

FOREIGN TRADE BANK OF LATIN AMERICA, INC.
Form 6-K
May 09, 2018

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE
SECURITIES EXCHANGE ACT OF 1934

For the month of May, 2018

Commission File Number 1-11414

BANCO LATINOAMERICANO DE COMERCIO EXTERIOR, S.A.

(Exact name of Registrant as specified in its Charter)

FOREIGN TRADE BANK OF LATIN AMERICA, INC.

(Translation of Registrant's name into English)

Business Park Torre V, Ave. La Rotonda, Costa del Este

P.O. Box 0819-08730

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Panama City, Republic of Panama

(Address of Registrant's Principal Executive Offices)

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

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

SIGNATURES

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

Date: May 7, 2018

FOREIGN TRADE BANK OF LATIN AMERICA, INC.
(Registrant)

By: /s/ Ana Graciela de Méndez

Name: Ana Graciela de Méndez

Title: CFO

Banco Latinoamericano

de Comercio Exterior, S.A.

and Subsidiaries

Unaudited condensed consolidated interim statement of financial position as of March 31, 2018 and December 31, 2017, and related unaudited condensed consolidated interim statements of profit or loss, unaudited condensed consolidated interim statements of profit or loss and other comprehensive income, unaudited condensed consolidated interim statements of changes in equity and unaudited condensed consolidated interim statements of cash flows for the three months ended March 31, 2018, 2017 and 2016

Banco Latinoamericano de Comercio Exterior, S.A.

and Subsidiaries

Unaudited condensed consolidated interim financial statements

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Banco Latinoamericano de Comercio Exterior, S. A. and Subsidiaries**Unaudited condensed consolidated interim statement of financial position****March 31, 2018 and December 31, 2017**

(In US\$ thousand)

	Notes	March 31, 2018 (Unaudited)	December 31, 2017 (Audited)
Assets			
Cash and cash equivalents	3,16	560,276	672,048
Financial Instruments:	4,16		
At fair value through OCI	4,16	24,313	25,135
Securities at amortized cost, net	4,16	68,112	68,934
Loans	4	5,225,324	5,505,658
Less:			
Allowance for expected credit losses	4	82,670	81,294
Unearned interest and deferred fees	4	5,927	4,985
Loans, net		5,136,727	5,419,379
Derivative financial instruments used for hedging – receivable	4,14,16	14,682	13,338
Property and equipment, net		7,120	7,420
Intangibles, net		5,115	5,425
Other assets:			
Customers' liabilities under acceptances	16	4,940	6,369
Accrued interest receivable	16	34,725	30,872
Other assets	6	19,035	18,827
Total of other assets		58,700	56,068
Total assets		5,875,045	6,267,747
Liabilities and stockholders' equity			
Deposits:	7,15		
Noninterest-bearing - Demand		407	420
Interest-bearing - Demand		41,594	81,644
Time		2,772,214	2,846,780
Total deposits		2,814,215	2,928,844

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Derivative financial instruments used for hedging – payable	4,14,16	12,469	34,943
Financial liabilities through profit or loss	4,16	-	-
Securities sold under repurchase agreement	4,8,16	49,316	-
Short-term borrowings and debt	9,16	776,967	1,072,723
Long-term borrowings and debt, net	9,16	1,123,908	1,138,844
Other liabilities:			
Acceptances outstanding	16	4,940	6,369
Accrued interest payable	16	17,005	15,816
Allowance for expected credit losses on loan commitments and financial guarantees contracts	5	7,423	6,845
Other liabilities	10	22,066	20,551
Total other liabilities		51,434	49,581
Total liabilities		4,828,309	5,224,935
Stockholders' equity:			
Common stock	12	279,980	279,980
Treasury stock	13	(60,671)	(63,248)
Additional paid-in capital in excess of assigned value of common stock	12	120,319	119,941
Capital reserves		95,210	95,210
Dymanic provision	20	108,756	108,756
Regulatory credit reserve	20	18,748	20,498
Retained earnings	20	480,778	479,712
Accumulated other comprehensive income (loss)	4,14	3,616	1,963
Total stockholders' equity		1,046,736	1,042,812
Total liabilities and stockholders' equity		5,875,045	6,267,747

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

Banco Latinoamericano de Comercio Exterior, S. A. and Subsidiaries**Unaudited condensed consolidated interim statements of profit or loss****For the three months ended March 31, 2018, 2017 and 2016**

(In US\$ thousand, except per share amounts)

	Notes	2018	2017	2016
Interest income:				
Deposits		2,939	2,001	1,171
At fair value through OCI		123	170	950
Securities at amortized cost		485	533	784
Loans		53,890	56,427	58,253
Total interest income		57,437	59,131	61,158
Interest expense:				
Deposits		14,004	6,207	4,552
Short and long-term borrowings and debt		16,843	18,492	17,088
Total interest expense		30,847	24,699	21,640
Net interest income		26,590	34,432	39,518
Other income:				
Fees and commissions, net		3,059	3,269	2,373
Loss on derivative financial instruments and foreign currency exchange, net	4	1,666	131	(839)
(Loss) gain per financial instrument at fair value through profit or loss		(62)	(60)	(4,183)
Gain (loss) on sale of securities at fair value through OCI	4	-	114	(285)
Gain on sale of loans	4	(625)	86	100
Other income		115	354	351
Net other income		4,153	3,894	(2,483)
Total income		30,743	38,326	37,035
Expenses:				
Impairment loss from expected credit losses on loans at amortized cost	4	1,377	3,953	2,143
(Recovery) impairment loss from expected credit losses on investment securities	4	(25)	(454)	7
Impairment loss (recovery) from expected credit losses on loan commitments and financial guarantee contracts	5	579	163	(913)
Salaries and other employee expenses		10,094	6,696	7,880
Depreciation of equipment and leasehold improvements		323	431	329

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Amortization of intangible assets		338	201	113
Other expenses		3,559	3,878	4,038
Total expenses		16,245	14,868	13,597
Profit for the period		14,498	23,458	23,438
Earnings per share:				
Basic	11	0.37	0.60	0.60
Diluted	11	0.37	0.60	0.60
Weighted average basic shares	11	39,466	39,188	38,997
Weighted average diluted shares	11	39,492	39,296	39,121

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

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

Unaudited condensed consolidated interim statements of profit or loss and other comprehensive income

For the three months ended March 31, 2018, 2017 and 2016

(In US\$ thousand)

	Notes	2018	2017	2016
Profit for the period		14,498	23,458	23,438
Other comprehensive income (loss):				
Items that will not reclassified subsequently to profit and loss:				
Change in fair value for revaluation by equity instrument to FVOCI, net of hedging	14	(623)	-	-
Items that are or may be reclassified subsequently to profit and loss:				
Change in fair value for revaluation y debt instrument, net of hedging	14	1,291	937	1,801
Reclassification adjustment for gains (losses) included in the profit	14	1,160	(2,485)	207
Exchange difference in conversion of foreign operating currency		(175)	-	-
Other comprehensive income (loss)	14	1,653	(1,548)	2,008
Total comprehensive income for the period		16,151	21,910	25,446

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

Banco Latinoamericano de Comercio Exterior, S. A. and Subsidiaries**Unaudited condensed consolidated interim statements of changes in stockholders's equity****For the three months ended March 31, 2018, 2017 and 2016**

(In US\$ thousand)

	Common stock	Treasury stock	Additional paid- in capital in excess of assigned value of common stock	Capital reserves	Dymanic provision	Regulatory credit reserve	Retained earnings	Accumulated other comprehensive income (loss)	Total
Balances at January 1, 2016	279,980	(73,397)	120,177	95,210	30,788	7,920	521,934	(10,681)	971,931
Profit for the period	-	-	-	-	-	-	23,438	-	23,438
Other comprehensive income	-	-	-	-	-	-	-	2,008	2,008
Issuance of restricted stock	-	-	-	-	-	-	-	-	-
Compensation cost - stock options and stock units plans	-	-	659	-	-	-	-	-	659
Exercised options and stock units vested	-	1,433	(1,433)	-	-	-	-	-	-
Repurchase of "Class B" and "Class E" common stock	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	6,381	(6,381)	-	-

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Regulatory reserve									
Dymanic provision	-	-	-	-	830	-	(830)	-	-
Dividends declared	-	-	-	-	-	-	(15,000)	-	(15,000)
Balances at March 31, 2016	279,980	(71,964)	119,403	95,210	31,618	14,301	523,161	(8,673)	983,036
Balances at January 1, 2017	279,980	(69,176)	120,594	95,210	43,826	18,633	525,048	(2,801)	1,011,314
Profit for the period	-	-	-	-	-	-	23,458	-	23,458
Other comprehensive income	-	-	-	-	-	-	-	(1,548)	(1,548)
Issuance of restricted stock	-	1,005	(1,005)	-	-	-	-	-	-
Compensation cost - stock options and stock units plans	-	-	419	-	-	-	-	-	419
Exercised options and stock units vested	-	471	(127)	-	-	-	-	-	344
Repurchase of "Class B" and "Class E" common stock	-	-	-	-	-	-	-	-	-
Regulatory reserve	-	-	-	-	-	(10,967)	10,967	-	-
Dymanic provision	-	-	-	-	983	-	(983)	-	-
Dividends declared	-	-	-	-	-	-	(15,078)	-	(15,078)
Balances at March 31, 2017	279,980	(67,700)	119,881	95,210	44,809	7,666	543,413	(4,349)	1,018,910
Balances at January 1, 2018	279,980	(63,248)	119,941	95,210	108,756	20,498	479,712	1,963	1,042,812
Profit for the period	-	-	-	-	-	-	14,498	-	14,498
Other comprehensive income	-	-	-	-	-	-	-	1,653	1,653
Issuance of restricted stock	-	-	-	-	-	-	-	-	-
Compensation cost - stock	-	-	124	-	-	-	-	-	124

options and stock units plans									
Exercised options and stock units vested	-	2,577	254	-	-	-	-	-	2,831
Repurchase of "Class B" and "Class E" common stock	-	-	-	-	-	-	-	-	-
Regulatory reserve	-	-	-	-	-	(1,750)	1,750	-	-
Dymanic provision	-	-	-	-	-	-	-	-	-
Dividends declared	-	-	-	-	-	-	(15,182)	-	(15,182)
Balances at March 31, 2018	279,980	(60,671)	120,319	95,210	108,756	18,748	480,778	3,616	1,046,736

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

Banco Latinoamericano de Comercio Exterior, S. A. and Subsidiaries**Unaudited condensed consolidated interim statements of cash flows****For the three months ended March 31, 2018, 2017 and 2016**

(In US\$ thousand)

	2018	2017	2016
Cash flows from operating activities			
Profit for the period	14,498	23,458	23,438
Adjustments to reconcile profit for the year to net cash provided by (used in) operating activities:			
Activities of derivative financial instruments used for hedging	(21,776)	(1,450)	(13,038)
Depreciation of equipment and leasehold improvements	323	431	328
Amortization of intangible assets	338	201	113
Loss for disposal of equipment and leasehold improvements	-	4	-
Loss for disposal of intangible assets	-	-	-
Impairment loss from expected credit losses	1,931	4,116	1,237
Net (gain) loss on sale of financial assets at fair value through OCI	-	114	(285)
Compensation cost - share-based payment	124	419	659
Interest income	(57,437)	(59,131)	(61,159)
Interest expense	30,847	24,699	21,640
Net decrease (increase) in operating assets:			
Net decrease (increase) in pledged deposits	36,685	7,270	4,125
Financial instruments at fair value through profit or loss	-	-	(4,084)
Net decrease (increase) in loans at amortized cost	281,276	281,123	157,702
Other assets	1,221	9,854	(27,216)
Net increase (decrease) in operating liabilities:			
Net increase due to depositors	(114,629)	378,404	277,910
Financial liabilities at fair value through profit or loss	-	(24)	(89)
Other liabilities	86	(17,073)	11,322
Cash provided by operating activities	173,487	652,415	392,603
Interest received	53,584	58,870	58,879
Interest paid	(29,658)	(20,492)	(17,823)
Net cash provided by operating activities	197,413	690,793	433,659
Cash flows from investing activities:			
Acquisition of equipment and leasehold improvements	(21)	(198)	60

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Acquisition of intangible assets	(27)	-	(7)
Proceeds from the redemption of of financial instruments at fair value through OCI	-	-	14,000
Proceeds from the sale of financial instruments at fair value through OCI	679	6,459	51,449
Proceeds from maturities of financial instruments at amortized cost	849	11,084	8,600
Purchases of financial instruments at fair value through OCI	-	-	(124,640)
Purchases of financial instruments at amortized cost	-	-	(8,226)
Net cash provided by investing activities	1,480	17,345	(58,764)
Cash flows from financing activities:			
Net decrease in short-term borrowings and debt and securities sold under repurchase agreements	(246,440)	(708,512)	(901,296)
Proceeds from long-term borrowings and debt	95,000	255,547	268,206
Repayments of long-term borrowings and debt	(109,936)	(29,051)	(281,199)
Dividends paid	(15,183)	(15,077)	14,958
Exercised stock options	2,577	344	-
Repurchase of common stock	-	-	-
Net cash used in financing activities	(273,982)	(496,749)	(899,331)
Net (decrease) increase in cash and cash equivalents	(75,089)	211,389	(524,436)
Cash and cash equivalents at beginning of the pereiod	618,807	1,007,726	1,267,302
Cash and cash equivalents at end of the period	543,718	1,219,115	742,866

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

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

Notes to the unaudited condensed consolidated interim financial statements

(Amounts expressed in thousands of U.S. dollars, unless otherwise indicated)

1. Corporate information

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

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

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

Bladex Head Office’s subsidiaries are the following:

Bladex Holdings Inc. a wholly owned subsidiary, incorporated under the laws of the State of Delaware, United States of America (USA), on May 30, 2000. Bladex Holdings Inc. has ownership in Bladex Representacao Ltda.

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

Bladex Investimentos Ltda. was incorporated under the laws of Brazil on May 3, 2011. Bladex Head Office owned 99% of Bladex Investimentos Ltda., and Bladex Holdings Inc. owned the remaining 1%. This company had invested substantially all of its assets in an investment fund, Alpha 4x Latam Fundo de Investimento Multimercado, -incorporated in Brazil ("the Brazilian Fund"), registered with the Securities and Exchange Commission of Brazil ("CVM", for its acronym in Portuguese). Bladex Investimentos Ltda. merged with Bladex Representacao Ltda. on April 2016, being the former the extinct company under Brazilian law and prevailing the acquiring company Bladex Representacao Ltda.

Bladex Development Corp. was incorporated under the laws of Panama on June 5, 2014. Bladex Development Corp. is 100% owned by Bladex Head Office.

BLX Soluciones, S.A. de C.V., SOFOM, E.N.R. was incorporated under the laws of Mexico on June 13, 2014. BLX -Soluciones is 99.9% owned by Bladex Head Office, and Bladex Development Corp. owns the remaining 0.1%. The company specializes in offering financial leasing and other financial products such as loans and factoring.

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

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

Notes to the unaudited condensed consolidated interim financial statements

(Amounts expressed in thousands of U.S. dollars, unless otherwise indicated)

1. Corporate information (continued)

The Bank has representative offices in Buenos Aires, Argentina; in Mexico City; in Lima, Peru; and in Bogota, Colombia.

These unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Directors on April 10, 2018.

2. Basis of preparation of the consolidated financial statements

2.1 Statement of compliance

These unaudited consolidated interim financial statements of Banco Latinoamericano de Comercio Exterior, S. A. and its subsidiaries have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) issued by the International Accounting Standards Board ("IASB"). As all the disclosures required by IFRS for annual period consolidated financial statements are not included herein, these unaudited condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto as of and for the year ended December 31, 2017, contained in the Bank's annual audited consolidated financial statements. The unaudited condensed consolidated interim statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the periods presented are not necessarily indicative of results expected for any future period.

3. Cash and cash equivalents

	March 31, 2018	December 31, 2017
Cash and due from banks	10,190	11,032
Interest-bearing deposits in banks	550,086	661,016

Total	560,276	672,048
Less:		
Pledged deposits	16,557	53,241
Total cash and cash equivalents	543,719	618,807

The following table presents the details on interest-bearing deposits in banks and pledged deposits:

	March 31, 2018		December 31, 2017	
	Range		Range	
	Amount	Interest rate	Amount	Interest rate
Interest-bearing deposits in banks:				
Demand deposits ⁽¹⁾	550,086	0.25% a 1.68%	661,016	0.25% a 1.55%
Time deposits ⁽²⁾	-	-	-	-
Total	550,086		661,016	
Pledged deposits:				
New York ⁽³⁾	3,000	-	3,000	-
Panama ⁽⁴⁾	13,557	1.68	% 50,241	1.42 %
Total	16,557		53,241	

(1) Demand deposits with bearing interest based on the daily rates determined by banks.

(2) Time deposits "overnight" calculated on an average interest rate.

(3) The New York Agency had a pledged deposit with the New York State Banking Department, as required by law since March 1994.

(4) The Bank had pledged deposits to secure derivative financial instruments transactions.

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

Notes to the unaudited condensed consolidated interim financial statements

(Amounts expressed in thousands of U.S. dollars, unless otherwise indicated)

4. Financial instruments

Financial instruments at fair value through other comprehensive income “FVOCI”

The amortized cost, related unrealized gross gain (loss) and fair value of financial instruments at fair value through other comprehensive income by country risk and type of debt are as follows:

Equity Investment at FVOCI

	March 31, 2018			Fair value
	Amortized cost	Unrealized Gain	Unrealized Loss	
Equity investments ⁽¹⁾				
Brazil	8,402	-	556	7,846
	8,402	-	556	7,846

Securities at FVOCI

	March 31, 2018			Fair value
	Amortized cost	Unrealized Gain	Unrealized Loss	
Sovereign debt:				
Brazil	2,940	-	48	2,892
Chile	5,171	-	135	5,036
Trinidad and Tobago	8,729	-	190	8,539
	16,840	-	373	16,467
	25,242	-	929	24,313

Equity Investment at FVOCI

	December 31, 2017			
	Unrealized			
	Amortized	Gain	Loss	Fair value
	cost			
Equity investments ⁽¹⁾				
Brazil	8,630	-	228	8,402
	8,630	-	228	8,402

Securities at FVOCI

	December 31, 2017			
	Unrealized			
	Amortized	Gain	Loss	Fair value
	cost			
Sovereign debt:				
Brazil	2,937	29	12	2,954
Chile	5,182	-	35	5,147
Trinidad and Tobago	8,843	-	211	8,632
	16,962	29	258	16,733
	25,592	29	486	25,135

⁽¹⁾ Equity instruments were initially recognized at fair value. These equity instruments correspond to equity securities classified with the irrevocable option of changes in OCI.

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

Notes to the unaudited condensed consolidated interim financial statements

*(Amounts expressed in thousands of U.S. dollars, unless otherwise indicated)***4. Financial instruments (continued)****Financial instruments at fair value through other comprehensive income (continued)**Securities at FVOCI (continued)

As of March 31, 2018, securities at fair value through other comprehensive income with a carrying value of \$ 5.0 million, were pledged to secure repurchase transactions accounted for as secured financings. As of December 31, 2017, there were no securities at fair value through other comprehensive income accounted for as secured financings.

The following table discloses those securities that had unrealized losses for a period less than 12 month and for 12 months or longer:

	March 31, 2018					
	Less than 12 months		12 months or longer		Total	
	Fair value	Unrealized gross losses	Fair value	Unrealized gross losses	Fair value	Unrealized gross losses
Sovereign debt	6,964	150	9,503	223	16,467	373
Total	6,964	150	9,503	223	16,467	373

	December 31, 2017					
	Less than 12 months		12 months or longer		Total	
	Fair value	Unrealized gross losses	Fair value	Unrealized gross losses	Fair value	Unrealized gross losses
Sovereign debt	5,147	35	9,616	223	14,763	258
Total	5,147	35	9,616	223	14,763	258

The following table presents the realized gains and losses on sale of securities at fair value through other comprehensive income:

	Three months ended March 31st		
	2018	2017	2016
Realized gain on sale of securities	-	161	39
Realized loss on sale of securities	-	(47)	(324)
Net gain (loss) on sale of securities at fair value through other comprehensive income	-	114	(285)

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

Notes to the unaudited condensed consolidated interim financial statements

(Amounts expressed in thousands of U.S. dollars, unless otherwise indicated)

4. Financial instruments (continued)

Financial instruments at fair value through other comprehensive income (continued)

Securities at FVOCI (continued)

Securities at fair value through other comprehensive income classified by issuer's credit quality indicators are as follows:

Rating⁽¹⁾	March 31, 2018	December 31, 2017
1-4	16,467	16,733
5-6	-	-
7	-	-
8	-	-
9	-	-
10	-	-
Total	16,467	16,733

⁽¹⁾ Current ratings as of March 31, 2018 and December 31, 2017, respectively.

The amortized cost and fair value of securities at fair value through other comprehensive income by contractual maturity are shown in the following tables:

March 31, 2018	December 31, 2017
Fair value	Fair value

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	Amortized cost		Amortized cost	
Due within 1 year	-	-	-	-
After 1 year but within 5 years	16,839	16,467	16,962	16,733
After 5 years but within 10 years	-	-	-	-
	16,839	16,467	16,962	16,733

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

Notes to the unaudited condensed consolidated interim financial statements

*(Amounts expressed in thousands of U.S. dollars, unless otherwise indicated)***4. Financial instruments (continued)****Financial instruments at fair value through other comprehensive income (continued)**Securities at FVOCI (continued)

The significant changes in the gross carrying amount of securities at fair value through other comprehensive income during the period that contributed to changes in the loss allowance, is provided at the table below:

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as of December 31, 2017	13,779	2,954	-	16,733
Transfer in book value to stage 2	-	-	-	-
Transfer to lifetime expected credit losses - credit-impaired	-	-	-	-
Transfer in book value to stage 1	-	-	-	-
Financial assets that have been derecognized during the period	(204)	(62)	-	(266)
Changes due to financial instruments recognized as of December 31, 2017	(204)	(62)	-	(266)
New financial assets originated or purchased	-	-	-	-
Write-offs	-	-	-	-
Gross carrying amount as of March 31, 2018	13,575	2,892	-	16,467
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as of December 31, 2016	27,821	2,786	-	30,607
Transfer in book value to stage 2	-	-	-	-
Transfer to lifetime expected credit losses – not credit-impaired	-	-	-	-
Transfer in book value to stage 1	-	-	-	-
Financial assets that have been derecognized during the year	(14,042)	168	-	(13,874)
Changes due to financial instruments recognized as of December 31, 2016	(14,042)	168	-	(13,874)
New financial assets originated or purchased	-	-	-	-
Write-offs	-	-	-	-

Gross carrying amount as of December 31, 2017	13,779	2,954	-	16,733
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Banco Latinoamericano de Comercio Exterior, S. A. and Subsidiaries

Notes to the unaudited condensed consolidated interim financial statements

*(Amounts expressed in thousands of U.S. dollars, unless otherwise indicated)***4. Financial instruments (continued)**Securities at FVOCI (continued)

The allowance for expected credit losses relating to securities at fair value through other comprehensive income, which is recorded in equity under accumulated other comprehensive income (loss), is as follow:

	Stage 1 ⁽¹⁾	Stage 2 ⁽²⁾	Stage 3 ⁽³⁾	Total
Allowance for expected credit losses as of				
December 31, 2017	24	198	-	222
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Transfer to 12-month expected credit losses	-	-	-	-
Net effect of changes in reserve for expected credit losses	(1)	4	-	3
Financial assets that have been derecognized during the year	-	-	-	-
Changes due to financial instruments recognized as of December 31, 2017:	(1)	4	-	3
New financial assets originated or purchased	-	-	-	-
Write-offs	-	-	-	-
Allowance for expected credit losses as of				
March 31, 2018	23	202	-	225
	Stage 1 ⁽¹⁾	Stage 2 ⁽²⁾	Stage 3 ⁽³⁾	Total
Allowance for expected credit losses as of				
December 31, 2016	42	263	-	305
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Transfer to 12-month expected credit losses	-	-	-	-

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Net effect of changes in reserve for expected credit losses	(6)	(65)	-	(71)
Financial assets that have been derecognized during the year	(12)	-	-	(12)
Changes due to financial instruments recognized as of December 31, 2016:	(18)	(65)	-	(83)
New financial assets originated or purchased	-	-	-	-