

## Public Finance



### National Savings

#### 2-YEAR FIXED INTEREST NATIONAL SAVINGS CERTIFICATES—NEW ISSUE

10th Issue 2-Year Fixed Interest Savings Certificates went on sale on 26 October 2001. A Certificate will grow in value at a guaranteed rate each year as follows:

Year 1	3.00%
Year 2	3.61%

If a Certificate is held for two years, these rates will give a tax-free and guaranteed return equal to 3.30% pa compound.

#### 5-YEAR FIXED INTEREST NATIONAL SAVINGS CERTIFICATES—NEW ISSUE

61st Issue 5-Year Fixed Interest Savings Certificates went on sale on 26 October 2001. A Certificate will grow in value at a guaranteed rate each year as follows:

Year 1	3.20%
Year 2	3.30%
Year 3	3.40%
Year 4	3.60%
Year 5	4.01%

If a Certificate is held for five years, these rates will give a tax-free and guaranteed return equal to 3.50% pa compound.

#### 2-YEAR INDEX-LINKED NATIONAL SAVINGS CERTIFICATES—NEW ISSUE

9th Issue 2-Year Index-linked Savings Certificates went on sale on 26 October 2001. The value of a Certificate will move in line with the rate of inflation as measured by the Retail Prices Index (subject to the detailed rules set out in the terms and conditions), plus extra interest as follows:

Purchase price + Index-linking for year 1	+ 1.0% of Purchase Price	= 1st Anniversary Value
1st Anniversary Value + Index-linking for year 2	+ 2.01% of 1st Anniversary Value	= Maturity Value

If a Certificate is held for two years, these rates will give a tax-free and guaranteed return equal to 1.5% pa compound in addition to index-linking.

#### 5-YEAR INDEX-LINKED NATIONAL SAVINGS CERTIFICATES—NEW ISSUE

21st Issue 5-Year Index-linked Savings Certificates went on sale on 26 October 2001. The value of a Certificate will move in line with the rate of inflation as measured by the Retail Prices Index (subject to the detailed rules set out in the terms and conditions), plus extra interest as follows:

Purchase price + Index-linking for year 1	+ 1.10% of Purchase Price	= 1st Anniversary Value
1st Anniversary Value + Index-linking for year 2	+ 1.35% of 1st Anniversary Value	= 2nd Anniversary Value
2nd Anniversary Value + Index-linking for year 3	+ 1.65% of 2nd Anniversary Value	= 3rd Anniversary Value
3rd Anniversary Value + Index-linking for year 4	+ 2.05% of 3rd Anniversary Value	= 4th Anniversary Value
4th Anniversary Value + Index-linking for year 5	+ 2.61% of 4th Anniversary Value	= Maturity Value

If a Certificate is held for five years, these rates will give a tax-free and guaranteed return equal to 1.75% pa compound in addition to index-linking.

#### NATIONAL SAVINGS CAPITAL BONDS—NEW SERIES

Series 3 Capital Bonds went on sale on 26 October 2001. Bonds held for five years will grow in value at a guaranteed gross rate each year as follows:

Year 1	4.10%
Year 2	4.40%
Year 3	4.70%
Year 4	5.00%
Year 5	5.31%

These rates will give a guaranteed return equal to 4.70% pa compound. The interest is credited gross and is taxable.

#### NATIONAL SAVINGS CHILDREN'S BONUS BONDS—NEW ISSUE

Issue Z Children's Bonus Bonds went on sale on 26 October 2001. For the first five years each £25 unit will earn interest at 3.0% pa compound. On the fifth anniversary of purchase it also earns a bonus of £1.96 (7.84% of purchase price). At these rates a Bond will earn a tax-free return equal to 4.35% pa compound over the first five years.

#### NATIONAL SAVINGS FIXED RATE SAVINGS BONDS—NEW ISSUES

New Issues of Fixed Rate Savings Bonds went on sale on 26 October 2001 as shown in the table below. The rate of interest earned by a Bond will be determined by its capital value at any time—the original investment plus any interest added to the Bond less any repayments. The rate is determined by whether the interest is paid monthly or at maturity. Interest is paid net of tax.

Term	Capital value of Bond	Gross Annual Rates	
		Monthly interest option	Interest at maturity
1 year Issue 10	£500 to £19,999.99	3.80%	3.90%
	£20,000 to £49,999.99	4.00%	4.10%
	£50,000 and above	4.20%	4.30%
3 years Issue 3	£500 to £19,999.99	4.10%	4.20%
	£20,000 to £49,999.99	4.30%	4.40%
	£50,000 and above	4.50%	4.60%
5 years Issue 1	£500 to £19,999.99	4.25%	4.35%
	£20,000 to £49,999.99	4.45%	4.55%
	£50,000 and above	4.65%	4.75%

#### NATIONAL SAVINGS PENSIONERS GUARANTEED INCOME BONDS 1-YEAR TERM—NEW SERIES

Series 7 1-year Pensioners Guaranteed Income Bonds went on sale on 26 October 2001. The interest rate, fixed and guaranteed for the first year a Bond is held, is 4.20% pa gross. The interest is paid gross and is taxable.

#### NATIONAL SAVINGS PENSIONERS GUARANTEED INCOME BONDS 2-YEAR TERM—NEW SERIES

Series 13 2-year Pensioners Guaranteed Income Bonds went on sale on 26 October 2001. The interest rate, fixed and guaranteed for the first two years a Bond is held, is 4.35% pa gross. The interest is paid gross and is taxable.

#### NATIONAL SAVINGS PENSIONERS GUARANTEED INCOME BONDS 5-YEAR TERM—NEW SERIES

Series 22 5-year Pensioners Guaranteed Income Bonds went on sale on 26 October 2001. The interest rate, fixed and guaranteed for the first five years a Bond is held, is 4.65% pa gross. The interest is paid gross and is taxable.

#### NATIONAL SAVINGS INDIVIDUAL SAVINGS ACCOUNTS—NOTICE OF NEW INTEREST RATES

On and from 1 November 2001 the variable tax-free rate of interest payable on Individual Savings Accounts (cash mini and TESSA-only) will be 4.65% pa.

#### NATIONAL SAVINGS ORDINARY ACCOUNTS—NOTICE OF NEW INTEREST RATES

On and from 1 November 2001 the variable rates of interest payable on Ordinary Accounts will be as follows:

Standard rate	0.50%
Higher rate	0.60%

The Higher rate of interest is paid for each complete calendar month that £500 or more is in the account.