# Chile's Economic Outlook

## Bradesco BBI Seminar

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# Disclaimer

The views expressed here are my own and do not necessarily represent those of the other members of the Board.

# During 2025 economic activity surprised to the upside

## Evolution of GDP, Consumption and Investment Forecasts across IPoMs

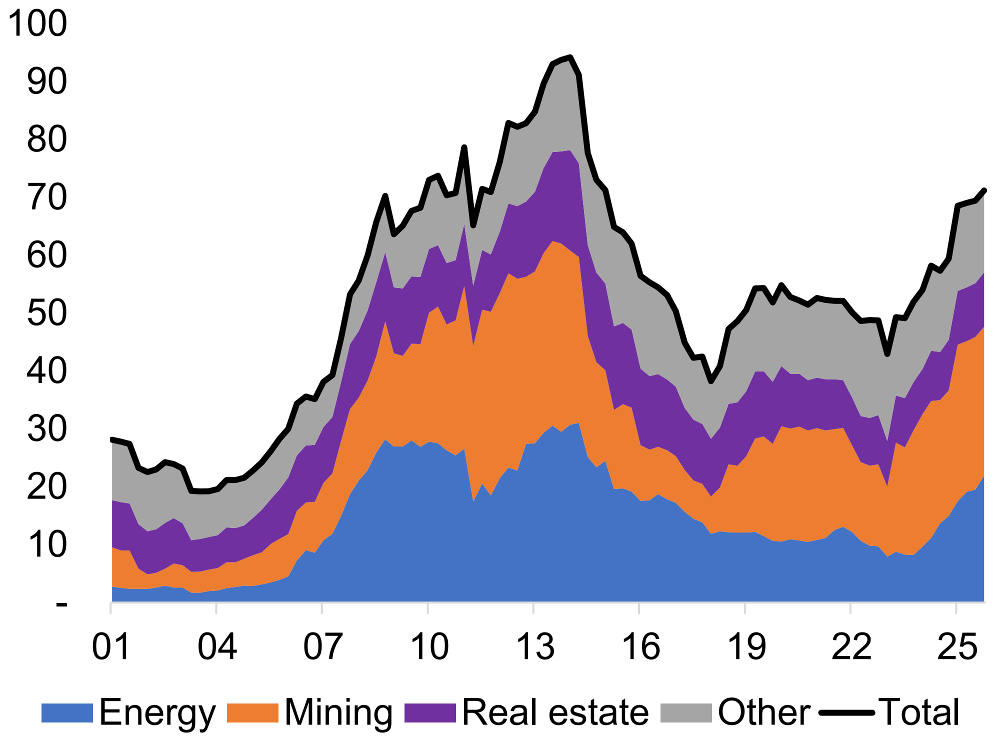
(Yeat-on-year, %)

| | Forecast for 2025 | | | | Forecast for 2026 | | | | Forecast for 2027 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Report of** | **March** | **June** | **Sept.** | **Dec.** | **March** | **June** | **Sept.** | **Dec.** | **March** | **June** | **Sept.** | **Dec.** |
| **GDP (YoY, %)** | **1,75 /2,75** | **2 / 2,75** | **2,25 / 2,75** | **2,4** | **1,5 / 2,5** | **1,5 / 2,5** | **1,75 / 2,75** | **2,00 / 3,00** | **1,5 / 2,5** | **1,5 / 2,5** | **1,5 / 2,5** | **1,5 / 2,5** |
| **Investment (YoY, %)** | **3,7** | **3,7** | **5,5** | **7** | **2,2** | **3,6** | **4,3** | **4,9** | **2,9** | **3,3** | **3,1** | **3,1** |
| Consumption (YoY, %) | 2,3 | 2,6 | 3 | 3 | 2,3 | 2,1 | 2,4 | 2,7 | 2,3 | 2,3 | 2,4 | 2,5 |
| Current Account (% of GDP) | -1,9 | -1,8 | -2,6 | -2,5 | -1,8 | -1,8 | -2,4 | -2,2 | -2 | -2 | -2,4 | -2,5 |

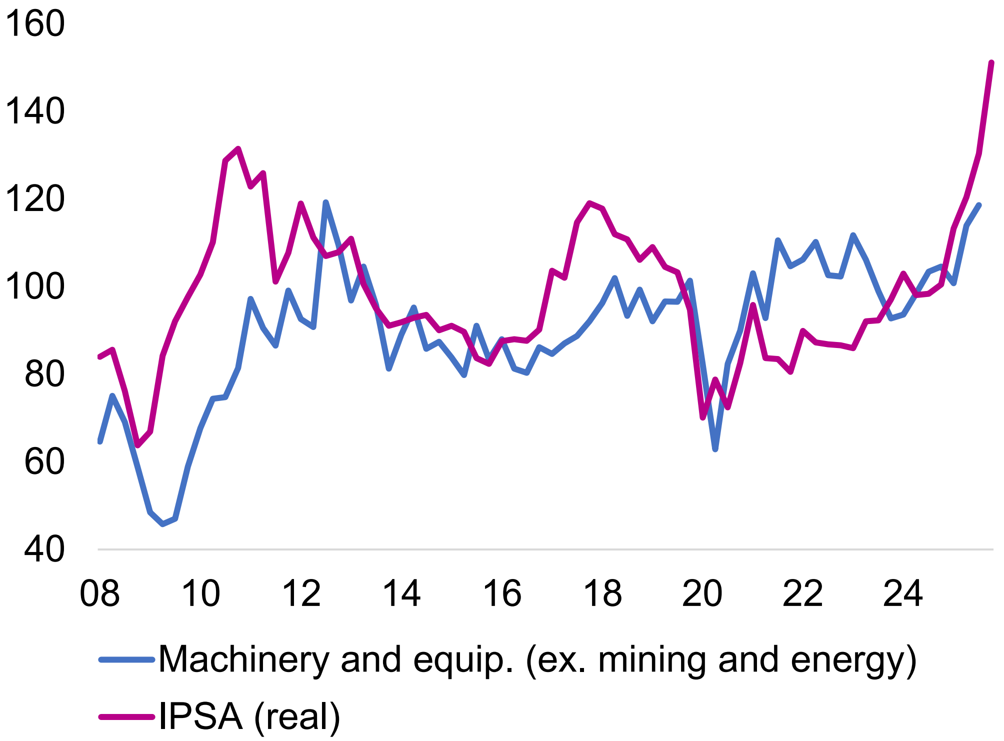
Source: Central Bank of Chile.

# Investment remains robust, and stronger fundamentals point to a more dynamic investment cycle ahead

## CBC: Five-Year Outlook
(Billions of USD, SA)




## IPSA (real) vs. Non-miming and Non-energy GFKF M&E[1]
(2018=100)

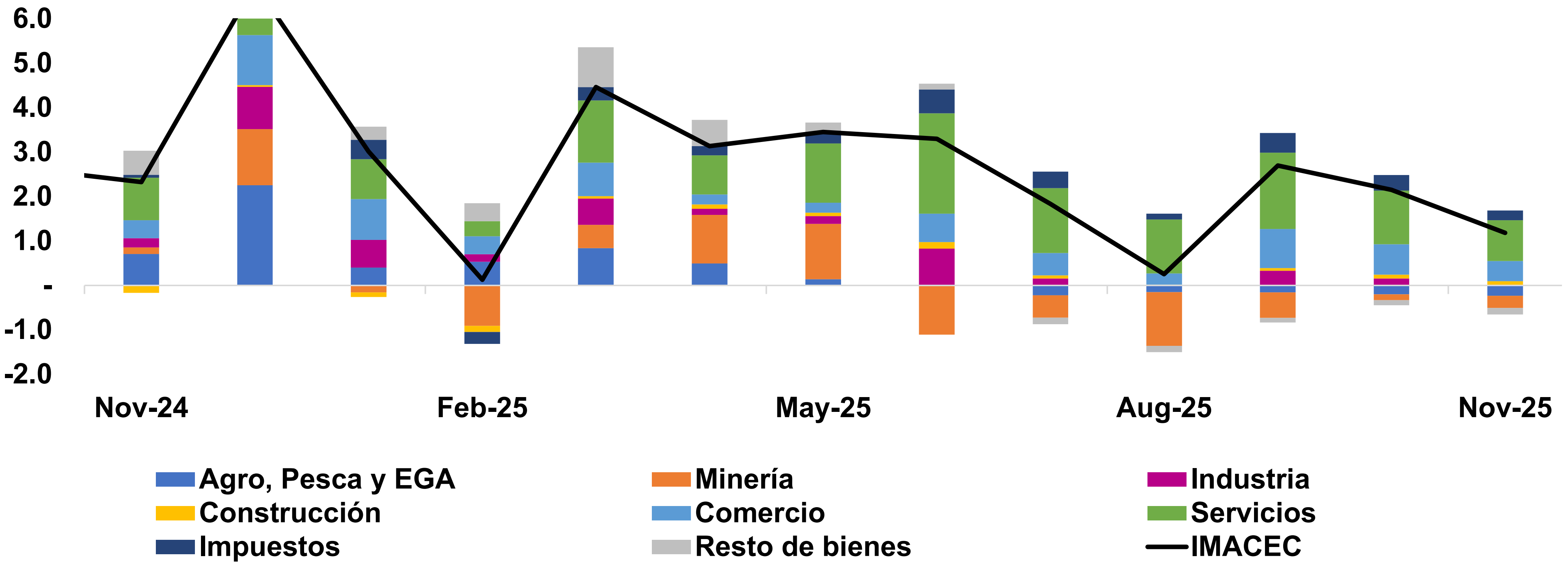



(1) IPSA is deflated using the GFKF M&E price deflator.
Sources: Bloomberg and Central Bank of Chile.

# More recently, economic activity has moderated its pace of growth due to transitory supply shocks

**IMACEC**

(Yeat-on-year, %)

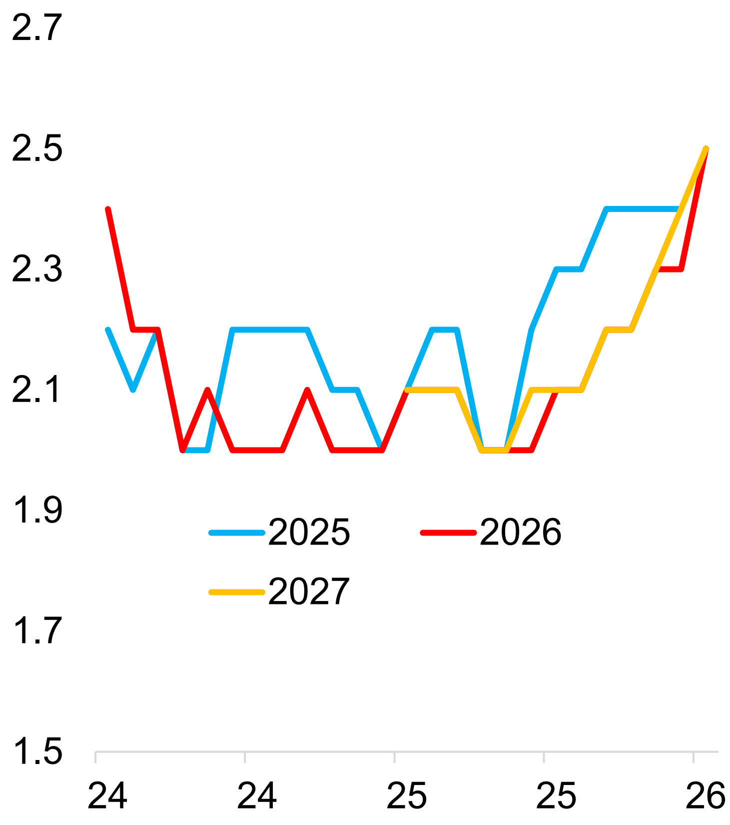



Source: Central Bank of Chile.

# Growth expectations continue to improve, as does the confidence of households and firms

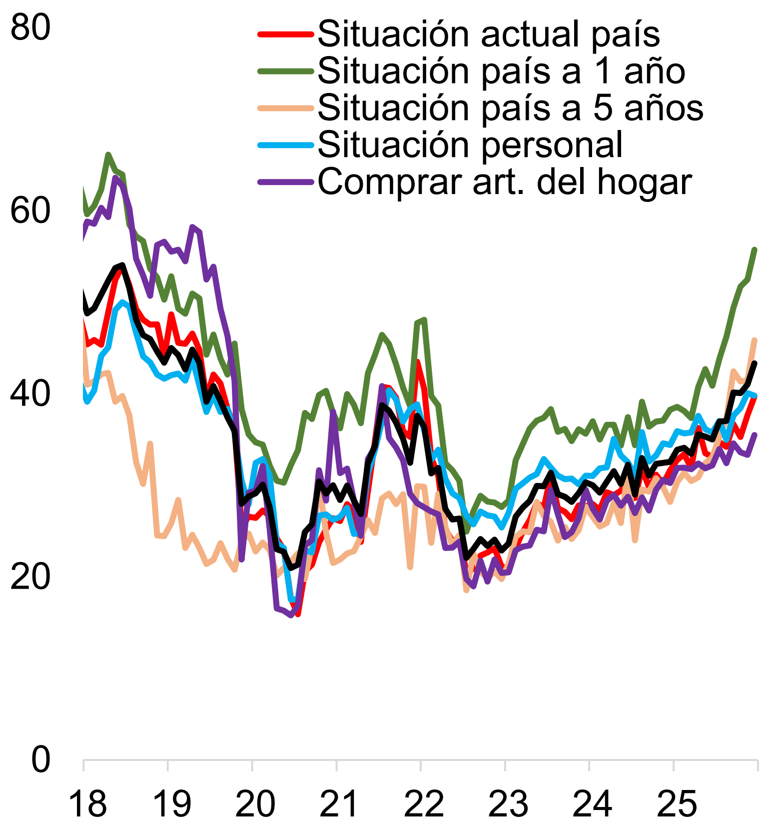
## EEE Expectations: GDP Growth

(Yeat-on-year, %)



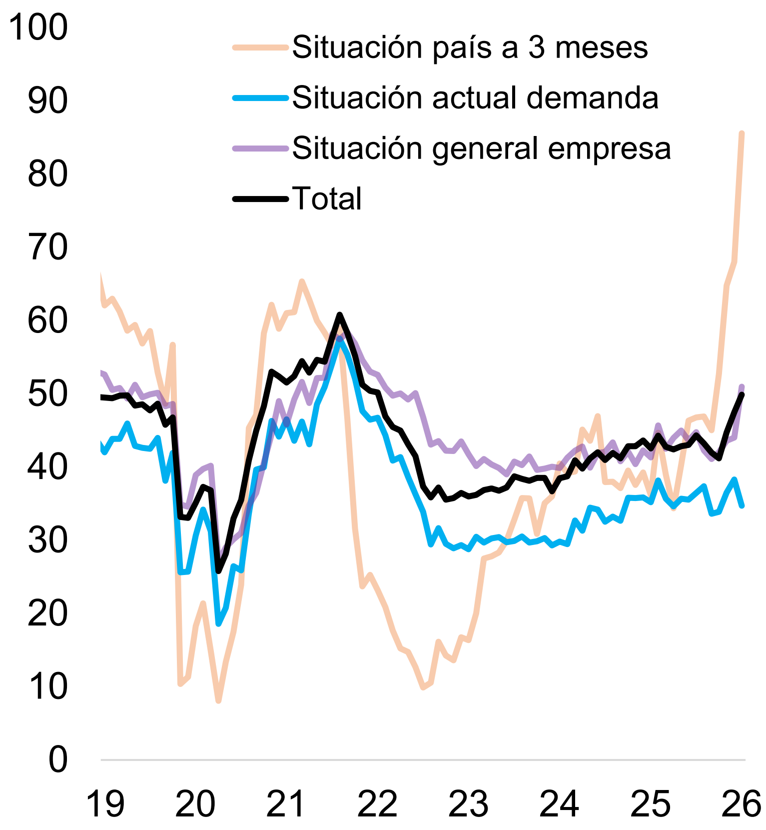

## Consumer Confidence: IPEC[1]

(SA índices)




## Business Confidence: IMCE w/o mining[1,2]

(SA índices)



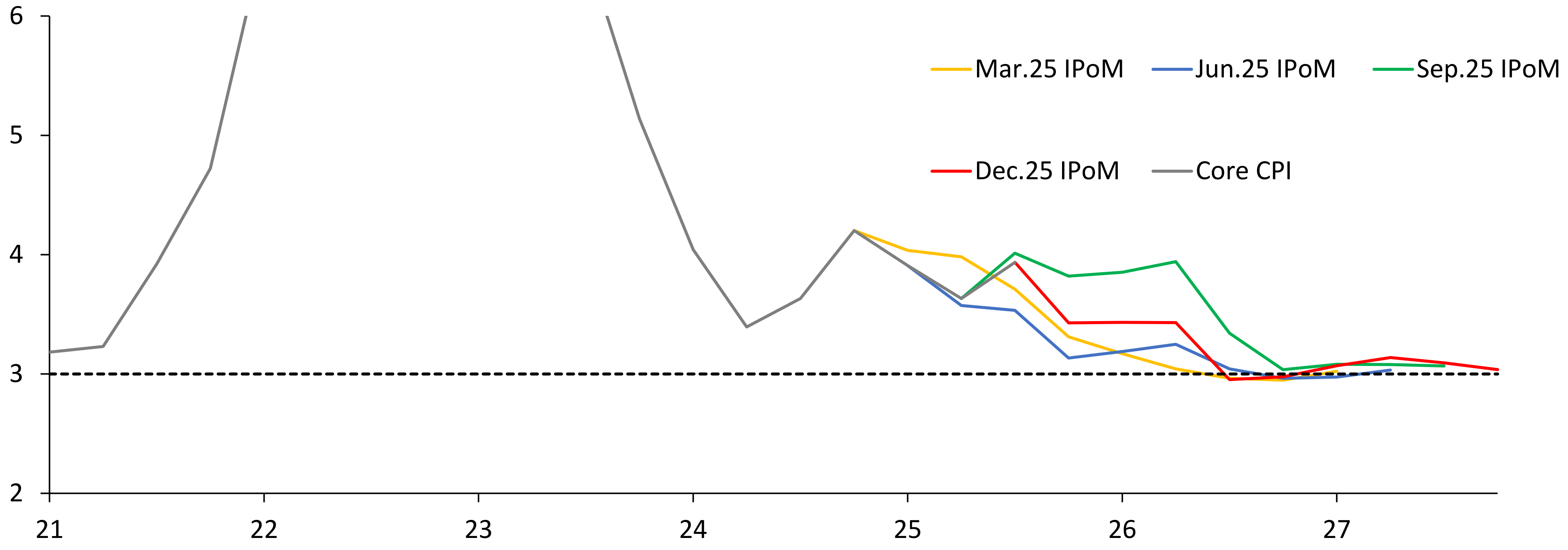

(1) A score above (below) 50 indicates optimism (pessimism). (2) Weighted average using sectoral shares of GDP excluding mining.

Sources: Icare/UAI, GfK Adimark, and BCCh..

# During 2025, inflation fell in an uneven pattern. Market expects it to drop below 3% in the short term

## Core Inflation Forecasts across IPoMs[1]

(Year-on-year, %)

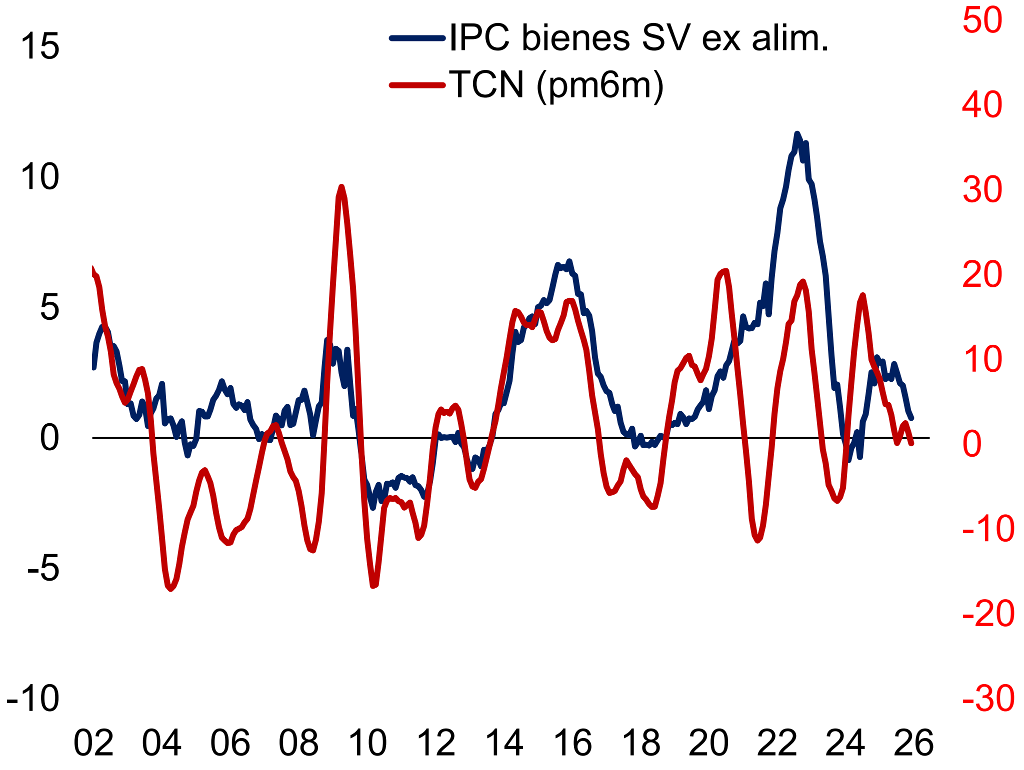



(1) Figures consider the 2023 CPI reference basket and the splice made by the Central Bank of Chile.
Source: Central Bank of Chile and National Statistics Institute (INE).

# Core inflation fall has been driven by goods, influenced by FX appreciation and falling international prices

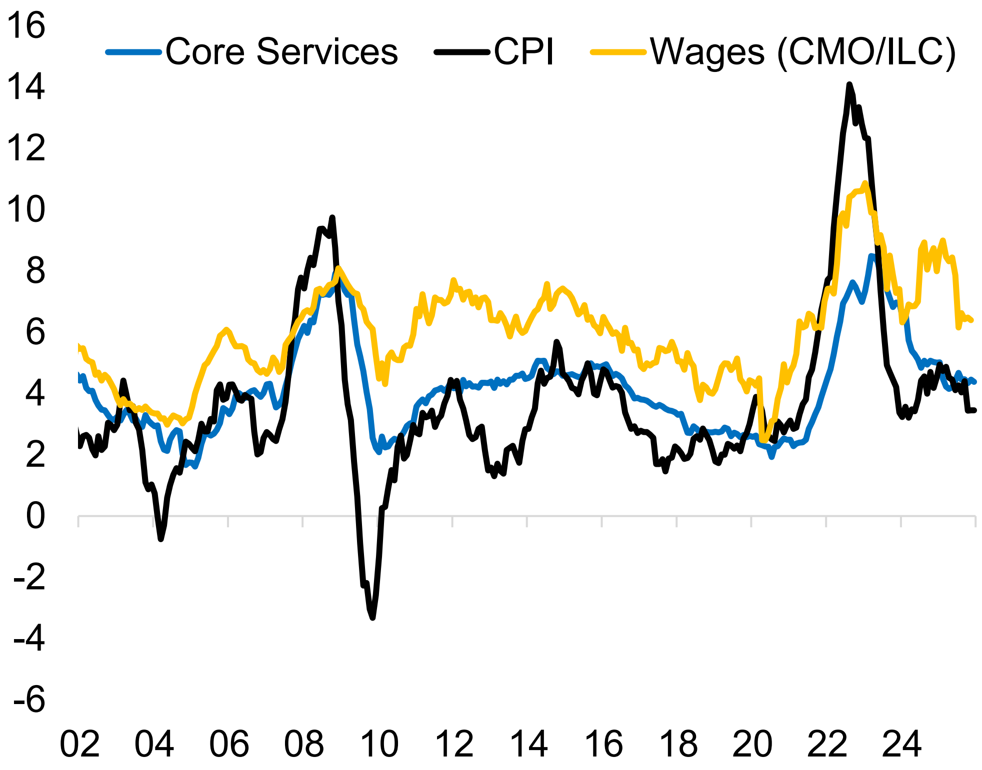
## Core CPI Goods and Exchange Rate

(Year-on-year, %)




## Core CPI Services and Wages

(Year-on-year, %)

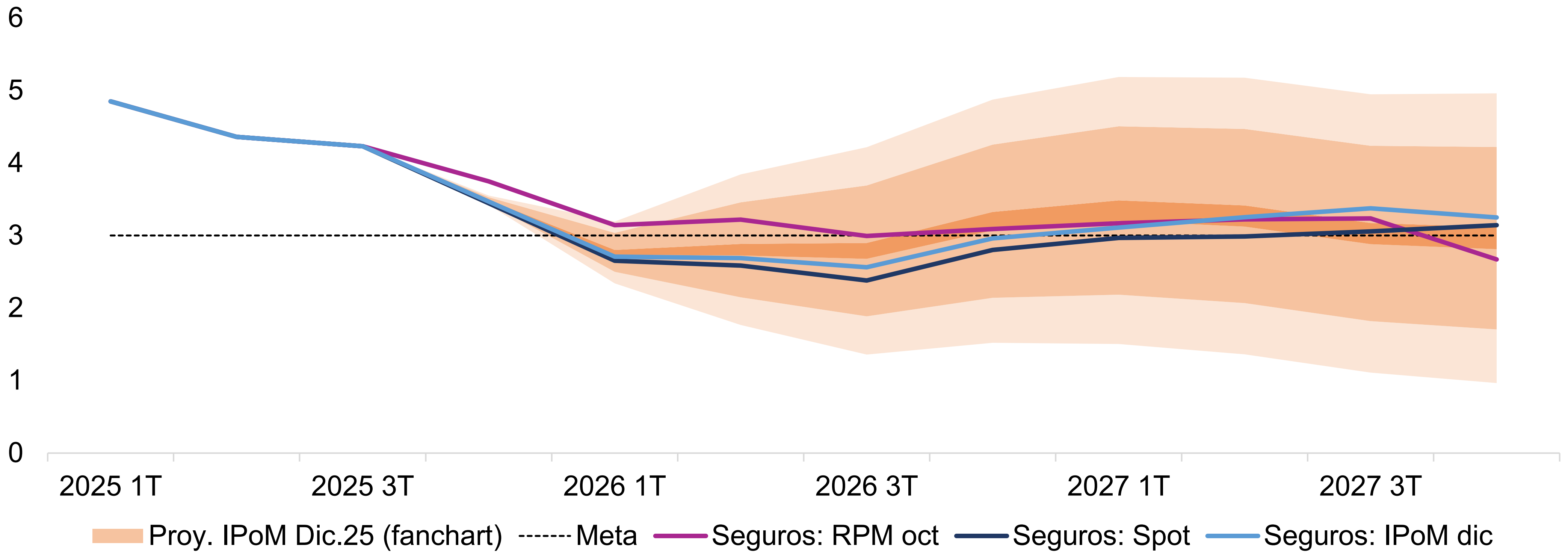



Note: Figures consider the 2023 CPI reference basket and the splice made by the Central Bank of Chile.
Source: Central Bank of Chile and National Statistics Institute (INE).

# During 2025, inflation fell in an uneven pattern. Market expects it to drop below 3% in the short term

## Inflation hedges[1,2,3]

(Year-on-year, %)

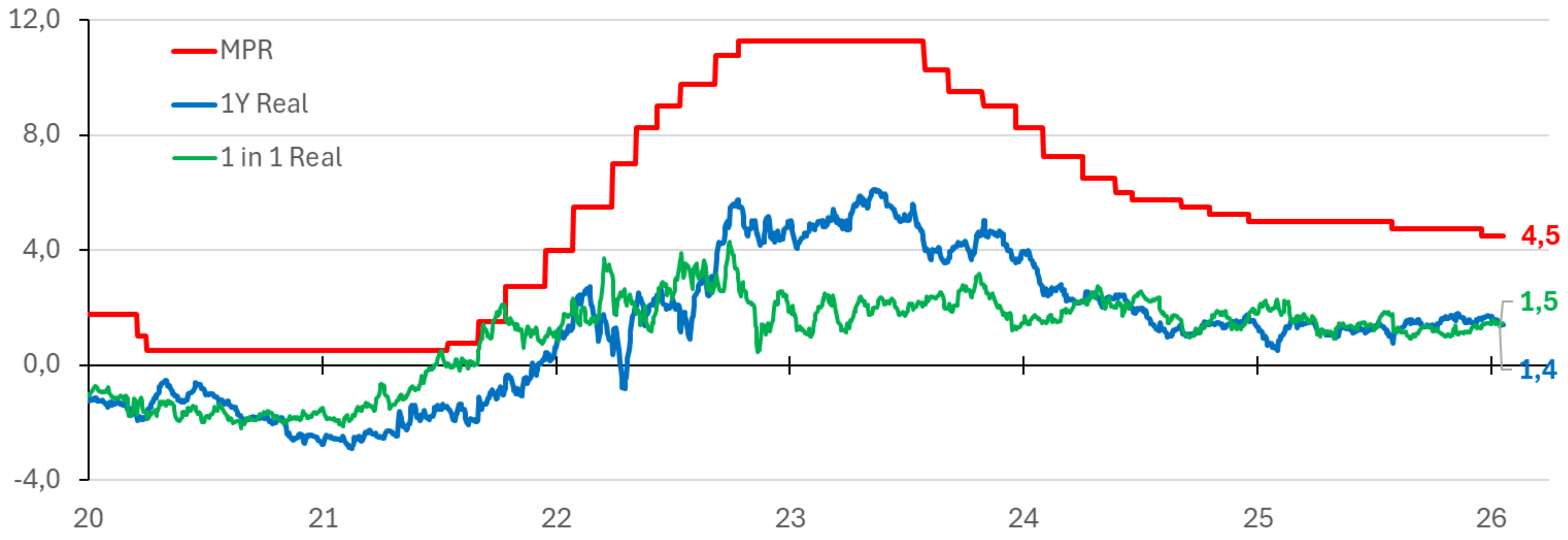



(1) Figures consider the 2023 CPI reference basket and the splice made by the Central Bank of Chile. (2) Data as of January 22. (3) Insurance companies have used ICAP information since August 20.
Source: Central Bank of Chile and National Statistics Institute (INE).

# Monetary policy moved gradually away from restriction

## Monetary Policy Rate and Real Interest Rates

(%)

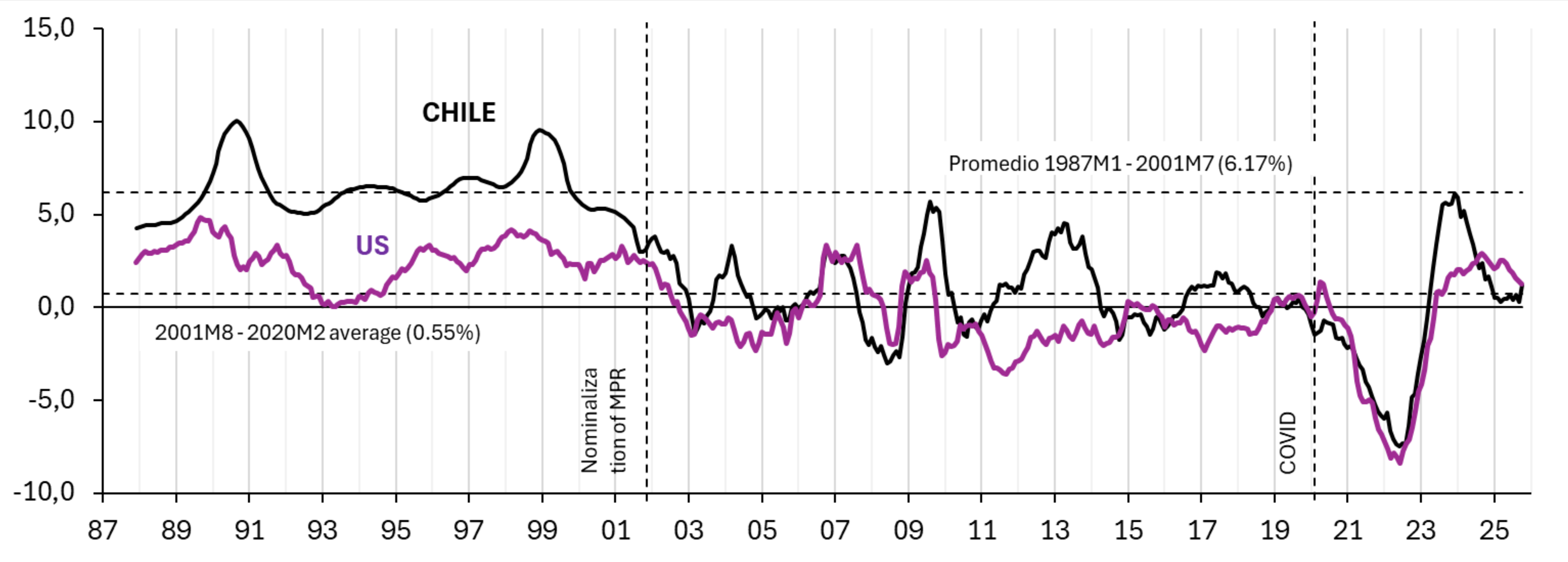



Note: The 1-year real rate corresponds to the 1-year SPC UF. The 1-year-in-1-year real rate is computed as twice the 2-year SPC UF minus the 1-year SPC UF.
Source: Central Bank of Chile.

# Real policy rates remain low in historical perspective

**Real Monetary Policy Rate: Chile and United States**

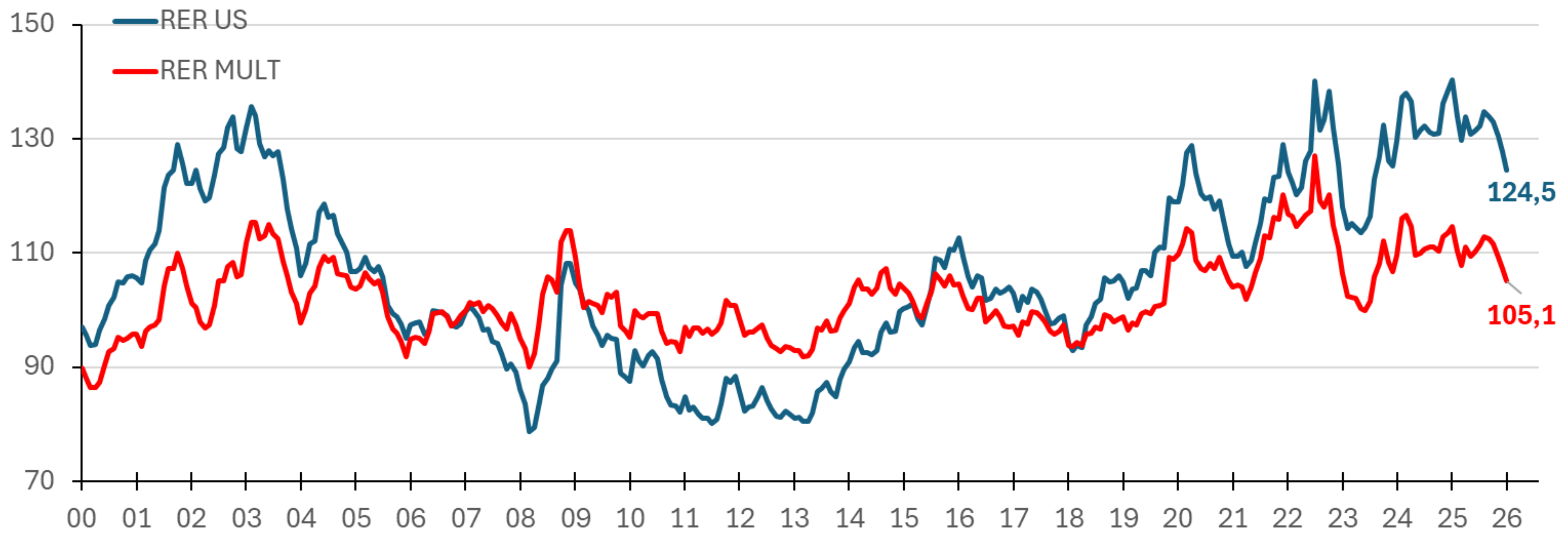
(Year moving average, %)




Note: For Chile, the real policy rate is computed using PRC 90 days until 1995, the inflation-indexed overnight rate until 2001, and the nominal overnight rate minus monthly inflation thereafter. For the US, the real rate corresponds to the Federal Funds Rate minus monthly inflation.
Source: Central Bank of Chile and Federal Reserve Bank of St. Louis (FRED).

# The bilateral real exchange rate remains elevated

Multilateral and Bilateral Real Exchange Rates
(Index 2000 -2019 = 100)




Source: Central Bank of Chile and Federal Reserve Bank of St. Louis (FRED).

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29 January 2026 |Ritz-Carlton, Santiago