

# Annual financial statements

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# 1

## Balance sheet as at 31 December 2013

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### ASSETS

In CHF millions

	Item in Notes	31.12.2013	31.12.2012	Change
Gold holdings	01	35 565.0	50 771.5	-15 206.5
Foreign currency investments	02, 30	443 274.5	432 208.9	+11 065.6
Reserve position in the IMF	03, 28	2 295.4	2 804.2	-508.8
International payment instruments	04, 28	4 293.9	4 249.2	+44.7
Monetary assistance loans	05, 28	244.2	279.1	-34.9
Claims from Swiss franc repo transactions	27	-	-	-
Swiss franc securities	06	3 689.9	3 757.1	-67.2
Loan to stabilisation fund	07, 29	-	4 378.0	-4 378.0
Banknote stocks	08	156.7	125.6	+31.1
Tangible assets	09	433.1	451.8	-18.7
Participations	10, 29	134.4	141.6	-7.2
Other assets	11, 31	294.9	266.7	+28.2
<b>Total assets</b>		<b>490 382.0</b>	<b>499 433.7</b>	<b>-9 051.7</b>

## LIABILITIES

In CHF millions

	Item in Notes	31.12.2013	31.12.2012	Change
Banknotes in circulation	12	65 766.4	61 801.4	+3 965.0
Sight deposits of domestic banks		317 131.7	281 814.1	+35 317.6
Liabilities towards the Confederation	13	10 481.8	9 008.1	+1 473.7
Sight deposits of foreign banks and institutions		11 523.2	11 958.4	-435.2
Other sight liabilities	14	24 773.7	66 951.1	-42 177.4
Liabilities from Swiss franc repo transactions		-	-	-
SNB debt certificates		-	-	-
Foreign currency liabilities	15	8 074.0	5 018.7	+3 055.3
Counterpart of SDRs allocated by the IMF	04	4 510.5	4 613.4	-102.9
Other liabilities	16, 31	97.9	193.2	-95.3
Operating provisions	17	31.0	5.5	+25.5
<b>Equity</b>				
Provisions for currency reserves <sup>1</sup>		51 783.6	48 215.6	+3 568.0
Share capital	18	25.0	25.0	-
Distribution reserve <sup>1</sup>		5 259.8	3 873.2	+1 386.6
Annual result		-9 076.6	5 956.1	-15 032.7
<b>Total liabilities</b>		<b>490 382.0</b>	<b>499 433.7</b>	<b>-9 051.7</b>

<sup>1</sup> Before appropriation of profit, cf. p. 148.

# Income statement and appropriation of profit for 2013

## INCOME STATEMENT

In CHF millions

	Item in Notes	2013	2012	Change
Net result from gold	19	-15 206.2	1 396.3	-16 602.5
Net result from foreign currency positions	20	3 131.6	4 719.7	-1 588.1
Net result from Swiss franc positions	21	-96.4	101.1	-197.5
Net result from sale of stabilisation fund	22	3 416.3	-	+3 416.3
Net result, other	23	12.1	11.1	+1.0
<b>Gross income</b>		<b>-8 742.6</b>	<b>6 228.2</b>	<b>-14 970.8</b>
Banknote expenses		-25.5	-23.0	-2.5
Personnel expenses	24, 25	-172.6	-133.0	-39.6
General overheads	26	-96.9	-81.7	-15.2
Depreciation on tangible assets	09	-39.0	-34.4	-4.6
<b>Annual result</b>		<b>-9 076.6</b>	<b>5 956.1</b>	<b>-15 032.7</b>

## APPROPRIATION OF PROFIT

In CHF millions

	2013	2012	Change
- Allocation to provisions for currency reserves	-3 003.4	-3 568.0	+564.6
<b>= Distributable annual result</b>	<b>-12 080.0</b>	<b>2 388.1</b>	<b>-14 468.1</b>
+ Profit/loss carried forward (distribution reserve before appropriation of profit)	5 259.8	3 873.2	+1 386.6
<b>= Net profit</b>	<b>-6 820.2</b>	<b>6 261.3</b>	<b>-13 081.5</b>
- Payment of a dividend of 6%	-	-1.5	+1.5
- Profit distribution to Confederation and cantons (in accordance with agreement of 21 November 2011)	-	-1 000.0	+1 000.0
<b>= Balance carried forward to 2014 financial statements (distribution reserve after appropriation of profit)</b>	<b>-6 820.2</b>	<b>5 259.8</b>	<b>-12 080.0</b>

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## Changes in equity

In CHF millions

	Share capital	Provisions for currency reserves	Distribution reserve	Annual result	Total
<b>Equity as at 1 January 2012</b>	<b>25.0</b>	<b>45 061.3</b>	<b>-5 000.0</b>	<b>13 028.9</b>	<b>53 115.3</b>
Endowment of provisions for currency reserves pursuant to NBA		3 154.3		-3 154.3	
Allocation to distribution reserve			8 873.2	-8 873.2	
Distribution of dividends to shareholders				-1.5	-1.5
Profit distribution to Confederation and cantons				-1 000.0	-1 000.0
Annual result				5 956.1	5 956.1
<b>Equity as at 31 December 2012 (before appropriation of profit)</b>	<b>25.0</b>	<b>48 215.6</b>	<b>3 873.2</b>	<b>5 956.1</b>	<b>58 069.9</b>
<b>Equity as at 1 January 2013</b>	<b>25.0</b>	<b>48 215.6</b>	<b>3 873.2</b>	<b>5 956.1</b>	<b>58 069.9</b>
Endowment of provisions for currency reserves pursuant to NBA		3 568.0		-3 568.0	
Allocation to distribution reserve			1 386.6	-1 386.6	
Distribution of dividends to shareholders				-1.5	-1.5
Profit distribution to Confederation and cantons				-1 000.0	-1 000.0
Annual result				-9 076.6	-9 076.6
<b>Equity as at 31 December 2013 (before appropriation of profit)</b>	<b>25.0</b>	<b>51 783.6</b>	<b>5 259.8</b>	<b>-9 076.6</b>	<b>47 991.8</b>
<b>Proposed appropriation of profit</b>					
Endowment of provisions for currency reserves pursuant to NBA		3 003.4		-3 003.4	
Release from distribution reserve			-12 080.0	12 080.0	
Distribution of dividends to shareholders				-	-
Profit distribution to Confederation and cantons				-	-
<b>Equity after appropriation of profit</b>	<b>25.0</b>	<b>54 787.0</b>	<b>-6 820.2</b>	<b>-</b>	<b>47 991.8</b>

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## Cash flow statement

In CHF millions

	2013	2012
Annual result	-9 076.6	5 956.1
<b>Fund-neutral result components</b>		
Market valuation and price gain/loss		
Gold holdings	15 206.2	-1 396.1
Interest-bearing paper and instruments in foreign currencies	8 682.7	-2 422.9
Equity securities and instruments in foreign currencies	-13 678.2	-5 724.4
Swiss franc securities	161.9	-51.9
Exchange rate gain/loss	10 473.2	10 577.9
Accrued interest	-88.1	-48.3
Depreciation		
Banknote stocks	22.0	22.8
Tangible assets	39.0	34.4
Valuation changes on participations	7.1	5.5
Operating provisions	29.3	-0.1
Other accounts receivable and payable	-10.7	4.7
<b>Cash flow from operating activities</b>	<b>11 767.9</b>	<b>6 957.8</b>
Net investment in foreign currency holdings <sup>1</sup>	-25 549.9	-113 051.2
Net investment in Swiss franc securities	-96.7	-35.7
Liquidity-providing Swiss franc repo transactions	-	18 468.0
Liquidity-absorbing Swiss franc repo transactions	-	-
SNB debt certificates	-	-14 719.5
Banknote stocks	-53.1	-18.6
Tangible assets	-20.5	-160.8
Participations	0.1	-
Coins and foreign banknotes	-40.7	-14.6
<b>Cash flow from investing activities</b>	<b>-25 761.0</b>	<b>-109 532.4</b>
Banknotes in circulation	3 965.0	6 072.5
Liabilities towards the Confederation	473.7	2 360.6
Distribution of dividends <sup>2</sup>	-1.5	-1.5
<b>Cash flow from financing activities</b>	<b>4 437.2</b>	<b>8 431.6</b>
<b>Net increase (-)/decrease (+)</b>	<b>-9 555.8</b>	<b>-94 143.1</b>

1 Includes foreign currency investments without sight deposits and call money, other foreign currency positions, loan to stabilisation fund and exchange rate changes.

2 The SNB transfers the profit distributions for the account of the Confederation and the cantons to the Federal Finance Administration following the ordinary General Meeting of Shareholders. The transfer is reflected under liabilities towards the Confederation and does not affect the fund.

In CHF millions

	2013	2012
<b>Funds at beginning of period</b>	<b>-275 413.9</b>	<b>-181 270.8</b>
Sight deposits and call money	85 309.7	29 782.3
Sight deposits of domestic banks	-281 814.1	-180 720.7
Sight deposits of foreign banks and institutions	-11 958.4	-1 884.5
Other sight liabilities	-66 951.1	-28 447.9
<b>Funds at end of period</b>	<b>-284 969.7</b>	<b>-275 413.9</b>
Sight deposits and call money	68 458.9	85 309.7
Sight deposits of domestic banks	-317 131.7	-281 814.1
Sight deposits of foreign banks and institutions	-11 523.2	-11 958.4
Other sight liabilities	-24 773.7	-66 951.1
<b>Net increase (-)/decrease (+)</b>	<b>-9 555.8</b>	<b>-94 143.1</b>

The SNB is listed on the Swiss stock exchange (SIX Swiss Exchange) in the Domestic Standard and applies the generally accepted accounting principles, Swiss GAAP FER. These principles require a cash flow statement prepared in line with Swiss GAAP FER 4.

In view of the SNB's central bank role, publication of a cash flow statement makes little sense and is of limited informative value. The statement cannot be waived, however, as Swiss GAAP FER is based on an overall strategy, and individual elements cannot be omitted.

## 5.1 ACCOUNTING AND VALUATION PRINCIPLES

### GENERAL

#### Basic principles

The SNB is a special-statute joint-stock company with head offices in Berne and Zurich. This year's financial statements have been drawn up in accordance with the entire existing Swiss GAAP FER guidelines (Accounting and Reporting Recommendations) as well as the provisions of the National Bank Act (NBA) and the Swiss Code of Obligations (CO). It presents a true and fair view of the financial position, the cash flows and the results of operations of the Swiss National Bank (SNB). At its meeting of 28 February 2014, the Bank Council accepted the financial report for 2013 for submission to the Federal Council and to the General Meeting of Shareholders.

The structure and designation of the items in the annual financial statements take into consideration the special character of the business conducted at a central bank.

The Complementary Recommendation for Listed Public Companies (FER 31), which will enter into effect as of 1 January 2015, will not be adopted early.

#### Changes from previous year

Effective from 1 January 2013, the SNB changed its accounting standards to the Swiss GAAP FER guidelines. This was mainly due to the fact that there was no longer a consolidation requirement as a result of the sale of the stabilisation fund. The changeover to Swiss GAAP FER did not lead to an adjustment of last year's figures. Since the Swiss GAAP FER, as generally accepted accounting principles, must be fully applied, a cash flow statement has been prepared for the first time.

Compared with the previous year, there were no changes to the valuation principles. In the balance sheet, the items gold holdings and claims from gold transactions were combined, and in the income statement, the one-off net result from the sale of the stabilisation fund was reported as a separate item.

#### Cash flow statement

Even though the SNB can create money autonomously as a central bank, a cash flow statement is prepared in line with Swiss GAAP FER 4. Funds comprise sight deposits and call money in foreign currency less Swiss franc sight deposits.

#### Segment information

The SNB operates exclusively as a central bank. For this reason, the annual financial statements do not include any segment information.

#### Consolidated financial statements

Following the sale of the stabilisation fund, the SNB no longer holds any material participating interests according to Swiss GAAP FER 30. Therefore, it does not draw up consolidated financial statements.



The SNB's business transactions are recorded and valued on the day the transaction is concluded (trade date accounting). However, they are only posted on the value date. Transactions concluded by the balance sheet date with a value date in the future are stated under off-balance-sheet business.

Recording of transactions

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

Accrual accounting

Under art. 8 NBA, the SNB is exempt from taxation on profits. Tax exemption applies to both direct federal taxes and cantonal and municipal taxes.

Profit tax

The rights of the SNB's shareholders are restricted by law. The shareholders cannot exert any influence on financial or operational decisions. Banking services provided to members of the executive management are carried out at normal banking industry conditions. No banking services are provided to members of the Bank Council.

Transactions with related parties

Foreign currency positions are translated at year-end rates. Income and expenses in foreign currency are translated at the exchange rates applicable at the time when such income and expenses were posted to the accounts. All valuation changes are reported in the income statement.

Foreign currency translation

#### **BALANCE SHEET AND INCOME STATEMENT**

Gold holdings consist of gold ingots, gold coins and claims on metals accounts. The gold is stored in Switzerland (roughly 70%) and abroad (roughly 30%). These holdings are stated at market value. Valuation gains and losses are reported under net result from gold.

Gold holdings

In foreign currency investments, negotiable securities (money market instruments, bonds and equities) as well as credit balances (sight deposits and call money, time deposits) and claims from foreign currency repo transactions are recorded. Securities, which make up the bulk of the foreign currency investments, are stated at market value inclusive of accrued interest, while credit balances are stated at nominal value inclusive of accrued interest. Gains and losses from revaluation at market value, interest earnings, dividends and exchange rate gains and losses are stated under net result from foreign currency positions.

Foreign currency investments

The management of foreign currency investments also includes securities lending transactions. Securities lent by the SNB from its own portfolio are secured by appropriate collateral. The SNB receives interest on the securities loaned. Loaned securities remain in the foreign currency investments item and are disclosed in the notes to the annual financial statements. Interest income from securities lending is stated under net result from foreign currency positions.

#### Reserve position in the IMF

The reserve position in the International Monetary Fund (IMF) consists of the Swiss quota less the IMF's sight balances at the SNB as well as of claims based on the New Arrangements to Borrow (NAB) and the General Arrangements to Borrow (GAB).

The quota is Switzerland's portion of the IMF capital, which is financed by the National Bank. It is denominated in Special Drawing Rights (SDRs), the IMF's unit of account. Part of the quota has not been transferred to the IMF, but remains in a sight deposit account. The IMF can dispose of these Swiss franc assets at any time.

With the NAB and GAB, the IMF can – in the event of a crisis and if its own resources are in short supply – draw on credit lines from participants in these arrangements. Credit lines not drawn by the IMF are recorded as irrevocable lending commitments under the SNB's off-balance-sheet business.

The reserve position is stated at nominal value inclusive of accrued interest. The income from interest on the reserve position as well as the exchange rate gains and losses from a revaluation of this position are stated under net result from foreign currency positions.

#### International payment instruments

International payment instruments comprise sight deposits in SDRs with the IMF. These deposits result from the allocation of SDRs and the purchase and sale of SDRs under the two-way arrangement with the IMF. Sight deposits in SDRs are stated at nominal value inclusive of accrued interest. They attract interest at market conditions. Interest expenses and exchange rate gains and losses are stated under net result from foreign currency positions.

The liability entered into with the allocation is stated on the liabilities side of the balance sheet under counterpart of SDRs allocated by the IMF.

Within the framework of its international cooperation activities, Switzerland may participate in the IMF's internationally coordinated, medium-term balance of payments assistance. This may take the form of a credit tranche or bilateral monetary assistance loans granted to countries with balance of payments problems. Currently outstanding claims include those granted under the commitment of loan resources to the interim Poverty Reduction and Growth Trust (PRGT). This is a fiduciary fund administered by the IMF which finances long-term loans at reduced interest rates to poor countries. The Confederation guarantees the interest and principal repayments both on the bilateral loans and the PRGT loan. These loans are stated at nominal value inclusive of accrued interest. Interest earnings and exchange rate gains and losses are stated under net result from foreign currency positions.

Monetary assistance loans

The SNB uses repo transactions in Swiss francs to provide the Swiss franc money market with liquidity or to withdraw liquidity from it.

Claims from Swiss franc repo transactions

Claims from repo transactions are fully backed by collateral eligible for SNB repos. They are stated at nominal value inclusive of accrued interest. Interest earnings are stated under net result from Swiss franc positions.

At the end of 2013, there were no outstanding claims from Swiss franc repo transactions.

Swiss franc securities are made up exclusively of negotiable bonds. They are stated at market value inclusive of accrued interest. Valuation gains and losses and interest earnings are stated under net result from Swiss franc positions.

Swiss franc securities

As part of the package of measures aimed at strengthening the Swiss financial system introduced in autumn 2008, the SNB granted the stabilisation fund a secured loan. The loan was paid down through partial repayments and, on 15 August 2013, was repaid in full. Earnings components (interest income and currency translation effects) are stated under net result from foreign currency positions.

Loan to stabilisation fund

Freshly printed banknotes which have not yet been put into circulation are recognised as assets at acquisition cost and stated under banknote stocks. Development costs that qualify for recognition as an asset also fall under this balance sheet item. At the time a banknote first enters into circulation, its cost is recognised as banknote expenses.

Banknote stocks

## Tangible assets

Tangible assets comprise land and buildings, fixed assets under construction, software, and sundry tangible assets. For individual purchases, the minimum value for recognition as an asset is CHF 20,000. Other investment (projects) resulting in an increase in value is recognised as an asset from an amount of CHF 100,000. Tangible assets are valued at acquisition cost less required depreciation.

### PERIOD OF DEPRECIATION

Land and buildings	
Land	No depreciation
Buildings (building structure)	50 years
Conversions (technical equipment and interior finishing work)	10 years
Fixed assets under construction <sup>1</sup>	No depreciation
Software	3 years
Sundry tangible assets	3–12 years

<sup>1</sup> Finished fixed assets are reclassified under the corresponding tangible assets category once they are in operational use.

The recoverable value is checked periodically. If this results in a decrease in value, an impairment loss is recorded. Scheduled and unscheduled depreciations are reported in the income statement under depreciation on tangible assets.

Profits and losses from the sale of tangible assets are stated under net result, other.

## Participations

In principle, participations are valued at acquisition cost less required value adjustments. However, the participation in Orell Füssli Holding Ltd is valued on the basis of pro rata equity. Income from participations is stated under net result, other.

The SNB uses forward foreign exchange transactions (including foreign exchange swaps), foreign exchange options, credit derivatives, futures and interest rate swaps to manage its currency reserves. These are used to manage positioning with regard to shares, interest rates, credit risk and currencies (cf. also accountability report, chapter 5.4).

**Derivative financial instruments**

Whenever possible, derivative financial instruments are stated at market value. If no market value is available, a fair value is established in accordance with generally recognised mathematical finance methods. Positive or negative replacement values are stated under other assets or other liabilities respectively. Valuation changes are recorded in the income statement and stated under net result from foreign currency positions.

In 2013, until the full repayment of the loan, i.e. the repurchase of the stabilisation fund by UBS, derivative financial instruments included stabilisation fund options. These comprised the liability arising from the option granted to UBS to purchase an equity interest in StabFund (GP) AG (GP purchase option) and the SNB's right to purchase 100 million UBS shares (warrant). Also included was the right to request the repurchase of the stabilisation fund in the case of a change of control at UBS (repurchase option). The GP purchase option, the repurchase option and the warrant were stated at the lower of cost or market.

The SNB does not state accrued expenses and deferred income as separate items in its balance sheet. For materiality reasons, they are reported under other assets or other liabilities, and are disclosed in the notes to the accounts.

**Accrued expenses and deferred income**

The banknotes in circulation item shows the nominal value of all the banknotes issued from the current series as well as from recalled, still exchangeable series.

**Banknotes in circulation**

Sight deposits of domestic banks in Swiss francs form the basis on which the SNB steers monetary policy. They also facilitate the settlement of cashless payments in Switzerland. These sight deposits are non-interest-bearing accounts which are stated at nominal value.

**Sight deposits of domestic banks**

The National Bank holds an interest-bearing sight deposit account for the Confederation. Interest is payable for amounts up to a maximum of CHF 200 million. In addition, the Confederation may place time deposits with the SNB at market rates. The liabilities towards the Confederation are stated at nominal value inclusive of accrued interest. Interest expenses are recorded under net result from Swiss franc positions.

**Liabilities towards the Confederation**

<b>Sight deposits of foreign banks and institutions</b>	The SNB 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 nominal value.
<b>Other sight liabilities</b>	The main components in the other sight liabilities item are sight deposit accounts of non-banks, accounts of active and retired staff members and of the SNB pension fund schemes. The sight deposits of non-banks do not bear interest and are stated at nominal value. The deposit accounts are stated at nominal value inclusive of accrued interest. Interest expenses are stated under net result from Swiss franc positions.
<b>Liabilities from Swiss franc repo transactions</b>	<p>The SNB uses repo transactions in Swiss francs to provide the Swiss franc money market with liquidity or to withdraw liquidity from it.</p> <p>Liabilities arising from repo transactions are stated at nominal value inclusive of accrued interest. Interest expenses are stated under net result from Swiss franc positions.</p> <p>At the end of 2013, there were no outstanding liabilities from Swiss franc repo transactions.</p>
<b>SNB debt certificates</b>	<p>To absorb liquidity from the market, the National Bank can issue its own interest-bearing debt certificates (SNB Bills) in Swiss francs. Money market management requirements dictate the frequency, term and amount of these issues. SNB Bills are valued at issue price plus cumulative discount accretion (i.e. the discount is amortised over the term of the issue). Interest expenses are stated under net result from Swiss franc positions.</p> <p>At the end of 2013, there were no SNB Bills outstanding.</p>
<b>Foreign currency liabilities</b>	Foreign currency liabilities are comprised of different sight liabilities and short-term term liabilities as well as repo transactions related to the management of foreign currency investments. These repo transactions (temporary transfer of securities against sight deposits, with reverse settlement at maturity) result in an increase in the balance sheet total. On the one hand, the securities remain on the SNB's books, while on the other, the cash received as well as the obligation to repay it at maturity are stated in the balance sheet. Foreign currency liabilities of this kind are stated at nominal value inclusive of accrued interest. Interest expenses and exchange rate gains and losses are stated under net result from foreign currency positions.

This item comprises the liability vis-à-vis the IMF for the allocated SDRs. The counterpart item attracts interest at the same rate as the SDRs. Interest expenses and exchange rate gains and losses are stated under net result from foreign currency positions.

**Counterpart of SDRs allocated by the IMF**

For all identifiable obligations resulting from past events, provisions are recognised in accordance with the principle of prudent evaluation. Operating provisions comprise reorganisation provisions and other provisions. Reorganisation provisions consist mainly of financial undertakings to staff members in relation to early retirement, while the latter contains a one-off provision associated with converting the SNB pension fund from a defined benefit to a defined contribution system.

**Operating provisions**

Art. 30 para. 1 NBA stipulates that the SNB set up provisions permitting it to maintain the currency reserves at the level necessary for monetary policy. In so doing, it must take into account economic developments in Switzerland. These special-law provisions are equity-like in nature and are incorporated in the 'Changes in equity' table (p. 149). The allocation is made as part of the profit appropriation. The Bank Council decides annually on the level of these provisions.

**Provisions for currency reserves**

With the exception of the dividend which – pursuant to the NBA – may not exceed 6% of the share capital, the Confederation and the cantons are entitled to the SNB's remaining profit after adequate provisions for currency reserves have been set aside. To achieve a steady flow of payments in the medium term, the annual profit distributions are fixed in advance for a certain period in an agreement concluded between the Federal Department of Finance and the SNB. The distribution reserve contains profits that have not yet been distributed. It is offset against losses and can therefore also be negative.

**Distribution reserve**

In 2013, the SNB's pension plans comprised two staff pension fund schemes under the defined benefit system. Contributions were made by the National Bank and the employees. Ordinary employee contributions were 7% or 7.5% of the insured salary (depending on the employee's age), and those of the SNB were 14% or 15%. In accordance with Swiss GAAP FER 16, any share of actuarial surplus or deficit is shown on the assets side or reported as a liability.

**Pension fund**

On 1 January 2014, the SNB pension fund changed from a defined benefit to a defined contribution system.

## Valuation rates

**VALUATION RATES**

	31.12.2013 In CHF	31.12.2012 In CHF	Change In percent
1 euro (EUR)	1.2268	1.2074	+ 1.6
1 US dollar (USD)	0.8908	0.9129	-2.4
100 yen (JPY)	0.8489	1.0576	-19.7
1 Canadian dollar (CAD)	0.8384	0.9171	-8.6
1 pound sterling (GBP)	1.4736	1.4839	-0.7
1 Australian dollar (AUD)	0.7968	0.9476	-15.9
100 Danish kroner (DKK)	16.4457	16.1842	+ 1.6
100 Swedish kronor (SEK)	13.8411	14.0591	-1.6
1 Singapore dollar (SGD)	0.7052	0.7475	-5.7
100 South Korean won (KRW)	0.0849	0.0856	-0.8
1 Special Drawing Right (SDR)	1.3718	1.4031	-2.2
1 kilogram of gold	34 194.73	48 815.02	-30.0

**5.2 NOTES TO THE BALANCE SHEET AND INCOME STATEMENT**

## Item 01

**GOLD HOLDINGS****Breakdown by type**

	In tonnes	31.12.2013 In CHF millions	In tonnes	31.12.2012 In CHF millions
Gold ingots	1 001.0	34 227.7	1 001.0	48 862.1
Gold coins	39.0	1 334.8	39.0	1 905.5
Claims on metal accounts	0.1	2.5	0.1	4.0
<b>Total</b>	<b>1 040.1</b>	<b>35 565.0</b>	<b>1 040.1</b>	<b>50 771.5</b>



## FOREIGN CURRENCY INVESTMENTS

Item 02

### Breakdown by investment type in CHF millions

	31.12.2013	31.12.2012	Change
Sight deposits and call money	68 458.9	85 309.7	-16 850.8
Time deposits	-	-	-
Claims from repo transactions	8 069.9	5 012.6	+3 057.3
Money market instruments	2 835.5	942.1	+1 893.4
Bonds <sup>1</sup>	295 681.2	288 823.6	+6 857.6
Equities	68 229.0	52 120.9	+16 108.1
<b>Total</b>	<b>443 274.5</b>	<b>432 208.9</b>	<b>+11 065.6</b>

1 Of which CHF 607.3 million (2012: CHF 641.0 million) lent under securities lending operations.

### Breakdown by issuer and borrower category in CHF millions

	31.12.2013	31.12.2012	Change
Governments	284 525.1	278 160.6	+6 364.5
Monetary institutions <sup>1</sup>	70 918.7	87 515.4	-16 596.7
Corporations	87 830.6	66 532.9	+21 297.7
<b>Total</b>	<b>443 274.5</b>	<b>432 208.9</b>	<b>+11 065.6</b>

1 BIS, central banks and multilateral development banks.

### Breakdown by currency<sup>1</sup> in CHF millions

	31.12.2013	31.12.2012	Change
EUR	218 069.0	216 336.5	+1 732.5
USD	114 798.8	117 483.3	-2 684.5
JPY	35 687.2	34 494.9	+1 192.3
CAD	18 000.6	17 035.5	+965.1
GBP	31 417.1	28 798.4	+2 618.7
AUD	7 783.2	6 637.6	+1 145.6
DKK	4 834.9	4 335.7	+499.2
SEK	3 009.1	2 114.8	+894.3
SGD	2 667.9	2 298.5	+369.4
KRW	5 082.7	2 673.1	+2 409.6
Other	1 924.1	0.6	+1 923.5
<b>Total</b>	<b>443 274.5</b>	<b>432 208.9</b>	<b>+11 065.6</b>

1 Excluding foreign exchange derivatives.

**RESERVE POSITION IN THE IMF**

In CHF millions

	31.12.2013	31.12.2012	Change
Swiss quota in the IMF <sup>1</sup>	4 744.4	4 852.7	-108.3
Less: IMF's Swiss franc sight balances at the SNB <sup>2</sup>	-4 398.9	-3 854.5	-544.4
<b>Claim from participation in the IMF</b>	<b>345.5</b>	<b>998.2</b>	<b>-652.7</b>
Loan based on New Arrangements to Borrow (NAB)	1 949.9	1 806.0	+ 143.9
<b>Total reserve position in the IMF</b>	<b>2 295.4</b>	<b>2 804.2</b>	<b>-508.8</b>

1 SDR 3,458.5 million; change due entirely to exchange rates.

2 Corresponds to the untransferred portion of the quota.

**Details: New Arrangements to Borrow (NAB) and General Arrangements to Borrow (GAB)<sup>1</sup> in CHF millions**

	31.12.2013	31.12.2012	Change
Lending commitment <sup>2</sup>	14 960.1	15 301.4	-341.3
Amount drawn	1 949.9	1 806.0	+ 143.9
Amount not drawn	13 010.2	13 495.4	-485.2

1 Maximum lending commitments totalling SDR 10,905 million, arising from liabilities from NAB and GAB, in favour of the IMF for special cases; revolving and without a federal guarantee (cf. accountability report, chapter 7.2). The GAB in the amount of SDR 1,020 million can only be activated if agreement has not been reached under the NAB.

2 Change due entirely to exchange rates.

## INTERNATIONAL PAYMENT INSTRUMENTS

Item 04

In CHF millions

	31.12.2013	31.12.2012	Change
SDRs from allocation <sup>1</sup>	4 510.5	4 613.4	-102.9
SDRs purchased/sold (net)	-216.6	-364.3	+147.7
<b>Total</b>	<b>4 293.9</b>	<b>4 249.2</b>	<b>+44.7</b>

1 Corresponds to the IMF's allocation of SDR 3,288 million. The liability entered into by the allocation is stated in the balance sheet under counterpart of SDRs allocated by the IMF.

### Details: Exchange arrangement for international payment instruments (two-way arrangement)<sup>1</sup>

In CHF millions

	31.12.2013	31.12.2012	Change
Purchase/sale commitment <sup>2</sup>	2 255.2	2 306.7	-51.5
SDRs purchased	-	-	-
SDRs sold	216.6	364.3	-147.7
Total commitment <sup>3</sup>	2 471.9	2 671.0	-199.1

1 The SNB has committed to purchase or sell SDRs against foreign currencies (USD, EUR) up to an agreed maximum of SDR 1,644 million.

2 Change due entirely to exchange rates.

3 Maximum purchase commitment.

**MONETARY ASSISTANCE LOANS**

In CHF millions

	31.12.2013	31.12.2012	Change
Claims from loan to PRGT <sup>1</sup>	–	–	–
Claims from loan to interim PRGT <sup>1</sup>	244.2	279.1	–34.9
<b>Total</b>	<b>244.2</b>	<b>279.1</b>	<b>–34.9</b>

1 Poverty Reduction and Growth Trust of the IMF.

**Details: Lending commitment to PRGT and interim PRGT** in CHF millions

	31.12.2013	31.12.2012	Change
Lending commitment to PRGT <sup>1,2</sup>	685.9	701.6	–15.7
Amount drawn	–	–	–
Amount repaid	–	–	–
Claims	–	–	–
Amount not yet drawn	685.9	701.6	–15.7
Lending commitment to interim PRGT <sup>1,2</sup>	343.0	350.8	–7.8
Amount drawn	343.0	350.8	–7.8
Amount repaid	99.0	72.4	+26.6
Claims <sup>3</sup>	244.2	279.1	–34.9
Amount not yet drawn	–	–	–

1 Poverty Reduction and Growth Trust; limited-term lending commitment to the IMF's trust fund amounting to SDR 500 million (PRGT) or SDR 250 million (interim PRGT); not revolving and with a federally guaranteed repayment of principal and payment of interest.

2 Change due entirely to exchange rates.

3 Including accrued interest.

## SWISS FRANCS SECURITIES

Item 06

### Breakdown by borrower category in CHF millions

	31.12.2013	31.12.2012	Change
Governments	1 516.8	1 549.8	-33.0
Corporations	2 173.1	2 207.3	-34.2
<b>Total</b>	<b>3 689.9</b>	<b>3 757.1</b>	<b>-67.2</b>

### Breakdown of *governments* borrower category in CHF millions

	31.12.2013	31.12.2012	Change
Swiss Confederation	858.8	893.5	-34.7
Cantons and municipalities	464.1	397.3	+66.8
Foreign states <sup>1</sup>	193.9	259.0	-65.1
<b>Total</b>	<b>1 516.8</b>	<b>1 549.8</b>	<b>-33.0</b>

1 Including public authorities.

### Breakdown of *corporations* borrower category in CHF millions

	31.12.2013	31.12.2012	Change
Domestic mortgage bond institutions	937.8	913.7	+24.1
Other domestic corporations <sup>1</sup>	72.7	73.3	-0.6
Foreign corporations <sup>2</sup>	1 162.6	1 220.3	-57.7
<b>Total</b>	<b>2 173.1</b>	<b>2 207.3</b>	<b>-34.2</b>

1 International organisations with their head office in Switzerland.

2 Banks, international organisations and other corporations.

## Item 07

**LOAN TO STABILISATION FUND**

In CHF millions

	31.12.2013	31.12.2012	Change
Short-term receivables	–	0.0	–0.0
Loan in USD <sup>1</sup>	–	2 849.8	–2 849.8
Loan in EUR <sup>1</sup>	–	136.8	–136.8
Loan in GBP <sup>1</sup>	–	1 219.5	–1 219.5
Loan in JPY <sup>1</sup>	–	171.8	–171.8
<b>Total</b>	<b>–</b>	<b>4 378.0</b>	<b>–4 378.0</b>

<sup>1</sup> Interest charged at one-month Libor plus 250 basis points.

## Item 08

**BANKNOTE STOCKS**

In CHF millions

	Banknote stocks
As at 1 January 2012	129.8
Additions	18.6
Disposals	–22.8
As at 31 December 2012	125.6
As at 1 January 2013	125.6
Additions	53.1
Disposals	–22.0
As at 31 December 2013 <sup>1</sup>	156.7

<sup>1</sup> Of which CHF 39.9 million in advance payments (2012: CHF 27.6 million).

## TANGIBLE ASSETS

Item 09

In CHF millions

	Land and buildings <sup>1</sup>	Fixed assets under con- struction	Software	Sundry tangible assets <sup>2</sup>	Total
<b>Historical cost</b>					
1 January 2013	642.0	–	39.5	65.5	747.0
Additions	–	–	9.8	10.7	20.5
Disposals	–	–	–0.5	–10.7	–11.2
Reclassified	–	–	–	–	–
31 December 2013	642.0	–	48.8	65.5	756.4
<b>Cumulative value adjustments</b>					
1 January 2013	217.5	–	28.6	49.2	295.2
Scheduled depreciation	24.7	–	7.9	6.4	39.0
Disposals	–	–	–0.5	–10.4	–10.9
Reclassified	–	–	–	–	–
31 December 2013	242.2	–	35.9	45.2	323.3
<b>Net book values</b>					
1 January 2013	424.6	–	11.0	16.3	451.8
31 December 2013	399.9	–	12.9	20.3	433.1

1 Insured value: CHF 488.6 million.

2 Insured value: CHF 60.7 million.

**Tangible assets from previous year** in CHF millions

	Land and buildings <sup>1</sup>	Fixed assets under construction	Software	Sundry tangible assets <sup>2</sup>	Total
<b>Historical cost</b>					
1 January 2012	489.4	8.1	38.5	61.2	597.2
Additions	144.5	–	7.1	9.2	160.8
Disposals	–	–	–6.1	–4.9	–11.0
Reclassified	8.1	–8.1	–	0.0	
31 December 2012	642.0	–	39.5	65.5	747.0
<b>Cumulative value adjustments</b>					
1 January 2012	198.0		24.8	49.0	271.8
Scheduled depreciation	19.5		9.8	5.0	34.4
Disposals	–		–6.1	–4.9	–10.9
Reclassified	–		–	0.0	
31 December 2012	217.5		28.6	49.2	295.2
<b>Net book values</b>					
1 January 2012	291.4	8.1	13.7	12.2	325.4
31 December 2012	424.6	–	11.0	16.3	451.8

1 Insured value: CHF 467.5 million; additions from investments and acquisition of Metropol building in Zurich.

2 Insured value: CHF 56.8 million.



## PARTICIPATIONS

Item 10

In CHF millions

	Orell Füssli <sup>1</sup>	BIS <sup>2</sup>	Other <sup>3</sup>	Total
Equity interest	33%	3%		
Book value as at 1 January 2012	56.1	90.2	0.8	147.2
Investments	–	–	–	–
Divestments	–	–	–	–
Valuation changes	–5.5	–	–	–5.5
Book value as at 31 December 2012	50.6	90.2	0.8	141.6
Book value as at 1 January 2013	50.6	90.2	0.8	141.6
Investments	–	–	–	–
Divestments <sup>4</sup>	–	–	–0.1	–0.1
Valuation changes	–7.1	–	–	–7.1
Book value as at 31 December 2013	43.5	90.2	0.7	134.4

- 1 Orell Füssli Holding Ltd, whose subsidiary Orell Füssli Security Printing Ltd produces Switzerland's banknotes.
- 2 Interest in the Bank for International Settlements (BIS) is held for reasons of monetary policy collaboration.
- 3 Including interest in LiPro (LP) AG, with a share capital of CHF 0.1 million and which, following the sale of the stabilisation fund, will be liquidated.
- 4 Interest in StabFund (GP) AG, with a share capital of CHF 0.1 million.

## OTHER ASSETS

Item 11

In CHF millions

	31.12.2013	31.12.2012	Change
Coins <sup>1</sup>	174.3	133.7	+40.6
Foreign banknotes	1.0	0.8	+0.2
Other accounts receivable	36.6	19.0	+17.6
Prepayments and accrued income	4.1	2.5	+1.6
Cheques and bills of exchange (collection business)	0.0	0.0	–0.0
Positive replacement values <sup>2</sup>	78.8	110.7	–31.9
<b>Total</b>	<b>294.9</b>	<b>266.7</b>	<b>+28.2</b>

- 1 Coins acquired from Swissmint destined for circulation.
- 2 Unrealised gains on financial instruments and on outstanding spot transactions (cf. item 31, p. 184).

## Item 12

**BANKNOTES IN CIRCULATION**

Breakdown by issue in CHF millions

	31.12.2013	31.12.2012	Change
8th issue	64 559.2	60 562.4	+ 3 996.8
6th issue <sup>1</sup>	1 207.2	1 239.0	-31.8
<b>Total</b>	<b>65 766.4</b>	<b>61 801.4</b>	<b>+ 3 965.0</b>

1 Exchangeable at the SNB until 30 April 2020. The 7th banknote series, which was created as a reserve series, was never put into circulation.

## Item 13

**LIABILITIES TOWARDS THE CONFEDERATION**

In CHF millions

	31.12.2013	31.12.2012	Change
Sight liabilities	9 481.8	8 008.1	+ 1 473.7
Term liabilities	1 000.0	1 000.0	-
<b>Total</b>	<b>10 481.8</b>	<b>9 008.1</b>	<b>+ 1 473.7</b>

## Item 14

**OTHER SIGHT LIABILITIES**

In CHF millions

	31.12.2013	31.12.2012	Change
Sight deposits of non-banks <sup>1</sup>	24 399.7	66 656.8	-42 257.1
Deposit accounts <sup>2</sup>	374.0	294.3	+ 79.7
Cheque liabilities <sup>3</sup>	0.0	0.0	-0.0
<b>Total</b>	<b>24 773.7</b>	<b>66 951.1</b>	<b>-42 177.4</b>

1 Clearing offices, insurance corporations, etc. Following the issue of a banking licence to PostFinance on 26 June 2013, PostFinance's sight deposits, previously reported under other sight liabilities in Swiss francs, are now reported under sight deposits of domestic banks.

2 These mainly comprise accounts of active and retired employees, plus liabilities towards the SNB pension fund. Current account liabilities towards the latter amounted to CHF 106.1 million as at 31 December 2013 (2012: CHF 59.4 million).

3 Bank cheques drawn on the SNB but not yet cashed.

## Item 15

**FOREIGN CURRENCY LIABILITIES**

In CHF millions

	31.12.2013	31.12.2012	Change
Sight liabilities	4.4	6.2	-1.8
Liabilities from repo transactions <sup>1</sup>	8 069.3	5 012.4	+3 056.9
Other foreign currency liabilities	0.3	-	+0.3
<b>Total</b>	<b>8 074.0</b>	<b>5 018.7</b>	<b>+3 055.3</b>

1 Relating to the management of foreign currency investments.

## Item 16

**OTHER LIABILITIES**

In CHF millions

	31.12.2013	31.12.2012	Change
Other accounts payable	11.6	11.5	+0.1
Accrued liabilities and deferred income	24.2	15.8	+8.4
Negative replacement values <sup>1</sup>	62.1	166.0	-103.9
<b>Total</b>	<b>97.9</b>	<b>193.2</b>	<b>-95.3</b>

1 Unrealised losses on financial instruments and on outstanding spot transactions (cf. item 31, p. 184).

## OPERATING PROVISIONS

In CHF millions

	Provisions due to reorganisation	Other provisions	Total
Book value as at 1 January 2012	6.2	1.1	7.3
Creation	–	–	–
Utilisation	–1.7	–0.0	–1.7
Release	–	–0.1	–0.1
Book value as at 31 December 2012	4.5	1.0	5.5
Book value as at 1 January 2013	4.5	1.0	5.5
Creation <sup>1</sup>	–	30.0	30.0
Utilisation	–3.8	–	–3.8
Release	–0.7	–	–0.7
Book value as at 31 December 2013	–	31.0	31.0

<sup>1</sup> On 1 January 2014, the SNB pension fund changed from a defined benefit to a defined contribution system. While the major portion of the associated costs were covered from the pension fund reserves, a one-off provision of CHF 30 million was created for the remaining sum and allocated to the 2013 financial year. For further details, cf. chapter 2.3 in the business report (p. 133).

## SHARE CAPITAL

Item 18

### Shares

	2013	2012	2011
Share capital in CHF	25 000 000	25 000 000	25 000 000
Nominal value in CHF	250	250	250
Number of shares	100 000	100 000	100 000
Ticker symbol/ISIN <sup>1</sup>	SNBN/CH0001319265		
Closing price on 31 December in CHF	1 045	1 028	947
Market capitalisation in CHF	104 500 000	102 800 000	94 700 000
Annual high in CHF	1 200	1 179	1 290
Annual low in CHF	1 004	940	915
Average daily trading volume in number of shares	30	24	44

<sup>1</sup> Listed in the Domestic Standard on SIX Swiss Exchange.

### Breakdown of share ownership as at 31 December 2013

	Number of shares	In percentage of registered shares
<b>2,219 private shareholders with a total of</b>	<b>35 432<sup>1</sup></b>	<b>40.29</b>
Of which 1,876 shareholders with 1–10 shares each		
Of which 309 shareholders with 11–100 shares each		
Of which 19 shareholders with 101–200 shares each <sup>2</sup>		
Of which 15 shareholders with over 200 shares each <sup>2</sup>		
<b>73 public law sector shareholders with a total of</b>	<b>52 517</b>	<b>59.71</b>
Of which 26 cantons with a total of	38 981	
Of which 22 cantonal banks with a total of	13 068	
Of which 25 other public authorities and institutions with a total of	468	
<b>Total 2,292 registered shareholders with a total of<sup>3</sup></b>	<b>87 949<sup>4</sup></b>	<b>100.00</b>
Registration applications pending or outstanding for	12 051	
<b>Total shares</b>	<b>100 000</b>	

1 Legal entities: 11,569 shares (11.57%); private individuals: 23,863 shares (23.86%).

Private shareholders account for 21.78% of voting rights.

2 Voting rights are limited to 100 shares.

3 In 2013, the number of shareholders increased by 48 and the number of registered shares rose by 139.

4 Of which 13,355 shares are in foreign ownership (accounting for 1.67% of voting rights).

### Principal shareholders: Public law sector

	Number of shares	31.12.2013 Participation	Number of shares	31.12.2012 Participation
Canton of Berne	6 630	6.63%	6 630	6.63%
Canton of Zurich	5 200	5.20%	5 200	5.20%
Canton of Vaud	3 401	3.40%	3 401	3.40%
Canton of St Gallen	3 002	3.00%	3 002	3.00%

### Principal shareholders: Private individuals<sup>1</sup>

	31.12.2013		31.12.2012	
	Number of shares	Participation	Number of shares	Participation
Theo Siegert, Düsseldorf	6 250	6.25%	5 995	6.00%

<sup>1</sup> Subject to legal restrictions as a shareholder outside the public law sector (art. 26 NBA), i.e. voting rights are limited to 100 shares.

### NET RESULT FROM GOLD

Item 19

Breakdown by type in CHF millions

	2013	2012	Change
Net result from changes in market value	-15 206.2	1 396.1	-16 602.3
Interest income from gold lending transactions	-	0.2	-0.2
<b>Total</b>	<b>-15 206.2</b>	<b>1 396.3</b>	<b>-16 602.5</b>

### NET RESULT FROM FOREIGN CURRENCY POSITIONS

Item 20

Breakdown by origin in CHF millions

	2013	2012	Change
Foreign currency investments	3 068.1	4 690.3	-1 622.2
Reserve position in the IMF	-9.0	-50.3	+41.3
International payment instruments	4.0	4.4	-0.4
Monetary assistance loans	-4.8	-5.6	+0.8
Foreign currency liabilities	-7.9	-2.1	-5.8
Other foreign currency positions <sup>1</sup>	81.1	83.1	-2.0
<b>Total</b>	<b>3 131.6</b>	<b>4 719.7</b>	<b>-1 588.1</b>

<sup>1</sup> Including interest income from the loan to the stabilisation fund.

**Breakdown by type** in CHF millions

	2013	2012	Change
Interest income <sup>1</sup>	6 939.7	6 159.5	+ 780.2
Price gain/loss on interest-bearing paper and instruments	-8 682.7	2 422.9	-11 105.6
Interest expenses	-11.5	-7.1	-4.4
Dividend income	1 692.0	1 005.8	+ 686.2
Price gain/loss on equity securities and instruments	13 678.2	5 724.4	+ 7 953.8
Exchange rate gain/loss	-10 473.2	-10 577.9	+ 104.7
Asset management, safe custody and other fees	-10.9	-7.9	-3.0
<b>Total</b>	<b>3 131.6</b>	<b>4 719.7</b>	<b>-1 588.1</b>

1 Including interest income from the loan to the stabilisation fund.

**Breakdown of overall net result by currency** in CHF millions

	2013	2012	Change
EUR <sup>1</sup>	7 347.2	8 451.0	-1 103.8
USD <sup>1</sup>	1 012.4	-1 585.6	+ 2 598.0
JPY <sup>1</sup>	-3 060.3	-2 923.4	-136.9
CAD	-1 475.1	10.4	-1 485.5
GBP <sup>1</sup>	676.5	456.4	+ 220.1
AUD	-1 248.1	57.3	-1 305.4
DKK	62.5	39.5	+ 23.0
SEK	-31.7	92.5	-124.2
SGD	-196.9	42.2	-239.1
KRW	58.2	138.9	-80.7
SDR	-9.8	-51.6	+ 41.8
Other	-3.3	-7.8	+ 4.5
<b>Total</b>	<b>3 131.6</b>	<b>4 719.7</b>	<b>-1 588.1</b>

1 Including interest income from the loan to the stabilisation fund.



**Breakdown of exchange rate gain/loss by currency** in CHF millions

	2013	2012	Change
EUR <sup>1</sup>	3 432.5	-448.2	+3 880.7
USD <sup>1</sup>	-2 566.8	-4 810.4	+2 243.6
JPY <sup>1</sup>	-7 883.7	-4 710.7	-3 173.0
CAD	-1 595.4	-335.0	-1 260.4
GBP <sup>1</sup>	-139.9	-204.9	+65.0
AUD	-1 376.9	-137.0	-1 239.9
DKK	68.7	-17.7	+86.4
SEK	-81.2	57.0	-138.2
SGD	-163.7	18.3	-182.0
KRW	-25.7	81.5	-107.2
SDR	-47.4	-70.9	+23.5
Other	-93.8	0.0	-93.8
<b>Total</b>	<b>-10 473.2</b>	<b>-10 577.9</b>	<b>+104.7</b>

<sup>1</sup> Including interest income from the loan to the stabilisation fund.

Item 21

**NET RESULT FROM SWISS FRANC POSITIONS****Breakdown by origin** in CHF millions

	2013	2012	Change
Swiss franc securities	-88.9	131.6	-220.5
Liquidity-providing Swiss franc repo transactions	-	-14.4	+14.4
Liquidity-absorbing Swiss franc repo transactions	-	-	-
Other assets	0.0	0.0	-0.0
Liabilities towards the Confederation	-	-	-
SNB debt certificates	-	-10.5	+10.5
Other sight liabilities	-7.5	-5.5	-2.0
<b>Total</b>	<b>-96.4</b>	<b>101.1</b>	<b>-197.5</b>

**Breakdown by type** in CHF millions

	2013	2012	Change
Interest income	79.4	84.3	-4.9
Price gain/loss on interest-bearing paper and instruments	-161.9	51.9	-213.8
Interest expenses	-7.5	-30.5	+23.0
Trading, safe custody and other fees	-6.4	-4.5	-1.9
<b>Total</b>	<b>-96.4</b>	<b>101.1</b>	<b>-197.5</b>

## Item 22

**NET RESULT FROM SALE OF STABILISATION FUND**

The loan to the stabilisation fund was repaid in full on 15 August 2013.

The repayment of the SNB loan by the stabilisation fund was a prerequisite for the activation of the option transaction to sell the stabilisation fund to UBS. The option reference date was set at 30 September 2013, i.e. this was the date on which the economic risk passed to UBS. The contract was signed on 7 November, and the transaction was completed during that same month.

At the reference date, the stabilisation fund had a net asset value of USD 6.5 billion. UBS paid a purchase price of USD 3.8 billion, corresponding to the SNB's contractual share in the stabilisation fund equity as at end-September 2013. According to the arrangements agreed in autumn 2008, the first billion of the equity went to the SNB, while the remainder – USD 5.5 billion – was divided equally between the SNB and UBS.

With a net contribution of CHF 3.4 billion, the sale of the stabilisation fund had a positive impact on the SNB's annual result for 2013.

## Item 23

**NET RESULT, OTHER**

In CHF millions

	2013	2012	Change
Commission income	9.6	11.1	-1.5
Commission expenses	-9.5	-10.9	+1.4
Income from participations	2.1	3.5	-1.4
Income from real estate	6.3	4.1	+2.2
Other income	3.7	3.3	+0.4
<b>Total</b>	<b>12.1</b>	<b>11.1</b>	<b>+1.0</b>

## PERSONNEL EXPENSES<sup>1</sup>

Item 24

Breakdown by type in CHF millions

	2013	2012	Change
Wages, salaries and allowances	111.1	103.2	+ 7.9
Social security expenses	22.3	21.8	+ 0.5
Other personnel expenses <sup>2</sup>	39.3	8.0	+ 31.3
<b>Total</b>	<b>172.6</b>	<b>133.0</b>	<b>+ 39.6</b>

1 In terms of full-time equivalents, the number of employees averaged 710 for 2013.

2 Various social benefits; expenses for staff development, training and recruitment; events, etc. Including, in 2013, a one-off amount of CHF 30 million for converting the SNB pension fund from a defined benefit to a defined contribution system. For further details, cf. item 17 as well as chapter 2.3 in the business report (p. 133).

Remuneration for members of the Bank Council<sup>1</sup> in CHF thousands

	2013	2012	Change
Jean Studer, President since 1 May 2012 <sup>2,3</sup>	149.2	131.2	+ 18.0
Hansueli Raggenbass, President (until 30 April 2012) <sup>2,3</sup>	–	59.5	–59.5
Olivier Steimer, Vice President since 1 May 2012 <sup>2,3</sup>	72.8	67.3	+ 5.5
Gerold Bühler <sup>2,4</sup>	60.4	61.8	–1.4
Monika Bütler	45.0	45.0	–
Alfredo Gysi <sup>5</sup>	50.6	50.6	–
Daniel Lampart <sup>5</sup>	52.0	50.6	+ 1.4
Christoph Lengwiler (since 1 May 2012) <sup>4</sup>	56.2	35.6	+ 20.6
Shelby Robert du Pasquier (since 1 May 2012) <sup>5</sup>	50.6	32.8	+ 17.8
Laura Sadis	45.0	45.0	–
Ernst Stocker <sup>4</sup>	56.2	59.0	–2.8
Fritz Studer (until 30 April 2012) <sup>4</sup>	–	34.6	–34.6
Cédric Pierre Tille <sup>3</sup>	45.0	56.2	–11.2
<b>Total</b>	<b>683.0</b>	<b>729.2</b>	<b>–46.2</b>

1 In accordance with SNB regulations; participation in committee meetings not held on the same day as Bank Council meetings is compensated at a rate of CHF 2,800 per day. Special assignments are also compensated at a rate of CHF 2,800 per day or CHF 1,400 per half-day.

2 Member of Compensation Committee.

3 Member of Nomination Committee.

4 Member of Audit Committee.

5 Member of Risk Committee.

**Remuneration for members of executive management<sup>1</sup> (excluding employer social security contributions)** in CHF thousands

	Salaries	Miscellaneous <sup>2</sup>	2013 Total remuneration	2012 Total remuneration	Change
Three members of the Governing Board	2 595.6	87.0	<b>2 682.6</b>	2 847.6	-165.0
Thomas J. Jordan, Chairman <sup>3</sup> since 18 April 2012	865.2	29.8	<b>895.0</b>	942.4	-47.4
Jean-Pierre Danthine, Vice Chairman since 18 April 2012	865.2	28.6	<b>893.8</b>	886.7	+7.1
Fritz Zurbrügg since 1 August 2012	865.2	28.6	<b>893.8</b>	372.5	+521.3
Philipp M. Hildebrand, Chairman until 9 January 2012 <sup>6</sup>	-	-	-	646.0	-646.0
Three alternate members of the Governing Board <sup>4</sup>	1 324.0	62.4	<b>1 386.4</b>	1 371.9	+14.5
<b>Total</b>	<b>3 919.6</b>	<b>149.4</b>	<b>4 069.0</b>	<b>4 219.5</b>	<b>-150.5</b>

**Remuneration for members of executive management<sup>1</sup> (including employer social security contributions)** in CHF thousands

	Total remuneration	Employer contributions to pension plans and Old Age and Survivors' Insurance Fund	2013 Total	2012 Total	Change
Three members of the Governing Board	2 682.6	502.3	3 184.9	3 769.8	-584.9
Thomas J. Jordan, Chairman <sup>3</sup> since 18 April 2012	895.0	156.7	1 051.7	1 107.4	-55.7
Jean-Pierre Danthine, Vice Chairman since 18 April 2012	893.8	184.5	1 078.3	1 088.9	-10.6
Fritz Zurbrügg since 1 August 2012	893.8	161.1	1 054.9	825.5 <sup>5</sup>	+229.4
Philipp M. Hildebrand, Chairman until 9 January 2012 <sup>6</sup>	-	-	-	748.0	-748.0
Three alternate members of the Governing Board <sup>4</sup>	1 386.4	273.9	1 660.3	1 648.8	+11.5
<b>Total</b>	<b>4 069.0</b>	<b>776.2</b>	<b>4 845.2</b>	<b>5 418.6</b>	<b>-573.4</b>

1 All remuneration is specified in SNB regulations (cf. also 'Corporate governance', p. 125).

2 Representation expenses, General Abonnement travel card, jubilee benefits and further compensation in accordance with regulations.

3 Excluding remuneration in the amount of CHF 69,220 for serving as member of the Board of Directors at the BIS.

4 Excluding remuneration in the total amount of CHF 35,306 for alternate member of the Governing Board serving as member of the Board of Directors and of the Executive Board of the compensation funds for old age and survivors' insurance, disability insurance and the fund for loss of earned income and (until May 2013) as member of the Board of Directors at Orell Füssli Holding Ltd.

5 Including one-off pension plan buy-in.

6 Salary entitlement and compensation for restrictions following termination of employment relationship in accordance with regulations.

Like all employees, members of executive management are entitled to reduced-rate mortgage loans granted by the SNB pension fund as well as to preferential interest rates on the credit balances of their SNB staff accounts. No additional remuneration as defined by art. 663b<sup>bis</sup> para. 1 CO was paid.

Of the members of executive management, Dewet Moser, Alternate Member of the Governing Board, held one SNB share as at 31 December 2013.

In accordance with the 'Code of Conduct' for members of the Bank Council, members of the Bank Council may not hold shares in the SNB.

## EMPLOYEE BENEFIT OBLIGATIONS<sup>1,2</sup>

Item 25

Share of overfunding of pension plans<sup>3</sup> in CHF millions

	31.12.2013	31.12.2012	Change
Overfunding in accordance with Swiss GAAP FER 26 <sup>3</sup>	108.7	80.4	+ 28.3
SNB's share of overfunding	–	–	–

1 Pension fund schemes do not have any employer contribution reserves.

2 For further details on the restructuring clause, cf. chapter 2.3 in the business report (p. 133).

3 Overfunding is used in favour of the insured. The stated overfunding is unaudited at the time of reporting.

Employee benefit expenses in CHF millions

	2013	2012	Change
Employer contributions	14.3	14.5	–0.2
Change in share of overfunding	–	–	–
Employee benefit expenses as part of personnel expenses <sup>1</sup>	44.3	14.5	+ 29.8

1 On 1 January 2014, the SNB pension fund changed from a defined benefit to a defined contribution system.

While the major portion of the associated costs were covered from the pension fund reserves, a one-off provision of CHF 30 million was created for the remaining sum and allocated to the 2013 financial year.

For further details, cf. chapter 2.3 in the business report (p. 133).

## GENERAL OVERHEADS

Item 26

In CHF millions

	2013	2012	Change
Premises	19.2	12.7	+ 6.5
Maintenance of mobile tangible assets and software	19.4	14.7	+ 4.7
Consulting and other third-party support <sup>1</sup>	24.9	22.7	+ 2.2
Administrative expenses	18.2	16.9	+ 1.3
Contributions <sup>2</sup>	7.9	8.6	–0.7
Other general overheads	7.1	6.1	+ 1.0
<b>Total</b>	<b>96.9</b>	<b>81.7</b>	<b>+ 15.2</b>

1 Auditing fees for the 2013 financial year amounted to CHF 0.4 million (2012: CHF 0.3 million). In addition, the Audit Board provided consulting services totalling CHF 0.1 million (2012: none).

2 Mainly contributions towards the Study Center Gerzensee (SNB foundation).

## Item 27

### 5.3 NOTES REGARDING OFF-BALANCE-SHEET BUSINESS

#### LIQUIDITY-SHORTAGE FINANCING FACILITY

The liquidity-shortage financing facility is a credit line for eligible counterparties to bridge unexpected short-term liquidity bottlenecks. Liquidity can be drawn by way of special-rate repo transactions. The amounts stated are the maximum amounts that can be drawn.

In CHF millions

	31.12.2013	31.12.2012	Change
Lending commitment	34 040.5	33 694.5	+ 346.0
Amount drawn	–	–	–
Amount not drawn	34 040.5	33 694.5	+ 346.0

## Item 28

#### COMMITMENTS TO THE IMF

Commitments to the IMF include irrevocable lending commitments and other commitments which the SNB has granted to the IMF in the context of international cooperation. The amounts stated are the maximum liabilities arising from these commitments.

#### Overview: Undrawn lending commitments and exchange arrangement for international payment instruments in CHF millions

	31.12.2013	31.12.2012	Change
New Arrangements to Borrow (NAB) and General Arrangements to Borrow (GAB) <sup>1</sup>	13 010.2	13 495.4	– 485.2
Lending commitment to PRGT <sup>2</sup>	685.9	701.6	– 15.7
<b>Total undrawn lending commitments</b>	<b>13 696.1</b>	<b>14 197.0</b>	<b>– 500.9</b>
Exchange arrangement for international payment instruments (two-way arrangement) <sup>3</sup>	2 471.9	2 671.0	– 199.1

1 For further details, cf. item 03, p. 162.

2 For further details, cf. item 05, p. 164.

3 For further details, cf. item 04, p. 163.

## OTHER LIABILITIES NOT CARRIED ON BALANCE SHEET

Item 29

In CHF millions

	31.12.2013	31.12.2012	Change
Additional funding for the BIS <sup>1</sup>	88.6	90.6	-2.0
Liabilities from long-term rental, maintenance and leasing contracts <sup>2</sup>	61.9	52.4	+9.5
Contingent liabilities from procurement of banknotes	49.3	62.5	-13.2
Loan commitment to stabilisation fund <sup>3</sup>	-	750.0	-750.0
<b>Total</b>	<b>199.8</b>	<b>955.5</b>	<b>-755.7</b>

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

2 Including leasehold interest on Metropol building in Zurich.

3 Funding commitment for contingent liabilities of the stabilisation fund.

## ASSETS PLEDGED OR ASSIGNED AS COLLATERAL FOR SNB LIABILITIES

Item 30

In CHF millions

	Book value	31.12.2013 Liabilities or amount drawn	Book value	31.12.2012 Liabilities or amount drawn
Foreign currency investments in USD	29.2	-	42.9	-
Foreign currency investments in EUR	7 556.5	7 260.8	5 364.8	5 012.4
Foreign currency investments in GBP	806.3	808.5	-	-
<b>Total<sup>1</sup></b>	<b>8 392.0</b>	<b>8 069.3</b>	<b>5 407.7</b>	<b>5 012.4</b>

1 Collateral lodged primarily in connection with repo and futures transactions.

Item 31

**OUTSTANDING FINANCIAL INSTRUMENTS<sup>1</sup>**

In CHF millions

	Contract value	31.12.2013		Contract value	31.12.2012	
		Replacement value Positive	Replacement value Negative		Replacement value Positive	Replacement value Negative
<b>Interest rate instruments</b>	<b>15 123.8</b>	<b>64.0</b>	<b>53.9</b>	<b>15 989.1</b>	<b>98.7</b>	<b>91.0</b>
Repo transactions in CHF <sup>2</sup>	1 800.0	–	–	200.0	–	–
Repo transactions in foreign currency <sup>2</sup>	–	–	–	295.0	–	–
Forward contracts <sup>1</sup>	1 569.6	0.2	0.6	688.9	0.3	0.6
Interest rate swaps	1 139.0	63.2	53.3	1 451.1	98.3	90.2
Futures	10 615.2	0.6	0.1	13 354.1	0.1	0.2
<b>Foreign exchange</b>	<b>1 946.9</b>	<b>14.2</b>	<b>4.7</b>	<b>5 630.6</b>	<b>6.5</b>	<b>71.4</b>
Forward contracts <sup>1,3</sup>	1 295.8	14.2	3.8	5 126.9	6.5	70.3
Options	651.2	0.0	0.9	503.7	–	1.1
<b>Equities/indices</b>	<b>1 013.6</b>	<b>0.4</b>	<b>0.1</b>	<b>1 771.6</b>	<b>0.4</b>	<b>0.1</b>
Forward contracts <sup>1</sup>	27.6	0.1	0.1	1.2	0.2	0.0
Futures	986.0	0.4	–	1 770.4	0.2	0.1
<b>Credit instruments</b>	<b>220.5</b>	<b>0.1</b>	<b>3.3</b>	<b>1 462.0</b>	<b>5.0</b>	<b>2.1</b>
Credit default swaps	220.5	0.1	3.3	1 462.0	5.0	2.1
<b>Stabilisation fund options</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>6 922.4</b>	<b>–</b>	<b>1.4</b>
Warrant <sup>4</sup>	–	–	–	10.0	–	–
GP purchase option <sup>5</sup>	–	–	–	1.5	–	1.4
Repurchase option <sup>6</sup>	–	–	–	6 910.8	–	–
<b>Total<sup>7</sup></b>	<b>18 304.8</b>	<b>78.8</b>	<b>62.1</b>	<b>31 775.6</b>	<b>110.7</b>	<b>166.0</b>

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

2 Only transactions with the value date in the new year.

3 In 2012, including forward contracts to finance the loan to the stabilisation fund.

4 The warrant represents the right to purchase 100 million UBS shares at a nominal value of CHF 0.10 should the loan not be repaid in full.

5 The SNB granted UBS the option to take over the share capital of StabFund (GP) AG, and with it two shares (out of a total of 6,000 shares) in the SNB StabFund Limited Partnership for Collective Investment.

6 The SNB had the right to request the repurchase of the stabilisation fund in the case of a change of control at UBS. The contract value represented the outstanding loan plus half of the stabilisation fund's net asset value and the share capital of StabFund (GP) AG.

7 For the outstanding contracts, the counterpart item to the replacement values is stated directly in the income statement.



## FIDUCIARY INVESTMENTS

Item 32

Fiduciary business covers investments which the SNB makes in its own name but on the basis of a written contract exclusively for the account of and at the risk of the counterparty (mainly the Confederation). The transactions are stated at nominal value inclusive of accrued interest.

In CHF millions

	31.12.2013	31.12.2012	Change
Fiduciary investments for the Confederation	760.7	514.8	+ 245.9
Other fiduciary investments	4.9	3.1	+ 1.8
<b>Total</b>	<b>765.7</b>	<b>517.9</b>	<b>+ 247.8</b>

# 6

## Report of the Audit Board for the General Meeting of Shareholders

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As statutory auditor, we have audited the financial statements of the Swiss National Bank, which comprise the balance sheet, income statement, statement of changes in equity, cash flow statement and notes (pp. 145–185), for the year ended 31 December 2013.

### Bank Council's responsibility

The Bank Council is responsible for the preparation and fair presentation of the financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank Council is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements for the year ended 31 December 2013 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER, and comply with Swiss law.

**Opinion**

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (art. 728 CO and art. 11 AOA) and that there are no circumstances incompatible with our independence.

**Report on other  
legal requirements**

In accordance with art. 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Bank Council.

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

PRICEWATERHOUSECOOPERS LTD

THOMAS ROMER  
Audit expert  
Auditor in charge

CHRISTIAN MASSETTI  
Audit expert

Zurich, 28 February 2014