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

Financial Information Required by the Superintendency General of Financial Entities

December 31, 2003
(With Independent Auditors' Report Thereon)

Independent Auditors' Report

Corporación Interamericana para el Financiamiento de Infraestructura, S.A.
Superintendency General of Financial Entities
and the Board of Directors and Stockholders

We have audited the accompanying balance sheet of Corporación Interamericana para el Financiamiento de Infraestructura, S.A. (the Corporation) as of December 31, 2003, 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, 2003, 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.

This Independent Auditors' Report is solely for the information of the Board of Directors and stockholders of Corporación Interamericana para el Financiamiento de Infraestructura, S.A. and SUGEF.

February 6, 2004

San José, Costa Rica

CORPORACIÓN INTERAMERICANA PARA EL FINANCIAMIENTO DE INFRAESTRUCTURA, S.A.
BALANCE SHEET
December 31, 2003
(In colones and US dollars)

	Note	Colones	US dollars
ASSETS			
Cash and due from banks	**5**	**481,565,078**	**1,151,959**
Investment securities and deposits	**6**	**3,344,320,000**	**8,000,000**
Held-to-maturity		3,344,320,000	8,000,000
Loan portfolio, net	**7**	**15,709,092,619**	**37,577,966**
Current		15,948,317,380	38,150,219
Allowance for loan losses		(239,224,761)	(572,253)
Accounts and accrued interest receivable, net		**174,699,025**	**417,900**
Commissions		174,699,025	417,900
TOTAL ASSETS		**19,709,676,722**	**47,147,825**
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES			
Other accounts payable and provisions		**32,872,460**	**78,747**
Provisions	**9**	29,883,023	71,595
Sundry accounts payable		2,989,437	7,152
TOTAL LIABILITIES		**32,872,460**	**78,747**
STOCKHOLDERS' EQUITY	**10**		
Capital stock		**16,375,245,328**	**46,000,001**
Paid-in capital		16,375,245,328	46,000,001
Capital reserves		**21,668,163**	**53,454**
Retained earnings		**3,279,890,771**	**1,015,623**
TOTAL STOCKHOLDERS' EQUITY		**19,676,804,262**	**47,069,078**
TOTAL LIABILITIES, MINORITY INTEREST, AND STOCKHOLDERS' EQUITY		**19,709,676,722**	**47,147,825**

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, 2003
(In colones and US dollars)

	Note	Colones	US dollars
Finance income			
Cash and due from banks		18,503,736	46,367
Investment securities and deposits		146,522,120	369,362
Loan portfolio		708,307,979	1,767,894
Exchange variations, net		1,849,453,442	-
Total finance income		**2,722,787,277**	**2,183,623**
Expense for impairment of investment securities and allowance for loan losses		173,754,888	429,588
NET FINANCE INCOME		**2,549,032,389**	**1,754,035**
Other operating income			
Other		13,284,023	32,240
Total other operating income		**13,284,023**	**32,240**
Other operating expenses			
Other		10,429,548	26,081
Total other operating expenses		**10,429,548**	**26,081**
GROSS OPERATING INCOME		**2,551,886,864**	**1,760,194**
Administrative expenses			
Personnel		141,229,568	352,194
Other		244,077,246	614,522
Total administrative expenses	**12**	**385,306,814**	**966,716**
NET OPERATING INCOME BEFORE TAXES		**2,166,580,050**	**793,478**
TAXES		-	-
NET INCOME FOR THE YEAR		**2,166,580,050**	**793,478**

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, 2003
(In colones and US dollars)

COLONES

	Capital stock	Capital reserves	Retained earnings	Total
Balances at December 31, 2002	**16,375,245,328**	**5,082,891**	**1,129,895,993**	**17,510,224,212**
Net income for the year	-	-	2,166,580,050	**2,166,580,050**
Appropriation to legal reserve	-	16,585,272	(16,585,272)	-
Balances at December 31, 2003	**16,375,245,328**	**21,668,163**	**3,279,890,771**	**19,676,804,262**

See accompanying notes to financial statements.

US DOLLARS

	Capital stock	Capital reserves	Retained earnings	Total
Balances at December 31, 2002	**46,000,001**	**13,780**	**261,819**	**46,275,600**
Net income for the year	-	-	793,478	**793,478**
Appropriation to legal reserve	-	39,674	(39,674)	-
Balances at December 31, 2003	**46,000,001**	**53,454**	**1,015,623**	**47,069,078**

Sergio Ruiz
Legal Representative

Guillermo Smith
Accountant

See accompanying notes to financial statements.

ORPORACIÓN INTERAMERICANA PARA EL FINANCIAMIENTO DE INFRAESTRUCTURA, S.
STATEMENT OF CASH FLOWS
Year ended December 31, 2003
(In colones and US dollars)

	Colones	US dollars
Sources of cash:		
Operating activities:		
Net income	2,166,580,050	793,478
Items not requiring cash:		
Allowance for loan losses	173,754,840	429,588
Increase in provisions	121,037,923	289,537
Unrealized foreign exchange differences, net	(1,242,459,703)	-
Cash used for changes in:		
Fees receivable	(117,920,659)	(267,848)
Loan portfolio	(3,954,545,101)	(9,767,266)
Sundry accounts payable and provisions	(93,654,010)	(225,295)
Net cash used in operating activities	(2,947,206,660)	(8,747,806)
Investing activities:		
Sale of investments	1,731,520,046	5,414,309
Net cash provided by investing activities	1,731,520,046	5,414,309
Net decrease in cash	(1,215,686,614)	(3,333,497)
Cash and cash equivalents at beginning of year	1,697,251,692	4,485,456
Cash and cash equivalents at end of year	481,565,078	1,151,959
Supplementary cash flow information:		
Interest collected	2,055,409,441	1,869,408

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 banking 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 and the Caribbean.

The Corporation has 6 employees. Its website is www.cifidc.com and its offices in San José, Costa Rica are located at: Barrio Tournón, Los Almendros Building, second floor. The Corporation does not have branches in Costa Rica or automated teller machines under its control.

The Corporation is headquartered in Washington, D.C., United States of America, where operations take place.

(2) Summary of significant accounting principles

(a) Basis of financial statement preparation

The financial statements have been prepared in accordance with the legal rules and accounting regulations 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 are invested abroad. Additionally, stockholder contributions and common stock are denominated in US dollars.

(Continued)

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 (¢418.04 to US$1.00); 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.

ii. Foreign currency transactions

Assets and liabilities held in foreign currency are translated to colones at the foreign exchange rate ruling at the balance sheet date, except transactions with a contractually agreed exchange rate. Transactions in foreign currency during the year are translated at the foreign exchange rate ruling at the date of the transaction. Exchange differences arising from translation of foreign currency are presented net in results of the period.

(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 financial instruments include primary instruments, i.e. current investment, credits, and receivables.

(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, originated by the Corporation, or held to maturity. These instruments include certain debt securities.

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.

(Continued)

(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, according to the requirements of the national Financial System Oversight Board, except for gains or losses arising from changes in the fair value of investments in open investment funds, which are recorded in the income statement.

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 cost, including transaction costs.

Subsequent to initial recognition, all available-for-sale assets are measured at fair value, except that any instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured is stated at cost, including transaction costs, less impairment losses.

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 finance income/financial 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.

(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.

(Continued)

(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) Cash and cash equivalents

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

(e) Investments

Investments that the Corporation holds for the purpose of short-term profit taking are classified as trading instruments. Investments that the Corporation has the intent and ability to hold to maturity are classified as held-to-maturity assets. Other investments are classified as available-for-sale assets.

(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, 2003, the Corporation has no nonperforming loans in its portfolio.

(g) Allowance for loan losses

SUGEF defines credits as any operation formalized by a financial intermediary that implies assumption of risk by the Corporation. Credits include loans, factoring, purchases of securities, guarantees in general, advance payments, checking account overdrafts, bank acceptances, accrued interest, and open letters of credit.

(Continued)

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

Notes to Financial Statements

The credit portfolio is valued based on applicable regulations established in SUGEF Directive 1-95, summarized as follows:

All loans extended to individuals or legal entities for which principal plus interest is greater than or equal to ¢15,700,000 (Criteria 1, SUGEF Directive 1-95), except housing loans (Criteria 3, SUGEF Directive 1-95), are classified according to credit risk. This classification takes a number of factors into consideration, including current economic conditions, borrower's ability to pay, and quality of collateral.

Remaining loan operations for which principal plus interest is less than ¢15,700,000 (Criteria 2, SUGEF Directive 1-95), and housing loans (Criteria 3, SUGEF Directive 1-95), are classified based on the current status of loan payments:

Criteria 2 (balance less than ¢15,700,000)		Criteria 3 (housing loans)	
Class	Days overdue	Category	Days overdue
A	Current to 30 days	A	Current to 30 days
B1	31 to 60 days	B1	31 to 60 days
B2	61 to 90 days	B2	61 to 90 days
C	91 to 120 days	C1	91 to 120 days
		C2	121 to 360 days, secured by collateral
		C3	Over 360 days, secured by collateral
D	121 to 180 days	D	121 to 180 days, unsecured
E	Over 180 days	E	Over 180 days, unsecured

(Continued)

Risk rating classes and allowance percentages for each class are as follows:

Class	Level of risk	Percentage Criteria 1	Percentage Criteria 2	Percentage Criteria 3
A	Normal risk	0.5%	0.5%	0.5%
B1	Circumstantial risk	1%	1%	1%
B2	Medium risk	10%	10%	5%
C1	High risk	20%	20%	10%
C2	High risk	N/A	20%	10%
C3	High risk	N/A	20%	10%
D	Significant expected losses	60%	60%	30%
E	Doubtful recovery	100%	100%	50%

(h) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet 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 cost.

(j) 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.

(k) Current income tax

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.

(l) 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 such period.

(Continued)

(m) Use of estimates

Management of the Corporation has made a number of estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent liabilities to prepare these financial statements in conformity with International Financial Reporting Standards. 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.

(n) Revenue and expense recognition

i. Interest income

Interest income is recognized in the income statement as it accrues. Interest income 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.

(3) Collateralized and restricted assets

As of December 31, 2003, the Corporation has no collateralized or restricted assets.

(Continued)

(4) Balances and transactions with related parties

As of December 31, 2003, the financial statements include balances and transactions with related parties as follows:

		Colones		US dollars
Assets:				
Due from banks	¢	457,237,500	$	1,093,765
Investment securities and deposits		1,672,160,000		4,000,000
Total assets		2,129,397,500		5,093,765
Liabilities:				
Other financial obligations		2,989,437		7,152
Total liabilities		2,989,437		7,152
Income:				
Interest income		83,344,690		209,069
Total income		83,344,690		209,069
Expenses:				
Service commissions		10,241,636		25,600
Administrative		8,428,625		21,250
Total expenses	¢	18,670,261	$	46,850

(5) Cash and due from banks

As of December 31, 2003, cash and due from banks is as follows for purposes of reconciliation with the statement of cash flows:

		Colones		US dollars
Local financial entities	¢	457,237,500	$	1,093,765
Foreign financial entities		24,327,578		58,194
	¢	481,565,078	$	1,151,959

(Continued)

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

Notes to Financial Statements

(6) Investment securities and deposits

As of December 31, 2003, investment securities and deposits are all classified as held-to maturity as follows.

		Colones			US dollars	
Held-to-maturity		Cost	Fair value		Cost	Fair value
Local issuers:	¢			$		
Investment certificate in US$ in private banks		836,080,000	836,080,000		2,000,000	2,000,000
		836,080,000	836,080,000		2,000,000	2,000,000
Foreign issuers:						
Investment certificate in US$ in private banks		2,508,240,000	2,508,240,000		6,000,000	6,000,000
		2,508,240,000	2,508,240,000		6,000,000	6,000,000
	¢	3,344,320,000	3,344,320,000	$	8,000,000	8,000,000

(7) Loan portfolio

As of December 31, 2003, the loan portfolio is classified by economic activity as follows:

		Colones		US dollars
Construction	¢	2,116,127,138	$	5,062,021
Electricity, gas and water		7,910,997,739		18,924,021
Transportation and communications		5,921,192,503		14,164,177
		15,948,317,380		38,150,219
Allowance for loan losses		(239,224,761)		(572,253)
	¢	15,709,092,619	$	37,577,966

(Continued)

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

As of December 31, 2003, the Corporation has no past due or nonperforming loans, or loans for which interest is accrued on a cash basis.

As of December 31, 2003, the annual interest rate on loans ranged between 4.38% and 8.50% in US dollars.

(a) Allowance for loan losses

As of December 31, 2003, movement in the allowance for loan losses is as follows:

		Colones		US dollars
Balance at December 31, 2002	¢	53,983,021	$	142,665
Plus:				
Expense of the year for portfolio evaluation		173,754,840		429,588
Effect of foreign exchange differences		11,486,900		-
Balance at December 31, 2003	¢	239,224,761	$	572,253

(8) Income tax

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

During 2003, the Corporation incurred tax losses given that it engages in foreign operations, and investment securities in local financial entities are income tax exempt since they are taxed at the source.

Tax Authorities may review income tax returns filed by the Corporation for the 2002 and 2003 tax years.

(Continued)

(9) Provisions

As of December 31, 2003, movement in provisions is as follows:

		Services
Balance at December 31, 2002	¢	-
Provision realized		121,037,923
Provision used		(91,154,900)
Balance at December 31, 2003	¢	29,883,023

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

(10) Stockholders' equity

As of December 31, 2003, the Corporation's capital stock is comprised of 46,000,001 common shares of US$1.00 par value each, for a total of US$46,000,001 (¢16,375,245,328). Of that total, 28,000,001 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.

(11) Basic earnings per share

The calculation of basic earnings per share as of December 31, 2003 is based on the net profit attributable to common shareholders in the amount of ¢2,166,580,050 (US$793,478) and a weighted average number of common shares outstanding of 46,000,001.

As of December 31, 2003, basic earnings per share are as follows:

		Colones		US dollars
Net profit	¢	2,166,580,050	$	793,478
Net profit available for common shares		2,149,994,778		753,804
Weighted average number of common shares		46,000,001		46,000,001
Basic net earnings per share	¢	46.74	$	0.016

(12) Administrative expenses

As of December 31, 2003, administrative expenses are as follows:

		Colones		US dollars
Salaries and bonuses	¢	95,409,533	$	238,443
Social security taxes		22,650,180		55,880
Personnel insurance		11,106,863		27,623
Per diem		12,062,992		30,248
Personnel expenses		141,229,568		352,194
Outsourced services		217,331,758		547,989
General		19,977,263		49,336
Other		6,768,225		17,197
	¢	385,306,814	$	966,716

(13) Fair value

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 cash equivalents, accrued interest receivable, accounts receivable:

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

b. Investment securities:

The fair values are based on quoted market prices or prices quoted by brokers.

c. Loan portfolio:

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.

(14) Risk management

The most important types of financial risk to which the Corporation is exposed are credit risk, liquidity risk, foreign exchange risk, interest rate risk, and market risk. This section describes the methods used by management 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, the Corporation has not been required to seek outside financing. Consequently, strategies to match terms and interest rates are not being applied.

(Continued)

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

Notes to Financial Statements

Given that in the coming months the Corporation will seek third-party financing, internal lending regulations are being applied for loans, with respect to maximum terms, type of interest rate (fixed or variable), and the minimum spread over a given reference rate, e.g. LIBOR.

Additionally, given its policy to avoid exposure to foreign currency risk, the Corporation will only grant loans in US dollars or euros, based on the respective funding currencies.

As of December 31, 2003, the Corporation's assets and liabilities are matched as follows:

COLONES		Days							
		Demand	1-30	31-60	61-90	91-180	181-365	More than 365	Total
Assets									
Credit	¢	481,565,078	3,535,695,525	139,606,966	174,142,087	329,425,553	1,725,972,199	13,562,494,075	19,948,901,483
Liabilities		-	-	-	-	-	-	-	-
Gap between assets and liabilities	¢	481,565,078	3,535,695,525	139,606,966	174,142,087	329,425,553	1,725,972,199	13,562,494,075	19,948,901,483

US DOLLARS		Días							
		Demand	1-30	31-60	61-90	91-180	181-365	More than 365	Total
Assets									
Credit	$	1,150,968	8,450,515	333,669	416,210	787,346	4,125,173	32,415,139	47,679,019
Liabilities		-	-	-	-	-	-	-	-
Gap between assets and liabilities	$	1,150,968	8,450,515	333,669	416,210	787,346	4,125,173	32,415,139	47,679,019

(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 currently has no bank liabilities and, consequently, it is not required to match terms and interest rates. To date, there are two loans earning fixed interest rates in the loan portfolio since the Corporation has been investing its own capital stock.

Once third-party financing is obtained, the Corporation will match the interest rates and terms of loans granted with financing received.

As of December 31, 2003, interest rate terms for the Corporation's assets and liabilities are matched as follows:

	Interest rate	Total	Days 0-30	Days 31-90	Days 91-180
Assets					
Investments	2.81%	3,344,320,000	3,344,320,000	-	-
Credit	5.78%	15,948,317,380	4,868,265,051	6,901,742,529	4,178,309,800
		19,292,637,380	8,212,585,051	6,901,742,529	4,178,309,800
Liabilities					
		-	-	-	-
Gap between assets and liabilities		19,292,637,380	8,212,585,051	6,901,742,529	4,178,309,800

(Continued)

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, 2003, all of the Corporation's assets and liabilities are denominated in US dollars.

As of December 31, 2003, assets and liabilities in US dollars are as follows:

Assets:		
Cash and due from banks	$	1,151,959
Investments		8,000,000
Loan portfolio		38,150,219
Accounts receivable		417,900
Allowance for loan portfolio		(572,253)
Total assets		47,147,825
Liabilities:		
Accounts payable		7,152
Provisions		71,595
Total liabilities		78,747
Net position	$	47,069,078

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.

(Continued)

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

Notes to Financial Statements

At the balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

As of December 31, 2003, concentrations of financial assets are detailed by country as follows:

		Colones		US dollars
Guatemala	¢	1,498,017,913	$	3,583,432
Honduras		2,090,200,000		5,000,000
Nicaragua		1,254,120,000		3,000,000
Dominican Republic		4,667,072,503		11,164,177
Trinidad & Tobago		1,254,120,000		3,000,000
Peru		980,550,026		2,345,589
Brazil		4,204,236,938		10,057,021
	¢	15,948,317,380	$	38,150,219

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

The following table shows the loan portfolio as of December 31, 2003 by type of collateral:

		Colones		US dollars
Chattel	¢	6,956,374,851	$	21,509,767
Mortgage		8,991,942,529		16,640,452
	¢	15,948,317,380	$	38,150,219

(Continued)

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

Notes to Financial Statements

As of December 31, 2003, the concentration of single debtors or groups of debtors having similar economic interests based on capital and capital reserves is as follows:

	Number of operations	Amount Colones	Amount US dollars
0 - 4.99%	-	¢ -	$
5 - 9.99%	4	4,986,807,939	11,929,021
10 - 14.99%	4	8,384,636,938	20,057,021
15 - 20%	1	2,576,872,503	6,164,177
	9	¢ 15,948,317,380	$ 38,150,219

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

As of December 31, 2003, the Corporation has not presented the following notes, pursuant to SUGEF Directive 31-04 “Regulations governing financial information of financial entities, groups, and conglomerates:

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

As of December 31, 2003, the Corporation has no loans in legal collections.

ii. Collateralized or restricted assets

As of December 31, 2003, the Corporation has no collateralized or restricted assets.

iii. Other concentrations of assets and liabilities

As of December 31, 2003, the Corporation has no other concentrations of assets and liabilities.

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

As of December 31, 2003, the Corporation has no other memoranda accounts, contingencies, trust accounts, or banking mandate accounts.

(Continued)

(16) Transition to International Financial Reporting Standards (IFRS)

On May 13, 2002, the National Financial System Oversight Board (the Board) agreed in articles 8 and 5, items 1 through 6 of the minutes of meetings 299-2002 and 300-2002 to gradual adoption of International Financial Reporting Standards (IFRS), promulgated by the International Accounting Standards Board, starting January 1, 2003. In order to regulate implementation of these 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. Accordingly, the Board agreed to partial or future application of the following standards:

a) *IAS 1: Presentation of Financial Statements*

The Board authorized non-presentation of comparative financial statements for 2003, due to the change in accounting basis for financial statement preparation. The Standard requires presentation of comparative information.

b) *IAS 7: Statement of Cash Flows*

The Board requires that the statement of cash flows be prepared using the indirect method, without the option of electing the direct method, which is allowed by the Standard.

c) *IAS 12: Income Taxes*

The Board postponed application of this Standard until the year ending December 31, 2004.

d) *IAS 18: Revenue*

The Board allowed regulated financial entities to recognize loan closing fees as revenue if they were collected before January 1, 2003. Additionally, the Board permitted deferral of 25% of closing fees for transactions closed during 2003, 50% for those closed in 2004, increasing to 75% for 2005. The Standard requires deferral of 100% of such fees for the term of the loan.

(Continued)

The Board allowed loan closing fees and premiums and discounts on the purchase of financial instruments to be amortized on the straight-line method. The Standard requires these items be amortized solely by the effective interest rate method. The Board postponed application of the effective interest rate method until the year ending December 31, 2004.

e) *IAS 30: Disclosures in the Financial Statements of Banks and Similar Financial Institutions*

The Board required that the loan portfolio be classified in accordance with Directive 1-95, and that the allowance for loan losses be determined based on such classification. The Standard requires the allowance for loan losses to be determined based on a financial analysis of specific and general expected losses.

f) *IAS 36: Impairment of Assets*

The Board postponed application of this Standard until the year ending December 31, 2004.