

## EXECUTION COMMITTEE

### ACT NUMBER 42-2005

Session 42-2005 celebrated in the *Banco de Guatemala* building, on Tuesday, August twenty-third, two thousand five, at sixteen hours.

The coordinator, with the corresponding quorum, submitted for consideration the Execution Committee's Order of the Day.

**ONLY POINT:** Analysis of the relative position for 336 day terms for the bidding for Long Term Deposits in dollars from the United States of America. Number DPUS\$-67-2005.

Not having observations, the Committee approved the Order of the Day.

**ONLY POINT:** Analysis of the relative position for the 336 day term for bidding for Long Term Deposits in dollars from the United States of America. Number DPUS\$-67-2005.

According to the established by the Executive Committee in Deed Number 41-2005, of session dated August 19, 2005, if the positions were received by the bidding of certificates of long term deposits in dollars from the United States of America, the interest rates required by the investors would be between the reference interest rate and the prevailing interest rates in the domestic market of the United States of America for the same terms, regarding the last awarding made by the Federal Reserve in its objective interest rate, a session by the committee would be convened to decide on the awarding; this extraordinary reunion took place on August 23 to analyze the relative positions for 336 day long term deposits. The committee observed that the interest rate of the position for the 336 days was of 3.75% and deliberated over the convenience of accepting the referred position, therefore it considered, among other aspects, that the interest rate of the Federal Reserve of the United States of America recognized for Treasury Bills at 182 day and one year terms was of 3.79% and 3.90%, respectively; therefore, it estimated that the required interest rate for 336 days did not represent a risk for stimulating capital income to the country. In that sense the Execution Committee decided to award US\$39,000.00 for 336 days, at an interest rate of 3.75% and authorized the General Manager of the *Banco de Guatemala* so that as of bidding dated August 25, 2005, to award the amounts required by

the positions for 336 days, at an interest rate of up to 3.75%, as long as it is within the established quota.

The session ended at sixteen hours and thirty minutes, signed in agreement by the attending parties.