

Communications

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Zurich, 2 March 2020

Annual result of the Swiss National Bank for 2019

The Swiss National Bank reports a profit of CHF 48.9 billion for the year 2019 (2018: loss of CHF 14.9 billion).

The profit on foreign currency positions amounted to CHF 40.3 billion. A valuation gain of CHF 6.9 billion was recorded on gold holdings. The profit on Swiss franc positions was CHF 2.1 billion.

For the financial year just ended, the SNB has set the allocation to the provisions for currency reserves at CHF 5.9 billion. After taking into account the distribution reserve of CHF 45.0 billion, the net profit comes to CHF 88.0 billion. This will allow a dividend payment of CHF 15 per share, which corresponds to the legally stipulated maximum amount. In accordance with the agreement between the Federal Department of Finance (FDF) and the SNB for the financial years 2016 to 2020, the Confederation and the cantons are entitled to a profit distribution of CHF 1 billion. As the distribution reserve after appropriation of profit exceeds CHF 20 billion, a supplementary distribution of CHF 1 billion will also be paid in accordance with the agreement. In view of the high level of the distribution reserve, the SNB concluded a supplementary agreement with the FDF for the 2019 and 2020 financial years in February 2020. This provides for the distribution of an additional CHF 2 billion for the year 2019. The amount to be distributed thus totals CHF 4 billion. One-third goes to the Confederation and two-thirds to the cantons. After these payments, the distribution reserve will stand at CHF 84.0 billion.

Press release

Profit on foreign currency positions

The profit on foreign currency positions was CHF 40.3 billion (2018: loss of CHF 16.3 billion).

Interest and dividend income totalled CHF 9.2 billion and CHF 3.7 billion respectively. A gain of CHF 12.7 billion was recorded on interest-bearing paper and instruments. Furthermore, the favourable stock market environment led to a gain of CHF 32.9 billion on equity securities and instruments. Exchange rate-related losses totalled CHF 18.1 billion.

Valuation gain on gold holdings

At the end of 2019, the price of gold stood at CHF 47,222 per kilogram, 16.3% higher than at the end of 2018 (CHF 40,612). This gave rise to a valuation gain of CHF 6.9 billion on the unchanged holdings of 1,040 tonnes of gold (2018: valuation loss of CHF 0.3 billion).

Profit on Swiss franc positions

The profit on Swiss franc positions totalled CHF 2.1 billion (2018: CHF 2.0 billion). It largely resulted from negative interest charged on sight deposit account balances.

Provisions for currency reserves

Given the high market risks present in the SNB balance sheet, the percentage increase in provisions is generally calculated on the basis of double the average nominal GDP growth rate for the previous five years. In addition, a minimum annual allocation of 8% of the provisions at the end of the previous year has applied since 2016. 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 1.3%, the minimum allocation of 8% will be applied for the 2019 financial year. This corresponds to CHF 5.9 billion (2018: CHF 5.4 billion). As a result, the provisions for currency reserves will grow from CHF 73.2 billion to CHF 79.1 billion.

Press release

Income statement for 2019

In CHF millions

	Item no. in Notes	2019	2018	Change
Net result from gold		6 873.5	-256.7	+7 130.2
Net result from foreign currency positions	1	40 333.6	-16 337.5	+56 671.1
Net result from Swiss franc positions	2	2 058.8	2 046.2	+12.6
Net result, other		-18.6	-4.8	-13.8
Gross income		49 247.3	-14 552.7	+63 800.0
Banknote expenses		-63.8	-56.8	-7.0
Personnel expenses		-177.1	-174.5	-2.6
General overheads		-121.4	-122.9	+1.5
Depreciation on tangible assets		-33.3	-27.1	-6.2
Annual result		48 851.7	-14 934.0	+63 785.7

Press release

Appropriation of profit for 2019

In CHF millions

	2019	2018	Change
Annual result	48 851.7	-14 934.0	+63 785.7
- Allocation to provisions for currency reserves	-5 857.3	-5 423.4	-433.9
= Distributable annual result	42 994.4	-20 357.4	+63 351.8
+ Profit carried forward (distribution reserve before appropriation of profit)	44 989.5	67 348.4	-22 358.9
= Net profit	87 983.9	46 991.0	+40 992.9
- Payment of a dividend of 6%	-1.5	-1.5	-
- Profit distribution to Confederation and cantons ¹	-4 000.0	-2 000.0	-2 000.0
= Balance carried forward to following year's financial statements (distribution reserve after appropriation of profit)	83 982.4	44 989.5	+38 992.9

¹ Profit distribution agreement of 9 November 2016 between the FDF and the SNB as well as the supplementary agreement of 28 February 2020.

Press release

Balance sheet as at 31 December 2019

Assets

In CHF millions

	31.12.2019	31.12.2018	Change
Gold holdings	49 110.9	42 237.3	+ 6 873.6
Foreign currency investments ¹	794 015.3	763 727.9	+ 30 287.4
Reserve position in the IMF	1 368.7	1 188.4	+ 180.3
International payment instruments	4 380.6	4 440.6	- 60.0
Monetary assistance loans	276.2	260.3	+ 15.9
Claims from Swiss franc repo transactions	6 529.0	-	+ 6 529.0
Swiss franc securities	4 074.3	3 977.1	+ 97.2
Tangible assets	449.8	435.5	+ 14.3
Participations	135.3	151.0	- 15.7
Other assets	616.3	650.7	- 34.4
Total assets	860 956.3	817 068.8	+ 43 887.5

¹ Includes, as at end-December 2019, cash received from repo transactions relating to the management of foreign currency investments amounting to CHF 13.3 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

	31.12.2019	31.12.2018	Change
Banknotes in circulation	84 450.1	82 238.8	+2 211.3
Sight deposits of domestic banks	505 810.6	480 634.3	+25 176.3
Liabilities towards the Confederation	23 481.5	15 612.6	+7 868.9
Sight deposits of foreign banks and institutions	30 164.1	37 101.7	-6 937.6
Other sight liabilities	31 997.4	41 478.6	-9 481.2
Liabilities from Swiss franc repo transactions	-	-	-
SNB debt certificates	-	-	-
Foreign currency liabilities	13 314.7	34 811.8	-21 497.1
Counterpart of SDRs allocated by the IMF	4 417.9	4 486.5	-68.6
Other liabilities	237.5	472.2	-234.7

Equity

Provisions for currency reserves ¹	73 216.3	67 792.9	+5 423.4
Share capital	25.0	25.0	-
Distribution reserve ¹	44 989.5	67 348.4	-22 358.9
Annual result	48 851.7	-14 934.0	+63 785.7
Total equity	167 082.5	120 232.3	+46 850.2
Total liabilities	860 956.3	817 068.8	+43 887.5

¹ Before appropriation of profit.

Press release

Valuation rates

	Year under review			Previous year		
	31.12.2019 CHF	31.12.2018 CHF	Change In percent	31.12.2018 CHF	31.12.2017 CHF	Change In percent
1 EUR	1.0848	1.1283	-3.9	1.1283	1.1711	-3.7
1 USD	0.9668	0.9868	-2.0	0.9868	0.9765	+1.1
100 JPY	0.8900	0.8969	-0.8	0.8969	0.8678	+3.4
1 GBP	1.2776	1.2630	+1.2	1.2630	1.3205	-4.4
1 CAD	0.7436	0.7232	+2.8	0.7232	0.7775	-7.0
1 kilogram of gold	47 221.54	40 612.43	+16.3	40 612.43	40 859.28	-0.6

Press release

Notes to the annual financial statements

Item no. 1: Net result from foreign currency positions

Breakdown by origin in CHF millions

	2019	2018	Change
Foreign currency investments	40 343.2	- 16 328.1	+ 56 671.3
Reserve position in the IMF	- 12.2	- 15.5	+ 3.3
International payment instruments	0.0	2.2	- 2.2
Monetary assistance loans	2.6	3.9	- 1.3
Total	40 333.6	- 16 337.5	+ 56 671.1

Breakdown by type in CHF millions

	2019	2018	Change
Interest income	9 202.3	9 622.9	- 420.6
Price gain/loss on interest-bearing paper and instruments	12 696.5	- 5 617.4	+ 18 313.9
Interest expenses	- 92.5	- 17.2	- 75.3
Dividend income	3 695.1	3 424.5	+ 270.6
Price gain/loss on equity securities and instruments	32 944.7	- 12 377.6	+ 45 322.3
Exchange rate gain/loss	- 18 076.3	- 11 335.8	- 6 740.5
Asset management, safe custody and other fees	- 36.1	- 36.9	+ 0.8
Total	40 333.6	- 16 337.5	+ 56 671.1

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

	2019	2018	Change
Negative interest on sight deposit account balances	1 938.2	2 048.0	- 109.8
Swiss franc securities	122.0	0.7	+ 121.3
Liquidity-providing Swiss franc repo transactions	- 0.1	-	- 0.1
Liquidity-absorbing Swiss franc repo transactions	-	-	-
Liabilities towards the Confederation	-	-	-
SNB debt certificates	-	-	-
Other Swiss franc positions	- 1.3	- 2.5	+ 1.2
Total	2 058.8	2 046.2	+ 12.6

Breakdown by type in CHF millions

	2019	2018	Change
Negative interest on sight deposit account balances	1 938.2	2 048.0	- 109.8
Interest income	44.3	49.6	- 5.3
Price gain/loss on interest-bearing paper and instruments	84.8	- 40.2	+ 125.0
Interest expenses	- 1.3	- 2.5	+ 1.2
Trading, safe custody and other fees	- 7.3	- 8.7	+ 1.4
Total	2 058.8	2 046.2	+ 12.6