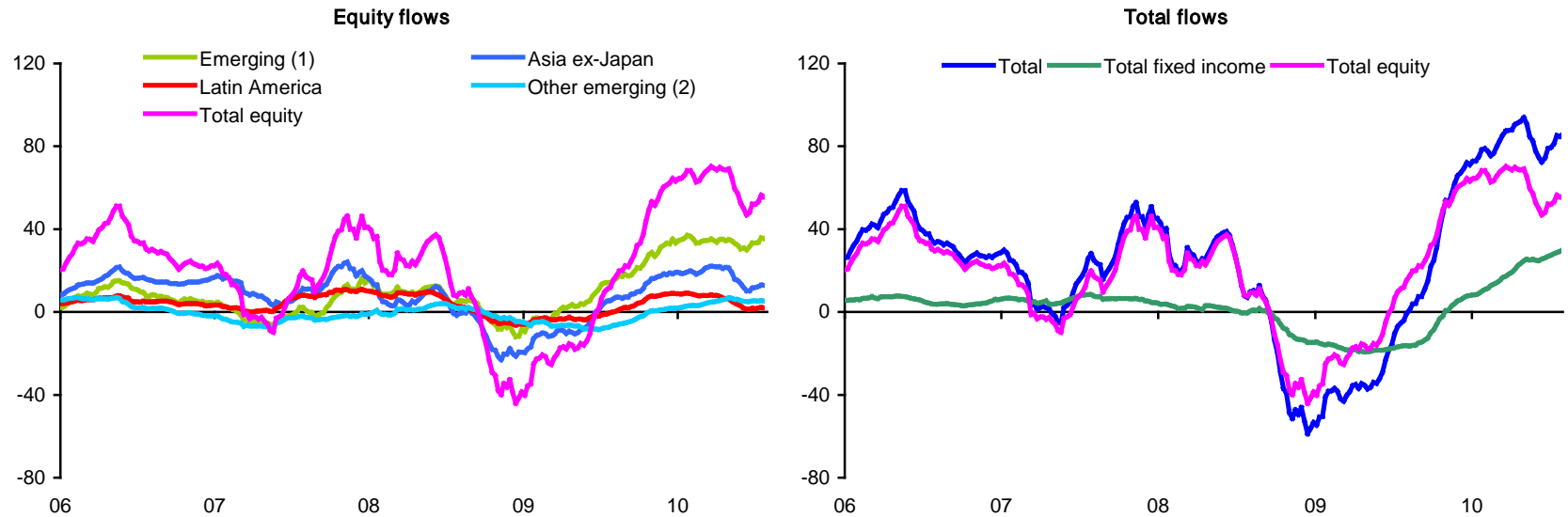


# **Macroprudential regulation, Financial Stability and Capital Flows**

José De Gregorio  
Governor  
Central Bank of Chile  
September 2010

# Figure 1

Net flows of investment funds to emerging economies  
(billions of dollars accumulated in twelve moving months, weekly data)



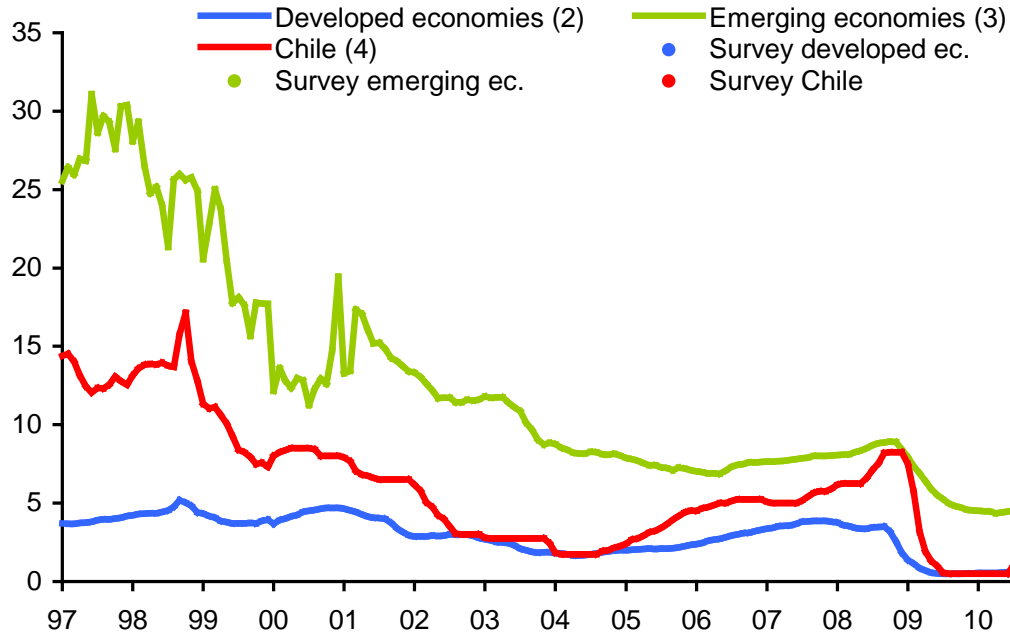
- (1) Global Emerging Markets (GEM).
- (2) Middle East, Emerging Europe and Africa.

Source: Emerging Portfolio Fund Research.

## Figure 2

### Monetary Policy Rates in the world (1)

(percent)



(1) The solid lines show the simple average of the reference rates of each group of countries.

Dots are the averaged responses of analysts surveyed by Bloomberg during July 2010, regarding expectations for September and December 2010, and March and June 2011.

(2) Includes Canada, Eurozone, Japan, Norway, Sweden, Switzerland, U.K. and U.S.

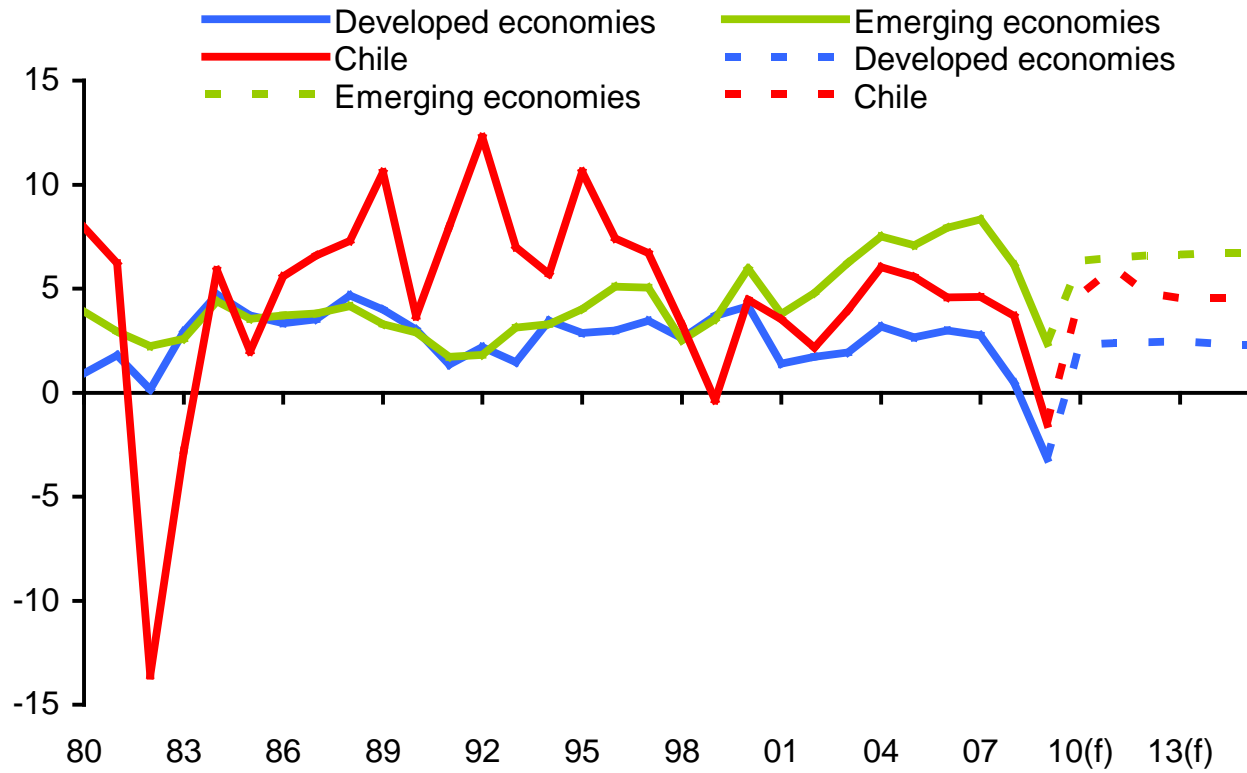
(3) Includes Brazil, Colombia, China, Czech Rep., Hungary, Mexico, Poland, Peru, South Africa, South Korea and Turkey.

(4) Data from before the nominalization of the reference rate (August 2001), consider actual inflation. Subsequently, they consider the effective policy rate.

Sources: Central Bank of Chile and Bloomberg.

# Figure 3

Economic growth  
(annual change, percent)

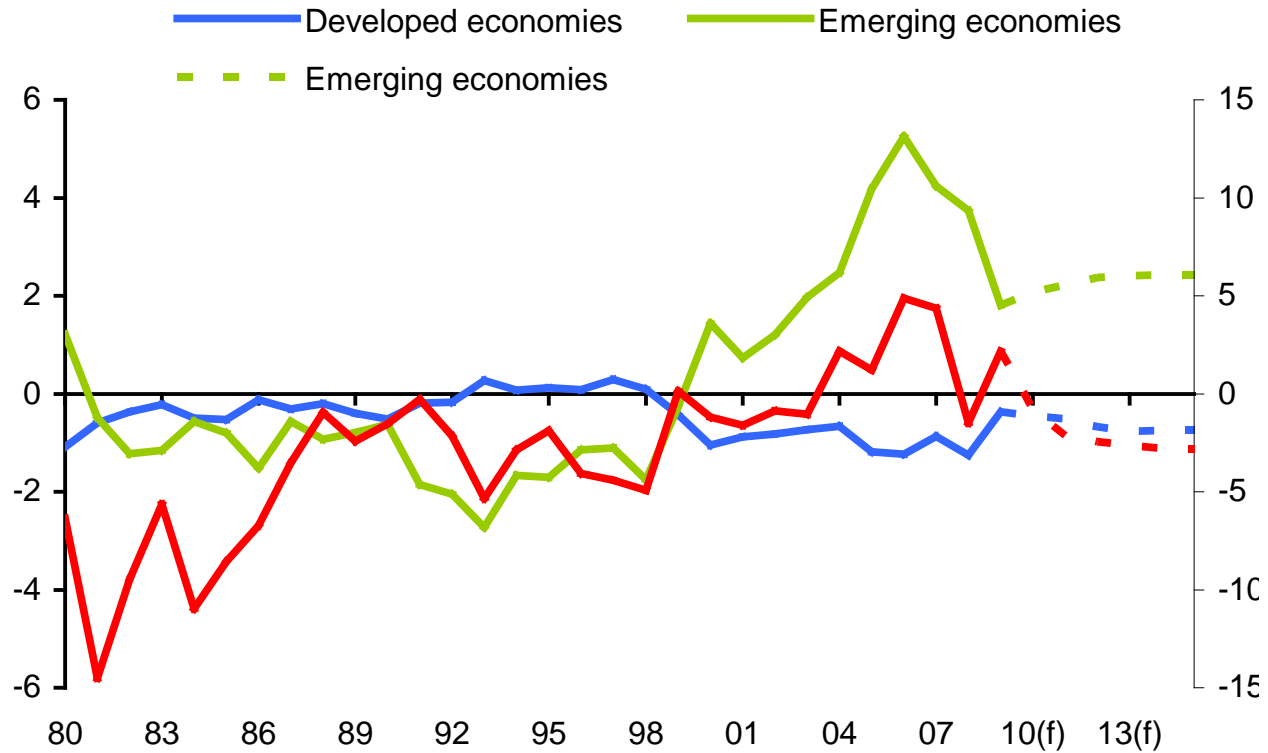


(f) Forecast.

Source: International Monetary Fund (WEO, April 2010).

# Figure 4

Current account balance  
(percent of GDP)



(f) Forecast.

Source: International Monetary Fund (WEO, April 2010).

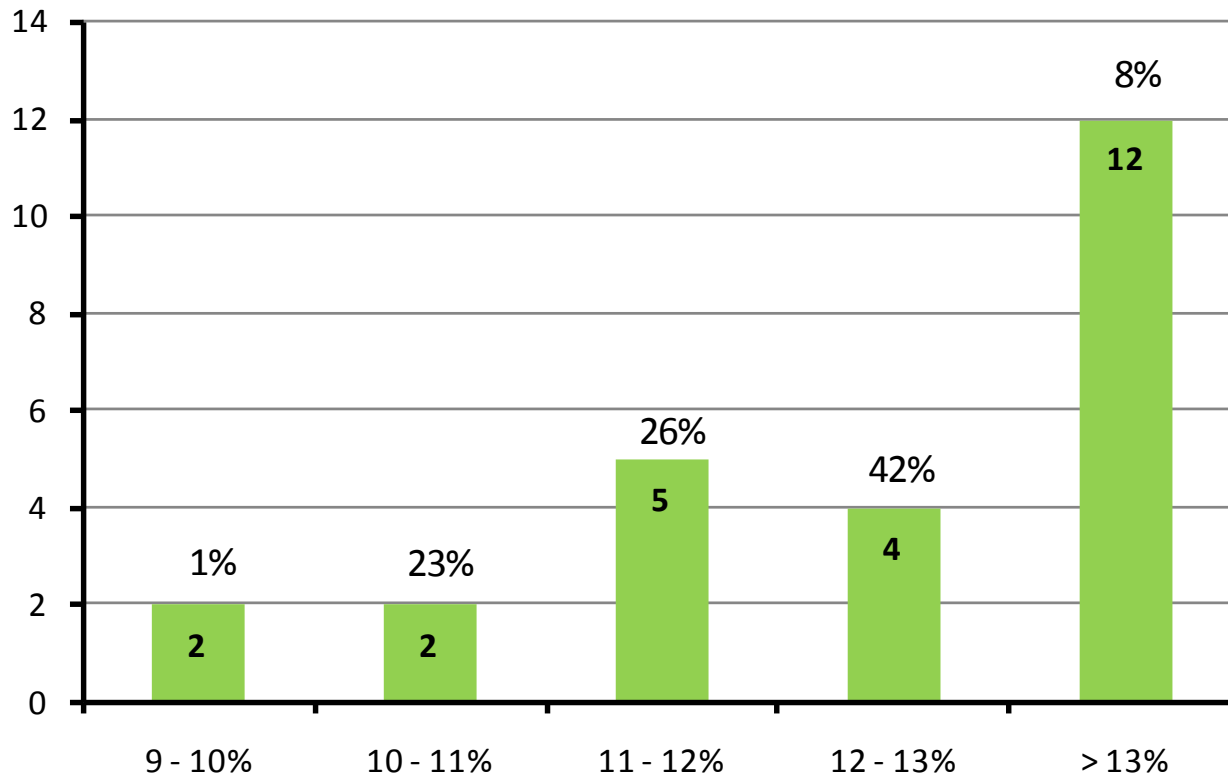
**Table 1: Current capital standing of the Chilean banking industry.**

<b>Minimum ratios*</b>	<b>2019</b>	<b>Chile June 2010</b>	
		Credit risk only (Basel I)	Market and operational risk add on (Basel II)
Tier 1	6,0%	10,1%	8,9%
Conservation buffer (cb)	2,5%	-	-
Total capital	8,0%	13,9%	12,4%
<b>Total capital + cb</b>	<b>10,5%</b>	-	-
Countercyclical buffer	0-2,5%	-	-

\*As percentage of RWA. Source BCBS, BIS press release 35/2010, SBIF and BCCH.

## Figure 5

Capital Adequacy Distribution  
Chilean Banking System - Basel II estimate



Above the bar: Percentage of total assets.

Total capital to RWA

Source: SBIF, BCCh. June 2010