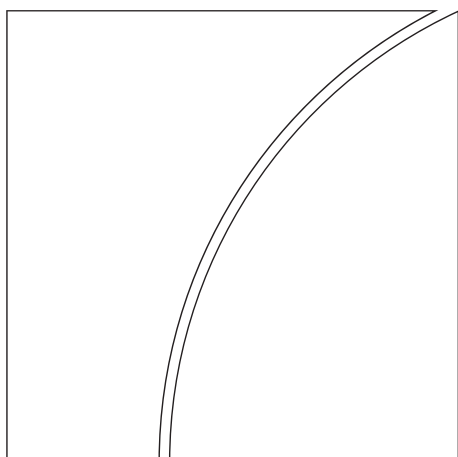




BANK FOR INTERNATIONAL SETTLEMENTS



78th Annual Report

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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.

78th Annual Report

*submitted to the Annual General Meeting
of the Bank for International Settlements
held in Basel on 30 June 2008*

Ladies and Gentlemen,

It is my pleasure to submit to you the 78th Annual Report of the Bank for International Settlements for the financial year which ended on 31 March 2008.

The net profit for the year amounted to SDR 544.7 million, compared with SDR 619.2 million for the preceding year. The figure for the preceding year has been restated to reflect a change in accounting policy made in this year's accounts. Details of the results for the financial year 2007/08 may be found on pages 180–5 of this Report under "Financial results and profit distribution". The amended accounting policies are disclosed on pages 199–204, and their financial impact is disclosed in note 3 on pages 206–207.

The Board of Directors proposes, in application of Article 51 of the Bank's Statutes, that the present General Meeting apply the sum of SDR 144.7 million in payment of a dividend of SDR 265 per share, payable in any constituent currency of the SDR, or in Swiss francs. This year's proposed amount compares to the dividend of SDR 255 per share paid out last year.

The Board further recommends that SDR 40.0 million be transferred to the general reserve fund, SDR 6.0 million to the special dividend reserve fund and the remainder – amounting to SDR 354.0 million – to the free reserve fund. In addition, it is proposed to deduct SDR 71.3 million from the free reserve fund for the prior year effect of the change in accounting policy.

If these proposals are approved, the Bank's dividend for the financial year 2007/08 will be payable to shareholders on 3 July 2008.

Basel, 10 June 2008

MALCOLM D KNIGHT
General Manager