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Press release

# Swiss National Bank Financial Statements and Annual Report 2003

## Aggregate income significantly higher – further reduction in surplus provisions

The aggregate income of the Swiss National Bank increased markedly in the 2003 financial year. It came to CHF 4.06 billion compared with CHF 2.25 billion a year earlier. This was mainly due to the higher net income from gold holdings of CHF 2.62 billion (previous year: CHF 1.53 billion) and from foreign currency investments of CHF 1.56 billion (CHF 0.50 billion). Despite having increased significantly, aggregate income was still lower than required for financing the higher profit distribution and the increase in the targeted provisions. The surplus for future provisions has thus decreased slightly.

The higher gold price resulted in valuation gains on gold holdings. Exchange rate losses on foreign currency investments were significantly lower than a year previously as the marked fall in the US dollar was offset by the rise of the euro. The net result from financial assets denominated in Swiss francs, which stemmed mainly from securities and repo transactions, totalled CHF 0.15 million, thus falling short of the year-earlier figure (CHF 0.82 billion). Owing to the further decline in interest expenses, ordinary expenses decreased slightly to CHF 0.28 million (CHF 0.32 million).

Of the aggregate income, CHF 0.91 billion (previous year: CHF 1.08 billion) was allocated to the provision for the planned assignment of free assets (countervalue of gold holdings no longer required), which rose to CHF 21.21 billion (up from CHF 20.30 billion).

Based on the 2003 results, the Confederation and the cantons receive CHF 2.5 billion under the ordinary profit distribution agreement current until 2012; in addition, and for the first time, they receive CHF 0.3 billion under the supplementary agreement of June 2003 relating to the income from free assets ("gold assets"). The target level for provisions for market, credit and liquidity risks and for operating risks is adjusted annually based on the average growth in nominal GDP in the past five years. At the end of 2003, it amounted to CHF 36.89 billion. The actual level prior to the distribution was CHF 49.93 billion. After distribution of the total of CHF 2.8 billion, a surplus of CHF 10.25 billion (CHF 10.74 billion) remains for future distributions.

It will be proposed to the Annual General Meeting that the shareholders continue to receive the statutory maximum dividend of 6%.

Annual Report 2003 of the Swiss National Bank

Swiss National Bank