

McGUINTY GOVERNMENT ANNOUNCES NEW HIGHER RATES FOR 2007 ONTARIO SAVINGS BONDS

Bonds Staying Competitive With Similar Investments

TORONTO — Finance Minister Greg Sorbara announced increased interest rates for the 2007 issue of Ontario Savings Bonds (OSBs) to keep the bonds competitive in Ontario's investment market.

“OSBs are a popular and safe investment that provides the flexibility to choose from among three types of bonds, Sorbara said. “By raising our rates, we are continuing to ensure that Ontarians have a strong, competitive and reliable investment choice that contributes to a better Ontario.”

The new interest rates are:

- For the five-year Step-Up Bond - 4.00 per cent this year, 4.20 per cent in the second year, 4.40 per cent in the third year, 4.60 per cent in the fourth year and 4.95 per cent in the final year
- For the three-year Fixed-Rate Bond – 4.75 per cent, and
- For the seven-year Variable-Rate Bond – 4.25 per cent for the first six months.

The interest rate for the next six months for the 2001-2006 Variable-Rate Bonds was also set today at 4.25 per cent.

2007 OSBs that have already been purchased will automatically be given the new higher interest rates.”

This year, the 2000 Variable-Rate, 2002 Step-Up and the 2004 Fixed-Rate Bonds are maturing and purchasers can extend their benefits by reinvesting in 2007 OSBs.

“When people buy OSBs, they are investing in the prosperity of their province,” Sorbara said. “It’s a reliable investment that strengthens our economy and helps build a better quality of life in Ontario.”

OSBs are available at banks, trust companies, credit unions, caisses populaires and through investment dealers.

Available until June 21, OSBs are backed 100 per cent by the Government of Ontario and they are sold in amounts from as low as \$100 up to \$500,000.

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