

## Exchange rate projection and credit growth forecast

	<b>Sterling ERI (index)</b>	<b>Credit growth (y-o-y growth)</b>
2010Q1	79.3	-5.1
2010Q2	79.1	-3.0
2010Q3	79.2	-2.3
2010Q4	79.2	-1.5
2011Q1	79.1	-0.6
2011Q2	79.0	0.2
2011Q3	78.9	0.9
2011Q4	78.8	1.6
2012Q1	78.8	2.2
2012Q2	78.7	2.5
2012Q3	78.7	3.0
2012Q4	78.6	3.3
2013Q1	78.5	3.7
2013Q2	78.4	4.0
2013Q3	78.3	4.3
2013Q4	78.2	4.6
2014Q1	78.1	4.7
2014Q2	78.0	4.9
2014Q3	77.9	5.0
2014Q4	77.8	5.1
2015Q1	77.7	5.3
2015Q2	77.5	5.6
2015Q3	77.4	6.0
2015Q4	77.3	6.3
2016Q1	77.2	6.6

### Notes:

The sterling exchange rate projection is based on the assumption that the exchange rate moves in line with an uncovered interest parity condition, consistent with the interest rates underlying the Budget forecast.

### Definitions:

Sterling effective exchange rate (index) (ONS Financial Statistics, Table 7.1A, identifier: BK67)

Credit growth is the annual percentage change in the stock of bank loans to household and non-financial corporate sectors (ONS Economic Accounts, Tables A57 and A64, identifiers: NLBF+NLBG+NLBI+NNPP).