

The Current State of
the UK Economy -
Issues & Challenges

Bridget Rosewell

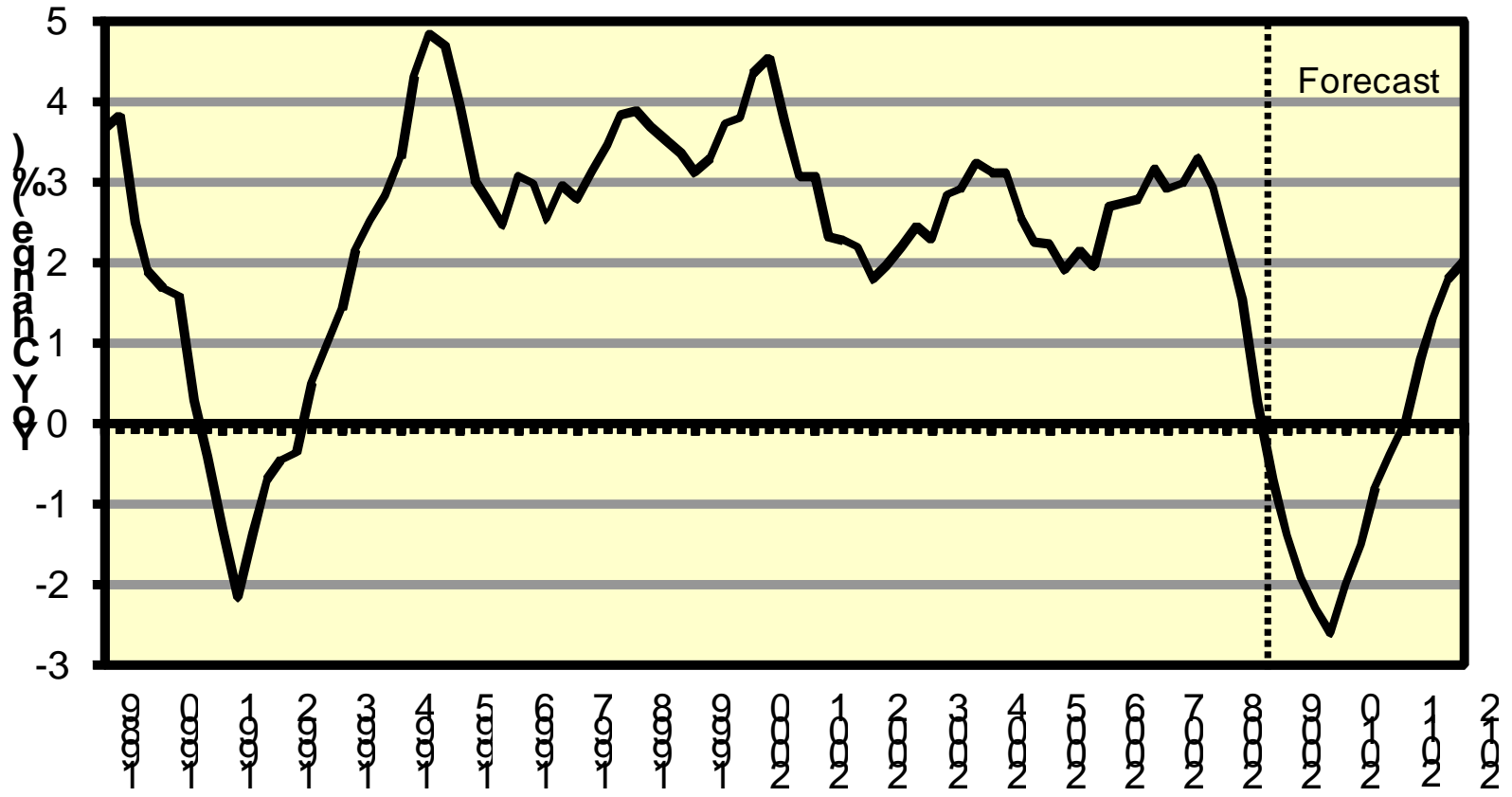
Chairman, Volterra

16th December 2008



Volterra

UK GDP Growth and Volterra central forecast



- o International

 - Slowing growth everywhere

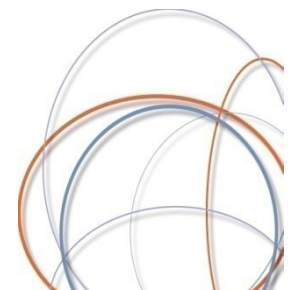
 - Recession emerging in the developed world

 - 2009 may be a year of negative growth worldwide – one of only 14 occasions in the last 150 years

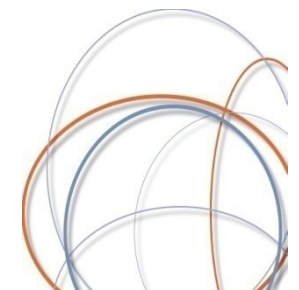
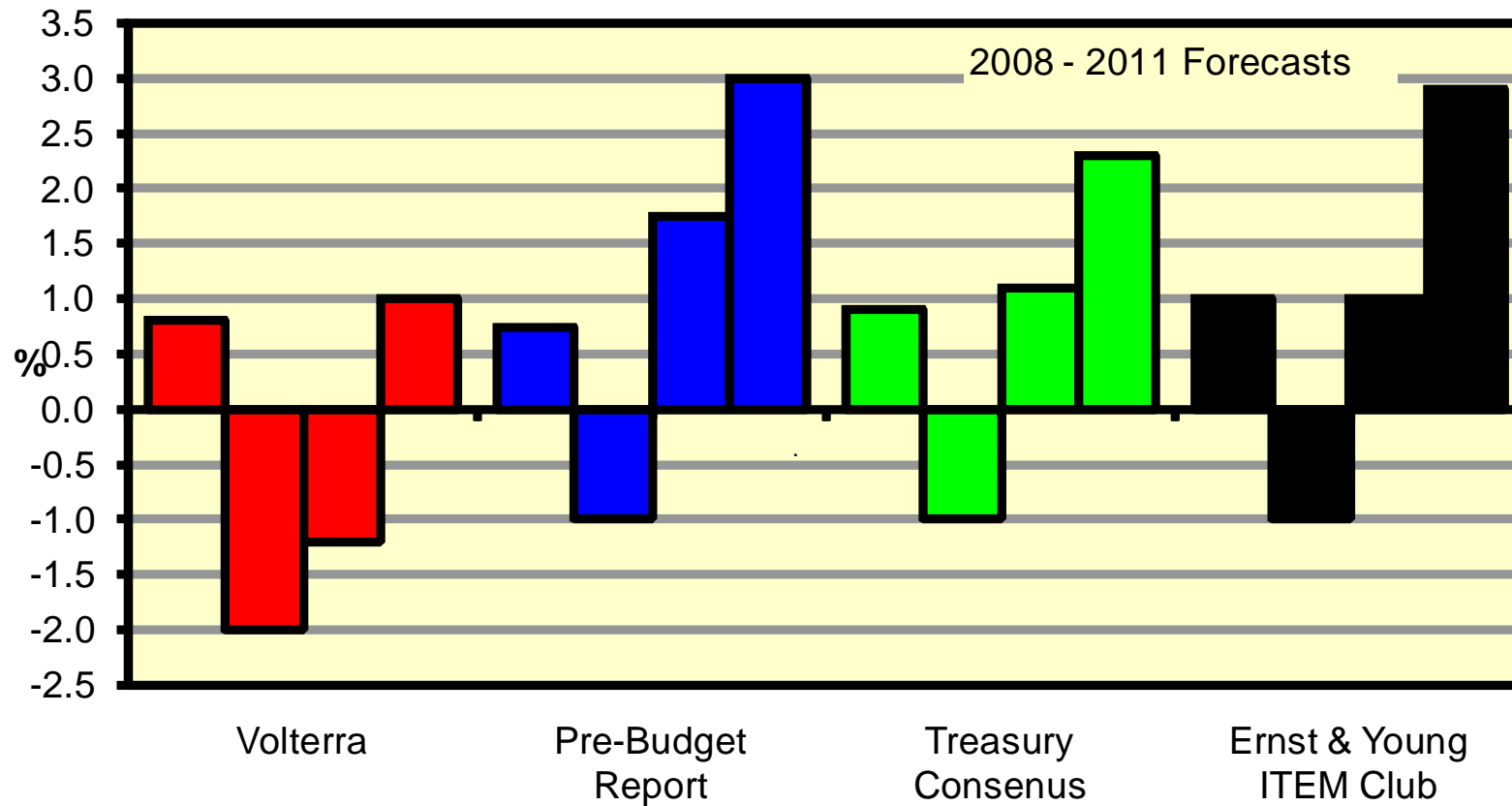
- o Domestic

 - Lack of credit

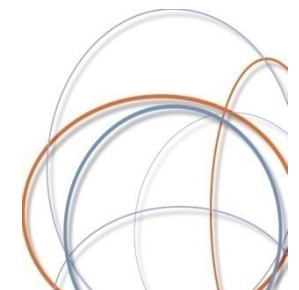
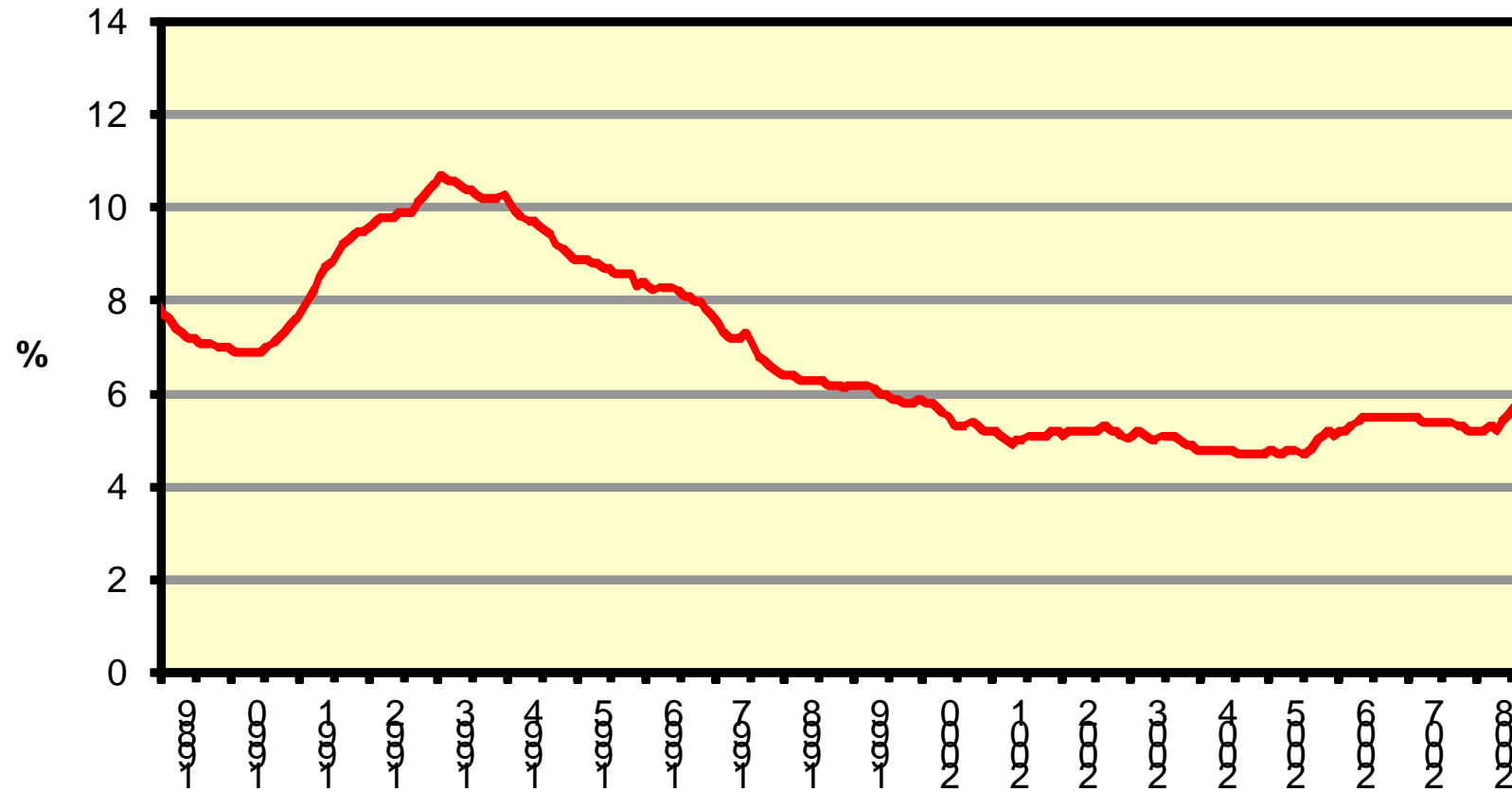
 - Loss of confidence



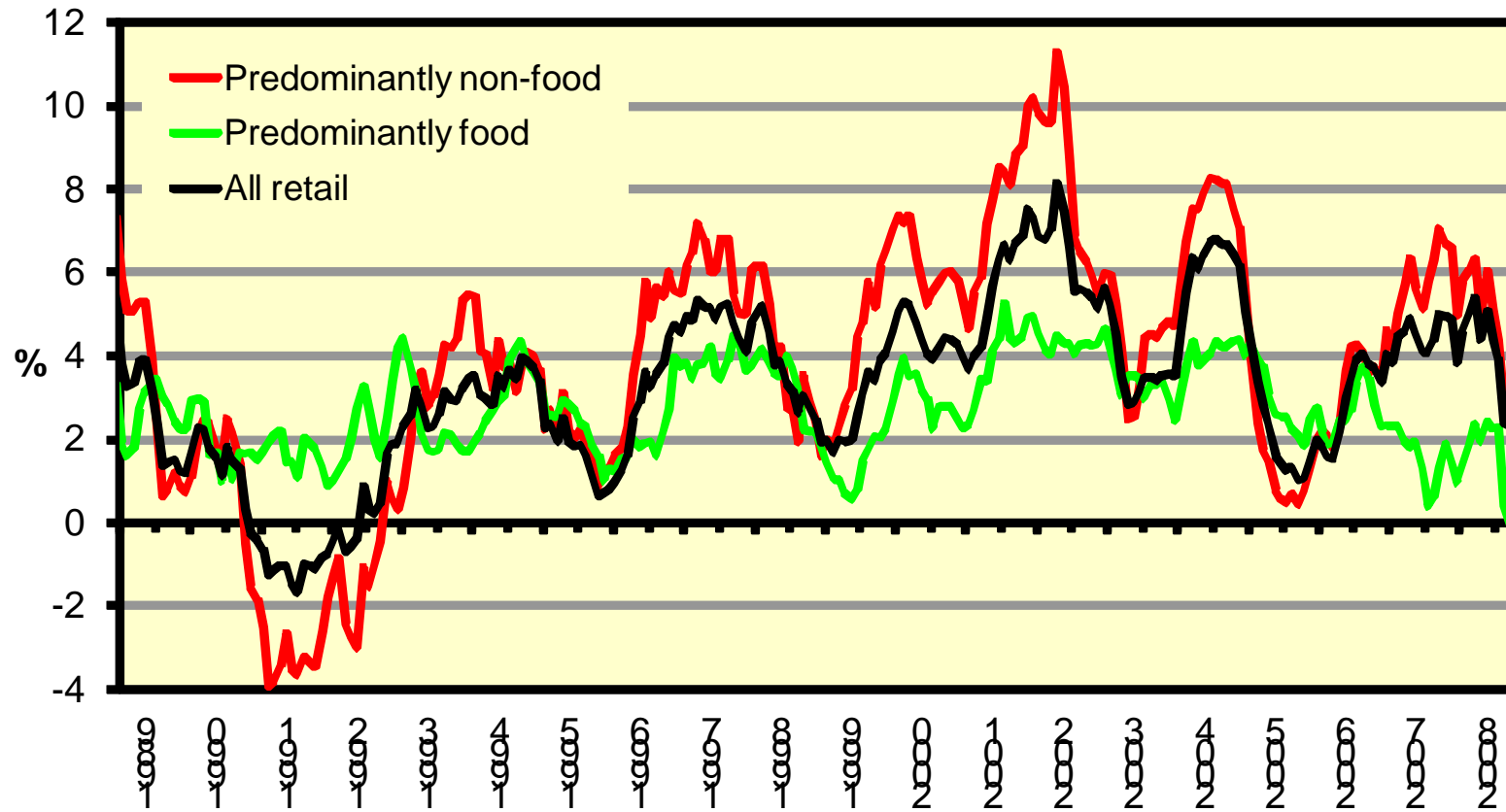
Volterra UK GDP Growth Forecasts 2008-2011



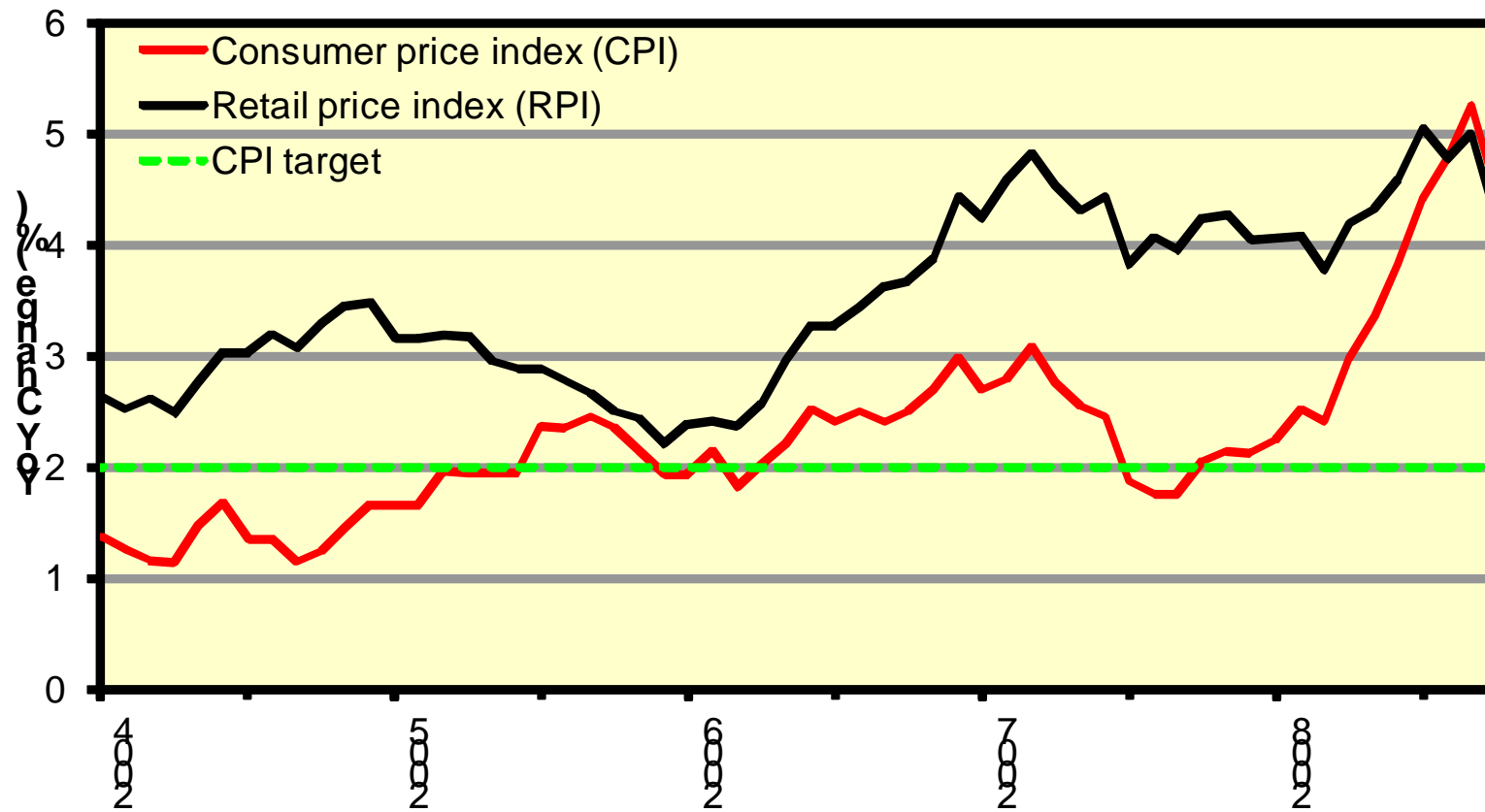
Volterra UK Unemployment



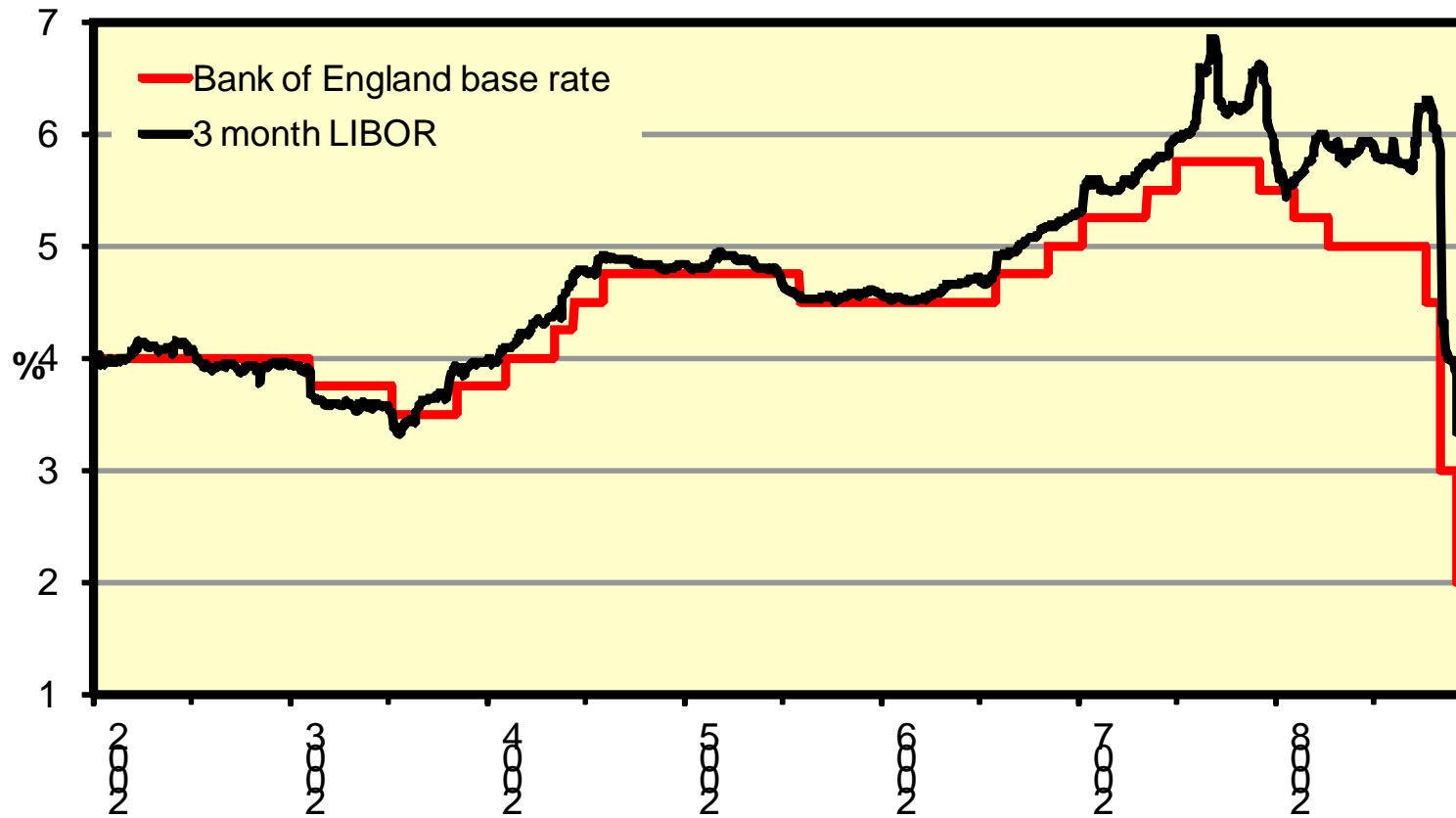
Volterra UK Retail Spending Growth (Volumes)



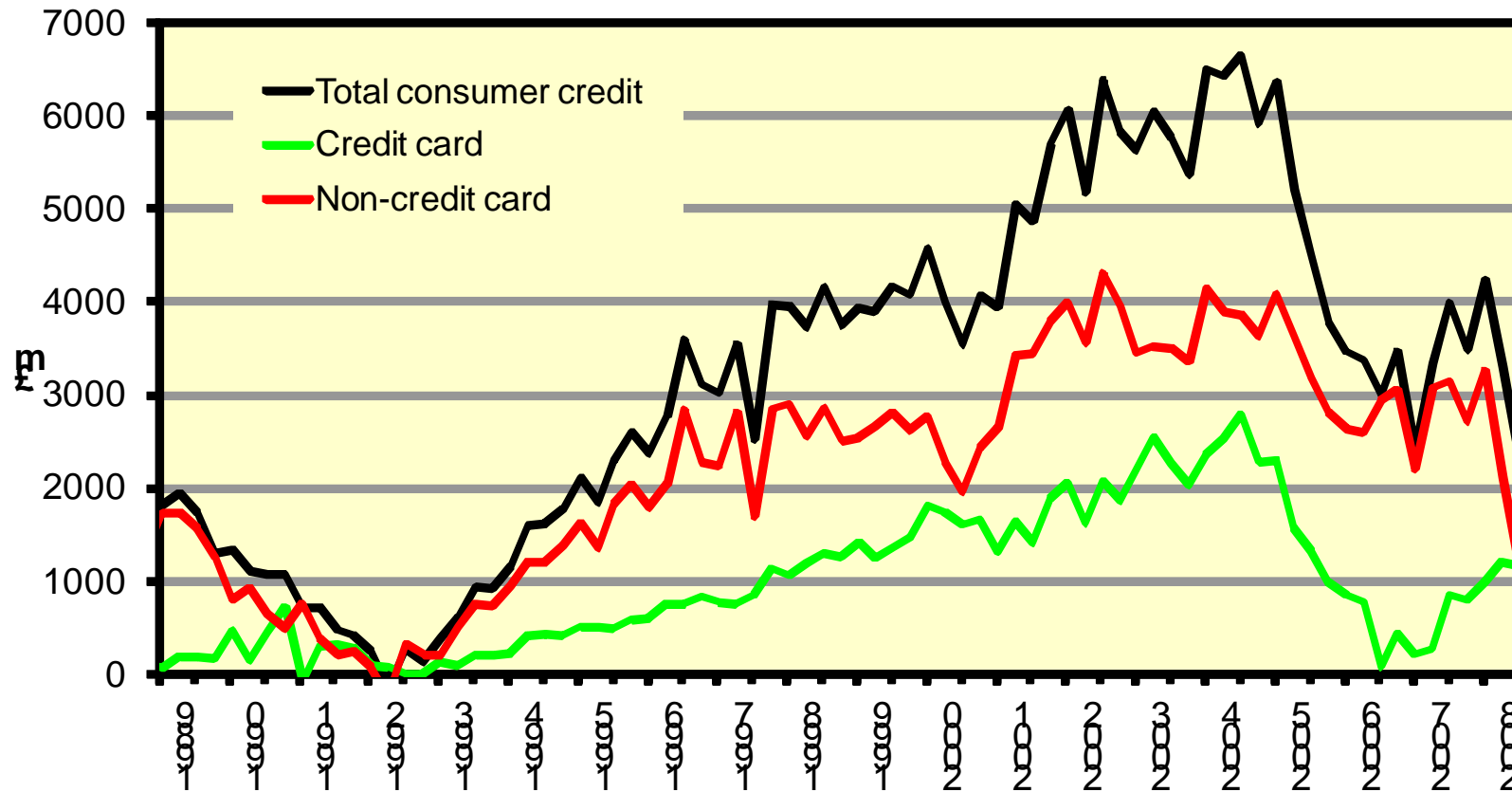
Volterra UK Inflation



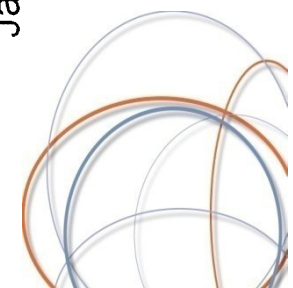
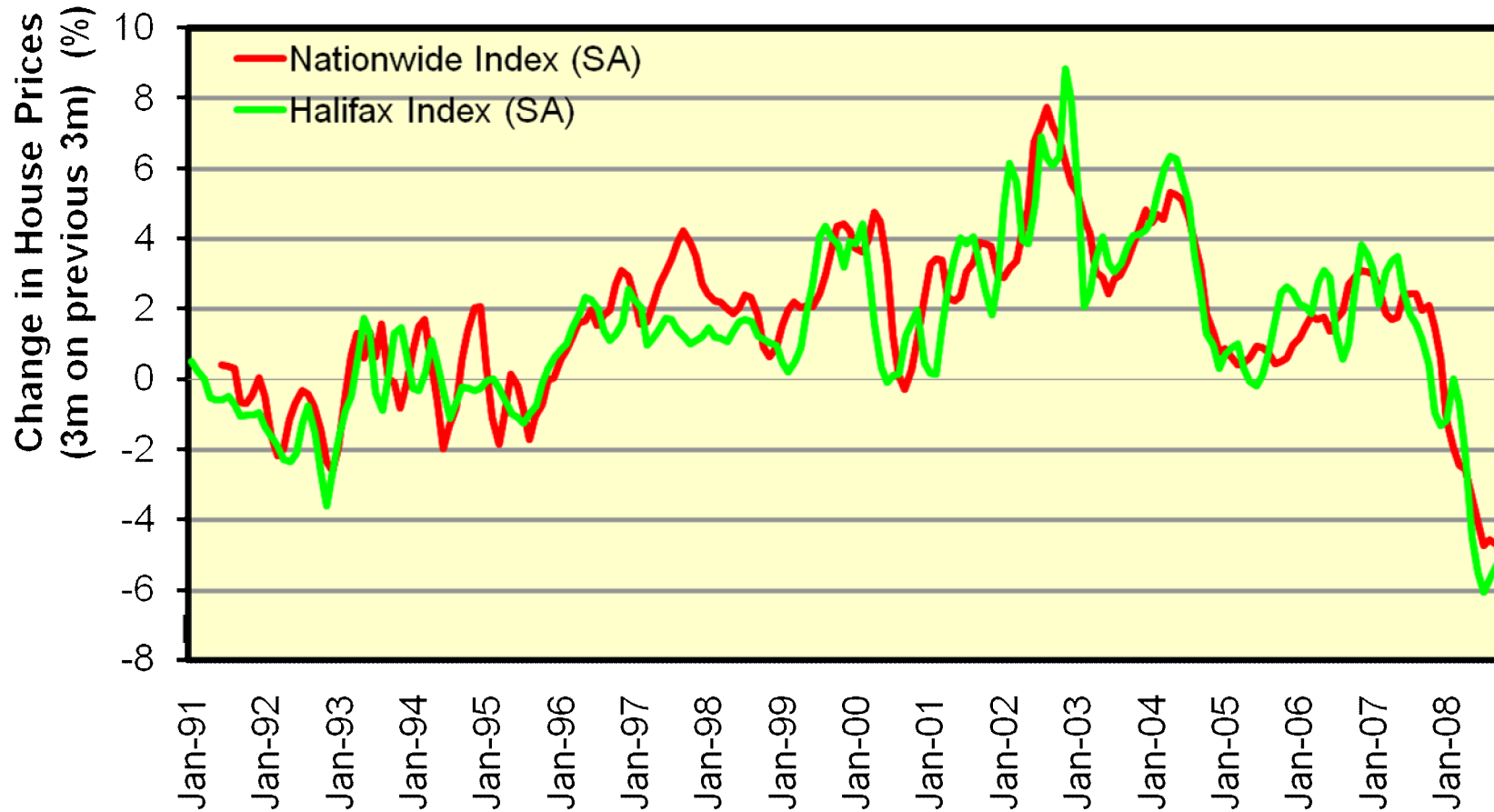
Volterra LIBOR & Bank of England Base Rate



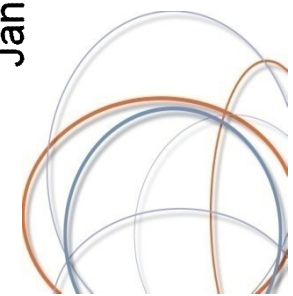
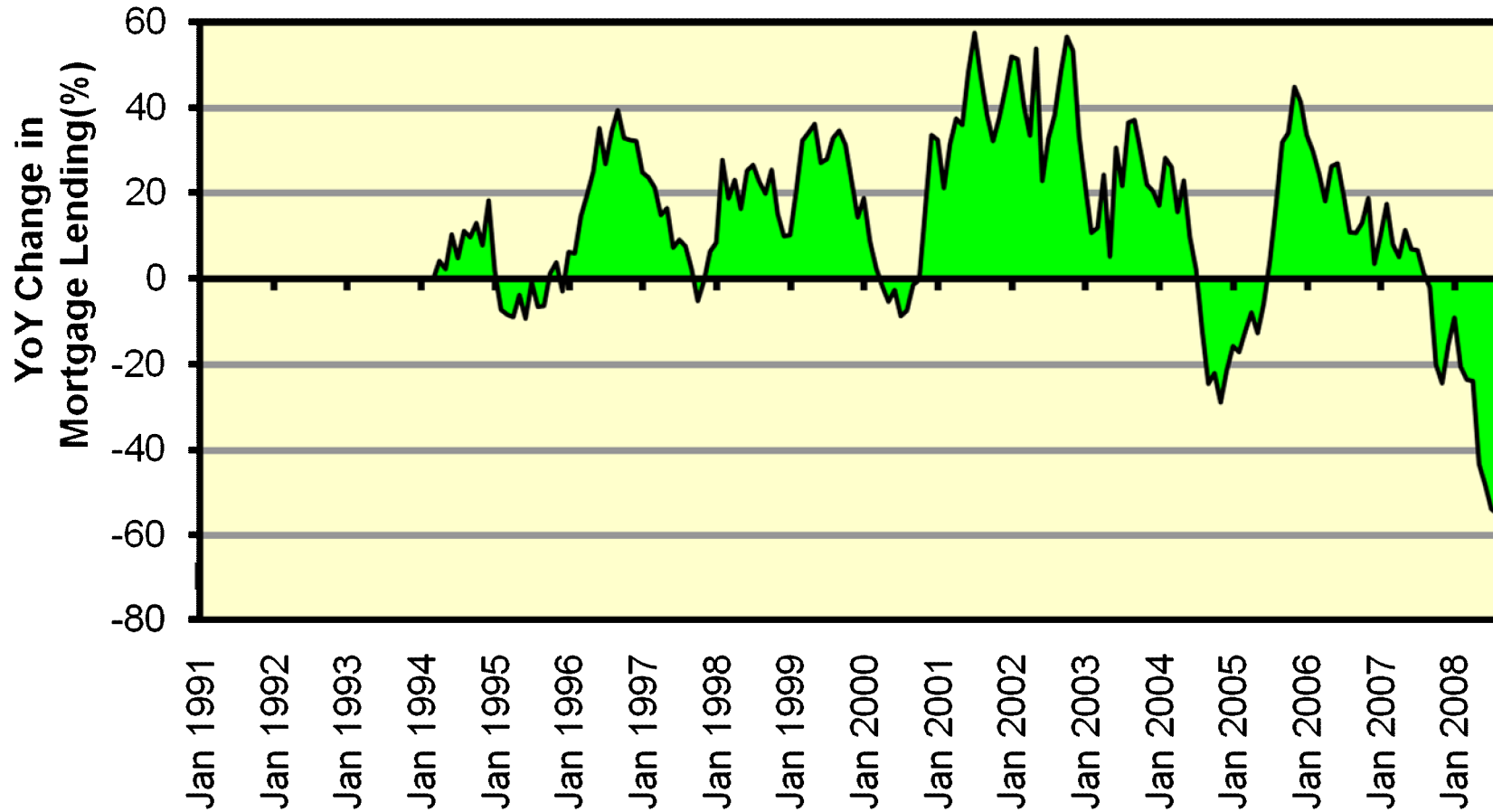
Volterra Volume of Net Credit



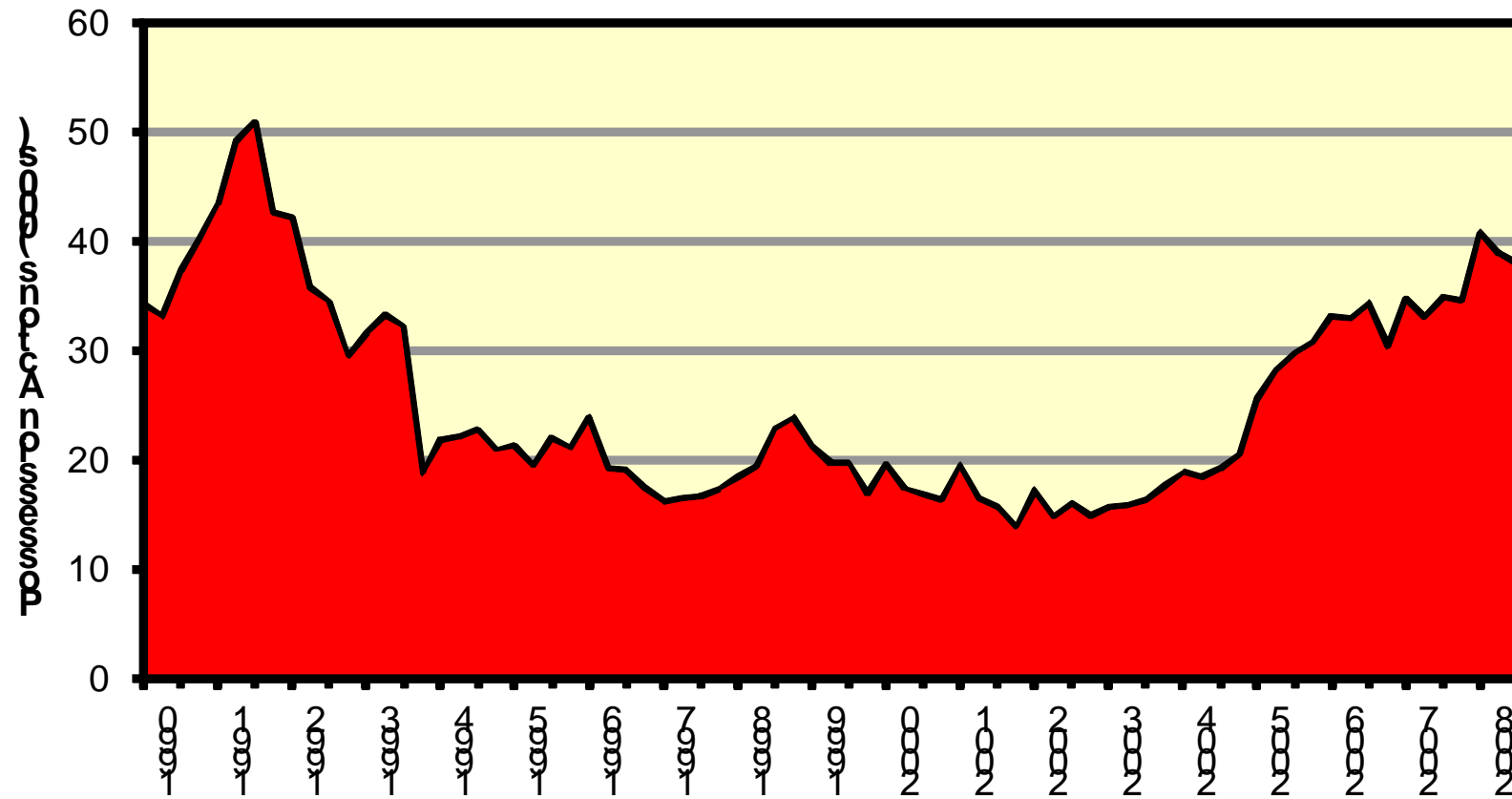
Volterra UK House Prices



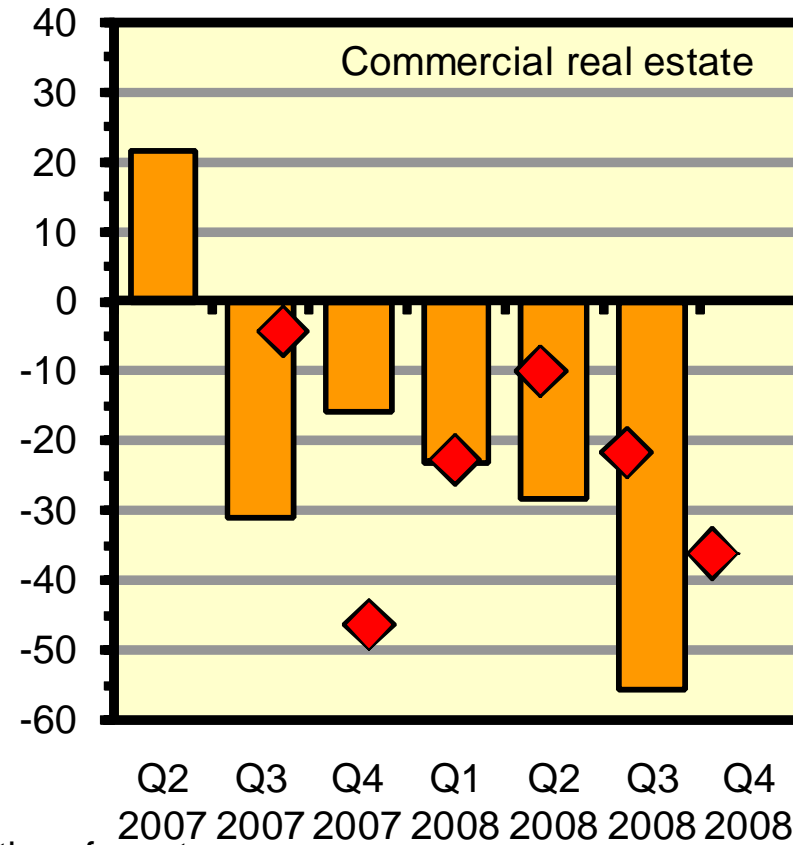
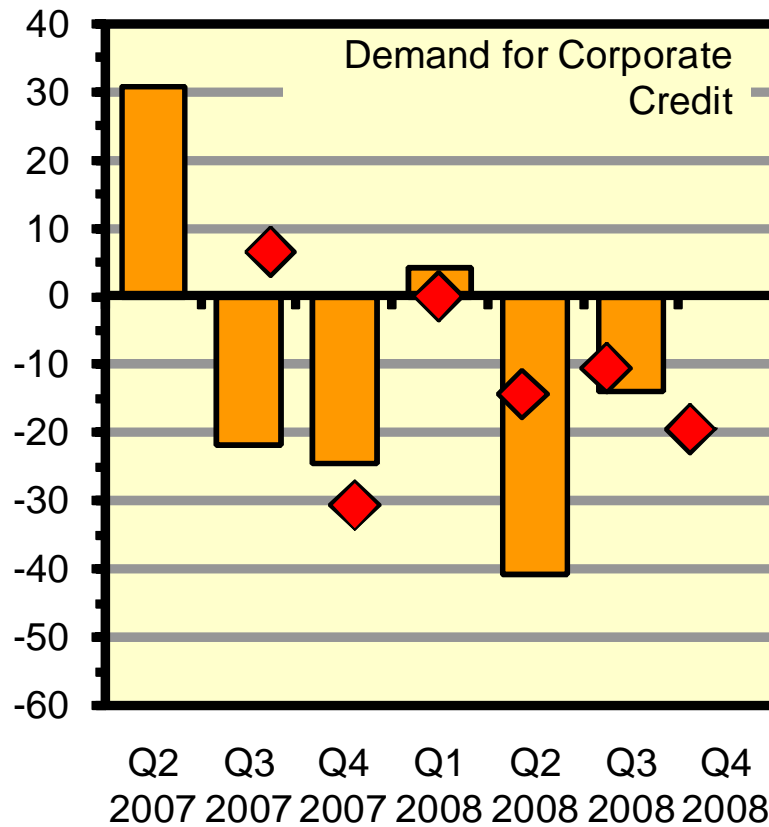
Volterra Mortgage Lending



Volterra Possession Actions



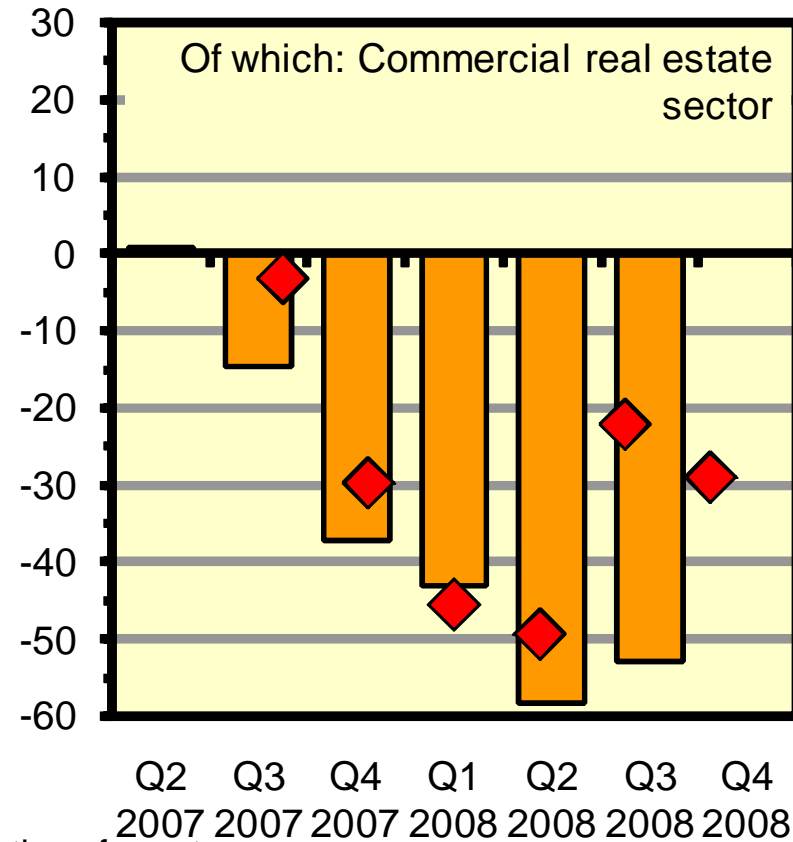
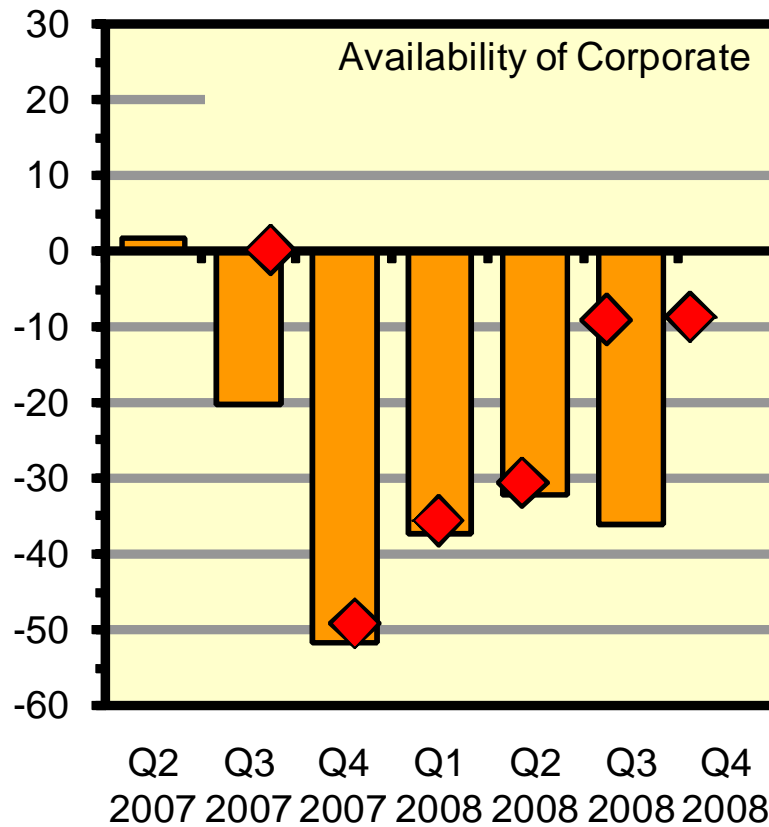
Volterra Bank of England - Credit Conditions Survey



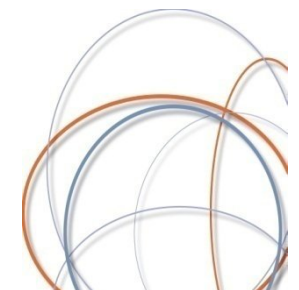
- Evaluation of quarter
- ◆ Expectations for quarter



Volterra Bank of England - Credit Conditions Survey



- Evaluation of quarter
- ◆ Expectations for quarter



- o World movements make this an uncomfortable time everywhere
- o Prices coming down and can still fall further
- o Opportunities will and do exist
- o Even long recessions come to an end
- o The world as a whole has great potential

