BANCO DE GUATEMALA

PRESS RELEASE

THE MONETARY BOARD KEEPS THE LEVEL OF THE LEADING INTEREST RATE OF THE MONETARY POLICY INVARIABLE AT 6.75%

The Monetary Board, in its session celebrated today, decided to keep the level of the leading interest rate of the monetary policy invariable.

The Monetary Board, in its analysis took into account that the recent behavior of some variables in the internal environment indicate a relative reduction of the inflationary pressures on behalf of aggregate demand, among which we can highlight: a) the banking credit to the private sector and the payment means are slightly below the lower limit of the respective runners: b) public finances continue to register a surplus to May; c) the deceleration forecast in the economic activity; and, d) the adjustments of the leading interest rate made in 2007 and March 2008.

The Monetary Board highlighted the following aspects: a) the execution of the monetary policy has been active and prudent; b) the conduction of the monetary policy in the medium term must have preventive character; and, c) the current setting is complex not only because there continue to be inflationary risks, but because thee international context is changing constantly, which increases the uncertainty margins.

Notwithstanding the Monetary Board reiterated that if there continues to be acceleration in the inflationary rhythm and the risk that this entails, could, in order to balance the inflation risks and the internal and external environment, elevate the level of the leading interest rate to counteract the secondary effects due to the imported inflation and to moderate the inflationary expectations.

Guatemala, June 18, 2008

A month behind, a summary of the arguments presented in each session of the Monetary Board, where the leading interest rate of the Monetary Policy is decided, will be able to be consulted on the web page of the Banco de Guatemala at www.banguat.gob.gt