

Remarks by the Executive President of CABEI, Dr. Dante Mossi

LXI Board of Governors of CABEI

Governors, Directors, special guests, friends of the press.

I am pleased to give you the warmest welcome to the LXI Ordinary Meeting of the Board of Governors of the Central American Bank for Economic Integration from Tegucigalpa this month in which we commemorate the national events of our founding countries. I want to especially thank the President of the Republic of Honduras, the Governors and Directors who, despite the pandemic, made an effort to accompany us in person at this great event.

It is time to take note of what happened in 2020, a year of pandemic and natural disaster. It was a year in which CABEI strengthened and consolidated its position as the most important strategic partner of each of our member countries. It was a year of significant loss of precious lives, in such a way that the context forces us to reflect on our future.

First, I would like to share with you some reflections on our work during this period. In 2020, the implementation of the five-year strategy 2020-2024 was started, with an availability of more than \$15 billion for our region and our member countries. This strategy includes projects for modern hospitals, roads, railways, ports, airports, dams, natural gas plants, electric mobility, schools, water and sanitation, among many other issues. In March 2020, with the arrival of the pandemic, everything changed. Border closures and lockdowns took place in many countries. The Presidents in an emergency meeting made two decisions that I wish to highlight, first, the closing of borders would be applicable to people, but not to regional trade - the second engine of economic growth; second, CABEI was asked to “act agile and swiftly”.

CABEI, responding to the request of the leaders, approved an Emergency and Economic Reactivation Program through which emergency aid and resources were mobilized to support the urgent execution plans carried out by each of its member countries, but also, took advantage of the knowledge and experience of Korea, through the trust that this new partner has placed in our institution, to acquire supplies and testing equipment for COVID-19 and donate them to several member countries, at a time of extreme scarcity worldwide.

These donations proved to be an effective and timely aid for the contingency plans in each country, and at the same time served to emphasize once again that CABEI, despite having switched to virtual work, was able to act in accordance with the crisis, and formulated an Emergency Plan for \$3 billion that included, the new modality of Development Policy Operations, a line of support for MSMEs, and the expansion of the credit line program to Central Banks, among other. Of course, this program also received the support of CABEI's friends, and in this sense I would like to highlight the Republic of Korea, the Republic of China Taiwan, Spain, the first line of credit from the US, Germany, the European Union. and UN Women.

If 2020 was expected to be the year of COVID-19, in the month of November, hurricanes Eta and Iota reminded us that climate change is real, and it equally affected territories in several member countries.

Executive President

This made us redouble our efforts to be more emphatic in our work for the sake of environmental and social sustainability, and that is why we continue to work in strong alliance with agencies such as the Green Climate Fund and other sources of resources, and we approved a second Resilient Reconstruction Program for \$ 2.5 billion for reconstruction, in terms of roads, social housing, flood mitigation, as well as the launch of the electric mobility program. We will also have a dedicated project preparation fund for climate change adaptation initiatives.

Governors, Directors, CABEL officials, I want to share with you some data that reflects the contribution of our Institution to the region, having reached the middle of my term as CABEL's Executive President.

By the end of 2021, in my three years at the head of the bank, we will have delivered 68 projects and technical cooperations for pre and feasibility studies duly concluded, of which 12 projects are in road infrastructure, 4 in water and sanitation and 6 in energy, which highlights the importance of our institution to create the necessary conditions to attract foreign investment and promote national investment.

By the end of 2022, we will have delivered a total of 89 projects and technical cooperation concluded, aimed at the economic and social development of the member countries from CABEL for a value of about US \$3.4 billion.

So that we can get an idea of the benefits and impacts of the operations of projects completed and delivered by the bank, in the operations approved in the last four years, we will have generated a total of 384 thousand jobs, of which 100 thousand are women. In terms of health, which is so important at the moment, we will have benefited more than 404 thousand patients; in addition to 7.8 million people benefited from water and sanitation.

Dear Governors and Directors, CABEL managed to carry out its eighth capital increase from \$5 billion to \$7 billion in the midst of the crisis, which allowed it to consolidate its international rating of AA and stable outlook. Due to the aforementioned results and the economic and social impacts that CABEL generates for the region and its partner countries, it is necessary to move forward and take the first steps in defining the path to follow to achieve an AAA rating, which undoubtedly will require a new capital increase that allows opening space for the incorporation of new partners with high ratings or that the current ones with those ratings have the option of subscribing additional amounts; This has just been ratified by the Moody's agency just a few weeks ago.

We are the highest rated institution in Latin America, and we can definitely move forward on that path. Governors, I want to take this opportunity to urge you to instruct the Board of Directors and the Administration, in order to be able to trace the route and strategy towards achieving this capital increase and in this way continue increasing the size of our credit approval program, improving our fund-raising costs in the capital markets, and therefore transferring better interest rates to our borrowing partners.

CABEL has already been in existence for 60 years, we have promoted and carried out significant reforms that have changed old paradigms within our institution, such as the implementation of the Access to

Executive President

Information Policy, a green bank fully aligned with the values of environmental and social sustainability that does not finance polluting industries, a bank with gender equality and inclusion, appointing a woman vice president for the first time; We created the CABEI foundation, and we also managed to open offices in the Dominican Republic, the Republic of China Taiwan, and soon, in the Republic of Korea, Argentina and Spain. I urge you, Governors, to see the essence of our Corporate Governance and not focus on issues already addressed in other opportunities, such as remuneration, but rather on the cost of running old structures that have stopped responding to the challenges it faces.

The year 2020 brought us a lot of sadness in terms of loss. I want to take this opportunity to mention the loss of our Vice President Jaime Chávez, and on a personal level, the loss of my father, my challenge with COVID-19 in the performance of my duties as a representative of our Institution, and my recovery in the months of January and February that allowed me to walk again. In particular, the CABEI family lost many lives, which include parents, colleagues, and friends, but not the spirit of preparing for an uncertain future, with innovative initiatives, such as the bio-park for the manufacture of vaccines, the capital fund private KOR CABEI, the regional public debt market, the issuance of securities with member governments in the capital market of Mexico, the introduction of hybrid and electric public and private transportation financing.

Let's move forward, I trust that I can count on the support of the Governors, Directors and all of CABEI's officials with whom we have obtained significant and tangible achievements for our fellow citizens in these two and a half years of work. I am sure that in the years to come we will know how to make a difference in the lives of everyone in the region.

Thank you.