

The Balance-sheet. — The total assets of the Department amounted to £2,788,670 on the 31st December, 1897, and were invested as follows:—

At 31st December, 1896.		Class of Investment.	At 31st December, 1897.	
Amount.	Percentage of Total Assets.		Amount.	Percentage of Total Assets.
£ 812,586	30·7 per cent.	Mortgages on freehold property ...	£ 983,452	35·2 per cent.
872,016	32·9 "	Government securities ...	827,829	29·7 "
464,829	17·6 "	Loans on policies ...	499,531	17·9 "
167,068	6·3 "	Local Bodies' debentures ...	151,678	5·5 "
146,076	5·5 "	Landed and house property, and properties acquired by foreclosure	145,264	5·2 "
109,990	4·1 "	Cash on current account ...	103,462	3·7 "
75,593	2·9 "	Miscellaneous assets ...	77,454	2·8 "
£2,648,158	100·0 "	Total ...	£2,788,670	100·0 "

It will be seen that there has been an increase of £34,702 in loans on policies during the year, and a decrease of £44,187 in Government securities. A number of properties acquired by foreclosure have been disposed of at satisfactory prices, and I am pleased to be able to add that during the first half of the present year their realisation has proceeded still more satisfactorily. The most noticeable feature, however, in the year's accounts is an increase of £170,866 in loans on first mortgage of freehold property, and it is highly gratifying to add that the overdue interest on all accounts, which last year stood at the low figure of £761, has been still further reduced, and now amounts to the trifling sum of £482, representing almost exactly three-eighths per cent. of the total interest receipts. To be able to collect £99 12s. 6d. out of every £100 of interest due is, I venture to say, a record which few financial institutions can point to.

In concluding a report upon various technical matters in connection with the Department's business, Messrs. Ralph Price Hardy and George King, the eminent London consulting actuaries, observe,—

"We take the opportunity of repeating what we have already said as to the satisfactory position which the New Zealand Government Life Insurance Department has attained. The test valuations have been entirely confirmed by the official valuation, and the Government must be pleased to find that not only has it been possible to declare a substantial bonus, but that the prospects of the future are of great promise."

J. H. RICHARDSON,
Commissioner.