Interim financial statements (unaudited)

as at 30 September 2026

Contents

Management report 1

Balance sheet 2

Profit and loss account 3

Statement of comprehensive income 4

Statement of cash flows 5

Movements in shareholders' equity 7

Accounting policies 8

Notes to the financial statements 8

1. Cash and cash equivalents 8
2. Land, building and equipment, and depreciation 9
3. Currency deposits 9
4. Share capital 10
5. Interest income 11
6. Interest expense 11
7. Dividends 11
8. Fair value hierarchy 12
9. Related parties 16
10. Contingent liabilities 17

Capital adequacy 18

1. Capital adequacy framework 18
2. Economic capital 18
3. Financial leverage 20
4. Common Equity Tier 1 capital ratio 20

Risks management 22

1. Risks faced by the Bank 22
2. Credit risk 22
3. Market risk 34
4. Operational risk 37
5. Liquidity risk 38

Management report

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 borrowed funds and borrowed gold represent deposits from central banks and other official sector customers in currency and gold, and the investment of the proceeds and associated hedging. The borrowed funds portfolios are managed on an overall fair value basis and are mainly accounted for at fair value through profit and loss (FVPL). As such, they are reported 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 is accounted for at amortised cost. This means that it is included in the balance sheet based on the gold weight, translated at the market price, plus accrued interest. Net profit reflects the accrual of interest.

The own funds and the overall own gold position relate to the investment of the Bank's shareholders' equity. They are primarily accounted for at fair value through other comprehensive income (FVOCI). As such, they are reported in the balance sheet at fair value, while their contribution to the profit reflects the accrual of interest along with realised gains / losses on sales. The Bank's total comprehensive income includes their total change in fair value, including unrealised valuation movements. In addition, the Bank invests some of its shareholders' equity in portfolios that are managed with a mandate that permits active trading. These portfolios are mainly accounted for at FVPL.

Other portfolios are associated with the Bank's operating expense, asset management services and foreign exchange and gold services.

Net profit

Net profit for the first half of 2026/27 was SDR 528 million. The total income on the borrowed funds was SDR 435 million, reflecting an average volume of deposits (on a settlement date basis) of SDR 370 billion. The total income on the own funds was SDR 282 million, reflecting a profit return of 2.5%. The total income on the borrowed gold and own gold portfolios was less than SDR 1 million, reflecting stable own gold holdings. The total income on other portfolios was SDR 34 million, and operating expense was SDR 222 million.

Net profit was SDR 19 million higher than the profit in the same period of the previous financial year, primarily due to higher income on the borrowed funds and other portfolios, partially offset by lower income on the own funds and higher operating expense.

Total comprehensive income

The total comprehensive income in the first six months of 2026/27 was a loss of SDR 857 million. In addition to the items included in net profit, the increase in bond yields led to an unrealised valuation loss on own funds FVOCI securities of SDR 293 million. The gold revaluation account decreased by SDR 1,076 million due to a 10% fall in the gold price.

The dividend for the 2025/26 financial year of SDR 221 million was paid during the first half of 2026/27 and, after taking this into account, the Bank's shareholders' equity stood at SDR 31,678 million at 30 September 2026.

Balance sheet

As at

SDR millions	Note	**30 September 2026**	31 March 2026
Assets			
Cash and cash equivalents	1	100,149.2	106,413.9
Securities purchased under resale agreements		109,223.8	118,862.1
Loans and advances		30,771.5	27,288.2
Government and other securities		125,677.2	136,796.4
Gold and gold loans		68,785.6	79,451.8
Derivative financial instruments		5,019.3	7,388.7
Accounts receivable and other assets		3,718.1	5,750.0
Land, buildings and equipment	2	237.0	248.5
Total assets		**443,581.7**	482,199.6
Liabilities			
Currency deposits	3	345,746.7	380,056.9
Securities sold under repurchase agreements		46.5	200.6
Gold deposits		42,476.8	48,221.6
Derivative financial instruments		3,218.5	2,157.6
Accounts payable		19,321.9	17,679.4
Other liabilities		1,093.8	1,128.2
Total liabilities		**411,904.2**	449,444.3
Shareholders' equity			
Share capital	4	710.2	710.2
Less: shares held in treasury	4	(1.7)	(1.7)
Statutory reserves		20,833.4	20,036.9
Profit and loss account		528.4	1,017.7
Other equity accounts		9,607.2	10,992.2
Total shareholders' equity		**31,677.5**	32,755.3
Total liabilities and shareholders' equity		**443,581.7**	482,199.6

Profit and loss account

For the six months ended 30 September

SDR millions	Note	**2026**	2025
Interest income	5	774.0	489.4
Interest expense	6	(1,310.3)	(1,301.3)
Change in expected credit loss impairment provision		(0.4)	0.1
Net income on financial assets and liabilities at fair value through profit and loss		1,190.3	1,544.2
Net interest and valuation income		**653.6**	732.4
Net loss on sales of currency assets at fair value through other comprehensive income		(2.8)	(9.1)
Net fee income		7.7	8.8
Net foreign exchange income		91.7	(6.2)
Total income		**750.2**	725.9
Administrative expense		(199.1)	(196.8)
Depreciation and amortisation	2	(22.7)	(19.6)
Operating expense		**(221.8)**	(216.4)
Net profit		**528.4**	509.5

Statement of comprehensive income

For the six months ended 30 September

SDR millions	**2026**	2025
Net profit	**528.4**	509.5
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	(295.5)	94.7
Net change in expected credit loss impairment provision	0.1	–
Reclassification to profit and loss	2.8	9.1
Net movement on currency assets at fair value through other comprehensive income	**(292.6)**	103.8
Gold at fair value through other comprehensive income:		
Net change in fair value during the year	(1,076.2)	1,511.6
Reclassification to profit and loss	–	–
Net movement on gold at fair value through other comprehensive income	**(1,076.2)**	1,511.6
Items that will not be reclassified to profit and loss		
Re-measurement of defined benefit obligations	**(16.2)**	13.7
Total comprehensive income	**(856.6)**	2,138.6

BIS

Statement of cash flows

For the six months ended 30 September

SDR millions	Note	**2026**	2025
Cash flow from / (used in) operating activities			
Interest income received		631.8	389.9
Interest expense paid		(1,244.4)	(1,270.1)
Net fee income		7.7	8.8
Net gain on foreign exchange transactions		81.1	23.9
Administrative expense		(199.1)	(196.8)
Adjustments for non-cash flow items			
Net income on financial assets and liabilities at fair value through profit and loss		1,190.3	1,544.2
Net change in expected credit loss impairment provision		(0.4)	0.1
Net foreign exchange translation gain / (loss)		10.6	(30.1)
Lease interest expense	6	(0.1)	(0.1)
Change in accruals		76.6	65.4
Change in operating assets and liabilities			
Currency deposits		(29,995.5)	33,952.2
Currency banking assets		19,007.9	(20,135.4)
Gold deposits		(5,744.8)	7,338.0
Gold banking assets		9,589.8	(11,401.8)
Securities sold under repurchase agreements		–	209.9
Change in cash collateral balance on derivatives transactions		(1,666.0)	125.1
Accounts receivable and other assets		1.0	(9.4)
Accounts payable and other liabilities		(52.6)	112.7
Net derivative financial instruments		3,430.2	(842.6)
Net cash flow from / (used in) operating activities		**(4,876.0)**	9,883.9
Cash flow from / (used in) investment activities			
Change in currency investment assets		(1,001.0)	(214.8)
Change in securities sold under repurchase agreements in investment portfolios		(154.1)	(419.2)
Capital expenditure on land, buildings and equipment		(11.1)	(21.1)
Net cash flow from / (used in) investment activities		**(1,166.2)**	(655.1)

SDR millions	Note	**2026**	2025
Cash flow from / (used in) financing activities			
Dividends paid	7	(221.2)	(215.5)
Repayment of principal on lease liabilities		(1.4)	(1.8)
Net cash flow from / (used in) financing activities		**(222.6)**	(217.3)
Total net cash flow		**(6,264.8)**	9,011.5
Net effect of exchange rate changes on cash and cash equivalents		1,206.1	(1,339.6)
Net movement in cash and cash equivalents		(7,470.8)	10,351.1
Net change in cash and cash equivalents		**(6,264.7)**	9,011.5
Cash and cash equivalents, beginning of year	1	**106,413.9**	86,083.9
Cash and cash equivalents, end of year	1	**100,149.2**	95,095.4

Movements in shareholders' equity

For the six months ended 30 September 2026

SDR millions	Note	Share capital	Shares held in treasury	Statutory reserves	Profit and loss	Other equity accounts: Defined benefit obligations	Other equity accounts: Gold and securities revaluation	Shareholders' equity
Balance as at 31 March 2026		**710.2**	**(1.7)**	**20,036.9**	**1,017.7**	**392.0**	**10,600.2**	**32,755.3**
Payment of 2025/26 dividend	7	–	–	–	(221.2)	–	–	(221.2)
Allocation of 2025/26 profit		–	–	796.5	(796.5)	–	–	–
Total comprehensive income		–	–	–	528.4	(16.2)	(1,368.8)	(856.6)
Balance as at 30 September 2026		**710.2**	**(1.7)**	**20,833.4**	**528.4**	**375.8**	**9,231.4**	**31,677.5**

For the six months ended 30 September 2025

SDR millions	Note	Share capital	Shares held in treasury	Statutory reserves	Profit and loss	Other equity accounts: Defined benefit obligations	Other equity accounts: Gold and securities revaluation	Shareholders' equity
Balance as at 31 March 2025		710.2	(1.7)	19,408.8	843.7	181.7	7,126.5	28,269.2
Payment of 2024/25 dividend	7	–	–	–	(215.5)	–	–	(215.5)
Allocation of 2024/25 profit		–	–	628.2	(628.2)	–	–	–
Total comprehensive income		–	–	–	509.5	13.7	1,615.4	2,138.6
Balance as at 30 September 2025		710.2	(1.7)	20,036.9	509.5	195.4	8,742.0	30,192.3

Accounting policies

The accounting policies adopted by the Bank for these interim financial statements are consistent with those described in the annual financial statements within the Bank's latest Annual Report. The interim financial statements contain selected disclosures, but do not contain all the information provided in the Bank's annual financial statements. As such, they should be read in conjunction with the Bank's latest annual financial statements.

All figures in these interim financial statements are presented in SDR millions unless otherwise stated. The composition of the SDR is subject to periodic review by the IMF. Amounts are rounded 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.

Critical judgments and estimates

The preparation of the interim financial statements requires the Bank's Management to make assumptions and use estimates to arrive at reported amounts. In doing so, Management exercises judgment based on reliable information. Actual results could differ significantly from these estimates.

In preparing these interim financial statements, the significant judgments made by Management were similar to those applied in the annual financial statements, and there had been no material revisions to the nature of the amounts reported in the annual financial statements.

Approval of the interim financial statements

The interim financial statements were approved for issue by the Head of Finance on 29 October 2026.

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

SDR millions	**30 September 2026**	31 March 2026
Balance at central banks	95,698.5	102,813.3
Balance at commercial banks	275.1	297.6
Total cash and sight accounts	**95,973.6**	103,110.9
Notice accounts	4,175.9	3,303.1
Impairment loss allowance	(0.3)	(0.1)
Total cash and cash equivalents	**100,149.2**	106,413.9

2. Land, buildings and equipment, and depreciation

There were no material purchases or sales of fixed assets during the reporting period. The depreciation expense for the period ended 30 September 2026 was SDR 22.7 million (30 September 2025: SDR 19.6 million).

3. Currency deposits

Currency deposits comprise the following products:

As at 30 September 2026

SDR millions	FVPL	Amortised cost	**Total**
Repayable at one to three days' notice			
Sight and notice deposit accounts	–	78,270.0	78,270.0
Medium-Term Instruments (MTIs)	38,650.7	–	38,650.7
Fixed Rate Investments at the BIS (FIXBIS)	156,556.8	–	156,556.8
	195,207.5	78,270.0	**273,477.5**
Other currency deposits			
Floating Rate Investments of the BIS (FRIBIS)	656.5	–	656.5
Fixed-term deposits	71,560.0	–	71,560.0
Dual-currency deposits (DCDs)	52.7	–	52.7
	72,269.2	–	**72,269.2**
Total currency deposits	267,476.7	78,270.0	**345,746.7**

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**

4. Share capital

The Bank's share capital consists of:

As at

SDR millions	**30 September 2026**	31 March 2026
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 30 September 2026, the number of member central banks was 63 (2025: 63). The number of shares eligible for dividend is:

As at	**30 September 2026**	31 March 2026
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.

5. Interest income

For the six months ended 30 September *SDR millions*	**2026**	2025
Assets classified as amortised cost		
Cash and cash equivalents	461.4	210.1
Gold loan and sight accounts denominated in gold	0.4	1.3
	461.8	211.4
Financial assets classified as FVOCI		
Securities purchased under resale agreements	2.5	7.6
Government and other securities	309.2	269.4
	311.7	277.0
Interest income on liabilities classified as amortised cost	**0.5**	1.0
Total interest income	**774.0**	489.4

6. Interest expense

For the six months ended 30 September *SDR millions*	**2026**	2025
Liabilities classified as amortised cost		
Currency deposits: sight and notice deposit accounts	(1,307.1)	(1,292.6)
Securities sold under repurchase agreements	(2.4)	(7.5)
Interest on lease liabilities	(0.1)	(0.1)
	(1,309.6)	(1,300.2)
Interest expense on assets classified as amortised cost or FVOCI	**(0.7)**	(1.1)
Total interest expense	**(1,310.3)**	(1,301.3)

7. Dividends

On 2 July 2026, the Bank paid a dividend of SDR 221.2 million for the financial year 2025/26. In the previous financial year, the Bank paid a dividend of SDR 215.5 million.

8. 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 30 September 2026

SDR millions	Level 1	Level 2	Level 3	**Total**
Financial assets classified as FVPL				
Securities purchased under resale agreements	–	109,177.3	–	109,177.3
Loans and advances	–	30,771.5	–	30,771.5
Government and other securities	47,433.0	56,377.2	1,860.3	105,670.5
Derivative financial instruments	3.3	5,016.0	–	5,019.3
Financial assets classified as FVOCI				
Securities purchased under resale agreements	–	46.5	–	46.5
Government and other securities	19,489.8	478.0	38.9	20,006.7
Total financial assets accounted for at fair value	**66,926.1**	**201,866.5**	**1,899.2**	**270,691.8**
Financial liabilities classified as FVPL				
Currency deposits	–	(267,476.8)	–	(267,476.8)
Derivative financial instruments	(3.9)	(3,214.6)	–	(3,218.5)
Total financial liabilities accounted for at fair value	**(3.9)**	**(270,691.4)**	**–**	**(270,695.3)**

As at 31 March 2026

SDR millions	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)

A. Transfers between levels in the fair value hierarchy

Of the debt securities categorised as level 1 as at 30 September 2026, SDR 651.7 million related to assets that were categorised as level 2 as at 31 March 2026. Of the debt securities categorised as level 2 as at 30 September 2026, SDR 990.3 million related to assets that were categorised as level 1 and SDR 89.6 million related to assets that were categorised as level 3 as at 31 March 2026. Of the debt securities categorised as level 3 as at 30 September 2026, SDR 330.9 million related to assets that were categorised as level 2 as at 31 March 2026.

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 30 September 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 30 September 2026, the Bank categorised SDR 1,899.2 million of securities as level 3 in the fair value hierarchy. Of these securities, SDR 1,139.3 million were valued using prices, and SDR 759.9 million were valued by a discounted cash flow model based on individual bond spreads to a yield curve.

As at 30 September 2026

SDR millions	FVPL	FVOCI	**Total**
Balance at the beginning of the year	**2,210.2**	**221.4**	**2,431.6**
Purchases	1,098.8	–	1,098.8
Maturities and sales	(1,803.5)	(97.8)	(1,901.3)
Transfers in	363.5	–	363.5
Transfers out	–	(86.3)	(86.3)
Valuation impact recognised in net profit or other comprehensive income	(8.7)	1.6	(7.1)
Balance at end of the year	**1,860.3**	**38.9**	**1,899.2**
Unrealised gains / (losses) relating to assets still held as at the reporting date	(51.9)	(0.1)	(52.0)

As at 31 March 2026

SDR millions	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)

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 30 September 2026

				Value of input				
	Fair value *SDR millions*	Valuation technique	Unobservable input	Minimum	Maximum	Weighted average	Unit	Relationship of unobservable
Debt securities	1,139.3	Price	Bond prices	99.8	99.8	99.8	Points	A change in the prices of 1 point would increase / decrease the fair value by SDR 11.3 million
Debt securities	759.9	Discounted cash flow based on spread to yield curve	Bond spreads	10.0	60.1	28.4	Basis-points	A change in the spreads of 100 basis-points would increase / decrease the fair value by SDR 10.5 million
Total level 3 assets at fair value	**1,899.2**							

As at 31 March 2026

	Fair value *SDR millions*	Valuation technique	Unobservable input	Value of input			Unit	Relationship of unobservable
				Minimum	Maximum	Weighted average		
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							

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 30 September 2026 and 31 March 2026. 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.

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.

9. 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 list 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". Note 12 of the financial statements in the Annual Report provides details of the Bank's post-employment benefit arrangements.

A. Related party individuals

Related party transactions with members of the Board of Directors and senior officials in the period ended 30 September 2026 were similar in nature to those disclosed in the Bank's most recent annual financial statements. No related party transactions that took place with members of the Board of Directors and senior officials materially affected the financial position or performance of the Bank during the financial period.

B. Related party institutions

The Bank pays a dividend to its shareholders, as described in note 24 of the Bank's latest annual financial statements. The related party shareholders received a dividend of SDR 131.1 million (for the financial year 2025/26) in the period ended 30 September 2026. In the previous financial year, the Bank paid a dividend of SDR 132.7 million to related party shareholders.

The BIS provides banking services to its customers, which are predominantly central banks, monetary authorities, international financial institutions. In fulfilling this role, the Bank, in the normal course of business, enters into transactions with customers which are related parties. 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	30 September 2026			31 March 2026		
	Balance sheet total	Balance with related parties		Balance sheet total	Balance with related parties	
	SDR millions	*SDR millions*	*%*	*SDR millions*	*SDR millions*	*%*
Assets						
Cash and cash equivalents	100,149.2	**95,514.7**	95.4	106,413.9	102,798.5	96.6
Securities purchased under resale agreements	109,223.8	**7,165.1**	6.6	118,862.1	8,413.5	7.1
Government and other securities	125,677.2	**36,488.2**	29.0	136,796.4	26,443.0	19.3
Gold and gold loans	68,785.6	**68,088.9**	99.0	79,451.8	79,051.2	99.5
Derivative financial instruments	5,019.3	**109.0**	2.2	7,388.7	636.8	8.6
Liabilities						
Currency deposits	(345,746.7)	**(172,236.4)**	49.8	(380,056.9)	(189,448.5)	49.8
Gold deposits	(42,476.8)	**(28,656.3)**	67.5	(48,221.6)	(32,755.8)	67.9
Derivative financial instruments	(3,218.5)	**(60.0)**	1.9	(2,157.6)	(11.8)	0.5

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

For the six months ended 30 September	2026			2025		
	Profit and loss total	Balance with related parties		Profit and loss total	Balance with related parties	
	SDR millions	*SDR millions*	*%*	*SDR millions*	*SDR millions*	*%*
Interest income	774.0	**405.1**	52.3	489.4	188.2	38.5
Interest expense	(1,310.3)	**(898.4)**	68.6	(1,301.3)	(939.1)	72.2
Net income on financial assets and liabilities at FVPL						
Financial assets	2,537.7	**116.7**	4.6	3,664.4	158.4	4.3
Financial liabilities	(4,373.0)	**(2,026.0)**	46.3	(5,671.8)	(2,178.9)	38.4
Derivative financial instruments	3,025.6	**(490.2)**	(16.2)	3,551.6	243.2	6.8

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.

10. Contingent liabilities

The Bank had no significant contingent liabilities at 30 September 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

SDR millions	**30 September 2026**	31 March 2026
Share capital	710.2	710.2
Statutory reserves per balance sheet	20,833.4	20,036.9
Less: shares held in treasury	(1.7)	(1.7)
Share capital and reserves	**21,541.9**	20,745.4
Securities revaluation account	(367.4)	(74.8)
Gold revaluation account	9,598.8	10,675.0
Re-measurement of defined benefit obligations	375.8	392.0
Other equity accounts	**9,607.2**	10,992.2
Expected loss	(4.9)	(4.7)
Intangible assets	(64.2)	(73.7)
Prudential adjustments	**(69.1)**	(78.4)
Profit and loss account	**528.4**	1,017.7
Dividend adjustment	**(92.4)**	(221.2)
Common Equity Tier 1 capital	**31,516.0**	32,455.7

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

	30 September 2026		31 March 2026	
SDR millions	Allocation	Utilisation	Allocation	Utilisation
Credit risk	8,600.0	6,869.5	8,600.0	7,239.8
Market risk	10,900.0	8,266.0	12,100.0	9,202.1
Operational risk	850.0	850.0	850.0	850.0
Minimum capital cushion	4,727.4	4,727.4	4,868.4	4,868.4
Total economic capital (A)	**25,077.4**	**20,712.9**	26,418.4	22,160.3
Common Equity Tier 1 capital (B)		**31,516.0**		32,455.7
Available economic capital (B) – (A)		**10,803.1**		10,295.4

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 *SDR millions*	**30 September 2026**	31 March 2026
Common Equity Tier 1 capital (A)	**31,516.0**	32,455.7
Total balance sheet assets	**443,581.7**	482,199.6
Derivatives	4,826.4	7,814.4
Committed and uncommitted facilities	6,650.1	6,324.8
Pension fund assets	1,612.8	1,566.4
Exposure adjustments	**13,089.3**	15,705.6
Total BIS exposure (B)	**456,671.0**	497,905.2
BIS leverage ratio (A) / (B)	**6.9%**	6.5%

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	30 September 2026			31 March 2026		
SDR millions	Amount of exposure	Risk-weighted assets	Minimum capital requirement	Amount of exposure	Risk-weighted assets	Minimum capital requirement
Credit risk	**275,881.3**	**30,745.7**	**2,459.7**	297,168.9	35,401.3	2,832.1
Exposure to sovereigns, banks and corporates	263,432.7	25,399.9	2,032.0	279,193.5	27,192.9	2,175.4
Securitisation exposures	36.7	458.3	36.7	30.2	377.7	30.2
Counterparty credit risk	12,411.9	3,590.1	287.2	17,945.2	5,937.3	475.0
Credit valuation adjustment	–	1,297.4	103.8	–	1,893.4	151.5
Market risk	**2,336.5**	**29,205.9**	**2,336.5**	2,537.3	31,715.7	2,537.3
Gold price risk	2,019.3	25,241.8	2,019.3	2,234.6	27,932.4	2,234.6
Foreign exchange risk	317.1	3,964.0	317.1	302.7	3,783.3	302.7
Operational risk	**437.2**	**5,464.9**	**437.2**	437.2	5,464.9	437.2
Total	**278,654.9**	**65,416.5**	**5,233.3**	300,143.3	72,581.9	5,806.6

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

As at		
SDR millions	**30 September 2026**	31 March 2026
Total Common Equity Tier 1 capital (A)	**31,516.0**	32,455.7
Total risk-weighted assets (B)	**65,416.5**	72,581.9
Common Equity Tier 1 capital ratio (A) / (B)	**48.2%**	44.7%

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. 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 30 September 2026, excluding local currency cash at central banks, there were three counterparties (one advanced economy sovereign and two banks) comprising more than 5% each of the total on-balance sheet exposure reported in the tables below. One of these exposures was between 10% and 15% (31 March 2026: two 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 30 September 2026

SDR millions	Sovereigns and central banks	Public sector	Banks	Corporates	Securitisation	Total
Cash and cash equivalents	95,698.2	4,170.2	280.8	–	–	100,149.2
Gold and gold loans	405.6	–	696.7	–	–	1,102.3
Securities purchased under resale agreements	9,038.5	–	98,139.1	2,046.2	–	109,223.8
Loans and advances	–	–	30,771.5	–	–	30,771.5
Government and other securities	88,369.0	14,210.4	11,126.3	11,934.8	36.7	125,677.2
Derivative financial instruments	342.2	36.8	4,639.7	0.6	–	5,019.3
Accounts receivable and other assets	42.0	6.4	139.9	25.1	–	213.4
Total exposure	**193,895.5**	**18,423.8**	**145,794.0**	**14,006.7**	**36.7**	**372,156.7**

As at 31 March 2026

SDR millions	Sovereigns and central banks	Public sector	Banks	Corporates	Securitisation	Total
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

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 30 September 2026

SDR millions	Africa and Europe	Asia-Pacific	Americas	International institutions	Total
Cash and cash equivalents	5,106.2	90,862.4	10.4	4,170.2	100,149.2
Gold and gold loans	1,102.3	–	–	–	1,102.3
Securities purchased under resale agreements	98,489.7	8.9	10,725.2	–	109,223.8
Loans and advances	19,562.2	9,128.4	2,080.9	–	30,771.5
Government and other securities	65,567.1	28,307.7	27,106.5	4,695.9	125,677.2
Derivative financial instruments	3,408.5	391.7	1,186.1	33.0	5,019.3
Accounts receivable and other assets	106.9	100.0	6.5	–	213.4
Total exposure	**193,342.9**	**128,799.1**	**41,115.6**	**8,899.1**	**372,156.7**

As at 31 March 2026

SDR millions	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

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 30 September 2026

SDR millions	AAA	AA	A	BBB	BB and below	Unrated	Total
Cash and cash equivalents	8,795.5	139.4	91,196.0	11.8	6.5	–	100,149.2
Gold and gold loans	–	405.6	696.7	–	–	–	1,102.3
Securities purchased under resale agreements	–	9,211.3	88,126.5	11,886.0	–	–	109,223.8
Loans and advances	–	1,660.3	28,851.7	259.5	–	–	30,771.5
Government and other securities	40,580.4	50,417.7	28,729.5	5,823.5	126.1	–	125,677.2
Derivative financial instruments	0.1	237.2	4,133.5	428.1	5.5	214.9	5,019.3
Accounts receivable and other assets	1.0	8.3	169.9	1.1	2.3	30.8	213.4
Total exposure	**49,377.0**	**62,079.8**	**241,903.8**	**18,410.0**	**140.4**	**245.7**	**372,156.7**

As at 31 March 2026

SDR millions	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

Non-performing exposures

As at 30 September 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 30 September 2026	Collateral related to derivatives		Collateral related to securities purchased / (sold) under resale / (repurchase) agreements	
SDR millions	Collateral received	Collateral provided	Collateral received	Collateral provided
Sovereign securities	2,168.1	(139.1)	80,887.4	(47.5)
State agency securities	–	–	3,001.8	–
Supranational securities	–	–	9,223.7	–
Central bank securities	–	–	40.9	–
General collateral securities	–	–	2,062.9	–
Cash	105.6	(6.9)	–	–
Total	**2,273.7**	**(146.0)**	**95,216.7**	**(47.5)**

As at 31 March 2026	Collateral related to derivatives		Collateral related to securities purchased / (sold) under resale / (repurchase) agreements	
SDR millions	Collateral received	Collateral provided	Collateral received	Collateral provided
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)

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 88,156.8 million (31 March 2026: SDR 101,590.4 million). As at 30 September 2026, the Bank had not lent any of the collateral it held (31 March 2026: 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 30 September 2026	Effect of risk mitigation					Analysed as:	
SDR millions	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
Financial assets							
Securities purchased under resale agreements	109,223.8	(15,641.1)	–	(93,582.5)	0.2	0.2	–
Derivative financial instruments	5,019.3	–	(2,525.5)	(2,040.9)	452.9	403.2	49.7
Financial liabilities							
Securities sold under repurchase agreements	(46.5)	–	–	46.2	–	–	–
Derivative financial instruments	(3,218.5)	–	2,525.5	118.7	–	–	–

As at 31 March 2026	Effect of risk mitigation					Analysed as:	
SDR millions	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
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	–	–	–

D. 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 30 September 2026

	Before CRM and CCF		After CRM and CCF		Risk-weighted assets	Average risk-weighted assets
Asset classes	On-balance sheet exposures *SDR millions*	Regulatory off-balance sheet *SDR millions*	On-balance sheet exposures *SDR millions*	Regulatory off-balance sheet *SDR millions*	*SDR millions*	*%*
Sovereigns and central banks	191,819.4	66,501.4	191,819.4	2,610.2	4,743.1	2.4
Non-central government public sector entities	9,562.9	–	9,562.9	–	2,876.8	30.1
Multilateral development banks	4,690.4	–	4,690.4	–	113.2	2.4
Banks	42,531.9	–	42,531.9	–	11,615.1	27.3
Corporates	10,807.6	–	10,807.6	–	5,513.3	51.0
Securities firms and other financial institutions	1,124.8	–	1,124.8	–	252.9	22.5
Other assets	285.6	–	285.6	–	285.6	100.0
Total	**260,822.5**	**66,501.4**	**260,822.5**	**2,610.2**	**25,399.9**	**9.6**

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 *SDR millions*	Regulatory off-balance sheet *SDR millions*	On-balance sheet exposures *SDR millions*	Regulatory off-balance sheet *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

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

As at 30 September 2026

SDR millions	Risk weight							Total credit exposure amount (after CRM and CCF)
	0%	20%	30%	50%	75%	100%	150%	
Sovereigns and central banks	178,748.3	11,291.5	–	3,810.1	–	579.7	–	194,429.6
Non-central government public sector entities	–	6,348.9	–	3,214.0	–	–	–	9,562.9
Multilateral development banks	4,210.5	307.9	172.0	–	–	–	–	4,690.4
Banks	–	11,959.5	30,315.0	257.4	–	–	–	42,531.9
Corporates	–	2,057.5	–	5,843.3	2,906.9	–	–	10,807.6
Securities firms and other financial institutions	–	1,036.1	–	83.3	5.4	–	–	1,124.8
Other assets	–	–	–	–	–	285.6	–	285.6
Total	**182,958.8**	**33,001.3**	**30,487.0**	**13,208.0**	**2,912.3**	**865.3**	**–**	**263,432.7**

As at 31 March 2026

	Risk weight							Total credit exposure amount (after CRM and CCF)
SDR millions	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

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 30 September 2026

SDR millions	Amount of exposures	Risk weight	Risk-weighted assets
Securities backed by mortgages	36.7	1250%	458.3
Total	**36.7**		**458.3**

As at 31 March 2026

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

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 30 September 2026

	Risk weight							Total credit exposure	Risk-weighted assets
SDR millions	0%	2%	20%	30%	50%	100%	150%		
Sovereigns and central banks	95.0	–	208.2	–	413.9	587.9	–	1,305.0	836.5
Multilateral development banks	6.6	–	–	–	–	–	–	6.6	–
Banks	–	–	6,129.2	4,587.5	290.8	–	2.9	11,010.4	2,751.9
Corporates	–	89.9	–	–	–	–	–	89.9	1.8
Total	**101.6**	**89.9**	**6,337.4**	**4,587.5**	**704.7**	**587.9**	**2.9**	**12,411.9**	**3,590.1**

As at 31 March 2026

	Risk weight							Total credit exposure	Risk-weighted assets
SDR millions	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

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

SDR millions	**30 September 2026**	31 March 2026
Aggregation of systematic components of CVA risk	300.7	439.6
Aggregation of idiosyncratic components of CVA risk	62.1	89.5
Minimum capital requirement (A)	**103.8**	151.5
Risk-weighted assets (A) x 12.5	**1,297.4**	1,893.4

3. 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 30 September 2026, the Bank's net gold investment assets were 102 tonnes with a value of SDR 10,097.4 million, approximately 32% of shareholders' equity (31 March 2026: 102 tonnes, SDR 11,173.8 million, representing 34% 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 30 September 2026

SDR millions	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	(3.7)	(17.3)	(30.8)	(33.2)	(25.0)	(20.8)	(19.4)	(150.1)
Japanese yen	8.1	–	–	0.1	–	–	–	8.2
Pound sterling	(2.2)	(2.5)	(6.0)	(8.1)	(9.2)	(8.0)	(15.5)	(51.5)
Renminbi	(2.3)	(2.7)	(5.0)	(7.9)	(14.3)	(17.0)	(61.6)	(110.7)
Swiss franc	0.1	(0.1)	(0.2)	–	–	(0.2)	–	(0.4)
US dollar	(14.8)	(15.9)	(31.7)	(35.3)	(32.7)	(35.2)	(146.2)	(311.8)
Other currencies	(0.4)	0.3	0.2	0.2	0.1	–	–	0.4
Total	**(15.2)**	**(38.2)**	**(73.5)**	**(84.1)**	**(81.0)**	**(81.1)**	**(242.8)**	**(616.0)**

As at 31 March 2026

SDR millions	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)

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.

C. Minimum capital requirements for market 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

SDR millions	**30 September 2026**	31 March 2026
Gold price risk	2,019.3	2,234.6
Foreign exchange risk	317.1	302.7
Minimum capital requirement (A)	**2,336.5**	2,537.3
Risk-weighted assets (A) x 12.5	**29,205.9**	31,715.7

4. 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.

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

SDR millions	**30 September 2026**	31 March 2026
Business indicator component	720.3	720.3
Internal loss multiplier	0.6	0.6
Minimum required operational risk capital (A)	**437.2**	437.2
Operational risk-weighted assets (A) x 12.5	**5,464.9**	5,464.9

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%.

5. 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.

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.

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 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 30 September 2026, the estimated outflows of currency deposits in response to the stress scenario amounted to 49.9% (31 March 2026: 50.6%) 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 *SDR billions*	**30 September 2026**	31 March 2026
Liquidity available		
Estimated cash inflows	210.5	253.3
Estimated liquidity from sales of highly liquid securities	21.9	27.6
Estimated sale and repurchase agreements	18.0	13.4
Total liquidity available (A)	**250.4**	294.4
Liquidity required		
Estimated withdrawal of currency deposits	169.4	188.0
Estimated drawings of facilities	3.3	3.2
Estimated other outflows	3.4	1.5
Total liquidity required (B)	**176.2**	192.7
Liquidity ratio (A) / (B)	**142.1%**	152.8%

For reference, the Bank also calculates an LCR following the principles set out in the guidance issued by the BCBS. As at 30 September 2026, the Bank's LCR stood at 196.6% (31 March 2026: 291.1%).