



BANCO DE LA REPUBLICA HOLDS ITS BENCHMARK INTEREST RATE

The Board of Directors of Banco de la República decided unanimously to leave its benchmark interest rate at 9.50%.

The Board emphasized the difficult situation in the international environment and the uncertainty surrounding forecasts for growth in the United States and the world economy. Less growth could affect Colombia's economic performance, which will depend on the extent of the slowdown in those countries and its impact on exports, commodity prices, capital flows and remittances, among other factors.

Inflation at the end of 2007 (5.69%) was above target, mainly due to the increase in food and regulated prices. The Board reiterated its commitment to adopting the policy decisions that are required to maintain inflation within the agreed range, which is 3.5% to 4.5%, and will monitor inflation pressures originating outside the country, particularly with food and fuel.

Available figures show the Colombian economy is still dynamic and will register around 7% growth in 2007. A slowdown is expected in 2008, the extent of which will depend on the international situation. Even so, technical studies done by the Bank show GDP growth will remain vigorous in 2008, near the average for the last five years.

The Board will continue to keep a watchful eye on the international situation, inflation forecasts and figures, and economic growth. It reiterated that monetary policy in the future will depend on new information and its impact on inflation forecasts in light of the targets.

Bogotá, Colombia
January 25, 2008