BANCO DE GUATEMALA

PRESS RELEASE

THE MONETARY BOARD KEEPS THE LEADING INTEREST RATE OF THE MONETARY POLICY AT 4.50%

The Monetary Board in its November 25, 2009 session, after having heard the infaltion risks balance, the results of the Semi-structural Macroeconomic Model (MMS) and the orientation of the indicative variables, based on an integral analysis of the foreign and domestic situation; decided to keep the level of the leading interest rate of the monetary policy invariable at 4.50%.

The Monetary Board in its analysis considered that the estimations of world economic growth, for 2009 as well as for 2010, have slightly improved, although they show moderate growth, mainly due to the risks from unemployment and the weak credit channels worldwide. The Monetary Board also considered the projections of the internaional oil prices of raw material and supplies (mainly oil, corn and wheat) show an increase, which would be an indicator of a source of inflationary pressure, although moderate, in the medium term, which is reflected in the total inflationary rhythm projections for 2010. In this context, the Monetary Board considered that when making a prospective inflation analysis we can see that there were no significant changes regarding the October analysis and that the same domestic and foreign risks persist, which suggest caution and gradualness in the monetary policy actions.

The Monetary Board indicated that they will continue observing the evolution of the inflation risks balance, closely following up on the main variables and relevant macroeconomic indicators, domestic and foreign, in order to establish their changes and orientation in the next decision regarding the leading interest rate.

Guatemala, November 25, 2009

With a month's delay, a summary of the arguments, presented in each session of the Monetary Board where there is a discussion as to the interest rate of the monetary policy, can be seen on the Web page of the Banco de Guatemala www.banguat.gob.gt