

## NS&I 2009-10 QUARTER 2 FINANCIAL REPORT

NS&I today published its latest quarterly figures, for the second quarter of the financial year 2009-10.

### Highlights

- Gross inflows (unaudited) for the quarter were just over £3.4 billion, bringing the half-year total to £6.6 billion.
- Net Financing for the quarter was -£1.0 billion, bringing the half-year total to -£2.0 billion. The market conditions experienced in Q1 2009-10 continued into the second quarter as the savings environment remained challenging.
- As reported in the Pre-Budget Report, NS&I's Net Financing target for 2009-10 is to maintain broadly existing levels of stock and deliver Net Financing of zero within a range of +/- £2.0 billion.
- NS&I continues to focus on balancing the interests of savers, the taxpayer and supporting stability in the wider financial services marketplace.

### Quarterly figures

Qtr/year	Gross inflows	C&AIP*	Gross outflows	Net Financing**	Total stock	Value Add
Q2 2009-10	3.4	0.4	4.8	-1.0	95.2	Target suspended
Q1 2009-10	3.2	0.3	4.5	-1.0	96.2	Target suspended
2008-09	26.0	2.6	16.1	12.5	97.2	0.2 (to end of Q3 when the target was suspended)
2007-08	15.5	3.3	13.0	5.9	84.8	0.4
2006-07	14.2	2.9	11.5	5.6	78.9	0.3

All figures are in £ billion (rounded up to the nearest whole number), 2009-10 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 and prizes earned

\*\* Net Financing is NS&I's contribution to government funding

NS&I reports quarterly on gross inflows and outflows, Net Financing and total stock. Each quarter, NS&I issues these unaudited figures and publishes its Annual Report and audited accounts each financial year.

## ENDS

### Notes to editors

1. NS&I and HM Treasury agreed to temporarily suspend NS&I's 2008-09 Value Add target from the end of Q3 2008-09, and to set no target for 2009-10 due to the exceptionally low Bank of England base rate and unusually volatile financial markets which have distorted the metrics used to calculate Value Add.

2. NS&I is one of the UK's largest savings and investments providers, with nearly 27 million customers, offering retail savings and investments that are 100% secure, backed by HM Treasury. Its total balance of funds represents approximately 11%^ of the national debt (as at September 2009) and 7.75%^ of the savings market (as at September 2009). NS&I does not have a specific limit set on its Net Financing or market share but aims to maintain a relatively stable level of market share.

3. NS&I was formed in 1861 and is a government department and an executive agency of the Chancellor of the Exchequer, reporting to Paul Myners CBE, Financial Services Secretary and Minister for the City.

4. Glossary:

Net Financing – the measure of the net change of NS&I funds, meaning total inflows from deposits, retention of maturing monies and capitalised and accrued interest, less the total outflows from withdrawals and interest or Premium Bond prize draw payments. A positive Net Financing figure represents a positive contribution to government financing.

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^ / ^ Source: Office of National Statistics (ONS)