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### Press release

# 2001 Annual Report of the Swiss National Bank

## **Marked increase in gross income. Aggregate income considerably lower than the previous year's extraordinary result**

In 2001, the Swiss National Bank's gross income increased to Sfr 4.49 billion from Sfr 1.03 billion in the previous year. The net result from gold amounted to Sfr 1.27 (-2.16) billion; the net result from foreign currency investments changed only slightly, totalling Sfr 2.40 (2.38) billion. The aggregate income, at Sfr 4.05 billion, fell clearly short of the year-earlier figure of Sfr 28.17 billion, which had been exceptionally high due to the revaluation of the gold holdings at market prices effected at the time. In accordance with the still applicable agreement between the Federal Department of Finance and the National Bank on the distribution of profits, the Confederation and the cantons will again receive Sfr 1.5 billion from the 2001 accounting period. As announced previously, the National Bank will increase its profit distribution to an annual Sfr 2.5 billion for a period of eleven years, starting in the financial year 2002. A proposal to the Annual General Meeting will again call for the distribution of the maximum statutory dividend of 6% to shareholders.

The rise in the price of gold to Sfr 14,978 (14,335) per kilogram yielded valuation gains of Sfr 1.50 billion, whereas losses to the amount of Sfr 0.32 billion resulted from forward foreign exchange transactions in US dollars effected to hedge US dollar proceeds from future gold sales. As in the previous year, negotiable foreign currency investments produced capital gains due to the further fall in interest rates on the relevant markets. By contrast, as a result of a general weakening of most foreign currencies, exchange rate losses of Sfr 0.50 billion were incurred.

Ordinary expenses fell from Sfr 565 million to Sfr 425 million almost exclusively due to lower interest expenses. Net income totalled Sfr 4.06 (0.46) billion. Personnel expenses mounted from Sfr 79.5 million to Sfr 83.9 million. For the first time, the National Bank separately stated the remuneration (salaries plus lump-sum expenses) of the members of the Bank Council and the Governing Board. It totalled Sfr 0.447 (0.447) million for the 40 members of the Bank Council, ten of whom belong to the Bank Committee, and Sfr 1.652 (1.630) million for the three Governing Board members.

Of the aggregate income of Sfr 4.05 billion, an allocation of Sfr 357 million is made to the provisions for the planned assignment of gold holdings no longer needed for monetary policy purposes. In addition, Sfr 830 million is allocated to the provisions for market and liquidity risks on gold, and Sfr 1.36 billion to the provisions for market, credit and liquidity risks on other assets.

Swiss National Bank