



BANK FOR INTERNATIONAL SETTLEMENTS

The Bank for International Settlements: An introduction

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Head of Treasury



Agenda

- I. Corporate purpose and structure
- II. Fostering international monetary and financial cooperation
- III. The bank of central banks



Corporate objects of the BIS

Article 3 of BIS Statutes:

“to promote the co-operation of central banks and to provide additional facilities for international financial operations”



Ownership of BIS

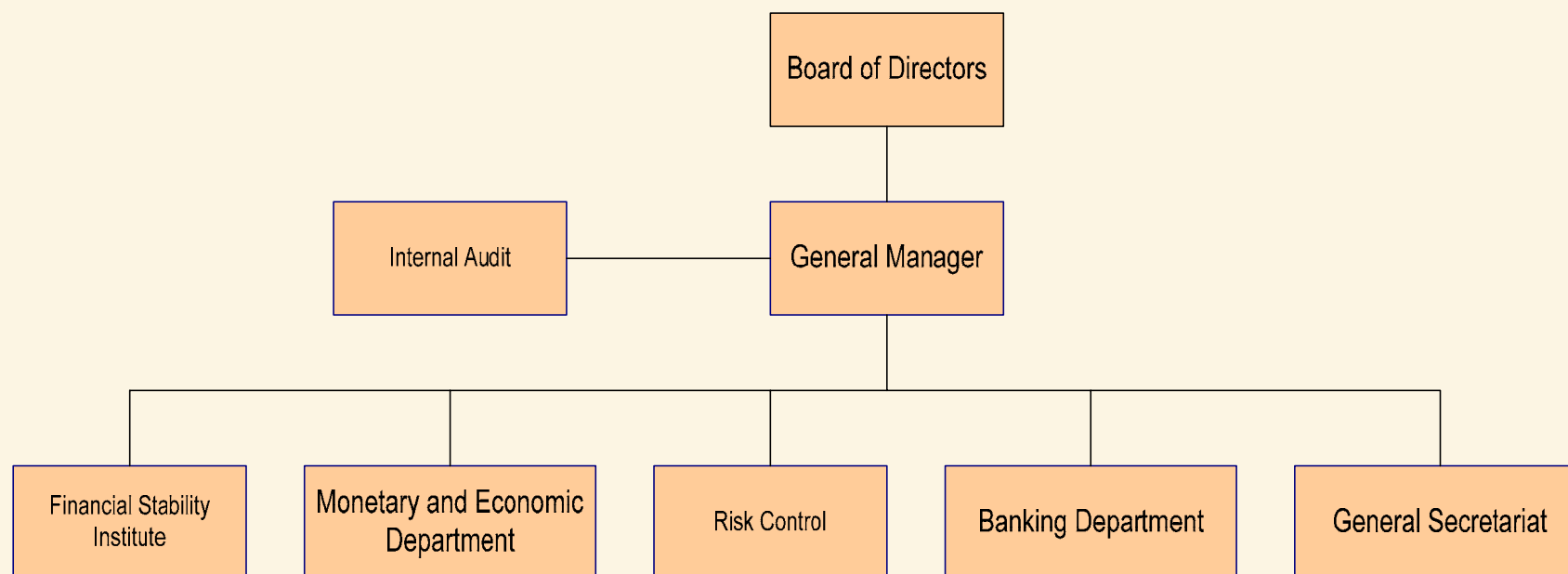
BIS shareholders are the central banks or monetary authorities of*:

Algeria	Croatia	India	Mexico	Slovakia
Argentina	Czech Republic	Indonesia	The Netherlands	Slovenia
Australia	Denmark	Ireland	New Zealand	South Africa
Austria	Estonia	Israel	Norway	Spain
Belgium	Finland	Italy	Philippines	Sweden
Bosnia and Herzegovina	France	Japan	Poland	Switzerland
Brazil	Germany	Korea	Portugal	Thailand
Bulgaria	Greece	Latvia	Romania	Turkey
Canada	Hong Kong SAR	Lithuania	Russia	United Kingdom
Chile	Hungary	Republic of Macedonia	Saudi Arabia	United States
China	Iceland	Malaysia	Singapore	
and the European Central Bank				

*Board members in bold



Basic structure of the BIS





Main features

- 578 Staff
- 48 nationalities
- Two regional representative offices
 - In Hong Kong for Asia and the Pacific
 - In Mexico City for the Americas



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Meetings

- Bi-monthly meetings of Governors: Global Economy, Review Meeting, All Governors, G10, Emerging Markets
- Deputy Governors and senior officials
- Economists and technicians
- BIS Representative Offices



Supporting the Standing Committees

- Basel Committee on Banking Supervision
- Committee on the Global Financial System
- Committee on Payment and Settlement Systems
- Markets Committee



Information and statistics

- Irving Fisher Committee on Central Bank Statistics
- Inter-Agency Task Force on Financial Statistics
- Statistical Data and Metadata Exchange (SDMX)
- BIS Data Bank
- Data on Central Bank Governance



Research agenda

- Supporting the policy work of committees
- Financial and monetary stability
- Topics relevant to many central banks whether from industrial or emerging markets
 - Inflation targeting procedures
 - Transmission mechanism of monetary policy
 - Nexus between monetary and financial stability
 - Market functioning, in particular liquidity
 - Macro-prudential approaches to financial regulation
 - Credit cycles and asset prices
 - Modelling and trading of credit risk
 - Etc



Publications: www.bis.org

- Annual Report: view of BIS on global monetary and current financial issues
- Quarterly Review: topical issues
- Publications of committees
- Regular statistics
 - Quarterly banking statistics, bond markets, external debt
 - Triennial survey on foreign exchange and derivatives market activities (latest in 2007)
- Research papers
 - BIS papers, BIS working papers and others
- Press & Communications



Based at BIS: Financial Stability Forum and others

- Financial Stability Forum assess vulnerabilities, identify/oversee action, coordinate across regulatory areas (1999)
 - Reports on HLI, offshore centres, capital flows
 - Implementation of standards
 - Website: www.fsforum.org
- International Association of Insurance Supervisors (1994)
 - Website: www.iaisweb.org
- International Association of Deposit Insurers (2002)
 - Website: www.iadi.org



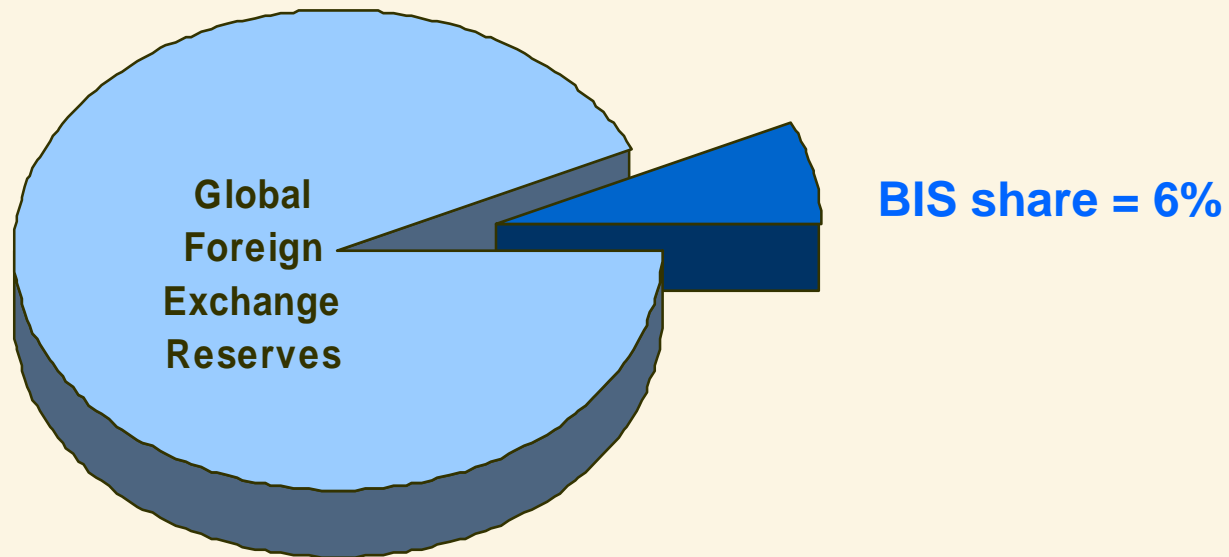
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Customer base

Some 130 central banks, plus a number of international institutions, currently make active use of BIS banking services.





Our Balance Sheet

As at 31 March 2008; in SDR billion

Assets

Gold	31.5
Claims on public sector	
Government, CBs, int institutions & public sector	112.7
Reverse repos	91.9

Claims on commercial banks

Time deposits	62.1
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Derivatives & other	12.9
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Total assets	311.1
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Liabilities

Equity

Paid up capital	0.7
Reserves	10.0
Other equity accounts	<u>2.5</u>

Customer deposits

in gold	29.1
in currencies	<u>236.1</u>

Repos, derivatives & other	32.8
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Total equity & liabilities	311.1
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Our products

On
balance
sheet

Money Markets

- Fixed and floating rate deposits
- Call/notice accounts

Tradable Instruments

- FIXBIS (up to 1 year)
- MTI & Callable MTI (1 - 10 years)

Forex & Gold Services

- Interventions
- Commercial orders
- Currency allocation
- Dual currency deposits

Off
balance
sheet

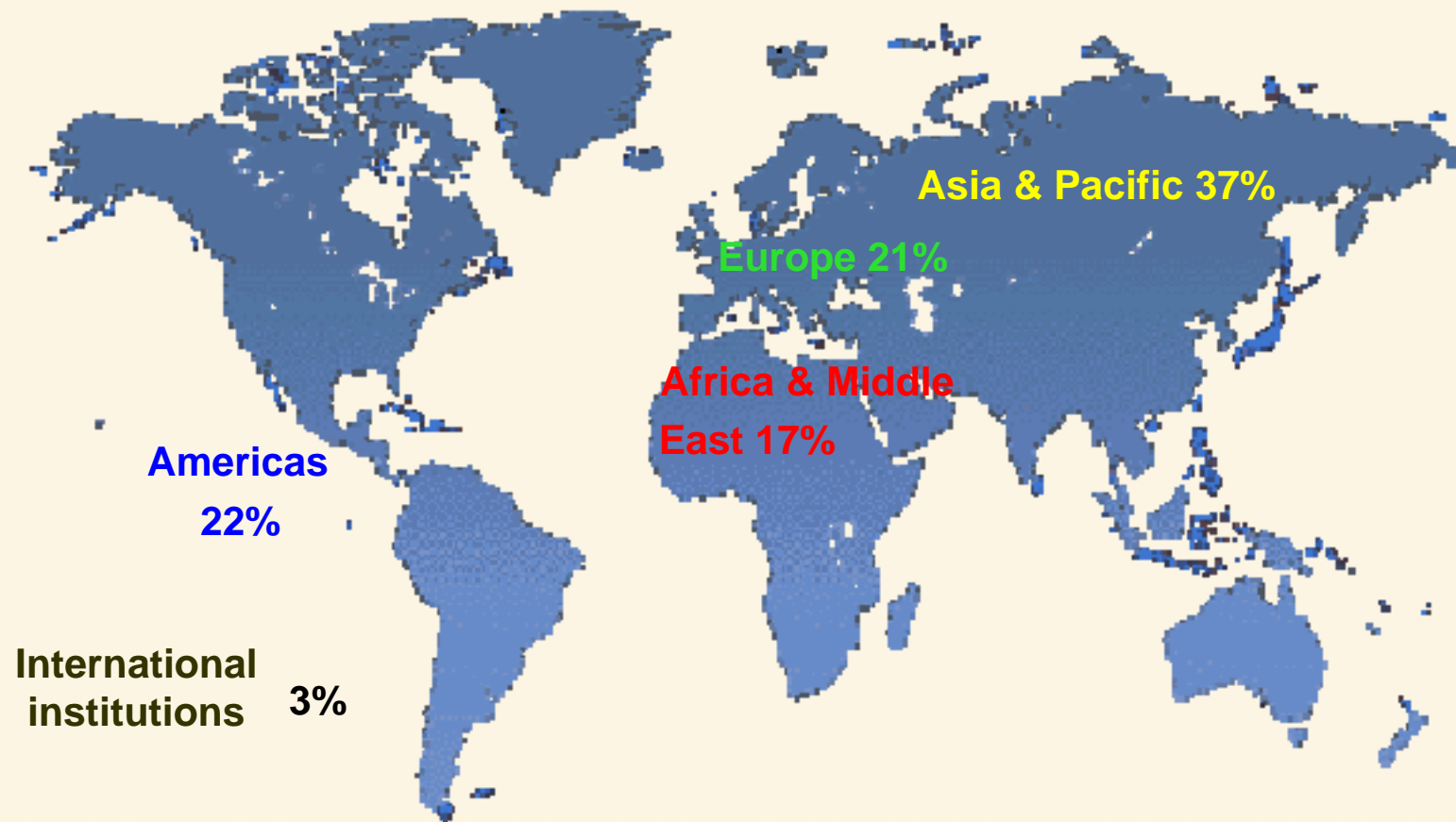
Asset Management

- Dedicated portfolios
- BIS Investment Pool (BISIP)



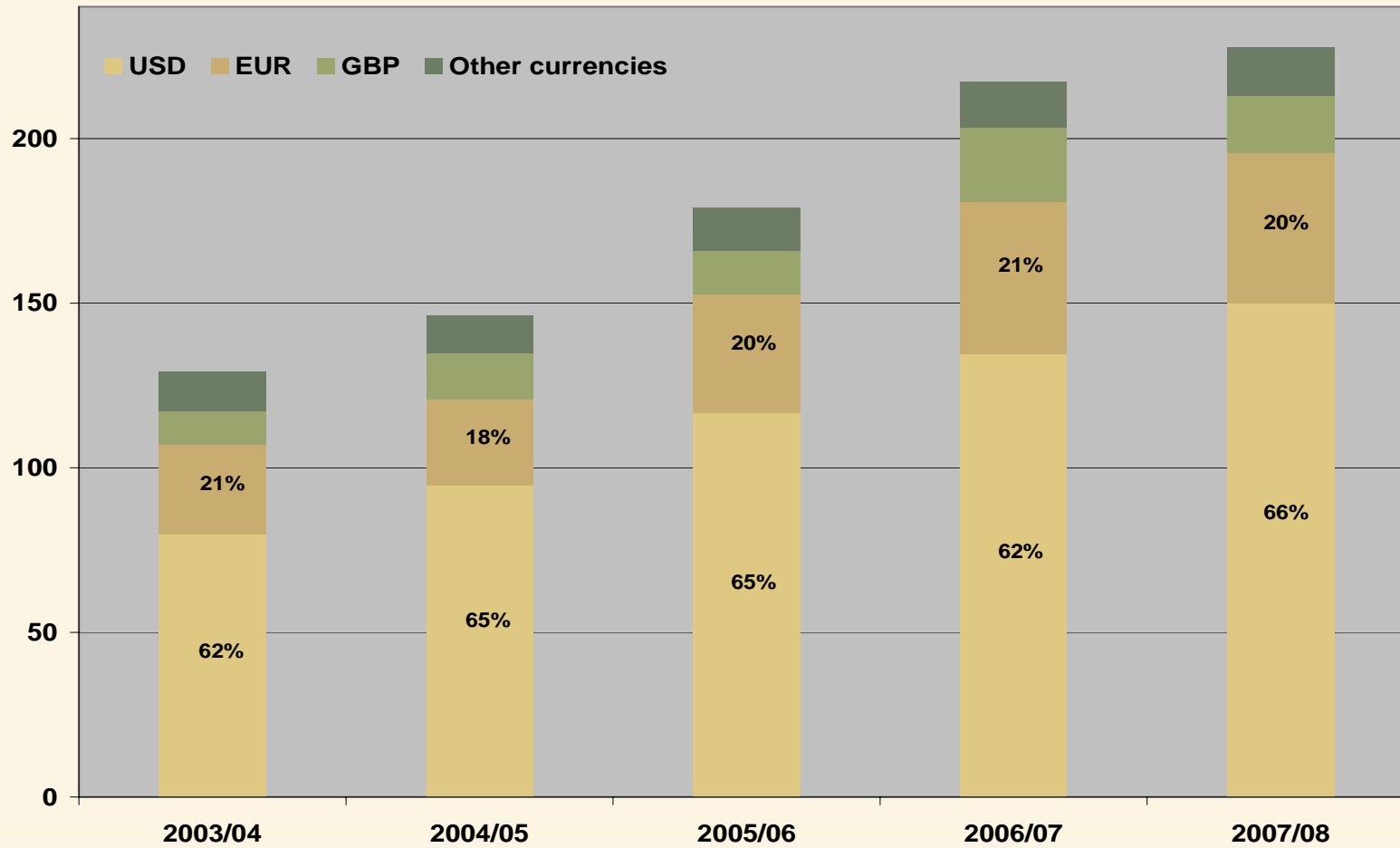
Distribution of BIS customer placements

At end-March 2008





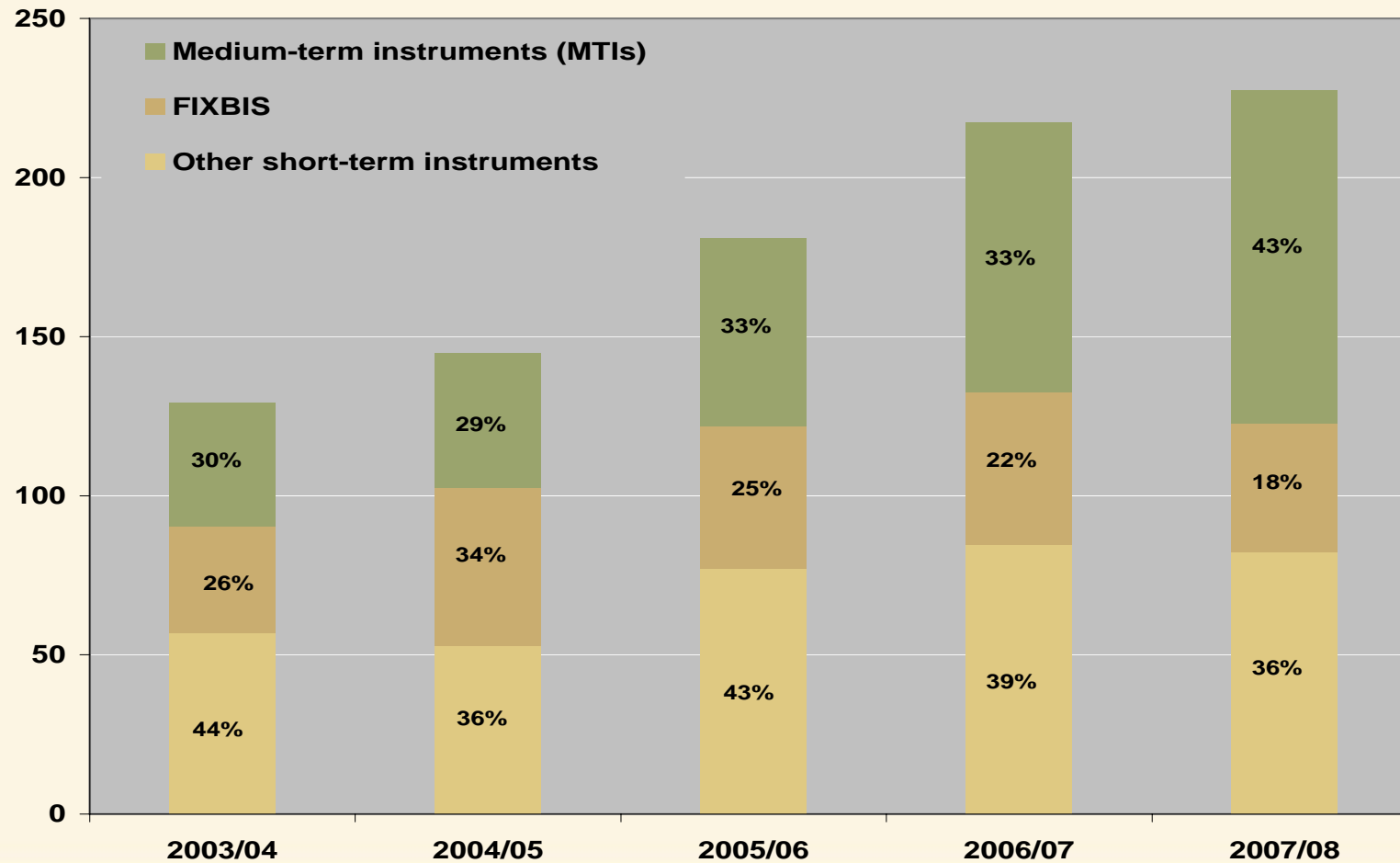
Customer placements by currency In billions of SDR





Customer placements by product

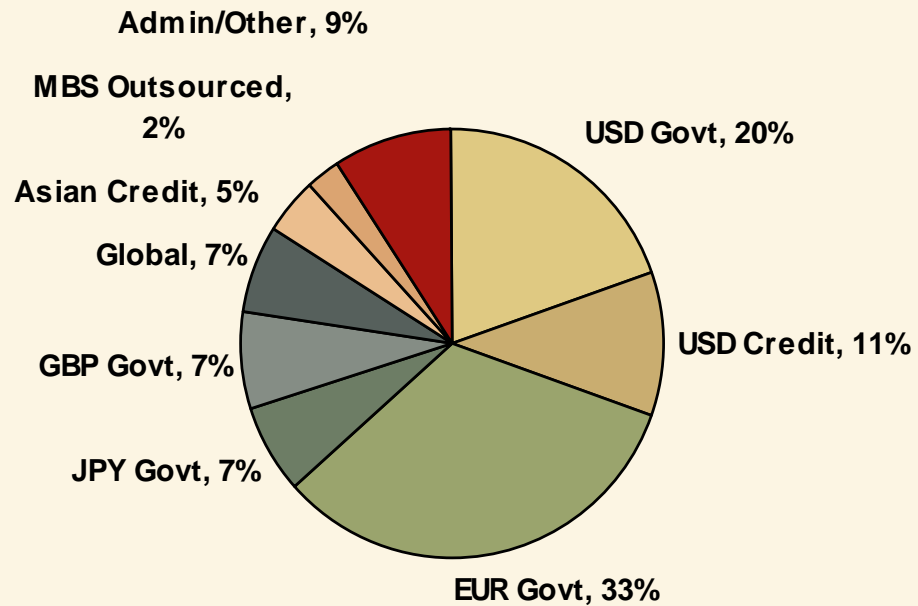
Customer placements in currencies, in billions of SDR



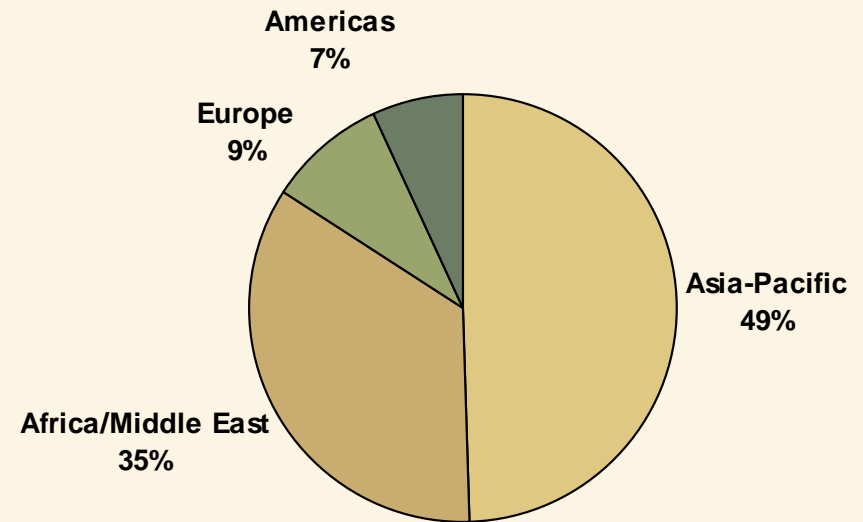


Asset Management Unit: Assets under management As at end-March 2008

Total: USD 28.3 bn
by assets/currency



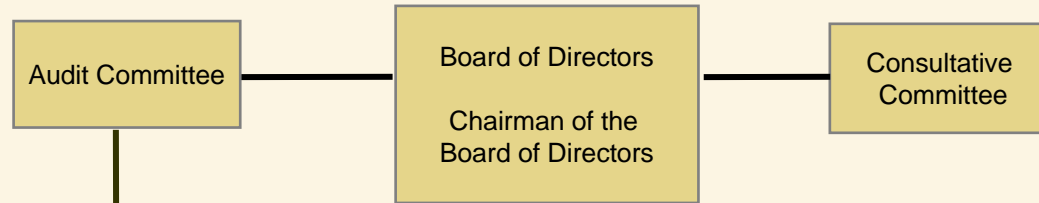
External Mandates: USD 10.0 bn
by customer/region



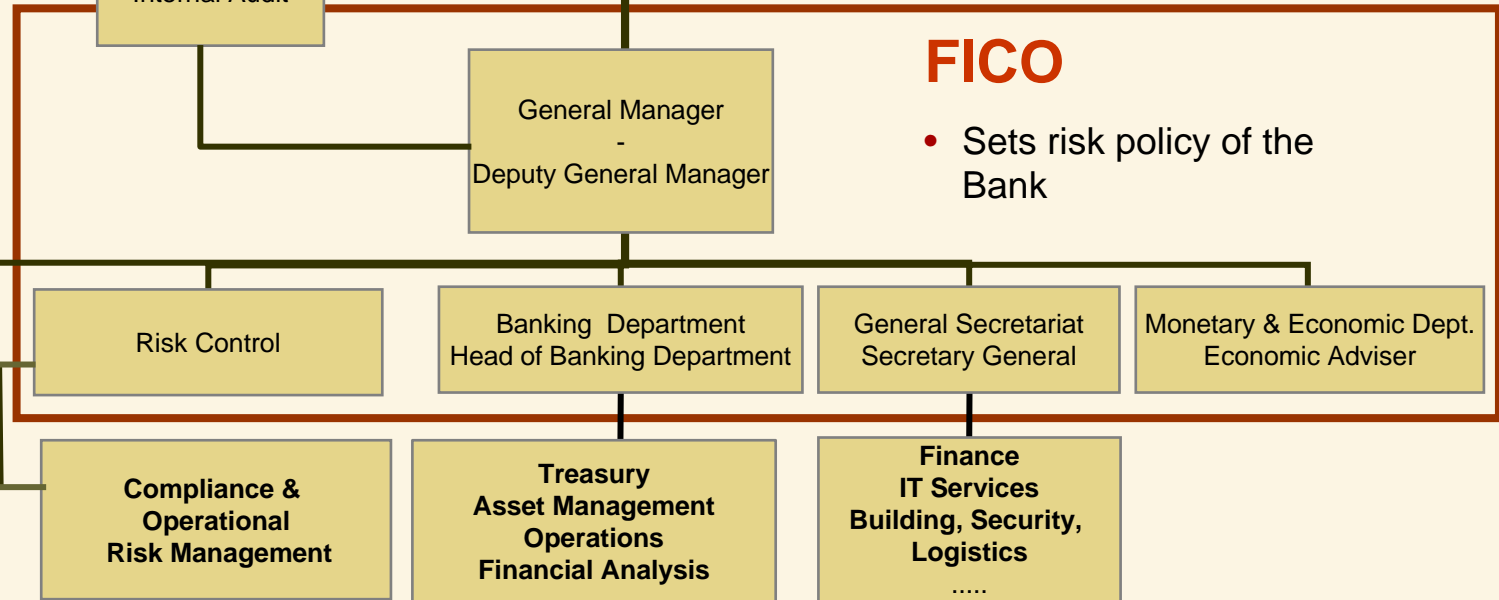


Our Governance Structure

- Board sets general risk framework



- Risk Control is independent from Banking Department





Risk Control

- Market Risk Group:
 - Middle Office computes performance
 - Risk Control set and monitors market risk limits

- Credit Risk Group:
 - Sets and monitors credit risk limits

- Risk Methodology Group



BIS global services

