

Communications

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Annual result of the Swiss National Bank for 2014

The Swiss National Bank (SNB) is reporting a profit of CHF 38.3 billion for the year 2014 (2013: loss of CHF 9.1 billion).

The profit on foreign currency positions amounted to CHF 34.5 billion. A valuation gain of CHF 4.1 billion was recorded on gold holdings.

For the financial year just ended, the SNB has set the allocation to the provisions for currency reserves at CHF 2.0 billion. The distributable profit remaining after this allocation is CHF 36.3 billion, which will be offset against the negative distribution reserve of CHF 6.8 billion. With the remaining profit, dividends can be paid and the ordinary distribution of profits of CHF 1 billion can be made to the Confederation and the cantons. Thus, the distribution reserve after appropriation of profit would amount to CHF 28.5 billion. The profit distribution agreement between the SNB and the Federal Department of Finance (FDF) stipulates that the distribution will be increased for the financial year in question if the distribution reserve after profit appropriation exceeds CHF 10 billion. The SNB and the FDF agreed to a supplementary distribution of CHF 1 billion, so that the total distribution to the Confederation and the cantons for 2014 will amount to CHF 2 billion. According to the proposal to the General Meeting of Shareholders, the shareholders will receive CHF 1.5 million in the form of dividends. The remaining profit will be allocated to the distribution reserve.

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. At present, it is not possible to make any predictions about the 2015 annual result. 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, profit distributions will have to be suspended completely, or can only be carried out on a reduced scale.

Press release

Profit on foreign currency positions

In 2014, the SNB recorded CHF 7.7 billion in interest income and CHF 1.8 billion in dividend income from foreign currency investments. The generally lower interest rate level resulted in price gains of CHF 8.7 billion on interest-bearing paper and instruments. Equity securities and instruments benefited from the favourable stock market environment and contributed CHF 4.4 billion to the net result.

Overall, exchange rate-related gains amounted to CHF 11.8 billion. Exchange rate-related losses on the euro were more than offset by gains on other investment currencies, in particular the US dollar and the pound sterling.

Taking the various other income statement elements into account, the overall result for foreign currency positions was a profit of CHF 34.5 billion (2013: CHF 3.1 billion).

Valuation gain on gold holdings

At CHF 38,105 per kilogram, the price of gold was 11% higher than at the end of 2013 (CHF 34,195). This gave rise to a valuation gain of CHF 4.1 billion on the unchanged holdings of 1,040 tonnes of gold (2013: valuation loss of CHF 15.2 billion).

Profit on Swiss franc positions

Swiss franc positions recorded a profit of CHF 276.6 million overall (2013: loss of CHF 96.4 million), essentially comprising price gains of CHF 217.8 million and interest income of CHF 74.8 million.

Provisions for currency reserves

In its annual review, the Bank Council resolved that it would once again apply twice the average nominal GDP growth rate for the previous five years as the basis for calculating the allocation for the 2014 financial year, given the high market risks present in the SNB balance sheet. The allocation to the provisions therefore amounts to CHF 2.0 billion.

The allocation is considerably lower than in the previous year. This is attributable to the fact that the average period for the calculation of the allocation upon which the 2014 financial year is based comprises several years with low nominal GDP growth rates. At 1.8%, average nominal GDP growth was therefore much lower than in the relevant previous period (2.9%).

Press release

Income statement for 2014

In CHF millions

	Item no. in Notes	2014	2013	Change
Net result from gold		4 067.4	-15 206.2	+19 273.6
Net result from foreign currency positions	1	34 487.7	3 131.6	+31 356.1
Net result from Swiss franc positions	2	276.6	-96.4	+373.0
Net result from sale of stabilisation fund		-	3 416.3	-3 416.3
Net result, other		12.1	12.1	0.0
Gross income		38 843.8	-8 742.6	+47 586.4
Banknote expenses ¹		-233.6	-25.5	-208.1
Personnel expenses ²		-150.2	-172.6	+22.4
General overheads		-109.6	-96.9	-12.7
Depreciation on tangible assets		-37.6	-39.0	+1.4
Annual result		38 312.9	-9 076.6	+47 389.5

1 In line with practice at other central banks, from the 2014 financial year, acquisition and development expenses for banknotes are no longer stated on the assets side of the balance sheet. Instead, all expenses arising in connection with the distribution of banknotes are now recorded directly in the income statement under banknote expenses. Up to the 2013 financial year, these expenses were still recognised as assets and stated under banknote stocks. This valuation change resulted in a one-off depreciation of banknote stocks in the amount of CHF 156.7 million in the 2014 financial year.

2 In 2013, includes a one-off expense of CHF 30 million for the conversion of the SNB pension fund from a defined benefit to a defined contribution scheme.

Press release

Balance sheet as at 31 December 2014

Assets

In CHF millions

	31.12.2014	31.12.2013	Change
Gold holdings	39 629.6	35 565.0	+ 4 064.6
Foreign currency investments	510 062.4	443 274.5	+ 66 787.9
Reserve position in the IMF	2 037.3	2 295.4	- 258.1
International payment instruments	4 413.8	4 293.9	+ 119.9
Monetary assistance loans	213.3	244.2	- 30.9
Claims from Swiss franc repo transactions	-	-	-
Swiss franc securities	3 978.3	3 689.9	+ 288.4
Banknote stocks ¹	-	156.7	- 156.7
Tangible assets	417.4	433.1	- 15.7
Participations	133.5	134.4	- 0.9
Other assets	316.2	294.9	+ 21.3
Total assets	561 201.9	490 382.0	+ 70 819.9

¹ In line with practice at other central banks, from the 2014 financial year, acquisition and development expenses for banknotes are no longer stated on the assets side of the balance sheet. Instead, all expenses arising in connection with the distribution of banknotes are now recorded directly in the income statement under banknote expenses. Up to the 2013 financial year, these expenses were still recognised as assets and stated under banknote stocks. This valuation change resulted in a one-off depreciation of banknote stocks in the amount of CHF 156.7 million in the 2014 financial year.

Press release

Liabilities

In CHF millions

	31.12.2014	31.12.2013	Change
Banknotes in circulation	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	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	33 126.8	24 773.7	+ 8 353.1
Liabilities from Swiss franc repo transactions	-	-	-
SNB debt certificates	-	-	-
Foreign currency liabilities	14 753.1	8 074.0	+ 6 679.1
Counterpart of SDRs allocated by the IMF	4 727.2	4 510.5	+ 216.7
Other liabilities	154.8	97.9	+ 56.9
Operating provisions ¹	-	31.0	- 31.0
Equity			
Provisions for currency reserves ²	54 787.0	51 783.6	+ 3 003.4
Share capital	25.0	25.0	-
Distribution reserve ²	- 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 At year-end 2014, there were no liabilities recorded under operating provisions.

2 Before appropriation of profit.

Press release

Valuation rates

	Year under review			Previous year		Change In percent
	31.12.2014 CHF	31.12.2013 CHF	Change In percent	31.12.2013 CHF	31.12.2012 CHF	
1 EUR	1.2024	1.2268	-2.0	1.2268	1.2074	+1.6
1 USD	0.9923	0.8908	+11.4	0.8908	0.9129	-2.4
100 JPY	0.8300	0.8489	-2.2	0.8489	1.0576	-19.7
1 CAD	0.8557	0.8384	+2.1	0.8384	0.9171	-8.6
1 GBP	1.5459	1.4736	+4.9	1.4736	1.4839	-0.7
1 kilogram of gold	38 105.48	34 194.73	+11.4	34 194.73	48 815.02	-30.0

Press release

Notes to the annual financial statements

Item no. 1: Net result from foreign currency positions

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

Press release

Item no. 2: Net result from Swiss franc positions**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