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SUN · LIFE · ASSURANCE · COMPANY · OF · CANADA

**A BILLION DOLLARS
 OF LIFE ASSURANCE IN FORCE**

1925

ASSURANCES IN FORCE (net) - \$1,021,097,000

An Increase of \$149,460,000

New Assurances Paid For - - - \$193,477,000

An Increase of \$56,011,000

Total Income - - - - - 69,147,000

An Increase of \$6,901,000

Payments to Policyholders and Beneficiaries 35,441,000

Total Payments Since Organization - 219,239,000

Reserve for Unforeseen Contingencies 10,000,000

Surplus over all Liabilities and Contingency Reserve - 28,640,000

An Increase of \$6,532,000

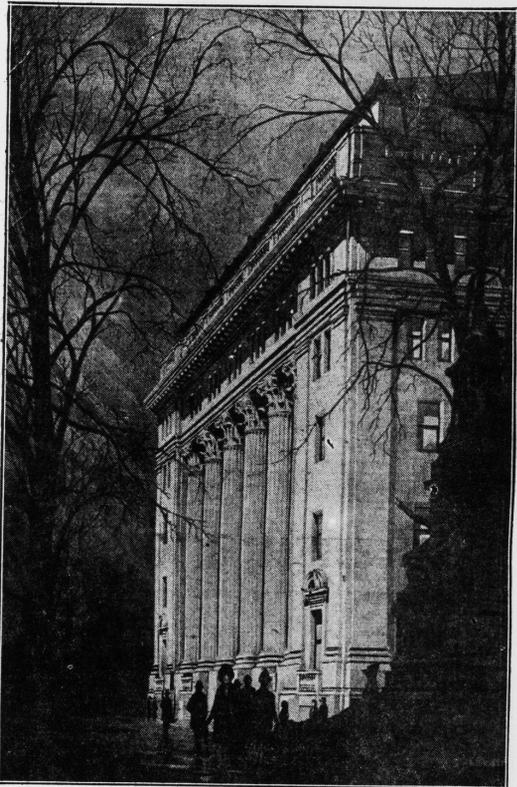
ASSETS at December 31, 1925 - 303,056,000

An Increase of \$28,925,000

Policies in Force, Excluding Group Policies - - 411,492

Employees of Firms Protected by Group Policies 42,755

Dividends to Policyholders increased for sixth successive year



EXTRACTS FROM DIRECTORS' REPORT

Your Directors present the fifty-fifth annual report for your approval. The Company's statements have for years reflected its constantly increasing expansion and prosperity, but this year marks an epoch in the life of the organization. It has now passed the Billion Dollars mark in assurance in force, the amount after deducting re-assurances being \$1,021,097,101.94.

... Applications for new assurances have been the largest in our history, aggregating \$220,534,526.67. The new policies paid-for numbered 57,944, for the amount of \$193,477,057.26, after deducting amounts re-assured. The new business for the year exceeds the total amount of business the Company had in force only thirteen years ago.

... The gratifying evidences of growth and expansion [exhibited in the accompanying statement] are paralleled in regard to strength and profitability. Notwithstanding the general decline in interest rates, the Company has been able not merely to continue, but to slightly increase its record in this connection, the rate earned during the year on the mean invested assets having been 6.41 per cent.

Several factors have contributed to produce this result, not the least

important being an increase in the dividends paid by some of the corporations in which the Company has substantial stock holdings.

Even more important than interest yield has been the advance in the market value of our securities. For many years we have specialized in long term bonds and preferred and common stocks of outstanding corporations, both in Canada and in the United States. We are now reaping the rewards of this policy. On actual sales of municipal debentures and other securities which had risen to high premiums, we have realized a net profit of \$2,215,772.41, while the increase in the value of securities still held has been much greater.

The profits earned by the Company during the year, based on the increase in the valuation of our securities as made by the government authorities, has been \$21,666,284.00. We have not thought it wise, however, to take credit for this entire amount, and . . . have made a deduction of \$3,000,000 from the official valuation placed on our assets. We have, moreover, added \$2,500,000 to our Contingency Accounts, bringing these up to a total of \$10,000,000.

Following the practice of recent years, we have written off \$750,000 from the book value of our Head Office and Branch Buildings, and other real estate.

We have also, by setting aside an additional \$350,000, further strengthened the special reserve to provide for possible greater longevity among annuitants, bringing the total amount under this heading up to \$1,100,000 in excess of government requirements.

During the year we have paid or allotted \$7,662,784.35 as profits to our policyholders. After deducting this sum, and the accretions to shareholders' account, and making the foregoing heavy allocations, we have yet been able to add \$6,532,642.75 to our undivided profits bringing the total surplus over all liabilities, Contingency Accounts and Capital up to \$28,640,000.69.

For the sixth consecutive year we are able to announce an increase in the scale of profits to be distributed to our policyholders in the ensuing year.

... To provide for the expansion of our business, it has been necessary to make an extension of the Head Office building, which has now been completed, and will be formally opened on the day of our Annual Meeting. The building is devoted exclusively to the use of the Company, but it is already evident that we must at once provide for further enlargement.

**SUN LIFE ASSURANCE
 COMPANY OF CANADA**