



Annual Report

2025/26



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Annual Report 2025/26

*Promoting global monetary
and financial stability*





Foreword by the General Manager

I am pleased to present the Annual Report for 2025/26, the first since I joined the Bank for International Settlements as General Manager. It highlights our achievements of the past year as we continue our mission to support central banks in their pursuit of global monetary and financial stability.

After restoring price stability from the post-pandemic highs, the central bank community is confronting new, profound challenges. These include shifts in international trade, geopolitical conflicts, energy price shocks, technological innovations, high public debt and financial sector vulnerabilities. At times like these, international cooperation among central banks is essential, as is the support the BIS provides as an independent platform for dialogue.

Over the past financial year, we embarked on developing a new strategic plan for the BIS, in consultation with our stakeholders. Our members place great value on our role as convenor of central banks and our ability to provide in-depth analysis on monetary and financial stability risks. They also place trust in our banking services, which are tailored to the needs of the central bank community, and they recognise our support for innovation and guidance on standard setting.

The new strategy is geared towards further fostering connections among the central bank community while supporting the pursuit of price stability and a resilient financial system. The strategy places emphasis on solidifying the BIS's position following the significant expansion of our activities in recent years. Key priorities include focused analysis on central banks' core mandates, technological experimentation to harness opportunities and manage risks, and enhancement to our banking services. All of this will be achieved with careful stewardship of resources, maintaining operational excellence and ensuring resilience in our operations.

During the past year our economic analysis shed new light on the evolution of the global financial system, economic fragmentation, and monetary system innovation and digital finance. BIS researchers also explored uses of artificial intelligence and introduced new measures of economic and financial data. Meetings held as part of the Basel Process continued to provide a platform for discussion and collaboration to further strengthen the resilience of the financial system and shape the financial landscape of tomorrow.

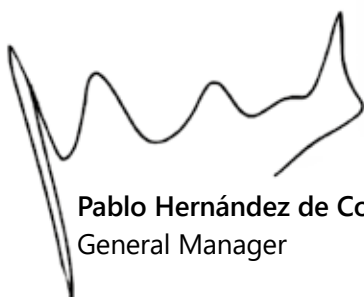
We continued to explore how leading-edge technologies can address the challenges faced by central banks, regulators and supervisors, while reviewing our project portfolio and consolidating our areas of work. This ensures we focus on key aspects relevant to central banks while developing our foresight capabilities to identify new digital risks and themes for exploration.

For BIS banking services, 2025/26 was another exceptionally strong financial year, with new records established across a range of key activity metrics. Net profit was SDR 1,018 million, while total comprehensive income ended the financial year at a record level of SDR 4.7 billion.

As we present this report at our 96th Annual General Meeting, we remain steadfast in our mission, exploring new economic realities while supporting financial stability and providing a forum for dialogue and knowledge-sharing.

Providing a new direction for the BIS has been a collaborative initiative, reflecting the commitment of our people. Throughout this new phase, we will continue to manage our strategic resources to ensure we serve the priorities of our members – focusing inward to be better outward.

The strategy will conclude as we mark the 100th anniversary of the BIS and reflects our commitment to serving the public interest. I want to thank in particular our staff for providing their perspectives and for their ongoing commitment to public service. I look forward to leading the organisation in the years ahead.

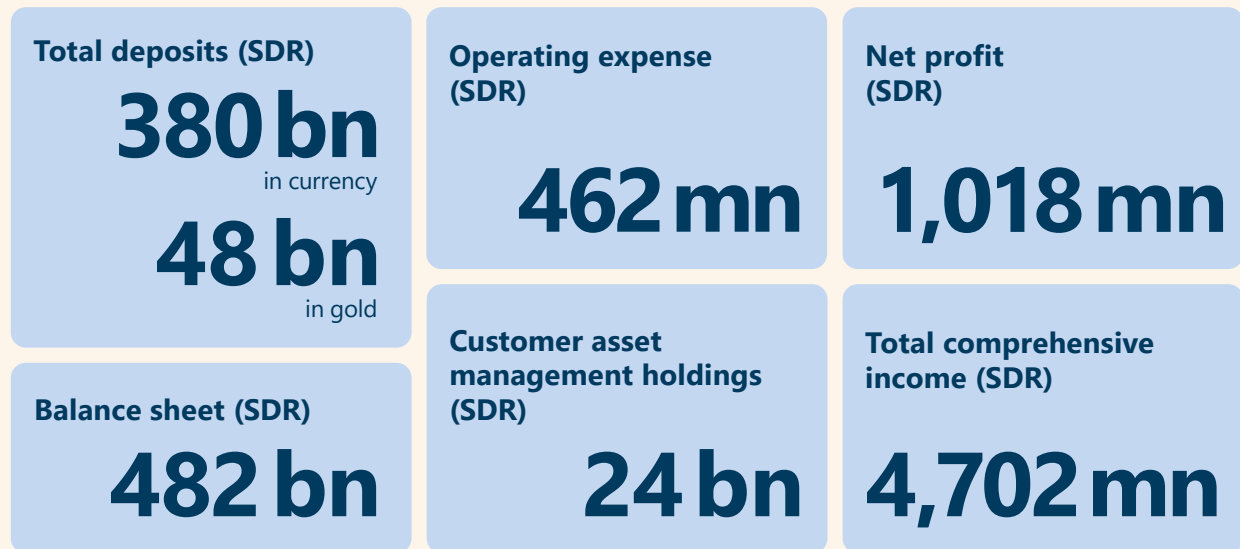


Pablo Hernández de Cos
General Manager



The BIS in numbers*

Financials



BIS global presence



2 Representative Offices

7 Innovation Hub Centres and 1 strategic partnership

3 dealing rooms

*As of 31 March 2026

High-level hosted meetings



177

meetings (virtual/hybrid)



9,424

participants

All meetings convened (estimated)



600

virtual and in-person

Digital engagement

Website



18.5 mn

unique website visitors

Social media



180,337

LinkedIn followers

31,900

YouTube subscribers

219,900

X followers

13,300

Instagram followers

Staff members (as of 31 March 2026)



662
staff

Recruitment (from April 2025 to March 2026)



80
staff members

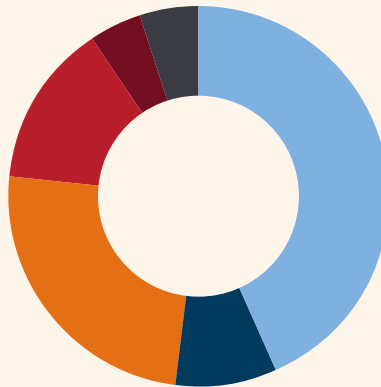
Nationality



4.4 %
Africa

13.9 %
North America

24.5 %
Australia, Pacific and Asia



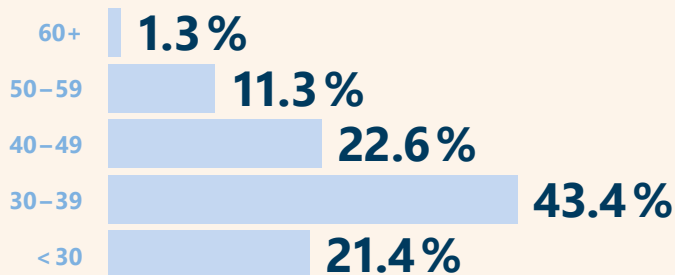
5 %

Central/South America and Caribbean

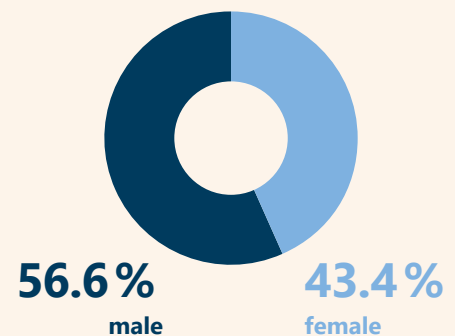
43.4 %
Europe (EU)

8.8 %
Europe (others)

Age



Gender



Total workforce of 1,200 (as of 31 March 2026)

Including



450
contract workers



88
secondees, assignees
and graduates



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1 Promoting global monetary and financial stability

The BIS is a global organisation that acts as a hub for the world's central bankers and financial regulators.

Fulfilling the mission of the BIS



More about the BIS
mission and values

Our mission is to support central banks' pursuit of monetary and financial stability through international cooperation and to act as a bank for central banks. To fulfil this mission, we help our member central banks navigate the opportunities and challenges they face and provide insights and services to support their work.

This mission and our core values shape our way of working. Our cohesive, purpose-driven culture enables the BIS to support central banks through their current and future challenges.

The information presented in this Annual Report reflects activities and events that took place within the 2025/26 financial year (1 April 2025–31 March 2026).

Strategic priorities

The BIS developed a new strategy – BIS 100: Building resilience, strengthening connections – in consultation with stakeholders and staff during the financial year. It sets a clear path forward to ensure the BIS is well positioned to support our members and address emerging global challenges. The strategy will guide our activities until 2030, which marks our 100th anniversary.

The strategy has four key areas of focus:

- Focused economic and policy insights – deepening our analysis of monetary and financial stability issues. We will analyse and examine policy areas which affect the resilience of the financial system such as key shifts in global finance, the implications of new technologies and regulatory frameworks. We will also expand data collection and improve the accessibility and usability of statistics.
- Enhanced knowledge-sharing – further supporting dialogue among central banks on key topics. We will strengthen regional engagement, invest in strategic foresight capabilities and develop platforms to foster greater connections among our members.
- Policy-relevant innovation – exploring new technologies to leverage opportunities and tackle risks relevant to central bank policy. Projects will address emerging priorities for central banks, including artificial intelligence (AI), tokenisation and cyber resilience.
- Strengthened banking services – enhancing customised banking services to meet the needs of the central bank community. We will continue to diversify our client base, broaden access to trading venues and support central bank access to liquidity.

Strategic enablers within the BIS will support these activities. Leadership development and strategic management of resources will contribute to a high-performing and adaptable workforce and our values-based culture. A programme to accelerate adoption of AI and digital tools will ensure secure, efficient and innovative operations. We will also invest in our premises to develop a more flexible workspace to facilitate greater connectivity between business units and teams as well as enhanced conferencing and meeting facilities to support stakeholder collaboration. Reflecting the need to act as careful stewards of our financial position, we will carefully manage our strategic resources to focus on our priorities, enabling us to increase investment capacity and improve operational effectiveness and the resilience of our own operations.

Mission

Supporting central banks' pursuit of monetary and financial stability through international cooperation, acting as a bank for central banks

Strategy

BIS 100

Building resilience, strengthening connections

Instruments



Focused economic & policy insights

Deepen analytical and data insights on monetary and financial stability



Enhanced knowledge-sharing

Further support dialogue and information-sharing on key topics for central banks



Policy-relevant innovation

Explore new technologies to leverage opportunities and tackle risks relevant to central bank policy



Strengthened banking services

Enhance customised banking services for the needs of the central bank community

Enablers



People

Enable a high-performing and adaptable workforce and values-based culture



Technology

Accelerate adoption of technology to ensure resilient, efficient and AI-ready operations



Workspace

Foster a collaborative workspace and meeting environment



Strategic resource allocation

Enhance strategic resource allocation to improve operational effectiveness and increase investment capacity

Overview: key roles of the BIS



In-depth analysis

BIS research draws on the Bank's unique position at the intersection of conceptual advances and policymaking. Our economic analysis is topical and directly relevant for policy. At the same time, our research and analysis identify longer-term issues of strategic importance to stakeholders. Our research and statistics help policymaking and support cooperation among central banks and regulatory authorities.

For more on our research and statistics, see [Chapter 2](#).



Promoting international cooperation

The BIS fosters cooperation among central banks and financial supervisory authorities globally. As part of the Basel Process, regular high-level meetings of central bank Governors are held at the BIS, in addition to other meetings with central bank Governors and senior central bank experts and supervisory authorities worldwide. The Bank's Representative Offices provide forums for regional meetings, complementing the global meetings at our headquarters. The BIS Cyber Resilience Coordination Centre enables information-sharing among peers to build cyber resilience. The Bank's Financial Stability Institute supports the implementation of global regulatory standards and sound supervisory practices.

For more information on these topics, see [Chapter 3](#).



Banking services

The BIS offers a broad array of banking services to its central bank, monetary authority and international organisation customers. All products are designed with clients' key reserve management needs in mind – in particular the requirements for safety, liquidity and return. The BIS operates dealing rooms across our global offices and offers round-the-clock services to our clients worldwide. In addition to providing services to clients, Banking staff manage the Bank's own capital and promote knowledge-sharing with other institutions.

To find out more about our banking activities, see [Chapter 4](#).



Exploring public goods through innovation

Technology-driven innovation is rapidly changing the financial sector. The BIS is a thought leader in exploring the possibilities and implications of technological change, partnering with central banks around the world through its Innovation Hub.

To find out more about the BIS's work in the area of innovation, see [Chapter 5](#).



Governance and organisation

Guided by sound governance and oversight practices, the BIS prioritises strategic use of resources while maintaining operational excellence and continuing to meet the needs of the global central banking community.

To find out more about the BIS governance and organisational structure as well as about the way we work, see [Chapter 6](#).



2

In-depth analysis and insights

BIS research supports central banks in their pursuit of monetary and financial stability. The BIS aims to provide stakeholders with in-depth analysis and insights by drawing on our unique position at the intersection of research and policy.

Economic research and analysis

BIS research brings unique perspectives and provides conceptual and empirical advances to support policymaking. It informs the background notes the BIS produces for regular meetings of senior central bank officials and supports the work of BIS committees. Timely and policy-relevant insights are published in the BIS Annual Economic Report, Quarterly Reviews, Bulletins and FSI publication series. More technical analysis appears in BIS Working Papers and articles published in academic journals.



Research at
the BIS

Our research is the result of the joint efforts of various areas of the BIS. We also collaborate closely with researchers from member central banks and academics. We regularly convene conferences and collaborative research networks that bring together officials from central banks, supervisory institutions, international financial institutions and academia.



BIS publications in 2025/26

Research at the BIS contributes to policy discussions on topical financial and economic issues.



Total downloads*

967,973

Flagship publications



Quarterly Review

64,634

Examines developments in international banking and financial markets



Annual Economic Report

95,198

Presents commentary on the global economy and outlines policy challenges

Other publications

88

Working Papers

213,380

Offer insights into key economic and financial developments

23

BIS Bulletins

150,798

Provide topical insights on financial institutions, markets and the wider economy

37

Committee publications

175,556

Provide analysis, policy details and information on the implementation of standards

16

BIS Innovation Hub publications

36,946

Explore innovative technology critical for central banks to fulfil their mandates

8

FSI Insights

16,358

compare and assess regulatory and supervisory approaches

8

Other FSI policy publications

41,147

Focus on regulatory and supervisory subjects of topical interest

13

BIS Papers

99,290

Facilitate discussions of senior officials from central banks held at the BIS

12

FSI Executive Summaries

12,268

Provide brief synopses of new and revised global financial regulatory standards

* Includes other publication downloads not highlighted on this page.

Highlights for 2025/26

In a year marked by profound shifts in financial markets and fragmentation of global economic ties, BIS researchers helped central banks to interpret emerging policy issues and drew fresh insights into longer-running trends in technology, financial systems and macroeconomic relationships.



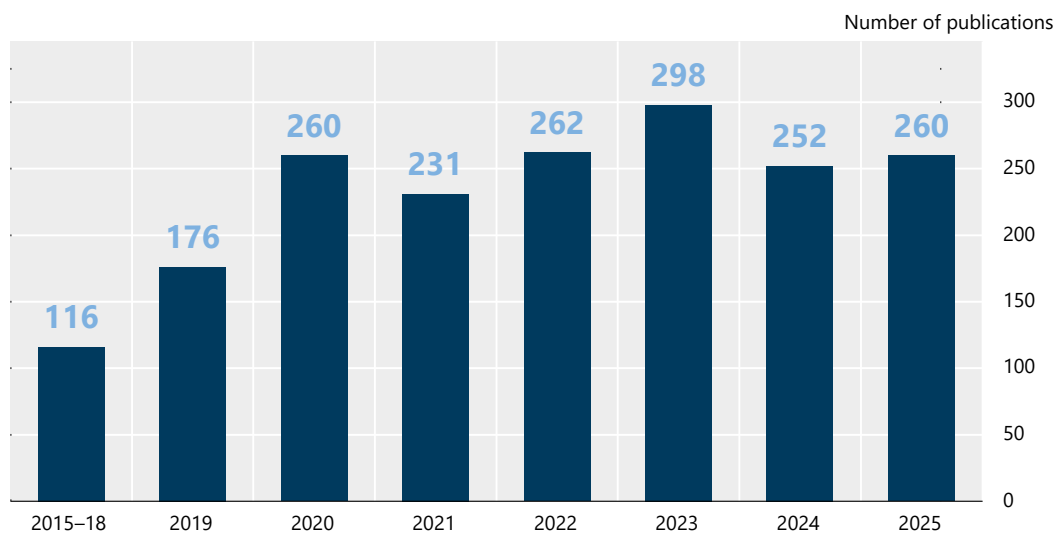
For digital access
to all mentioned
articles

Major research themes included:

- the evolution of the global financial system
- economic fragmentation
- monetary system innovation and digital finance
- artificial intelligence
- novel measures of economic and financial data.

BIS research publications per year

Graph 2.1



Source: BIS.

Evolution of the global financial system

Our research delved into structural changes in the global financial system. This work uncovered links between developments, highlighting risks and vulnerabilities and exploring possible policy measures.

- A key structural change has been the **increasing shift in financial intermediation towards bond market financing**, with government bonds at the core. In recent years, [highly leveraged hedge funds, many of which rely heavily on short-term financing via repo markets](#), have been expanding their role in sovereign bond markets. BIS researchers used granular data to analyse the underlying trading motives behind these financial transactions, providing insights to inform policy measures to limit financial stability risks.
- Researchers explored the rapid [growth in and expansion of private credit since the Great Financial Crisis \(GFC\)](#), finding that the footprint of private credit is larger in countries with lower policy rates, more stringent banking regulation and a less efficient banking sector. These developments have narrowed the gap in funding costs between banks and private credit providers, enhancing the latter's competitive position.
- Traditionally viewed as financial stabilisers, **life insurers are now navigating a more complex landscape** marked by rising interconnectedness with the broader financial system. Researchers examined [the systemic risks and policy challenges emerging from this transformation](#), highlighting the growing involvement of private equity firms, a shift in investment strategies towards more opaque assets and increasing liquidity risks.
- Researchers explored [the net effects of the growing non-bank financial institution \(NBFI\) sector](#), finding that they can amplify or dampen monetary policy transmission. These effects would depend on the mix of financial intermediation *among* NBFIs, the structure of their assets and liabilities and prevailing market conditions.
- A noteworthy feature of the post-GFC financial landscape is the **expanding footprint of internationally active asset managers**. Researchers highlighted how [global portfolio investments and foreign exchange \(FX\) derivatives](#) can amplify cross-country monetary policy spillovers, clarifying some of the key mechanisms driving the global financial cycle.

Economic fragmentation

The past year saw heightened concerns over possible global economic fragmentation.

- BIS researchers applied our in-house suite of multi-sector trade and macroeconomic models to **quantify the likely effects of trade tariffs on growth and inflation**. This work highlighted that tariffs lower output in most jurisdictions but have a more nuanced inflationary effect, depending to a large degree on how efficiently global value chains adapt.
- Researchers constructed a **new mapping of global value chains** by the nationality of parent companies and subsidiaries, to complement existing measures from the perspective of corporate residency. They found a large share of cross-border trade occurs between firms of the same nationality, indicating new channels through which disruptions to trade can affect economic activity.

Monetary system innovation and digital finance

Our research analysed the implications for economies and policymakers of the application of technological innovation to the monetary and financial system, in particular payment systems and financial infrastructure.

- Researchers sought to uncover **what the emergence of competing digital monies means for payment system efficiency and financial inclusion**. This work revealed that when payment systems exist as separate “walled gardens”, transaction volumes and consumer access are inefficiently low. Fast payment systems and other public payment options that promote interoperability can deliver large welfare gains.
- Other research analysed **the global cross-border flows of major cryptocurrencies**, highlighting their growing role in remittances, speculative trading and as alternatives to traditional financial flows. The authors found that traditional capital flow regulations are relatively ineffective in curbing crypto transactions, highlighting a challenge for central banks and other regulatory authorities.
- Stablecoins are emerging within domestic financial systems as well. Researchers analysed the **growing influence of stablecoin flows on safe asset markets**. These flows are having a measurable impact on short-term government bond yields, with implications for financial stability, monetary policy and regulatory transparency.

Reflecting these developments, BIS researchers developed new proposals to help policymakers respond effectively to the challenges posed by the growth of stablecoins and other cryptoassets.

- They laid out tailored [regulatory frameworks to address stablecoins' unique characteristics](#) while ensuring global cooperation and technological neutrality.
- They proposed a [new anti-money laundering approach](#), using the public transaction history visible on blockchains to assess whether particular cryptoassets have been linked to illicit activity.
- They described [how regulatory approaches to stablecoin-related yields](#) differ across jurisdictions, noting that addressing the risks posed by these arrangements may require a framework that extends beyond issuers.

Artificial intelligence

Our researchers sought to help central banks better understand the economic and financial market implications of artificial intelligence (AI) and the potential use cases for public authorities.

- Researchers [quantified the scale of physical and financial investment in AI](#) and benchmarked the AI surge against past investment booms, like the late-1990s dotcom boom. The analysis traced the shift in the financing of AI investment from retained earnings towards debt, highlighting potential financial vulnerabilities that might result.
- Enormous investment requirements are altering the [market structure of AI](#). Researchers explored the competitive landscape of AI, highlighting the growing dominance of big tech companies – in hardware, cloud infrastructure, training data, foundation models and AI applications. They examined what this concentration means for competition, innovation, operational resilience and financial stability.
- Researchers explored [how AI is being deployed in practice](#), and its implications. They found that AI is delivering measurable productivity gains, and that its adverse labour market effects may be smaller than feared. However, the benefits are uneven across firms – with large and medium-sized firms capturing the largest gains – and countries – with some emerging market economies potentially benefiting less.
- Other work explored how [generative AI can assist in managing cash and liquidity](#) in real-time gross settlement payment systems. This research also examined how central banks and supervisory authorities can benefit from AI by using it to enhance market monitoring.



Visual map of speeches

- BIS researchers are deploying AI tools to generate new insights. They applied machine learning techniques to a database of nearly 20,000 speeches from more than 100 central banks. They used the results to [construct a visual map of the topics central bankers talk about](#) and how their communication priorities have changed over time.



- Researchers also developed [BISTRO](#) (BIS Time-series Regression Oracle) – a foundational AI model for forecasting and time series analysis.
- Researchers described how limited model explainability makes model risk management (MRM) challenging and [highlighted the need for financial authorities to foster sound MRM practices](#) that are relevant in the context of AI.
- They also provided [an overview of the state of generative AI applications in financial supervision](#), based on a survey of authorities represented in the Financial Stability Institute Informal Suptech Network.

Novel measures of economic and financial data

Our researchers developed innovative tools to shed light on economic and financial market developments.

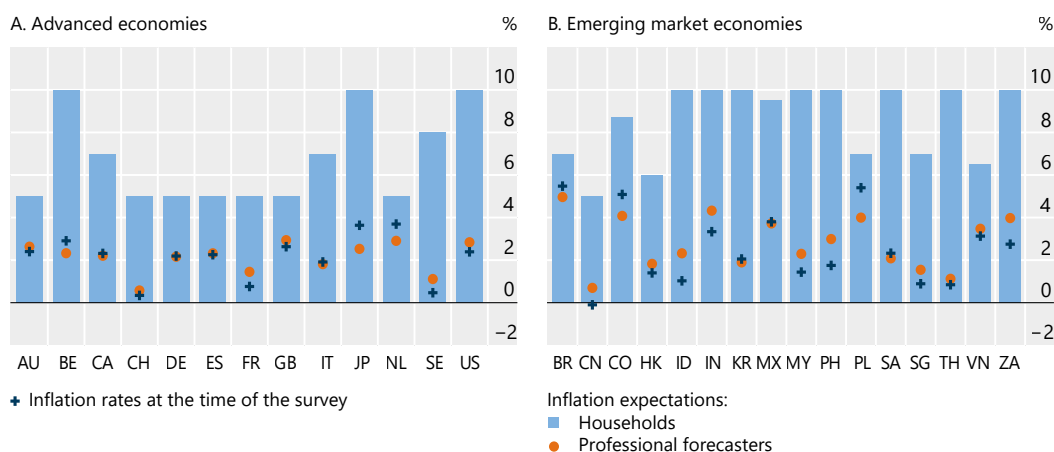


View the video

- The post-Covid-19 inflation surge underscored the need to improve our understanding of inflation expectations. The BIS sponsored [a global survey of household inflation perceptions and expectations](#). The survey included over 30,000 individuals across 31 economies, capturing insights into their current inflation expectations, perceptions of the recent inflation spike and understanding of their central bank's role and mandate.

Household inflation expectations are elevated, higher than professional forecasts and prevailing inflation rates¹

Graph 2.2



¹ Household inflation expectations are calculated by taking the median of the individual responses for each country.

Sources: BIS global household survey; Consensus Economics; authors' calculations.

- BIS researchers also developed [measures of growth and inflation sentiment](#) using cutting-edge large language models. These tools allow policymakers to take the pulse of the economy in real time and to distinguish between the supply- and demand-side drivers of macroeconomic trends, offering a more nuanced view of economic dynamics.
- Recognising the pivotal role of financial conditions in the transmission of monetary policy, researchers developed [new indices of financial conditions](#). Unlike existing measures, the BIS series provide a transparent view of the specific drivers of tight and loose financial conditions.
- Researchers introduced new measures that included a novel rule of thumb to [pinpoint the timing of high- and low-inflation regimes](#). These tools provide valuable insights into the triggers for high-inflation episodes, helping policymakers to anticipate and address inflationary pressures before they intensify.

Statistical work and data analytics

Complementing its economic research and analysis, the BIS enhanced its statistics, data analytics and collaboration tools through several initiatives.

Highlights for 2025/26

Triennial Survey

A key highlight of the year was the October 2025 release of the **14th BIS Triennial Central Bank Survey of Foreign Exchange and Over-the-counter Derivatives Markets**.



View the
Triennial Survey

The Triennial Survey is the most comprehensive source of information on the size and structure of global over-the-counter (OTC) markets in FX and interest rate derivatives (IRD).

The 52 participating jurisdictions collected data from more than 1,100 banks and other dealers and reported national aggregates to the BIS for inclusion in global aggregates. The Survey aims to enhance the transparency of OTC markets and help central banks and market participants to monitor global financial markets.



Read the
Quarterly
Review

The December 2025 *BIS Quarterly Review* was a special edition dedicated to the results of the 2025 BIS Triennial Survey and derivatives markets more generally. The articles examined how structural shifts and policy changes have shaped trading activity in FX and interest rate derivatives markets, which have become vital to the global financial system.

BIS Data Portal

The BIS continued to promote **public data literacy** using BIS statistics through the primer series “International finance through the lens of BIS statistics”. The series aims to equip users with the knowledge needed to leverage the statistics available on the BIS Data Portal. Each article features explanations of key concepts and their real-world applications. This year’s articles covered [bond markets](#), [derivatives markets](#) and offshore activity.

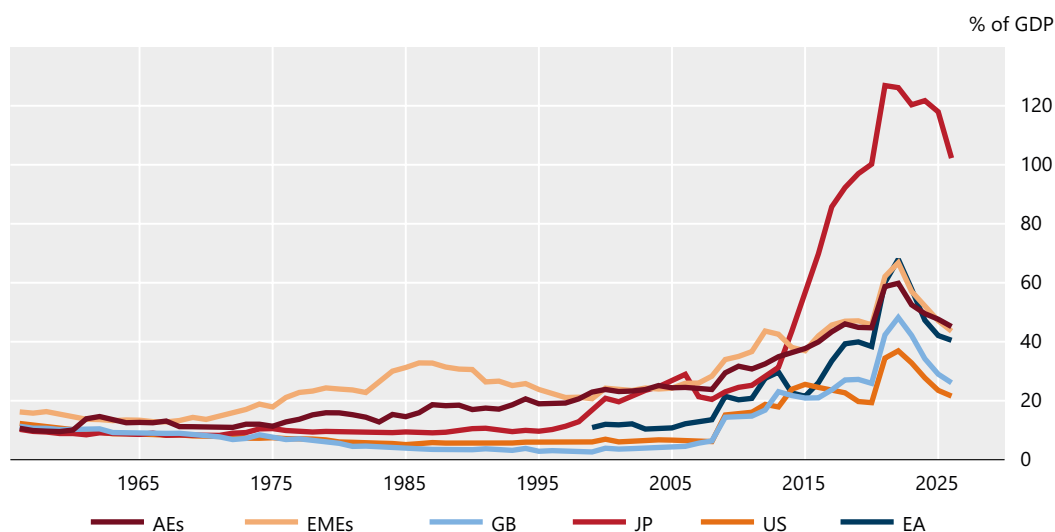


Go to the
BIS Data Portal

To further support users of BIS statistics, the Bank released an **AI-assisted search feature on the BIS Data Portal**. This new AI capability makes it easier for users to locate statistics without needing to input precise series names or keywords. The software is available as an open source reference under **BIS Open Tech** for use by central banks and other public sector and international institutions.

Evolution of the size of central bank balance sheets

Graph 2.3

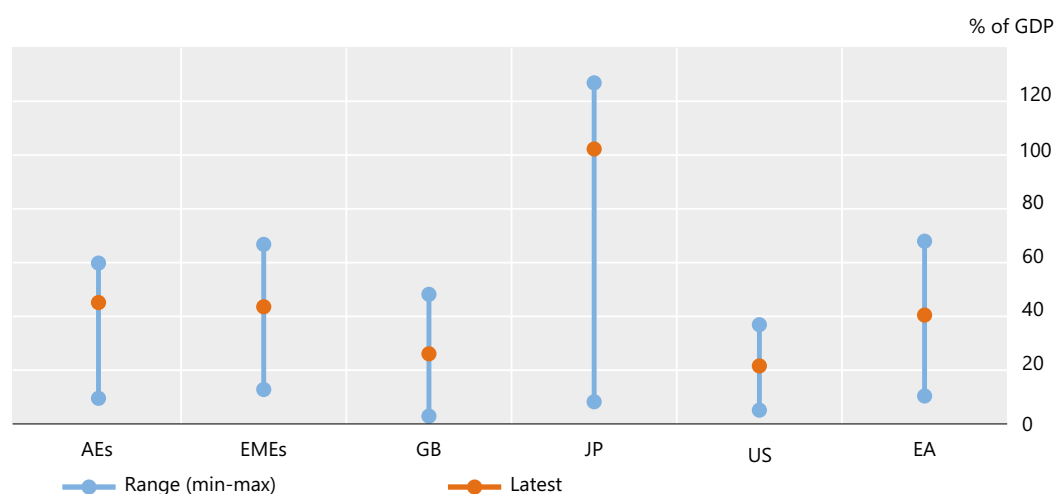


We continued work to expand our range of historical statistical series, including on the size and composition of central bank balance sheets ([Graphs 2.3](#) and [2.4](#)).

We also **updated the classifications of countries into advanced economies (AEs) and emerging market economies (EMEs)** used in BIS statistics as well as in our research and policy publications. The new groupings are based on the classification in the IMF's *World Economic Outlook* (WEO), extended to the broader set of countries covered in BIS statistics. The previous advanced/emerging classification had remained largely unchanged since the 1990s and had become outdated.

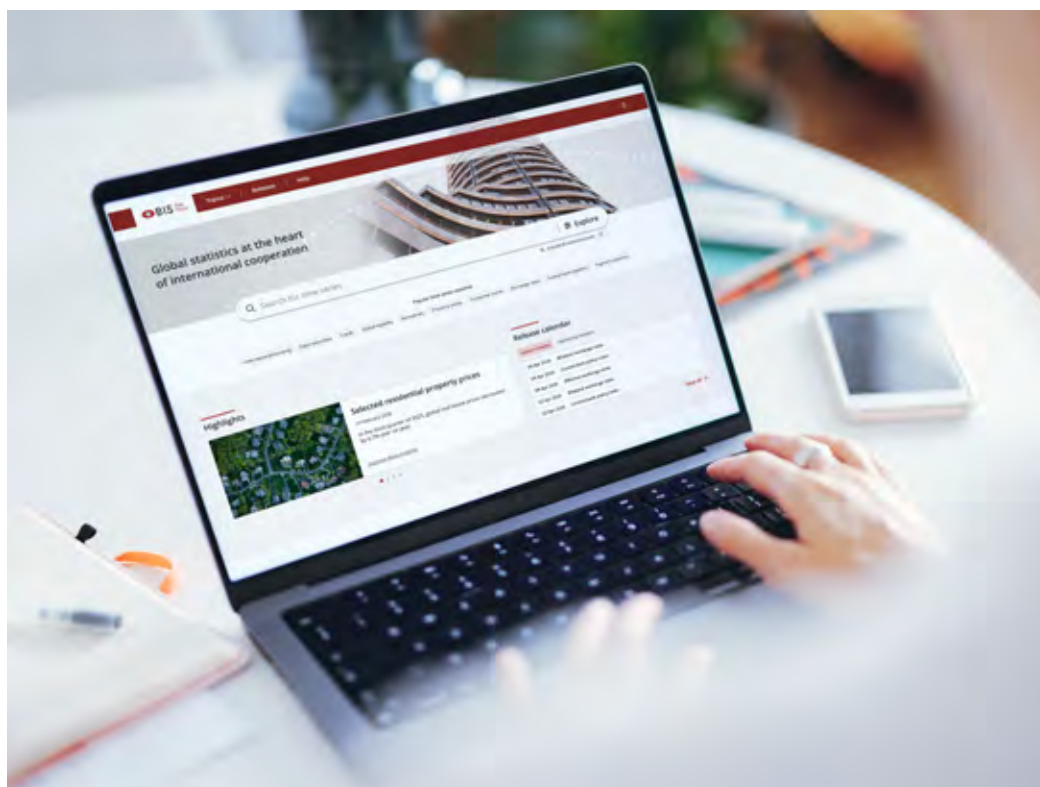
Historical range of central banks' total assets

Graph 2.4



The minimum (maximum) points are calculated for the period 1955 and 2025 onwards (except for the euro area's series, which starts in 1998).

Source: BIS Data Portal.



International data collaboration

The BIS continued to support international initiatives to fill gaps in the global statistical landscape and promote robust and consistent data standards.

Work progressed on the planned enhancement of the **OTC derivatives statistics**, collected under the auspices of the Committee on the Global Financial System. This project aims to address one of the largest blind spots in international financial statistics and will provide more information on dealer banks' outstanding FX positions, including their currencies, the direction of trade and the country of their counterparties.

A key priority for the BIS as producer of reference data on the international financial system is to ensure wider coordination with the global statistical community. The BIS has continued to participate actively in the cooperation framework set up under the **G20 Data Gaps Initiative (DGI)**, especially its third phase. This phase calls for better data to understand climate change, income and wealth distribution, and financial innovation and inclusion, as well as to foster adequate access to and sharing of data.

The BIS also **continued its sponsorship of the ISO-certified Statistical Data and Metadata eXchange (SDMX) standard**. This initiative promotes interoperable, reproducible and discoverable official statistics. Over the past year, the BIS advanced the SDMX standard through numerous efforts, including its support for the 10th SDMX Global Conference in Rome and the public release of updated global Data Structure Definitions for national accounts, consumer price indices and other key statistical releases.

Collaboration with central banks and academic researchers

In 2025/26, the BIS reinforced its research and analytical capacity by participating in conferences; by jointly organising research and policy events with other central banks, international institutions and academia; and through visiting researcher programmes.

Major BIS-led conferences:

- 24th BIS Annual Conference: “Central banking in times of digitalisation and fragmentation”
- BIS Innovation Summit 2025: “Future-proofing central banks”
- BIS-Bank of England-European Central Bank-International Monetary Fund “Spillover conference on policy challenges in a fragmenting world”
- Fourth High-level Conference on Global Risk, Uncertainty and Volatility, co-organised with the Swiss National Bank and Federal Reserve Board of Governors
- BIS Basel Committee on Banking Supervision, ECB and Centre for Economic Policy Research conference on “Technological innovations in financial markets: risks and opportunities in banking and regulation”
- 5th WE_ARE_IN Macroeconomics and Finance Conference, co-organised with the Centre for Economic Policy Research and ECB
- Hong Kong Institute for Monetary and Financial Research (HKIMR)-IMF-BIS conference on “Sustaining financial stability amid uncertainty, fragmentation and rapid innovation”
- 4th ASEAN+3 Economic Cooperation and Financial Stability Forum: “Fragmentation to resilience, macro-financial stability and regional integration in ASEAN+3”, co-organised with the Hong Kong Monetary Authority and the ASEAN+3 Macroeconomic Research Office



90 seminars

BIS visiting researcher programmes



13 BIS research fellows



8 Central bank research fellows



2 Lamfalussy Fellows



35 Technical advisers



3 Visiting economists



8 Senior associates



7 Graduates



2 FSI graduates



4 FSI Fellows



2018 Anniversary Award
ESB-USCIB Conference

President: J. D. Jones
Chairman: J. D. Jones
Chairman: J. D. Jones
Chairman: J. D. Jones

President: J. D. Jones
Chairman: J. D. Jones
Chairman: J. D. Jones
Chairman: J. D. Jones

President: J. D. Jones
Chairman: J. D. Jones
Chairman: J. D. Jones
Chairman: J. D. Jones

3 Promoting international cooperation

The BIS acts as a global forum for dialogue and cooperation among central banks and financial supervisory authorities from around the world.

A global forum for dialogue and cooperation

The BIS is committed to fostering international cooperation among central banks and financial supervisory authorities from around the world, with a view to supporting their efforts to ensure monetary and financial stability.¹ The institution also fosters dialogue and knowledge-sharing through its engagement with central bank committees and hosted organisations in the context of the Basel Process.

As part of this process, the BIS convenes high-level meetings of central bank Governors and financial supervisory authorities. These meetings are held at a global level in Basel and complemented by regional discussions through the Bank's Representative Offices for Asia and the Pacific and the Americas. The offices serve as centres for BIS activities in these regions and are uniquely positioned to address the needs of the central banks in those regions and anticipate the changes affecting them.

General meetings

The BIS holds an Annual General Meeting (AGM) within four months of the end of the financial year on 31 March. The AGM approves the Annual Report and the accounts of the Bank, decides on the distribution of a dividend and elects the Bank's auditor. Each of the BIS member central banks has voting and representation rights at General Meetings.

The BIS hosts and supports several international committees. These committees support central banks and other jurisdictional authorities responsible for financial stability by providing background analysis and policy recommendations. In addition, the BIS Cyber Resilience Coordination Centre (CRCC) supports central banks in building cyber resilience capabilities.

The Bank's Financial Stability Institute (FSI) assists central banks and financial regulatory and supervisory authorities worldwide in strengthening their financial systems.

International organisations involved in cooperation in the area of financial stability have their secretariats at the BIS and have their own separate legal identity and governance structure.

¹ The access of the Central Bank of the Russian Federation to all BIS services, meetings and other BIS activities has been suspended since end-February 2022.

Governors' meetings



Description of
Basel Process and
bimonthly meetings

Governors and other senior officials of BIS member central banks meet approximately five times a year and during the Annual General Meeting (AGM) programme to discuss current economic developments and the outlook for the world economy and financial markets. They also exchange views and experiences on issues of particular interest to central banks.

In addition, various other meetings bring together senior central bank officials and, occasionally, representatives from other financial authorities, the financial sector and the academic community to discuss topics of shared interest.

This chapter showcases the Chairs who led the committees or groups for the majority of the reporting period, which ran from 1 April 2025 to 31 March 2026.

Principal global meetings

The principal bimonthly global meetings are the Global Economy Meeting (GEM), the Economic Consultative Committee (ECC) and the All Governors' Meeting. Most groups are chaired by senior central bankers.

Global Economy Meeting

The GEM comprises 30 BIS member central bank Governors from major advanced and emerging market economies that jointly account for about four fifths of global GDP. The Governors of another 22 central banks attend the GEM as observers.

The GEM has two main roles:

- monitoring and assessing developments, risks and opportunities in the world economy and the global financial system
- providing oversight for three Basel-based central bank committees – the Committee on the Global Financial System (CGFS), the BIS Committee on Payments and Market Infrastructures (CPMI) and the Markets Committee.



Jerome H Powell
Chair of the Board of
Governors of the Federal
Reserve System and
Chair of the Global
Economy Meeting and
the Economic
Consultative Committee

February 2020 to May 2026

The BIS announced in November 2025 that Christine Lagarde, President of the European Central Bank, would succeed Jerome Powell as Chair of the GEM and the ECC from May 2026.

In 2025/26, the GEM's economic discussion focused on:

- investment in an increasingly uncertain global landscape
- tariffs, policy uncertainty and recession risk
- softening trends amid elevated uncertainty in labour markets
- the implications for monetary policy of the rise of non-bank financial institutions
- fiscal developments' implications for the economic outlook and for monetary policy
- reassessing the balance of risks to inflation.

Economic Consultative Committee

The ECC is a 19-member group that supports the work of the GEM. It is also led by the GEM Chair and comprises all Board members and the BIS General Manager. The ECC reviews reports and work programmes of the CGFS, the CPMI and the Markets Committee, and prepares proposals for the GEM's consideration. In addition, the Chair makes recommendations to the GEM on the composition and organisation of these committees and the appointment of their Chairs.

In addition to providing guidance to the work of the three GEM committees, in 2025/26 the ECC discussed the following topics:

- the G20 Roadmap for Enhancing Cross-border Payments
- recent developments in asset prices
- implications of the growth of stablecoins
- central bank reserves
- initial financial market impact and potential macro-financial consequences of the Middle East conflict.

All Governors' Meeting

The All Governors' Meeting comprises the Governors of the BIS member central banks. It convenes to discuss selected topics of general interest to its members. In 2025/26, topics discussed included:

- population ageing, banks and financial stability
- recent reviews of monetary policy strategies
- households' perceptions and expectations in the wake of the inflation surge
- monetary policy communication in uncertain times
- stablecoins and monetary sovereignty.



The All Governors' Meeting oversees the work of two groups: the Central Bank Governance Group ([see next section](#)) and the Irving Fisher Committee on Central Bank Statistics ([see page 44](#)).

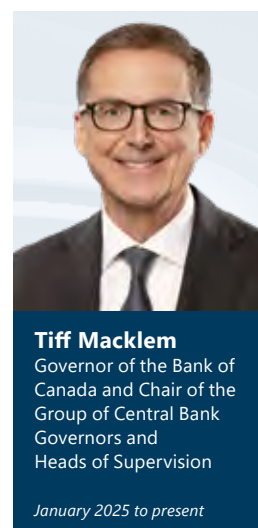
The BIS Board of Directors announced in May 2026 the election of Fabio Panetta, Governor of the Bank of Italy, as its new Chair starting in June. He will therefore also become Chair of the All Governors' Meeting.

Other regular meetings

The BIS also organises meetings that bring together central bank Governors, senior officials and other financial and supervisory authorities based on specific topics of interest or regions.

Group of Central Bank Governors and Heads of Supervision (GHOS)

The GHOS is the highest-level forum responsible for international collaboration on banking regulation and supervision. It oversees the work of the Basel Committee on Banking Supervision ([see page 40](#)).

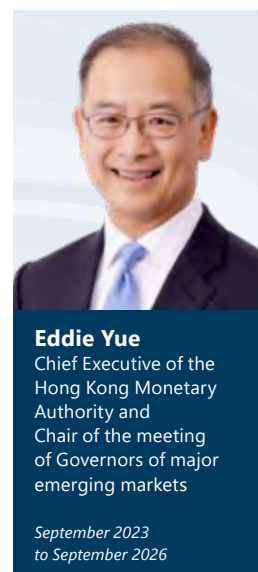


Governors of major emerging market economies (EMEs)

The Governors of major EMEs typically meet three times a year to discuss issues of importance to their economies. Topics during the past year included:

- implications for EMEs of changing expectations about the US dollar
- regional integration amid global fragmentation
- heterogeneity in the real effects of AI among countries.

In May 2026, Gabriel Galípolo, Governor of the Central Bank of Brazil, was appointed Chair of the meeting of Governors of major emerging market economies starting in September 2026.



The Central Bank Governance Group (CBGG)



CBGG
overview page

The CBGG is a forum for Governors to exchange views on matters of central bank governance and institutional design. The Group comprises Governors from nine BIS member central banks as standing members, with additional Governors invited as guests for topics of particular interest or relevance to them.

In 2025/26, the CBGG discussed a variety of topics, including:

- monetary policy communication in the context of uncertainty
- governance of the central bank balance sheet
- governance of emergency liquidity provision and crisis response
- legal, regulatory and supervisory frameworks for cryptoasset activities and stablecoin arrangements
- central bank objectives related to the real economy and the financial system.



Lesetja Kganyago
Governor of the South African Reserve Bank and Chair of the Central Bank Governance Group

October 2020 to present

Governors from small open economies (SOEs)

The BIS also holds regular meetings for the Governors from SOEs. In 2025/26, the Governors discussed:

- recent global economic developments and the implications for monetary policy
- fiscal policy, public debt and the implications for monetary policy in SOEs
- the implications of recent exchange rate changes for SOEs
- macroeconomic implications of AI
- the macroeconomic outlook in 2026
- financial stability risks from AI exuberance.



Amir Yaron
Governor of the Bank of Israel and Chair of the Governors of central banks from small open economies

January 2022 to present



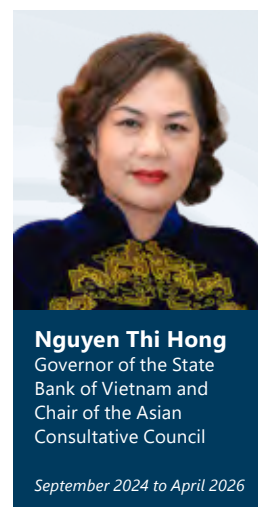
Roundtable of Governors from African central banks

The BIS hosts an annual roundtable of Governors of BIS member central banks as well as those of other central banks in Africa. This year's meeting took place in June 2025 as part of the Annual General Meeting programme in Basel and discussed Africa's economic landscape and trade resilience.

Asian Consultative Council (ACC)

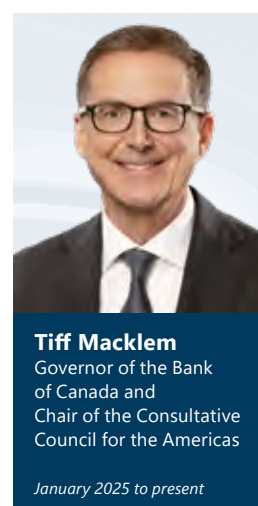
The Representative Office for Asia and the Pacific hosts two meetings of the ACC each year to discuss conjunctural and thematic issues. In 2025/26, the ACC focused on the impact of trade tensions on growth and inflation, and the application of AI in banking and financial stability.

In May 2026, Michele Bullock, Governor of the Reserve Bank of Australia, was appointed Chair of the Asian Consultative Council.



Consultative Council for the Americas (CCA)

The Representative Office for the Americas organises four meetings of the CCA each year. During 2025/26, the CCA Governors discussed recent developments in the region as well as topics such as the economic effects of migration, financial conditions indices, stablecoins and core inflation. One meeting was held with an expanded group of participants, with Governors from other countries in the region and beyond.



Committees and international groups at the BIS

Basel Committee on Banking Supervision



Erik Thedéen

Governor of Sveriges Riksbank and
Chair of the Basel Committee on Banking Supervision

June 2024 to present



More information
on the BCBS

The Basel Committee on Banking Supervision (BCBS) is the primary global standard setter for the prudential regulation and supervision of banks and provides a forum for cooperation on banking supervision matters. Its mandate is to strengthen the regulation, supervision and practices of banks worldwide with the purpose of enhancing financial stability. Areas of focus during the reporting period included:

- **Basel III implementation:** The Committee's highest priority remains the full, timely and consistent implementation of Basel III. To promote this objective, it is monitoring the Basel III implementation status across its member jurisdictions and reviewing the consistency of the implemented standards with the Basel Framework. To improve accessibility of Pillar 3 data, the Committee is developing a machine-readable disclosure framework. It also began work to consolidate its guidelines and sound practices in a new section of its website, which would streamline and reduce the volume of material by approximately 75%.
- **Risk assessment and safeguarding resilience:** The Committee continues its forward-looking approach to identifying and analysing risks and vulnerabilities to the banking system to safeguard banks' resilience. Over the past year, this work included publications analysing banks' interconnections with non-bank financial institutions and their use of synthetic risk transfers. To strengthen supervisory effectiveness, the Committee started work to develop a suite of practical tools to support supervisors in their day-to-day work. The initial work, which was completed in this financial year, covered tools on liquidity risk management, interest rate risk in the banking book, banks' business model sustainability and effective supervisory judgment.
- **Digitalisation of finance:** The Committee is pursuing analytical and supervisory initiatives related to the digitalisation of finance, including monitoring developments in AI, digital fraud, information and communication technology risk management, and the cryptoasset market. The Committee published principles for the sound management of third-party risk and initiated a review of targeted elements of the prudential standard for banks' cryptoasset exposures in 2026.

BIS Committee on Payments and Market Infrastructures



Fabio Panetta

Governor of the Bank of Italy and Chair of the Committee on Payments and Market Infrastructures

November 2023 to present



More information
on the CPMI

The BIS Committee on Payments and Market Infrastructures (CPMI) is the global standard-setting body for the promotion of safe and efficient payment, clearing, settlement and related arrangements. It also serves as a forum for central banks to monitor and analyse developments and cooperate on related oversight, policy and operational matters, including the provision of central bank services. Recent priority areas have included:

- **Enhancing cross-border payments:** The CPMI advanced its efforts to enhance cross-border payments through extensive engagement with public and private stakeholders. It monitored changes in the payment ecosystem through its annual survey and co-hosted a conference with the South African G20 Presidency, focusing on the challenges faced in sub-Saharan Africa. The CPMI promoted the adoption of harmonised ISO 20022 messaging standards through updated guidance and explored the international harmonisation of payment pre-validation services to enhance the safety and efficiency of cross-border payments.
- **Analysing future-oriented issues in payments:** Digital innovation in payment, clearing and settlement continued to be a key focus. The Committee deepened its analysis of how innovations affect the roles and interactions of various forms of money, with particular emphasis on the pivotal role of central bank money as the anchor of the payment ecosystem. The CPMI continued to monitor related developments and published its annual statistics on retail payments and financial market infrastructures. It also released the results of the annual BIS survey on central bank digital currencies and crypto.
- **Strengthening financial market infrastructures (FMIs):** Sound risk management is foundational to ensure FMIs operate safely and efficiently, thereby supporting economic activity and financial stability. The CPMI, working with the International Organization of Securities Commissions (IOSCO), has continued to strengthen the ability of FMIs to prevent, withstand and recover from significant financial and operational disruptions. The CPMI and IOSCO published an implementation monitoring report on general business risks and consulted on guidance to the Principles for Financial Market Infrastructures (PFMI) on FMIs' management of general business risks and losses.

Committee on the Global Financial System



Chang Yong Rhee

Governor of the Bank of Korea and
Chair of the Committee on the Global Financial System

November 2023 to April 2026



More information
on the CGFS

The Committee on the Global Financial System (CGFS) monitors financial sector developments and analyses their implications for financial stability and central bank policy. The CGFS reports to the Governors of the BIS Global Economy Meeting.

During 2025/26, the CGFS focused on macroeconomic and financial stability implications of global market dynamics amid geopolitical tensions. It sought to identify potential vulnerabilities in sovereign bond, foreign exchange and credit markets, as well as in the banking sector and among non-bank financial institutions, notably insurance companies and hedge funds. Committee members also exchanged views on implications of fiscal policy for central banks.

The CGFS delved into three topics with a medium-term perspective:

- AI at central banks and ways in which AI may shape the behaviour of financial intermediaries and the functioning of financial markets
- collateral pre-positioning for central bank liquidity assistance, examining the common and jurisdiction-specific objectives of pre-positioning frameworks and the attendant macro-financial and policy trade-offs
- channels through which a broad adoption of stablecoins for payments or as a store of value may influence the effectiveness of monetary policy.

The CGFS published a [report on foreign currency funding risk and cross-border liquidity](#). This report maps the geographical distribution of risk exposures and relates it to the availability of channels for addressing foreign-currency funding shortages. It also points to data gaps that underscore the value of initiatives to enhance statistics on foreign exchange derivatives under the aegis of the CGFS.

In May 2026, Kazuo Ueda, Governor of the Bank of Japan, was appointed Chair of the Committee on the Global Financial System.

Markets Committee



John C Williams

President and Chief Executive Officer of the Federal Reserve Bank of New York and Chair of the Markets Committee

January 2023 to present



More information
on the Markets
Committee

The Markets Committee is a forum for senior central bank officials to discuss current market conditions, market functioning and monetary policy operations.

At its regular meetings in 2025/26, the Markets Committee focused on developments in core money and foreign exchange (FX) markets and changes in central banks' operational frameworks, a key part of the Committee's mandate. The Committee also:

- published the key insights from its fifth Market Intelligence workshop
- continued its monitoring of the use of benchmark reference rates
- initiated work to update the Markets Committee Compendium, a database on the BIS website that provides a comprehensive cross-country overview of the relevant aspects for monetary policy implementation.

The Markets Committee also undertook more analytical work, holding discussions on:

- the design of central bank liquidity facilities, including the factors influencing facility design choice and collateral practices
- the impact of leveraged investors on the functioning of repo and government bond markets.

Irving Fisher Committee on Central Bank Statistics



Michele Bullock

Governor of the Reserve Bank of Australia and
Chair of the Irving Fisher Committee on Central Bank Statistics

September 2025 to present



More information
on the IFC

The Irving Fisher Committee on Central Bank Statistics (IFC) is a forum of statisticians, economists and other stakeholders involved in statistical and data issues of interest to central banks. Governed by BIS member central banks and hosted by the BIS, the IFC has 110 members and is an affiliated member of the International Statistical Institute (ISI).

In view of the expansion in recent years in both the membership and the scope of the IFC, new terms of reference were endorsed in May 2025 to clarify the Committee's governance arrangements and expand its mandate to cover broader data issues.

Ensuring wider cooperation with the global statistical community remained high on the IFC agenda in 2025/26. In particular, the Committee actively contributed to various events around the 65th World Statistics Congress of the ISI.

The IFC also furthered its work in the following key areas:

- micro data, with a specific focus on the use of corporate financial statement information
- data science, with the exploration of generative AI and its applications in central banking
- data governance, with a review of the issues posed by AI implementation and the integration of multisource statistics
- sustainability, an issue of key interest to central banks as producers and users of robust and trustworthy evidence.

Michele Bullock was nominated for a three-year term as IFC Chair in September 2025, following the departure of Alberto Naudon, Board member of the Central Bank of Chile.

Cyber Resilience Coordination Centre

The Cyber Resilience Coordination Centre (CRCC) promotes knowledge-sharing and collaboration among central banks to enhance global cyber resilience and safeguard the continuity of critical financial operations.

In 2025/26, the CRCC conducted assessments of several member central banks' cyber operations, providing feedback on their current capabilities, gaps and priority areas for enhancement. The CRCC also delivered targeted training and specialist guidance on emerging technology risks – including AI and cyber security, quantum computing, third-party risk, security operations and regional incident response collaboration – supporting more consistent and forward-looking cyber risk management across jurisdictions.

Week-long cyber range exercises enable participants to strengthen their skills in detection, analysis, containment and communication. In 2025, the CRCC held its first cyber range exercise in Africa, co-hosted by the South African Reserve Bank, for central banks of the Southern African Development Community, reinforcing collaboration and operational readiness across the region.

The CRCC's sixth annual Cyber Security Seminar took place in Basel in April 2025. Central bank cyber leaders and experts focused on secure internet routing, cloud security, supply chain risk and adaptive defence for the financial sector.



Event on quantum readiness for central banks and supervisors.

Representative Office for the Americas

The BIS Representative Office for the Americas, located in Mexico City, serves as a forum for central bank cooperation in the Americas. The Office's economists undertake research and organise meetings for senior central bankers within the region and beyond.

The Office operates under the oversight of the Consultative Council for the Americas (CCA), which is composed of the Governors of the BIS's eight member central banks in the Americas. Under the CCA, a range of consultative groups discuss issues related to monetary policy, financial stability, central bank operations, research, risk management and innovation.

The Office hosts one of the three trading floors of the BIS and offers a full suite of banking services. Clients include central banks in the region as well as those from other regions that prefer to trade during the time zones in the Americas.

The Office is headed by Alexandre Tombini, former President of the Central Bank of Brazil, and has 30 staff members.

Highlights for 2025/26

- The Americas Office published the report "[Monetary policy decision-making and communication under high uncertainty](#)", comprising papers by the BIS and 10 central banks from the Americas and beyond. It offers a unique window into the experiences of central banks, providing a comprehensive view of how institutions have navigated uncertainty in recent times.
- Staff at the Office also published a [BIS Bulletin on financial conditions indices \(FCIs\) in Latin America](#).



Visit by the General Manager and Deputy General Manager to the Representative Office for the Americas, August 2025.

Representative Office for Asia and the Pacific

The BIS Representative Office for Asia and the Pacific, located in Hong Kong SAR, serves as a regional hub for BIS activities in Asia. The Office identifies and addresses the needs of Asia-Pacific central banks while aligning regional activities with the Bank's global strategy to support monetary and financial stability. It undertakes research and organises meetings for senior central bankers within the region.

The Office supports the Asian Consultative Council (ACC), which brings together the Governors of 13 BIS member central banks in the region. Under the ACC, the Office supports central banks to discuss issues of monetary and financial stability, including through a range of ACC networks.

It also hosts one of the three trading floors of the BIS, offering banking services to clients in Asia-Pacific. The Office is headed by Tao Zhang, former Deputy Governor of the People's Bank of China, and has around 45 staff members.

Highlights for 2025/26

- By hosting and participating in several high-level meetings, the Office advanced the integration of regional perspectives into the Bank's global themes through various workstreams related to monetary policy, research, financial stability, climate change, risk management and communications. See a list of major BIS-led conferences in [Chapter 2](#).
- The Office supported the Bank's regional activities, for example macroeconomic modelling and reserve management workshops as well as cyber range exercises. It strengthened ties with other regional non-member stakeholders through events with EMEAP (Executives' Meeting of East Asia-Pacific Central Banks), the South East Asian Central Banks (SEACEN) Research and Training Centre and the Asian Development Bank.
- Deepening its research on important issues of relevance to regional central banks, staff at the Office published the reports "[US dollar's slide in April 2025: the role of FX hedging](#)" and "[Monetary responses to external shocks in emerging market economies: the role of financial vulnerabilities](#)".



Visit by the General Manager to the Representative Office for Asia and the Pacific, December 2025.

Financial Stability Institute



FSI 2025 in review

The mandate of the Financial Stability Institute (FSI) is to support central banks and other financial authorities in the implementation of global regulatory standards and sound supervisory practices. It delivers on this mandate through three core activities: policy work, policy events and training.

Highlights for 2025/26

In 2025/26, the FSI published papers and organised meetings to foster dialogue and contribute to policy debates on critical supervisory and regulatory topics. Additionally, the FSI continued its modernisation efforts to ensure that its capacity-development activities remain effective and aligned with emerging e-learning trends and evolving user preferences.

Policy work

Publications

In 2025/26, the FSI contributed to policy debates on enhancing the effectiveness and efficiency of prudential frameworks.



More information
on the FSI

FSI research explored the regulatory implications of advancements in financial technology, AI, cyber security, digital assets and tokenisation.

The FSI's various publication series cover regulatory and supervisory topics, primarily related to banking and insurance issues. These are available on the [FSI section of the BIS website](#).

Crisis Simulation Exercises

The FSI's sixth cross-border Crisis Simulation Exercise (CSE), completed in April 2026, involved authorities from selected European jurisdictions both in and outside the European Union, as well as relevant EU and euro area authorities.

Unidroit project

The Unidroit project on bank liquidation concluded in 2025 with the adoption and publication of the *Unidroit Legislative Guide on Bank Liquidation*. The FSI played a key role by providing technical expertise and organisational support.

Policy events

The FSI delivers an annual programme of events, tailored to meet the needs of diverse audiences and address specific focus areas. In particular, high-level meetings and policy implementation meetings provide forums for heads of authorities and senior officials, respectively, to discuss the latest international regulatory and supervisory developments as well as regional priorities. Conferences facilitate discussions among financial sector authorities on critical cross-sectoral issues.



In addition to regular events, several high-profile initiatives took place in 2025/26:

- a meeting on supervisory effectiveness co-organised with the Basel Committee on Banking Supervision (BCBS)
- a workshop on cryptoassets in partnership with the Financial Stability Board
- the 20th FSI-IOSCO Conference on banking and securities trading issues
- the BIS, International Association of Insurance Supervisors (IAIS) and National Financial Regulatory Administration of China high-level international seminar on insurance supervision
- a workshop on financial health, co-hosted in 2025 with the Office of the United Nations Secretary-General's Special Advocate for Financial Health (UNSGSA). In her capacity as UNSGSA Special Advocate, Her Majesty Queen Máxima of the Netherlands spoke at the event.



FSI-UNSGSA Workshop on Financial Health, November 2025.

Training

The FSI's training activities comprise FSI Connect (an e-learning platform), online courses and virtual seminars.

FSI Connect

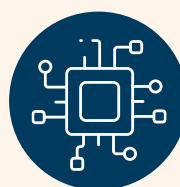
In 2025/26, the FSI Connect library added 16 new tutorials, seven major updates and 13 executive summaries on a broad range of regulatory and supervisory topics, mostly relating to global regulatory standards. These tutorials covered topics such as principles for credit risk management, cyber resilience reporting and disclosure of climate-related financial risks. The FSI also cooperated with the BCBS to make its new series of supervisory tools available to eligible jurisdictions. As of March 2026, 10,841 staff members from 290 institutions and 154 countries subscribed to FSI Connect.

FSI training and online courses

As of March 2026, a total of 3,100 people participated in FSI training sessions (including 1,968 in online courses and 1,132 in virtual seminars) from 266 institutions across 159 jurisdictions.



The FSI has a suite of six online courses, of which five are offered each year.



BIS-FIT 2.0

BIS Financial Innovation
and Technology
Online Course

106 institutions
90 jurisdictions
490 participants



FIRST-ONE

FSI-IAIS Insurance
Regulatory and Supervisory
Training Online Course

57 institutions
54 jurisdictions
221 participants



BROCC

BIS-IMF Banking
Resolution
Online Course

146 institutions
113 jurisdictions
584 participants



SROC

BIS-IMF Banking
Supervisory and Regulatory
Online Course

114 institutions
102 jurisdictions
562 participants



CEROC

Climate and
Environmental Risks
Online Course

47 institutions
42 jurisdictions
111 participants

International organisations at the BIS

The following organisations have secretariats at the BIS. They have their own separate legal identities and governance structures. The BIS is a member of the Financial Stability Board and International Association of Insurance Supervisors. Staff at these organisations often work in cooperation with BIS colleagues, occasionally participating together in international forums.



Financial Stability Board



FSB website

The Financial Stability Board (FSB) promotes international financial stability by coordinating the development of regulatory, supervisory and other policies by national financial authorities and international standard-setting bodies.

In 2025/26, the FSB welcomed a new Chair, Andrew Bailey, Governor of the Bank of England, and submitted eight deliverables to the South African G20 Presidency, covering work:

- to enhance resilience of non-bank financial intermediation (NBFI), including policy recommendations to address NBFI leverage and a medium-term workplan to address non-bank data issues.
- to harness the benefits of digital innovation while containing its risks, including a report on monitoring AI adoption and a new Format for Incident Reporting Exchange, to enhance the response to operational incidents.
- monitoring and evaluating implementation of agreed reforms, including reviews on the implementation of its global cryptoasset recommendations and the FSB's monitoring of 15 years of implementation of reforms.



Andrew Bailey
Governor of the Bank
of England and
Chair of the FSB



International Association of Deposit Insurers

The International Association of Deposit Insurers (IADI) is the global standard setter for deposit insurance systems, with 107 deposit insurers as members and other financial safety net participants as associates. The Chair of the Executive Council and President of IADI is Alejandro López, Chief Executive Officer, Seguro de Depósitos Sociedad Anónima, Argentina.



IADI website

Key achievements in 2025/26 include:

- updated IADI Core Principles – revising the global deposit insurance benchmark to incorporate lessons from the 2023 banking turmoil, with a focus on collaboration within the financial safety net and addressing digitalisation challenges.
- digitalisation – completing a comprehensive stocktake of technology's impact on deposit insurance, including tokenised deposits, stablecoins and emerging service providers.
- 2026 strategic goals – adopting a five-year strategy aimed at implementing the Core Principles, providing thought leadership, enhancing crisis readiness and fostering collaboration to strengthen global financial stability.



Alejandro López
Chief Executive Officer of
the Seguro de Depósitos
Sociedad Anónima
(Argentina) and Chair
of IADI



International Association of Insurance Supervisors

The International Association of Insurance Supervisors (IAIS) is the global standard setter for insurance supervision. It is chaired by Toshiyuki Miyoshi, Vice Minister for International Affairs, Financial Services Agency of Japan.



IAIS website

In 2025/26, the IAIS:

- advanced implementation assessments across its range of standards, including the Insurance Capital Standard, a globally comparable risk-based measure of capital adequacy for internationally active insurance groups.
- continued to focus on the assessment of trends and risks in the insurance sector through its annual Global Monitoring Exercise, including an analysis of structural shifts in the life insurance sector related to increased investment in alternative assets and asset-intensive reinsurance.
- developed extensive guidance on supervisory practices on key themes, including climate risk, digital innovation, operational resilience and fair treatment of customers.
- placed a particular focus on addressing natural catastrophe insurance protection gaps, including publications and events with the G20 and World Bank.



Toshiyuki Miyoshi
Vice Minister for
International Affairs,
Financial Services Agency
(Japan) and Executive
Committee Chair of the
IAIS



Other areas of international cooperation

The BIS participates in international forums and collaborates with key international financial institutions. We also contribute to the activities of central banks and regional central bank organisations by participating in their events as well as hosting joint events. During the past year, the Bank co-organised events or collaborated with the following:

- Arab Monetary Fund (AMF)
- Asian Forum of Insurance Regulators (AFIR)
- ASEAN+3 Macroeconomic Research Office (AMRO)
- Association of Insurance Supervisors of Latin America (ASSAL)
- Association of Southeast Asian Nations (ASEAN)
- Association of Supervisors of Banks of the Americas (ASBA)
- Center for Latin American Monetary Studies (CEMLA)
- Centre for Economic Policy Research (CEPR)
- European Banking Authority (EBA)
- European Commission
- European Investment Bank (EIB)
- European Money and Finance Forum (SUERF)
- European Stability Mechanism (ESM)
- Eurostat
- Executives' Meeting of East Asia-Pacific Central Banks (EMEAP)
- Group of 20 meetings (G20) organised under the South African Presidency
- Inter-American Development Bank (IDB)
- International Center for Monetary and Banking Studies
- Institute of International Finance (IIF)
- International Journal of Central Banking (IJCIB)
- International Monetary Fund (IMF)
- International Organization of Securities Commissions (IOSCO)
- Joint Vienna Institute (JVI)
- Network of Central Banks and Supervisors for Greening the Financial System (NGFS)
- Organisation for Economic Co-operation and Development (OECD)
- South East Asian Central Banks (SEACEN)
- United Nations Secretary-General's Special Advocate for Financial Health (UNSGSA)
- World Bank Group



4

Banking services

The BIS provides a broad range of banking services to central banks and other reserve managers. Activities include deposit-taking, gold and foreign exchange trading services, and the provision of third-party asset management products. BIS Banking also manages the Bank's own funds and conducts knowledge-sharing activities for the broader reserve management community.

Banking activities

BIS banking activities are focused on two major objectives: to manage the Bank's capital and to provide a broad range of banking services to central banks and other official sector customers. We seek to offer these services at competitive rates, while generating a sufficient level of profit to maintain the Bank's operations, provide BIS shareholders with an appropriate dividend and maintain an adequate capitalisation level.

Our banking services are designed to meet the reserve management demands of central bank and other official sector customers. In addition to delivering on reserve managers' core objectives of safety, liquidity and return, this involves reliable execution, around-the-clock service provision and strong customer focus. Activities thus evolve continually to keep pace with customers' adaptation to the changing macro-financial environment, and are underpinned by a strong capital position as well as a stringent risk management framework ([see Chapter 6](#)). The BIS's banking business is conducted according to relevant industry and ethical standards as well as best market practices.

Highlights for 2025/26

March 2026 marked the end of another exceptionally strong financial year for the BIS, with new records established across a range of key activity metrics. Despite rising levels of geopolitical and policy uncertainty into year-end, the financial market environment was generally supportive, with relatively high yield levels underpinning carry income across the BIS's fixed income asset holdings. Rising gold prices, in turn, increased the Bank's capital cushion, supporting balance sheet capacity. As a result, at end-March 2026, BIS total assets stood at SDR 482.2 billion, after having established a new all-time record at SDR 538.0 billion in late February.

The Special Drawing Right, or SDR, is a basket of currencies defined by the International Monetary Fund, which serves as the Bank's unit of account or "numeraire".

With currency deposits (on a settlement date basis) climbing to a new all-time high at SDR 399.3 billion on 31 December 2025, and total deposits closing the year at SDR 428.3 billion, net profits reached SDR 1,018 million by end-March 2026. This was up from the SDR 843.7 million realised in financial year 2024/25, reflecting strong activity across all the Bank's business lines. Total comprehensive income, in turn, stood at a record end-financial year (FY) level of SDR 4.7 billion, up from the previous record of SDR 3.4 billion at the end of FY 2024/25 and based primarily on large unrealised valuation gains on the Bank's gold holdings.

Scope of banking services



Banking services
for central banks

The BIS offers a broad range of financial services to a global customer base of about 200 central banks, monetary authorities and international organisations. To provide these services, BIS Banking operates from three interlinked dealing rooms, located in Basel, Hong Kong SAR and Mexico City ([see Chapter 3](#)). Jointly, the three locations offer services on a near 24-hour basis to all BIS clients, and help to maintain close contact with customers and counterparties across the globe.

Financial products and services

Money market and tradable instruments

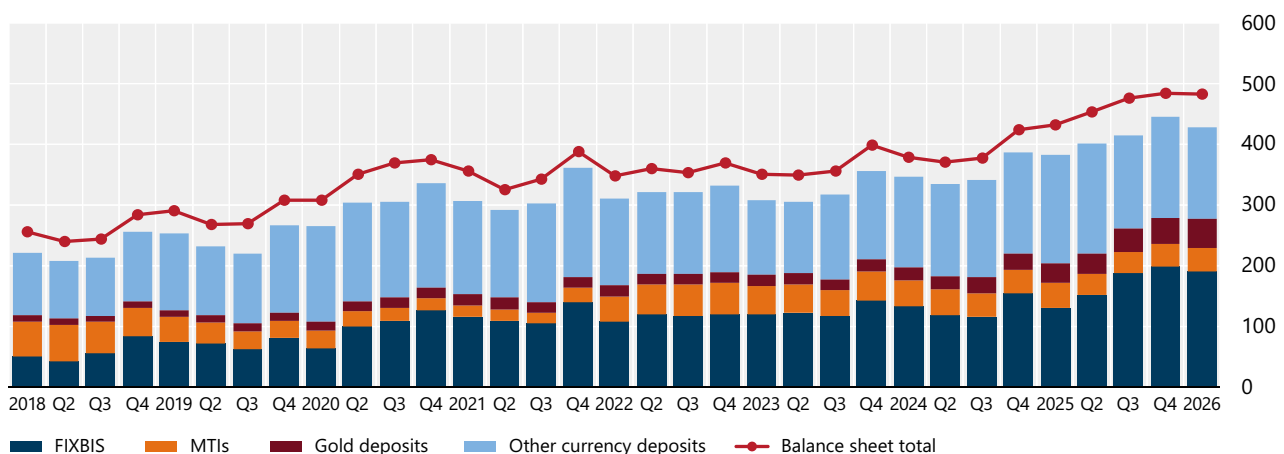
The BIS Treasury offers money market placements, such as sight/notice accounts and fixed-term deposits, and tradable instruments in maturities ranging from one week to five years. Tradable instruments take the form of fixed rate investments at the BIS (so-called FIXBIS) and medium-term instruments (MTIs).

Currency deposits, total assets and total comprehensive income all established new all-time highs during the financial year.

These products are collectively known as the Bank's borrowed funds business ([Graph 4.1](#)). They are designed and priced to offer returns that are competitive with those of comparable sovereign debt instruments, while providing the high credit quality and liquidity required by the Bank's reserve management clients.

Balance sheet total and deposits by product

Graph 4.1

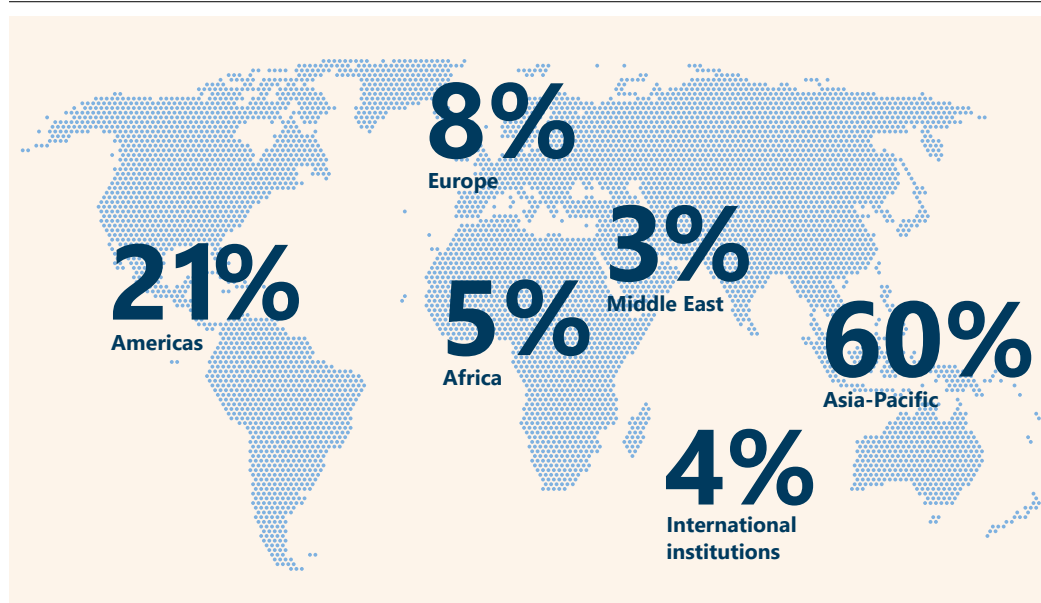


End-quarter figures, in billions of SDR.
Source: BIS.

The development of new customer products and the attractive pricing of existing ones remained key priorities in 2025/26, helping to further increase the volume of customer placements from already high levels. Underscoring the Bank's global reach, while most of the overall currency deposits continued to come from the Asia-Pacific region (60%), the Americas' share rose to 21% (from 9% the previous year) and most of the remainder was shared among Europe (8%) as well as Africa and the Middle East ([Graph 4.2](#)). Further support for the Bank's deposit business is expected to come from the continuing development of electronic trading capabilities for BIS instruments, based on the Bank's new order execution and management system.

Geographical distribution of currency deposits

Graph 4.2



Percentage; based on balance sheet values in SDR, excluding gold; financial year-end.
 Numbers do not add up to 100% due to rounding.
 Source: BIS.

Foreign exchange and gold services

Along with our main deposit products, the BIS also offers foreign exchange (FX) and gold-related services, which have maintained strong activity levels in recent years.

Rising gold prices provided a strong tailwind for the Bank's foreign exchange and gold business.

The Bank conducts FX trades on behalf of our central bank customers, including spot transactions, swaps, outright forwards, options and so-called dual currency deposits. We have developed advanced electronic FX trading capabilities, such as the Bank's

e-FX price aggregator platform, to help customers implement large spot and FX swap trades at competitive rates.

The BIS also provides comprehensive gold-related services that include spot trading as well as outright forwards, swaps and options. Other gold services comprise sight accounts, fixed-term and dual currency deposits as well as physical services, such as quality upgrading, refining and location exchange. In 2025/26, client demand for these services benefited from strongly rising gold prices and related adjustments in central bank reserve portfolios.

Asset management services

Complementing the Treasury's deposit business, and leveraging the existing own funds management infrastructure, the Bank offers two types of fee-based third-party asset management products:

- i. dedicated mandates tailored to clients' individual requirements
- ii. open-ended fund structures – BIS Investment Pools (BISIPs) – that allow groups of BIS customers to invest in a common pool of reserve assets.

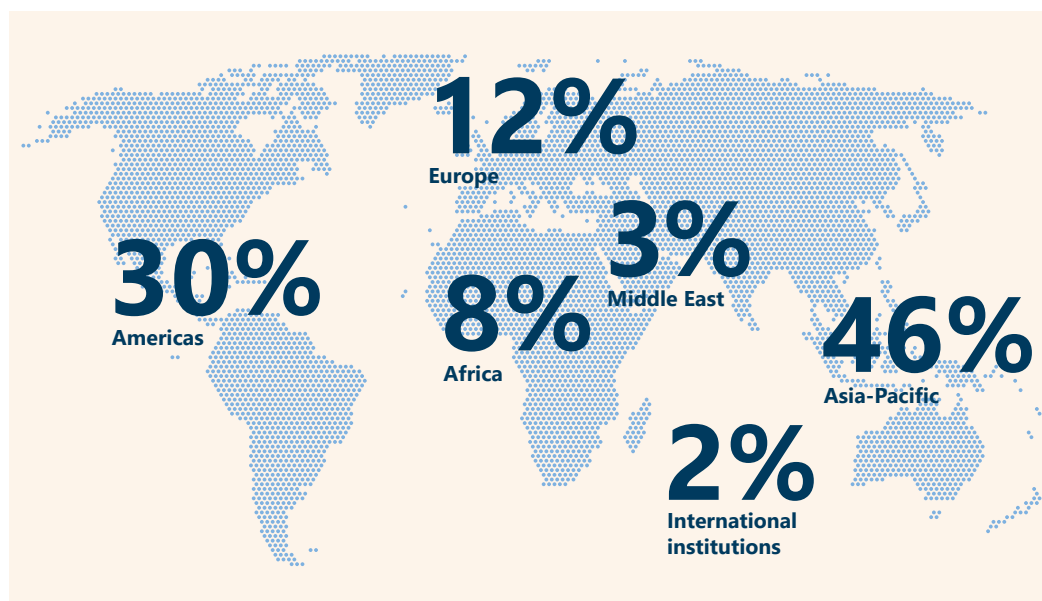
In addition to offering investments in core USD- and EUR-denominated sovereign bonds, the BISIP structure is a key tool to accommodate central bank interest in more diversified FX reserve portfolios in a cost-efficient way. As a pooled structure, BISIPs offer significant economies of scale for investments in asset classes such as US Treasury inflation-protected securities and sovereign bonds denominated in key emerging market economy currencies, such as the onshore Chinese renminbi (CNY). Returns are accrued for the benefit of the Bank's asset management clients and do not feed into BIS profit and loss.

Inflows were supported by the successful launch of a new climate-aware USD corporate BISIP and strong interest across the Bank's other investment pools.

Client assets across mandates and BISIPs, which are not included in the BIS balance sheet, amounted to SDR 23.7 billion at end-March 2026. This was up from SDR 22.5 billion at the end of the previous financial year, reflecting a combination of net investment inflows and positive valuation changes. Inflows were supported by the launch of a new climate-aware USD corporate BISIP, accommodating continued customer interest in sustainable investment products. In terms of geographical distribution, Asia-Pacific remained the region with the highest share of assets under management (at around 46%), followed by the Americas (30%, up from 27% the previous year) and Europe (12%) ([Graph 4.3](#)).

Geographical distribution of assets under management

Graph 4.3



Percentage; based on client assets under management at financial year-end.
 Numbers do not add up to 100% due to rounding.
 Source: BIS.

Other services

The BIS also offers a range of other financial services, including short-term liquidity facilities through which central banks can draw against high-quality collateral. Such liquidity facilities add to the crisis management toolkit available to central banks, with operational efficiency and speed of disbursement among the key advantages.

The Bank may also act as a trustee and collateral agent in connection with international financial operations. This includes providing ancillary reserve management services, such as supporting client central banks in reviewing and assessing their reserve management practices, and customised quantitative studies on asset allocation topics.

Management of the Bank's own funds

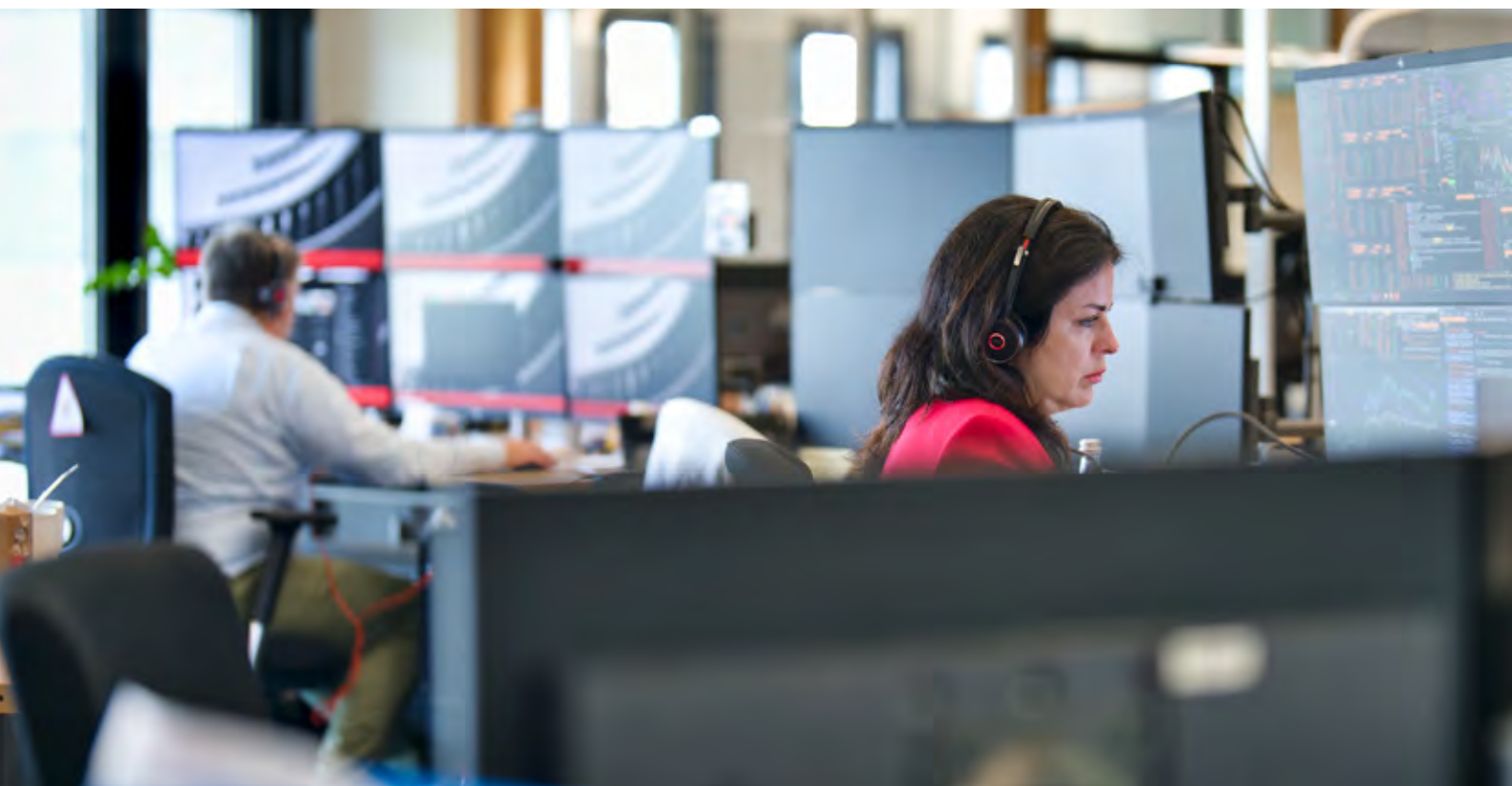
The objective of own funds management is to maximise, within a defined set of risk constraints, the return on the Bank's equity capital. This capital stems from the paid-in capital of our shareholders and the retained earnings from our banking activities. At around SDR 33.1 billion as of end-March 2026, the asset side equivalent of this capital base was held in gold (102 tonnes at around SDR 11.2 billion) and high-quality, highly liquid fixed income instruments. Driven by a 45% increase in the gold price, the gold portion of the own funds portfolio grew significantly over the financial year and now accounts for about 34% of the overall portfolio.

The own funds are managed by the BIS Asset Management function and within the constraints established by the Bank's Risk Management Framework. Set by BIS Management in line with parameters established by the Board of Directors, the strategic benchmark for the Bank's fixed income investments is reviewed annually as part of an established strategic asset allocation process.

With the SDR serving as the Bank's numeraire, the fixed income portion of the own funds is managed against a customised index comprising five groups of portfolios denominated in the SDR constituent currencies. To limit FX risk, these five currency portfolios are aligned with SDR basket weights and regularly rebalanced, with own funds fixed income returns driven mostly by interest rate and spread risk. Eligible assets include nominal sovereign and quasi-sovereign bonds and diversifying instruments, such as US inflation-protected Treasury and mortgage-backed securities as well as highly rated USD-, EUR- and GBP-denominated corporate and European peripheral and covered bonds.

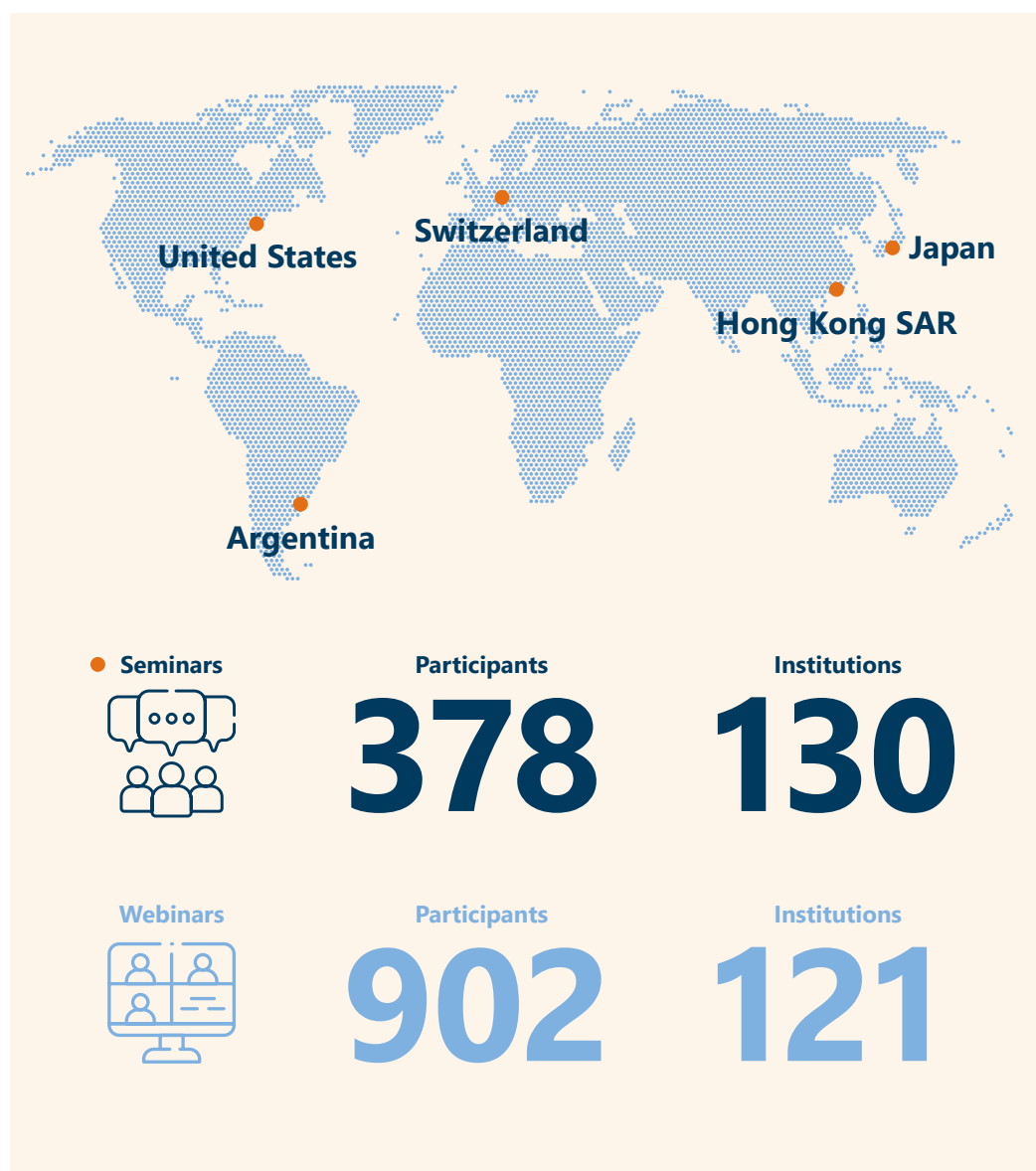
Outreach activities

BIS Banking maintains an active programme of regular, bilateral client meetings as well as a schedule of larger knowledge-sharing events and seminars on particular topics or BIS products. As part of the Bank's broader outreach activities, these meetings strengthen the feedback mechanism between the BIS and its banking customers, informing product development and service delivery. They also facilitate the exchange of information and transfer of technical skills within the reserve management community.



Seminars, workshops and conferences

Graph 4.4



Source: BIS.

In addition to our regular schedule of events and regional programmes, in 2025/26 the BIS co-organised an event with the Asian Development Bank Institute in Hong Kong SAR and one with the Federal Reserve Bank of New York in New York. We also co-hosted events with the World Gold Council in Basel, with the Bank of Japan in Kobe and with the Central Bank of Argentina in Buenos Aires. Topics across these events included recent trends in foreign exchange reserve management, strategic asset allocation techniques, sustainable investing and developments in gold markets. As in previous years, Banking offered additional outreach in the form of webinars and in time frames targeting particular regions ([Graph 4.4](#)).





Granular data empowers insights into the macroeconomic relevance of DeFi

Dashboards

Insights into economic significance



Tailored Insights
Provide analysis, policymakers and regulators with tailored insights



5

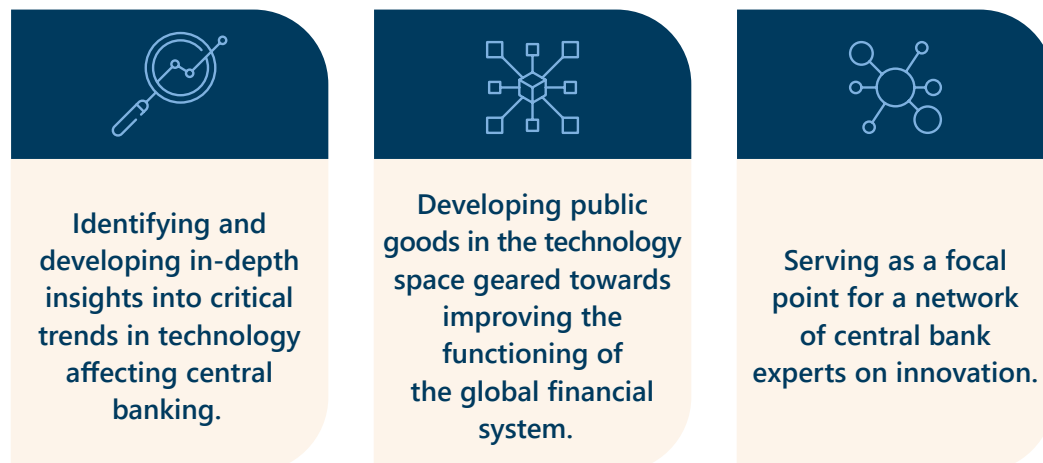
Exploring public goods for central banks through digital innovation

In an era of rapid technological advancements, the BIS collaborates with central banks to identify relevant technology trends, engage in practical experimentation and foster international cooperation to leverage technology to more efficiently fulfil their mandates.

Partnerships with central banks

Through hands-on experimentation, the BIS develops and tests prototypes and proofs of concept for the global central banking community. It also fosters collaboration among central banks and public authorities, promoting shared approaches to technological change.

The BIS Innovation Hub has a threefold mandate:



The BIS Innovation Hub has a global footprint. It manages a large network of central bankers working on innovation worldwide and focuses experimentation in seven centres, in partnership with central banks. Centres are located in Paris and Frankfurt (for the Eurosystem), Hong Kong SAR, London, Stockholm (for the Nordics), Singapore, Switzerland (Basel and Zurich) and Toronto. The BIS also has a strategic partnership with the Federal Reserve Bank of New York.

The BIS Innovation Hub is governed by an Advisory Committee chaired by Joachim Nagel, President of the Deutsche Bundesbank.

The Innovation Hub's work aligns closely with the five core functions of central banks:

- | | |
|---|---|
| 1 | Provision of money  |
| 2 | Monetary policy  |
| 3 | Payment infrastructure  |
| 4 | Financial stability  |
| 5 | Regulation and supervision  |

2025/26 work programme

The 2025/26 work programme focused on consolidating projects and enhancing their impact while continuing to emphasise innovation. A key priority during the year was to strengthen horizon scanning to identify critical technology trends in a more structured and coordinated fashion across centres.

During the financial year, the Innovation Hub continued to experiment with technology through a portfolio of projects. Greater emphasis was placed on targeting central bank functions and ultimately contributing to broader policy objectives and anticipating new thematic areas of focus in an evolving financial system.

The work programme further evolved, building on lessons from past projects. A key focus during the reporting period was to maximise synergies across projects and to create pathways for the handover of selected projects to central banks.

Finally, the BIS further strengthened its role in fostering collaboration. Through the Innovation Network programme of events and targeted initiatives, the Bank continued to facilitate knowledge-sharing and technical cooperation among central banks.

Identifying and developing in-depth insights into critical trends in technology affecting central banking

In the 2025/26 financial year, the Innovation Hub conducted its first horizon-scanning exercise, evolving from centre-level initiatives to a more formalised global approach. This strengthened coordination and strategic alignment across Innovation Hub centres, enhancing our ability to anticipate emerging technologies and their implications for central banks and shape the future work programme.

The exercise identified three priority areas with the highest potential impact on central banks:

- Artificial intelligence (AI): enhancing analytical processes for policymaking and transforming societal and labour market dynamics.
- Tokenisation and interoperability: modernising financial infrastructure and enabling seamless integration across systems.
- Cyber security and integrity: safeguarding financial systems against risks and ensuring resilience and trust.

Starting in 2026, these three priority areas guide the Innovation Hub's work and support central banks' five core functions.

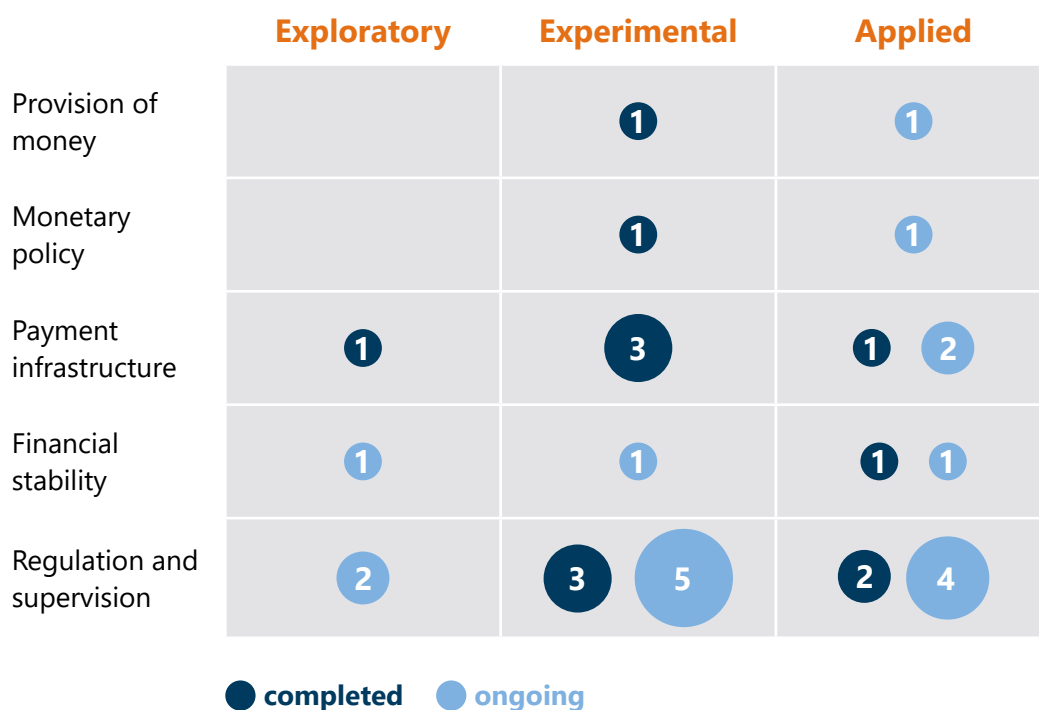
Developing public goods in the technology space geared towards improving the functioning of the global financial system

Projects undertaken in the 2025/26 financial year were selected for balance across three dimensions: (i) relevance to central bank core functions; (ii) type of research and development (R&D), from more exploratory to more applied; and (iii) project stage, including multi-year initiatives and projects completed within the financial year. [Graph 5.1](#) offers an overview of the project portfolio along these three dimensions.

Most projects in the financial year focused on the financial stability mandate of central banks and involved more mature stages of research and development. Moreover, various projects were completed in an effort to focus resources on the most impactful projects.

BIS Innovation Hub projects in 2025/26

Graph 5.1



Relevance to central bank core functions



BIS Innovation Hub projects

Approximately 10% of the projects undertaken in 2025/26 focused on the provision of money and monetary policy.

A notable example is Project Pine. Conducted in collaboration with the Federal Reserve Bank of New York, Project Pine demonstrated how central banks could leverage the power of smart contracts to carry out monetary policy operations more efficiently in a tokenised environment.

A significant share of the Innovation Hub's efforts focused on enhancing the stability and efficiency of payment infrastructures, reflecting their critical role in modern financial systems. Seven of the 31 total projects were dedicated to this area.

One example is Project Rialto, which explored the integration of instant payment systems offering settlement in safe central bank reserves with an automated foreign exchange platform. The project was in collaboration with the Bank of France, Bank of Italy, Central Bank of Malaysia and Monetary Authority of Singapore.

Payment infrastructure projects are generally larger and involve more staff than other projects. For example, Project Agorá, the largest project undertaken by the BIS Innovation Hub, includes seven central banks and over 40 leading financial institutions in a public-private partnership. It aims to test the desirability, feasibility and viability of a multi-currency atomic settlement of wholesale cross-border payments, in line with the blueprint set out in BIS (2023).¹ The project team completed the development of a prototype as defined by the scope of the project.

Important areas of focus were financial stability as well as supervision and regulation. Recognising the growing importance of these functions for central banks, the Innovation Hub has made a concerted effort to expand its project portfolio in this domain. These projects make up 65% of the total portfolio, with six projects completed during the reporting period and 14 still underway.

One notable example is Project Leap Phase 2, undertaken in collaboration with the Bank of Italy, the Bank of France, Deutsche Bundesbank, Nexi-Colt and Swift. This project tested post-quantum cryptography, highlighting the importance of timely preparations and collaboration across institutions to ensure the financial system is resilient against emerging threats.

Further details on these and other projects can be found on the BIS Innovation Hub website.

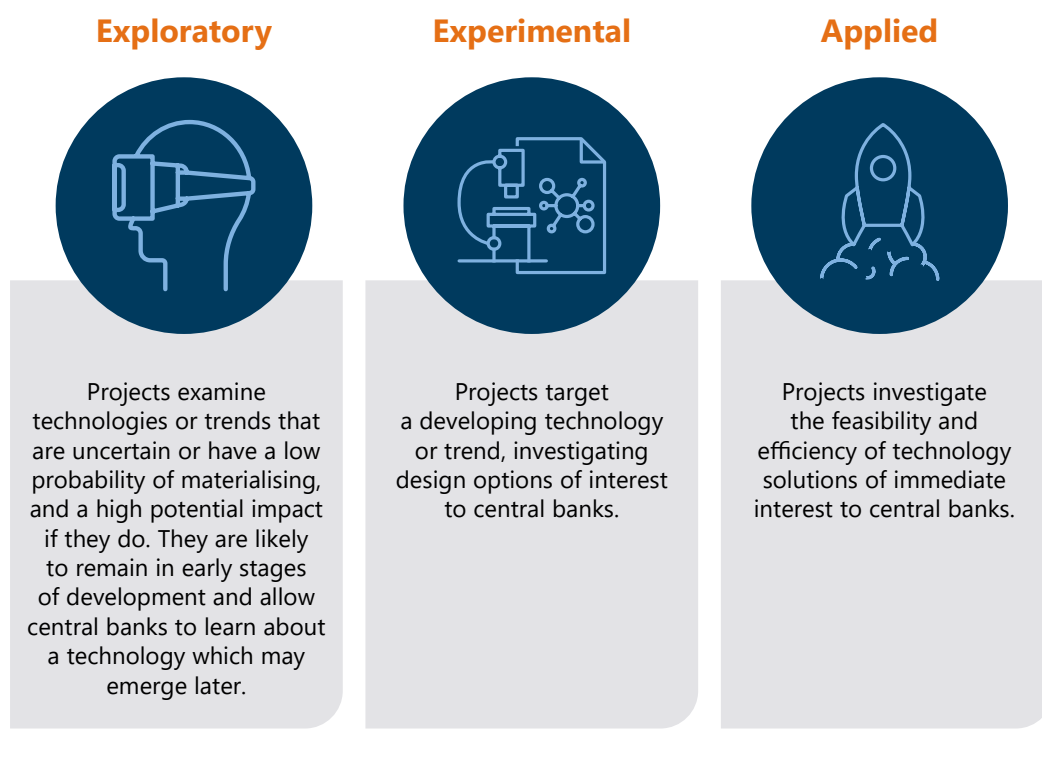
¹ BIS, "Blueprint for the future monetary system: improving the old, enabling the new", *Annual Economic Report 2023*, chapter III, June 2023.

Types of research and development

The project portfolio also covers different stages of R&D, as illustrated in [Graph 5.1](#). BIS Innovation Hub projects can be exploratory, experimental or applied, to ensure work captures the full spectrum of innovation ([see Graph 5.2](#)).

Types of research and development

Graph 5.2



The majority of projects during the reporting period were categorised as experimental or applied. The emphasis on projects in the last two phases was by design, to cater to central banks' more immediate needs.

An example of an applied project that was completed and is now being implemented in a central bank (De Nederlandsche Bank) is Project Atlas (renamed Mercurius), a collaborative effort with both De Nederlandsche Bank and the Deutsche Bundesbank. The project created a data platform to shed light on the relevance of cryptoasset markets and decentralised finance.

Exploratory work remains valuable. In the financial year, four projects aimed to explore a broader set of technology scenarios, including how auctions for settlement liquidity could enhance efficiency in real-time gross settlement payment systems (Project Titus) and how AI-powered tools could help financial supervisors (Project AISE, a collaboration with the Bank of Canada).

Project stage During the financial year, 13 projects were completed, more than in any previous year. The remaining portfolio of 18 projects reflected an effort to focus resources on fewer, more complex projects that are typically cross-border and go deeper in the understanding of technology. Nearly 40% of these ongoing projects involve at least three central banks or financial authorities.



Serving as a focal point for central bank experts on innovation

In 2025/26, the Innovation Hub hosted hands-on workshops and events, fostering collaboration across regions to address innovation challenges. These efforts promoted a shared understanding of how technology can support central bank mandates.

Following are some of the key collaborative initiatives undertaken by the Innovation Hub over the past year.

Academia Workshop: In June 2025, the Innovation Hub hosted its first academia workshop, uniting leading academics, BIS experts and policymakers to explore frontier technologies and their application to the financial sector. The workshop focused on policy needs like security, interoperability, inclusivity and regulatory compliance. Discussions covered transformative technologies such as generative AI, privacy-preserving tools and decentralised finance.

BIS Innovation Network (BISIN): The BISIN continued to serve as a key platform for collaboration and knowledge-sharing among central banks. Working groups were redefined to better align with the Innovation Hub's strategic priorities. For instance, one group now focuses on tokenisation, while the supotech and regtech group now also includes work on AI.



BIS Innovation Summit 2025:

Held in September with 300 on-site participants and over 7,000 online viewers, the event brought together central bankers, regulators, technology leaders and academics under the theme “Future-proofing central banks”. Through panels, fireside chats and roundtables, participants explored institutional agility, AI's transformative role and cross-border collaboration. The Summit highlighted the collective effort needed to navigate rapid technological change while promoting stability and innovation.

SAMA-BIS Innovation Summit: In November, the BIS co-hosted its first Innovation Summit outside Basel with the Saudi Central Bank (SAMA) in Riyadh. The event brought together various stakeholders to discuss financial innovation and digital public infrastructure, focusing on AI, tokenisation and cyber security. This collaboration showcased the Innovation Hub's commitment to regional engagement, combining the BIS's global expertise with SAMA's regional focus on participants from the Middle East and North Africa.



SAMA-BIS Innovation Summit, Riyadh, November 2025.

DLT Innovation Challenge: Held in October, the DLT Innovation Challenge, a collaboration between the Bank of England and the Innovation Hub London Centre, explored the secure transaction and settlement of wholesale central bank money on distributed ledger platforms outside the central bank’s operational control.



G20 TechSprint:
Retrospective
report

G20 TechSprint 2025: Jointly organised by the Innovation Hub and the South African Reserve Bank under the South African G20 Presidency, the TechSprint focused on “Trust and integrity in scalable and open finance”. The event received 167 global submissions, with strong representation from the Middle East and Africa. The final event in Pretoria showcased the TechSprint’s role as a platform for innovation, advancing solutions for resilient and inclusive financial systems.

Other collaborative outreach activities by the BIS Innovation Hub included:

- Point Zero Forum and Innovation Tour (May 2025)
- BIS Innovation Hub Seminar on AI and Open House Workshop during BIS AGM programme (June 2025)
- Ellipse Data and Knowledge Platform Hackathon (November 2025)
- Hong Kong Fintech Week and StartmeupHK (November 2025)
- Singapore Fintech Festival (November 2025).

BANK FOR INTERNATIONAL
SETTLEMENTS

BANQUE DES REGLEMENTS
INTERNATIONAUX

BANK FÜR INTERNATIONALEN
ZAHLUNGS AUSGLEICH

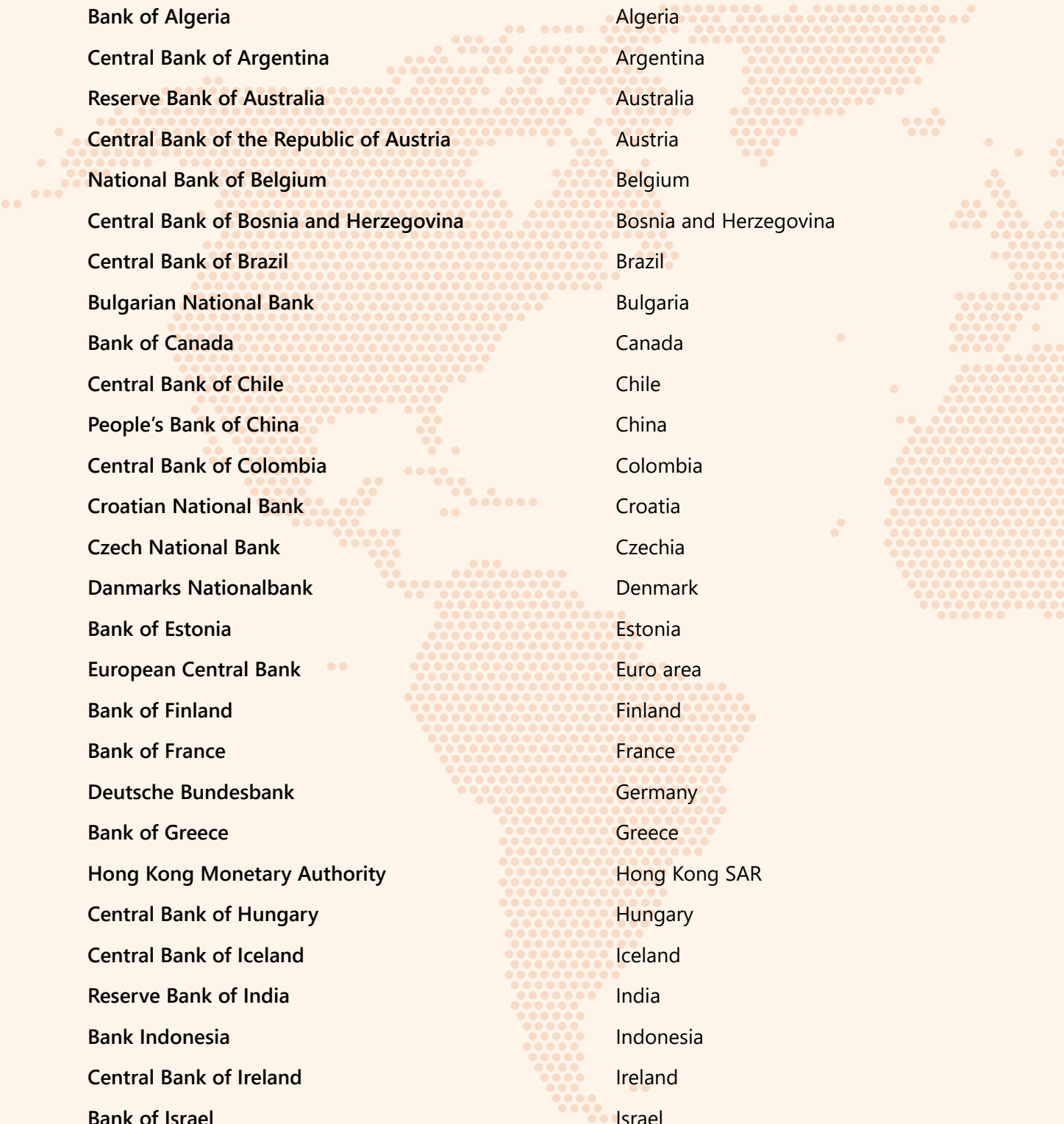
DEL REGOLAMENTI
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6 Governance, oversight and institutional developments

The BIS is governed by member central banks, a Board of Directors and senior management. Each play a crucial role in governance, oversight and steering the organisation. This governance structure is supported by our operational resilience. Our work environment is anchored in strong core values that guide our work culture and actions and shape how we deliver on our mission.

BIS member central banks

Sixty-three central banks and monetary authorities are currently members of the BIS.



Bank of Algeria	Algeria
Central Bank of Argentina	Argentina
Reserve Bank of Australia	Australia
Central Bank of the Republic of Austria	Austria
National Bank of Belgium	Belgium
Central Bank of Bosnia and Herzegovina	Bosnia and Herzegovina
Central Bank of Brazil	Brazil
Bulgarian National Bank	Bulgaria
Bank of Canada	Canada
Central Bank of Chile	Chile
People's Bank of China	China
Central Bank of Colombia	Colombia
Croatian National Bank	Croatia
Czech National Bank	Czechia
Danmarks Nationalbank	Denmark
Bank of Estonia	Estonia
European Central Bank	Euro area
Bank of Finland	Finland
Bank of France	France
Deutsche Bundesbank	Germany
Bank of Greece	Greece
Hong Kong Monetary Authority	Hong Kong SAR
Central Bank of Hungary	Hungary
Central Bank of Iceland	Iceland
Reserve Bank of India	India
Bank Indonesia	Indonesia
Central Bank of Ireland	Ireland
Bank of Israel	Israel
Bank of Italy	Italy



Bank of Japan	Japan
Bank of Korea	Korea
Central Bank of Kuwait	Kuwait
Bank of Latvia	Latvia
Bank of Lithuania	Lithuania
Central Bank of Luxembourg	Luxembourg
Central Bank of Malaysia	Malaysia
Bank of Mexico	Mexico
Bank Al-Maghrib (Central Bank of Morocco)	Morocco
De Nederlandsche Bank	Netherlands
Reserve Bank of New Zealand	New Zealand
National Bank of the Republic of North Macedonia	North Macedonia
Central Bank of Norway	Norway
Central Reserve Bank of Peru	Peru
Bangko Sentral ng Pilipinas	Philippines
Narodowy Bank Polski	Poland
Banco de Portugal	Portugal
National Bank of Romania	Romania
Central Bank of the Russian Federation	Russia
Saudi Central Bank	Saudi Arabia
National Bank of Serbia	Serbia
Monetary Authority of Singapore	Singapore
National Bank of Slovakia	Slovakia
Bank of Slovenia	Slovenia
South African Reserve Bank	South Africa
Bank of Spain	Spain
Sveriges Riksbank	Sweden
Swiss National Bank	Switzerland
Bank of Thailand	Thailand
Central Bank of the Republic of Türkiye	Türkiye
Central Bank of the United Arab Emirates	United Arab Emirates
Bank of England	United Kingdom
Board of Governors of the Federal Reserve System	United States
State Bank of Vietnam	Vietnam

Governance and oversight

Board of Directors

The Board determines the Bank's strategic and policy direction, supervises BIS Management and fulfils specific tasks as set out in the Bank's Statutes. It meets at least six times a year. The Board elects a Chair from among its members for a three-year term and may elect a Vice-Chair. The Board Chair (as of end-March 2026) was François Villeroy de Galhau, Governor of the Bank of France. In February 2026, he announced his plan to step down as Governor of the Bank of France, and hence as Chair of the Board, in early June.

Changes in the Board

Klaas Knot's term as President of De Nederlandsche Bank ended on 30 June 2025, and he therefore left the BIS Board.

With effect on 10 November 2025, the Board elected Ayman M Al-Sayari, Governor of the Saudi Central Bank, as a member for a three-year term.

The Board of Directors is pictured as of April 2026. Following the end of the reporting period, the following changes were announced to the Board:

- The Board of Directors, on 11 May 2026, elected Fabio Panetta, Governor of the Bank of Italy, as its new Chair effective 3 June 2026.
- Chang Yong Rhee's term as Governor of the Bank of Korea ended on 20 April 2026, and he thereby also left the BIS Board. It was later announced that Hyun Song Shin would become Governor of the Bank of Korea. He was subsequently elected to the Board of the BIS on 11 May 2026 for a three-year term.

Board remuneration

The AGM approves the remuneration of members of the Board of Directors, with adjustments taking place at regular intervals. The total fixed annual remuneration paid to the Board was CHF 1,094,498 as of 1 April 2026. Board members also receive an attendance fee for each Board meeting in which they participate. Assuming that the full Board is represented in all Board meetings, the annual total of these attendance fees for financial year 2025/26 amounts to CHF 1,046,508.

BIS Board of Directors (as of April 2026)

François Villeroy de Galhau
Chair; Bank of France, Paris



Ayman M Al-Sayari
Saudi Central Bank, Riyadh



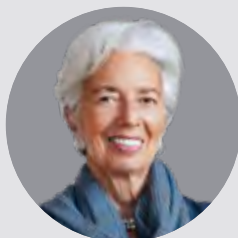
Andrew Bailey
Bank of England, London



Gabriel Galípolo
Central Bank of Brazil, Brasília



Pan Gongsheng
People's Bank of China, Beijing



Christine Lagarde
European Central Bank,
Frankfurt am Main



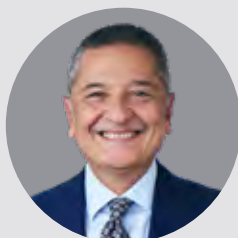
Tiff Macklem
Bank of Canada, Ottawa



Sanjay Malhotra
Reserve Bank of India, Mumbai



Joachim Nagel
Deutsche Bundesbank,
Frankfurt am Main



Fabio Panetta
Bank of Italy, Rome



Jerome H Powell
Board of Governors of the Federal
Reserve System, Washington DC



Chang Yong Rhee
Bank of Korea, Seoul



Victoria Rodríguez Ceja
Bank of Mexico, Mexico City



Martin Schlegel
Swiss National Bank, Zurich



Erik Thedéen
Sveriges Riksbank, Stockholm



Kazuo Ueda
Bank of Japan, Tokyo



John C Williams
Federal Reserve Bank of New York,
New York



Pierre Wunsch
National Bank of Belgium, Brussels

BIS management

The management of the Bank is directed by the General Manager, who is responsible to the Board of Directors for the conduct of the Bank. The General Manager is assisted by the Deputy General Manager and advised by the Executive Committee.

The Executive Committee is chaired by the General Manager and includes the Deputy General Manager, the Heads of the four BIS departments (the Banking Department, the General Secretariat, the BIS Innovation Hub and the Monetary and Economic Department) and the General Counsel.

Other BIS senior officials are the Deputy Heads of these departments, the Chair of the Financial Stability Institute, the Head of Risk Management, the Head of the BIS Representative Office for the Americas and the Head of the BIS Representative Office for Asia and the Pacific.

Changes in senior management

Pablo Hernández de Cos assumed the role of BIS General Manager for a five-year term starting on 1 July 2025. He succeeded Agustín Carstens, whose term ended in June. Mr Hernández de Cos was previously the Governor of the Bank of Spain.

Tommaso Mancini-Griffoli joined the BIS in March 2026 for a five-year term as Head of the BIS Innovation Hub. Mr Mancini-Griffoli had been Assistant Director, Payments, Currencies, and Infrastructure, at the International Monetary Fund. He succeeded Cecilia Skingsley, who was appointed County Governor of the County Administrative Board of Stockholm in June 2025.

The BIS Deputy General Manager Andréa Maechler served as Acting Head of the BIS Innovation Hub from June 2025 to February 2026.

In March it was announced that Héléne Rey would succeed Hyun Song Shin as Head of the Monetary and Economic Department in autumn 2026. Ms Rey is Lord Raj Professor of Economics at London Business School, Vice President of the Centre for Economic Policy Research and a member of the external advisory council to the Managing Director of the International Monetary Fund.

BIS management (as of April 2026)



Pablo Hernández de Cos
General Manager



Andréa M Maechler
Deputy General Manager



Véronique Sani
Secretary General and
Head of General Secretariat



Luis Bengoechea
Head of Banking Department



Frank Smets
Acting Head of Monetary and Economic Department,
Head of Economic Analysis and Statistics



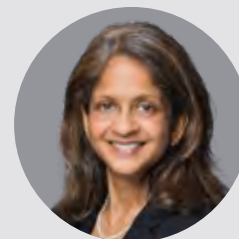
Tommaso Mancini-Griffoli
Head of BIS Innovation Hub



Dessislava Guetcheva-Cheytanova
General Counsel



Bertrand Legros
Deputy Secretary General



Nithya Navaratnam
Deputy Head of Banking Department



Gaston Gelos
Deputy Head of Monetary and Economic
Department, Head of Financial Stability Policy



Fernando Restoy
Chair of Financial Stability Institute



Jens Ulrich
Head of Risk Management



Tao Zhang
Chief Representative for Asia and the Pacific



Alexandre Tombini
Chief Representative for the Americas

Organisational structure

The BIS has four main departments:

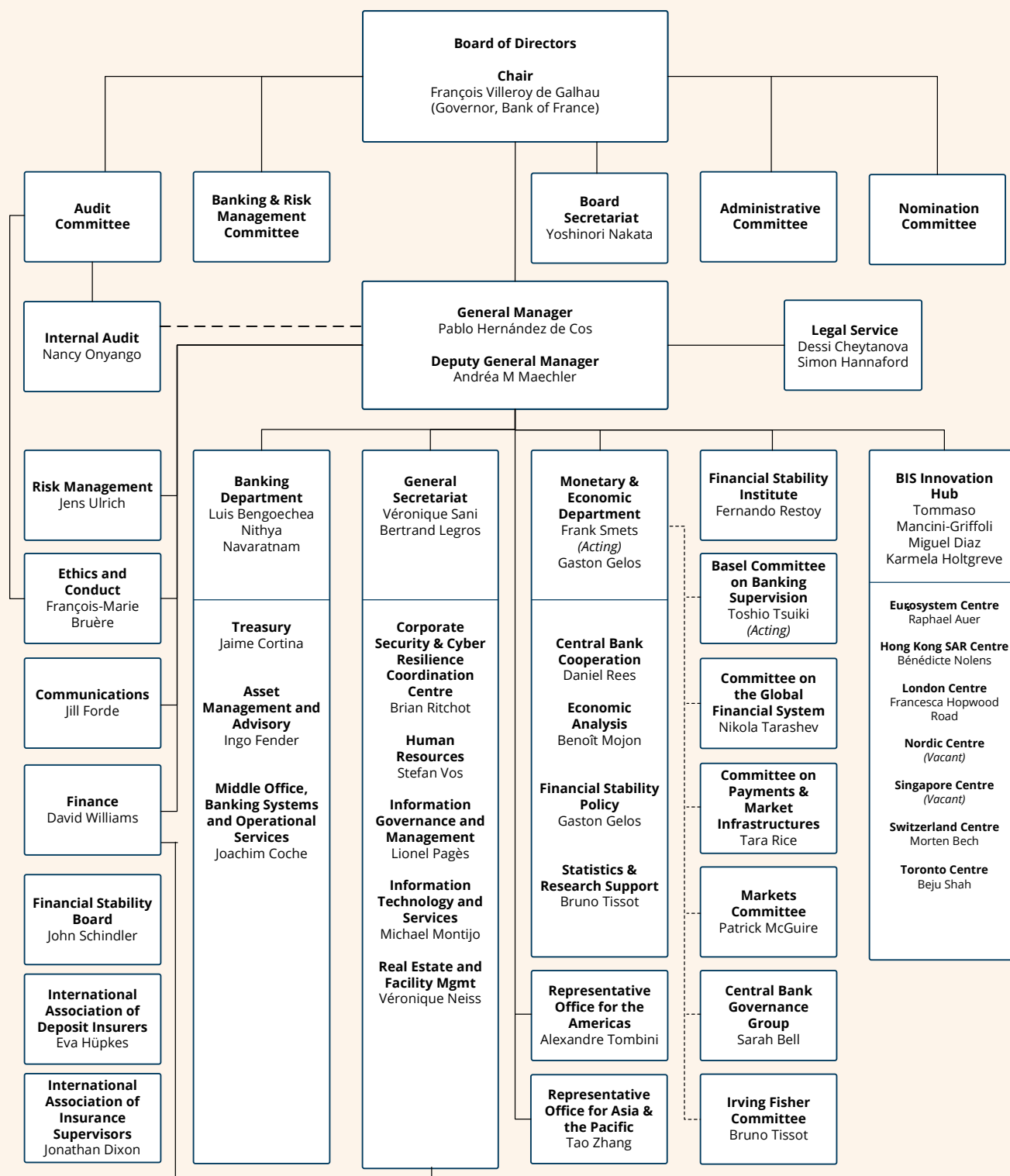
- The **Monetary and Economic Department** undertakes research and analysis to shape the understanding of policy issues concerning central banks ([see Chapter 2](#)).
- The **Banking Department** provides a range of financial services to support central banks in the management of their foreign exchange and gold reserves and invests the BIS's own capital ([see Chapter 4](#)).
- The **Innovation Hub** department explores critical trends in financial technology of relevance to central banks and the development of public goods to enhance the functioning of the global financial system ([see Chapter 5](#)).
- The **General Secretariat** provides comprehensive corporate services in the areas of corporate and cyber security, human resources, information governance, information technology, finance, real estate and facilities management, project management and process efficiency.

Several business units contribute to the BIS's international cooperation ([see Chapter 3](#)):

- The **Financial Stability Institute** promotes the implementation of global regulatory standards and sound supervisory practices worldwide.
- Two **Representative Offices** – one for Asia and the Pacific, located in Hong Kong SAR, and one for the Americas, located in Mexico City – serve as centres for BIS activities in their respective regions.
- A number of **committees and international groups** engaged in the pursuit of financial stability have their secretariats at the BIS.

In addition to the four main departments, the BIS is further supported by the **Legal Service** and the **Risk Management, Internal Audit, Ethics and Conduct** and **Communications** units.

Organisation of the BIS (as of April 2026)





Risk management

The BIS employs comprehensive risk management policies and practices to identify, measure, monitor and report risks effectively. An independent Risk Management function oversees financial and operational risks, ensuring continuous monitoring and management. The Head of Risk Management reports directly to the Deputy General Manager.

Financial risks The BIS operates within a robust risk management framework approved by the Board, with oversight from the Banking and Risk Management Committee. This framework ensures that financial risks, including credit, market and liquidity risks, are identified, measured, controlled and reported. Key measures include:

- maintaining strong capital reserves
- ensuring high liquidity levels
- managing market risk exposures
- investing in high-quality financial instruments and diversifying assets across sectors.

This prudent approach has enabled the BIS to maintain financial strength and liquidity, navigating challenges such as financial market variability and geopolitical tensions. In 2025/26, the Bank remained flexible in managing its balance sheet and supported central banks, in its function as a bank for central banks, in adapting to economic changes.

Operational risks

The BIS adopts a cautious approach to operational risk management, guided by the Board and informed by its risk appetite framework. As the Bank embraces innovation and new working methods, it continuously refines its control environment to maintain an appropriate balance between operational excellence and resilience in a rapidly evolving risk landscape. The BIS employs a three lines of defence model to align its control activities with evolving operations, with a view to safeguarding its resources and reputation. Risk services, provided jointly by the Risk Management function and Legal Service, ensure compliance in banking operations.

The Bank expanded its operational risk management framework in 2025/26 to include information and data risk, recognising the increased importance of data management and data governance amid the adoption of new technologies including AI.

The BIS prioritises resilience against disruptions due to their evolving nature. Regular preparedness exercises, including by the Executive Committee, ensure effective responses to business continuity challenges.

Legal Service

The BIS Legal Service advises the BIS Board, management and business areas on all legal matters relating to the Bank's activities, to ensure that the Bank acts at all times with due respect for the rule of law. It also assists in internal rule-making and maintains the Bank's central repository of internal policies, procedures and rules. In addition, it facilitates discussion and cooperation among central bank legal experts and other professionals on legal topics of common interest.

In addition to its main advisory role, the Legal Service contributes to the identification, management and control of legal risks, including litigation. Jointly with Risk Management, the Legal Service contributes as a second line of defence to monitor and provide guidance on compliance risk regarding banking activities under the applicable BIS rules and policies.

In 2025/26, the Legal Service advised on key strategic initiatives, such as the development and implementation of new banking products and platforms.

It also led workstreams in BIS Innovation Hub projects exploring the regulatory and legal dimensions of technological advancements affecting central banking and/or related to the development of public goods geared towards improving the functioning of the global financial system.

Lastly, the Legal Service advised on the Bank's adoption of transformative technologies, managing associated risks and internal business processes' re-engineering aimed at increasing the efficiency and effectiveness of the Bank.

Audit mechanisms

All BIS operations are audited and examined regularly. The Bank's audit mechanisms include an Internal Audit unit and an independent external audit firm.

Internal Audit The Internal Audit unit evaluates the effectiveness of risk management and governance systems to strengthen the Bank's control environment. Operating under a mandate from the Board of Directors, its activities are overseen by the Board's Audit Committee. To ensure independence, the Head of Internal Audit reports functionally to the Chair of the Audit Committee and administratively to the General Manager. The unit's scope encompasses all activities of the BIS, related entities and outsourced services.

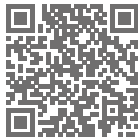
Internal Audit conducts both assurance and advisory engagements to improve the Bank's processes. Assurance engagements involve an objective and independent examination of evidence to provide assurance to stakeholders, including management, the Audit Committee, external auditors and auditees. Advisory engagements are designed to support the organisation in achieving its objectives. Internal Audit monitors the implementation of audit recommendations to ensure that management implements effective remedial actions. To preserve its objectivity, the unit does not assume operational responsibilities.

Independent external auditor The BIS appoints an independent external auditor to confirm that its annual financial statements give a true and fair view of the Bank's financial position, financial performance and cash flows.

In accordance with Article 46 of the BIS Statutes, the Annual General Meeting is invited to elect a new independent auditor for the ensuing year and to fix the auditor's remuneration. The Board policy is to rotate the auditor on a regular basis. For the year ended 31 March 2026, PricewaterhouseCoopers was the auditing firm chosen to audit the Bank's financial statements, which can be found in the annex at the end of this report. This was the seventh and final year of PricewaterhouseCoopers' term as auditor. Following a selection process involving the Bank's Management and the Audit Committee, a resolution to appoint a new auditor for 2026/27 will be presented to the Annual General Meeting.

Ethics and conduct

The Bank's independent Ethics and Conduct function provides assurance that the activities of the BIS and its personnel are conducted in accordance with the highest ethical standards and the relevant codes of conduct. The Chief Ethics and Conduct Officer reports to the General Manager and the Deputy General Manager and has direct access to the Board's Audit Committee.



More about BIS
ethics and conduct

All new staff members receive mandatory training on the Code of Conduct and fraud awareness. In addition, all staff participate in periodic retraining on ethics topics. In 2025/26, 430 people attended one of the 24 training sessions provided. In addition, 194 staff members completed fraud awareness training.

Safe and respectful workplace and speaking up

The Bank has a Safe and Respectful Workplace Policy and does not tolerate any form of harassment, discrimination, abuse of authority or retaliation. The Safe and Respectful Workplace Policy and the Code of Conduct encourage staff to report any incidents related to such forms of improper behaviour they notice or are subject to, thus helping to ensure that the BIS remains a respectful work environment where every individual is treated with dignity and respect. Senior Management is attentive to the review of cases within a reasonable time frame and to the escalation, when appropriate, to a Disciplinary Committee. Managers and designated human resources staff are expected to play a specific role outlined in the Safe and Respectful Workplace Policy. By the end of 2025/26, designated human resources staff and 88% of line managers had attended dedicated training sessions. In 2025/26, 11 new line managers received the training.

The Bank also has a whistleblowing policy that encourages employees and third parties to report anonymously potential breaches of BIS rules. The Bank does not seek to identify anonymous whistleblowers. Whistleblowers who acted in good faith are protected against retaliation, regardless of the outcome of the investigation conducted by the Chief Ethics and Conduct Officer. The Bank will take appropriate action if the investigation identifies a breach of its rules.

Our strategic resources

Our strategic priorities are underpinned by robust human resources practices, innovative technology solutions and planning for the future. During the year a number of projects were delivered while other initiatives such as the BIS Campus Development project moved to advance planning.

Highlights for 2025/26

People Strategy

System modernisation A modernisation programme to enhance human resource systems and make services simpler, engaging and more efficient achieved key milestones in 2025/26, introducing tools for:

- employee life cycle management (eg on- and off-boarding, service portal for staff requests)
- talent acquisition and management (eg simplified internal application process, one system covering recruitment and staff administration)
- data-driven insights to support workforce planning (eg dashboards for line managers, with relevant data on staff and key activities).

Talent acquisition In 2025, the BIS launched an initiative to enhance its talent acquisition framework. This project focused on reviewing and refining our operating model, processes and systems for recruiting both staff and contract workers. The goal was to ensure our approach is aligned with organisational priorities and supports the evolving requirements of management.

Strategic workforce planning Workforce management ensures the BIS has aligned the right people, skills and roles with its business needs. In addition to its staff, the BIS also engages contingent resources by hiring local contractors as appropriate. We enhanced our data-driven workforce planning to better adapt to an evolving business environment and have made material improvements towards achieving key objectives by covering the following elements:

- **Job architecture**, a structured framework to define roles, career paths and required skillsets.
- **Total workforce data and forecasting** to help with resource allocation, cost management and compliance.
- **Improved systems and data analytics** to support recruitment, mobility, talent planning and performance management.



Information technology in the workplace

In 2025/26, continued investment in core technology platforms strengthened cyber security and operational resilience, while modernising architecture to support sustainable growth. This enabled the Bank to deliver several projects ensuring secure, scalable and future-ready digital capabilities for central bank collaboration.

At the same time, we continued to invest in emerging technologies to streamline innovation. Project Voyager – an artificial intelligence (AI) technologies programme – was successfully completed. This established strong cross-business capabilities and a foundation for broader AI adoption internally. Building on this momentum, the BIS is developing its capabilities and understanding of the use of AI in a way that balances innovation with ethics, risk management and trust, with a view to advancing sound and evidence-driven research insights.

Together, these efforts position a forward-looking technology environment – to enable the BIS and central banks to solve complex global financial challenges.

Campus Development

The Campus Development project in Basel envisions a second tower and connected base to the existing Tower building, designed to create a collaborative and innovative work environment. In 2025/26, the project continued to progress through detailed design and the finalisation of the building permit application for the Basel-Stadt authorities. The design phase is expected to run until the Board takes the decision to proceed with the project.

Values, culture and social responsibility



Our values

The BIS is committed to providing an inclusive and dynamic work environment with sustainable and socially responsible work practices. This commitment is reflected in our work culture and in our drive to operate as a responsible international financial organisation.

Our values shape our work culture, guiding us to deliver value through excellence, a commitment to continuous improvement and innovation, acting with integrity and fostering diversity and inclusion. Regular leadership capability-building serves as a key action to ensure our values are consistently upheld.

Public outreach

The BIS provides regular opportunities for the public to learn about our work, history and architectural heritage. Public guided tours explain what we do and showcase the BIS. In 2025/26, we hosted six tours and welcomed nine group visits from schools, social clubs and universities.

In 2025, for the third year, the BIS participated in Open House Basel, an event where buildings of architectural interest are opened up to the general public. BIS volunteers led around 800 visitors on guided tours, exploring the Tower's unique history and architecture. In March 2026, the BIS also participated for the first time in the Basler Geschichtstage (Basel History Days), a public history festival featuring lectures and panel discussions centred on the history of the region.



Social responsibility



Sustainability
and social
responsibility

As part of its social responsibility commitment, the Bank supports volunteer initiatives involving staff. We organised two blood donation drives for colleagues in Basel. We also supported a “cycle to work” initiative as part of a broader effort to increase the use of sustainable modes of transportation.

Through a Donations Committee, the Bank has provided modest financial support for charities and social causes.

Sustainability

The BIS is committed to promoting environmental sustainability through our work for and with the central banking community and in our internal operations. Our economic analysis, innovation projects, international engagement and banking services reflect stakeholders’ interest in environmental risk-related topics. We regularly enhance our corporate operations to facilitate energy efficiency and waste reduction.

The Bank’s Environmental Sustainability Steering Group supports this commitment by bringing together in-house expertise from different domains. In 2025/26, the Group updated its analytical and international engagement priorities with a focus on physical risks, supported management in external forums and led cross-Bank initiatives such as a sustainable practices campaign for staff.

Our people and culture

The BIS aims to build teams that mirror our global membership, and our staff come from 67 countries. We are dedicated to inclusive leadership and practices that enable the BIS to fulfil our global mandate to serve central banks. By valuing a variety of perspectives and enabling different work styles, we enhance our understanding of global economic developments, drive innovation and provide thought leadership to our member central banks.

The Culture and Inclusion Steering Committee oversees the implementation of the Bank’s Culture and Inclusion Strategy, designed to create sustainable impact, foster accountability and ensure progress is both measurable and meaningful. BIS staff lead five community networks that focus on fostering a supportive environment for our people. Around 300 colleagues participate in these networks.

In addition to its staff, the BIS also engages contingent resources by hiring local contractors as appropriate.



Gathering of BIS staff members.

Budget and remuneration

BIS management prepares an overall business plan for the forthcoming financial year consistent with the strategic direction and financial framework agreed with the Board of Directors. Corresponding resource requirements are assessed and plans prioritised to produce a draft budget which is presented for approval by the Board.

The budget of the Bank comprises three key components:

- The BIS total expenditure budget includes regular annual costs for ongoing operations and investments in fixed assets, such as buildings, IT hardware and software.
- The direct contribution budget supports the secretariats of the Financial Stability Board, the International Association of Insurance Supervisors and the International Association of Deposit Insurers.

- The Campus Development budget supports the multi-year project to extend and consolidate the Bank's Basel-based premises on a single site with a new office tower and improved meeting facilities.

Regular reporting on expenditure relative to the approved budget is provided to Management and the Board throughout the year to support oversight and monitoring.

Remuneration policy

Jobs and roles at the BIS are classified into grades associated with a structure of salary ranges. The salaries of individual staff members move within the ranges of the structure on the basis of performance.

The BIS regularly carries out comprehensive surveys to benchmark its salaries against compensation in comparable institutions and market segments.

The Annual General Meeting approves the remuneration of members of the Board of Directors, with adjustments taking place at regular intervals ([see page 80](#)).

BIS staff members have access to a contributory health insurance plan and a contributory defined benefit pension plan. Subject to certain conditions, staff members who are not nationals of the host countries where the BIS offices are located, including senior officials, are entitled to expatriation benefits as well as an education allowance for their children's schooling.

The salaries of senior officials are also regularly benchmarked against compensation in comparable institutions and market segments.

As of 1 July 2025, the annual remuneration of the General Manager, before expatriation and other applicable allowances, was CHF 727,412. The General Manager has the same employment conditions as staff, including the pension scheme, health benefits and allowances.

As of 1 July 2025, the salary of the Deputy General Manager was CHF 615,503 and that of Heads of Department was CHF 559,549. Each member of senior management receives applicable allowances related to their terms of employment.

Taxation

Pursuant to host country agreements or legislation, BIS staff members are generally exempt from income tax on Bank salaries and allowances that would otherwise be levied by the relevant host countries. However, they remain subject to tax levied in the host countries on income from sources other than the Bank, as well as other taxes (eg wealth or immovable property tax), as may be applicable. The exemption from national taxation reflects a well established international practice for international organisations.

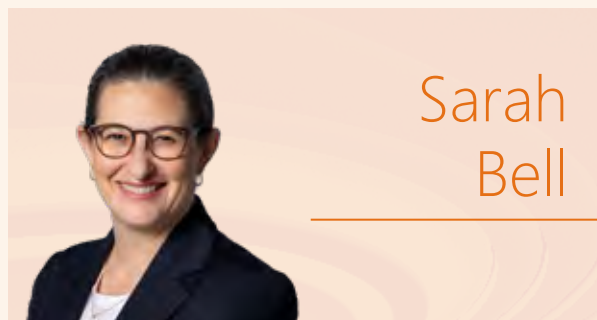
Meet our people

The individual efforts of our staff come together to support the broader mission of the BIS. From economists to administrators, every colleague brings unique skills and perspectives that enrich our work and culture. The personal stories of staff members shared below reflect their journeys, passions and contributions that shape the BIS as an organisation.



Iñaki
Aldasoro

As Principal Economist in the Monetary and Economic Department, I conduct policy and academic-oriented work, focusing on innovation issues. I contribute to publications, such as the BIS Annual Economic Report, and draft speeches and reports for international audiences. Given the BIS's pivotal role, we often see our work shaping international policy discussions on important topics, such as stablecoins, which is extremely rewarding.



Sarah
Bell

I am the Head of the Secretariat for the Central Bank Governance Group, a forum for central bank Governors to exchange views on central bank mandates, decision-making structures, accountability arrangements and financial frameworks. My role gives me an opportunity to learn about the diverse institutional arrangements of central banks and to build on my 20-plus years of experience working across a broad range of central bank policy areas.



Wenqian
Huang

I am a Senior Economist in the Monetary and Economic Department, where I work in the Secretariat for the Committee on the Global Financial System. I conduct economic and financial market analysis, as well as policy-relevant research on vulnerabilities in the global financial system and their implications for financial stability. My recent research focuses on AI and decentralised finance, particularly their implications for the traditional financial system.



Mothetsi
Sekoati

I joined the BIS as secondee from the Central Bank of Lesotho. My career has been defined by a focus on modernising financial sector infrastructure and strengthening the resilience, efficiency and inclusiveness of national and cross-border payment ecosystems. As Adviser in the Strategy Office of the BIS Innovation Hub, my work centres on ensuring that technology exploration directly supports the policy needs of central banks.



Amanda
Chan

As Administration Manager, I work closely with the Management Team of the Representative Office for Asia and the Pacific to oversee operations and ensure seamless functioning of the Office. I also participate in working groups for various business units, including Finance, Human Resources and Information Governance and Management. The combination of impactful work, continuous learning and collaboration with exceptional professionals makes working at the BIS truly rewarding.



Johannes
Ehrentraud

As a member of the technology and capacity development team within the Financial Stability Institute, which assists supervisors worldwide in improving and strengthening their financial systems, I run the online course on finance, innovation and technology (BIS-FIT). My work this year also focused on capacity development approaches for tech-savvy supervisors, emerging policy frameworks for the use of data in AI and regulatory considerations for stablecoins.



Guillermo
Avellan

I am Head of Finance and Administration for the Representative Office for the Americas. Building on my experience at the Central Bank of Ecuador, I apply best managerial and financial practices within the Office while contributing to the BIS's mission to support central banks in the region. My background equips me to enhance the institutional frameworks as well as the technical and administrative autonomy of central banks across the Americas.



Patrick
McGuire

I am currently the Head of the Secretariat for the Markets Committee, a forum where central bank officials come together to discuss current market conditions, market functioning and central bank operations. Over my 23-year career, I have helped to shape the BIS's statistical collections covering international banking and derivatives markets and have highlighted their value in the BIS Quarterly Review.



I work in the Banking Department as an Operational Risk Manager. This year I standardised our risk and control assessment across Banking. I also introduced quarterly key risk indicators, with a focus on compliance and process management, to guide prioritisation. My work at the BIS brings clarity, practicality and data-informed decision-making, and I make complex risk topics easy to understand and act on.



In my role as Product Manager in Banking Technology, I help to modernise banking operations, automate critical processes and support the Back Office transformation. I led the development of a dashboard for monitoring end-of-day and intraday trades, ensuring efficient reconciliation and operational oversight. It's inspiring to partner with colleagues from diverse backgrounds and areas of expertise, combining our strengths to deliver impactful solutions.



As a Treasury Dealer Assistant, I support the Treasury Desk in managing liquidity and borrowed funds through a diverse range of financial instruments, including foreign exchange, gold, fixed income and money market products. Collaborating with international clients and counterparties allows me to gain a deeper understanding of their varied needs. This global exposure, combined with the dynamic nature of the trading desk, makes this position an exceptional learning opportunity.



My research as an economist at the BIS uncovers key financial links in the global financial system and assesses their potential risks and vulnerabilities. I often leverage unique BIS statistics on international banking and finance, sharing my insights in the BIS Quarterly Review, academic journals and other publications. My recent work examined the growing role of non-bank financial institutions in the financial system and risks for banks' foreign currency funding.



Darko
Micic

As an IT Architect at the BIS, I focus on building modern, scalable IT capabilities to support agile experimentation and our diverse innovation agenda. I collaborate with colleagues and engage with the central banking community worldwide, exchanging expertise and ideas. Working within the Innovation Hub team allows me to channel my passion for technology into impactful initiatives, contributing to strengthening and enhancing the global financial system.



Sharon
Muasya

As part of the Internal Audit team, I provide independent and objective assurance and advisory services. This involves assessing and improving the effectiveness of governance, risk management and control processes. I am also part of the BIS Campus Workplace Explorer Group. This has allowed me to collaborate with colleagues and external partners to ensure the project's success and help shape a vision for a workplace concept that is fit for the future.



Meha
Grover

As the Deputy Head of IT and Head of IT Strategy and Governance, I am responsible for defining the Bank's technology strategy, working closely with IT teams to drive priorities and approach technology consistently, strengthening coherence, resilience, efficiency and long-term value. I am also responsible for orchestrating a forum for central bank chief information officers, encouraging dialogue on emerging technologies and the broader forces shaping technology decisions.



Wolf
Mueller

I lead the Risk Analysis and Systems team, delivering robust risk analysis, developing advanced risk models and managing the IT systems that underpin them. Our work requires strong partnerships with the Banking Department, Finance and Information Technology Services. This year we leveraged new technologies and tools to enhance efficiency and enable deeper risk analytics. These advancements were achieved while safeguarding the reliability and resilience of our operations.

7

Financial results and profit allocation

The Bank's balance sheet and financial results are driven mainly by its banking activities and by the management of the funds associated with its shareholders' equity. The annual net profit is allocated as a dividend or transferred to reserve funds according to the Bank's Statutes.

Portfolio organisation

The Bank's portfolios are organised into simple layers, which helps with portfolio management and supports the analysis of profit and risk. The structure of the main portfolios is as follows:



The own funds and the own gold position relate to the investment of the Bank's shareholders' equity. They are primarily accounted for as fair value through other comprehensive income assets. This means they are included in the balance sheet at fair value, while their contribution to the profit reflects the accrual of interest along with realised gains and losses on sales. The Bank's total comprehensive income reflects their total change in fair value, including unrealised valuation movements.

The borrowed funds represent currency deposits from central banks and other official sector customers, and the investment of the proceeds and associated hedging through derivative financial instruments. These portfolios are managed on an overall fair value basis. They are primarily accounted for as fair value through profit and loss. This means they are included in the balance sheet at fair value and their contribution to the Bank's profit reflects the total change in value, including interest accruals and realised and unrealised valuation movements.

The borrowed gold portfolio represents deposits in gold and the associated investment of proceeds. These portfolios are primarily accounted for as amortised cost. This means that they are included in the balance sheet at their weight in gold (translated at the gold market price into SDR) plus accrued interest.

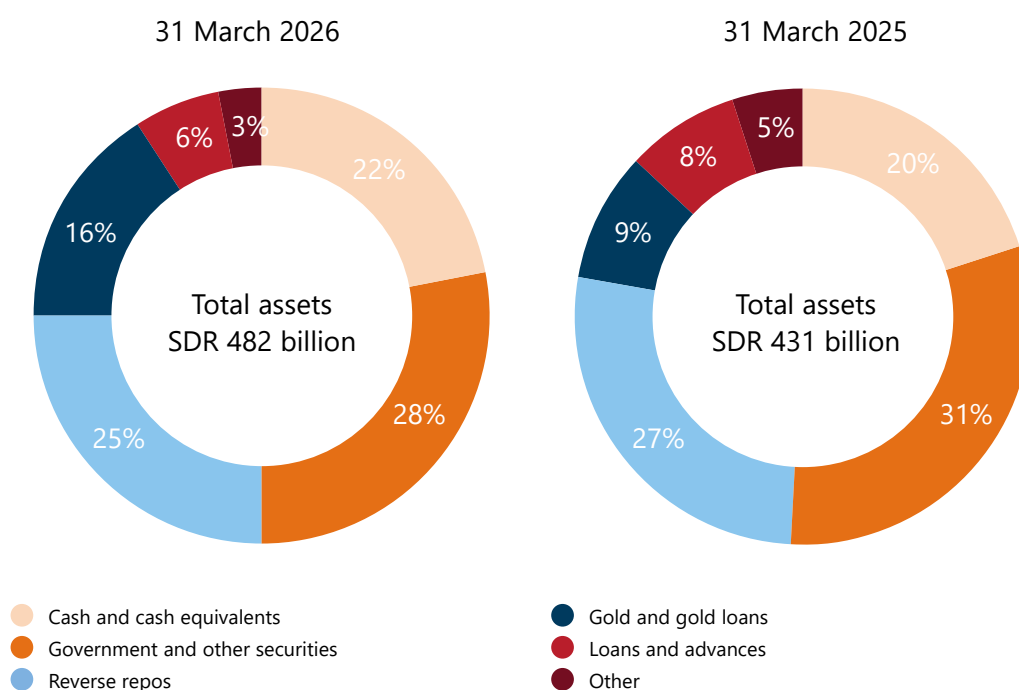
Apart from the portfolios mentioned above, the Bank has other portfolios and associated sources of income, which include the income from asset management services and income from foreign exchange and gold services (see [Chapter 4](#) for more details).

Balance sheet

The BIS's balance sheet total as of 31 March 2026 was SDR 482 billion. The composition of the Bank's assets is shown in [Graph 7.1](#).

Balance sheet asset composition

Graph 7.1



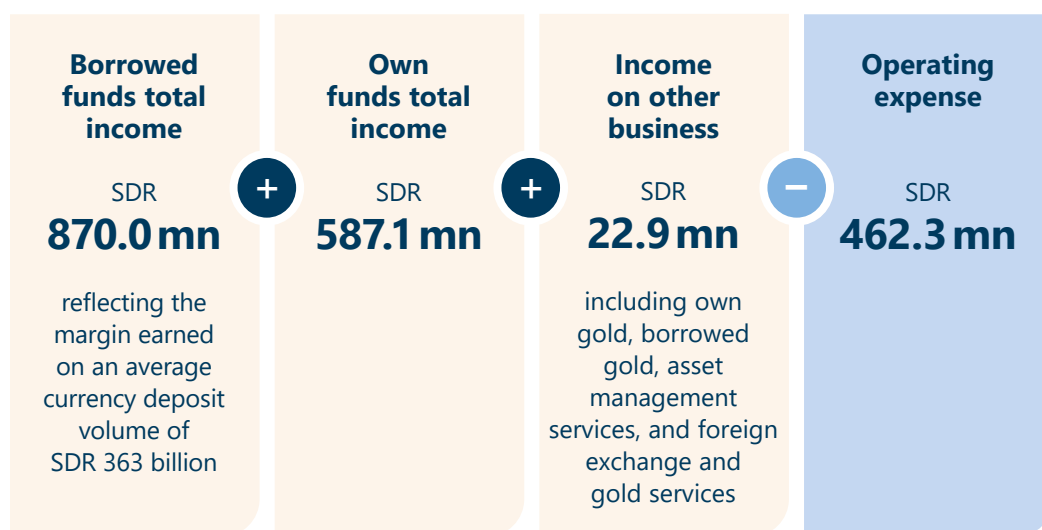
The balance sheet increased by SDR 51 billion over the year. This reflected an SDR 46 billion increase in total liabilities and an SDR 5 billion increase in shareholders' equity. Within total liabilities, currency deposits increased by SDR 30 billion, gold deposits increased by SDR 16 billion and other liabilities (principally the volume of transactions awaiting settlement) did not materially change.

Currency deposits	Gold deposits	Other liabilities	Total liabilities
SDR 380 bn	SDR 48 bn	SDR 21 bn	SDR 449 bn
31 March 2026	31 March 2026	31 March 2026	31 March 2026
SDR 350 bn	SDR 32 bn	SDR 21 bn	SDR 403 bn
31 March 2025	31 March 2025	31 March 2025	31 March 2025
+ SDR 30 bn	+ SDR 16 bn	unchanged	+ SDR 46 bn

Financial performance

Net profit

The net profit for 2025/26 was SDR 1,017.7 million, comprising:



The net profit for 2025/26 was SDR 174.0 million higher than the profit recorded in the prior year. This can be explained primarily by three partially offsetting factors.

First, the total income on borrowed funds was SDR 184.9 million higher than in 2024/25. This reflected a higher margin and a higher average volume of currency deposits. The average volume of currency deposits was SDR 363 billion (measured on a settlement date basis), which was SDR 49 billion higher than in 2024/25.

Second, the total income on own funds was SDR 79.6 million higher than in 2024/25. This growth was mainly driven by increased interest accruals from reinvestments in a higher-yield environment, partially offset by lower gains on financial instruments accounted for at fair value through profit and loss.

Third, the operating expense increased by SDR 56.1 million, reflecting the impact of a stronger Swiss franc, along with higher costs.

Total comprehensive income

The Bank's total comprehensive income for 2025/26 was SDR 4,701.7 million. Total comprehensive income includes the net profit along with three valuation changes which are reflected in other comprehensive income.

First, the unrealised valuation gain on own gold of SDR 3,465.8 million was due to the 45% rise in the gold price over the year.

Second, the unrealised valuation gain on own funds securities of SDR 7.9 million reflected slightly higher SDR bond yields along with the transfer to net profit from sales of securities.

Third, an actuarial remeasurement gain of SDR 210.3 million on the Bank's post-employment defined benefit obligations was mainly due updated actuarial assumptions.

Proposed dividend

The dividend policy of the BIS has three fundamental principles:

- The Bank should maintain an exceptionally strong capital position.
- The dividend should be predictable, stable and sustainable.
- The dividend should be an annual decision reflecting prevailing financial circumstances.

The policy incorporates a normal dividend, which usually increases by SDR 10 per share per annum, with the payout ratio between 20 and 50% in most years. The Special Dividend Reserve Fund would be drawn on to support dividend payments in years when profits are low (when the payout ratio would be above 50%). Conversely, when profits are high (and the payout ratio would be below 30%), the dividend policy allows for the Special Dividend Reserve Fund to be replenished by an allocation of profit. The policy also allows for the possibility of a supplementary dividend.

Consistent with the dividend policy, the Bank proposes to declare a normal dividend of SDR 315 per share for financial year 2025/26. Additionally, in the light of the exceptional total comprehensive income and strong profit for the year, the Bank proposes the payment of a supplementary dividend of SDR 75 per share. This would bring the proposed total dividend to SDR 390 per share, which would be paid on 567,125 eligible shares at a total cost of SDR 221.2 million. This would represent a payout ratio of 22% of net profit. A further SDR 17 million is proposed to be allocated to the Special Dividend Reserve Fund to support expected dividend payments over the coming three years.

Proposed allocation to reserves

In accordance with Article 51 of the BIS Statutes, the Board of Directors recommends that the General Meeting allocate the 2025/26 net profit of SDR 1,017.7 million in the following manner:

SDR 221.2 mn to be paid out as dividend	SDR 39.8 mn to be transferred to the General Reserve Fund	SDR 17.0 mn to be transferred to the Special Dividend Reserve Fund	SDR 739.7 mn to be transferred to the Free Reserve Fund
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Annex

The BIS's financial statements for the financial year ended 31 March 2026 provide an analysis of the Bank's balance sheet and profit and loss account, together with other financial, capital adequacy and risk management disclosures. The financial statements are prepared in accordance with the Statutes and accounting policies of the Bank, and are externally audited.

Letter to shareholders

Submitted to the Annual General Meeting of the Bank for International Settlements held in Basel on 28 June 2026

Ladies and gentlemen

It is our pleasure to submit to you the financial statements of the Bank for International Settlements for the financial year ended 31 March 2026.

Pursuant to Article 49 of the Bank's Statutes, they are presented in a form approved by the General Manager, Deputy General Manager and Head of Finance on 19 May 2026, and are subject to approval by shareholders at the Annual General Meeting.

The net profit for the year was SDR 1,017.7 million. The Board of Directors proposes to allocate this profit as follows. First, SDR 221.2 million to pay a dividend of SDR 390 per share, comprising the normal dividend of SDR 315 and a supplementary dividend of SDR 75. Second, SDR 39.8 million to the General Reserve Fund. Third, SDR 17.0 million to the Special Dividend Reserve Fund. Fourth, SDR 739.7 million to the Free Reserve Fund.

Basel, 19 May 2026

Pablo Hernández de Cos
General Manager

Andréa M Maechler
Deputy General Manager

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Balance sheet

As at 31 March

<i>SDR millions</i>	Note	2026	2025
Assets			
Cash and cash equivalents	1	106,413.9	86,083.9
Securities purchased under resale agreements	2	118,862.1	114,355.8
Loans and advances	2	27,288.2	32,851.8
Government and other securities	2	136,796.4	134,153.5
Gold and gold loans	3	79,451.8	40,580.8
Derivative financial instruments	4	7,388.7	3,463.7
Accounts receivable and other assets	5	5,750.0	19,599.0
Land, buildings and equipment	6	248.5	244.7
Total assets		482,199.6	431,333.2
Liabilities			
Currency deposits	7	380,056.9	350,235.5
Securities sold under repurchase agreements	8	200.6	676.6
Gold deposits	9	48,221.6	32,138.2
Derivative financial instruments	4	2,157.6	3,726.0
Accounts payable	10	17,679.4	15,105.1
Other liabilities	11	1,128.2	1,182.6
Total liabilities		449,444.3	403,064.0
Shareholders' equity			
Share capital	13	710.2	710.2
Less: shares held in treasury	13	(1.7)	(1.7)
Statutory reserves	14	20,036.9	19,408.8
Profit and loss account		1,017.7	843.7
Other equity accounts	15	10,992.2	7,308.2
Total shareholders' equity		32,755.3	28,269.2
Total liabilities and shareholders' equity		482,199.6	431,333.2

Profit and loss account

For the financial year ended 31 March

<i>SDR millions</i>	Note	2026	2025
Interest income	16	1,087.4	694.4
Interest expense	17	(2,456.9)	(2,744.4)
Change in expected credit loss impairment provision	18	(0.5)	(1.3)
Net income on financial assets and liabilities at fair value through profit and loss	19	2,835.5	3,272.4
Net interest and valuation income		1,465.5	1,221.1
Net loss on sales of currency assets at fair value through other comprehensive income	20	(24.3)	(23.9)
Net fee income	21	16.0	18.7
Net foreign exchange income	22	22.8	34.0
Total income		1,480.0	1,249.9
Administrative expense	23	(414.4)	(375.8)
Depreciation and amortisation	6	(47.9)	(30.4)
Operating expense		(462.3)	(406.2)
Net profit		1,017.7	843.7

Statement of comprehensive income

For the financial year ended 31 March

<i>SDR millions</i>	Note	2026	2025
Net profit		1,017.7	843.7
Other comprehensive income			
Items that are or may be reclassified subsequently to profit and loss			
Currency assets at fair value through other comprehensive income:			
Net change in fair value during the year		(17.0)	387.7
Net change in expected credit loss impairment provision		0.6	1.2
Reclassification to profit and loss	20	24.3	23.9
Net movement on currency assets at fair value through other comprehensive income		7.9	412.8
Gold at fair value through other comprehensive income:			
Net change in fair value during the year	15B	3,465.8	2,212.8
Reclassification to profit and loss		–	–
Net movement on gold at fair value through other comprehensive income		3,465.8	2,212.8
Items that will not be reclassified to profit and loss			
Re-measurement of defined benefit obligations	15C	210.3	(72.6)
Total comprehensive income		4,701.7	3,396.7

Statement of cash flows

For the financial year ended 31 March

<i>SDR millions</i>	Note	2026	2025
Cash flow from / (used in) operating activities			
Interest income received		893.1	536.8
Interest expense paid		(2,382.8)	(2,667.6)
Net fee income	21	16.0	18.7
Net gain on foreign exchange transactions	22	63.0	46.0
Administrative expense	23	(414.4)	(375.8)
Adjustments for non-cash flow items			
Net income on financial assets and liabilities at fair value through profit and loss	19	2,835.5	3,272.4
Net change in expected credit loss impairment provision	18	(0.5)	(1.3)
Net foreign exchange translation gain / (loss)	22	(40.2)	(12.0)
Lease interest expense	17	(0.2)	(0.3)
Change in accruals		129.3	78.4
Change in operating assets and liabilities			
Currency deposits		41,589.4	11,190.1
Currency banking assets		1,710.1	20,314.0
Gold deposits		16,083.4	11,164.9
Gold banking assets		(35,414.0)	(8,011.4)
Change in cash collateral balance on derivatives transactions		1,553.6	76.4
Accounts receivable and other assets		(9.0)	(4.2)
Accounts payable and other liabilities		155.6	79.3
Net derivative financial instruments		(5,493.3)	4,025.5
Net cash flow from / (used in) operating activities		21,274.6	39,729.9
Cash flow from / (used in) investment activities			
Change in currency investment assets		(198.7)	(339.5)
Change in securities sold under repurchase agreements in investment portfolios		(476.0)	380.5
Capital expenditure on land, buildings and equipment	6	(51.0)	(48.6)
Net cash flow from / (used in) investment activities		(725.7)	(7.6)

<i>SDR millions</i>	Note	2026	2025
Cash flow from / (used in) financing activities			
Dividends paid	24	(215.5)	(209.8)
Repayment of principal on lease liabilities		(3.3)	(3.4)
Net cash flow from / (used in) financing activities		(218.8)	(213.2)
Total net cash flow		20,330.0	39,509.1
Net effect of exchange rate changes on cash and cash equivalents		(6,481.4)	317.9
Net movement in cash and cash equivalents		26,811.4	39,191.2
Net change in cash and cash equivalents		20,330.0	39,509.1
Cash and cash equivalents, beginning of year	1	86,083.9	46,574.8
Cash and cash equivalents, end of year	1	106,413.9	86,083.9

Movements in shareholders' equity

	Note	Share capital	Shares held in treasury	Statutory reserves	Profit and loss	Other equity accounts			Shareholders' equity
						Defined benefit obligations	Securities revaluation	Gold revaluation	
SDR millions									
Balance as at 31 March 2024		710.2	(1.7)	18,787.1	831.5	254.3	(495.5)	4,996.4	25,082.3
Payment of 2023/24 dividend		–	–	–	(209.8)	–	–	–	(209.8)
Allocation of 2023/24 profit		–	–	621.7	(621.7)	–	–	–	–
Total comprehensive income	15	–	–	–	843.7	(72.6)	412.8	2,212.8	3,396.7
Balance as at 31 March 2025		710.2	(1.7)	19,408.8	843.7	181.7	(82.7)	7,209.2	28,269.2
Payment of 2024/25 dividend		–	–	–	(215.5)	–	–	–	(215.5)
Allocation of 2024/25 profit		–	–	628.2	(628.2)	–	–	–	–
Total comprehensive income	15	–	–	–	1,017.7	210.3	7.9	3,465.8	4,701.7
Balance as at 31 March 2026		710.2	(1.7)	20,036.9	1,017.7	392.0	(74.8)	10,675.0	32,755.3

Introduction

The Bank for International Settlements (BIS, “the Bank”) is an international financial institution which was established pursuant to the Hague Agreements of 20 January 1930 as well as the Bank’s Constituent Charter and its Statutes. The headquarters of the Bank are at Centralbahnplatz 2, 4002 Basel, Switzerland. The objectives of the BIS, as laid down in Article 3 of its Statutes, are to promote cooperation among central banks, to provide additional facilities for international financial operations and to act as trustee or agent for international financial settlements.

The financial statements were approved for issue by the General Manager, Deputy General Manager and Head of Finance on 19 May 2026 and are subject to approval by the Annual General Meeting of shareholders on 28 June 2026.

Accounting policies

The accounting policies set out below have been applied to both of the financial years presented unless otherwise stated.

1. Critical judgments and estimates

The preparation of the financial statements requires the Bank’s Management to apply judgment and to make estimates. The most significant judgements affecting the financial statements involve selecting and applying accounting policies to ensure that the financial statements present a true and fair view of the financial position and performance of the Bank. The most critical accounting policies for the Bank’s financial reporting are those which concern:

- the scope of the financial statements (see accounting policy 3);
- the functional and presentation currency (see accounting policy 4);
- the classification and measurement of financial instruments, and the application of these policies to the Bank’s portfolios (see accounting policies 5–7); and
- accounting for gold assets and liabilities, and for the Bank’s overall own gold position (see accounting policies 11 and 15).

The critical estimates having the most significant effect on the amounts recognised in the financial statements are those which concern:

- the valuation of currency deposits classified as fair value through profit and loss; and
- post-employment obligations, the estimation of which depends on long-term actuarial assumptions.

There are also judgments involved in making disclosures, including the methodology used to determine the fair value hierarchy disclosures.

When making estimates, Management exercises judgment based on available information. Actual results could differ significantly from these estimates.

2. Impact of climate risk on financial reporting judgments and estimates

Where appropriate, the Bank considers climate-related matters when making financial reporting judgments and estimates. While developments are monitored closely, in Management's view climate-related risks do not currently have a significant impact on the financial statements of the Bank. The items most directly impacted by climate-related matters are:

Classification of sustainability-linked financial assets

For financial assets with sustainability-linked features, the Bank determines whether the instrument passes the solely payments of principal and interest test. This involves evaluating whether the features provide commensurate compensation for basic lending risks, such as credit risk, and ensuring that the contractual cash flows are not significantly different from those of a similar financial instrument without such contingent features. The impact was assessed to be immaterial at 31 March 2026.

Fair value measurement and Expected Credit Loss (ECL) impairment provision

Management assumes that climate change variables are best reflected in the market price of financial instruments, and in the market data and methodologies used by the Bank to estimate probabilities of default and loss given default. Consequently, Management considers that climate risk has been adequately reflected within the fair value of the Bank's assets and liabilities, and in the determination of the ECL impairment provision.

3. Scope of the financial statements

These financial statements recognise all assets and liabilities controlled by the Bank and in respect of which the economic benefits, as well as any rights and obligations, lie with the Bank.

As part of its activities, the Bank undertakes financial transactions in its own name but for the economic benefit of other parties, including transactions on a custodial or agency basis. These include transactions undertaken on behalf of the staff pension fund and BIS Investment Pools (BISIPs). These are reporting entities with their own financial statements, but which do not have separate legal personality from the Bank. The Bank also undertakes transactions in its name on behalf of dedicated mandates, where the Bank is the investment manager of a customer investment portfolio. Unless otherwise stated, such transactions are not included in these financial statements. Note 26 provides further information on BISIPs and dedicated mandates. Note 12 provides further information on the staff pension fund.

The Bank hosts the secretariats of three independent associations – the Financial Stability Board (FSB), the International Association of Deposit Insurers (IADI) and the International Association for Insurance Supervisors (IAIS) – and supports the activities of the BIS Sports Club. It also acts in an administrative capacity for the International Journal of Central Banking (IJCIB). These five associations each have their own legal personality and financial statements, and are therefore independent of the Bank. Unless otherwise stated, the activities of these five independent associations are not included in these financial statements.

The BIS Innovation Hub is a department of the BIS that fosters international collaboration on innovative financial technology in the central banking community. All the assets and liabilities associated with the Innovation Hub are included in these financial statements, with the costs included within "Administrative expense". Cost-sharing arrangements have been established with the host central banks and in connection with certain BIS Innovation Hub projects. Contributions received under cost sharing arrangements are included within "Net fee income" on an accruals basis.

4. Functional and presentation currency

The functional and presentation currency of the Bank is the Special Drawing Right (SDR) as defined by the International Monetary Fund (IMF). The composition of the SDR is subject to periodic review. As currently calculated, one SDR is equivalent to the sum of USD 0.57813, EUR 0.37379, RMB 1.0993, JPY 13.452 and GBP 0.08087.

Monetary assets and liabilities are translated into SDR at the exchange rates ruling at the balance sheet date. Other assets and liabilities and profits and losses are translated into SDR at the exchange rates ruling at the date of the transaction. Exchange differences arising from the retranslation of monetary assets and liabilities and from the settlement of transactions are included as net foreign exchange income in the profit and loss account.

All figures in these financial statements are presented in SDR millions unless otherwise stated. Amounts are presented to the nearest SDR 0.1 million, and may be rounded up or down to reduce summation differences within disclosures or rounding differences between disclosures.

5. Recognition, de-recognition, classification and measurement of financial assets

The Bank recognises financial assets on the trade date, being the date on which the Bank commits to purchase the assets. Financial assets are de-recognised on the trade date of a sale (when the Bank commits to transfer substantially all the risks and rewards of ownership), or when the contractual cash flows from the assets have expired. On initial recognition, financial assets are classified as either:

- amortised cost;
- fair value through other comprehensive income (FVOCI); or
- fair value through profit and loss (FVPL).

The classification determines the measurement of financial assets, and how this is reflected in the Bank's financial statements. The classification depends on the business model for managing the assets and on the cash flow characteristics of the assets, as described below.

Amortised cost

Financial assets can be classified as amortised cost if they are not a derivative financial asset, and the following two criteria are met:

1. the financial assets are held within a business model with the objective of holding the assets to collect the contractual cash flows; and
2. the contractual terms on the financial assets give rise to cash flows that are solely payments of principal or interest.

Amortised cost financial assets are measured in the balance sheet using the effective interest rate method, with the carrying value adjusted by the ECL for each asset. Interest is included in the profit and loss account under "Interest income" or "Interest expense" (negative interest) on an accruals basis. The movement in the ECL impairment provision on these assets is recognised in the profit and loss account under "Change in expected credit loss impairment provision".

Fair value through other comprehensive income (FVOCI)

Financial assets can be classified as FVOCI if they are not a derivative financial asset, and the following two criteria are met:

1. the financial assets are held within a business model with the objective of collecting the contractual cash flows or potentially selling the assets; and
2. the contractual terms on the financial assets give rise to cash flows that are solely payments of principal or interest. A contractual cash flow characteristic does not affect the classification of the financial asset if it could have only a de-minimis effect on the contractual cash flows of the financial asset, or if it could have an effect that is more than de-minimis but the characteristic is not genuine because it relates to circumstances that are extremely rare, highly abnormal and very unlikely to occur.

FVOCI financial assets are measured in the balance sheet at fair value. In addition, an amortised cost book value is calculated using the effective interest rate method, including an adjustment for the ECL impairment provision of each asset. Changes in the book value (due to the accrual of interest) are included as "Interest income" or "Interest expense" (negative interest) in the profit and loss account. Unrealised valuation movements, adjusted by the ECL impairment provision, are recognised through the "Securities revaluation account" in other comprehensive income (OCI). Interest revenue, the movement in ECL impairment provision and foreign exchange gains or losses are recognised in the profit and loss account. Upon disposal of the assets, gains or losses are recognised in the profit and loss account as "Net gain/(loss) on sales of financial assets at fair value through other comprehensive income".

Fair value through profit and loss (FVPL)

All other financial assets are classified as FVPL. These include:

- derivative financial assets;
- assets that are held for trading, or that are held within a business model that is managed on a fair value basis; and
- assets which contain contractual terms that give rise to cash flows that are not solely payments of principal or interest.

In addition, the Bank chooses to classify financial assets as FVPL if the use of the classification removes or significantly reduces an accounting mismatch. Any such classification is made on the date of initial recognition and is irrevocable.

FVPL financial assets are measured in the balance sheet at fair value. The accrual of interest and all realised and unrealised movements in fair value are included within "Net income on financial assets and liabilities at fair value through profit and loss".

Reclassification

Groups of financial assets are reclassified if there is a fundamental change to the way they are managed. Reclassifications are applied prospectively from the date of change, with no restatement of previously recognised gains, losses or interest. Financial assets which are classified as FVPL in order to remove or significantly reduce an accounting mismatch cannot be reclassified.

Impairment of financial assets

The Bank assesses impairment on financial assets which are classified as either FVOCI or amortised cost, and also for loan commitments. Impairment is assessed from the date of initial recognition using a three-stage model.

Stage 1 applies to financial assets on which there has not been a significant increase in credit risk since initial recognition. The ECL impairment provision is calculated on a 12-month forward-looking basis.

Stage 2 applies to financial assets on which there has been a significant increase in credit risk since initial recognition. The ECL impairment provision is calculated taking into account the full expected life of the financial asset.

Stage 3 applies to financial assets which are considered to be credit-impaired. The ECL impairment provision is calculated on a lifetime basis, but the effective interest rate on the financial asset is recalculated based on the amortised cost (including the ECL).

The key inputs into the measurement of the ECL impairment provision are:

- The probability of default (PD), which is the estimated likelihood of a borrower defaulting on its financial obligation over a time period. PDs are regularly re-estimated using a combination of internal and external data, along with judgment.
- Loss-given-default (LGD) is the proportion of an exposure that is lost because of a counterparty default. LGD estimates are informed by observed external LGD data.
- Exposure at default (EAD) is the magnitude of the exposures in the event of a default and is determined based on the future expected cash flows discounted at the effective interest rate. The EAD reflects the offsetting effects of any collateral received.

The ECL impairment provision is presented in the balance sheet as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the asset;
- for financial assets measured at FVOCI: within the securities revaluation account, reported under “Other equity accounts”; and
- for loan commitments: as a provision within “Loans and advances”.

6. Recognition, de-recognition, classification and measurement of financial liabilities

The Bank recognises financial liabilities on the trade date, being the date on which the Bank commits to issue the liabilities. Financial liabilities are de-recognised on the trade date of a repurchase (when the Bank commits to buy back the financial liability), or when the contractual cash flows from the financial liabilities have expired. On initial recognition, financial liabilities are classified as either:

- fair value through profit and loss; or
- amortised cost.

The classification determines the measurement of financial liabilities, and how this is reflected in the Bank’s financial reporting. The classification depends on the characteristics of the liabilities, as described below.

Fair value through profit and loss (FVPL)

Financial liabilities are classified as FVPL if they are derivative financial liabilities or are held for trading. In addition, the Bank chooses to classify financial liabilities as FVPL if the use of the classification removes or significantly reduces an accounting mismatch. Any such classification is made on the date of initial recognition and is irrevocable.

FVPL financial liabilities are measured in the balance sheet at fair value. The accrual of interest and all realised and unrealised movements in fair value are included within “Net income on financial assets and liabilities at fair value through profit and loss”.

Amortised cost

All other financial liabilities are classified as amortised cost.

Amortised cost financial liabilities are measured in the balance sheet using the effective interest rate method. Interest is included in the profit and loss account under “Interest expense” or “Interest income” (negative interest) on an accruals basis. Any gains or losses on redemption are recognised in the profit and loss account.

7. The application of the classification and measurement approach to the Bank’s portfolios

All very short-dated financial assets (cash and cash equivalents) and liabilities (sight and notice deposit accounts) are classified as amortised cost. The classification of other financial assets and liabilities is determined by the Bank’s asset and liability portfolio structure. The Bank’s assets and liabilities are organised into four sets of portfolios.

Currency banking portfolios (borrowed funds)

The Bank operates a currency banking book (comprising currency deposit liabilities, and related assets and derivatives). The Bank acts as a market-maker in its currency deposit liabilities. As a result of this activity, the Bank incurs realised profits or losses when these liabilities are repurchased from customers. Under the Bank’s accounting policies, some of these financial instruments would be classified as FVPL, while others would be classified as FVOCI or amortised cost. In accordance with the Bank’s risk management policies, the market risk inherent in this activity is managed on an overall fair value basis. As such, the realised and unrealised profits or losses on currency deposit liabilities are largely offset by realised and unrealised losses or profits on the related assets and derivatives. To reduce the accounting inconsistency that would otherwise arise from recognising realised and unrealised profits and losses on different bases, the Bank chooses to classify all financial assets and liabilities (other than those which are very short-dated) in its currency banking portfolios as FVPL.

Gold banking portfolio (borrowed gold)

The Bank operates a gold banking book (comprising gold deposit liabilities and related gold loan assets). All gold loan and deposit financial assets and liabilities in this portfolio are classified as amortised cost.

Currency investment portfolios (own funds)

The Bank’s investment portfolios comprise assets, liabilities and derivatives relating principally to the investment of the Bank’s shareholders’ equity.

The Bank invests most of its shareholders’ equity in financial instruments. Most of the currency financial assets in investment portfolios (other than those which are very short-dated) are classified as FVOCI. Any related currency financial liabilities (including securities sold under repurchase agreements) are classified as amortised cost.

In addition, the Bank invests some of its shareholders’ equity in portfolios that are managed with a mandate which permits active trading. The financial instruments in these portfolios (other than those which are very short-dated) are classified as FVPL currency assets and liabilities.

Gold investment portfolio (own gold)

The Bank invests some of its shareholders' equity in gold and gold loans. These assets are classified as amortised cost. The Bank's overall own gold position is treated as an FVOCI asset (as further described in accounting policy 11 below).

Accounting policies 8 to 15 below describe the application of these accounting policies to individual items in the balance sheet.

8. Cash and cash equivalents

Cash and cash equivalents consist of cash and sight and notice accounts with banks, which are very short-term financial assets that typically have notice periods of three days or less. Cash and cash equivalents are classified as amortised cost.

9. Securities purchased under resale agreements

Securities purchased under resale agreements ("reverse repurchase agreements") are collateralised loan transactions through which the Bank lends cash and receives an irrevocable commitment from the counterparty to return the cash, plus interest, at a specified date in the future. As part of these agreements, the Bank receives collateral in the form of securities to which it has full legal title, but must return equivalent securities to the counterparty at the end of the agreement, subject to the counterparty's repayment of the cash. As the Bank does not acquire the risks or rewards associated with ownership of these collateral securities, they are not recognised as assets in the Bank's balance sheet. The collateralised loans relating to securities purchased under resale agreements are recognised as assets, and are classified as either FVPL (currency banking portfolios) or FVOCI (currency investment portfolios).

10. Loans and advances, and government and other securities

Loans and advances comprise fixed-term loans to commercial banks, and advances under committed and uncommitted standby facilities which the Bank provides for its customers. Government and other securities are debt securities issued by governments, international institutions, other public sector institutions, commercial banks and corporates. They include treasury bills, commercial paper, certificates of deposit, fixed and floating rate bonds, inflation-linked securities, covered bonds and asset-backed securities.

These financial assets are classified as either FVPL (currency banking portfolios) or FVOCI (currency investment portfolios).

11. Gold and gold loans

Gold comprises gold bar assets held in custody at central banks and sight accounts denominated in gold. Gold loans comprise fixed-term gold loans. Gold and gold loans are classified as amortised cost, and are included in the balance sheet at their weight in gold (translated at the gold market price and USD exchange rate into SDR) plus accrued interest.

Gold loans are recognised on a trade date basis. Purchases and sales of gold bar assets are recognised on a settlement date basis, with forward purchases or sales treated as derivatives prior to settlement date.

The Bank trades most of its gold swaps under its derivative ISDA contracts, and accounts for them in a similar manner to currency swaps. As such, gold balances in the balance sheet include gold received (and exclude gold paid) in respect of gold swap contracts.

The treatment of realised gains or losses on gold transactions, and unrealised gains or losses on the retranslation of the net gold position, depends on the management objective for which the gold is held, as described below:

Gold banking portfolio (borrowed gold)

Gains or losses on the retranslation of the net position in gold in the banking portfolio are included under "Net foreign exchange income" as net translation gains or losses.

Gold investment portfolio (own gold)

The Bank's overall own gold position is treated as an FVOCI asset.

Unrealised gains or losses on the Bank's gold investment assets over their deemed cost are included in the gold revaluation account, reported under "Other equity accounts". The movement in fair value is included in the statement of comprehensive income under the heading "Gold at fair value through other comprehensive income – net change in fair value during the year".

All of the Bank's gold investment assets were held on 31 March 2003 (when the Bank changed its functional and presentation currency from the gold franc to the SDR). The deemed cost of these assets is approximately SDR 151 per ounce, based on the value of USD 208 per ounce that was applied from 1979 to 2003 following a decision by the Bank's Board of Directors, translated at the 31 March 2003 exchange rate.

Realised gains or losses on disposal of gold investment assets are included in the profit and loss account as "Net gain on sales of gold investment assets".

12. Derivative financial instruments

Derivatives are used either to manage the Bank's market risk or for trading purposes. The Bank trades most of its gold swaps under its derivative ISDA contracts, and accounts for them in a similar manner to currency swaps. Derivatives are classified as FVPL, and are included in the balance sheet as either assets or liabilities, depending on whether the contract has a positive or a negative fair value for the Bank.

13. Currency deposits

Currency deposits comprise sight and notice deposit accounts along with BIS deposit instruments.

Sight and notice deposit accounts are very short-term monetary liabilities that typically have notice periods of three days or less. They are classified as amortised cost.

BIS deposit instruments comprise currency deposit products offered by the Bank to its customers. They are classified as FVPL.

Some BIS deposit instruments contain embedded derivative financial instruments, such as currency or call options. These embedded derivatives are also classified as FVPL, and are included within the currency deposits balance sheet value.

14. Securities sold under repurchase agreements

Securities sold under repurchase agreements ("repurchase agreements") are collateralised deposit transactions through which the Bank receives cash and provides an irrevocable commitment to return the cash, plus interest, at a specified date in the future. As part of these agreements, the Bank transfers legal title of collateral securities to the counterparty. At the end of the contract, the counterparty must return equivalent securities to the Bank, subject to the Bank's repayment of the cash. As the Bank retains the risks and rewards associated with ownership of these securities, they continue to be recognised as assets in the Bank's balance sheet. The collateralised deposits are recognised as liabilities and are classified as either FVPL (currency banking portfolios) or amortised cost (currency investment portfolios).

15. Gold deposits

Gold deposits comprise unallocated sight account and fixed-term deposits of gold from central banks.

Unallocated gold deposits provide customers with a general claim on the Bank for delivery of gold of the same weight and quality as that delivered by the customer to the Bank, but do not provide the right to specific gold bars. All unallocated gold deposits (whether sight or fixed-term) are classified as amortised cost. Unallocated gold sight account deposits are included in the balance sheet on a settlement date basis at their weight in gold (translated at the gold market price and the USD exchange rate to SDR). Unallocated fixed-term deposits of gold are included in the balance sheet on a trade date basis at their weight in gold (translated at the gold market price and the USD exchange rate to SDR) plus accrued interest.

Allocated (or "earmarked") gold deposits provide depositors with a claim for delivery of the specific gold bars deposited by the customer with the Bank on a custody basis. Beneficial ownership and risk remain with the customer. As such, allocated gold deposit liabilities and the related gold bar assets are not included in the Bank's balance sheet and are disclosed as off-balance sheet items.

16. Securities lending

The Bank participates in securities lending transactions in which it lends debt securities in exchange for a fee. The transactions are conducted under standard agreements employed by financial market participants. The securities which have been transferred are not de-recognised from the balance sheet since the risks and rewards of ownership are not transferred, even if the borrower has the right to sell or re-pledge the securities. Such Bank-owned securities transferred to a borrower are presented in the balance sheet as part of "Government and other securities".

17. Determination of fair value of financial instruments

The majority of the Bank's financial instruments are classified as either FVPL or FVOCI, and hence are included in the balance sheet at fair value. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market (or most advantageous), regardless of whether that price is directly observable or estimated using a valuation technique.

The Bank considers published price quotations in active markets as the best evidence of fair value. Where no reliable price quotations exist, the Bank determines fair values using a valuation technique appropriate to the particular financial instrument. Such valuation techniques may involve using market prices of recent arm's length market transactions in similar instruments or may make use of financial models such as discounted cash flow analyses and option pricing models. Where financial models are used, the Bank aims to make maximum use of observable market inputs as appropriate, and relies as little as possible on its own estimates. The Bank values its positions at their exit price, so that assets are valued at the bid price and liabilities at the offer price. Derivative financial instruments are valued on a bid-offer basis, with valuation reserves, where necessary, included in derivative financial assets and liabilities.

18. Interest income and interest expense

Interest income and interest expense relate to financial instruments which are classified as either FVOCI or amortised cost. Interest income includes negative interest on liabilities, while interest expense includes negative interest on assets and interest on lease liabilities.

Interest income and interest expense are recognised in the profit and loss account using the effective interest rate method. Interest income is calculated by applying the effective interest rate to the gross carrying amount of an asset, except for assets which are purchased (or subsequently become) credit-impaired (impairment stage 3). For financial assets purchased as credit-impaired, the original credit adjusted effective interest rate is applied to the amortised cost of the financial asset. For financial assets which subsequently become credit-impaired, interest income is calculated by applying the effective interest rate to the amortised cost value of the asset.

19. Accounts receivable and accounts payable

Accounts receivable and accounts payable are principally short-term amounts relating to the settlement of financial transactions. They are recognised on a trade date basis and subsequently accounted for at amortised cost until their settlement.

20. Land, buildings and equipment

Expenditure on land, buildings and equipment is recognised as an asset in the balance sheet where it is probable that the Bank will obtain future economic benefits. Buildings and equipment assets are depreciated on a straight-line basis over the estimated useful lives of the assets concerned, as follows:

- buildings – 50 years;
- building installations and machinery – 15 years;
- information technology equipment – 4 years;
- other equipment – 4 to 10 years; and
- computer software intangible assets – 4 years.

The Bank's land is not depreciated. Right-of-use assets are depreciated on a straight-line basis over the lease term. The Bank undertakes an annual review of impairment of land, buildings and equipment. Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down to the lower value.

21. Leases

On initial recognition of lease contracts and contracts that contain lease components, the Bank calculates a right-of-use asset and a lease liability, both of which are based on the present value of lease payments. The Bank's incremental borrowing rate (or, if applicable, the interest rate implicit in the lease) is used as the discount rate for determining the present value. The right-of-use asset is included under "Land, buildings and equipment", and is depreciated on a straight-line basis over the term of the lease. It is reviewed for impairment annually. The lease liability is included under "Other liabilities", and is reduced when the Bank makes payments under the lease. Interest expense is calculated based on the outstanding lease liability and the discount rate.

The Bank leases certain premises under contracts that can contain non-lease components (such as maintenance). The Bank does not separate such components from the lease payments, and therefore the right-of-use asset and lease liability are based on the total lease payment.

22. Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of events arising before the balance sheet date and it is probable that economic resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. Best estimates and assumptions are used when determining the amount to be recognised as a provision.

23. Taxation

The Bank's special legal status in Switzerland is set out principally in its Headquarters Agreement with the Swiss Federal Council. Under the terms of this document, the Bank is exempted from virtually all direct and indirect taxes at both federal and local government level in Switzerland. Similar tax exemptions have been established by the government of the People's Republic of China with respect to Hong Kong SAR, and the governments of Canada, France, Germany, Mexico, Singapore, Sweden and the United Kingdom. Income and gains received by the Bank may be subject to tax imposed in other countries. Tax expense is recognised under "Net fee income".

24. Post-employment benefit obligations

The Bank operates three post-employment benefit arrangements, respectively, for staff pensions, Directors' pensions and staff medical benefits. An independent actuarial valuation is performed annually for each arrangement. The staff pension arrangement is funded (ie it has specifically allocated assets); the other two arrangements are unfunded.

Staff pensions

The liability for the staff pension arrangement is based on the present value of the defined benefit obligation less the fair value of the pension fund assets, both at the balance sheet date. The defined benefit obligation is calculated using the projected unit credit method. The present value of the defined benefit obligation is determined from the estimated future cash outflows. The rate used to discount the cash flows is determined by the Bank based on the market yield of highly rated corporate debt securities in Swiss francs which have a duration approximating that of the related liability.

The amount charged to the profit and loss account represents the sum of the current service cost of the benefits accruing for the year under the scheme, and interest at the discount rate on the net of the defined benefit obligation less the fair value of the pension fund assets. Past service costs from plan amendments are immediately recognised through profit and loss. Gains and losses arising from re-measurement of the obligations, such as experience adjustments (where the actual outcome is different from the actuarial assumptions previously made) and changes in actuarial assumptions, are charged to other comprehensive income in the year in which the re-measurement is applied. They are not reclassified to profit and loss in subsequent years.

Directors' pensions and staff post-employment medical benefits

The defined benefit obligation, the amount charged to the profit and loss account, and the gains and losses arising from re-measurement in respect of the Bank's other post-employment benefit arrangements are calculated on a similar basis to that used for the staff pension arrangement.

25. Presentation of financial statements

Balance sheet

The Bank presents its balance sheet in order of the liquidity of each line item.

Statement of cash flows

The Bank's statement of cash flows is prepared using an indirect method. It is based on the movements in the Bank's balance sheet, adjusted for changes in financial transactions awaiting settlement.

Notes to the financial statements

1. Cash and cash equivalents

Cash and cash equivalents comprise sight accounts at central and commercial banks, as well as notice accounts at commercial banks and international financial institutions. Included within the cash balances is cash collateral received from counterparties in relation to derivatives transactions. Cash balances are analysed in the table below:

As at 31 March

SDR millions	2026	2025
Balance at central banks	102,813.3	84,682.8
Balance at commercial banks	297.6	83.2
Total cash and sight accounts	103,110.9	84,766.0
Notice accounts	3,303.1	1,317.9
Impairment loss allowance	(0.1)	–
Total cash and cash equivalents	106,413.9	86,083.9

2. Currency assets

Currency assets comprise the following products:

Securities purchased under resale agreements are collateralised loan transactions. During the term of the agreement, the Bank monitors the fair value of the loan and related collateral securities, and may call for additional collateral (or be required to return collateral) based on movements in their market value.

Loans and advances comprise fixed-term loans to commercial banks and advances. Advances are drawings of committed and uncommitted standby facilities which the Bank provides for its customers.

Government and other securities are debt securities issued by governments, international institutions, other public sector institutions, commercial banks and corporates. They include treasury bills, commercial paper, certificates of deposit, fixed and floating rate bonds, covered bonds, inflation-linked securities and asset-backed securities.

The following tables analyse the Bank's holdings of currency assets in accordance with their classification.

As at 31 March 2026

SDR millions	FVPL	FVOCI	Total
Securities purchased under resale agreements	118,661.6	200.5	118,862.1
Loans and advances	27,288.2	–	27,288.2
Government and other securities			
Sovereigns and central banks	79,203.8	17,858.2	97,062.0
Other	37,733.3	2,001.1	39,734.4
Total government and other securities	116,937.1	19,859.3	136,796.4
Total currency assets	262,886.9	20,059.8	282,946.7

As at 31 March 2025

<i>SDR millions</i>	FVPL	FVOCI	Total
Securities purchased under resale agreements	113,679.2	676.6	114,355.8
Loans and advances	32,851.8	–	32,851.8
Government and other securities			
Sovereigns and central banks	81,822.4	16,282.4	98,104.8
Other	33,954.8	2,093.9	36,048.7
Total government and other securities	115,777.2	18,376.3	134,153.5
Total currency assets	262,308.2	19,052.9	281,361.1

Government and other securities classified as FVPL as at 31 March 2026 include SDR 712.6 million (2025: SDR 852.5 million) of securities that are part of the currency investment portfolios (own funds) that have been classified as FVPL because the portfolio mandate permits active trading.

The Bank lends some of its securities in exchange for a fee. The amount of government and other securities which were transferred in securities lending transactions (and were not subject to de-recognition from the balance sheet to the extent of the Bank's continuing involvement) was SDR 252.0 million as at 31 March 2026 (2025: SDR 56.9 million).

The Bank gives or pledges as collateral some of its debt securities in certain derivative and repurchase agreement transactions. For more detail, see the "Risk management" section, note 3C, "Credit risk mitigation".

3. Gold and gold loans

As at 31 March

<i>SDR millions</i>	2026	2025
Gold investment assets	11,173.8	7,717.0
Gold banking assets	68,278.0	32,863.9
Impairment loss allowance	–	(0.1)
Total gold and gold loan assets	79,451.8	40,580.8
Comprising:		
Gold bars	77,882.7	37,885.2
Sight accounts denominated in gold	400.5	437.4
Gold loans	1,168.6	2,258.2

The Bank's gold investment assets are included in the balance sheet at their weight in gold (translated at the gold market price and USD exchange rate into SDR) plus accrued interest on gold loans. The excess of this value over the deemed cost value is included in the gold revaluation account, which is reported under "Other equity accounts".

Included in "Gold banking assets" is SDR 20,056.5 million (184 tonnes) of gold that the Bank holds in connection with gold swap contracts (2025: SDR 724.2 million; 10 tonnes).

4. Derivative financial instruments

The main types of derivative instruments used by the Bank are as follows:

Currency and gold options are contractual agreements under which the seller grants the purchaser the right, but not the obligation, to either buy (call option) or sell (put option), by or on a set date, a specific amount of a currency or gold at a predetermined price. The seller receives a premium from the purchaser for granting this right.

Currency and gold swaps, cross-currency swaps and interest rate swaps are contractual agreements to exchange cash flows related to currencies, gold or interest rates (for example, fixed rate for floating rate). Cross-currency interest rate swaps involve the exchange of cash flows related to a combination of interest rates and foreign exchange rates. Except for certain currency and gold swaps and cross-currency interest rate swaps, no exchange of principal takes place.

Currency and gold forwards are contractual agreements involving the exchange of foreign currencies or gold at a future date.

Futures contracts are primarily bond and interest rate futures, which represent contractual agreements to receive or pay a net amount based on changes in bond prices or interest rates at a future date. Also included under this line are two other types of contracts which are traded in smaller volumes by the BIS. First, equity futures, which are traded for the management of the staff pension fund only. These are contractual agreements to receive or pay a net amount based on changes in equity index levels at a future date. Second, options on futures, which are contractual agreements that confer the right, but not the obligation, to buy or sell a futures contract at a predetermined price during a specified period of time. All futures contracts are settled daily with the exchange. Associated margin payments are settled by cash or marketable securities.

TBAs ("to be announced") are forward contracts for investment in mortgage-backed securities, whereby the investor acquires or sells a portion of a pool of as yet unspecified mortgages, which will be announced on a given delivery date. The Bank classifies these financial instruments as derivatives because it typically opens and closes the positions before the delivery date.

The Bank enters into derivatives transactions for its own benefit, and also on behalf of customers, investment entities operated by the Bank, and the staff pension fund. Over-the-counter (OTC) derivatives transactions are legally documented under the Bank's derivative master contracts, and are subject to its collateralisation processes (and netting rules in the event of default of one of the parties). The Bank recognises all derivatives transacted in its name. Where the economic benefit lies with a customer, an investment entity or the staff pension fund, the Bank recognises both the original derivative contract and an exactly offsetting derivative contract with the beneficial party.

As at 31 March

	2026			2025		
	Notional amounts	Fair values		Notional amounts	Fair values	
<i>SDR millions</i>		Assets	Liabilities		Assets	Liabilities
Cross-currency swaps	4,510.7	68.8	(102.7)	4,591.5	91.5	(39.4)
Currency and gold forwards	61,037.6	932.7	(732.5)	27,641.7	227.2	(216.6)
Currency and gold options	2,877.9	63.7	(64.4)	14,770.3	118.2	(119.4)
Currency and gold swaps	313,396.8	5,618.5	(666.7)	288,574.4	2,013.6	(2,458.1)
Futures contracts	2,687.8	0.5	(0.8)	2,571.7	0.5	(0.5)
Interest rate swaps	615,477.4	704.2	(590.1)	472,402.7	1,012.5	(891.7)
TBAs	164.3	0.3	(0.4)	1,050.5	0.2	(0.3)
Total derivative financial instruments	1,000,152.5	7,388.7	(2,157.6)	811,602.8	3,463.7	(3,726.0)

5. Accounts receivable and other assets

As at 31 March

<i>SDR millions</i>	2026	2025
Financial transactions awaiting settlement	5,699.1	19,565.1
Other assets	50.9	33.9
Total accounts receivable and other assets	5,750.0	19,599.0

“Financial transactions awaiting settlement” are short-term receivables, typically due within three business days or less, where transactions have been effected but cash has not yet been received.

6. Land, buildings and equipment, and depreciation and amortisation

For the financial year ended 31 March

							2026	2025
	Land	Buildings and installations	IT and other equipment	Computer software intangible assets	Assets under construction	Right-of-use assets	Total	Total
<i>SDR millions</i>								
Historical cost								
Balance at beginning of year	46.4	327.6	24.2	133.1	32.2	27.9	591.4	551.2
Capital expenditure	–	–	–	–	51.0	–	51.0	48.6
Transfers from assets under construction	–	7.2	7.3	38.6	(53.1)	–	–	–
Change in right-of-use assets	–	–	–	–	–	(3.5)	(3.5)	3.7
Disposals and retirements	–	–	(2.7)	(0.2)	–	–	(2.9)	(12.1)
Balance at end of year	46.4	334.8	28.8	171.5	30.1	24.4	636.0	591.4
Accumulated depreciation and amortisation								
Balance at beginning of year	–	248.2	14.0	67.3	–	17.2	346.7	328.4
Depreciation and amortisation	–	9.6	4.5	30.8	–	3.0	47.9	30.4
Change in right-of-use assets	–	–	–	–	–	(4.2)	(4.2)	–
Disposals and retirements	–	–	(2.7)	(0.2)	–	–	(2.9)	(12.1)
Balance at end of year	–	257.8	15.8	97.9	–	16.0	387.5	346.7
Net book value at end of year	46.4	77.0	13.0	73.6	30.1	8.4	248.5	244.7

Changes in right-of-use assets includes new lease transactions along with amendments of existing leases. Assets under construction are not subject to depreciation until they are completed, put into service and transferred to the appropriate asset category. The Bank's practice is to retire assets from the fixed asset register, generally when their age reaches twice their estimated useful life.

7. Currency deposits

Currency deposits comprise the following products:

Sight and notice deposit accounts are very short-term financial liabilities, typically having a notice period of three days or less.

Medium-Term Instruments (MTIs) are fixed rate investments at the Bank issued with initial maturities of between one and five years.

FIXBIS are fixed rate investments at the BIS for any maturities between one week and one year.

FRIBIS are floating rate investments at the BIS with maturities of one year or longer for which the interest rate is reset in line with prevailing market conditions.

Fixed-term deposits are fixed rate investments at the BIS, typically with an initial maturity of less than one year.

Dual-currency deposits (DCDs) are fixed-term deposits that are repayable on the maturity date either in the original currency or at a fixed amount in a different currency at the option of the Bank. The balance sheet for DCDs includes the fair value of the embedded foreign exchange option. These deposits all mature during April or May 2026 (2025: during April or May 2025).

The Bank acts as the sole market-maker in certain of its currency deposit liabilities and has undertaken to repay some of these financial instruments at fair value, in whole or in part, at one to three business days' notice.

The amount the Bank is contractually obliged to pay at maturity in respect of its FVPL currency deposits that were outstanding at 31 March 2026 (including the undiscounted value of any interest payment on maturity) is SDR 315,500.6 million (2025: SDR 291,196.7 million).

Sight and notice deposit accounts are classified as amortised cost, while all other deposits are classified as FVPL.

As at 31 March 2026

SDR millions	FVPL	Amortised cost	Total
Repayable at one to three days' notice			
Sight and notice deposit accounts	–	70,379.1	70,379.1
Medium-Term Instruments (MTIs)	38,546.0	–	38,546.0
Fixed Rate Investments at the BIS (FIXBIS)	190,053.7	–	190,053.7
	228,599.7	70,379.1	298,978.8
Other currency deposits			
Floating Rate Investments of the BIS (FRIBIS)	939.4	–	939.4
Fixed-term deposits	80,020.1	–	80,020.1
Dual-currency deposits (DCDs)	118.6	–	118.6
	81,078.1	–	81,078.1
Total currency deposits	309,677.8	70,379.1	380,056.9

As at 31 March 2025

<i>SDR millions</i>	FVPL	Amortised cost	Total
Repayable at one to three days' notice			
Sight and notice deposit accounts	–	63,369.1	63,369.1
Medium-Term Instruments (MTIs)	42,033.7	–	42,033.7
Fixed Rate Investments at the BIS (FIXBIS)	129,893.4	–	129,893.4
	171,927.1	63,369.1	235,296.2
Other currency deposits			
Floating Rate Investments of the BIS (FRIBIS)	1,267.7	–	1,267.7
Fixed-term deposits	113,556.5	–	113,556.5
Dual-currency deposits (DCDs)	115.1	–	115.1
	114,939.3	–	114,939.3
Total currency deposits	286,866.4	63,369.1	350,235.5

8. Securities sold under repurchase agreements

As at 31 March

<i>SDR millions</i>	2026	2025
Amortised cost	200.6	676.6
Total securities sold under repurchase agreements	200.6	676.6

Further information on the collateral related to the repurchase agreements is provided in the "Risk management" section, note 3C, "Credit risk mitigation".

9. Gold deposits

Gold deposit liabilities placed with the Bank originate entirely from central banks.

10. Accounts payable

"Accounts payable" consists of financial transactions awaiting settlement, relating to short-term payables where transactions have been effected but cash has not yet been transferred.

11. Other liabilities

As at 31 March

<i>SDR millions</i>	2026	2025
Post-employment benefit obligations		
Staff pensions	423.5	505.0
Directors' pensions	15.3	13.6
Medical benefits	609.7	581.8
Lease liabilities	9.0	11.2
Other liabilities	70.7	71.0
Total other liabilities	1,128.2	1,182.6

12. Post-employment benefit obligations

The Bank operates three post-employment arrangements:

- *Staff pensions:* A defined benefit pension arrangement for its staff in the event of retirement, disability or death. The arrangement also applies to the staff of the three independent associations hosted by the Bank (the FSB, the IADI and the IAIS). Under this arrangement, benefits accrue according to years of participation and pensionable remuneration. These benefits are paid out of a pension fund without separate legal personality. Contributions are made to this fund by the Bank and by staff. The fund is the beneficial owner of assets on which it receives a return. These assets are administered by the Bank for the sole benefit of the participants in the arrangement. Except as shown in this note, and as described in note 4, "Derivative financial instruments", these assets are not recognised as assets of the Bank. The Bank remains ultimately liable for all benefits due under the arrangement. The defined benefit obligation and the related expense for the staff pension plan includes amounts related to an unfunded legacy arrangement for cleaning staff. The disbursements for this arrangement are not paid out of the assets in the fund, as described above.
- *Directors' pensions:* An unfunded defined benefit arrangement for its Directors.
- *Post-employment medical benefits:* An unfunded post-employment medical benefit arrangement for its staff and their dependents. Employees who leave the Bank after becoming eligible for early retirement benefits from the pension arrangement are eligible for post-employment medical benefits. The arrangement also applies to the staff of the three independent associations hosted by the Bank (the FSB, the IADI and the IAIS).

All three arrangements operate in Swiss francs (CHF) and are valued annually by an independent actuary. During 2026/27, the Bank expects to make contributions of CHF 54.5 million (2025/26: CHF 54.0 million of actual contribution) to its post-employment benefit arrangements.

All matters concerning the general policy and management of the pension fund assets are overseen by the Pension Fund Committee. The committee is chaired by the Deputy General Manager, and includes members of management, staff representatives and external pension experts. The Pension Fund Committee determines the investment policies of the fund, sets its risk tolerance, and establishes the long-term strategic allocation policy through regular asset and liability management studies. It also supervises the arrangements made by the Bank in this regard, including selecting external investment managers. The Pension Fund Committee assesses the funding position of the pension fund using a through-the-cycle discount rate. If necessary, it recommends changes to the contribution rate of the Bank to ensure the long-term actuarial equilibrium of the Pensions System, including a sufficient safety margin.

A. Amounts recognised in the balance sheet

As at 31 March	Staff pensions		Directors' pensions		Post-employment medical benefits	
<i>SDR millions</i>	2026	2025	2026	2025	2026	2025
Present value of obligations	(1,989.9)	(1,874.9)	(15.3)	(13.6)	(609.7)	(581.8)
Fair value of fund assets	1,566.4	1,369.9	–	–	–	–
Net liability at end of year	(423.5)	(505.0)	(15.3)	(13.6)	(609.7)	(581.8)

B. Present value of defined benefit obligations

As at 31 March	Staff pensions		Directors' pensions		Post-employment medical benefits	
<i>SDR millions</i>	2026	2025	2026	2025	2026	2025
Present value of obligations at beginning of year	(1,874.9)	(1,777.6)	(13.6)	(13.0)	(581.8)	(528.1)
Employee contributions	(14.2)	(13.0)	–	–	–	–
Benefit payments	77.2	83.4	0.6	0.6	5.4	5.0
Service cost, including past service cost	(68.6)	(60.0)	(0.6)	(0.5)	(23.0)	(19.4)
Interest cost	(26.6)	(26.6)	(0.2)	(0.2)	(8.4)	(8.0)
Re-measurements:						
Experience adjustments	14.9	(4.3)	(0.9)	–	(6.2)	(4.8)
Changes in demographic assumptions	(16.8)	–	(0.1)	–	(13.0)	–
Changes in financial assumptions	65.2	(45.3)	0.4	(0.2)	62.7	(17.1)
Foreign exchange differences	(146.1)	(31.5)	(0.9)	(0.3)	(45.4)	(9.4)
Present value of obligations at end of year	(1,989.9)	(1,874.9)	(15.3)	(13.6)	(609.7)	(581.8)

The following table shows the weighted average duration of the defined benefit obligations for the Bank's three post-employment benefit arrangements:

As at 31 March	Staff pensions		Directors' pensions		Post-employment medical benefits	
Years	2026	2025	2026	2025	2026	2025
Weighted average duration	16.4	16.7	13.2	13.5	23.4	24.1

C. Amounts recognised in the profit and loss account

For the financial year ended 31 March	Staff pensions		Directors' pensions		Post-employment medical benefits	
SDR millions	2026	2025	2026	2025	2026	2025
Service cost	(68.6)	(60.0)	(0.6)	(0.5)	(23.0)	(19.4)
Interest cost on net liability	(7.0)	(6.0)	(0.2)	(0.2)	(8.4)	(8.0)
Amounts recognised in operating expense	(75.6)	(66.0)	(0.8)	(0.7)	(31.4)	(27.4)

D. Amounts recognised in other comprehensive income

For the financial year ended 31 March	Staff pensions		Directors' pensions		Post-employment medical benefits	
SDR millions	2026	2025	2026	2025	2026	2025
Return on plan assets in excess of opening discount rate	89.9	(5.3)	–	–	–	–
Experience adjustments	14.9	(4.3)	(0.9)	–	(6.2)	(4.8)
Changes in demographic assumptions	(16.8)	–	(0.1)	–	(13.0)	–
Changes in financial assumptions	65.2	(45.3)	0.4	(0.2)	62.7	(17.1)
Foreign exchange gain / (loss)	7.1	2.5	(0.3)	(0.1)	7.4	2.0
Amounts recognised in other comprehensive income	160.3	(52.4)	(0.9)	(0.3)	50.9	(19.9)

E. Analysis of movement on fair value of fund assets for staff pensions

For the financial year ended 31 March

SDR millions	2026	2025
Fair value of fund assets at beginning of year	1,369.9	1,361.3
Employer contributions	43.3	39.6
Employee contributions	14.2	13.0
Benefit payments	(77.2)	(83.4)
Interest income on plan assets	19.6	20.6
Return on plan assets in excess of opening discount rate	89.9	(5.3)
Foreign exchange differences	106.7	24.1
Fair value of fund assets at end of year	1,566.4	1,369.9

F. Composition and fair value of assets for the pension fund

The pension assets expose the Bank to investment risk, if the assets do not generate the expected returns. The table below analyses the fair values of each major class of pension fund assets using the fair value hierarchy defined in note 28. The pension fund does not invest in financial instruments issued by the Bank.

As at 31 March	2026			2025		
<i>SDR millions</i>	Level 1	Levels 2 and 3	Total	Level 1	Levels 2 and 3	Total
Cash (including margin accounts)	50.0	–	50.0	16.7	–	16.7
Debt securities	178.6	–	178.6	232.4	–	232.4
Fixed income funds	373.3	–	373.3	349.8	–	349.8
Equity funds	356.8	115.5	472.3	417.2	–	417.2
Real estate funds	40.0	165.2	205.2	–	146.9	146.9
Infrastructure funds	46.8	180.4	227.2	–	139.4	139.4
Commodity investments	–	97.7	97.7	69.2	–	69.2
Derivative financial instruments	1.6	(39.5)	(37.9)	0.7	(2.4)	(1.7)
Total	1,047.1	519.3	1,566.4	1,086.0	283.9	1,369.9

G. Principal actuarial assumptions used in these financial statements

As at 31 March	2026	2025
Applicable to staff pension arrangement		
Discount rate	1.30%	1.35%
Assumed average salary increase rate	2.20%	2.45%
Applicable to post-employment medical benefit arrangement		
Discount rate	1.35%	1.35%
Long-term medical cost inflation assumption	2.75%	3.25%
Applicable to Directors' pension arrangement		
Discount rate	1.25%	1.30%
Assumed Directors' pensionable remuneration increase rate	1.00%	1.25%
Applicable to staff and Directors' pension arrangements		
Assumed increase in pensions payable	1.00%	1.25%
Applicable to all arrangements		
Long-term inflation assumption	1.00%	1.25%

The mortality assumptions used for all three arrangements as at 31 March 2026 were based on the BVG 2025 table with generational projection CMI 2024 and a long-term improvement rate of 1.25% (2025: BVG 2020 table with generational projection CMI 2019 and a long-term improvement rate of 1.25%).

H. Life expectancies

The life expectancies, at age 65, used in the actuarial calculations for the staff pension arrangement are:

As at 31 March		
<i>Years</i>	2026	2025
Current life expectancy of members aged 65		
Male	22.5	21.9
Female	24.0	23.7
Life expectancy of members aged 65 projected forward in 10 years' time		
Male	23.4	22.8
Female	24.9	24.5

I. Sensitivity analysis of significant actuarial assumptions

The table below shows the estimated impact on the defined benefit obligations resulting from a change in key actuarial assumptions:

As at 31 March	Staff pensions Increase / (decrease) in defined benefit obligation	
<i>SDR millions</i>	2026	2025
Discount rate		
Increase by 0.5%	(151.2)	(144.4)
Decrease by 0.5%	173.1	168.7
Rate of salary increase		
Increase by 0.5%	41.8	41.2
Decrease by 0.5%	(39.8)	(37.5)
Rate of pension payable increase		
Increase by 0.5%	125.4	123.7
Decrease by 0.5%	(113.4)	(110.6)
Life expectancy		
Increase by 1 year	63.7	65.6
Decrease by 1 year	(63.7)	(65.6)

As at 31 March	Directors' pensions Increase / (decrease) in defined benefit obligation	
<i>SDR millions</i>	2026	2025
Discount rate		
Increase by 0.5%	(0.9)	(0.8)
Decrease by 0.5%	1.1	0.9
Rate of pension payable increase		
Increase by 0.5%	0.9	0.9
Decrease by 0.5%	(0.9)	(0.8)
Life expectancy		
Increase by 1 year	0.7	0.7
Decrease by 1 year	(0.7)	(0.7)

As at 31 March	Post-employment medical benefits Increase / (decrease) in defined benefit obligation	
<i>SDR millions</i>	2026	2025
Discount rate		
Increase by 0.5%	(65.2)	(64.0)
Decrease by 0.5%	76.2	75.1
Medical cost inflation rate		
Increase by 1.0%	125.7	126.1
Decrease by 1.0%	(94.4)	(94.2)
Life expectancy		
Increase by 1 year	48.8	51.8
Decrease by 1 year	(46.3)	(48.3)

The above estimates were arrived at by changing each assumption individually, holding other variables constant. They do not include any correlation effects that exist between variables.

13. Share capital

The Bank's share capital consists of:

As at 31 March	2026	2025
<i>SDR millions</i>		
Authorised capital: 600,000 shares, each of SDR 5,000 par value, of which SDR 1,250 is paid up	3,000.0	3,000.0
Issued capital: 568,125 shares	2,840.6	2,840.6
Paid-up capital (25%)	710.2	710.2

As at 31 March 2026 the number of member central banks was 63 (2025: 63).

The number of shares eligible for dividend is:

As at 31 March	2026	2025
Issued shares	568,125	568,125
Shares held in treasury	(1,000)	(1,000)
Outstanding shares eligible for dividend	567,125	567,125

Shares held in treasury consist of 1,000 shares of the Albanian issue which were suspended in 1977.

14. Statutory reserves

The Bank's Statutes provide for application of the Bank's annual net profit, by the Annual General Meeting at the proposal of the Board of Directors, to three specific reserve funds: the legal reserve fund, the general reserve fund and the special dividend reserve fund; the remainder of the net profit after payment of any dividend is generally allocated to the free reserve fund.

Legal reserve fund. This fund is currently fully funded at 10% of the Bank's paid-up capital.

General reserve fund. After payment of any dividend, 5% of the remainder of the Bank's annual net profit currently must be allocated to the general reserve fund.

Special dividend reserve fund. A portion of the remainder of the annual net profit may be allocated to the special dividend reserve fund, which shall be available, in case of need, for paying the whole or any part of a declared dividend. Dividends are normally paid out of the Bank's net profit.

Free reserve fund. After the above allocations have been made, any remaining unallocated net profit is generally transferred to the free reserve fund.

Proceeds from the subscription of the Bank's shares are allocated to the legal reserve fund as necessary to keep it fully funded, with any excess being credited to the general reserve fund.

The free reserve fund, general reserve fund and legal reserve fund are available, in that order, to meet any losses incurred by the Bank. In the event of liquidation of the Bank, the balances of the reserve funds (after settling the Bank's liabilities and covering liquidation costs) would be distributed among the Bank's shareholders.

The table below analyses the movements in the Bank's statutory reserves over the last two years:

<i>SDR millions</i>	Legal reserve fund	General reserve fund	Special dividend reserve fund	Free reserve fund	Total statutory reserves
Balance at 31 March 2024	71.0	4,139.5	518.9	14,057.7	18,787.1
Allocation of 2023/24 profit	–	31.1	17.0	573.6	621.7
Balance at 31 March 2025	71.0	4,170.6	535.9	14,631.3	19,408.8
Allocation of 2024/25 profit	–	31.4	17.0	579.8	628.2
Balance at 31 March 2026	71.0	4,202.0	552.9	15,211.1	20,036.9

As at 31 March 2026, statutory reserves included share premiums of SDR 1,385.1 million (2025: SDR 1,385.1 million).

In accordance with Article 51 of the Bank's Statutes, the following profit allocation will be proposed at the Bank's Annual General Meeting for the 2025/26 profit:

<i>SDR millions</i>	2026
Net profit	1,017.7
Proposed dividend:	
SDR 390 per share on 567,125 shares	(221.2)
Profit available for allocation	796.5
Proposed transfers to reserves:	
General reserve fund	(39.8)
Special dividend reserve fund	(17.0)
Free reserve fund	(739.7)
Balance after allocation to reserves	–

15. Other equity accounts

Other equity accounts comprise the revaluation accounts for FVOCI assets (gold and currency investment assets) as well as the re-measurement gains or losses on defined benefit obligations.

As at 31 March		
<i>SDR millions</i>	2026	2025
Securities revaluation account	(74.8)	(82.7)
Gold revaluation account	10,675.0	7,209.2
Re-measurement of defined benefit obligations	392.0	181.7
Total other equity accounts	10,992.2	7,308.2

A. Securities revaluation account

This account contains the difference between the fair value and the amortised cost of the Bank's currency investment assets classified as FVOCI.

For the financial year ended 31 March		
<i>SDR millions</i>	2026	2025
Fair value of assets	20,059.8	19,052.9
Historical cost	20,139.3	19,139.7
Securities revaluation account (excluding ECL)	(79.5)	(86.8)
Of which:		
Gross gains	101.3	134.9
Gross losses	(180.8)	(221.7)
ECL impairment provision	4.7	4.1
Securities revaluation account	(74.8)	(82.7)

B. Gold revaluation account

This account contains the difference between the book value and the deemed cost of the Bank's gold investment assets. All of the Bank's gold investment assets were held on 31 March 2003 (when the Bank changed its functional and presentation currency from the gold franc to the SDR). The deemed cost of these assets is approximately SDR 151 per ounce, based on the value of USD 208 per ounce that was applied from 1979 to 2003 following a decision by the Bank's Board of Directors, translated at the 31 March 2003 exchange rate. The movement in the gold revaluation account was as follows:

For the financial year ended 31 March

<i>SDR millions</i>	2026	2025
Balance at beginning of year	7,209.2	4,996.4
Gold price movement	3,465.8	2,212.8
Balance at end of year	10,675.0	7,209.2

C. Re-measurement of defined benefit obligations

This account contains the gains and losses from re-measurement of the Bank's post-employment benefit obligations.

For the financial year ended 31 March

<i>SDR millions</i>	2026	2025
Balance at beginning of year	181.7	254.3
Net movement on the re-measurement of defined benefit obligations		
Staff pensions	160.3	(52.4)
Directors' pensions	(0.9)	(0.3)
Post-employment medical benefits	50.9	(19.9)
	210.3	(72.6)
Balance at end of year	392.0	181.7

16. Interest income

For the financial year ended 31 March

<i>SDR millions</i>	2026	2025
Assets classified as amortised cost		
Cash and cash equivalents	527.2	199.2
Gold loan and sight accounts denominated in gold	2.7	0.7
	529.9	199.9
Financial assets classified as FVOCI		
Securities purchased under resale agreements	12.8	19.3
Government and other securities	542.7	475.2
	555.5	494.5
Interest income on liabilities classified as amortised cost	2.0	–
Total interest income	1,087.4	694.4

17. Interest expense

For the financial year ended 31 March

<i>SDR millions</i>	2026	2025
Liabilities classified as amortised cost		
Currency deposits: sight and notice deposit accounts	(2,442.6)	(2,722.8)
Securities sold under repurchase agreements	(12.5)	(18.6)
Interest on lease liabilities	(0.2)	(0.3)
	(2,455.3)	(2,741.7)
Interest expense on assets classified as amortised cost or FVOCI	(1.6)	(2.7)
Total interest expense	(2,456.9)	(2,744.4)

18. Change in ECL impairment provision

The Bank assesses impairment of financial assets which are classified as either FVOCI or amortised cost, and also in relation to loan commitments. The Bank takes a prudent stance on investments and managing its credit exposures. It monitors its exposures on an ongoing basis. It uses its standard credit risk methodology for assessing ECL and related key inputs for its ECL calculation, including estimates for probability of default, loss given default and exposure at default for individual exposures. No significant changes in estimation techniques were made during the reporting period.

The review of credit exposures in scope of the ECL calculation concluded that all were assessed to be in stage 1 during the financial year ended 31 March 2026, unchanged from 31 March 2025.

For the financial year ended 31 March

<i>SDR millions</i>	2026	2025
Financial assets classified as amortised cost	0.1	(0.1)
Financial assets classified as FVOCI	(0.6)	(1.2)
Change in ECL impairment provision	(0.5)	(1.3)

19. Net income on financial assets and liabilities at fair value through profit and loss

For the financial year ended 31 March

<i>SDR millions</i>	2026	2025
Financial assets		
Securities purchased under resale agreements	2,875.6	3,679.8
Loans and advances	1,128.2	1,546.5
Government and other securities	2,262.0	3,075.5
	6,265.8	8,301.8
Financial liabilities		
Securities sold under repurchase agreements	(0.1)	(0.3)
Currency deposits	(10,861.1)	(12,232.2)
	(10,861.2)	(12,232.5)
Derivative financial instruments	7,430.9	7,203.1
Net income on financial assets and liabilities at FVPL	2,835.5	3,272.4

The net income on financial assets and liabilities at fair value through profit and loss comprises the accrual of effective interest, along with realised and unrealised valuation movements, as further analysed in the following table:

For the financial year ended 31 March

<i>SDR millions</i>	2026	2025
Financial assets		
Interest	6,444.6	7,606.2
Realised and unrealised valuation movements	(178.8)	695.6
	6,265.8	8,301.8
Financial liabilities		
Interest	(11,037.4)	(11,549.8)
Realised and unrealised valuation movements	176.2	(682.7)
	(10,861.2)	(12,232.5)
Derivative financial instruments		
Interest	7,351.5	7,097.1
Realised and unrealised valuation movements	79.4	106.0
	7,430.9	7,203.1
Net income on financial assets and liabilities at FVPL	2,835.5	3,272.4

20. Net loss on sales of currency assets at FVOCI

For the financial year ended 31 March

<i>SDR millions</i>	2026	2025
Disposal proceeds	4,115.3	4,065.0
Amortised cost	(4,139.6)	(4,088.9)
Net loss on sales of currency assets at FVOCI	(24.3)	(23.9)
Of which:		
Gross realised gains	15.8	19.8
Gross realised losses	(40.1)	(43.7)

21. Net fee income

For the financial year ended 31 March

<i>SDR millions</i>	2026	2025
Third-party asset management net fee income	17.6	17.4
Contributions received under cost sharing arrangements	5.9	5.8
Other income	4.1	4.9
Withholding taxes	(0.1)	–
Other fees and expenses	(11.5)	(9.4)
Net fee income	16.0	18.7

22. Net foreign exchange income

For the financial year ended 31 March

<i>SDR millions</i>	2026	2025
Net gain on foreign exchange transactions	63.0	46.0
Net foreign exchange translation gain / (loss)	(40.2)	(12.0)
Net foreign exchange income	22.8	34.0

23. Administrative expense

The presentation of administrative expense has been updated to reflect changes in the Bank's budgetary practices. Comparative figures have been updated to ensure consistency. The figures are presented in Swiss francs (CHF), the currency in which most expenditure is incurred.

For the financial year ended 31 March

<i>CHF millions</i>	2026	2025
Board of Directors	4.0	4.1
Management and staff	305.1	294.8
Information technology	53.3	54.9
Building	19.2	19.4
Innovation Hub	12.7	13.0
Other expense	41.3	37.0
BIS administrative expense	435.6	423.2
Direct contributions to hosted international organisations	17.7	17.8
Total administrative expense in CHF millions	453.3	441.0
Total administrative expense in SDR millions	414.4	375.8

The average number of full-time equivalent senior officials and staff employed on behalf of the Bank during the financial year ended 31 March 2026 was 662 (2025: 649). In addition to the above regular BIS staff, the Bank accommodates up to 19 graduates a year and supports secondments from other organisations. The Bank also employs one cleaner. The cost of all these employees is included within "Management and staff" expense.

The Bank hosts the secretariats of three independent associations – the FSB, the IADI and the IAIS. The Bank makes a financial contribution to support these international associations including paying some salaries and post-employment costs. These amounts are shown under "Direct contributions to hosted organisations". The staff employed on behalf of the independent associations are not included within the average number of employees quoted above. The Bank also provides indirect support for these organisations, in the form of logistical, administrative and staffing-related support. The cost of this support is included within the Bank's regular administrative expense categories.

24. Dividend per share

For the financial year ended 31 March	2026	2025
Net profit for the financial year (SDR millions)	1,017.7	843.7
Weighted average number of shares eligible for dividend	567,125.0	567,125.0
Proposed dividend per share (SDR per share)	390.0	380.0
Total proposed dividend (SDR millions)	221.2	215.5

The Bank's dividend policy requires that the dividend be set at a sustainable level which should vary over time in a predictable fashion. The policy also requires that the dividend reflects the Bank's capital needs and its prevailing financial circumstances, with a pay-out ratio of between 20% and 50% in most years. The Special Dividend Reserve Fund could also be drawn on to help smooth the flow of dividends to shareholders if the pay-out ratio were to be above 50%.

In line with the Bank's dividend policy, it is proposed to declare a normal dividend for 2025/26 of SDR 315 per share, SDR 10 per share higher than the normal dividend for the previous year. In addition, it is proposed to pay a supplementary dividend of SDR 75 per share. The proposed total dividend of SDR 390 per share represents a pay-out ratio of 22% of net profit (2025: 26%).

25. Exchange rates

The following table shows the principal exchange rates and prices used to translate balances in foreign currency and gold into SDR:

	Spot rate as at 31 March		Average rate for the financial year	
	2026	2025	2026	2025
USD	0.735	0.754	0.733	0.756
EUR	0.848	0.813	0.850	0.811
JPY	0.0046	0.0050	0.0049	0.0050
GBP	0.974	0.973	0.983	0.964
RMB	0.107	0.104	0.103	0.105
CHF	0.919	0.852	0.914	0.853
Gold (per ounce)	3,394.8	2,344.6	2,887.2	1,950.5

26. Off-balance sheet items

The following items are not included in the Bank's balance sheet:

As at 31 March

<i>SDR millions</i>	2026	2025
Gold bars held under earmark arrangements	50,189.3	33,588.2
Nominal value of securities:		
Securities held under safe custody arrangements	5,718.4	4,667.2
Net asset value of portfolio management mandates:		
BISIPs	20,539.5	18,809.8
Dedicated mandates	3,192.9	3,694.1

Gold bars held under earmark arrangements comprise specific gold bars deposited with the Bank on a custody basis. They are included in the table above at their weight in gold (translated at the gold market price and the USD exchange rate into SDR). As at 31 March 2026, gold bars held under earmark amounted to 460 tonnes of gold (2025: 446 tonnes).

Portfolio management mandates include BISIPs and dedicated mandates.

BISIPs are a range of open-ended investment funds created by the Bank. BISIPs do not have a separate legal personality from the Bank, but are a series of separate reporting entities, each with its own financial statements. The Bank has an agency relationship with BISIPs. Transactions are conducted in the name of the BIS, and investments are held by a custodian appointed by the BIS, but all of the economic benefit lies with the BISIP customers. The Bank does not invest for its own account in BISIPs. Because the Bank does not participate in the risks or rewards of BISIPs, the financial instruments transacted on behalf of BISIPs are excluded from the BIS balance sheet, and are reported as off-balance sheet items, except as otherwise described below.

Dedicated mandates are portfolios which are managed by the Bank in accordance with investment guidelines set by the customer. Transactions are conducted in the name of the customer, investments are held by a custodian appointed by the customer, and all of the economic benefit lies with the customer. Because the Bank does not participate in the risks or rewards of dedicated mandates, the financial instruments transacted on behalf of dedicated mandates are excluded from the BIS balance sheet, and are reported as off-balance sheet items, except as otherwise described below.

The Bank transacts derivative financial instruments on behalf of BISIPs and dedicated mandates. Such derivatives are governed by the Bank's ISDA contracts, and are subject to the netting and offsetting arrangements specified in those contracts. In certain circumstances, derivatives transacted on behalf of BISIPs and dedicated mandates could be offset against other derivatives transacted by the BIS on behalf of the Bank, the staff pension fund, other BISIPs or other dedicated mandates. For this reason, all derivatives transacted by the Bank are included in the Bank's balance sheet. Such derivatives transacted on behalf of BISIPs and dedicated mandates are reported at fair value in the BIS balance sheet, along with an equal and offsetting transaction between the Bank and BISIP or dedicated mandate.

27. Commitments

As at 31 March 2026, there were no outstanding committed facilities that were collateralised (2025: nil) or uncollateralised (2025: nil).

The BIS is committed to supporting the operations of the three independent associations – the FSB, the IADI and the IAIS. In each case, the Bank has a separate agreement specifying the terms of support and the length of the commitment. In accordance with these agreements, the Bank was the legal employer of 85 staff members (2025: 85) working in the secretariats of the hosted international organisations.

28. Fair value hierarchy

The Bank categorises its financial instrument fair value measurements using a hierarchy that reflects the observability of inputs used in measuring that value. A valuation level is assigned according to the least observable input that is significant to the fair value measurement in its entirety. An input is determined to be significant if its contribution to the value of the financial instrument is greater than 5%. Market liquidity is an important factor in determining whether an input is observable, and hence its fair value hierarchy level. The fair value hierarchy used by the Bank comprises the following levels:

Level 1 – Instruments valued using unadjusted quoted prices in active markets for identical financial instruments.

Level 2 – Instruments valued with valuation techniques using inputs which are observable for the financial instrument either directly (ie as a price) or indirectly (ie derived from prices for similar financial instruments). This includes observable interest and foreign exchange rates, spreads and volatilities. It also includes instruments valued using unadjusted quoted prices in less active markets.

Level 3 – Instruments valued using valuation techniques where the meaningful significant inputs are unobservable in financial markets. These are therefore substituted, for example by illiquid prices and spreads derived from illiquid prices. It also includes instruments valued using unadjusted quoted prices in illiquid markets.

As at 31 March 2026

<i>SDR millions</i>	Level 1	Level 2	Level 3	Total
Financial assets classified as FVPL				
Securities purchased under resale agreements	–	118,661.6	–	118,661.6
Loans and advances	–	27,288.2	–	27,288.2
Government and other securities	62,545.2	52,181.7	2,210.2	116,937.1
Derivative financial instruments	7.8	7,380.9	–	7,388.7
Financial assets classified as FVOCI				
Securities purchased under resale agreements	–	200.5	–	200.5
Government and other securities	19,057.9	580.0	221.4	19,859.3
Total financial assets accounted for at fair value	81,610.9	206,292.9	2,431.6	290,335.4
Financial liabilities classified as FVPL				
Currency deposits	–	(309,677.8)	–	(309,677.8)
Derivative financial instruments	(7.6)	(2,150.0)	–	(2,157.6)
Total financial liabilities accounted for at fair value	(7.6)	(311,827.8)	–	(311,835.4)

As at 31 March 2025

<i>SDR millions</i>	Level 1	Level 2	Level 3	Total
Financial assets classified as FVPL				
Securities purchased under resale agreements	–	113,679.2	–	113,679.2
Loans and advances	–	32,851.8	–	32,851.8
Government and other securities	70,753.3	43,905.9	1,118.0	115,777.2
Derivative financial instruments	4.3	3,459.4	–	3,463.7
Financial assets classified as FVOCI				
Securities purchased under resale agreements	–	676.6	–	676.6
Government and other securities	17,338.5	839.2	198.6	18,376.3
Total financial assets accounted for at fair value	88,096.1	195,412.1	1,316.6	284,824.8
Financial liabilities classified as FVPL				
Currency deposits	–	(286,866.4)	–	(286,866.4)
Derivative financial instruments	(4.0)	(3,722.0)	–	(3,726.0)
Total financial liabilities accounted for at fair value	(4.0)	(290,588.4)	–	(290,592.4)

A. Transfers between levels in the fair value hierarchy

Of the debt securities categorised as level 1 as at 31 March 2026, SDR 697.6 million related to assets that were categorised as level 2 as at 31 March 2025. Of the debt securities categorised as level 2 as at 31 March 2026, SDR 1,398.7 million related to assets that were categorised as level 1 and SDR 348.8 million related to assets that were categorised as level 3 as at 31 March 2025. Of the debt securities categorised as level 3 as at 31 March 2026, SDR 65.5 million related to assets that were categorised as level 2 as at 31 March 2025.

The transfer of financial assets between levels 1, 2 and 3 reflected specific market conditions existing at the reporting dates that affected the observability of the inputs used in measuring fair value. No financial liabilities or other types of financial asset were transferred between the fair value hierarchy levels.

B. Assets and liabilities categorised at fair value level 3

As at 31 March 2026, a small percentage of the Bank's financial instrument valuations were produced using valuation techniques that are lacking relevant significant inputs and instead utilised approximated inputs. These financial instruments are categorised as level 3. For these instruments, the determination of fair value requires subjective assessment and judgment depending on liquidity, pricing assumptions, the current economic and competitive environment and the risks affecting the specific instrument. In such circumstances, valuation is determined based on Management's own judgments about the assumptions that market participants would use in pricing the asset or liability. Both observable and unobservable inputs may be used to determine the fair value of positions that have been classified within level 3. As a result, the unrealised gains and losses for assets and liabilities within level 3 presented in the tables below may include changes in fair value that were attributable to both observable and unobservable inputs.

The financial instruments categorised as level 3 comprise illiquid bonds. As at 31 March 2026, the Bank categorised SDR 2,431.6 million of securities as level 3 in the fair value hierarchy. Of these securities, SDR 1,726.3 million were valued using prices, and SDR 705.3 million were valued by a discounted cash flow model based on individual bond spreads to a yield curve.

As at 31 March 2026

<i>SDR millions</i>	FVPL	FVOCI	Total
Balance at the beginning of the year	1,118.0	198.6	1,316.6
Purchases	2,056.8	69.7	2,126.5
Maturities and sales	(694.9)	(31.8)	(726.7)
Transfers in	–	65.5	65.5
Transfers out	(267.0)	(82.7)	(349.7)
Valuation impact recognised in net profit or other comprehensive income	(2.7)	2.1	(0.6)
Balance at end of the year	2,210.2	221.4	2,431.6
Unrealised gains / (losses) relating to assets still held as at the reporting date	(41.0)	2.3	(38.7)

As at 31 March 2025

<i>SDR millions</i>	FVPL	FVOCI	Total
Balance at the beginning of the year	995.7	104.8	1,100.5
Purchases	923.8	150.2	1,074.0
Maturities and sales	(606.9)	(73.2)	(680.1)
Transfers in	77.9	48.4	126.3
Transfers out	(272.8)	(31.6)	(304.4)
Valuation impact recognised in net profit or other comprehensive income	0.3	–	0.3
Balance at end of the year	1,118.0	198.6	1,316.6
Unrealised gains / (losses) relating to assets still held as at the reporting date	3.7	2.8	6.5

C. Quantitative disclosures of valuation techniques

The following tables provide the representative range of minimum and maximum values and the associated weighted averages of each significant unobservable input for level 3 assets by the related valuation technique most significant to the related financial instrument.

As at 31 March 2026

	Fair value <i>SDR millions</i>	Valuation technique	Unobservable input	Minimum value of input	Maximum value of input	Weighted average of input	Unit	Relationship of unobservable input to fair value
Debt securities	1,726.3	Price	Bond prices	99.7	100.0	99.9	Points	A change in the prices of 1 point would increase / decrease the fair value by SDR 17.1 million
Debt securities	705.3	Discounted cash flow based on spread to yield curve	Bond spreads	19.0	74.0	37.8	Basis- points	A change in the spreads of 100 basis-points would increase / decrease the fair value by SDR 9.6 million
Total level 3 assets at fair value	2,431.6							

As at 31 March 2025

	Fair value <i>SDR millions</i>	Valuation technique	Unobservable input	Minimum value of input	Maximum value of input	Weighted average of input	Unit	Relationship of unobservable input to fair value
Debt securities	578.4	Price	Bond prices	99.6	100.2	100.0	Points	A change in the prices of 1 point would increase / decrease the fair value by SDR 5.8 million
Debt securities	738.2	Discounted cash flow based on spread to yield curve	Bond spreads	-30.0	55.0	32.3	Basis- points	A change in the spreads of 100 basis-points would increase / decrease the fair value by SDR 15.5 million
Total level 3 assets at fair value	1,316.6							

D. Financial instruments not measured at fair value

In accordance with its accounting policies, the Bank accounts for certain financial instruments at amortised cost. Using the same valuation techniques as used for fair valued financial instruments, Management estimates that the fair values of these financial instruments would be materially the same as the carrying values shown in these financial statements for both 31 March 2026 and 31 March 2025. If the valuation of these instruments were categorised using the fair value hierarchy, the valuation of gold loans and securities sold under repurchase agreements would be considered level 2. All other amortised cost financial instruments would be considered level 1.

E. Impact of changes in the Bank's creditworthiness

The fair value of the Bank's liabilities may be affected by any change in its creditworthiness. A deterioration in the Bank's creditworthiness would lead to a decrease in the value of its liabilities, with the resulting change in value reflected as a movement in other comprehensive income. The Bank regularly assesses its creditworthiness as part of its risk management processes. The Bank's assessment of its creditworthiness did not indicate a change which could have had an impact on the fair value of the Bank's liabilities during the period under review.

F. Valuation of financial assets and liabilities

The Bank is the sole market-maker in certain of its currency deposit products, while in other currency deposit products there is no active market. As such, judgment is involved in determining the appropriate assumptions to derive the fair value of currency deposits. The Bank uses valuation techniques to estimate the fair value of its currency deposits. These valuation techniques comprise discounted cash flow models and option pricing models. The discounted cash flow models value the expected cash flows of financial instruments using discount factors that are partly derived from quoted interest rates (eg rates on derivatives) and partly based on assumptions about spreads at which each product would be repurchased from customers. For short-term products, repurchase spreads are based on recent market transactions. For MTIs, repurchase spreads are based on those used when the deposit was sold to the customer. If a deposit was sold with an enhanced rate, the enhancement is reflected in the valuation spread as it would be applied if the Bank were to buy back the deposit from the customer. The option pricing models include assumptions about volatilities that are derived from market quotes. The valuation of OTC derivatives is also subject to judgment.

Stressed market conditions can increase the degree of judgment involved in the valuation of the Bank's financial assets and liabilities. In such circumstances, the Bank reconsiders some of its valuation processes, and applies judgment in determining the appropriate valuation methods and inputs for each financial instrument. Level 1 observable prices may not always be available for some financial assets, and these may instead be valued using a discounted cash flow model based on a spread to a standard market yield curve. Such valuations are level 2 or level 3, and require estimation of appropriate valuation parameters. Changes in estimates of these parameters could significantly affect the reported fair values. The valuation impact of a 1 basis point parallel upward change in the underlying yield curve assumptions of key financial instruments is shown in the table below:

For the financial year ended 31 March

<i>SDR millions</i>	2026	2025
Securities purchased under resale agreements	(0.3)	(0.4)
Loans and advances	(0.6)	(0.7)
Government and other securities	(17.3)	(17.9)
Currency deposits	13.3	10.8
Derivative financial instruments	(0.3)	3.1

The accuracy of the Bank's valuations is ensured through an independent price verification exercise performed by the valuation control function within the Finance unit.

29. Geographical analysis

A. Total liabilities

As at 31 March

<i>SDR millions</i>	2026	2025
Africa and Europe	119,700.7	101,680.6
Asia-Pacific	234,031.8	236,377.1
Americas	79,187.6	36,933.1
International organisations	16,524.2	28,073.2
Balance at end of year	449,444.3	403,064.0

B. Off-balance sheet items

As at 31 March

SDR millions	2026			2025		
	Gold bars held under earmark arrangements	Nominal value of securities	Net asset value of portfolio management mandates	Gold bars held under earmark arrangements	Nominal value of securities	Net asset value of portfolio management mandates
Africa and Europe	17,864.8	–	5,085.8	12,268.3	–	4,835.6
Asia-Pacific	18,803.3	5,718.4	11,556.5	12,631.1	4,667.2	11,590.8
Americas	13,521.2	–	7,090.1	8,688.8	–	6,077.5
Total	50,189.3	5,718.4	23,732.4	33,588.2	4,667.2	22,503.9

The geographical distribution in the above table reflects the geographical origin of the underlying investors in the above off-balance sheet items, and not the geographical location of the investment assets.

30. Related parties

The Bank considers the following to be its related parties:

- the members of the Board of Directors;
- the senior officials of the Bank;
- close family members of the above individuals;
- the Bank's post-employment benefit arrangements; and
- central banks whose Governor is a member of the Board of Directors and institutions that are connected with these central banks.

A listing of the members of the Board of Directors and senior officials is shown in the sections of the Annual Report entitled "Board of Directors" and "BIS Management". The Bank provides services to the pension fund on a free-of-charge basis, including investment management, accounting, reporting, valuation and monitoring. Note 12 provides further details of the Bank's post-employment benefit arrangements.

A. Related party individuals

The members of the Board of Directors received fees of CHF 2.1 million in the financial year ended 31 March 2026 (2025: CHF 2.2 million). The total compensation of the senior officials recognised in the profit and loss account amounted to:

For the financial year ended 31 March

CHF millions	2026	2025
Salaries, allowances and medical benefits	8.1	9.1
Post-employment benefits	2.4	2.7
Total compensation	10.6	11.8
SDR equivalent in millions	9.7	10.1

The Bank offers personal deposit accounts for staff members and Directors. The accounts bear (or charge) interest at a rate equivalent to the rate applied by the Swiss National Bank on its sight deposits. The movements and total balance on personal deposit accounts relating to members of the Board of Directors and the senior officials of the Bank were as follows:

For the financial year ended 31 March

<i>CHF millions</i>	2026	2025
Balance at beginning of year	0.9	6.8
Deposits taken and other inflows	0.4	1.6
Withdrawals and other outflows	(0.1)	(7.5)
Balance at end of year	1.2	0.9
SDR equivalent in millions	1.1	0.8
Of which: Interest income on deposits in CHF millions	–	0.1
SDR equivalent in millions	–	0.1

Balances related to individuals who are appointed as members of the Board of Directors or as senior officials of the Bank during the financial year are included in the table above as other inflows. Balances related to individuals who ceased to be members of the Board of Directors or senior officials of the Bank during the financial year are included in the table above as other outflows.

B. Related party institutions

The Bank pays a dividend to its shareholders, as described in note 24. The related party shareholders (as at 31 March 2025) received a dividend of SDR 132.7 million in the financial year ended 31 March 2026 for 2024/25. In the previous financial year, the Bank paid a dividend of SDR 129.2 million to related party shareholders.

The BIS provides banking services to its customers, which are predominantly central banks, monetary authorities and international financial institutions. In fulfilling this role, the Bank, in the normal course of business, enters into transactions with customers that are related parties (as defined above). These transactions include making advances, and taking currency and gold deposits. It is the Bank's policy to enter into transactions with related party customers on similar terms and conditions to transactions with other, non-related party customers. The following tables show balances relating to these transactions, which the Bank believes are representative of the general level of business undertaken with related party customers during the year.

Balances with related party customers

As at 31 March	2026			2025		
	Balance sheet total	Balance with related parties		Balance sheet total	Balance with related parties	
	<i>SDR millions</i>	<i>SDR millions</i>	<i>%</i>	<i>SDR millions</i>	<i>SDR millions</i>	<i>%</i>
Assets						
Cash and cash equivalents	106,413.9	102,798.5	96.6	86,083.9	84,658.7	98.3
Securities purchased under resale agreements	118,862.1	8,413.5	7.1	114,355.8	11,487.9	10.0
Government and other securities	136,796.4	26,443.0	19.3	134,153.5	28,859.5	21.5
Gold and gold loans	79,451.8	79,051.2	99.5	40,580.8	40,143.5	98.9
Derivative financial instruments	7,388.7	636.8	8.6	3,463.7	20.1	0.6
Liabilities						
Currency deposits	(380,056.9)	(189,448.5)	49.8	(350,235.5)	(152,277.8)	43.5
Gold deposits	(48,221.6)	(32,755.8)	67.9	(32,138.2)	(22,622.4)	70.4
Derivative financial instruments	(2,157.6)	(11.8)	0.5	(3,726.0)	(297.1)	8.0

Main profit and loss items arising from transactions with related party customers

For the financial year ended 31 March	2026			2025		
	Profit and loss total	Balance with related parties		Profit and loss total	Balance with related parties	
	<i>SDR millions</i>	<i>SDR millions</i>	<i>%</i>	<i>SDR millions</i>	<i>SDR millions</i>	<i>%</i>
Interest income	1,087.4	468.5	43.1	694.4	150.6	21.7
Interest expense	(2,456.9)	(1,718.7)	70.0	(2,744.4)	(2,003.8)	73.0
Net income on financial assets and liabilities at FVPL						
Financial assets	6,265.8	260.3	4.2	8,301.8	498.2	6.0
Financial liabilities	(10,861.2)	(4,536.7)	41.8	(12,232.5)	(4,454.0)	36.4
Derivative financial instruments	7,430.9	826.0	11.1	7,203.1	(154.9)	–

The above disclosures exclude transactions and balances deemed immaterial to these financial statements, such as those with related parties in connection with BIS Innovation Hub cost-sharing arrangements, associated leases in central bank premises, and third-party asset management customers.

31. Contingent liabilities

The Bank had no significant contingent liabilities at 31 March 2026 (2025: nil).

Capital adequacy

1. Capital adequacy framework

As an international financial institution overseen by a Board composed of Governors of major central banks and without a national supervisor, the Bank is committed to maintaining its superior credit quality and financial strength, in particular in situations of financial stress.

The Bank continuously assesses its capital adequacy. Its capital planning process focuses on two elements: an economic capital framework and a financial leverage framework. The disclosures in this section relating to financial leverage, as well as credit, market and operational risk, are based on the Bank's own assessment of capital adequacy derived in accordance with these two BIS frameworks.

Regulatory capital ratios are not used as indicators of BIS capital adequacy because key aspects of the business model for the BIS banking activities are not adequately captured. This mainly relates to the high level of solvency targeted by the Bank and how regulatory capital ratios reflect portfolio concentrations and interest rate risk.

To facilitate comparability, the Bank has implemented a framework that is consistent with guidance issued by the Basel Committee on Banking Supervision (BCBS). Following this, the Bank discloses a Common Equity Tier 1 capital ratio (Pillar 1), risk-weighted assets and related detailed information. These disclosures have been included in these financial statements consistent with Basel III disclosure requirements for regulatory risk calculations where applicable, reflecting the scope and nature of the Bank's business activities.

The Bank maintains a capital position substantially above the regulatory minimum requirement in order to ensure its superior credit quality.

2. Economic capital

The Bank's economic capital methodology relates its risk-bearing capacity to the amount of economic capital needed to absorb potential losses arising from its exposures. Consistent with guidance from the BCBS, the risk-bearing capacity is defined as Common Equity Tier 1 capital which is based on components of the Bank's shareholders' equity (as reduced by prudential adjustments).

Common Equity Tier 1 capital includes the profit and loss account. It is adjusted by the Bank's current estimate of the amount of the profit and loss account that will be paid as a dividend (the "dividend adjustment"), to ensure that Common Equity Tier 1 capital includes only the component of the profit and loss account that is expected to be allocated to statutory reserves.

As at 31 March

<i>SDR millions</i>	2026	2025
Share capital	710.2	710.2
Statutory reserves per balance sheet	20,036.9	19,408.8
Less: shares held in treasury	(1.7)	(1.7)
Share capital and reserves	20,745.4	20,117.3
Securities revaluation account	(74.8)	(82.7)
Gold revaluation account	10,675.0	7,209.2
Re-measurement of defined benefit obligations	392.0	181.7
Other equity accounts	10,992.2	7,308.2
Expected loss	(4.7)	(4.1)
Intangible assets	(73.7)	(77.2)
Prudential adjustments	(78.4)	(81.3)
Profit and loss account	1,017.7	843.7
Dividend adjustment	(221.2)	(215.5)
Common Equity Tier 1 capital	32,455.7	27,972.4

As part of the capital planning process, Management allocates economic capital to risk categories within the Bank's risk-bearing capacity. Allocations are made to each category of financial risk (ie credit and market risk) as well as to operational risk. To provide an additional margin of safety capital is also assigned to a minimum cushion of capital that is not utilised by risk categories ("minimum capital cushion"). The difference between the Bank's risk-bearing capacity and the total economic capital utilisation is termed "available economic capital" and is available for further risk-taking.

Reflecting the high level of solvency targeted by the Bank, the economic capital framework measures economic capital to a 99.99% confidence level assuming a one-year horizon. The Bank's economic capital framework is subject to regular review and calibration.

The following table summarises the Bank's economic capital allocation and utilisation as well as the resulting available economic capital:

As at 31 March

<i>SDR millions</i>	2026		2025	
	Allocation	Utilisation	Allocation	Utilisation
Credit risk	8,600.0	7,239.8	8,600.0	7,213.5
Market risk	12,100.0	9,202.1	7,100.0	6,965.7
Operational risk	850.0	850.0	850.0	850.0
Minimum capital cushion	4,868.4	4,868.4	4,195.9	4,195.9
Total economic capital (A)	26,418.4	22,160.3	20,745.9	19,225.1
Common Equity Tier 1 capital (B)		32,455.7		27,972.4
Available economic capital (B) – (A)		10,295.4		8,747.4

3. Financial leverage

The Bank complements its capital adequacy assessment with a financial leverage framework using a ratio that compares the Bank's Common Equity Tier 1 capital with its total exposure. The exposure measure also includes the fair value of assets of the pension fund, as well as regulatory exposure adjustments relating to committed and uncommitted facilities, repurchase agreements and derivatives.

The following table shows the calculation of the Bank's financial leverage ratio:

As at 31 March

<i>SDR millions</i>	2026	2025
Common Equity Tier 1 capital (A)	32,455.7	27,972.4
Total balance sheet assets	482,199.6	431,333.2
Derivatives	7,814.4	4,903.0
Committed and uncommitted facilities	6,324.8	5,231.5
Pension fund assets	1,566.4	1,369.9
Exposure adjustments	15,705.6	11,504.4
Total BIS exposure (B)	497,905.2	442,837.6
BIS leverage ratio (A) / (B)	6.5%	6.3%

4. Common Equity Tier 1 capital ratio

The economic capital framework and the financial leverage framework described above are the main tools used for assessing the Bank's capital adequacy. Risk-weighted assets, minimum capital requirements and the Common Equity Tier 1 capital ratio are disclosed to facilitate comparability. Guidance issued by the BCBS includes several alternative approaches for calculating risk-weighted assets and the corresponding minimum capital requirements. In principle, the minimum capital requirements are determined by taking 8% of the risk-weighted assets. The Bank has adopted an approach that is consistent with the Basel III standardised approach for the calculation of risk-weighted assets for credit and market risk as well as the annual calculation of operational risk. The sections on credit risk, market risk and operational risk provide further details on the assumptions underlying these calculations.

The following table provides information on risk-weighted assets and related minimum capital requirements:

As at 31 March

	2026			2025		
	Amount of exposure	Risk-weighted assets	Minimum capital requirement	Amount of exposure	Risk-weighted assets	Minimum capital requirement
<i>SDR millions</i>						
Credit risk	297,168.9	35,401.3	2,832.1	278,394.3	32,807.4	2,624.6
Exposure to sovereigns, banks and corporates	279,193.5	27,192.9	2,175.4	268,496.5	27,113.0	2,169.0
Securitisation exposures	30.2	377.7	30.2	50.2	627.0	50.2
Counterparty credit risk	17,945.2	5,937.3	475.0	9,847.6	4,010.4	320.8
Credit valuation adjustment	–	1,893.4	151.5	–	1,056.9	84.6
Market risk	2,537.3	31,715.7	2,537.3	1,661.1	20,763.4	1,661.1
Gold price risk	2,234.6	27,932.4	2,234.6	1,543.6	19,295.3	1,543.6
Foreign exchange risk	302.7	3,783.3	302.7	117.4	1,468.1	117.4
Operational risk	437.2	5,464.9	437.2	385.3	4,816.5	385.3
Total	300,143.3	72,581.9	5,806.6	280,440.6	58,387.3	4,671.0

The Common Equity Tier 1 capital ratio is set out in the following table:

As at 31 March

<i>SDR millions</i>	2026	2025
Total Common Equity Tier 1 capital (A)	32,455.7	27,972.4
Total risk-weighted assets (B)	72,581.9	58,387.3
Common Equity Tier 1 capital ratio (A) / (B)	44.7%	47.9%

Risk management

1. Risks faced by the Bank

The Bank supports its customers, predominantly central banks, monetary authorities and international financial institutions, in the management of their reserves and related financial activities. Banking activities form an essential element of meeting the Bank's objectives and ensure its financial strength and independence. The BIS engages in banking activities that are customer-related as well as activities that are related to the investment of its shareholders' equity, each of which may give rise to financial risk comprising credit risk, market risk and liquidity risk. The Bank is also exposed to operational risk.

Within the risk frameworks defined by the Board of Directors, the Management of the Bank has established risk management policies designed to ensure that risks are identified, appropriately measured, controlled, monitored and reported.

2. Risk management approach and organisation

The Bank maintains superior credit quality and adopts a prudent approach to financial risk-taking, by:

- maintaining an exceptionally strong capital position;
- investing its assets predominantly in high credit quality financial instruments;
- seeking to diversify its assets across a range of sectors;
- adopting a conservative approach to its tactical market risk-taking and carefully managing market risk associated with the Bank's strategic positions, which include its gold holdings; and
- maintaining a high level of liquidity.

A. Organisation

The General Manager is responsible to the Board for the management of the Bank and is assisted by the Deputy General Manager. The Deputy General Manager is responsible for the Bank's independent risk management function. The General Manager and the Deputy General Manager are supported by senior management advisory committees.

The key advisory committees are the Executive Committee and the Finance Committee. Both committees are chaired by the General Manager and include other senior members of the Bank's Management. The Executive Committee advises the General Manager primarily on the Bank's strategic planning and the allocation of resources, as well as on decisions related to the broad financial objectives for the banking activities and strategic operational risk management issues. The Finance Committee advises the General Manager on the financial management and policy issues related to the banking business, including the allocation of economic capital to risk categories.

The independent risk management function for financial and operational risks is performed by the Risk Management unit. The Head of Risk Management reports to the Deputy General Manager.

Other units complement the Bank's risk management unit as follows. The Finance unit operates a valuation control function, produces the Bank's financial statements and controls the Bank's expenditure by setting and monitoring the annual budget. The objective of the valuation control function is to ensure that the Bank's valuations comply with its valuation policy and procedures. The Finance unit reports to the Deputy General Manager and the Secretary General.

The Legal Service provides legal advice and support covering a wide range of issues relating to the Bank's activities. The Legal Service reports to the General Manager. The Risk Management function, jointly with the Legal Service, provides guidance on and monitors compliance risk related to the BIS banking services.

The Ethics and Conduct unit educates staff on conduct risk matters, investigates breaches and assists Management in ensuring that all activities of the BIS and its staff are conducted in conformity with ethics and conduct rules. The Chief Ethics and Conduct Officer reports to the General Manager and the Deputy General Manager, and has a right of direct access to the Audit Committee, which is an advisory committee to the Board of Directors.

The Internal Audit function evaluates and improves the effectiveness of risk management, control, and governance systems and processes. Internal Audit provides an independent, objective assurance function, and advises on best practice. To ensure independence, the Head of Internal Audit reports functionally to the Chair of the Audit Committee of the Board and administratively to the General Manager.

B. Risk monitoring and reporting

The Bank's financial and operational risk profile, position and performance are monitored on an ongoing basis by the relevant units. Financial risk, operational risk and compliance reports aimed at various management levels are provided regularly to enable Management to adequately assess the Bank's risk profile and financial condition.

Management reports financial and operational risk information to the Board of Directors on a regular basis. Furthermore, the Audit Committee receives regular reports from Internal Audit, Ethics and Conduct, Finance, and the Risk Management unit. The Banking and Risk Management Committee, another advisory committee to the Board, receives regular reports from the Risk Management unit. The preparation of reports is subject to comprehensive policies and procedures, thus ensuring strong controls.

C. Risk methodologies

The Bank revalues almost all its financial instruments to fair value on a daily basis and reviews its valuations monthly, taking into account necessary adjustments for impairment. It uses a comprehensive range of quantitative methodologies for valuing financial instruments and for measuring the risk to its net profit and shareholders' equity. The Bank reassesses its quantitative methodologies in the light of the changing risk environment and evolving best practice.

The Bank's model validation policy defines the roles and responsibilities and processes related to the implementation of new or materially changed risk and valuation models. The models used by the Bank are subject to a periodic validation. During the current reporting period, there were no model changes that significantly affected the comparability of the Bank's risk management disclosures with those of previous reporting periods.

A key methodology used by the Bank to measure and manage risk is the calculation of economic capital based on value-at-risk (VaR) techniques. VaR expresses the statistical estimate of the potential loss on the current positions of the Bank measured to a specified level of confidence and a specified time horizon. VaR models depend on statistical assumptions and the quality of available market data and, while forward-looking, they extrapolate from past events. VaR models may underestimate potential losses if changes in risk factors fail to align with the distribution assumptions. VaR figures do not provide any information on losses that may occur beyond the assumed confidence level.

The Bank's economic capital framework covers credit risk, market risk and operational risk. As part of the capital planning process, the Bank allocates economic capital to the above risk categories commensurate with principles set by the Board and taking account of the business strategy. Reflecting the high level of solvency targeted by the Bank, the economic capital framework measures economic capital to a 99.99% confidence level assuming a one-year time horizon. Moreover, capital is set aside for a "minimum capital cushion" to provide an additional margin of safety.

The management of the Bank's capital adequacy is complemented by a comprehensive stress testing framework and a financial leverage framework. The stress testing framework supplements the Bank's risk assessment, including its VaR and economic capital calculations for financial risk. The Bank's key market risk factors and credit exposures are stress-tested. The stress testing includes the analysis of severe historical and adverse hypothetical macroeconomic scenarios, as well as sensitivity tests of extreme but still plausible movements of the key risk factors identified. The Bank also performs stress tests related to liquidity risk. The financial leverage framework focuses on a ratio that sets the Common Equity Tier 1 capital in relation to the Bank's total balance sheet exposure.

3. Credit risk

Credit risk arises because a counterparty may fail to meet its obligations in accordance with the agreed contractual terms and conditions. A financial asset is considered past due when a counterparty fails to make a payment on the contractual due date.

The Bank manages credit risk within a framework and policies set by the Board of Directors and Management. These are complemented by more detailed guidelines and procedures at the level of the independent risk management function.

A. Credit risk assessment

Credit risk is continuously controlled at both a counterparty and an aggregated level. The independent risk management function performs credit assessments for material counterparties following a rigorous internal rating process. As part of this process, counterparty financial statements and market information are analysed. The main assessment criterion in these reviews is the counterparties' ability to meet interest and principal repayment obligations in a timely manner. The rating methodologies depend on the nature of the counterparty. Based on the internal rating and specific counterparty features, the Bank sets a series of credit limits covering individual counterparties and countries. Internal ratings are assigned to all counterparties. On a general basis, ratings and related limits are reviewed at least annually for material counterparties with internal ratings (expressed as equivalent external ratings) of BBB+ or below. Certain non-material counterparties with small individual limits have internal ratings set equal to the lowest equivalent external rating and are monitored systematically on the basis of market information. Ratings for these counterparties are updated daily and limits are updated at least semi-annually.

Credit risk limits at the counterparty level are approved by the Bank's Management within a framework set by the Board of Directors.

On an aggregated level, credit risk, including default, country transfer risk and FX settlement risk, is measured, monitored and controlled based on the Bank's economic capital calculation for credit risk. To calculate economic capital for credit risk, the Bank uses a portfolio VaR model. Management limits the Bank's overall exposure to credit risk by allocating an amount of economic capital to credit risk.

B. Default risk

Default risk is mitigated through the use of collateral and legally enforceable netting or setoff agreements. The corresponding assets and liabilities are not offset on the balance sheet. The tables in this section show the exposure of the Bank to default risk, without taking into account any impairment allowance, collateral held or other credit enhancements available to the Bank.

The exposures set out in the tables below are based on the gross carrying value of the assets in the balance sheet as categorised by sector, geographical region and credit quality. The gross carrying value is the fair value of the financial instruments, except in the case of very short-term financial instruments (sight and notice accounts) and gold. Provisions for estimated credit losses on instruments valued at amortised cost are not included in the exposure amounts. Commitments are reported at their notional amounts. Gold and gold loans exclude gold bar assets held in custody at central banks, and accounts receivable and other assets do not include unsettled liabilities issued because these items do not represent credit exposures of the Bank.

The substantial majority of the Bank's assets are placed in local currency central bank cash, or in securities issued by governments and financial institutions rated A– or above by at least one of the major external credit rating agencies. Limitations on the number of high-quality counterparties in these sectors mean that the Bank is exposed to single-name concentration risk. As at 31 March 2026, excluding local currency cash at central banks, there were two counterparties (one advanced economy sovereign and one bank) comprising between 5% and 10% each of the total on-balance sheet exposure reported in the tables below (31 March 2025: four exposures between 5% and 10%).

Default risk by asset class and issuer type

In the following tables, “Public sector” includes international and other public sector institutions.

As at 31 March 2026

	Sovereigns and central banks	Public sector	Banks	Corporates	Securitisation	Total
<i>SDR millions</i>						
Cash and cash equivalents	102,813.4	3,289.9	310.6	–	–	106,413.9
Gold and gold loans	1,168.6	–	400.5	–	–	1,569.1
Securities purchased under resale agreements	9,768.8	–	102,615.7	6,477.6	–	118,862.1
Loans and advances	1,713.4	–	25,574.8	–	–	27,288.2
Government and other securities	97,062.0	16,795.2	11,093.0	11,816.0	30.2	136,796.4
Derivative financial instruments	1,164.9	35.6	6,188.1	0.1	–	7,388.7
Accounts receivable and other assets	11.6	42.3	620.3	28.4	–	702.6
Total exposure	213,702.7	20,163.0	146,803.0	18,322.1	30.2	399,021.0

As at 31 March 2025

	Sovereigns and central banks	Public sector	Banks	Corporates	Securitisation	Total
<i>SDR millions</i>						
Cash and cash equivalents	84,682.9	1,305.0	96.0	–	–	86,083.9
Gold and gold loans	2,258.2	–	437.4	–	–	2,695.6
Securities purchased under resale agreements	11,736.3	–	99,344.2	3,275.3	–	114,355.8
Loans and advances	997.5	–	31,854.3	–	–	32,851.8
Government and other securities	98,104.8	16,737.3	9,340.5	9,920.7	50.2	134,153.5
Derivative financial instruments	158.1	53.5	3,251.7	0.4	–	3,463.7
Accounts receivable and other assets	15.0	52.3	1,485.5	12.3	–	1,565.1
Total exposure	197,952.8	18,148.1	145,809.6	13,208.7	50.2	375,169.4

Default risk by geographical region

In the following tables, exposures are allocated to regions based on the country of incorporation of each legal entity.

As at 31 March 2026

<i>SDR millions</i>	Africa and Europe	Asia-Pacific	Americas	International institutions	Total
Cash and cash equivalents	5,468.6	97,628.6	26.8	3,289.9	106,413.9
Gold and gold loans	1,569.1	–	–	–	1,569.1
Securities purchased under resale agreements	100,558.3	7,622.8	10,681.0	–	118,862.1
Loans and advances	17,219.9	8,441.3	1,627.0	–	27,288.2
Government and other securities	58,555.3	40,106.3	32,800.0	5,334.8	136,796.4
Derivative financial instruments	4,549.1	1,929.3	875.0	35.3	7,388.7
Accounts receivable and other assets	650.9	12.5	39.2	–	702.6
Total exposure	188,571.2	155,740.8	46,049.0	8,660.0	399,021.0

As at 31 March 2025

<i>SDR millions</i>	Africa and Europe	Asia-Pacific	Americas	International institutions	Total
Cash and cash equivalents	2,731.3	81,981.6	66.0	1,305.0	86,083.9
Gold and gold loans	2,695.6	–	–	–	2,695.6
Securities purchased under resale agreements	82,986.6	18,540.2	12,829.0	–	114,355.8
Loans and advances	21,424.7	9,543.2	1,883.9	–	32,851.8
Government and other securities	56,553.9	41,833.9	30,276.4	5,489.3	134,153.5
Derivative financial instruments	1,898.0	915.6	621.2	28.9	3,463.7
Accounts receivable and other assets	1,505.8	8.3	51.0	–	1,565.1
Total exposure	169,795.9	152,822.8	45,727.5	6,823.2	375,169.4

Default risk by counterparty / issuer rating

In the following tables, the ratings shown reflect the Bank's internal ratings expressed as equivalent external ratings.

As at 31 March 2026

<i>SDR millions</i>	AAA	AA	A	BBB	BB and below	Unrated	Total
Cash and cash equivalents	8,411.6	185.6	97,799.4	13.3	4.0	–	106,413.9
Gold and gold loans	–	1,168.6	400.5	–	–	–	1,569.1
Securities purchased under resale agreements	–	14,891.1	90,104.0	13,867.0	–	–	118,862.1
Loans and advances	381.7	1,806.9	23,396.3	371.6	1,331.7	–	27,288.2
Government and other securities	29,947.1	58,464.2	42,349.5	5,965.6	70.0	–	136,796.4
Derivative financial instruments	–	609.8	5,132.2	1,146.2	343.7	156.8	7,388.7
Accounts receivable and other assets	5.2	435.2	9.8	1.3	2.1	249.0	702.6
Total exposure	38,745.6	77,561.4	259,191.7	21,365.0	1,751.5	405.8	399,021.0

As at 31 March 2025

<i>SDR millions</i>	AAA	AA	A	BBB	BB and below	Unrated	Total
Cash and cash equivalents	3,881.9	159.1	82,021.1	10.6	11.2	–	86,083.9
Gold and gold loans	–	2,258.2	437.4	–	–	–	2,695.6
Securities purchased under resale agreements	–	14,763.2	78,833.1	20,679.4	80.1	–	114,355.8
Loans and advances	778.8	2,398.5	29,137.5	318.2	218.8	–	32,851.8
Government and other securities	31,235.8	50,338.3	46,126.0	6,415.4	38.0	–	134,153.5
Derivative financial instruments	4.7	373.9	2,778.8	148.5	3.6	154.2	3,463.7
Accounts receivable and other assets	0.9	134.5	961.8	442.6	2.0	23.3	1,565.1
Total exposure	35,902.1	70,425.7	240,295.7	28,014.7	353.7	177.5	375,169.4

Non-performing exposures

As at 31 March 2026, the Bank did not have past due, impaired or non-performing exposures.

C. Credit risk mitigation

Netting

Netting agreements give the Bank a legally enforceable right to net transactions with counterparties under potential future conditions, notably an event of default. Such master netting or similar agreements apply to counterparties with which the Bank conducts most of its derivatives transactions, as well as to counterparties used for repurchase and reverse repurchase agreement transactions. Where required, netting is applied when determining the amount of collateral to be requested or provided, but the Bank does not typically settle assets and liabilities on a net basis during the normal course of business. As such, the amounts shown in the Bank's balance sheet are the gross amounts.

Collateral

The Bank mitigates credit risk by requiring counterparties to provide collateral. The Bank receives collateral in respect of most derivatives contracts, for securities purchased under resale agreements and for advances made under collateralised facility agreements. For some dedicated mandates, the Bank receives collateral from the mandate customer in respect of derivative financial instruments transacted on their behalf. The Bank is required to provide collateral in respect of repurchase agreements and some derivatives contracts. During the term of these transactions, further collateral may be called, or collateral may be released based on the movements in value of both the underlying instrument and the collateral that has been received.

For derivatives contracts and securities purchased under resale agreements the Bank accepts as collateral high-quality sovereign, state agency and supranational securities and, in a limited number of cases, cash. For advances made under collateralised facility agreements and for derivatives traded bilaterally with central bank customers or on behalf of dedicated mandate customers, collateral accepted includes cash, BISIP units and gold. The Bank is not exposed to material wrong-way risk.

The fair value of collateral received or provided (gross of any haircuts) related to derivatives and securities purchased/sold under resale/repurchase agreements is presented in the table below:

As at 31 March 2026	Collateral related to derivatives		Collateral related to securities purchased/(sold) under resale/(repurchase) agreements	
	Collateral received	Collateral provided	Collateral received	Collateral provided
<i>SDR millions</i>				
Sovereign securities	5,597.6	(31.4)	93,753.5	(199.1)
State agency securities	–	–	3,147.3	–
Supranational securities	–	–	7,404.2	–
Central bank securities	–	–	101.4	–
General collateral securities	–	–	1,613.4	–
Cash	1,772.8	(8.2)	–	–
Total	7,370.4	(39.6)	106,019.8	(199.1)

As at 31 March 2025	Collateral related to derivatives		Collateral related to securities purchased/(sold) under resale/ (repurchase) agreements	
	Collateral received	Collateral provided	Collateral received	Collateral provided
<i>SDR millions</i>				
Sovereign securities	887.4	(326.7)	96,733.8	(685.0)
State agency securities	–	–	1,689.4	–
Supranational securities	–	–	5,040.7	–
Central bank securities	–	–	4.3	–
General collateral securities	–	–	–	–
Cash	211.2	(0.2)	–	–
Total	1,098.6	(326.9)	103,468.2	(685.0)

General collateral securities comprise sovereign, state agency, supranational, and corporate debt securities that are received and managed collectively in connection with securities purchased under resale agreements. Under the terms of its collateral arrangements, the Bank is permitted to sell or use collateral received on derivatives contracts and securities purchased under resale agreements, but upon expiry of the transaction must return equivalent financial instruments to the counterparty. Of the collateral securities received in the table above, the Bank had the right to sell or use SDR 101,590.4 million (31 March 2025: SDR 92,867.6 million). As at 31 March 2026, the Bank had not lent any of the collateral it held (31 March 2025: nil).

Financial assets and liabilities subject to netting or collateralisation

The tables below show the categories of assets and liabilities which are either subject to collateralisation, or for which netting agreements would apply under potential future conditions such as the event of default of a counterparty.

The amount of collateral required is usually based on valuations performed on the previous business day, whereas the Bank's balance sheet reflects the valuations of the reporting date. The amount of the collateral required is also affected by thresholds, minimum transfer amounts and valuation adjustments ("haircuts") specified in the contracts. As a result of these effects, the valuation of collateral can be higher than the valuation of the underlying contract in the Bank's balance sheet. In these tables, the mitigating effect of collateral has been limited to the balance sheet value of the underlying net asset.

As at 31 March 2026	Effect of risk mitigation				Analysed as:		
	Gross carrying amount as per balance sheet	Adjustments for settlement date effects	Enforceable netting agreements	Collateral (received) / provided (limited to balance sheet value)	Exposure after risk mitigation	Amounts subject to risk mitigation agreements	Amounts not subject to risk mitigation agreements
<i>SDR millions</i>							
Financial assets							
Securities purchased under resale agreements	118,862.1	(14,703.7)	–	(104,158.4)	–	–	–
Advances	1,331.7	–	–	(1,331.7)	–	–	–
Derivative financial instruments	7,388.7	–	(1,903.9)	(4,712.2)	772.4	673.7	98.7
Financial liabilities							
Securities sold under repurchase agreements	(200.6)	–	–	199.1	–	–	–
Derivative financial instruments	(2,157.6)	–	1,903.9	39.3	–	–	–

As at 31 March 2025

	Effect of risk mitigation					Analysed as:	
	Gross carrying amount as per balance sheet	Adjustments for settlement date effects	Enforceable netting agreements	Collateral (received) / provided (limited to balance sheet value)	Exposure after risk mitigation	Amounts subject to risk mitigation agreements	Amounts not subject to risk mitigation agreements
<i>SDR millions</i>							
Financial assets							
Securities purchased under resale agreements	114,355.8	(13,008.8)	–	(101,347.0)	–	–	–
Advances	218.8	–	–	(218.8)	–	–	–
Derivative financial instruments	3,463.7	–	(2,242.2)	(920.9)	300.6	255.8	44.8
Financial liabilities							
Securities sold under repurchase agreements	(676.6)	–	–	674.9	–	–	–
Derivative financial instruments	(3,726.0)	–	2,242.2	301.0	–	–	–

D. Economic capital for credit risk

The Bank determines economic capital for credit risk using a VaR methodology on the basis of a portfolio VaR model, assuming a one-year time horizon and a 99.99% confidence level. The credit risk economic capital model covers default, country transfer, migration, and FX settlement risk.

For the financial year ended	2026				2025			
	Average	High	Low	31 March	Average	High	Low	31 March
<i>SDR millions</i>								
Economic capital utilisation for credit risk	7,385.8	7,996.9	6,849.9	7,239.8	6,775.4	7,678.5	6,334.0	7,213.5

E. Minimum capital requirements for credit risk

Exposure to sovereigns, banks and corporates

For calculating risk-weighted assets for exposures to sovereigns, banks and corporates, the Bank has adopted an approach that is consistent with the Basel III standardised approach. Generally, under this approach risk-weighted assets are determined by multiplying credit risk exposures with regulatory risk weights.

The credit risk exposure for a transaction or position is referred to as the exposure at default (EAD). The Bank determines the EAD as the notional amount of on- and off-balance sheet credit exposures, except for securities, securities purchased/sold under resale/repurchase agreements, collateralised advances and derivatives contracts. For securities, the EAD is based on their market value. For securities purchased/sold under resale/repurchase agreements and collateralised advances, the EAD accounts for the risk-reducing effects of collateral as permitted under the standardised approach. For unutilised advances, a credit conversion factor is applied to transform these to a credit exposure equivalent. The EAD for derivatives is calculated using an approach consistent with the standardised approach for counterparty credit risk.

To determine the risk weights in the standardised approach, the exposure class and external rating of the issuer are mapped to a corresponding standardised risk weight as outlined under the regulatory framework.

The BIS obtains external ratings for all of its exposures from Moody's Investors Service, Standard & Poor's and Fitch Ratings. All three credit rating agencies meet the external credit assessment institution criteria in line with the regulatory eligibility requirements for credit rating agencies. The regulatory stipulations require the appropriateness and prudence of the external rating, and also that the resulting supervisory risk weight for prescribed exposure classes be examined by an internal due diligence process. The Bank reflects this by applying the lower of the credit rating assessed by the external rating agencies and that generated by the Bank's internal credit assessment.

The table below details the on- and off-balance sheet credit risk exposures to sovereigns, banks and corporates, including the combined effects of the credit conversion factor (CCF) and credit risk mitigation (CRM) techniques. Off-balance sheet exposures consist of undrawn central bank advances which are granted on an uncommitted basis and subject to a prescribed regulatory credit conversion factor of 10%. Additionally, the multilateral development bank asset class includes also exposures to international organisations. In line with the Basel Framework, the minimum capital requirement is determined as 8% of risk-weighted assets.

As at 31 March 2026

Asset classes	Before CRM and CCF		After CRM and CCF		Risk-weighted assets	Average risk-weighted assets
	On-balance sheet exposures	Regulatory off-balance sheet exposures	On-balance sheet exposures	Regulatory off-balance sheet exposures		
	SDR millions	SDR millions	SDR millions	SDR millions	SDR millions	%
Sovereigns and central banks	211,553.5	48,784.5	210,660.2	2,052.3	7,312.3	3.4
Non-central government public sector entities	11,620.5	–	11,620.5	–	3,529.8	30.4
Multilateral development banks	5,395.7	–	5,395.7	–	176.8	3.3
Banks	37,342.8	–	37,342.8	–	9,985.4	26.7
Corporates	11,000.5	–	11,000.5	–	5,721.9	52.0
Securities firms and other financial institutions	822.0	–	822.0	–	167.4	20.4
Other assets	299.5	–	299.5	–	299.5	100.0
Total	278,034.4	48,784.5	277,141.1	2,052.3	27,192.9	9.7

As at 31 March 2025

Asset classes	Before CRM and CCF		After CRM and CCF		Risk-weighted assets	Average risk-weighted assets
	On-balance sheet exposures	Regulatory off-balance sheet exposures	On-balance sheet exposures	Regulatory off-balance sheet exposures		
	SDR millions	SDR millions	SDR millions	SDR millions	SDR millions	%
Sovereigns and central banks	198,018.5	46,989.8	197,862.5	1,953.3	7,735.1	3.9
Non-central government public sector entities	11,108.7	–	11,108.7	–	2,450.2	22.1
Multilateral development banks	5,798.4	–	5,798.4	–	217.6	3.8
Banks	41,491.1	–	41,491.1	–	11,134.8	26.8
Corporates	9,744.8	–	9,744.8	–	5,173.7	53.1
Securities firms and other financial institutions	173.8	–	173.8	–	37.8	21.7
Other assets	363.8	–	363.8	–	363.8	100.0
Total	266,699.2	46,989.8	266,543.2	1,953.3	27,113.0	10.1

The following table analyses credit risk exposures under the standardised approach by exposure class and risk weight.

As at 31 March 2026

SDR millions	Risk weight							Total credit exposure amount (after CRM and CCF)
	0%	20%	30%	50%	75%	100%	150%	
Sovereigns and central banks	186,729.2	21,317.3	–	3,733.2	–	433.9	498.9	212,712.5
Non-central government public sector entities	–	7,601.5	–	4,018.9	–	–	–	11,620.5
Multilateral development banks	4,654.6	455.5	285.6	–	–	–	–	5,395.7
Banks	–	12,912.7	24,061.2	368.9	–	–	–	37,342.8
Corporates	–	1,942.6	–	5,840.2	3,217.6	–	–	11,000.5
Securities firms and other financial institutions	–	816.6	–	–	5.5	–	–	822.0
Other assets	–	–	–	–	–	299.5	–	299.5
Total	191,383.8	45,046.3	24,346.8	13,961.2	3,223.1	733.4	498.9	279,193.5

As at 31 March 2025

SDR millions	Risk weight							Total credit exposure amount (after CRM and CCF)
	0%	20%	30%	50%	75%	100%	150%	
Sovereigns and central banks	168,745.3	26,966.7	–	3,697.5	–	232.8	173.4	199,815.8
Non-central government public sector entities	–	10,347.1	–	761.6	–	–	–	11,108.7
Multilateral development banks	4,869.3	611.8	317.4	–	–	–	–	5,798.4
Banks	–	13,758.2	27,416.5	316.4	–	–	–	41,491.1
Corporates	–	1,545.6	–	5,139.3	3,059.9	–	–	9,744.8
Securities firms and other financial institutions	–	168.2	–	–	5.5	–	–	173.8
Other assets	–	–	–	–	–	363.8	–	363.8
Total	173,614.6	53,397.7	27,734.0	9,914.8	3,065.5	596.6	173.4	268,496.5

Securitisation exposures

The Bank invests in securitisation exposures based on traditional, ie non-synthetic, securitisation structures. Given the scope of the Bank's securitisation activities, risk-weighted assets are determined according to the Basel III securitisation external ratings-based approach. Under this approach, external credit assessments of the securities are used to determine the relevant risk weights. Securitisation exposures to which the external ratings-based approach cannot be applied are assigned a regulatory fall-back risk weight of 1250%. Risk-weighted assets are then derived as the product of the market values of the exposures and the associated risk weights. In line with the Basel Framework, the minimum capital requirement is determined as 8% of risk-weighted assets.

The following table shows the Bank's investments in securitisation analysed by type of securitised assets:

As at 31 March 2026

<i>SDR millions</i>	Amount of exposures	Risk weight	Risk-weighted assets
Securities backed by mortgages	30.2	1250%	377.7
Total	30.2		377.7

As at 31 March 2025

<i>SDR millions</i>	Amount of exposures	Risk weight	Risk-weighted assets
Securities backed by mortgages	50.2	1250%	627.0
Total	50.2		627.0

Counterparty credit risk

In the context of the Bank's portfolio, the Basel III framework considers derivatives and securities purchased/sold under resale/repurchase agreements as transactions giving rise to counterparty credit risk. The Bank calculates the exposure for derivatives using the Basel III standardised approach for counterparty credit risk for derivatives. This approach determines, the EAD by adding the current replacement costs and the potential future exposure, then multiplying by a regulatory factor of 1.4. Securities purchased/sold under resale/repurchase agreements are treated in accordance with the comprehensive approach for credit risk mitigation, under which the capital requirement captures the residual risk after netting and collateralisation.

The table below provides a breakdown of counterparty credit risk exposures by exposure class and risk weight. The Bank has an immaterial exposure to a qualified central clearing counterparty as a direct clearing member which is reflected under "Corporates" in the tables below.

As at 31 March 2026

<i>SDR millions</i>	Risk weight							Total credit exposure	Risk-weighted assets
	0%	2%	20%	30%	50%	100%	150%		
Sovereigns and central banks	174.2	–	180.5	–	1,256.5	1,314.0	297.4	3,222.6	2,424.5
Multilateral development banks	5.2	–	–	1.3	0.2	–	–	6.7	0.5
Banks	–	–	9,829.6	4,485.4	400.4	–	0.4	14,715.8	3,512.3
Corporates	–	–	–	–	–	–	–	–	–
Total	179.4	–	10,010.1	4,486.8	1,657.2	1,314.0	297.8	17,945.2	5,937.3

As at 31 March 2025

<i>SDR millions</i>	Risk weight							Total credit exposure	Risk-weighted assets
	0%	2%	20%	30%	50%	100%	150%		
Sovereigns and central banks	233.1	–	65.1	–	144.0	292.8	1,084.9	1,819.9	2,005.2
Multilateral development banks	51.6	–	0.4	–	–	–	–	52.1	0.1
Banks	–	–	5,040.7	2,663.1	192.9	–	67.6	7,964.3	2,004.9
Corporates	–	11.3	–	–	–	–	–	11.3	0.2
Total	284.7	11.3	5,106.3	2,663.1	336.9	292.8	1,152.5	9,847.6	4,010.4

Credit valuation adjustment

The Bank calculates the regulatory credit valuation adjustment (CVA), which represents the additional risk of mark-to-market losses resulting from deterioration in the creditworthiness of counterparties to over-the-counter (OTC) derivatives and repurchase agreements. Trades facing central counterparties are included in the CVA calculation. The Bank does not hedge its CVA risk but has a process in place to monitor its CVA exposure. The accounting CVA, calculated in accordance with standard valuation methodologies, is included in the balance sheet under "Derivative financial instruments". The Bank uses the Basel III reduced basic approach to calculate the CVA risk capital requirements, consistent with its approach to not hedge CVA risk. The table below shows the CVA capital requirements calculation.

As at 31 March

<i>SDR millions</i>	2026	2025
Aggregation of systematic components of CVA risk	439.6	246.6
Aggregation of idiosyncratic components of CVA risk	89.5	47.9
Minimum capital requirement (A)	151.5	84.6
Risk-weighted assets (A) x 12.5	1,893.4	1,056.9

4. Market risk

The Bank is exposed to market risk through adverse movements in market prices. The main components of the Bank's market risk are gold price risk, interest rate risk and foreign exchange risk.

A. Market risk measurement

The Bank measures market risk and calculates economic capital based on a VaR methodology using a Monte Carlo simulation technique. Risk factor volatilities and correlations are calculated over a six-year observation period, using an exponential weighting scheme. In line with the Bank's objective of maintaining its superior credit quality, market risk economic capital utilisation is measured at the 99.99% confidence level, assuming a one-year holding period and using a stressed market data set. The stressed data set is subject to regular review and calibrated to reflect the Bank's key market risk exposures and drivers.

The Bank's Management oversees market risk economic capital usage within a framework set by the Board of Directors. VaR limits are supplemented by operating limits, and market risk is also managed using sensitivities to certain market risk factors.

To ensure the models provide a reliable measure of potential losses over the one-year horizon, the Bank has established a comprehensive regular back-testing framework. This involves comparing daily performance with corresponding VaR estimates, analysing the results, and reporting to Management.

The Bank also uses a series of stress tests to supplement its market risk measurement based on VaR modelling and related economic capital calculations. These include severe historical scenarios, adverse hypothetical macroeconomic scenarios and sensitivity tests of gold price, interest rate and foreign exchange rate movements.

B. Market risk exposures

Gold price risk

Gold price risk is the exposure of the Bank's financial condition to adverse movements in the price of gold.

The Bank is exposed to gold price risk principally through its gold investment assets. These are held in custody at central banks or placed on deposit with commercial banks. As at 31 March 2026, the Bank's net gold investment assets were 102 tonnes with a value of SDR 11,173.8 million, approximately 34% of shareholders' equity (31 March 2025: 102 tonnes, SDR 7,717.0 million, representing 27% of shareholders' equity). The Bank sometimes also has small exposures to gold price risk arising from its banking activities with central and commercial banks. Gold price risk is measured within the Bank's VaR methodology, including its economic capital framework and stress tests.

Interest rate risk

Interest rate risk is the exposure of the Bank's financial condition to adverse movements in interest rates, including credit bond spreads. The Bank is exposed to interest rate risk through the interest-bearing assets relating to the management of its shareholders' equity held in its currency investment portfolios, and also through its currency banking portfolios. Interest-bearing assets in the currency investment portfolios are managed by reference to a benchmark which is subject to a regular review by the Finance Committee. The interest rate risk within the currency banking portfolios is largely hedged and managed within limits overseen by the Risk Management unit.

The Bank measures and monitors interest rate risk using a VaR methodology and sensitivity analyses taking into account movements in relevant money market rates, government bond yields, swap rates and credit bond spreads.

The following tables show the impact on the Bank's shareholders' equity of a 1% upward shift in the relevant yield curve per time band:

As at 31 March 2026

<i>SDR millions</i>	Up to 6 months	6 to 12 months	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Euro	1.2	(19.3)	(29.7)	(35.8)	(20.9)	(31.0)	(18.2)	(153.7)
Japanese yen	15.4	0.1	–	–	–	–	–	15.4
Pound sterling	(2.0)	(2.6)	(5.4)	(8.3)	(8.6)	(8.9)	(16.7)	(52.4)
Renminbi	(1.5)	(3.2)	(4.1)	(4.9)	(15.0)	(16.4)	(61.0)	(106.2)
Swiss franc	(0.7)	(0.1)	(0.3)	(0.1)	–	(0.2)	(0.1)	(1.4)
US dollar	(5.9)	(15.4)	(31.0)	(37.4)	(35.9)	(33.6)	(154.1)	(313.4)
Other currencies	(0.8)	0.2	0.3	0.2	0.3	0.1	–	0.3
Total	5.7	(40.3)	(70.2)	(86.2)	(80.2)	(90.1)	(250.2)	(611.5)

As at 31 March 2025

<i>SDR millions</i>	Up to 6 months	6 to 12 months	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Euro	–	(12.7)	(30.8)	(35.4)	(25.7)	(1.8)	(7.0)	(113.4)
Japanese yen	44.6	0.3	–	0.1	–	–	–	45.0
Pound sterling	(1.1)	(2.3)	(3.9)	(4.8)	(5.7)	(4.8)	(41.9)	(64.5)
Renminbi	(0.6)	(2.5)	(6.2)	(6.4)	(6.4)	(22.3)	(54.4)	(98.8)
Swiss franc	(5.6)	(0.3)	(0.4)	(0.4)	(0.1)	(0.3)	(0.6)	(7.7)
US dollar	(9.6)	(15.3)	(32.8)	(35.8)	(34.5)	(36.8)	(155.4)	(320.1)
Other currencies	(0.8)	0.1	0.1	0.2	0.4	0.5	–	0.5
Total	26.9	(32.7)	(73.9)	(82.5)	(72.0)	(65.5)	(259.4)	(559.1)

Foreign exchange risk

The Bank's functional currency, the SDR, is a composite currency comprising fixed amounts of USD, EUR, JPY, GBP and RMB. Foreign exchange risk is the Bank's financial exposure to adverse movements in foreign exchange rates. The Bank is exposed to foreign exchange risk primarily through the assets relating to the management of its shareholders' equity. The Bank is also exposed to foreign exchange risk through managing its currency deposits and through acting as an intermediary in foreign exchange transactions. The Bank's foreign exchange exposure is managed by matching the relevant assets to the constituent currencies of the SDR on a regular basis, and by limiting currency exposures arising from currency deposits and foreign exchange intermediation transactions.

The following tables show the Bank's assets and liabilities by currency and gold exposure. The net foreign exchange and gold position in these tables therefore includes the Bank's gold investments. To determine the Bank's net foreign exchange exposure, the gold amounts need to be removed. The SDR-neutral position is then deducted from the net foreign exchange position excluding gold to arrive at the net currency exposure of the Bank on an SDR-neutral basis.

As at 31 March 2026

<i>SDR millions</i>	SDR	USD	EUR	GBP	JPY	RMB	CHF	Gold	Other currencies	Total
Assets										
Cash and cash equivalents	3,289.9	211.8	161.0	16.5	97,629.3	0.9	5,086.6	–	17.9	106,413.9
Securities purchased under resale agreements	–	32,944.5	69,544.5	1,030.3	13,075.3	–	–	–	2,267.5	118,862.1
Loans and advances	–	20,538.0	2,448.5	–	138.8	–	1,874.5	–	2,288.4	27,288.2
Government and other securities	–	35,600.8	31,515.2	4,459.4	13,579.2	2,559.2	25,363.5	–	23,719.1	136,796.4
Gold and gold loans	–	0.8	–	–	–	–	–	79,451.0	–	79,451.8
Derivative financial instruments	3,163.4	205,877.4	(36,527.9)	1,067.1	(106,798.5)	7,366.5	(31,873.1)	(12,530.3)	(22,355.9)	7,388.7
Accounts receivable and other assets	–	3,911.2	707.4	419.8	–	661.8	27.2	–	22.6	5,750.0
Land, buildings and equipment	243.0	0.1	0.3	–	–	–	5.0	–	0.1	248.5
Total assets	6,696.3	299,084.6	67,849.0	6,993.1	17,624.1	10,588.4	483.7	66,920.7	5,959.7	482,199.6
Liabilities										
Currency deposits	(4,200.1)	(319,407.8)	(33,475.3)	(6,110.4)	(30.8)	(9,792.4)	(340.5)	–	(6,699.6)	(380,056.9)
Securities sold under repurchase agreements	–	–	–	(200.6)	–	–	–	–	–	(200.6)
Gold deposits	–	–	–	–	–	–	–	(48,221.6)	–	(48,221.6)
Derivative financial instruments	638.8	29,287.9	(13,708.5)	1,255.1	(16,490.4)	1,332.6	1,028.9	(7,529.5)	2,027.5	(2,157.6)
Accounts payable	–	(993.8)	(14,861.9)	(490.5)	–	–	–	–	(1,333.2)	(17,679.4)
Other liabilities	–	(6.5)	(3.5)	(0.3)	(0.2)	–	(1,110.2)	–	(7.5)	(1,128.2)
Total liabilities	(3,561.3)	(291,120.2)	(62,049.2)	(5,546.7)	(16,521.4)	(8,459.8)	(421.8)	(55,751.1)	(6,012.8)	(449,444.3)
Net currency and gold position	3,135.0	7,964.4	5,799.8	1,446.4	1,102.7	2,128.6	61.9	11,169.6	(53.1)	32,755.3
Adjustment for gold	–	–	–	–	–	–	–	(11,169.6)	–	(11,169.6)
Net currency position	3,135.0	7,964.4	5,799.8	1,446.4	1,102.7	2,128.6	61.9	–	(53.1)	21,585.7
SDR-neutral position	(3,135.0)	(7,841.2)	(5,847.6)	(1,453.8)	(1,146.4)	(2,161.7)	–	–	–	(21,585.7)
Net currency exposure on SDR-neutral basis	–	123.2	(47.8)	(7.4)	(43.7)	(33.1)	61.9	–	(53.1)	–

As at 31 March 2025

SDR millions	SDR	USD	EUR	GBP	JPY	RMB	CHF	Gold	Other currencies	Total
Assets										
Cash and cash equivalents	1,305.0	21.3	121.8	8.7	81,982.5	0.9	2,551.0	–	92.7	86,083.9
Securities purchased under resale agreements	–	33,610.0	48,472.0	7,244.8	21,649.2	–	–	–	3,379.8	114,355.8
Loans and advances	–	21,600.9	5,184.6	–	553.3	–	2,379.4	–	3,133.6	32,851.8
Government and other securities	–	35,764.8	24,896.6	5,630.4	20,036.9	5,720.9	26,590.0	–	15,513.9	134,153.5
Gold and gold loans	–	0.4	–	–	–	–	–	40,580.4	–	40,580.8
Derivative financial instruments	2,702.1	101,898.8	(16,014.2)	465.4	(44,006.0)	(7,399.0)	(22,033.8)	1,733.7	(13,883.3)	3,463.7
Accounts receivable and other assets	890.1	668.2	17,323.1	526.7	–	57.3	102.5	–	31.1	19,599.0
Land, buildings and equipment	236.9	–	0.7	0.1	–	–	7.0	–	–	244.7
Total assets	5,134.1	193,564.4	79,984.6	13,876.1	80,215.9	(1,619.9)	9,596.1	42,314.1	8,267.8	431,333.2
Liabilities										
Currency deposits	(3,863.9)	(287,123.4)	(33,259.8)	(8,023.3)	(48.1)	(9,060.0)	(2,269.5)	–	(6,587.5)	(350,235.5)
Securities sold under repurchase agreements	–	–	(259.7)	(416.9)	–	–	–	–	–	(676.6)
Gold deposits	–	–	–	–	–	–	–	(32,138.2)	–	(32,138.2)
Derivative financial instruments	2,617.7	101,484.2	(28,856.8)	(3,492.6)	(79,084.7)	12,820.4	(6,334.4)	(2,457.9)	(421.9)	(3,726.0)
Accounts payable	–	(447.2)	(12,574.2)	(623.9)	–	(154.3)	–	–	(1,305.5)	(15,105.1)
Other liabilities	–	(4.0)	(3.8)	(0.8)	–	–	(1,164.8)	–	(9.2)	(1,182.6)
Total liabilities	(1,246.2)	(186,090.4)	(74,954.3)	(12,557.5)	(79,132.8)	3,606.1	(9,768.7)	(34,596.1)	(8,324.1)	(403,064.0)
Net currency and gold position	3,887.9	7,474.0	5,030.3	1,318.6	1,083.1	1,986.2	(172.6)	7,718.0	(56.3)	28,269.2
Adjustment for gold	–	–	–	–	–	–	–	(7,718.0)	–	(7,718.0)
Net currency position	3,887.9	7,474.0	5,030.3	1,318.6	1,083.1	1,986.2	(172.6)	–	(56.3)	20,551.2
SDR-neutral position	(3,887.9)	(7,259.4)	(5,066.4)	(1,310.8)	(1,127.3)	(1,899.4)	–	–	–	(20,551.2)
Net currency exposure on SDR-neutral basis	–	214.6	(36.1)	7.8	(44.2)	86.8	(172.6)	–	(56.3)	–

C. Economic capital for market risk

The following table shows the key figures of the Bank's exposure to market risk in terms of economic capital utilisation over the past two financial years by category of risk:

For the financial year	2026				2025			
<i>SDR millions</i>	Average	High	Low	31 March	Average	High	Low	31 March
Gold price risk	6,810.7	9,239.4	5,286.3	8,106.0	4,602.7	5,550.0	4,067.7	5,550.0
Interest rate risk	3,448.6	3,819.8	3,167.8	3,338.4	3,282.7	3,537.2	2,980.4	3,368.2
Foreign exchange risk	1,929.7	2,597.3	1,497.2	2,255.3	1,332.6	1,621.9	1,208.2	1,581.8
Diversification effects	(3,987.0)	(4,854.7)	(3,388.2)	(4,497.5)	(3,066.4)	(3,570.6)	(2,773.3)	(3,534.3)
Economic capital utilisation for market risk	8,201.9	10,248.6	6,732.0	9,202.1	6,151.7	6,965.7	5,525.6	6,965.7

D. Minimum capital requirements for market risk

Gold price and foreign exchange rate risk

For calculating the minimum capital requirements for market risk under the Basel Framework, the Bank has adopted a banking book-only approach consistent with the scope and nature of its business activities. Consequently, market risk-weighted assets are determined for gold price risk and foreign exchange risk, while interest rate risk is measured separately, as described in the next section.

The related minimum capital requirement for gold price and foreign exchange risk is derived using the Basel III standardised approach following the sensitivities-based method.

The following table summarises the market risk development relevant to the calculation of minimum capital requirements and the related risk-weighted assets over the reporting period:

As at 31 March

<i>SDR millions</i>	2026	2025
Gold price risk	2,234.6	1,543.6
Foreign exchange risk	302.7	117.4
Minimum capital requirement (A)	2,537.3	1,661.1
Risk-weighted assets (A) x 12.5	31,715.7	20,763.4

Interest rate risk

The Bank follows a banking book-only approach, consistent with the scope and nature of its banking activities. As a result, interest rate risk originates solely from its banking book. The Basel III Framework defines two regulatory exposure measures for interest rate risk in the banking book: the change in the economic value of shareholders' equity (ΔEVE) and the change in net interest income (ΔNII).

ΔEVE represents the impact on the Bank's shareholders' equity of a number of regulatory interest rate stress scenarios. The interest rate shift to be assumed for each currency in each scenario is defined in the Basel III framework. The Bank calculates ΔEVE daily as part of its stress testing framework, covering its main currencies and the vast majority of its interest rate risk. The interest rate sensitivity measure used to compute ΔEVE is consistent with the one used for internal risk measurement and monitoring (see Section 4B) and considers all relevant yield curves. ΔEVE is computed as the product of the interest rate sensitivity and regulatory prescribed shocks, resulting in symmetric outputs for up and down stresses.

In July 2024, the BCBS revised currency-specific shocks to address calibration challenges during periods of low interest rates, with implementation effective 1 January 2026. The following table shows ΔEVE for the regulatory interest rate stress scenarios, aggregated across currencies, over the reporting period:

As at 31 March

<i>SDR millions</i>	2026	2025 ¹
Parallel up	(1,332.4)	(1,233.3)
Parallel down	1,332.4	1,233.3
Short rate up	(751.7)	(664.1)
Short rate down	751.7	664.1
Flattener	(117.7)	(60.3)
Steeper	(236.9)	(274.8)
Maximum	1,332.4	1,233.3
Common Equity Tier 1 capital	32,455.7	27,972.4

¹ The change in economic value of shareholder's equity has been amended since it was originally published in the 2024/25 financial statements, given that prescribed regulatory shocks have been updated and are applicable as of 1 January 2026.

ΔNII measures the impact of regulatory interest rate stress scenarios assuming a parallel move of rates on the Bank's net interest income over a horizon of one year. Within its currency investment portfolios, the Bank has mainly long-dated positions and therefore assumes limited re-investment within the one-year horizon. The currency banking portfolios, in turn, include mostly short-dated positions with closely matched asset and liability maturities, and with the remaining interest rate risk mostly hedged using derivatives. Hence, the profitability of the currency banking portfolios has limited sensitivity to parallel movements in rates. Consequently, ΔNII is not material for the Bank.

5. Operational risk

Operational risk is defined by the Bank as the risk of financial loss, or damage to the Bank's reputation, or both, resulting from one or more risk causes, as outlined below:

- Human factors: insufficient personnel, lack of requisite knowledge, skills or experience, inadequate training and development, inadequate supervision, loss of key personnel, inadequate succession planning, or lack of integrity or ethical standards.
- Failed or inadequate processes: a process is poorly designed or unsuitable, or is not properly documented, understood, implemented, followed or enforced.
- Failed or inadequate systems: a system is poorly designed, unsuitable or unavailable, or does not operate as intended.
- External events: the occurrence of an event having an adverse impact on the Bank but outside its control.

Operational risk includes legal risk but excludes strategic risk.

The Bank's operational risk management framework, policies and procedures comprise the management and measurement of operational risk, including the determination of the relevant key parameters and inputs, business continuity planning, the identification and assessment of key risks and controls, and the monitoring of key risk indicators.

The Bank's policies provide the guiding principles for managing its operational risk. This reduces the impact and likelihood of operational risk events materialising, with the residual risk being absorbed by the Bank (and, in some limited cases, by insurance policies).

To promote effective decision-making, quarterly dedicated meetings advise the General Manager and the Deputy General Manager on strategic operational risk decisions.

The Bank has established a comprehensive procedure of immediate reporting for operational risk-related incidents. The Risk Management unit develops action plans with the respective units and follows up on their implementation on a regular basis.

For the measurement of operational risk economic capital, the Bank has adopted a VaR-based model that employs Monte Carlo simulation techniques. The methodology incorporates internal and external loss data as well as estimated losses under hypothetical scenarios.

A. Economic capital for operational risk

Consistent with the parameters used in the calculation of economic capital for financial risk, the Bank measures economic capital for operational risk to the 99.99% confidence level assuming a one-year holding period. The following table shows the key figures of the Bank's exposure to operational risk in terms of economic capital utilisation over the past two financial years:

For the financial year ended	2026				2025			
<i>SDR millions</i>	Average	High	Low	31 March	Average	High	Low	31 March
Economic capital utilisation for operational risk	850.0	850.0	850.0	850.0	850.0	850.0	850.0	850.0

B. Minimum capital requirements for operational risk

The minimum capital requirement for operational risk is determined annually using the Basel III standardised approach. Following BCBS recommendations, reputational risk is not included in this calculation. A key part of this model is the business indicator component, which estimates the Bank's exposure to operational risk and is based on the Bank's audited annual accounting data.

The operational risk capital is calculated by scaling the exposure measure (the business indicator component) by the internal loss multiplier. The internal loss multiplier reflects the severity of operational risk losses the Bank has incurred over the past ten years relative to the exposure.

The following table shows the minimum capital requirements for operational risk, and the related risk-weighted assets:

As at 31 March

<i>SDR millions</i>	2026	2025
Business indicator component	720.3	630.7
Internal loss multiplier	0.6	0.6
Minimum required operational risk capital (A)	437.2	385.3
Operational risk-weighted assets (A) x 12.5	5,464.9	4,816.5

The business indicator component is calculated by multiplying the business indicator by a marginal coefficient. Marginal coefficients are regulatory determined constants based on the size of the business indicator, ranging between 12% and 18%.

As shown in the table below, the business indicator consists of three main subcomponents which are calculated as an average over the last three years using the Bank's accounting data:

As at 31 March

SDR millions	2026	2025	2024
Interest, lease and dividend component (A)	1,824.7		
<i>Calculated using the following inputs:</i>			
Interest and lease income	1,087.4	694.4	543.9
Interest and lease expense	(2,459.9)	(2,747.5)	(2,592.5)
Interest-earning assets	205,933.9	145,728.4	95,155.6
Services component (B)	29.7		
<i>Calculated using the following inputs:</i>			
Third-party asset management fee and commission income	20.2	19.6	19.1
Third-party asset management fee and commission expense	(2.6)	(2.2)	(1.9)
Other operating income	4.1	4.9	3.1
Other operating expense	(11.7)	(9.4)	(9.2)
Financial component (C)	3,117.2		
<i>Calculated using the following inputs:</i>			
Net profit and loss on the banking book	2,834.0	3,282.5	3,235.2
Business indicator (A + B + C)	4,971.7		
Business indicator component	720.3		

As at 31 March

SDR millions	2025	2024	2023
Interest, lease and dividend component (A)	1,600.0		
<i>Calculated using the following inputs:</i>			
Interest and lease income	694.4	543.9	513.8
Interest and lease expense	(2,747.5)	(2,592.5)	(1,212.0)
Interest-earning assets	145,728.4	95,155.6	114,744.8
Services component (B)	29.2		
<i>Calculated using the following inputs:</i>			
Third-party asset management fee and commission income	19.6	19.1	20.0
Third-party asset management fee and commission expense	(2.2)	(1.9)	(1.8)
Other operating income	4.9	3.1	3.3
Other operating expense	(9.4)	(9.2)	(10.1)
Financial component (C)	2,738.0		
<i>Calculated using the following inputs:</i>			
Net profit and loss on the banking book	3,282.5	3,235.2	1,696.3
Business indicator (A + B + C)	4,367.1		
Business indicator component	630.7		

The interest income and expense inputs are consistent with the definitions in the Bank's accounting policies and relate to financial instruments classified at FVOCI and amortised cost. They are included in the first component in the table above. The net income on FVPL instruments is included in the financial component. The Bank follows a banking book-only approach for the calculation of regulatory capital, in line with the scope and nature of its business activities. Further, the Bank does not receive any dividend income and does not have any divested activities.

6. Liquidity risk

Liquidity risk arises when the Bank may not be able to meet expected or unexpected current or future cash flows and collateral needs without affecting its daily operations or its financial condition.

The Bank's currency and gold deposits, principally from central banks and international institutions, comprise 95% (2025: 95%) of its total liabilities. As at 31 March 2026, currency and gold deposits originated from 153 depositors (2025: 151 depositors). Within these deposits, there are significant individual customer concentrations, with three customers each contributing in excess of 5% of the total on a settlement date basis (2025: two customers).

Outstanding balances in the currency and gold deposits from central banks, international organisations and other public institutions are the key drivers of the size of the Bank's balance sheet. The Bank is exposed to funding liquidity risk mainly because of the short-term nature of its deposits and because it undertakes to repurchase at fair value certain of its currency deposit instruments at one or two business days' notice. In line with the Bank's objective to maintain a high level of liquidity, it has developed a liquidity management framework, including a ratio, based on conservative assumptions for estimating the liquidity available and the liquidity required. Liquidity risk is managed within limits set based on this ratio, as well as more granular limits for business units managing the Bank's liquidity risk, including limits on cash flow gaps.

A. Maturity profile of cash flows

The following tables show the maturity profile of cash flows for assets and liabilities. The amounts disclosed are the undiscounted cash flows to which the Bank is committed. Options are included in the table at fair value and are shown in the "Up to 1 month" category.

As at 31 March 2026

<i>SDR millions</i>	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	5 to 10 years	Over 10 years	Total
Assets									
Cash and cash equivalents	106,413.9	–	–	–	–	–	–	–	106,413.9
Securities purchased under resale agreements	96,187.1	8,042.1	–	–	–	–	–	–	104,229.2
Loans and advances	7,507.8	12,652.1	4,674.3	2,261.8	–	–	–	–	27,096.0
Government and other securities	31,606.7	21,753.0	15,117.7	15,821.4	16,575.6	34,526.7	6,197.6	1,244.1	142,842.8
Gold and gold loans	78,622.8	339.9	40.8	448.8	–	–	–	–	79,452.3
Total assets	320,338.3	42,787.1	19,832.8	18,532.0	16,575.6	34,526.7	6,197.6	1,244.1	460,034.2
Liabilities									
Currency deposits									
Deposit instruments repayable at 1–3 days' notice	(125,548.9)	(47,398.6)	(62,112.9)	(39,155.0)	(8,737.3)	(17,510.2)	–	–	(300,462.9)
Other currency deposits	(47,502.6)	(21,933.6)	(6,032.1)	(4,476.8)	(2.1)	–	–	–	(79,947.2)
Securities sold under repurchase agreements	(92.4)	(109.1)	–	–	–	–	–	–	(201.5)
Gold deposits	(48,221.6)	–	–	–	–	–	–	–	(48,221.6)
Total liabilities	(221,365.5)	(69,441.3)	(68,145.0)	(43,631.8)	(8,739.4)	(17,510.2)	–	–	(428,833.2)
Derivatives									
<i>Net settled cash flows</i>									
Options and interest rate contracts	14.8	(20.5)	(55.9)	60.8	49.4	83.5	40.9	–	173.0
<i>Gross settled cash flows</i>									
Interest rate contracts									
Inflows	197.0	307.4	311.1	227.1	675.6	3,007.9	–	–	4,726.1
Outflows	(188.9)	(288.7)	(335.6)	(239.5)	(703.4)	(3,114.4)	–	–	(4,870.5)
Subtotal	8.1	18.7	(24.5)	(12.4)	(27.8)	(106.5)	–	–	(144.4)
Currency and gold contracts									
Inflows	221,060.2	95,241.0	16,733.1	11,284.0	73.1	–	–	–	344,391.4
Outflows	(217,989.1)	(93,781.4)	(15,750.4)	(10,886.7)	(71.8)	–	–	–	(338,479.4)
Subtotal	3,071.1	1,459.6	982.7	397.3	1.3	–	–	–	5,912.0
Total derivatives	3,094.0	1,457.8	902.3	445.7	22.9	(23.0)	40.9	–	5,940.6
Total future undiscounted cash flows	102,066.8	(25,196.4)	(47,409.9)	(24,654.1)	7,859.1	16,993.5	6,238.5	1,244.1	37,141.6

As at 31 March 2025

<i>SDR millions</i>	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	5 to 10 years	Over 10 years	Total
Assets									
Cash and cash equivalents	86,083.9	–	–	–	–	–	–	–	86,083.9
Securities purchased under resale agreements	95,223.5	6,203.4	–	–	–	–	–	–	101,426.9
Loans and advances	8,565.1	16,790.2	5,348.4	2,412.1	–	–	–	–	33,115.8
Government and other securities	30,873.6	15,411.1	13,677.1	24,282.8	14,909.4	33,952.2	6,489.5	1,440.1	141,035.8
Gold and gold loans	38,322.6	175.9	176.0	1,908.4	–	–	–	–	40,582.9
Total assets	259,068.7	38,580.6	19,201.5	28,603.3	14,909.4	33,952.2	6,489.5	1,440.1	402,245.3
Liabilities									
Currency deposits									
Deposit instruments repayable at 1–3 days' notice	(110,582.7)	(38,195.1)	(36,085.4)	(30,813.4)	(9,960.4)	(13,168.9)	–	–	(238,805.9)
Other currency deposits	(64,613.1)	(20,041.2)	(7,919.4)	(5,184.2)	–	–	–	–	(97,757.9)
Securities sold under repurchase agreements	(254.2)	(424.8)	–	–	–	–	–	–	(679.0)
Gold deposits	(32,138.2)	–	–	–	–	–	–	–	(32,138.2)
Total liabilities	(207,588.2)	(58,661.1)	(44,004.8)	(35,997.6)	(9,960.4)	(13,168.9)	–	–	(369,381.0)
Derivatives									
<i>Net settled cash flows</i>									
Options and interest rate contracts	19.6	(65.9)	(37.4)	139.8	45.4	34.4	27.3	–	163.2
<i>Gross settled cash flows</i>									
Interest rate contracts									
Inflows	207.3	638.8	593.6	598.3	400.0	2,135.3	550.9	–	5,124.2
Outflows	(200.3)	(632.6)	(620.6)	(611.1)	(396.2)	(2,070.4)	(527.1)	–	(5,058.3)
Subtotal	7.0	6.2	(27.0)	(12.8)	3.8	64.9	23.8	–	65.9
Currency and gold contracts									
Inflows	194,916.6	60,117.7	19,559.1	21,089.1	–	–	–	–	295,682.5
Outflows	(195,848.5)	(59,813.3)	(18,986.0)	(20,645.8)	–	–	–	–	(295,293.6)
Subtotal	(931.9)	304.4	573.1	443.3	–	–	–	–	388.9
Total derivatives	(905.3)	244.7	508.7	570.3	49.2	99.3	51.1	–	618.0
Total future undiscounted cash flows	50,575.2	(19,835.8)	(24,294.7)	(6,824.0)	4,998.2	20,882.6	6,540.6	1,440.1	33,482.3

The following table shows the contractual undiscounted cash flows under lease contracts at the balance sheet date:

Contractual expiry date

<i>SDR millions</i>	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	5 to 10 years	Maturity undefined	Total
As at 31 March 2026	(0.3)	(0.7)	(0.4)	(1.6)	(3.0)	(2.9)	(0.2)	–	(9.1)
As at 31 March 2025	(0.4)	(0.7)	(0.3)	(1.6)	(2.8)	(5.4)	(0.2)	–	(11.4)

B. Liquidity ratio

The Bank has adopted a liquidity risk framework taking into account regulatory guidance issued by the BCBS related to the Liquidity Coverage Ratio (LCR). The framework is based on a liquidity ratio that compares the Bank's available liquidity with a liquidity requirement over a one-month time horizon assuming a stress scenario. In line with the BCBS liquidity risk framework, the underlying stress scenario combines an idiosyncratic and a market crisis. However, the liquidity ratio differs in construction from the LCR to reflect the scope and nature of the BIS banking activities – including the short-term nature of the Bank's assets and liabilities. Within the Bank's liquidity framework, the Board of Directors has set a limit for the Bank's liquidity ratio which requires the liquidity available to be at least 100% of the potential liquidity requirement.

The following table provides information on the development of the Bank's liquidity ratio for the last two years:

For the financial year ended	2026				2025			
<i>Percentages</i>	Average	High	Low	31 March	Average	High	Low	31 March
Liquidity ratio	139.6%	158.6%	127.5%	152.8%	145.9%	172.2%	129.5%	140.2%

The liquidity available is determined as the cash inflows from financial instruments over a one-month horizon, along with potential additional liquidity which could be generated from the disposal of highly liquid securities, or by entering into sale and repurchase agreements for a part of the Bank's remaining unencumbered high-quality liquid securities. In calculating the amount of potential additional liquidity, an assessment is performed to identify securities which are of high credit quality and highly liquid. This is followed by a conservative projection of the amounts that could reasonably be generated through selling these securities or entering into repurchase transactions.

The Bank determines the liquidity required as the sum of the cash outflows from financial instruments over a one-month horizon, the projected early withdrawal of currency deposits, the estimated drawings of undrawn facilities, and other outflows primarily resulting from the Bank's derivatives positions. For currency deposits, it is assumed that all deposits that mature within the time horizon are not rolled over and that a proportion of non-maturing currency deposits is withdrawn from the Bank prior to contractual maturity. As at 31 March 2026, the estimated outflows of currency deposits in response to the stress scenario amounted to 50.6% (31 March 2025: 54.1%) of the total stock of currency deposits. Moreover, it is assumed that undrawn facilities committed by the Bank would be fully drawn by customers, along with a proportion of undrawn uncommitted facilities.

The following table shows the Bank's estimated liquidity available, the liquidity required and the resulting liquidity ratio:

As at 31 March

SDR billions

	2026	2025
Liquidity available		
Estimated cash inflows	253.3	219.7
Estimated liquidity from sales of highly liquid securities	27.6	34.5
Estimated sale and repurchase agreements	13.4	3.2
Total liquidity available (A)	294.4	257.3
Liquidity required		
Estimated withdrawal of currency deposits	188.0	178.4
Estimated drawings of facilities	3.2	2.6
Estimated other outflows	1.5	2.4
Total liquidity required (B)	192.7	183.5
Liquidity ratio (A) / (B)	152.8%	140.2%

For reference, the Bank also calculates an LCR following the principles set out in the guidance issued by the BCBS. As at 31 March 2026, the Bank's LCR stood at 291.1% (31 March 2025: 225.3%).

Independent auditor's report

To the Board of Directors and to the General Meeting of Bank for International Settlements, Basel

Opinion

We have audited the financial statements of the Bank for International Settlements, which comprise the balance sheet as at 31 March 2026, and the profit and loss account, the statement of comprehensive income, the statement of cash flows and movements in shareholders' equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as well as capital adequacy and risk management disclosures.

In our opinion, the financial statements (attached) give a true and fair view of the financial position of the Bank for International Settlements ("the Bank") and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in the financial statements and the Statutes of the Bank.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report.

We are independent of the Bank for International Settlements in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the financial statements

Management is responsible for the preparation of financial statements in accordance with the accounting policies in the financial statements and the Statutes of the Bank, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Bank for International Settlements' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Bank for International Settlements or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Bank for International Settlements' financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank for International Settlements' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Managements' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank for International Settlements' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank for International Settlements to cease to continue as a going concern.

We communicate with the Audit Committee, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers SA

Daniel Müller
Licensed audit expert
Auditor in charge

Natalia Dmitrieva
Licensed audit expert

Zürich, 19 May 2026

Enclosures:

- Financial statements (balance sheet, profit and loss account, statement of comprehensive income, statement of cash flows, movements in shareholders' equity, notes, capital adequacy and risk management disclosures)

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*Promoting global monetary
and financial stability*

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