

NS&I 2007-08 QUARTER 3 FINANCIAL REPORT

Below are NS&I's latest quarterly figures, for the third quarter of the financial year 2007-08.

Highlights

- Gross inflows (unaudited) for the quarter were just under £3.8 billion, bringing the year-to-date total to £12.1 billion
- Net financing (contribution to government funding²) for the quarter was £1.64 billion, bringing the year-to-date total to £4.88 billion
- Value Added (savings to the taxpayer¹) for the quarter was £104 million, bringing the year-to-date total to £297 million
- NS&I has revised the net financing forecast for 2007-08 from £4.2 billion to £5.6 billion.
- This increase in forecast has been as a result of market conditions, including market instability, higher than expected interest rates and RPI inflation

Quarterly figures

Qtr/year	Gross inflows	C&AI*	Gross outflows	Net financing	Total stock	Value Added
Q3 2007-08	3,763	397	2,522	1,638	83,810	104
Q2 2007-08	3,809	240	3,125	925	82,172	94
Q1 2007-08	4,531	521	2,734	2,318	81,247	99
2006-07	14,165	1,337	9,942	5,560	78,901	337
2005-06	11,976	1,198	8,317	4,857	73,341	260

All figures are in £ million (rounded up to the nearest whole number), 2007-08 Q3 figures only are unaudited and subject to change due to late transaction processing (evidence of identity), cancellation and any accounting adjustments

* Capitalised and accrued interest

NS&I reports quarterly on gross inflows and outflows, net financing and total stock. Each quarter, NS&I will issue these unaudited figures and will also continue to publish its annual report and audited accounts for each financial year.

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Notes to editors

1. NS&I's performance is measured by Value Added. The government raises money in two main ways: through the sale of gilts and Treasury bills and through NS&I. Value Added is an assessment of how cost-effective NS&I is at raising finance for the government and the difference between the cost of running NS&I and the cost of raising finance through the sale of gilts and Treasury bills. The Value Added figure is important because it represents cost savings to the UK taxpayer.

2. NS&I's performance is also measured by net financing, which is the balance of sales, repayments and interest costs and is the amount of money it gives to the government to help it manage the national debt once interest, Premium Bonds prizes, matured investments and other repayments are made to customers.

3. NS&I is one of the UK's largest savings and investments providers, with 27 million customers and a total investment of £83 billion, offering retail savings and investments that are 100% secure, backed by HM Treasury. Its total balance of funds represents 16.05% of the national debt (as at November 2007).

4. NS&I was formed in 1861 and is a government department and an executive agency of the Chancellor of the Exchequer, reporting to Kitty Ussher MP, Economic Secretary to the Treasury.

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