

Communications

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Interim results of the Swiss National Bank as at 30 September 2012

The Swiss National Bank (SNB) is reporting a consolidated profit of CHF 16.9 billion for the first three quarters of 2012.

The net result from the SNB's foreign currency positions amounted to CHF 10.3 billion for the first three quarters of the year. A valuation gain of CHF 6.2 billion was recorded on gold holdings, and a net gain of CHF 94 million was achieved on Swiss franc positions.

The SNB result depends largely on developments in the gold, foreign exchange and capital markets. Consequently, strong fluctuations are normal, and only provisional conclusions are possible as regards the annual result.

Net gain on foreign currency positions

Aggregate income on foreign currency positions amounted to CHF 10.3 billion, with interest and dividend income accounting for CHF 4.9 billion. Lower interest rates resulted in price gains of CHF 2.6 billion on bonds and interest rate instruments. Shares benefited from a favourable stock market environment and rose by CHF 3.2 billion. Exchange rate-related losses in the first three quarters of 2012 came to approximately CHF 0.4 billion.

Valuation gain on gold holdings

A valuation gain of CHF 6.2 billion was achieved on gold holdings, which were unchanged in volume terms. As at the end of September 2012, gold traded at CHF 53,453 per kilogram.

Profit on Swiss franc positions

Overall, Swiss franc positions generated a profit of CHF 94 million – this was attributable to interest income and price gains recorded on Swiss franc securities.

Increase in balance sheet total

Since the beginning of the year, the SNB's balance sheet has increased by CHF 158 billion to CHF 509 billion. Foreign currency investments alone advanced by CHF 172 billion. Their increase is due to foreign currency purchases made to enforce the minimum exchange rate against the euro and the net result on foreign currency positions.

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Stabilisation fund result again positive

In the first three quarters of 2012, the SNB loan to the stabilisation fund was reduced from CHF 7.6 billion to CHF 5.4 billion, and the overall risk for the SNB decreased from CHF 8.5 billion to CHF 6.2 billion.

For the first three quarters of 2012, the stabilisation fund is reporting a profit of USD 565 million, and the contribution to the consolidated result amounts to CHF 266 million.

Interim result and establishment of provisions

As at end-September 2012, the SNB recorded a consolidated profit of CHF 16.9 billion before allocation to the provisions for currency reserves (Q3 2011: CHF 5.8 billion profit).

In accordance with art. 30 para. 1 of the National Bank Act (NBA), the SNB is required to set aside provisions permitting it to maintain the currency reserves at the level necessary for monetary policy. The allocation for the current financial year will be determined towards the end of the year.

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Consolidated income statement, 1 January – 30 September 2012¹

In CHF millions	Item no. in Notes	Q1-Q3 2012	Q1-Q3 2011	Change
Net result from gold	1	6 220.2	4 993.1	+1 227.1
Net result from foreign currency positions	2	10 308.5	322.1	+9 986.4
Net result from Swiss franc positions	3	94.1	- 147.5	+ 241.6
Net result from stabilisation fund investments		695.7	1 369.8	- 674.1
Net result from stabilisation fund loss protection arrangements	4	- 265.3	- 573.6	+ 308.3
Income from participations		9.0	8.5	+ 0.5
Net result, other		2.3	59.8	- 57.5
Gross income		17 064.3	6 032.2	+11 032.1
Banknote expenses		- 17.0	- 13.6	- 3.4
Personnel expenses		- 98.7	- 92.0	- 6.7
General overheads		- 72.7	- 72.9	+ 0.2
Depreciation on tangible assets		- 24.4	- 27.0	+ 2.6
Interim result		16 851.5	5 826.6	+11 024.9

¹ Unaudited. The external auditors only audit the annual financial statements.

Consolidated income statement for the third quarter of 2012¹

In CHF millions	Q3 2012	Q3 2011	Change
Net result from gold	4 957.5	6 543.1	-1 585.6
Net result from foreign currency positions	5 214.4	10 174.3	-4 959.9
Net result from Swiss franc positions	48.2	- 24.6	+ 72.8
Net result from stabilisation fund investments	407.0	3.0	+ 404.0
Net result from stabilisation fund loss protection arrangements	- 163.1	- 61.6	- 101.5
Income from participations	0.0	6.8	- 6.8
Net result, other	0.9	57.8	- 56.9
Gross income	10 464.9	16 698.9	-6 234.0
Banknote expenses	- 5.4	- 4.6	- 0.8
Personnel expenses	- 33.7	- 30.1	- 3.6
General overheads	- 23.0	- 26.4	+ 3.4
Depreciation on tangible assets	- 8.0	- 8.2	+ 0.2
Interim result	10 394.8	16 629.6	-6 234.8

¹ Unaudited. The external auditors only audit the annual financial statements.

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Consolidated balance sheet as at 30 September 2012¹

Assets	30.09.2012	31.12.2011	Change
In CHF millions			
Gold holdings	55 591.0	48 662.5	+6 928.5
Claims from gold transactions	4.4	717.5	- 713.1
Foreign currency investments ²	429 917.7	257 504.2	+172 413.5
Reserve position in the IMF	2 983.6	3 134.5	- 150.9
International payment instruments	4 585.0	4 621.2	- 36.2
Monetary assistance loans	294.3	301.4	- 7.1
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	3 787.3	3 675.1	+ 112.2
Stabilisation fund investments	9 399.6	11 051.1	-1 651.5
Banknote stocks	126.9	129.8	- 2.9
Tangible assets	446.0	325.4	+ 120.6
Participations	147.0	147.0	-
Other assets	1 263.1	1 236.2	+ 26.9
Total assets	508 545.8	350 344.3	+158 201.5

¹ Unaudited. The external auditors only audit the annual financial statements.

² As at end-2011, includes foreign exchange swaps against Swiss francs (in particular, against US dollars and euros) of around CHF 26 billion. As at 30 September 2012, there were no such foreign exchange swaps outstanding.

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Liabilities	30.09.2012	31.12.2011	Change
In CHF millions			
Banknotes in circulation	55 684.4	55 728.9	- 44.5
Sight deposits of domestic banks	290 229.5	180 720.7	+109 508.8
Liabilities towards the Confederation	9 781.0	5 647.5	+4 133.5
Sight deposits of foreign banks and institutions	9 797.7	1 884.5	+7 913.2
Other sight liabilities ¹	64 070.4	28 447.7	+35 622.7
SNB debt certificates	-	14 719.5	-14 719.5
Other term liabilities	-	366.4	- 366.4
Foreign currency liabilities	442.5	551.6	- 109.1
Counterpart of SDRs allocated by the IMF	4 757.8	4 734.6	+ 23.2
Other liabilities	2 856.4	2 465.6	+ 390.8
Provisions for operating risks and other provisions	5.8	7.3	- 1.5
Provisions for currency reserves ²	48 215.6	45 061.3	+3 154.3
Capital	25.0	25.0	-
Distribution reserve ³	3 873.2	-5 000.0	+8 873.2
Profit reserve from stabilisation fund ⁴	2 076.3	1 636.1	+ 440.2
Consolidated result 2011		13 469.1	-13 469.1
Interim result	16 851.5		+16 851.5
Foreign currency translation differences	- 121.3	- 121.6	+ 0.3
Total liabilities	508 545.8	350 344.3	+158 201.5

¹ Includes non-bank sight deposit accounts (Postfinance, clearing offices, insurance companies, etc.).

² In line with art. 30 para. 2 NBA, the provisions for currency reserves are increased by means of an annual allocation. The sum to be allocated is determined at the end of the year. The allocation is made after the subsequent General Meeting of Shareholders, as part of the profit appropriation. The increase of CHF 3.2 billion represents the allocation for the 2011 financial year.

³ The distribution reserve only changes once a year, as part of the profit appropriation. The reserve is increased or reduced by the difference between the distributable annual result of the SNB (individual financial result after allocation to provisions for currency reserves) and the actual distribution to shareholders and to the Confederation and cantons. This takes place after the General Meeting. The distribution reserve can be negative.

⁴ The SNB's share in stabilisation fund profits will only be distributed to the SNB once the fund has been fully wound up, or if the fund is sold. Until such time, the share in the previous years' profits is recorded under profit reserve from stabilisation fund. Cf. also item no. 4.

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Valuation rates

	Year under review			Previous year		
	30.09.2012	31.12.2011	Change	30.09.2011	31.12.2010	Change
	CHF	CHF	In percent	CHF	CHF	In percent
1 EUR	1.2103	1.2172	- 0.6	1.2147	1.2494	- 2.8
1 USD	0.9383	0.9378	+ 0.1	0.9041	0.9327	- 3.1
100 JPY	1.2060	1.2149	- 0.7	1.1773	1.1479	+ 2.6
1 CAD	0.9546	0.9198	+ 3.8	0.8666	0.9348	- 7.3
1 GBP	1.5153	1.4581	+ 3.9	1.4067	1.4529	- 3.2
1 kilogram of gold	53 452.98	47 472.70	+ 12.6	47 089.33	42 289.16	+ 11.4

Notes to the interim results

Item no. 1: Net result from gold

Breakdown by type	Q1-Q3 2012	Q1-Q3 2011	Change
In CHF millions			
Net result from changes in market value	6 220.0	4 992.6	+1 227.4
Interest income from gold lending transactions	0.2	0.6	- 0.4
Total	6 220.2	4 993.1	+1 227.1

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Item no. 2: Net result from foreign currency positions

Breakdown by origin	Q1-Q3 2012	Q1-Q3 2011	Change
In CHF millions			
Foreign currency investments	10 244.3	666.2	+9 578.1
Reserve position in the IMF	27.1	19.5	+ 7.6
International payment instruments	- 1.5	- 0.7	- 0.8
Monetary assistance loans	2.9	- 3.3	+ 6.2
Foreign currency liabilities	- 1.3	- 19.0	+ 17.7
Other foreign currency positions	36.9	- 340.6	+ 377.5
Total	10 308.5	322.1	+9 986.4

Breakdown by type	Q1-Q3 2012	Q1-Q3 2011	Change
In CHF millions			
Interest income	4 305.8	4 000.4	+ 305.4
Price gain/loss on interest-bearing paper and instruments	2 628.8	3 663.6	-1 034.8
Interest expenses	- 5.4	- 34.5	+ 29.1
Dividend income	635.5	443.1	+ 192.4
Price gain/loss on equity securities and instruments	3 173.4	-3 041.5	+6 214.9
Exchange rate gain/loss	- 423.4	-4 704.0	+4 280.6
Asset management, safe custody account and other fees	- 6.2	- 4.9	- 1.3
Total	10 308.5	322.1	+9 986.4

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Item no. 3: Net result from Swiss franc positions

Breakdown by origin	Q1-Q3 2012	Q1-Q3 2011	Change
In CHF millions			
Swiss franc securities	123.1	172.1	- 49.0
Liquidity-providing Swiss franc repo transactions	- 14.4	- 4.6	- 9.8
Liquidity-absorbing Swiss franc repo transactions	0.0	- 12.0	+ 12.0
Other assets	0.0	0.0	- 0.0
Liabilities towards the Confederation	-	- 2.7	+ 2.7
SNB debt certificates	- 10.5	- 295.2	+ 284.7
Other sight liabilities	- 4.1	- 5.1	+ 1.0
Total	94.1	- 147.5	+ 241.6

Breakdown by type	Q1-Q3 2012	Q1-Q3 2011	Change
In CHF millions			
Interest income	63.7	67.5	- 3.8
Price gain/loss on interest-bearing paper and instruments	62.8	110.3	- 47.5
Interest expenses	- 29.1	- 275.8	+ 246.7
Trading, safe custody account and other fees	- 3.4	- 49.5	+ 46.1
Total	94.1	- 147.5	+ 241.6

Item no. 4: Net result from loss protection arrangements

The contractual provisions specify that UBS can repurchase the stabilisation fund after SNB loan has been repaid in full. UBS would have to pay the SNB the sum of USD 1 billion, plus half of the net asset value of the fund in excess of this amount. The other half would accrue to UBS.

For the first three quarters of 2012 an amount of CHF 265 would accrue to UBS. This is recorded as a negative entry under the net result from loss protection arrangements item. Further information is available in the *Annual Report* on pages 185 and 192.