

## NS&I ANNUAL RESULTS FOR YEAR ENDING 31 MARCH 2008

NS&I (National Savings and Investments), the government-backed savings and investments provider, today announces its results for the year to 31 March 2008, which include its strongest ever annual sales performance.

Sales for the year, including reinvestments, reached £15.5bn, up 9.9% from £14.1bn in 2006/07, due primarily to unexpectedly high levels of customer interest and investment in NS&I products as a result of the 'flight to safety' following the events of last Autumn.

- NS&I saved the taxpayer £375m by reducing the cost of government borrowing (Value Added – see notes), up from £337m in 2006/07
- NS&I total funds grew by £5.9bn, compared to growth of £5.6bn in 2006/07
- NS&I started its new five year strategy of “adding value”, and made considerable progress against core objectives

Year of results	Growth (net financing)	Savings for the taxpayer (Value Added)
2007/08	£5.9bn	£375.0m
2006/07	£5.6bn	£336.7m
2005/06	£4.9bn	£259.9m
2004/05	£2.0bn	£306.0m
2003/04	£3.4bn	£285.3m

- Online sales increased from £2.4bn in 2006/07 to £2.8bn last year, and telephone sales increased from £2.2bn to £2.6bn.
- Combined internet and telephone sales reached over £5.4bn, accounting for over 35% of gross sales.

	2007/08	2006/07
<b>Internet Sales</b>	£2.8bn	£2.4bn
<b>Telephone Sales</b>	£2.6bn	£2.2bn
<b>Post Office Counter Sales</b>	£4.3bn	£4.4bn
<b>Post Office Postal Sales</b>	£3.4bn	£2.8bn
<b>Direct Postal Sales</b>	£0.3bn	£0.6bn

The growth in sales led to the total amount now invested in NS&I to rise by 7.5% from £78.9bn in the previous financial year to £84.8bn in 2007/08. NS&I is one of the UK's largest savings and

investments providers, with 28 million customers and offers retail savings and investments that are 100% secure, backed by HM Treasury. Its total balance of funds now represents about 16% of the national debt.

Jane Platt, NS&I's chief executive, said: "The past year has seen us take in £15.5bn in sales and reinvestments, and save UK taxpayers £375m by reducing the cost of government borrowing. It has been an exceptional year. We've coped well with unexpectedly high levels of demand while maintaining a strong customer focus in a time of turbulence in the markets and change within the organisation.

"Our new five-year strategy, 'NS&I adding value', has been launched successfully and we've made significant progress in simplifying, modernising and diversifying the business in a sustainable way."

#### Highlighted extracts from 2007/08 and 2006/07 product accounts

Year	Received from investors	Interest and prizes earned	Paid to investors	Net financing	Total stock
2007/08	£15.5bn	£3.3bn	£12.9bn	£5.9bn	£84.8bn
2006/07	£14.1bn	£2.9bn	£11.4bn	£5.6bn	£78.9bn

#### Highlights for Q1 2008/09

- Gross inflows (unaudited) for the quarter were just over £4.0bn
- Net financing for the quarter was £1.1bn

The figures below are the unaudited figures for the first quarter of the financial year 2008/09.

Qtr/year	Gross inflows	C&AI*	Gross outflows	Net financing**	Total stock
Q1 2008/09	£4.0bn	£0.5bn	£3.4bn	£1.1bn	£85.9bn

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

\* Capitalised and accrued interest

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

**ENDS**

#### Notes to Editors

1. NS&I's Annual Report and Accounts 2007/08 was presented to the House of Commons pursuant to section 7 of the Government Resources and Accounts Act 2000.

2. NS&I was formed in 1861 and is a government department and an executive agency of the Chancellor of the Exchequer, reporting to Rt Hon Alistair Darling MP. All its products offer 100% capital security, because NS&I is backed by HM Treasury.

3. NS&I's performance is measured by net financing, which is the balance of sales, repayments and 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. The government raises money in two main ways: through the sale of gilts and Treasury bills and through NS&I.

4. Value Added is the way NS&I measures how cost-effective it 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.

5. For further information, interviews and digital images, contact the NS&I media team.

6. To view a podcast with NS&I Chief Executive Jane Platt [click here](#).

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