

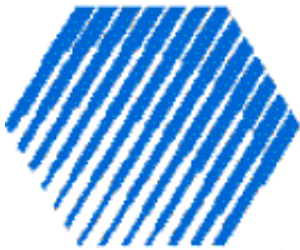
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GUATEMALA ECONOMIC OUTLOOK – GEO

WITH EARLY WARNING SYSTEM FOR 2006

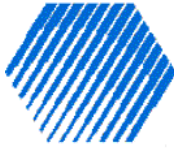
MONTHLY ECONOMIC REPORT

MARCH, 2006



CONTENTS

	Pages
A) Executive Summary	3
B) Guatemala Basic Prospect Table	6
C) Early Warning System	7
I. Macroeconomic Components	7
II. Macrofinancial & External Components	8
III. References for Macrofinancial & External	9
IV. Financial & Banking Components	10
V. Global Level of Country Risk	11
D) Statistical Annex	12
E) Charts	21
F) Special Annex	30
1. Guatemalan Relevant & Recent News	30
2. Bid in TDUS\$ and TDQuetzales	32
3. Financial Analysis of Central Bank Reserves	32
4. Country Risk According to Moody's and Standard & Poor's	33
5. Country Risk According to Fitch	35



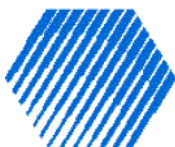
EXECUTIVE SUMMARY

2006 year

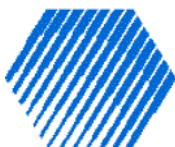
- a) Economic Forecast. Relevant Aspects of 2006.
- National economy will grow around 3.8% in 2006
 - Foreign purchased will decrease the rate of growth (around 10.0%)
 - In similar way, exports will decrease the rate of growth (around 8.1%)
 - The current account deficit will rise to 3.3% of the GDP.
 - Fiscal deficit in 1.8% of the GDP (Copades estimated). The official budget estimates it in 2.5%.
 - Monetary Aggregates (M3) will increase into official range ($\approx 14\%$) and lending rate will rise slightly. That is promoting a moderate expansion of commercial credit, around 17%, respect to 2005 (22.5%).
 - Bank lending to the private sector in FC will be 35% approx. of borrowing in LC.
 - The bank lending is nourished in 45.2% from the borrowing facilities, and the rest comes from the US dollar deposits received by the banks. It was 40% in October'05.
 - Continuation of the consolidation process of the financial system through mergers, acquisitions, and making available the incoming and outgoing of institutions.
 - The OMO's rate for 7-day of Central Bank maintains to 4.25%.
 - COPADES estimates a mean inflation scenario of 8% for 2006.
 - Slight nominal devaluation of 2% - 4% for 2006. Mean annual devaluation would be approximately 1.3%.

2005 - 2006

- b) Real Activity Sector
- The national economy grew 3.2% in 2005.
 - The international oil price and the tropical storm Stan were downturn factors for the GNP, which would have been placed in 3.5%.
 - Both public and private investments were the engine of growth.
 - Transfers of money to family and friends living in Guatemala imply an oxygen bag supporting the domestic consumption capacity (reaching US\$ 3.0 billion, 17.3% of inter-annual growth).
 - In 2006, in addition to the dynamics of the external demand, domestic demand will be the main engine of growth that will be strongly encouraged by the activity of infrastructure and housing reconstruction, damaged by the tropical storm Stan.
- c) External Sector
- Exports continue to have a good dynamism and end the year in 13.6%.
 - Worthy of special mention are exports of traditional products, and other destination markets are being repress.
 - Imports have reduced the growth rate to end the year in 13.2%



- Worthy of special mention are imports of “fuel and lubricants”, consumer semi-durables, raw materials and equipment imports for the industry.
 - Actually, the trade balance is estimated as 16% of GDP and Current account deficit will be reduced as not seen in recent years (estimated in 3% of GDP, US\$959 million).
 - The positive flow of private capital determined a NIR increase of US\$ 254 million. The Central Bank purchased US\$ 466.5 million from the foreign exchange market.
- d) Fiscal Balance and Financing Resources
- Fiscal deficit in 1.5% of the GDP as Copades announced it, for a greater acceleration of the estimated expenses by the end of the year, although the execution will not amount to the estimated budget.
 - Total income an inter-annual increased of 6.2%, while expenses went up 11.6%.
 - The transfers of budget appropriations to cope with the post-Stan emergency had an influence in the expenditure increase during the last two months.
 - No bonds were placed at home or abroad since July. Financing had its origin from Q. 5.280 billion of domestic placement of bonds, Q.1.067 billion of disbursements of external loans, and Q. 1.355 billion of accrued cash deposits (deposits of the Central Government with Banco de Guatemala). This condition supports the monetary policy.
 - Placement of bonded debt in the local market will not exert significant pressure on the interest rates because of the continuing liquidity surplus.
- e) Monetary and Financial Sector
- Total liquidity would be growing in around 14.6% almost within an official projection in data monthly series.
 - Loans have risen encouraged by low interest rates.
 - Loans to the private sector (national and foreign currency), interannually, were 21.4% (in data monthly series).
 - Bank lending to the private sector, in foreign currency is 34.3% of borrowing in national currency, due to the stability of the rate of exchange, and low interest rates. This bank lending is nourished in 45.2% from the borrowing facilities, and the rest comes from the US dollar deposits received by the banks. It was 40% in October'05.
 - In 2006, total liquidity of the economy (including foreign exchange and offshore), will grow at a rate of nearly 13.0%.
 - It is foreseen that the loans to the private sector will be within the segment estimated by the monetary authorities (16.0% - 18.0%).



Loan Volume and %			
	Dec-05	Penultimate Data Jan-06	Last Data Feb-16-06
	Expressed in US\$MM except ratios		
1. Loans to the Private Sector (L/C)	4,729.4	4,791.4	4,818.8
2. Loans to the Private Sector (F/C)	1,604.4	1,635.3	1,652.2
Ratio 2/1	33.9%	34.1%	34.3%
3. Bank System Net External Assets	-780	-757	-746
Ratio 3/2	-48.6%	46.3%	-45.2%
4. Monetary Aggregates (F/C)	1,067.8	1,212.6	1,225.9
Ratio 2/4	150.3%	134.9%	134.8%

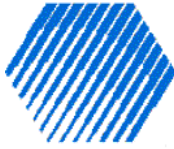
Source: Banguat and Copades.
Local Currency (L/C); Foreign Currency (F/C)

f) Interest Rate

- The leader rate (rate for 7-day operations) of Central Bank (CB) increases $\frac{1}{4}$ percentage points to 4.25% in January but, it maintains in February.
- Bank interest rates with slight movements.
 - From the time the public debt has been placed in the local financial market, a slight rise in both the borrowing and lending rates would be expected, although less than the international market, given the levels of liquid assets expected, and the lending competition to the private sector.
- In brief, the interest rates in 2006 will be adjusted in $\frac{1}{2}$ percent point, thus, implying a light upward trend.

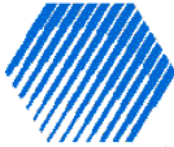
g) Inflation Rate

- Accrued inflation became frozen in the last two-month period. At 8.57% in October and after Stan.
- Core inflation reached 7.74%. Both (total and core inflation) went above expected Banguat's goal ceiling.
- COPADES estimates a mean inflation scenario of 8% for 2006.
- For such purpose, consideration has been given, among others, to a 10% increase to the minimum wages, a slight percentage of monetary devaluation, as well as the indicative variables that exceeded in 2005, for monetary issue, supply of credit to the private sector, with its impact falling behind during 2006.



h) Exchange Rate

- The exchange rate ends the year within the range foreseen by Copades for 2005.
- Bank of Guatemala purchased foreign exchange in the exchange market for US\$466.6 million. During 2006, at this moment (March, 14), only US\$6.5 million have been purchased.
- The market operates with low-volatility levels.
- It is suitable to remember that the average nominal devaluation of the last five-year period has been around 0.29%.
- COPADES considers that a reduction in the interest rates differential, a greater dynamism of imports, and a high level of NIR cause to foresee a slight nominal devaluation of 2% - 4% for 2006, ending two years of continuous appreciation. Mean annual devaluation would be approximately 1.3%.
 - Domestic and offshore interest rate spread (with reference to the US market) is only 2.27 percent points (p.p.) by the end of January 2006; while 12 months ago it was 3.9 pp.
 - Neither risk country nor exchange risk is considered in the above comparison, because COPADES makes light of this parameter because most investors in Guatemalan treasury bonds are corporations or individuals with residence in the country, as it also believes to be the operators of positive short-term capital flows to Guatemala, who, to a certain extent are repatriating part of their surplus capital either as reinvestment or as working capital.
- In brief, a change in trend will occur in 2006 to a moderate nominal devaluation of the Quetzal / US\$1.00.



GUATEMALA BASIC PROSPECT TABLE

Area: 108.890 Km2. Government: Democratic Republic. President: Oscar Berger, leader of Gran Alianza Nacional (GANAN). Next Elections for Presidency: November of 2008. Exchange Rate Regime: Flotation regime with transparency intervention norms. Credit rating: Moody's: Ba2; and S&P: BB-.

GUATEMALA BASIC PROSPECT TABLE		TABLE CA-1 COPADES				
INDICATORS	2002	2003	2004	2005	2006	
1. GROSS DOMESTIC PRODUCT						
US\$ MM of 2002 ⁽¹⁾	23,279	23,775	24,410	25,201	26,158	
% annual	2.2	2.1	2.7	3.2	3.8	
US\$ MM	23,279	24,793	27,339	32,000	35,417	
2. POPULATION ⁽²⁾						
Thousands	11,237	11,519	11,808	12,105	12,409	
% annual	2.6	2.5	2.5	2.5	2.5	
3. GDP PER-CAPITA						
US\$ of 2002 ⁽¹⁾	2,072	2,064	2,067	2,082	2,108	
% annual	22.8	(0.4)	0.2	0.7	1.3	
US\$	2,072	2,152	2,315	2,644	2,854	
4. TRADE BALANCE						
FOB Exports - US\$MM	2,287	2,410	2,663	3,026	3,272	
% annual	(7.2)	5.4	10.5	13.6	8.1	
FOB Exports - US\$MM ⁽⁴⁾	2,633	2,829	3,103	3,348	3,602	
% annual	(6.2)	7.4	9.7	7.9	7.6	
CIF Imports - US\$MM	6,078	6,243	7,194	8,143	8,958	
% annual	8.4	2.7	15.2	13.2	10.0	
Balance US\$MM	(3,445)	(3,414)	(4,092)	(4,794)	(5,356)	
5. NET INTERNATIONAL RESERVES ⁽³⁾						
Change US\$MM	22	549	601	254	294	
Accumulated US\$MM	2,370	2,920	3,521	3,775	4,069	
NIR in months of imports	4.7	5.6	5.9	5.6	5.5	
6. BUDGET EXECUTION						
Revenues Q.MM	20,772	21,809	23,462	24,907	27,720	
% annual	14.0	5.0	7.6	6.2	11.3	
Expenditures Q.MM	22,541	26,334	25,542	28,501	32,560	
% annual	5.7	16.8	(3.0)	11.6	14.2	
Deficit (-) ó Superavit (+) Q.MM	(1,770)	(4,525)	(2,080)	(3,594)	(4,840)	
% / GDP	(1.0)	(2.3)	(1.0)	(1.5)	(1.8)	
7. EXTERNAL PUBLIC DEBT						
Accumulated US\$MM	3,119	3,467	3,844	3,593	3,949	
Debt service US\$MM	324	328	462	364	446	
8. INTEREST RATE ⁽⁴⁾						
% Lending	16.2	14.1	13.5	12.7	13.2	
% Borrowing	6.9	4.5	4.5	4.6	5.1	
% current savings	2.9	1.8	1.8	1.7	2.2	
% time deposits	9.6	6.7	6.9	6.9	7.4	
9. INFLATION RATE						
% CPI ⁽⁵⁾	6.3	5.9	9.2	8.6	8.0	
10. EXCHANGE RATE						
dec/dec - Q. /US\$1.00 ⁽⁶⁾	7.84	8.06	7.76	7.62	7.85	
% annual	(2.2)	2.8	(3.7)	(1.8)	3.0	
average - Q. /US\$1.00	7.83	7.97	7.94	7.64	7.74	

⁽¹⁾ Exchange Rate used : Q.7.83 /US\$1.00 (average 2002).

⁽²⁾ Estimations on basis of XI Census of Population 2002

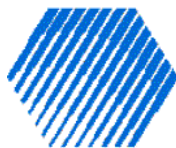
⁽³⁾ NIR, Central Bank.

⁽⁴⁾ Weighted, end of period.

⁽⁵⁾ Guatemala Republic, end of period.

⁽⁶⁾ Weighted average for selling, banking system, end of period.

⁽⁴⁾ Figures from Balance of Payment, included Draw-back.



EARLY WARNING SYSTEM (2006) – Guatemala Economic Outlook
I – MACROECONOMIC COMPONENTS

MARCH
2006

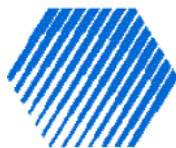
SELECTED INDICATORS	MEAI Monthly Economic Activity Index	Accumulated Inflation Rate % Change		Monthly Inflation Rate % Change		Central Government Balance % / GDP (a)	Current Account Balance % / GDP	Effect of Policy Monetary (Nominal Activity vs. i%OMOs)
		> 7.0%	> 0.57%	> -2.0% Annual	> -3.0% Annual			
WARNING	5.0%<x<1.5%	> 7.0%	> 0.57%	> -2.0% Annual	> -3.0% Annual			6.0%<x<"-
MONTH / DATA	Real	Warning	Real	Warning	Real	Estimated	Estimated	Real
January	3.92	0.59	0.91	0.59	0.91	-1.07	-2.88	6.50
February	3.92	1.17	0.88	0.58	-0.03	-1.27	-3.49	6.08
March		1.76		0.58				
April		2.34		0.58				
May		2.93		0.57				
June		3.51		0.57				
July		4.10		0.56				
August		4.68		0.56				
September		5.26		0.55				
October		5.84		0.55				
November		6.42		0.55				
December		7.00		0.55				
Dec-05	3.55		8.57		0.69	-1.37	-2.97	6.67
Dec-04	3.47		9.23		0.77	-0.93	-3.09	6.64
Dec-03	2.51		5.85		0.49	-2.29	-3.18	3.06
Dec-02	2.51		6.25		0.52	-0.99	-4.43	1.93
Dec-01	1.75		8.91		0.74	-1.88	-6.32	0.69
Dec-00	4.13		5.08		0.43	-0.09	-5.56	-5.80

(a) There are no estimates of monthly GDP. This calculate is an estimation.

Note: The reserves and interest rates datas are reflected at the last Thursday of each month.

Source: COPADES criteria and statistical data based on Central Bank of Guatemala.

Source: COPADES©



EARLY WARNING SYSTEM (2006) – Guatemala Economic Outlook
II – MACROFINANCIAL & EXTERNAL COMPONENTS

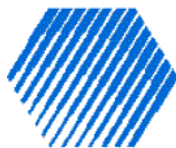
MARCH
2006

SELECTED INDICATORS	Accumulated Trade Balance (Xg-Mg) US\$ MM		Monthly Trade Balance (Xg-Mg) US\$ MM		Net Official Int'l Reserves of Central Bank US\$MM	Net External Assets - NEA - Banking System US\$MM	Monthly Exchange Rate Quetzal / US\$	Average Lending Rates in Quetzales	Average Time Deposits Rates in Quetzales
WARNING	> -5,000		> -417		<3000 (4m/M's)	>-875	7.85<x<7.62	12%>x>14%	< 6.5%
MONTH / DATA	Warning	Real	Warning	Real	Real	Real	Real	Real	Real
January	-357.0	-470.2	-357.0	-470.2	4087.8	-756.8	7.61	12.72	6.94
February	-654.5	-990.7	-297.5	-520.5	4056.5	-752.2	7.63	12.74	6.97
March	-997.5		-343.0						
April	-1345.5		-348.0						
May	-1661.5		-316.0						
June	-1997.5		-336.0						
July	-2382.0		-384.5						
August	-2893.0		-511.0						
September	-3422.5		-529.5						
October	-3970.5		-548.0						
November	-4518.0		-547.5						
December	-5000.0		-482.0						
Dec-05		-5116.5		-426.4	3782	-779	7.62	12.73	6.94
Dec-04		-4831.1		-402.6	3527	-555	7.76	13.52	6.86
Dec-03		-3832.8		-319.4	2919	-464	8.06	14.20	6.70
Dec-02		-3790.3		-315.9	2324	-407	7.84	16.23	9.62
Dec-01		-3143.1		-261.9	2356	-447	8.02	17.92	11.32
Dec-00		-2442.4		-203.5	1877	-518	7.74	19.96	15.32

Note: The reserves and interest rates datas are reflected at the last Thursday of each month.

Source: COPADES criteria and statistical data based on Central Bank of Guatemala.

Source: COPADES©



EARLY WARNING SYSTEM (2006) – Guatemala Economic Outlook
III – REFERENCES FOR MACROFINANCIAL & EXTERNAL COMPONENTS

MARCH
2006

included Internal Bonds expressed in US\$ (a)

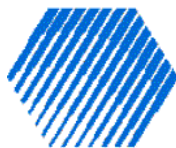
SELECTED INDICATORS	Average Lending Rates in USDollar	Average Time Deposits Rates in USDollar	Average Time Deposits Rates in USDollar in USA	NIR / months of Import CIF	Foreign debt (and expressed in US\$) / %GDP	Foreign debt (and expressed in US\$) / % X's g&s	Service Paid of Foreign Debt / % X's g&s
					<i>international criteria</i>		
Warning Reference	Domestic	Domestic	Int'l Market	< 3 months	> 30%	> 150%	> 25%
MONTH / DATA	Real	Real	Real	Real	Estimated	Estimated	Estimated
January	7.32	4.35	4.67	5.94	19.00	156.66	21.97
February	7.39	4.42	4.90	5.73	18.87	155.26	22.95
March							
April							
May							
June							
July							
August							
September							
October							
November							
December							
Dec-05	7.21	4.44	4.65	5.57	18.41	150.91	20.59
Dec-04	6.85	4.10	2.72	5.88	20.07	164.50	22.90
Dec-03	6.82	3.91	1.15	5.61	19.73	160.57	23.43
Dec-02	7.39	4.92	1.33	4.83	18.18	144.08	28.59
Dec-01	8.80	5.40	1.85	5.03	19.76	123.52	
Dec-00	--	--	6.58	4.35	19.69	115.83	

^(a) Included Domestic Debt because there are may bonds expressed in US\$, and this debt supposed the 70% of total debt in 2003.

Note: The reserves and interest rates datas are reflected at the last Thursday of each month.

Source: COPADES criteria and statistical data based on Central Bank of Guatemala and International Monetary Fund.

Source: COPADES©



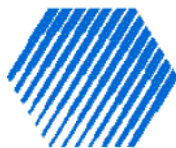
EARLY WARNING SYSTEM (2006) – Guatemala Economic Outlook
IV – FINANCIAL & BANKING COMPONENTS

MARCH
2006

SELECTED INDICATORS	Solvency ratio: Own Funds / Assets	Asset Quality: Loans with problems (%)	Financial Liquidity: Available and Short Term Investment / Liabilities	Return on Assets ROA ratio	Risk Profile: Financial Expenses of Deposits, Annualized
WARNING criteria	< 8%	> 5,5%	< 49%	< 1,5%	2300<x<1500
MONTH / DATA	Real	Real	Real	Real	Real
January	7.64	4.51	50.05	1.74	1856.78
February	7.64	4.51	50.06	1.74	1852.50
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
Dec-05	7.64	4.51	50.04	1.74	1853.91
Dec-04	7.58	4.46	50.36	1.65	1571.01
Dec-03	7.92	4.77	50.07	1.37	1773.37
Dec-02	5.27	13.80	47.53	0.57	2393.69
Dec-01	6.70	8.82	48.03	0.47	2759.22
Dec-00	9.08	7.14	45.89	1.21	2796.00

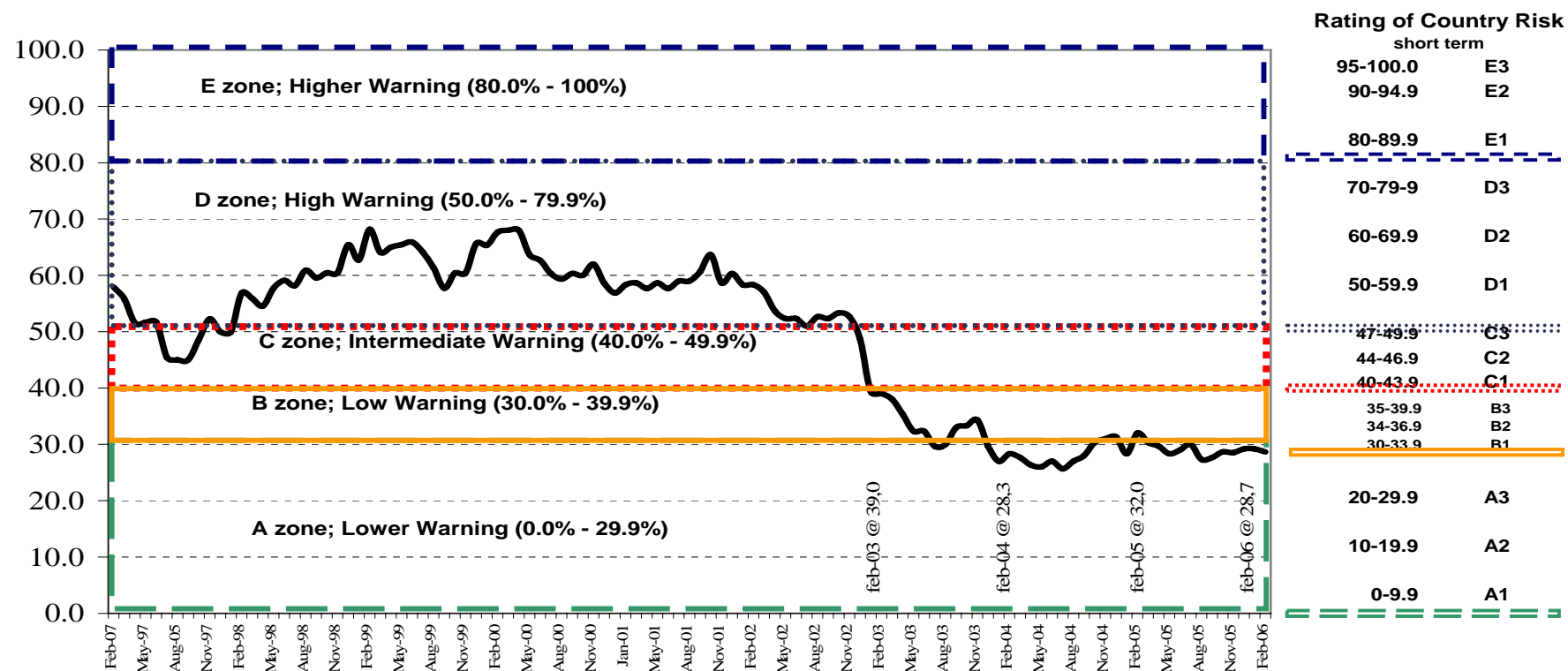
Source: COPADES criteria and statistical data based on Central Bank of Guatemala and Supervisory Agency of Banks.

Source: COPADES©



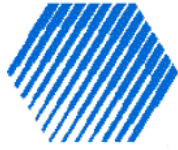
EARLY WARNING SYSTEM (2006) V – GLOBAL LEVEL OF COUNTRY RISK

**MARCH
2006**

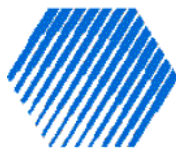


Notes: it is a rating system that combines macroeconomic, banking and financial indicators, of foreign and domestic context, which have been leading indicators in third generation crisis since 90's end. The methodology can add variables to improve the integrity and power of both national and local currency ratings, and/or; re-scale the own score system for each indicator depending on sensibility of market conditions and evolution of emerging economies. Anyway, more score (0.0-100.0) implies more risk, more volatile and vulnerability levels.

Source: COPADES©

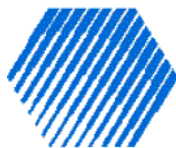


STATISTICAL ANNEX (8 TABLES)



GUATEMALA INFLATION RATE ACCORDING TO THE CONSUMER PRICE INDEX (CPI) (Index - Dec'00=100.0 - and percentage variation rates to the end of each month)												COPADES G-01 MARCH 2006	
CONCEPT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
<u>2003</u>													
CPI	117.2	118.0	118.5	119.0	119.3	119.7	120.0	120.3	120.8	121.3	121.9	122.6	
Inflation rate (%)													
Monthly	1.2	0.7	0.4	0.4	0.3	0.3	0.3	0.3	0.4	0.4	0.5	0.6	
Acummulated	1.2	1.9	2.3	2.8	3.0	3.3	3.6	3.9	4.3	4.8	5.2	5.9	
Interannual	6.2	6.0	5.8	5.7	5.6	5.2	4.6	5.0	5.7	5.8	5.8	5.9	
<u>2004</u>													
CPI	124.5	125.4	126.3	127.0	128.0	128.5	129.1	129.5	130.5	131.8	133.1	133.9	
Inflation rate (%)													
Monthly	1.5	0.7	0.7	0.5	0.8	0.4	0.5	0.3	0.8	1.0	1.0	0.6	
Acummulated	1.5	2.3	3.0	3.6	4.4	4.8	5.3	5.7	6.5	7.5	8.6	9.2	
Interannual	6.2	6.3	6.6	6.7	7.3	7.4	7.6	7.7	8.0	8.6	9.2	9.2	
<u>2005</u>													
CPI	135.7	136.7	137.4	138.2	138.9	139.8	141.1	141.7	142.9	145.4	145.4	145.4	
Inflation rate (%)													
Monthly	1.4	0.7	0.5	0.6	0.5	0.7	0.9	0.4	0.8	1.8	0.0	(0.0)	
Acummulated	1.4	2.1	2.6	3.2	3.7	4.4	5.4	5.8	6.7	8.6	8.6	8.6	
Interannual	9.0	9.0	8.8	8.9	8.5	8.8	9.3	9.4	9.4	10.3	9.2	8.6	
<u>2006</u>													
CPI	146.7												
Inflation rate (%)													
Monthly	0.9												
Acummulated	0.9												
Interannual	8.1												

Source: National Institute of Statistics.



GUATEMALA
MONTHLY EXCHANGE RATE IN THE BANKING SYSTEM
2001-2003
Weighted Average of selling, Quetzal per US\$1.00, month-end data.

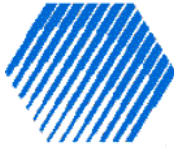
COPADES
G-02
MARCH 2006

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2002												
EXCHANGE RATE	8.00	7.95	7.85	7.81	7.86	7.92	7.81	7.81	7.76	7.68	7.60	7.84
Rate of change												
Month-on-month	(0.26)	(0.70)	(1.18)	(0.47)	0.58	0.78	(1.36)	0.01	(0.64)	(1.06)	(1.09)	3.18
12-month (% change)	2.60	3.15	1.89	0.13	1.16	1.46	0.08	(0.58)	(3.05)	(5.86)	(5.88)	(2.28)
Month t over previous december	(0.26)	(0.96)	(2.12)	(2.59)	(2.02)	(1.26)	(2.60)	(2.59)	(3.22)	(4.24)	(5.29)	(2.28)
2003												
EXCHANGE RATE	7.83	7.89	7.93	7.89	7.92	7.94	7.95	7.95	8.03	8.15	8.07	8.06
Rate of change												
Month-on-month	(0.07)	0.67	0.61	(0.60)	0.37	0.35	0.01	0.03	1.10	1.38	(0.96)	(0.13)
12-month (% change)	(2.09)	(0.74)	1.06	0.93	0.72	0.29	1.68	1.70	3.48	6.04	6.18	2.77
Month t over previous december	(0.07)	0.60	1.21	0.61	0.98	1.34	1.35	1.38	2.49	3.91	2.91	2.77
2004												
EXCHANGE RATE	8.12	8.11	8.10	8.01	7.98	7.91	7.96	7.91	7.90	7.80	7.76	7.76
Rate of change												
Month-on-month	0.83	(0.15)	(0.10)	(1.16)	(0.32)	(0.91)	0.60	(0.66)	(0.12)	(1.28)	(0.42)	(0.04)
12-month (% change)	3.70	2.84	2.12	1.54	0.84	(0.43)	0.16	(0.52)	(1.72)	(4.30)	(3.78)	(3.68)
Month t over previous december	0.83	0.67	0.57	(0.60)	(0.92)	(1.82)	(1.23)	(1.87)	(1.99)	(3.25)	(3.65)	(3.68)
2005												
EXCHANGE RATE	7.76	7.69	7.60	7.61	7.60	7.61	7.59	7.60	7.71	7.63	7.63	7.62
Rate of change												
Month-on-month	(0.04)	(0.91)	(1.15)	0.12	(0.13)	0.18	(0.21)	0.05	1.51	(1.12)	0.07	(0.12)
12-month (% change)	(4.52)	(5.24)	(6.24)	(5.03)	(4.84)	(3.79)	(4.57)	(3.90)	(2.33)	(2.17)	(1.69)	(1.77)
Month t over previous december	(0.04)	(0.95)	(2.10)	(1.98)	(2.11)	(1.93)	(2.13)	(2.09)	(0.61)	(1.73)	(1.66)	(1.77)
2006												
EXCHANGE RATE	7.61	7.63										
Rate of change												
Month-on-month	(0.14)	0.22										
12-month (% change)	(1.87)	(0.75)										
Month t over previous december	(0.14)	0.08										

Source: Daily reports from Central Bank of Guatemala.

Average 2005 =

7.62



GUATEMALA
EVOLUTION OF TRADE BALANCE
2002-2005
(US\$ Million)

COPADES
G-03
MARCH 2006

ITEM / MONTH	FOB EXPORTS				CIF IMPORTS				BALANCE			
	2002	2003	2004	2005	2002	2003	2004	2005	2002	2003	2004	2005

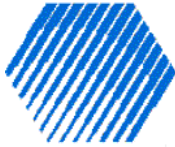
MONTHLY

JAN	221.0	197.2	202.9	224.0	475.5	543.6	550.4	605.1	(254.5)	(346.3)	(347.4)	(381.1)
FEB	236.6	199.9	198.1	221.5	426.7	450.1	505.3	541.1	(190.1)	(250.2)	(307.2)	(319.6)
MAR	144.1	188.6	241.7	242.5	423.5	539.3	628.1	682.8	(279.4)	(350.7)	(386.5)	(440.3)
APR	199.8	192.9	214.9	281.4	541.0	512.3	599.0	660.6	(341.2)	(319.4)	(384.1)	(379.3)
MAY	187.4	237.1	209.8	286.9	555.5	502.4	585.7	666.1	(368.1)	(265.3)	(375.8)	(379.2)
JUN	197.1	211.0	253.7	278.3	468.7	486.0	599.1	708.2	(271.6)	(274.9)	(345.4)	(429.9)
JUL	188.2	258.3	291.9	305.3	488.9	521.3	596.3	672.1	(300.7)	(263.0)	(304.4)	(366.7)
AUG	159.5	185.2	218.6	237.3	501.7	518.1	594.3	724.6	(342.2)	(333.0)	(375.7)	(487.4)
SEP	194.4	172.6	210.2	258.7	448.5	517.6	580.1	655.6	(254.1)	(345.0)	(369.9)	(396.9)
OCT	199.6	183.4	184.5	198.3	550.4	555.6	614.5	643.2	(350.8)	(372.2)	(430.0)	(444.9)
NOV	171.7	181.1	204.1	260.7	511.9	549.8	682.0	808.1	(340.2)	(368.7)	(477.8)	(547.3)
DEC	176.4	205.4	233.4	231.1	494.5	546.7	659.8	775.2	(318.1)	(341.3)	(426.4)	(544.0)

ACCUMULATED

JAN	221.0	197.2	202.9	224.0	475.5	543.6	550.4	605.1	(254.5)	(346.3)	(347.4)	(381.1)
FEB	457.6	397.1	401.1	445.5	902.2	993.7	1055.6	1146.2	(444.6)	(596.5)	(654.6)	(700.6)
MAR	601.7	585.8	642.7	688.1	1325.7	1533.0	1683.8	1829.0	(724.0)	(947.2)	(1041.0)	(1140.9)
APR	801.5	778.6	857.6	969.5	1866.7	2045.2	2282.8	2489.6	(1065.2)	(1266.6)	(1425.2)	(1520.2)
MAY	988.9	1015.7	1067.4	1256.3	2422.2	2547.6	2868.4	3155.7	(1433.3)	(1531.9)	(1801.0)	(1899.3)
JUN	1186.0	1226.7	1321.1	1534.6	2890.9	3033.6	3467.5	3863.9	(1704.9)	(1806.9)	(2146.4)	(2329.2)
JUL	1374.2	1485.0	1613.0	1840.0	3379.8	3554.9	4063.8	4535.9	(2005.6)	(2069.9)	(2450.8)	(2696.0)
AUG	1533.7	1670.1	1831.6	2077.2	3881.5	4073.0	4658.2	5260.6	(2347.8)	(2402.9)	(2826.5)	(3183.3)
SEP	1728.1	1842.8	2041.9	2335.9	4330.0	4590.6	5238.3	5916.2	(2601.9)	(2747.9)	(3196.4)	(3580.3)
OCT	1927.7	2026.2	2226.3	2534.2	4880.4	5146.2	5852.8	6559.4	(2952.7)	(3120.1)	(3626.4)	(4025.2)
NOV	2099.4	2207.3	2430.4	2795.0	5392.3	5696.0	6534.7	7367.4	(3292.9)	(3488.8)	(4104.3)	(4572.5)
DEC	2275.8	2412.7	2663.8	3026.1	5886.8	6242.8	7194.5	8142.6	(3611.0)	(3830.1)	(4530.7)	(5116.5)

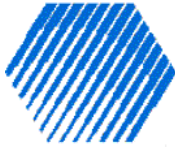
Source: Prepared by COPADES on the basis of Central Bank data derived from customs permits and forms.



GUATEMALA FOB EXPORTS Exports according to principal items (US\$ million)	COPADES G-04 MARCH 2006
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ITEM	STATUS TO		CHANGE	
	DEC'04	DEC'05	US\$MM	%
TOTAL	<u>2,663.8</u>	<u>3,026.1</u>	<u>362.2</u>	<u>13.6</u>
A. Traditionals	<u>996.6</u>	<u>1,232.2</u>	<u>235.6</u>	<u>23.6</u>
1. Coffee	327.8	464.0	136.1	41.5
2. Sugar	188.0	236.6	48.6	25.8
3. Banana	228.2	236.2	8.0	3.5
4. Cardamom	73.8	70.4	(3.5)	(4.7)
5. Petroleum	178.7	225.1	46.4	25.9
B. To Central America	<u>1,130.9</u>	<u>1,241.6</u>	<u>110.6</u>	<u>9.8</u>
1. El Salvador	503.1	552.1	49.1	9.8
2. Honduras	312.4	332.4	20.0	6.4
3. Costa Rica	160.5	175.7	15.2	9.4
4. Nicaragua	154.9	181.4	26.5	17.1
C. Non traditionals	<u>536.3</u>	<u>552.3</u>	<u>16.0</u>	<u>3.0</u>
1. Chemicals	98.4	100.7	2.4	2.4
2. Fruits and processed products	49.4	72.9	23.6	47.8
3. Flowers, plants and similar products	37.7	42.2	4.5	12.0
4. Vegetables and legumes	37.8	37.3	(0.5)	(1.4)
5. Shrimp, fish and lobster	5.9	6.1	0.2	3.4
6. Natural rubber	51.8	59.6	7.9	15.2
7. Honey Products	25.1	22.1	(3.0)	(12.0)
8. Food products	64.3	55.9	(8.4)	(13.1)
9. Sesame	17.1	16.5	(0.6)	(3.7)
10. Others	148.9	139.0	(9.9)	(6.7)

Source: Prepared by COPADES on the basis of Central Bank data derived from customs permits and forms.

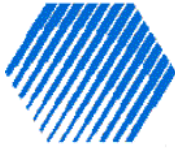


GUATEMALA CIF IMPORTS Imports according to main CUODE (Classification by economic use or destination) items (1) (US\$ million)	COPADES G-05 MARCH 2006
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ITEM	STATUS TO		CHANGE	
	DEC'04	DEC'05	US\$MM	%
<u>TOTAL</u>	<u>7,194.5</u>	<u>8,142.2</u>	<u>947.7</u>	<u>13.2</u>
<u>A. Consumer goods</u>	<u>2,302.8</u>	<u>2,453.7</u>	<u>150.9</u>	<u>6.6</u>
1. Durable	638.9	625.6	(13.3)	(2.1)
2. Semi-durable	521.0	622.4	101.4	19.5
3. Non-durable	1,142.8	1,205.7	62.8	5.5
<u>B. Raw materials and intermediate goods</u>	<u>2,185.3</u>	<u>2,333.2</u>	<u>147.8</u>	<u>6.8</u>
1. For agriculture	224.4	241.8	17.4	7.8
2. For industry	1,960.9	2,091.4	130.4	6.7
<u>C. Fuels and lubricants</u>	<u>1,025.9</u>	<u>1,466.4</u>	<u>440.6</u>	<u>42.9</u>
<u>D. Building materials</u>	<u>165.3</u>	<u>199.1</u>	<u>33.7</u>	<u>20.4</u>
			3,527.0	
<u>E. Capital goods</u>	<u>1,157.6</u>	<u>1,317.3</u>	<u>159.6</u>	<u>13.8</u>
1. For agriculture	54.2	46.5	(7.7)	(14.2)
2. For industry and others	1,103.4	1,270.7	167.3	15.2
<u>F. Transportation equipment</u>	<u>357.0</u>	<u>372.5</u>	<u>15.6</u>	<u>4.4</u>
<u>G. Miscellaneous</u>	<u>0.6</u>	<u>0.0</u>	<u>(0.5)</u>	<u>(92.5)</u>

(1) Classified for economic use or destination.

Source: Prepared by COPADES on the basis of Central Bank data derived from customs permits and forms.



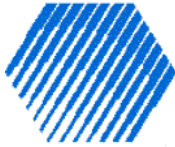
GUATEMALA	COPADES
BALANCE OF THE PUBLIC EXTERNAL DEBT	G-06
(Million of US\$)	MARCH 2006

Dec-99	Dec-00	Dec-01	Dec-02	Dec-03	Dec-04	Dec-05
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	Dec-99	Dec-00	Dec-01	Dec-02	Dec-03	Dec-04	Dec-05
TOTAL	2631.4	2643.7	2925.0	3119.4	3467.2	3843.8	3723.2
Banco de Guatemala	126.4	102.8	91.3	81.0	70.4	2.3	0.3
Rest of the Public Sector	2505.0	2540.9	2833.7	3038.4	3396.8	3841.5	3722.9
A. MULTILATERAL ORGANISMS	1557.0	1614.8	1696.6	1916.9	1978.7	2092.2	2048.0
Banco de Guatemala	47.0	30.5	25.8	22.0	18.2	0.8	0.3
Rest of the Public Sector	1510.0	1584.3	1670.8	1894.9	1960.5	2091.4	2047.7
B. BILATERAL ORGANISMS AND GOVERNMENT	682.0	679.5	612.1	587.4	574.0	514.1	439.2
Banco de Guatemala	68.0	61.6	55.7	50.0	43.8	0.0	0.0
Rest of the Public Sector	614.0	617.9	556.4	537.4	530.2	514.1	439.2
C. PRIVATE BANKS	240.0	197.0	139.3	138.1	138.0	131.0	131.0
Banco de Guatemala	9.0	8.3	7.8	7.0	6.9	0.0	0.0
Rest of the Public Sector	231.0	188.7	131.5	131.1	131.1	131.0	131.0
D. OTHERS DEBT HOLDERS	152.4	152.4	477.0	477.0	776.5	1106.5	1105.0
Banco de Guatemala	2.4	2.4	2.0	2.0	1.5	1.5	0.0
Rest of the Public Sector (BONDS US\$)	150.0	150.0	475.0	475.0	775.0	1105.0	1105.0

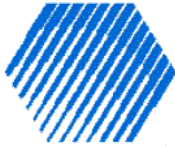
a/ preliminar balance.

Source: Prepared by COPADES, according to the information of Banco de Guatemala.



GUATEMALA AVERAGE OF NATIONAL BANKING SYSTEM LENDING AND BORROWING RATES (Weighted average interest rates, at the last thursday of each month)												COPADES G-07 MARCH 2006	
CONCEPT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
<u>2002</u>													
Lending Quetzal	17.71	17.50	17.22	17.21	17.11	16.88	16.75	16.55	16.49	16.41	16.34	16.20	
Borrowing Quetzal	8.40	8.19	8.01	7.86	7.75	7.63	7.39	7.31	7.27	7.13	7.08	6.91	
Current savings	4.20	3.91	3.55	3.44	3.34	3.33	3.15	3.08	3.13	2.89	2.90	2.87	
Time deposits	11.18	11.11	10.98	10.81	10.61	10.39	10.16	10.01	9.94	9.82	9.73	9.62	
Lending USD	8.75	8.66	8.32	8.36	8.17	8.02	7.90	7.81	7.80	7.66	7.62	7.39	
Time deposits USD	5.66	5.75	5.69	5.68	5.52	5.44	5.32	5.19	5.18	5.00	4.91	4.92	
<u>2003</u>													
Lending Quetzal	16.01	15.84	15.61	15.49	15.12	15.10	14.72	14.64	14.47	14.39	14.24	14.11	
Borrowing Quetzal	6.31	6.12	5.84	5.58	5.32	5.22	4.99	4.86	4.75	4.65	4.60	4.52	
Current savings	2.54	2.38	2.25	2.26	2.10	2.12	2.01	1.96	1.93	1.94	1.85	1.84	
Time deposits	8.99	8.71	8.31	7.98	7.57	7.49	7.22	7.04	6.91	6.83	6.76	6.70	
Lending USD	7.27	7.33	7.31	7.28	7.21	7.21	7.15	7.03	6.95	6.89	6.86	6.82	
Time deposits USD	4.70	4.67	4.50	4.42	4.32	4.27	4.22	4.09	4.04	3.96	3.93	3.91	
<u>2004</u>													
Lending Quetzal	14.00	13.93	13.89	13.97	13.93	13.89	13.79	13.83	13.76	13.75	13.56	13.50	
Borrowing Quetzal	4.48	4.43	4.39	4.41	4.46	4.41	4.42	4.50	4.77	4.52	4.56	4.54	
Current savings	1.82	1.80	1.74	1.73	1.77	1.72	1.76	1.80	1.78	1.75	1.80	1.77	
Time deposits	6.67	6.66	6.67	6.65	6.69	6.66	6.68	6.74	6.79	6.83	6.84	6.86	
Lending USD	6.82	6.81	6.82	6.85	6.77	6.75	6.72	6.77	6.84	6.90	6.90	6.85	
Time deposits USD	3.87	3.84	3.79	3.81	3.80	3.74	3.72	3.96	3.98	4.04	4.03	4.10	
<u>2005</u>													
Lending Quetzal	13.52	13.52	13.49	13.07	13.04	13.02	12.90	12.88	12.78	12.72	12.78	12.67	
Borrowing Quetzal	4.56	4.58	4.53	4.57	4.59	4.62	4.58	4.35	4.60	4.58	4.64	4.62	
Current savings	1.74	1.73	1.74	1.69	1.71	1.77	1.72	1.70	1.70	1.66	1.71	1.69	
Time deposits	6.89	6.91	6.86	6.91	6.91	6.92	6.91	6.90	6.92	6.92	6.94	6.94	
Lending USD	6.93	7.03	7.03	7.09	7.13	7.15	7.18	7.21	7.22	7.23	7.22	7.21	
Time deposits USD	4.03	4.18	4.16	4.19	4.15	4.23	4.31	4.32	4.37	4.32	4.41	4.44	
<u>2006</u>													
Lending Quetzal	12.72												
Borrowing Quetzal	4.62												
Current savings	1.73												
Time deposits	6.94												
Lending USD	7.31												
Time deposits USD	4.35												

Source: Office of Superintendent of Banks and Central Bank.

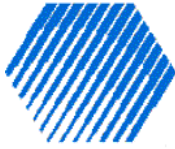


GUATEMALA	COPADES
BANKING SYSTEM, ENTIRE PORTFOLIO INTEGRATION	G-08
(in thousands of Quetzales)	MARCH 2006

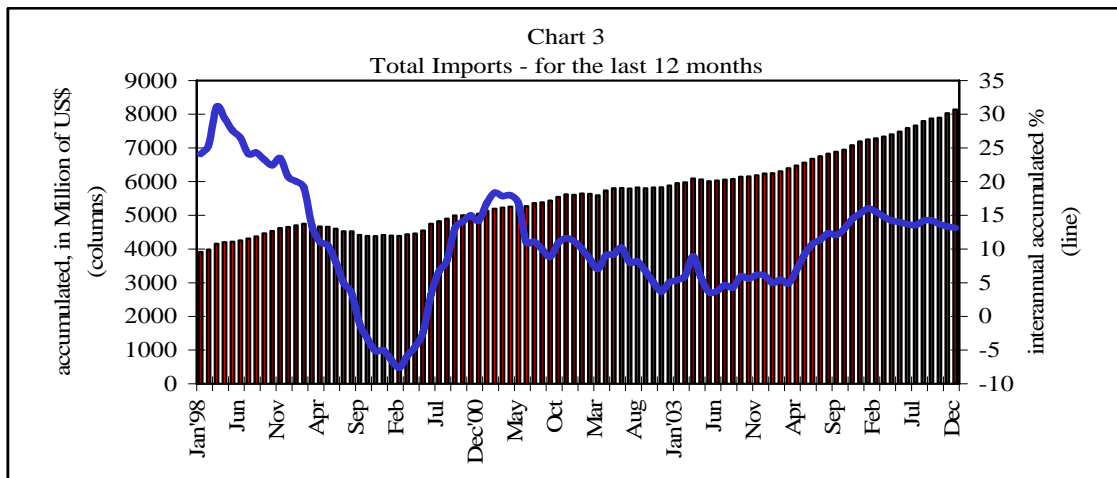
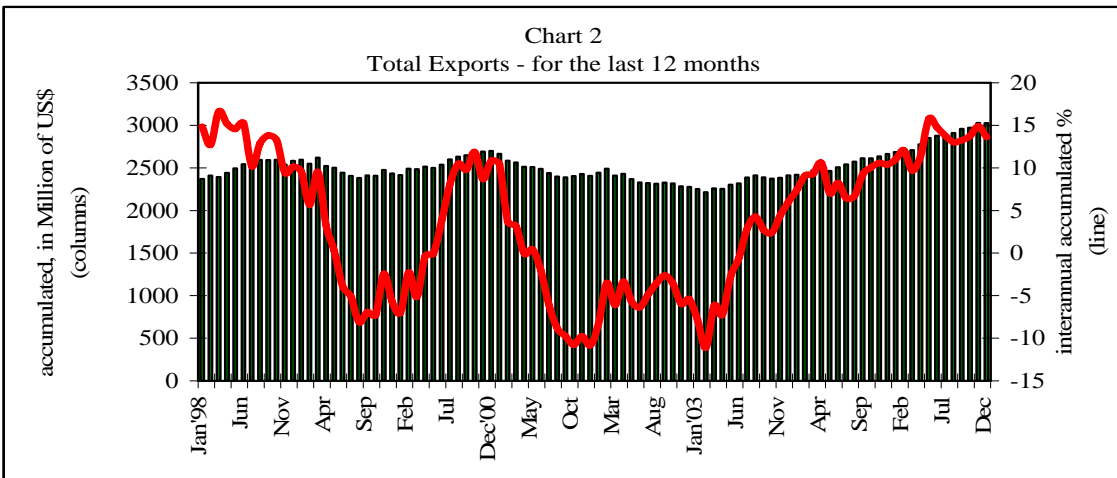
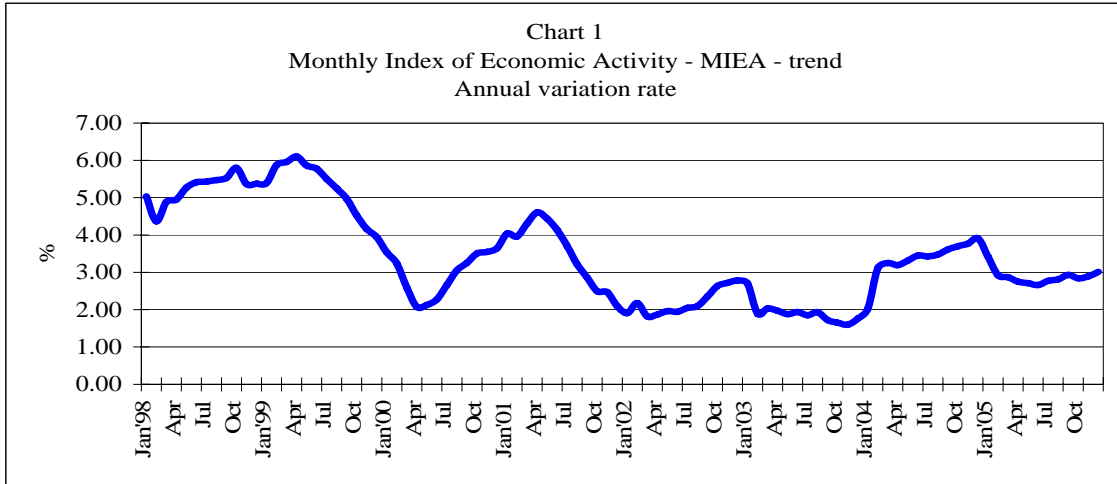
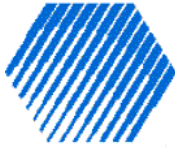
	2000 December	2001 December	2002 December	2003 December	2004 December	2005 December
ENTIRE PORTFOLIO (1)	24,081,524	27,563,407	29,655,300	32,331,498	36,495,619	44,510,695
1. ACTIVE	22,828,711	25,460,955	26,829,294	30,052,052	35,310,182	43,428,558
1.1 Current	21,904,821	24,181,670	25,879,037	29,120,410	34,383,947	42,308,117
1.2 In arrears	923,890	1,279,285	950,257	931,642	926,235	1,120,441
2. DUE	1,252,813	2,102,452	2,826,006	2,279,446	1,185,437	1,082,137
2.1 In the process of being extended	100,911	77,064	84,094	99,973	92,330	63,920
2.2 Being collected through administrative action	409,363	610,861	735,683	664,815	312,797	299,126
2.3 Being collected through legal action	742,539	1,414,527	2,006,229	1,514,658	780,310	719,091
ENTIRE PORTFOLIO (1)	24,081,524	27,563,407	29,655,300	32,331,498	36,495,619	44,510,695
1. Loans without problems (% / Total)	21,904,821 90.96%	24,181,670 87.73%	25,879,037 87.27%	29,120,410 90.07%	34,383,947 94.21%	42,308,117 95.05%
2. Loans with problems (% / Total)	2,176,703 9.04%	3,381,737 12.27%	3,776,263 12.73%	3,211,088 9.93%	2,111,672 5.79%	2,202,578 4.95%
(percentage / Total)						
2.1.2 In arrears	3.84%	4.64%	3.20%	2.88%	2.54%	2.52%
2.2.1 In the process of being extended	0.42%	0.28%	0.28%	0.31%	0.25%	0.14%
2.2.2 Being collected through administrative action	1.70%	2.22%	2.48%	2.06%	0.86%	0.67%
2.2.3 Being collected through legal action	3.08%	5.13%	6.77%	4.68%	2.14%	1.62%

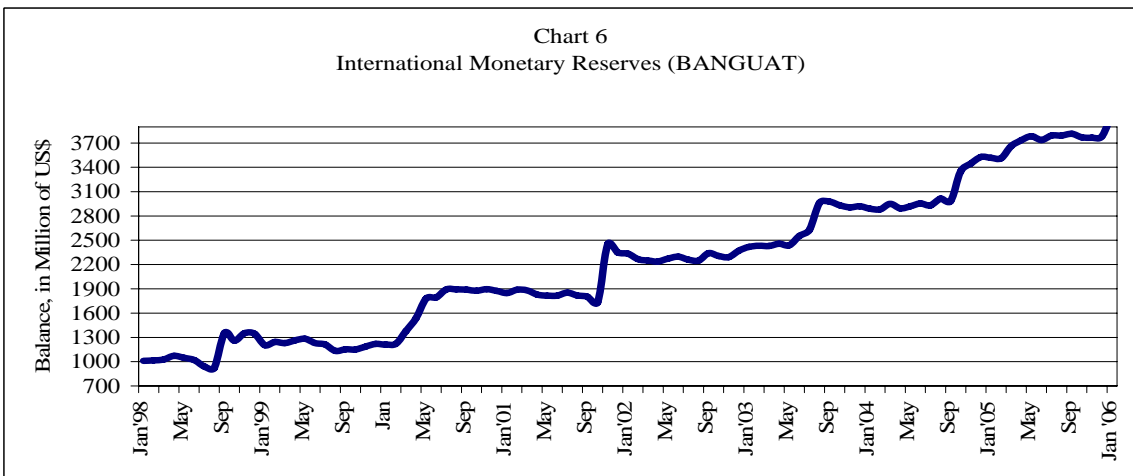
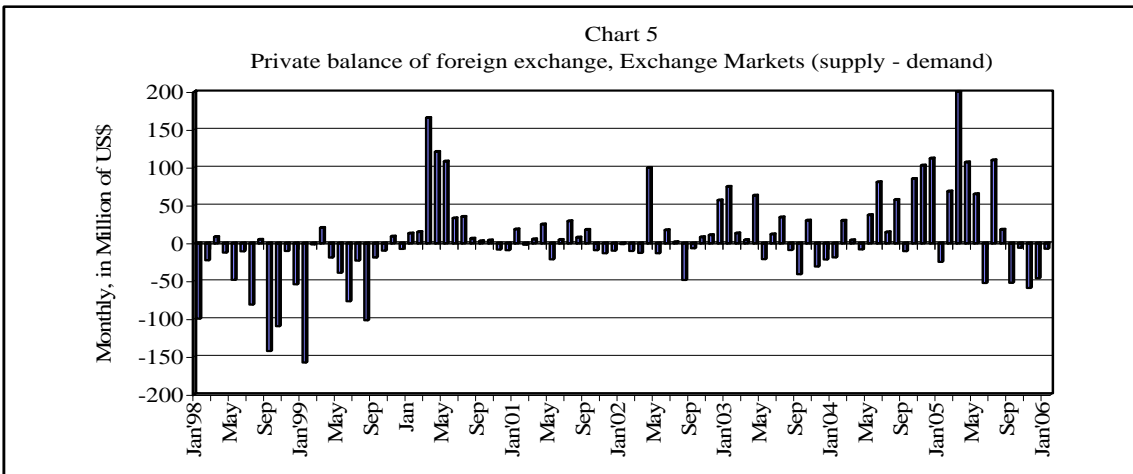
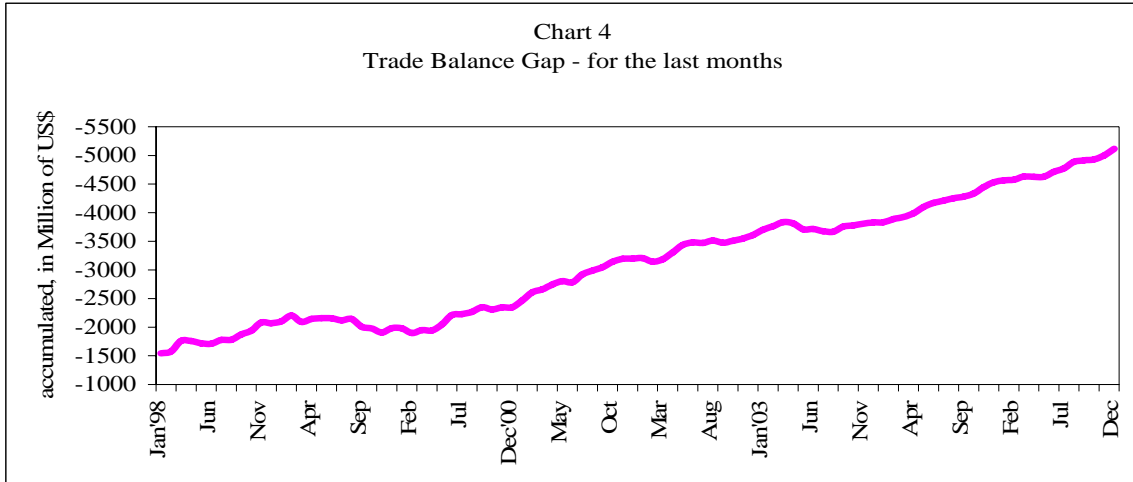
Source: Bank Supervisory Board.

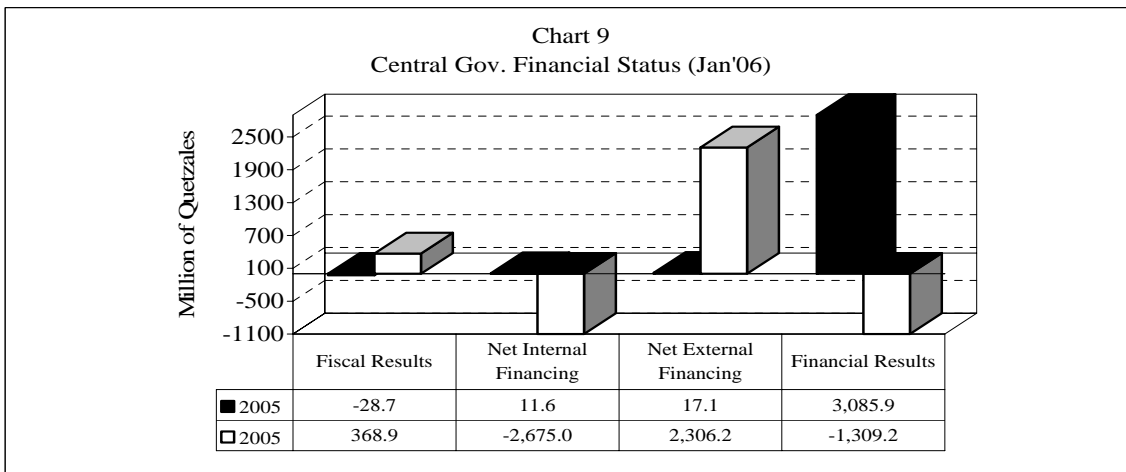
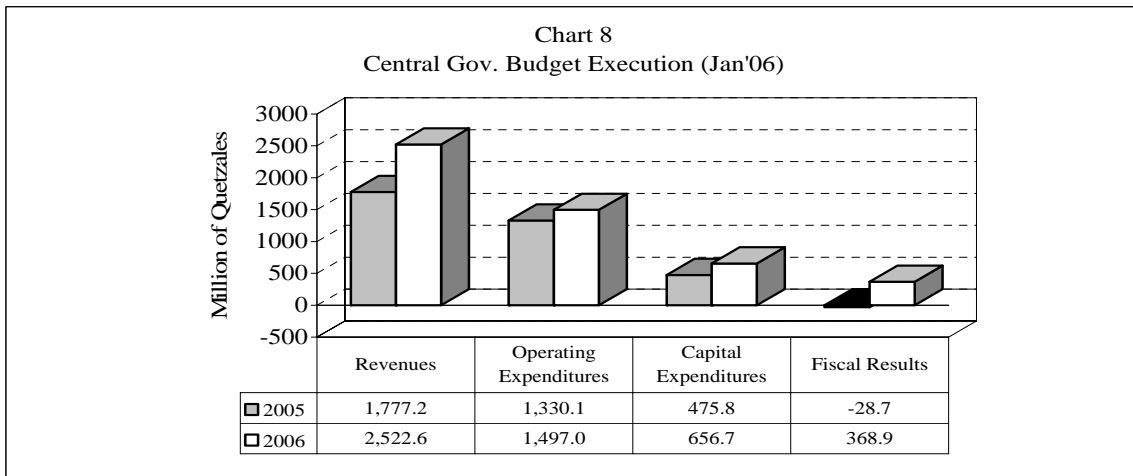
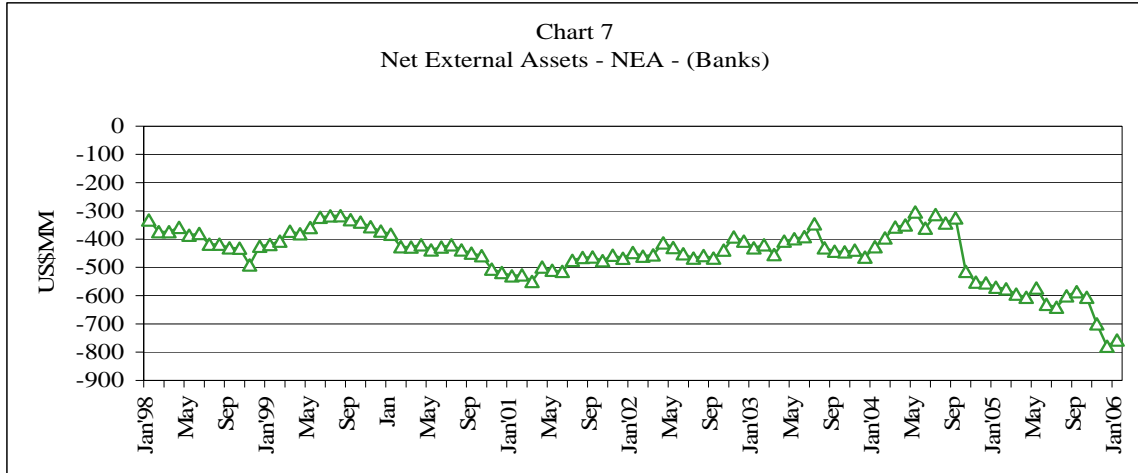
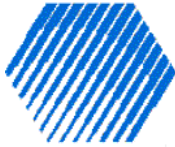
(1) Includes private national banks, private foreign banks and State banks.

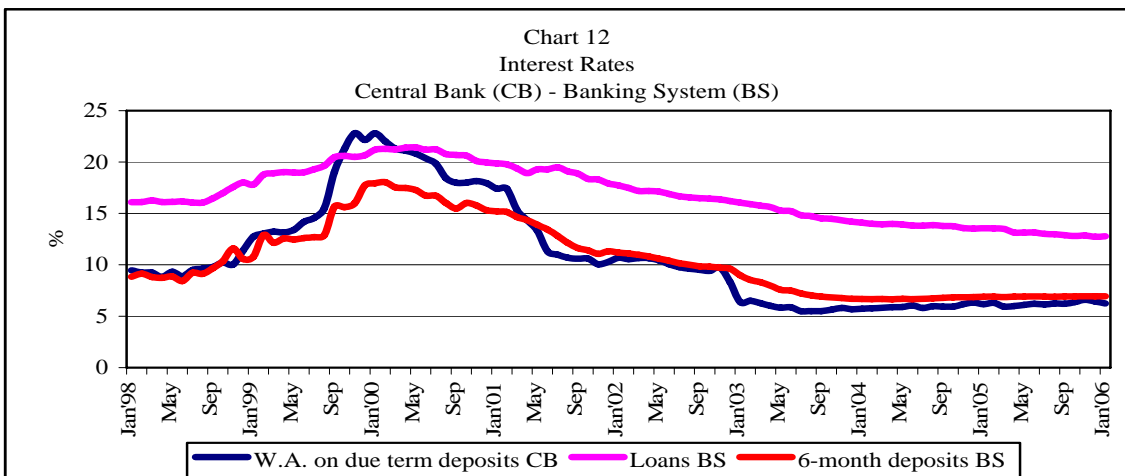
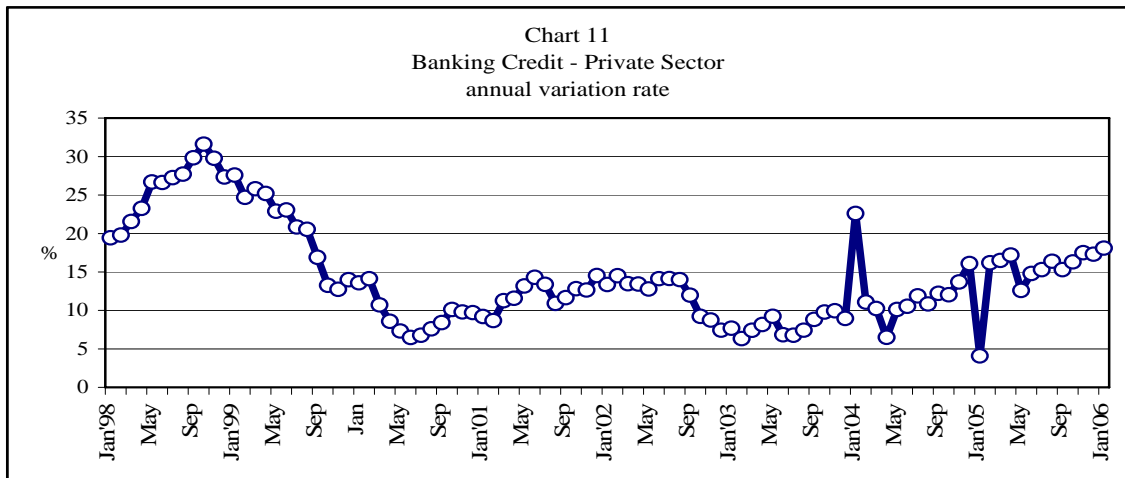
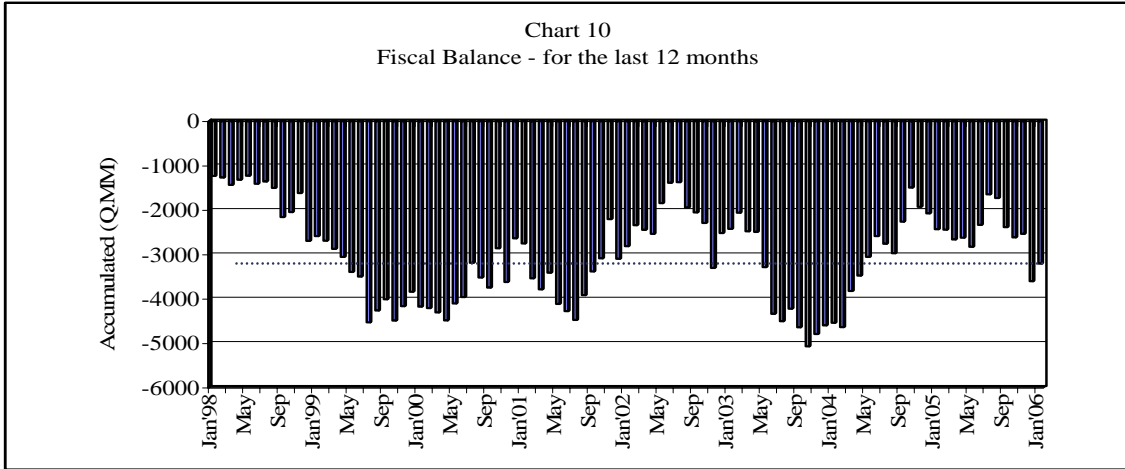
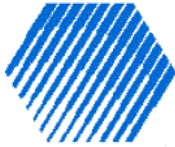


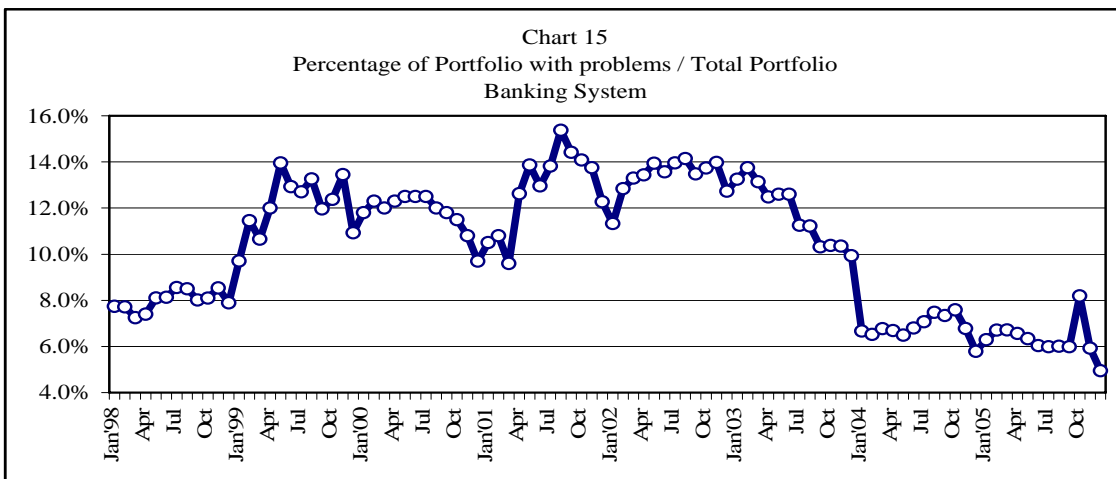
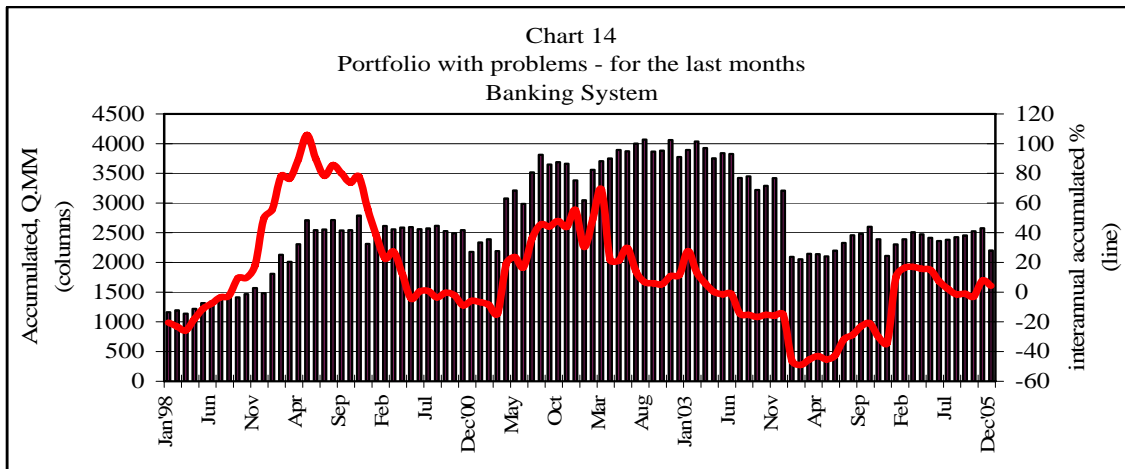
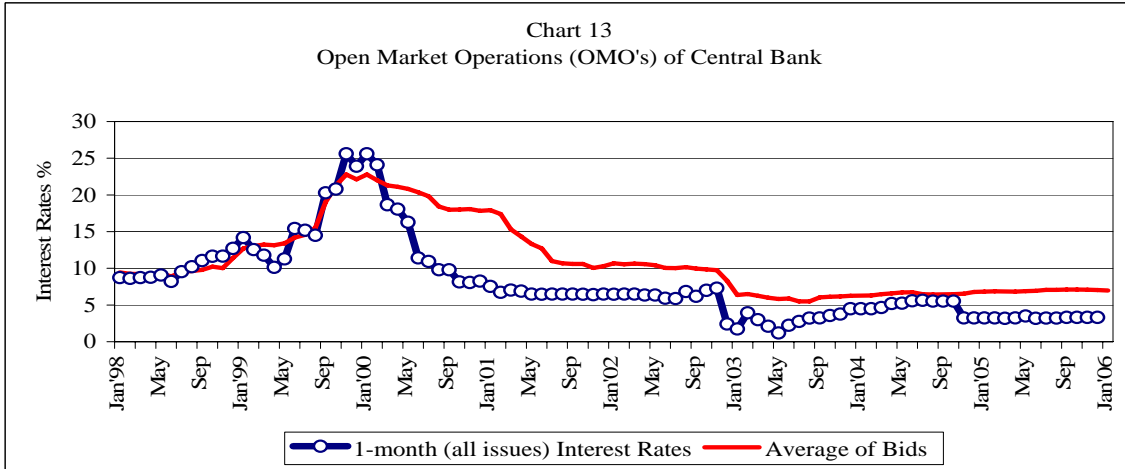
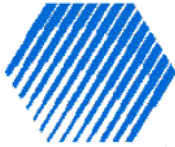
CHARTS (21 CHARTS)

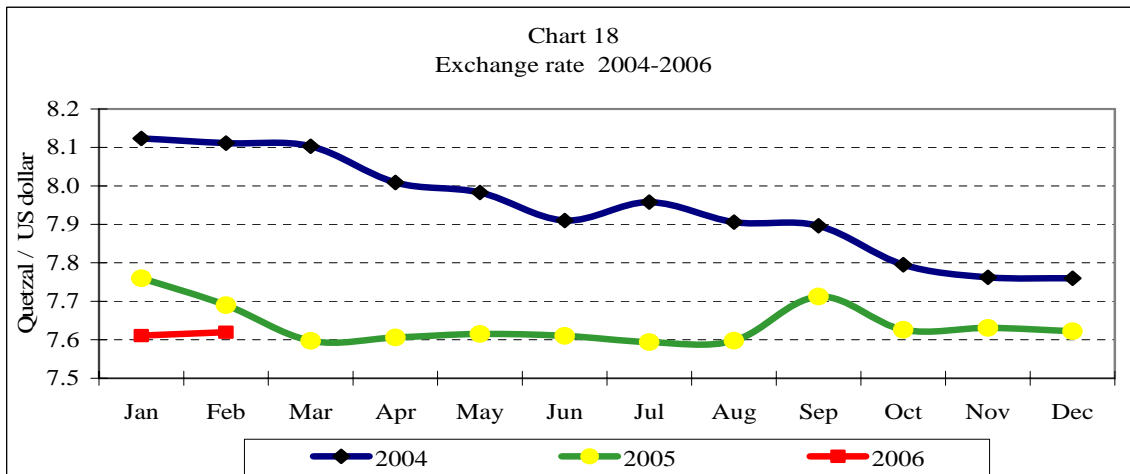
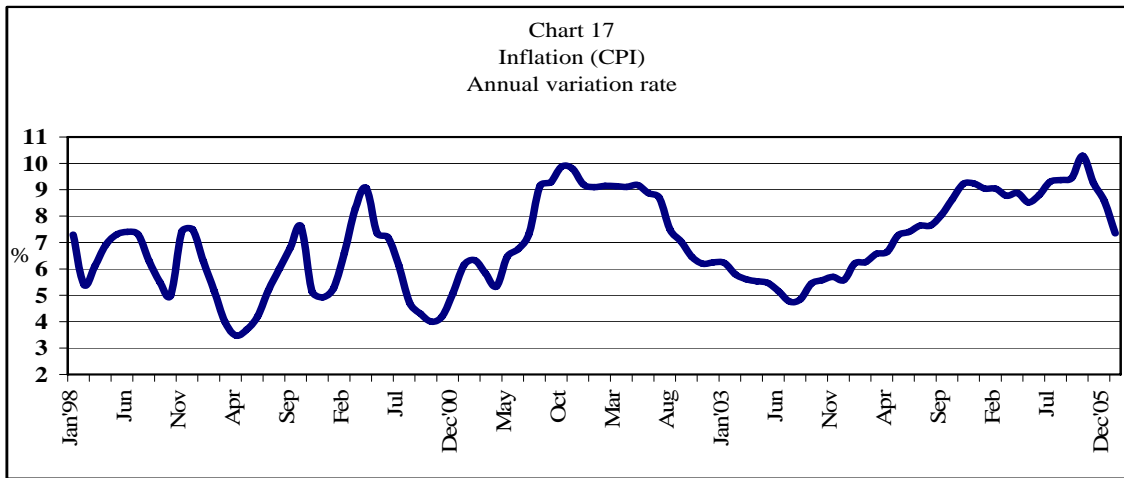
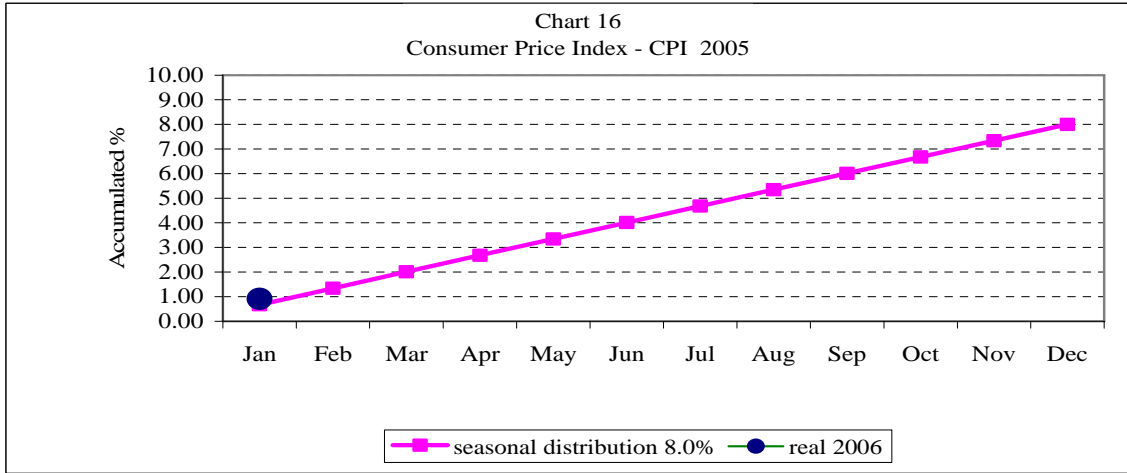
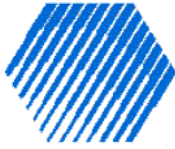


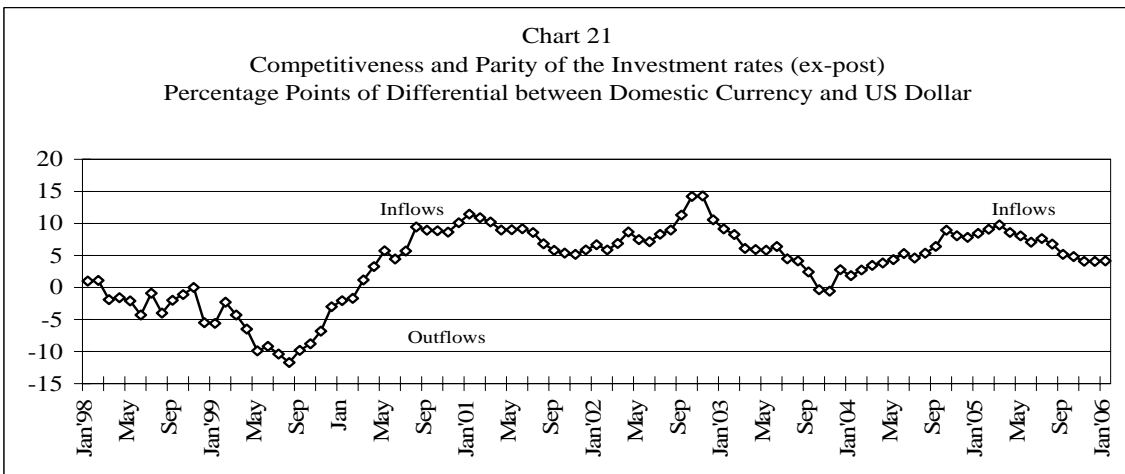
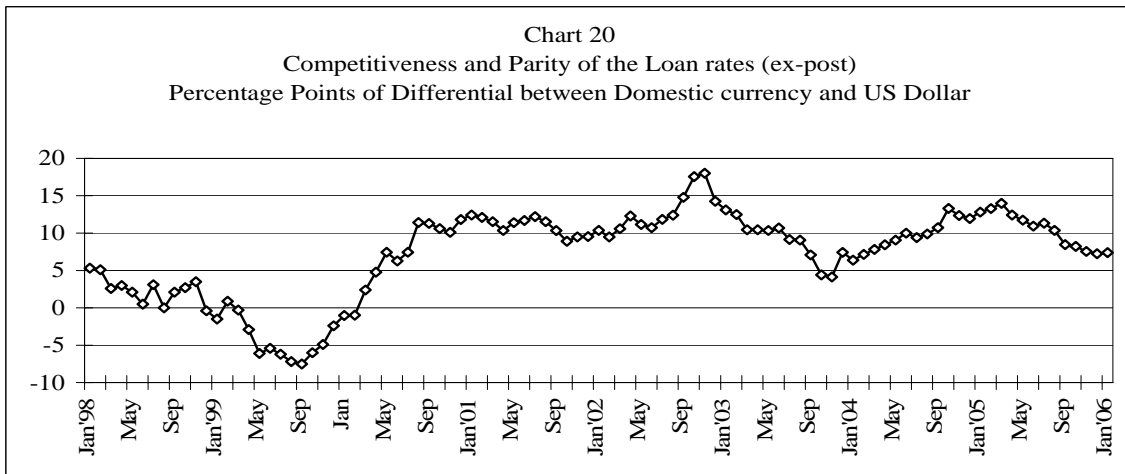
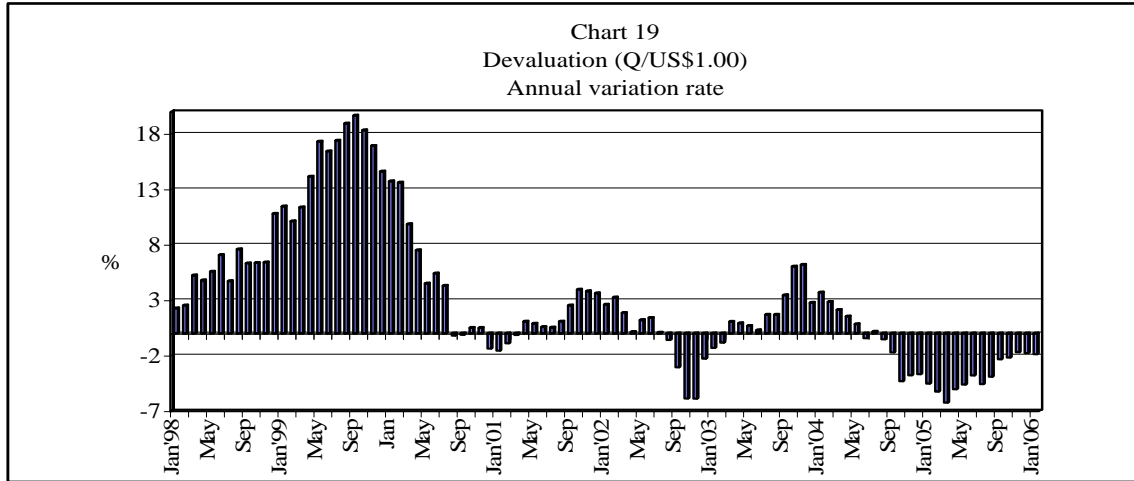
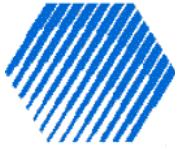












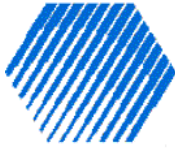
SPECIAL ANNEX

1. GUATEMALAN RELEVANT & RECENT NEWS. Copades based on media and releases.

Closing date: March 3, 2006

From: Jan, 25 -2006 to Feb, 30 -2006

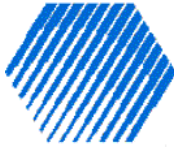
- **The Monetary Board maintains the prime interest rate**
After analyzing the report submitted by the Executory Committee of Bank of Guatemala, the Monetary Board (MB) resolved to maintain in 4.25% the interest rate paid to the investors in 7-day Term Certificates of Deposit (TCD). (PL 27.01.06)
- **Fitch Ratings Centro America issues a better assessment of the country**
Fitch Ratings, a US ratings corporation, gave the country and its treasury bonds, a sovereign risk rating of BB+ with a stable perspective, placing it at the same level as El Salvador and Panama and better placed than Costa Rica. Its clean history of payment of the service of the debt, the fiscal discipline, and the moderate inflation all weighed when rating the country. (PL and SV 23.02.06)
- **Banking System increased earnings in 2005**
The Banking System earned Q1.1276 billion in 2005, before taxes, according to the final report published by the Banks' Examining Office (BEO). Profits represent went up 16% from the 2004 earnings of Q968.8 million. (PL 07.02.06)
- **Banrural and Banco de los Trabajadores with better profitability**
After a thorough restructuring process, a change of management, and the opening up to private capital, today Banrural and Banco de los Trabajadores (Bantrab) are the two more profitable entities of both the national and the Central American financial system. In 2005, those banks earned Q195 and Q88 million, respectively, thus, becoming the second and fifth bank with more earnings. (EP 22.02.06)
- **Monetary Board analyzes application of Banco Azteca**
The Monetary Board will be informed, on February 22, of the favorable opinion for the opening of Banco Azteca, issued by the Banks' Examining Office (SB). (PL 17.02.06)
- **Guatemala increases investment attraction**
The recent approval of Banco Azteca to begin doing business in the local market, as well as the confirmed negotiations between banks for a merger, and the possible arrival of large foreign financial corporations, places the national sector in an important point as the effectiveness of the US-CAFTA is on one's face. (PL 13.02.06)
- **Banco Industrial makes official the purchase of Banco de Occidente**
Banco Industrial (BI) informed the general public yesterday, February 20, of the absorption of Banco de Occidente after a heavy bid with Banco del Istmo of Panama. According to



officers of both banks, the formalities will take 2-3 months more to obtain the business approval of both the Banks' Examining Office and the Monetary Board. (PL, SV 21.02.06)

- **Banks granted loans to be used for consumption, business, and industry in 2005**

As of December 31, 2005, availability of funds in the Guatemalan banking system was Q1.353 billion. According to the Banks' Examining Office, the main use of the loans was the consumption sector; the second place is for the business sector, followed by the manufacturing industry. (SV 21.02.06 / 22.02.06)



2. BID IN TDUS\$ AND TDQUETZALES.

Bank of Guatemala's bids to financial institutions. Results of operations. (Time Deposits – TD's) AS OF FEBRUARY, 2006:

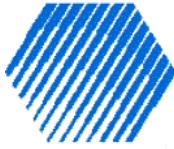
- 90-day TDUS\$ (3 months) at 3.05%. Declared void.
- 336-day TDUS\$ (11 months) at 3.89%. Declared void. 7-day TD in Quetzales at 4.25%. Several mobilizations in the MED and the stock exchange
- 91-day TD in Quetzales (at 5.00% - February, 26-)
- 182-day TD in Quetzales (5.51% - February, 26-)
- 364-day TD in Quetzales (6.21% - February, 26-)
- 728-day TD in Quetzales (7.09% - February, 26-)
- 1456-day TD in Quetzales (4 years at 7.95% - February, 26-)
- 2184-day TD in Quetzales (6 years at 7.72% - February, 26-)
- 2912-day TD in Quetzales (8 years at 8.29% - February, 26-)
- Payment of interest for terms longer than one year is made every six months.

Source: Copades 2006 and Central Bank Committee (#08-2006). February, 23.

3. FINANCIAL ANALYSIS OF CENTRAL BANK RESERVES.

Period		Annualised Interest rate			
		Financial Liquidity		Portfolio	
2 nd Quaterly		2.86%		3.09%	
3 rd Quaterly		3.36%		2.65%	
October		3.67%		2.73%	
November		3.93%		3.92%	
December		4.07%		4.34%	
4 rd Quaterly		3.89%		3.66%	
US\$Million		International Monetary Reserves December -31-05			
Total Reserves	Others	Financial Liquidity		Portfolio	
3,782.7	139.6	66.7		3,576.4	
Instruments of...		Credit rating, Dec. 31, 2005			
		Short Term		Long Term	
		Standard & Poor's	Moody's	Standard & Poor's	Moody's
Government		A-1+ A-1	P-1	AAA AA+ AA AA-	Aaa Aa1 Aa2 Aa3
Banking		A-1+ A-1	P-1		

Source: Copades based on Central Bank of Guatemala.



4. COUNTRY RISK ACCORDING TO MOODY'S AND STANDARD & POOR'S

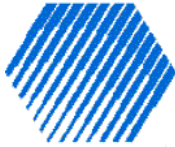
Latin America: Risk Country Ratings; Long Term in Foreign Currency	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05
	Standard & Poor's					Moody's				
Costa Rica	BB	BB	BB	BB	BB	Ba1	Ba1	Ba1	Ba1	Ba1
El Salvador	BB+	BB+	BB+	BB+	BB+	Baa3	Baa3	Baa3	Baa3	Baa3
Guatemala	BB-	BB-	BB-	BB-	BB-	Ba2	Ba2	Ba2	Ba2	Ba2
Honduras	--	--	--	--	--	B2	B2	B2	B2	B2
Nicaragua	--	--	--	--	--	Caa1	Caa1	Caa1	Caa1	Caa1
Rep. Dominicana	CC	--	B	B	B	B3	B3	B3	B3	B3
México	BBB-	BBB	BBB	BBB	BBB	Baa2	Baa1	Baa1	Baa1	Baa1
Panamá	BB	BB	BB	BB	BB	Ba1	Ba1	Ba1	Ba1	Ba1
Brasil	BB-	BB-	BB-	BB-	BB-	B1	B1	B1	B1	Ba3
Argentina	--	--	B-	B-	B-	Caa1	Caa1	B3	B3	B3

Source: Central American Monetary Center.

As of December 2005, as per the S&P ratings, an investment rating is granted in Latin America to both Chile and Mexico of all 16 countries that have been evaluated in the region; on the other hand, Moody's has granted investment rating to Chile, Mexico, and El Salvador (Baa3).

Investment Rating

Moody's	Standard & Poor's
Aaa	AAA
Aa1	AA+
Aa2	AA
Aa3	AA-
A1	A+
A2	A
A3	A-
Baa1	BBB+
Baa2	BBB
Baa3	BBB-
<i>Investment Sub-Rating</i>	
Ba1	BB+
Ba2	BB
Ba3	BB-
B1	B+
B2	B
B3	B-
Caa1	CCC+
Caa2	CCC
Caa3	CCC-
Ca	CC
C	C
	D



- Credit rating of the operations in both domestic and international markets, allowing investors to learn of the risk scales of institutions.

Central America: Credit risk ratings for some banks in the region	Country	Jun-05			Sep-05		
		S&P *		Fitch	S&P *		Fitch
		Local Currency	Foreign Currency		Local Currency	Foreign Currency	
		Banco Agrícola, SA	ES	BB/stable	BB/stable	BB/stable	BB/stable
Banco Cuscatlán, SA	ES	BB/stable	BB/stable	BB/negative	BB/stable	BB/stable	BB/negative
Banco Internacional de Costa Rica, SA	CR		BB/negative			BB/negative	

Source: Central American Monetary Council.

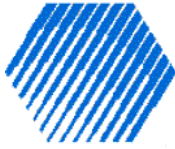
* Credit rating of the issuer/counterpart.

- The rating scale given by analysts (expert economists and analysts of sovereign risk of the leading global banks) ranges from 0 to 100, being 100 the rating of such countries, which are less likely to default.

Latin America: Risk Country Ratings; Long Term in Foreign Currency	Sep-04	Mar-05	Sep-05	Change, last six months
Costa Rica	50.1	50.4	50.1	-0.3
El Salvador	46.8	46.7	47.6	0.9
Guatemala	39.6	40.1	41.5	1.4
Honduras	30.6	27.6	28.9	1.3
Nicaragua	21.7	20.6	23.1	2.5
Dominican Republic	26.3	26.5	25.5	-1.0
México	60.0	61.6	63.0	1.4
Panama	49.9	50.6	50.1	-0.5
Brazil	42.6	46.7	48.2	1.5
Argentina	22.2	20.1	26.4	6.3

Source: Institutional Investor International and Central American Monetary Council.

Remarks: Institutional Investor rates Guatemala as the best improved country in its risk-country rating since 2003. Source: Mesa para la Calificación de Riesgo-País. Guatemalan Official Project.



5. COUNTRY RISK ACCORDING TO FICTH

Sovereign Ratings

Countries	Long Term	Short Term	Long Term	Outlook	Country Ceiling
	Foreign Currency		Local Currency		
Argentina	DDD	B	B-		B
Brasil	BB-	B	BB-	Positive	BB-
México	BBB-	F3	BBB	Stable	BBB
Panamá	BB+	B	BB+	Stable	BBB
Rep. Dominicana	B-	B	B	Stable	B-
Guatemala	BB+	B	BB+	Stable	BB+
El Salvador	BB+	B	BB+	Stable	BB+
Costa Rica	BB	B	BB+	Stable	BB

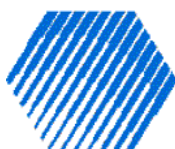
Bank Ratings, Country Average of Central America

Costa Rica	A (cri)
El Salvador	A+ (slv)
Guatemala	A- (gtm)
Honduras	BBB+ (hnd)
Nicaragua	BBB+ (nic)
Panama	A (pan)

Remarks: Fitch improves rating Banco Industrial of Guatemala (March, 2006) from "A+(gtm)" to "AA-(gtm)" for long-term investments, and from F1 (gtm), for short-term investments. And, Fitch gives good rating to Banco de Occidente of Guatemala (March, 2006), of F2(gtm) for its short-term investments, and A- (gtm) from stable to positive, to long-term investments.

Fitch Ratings

Short Term Central American	Long Term Central American
F1	AAA
F2	AA
F3	A
B	BBB
C	BB
D	B
E	CCC, CC, C
	DDD, DD, D
	E



Sovereigns. Republic of Guatemala, February 2006.

External debt & liquidity

USDmn

	2001	2002	2003	2004	2005e	2006f	2007f
Gross external debt	4,887	4,762	5,837	6,619	6,912	6,864	7,837
% of GDP	22.3	20.4	23.6	24.7	21.6	19.7	19.9
% of CXR	89.3	76.6	85.1	84.5	78.0	73.6	74.6
By maturity:							
Medium- and long-term	3,738	3,820	4,580	5,350	5,630	5,559	6,029
Short-term	949	932	1,257	1,270	1,282	1,295	1,308
% total debt	20.2	19.6	21.5	19.2	18.6	18.9	17.0
By debtor:							
Public sector	3,617	3,718	4,046	4,347	4,286	3,840	3,937
Non-bank private sector	0	0	448	818	1,258	1,633	2,003
Banks	121	102	86	86	86	86	86
Unidentified (short-term)	949	932	1,257	1,270	1,282	1,295	1,308
By creditor:							
Multilateral	1,696	1,915	1,977	2,082	n.a.	n.a.	n.a.
Bilateral	613	588	575	515	n.a.	n.a.	n.a.
Commercial banks	525	526	538	545	n.a.	n.a.	n.a.
Debt securities	782	686	953	1,194	n.a.	n.a.	n.a.
Other	1,072	1,037	1,794	2,273	n.a.	n.a.	n.a.
Gross external assets*							
International reserves, incl. gold	2,352	2,373	2,925	3,522	3,790	3,848	3,937
Deposit money banks' foreign assets	209	268	324	342	350	380	400
Net external debt	2,128	2,110	2,688	2,765	2,772	2,828	3,000
% of GDP	10.1	9.1	10.4	10.3	8.7	7.6	8.2
% of CXR	40.6	34.0	37.7	36.2	31.6	28.2	30.6
Debt service (principal & interest)	494	488	628	573	587	601	768
Debt service (% of CXR)	6.3	7.6	7.7	7.3	6.7	6.4	7.7
Interest service (% of CXR)	4.1	4.0	3.4	3.2	3.2	3.1	3.1
Liquidity ratio (%)	140.5	181.0	181.2	177.5	208.1	219.9	205.9
excl. banks' foreign assets	131.3	166.2	162.6	159.6	169.7	201.3	167.4
excl. banks' foreign assets & incl. banks' resident FODs	106.3	130.2	118.2	119.9	136.6	126.6	121.6
memo:							
Public Foreign Currency & FC indexed debt	3,961	3,972	4,652	4,774	4,646	4,262	4,534
Non-resident holdings of domestic debt	307	211	178	89	n.a.	n.a.	n.a.

* non-bank private sector external assets are not taken into account. Source: Ministry of Public Finance, Global Development Finance, IMF, Fitch Ratings (e) estimates and (f) forecasts.

Fuente: Fitch Ratings.