMENT UNIT

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

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

(US$ million)	2011	2010	4Q11	3Q11	4Q10
Asset Management Unit:					
Net interest income (loss)	$0.3	$(0.7)	$(0.1)	$0.4	$(0.5)
Non-interest operating income (loss) (2)	20.5	(7.2)	6.1	(3.5)	(0.1)
Net operating revenues (losses) (3)	20.8	(7.9)	6.0	(3.1)	(0.6)
Operating expenses	(5.0)	(4.5)	(1.9)	(0.5)	(1.2)
Net operating income (loss) (4)	15.8	(12.4)	4.1	(3.6)	(1.8)
Net income (loss)	15.8	(12.4)	4.1	(3.6)	(1.8)
Net income (loss) attributable to the redeemable noncontrolling interest	0.7	(2.4)	0.2	(0.2)	(0.2)
Net Income (Loss)	$15.1	$(10.0)	$3.9	$(3.4)	$(1.6)

4Q11 vs. 3Q11

In the fourth quarter 2011, the Asset Management Unit reported Net Income of $3.9 million, compared to a Net Loss of $3.4 million in the third quarter 2011. The $7.3 million quarterly increase was mainly due to gains from investments in the Investment Fund.

4Q11 vs. 4Q10

The Unit's Net Income of $3.9 million in the fourth quarter 2011 represented a $5.5 million increase from the $1.6 million in Net Loss reported in the fourth quarter 2010, mostly attributable to gains from investments in the Investment Fund.

2011 vs. 2010

In 2011, the Asset Management Unit contributed Net Income of $15.1, compared to a Net Loss of $10.0 million in 2010. The $25.1 million year-over-year increase was due to the combined effects of: (i) a $27.7 million increase in non-interest operating income attributable to gains from investments in the Investment Fund, (ii) a $1.0 million increase in net interest income, and (iii) a $0.5 million increase in operating expenses as a result of higher provisions for variable compensation tied to the performance of the Investment Fund, partially offset by a $3.1 million increase in net income attributable to the redeemable non-controlling interest.

As of December 31, 2011, the Investment Fund's asset value totaled $120 million, compared to $136 million as of September 30, 2011, and $167 million as of December 31, 2010. As of the same dates, Bladex's ownership of the Bladex Offshore Feeder Fund was 95.84%, 96.22% and 88.67%, respectively, with the remaining balance owned by third party investors.

In 2011, the Bank redeemed $50 million of its participation in the Fund, following the decision to gradually reduce its exposure to the business to mitigate volatility.

CONSOLIDATED RESULTS OF OPERATIONS

KEY FINANCIAL FIGURES AND RATIOS

The following table illustrates the consolidated results of operations of the Bank for the periods indicated below:

(US$ million, except percentages and per share amounts)	2011	2010	4Q11	3Q11	4Q10
Net Interest Income	$102.7	$74.5	$29.1	$28.7	$21.0
Net Operating Income (Loss) by Business Segment:					
Commercial Division	$57.9	$36.5	$18.9	$16.9	$10.7
Treasury Division	$14.7	$10.7	$3.3	$5.3	$5.8
Asset Management Unit	$15.8	$(12.4)	$4.1	$(3.6)	$(1.8)
Net Operating Income	$88.4	$34.8	$26.2	$18.5	$14.7
Net income	$83.9	$39.8	$25.0	$16.1	$15.3
Net income (loss) attributable to the redeemable noncontrolling interest	$0.7	$(2.4)	$0.2	$(0.2)	$(0.2)
Net Income attributable to Bladex	$83.2	$42.2	$24.8	$16.3	$15.5
Net Income per Share [6]	$2.25	$1.15	$0.67	$0.44	$0.42
Book Value per common share (period end)	$20.45	$18.99	$20.45	$19.71	$18.99
Return on Average Equity (“ROE”)	11.4 %	6.2 %	13.1 %	8.7 %	8.9 %
Operating Return on Average Equity ("Operating ROE") [7]	12.1 %	5.1 %	13.9 %	9.9 %	8.4 %
Return on Average Assets (“ROA”)	1.5 %	1.0 %	1.6 %	1.1 %	1.3 %
Net Interest Margin	1.81 %	1.70 %	1.84 %	1.90 %	1.70 %
Efficiency Ratio [8]	36 %	55 %	34 %	40 %	44 %
Liquid Assets / Total Assets [9]	12.4 %	8.2 %	12.4 %	8.5 %	8.2 %
Liquid Assets / Total Deposits	34.1 %	23.1 %	34.1 %	21.3 %	23.1 %
Non-Accruing Loans to Total Loans, net	0.6 %	0.7 %	0.6 %	0.7 %	0.7 %
Allowance for Credit Losses to Commercial Portfolio	1.8 %	2.1 %	1.8 %	1.7 %	2.1 %
Total Assets	$6,360	$5,100	$6,360	$6,293	$5,100