FOURTH SCHEDULE.

Computation of Premiums.

1. The amount of the premium payable on the conversion of any existing securities shall be equal to the product obtained by multiplying the following factors, namely :—

(a) The difference between one year's interest on the amount of principal secured by the existing securities at the rate payable thereon immediately before the date of conversion and one year's interest on the same amount at the rate payable on the new securities ; and

(b) The appropriate factor specified in the Table of Factors hereinafter set out, according to the period between the date of conversion and the maturity date of the existing securities.

2. For the purpose of computing any such period as is mentioned in paragraph (b) of the last preceding clause, any fraction of a half-year that is not less than three months shall be counted as a half-year, and any such fraction that is less than three months shall not be taken into account.

Table of Factors.

Period from Date of Conversion to Maturity Date of Existing Securities.	Factor.	Period from Date of Conversion to Maturity Date of Existing Securities.	Factor.
Years.		Years.	
½	0·488998	19½	12·891438
1	0·967235	20	13·096761
1½	1·434948	20½	13·297566
2	1·892370	21	13·493952
2½	2·339726	21½	13·686017
3	2·777238	22	13·873855
3½	3·205123	22½	14·057560
4	3·623592	23	14·237222
4½	4·032853	23½	14·412931
5	4·433108	24	14·584774
5½	4·824556	24½	14·752835
6	5·207389	25	14·917198
6½	5·581799	25½	15·077944
7	5·947970	26	15·235153
7½	6·306083	26½	15·388903
8	6·656316	27	15·539270
8½	6·998842	27½	15·686327
9	7·333831	28	15·830149
9½	7·661448	28½	15·970806
10	7·981856	29	16·108367
10½	8·295214	29½	16·242902
11	8·601676	30	16·374476
11½	8·901395	30½	16·503155
12	9·194518	31	16·629003
12½	9·481191	31½	16·752081
13	9·761556	32	16·872451
13½	10·035752	32½	16·990172
14	10·303914	33	17·105303
14½	10·566175	33½	17·217900
15	10·822665	34	17·328020
15½	11·073511	34½	17·435716
16	11·318837	35	17·541042
16½	11·558765	35½	17·644051
17	11·793413	36	17·744793
17½	12·022898	36½	17·843319
18	12·247333	37	17·939676
18½	12·466829	37½	18·033913
19	12·681496		

Example of Working.

Conversion as from 15th December, 1933, of 6-per-cent. securities for £100, maturing 14th January, 1947, into 4¼-per-cent. securities.

Interest rate on existing securities (as reduced by Part 1 of the Act) is 4⅘ per cent. per annum.

		£
One year's interest on £100 at existing rate (4⅘ per cent.) is	.. ..	4·8
One year's interest on £100 at new rate (4¼ per cent.) is	.. ..	4·25
Difference is	..	£0·55

Period from date of conversion (15th December, 1933) to existing maturity date (14th January, 1947) is 13 years 30 days, counted as 13 years.

Factor for 13 years is 9·761556.

£0·55 multiplied by 9·761556 is £5·3688558, or £5 7s. 4d., which is the premium for £100 of the existing securities.

The premiums on other amounts of existing securities of the same class can be computed in the same way, or alternatively, by ascertaining 5·3688558 per cent. of the amount of the principal in each case.

F. D. THOMSON,
Clerk of the Executive Council.

(T. 49/307/12.)