

## Communications

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## Interim results of the Swiss National Bank as at 30 September 2009

**The Swiss National Bank (SNB) achieved extremely favourable results in the first nine months of 2009, with the price of gold, the recovery in many markets and the current interest situation resulting in high valuation gains on foreign currency investments and gold. Moreover, since the stabilisation fund did not have a negative effect on the result, a cumulative profit of CHF 6.9 billion was recorded.**

Interest income on foreign currency positions had a significant impact, and equity securities also benefited from rebounding markets. Income from investment in Swiss francs was relatively low.

Since the SNB's results are largely dependent on developments in the gold, foreign exchange and capital markets, strong fluctuations in the results are normal. Consequently, only provisional conclusions with regard to the annual result may be drawn from the interim results.

### Gold price rise and market recovery

At CHF 33,304, the price of gold remained substantially above the year-end level of CHF 29,640 per kilo. Valuation gains on gold holdings came to CHF 3.8 billion.

Currency movements with respect to the Swiss franc have been varied throughout the year. The US dollar has lost its interim gains, and on the reference day it was 2.4% below the year-end value. This currency loss was partly compensated by counter movements in the euro and the pound sterling (2% and 6.5% above the year-end exchange rates, respectively). Overall, currency movements generated losses totalling CHF 318 million.

Most foreign currency investments have benefited from favourable market developments, with price gains on equity securities contributing CHF 967 million and dividend income CHF 157 million to the result. Interest income amounted to CHF 1.9 billion. Overall, foreign currency positions recorded a net result of CHF 3.1 billion (2008: CHF -2.4 billion).

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Due to low interest rates on repo transactions, investments in Swiss francs were considerably less profitable, generating CHF 238 million, compared to CHF 407 million one year previously.

## Stabilisation fund

Since a large part of its portfolio is valued at amortised cost, the improvement of the markets in the third quarter had only a modest impact on the stabilisation fund. Direct benefit was derived from market developments through the sales conducted in the second and third quarters. Write-downs were made on non-securitised loans in order to reflect the market situation in this segment. Taking the warrant for 100 million UBS shares at nominal value into account, the loan remains fully covered by the value of the investments.

The loan extended by the SNB is being steadily reduced and amounted to USD 21.5 billion on the reference date.

## Interim result

Together with other income and expenses, an interim result of CHF 6.9 billion was obtained before allocation to provisions (loss of CHF 0.9 billion in the year-back period). In accordance with art. 30 para. 1 of the National Bank Act (NBA), the SNB is required to set up provisions permitting it to maintain the currency reserves at the level necessary for monetary policy. These provisions are increased in step with economic growth. An allocation of CHF 1,403.6 million for the year 2009 as a whole, or CHF 1,052.7 million for the first three quarters, is planned.

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## Consolidated income statement for the third quarter of 2009<sup>1</sup>

<b>Quarterly results</b>	Item no. in Notes	Q3 2009	Q3 2008	Change
In CHF millions				
Net result from gold	1	791.2	1 127.0	- 335.8
Net result from foreign currency positions	2	708.8	1 196.1	- 487.3
Net result from Swiss franc positions	3	190.9	187.5	+ 3.4
Net result from stabilisation fund investments		-	-	-
Income from participations		7.7	7.6	+ 0.1
Net result from other assets		12.6	1.1	+ 11.5
<b>Gross income</b>		<b>1 711.2</b>	<b>2 519.3</b>	<b>- 808.1</b>
Banknote expenses		- 10.0	- 9.6	- 0.4
Personnel expenses		- 28.4	- 26.7	- 1.7
General overheads		- 21.6	- 12.3	- 9.3
Depreciation on tangible assets		- 8.9	- 8.5	- 0.4
<b>Interim result</b>		<b>1 642.4</b>	<b>2 462.3</b>	<b>- 819.9</b>
Contribution to the proposed allocation to provisions for currency reserves <sup>2</sup>		- 350.9	- 251.7	- 99.2

<sup>1</sup> Unaudited. The external auditors only audit the annual financial statements.

<sup>2</sup> One-quarter of the fixed annual allocation (CHF 1,403.6 million for 2009. Cf. *2008 Annual Report*, p. 112).

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## Consolidated income statement from 1 January–30 September 2009<sup>1</sup>

In CHF millions	Item no. in Notes	Q1-Q3 2009	Q1-Q3 2008	Change
Net result from gold	1	3 817.9	1 288.9	+2 529.0
Net result from foreign currency positions	2	3 065.3	-2 435.3	+5 500.6
Net result from Swiss franc positions	3	238.3	406.6	- 168.3
Net result from stabilisation fund investments		-	-	-
Income from participations		13.0	10.9	+ 2.1
Net result from other assets		4.3	2.1	+ 2.2
<b>Gross income</b>		<b>7 138.8</b>	<b>- 726.8</b>	<b>+7 865.6</b>
Banknote expenses		- 32.6	- 24.8	- 7.8
Personnel expenses		- 85.4	- 80.3	- 5.1
General overheads		- 102.7	- 37.9	- 64.8
Depreciation on tangible assets		- 26.7	- 25.4	- 1.3
<b>Interim result</b>		<b>6 891.4</b>	<b>- 895.3</b>	<b>+7 786.7</b>
Contribution to the proposed allocation to provisions				
for currency reserves <sup>2</sup>		-1 052.7	- 755.2	- 297.5

<sup>1</sup> Unaudited. The external auditors only audit the annual financial statements.

<sup>2</sup> Three-quarters of the fixed annual allocation (for 2009: CHF 1,403.6 million). Cf. *2008 Annual Report*, p. 112).

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## Consolidated balance sheet as at 30 September 2009

	30.09.2009	31.12.2008	Change
In CHF millions			
Gold holdings	31 321.0	27 521.2	+3 799.8
Claims from gold transactions	3 348.8	3 340.4	+ 8.4
Foreign currency investments	82 105.2	47 428.8	+34 676.4
Reserve position in the IMF	1 241.9	724.7	+ 517.2
International payment instruments	5 623.2	244.5	+5 378.7
Monetary assistance loans	339.0	326.3	+ 12.7
Claims from repo transactions in US dollars	-	11 670.9	-11 670.9
Balances from swap transactions against Swiss francs	12 332.9	50 421.4	-38 088.5
Claims from repo transactions in Swiss francs	39 480.6	50 320.6	-10 840.0
Claims against domestic correspondents	0.5	11.1	- 10.6
Swiss franc securities	6 677.8	3 596.7	+3 081.1
Stabilisation fund investments	21 834.8	16 227.1	+5 607.7
Banknote stocks	111.7	136.5	- 24.8
Tangible assets	366.5	382.8	- 16.3
Participations	147.8	147.8	-
Other assets	869.1	3 407.7	-2 538.6
<b>Total assets</b>	<b>205 800.9</b>	<b>215 908.5</b>	<b>-10 107.6</b>

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In CHF millions	30.09.2009	31.12.2008	Change
Banknotes in circulation	45 141.5	49 160.8	-4 019.3
Sight deposits of domestic banks	42 062.5	37 186.2	+4 876.3
Liabilities towards the Confederation	15 590.1	8 803.7	+6 786.4
Sight deposits of foreign banks and institutions	3 532.5	3 799.8	- 267.3
Other sight liabilities	2 720.5	1 383.7	+1 336.8
SNB debt certificates	26 128.6	24 424.9	+1 703.7
Other term liabilities	0.0	29 414.5	-29 414.5
Foreign currency liabilities	1 567.0	420.1	+1 146.9
Counterpart of special drawing rights allocated by the IMF	5 360.6	-	+5 360.6
Contractual agreements	-	948.1	- 948.1
Other liabilities	735.3	1 934.4	-1 199.1
Provisions for operating risks and other provisions	4.9	6.2	- 1.3
Provisions for currency reserves	41 282.2	40 275.3	+1 006.9
Capital	25.0	25.0	-
Distribution reserve <sup>1</sup>	14 634.2	22 871.7	-8 237.5
Annual result for 2008	-	-4 729.1	+4 729.1
Foreign currency translation differences	124.6	- 16.8	+ 141.4
Interim result	6 891.4		+6 891.4
<b>Total liabilities</b>	<b>205 800.9</b>	<b>215 908.5</b>	<b>-10 107.6</b>

<sup>1</sup> The distribution reserve only changes once a year, as part of the profit appropriation. It is taken from the annual result of the Swiss National Bank (individual financial statement), minus the legally prescribed allocation to the provisions for currency reserves. Since the SNB's results depend heavily on fluctuations in the gold price, exchange rates and interest rates, only provisional conclusions on the end-of-year distributable profit may be drawn.

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## Accounting and valuation principles

The interim results, which have not been audited by the statutory auditors, cover the period from 1 January to 30 September 2009. These 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 (FINMA circ. 08/2). The accounting and valuation principles remain otherwise unchanged from the 2008 annual result.

## Valuation rates

	Year under review			Previous year		
	30.09.2009	31.12.2008	Change	30.09.2008	31.12.2007	Change
	CHF	CHF	In percent	CHF	CHF	In percent
1 USD	1.0403	1.0658	- 2.4	1.1096	1.1277	- 1.6
1 EUR	1.5188	1.4895	+ 2.0	1.5733	1.6557	- 5.0
100 JPY	1.1603	1.1734	- 1.1	1.0542	1.0109	+ 4.3
1 GBP	1.6616	1.5595	+ 6.5	1.9986	2.2586	- 11.5
1 kilogram of gold	33 304.27	29 640.32	+ 12.4	31 554.06	30 328.47	+ 4.0

## Notes to the interim results

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

Breakdown by type	Q1-Q3 2009	Q1-Q3 2008	Change
In CHF millions			
Net result from changes in market value	3 810.9	1 279.1	+2 531.8
Net result from gold lending transactions	7.0	9.8	- 2.8
<b>Total</b>	<b>3 817.9</b>	<b>1 288.9</b>	<b>+2 529.0</b>

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## Item no. 2: Net result from foreign currency investments

<b>Breakdown by origin</b>	<b>Q1-Q3 2009</b>	<b>Q1-Q3 2008</b>	<b>Change</b>
In CHF millions			
Foreign currency investments	3 377.7	-2 234.6	+5 612.3
Reserve position in the IMF	- 18.4	- 0.4	- 18.0
International payment instruments	1.6	1.4	+ 0.2
Monetary assistance loans	2.0	- 2.4	+ 4.4
Foreign currency liabilities	1 818.8	- 199.3	+2 018.1
Other foreign currency investments	-2 116.4	-	-2 116.4
<b>Total</b>	<b>3 065.3</b>	<b>-2 435.3</b>	<b>+5 500.6</b>

<b>Breakdown by type</b>	<b>Q1-Q3 2009</b>	<b>Q1-Q3 2008</b>	<b>Change</b>
In CHF millions			
Interest income	1 939.3	1 471.2	+ 468.1
Price gain/loss on interest-bearing paper and instruments	427.7	- 245.9	+ 673.6
Interest expenses	- 94.7	- 199.3	+ 104.6
Dividend income	156.6	123.3	+ 33.3
Price gain/loss on equity securities and instruments	966.6	-1 694.6	+2 661.2
Exchange rate gain/loss	- 317.8	-1 884.6	+1 566.8
Asset management, safe custody account and other fees	- 12.3	- 5.5	- 6.8
<b>Total</b>	<b>3 065.3</b>	<b>-2 435.3</b>	<b>+5 500.6</b>



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## Item no. 3: Net result from Swiss franc investments

<b>Breakdown by origin</b>	<b>Q1-Q3 2009</b>	<b>Q1-Q3 2008</b>	<b>Change</b>
In CHF millions			
Swiss franc securities	228.9	87.0	+ 141.9
Swiss franc repo transactions	30.6	473.3	- 442.7
Other assets	0.3	0.1	+ 0.2
Liabilities towards the Confederation	- 6.4	- 138.4	+ 132.0
SNB debt certificates	- 9.5	-	- 9.5
Other sight liabilities	- 5.7	- 15.4	+ 9.7
<b>Total</b>	<b>238.3</b>	<b>406.6</b>	<b>- 168.3</b>

<b>Breakdown by type</b>	<b>Q1-Q3 2009</b>	<b>Q1-Q3 2008</b>	<b>Change</b>
In CHF millions			
Interest income	144.1	563.6	- 419.5
Capital gain/loss	120.5	- 0.4	+ 120.9
Interest expenses	- 14.2	- 153.8	+ 139.6
Trading, safe custody account and other fees	- 12.1	- 2.7	- 9.4
<b>Total</b>	<b>238.3</b>	<b>406.6</b>	<b>- 168.3</b>