

**Communications**

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## **Interim results of the Swiss National Bank as at 30 September 2016**

**The Swiss National Bank (SNB) reports a profit of CHF 28.7 billion for the first three quarters of 2016.**

A valuation gain of CHF 7.5 billion was recorded on gold holdings. The profit on foreign currency positions amounted to CHF 20.3 billion.

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 20.3 billion.

Interest income accounted for CHF 6.2 billion and dividends for CHF 2.4 billion. The generally lower interest rate level resulted in price gains of CHF 10.0 billion on interest-bearing paper and instruments. Equity securities and instruments benefited from the favourable stock market environment and contributed CHF 5.1 billion to income. Overall, exchange rate-related losses amounted to CHF 3.4 billion.

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

A valuation gain of CHF 7.5 billion was achieved on gold holdings, which in volume terms have remained unchanged. Gold was trading at CHF 41,275 per kilogram at end-September 2016 (end-2015: CHF 34,103).

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## **Profit on Swiss franc positions**

The profit on Swiss franc positions, which totalled CHF 1.3 billion, essentially comprised CHF 1.1 billion of negative interest charged on sight deposit account balances since 22 January 2015, price gains of CHF 121 million and interest income of CHF 46 million on Swiss franc securities.

## **Provisions for currency reserves**

As at end-September 2016, the SNB recorded a profit of CHF 28.7 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 2016 will be determined at the end of the year.

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**Income statement, 1 January–30 September 2016<sup>1</sup>**

In CHF millions

	Item in Notes	Q1–Q3 2016	Q1–Q3 2015	Change
Net result from gold		7 459.1	–3 290.1	+10 749.2
Net result from foreign currency positions	1	20 272.4	–31 274.0	+51 546.4
Net result from Swiss franc positions	2	1 253.0	931.3	+321.7
Net result, other		12.0	9.8	+2.2
<b>Gross income</b>		<b>28 996.4</b>	<b>–33 622.9</b>	<b>+62 619.3</b>
Banknote expenses		–49.1	–26.6	–22.5
Personnel expenses		–120.7	–118.4	–2.3
General overheads		–92.2	–86.1	–6.1
Depreciation on tangible assets		–24.7	–29.2	+4.5
<b>Interim result</b>		<b>28 709.7</b>	<b>–33 883.2</b>	<b>+62 592.9</b>

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

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## Income statement for the third quarter of 2016<sup>1</sup>

In CHF millions

	Q3 2016	Q3 2015	Change
Net result from gold	-138.3	-83.3	-55.0
Net result from foreign currency positions	7 278.0	15 975.3	-8 697.3
Net result from Swiss franc positions	384.9	360.2	+24.7
Net result, other	-0.3	7.3	-7.6
<b>Gross income</b>	<b>7 524.3</b>	<b>16 259.4</b>	<b>-8 735.1</b>
Banknote expenses	-39.0	-13.6	-25.4
Personnel expenses	-40.0	-39.0	-1.0
General overheads	-27.3	-29.0	+1.7
Depreciation on tangible assets	-8.4	-9.7	+1.3
<b>Interim result</b>	<b>7 409.5</b>	<b>16 168.0</b>	<b>-8 758.5</b>

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

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**Balance sheet as at 30 September 2016<sup>1</sup>****Assets**

In CHF millions

	30.09.2016	31.12.2015	Change
Gold holdings	42 925.7	35 466.7	+ 7 459.0
Foreign currency investments <sup>2</sup>	666 227.5	593 234.1	+ 72 993.4
Reserve position in the IMF	1 329.1	1 608.4	- 279.3
International payment instruments	4 410.8	4 707.3	- 296.5
Monetary assistance loans	133.8	169.9	- 36.1
Claims from Swiss franc repo transactions	-	-	-
Swiss franc securities	4 065.2	3 972.4	+ 92.8
Tangible assets	382.2	396.7	- 14.5
Participations	137.2	135.5	+ 1.7
Other assets	660.5	460.8	+ 199.7
<b>Total assets</b>	<b>720 272.0</b>	<b>640 151.8</b>	<b>+ 80 120.2</b>

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

2 Includes, as at end-September 2016, cash received from repo transactions relating to the management of foreign currency investments amounting to CHF 35.8 billion (end-2015: CHF 32.5 billion). The associated liabilities are included in the balance sheet under foreign currency liabilities and result in an increase in the balance sheet total.

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**Liabilities**

In CHF millions

	30.09.2016	31.12.2015	Change
Banknotes in circulation	72 682.8	72 881.9	- 199.1
Sight deposits of domestic banks	453 455.7	402 316.5	+ 51 139.2
Liabilities towards the Confederation	12 513.4	10 930.9	+ 1 582.5
Sight deposits of foreign banks and institutions	19 982.2	25 621.4	- 5 639.2
Other sight liabilities	32 307.2	30 165.5	+ 2 141.7
Liabilities from Swiss franc repo transactions	-	-	-
SNB debt certificates	-	-	-
Foreign currency liabilities	35 828.7	32 521.4	+ 3 307.3
Counterpart of SDRs allocated by the IMF	4 453.6	4 547.7	- 94.1
Other liabilities	287.6	113.9	+ 173.7
<b>Equity</b>			
Provisions for currency reserves <sup>1</sup>	58 121.5	56 759.3	+ 1 362.2
Share capital	25.0	25.0	-
Distribution reserve <sup>2</sup>	1 904.5	27 518.8	- 25 614.3
Annual result 2015		- 23 250.6	+ 23 250.6
Interim result	28 709.7		+ 28 709.7
<b>Total equity</b>	<b>88 760.7</b>	<b>61 052.5</b>	<b>+ 27 708.2</b>
<b>Total liabilities</b>	<b>720 272.0</b>	<b>640 151.8</b>	<b>+ 80 120.2</b>

1 The allocation to the provisions for currency reserves forms part of the profit appropriation. The increase of around CHF 1.4 billion represents the allocation for the 2015 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 2016	Q1–Q3 2015
<b>Equity at beginning of period<sup>1</sup></b>	<b>61 052.5</b>	<b>86 304.6</b>
Distribution of dividends to shareholders	– 1.5	– 1.5
Profit distribution to Confederation and cantons	– 1 000.0	– 2 000.0
Interim result	28 709.7	– 33 883.2
<b>Equity at end of period</b>	<b>88 760.7</b>	<b>50 419.9</b>

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

## Valuation rates

	Year under review			Previous year		
	30.09.2016 CHF	31.12.2015 CHF	Change In percent	30.09.2015 CHF	31.12.2014 CHF	Change In percent
1 EUR	1.0885	1.0861	+0.2	1.0907	1.2024	– 9.3
1 USD	0.9704	0.9981	– 2.8	0.9753	0.9923	– 1.7
100 JPY	0.9590	0.8297	+15.6	0.8122	0.8300	– 2.1
1 GBP	1.2604	1.4771	– 14.7	1.4791	1.5459	– 4.3
1 CAD	0.7399	0.7197	+2.8	0.7287	0.8557	– 14.8
1 kilogram of gold	41 274.82	34 102.64	+21.0	34 941.94	38 105.48	– 8.3

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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 have been drawn up in accordance with the provisions of the NBA and the Swiss Code of Obligations (CO) as well as the accounting principles detailed in the notes to the annual financial statements as at 31 December 2015. These results present a true and fair view of the financial position and the results of operations of the SNB. Unless otherwise stated, the accounting principles are based on the Swiss GAAP FER standards (Accounting and Reporting Recommendations). Departures from Swiss GAAP FER occur only if an accounting principle runs counter to the provisions of the NBA or if the special nature of the SNB needs to be taken into account. In a departure from Swiss GAAP FER, no cash flow statement has been prepared. 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 2015, there were no changes to the accounting and valuation principles.

The SNB interim results as at 30 September 2016 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.



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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 2016	Q1–Q3 2015	Change
Foreign currency investments	20 324.5	– 31 202.0	+ 51 526.5
Reserve position in the IMF	– 49.8	– 96.7	+ 46.9
International payment instruments	0.5	35.6	– 35.1
Monetary assistance loans	– 2.8	– 10.9	+ 8.1
<b>Total</b>	<b>20 272.4</b>	<b>– 31 274.0</b>	<b>+ 51 546.4</b>

Breakdown by type in CHF millions

	Q1–Q3 2016	Q1–Q3 2015	Change
Interest income	6 221.1	5 683.7	+ 537.4
Price gain/loss on interest-bearing paper and instruments	9 999.3	– 2 807.8	+ 12 807.1
Interest expenses	24.1	– 7.6	+ 31.7
Dividend income	2 362.1	1 665.0	+ 697.1
Price gain/loss on equity securities and instruments	5 050.3	– 4 383.2	+ 9 433.5
Exchange rate gain/loss	– 3 364.6	– 31 409.3	+ 28 044.7
Asset management, safe custody and other fees	– 20.1	– 14.7	– 5.4
<b>Total</b>	<b>20 272.4</b>	<b>– 31 274.0</b>	<b>+ 51 546.4</b>

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

	Q1–Q3 2016	Q1–Q3 2015	Change
Negative interest on sight deposit account balances	1 093.7	843.4	+ 250.3
Swiss franc securities	160.2	89.5	+ 70.7
Liquidity-providing Swiss franc repo transactions	–	–	–
Liquidity-absorbing Swiss franc repo transactions	–	–	–
Liabilities towards the Confederation	–	–	–
SNB debt certificates	–	–	–
Other Swiss franc positions	– 1.0	– 1.6	+ 0.6
<b>Total</b>	<b>1 253.0</b>	<b>931.3</b>	<b>+ 321.7</b>

**Breakdown by type** in CHF millions

	Q1–Q3 2016	Q1–Q3 2015	Change
Negative interest on sight deposit account balances	1 093.7	843.4	+ 250.3
Interest income	46.1	50.3	– 4.2
Price gain/loss on interest-bearing paper and instruments	120.7	44.8	+ 75.9
Interest expenses	– 1.0	– 1.6	+ 0.6
Trading, safe custody and other fees	– 6.6	– 5.6	– 1.0
<b>Total</b>	<b>1 253.0</b>	<b>931.3</b>	<b>+ 321.7</b>