

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

41st Issue 5-year Index-linked Savings Certificates went on sale on 20 May 2006. 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	+	0.70% of Purchase price	=	1st Anniversary Value
1st Anniversary value	+	Index-linking for year 2	+	0.90% of 1st Anniversary Value	=	2nd Anniversary Value
2nd Anniversary Value	+	Index-linking for year 3	+	1.10% of 2nd Anniversary Value	=	3rd Anniversary Value
3rd Anniversary Value	+	Index-linking for year 4	+	1.30% of 3rd Anniversary Value	=	4th Anniversary Value
4th Anniversary Value	+	Index-linking for year 5	+	1.51% 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 1.10% pa compound in addition to index-linking.

NATIONAL SAVINGS AND INVESTMENTS CAPITAL BONDS—NEW SERIES

Series 25 Capital Bonds went on sale on 20 May 2006. A Bond will grow in value at a guaranteed gross rate each year as follows:

Year 1	3.85%
Year 2	4.15%
Year 3	4.45%
Year 4	4.75%
Year 5	5.06%

If a Bond is held for five years, these rates will give a guaranteed return equal to 4.45% pa compound. The interest is credited gross and is taxable.

NATIONAL SAVINGS AND INVESTMENTS CHILDREN'S BONUS BONDS—NEW ISSUE

Issue 21 Children's Bonus Bonds went on sale on 20 May 2006. For the first five years each £25 unit will earn interest at 3.10% pa compound. On the fifth anniversary of purchase it also earns a bonus of £1.66 (6.64% of purchase price). At these rates a Bond will earn a tax-free return equal to 4.25% pa compound over the first five years.

NATIONAL SAVINGS AND INVESTMENTS FIXED RATE SAVINGS BONDS—NEW ISSUES

New Issues of Fixed Rate Savings Bonds went on sale on 20 May 2006 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.

<i>Term</i>	<i>Capital value of bond</i>	<i>Gross Annual Rates</i>	
		<i>Monthly interest option</i>	<i>Annual interest option</i>
1-year issue 33	£500 to £19,999.99	4.00%	4.10%
	£20,000 to £49,999.99	4.15%	4.25%
	£50,000 and above	4.35%	4.45%
3-year issue 27	£500 to £19,999.99	4.10%	4.20%
	£20,000 to £49,999.99	4.25%	4.35%
	£50,000 and above	4.45%	4.55%
5-year issue 25	£500 to £19,999.99	4.10%	4.20%
	£20,000 to £49,999.99	4.25%	4.35%
	£50,000 and above	4.45%	4.55%

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

Series 31 1-year Pensioners Guaranteed Income Bonds went on sale on 20 May 2006. The interest rate, fixed and guaranteed for the first year a Bond is held, is 4.30% pa gross. The interest is paid gross and is taxable.

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

Series 37 2-year Pensioners Guaranteed Income Bonds went on sale on 20 May 2006. 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 AND INVESTMENTS PENSIONERS GUARANTEED INCOME BONDS 5-YEAR TERM—NEW SERIES

Series 46 5-year Pensioners Guaranteed Income Bonds went on sale on 20 May 2006. The interest rate, fixed and guaranteed for the first five years a Bond is held, is 4.40% pa gross. The interest is paid gross and is taxable.

NATIONAL SAVINGS AND INVESTMENTS INVESTMENT ACCOUNTS—NOTICE OF NEW INTEREST RATES

On and from 20 May 2006 the variable gross rates of interest payable on Investment Accounts will be as follows:

<i>Balance in Account</i>	<i>Rate of Interest</i>
up to £499.99	2.90% pa
£500 to £4,999.99	2.95% pa
£5,000 to £9,999.99	3.05% pa
£10,000 to £24,999.99	3.25% pa
£25,000 to £49,999.99	3.45% pa
£50,000 and above	3.80% pa

PREMIUM SAVINGS BONDS—NOTICE OF NEW INTEREST RATE AND CHANGE TO SCALE OF PRIZES

On and from 1 June 2006 the rate of interest specified for determining the amount of the prize fund will be 2.95% pa. In respect of each prize draw there will be one prize for every 24,000 bond units eligible for inclusion in the draw. The monthly prize fund will be shared between the higher, medium and lower value bands as follows: 7%, 6% and 87% respectively (subject to any adjustments required by the terms and conditions)

Issued by National Savings and Investments on behalf of the Treasury.

(1006)