LAAD

2014 ANNUAL REPORT

Photo of granada ready to harvest. Panoramic view of the field of granada at the San Luis farm in Peru.

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	**2014**	2013	2012	2011	2010
Operating Income ('000)	**$ 19,147**	$ 17,442	$ 14,477	$ 12,032	$ 10,583
Net Income ('000)	**$ 15,967**	$ 14,262	$ 12,327	$ 10,412	$ 9,023
Basic Earnings per Share of Common Stock*	**$ 33,265**	$ 29,712	$ 25,682	$ 21,692	$ 18,798
FINANCIAL RATIOS					
Return on Average Net Worth	**12.9%**	12.8%	12.2%	11.3%	10.8%
Return on Average Total Assets	**2.9%**	3.0%	3.0%	2.9%	2.8%
Total Net Debt to Net Worth	**3.0:1**	2.8:1	2.7:1	2.6:1	2.5:1
Operating Expenses to Gross Profit**	**38.5%**	38.5%	40.4%	43.2%	43.7%
Operating Expenses to Average Total Assets	**2.2%**	2.3%	2.4%	2.6%	2.5%
Reserve to Portfolio	**2.4%**	2.4%	2.4%	2.5%	2.7%
AT YEAR END					
Agribusiness Loans ('000)	**$ 508,799**	$ 447,128	$ 387,266	$ 339,077	$ 305,399
Assets ('000)	**$ 584,974**	$ 499,841	$ 439,544	$ 377,249	$ 338,600
Net Worth ('000)	**$ 129,826**	$ 117,544	$ 105,922	$ 96,516	$ 87,518

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

Letter to Shareholders 2014

This year your Company turned in one of its most impressive results ever. Our agribusiness portfolio passed the US$500 million mark for the first time thanks to record disbursements of US$183 million to 209 agribusiness projects in 14 countries. This represents an 18% increase over last year and a record high for your Company.

Pineapple plantations located in Rio Cuarto de Grecia, Costa Rica, property of Inmobiliaria Nueva Veragua.

Inmobiliaria Nueva Veragua is a pineapple producing company located in Rio Cuarto de Grecia, Costa Rica, that has been operating since 1992. Pictured is the packing process for further export by Dole.

Our largest single market was again Brazil, the region's largest agricultural economy, where we disbursed US$37.4 million to 30 projects, mostly soybeans and coffee. Our second most active market was Nicaragua, where we loaned US$28.3 million to 49 clients (coffee, cattle and peanuts). If we look at the number of projects financed, Nicaragua came in first with 49 loans. We disbursed US$20.8 million to 29 projects in Ecuador (flowers and bananas), which was third among the countries. Peru was our fourth largest market with US$16 million in 25 projects (asparagus, avocadoes and grapes).

We loaned more than $10 million each in five countries: Costa Rica (US$13.4 million), Paraguay (US$13.4 million), Mexico (US$12.6 million), Chile (US$10.4 million) and the Dominican Republic (US$10.1 million).

Our cumulative financing over 44 years has risen to US$1.66 billion in 3,523 agribusiness projects and 28 countries. Historically, we used to emphasize non-traditional, high-value export crops, taking advantage of lower international tariffs on agricultural products. We sought to expand the region's exports at a time when Latin America's foreign currency earnings were insufficient to cover its imports and external financial obligations. Most countries have since stabilized their trade balance and most of the region's currencies are easily convertible. Also, Latin America has had 40 years to take advantage of the new markets in agricultural products opened up by the World Trade Organization. Those markets are maturing and demand is now being driven by changes in dietary habits (China) or growing populations (mainly the developing nations). Furthermore, yesterday's non-traditional crops are today's mainstay. Many years ago, we financed Peru's first asparagus growers and processors. Today, Peru is the world's largest exporter of asparagus, making Peru a "traditional" asparagus exporter. We had a similar experience in Costa Rica with leather leaf ferns, in Ecuador with roses and in Chile with blueberries. LAAD still seeks out entrepreneurs who are experimenting with new crops and entering new markets, but we are also responding to a growing demand for funding from more established producers selling into mature markets.

Prices for agricultural products in international markets have remained volatile ever since we started doing business in Latin America. While there was no general price trend this year, significant price changes occurred in several crops. For example, beef and coffee prices rose significantly, which may explain why we received so many requests for financing from cattle ranchers and coffee growers. Soybean prices, on the other hand, fell during the year. Despite that, we received a large number of funding requests from soybean farmers, particularly in Brazil and Paraguay. Although down last year, soybean prices are above their historical average.

We are beginning to see the benefits of having opened seven new business offices over the past three years. Most of these offices were opened in agricultural centers like Cuiabá in Brazil, Curicó in Chile, Ciudad del Este in Paraguay and Trujillo in Peru. This year these seven offices disbursed a total of US$76.3 million. Our head office in Brazil was moved from the country's capital, Brasilia, to Goiânia in the State of Goiás, where we have funded a number of grain producers. Getting closer to our clients is critical to maintaining our strong operational performance.

Although all of our projects are chosen because of their positive contribution to agriculture in their host countries, we would like to describe four entrepreneurial investments.

Agro Bali Tamazula is a Mexican company near the town of Tamazula in the State of Jalisco, which grows blueberries for export. The company was founded by Mr. Hector Padilla in 2010 to grow blueberries on 2.7 hectares of reclaimed rented land. Mr. Padilla later purchased 21 hectares in 2012 and has begun planting more blueberries. LAAD has approved a US$450,000 loan that will be disbursed in tandem with the company's planting schedule. The company sells all its production to Berries Paradise, a Chilean-Mexican joint venture that exports blueberries to the United States and Europe. The loan will allow the company to expand its sales by US$470,000. The company will employ 15 full-time and 21 part-time workers when the present expansion is completed. World trade in blueberries has grown five times over the past 10 years. Chile is the world's largest exporter of blueberries with a dominant 37% market share. In the early 1980s, LAAD was one of the first financial institutions to support blueberry growers in Chile and played a significant role in building the industry there in those early years.

Nicamanos S.A., a Nicaraguan company in Leon that grows moringa oleifera, was established in 2007. Moringa oleifera is a fast-growing, drought-resistant tree native to the foothills of the Himalayas. It is widely cultivated in tropical and sub-tropical regions, where its young seed pods and leaves are consumed as a vegetable. Nicamanos plans to process the pods and leaves to export oil, seed and powder, mainly for the holistic health markets in the United States, Canada and Europe. Products from the moringa plant are widely used in tropical countries to combat malnutrition and to feed cattle. LAAD has loaned Nicamanos US$650,000 to build a processing plant near Leon and to provide working capital for the harvest. When the project attains its planned production, the company will employ 95 full-time and 80 part-time workers.

In Ecuador, we financed one of the country's first table grape farms, Agricola Pura Vida, S.A. Founded in 2010 as part of the Frutera del Ecuador group, the company's farm is located in Santa Elena to the west of Guayaquil. It currently has 38 hectares of Red Globe table grapes in production that it sells primarily in the local market. The company is internationally competitive and is also selling its grapes in neighboring Colombia. LAAD is financing a 70-hectare expansion to meet local demand, which has doubled in the past five years. The company expects to supply 20% of Ecuador's total demand when it reaches full production. Agricola Pura Vida currently employees 150 people, but expects to increase that to 300 when the current project reaches full production.

Financial results for the year reflected the strong operational performance. Our net income for 2014 rose to US$16 million, 12% higher than the prior year and a record high for your Company. This yielded a 12.9% return on average net worth, the highest rate in 13 years. The strong financial performance was caused by record disbursements and a reduction in operating expenses as a percentage of average total assets.

Our financial leverage increased moderately from the prior year to over 3:1 in 2014. Write-offs from operations this year came to 0.34% of the agribusiness portfolio or less than one half of our write-offs five years ago. Agriculture in Latin America has often been viewed by international financial markets as very risky because of volatile prices on international markets and financial instability in Latin America. While price volatility has not abated on commodity exchanges, prices are generally at historically higher levels, making it easier for Latin American farmers to weather price dips for their crops. LAAD's agribusiness portfolio is now well diversified among both countries and crops, which reduces the risk profile of our portfolio.

18%

An 18% increase over last year's disbursements

Complete aerial view of Agro Bali Tamazula's blueberry and raspberry project in Jalisco, Mexico.

We are pleased to report that your Company paid a dividend this year of US$7,427 per share, a 38% increase over the prior year and a record high. This dividend represented 25% of our net earnings. While we know that profitability was not the primary motive for investing in LAAD, management has always sought to provide a reasonable return to its investors.

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.

We remain very optimistic about our new business opportunities in Latin America and of a generally favorable investment environment in most of the countries where we invest. Therefore, we look forward to another strong performance next year.

Benjamin Fernandez III
President

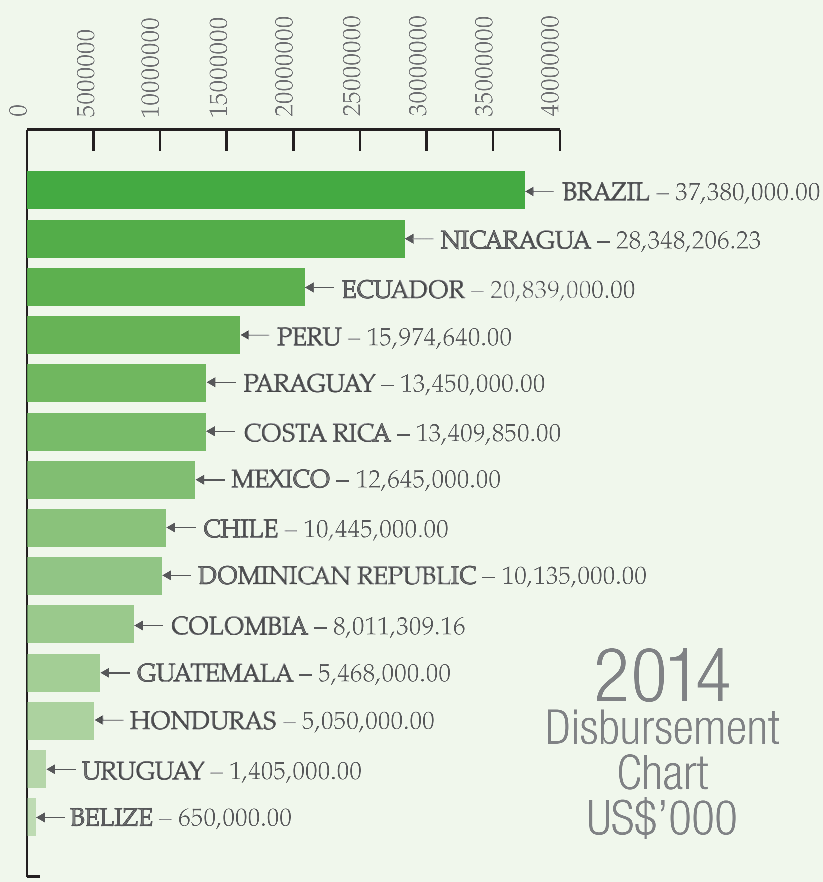
Marcelo Melchior
Chairperson

Agribusiness
Operations

Following our vision of supporting the agribusiness development in Latin America and the Caribbean, we are very pleased to report good operational results, leading to record level profitability and loan disbursements for the Company's fiscal year 2014. This was achieved despite the slow economic growth in some countries and challenges brought about by the effects of climate change in certain areas, such as droughts in parts of Brazil or disease outbreaks in coffee-growing regions in Central America.

LAAD was able to disburse US$183 million to 209 projects in 14 countries during the year. Disbursements were 18% higher than 2013, with the portfolio growing by over 14% to US$523 million on a year-to-year basis. The projects financed by LAAD in 2014 created close to 3,500 new full-time jobs and over 3,400 seasonal jobs, and enabled the generation of an additional US$182 million in annual foreign exchange to Latin America as a result of our emphasis on export-oriented projects in a wide variety of products. The main projects involved coffee and soybeans, each of them representing 17% of the total disbursed amount; bananas, with 12%; and cattle, grapes and flowers, with less than 10% each.

With Latin America and the Caribbean contributing 11% of the value of world food production and representing 24% of the world's arable land, LAAD continues to do its part towards strengthening food security around the world.



LAAD had another year of record disbursements in **Brazil**, with US$37.4 million granted to 30 projects located in the states of Mato Grosso, Goiás, Minas Gerais, Sao Paulo and Bahia. These projects should generate 170 new full-time job positions, 155 part-time positions and US$19.2 million in additional exports. Despite the drop in international grain prices and the difficulties in the Brazilian economy, LAAD continued to grow in the country, taking advantage of Brazil's unique advantages for grain production and the consistent demand for grains from China and others. Following a strategy to be closer to our clients, LAAD opened an office in Cuiabá in 2012. This office has been very important for the expansion of the Brazilian portfolio, as most of the growth in 2014 came from the Mato Grosso region. The Company's strategy in Mato Grosso is to finance loans to farmers who cultivate less than 5,000 hectares and have limited funding options. During the year, LAAD moved the Brazil headquarters from Brasilia to Goiânia, where we are closer to an important group of customers located in the states of Goiás and Minas Gerais. Brazil experienced unusual weather during the year, with severe droughts affecting the area encompassing the southern part of the state of Bahia, the coffee-producing area in the northern part of the state of Minas

BRAZIL 37.4 MILLION

Center Pivot Irrigation System in the Vale Do Verde farm (owned by our client, Mr. Neri Jose Chiarello), near Sinop, Mato Grosso. Non-till farming increases the amount of water that infiltrates the soil, thus improving the retention of organic matter and the recycling of nutrients into the soil.

Gerais and the northeastern part of the state of Goiás. Given this situation, LAAD made a special effort to support our clients who were facing difficulties in those areas. We expect 2015 to be a year to operate with caution while looking for solid opportunities, given Brazil's current economic situation. LAAD will continue to target specific projects in Brazil producing coffee, soybeans, cotton, beans, corn and cattle and will consolidate our operations with existing clients.

Nicaragua continues to be LAAD's most active profit center in Central America with total disbursements of US$28.3 million granted to 31 projects involved primarily in coffee and cattle. The Nicaraguan portfolio continues to experience steady growth from US$4 million in 2007 to US$59 million by the end of fiscal year 2014. LAAD's portfolio in Nicaragua is well diversified, including a wide variety of products such as peanuts, coffee, cattle, and plantains. LAAD has consolidated a diversified client base in Nicaragua that has continued to generate excellent business opportunities for financing. LAAD-financed projects in Nicaragua should generate 352 new full-time positions and 2,582 part-time positions, as well as US$17.1 million in additional revenues throughout the country's rural areas.

With sustained growth and a diversified portfolio, **Ecuador** remains one of the key markets for LAAD operations in Latin America. During 2014, the Ecuadorian office increased its financing for traditional crops (such as bananas and flowers) and non-traditional products (such as African palm, poultry, corn, rice, plantains and table grapes). The recently-opened LAAD office in Guayaquil has enabled LAAD to strengthen the relationships with clients from the coastal region, to serve them more effectively and efficiently, and to explore new potential agribusiness clients in that region. The banana industry continues to be an appealing market for LAAD, given that countries in Asia and Western Europe continue to require bananas and prefer those coming from Ecuador due to their extended shelf-life. LAAD has also focused on developing the recently explored area in the Santa Elena province where well-diversified agricultural projects have developed over the past 15 years. During this year, the Ecuador office disbursed US$20.8 million to 28 projects. Of this total, 63% were disbursed in the coastal region to new industries such as table grapes, rice and cocoa. The remaining 37% of disbursements were granted in the highland region, mainly to flower projects. The new projects financed by LAAD in Ecuador will generate over US$32.4 million in additional exports, as well as 1,270 new full-time jobs.

Frutan: Frutales del San Juan S.A. is a Nicaraguan company dedicated to the production and export of oranges. The company has over 3,600 hectares of orange plantations, making them the largest of its kind in Central America. The oranges are processed by an affiliated company and sold to Minute Maid, becoming the largest supplier of orange juice in Nicaragua.

In **Peru**, LAAD disbursed a total of US$16.1 million to 24 projects during fiscal year 2014. The projects that received LAAD's support were involved in fruit crops such as grapes, asparagus, avocado, pomegranates, citrus, olives, coffee, flowers and paprika. We have financed the installation of one of the most modern olive oil processing plants in Peru, with a US$2 million loan granted to Cultivares S.A.C., located in Ica, 350kms south of Lima. LAAD-financed projects in Peru are expected to generate US$18.5 million in additional exports per year, as well as create 208 full-time jobs and 311 part-time positions.

LAAD's operation in **Paraguay**, where agribusiness is a key component of the GDP, is moving forward and consolidating itself. Our office, which opened in Ciudad Del Este in 2013, started yielding profits during 2014. Ciudad Del Este is in the center of the country's grain production corridor. Paraguay's agribusiness sector is growing significantly and LAAD is participating in this process by supporting farmers, ranchers and grain elevators with long-term financing. In 2014, LAAD financed eight projects for an amount of US$13.5 million and has developed a very promising and robust loan pipeline for fiscal year 2015. The outlook for agribusiness in Paraguay is very promising, especially for projects involved in soybeans, corn and beef production. The cattle industry is going through a particularly good moment as Paraguay regained its status as an "aftosa-free" beef producer and LAAD will continue to participate in the sector's growth. The projects financed by LAAD will generate 22 full-time jobs and additional sales revenues of US$9.6 million in 2015.

LAAD had a very good year in **Costa Rica** as record disbursements of US$13.4 million were made to 13 projects involved in the production of pineapple, banana, coffee, fern, yucca and cattle. Despite increased competition from the local banking sector, LAAD's portfolio reached a record level of US$37 million, 17% greater than the previous year. LAAD's loans in Costa Rica should generate US$11.1 million in additional exports per year, as well as 189 permanent and 173 seasonal job positions.

This is a moringa plantation ready to be harvested to produce powder. The plantation is owned by NICAMANOS S.A., a Nicaraguan company dedicated to the production of Moringa powder, oil and seed. The company owns a total of 76 hectares of permanent tree plantations and harvest areas.

During the second full year of operations of the **Mexico** office, LAAD disbursed US$12.6 million to 18 projects that mainly involved coffee, mangoes and berries. As a result, the Mexico portfolio grew from US$8.2 million in fiscal 2013 to US$19.2 million in 2014, with over 80% of the portfolio comprised of long-term loans. The financed projects are expected to generate over US$11.3 million in additional annual revenues and create over 359 new full-time jobs and 1,409 seasonal jobs.

LAAD continues to support the berries industry in Mexico, which is relatively new. Mexico is experiencing tremendous growth in the production of berries due to its competitive advantages, such as optimal climate and soil conditions in certain regions, extended harvest windows, adequate labor costs compared to other producing countries and its proximity to the export markets. It is estimated that the total area of blueberry plantations in Mexico is currently close to 1,500 hectares (75% in the states of Jalisco and Michoacán), and projected to reach 2,500 hectares over the upcoming five years.

As mentioned in prior reports, **Chile**'s agricultural sector has been affected by three consecutive years of difficult weather events that slowed down the activity in the country's fruit industry. For this reason, LAAD concentrated its efforts on providing adequate support to existing clients to help them overcome this temporary hardship. As difficult times also bring opportunities, LAAD was also able to attract new clients and disburse a total of US$10.4 million to 22 different projects, generating 188 new full-time jobs and over 290 new seasonal jobs. The projects financed by LAAD should increase their annual exports by US$10.7 million.

Weather conditions in Chile improved towards the end of 2014 and fruit harvest projections for the 2015 season are good for most of Chile. The exception to this recovery continues to be Chile's northern region, which has endured a fifth consecutive year of a prolonged drought. Responding to this situation, LAAD's strategy in Chile is focused more on the southern region. As a result, management changes were made in the Curico office and a new manager was hired to manage this office. The 2015 loan pipeline in this area is very promising, as we are targeting mid-sized fruit growers producing grapes, cherries, apples, pears and kiwis.

In the **Dominican Republic**, LAAD disbursed a total of US$10.1 million to 21 projects during fiscal year 2014. The projects that received LAAD's support were involved in fruit crops such as bananas, coffee, cacao, avocado and passion fruit. Other industries supported by LAAD during this year were the production of cattle and fresh vegetables such as zucchini and squash. We financed the installation of the first solar panels to be implemented in an organic banana farm that seeks to use alternative energy and reduce the use of gas oil in the plantation. This project is located in Montecristi, 270 km north of Santo Domingo. Overall, these projects are expected to generate US$36.7 million in additional exports per year, which brings much-needed hard currency to the country. These projects are expected to create 717 full-time jobs and 416 part-time positions.

LAAD continued to grow the portfolio of the **Colombia** office during 2014. A total of US$8.9 million was disbursed to eight projects, increasing the office's portfolio to US$29.1 million.

The projects financed in Colombia were involved in the production of bananas, cattle, and African palm, and are all located in regions where agriculture is the base of the economy, thus contributing significantly to the development and growth of these regions. LAAD's financing helped these projects increase their exports by US$4.3 million and generate 32 full-time and 136 part-time job positions.

Pura Vida owns one of the first ever large scale table grapes farm developed in Ecuador. The farm is located in El Azucar 85 km west of Guayaquil. Given the excellent soil structures, weather conditions and infrastructure, Pura Vida has become the top exporter of table grapes in Ecuador.

Over the past two years LAAD has focused on consolidating a new management team in **Guatemala**. Thus, the country's portfolio experienced only minimal growth, reaching US$22.6 million by year end. Despite this, the Company disbursed US$5.5 million to 11 clients involved in coffee, ornamental plants, African palm and specialized wood products. These projects should generate 269 full-time and 166 part-time job positions.

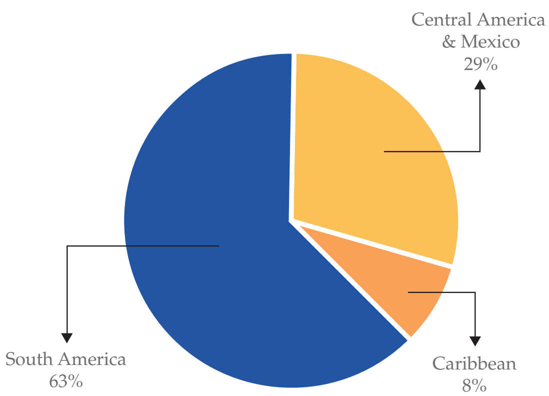
In **Honduras**, nine loans were granted in the country for a total of US$5.1 million. These projects are involved in the production of ornamental plants, coffee and cucumber and are projected to increase their revenues by over US$1.1 million. In addition, these projects should generate 28 full-time and 227 part-time job positions. LAAD continues to focus on portfolio quality rather than growth in Honduras. Thus, the loan portfolio contracted slightly to US$15.8 million by end of fiscal year 2014.

LAAD had little activity in **Uruguay** this year as we only financed US$1.4 million for three projects involved in cattle, citrus and soybean production. Being the smallest agribusiness market compared to its neighboring countries in the Mercosur region, Uruguay has traditionally been a lower-disbursement country for LAAD, but has maintained a high-quality portfolio. LAAD-financed projects in Uruguay during 2014 are expected to create four full-time jobs and generate incremental sales of close to US$2 million per year.

In **Belize**, LAAD disbursed US$650,000 to two projects involved in shrimp and citrus / banana production. The projects are projected to generate US$1.7 million in incremental revenues, as well as 16 new full-time job positions. There was a slowdown in the disbursements of revolving lines to shrimp producers as record high prices strengthened producers' cash flows and reduced their need for credit. Belize is a small market but should continue to be a source of interesting projects, as LAAD has earned the trust of their business community. LAAD's Belize portfolio reached US$3.9 million by fiscal year end.

Grupo Tezontel Serrace's blueberry plantations ready to begin harvest season. Zapotiltic, Jalisco, Mexico.

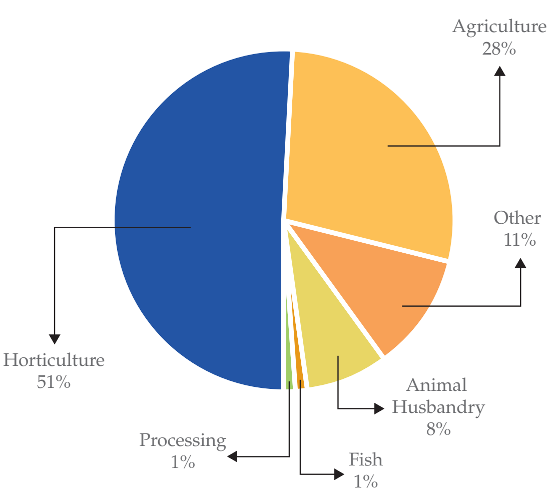
Agribusiness Portfolio by Country US$'000



Country	No. of Projects	Disbursed	Present Holding	Percentage of Holding
Brazil	170	196,734	123,905	23.7%
Ecuador	333	189,645	60,503	11.6%
Nicaragua	266	173,079	59,482	11.4%
Peru	200	143,538	44,363	8.5%
Dominican Republic	437	138,459	38,124	7.3%
Costa Rica	302	136,462	37,004	7.1%
Chile	289	114,420	33,623	6.4%
Colombia	79	56,608	29,066	5.6%
Guatemala	412	131,288	22,568	4.3%
Mexico	40	21,370	18,170	3.5%
Paraguay	15	21,890	17,451	3.3%
Honduras	235	98,931	15,746	3.0%
Uruguay	55	37,891	14,339	2.7%
Bolivia	354	105,639	4,155	0.8%
Belize	73	31,516	3,878	0.7%
El Salvador	66	19,261	782	0.1%
Venezuela	34	12,488	61	0.0%
Other	161	29,670	0	0.0%
Overall Result	3521	$1,658,889	$523,220	100%

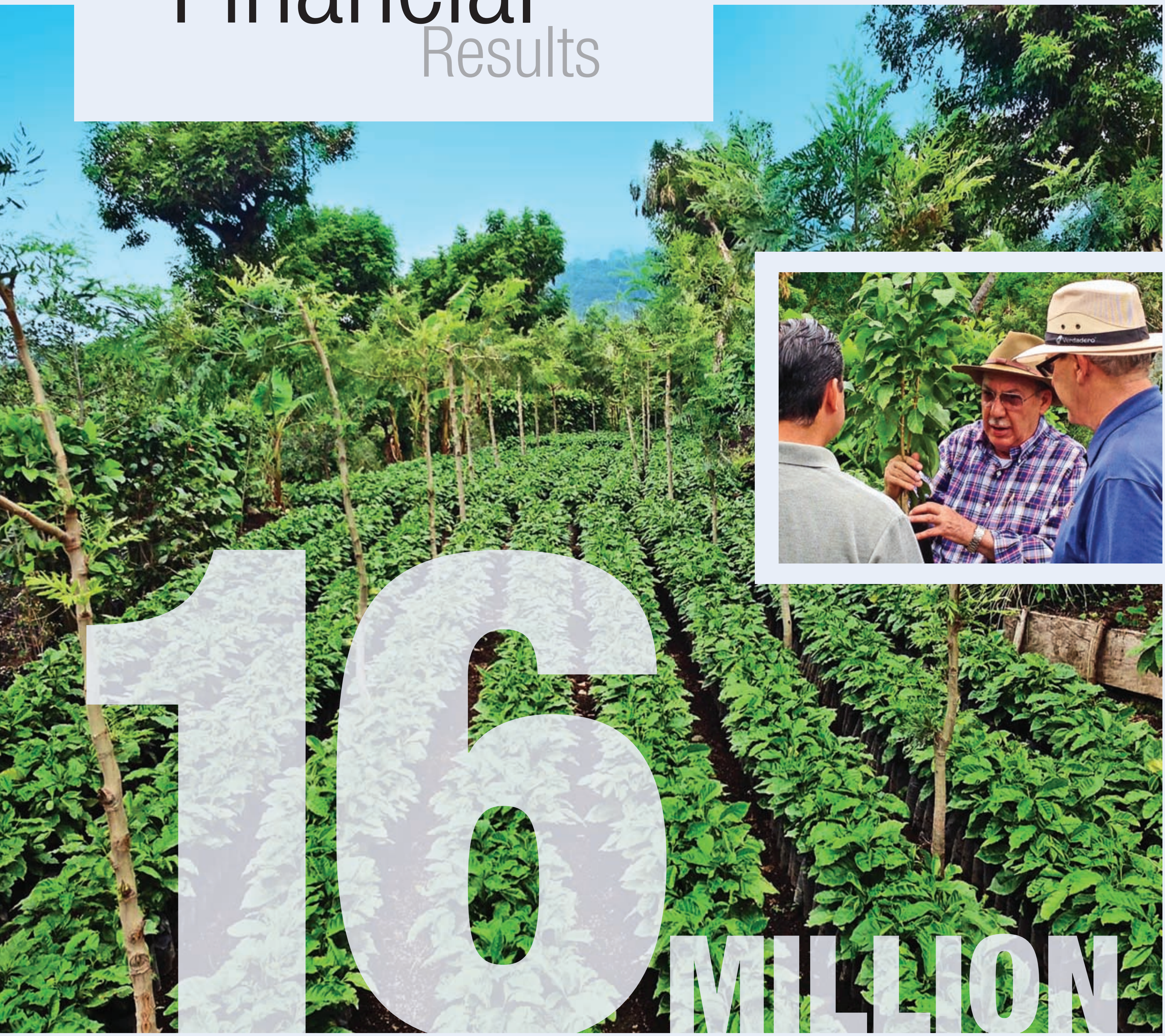
One of Agro La Roca's packing units. During harvest season they employ close to 250 employees, mostly women, because blueberries are very delicate. Cd. Guzman, Jalisco, Mexico.

Agribusiness Portfolio by Industry US$'000



Purpose of Loan	No. of Projects	Disbursed	Present Holding	Percentage of Holding
Fruits and Vegetables	1285	627,435	224,121	42.8%
Grains	495	278,870	117,609	22.5%
Cut Flowers	436	195,446	44,532	8.5%
Cattle	251	105,480	42,044	8.0%
Agriculture	235	106,058	31,045	5.9%
Wood Products	116	39,690	14,403	2.8%
Miscellaneous	130	49,825	14,268	2.7%
Vegetable Oils	58	31,428	11,337	2.2%
Hogs and Poultry	52	26,342	7,470	1.4%
Dairy	27	14,720	6,898	1.3%
Food Processing	280	124,625	4,326	0.8%
Fishing	91	40,440	3,903	0.7%
Farm Equipment	26	9,279	689	0.1%
Agro-technology	10	3,749	575	0.1%
Marketing Services	31	5,502	0	0.0%
Overall Result	3,523	$1,658,889	$523,220	100%

Financial
Results



Mr. Luis Pedro Zelaya, one of the most renowned coffee producers in Guatemala, shows the coffee beans production.

Finca La Reunion, located on the outskirts of Antigua Guatemala, one of the farms managed by the Zelaya family.

The Company reported a net income of US$16.0 million for the fiscal year ended October 31, 2014. This is an unprecedented achievement as it is 12% above last year's value. The average return on net worth increased from 12.8% to 12.9%, and earnings per share reached US$33,265. LAAD's average return on total assets remains at 2.9%.

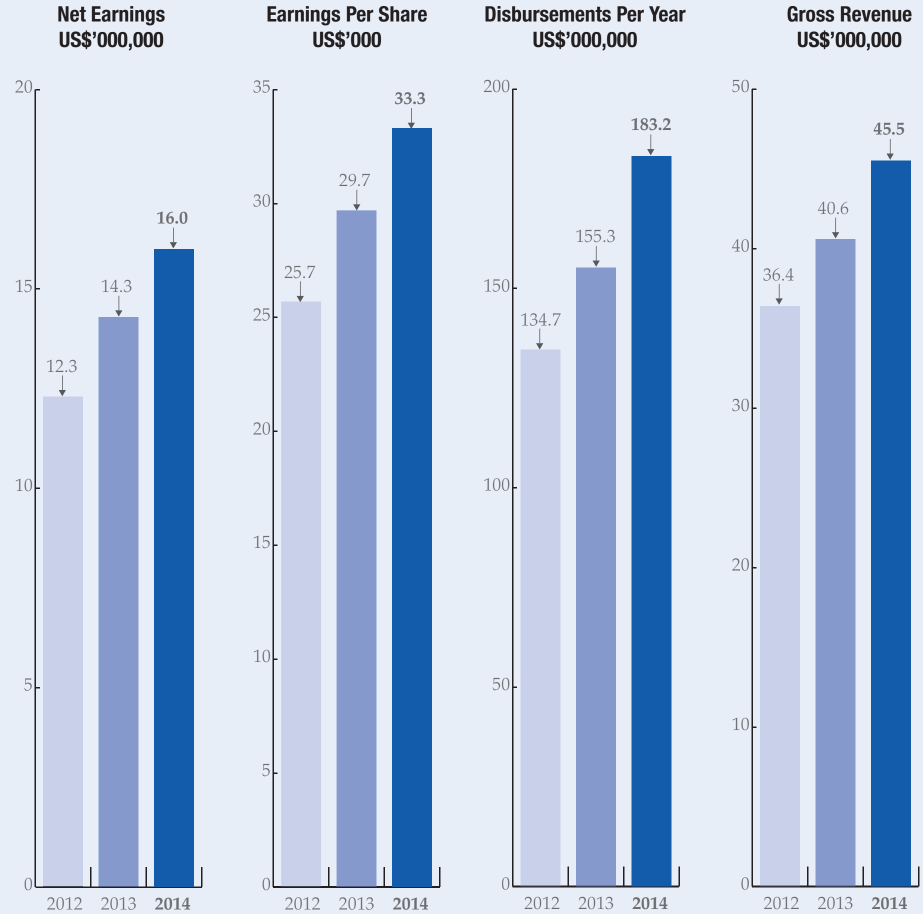
The Company disbursed US$183.2 million in loans during the year, increasing the agribusiness loan portfolio by 13.8% to US$509 million. Interest income from agribusiness loans increased by 12.4% to US$45 million. Interest expenses for US$14.4 million were 14.2% higher than the previous year, primarily due to the growth of the loan portfolio, the value of LIBOR, and the forward swap strategy to fix the interest rate starting in 2015.

Salaries and employee benefits increased slightly to US$5.9 million from US$5.5 million incurred in 2013. This reflects new hires as well as increased costs, in particular for the new field offices. Professional fees remained at US$1.2 million, approximately the same level as last year. Office expenses increased by approximately 11% and Travel and Communications increased by 15%. These increases primarily reflect costs incurred due to the additional business originated at the new offices in Brazil, Colombia, Mexico and Paraguay. As a percentage of revenue, operating expenses decreased slightly from the 29.6% achieved in 2013, to 28.9% in 2014. This is below our goal of 30%.

At the end of the fiscal year, October 31, 2014, total assets (net of loan-loss reserves) reached US$585 million — 17% higher than the previous year, mainly due to the growth of the agribusiness portfolio. Non-performing loans of US$23.5 million represented 4.4% of the portfolio. The Company wrote off US$1.8 million in loans to 26 clients in 11 countries, representing 0.34% of the total portfolio. The reserve for possible losses stands at 2.4% of the agribusiness loan portfolio.

The Company secured over US$276.95 million in term loans and lines of credit from several sources during the year. Despite the Company's consolidated debt increase of US$72.1 million, the net debt-to-equity ratio rose to only 3:1 in 2014, from 2.9:1 in 2013.

The Company paid cash dividends of US$3.6 million on common stock, or US$7,427 per share; this represented 25% of the net earnings for fiscal year 2013.



Consolidated
Financial Statements

October 31, 2014 and 2013

Consolidated Balance Sheets

Latin American Agribusiness Development Corporation S.A. and subsidiaries

October 31,

(in thousands, except per share data)

(in thousands, except per share data)	2014	2013
Assets		
Cash and cash equivalents	**$ 53,811**	$ 37,461
Loans, including $104,168 and $98,151 maturing within one year in 2014 and 2013, respectively	**508,799**	447,128
Less: Allowance for loan losses	**(12,405)**	(11,040)
Net loans	**496,394**	436,088
Accrued interest receivable	**13,912**	11,742
Fixed assets, net	**4,827**	2,489
Other assets	**16,030**	12,061
Total assets	**$ 584,974**	$ 499,841
Liabilities and Stockholders' Equity		
Borrowings	**$ 449,503**	$ 377,392
Interest rate swap agreements	**878**	754
Accrued interest payable and other liabilities	**4,767**	4,151
Total liabilities	**455,148**	382,297
Commitments (Notes 6 and 10)		
Stockholders' equity		
Common stock, $5,000 par value, 2,000 shares authorized, 640 shares issued, 480 outstanding	**3,200**	3,200
Treasury stock, 160 shares, at cost	**(2,422)**	(2,422)
Capital in excess of par value	**39**	39
Retained earnings	**129,783**	117,381
Accumulated other comprehensive loss	**(774)**	(654)
Total stockholders' equity	**129,826**	117,544
Total liabilities and stockholders' equity	**$ 584,974**	$ 499,841

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

October 31,

(in thousands, except share data)

	2014	2013
Interest income		
Loans	**$ 44,650**	$ 39,719
Other	**3**	6
Total interest income	**44,653**	39,725
Interest expense	**14,392**	12,347
Net interest income	**30,261**	27,378
Provision for loan losses	**3,180**	3,180
Net interest income after provision for loan losses	**27,081**	24,198
Other income (expenses)		
Salaries and employee benefits	**(5,866)**	(5,515)
Depreciation and amortization	**(401)**	(447)
Professional fees	**(1,159)**	(1,157)
Office expenses	**(1,285)**	(1,153)
Travel and communication	**(1,404)**	(1,224)
Other general and administrative	**(1,639)**	(1,307)
Gain on sale of assets	**-**	172
Other income, net	**873**	831
Total other income (expenses)	**(10,881)**	(9,800)
Income before income taxes	**16,200**	14,398
Provision for income taxes	**233**	136
Net income	**$ 15,967**	$ 14,262
Basic and fully diluted earnings per share	**$ 33,265**	$ 29,712

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

For the years ended October 31,

(in thousands)

	2014	2013
Net income	**$ 15,967**	$ 14,262
Changes in fair value of derivative instruments (Note 7)	**(120)**	442
Comprehensive income	**$ 15,847**	$ 14,704

Consolidated Statements of Stockholders' Equity

Latin American Agribusiness Development Corporation S.A. and subsidiaries

	Common Stock		**Treasury Stock**		**Capital in Excess of Par Value**	**Retained Earnings**	**Accumulated Other Comprehensive Income (Loss)**	**Total Stockholders' Equity**
	Shares	**Amount**	**Shares**	**Amount**				
Balance, 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
Balance, October 31, 2013	640	3,200	160	(2,422)	39	117,381	(654)	117,544
Dividends	-	-	-	-	-	(3,565)	-	(3,565)
Net income	-	-	-	-	-	15,967	-	15,967
Change in fair value of derivative instruments	-	-	-	-	-	-	(120)	(120)
Balance, October 31, 2014	**640**	**$ 3,200**	**160**	**$ (2,422)**	**$ 39**	**$ 129,783**	**$ (774)**	**$ 129,826**

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

Consolidated Statements of Cash Flows

Latin American Agribusiness Development Corporation S.A. and subsidiaries

	For the years ended October 31, (in thousands)	
	2014	2013
Cash flows from operating activities		
Net income	**$ 15,967**	$ 14,262
Adjustments to reconcile net income to net cash provided by operating activities		
Provision for loan losses	**3,180**	3,180
Amortization, depreciation and accretion, net	**1,506**	1,334
Change in fair value of derivatives recognized in earnings	**4**	4
Net gain on sale of assets	**-**	(172)
Undistributed income from equity investee	**10**	11
Changes in assets and liabilities		
Accrued interest receivable	**(2,402)**	(807)
Other assets	**(2,028)**	(1,376)
Accrued interest payable and other liabilities	**616**	325
Net cash provided by operating activities	**16,853**	16,761
Cash flows from investing activities		
Net increase in loans	**(67,812)**	(62,566)
Proceeds from sale of real estate and other	**40**	79
Contributions to equity investment and other	**(659)**	(69)
Cash obtained in Las Pilas acquisition	**-**	38
Purchases of fixed assets	**(618)**	(309)
Net cash used in investing activities	**(69,049)**	(62,827)
Cash flows from financing activities		
Proceeds from multilateral institution debt	**10,000**	55,000
Repayments of multilateral institution debt	**(43,297)**	(40,297)
Proceeds from bank term debt	**204,950**	100,000
Repayments of bank term debt	**(98,292)**	(35,425)
Net repayments under bank revolving lines of credit	**(1,250)**	(30,500)
Cash dividends paid	**(3,565)**	(3,082)
Net cash provided by financing activities	**68,546**	45,696
Net increase (decrease) in cash and cash equivalents	**16,350**	(370)
Cash and cash equivalents		
Beginning of the year	**37,461**	37,831
End of the year	**$ 53,811**	$ 37,461
Supplemental disclosure of cash activity		
Interest paid	**$ 13,003**	$ 11,794
Supplemental disclosure of non-cash transactions		
Unrealized gain (loss) on derivative instruments	**$ (124)**	$ 438
Real estate and equity investment received as payment in-kind	**$ 4,454**	$ 1,940
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” or “LAAD”) 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., 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, SOFOM which is incorporated in Mexico and Las Pilas which is incorporated in Guatemala. 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. In addition, as of October 31, 2014, the consolidated financial statements also include wholly owned subsidiaries, Frigorífico Pravia SpA Inversiones (“Frigorífico Pravia”), incorporated in Chile, and, El Batiel, S.R.L, (“El Batiel”) incorporated in the Dominican Republic, 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, 2014 and 2013, the Company had investments in two unconsolidated entities totaling approximately $3,838,000 and $3,828,000, respectively. The Company has reviewed the structure and activities of these entities as of October 31, 2014 and 2013 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, deferred fees and costs, 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. As a result of events in 2014, discussed further in Note 5, the Company converted Frigorífico Pravia and El Batiel into wholly owned equity investments. These equity investments were consolidated on the effective date the conversion was completed. See Note 5.

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, 2014 and 2013, 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 2014 and 2013).

New Accounting Pronouncements

In January 2014, the FASB issued new guidance related to Derivatives and Hedging (Topic 815): Accounting for Certain Receive-Variable, Pay-Fixed Interest Rate Swaps-Simplified Hedge Accounting Approach. The amendments in this update allow a swap to be measured at its settlement value instead of fair value when applying the simplified hedge accounting approach. This guidance is effective for the annual periods beginning after December 15, 2014, and for interim periods within annual periods beginning after December 15, 2015. The Company is currently evaluating this guidance to determine the impact on its consolidated financial position, results of operations and cash flows.

In May 2014, the FASB issued new guidance related to Revenue from Contracts with Customers. This guidance supersedes the revenue recognition requirements in Accounting Standards Codification Topic 605, Revenue Recognition, and most industry-specific guidance throughout the Accounting Standards Codification. The guidance requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This guidance is effective for annual reporting periods beginning after December 15, 2017, and for interim periods within annual periods beginning after December 15, 2018. The Company is currently evaluating this guidance to determine the impact on its consolidated financial position, results of operations and cash flows.

In August 2014, the FASB issued new guidance related to Presentation of Financial Statements-Going Concern (Subtopic 205-40)—Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. The amendments in this update provide guidance in U.S. GAAP about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. The amendments in this update are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. The adoption of this guidance is not expected to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

Reclassifications

Certain reclassifications have been made to the October 31, 2013 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,			
	2014		2013	
Caribbean				
Dominican Republic	**$ 33,030**	6.5%	$ 31,052	6.9%
Belize	**3,877**	0.8%	6,145	1.4%
Central America and Mexico				
Costa Rica	**35,883**	7.1%	30,950	6.9%
El Salvador	**782**	0.2%	1,897	0.4%
Guatemala	**18,422**	3.6%	19,435	4.3%
Honduras	**14,921**	2.9%	15,619	3.5%
Mexico	**18,171**	3.6%	8,400	1.9%
Nicaragua	**59,337**	11.7%	47,042	10.5%
South America				
Bolivia	**4,155**	0.8%	6,183	1.4%
Brazil	**123,905**	24.4%	102,150	22.9%
Chile	**30,958**	6.1%	31,706	7.1%
Colombia	**28,641**	5.6%	27,676	6.2%
Ecuador	**60,203**	11.8%	51,817	11.6%
Paraguay	**17,451**	3.4%	6,940	1.6%
Peru	**44,363**	8.7%	43,821	9.8%
Uruguay	**14,338**	2.8%	15,855	3.5%
Venezuela	**-**	0.0%	484	0.1%
Total gross loans	**508,437**	100.0%	447,172	100.0%
Deferred loan costs (fees)	**362**		(44)	
Allowance for loan losses	**(12,405)**		(11,040)	
Net loans	**$ 496,394**		$ 436,088	

Approximately 83.4% 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, 2014 and 2013, 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 years ended October 31, 2014 and 2013 are as follows (dollars in thousands):

	2014			
	Caribbean	**Central America and Mexico**	**South America**	**Total**
Balances at beginning of the year	$ 1,481	$ 2,274	$ 7,285	$ 11,040
Provision for loan losses	273	888	2,019	3,180
Loans charged off	(126)	(546)	(1,143)	(1,815)
Recoveries	-	-	-	-
Balances at end of the year	$ 1,628	$ 2,616	$ 8,161	$ 12,405
Allowance for loan losses:				
On loans individually evaluated for impairment	$ -	$ -	$ 2	$ 2
On loans collectively evaluated for impairment	$ 1,628	$ 2,616	$ 8,159	$ 12,403
Loans:				
Ending balance	$ 36,907	$ 147,516	$ 324,014	$ 508,437
Ending balance: individually evaluated for impairment	$ 2,346	$ 4,882	$ 17,015	$ 24,243
Collectively evaluated for impairment	$ 34,561	$ 142,634	$ 306,999	$ 484,194

	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
Collectively evaluated for impairment	$ 35,906	$ 118,901	$ 274,227	$ 429,034

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 tables include an aging analysis of the recorded investment of past due loans as of October 31, 2014 and 2013 (dollars in thousands):

2014

	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	$ 33,927	$ 846	$ 2,134	$ 36,907	$ -
Central America and Mexico	142,272	2,932	2,312	147,516	-
South America	304,035	7,865	12,114	324,014	-
	$ 480,234	$ 11,643	$ 16,560	$ 508,437	$ -

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	$ -

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, 2014

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	$ 2,346	$ 2,435	$ -	$ 1,641	$ -	$ -
Central America and Mexico	4,882	5,826	-	4,339	71	71
South America	17,013	17,272	-	14,709	75	75
	$ 24,241	$ 25,533	$ -	$ 20,689	$ 146	$ 146
With specific allowance recorded						
Caribbean	$ -	$ -	$ -	$ 178	$ -	$ -
Central America and Mexico	-	-	-	323	-	-
South America	2	39	2	1	-	-
	$ 2	$ 39	$ 2	$ 502	$ -	$ -

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	$ -	$ -

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

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

	October 31, 2014	2013
Caribbean	**$ 2,134**	$ 1,291
Central America and Mexico	**2,312**	2,667
South America	**12,114**	9,166
Total non-accrual loans	**$ 16,560**	$ 13,124

(1) This table excludes TDRs accounted for on a cash basis as discussed below.

There was approximately $24,000 and $0 in interest income recognized during 2014 and 2013, respectively, attributable to nonaccrual loans outstanding at December 31, 2014 and 2013, respectively. Interest income on these loans for 2014 and 2013 would have been approximately $1,817,000 and $1,437,000, respectively, had these loans performed in accordance with their original terms.

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, 2014 and 2013, by loan segment, were as follows (dollars in thousands):

	2014	2013
Caribbean	**$ 212**	$ -
Central America and Mexico	**1,195**	1,775
South America	**3,703**	1,294
Total troubled debt restructurings	**$ 5,110**	$ 3,069

There were seven loans in 2014 and six loans in 2013 which were modified as a TDR. Concessions granted for loans in 2014 and 2013 related to significant delays in payment. In 2014 and 2013, interest of approximately $0 and $111,000 was recognized on a cash basis in relation to seven and six loans which were modified as TDR's, respectively.

Total TDRs at October 31, 2014 and 2013, by loan segment, were as follows (dollars in thousands):

	2014	2013
Caribbean	**$ 212**	$ -
Central America and Mexico	**2,570**	1,775
South America	**6,846**	3,239
Total troubled debt restructurings	**$ 9,628**	$ 5,014

In 2014 and 2013, approximately $6,492,000 and $5,014,000 of loans classified as TDRs, respectively, were accounted for on a cash basis of accounting. Interest recognized on these loans totaled approximately $123,000 and $111,000, for 2014 and 2013, 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, 2014 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 2014.

3. FIXED ASSETS

Fixed assets at October 31, 2014 and 2013 include the following (dollars in thousands):

	2014	2013
Computer equipment	$ 2,206	$ 1,813
Computer software	858	855
Furniture, fixtures and equipment	895	471
Land	2,275	1,529
Planation	80	-
Building	1,387	432
Leasehold improvements	668	530
Other	207	207
	8,576	5,837
Less: Accumulated depreciation and amortization	(3,749)	(3,348)
Fixed assets, net	$ 4,827	$ 2,489

During the years ended October 31, 2014 and 2013, the Company recorded approximately $401,000 and $447,000, respectively, in related depreciation and amortization expense.

4. OTHER ASSETS

Included in other assets at October 31, 2014 and 2013 is approximately $3,838,000 and $3,828,000, respectively, in equity investments, representing ownership in two operating farms located in the Dominican Republic and Ecuador. During fiscal 2014 and 2013, the Company recorded approximately $10,000 and $17,000, respectively, in related gains against other income on the statement of operations to its equity investee in Dominican Republic. During fiscal 2013, 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. There were no impairments to equity investments in 2014 or 2013.

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 interest and the fact that LAAD now has control, this investee was consolidated effective when control was obtained. See Note 5. Prior to consolidation, during fiscal 2013, the Company contributed $55,000 to its equity investee in Guatemala.

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 $3,538,000 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 the other shareholder. The Company has concluded that Managu is jointly controlled with neither investor designated as its primary beneficiary.

Also included in other assets is approximately $6,976,000 and $3,973,000 at October 31, 2014 and 2013, 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, 2014 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 2014 and 2013, the Company had approximately $4,454,000 and $1,940,000, respectively, in loan balances transferred to other real estate owned. During 2013, the Company sold foreclosed properties for $1,516,000 resulting in an approximate $172,000 gain for 2013. 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 sales of other real estate owned in 2014. There were no impairments to other real estate owned in 2014 or 2013.

During 2014, the Company converted two of its other real estate owned properties in Chile and the Dominican Republic totaling approximately $2,110,000 into wholly owned equity investments in each country, respectively. Given the fact that LAAD now has control, these equity investments were consolidated effective when control was obtained. Prior to consolidation, during fiscal 2014, the Company contributed $50,000 to its equity investee in the Dominican Republic. See Note 5.

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:

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

On September 29, 2014, the Company converted one of its other real estate owned properties, Ingenieria y Servicios Ambientales Resipar Ltda, into a 100% ownership equity investment, Frigorífico Pravia, which provided the Company control over Frigorífico Pravia. Frigorífico Pravia became a wholly owned subsidiary on this date and is a Chilean corporation intended to outsource freezing and storage services to others in the agriculture industry.

The following table summarizes the consideration to convert Frigorífico Pravia, and the amounts of identified assets acquired and liabilities assumed at the conversion date:

Fair Value of the Company's existing 100% equity investment in Frigorífico Pravia before the conversion	$	1,570,851
Basis of investment	$	1,570,851

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

Fixed assets, net	$	1,570,851
	$	1,570,851

On September 4, 2014, the Company converted another of its other real estate owned properties, Pedro Vera, into a 100% ownership equity investment, El Batiel, via a holding company, Inversiones Chadwick, S.R.L., which provided the Company control over El Batiel. El Batiel became a wholly owned subsidiary on this date and is a Dominican Republic corporation intended to function as a coffee production and commercialization facility.

The following table summarizes the consideration to convert El Batiel, and the amounts of identified assets acquired and liabilities assumed at the conversion date:

Fair Value of the Company's existing 100% equity investment in El Batiel before the conversion	$	550,146
Basis of investment	$	550,146

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

Cash equivalents	$	55
Fixed assets, net		550,091
	$	550,146

No goodwill or bargain purchase gain resulted from any of these transactions. Operating results and cash flow activity of the above acquired entities since the date control was obtained are considered immaterial.

6. BORROWINGS

Borrowings are summarized as follows(dollars in thousands):

	October 31, 2014	October 31, 2013
Banks		
Unsecured variable rate term loans payable in semiannual equal principal installments through 2021. Interest ranging from 2.00% to 3.00% over LIBOR. (2.33% to 4.00% at October 31, 2014)	**$ 197,714**	$ 125,986
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, 2014)	**6,300**	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
Unsecured variable rate term loans payable in quarterly equal installments through 2017. Interest at 2.00% over LIBOR. (2.23% to 2.27% at October 31, 2014)	**36,600**	21,850
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 2019. Interest on $37,667 at 3.50%, $12,000 at 4.00% and on $4,500 at 4.15%.	**54,167**	11,500
Unsecured fixed rate term loan payable in quarterly compounded principal installments through 2017. Interest fixed at 4.00%.	**5,749**	7,686
Unsecured fixed rate revolving lines of credit. Interest fixed at 4.00% payable through 2019.	**8,250**	-
Unsecured revolving lines of credit including $40,000 and $28,000 with stockholders, respectively. Interest at 2.25% over LIBOR payable through 2015. (2.42% at October 31, 2014)	**40,000**	49,500
	$ 348,780	$ 243,372
Multilateral institutions		
Unsecured term loan with International Finance Corporation, a stockholder, payable in semi-annual equal principal installments through 2015. Interest at 2.00% over LIBOR. (2.32% at October 31, 2014)	**$ 4,125**	$ 15,750
Unsecured term loans with Bladex payable in semiannual equal principal installments through 2015. Interest on $8,333 at 2.65% over LIBOR and on $5,000 at 2.75% over LIBOR. (2.97% at 3.07% at October 31, 2014)	**13,333**	26,667
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
Unsecured term loan with Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. payable in semiannual equal principal installments through 2014. Interest fixed at 5.73%.	**-**	3,333
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. (3.83% at October 31, 2014)	**25,000**	25,000
Unsecured term loans with NOR FUND payable in semiannual equal principal installments through 2021. Interest ranging from 2.00% to 3.35% over LIBOR. (3.68% to 4.50% at October 31, 2014)	**13,750**	6,250
Unsecured term loan with FINN FUND payable in semiannual equal principal installments through 2016. Interest at 2.00% over LIBOR. (2.33% at October 31, 2014)	**2,667**	4,444
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. (3.67% at October 31, 2014)	**8,181**	10,909
Unsecured term loan with The OPEC Fund for International Development payable in semiannual equal principal installments through 2019. Interest at 3.15% over LIBOR. (3.48% at October 31, 2014)	**13,500**	15,000
Unsecured term loan with Oesterreichische Entwicklungsbank AG payable in semiannual equal principal installments through 2019. Interest at 3.15% over LIBOR. (3.47% at October 31, 2014)	**13,500**	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. (3.82% at October 31, 2014)	**6,667**	8,334
	100,723	134,020
	$ 449,503	$ 377,392

(1) Includes a $1,250 loan with a 4.00% floor on interest.

(2) Includes a $3,750 loan with a 4.50% 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 2014 and 2013, LAAD had approximately $1,000,000 and $749,000, 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
2015	$ 164,083
2016	105,152
2017	78,911
2018	50,319
2019	31,652
Thereafter	19,386
	$ 449,503

Principal maturities in 2015 and 2019 include $40,000,000 and $8,250,000, respectively, in unsecured revolving lines of credit of which $40,000,000 in 2015 relate to lines held with stockholder banks. These lines have been historically renewed prior to maturity.

At October 31, 2014, the Company had $130,750,000 in unsecured revolving lines of credit of which $120,000,000 are from two stockholder banks. From the stockholder bank lines, $40,000,000 were in use as of October 31, 2014 and $80,000,000 was unused and available through June 2017.

The Company incurred interest expense of approximately $3,864,000 and $2,626,000 in 2014 and 2013, 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. As of October 31, 2014, the Company was in compliance with its debt covenants or has received or is expected to receive waivers for any covenant violations.

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 value, 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, 2014 and 2013, 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 (0.15% and 0.17% in October 2014 and 2013, respectively), three-month LIBOR (0.23% and 0.24% in October 2014 and 2013, respectively) and six-month LIBOR (0.32% and 0.36% in October 2014 and 2013, respectively). These contracts are considered 100% effective hedges of the underlying debt. Each of the Company's derivatives at October 31, 2014 and 2013 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, 2014				
June 2015	$ 8,333	1.00%	6-month LIBOR	$ (42)
April 2016	4,500	1.47%	6-month LIBOR	(45)
October 2016	7,500	1.14%	6-month LIBOR	(55)
March 2017	7,500	0.95%	3-month LIBOR	(40)
April 2017	7,500	1.07%	3-month LIBOR	(55)
April 2018	10,500	1.03%	1-month LIBOR	(53)
March 2020	25,000	2.11%	6-month LIBOR	(588)
	$ 70,833			$ (878)
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	(112)
April 2018	13,500	1.03%	1-month LIBOR	(113)
	$ 76,667			$ (754)

In 2014, the Company entered into interest rate swap agreements which take effect at a future date as follows (dollars in thousands):

Effective	Maturity	Notional Amount	Fixed Rate To Pay	Floating Rate To Receive
As of October 31, 2014				
December 2014	June 2018	$ 10,500	1.34%	6-month LIBOR
February 2015	February 2019	$ 12,000	1.99%	6-month LIBOR
April 2015	April 2020	$ 7,143	1.99%	6-month LIBOR
March 2015	March 2018	$ 12,000	1.70%	3-month LIBOR
April 2015	October 2017	$ 6,818	1.82%	6-month LIBOR
June 2015	June 2018	$ 5,000	2.01%	6-month LIBOR
		$ 53,461		

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

Description	Amount
Year Ended October 31, 2014	
Gains recognized in OCI	$ 124
Losses reclassified from OCI to interest expense	(4)
Net gains in OCI	$ 120
Year Ended October 31, 2013	
Gains recognized in OCI	$ 438
Gains reclassified from OCI to interest expense	4
Net loss in OCI	$ 442

During 2014 and 2013, the Company's interest expense was increased by approximately $618,000 and $660,000, respectively, as a result of the interest rate swap agreements.

8. STOCKHOLDERS' EQUITY

The Company declared and paid cash dividends of $7,428 and $6,421 per share of common stock in 2014 and 2013, 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, 2014 and 2013, plan costs expensed totaled approximately $500,000 and $358,000, respectively. For the year ended October 31, 2013, plan costs paid in 2014 totaled approximately $462,000.

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, 2014 and 2013, expenses in connection with the plan aggregated to approximately $582,000 and $600,000, 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, Paraguay, Peru and Uruguay. Minimum total rental payments under these leases are as follows (dollars in thousands):

Years Ending October 31,	Amount
2015	$ 498
2016	446
2017	448
2018	451
2019	443
Thereafter	840
	$ 3,126

During the years ended October 31, 2014 and 2013, rental expense related to operating leases amounted to approximately $852,000 and $740,000, respectively.

At October 31, 2014, the Company had loan commitments of approximately $26,900,000. 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 as sets 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, 2014				
Interest rate swap agreements	$ -	$ 878	$ -	$ 878
October 31, 2013				
Interest rate swap agreements	$ -	$ 754	$ -	$ 754

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, 2014 and 2013 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, 2014							
Loans measured for impairment using fair value of collateral	$ -	$ -	$ 9,254	Fair Value of Collateral	Third Party Appraisal	$ 9,254	$ 1,815
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

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 2014 and 2013, 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, 2014		
Cash and cash equivalents	$ 53,811	$ 53,811
Net loans	496,394	491,393
Borrowings	449,503	449,876
October 31, 2013		
Cash and cash equivalents	$ 37,461	$ 37,461
Net loans	436,088	439,929
Borrowings	377,392	376,660

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

Management has evaluated subsequent events from October 31, 2014 thru December 19, 2014, the date of issuance of the consolidated financial statements. There were no events that have occurred subsequent to the balance sheet date through December 19, 2014 that would require adjustment to or disclosure in the consolidated financial statements.

* * * * *

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, 2014 and 2013, 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, 2014 and 2013, 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

December 19, 2014

PricewaterhouseCoopers LLP, 1441 Brickell Avenue, Suite 1100, Miami, FL 33131
T: (305) 375 7400, F: (305) 375 6221, www.pwc.com/us