LAAD

2013 ANNUAL REPORT

Latin American Agribusiness Development Corporation S.A.

Latin American Agribusiness Development Corporation S.A. (LAAD) is a private investment and development company. Its shareholders are 12 leading agribusiness and financial corporations. LAAD finances and develops private agribusiness projects in Latin America and the Caribbean involving all phases of production, processing, storage, services, technology and marketing in the fields of agriculture, livestock, forestry and fishing.

LAAD Financial Highlights Consolidated Data October 31,

FOR THE YEAR	2013	2012	2011	2010	2009
Operating Income ('000)	**$ 17,442**	$ 14,477	$ 12,032	$ 10,583	$ 9,679
Net Income ('000)	**$ 14,262**	$ 12,327	$ 10,412	$ 9,023	$ 8,179
Basic Earnings per Share of Common Stock*	**$ 29,712**	$ 25,682	$ 21,692	$ 18,798	$ 17,040
FINANCIAL RATIOS					
Return on Average Net Worth	**12.8%**	12.2%	11.3%	10.8%	10.6%
Return on Average Total Assets	**3.0%**	3.0%	2.9%	2.8%	2.7%
Total Net Debt to Net Worth	**2.8:1**	2.7:1	2.6:1	2.5:1	2.5:1
Operating Expenses to Gross Profit**	**38.5%**	40.4%	43.2%	43.7%	50.4%
Operating Expenses to Average Total Assets	**2.3%**	2.4%	2.6%	2.5%	3.3%
Reserve to Portfolio	**2.4%**	2.4%	2.4%	2.7%	3.1%
AT YEAR END					
Agribusiness Loans ('000)	**$ 447,128**	$ 387,266	$ 339,077	$ 305,399	$ 284,427
Assets ('000)	**$ 499,829**	$ 439,544	$ 377,249	$ 338,600	$ 313,026
Net Worth ('000)	**$ 117,544**	$ 105,922	$ 96,516	$ 87,518	$ 80,166

**Based on the weighted average number of shares of common stock outstanding during the year.*
***Gross Profit = Total Income - Interest Expense*

Letter to Shareholders - 2013

In 2013, Latin America saw its economic growth restricted by a weak international economy in the wake of the Eurozone's financial and debt crisis, modest growth in the U.S. and an economic slowdown and reduced demand in China. These are all major markets for LAAD's operating region and clientele. Despite the world's economic weakness and a complicated global business climate, LAAD obtained very good operational results, achieving record disbursements and profitability for the fiscal year ending October 31, 2013.

This year your Company disbursed US$155 million to 195 enterprises in 15 countries (a 15% increase over the previous year), bringing the total agribusiness portfolio to US$456 million. These investments are expected to generate approximately US$500 million in additional economic activity. They will also provide full and part-time employment to more than 8,000 people, primarily in rural areas. Although LAAD continues to assign a high priority to investments that provide more employment, this year's job numbers reflect a continued increase in the investment required for each person employed, a consequence of the growing use of technology in modern agriculture.

We disbursed the highest amount to projects in Brazil (US$33.1 million), followed by Nicaragua (US$28.2 million), Peru (US$16.1 million), Ecuador (US$15.6 million) and Costa Rica (US$12.2 million). Practically no new business was added in Bolivia, El Salvador, and Venezuela due to market limitations in those countries. We have now disbursed a total of over US$1.4 billion to 3,300 Latin American enterprises since inception.

During 2013 we continued to increase LAAD's network of investment offices in Latin America. Four new offices were opened this year: Cuiaba in Brazil, Guayaquil in Ecuador, Ciudad del Este in Paraguay, and Trujillo in Peru. This brings the number of new offices to seven, including the three we opened last year in Chile, Colombia, and Mexico. By locating investment officers closer to our clients, we are better able to generate new business and provide closer supervision of our loan portfolio.

LAAD's newly-established offices also played a major role in achieving this year's strong operational and financial results. The seven new offices disbursed a total of US$51.4 million, nearly one third of your Company's total for the year. The offices also funded a wider range of crops than in previous years. The Cuiaba office disbursed US$11.7 million to projects involving soybeans, corn and cotton, followed by US$10.6 million in funding by the Bogota office (oil palms, bananas, cattle, ornamental plants, and poultry); US$8.4 million by the Mexico City office (coffee, pineapples, mangoes, corn, and berries); US$8.6 million by the Guayaquil office (bananas, corn, and cocoa); US$5.7 million by the Ciudad del Este office (soybeans, corn, and cattle); US$4.3 million by the Trujillo office (table grapes, asparagus, paprika, and pomegranates); and US$1.8 million by the Curico office (counter-seasonal fruits, grape juice, and wine). Not all of the offices were in operation for the entire year.

Our new Guayaquil office made a US$900,000 loan to Cacao Dream del Ecuador, part of the Transmar Commodity Group, the country's largest cocoa exporter. The loan financed new buying stations established closer to the company's suppliers. Cocoa is produced by thousands of small farmers in Ecuador, who traditionally delivered their crops to Transmar in Guayaquil through hundreds of intermediaries. This system negatively impacted supply quality and reliability, and made it difficult to identify the grower of a particular shipment. The new system will bring Transmar closer to its many suppliers, provide for a more transparent relationship, and improve traceability and quality control.

The Guayaquil office also disbursed two loans to corn growers. This represents a new line of investment for LAAD in Ecuador, where farmers are increasing their use of irrigation to produce two crops of corn a year, instead of the usual one.

Our new office in Mexico City granted a US$2 million loan to EnerAll, an innovative Mexican company that owns 4,400 hectares of poor quality land near Tizimin, in the state of Merida. The region receives abundant rainfall, but the soil is rocky and unsuitable for mechanized agriculture. LAAD provided the funds for EnerAll to purchase machinery and equipment with which to crush rocks and create a sub-stratum, mainly from added undergrowth. Microorganisms are introduced into the substratum via the project's irrigation system, establishing a previously non-existent "food network" in the sterile soil and enabling the borrower to grow a range of commercially-competitive crops such as corn, sweet sorghum, sugarcane, and beans. The first stage involves putting some 1,700 hectares into production. Initial trials indicate that EnerAll can produce 6.5 metric tons of corn per hectare, over five times the national average. The company will directly provide 200 new jobs in the first stage.

The Curico office granted a US$250,000 loan to Mrs. Isabel Gamboa Aguilera, to expand her cherry orchard located near the town of Teno, 200 km south of Santiago. Mrs. Gamboa inherited four farms from her father eleven years ago, and has recently been reconfiguring her production priorities. In addition to her cherry orchard, Mrs. Gamboa has diversified her farm by planting 11 hectares of a "tintorera" variety of red grape that is used as a natural colorant in food and drinks and to deepen the red color of lower-priced wines. She sells her cherry

Bean plantation on one of Mr. Mauricio Sholten's farms, located in the Rio Verde region, Goias, Brazil.

production both domestically and to the export market.

In Guatemala, LAAD provided working capital to Mr. Rodolfo Anleu Rivas. Mr. Anleu is a businessman who buys tropical hardwoods (mostly mahogany), used to make musical instruments. He cuts the logs to the standard sizes used by manufacturers of specialized parts, such as guitar necks, finger joints, and xylophone keys. Each of his log purchases come from either private mahogany plantations or licensed tree-cutters working government forests. In every case, the tree stands are managed in accordance with logging practices regulated by the Instituto Nacional de Bosques, a government agency. Mr. Anleu plans to buy a special saw that will allow him to pre-shape certain parts of musical instruments for his clients. He currently exports to manufacturers in the United States, the Dominican Republic, and China.

In 2013, your Company turned in another stellar year in terms of total revenue and higher earnings. Gross revenue grew 12% to US$40.6 million while gross profits, after deducting interest paid, came to US$28.3 million. LAAD generated a record US$14.3 million in net earnings, representing a 14.5% increase over the prior year. The return on average equity was 12.8%, which is a 5% improvement over the 2012 results. Total assets at the end of the year grew to nearly US$500 million. Earnings per share came to US$29,712, nearly six times the original value of one LAAD share when the company was incorporated in 1970. We paid a common stock dividend of US$6,418 per share - an 18% increase over last year.

Our financial and operational performance was not impacted by a sub-par macroeconomic environment in Latin America. The growth in the region's gross domestic product is expected to be 2.6%, less than in recent years, although the performance of individual countries differed greatly from the average. While the normally-dynamic export sector slowed down, this year's growth was helped by an increase in domestic consumption. LAAD's portfolio is heavily invested in export crops which, in many cases, reported lower prices in 2013. The terms of trade exchange worked against Latin America during this fiscal year, led by lower prices for key export crops such as coffee, sugar, corn, bananas, and oil seeds. The main headwinds facing Latin America's agricultural outlook for next year are a slower rate of growth in China (Latin America's most important client for many agricultural commodities), and uncertainty about the effects of the reduction anticipated in the United States' monetary stimulus. Latin America will have to live with both of these realities in 2014, but we remain confident that our clients have the experience and flexibility to work cooperatively with their buyers and continue to grow sustainably.

LAAD does not have a high level of exposure to commodity price fluctuations because its client portfolio is well diversified and is either focused on higher-priced niche markets, or relies on achieving very high productivity. Therefore, despite the decline in prices this year for three of the main crops financed by LAAD (soybeans, coffee, and bananas), prices for these commodities actually dropped from previous record highs, and thus, had no significant impact on our clients. The Company's large investments in fruits, vegetables, flowers, and ornamental plants are frequently more affected by climatic factors in the producing countries.

As always, we continue working to improve the quality of our portfolio. Delinquencies over 90 days fell by 70% and stood at 1.2% of the agribusiness portfolio at year's end, half of what the percentage was at the end of last year. Non-performing assets, as a percentage, also decreased slightly from 2012 as the portfolio grew to a record level.

The amount LAAD borrowed from international markets rose to US$375 million, a 14.8% increase over the prior year; this is in line with the overall growth in its loan portfolio. Your Company's borrowings are growing in tandem with its established sources of funding - although we continue to seek out new funding partners. LAAD drew down its single largest loan from the FMO, a Dutch governmental agency, in the amount of US$25 million. The Company received a US$15 million loan from the OPEC Fund for International Development in Vienna, which is a new relationship. LAAD was given a seven-year loan for US$10 million by the Florida Community Bank. This is LAAD's first borrowing from a private bank with a seven-year tenor. Up until now, we have only been able to obtain longer term funding from governments or international development agencies. LAAD's debt/equity ratio increased by 5% to 2.9:1, the highest level in its history but still within a conservatively sustainable limit.

The cost of borrowing this year fell as LIBOR rates declined. LAAD has locked in these lower rates on its revolving lines of credit into 2015. Net interest rate margins for lending operations remained unchanged from the prior year.

On a more personal level, this year LAAD faced the loss of Mr. Ricardo Robles, a deeply influential, Cargill-appointed, former Board Member and close friend of our institution. Mr. Robles' exemplary role as a director of LAAD truly defined the term; his wise guidance set the course for your Company in its early stages. We will miss Ricardo greatly.

Finally, we would like to thank our clients for their hard work, entrepreneurial vision and trust in LAAD; our Board members for their dedication and active involvement in the Company's leadership; and last but not least, our loyal and talented management team and staff, who together helped your Company achieve this year's accomplishments. It is this consolidated team effort that allows LAAD to fulfill its mission year after year, prospering even during complicated financial and economic times such as those experienced in 2013.

Benjamin Fernández III
President

Marcelo Melchior
Chairperson

Earnings per share came to US$29,712, nearly six times the original cost of one LAAD share.

LAAD disbursed US$155 million to 195 enterprises in 15 countries.

14.5%

LAAD generated a record US$14.3 million in net earnings, a 14.5% increase over the prior year.

Agribusiness Operations

During 2013 several food commodities saw prices drop from previous record levels. Even so, and despite the complicated global business climate, LAAD obtained very good operational results and achieved record disbursements and profitability for the fiscal year ending October 31, 2013.

LAAD disbursed a record US$155.6 million to 195 projects in 15 countries during our fiscal year 2013. This represents an increase of 15% over last year's results, as budgeted. The projects financed by LAAD in 2013 created 4,607 new full-time jobs and 3,996 seasonal ones, and should generate an estimated US$500 million per year in additional revenue.

As indicated previously, over the past fiscal year the Company achieved record-level loan disbursements; our total agribusiness portfolio grew by a significant 15.4%, very close to the growth obtained for fiscal year 2012. This, and the fact that the Company maintained the quality of its agribusiness portfolio at a healthy level, was a main factor in this year's good financial results.

LAAD's greatest portfolio growth in absolute terms occurred in South America, which rose by 15% in 2013, to a total of US$288.3 million. At year's end, the South American holdings accounted for 63.2% of LAAD's total portfolio. In Central America, the portfolio increased by 21.3% to US$126.7 million. Central America represents 27.8% of the total holdings. The Company maintained its level of operations in the Caribbean region at US$41.4 million, rising just 3% above 2012, and contributing 9.1% to the 2013 total portfolio.

In **Brazil**, the Company had another record year. US$33.1 million was disbursed to 26 projects located in the states of Mato Grosso, Goias, Minas Gerais, Sao Paulo, and Bahia. These projects should generate 118 new full-time jobs and 129 part-time jobs, for a total of 247 new jobs, and US$29 million in additional exports. LAAD continues to grow in this country, taking advantage of Brazil's competitive advantage in grain production worldwide and the increasing demand for grain from China and other countries. The new Cuiaba office has been very important to this process, following our strategy of being

Ripe Red Globe grapes at Agricola La Joya, ready for harvest.

closer to our clients. The greatest growth in Brazil came from the Mato Grosso region. Our strategy in this part of the country is to finance small loans for farmers who work fewer than 5,000 hectares and have limited options compared to larger farms. LAAD continues to identify new areas and products which add diversity to its portfolio and reduce risk. LAAD will continue to target projects in Brazil that produce coffee, soybeans, cotton, beans, corn, cattle, and poultry.

In **Uruguay**, the smallest agribusiness market in the Mercosur region, LAAD saw little activity this past year. We financed only three projects in the cattle, citrus and agricultural services industries, at US$2.7 million. Uruguayan projects financed by LAAD during 2013 are expected to create three full-time jobs and generate incremental sales of close to US$15 million per year.

Last year, a new office was opened in Ciudad del Este, **Paraguay**. Ciudad del Este is in the center of the country's active grain production corridor. The agribusiness sector is growing significantly in Paraguay, and LAAD is already providing long-term financing to farmers and grain elevators. The primary focus is on soybean and corn crops, as well as cattle production in the Chaco region. In 2013, LAAD financed six projects totaling US$5.7 million and has developed a very promising, robust loan pipeline that should be in place for the next fiscal year. The outlook for Paraguayan agribusiness in general is very promising, and LAAD will continue to participate in the sector's growth. The projects financed by LAAD will generate 20 full-time and 70 part-time jobs and additional sales of US$120 million in the next year.

In **Colombia**, LAAD faced a complex situation; the office started the year out in slow gear, making few disbursements in the first half of the year. This eventually led to a change in management, and the office was able to accelerate its disbursements during the second half of the year. US$10.6 million was disbursed to 13 projects involving bananas, oil palms, cattle (breeding and beef), ornamental plants, and poultry production. LAAD-financed projects in Colombia for 2013 are expected to create 2,692 full-time and 100 part-time jobs and increase sales by US$221 million per year.

Chile, one of our most important markets, continues to enjoy several competitive advantages in agribusiness ventures that produce fresh fruit and other food products for export. This is primarily due to its good climate, quality of fruit, and seasons that run opposite to those of the consumer markets. Unfortunately, this past year was hard on the Chilean fruit industry, with production and exports affected by bad weather. The northern region of Chile remained in a drought for the fourth consecutive year. Despite a winter snowstorm in the Andes Mountains, which improved matters in the Copiapó Valley, the severe drought still affects other regions. The central and southern zones were hit by a cold spring, with heavy rains and hail storms in some valleys. Complicating matters even further, a port workers' strike in the middle of the fresh fruit export season caused numerous problems for the industry and resulted in major economic losses. Given these events, Chile's fruit production and exporting industry is expected to show little or no growth for 2013.

As a result, many Chilean agricultural companies experienced financial constraints during 2013. LAAD focused its efforts on providing needed support to existing clients, to help them survive this temporary setback. At the same time, difficult times always create opportunities. LAAD was able to attract new clients and disbursed a total of US$6.2 million to 10 different projects, generating 38 new full-time jobs and over 495 new seasonal jobs. In addition, the projects financed by LAAD should see an increase of US$2.2 million in their annual sales.

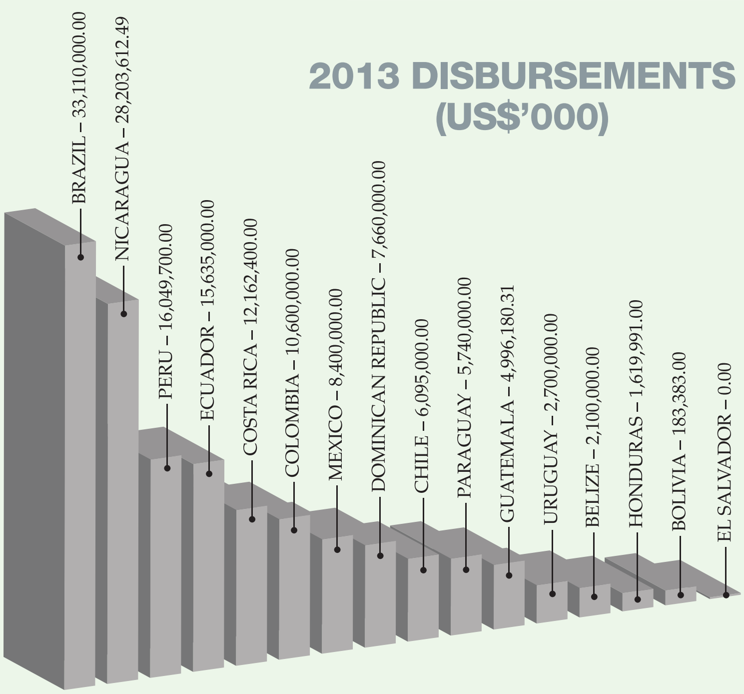
Agricola La Joya, located south of Lima in Peru's Ica Valley, produces fresh and frozen asparagus and table grapes. This project belongs to the Bustamante siblings. Pictured is asparagus being cut and calibrated; it will then be frozen and exported to U.S. and European markets.

The South American portfolio accounted for 63.2% of LAAD's total portfolio.

15.4%

Our total agribusiness portfolio grew by a significant 15.4%.

2013 DISBURSEMENTS (US$'000)



Walnuts ready for harvest on Maria Victoria Barros' farm, located in the Angol Valley, Chile.

Ecuador continues to be one of our key markets, and management continued to diversify the portfolio throughout 2013. LAAD's Ecuador portfolio grew sustainably in flowers, bananas, and most importantly, other industries. We entered new industries such as corn, rice, plantains, and coffee. In order to strengthen our plans for diversification and be closer to our clientele, LAAD Ecuador opened a new office located in Guayaquil. With the Guayaquil office, LAAD will be able to more efficiently and effectively serve these new industries and others, such as lime, chia seeds, Robusta coffee, and soybeans. We will also be able to give closer attention to our current clients, especially those working in bananas, cocoa, corn, and tropical fruits.

LAAD Ecuador is looking forward to growing in the corn industry. It seems to us to be a major opportunity, as the country is replacing imports with local production in order to improve the country's trade balances. The corn industry in Ecuador is being transformed; corn producers are implementing technology in their fields that allows them to have more than two harvest cycles per year (compared to traditional corn producers who have only one harvest each year). These improvements in production are being achieved through the extensive use of pivot irrigation systems and more productive seeds. In 2013, LAAD Ecuador financed two of the first corn fields in the country to use pivot irrigation systems.

In summary, LAAD disbursed a total of US$15.6 million in Ecuador, to 24 projects. These projects will generate US$6.9 million in hard currency per year and create 686 permanent jobs.

Peru continues to be one of the primary drivers in achieving LAAD's growth goals. Exports of non-traditional agricultural products from Peru totaled US$2.9 billion between January and November 2013, an increase of 8.1% over the same period the previous year. According to the Peruvian Exporters' Association (ADEX), the star products were asparagus (processed and fresh) with US$532.7 million in sales and representing 18.2% of the total value of exports; and fresh grapes (mostly of the Red Globe variety), with US$281.4 million worth of sales, representing 9.6% of the total.

With this in mind, LAAD focused its efforts on financing these two agricultural sub-sectors in Peru. Grapes and asparagus represent 31.5% and 23% of LAAD's portfolio, respectively, with the remaining portfolio well distributed between citrus, olives, pomegranates, paprika, bananas, coffee, and avocadoes. Most of our Peruvian clients are located in the coastal region, from Arequipa in the south to Piura in the north.

In Peru, we disbursed a total of US$16.1 million to 23 projects and created over 296 new full-time jobs and 813 new part-time jobs. The projects financed should generate over US$18.6 million in additional exports each year. LAAD's portfolio in Peru increased by 13.7%: from US$38.6 million as of October 2012 to US$43.9 million by October 2013.

In **Bolivia**, LAAD granted two loans for a total of US$183,000. Given the political uncertainty in the country, LAAD will continue to focus on reducing, rather than growing the Bolivian portfolio.

In Central America, **Nicaragua** was LAAD's most active profit center. Disbursements totaling US$28.1 million were made to 39 projects involved primarily in coffee, cattle, and peanuts. Despite past political uncertainty, Nicaragua is currently recognized as Central America's safest country and LAAD has established a vibrant, optimistic group of clients who have continued to generate excellent business opportunities to be financed. LAAD-financed projects in Nicaragua should generate 112 new full-time jobs, 1,469 part-time jobs, and US$16.9 million in additional sales throughout the country's rural areas. LAAD will continue to target projects in Nicaragua that produce cattle and coffee. Coffee rust is affecting the entire region, including Nicaragua; we will be weighing its potential impact on any new projects that we finance.

With disbursements of US$12.2 million, **Costa Rica** was LAAD's second greatest Central American generator for 2013. This is a significant achievement; Costa Rica is well-regarded by the international market, and there is considerable competition from the banking sector. LAAD financed 14 producers specialized in ornamental plants, bananas, pineapples, oil palm, leather leaf, and organic coffee production in several different regions of the country. These companies are projected to increase their sales by US$10.1 million, generating 111 permanent and 135 part-time jobs.

In **Guatemala**, LAAD focused on establishing a new management team and resolving several troubled loans in the portfolio. Even so, the company disbursed US$5 million to 17 clients involved in coffee, ornamental plants, oil palms, and specialized wood products. These projects financed by LAAD should increase their annual revenues by US$2.1 million and generate 54 full-time and 333 part-time jobs. During 2013, LAAD's management in Guatemala began targeting new projects in order to diversify the office's portfolio. This strategy should continue in future years.

LAAD disbursed US$2.1 million in **Belize**, to two projects involved in shrimp, citrus and banana production. The projects are expected to generate US$8 million in incremental revenues as well as 25 new full-time jobs. Although a small market, LAAD is well-recognized among Belize's business community and should continue to find interesting projects to finance there.

In **Honduras**, five loans were granted totaling US$1.6 million. These projects deal with ornamental plants, coffee, cocoa, and cucumber production and are expected to increase revenues by US$8 million. In addition, 33 full-time and 67 part-time jobs should be generated. Given the security issues in Honduras, LAAD's focus in the country will be on maintaining portfolio quality rather than pushing for growth.

In **Mexico**, LAAD disbursed US$8.4 million to 12 projects involving coffee, pineapple, mangoes, corn, and berries. The projects financed are expected to generate over US$38.5 million per year in additional revenues for the country and create more than 262 new full-time jobs and 144 seasonal jobs. It should be noted that, through our Mexican operation, LAAD does more than finance new technologies. We also provide long-term support for projects in areas of the country that receive little financial backing from traditional sources or from the government development bank.

With regard to new technology, LAAD supports a project in Yucatan that is transforming worn-out fields into productive ones. Not only is the yield of corn plantations increasing by over five-fold, but society is impacted as the jobs created allow local residents to avoid migrating to the big cities.

The main source of funding for the primary sector in Mexico is the federal Trust Funds for Rural Development (FIRA). In 2012, FIRA granted around US$11 billion in loans to the agribusiness sector. Of this support, the southern and southeastern areas of the country only received 27%, and 78% of these loans were short-term. Some of the poorest and least developed states are located in these regions (i.e. Chiapas and Oaxaca). In terms of geographic coverage, that is where LAAD initially focused. 92% of our total portfolio has provided mostly long-term financing (76% of all loans) for a variety of purposes such as plantation renovation and expansion, soil transformation, machinery and equipment, and permanent working capital.

In the **Dominican Republic**, LAAD continues to finance small projects in the organic and conventional banana industry, coffee, and more recently, vegetables produced in greenhouses. Greenhouse vegetables are a relatively new industry in the country and are almost exclusively for export. During 2013, LAAD financed 20 projects in the Dominican Republic at US$7.6 million. We generated 146 new full-time jobs and 248 seasonal jobs, for a total of 394 new jobs in the country. The additional exports contributed by these projects come to nearly US$4.8 million.

Our outlook for year 2014 is promising, albeit challenging. The global economy is expected to reach a positive turning point following the economic deceleration of the past two years, brought on by the Eurozone recession and slowed growth in emerging markets, including China, Brazil and Mexico. Experts report that the U.S. – the world's largest economy and the closest major market for Latin America – has entered a recovery phase. China is growing in line with U.S. trends. The Eurozone shows modest but sustained improvements that will lead it back to positive economic performance in 2014, after negative growth in 2013. We remain optimistic that Latin America will achieve stronger regional economic growth and that exports to the major markets will improve given the aforementioned increase in demand.

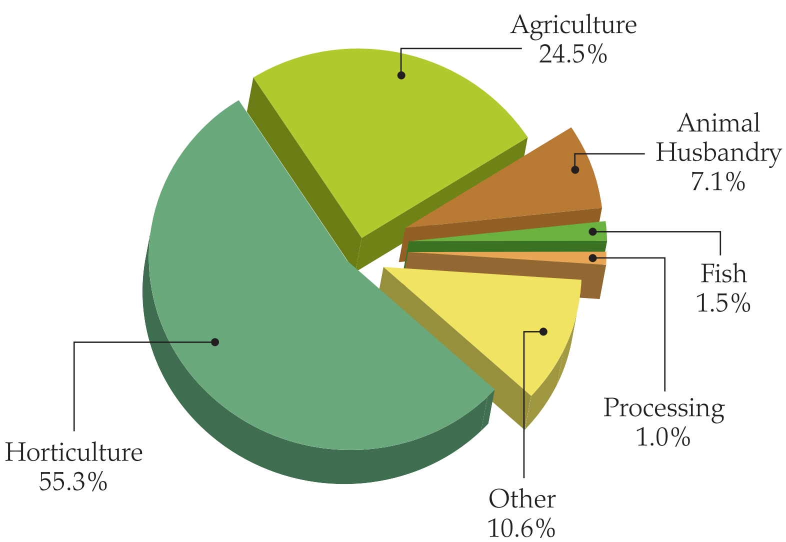
EnerAll is an innovative Mexican company that owns 4,400 hectares of poor-quality land near Tizimin, in the state of Merida. EnerAll uses precision seeding machinery for zero-tillage cultivation. Pictured is one of EnerAll's zero-tillage corn plantations in Tizimin, Yucatan, Mexico.

Agribusiness Portfolio by Industry US$'000

Purpose of Loan	No. of Projects	Disbursed	Present Holding	Percentage of Holding
Fruits and Vegetables	1184	548,422	202,602	44.4%
Grains	436	219,319	72,398	15.9%
Cut Flowers	422	185,624	49,882	10.9%
Agriculture	233	104,298	39,528	8.7%
Cattle	228	89,336	32,421	7.1%
Vegetable Oils	54	28,417	11,837	2.6%
Miscellaneous	123	43,406	11,504	2.5%
Wood Products	110	33,929	9,425	2.1%
Fishing	89	39,645	6,944	1.5%
Dairy	26	13,325	6,651	1.5%
Hogs and Poultry	50	25,042	6,410	1.4%
Food Processing	279	124,375	4,466	1.0%
Agro-technology	10	3,749	1,345	0.3%
Farm Equipment	26	9,179	1,012	0.2%
Marketing Services	31	5,502	0	0.0%
Overall Result	3,301	$1,473,568	$456,425	100%

Florisert belongs to the Ghiglino siblings and is located in the Ica Valley, south of Lima. In this picture, the staff is selecting and cleaning the flowers (known as "wax flowers") for packaging and export to international markets.

Industrial Distribution

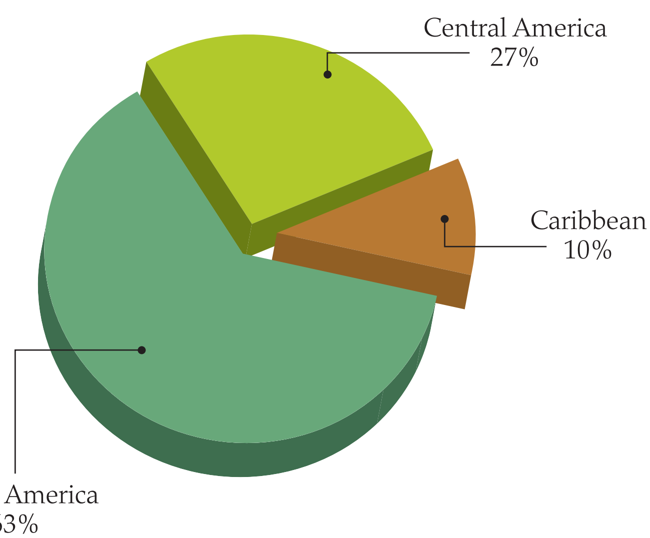


C.I. Sunshine Bouquet Ltda. is a 220-hectare flower operation located in the Bogota region of central Colombia. The area has excellent weather for flower production. Pictured is one of the employees selecting the best flowers in the crop. This company generates over 4,544 full-time jobs.

Agribusiness Portfolio by Country US$'000

Country	No. of Projects	Disbursed	Present Holding	Percentage Of Holding
Brazil	140	159,354	102,150	22.4%
Ecuador	308	168,806	52,117	11.4%
Nicaragua	228	144,730	47,188	10.3%
Peru	183	127,563	43,821	9.6%
Dominican Republic	419	127,774	35,263	7.7%
Chile	268	102,415	32,587	7.1%
Costa Rica	292	123,052	31,293	6.9%
Colombia	70	48,597	28,101	6.2%
Guatemala	398	125,820	21,516	4.7%
Honduras	229	93,881	16,445	3.6%
Uruguay	53	36,486	15,855	3.5%
Mexico	18	8,725	8,400	1.8%
Paraguay	8	8,440	6,940	1.5%
Bolivia	354	105,640	6,182	1.4%
Belize	72	30,866	6,145	1.3%
El Salvador	66	19,261	1,897	0.4%
Venezuela	34	12,488	526	0.1%
Other	161	29,670	-	0.0%
Overall Result	3,301	$1,473,568	$456,425	100%

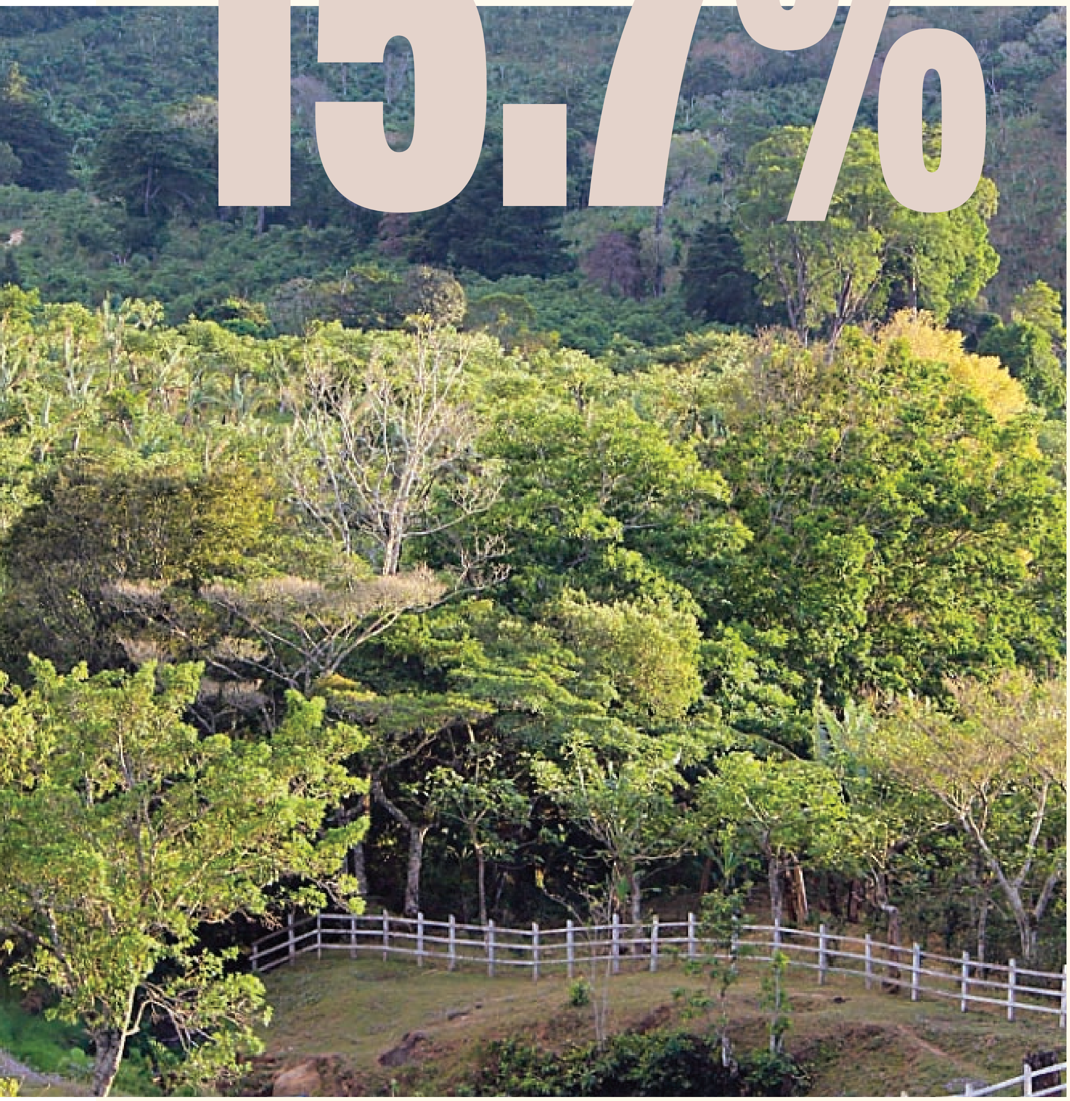
Geographic Distribution



Financial Results

The Company reported a net income of US$14.3 million for the fiscal year ended October 31, 2013; this is 15.7% above last year. The return on average net worth increased from 12.2 to 12.8%, and earnings per share were US$29,712. The return on average total assets remains at 3%.

15.7%



Agroindustrial Las Mellizas, S.A. is a coffee production and exporting company located in Sabalito de Coto Brus, Puntarenas, next to the La Amistad International Park which straddles the border between Costa Rica and Panama.

Interest income from agribusiness loans was up by 10.4%, to US$40 million. The Company disbursed US$155.3 million in loans during the year, increasing the agribusiness loan portfolio by 15.4% to US$447 million. Interest expenses for US$12.3 million were 1.5% higher than the previous period, primarily due to the expansion of the loan portfolio, the value of the LIBOR, and the forward swap strategy to fix the interest rate starting in 2015.

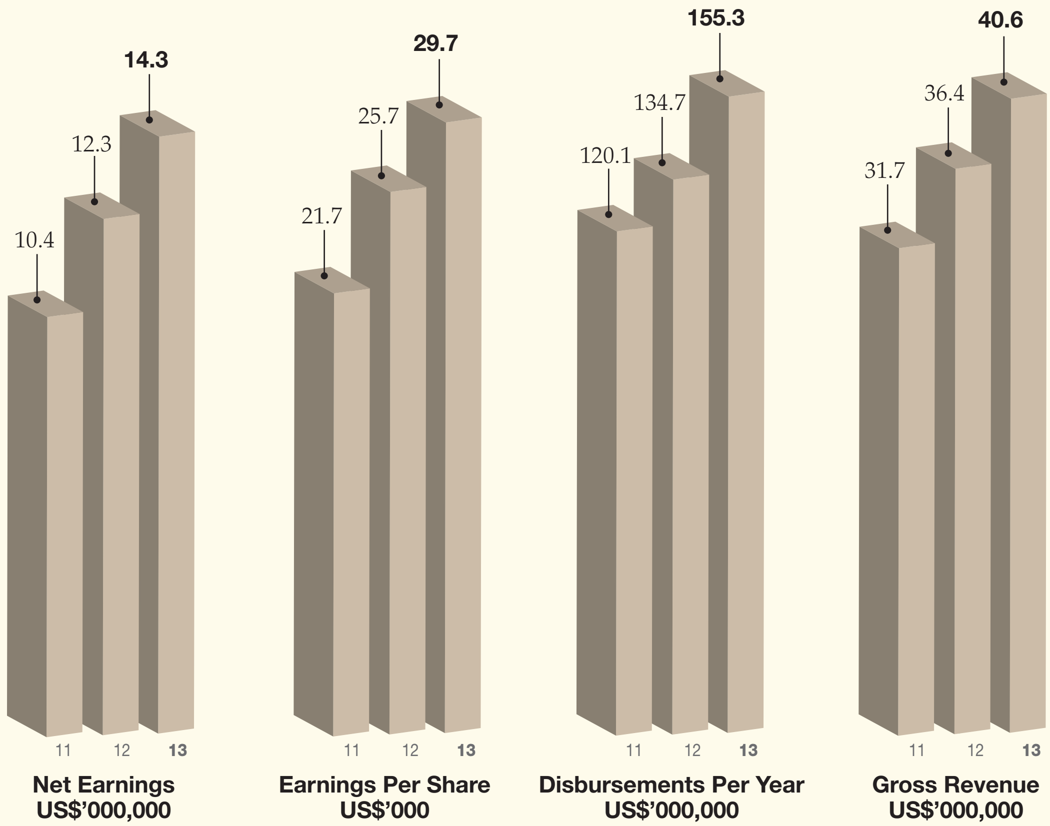
Salaries and employee benefits increased to US$5.5 million from the previous figure of US$4.8 million in 2012. This reflects new hires as well as increased costs, in particular for the new field offices. The increase of 7% in professional fees is largely due to consultancy and professional fees paid to third parties. Office expenses increased by approximately 10% and Travel and Communications increased by 7%; this primarily reflects costs incurred at the new offices in Colombia, Mexico, and Paraguay. Operating expenses represented 29.6% of total revenue in 2013, compared to 29.4% in 2012. This is still below our goal of 30%.

The Gain on Sale of Asset increase of 85% is due to the sale of OREO (Other Real Estate Owned) properties in Costa Rica and Guatemala.

At the end of the fiscal year, October 31, 2013, total assets (net of loan-loss reserves) reached US$500 million — 13.7% higher than the previous year, mainly due to the growth of the agribusiness portfolio. Non-performing loans of US$17.1 million represented 3.7% of the portfolio, unchanged from last year. In 2013, the Company wrote off US$1.6 million in loans to 23 clients in 11 countries, representing 0.34% of the total portfolio. This figure includes equity investments and OREOs, and is lower than the figure of 0.38% that was written off the previous year. The reserve for possible losses stands at 2.4% of the agribusiness loan portfolio.

The Company secured term loans and lines of credit from several sources during the year, representing over US$225 million. Despite the Company's consolidated debt increase of US$48.3 million, the net debt-to-equity ratio rose to only 2.9:1 in 2013, from 2.7:1 in 2012.

The Company paid cash dividends of US$3.2 million on common stock, or US$6,421 per share; this represented 25% of the net earnings for fiscal year 2012.



Las Mellizas coffee farm has a total area of 1,118 hectares. Of this, 690 hectares are primarily forest in the nature reserve's buffer area. Las Mellizas has established a fully-sustainable production model and is fully organic certified. It is known by its own brand of organic-certified specialty coffee: "La Amistad".

Consolidated Financial Statements

October 31, 2013 and 2012

2013

2012

2011

Consolidated Balance Sheets

Latin American Agribusiness Development Corporation S.A. and subsidiaries

(in thousands, except per share data)

	October 31, 2013	2012
Assets		
Cash and cash equivalents	$ 37,461	$ 37,831
Loans, including $98,151 and $80,267 maturing within one year in 2013 and 2012, respectively	447,128	387,266
Less: Allowance for loan losses	(11,040)	(9,473)
Net loans	436,088	377,793
Accrued interest receivable	11,742	11,173
Fixed assets, net	2,489	1,098
Other assets	12,049	11,649
	26,280	23,920
	$ 499,829	$ 439,544
Liabilities and Stockholders' Equity		
Borrowings	$ 377,392	$ 328,614
Interest rate swap agreements	754	1,192
Accrued interest payable and other liabilities	4,139	3,816
Total liabilities	382,285	333,622
Commitments (Notes 6 and 10)		
Stockholders' equity		
Common stock, $5,000 par value, 2,000 shares authorized, 640 shares issued	3,200	3,200
Treasury stock, 160 shares, at cost	(2,422)	(2,422)
Capital in excess of par value	39	39
Retained earnings	117,381	106,201
Accumulated other comprehensive loss	(654)	(1,096)
Total stockholders' equity	117,544	105,922
	$ 499,829	$ 439,544

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

Consolidated Statements of Operations

Latin American Agribusiness Development Corporation S.A. and subsidiaries

(in thousands, except per share data)

	For the years ended October 31, 2013	2012
Interest income		
Loans	$ 39,719	$ 35,990
Other	6	8
Total interest income	39,725	35,998
Interest expense	12,347	12,158
Net interest income	27,378	23,840
Provision for loan losses	3,180	2,150
Net interest income after provision for loan losses	24,198	21,690
Other income (expenses)		
Salaries and employee benefits	(5,515)	(4,756)
Depreciation and amortization	(447)	(458)
Professional fees	(1,157)	(1,081)
Office expenses	(1,153)	(1,032)
Travel and communication	(1,224)	(1,144)
Other general and administrative	(1,307)	(1,233)
Gain on sale of assets	172	25
Other income, net	831	420
Total other income (expenses)	(9,800)	(9,259)
Income before income taxes	14,398	12,431
Provision for income taxes	136	104
Net income	$ 14,262	$ 12,327
Basic and fully diluted earnings per share	$ 29,712	$ 25,682

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

Consolidated Statements of Comprehensive Income

Latin American Agribusiness Development Corporation S.A. and subsidiaries

(in thousands)	For the years ended October 31, 2013	2012
Net income	**$ 4,262**	$ 12,327
Change in fair value of derivative instruments (Note 7)	**442**	(318)
Comprehensive income	**$ 14,704**	$ 12,009

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

Consolidated Statements of Stockholders' Equity

Latin American Agribusiness Development Corporation S.A. and subsidiaries

(in thousands, except per share data)

	Common Stock Shares	Common Stock Amount	Treasury Stock Shares	Treasury Stock Amount	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive (Loss)	Total Stockholders' Equity
Balances at October 31, 2011	640	$ 3,200	160	$ (2,422)	$ 39	$ 96,477	$ (778)	$ 96,516
Dividends	-	-	-	-	-	(2,603)	-	(2,603)
Net income	-	-	-	-	-	12,327	-	12,327
Change in fair value of derivative instruments	-	-	-	-	-	-	(318)	(318)
Balances at October 31, 2012	640	3,200	160	(2,422)	39	106,201	(1,096)	105,922
Dividends	-	-	-	-	-	(3,082)	-	(3,082)
Net income	-	-	-	-	-	14,262	-	14,262
Change in fair value of derivative instruments	-	-	-	-	-	-	442	442
Balances at October 31, 2013	**640**	**$ 3,200**	**160**	**$ (2,422)**	**$ 39**	**$117,381**	**$ (654)**	**$ 117,544**

Consolidated Statements of Cash Flows

Latin American Agribusiness Development Corporation S.A. and subsidiaries

	For the years ended October 31, 2013	2012
	(in thousands)	
Cash flows from operating activities		
Net income	**$ 14,262**	$ 12,327
Adjustments to reconcile net income to net cash provided by operating activities		
Provision for loan losses	**3,180**	2,150
Amortization, depreciation and accretion, net	**1,334**	1,940
Change in fair value of derivatives recognized in earnings	**4**	(175)
Net gain loss on sale of assets	**(172)**	(25)
Undistributed income from equity investee	**11**	194
Changes in assets and liabilities		
Accrued interest receivable	**(807)**	(2,050)
Other assets	**(1,364)**	(830)
Accrued interest payable and other liabilities	**313**	366
Net cash provided by operating activities	**16,761**	13,897
Cash flows from investing activities		
Loan disbursements	**(155,255)**	(134,681)
Principal collected on loans	**92,689**	81,863
Proceeds from sale of real estate and other	**79**	317
Contributions to equity investment	**(69)**	(168)
Cash obtained in Las Pilas acquisition	**38**	-
Purchases of fixed assets	**(309)**	(516)
Net cash used in investing activities	**(62,827)**	(53,185)
Cash flows from financing activities		
Proceeds from multilateral institution debt	**55,000**	25,000
Repayments of multilateral institution debt	**(40,297)**	(26,016)
Proceeds from bank term debt	**100,000**	56,000
Repayments of bank term debt	**(35,425)**	(38,453)
Net (repayments) draws under bank revolving lines of credit	**(30,500)**	34,500
Cash dividends paid	**(3,082)**	(2,603)
Net cash provided by financing activities	**45,696**	48,428
Net (decrease) increase in cash and cash equivalents	**(370)**	9,140
Cash and cash equivalents		
Beginning of the year	**37,831**	28,691
End of the year	**$ 37,461**	$ 37,831
Supplemental disclosure of cash activity		
Interest paid	**$ 11,794**	$ 10,440
Supplemental disclosure of noncash transactions		
Unrealized gain (loss) on derivative instruments	**438**	(143)
Real estate and equity investment received as payment in-kind	**1,940**	3,131
Sales of other real estate owned financed as loans	**1,447**	-

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

1. Nature of Business and Summary of Significant Accounting Policies

Latin American Agribusiness Development Corporation S.A. and its wholly owned subsidiaries (the "Company") principally extend medium-term loans to agribusiness private enterprises located in Central and South America, and the Caribbean. The objective of the Company's lending program is to improve the production, distribution, and marketing of agricultural-based products and encourage the development of private enterprise in the region.

The following is a description of the significant accounting policies and practices followed by the Company in the preparation of the accompanying consolidated financial statements. These policies conform with accounting principles generally accepted in the United States of America (US GAAP).

Consolidation

The consolidated financial statements include the accounts of Latin American Agribusiness Development Corporation S.A., its wholly owned subsidiaries, Cafetalera Las Pilas, S.A. ("Las Pilas"), LAAD Americas N.V., LAAD Americas S.A., LAAD de Centroamerica S.A., LAAD Caribe S.A., LAAD Panama S.A., LAAD Agro Services Inc. and Agronegocios LAAD S.A. de C.V.,SOFOM ENR ("SOFOM"). All the above entities are incorporated in the Republic of Panama, except for LAAD Americas N.V. which is incorporated in Curacao, formerly the Netherlands Antilles and SOFOM which is incorporated in Mexico. As indicated in Note 5, the Company obtained control of Las Pilas in 2013 which is now consolidated as a wholly owned subsidiary as of the date of obtaining control. All material intercompany balances and transactions have been eliminated in consolidation.

The Company reviews the structure and activities of its unconsolidated related entities for possible required consolidation under US GAAP. A variable interest entity (VIE) is a legal entity used to conduct activities or hold assets that either: (1) does not have investors with sufficient equity at risk for the entity to finance its activities without additional investor subordinated financial support, or 2) as a group, the investors lack any of the following: a) power, through voting or similar rights, to direct the entity's activities which significantly impact its economic performance, b) obligation to absorb the majority of any expected entity losses or c) right to receive expected residual entity returns. A VIE often holds financial assets, including loans or receivables, real estate or other property. The Company would consolidate a VIE if management concluded that the Company is the primary beneficiary of the VIE's operations and activities. A VIE's primary beneficiary is the party that both: (1) has the power to direct the VIE's activities that most significantly impact its economic performance and (2) has the obligation to absorb any significant losses or the right to receive any significant benefits of the VIE.

As indicated in Note 4, at October 31, 2013 and 2012, the Company had investments in two and three unconsolidated entities totaling approximately $3,828,000 and $4,611,000, respectively. The Company has reviewed the structure and activities of these entities as of October 31, 2013 and 2012 and determined that consolidation is not required. As a result of events in 2013, discussed further in note 5, the Company obtained control of Las Pilas, and this is now consolidated as a wholly owned subsidiary as of the date of obtaining control.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are susceptible to change in the short-term relate mainly to the allowance for loan losses and the valuation of equity investments, real estate owned and derivative instruments.

Income Recognition

Interest income on loans is recognized on the accrual basis using the interest method. Consideration is given to accrued but unpaid interest in the determination of the allowance for loan losses.

Loan origination fees and direct loan origination costs are deferred and recognized in interest income over the estimated life of the loans using the interest method, adjusted for actual prepayments.

Cash and Cash Equivalents

Cash and cash equivalents consists primarily of cash and deposits with banks, all of which have original maturities of 90 days or less.

Loans and Allowance for Loan Losses

Loans are reported at their outstanding principal balance net of charge-offs, unearned income, participations and the allowance for loan losses.

Loans are considered past due if the required principal and/or interest payments have not been received based on the contractual terms of the loan. All classes of loans are generally placed on non-accrual status when the loan is past due, for either principal or interest, more than 6 months from when the payment is due. In certain instances, LAAD may place a loan on non-accrual status even when payments of principal or interest are not currently in default due to certain circumstances which may indicate a borrower's inability to pay in the future. When a loan is placed on non-accrual status, all accrued interest for the current year is reversed against interest income. Collection of interest while the loan is in non-accrual status is recognized as income on a cash basis, unless collection of principal is doubtful, in which case cash collections are applied to unpaid principal. Loans are restored to accrual status when the loan becomes fully current and is expected to perform in the future according to its contractual terms. The Company generally initiates the foreclosure process at the time that the principal and/or interest balance is determined to be uncollectible.

The Company segregates its loan portfolio into three segments in order to determine its allowance for loan losses. The Company's loan segments are: Caribbean, Central America and Mexico and South America. Each segment consists of specific countries where the geographical composition of each country provides comparable markets. The portfolio segments also represent the Company's loan classes, as described below:

Caribbean – consisting of Dominican Republic, Belize and Eastern Caribbean Islands

Central America and Mexico – consisting of Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua and Panama

South America – consisting of Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela

The allowance for loan losses reflects management's reasonable estimate of probable credit losses inherent in the loan portfolio based on their evaluation of credit risk as of period end. Loans are charged off against the allowance when management believes the loan is not collectible. Any recoveries of amounts previously charged off are credited to the allowance.

The allowance consists of two components. The first component of the allowance relates to loans that are individually evaluated for impairment. Loans identified as non-performing or troubled debt restructures are evaluated individually for impairment twice a year. Once an individual loan is found to be impaired, an evaluation is performed to determine if a specific reserve needs to be assigned to the loan based on the estimated fair value of the collateral, less cost to sell.

The second component of the allowance relates to groups of loans that have common characteristics and therefore are evaluated in pools in order to estimate the inherent losses within the portfolio. This component of the allowance is further divided into quantitative and qualitative components. The quantitative component is determined by multiplying the outstanding loan exposure balance by the probability of default in the country and the loss given at default, based on Moody's Sovereign ratings. The qualitative component is a dollar amount assigned to each country based on an analysis performed incorporating several factors, including but not limited to, the level of delinquencies and restructurings, the concentration of product Company-wide, economic and business conditions, and other external factors.

In certain situations, for economic or legal reasons related to a borrower's financial difficulties, LAAD could grant a concession to the borrower that it would not otherwise consider. When such a concession is granted, the related loan is classified as a troubled debt restructuring ("TDR"). The restructuring of a loan may include modifications of the loan principal and/or interest terms as established on the original loan contract. It excludes the sole movement of principal payments while maintaining the tenor of the loan without making any interest rate concessions or the sole change of interest rate to reflect a change in current market interest rates for borrowers with similar credit risk profiles. TDRs of loans on non-accrual status reside on a cash basis until the borrower demonstrates a period of sustained performance. If management determines that the value of the modified loan is less than the recorded investment in the loan, impairment is recognized through a specific allowance.

Equity Investments

The Company's investments in common stock of privately held companies are included in other assets and initially carried at cost. Carrying amounts are subsequently adjusted to recognize the Company's share of investee earnings or losses and reduced by any distributions received and impairment charges.

Disclosure of Significant Concentrations of Credit Risk

Concentrations of credit risk arise when a number of customers are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

Substantially all of the Company's business activity is conducted with customers located in Latin America. Loans outstanding represent transactions with Latin American customers secured by assets located in the customers' country of origin.

Fixed Assets

Fixed assets are carried at cost, less accumulated depreciation and amortization. Depreciation expense is calculated using the straight line method over the estimated useful lives of the assets (ranging from 3 to 30 years). Leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives of the improvements.

Other Real Estate Owned

Other real estate owned consists of real estate acquired through foreclosure or as payment in-kind, and is initially recorded at the lower of the fair value of the property less estimated selling costs or the balance of the loan at the date of foreclosure, with impairments at the time of foreclosure recorded through the allowance for loan losses. Subsequent impairments are recorded in other general and administrative expenses. Upon the Company's disposition of the property, realized gains or losses are recorded based on the difference between the net proceeds received and the net carrying value of the assets.

Interest Rate Swap Agreements

Interest rate swap agreements are recognized on the balance sheet at fair value. On the date the derivative contract is entered into, the Company designates the derivative as a hedge of the variability of cash flows to be paid on certain variable rate debt ("cash flow hedge"). Changes in the fair value of those derivatives that are designated and qualify as cash flow hedges are recorded in accumulated other comprehensive income (loss). Management considers that the derivatives are highly effective in offsetting the variability in cash flows on the variable rate debt that they hedge. Amounts recognized in accumulated other comprehensive income (loss) are indirectly recognized in earnings as periodic settlements of the interest rate swap agreements occur over the period of hedged cash flows and the fair value of the derivative declines to zero.

Income Taxes

The Company is a foreign corporation for income tax purposes in the United States of America. Under the provisions of the Internal Revenue Code, the Company is subject to Federal income tax solely on income derived from sources in the United States of America and on that portion of its foreign income attributable to the conduct of its business in the United States of America. During the years ended October 31, 2013 and 2012, the Company had no taxable income in the United States of America. The Company also provides, where applicable, for income taxes of the foreign countries in which it operates. When applicable, the Company records income taxes using the liability method.

Basic and Fully Diluted Earnings Per Share

Basic and fully diluted earnings per share are based on the weighted average number of shares of common stock outstanding during the year (480 shares in 2013 and 2012).

New Accounting Pronouncements

Effective for the Company's fiscal year ending October 31, 2013, the Company adopted new accounting guidance about the "Determination of Whether a Restructuring is a Troubled Debt Restructuring" ("TDR"). The guidance clarifies when a loan modifi-cation constitutes a TDR including how to determine whether a loan modification represents a concession and whether the debtor is experiencing financial difficulties. This guidance, among other requirements (1) prohibits the use of the borrower's effective interest rate test to determine if a concession has been given by the creditor; (2) specifies that a borrower not currently in default may still be experiencing financial difficulty when payment default is "probable in the foreseeable future"; and (3) specifies that a delay in payment should be considered along with all other factors in determining classification as a TDR. The Company's adoption of this guidance had no impact on its consolidated financial statements.

Effective for the Company's fiscal year ending October 31, 2013, the Company adopted new accounting guidance about the "Presentation of Comprehensive Income." The new guidance amends current guidance by (i) eliminating the option to present components of other comprehensive income (OCI) as part of the statement of changes in shareholders' equity, (ii) requiring the presentation of each component of the net income and each components of OCI either in a single continuous statement or in two separate but consecutive statements, and (iii) requiring the presentation of reclassification adjustments on the face of the statement. The amendments do not change the option to present components of OCI either before or after related income tax effects, the items that must be reported in OCI, when an item of OCI should be reclassified to net income, or the computation of earnings per share (which continues to be based on net income). The Company's adoption of this guidance had no impact on its consolidated financial statements.

Effective for the Company's fiscal year ending October 31, 2013, the Company adopted new accounting guidance about "Offsetting Assets and Liabilities" on the balance sheet. This new guidance requires disclosure of both gross and net information about eligible instruments and transactions, including those subject to master netting agreements. The new guidance also requires disclosure of collateral received and posted in connection with those and other similar agreements. The Company's adoption of this guidance had no impact on its consolidated financial statements.

Effective for the Company's fiscal year ending October 31, 2013, the Company adopted new accounting guidance about "Fair Value Measurement and Disclosure." This new guidance updated existing fair value measurement and disclosure guidance to achieve common fair value measurement and disclosure requirements in U.S. GAAP and IFRS. The amendments result in a consistent definition of fair value in both accounting frameworks. Among other changes, the new guidance requires disclosure of quantitative and qualitative information about unobservable inputs used in the valuation of Level 3 instruments, and for public companies, to report the level in the fair value hierarchy of assets and liabilities not recorded at fair value but where fair value is disclosed. The Company's adoption of this guidance had no impact on its consolidated financial statements.

Reclassifications

Certain reclassifications have been made to the October 31, 2012 consolidated financial statements to conform to current year presentation.

2. Loans and Allowance for Loan Losses

Loans by country are summarized as follows (dollars in thousands):

	October 31, 2013		October 31, 2012	
Caribbean				
Dominican Republic	**$ 31,052**	6.9%	$ 30,341	7.8%
Belize	**6,145**	1.4%	5,752	1.5%
Central America and Mexico				
Costa Rica	**30,950**	6.9%	27,144	7.0%
El Salvador	**1,897**	0.4%	3,453	0.9%
Guatemala	**19,435**	4.3%	21,256	5.5%
Honduras	**15,619**	3.5%	20,455	5.3%
Mexico	**8,400**	1.9%	-	0.0%
Nicaragua	**47,042**	10.5%	29,868	7.7%
South America				
Bolivia	**6,183**	1.4%	10,267	2.7%
Brazil	**102,150**	22.9%	83,961	21.7%
Chile	**31,706**	7.1%	30,692	7.9%
Colombia	**27,676**	6.2%	20,162	5.2%
Ecuador	**51,817**	11.6%	46,188	11.9%
Paraguay	**6,940**	1.6%	2,200	0.6%
Peru	**43,821**	9.8%	39,217	10.1%
Uruguay	**15,855**	3.5%	15,480	4.0%
Venezuela	**484**	0.1%	886	0.2%
Total gross loans	**447,172**	100.0%	387,322	100.0%
Less: Deferred fees	**(44)**		(56)	
Less: Allowance for loan losses	**(11,040)**		(9,473)	
Net loans	**$ 436,088**		$ 377,793	

Approximately 83.8% of the outstanding principal loan balances will mature within five years based on current terms.

Management has an established methodology to determine the adequacy of the allowance for loan losses that assesses the risks and losses inherent in the loan portfolio. The total allowance reflects management's best estimate of loan losses inherent in the loan portfolio at the balance sheet date. As of October 31, 2013 and 2012, LAAD considers the allowance for loan losses to be sufficient to absorb losses in the loan portfolio in accordance with US GAAP.

Changes in the allowance for loan losses summarized by portfolio segment for the year ended October 31, 2013 is as follows (dollars in thousands):

	2013			
	Caribbean	Central America and Mexico	South America	Total
Balances at beginning of the year	$ 1,373	$ 2,197	$ 5,902	$ 9,472
Provision for loan losses	284	845	2,051	3,180
Loans charged off	(176)	(768)	(668)	(1,612)
Recoveries	-	-	-	-
Balances at end of the year	$ 1,481	$ 2,274	$ 7,285	$ 11,040
Allowance for loan losses:				
On loans individually evaluated for impairment	$ 35	$ 35	$ -	$ 70
On loans collectively evaluated for impairment	$ 1,446	$ 2,239	$ 7,285	$ 10,970
Loans:				
Ending balance	$ 37,197	$ 123,343	$ 286,632	$ 447,172
Ending balance: individually evaluated for impairment	$ 1,291	$ 4,442	$ 12,405	$ 18,138
Ending balance: collectively evaluated for impairment	$ 35,906	$ 118,901	$ 274,227	$ 429,034

	2012			
	Caribbean	Central America and Mexico	South America	Total
Balances at beginning of the year	$ 958	$ 1,753	$ 5,986	$ 8,697
Provision for loan losses	558	1,122	470	2,150
Loans charged off	(143)	(686)	(670)	(1,498)
Recoveries	-	8	116	124
Balances at end of the year	$ 1,374	$ 2,197	$ 5,902	$ 9,473
Allowance for loan losses:				
On loans individually evaluated for impairment	$ -	$ -	$ -	$ -
On loans collectively evaluated for impairment	$ 1,373	$ 2,197	$ 5,902	$ 9,472
Loans:				
Ending balance	$ 36,093	$ 102,176	$ 249,053	$ 387,322
Ending balance: individually evaluated for impairment	$ 1,005	$ 2,568	$ 10,539	$ 14,112
Ending balance: collectively evaluated for impairment	$ 35,088	$ 99,608	$ 238,514	$ 373,210

At least semi-annually, the sufficiency of the allowance for loan losses is reviewed by the Credit Risk Manager and the Chief Financial Officer and discussed with the Chief Executive Officer. As part of the on-going monitoring of the credit quality of the Company's loan portfolio, management tracks certain credit quality indicators including trends related primarily to (i) the loan payment status, (ii) non-performing loans, (iii) reschedules and restructures and (iv) the general economic conditions in the main geographies where the Company's borrowers conduct their businesses.

The following table includes an aging analysis of the recorded investment of past due loans as of October 31, 2013 and 2012 (dollars in thousands):

2013

	Current and < 3 Months Past Due	> 3 Months and < 6 Months Past Due	> 6 Months Past Due	Total Loans	Loans > 6 Months and Accruing
Caribbean	$ 34,421	$ 1,485	$ 1,291	$ 37,197	$ -
Central America and Mexico	119,491	1,185	2,667	123,343	-
South America	271,909	5,557	9,166	286,632	-
	$ 425,821	$ 8,227	$ 13,124	$ 447,172	$ -

2012

	Current and < 3 Months Past Due	> 3 Months and < 6 Months Past Due	> 6 Months Past Due	Total Loans	Loans > 6 Months and Accruing
Caribbean	$ 34,688	$ 400	$ 1,005	$ 36,093	$ -
Central America and Mexico	95,140	4,467	2,568	102,175	-
South America	236,658	4,366	8,030	249,054	-
	$ 366,486	$ 9,233	$ 11,603	$ 387,322	$ -

The following table includes the recorded investment and unpaid principal balances for impaired loans with the associated allowance amount, if applicable. Also presented are the average recorded investments in the impaired loans and the related amount of interest recognized during the time within the period that the impaired loans were impaired. The average balances are calculated based on the year-end balances of the financing receivables of the period reported (dollars in thousands).

As of October 31, 2013

Impaired Loans by Class With No Specific Allowance Recorded	Recorded Investment (1)	Unpaid Principal Balance	Valuation Allowance	Average Recorded Investment	Interest Income Recognized	Cash Basis Income Recognized
Caribbean	$ 935	$ 935	$ -	$ 970	$ -	$ -
Central America and Mexico	3,795	3,795	-	3,181	33	38
South America	12,405	12,850	-	11,472	329	73
	$ 17,135	$ 17,580	$ -	$ 15,623	$ 362	$ 111
With Specific Allowance Recorded						
Caribbean	$ 356	$ 356	$ 35	$ 178	$ -	$ -
Central America and Mexico	647	647	35	323	-	-
South America	-	-	-	-	-	-
	$ 1,003	$ 1,003	$ 70	$ 501	$ -	$ -

As of October 31, 2012

Impaired Loans by Class With No Specific Allowance Recorded	Recorded Investment (1)	Unpaid Principal Balance	Valuation Allowance	Average Recorded Investment	Interest Income Recognized	Cash Basis Income Recognized
Caribbean	$ 1,005	$ 1,140	$ -	$ 963	$ -	$ -
Central America and Mexico	2,568	3,164	-	2,109	-	-
South America	10,539	11,073	-	9,055	301	89
	$ 14,112	$ 15,377	$ -	$ 12,127	$ 301	$ 89
With Specific Allowance Recorded						
Caribbean	$ -	$ -	$ -	$ -	$ -	$ -
Central America and Mexico	-	-	-	-	-	-
South America	-	-	-	23	-	-
	$ -	$ -	$ -	$ 23	$ -	$ -

(1) Recorded investment is defined as unpaid principal balance less charge downs.

Loans on non-accrual status by loan class are as follows (dollars in thousands):

	October 31, 2013	October 31, 2012
Caribbean	**$ 1,291**	$ 1,005
Central America and Mexico	**2,667**	2,568
South America	**9,166**	8,030
Total non-accrual loans	**$ 13,124**	$ 11,603

Due to the unpredictability of weather and other circumstances surrounding the agribusiness industry, a borrower may experience insignificant temporary payment delays. In such situations, the Company may agree on a case-by-case basis to assist the borrower by providing the sole movement of principal payments while maintaining the tenor of the loan. Such changes are considered reschedules. In other situations, a borrower may experience financial difficulties and the Company may agree to further modify existing loan principal and/or interest payment terms, without granting a concession to the borrower. Such changes are considered restructures. Typically, terms for restructures are considered comparable to market. A loan must be brought current by the borrower before any reschedule or restructure will be granted.

In situations where the borrower is experiencing financial difficulties, the Company may further agree to a restructure where the borrower is granted concessions which the Company would not otherwise consider. The concessions granted may include rate reduction, principal forgiveness, payment forbearance and other actions intended to minimize economic loss. Such changes are considered TDRs and their granting considered indicative of overall credit deterioration of the borrower. Loans modified as TDRs in the years ended October 31, 2013 and 2012, by loan segment, were as follows (dollars in thousands):

	2013	2012
Caribbean	**$ -**	$ -
Central America and Mexico	**1,775**	-
South America	**1,294**	2,000
Total troubled debt restructurings	**$ 3,069**	$ 2,000

There were six loans in 2013 and one loan in 2012 which were modified as a TDR. Concessions granted for loans in 2013 related to significant delays in payment, whereas the concession granted for the loan in 2012 related to an interest reduction. In 2013 and 2012, interest in the amount of $110,852 and $0 was recognized on a cash basis in relation to six and one loan which were modified as TDR's, respectively.

Loans that were modified as TDRs were evaluated for impairment in accordance with LAAD's policy. No specific reserves were allocated as of October 31, 2013 due to adequate collateral coverage on the loans. There were no troubled debt restructurings within the previous 12 months for which there was a payment in default during 2013.

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3. Fixed Assets

Fixed assets at October 31, 2013 and 2012 include the following:

	2013	2012
Computer equipment	**$ 1,813**	$ 1,592
Computer software	**855**	823
Furniture, fixtures and equipment	**471**	425
Land	**1,529**	-
Building	**432**	432
Leasehold improvements	**530**	520
Other	**207**	207
Total	**5,837**	3,999
Less: Accumulated depreciation and amortization	**(3,348)**	(2,901)
Fixed assets, net	**$ 2,489**	$ 1,098

During the years ended October 31, 2013 and 2012, the Company recorded approximately $447,000 and $458,000, respectively, in related depreciation and amortization expense.

4. Other Assets

Included in other assets at October 31, 2013 and 2012 is approximately $3,828,000 and $4,611,000, respectively, in equity investments, representing ownership in two operating farms located in the Dominican Republic and Ecuador in 2013 and in three operating farms located in Dominican Republic, Ecuador and Guatemala in 2012. During fiscal 2013 and 2012, the Company recorded approximately $17,000 in related gains and $194,000 in related losses, respectively, against other income on the statement of operations to its equity investee in Dominican Republic. During fiscal 2012, the Company also capitalized pre-existing loans to the investee totaling $1,750,000 as part of an agreement in which both investors increased their ownership stakes in the company proportionately.

On September 2, 2013, the Company capitalized pre-existing loans of its equity investee in Guatemala totaling approximately $729,000 in exchange for the remaining 50% ownership stake in the Investee. Given its 100% ownership and the fact LAAD now has control, this investee was consolidated effective when control was obtained. See Note 5. Prior to consolidation, during fiscal 2013 and 2012, the Company contributed $55,000 and $100,000, respectively, to its equity investee in Guatemala. There were no impairments to equity investments in 2013 or 2012.

The Company has reviewed the structure and activities of its remaining equity investees and determined that consolidation is not required. Of these investees, the Company's most significant investment is approximately $3,528,000 resulting from a 50% ownership in Managu, a mango farm in Dominican Republic consisting of Managu Frutos Del Sol, S.A, Rancho Cayman, S.A. and Frusol Packing Services, S.A. Managu's other 50% owner is an unrelated third party and is also the operator of the farm.

In its review relative to whether Managu should be consolidated, the Company considered the significance of: (1) its overall involvement in Managu, (2) its role as an investor, (3) its decision making powers and (4) the rights of other shareholder. The Company has concluded that Managu is jointly controlled with neither investor its primary beneficiary.

Also included in other assets is approximately $3,973,000 and $3,363,000 at October 31, 2013 and 2012, respectively, in other real estate owned, consisting of properties foreclosed or received as payment in-kind which are held for sale. Properties held at October 31, 2013 are located in Colombia, Chile, Costa Rica, Dominican Republic, Guatemala, Honduras and Venezuela. Management estimates that the net carrying amounts of these properties do not exceed their fair value less estimated costs to sell.

During 2013 and 2012, the Company had approximately $1,940,000 and $1,381,000, respectively, in loan balances transferred to other real estate owned. During 2013 and 2012, the Company sold foreclosed properties for $1,516,000 and $275,000, respectively, resulting in an approximate $172,000 and $28,000 gain, respectively, for 2013 and 2012. All three properties sold in 2013 were financed as loans to borrowers totaling $1,447,400, however, sufficient down payments and/or collateral positions resulted in appropriate recognition of the gains on sales. There were no impairments to other real estate owned in 2013 or 2012.

5. Acquisitions

On September 2, 2013, the Company completed the acquisition of 50% of Las Pilas increasing its interest from 50% to 100% and providing the Company control over Las Pilas. Ownership was obtained as satisfaction of the borrowers loan, and Las Pilas became a wholly owned subsidiary on this date. Las Pilas is a Guatemalan corporation which owns Finca El Pacayal, an operating plantation and forest containing precious woods, lumber, woody biomass and charcoal. The Company previously accounted for its 50% interest in Las Pilas as an equity method investment.

The following table summarizes the consideration transferred to acquire Las Pilas and the amounts of identified assets acquired and liabilities assumed at the acquisition date:

The following table summarizes the consideration transferred to acquire Las Pilas and the amounts of identified assets acquired and liabilities assumed at the acquisition date:

Fair Value of Consideration Transferred

Capitalized loan	$	728,702
Fair value of the Company's existing 50% equity investment in Las Pilas held before the business combination		827,693
Basis of investment	$	1,556,395

Recognized amounts of identifiable assets acquired and liabilities assumed at fair value:

Cash and cash equivalents	$	38,225
Fixed assets, net		1,529,070
Other liabilities		(10,900)
	$	1,556,395

No goodwill or bargain purchase gain resulted from this transaction. Operating results and cash flow activity of Las Pilas since the date control was obtained are considered immaterial.

4. Borrowings

Borrowings are summarized as follows(dollars in thousands):

	October 31, 2013	2012
Banks		
Unsecured variable rate term loans payable in semiannual equal principal installments through 2020. Interest ranging from 2.00% to 3.00% over LIBOR. (2.37% to 4.00% at October 31, 2013)	**$ 125,986**	$ 83,900 (1)
Unsecured variable rate term loan payable in semiannual equal principal installments through 2018. Interest at the Prime Rate with a 3.25% floor. (3.25% at October 31, 2013)	**8,100**	-
Unsecured fixed rate term loan payable in semiannual equal installments through 2016 with a balloon payment at the end. Interest fixed at 4.00%.	**3,750**	4,000 (2)
Unsecured variable rate term loans payable in quarterly equal installments through 2016. Interest at 2.00% over LIBOR. (2.24% to 2.25% at October 31, 2013)	**21,850**	16,350
Unsecured syndicated fixed rate term loan payable in semiannual equal installments through 2018. Interest fixed at 4.00%.	**15,000**	-
Unsecured fixed rate term loans payable in semiannual equal principal installments through 2017. Interest on $7,500 at 4.15% and on $4,000 at 3.75%.	**11,500**	15,500
Unsecured fixed rate term loan payable in quarterly compounded principal installments through 2017. Interest at 4.00%.	**7,686**	9,547
Unsecured revolving lines of credit including $28,000 and $63,500 with stockholders, respectively. Interest ranging from 1.70% to 2.25% over LIBOR payable from 2013 to 2015. (1.98% to 2.44% at October 31, 2013)	**49,500**	80,000
	$ 243,372	$ 209,297
Multilateral institutions		
Unsecured term loans with International Finance Corporation, a stockholder, payable in semi-annual equal principal installments through 2015. Interest on $8,250 at 2.00% over LIBOR and on $7,500 at 1.50% over LIBOR. (1.90% to 2.43% at October 31, 2013)	**$ 15,750**	$ 27,375
Unsecured term loans with Bladex payable in semiannual equal principal installments through 2015. Interest on $16,667 at 2.65% over LIBOR and on $10,000 at 2.75% over LIBOR. (3.06% to 3.16% at October 31, 2013)	**26,667**	40,000
Unsecured syndicated term loan with Deutsche Investitions – und Entwicklungs-gesellschaft mbH, mbH, a stockholder, payable in semiannual equal principal installments through 2014. Interest fixed at 5.81%.	**3,333**	6,666
Unsecured term loan with Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. payable in semiannual equal principal installments through 2014. Interest at 5.73% fixed.	**3,333**	6,666
Unsecured term loan with Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. payable in semiannual equal principal installments through 2020. Interest at 3.50% over LIBOR. (3.88% at October 31, 2013)	**25,000**	-
Unsecured term loan with NOR FUND payable in semiannual equal principal installments through 2016. Interest at 2.00% over LIBOR with a 4.50% floor. (4.5% at October 31, 2013)	**6,250**	8,750
Unsecured term loan with FINN FUND payable in semiannual equal principal installments through 2016. Interest at 2.00% over LIBOR. (2.37% at October 31, 2013)	**4,444**	6,223
Unsecured term loan with Société de Promotion et de Participation pour la Cooperation Economique (PROPARCO) payable in semiannual equal principal installments through 2017. Interest at 3.35% over LIBOR. (3.70% at October 31, 2013)	**10,909**	13,637
Unsecured term loan with The OPEC Fund for International Development payable in semiannual equal principal installments through 2019. Interest at 3.15% over LIBOR. (3.55% at October 31, 2013)	**15,000**	-
Unsecured term loan with Oesterreichische Entwicklungsbank AG payable in semiannual equal principal installments through 2019. Interest at 3.15% over LIBOR. (3.56% at October 31, 2013)	**15,000**	-
Unsecured term loan with Société belge d'Investissement pour les Pays en Développment - BIO SA/Belgische Investeringsmaatschappij voor Ontwikkelingslanden - BIO NV - payable in semi-annual equal principal installments through 2018. Interest at 3.50% over LIBOR. (3.92% at October 31, 2013)	**8,334**	10,000
	134,020	119,317
	$ 377,392	$ 328,614

(1) Includes a $5,000 loan with a 4.0% floor on interest.

(2) Includes a $4,000 loan with a 3.50% floor on interest.

The differences in spreads in the above table are due to the use of different LIBOR rates ranging from one-month LIBOR to six-month LIBOR.

In 2013 and 2012, LAAD had approximately $749,000 and $1,358,000, respectively, in amortization of deferred borrowing costs included in interest expense in the accompanying consolidated statement of operations.

Principal maturities of borrowings are as follows (dollars in thousands):

Years Ending October 31,		Amount
2014	$	146,013
2015		91.276
2016		60,011
2017		41,354
2018		26,095
Thereafter		12,643
	$	377,392

Principal maturities in 2014 and 2015 include $41,500,000 and $8,000,000, respectively, in unsecured revolving lines of credit of which $20,000,000 in 2014 and $8,000,000 in 2015 relate to lines held with stockholder banks. These lines have been historically renewed prior to maturity.

At October 31, 2013, the Company had $152,000,000 in unsecured revolving lines of credit of which $130,000,000 are from two stockholder banks. From the stockholder bank lines, $28,000,000 were in use as of October 31, 2013 and $102,500,000 was unused and available through June 2015.

The Company incurred interest expense of approximately $2,626,000 and $4,251,000 in 2013 and 2012, respectively, on loans from stockholders.

No one creditor of the Company holds a superior position to any other under current terms of the borrowing agreements.

Certain borrowing agreements require the Company to comply with stated financial covenants and contain restrictions on uses of loan proceeds. At October 31, 2013, the Company was in compliance with these covenants.

7. Derivative Instruments

The Company uses derivative instruments solely as cash flow hedges to manage exposure to interest rate risk. Through this cash flow hedging strategy, periodic cash payments for interest on the linked floating rate debt are effectively fixed at each derivative's agreed upon rate. Accordingly, the Company limits its risk related to future rate increases on this debt as a result of changes in the benchmark interest rates. These derivative transactions are measured in terms of notional, which are used only as a basis on which interest payments are made, and are not recorded in the balance sheet and not exchanged. When viewed in isolation, these amounts are not a meaningful measure of the risk profile of the instruments. As determined at inception, the notional amounts on the contracts are reduced periodically to match the principal reductions of the variable rate debt to which these contracts hedge.

At October 31, 2013 and 2012, the Company's derivative instruments consisted of interest rate swap agreements with two stockholders, resulting in the Company paying a fixed rate of interest on notional amounts in exchange for a floating rate, determined as the one-month LIBOR (0.17% in October 2013), three-month LIBOR (0.24% and 0.33% in October 2013 and 2012, respectively) and six-month LIBOR (0.36% and 0.58% in October 2013 and 2012, respectively). These contracts are considered 100% effective hedges of the underlying debt. Each of the Company's derivatives at October 31, 2013 and 2012 is in a liability position. Therefore, the fair values of these derivatives are reported as interest rate swap agreement liabilities on the balance sheet at each respective year end. Other required qualitative disclosures regarding the Company's derivative strategies and policies are included in Note 1.

Interest rate swap agreements held are as follows (dollars in thousands):

Maturity		Notional Amount	Pay Fixed Rate	Receive Floating Rate		Estimate Fair Value
As of October 31, 2013						
August 2014	$	7,500	2.27%	6-month LIBOR	$	(108)
June 2015		16,667	1.00%	6-month LIBOR		(121)
April 2016		7,500	1.47%	6-month LIBOR		(109)
October 2016		10,500	1.14%	6-month LIBOR		(106)
March 2017		10,500	0.95%	3-month LIBOR		(85)
April 2017		10,500	1.07%	3-month LIBOR		(111)
April 2018		13,500	1.03%	1-month LIBOR		(113)
	$	76,667			$	(753)
As of October 31, 2012						
August 2014	$	15,000	2.27%	6-month LIBOR	$	(319)
June 2015		25,000	1.00%	6-month LIBOR		(181)
April 2016		10,500	1.47%	6-month LIBOR		(189)
October 2016		13,500	1.14%	6-month LIBOR		(162)
March 2017		13,500	0.95%	3-month LIBOR		(150)
April 2017		13,500	1.07%	3-month LIBOR		(191)
	$	91,000			$	(1,192)

In 2013, the Company entered into interest rate swap agreements which take effect at a future date as follows (dollars in thousands):

Effective	Maturity	National Amount	Fixed Rate To Pay	Floating Rate To Receive
As of October 31, 2013				
September 2014	March 2020	$ 25,000	2.11%	6-month LIBOR
February 2015	February 2019	$ 12,000	1.99%	6-month LIBOR
March 2015	March 2018	$ 12,000	1.70%	6-month LIBOR
April 2015	October 2017	$ 6,818	1.82%	6-month LIBOR
June 2015	June 2018	$ 5,000	2.01%	6-month LIBOR
		$ 60,818		

The effect of derivative instruments on the Company's statements of operations is as follows (dollars in thousands):

Description	Amount
Year Ended October 31, 2013	
Gains recognized in OCI	$ 438
Gains reclassified from	
OCI to interest expense	4
Net gains in OCI	$ 442
Year Ended October 31, 2012	
Loss recognized in OCI	$ (143)
Loss reclassified from	
OCI to interest expense	(175)
Net loss in OCI	$ (318)

During 2013 and 2012, the Company's interest expense was increased by approximately $660,000 and $631,000, respectively, as a result of the interest rate swap agreements.

8. Stockholders' Equity

The Company declared and paid cash dividends of $6,421 and $5,423 per share of common stock in 2013 and 2012, respectively.

9. Employee Benefit Plans

The Company has a defined contribution plan covering substantially all employees. Annual plan costs are accrued in the fiscal year incurred and funded in the subsequent fiscal year. For the years ended October 31, 2013 and 2012, plan costs expensed totaled approximately $358,000 and $500,000, respectively. For the year ended October 31, 2012, plan costs paid in 2013 totaled approximately $408,000.

In addition, certain key employees of the Company participate in a deferred compensation plan. The plan is a long-term incentive program with a cash award paid for the achievement of organizational performance goals over a multi-year period (3 years). The plan is separate from and in addition to the annual bonus. During the years ended October 31, 2013 and 2012, expenses in connection with the plan aggregated approximately $600,000 and $400,000, respectively.

10. Commitments

The Company is committed through September 2021 under a noncancelable operating lease for its principal office in the United States of America. The Company is also committed under leases for branch offices in Bolivia, Brazil, Colombia, Curacao, Ecuador, Mexico, Nicaragua, Paraguay, Peru and Uruguay. Minimum total rental payments under these leases are as follows (dollars in thousands):

Years Ending October 31,	Amount
2014	$ 484
2015	446
2016	402
2017	405
2018	408
Thereafter	1,261
	$ 3,406

During the years ended October 31, 2013 and 2012, rental expense related to operating leases amounted to approximately $740,000 and $675,000, respectively.

At October 31, 2013, the Company had loan commitments of approximately $14,763,000. This amount is not recorded on the balance sheet and represents the maximum credit loss from these commitments. Management believes that no significant losses will be sustained as a result of these loan commitments.

11. Fair Value Measurement

The accounting guidance defines fair value as the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The guidance also defines valuation techniques and a fair value hierarchy to prioritize the inputs used in valuation techniques. There are three main valuation techniques to measuring fair value of assets and liabilities: the market approach, the income approach and the cost approach. The input fair value hierarchy has three broad levels and gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The valuation techniques are summarized below:

The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

The income approach uses financial models to convert future amounts to a single present amount. These valuation techniques include present value and option-pricing models.

The cost approach is based on the amount that currently would be required to replace the service capacity of an asset. This technique is often referred to as current replacement cost approach.

The input fair value hierarchy is summarized below:

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at each reporting date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. A quoted price in an active market provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level 2 Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers (for example, some brokered markets), or in which little information is released publicly (for example, a principal-to-principal market); and inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).

Level 3 Inputs are unobservable inputs for the asset or liability. Unobservable inputs are only used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The following table presents major categories of the Company's financial liabilities measured at fair value on a recurring basis (dollars in thousands):

	Fair Value			Carrying
	Level 1	Level 2	Level 3	Amount
October 31, 2013				
Interest rate swap agreements	$ -	$ 754	$ -	$ 754
October 31, 2012				
Interest rate swap agreements	$ -	$ 1,192	$ -	$ 1,192

The valuation of the swap agreements is based on estimates provided by the issuer for the current replacement cost of similar agreements based on observable market inputs and represents the amount by which the liability could be settled in a current transaction with the issuer.

The following table presents major categories of the Company's financial assets measured at fair value on a nonrecurring basis at October 31, 2013 and 2012 and total related impairments recorded during the years then ended (dollars in thousands):

	Fair Value			Valuation	Significant Unobservable	Carrying	Total
	Level 1	Level 2	Level 3	Technique	Imput	Amount	Impairments
October 31, 2013							
Loans measured for impairment using fair value of collateral	$ -	$ -	$ 6,138	Fair Value of Collateral	Third Party Appraisal	$ 6,138	$ 1,613
October 31, 2012							
Loans measured for impairment using fair value of collateral	$ -	$ -	$ 5,038	Fair Value of Collateral	Third Party Appraisal	$ 5,038	$ 1,498

Loans Measured for Impairment and Impaired Real Estate Owned

The Company's impaired loans and real estate owned are generally valued using third party appraisals of the underlying real estate. These appraisals generally use the market or income approach valuation technique and use market observable data to formulate an opinion of the fair value. However, the appraiser uses professional judgment in determining the fair value and, when current appraisals are not available, the Company adjusts previous values for subsequent changes in market conditions based on Management's judgment. As a consequence, the fair value of these investments is considered a Level 3 valuation. During 2013 and 2012, there were no impairments of other real estate owned.

There were no financial assets measured at fair value on a recurring basis and no financial or nonfinancial liabilities measured at fair value on a nonrecurring basis in the Company's financial statements.

Fair Value Disclosures About Financial Instruments Not Carried at Fair Value

The estimated fair values of the Company's financial instruments not carried at fair value are as follows (dollars in thousands):

	Book Value	Estimated Fair Value
October 31, 2013		
Cash and cash equivalents	$ 37,461	$ 37,461
Net loans	436,088	439,929
Borrowings	377,392	376,660
October 31, 2012		
Cash and cash equivalents	$ 37,831	$ 37,831
Net loans	377,793	381,667
Borrowings	328,614	328,085

The following methods and assumptions were used to estimate fair value of each class of financial instrument for which it is practicable to estimate fair value:

- The carrying value of cash and cash equivalents is deemed to approximate fair value because of the short maturity of those instruments.
- The carrying value of loans with floating interest rates is deemed to approximate fair value. Fair values of fixed rate loans are estimated by discounting the expected future cash flows using current rates at which loans with comparable credit ratings and terms would be issued. Fair values of impaired loans are estimated through reducing principal amounts outstanding by the estimated haircut third parties would require in purchasing loans with comparable risk profiles.
- The carrying value of borrowings with floating interest rates is deemed to approximate fair value. Fair values of fixed rate borrowings are estimated by discounting the future cash flows at the Company's incremental rate of borrowing for similar debt.

12. Subsequent Events

The Company's management has evaluated subsequent events through January 29, 2014, the date the financial statements were available for issuance. No events have occurred subsequent to October 31, 2013 that have materially impacted the Company's financial position or that would require disclosure.

* * * * *

Report of Independent Certified Public Accountants

To the Board of Directors and Stockholders of
Latin American Agribusiness Development Corporation S.A.

We have audited the accompanying consolidated financial statements of Latin American Agribusiness Development Corporation S.A. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of October 31, 2013 and 2012, and the related consolidated statements of operations, of comprehensive income, of changes in stockholders' equity, and of cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Latin American Agribusiness Development Corporation S.A. and its subsidiaries at October 31, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

January 29, 2014

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