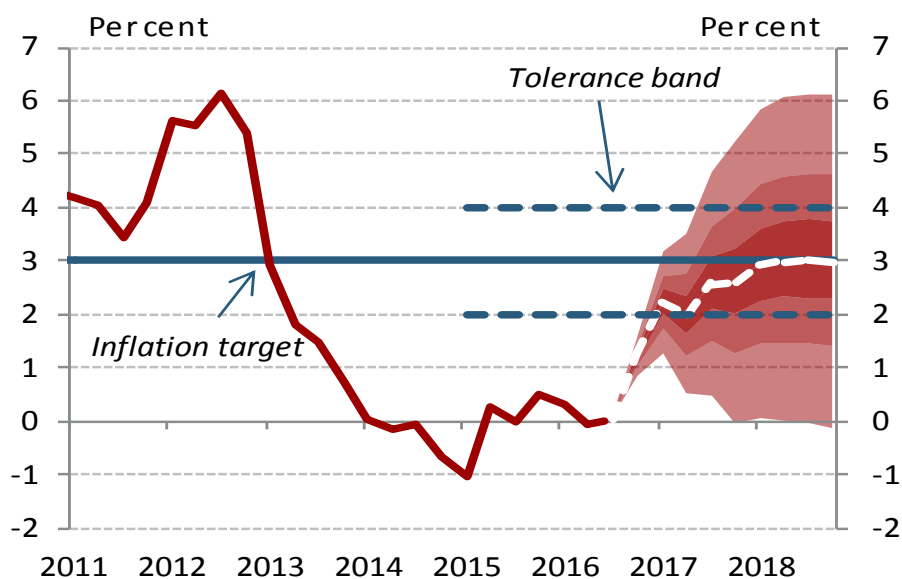


The baseline inflation and GDP projection of the December 2016 Inflation Report

The projections are based on information available for the period ending 15 December 2016. Our new forecast was based on assumption of endogenous monetary policy.

	2015	2016	2017	2018
Inflation (Per cent)	-0.1	0.4	2.4	3.0
Economic growth (Per cent)	3.1	2.8	3.6	3.7

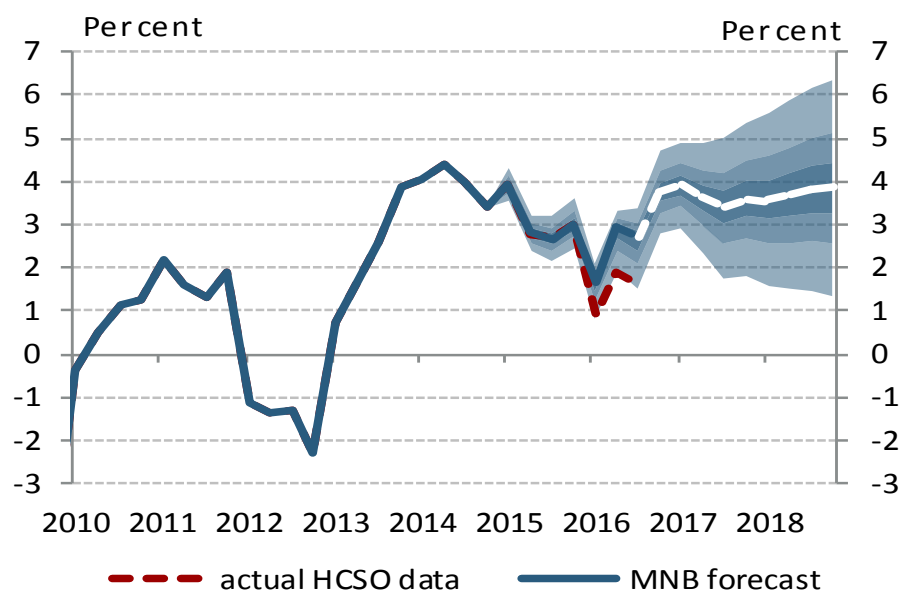
Inflation projection fan chart



Note: The forecast for inflation presented in the fan chart shows the expected profile of CPI at the 8-quarter horizon.

GDP projection fan chart

(annual changes, seasonally adjusted and reconciled data)



Note: The baseline forecast is based on backcast and nowcast adjusted by anticipated revisions. The forecast for GDP growth presented in the fan chart shows the expected profile of growth at the 8-quarter horizon. The time series has been seasonally adjusted taking into consideration our forecast.