

Annual financial statements

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Balance sheet as at 31 December 2014

ASSETS

In CHF millions

	Item in Notes	31.12.2014	31.12.2013	Change
Gold holdings	01	39 629.6	35 565.0	+ 4 064.6
Foreign currency investments	02, 29	510 062.4	443 274.5	+ 66 787.9
Reserve position in the IMF	03, 27	2 037.3	2 295.4	- 258.1
International payment instruments	04, 27	4 413.8	4 293.9	+ 119.9
Monetary assistance loans	05, 27	213.3	244.2	- 30.9
Claims from Swiss franc repo transactions	26	-	-	-
Swiss franc securities	06	3 978.3	3 689.9	+ 288.4
Banknote stocks	22	-	156.7	- 156.7
Tangible assets	07	417.4	433.1	- 15.7
Participations	08, 28	133.5	134.4	- 0.9
Other assets	09, 30	316.2	294.9	+ 21.3
Total assets		561 201.9	490 382.0	+ 70 819.9

LIABILITIES

In CHF millions

	Item in Notes	31.12.2014	31.12.2013	Change
Banknotes in circulation	10	67 595.8	65 766.4	+ 1 829.4
Sight deposits of domestic banks		328 006.2	317 131.7	+ 10 874.5
Liabilities towards the Confederation	11	9 046.4	10 481.8	- 1 435.4
Sight deposits of foreign banks and institutions		17 486.9	11 523.2	+ 5 963.7
Other sight liabilities	12	33 126.8	24 773.7	+ 8 353.1
Liabilities from Swiss franc repo transactions		-	-	-
SNB debt certificates		-	-	-
Foreign currency liabilities	13	14 753.1	8 074.0	+ 6 679.1
Counterpart of SDRs allocated by the IMF	04	4 727.2	4 510.5	+ 216.7
Other liabilities	14, 30	154.8	97.9	+ 56.9
Operating provisions	15	-	31.0	- 31.0
Equity				
Provisions for currency reserves ¹		54 787.0	51 783.6	+ 3 003.4
Share capital	16	25.0	25.0	-
Distribution reserve ¹		- 6 820.2	5 259.8	- 12 080.0
Annual result		38 312.9	- 9 076.6	+ 47 389.5
Total liabilities		561 201.9	490 382.0	+ 70 819.9

¹ Before appropriation of profit, cf. p. 152.

Income statement and appropriation of profit for 2014

INCOME STATEMENT

In CHF millions

	Item in Notes	2014	2013	Change
Net result from gold	17	4 067.4	-15 206.2	+19 273.6
Net result from foreign currency positions	18	34 487.7	3 131.6	+31 356.1
Net result from Swiss franc positions	19	276.6	-96.4	+373.0
Net result from sale of stabilisation fund	20	-	3 416.3	-3 416.3
Net result, other	21	12.1	12.1	0.0
Gross income		38 843.8	-8 742.6	+47 586.4
Banknote expenses	22	-233.6	-25.5	-208.1
Personnel expenses	23, 24	-150.2	-172.6	+22.4
General overheads	25	-109.6	-96.9	-12.7
Depreciation on tangible assets	07	-37.6	-39.0	+1.4
Annual result		38 312.9	-9 076.6	+47 389.5

APPROPRIATION OF PROFIT

In CHF millions

	2014	2013	Change
- Allocation to provisions for currency reserves	-1 972.3	-3 003.4	+1 031.1
= Distributable annual result	36 340.6	-12 080.0	+48 420.6
+ Profit/loss carried forward (distribution reserve before appropriation of profit)	-6 820.2	5 259.8	-12 080.0
= Net profit	29 520.3	-6 820.2	+36 340.5
- Payment of a dividend of 6%	-1.5	-	+1.5
- Profit distribution to Confederation and cantons	-2 000.0	-	+2 000.0
= Balance carried forward to 2015 annual financial statements (distribution reserve after appropriation of profit)	27 518.8	-6 820.2	+34 339.0

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Changes in equity

In CHF millions

	Share capital	Provisions for currency reserves	Distribution reserve	Annual result	Total
Equity as at 1 January 2013	25.0	48 215.6	3 873.2	5 956.1	58 069.9
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
Equity as at 31 December 2013 (before appropriation of profit)	25.0	51 783.6	5 259.8	-9 076.6	47 991.8
Equity as at 1 January 2014	25.0	51 783.6	5 259.8	-9 076.6	47 991.8
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				-	-
Annual result				38 312.9	38 312.9
Equity as at 31 December 2014 (before appropriation of profit)	25.0	54 787.0	-6 820.2	38 312.9	86 304.6
Proposed appropriation of profit					
Endowment of provisions for currency reserves pursuant to NBA		1 972.3		-1 972.3	
Allocation to distribution reserve			34 339.1	-34 339.1	
Distribution of dividends to shareholders				-1.5	-1.5
Profit distribution to Confederation and cantons				-2 000.0	-2 000.0
Equity after appropriation of profit	25.0	56 759.3	27 518.8	-	84 303.1

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Cash flow statement

In CHF millions

	2014	2013
Annual result	38 312.9	-9 076.6
Fund-neutral result components		
Market valuation and price gain/loss		
Gold holdings	-4 067.4	15 206.2
Interest-bearing paper and instruments in foreign currencies	-8 733.1	8 682.7
Equity securities and instruments in foreign currencies	-4 447.0	-13 678.2
Swiss franc securities	-217.8	161.9
Exchange rate gain/loss	-11 811.3	10 473.2
Accrued interest	-649.2	-88.1
Depreciation		
Banknote stocks	156.7	22.0
Tangible assets	37.6	39.0
Valuation changes on participations	0.9	7.1
Other accounts receivable and payable	-22.4	18.6
Cash flow from operating activities	8 559.8	11 767.9
Net investment in foreign currency holdings ¹	-84 954.0	-25 549.9
Net investment in Swiss franc securities	-73.7	-96.7
Liquidity-providing Swiss franc repo transactions	-	-
Liquidity-absorbing Swiss franc repo transactions	-	-
SNB debt certificates	-	-
Banknote stocks	-	-53.1
Tangible assets	-21.9	-20.5
Participations	0.1	0.1
Coins and foreign banknotes	-30.3	-40.7
Cash flow from investing activities	-85 079.8	-25 761.0
Banknotes in circulation	1 829.4	3 965.0
Liabilities towards the Confederation	-1 435.4	473.7
Distribution of dividends ²	-	-1.5
Cash flow from financing activities	394.0	4 437.2
Net increase (-) / decrease (+)	-76 126.0	-9 555.8

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

	2014	2013
Funds at beginning of period	-284 969.7	-275 413.9
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
Funds at end of period	-361 095.7	-284 969.7
Sight deposits and call money	17 524.2	68 458.9
Sight deposits of domestic banks	-328 006.2	-317 131.7
Sight deposits of foreign banks and institutions	-17 486.9	-11 523.2
Other sight liabilities	-33 126.8	-24 773.7
Net increase (-) / decrease (+)	-76 126.0	-9 555.8

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 the publication of a cash flow statement, which in view of the SNB's central bank role is of limited informative value.

Notes to the annual financial statements as at 31 December 2014

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 27 February 2015, the Bank Council accepted the financial report for 2014 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, has not been adopted early.

Changes from previous year

In line with practice at other central banks, from the 2014 financial year, acquisition and development expenses for banknotes will no longer be stated on the assets side of the balance sheet, where they were recorded as banknote stocks until 2013. Instead, all expenses arising in connection with the distribution of banknotes will now be recorded directly in the income statement under banknote expenses. This change in accounting principles resulted in a one-off depreciation of banknote stocks in the amount of CHF 156.7 million in the 2014 financial year. No adjustment will be made to the previous year's figures.

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 forming part of foreign currency investments 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 in 2013, 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. Negative interest on balances will be recorded as a reduction of interest income. Gains and losses from revaluation at market value, interest income and expenses, 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 SNB. 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 voluntary trading 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.

On the basis of the Monetary Assistance Act, Switzerland can participate in multilateral assistance operations aimed at preventing or remedying serious disruptions to the international monetary system or be involved in special funds or other IMF facilities, particularly those in favour of low-income countries. In these two cases, the Confederation can instruct the SNB to grant a loan. In return, the Confederation guarantees the SNB the interest and principal repayment on the loan.

Monetary assistance loans

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 subsidised interest rates to low-income countries. These loans are stated at nominal value inclusive of accrued interest. Interest income and exchange rate gains and losses are stated under net result from foreign currency positions.

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 income is stated under net result from Swiss franc positions.

At the end of 2014, 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 income are stated under net result from Swiss franc positions.

Swiss franc securities

In line with practice at other central banks, from the 2014 financial year, expenses arising in connection with the distribution of banknotes will be recorded directly in the income statement under 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 investments resulting in an increase in value (projects) are 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 ¹	No depreciation
Software	3 years
Sundry tangible assets	3–12 years

¹ 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.

Derivative financial instruments

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).

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.

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 deposit accounts 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 accounts are stated at nominal value. The SNB can charge either positive interest on sight deposit account balances or negative interest on balances that exceed a given exemption threshold, the level of which is to be determined by the SNB. These sight deposit accounts did not bear interest in 2014 and 2013.

**Sight deposits
of domestic banks**

The National Bank holds a sight deposit account for the Confederation. This account did not bear interest in 2014 and 2013. In addition, the Confederation may place time deposits with the SNB at market rates. The liabilities towards the Confederation are stated at nominal value.

**Liabilities towards
the Confederation**

The SNB holds sight deposit accounts for foreign banks and institutions which facilitate payment transactions in Swiss francs. These accounts are stated at nominal value. The SNB can charge either positive interest on sight deposit account balances or negative interest on balances that exceed a given exemption threshold, the level of which is to be determined by the SNB. These sight deposit accounts did not bear interest in 2014 and 2013.

**Sight deposits of foreign
banks and institutions**

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 deposit accounts of non-banks are stated at nominal value. The SNB can charge either positive interest on sight deposit account balances or negative interest on balances that exceed a given exemption threshold, the level of which is to be determined by the SNB. These sight deposit accounts did not bear interest in 2014 and 2013. The deposit accounts are stated at nominal value inclusive of accrued interest. Interest expenses are stated under net result from Swiss franc positions.

Other sight liabilities

Liabilities from Swiss franc transactions	<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 2014, there were no outstanding liabilities from Swiss franc repo transactions.</p>
SNB debt certificates	<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 2014, there were no SNB Bills outstanding.</p>
Foreign currency liabilities	<p>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.</p>
Counterpart of SDRs allocated by the IMF	<p>This item comprises the liability vis-à-vis the IMF for the SDRs allocated to Switzerland. The counterpart item attracts interest at the same rate as the SDRs on the assets side of the balance sheet. Interest expenses and exchange rate gains and losses are stated under net result from foreign currency positions.</p>
Operating provisions	<p>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.</p> <p>At the end of 2014, there were no outstanding liabilities for operating provisions.</p>

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. 153). 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

The SNB's pension plans comprise two staff pension fund schemes under the defined contribution system. With effect from 1 January 2015, the two schemes were merged to form a single legal entity.

Pension fund

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.

On 15 January 2015, the SNB decided to discontinue the minimum exchange rate of CHF 1.20 per euro with immediate effect. This resulted in exchange rate losses on foreign currency investments and thereby to a deterioration in the SNB's earnings outlook for 2015. At present, it is not possible to make any predictions about the annual result for 2015. This decision by the SNB did not have any impact on the balance sheet, income statement or profit appropriation for 2014.

**Events after the
balance sheet date**

The SNB's financial result depends largely on developments in the gold, foreign exchange and capital markets. Consequently, substantial fluctuations in the quarterly and annual results are to be expected. As the SNB has stressed on several occasions, in view of the considerable volatility in its results, it does not exclude the possibility that, in some years, a dividend payment to shareholders and profit distributions to the Confederation and the cantons will have to be suspended completely or can only be carried out on a reduced scale.

Valuation rates

VALUATION RATES

	31.12.2014 In CHF	31.12.2013 In CHF	Change In percent
1 euro (EUR)	1.2024	1.2268	-2.0
1 US dollar (USD)	0.9923	0.8908	+11.4
100 yen (JPY)	0.8300	0.8489	-2.2
1 Canadian dollar (CAD)	0.8557	0.8384	+2.1
1 pound sterling (GBP)	1.5459	1.4736	+4.9
1 Australian dollar (AUD)	0.8113	0.7968	+1.8
100 Danish kroner (DKK)	16.1476	16.4457	-1.8
100 Swedish kronor (SEK)	12.7520	13.8411	-7.9
1 Singapore dollar (SGD)	0.7498	0.7052	+6.3
100 South Korean won (KRW)	0.0910	0.0849	+7.1
1 Special Drawing Right (SDR)	1.4377	1.3718	+4.8
1 kilogram of gold	38 105.48	34 194.73	+11.4

5.2 NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

Item 01

GOLD HOLDINGS

Breakdown by type

	In tonnes	31.12.2014 In CHF millions	In tonnes	31.12.2013 In CHF millions
Gold ingots	1 001.0	38 142.2	1 001.0	34 227.7
Gold coins	39.0	1 487.4	39.0	1 334.8
Claims on metal accounts	-	-	0.1	2.5
Total	1 040.0	39 629.6	1 040.1	35 565.0

FOREIGN CURRENCY INVESTMENTS

Item 02

Breakdown by investment type in CHF millions

	31.12.2014	31.12.2013	Change
Sight deposits and call money	17 524.2	68 458.9	-50 934.7
Time deposits	4 809.3	-	+4 809.3
Claims from repo transactions	14 932.0	8 069.9	+6 862.1
Money market instruments	11 263.3	2 835.5	+8 427.8
Bonds ¹	388 109.2	295 681.2	+92 428.0
Equities	73 424.4	68 229.0	+5 195.4
Total	510 062.4	443 274.5	+66 787.9

1 Of which CHF 836.4 million (2013: CHF 607.3 million) lent under securities lending operations.

Breakdown by issuer and borrower category in CHF millions

	31.12.2014	31.12.2013	Change
Governments	377 423.0	284 525.1	+92 897.9
Monetary institutions ¹	26 652.9	70 918.7	-44 265.8
Corporations	105 986.5	87 830.6	+18 155.9
Total	510 062.4	443 274.5	+66 787.9

1 BIS, central banks and multilateral development banks.

Breakdown by currency¹ in CHF millions

	31.12.2014	31.12.2013	Change
EUR	236 360.1	218 069.0	+18 291.1
USD	147 214.1	114 798.8	+32 415.3
JPY	39 310.1	35 687.2	+3 622.9
CAD	20 949.6	18 000.6	+2 949.0
GBP	34 222.7	31 417.1	+2 805.6
AUD	9 603.7	7 783.2	+1 820.5
DKK	7 235.0	4 834.9	+2 400.1
SEK	3 128.8	3 009.1	+119.7
SGD	2 892.6	2 667.9	+224.7
KRW	6 873.1	5 082.7	+1 790.4
Other	2 272.7	1 924.1	+348.6
Total	510 062.4	443 274.5	+66 787.9

1 Excluding foreign exchange derivatives.

RESERVE POSITION IN THE IMF

In CHF millions

	31.12.2014	31.12.2013	Change
Swiss quota in the IMF ¹	4 972.3	4 744.4	+ 227.9
Less: IMF's Swiss franc sight deposit balances at the SNB ²	-4 815.4	-4 398.9	-416.5
Claim from participation in the IMF	156.9	345.5	- 188.6
Loan based on New Arrangements to Borrow (NAB)	1 880.4	1 949.9	-69.5
Total reserve position in the IMF	2 037.3	2 295.4	-258.1

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)¹ in CHF millions

	31.12.2014	31.12.2013	Change
Lending commitment ²	15 678.7	14 960.1	+ 718.6
Amount drawn	1 880.4	1 949.9	-69.5
Amount not drawn	13 798.3	13 010.2	+ 788.1

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

	31.12.2014	31.12.2013	Change
SDRs from allocation ¹	4 727.2	4 510.5	+ 216.7
SDRs purchased/sold (net)	-313.4	-216.6	-96.8
Total	4 413.8	4 293.9	+ 119.9

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

Details: Exchange arrangement for international payment instruments (voluntary trading arrangement)¹ in CHF millions

	31.12.2014	31.12.2013	Change
Purchase/sale commitment ²	2 363.6	2 255.2	+ 108.4
SDRs purchased	-	-	-
SDRs sold	313.4	216.6	+ 96.8
Total commitment ³	2 677.0	2 471.9	+ 205.1

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

	31.12.2014	31.12.2013	Change
Claims from PRGT loan ¹	–	–	–
Claims from interim PRGT loan ¹	213.3	244.2	–30.9
Total	213.3	244.2	–30.9

1 Poverty Reduction and Growth Trust of the IMF.

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

	31.12.2014	31.12.2013	Change
Lending commitment to PRGT ^{1,2}	718.9	685.9	+33.0
Amount drawn	–	–	–
Amount repaid	–	–	–
Claims	–	–	–
Amount not yet drawn	718.9	685.9	+33.0
Lending commitment to interim PRGT ^{1,2}	359.4	343.0	+16.4
Amount drawn	359.4	343.0	+16.4
Amount repaid	146.4	99.0	+47.4
Claims ³	213.3	244.2	–30.9
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 FRANC SECURITIES

Item 06

Breakdown by borrower category in CHF millions

	31.12.2014	31.12.2013	Change
Governments	1 827.1	1 516.8	+310.3
Corporations	2 151.2	2 173.1	-21.9
Total	3 978.3	3 689.9	+288.4

Breakdown of *governments* borrower category in CHF millions

	31.12.2014	31.12.2013	Change
Swiss Confederation	1 070.9	858.8	+212.1
Cantons and municipalities	521.5	464.1	+57.4
Foreign states ¹	234.7	193.9	+40.8
Total	1 827.1	1 516.8	+310.3

1 Including public authorities.

Breakdown of *corporations* borrower category in CHF millions

	31.12.2014	31.12.2013	Change
Domestic mortgage bond institutions	1 109.3	937.8	+171.5
Other domestic corporations ¹	77.9	72.7	+5.2
Foreign corporations ²	964.1	1 162.6	-198.5
Total	2 151.2	2 173.1	-21.9

1 International organisations with their head office in Switzerland.

2 Banks, international organisations and other corporations.

TANGIBLE ASSETS

In CHF millions

	Land and buildings ¹	Fixed assets under con- struction	Software	Sundry tangible assets ²	Total
Historical cost					
1 January 2014	642.0	–	48.8	65.5	756.4
Additions	–	3.6	10.7	7.6	21.9
Disposals	–	–	–1.9	–2.0	–3.8
Reclassified	–	–	–	–	–
31 December 2014	642.0	3.6	57.6	71.2	774.4
Cumulative value adjustments					
1 January 2014	242.2		35.9	45.2	323.3
Scheduled depreciation	21.5		9.3	6.8	37.6
Disposals	–		–1.9	–1.9	–3.8
Reclassified	–		–	–	–
31 December 2014	263.7		43.3	50.0	357.0
Net book values					
1 January 2014	399.9	–	12.9	20.3	433.1
31 December 2014	378.3	3.6	14.3	21.2	417.4

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 ¹	Fixed assets under construction	Software	Sundry tangible assets ²	Total
Historical cost					
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
Cumulative value adjustments					
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
Net book values					
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.

Item 08

PARTICIPATIONS

In CHF millions

	Orell Füssli ¹	BIS ²	Other	Total
Equity interest	33%	3%		
Book value as at 1 January 2013	50.6	90.2	0.8	141.6
Investments	–	–	–	–
Divestments ³	–	–	–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
Book value as at 1 January 2014	43.5	90.2	0.7	134.4
Investments	–	–	–	–
Divestments ⁴	–	–	–0.1	–0.1
Valuation changes	–0.9	–	–	–0.9
Book value as at 31 December 2014	42.6	90.2	0.6	133.5

1 Orell Füssli Holding Ltd, whose subsidiary Orell Füssli Security Printing Ltd produces Switzerland's banknotes.

2 Interest in the BIS is held for reasons of monetary policy collaboration.

3 Interest in StabFund (GP) AG, with a share capital of CHF 0.1 million.

4 Interest in LiPro (LP) AG, with a share capital of CHF 0.1 million.

Item 09

OTHER ASSETS

In CHF millions

	31.12.2014	31.12.2013	Change
Coins ¹	204.5	174.3	+30.2
Foreign banknotes	1.1	1.0	+0.1
Other accounts receivable	15.6	36.6	–21.0
Prepayments and accrued income	3.2	4.1	–0.9
Positive replacement values ²	91.7	78.8	+12.9
Total	316.2	294.9	+21.3

1 Coins acquired from Swissmint destined for circulation.

2 Unrealised gains on financial instruments and on outstanding spot transactions (cf. item 30, p. 186).

BANKNOTES IN CIRCULATION

Item 10

Breakdown by issue in CHF millions

	31.12.2014	31.12.2013	Change
8th issue	66 427.9	64 559.2	+ 1 868.7
6th issue ¹	1 167.9	1 207.2	-39.3
Total	67 595.8	65 766.4	+ 1 829.4

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.

LIABILITIES TOWARDS THE CONFEDERATION

Item 11

In CHF millions

	31.12.2014	31.12.2013	Change
Sight liabilities	8 046.4	9 481.8	-1 435.4
Term liabilities	1 000.0	1 000.0	-
Total	9 046.4	10 481.8	-1 435.4

OTHER SIGHT LIABILITIES

Item 12

In CHF millions

	31.12.2014	31.12.2013	Change
Sight deposits of non-banks ¹	32 730.3	24 399.7	+ 8 330.6
Deposit accounts ²	396.5	374.0	+ 22.5
Cheque liabilities ³	0.0	0.0	0.0
Total	33 126.8	24 773.7	+ 8 353.1

1 Clearing offices, insurance corporations, etc.

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 110.2 million as at 31 December 2014 (2013: CHF 106.1 million).

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

Item 13

FOREIGN CURRENCY LIABILITIES

In CHF millions

	31.12.2014	31.12.2013	Change
Sight liabilities	2.3	4.4	-2.1
Liabilities from repo transactions ¹	14 750.8	8 069.3	+ 6 681.5
Other foreign currency liabilities	-	0.3	-0.3
Total	14 753.1	8 074.0	+ 6 679.1

1 Relating to the management of foreign currency investments.

Item 14

OTHER LIABILITIES

In CHF millions

	31.12.2014	31.12.2013	Change
Other accounts payable	10.8	11.6	-0.8
Accrued liabilities and deferred income	11.7	24.2	- 12.5
Negative replacement values ¹	132.2	62.1	+ 70.1
Total	154.8	97.9	+ 56.9

1 Unrealised losses on financial instruments and on outstanding spot transactions (cf. item 30, p. 186).

OPERATING PROVISIONS

Item 15

In CHF millions

	Provisions due to reorganisation	Other provisions	Total
Book value as at 1 January 2013	4.5	1.0	5.5
Creation ¹	–	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
Book value as at 1 January 2014	–	31.0	31.0
Creation	–	–	–
Utilisation	–	–29.1	–29.1
Release ¹	–	–1.9	–1.9
Book value as at 31 December 2014	–	–	–

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. The provision remaining after the costs that were borne by the SNB had been deducted, and which amounted to CHF 1.9 million, was released in 2014.

SHARE CAPITAL

Item 16

Shares

	2014	2013	2012
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 ¹	SNBN/CH0001319265		
Closing price on 31 December in CHF	1 060	1 045	1 028
Market capitalisation in CHF	106 000 000	104 500 000	102 800 000
Annual high in CHF	1 150	1 200	1 179
Annual low in CHF	991	1 004	940
Average daily trading volume in number of shares	44	30	24

¹ Listed in the Domestic Standard on SIX Swiss Exchange.

Breakdown of share ownership as at 31 December 2014

	Number of shares	In percentage of shares registered
2,183 private shareholders with a total of	34 972¹	40.02
Of which 1,856 shareholders with 1–10 shares each		
Of which 293 shareholders with 11–100 shares each		
Of which 20 shareholders with 101–200 shares each ²		
Of which 14 shareholders with over 200 shares each ²		
72 public law sector shareholders with a total of	52 405	59.98
Of which 26 cantons with a total of	38 981	
Of which 22 cantonal banks with a total of	13 068	
Of which 24 other public authorities and institutions with a total of	356	
Total 2,255 registered shareholders with a total of³	87 377⁴	100.00
Registration applications pending or outstanding for	12 623	
Total shares	100 000	

1 Legal entities: 11,766 shares (13.56%); private individuals: 23,206 shares (26.74%). Private shareholders account for 21.16% of voting rights.

2 Voting rights are limited to 100 shares.

3 In 2014, the number of shareholders decreased by 37 and the number of registered shares fell by 572.

4 Of which 13,303 shares are in foreign ownership (accounting for 1.48% of voting rights).

Principal shareholders: Public law sector

	Number of shares	31.12.2014 Participation	Number of shares	31.12.2013 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 individuals¹

	Number of shares	31.12.2014 Participation	Number of shares	31.12.2013 Participation
Theo Siegert, Düsseldorf	6 490	6.49%	6 250	6.25%

1 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 17

Breakdown by type in CHF millions

	2014	2013	Change
Net result from changes in market value	4 067.4	-15 206.2	+19 273.6
Interest income from gold lending transactions	-	-	-
Total	4 067.4	-15 206.2	+19 273.6

NET RESULT FROM FOREIGN CURRENCY POSITIONS

Item 18

Breakdown by origin in CHF millions

	2014	2013	Change
Foreign currency investments	34 384.5	3 060.3	+31 324.2
Reserve position in the IMF	105.6	-9.0	+114.6
International payment instruments	-13.4	4.0	-17.4
Monetary assistance loans	11.1	-4.8	+15.9
Other foreign currency positions	-	81.1	-81.1
Total	34 487.7	3 131.6	+31 356.1

Breakdown by type in CHF millions

	2014	2013	Change
Interest income	7 736.0	6 939.7	+796.3
Price gain/loss on interest-bearing paper and instruments	8 733.1	-8 682.7	+17 415.8
Interest expenses	-20.8	-11.5	-9.3
Dividend income	1 795.4	1 692.0	+103.4
Price gain/loss on equity securities and instruments	4 447.0	13 678.2	-9 231.2
Exchange rate gain/loss	11 811.3	-10 473.2	+22 284.5
Asset management, safe custody and other fees	-14.4	-10.9	-3.5
Total	34 487.7	3 131.6	+31 356.1

Breakdown by overall net result by currency in CHF millions

	2014	2013	Change
EUR	6 193.0	7 347.2	-1 154.2
USD	20 158.5	1 012.4	+19 146.1
JPY	820.8	-3 060.3	+3 881.1
CAD	1 607.1	-1 475.1	+3 082.2
GBP	2 941.0	676.5	+2 264.5
AUD	794.2	-1 248.1	+2 042.3
DKK	371.7	62.5	+309.2
SEK	91.3	-31.7	+123.0
SGD	237.9	-196.9	+434.8
KRW	873.8	58.2	+815.6
SDR	103.2	-9.8	+113.0
Other	295.3	-3.3	+298.6
Total	34 487.7	3 131.6	+31 356.1

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

	2014	2013	Change
EUR	-4 079.7	3 432.5	-7 512.2
USD	14 278.8	-2 566.8	+16 845.6
JPY	-884.4	-7 883.7	+6 999.3
CAD	457.6	-1 595.4	+2 053.0
GBP	1 420.1	-139.9	+1 560.0
AUD	128.6	-1 376.9	+1 505.5
DKK	-118.1	68.7	-186.8
SEK	-247.7	-81.2	-166.5
SGD	172.6	-163.7	+336.3
KRW	452.9	-25.7	+478.6
SDR	101.1	-47.4	+148.5
Other	129.4	-93.8	+223.2
Total	11 811.3	-10 473.2	+22 284.5

NET RESULT FROM SWISS FRANC POSITIONS

Item 19

Breakdown by origin in CHF millions

	2014	2013	Change
Swiss franc securities	285.5	-88.9	+374.4
Liquidity-providing Swiss franc repo transactions	-	-	-
Liquidity-absorbing Swiss franc repo transactions	-	-	-
Liabilities towards the Confederation	-	-	-
SNB debt certificates	-	-	-
Other Swiss franc positions	-8.9	-7.5	-1.4
Total	276.6	-96.4	+373.0

Breakdown by type in CHF millions

	2014	2013	Change
Interest income	74.8	79.4	-4.6
Price gain/loss on interest-bearing paper and instruments	217.8	-161.9	+379.7
Interest expenses	-8.9	-7.5	-1.4
Trading, safe custody and other fees	-7.2	-6.4	-0.8
Total	276.6	-96.4	+373.0

NET RESULT FROM SALE OF STABILISATION FUND

Item 20

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 21

NET RESULT, OTHER

In CHF millions

	2014	2013	Change
Commission income	5.6	9.6	-4.0
Commission expenses	-5.4	-9.5	+4.1
Income from participations	5.7	2.1	+3.6
Income from real estate	4.3	6.3	-2.0
Other income	1.9	3.7	-1.8
Total	12.1	12.1	0.0

Item 22

BANKNOTE EXPENSES

The change in accounting principles for banknotes resulted in a one-off depreciation of banknote stocks in the amount of CHF 156.7 million in the 2014 financial year.

Item 23

PERSONNEL EXPENSES¹

Breakdown by type in CHF millions

	2014	2013	Change
Wages, salaries and allowances	116.7	111.1	+5.6
Social security expenses	26.6	22.3	+4.3
Other personnel expenses ²	6.9	39.3	-32.4
Total	150.2	172.6	-22.4

¹ In terms of full-time equivalents, the number of employees averaged 764 for 2014 (2013: 710).

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 (cf. item 15, p. 175).

Remuneration for members of the Bank Council¹ (excluding employer social security contributions)
in CHF thousands

	2014	2013	Change
Jean Studer, President ^{2,3,4}	159.0	149.2	+ 9.8
Olivier Steimer, Vice President ^{3,4}	78.4	72.8	+ 5.6
Gerold Bühler (until 25 April 2014) ^{3,5}	17.8	60.4	- 42.6
Monika Bütler ³	47.8	45.0	+ 2.8
Alfredo Gysi ⁶	50.6	50.6	-
Heinz Karrer (as of 25 April 2014) ⁵	35.6	-	+ 35.6
Daniel Lampart ⁶	50.6	52.0	- 1.4
Christoph Lengwiler ⁵	56.2	56.2	-
Shelby Robert du Pasquier ⁶	50.6	50.6	-
Laura Sadis	45.0	45.0	-
Ernst Stocker ⁵	56.2	56.2	-
Cédric Pierre Tille ⁴	59.0	45.0	+ 14.0
Total	706.8	683.0	+ 23.8

- 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 compensated at a rate of CHF 2,800 per day or CHF 1,400 per half-day.
- 2 Excluding employer contributions for pension benefits in the amount of CHF 40,010 (2013: none).
- 3 Member of Compensation Committee.
- 4 Member of Nomination Committee.
- 5 Member of Audit Committee.
- 6 Member of Risk Committee.

Remuneration for members of the Regional Economic Councils in CHF thousands

	2014	2013	Change
Chairpersons ¹	60.0	60.0	-
Members ^{2,3}	113.0	114.0	- 1.0

- 1 Remuneration per chairperson (8 persons in total): CHF 7,500 per year.
- 2 Remuneration per member (19 persons in total): CHF 6,000 per year.
- 3 Change compared to previous year due to job vacancies.

The list of Regional Economic Councils can be found on p. 201.

Remuneration for members of executive management¹ (excluding employer social security contributions) in CHF thousands

	Salaries	Miscellaneous ²	2014 Total remuneration	2013 Total remuneration	Change
Three members of the Governing Board	2 595.6	87.0	2 682.6	2 682.6	–
Thomas J. Jordan, Chairman ³	865.2	29.8	895.0	895.0	–
Jean-Pierre Danthine, Vice Chairman	865.2	28.6	893.8	893.8	–
Fritz Zurbrügg	865.2	28.6	893.8	893.8	–
Three alternate members of the Governing Board ⁴	1 343.8	62.4	1 406.2	1 386.4	+ 19.8
Total	3 939.4	149.4	4 088.8	4 069.0	+ 19.8

Remuneration for members of executive management¹ (including employer social security contributions) in CHF thousands

	Total remuneration	Employer contributions to pension plans and Old Age and Survivors' Insurance Fund	2014 Total	2013 Total	Change
Three members of the Governing Board	2 682.6	638.5	3 321.1	3 184.9	+ 136.2
Thomas J. Jordan, Chairman ³	895.0	240.0	1 135.0	1 051.7	+ 83.3
Jean-Pierre Danthine, Vice Chairman	893.8	158.5	1 052.3	1 078.3	–26.0
Fritz Zurbrügg	893.8	240.0	1 133.8	1 054.9	+ 78.9
Three alternate members of the Governing Board ⁴	1 406.2	373.3	1 779.5	1 660.3	+ 119.2
Total	4 088.8	1 011.8	5 100.6	4 845.2	+ 255.4

1 All remuneration is specified in SNB regulations (cf. also 'Corporate governance', p. 129).

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 amount of CHF 19,200 for alternate member of the Governing Board for 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 (AHV/AVS; IV/AI; EO/APG).

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^{bis} 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 2014. 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^{1,2}

Item 24

Share of overfunding of pension plans³ in CHF millions

	31.12.2014	31.12.2013	Change
Overfunding in accordance with Swiss GAAP FER 26 ³	96.7	108.7	-12.0
SNB's share of overfunding	-	-	-

1 Pension fund does not have any employer contribution reserves.

2 The pension fund by-laws contain a restructuring clause. The clause will come into effect if it appears likely that the pension fund coverage ratio will drop below 100%. In such a case, a restructuring concept must be drawn up to ensure that the shortfall in coverage can be remedied within a reasonable timeframe with the support of the SNB. The restructuring clause ensures a long-term solution to the problem of a shortfall.

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

	2014	2013	Change
Employer contributions	18.1	14.3	+3.8
Change in share of overfunding	-	-	-
Employee benefit expenses as part of personnel expenses ⁴	16.2	44.3	-28.2

4 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. The provision remaining after the costs that were borne by the SNB had been deducted, and which amounted to CHF 1.9 million, was released in 2014.

GENERAL OVERHEADS

Item 25

In CHF millions

	2014	2013	Change
Premises	26.1	19.2	+6.9
Maintenance of mobile tangible assets and software	17.0	19.4	-2.4
Consulting and other third-party support ¹	32.1	24.9	+7.2
Administrative expenses	19.2	18.2	+1.0
Contributions ²	7.2	7.9	-0.7
Other general overheads	8.0	7.1	+0.9
Total	109.6	96.9	+12.7

1 Auditing fees for the 2014 financial year amounted to CHF 0.3 million (2013: CHF 0.4 million).

The Audit Board provided no consulting services (2013: CHF 0.1 million).

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

Item 26

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

	31.12.2014	31.12.2013	Change
Lending commitment	38 470.5	34 040.5	+ 4 430.0
Amount drawn	–	–	–
Amount not drawn	38 470.5	34 040.5	+ 4 430.0

Item 27

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

	31.12.2014	31.12.2013	Change
New Arrangements to Borrow (NAB) and General Arrangements to Borrow (GAB) ¹	13 798.3	13 010.2	+ 788.1
Lending commitment to PRGT ²	718.9	685.9	+ 33.0
Total undrawn lending commitments	14 517.1	13 696.1	+ 821.0
Exchange arrangement for international payment instruments (voluntary trading arrangement) ³	2 677.0	2 471.9	+ 205.1

1 For further details, cf. item 03, p. 166.

2 For further details, cf. item 05, p. 168.

3 For further details, cf. item 04, p. 167.

OTHER LIABILITIES NOT CARRIED ON BALANCE SHEET

Item 28

In CHF millions

	31.12.2014	31.12.2013	Change
Additional funding for the BIS ¹	92.9	88.6	+ 4.3
Liabilities from long-term rental, maintenance and leasing contracts ²	87.9	61.9	+ 26.0
Contingent liabilities from procurement of banknotes	70.4	49.3	+ 21.1
Total	251.2	199.8	+ 51.4

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

2 Including leasehold interest on Metropol building in Zurich.

ASSETS PLEDGED OR ASSIGNED AS COLLATERAL FOR SNB LIABILITIES

Item 29

In CHF millions

	Book value	31.12.2014 Liabilities or amount drawn	Book value	31.12.2013 Liabilities or amount drawn
Foreign currency investments in USD	5 366.6	5 264.5	29.2	–
Foreign currency investments in EUR	6 508.6	6 128.0	7 556.5	7 260.8
Foreign currency investments in GBP	2 634.6	2 588.1	806.3	808.5
Foreign currency investments in CAD	770.1	770.1	–	–
Total¹	15 279.8	14 750.8	8 392.0	8 069.3

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

Item 30

OUTSTANDING FINANCIAL INSTRUMENTS¹

In CHF millions

	Contract value	31.12.2014		Contract value	31.12.2013	
		Replacement value Positive	Replacement value Negative		Replacement value Positive	Replacement value Negative
Interest rate instruments	11 415.3	43.6	69.0	15 123.8	64.0	53.9
Repo transactions in CHF ²	1 100.0	–	–	1 800.0	–	–
Forward contracts ¹	1 136.7	0.5	0.3	1 569.6	0.2	0.6
Interest rate swaps	2 013.9	43.0	67.2	1 139.0	63.2	53.3
Futures	7 164.6	0.0	1.5	10 615.2	0.6	0.1
Foreign exchange	4 464.8	47.3	51.8	1 946.9	14.2	4.7
Forward contracts ¹	3 897.9	47.3	50.3	1 295.8	14.2	3.8
Options	567.0	0.0	1.4	651.2	0.0	0.9
Equities/indices	1 601.8	0.8	0.1	1 013.6	0.4	0.1
Forward contracts ¹	2.2	0.1	0.1	27.6	0.1	0.1
Futures	1 599.5	0.7	0.0	986.0	0.4	–
Credit instruments	676.5	–	11.3	220.5	0.1	3.3
Credit default swaps	676.5	–	11.3	220.5	0.1	3.3
Total	18 158.4	91.7	132.2	18 304.8	78.8	62.1

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

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

FIDUCIARY INVESTMENTS

Item 31

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

	31.12.2014	31.12.2013	Change
Fiduciary investments for the Confederation	720.7	760.7	-40.0
Other fiduciary investments	6.6	4.9	+ 1.7
Total	727.3	765.7	-38.4

Report of the Audit Board for the General Meeting of Shareholders

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. 149–187), for the year ended 31 December 2014.

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 judgement, 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 2014 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 further confirm that the proposed appropriation of available earnings complies with the provisions of the Federal Act on the Swiss National Bank and with Swiss law. 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, 27 February 2015