



# 1 Income statement for the year 2001

	Notes	2001 Sfr millions	2000 <sup>1</sup> Sfr millions	Change percent
Net result from gold holdings	01	1 267.6	-2 159.6	
Net result from				
foreign currency investments	02	2 405.4	2 377.5	+1.2
reserve position in the IMF	03	17.8	53.2	-66.5
international payment instruments	03	-1.0	23.9	
balance of payments support	03	8.6	11.1	-22.5
Net result from				
Swiss franc repo transactions	04	519.8	513.2	+1.3
Lombard advances	05	1.1	1.9	-42.1
claims against domestic correspondents	06	1.7	2.4	-29.2
Swiss franc securities	07	236.0	164.8	+43.2
Other income	08	29.7	40.0	-25.8
<b>Gross income</b>		<b>4 486.8</b>	<b>1 028.4</b>	<b>+336.3</b>
Interest expenses	09	-203.7	-336.9	-39.5
Banknote expenses	10	-33.7	-35.0	-3.7
Personnel expenses	11	-83.9	-79.5	+5.5
General overheads	12	-82.9	-93.8	-11.6
Depreciation on tangible assets	23	-21.2	-19.4	+9.3
<b>Net income</b>		<b>4 061.3</b>	<b>463.9</b>	<b>+775.5</b>
Extraordinary expenses	13	-6.9	-4.1	
Extraordinary income		0.0	12.8	
Extraordinary revaluation gain on gold			27 700.5	
<b>Aggregate income</b>		<b>4 054.4</b>	<b>28 173.2</b>	<b>-85.6</b>
Allocation to provisions for				
the assignment of free assets	32	-357.2	-18 860.4	
market and liquidity risks on gold	33	-829.7	-6 589.9	
market, credit and liquidity risks	34	-1 359.5	-1 214.9	
<b>Annual profit</b>	37	<b>1 508.0</b>	<b>1 508.0</b>	

<sup>1</sup> adjusted figures (see page 84)

## 2 Balance sheet as of 31 December 2001

in Sfr millions

		2001	2000
<b>Assets</b>	<b>Notes</b>		
<b>Gold holdings</b>	<b>14</b>	<b>28 100.1</b>	<b>30 014.4</b>
<b>Claims from gold transactions</b>	<b>15</b>	<b>4 882.2</b>	<b>4 710.5</b>
<b>Foreign currency investments</b>	<b>16</b>	<b>50 580.8</b>	<b>50 452.8</b>
<b>Reserve position in the IMF</b>	<b>17</b>	<b>2 665.7</b>	<b>2 078.8</b>
<b>International payment instruments</b>	<b>17</b>	<b>476.3</b>	<b>268.5</b>
<b>Balance of payments support</b>	<b>17</b>	<b>347.2</b>	<b>352.4</b>
<b>Claims from Swiss franc repo transactions</b>	<b>18</b>	<b>25 912.1</b>	<b>24 182.0</b>
<b>Lombard advances</b>	<b>19</b>	<b>9.0</b>	<b>0.5</b>
<b>Claims against domestic correspondents</b>	<b>20</b>	<b>73.7</b>	<b>276.3</b>
<b>Swiss franc securities</b>	<b>21</b>	<b>6 000.0</b>	<b>5 409.8</b>
<b>Participations</b>	<b>22</b>	<b>89.3</b>	<b>89.5</b>
<b>Tangible assets</b>	<b>23</b>	<b>534.8</b>	<b>537.3</b>
<b>Sundry assets</b>	<b>24</b>	<b>456.8</b>	<b>700.7</b>
<b>Non paid-up share capital</b>	<b>35</b>	<b>25.0</b>	<b>25.0</b>
		<b>120 153.1</b>	<b>119 098.4</b>

		2001	2000
<b>Liabilities</b>	Notes		
<b>Banknotes in circulation</b>	25	<b>39 844.7</b>	<b>35 485.7</b>
<b>Sight deposit accounts of domestic banks</b>	26	<b>6 316.9</b>	<b>6 193.6</b>
<b>Liabilities towards the Confederation</b>			
<b>sight</b>	27	<b>154.1</b>	<b>164.7</b>
<b>time</b>	27	<b>2 251.9</b>	<b>9 888.0</b>
<b>Sight deposits of foreign banks and institutions</b>	28	<b>629.8</b>	<b>203.4</b>
<b>Other sight liabilities</b>	29	<b>182.7</b>	<b>161.5</b>
<b>Liabilities from Swiss franc</b>			
<b>repo transactions</b>	18	–	–
<b>Foreign currency liabilities</b>	30	<b>1 469.7</b>	<b>440.2</b>
<b>Sundry liabilities</b>	31	<b>323.4</b>	<b>127.6</b>
<b>Provisions for</b>			
<b>the assignment of free assets</b>	32	<b>19 217.6</b>	<b>18 860.4</b>
<b>operating risks</b>	34	<b>465.9</b>	<b>467.1</b>
<b>market and liquidity risks on gold</b>	33	<b>7 419.5</b>	<b>6 589.9</b>
<b>market, credit and liquidity risks</b>	34	<b>40 252.9</b>	<b>38 893.4</b>
<b>Share capital</b>	35	<b>50.0</b>	<b>50.0</b>
<b>Reserve fund</b>	36	<b>66.0</b>	<b>65.0</b>
<b>Annual profit</b>	37	<b>1 508.0</b>	<b>1 508.0</b>
		<b><u>120 153.1</u></b>	<b>119 098.4</b>

## 3 Notes to the accounts as of 31 December 2001

### 3.1 Explanatory notes on business activities

The Swiss National Bank, a company limited by shares with head offices in Berne and Zurich, is Switzerland's central bank and the country's sole authorised issuer of banknotes. It is empowered under the Swiss Constitution to operate a monetary policy that is in the country's overall interests. All the transactions which it is permitted to perform are laid down in the National Bank Law. The National Bank has a commercial relationship with financial institutions in Switzerland and abroad, federal agencies, other central banks and international organisations.

The National Bank's obligations towards the economy as a whole take priority over the achievement of profit. The National Bank is the only Swiss institution with authority to autonomously create money. It is not obliged to pay interest on banknotes in circulation or on sight deposits. Consequently, a large part of the income on its assets remains as an earnings surplus. As administrator of Switzerland's currency reserves, however, the National Bank bears substantial market, credit and liquidity risks, even though the assets are judiciously managed. It hedges these risks with appropriate provisions. The provisions also serve to safeguard the pursuit of monetary policy by allowing the National Bank to accumulate sufficient foreign currency reserves. The target figure for provisions rises in step with gross national product (see pages 103 f.).

On 31 December 2001, the National Bank employed 585 persons (2000: 575), corresponding to 543.6 full-time posts (2000: 534.1). In addition to its head offices in Berne and Zurich, the National Bank has operating branches in Geneva and Lugano. It also has offices in Basel, Lausanne, Lucerne and St Gallen in order to monitor economic developments in Switzerland's regions.

### 3.2 Accounting and valuation principles

The principles applied to the books of account, asset valuation, balance sheet and disclosure are governed by the National Bank Law (NBL), the Swiss Federal Code of Obligations (CO) and the Swiss GAAP FER<sup>1</sup>, due account being taken of circumstances specific to the National Bank. Owing to the particular nature of its business, the National Bank does not draw up a cash flow statement or publish a mid-year statement.

Exchange rate-related valuation adjustments are now no longer stated as a separate extraordinary item in the income statement but are included as an additional component of the corresponding income and expense items. The effects of this change are shown under 3.3.

All transactions are recorded on the day the transaction is concluded. However, they are only entered in the balance sheet on the value date. Transactions which were concluded in the year under review but which are value-dated in the new year are stated under off-balance-sheet transactions.

#### General principles

#### Changes from the previous year

#### Recording of transactions/ balance sheet entries

<sup>1</sup> The Swiss GAAP are the Generally Accepted Accounting Principles issued by the Foundation for Accounting and Reporting Recommendations (Fachkommission für Empfehlungen zur Rechnungslegung FER).

Gold and gold claims from lending transactions, negotiable foreign currency investments and Swiss franc securities are stated at their year-end prices (including accrued interest). Changes in market value are thus reported in the income statement.

Claims and liabilities from repo transactions are stated at their nominal value including accrued repo interest. However, only the money side of the transaction is posted to the accounts. In other words, the securities transferred by the borrower to the lender are treated as if they had been pledged as security for the loan.

Derivative financial instruments used to manage foreign currency investments and gold holdings are stated at their year-end market value or fair value. The same applies to non-performed spot transactions on gold, negotiable foreign currency investments and Swiss franc securities. Positive or negative gross replacement values are posted to the income statement and balance sheet as appropriate. In the case of forward contracts and non-performed spot transactions on non-negotiable instruments, only the contract values are stated under off-balance-sheet transactions.

Participations are stated at cost less required depreciation, or at the market value in the case of non-substantive minority interests in listed companies.

Tangible assets are stated at their acquisition cost less required depreciation.

Other items are stated at their nominal value inclusive of any accrued interest.

Foreign currency items are translated at year-end rates, whereas income from these items is translated at the exchange rates applicable at the time the income was posted to the accounts.

#### Foreign currency exchange rates and gold price

	2001	2000	Change in percent
<b>Year-end rates</b>			
CHF/USD	1.6782	1.6353	+2.6
CHF/EUR	1.4813	1.5245	-2.8
CHF/JPY	1.2774	1.4242	-10.3
CHF/GBP	2.4304	2.4464	-0.7
CHF/DKK	19.9100	20.4200	-2.5
CHF/CAD	1.0507	1.0900	-3.6
CHF/XDR <sup>1</sup>	2.1113	2.1433	-1.5
Gold price in CHF/kg	14 978.01	14 334.88	+4.5

1 XDR: Special Drawing Rights

### 3.3 Restatement of prior-year figures owing to reclassification of exchange rate-related valuation adjustments

1 Figures prior to the reclassification of exchange rate-related valuation adjustments, as stated in the Annual Report 2000.

2 Effects of reclassification of exchange rate-related gains or losses on the figures for the previous year (2000) in the Annual Report 2001.

3 Figures following the reclassification of exchange rate-related valuation adjustments, as stated in the Annual Report 2001.

4 Including exchange rate gains or losses of Sfr 0.9 million on foreign currency liabilities.

	2000 old <sup>1</sup>	Change <sup>2</sup>	2000 new <sup>3</sup>
	Sfr millions	Sfr millions	Sfr millions
Net result from			
foreign currency investments	3 422.1	-1 044.5	2 377.5 <sup>4</sup>
reserve position in the IMF	87.4	-34.2	53.2
international payment instruments	19.0	+4.8	23.9
balance of payments support	12.4	-1.3	11.1
Exchange rate-related valuation adjustments	-1 075.2	+1 075.2	-

As mentioned on page 82, exchange rate-related valuation adjustments are now no longer stated as a separate extraordinary item in the income statement but are included as an additional component of the corresponding income and expense items. The prior-year figures shown in the income statement and in the Notes have been adjusted accordingly. These changes do not affect aggregate income.

## 3.4 Notes to the income statement and balance sheet

### Summary

The income statement is strongly influenced by developments in the gold price, the interest rate and the exchange rate.

The rise in the gold price resulted in valuation gains of Sfr 1,503.9 million, whereas the appreciation of the US dollar resulted in losses of Sfr 317.0 million on forward foreign exchange transactions which had been concluded as a means of hedging future proceeds from gold sales denominated in US dollars. Together with interest income from gold lending transactions, the net result from gold holdings came to Sfr 1,267.6 million (2000: Sfr -2,159.6 million).

Owing to the continued decline in interest rates on the relevant markets, negotiable foreign currency investments yielded capital gains, as in the previous year, while generally lower exchange rates resulted in exchange rate losses of Sfr 497.7 million. Together with interest income, the net result from foreign currency investments came to Sfr 2,405.4 million (2000: Sfr 2,377.5 million). The net result from other foreign currency balances came to Sfr 25.4 million (2000: Sfr 88.1 million). The net result from financial assets denominated in Swiss francs, which stemmed mainly from securities and repo transactions, totalled Sfr 758.6 million (2000: Sfr 682.3 million).

Including other income of Sfr 29.7 million (2000: Sfr 40.0 million), gross income comes to Sfr 4,486.8 million, substantially more than in the previous year (Sfr 1,028.4 million).

Owing almost entirely to lower interest expenses, ordinary expenses declined from Sfr 564.6 million to Sfr 425.4 million. At Sfr 4,061.3 million, net income was considerably higher than the previous year's figure of Sfr 463.9 million. After taking account of the extraordinary items, aggregate income came to Sfr 4,054.4 million (2000: Sfr 28,173.2 million including Sfr 27,700.5 million in valuation gains on gold).

Due to the high gold price, the provision for the planned assignment of the countervalue of gold holdings no longer required for monetary purposes was increased by Sfr 357.2 million. In addition, Sfr 829.7 million was set aside as a provision for market and liquidity risks on gold, while Sfr 1,359.5 million was allocated to the provisions for market, credit and liquidity risks on other assets. Annual profit earmarked for distribution comes to Sfr 1,508.0 million.



### Net result from gold

Whereas the higher gold price produced valuation gains, forward foreign exchange transactions used to hedge the US dollar proceeds from gold sales (forward sales of US dollars) yielded losses owing to the dollar's appreciation. Lower gold lending rates resulted in a decline in interest income from gold lending transactions.

	2001	2000	Change from previous year
	Sfr millions	Sfr millions	Sfr millions
Monetary gold	910.5	-1 142.3	+2 052.8
Net result from changes in market value	829.7	-1 232.9	+2 062.6
Interest income/expense from gold lending transactions	80.8	90.6	-9.8
Gold from free assets	357.2	-1 017.3	+1 374.5
Net result from changes in market value <sup>1</sup>	674.2	-1 100.1	+1 774.3
Net result from hedging transactions	-317.0	82.8	-399.8
<b>Total</b>	<b>1 267.6</b>	<b>-2 159.6</b>	<b>+3 427.2</b>

1 including realised gains/  
losses from gold sales

## Net result from foreign currency investments

Item no. 02  
in the income statement

As in the previous year, the fall in interest rates on the relevant markets resulted in capital gains. Exchange rates showed mixed trends. While US dollar investments yielded exchange rate gains, losses were incurred on investments denominated in other currencies.

	2001	2000	Change from previous year
	Sfr millions	Sfr millions	Sfr millions
USD	1 567.6	2 217.7	-650.1
Interest and capital gain/loss	1 253.5	1 888.5	-635.0
Exchange rate gain/loss	314.1	329.2	-15.1
EUR	670.7	93.2	+577.5
Interest and capital gain/loss	1 283.4	1 123.3	+160.1
Exchange rate gain/loss	-612.6	-1 030.1	+417.5
JPY	-82.0	-150.0	+68.0
Interest and capital gain/loss	35.0	10.8	+24.2
Exchange rate gain/loss	-117.0	-160.8	+43.8
GBP	144.1	94.7	+49.4
Interest and capital gain/loss	152.9	214.1	-61.2
Exchange rate gain/loss	-8.8	-119.4	+110.6
DKK	59.5	0.2	+59.3
Interest and capital gain/loss	107.7	84.7	+23.0
Exchange rate gain/loss	-48.2	-84.5	+36.3
CAD	46.0	121.7	-75.7
Interest and capital gain/loss	71.0	100.5	-29.5
Exchange rate gain/loss	-25.1	21.2	-46.3
Other currencies	-0.5	0.1	-0.6
Interest and capital gain/loss	-0.4	0.1	-0.5
Exchange rate gain/loss	-0.1	-0.1	-
<b>Total</b>	<b>2 405.4</b>	<b>2 377.5</b>	<b>+27.9</b>
Interest and capital gain/loss	2 903.1	3 422.1	-519.0
Exchange rate gain/loss <sup>1</sup>	-497.7	-1 044.5	+546.8

1 Including exchange rate gains or losses of Sfr 30.6 million (2000: Sfr 0.9 million) on foreign currency liabilities.

### Net result from other foreign currency balances

Owing to a general fall in interest rates, interest income decreased in spite of slightly higher holdings. The decline in the relevant exchange rates resulted in losses.

	2001	2000	Change from previous year
	Sfr millions	Sfr millions	Sfr millions
Reserve position in the IMF	17.8	53.2	-35.4
Interest income/expense	65.2	87.4	-22.2
Exchange rate gain/loss XDR	-47.4	-34.2	-13.2
International payment instruments	-1.0	23.8	-24.8
Interest income/expense	13.0	19.0	-6.0
Exchange rate gain/loss XDR	-14.0	4.8	-18.8
Balance of payments support	8.6	11.1	-2.5
Interest income/expense	14.1	12.4	+1.7
Exchange rate gain/loss USD	-	4.6	-4.6
Exchange rate gain/loss EUR	-0.6	0.0	-0.6
Exchange rate gain/loss XDR	-4.9	-5.9	+1.0

### Influence of exchange rate developments on the income statement

The aggregate figure for exchange rate gains and losses on foreign currency investments and on other foreign currency items conveys the overall influence of exchange rate developments on the income statement. The net result was a loss of Sfr 564.6 million (2000: Sfr -1,075.2 million).

	2001	2000	Change from previous year
	Sfr millions	Sfr millions	Sfr millions
USD	314.1	333.8	-19.7
EUR <sup>1</sup>	-613.2	-1 030.2	+417.0
JPY	-117.0	-160.8	+43.8
GBP	-8.8	-119.4	+110.6
DKK	-48.2	-84.5	+36.3
CAD	-25.1	21.2	-46.3
XDR	-66.3	-35.2	-31.1
Other currencies	-0.1	-0.1	-
Total	-564.6	-1 075.2	+510.6

1 Comprises mark-ups and mark-downs on positions already converted into euros and on positions which are still denominated in the respective euro area currency.

### Net result from Swiss franc repo transactions

The net result from Swiss franc repo transactions amounted to Sfr 519.8 million compared with Sfr 513.2 million in 2000. There was a fall in the annual average volume of claims compared with the previous year. Owing to the higher average interest rate on these claims, however, the net result from repo transactions increased slightly.

Item no. 04  
in the income statement

### Net result from Lombard advances

Owing to the smaller average volume of loans, the net result from Lombard advances was lower than the previous year at Sfr 1.1 million.

Item no. 05  
in the income statement

### Net result from claims against domestic correspondents

The net result from claims against domestic correspondents declined by Sfr 0.7 million to Sfr 1.7 million owing to the lower average volume of claims.

Item no. 06  
in the income statement

### Net result from Swiss franc securities

The net result from securities (interest plus realised and unrealised capital gains and losses) rose from Sfr 164.8 million to Sfr 236.0 million, while securities holdings rose by about 10% in the period under review. In addition to current interest income, declining interest rates in the short and medium maturity segments resulted in capital gains. In the previous year, capital losses had been recorded owing to the rise in interest rates.

Item no. 07  
in the income statement

### Other income

	2001	2000	Change from previous year
	Sfr millions	Sfr millions	percent
Commissions from banking transactions	17.5	27.4	-36.1
Income from participations	7.3	6.8	+7.4
Income from real estate <sup>1</sup>	4.7	5.2	-9.6
Other ordinary income	0.3	0.6	-50.0
Total other income	29.7	40.0	-25.8

Item no. 08  
in the income statement

1 Income from real estate stems from the subletting of real estate not currently required and from the buildings in Zurich and Geneva which serve as spare capacity.

The decline in commissions from banking transactions is mainly due to issuing commission foregone owing to the introduction of the new auction procedure for Confederation bonds at the end of March. Since this commission was retroceded to banks, its absence also results in lower general overheads (see item no. 12 in the income statement).

**Item no. 09  
in the income statement**

### **Interest expenses**

Average liabilities towards the Confederation decreased sharply compared with the previous year. This decline, coupled with lower interest rates, greatly reduced the interest expenses for liabilities towards the Confederation.

The rise in interest expenses on liabilities from foreign-currency repo transactions is due to the increased use of these transactions to manage foreign currency investments.

	<b>2001</b>	<b>2000</b>	<b>Change from previous year</b>
	Sfr millions	Sfr millions	Sfr millions
Interest expenses for liabilities towards the Confederation	160.8	317.6	-156.8
Interest expenses for depositors' balances	6.3	6.4	-0.1
Interest expenses for liabilities from Swiss franc repo transactions	1.0	1.6	-0.6
Interest expenses for liabilities from foreign currency repo transactions	35.6	11.3	+24.3
<b>Total interest expenses</b>	<b>203.7</b>	<b>336.9</b>	<b>-133.2</b>

**Item no. 10  
in the income statement**

### **Banknote expenses**

The banknote expenses correspond to the cost of producing the banknotes which entered circulation in 2001.

**Item no. 11  
in the income statement**

### **Personnel expenses**

	<b>2001</b>	<b>2000</b>	<b>Change from previous year</b>
	Sfr millions	Sfr millions	percent
Wages, salaries and allowances	64.5	62.9	+2.5
Welfare benefits <sup>1</sup>	15.2	12.5	+21.6
Other personnel expenses <sup>1</sup>	4.2	4.1	+2.4
<b>Total personnel expense</b>	<b>83.9</b>	<b>79.5</b>	<b>+5.5</b>

<sup>1</sup> Contributions to accident insurance are now included under welfare benefits rather than under other personnel expenses. The prior-year figures have been adjusted accordingly.

The increased cost of welfare benefits is mainly due to an increase in contributions to pension fund schemes to Sfr 10.4 million (2000: Sfr 7.7 million). As a consequence of the salary policy review performed in the previous year, individual salary rises at the beginning of 2001 were higher than a year earlier. This led to significantly higher extraordinary contributions to the pension funds. In addition, the premium discount was lower than in the previous year and insured salaries were increased further by a reduction in the coordination deduction (non-insurable part of salary).

The National Bank's pension plans comprise two staff pension fund schemes. Under the terms of the Swiss GAAP FER, these are defined-contribution schemes whose costs are borne by contributions made by the employees and the National Bank in accordance with pension plan regulations.

The remuneration (salaries plus lump-sum expenses) of members of the Bank Council and the Governing Board breaks down as follows:

	2001	2000	Change from previous year
	Sfr millions	Sfr millions	percent
40 members of the Bank Council, 10 of whom are members of the Bank Committee	0.447	0.447	–
3 members of the Governing Board	1.652	1.630	+1.4

### General overheads

Item no. 12  
in the income statement

	2001	2000	Change from previous year
	Sfr millions	Sfr millions	percent
Direct expenses for banking operations	36.6	41.5	–11.8
Premises	10.7	13.5	–20.7
Maintenance of mobile tangible assets and software	8.1	9.4	–13.8
Other general overheads	27.5	29.5	–6.8
<b>Total general overheads</b>	<b>82.9</b>	<b>93.8</b>	<b>–11.6</b>

### Direct expenses from banking operations

This item relates to direct costs incurred in connection with banknotes in circulation (including remuneration to agencies) plus commission and charges from the management of financial investments and gold, plus securities commissions retroceded. The latter are primarily responsible for the decline in this position (see item no. 08 in the income statement).

### Premises

This item comprises outlays on the maintenance and operation of the Bank's buildings and on rented premises. Owing to favourable contractual terms, rental expenses decreased by Sfr 2.8 million.

### Other general overheads

Other general overheads comprise general administrative expenses and third-party consultancy and support expenses plus information retrieval and security outlays.

This item also includes a contribution of Sfr 6.1 million (2000: Sfr 5.3 million) to the operating costs of the Study Center Gerzensee.

**Item no. 13**  
in the income statement

### Extraordinary expenses

This item includes expenses of Sfr 3.8 million for the National Bank's Expo.02 project and a Sfr 3.0 million allocation to provisions for operating risks (see item no. 34 in the balance sheet and the income statement).

**Item no. 14**  
in the balance sheet

### Gold

In 2001 the National Bank sold 220.8 tonnes of gold at an average price of Sfr 14,730.24 per kilogram. The proceeds totalled Sfr 3,252.8 million. In the previous year, 170.8 tonnes of gold had been sold at an average price of Sfr 15,167.02 per kilogram. The average prices and the proceeds do not include the net result from the hedging of the currency risk on the US dollar proceeds from gold sales.

The physical gold holdings are stored at various locations in Switzerland and abroad.

	2001		2000	
	tonnes	market value in Sfr millions	tonnes	market value in Sfr millions
Gold ingots	1 700.9	25 476.1	1 918.6	27 503.0
Gold coins	175.2	2 624.1	175.2	2 511.4
Total	1 876.1	28 100.1	2 093.8	30 014.4

**Item no. 15**  
in the balance sheet

### Claims from gold transactions

Transactions are effected with first-class Swiss and foreign financial institutions.

	2001		2000	
	tonnes	market value in Sfr millions	tonnes	market value in Sfr millions
Claims from gold lending transactions	322.2	4 879.3	323.8	4 685.4
Claims from unsecured gold lending	237.4	3 587.2	238.8	3 448.8
Claims from secured gold lending <sup>1</sup>	84.8	1 292.0	85.0	1 236.6
Claims on metals accounts	0.2	3.0	1.8	25.1
Total	322.4	4 882.2	325.6	4 710.5

<sup>1</sup> secured by the deposit of first-class securities with a market value of Sfr 1,300.2 million

**Item no. 16**  
in the balance sheet

### Foreign currency investments

Government paper is mainly denominated in the currency of the country of issue. The debtor category "monetary institutions" refers to investments at the BIS, the US Federal Reserve and other central banks, as well as to holdings of World Bank securities. Bank investments are effected with institutions enjoying very high credit ratings.

## Foreign currency investments by borrower and currency<sup>1</sup>

	2001			2000		
	millions		weighting percent	millions		weighting percent
	original currency	Sfr		original currency	Sfr	
<b>Government paper</b>		<b>36 825.3</b>	<b>72.8</b>		<b>35 435.5</b>	<b>70.2</b>
USD	8 114.3	13 617.5	26.9	6 840.9	11 186.9	22.2
EUR <sup>2</sup>	11 565.4	17 131.8	33.9	11 275.3	17 189.2	34.1
JPY	54 276.5	693.3	1.4	119 491.3	1 701.8	3.4
GBP	1 120.9	2 724.1	5.4	1 059.7	2 592.5	5.1
DKK	8 624.6	1 717.1	3.4	8 677.5	1 771.9	3.5
CAD	896.0	941.4	1.9	911.2	993.2	2.0
<b>Monetary institutions</b>		<b>1 085.8</b>	<b>2.1</b>		<b>2 890.7</b>	<b>5.7</b>
USD	331.0	555.5	1.1	1 286.8	2 104.3	4.2
EUR <sup>2</sup>	144.4	213.9	0.4	260.6	397.3	0.8
JPY	4 737.5	60.5	0.1	193.9	2.8	0.0
GBP	85.4	207.6	0.4	128.0	313.1	0.6
DKK	188.2	37.5	0.1	343.7	70.2	0.1
CAD	9.9	10.4	0.0	2.3	2.5	0.0
Others		0.5	0.0		0.5	0.0
<b>Banks</b>		<b>12 669.7</b>	<b>25.0</b>		<b>12 126.6</b>	<b>24.0</b>
USD	3 922.7 <sup>3</sup>	6 583.1	13.0	4 424.7	7 235.7	14.3
EUR <sup>2</sup>	3 943.1 <sup>4</sup>	5 841.0	11.5	3 060.1	4 665.1	9.2
JPY	2 160.0	27.6	0.1	605.3	8.6	0.0
GBP	10.7 <sup>5</sup>	26.0	0.1	14.0	34.2	0.1
DKK	698.9	139.2	0.3	894.0	182.6	0.4
CAD	50.3	52.8	0.1	0.2	0.2	0.0
Others		0.1	0.0		0.1	0.0
<b>Total</b>		<b>50 580.8<sup>6</sup></b>	<b>100.0</b>		<b>50 452.8<sup>6</sup></b>	<b>100.0</b>
USD	12 368.0	20 756.1	41.0	12 552.4	20 526.9	40.7
EUR <sup>2</sup>	15 652.9	23 186.6	45.8	14 596.1	22 251.8	44.1
JPY	61 174.0	781.4	1.5	120 290.4	1 713.2	3.4
GBP	1 217.0	2 957.7	5.8	1 201.7	2 939.8	5.8
DKK	9 511.7	1 893.8	3.7	9 915.2	2 024.7	4.0
CAD	956.2	1 004.6	2.0	913.7	996.0	2.0
Others		0.6	0.0		0.5	0.0

1 The breakdown by currency refers to basic investments and does not take currency hedging transactions into account.

2 Comprises positions already converted into euros and positions which are still denominated in the respective euro area currency.

3 Of this, 67.2% is accounted for by organisations with an indirect state guarantee.

4 Of this, 9.9% is accounted for by organisations with an indirect state guarantee.

5 Of this, 44.5% is accounted for by organisations with an indirect state guarantee.

6 Of this, non-negotiable investments account for Sfr 6,921.6 million (2000: Sfr 10,742.4 million).



## Other foreign currency balances

		2001		2000	
		millions		millions	
		original currency	Sfr	original currency	Sfr
Reserve position in the IMF	XDR	1 262.6	2 665.7	969.9	2 078.8
Swiss quota in the IMF	XDR	3 458.5	7 301.8	3 458.5	7 412.5
less IMF's Swiss franc sight balances at the National Bank <sup>1</sup>	XDR	-2 195.9	-4 636.1	-2 488.6	-5 333.7
International payment instruments <sup>2</sup>	XDR	225.6	476.3	125.3	268.5
Balance of payments support			347.2		352.4
bilateral loan to Bulgaria	EUR	14.3	21.3	14.3	21.8
PRGF credit facility <sup>3</sup>	XDR	154.3	325.9	154.2	330.6

1 Balance after deduction of accrued interest amounting to XDR 3.9 million (Sfr 8.3 million) on the reserve position.

2 In addition, undertakings of XDR 175.0 million were outstanding at end-2001 (2000: XDR 275.3 million).

3 In addition, undertakings of XDR 0.0 million were outstanding at end-2001 (2000: XDR 0.2 million).

### Reserve position in the IMF

The reserve position corresponds to the difference between the Swiss quota in the IMF financed by the National Bank and the IMF's Swiss franc credit balance held at the National Bank. It may be likened to a currency reserve position and may be used as such by the National Bank at any time.

### International payment instruments

Special Drawing Rights (XDR) are interest-yielding sight balances with the IMF. The National Bank has undertaken towards the IMF to purchase XDR against foreign currencies up to a limit of XDR 400 million.

### Balance of payments support

The bilateral loans are medium-term loans used for internationally coordinated balance of payments assistance in which Switzerland participates by providing a tranche. At the end of 2001, only one loan (a euro-denominated credit to Bulgaria) was outstanding.

The PRGF (Poverty Reduction and Growth Facility) is a trust fund administered by the IMF which finances long-term low-interest loans to low-income 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.

### Swiss franc repo transactions

Repo transactions, the principal instrument of monetary policy, are used to provide the banking system with liquidity or to withdraw liquidity from the system against the repurchase of securities.

Claims from Swiss franc repo transactions are backed by securities from the SNB Basket (Swiss franc-denominated bonds of Swiss or foreign borrowers acceptable to the National Bank as security, and money market debt register claims of the Confederation and the cantons), from the German GC Basket (euro-denominated German government paper, plus certain World Bank issues) or from the German Jumbo Pfandbrief Basket (euro-denominated German jumbo mortgage bonds).

At the end of the year, there were no outstanding claims from Swiss franc repo transactions. On 12 and 13 September, liquidity-absorbing repos were used to reduce the level of sight deposits, which had been increased in order to restore calm to the money market following the terrorist attacks on the United States on 11 September. The item "Claims from repo transactions" also comprises cash margins against the deposit of claims arising from repo transactions.

Item no. 18  
in the balance sheet

### Lombard advances

Lombard loans are used by the banks to bridge unforeseeable liquidity shortfalls in the short term. At the end of 2001, a total of 150 credit lines were outstanding, 11 fewer than at the end of 2000.

Credit lines outstanding, collateral values and drawdowns are summarised below.

Item no. 19  
in the balance sheet

	2001	2000	Change from previous year
	Sfr millions	Sfr millions	Sfr millions
Credit lines outstanding at year-end	9 230.9	9 153.8	+77.1
Value of collateral at year-end <sup>1</sup>	9 675.2	9 910.6	-235.4
Yearly average of drawn advances <sup>2</sup>	20.8	42.9	-22.1
Maximum drawdown <sup>3</sup>	975.0	1 202.0	-227.0

- 1 Market prices less 10%–35%
- 2 Average of values on working days
- 3 Daily peak

### Claims against domestic correspondents

A total of 62 banks with 559 branches (2000: 66 banks with 647 branches) perform local cash redistribution transactions for the National Bank and cover the cash requirements of federal institutions (Swiss Post, Swiss Federal Railways). The claims attract interest at the Lombard rate less 200 basis points.

Item no. 20  
in the balance sheet

## Swiss franc securities

These are exchange-listed bonds.

	2001		2000		Change from previous year
	Sfr millions	percent weighting	Sfr millions	percent weighting	Sfr millions
<b>Domestic borrowers</b>	<b>4 050.1</b>	<b>67.5</b>	<b>4 420.0</b>	<b>81.7</b>	<b>-369.9</b>
Confederation	1 259.4	21.0	1 169.8	21.6	+89.6
Cantons	570.3	9.5	925.8	17.1	-355.5
Communes	351.6	5.9	400.6	7.4	-49.0
Mortgage bond institutions	1 109.4	18.5	1 059.4	19.6	+50.0
Banks	759.4	12.7	864.5	16.0	-105.1
<b>Foreign borrowers</b>	<b>1 397.3</b>	<b>23.3</b>	<b>659.2</b>	<b>12.2</b>	<b>738.1</b>
Governments	624.8	10.4	245.1	4.5	+379.7
Banks	772.5	12.9	414.1	7.7	+358.4
<b>International organisations</b>	<b>552.6</b>	<b>9.2</b>	<b>330.6</b>	<b>6.1</b>	<b>+222.0</b>
<b>Total market value</b>	<b>6 000.0</b>	<b>100.0</b>	<b>5 409.8</b>	<b>100.0</b>	<b>+590.2</b>
Total nominal value	5 724.6		5 134.6		

## Participations (not consolidated) in Sfr millions

	Value as of 31/12/2000	Investments	Divestments	Changes in the market value	Value as of 31/12/2001
Orell Füssli	27.0	-	-	-	27.0
BIS	61.0	-	-0.0	-	60.9
Others	1.5	-	-	-0.1	1.4
<b>Total</b>	<b>89.5</b>	<b>-</b>	<b>-0.0</b>	<b>-0.1</b>	<b>89.3</b>

The National Bank holds 33.34% of the share capital of Orell Füssli Holding Ltd, Zurich, whose subsidiary Orell Füssli Security Documents Ltd prints the SNB's banknotes. The nominal value of this company's registered share was reduced once again by Sfr 20. The sum of Sfr 1.3 million, which accrued to the National Bank from this transaction, was credited to income from participations.

The 3.1% interest in the BIS is held for reasons of collaboration on monetary policy. In 2001, the BIS decided to make the central banks its sole shareholders by repurchasing the (non-voting) shares held by private investors. The National Bank held 21 of these shares. The sale produced a capital gain of Sfr 0.3 million.

Other participations include stakes held in Telekurs Holding Ltd, Zurich, in Sihl (a paper mill), Zurich, in SWIFT Society for Worldwide Interbank Financial Telecommunications S.G., La Hulpe (Belgium), and in Kreuz Gerzensee AG, the successor to two companies which had been established in connection with the foundation of the Study Center Gerzensee.

### Tangible assets

Tangible assets are stated at their historical cost and written down on a straight-line basis over their estimated useful life. Low-value acquisitions of less than Sfr 1000 are charged directly to general overheads.

At Sfr 15.2 million (2000: Sfr 15.5 million), the "Sundry tangible assets" item accounted for the greater part of the depreciation figure. A further Sfr 6.0 million (2000: Sfr 3.9 million) of depreciation was accounted for by real estate, including specific conversion work for the National Bank.

The stocks of new banknotes, which have not been put into circulation yet, are stated at cost. These production costs are charged to the income statement in line with the notes' entry into circulation.

Item no. 23 in the balance sheet and income statement

### Schedule of assets in Sfr millions

	Banknote stocks	Real estate <sup>1</sup>	Specific conversion work	Fixed assets under construction	Sundry tangible assets <sup>2</sup>	Total
Period of depreciation	as per usage	100 years	10 years	no depreciation	3-12 years	
<b>Historical cost</b>						
Gross values as of beginning of 2001	161.2	309.7	19.2	20.8	93.8	604.7
Additions	+24.6	+1.6	+8.9	+4.0	+13.5	+52.6
Disposals	-33.7	-	-	-	-19.8	-53.5
Reclassified		+13.0	+6.2	-20.3	+1.1	
Gross value as of end of 2001	152.1	324.3	34.3	4.5	88.6	603.8
<b>Cumulative depreciation<sup>3</sup></b>						
Valuation adjustments as of beginning of 2001		9.1	1.2		57.1	67.4
Additions		+3.2	+2.8		+15.2	+21.2
Disposals		-	-		-19.7	-19.7
Reclassified		-	-		-	
Valuation adjustments as of end of 2001		12.3	4.0		52.6	68.9
<b>Net book values</b>						
Net book value as of beginning of 2001	161.2	300.6	18.0	20.8	36.7	537.3
Net book value as of end of 2001	152.1	312.0	30.3	4.5	36.0	534.8

1 The insured value of the real estate at end-2001 was Sfr 337.8 million (end-2000: Sfr 336.1 million).

2 The insured value of sundry tangible assets at end-2001 was Sfr 68.1 million (end-2000: Sfr 61.0 million).

3 The depreciation on real estate and the specific conversion work is cumulative as of 1996 (when the accounting and valuation principles were amended) and that on other tangible assets as of the date on which their use commenced.

### Real estate

The increased gross values for real estate and the changes featured under "Reclassification" are due mainly to conversion work at the Zurich office.

### Sundry tangible assets

This category principally includes investments in information technology, machinery, equipment, furnishings and vehicles.

#### Item no. 24 in the balance sheet

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

2 Positive gross replacement values correspond to unrealised gains on derivative financial instruments and outstanding spot transactions. By far the greater part of this item is derived from foreign currency forward transactions concluded to hedge currency risks (cf. p. 106).

### Sundry assets

	2001	2000	Change from previous year
	in Sfr millions	in Sfr millions	in Sfr millions
Coins (including medallions) <sup>1</sup>	351.6	373.1	-21.5
Foreign notes	0.1	0.1	-
Postal giro accounts	0.0	0.0	-
Other accounts receivable	14.0	28.9	-14.9
Prepayments and accrued income	2.4	4.2	-1.8
Cheques and bills of exchange (collection business)	2.7	1.5	+1.2
Positive gross replacement values <sup>2</sup>	86.1	292.9	-206.8
Total	456.8	700.7	-243.9

#### Item no. 25 in the balance sheet

### Banknotes in circulation

This comprises all banknotes held by the general public and the banks. Of the banknotes originating from the sixth issue, which were recalled in May 2000 and are exchangeable at the National Bank until 30 April 2020, notes to the value of Sfr 2.8 billion were still outstanding at the end of the year.

#### Item no. 26 in the balance sheet

### Sight deposit accounts of domestic banks

The 298 sight deposit accounts (2000: 290) of the 277 banks (2000: 267) do not bear interest. They form the basis on which the National Bank controls monetary policy and facilitate cashless payments within Switzerland. They are also a component of the liquidity which the banks are legally required to hold.

#### Item no. 27 in the balance sheet

### Liabilities towards the Confederation

The sight deposits of the Confederation facilitate the domestic and international payments transactions of the Federal Government and its agencies. They bear interest at the Lombard rate less 200 basis points, up to a maximum of Sfr 600 million.

Interest at the market rate is paid on the time deposits of the Confederation and Swiss Post. At year-end, liabilities towards the Federal Government came to Sfr 2,251.9 million (2000: Sfr 8,168.1 million). No new investments have been placed by Swiss Post since November 2000, and the existing ones matured at the end of 2001 (liabilities at end-2000: Sfr 1,719.9 million).

### Sight deposits of foreign banks and institutions

The 218 (2000: 210) deposits are denominated in Swiss francs and do not bear interest. They are held primarily by foreign central or commercial banks.

Item no. 28  
in the balance sheet

### Other sight liabilities

These comprise accounts of active and retired employees, liabilities towards pension funds amounting to Sfr 19.6 million (2000: Sfr 16.2 million) and liabilities towards a few non-banks.

Item no. 29  
in the balance sheet

### Foreign currency liabilities

This item consists of liabilities from repo transactions in connection with the management of foreign currency investments (Sfr 1,469.1 million, compared with Sfr 439.5 million in 2000) plus sight liabilities towards the Confederation denominated in foreign currencies.

Item no. 30  
in the balance sheet

### Sundry liabilities

	2001	2000	Change from previous year
	in Sfr millions	in Sfr millions	in Sfr millions
Other liabilities	12.1	23.7	-11.6
Accrued liabilities and deferred income	3.1	3.9	-0.8
Negative gross replacement values <sup>1</sup>	308.1	100.0	+208.1
Total	323.4	127.6	+195.8

Item no. 31  
in the balance sheet

1 Negative gross replacement values correspond to unrealised losses on derivative financial instruments and outstanding spot transactions. By far the greater part of this item is derived from foreign currency forward transactions concluded to hedge currency risks (cf. p. 106).

### Provision for the assignment of free assets

	2001	2000
	Sfr millions	Sfr millions
Position on 1 January	18 860.4	-
Allocated to provisions	+357.2	+18 860.4
of which transfer of a sum corresponding to 1,300 t of gold from the special provision for market and liquidity risks on gold <sup>1</sup>	-	+19 877.7
of which gain/loss from valuation of gold from free assets	+674.2	-1 100.1
of which gain/loss from hedging transactions for gold from free assets	-317.0	+82.8
Position on 31 December	19 217.6	18 860.4

Item no. 32 in the balance sheet and income statement

1 at the market value as of 1 May 2000

This provision reflects the fact that 1300 tonnes of gold are no longer required for monetary purposes and that the National Bank will release an equivalent sum for other public uses within the foreseeable future.

The size of the provision is commensurate with the market value of the as yet unsold portion of the 1300 tonnes of gold, the proceeds from gold sales to date and the net result from transactions to hedge the currency risk on the US dollar proceeds from gold sales.

	tonnes	2001 Sfr millions
Market value of the as yet unsold portion of gold from the free assets	908.4	13 609.0
Cumulative proceeds from gold sales	391.6	5 842.8
Cumulative net result from hedging transactions		-234.2
Provision for the assignment of free assets		19 217.6

Item no. 33 in the balance sheet and income statement

### Provision for market and liquidity risks on gold

	2001 Sfr millions	2000 Sfr millions
Position on 1 January	6 589.9	-
Allocated to provisions	+829.7	+6 589.9
of which extraordinary revaluation gain on monetary and non-monetary gold <sup>1</sup>	-	+27 700.5
of which transfer of a sum corresponding to 1,300 t of gold to the provision for the assignment of free assets	-	-19 877.7
of which valuation gain/loss on gold holdings in the currency reserves	+829.7	-1 232.9
Position on 31 December	7 419.5	6 589.9

<sup>1</sup> at the market value as of 1 May 2000

This provision takes account of the market and liquidity risks associated with monetary gold, i. e. the approximately 1290 tonnes of gold required for the purposes of monetary policy. Fluctuations in the market value of the monetary gold are allocated to this provision item.

## Provisions for operating risks and provisions for market, credit and liquidity risks

Item no. 34 in the balance sheet and income statement

	2001	2000
	Sfr millions	Sfr millions
<b>Provisions for operating risks</b>		
Position on 1 January	467.1	470.8
Change	-1.1	-3.8
Allocated to provisions	+3.0	-
Used	-4.1	-3.8
Position on 31 December	465.9	467.1
<b>Provision for market, credit and liquidity risks</b>		
Position on 1 January	38 893.4	37 678.5
Allocated to provisions	+1 359.5	+1 214.9
Position on 31 December	40 252.9	38 893.4
<b>Total (position on 31 December)</b>	<b>40 718.8</b>	<b>39 360.5</b>

The implementation of the new cash distribution concept increased the need for provisions for operating risks. Funds are allocated to these provisions by way of extraordinary expenses. The provisions were used for payments to staff taking early retirement as a result of the new cash distribution concept and for the auditing costs of the Swiss Fund for Needy Victims of the Holocaust/Shoah.

Market, credit and liquidity risks consist to a large extent of exchange rate risks on foreign currency investments. The interest risks on foreign currency investments and on Swiss franc securities are also significant. Credit risks are primarily settlement risks attached to foreign exchange transactions. Provisions were increased by Sfr 1,359.5 million, thus exceeding the minimum figure stipulated in the profit calculation concept (see pages 103 f.).



### Share capital

The share capital of the National Bank remains unchanged. Totalling Sfr 50 million, it is divided into 100,000 registered shares of Sfr 500 each, of which 50% (Sfr 250) is paid up.

In the year under review, the Bank Committee authorised the transfer of 4,642 shares to new holders. As of 31 December 2001, applications for registration were pending or outstanding for 18,895 shares.

The shares were distributed as follows:

<b>Private shareholders</b>	<b>Number of shares</b>
2 657 shareholders with a total of	25 819
of whom 1029 shareholders each with	1
of whom 1272 shareholders each with	2–10
of whom 332 shareholders each with	11–100
of whom 14 shareholders each with	101–200
of whom 10 shareholders each with	over 200
<b>Public-sector shareholders</b>	
87 shareholders with a total of	55 286
of whom 26 cantons with a total of	38 981
of whom 24 cantonal banks with a total of	14 355
of whom 37 other public authorities and institutions with a total of	1 950
<b>Total 2 744 shareholders with a total of</b>	<b>81 105</b>
Registration applications pending or outstanding for	18 895
<b>Total shares</b>	<b>100 000</b>

Of the shares registered as of the balance sheet date (81% of the total), 68% were held by cantons, cantonal banks and other public authorities and institutions, and 32% were registered in the names of private shareholders. Of the latter, 77% were held by private individuals and 23% by legal entities. A total of 1,387 shares (without voting rights) were in foreign ownership; this is equivalent to 1.4% of the share capital.

The price of the National Bank share – which, owing to its legally stipulated maximum dividend of 6%, has generally developed along similar lines to a long-term Confederation bond with a 6% coupon – trended upwards during the year. The price rose from approximately Sfr 750 at the beginning of 2001 to around Sfr 1,100 at the end, having peaked at Sfr 1,150. These price changes were due to the general downturn in interest rates and to various bouts of speculation which arose as the draft of the new National Bank Law passed through the consultation phase.

The number of transactions fell by 53% from the previous year while the number of pending or outstanding applications for registration rose by 75%. Year-on-year, the number of private shareholders decreased sharply by 283.

The following major shareholders held more than 5% of the voting rights, i. e. at least 5,000 registered shares:

	Number of shares		Percentage held	
	2001	Change from previous year	2001	Change from previous year
Canton of Berne	6 630	–	6.63%	–
Canton of Zurich	5 200	–	5.20%	–

### Reserve fund

The reserve fund was increased by Sfr 1.0 million (the legally permitted maximum) to Sfr 66.0 million by an allocation from the 2000 annual profit.

**Item no. 36  
in the balance sheet**

### Annual profit – calculation and distribution

The calculation of profit takes due account of the special features of the National Bank's operations. The Bank must be in a position to perform the duties assigned to it by the Constitution without having to yield a profit. Consequently, it does not distribute its entire earnings surplus but allocates funds to provisions which cover economic risks as well as serving the customary business management purposes. The provisions are used primarily as a means of forming currency reserves. These reserves allow the National Bank to intervene on the market in the event of the Swiss franc becoming excessively weak. The currency reserves also make Switzerland's national economy less vulnerable to international crises and thereby ensure confidence in the Swiss franc. The need for currency reserves is growing in line with the size and globalisation of the Swiss economy.

**Item no. 37 in the balance  
sheet and income statement**

An agreement reached on 24 April 1998 between the National Bank and the Federal Department of Finance regarding the distribution of profits confirmed that provisions should continue to be increased in line with growth in nominal gross national product (GNP). The targeted percentage rise is based on the average increase in nominal GNP over the past five years. This avoids the need for subsequent corrections and prevents large fluctuations from year to year.

The residual surplus as specified in Art. 27 para. 3 (b) of the National Bank Law is calculated after the other statutory profit distributions have been established (Art. 27 paras. 1–2 and para. 3 (a) NBL). Such a surplus exists if actual provisions exceed the target figure. The agreement with the Department of Finance stated that, in order to achieve a steady flow of payments in the medium term, the distributions to the Confederation and cantons were to be fixed in advance – on the basis of earnings forecasts – at Sfr 1.5 billion per annum for the period 1998–2002. These distributions were paid out of the earnings surpluses for the financial years in question and from the residual surplus from actual provisions remaining at the end of 1997.

## Target levels of provisions for market, credit and liquidity risks, for operating risks and calculation of the residual surplus and distribution

	Growth in nominal GNP	Provisions for market, credit and liquidity risks, and for operating risks at year-end Sfr millions		Residual surplus prior to distribution Sfr millions	Distribution Sfr millions
	in percent (average period) <sup>1</sup>	targeted level	actual level prior to distribution <sup>2</sup>		
	(1)	(2)	(3)	(4) = (3) - (2)	(5)
1998	1.8 (1992–1996)	25 645.4	36 700.4	11 055.0	1 500.0
1999	1.9 (1993–1997)	26 132.7	39 649.3	13 516.6	1 500.0
2000	2.0 (1994–1998)	26 655.4	40 860.5	14 205.1	1 500.0
2001	2.6 (1995–1999)	27 337.8	42 218.8	14 881.0	1 500.0
2002	3.3 (1996–2000)	28 239.9			

1 The figures for nominal GNP are revised on a continuous basis. The growth rates shown in the table thus differ slightly from the percentages calculated on the basis of the latest available data.

2 The balance sheet items “Provisions for market, credit and liquidity risks” and “Provisions for operating risks” correspond to this figure less the distribution of Sfr 1.5 billion to the Confederation and the cantons.

### 3.5 Notes regarding off-balance-sheet business

	2001	2000	Change from previous year
	Sfr millions	Sfr millions	Sfr millions
<b>Outstanding undertakings</b>			
Two-way arrangement (IMF) <sup>1</sup>	369.5	590.0	-220.5
General Arrangements to Borrow (GAB) and New Arrangements to Borrow (NAB) <sup>2</sup>	3 287.2	3 337.1	-49.9 <sup>3</sup>
Poverty Reduction and Growth Facility (PRGF) <sup>4</sup>	0.0	0.4	-0.4
Interim PRGF <sup>5</sup>	527.8	-	+527.8

	2001	2000	Change from previous year
	Sfr millions	Sfr millions	Sfr millions
<b>Other off-balance-sheet items</b>			
Additional funding obligation for registered shares of BIS <sup>6</sup>	130.5	125.0	+5.5
Documentary credits <sup>7</sup>	5.6	8.9	-3.3
Other payment obligations <sup>8</sup>	29.1	11.9	+17.2
Fiduciary investments of the Confederation	509.1	648.5	-139.4

	2001	2000	Change from previous year
	market value in Sfr millions	market value in Sfr millions	Sfr millions
<b>Assets pledged or assigned as security for own liabilities</b>			
Foreign currency investments			
USD	1 100.9	461.4	+639.5
EUR	481.2	92.1	+389.1
JPY	1.3	15.6	-14.3
GBP	28.1	28.7	-0.6
Swiss franc securities	9.0	9.1	-0.1
<b>Total<sup>9</sup></b>	<b>1 620.6</b>	<b>606.9</b>	<b>+1 013.7</b>

1 National Bank undertaking to purchase Special Drawing Rights against currency up to the agreed maximum of XDR 400 million or to return the Special Drawing Rights in exchange for currency (cf. item 17 in the balance sheet)

2 Credit line totalling XDR 1,557 million (of which a maximum of XDR 1,020 million in the context of GABs) in favour

of the IMF for special cases, without a federal guarantee

3 Change due entirely to exchange rates

4 Limited-term credit undertaking to the IMF's trust fund amounting to XDR 151.7 million (cf. item 17 in the balance sheet and p. 66)

5 Limited-term credit undertaking to the IMF's trust fund amounting to XDR 250.0 million (cf. p. 66)

6 BIS shares are only 25% paid up; the additional funding obligation is calculated in gold francs, i. e. is closely related to the gold price. The increase is due exclusively to the rise in the gold price.

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

8 Liabilities from long-term rental and maintenance contracts

9 Security lodged in connection with repo and futures transactions

	Contract value Sfr millions	Gross replacement value	
		Sfr millions positive	negative
<b>Outstanding derivative financial instruments</b>			
<b>Interest rate instruments</b>			
Forward contracts <sup>1</sup>	6 541.2	0.7	4.2
Interest rate swaps	1 315.1	18.0	8.8
Futures	1 670.3	0.0	0.1
<b>Foreign currency</b>			
Forward contracts <sup>1</sup>	10 994.5	63.8	294.2
<b>Precious metals</b>			
Forward contracts <sup>2</sup>	371.3	0.0	0.1
Options (OTC) <sup>3</sup>	1 717.1	3.6	0.7
<b>Total, end-2001</b>	<b>22 609.5</b>	<b>86.1</b>	<b>308.1</b>
Total, end-2000	17 979.9	292.9	100.0

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

3 From options written in connection with gold sales programmes and entailing a cap (contractually agreed spot sales with price ceiling)

## 4 Proposals of the Bank Council to the Annual General Meeting of Shareholders

At its meeting of 8 March 2002, the Bank Council accepted the proposal of the Bank Committee to approve the 94th Annual Report for the year 2001, as presented by the Governing Board, for submission to the Federal Council and the Annual General Meeting of Shareholders.

On 15 March 2002, the Federal Council approved the Annual Report and the annual financial statements pursuant to Art. 63 para. 2 (i) of the National Bank Law. The Auditing Committee produced its report pursuant to Art. 51 para. 2 of the National Bank Law on 5 February 2002.

The Bank Council proposes to the Annual General Meeting<sup>1</sup>:

1. that the present Annual Report including annual financial statements be approved;
2. that the statutory bodies entrusted with the Bank's administration be granted discharge;
3. that the annual profit of Sfr 1,507,998,949.60 be appropriated as follows:

allocation to the reserve fund

(Art. 27 para. 1 NBL) Sfr 1 000 000.--

payment of a dividend of 6 %

(Art. 27 para. 2 NBL) Sfr 1 500 000.--

payment to the Federal Finance Administration:

for the account of the cantons, Sfr 0.80

per capita (Art. 27 para. 3 (a) NBL) Sfr 5 498 949.60

for the account of the Confederation

and cantons (Art. 27 para. 3 (b) NBL) Sfr 1 500 000 000.--

Fr. 1 507 998 949.60

1 For the proposal regarding appointments to the Bank Council and the reappointment of the Auditing Committee, see p. 75 and p. 76 respectively.

## 5 Report of the Auditing Committee to the Annual General Meeting of Shareholders

Dear Mr Chairman  
Ladies and Gentlemen

As the Auditing Committee, we have audited the books of account and annual financial statements (balance sheet, income statement and notes) of the Swiss National Bank for the year ended 31 December 2001. We confirm that we meet the legal requirements concerning professional competence and independence.

Our audit was conducted in accordance with the Swiss auditing standards promulgated by the profession, which require that an audit be planned and executed in such a way that any significant errors in the annual financial statements can be identified with a reasonable degree of certainty. We examined the individual items and data in the financial statements using analyses and investigations based on spot checks as well as on reports supplied by PricewaterhouseCoopers Ltd. We also assessed the application of the accounting principles used, the principal valuation decisions and the presentation of the financial statements as a whole. We believe that our audit provides a reasonable basis for our assessment.

According to our assessment, the annual financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the Swiss GAAP FER. We should, however, point out the particular features (explained in the notes to the accounts) of the accounting methods used by the Swiss National Bank as Switzerland's central bank and note-issuing institution.

We further confirm that the books of account and the annual financial statements as well as the proposals for the appropriation of the annual profit comply with the provisions of the National Bank Law and the Swiss Code of Obligations.

We recommend that the financial statements submitted to you be approved.

Berne, 5 February 2002

The Auditing Committee:

**Hans Michel**

Chairman

**Maryann Rohner**

Vice-Chairwoman  
Certified auditor

**Kaspar Hofmann**

Chief auditor  
Certified auditor