

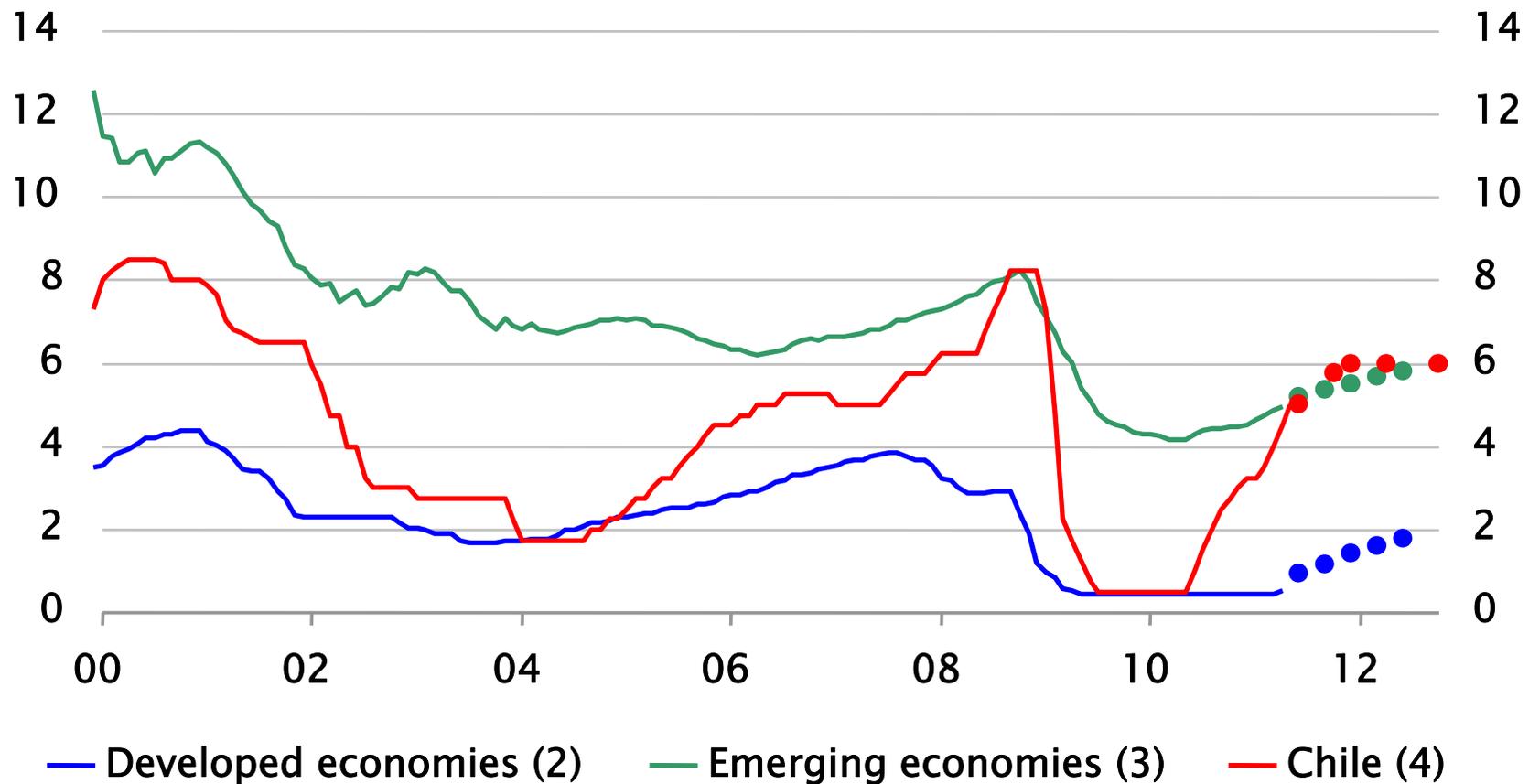


Managing Capital Inflows

José De Gregorio
Governor
Central Bank of Chile



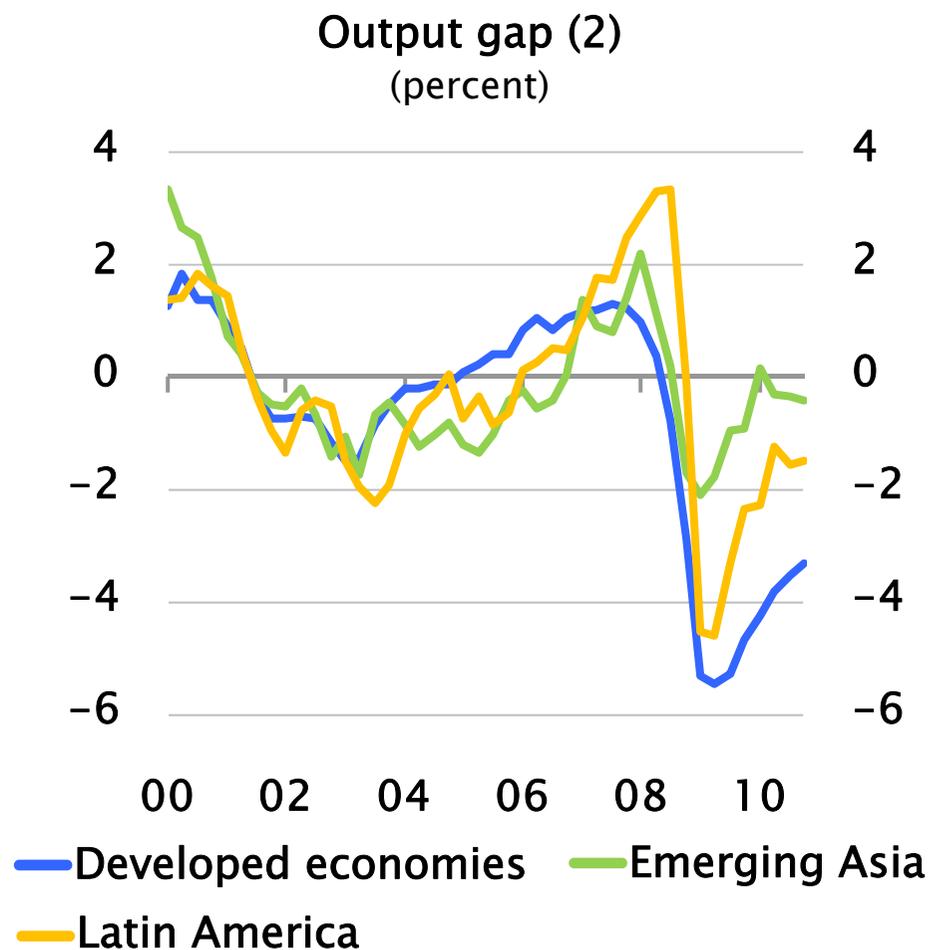
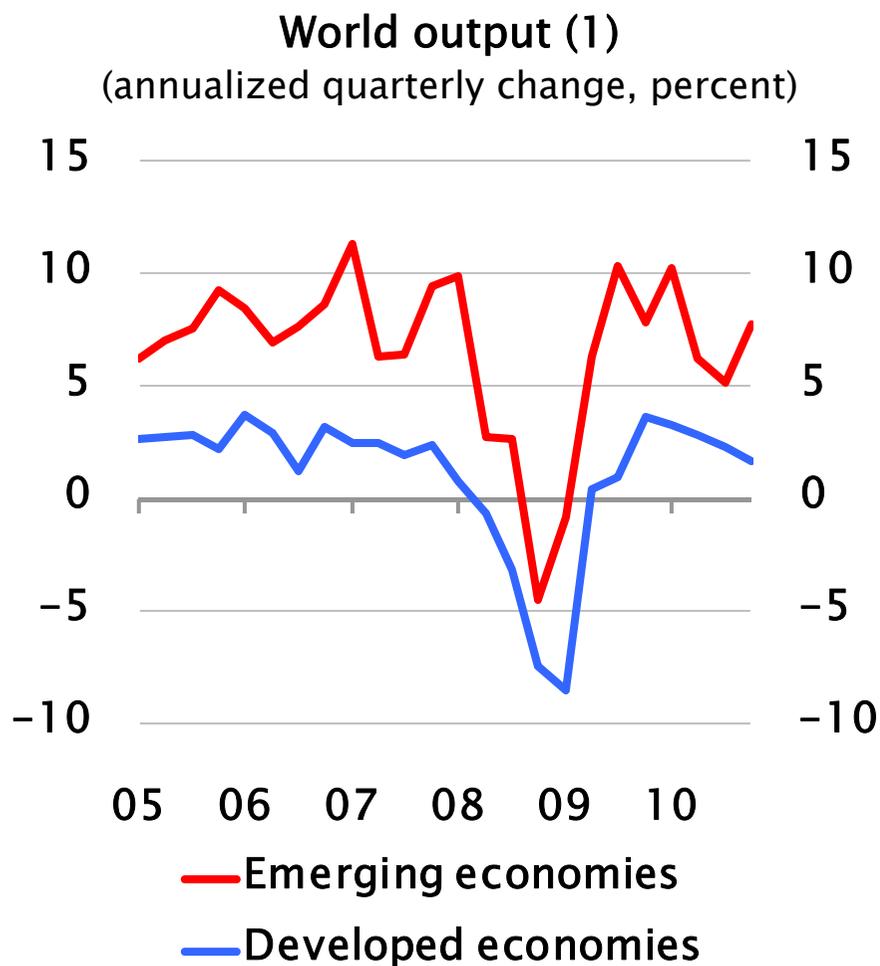
World: MPR and Expectations (1) (percent)



(1) Solid lines show simple average of reference rates of each group of countries. Dots show Bloomberg median of analysts survey about expected MPR. EES is used for Chile. (2) Includes Canada, the Eurozone, Japan, Norway, Sweden, Switzerland, the U.K. and the U.S.. (3) Includes Brazil, Colombia, China, the Czech Rep. Hungary, Mexico, Peru, Poland, South Africa and South Korea. (4) Data before the nominalization of reference rate (August 2001), consider overnight interbank rate in real terms plus CPI inflation. Sources: Central Bank of Chile, the respective countries' central banks, Bloomberg, and International Monetary Fund.



World Economic Activity

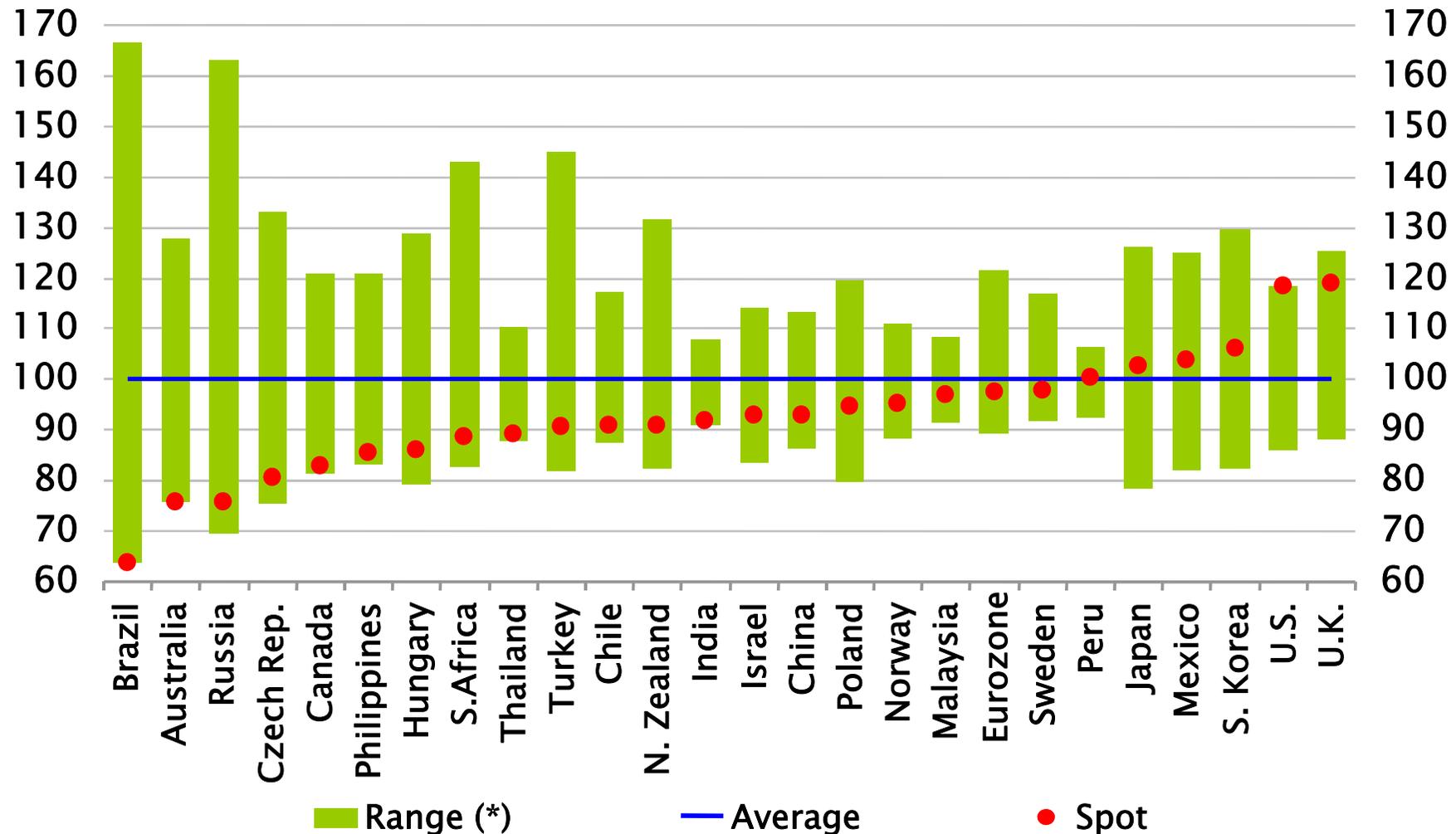


(1) PPP-weighted regions. (2) Gap obtained with the HP filter, except in advanced economies, where OECD estimates were used. Sources: Central Bank of Chile based on data from Bloomberg, Consensus Forecasts, OECD, and the statistics offices of each country.



Real Exchange Rate

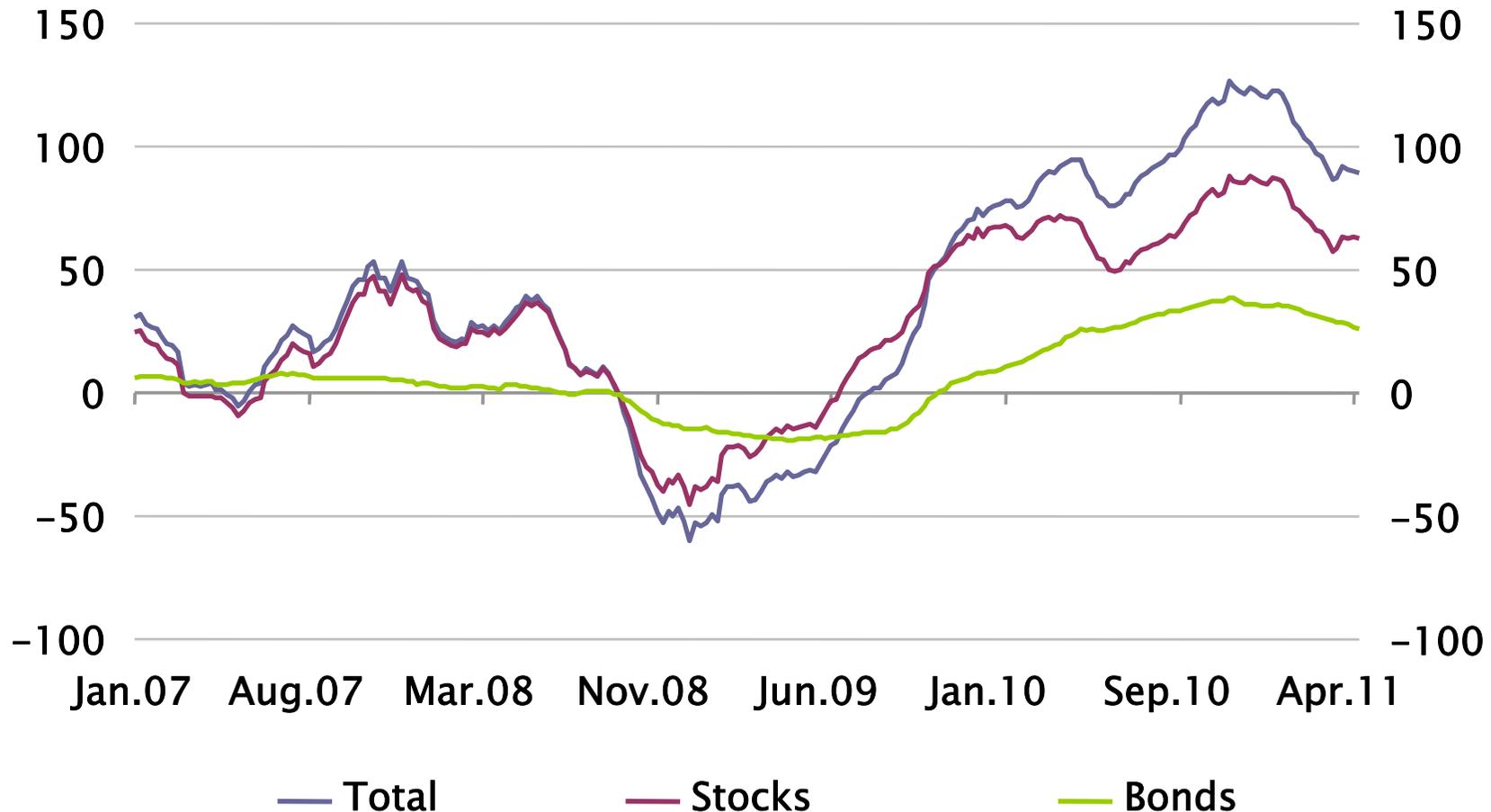
(index, average January 2000–April 2011 = 100)



(*) The range shows maximum and minimum values posted by the local currency during the indicated period.
Source: Central Bank of Chile based on BIS data.



Capital flows to emerging economies (*) (US\$ billion)

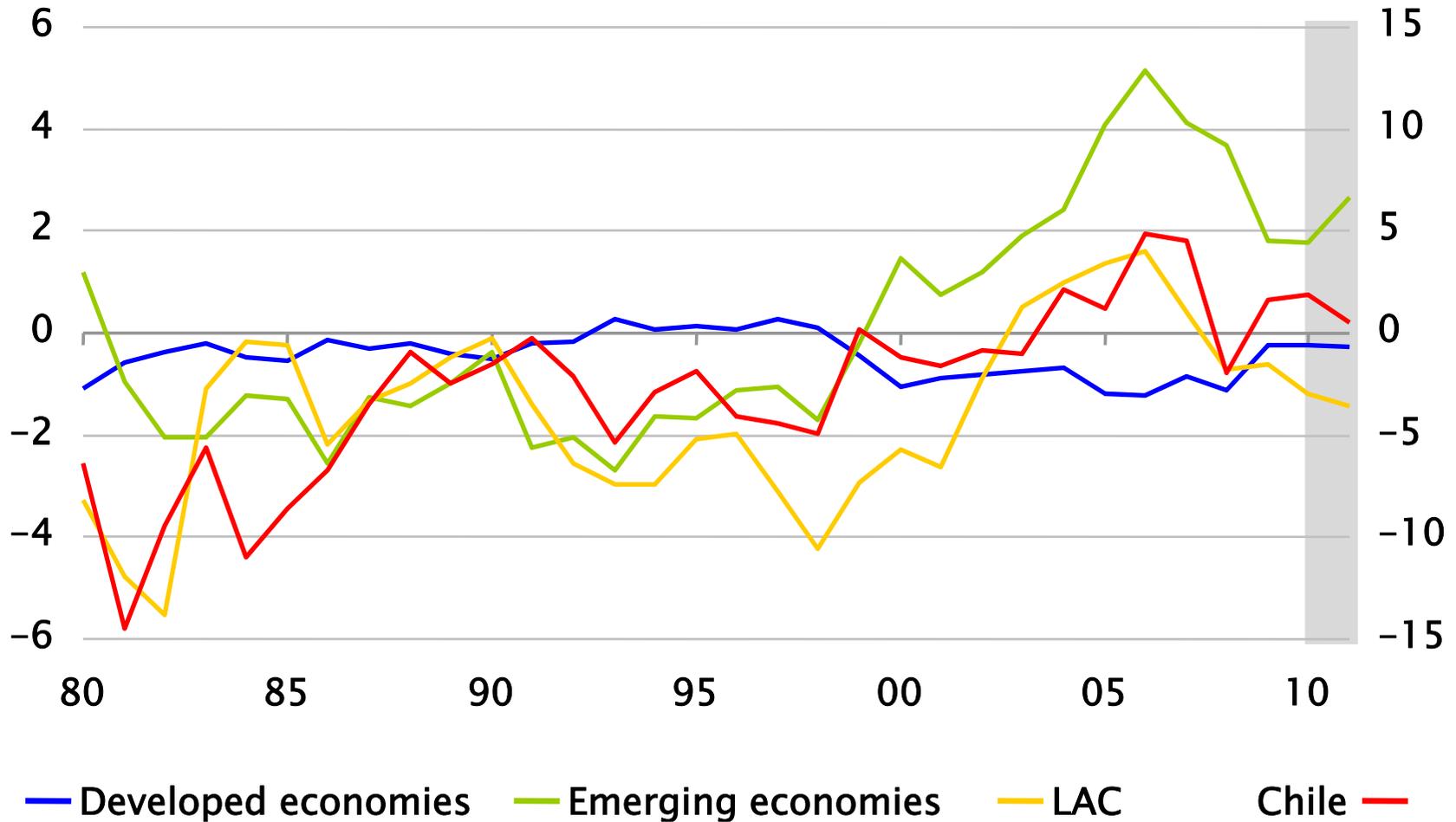


(*) Shows portfolio flows of Africa, Asia (excluding Japan), Emerging Europe, Middle East and global investments in emerging economies.

Source: Emerging Portfolio Fund Research.



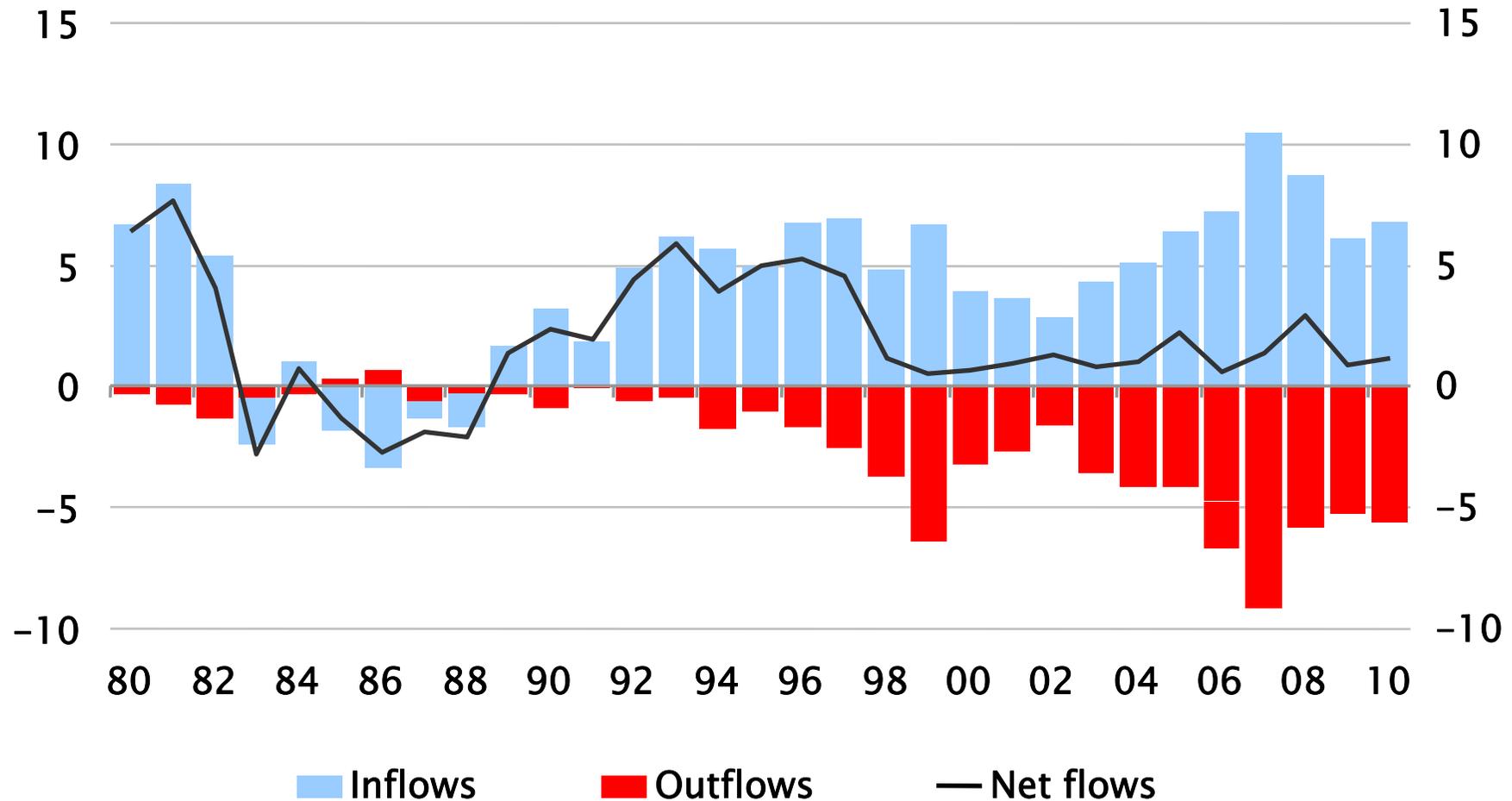
Current Account Balance (*) (percentage of GDP)



(*) Gray area shows April 2011's WEO forecast.
Source: International Monetary Fund.



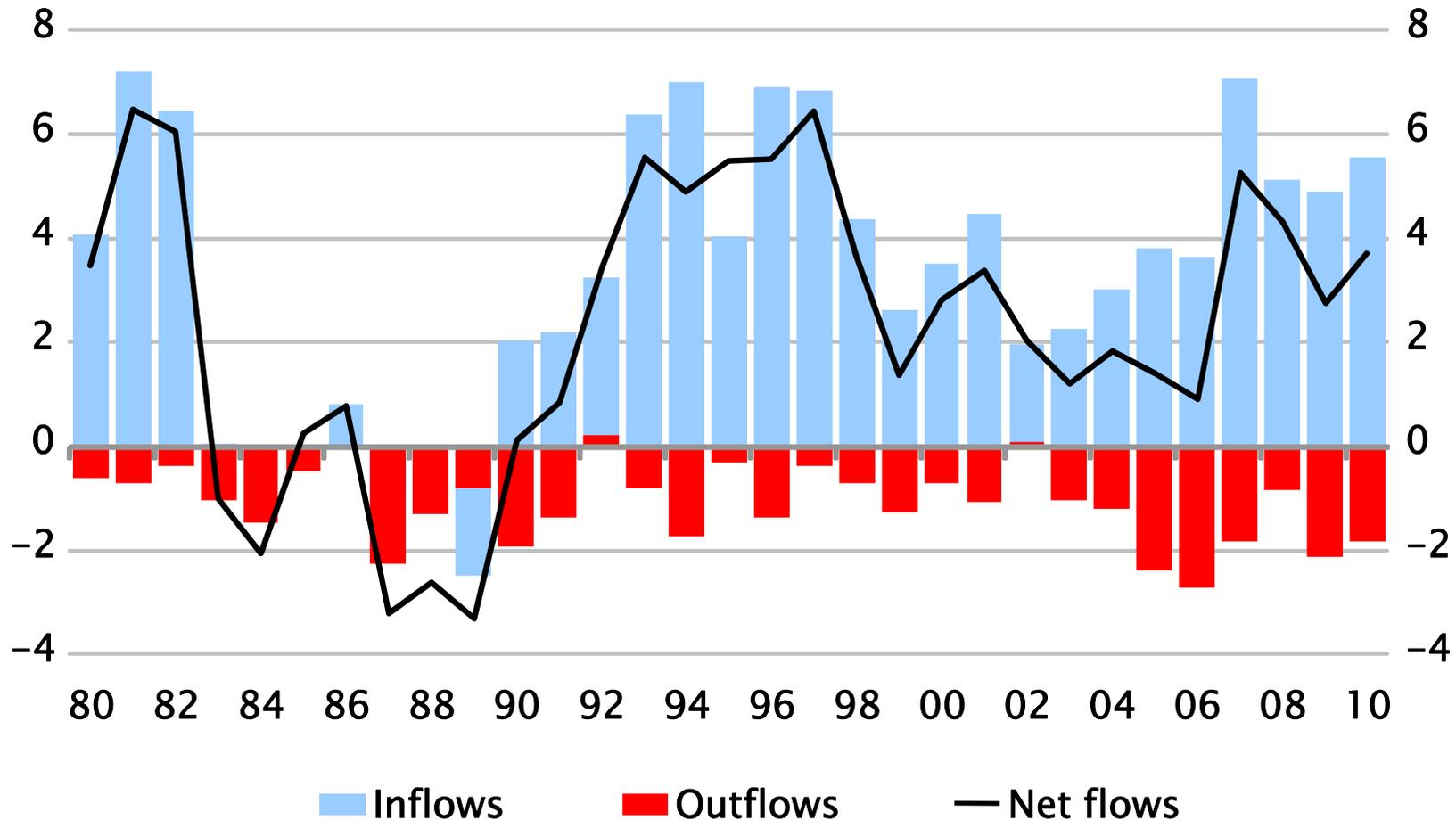
Average Capital Flows to and from Emerging Economies (*) (percentage of GDP)



(*) Includes Brazil, Chile, China, Colombia, Egypt, Hungary, India, Indonesia, Israel, Malaysia, Morocco, Mexico, Peru, the Philippines, Poland, Russia, South Africa, South Korea, Thailand, Taiwan and Turkey.
Source: Central Bank of Chile based on IMF data.



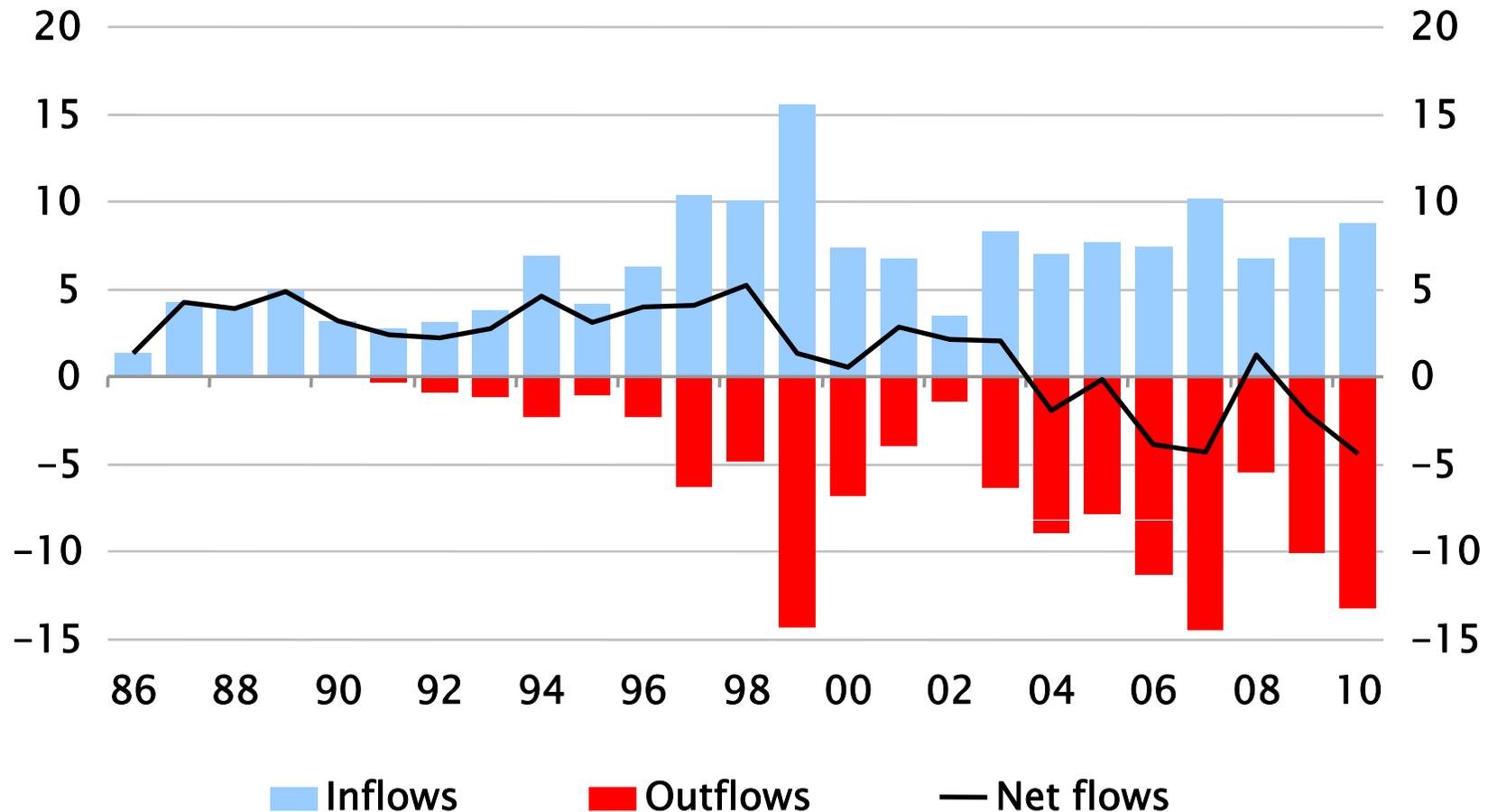
Average Capital Flows to and from Latin America (*) (percentage of GDP)



(*) Includes Brazil, Chile, Colombia, Mexico, Peru.
Source: Central Bank of Chile based on IMF data.



Capital Flows to and from Chile (*) (percentage of GDP)

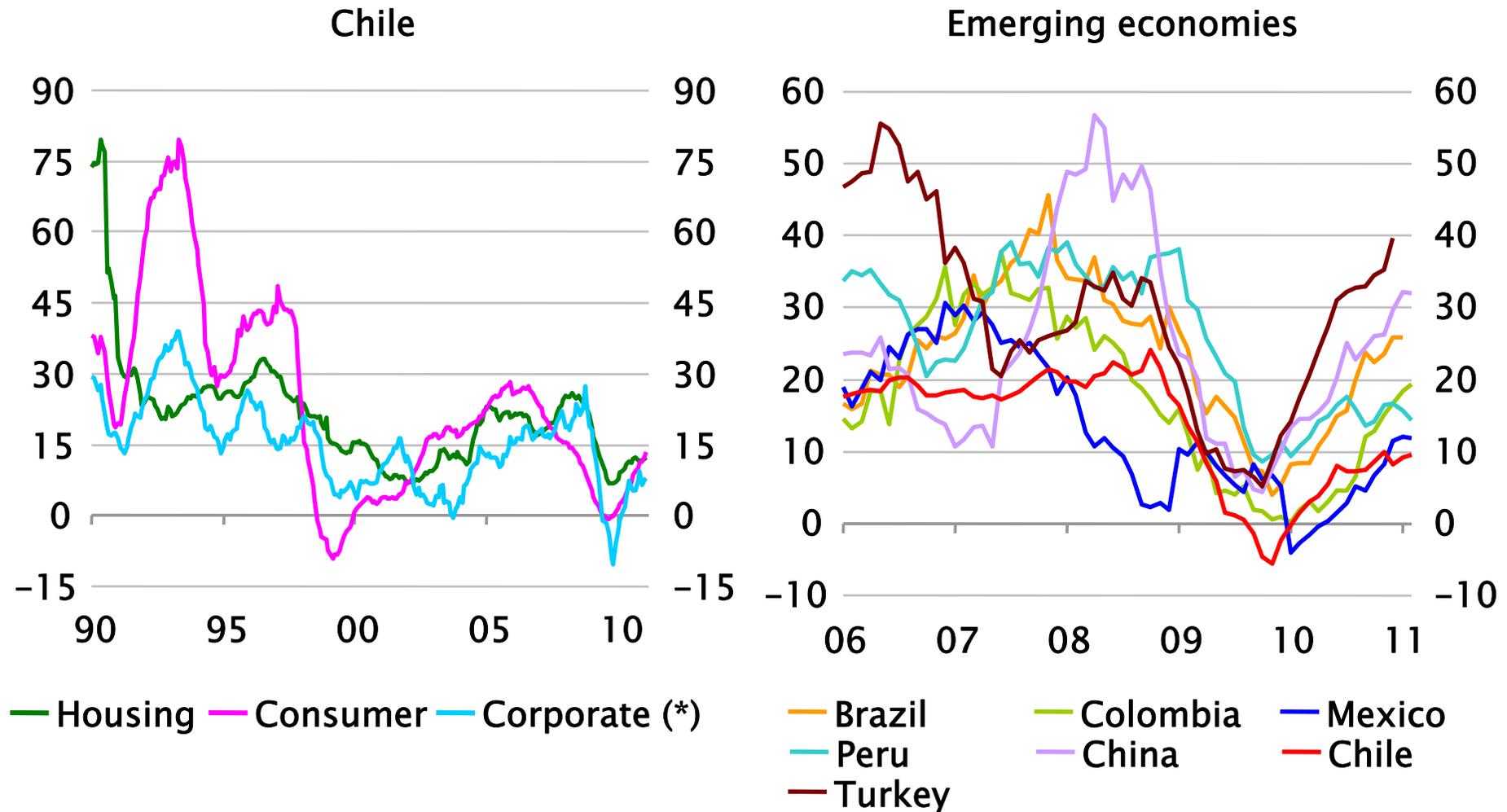


(*) Up until 1995, it shows foreign direct investment and portfolio investments from or in a foreign country, in the capital account (excluding reserves) of the balance of payments. From 1996 onwards, it shows assets and liabilities of the financial account flows (excluding reserve assets).

Source: Central Bank of Chile.



Banking Loans to the Private Sector (y-o-y change, percent)

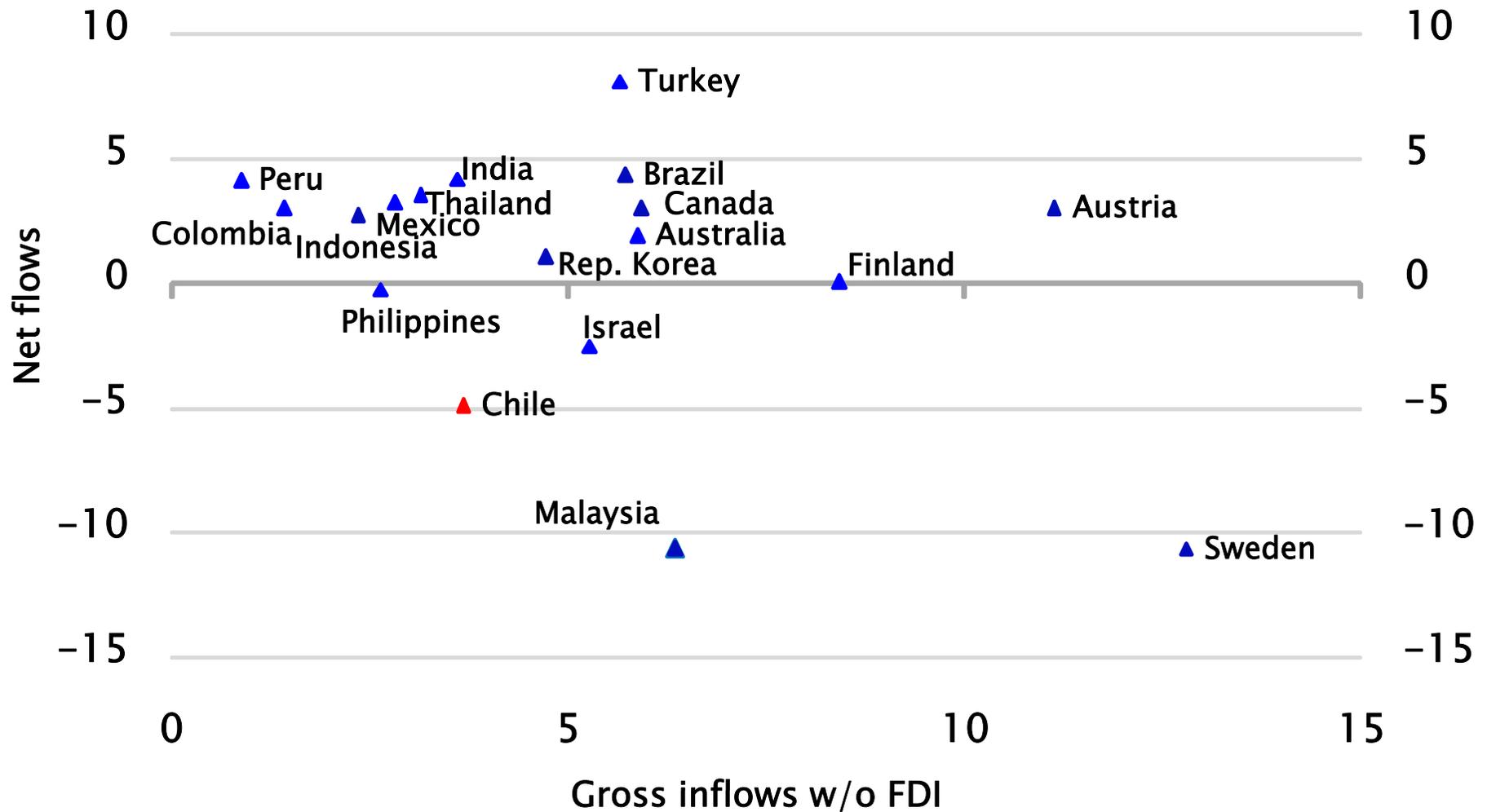


(*) Sum of commercial and foreign trade credits.

Sources: central bank of respective country, International Monetary Fund and Superintendencia of Banks and Financial Institutions.



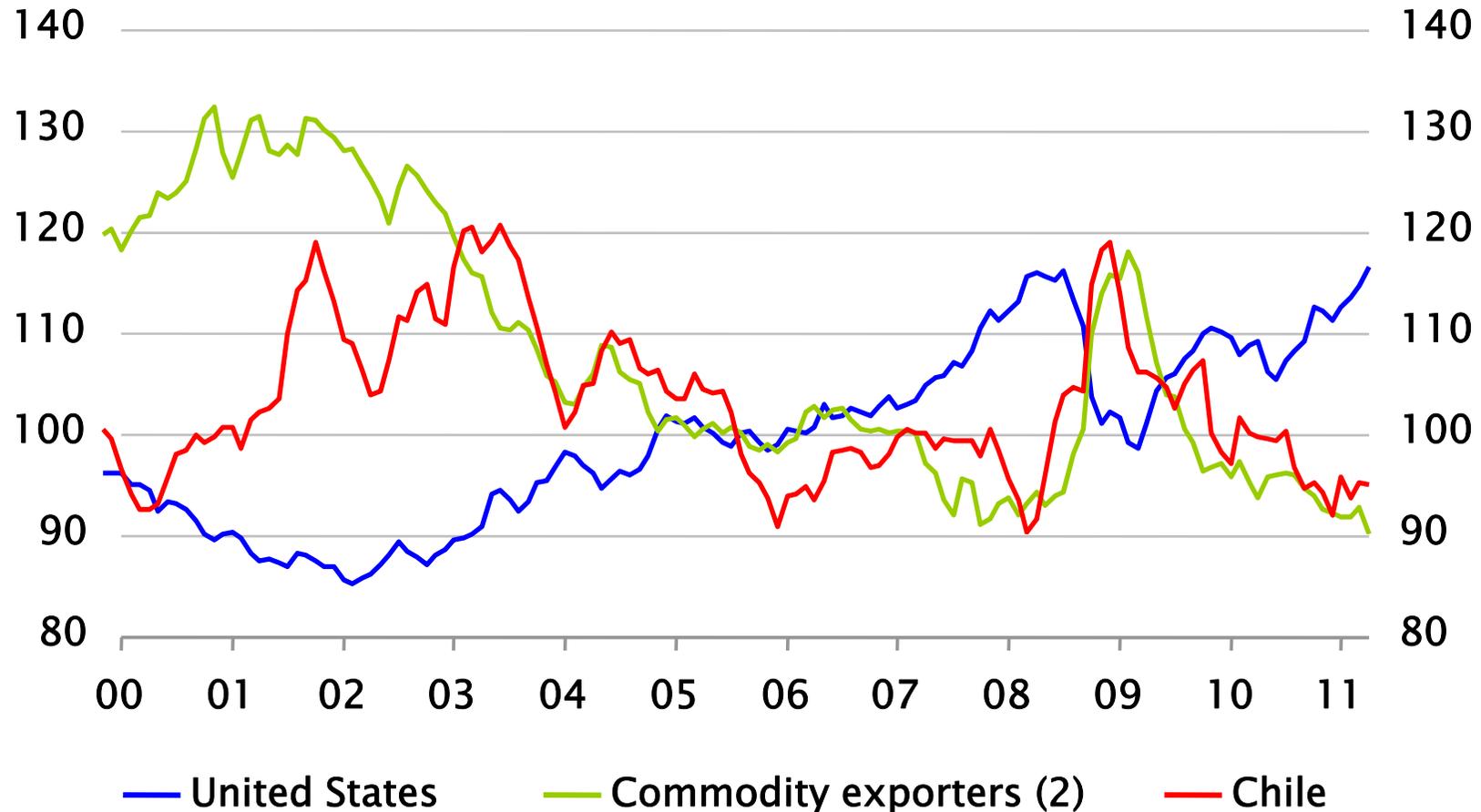
Net Flows and gross capital inflows (*) (percentage of GDP)



(*) Flows accumulated in the first half of 2010.
Source: IMF.



Multilateral Nominal Exchange Rate (1) (index, 2005=100)



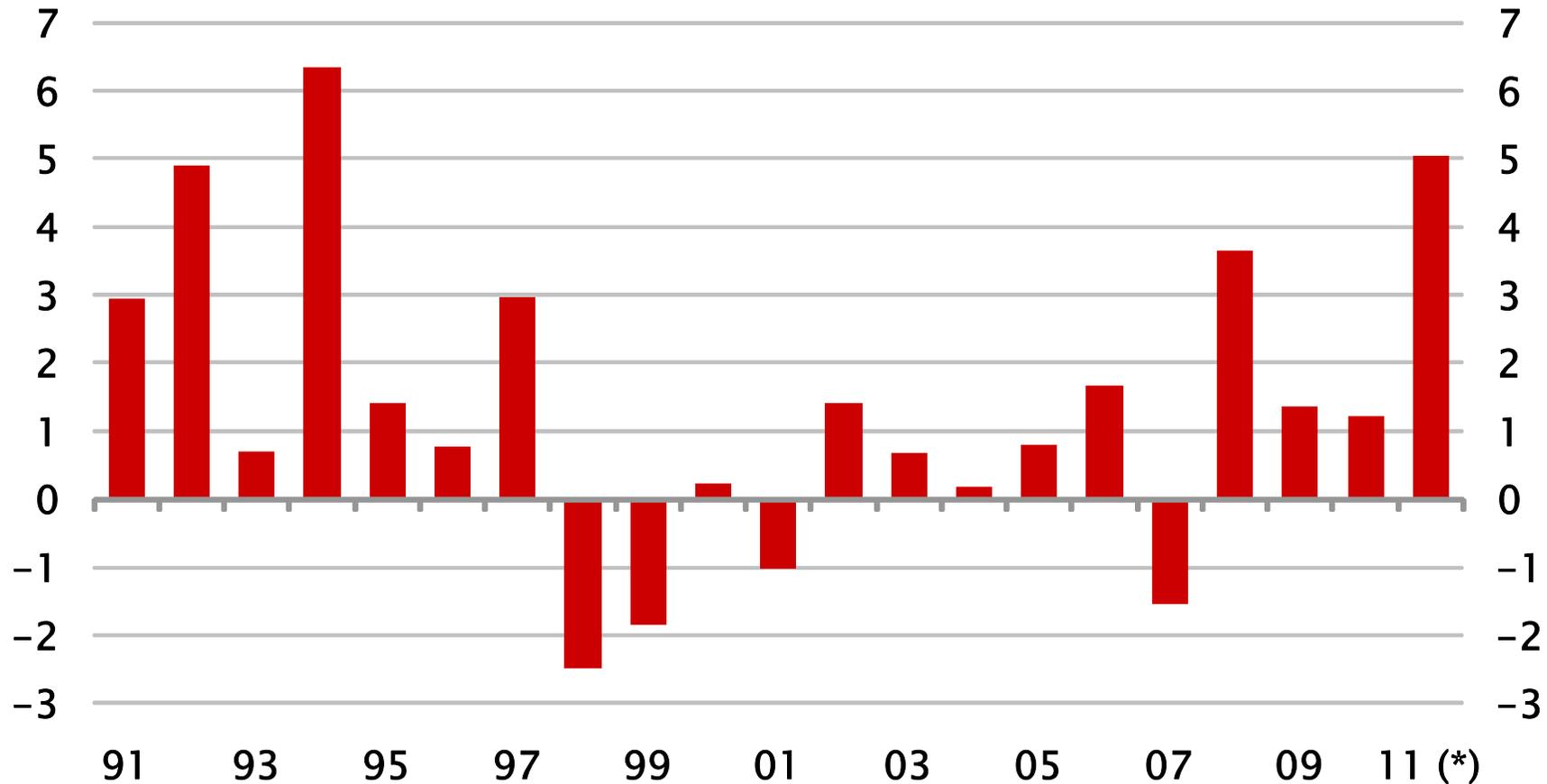
(1) Data up to April 2011. An increase indicates a depreciation of the local currency.

(2) Simple average of Australia, New Zealand and Canada.

Source: Bank for International Settlements (BIS).



Change in the Central Bank of Chile's International Reserves (percentage of GDP)

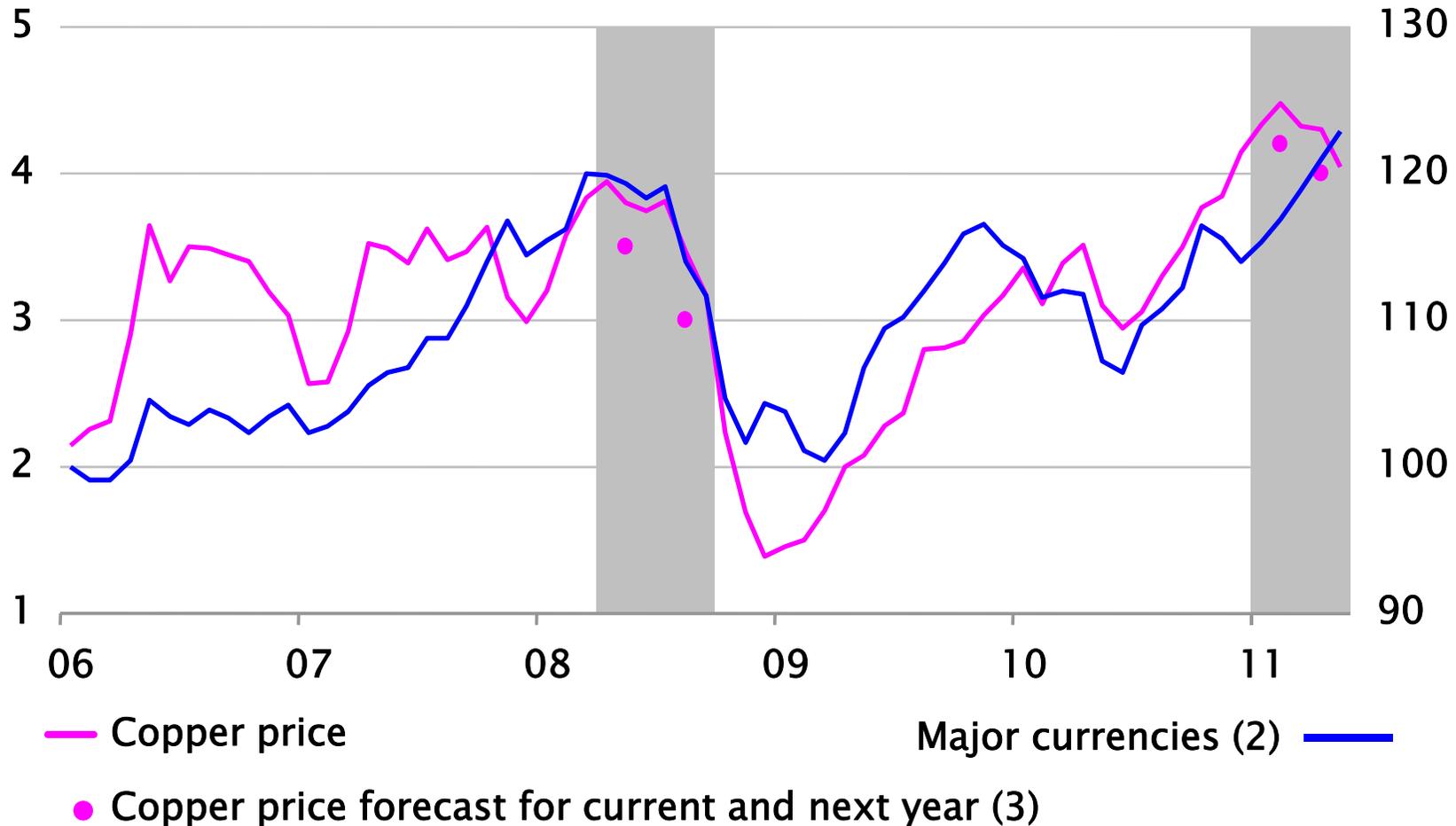


(*) Reserves consider purchase of US\$12.0 billion announced in January this year. For 2011, growth and inflation forecasts contained in March 2011's Monetary Policy Report are used.

Source: Central Bank of Chile.



Copper Price and Multilateral Dollar (1) (US\$/lb; index, January 2006=100)

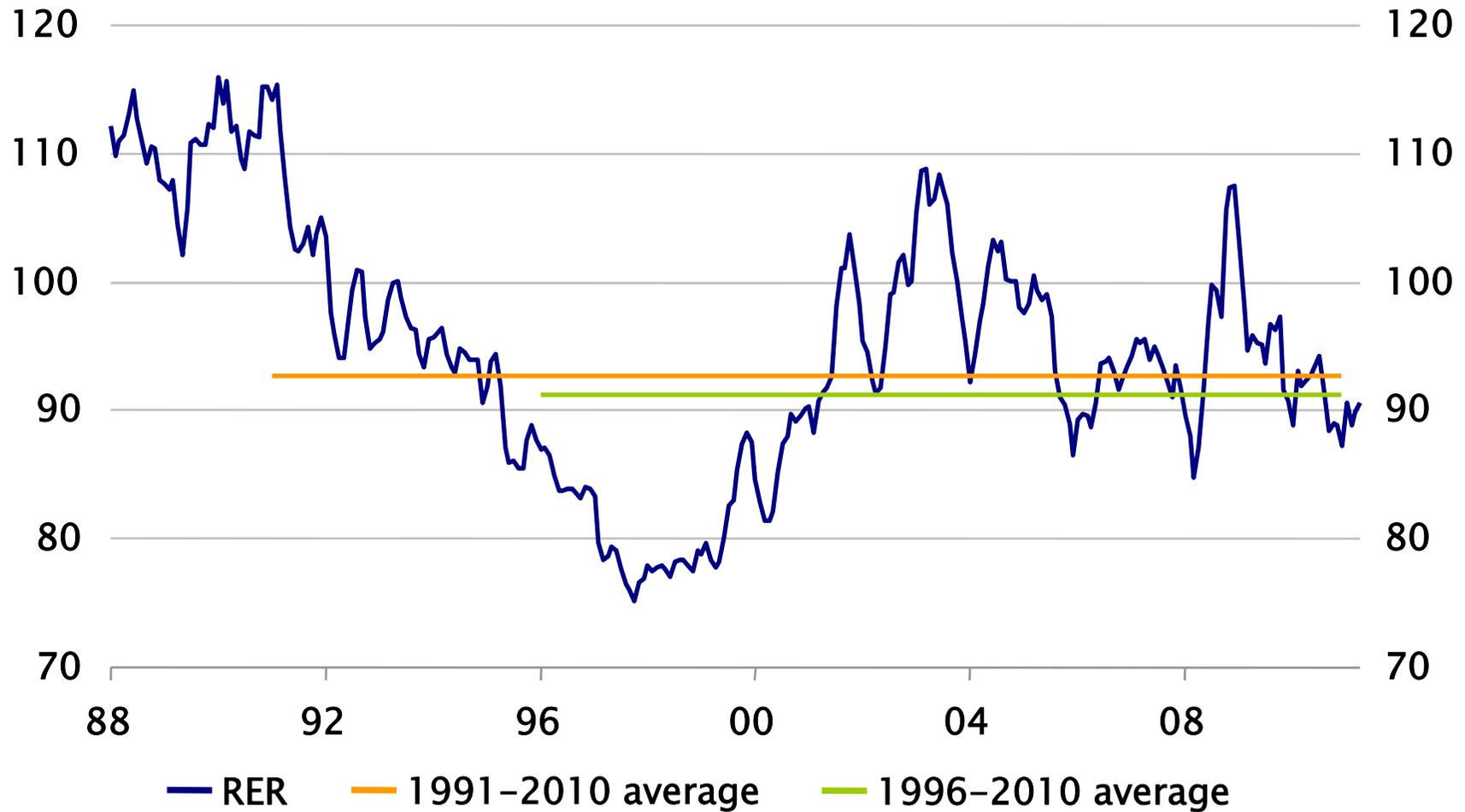


(1) Gray bars depict forex intervention period. (2) US dollar against currency basket of the U.S.'s main trading partners. An increase shows a depreciation of the dollar. (3) In Monetary Policy Reports of May 2008 and March 2011, respectively.

Sources: Central Bank of Chile, Bloomberg and U.S. Federal Reserve.



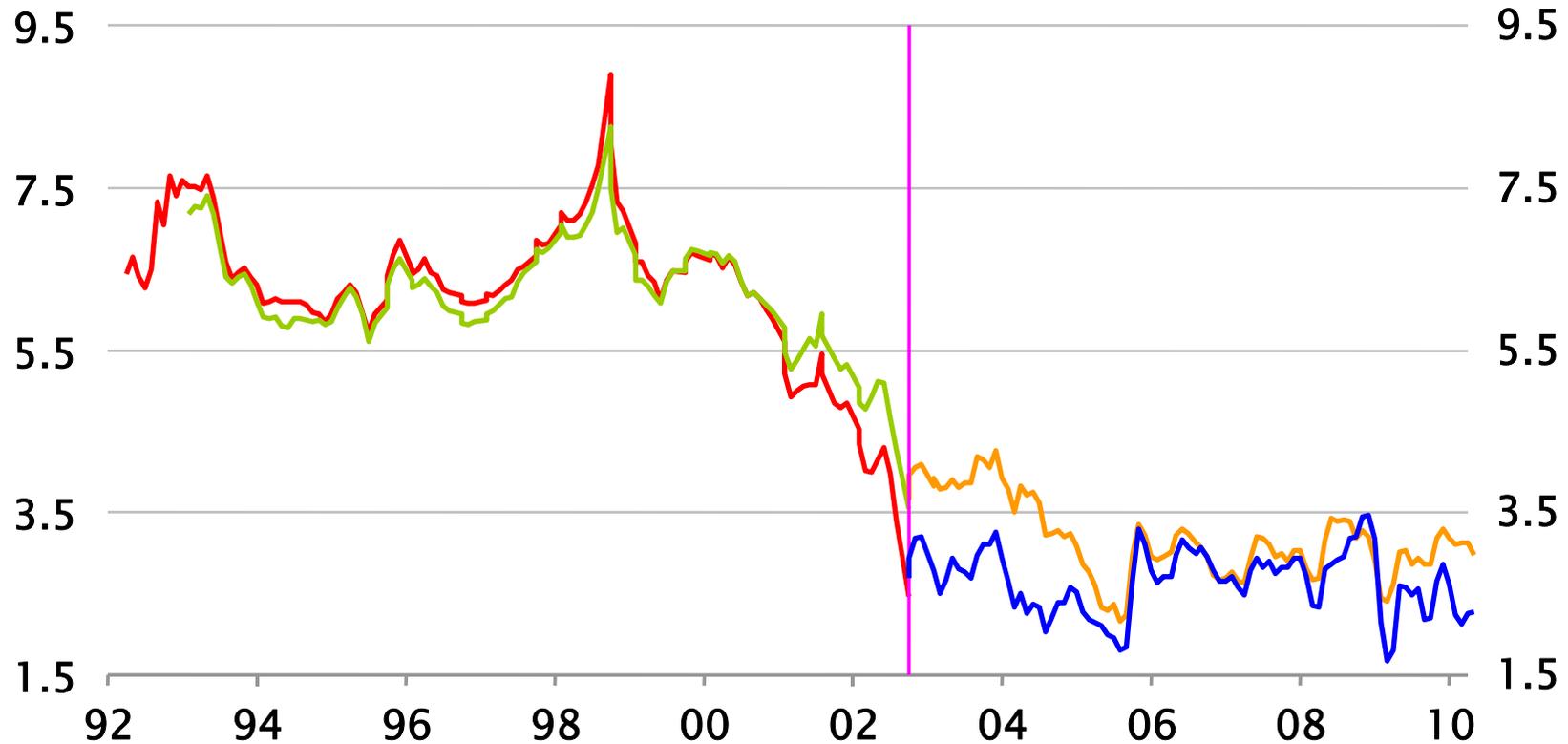
Real Exchange Rate (*) (index, 1986=100)



(*) Up to April 2011.
Source: Central Bank of Chile.



Long-term Real Interest Rate (percent)



— PRC 8 years (1) — PRC 20 years (1) — BCU 10 years (2) — BCU 5 years (2)

(1) PRCs are CBC bonds in UF with six-monthly equal installments (except for the last one), which can involve both interest and principal payments. (2) The BCU is a bond issued in UF, an inflation-indexed unit of account.

Source: Central Bank of Chile.