Report of the Directors of
The Bank of British North America
to the Proprietors.

The Court of Directors submits the accompanying Balance Sheet to the 29th June last.

The Profits for the Half-year, including $95,439.86, brought forward from last account, amount to $331,607.45, out of which the Directors have now to report the declaration of an Interim Dividend of 30s. per share, payable, free of Income Tax, on the 4th October next, being at the rate of 6 per cent per annum, leaving a balance of $176,173.45, to be carried forward.

The Dividend Warrants will be remitted to the Proprietors on the 3rd October next.

The sum of $29,492, has been transferred from the profits of the half-year to the credit of the Bank's investments in Consols which will now stand at 83. The Book Cost of the Dominion of Canada Bonds and other Investments is lower than the current market quotations.

The Guarantee Fund in connection with the liquidation of the Ontario Bank referred to in last report is still in force, but no claim is anticipated in respect of this guarantee.

The following appropriations from the Profit and Loss Account have been made for the benefit of the Staff, viz.

To the Officers' Widows' and Orphans' Fund	$2,500
To the Officers' Pension Fund	$6,934

Since the last Report a Branch has been opened at Bloor Street and Lansdowne Avenue, Toronto, and Sub Branches at Hamilton Road, London, Ontario and at Cainsville, Ontario.

Balance Sheet, 29th June, 1907.

Dr.

To Capital .... 20,000 shares of £50 each fully paid			$4,866,666.66
To Reserve Fund			2,238,666.66
To Deposits and Current Accounts			23,099,415.51
To Notes in Circulation			3,354,261.95
To Bills Payable and other Liabilities, including Provision for Contingencies			19,363,524.86
To Rebate Account			128,731.18
To Liabilities on Endorsements		$818,716.94	
To Liability under Guarantee in respect of which no claim is anticipated		$200,000	
To Profit and Loss Account— Balance brought forward from 31st December, 1906		$290,106.52	
Dividend paid April, 1907	$146,000.00		
Bonus paid April, 1907	48,666 66		
		$194,666.66	
		$95,439.86	
Net profit for the half-year ending this date, after deducting all current charges, and providing for bad and doubtful debts		$236,167.59	
		$331,607.45	
Deduct.			
Transferred to Officers' Widows' and Orphans' Fund	$2,500.00		
Transferred to Officers' Pension Fund.	6,934.00		
		$9,434.00	
Balance available for October Dividend			322,173.45
			$53,373,440 27

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By Cash and Specie at Bankers and in hand		$5,228,093.90	
By Cash at Call and Short Notice ..		13,134,936.49	
			$17,363,030.39
By Investments—			
Consols £303,000 at 83	$1,223,918.00		
National War Loan, £50,000 at 90	219,000.00		
		$1,442,918.00	
Dominion of Canada Bonds, £157,000 at 97		741,144.66	
Other Investments		520,571.66	
			2,704,634.32
By Bills Receivable, Loans on Security, and other Accounts ..			32,339,737.02
By Bank Premises, Etc., in London, and at the Branches ..			798,262.54
By Deposit with Dominion Government required by Act of Parliament for Security of General Bank Note Circulation			167,776.00
			$53,373,440 27

Note.—The latest monthly Return received from Dawson is that of the 31st May, 1907, and the figures of that Return are introduced into this Account. The balance of the transactions for June with that Branch has been carried to a suspense Account, pending the receipt of the June Accounts.

We have examined the above Balance Sheet with the Books in London, and the Certified Returns from the Branches, and find it to present a true statement of the Bank's affairs.

GEORGE SNEATH
NICHOLAS E. WATERHOUSE, } Auditors.

Of the Firm of Price, Waterhouse & Co.,
Chartered Accountants.

London, 27th August, 1907.