

Consolidated financial statements

In autumn 2008, the Swiss National Bank (SNB) established the SNB StabFund Limited Partnership for Collective Investment (stabilisation fund) to take over illiquid assets from UBS as part of the package of measures aimed at strengthening the Swiss financial system. The SNB and the stabilisation fund thereby constitute a group as defined in art. 663e of the Swiss Code of Obligations (CO), and consolidated financial statements are drawn up accordingly.

These statements present supplementary information which is not contained in the annual financial statements of the parent company. In addition to meeting the requirements governing consolidated financial statements under Swiss company law (art. 663g CO), they cover above all business matters that arise from a broader group view, i.e. through the participation in the stabilisation fund companies.

Information that is equally applicable to both the annual financial statements of the parent company and the consolidated financial statements is generally not repeated. The consolidated financial statements are reported in Swiss francs and should be read together with the annual financial statements of the parent company.

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Consolidated balance sheet as at 31 December 2012

ASSETS

In CHF millions

	Item no. in Notes	31.12.2012	31.12.2011 Restated ¹	Change
Gold holdings		50 767.5	48 662.5	+2 105.0
Claims from gold transactions		4.0	717.5	-713.5
Foreign currency investments		432 208.9	257 504.2	+174 704.7
Reserve position in the IMF		2 804.2	3 134.5	-330.3
International payment instruments		4 249.2	4 621.2	-372.0
Monetary assistance loans		279.1	301.4	-22.3
Claims from US dollar repo transactions		-	370.5	-370.5
Claims from Swiss franc repo transactions		-	18 468.0	-18 468.0
Swiss franc securities		3 757.1	3 675.1	+82.0
Stabilisation fund investments	01	9 883.0	11 515.7	-1 632.7
Banknote stocks		125.6	129.8	-4.2
Tangible assets		451.8	325.4	+126.4
Participations	02	141.4	147.0	-5.6
Other assets		1 487.7	1 236.2	+251.5
Total assets		506 159.6	350 808.9	+155 350.7
Total subordinated claims		-	-	-
Total claims against non-consolidated participations and qualified participations		-	-	-

1 Cf. restatement, pp.200–202.

LIABILITIES

In CHF millions

	Item no. in Notes	31.12.2012	31.12.2011 Restated ¹	Change
Banknotes in circulation		61 801.4	55 728.9	+6 072.5
Sight deposits of domestic banks		281 814.1	180 720.7	+101 093.4
Liabilities towards the Confederation		9 008.1	5 647.5	+3 360.6
Sight deposits of foreign banks and institutions		11 958.4	1 884.5	+10 073.9
Other sight liabilities		66 950.9	28 447.7	+38 503.2
Liabilities from Swiss franc repo transactions		–	–	–
SNB debt certificates		–	14 719.5	–14 719.5
Other term liabilities		–	366.4	–366.4
Foreign currency liabilities		5 018.7	551.6	+4 467.1
Counterpart of SDRs allocated by the IMF		4 613.4	4 734.6	–121.2
Other liabilities		3 932.3	2 697.9	+1 234.4
Operating provisions		5.5	7.3	–1.8
Provisions for currency reserves		48 215.6	45 061.3	+3 154.3
Capital		25.0	25.0	–
Distribution reserve		3 873.2	–5 000.0	+8 873.2
Profit reserve from stabilisation fund		2 321.5	2 298.1	+23.4
Consolidated result	04	6 894.8	13 052.3	–6 157.5
Foreign currency translation differences		–273.3	–134.5	–138.7
Total liabilities		506 159.6	350 808.9	+155 350.7
Total subordinated liabilities		–	–	–
Total liabilities towards non-consolidated participations and qualified participations		–	0.8	–0.8

¹ Cf. restatement, pp.200–202.

OFF-BALANCE-SHEET BUSINESS

In CHF millions

	Item no. in Notes	31.12.2012	31.12.2011 Restated ¹	Change
Liquidity-shortage financing facility		33 694.5	32 889.5	+805.0
Commitments to the IMF		16 867.9	17 823.5	-955.6
Obligations to pay or make additional payments		90.6	93.0	-2.4
Liabilities from long-term rental, maintenance and leasing contracts		52.4	13.4	+39.0
Contingent liabilities from procurement of banknotes		62.5	66.9	-4.4
Other obligations not carried on the balance sheet ²		750.0	810.6	-60.6
Fiduciary investments		517.9	337.0	+180.9
Derivative financial instruments	03			
Contract volumes		42 581.8	67 209.2	-24 627.4
Positive replacement values		1 481.8	1 250.7	+231.1
Negative replacement values		3 648.6	3 655.2	-6.6

1 Cf. restatement, pp. 200 – 202.

2 Corresponds to contingent liabilities of the stabilisation fund (p. 186).

2

Consolidated income statement for 2012

In CHF millions

	Item no. in Notes	2012	2011 Restated ¹	Change
Net result from gold		1 396.3	5 392.3	-3 996.0
Net result from foreign currency positions		4 542.1	7 708.7	-3 166.6
Net result from Swiss franc positions		101.1	-162.7	+263.8
Net result from stabilisation fund investments	04	1 974.3	352.7	+1 621.6
Net result from stabilisation fund loss protection arrangements	04	-824.9	-38.3	-786.6
Income from participations	02	3.5	9.3	-5.8
Net result, other		4.5	82.3	-77.8
Gross income		7 197.0	13 344.2	-6 147.2
Banknote expenses		-23.0	-20.4	-2.6
Personnel expenses		-133.0	-128.8	-4.2
General overheads		-111.8	-106.4	-5.4
Depreciation on tangible assets		-34.4	-36.2	+1.8
Consolidated result		6 894.8	13 052.3	-6 157.5

1 Cf. restatement, pp.200–202.

3

Changes in equity (consolidated level)

In CHF millions

	Capital	Provisions for currency reserves	Distribution reserve	Profit reserve from stabilisation fund	Foreign currency translation differences	Consolidated result	Total
Equity as at 1 January 2011 (before restatement)	25.0	44 337.1	19 032.8	–	–184.2	–19 170.8	44 039.9
Impact of changes on accounting principles ¹					29.6	662.0	691.6
Equity as at 1 January 2011 (after restatement)	25.0	44 337.1	19 032.8	–	–154.6	–18 508.8	44 731.4
Endowment of provisions for currency reserves pursuant to NBA		724.2				–724.2	
Release from distribution reserve			–24 032.8			24 032.8	
Allocation to profit reserve from stabilisation fund				2 298.1		–2 298.1	
Distribution of dividends to shareholders						–1.5	–1.5
Profit distribution to Confederation and cantons						–2 500.0	–2 500.0
Change in foreign currency translation differences					20.1	–	20.1
Consolidated result						13 052.3	13 052.3
Equity as at 31 December 2011	25.0	45 061.3	–5 000.0	2 298.1	–134.5	13 052.3	55 302.3
Equity as at 1 January 2012	25.0	45 061.3	–5 000.0	2 298.1	–134.5	13 052.3	55 302.3
Endowment of provisions for currency reserves pursuant to NBA		3 154.3				–3 154.3	
Release from distribution reserve			8 873.2			–8 873.2	
Allocation to profit reserve from stabilisation fund				23.4		–23.4	
Distribution of dividends to shareholders						–1.5	–1.5
Profit distribution to Confederation and cantons						–1 000.0	–1 000.0
Change in foreign currency translation differences					–138.7	–	–138.7
Consolidated result						6 894.8	6 894.8
Equity as at 31 December 2012 (before appropriation of parent company profit)	25.0	48 215.6	3 873.2	2 321.5	–273.3	6 894.8	61 056.9

1 Cf. restatement, pp. 200–202.

Notes to the consolidated financial statements as at 31 December 2012

4.1 EXPLANATORY NOTES ON BUSINESS ACTIVITIES

The Swiss National Bank (SNB), as an independent central bank, conducts the country's monetary policy. In autumn 2008, as part of its mandate to contribute to financial stability, the SNB set up the SNB StabFund Limited Partnership for Collective Investment (stabilisation fund). The fund then incorporated its own subsidiaries. The purpose of the stabilisation fund is the management and realisation of the illiquid assets acquired from UBS. Information on business activities can be found in the business report (pp. 121 – 129).

Business activity and purpose

Information on the SNB's staff numbers may be found on p. 118. The stabilisation fund companies do not employ any staff of their own.

Number of staff

The stabilisation fund has mandated UBS to handle the operational management of its assets. Northern Trust, Chicago, serves as custodian. These outsourcing arrangements are governed by contracts. The SIC agreement between the SNB and SIX Interbank Clearing Ltd entrusts the latter with providing data processing services for the SIC system (Swiss Interbank Clearing).

Outsourced business areas

4.2 ACCOUNTING AND VALUATION PRINCIPLES

GENERAL

The consolidated financial statements have been prepared in accordance with the provisions of the National Bank Act (NBA), the Swiss Code of Obligations (CO), the Listing Rules of SIX Swiss Exchange, and the Bank Accounting Guidelines. The consolidated financial statements give a true and fair view of the financial position, the results of operations and the statement of changes in equity, taking into account the facts and circumstances stated below.

Basic principles

Since the SNB – as the central bank – is in a position to create money autonomously, a cash flow statement is not prepared.

The structure and designation of the items in the annual financial statements take into consideration the special character of the business conducted at a central bank.

Owing to its activities as a central bank, the SNB does not present its assets and liabilities or its income and expenses broken down by country or by country group, nor does it make any distinction between domestic or foreign. In addition, it does not present the term structure of its current assets and borrowed capital. Further information on these matters may be found in other SNB publications (cf. in particular the detailed statements with regard to currency reserves and foreign currency investments in the *Monthly Statistical Bulletin*).

Reference to the SNB's annual financial statements

The consolidated financial statements must be read together with the SNB's individual financial statements (pp. 131–173). Detailed explanations on the accounting and valuation principles and on the consolidated balance sheet and income statement are not reiterated if they have already been provided in the notes to the annual financial statements of the parent company.

Changes from previous year

The accounting principles for the stabilisation fund were changed from amortised cost accounting to fair value accounting (pp. 181–183).

As a result, last year's figures were adjusted retroactively (i.e. restated) to appear as though this new accounting and valuation principle had always been applied. Notes on the restatement and the transition can be found in section 4.3 (pp. 200–202).

Compared with the previous year, there were no further changes to the accounting and valuation principles, and no new balance sheet items were introduced.

Recording of transactions

The SNB's business transactions are recorded and valued on the day the transaction is concluded (trade date accounting). However, they are only posted on the value date. Transactions concluded by the balance sheet date with a value date in the future are stated under off-balance-sheet transactions.

Stabilisation fund business transactions are posted on the day they are concluded.

Accrual accounting

Expenses are recognised in the financial year in which they are incurred, and income in the financial year in which it is earned.

Tax liability

Under art. 8 NBA, the National Bank is exempt from taxation on profits. Tax exemption applies to both direct federal taxes and cantonal and municipal taxes. The exemption also applies to the stabilisation fund companies incorporated in Switzerland. Those incorporated outside Switzerland are subject to their local taxation legislation.

The rights of the SNB's shareholders are restricted by law; shareholders cannot exert any influence on financial or operational decisions. Banking services provided to members of the executive management are carried out at normal banking industry conditions. No banking services are provided to members of the Bank Council.

Transactions with related parties

BALANCE SHEET AND INCOME STATEMENT

The majority of stabilisation fund investments comprise securities (securitised loans) and non-securitised loans to finance commercial and residential properties. Both categories are stated at fair value.

Stabilisation fund investments

The remainder of the stabilisation fund's investments are in derivative financial instruments as well as a small portion in real estate and other securities. These securities, plus the derivative instruments, are – in principle – also valued and entered in the balance sheet at fair value.

The fair value is the price obtained on a liquid and efficient market, or the price ascertained on the basis of a valuation model. Real estate is entered in the balance sheet at the lower of cost or market.

All valuation changes are recorded under net result from stabilisation fund investments.

The stabilisation fund options comprise the purchase options granted by the SNB and LiPro (LP) AG to UBS, the warrant issued by UBS and the SNB repurchase option. Positive and/or negative replacement values are stated under other assets or other liabilities. Changes in valuations or in the recognition of the warrant that are reported in the income statement are stated under net result from loss protection arrangements.

Stabilisation fund options

The LP purchase option grants UBS the option to buy the shares (equity interest) of LiPro (LP) AG in the SNB StabFund Limited Partnership for Collective Investment. Under the GP purchase option, UBS has the option to buy from the SNB its shares (equity interest) in StabFund (GP) AG. The premia received on these options were invested in the SNB StabFund Limited Partnership for Collective Investment, and LiPro (LP) AG and StabFund (GP) AG received shares in exchange. The options are valued using the stabilisation fund's current book values. They represent the share of the stabilisation fund's equity due to UBS if the options are exercised on the balance sheet date. If the stabilisation fund reports a negative net asset value, no value is assigned to the purchase options.

The warrant, which serves as secondary loss protection, gives the SNB the right to purchase up to 100 million UBS shares at their nominal value of CHF 0.10. It can be exercised if the loan to the stabilisation fund cannot be fully repaid at maturity. A fair value for the warrant is established using generally recognised mathematical finance methods. The warrant is reported under other assets and via a compensation account under other liabilities so that the SNB's net income is unaffected. If the SNB's loan to the stabilisation fund is not fully covered, the warrant can be exercised via the compensation account, and recognised in the income statement. As soon as the coverage of the outstanding SNB loan is restored, the recognition of the warrant will be reversed in the income statement.

The repurchase option represents the SNB's right to request the repurchase of the stabilisation fund in the case of a change of control at UBS. No replacement value is assigned to the repurchase option. The contract value represents the amount of the loan outstanding on the balance sheet date plus the share capital of StabFund (GP) AG and half of the stabilisation fund equity.

Profit reserve from stabilisation fund

The SNB's share in the stabilisation fund's previous years' profits is recorded under profit reserve from stabilisation fund. This share will only be distributed once the fund has been fully wound up, or if the fund is sold.

Reporting entities

The consolidated financial statements encompass the SNB, as the parent company, and the stabilisation fund companies in which the SNB has a 100% stake, either directly or indirectly. These include – in addition to the SNB StabFund Limited Partnership for Collective Investment – the fund's two partner companies, StabFund (GP) AG, the managing partner (general partner) with unlimited liability, and LiPro (LP) AG, a partner with limited liability. Together, these two companies hold all the shares of the limited partnership.

SIGNIFICANT MAJORITY INTERESTS

Company name, head office	Business activity	Share capital or capital commitment In CHF millions	Equity interest	
			31.12.2012	31.12.2011
StabFund (GP) AG, Berne	Holding of limited partnership shares in SNB StabFund	0.1	100%	100%
LiPro (LP) AG, Berne	Distribution of limited partnership shares in SNB StabFund	0.1	100%	100%
SNB StabFund Limited Partnership for Collective Investment, Berne	Collective investments	0.1	100%	100%

The following options exist in connection with the above-mentioned majority interests:

GP purchase option: The SNB granted UBS the option to take over the share capital of StabFund (GP) AG and, with it, two shares in the SNB StabFund Limited Partnership for Collective Investment.

LP purchase option: LiPro granted UBS the option to take over 5,998 shares in the SNB StabFund Limited Partnership for Collective Investment.

Repurchase option: UBS granted the SNB the right to request the repurchase of the stabilisation fund in the case of a change of control at UBS.

SIGNIFICANT MINORITY INTERESTS

Company name, head office	Business activity	Capital In CHF millions	Equity interest	
			31.12.2012	31.12.2011
Orell Füssli Holding Ltd, Zurich	Bookshop, publishing house, banknote and security printing, and manufacture of machinery	1.96	33%	33%

Consolidation principles

The consolidated financial statements are based on the annual accounts of the SNB and the stabilisation fund companies. Entries arising from intragroup transactions as well as intercompany profits are eliminated in preparing the consolidated financial statements. In line with the method of full consolidation, significant majority interests are included in the consolidated financial statements. Capital consolidation is carried out according to the purchase method. Newly established subsidiaries are consolidated once control is transferred to the group. Companies in liquidation remain consolidated until the transaction has been completed.

The participating interest in Orell Füssli Holding Ltd is recognised according to the equity method.

Other participating interests are not considered significant economic interests and are stated at acquisition cost less any value adjustments.

Consolidation period

In principle, the calendar year is deemed to be the financial year and the period of consolidation. In cases where newly established companies have a financial year lasting more than one year, a year-end interim statement is drawn up for the purpose of the consolidated financial statements. The income statement of companies liquidated during the financial year is fully consolidated, even in cases where the financial year was less than twelve months.

Individual valuation

Different sub-items summarised in one balance sheet item are, in principle, valued individually.

Foreign currency translation

The consolidated financial statements are presented in Swiss francs. Foreign currency transactions are reported at the applicable daily rate. Foreign currency positions are converted on the balance sheet date at the year-end rate, and the difference is recognised in the income statement. Exchange rate movements that occurred between conclusion of the transaction and its settlement are reflected in the income statement.

Foreign currency assets and liabilities of group companies are converted at the rate prevailing on the balance sheet date; items in the income statement are converted at the average rate for the entire period. The difference resulting from the discrepancy between these two conversion rates is directly recognised under equity in the foreign currency translation differences item.

FOREIGN EXCHANGE VALUATION RATES

	31.12.2012 In CHF	31.12.2011 In CHF	Change In percent
1 euro (EUR)	1.2074	1.2172	-0.8
1 US dollar (USD)	0.9129	0.9378	-2.7
100 yen (JPY)	1.0576	1.2149	-12.9
1 pound sterling (GBP)	1.4839	1.4581	+1.8

The average exchange rate for the US dollar for 2012 was CHF 0.9380 (2011: CHF 0.8870).

The National Bank's business risk and that of the consolidated subsidiaries is assessed by the SNB. For this purpose, it uses the monitoring and control processes described in the chapter on risk management at the SNB (pp. 168–173). The particular risks faced by the stabilisation fund (pp. 185–186) are summarised in the next paragraph.

Assessment of risk

The investment portfolio of the stabilisation fund consists mainly of financial instruments backed by different types of claims (mortgages, loans, etc.). Risks are therefore primarily determined by the uncertainty as to how the value of these claims will develop. Future general economic trends constitute an important risk factor. Since a large proportion of the securities are backed by residential and commercial mortgages, developments in real estate prices in the US and the UK also play a crucial role.

Information on the SNB's internal control system can be found in the annual financial statements of the parent company (pp. 166–168). Comments on such control systems for the stabilisation fund are on p. 186. In addition to the internal control systems for the individual companies, there is also such a control system for processes that are of relevance for drawing up the consolidated financial statements.

Internal control system

4.3 IMPACT OF CHANGES IN ACCOUNTING PRINCIPLES (RESTATEMENT)

Stabilisation fund investments are now being stated at fair value. The reasons are provided in the notes to the financial information on the stabilisation fund (pp. 181–186). Previously, the securities and non-securitised loans were valued at amortised cost. During the entire term of these investments until maturity, the premium and discount were accrued or deferred on the balance sheet.

The transition to fair value in the accounting and valuation principles (i.e. restatement) is presented as though this method had always been applied. Last year's figures are therefore stated at fair value. The impact of the transition on previous years is recorded under equity.

VALUATION DIFFERENCE BETWEEN AMORTISED COST AND FAIR VALUE

In CHF millions

	31.12.2011	1.1.2011	Change
Stabilisation fund investments at amortised cost	11 051.1	13 961.1	-2 910.0
Stabilisation fund investments at fair value	11 515.7	15 344.5	-3 828.8
Valuation difference	464.6	1 383.4	-918.8

IMPACT OF RESTATEMENT ON OPENING BALANCE SHEET AND EQUITY AS AT 1 JANUARY 2011

In CHF millions

	1.1.2011 Before restatement	Restatement Cumulative effect of prior years	1.1.2011 After restatement
Assets			
Stabilisation fund investments	13 961.1	+1 383.4	15 344.5
Liabilities and equity			
GP and LP purchase options ¹ (under other liabilities)	517.8	+691.7	1 209.5
Profit reserve from stabilisation fund ²	1 636.1	+662.0	2 298.1
Foreign currency translation differences	-184.2	+29.6	-154.6

1 UBS's right to stabilisation fund equity.

2 After appropriation of profit in 2010.

IMPACT OF RESTATEMENT ON BALANCE SHEET AS AT 31 DECEMBER 2011

In CHF millions

	31.12.2011 Before restatement	Restatement Cumulative effect of prior years	Restatement 2011	31.12.2011 After restatement
Assets				
Stabilisation fund investments	11 051.1	+1 383.4	-918.8	11 515.7
Liabilities and equity				
GP and LP purchase options (under other liabilities)	1 015.5	+691.7	-459.4	1 247.8
Profit reserve from stabilisation fund ¹	1 636.1	+662.0		2 298.1
Foreign currency translation differences	-121.6	+29.6	-42.5	-134.5
Consolidated result for 2011	13 469.1		-416.8	13 052.3

1 Before appropriation of profit in 2011.

IMPACT OF RESTATEMENT ON INCOME STATEMENT FOR 2011

In CHF millions

	2011 Before restatement	Restatement 2011	2011 After restatement
Income statement			
Net result from stabilisation fund investments	1 228.8	-876.1	352.7
Net result from stabilisation fund loss protection arrangements	-497.7	+459.4	-38.3
Impact of restatement on 2011 consolidated result		-416.8	

4.4 NOTES TO THE CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT

Item no. 01

STABILISATION FUND INVESTMENTS

In CHF millions

	31.12.2012	31.12.2011 Restated	Change
Sight deposits in various currencies	444.1	371.9	+72.2
Securities (securitised loans)	7 373.3	8 766.5	-1 393.2
Non-securitised loans	1 599.4	1 901.2	-301.8
Real estate	74.3	65.4	+8.9
Derivatives transactions	150.1	153.6	-3.5
Sundry assets	241.8	257.1	-15.3
Total	9 883.0	11 515.7	-1 632.7

PARTICIPATIONS AND INCOME FROM PARTICIPATIONS

Item no. 02

In CHF millions

	Valued according to equity method ¹	Other participations	Total
Book value as at 1 January 2011	55.2	90.8	146.1
Investments	–	–	–
Divestments	–	–	–
Valuation changes	0.9	–	0.9
Book value as at 31 December 2011	56.1	90.8	147.0
Book value as at 1 January 2012	56.1	90.8	147.0
Investments	–	–	–
Divestments	–	–	–
Valuation changes	–5.5	–	–5.5
Book value as at 31 December 2012	50.6	90.8	141.4

1 Orell Füssli Holding Ltd.

Income from participations valued according to the equity method amounts to CHF –4.2 million (2011: CHF 2.5 million). Income from other participations amounts to CHF 7.7 million (2011: CHF 6.8 million).

Item no. 03

DERIVATIVE FINANCIAL INSTRUMENTS

Outstanding derivative financial instruments are reported in item no. 30 of the SNB's individual financial statements. Under interest rate instruments, the stabilisation fund holds interest rate swaps, and under credit instruments, it holds credit default swaps. In addition, from the group perspective, there is the agreement between LiPro (LP) AG and UBS in the form of the LP purchase option, as well as the SNB's warrant for 100 million UBS shares.

In CHF millions

	31.12.2012			31.12.2011 Restated		
	Contract value	Replacement value		Contract value	Replacement value	
		Positive	Negative		Positive	Negative
SNB parent company ¹	24 853.2	110.7	164.5	46 125.0	238.1	133.4
Interest rate swaps	4 726.5	139.8 ²	371.7	4 744.0	129.7 ²	378.5
Credit default swaps	1 761.6	10.4 ²	1 039.7 ^{2,3}	2 648.3	23.9 ²	1 895.6 ^{2,3}
LP purchase option	4 318.7	–	2 072.0	4 318.7	–	1 247.4
GP purchase option	1.5	–	0.7	1.5	–	0.4
Warrant	10.0	1 221.0	–	10.0	859.0	–
Repurchase option	6 910.2	–	–	9 361.7	–	–
Total for group	42 581.8	1 481.8	3 648.6	67 209.2	1 250.7	3 655.2

1 Cf. item no. 30, SNB parent company financial statements, p. 165, where the GP purchase option, the contract value of the warrant and the repurchase option are stated separately.

2 Already listed under stabilisation fund investments.

3 Offset in the balance sheet against deposited cash collateral (p. 184).

IMPACT OF STABILISATION FUND ON CONSOLIDATED RESULT

Item no. 04

In CHF millions

	2012	2011 Restated	Change
Net result from stabilisation fund investments	1 974.3	352.7	+1 621.6
Interest expenses on SNB loan ¹	-177.6	-254.5	+76.9
Additional income and expense components ²	-33.2	-36.5	+3.3
Stabilisation fund result	1 763.5	61.7	+1 701.8
Net result from GP and LP purchase options ³	-824.9	-38.3	-786.6
Net result from loss protection arrangements	-824.9	-38.3	-786.6
Impact of stabilisation fund on consolidated result	938.7	23.4	+915.3

1 In the consolidated financial statements, interest income from the SNB perspective and interest expenses from the stabilisation fund perspective offset one another.

2 Operating expenses (general overheads); income from participations; net result, other.

3 From UBS's right to stabilisation fund equity. This right can only be exercised by UBS once the SNB loan has been fully repaid.

5

Report of the Audit Board for the General Meeting of Shareholders

As statutory auditor, we have audited the consolidated financial statements of the Swiss National Bank, which comprise the balance sheet, income statement, statement of changes in equity and notes (pp. 187–205) for the year ended 31 December 2012.

Bank Council's responsibility

The Bank Council is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting rules for banks and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Bank Council is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. These standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements for the year ended 31 December 2012 give a true and fair view of the financial position, the results of operations and the statement of changes in equity in accordance with accounting rules for banks and comply with Swiss law.

Opinion

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and on independence (art. 728 CO, art. 47 NBA and art. 11 AOA), and that there are no circumstances incompatible with our independence.

Report on other legal requirements

In accordance with art. 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Bank Council.

We recommend that the consolidated financial statements submitted to you be approved.

PRICEWATERHOUSECOOPERS LTD

THOMAS ROMER
Audit expert
Auditor in charge

CHRISTIAN MASSETTI
Audit expert

Zurich, 1 March 2013