

Communications

P.O. Box, CH-8022 Zurich
Telephone +41 44 631 31 11
communications@snb.ch

Zurich, 21 November 2011

New agreement on the distribution of the SNB profit

The Swiss Federal Department of Finance (FDF) and the Swiss National Bank (SNB) have concluded a new agreement on the distribution of the SNB's profit. The agreement will cover the financial years 2011 to 2015. Henceforth, and on condition that the distribution reserve is positive, the SNB will make an annual distribution payment of CHF 1 billion to the Confederation and the cantons. It remains unclear when the next distribution payment will take place, since this will depend on future developments in the financial markets.

Under the National Bank Act, the SNB is required to set up provisions from its annual result in order to maintain the currency reserves at the level necessary for monetary policy. The remaining net profit after the allocation to the provisions is, in principle, available for distribution to the Confederation and the cantons. To ensure that distribution flows are smoothed in the medium term, the FDF and the SNB establish the key distribution goals in an agreement that covers several years. This facilitates financial planning for the Confederation and the cantons.

It became necessary to review the previous agreement from 2008 after the distribution reserve turned negative in the 2010 financial year, owing to the SNB's substantial foreign exchange losses. The distribution reserve registered a shortfall of CHF 5 billion at the end of 2010.

The new agreement covers the financial years 2011 to 2015, and stipulates that, before any distribution payments can be made, the distribution reserve must turn positive again. A profit distribution amounting to CHF 1 billion is foreseen in such a case. However, it is unclear when exactly distribution payments will be possible in practice, as this will depend on future developments in the financial markets.

Should the SNB's financial situation improve substantially, such that the distribution reserve exceeds CHF 10 billion, it is planned to increase the distribution payment. The amount of the payment will be decided by the FDF and the SNB.

The cantons have received prior notification of the new agreement.

The text of the new agreement (in German and French only) and some additional explanations can be found on the SNB website under [Information about/The SNB/Financial Report and profit/Profit and distribution of profits](#).