The Credit Crunch
– the Bible Answer
Northern Rock - behind the News

**NORTHERN ROCK MARKET SHARE**

% of UK mortgage market

- June 2006: 11%
- December 2006: 13.4%
- June 2007: 18.9%

**WHERE THE MONEY CAME FROM**

% of Northern Rock lending financed by borrowing in money markets, compared with other banks

- Northern: 61%
- Asia: 33%
- US: 29%
- Europe: 23%
- Other: 20%
- Long: 16%

**Frozen Credit Markets**

**GLOBAL ISSUANCE OF BONDS BACKED BY MORTGAGES**

$ (billion)

- 1995: 500
- 1996: 1,000
- 1997: 1,500
- 1998: 2,000
- 1999: 2,500
- 2000: 3,000
- 2001: 3,500
- 2002: 4,000
- 2003: 4,500
- 2004: 5,000
- 2005: 5,500
- 2006: 6,000
- 2007: 6,500
- 2008: 7,000

- Residential mortgages
- Sub-prime mortgages
- Commercial mortgages
- Other asset-backed securities (includes car, credit card and student loans)

**SOURCE**: Bank of England
UK Bank Customer Funding Gap

Sources: Bank of England, Dealogic, ONS, published accounts and Bank calculations.
“This is a humbling experience to see such fragility in capital markets and to ask how did we ever get here”

NBC interview “Meet the Press” 21.9.2008
Signs of the Times
(p1042)

Daniel 12:1 “...there shall be a time of trouble such as never was...”
Parable of the Rich Fool

- **Luke 12:17-21** (p1029)
- Note the emphasis - “I”, “My”
- Self confidence - very successful
- Was planning for tomorrow
- The objective was to get more
- “Thou fool...”
- **Was this your Bank?**
- **Is this you?**

The Wise and the Foolish Man

- **Matthew 7:24-27** (p954)
- The wise man – built on a rock
- The foolish man – built on sand
- The storms came
- **Was your Bank’s foundations built on sand?**
- Do we hear Jesus’ words and do them?
Can money buy true happiness?

- **Ecclesiastes 2:1-11** (p689)
- King Solomon
- Incredibly wealthy
- Set goal of “enjoying pleasure”
- “everything was meaningless, a chasing after wind, nothing was gained under the sun.” NIV

Harsh reality

- We are all mortal
- “The wages of sin is death...” Romans 6:23
- It doesn’t matter how big your bank balance is when you are in the grave
- **Psalm 49:6-12, 16-17, 20** (p604)
Samuel Brooks (1792-1864)
“Old Stink o’ Brass”

Brooklands Road, Sale 1900

A different perspective on life

- 1 Timothy 6:6-10, 17 (p1183)
- Godliness with contentment is great gain
- Be content with the basics – food and clothes
- Riches bring big temptations
- The love of money is the root of all kinds of evil
- Do not trust in uncertain riches
A new motivation in your life

- **Matthew 6:19-21, 24, 33 (p952)**
  - Don’t spend all your time seeking wealth
    - either it will rust
    - or get stolen
- **Seek the kingdom of God**
- You can’t serve God and materialism
- It’s all about priorities

Remember the Laodiceans

- **Revelation 3: 14, 17-18 (p1220)**
  - It is easy not to be really honest about this
  - Who and what do we really trust in?
  - We need the faithful and true witness
  - Is our attitude that we are “rich, and increased with goods and have need of nothing?”
The gospel message

- **Isaiah 55:1-3** (p740)
- The gospel message
  - is freely available
  - can provide real satisfaction
- This enables us to share in the “sure mercies of David” (2 Samuel 7:12-16)

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The gospel message

- **Isaiah 55:6-7**, 
- Their is urgency to this message 
- Turn to God and repent 
- God will forgive
The Credit Crunch – the Bible answer

• Isaiah 55:8-11
• God is different to men and women
• As in nature
  – God has spoken his word
  – God’s word is sure
  – God’s word will come to pass