

## Press Relations

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### Press release

# 1999 Business results of the Swiss National Bank

## Aggregate income high thanks to exchange rate gains

The aggregate income of the Swiss National Bank increased significantly in 1999. This rise was the result of exchange rate gains. At Sfr 4.46 billion, the aggregate income surpassed the year-earlier level by more than 86%. Allocations to provisions for market, credit and liquidity risks could be adjusted upward by Sfr 2.95 billion to Sfr 37.68 billion (1998: Sfr 887 million). In accordance with the agreement on profit distribution concluded between the Federal Department of Finance and the National Bank valid for the business years from 1998-2002, the Confederation and the cantons will receive Sfr 1.5 billion also from the 1999 account. The proposal to the Annual General Meeting of Shareholders will call for a renewed distribution of the maximum statutory dividend of 6% to shareholders.

The income statement of the National Bank is strongly influenced by interest rate and exchange rate developments. Exchange rate-related valuation adjustments to the amount of Sfr 4.14 billion had a positive impact on the account, while they had shown negatively in the books (Sfr 871 million) in the previous year. The main reason for this development was a stronger US dollar, rising from 1.3772 at the end of 1998 to 1.5980 at the end of 1999. The other currencies were also firmer, while the euro hovered around the same level.

In view of the rise in interest rates in 1999, the negotiable financial investments, which had appreciated significantly in the previous year, underwent substantial declines. After factoring in interest income, income from foreign currency investments amounted to Sfr 373 million compared to Sfr 3.09 billion in the previous year. Income from securities denominated in Swiss francs fell by 86% to Sfr 31 million. Together with other income totalling Sfr 357 million (+16%), gross income still came to Sfr 760 million (-79%). Higher interest rate expenses for Confederation investments were the main cause for the rise in ordinary expenses (by 41% to Sfr 464 million), which still resulted in a net income of Sfr 296 million (-91%).

Swiss National Bank