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Conventions used in this Report

lhs, rhs  left-hand scale, right-hand scale
billion   thousand million
...      not available
.        not applicable
$        US dollar unless specified otherwise

Differences in totals are due to rounding.
Ladies and Gentlemen,

It is my pleasure to submit to you the 73rd Annual Report of the Bank for International Settlements for the financial year which ended on 31 March 2003. The net profit for the year amounted to 362.0 million gold francs, compared with 268.5 million gold francs for the preceding year. The figure for the preceding year has been restated to reflect the amendments in accounting policies made in this year’s accounts. Details of the results for the financial year 2002/03 may be found on pages 173–4 of this Report under “Net profits and their distribution”. The amended accounting policies and their financial impact are disclosed in notes 2 and 3 to the accounts on pages 186–90.

The Board of Directors recommends that, in application of Article 51 of the Bank’s Statutes, the present General Meeting should apply the sum of 68.7 million gold francs in payment of a dividend of 400 Swiss francs per share.

The Board further recommends that 29.3 million gold francs be transferred to the general reserve fund, 3.0 million gold francs to the special dividend reserve fund and the remainder – amounting to 261.0 million gold francs – to the free reserve fund.

If these proposals are approved, the Bank’s dividend for the financial year 2002/03 will be payable to shareholders on 7 July 2003.

Basel, 11 June 2003

MALCOLM D KNIGHT

General Manager