

Copy of Prospectus of State Advances Local Loan.

Dominion of New Zealand.

STATE ADVANCES CORPORATION OF NEW ZEALAND.

(Established under the State Advances Corporation Act, 1934-35.)

ISSUE OF $3\frac{1}{4}$ PER CENT. STOCK OR DEBENTURES (SERIES "B").

Repayable 1st June, 1944.

Guaranteed as to Principal and Interest by the Government of New Zealand.

Authorized to be raised under the State Advances Corporation Act, 1934-35 (hereinafter referred to as "the statute").

PRICE OF ISSUE: £100 PER CENT.

Interest payable half-yearly at the Reserve Bank of New Zealand on the 1st June and 1st December.

The first payment of interest will be made on the 1st day of June, 1937, subject to the conditions hereinafter provided.

Trustees are authorized in terms of section 23 of the statute to invest funds in this issue unless expressly forbidden by the instrument (if any) creating the trust.

The RESERVE BANK OF NEW ZEALAND is authorized, on behalf of the State Advances Corporation of New Zealand, to receive applications for the above-mentioned Stock or Debentures.

If not previously surrendered in accordance with the provisions set forth below, the Stock and Debentures of this issue will be repaid at par at the Reserve Bank of New Zealand, Wellington, or at any branch of the Bank of New Zealand in the Dominion, on the 1st day of June, 1944.

In accordance with section 25 of the State Advances Corporation Act, 1936, all securities issued by the Corporation are guaranteed by the State; and if any default is made by the Corporation in the payment of any principal or interest payable in respect of any such securities, such principal or interest, as the case may be, shall forthwith be paid by the Minister of Finance out of the Consolidated Fund.

The securities issued by the Corporation, in addition to being guaranteed as above by the New Zealand Government, give to the holders a floating charge over the whole of the mortgages and other securities of the Corporation (*vide* section 21 of the statute).

Stock or Debentures of this issue will on the tender thereof by the holder be accepted at their nominal value in payment of principal or interest due under any mortgage of land held by the Corporation the date of which is subsequent to the commencing-date of this issue but prior to the commencing-date of any subsequent issue by the Corporation of securities to the public: Provided that in the case of any State mortgages transferred to the Corporation pursuant to Part V of the statute such payment shall be accepted only in securities of Series A.

Stock and Debentures of this series will, for security purposes, rank *pari passu* with those of Series A of £500,000, and the Corporation may from time to time issue further securities in accordance with the authority of the statute.

APPLICATIONS.

Applications, which must be accompanied by payment in full, will be received at the Reserve Bank of New Zealand, Wellington, at any branch of the Bank of New Zealand in the Dominion, or at any postal money-order office in New Zealand.

Applications for Stock must be for sums of not less than £40, and any amount applied for in excess of £40 must be a multiple of £20.

Debentures, payable to bearer, may be applied for in denominations of £20, £40, £100, £500, and £1,000, or in such higher denominations as may be agreed upon *at the time of issue*.

The Reserve Bank of New Zealand reserves the right to make or decline allotments without being required to furnish any reason therefor. Where no allotment, or partial allotment only, is made the full or surplus amount paid on application, as the case may be, will be returned to the applicant.

Provisional receipts will be issued for all payments made in respect of application-moneys, and allotment letters will in due course be issued by the Reserve Bank of New Zealand. In the case of Debenture allotments such letters will be exchangeable for the relative Debentures, payable to bearer, as soon as the latter can be prepared. In the case of Stock allotments certificates of registration will be posted to allottees when the Stock has been recorded in the Register.

GENERAL PROVISIONS.

Exchange on Remittances.—Cheques in payment of application-money will be accepted free of inland exchange.*Interest.*—Interest on Stock will be paid free of inland exchange by means of interest warrants, which will be transmitted by post at the risk of the stockholder. In the case of Stock registered in the names of two or more holders, interest warrants will be forwarded to the stockholder whose name appears first in the Register, unless directions for payment to an agent are given.

The Reserve Bank will accept directions from stockholders for payment of interest to any agent in the Dominion; existing instructions for the payment of interest in the Dominion on Series A Stock will be effective for the Stock of this issue also.