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**BANK FOR  
INTERNATIONAL SETTLEMENTS**

**FIRST ANNUAL REPORT  
FOR THE BUSINESS YEAR ENDED MARCH 31, 1931**

**BASLE**

## FIRST ANNUAL REPORT

TO THE ANNUAL GENERAL MEETING OF THE  
BANK FOR INTERNATIONAL SETTLEMENTS,

Basle, May 19, 1931.

Gentlemen:

As provided by the Statutes, there is submitted herewith for your information and approval the Annual Report of the Bank for International Settlements covering the first fiscal year which began May 17, 1930 and terminated March 31, 1931.

This year of 10½ months has been one of steady development of our institution in each of its spheres of action. Not only has the Bank been fortunate in contributing to the advance of cooperation between Central Banks — a field in which there remains vast room for gradual progress — but it has also helped to provide additional facilities for international financial operations and capital movements — another domain where the opportunities for constructive service are almost boundless. In this same connection, it has discharged functions as Trustee or Agent under various international settlements enumerated below, the machinery of all of which has operated through the Bank without difficulty, interruption or delay, all the sums involved having been punctually and regularly received and equally punctually and regularly distributed. These subjects will be returned to later, but before doing so it is desired to lay before you the business results of the first fiscal year and to call your attention to certain statistics which, by themselves, reveal the Bank's material growth.

Opening our fiscal year with shareholders of seven nationalities, namely, those the Central Banks or other banking institutions of which founded the Bank for International Settlements and filed subscriptions to 112,000 shares of the capital stock\*, we terminated the year with 23 shareholding institutions of different nationalities with a total of 165,100 shares outstanding, in addition to which 6,000 shares were authorized for delivery to the Central Banks of Yugoslavia and Portugal as soon as the currencies in these countries were legally stabilized. Annex I gives the full list of the participating banking institutions as of March 31, 1931, and the number of shares, twenty-five per centum paid in, originally allotted to each, with the dates of the respective allotments. Starting with deposits of 220,000,000 Swiss francs and total assets and liabilities of 300,000,000 Swiss francs, our

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\* Sixteen thousand shares each were subscribed by the Banca d'Italia, Bank of England, Banque de France, Banque Nationale de Belgique, Reichsbank, Industrial Bank of Japan heading a Japanese group, and J. P. Morgan & Co., the First National Bank of New York and the First National Bank of Chicago constituting the American group.

monthly statement of March 31, 1931, disclosed the growth of deposits to 1,780 million Swiss francs and the increase of total assets and liabilities to 1,900 million Swiss francs. In Annexes III and IV you will find, for the purposes of detailed comparison, our first monthly statement, as of May 31, 1930, and the statement as of March 31, 1931.

While profit making has never been a primary object, ordinary business foresight and sound economic principle have dictated thrift in expenditure and care in our investments, which have been made with, through or with the knowledge and without the objection of the Central Banks concerned in 26 countries of the world. Our operating staff, recruited from ten nationalities, has been kept within moderate limits, as is shown by the table of personnel set forth in Annex II.

### NET PROFITS.

The net profits for the 10½ months, after writing off all installation expenses, cost of furniture and supplies, and after necessary provision for contingencies, is, as approved by the Auditors, 11,186,521.97 Swiss francs at par, which is the money of account in which the books of the Bank are kept. It is for the General Meeting to consider a declaration of dividend and its amount and to make appropriations to Reserve and to Special Funds. After providing for the Legal Reserve Fund that is required by Article 53 of the Statutes in an amount equal to 5% of the net profits, that is to say, 559,326.10 Swiss francs, it is proposed that the General Meeting consider the declaration of a dividend at the rate of 6% per annum, payable for the period between the respective dates of payment of the capital stock subscribed and March 31, 1931. Such a dividend would require 5,156,250 Swiss francs, leaving still available for distribution in the manner described in Article 53 of the Statutes the sum of 5,470,945.87 Swiss francs.

Exercising the discretion vested in it by Paragraph (c) of Article 53, the Board of Directors has determined to place to the credit of a Special Dividend Reserve Fund, for use in maintaining the cumulative 6% dividend provided for by the Statutes, the sum of 1,094,189.17 Swiss francs, which is the maximum amount which it is permissible, under the Statutes, to set aside for this purpose out of the net profits of the year.

After making provision for the foregoing items, you are requested, from the balance still remaining, to make an appropriation to the General Reserve Fund of the Bank in the manner stipulated by Paragraph (d) of Article 53, in the sum of 2,188,378.35 Swiss francs.

The same article of the Statutes lays down the distribution of the sum finally remaining, namely, 2,188,378.35 Swiss francs, between such of the Governments or Central Banks of Germany and the countries entitled to share in the annuities payable under the New Plan, defined in the Hague Agreement of January, 1930, as shall have maintained time deposits at the Bank subject to withdrawal in not less than five years. No Central Banks have such time deposits at present, but the following Governments have such deposits and are entitled, on the understanding that their several deposits continue for at least five years, to participate in the residual amount of 2,188,378.35 Swiss francs, in the following sums:—

French Government Guarantee Fund in accordance with Article XIII of the Trust Agreement	452,593.31	
German Government non-interest-bearing deposit in accordance with Article IX of the Trust Agreement . . . . .		581,440.63
Creditor Government minimum deposits in accordance with Article IV (e) of the Trust Agreement:—		
France . . . . .	639,125.02	
Great Britain . . . . .	245,533.61	
Italy . . . . .	119,520.21	
Belgium . . . . .	67,594.72	
Rumania . . . . .	10,839.01	
Yugoslavia . . . . .	53,062.46	
Greece . . . . .	2,319.97	
Portugal . . . . .	7,665.71	
Japan . . . . .	8,459.27	
Poland . . . . .	224.43	
		<u>1,154,344.41</u> <u>2,188,378.35</u>

The accounts of the Bank and its first Annual Balance Sheet have been duly audited by Messrs Price, Waterhouse & Co., Chartered Accountants, Paris. The Balance Sheet will be found in Annex IV, as well as the certificate of the Auditors to the effect that they have obtained all the information and explanations they have required and that the Balance Sheet exhibits a true and correct view of the state of the Bank's affairs as shown by its books. The Profit and Loss Account and the Appropriation Account are reproduced in Annex V.

#### DEPOSITS AND INVESTMENTS.

The origin of the funds deposited with the Bank for International Settlements is explained by the very nature of its functions. Created in connection with the arrangements relative to the German annuity payments, for the promotion of international financial facilities, and as an intermediary between Central Banks to advance their cooperation and to simplify transfers from one currency to another, the Bank during the current fiscal year has accepted, in addition to the Government deposits envisaged by the Hague Agreements of January, 1930, only deposits from Central Banks, either for their own account or for the account of their Governmental Treasuries. Neither individuals nor private banks are so far among the Bank's depositors.

Speaking in round figures, besides the 103 million Swiss francs paid in on account of capital, the Bank has received, in conformity with the Hague Agreements, the non-interest-bearing deposit of some 155 million Swiss francs deposited at long term by the Treasuries of the Creditor Powers, as well as the sum of 77½ million Swiss francs deposited by Germany on the same basis, and a deposit of the French Government in the amount of some 69 million Swiss francs on account of the Guaranty Fund which that Government is obliged to create in proportion to the mobilization of the German annuities. These items constitute the long term funds over which the Bank has disposition, in the aggregate of approximately 404 million Swiss francs.

The fact that the Bank is a Trustee for the German annuity payments brings it certain other deposits for considerable periods. As of March 31, 1931, these funds represented 12 % of the Bank's deposits, as against 15 % on December 31, 1930, and 20 % and 54 % on September 30 and June 30, 1930, respectively. It will be observed that these funds have been relatively of diminishing importance.

Certain of the Governmental Treasuries which maintain deposits through their Central Banks have accumulated with the Bank the sums necessary to meet their so-called outpayments abroad. Under this heading, deposits held with the Bank represent 31 % on our Balance Sheet at the end of November, 1930, and 21 % on March 31, 1931. This category of deposits has led to the organization of a clearing of inter-governmental payments, which has eliminated numerous conversions from one currency to another, operations which, if they had occurred through the ordinary markets, would only have unnecessarily troubled the exchanges. The organization of the inter-governmental clearing constitutes a new facility for international financial operations.

It is, however, in the steady development of deposits of Central Banks for their own account that one finds the reason for the steady growth of the volume of funds at the disposition of the Bank during the first fiscal year. Out of the total of our resources, 10 % at the end of June 1930 represented the foreign currency reserves of Central Banks, whereas this percentage became 31 % at the end of September 1930, 51 % at the end of December 1930 (804 million Swiss francs) and 43 % on March 31, 1931 (812 million Swiss francs). In its first year, therefore, the Bank, thanks to the spirit of collaboration between Central Banks, has become an organization one of whose principal activities is to act as a reserve center for the foreign exchange holdings of those agencies in the respective countries which are charged with the duty of maintaining exchange stability (see graph, Annex XIIa). This concentration of foreign exchange reserves has made it possible to offer to the depositary Central Banks certain advantages in the administration of these reserves, in the revenue therefrom, and in the rapid convertibility from one currency to another, thereby affording an additional facility for international financial operations and capital movements, which it is hoped may be still further developed.

The relationship of the short term deposits received by the Bank, divided into deposits at sight, three months and three to six months, has undergone the following development during the year under review:—

**DEPOSITS OF CENTRAL BANKS FOR THE ACCOUNT OF THIRD PARTIES:**

	at sight	at 3 months	at 6 months
June 30, 1930	100 %	(not organised)	
Sept. 30, 1930	17	78 %	5 %
Dec. 31, 1930	40	44	16
Mar. 31, 1931	45	54	1

**DEPOSITS OF CENTRAL BANKS FOR THEIR OWN ACCOUNT:**

June 30, 1930	100 %	(not organised)	
Sept. 30, 1930	14	50 %	36 %
Dec. 31, 1930	25	75	0
Mar. 31, 1931	38	61	1

Our policy in fixing interest rates payable on deposits has tended to render more advantageous the maintenance by Central Banks of their foreign exchange reserves in a way which ensures greater liquidity for these reserves. While this policy has rendered more difficult our own corresponding investment policy, the Bank has nevertheless considered that it would thus facilitate to Central Banks the maintenance of stability of their various currencies and contribute to the increase of confidence in international monetary security.

Out of the total of our short term deposits on March 31st, 71 % had been effected in dollars, 11 % in Reichsmarks, 9 % in pounds sterling, 3 % in French francs, 3 % in Dutch florins, 2 % in Swiss francs, and the remainder scattering. Necessarily the currency originally deposited has a relationship to the repartition of our own investments. Nevertheless, thanks to arrangements which it has been possible to make with a number of Central Banks providing for the immediate conversion of one currency into another without passing through the open market, we have been able, with security, to redistribute deposits received and to effect a considerable geographic distribution of our investments on 25 different markets. The amount held in Germany represents, for example, 21 % of our assets. Of the funds invested, 41 % were invested with Central Banks, 20 % with banking institutions selected by Central Banks, and the remainder with or through institutions selected by us with the knowledge of the interested Central Banks (see graph, Annex XIIb). In this last category, as in the case of the first two, all our investments are made through the intermediary of the Central Banks concerned, which are thus aware of all operations in their markets. This rule which has been followed enables the Bank to feel that it is not acting in contradiction to the credit policy of the local Central Bank, and, thanks to this practice, there has been no instance to date of the exercise of the veto right, which, in accordance with our Statutes, each Central Bank is entitled to exercise with respect to any operation in its market which it does not desire.

The nature of our deposits and commitments has led us to maintain a very great liquidity in the assets of the Bank (Annexes XIIIa and b portray in graphic form our commitments and assets according to maturities). Of our total funds, but 2 % are invested at long term and approximately 10 % at intermediate term. Of these two categories aggregating 223 million Swiss francs, nearly the whole is invested in Germany. Our investments from 3 to 6 months amounted on March 31st to 13 million Swiss francs, our funds not to exceed 3 months to 850 million Swiss francs, the remainder of our funds, that is to say 42 %, being invested at sight or in portfolio rediscountable at any moment, thus giving us quick assets to move from one currency to another. As our own treasury reserve we endeavor as a general rule, if there is no reason for exception, to use currencies which, from time to time, have the highest international value, and we endeavor gradually to increase our assets in a given currency when this currency approaches a low point between the gold points. In this manner our operations tend in the direction of smoothing out exchange quotations.

In conformity with its Statutes, the Bank has not granted any advance to Governments. With a view to aiding the development of business affairs, the Bank has, on the contrary, progressively increased the volume of its commercial bills. This portfolio represented 25 % of the Bank's assets as of March 31, 1931, as against 20 % on December 31, 1930 and 12 % on September 30, 1930. In addition, deposits which the Bank

has made with Central Banks in the form of "money employed deposits" have enabled certain Central Banks during the fiscal year, with the funds so deposited, to exercise on their markets a helpful influence in the development of a normal market for commercial bills.

Considering the need for promoting capital movements from markets where capital is over-abundant to markets where it is required for economic development and the equal need for moving the surplus of short term funds into longer term investments, the Board of Directors last autumn appointed a Committee which was to elaborate general principles in regard to the nature and amount of middle term credits, especially for the promotion of exports, which might be taken by the Bank, within the limits of its resources, in the hope that this example might stimulate others to proceed in the same manner on a larger scale. The Report of the Committee was adopted, and it was decided to employ 100 to 150 million Swiss francs or thereabouts, over and above the investments already made, in operations of this type. It was decided that the Bank would grant medium term credits only through the intermediary of the respective Central Banks themselves, or with the help of local agencies, specialized in that type of business, which would be indicated by the Central Banks. In no case was the Bank to enter into direct relations with the individual borrowers or with the markets, and all bills taken were to conform substantially to the requirements for self-liquidating trade bills eligible for discount by Central Banks, with the sole exception that they might run over a longer period. In view of the fact that the demand for such credits is likely to be larger than the sums available to the Bank for this purpose, it has been the policy that the assistance afforded should take principally the form of aiding individual Central Banks in the creation of markets for middle term bills.

#### CENTRAL BANKING COLLABORATION.

One of the objects of the Bank is to facilitate collaboration between Central Banks whose currencies satisfy the practical requirements of the gold or gold exchange standard — collaboration not only in connection with the maintenance of monetary stability but also in connection with a better organization of credit in the respective markets and the facilitation of international capital transactions.

A prerequisite to successful collaboration is mutual acquaintanceship and understanding and, in this regard, the establishment of regular personal contact between the Governors of several Central Banks, upon the occasion of the Board meetings, has naturally been most useful. Not only have the Governors of the Central Banks now represented in the Board exchanged views at each monthly gathering, but the Governors of other Central Banks, that are shareholders in the institution, have likewise visited Basle from time to time to meet their colleagues.

Besides the reunions of the Governors, we have on several occasions gathered together technical experts from the Central Banks, for the purpose of organizing conferences between them on problems of mutual interest. It may be said that since the creation of the Bank, no week has passed without visits being received from several Central Bank representatives. These exchanges of views and the continuous contact which is maintained with Basle have been most useful in developing a better collaboration between the institutions. The existence of a central organization facilitates study of com-

mon problems which interest the agencies that are responsible for the maintenance of currency stability and the control of the volume of credit, such as the best methods for following the development of credit on the different markets, discount policy, the influence of the official rate upon the open market rate and of both rates upon the international movements of capital, policy with respect to exchange operations, and the various regulations concerning the convertibility of one currency into another.

Besides permanent contacts with institutions already on the gold or gold exchange standard, the Bank has been glad to keep in touch with Central Banks in countries which have not yet stabilized their currencies, and the Bank has been prepared, in principle, to study the possibilities of rendering technical assistance to such institutions as propose to re-establish the legal convertibility of their currencies.

A conference in November of the Heads of the Exchange Departments of several important European Banks of Issue led to useful expressions of views with respect to the administration of foreign currency reserves and prepared the way for the adoption of common conditions for the purchase of gold. At present, most Central Banks have declared themselves ready to accept gold bars of the fineness of  $\frac{900}{1000}$ , thereby facilitating the use, in international transactions, of the existing stocks of the metal. The same meeting recommended that Banks holding gold abroad should notify the Bank for International Settlements of the amount and location, in order to permit the Bank to endeavor to serve as a clearing intermediary for Banks having movements of gold to effect from market A to market B, with a view to avoiding any unnecessary physical shipment in case other Banks could be found already possessing gold in market B which they were prepared to exchange against the gold in market A. Gold of a value of more than a billion Swiss francs held abroad in New York, London, Paris, Berne, Stockholm and Copenhagen has been reported to the Bank for the foregoing purpose. In addition, the Bank itself holds in its own name, but for the account of various Central Banks, gold in New York, London and Paris.

The concentration with the Bank of a part of the foreign reserves of Central Banks has permitted the development of transfer operations from bank to bank, by book transfers and debits and credits in the accounts of our Bank without going through the open market. These transfers, from the account of one bank to the account of another bank, permit the execution of international settlements, without any reaction on the market of the currency thus transferred. The Bank indeed continues to hold, against the deposit of the bank which is credited, the same assets which it held against the deposit of the bank which effected the payment. The development and perfecting of these clearing operations is now the subject of exchanges of views with the Central Banks, and it is hoped to make further progress in this direction.

All of these steps indicate the direction in which we have tended, during the first year of our activity, on the way to establishing monetary solidarity between the Central Banks having gold currencies.

#### TRUSTEE AND AGENCY FUNCTIONS.

The Bank is acting as Trustee or Agent in connection with the following international financial settlements and transactions: the receipt, administration and distribution of

the German annuity payments specified by the New Plan adopted at The Hague in January 1930; the receipt and distribution of funds payable pursuant to the terms of the Hague Agreements of January 1930, by Bulgaria, by Hungary and by Czechoslovakia; the receipt and distribution, as Fiscal Agent of the Trustees for the German External Loan 1924, of the funds requisite for the service of that Loan; the receipt and distribution of the funds relative to the service of the German Government International 5½ % Loan 1930; the receipt and distribution of the funds necessary for the service of the Austrian Government International Loan 1930.

#### THE ANNUITY PAYMENTS OF THE GERMAN REICH.

The German annuity, as fixed by the New Plan for the year April 1, 1930— March 31, 1931, amounted to 1,641.6 million Reichsmarks, plus the cost of the service of the German External Loan 1924, payable in equal monthly instalments on the 15th or next business day of each month. Of this total, 512,013,400 Reichsmarks were payable in Reichsmarks for financing programs of deliveries in kind, the remainder being payable in foreign currencies, subject to the provisions of the New Plan.

As the New Plan did not come into legal effect until May 17, 1930, although its schedule of payments was already provisionally operative, the instalments due April 15 and May 15, 1930 were received and administered by the Agent General for Reparation Payments, who, on May 17, 1930, turned over to the Bank for International Settlements, in accordance with the Hague Agreements, his available undistributed balances, in an amount equivalent to 182,691,763.57 Reichsmarks. The Bank for International Settlements thereupon assumed the receipt and administration of the German annuities. In conformity with the provisions of the New Plan and the Trust Agreement between the Bank and the Creditor Governments of Germany, annexed thereto, it has duly received and holds the Certificate of Debt of the German Reich, with coupons attached, expressing the annuities payable by Germany under the New Plan, and it has also received and holds the Certificate issued by the German Railway Company confirming its contribution to the annuity of a German Reich tax in the amount of 660 million Reichsmarks per annum. The details of the operations of the Bank, in respect of the German annuity during the period May 17, 1930 — March 31, 1931, are set forth in full in Annexes VIa and b, in the form approved and certified by the Auditors. There is also therein set forth, similarly approved and certified by the Auditors, data setting forth the distribution and payments to the various Creditor Powers of all sums received. Besides the payments made by Germany, in respect of the annuities as contained in Annexes VIa and b, the German Government has paid and maintained, as provided by Article VI of the Certificate of Debt of the German Reich, a non-interest-bearing but profit-sharing deposit equal to 50 % of the average deposit of the Creditor Powers remaining in the Annuity Trust Account provided by the Trust Agreement between the Bank and the Creditor Powers. This balance, on March 31, 1931, was in the equivalent of 62,500,000 Reichsmarks. Information in connection with Deliveries in Kind from Germany, showing the amounts received by the Bank for this purpose and the use thereof, with the unexpended balances on hand as on March 31st, is given in Annex VII. With respect to Deliveries in Kind, the Bank has accepted to act solely in the capacity of banker and it has nothing to do with placing buyers in touch with sellers, with the conclusion of contracts or with any supervision of their execution.

#### THE ANNUITY PAYMENTS OF BULGARIA, CZECHOSLOVAKIA AND HUNGARY.

Under the Hague Agreements of January, 1930, it was provided that the Bank for International Settlements would, if it consented, exercise the function of Trustee for the Creditor Powers in respect of the payments to be made by Czechoslovakia, Hungary and Bulgaria. The Bank for International Settlements consented to accept this appointment and agreed upon the terms of three Trust Agreements applicable to the three international settlements. Owing, however, to delays in the ratification of certain of the Hague Agreements, no one of the Trust Agreements had yet come into force at the end of the Bank's first fiscal year. Nevertheless, the Bank received from Czechoslovakia the applicable payments due to be made prior to March 31st in the equivalent amount of 20 million gold marks. Annex VIII contains the distribution of this sum between the Creditor Governments entitled to participate therein. These sums were received and disbursed by mutual agreement and treated as if the relative Trust Agreement were in force. The Bank also acted as depositary for the payments made during the same period by Hungary, in the equivalent amount of 3.5 million gold crowns, and by Bulgaria, in the equivalent amount of 10 million gold francs, which sums are held in interest-bearing accounts for release to the respective Governments entitled thereto as soon as the relative Trust Agreements shall have been executed. The same Annex contains a statement of the participation of the interested Governments in the payments made by Hungary and by Bulgaria respectively.

#### THE SERVICE OF THE GERMAN EXTERNAL LOAN 1924.

As Fiscal Agent of the Trustees for the German External Loan 1924, the Bank, since its appointment as Fiscal Agent, on May 17, 1930, has regularly and punctually received and distributed all the payments required for the service of this Loan, pursuant to the terms of the General Bond securing it. A Statement of Receipts and Payments in respect of the Loan, as certified by the Auditors, for the period May 17—October 15, 1930, the date of the last completed Loan year, is appended as Annexes IXa and b. In addition, the funds relating to this Loan which were deposited, in the name of the Trustees, with Paying Agents as at March 31, 1931, are shown in Annex XI.

#### THE GERMAN GOVERNMENT INTERNATIONAL 5½ % LOAN 1930.

The Bank, in addition to acting as Trustee for the service of the German Government International 5½ % Loan 1930, served as Agent for the German Government and the Creditor Powers in connection with the original issue of the Loan, which was made in June, 1930, on the following markets: Belgium, France, Germany, Great Britain, Holland, Italy, Sweden, Switzerland and the United States. The aggregate nominal amount of the issue expressed in dollars was approximately 351 million dollars, and the net proceeds, after deduction of issue taxes, allowance for the issue price at 90 % of par, and for commissions and expenses was \$ 302,116,707.09. Pursuant to the Hague Agreements, the German Reich received one-third of the net proceeds for the German Post Office and the German Railway

Company, and six Creditor Powers received the remaining two-thirds. Annex X contains a complete statement, as certified by the Auditors, of the receipts on account of the issue in the respective markets where the Loan was placed, and the distribution of the proceeds between the various beneficiaries, that is to say: France, Germany, the British Empire, Italy, Japan, Yugoslavia and Portugal. The service of the Loan is a direct and unconditional obligation of the German Reich, and all payments required by the General Bond securing the Loan have been regularly and promptly received by the Trustee and remitted to the various Paying Agents for the account of the respective bondholders. The first Loan year ends on June 1, 1931, so that audited accounts for the Loan are not yet available, but details of Loan funds deposited in the name of the Bank, as Trustee, with Paying Agents, as at March 31, 1931, are shown in Annex XI. It will be observed from this Annex that the funds remaining available for redemption by purchases on the market, when possible, or through drawings, were very small, the reason being that the Trustee, acting under the provisions of the General Bond, had, before March 31, 1931, effected market purchases for sinking fund purposes through the respective Paying Agents, to the greatest possible extent.

#### AUSTRIAN GOVERNMENT INTERNATIONAL LOAN 1930.

In July 1930 the Bank accepted the Trusteeship of the Austrian Government International Loan 1930, which was issued in the nominal equivalent of 439,000,000 schillings. The service of this Loan has been regularly received and distributed, in accordance with the General Bond and the relative contracts. The first Loan year ends on June 30, 1931, so that audited accounts for the Loan are not yet available, but details of Loan funds deposited in the name of the Bank, as Trustee, with Paying Agents as at March 31, 1931, are shown in Annex XI. It will be observed from this Annex that the funds remaining available for redemption by purchases on the market, when possible, or through drawings, were very small, the reason being that the Trustee, acting under the provisions of the General Bond, had, before March 31, 1931, effected market purchases for sinking fund purposes through the respective Paying Agents, to the greatest possible extent.

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Your Board of Directors has held 9 meetings in Basle during the 10½ months of the first fiscal year, in addition to the informal organization meeting, which was attended by all the nominated members of the Board; prior to the formal opening of the institution for business. At the close of the year, the number of members of the Board is 16, of 7 nationalities, as was the case at the opening of the fiscal year. There have, however, been two changes in membership.

On December 24, 1930, Governor Bonaldo Stringher of the Bank of Italy died suddenly, after 30 years of constructive service in that institution. Governor Stringher's grasp of international monetary problems was such that his death constituted a grave loss to our institution.

On September 25, 1930, Governor Emile Moreau of the Bank of France retired from the Board, owing to resignation from his post as Chief Executive of the French Bank of Issue. Governor Moreau had participated in all the steps leading to the creation and organization of the Bank for International Settlements, and his departure removes a personage of especial competence and authority.

The vacancies thus created were respectively filled by Signor Vincenzo Azzolini, the new Governor of the Bank of Italy, and by Monsieur Clément Moret, the new Governor of the Bank of France.

Respectfully submitted,  
GATES W. McGARRAH,  
President.

## CENTRAL BANKS OR OTHER BANKING INSTITUTIONS ALLOTTED SHARES OF THE BANK

during the period from May 17, 1930 to March 31, 1931

Shares, 25% paid up, allotted to:—	Number of shares	Date of Acquisition
Banca d'Italia, Rome . . . . .	16,000	20th May 1930
Bank of England, London . . . . .	16,000	20th May 1930
Bank Polski, Warsaw . . . . .	4,000	25th June 1930
Bank von Danzig, Danzig . . . . .	4,000	25th June 1930
Banque de France, Paris . . . . .	16,000	20th May 1930
Banque de Grèce, Athens . . . . .	4,000	25th June 1930
Banque Nationale de Belgique, Brussels . . . . .	16,000	20th May 1930
Banque Nationale de Bulgarie, Sofia . . . . .	4,000	25th June 1930
Banque Nationale de Roumanie, Bucarest . . . . .	4,000	25th June 1930
De Nederlandsche Bank, Amsterdam . . . . .	4,000	20th May 1930
Eesti Pank, Tallinn . . . . .	100	31st Oct. 1930
Finlands Bank, Helsingfors . . . . .	4,000	25th June 1930
Latvijas Banka, Riga . . . . .	500	30th Dec. 1930
Lietuvos Bankas, Kaunas . . . . .	500	31st March 1931
Magyar Nemzeti Bank, Budapest . . . . .	4,000	25th June 1930
Narodní Banka Československá, Prague . . . . .	4,000	25th June 1930
Nationalbanken i Kjøbenhavn, Copenhagen . . . . .	4,000	25th June 1930
Oesterreichische Nationalbank, Vienna . . . . .	4,000	25th June 1930
Reichsbank, Berlin . . . . .	16,000	20th May 1930
Schweizerische Nationalbank, Zürich . . . . .	4,000	20th May 1930
Sveriges Riksbank, Stockholm . . . . .	4,000	20th May 1930
A group of 14 Japanese banks led by the Industrial Bank of Japan, Tokyo . . . . .	16,000	20th May 1930
The American Group:—		
J. P. Morgan & Co., New York . . . . .	16,000	20th May 1930
The First National Bank of New York, New York . . . . .		
The First National Bank of Chicago, Chicago . . . . .		
	165,100	

NOTE: Since March 31st, 1931, 500 shares have been allotted to the Banca [Nazionale d'Albania, Rome; in addition, 4000 shares have been authorised for delivery to the Norges Bank, Oslo, 4000 to the Banque Nationale du Royaume de Yougoslavie, Belgrade, and 2000 to the Banco de Portugal, Lisbon, as soon as the necessary local legislation enabling the first named Central Bank to subscribe to shares is adopted, and, as regards the remaining two, as soon as currency stabilisation is legally effected.

# BANK FOR INTERNATIONAL SETTLEMENTS

## PERSONNEL, MARCH 31, 1931.

1. Management . . . . .		7	
2. Officials:			
Offices of President and General Manager . . . . .	2		
Central Banking Section . . . . .	4		
Banking Section . . . . .	5		
General Secretariat . . . . .	12	<u>23</u>	
3. Employees:			
Accountants . . . . .	14		
Clerks . . . . .	13		
Translators . . . . .	3		
Mailing clerks . . . . .	5		
Private secretaries . . . . .	7		
Shorthand-typists . . . . .	22	<u>64</u>	
			<u>94*</u>

\* Exclusive of minor staff employed for upkeep of building, messenger service, etc.

# BALANCE SHEET

(IN SWISS FRANCS)

ASSETS			
			%
I—CASH			
On hand and on current account with Banks . . . . .		5,070,541.19	1.7
II—SIGHT FUNDS at interest . . .		32,395,474.27	10.7
III—REDISCOUNTABLE BILLS AND ACCEPTANCES (at cost)			
1. Commercial Bills and Bankers' Acceptances . . . . .	125,238,198.99		41.4
2. Treasury Bills . . . . .	101,005,143.56		33.4
		226,243,342.55	
IV—TIME FUNDS at interest			
1. Not exceeding 3 months . . .		7,141,463.87	2.3
V—SUNDRY INVESTMENTS (at cost)			
1. Maturing within 1 year. . . . *	15,961,620.05		5.3
2. Over 1 year . . . . .	15,266,859.64		5.0
		31,228,479.69	
VI—OTHER ASSETS . . . . .		620,376.29	0.2
		302,699,677.86	100.0

## AS AT MAY 31, 1930

AT PAR)

LIABILITIES			
			%
<b>I—CAPITAL</b>			
Authorized 200,000 shares each of 2,500 Swiss gold francs	500,000,000.—		
Issued 124,000 shares . . . . . of which 25 % paid up . . . . .	310,000,000.—	77,500,000.—	25.6
<b>II—LONG TERM DEPOSITS</b>			
1. Annuity Trust Account . . . . .	197,651,792.64		65.3
2. German Government Deposit	—		
		197,651,792.64	
<b>III—SIGHT DEPOSITS</b>			
1. Central Banks for their own account . . . . .		26,952,652.87	8.9
<b>IV—MISCELLANEOUS ITEMS . . . . .</b>			
		595,232.35	0.2
		302,699,677.86	100.0

# BALANCE SHEET

(IN SWISS FRANCS)

ASSETS			
			%
<b>I—CASH</b>			
On hand and on current account with Banks . . . . .		7,238,738.52	0.4
<b>II—SIGHT FUNDS at interest . . .</b>		186,281,460.50	9.8
<b>III—REDISCOUNTABLE BILLS AND ACCEPTANCES (at cost)</b>			
1. Commercial Bills and Bankers' Acceptances . . . . .	471,424,314.83		24.8
2. Treasury Bills . . . . .	138,103,339.67		7.3
		609,527,654.50	
<b>IV—TIME FUNDS at interest</b>			
1. Not exceeding 3 months . .	850,694,058.69		44.7
2. Between 3 and 6 months . .	12,787,661.18		0.7
		863,481,719.87	
<b>V—SUNDRY BILLS AND INVEST- MENTS</b>			
1. Maturing within 1 year . . .	184,781,880.60		9.7
2. Over 1 year . . . . .	37,870,477.54		2.0
		222,652,358.14	
<b>VI—OTHER ASSETS . . . . .</b>		11,966,981.38	0.6
		1,901,148,912.91	100.0

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS  
OF THE BANK FOR INTERNATIONAL SETTLEMENTS, BASLE.

In conformity with Article 52 of the Bank's Statutes we have examined the books and accounts (operations) and we report that we have obtained all the information and explanations we have required correct view of the state of the Bank's affairs according to the best of our information and the

BASLE, May 6, 1931.

## AS AT MARCH 31, 1931

AT PAR)

LIABILITIES			
			%
<b>I—CAPITAL</b>			
Authorised 200,000 shares, each of 2,500 Swiss gold francs	500,000,000.—		
Issued 165,100 shares . . . . . of which 25% paid up . . . . .	412,750,000.—	103,187,500.—	5.4
<b>II—LONG TERM DEPOSITS</b>			
1. Annuity Trust Account . . .	154,873,960.—		8.2
2. German Government Deposit	77,436,980.—		4.1
3. French Government Guarantee Fund . . . . .	68,879,621.96	301,190,561.96	3.6
<b>III—SHORT TERM AND SIGHT DEPOSITS</b>			
1. Central Banks for their own account:			
(a) Between 3 and 6 months.	5,700,262.50		0.3
(b) Not exceeding 3 months.	495,126,691.51		26.0
(c) Sight . . . . .	310,979,622.39		16.4
2. Central Banks for the account of others:		811,806,576.40	
(a) Between 3 and 6 months.	5,253,989.44		0.3
(b) Not exceeding 3 months.	355,730,774.08		18.7
(c) Sight . . . . .	292,190,140.10		15.4
3. Other depositors:		653,174,903.62	
(a) Not exceeding 3 months.	13,793,737.30		0.7
(b) Sight . . . . .	227,683.09		0.0
		14,021,420.39	
<b>IV—MISCELLANEOUS ITEMS . . . . .</b>		6,581,428.57	0.3
<b>V—SURPLUS</b>			
Profit for the period from May 17, 1930 to March 31, 1931 . . . .		11,186,521.97	0.6
		1,901,148,912.91	100.0

of the Bank for the period from May 17, 1930 to March 31, 1931 (being the first fiscal period of its and that in our opinion the above Balance Sheet is properly drawn up so as to exhibit a true and explanations given to us and as shewn by the books of the Bank.

PRICE, WATERHOUSE & Co.  
Chartered Accountants.

## PROFIT AND LOSS ACCOUNT

for the period May 17, 1930 to March 31, 1931

		Swiss francs at par
Net Income from the use of the Bank's capital and the deposits entrusted to it, after necessary allowance for contingencies . . . . .		12,940,008.—
Commissions earned:—		
Under Trust Agreements . . . . .		1,673,199.33
As Trustee (or Fiscal Agent to Trustees) for International Loans . . . . .		277,080.35
In connection with the issue of the German Government International 5½% Loan 1930. . . . .		252,080.50
Transfer Fees . . . . .		1,027.70
	GROSS PROFIT:—	15,143,395.88
Expenses relating to preliminary organisation and installation:—		
Salaries of staff, travelling expenses, rent, etc. applicable to the period prior to May 17, 1930	270,639.27	
Furniture and office equipment . . . . .	237,184.78	
Constructional alterations to building . . . . .	225,486.41	733,310.46
Provision for indemnities to and repatriation of staff. . . . .		400,000.—
Costs of Administration:—		
Board of Directors — fees and travelling expenses	226,157.67	
Managing Board and staff — salaries and travelling expenses . . . . .	2,081,095.75	
Rent, insurance, heating, light and water . . . . .	200,038.12	
Consumable office supplies, books, publications	121,242.78	
Telephone, telegraph and postage . . . . .	117,355.81	
Miscellaneous . . . . .	77,673.32	2,823,563.45
Expenditure. . . . .		3,956,873.91
	NET PROFIT:—	11,186,521.97

ANNEX V

APPROPRIATION ACCOUNT

	<u>Swiss francs at par</u>
NET PROFIT FOR THE PERIOD MAY 17, 1930 TO MARCH 31, 1931 . . . . .	11,186,521.97
Applied in accordance with Article 53 (a) (b) (c) and (d) of the Statutes, as follows:—	
To the Legal Reserve Fund — 5 % of 11,186,521.97 . . . . .	<u>559,326.10</u>
	10,627,195.87
Dividend at the rate of 6 % per annum on paid-up capital . . . . .	<u>5,156,250.—</u>
	5,470,945.87
To the Dividend Reserve Fund — 20 % of 5,470,945.87 . . . . .	<u>1,094,189.17</u>
	4,376,756.70
To the General Reserve Fund — 50 % of 4,376,756.70 . . . . .	<u>2,188,378.35</u>
Remainder	2,188,378.35

Distributed in accordance with Article 53 (e) (1) of the Statutes, as follows:—

	<u>Swiss francs at par</u>
French Government Guarantee Fund in accordance with Article XIII of the Trust Agreement . . . . .	452,593.31
German Government non-interest-bearing deposit in accordance with Article IX of the Trust Agreement . . . . .	581,440.63
Creditor Government minimum deposits in accordance with Article IV (e) of the Trust Agreement:—	
France . . . . .	639,125.02
Great Britain . . . . .	245,533.61
Italy . . . . .	119,520.21
Belgium . . . . .	67,594.72
Rumania . . . . .	10,839.01
Yugoslavia . . . . .	53,062.46
Greece . . . . .	2,319.97
Portugal . . . . .	7,665.71
Japan . . . . .	8,459.27
Poland . . . . .	<u>224.43</u>
	1,154,344.41
	2,188,378.35

# THE TRUSTEE OF THE CREDITOR GOVERNMENTS

## Summary of Receipts and Payments for

(EXPRESSED IN

RECEIPTS	Reichsmarks																																	
I—Balances in the hands of the Agent General for Reparation Payments on May 17, 1930, received in accordance with Article II of the Trust Agreement . . . . .	182,691,763.57																																	
II—Due from and paid by the German Government in accordance with the Debt Certificate:—																																		
(a) Amount required for the service of the German External Loan 1924 . . . . .	72,761,747.72																																	
(b) Ten monthly payments (June 1930—March 1931) at the rate of R. M. 1,641,600,000.— annually . . . . .	*1,368,000,000.—																																	
	1,440,761,747.72																																	
<p>* Pursuant to Article II of the Debt Certificate of the German Government these monthly payments were made in various currencies as follows:—</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="width: 30%; text-align: center;">Currencies</th> <th style="width: 30%;"></th> <th style="width: 40%; text-align: center;">Reichsmark Equivalents</th> </tr> </thead> <tbody> <tr> <td>U. S. Dollars . . . . .</td> <td style="text-align: right;">100,808,134.56</td> <td style="text-align: right;">423,103,446.31</td> </tr> <tr> <td>£ Sterling . . . . .</td> <td style="text-align: right;">10,504,379.82</td> <td style="text-align: right;">214,211,463.52</td> </tr> <tr> <td>French Francs . . . . .</td> <td style="text-align: right;">1,570,577,191.11</td> <td style="text-align: right;">258,791,718.47</td> </tr> <tr> <td>Reichsmarks . . . . .</td> <td style="text-align: right;">454,580,171.66</td> <td style="text-align: right;">454,580,171.66</td> </tr> <tr> <td>Belgas . . . . .</td> <td style="text-align: right;">1,476,820.09</td> <td style="text-align: right;">864,744.36</td> </tr> <tr> <td>Florins . . . . .</td> <td style="text-align: right;">2,691,272.37</td> <td style="text-align: right;">4,543,944.77</td> </tr> <tr> <td>Lire . . . . .</td> <td style="text-align: right;">4,106,199.72</td> <td style="text-align: right;">902,379.83</td> </tr> <tr> <td>Swedish Kronen . . . . .</td> <td style="text-align: right;">4,101,923.19</td> <td style="text-align: right;">4,618,561.04</td> </tr> <tr> <td>Swiss Francs . . . . .</td> <td style="text-align: right;">7,847,503.90</td> <td style="text-align: right;">6,383,570.04</td> </tr> <tr> <td style="text-align: right;">Total . . . . .</td> <td></td> <td style="text-align: right; border-top: 1px solid black;">1,368,000,000.—</td> </tr> </tbody> </table>		Currencies		Reichsmark Equivalents	U. S. Dollars . . . . .	100,808,134.56	423,103,446.31	£ Sterling . . . . .	10,504,379.82	214,211,463.52	French Francs . . . . .	1,570,577,191.11	258,791,718.47	Reichsmarks . . . . .	454,580,171.66	454,580,171.66	Belgas . . . . .	1,476,820.09	864,744.36	Florins . . . . .	2,691,272.37	4,543,944.77	Lire . . . . .	4,106,199.72	902,379.83	Swedish Kronen . . . . .	4,101,923.19	4,618,561.04	Swiss Francs . . . . .	7,847,503.90	6,383,570.04	Total . . . . .		1,368,000,000.—
Currencies		Reichsmark Equivalents																																
U. S. Dollars . . . . .	100,808,134.56	423,103,446.31																																
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Swiss Francs . . . . .	7,847,503.90	6,383,570.04																																
Total . . . . .		1,368,000,000.—																																
<p>The above table includes the sums in Sterling and French Francs paid by the German Government under the Reparation Recovery Acts procedure at the equivalent of the Reichsmark sums reserved therefor.</p>																																		
III—Amounts received from Creditor Governments in order to complete their Minimum Deposits required by Article IV (e) of the Trust Agreement:—																																		
Italy . . . . .	1,718,219.—																																	
Belgium . . . . .	7,170,316.73																																	
Rumania . . . . .	901,987.53																																	
Portugal . . . . .	831,999.51																																	
Poland . . . . .	22,848.70																																	
	10,645,371.47																																	
Grand Total	1,634,098,882.76																																	

As auditors of the Bank for International Settlements we have examined the above and accompanying of the Trust Agreement between the Creditor Governments and the Bank, that they correctly reflect all German External Loan 1924, from the commencement of the Bank's operations to March 31, 1931, being

BASLE, May 6, 1931.

## FOR THE ANNUITIES PAYABLE BY GERMANY

the period May 17, 1930 to March 31, 1931

REICHSMARKS)

PAYMENTS AND BALANCES	Reichsmarks
I—To the Trustees for the service of the German External Loan 1924 in accordance with Article IV (a) of the Trust Agreement . . . . .	72,761,747.72
II—To the Trustee for the service of the German Government International 5½ % Loan 1930 in accordance with Article IV (b) of the Trust Agreement . . . . .	55,195,070.51
III—To the Trustee of the Creditor Governments for the annuities payable by Germany for commission in accordance with Article XVIII of the Trust Agreement . . . . .	1,312,930.28
IV—In respect of deliveries in kind in accordance with Article VII of the Trust Agreement	464,453,134.09
V—To banks in accordance with Article IV (f) of the Trust Agreement:—	
(a) The Bank for International Settlements . . . . .	709,902,973.02
(b) Other banks . . . . .	81,162,812.20
VI—Balances held in special interest bearing accounts, in accordance with Article IV (f) of the Trust Agreement, reserved for payments for deliveries in kind . . . . .	124,310,214.94
VII—Balance of the Annuity Trust Account being minimum deposits in accordance with Article IV (e) of the Trust Agreement . . . . .	125,000,000.—
Total payments and balances allocated to the Creditor Governments as per Annex VI b	1,561,337,135.04
Grand Total	1,634,098,882.76

statements and compared them with the books of the Bank, and we certify, in conformity with Article XVII the operations of the Bank in respect of the whole of the German Annuities, including the service of the the close of its first fiscal period.

PRICE, WATERHOUSE & Co.  
Chartered Accountants.

# THE TRUSTEE OF THE CREDITOR GOVERNMENTS

## Distribution of Total Payments and Balances allocated

(EXPRESSED IN

TOTAL PAYMENTS AND BALANCES ALLOCATED TO THE CREDITOR GOVERNMENTS AS PER ANNEX VIa	France	British Empire	Italy	Belgium
55,195,070.51	36,488,081.24	13,798,767.63	3,616,656.99	—
1,312,930.28	714,178.10	291,899.24	126,391.56	81,833.33
464,453,134.09	331,035,788.80	—	44,971,937.08	28,954,719.19
709,902,973.02	343,969,715.33	194,747,985.87	70,923,778.84	53,604,137.31
81,162,812.20	—	81,162,812.20	—	—
124,310,214.94	112,767,397.21	—	2,567,929.18	3,504,000.—
125,000,000.—	68,037,500.—	26,587,500.—	13,887,500.—	7,512,500.—
1,561,337,135.04	893,012,660.68	316,588,964.94	136,094,193.65	93,657,189.83

### Statement showing the Allocation of the Receipts of the non-postponable to the Trust Agreement between the Creditor Governments

ANNUITIES	France	British Empire	Italy	Belgium
In respect of the non-postponable part . . .	416,666,666.67	45,833,333.33	35,000,000	—
In respect of the postponable part . . . . .	333,916,666.66	259,833,333.34	95,000,000	81,833,333.33
	750,583,333.33	305,666,666.67	130,000,000	81,833,333.33

## FOR THE ANNUITIES PAYABLE BY GERMANY

to the Creditor Governments as shown on Annex VIa

REICHSMARKS)

Rumania	Yugoslavia	Greece	Portugal	Japan	Poland
—	516,625.87	—	206,429.55	568,509.23	—
8,333.33	65,651.22	3,000.—	10,794.03	10,432.80	416.67
8,744,294.—	38,140,114.80	1,818,000.—	5,328,889.72	5,459,390.50	—
284,576.—	28,871,889.58	47,986.22	6,087,957.42	10,948,696.45	416,250.—
—	—	—	—	—	—
—	3,598,260.80	682,000.—	87,843.08	1,102,784.67	—
1,312,500.—	5,462,500.—	450,000.—	862,500.—	862,500.—	25,000.—
10,349,703.33	76,655,042.27	3,000,986.22	12,584,413.80	18,952,313.65	441,666.67

and postponable Annuities payable by Germany as set forth in Annex C and the Bank for International Settlements

Rumania	Yugoslavia	Greece	Portugal	Japan	Poland	Together
—	5,000,000.—	—	2,000,000	5,500,000	—	510,000,000
8,333,333.33	61,166,666.67	3,000,000	9,000,000	5,500,000	416,666.67	858,000,000
8,333,333.33	66,166,666.67	3,000,000	11,000,000	11,000,000	416,666.67	1,368,000,000

## FUNDS AVAILABLE FOR DELIVERIES IN KIND AND THEIR UTILISATION

during the period May 17, 1930 to March 31, 1931

(EXPRESSED IN REICHSMARKS)

Creditor Government	Sums already reserved for Deliveries in Kind when New Plan came into force — May 17, 1930	Subsequently provided by Creditor Governments from other resources — including adjustments	Quotas for Deliveries in Kind under Hague Agreements — June 1930 to March 1931 inclusive	Total available funds	Withdrawn by Creditor Governments for payment to German producers	Balances available for payments for Deliveries in Kind as at March 31, 1931
France . . . . .	105,188,117.01	35,206,402.34	303,408,666.66	443,803,186.01	331,035,788.80	112,767,397.21
Italy . . . . .	3,789,866.26	—	43,750,000.—	47,539,866.26	44,971,937.08	2,567,929.18
Belgium . . . . .	4,333,719.19	—	28,125,000.—	32,458,719.19	28,954,719.19	3,504,000.—
Rumania . . . . .	868,870.—	375,424.—	7,500,000.—	8,744,294.—	8,744,294.—	—
Yugoslavia . . . . .	5,590,294.95	4,898,080.65	31,250,000.—	41,738,375.60	38,140,114.80	3,598,260.80
Greece . . . . .	—	—	2,500,000.—	2,500,000.—	1,818,000.—	682,000.—
Portugal . . . . .	721,913.80	Dr 761,847.67	5,456,666.67	5,416,732.80	5,328,889.72	87,843.08
Japan . . . . .	1,874,675.17	—	4,687,500.—	6,562,175.17	5,459,390.50	1,102,784.67
Totals .	122,367,456.38	39,718,059.32	426,677,833.33	588,763,349.03	464,453,134.09	124,310,214.94

**THE ANNUITY PAYMENTS BY CZECHOSLOVAKIA,  
BULGARIA AND HUNGARY  
AND THE SHARES OF THE RESPECTIVE CREDITOR  
GOVERNMENTS THEREIN  
as at March 31, 1931**

	Czechoslovakia	Bulgaria	Hungary
Annuity Instalments:	Gold Marks: 20,000,000	Gold francs: 10,000,000	Gold Crowns: 3,500,000
Equivalent in currencies of payment . . . . .	£ 980,860.19. 1	\$ 1,939,200.68 *	\$ 713,408.46 *
Shares of the Creditor Governments:—			
France . . . . .	£ 312,684. 3.—	\$ 32,248.91	\$ 20,203.73
Great Britain . . . . .	£ 135,802. 1. 2	\$ 13,651.97	\$ 8,546.63
Italy . . . . .	£ 308,640.16.11	\$ 31,007.82	\$ 19,418.98
Belgium . . . . .	£ 41,080.—. 7	\$ 4,964.35	\$ 3,110.46
Japan . . . . .	£ 5,092.12. 8	\$ 465.41	\$ 292.50
Portugal . . . . .	£ 5,092.12. 8	\$ 465.41	\$ 292.50
Greece . . . . .	£ 172,468.12. 1	\$ 1,487,948.68	\$ 547,398.31
Rumania . . . . .	—	\$ 252,096.09	\$ 92,743.10
Czechoslovakia . . . . .	—	\$ 19,392.01	\$ 7,134.08
Yugoslavia . . . . .	—	\$ 96,960.03	\$ 14,268.17
	£ 980,860.19. 1	\$ 1,939,200.68	\$ 713,408.46

\* These amounts which on March 31, 1931, were still undistributed and deposited with the Bank for International Settlements include interest earned up to that date, on the annuity funds.

# FISCAL AGENT OF THE TRUSTEES FOR

## Statement of Receipts and Payments for

### Receipts

	American Issue \$	British Issue £	French Issue £
1. BANK BALANCES as at May 17, 1930 . . . . .	3,626,502.81	373,743.12.9	108,000. 7.4
2. SUMS RECEIVED FROM THE GERMAN GOVERNMENT in respect of:			
Interest coupons . . . . .	2,526,235.25	316,542. 6.8	79,090.13.4
Bond redemptions . . . . .	1,925,000.—	112,427.11.8	28,106.17.2
Expenses . . . . .	8,630.17	931.17.9	232.17.2
3. INTEREST RECEIVED on cash employed pending application to service of the Loan . . . . .	56,621.87	3,870. 9.6	879.13.5
	8,142,990.10	807,515.18.4	216,310. 8.5

### Payments

1. INTEREST			
Matured coupons paid and accrued interest paid on bonds purchased for redemption . . . . .	1,320,460.16	64,606. 1. 3	64,391.16.11
2. REDEMPTION			
(a) Bonds purchased for redemption . . . . .	159,065.—	—	4,489. 6. 4
(b) Drawn bonds reimbursed (after adjustment in respect of detached unmatured coupons) . . . . .	2,595,845.—	893.—.—	31,807.—.—
3. EXPENSES			
Commission and expenses of Paying Agents and Fiscal Agent and fees and expenses of Trustees . . . . .	17,423.92	963.14.—	280. 5.10
4. BANK BALANCES as at October 15, 1930, held for the purposes shown on Annex IXb . . . . .	4,050,196.02	741,053. 3. 1	115,341.19. 4
	8,142,990.10	807,515.18. 4	216,310. 8. 5

We have audited the Books and Accounts of the Trustees for the German External Loan 1924 and Disbursements is correctly prepared therefrom and properly sets forth the transactions for this the Depositories.

# THE GERMAN EXTERNAL LOAN 1924

the period from May 17, to October 15, 1930

Belgian Issue £	Dutch Issue £	German Issue £	Swiss Issue £	Swiss Issue Sw. Fr.	Italian Issue Lire	Swedish Issue Sw. Kr.	General Expenses Sw. Fr.
39,322.10.11	70,125.14.11	8,213. 8.4	136,212.18. 4	882,774.91	3,050,430.65	641,084.03	—
39,534. 5.—	65,937.13. 4	8,443. 3.4	62,239.18. 4	395,745.—	2,626,849.17	664,947.49	—
14,053. 9.—	23,422. 8. 6	2,998. 1.7	22,110.15. 4	140,534.51	936,875.01	236,166.67	—
116. 8. 1	194. 2. 4	—	183. 4. 8	1,165.03	7,738.22	1,957.59	46,711.81
559.11. 7	495.13. 3	111.10.1	650.19.—	4,546.95	24,849.09	12,102.17	—
93,586. 4. 7	160,175.12. 4	19,766. 3.4	221,397.15. 8	1,424,766.40	6,646,742.14	1,556,257.95	46,711.81

39,672.10.—	49,596. 8.—	10,181.10.—	75,085. 1. 8	478,205.—	787,712.95	801,850.—	—
—	4,935.12. 4	695. 8. 7	2,376.15. 6	—	49,975.—	—	—
25,700.—.—	31,600.—.—	7,100.—.—	500.—.—	10,000.—	164,592.50	559,000.—	—
82.14.—	419. 9. 7	4.12. 7	110. 9. 5	3,535.93	12,079.34	2,703.37	46,711.81
28,131.—. 7	73,624. 2. 5	1,784.12. 2	143,325. 9. 1	933,025.47	5,632,382.35	192,704.58	—
93,586. 4. 7	160,175.12. 4	19,766. 3. 4	221,397.15. 8	1,424,766.40	6,646,742.14	1,556,257.95	46,711.81

for the period from May 17, 1930 to October 15, 1930 and certify that the above statement of Receipts period. We have also verified the Bank Balances on Hand at October 15, 1930 by certificates from

# FISCAL AGENT OF THE TRUSTEES FOR

## Statement of Funds in the hands of

	American Issue \$	British Issue £
The Cash Balances as at October 15, 1930 were held for the following purposes:—		
To meet unrepresented matured interest coupons and redeemed bonds		
Interest coupons . . . . .	1,841,899.11	382,707. 3.—
Drawn bonds . . . . .	1,411,137.—	266,500.—.—
To discharge expenses accrued to October 15, 1930, but not claimed until thereafter		
	12,583.60	1,503.15. 6
Instalments in respect of the seventh Loan year received from the German Government in advance of maturities, less payments therefrom for bonds purchased on the market		
	711,925.71	86,363. 9. 3
Funds in hands of Paying Agents for liquidation of accrued or accruing liabilities		
	3,977,545.42	737,074. 7. 9
Surplus funds on hand at October 15, 1930		
On bond redemption account. . . . .		
	92.25	46. 8. 2
On other accounts to be applied in reduction of sums to be received from the German Government in the seventh Loan year . . . . .		
	72,558.35	3,932. 7. 2
Total balances on hand as per Receipts and Payments Account — Annex IX a		
	4,050,196.02	741,053. 3. 1

## Statement of Bonds outstanding

Nominal value of bonds issued . . . . .	110,000,000	12,000,000
Less: Nominal value of bonds redeemed, drawn for redemption or cancelled during:—		
1. First five Loan years . . . . .		
	22,505,000	1,093,900
2. Sixth Loan year:—		
(a) From bond redemption instalments applicable to the sixth year . . . . .	4,406,100	266,100
(b) From bond redemption instalments applicable to the seventh year received in advance . . . . .	155,000	—
Nominal value of bonds outstanding at October 15, 1930 (see note below) . . . . .		
	82,933,900	10,640,000

NOTE: When drawn for redemption, bonds

## THE GERMAN EXTERNAL LOAN 1924

Depositories as at October 15, 1930

French Issue £	Belgian Issue £	Dutch Issue £	German Issue £	Swiss Issue £	Swiss Issue Sw. Fr.	Italian Issue Lire	Swedish Issue Sw. Kr.
55,174.10.—	8,633.17. 6	35,504.—.—	—	75,222.—.—	486,185.—	3,293,412.50	—
42,166.10.—	7,900.—.—	24,500.—.—	—	52,500.—.—	335,105.—	1,568,795.—	—
190. 5. 2	109. 1.—	276. 6.10	—	141.12. 9	1,634.48	10,989.40	—
16,971.12.10	10,740.18. 5	12,951. 5.10	1,592.16.—	14,522. 4. 1	107,485.23	714,262.18	180,602.41
114,502.18.—	27,383.16.11	73,231.12. 8	1,592.16.—	142,385.16.10	930,409.71	5,587,459.08	180,602.41
5.17. 5	96.17. 1	73. 8.—	84.18. 8	90.11. 7	396.30	349.75	—
833. 3.11	650. 6. 7	319. 1. 9	106.17. 6	849.—. 8	2,219.46	44,573.52	12,102.17
115,341.19. 4	28,131.—. 7	73,624. 2. 5	1,784.12. 2	143,325. 9. 1	933,025.47	5,632,382.35	192,704.58

as at October 15, 1930

3,000,000	1,500,000	2,500,000	360,000	2,360,000	15,000,000	100,000,000	25,200,000
275,000	137,900	228,200	69,100	215,600	1,365,000	9,493,000	2,290,000
66,600	33,200	55,400	7,100	52,300	333,000	2,218,000	559,000
4,600	—	5,000	700	2,400	—	—	—
2,653,800	1,328,900	2,211,400	283,100	2,089,700	13,302,000	88,289,000	22,351,000

of the American Issue are repayable at 105 %.

# TRUSTEE FOR THE GERMAN GOVERNMENT

## Statement of Receipt and Distribution of the

### Receipts

Net proceeds of issue received by Bank for International Settlements Trust from issuing Bankers		Interest allowed by the B. I. S. on moneys awaiting distribution — in the respective currencies
Currency	Amount	
Dollars . . . . .	84,846,230.42	68,359.31
Sterling . . . . .	10,244,722.86	358.12.7
Lire . . . . .	94,048,472.20	958.85
Belgas . . . . .	30,347,803.63	307.39
French Francs . . . . .	2,161,607,290.03	20,534.15
Swedish Kronen . . . . .	94,598,472.22	1,068.09
Dutch Florins . . . . .	62,827,652.78	1,421.36
Swiss Francs . . . . .	77,856,916.65	1,088.53
Reichsmarks . . . . .	31,541,917.31	481.56

### Distribution

Currency	Payments to participating Governments on			
	France	Germany	British Empire	Italy
Dollars . . . . .	23,255,125.78	48,626,941.36	1,083,824.52	8,276,903.95
<i>Dollars . . . . .</i>	<i>23,255,125.78</i>	<i>48,626,941.36</i>	<i>1,083,824.52</i>	<i>8,276,903.95</i>
Sterling . . . . .			10,136,722.86	
<i>Equivalent in Dollars . . . . .</i>			<i>49,334,181.55</i>	
Lire . . . . .				93,830,000.00
<i>Equivalent in Dollars . . . . .</i>				<i>4,915,782.58</i>
Belgas . . . . .		29,750,000.00		
<i>Equivalent in Dollars . . . . .</i>		<i>4,152,273.28</i>		
French Francs . . . . .	2,156,612,500.00			
<i>Equivalent in Dollars . . . . .</i>	<i>84,735,091.79</i>			
Swedish Kronen . . . . .		94,380,000.00		
<i>Equivalent in Dollars . . . . .</i>		<i>25,328,413.28</i>		
Dutch Florins . . . . .	62,415,000.00			
<i>Equivalent in Dollars . . . . .</i>	<i>25,096,501.81</i>			
Swiss Francs . . . . .		77,625,000.00		
<i>Equivalent in Dollars . . . . .</i>		<i>15,026,496.20</i>		
Reichsmarks . . . . .		31,420,000.00		
<i>Equivalent in Dollars . . . . .</i>		<i>7,494,344.49</i>		
<i>Totals in Dollars</i>	<i>133,086,719.38</i>	<i>100,628,468.61</i>	<i>50,418,006.07</i>	<i>13,192,686.53</i>
Shares of principal based on Paris Agreement of June 10, 1930 . . . . .	133,113,734.70	100,679,752.47	50,339,876.26	13,194,081.57
Interest adjustment to equalize, among the Beneficiary Powers, the varying distribution dates, computed at 2½% per annum . . . . .	— 27,015.32	— 51,283.86	+ 78,129.81	— 1,395.04
<i>Totals in Dollars as above</i>	<i>133,086,719.38</i>	<i>100,628,468.61</i>	<i>50,418,006.07</i>	<i>13,192,686.53</i>

AUDITORS'

We have examined the Trust Accounts of the Bank for International Settlements, which it has maintained that the above Summary of Receipts and Payments setting forth the amounts received by the Bank and We further CERTIFY that the amounts received from the Issuing Bankers are in accordance with the Paris Agreement dated June 10, 1930, after allowing for the Interest adjustment required to equalize the

## INTERNATIONAL 5½ PER CENT LOAN 1930

Proceeds of the Loan to September 12, 1930

Total receipts by B. I. S. Trust in currencies received	Currency conversions to dollars	Total funds to be disposed of	
		Currencies	Dollar equivalents
84,914,589.73	+ \$ 1,041,582.71	85,956,172.44	85,956,172.44
10,245,081.11	— £ 108,358.12.7	10,136,722.8.6	49,334,181.55
94,049,431.05	— Lire 219,431.05	93,830,000.00	4,915,782.58
30,348,111.02	— Belgas 73,111.02	30,275,000.00	4,225,548.69
2,161,627,824.18	— Fr. Fcs. 5,015,324.18	2,156,612,500.00	84,735,091.79
94,599,540.31	— S. Kr. 219,540.31	94,380,000.00	25,328,413.28
62,829,074.14	— H. Fls. 414,074.14	62,415,000.00	25,096,501.81
77,858,005.18	— S. Fcs. 233,005.18	77,625,000.00	15,026,496.20
31,542,398.87	— R. M. 104,898.87	31,437,500.00	7,498,518.75
		<i>Grand Total in Dollars</i>	<i>302,116,707.09</i>

account of their respective shares			Total payments to Governments	Add- payments for expenses	Total payments	Balances on hand retained against further expenses
Japan	Yugoslavia	Portugal				
2,074,689.61	1,885,357.61	753,329.61	85,956,172.44		85,956,172.44	—
2,074,689.61	1,885,357.61	753,329.61	85,956,172.44		85,956,172.44	—
			10,136,722.8.6		10,136,722.8.6	—
			49,334,181.55		49,334,181.55	—
			93,830,000.00		93,830,000.00	—
			4,915,782.58		4,915,782.58	—
			29,750,000.00	(1) 393,151.99	30,143,151.99	(2) 131,848.01
			4,152,273.28	54,873.10	4,207,146.38	18,402.31
			2,156,612,500.00		2,156,612,500.00	—
			84,735,091.79		84,735,091.79	—
			94,380,000.00		94,380,000.00	—
			25,328,413.28		25,328,413.28	—
			62,415,000.00		62,415,000.00	—
			25,096,501.81		25,096,501.81	—
			77,625,000.00		77,625,000.00	—
			15,026,496.20		15,026,496.20	—
			31,420,000.00		31,420,000.00	(2) 17,500.00
			7,494,344.49		7,494,344.49	4,174.26
2,074,689.61	1,885,357.61	753,329.61	302,039,257.42	54,873.10	302,094,130.52	22,576.57
			<i>Grand Total in Dollars</i>		<i>302,116,707.09</i>	
2,074,002.90	1,884,724.96	753,084.56	302,039,257.42	(1) Includes Trustee's remuneration Belgas 348,180.81, equivalent of £ 10,000.		
+ 686.71	+ 632.65	+ 245.05	—	(2) On deposit with the Bank for International Settlements.		
2,074,689.61	1,885,357.61	753,329.61	302,039,257.42			

## CERTIFICATE

tained in its capacity as Trustee for the German Government International 5½ % Loan 1930, and we CERTIFY the Disposition thereof, are in agreement with the Accounts and are correct. their respective Contracts and that the Distributions made to the Beneficiary Powers are in accordance with varying dates of distribution.

PRICE, WATERHOUSE &amp; CO.

## INTERNATIONAL LOANS

FOR WHICH THE BANK IS TRUSTEE OR FISCAL AGENT FOR THE TRUSTEES

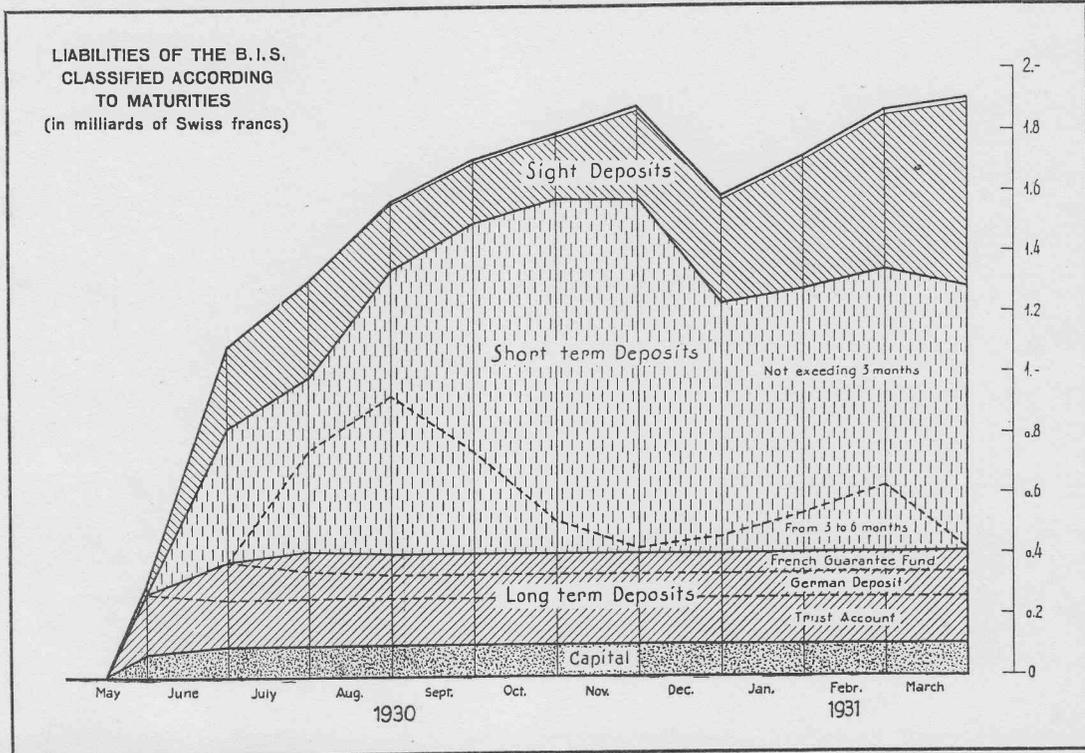
## Funds on hand as at March 31, 1931

(the whole of which were deposited in the name of the Trustee with Paying Agents)

	German External Loan 1924	German Govt. International 5½% Loan 1930	Austrian Govt. International Loan 1930	Total
Swiss francs at par				
<b>FUNDS AVAILABLE FOR:—</b>				
Redemption by purchases on the market when possible or through the next drawing . . . . .	1,421,566.46	470,956.90	165,964.12	2,058,487.48
Interest in respect of the next coupon falling due . . . . .	34,245,708.37	33,333,689.22	5,925,949.55	73,505,347.14
Expenses . . . . .	180,631.94	149,322.34	53,530.64	383,484.92
Drawn bonds not yet presented for re- demption . . . . .	1,936,985.45	—	—	1,936,985.45
Interest coupons due but unrepresented	331,428.09	502,634.48	44,784.39	878,846.96
<b>TOTAL . .</b>	<b>38,116,320.31</b>	<b>34,456,602.94</b>	<b>6,190,228.70</b>	<b>78,763,151.95</b>



ANNEX XIII a



ANNEX XIII b

