

**Communications**

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## Annual result of the Swiss National Bank for 2013

**The Swiss National Bank (SNB) is reporting a loss of CHF 9.1 billion for the year 2013 (2012: profit of CHF 6.0 billion).**

Valuation losses on gold holdings amounting to some CHF 15.2 billion contrast with a profit of CHF 3.1 billion on foreign currency positions and a net result of CHF 3.4 billion from the sale of the stabilisation fund.

For the financial year just ended, the SNB has set the allocation to the provisions for currency reserves at CHF 3.0 billion. The annual result remaining after this allocation is CHF –12.1 billion. As this loss is substantially larger than the CHF 5.3 billion in the distribution reserve, the SNB can neither pay a dividend to the shareholders nor make a profit distribution to the Confederation and the cantons for the year 2013, as stipulated in the National Bank Act and the profit distribution agreement with the Federal Department of Finance.

### Valuation loss on gold holdings

At CHF 34,195 per kilogram, the price of gold was 30% lower than at the end of 2012 (CHF 48,815). This gave rise to a valuation loss of CHF 15.2 billion on the unchanged holdings of 1,040 tonnes of gold (2012: valuation gain of CHF 1.4 billion).

### Profit on foreign currency positions

In 2013, the SNB recorded CHF 6.9 billion in interest income and CHF 1.7 billion in dividend income from foreign currency investments. The generally higher interest rate level resulted in price losses of CHF 8.7 billion on interest-bearing paper and instruments. By contrast, equity securities and instruments benefited from the favourable stock market environment and contributed CHF 13.7 billion to the net result.

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Overall, exchange rate-related losses amounted to CHF 10.5 billion. Exchange rate gains on the euro did not offset the losses recorded on other investment currencies, particularly on the Japanese yen and the US dollar.

Taking the various other income statement elements into account, the overall result for foreign currency positions was a profit of CHF 3.1 billion (2012: CHF 4.7 billion).

### **Loss on Swiss franc positions**

Swiss franc positions recorded a loss of CHF 96.4 million overall (2012: profit of CHF 101.1 million), essentially comprising price losses of CHF 161.9 million and interest income of CHF 79.4 million.

### **Sale of stabilisation fund**

The loan to the stabilisation fund was repaid in full on 15 August 2013.

The repayment of the SNB loan by the stabilisation fund was a prerequisite for the activation of the option transaction to sell the stabilisation fund to UBS. The option reference date was set at 30 September 2013, i.e. this was the date on which the economic risk passed to UBS, and the sale of the stabilisation fund took place in November 2013.

At the reference date, the stabilisation fund had a net asset value of USD 6.5 billion. UBS paid a purchase price of USD 3.8 billion, corresponding to the SNB's contractual share in the stabilisation fund equity as at end-September 2013.

According to the arrangements agreed in autumn 2008, the first billion of the equity went to the SNB, while the remainder – USD 5.5 billion – was divided equally between the SNB and UBS.

The sale of the stabilisation fund had a positive impact of CHF 3.4 billion on the SNB's annual result for 2013.

### **Provisions for currency reserves**

In its annual review, the Bank Council resolved once again that it would apply twice the average nominal GDP growth rate for the previous five years as the basis for calculating the allocation for the 2013 financial year, given the high market risks present in the SNB balance sheet. The allocation to the provisions for currency reserves therefore amounted to CHF 3.0 billion.

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## Income statement for 2013

In CHF millions

	Item no. in Notes	2013	2012	Change
Net result from gold	1	-15 206.2	1 396.3	-16 602.5
Net result from foreign currency positions	2	3 131.6	4 719.7	-1 588.1
Net result from Swiss franc positions	3	-96.4	101.1	-197.5
		3 416.3	-	+3 416.3
Net result, other		12.1	11.1	+1.0
<b>Gross income</b>		<b>-8 742.6</b>	<b>6 228.2</b>	<b>-14 970.8</b>
Banknote expenses		-25.5	-23.0	-2.5
Personnel expenses <sup>1</sup>		-172.6	-133.0	-39.6
General overheads		-96.9	-81.7	-15.2
Depreciation on tangible assets		-39.0	-34.4	-4.6
<b>Annual result</b>		<b>-9 076.6</b>	<b>5 956.1</b>	<b>-15 032.7</b>

<sup>1</sup> With effect from 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 could be 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.

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## Balance sheet as at 31 December 2013

### Assets

In CHF millions

	31.12.2013	31.12.2012	Change
Gold holdings	35 565.0	50 771.5	- 15 206.5
Foreign currency investments	443 274.5	432 208.9	+ 11 065.6
Reserve position in the IMF	2 295.4	2 804.2	- 508.8
International payment instruments	4 293.9	4 249.2	+ 44.7
Monetary assistance loans	244.2	279.1	- 34.9
Claims from Swiss franc repo transactions	-	-	-
Swiss franc securities	3 689.9	3 757.1	- 67.2
Loan to stabilisation fund	-	4 378.0	- 4 378.0
Banknote stocks	156.7	125.6	+ 31.1
Tangible assets	433.1	451.8	- 18.7
Participations	134.4	141.6	- 7.2
Other assets	294.9	266.7	+ 28.2
<b>Total assets</b>	<b>490 382.0</b>	<b>499 433.7</b>	<b>- 9 051.7</b>

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**Liabilities**

In CHF millions

	31.12.2013	31.12.2012	Change
Banknotes in circulation	65 766.4	61 801.4	+ 3 965.0
Sight deposits of domestic banks <sup>1</sup>	317 131.7	281 814.1	+ 35 317.6
Liabilities towards the Confederation	10 481.8	9 008.1	+ 1 473.7
Sight deposits of foreign banks and institutions	11 523.2	11 958.4	- 435.2
Other sight liabilities <sup>1</sup>	24 773.7	66 951.1	- 42 177.4
Liabilities from Swiss franc repo transactions	-	-	-
SNB debt certificates	-	-	-
Foreign currency liabilities	8 074.0	5 018.7	+ 3 055.3
Counterpart of SDRs allocated by the IMF	4 510.5	4 613.4	- 102.9
Other liabilities	97.9	193.2	- 95.3
Operating provisions <sup>2</sup>	31.0	5.5	+ 25.5
<b>Equity</b>			
Provisions for currency reserves <sup>3</sup>	51 783.6	48 215.6	+ 3 568.0
Share capital	25.0	25.0	-
Distribution reserve <sup>3</sup>	5 259.8	3 873.2	+ 1 386.6
Annual result	- 9 076.6	5 956.1	- 15 032.7
<b>Total liabilities</b>	<b>490 382.0</b>	<b>499 433.7</b>	<b>- 9 051.7</b>

1 Other sight liabilities essentially comprises the sight deposit accounts of non-banks. On 26 June 2013, PostFinance Ltd was granted a banking licence and since then, its sight deposit account has been reported under sight deposits of domestic banks rather than under other sight liabilities.

2 With effect from 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 could be 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.

3 Before appropriation of profit.

Press release

## Valuation rates

	Year under review			Previous year		Change In percent
	31.12.2013 CHF	31.12.2012 CHF	Change In percent	31.12.2012 CHF	31.12.2011 CHF	
1 EUR	1.2268	1.2074	+ 1.6	1.2074	1.2172	-0.8
1 USD	0.8908	0.9129	-2.4	0.9129	0.9378	-2.7
100 JPY	0.8489	1.0576	-19.7	1.0576	1.2149	-12.9
1 CAD	0.8384	0.9171	-8.6	0.9171	0.9198	-0.3
1 GBP	1.4736	1.4839	-0.7	1.4839	1.4581	+1.8
1 kilogram of gold	34 194.73	48 815.02	-30.0	48 815.02	47 472.70	+2.8

## Notes to the annual financial statements

### Item no. 1: Net result from gold

Breakdown by type in CHF millions

	2013	2012	Change
Net result from changes in market value	-15 206.2	1 396.1	-16 602.3
Interest income from gold lending transactions	-	0.2	-0.2
<b>Total</b>	<b>-15 206.2</b>	<b>1 396.3</b>	<b>-16 602.5</b>

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**Item no. 2: Net result from foreign currency positions****Breakdown by origin** in CHF millions

	2013	2012	Change
Foreign currency investments	3 068.1	4 690.3	-1 622.2
Reserve position in the IMF	-9.0	-50.3	+41.3
International payment instruments	4.0	4.4	-0.4
Monetary assistance loans	-4.8	-5.6	+0.8
Foreign currency liabilities	-7.9	-2.1	-5.8
Other foreign currency positions	81.1	83.1	-2.0
<b>Total</b>	<b>3 131.6</b>	<b>4 719.7</b>	<b>-1 588.1</b>

**Breakdown by type** in CHF millions

	2013	2012	Change
Interest income	6 939.7	6 159.5	+780.2
Price gain/loss on interest-bearing paper and instruments	-8 682.7	2 422.9	-11 105.6
Interest expenses	-11.5	-7.1	-4.4
Dividend income	1 692.0	1 005.8	+686.2
Price gain/loss on equity securities and instruments	13 678.2	5 724.4	+7 953.8
Exchange rate gain/loss	-10 473.2	-10 577.9	+104.7
Asset management, safe custody and other fees	-10.9	-7.9	-3.0
<b>Total</b>	<b>3 131.6</b>	<b>4 719.7</b>	<b>-1 588.1</b>

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**Item no. 3: Net result from Swiss franc positions****Breakdown by origin** in CHF millions

	2013	2012	Change
Swiss franc securities	-88.9	131.6	-220.5
Liquidity-providing Swiss franc repo transactions	-	-14.4	+14.4
Liquidity-absorbing Swiss franc repo transactions	-	-	-
Other assets	0.0	0.0	-0.0
Liabilities towards the Confederation	-	-	-
SNB debt certificates	-	-10.5	+10.5
Other sight liabilities	-7.5	-5.5	-2.0
<b>Total</b>	<b>-96.4</b>	<b>101.1</b>	<b>-197.5</b>

**Breakdown by type** in CHF millions

	2013	2012	Change
Interest income	79.4	84.3	-4.9
Price gain/loss on interest-bearing paper and instruments	-161.9	51.9	-213.8
Interest expenses	-7.5	-30.5	+23.0
Trading, safe custody and other fees	-6.4	-4.5	-1.9
<b>Total</b>	<b>-96.4</b>	<b>101.1</b>	<b>-197.5</b>