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.	
$\frac{1}{2}$	0·488998	19$\frac{1}{2}$	12·891438
1	0·967235	20	13·096761
1$\frac{1}{2}$	1·434948	20$\frac{1}{2}$	13·297566
2	1·892370	21	13·493952
2$\frac{1}{2}$	2·339726	21$\frac{1}{2}$	13·686017
3	2·777238	22	13·873855
3$\frac{1}{2}$	3·205123	22$\frac{1}{2}$	14·057560
4	3·623592	23	14·237222
4$\frac{1}{2}$	4·032853	23$\frac{1}{2}$	14·412931
5	4·433108	24	14·584774
5$\frac{1}{2}$	4·824556	24$\frac{1}{2}$	14·752835
6	5·207389	25	14·917198
6$\frac{1}{2}$	5·581799	25$\frac{1}{2}$	15·077944
7	5·947970	26	15·235153
7$\frac{1}{2}$	6·306083	26$\frac{1}{2}$	15·388903
8	6·656316	27	15·539270
8$\frac{1}{2}$	6·998842	27$\frac{1}{2}$	15·686327
9	7·333831	28	15·830149
9$\frac{1}{2}$	7·661448	28$\frac{1}{2}$	15·970806
10	7·981856	29	16·108367
10$\frac{1}{2}$	8·295214	29$\frac{1}{2}$	16·242902
11	8·601676	30	16·374476
11$\frac{1}{2}$	8·901395	30$\frac{1}{2}$	16·503155
12	9·194518	31	16·629003
12$\frac{1}{2}$	9·481191	31$\frac{1}{2}$	16·752081
13	9·761556	32	16·872451
13$\frac{1}{2}$	10·035752	32$\frac{1}{2}$	16·990172
14	10·303914	33	17·105303
14$\frac{1}{2}$	10·566175	33$\frac{1}{2}$	17·217900
15	10·822665	34	17·328020
15$\frac{1}{2}$	11·073511	34$\frac{1}{2}$	17·435716
16	11·318837	35	17·541042
16$\frac{1}{2}$	11·558765	35$\frac{1}{2}$	17·644051
17	11·793413	36	17·744793
17$\frac{1}{2}$	12·022898	36$\frac{1}{2}$	17·843319
18	12·247333	37	17·939676
18$\frac{1}{2}$	12·466829	37$\frac{1}{2}$	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 4$\frac{1}{4}$ per cent. securities.

Interest rate on existing securities (as reduced by Part I of the Act) is 4$\frac{4}{5}$ per cent. per annum.

	£
One year's interest on £100 at existing rate (4$\frac{4}{5}$ per cent.) is	4·8
One year's interest on £100 at new rate (4$\frac{1}{4}$ 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. 49/458/4.)