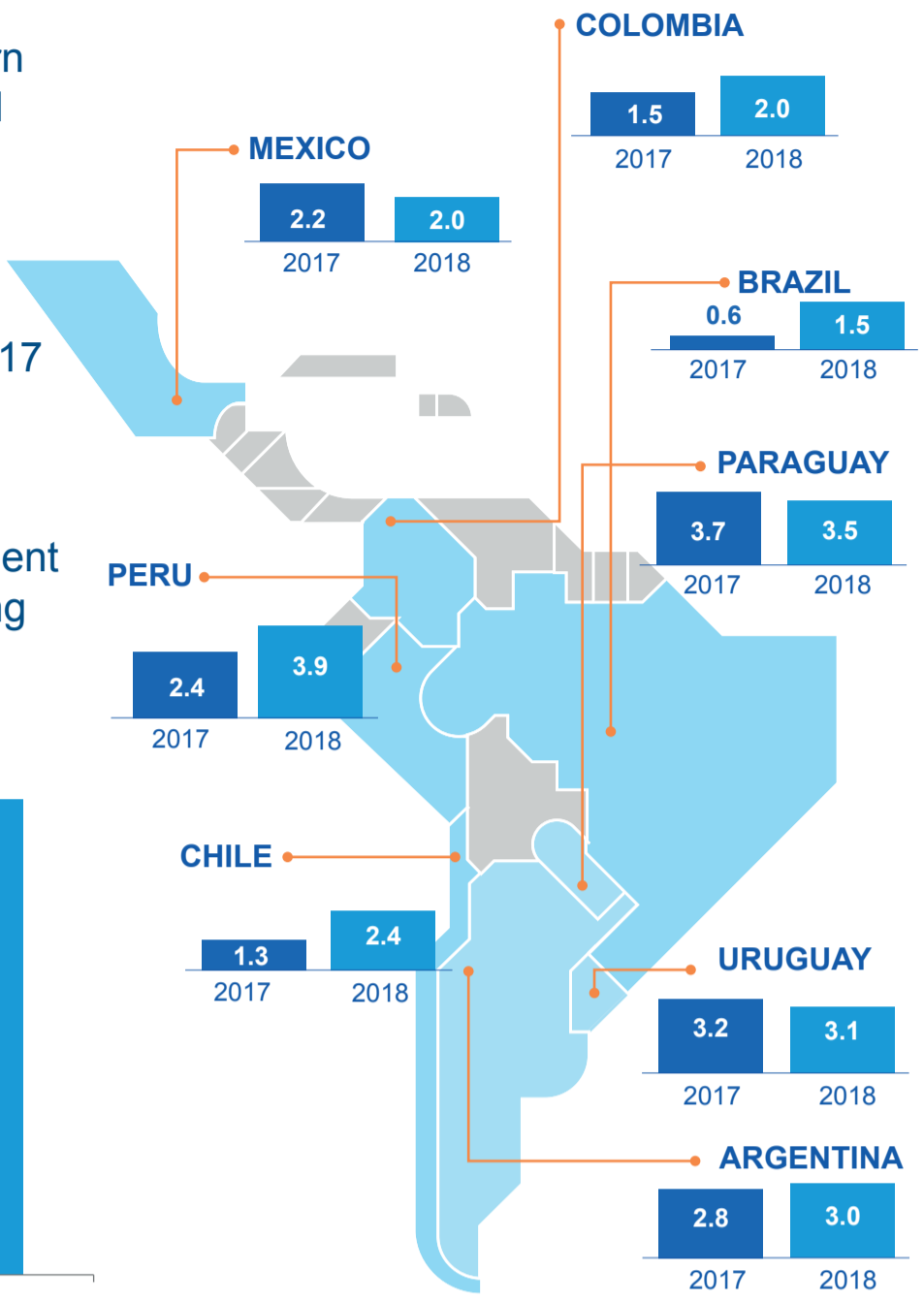
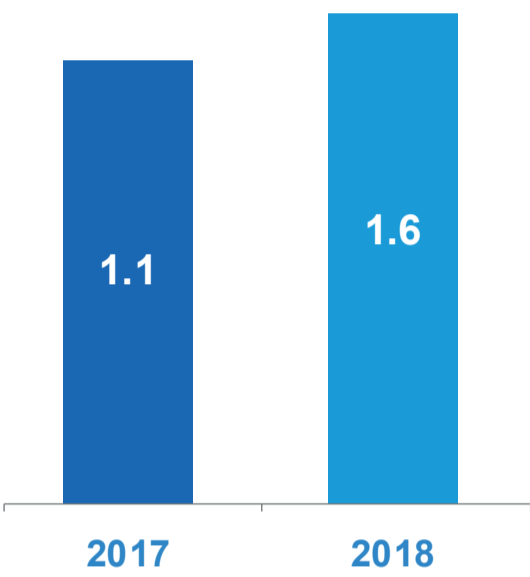


Latin America Outlook 4Q17

Ongoing recovery in Latin America, albeit slow

- Clear signs of an upturn in Argentina, Chile and Brazil
- Improved forecast for Mexico and Peru in 2017
- Growth driven by the foreign sector, investment and consumer spending

GDP LatAm
(%, a/a)

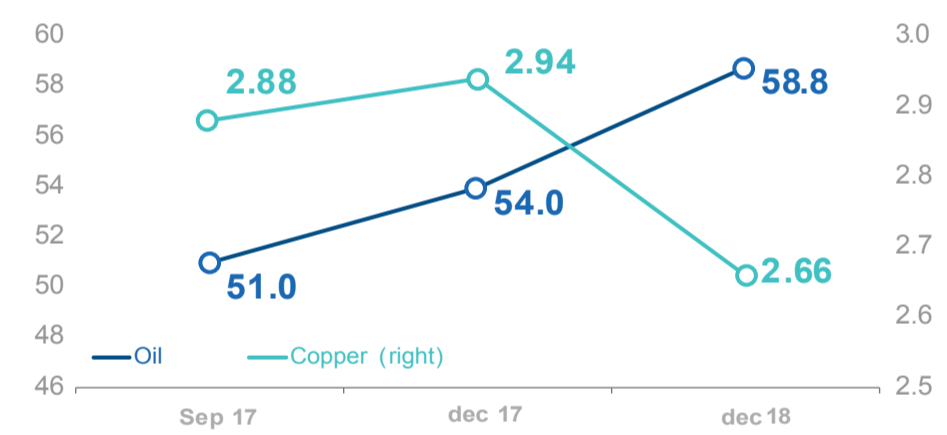


Favourable evolution of financial markets

Higher commodity prices and greater global liquidity, although this may be temporary



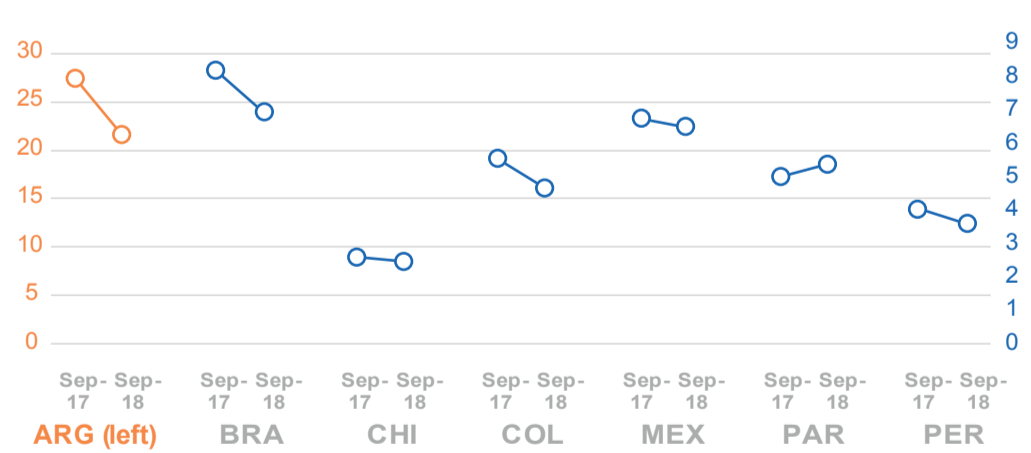
Oil and copper prices
(Sept-17=100)



The recent panorama has created a margin allowing central banks to adopt a laxer monetary policy

- Inflation continues to fall in South America, also trending downward in Mexico
- Central banks to reduce interest rates in 2017 and 2018

Interest rates
(%)



Risks for the region

EXTERNAL

Abrupt deceleration in China



Unpredictable interest rate rises in the USA



Risk of an overvaluation of financial assets



INTERNAL

Political noise



No upturn in confidence



Delay in investment projects, including infrastructure projects



Up



Down



Stable