

UK instantaneous implied inflation forward curve (gilts)

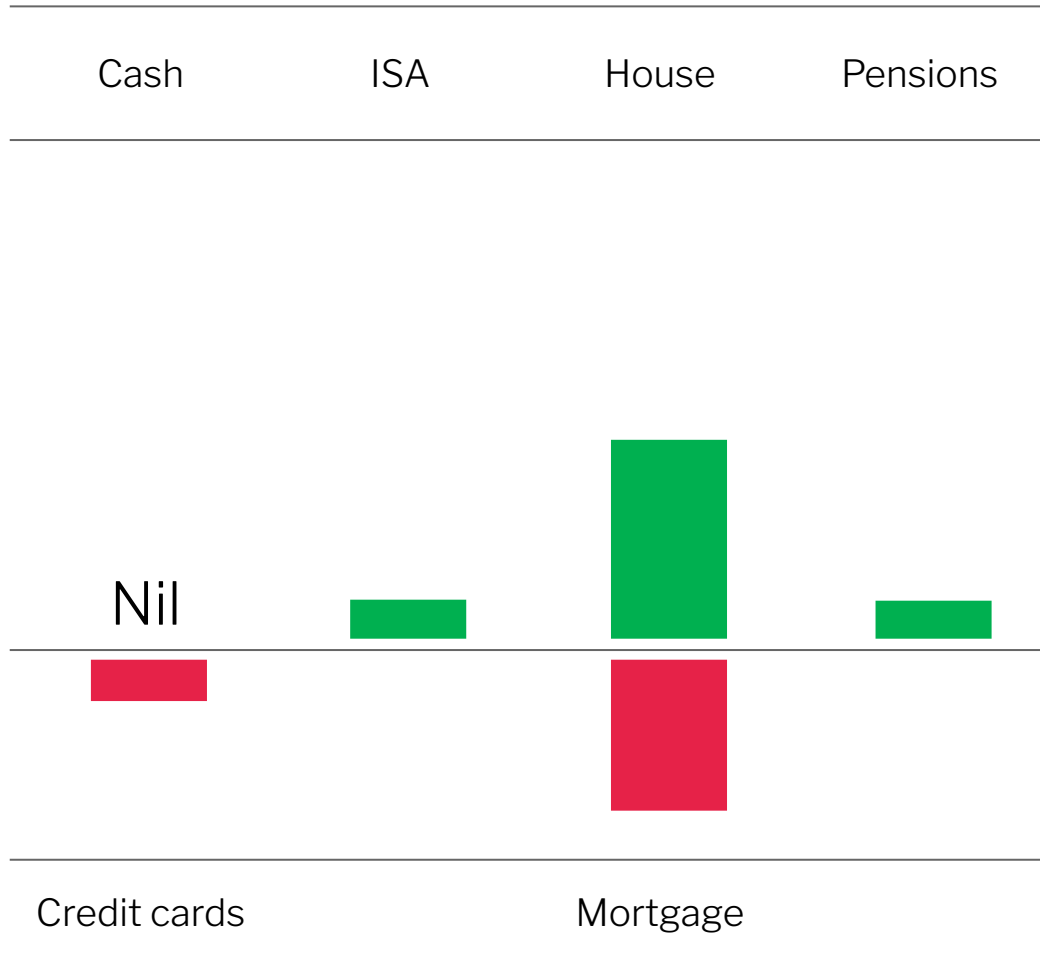
* The curve on the day of the previous MPC meeting is provided as reference point

Sources: Bloomberg Finance L.P., Tradeweb and Bank calculations

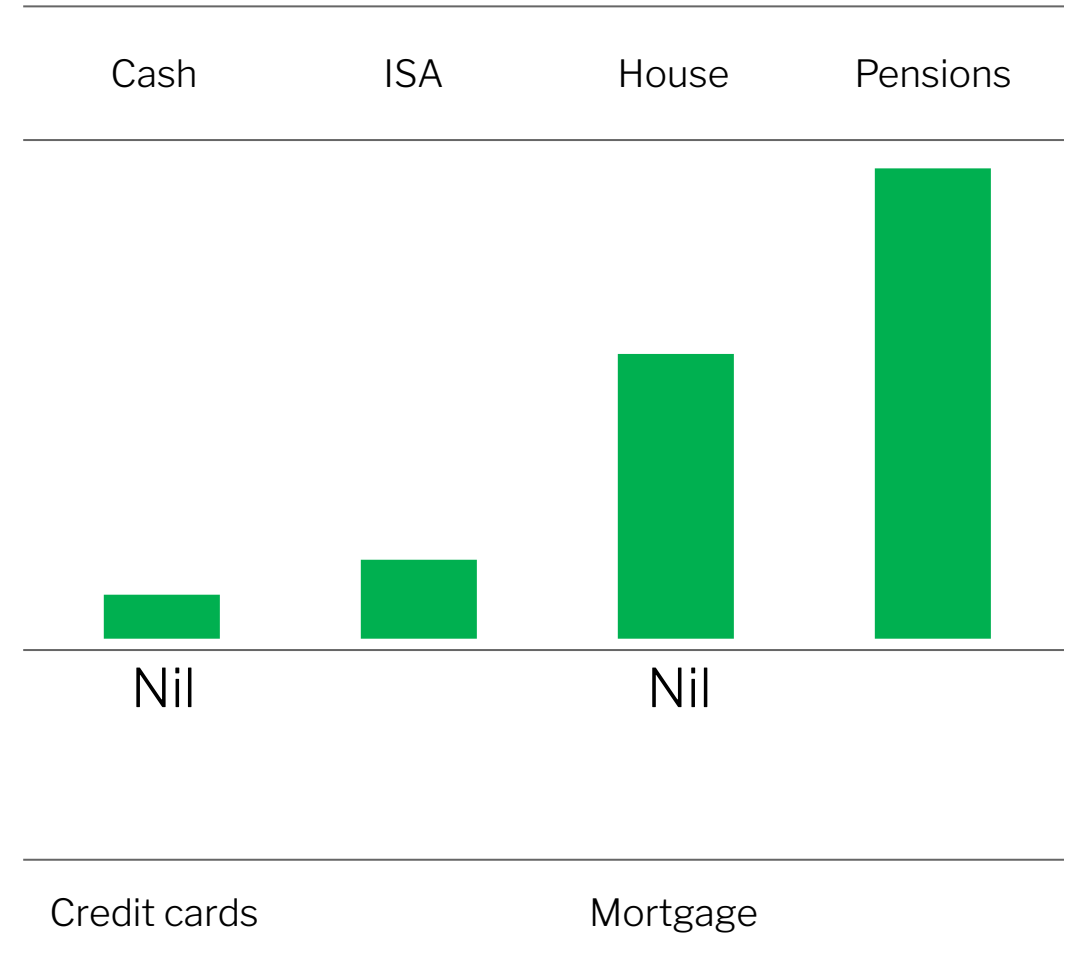
No methodological change has been implemented following the conclusion of the consultation on reform to RPI methodology, published as part of the 2020 Spending Review. The UKSA proposal to align methods and data sources of RPI to CPIH in February 2030 is likely to impact the fitting of the curve around this point.

Wealth ratios: lifestyle feels like a constant

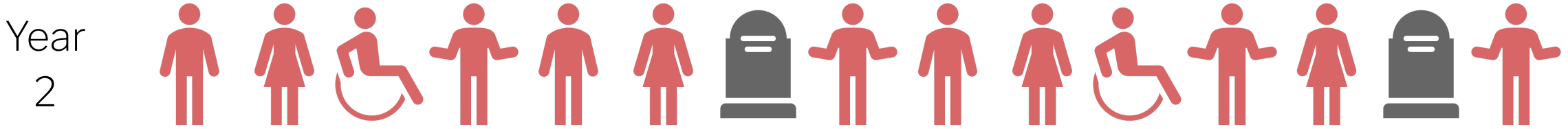
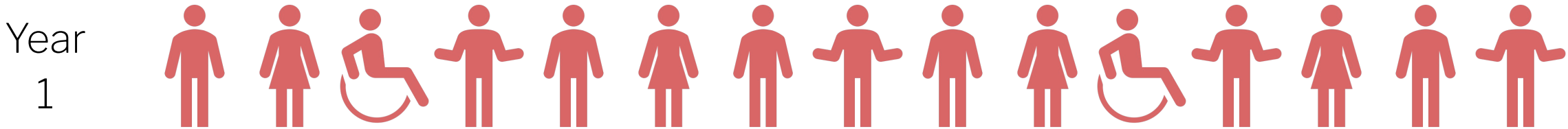
STARTING OUT



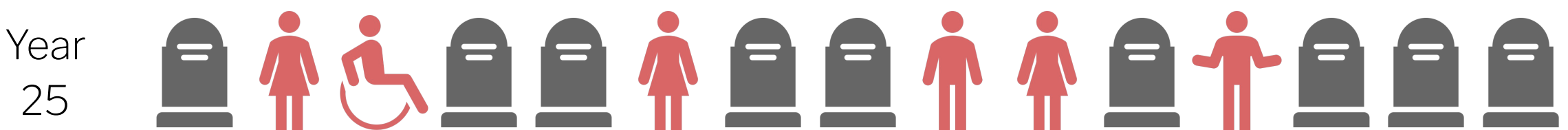
PEAK WEALTH



Mortality credit: one pot, ever fewer people



Time passes...



~40% of 65 year olds live to 90. Annuity guarantees income for life.

Why do cashflow modelling?

- C** Composure
- A** Analysis
- S** Scaling
- H** Happy stakeholders

How do I tackle cashflow modelling?

- A** Assumptions
- B** Balance sheet and budgets
- C** Complexities