

Communications

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Interim results of the Swiss National Bank as at 31 March 2019

The Swiss National Bank reports a profit of CHF 30.7 billion for the first quarter of 2019.

The profit on foreign currency positions amounted to CHF 29.3 billion. A valuation gain of CHF 0.9 billion was recorded on gold holdings. The profit on Swiss franc positions was CHF 0.6 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 profit on foreign currency positions amounted to CHF 29.3 billion.

Interest and dividend income totalled CHF 2.4 billion and CHF 0.7 billion respectively. A gain of CHF 6.9 billion was recorded on interest-bearing paper and instruments. Furthermore, the favourable stock market environment led to a gain of CHF 17.4 billion on equity securities and instruments. Exchange rate-related gains totalled CHF 1.9 billion.

Valuation gain on gold holdings

A valuation gain of CHF 0.9 billion was recorded on gold holdings, which remained unchanged in volume terms. Gold was trading at CHF 41,459 per kilogram at end-March 2019 (end-2018: CHF 40,612).

Press release

Profit on Swiss franc positions

The profit on Swiss franc positions, which totalled CHF 0.6 billion, largely resulted from negative interest charged on sight deposit account balances.

Provisions for currency reserves

As at the end of March 2019, the SNB recorded a profit of CHF 30.7 billion before 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 2019 will be determined at the end of the year.

Press release

Income statement, 1 January–31 March 2019¹

In CHF millions

	Item no. in Notes	Q1 2019	Q1 2018	Change
Net result from gold		880.5	-224.6	+1 105.1
Net result from foreign currency positions	1	29 335.4	-7 005.9	+36 341.3
Net result from Swiss franc positions	2	586.6	480.8	+105.8
Net result, other		-8.5	-7.2	-1.3
Gross income		30 794.0	-6 757.0	+37 551.0
Banknote expenses		0.0	-8.9	+8.9
Personnel expenses		-45.1	-43.9	-1.2
General overheads		-37.4	-30.9	-6.5
Depreciation on tangible assets		-7.4	-6.7	-0.7
Interim result		30 704.1	-6 847.4	+37 551.5

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

Press release

Balance sheet as at 31 March 2019¹**Assets**

In CHF millions

	31.03.2019	31.12.2018	Change
Gold holdings	43 117.8	42 237.3	+ 880.5
Foreign currency investments ²	767 715.0	763 727.9	+ 3 987.1
Reserve position in the IMF	1 180.1	1 188.4	- 8.3
International payment instruments	4 501.8	4 440.6	+ 61.2
Monetary assistance loans	257.1	260.3	- 3.2
Claims from Swiss franc repo transactions	-	-	-
Swiss franc securities	4 038.2	3 977.1	+ 61.1
Tangible assets	431.4	435.5	- 4.1
Participations	156.8	151.0	+ 5.8
Other assets	892.1	650.7	+ 241.4
Total assets	822 290.4	817 068.8	+ 5 221.6

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

2 Includes, as at end-March 2019, cash received from repo transactions relating to the management of foreign currency investments amounting to CHF 9.4 billion (end-2018: CHF 34.8 billion). The associated liabilities are included in the balance sheet under foreign currency liabilities and result in an increase in the balance sheet total.

Press release

Liabilities

In CHF millions

	31.03.2019	31.12.2018	Change
Banknotes in circulation	79 988.2	82 238.8	-2 250.6
Sight deposits of domestic banks	481 580.2	480 634.3	+ 945.9
Liabilities towards the Confederation	18 521.7	15 612.6	+ 2 909.1
Sight deposits of foreign banks and institutions	41 359.9	37 101.7	+ 4 258.2
Other sight liabilities	35 622.6	41 478.6	- 5 856.0
Liabilities from Swiss franc repo transactions	-	-	-
SNB debt certificates	-	-	-
Foreign currency liabilities	9 415.5	34 811.8	- 25 396.3
Counterpart of SDRs allocated by the IMF	4 545.9	4 486.5	+ 59.4
Other liabilities	320.1	472.2	- 152.1
Total equity	150 936.4	120 232.3	+ 30 704.1
Total liabilities	822 290.4	817 068.8	+ 5 221.6

Equity

Provisions for currency reserves ^{1, 2}	67 792.9	67 792.9	-
Share capital	25.0	25.0	-
Distribution reserve ^{1, 3}	67 348.4	67 348.4	-
Annual result 2018	- 14 934.0	- 14 934.0	-
Interim result	30 704.1		+ 30 704.1
Total equity	150 936.4	120 232.3	+ 30 704.1
Total liabilities	822 290.4	817 068.8	+ 5 221.6

1 Before appropriation of profit (cf. *Annual Report 2018*, p. 166).

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 26 April 2019. For 2018, it amounts to CHF 5.4 billion.

3 The distribution reserve only changes once a year, as part of the profit appropriation. After the profit appropriation for 2018, it will amount to CHF 45.0 billion.

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Condensed changes in equity

In CHF millions

	Q1 2019	Q1 2018
Equity at beginning of period¹	120 232.3	137 167.8
Distribution of dividends to shareholders ²	–	–
Profit distribution to Confederation and cantons ²	–	–
Interim result	30 704.1	–6 847.4
Equity at end of period	150 936.4	130 320.4

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

2 Dividend and profit distribution take place in the second quarter.

Valuation rates

	Year under review			Previous year		
	31.03.2019 CHF	31.12.2018 CHF	Change In percent	31.03.2018 CHF	31.12.2017 CHF	Change In percent
1 EUR	1.1178	1.1283	–0.9	1.1774	1.1711	+0.5
1 USD	0.9957	0.9868	+0.9	0.9553	0.9765	–2.2
100 JPY	0.8983	0.8969	+0.2	0.8984	0.8678	+3.5
1 GBP	1.2944	1.2630	+2.5	1.3432	1.3205	+1.7
1 CAD	0.7453	0.7232	+3.1	0.7398	0.7775	–4.8
1 kilogram of gold	41 459.06	40 612.43	+2.1	40 643.31	40 859.28	–0.5

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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 2018. 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 2018, there were no changes to the accounting and valuation principles.

The SNB interim results as at 31 March 2019 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 2019	Q1 2018	Change
Foreign currency investments	29 313.2	-7 006.8	+36 320.0
Reserve position in the IMF	18.1	0.4	+17.7
International payment instruments	-0.8	1.6	-2.4
Monetary assistance loans	4.8	-1.1	+5.9
Total	29 335.4	-7 005.9	+36 341.3

Breakdown by type in CHF millions

	Q1 2019	Q1 2018	Change
Interest income	2 395.5	2 380.5	+15.0
Price gain/loss on interest-bearing paper and instruments	6 893.0	-3 905.9	+10 798.9
Interest expenses	-35.7	18.5	-54.2
Dividend income	746.7	618.7	+128.0
Price gain/loss on equity securities and instruments	17 436.5	-3 269.4	+20 705.9
Exchange rate gain/loss	1 910.7	-2 835.7	+4 746.4
Asset management, safe custody and other fees	-11.3	-12.5	+1.2
Total	29 335.4	-7 005.9	+36 341.3

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

	Q1 2019	Q1 2018	Change
Negative interest on sight deposit account balances	512.7	517.6	-4.9
Swiss franc securities	74.4	-36.4	+110.8
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	-0.5	-
Total	586.6	480.8	+105.8

Breakdown by type in CHF millions

	Q1 2019	Q1 2018	Change
Negative interest on sight deposit account balances	512.7	517.6	-4.9
Interest income	11.8	12.9	-1.1
Price gain/loss on interest-bearing paper and instruments	64.4	-46.8	+111.2
Interest expenses	-0.5	-0.5	-
Trading, safe custody and other fees	-1.8	-2.5	+0.7
Total	586.6	480.8	+105.8