

**Communications**

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Zurich, 31 July 2014

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## **Interim results of the Swiss National Bank as at 30 June 2014**

**The Swiss National Bank (SNB) is reporting a profit of CHF 16.1 billion for the first half of 2014.**

The profit on foreign currency positions amounted to CHF 12.6 billion. A valuation gain of CHF 3.5 billion was recorded on gold holdings.

The SNB's financial 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 12.6 billion.

Interest income accounted for CHF 3.7 billion and dividends for CHF 1.1 billion. The generally lower interest rate level resulted in price gains of CHF 5.0 billion on interest-bearing paper and instruments. Equity securities and instruments benefited from the favourable stock market environment and contributed CHF 2.5 billion to the result. Overall, exchange rate-related gains amounted to CHF 0.3 billion.

### **Valuation gain on gold holdings**

A valuation gain of CHF 3.5 billion was achieved on gold holdings, which were unchanged in volume terms. At the end of June 2014, gold traded at CHF 37,604 per kilogram (end-2013: CHF 34,195).

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### **Profit on Swiss franc positions**

The Swiss franc positions recorded a net profit of CHF 137 million, essentially comprising price gains of CHF 107 million and interest income of CHF 38 million.

### **Provisions for currency reserves**

As at the end of June 2014, the SNB recorded a profit of CHF 16.1 billion, before the allocation to the provisions for currency reserves.

In accordance with art. 30 para. 1 of the National Bank Act, the SNB sets aside provisions permitting it to maintain the currency reserves at the level necessary for monetary policy. The allocation for 2014 will be determined at the end of the year.

Press release

## Income statement, 1 January–30 June 2014<sup>1</sup>

In CHF millions

	Item no. in Notes	Q1-Q2 2014	Q1-Q2 2013	Change
Net result from gold		3 546.4	-13 153.5	+16 699.9
Net result from foreign currency positions	1	12 611.7	5 811.8	+6 799.9
Net result from Swiss franc positions	2	137.2	-91.1	+228.3
Net result, other		2.6	10.8	-8.2
<b>Gross income</b>		<b>16 297.9</b>	<b>-7 422.0</b>	<b>+23 719.9</b>
Banknote expenses		-12.3	-9.9	-2.4
Personnel expenses <sup>2</sup>		-76.6	-100.1	+23.5
General overheads		-49.5	-44.3	-5.2
Depreciation on tangible assets		-19.1	-19.0	-0.1
<b>Interim result</b>		<b>16 140.4</b>	<b>-7 595.4</b>	<b>+23 735.8</b>

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

2 With effect from 1 January 2014, the SNB pension fund changed from a defined benefit to a defined contribution system. While the major portion of the associated costs was covered from the pension fund reserves, a one-off provision of CHF 30 million was created for the remaining sum in the second quarter of 2013.

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## Income statement for the second quarter of 2014<sup>1</sup>

In CHF millions

	Q2 2014	Q2 2013	Change
Net result from gold	911.8	-13 098.9	+14 010.7
Net result from foreign currency positions	10 876.1	-5 372.9	+16 249.0
Net result from Swiss franc positions	59.6	-70.2	+129.8
Net result, other	1.3	8.9	-7.6
<b>Gross income</b>	<b>11 848.8</b>	<b>-18 533.0</b>	<b>+30 381.8</b>
Banknote expenses	-7.0	-5.5	-1.5
Personnel expenses <sup>2</sup>	-36.5	-64.5	+28.0
General overheads	-24.5	-23.2	-1.3
Depreciation on tangible assets	-9.2	-9.5	+0.3
<b>Interim result</b>	<b>11 771.7</b>	<b>-18 635.7</b>	<b>+30 407.4</b>

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**Balance sheet as at 30 June 2014<sup>1</sup>****Assets**

In CHF millions

	30.06.2014	31.12.2013	Change
Gold holdings	39 108.6	35 565.0	+ 3 543.6
Foreign currency investments	457 215.9	443 274.5	+ 13 941.4
Reserve position in the IMF	2 275.4	2 295.4	- 20.0
International payment instruments	4 275.8	4 293.9	- 18.1
Monetary assistance loans	226.1	244.2	- 18.1
Claims from Swiss franc repo transactions	-	-	-
Swiss franc securities	3 764.0	3 689.9	+ 74.1
Banknote stocks	161.4	156.7	+ 4.7
Tangible assets	422.0	433.1	- 11.1
Participations	134.8	134.4	+ 0.4
Other assets	378.9	294.9	+ 84.0
<b>Total assets</b>	<b>507 962.9</b>	<b>490 382.0</b>	<b>+ 17 580.9</b>

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

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**Liabilities**

In CHF millions

	30.06.2014	31.12.2013	Change
Banknotes in circulation	62 775.0	65 766.4	-2 991.4
Sight deposits of domestic banks	301 978.0	317 131.7	-15 153.7
Liabilities towards the Confederation	16 648.4	10 481.8	+6 166.6
Sight deposits of foreign banks and institutions	15 437.4	11 523.2	+3 914.2
Other sight liabilities	34 084.5	24 773.7	+9 310.8
Liabilities from Swiss franc repo transactions	-	-	-
SNB debt certificates	-	-	-
Foreign currency liabilities	8 251.8	8 074.0	+177.8
Counterpart of SDRs allocated by the IMF	4 521.4	4 510.5	+10.9
Other liabilities	131.4	97.9	+33.5
Operating provisions <sup>1</sup>	2.9	31.0	-28.1
<b>Equity</b>			
Provisions for currency reserves <sup>2</sup>	54 787.0	51 783.6	+3 003.4
Share capital	25.0	25.0	-
Distribution reserve <sup>3</sup>	-6 820.2	5 259.8	-12 080.0
Annual result 2013		-9 076.6	+9 076.6
Interim result	16 140.4		+16 140.4
<b>Total liabilities</b>	<b>507 962.9</b>	<b>490 382.0</b>	<b>+17 580.9</b>

1 With effect from 1 January 2014, the SNB pension fund changed from a defined benefit to a defined contribution system. While the major portion of the associated costs was covered from the pension fund reserves, a one-off provision of CHF 30 million was created for the remaining sum and allocated to the 2013 financial year. The payment of the costs assumed by the SNB is to be made from this provision in 2014 without this affecting the SNB's net income.

2 The allocation to the provisions for currency reserves forms part of the profit appropriation. The increase of CHF 3.0 billion represents the allocation for the 2013 financial year.

3 The distribution reserve only changes once a year, as part of the profit appropriation.

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## Valuation rates

	Year under review			Previous year		Change In percent
	30.06.2014 CHF	31.12.2013 CHF	Change In percent	30.06.2013 CHF	31.12.2012 CHF	
1 EUR	1.2152	1.2268	-0.9	1.2306	1.2074	+ 1.9
1 USD	0.8895	0.8908	-0.1	0.9436	0.9129	+ 3.4
100 JPY	0.8772	0.8489	+ 3.3	0.9529	1.0576	-9.9
1 CAD	0.8329	0.8384	-0.7	0.8980	0.9171	-2.1
1 GBP	1.5171	1.4736	+ 3.0	1.4362	1.4839	-3.2
1 kilogram of gold	37 604.48	34 194.73	+ 10.0	36 168.30	48 815.02	-25.9

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## Notes to the interim results

### Item no. 1: Net result from foreign currency positions

Breakdown by origin in CHF millions

	Q1-Q2 2014	Q1-Q2 2013	Change
Foreign currency investments	12 604.0	5 688.9	+6 915.1
Reserve position in the IMF	7.4	36.6	-29.2
International payment instruments	-0.6	-4.0	+3.4
Monetary assistance loans	0.9	3.6	-2.7
Other foreign currency positions	-	86.6	-86.6
<b>Total</b>	<b>12 611.7</b>	<b>5 811.8</b>	<b>+6 799.9</b>

Breakdown by type in CHF millions

	Q1-Q2 2014	Q1-Q2 2013	Change
Interest income	3 671.3	3 479.9	+191.4
Price gain/loss on interest-bearing paper and instruments	5 011.2	-6 334.6	+11 345.8
Interest expenses	-7.7	-4.9	-2.8
Dividend income	1 099.6	1 018.2	+81.4
Price gain/loss on equity securities and instruments	2 509.0	5 328.6	-2 819.6
Exchange rate gain/loss	336.0	2 330.2	-1 994.2
Asset management, safe custody and other fees	-7.7	-5.5	-2.2
<b>Total</b>	<b>12 611.7</b>	<b>5 811.8</b>	<b>+6 799.9</b>



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

	Q1-Q2 2014	Q1-Q2 2013	Change
Swiss franc securities	141.8	-87.8	+229.6
Liquidity-providing Swiss franc repo transactions	-	-	-
Liquidity-absorbing Swiss franc repo transactions	-	-	-
Other assets	0.0	0.0	+0.0
Liabilities towards the Confederation	-	-	-
SNB debt certificates	-	-	-
Other sight liabilities	-4.6	-3.3	-1.3
<b>Total</b>	<b>137.2</b>	<b>-91.1</b>	<b>+228.3</b>

**Breakdown by type** in CHF millions

	Q1-Q2 2014	Q1-Q2 2013	Change
Interest income	38.2	40.1	-1.9
Price gain/loss on interest-bearing paper and instruments	107.2	-124.7	+231.9
Interest expenses	-4.6	-3.3	-1.3
Trading, safe custody and other fees	-3.6	-3.2	-0.4
<b>Total</b>	<b>137.2</b>	<b>-91.1</b>	<b>+228.3</b>