

LETTER FROM THE EXECUTIVE PRESIDENT



La Romana, Dominican Republic
Mr. Antenor Rosales
President of the Board of Governors

Mr. President:

As entrusted by the Board of Directors, and in compliance with Article 2, letter (k) of the Organization and Administrative Regulations of the Central American Bank for Economic Integration, I am pleased to submit the Fiscal Year 2007 Annual Report and audited financial statements to the Board of Governors for its consideration.

In accordance with the Bank's 2004 – 2009 institutional strategy, the three strategic axes that set CABEI's course in Fiscal Year 2007 were poverty reduction, Central American integration, and strengthening regional competitiveness for successful insertion into the global economy.

It thus pleases me to report that in 2007 the execution of this strategy resulted in a historic volume of operations. Resource mobilization during the year reached US\$2.89 billion. During the last five years, from 2003 to 2007, total funds provided have amounted to US\$8.29 billion. Disbursements also totaled US\$6.69 billion in the same five year period, reaching US\$1.48 billion in 2007 alone. 2007 also saw the loan portfolio reach a sum of US\$3.95 billion, growing 7.4% from the previous year and by US\$1.08 billion since 2003.

These results are partly a result of continuous institutional renovation, specifically in financial products and services, policies, technology, and human resources. Among other things, renovation has permitted the Bank to improve its creditworthiness and to have a greater presence in international financial markets. The Bank's bond issues in different international and regional markets amounted to US\$350 million in 2007. In line with our financing strategy to diversify fund sources and reduce their costs, outstanding issues currently total US\$1.6 billion.

I wish to express my sincere gratitude and recognition to the Board of Governors, the Board of Directors, and the Bank's officers for the outstanding results obtained in 2007. Jointly we will continue to build a more efficient and innovative institution to support the region's economic and social development and to foster integration.

A handwritten signature in black ink, appearing to read "H. Brautigam". The signature is stylized and cursive.

Dr. Harry E. Brautigam
Executive President