RBS

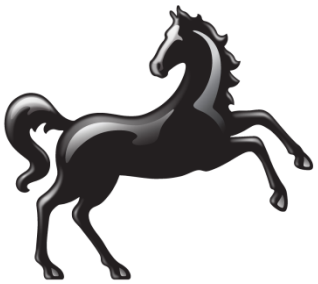
The Royal Bank of Scotland

We have different interest rates depending on how much you have to invest:

Amount to Invest	Interest Rate
£1 - £500	3%
£501 - £2000	3.5%
£2001+	4%

All interest rates quoted are for **compound interest**.

LLOYDS BANK



We have a selection of offers for investors, depending on how long you would like to invest your money for….

Number of Years	Interest Rate
3	1%
4	2%
5	3%
6	3%
7	4%
8	4%
9	5%
10	6%

All our savings accounts give **compound interest**.

BARCLAYS

We like to think we offer the best **simple** interest rates around. Take a look…

Amount to Invest	Simple Interest Rate
Up to £999	3%
£1000 to £4999	4%
£5000 to £7499	5%
£7500 or more	6%

Plus, if you invest for more than 5 years, we'll give you an **extra £50**!

We focus on smaller investors – those with £1000 or less.

We pay compound interest and offer an **introductory rate of 6% per year** for the first two years.

After this, we pay **2% per year** compound interest on all investments.

We hope to see you soon!

first direct

Member HSBC Group

SPECIAL OFFER: Receive 4% compound interest on your savings for the first year, followed by 3% for the remaining years.

These rates apply no matter how much you have to invest.

Yorkshire BUILDING SOCIETY

We specialise in offering **simple** interest to customers with **£1000 or more** to invest.

Our current rates are:

Amount to Invest	Interest Rate
£1000 to £2499	3%
£2500 to £4999	4%
£5000+	5%

Scenario 1

Mr Smith has £500 to invest over 10 years. Where should he invest?

Bank	Working Out	Interest Earned
Lloyds	$500 \times 1.06^{10} - 500$	£395.42
Barclays	$500 \times 0.03 \times 10 + 50$	£200
First Direct	$500 \times 1.04^{1} \times 1.03^{9} - 500$	£178.48
RBS	$500 \times 1.03^{10} - 500$	£171.96
Yorkshire	Cannot invest	
TSB	$500 \times 1.06^{2} \times 1.02^{8} - 500$	£158.24

Mr Smith should invest in _____Lloyds_____ bank

Scenario 2

Miss Jones has £1000 to invest over 5 years. Where should she invest?

Bank	Working Out	Interest Earned
Lloyds	$1000 \times 1.03^5 - 1000$	£159.27
Barclays	$1000 \times 0.04 \times 5$	£200
First Direct	$1000 \times 1.04 \times 1.03^4 - 1000$	£170.53
RBS	$1000 \times 1.035^5 - 1000$	£187.69
Yorkshire	$1000 \times 0.03 \times 5$	£150
TSB	$1000 \times 1.06^2 \times 1.02^3 - 1000$	£192.37

Miss Jones should invest in _____Barclays_____ bank

Scenario 3

Mr Brown has £2500 to invest over 6 years. Where should he invest?

Bank	Working Out	Interest Earned
Lloyds	$2500 \times 1.03^6 - 2500$	£485.13
Barclays	$2500 \times 0.04 \times 6 + 50$	£650
First Direct	$2500 \times 1.04 \times 1.03^5 - 2500$	£514.11
RBS	$2500 \times 1.04^6 - 2500$	£663.30
Yorkshire	$2500 \times 0.04 \times 6$	£600
TSB	Cannot invest	

Mr Brown should invest in _____ RBS _____ bank

Scenario 4

Miss Khan has £5000 to invest over 3 years. Where should she invest?

Bank	Working Out	Interest Earned
Lloyds	$5000 \times 1.01^3 - 5000$	£151.51
Barclays	$5000 \times 0.05 \times 3$	£750
First Direct	$5000 \times 1.04 \times 1.03^2 - 5000$	£516.68
RBS	$5000 \times 1.04^3 - 5000$	£624.32
Yorkshire	$5000 \times 0.05 \times 3$	£750
TSB	Cannot invest	

Miss Khan should invest in __ Barclays or Yorkshire ___bank