

**Communications**

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## Annual result of the Swiss National Bank for 2016

**The Swiss National Bank (SNB) reports a profit of CHF 24.5 billion for the year 2016 (2015: loss of CHF 23.3 billion).**

The profit on foreign currency positions amounted to CHF 19.4 billion. A valuation gain of CHF 3.9 billion was recorded on gold holdings. The profit on Swiss franc positions was CHF 1.6 billion.

For the financial year just ended, the SNB has set the allocation to the provisions for currency reserves at CHF 4.6 billion. After taking into account the distribution reserve of CHF 1.9 billion, net profit comes to CHF 21.7 billion. This will allow a dividend payment of CHF 15 per share, which corresponds to the legally stipulated maximum amount, as well as a profit distribution to the Confederation and the cantons of CHF 1 billion. The Confederation and the cantons are also entitled to a supplementary distribution of a maximum of CHF 1 billion if the distribution reserve after appropriation of profit exceeds CHF 20 billion. The net profit for 2016 allows a supplementary distribution of CHF 0.7 billion. One-third of the total distribution is allocated to the Confederation and two-thirds to the cantons. After these payments, the distribution reserve will amount to CHF 20 billion.

### Profit on foreign currency positions

The profit on foreign currency positions was CHF 19.4 billion (2015: loss of CHF 19.9 billion).

Interest income amounted to CHF 8.3 billion and dividend income to CHF 3.0 billion. Price gains of CHF 1.1 billion were recorded on interest-bearing paper and instruments. Equity securities and instruments benefited from the favourable stock market environment and contributed CHF 8.6 billion to the net result. Overall, exchange rate-related losses amounted to CHF 1.7 billion.

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## Valuation gain on gold holdings

At CHF 37,885 per kilogram, the price of gold was 11% higher than at the end of 2015 (CHF 34,103). This gave rise to a valuation gain of CHF 3.9 billion on the unchanged holdings of 1,040 tonnes of gold (2015: loss of CHF 4.2 billion).

## Profit on Swiss franc positions

The profit on Swiss franc positions, which amounted to CHF 1.6 billion (2015: CHF 1.2 billion), essentially comprised CHF 1.5 billion arising from the negative interest on sight deposit account balances which has been charged for the first full calendar year since its introduction on 22 January 2015.

## Provisions for currency reserves

In its annual review, the SNB decided to amend the rule governing the allocation to the provisions for currency reserves, given the high market risks present in its balance sheet. This amendment will be applied for the first time in the 2016 financial year. The percentage increase in provisions will continue to be calculated on the basis of double the average nominal GDP growth rate for the previous five years. However, a minimum annual allocation of 8% of the provisions at the end of the previous year will now also apply. This is aimed at ensuring that sufficient allocations are made to the provisions and the balance sheet is further strengthened even in periods of low nominal GDP growth.

Since nominal GDP growth over the last five years has averaged just 1.9%, the minimum rate of 8% will be applied for the 2016 financial year. This corresponds to an allocation of CHF 4.6 billion (2015: CHF 1.4 billion). As a result, the provisions for currency reserves will grow from CHF 58.1 billion to CHF 62.8 billion.

Press release

## Income statement for 2016

In CHF millions

	Item no. in Notes	2016	2015	Change
Net result from gold		3 933.7	-4 162.9	+ 8 096.6
Net result from foreign currency positions	1	19 365.8	- 19 943.0	+ 39 308.8
Net result from Swiss franc positions	2	1 567.5	1 245.0	+ 322.5
Net result, other		13.6	11.6	+ 2.0
<b>Gross income</b>		<b>24 880.6</b>	<b>-22 849.3</b>	<b>+47 729.9</b>
Banknote expenses		-74.2	-86.9	+ 12.7
Personnel expenses		-160.6	-157.7	-2.9
General overheads		-130.6	-117.6	-13.0
Depreciation on tangible assets		-38.8	-39.0	+ 0.2
<b>Annual result</b>		<b>24 476.4</b>	<b>-23 250.6</b>	<b>+47 727.0</b>

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## Appropriation of profit for 2016

In CHF millions

	2016	2015	Change
<b>Annual result</b>	<b>24 476.4</b>	<b>-23 250.6</b>	<b>+47 727.0</b>
- Allocation to provisions for currency reserves	-4 649.7	-1 362.2	-3 287.5
<b>= Distributable annual result</b>	<b>19 826.7</b>	<b>-24 612.8</b>	<b>+44 439.5</b>
+ Profit carried forward (distribution reserve before appropriation of profit)	1 904.5	27 518.8	-25 614.3
<b>= Net profit</b>	<b>21 731.2</b>	<b>2 906.0</b>	<b>+18 825.2</b>
- Payment of a dividend of 6%	-1.5	-1.5	-
- Profit distribution to Confederation and cantons <sup>1</sup>	-1 729.7	-1 000.0	-729.7
<b>= Balance carried forward to following year's financial statements (distribution reserve after appropriation of profit)</b>	<b>20 000.0</b>	<b>1 904.5</b>	<b>+18 095.5</b>

<sup>1</sup> Profit distribution agreement of 9 November 2016 between the Federal Department of Finance and the Swiss National Bank.

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## Balance sheet as at 31 December 2016

### Assets

In CHF millions

	31.12.2016	31.12.2015	Change
Gold holdings	39 400.3	35 466.7	+ 3 933.6
Foreign currency investments <sup>1</sup>	696 104.2	593 234.1	+ 102 870.1
Reserve position in the IMF	1 341.2	1 608.4	- 267.2
International payment instruments	4 406.2	4 707.3	- 301.1
Monetary assistance loans	155.4	169.9	- 14.5
Claims from Swiss franc repo transactions	-	-	-
Swiss franc securities	3 997.6	3 972.4	+ 25.2
Tangible assets	375.1	396.7	- 21.6
Participations	137.2	135.5	+ 1.7
Other assets	584.8	460.8	+ 124.0
<b>Total assets</b>	<b>746 502.0</b>	<b>640 151.8</b>	<b>+ 106 350.2</b>

<sup>1</sup> Includes, as at end-December 2016, cash received from repo transactions relating to the management of foreign currency investments amounting to CHF 49.1 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

	31.12.2016	31.12.2015	Change
Banknotes in circulation	78 084.4	72 881.9	+ 5 202.5
Sight deposits of domestic banks	468 199.2	402 316.5	+ 65 882.7
Liabilities towards the Confederation	7 229.7	10 930.9	- 3 701.2
Sight deposits of foreign banks and institutions	24 585.0	25 621.4	- 1 036.4
Other sight liabilities	30 035.6	30 165.5	- 129.9
Liabilities from Swiss franc repo transactions	-	-	-
SNB debt certificates	-	-	-
Foreign currency liabilities	49 096.3	32 521.4	+ 16 574.9
Counterpart of SDRs allocated by the IMF	4 492.8	4 547.7	- 54.9
Other liabilities	251.6	113.9	+ 137.7
<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>1</sup>	1 904.5	27 518.8	- 25 614.3
Annual result	24 476.4	- 23 250.6	+ 47 727.0
<b>Total equity</b>	<b>84 527.4</b>	<b>61 052.5</b>	<b>23 474.9</b>
<b>Total liabilities</b>	<b>746 502.0</b>	<b>640 151.8</b>	<b>+ 106 350.2</b>

1 Before appropriation of profit.

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## Valuation rates

	Year under review			Previous year		Change In percent
	31.12.2016 CHF	31.12.2015 CHF	Change In percent	31.12.2015 CHF	31.12.2014 CHF	
1 EUR	1.0723	1.0861	-1.3	1.0861	1.2024	-9.7
1 USD	1.0164	0.9981	+1.8	0.9981	0.9923	+0.6
100 JPY	0.8707	0.8297	+4.9	0.8297	0.8300	0.0
1 GBP	1.2587	1.4771	-14.8	1.4771	1.5459	-4.5
1 CAD	0.7564	0.7197	+5.1	0.7197	0.8557	-15.9
1 kilogram of gold	37 884.60	34 102.64	+11.1	34 102.64	38 105.48	-10.5

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## Notes to the annual financial statements

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

Breakdown by origin in CHF millions

	2016	2015	Change
Foreign currency investments	19 404.9	- 19 882.0	+ 39 286.9
Reserve position in the IMF	- 37.5	- 89.4	+ 51.9
International payment instruments	0.1	37.2	- 37.1
Monetary assistance loans	- 1.6	- 8.8	+ 7.2
<b>Total</b>	<b>19 365.8</b>	<b>- 19 943.0</b>	<b>+ 39 308.8</b>

Breakdown by type in CHF millions

	2016	2015	Change
Interest income	8 311.6	7 817.9	+ 493.7
Price gain/loss on interest-bearing paper and instruments	1 084.0	- 5 108.8	+ 6 192.8
Interest expenses	66.9	- 9.3	+ 76.2
Dividend income	2 992.6	2 176.5	+ 816.1
Price gain/loss on equity securities and instruments	8 613.3	1 621.0	+ 6 992.3
Exchange rate gain/loss	- 1 675.9	- 26 419.9	+ 24 744.0
Asset management, safe custody and other fees	- 26.6	- 20.3	- 6.3
<b>Total</b>	<b>19 365.8</b>	<b>- 19 943.0</b>	<b>+ 39 308.8</b>



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

	2016	2015	Change
Negative interest on sight deposit account balances	1 523.2	1 163.9	+ 359.3
Swiss franc securities	45.5	83.4	- 37.9
Liquidity-providing Swiss franc repo transactions	-	-	-
Liquidity-absorbing Swiss franc repo transactions	-	-	-
Liabilities towards the Confederation	-	-	-
SNB debt certificates	-	-	-
Other Swiss franc positions	- 1.2	- 2.3	+ 1.1
<b>Total</b>	<b>1 567.5</b>	<b>1 245.0</b>	<b>+ 322.5</b>

**Breakdown by type** in CHF millions

	2016	2015	Change
Negative interest on sight deposit account balances	1 523.2	1 163.9	+ 359.3
Interest income	60.6	66.5	- 5.9
Price gain/loss on interest-bearing paper and instruments	- 6.1	24.4	- 30.5
Interest expenses	- 1.2	- 2.3	+ 1.1
Trading, safe custody and other fees	- 8.9	- 7.6	- 1.3
<b>Total</b>	<b>1 567.5</b>	<b>1 245.0</b>	<b>+ 322.5</b>