

Communications

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Interim results of the Swiss National Bank as at 30 September 2013

The Swiss National Bank reports a consolidated loss of CHF 6.4 billion for the first three quarters of 2013.

The profit on the SNB's foreign currency positions amounted to CHF 4.0 billion for the first three quarters of the year. By contrast, a valuation loss of CHF 10.7 billion was recorded on gold holdings.

The SNB result depends largely on developments in the gold, foreign exchange and capital markets. Strong fluctuations are therefore to be expected, and only provisional conclusions are possible as regards the annual result.

Profit on foreign currency positions

The net result on foreign currency positions amounted to CHF 4.0 billion.

The consolidated financial statements showed CHF 5.1 billion in interest income and CHF 1.3 billion in dividend income. Movements in bond prices differed from those in share prices. A loss of CHF 6.8 billion was recorded on interest-bearing papers and instruments. By contrast, equity securities and instruments benefited from the favourable stock market environment and contributed CHF 9.3 billion to the net result.

Exchange rate-related losses amounted to CHF 5.0 billion. Exchange rate gains on the euro could not offset the losses recorded on the other investment currencies, particularly on Japanese yen.

Press release

Valuation loss on gold holdings

A valuation loss of CHF 10.7 billion was registered on the gold holdings, whose quantity remained unchanged. Gold traded at CHF 38,563 per kilogram at the end of September 2013 (end-2012: CHF 48,815).

Loss on Swiss franc positions

The Swiss franc positions recorded a net loss of CHF 75 million, essentially comprising price losses of CHF 125 million and interest income of CHF 60 million.

Stabilisation fund loan fully repaid

On 15 August 2013, the stabilisation fund repaid the loan granted to it by the SNB parent company in full. The SNB therefore expects UBS to exercise its purchase option to take over the stabilisation fund (cf. notes, item no. 4) before the end of 2013.

For the first three quarters of 2013, the stabilisation fund is reporting a profit of USD 981 million, and the contribution to the consolidated result amounts to CHF 492 million.

Interim result and allocation to provisions

As at the end of September 2013, the SNB recorded a consolidated loss of CHF 6.4 billion, before the allocation to the provisions for currency reserves.

In accordance with art. 30 para. 1 of the National Bank Act (NBA), the SNB sets aside provisions permitting it to maintain the currency reserves at the level necessary for monetary policy. The allocation for 2013 will be determined at the end of the year.

Press release

Consolidated income statement, 1 January – 30 September 2013¹

In CHF millions

	Item no. in Notes	Q1–Q3 2013	Q1–Q3 2012 restated ²	Change
Net result from gold	1	– 10 663.1	6 220.2	– 16 883.3
Net result from foreign currency positions	2	4 006.8	10 308.5	– 6 301.7
Net result from Swiss franc positions	3	– 75.5	94.1	– 169.6
Net result from stabilisation fund investments		979.0	1 520.8	– 541.8
Net result from stabilisation fund loss protection arrangements	4	– 425.5	– 677.1	+ 251.6
Income from participations		4.6	9.0	– 4.4
Net result, other		2.1	2.3	– 0.2
Gross income		– 6 171.5	17 477.7	– 23 649.2
Banknote expenses		– 15.4	– 17.0	+ 1.6
Personnel expenses ³		– 135.1	– 98.7	– 36.4
General overheads		– 74.7	– 72.7	– 2.0
Depreciation on tangible assets		– 28.6	– 24.4	– 4.2
Interim result		– 6 425.3	17 264.9	– 23 690.2

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

2 The stabilisation fund's accounting principles were changed from amortised cost to fair value as of 1 October 2012. Further information is available in the 2012 *Annual Report* (pp. 200–202).

3 As of 1 January 2014, the SNB pension scheme will be changed from a defined benefit to a defined contribution system. While the major portion of the associated costs are to be met by the pension fund reserves, the remainder will be covered by a one-off provision of CHF 30 million allocated to the 2013 financial year.

Press release

Consolidated income statement for the third quarter of 2013¹

In CHF millions

	Q3 2013	Q3 2012 restated ²	Change
Net result from gold	2 490.4	4 957.5	-2 467.1
Net result from foreign currency positions	- 1 761.3	5 214.4	-6 975.7
Net result from Swiss franc positions	15.7	48.2	- 32.5
Net result from stabilisation fund investments	148.3	734.6	- 586.3
Net result from stabilisation fund loss protection arrangements	35.8	- 317.8	+ 353.6
Income from participations	- 3.2	-	- 3.2
Net result, other	0.5	0.9	- 0.4
Gross income	926.3	10 637.8	- 9 711.5
Banknote expenses	- 5.5	- 5.4	- 0.1
Personnel expenses	- 35.0	- 33.7	- 1.3
General overheads	- 22.2	- 23.0	+ 0.8
Depreciation on tangible assets	- 9.5	- 8.0	- 1.5
Interim result	854.1	10 567.7	- 9 713.6

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

2 The stabilisation fund's accounting principles were changed from amortised cost to fair value as of 1 October 2012. Further information on the restatement is available in the 2012 *Annual Report* (pp. 200–202).

Press release

Consolidated balance sheet as at 30 September 2013¹

Assets

In CHF millions

	30.09.2013	31.12.2012	Change
Gold holdings	40 105.2	50 767.5	- 10 662.3
Claims from gold transactions	2.8	4.0	- 1.2
Foreign currency investments ²	443 070.6	432 208.9	+ 10 861.7
Reserve position in the IMF	2 402.3	2 804.2	- 401.9
International payment instruments	4 313.7	4 249.2	+ 64.5
Monetary assistance loans	261.4	279.1	- 17.7
Claims from Swiss franc repo transactions	-	-	-
Swiss franc securities	3 713.5	3 757.1	- 43.6
Stabilisation fund investments	5 901.2	9 883.0	- 3 981.8
Banknote stocks	145.1	125.6	+ 19.5
Tangible assets	433.2	451.8	- 18.6
Participations	138.3	141.4	- 3.1
Other assets ³	319.2	1 487.7	- 1 168.5
Total assets	500 806.6	506 159.6	- 5 353.0

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

2 Includes, as at end-September 2013, claims arising from repo transactions relating to the management of foreign currency investments amounting to CHF 10.3 billion (31 December 2012: CHF 5.0 billion). The associated liabilities are listed under foreign currency liabilities.

3 The complete repayment of the loan to the stabilisation fund as at 15 August 2013 meant that the warrant giving the SNB the right to purchase up to 100 million UBS shares at their nominal value of CHF 0.10 expired and is no longer included in the balance sheet. As at 31 December 2012, the warrant was included for an amount of CHF 1.2 billion under other assets, and via a compensation account under other liabilities, so that the SNB's net income was unaffected. Further information is available in the 2012 *Annual Report* (pp. 195 and 196).

Press release

Liabilities

In CHF millions

	30.09.2013	31.12.2012	Change
Banknotes in circulation	59 810.4	61 801.4	-1 991.0
Sight deposits of domestic banks ¹	317 757.6	281 814.1	+35 943.5
Liabilities towards the Confederation	11 783.0	9 008.1	+2 774.9
Sight deposits of foreign banks and institutions	12 320.7	11 958.4	+362.3
Other sight liabilities ¹	28 289.3	66 950.9	-38 661.6
Liabilities from Swiss franc repo transactions	-	-	-
SNB debt certificates	-	-	-
Foreign currency liabilities	10 096.2	5 018.7	+5 077.5
Counterpart of SDRs allocated by the IMF	4 561.5	4 613.4	-51.9
Other liabilities ²	2 598.7	3 932.3	-1 333.6
Operating provisions ³	34.5	5.5	+29.0
Provisions for currency reserves ⁴	51 783.6	48 215.6	+3 568.0
Capital	25.0	25.0	-
Distribution reserve ⁵	5 259.8	3 873.2	+1 386.6
Profit reserve from stabilisation fund ⁶	3 260.2	2 321.5	+938.7
Consolidated result 2012		6 894.8	-6 894.8
Interim result	-6 425.3		-6 425.3
Foreign currency translation differences	-348.5	-273.3	-75.2
Total liabilities	500 806.6	506 159.6	-5 353.0

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 Cf. under other assets, footnote 3.

3 As of 1 January 2014, the SNB pension scheme will be changed from a defined benefit to a defined contribution system. While the major portion of the associated costs are to be met by the pension fund reserves, the remainder will be covered by a one-off provision of CHF 30 million allocated to the 2013 financial year.

4 The allocation to the provisions for currency reserves forms part of the profit appropriation, which is performed after the General Meeting of Shareholders. The increase of CHF 3.6 billion represents the allocation for the 2012 financial year.

5 The distribution reserve only changes once a year, as part of the profit appropriation. The reserve is increased or decreased by the difference between the SNB's distributable annual result (individual financial result after allocation to provisions) and the actual distribution to shareholders and to the Confederation and the cantons. This takes place after the General Meeting.

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

Press release

Valuation rates

	Year under review			Previous year		Change In percent
	30.09.2013 CHF	31.12.2012 CHF	Change In percent	30.09.2012 CHF	31.12.2011 CHF	
1 EUR	1.2239	1.2074	+ 1.4	1.2103	1.2172	-0.6
1 USD	0.9043	0.9129	-0.9	0.9383	0.9378	+0.1
100 JPY	0.9255	1.0576	-12.5	1.2060	1.2149	-0.7
1 CAD	0.8792	0.9171	-4.1	0.9546	0.9198	+3.8
1 GBP	1.4604	1.4839	-1.6	1.5153	1.4581	+3.9
1 kilogram of gold	38 562.77	48 815.02	-21.0	53 452.98	47 472.70	+12.6

Notes to the interim results

Item no. 1: Net result from gold

Breakdown by type in CHF millions

	Q1-Q3 2013	Q1-Q3 2012	Change
Net result from changes in market value	-10 663.1	6 220.0	-16 883.1
Interest income from gold lending transactions	-	0.2	-0.2
Total	-10 663.1	6 220.2	-16 883.3

Press release

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

	Q1–Q3 2013	Q1–Q3 2012	Change
Foreign currency investments	3 995.1	10 244.3	–6 249.2
Reserve position in the IMF	–17.5	27.1	–44.6
International payment instruments	1.7	–1.5	+3.2
Monetary assistance loans	–2.2	2.9	–5.1
Foreign currency liabilities	–5.1	–1.3	–3.8
Other foreign currency positions	34.8	36.9	–2.1
Total	4 006.8	10 308.5	–6 301.7

Breakdown by type in CHF millions

	Q1–Q3 2013	Q1–Q3 2012	Change
Interest income	5 144.1	4 305.8	+838.3
Price gain/loss on interest-bearing paper and instruments	–6 753.0	2 628.8	–9 381.8
Interest expenses	–7.7	–5.4	–2.3
Dividend income	1 345.7	635.5	+710.2
Price gain/loss on equity securities and instruments	9 260.5	3 173.4	+6 087.1
Exchange rate gain/loss	–4 974.7	–423.4	–4 551.3
Asset management, safe custody and other fees	–8.1	–6.2	–1.9
Total	4 006.8	10 308.5	–6 301.7

Press release

Item no. 3: Net result from Swiss franc positions

Breakdown by origin in CHF millions

	Q1–Q3 2013	Q1–Q3 2012	Change
Swiss franc securities	–70.1	123.1	–193.2
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	–5.3	–4.1	–1.2
Total	–75.5	94.1	–169.6

Breakdown by type in CHF millions

	Q1–Q3 2013	Q1–Q3 2012	Change
Interest income	59.8	63.7	–3.9
Price gain/loss on interest-bearing paper and instruments	–125.1	62.8	–187.9
Interest expenses	–5.3	–29.1	+23.8
Trading, safe custody and other fees	–4.8	–3.4	–1.4
Total	–75.5	94.1	–169.6

Item no. 4: Net result from loss protection arrangements

The contractual provisions specify that UBS can repurchase the stabilisation fund after the SNB loan has been repaid in full. UBS would have to pay the SNB a sum of USD 1 billion plus half of the fund's net asset value (i.e. equity) in excess of this amount. The other half represents the share of the stabilisation fund's equity, which would accrue to UBS.

For the first three quarters of 2013, an amount of CHF 425 million would accrue to UBS. This is recorded as a negative entry under net result from loss protection arrangements. Further information is available in the 2012 *Annual Report* (pp. 195 and 205).