

The following Stocks were offered at par :—

2½ per cent. Stock repayable 15/6/1947–49.

3 per cent. Stock repayable 15/12/1953–56.

Three options were provided with regard to Stock applications :—

(a) Payment in full at time of application ; or

(b) £30 per cent. on application, £30 per cent. on 25th August, 1943, £40 per cent. on 6th October, 1943 ; or

(c) £30 per cent. on application, £10 per cent. on 11th August, 1943, £10 per cent. on the 11th day of each succeeding month up to and including the 11th February, 1944.

Interest was payable on all applications as from the date the deposits and instalments were received.

Bonds were issued under the National Savings Scheme in the following denominations : £1, £10, £100 ; and all depositors to National Savings Accounts received on their deposits interest at 3 per cent., those deposits made prior to 1st July, 1943, being repayable on the 30th June, 1945, and those made on or after the 1st July, 1943, on the 30th June, 1946.

The Bank had been authorized to accept advance subscriptions to the War Purposes Loan from the 1st February, 1943, and this arrangement received widespread support, particularly from those persons and institutions in receipt of regular investment income.

The response to the loan was most satisfactory, the amount of £35 millions set out in the prospectus being over-subscribed to the extent of approximately £5 millions. The subscriptions were as follows :—

Stock—							£
2½ per cent., 1947–49	..	..	..	..	..	..	12,605,565
3 per cent., 1953–56	..	..	..	..	..	..	17,221,035
National Savings—							
Bonds	..	..	..	..	..	..	2,131,277
Deposits, &c.	..	..	..	..	..	..	7,315,863
							£39,276,740

The figures for National Savings included estimated receipts from the date of the closing of the loan up till the 31st March, 1944, at £2,250,000 ; but this figure was exceeded, the total deposits for the year, including proceeds from the sale of Bonds, being £10,404,097.

Individual subscribers for Stock numbered 63,501, and it was estimated on a conservative basis that purchasers of Bonds and depositors in National Savings Accounts numbered 368,000, making an estimated total of 431,000 supporters of the loan.

The work carried out by the Committees throughout New Zealand was of the highest order, and the Board desires to place on record its appreciation of the efforts of all Committees, institutions, organizations, and individuals whose sterling work and help played such a great part in the success achieved.

During the loan campaign the Minister of Finance stated that any over-subscription would be used by the Government to repay a portion of the amount owing in London under the Memorandum of Security. This was done, and a further £5 millions was required to complete the Government's borrowing programme for the year. The Bank, therefore, was authorized on the 19th October, 1943, to continue sales of the 3rd Liberty Loan Stock, and up to the 18th March, 1944—the date on which the sales were discontinued—a further £5,139,010 had been received.

CONVERSION LOAN

The Government gave notice, in the *New Zealand Gazette*, of its intention to exercise its option to repay on the 15th May, 1944, the £9,807,450 4-per-cent. Stock and Debentures maturing on the 15th February, 1943–46. The Bank issued, on the 11th February, 1944, a Conversion Loan prospectus inviting holders of the Stock to apply for conversion of their holdings as from the 15th May, 1944, into either—

2½-per-cent. Stock maturing 15/4/1949–51, with a premium of £1 per cent. ; or

3 per cent. Stock maturing 15/4/1960–63, with a premium of £3 per cent.

Interest on the old Stock is payable up to the 15th May, 1944, after which date interest ceases. The premiums of £1 per cent. and £3 per cent., respectively, on the nominal amount of securities tendered for conversion will be met by the issue of securities in the new loans for amounts of £5 or multiples thereof. Fractional amounts of £5 will be paid in cash on the conversion date.

Securities not converted are repayable at par on the 15th May, 1944.

Owing to wartime difficulties, a proportion of the holders of the Stock were unable to notify the Bank of their intentions regarding the conversion prior to the closing date stipulated in the prospectus, but at the 31st March, 1944, the position was as follows :—

Loan.					Number of Applications.	Amount.
						£
2½-per-cent., 1949–51	..	..	..	..	970	404,850
3-per-cent., 1960–63	..	..	..	..	6,851	7,241,620
					7,821	7,646,470
Redemptions	..	..	..	..	3,728	1,290,235
					11,549	£8,936,705