



Communications

P.O. Box, CH-8022 Zurich
Telephone +41 58 631 00 00
communications@snb.ch

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FDF and SNB enter into new profit distribution agreement

Agreement covers financial years 2020 to 2025

The Federal Department of Finance (FDF) and the Swiss National Bank have signed a new agreement on the SNB's profit distributions. Provided that the SNB's financial situation permits, an amount of up to CHF 6 billion per annum will now be distributed to the Confederation and the cantons.

The new agreement governs the SNB's profit distributions through to the 2025 financial year. It already covers the 2020 financial year and thus retroactively replaces the 2016–2020 agreement and the supplementary agreement of 2020, which provided for maximum distributions of CHF 2 billion and CHF 4 billion respectively.

The maximum distribution of CHF 6 billion per annum will comprise a base amount of CHF 2 billion, which will be distributed if there is a net profit of at least CHF 2 billion. Added to this are four possible supplementary distributions of CHF 1 billion each, which will be made if the net profit reaches the thresholds of CHF 10 billion, CHF 20 billion, CHF 30 billion and CHF 40 billion respectively. The criteria for making the maximum distribution have been met for the 2020 financial year and CHF 6 billion will therefore be distributed to the Confederation and the cantons.

Under the National Bank Act, the SNB is obliged to set up provisions from its annual result to maintain the currency reserves at the level necessary for monetary policy. The profit remaining after allocating funds to the provisions is, in principle, available for distribution to the Confederation and cantons. To ensure that the distribution flows are smoothed in the medium term, the FDF and the SNB set out the key elements in an agreement that covers several years.

The cantons were informed in advance about the new agreement.

The profit distribution agreement and associated notes can be found on the SNB's website (www.snb.ch).

