

	Kr. 10 170 000.00
Re-discounted Bills . . . . .	— 3 391 257.08
Deposits, Current Acc. & other	
Creditors Bal. . . . .	— 20 524 293.66
Banking Correspondents . . . . .	— 4 481 385.06
Rebate on Interest . . . . .	— 353 137.71
Unpaid Dividend . . . . .	— 7 889.00
	Kr. 38 774 962.51

*Búnaðarbanki Íslands* (The Rural Bank of Iceland), founded by law of June 14<sup>th</sup> 1929, commenced activities this year (1930). The scope of this bank is to support farming and facilitate the financial transactions of those who are engaged in productive farming operations.

The bank is an independent State-owned institution, the national treasury being liable for all its engagements. It operates through the following six financially separate departments:

1. *Sparisjóðs- og rekstrarlánadeild* (Savings Bank and Loan Office), where almost every kind of general banking and savings banks business is transacted. The government is authorized to guarantee a loan of up to 3 million krónur for this department.
2. *Veðdeild* (Hypothec-Mortgage Department) which issues bonds in series, backed by mortgage bonds received from borrowers, besides various other securities of special nature. This department chiefly grants loans on security of mortgages in landed property, to be used for productive farming operations either for the benefit of individual farmers or whole districts conjointly. The government is empowered to negotiate a foreign loan not exceeding 2 million krónur for the purpose of buying bonds issued by the department.
3. *Bústofnlánadeild* (Live-Stock Loan Department). This department issues bonds, each series of which must be closed within 5 years from the date of issue and the redemption of the whole series completed within 15 years from the same date. These bonds, to the amount of 700 000 krónur, are backed by the treasury, either with *Viðlagasjóðs* bonds or other securities equally sound. This department grants loans to farmers and other persons engaged in live-stock rearing, both for the purpose of stocking their farms and buying additional stock as well as agricultural and farming implements.
4. *Ræktunarsjóður* (Agricultural Fund) was established by law of 1925, its object being to promote agriculture and contribute to the im-