

CENTRAL BANK OF THE DOMINICAN REPUBLIC

Press Release

The Central Bank Maintains Monetary Policy Rate Unchanged

Following its commitment to pursue macroeconomic and price stability, the Central Bank of the Dominican Republic voted to maintain its overnight interest rate at 9.50% in its September 30th monetary policy meeting. The Lombard Rate also remained unchanged at 16%.

This decision to keep the policy interest rate unchanged is consistent with the Central Bank's Monetary Program for 2008 and the current economic conditions. Monetary policy decisions depend on internal and external factors affecting inflation, and on the time lags of the monetary transmission mechanism.

In the external sector, factors affecting domestic inflation have eased; particularly international prices for oil, other commodities and raw materials. However, recent events in global financial markets reflect uncertainty in the short term.

Domestically, lower private spending due to recent monetary policy measures and a slowdown in the growth rate of public expenditure, have reduced inflationary pressures.

The Central Bank will continue to monitor future developments in the external and internal markets and their impact on inflation expectations in order to counteract any serious threat on price stability.

Santo Domingo, September 30, 2008.

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