

1 Income statement and appropriation of profit for 2004

In CHF millions

		2004	2003	Change
	Item no. in Notes			
Net result from gold	01	-900.7	2 615.1	-3 515.8
Net result from foreign currency investments	02	1 191.2	1 526.3	-335.1
Net result from Swiss franc investments	03	304.4	125.2	+179.2
Net result from other assets	04	22.4	14.3	+8.1
Gross income		617.3	4 280.9	-3 663.6
Banknote expenses		-41.8	-45.2	+3.4
Personnel expenses	05, 06	-99.7	-98.4	-1.3
General overheads	07	-45.6	-55.3	+9.6
Depreciation on tangible assets	15	-26.6	-25.1	-1.5
Net income		403.6	4 057.0	-3 653.4
Allocated to (-)/released from (+) provisions for the assignment of free assets		96.0	-912.4	+1 008.4
Write-back of the provisions for the assignment of free assets		21 113.2	-	+21 113.2
Annual result		21 612.9	3 144.6	+18 468.3
Allocation to provisions for currency reserves		-885.3	-829.3	-56.0
Distributable annual profit		20 727.6	2 315.3	+18 412.3
Allocated to (-)/released from (+) the distribution reserve		3 287.1	493.0	+2 794.2
Total distribution of profit		24 014.7	2 808.3	+21 206.4
of which				
Payment of a dividend of 6%		1.5	1.5	-
Additional appropriations of profit under the former NBA			6.8	-6.8
Ordinary distribution of profit to the Confederation and to the cantons (Agreement of 5 April 2002)		2 500.0	2 500.0	-
Supplementary distribution to the Confederation and to the cantons (Agreement of 12 June 2003)		400.0	300.0	+100.0
Distribution of the proceeds from the sale of 1,300 tonnes of gold (Agreement of 25 February 2005)		21 113.2		+21 113.2

2 Balance sheet as at 31 December 2004

In CHF millions

		31.12.2004	31.12.2003	Change
Assets	Item no. in Notes			
Gold holdings	08	19 485.8	23 217.3	-3 731.5
Claims from gold transactions	09	2 153.4	3 910.7	-1 757.3
Foreign currency investments	10, 31	60 708.0	56 311.7	+4 396.3
Reserve position in the IMF	11	2 035.1	2 561.9	-526.8
International payment instruments	29	80.1	45.8	+34.3
Monetary assistance loans	12, 29	291.3	327.2	-35.9
Claims from repo transactions in Swiss francs	28	24 502.7	27 097.7	-2 594.9
Lombard advances	28	6.6	0.8	+5.8
Claims against domestic correspondents		11.8	36.8	-25.0
Swiss franc securities	13	7 393.6	7 657.9	-264.3
Banknote stocks	14	144.0	147.0	-3.0
Tangible assets	15	393.3	385.3	+8.0
Participations	16, 30	96.7	88.6	+8.1
Sundry assets	17, 32	606.3	983.9	-377.6
Non-paid-up share capital	25	-	25.0	-25.0
		117 908.8	122 797.7	-4 888.9

		31.12.2004	31.12.2003	Change
Liabilities	Item no. in Notes			
Banknotes in circulation	18	39 719.3	40 544.0	-824.7
Sight deposits of domestic banks		6 541.7	7 186.6	-644.9
Liabilities towards the Confederation	19	2 154.8	2 853.1	-698.3
Sight deposits of foreign banks and institutions		329.4	486.0	-156.6
Other sight liabilities	20	165.0	153.4	+11.6
Liabilities from Swiss franc repo transactions		-	-	-
Foreign currency liabilities	21	0.5	130.5	-129.9
Sundry liabilities	22, 32	160.9	174.8	-13.9
Provisions for the assignment of free assets	23	-	21 209.3	-21 209.3
Provisions for operating risks	24	8.1	11.5	-3.4
Provisions for currency reserves		36 955.7	36 057.4	+898.3
Share capital	25	25.0	50.0	-25.0
Reserve fund		-	68.0	-68.0
Distribution reserve	26	10 235.5	10 728.5	-493.0
Annual result¹		21 612.9	3 144.6	+18 468.3
		<u>117 908.8</u>	122 797.7	-4 888.9

1 Before allocation to provisions for currency reserves.

3 Changes in equity capital

In CHF millions

	Share capital	Non-paid-up share capital
Equity capital as at 1 January 2003	50.0	-25.0
Result from change in accounting principles ¹		
Equity capital as at 1 January 2003 (after restatement)	50.0	-25.0
Endowment of provisions for currency reserves pursuant to the NBA		
Released from distribution reserve		
Allocation to reserve fund		
Distribution of dividends to the shareholders		
Per capita distribution to the cantons		
Profit distribution to the Confederation and to the cantons		
Annual result of the year under review		
Equity capital as at 31 December 2003 (before appropriation of profit)	50.0	-25.0
Equity capital as at 1 January 2004	50.0	-25.0
Endowment of provisions for currency reserves pursuant to the NBA		
Released from distribution reserve		
Allocation to reserve fund		
Distribution of dividends to the shareholders		
Per capita distribution to the cantons		
Profit distribution to the Confederation and to the cantons		
Reduction of nominal value	-25.0	25.0
Liquidation of reserve fund		
Annual result of the year under review		
Equity capital as at 31 December 2004 (after appropriation of profit)	25.0	-
Proposed appropriation of profit		
Endowment of provisions for currency reserves pursuant to the NBA		
Released from distribution reserve		
Distribution of dividends to the shareholders		
Profit distribution to the Confederation and to the cantons		
Distribution of the proceeds from the sale of 1,300 tonnes of gold		
Equity capital after appropriation of profit	25.0	-

1 Cf. pp. 107–109.

Reserve fund	Provisions for currency reserves	Distribution reserve	Annual result (net profit)	Total
67.0	–	–	2 508.7	2 600.7
	35 155.3	12 967.1	–1 336.5	46 785.9
67.0	35 155.3	12 967.1	1 172.2	49 386.6
	902.1		–902.1	
		–2 238.6	2 238.6	
1.0			–1.0	
			–1.5	–1.5
			–6.2	–6.2
			–2 500.0	–2 500.0
			3 144.6	3 144.6
68.0	36 057.4	10 728.5	3 144.6	50 023.5
68.0	36 057.4	10 728.5	3 144.6	50 023.5
	829.3		–829.3	
		–493.0	493.0	
1.0			–1.0	
			–1.5	–1.5
			–5.8	–5.8
			–2 800.0	–2 800.0
–69.0	69.0			
			+21 612.9	+21 612.9
–	36 955.7	10 235.5	21 612.9	68 829.1
	885.3		–885.3	
		–3 287.1	+3 287.1	
			–1.5	–1.5
			–2 900.0	–2 900.0
			–21 113.2	–21 113.2
–	37 841.0	6 948.4	–	44 814.4

4 Notes to the accounts as at 31 December 2004

4.1 Accounting and valuation principles

General

General principles

The present Financial Report has been drawn up in accordance with the provisions of the National Bank Act (NBA), the Swiss Code of Obligations (SCO) and – with due account being taken of circumstances specific to the National Bank – in compliance with the Swiss GAAP FER accounting principles. The Financial Report gives a true and fair view of the financial position, the results of operations and the cash flows in accordance with the Swiss GAAP FER.

As a company listed in the main segment of the Swiss stock exchange SWX, the National Bank would be obliged to present its accounts in accordance with the International Financial Reporting Standards (IFRS). Citing art. 27 NBA, the National Bank requested to be exempted from this obligation. By letter of 5 November 2004, the SWX granted the exempt status.

Changes from previous year

Reporting and allocation of the provisions defined in the NBA were adjusted upon entry into force of the new NBA and the first-time application of the Swiss GAAP FER 23 (provisions) and 24 (equity capital). In so doing, the names of the provisions were changed as well. These adjustments were made to take effect retroactively as of 1 January 2003 and are shown in the restatement (cf. pp. 107–109).

The income statement was streamlined by combining several positions previously shown separately. In addition, two positions were reallocated. *Interest expenses* – previously a separate item – are now included in the *net result from foreign currency investments* and in the *net result from Swiss franc investments*, respectively. *Commission expenses*, which were previously included in *general overheads*, have been reallocated to *net results from other assets*, i.e. *net result from foreign currency investments* and *net result from Swiss franc investments*.

Cash flow statement

The National Bank does not prepare a cash flow statement. Since the National Bank can autonomously create money as a central bank, such a statement is not meaningful.

Interim reporting

The National Bank has so far not published interim results. As from the 2005 financial year, it shall publish quarterly results.

Segment information

The National Bank operates exclusively as a central bank. For this reason, the Financial Report does not include any segment information.

Consolidated financial report

The National Bank does not hold any participating material interests which are subject to consolidation according to FER 2. For this reason, the Annual Report does not include a consolidated financial report.

Recording of transactions

All business transactions are recorded on the day the transaction is concluded (trade day accounting). However, they are only posted on the value date. Transactions completed as of the balance-sheet date with a value date in the future are stated under off-balance-sheet business.

Expenses are recognised in the financial year in which they are incurred, and income in the financial year in which it is earned.

Pursuant to art. 8 NBA, the National Bank is exempt from profit taxes. Tax exemption applies to both direct federal taxes and cantonal and municipal taxes.

Shareholders of the National Bank have very limited rights; for this reason they cannot exert any influence on financial and operative decisions. No essential transactions are concluded with members of the SNB's executive bodies or the Bank Council.

Balance sheet and income statement

Gold and negotiable financial instruments are stated in the balance sheet at market value or fair value. Tangible assets are stated at their acquisition cost less required depreciation. Other items are stated at their nominal value inclusive of accrued interest. Foreign currency items are translated at year-end rates. Income and expenses in foreign currency are translated at the exchange rates applicable at the time the income/expenses was/were posted to the accounts.

Physical gold holdings, consisting of gold bars and gold coins, are stored at various locations in Switzerland and abroad. These holdings are stated at market value. Valuation gains and losses are reported in *net result from gold*.

The management of the National Bank's investment portfolio includes lending a part of its gold holdings to first-class domestic and foreign financial institutions. The National Bank receives interest on the gold loaned. Gold lending transactions are effected on a secured and unsecured basis with maturities of up to five years. Since the gold price risk remains with the National Bank, gold lent is not booked out of the balance sheet, but merely reclassified and stated as *claims from gold transactions*. *Claims from gold transactions* are stated at market value inclusive of accrued interest. The valuation result and interest are stated in *net result from gold*.

In *foreign currency investments*, negotiable securities (money market paper and bonds) and assets (sight deposit accounts, call money, time deposits and repos) are denominated in foreign currency. Securities, which make up the bulk of the foreign currency investments, are stated at market value inclusive of accrued interest. The assets are stated at their nominal value inclusive of accrued interest. Gains and losses from revaluation at market value, interest earnings and exchange rate gains and losses are stated in *net result from foreign currency investments*.

Accrual reporting

Profit tax

Transactions with related parties

Summary

Gold holdings

Claims from gold transactions

Foreign currency investments

Securities lending

Securities lending transactions are concluded as part of the management of foreign currency investments. The SNB loans securities from its own portfolio and, in exchange for collateral securities, it receives interest on the securities loaned. Loaned securities remain in the *foreign currency investments* position and are disclosed in the notes to the accounts. Interest income from securities lending is stated in *net result from foreign currency investments*. The National Bank does not engage in securities borrowing.

Reserve position in the IMF

The reserve position in the International Monetary Fund (IMF) comprises the Swiss quota less the IMF's sight balances at the National Bank. The quota is Switzerland's portion of the IMF capital financed by the National Bank. It is held in the form of Special Drawing Rights (SDRs), which are the IMF's currency. A part of the quota was not transferred to the IMF, but paid into a sight deposit account. The IMF can dispose of these assets for its transactions at any time. The income from interest on the reserve position as well as the exchange rate gains and losses from revaluation of the Special Drawing Rights are stated in *net result from foreign currency investments*.

International payment instruments

Claims from two-way arrangements with the IMF are stated in *international payment instruments*. The National Bank has committed itself to purchase up to SDR 400 million against foreign currency. These sight deposits attract interest at market conditions. Interest earnings and exchange rate gains and losses are stated in *net result from foreign currency investments*.

Monetary assistance loans

In the context of international cooperation, Switzerland may participate in the IMF's internationally coordinated balance-of-payments aid in the form of a credit tranche or by granting bilateral monetary assistance loans to countries with balance-of-payments problems. In addition to one bilateral monetary assistance loan, currently outstanding claims include those under the Poverty Reduction and Growth Facility (PRGF). The latter is a fiduciary fund administered by the IMF which finances long-term loans at reduced interest rates to poor developing countries. The Confederation guarantees the interest and principal repayments both on the bilateral loans and on Switzerland's participation in the PRGF credit account. These loans are stated at their nominal value inclusive of accrued interest. Interest earnings and exchange rate gains and losses are stated in *net result from foreign currency investments*.

Claims and liabilities from repo transactions in Swiss francs

Repo transactions in Swiss francs are the National Bank's major monetary policy instrument. Repo transactions are used to provide the banking system with liquidity or to withdraw liquidity from it. Claims from repo transactions are fully backed by securities from the SNB General Collateral Basket. Claims and liabilities from repo transactions are stated at their nominal value inclusive of accrued interest. Interest earnings and expenses are stated in *net result from Swiss franc investments*.

Lombard loans are used by the banks to bridge unforeseeable liquidity shortfalls in the short term. These claims attract interest at the call money rate plus 200 basis points. They are stated at their nominal value inclusive of accrued interest. Interest earnings are stated in *net result from Swiss franc investments*.

Lombard advances

Domestic correspondents perform local cash redistribution transactions and cover the cash requirements of federal agencies and enterprises associated with the Federal Government (Swiss Post and Swiss Federal Railways). This results in short-term claims of the National Bank which attract interest at the call money rate. They are stated at their nominal value inclusive of accrued interest. Interest earnings are stated in *net result from Swiss franc investments*.

Claims against domestic correspondents

Swiss franc securities are made up exclusively of negotiable bonds. They are stated at their nominal value inclusive of accrued interest. Valuation gains/losses and interest earnings are stated in *net result from Swiss franc investments*.

Swiss franc securities

Freshly printed banknotes which have never been put into circulation are capitalised at their acquisition cost and stated in *banknote stocks*. At the time a banknote first enters into circulation, its acquisition cost is charged to *banknote expenses*.

Banknote stocks

Tangible assets comprise real estate (including land), conversions, immovables under construction, and sundry tangible assets. Software, as the only intangible asset, is also included in tangible assets. For materiality reasons, intangible assets are not shown separately in the balance sheet, but are only disclosed in the notes to the accounts. Day-to-day maintenance expenses for real estate and sundry tangible assets are stated in *general overheads*. Investments of less than CHF 1,000 are also charged directly to *general overheads*. Tangible assets are stated at their acquisition cost less required depreciation and value adjustments. Depreciation is always carried out on a straight-line basis. Profits and losses from the sale of tangible assets are stated in *net results from other assets*.

Tangible assets

Minority interests in excess of 20% qualify as an associated company and are valued according to the equity method. The remaining minority interests in companies in which the National Bank exercises no material influence or non-essential majority interests are valued at acquisition cost less required value adjustments. The entire income from participations is stated in *net results from other assets*.

Participations

Derivative financial instruments	<p>The National Bank uses foreign currency forward transactions, futures and interest rate swaps to manage its currency reserves and free assets. All derivative financial instruments are stated at fair value. Market values are applied, if available. If no market values are available, fair value is established in accordance with recognised financial mathematical methods. Valuation changes are recorded in the income statement and shown in <i>net result from foreign currency investments</i>. Unrealised gains and losses (gross replacement values) are stated in <i>sundry assets</i> or <i>sundry liabilities</i>.</p>
Accrued expenses and deferred income	<p>The National Bank does not state accrued expenses and deferred income as separate positions in its balance sheet. For materiality reasons, they are reported in <i>sundry assets</i> or <i>sundry liabilities</i> and are disclosed in the notes to the accounts.</p>
Banknotes in circulation	<p>The position <i>banknotes in circulation</i> shows the nominal value of all banknotes held by the public and by the banks, including recalled, still exchangeable notes from previous series.</p>
Sight deposits of domestic banks	<p>Sight deposits of domestic banks in Swiss francs form the basis on which the National Bank controls monetary policy. They also facilitate cashless payments within Switzerland. These sight deposits are non-interest-bearing accounts which are stated at their nominal value.</p>
Liabilities towards the Confederation	<p>The National Bank holds a sight deposit account for the Confederation which bears interest at the call money rate for amounts up to a maximum of CHF 600 million. Moreover, the Confederation may place time deposits with the National Bank at market rates. The liabilities towards the Confederation are stated at their nominal value inclusive of accrued interest. Interest expenses are recorded in <i>net result from Swiss franc investments</i>.</p>
Sight deposits of foreign banks and institutions	<p>The National Bank holds sight deposit accounts for foreign banks and institutions which facilitate payment transactions in Swiss francs. These sight deposits do not bear interest and are stated at their nominal value.</p>
Other sight liabilities	<p>Sight deposits of non-banks, accounts held by active and retired staff members and pension funds of the SNB, as well as liabilities in the form of bank cheques drawn on the National Bank but not yet cashed are stated in <i>other sight liabilities</i> at their nominal value inclusive of accrued interest. Interest expenses are stated in <i>net result from Swiss franc investments</i>.</p>

Foreign currency liabilities comprise liabilities towards the Confederation and repo transactions related to the management of foreign currency investments. They are stated at their nominal value inclusive of accrued interest. Interest expenses and exchange rate gains and losses are stated in *foreign currency investments*.

Foreign currency liabilities

The provisions for the assignment of free assets reflect the fact that an amount of gold initially totalling 1,300 tonnes is no longer required for monetary purposes. The provisions are based on the proceeds from gold sales, the market value of the as yet unsold gold and the realised results from hedging transactions for the sales proceeds denominated in US dollars.

Provisions for the assignment of free assets

Following the decision of the Council of States and the Federal Council to distribute 1,300 tonnes of gold in accordance with the current law, an assignment to third parties is no longer applicable. For this reason, the provision was written back as at 31 December 2004.

Provisions for operating risks include reorganisation and other provisions pursuant to FER 23. Reorganisation provisions are financial obligations to staff members taking early retirement as a result of reorganisation.

Provisions for operating risks

Art. 30 para. 1 NBA stipulates that the National Bank shall set up provisions permitting it to maintain the currency reserves at a level necessary for monetary policy. In so doing, it shall take into account the development of the Swiss economy. Under the profit distribution agreement of 5 April 2002, the provisions for currency reserves shall expand in step with the growth in nominal gross domestic product. These special law provisions are equity-like in nature and are incorporated in the table "Changes in equity capital". The allocation is made as a part of the profit appropriation.

Provisions for currency reserves

With the exception of the dividend which – pursuant to the NBA – shall not exceed 6%, the Confederation and the cantons are entitled to the total remaining profit after adequate provisions for currency reserves. To achieve a steady flow of payments in the medium term, the profit distributions are fixed in advance in an agreement concluded between the Confederation and the National Bank. The distribution reserve contains the as yet non-distributed profits. The currently valid agreement provides for a continuous reduction of as yet non-distributed profits until 2012.

Distribution reserve

All employees are insured under defined benefit pension plans according to Swiss GAAP FER 16. The National Bank does not activate excess cover. Any shortfall in cover is stated as a liability.

Pension fund

Off-balance-sheet business

Contingent liabilities

Contingent liabilities are obligations entered into as a result of contracts, laws or implied actions. A resultant future outflow of funds is possible, but will probably not materialise. The maximum amount owed from contingent liabilities is stated in the notes under off-balance-sheet business.

Fiduciary business

Fiduciary transactions encompass investments which the National Bank makes in its own name but on the basis of a written contract exclusively for the account and at the risk of the Confederation. These transactions are shown in the notes at market value under off-balance-sheet business.

Irrevocable undertakings

Irrevocable undertakings include credit arrangements the National Bank has granted to the IMF in the context of international cooperation and credit lines for banks in the form of liquidity-shortage financing facilities (Lombard advances and special-rate repos). The maximum of resulting liabilities are stated in the notes under off-balance-sheet business.

4.2 Foreign currency exchange rates and gold price

	31.12.2004	31.12.2003	Change
	CHF	CHF	In percent
1 US dollar (USD)	1.13	1.24	-8.9
1 euro (EUR)	1.54	1.56	-1.3
1 British pound (GBP)	2.18	2.20	-0.9
100 Danish kroner (DKK)	20.74	20.93	-0.9
1 Canadian dollar (CAD)	0.94	0.96	-2.1
1 Special Drawing Right (SDR)	1.76	1.85	-4.9
1 kilogram of gold	15 939.44	16 580.81	-3.9

4.3 Result from changes in the accounting principles (restatement)

With the entry into force of the new NBA and the two new guidelines Swiss GAAP FER 23 (provisions) and 24 (equity capital), reporting and allocation of the provisions defined in the NBA have been adjusted. This is because these provisions do not meet the criteria defined in Swiss GAAP FER 23 but are equity-like in nature.

Provisions stipulated in the NBA, provisions for market, credit and liquidity risks and provisions for general operating risks have so far been recognised as liabilities. The provisions comprised the targeted level, rising in step with gross domestic product, and the surplus which serves to achieve a steady flow of future profit distributions. Any changes in these provisions were shown in the income statement.

The targeted level is shown as provisions for currency reserves and the surplus provisions have been transferred to the newly set up distribution reserve. Both positions are included in the equity capital. As a result, allocation to provisions for currency reserves is not made in the income statement at year-end but in the profit appropriation in the subsequent spring. The difference between distributable profit and planned distribution of profit is taken to the distribution reserve.

The table below is a restatement of the provisions in the balance sheet retroactively as at 1 January 2003. In a first step, the annual result of the 2002 financial year was adjusted for the changes in the provisions shown in the balance sheet. This took into account that changes in provisions are no longer shown in the income statement at year-end but in the appropriation of profits. In a second step, the two provision positions were grouped together and reallocated to provisions for currency reserves and the distribution reserve.

Provisions in the previous balance sheet

Provisions in the new balance sheet

Restatements

Restatement of provisions and equity capital as at 1 January 2003

	Liabilities		
	Provisions for market, credit and liquidity risks	Provisions for operating risks	Provisions due to reorganisation
	CHF millions	CHF millions	CHF millions
Position as at 1 January 2003¹	46 335.9	461.9	–
Restated annual result			
Restatement of release of provisions for market, credit and liquidity risks affecting the income statement	1 734.5		
Restatement of release of provisions for market and liquidity risks on gold affecting the income statement	–398.0		
Restated provisions			
Transfer of reorganisation provisions		–11.9	11.9
Transfer of provisions for general operating risks	450.0	–450.0	
Transfer of targeted amount to provisions for currency reserves	–35 155.3		
Transfer of surplus provisions to the distribution reserve	–12 967.1		
Position as at 1 January 2003 before appropriation of profit	–	–	11.9
Total effect of change in accounting principles	–46 335.9	–461.9	11.9

1 After transfer of the provisions for market and liquidity risks on gold; cf. 96th Annual Report 2003, p. 106.

Restated net income and annual result for 2003

1 Income statement for 2003, cf. 96th Annual Report, p. 85.

2 Previous year's figures from the income statement in the present Financial Report (cf. p. 95).

3 Adjusted allocation to the provisions specified in the NBA. This allocation is now made as a part of the profit appropriation.

	2003 before restatement ¹	Restatement	2003 after restatement ²
	CHF millions	CHF millions	CHF millions
Net income	4 057.0	–	4 057.0
Allocated to (-)/released from (+) provisions for			
the assignment of free assets	–912.4		–912.4
market, credit and liquidity risks ³	–336.3	336.3	–
Annual result	2 808.3	336.3	3 144.6

Equity capital

Share capital	Non-paid-up share capital	Legal reserves	Provisions for currency reserves	Distribution reserve	Annual result (net profit)	Total equity capital
CHF millions	CHF millions	CHF millions	CHF millions	CHF millions	CHF millions	CHF millions

50.0	-25.0	67.0			2 508.7	2 600.7
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					-1 734.5	
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					398.0	
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			35 155.3			
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				12 967.1		
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50.0	-25.0	67.0	35 155.3	12 967.1	1 172.2	49 386.6
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-	-	-	35 155.3	12 967.1	-1 336.5	-
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4.4 Notes to the income statement and balance sheet

Item no. 01

Net result from gold

Breakdown by type	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Net result from changes in market value	-927.6	2 248.0	-3 175.6
Interest income from gold lending transactions	22.8	32.9	-10.2
Net result from hedging transactions	4.2	334.2	-330.1
Total	-900.7	2 615.1	-3 515.8

The loss from changes in market value was due to the fall in the gold price by about CHF 640 per kilogram. In the previous year, the sharp rise in the gold price had resulted in large gains in market value.

The lower interest income from gold lending transactions was mainly due to the lower volume of business.

Despite the sharp fall in the US dollar exchange rate, the forward foreign exchange transactions (forward sale of US dollars) used to hedge the USD-denominated gold sale proceeds only yielded a small profit in the year under review. This is because the volume of hedging transactions fell substantially in line with gold sales.

Breakdown by origin	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Net result from monetary gold	-804.7	1 702.8	-2 507.4
Net result from gold held as free assets	-96.0	912.4	-1 008.4
Total	-900.7	2 615.1	-3 515.8

Item no. 02

Net result from foreign currency investments

Breakdown by type	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Interest and capital gain/loss	3 203.6	1 746.1	+1 457.5
Interest expenses	-12.5	-7.9	-4.6
Exchange rate gain/loss	-1 989.5	-201.8	-1 787.7
Asset management and safe custody account fees	-10.4	-10.2	-0.2
Total	1 191.2	1 526.3	-335.1

All investment currencies except the US and Canadian dollars saw interest rates fall in the past year. This resulted in capital gains. In the previous year, a rise in interest rates had resulted in capital losses in most of the relevant markets.

Breakdown by origin	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Foreign currency investments	1 282.5	1 543.1	-260.6
Reserve position in the IMF	-70.6	-16.3	-54.3
International payment instruments	0.6	6.2	-5.6
Monetary assistance loans	-8.8	1.2	-10.0
Foreign currency liabilities	-12.5	-7.9	-4.6
Total	1 191.2	1 526.3	-335.1

Breakdown by currency	2004	2003	Change
	CHF millions	CHF millions	CHF millions
USD	-615.0	-1 528.5	+913.6
EUR	1 575.6	2 650.9	-1 075.2
GBP	156.4	42.6	+113.8
DKK	179.0	239.9	-60.9
CAD	54.1	142.7	-88.6
SDR	-79.1	-11.0	-68.0
Other	-79.9	-10.2	-69.7
Total	1 191.2	1 526.3	-335.1

Exchange rate losses reduced the investment result in all currencies. As in the previous year, these exceeded the result prior to exchange rate effects in the case of US dollars and Special Drawing Rights, thus producing a net loss. In all other currencies, there was a net gain on the investments despite losses on conversion of foreign currency amounts into Swiss francs.

Breakdown of exchange rate gain/loss by currency	2004	2003	Change
	CHF millions	CHF millions	CHF millions
USD	-1 293.2	-1 877.6	+584.4
EUR	-313.5	1 537.4	-1 850.9
GBP	-157.2	-35.2	-122.0
DKK	-11.2	144.6	-155.7
CAD	-23.7	85.2	-108.9
SDR	-121.2	-56.0	-65.1
Other	-69.5	0.0	-69.6
Total	-1 989.5	-201.8	-1 787.7

Item no. 03

Net result from Swiss franc investments

Breakdown by type	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Interest and capital gain/loss	327.2	146.8	+180.3
Interest expenses	-19.4	-18.2	-1.3
Trading and safe custody account fees	-3.3	-3.5	+0.2
Total	304.4	125.2	+179.2

Breakdown by origin	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Swiss franc securities	265.1	101.0	+164.1
Swiss franc repo transactions	58.7	42.1	+16.6
Other assets	0.1	0.3	-0.2
Liabilities towards the Confederation	-13.0	-12.0	-1.0
Other sight liabilities	-6.4	-6.2	-0.3
Total	304.4	125.2	+179.2

Net result from other assets

Item no. 04

	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Commission income	16.3	18.2	-1.9
Commission expenses	-15.5	-17.8	+2.3
Income from participations	17.1	8.5	+8.6
Income from real estate	3.7	4.6	-0.9
Other ordinary income	0.7	0.8	-0.1
Total	22.4	14.3	+8.1

The commission income and expenses stated here originate from business with third parties. The bulk of these commissions arose from services performed in connection with the National Bank's function as paying agent for new issues, coupon payments and redemptions of Confederation bonds.

Income from real estate stems from the letting of Bank-owned premises not currently used for its own purposes.

Personnel expenses

Item no. 05

	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Wages, salaries and allowances	78.3	74.0	+4.3
Social insurance	15.4	15.8	-0.4
Other personnel expenses	6.0	8.5	-2.5
Total	99.7	98.4	+1.3

Employee benefit obligations

All employees are insured under defined benefit pension plans according to Swiss GAAP FER 16. The pension plans comprise two staff pension fund schemes. Both the SNB and its employees contribute to the schemes. Employees contribute 8% of their insured salary and the SNB 16%.

Pension benefits are calculated annually by an independent insurance expert in accordance with the projected unit credit method, which is based on the insured salary most recently paid. Insured benefits comprise the retirement pension, benefits on disability or death, and benefits for surviving dependents.

Basis for calculation	2004	2003
	In percent	In percent
Discount rate	4.0	4.0
Projected long-term investment yield	4.5	4.5
Projected salary development	2.5	2.5
Projected pension development	1.5	1.5

Difference	2004	2003
	CHF millions	CHF millions
Employee benefit obligations	-587.6	-570.0
Pension fund assets	662.0	637.0
Excess (not capitalised)	74.4	67.0

Employee benefit expenses	2004	2003
	CHF millions	CHF millions
Employee pension entitlements acquired	13.1	11.8
Interest on future pension entitlements	23.5	21.6
Projected income from pension fund assets	-26.5	-25.5
Employee contributions	-4.7	-4.7
Imputed net pension expense	5.4	3.2
Employee benefit expenses posted (employer contributions)	9.9	10.0
Imputed net pension expense	-5.4	-3.2
Prepaid benefit expenses not stated in the balance sheet	4.5	6.8

General overheads

Item no. 07

	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Premises	9.0	10.3	-1.3
Maintenance of mobile tangible assets and software	8.5	8.4	+0.1
Consulting and other third-party support	3.7	10.0	-6.3
Administrative expenses	11.9	12.2	-0.3
Operating contributions	6.6	7.8	-1.2
Other general overheads	5.9	6.4	-0.5
Total	45.6	55.3	-9.6

The operating grants include a contribution of CHF 6.2 million (2003: CHF 7.3 million) towards Study Center Gerzensee. The Study Center, which is a National Bank foundation, organises courses for employees of foreign central banks plus international conferences on academic topics and courses for doctoral students of Swiss universities.

Gold

Item no. 08

Breakdown by type	2004		2003	
	Tonnes	CHF millions	Tonnes	CHF millions
Gold ingots	1 047.3	16 693.3	1 225.1	20 312.5
Gold coins	175.2	2 792.5	175.2	2 904.9
Total	1 222.5	19 485.8	1 400.3	23 217.3

Breakdown by purpose	2004		2003	
	Tonnes	CHF millions	Tonnes	CHF millions
Monetary gold	1 158.4	18 463.5	1 057.1	17 527.9
Gold from free assets	64.1	1 022.3	343.1	5 689.5
Total	1 222.5	19 485.8	1 400.3	23 217.3

**Free assets:
Gold sales per annum**

	Amount sold	Sales proceeds¹	Average price
	Tonnes	CHF millions	CHF
2000	170.8	2 589.9	15 167
2001	220.8	3 252.8	14 730
2002	281.9	4 376.0	15 524
2003	283.4	4 458.8	15 733
2004	279.0	4 567.6	16 372
Total	1 235.9	19 245.2	15 572

¹ Excluding net result from hedging transactions.

Of the original total of 1,300 tonnes of gold no longer required for monetary purposes, 64.1 tonnes remain available for sale in 2005 (cf. p. 91).

Item no. 09

Claims from gold transactions

	2004		2003	
	Tonnes	CHF millions	Tonnes	CHF millions
Claims from unsecured gold lending	31.9	514.6	128.9	2 146.2
Claims from secured gold lending ¹	99.8	1 637.4	104.0	1 762.5
Claims on metal accounts	0.1	1.4	0.1	1.9
Total	131.8	2 153.4	233.0	3 910.7

¹ Secured by the deposit of first-class securities with a market value of CHF 1,865.9 million (2003: 1,887.9 million).

Foreign currency investments

Item no. 10

Breakdown by investment type	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Sight deposits and call money	1 201.4	1 074.5	+126.9
Time deposits	362.6	2 416.4	-2 053.8
Claims from repo transactions	-	1 774.9	-1 774.9
Money market paper	2 680.3	2 627.2	+53.1
Bonds ¹	56 463.7	48 418.7	+8 045.0
Total	60 708.0	56 311.7	+4 396.3

1 Of which CHF 320.3 million (2003: CHF 118.9 million) lent under securities lending operations.

Breakdown by borrower category	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Governments	45 546.8	46 438.9	-892.1
Monetary institutions ¹	1 919.7	1 417.2	+502.4
Corporations	13 241.5	8 455.5 ²	+4 786.0
Total	60 708.0	56 311.7	+4 396.3

1 The debtor category *monetary institutions* refers to investments at the Bank for International Settlements (BIS), at central banks and in securities of multilateral development banks.

2 Banks only.

Breakdown by currency ¹	2004	2003	Change
	CHF millions	CHF millions	CHF millions
USD	20 405.0	20 406.0	-1.0
EUR	28 854.9	29 320.2	-465.3
GBP	6 944.8	3 078.6	+3 866.2
DKK	3 130.5	2 360.4	+770.2
CAD	1 371.8	1 144.2	+227.6
Other	1.0	2.3	-1.3
Total	60 708.0	56 311.7	+4 396.3

1 The breakdown by currency refers to basic investments and does not take foreign exchange derivatives into account. For a breakdown of currency positions including foreign exchange derivatives, see the breakdown of assets by currency on p. 131.

Reserve position in the IMF

	2004 CHF millions	2003 CHF millions	Change CHF millions
Swiss quota in the IMF ¹	6 080.7	6 390.7	-310.0 ²
./. less IMF's Swiss franc sight balances at the National Bank	-4 045.6	-3 828.8	-216.8
Total	2 035.1	2 561.9	-526.8

1 This quota amounts to SDR 3,458.5 million.

2 Change due entirely to exchange rates.

Monetary assistance loans

	2004 CHF millions	2003 CHF millions	Change CHF millions
Bilateral loan to Bulgaria	22.2	22.4	-0.2
PRGF credit facility	193.7	243.8	-50.1
Interim PRGF credit facility	75.4	61.0	+14.4
Total	291.3	327.2	-35.9

The change in the PRGF (Poverty Reduction and Growth Facility) is due to the IMF's repayment of the loan and to currency valuation effects. Since 2002, the IMF has exhausted all loan commitments under the PRGF.

The change in the *interim PRGF credit facility* item is due to currency valuation effects and to increased borrowing by the IMF. Outstanding commitments were down from CHF 401.5 million in 2003 to CHF 364.8 million (cf. p. 128, Item no. 29).

Breakdown by borrower category	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Governments	4 368.0	4 141.6	+226.3
Corporations	3 025.6	3 516.2	-490.6
Total	7 393.6	7 657.9	-264.3

Breakdown of the <i>Governments</i> borrower category	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Swiss Confederation	2 249.4	2 060.1	+189.3
Cantons	862.4	785.0	+77.4
Municipalities	417.4	358.2	+59.2
Foreign states	838.8	938.4	-99.6
Total	4 368.0	4 141.6	+226.3

Breakdown of the <i>Corporations</i> borrower category	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Domestic banks	137.7	173.1	-35.4
Domestic mortgage bond institutions	1 063.2	1 336.6	-273.4
Other domestic corporations	126.4	132.8 ¹	-6.4
Foreign corporations	1 698.2	1 873.7 ²	-175.5
Total	3 025.6	3 516.2	-490.6

1 International organisations headquartered in Switzerland.

2 Banks and international organisations.

Banknote stocks

	2004 CHF millions	2003 CHF millions	Change CHF millions
Position as at 1 January	147.0	149.9	-2.9
Additions	37.4	41.5	-4.1
Disposals	-40.4	-44.4	-4.0
Position as at 31 December	144.0	147.0	-3.0

Schedule of assets in CHF millions

Period of depreciation	Real estate ¹ 100 years	Specific conversion work 10 years	Assets under construction ² No depreciation	Software 3 years	Sundry tangible assets ³ 3-12 years	Total
Historical cost						
1 January 2004	326.1	44.7	6.4	25.3	71.2	473.8
Additions	0.0	4.3	17.6	6.2	6.7	34.7
Disposals	-	-0.1	-	-7.5	-9.9	17.5
Reclassified	-	-	-	-	-	-
31 December 2004	326.2	48.9	24.0	24.0	68.0	491.1
Cumulative value adjustments						
1 January 2004	18.8	12.0		9.4	48.2	88.5
Additions	3.3	4.6		8.8	9.9	26.6
Disposals	-	-0.1		-7.5	-9.8	17.4
Reclassified	-	-		-	-	-
31 December 2004	22.1	16.5		10.7	48.3	97.6
Net book values						
1 January 2004	307.3	32.7	6.4	15.9	23.0	385.3
31 December 2004	304.0	32.3	24.0	13.3	19.7	393.3

1 Fire insurance value: CHF 362.6 million (2003: CHF 339.8 million).

2 Remodelling work at Zurich office.

3 Relates primarily to IT hardware, machinery, equipment, furnishings and vehicles; fire insurance value: CHF 83.3 million (2003: CHF 82.5 million).

Participations (not consolidated) in CHF millions

Item no. 16

	Percentage held	Book value at 1 Jan. 2004	Investments	Divestments	Changes in value	Book value at 31 Dec. 2004
Orell Füssli ¹	33%	27.0	–	–	8.1	35.1
BIS ²	3%	60.9	–	–	–	60.9
Others		0.6	–	0.0	–	0.6
Total		88.6				96.7

1 Orell Füssli Holding Ltd, whose subsidiary Orell Füssli Security Documents Ltd produces Switzerland's bank-notes.

2 The interest in the Bank for International Settlements (BIS) is held by reason of collaboration on monetary policy.

Sundry assets

Item no. 17

	2004 CHF millions	2003 CHF millions	Change CHF millions
Coins ¹	266.4	290.2	–23.8
Foreign notes	0.7	0.6	+0.1
Other accounts receivable	19.6	20.9	–1.2
Prepayments and accrued income	3.2	3.6	–0.3
Cheques and bills of exchange (collection business)	0.3	0.5	–0.2
Positive gross replacement values ²	316.1	668.2	–352.1
Total	606.3	983.9	–377.6

1 Coins comprise the coins and commemorative coins acquired from Swissmint which are placed in circulation by the National Bank.

2 Positive gross replacement values correspond to unrealised gains on derivative financial instruments and on outstanding spot transactions.

By far the greater part of this Item is derived from foreign currency forward transactions concluded to hedge currency risks on the free assets (cf. p. 130, Item no. 32).

Item no. 18**Banknotes in circulation**

	2004 CHF millions	2003 CHF millions	Change CHF millions
8 th issue	37 852.9	38 482.0	-629.1
6 th issue ¹	1 866.3	2 062.0	-195.7
Total	39 719.3	40 544.0	-824.7

1 Exchangeable at the National Bank until 30 April 2020.

Item no. 19**Liabilities towards the Confederation**

	2004 CHF millions	2003 CHF millions	Change CHF millions
Sight liabilities	54.3	452.6	-398.3
Term liabilities	2 100.5	2 400.5	-300.0
Total	2 154.8	2 853.1	-698.3

Item no. 20**Other sight liabilities**

	2004 CHF millions	2003 CHF millions	Change CHF millions
Sight deposits of non-banks	20.5	13.4	+7.2
Deposit accounts ¹	144.0	138.4	+5.6
Cheque liabilities ²	0.5	1.6	-1.1
Total	165.0	153.4	+11.6

1 These mainly comprise accounts of active and retired employees, and liabilities towards SNB pension funds (CHF 16.2 million; 2003: CHF 16.8 million).

2 Bank cheques drawn on the National Bank but not yet cashed.

Foreign currency liabilities

Item no. 21

	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Sight liabilities towards the Confederation	0.5	0.5	–
Liabilities from repo transactions ¹	–	130.0	–130.0
Total	0.5	130.5	–130.0

1 Relating to the management of foreign currency investments.

Other liabilities

Item no. 22

	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Other liabilities	10.8	12.6	–1.8
Accrued liabilities and deferred income	5.3	3.0	+2.3
Negative gross replacement values ¹	144.7	159.2	–14.5
Total	160.9	174.8	–13.9

1 Negative gross replacement values correspond to unrealised losses on derivative financial instruments and on outstanding spot transactions. By far the greater part of this item is derived from foreign currency forward transactions concluded to hedge currency risks on the free assets (cf. p. 130, Item no. 32).

Provisions for the assignment of free assets

Item no. 23

Changes	2004	2003
	CHF millions	CHF millions
Book value as at 1 January	21 209.3	20 296.9
Allocated to provisions		912.4 ¹
Released from provisions	–96.0 ¹	
Write-back as at 31 December as per agreement 25 February 2005	–21 113.2	
Book value as at 31 December	–	21 209.3

1 Corresponds to the net gain/loss from gold in the free assets (cf. p. 110, Item no. 01).

The provision for the assignment of free assets comprises the proceeds from gold sales realised to date, the accrued net result from the hedging transactions and the anticipated proceeds of future gold sales. The latter depends on the market value of the gold not yet sold. Owing to the development of the gold price during the year, the anticipated value of the gold assigned declined by CHF 96 million.

Composition before dissolution	2004		2003	
	Tonnes	CHF millions	Tonnes	CHF millions
Cumulative proceeds from gold sales	1 235.9	19 245.2	956.9	14 677.6
Market value of the as yet unsold portion of gold from the free assets	64.1	1 022.6 ¹	343.1	5 690.4 ¹
Cumulative net result from hedging transactions		845.5		841.3
Total (position as at 31 December before liquidation)	1 300.0	21 113.2	1 300.0	21 209.3

1 Including gross replacement values of gold sales not yet performed as at the balance sheet date.

Owing to the Federal Council's decision to distribute the counter-value of the 1,300 tonnes of gold to the Confederation and the cantons, the Council of States' decision not to intervene in this matter became effective. Consequently, the provision was written back as at 31 December 2004 and carried as income (cf. pp. 87–88).

The calculation of the distribution was based on the provision of CHF 21,113.2 million as at 31 December 2004, i.e. in accordance with the definition stated at the outset. Any difference remaining on completion of the sales will be reflected in the Financial Report for 2005.

	Provisions due to reorganisation	Other provisions	Total
	CHF millions	CHF millions	CHF millions
Book value as at 1 January 2003	11.9	–	11.9
Formation	3.2	–	3.2
Release	–3.5	–	–3.5
Write-back	–	–	–
Book value as at 31 December 2003	11.5	–	11.5
Book value as at 1 January 2004	11.5	–	11.5
Formation	0.7	0.7	1.3
Release	–4.5	–	–4.5
Write-back	–0.2	–	–0.2
Book value as at 31 December 2004	7.5	0.7	8.1

Share capital

Item no. 25

The share capital of the National Bank totals CHF 25 million. It is divided into 100,000 registered shares of CHF 250 each.

In the 2004 financial year, the Bank Committee, and afterwards the Secretariat General acting on behalf of the Bank Council, authorised the transfer of 21,912 (previous year: 4,403) shares to new holders. The number of registered shareholders declined by 146.

At year-end the shares were distributed as follows:

	Number of shares	In percentage of shares registered
2,395 private shareholders with a total of	34 851	39¹
of whom 2,057 shareholders with 1–10 shares each		
of whom 312 shareholders with 11–100 shares each		
of whom 13 shareholders with 101–200 shares each		
of whom 13 shareholders with over 200 shares each		
81 public-sector shareholders with a total of	54 494	61
of whom 26 cantons with a total of	38 981	
of whom 24 cantonal banks with a total of	14 473	
of whom 31 other public authorities and institutions with a total of	1 040	
Total 2,476 shareholders with a total of	89 345²	100
Registration applications pending or outstanding for	10 655	
Total shares	100 000	

1 10.5% are legal entities and 28.5% private individuals.

2 2,810 shares are in foreign ownership.

At year-end, the price of the National Bank share was CHF 1,000, having risen from CHF 997 at the beginning of the year (at that time the price reflected a non paid-up portion of the share capital).

Major shareholders	Number of shares		Percentage held	
	2004	Year-on-year change	2004	Year-on-year change
Canton of Berne	6 630	–	6.63	–
Fritz Aeschbach-Müller, Monaco	6 232	1	6.23	1
Canton of Zurich	5 200	–	5.20	–

1 Previous year's holding was not subject to a reporting obligation.

Item no. 26

Transfer of the residual surplus for future distributions to the distribution reserve

	CHF millions
Residual surplus prior to distribution for financial year 2003 ¹	13 047.0
Distribution to Confederation and cantons in spring 2004	–2 800.0
Residual surplus for future distributions ¹	10 247.0
Release of reorganisation provisions	–11.5
Distribution reserve as at 31 December 2004 (before appropriation of profit for 2004)	10 235.5

1 Cf. 96th Annual Report 2003, p. 109.

To date, the reorganisation provisions were included in the provisions stipulated in the NBA. Since they were not surplus provisions as specified in the new NBA, they have been transferred to provisions for operating risks rather than to the distribution reserve (cf. p. 125, Item no. 24).

4.5 Notes regarding off-balance-sheet business

Contingent liabilities

Item no. 27

	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Documentary credits ¹	1.8	2.6	-0.8
Other contingent liabilities	0.5	1.5	-1.0

1 Chiefly in connection with development aid provided by the Confederation (covered by balances earmarked for this purpose).

Irrevocable undertakings

Item no. 28

Undrawn credit lines provided to banks under the liquidity-shortage financing facilities	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Lombard advances	6 551.4	9 407.5	-2 856.1
Special-rate repo	3 170.5	-	+3 170.5
Total	9 721.9	9 407.5	+314.4

Lombard advances	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Credit lines	6 558.0	9 408.3	-2 850.3
of which drawn down	6.6	0.8	+5.8
of which not yet drawn down	6 551.4	9 407.5	-2 856.1

Special-rate repo	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Credit lines	3 170.5	-	+3 170.5
of which drawn down	-	-	-
of which not yet drawn down	3 170.5	-	+3 170.5

Undrawn credit lines provided to IMF	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Two-way arrangement	623.3	693.4	-70.1
Interim PRGF	364.8	401.5	-36.7
General Arrangements to Borrow (GAB) and New Arrangements to Borrow (NAB)	2 707.6	2 845.6	-138.0
Total	3 695.7	3 940.5	-244.8

Two-way arrangement ¹	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Credit undertaking	703.3	739.1	-35.8 ²
of which drawn down	80.0	45.7	+34.3
of which not yet drawn down	623.3	693.4	-70.1

1 National Bank undertaking to purchase Special Drawing Rights against currency up to the agreed maximum of

SDR 400 million or to return the Special Drawing Rights in exchange for currency.

2 Change due entirely to exchange rates.

Interim PRGF ¹	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Credit undertaking	439.5	462.0	-22.5 ²
of which drawn down	74.7	60.4	+14.3
of which not yet drawn down	364.8	401.5	-36.7

1 Limited-term credit undertaking to the IMF's trust fund amounting to SDR 250 million (cf. p. 118, Item no. 12)

with federally guaranteed repayment of principal and payment of interest.

2 Change due entirely to exchange rates.

General Arrangements to Borrow (GAB) and New Arrangements to Borrow (NAB) ¹	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Credit undertaking	2 707.6	2 845.6	-138.0 ²
of which drawn down	-	-	-
of which not yet drawn down	2 707.6	2 845.6	-138.0

1 Credit lines totalling SDR 1,540 million (of which a maximum of SDR 1,020 million in the context of the GAB) in

favour of the IMF for special cases, without a federal guarantee.

2 Change due entirely to exchange rates.

Other obligations not carried on the balance sheet

Item no. 30

	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Additional funding obligation BIS ¹	105.5	110.9	-5.4 ²
Liabilities from long-term rental, maintenance and leasing contracts	26.2	28.1	-1.9

1 The BIS shares are 25% paid up. The additional funding obligation is stated in Special Drawing Rights.

2 Change due entirely to exchange rates.

Assets pledged or assigned as collateral for own liabilities

Item no. 31

Foreign currency investments	2004	2003	Change
	CHF millions	CHF millions	CHF millions
USD	16.3	163.5	-147.1
EUR	77.4	87.7	-10.3
GBP	-	11.9	-11.9
Total ¹	93.7	263.2	-169.4

1 Collateral lodged in connection with repo and futures transactions.

Outstanding derivative financial instruments

	Contract value	Gross replacement value	
	CHF millions	CHF millions Positive	CHF millions Negative
Interest rate instruments	14 757.6	18.3	22.1
Forward contracts ¹	10 648.4	1.5	1.3
Interest rate swaps	3 552.4	16.2	20.5
Futures	556.9	0.6	0.3
Foreign exchange	16 850.1	297.5	122.6
Forward contracts ¹	16 850.1	297.5	122.6
Precious metals	472.3	0.3	0.1
Forward contracts ²	472.3	0.3	0.1
Total as at end of 2004	32 080.0	316.1	144.7
Total as at end of 2003	65 742.9	668.2	159.2

1 Including spot transactions with value date in the new year.

2 From spot sales and gold lending transactions with value date in the new year.

Fiduciary investments

	2004	2003	Change
	CHF millions	CHF millions	CHF millions
Fiduciary investments of the Confederation	745.3	550.2	195.1

4.6 Assets by currency as at 31 December 2004

In CHF millions

The following table gives a breakdown of the National Bank's assets by currency. Foreign exchange derivatives were included on the basis of the assets stated in the balance sheet. These are made up of claims and liabilities from forward foreign exchange transactions.

	CHF	Gold	USD	EUR	Other	Total
Gold		19 485.8				19 485.8
Claims from gold transactions		2 100.3	53.1			2 153.4
Foreign currency investments			20 405.0	28 854.9	11 448.1	60 708.0
Reserve position in the IMF					2 035.1	2 035.1
International payment instruments					80.1	80.1
Monetary assistance loans				22.2	269.1	291.3
Sundry assets	33 155.1					33 155.1
Total assets as per balance sheet	33 155.1	21 586.1	20 458.1	28 877.1	13 832.4	117 908.8
Foreign exchange derivatives	9 043.4		-6 574.0	-2 843.9	374.5	
Total assets incl. foreign exchange derivatives as at end of 2004	42 198.5	21 586.1	13 884.1	26 033.1	14 206.9	117 908.8
As at end of 2003	45 705.6	27 080.7	13 954.3	29 342.6	6 714.3	122 797.7