

The advances now outstanding are as follows :—

	Number.	Amount. £	s.	d.
Not exceeding £500	12,591	2,533,274	15	4
Exceeding £500 but not exceeding £1,000	2,238	1,777,496	19	1
Exceeding £1,000 but not exceeding £2,000	1,014	1,403,048	6	3
Exceeding £2,000 but not exceeding £3,000	162	431,409	0	7
Total	16,005	£6,145,229	1	3

The average amount of the advances now outstanding is £384.

Number and amounts advanced on freehold and leasehold :—

	Number.	Amount. £	s.	d.
On freeholds	9,747	4,541,571	19	9
On leaseholds	6,036	1,473,401	14	5
On freeholds and leaseholds (combined)	222	130,255	7	1
Total	16,005	£6,145,229	1	3

The average freehold advance is £466, the average leasehold advance is £244, and the average freehold and leasehold combined is £586.

Number and amounts advanced on rural and urban and suburban land :—

	Number.	Amount. £	s.	d.
On rural land	10,048	3,996,481	19	5
On urban and suburban land	5,957	2,148,747	1	10
Total	16,005	6,145,229	1	3

The average rural advance is £398, and the average urban and suburban advance is £361.

The amounts of the advances granted during the year ended 31st March, 1911, are as follows :—

	Number.	Amount. £	s.	d.
Not exceeding £500	2,730	794,365	0	0
Exceeding £500 but not exceeding £1,000	352	261,915	0	0
Exceeding £1,000 but not exceeding £2,000	92	126,380	0	0
Exceeding £2,000 but not exceeding £3,000	9	21,650	0	0
Total	3,183	£1,204,310	0	0

The average amount of the advances granted for the year is £378, and the tenure of the securities is,—

	Number.	Amount. £	s.	d.
On freeholds	2,019	762,705	0	0
On leaseholds	1,139	431,465	0	0
On freeholds and leaseholds combined	25	10,140	0	0
Total	3,183	£1,204,310	0	0

For the year the average freehold advance was £377, the average leasehold advance £379, and the average freehold and leasehold combined £405.

The total sum raised by the Government on debentures for investment on mortgage since the Department was started is £7,094,935. Sixteen thousand and five mortgagors are now indebted to the Department to the extent of £6,145,229 1s. 3d. in respect of principal moneys, an increase during the year of 1,497 mortgagors, owing £477,595 13s. 4d.

The gross profits for the year ended 31st March, 1911, were £71,324 10s. 5d., and the cost of management and expenses of the Department £10,830 18s. 8d., being 0.15 per cent., or 3s. per £100 on capital employed—the same as the previous year.

The net profits amounted to £60,440 10s.

A sum of £70,949 7s. has been added to the sinking fund established under section 30 of the State-guaranteed Advances Act, 1909, which, with £3,734 9s. interest earned and added to the fund held by the Public Trustee, brings the total amount standing to the credit of that account to £176,311 14s. 8d.

Nineteen freehold and thirteen leasehold securities have for various reasons, during its existence, been realized by the Department. This year losses to the extent of £53 1s. 9d. have been made. There are, however, on the Department's hands two securities which are not satisfactory. At present they are leased at a nominal rental, awaiting a favourable opportunity for realization. Mortgagors continue to meet their half-yearly payments of interest and principal in a manner satisfactory to the Department.

The total amount of interest collected for the year amounted to £272,320 6s. 8d., an increase on the previous year of £30,855 4s. 9d. The total amount of interest collected from the time advances were first made up to the 31st March, 1911, amounted to the sum of £1,936,104, in addition to the repayments of principal £4,402,740, making a grand total of £6,338,844.

Applications are now being carefully examined when first received before a valuation is ordered. If the grant of a loan is considered doubtful, the facts are submitted to the Board for preliminary con-