

Communications

P.O. Box, CH-8022 Zurich
Telephone +41 58 631 00 00
communications@snb.ch

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Interim results of the Swiss National Bank as at 30 September 2015

The Swiss National Bank (SNB) is reporting a loss of CHF 33.9 billion for the first three quarters of 2015.

The loss on foreign currency positions amounted to CHF 31.3 billion. A valuation loss of CHF 3.3 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.

Loss on foreign currency positions

The negative result on foreign currency positions amounted to CHF 31.3 billion in total.

On 15 January 2015, the SNB decided to discontinue the minimum exchange rate of CHF 1.20 per euro with immediate effect. The subsequent appreciation of the Swiss franc led to exchange rate-related losses on all investment currencies. For the first three quarters of 2015, these amounted to a total of CHF 31.4 billion.

Interest income provided a positive contribution, at CHF 5.7 billion, as did dividend income, at CHF 1.7 billion. A loss of CHF 2.8 billion was recorded on interest-bearing paper and instruments. Furthermore, the unfavourable stock market environment led to a loss of CHF 4.4 billion on equity securities and instruments.

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Valuation loss on gold holdings

A valuation loss of CHF 3.3 billion was registered on the gold holdings, whose quantity remained unchanged. Gold was trading at CHF 34,942 per kilogram at end-September 2015 (end-2014: CHF 38,105).

Profit on Swiss franc positions

The profit on Swiss franc positions totalled CHF 931 million. It was essentially made up of CHF 843 million of negative interest charged on sight deposit account balances since 22 January 2015, as well as price gains of CHF 45 million and interest income of CHF 50 million on Swiss franc securities.

Provisions for currency reserves

As at end-September 2015, the SNB recorded a loss of CHF 33.9 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 is required to set aside provisions permitting it to maintain the currency reserves at the level necessary for monetary policy. The allocation for 2015 will be determined at the end of the year.

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Income statement, 1 January – 30 September 2015¹

In CHF millions

| | Item in Notes | Q1–Q3 2015 | Q1–Q3 2014 | Change |
|---|------------------|------------------|-----------------|------------------|
| Net result from gold | | -3 290.1 | 3 328.6 | -6 618.7 |
| Net result from foreign currency positions | 1 | -31 274.0 | 25 242.8 | -56 516.8 |
| Net result from Swiss franc positions | 2 | 931.3 | 185.3 | + 746.0 |
| Net result, other | | 9.8 | 7.7 | + 2.1 |
| Gross income | | -33 622.9 | 28 764.4 | -62 387.3 |
| Banknote expenses | | -26.6 | -19.2 | -7.4 |
| Personnel expenses | | -118.4 | -114.1 | -4.3 |
| General overheads | | -86.1 | -73.5 | -12.6 |
| Depreciation on tangible assets | | -29.2 | -27.9 | -1.3 |
| Interim result | | -33 883.2 | 28 529.8 | -62 413.0 |

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

Press release

Income statement for the third quarter of 2015¹

In CHF millions

| | Q3 2015 | Q3 2014 | Change |
|--|-----------------|-----------------|-----------------|
| Net result from gold | -83.3 | -217.8 | +134.5 |
| Net result from foreign currency positions | 15 975.3 | 12 631.1 | +3 344.2 |
| Net result from Swiss franc positions | 360.2 | 48.1 | +312.1 |
| Net result, other | 7.3 | 5.1 | +2.2 |
| Gross income | 16 259.4 | 12 466.5 | +3 792.9 |
| Banknote expenses | -13.6 | -6.8 | -6.8 |
| Personnel expenses | -39.0 | -37.4 | -1.6 |
| General overheads | -29.0 | -24.0 | -5.0 |
| Depreciation on tangible assets | -9.7 | -8.8 | -0.9 |
| Interim result | 16 168.0 | 12 389.4 | +3 778.6 |

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

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Balance sheet as at 30 September 2015¹**Assets**

In CHF millions

| | 30.09.2015 | 31.12.2014 | Change |
|---|------------------|------------------|------------------|
| Gold holdings | 36 339.5 | 39 629.6 | -3 290.1 |
| Foreign currency investments ² | 566 181.9 | 510 062.4 | +56 119.5 |
| Reserve position in the IMF | 1 625.9 | 2 037.3 | -411.4 |
| International payment instruments | 4 627.1 | 4 413.8 | +213.3 |
| Monetary assistance loans | 190.5 | 213.3 | -22.8 |
| Claims from Swiss franc repo transactions | - | - | - |
| Swiss franc securities | 3 930.5 | 3 978.3 | -47.8 |
| Tangible assets | 397.7 | 417.4 | -19.7 |
| Participations | 136.0 | 133.5 | +2.5 |
| Other assets | 503.7 | 316.2 | +187.5 |
| Total assets | 613 933.0 | 561 201.9 | +52 731.1 |

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

2 Includes, as at end-September 2015, claims arising from repo transactions relating to the management of foreign currency investments amounting to approximately CHF 25 billion (end-2014: approximately CHF 15 billion). The associated liabilities are included in the balance sheet under foreign currency liabilities.

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Liabilities

In CHF millions

| | 30.09.2015 | 31.12.2014 | Change |
|--|------------------|------------------|-------------------|
| Banknotes in circulation | 68 182.0 | 67 595.8 | + 586.2 |
| Sight deposits of domestic banks | 396 263.7 | 328 006.2 | + 68 257.5 |
| Liabilities towards the Confederation | 12 192.4 | 9 046.4 | + 3 146.0 |
| Sight deposits of foreign banks and institutions | 25 701.9 | 17 486.9 | + 8 215.0 |
| Other sight liabilities | 31 981.8 | 33 126.8 | - 1 145.0 |
| Liabilities from Swiss franc repo transactions | - | - | - |
| SNB debt certificates | - | - | - |
| Foreign currency liabilities | 24 575.5 | 14 753.1 | + 9 822.4 |
| Counterpart of SDRs allocated by the IMF | 4 501.7 | 4 727.2 | - 225.5 |
| Other liabilities | 114.2 | 154.8 | - 40.6 |
| Equity | | | |
| Provisions for currency reserves ¹ | 56 759.3 | 54 787.0 | + 1 972.3 |
| Share capital | 25.0 | 25.0 | - |
| Distribution reserve ² | 27 518.8 | - 6 820.2 | + 34 339.0 |
| Annual result 2014 | | 38 312.9 | - 38 312.9 |
| Interim result | - 33 883.2 | | - 33 883.2 |
| Subtotal equity | 50 419.9 | 86 304.6 | - 35 884.7 |
| Total liabilities | 613 933.0 | 561 201.9 | + 52 731.1 |

1 The allocation to the provisions for currency reserves forms part of the profit appropriation. The increase of around CHF 2.0 billion represents the allocation for the 2014 financial year.

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

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Condensed changes in equity

In CHF millions

| | Q1–Q3 2015 | Q1–Q3 2014 |
|--|-----------------|-----------------|
| Equity at beginning of period¹ | 86 304.6 | 47 991.8 |
| Distribution of dividends to shareholders | – 1.5 | – |
| Profit distribution to Confederation and cantons | – 2 000.0 | – |
| Interim result | – 33 883.2 | 28 529.8 |
| Equity at end of period | 50 419.9 | 76 521.6 |

¹ At the beginning of the period, equity is composed of share capital, provisions for currency reserves, the distribution reserve and the annual result.

Condensed cash flow statement

In CHF millions

| | Q1–Q3 2015 | Q1–Q3 2014 |
|--|-------------------|-------------------|
| Cash flow from operating activities | 8 409.7 | 6 907.4 |
| Cash flow from investing activities | – 96 974.3 | – 70 405.7 |
| Cash flow from financing activities | 1 730.6 | – 1 484.8 |
| Net increase (–) / decrease (+) | – 86 834.0 | – 64 983.1 |
| Fund at beginning of period | – 361 095.7 | – 284 969.7 |
| Fund at end of period | – 447 929.7 | – 349 952.8 |
| Net increase (–) / decrease (+) | – 86 834.0 | – 64 983.1 |

The fund is made up of foreign currency sight deposits and call money, both of which form part of foreign currency investments, less Swiss franc sight deposits with the SNB.

The SNB is listed on the Swiss stock exchange (SIX Swiss Exchange) in the Swiss Reporting Standard and applies the generally accepted accounting principles, Swiss GAAP FER. These principles require the publication of a cash flow statement. In view of the SNB's central bank role, this is of limited informative value.

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Appendix

Accounting and valuation principles

The SNB is a special-statute joint-stock company with head offices in Berne and Zurich. These interim results were drawn up in accordance with the entire existing Swiss GAAP FER guidelines (Accounting and Reporting Recommendations) as well as the provisions of the NBA and the Swiss Code of Obligations (CO). They present a true and fair view of the financial position, the cash flows and the results of operations of the SNB.

The structure and designation of the items in the balance sheet and the income statement take into consideration the special character of the business conducted at a central bank.

Compared with the annual financial statements as at 31 December 2014, there were no changes to the accounting and valuation principles.

The SNB interim results as at 30 September 2015 constitute an interim report in accordance with Swiss GAAP FER 31, with condensations in presentation and disclosures.

Swiss GAAP FER 31 requires the presentation of earnings per share. This has no informative value in view of the special statutory provisions for the SNB. Shareholders' rights are determined by the NBA and their dividends, in particular, may not exceed 6% of share capital (with a nominal value of CHF 250 per share, a maximum of CHF 15); the Confederation is entitled to one-third and the cantons to two-thirds of the remaining distributable profit. Therefore, no presentation of earnings per share is made.

Valuation rates

| | Year under review | | | Previous year | | |
|-----------------------|-------------------|-------------------|----------------------|-------------------|-------------------|----------------------|
| | 30.09.2015 CHF | 31.12.2014 CHF | Change In percent | 30.09.2014 CHF | 31.12.2013 CHF | Change In percent |
| 1 EUR | 1.0907 | 1.2024 | -9.3 | 1.2065 | 1.2268 | -1.7 |
| 1 USD | 0.9753 | 0.9923 | -1.7 | 0.9560 | 0.8908 | +7.3 |
| 100 JPY | 0.8122 | 0.8300 | -2.1 | 0.8721 | 0.8489 | +2.7 |
| 1 CAD | 0.7287 | 0.8557 | -14.8 | 0.8549 | 0.8384 | +2.0 |
| 1 GBP | 1.4791 | 1.5459 | -4.3 | 1.5505 | 1.4736 | +5.2 |
| 1 kilogram of gold | 34 941.94 | 38 105.48 | -8.3 | 37 395.09 | 34 194.73 | +9.4 |

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Notes to the balance sheet and income statement

Item no. 1: Net result from foreign currency positions

Breakdown by origin in CHF millions

| | Q1–Q3 2015 | Q1–Q3 2014 | Change |
|-----------------------------------|-------------------|-----------------|-------------------|
| Foreign currency investments | – 31 202.0 | 25 167.8 | – 56 369.8 |
| Reserve position in the IMF | – 96.7 | 75.9 | – 172.6 |
| International payment instruments | 35.6 | – 8.9 | + 44.5 |
| Monetary assistance loans | – 10.9 | 7.9 | – 18.8 |
| Total | – 31 274.0 | 25 242.8 | – 56 516.8 |

Breakdown by type in CHF millions

| | Q1–Q3 2015 | Q1–Q3 2014 | Change |
|---|-------------------|-----------------|-------------------|
| Interest income | 5 683.7 | 5 699.3 | – 15.6 |
| Price gain/loss on interest-bearing paper and instruments | – 2 807.8 | 6 201.5 | – 9 009.3 |
| Interest expenses | – 7.6 | – 14.1 | + 6.5 |
| Dividend income | 1 665.0 | 1 423.4 | + 241.6 |
| Price gain/loss on equity securities and instruments | – 4 383.2 | 2 283.4 | – 6 666.6 |
| Exchange rate gain/loss | – 31 409.3 | 9 660.4 | – 41 069.7 |
| Asset management, safe custody and other fees | – 14.7 | – 11.0 | – 3.7 |
| Total | – 31 274.0 | 25 242.8 | – 56 516.8 |

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

| | Q1–Q3 2015 | Q1–Q3 2014 | Change |
|---|--------------|--------------|---------------|
| Negative interest on sight deposit account balances | 843.4 | – | +843.4 |
| Swiss franc securities | 89.5 | 192.2 | –102.7 |
| Liquidity-providing Swiss franc repo transactions | – | – | – |
| Liquidity-absorbing Swiss franc repo transactions | – | – | – |
| Liabilities towards the Confederation | – | – | – |
| SNB debt certificates | – | – | – |
| Other Swiss franc positions | –1.6 | –6.9 | +5.3 |
| Total | 931.3 | 185.3 | +746.0 |

Breakdown by type in CHF millions

| | Q1–Q3 2015 | Q1–Q3 2014 | Change |
|---|--------------|--------------|---------------|
| Negative interest on sight deposit account balances | 843.4 | – | +843.4 |
| Interest income | 50.3 | 56.7 | –6.4 |
| Price gain/loss on interest-bearing paper and instruments | 44.8 | 140.9 | –96.1 |
| Interest expenses | –1.6 | –6.9 | +5.3 |
| Trading, safe custody and other fees | –5.6 | –5.4 | –0.2 |
| Total | 931.3 | 185.3 | +746.0 |