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Panama National Banking Commission



**PRELIMINARY BASES FOR ESTABLISHMENT
OF THE LATIN AMERICAN
EXPORT BANK, S.A.**

(Revised Version)

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MARCH 31, 1977

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DOCUMENTATION
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INTRODUCTION

PANAMA NATIONAL BANKING COMMISSION

The XXIII Meeting of Latin American Central Bank Governors
MINUTES OF THE TWENTY-THIRD MEETING OF LATIN AMERICAN
CENTRAL GOVERNORS
National Banking Commission
REPORT BY THE GOVERNORS' COMMITTEE ON A MECHANISM FOR
FINANCING LATIN AMERICAN EXPORTS
REPORT OF THE SPECIAL TECHNICAL COMMITTEE ON THE CREATION
OF A MECHANISM FOR FINANCING LATIN AMERICAN EXPORTS
STATEMENT OF ASSUMED GUIDE LINES

PRELIMINARY BASES FOR THE ESTABLISHMENT OF THE LATIN
AMERICAN EXPORT BANK, S.A. (BANCO LATINOAMERICANO
DE EXPORTACIONES, S.A.)

REVISED VERSION

Principal Documents
Certificate of Incorporation
By-Laws
Financial Projections 1978 - 1987
In some cases, the very constructive cooperation of the
representatives and the representatives of the International
Bank Governors' Representatives, at meetings held in Miami on the
6th of February, 1977 and in Bogota on the 10th of February,
and other stock holders to initial paid-in capital of \$100 million
Composition of Contributions by Latin American Countries
to the Bank

March 31, 1977

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- National Banking Commission of Panama
 - Comision Bancaria Nacional de Panama
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INTRODUCTION

The XXIII Meeting of Latinamerican Central Bank Governors held in San Francisco, California, in September, 1976 entrusted the Panama National Banking Commission with the task of continuing the technical and legal studies to establish a Latinamerican Multinational Bank for Financing Exports in the Region, bearing in mind the orientations expressed at said meeting, and proceeding in a context of negotiation with the Latinamerican countries, the international banks and the latin american banks interested in participating in the creation of this Bank.

In compliance with such instructions and following the determinations of that Convention, the Panama National Banking Commission has prepared a brochure for structuring said bank so that it may be analyzed by the Latinamerican Central Banks with a view to determining their possible participation in the institution.

This revised version is the product of having submitted the original drafts prepared by the work group to fruitful meetings with officials of the Interamerican Development Bank and of the International Finance Corporation, as well as with Latinamerican Central Bank Governors' Representatives, at meetings held in Miami on the 5th and 6th of February, 1977 and in the city of Panama on the 7th, 8th, 28th and 29th of March, 1977.

In some cases, the very constructive observations of the Governors' representatives and of the officials of the international

organizations have resulted in the adoption of specific suggestions, either to supplement or modify concrete aspects of the provisions. In other cases, they have resulted in criteria of appreciation which have been blended throughout the document because they referred to conceptual aspects of the proposal. In any case, the Commission has sought to be faithful to the guidelines set forth in the Report of the Governors' Committee approved at the San Francisco Meeting, in the sense that the institution should be structured so as to permit the participating countries to "design the philosophy, purposes and regulations of the future institution, whereas the commercial operation thereof would be designed by the commercial banks".

Likewise, and in compliance with such instructions, the institution is structured as a corporation pursuant to the Panamanian Banking Law and its form of capitalization is presented in alternatives which may be appraised by the interested countries.

Finally, included are the pertinent excerpts of the Minutes of the San Francisco Meeting, the Report by the Governors' Committee presented and approved at said Meeting, and the Report of the Special Technical Committee of which the Governors' Committee took cognizance.

To facilitate the handling of the legal structure of the Corporation system under Panamanian Law, the drafts of Certificate of Incorporation and By-laws are preceded by a Statement of assumed guidelines which gather, to a large extent, the explanation of the most common questions. In all events, the statement of assumed guidelines relative to financial projections attempts to clarify the merely

MINUTES OF THE TWENTY-THIRD MEETING OF LATIN AMERICAN

illustrative scope of the latter, and also to point out the code or composition of the most relevant figures.

Panama, March 31, 1977

Panama National Banking Commission XXII Meeting composed of the Central Bank Governors of Argentina, Bolivia, Brazil, Guatemala, Jamaica, Mexico, Perú, Dominican Republic and Venezuela, and also by the Chairman of the National Banking Commission of Panama. In view of the fact that said Governors' Committee had met the previous day, he requested Mr. Adolfo C. Dix, as Committee Chairman, to submit the corresponding Report.

MINUTES AND REPORTS

After pointing out the efficient performance of the Special Technical Committee appointed to deal with the matter at a technical level, whose report served as a basis for the deliberations of the Governors' Committee, Mr. Dix described graphically the main points of said Report attached hereto as an Exhibit.

Mr. Ardito Barletta made a brief resumé of the procedure that followed the consideration of the proposal made by him at the XX Meeting in Panama and how, by using the method of successive approximations, the paper appearing as Exhibit 2 to the Report of the Governors' Committee had been prepared. In preparing the same, he recalled, technicians engaged by the National Banking Commission had taken part, and they had taken into consideration the reports and remarks both by

illustrative scope of the latter, and also to point out the code of
composition of the most relevant figures.

which no longer appears to be in the same way, but...

to be further dealt with in the same way as the previous one
Panama, March 21, 1973

for those who are interested in the subject of the
Panama National Banking Commission

the kind of structure to be adopted by the banks
- larger banks, especially, should be entrusted with the
management of the future institution, whereas the commercial
banks should be left to the commercial banks".

MINUTES AND REPORTS

... and in connection with such instructions, the inter-
national law is structured as a corporation pursuant to the Panamanian
Banking Law and its form of capitalization is presented in alternative
which may be appraised by the interested countries.

Finally, included are the pertinent excerpts of the Minutes of
the San Francisco Meeting, the Report by the Governors' Committee
presented and approved at said Meeting, and the Report of the Special
Technical Committee of which the Governors' Committee took cognizance.

To facilitate the handling of the legal structure of the com-
mercial system, the Panamanian Law, the drafts of certificates of
incorporation and by-laws are provided by a series of annexed
guidelines which cover, in a large extent, the principal aspects of the
most important legal matters. The documents mentioned are
lines regarding the structure of the banks, and are merely

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MINUTES OF THE TWENTY-THIRD MEETING OF LATIN AMERICAN
CENTRAL BANK GOVERNORS

I.- Proposal of a Mechanism for Financing Latin American Exports: Report of the Governors' Committee.

In dealing with the first Subject, the Chairman made reference to the Committee appointed at the XXII Meeting composed of the Central Bank Governors of Argentina, Bolivia, Brazil, Guatemala, Jamaica, Mexico, Perú, Dominican Republic and Venezuela, and also by the Chairman of the National Banking Commission of Panama. In view of the fact that said Governors' Committee had met the previous day, he requested Mr. Adolfo C. Diz, as Committee Chairman, to submit the corresponding Report.

After pointing out the efficient performance of the Special Technical Committee appointed to deal with the matter at a technical level, whose report served as a basis for the deliberations of the Governors' Committee, Mr. Diz described graphically the main points of said Report attached hereto as an Exhibit.

Mr. Arditto Barletta made a brief resumé of the procedure that followed the consideration of the proposal made by him at the XX Meeting in Panama and how, by using the method of successive approximations, the paper appearing as Exhibit 2 to the Report of the Governors' Committee had been prepared. In preparing the same, he recalled, technicians engaged by the National Banking Commission had taken part, and they had taken into consideration the reports and remarks both by

the Group of Experts appointed by the Governors at the XXI Meeting and by the above mentioned Special Technical Committee. Briefly, Mr. Arditto Barletta stated that he deemed proper the recommendations of the Governors' Committee and asked for the opinion of the participants in order to proceed studying the alternative of creating a multinational bank, domiciled in Panama, to finance Latin American exports.

In the following discussion several Governors took part, and from their opinions the following stood out: a) the need for Latin America to have a mechanism such as the one under consideration, the same as in developed countries; b) although the consensus is that, of the alternatives contemplated, the creation of a bank seems to be the most feasible, there are several aspects the study whereof requires going deeper; c) the need to make a legal study on the forum where the final decision is to be made; this, in view of the consensus to the effect that, in any case, the establishment of the bank should not be implemented by means of an international treaty, but rather created as a private institution established in accordance with the legal provisions in force in Panama; d) the convenience of obtaining, for the bank's resources, the participation of organizations such as the Interamerican Development Bank, the International Finance Corporation and the Venezuelan Investment Fund; and e) that the subscription of the bank's capital shall not be compulsorily undertaken by central banks in representation of their respective countries, but also by other national financial institutions duly authorized therefor.

As a result of such deliberations, the Governors' Meeting resolved: a) to approve the report by the Governors' Committee and to

S U P P L E M E N T

thank the members of said Committee for the valuable collaboration given throughout the Meeting; b) to reiterate to the Panama National Banking Commission to continue the technical and legal studies regarding the alternative of establishing a multinational Latinamerican bank to finance exports in the region, bearing in mind the concepts set forth in said report of the Governors' Committee, in a context of negotiations with the Latin American countries interested in participating in the creation of the bank; and c) to request the Governors' Committee itself to continue to collaborate in the realization of the above mentioned work and negotiations, according to the procedure set forth in the same Report.

The Commission has been requested to request the Governors' Committee to continue to collaborate in the realization of the above mentioned work and negotiations, according to the procedure set forth in the same Report.

of the Central Bank and the Republic of Panama, which is the basis of the meeting and the structure of the bank, it would be in a condition to report on the progress of the work done in this regard.

reporting back to the Committee on the progress of the work done in this regard.

(see Exhibit A) which is the copy of the report of the Committee on the progress of the work done in this regard.

it is requested that the Committee continue to collaborate in the realization of the above mentioned work and negotiations, according to the procedure set forth in the same Report.

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(see Exhibit A) which is the copy of the report of the Committee on the progress of the work done in this regard.

it is requested that the Committee continue to collaborate in the realization of the above mentioned work and negotiations, according to the procedure set forth in the same Report.

S U P P L E M E N T

REPORT BY THE GOVERNORS' COMMITTEE ON A MECHANISM FOR FINANCING LATINAMERICAN EXPORTS

The Governors' Committee appointed by the XXII Meeting of Latin American Central Bank Governors, held in San Salvador in May, 1976, met in the City of San Francisco, California, on the 24th day of September, 1976. There were present the Central Banks of Argentina, Bolivia, Brazil, Guatemala, Jamaica, Mexico, Peru, Dominican Republic and Venezuela, and also the Panama National Banking Commission. Representatives of the Interamerican Development Bank were also present. Secretarial work was handled by the Center for Latin American Monetary Studies.

The Committee resolved to request Dr. Adolfo C. Diz, President of the Central Bank in the Argentine Republic to act as Chairman of the meeting.

The Committee adopted as a work paper for this meeting the Report submitted on this matter by the Special Technical Committee (see Exhibit 1) which had met in the city of Panama on the 9, 10 and 11 of September of this year, and also the study prepared by the National Banking Commission, containing the Revised Version of the "Proposal by Panama for the creation of a New Multinational Latin-american Mechanism to Finance Exports". (See Exhibit 2)

At the request of the Chairman, the Secretary made a brief resumé of the proceedings of the Special Technical Committee. Thereupon the President of the Panama National Banking Commission explained the general objectives sought in its proposal and emphasized the con-

tents of the last paragraph of the report submitted by the Special Technical Committee, that is, the need for the Governors' Committee to recommend the creation of a multinational bank as the most feasible and adequate alternative to obtain additional financing for Latin American exports. Such bank could be created with the participation of official institutions of the interested countries, Latin American commercial banks, extraregional commercial banks and international financial organizations. Its main functions are summed up in the following paragraph:

"Said banking institution would offer the placing of secured bankers acceptances, of up to 360 days, and also longer term resources for financing and refinancing the exportation of goods which, due to the nature thereof, require such terms. To do so, and on the basis of its structure, it would be in a condition to create and support a secondary market of banker's acceptances and, further, could obtain lines of credit granted by the commercial banking institutions in the Panamanian market and also with funds from issuing its own indebtedness, in proportion to its resources and availabilities. At the same time, this banking institution could also operate as placing agent for non-endorsed acceptances in the secondary market, when the participating countries so desire".

As a consequence, he stated that it would be necessary to go deeper in studying the alternative, within a context of negotiations and perhaps broadening the recommendations and general features proposed in the report by the Special Technical Committee.

In the following discussion, the members of the Committee expressed their unanimous opinion that the alternative of creating a multinational bank is the most feasible and worthy of a thorough study within a context of negotiations among the countries and the banks and international organizations wishing to participate. They also stated that such studies should be conducted under the coordination of the Panama National Banking Commission. It was pointed out that such studies should be carried out on the basis of the features set forth in the Report by the Special Technical Committee as important conditions for determining the feasibility of the alternative and, further, should cover such aspects as its capitalization, legal structure and administrative form.

It was also pointed out that the Bank be structured in such manner as to permit the participating countries to design the philosophy, purposes and aims of the future institution, whereas the commercial operation thereof, as for example the placing of bankers acceptances - would be designed by commercial banks. It was also noted that the form of capitalization should be the object of analysis through negotiations with possible participants; the studies should present several participation alternatives to be evaluated on their merits. It was further established that this bank would be created as a corporation in accordance with the banking law in effect in Panama, not requiring an international treaty and would be open to countries and institutions wishing to participate. In this respect it was requested that the studies include the analysis of the legal

aspects relating to the institutions through which each country takes part and of the forum in which the creation of the Bank shall take place.

As a procedure to be followed, the Governors' Committee deemed that future studies and negotiations should be the responsibility of the Committee itself, which shall be able to meet on a technical level in the first place to assist the Governors in their work. In the appointment of the Committee it is recommended that the central bank representatives may be assisted by technicians appointed by other financial and export promoting institutions, official or private, as may be deemed adequate by each central bank in its respective country.

The Committee agreed to recommend these conclusions to the XXIII Governors' Meeting for adoption.

REPORT OF THE SPECIAL TECHNICAL COMMITTEE ON THE CREATION OF A
MECHANISM FOR FINANCING LATIN AMERICAN EXPORTS

The Special Technical Committee appointed by the XXII Meeting of Latin American Central Bank Governors to continue the study of the Panamanian proposal on the feasibility of structuring a mechanism designed to finance exports in Latin America met in the City of Panama, on the 9, 10 and 11 day of September, 1976. The members of the Committee were represented by Messrs. Simón Vullo of the Central Bank of Argentina; Juan Medinacelli V., of the Central Bank of Bolivia; Roberto Henri Guitton of the Central Bank of Brasil; Roberto Mazariegos and Federico Linares of the Bank of Guatemala; John Goodin of the Bank of Jamaica; Ariel Buira S. of the Bank of Mexico; Nicolás Arditto Barlettta, Antonio Dudley A., and Mario Typaldos of the Panama National Banking Commission; Carlos Despradel of the Central Bank of the Dominican Republic; J. Ignacio Soloaga of the Central Bank of Venezuela and Nicholas Bruck of the Interamerican Development Bank.

Messrs. Jorge Gonzalez del Valle, Guillermo O. Chapman, Jr., Claudio Segré and Felipe Herrera were present as Consultants of the National Banking Commission. Mr. Pedro Pablo Kuczynski of the International Finance Corporation attended the first two meetings of the Committee as special guest. The Permanent Secretariat of the Governors' Meetings (CEMLA) was represented by Mr. Fernando Rivera.

As work papers, the Committee had previously received the revised version of the study entitled "Proposal by Panama for the Creation of a New Multinational Latin American Mechanism for the

Financing of Exports", and also four technical notes. The documentation was prepared by the Panama Banking Commission, with the support of a non-reimbursable technical assistance allotted by the Interamerican Development Bank, at the request of the Panamanian authorities endorsed collectively by the Latin American Central Bank Governors at their XXII Meeting and by a numerous group of Governors of the Interamerican Bank.

The members of the Committee requested the representative of the Permanent Secretariat to act as Chairman of the meeting. At the beginning of the meeting, Mr. Nicolás Ardito Barletta was requested to make a statement as to the form and contents of the new study prepared by the Commission. Mr. Ardito Barletta stated that the purpose of such study was to comply with the Governors instructions to analyze the several alternatives that could be considered to structure the proposed mechanism. Messrs. Jorge González del Valle and Guillermo O. Chapman, consultants of the Commission, added detailed explanations on the several chapters comprising the study, pointing out technical aspects implied in the several alternatives. On the other hand, Mr. Felipe Herrera underlined the importance of creating a mechanism that will broaden the resources available in the region for financing its exports, and the advantages offered by the Panamanian banking legislation for this purpose; the need to adopt broad criterions in structuring the mechanism so as to endow it with a resource-generating capacity and to facilitate access to financial markets particularly to medium and small countries, and also the need to give such me-

chanism adequate support at a political level. Both Mr. Ardito Barletta and the three consultants mentioned stated to be of the opinion that the mechanism would be feasible in the Panama market and would render maximum services to the participating countries, if structured according to the features of the multinational bank alternative.

Mr. Pedro Pablo Kuczynski was requested his opinion on the possible participation of the I.F.C. in mechanisms such as those dealt with in this report. Mr. Kuczynski stated that, in the event that the alternative of creating a bank is adopted the International Finance Corporation would be interested in participating in the capital thereof, and also in granting it loans but that, to do so, it was necessary to clarify the types of exports to be financed, guarantees to be covered and, fundamentally, the need that there be a majority Latin American participation in the capital of the bank.

Upon beginning of deliberations, the Technical Committee reiterated the need to establish a mechanism to contribute to the satisfaction of the export financing needs in Latin America and that such mechanism could function in the financial market in Panama; it was clarified that any alternative adopted should contribute resources in addition to those already available to the region for these purposes rather than substitute any of the existing sources. Consequently, there was agreement as to the objectives of the proposed mechanism; with regard to the origin, destination and nature of the exports to be financed, it was determined that such exports would be those originating in all Latin American countries, destined to any market and

comprising all categories of goods, with emphasis on those considered as non-traditional for each country. Likewise, the consensus was that the mechanism should comprise short and mid-term financing.

Bearing in mind the foregoing considerations, the Committee expressed its appreciation to the National Banking Commission for the study submitted; which complies with the request made by the XXIII Meeting of Latinamerican Central Bank Governors held in San Salvador, which had requested that possible alternatives of its application be explored.

Such alternatives are: a) the creation of a secondary market for bank acceptances; b) the creation of a guaranty fund, and c) the creation of a multinational bank.

Upon analyzing the first of these alternatives - the creation of a secondary market for bank acceptances - some members of the Committee stated that it could be accomplished quicker than the other two, would not require financial contributions by the countries, nor guarantees for its operation; further, it was pointed out that the administrative requirements of this mechanism are minimal. However, other members of the Committee pointed out that, in accordance with the technical information available, the development of such a market would be slow, the amount of its resources limited and it would only provide short-term financing.

In this respect, the National Banking Commission representatives informed that the majority of bankers in the Panamanian market would not find it appealing to participate in such an alternative, although

some already do. All experts consulted, including international brokers, agreed on the slowness of its development and the perspectives of a very reduced volume of short-term operations.

As to the creation of a guaranty fund, as suggested in previous Committee meetings, it was stated that, although such fund would serve to support the liquidity of a secondary acceptances market, and would also have minimum administrative and resource requirements, it would imply structuring a network of intercrossed guarantees which in a good number of cases would be difficult to accomplish due to limitations of a legal nature and, in all assumptions, would result contrary to the tradition of the Central Banks of not granting such type of guarantees.

The third alternative consists of the creation of a banking institution pursuant to Panamanian legislation, with a majority capital subscribed by Latinamerican countries and with the participation and contribution of resources by: a) commercial banks situated in the Panama market; b) international institutions (IDB and I.F.C.) and c) Latinamerican commercial banks.

Such banking institution would offer the placing of secured bank acceptances, up to 360 days, as well as longer term resources for the export, financing and refinancing of goods which, due to their nature, require these terms. To do so, on the basis of its structure it would be capable of creating and supporting a secondary market of banker acceptances and, further, would count on lines of credit granted by commercial banking institutions situated in the Panama market and also with funds obtained on the basis of issues of

its own indebtedness, in proportion to its resources and availabilities. Additionally, this banking institution would operate as a broker/dealer for non endorsed acceptances in the secondary market, whenever the participating countries so require.

In the course of the discussion of this subject, the members of the Committee held a joint meeting with a group of high bank executives* of the Panama market. On that occasion, the commercial bankers showed interest in a greater Latinamerican export financing and, in that respect, favored the creation of a juridical entity which would guarantee its indebtedness; that is to say, that would allow them to give financing additionally to country limits as presently determined by the policies of their head offices. Some of them stated that they could participate in the institution by contributing capital, lines of credit and interbank deposits, while others stated that they would not participate in the capital.

Upon repeated requests by members of the Technical Committee, some bankers stated that no large initial contributions of resources would be necessary for the creation of the organization, due to the fact that the joint participation of the official financial institutions of the Latinamerican countries and of important international and Latinamerican banks established in Panama would be sufficient to attract important volumes of resources to support the operation of the mechanism. Others were of the opinion that the amount of the capital of such institution, plus the subordinated or time deposits

*/ See attached list.

received by it, would be the principal determinant of the volume of resources that commercial banks established in Panama could contribute. To capture the desirable volumes of resources, an adequate capital basis and heavy time deposit commitments would be required.

At the joint meeting the Technical Committee brought forth the hypothesis that the national institutions of the Latinamerican countries would contribute paid-in capital of, for example, 20 per cent of the subscribed capital, and also that their deposits could be substituted by a contingent credit commitment which would guarantee the liquidity of the mechanism. The commercial bankers gave different opinions on this point, some of them being of the opinion that the institution should have an appreciable volume of paid-in capital or subordinated deposits so as to attract substantial funds from other sources.

Subsequently to the joint meeting, the meeting of the Technical Committee was resumed. The Technical Committee was of the opinion that should certain conditions be met, the bank would be feasible and could constitute an institution capable of adding resources in important quantities for the financing of Latinamerican exports. Among these conditions some members of the Committee were of the opinion that:

- a) the total cost of financing through this institution should be equal or smaller than those that could be obtained from alternative sources;
- b) this institution could be established with minimum capital contributions and voluntary deposits;

c) the Latinamerican commercial banks should participate in the formation of the capital of the new institution;

d) that administrative and personnel costs be maintained at a minimum;

e) that the financing obtained through the same be in addition and supplemental to the already existant;

f) that the capital be divided into shares with a minimum value agreed upon and that each participating country subscribe at least one share; provided that any country may subscribe a greater number of shares;

g) that acceptances or negotiable documents originating in different countries be given equal treatment;

h) that the yield from the resources contributed to the bank be comparable to those that can be obtained in other markets.

As to the operating policies of the bank, some members of the Committee stated that, in their opinion, it was essential that the policies thereof be guided by the development of the area and, as a consequence, could on occasion give preferential treatment to certain countries or activities. However, some of them strongly favored not to apply discriminatory treatments per countries on the matter of interest rates or availability of funds, the same as occurs in other mechanisms for financial cooperation that operate in the region.

There was preoccupation concerning the liquidity of this bank and it was requested that the studies that will eventually be made concerning the creation of this institution thoroughly analyze this matter.

There was preoccupation as to what would be the guidelines for assigning the bank's resources to the member countries and if this would be related to the capital contributions and the deposits made by said countries. It was acknowledged, however, that this and other matters of operating policies should be considered by the bank's stockholders.

Before adjourning the meeting, some members of the Committee expressed their desire to recommend the creation of the bank as the adequate mechanism to accomplish the objectives under consideration.

Upon termination of the meeting of the Technical Committee, the President of the Panama National Banking Commission gave thanks for the important contributions made by the members thereof and pointed out that the questions and preoccupations brought forth as to the creation of the bank and its operating characteristics could only be answered more fully by additional studies and analyses realized within a context of negotiations among the countries and the international banks wishing to participate in its creation. For that, he added, an explicit orientation in that sense is required by the Central Bank Governors interested in establishing this mechanism.

Certificate of Incorporation

The draft of the Certificate of Incorporation has been prepared in accordance with Panamanian legislation and custom for incorporating commercial banking institutions, but taking into account the special characteristics of Banco Latinamericano de Inversiones S.A., particularly the fact that in the subscription of the capital stock both of the Latin American countries and the Latin American and international private banking institutions will take part.

LIST OF REPRESENTATIVES OF THE PANAMA BANKING ASSOCIATION

<u>ORGANIZATION</u>	<u>REPRESENTATIVE</u>
MARINE MIDLAND BANK	XAVIER A. AGUIRRE
CITY BANK, N.A.	GABRIEL R. DE OBARRIO
BANK OF LONDON & SOUTH AMERICA	VICTOR FOLCH VERNET
THE FIRST NATIONAL BANK OF CHICAGO	STEPHEN THOMAS
THE CHASE MANHATTAN BANK	LUIS H. MORENO, JR.
BANCO FIDUCIARIO DE PANAMA	ARTURO MULLER A.
BANQUE NATIONALE DE PARIS	HENRY MAX DUHAMEL
SECURITY PACIFIC INTERAMERICAN BANK	JOHN J. MCGUIRE
THE FIRST NATIONAL BANK OF BOSTON	H. W. PETERSON
THE FIRST NATIONAL BANK OF BOSTON	J. E. QUIGLEY
THE BANK OF TOKYO	TAKEOWRIU
THE BANK OF TOKYO	HORACIO O. MARQUINEZ
THE BANKERS TRUST	RALPH M. ROMANO
BANK OF AMERICA	WYNE C. ANDERSEN

Class A shares, to be issued solely in the name of the central banks or organizations designated by the participating countries; Class B shares, to be issued in the name of international organizations and private commercial banks with a majority Latin American capital; and Class C shares to be issued in the name of international private banks.

EXHIBIT No. 1

preoccupation to be the guidelines for
 the member countries and if this
 LIST OF REPRESENTATIVES OF THE PANAMA BANKING ASSOCIATION
 it was acknowledged, however, that this and other
 ORGANIZATION
 REPRESENTATIVE

- MARINE MIDLAND BANK
- CITY BANK, N.A.
- BANK OF LONDON & SOUTH AMERICA
- THE FIRST NATIONAL BANK OF CHICAGO
- THE CHASE MANHATTAN BANK
- BANCO FIDUCIARIO DE PANAMA
- BANQUE NATIONALE DE PARIS
- SECURITY PACIFIC INTERAMERICAN BANK
- THE FIRST NATIONAL BANK OF BOSTON
- THE FIRST NATIONAL BANK OF BOSTON
- THE BANK OF TOKYO
- THE BANK OF TOKYO
- THE BANKERS TRUST
- BANK OF AMERICA

STATEMENT OF ASSUMED GUIDELINES

1.1.1. Certificate of Incorporation

The draft of the Certificate of Incorporation has been prepared in accordance with Panamanian legislation and custom for incorporating commercial banking institutions, but taking into account the special characteristics of Banco Latinoamericano de Exportaciones S.A., particularly the fact that in the subscription of the capital stock both the Latin American countries and the Latin American and International private banking institutions will take part.

In structuring the Bank the following has been assumed:

1. That it is convenient to give the Bank a greater operating flexibility;

2. That the primary responsibility in determining the purposes and fundamental financial policies of the Bank must vest on the participating countries;

3. That, on the other hand, the primary responsibility in the day to day management of the business of the Bank and the execution of its programs must be placed in the hands of private banks.

To such end, the corporate capital has been divided into three classes of shares.

Class A shares, to be issued solely in the name of the central banks or organizations designated by the participating countries; Class B shares, to be issued in the name of international organizations and private commercial banks with a majority Latinamerican capital; and Class C shares to be issued in the name of international private banks.

It will be up the stockholders, and within the stockholders mainly to the Class A stockholders, that is to say the countries, to decide on basic matters and general policy matters, such as those relating to merger, consolidation or dissolution of the Bank and the determination of its objectives, powers and fundamental financial policies thereof. Further, the stockholders, by group of shares, shall elect the members of the Board of Directors separately.

The Board of Directors shall have control of the management of the Bank and shall carry out the programs of the Bank mainly through an Executive Committee appointed from among the members of the Board of Directors elected by private banks.

The Executive Committee shall be the supreme executive authority of the Bank and shall have the day to day management of the business of the Bank in compliance with the decisions and resolutions adopted by the Board of Directors and pursuant to the purposes and fundamental financial policies set forth in the Certificate of Incorporation, the By-laws and by the Stockholders. The Chairman of the Executive Committee shall be the Executive President and Legal Representative of the Bank.

Thus, a pyramidal organization is established with the stockholders as the foundation thereof and at the top the Executive President, who presides the Executive Committee.

In another line of thought it has been deemed opportune to establish restrictions to the transfer of shares with a view to maintaining as best possible the proportions among the different stockholders.

In the election of the members of the Board of Directors, each class of shares shall vote separately by the system of cumulative vote.

Otherwise, the draft of the Certificate of Incorporation has been made flexible so that the Bank may conduct its business activities with the greatest possible agility and effectiveness.

11. By-laws

In accordance with the traditions of Panamanian legislation on the matter, the By-laws of a corporation constitute a supplemental document the general purpose whereof is to regulate the duties, functions and the internal relations of the departments and officers of the company. However, bearing in mind the institutional peculiarities of the Banco Latinoamericano de Exportaciones and the great importance that the financial policies procedures shall have on the management thereof, the legal counsel of the National Banking Commission suggest that the By-laws be subscribed formally and simultaneously with the Certificate of Incorporation and that they should include all precepts deemed necessary to define or limit the fundamental financial policies of the Bank and the main operating procedures.

management of the business of the Bank in compliance with the decisions and resolutions adopted by the Board of Directors and pursuant to the purposes and fundamental financial policies set forth in the Certificate of Incorporation, the By-laws and by the Stockholders. The Chairman of the Executive Committee shall be the Executive President and Legal Representative of the Bank.

Thus, a pyramidal organization is established with the stockholders as the foundation thereof and at the top the Executive President, who presides the Executive Committee.

In another line of thought it has been deemed opportune to include the restrictions to the transfer of shares with a view to maintain as far as possible the proportions among the different stockholders.

III. Financial Projections 1978 - 1983

With the purpose of illustrating the probable financial evolution of the Bank in its first six years of operation, the Banking Commission, in Document III, presents financial projections for two alternatives, one designated pessimist, the other optimist. These two alternatives show -- the media of operations the Bank will probably be able to develop, rather than maximum and minimum limits.

In the pessimist projection it is assumed that the paid-in capital of the Bank is 20 million Dollars in the beginning, to be increased in the third year of operations to 30 million. In the optimist projection it is assumed that the capital shall be increased to 40 million the fifth year of operations. In both projections it was considered that the Bank shall pay no dividends but rather accumulate profits to support a growing volume of business.

It was assumed that the Assets/Liabilities ratio of this Bank would grow from 3:1 the first two years of operations, to 5:1 the sixth year. In the optimist projection such ratio begins at 4:1 and is increased to 6:1 the fourth year of operations. It may be observed that this ratio of indebtedness is rather conservative. In both alternatives, in considering the indebtedness, the Paid-in Capital was added to the accumulated profits.

It has been assumed that the Central Banks in Latin America and the IDB shall be interested in making important deposits in this bank. It was also deemed highly convenient to attract deposits of commercial banks so as to, in this manner, incorporate fresh resources to the

financing of Latin American exports. For this purpose the Bank expects to pay market interest rates on the time-deposits received.

There has been included a volume of deposits by the Central Banks at prudent levels estimated from the point of view of the depositor Bank. Two basic criterions were considered. First, deposits would not exceed 20 % of total liabilities of the Bank, and second, that each Central Bank shall maintain time-deposits not exceeding in each case 10% of the capital plus reserves of the Bank.

The volume of deposits estimated to be maintained by Latin American central banks was computed modestly in relation to the level of their estimated international reserves of \$20,000 millions by the end of 1976. It was then estimated that considering the conditions of liquidity, reliability and earnings no lower than those of other financial centers, the central banks in the region could transfer without problems a fraction of their present reserve investments to Banco Latinoamericano de Exportaciones.

It was rather arbitrarily assumed that the IDB would gradually increase its time-deposits up to \$10 millions in the case of the pessimistic alternative, and up to \$15 millions in the optimist alternative.

The Commission estimated that Latin American correspondent banks, that is, commercial banks whose acceptances may be negotiated by Banco Latinoamericano, shall maintain sight deposits to facilitate the handling of their remittances of discountable documents. The sight deposits amounting to \$500,000 estimated for the first year are the equivalent of \$20,000 for each of the 25 correspondent banks that it is expected

will participate. These deposits would increase in the same amount every year.

In computing the time-deposits of international commercial banks operating in Panama (\$6.5 millions the first year, to be increased to \$27.7 millions the sixth year, in the pessimist case, and \$10 millions to be increased to \$40 millions in the optimist case), it was taken into account that Panamanian private banks at present maintain over \$200 millions in interbank deposits and have received external deposits exceeding \$6,000 millions.

The volume of guarantees and endorsements to be issued by the Bank was limited to twice the capital plus reserves in the pessimist alternative. This ratio would gradually increase to 4 times as much in the fourth year of operations in the optimist alternative.

With respect to the use of the resources, it has been estimated that the Bank shall maintain a 15% reserve for sight deposits and 8% for time-deposits. 20% of these reserves would be maintained in cash and 80% in overnight deposits.

Due to the fact that the Bank will deal in non customary paper of over 180 days, it was supposed that it should have available funds for purchase and sales operations, and thus support the market for these papers. For this purpose 5% of the value of the papers sold through intermediation and secured was separated. It was thought that 50% of this money shall be maintained in overnight deposits.

It was also assumed that this bank shall operate from the beginning by financing medium term operations. For this purpose it was

estimated that it shall allot up to the total of its paid-in capital and its reserves and all the money obtained from medium term debts. This signifies, in the pessimist case, \$20 million Dollars the first year and \$65 million the sixth. In the optimist alternative these levels could reach \$87 in the sixth year of operations.

It was assumed that the funds not used to maintain reserves and medium term loans would be invested in discounting acceptances.

The Bank shall obtain income from its purchase and sale of acceptances, commissions for guarantees issued, investments of reserves, interest on loans and from acceptances maintained in its portfolio.

It is expected that the Bank shall be able to charge 1/8% commission for each purchase-sale of acceptance operation, and 2% per annum on guarantees given; the rate for overnight deposits was estimated at 5% and the rate for medium term loans, at 8-1/2%. It is expected that acceptances shall yield an income of 1 point above the time-deposit rate (5-1/2%) in the pessimist alternative and 1-1/2 points higher, in the optimist alternative.)

On its part, the Bank would pay depositors the rate corresponding to 3-month Eurdollar deposits. It would also pay 7-1/2% on medium term debts, and the market rate on short-term loans (6%) it may incur.

It has also been estimated that the Bank shall pay no taxes and its managerial expenses shall increase from \$400,000 the first year to \$900,000 the sixth year.

Under these assumptions, the Bank would obtain an increasing annual return on the capital contributed of 6% to 19% in the pessimist

alternative, and of 8% to 25% in the most optimist alternative.

It was estimated that the total of the business, between purchase-sales, investments and guarantees in acceptances would grow from \$119 millions the first year to \$571 millions the sixth year in the pessimist case, and from \$198 millions to \$896 millions in the optimist case. This means that the capital contributed by the Latinamerican countries would multiply 31 and 34 times, respectively, in the sixth year of operations.

...the most important factors in determining the success of the program are the quality of the management and the quality of the capital contributed. The program is designed to provide a steady stream of capital to the bank, and the success of the program will depend on the quality of the management and the quality of the capital contributed. The program is designed to provide a steady stream of capital to the bank, and the success of the program will depend on the quality of the management and the quality of the capital contributed.

PRINCIPAL DOCUMENTS

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(a) Carry on any business...

(b) Grant loans and...

...of the Republic of Panama...

...in accordance with the laws...

(c) Act as...

1. The name of the corporation is: ...

(a) To receive...

2. The purpose of the corporation is to promote the export...

...of goods and services of Latin American origin...

Further, the corporation...

CERTIFICATE OF INCORPORATION

(a) ...of the Republic of Panama...

...the granting of export licenses...

...shall be necessary to vote...

(b) Promote the development of a market for domestic products...

originating in operations pertinent to the export of goods of Latin...

AMERICAN ORIGIN

(c) ...of the Republic of Panama...

...of the United States of America...

...of the Republic of Panama...

(d) ...of the Republic of Panama...

...of market research to promote exports...

...of the Republic of Panama...

also:

CERTIFICATE OF INCORPORATION

OF

BANCO LATINOAMERICANO DE EXPORTACIONES, S. A.

Organized in accordance with the General Corporation
Law of the Republic of Panama

We, the undersigned, hereby state that we have agreed to organize a corporation in accordance with the laws of the Republic of Panama, under the following Certificate of Incorporation:

1. The name of the corporation is:

BANCO LATINOAMERICANO DE EXPORTACIONES, S. A.

2. The purpose of the corporation is to promote the exportation of goods and services of Latin american origin. For the accomplishment of this purpose the corporation may:

a) Establish a Latin american system for export credit to cover the granting of direct export loans, including the pre and post shipment phases.

b) Promote the development of a market for bankers acceptances originating in operations pertinent to the export of goods of Latin american origin;

c) Promote the establishment of a Latin american system of export credit insurance and mechanisms to complement existing national systems.

d) Collaborate with Latin american countries in the realization of market research to promote exports.

3. In furtherance of the above purpose, the corporation may also:

- a) Carry on any banking and credit operations.
- b) Grant loans and allot credit without security or secured by commercial documents, credit documents or any other form of guarantees originating in the exportation of goods and services of all kinds.
- c) Act as international finance agent;
- d) Own, purchase, sell, withdraw, make, draw, accept, endorse, discount, guarantee and carry on any operation with notes, bills of exchange, warrants and any other securities or credit documents in any country;
- e) To receive loans and accept credits of any companies or banking and credit institutions and to issue bonds, obligations, notes and any other indebtedness or instruments.

Further, the corporation shall exercise all other functions permitted by the By-laws or by resolution adopted by the affirmative vote of two thirds (2/3) of shares issued and outstanding, which vote shall necessarily include the vote of three-fourths (3/4) of the holders of Class A shares.

ALTERNATIVE 1

"4. The capital of the company shall be ONE HUNDRED MILLION DOLLARS (\$100,000,000.00, legal currency of the United States of America), divided as follows:

- a) 20,000 Class "A" shares with a par value of ONE THOUSAND DOLLARS (\$1,000.00) each;
- b) 40,000 Class "B" shares with a par value of ONE THOUSAND

DOLLARS (\$1,000.00) each;

c) 40,000 Class "C" shares with a par value of ONE THOUSAND

DOLLARS (\$1,000.00) each;

ALTERNATIVE 2

"4. The capital of the company shall be ONE HUNDRED MILLION

DOLLARS (\$100,000,000.00, legal currency of the United States of America), divided into:

a) 40,000 Class "A" shares with a par value of ONE THOUSAND

DOLLARS (\$1,000.00) each;

b) 40,000 Class "B" shares with a par value of ONE THOUSAND

DOLLARS (\$1,000.00) each;

c) 20,000 Class "C" shares with a par value of ONE THOUSAND

DOLLARS (\$1,000.00) each;

ALTERNATIVE 3

"4. The capital of the company shall be NINETY MILLION DOLLARS

(\$90,000,000.00), legal currency of the United States of America, divided into:

a) 30,000 Class "A" shares with a par value of ONE THOUSAND

DOLLARS (\$1,000.00) each;

b) 30,000 Class "B" shares with a par value of ONE THOUSAND

DOLLARS (\$1,000.00) each;

c) 30,000 Class "C" shares with a par value of ONE THOUSAND

DOLLARS (\$1,000.00) each.

All shares shall be common, shall have equal rights and privileges and each Class "A", "B" and "C" shares shall have one vote at stockholders' meetings, but with respect to the election of Directors, the right to vote shall be exercised as provided in Article 8 of this Certificate of Incorporation.

Class "A" shares shall only be issued in the name of central banks of Latin America or government institutions designated by the Latin American countries, in proportion to the F.O.B. value of total export of goods of each of the Latin American countries in the period 1974-1976.

Class "B" shares may only be issued in the name of private commercial banks, private financial corporations or other type of corporations or private associations of Latinamerican majority capital qualified as such by the competent authority in the respective country, in proportion to the F.O.B. value of total exports of goods of each of the Latin American countries in the period 1974-1976. These shares may also be issued in the name of international institutions (governmental organizations).

Class "C" shares may only be issued in the name of private commercial banks or private financial corporations, other than those referred to in the foregoing paragraphs.

5. Restrictions to Transfer of Shares of Stock. The holder of a given Class of shares may not transfer its shares to any government, association of countries (international organization) or corporation which, in accordance with the provisions of this Certificate of Incorporation

poration, does not qualify to be the owner of the respective class of shares.

Class "A" shares may be transferred freely among the designated organizations of each country. However, the transfer of said Class "A" shares to other countries or organizations designated by other countries, may not be made unless the stockholder shall have first offered said shares to the corporation.

Class "B" shares may be transferred freely among the private commercial banks, financial institutions and other type of private corporations, or associations of the same country. However, the transfer of such shares to private commercial banks, financial institutions and other type of private corporations or associations of another country may not be made without the stockholder first offering such shares to the corporation.

Class "C" shares may not be transferred without the stockholder first offering such shares to the corporation.

In such cases where offering the shares to the corporation is first required, the stockholder shall give notice in writing to the corporation, stating the number of shares he wishes to sell or transfer and the corporation may, within the period of ninety (90) calendar days from the date such notice is delivered, acquire such shares. Should it fail to do so, the corporation shall give notice of the other holders of the respective Class of shares who may, within a period of ninety (90) calendar days from the date of expiration of the ninety (90) day period given to the company, acquire the number

of shares offered for sale corresponding to the percentage of the respective Class of shares, including the shares offered for sale, owned by them. If one or more of the stockholders do not wish to acquire the percentage of shares to which they are entitled, these shall be divided among the remaining respective stockholders in the same manner, in order to maintain the proportions among the different stockholders.

In the event no stockholder wishes to purchase the shares offered for sale or if in accordance with the procedure set forth in this paragraph all of the shares offered for sale are not purchased, then the offering stockholder shall be at liberty to sell such shares to any other country or government organization qualified to be the owner of Class "A" shares.

The price at which the company or other stockholders, pursuant to the foregoing rules, shall be entitled to acquire the shares a stockholder wishes to dispose of, shall be the greater of, the value of such shares as per the most recent Balance Sheet of the corporation or () times the earnings per share corresponding to the last fiscal year preceding the date of the proposed sale, or if the offer to sell is made before the first annual Balance Sheet, such price shall be the par value of the shares.

6. Pre-emptive Right. Every stockholder shall have a pre-emptive right to subscribe, in proportion to the shares of the Class owned by him, shares of the same class issued by virtue of an increase in the capital.

The liability of the stockholders is limited to the amount unpaid on the shares subscribed.

7. The Stock Register required by Law shall be kept at the domicile of the Bank.

8. The domicile of the company shall be in the City of Panama, Republic of Panama, but the corporation may, as the Board of Directors shall determine, engage in business and establish branches anywhere in the world, and keep its records and assets anywhere in the world.

9. The duration of the corporation shall be indefinite.

10. Meetings of Stockholders may be held in the Republic of Panama or in any other country. There shall be a general meeting of stockholders each year, at such time and place as the Board of Directors may, by resolution, determine, for the election of the Directors and the transaction of any other business that may be properly brought before the meeting by the Board of Directors.

Special meetings of stockholders shall be called by the Board of Directors whenever deemed convenient by them. Further, they must be called by the Board of Directors, or the President of the company, whenever so requested in writing by one or more stockholders representing at least one-twentieth of the capital stock. Special meetings so called may consider, in addition to the other matters included in the notice thereof, any matter brought before the meeting by any stockholder.

11. Quorum and Voting. A quorum at any meeting of stockholders shall consist of one-half plus one of the shares issued and outstanding present thereat.

All resolutions at general meetings of stockholders must be adopted by the affirmative vote of one-half plus one of shares issued and outstanding. However, the affirmative vote of two-thirds (2/3) of shares issued and outstanding, which vote shall necessarily include the vote of three-fourths (3/4) of the holders of Class "A" shares, shall be required for the adoption of resolutions relative to the following matters:

- a) Dissolution of the company;
- b) Amendment of Articles 2, 3 and 4 of the Certificate of Incorporation;
- c) Merger or consolidation of the company;
- d) Amendment of Chapter 1 of the By-laws relative to the Fundamental Financial Policies to be observed by the company.

Notice of any stockholders' meeting, regular or special, shall be given to each stockholder of record and with a right to vote, personally, by registered mail or by telex not less than ten (10) days and no more than sixty (60) days before the date of the meeting.

12. The Board of Directors shall exercise the powers of the corporation subject to the legal provisions and to the rules set forth by the general meeting of stockholders.

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ALTERNATIVE 1

- (The Board of Directors shall consist of eight (8) members; two
- (2) Directors shall be elected by the holders of Class A shares; three
 - (3) Directors shall be elected by the holders of Class B shares; and

three (3) Directors shall be elected by the holders of Class C shares).

ALTERNATIVE 2

(The Board of Directors shall consist of eight (8) members; three (3) Directors shall be elected by the holders of Class "A" shares; three (3) Directors shall be elected by the holders of Class "B" shares; and two (2) Directors shall be elected by the holders of Class "C" shares).

ALTERNATIVE 3

(The Board of Directors shall consist of nine (9) members; three (3) Directors shall be elected by the holders of Class "A" shares; three (3) Directors shall be elected by the holders of Class "B" shares and three (3) Directors shall be elected by the holders of Class "C" shares).

- o - o - o - o - o - o - o -

Each Director shall have an alternate elected in the same manner and who shall replace the latter in his absence.

In the elections of the members of the Board, the holders of Class A, Class B and Class C shares shall vote separately.

The stockholders of each Class of shares (A, B or C) may hold meetings separately whenever deemed convenient by them, for the exclusive purpose of removing any of the Directors elected by them; further, they may also meet to elect a new Director should a vacancy occur among the Directors elected by the respective class of stockholders.

Whenever so requested to the Board of Directors or to the President of the Company, by stockholders representing at least one-twentieth of the Class A shares issued, the holders of Class A may meet separately for the purpose of considering any business which under the provisions of this Certificate of Incorporation or the By-laws must be dealt with by the holders of Class A shares.

In the elections of the members of the Board of Directors the holders of shares of each class shall have a number of votes as shall equal the number of shares of the respective class to which they may be entitled, multiplied by the number of Directors to be elected, and they may cast all their votes in favor of a single candidate or distribute them among the total number of Directors to be elected or among two or more of them, as they may deem proper.

Meetings of the Directors may be held in the Republic of Panama or in any other country, and any Director may be represented and vote by proxy or proxies at any and all meetings of Directors.

Notice of any meeting of the Board of Directors shall be given by any officer of the company either personally or by registered mail to each director.

The presence of at least six Directors shall be required for the holding of a meeting of the Board of Directors. Unless otherwise provided for in this Certificate of Incorporation, resolutions of the Board of Directors must be adopted by the affirmative vote of a majority of the Directors present.

13. Executive Committee. The Board of Directors shall appoint an Executive Committee with all powers of the Board of Directors for

the management of the businesses of the corporation. This Executive Committee shall consist of three (3) members of the Board of Directors, of which: one (1) member shall be elected by the holders of Class B shares; and two (2) members shall be elected by the holders of Class C shares, one of which shall be the Executive President of the Bank who shall preside over Executive Committee.

14. The Officers of the Company shall be a Chairman of the Board of Directors, an Executive President, a Treasurer and a Secretary. The Board of Directors may elect from time to time one or more Vice Presidents and other officers. Any officer may hold more than one office.

15. The By-laws of the Company, being adopted upon the organization thereof, may be amended subject to the provisions of said By-laws.

TRANSITORY PROVISIONS

A. The corporation shall commence its banking activities when 40% of the shares representing the authorized capital of the corporation has been subscribed and 50% of the subscribed capital has been paid in. No stockholder shall subscribe less than 20 shares of stock.

B. The First Directors of the company, who shall hold office until the election of new Directors by the stockholders in accordance with the provisions of this Certificate of Incorporation, shall be the following:

NAME

ADDRESS

BY - LAWS

The subscribers of the Certificate of Incorporation of BANCO LATINOAMERICANO DE EXPORTACIONES, S.A. certify that, upon signing the Certificate of Incorporation, they have adopted, for the corporation, the following BY-LAWS OF BANCO LATINOAMERICANO DE EXPORTACIONES, S.A.

Chapter IFundamental Financial Policies

ARTICLE 1: The purpose of the corporation shall be to promote exports of goods and services of Latinamerican origin, preferably non-traditional goods and services. Further, the Corporation shall endeavor that the volume of its operations bear relation to the participation of the Latin American countries in the capital stock of the corporation.

ARTICLE 2: In all its credit operations the Bank shall be guided by business criteria framed within the conditions of competition in the financial markets wherein it may operate. Specifically, the Bank shall not subsidize interest rates or banking commissions under any circumstances.

ARTICLE 3: Rediscounting of documents and the granting of loans to finance exports of a given Latinamerican country shall be conditioned on the establishment to the satisfaction of the Bank of mechanisms that will guarantee to the Bank the free convertibility and transferability of currencies required to liquidate pending obligations.

Likewise, when the occasion may arise, the Bank shall subscribe with the competent authorities agreements for the non-application of tax withholdings on interest paid on the Bank's operations.

ARTICLE 4: The Bank shall only deal in bank acceptances of stockholding institutions of Latinamerican countries whose government institutions shall have subscribed shares of stock in the Bank. These acceptances may originate in export operations, including the phases of pre and post shipment of Latinamerican goods and services and be expressed in easily disposable convertible currencies maturing in no more than 360 days.

ARTICLE 5: The negotiation by the Bank of bank acceptances referred to in the foregoing Article may consist of:

a) the mere intervention of the Bank in placing them in international financial markets; or

b) acquisition thereof for holding the same in the Bank's portfolio; or

c) the endorsement of such documents for placing in international financial markets.

ARTICLE 6: Bankers' acceptances negotiated by the Bank may only originate in commercial banks or financial organizations authorized by the Central Banks, or in lieu thereof by the monetary authority, of the Latin American countries.

The Board of Directors shall conclude with the Central Banks, or in lieu thereof with the monetary authorities, the correspondent agreements which shall facilitate the payment by the accepting banks,

of such documents as shall, by any reason, not be cancelled at maturity.

ARTICLE 7: The Bank may grant direct loans or extend lines of credit to finance export credit operations including the pre and post shipment phases of goods and services of Latin American countries, in favor of Central Banks and of commercial banks, financial organizations and other concerns. The Board of Directors shall determine the conditions and terms of such loans and lines of credit.

ARTICLE 8: The Bank may accept sight and term deposits, grant loans and lines of credit in its favor and, in general, issue all types of securities to obtain financial resources. The conditions of these operations by the Bank shall be determined by the Board of Directors.

ARTICLE 14: The Board of Directors shall adopt the necessary and

Chapter II

General Operating Procedures

ARTICLE 9: In accordance with the provisions of Article 2 of these By-laws, the rules adopted by the Board of Directors for determining the interest rates to be charged by the Bank on the rediscount of bankers acceptances and the granting of loans and lines of credit, shall take into account the rates prevailing in international financial markets for similar operations as to maturity, amount and guarantees.

ARTICLE 10: The Board of Directors shall be entrusted with the task of negotiating and arranging the mechanisms or agreements referred to in Articles 3 and 6 of these By-laws.

Likewise, where pertinent, the Board of Directors shall execute with the designated banks and organization of each Latin American country, contracts or agreements relative to the admission, handling and custody of negotiable documents.

ARTICLE 11: In order to be negotiated by the bank, bank acceptances shall include as a minimum the following:

- a) That the accepting institution be a stockholder of the bank and shall have been authorized therefor by the corresponding Central Bank or Monetary Authority.
- b) Proof that the bank acceptances are duly supported by export operations including the pre and post shipment phases of Latin American goods and services;
- c) Unconditional acceptance of payment in the pertinent convertible currency; and
- d) Documentation specifying the goods or services being exported and their country of destination.

The Board of Directors shall determine the other characteristics and conditions of the documents eligible for negotiation by the Bank.

ARTICLE 12: In fixing the terms and conditions of direct loans and lines of credit granted by the Bank, pursuant to Article 7 of these By-laws, the Board of Directors shall take into account the following provisions:

- a) loans may be granted at medium or long term and be global in nature or be entailed to a specific export project;
- b) the lines of credit may be short-term or revolving, for

the granting of sub-loans or discounting of eligible documents;

c) the bank shall have the right to verify the destination of the resources loaned by it;

d) guarantees shall be adequate and be secured by debtor bank or organization; and

e) loans may be made directly to the export companies, provided they are secured by guarantees of any of the banks or stockholder organizations.

ARTICLE 13: The Bank shall realize the provisional investment of resources not invested by the Bank in bank acceptances or loans, endeavouring to place the same in first-class deposits or securities expressed in freely disposable convertible currency easily liquidable and reliable.

ARTICLE 14: The Board of Directors shall adopt the necessary measures for the development of promotional activities, market survey and propaganda concerning the development of the bank acceptance market in the Bank's domicile.

Chapter III

Management and Administration

Domicile

ARTICLE 15: The legal domicile of the corporation shall be in the City of Panama, Republic of Panama, but it may establish other offices in other places and countries and establish such correspond-

ents, representatives, branches and agencies as it may deem proper.

Stockholders' Meetings

ARTICLE 16: Stockholders' Meetings shall be presided by the Chairman of the Board of Directors. Proxies from stockholders must be delivered to the Secretary of the company not less than 2 days prior to the date of each meeting.

Meetings shall be held at the place, date and time fixed in the notice thereof, subject to the requirement that a quorum be present, as set forth in Article 11 of the Certificate of Incorporation.

A General Meeting of Stockholders is specially authorized:

- a) to elect the members of the Board of Directors subject to the provisions of the Certificate of Incorporation;
- b) to fix the remuneration to be paid to members of the Board of Directors;
- c) to appoint the external auditors and fix their terms of office;
- d) to approve the annual report, the Balance Sheets for each fiscal year and the reports of the Board of Directors, the Executive Committee and the external auditors;
- e) to transact any business duly brought to the meeting by the Board of Directors or any stockholder of the corporation.

Board of Directors

ARTICLE 17: The Board of Directors shall exercise the powers of the corporation.

The Board of Directors shall specifically:

- a) Give compliance to resolutions adopted by General Meetings of Stockholders;
- b) Submit for consideration at General Meetings of Stockholders the Balance Sheets, profit and loss statements and report on the activities of the company;
- c) Approve the annual budget;
- d) Elect the Chairman of the Board of Directors, the Treasurer and the Secretary;
- e) Appoint, pursuant to the provisions of the Certificate of Incorporation, the Executive Chairman and other members of the Executive Committee, and fix their remuneration.

Executive Committee

ARTICLE 18: The Executive Committee shall be the supreme executive authority of the Bank and shall consist of 3 commercial bankers as provided in Article 13 of the Certificate of Incorporation.

The Executive Committee shall be specially empowered:

- a) To exercise all powers of the Board of Directors in the management of the business of the company;
- b) To manage the day-to-day transaction of the business of the Bank, particularly the execution of its programs, the realization of its operations, the custody of its capital resources and the performance of all decisions and resolutions adopted by the Board of Directors;
- c) To perform all duties not entrusted in the Certificate of

Incorporation or these By-laws to another managerial, administrative or executive agent except where due to their nature they must be performed by the Stockholders or by the Board of Directors;

d) To appoint, promote, transfer, remove and fix the remuneration and other working conditions of the company's personnel;

e) To authorize the granting of general and special Powers of Attorney to represent the company judicially or extrajudicially.

The Executive Committee shall meet as often as necessary for the good conduct of the business of the company but, in any event, it must hold two (2) monthly meetings. The presence of at least two of the members thereof shall be required for the holding of such meetings.

The Chairman of the Executive Committee shall be the Executive President and legal representative of the Bank, he shall preside all meetings of the Executive Committee and shall authorize, with his signature, all acts, contracts and documents of the Bank.

Officers

ARTICLE 19: The officers of the company shall be a Chairman of the Board, an Executive President, a Treasurer and a Secretary.

The Board of Directors may from time to time elect one or more Vice Presidents and other officers. Any officer may hold more than one office.

The Powers and duties of the officers of the company shall be determined by the Board of Directors.

Fiscal Year

ARTICLE 20: The corporation shall adopt as its fiscal year the calendar year.

Balance Sheet and Report

ARTICLE 21: The Bank shall close its accounts as of December 31 each year and shall prepare the corresponding Balance Sheets which, together with a detailed statement of its profit and loss account and the Annual Report on its activities, shall be submitted by the Executive Committee to the Board of Directors. The Board, after consideration thereof shall submit the same, together with the report of the external auditors, to the approval of the stockholders.

ARTICLE 22: The Balance Sheet and other financial statements shall be prepared subject to the rules and generally accepted accounting principles and shall faithfully and accurately show the profits or loss realized.

Chapter IV

Amendment to By-laws

ARTICLE 23: These By-laws may be amended by the affirmative vote of one-half plus one of the shares issued and outstanding. However, the affirmative vote of two-thirds (2/3) of the shares issued and outstanding, which vote must necessarily include the vote of three-fourths (3/4) of the holders of Class A shares, shall be required to amend the provisions of Chapter I of these By-laws having to do with Fundamental Financial Policies.

TABLE No. 1

BANCO LATINOAMERICANO DE EXPORTACIONES (BLADEX)
PROJECTION OF BALANCE SHEET
(In million Dollars)

I T E M	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	
ASSETS							
1. Reserves:	<u>2.5</u>	<u>3.6</u>	<u>4.2</u>	<u>5.1</u>	<u>6.3</u>	<u>7.9</u>	
a) Sight Deposits	0.2	0.3	0.3	0.5	0.6	0.7	(15% average Sight Dep.)
b) Time Deposits	2.3	3.3	3.9	4.6	5.7	7.2	(8% average Time Dep.)
2. Cash	<u>3.7</u>	<u>8.8</u>	<u>12.7</u>	<u>18.0</u>	<u>24.4</u>	<u>31.2</u>	
a) Intermediation	2.4	5.9	8.5	11.6	15.1	19.5	(5% average business vol. (See Note No. 1)
b) Guarantee & Endorsements	1.3	2.9	4.2	6.4	9.3	11.7	(5% average business vol.)
3. Mid-term Loans	20.0	21.5	44.5	53.6	74.5	87.3	(cap. + Res. + Mid-term Debts)
4. Investment in Acceptances	23.3	29.6	41.0	37.6	56.8	59.0	(Dif. compl. rat. Debt/Capital)
5. Fixed Assets	0.5	1.0	1.0	1.5	1.5	1.5	
6. Endorsement & Guarantees (Matching Entry)	50.0	64.5	103.5	154.4	218.0	249.2	
TOTAL ASSETS	<u>100.0</u>	<u>129.0</u>	<u>207.0</u>	<u>270.2</u>	<u>381.5</u>	<u>436.1</u>	
LIABILITIES							
1. Sight Deposits	1.5	2.0	2.5	4.0	4.5	4.5	
a) Central Banks	1.0	1.0	1.0	2.0	2.0	2.0	
b) Commercial Banks	0.5	1.0	1.5	2.0	2.5	2.5	
2. Time-Deposits	28.5	41.0	56.5	58.2	84.5	95.1	
a) Central Banks	10.5	14.5	20.8	21.6	34.8	40.1	(50% dif. complete Liabilities)
b) Commercial Banks	10.0	14.5	20.7	21.6	34.7	40.0	(50% dif. complete Liabilities)
c) IDB	8.0	12.0	15.0	15.0	15.0	15.0	(up to 15 millions)

3. Securities & Mid-Term Debts	.0	.0	10.0	15.0	20.0	25.0	(to finance mid-term loan)
4. Lines of Credit	0	0	0	0	0	0	
5. Guarantee & Endorsements	50.0	64.5	103.5	154.4	218.0	249.2	(3 times Cap. & Res.; 4 times year 4-6)
Total Liabilities	<u>80.0</u>	<u>107.5</u>	<u>172.5</u>	<u>231.6</u>	<u>327.0</u>	<u>373.8</u>	
6. CAPITAL AND RESERVES	<u>20.0</u>	<u>21.5</u>	<u>34.5</u>	<u>36.6</u>	<u>54.5</u>	<u>62.3</u>	
a) Capital	20.0	20.0	30.0	30.0	40.0	40.0	
b) Accumulated Profits	0	0	1.5	4.5	8.6	14.5	
c) Profits	0	1.5	3.0	4.1	5.9	7.8	(no distribution of dividends)
Total Liabilities and Capital	<u>100.0</u>	<u>129.0</u>	<u>207.0</u>	<u>270.2</u>	<u>381.5</u>	<u>436.1</u>	

PROYECCIONES DE INGRESOS Y GANANCIAS
 FINANCO FINANCIERAS DE FABRICACIONES (RIVIDE)
 1976 N° 3

TABLE No. 2
BANCO LATINOAMERICANO DE EXPORTACIONES (BLADEX)
PROJECTIONS OF INCOME AND EXPENDITURES

Optimist Alternative

(in million Dollars)

ITEM	1978	1979	1980	1981	1982	1983	
INCOME:	<u>2.4</u>	<u>5.4</u>	<u>7.8</u>	<u>10.6</u>	<u>13.8</u>	<u>17.5</u>	
1. Commissions:	<u>0.6</u>	<u>1.4</u>	<u>2.1</u>	<u>3.1</u>	<u>4.4</u>	<u>5.6</u>	
a) Intermediation	<u>0.1</u>	<u>0.3</u>	<u>0.4</u>	<u>0.5</u>	<u>0.7</u>	<u>0.9</u>	(1/8% for operation on average volume of business) (See Note 2)
b) Guarantees and Endorsements	0.5	-1.1	1.7	2.6	3.7	4.7	(2% per annum on average volume of business)
2. Interest:	<u>1.8</u>	<u>4.0</u>	<u>5.7</u>	<u>7.5</u>	<u>9.4</u>	<u>11.9</u>	
a) Investments of Reserves	0.05	0.1	0.1	0.2	0.2	0.3	(80% Reserves invested in "overnight deposits at 5%).
b) Investment of Cash	0.05	0.2	0.3	0.4	0.5	0.7	(50% Cash; invested in "overnight deposits at 5%)
c) Mid-term Loans	0.9	1.8	2.8	4.2	5.4	6.9	(at 8 1/2%)
d) Investment in Acceptances	0.8	1.9	2.5	2.7	3.3	4.0	(1 1/2 point over Time-Deposits Interest: 7%)
EXPENDITURES:	<u>0.9</u>	<u>2.4</u>	<u>3.7</u>	<u>4.7</u>	<u>6.0</u>	<u>7.5</u>	
1. Interest:	<u>0.5</u>	<u>1.9</u>	<u>3.1</u>	<u>4.0</u>	<u>5.2</u>	<u>6.6</u>	
a) Time Deposits	<u>0.5</u>	<u>1.9</u>	<u>2.7</u>	<u>3.1</u>	<u>3.9</u>	<u>4.9</u>	(1 1/2 point less than int. acceptances: 5 1/2%)
b) Mid-term Debts	0	0	0.4	0.9	1.3	1.7	(7 1/2%)
c) Lines of Credit	0	0	0	0	0	0	
2. Operating Costs	0.4	0.5	0.6	0.7	0.8	0.9	
PROFITS	<u>1.5</u>	<u>3.0</u>	<u>4.1</u>	<u>5.9</u>	<u>7.8</u>	<u>10.0</u>	

BANCO LATINOAMERICANO DE EXPORTACIONES, S.A.

RATIOS

R A T I O	1978	1979	1980	1981	1982	1983
VOLUME OF BUSINESS IN MILLIONS						
Intermediation Transactions	125	192	270	361	465	588
Guarantees and Endorsements	50	65	104	154	218	249
Acceptances	23	30	41	38	57	59
Total Volume	198	287	415	553	740	896
Total Manufactured Latin American exports	12,500	13,700	15,000	16,400	17,900	19,600
Total Manufactured Exports/Volume of Business	2%	2%	3%	3%	4%	5%
Profits/Capital	8%	15%	14%	20%	20%	25%
Profits/Capital and Reserve	8%	14%	12%	15%	14%	16%
Total Liabilities Capital & Reserves	4:1	5:1	5:1	6:1	6:1	6:1
Guarantees/Capital and Reserves	2,5:1	3:1	3:1	4:1	4:1	4:1
Multiplier: Volume of Business/ Capital Countries	18	26	22	30	28	34

(BLADEX increases its participation from 10% to 30% of exports of more than 180 days)

(Capital = Res. = Mid-term debt) (D/F. complete Ratio Calc-Can.)

Note 1

	1978	1979	1980	1981	1982	1983
Estimated Latinamerican Exports of Manufactures	\$12,500 mill	13,700	15,000	16,400	17,900	19,600

10% Estimate more than 180 days	1,250	1,370	1,500	1,640	1,790	1,960
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Resources Neces. for operat. at more than 180 days (270/360)

	940	1,000	1,100	1,200	1,300	1,470
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Volume of Business BLADEX:

a) Pessimist Estimate: BLADEX shall increase its participation from 5% to 20%

	\$47 mill (5%)	80 (8%)	121 (11%)	160 (14%)	221 (17%)	294 (20%)
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b) Optimist Estimate: BLADEX shall increase its participation from 10% to 30%

	\$94mill (10%)	140 (14%)	198 (18%)	264 (22%)	338 (26%)	441 (30%)
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Note 2

Estimate vol. exports at more than 180 days Operations (360/270)

	1,250 mill	1,370	1,500	1,640	1,790	1,960
	1,670	1,830	2,000	2,190	2,390	2,610

Volume of Business BLADEX:

a) Pessimist Estimate: BLADEX shall increase its participation from 5% to 20%

	\$83.5mill (5)	146 (8%)	220 (11%)	307 (14%)	406 (17%)	522 (20%)
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b) Optimist Estimate: BLADEX shall increase its participation from 10% to 30%

	\$167 (10%)	256 (14%)	360 (18%)	482 (22%)	621 (26%)	783 (30%)
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TABLE No. 4

Pessimist Alternative

BANCO LATINOAMERICANO DE EXPORTACIONES (BLADEX)
PROJECTION OF BALANCE SHEET

(in million Dollars)

ITEM	1978	1979	1980	1981	1982	1983
ASSETS						
1. Reserves:	1.7	1.8	2.6	3.6	4.7	5.8
a) Sight Deposits	0.2	0.3	0.3	0.5	0.6	0.7 (15% on Ave. Sight deposits)
b) Time Deposits	1.5	1.5	2.3	3.1	4.1	5.1 (8% on average Time deposits)
2. Cash:	2.2	5.3	7.7	10.8	13.8	18.3
a) Intermediation	1.2	3.2	5.0	7.3	10.0	12.9 (5% on average business Vol. see Note 1)
b) Guarantee & Endorsements	1.0	2.1	2.7	3.5	3.8	5.4 (5% on average business Vol.)
3. Mid-term Loans	20.0	21.1	28.3	46.4	55.4	65.0 (capital + Res. + Mid-term debt)
4. Investment in Acceptances	15.6	13.0	33.7	28.7	45.8	44.4 (Dif. complete Ratio Debt-Cap.)
5. Fixed Assets	0.5	1.0	1.0	1.5	1.5	1.5
6. Endorsements & Guarantees (Matching Entry)	40.0	42.2	66.6	72.8	80.8	135.0
Total Assets	80.0	84.4	149.9	163.8	202.0	270.0
LIABILITIES						
1. Sight Deposits:	1.5	2.0	2.5	4.0	4.5	4.5
a) Central Banks	1.0	1.0	1.0	2.0	2.0	2.0
b) Commercial Banks	0.5	1.0	1.5	2.0	2.5	2.5
2. Time Deposits:	18.5	19.1	38.0	40.6	61.3	65.5
a) Central Banks	7.0	7.1	15.0	15.3	25.7	27.8 (50% dif. complete liabilities)
b) Commercial Banks	6.5	7.0	15.0	15.3	25.6	27.7 (50% dif. complete liabilities)
c) IDB	5.0	5.0	8.0	10.0	10.0	10.0 (Up to 10 millions)
3. Securities and Mid-Term Debts	0	0	5.0	10.0	15.0	20.0 (to finance mid-term loans)
4. Lines of Credit	0	0	4.5	0	0	0
5. Guarantees & Endorsements	40.0	42.2	66.6	72.8	80.0	135.0 (twice Cap. & Res. 3 times 6th yr.)
TOTAL LIABILITIES	60.0	63.3	116.6	127.4	161.6	225.0
6. CAPITAL AND RESERVES	20.0	21.1	33.3	36.4	40.4	45.0
a) Capital	20.0	20.0	30.0	30.0	30.0	30.0
b) Accumulated Profits	0	0	1.1	3.3	6.4	10.4
c) Profits	0	1.1	2.2	3.1	4.0	4.6 (no distribution of dividends)
Total Assets & Liabilities	80.0	84.4	149.9	163.8	202.0	270.0

PESSIMIST ALTERNATIVE

TABLE No. 5

BANCO LATINOAMERICANO DE EXPORTACIONES (BLADEX)
PROJECTIONS OF INCOME AND EXPENDITURES

(in million Dollars)

ITEM	1978	1979	1980	1981	1982	1983
INCOME:	<u>2.0</u>	<u>3.7</u>	<u>5.6</u>	<u>7.6</u>	<u>9.1</u>	<u>11.4</u>
1. Commissions:	<u>0.5</u>	<u>0.9</u>	<u>1.3</u>	<u>1.7</u>	<u>1.9</u>	<u>2.8</u>
a) Intermediation	0.1	0.1	0.2	0.3	0.4	0.6 (1/8% for operation on average vol of business)- See note 2
b) Guarantees and Endorsements	0.4	0.8	1.1	1.4	1.5	2.2 (2% per annum on average volume of business)
2. Interest:	<u>1.5</u>	<u>2.8</u>	<u>4.3</u>	<u>5.9</u>	<u>7.2</u>	<u>8.6</u>
a) Investments of Reserves	0.03	0.07	0.1	0.1	0.2	0.2 (70% Reserve invested in overnight loans at 5%)
b) Investment Cash	0.03	0.1	0.2	0.2	0.3	0.4 (50% Cash; invested in overnight deposits at 5%)
c) Mid-term Loans	0.9	1.7	2.5	3.6	4.3	5.1 (at 8 1/2%)
d) Investment on Acceptances	0.5	0.9	1.5	2.0	2.4	2.9 (1 point over interest on time-deposits: 6 1/2%)
EXPENDITURES:	<u>0.9</u>	<u>1.5</u>	<u>2.5</u>	<u>3.6</u>	<u>4.5</u>	<u>5.7</u>
1. Interest	<u>0.5</u>	<u>1.0</u>	<u>1.9</u>	<u>2.9</u>	<u>3.7</u>	<u>4.8</u>
a) Time Deposits	0.5	1.0	1.6	2.2	2.9	3.5 (1 point less than int. acceptances: 5 1/2%)
b) Mid-term debts	0	0	0.2	0.6	0.9	1.3 (7 1/2%)
c) Lines of Credit	0	0	0.1	0.1	0	0 (5%)
2. Operating Expenses	0.4	0.5	0.6	0.7	0.8	0.9
PROFITS	<u>1.1</u>	<u>2.2</u>	<u>3.1</u>	<u>4.0</u>	<u>4.6</u>	<u>5.7</u>

TABLE No. 6

PESSIMIST ALTERNATIV

BANCO LATINOAMERICANO DE EXPORTACIONES (BLADEX)
RATIOS

RATIO	1978	1979	1980	1981	1982	1983
VOLUME OF BUSINESS IN MILLIONS						
Intermediation Transactions	63	110	165	230	304	392
Guarantees and Endorsements	40	42	67	73	81	135
Acceptances	16	13	34	29	46	44
Total Volume	119	165	266	332	431	571
Total Exports Manufactured in Latin America	12,500	13,700	15,000	16,400	17,900	19,600
Volume of Business/ Total Manufactured Exports	1%	1%	2%	2%	2%	3%
Profits/Capital	6%	10%	10%	13%	15%	19%
Profits/Capital and Reserves	6%	10%	9%	11%	11%	13%
Total Liabilities/ Capital & Reserves	3:1	3:1	3.5:1	3.5:1	4:1	5:1
Guarantees/Capital and Reserves	2:1	2:1	2:1	2:1	2:1	3:1
Multiplier Volume of Business/ Capital Countries	11	15	14	17	23	31

(BLADEX increases its participation from 5% to 20% of exports of more than 180 days)

TABLE No. 7

COMPUTATION OF CONTRIBUTIONS BY LATINAMERICAN COUNTRIES AND OTHER STOCKHOLDERS
TO INITIAL PAID-IN CAPITAL OF BANCO LATINOAMERICANO DE EXPORTACIONES, S.A.

(thousands of Dollars)

C O U N T R I E S	AVERAGE EXPORTS FOB 1973/1975 ^{1/}	PERCENTAGE OF TOTAL	PAID-IN CAPITAL U.S. \$20 M		
			CENTRAL OR STATE BANK ^{2/}	OTHER BANKS	T O T A L
I. Latinamerican Countries:					
Argentina	3,386,000	9.7	349	718	1067
Bolivia	413,000	1.2	43	88	131
Brasil	7,607,000	21.8	785	1614	2399
Chile	1,791,000	5.1	185	380	565
Colombia	1,330,000	3.8	137	282	419
Costa Rica	424,000	1.2	44	90	134
Dominican Republic	658,000	1.9	68	140	208
Ecuador	840,000	2.4	87	178	265
El Salvador	446,000	1.3	46	95	141
Guatemala	559,000	1.6	58	119	177
Haiti	66,000	0.2	7	14	21
Honduras	826,000	2.4	85	175	260
Mexico	3,041,000	8.7	314	645	959
Nicaragua	345,000	1.0	36	73	109
Panama	212,000	0.6	22	45	67
Paraguay	158,000	0.5	16	33	49
Peru	1,280,000	3.7	132	271	403
Uruguay	363,000	1.0	37	77	114
Venezuela	8,175,000	23.4	844	1734	2578
Barbados	82,000	0.2	8	17	25
Guyana	759,000	2.2	78	161	239
Jamaica	635,000	1.8	65	135	200
Trinidad and Tobago	1,491,000	4.3	154	316	470
T O T A L:	34,887,000	100.0	3,600	7,400	11,000
II. International Finance Corp. ^{3/}					4,000
III. Commercial International Banks ^{4/}					5,000
T O T A L:					20,000

^{1/} International Financial Statistics, IMF, November 1976^{2/} Class "A" Shares: Central Banks, National development Banks and other organizations designated by participating countries^{3/} Class "B" Shares: Commercial Banks and private Financial Institutions of Latinamerican capital and International Finance Corporation^{4/} Class "C" Shares.

TABLE No. 8

OPERATION EXPENSES

(Thousands of Dollars)

C O N C E P T	1978	1979	1980	1981	1982	1983
1. Salaries	<u>300</u>	<u>318</u>	<u>377</u>	<u>415</u>	<u>443</u>	<u>475</u>
a) Resident Manager	50	53	60	65	70	75
b) Executive Directors (2)	60	62	66	70	75	80
c) Department heads (3 x 20)	60	63	66	70	70	75
d) Clerical (2 x 10)	20	23	28	35	40	45
e) Secretaries	28	30	33	40	45	50
f) Honorarium & Others	10	13	37	40	40	40
g) Labor fringes	72	74	87	95	103	110
2. Directors fees	20	20	25	25	30	30
3. Travel & per-diem expenses	30	40	50	60	70	80
4. Rent	36	36	40	40	45	50
5. Light & Water	4	6	8	10	12	15
6. Communications	60	80	100	150	200	250
TOTAL	<u>450</u>	<u>500</u>	<u>600</u>	<u>700</u>	<u>800</u>	<u>900</u>