

Communications

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Interim results of the Swiss National Bank as at 31 March 2017

The Swiss National Bank (SNB) reports a profit of CHF 7.9 billion for the first quarter of 2017.

A valuation gain of CHF 2.2 billion was recorded on gold holdings. The profit on foreign currency positions amounted to CHF 5.3 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 5.3 billion.

Interest income accounted for CHF 2.1 billion and dividends for CHF 0.6 billion. Movements in bond prices differed from those in share prices. A loss of CHF 1.6 billion was recorded on interest-bearing paper and instruments. By contrast, equity securities and instruments benefited from the favourable stock market environment and contributed CHF 6.3 billion to the net result. Overall, exchange rate-related losses amounted to CHF 2.2 billion.

Valuation gain on gold holdings

A valuation gain of CHF 2.2 billion was achieved on gold holdings, which were unchanged in volume terms. Gold was trading at CHF 40,045 per kilogram at end-March 2017 (end-2016: CHF 37,885).

Press release

Profit on Swiss franc positions

The profit on Swiss franc positions, which totalled CHF 0.5 billion, essentially resulted from the negative interest on sight deposit account balances.

Provisions for currency reserves

As at end-March 2017, the SNB recorded a profit of CHF 7.9 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 2017 will be determined at the end of the year.

Press release

Income statement, 1 January–31 March 2017¹

In CHF millions

	Item in Notes	Q1 2017	Q1 2016	Change
Net result from gold		2 247.3	4 147.6	-1 900.3
Net result from foreign currency positions	1	5 266.2	1 190.4	+4 075.8
Net result from Swiss franc positions	2	469.8	439.2	+30.6
Net result, other		2.5	3.7	-1.2
Gross income		7 985.8	5 780.9	+2 204.9
Banknote expenses		-7.6	-0.2	-7.4
Personnel expenses		-43.1	-41.9	-1.2
General overheads		-31.2	-37.7	+6.5
Depreciation on tangible assets		-7.5	-8.0	+0.5
Interim result		7 896.4	5 693.1	+2 203.3

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

Press release

Balance sheet as at 31 March 2017¹**Assets**

In CHF millions

	31.03.2017	31.12.2016	Change
Gold holdings	41 647.6	39 400.3	+ 2 247.3
Foreign currency investments ²	710 532.1	696 104.2	+ 14 427.9
Reserve position in the IMF	1 290.9	1 341.2	- 50.3
International payment instruments	4 359.5	4 406.2	- 46.7
Monetary assistance loans	249.5	155.4	+ 94.1
Claims from Swiss franc repo transactions	-	-	-
Swiss franc securities	3 999.3	3 997.6	+ 1.7
Tangible assets	368.4	375.1	- 6.7
Participations	139.1	137.2	+ 1.9
Other assets	629.6	584.8	+ 44.8
Total assets	763 216.2	746 502.0	+ 16 714.2

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

2 Includes, as at end-March 2017, cash received from repo transactions relating to the management of foreign currency investments amounting to CHF 26.6 billion (end-2016: CHF 49.1 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

	31.03.2017	31.12.2016	Change
Banknotes in circulation	76 194.5	78 084.4	-1 889.9
Sight deposits of domestic banks	473 160.2	468 199.2	+4 961.0
Liabilities towards the Confederation	12 431.6	7 229.7	+5 201.9
Sight deposits of foreign banks and institutions	46 921.7	24 585.0	+22 336.7
Other sight liabilities	30 836.3	30 035.6	+800.7
Liabilities from Swiss franc repo transactions	-	-	-
SNB debt certificates	-	-	-
Foreign currency liabilities	26 605.3	49 096.3	-22 491.0
Counterpart of SDRs allocated by the IMF	4 463.5	4 492.8	-29.3
Other liabilities	179.3	251.6	-72.3
Equity			
Provisions for currency reserves ^{1,2}	58 121.5	58 121.5	-
Share capital	25.0	25.0	-
Distribution reserve ^{1,3}	1 904.5	1 904.5	-
Annual result 2016	24 476.4	24 476.4	-
Interim result	7 896.4		+7 896.4
Total equity	92 423.8	84 527.4	+7 896.4
Total liabilities	763 216.2	746 502.0	+16 714.2

1 Before appropriation of profit (cf. *Annual Report 2016*, p. 160).

2 The allocation to the provisions for currency reserves forms part of the profit appropriation, which is performed after the General Meeting of Shareholders on 28 April 2017. For 2016, it amounts to CHF 4.6 billion.

3 The distribution reserve only changes once a year, as part of the profit appropriation. After the profit appropriation for 2016, it will amount to CHF 20.0 billion.

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Condensed changes in equity

In CHF millions

	Q1 2017	Q1 2016
Equity at beginning of period¹	84 527.4	61 052.5
Distribution of dividends to shareholders	–	–
Profit distribution to Confederation and cantons	–	–
Interim result	7 896.4	5 693.1
Equity at end of period	92 423.8	66 745.6

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

Valuation rates

	Year under review			Previous year		
	31.03.2017 CHF	31.12.2016 CHF	Change In percent	31.03.2016 CHF	31.12.2015 CHF	Change In percent
1 EUR	1.0691	1.0723	–0.3	1.0931	1.0861	+0.6
1 USD	1.0005	1.0164	–1.6	0.9584	0.9981	–4.0
100 JPY	0.8960	0.8707	+2.9	0.8540	0.8297	+2.9
1 GBP	1.2477	1.2587	–0.9	1.3767	1.4771	–6.8
1 CAD	0.7523	0.7564	–0.5	0.7435	0.7197	+3.3
1 kilogram of gold	40 045.44	37 884.60	+5.7	38 090.75	34 102.64	+11.7

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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 2016. 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 2016, there were no changes to the accounting and valuation principles.

The SNB interim results as at 31 March 2017 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 2017	Q1 2016	Change
Foreign currency investments	5 274.5	1 258.1	+ 4 016.4
Reserve position in the IMF	- 7.7	- 54.6	+ 46.9
International payment instruments	0.6	- 9.2	+ 9.8
Monetary assistance loans	- 1.2	- 3.8	+ 2.6
Total	5 266.2	1 190.4	+ 4 075.8

Breakdown by type in CHF millions

	Q1 2017	Q1 2016	Change
Interest income	2 081.8	2 063.9	+ 17.9
Price gain/loss on interest-bearing paper and instruments	- 1 586.8	6 202.0	- 7 788.8
Interest expenses	42.9	- 0.8	+ 43.7
Dividend income	607.7	523.8	+ 83.9
Price gain/loss on equity securities and instruments	6 309.3	- 650.6	+ 6 959.9
Exchange rate gain/loss	- 2 180.4	- 6 940.8	+ 4 760.4
Asset management, safe custody and other fees	- 8.3	- 7.1	- 1.2
Total	5 266.2	1 190.4	+ 4 075.8

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

	Q1 2017	Q1 2016	Change
Negative interest on sight deposit account balances	466.4	333.2	+ 133.2
Swiss franc securities	3.9	106.3	- 102.4
Liquidity-providing Swiss franc repo transactions	-	-	-
Liquidity-absorbing Swiss franc repo transactions	-	-	-
Liabilities towards the Confederation	-	-	-
SNB debt certificates	-	-	-
Other Swiss franc positions	-0.5	-0.4	-0.1
Total	469.8	439.2	+ 30.6

Breakdown by type in CHF millions

	Q1 2017	Q1 2016	Change
Negative interest on sight deposit account balances	466.4	333.2	+ 133.2
Interest income	14.1	15.9	- 1.8
Price gain/loss on interest-bearing paper and instruments	-7.7	92.5	- 100.2
Interest expenses	-0.5	-0.4	-0.1
Trading, safe custody and other fees	-2.5	-2.1	-0.4
Total	469.8	439.2	+ 30.6