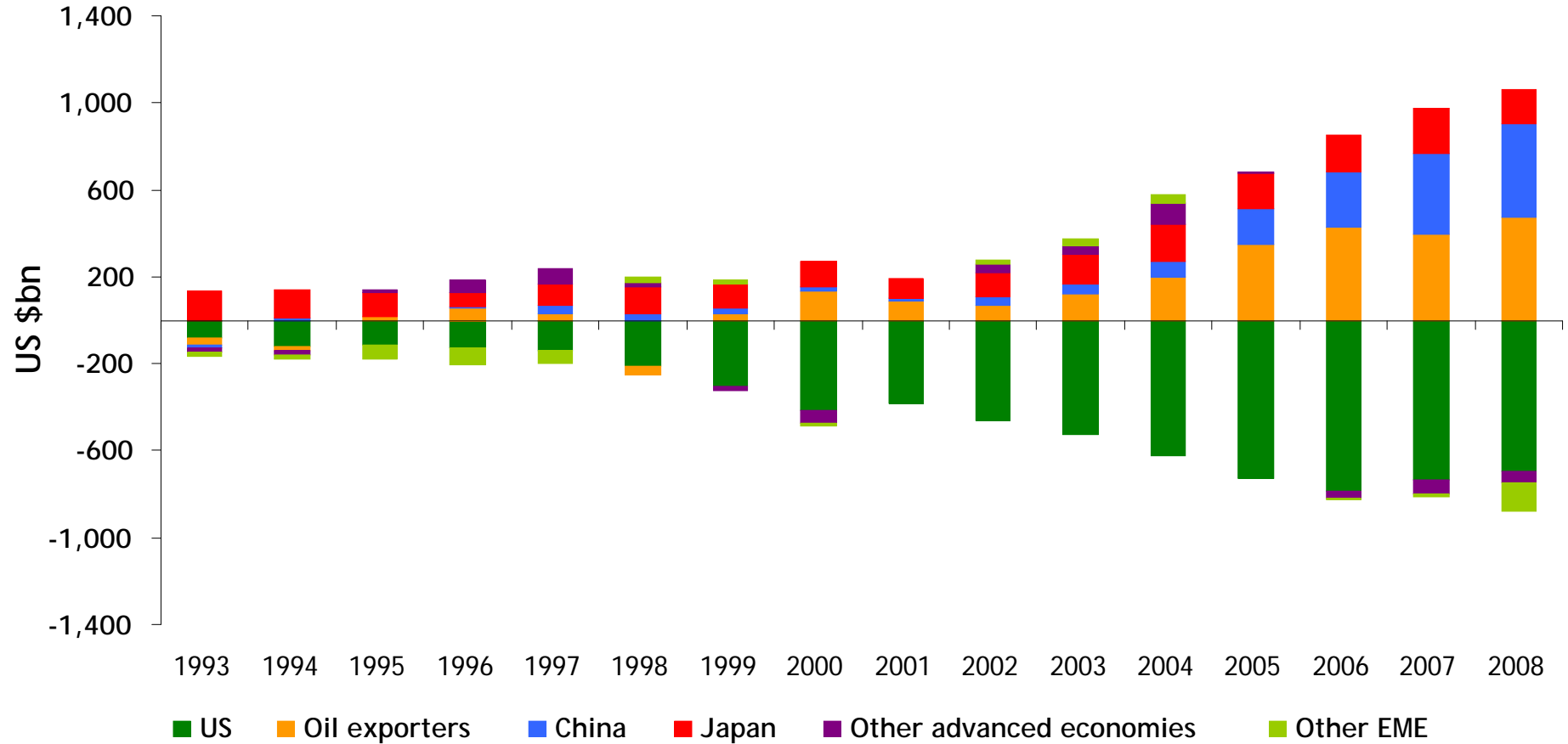


European Parliament
**“The Financial Crisis: Causes, Consequences
and Challenges”**

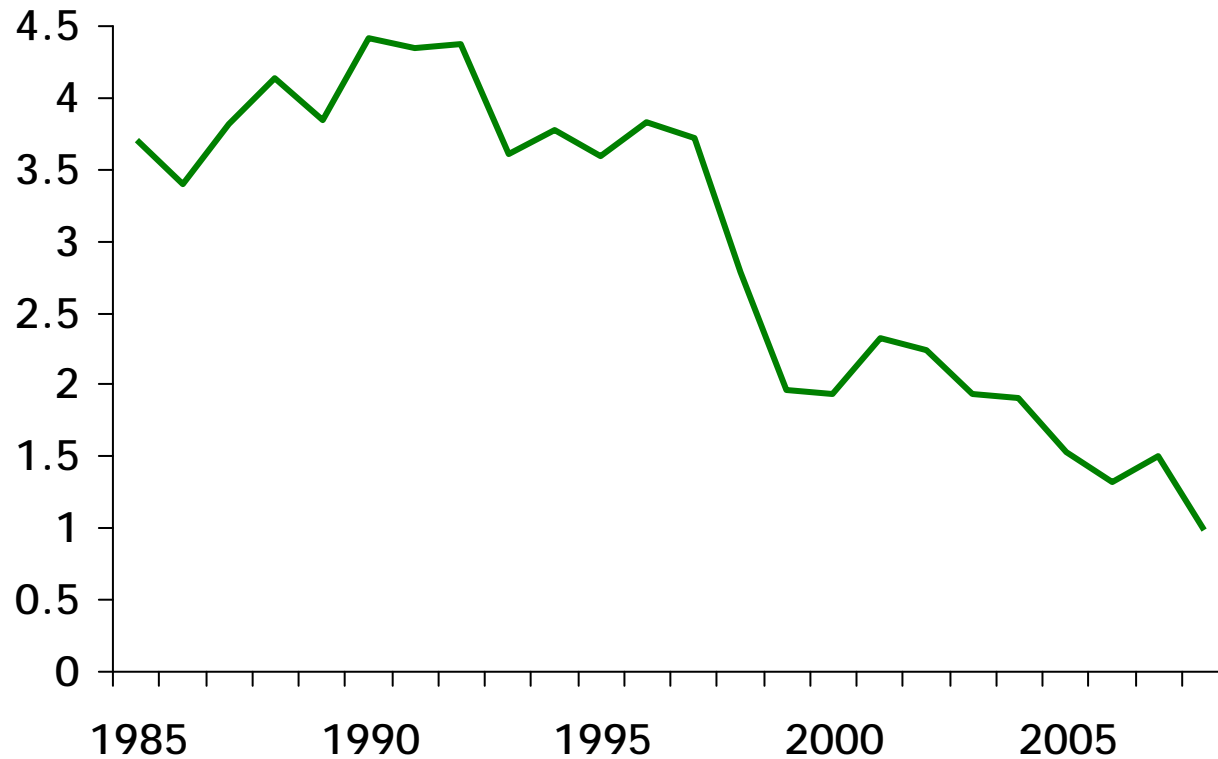
Verena Ross

Director International
UK Financial Services Authority
10 November 2009

Global Current Account Balances



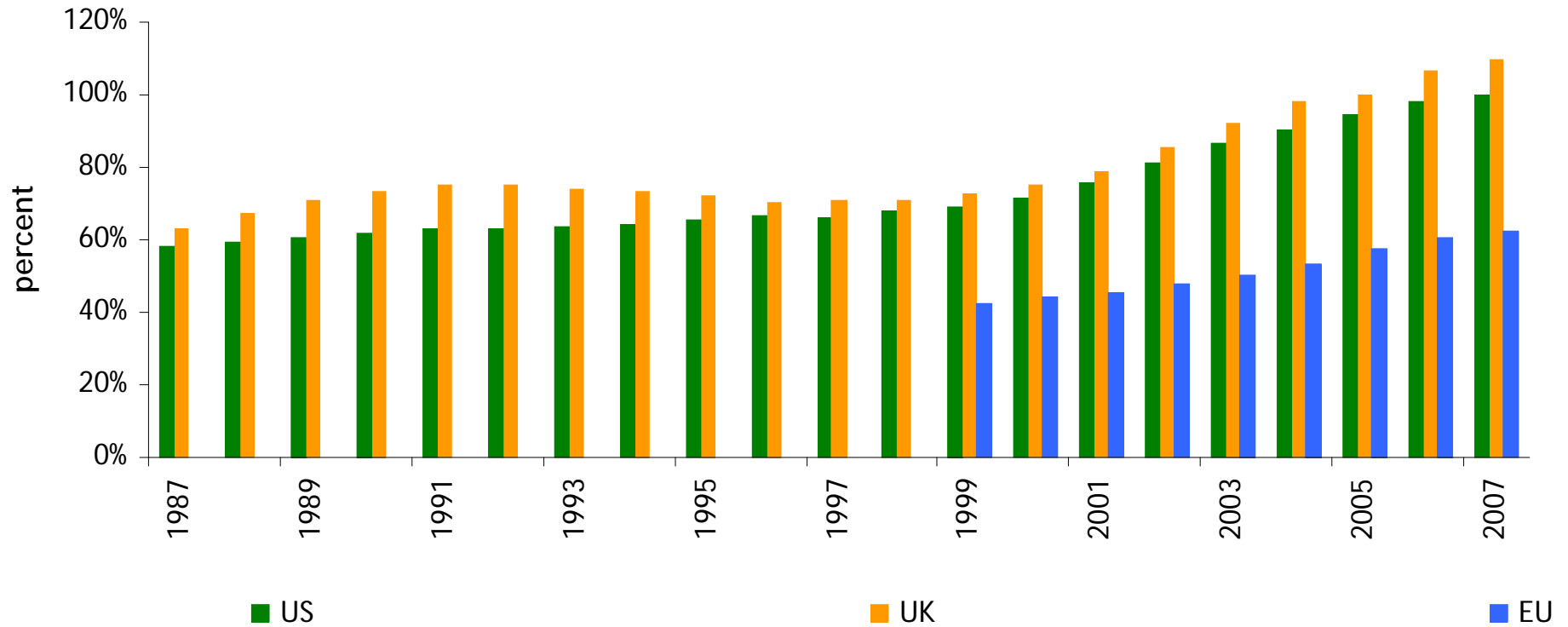
UK Real Interest Rates (20 year bonds, yield at May 25th or nearest week day)



Note: For the years 1985, 86, 89, 90 & 91 no 20 year yield is precisely available; the longest available yield (in range 16-19 years) is shown

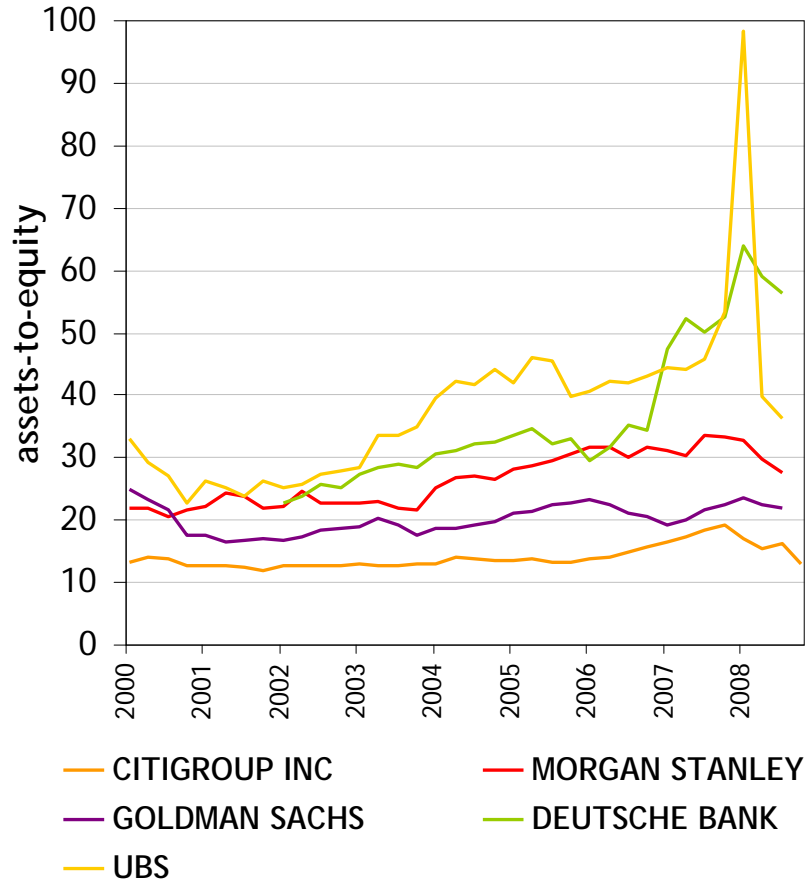
Source: Bank of England Real Yield curve calculations

Exhibit 1.4: Household debt as proportion of the GDP



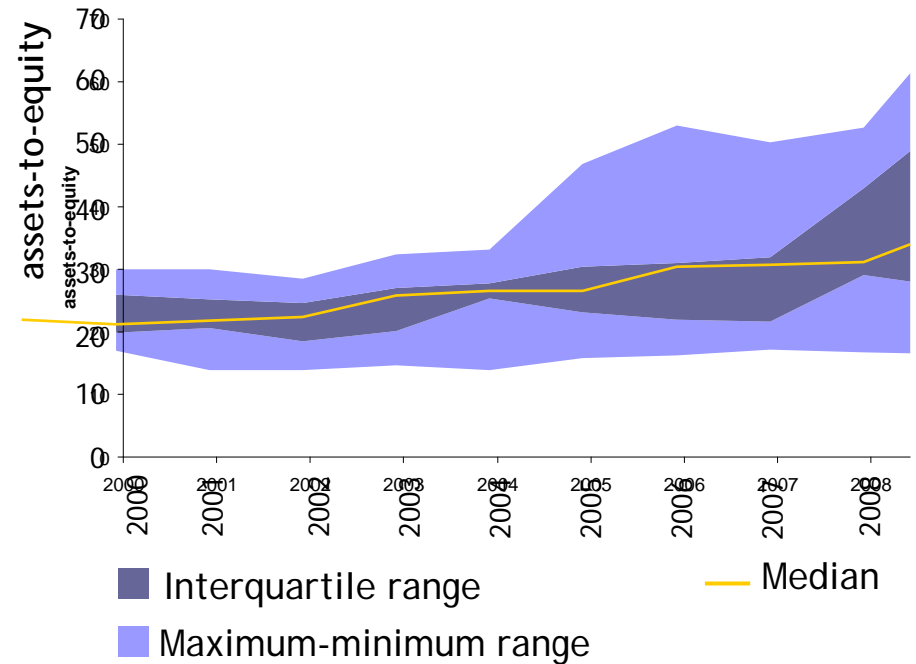
Source: ONS, Federal Reserve, Eurodata, Bureau of Economic Analysis, FSA calculations

Investment Banks' Leverage



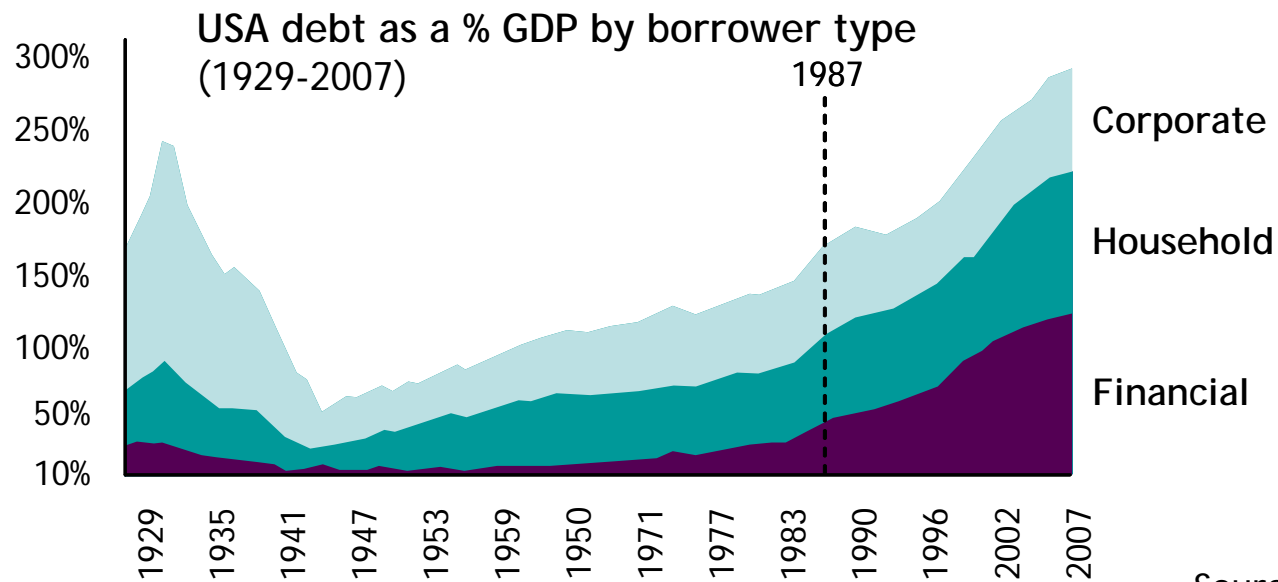
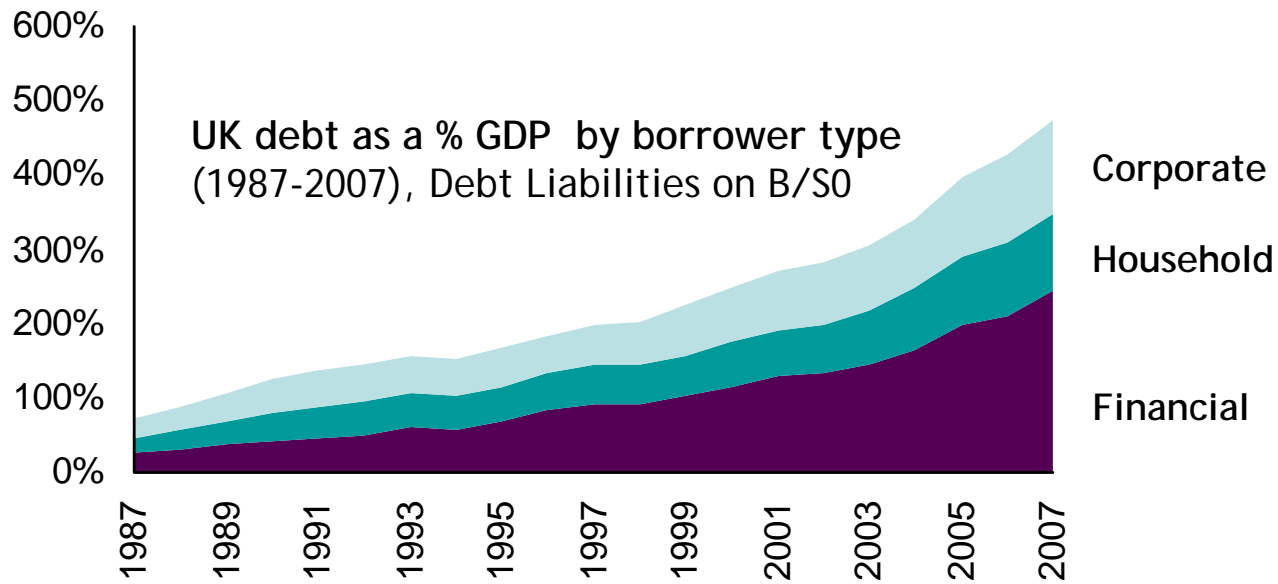
Source: Bloomberg

Major UK Banks' Leverage



Source: Bank of England

The Growth of the Financial Sector



Source: Oliver Wyman