

# Premium Bonds

New! Two £1 million jackpots

national savings  
& investments



ns&i

# Double jackpot!



And still over a million other  
tax-free prizes every month

Media guide

Welcome

new!  
win!  
new! win!  
win!  
new!

## The double jackpot and other prizes

**For the very first time in the 49-year history of Premium Bonds, something remarkable is about to happen. From August, two jackpot prizes of £1 million each will be given away in the prize draw.**

### **A million other prizes**

When the August 2005 prize draw takes place, the first two numbers drawn at random by ERNIE will win £1 million each and, from a total prize fund estimated to be between £65 million and £70 million, more than a million other tax-free prizes will be given away, from £100,000 to £50.

With a monthly double jackpot, it would mean 24 top prizes of £1 million will be given away each year, along with some 12 million other prizes and an annual prize fund of at least £780 million.

### **100% security**

Any money invested in Premium Bonds is guaranteed to be 100% safe, and customers will always get their money back.

### **£26 billion invested**

Over the years, there has been a significant increase in the amount of money now invested in this unique savings product. More than 23 million people hold Premium Bonds and have invested £26 billion. Some 400,000 prizes worth £23 million remain unclaimed – the largest is £25,000 – and there is no time limit on claiming prizes.

In recent years, the huge growth in the popularity of Premium Bonds means National Savings and Investments (NS&I), which runs Premium Bonds, is able to offer two top prizes.

### **135 millionaires**

The first £1 million jackpot was awarded in April 1994 to a man in Surrey and, since then, 134 other people have become millionaires, thanks to ERNIE (Electronic Random Number Indicator Equipment), which produces the winning numbers. And each month from August, two people will be handed a cheque for £1 million.

### **£7.8 billion in prizes**

Since the first Premium Bond prize was awarded on 1 June 1957 more than 121 million prizes, worth a mind-boggling £7.8 billion, have been given away.

And, since 1994, the £1 million jackpot prize has been hand-delivered by Agent Million.

# What are Premium Bonds?

# The history of Premium Bonds



Now you can buy Premium Bonds by phone

Premium Bonds are a form of saving money but, instead of interest payments, investors stand to win tax-free prizes. When someone invests in Premium Bonds they are allocated a series of numbers, one for each £1 invested. Today, the minimum investment is £100, which provides 100 Bond numbers and, therefore, 100 chances of winning a prize. The maximum investment is £30,000.

The odds for the June draw were 24,000-1. At these odds a bondholder with the maximum investment – and with average luck – could win 15 tax-free prizes per year. In June, 1 million prizes, worth £70 million, were given away.

Premium Bonds are one of Britain's financial success stories, a total of £26 billion having been invested by 23 million bondholders. They are a fun, yet serious way of saving, combining the chance of winning tax-free prizes with the peace of mind that comes from knowing the investment is 100% safe.

## How do they work?

Each month, ERNIE is set to work and he produces millions of numbers that will win prizes if they match eligible Bonds held by investors. The first eligible Bond number generated by ERNIE will win the £1 million jackpot. From August, the first two numbers drawn would win £1 million each. Over a million other prizes from £100,000 down to £50 are also awarded.



Chancellor Harold Macmillan in 1956

In his Budget of 17 April 1956, Harold Macmillan announced that Premium Bonds were to be launched to reduce inflation and encourage the savings habit among those who were attracted not by earning interest but by winning prizes.

The first was bought on 1 November 1956 by Alderman Sir Cuthbert Ackroyd, who later became Lord Mayor of London. By the end of the first day, £5 million were sold.

A prize draw number generator, ERNIE, was designed to produce numbers which would win prizes. By the time the first draw took place at the Bond headquarters in Lytham St Anne's, Lancashire, on Saturday 1 June 1957, £82 million had been invested. By the end of August 1957, the amount invested had reached £100 million. The top prize in the first draw was £1,000.

In the early years Premium Bonds were the lottery of the day; celebrities including Bruce Forsyth, Bob Hope and Dame Judi Dench announced the top prizes in televised draws and they were popular as presents, as well as for saving.

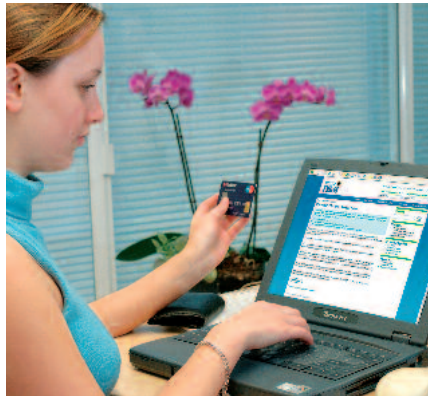
However, since the 1990s, Premium Bonds have undergone a substantial renaissance, with the amount invested rising from £4 billion in 1994 to £26 billion by May 2005. In 2003/04 alone, £7.5 billion Premium Bonds were bought.

**17 April 1956**  
Premium Bond scheme announced by Harold Macmillan in his Budget statement

**1 November 1956**  
Lord Mayor of London, Alderman Sir Cuthbert Ackroyd, buys the first Premium Bond in front of the Royal Exchange, Threadneedle Street, in the City of London. Bonds worth £5 million bought on first day

**1 June 1957**  
First draw, started by Ernest Marples, the Postmaster General, takes place at the Bond Headquarters in Lytham St Anne's. First winning number is 1FK341150 and the Cumbrian bondholder wins the top prize of £1,000

# Did you know?



Premium Bonds online

Their renaissance has been fuelled by the attractiveness of a totally unique and fun investment which provides savers with a serious, tax-free return. Increased promotion from NS&I, a 'flight to safety' following stock market uncertainty and other improvements, including an increase in the maximum investment to £30,000 and offering online and telephone sales, mean that Premium Bonds are now an established part of the nation's financial fabric.

There are lots of interesting facts about Premium Bonds, here are some of our favourites:

- Every month, 26 billion Bonds go into the prize draw
- More than a million prizes are currently awarded each month
- All prizes are tax-free
- 23 million people hold Premium Bonds
- There are 400,000 unclaimed prizes worth £23 million
- The largest unclaimed prize is £25,000
- The July 2004 £1 million jackpot was won by a woman from Newham, London, with just £17 in Premium Bonds
- Premium Bonds can be bought online, by phone, by post and at the Post Office
- Since online sales were launched in January 2005, customers have invested £50 million each month
- More than 200,000 people have invested the maximum amount of £30,000
- Premium Bonds are a popular investment for children: £550m has been invested for 1m children

## More tax-free from NS&I

As well as all Premium Bond prizes being tax-free, NS&I offers a range of other unique tax-free savings and investments.

- Index-linked Savings Certificates: linked to the headline rate of inflation (Retail Price Index) with extra interest on top, tax-free returns guaranteed to beat inflation over three or five years
- Fixed Interest Savings Certificates: guaranteed tax-free returns over two or five years
- Children's Bonus Bonds: five-year terms, invest until the child is 16 and receive a bonus every five years until the child is 21, all interest is tax-free even if the child becomes a taxpayer
- Cash mini ISA: invest up to £3,000 per tax-year

## Invest in NS&I

- Online: [www.nsandi.com](http://www.nsandi.com)
- Premium Bond sales: 0500 007 007
- General sales: 0500 500 000

**1960**  
Top prize rises to £5,000

**1971**  
Top prize rises to £50,000

**1973**  
ERNIE 2 used for the first time

**1980**  
Top prize rises to £250,000

**1988**  
ERNIE 3 used for the first time

# Agent Million



Agent Million visits a Jackpot winner

Every month, Agent Million – whose identity is kept a closely-guarded secret – gets in her car and makes a very special journey, for it is her job to pay a personal visit to one very lucky person to tell them that they have become one of Britain's Premium Bond millionaires.

This personal touch has actually been a feature of Premium Bonds for the last 25 years, starting in 1980 when the jackpot prize increased to £250,000. Up to this time, the winner was sent a letter and a claim form.

Agent Million was created in 1994 when the jackpot increased to £1 million. Before the current Agent Million, four other people have had the honour of doing the job.

Today, the service is provided for a variety of reasons; firstly to tell the winner about their prize and to outline the options available to them, which may include depositing the money temporarily in a high-interest account, and to give them the opportunity to take up no obligation financial advice.

The current Agent Million, a woman in her late thirties who lives in Blackpool with her husband and two children, has been doing the job for four years and in that time has told nearly 50 people that they have won the £1 million Premium Bonds jackpot.

From August 2005 there will be two Agent Millions and NS&I will be looking among its ranks to find another person with the right skills to do this very special job.

### The luck of the draw

Although a Premium Bonds win is down to complete chance, analysts at NS&I have found that certain towns, names, Zodiac signs and days of the week have been especially lucky from one year to the next.

In February 2003, Dumfries was the luckiest town, followed 12 months later by Sunderland in 2004 and Oldham this year. The findings were based on the total value of prizes won of £1,000 and over per million bonds held, over each one year period.

And if you're called Matthew, your luck is in this year, according to new research by NS&I, which looked at the first names with the most Premium Bond wins of £500 and above between June 2004 and May 2005. Last year, it was Hannah, and the year before it was Rebecca's turn. Until this year, male names hadn't fared so well – in last year's top ten names Benjamin was in at number three, while Matthew made it to number eight in 2003.

Last November, people born under the sign of Aquarius were found to have enjoyed the most luck out of all the star signs. In the previous year, Cancer took the honour. Aquarians and Cancerians scooped around one Premium Bond prize in every seven of the thousands given away.

In prize draws between April 2003 and March 2004, Premium Bonds bought on a Wednesday won £15,800 per ten million Bonds, compared to £7,300 per ten million Bonds bought on a Saturday.

You could have been a major winner if, last year, you were called Hannah, lived in Sunderland, were born under Aquarius and, finally, had bought your Premium Bonds on a Wednesday!

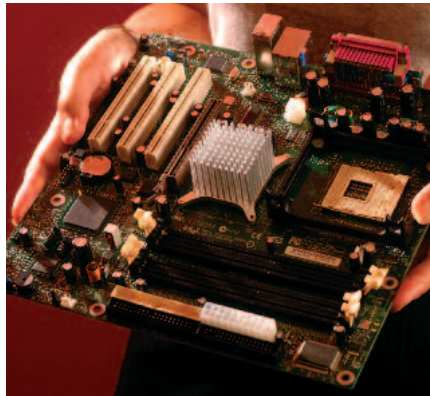
**1993**  
Maximum holding rises to £20,000

**1994**  
Top prize rises to £1 million

**1998**  
Prize-checker introduced on NS&I website to help people find unclaimed Premium Bond prizes

**2003**  
100 millionth prize awarded  
Maximum investment raised to £30,000  
Record monthly sales of £1.1 billion achieved in May 2003

# Facts and fables about Premium Bonds and ERNIE



The ERNIE 4 motherboard in 2004

As with any celebrity figure, over the years some myths have grown up around Premium Bonds and ERNIE. Is there any truth in these myths?

#### **ERNIE is not random**

Not true. The randomness of ERNIE and the Premium Bond draw is certified independently by the Government Actuary's Department (GAD). Each month, the results of the draw are sent to GAD which carries out a number of statistical tests. Once it is satisfied the results of the draw are random, GAD issues NS&I with a certificate to that effect. Without this, NS&I is not permitted to publish the numbers or issue Premium Bond prizes and the draw has never failed its tests.

#### **You have to have £30,000 Premium Bonds to win the jackpot**

Not true. In July 2004, the winner of the £1 million jackpot had just £17 in Premium Bonds, purchased in 1959, and only two of the last 12 jackpot winners held the £30,000 maximum. The more Bonds held, the better the chances of winning, but this doesn't mean prizes are won exclusively by higher value holdings.

#### **Only new Bonds win prizes**

Not true. Each £1 Bond has an equal chance of winning, regardless of when it was bought. Bonds purchased more recently may seem to win more often, but this is because there are more new Bonds than old ones. Since the £1 million jackpot prize was introduced in

April 1994, more Bonds have been sold than in the preceding 37 years put together.

#### **Old Bonds are left out of the draw**

Not true. Premium Bond numbers are not programmed into or stored in ERNIE, so no numbers can be left out of the draw. ERNIE's sole function is to generate numbers randomly. These are then matched against the existing Bond numbers and every single Bond ever issued goes into every monthly draw, unless the Bonds are cashed in.

#### **Only Premium Bonds from the South East win prizes**

Not true. It may appear that holders in the South East win more prizes, but this is simply because there are more Premium Bonds held in the South East, compared to the rest of the UK.

In the last year, the £1 million jackpot winners have been from Berkshire, the London Borough of Bromley, Warwickshire, Lancashire, the London Borough of Haringey, Hampshire, the London Borough of Richmond, Oxfordshire, Devon, Bristol and the London Borough of Newham.

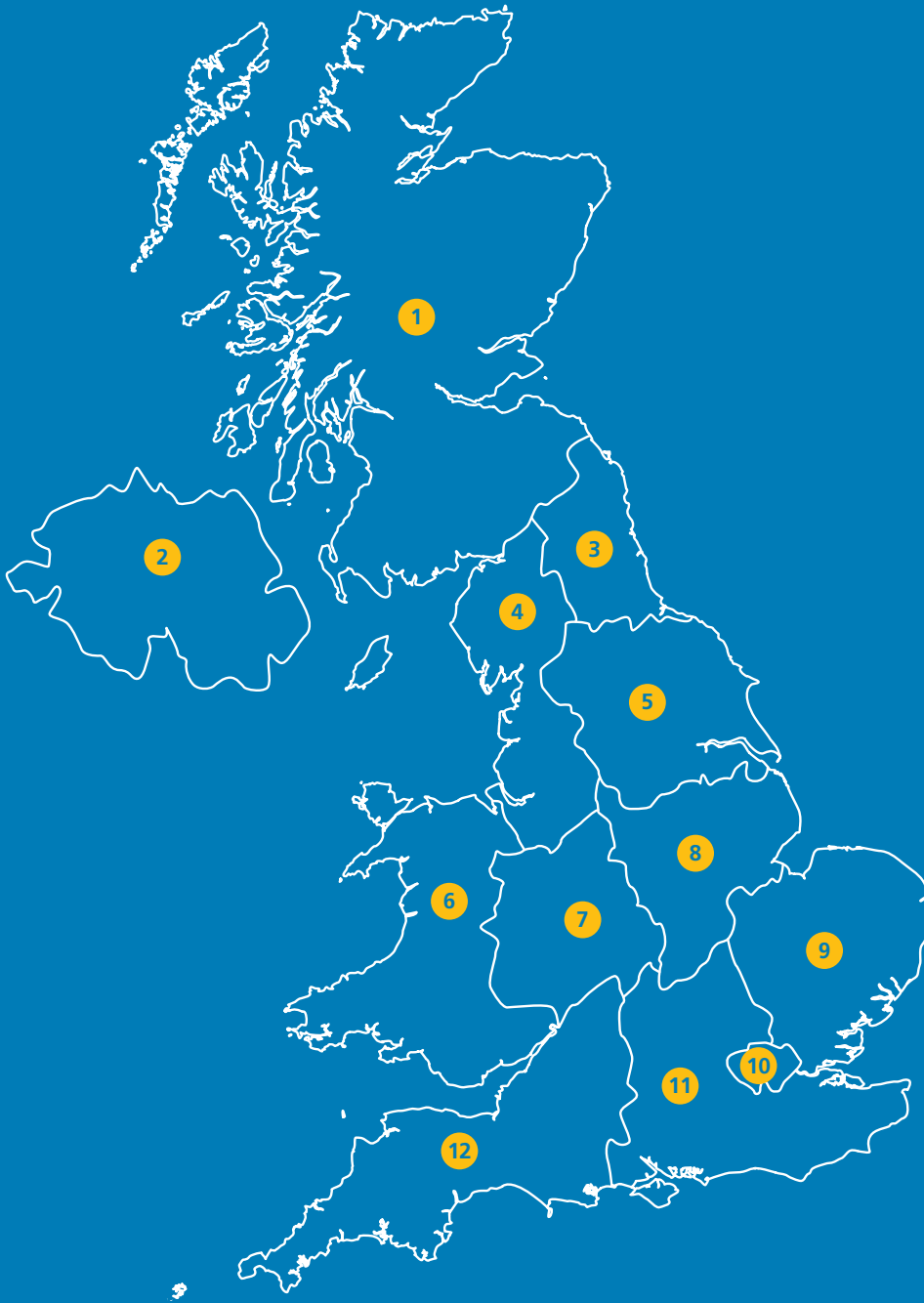
#### **2004**

Premium Bonds regular savings (by standing order) and telephone purchase scheme launched. A record 1 million prizes awarded in September 2004  
25 billion Bonds in the draw  
ERNIE 4 launched

#### **2005**

Premium Bonds online purchase scheme launched  
Double jackpot launched: two £1m prizes each month

# The millionaire map



1	Scotland	4
2	Northern Ireland	2
3	North East	4
4	North West	16
5	Yorkshire & Humberside	9
6	Wales	5
7	West Midlands	7
8	East Midlands	8
9	East Anglia	10
10	Greater London	24
11	South East	28
12	South West	17
	Overseas	1

The high volume of jackpot winners in Greater London and the South East is a reflection of the fact that people in these regions hold the largest proportion of the 26 billion Premium Bonds held by people across the UK.

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