CORPORACIÓN INTERAMERICANA
PARA EL FINANCIAMIENTO DE INFRAESTRUCTURA, S.A.

Financial Information Required by the Superintendency General of Financial Entities

December 31, 2007

(With Independent Auditors' Report Thereon)

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Independent Auditors' Report

To the Board of Directors and Stockholders
Corporación Interamericana para el Financiamiento de Infraestructura, S.A.

We have audited the accompanying balance sheet of Corporación Interamericana para el Financiamiento de Infraestructura, S.A. (the Corporation) as of December 31, 2007, and the related statements of income, stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing as promulgated by the International Federation of Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in note 2-a, the accompanying financial statements have been prepared in accordance with legal rules and accounting regulations issued by the National Financial System Oversight Board (CONASSIF) and the Superintendency General of Financial Entities (SUGEF).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Corporación Interamericana para el Financiamiento de Infraestructura, S.A. as of December 31, 2007, and the results of its operations and its cash flows for the year then ended in conformity with the accounting basis described in note 2-a.

In January 2008, the Corporation notified the Superintendency General of Financial Entities (SUGEF) of its intent to withdraw as a SUGEF-regulated entity (see note 20).

This Independent Auditors' Report is solely for the information of the Board of Directors of the Corporation and SUGEF.

KPMG

January 25, 2008

San José, Costa Rica

CORPORACIÓN INTERAMERICANA PARA EL FINANCIAMIENTO DE INFRAESTRUCTURA, S.A.
BALANCE SHEET
December 31, 2007
(With corresponding figures for 2006)
(In colones and US dollars)

		2007		2006	
	Note	Colones	US dollars	Colones	US dollars
ASSETS					
Cash and due from banks	5	**5,821,513,654**	**11,755,161**	**4,066,928,954**	**7,884,090**
Investment securities and deposits	6	**74,284,500**	**150,000**	**5,218,869,741**	**10,117,226**
Held-to-maturity		74,284,500	150,000	5,218,869,741	10,117,226
Loan portfolio, net	7	**78,437,672,022**	**158,386,350**	**59,620,406,459**	**115,579,262**
Current		79,939,109,073	161,418,147	60,902,193,619	118,064,116
Allowance for loan losses	7-a	(1,501,437,051)	(3,031,797)	(1,281,787,160)	(2,484,854)
Accounts and accrued interest receivable, net		**776,388,968**	**1,567,734**	**550,847,378**	**1,067,865**
Accrued interest receivable		776,388,968	1,567,734	550,847,378	1,067,865
Other		**302,180,640**	**610,182**	**12,510,741**	**24,253**
TOTAL ASSETS		**85,412,039,784**	**172,469,427**	**69,469,563,273**	**134,672,696**
LIABILITIES AND STOCKHOLDERS' EQUITY					
LIABILITIES					
Obligations with the public	8	**74,284,500**	**150,000**	**77,376,000**	**150,000**
Term deposits		74,284,500	150,000	77,376,000	150,000
Obligations with foreign financial entities	9	**53,207,905,269**	**107,440,796**	**32,706,320,944**	**63,404,003**
Other accounts payable and provisions		**493,510,249**	**996,527**	**5,628,482,691**	**10,911,296**
Finance charges payable		293,335,857	592,322	181,004,471	350,893
Provisions	10	86,677,358	175,024	106,145,592	205,772
Income tax liability	12	-	-	78,761,020	152,685
Sundry accounts payable	11	113,497,034	229,181	5,262,571,608	10,201,946
Other liabilities		**274,397,509**	**554,081**	**149,443,878**	**289,710**
Deferred income		274,397,509	554,081	149,443,878	289,710
TOTAL LIABILITIES		**54,050,097,527**	**109,141,404**	**38,561,623,513**	**74,755,009**
STOCKHOLDERS' EQUITY					
Capital stock		**20,016,845,328**	**54,000,001**	**20,016,845,328**	**54,000,001**
Paid up capital	13	20,016,845,328	54,000,001	20,016,845,328	54,000,001
Capital reserves		**226,880,135**	**466,401**	**142,277,767**	**295,884**
Prior period retained earnings		**11,118,216,794**	**8,861,621**	**10,748,816,665**	**5,621,802**
TOTAL STOCKHOLDERS' EQUITY		**31,361,942,257**	**63,328,023**	**30,907,939,760**	**59,917,687**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**85,412,039,784**	**172,469,427**	**69,469,563,273**	**134,672,696**
CONTINGENCIES	18	**17,423,476,027**	**35,182,594**	**4,258,817,396**	**8,256,082**
OTHER MEMORANDA ACCOUNTS	19	**7,428,450,000**	**15,000,000**	-	-

Sergio Ruiz
Legal Representative

Guillermo Smith
Accountant

See accompanying notes to financial statements.

CORPORACIÓN INTERAMERICANA PARA EL FINANCIAMIENTO DE INFRAESTRUCTURA, S.A.
STATEMENT OF INCOME
Year ended December 31, 2007
(With corresponding figures for 2006)
(In colones and US dollars)

	Note	2007 Colones	2007 US dollars	2006 Colones	2006 US dollars
Financial income					
Cash and due from banks		34,990,991	68,028	44,501,344	87,354
Investment securities and deposits		191,106,768	369,481	175,061,294	340,263
Loan portfolio		5,930,763,331	11,572,313	3,573,789,034	6,983,227
Foreign exchange differences, net		1,443,790,400	-	1,578,423,422	-
Total financial income		**7,600,651,490**	**12,009,822**	**5,371,775,094**	**7,410,844**
Financial expense					
Obligations with the public		3,012,221	5,846	4,194,780	8,231
Financial obligations		3,509,943,721	6,842,053	1,544,122,866	3,008,523
Foreign exchange differences, net		2,707,565,275	-	422,566,281	-
Hedging derivatives	**19**	100,144,722	202,115	-	-
Other		11,777,188	22,935	24,594	49
Total financial expense		**6,332,443,127**	**7,072,949**	**1,970,908,521**	**3,016,803**
Expense for impairment of investment securities and allowance for loan losses	**7-a**	271,437,146	546,943	326,116,567	642,468
NET FINANCIAL INCOME		**996,771,217**	**4,389,930**	**3,074,750,006**	**3,751,573**
Other operating income					
Other		584,662,389	1,142,844	195,807,142	345,761
Total other operating income		**584,662,389**	**1,142,844**	**195,807,142**	**345,761**
Other operating expenses					
Service fees and commissions		21,782,873	42,177	12,942,989	25,283
Other related party expenses		7,732,013	15,000	12,880,672	25,166
Other		35,723,083	52	-	-
Total other operating expenses		**65,237,969**	**57,229**	**25,823,661**	**50,449**
GROSS OPERATING INCOME		**1,516,195,637**	**5,475,545**	**3,244,733,487**	**4,046,885**
Administrative expenses					
Personnel		785,400,487	1,526,984	550,923,924	1,075,319
Taxes, licenses, and statutory allocations		5,893,812	11,427	4,658,063	9,129
Other		270,898,841	526,798	307,937,672	605,143
Total administrative expenses	**15**	**1,062,193,140**	**2,065,209**	**863,519,659**	**1,689,591**
NET OPERATING INCOME BEFORE TAXES		**454,002,497**	**3,410,336**	**2,381,213,828**	**2,357,294**
Taxes	**12**	-	-	78,761,020	152,685
NET INCOME FOR THE YEAR		**454,002,497**	**3,410,336**	**2,302,452,808**	**2,204,609**

Sergio Ruiz
Legal Representative

Guillermo Smith
Accountant

See accompanying notes to financial statements.

CORPORACIÓN INTERAMERICANA PARA EL FINANCIAMIENTO DE INFRAESTRUCTURA, S.A.
STATEMENT OF STOCKHOLDERS' EQUITY
Year ended December 31, 2007
(With corresponding figures for 2006)
(In colones and US dollars)

IN COLONES	**Capital stock**	**Capital reserves**	**Prior period retained earnings**	**Total stockholders' equity**
Balances at December 31, 2005	**20,016,845,328**	**85,416,492**	**8,503,225,132**	**28,605,486,952**
Balances at January 1, 2006	**20,016,845,328**	**85,416,492**	**8,503,225,132**	**28,605,486,952**
Net income for the year	-	-	2,302,452,808	2,302,452,808
Appropriation to legal reserve	-	56,861,275	(56,861,275)	-
Balances at December 31, 2006	**20,016,845,328**	**142,277,767**	**10,748,816,665**	**30,907,939,760**
Balances at January 1, 2007	**20,016,845,328**	**142,277,767**	**10,748,816,665**	**30,907,939,760**
Net income for the year	-	-	454,002,497	454,002,497
Appropriation to legal reserve	-	84,602,368	(84,602,368)	-
Balances at December 31, 2007	**20,016,845,328**	**226,880,135**	**11,118,216,794**	**31,361,942,257**

IN US DOLLARS	**Capital stock**	**Capital reserves**	**Prior period retained earnings**	**Total stockholders' equity**
Balances at December 31, 2005	**54,000,001**	**185,654**	**3,527,423**	**57,713,078**
Balances at January 1, 2006	**54,000,001**	**185,654**	**3,527,423**	**57,713,078**
Net income for the year	-	-	2,204,609	2,204,609
Appropriation to legal reserve	-	110,230	(110,230)	-
Balances at December 31, 2006	**54,000,001**	**295,884**	**5,621,802**	**59,917,687**
Balances at January 1, 2007	**54,000,001**	**295,884**	**5,621,802**	**59,917,687**
Net income for the year	-	-	3,410,336	3,410,336
Appropriation to legal reserve	-	170,517	(170,517)	-
Balances at December 31, 2007	**54,000,001**	**466,401**	**8,861,621**	**63,328,023**

Sergio Ruiz
Legal Representative

Guillermo Smith
Accountant

See accompanying notes to financial statements.

CORPORACIÓN INTERAMERICANA PARA EL FINANCIAMIENTO DE INFRAESTRUCTURA, S.A.
STATEMENT OF CASH FLOWS
Year ended December 31, 2007
(With corresponding figures for 2006)
(In colones and US dollars)

	2007		2006	
	Colones	**US dollars**	**Colones**	**US dollars**
Cash flows from operating activities				
Net income	454,002,497	3,410,336	2,302,452,808	2,204,609
Items applied to results not requiring cash				
Unrealized foreign exchange loss (gain), net	1,263,774,875	-	(1,047,935,691)	-
Losses on allowance for loan losses	219,649,891	546,943	326,116,567	642,468
Provision expense	(19,468,234)	(30,748)	226,323,884	473,601
Financial income	(7,600,651,490)	(12,009,822)	(3,793,351,672)	(7,410,844)
Financial expense	3,512,955,942	6,847,899	1,548,317,646	3,016,754
Interest paid	(3,512,955,942)	(6,847,899)	(1,401,718,061)	(2,735,275)
Interest received	7,600,651,490	12,009,822	3,596,640,514	7,057,467
Income tax expense	-	-	78,761,020	152,685
Income tax paid	(78,761,020)	(152,685)		
Deferred income	124,953,631	264,371	149,443,878	289,710
Transaction costs of financial obligations	453,464,120	807,626	272,042,708	569,349
Net (increase) decrease in assets				
Credits and cash advances	(18,104,697,847)	(44,161,657)	(30,101,127,848)	(58,711,814)
Other assets	(3,638,697)	(278,173)	(1,146,235,764)	(2,226,344)
Net increase (decrease) in assets				
Demand and term obligations	-	-	(51,183,000)	(100,000)
New borrowings	17,443,126,406	43,229,167	26,243,250,000	51,000,000
Other accounts payable and provisions	(5,127,688,729)	(9,731,336)	5,013,388,374	9,673,842
Net cash flows from operating activities	**(3,375,283,107)**	**(6,096,156)**	**2,215,185,363**	**3,896,208**
Net cash provided by (used in) investing activities				
Increase in deposits and investments	(63,362,673,713)	(122,374,682)	(57,574,279,990)	(111,779,331)
Decrease in deposits and investments	68,492,541,520	132,341,909	52,558,739,454	101,912,105
Net cash (used in) provided by investing activities	**5,129,867,807**	**9,967,227**	**(5,015,540,536)**	**(9,867,226)**
Net (decrease) increase in cash and cash equivalents	**1,754,584,700**	**3,871,071**	**(2,800,355,173)**	**(5,971,018)**
Cash and cash equivalents at beginning of year	**4,066,928,954**	**7,884,090**	**6,867,284,127**	**13,855,108**
Cash and cash equivalents at end of year	**5,821,513,654**	**11,755,161**	**4,066,928,954**	**7,884,090**

Sergio Ruiz
Legal Representative

Guillermo Smith
Accountant

See accompanying notes to financial statements.

(1) Organization and operations

Corporación Interamericana para el Financiamiento de Infraestructura, S.A. (the Corporation) was organized on August 10, 2001 under the laws of the Republic of Costa Rica and began operations in July 2002.

The Corporation was organized as a non-banking financial entity engaged in financial intermediary activities, and is governed by the Internal Regulations of the Central Bank of Costa Rica and the Law Regulating Non-Banking Financial Entities. The Corporation is subject to the oversight of the Superintendency General of Financial Entities (SUGEF). Its main line of business is extending loans to finance infrastructure projects in Latin America.

The Corporation has 11 employees and its website is www.cifidc.com. Its offices are located at Barrio Tournón, Los Almendros Building, second floor. The Corporation does not operate branches in Costa Rica or have any automated teller machines under its control.

The Corporation's headquarters are located in Arlington, Virginia, U.S.A., where its operations take place.

The Independent Auditors' Report, financial statements, and notes thereto have been translated from Spanish into English for the reader's convenience. However, this is not an official translation.

The financial statements were approved for issue by the Executive Committee on February 8, 2008 during meeting No. 59.

(2) Summary of significant accounting principles

(a) Basis of financial statement preparation

The financial statements have been prepared in accordance with the regulation issued by the National Financial System Oversight Board (CONASSIF) and SUGEF.

(b) Foreign currency

i. Functional currency

The Corporation's transactions are executed in dollars of the United States of America. Its accounting records are kept in colones (¢), in conformity with currency legislation in the Republic of Costa Rica.

All of the Corporation's assets are denominated in US dollars and the majority is invested abroad. Additionally, stockholder contributions and common stock are denominated in US dollars.

The financial statements in Costa Rican currency are obtained by translating figures stated in US dollars, as follows: monetary assets and liabilities denominated in US dollars are translated at the exchange rate in effect as of the date of the financial statements: ¢495.23 and ¢515.84 to US$1.00 as of December 31, 2007 and 2006, respectively; stockholders' equity has been translated at the exchange rate ruling at the date of the transaction (historical rate); and income and expenses have been translated at the exchange rate ruling at the date of each transaction. The net translation gain is presented in the income statement.

(c) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. The Corporation's financial instruments include primary instruments, i.e. investment securities, credits, receivables, obligations payables.

(i) Classification

Trading instruments are those that the Corporation holds for the purpose of short-term profit taking.

Originated loans and receivables are loans and receivables created by the Corporation providing money to a debtor other than those created with the intention of short-term profit taking.

Available-for-sale assets are financial assets that are not held for trading purposes or held to maturity.

(Continued)

Held-to-maturity assets are financial assets with fixed or determinable payments and fixed maturity that the Corporation has the intent and ability to hold to maturity.

(ii) Recognition

The Corporation recognizes available-for-sale assets on the date it commits to purchase the assets. From that date, any gains and losses arising from changes in fair value of the assets are recognized in equity, pursuant to CONASSIF requirements.

Held-to-maturity assets and originated loans and receivables are recognized on the date they are transferred to the Corporation.

(iii) Measurement

Financial instruments are measured initially at amortized cost, including transaction costs.

Subsequent to initial recognition, all available-for-sale assets are measured at fair value.

All non-trading financial assets and liabilities, originated loans and receivables, and held-to-maturity assets are measured at amortized cost less impairment losses. Premiums and discounts are included in the carrying amount of the related instrument and amortized to financial income/expense.

(iv) Fair value measurement principles

The fair value of financial instruments is based on their quoted market price at the balance sheet date without any deduction for transaction costs.

When a quoted market price is not available, the fair value of the instrument is estimated by discounting expected cash flows until maturity, using a discount rate that reflects the inherent credit and interest rate risks.

(Continued)

(v) Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of available-for-sale assets are recognized directly in equity, until an investment is considered impaired, at which time the loss is recognized in the income statement. When the financial assets are sold, collected, or otherwise disposed of the cumulative gain or loss recognized in equity is transferred to the income statement.

(vi) Derecognition

A financial asset is derecognized when the Corporation loses control over the contractual rights that comprise the asset. This occurs when the rights are realized, expire, or surrendered. A financial liability is derecognized when it is extinguished.

(d) Derivative financial instruments

Management uses derivative financial instruments as part of its operations, which are recognized at fair value in the balance sheet by the fair value method.

Fair value accounting treatment is applied to derivative financial instruments as follows:

- Fair value hedging

Derivative instruments accounted for by the fair value method hedge exposure to changes in the fair value of an asset or liability recognized in the balance sheet, or an identified portion of such asset or liability attributable to the specific risk that could affect the net gain or loss recognized in the financial statements.

The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognized in the income statement.

(e) Cash and cash equivalents

Cash equivalents comprise bank deposits and investments with original maturities of three months or less.

(Continued)

(f) Loan portfolio

The loan portfolio is presented at the value of unpaid principal. Interest on loans is calculated based on the unpaid principal and contractual interest rates, and is accounted for as income on the accrual basis of accounting. The Corporation follows the policy of suspending interest accruals on loans with principal or interest that has been unpaid for at least 90 days.

As of December 31, 2007 and 2006, the Corporation has no nonperforming loans in its portfolio.

(g) Allowance for loan losses

SUGEF defines credits as an operation relating to any type of underlying instrument or document, except investment securities, whereby credit risk is assumed by the enterprise, either by accepting or providing funds or credit facilities, acquiring collection rights, or guaranteeing that third parties will honor their obligations. Credits include loans, guarantees, letters of credit, pre-approved lines of credit, and loans pending disbursement.

As of December 31, 2007 and 2006, the loan portfolio is valued in accordance with provisions established in SUGEF directive 1-05 “Regulations for Borrower Classification”, which was approved by CONASSIF on November 24, 2005, published in Official Gazette No. 238 on December 9, 2005, and effective as of October 9, 2006. Those provisions are summarized below:

Loan operations approved for individuals or legal entities with a total outstanding balance exceeding ¢50,000,000 (Group 1 under SUGEF directive 1-05) are classified by credit risk, based on the following considerations:

- Ability to pay, which includes an analysis of projected cash flows, an analysis of financial position, consideration for experience in the line of business, quality of management, stress analysis of critical variables, and an analysis of the creditworthiness of individuals, regulated financial intermediaries, and public institutions.

- Historical payment behavior, which is determined by the borrower's payment history over the previous 48 months, considering servicing of direct loans, both current and settled, in the National Financial System as a whole. SUGEF calculates the level of historical payment behavior for borrowers reported by entities during the previous month.

- Collateral, which can be used to mitigate risk for purposes of calculating the allowance for loan losses. The fair value of collateral should be considered and adjusted at least once annually. The percentage of acceptance of collateral is also a mitigating factor. Collateral must be depreciated six months after appraisal.

The risk categories are summarized below:

Risk category	Days overdue	Historical payment behavior	Ability to pay
A1	Less than or equal to 30 days	Level 1	Level 1
A2	Less than or equal to 30 days	Level 2	Level 1
B1	Less than or equal to 60 days	Level 1	Level 1 or Level 2
B2	Less than or equal to 60 days	Level 2	Level 1 or Level 2
C1	Less than or equal to 90 days	Level 1	Level 1 or Level 2
C2	Less than or equal to 90 days	Level 1 or Level 2	Level 1, Level 2, or Level 3
D	Less than or equal to 120 days	Level 1 or Level 2	Level 1, Level 2, or Level 3

Remaining loan operations, for which the total outstanding balance is less than ¢50,000,000 (Group 2 under SUGEF directive 1-05), are classified in the following categories based on historical payment behavior and days overdue:

Risk category	Days overdue	Historical payment behavior
A1	Less than or equal to 30 days	Level 1
A2	Less than or equal to 30 days	Level 2
B1	Less than or equal to 60 days	Level 1
B2	Less than or equal to 60 days	Level 2
C1	Less than or equal to 90 days	Level 1
C2	Less than or equal to 90 days	Level 1 or Level 2
D	Less than or equal to 120 days	Level 1 or Level 2

Borrowers are to be classified in risk category E if they fail to meet the conditions for classification in risk categories A through D mentioned above, are in a state of bankruptcy, meeting of creditors, court protected reorganization procedure, or takeover, or consider classification in such category to be appropriate.

The risk categories and allowance percentages required for each category are indicated below:

Risk category	Allowance percentage
A1	0.5%
A2	2%
B1	5%
B2	10%
C1	25%
C2	50%
D	75%
E	100%

As an exception in the case of risk category E, the minimum allowance for loans to a borrower whose historical payment behavior is rated as level 3 should be calculated as follows:

Days overdue	Allowance percentage
0-30 days	20%
31-60 days	50%
More than 61 days	100%

However, SUGEF defines a minimum allowance for loan losses as the greater of:

- The structural allowance determined based on percentages defined by SUGEF (see above);
- The adjusted allowance (which corresponds to the allowance resulting from the most recent SUGEF review); and
- The lower of the allowance booked by the entity as of September 30, 2004 and adjusted monthly based on the change in the Consumer Price Index (CPI), and the ratio of the allowance booked by the entity as of September 30, 2004 to the total balance of loan operations subject to the allowance.

(Continued)

The Corporation has determined a structural allowance (application of SUGEF directive 1-05) of ¢1,162,386,121 (¢624,281,870 in 2006). However, the allowance booked as of December 31, 2007 is ¢1,501,437,051 (¢1,281,787,160 in 2006). The expense for the allowance for loan losses and impairment corresponds to the amount necessary to attain the minimum required allowance.

In addition, management utilizes its own methodology to valuate the credit risk, which considers risks such as type of business and location. The percentages established by management using this methodology exceed those defined by current legislation.

As of December 31, 2007 and 2006, management considers the allowance to be adequate to absorb any potential losses that could arise from loan recovery.

Noncompliance with information requirements

For entities that fail to furnish complete information on credit operations or that furnish such information after the deadline, for reasons other than SUGEF technical failures, the amount of the allowance for impairment and loan losses and the allowance for stand-by credit losses are to be calculated as follows:

a) For the last month complete information was furnished, determine the percentage represented by the amount of the structural allowance with respect to the loan portfolio subject to the allowance for that month.

b) The amount of the allowances booked should be greater than or equal to the amount resulting from multiplying the percentage determined above by the balance during the month the account information was not sent. The amount resulting from multiplying the balance of the A1 and A2 portfolio for the last month complete information was sent by 0.25% is added to that balance. For each consecutive month no information is furnished, an additional 0.25% should be added, cumulative monthly. As soon as the entity fulfills the information requirements, the 0.25% cumulative monthly is no longer applied. When complete information is sent the following month, the entity can reverse the amount of the additional allowances in excess of the applicable structural allowance.

(Continued)

(h) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the financial statements when the Corporation has a legally enforceable right to set off the recognized amounts and the transactions are intended to be settled on a net basis.

(i) Accounts payable and other

Accounts payable and other are carried at amortized cost.

(j) Impairment of assets

The carrying amount of the Corporation's assets is reviewed by management at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Such loss is recognized in the income statement for assets carried at cost.

The recoverable amount of assets is the greater of their net selling price and value in use. The net selling price is equivalent to the value obtained in an arm's length transaction. Value in use is the present value of estimated future cash flows and disbursements expected to arise from the continuing use of an asset and from disposal at the end of its useful life.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the income statement.

As of December 31, 2007 and 2006, no impaired assets were identified, and the Corporation has recorded no impairment losses for the year then ended.

(k) Provisions

A provision is recognized in the balance sheet when the Corporation has acquired a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provision made approximates settlement value; however, final amounts may vary. The estimated amount of the provision is adjusted at the balance sheet date, directly affecting the income statement.

(Continued)

(l) Legal reserve

Pursuant to the Costa Rican banking legislation in effect, the Corporation allocates 5% of net earnings to a legal reserve. This legal reserve is computed based on earnings in US dollars, which is the Corporation's functional currency.

(m) Income tax

i. Current

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted at the balance sheet date and any adjustment to tax payable in respect of the previous years.

ii. Deferred

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. In accordance with this standard, temporary differences are identified as either taxable temporary differences (which result in future taxable amounts) or deductible temporary differences (which result in future deductible amounts). A deferred tax liability represents a taxable temporary difference and a deferred tax asset represents a deductible temporary difference. A deferred tax asset is recognized only to the extent that there is reasonable probability of realization.

(n) Basic earnings per share

Basic earnings per share is a measure of an enterprise's performance over the reporting period and is computed by dividing available net earnings by the weighted-average number of common shares outstanding during the year.

(Continued)

(o) Revenue and expense recognition

i. Interest income and expense

Interest income and expense is recognized in the income statement as it accrues, considering the effective yield or interest rate. Interest income and expense includes amortization of any discount or premium during the term of the instrument until maturity.

ii. Fee and commission income

Fee and commission income arises on financial services provided by the Corporation, including advisory services and disbursement fees. Fee and commission income is recognized when the corresponding service is provided. When a commission is deferred, it is recognized over the term of the loan.

(p) Use of estimates

Management of the Corporation has made a number of estimates and assumptions related to the reporting of assets, liabilities, results, and the disclosure of contingent liabilities to prepare these financial statements. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant changes are related to determination of the allowance for loan losses.

(3) Collateralized and restricted assets

As of December 31, 2007 and 2006, the Corporation recognizes security deposits in the amount of ¢8,007,255 (US$16,169) and ¢8,340,493 (US$16,169), respectively, for office space leased in the United States of America as part of other assets.

As of December 31, 2006, investment securities and deposits denominated in US dollars in private banks for ¢5,141,493,741 (US$9,967,226) were restricted for future loan disbursements, as they represented a cash guarantee given to the Corporation by a third party in connection with a loan granted and released once the borrower complied with all of the clauses of the loan agreement.

To secure its financial obligations, the Corporation assigned rights to cash flows derived from certain loan agreements in its lending portfolio to lenders.

(4) Balances and transactions with related parties

The financial statements include balances and transactions with related parties, as follows:

	As of December 31, 2007 Colones	US dollars
Assets:		
Cash and due from banks	¢ 5,287,974,352	$ 10,677,815
Investments	74,450,813	150,336
Total assets		10,828,151
Liabilities:		
Other financial obligations	87,703,876	177,097
Other accounts payable	100,093,228	202,115
Total liabilities	187,797,104	379,212
Income:		
Interest	34,997,610	68,030
Total income	34,997,610	68,030
Expenses:		
Interest	3,074,753	5,971
Hedging derivatives	100,144,722	202,115
Service fees and commissions	10,459,737	20,238
Administrative	20,873,834	40,430
Total expenses	¢ 134,553,046	$ 268,753

	As of December 31, 2006 Colones	US dollars
Assets:		
Cash and due from banks	¢ 3,788,263,690	$ 7,343,873
Investments	77,533,976	150,306
Total assets	3,865,797,667	7,494,179
Liabilities:		
Other financial obligations	78,446,997	152,076
Total liabilities	78,446,997	152,076
Income:		
Interest	46,295,427	84,410
Total income	46,295,427	84,410
Expenses:		
Interest	1,818,677	3,564
Service fees and commissions	7,522,508	14,633
Administrative	12,880,672	25,166
Total expenses	¢ 22,221,857	$ 43,363

(Continued)

(5) Cash and due from banks

Cash and due from banks is as follows:

	As of December 31, 2006			
		Colones		US dollars
Local financial entities	¢	5,297,413,900	$	10,696,866
Foreign financial entities		524,099,754		1,058,296
	¢	5,821,513,654	$	11,755,161

	As of December 31, 2006			
		Colones		US dollars
Local financial entities	¢	3,788,263,690	$	7,343,873
Foreign financial entities		278,665,264		540,217
	¢	4,066,928,954	$	7,884,090

(6) Investment securities and deposits

Investment securities and deposits are classified as held-to-maturity as follows:

	December 31, 2007					
		Colones			US dollars	
Held-to-maturity		Cost	Fair value		Cost	Fair Value
Local issuers:						
Investment certificate US$ in private banks	¢	74,284,500	72,839,419	$	150,000	147,082
		74,284,500	72,839,419		150,000	147,082

	December 31, 2006					
		Colones			US dollars	
		Cost	Fair value		Cost	Fair Value
Local issuers:						
Investment certificate US$ in private banks	¢	77,376,000	77,376,000	$	150,000	150,000
Foreign issuers:						
Bonds in US$ in the government (treasure bonds)		5,141,493,741	5,141,493,741		9,967,226	9,967,226
	¢	5,218,869,741	5,218,869,741	$	10,117,226	10,117,226

(Continued)

In 2006, the investment securities denominated in US dollars in private banks corresponded to collateralized cash deposits associated with a loan operation, which was disbursed once the loan terms were met by the borrower.

As of December 31, 2007, the annual interest rate on investments securities is 4.20% (2006: 3.50%).

(7) Loan portfolio

The loan portfolio is classified by economic activity as follows:

	December 31, 2007	
	Colones	US dollars
Gas and oil (production and transportation)	¢ 9,487,688,160	19,158,145
Hydroelectric plants	7,329,126,185	14,799,439
Infrastructure services	17,279,416,591	34,891,700
Renewable energy	9,315,235,371	18,809,917
Social infrastructure	466,960,291	942,916
Telecommunications	6,933,220,000	14,000,000
Thermal power plants	16,103,482,203	32,517,178
Tourism	3,961,840,000	8,000,000
Transportation (ports, airports, trains, etc.)	7,873,588,272	15,898,852
Water and sanitation	1,188,552,000	2,400,000
	79,939,109,073	161,418,147
Allowance for loan losses	(1,501,437,051)	(3,031,797)
	¢ 78,437,672,022	158,386,350

	December 31, 2006	
	Colones	US dollars
Gas and oil (production and transportation)	¢ 4,011,346,710	7,776,339
Hydroelectric plants	3,494,400,233	6,774,194
Infrastructure services	11,606,400,000	22,500,000
Renewable energy	4,126,720,000	8,000,000
Social infrastructure	6,996,080,000	13,562,500
Telecommunications	7,737,600,000	15,000,000
Thermal power plants	14,699,126,973	28,495,516
Transportation (ports, airports, trains, etc.)	6,915,717,802	13,406,711
Water and sanitation	1,314,801,901	2,548,856
	60,902,193,619	118,064,116
Allowance for loan losses	(1,281,787,160)	(2,484,854)
	¢ 59,620,406,459	115,579,262

(Continued)

The Corporation classifies loans as past due and nonperforming when no principal or interest payments have been made by one day after the agreed date.

As of December 31, 2007 and 2006, the Corporation has no past due, nonperforming loans, loans in legal collections, or loans for which interest is accounted for on a cash basis.

As of December 31, 2007, the annual interest rate on loans ranged between 7.25% and 11.43% (2006: between 6.88% and 10.22%) in US dollars.

(a) Allowance for loan losses

As of December 31, 2007 and 2006, movement in the allowance for loan losses is as follows:

	Colones	US dollars
Balances at December 31, 2005	¢ 913,178,730	$ 1,842,386
Balances at January 1, 2006	913,178,730	1,842,386
Plus:		
Expense for the year for portfolio evaluation	326,116,567	642,468
Exchange differences on allowances in foreign currency	42,491,863	-
Balances at December 31, 2006	1,281,787,160	2,484,854
Balances at January 1, 2007	1,281,787,160	2,484,854
Plus:		
Expense for the year for portfolio evaluation	271,437,146	546,943
Exchange differences on allowances in foreign currency	(51,787,255)	-
Balance as of December 31, 2007	¢ 1,501,437,051	$ 3,031,797

(8) Obligations with the public

(a) By amount

As of December 31, 2007 and 2006, obligations with the public correspond to term certificates of deposit with local financial institutions in the amount of ¢74,284,500 (US$150,000) and ¢77,376,000 (US$150,000), respectively.

(b) By client

As of December 31, 2007 and 2006, obligations with the public correspond to term certificates of deposit acquired from one local financial institution.

(9) Other financial obligations

The other financial obligations are as follows:

	December 31, 2007	
	Colones	US dollars
Obligations with foreign financial entities	¢ 54,093,560,205	$ 109,229,167
Transaction costs	(885,654,936)	(1,788,371)
	¢ 53,207,905,269	$ 107,440,796

	December 31, 2006	
	Colones	US dollars
Obligations with foreign financial entities	¢ 34,045,440,000	$ 66,000,000
Transaction costs	(1,339,119,056)	(2,595,997)
	¢ 32,706,320,944	$ 63,404,003

On June 9, 2005, the Corporation subscribed a credit facility for US$50,500,000 with the Inter-American Development Bank (IDB). That loan was comprised of tranche "A" in the amount of US$25,000,000 for an eight-year term, bearing an annual interest rate at Libor + 2.25%, and tranche "B" in the amount of US$25,500,000 for a six-year term, bearing an annual interest rate at Libor + 2.00%. Both tranches have a two-year grace period. As security for the loan, the Corporation assigned the IDB rights to cash flows derived from loan agreements in its lending portfolio, up to a coverage ratio of 120% of the amount of the IDB loan.

The first disbursement of US$15,000,000 was received on December 6, 2005 (¢7,434,750,000). As of December 31, 2007, the entire loan facility has been disbursed and repayment has started. The loan principal to be amortized is US$45,229,167 (¢22,398,840,205). Loan fees are also payable in the amount of US$431,853 (¢213,866,323). As of December 31, 2006, a total of US$43,000,000 (¢22,181,120,000) has been disbursed. Loan fees in the amount of US$664,193 (¢342,617,308) remain unpaid.

On June 23, 2006, the Corporation subscribed a credit facility for US$100,000,000 with Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V., the Central American Bank for Economic Integration (CABEI), Deg-Deutsche Investitions-Und Entwicklungsgesellschaft Mbh, and Finnish Fund For Industrial Cooperation Ltd. That loan is comprised of one tranche in the amount of US$44,000,000 for a four-year term, bearing interest at Libor + 1.75%, and a second tranche in the amount of US$56,000,000 for a seven-year term, bearing interest at Libor + 2.00%. Both tranches have a two-year grace period. As security for the loan, the Corporation assigned rights to cash flows derived from loan agreements in its lending portfolio to lenders, up to a coverage ratio of 110% of the amount of the loan.

On August 4, 2006, the first disbursement was received in the amount of US$18,000,000 (¢9,285,120,000). As of December 31, 2007, disbursements have been received for a total of US$50,000,000 (¢24,761,500,000), and loan fees are payable for US$1,356,518 (¢671,788,612). As of December 31, 2006, a total of US$23,000,000 (¢11,864,320,000) was disbursed, and loan fees remain unpaid in the amount of US$1,931,804 (¢996,501,748).

On June 22, 2007, an agreement was signed with the Andean Development Corporation (CAF) for an uncommitted credit line of US$15,000,000. The credit line has a one-year renewable term and bears interest at the LIBOR rate + 0.50%. This line will be used for cash flow management. As of December 31, 2007, disbursements have been received for US$14,000,000 (¢6,933,220,000).

As of December 31, 2007, the effective interest rates on loans with foreign financial entities range between 5.42% and 7.12% (2006: 7.11% and 7.60%), with maturity in 2013.

(10) Provisions

Movement in provisions for services is as follows:

		Colones		US dollars
Balances at December 31, 2005	¢	128,806,806	$	259,875
Balances at January 1, 2006		128,806,806		259,875
Provision made		226,323,884		473,601
Provision used		(248,985,098)		(527,704)
Balances at December 31, 2006		106,145,592		205,772
Balances at January 1, 2007		106,145,592		205,772
Provision made		71,532,188		137,179
Provision used		(91,000,422)		(167,927)
Balances at December 31, 2007	¢	86,677,358		175,024

The Corporation establishes provisions for the payment of professional services and SUGEF contributions.

(11) Other accounts payable

As of December 31, 2006, this account includes the sum of US$10,000,000 (¢5,158,400,000), which corresponds to cash deposited as collateral for a loan operation. That amount will be reimbursed to the borrower once the terms of the loan agreement have been met.

(12) Income tax

Pursuant to the Income Tax Law, the Corporation must file its annual income tax returns as of December 31 of each year.

Income tax expense differs from the amount that would result from applying the income tax rate (30%) to pretax income as a result of the following:

		December 31, 2007		
		Colones		US dollars
"Expected" income tax on pretax income	¢	136,200,749	$	1,023,101
Plus:				
Nondeductible expenses		1,455,839,923		375,186
Less:				
Nontaxable income		2,020,656,005		3,947,211
Income tax	¢	-	$	-

	December 31, 2006	
	Colones	US dollars
"Expected" income tax on pretax income	¢ 714,364,148	$ 707,188
Plus:		
Nondeductible expenses	850,772,263	2,349,028
Less:		
Nontaxable income	1,486,375,391	2,903,531
Income tax	¢ 78,761,020	$ 152,685

Tax Authorities may review income tax returns filed by the Corporation for the 2006, 2005, 2004, and 2003 tax years, as well as the return that will be filed for the year ended December 31, 2007.

As of December 31, 2007 and 2006, the Corporation determined no temporary taxable differences that give rise to a deferred tax. A deferred tax liability represents a temporary taxable difference and a deferred tax asset represents a deductible temporary difference.

The Corporation is exempt from payment of income tax on income not produced in Costa Rica or with Costa Rican funds. During the year ended December 31, 2007, the Corporation has no taxable income. Accordingly, it reports no income tax expense.

(13) Stockholders' equity

Capital stock

As of December 31, 2007 and 2006, the Corporation's capital stock is comprised of 54,000,001 common shares of US$1.00 par value, for a total of US$54,000,001 (¢20,016,845,328). Of that total, 36,000,001 are Class B common shares and 18,000,000 are Class A preferred shares. Class A preferred shares have the same rights as common shares, except that preferred shares may only be owned by multilateral entities.

(Continued)

In October 2005, Banco Galicia informed the Corporation's stockholders of its decision not to subscribe and pay the US$4,500,000 that would be required to reach the US$5,000,000 it had originally expressed interest in paying. That decision was based on the bank's inability to make the disbursement due to the restructuring that resulted from Argentina's financial crisis in recent years.

At an Extraordinary General Stockholders Meeting held on November 19, 2007, the stockholders agreed to purchase shares in Banco Galicia valued at US$500,000 (¢168,915,000) based on the stock issue price. As of December 31, 2007, that stock has not been purchased. The transaction is expected to be completed in 2008.

(14) Basic earnings per share

The calculation of basic earnings per share is based on the net profit attributable to common shareholders and a weighted average number of common shares outstanding.

Basic earnings per share is as follows:

	As of December 31, 2007			
		Colones		US dollars
Net profit	¢	454,002,497	$	3,410,336
Net profit available for common shareholders		369,400,129		3,239,819
Weight average number of common shares		54,000,001		54,000,001
Basic net earnings per share	¢	6.84	$	0.060

	As of December 31, 2006			
		Colones		US dollars
Net profit	¢	2,302,452,808	$	2,204,609
Net profit available for common shareholders		2,245,591,533		2,094,379
Weight average number of common shares		54,000,001		54,000,001
Basic net earnings per share	¢	41.59	$	0.039

Basic earnings per share increased from previous year 54% when measured in the Corporation's functional currency, i.e. the US dollar. However, when calculated in the local currency (colones), the result (a reduction of 83,55%) is distorted by the effect of foreign exchange differences.

(15) Administrative expenses

Administrative expenses are as follows:

		As of December 31, 2007 Colones		US dollars
Personnel expenses:				
Salaries and bonuses	¢	517,307,608	$	1,005,876
Employer social security taxes		165,065,765		320,881
Personnel insurance		48,225,591		93,664
Per diem		50,647,922		98,453
Training		4,153,601		8,110
		785,400,487		1,526,984
Outsourced services		145,826,314		278,643
Overhead		13,313,130		27,589
Other		113,759,397		220,566
		270,898,841		526,798
Taxes, licenses, and statutory allocations		5,893,812		11,427
	¢	1,062,193,140	$	2,065,209

		As of December 31, 2006 Colones		US dollars
Personnel expenses:				
Salaries and bonuses	¢	366,766,018	$	715,632
Employer social security taxes		110,779,591		216,560
Personnel insurance		27,744,921		54,230
Per diem		34,972,439		68,306
Training		10,660,955		20,591
		550,923,924		1,075,319
Outsourced services		244,011,199		480,900
Overhead		16,73,802		32,619
Other		47,252,671		91,624
		307,937,672		605,143
Taxes, licenses, and statutory allocations		4,658,063		9,129
	¢	863,519,659	$	1,689,591

(16) Fair value

Fair value of financial instruments is as follows:

		As of December 31, 2007	
		Carrying amount	Fair Value
Colones:			
Cash and due from banks	¢	5,821,513,654	5,821,513,654
Investment securities and deposits	¢	74,284,500	72,839,419
Loan portfolio	¢	79,939,109,073	80,405,613,123
Term deposits	¢	74,284,500	72,839,419
Other accounts payable	¢	113,497,034	113,497,034
Obligations with financial entities	¢	54,093,560,205	53,988,756,829

		As of December 31, 2007	
		Carrying amount	Fair Value
US dollars:			
Cash and due from banks	$	11,755,161	11,755,161
Investment securities and deposits	$	150,000	147,082
Loan portfolio	$	161,418,147	162,360,142
Term deposits	$	150,000	147,082
Other accounts payable	$	229,181	229,181
Obligations with financial entities	$	109,229,167	109,017,541

		As of December 31, 2006	
		Carrying amount	Fair Value
Colones:			
Cash and due from banks	¢	4,066,928,954	4,066,928,954
Investment securities and deposits	¢	5,218,869,741	4,997,324,833
Loan portfolio	¢	60,902,193,619	60,973,243,408
Term deposits	¢	77,376,000	75,800,625
Obligations with financial entities	¢	34,045,440,000	34,058,445,874
Other accounts payable	¢	5,262,571,608	5,262,571,608

(Continued)

CORPORACIÓN INTERAMERICANA PARA EL FINANCIAMIENTO DE INFRAESTRUCTURA, S.A.

Notes to Financial Statements

		As of December 31, 2006	
		Carrying amount	Fair Value
US dollars:			
Cash and due from banks	$	7,884,090	7,884,090
Investment securities and deposits	$	10,117,226	9,687,742
Loan portfolio	$	118,064,116	118,201,852
Term deposits	$	150,000	146,946
Obligations with financial entities	$	66,000,000	66,025,213
Other accounts payable	$	10,201,946	10,201,946

Fair value estimates are made at a specific date, based on relevant market information and information concerning the financial instruments. These estimates do not reflect any premium or discount that could result from offering for sale a particular financial instrument at a given point in time. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Estimates could vary significantly if changes are made to those assumptions.

Where practicable, the following assumptions were used by management to estimate the fair value of each class of financial instrument both on and off balance sheet:

a. Cash and due from banks, accrued interest receivable, accounts receivable, and other accounts payable:

   The carrying amounts approximate fair value because of the short maturity of these instruments.

b. Investment securities:

   The carrying amounts approximate fair value because of the short maturity of these instruments.

(Continued)

c. Loan portfolio:

The fair value of loans is determined by creating a portfolio with similar financial characteristics. The fair value of each class of loans is calculated by discounting cash flows expected until maturity, using a market discount rate that reflects the inherent credit and interest rate risks. Assumptions related to credit, cash flow, and discounted interest rate risks are determined by management based on available market information.

d. Term deposits:

The fair value of term deposits was calculated by discounting committed cash flows at current market rates for term deposits with similar maturities.

e. Financial obligations:

The fair value of financial obligations was calculated by discounting committed cash flows at current market rates for term deposits with similar maturities.

(17) Risk management

The most important types of financial risk to which the Corporation is exposed are credit risk, liquidity risk, foreign currency risk, interest rate risk, and market risk. This section describes the methods used by the Corporation to control those risks.

Liquidity and financing risk:

Liquidity risk arises in the general funding of the Corporation's activities. It includes both the risk of being unable to fund assets at appropriate maturities and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

Since the beginning of operations, the Corporation has invested capital contributed by stockholders in loan operations and liquid markets or instruments, in conformity with the Corporation's liquidity policy.

To date, since the Corporation has required to seek third-party financing, internal lending regulations are being applied with respect to maximum terms, type of interest rate (fixed or variable), and the minimum spread over a given reference rate, e.g. LIBOR.

The current internal policy for asset and liability matching requires that assets exceed liabilities on the calculation date for all cumulative matches during the following year. Cumulative matches for projected assets must also exceed projected liabilities for the three months following the calculation date.

In accordance with its internal liquidity policy, the Corporation maintains undisbursed and available balances of committed credit facilities with financial institutions as of the date of the matching of terms calculation. As of December 31, 2007, that amount is US$50 million (¢24,761,500,000). The Corporation has remained in compliance with its internal liquidity policy.

Additionally, given its policy to avoid exposure to foreign currency risk, the Corporation will only grant loans in US dollars.

CORPORACIÓN INTERAMERICANA PARA EL FINANCIAMIENTO DE INFRAESTRUCTURA, S.A.

Notes to Financial Statements

As of December 31, 2007, the Corporation's assets and liabilities are matched as follows:

COLONES		Days						
	Demand	1-30	31-60	61-90	91-180	181-365	Over 365	Total
Assets								
Cash and due from banks	¢ 5,821,513,654	-	-	-	-	-	-	5,821,513,654
Investments	-	-	-	-	74,450,813	-	-	74,450,813
Loans	-	414,773,028	1,428,678,122	458,717,430	4,574,250,149	8,750,752,307	65,088,016,692	80,715,334,728
Total assets recovered	5,821,513,654	414,773,028	1,428,678,122	458,717,430	4,648,700,962	8,750,752,307	65,088,016,692	86,611,296,195
Liabilities								
Obligations with the public	-	-	-	-	74,284,500	-	-	74,284,500
Obligations with financial entities	-	-	5,266,977,398	4,060,886,000	1,324,031,412	4,789,286,795	38,652,378,600	54,093,560,205
Charges payable	-	-	232,148,680	61,020,864	166,313	-	-	293,335,857
Total matured liabilities	-	-	5,499,126,078	4,121,906,864	1,398,482,225	4,789,286,795	38,652,378,600	54,461,180,562
Gap between assets and liabilities	¢ 5,821,513,654	414,773,028	(4,070,447,956)	(3,663,189,434)	3,250,218,737	3,961,465,512	26,435,782,092	32,150,115,633

(Continued)

CORPORACIÓN INTERAMERICANA PARA EL FINANCIAMIENTO DE INFRAESTRUCTURA, S.A.

Notes to Financial Statements

DOLLARS		Days							
		Demand	1-30	31-60	61-90	91-180	181-365	Over 365	Total
Assets									
Cash and due from banks	$	11,755,161	-	-	-	-	-	-	11,755,161
Investments		-	-	-	-	150,336	-	-	150,336
Loans		-	837,536	2,884,878	926,271	9,236,618	17,670,077	131,430,165	162,985,546
Total assets recovered		11,755,161	837,536	2,884,878	926,271	9,386,953	17,670,077	131,430,165	174,891,042
Liabilities									
Obligations with the public		-	-	-	-	150,000	-	-	150,000
Obligations with financial entities		-	-	10,635,417	8,200,000	2,673,569	9,670,833	78,049,348	109,229,167
Charges payable		-	-	468,769	123,217	336	-	-	592,322
Total matured liabilities		-	-	11,104,186	8,323,217	2,823,904	9,670,833	78,049,348	109,971,489
Gap between assets and liabilities	$	11,755,161	837,536	(8,219,308)	(7,396,946)	6,563,049	7,999,244	53,380,817	64,919,553

(Continued)

CORPORACIÓN INTERAMERICANA PARA EL FINANCIAMIENTO DE INFRAESTRUCTURA, S.A.

Notes to Financial Statements

As of December 31, 2006, the Corporation's assets and liabilities are matched as follows:

COLONES		Days							
		Demand	1-30	31-60	61-90	91-180	181-365	Over 365	Total
Assets									
Cash and due from banks	¢	4,066,928,954	-	-	-	-	-	-	4,066,928,954
Investments		-	5,141,493,741	-	-	77,533,976	-	-	5,219,027,717
Loans		-	393,071,968	788,415,737	192,078,832	1,016,195,989	2,880,229,120	56,182,891,375	61,452,883,021
Total assets recovered		4,066,928,954	5,534,565,709	788,415,737	192,078,832	1,093,729,965	2,880,229,120	56,182,891,375	70,738,839,692
Liabilities									
Obligations with the public		-	-	-	-	77,376,000	-	-	77,376,000
Obligations with financial entities		-	-	-	-	-	2,718,907,011	31,326,532,989	34,045,440,000
Charges payable		-	-	148,850,393	31,996,102	157,976	-	-	181,004,471
Total matured liabilities		-	-	148,850,393	31,996,102	77,533,976	2,718,907,011	31,326,532,989	34,045,440,000
Gap between assets and liabilities	¢	4,066,928,954	5,534,565,709	639,565,344	160,082,730	1,016,195,989	161,322,109	24,856,358,386	36,435,019,221

(Continued)

CORPORACIÓN INTERAMERICANA PARA EL FINANCIAMIENTO DE INFRAESTRUCTURA, S.A.

Notes to Financial Statements

DOLLARS	Days							
	Demand	1-30	31-60	61-90	91-180	181-365	Over 365	Total
Assets								
Cash and due from banks	$ 7,884,090	-	-	-	-	-	-	7,884,090
Investments	-	9,967,226	-	-	150,306	-	-	10,117,532
Loans	-	762,004	1,528,411	372,361	1,969,983	5,583,571	108,915,345	119,131,675
Total assets recovered	7,884,090	10,729,230	1,528,411	372,361	2,120,289	5,583,571	108,915,345	137,133,297
Liabilities								
Obligations with the public	-	-	-	-	150,000	-	-	150,000
Obligations with financial entities	-	-	-	-	-	5,270,834	60,729,166	66,000,000
Charges payable	-	-	288,559	62,028	306	-	-	350,893
Total matured liabilities	-	-	288,559	62,028	150,306	5,270,834	60,729,166	66,500,893
Gap between assets and liabilities	$ 7,884,090	10,729,230	1,239,852	310,333	1,969,983	312,737	48,186,179	70,632,404

(Continued)

Market risk

Interest rate risk

This is the risk of losses in the value of a financial asset or liability arising from fluctuations in rates, when changes in rates for the asset and liability portfolios are mismatched, and the Corporation does not have the necessary flexibility to make a timely adjustment.

The Corporation is exposed to fluctuations in current market interest rates and to changes in interest rates, which affect its financial position and cash flows. Most of the Corporation's interest-earning and interest-bearing assets and liabilities are repriced at least quarterly.

Interest rate risk is managed by following an internal policy that restricts the difference in the duration of the Corporation's assets and liabilities to +/- 0.4 years.

The Corporation also uses interest rate derivatives to hedge its fixed-rate asset positions by converting them to a variable rate position in order to comply with the internal duration policy.

CORPORACIÓN INTERAMERICANA PARA EL FINANCIAMIENTO DE INFRAESTRUCTURA, S.A.

Notes to Financial Statements

As of December 31, 2007, interest rate terms for the Corporation's assets and liabilities are matched as follows:

	Interest rate		Total	0-30	31-90	91-180	181-365	361-720	Over 720	Not sensitive
Assets										
Investments	4.30%	¢	74,450,813	-	-	74,450,813	-	-	-	-
Loans	8.90%		80,715,331,728	10,220,288,305	44,561,289,199	16,871,558,692	1,920,369,515	2,643,992,799	4,497,833,218	-
			80,789,782,541	10,220,288,305	44,561,289,199	16,946,009,505	1,920,369,515	2,643,992,799	4,497,833,218	-
Liabilities										
Obligations with the public	4.03%		74,450,813	-	-	74,450,813	-	-	-	-
Obligations with financial entities	6.66%		54,386,729,749	-	54,386,729,749	-	-	-	-	-
			54,461,180,562	-	54,386,729,749	74,450,813	-	-	-	-
Gap between assets and liabilities		¢	26,328,601,979	10,220,288,305	(9,825,440,550)	16,871,558,692	1,920,369,515	2,643,992,799	4,497,833,218	-

(Continued)

CORPORACIÓN INTERAMERICANA PARA EL FINANCIAMIENTO DE INFRAESTRUCTURA, S.A.

Notes to Financial Statements

	Interest rate	Total	0-30	31-90	91-180	181-365	361-720	Over 720	Not sensitive
Assets									
Investments	4.30%	$ 150,336	-	-	150,336	-	-	-	-
Loans	8.90%	162,985,546	20,637,458	89,980,997	34,068,127	3,877,733	5,338,919	9,082,312	-
		163,135,881	20,637,458	89,980,997	34,068,127	3,877,733	5,338,919	9,082,312	-
Liabilities									
Obligations with the public	4.03%	150,336	-	-	150,336	-	-	-	-
Obligations with financial entities	6.66%	109,821,153	-	109,821,153	-	-	-	-	-
		109,971,489	-	109,821,153	150,336	-	-	-	-
Gap between assets and liabilities		$ 53,164,392	20,637,458	(19,840,156)	34,068,127	3,877,733	5,338,919	9,082,312	-

(Continued)

CORPORACIÓN INTERAMERICANA PARA EL FINANCIAMIENTO DE INFRAESTRUCTURA, S.A.

Notes to Financial Statements

As of December 31, 2006, interest rate terms for the Corporation's assets and liabilities are matched as follows:

	Interest rate	Total	0-30	31-90	91-180	181-365	361-720	Over 720	Not sensitive
Assets									
Investments	3.50%	¢ 5,219,027,717	5,414,493,741	-	77,533,976	-	-	-	-
Loans	8.49%	61,452,883,021	11,708,075,180	35,087,731,335	10,913,901,652	262,965,947	525,931,894	2,954,277,013	-
		66,671,910,738	16,849,568,921	35,087,731,335	10,991,435,628	262,965,947	525,931,894	2,954,277,013	-
Liabilities									
Obligations with the public	3.50%	77,533,976	-	-	77,533,976	-	-	-	-
Obligations with financial entities	7.21%	34,226,286,494	-	34,226,286,494	-	-	-	-	-
		34,303,820,470	-	34,226,286,494	77,533,976	-	-	-	-
Gap between assets and liabilities		¢ 32,368,090,268	16,849,568,921	861,444,841	10,913,901,652	262,965,947	525,931,894	2,954,277,013	-

(Continued)

CORPORACIÓN INTERAMERICANA PARA EL FINANCIAMIENTO DE INFRAESTRUCTURA, S.A.

Notes to Financial Statements

	Interest rate		Total	0-30	31-90	91-180	181-365	361-720	Over 720	Not sensitive
Assets										
Investments	3.50%	$	10,117,532	9,967,226	-	150,306	-	-	-	-
Loans	8.49%		119,131,675	22,697,106	68,020,571	21,157,533	509,782	1,019,564	5,727,119	-
			129,249,207	32,664,332	68,020,571	21,307,839	509,782	1,019,564	5,727,119	-
Liabilities										
Obligations with the public	3.50%		150,306	-	-	150,306	-	-	-	-
Obligations with financial entities	7.21%		66,350,586	-	66,350,586	-	-	-	-	-
			66,500,893	-	66,350,586	150,306	-	-	-	-
Gap between assets and liabilities		$	62,748,314	32,664,332	1,669,985	21,157,533	509,782	1,019,564	5,727,119	-

(Continued)

CORPORACIÓN INTERAMERICANA PARA EL FINANCIAMIENTO DE INFRAESTRUCTURA, S.A.

Notes to Financial Statements

Foreign currency risk

The Corporation incurs foreign currency risk when the value of its US dollar-denominated assets and liabilities is affected by exchange rate variations, which are recognized in the income statement.

As of December 31, 2007, all of the Corporation's assets and liabilities are denominated in US dollars. Accordingly, no foreign currency risk is anticipated.

Moreover, the Corporation is restricted to lending in US dollars in accordance with its foreign currency risk management policy.

The assets and liabilities in US dollars are as follows:

		As of December 31,	
		2007	2006
Assets:			
Cash and due from banks	US$	11,755,161	7,884,090
Investments		150,000	10,117,226
Loan portfolio		161,418,147	118,064,116
Allowance for credit portfolio		(3,031,797)	(2,484,854)
Accounts receivable		1,567,734	1,067,865
Others		610,182	24,253
Total assets		172,469,427	134,672,696
Liabilities:			
Obligations with the public		150,000	150,000
Obligations with financial entities		107,440,796	63,404,003
Accounts payable		821,503	10,552,836
Provisions		175,024	205,775
Other liabilities		554,081	289,710
Total liabilities		109,141,404	74,62,324
Net position	US$	63,328,023	60,070,372

The net position is not hedged. The Corporation considers that the net position is kept at an acceptable level since all assets and liabilities are denominated in US dollars.

Credit risk

Credit risk is the risk that the debtor or issuer of a financial instrument owned by the Corporation will fail to discharge an obligation fully and on time in accordance with the contractual terms and conditions agreed when the Corporation acquired the financial asset. Credit risk is mainly associated with the loan portfolio and is represented by the carrying amount of assets in the balance sheet.

As of the balance sheet date, concentrations of credit risk by sectors and countries are within the limits established by the Corporation. There are no significant concentrations of credit risk by economic unit, sector, or country. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Concentrations of financial assets are detailed by country as follows:

	As of December 31, 2007	
	Colones	US dollars
Argentina	¢ 14,728,140,200	$ 29,740,000
Dominican Republic	13,343,521,532	26,944,090
Caribbean Islands	12,380,750,000	25,000,000
Bolivia	6,829,140,339	13,789,836
Peru	5,918,797,276	11,951,613
Guatemala	5,015,306,761	10,127,227
Honduras	4,709,842,915	9,510,415
Ecuador	4,629,323,915	9,347,826
Panama	3,866,198,706	7,806,875
Mexico	3,834,524,291	7,742,916
El Salvador	1,485,764,285	3,000,150
Belize	1,422,394,693	2,872190
Trinidad & Tobago	1,188,552,000	2,400,000
The Netherlands	586,852,161	1,185,009
	¢ 79,939,109,073	$ 161,418,147

CORPORACIÓN INTERAMERICANA PARA EL FINANCIAMIENTO DE INFRAESTRUCTURA, S.A.

Notes to Financial Statements

	As of December 31, 2006	
	Colones	US dollars
Dominican Republic	¢ 12,012,706,256	$ 23,287,660
Bolivia	7,880,146,818	15,276,339
Brazil	7,737,600,000	15,000,000
Guatemala	5,777,923,840	11,201,000
Mexico	5,158,400,000	10,000,000
Chile	4,126,720,000	8,000,000
Honduras	3,736,702,608	7,243,918
Caribbean Islands	3,610,880,000	7,000,000
Peru	3,494,400,011	6,774,193
Ecuador	2,579,200,000	5,000,000
Panama	1,837,680,000	3,562,500
El Salvador	1,635,032,259	3,169,650
Trinidad & Tobago	1,314,801,827	2,548,856
	¢ 60,902,193,619	$ 118,064,116

The Corporation performs strict analyses before extending credit and requires collateral from its customers prior to loan disbursement. 96.3% of the loan portfolio is secured.

The following table shows the loan portfolio by type of collateral:

	As of December 31, 2007	
	Colones	US dollars
Chattel	¢ 8,752,054,726	$ 17,672,727
Fiduciary	6,854,211,897	13,840,462
Mortgage	18,324,581,940	37,002,1658
Trusts	35,360,805,509	71,402,794
Parent company guarantees	7,676,065,000	15,500,000
	¢ 76,967,729,073	$ 155,418,147

	As of December 31, 2006	
	Colones	US dollars
Chattel	¢ 16,893,760,000	$ 32,750,000
Fiduciary	17,014,302,925	32,983,683
Mortgage	23,383,250,694	45,330,433
Parent company guarantees	3,610,880,000	7,000,000
	¢ 60,902,193,619	$ 118,064,116

(Continued)

CORPORACIÓN INTERAMERICANA PARA EL FINANCIAMIENTO DE INFRAESTRUCTURA, S.A.

Notes to Financial Statements

The concentration in individual borrowers or groups of borrowers having similar economic interests based on capital and capital reserves in US dollars is as follows:

	As of December 31, 2007 Amount		
	Number of operations		US dollars
0 to 4.99%	8	$	10,251,728
5 to 9.99%	12		48,793,441
10 to 14.99%	9		64,372,978
15 to 20%	4		38,000,000
	33	$	161,418,147

	As of December 31, 2007 Amount		
	Number of operations		Colones
0 to 4.99%	7	¢	3,888,411,421
5 to 9.99%	6		8,746,517,026
10 to 14.99%	8		19,577,390,647
15 to 20%	8		28,908,049,979
Above 20%	4		18,818,740,000
	33	¢	79,939,109,073

	As of December 31, 2006 Amount		
	Number of operations		US dollars
0 to 4.99%	3	$	5,323,049
5 to 9.99%	10		39,464,728
10 to 14.99%	7		53,276,339
15 to 20%	2		20,000,000
	22	$	118,064,116

	As of December 31, 2006 Amount		
	Number of operations		Colones
0 to 4.99%	2	¢	1,431,040,011
5 to 9.99%	7		12,061,969,314
10 to 14.99%	4		9,610,590,476
15 to 20%	4		15,101,906,808
Above 20%	5		22,696,960,000
	22	¢	60,902,193,619

An analysis of concentration of the Corporation's loan portfolio in the functional currency (US dollars) indicates that none of the loans exceed 20% of equity. However, when converted to local currency, four loans present exposure of greater than 20% due to variations in the exchange rate.

(18) Contingencies

As of December 31, 2007, the Corporation has contingent accounts in the amount of US$35,182,594 (¢17,423,476,027), corresponding to some lines of credit that have not been disbursed.

As of December 31, 2006, the Corporation has contingent accounts in the amount of US$8,256,082 (¢4,258,817,396), corresponding to two lines of credit that have not been disbursed.

(19) Derivative financial instruments

Interest rate derivatives

Management uses interest rate swaps to reduce the interest rate risk on its assets (loans receivable). The Bank reduces its credit risk in respect of those agreements by dealing with financially sound counterpart institutions.

(Continued)

Swap agreements acquired by the Bank as of December 31, 2007 are as follows:

Colones

	Interest rate swap	Remaining maturity	Notional value	Fair value Assets	Fair value Liabilities
Interest rate swap:					
Caja Madrid (Spain)	Floating rate: LIBOR 6M	10/03/2012	4,952,300,000	-	85,396,288
HSBC New York (USA)	Floating rate: LIBOR 6M	12/22/2010	2,476,150,000	-	14,696,940
			7,428,450,000	-	100,093,228

US dollars

	Interest rate swap	Remaining maturity	Notional value	Fair value Assets	Fair value Liabilities
Interest rate swap:					
Caja Madrid (Spain)	Floating rate: LIBOR 6M	10/03/2012	10,000,000	-	172,438
HSBC New York (USA)	Floating rate: LIBOR 6M	12/22/2010	5,000,000	-	29,677
			15,000,000	-	202,115

The notional value of the above instruments has a specific amortization schedule over the life of the operation.

During the year ended December 31, 2007, the Bank recognized a net gain/loss of US$202,115 (¢100,144,722) in its income statement, which was derived from the net change in fair value of those instruments.

As of December 31, 2007, the fair value of the derivative financial instrument in the amount of ¢100,093,228 (US$202,115) is included in “Sundry accounts payable”.

(Continued)

(20) Subsequent events

Based on meetings with SUGEF to address potential events of noncompliance due to the effect of foreign exchange differences, it was determined that the Corporation would be unable to comply with certain parameters required by local regulations given that the functional currency and local currency are different. Corporación Interamericana para el Financiamiento de Infraestructura, S.A. sent a letter on January 8, 2008 notifying SUGEF of its intent to seek approval from its Executive Committee and Shareholders to withdraw as a SUGEF-regulated entity. On January 10, 2008, the Corporation's Executive Committee formalized that decision. As of today's date, the Corporation's management is completing the necessary withdrawal procedures.

SUGEF's regulatory framework is designed to supervise local financial entities that operate in colones. Accordingly, SUGEF evaluates all operations to verify compliance with current regulations in colones. In the case of the Corporation, no public deposits are taken in Costa Rica. It operates solely in US dollars, currently only providing services to companies domiciled abroad. Therefore, the Corporation's functional currency is the US dollar, even though it submits equivalent financial statements to SUGEF stated in colones. Historical depreciation of the colon versus the US dollar has created distortions in the financial statements in colones due to foreign exchange gains. The recent change in the Costa Rican system for setting foreign exchange rates from controlled devaluations to an adjustable band increases rate volatility and the risk of possible distortions in the financial statements in colones. As a result, the Corporation could be susceptible to noncompliance with certain ratios required by SUGEF, which are measured in colones. Specifically, the Corporation may have difficulty complying with the maximum threshold for loans to an economic unit of 20% of the equity base and with profitability indicators.

(21) Notes required by regulations governing financial information of financial entities, groups, and conglomerates

As of December 31, 2007 and 2006, pursuant to SUGEF Directive 31-04, "Regulations governing financial information of financial entities, groups, and conglomerates", the Corporation discloses that it was not required to present the following notes because it is not engaged in these types of transactions:

(Continued)

i. Amount, number, and percentage of loans in legal collections

As of December 31, 2007 and 2006, the Corporation has no loans in legal collections.

ii. Notes on off balance items, contingencies, other memoranda accounts, and other additional information not included in the main body of the financial statements

As of December 31, 2007 and 2006, the Corporation has no other memoranda accounts, trust accounts, or banking mandate accounts.

(22) Transition to International Financial Reporting Standards (IFRSs)

Through various resolutions, CONASSIF (the Board) agreed to partial adoption starting January 1, 2004 of IFRSs promulgated by the International Accounting Standards Board (IASB). In order to regulate application of those Standards, the Board issued the Terms of Accounting Regulations Applicable to Entities Supervised by SUGEF, the National Securities Commission (SUGEVAL), and the Pensions Superintendency (SUPEN), and to non-financial issuers. Over the last years, the IASB has revised nearly all existing standards and has issued new standards.

Todas esas modificaciones y además las excepciones a la aplicación de los NIIF que se indican en la normativa indicada, constituyen diferencias entre la base de contabilidad establecida por el CONASSIF y las NIIF.

El 18 de diciembre de 2007, mediante oficio C.N.S. 1116-07 el Consejo Nacional de Supervisión del Sistema Financiero dispuso reformar el reglamento denominado "*Normativa contable aplicable a las entidades supervisadas por la SUGEF, SUGEVAL y SUPEN y a los emisores no financieros*" (la Normativa), en el cual se han definido las NIIF y sus interpretaciones emitidas por el Consejo de Normas Internacionales de Información Financiera (IASB por sus siglas en inglés) como de aplicación para los entes supervisados de conformidad con los textos vigentes al primero de enero de 2007; con la excepción de los tratamientos especiales indicados en el capítulo II de la Normativa anteriormente señalada.

(Continued)

Como parte de la Normativa, y al aplicar las NIIF vigentes al primero de enero de 2007, la emisión de nuevas NIIF o interpretaciones emitidas por el IASB, así como cualquier modificación a las NIIF adoptadas que aplicarán los entes supervisados, requerirá de la autorización previa del Consejo Nacional de Supervisión del Sistema Financiero (CONASSIF).

La aplicación por parte de los entes supervisados del reglamento denominado "*Normativa contable aplicable a las entidades supervisadas por la SUGEF, SUGEVAL y SUPEN y a los emisores no financieros*" será de aplicación a partir del 1 de enero de 2008.