LATIN AMERICAN EXPORT BANK
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BANCO LATINOAMERICANO DE EXPORTACIONES, S.A.

4,372,321 SHARES OF CLASS B COMMON STOCK

11,397,795 SHARES OF CLASS E COMMON STOCK

Issuable Upon Exercise of Non-Transferable

Rights to Subscribe for Shares of Common Stock

We are issuing to our common shareholders of record, or Record Date Shareholders, as of the close of business on June 2, 2003, which is the Record Date, non-transferable Rights entitling the Rights holders to subscribe for up to an aggregate of 22,000,000 shares of our Common Stock. We have three classes of Common Stock: Class A shares, Class B shares and Class E shares. As the holder of Class B or Class E shares, you will receive Rights to purchase shares of that class only. As a Record Date Shareholder, you will receive 1.26 Rights for each share of Common Stock held by you on the Record Date, and if you fully exercise your Rights, you will be entitled to subscribe for additional shares of the class to which your Rights relate as part of the Over-Subscription Privilege described in this Prospectus. The Rights entitle you to acquire at the Subscription Price, as defined below, one share of the class to which the Rights relate for each whole Right you receive. The Class E shares are listed for trading on the New York Stock Exchange, or the NYSE, under the symbol BLX, but Class B shares are not listed for trading on any stock exchange and there is no active trading market for those shares, although the Class B shares are freely convertible into Class E shares. On May 16, 2003, the last reported sale price of a Class E share on the NYSE was $8.86 per share. THE SUBSCRIPTION PRICE PER SHARE WILL BE THE LOWEST OF THE THREE AVERAGES OF THE LAST REPORTED SALES PRICE OF A CLASS E SHARE ON THE NYSE FOR THREE PERIODS CONSISTING OF 90, 30 AND 10 TRADING DAYS, RESPECTIVELY, EACH ENDING ON JUNE 18, 2003, THE PRICING DATE, WHICH IS TWO TRADING DAYS PRIOR TO JUNE 20, 2003, THE EXPIRATION DATE. THE EXPECTED SUBSCRIPTION PRICE RANGE IS FROM $4.63 TO $7.63 PER SHARE. AS SOON AS THE SUBSCRIPTION PRICE IS CALCULATED ON JUNE 18, 2003, WE WILL INCLUDE IT IN A SUPPLEMENT TO THIS PROSPECTUS, ANNOUNCE IT IN A PRESS RELEASE AND PROMINENTLY DISPLAY IT ON OUR WEBSITE AT WWW.BLX.COM.

THE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON JUNE 20, 2003.

If you subscribe before 5:00 p.m., New York City time, on June 18, 2003, you will have the right to rescind or modify your subscription prior to 5:00 p.m., New York City time, on June 20, 2003. If the Subscription Price is outside of the Subscription Price Range, and you subscribed before 5:00 p.m. on the Pricing Date, we will not accept your subscription unless you reaffirm your original or modified subscription before 5:00 p.m. on the Expiration Date.

We will return subscription payments we do not accept by the end of the tenth trading day following the Expiration Date.

The sale of any shares as a result of the Offer, which includes a concurrent rights offering outside of the United States to our Class A shareholders and most of our Class B shareholders, is conditioned on the receipt by us of aggregate share sale gross proceeds of at least $100 million from the Offer and related sales of unsubscribed shares to a core group of investors.

For additional information regarding the Offer, contact MacKenzie Partners, Inc., the Information Agent for the Offer, at (212) 929-5500.

See Risk Factors beginning on page 16 to read about certain factors you should consider before investing in our shares of Common Stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Soliciting Dealers

BNP PARIBAS	**DEUTSCHE BANK SECURITIES**

The date of this Prospectus is May 22, 2003.

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The shares we are offering have not been registered with the National Securities Commission of Panama and cannot be offered to the public in Panama in a primary offering unless in an exempt offering.

You should rely only on the information contained in this Prospectus, including information incorporated by reference. We have not authorized anyone to provide you with information different from that contained in this Prospectus. The shares are being sold only in jurisdictions where sales are permitted. The information contained in this Prospectus is accurate only as of the date of this Prospectus (or, as to any document incorporated by reference, the date of such document).

CERTAIN DEFINED TERMS

Unless indicated otherwise, the terms BLADEX, we, our, our company and us refer to Banco Latinoamericano de Exportaciones, S.A. and it subsidiaries. The term Panama refers to the Republic of Panama and the term Panamanian Government refers to the government of Panama.

PROSPECTUS SUMMARY

The following is qualified in its entirety by the detailed information included in other sections of this Prospectus. You should read this entire Prospectus carefully, including the risk factors and our annual report on Form 20-F, which is incorporated by reference and is being delivered with this Prospectus.

THE COMPANY

Our company, which has its headquarters in Panama, is a specialized multinational bank established in 1977 to finance trade in Latin America and the Caribbean. Our Class A shares, representing 28% of our outstanding shares, are held by 23 central banks, or other state-owned entities, of countries in Latin America. As of March 31, 2003, our Class B shares, representing 20% of our outstanding shares, were held by 114 Latin American banks which held 68% of our Class B shares, 27 international (non-Latin American) banks, which held 31% of the Class B shares, and two Latin American central banks, which held 1% of our Class B shares. During 2002, over 47% of our loans were made to Class A and Class B shareholders and over 36% of our deposits were from Class A and Class B shareholders. Our Class E shares are traded on the NYSE. We are principally engaged in providing short-term trade-related financing to our stockholder banks and to other selected commercial banks in Latin America which then on-lend to businesses engaged in foreign trade. At December 31, 2002, 19% of our outstanding loans were to private sector commercial banks, 18% to the Latin American subsidiaries or affiliates of international banks, 20% to state-owned commercial banks, 3% to central banks, 4% to governments, 13% to state-owned exporting organizations, 15% to multinational corporations and 8% to other private corporations.

A prolonged deterioration in Argentina s economic and political environment, financial condition and investor confidence resulted in late December 2001 in a profound crisis which forced the Argentine government to adopt stringent measures in 2002. These included a freeze by the Argentine government of deposits in banks in Argentina, a requirement that banks in Argentina convert their dollar-denominated deposits into Argentine pesos, foreign exchange controls, bank holidays and restrictions on payment representing a default by the government on the repayment of $132 billion of foreign debt in December 2001. In addition, the elected government was forced to resign, the Argentine economy shrank by 10.9% in 2002 and the Argentine peso has lost 65% of its value. The deterioration of the Argentine economy, reflecting four years of economic recession, adversely affected the financial condition of our Argentine obligors, including banks and corporations, and the quality of our loans to those obligors.

During 2002, due to the deterioration of the financial condition of our Argentine obligors, we incurred charges of $323 million consisting of $279 million of provisions for credit losses, including losses on loans and off-balance sheet items, and $44 million of impairment loss on securities, relating to our Argentine credit portfolio. At December 31, 2002, the Argentine credit portfolio, including loans, fair value of securities and off-balance sheet items, totaled $774 million out of a total credit portfolio of $3,232 million and our total allowance for credit losses related to our loan portfolio and off-balance sheet items in Argentina was $380 million. As a result of these charges, we incurred a net loss for the year 2002 of $268.8 million.

In addition, the deterioration of our financial condition, including the size of our credit portfolio in Argentina and the amount of losses and potential losses relating to that credit portfolio, resulted in our credit ratings being down-graded in 2002, with one of the three credit rating agencies, Fitch, IBCA, Inc., or Fitch, reducing its rating on our debt securities to below investment grade. Based on statements made by our other two rating agencies, Moody s Investor Services, Inc., or Moody s, and Standard & Poor s

Ratings Services, a Division of the McGraw-Hill Companies, or Standard & Poor s, we believe that their continued maintenance of our remaining investment grade credit ratings is conditioned upon receipt by us of aggregate share sale proceeds of at least $100 million from the Offer and related sales of unsubscribed shares to a core group of investors, and that if we are not successful in raising this amount, they will reduce our credit ratings to below investment grade.

These factors had an adverse effect on our ability to obtain funding for our lending operations. This reduced access to funding, coupled with the reduction in our capital, resulting from the credit loss provisions and impairment charges, and our credit risk concentration limits, caused us to dramatically reduce our credit portfolio during 2002. Our credit portfolio and total assets declined from $6.4 billion and $5.9 billion, respectively, at December 31, 2001 to $3.2 billion and $2.9 billion, respectively, at December 31, 2002, representing declines of 49% and 51%, respectively. These declines were accompanied by a decline in our net interest income (before provision for loan losses) from $118 million in 2001 to $66 million in 2002 and an almost 900% increase in our impaired loans from $77 million at December 31, 2001 to $691 million at December 31, 2002. Also, our total deposits declined by 65% from $1.57 billion at December 31, 2001 to $552 million at December 31, 2002. In the short term, this has reduced our income generating capacity and required us to reduce our operating expenses to adjust to the lower level of lending activity. In addition, this reduction has increased the percentage of our credit portfolio in Argentina compared to our portfolio in other less troubled countries, and thus the relative concentration of our problem loans. In the long term, the decline in our credit portfolio will reduce our presence and competitive position in the Latin American trade finance market if we are unable to obtain additional funding to increase our credit portfolio.

We believe that our allowance for credit losses is adequate to cover any chargeoffs that will be necessary on our Argentine credit portfolio and on credits we have in other countries. In addition, even though we incurred substantial losses for the full year 2002, we reported net income of $15.8 million and $15.0 million for the third and fourth quarters of 2002, respectively. We are hopeful that with the addition of new equity capital raised through this rights offering and the renewed focus on our core trade finance business we will be able to gradually increase the size of our loan portfolio and our revenues. However, if we are not successful in raising new equity capital and if this results in a further downgrade of our credit ratings, we do not believe we would be able to obtain the funding necessary to continue our lending business even at its presently reduced levels. Also, it is important to note that prospects for economic performance and stability both globally and in Latin America are highly uncertain and we may not be able to achieve our goals even with the addition of new equity capital.

Our principal executive offices are located at Calle 50 and Aquilino de la Guardia in Panama City, Panama.

RECENT DEVELOPMENTS

Since the end of 2002, our company has been focused on continuing to provide short-term trade-related loans to commercial banks in Latin America. Net income for the quarter ended March 31, 2003 was $10.4 million. We did not need to make any significant additional net provisions in order to increase our credit loss allowances or incur any significant charges for impairment loss on securities during the first quarter. The size of our credit portfolio has remained relatively stable during this period and we continue to work with our Argentine borrowers in order to maximize interest payments on our impaired loans in that country. It has not been necessary to classify any additional loans as impaired during the first quarter and, with the exception of $3,000 of past due interest on a Brazilian loan, all of our loans in Brazil and Venezuela continue to perform in accordance with their current terms.

In April 2003, we negotiated the sale from our Argentine portfolio of certain loans and bonds made to or issued by corporate obligors. We are selling $126 million face amount of loans for an average sales price of $0.50 on the dollar and $40.0 million face value of bonds for a sales price of $0.55 on the dollar. If all these transactions close, they will result in gains to us of $56 million in 2003 because the sale proceeds we are receiving exceed the carrying value of those assets net of $107 million of previously established specific credit loss allowances and $30 million of impairment losses on securities. Our loss on these loans and bonds based on the amount we originally invested in them will be $81 million. Because unrealized gains on the bonds had already been reflected in our equity capital as of March 31, 2003 because of marking these bonds to market, the incremental effect of the sales on our equity capital will be an increase of $44 million. Our Argentine credit portfolio (gross of allowances for loan losses and net of fair value adjustments on securities) will be reduced by $149 million as a result of these sales.

At December 31, 2002 and at March 31, 2003, we had an outstanding loan in the amount of $50 million and $48.9 million, respectively, to Electropaulo of Brazil (Electropaulo). Commencing in December 2002, with final documentation being signed on February 28, 2003, this loan was rescheduled as a result of financial difficulties experienced by Electropaulo and its need to extend its debt maturities in line with its anticipated future cash flows. The rescheduling did not reduce the principal amount of the loan or the interest rate but extended the term of the final principal installment of the loan for one year. Electropaulo remains current with respect to the payment of interest on this loan. We determined, based on an analysis consistent with the guidance provided by Financial Accounting Standard 114, that the rescheduling would not result in our company incurring any loss on this loan compared to its original terms and that, as a result, the loan should not be considered impaired and did not require the establishment of a specific loan loss allowance. On April 15 and May 15, 2003, Electropaulo experienced technical defaults with respect to a portion of a $305 million syndicated loan outstanding to a group of banks, not including our company. These technical defaults resulted from the failure by Electropaulo to reach an agreement on terms with respect to rescheduling this syndicated loan with two of the banks in the syndicate. We understand that progress is being made with these two banks and that the rescheduling is expected to be completed by September 15, 2003. We do not believe that any of Electropaulo s creditors have taken action, in response to these technical defaults, to accelerate the maturity of, or declare in default under cross default provisions, any other indebtedness of Electropaulo. Because of the anticipated rescheduling terms of our $50 million loan prior to December 31, 2002 and progress made by Electropaulo in the rescheduling of a significant amount of its debt obligations, we did not create a specific loan loss allowance for this loan. We also concluded that, based on the overall quality of our Brazilian credit portfolio, most of which is outstanding to financial institutions, the $51 million generic loan loss allowance for Brazil was adequate to cover any potential loss with respect to this loan. We did not change this view as of March 31, 2003 and thus there were no changes with respect to specific or generic loan loss allowances relating to this loan as of that date. Given the technical defaults which occurred on April 15 and May 15, 2003, we are monitoring Electropaulo carefully. If, as we assume, the $305 million syndicated loan is rescheduled, we do not believe any changes will be required with respect to loan loss allowances relating to this loan as of that date. However, if the rescheduling cannot be completed within the expected time frame, we will re-examine whether the creation of a specific loan loss allowance for this loan is required.

In January 2003, AES ELPA S.A., Electropaulo s parent company (AES), defaulted on a payment of $420 million in respect of an outstanding loan from the Brazilian Development Bank (BNDES) in the amount of $1.2 billion. As a result of this default and pursuant to the terms of the loan agreement with BNDES, BNDES is proceeding to auction off the shares of Electropaulo, which were pledged by AES as security for the loan. As Electropaulo s cash flow is independent of AES, we do not believe that the ability of Electropaulo to honor its debt obligations will be adversely affected by a change in ownership of Electropaulo as a result of the sale of the pledged shares.

The crisis in Argentina continues to evolve and a recent ruling by the Argentine Supreme Court has increased the level of uncertainty regarding the eventual resolution of the crisis and its impact on our company, particularly with respect to Argentina s banking system. In that ruling, which was issued on March 5, 2003, the court ruled in favor of San Luis Province against state-owned Banco de la Nacion that the Argentine government s decree in February 2002 converting U.S. dollar deposits with Argentine banks into peso deposits was illegal. Although the specific ruling only involved $250 million in funds, it would seem to apply to an additional 170,000 cases now before the Argentine courts involving a total of $1.6 billion, as well as potential claims involving peso-dollar conversion of deposits amounting to an additional $17.8 billion. If all of these deposits were redollarized it would greatly increase the obligations of Argentine banks, many of which are our borrowers, in peso terms. Prior to this ruling, our company had a relatively favorable position with respect to our Argentine bank borrowers since our loans to them had not been converted to pesos, as had the repayment obligations of those Argentine banks to their Argentine depositors. The Argentine government is discussing a number of ways to address the impact of the ruling, including the issuance of dollar-denominated bonds to represent the redollarized deposit obligations of Argentine banks. We are unable at this time to predict the effect that this ruling will have on our ability to be repaid by our Argentine bank borrowers or whether this will require us to create additional loan loss allowances for our Argentine credit exposure. In the short term, this will increase the uncertainty regarding the ultimate resolution of the Argentine crisis.

The results of the current presidential election also increase the uncertainty regarding how the crisis in Argentina will be resolved. On May 14, 2003, former president Carlos Menem, who won the first round election by a small margin, withdrew from a scheduled run-off against Néstor Kirchner, a provincial governor, which means that Mr. Kirchner will assume the presidency automatically. Mr. Kirchner is reported to advocate more state intervention in the economy than Mr. Menem and faces the difficult task of governing Argentina without a strong mandate, having only won 22% of the vote in the first round election.

THE OFFER

Terms of the Offer

We are issuing to our common shareholders of record, or Record Date Shareholders, as of the close of business on June 2, 2003, which is the Record Date, non-transferable Rights, entitling the holders thereof to subscribe for up to an aggregate of 22,000,000 shares of our Common Stock. The rights offering we are making is called the Offer in this Prospectus. We have three classes of Common Stock: Class A shares, Class B shares and Class E shares. As the holder of shares of one of these three classes, you will receive Rights to purchase shares of that class only. As a Record Date Shareholder, you will receive 1.26 Rights for each share of Common Stock held by you on the Record Date, and if you fully exercise your Rights, you will be entitled to subscribe for additional shares of the class to which your Rights relate as part of the Over-Subscription Privilege described in this Prospectus. The number of Rights issued to you will be rounded up to the nearest whole number. Fractional shares will not be issued upon the exercise of the Rights.

If you hold your shares through a broker-dealer, which in turn holds its shares through Cede & Co., or Cede, nominee for The Depository Trust Company, or DTC, or any other depository or nominee (in each instance, a Nominee Holder), your broker will be considered the holder of your Rights that are held by Cede, or other depository or nominee, for purposes of determining the number of shares you can acquire through the Offer.

The Rights entitle you to acquire at the Subscription Price one share of the class to which the Rights relate for each whole Right you receive. The Subscription Price per share will be the lowest of the

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three averages of the last reported sales price of a Class E share on the New York Stock Exchange for three periods consisting of 90, 30, and 10 trading days, respectively, each ending on June 18, 2003 which is two trading days prior to June 20, 2003, the Expiration Date. As soon as the Subscription Price is calculated on June 18, 2003, we will include it in a supplement to this Prospectus, announce it in a press release and prominently display it on our website at www.blx.com. If the Subscription Price had been calculated based on this formula as of May 16, 2003, it would have been $6.13 per share. Rights may be exercised at any time during the Subscription Period, which begins on June 3, 2003 and ends at 5:00 p.m., New York City time, on June 20, 2003, the Expiration Date. Your right to subscribe at the Subscription Price for one share for each whole Right held is referred to in this Prospectus as the Primary Subscription.

The new Class E shares issued in the Offer have been approved for listing and will be listed on the NYSE.

Increase in Authorized Capital; Share Classes

We recently amended our Articles of Incorporation to increase our company s authorized share capital so that we could sell the shares to Record Date Shareholders in the Offer. At a special meeting held on November 18, 2002, our shareholders approved an amendment to our Articles of Incorporation which increases the number of shares of Common Stock our company is authorized to issue from 70 million to 180 million, consisting of 40 million Class A shares, 40 million Class B shares and 100 million Class E shares.

Our Class A shares may be issued only to central banks of countries in Latin America, banks in which a country is the majority shareholder and other government agencies. Class B shares may be issued only to banks and financial institutions and Class E shares may be issued to any natural person or entity. The shares of each of the three classes are identical in all respects except as to these ownership requirements, and voting, convertibility and preemptive rights. All holders of shares have the same voting rights, except with respect to the election of directors and certain significant matters as to which the holders of Class A shares have supermajority voting rights. These supermajority voting rights mean that a vote of three-fourths of the holders of the Class A shares is required to dissolve our company, to amend certain articles contained in our Articles of Incorporation, including articles describing our purpose and powers, our authorized capital, the composition of our Board of Directors and our fundamental policies, and any merger or consolidation of our company. Holders of Class A shares currently have the right to elect three of our ten directors, holders of Class B shares have the right to elect two directors, holders of Class E shares have the right to elect three directors, and the holders of all shares, voting together as a group, have the right to elect two directors. The Class B shares are convertible into Class E shares on a share-for-share basis. The holders of Class A and Class B shares have preemptive rights with respect to the issuance of additional shares of the same class, subject to our ability to issue 3% of our outstanding shares annually without providing preemptive rights. Holders of Class E shares have no preemptive rights. See Description of Securities.

Over-Subscription Privilege

If you fully exercise all your Rights, you will be entitled to over-subscribe for additional shares to the extent that shares offered to other shareholders are not purchased by them in the Primary Subscription. Any shares acquired by you in this over-subscription will be of the same class as the shares you currently own, even though they may represent shares of another class which were not purchased by other shareholders. We refer to this additional subscription privilege as the Over-Subscription Privilege. Each shareholder may subscribe through the Over-Subscription Privilege for all of the unsubscribed shares, regardless of the number of shares held by the shareholder. If there are not sufficient shares to satisfy all the over-subscriptions, the available shares will be alloted in proportion to the number of shares held by each shareholder who exercises the Over-Subscription Privilege.

Subscription Price and Exercise of Rights

The Subscription Price per share will be the lowest of the three averages of the last reported sales price of a Class E share on the NYSE for three periods consisting of 90, 30 and 10 trading days, respectively, each ending on June 18, 2003, the Pricing Date, which is two trading days prior to the Expiration Date. The expected Subscription Price range, or the Subscription Price Range, is from $4.63 to $7.63 per share. As soon as the Subscription Price is calculated on the Pricing Date, we will on the Pricing Date include it in a supplement to this Prospectus, announce it in a press release and prominently display it on our website at www.blx.com. If you choose to exercise your Rights before we announce the Subscription Price, you will not know at the time of exercise the Subscription Price for shares you are acquiring. You or your broker may exercise your Rights by completing an Exercise Form and delivering it, together with payment, to The Bank of New York, the Subscription Agent, at the address shown under The Offer Subscription Agent or by means of a Notice of Guaranteed Delivery. See The Offer Method of Exercise of Rights. If you exercise your Rights before 5:00 p.m., New York City time, on June 18, 2003 when we plan to announce the Subscription Price, the amount of the payment for any shares for which you subscribe will be based on an estimated subscription price, or the Estimated Subscription Price, of $6.13 per share, which represents what the subscription price would have been if the Pricing Date had occurred on May 16, 2003 rather than June 18, 2003, the actual Pricing Date. The actual Subscription Price may be materially different from the Estimated Subscription Price, and may be higher or lower than the Subscription Price Range, given the economic and political volatility in Argentina, Brazil and Venezuela and the world generally and given the volatility in the stock market. If you exercise your Rights after we announce the Subscription Price, the amount of the payment for any shares for which you subscribe will be based on the actual Subscription Price. See The Offer Payment for Shares.

If your subscription is received by the Subscription Agent prior to 5:00 p.m., New York City time, on the Pricing Date, you will be advised by fax or e-mail by the Information Agent of the Subscription Price on the Pricing Date. If the Subscription Price is within the Subscription Price Range, you will have the right to rescind or modify your subscription by submitting to the Subscription Agent a completed Rescission/Modification Form prior to 5:00 p.m., New York City time, on June 20, 2003. If the Subscription Price is outside the Subscription Price Range, we will not accept your subscription unless you have reaffirmed your original or modified subscription by submitting to the Subscription Agent a completed Reaffirmation Form prior to 5:00 p.m., New York City time, on June 20, 2003 after you have been advised of the Subscription Price. If you exercise your Rights after 5:00 p.m. on the Pricing Date, you will have no right to modify or rescind your subscription after the Subscription Agent receives your completed Exercise Form or Notice of Guaranteed Delivery from you or your Nominee Holder, whether or not the Subscription Price is within the Subscription Price Range. The Soliciting Dealers, the Subscription Agent and the Information Agent have agreed to follow these procedures.

Core Support Group and Minimum Offering Size

The sale of any shares as a result of the Offer is conditioned on the receipt by us of aggregate share sale gross proceeds of at least $100 million through the Offer and sales to Core Support Group members. A group of existing Class A and Class B shareholders, and a small number of other institutions including multilateral organizations and development banks, which we refer to as the Core Support Group, have made non-binding preliminary commitments or expressions of interest to us to purchase for investment at the Subscription Price certain shares to the extent that Record Date Shareholders do not subscribe for all of the shares offered in the Offer. Based on statements made to us by Core Support Group members, which are not binding, we expect that most Core Support Group members that are Record Date Shareholders will fully subscribe for shares to which they are entitled in the Primary Subscription, but will not acquire additional shares through the Over-Subscription Privilege. Commitments from the Core Support Group members have not yet been formalized through binding agreements and are expected to be subject to a number of conditions which vary among the Core Support Group members. Therefore, we cannot assure you that we will be successful in reaching the minimum level of $100 million in gross proceeds required to sell any shares in the Offer.

Non-Transferable Rights

The Rights are non-transferable and will not be listed for trading on the NYSE or any other exchange. The Class E shares are listed for trading on the NYSE, but the Class A and Class B shares are not listed for trading on any stock exchange and there is no active trading market for those shares, although the Class B shares are freely convertible into Class E shares on a share-for-share basis.

Soliciting Dealers

In connection with the Offer, BNP Paribas Securities Corp. and Deutsche Bank Securities Inc., as Soliciting Dealers, will solicit the exercise of Rights. We have agreed to pay the Soliciting Dealers a solicitation fee equivalent to 2.75% of the subscription proceeds received by us from the exercise of Rights by holders of Class E shares. For example, if we are successful in reaching the minimum level of $100 million in gross share sale proceeds and if Class E shareholders subscribe for $50 million of that amount, we would pay the Soliciting Dealers a solicitation fee equal to $1,375,000. In addition, we have agreed to pay the Soliciting Dealers a fee of approximately $4,500,000 for financial advisory services, including in connection with the Offer, and to reimburse them for their out-of-pocket expenses estimated at $350,000.

Foreign Restrictions

Exercise Forms will not be mailed to Class E shareholders whose addresses on our records are outside the United States. For these purposes, the United States includes its territories and possessions and the District of Columbia. The Rights to which these Exercise Forms relate will be held by the Subscription Agent for the accounts of any foreign shareholders until instructions are received to exercise the Rights. If no instructions are received, the Rights of these foreign shareholders will expire. See The Offer Foreign Restrictions.

Information Agent

The Information Agent for the Offer is:

MacKenzie Partners, Inc.

105 Madison Avenue

New York, NY 10016

proxy@mackenziepartners.com

Toll Free: (800) 322-2885

or

Call Collect: (212) 929-5500

You may also contact your broker or Nominee Holder for information about the Offer.

Important Dates to Remember

Event	Date
Record Date	June 2, 2003
Subscription Period	June 3, 2003 to June 20, 2003
Pricing Date	June 18, 2003
Expiration Date	June 20, 2003
Exercise Forms, accompanied by payment for shares, or Notices of Guaranteed Delivery due	June 20, 2003
Exercise Forms and payment for shares due under Notices of Guaranteed Delivery	June 25, 2003
Payment of any additional amounts for shares due	June 27, 2003
Date by which payments will be returned from unaccepted subscriptions	July 7, 2003

Purpose of the Offer

The purpose of the Offer is to raise needed equity capital for our company. The deterioration of our financial condition resulting from the debt default in Argentina and our credit exposure in that country required us, during 2002, to take charges of $323 million for credit loss provisions and impairment losses on securities relating to our Argentine credit portfolio. These charges, together with a $52 million decline in net interest income in 2002 compared to 2001, resulted in a net loss for 2002 of $268.8 million and produced a decline in our common stockholders equity from $598 million at December 31, 2001 to $329 million at December 31, 2002. As a result, our Board of Directors believes that we must raise a minimum of $100 million of Tier 1 capital in order to allow us to retain our remaining investment-grade credit ratings from Moody s and Standard & Poor s. If we do not retain these investment grade credit ratings, we will not be able to obtain the funding needed to fulfill our primary role of providing trade financing to borrowers in Latin America at levels we have historically provided. The Board has determined that the only realistic way to raise this amount of capital is through the offering and sale of additional shares of our Common Stock at a price based on the market price of the Class E shares prior to the offering.

The Board believes that with the additional capital, our company should be able to obtain the funding needed to operate its trade financing business at increased levels while maintaining our Tier 1 capital ratio at an acceptable level, although there is no assurance of success. Our Board firmly believes that this course of action is the best alternative for addressing the long-term interests of our shareholders.

During the first quarter of 2002, the major credit rating agencies downgraded our company s credit ratings due to our large Argentine credit exposure and the increasing risk of default among Argentine borrowers, in light of Argentina s deposit controls and currency devaluation. Following comprehensive management presentations regarding our recapitalization plan and business strategy, Moody s, confirmed our company s Baa3/P3 investment-grade rating on July 31, 2002 and Standard & Poor s issued a statement maintaining our company s BBB-/A3 investment-grade rating on August 1, 2002, each with a negative outlook. On August 12, 2002, Fitch further reduced its ratings on our debt securities to below investment-grade (BB+/B), with a stable outlook. Fitch indicated that even if our recapitalization plan is successfully implemented, capital levels may prove inadequate to cushion against further asset quality deterioration and are incompatible with investment grade ratings. On January 22, 2003, Moody s changed its rating outlook from negative to stable. Moody s indicated that this change in outlook was made in light of the demonstrated financial commitment of a group of major core shareholders to our recapitalization plan as well as to our developmental mission, and Moody s stated in its most recent report on us that our investment grade rating and outlook assumed that our recapitalization plan will be completed.

Based on statements made by Standard & Poor s and Moody s, we believe that if we do not obtain additional Tier 1 equity capital, it is highly likely that these rating agencies will reduce their ratings on our debt obligations to below investment-grade. Our ability to obtain the funding necessary to carry on our trade financing activities in Latin America at meaningful levels depends on maintaining our remaining investment-grade credit ratings. A reduction of these credit ratings to below investment-grade could, the Board believes, significantly reduce the availability of funding and increase our overall funding costs. This would cause us to further reduce our lending activities which would further reduce our net interest income and further weaken our franchise and our role in providing trade finance in the Latin American region.

Use of Proceeds

If all the Rights are exercised in full at the Estimated Subscription Price of $6.13 per share, the net proceeds to us would be approximately $134,860,000 before deduction of fees and expenses incurred in connection with the Offer. We will not sell any shares in the Offer unless shares are sold, including shares sold to the Core Support Group, for an aggregate purchase price of at least $100 million. We will use the net proceeds of the Offer, and any proceeds received from Core Support Group members, to fund our lending activities.

Summary Consolidated Financial Data

The selected consolidated financial data presented below are derived from our company s consolidated financial statements at and for the years indicated, which were prepared in accordance with U.S. generally accepted accounting principles, or U.S. GAAP, and audited by KPMG Peat Marwick. Our Consolidated Financial Statements at December 31, 2001 and 2002 and for each of the years in the three-year period ended December 31, 2002 are included in our Annual Report for the fiscal year ended December 31, 2002, which is incorporated by reference into and is being delivered with this Prospectus.

	At and for the Year Ended December 31,				
	1998	1999	2000	2001	2002
	(in thousands, except per share amounts and ratios)				
Income Statement Data:					
Net interest income	$ 92,210	$ 112,698	$ 112,670	$ 118,739	$ 66,655
Provision for loan losses	(11,200)	(14,700)	(8,000)	(77,144)	(272,586)
Net interest income (loss) after provision for loan losses	81,010	97,998	104,670	41,594	(205,931)
Other income (expense):					
Net commission income	19,031	24,291	23,664	13,691	7,010
Provision for losses on off-balance sheet credit risk	0	(6,000)	(11,200)	0	(6,170)
Provision for losses on guarantees	(15,534)	0	0	0	0
Derivatives and hedging activities	0	0	0	7,379	(341)
Impairment loss on securities	0	0	0	(40,356)	(44,268)
Gain on early extinguishment of debt	0	0	0	0	1,430
Gain on sale of securities available for sale	0	0	0	4,798	184
Gain (loss) on foreign currency exchange	13	54	80	(21)	301
Other income	1,330	1,328	1,086	674	553
Net other income (expense)	4,840	19,674	13,630	(13,834)	(41,302)
Total operating expenses	(14,067)	(16,578)	(21,180)	(23,973)	(19,306)
Income (loss) from continuing operations before income tax	71,783	101,093	97,121	3,787	(266,539)
Income tax	0	(36)	(65)	(35)	47
Income (loss) from continuing operations, net	71,783	101,057	97,056	3,752	(266,492)
Discontinued operations:					
Loss from operations and disposal of segment	0	0	0	(2,388)	(2,346)
Income (loss) before cumulative effect of accounting change	71,783	101,057	97,056	1,364	(268,838)
Cumulative effect of accounting change	0	0	0	1,129	0
Net income (loss)	71,783	101,057	97,056	2,494	(268,838)
Net income (loss) available for common stockholders	70,386	99,687	95,770	1,138	(269,850)
Balance Sheet Data:					
Securities purchased under agreements to resell	$ 0	$ 0	$ 0	$ 291,871	$ 132,022
Investment securities	163,935	178,816	395,459	362,098	165,714
Impaired loans	0	23,786	14,724	77,061	691,472
Loans (including impaired loans)	5,119,897	4,594,174	4,927,465	4,733,710	2,516,512
Allowance for loan losses	108,753	117,670	110,388	177,484	429,720
Total assets	5,587,726	5,172,132	5,660,682	5,922,267	2,929,267
Total deposits	1,705,997	1,617,174	1,743,842	1,571,359	551,973

Short-term borrowings and placements	1,883,629	1,520,971	1,509,880	1,823,324	647,344
Medium- and long-term borrowings and placements	1,269,598	1,212,566	1,582,479	1,787,161	1,285,493
Total liabilities	4,963,999	4,474,809	4,945,666	5,308,617	2,587,868
Total common stockholders equity	606,506	680,429	699,205	598,418	328,923
Average number of shares outstanding	20,305	20,141	19,783	18,102	17,343
Per Common Share Data:					
Net income (loss), after Preferred Stock dividend and before cumulative effect of accounting change	$ 3.47	$ 4.95	$ 4.83	$ 0.00	$ (15.56)
Diluted earnings per share before cumulative effect of accounting change	3.46	4.93	4.81	0.00	(15.56)

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	At and for the Year Ended December 31,				
	1998	1999	2000	2001	2002
	(in thousands, except per share amounts and ratios)				
Net income (loss), after Preferred Stock dividend and after cumulative effect of accounting change	3.47	4.95	4.83	0.06	(15.56)
Diluted earnings per share after cumulative effect of accounting change	3.46	4.93	4.81	0.06	(15.56)
Net income (loss) from continuing operations	3.47	4.95	4.83	0.13	(15.42)
Book value (period end)	29.93	34.08	36.36	34.43	18.91
Cash dividends per share	0.96	0.96	2.50	1.88	0.00
Selected Financial Ratios:					
Performance Ratios:					
Return on average assets before cumulative effect of accounting change	1.33%	1.93%	1.92%	0.02%	(6.47)%
Return on average assets after cumulative effect of accounting change	1.33%	1.93%	1.92%	0.04%	(6.47)%
Return on average common stockholders equity before cumulative effect of accounting change	12.21%	15.68%	13.98%	0.00%	(60.48)%
Return on average common stockholders equity after cumulative effect of accounting change	12.21%	15.68%	13.95%	0.16%	(60.48)%
Net interest margin	1.71%	2.15%	2.24%	2.00%	1.53%
Net interest spread	0.90%	1.30%	1.14%	1.32%	1.01%
Total operating expenses to total average assets	0.26%	0.32%	0.42%	0.40%	0.46%
Cash dividend payout ratio	27.67%	19.39%	51.76%	3,133.3%	0.00%
Asset Quality Ratios:					
Impaired loans to loans, net of unearned income (1)	0.00%	0.52%	0.30%	1.63%	27.58%
Net charge-offs to loans, net of unearned income	0.37%	0.13%	0.31%	0.21%	0.81%
Allowance for loan losses to loans, net of unearned income	2.14%	2.57%	2.25%	3.77%	17.14%
Allowance for loan losses to non-accruing loans	n.a	495%	750%	230%	62%
Allowance for losses on off balance sheet credit risks to total contingencies net of mark to market guarantees (options)	n.a	0.50%	1.62%	1.88%	5.53%
Capital Ratios:					
Common stockholders equity to total assets	10.85%	13.16%	12.35%	10.10%	11.23%
Tier 1 capital to risk-weighted assets (2)	20.06%	24.52%	18.27%	15.73%	15.26%
Total capital to risk-weighted assets (2)	21.90%	26.40%	19.94%		