

Year.	Premium Income (excluding Annuities).	Interest Income.	Total Income.	Accumulated Funds.	Rate of Interest on Mean Funds
	£	£	£	£	£ s. d.
1908 .. ..	330,806	193,870	534,441	4,264,685	4 12 2
1909 .. ..	330,927	201,327	546,566	4,405,141	4 12 11
1910 .. ..	338,487	206,552	561,150	4,554,730	4 12 3
1911 .. ..	342,977	215,530	575,849	4,699,970	4 13 0
1912 .. ..	351,588	224,422	590,314	4,829,141	4 14 2

*Outgo.*—During the year 444 policies became void by the deaths of policyholders, for claims amounting to £143,108, and this amount is considerably under what is provided for in the tables of mortality used by the Department.

Five hundred and seventy-nine policies also matured for £151,950, this being the first time in the history of the office when the amount maturing as claims during the lifetime of policyholders has exceeded the amount paid at death. The large amount paid on these matured policies causes no strain whatever on the Department's resources, the demands in this respect being known beforehand and adequately provided for in advance. The event may be regarded as a satisfactory and very practical testimony to the vitality of our policyholders and the permanent nature of a form of policy—endowment assurance—which makes provision for old age as well as early death, and which clearly meets the requirements of the people.

The surrenders and loans released by surrender have decreased from £57,981 in the previous year to £54,344 in 1912.

*Accumulated Funds.*—The total assurance, annuity and endowment funds, apart from a special investment reserve of £113,663, now stand at £4,829,141. The following statement shows the progressive growth of the Department in this and other respects during the past thirty years:—

Year.	Policies in Force.		Accumulated Funds.	Total Income.	Total Expenses (excluding Taxes).	Ratio of Total Expenses (excluding Taxes) to Total Income.
	Number.	Sum Assured and Bonuses.				
		£	£	£	£	
1882 .. ..	15,892	5,273,164	704,889	180,447	26,875	14·9 per cent.
1897 .. ..	36,174	9,857,010	2,725,106	398,121	51,149	12·8 „
1912 .. ..	50,458	13,271,699	4,829,141	590,314	67,418	11·4 „

*The Balance-sheet.*—On the 31st December, 1912, the total assets of the Department were £4,976,948, invested as shown in the following statement, which gives the distribution of the assets a year ago for purposes of comparison:—

At 31st December, 1911.		Class of Investment.	At 31st December, 1912.	
Amount.	Percentage of Total Assets.		Amount.	Percentage of Total Assets.
£			£	
2,899,753	59·7 per cent.	Mortgages on freehold property .. ..	3,045,274	61·2 per cent.
791,704	16·3 „	Loans on policies .. ..	808,884	16·3 „
668,069	13·7 „	Government securities .. ..	668,089	13·4 „
168,208	3·5 „	Local bodies' debentures .. ..	171,169	3·4 „
135,879	2·8 „	Landed and house property .. ..	136,586	2·8 „
114,808	2·4 „	Miscellaneous assets .. ..	116,467	2·3 „
77,681	1·6 „	Cash in hand and on current account .. ..	30,479	0·6 „
4,856,102	100·0 per cent.	Total .. ..	4,976,948	100·0 per cent.

The chief items of interest in the balance-sheet are the following:—

(1.) The advance in mortgages on freehold property, which asset has been increased by £145,521, and now stands at £3,045,274.

(2.) Cash in hand and on current account has decreased from £77,681 to £30,479, the difference being due to the closer investment of the available funds in mortgages and other interest-bearing securities, the opportunity for which has, of course, been considerably facilitated by prevailing financial conditions.

(3.) The total investments show an increase of £166,120, and now amount to £4,832,747.

The general progress of the Department has been well maintained, the new business having been much increased, an interim actuarial valuation showing an unusually large surplus at such an early stage in the triennium, and the position generally being eminently satisfactory.