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## **Interim results of the Swiss National Bank as at 30 June 2013**

**The Swiss National Bank reports a consolidated loss of CHF 7.3 billion for the first half of 2013.**

The profit on the SNB's foreign currency positions amounted to CHF 5.8 billion for the first half of the year. By contrast, a valuation loss of CHF 13.2 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 5.8 billion.

The consolidated financial statements reported CHF 3.4 billion in interest income and CHF 1.0 billion in dividend income. Movements in bond and equity prices were mixed: Interest-bearing paper and instruments were down by CHF 6.3 billion, while equity securities and instruments registered a profit of CHF 5.3 billion, on the back of favourable stock market conditions.

Exchange rate-related earnings were CHF 2.3 billion. Movements in the value of investment currencies varied: Since the beginning of the year, the US dollar has appreciated 3.4% and the euro 1.9% against the Swiss franc, and the exchange rate gains on these two proportionally most significant currencies exceeded losses against the Japanese yen and the pound sterling.

Press release

## **Valuation loss on gold holdings**

A valuation loss of CHF 13.2 billion was registered on the gold holdings, whose quantity remained unchanged. At the end of June 2013, gold traded at CHF 36,168 per kilogram (end-2012: CHF 48,815).

## **Loss on Swiss franc positions**

The Swiss franc positions recorded a net loss of CHF 91 million, essentially comprising price losses of CHF 125 million and interest income of CHF 40 million.

## **Stabilisation fund continues to be positive**

In the first half of 2013, the SNB loan to the stabilisation fund was further reduced, from CHF 4.4 billion to CHF 1.2 billion, and the overall risk for the SNB decreased from CHF 5.1 billion to CHF 1.7 billion. Based on the current trend, the outstanding loan will be repaid shortly, and the SNB therefore expects UBS to exercise its purchase option to take over the stabilisation fund in 2013 (cf. Notes, Item no. 4).

The stabilisation fund reported a half-yearly profit of USD 830 million, representing a CHF 316 million contribution to the consolidated result.

## **Interim result and allocation to provisions**

As at the end of June 2013, the SNB recorded a consolidated loss of CHF 7.3 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 June 2013<sup>1</sup>

In CHF millions	Item no. in Notes	Q1-Q2 2013	Q1-Q2 2012 restated <sup>2</sup>	Change
Net result from gold	1	- 13 153.5	1 262.7	- 14 416.2
Net result from foreign currency positions	2	5 768.1	5 094.1	+ 674.0
Net result from Swiss franc positions	3	- 91.1	45.8	- 136.9
Net result from stabilisation fund investments		830.7	786.2	+ 44.5
Net result from stabilisation fund loss protection arrangements	4	- 461.3	- 359.3	- 102.0
Income from participations		7.8	9.0	- 1.2
Net result, other		1.6	1.4	+ 0.2
<b>Gross income</b>		<b>- 7 097.8</b>	<b>6 839.9</b>	<b>- 13 937.7</b>
Banknote expenses		- 9.9	- 11.5	+ 1.6
Personnel expenses <sup>3</sup>		- 100.1	- 65.0	- 35.1
General overheads		- 52.5	- 49.7	- 2.8
Depreciation on tangible assets		- 19.0	- 16.4	- 2.6
<b>Interim result</b>		<b>- 7 279.4</b>	<b>6 697.3</b>	<b>- 13 976.7</b>

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

<sup>2</sup> 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).

<sup>3</sup> With effect from 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 second quarter of 2013<sup>1</sup>

In CHF millions	Q2 2013	Q2 2012 restated <sup>2</sup>	Change
Net result from gold	- 13 098.9	502.3	- 13 601.2
Net result from foreign currency positions	- 5 390.1	7 689.2	- 13 079.3
Net result from Swiss franc positions	- 70.2	31.7	- 101.9
Net result from stabilisation fund investments	259.1	273.6	- 14.5
Net result from stabilisation fund loss protection arrangements	- 101.3	- 184.2	+ 82.9
Income from participations	7.8	9.0	- 1.2
Net result, other	0.4	0.7	- 0.3
<b>Gross income</b>	<b>- 18 393.3</b>	<b>8 322.3</b>	<b>- 26 715.6</b>
Banknote expenses	- 5.5	- 5.8	+ 0.3
Personnel expenses <sup>3</sup>	- 64.5	- 31.3	- 33.2
General overheads	- 28.9	- 24.1	- 4.8
Depreciation on tangible assets	- 9.5	- 8.1	- 1.4
<b>Interim result</b>	<b>- 18 501.7</b>	<b>8 253.0</b>	<b>- 26 754.7</b>

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

<sup>2</sup> 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).

<sup>3</sup> With effect from 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 balance sheet as at 30 June 2013<sup>1</sup>**

<b>Assets</b>	<b>30.06.2013</b>	<b>31.12.2012</b>	<b>Change</b>
In CHF millions			
Gold holdings	37 615.0	50 767.5	- 13 152.5
Claims from gold transactions	2.7	4.0	- 1.3
Foreign currency investments	438 177.4	432 208.9	+ 5 968.5
Reserve position in the IMF	2 563.0	2 804.2	- 241.2
International payment instruments	4 378.0	4 249.2	+ 128.8
Monetary assistance loans	269.1	279.1	- 10.0
Claims from Swiss franc repo transactions	-	-	-
Swiss franc securities	3 658.1	3 757.1	- 99.0
Stabilisation fund investments	7 497.3	9 883.0	- 2 385.7
Banknote stocks	137.1	125.6	+ 11.5
Tangible assets	437.4	451.8	- 14.4
Participations	141.4	141.4	-
Other assets	1 780.3	1 487.7	+ 292.6
<b>Total assets</b>	<b>496 656.9</b>	<b>506 159.6</b>	<b>- 9 502.7</b>

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

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<b>Liabilities</b>	<b>30.06.2013</b>	<b>31.12.2012</b>	<b>Change</b>
In CHF millions			
Banknotes in circulation	59 863.3	61 801.4	- 1 938.1
Sight deposits of domestic banks <sup>1</sup>	321 116.0	281 814.1	+ 39 301.9
Liabilities towards the Confederation	15 352.2	9 008.1	+ 6 344.1
Sight deposits of foreign banks and institutions	8 073.2	11 958.4	- 3 885.2
Other sight liabilities <sup>1</sup>	26 729.2	66 950.9	- 40 221.7
Liabilities from Swiss franc repo transactions	-	-	-
SNB debt certificates	-	-	-
Foreign currency liabilities	3 419.0	5 018.7	- 1 599.7
Counterpart of SDRs allocated by the IMF	4 666.1	4 613.4	+ 52.7
Other liabilities	4 451.2	3 932.3	+ 518.9
Operating provisions <sup>2</sup>	34.8	5.5	+ 29.3
Provisions for currency reserves <sup>3</sup>	51 783.6	48 215.6	+ 3 568.0
Capital	25.0	25.0	-
Distribution reserve <sup>4</sup>	5 259.8	3 873.2	+ 1 386.6
Profit reserve from stabilisation fund <sup>5</sup>	3 260.2	2 321.5	+ 938.7
Consolidated result 2012		6 894.8	- 6 894.8
Interim result	- 7 279.4		- 7 279.4
Foreign currency translation differences	- 97.2	- 273.3	+ 176.1
<b>Total liabilities</b>	<b>496 656.9</b>	<b>506 159.6</b>	<b>- 9 502.7</b>

<sup>1</sup> Other sight liabilities essentially comprise the sight deposit accounts of non-banks. Since PostFinance Ltd was granted a banking licence on 26 June 2013, its sight deposit account is no longer reported under this item, but rather under sight deposits of domestic banks.

<sup>2</sup> With effect from 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.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> 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 is recorded in the consolidated financial statements under profit reserve from stabilisation fund. Cf. also item no. 4.

Press release

## Valuation rates

	Year under review			Previous year		
	30.06.2013	31.12.2012	Change	30.06.2012	31.12.2011	Change
	CHF	CHF	In percent	CHF	CHF	In percent
1 EUR	1.2306	1.2074	+ 1.9	1.2022	1.2172	- 1.2
1 USD	0.9436	0.9129	+ 3.4	0.9494	0.9378	+ 1.2
100 JPY	0.9529	1.0576	- 9.9	1.1935	1.2149	- 1.8
1 CAD	0.8980	0.9171	- 2.1	0.9312	0.9198	+ 1.2
1 GBP	1.4362	1.4839	- 3.2	1.4890	1.4581	+ 2.1
1 kilogram of gold	36 168.30	48 815.02	- 25.9	48 686.56	47 472.70	+ 2.6

## Notes to the interim results

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

Breakdown by type	Q1-Q2 2013	Q1-Q2 2012	Change
In CHF millions			
Net result from changes in market value	- 13 153.5	1 262.5	- 14 416.0
Interest income from gold lending transactions	-	0.2	- 0.2
<b>Total</b>	<b>- 13 153.5</b>	<b>1 262.7</b>	<b>- 14 416.2</b>

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

<b>Breakdown by origin</b>	<b>Q1-Q2 2013</b>	<b>Q1-Q2 2012</b>	<b>Change</b>
In CHF millions			
Foreign currency investments	5 692.2	5 018.7	+ 673.5
Reserve position in the IMF	36.6	15.1	+ 21.5
International payment instruments	- 4.0	- 1.2	- 2.8
Monetary assistance loans	3.6	1.7	+ 1.9
Foreign currency liabilities	- 3.2	- 1.0	- 2.2
Other foreign currency positions	42.9	60.7	- 17.8
<b>Total</b>	<b>5 768.1</b>	<b>5 094.1</b>	<b>+ 674.0</b>

<b>Breakdown by type</b>	<b>Q1-Q2 2013</b>	<b>Q1-Q2 2012</b>	<b>Change</b>
In CHF millions			
Interest income	3 436.2	2 686.6	+ 749.6
Price gain/loss on interest-bearing paper and instruments	- 6 334.6	1 227.8	- 7 562.4
Interest expenses	- 4.9	- 4.1	- 0.8
Dividend income	1 018.2	428.1	+ 590.1
Price gain/loss on equity securities and instruments	5 328.6	1 109.4	+ 4 219.2
Exchange rate gain/loss	2 330.2	- 349.2	+ 2 679.4
Asset management, safe custody and other fees	- 5.5	- 4.4	- 1.1
<b>Total</b>	<b>5 768.1</b>	<b>5 094.1</b>	<b>+ 674.0</b>



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

Breakdown by origin	Q1-Q2 2013	Q1-Q2 2012	Change
In CHF millions			
Swiss franc securities	- 87.8	73.5	- 161.3
Liquidity-providing Swiss franc repo transactions	-	- 14.4	+ 14.4
Liquidity-absorbing Swiss franc repo transactions	-	0.0	+ 0.0
Other assets	0.0	0.0	- 0.0
Liabilities towards the Confederation	-	-	-
SNB debt certificates	-	- 10.5	+ 10.5
Other sight liabilities	- 3.3	- 2.7	- 0.6
<b>Total</b>	<b>- 91.1</b>	<b>45.8</b>	<b>- 136.9</b>

Breakdown by type	Q1-Q2 2013	Q1-Q2 2012	Change
In CHF millions			
Interest income	40.1	42.8	- 2.7
Price gain/loss on interest-bearing paper and instruments	- 124.7	33.1	- 157.8
Interest expenses	- 3.3	- 27.7	+ 24.4
Trading, safe custody and other fees	- 3.2	- 2.4	- 0.8
<b>Total</b>	<b>- 91.1</b>	<b>45.8</b>	<b>- 136.9</b>

### 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 half of 2013, an amount of CHF 461 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).