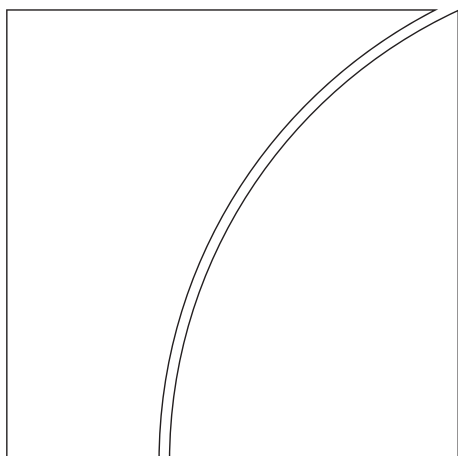




BANK FOR INTERNATIONAL SETTLEMENTS



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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.

74th Annual Report

*submitted to the Annual General Meeting
of the Bank for International Settlements
held in Basel on 28 June 2004*

Ladies and Gentlemen,

It is my pleasure to submit to you the 74th Annual Report of the Bank for International Settlements for the financial year which ended on 31 March 2004.

This is the first financial year for which the Bank has prepared its financial statements using the Special Drawing Right (SDR) as its unit of account in place of the gold franc. More importantly for the longer term, the Bank has enhanced its accounting framework, by bringing its policies and disclosures more into line with developments in international financial reporting. The net profit for the year on this basis amounted to SDR 536.1 million, compared with the equivalent figure for the preceding year of SDR 592.8 million, which has been restated to reflect these changes. Details of the results for the financial year 2003/04 may be found on pages 181–3 of this Report under “Net profit and its distribution”. The amended accounting policies are disclosed in note 2 to the financial statements on pages 196–8 and their financial impact is described in note 31 on pages 209–12.

The Board of Directors also recommends that the dividend be declared for the first time in SDRs. It therefore proposes, in application of Article 51 of the Bank’s Statutes, that the present General Meeting apply the sum of SDR 104.0 million in payment of a dividend of SDR 225 per share, payable in any constituent currency of the SDR, or in Swiss francs.

The Board further recommends that SDR 86.4 million be transferred to the general reserve fund, SDR 20.5 million to the special dividend reserve fund and the remainder – amounting to SDR 325.2 million – to the free reserve fund.

If these proposals are approved, the Bank’s dividend for the financial year 2003/04 will be payable to shareholders on 2 July 2004.

Basel, 10 June 2004

MALCOLM D KNIGHT
General Manager

