

Public Finance



National Savings

National Savings and Investments

INDEX-LINKED NATIONAL SAVINGS

MOVEMENT OF THE UNITED KINGDOM GENERAL INDEX OF RETAIL PRICES

For the purposes of revaluing on repayment Index-linked National Savings Certificates (Retirement Issue, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th and 9th Index-linked Issues) and contributions under Save As You Earn savings contracts (Third Issue), the Index figure issued by the Office for National Statistics in the month of September 2008 for the month of August 2008, and applicable to the month of October 2008 is **217.2**. This figure is based on the revised reference base of 100 adopted in January 1987. In accordance with the relevant prospectuses a Notional Index figure of **856.9** has been calculated and will apply to Index-linked Savings Certificates purchased in March 1987 or earlier and SAYE contributions which were due for payment and made in February 1987 or earlier.

Issued by National Savings and Investments on behalf of the Treasury (617454)

National Savings and Investments

INTEREST RATES

Fixed gross rates*

New Issues from 17 September 2008	Rate pa	AER**
1-Year Guaranteed Growth Bond – Issue 45 Taxable, paid net	4.20%	4.20%
3-Year Guaranteed Growth Bond – Issue 39 Taxable, paid net	4.00%	4.00%
5-Year Guaranteed Growth Bond – Issue 36 Taxable, paid net	4.00%	4.00%
1-Year Guaranteed Income Bond – Issue 45 Taxable, paid net	4.10%	4.18%
3-Year Guaranteed Income Bond – Issue 39	3.90%	3.97%

Taxable, paid net		
5-Year Guaranteed Income Bond – Issue 36	3.90%	3.97%
Taxable, paid net		

Fixed tax-free rates***

New Issues from 17 September 2008	Rate pa	AER	
Children's Bonus Bonds – Issue 31 Guaranteed compound rate over 5 years (including 5th anniversary bonus)	3.70%	3.70%	
	Rate pa/ AER	Equivalent grossed up rate for basic rate taxpayers†	Equivalent grossed up rate for higher rate taxpayers†
2-Year Fixed Interest Savings Certificates 44th Issue Guaranteed compound rate over 2 years	2.95%	3.69%	4.92%
5-Year Fixed Interest Savings Certificates 93rd Issue Guaranteed compound rate over 5 years	2.95%	3.69%	4.92%

* Gross is the taxable rate of interest payable without the deduction of UK Income Tax.

** AER (Annual Equivalent Rate) enables you to compare interest rates from different financial institutions on a like-for-like basis. It shows what the notional annual rate would be if interest was compounded each time it was credited or paid out. Where interest is credited once a year the rate quoted and the AER will be the same.

*** Tax-free means that the return is exempt from UK Income Tax and Capital Gains Tax at all rates of taxation.

† At current rates of tax.

If you would like further information on our savings and investments please call 0845 964 5000 (maximum call charges from a BT landline are 4p per minute. Charges from other service providers may vary. Lines open 7am to midnight. For your security and to maintain the highest levels of service, calls may be recorded). Or visit our website at nsandi.com

National Savings and Investments is a Trade Mark of the Director of Savings.

National Savings and Investments is backed by HM Treasury (617455)

Bank of England

An ACCOUNT pursuant to the Acts 7 & 8 Vict. ch. 32, 18 & 19 Geo. 5 ch. 13 and 19 & 20 Eliz. 2 ch. 24, for the week ending on Wednesday, the 17th day of September 2008.

ISSUE DEPARTMENT

	£		£
Notes Issued:		Government Debt	—
In Circulation	42,617,507,475	Other Government Securities	3,495,308,131
In Banking Department	000	Other Securities	39,122,199,344
		Coin other than Gold Coin	—
		Amount of Fiduciary Issue	42,617,507,475
		Gold Coin and Bullion	—
	<u>£42,617,507,475</u>		<u>£42,617,507,475</u>

Dated the 18th day of September 2008.

Mr A J Bailey, Chief Cashier