

Communications

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Annual result of the Swiss National Bank for 2020

The Swiss National Bank reports a profit of CHF 20.9 billion for 2020 (2019: CHF 48.9 billion).

The profit on foreign currency positions amounted to CHF 13.3 billion. A valuation gain of CHF 6.6 billion was recorded on gold holdings. The profit on Swiss franc positions was CHF 1.3 billion.

For the financial year just ended, the SNB has increased the allocation to the provisions for currency reserves to CHF 7.9 billion. After taking into account the distribution reserve of CHF 84.0 billion, the net profit comes to CHF 96.9 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 newly totalling CHF 6 billion.

The higher profit distribution will be made on the basis of the new agreement between the Federal Department of Finance and the SNB of 29 January 2021, which replaces the agreement of 2016 for the financial years 2016–2020 and the supplementary agreement of 2020. The profit distribution agreement and the corresponding notes can be found on the SNB website (www.snb.ch).

Of the total amount to be distributed (CHF 6 billion), one-third goes to the Confederation and two-thirds to the cantons. After these payments, the distribution reserve will stand at CHF 90.9 billion

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Profit on foreign currency positions

The profit on foreign currency positions was CHF 13.3 billion (2019: CHF 40.3 billion).

Interest and dividend income totalled CHF 8.0 billion and CHF 3.4 billion respectively. A gain of CHF 12.1 billion was recorded on interest-bearing paper and instruments, while equity securities and instruments registered a gain of CHF 27.6 billion. Exchange rate-related losses totalled CHF 37.7 billion.

Valuation gain on gold holdings

At the end of 2020, the price of gold stood at CHF 53,603 per kilogram, 13.5% higher than at the end of 2019 (CHF 47,222). This gave rise to a valuation gain of CHF 6.6 billion on the unchanged holdings of 1,040 tonnes of gold (2019: CHF 6.9 billion).

Profit on Swiss franc positions

The profit on Swiss franc positions totalled CHF 1.3 billion (2019: CHF 2.1 billion). It largely resulted from negative interest charged on sight deposit account balances.

Increase in minimum allocation to 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 had applied since 2016. In light of the significant increase in balance sheet risks since then, the minimum annual allocation has now been raised to 10% from 2020. 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 1.7%, the minimum allocation of 10% will thus be applied for the 2020 financial year. This corresponds to CHF 7.9 billion (2019: CHF 5.9 billion). As a result, the provisions for currency reserves will grow from CHF 79.1 billion to CHF 87.0 billion.

Press release

Income statement for 2020

In CHF millions

	Item no. in Notes	2020	2019	Change
Net result from gold		6 636.3	6 873.5	-237.2
Net result from foreign currency positions	1	13 286.3	40 333.6	-27 047.3
Net result from Swiss franc positions	2	1 332.6	2 058.8	-726.2
Net result, other		-5.8	-18.6	+12.8
Gross income		21 249.5	49 247.3	-27 997.8
Banknote expenses		-34.3	-63.8	+29.5
Personnel expenses		-182.0	-177.1	-4.9
General overheads		-125.0	-121.4	-3.6
Depreciation on tangible assets		-38.5	-33.3	-5.2
Annual result		20 869.6	48 851.7	-27 982.1

Press release

Appropriation of profit for 2020

In CHF millions

	2020	2019	Change
Annual result	20 869.6	48 851.7	-27 982.1
- Allocation to provisions for currency reserves	- 7 907.4	- 5 857.3	- 2 050.1
= Distributable annual result	12 962.2	42 994.4	-30 032.2
+ Profit carried forward (distribution reserve before appropriation of profit)	83 982.4	44 989.5	+ 38 992.9
= Net profit	96 944.6	87 983.9	+ 8 960.7
- Payment of a dividend of 6%	- 1.5	- 1.5	-
- Profit distribution to Confederation and cantons ¹	- 6 000.0	- 4 000.0	- 2 000.0
= Balance carried forward to following year's financial statements (distribution reserve after appropriation of profit)	90 943.1	83 982.4	+ 6 960.7

¹ Profit distribution agreement of 29 January 2021 between the Federal Department of Finance and the Swiss National Bank (2019: Profit distribution agreement of 9 November 2016 and the supplementary agreement of 28 February 2020).

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Balance sheet as at 31 December 2020

Assets

In CHF millions

	31.12.2020	31.12.2019	Change
Gold holdings	55 747.1	49 110.9	+ 6 636.2
Foreign currency investments ¹	910 001.0	794 015.3	+ 115 985.7
Reserve position in the IMF	1 849.6	1 368.7	+ 480.9
International payment instruments	4 363.9	4 380.6	- 16.7
Monetary assistance loans	907.6	276.2	+ 631.4
Claims from US dollar repo transactions	8 841.7	-	+ 8 841.7
Claims from Swiss franc repo transactions	549.9	6 529.0	- 5 979.1
Swiss franc securities	4 072.9	4 074.3	- 1.4
Secured loans	11 176.4	-	+ 11 176.4
Tangible assets	438.0	449.8	- 11.8
Participations	134.0	135.3	- 1.3
Other assets	945.6	616.3	+ 329.3
Total assets	999 027.9	860 956.3	+ 138 071.6

¹ Includes, as at end-December 2020, cash received from repo transactions relating to the management of foreign currency investments amounting to CHF 9.6 billion (end-2019: CHF 13.3 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

	31.12.2020	31.12.2019	Change
Banknotes in circulation	89 013.6	84 450.1	+4 563.5
Sight deposits of domestic banks	628 825.2	505 810.6	+123 014.6
Liabilities towards the Confederation	13 755.3	23 481.5	-9 726.2
Sight deposits of foreign banks and institutions	28 120.2	30 164.1	-2 043.9
Other sight liabilities	32 160.9	31 997.4	+163.5
Liabilities from Swiss franc repo transactions	-	-	-
SNB debt certificates	-	-	-
Other term liabilities	9 027.1	-	+9 027.1
Foreign currency liabilities	9 573.0	13 314.7	-3 741.7
Counterpart of SDRs allocated by the IMF	4 214.0	4 417.9	-203.9
Other liabilities	387.9	237.5	+150.4
Equity			
Provisions for currency reserves ¹	79 073.6	73 216.3	+5 857.3
Share capital	25.0	25.0	-
Distribution reserve ¹	83 982.4	44 989.5	+38 992.9
Annual result	20 869.6	48 851.7	-27 982.1
Total equity	183 950.6	167 082.5	+16 868.1
Total liabilities	999 027.9	860 956.3	+138 071.6

1 Before appropriation of profit.

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Valuation rates

	Year under review			Previous year		
	31.12.2020 CHF	31.12.2019 CHF	Change In percent	31.12.2019 CHF	31.12.2018 CHF	Change In percent
1 EUR	1.0803	1.0848	-0.4	1.0848	1.1283	-3.9
1 USD	0.8806	0.9668	-8.9	0.9668	0.9868	-2.0
100 JPY	0.8545	0.8900	-4.0	0.8900	0.8969	-0.8
1 GBP	1.2027	1.2776	-5.9	1.2776	1.2630	+1.2
1 CAD	0.6921	0.7436	-6.9	0.7436	0.7232	+2.8
1 kilogram of gold	53 602.51	47 221.54	+13.5	47 221.54	40 612.43	+16.3

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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

	2020	2019	Change
Foreign currency investments	13 395.2	40 343.2	-26 948.0
Reserve position in the IMF	-70.1	-12.2	-57.9
International payment instruments	-4.6	0.0	-4.6
Monetary assistance loans	-34.1	2.6	-36.7
Total	13 286.3	40 333.6	-27 047.3

Breakdown by type in CHF millions

	2020	2019	Change
Interest income	7 976.4	9 202.3	-1 225.9
Price gain/loss on interest-bearing paper and instruments	12 098.7	12 696.5	-597.8
Interest expenses	-29.7	-92.5	+62.8
Dividend income	3 381.0	3 695.1	-314.1
Price gain/loss on equity securities and instruments	27 601.9	32 944.7	-5 342.8
Exchange rate gain/loss	-37 709.3	-18 076.3	-19 633.0
Asset management, safe custody and other fees	-32.6	-36.1	+3.5
Total	13 286.3	40 333.6	-27 047.3

Press release

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

	2020	2019	Change
Negative interest on sight deposit account balances	1 377.6	1 938.2	-560.6
Swiss franc securities	42.4	122.0	-79.6
Liquidity-providing Swiss franc repo transactions	-28.9	-0.1	-28.8
Liquidity-absorbing Swiss franc repo transactions	-	-	-
Secured loans	-57.4	-	-57.4
Liabilities towards the Confederation	-	-	-
SNB debt certificates	-	-	-
Other Swiss franc positions	-1.1	-1.3	+0.2
Total	1 332.6	2 058.8	-726.2

Breakdown by type in CHF millions

	2020	2019	Change
Negative interest on sight deposit account balances	1 377.6	1 938.2	-560.6
Interest income	-47.3	44.3	-91.6
Price gain/loss on interest-bearing paper and instruments	11.5	84.8	-73.3
Interest expenses	-1.1	-1.3	+0.2
Trading, safe custody and other fees	-8.1	-7.3	-0.8
Total	1 332.6	2 058.8	-726.2