

Communications

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2007 annual result of the Swiss National Bank

The 2007 accounts of the Swiss National Bank show an annual result of CHF 8.0 billion, as compared with CHF 5.0 billion in 2006. The high level of profit is due to the fact that the price of gold rose again last year. Pursuant to the existing agreement, the distribution of profit amounts to CHF 2.5 billion.

Substantial rise in the price of gold

Since 2005, the price of gold has increased substantially. It rose particularly steeply in the final quarter of 2007. Net income from gold holdings came to CHF 6.4 billion (CHF 4.2 billion in 2006). Foreign currency investments, most of them in fixed-income securities, contributed a total of CHF 1.3 billion (CHF 0.8 billion) to the favourable result. Of these, interest-bearing securities earned CHF 2.0 billion (CHF 0.8 billion) and shares CHF 0.1 billion (CHF 0.6 billion). Exchange rate developments, mainly arising from the weak US dollar, diminished the result by an amount of CHF -0.7 billion (CHF -0.5 billion in 2006). Together with other income and expenses, the annual result came to CHF 8.0 billion, compared with CHF 5.0 billion a year previously.

In June 2007, the SNB announced that it would be reducing its gold holdings by 250 tonnes by the end of September 2009. At the end of 2007, 145 tonnes of gold had been sold and the proceeds transformed into foreign currency investments. As at the end of December, gold holdings amounted to 1,145 tonnes.

Distribution of CHF 2.5 billion to the Confederation and the cantons

As the SNB's results fluctuate very sharply due to market trends, the profit distributions have been fixed in advance in an agreement between the Confederation and the National Bank, in order to smooth the payments in the medium term. The agreement, concluded in 2002, foresees a further distribution of CHF 2.5 billion.

From the 2007 annual result, CHF 751 million is allocated to the provisions for currency reserves, as prescribed by law. The distributable profit remaining after this allocation amounts to CHF 7.2 billion, of which CHF 2.5 billion is set aside for distribution to the Confederation and the cantons in 2007, while a legally stipulated maximum dividend of

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6% is earmarked for the shareholders. The remaining CHF 4.7 billion is allocated to the distribution reserve, bringing it to CHF 22.8 billion (CHF 18.1 billion).

Summary of results

The key data on the annual result for the financial year just ended are shown below.

In CHF billions	2007	2006	Change
Net result from gold	6.4	4.2	+2.2
Net result from foreign currency investments	1.3	0.8	+0.5
Net result from Swiss franc investments	0.4	0.2	+0.2
Net result from other assets	0.0	0.0	-
Operating expenses	-0.2	-0.2	-
Annual result	8.0	5.0	+3.0
Allocation to provisions for currency reserves	-0.8	-0.9	+0.1
Distributable annual profit	7.2	4.2	+3.0

Valuation rates	31.12.2007 CHF	31.12.2006 CHF	Change In percent
1 USD	1.13	1.22	-7.4%
1 EUR	1.66	1.61	+3.1%
1 kilogram of gold	30 328	24 939	+21.6%

The detailed annual results will, as usual, be presented in the Annual Report in spring. The General Meeting of Shareholders will take place on 25 April 2008.