



Financial Stability Board

Basel

Report of the auditor
to the Plenary

on the financial statements 2024/2025

Report of the auditor

to the Plenary of Financial Stability Board, Basel

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Financial Stability Board (hereinafter “the Association” or “FSB”), which comprise the statement of activities for the year ending 31 March 2025 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Association as at 31 March 2025 and its financial performance for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law and the Articles of Association of the Financial Stability Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Association in accordance with the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The FSB Secretariat's responsibilities for the financial statements

The FSB Secretariat is responsible for the preparation of financial statements, that give a true and fair view in accordance with IFRS Accounting Standards, and for such internal control as the FSB Secretariat determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the FSB Secretariat is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Plenary of the FSB either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The FSB Secretariat is further responsible for overseeing the Association's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the FSB Secretariat's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the FSB Secretariat or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers AG

Daniel Müller
Licensed audit expert
Auditor in charge

Ralph Maiocchi
Licensed audit expert

Basel, 26 August 2025

Enclosure:

- Financial statements (statement of activities and notes)

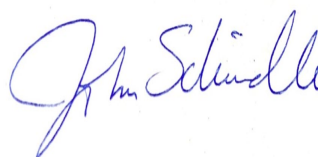
1. Financial statements

As of 31 March 2025

The audited financial statements for the financial year ended 31 March 2025 were approved on 26 August 2025 pursuant to Article 4 of the Articles of Association.



Andrew Bailey
Chair



John Schindler
Secretary General

Statement of activities

For the year ended 31 March			
<i>CHF thousands</i>	Notes	2025	2024
Contributions from the BIS and Members	6		
Contributions received		15,642	12,955
Operating expense	7		
<i>Management and staff expense</i>	7.1	(14,394)	(11,941)
Basic salary and allowances		(10,568)	(8,864)
Charges under pension schemes		(2,932)	(2,300)
Health and accident insurance		(472)	(431)
Other personnel expenses		(422)	(346)
<i>Other administrative expense</i>	7.2	(1,248)	(1,014)
Staff travel		(682)	(515)
Other expenses		(545)	(476)
Audit fee		(21)	(23)

Notes to the financial statements

1. Nature of organisation

The FSB was established in April 2009 as the successor to the Financial Stability Forum (FSF). In January 2013, the FSB established itself as an association ("Verein") under Swiss law with its office at the Bank for International Settlements (BIS), Centralbahnplatz 2, 4002 Basel, Switzerland.

The FSB's membership comprises authorities from jurisdictions that are responsible for maintaining financial stability, such as ministries of finance, central banks, supervisory and regulatory authorities; international financial institutions; and international standard-setting, regulatory, supervisory and central bank bodies. The list of member institutions of the FSB is set out in the annex.

As detailed in Note 2.2, at present the FSB receives the vast majority of its funding and services support on the basis of an agreement executed on 28 January 2013 between the FSB and the BIS ("the Agreement").

2. Administration of the FSB

2.1. *Chair and Secretariat*

The FSB functions under the overall direction of a Chair from a member institution, who is appointed by and reports to the Plenary, and supported by a Secretariat located in Basel. The Chair is not compensated for any services to the FSB.

The Secretariat is headed by a Secretary General, who is also appointed by the Plenary and reports to the Chair. The FSB Secretariat is primarily composed of staff from FSB member authorities and institutions, and the employment contracts of Secretariat staff are concluded with the BIS and based on BIS employment terms and salary structure. The FSB has no direct employment relationship with any Secretariat personnel. The work of the Secretariat is also supported by a small number of secondees from other organisations. The employment contracts of secondees remain with the respective seconding organisations.

2.2. *Funding*

At present, the FSB receives the vast majority of its funding and services support from the BIS under the Agreement between the FSB and the BIS. The Agreement, signed on 28 January 2013, was for an initial term of five years and is subject to an automatic renewal for further successive five-year fixed terms unless either party gives the other not less-than-one-year termination notice prior to expiry of the term. On 16 September 2021, the BIS Board agreed to extend the Agreement for another five-year period, from January 2023 to January 2028.

The overall provision of funding and services by the BIS to the FSB under the Agreement is subject to a five-year budget framework, with the FSB providing an annual budget proposal for its operations to the BIS for each financial year.

The majority of the financial support the BIS provides to the FSB comes in the form of contributions to cover staff compensation and other expenditures, such as travel and administrative expenses, which are directly attributable to FSB activities. This support, along with any other similar directly attributable services provided by other members, is recognised in the statement of activities as contributions from members and as operating expenses.

In addition, the FSB is hosted at the BIS premises and benefits from administration, accounting, human resources, meeting facilities, office space, equipment, information technology and other services. These are provided by the BIS free of charge and not included as an expense in the statement of activities.

3. Basis of accounting

These financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (IASB). They cover the year ended 31 March 2025 and present the comparative figures for the prior period. They were approved for publication by the FSB Plenary on 26 August 2025.

4. Functional and presentation currency

These financial statements are presented in Swiss Francs, which is the FSB's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

5. Accounting policies

The FSB has consistently applied the following accounting policies throughout the period.

5.1. *Basis of measurement*

The financial statements have been prepared on a historical-cost basis.

5.2. *Presentation of financial information*

Due to the nature of the organisation and its current governance under the Agreement, the FSB has no assets or liabilities, nor does it generate any revenue. The FSB has no shares or capital and receives all funding for its operations in the form of contributed services (both direct and indirect expenses) from the BIS and certain other members.

Accordingly, these financial statements contain a statement of activities but do not include a statement of financial position, a statement of cash flows, or a statement of changes in net assets, as these are not meaningful under the current setting.

5.3. *Foreign currency transactions*

Transactions in foreign currencies are translated to the functional currency at the effective exchange rates on the dates of the transactions.

5.4. *New standards and interpretations not yet adopted*

A number of new IFRS standards, amendments to standards, and interpretations have been published that are not mandatory for reporting periods ending 31 March 2025. These have not been early applied in preparing these financial statements. The FSB evaluated the potential effect of these standards and concluded that they will not have a material impact on its financial statements.

6. Contribution from the BIS and other Members

During the reporting period, the BIS and three other organisations (the International Monetary Fund (IMF), the Hong Kong Monetary Authority (HKMA), and the Single Resolution Board (SRB)) contributed to the operations of the FSB Secretariat. Contributions from the IMF, HKMA and SRB were in support of their staff seconded to the FSB. The following table outlines the contributions received by the FSB during the reporting period and the headcount at year-end by the contributing organisations.

Contributions received and average headcount for the financial year ended 31 March

	2025		2024	
	Contribution (in '000 CHF)	Average headcount	Contribution (in '000 CHF)	Average headcount
1. BIS	15,018	37.5	12,232	32.6
2. Other organisations	624	2.5	723	3.0
Total	15,642	40.0	12,955	35.6

Actual headcount as of 31 March

	2025	2024
	Actual headcount	Actual headcount
1 BIS	37	35
2 Other organisations	2	3
Total	39	38

In addition to the headcount figures shown above, the FSB was supported by an average of 1.3 FTE from the BIS Graduate Associate programme during the financial year ended 2025 (1.4 FTE graduates in 2024). The cost of graduates is included in operating expense.

7. Operating expense

The BIS's provision of premises and administrative support to the FSB is free of charge and not included as an expense in the statement of activities.

7.1. Management and staff expense

The FSB recognises the value of directly attributable expenses in its statement of activities. The majority of these directly attributable expenses are for personnel costs and where available, the FSB uses the actual costs incurred by the provider of the resources. These include salary and allowances, charges under pension schemes, health and accident insurance, and various other personnel-related costs.

The BIS and other organisations cover the expenses for staff of the Secretariat. The statement of activities includes the full costs of the Secretariat, irrespective of whether staff are provided by the BIS or other organisations. The expense for BIS-funded staff is included based on the actual personnel cost. Where actual personnel cost is not available for staff provided by other organisations, the FSB uses estimates based on averages of similarly situated professionals (usually based on the professional's job position).

The FSB includes staff costs in accordance with the measurement criteria of International Accounting Standards (IAS) 19 *Employee Benefits*. The staff working for the FSB are employed by the BIS or other organisations, and the liabilities required by IAS 19 are recorded in the books of these organisations. Employee benefits classified as "post-employment" under IAS 19 will impact FSB operating expense only to the extent of the cost of current year employer

contributions to pension schemes. As such, the FSB includes only the cost of current year contributions in its operating expense (“charges under pension schemes”).

All BIS staff on expatriate contracts (including those employed by the BIS on behalf of the FSB) are repatriated at the end of their contracts (subject to certain criteria). This requires an accrual for the cost of staff repatriation at the end of their contract. At the financial year-end, there was an increase of CHF 33.5k in the estimated cost of staff repatriation.

In addition, IAS 19 *Employee Benefits*, which prescribes the accounting for all types of employee benefits except share-based payment, considers holidays as a short-term employee benefit and requires an accrual for the undiscounted costs of untaken staff vacation entitlement at the financial year-end. An increase of CHF 39.1k in accruals to Basic salaries and allowances was recognised in the financial year to reflect a lower proportion of holidays taken in the current year compared to the prior year.

The salaries of FSB staff employed by the BIS are exempt from income tax in Switzerland. However, income tax must be paid by US citizens and green card holders. The BIS reimburses such taxes to ensure equal treatment with other staff members. The FSB is liable for the cost of this tax reimbursement allowance, which is classified as a short-term benefit under IAS 19 and amounted to CHF 452.9k in the financial year ended 31 March 2025 (2024: CHF 137k). The cost for tax on outpayments from the BIS pension arrangement is classified as a long-term benefit under IAS 19. As such, a liability is established for this (in the BIS books), and FSB operating expense includes the change in this liability during the year, resulting in a CHF 349k increase in operating expense at the year-end (2024: an increase of CHF 151k).

7.2. Other administrative expense

Other directly attributable expenditures include travel, meeting costs and IT professional services.

8. Related parties

Among other circumstances, IAS 24 defines a *person* as a related party if that person is a member of the key management personnel of the reporting entity. It also defines an *entity* as a related party if the entity provides key management personnel services to the reporting entity. In turn, the concept of *key management personnel* is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity.

Based on the provisions in IAS 24, and considering that the Plenary is the FSB’s sole decision-making body (according to Article 4 of the Articles of Association), the FSB considers the following to be its related parties:

- Institutions that are members of the FSB Plenary; and
- The FSB Chair, as well as the Chair’s close family members and institutions controlled by the Chair.

During the reporting period, no remuneration was paid by the FSB for the services provided by the Chair or by any of the FSB members, including their representatives in the Plenary. The FSB has not included any estimate of the value of services provided by the Chair.

The specific relationship between the FSB and the BIS, as well as the value of the BIS’s direct services and the nature of the indirect services contributed are described in Note 2.2 and Note 6,

respectively. The contributions by other members in the form of seconded staff are disclosed in Note 6.

Additionally, the FSB considers the Global Legal Entity Identifier Foundation (GLEIF, a Swiss based not-for-profit foundation that promotes the use of a global legal entity identifier, “LEI”, in financial transactions) as a related party.

As its founder, the FSB had the right to appoint GLEIF’s initial Board of Directors and its Chair. The terms of those initial Directors, including the Chair, expired in June 2019. The subsequent appointment and removal of Directors are subject to a nomination procedure coordinated by the Chair of the Board of Directors, but the FSB holds the right to appoint or remove a Director at any time.

While the FSB does not intend to exercise such rights in the normal course of business, their mere existence justifies the consideration of the GLEIF as a related party of the FSB.

9. Contingent liabilities

As an association under Swiss law, the FSB may be subject to legal claims, and the Agreement contemplates such possibility in limiting the liability of the BIS to “reasonable efforts to support the FSB in the event of a legal challenge arising from the normal course of its business”.

As explained in Note 5.2, due to the nature of the organisation and its current setting under the Agreement, the FSB has no control over assets. Should it be subject to a legal claim, an eventual outflow of resources would therefore be unlikely.

In any case, there were no significant contingent liabilities on 31 March 2025.