

NS&I announces financial results

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NS&I (National Savings and Investments), the government-backed savings and investments provider, today announced its annual results for the year to 31 March 2009 and for the first quarter of 2009-10.

Highlights for the financial year for year ending 31 March 2009 included net financing of £12.5 billion— against a revised November 2008 forecast of £11 billion (within a range of £2 billion either side) – due to unsolicited savings deposits following the 'flight to safety' which began in mid-September last year and making sales of £8.5 billion through premium bonds (<http://www.nsandi.com/products/pb/index.jsp>) - an increase of almost £2 billion from the previous year.

The 'flight to safety' is now over and NS&I is operating in a more challenging savings environment; however, the focus remains on balancing the interests of savers, the taxpayer and supporting stability in the wider financial services marketplace by maintaining an appropriate competitive position

Jane Platt, NS&I's chief executive, said: "The global financial crisis, which began last September, meant that demand for our products increased dramatically despite us cancelling all discretionary marketing and led to us delivering £12.5 billion of net financing last year. I'm proud of the way the teams at our operations centres responded to this challenge and helped to ensure we remained open for business and maintained our high customer service standards, in spite of the unsolicited inflows of money.

"As the Bank of England base rate continued to fall rapidly and financial markets remained unusually volatile, we agreed with HM Treasury that NS&I's Value Add target for 2008-09 would be temporarily suspended and no target set for the coming year. Our decision-making is now driven by the need to maintain a balance between offering a fair rate to our customers, delivering cost-effective finance to Government, and the need to support stability across the wider financial services marketplace by maintaining an appropriate competitive position."

Notes to editors:

NS&I's Annual Report and Accounts 2008-09 were presented to the House of Commons on 15 July 2009, pursuant to section 7 of the Government Resources and Accounts Act 2000.

About NS&I

NS&I is one of the UK's largest financial providers with almost 27 million customers and over £94 billion invested. It is best known for premium bonds, but also offers inflation-beating savings accounts (<http://www.nsandi.com/products/index.jsp>), guaranteed equity bonds (<http://www.nsandi.com/products/geb/index.jsp>) and guaranteed growth bonds (<http://www.nsandi.com/products/ggb/index.jsp>) in its range. All products offer 100% security, because NS&I is backed by HM Treasury.

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