

CENTRAL AMERICAN BANK FOR ECONOMIC INTEGRATION

The Central American Bank for Economic Integration (CABEI) is a multilateral financial institution founded on December 13, 1960 in order to promote the economic integration and balanced economic and social development of the founding countries.

Its founding member countries are Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica. Its non-regional members include Mexico, the Republic of China (Taiwan), Argentina, Colombia and Spain. Subsequently, Panama and the Dominican Republic joined as non-founding regional members, and Belize also joined as a non-founding beneficiary member.

As a regional financial organization, CABEI attends the public and private sectors and is specialized in attracting and channeling external resources, complementary and additional to those provided by other sources, to promote investment and development opportunities in its sphere of influence.

CABEI is composed of a Board of Governors, a Board of Directors, an Executive President, an Executive Vice President, and a staff of officers chosen by the highest selection standards.

The Board of Governors is CABEI's highest authority. Each country shall name a Titular Governor and an Alternate Governor. The governors are, without distinction, the Minister of Economy or the Central Bank President or the person to whom said representation belongs according to the internal law of the respective country. The Board of Directors is the authority responsible for the direction of the Bank. To that end, it exercises all the powers delegated thereto by the Board of Governors. The Board of Directors is composed of up to nine members. Five are elected at the proposal of the respective founding countries with one Director for each founding country. The four remaining directors are elected by the governors of the non-regional countries.

The Executive President is elected from a list of three candidates, selected on the basis of a contest. He is the Bank's highest-ranking officer and the Institution's legal representative. He is responsible for the Bank's management and holds his position for five years, with the possibility of being reelected one time only.

HIGHLIGHTS 2008

Confirmation of Ratings. CABEL's credit rating was confirmed by the rating agencies: Moody's Investors Service, Standard & Poor's, Japan Credit Rating Agency (JCR) and Fitch Ratings.

Significant contribution to strengthening Central American food security. In order to deal with the regional food crisis, CABEL created the "Program for Strengthening Food Security in Central America" with US\$300 million.

Energy and Road Infrastructure, noteworthy sectors in 2008. CABEL provided more than US\$300 million to different energy projects, principally involving renewable energy. Noteworthy with regard to road infrastructure was the approval of more than US\$560 million in different highway construction and improvement projects.

Facilitating access to resources for Micro, Small and Medium Enterprise (MSME). CABEL provided access to more than US\$113 million in financing for MSMEs through its network of more than 150 Intermediary Financial Institutions, contributing to the development, growth and productivity of more than 500 thousand productive units.

Support to Highly Competitive Clusters. Continued firm support was given to Central American clusters with a high level of competitive potential, such as the tourism, agribusiness and free zone sectors.

Promotion of future operations for the region. More than US\$6.9 million was targeted at pre-investment studies in the sectors of renewable energy, tourism, environment, housing, microfinance and telecommunications.

Approval and Catalyzation of Financial Resources. More than US\$1.40 billion was approved and catalyzed for the Central American region during 2008, providing financing to different productive segments in both the private and public sectors.