

Communications

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Interim results of the Swiss National Bank as at 31 March 2021

The Swiss National Bank reports a profit of CHF 37.7 billion for the first quarter of 2021.

The profit on foreign currency positions amounted to CHF 39.9 billion. A valuation loss of CHF 2.3 billion was recorded on gold holdings. The profit on Swiss franc positions was CHF 0.3 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 profit on foreign currency positions was CHF 39.9 billion.

Interest and dividend income totalled CHF 2.0 billion and CHF 0.8 billion respectively. While price losses of CHF 12.5 billion were recorded on interest-bearing paper and instruments, equity securities and instruments registered price gains of CHF 9.8 billion. Exchange rate-related gains totalled CHF 39.9 billion.

Valuation loss on gold holdings

A valuation loss of CHF 2.3 billion was recorded on gold holdings, which remained unchanged in volume terms. Gold was trading at CHF 51,366 per kilogram at the end of March 2021 (end-2020: CHF 53,603).

Press release

Profit on Swiss franc positions

The profit on Swiss franc positions totalled CHF 0.3 billion. It largely resulted from negative interest charged on sight deposit account balances.

Provisions for currency reserves

As at end-March 2021, the SNB recorded a profit of CHF 37.7 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 the current financial year is determined at the end of the year.

Press release

Income statement, 1 January–31 March 2021¹

In CHF millions

	Item no. in Notes	Q1 2021	Q1 2020	Change
Net result from gold		-2 326.0	2 809.4	-5 135.4
Net result from foreign currency positions	1	39 868.5	-41 199.1	+81 067.6
Net result from Swiss franc positions	2	266.8	267.1	-0.3
Net result, other		1.9	-8.7	+10.6
Gross income		37 811.2	-38 131.3	+75 942.5
Banknote expenses		-9.3	0.0	-9.3
Personnel expenses		-46.1	-46.4	+0.3
General overheads		-36.3	-37.6	+1.3
Depreciation on tangible assets		-9.1	-9.7	+0.6
Interim result		37 710.4	-38 225.1	+75 935.5

¹ Unaudited. The External Auditor only audits the annual financial statements.

Press release

Balance sheet as at 31 March 2021¹**Assets**

In CHF millions

	31.03.2021	31.12.2020	Change
Gold holdings	53 421.1	55 747.1	-2 326.0
Foreign currency investments ²	951 463.3	910 001.0	+41 462.3
Reserve position in the IMF	1 930.0	1 849.6	+80.4
International payment instruments	4 551.2	4 363.9	+187.3
Monetary assistance loans	946.4	907.6	+38.8
Claims from US dollar repo transactions ³	1 506.6	8 841.7	-7 335.1
Claims from Swiss franc repo transactions	-	549.9	-549.9
Swiss franc securities	4 017.4	4 072.9	-55.5
Secured loans ⁴	11 118.7	11 176.4	-57.7
Tangible assets	433.3	438.0	-4.7
Participations	135.6	134.0	+1.6
Other assets	1 010.0	945.6	+64.4
Total assets	1 030 533.5	999 027.9	+31 505.6

1 Unaudited. The External Auditor only audits the annual financial statements.

2 Includes, as at end-March 2021, cash received from repo transactions relating to the management of foreign currency investments amounting to CHF 11.5 billion (end-2020: CHF 9.6 billion). The associated liabilities are included in the balance sheet under foreign currency liabilities and result in a balance sheet expansion.

3 With these repo transactions, the SNB provides US dollar liquidity. It engages in foreign exchange swaps with the US Federal Reserve for this purpose. The amount in Swiss francs for the account of the Federal Reserve is stated on the liabilities side under other term liabilities.

4 The SNB COVID-19 refinancing facility (CRF) for banks based in Switzerland and the Principality of Liechtenstein. The CRF allows banks to obtain liquidity from the SNB by assigning as collateral loans that have been granted under surety and loan guarantee programmes provided by the Confederation or the cantons.

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Liabilities

In CHF millions

	31.03.2021	31.12.2020	Change
Banknotes in circulation	88 643.8	89 013.6	- 369.8
Sight deposits of domestic banks	627 722.6	628 825.2	- 1 102.6
Liabilities towards the Confederation	16 522.2	13 755.3	+ 2 766.9
Sight deposits of foreign banks and institutions	25 112.7	28 120.2	- 3 007.5
Other sight liabilities	33 089.7	32 160.9	+ 928.8
Liabilities from Swiss franc repo transactions	-	-	-
SNB debt certificates	-	-	-
Other term liabilities	1 497.6	9 027.1	- 7 529.5
Foreign currency liabilities	11 565.9	9 573.0	+ 1 992.9
Counterpart of SDRs allocated by the IMF	4 394.5	4 214.0	+ 180.5
Other liabilities	323.6	387.9	- 64.3

Equity

Provisions for currency reserves ^{1,2}	79 073.6	79 073.6	-
Share capital	25.0	25.0	-
Distribution reserve ^{1,3}	83 982.4	83 982.4	-
Annual result 2020	20 869.6	20 869.6	-
Interim result	37 710.4		+ 37 710.4
Total equity	221 660.9	183 950.6	+ 37 710.3
Total liabilities	1 030 533.5	999 027.9	+ 31 505.6

1 Before appropriation of profit (cf. *Annual Report 2020*, p. 178).

2 The allocation to the provisions for currency reserves is made as part of the profit appropriation (i.e. after the General Meeting of Shareholders on 30 April 2021). For the 2020 financial year, it amounts to CHF 7.9 billion.

3 The distribution reserve only changes once a year, as part of the profit appropriation. After the profit appropriation for 2020, it will amount to CHF 90.9 billion.

Press release

Condensed changes in equity

In CHF millions

	Q1 2021	Q1 2020
Equity at beginning of period¹	183 950.6	167 082.5
Distribution of dividends to shareholders ²	–	–
Profit distribution to Confederation and cantons ²	–	–
Interim result	37 710.4	–38 225.1
Equity at end of period	221 660.9	128 857.4

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 The payment of dividends and distribution of profits take place in the second quarter.

Valuation rates

	Year under review			Previous year		
	31.03.2021 CHF	31.12.2020 CHF	Change In percent	31.03.2020 CHF	31.12.2019 CHF	Change In percent
1 EUR	1.1051	1.0803	+2.3	1.0571	1.0848	–2.6
1 USD	0.9416	0.8806	+6.9	0.9649	0.9668	–0.2
100 JPY	0.8503	0.8545	–0.5	0.8913	0.8900	+0.1
1 GBP	1.2978	1.2027	+7.9	1.1971	1.2776	–6.3
1 CAD	0.7489	0.6921	+8.2	0.6735	0.7436	–9.4
1 kilogram of gold	51 365.95	53 602.51	–4.2	49 922.87	47 221.54	+5.7

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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 2020. 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.

There were no changes to the accounting and valuation principles compared with the annual financial statements as at 31 December 2020.

The SNB interim results as at 31 March 2021 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. 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 2021	Q1 2020	Change
Foreign currency investments	39 742.4	-41 172.1	+80 914.5
Reserve position in the IMF	77.7	-24.4	+102.1
International payment instruments	6.4	0.9	+5.5
Monetary assistance loans	42.0	-3.5	+45.5
Total	39 868.5	-41 199.1	+81 067.6

Breakdown by type in CHF millions

	Q1 2021	Q1 2020	Change
Interest income	1 954.7	2 070.7	-116.0
Price gain/loss on interest-bearing paper and instruments	-12 544.6	5 098.5	-17 643.1
Interest expenses	3.2	-11.2	+14.4
Dividend income	761.6	727.5	+34.1
Price gain/loss on equity securities and instruments	9 789.1	-31 949.6	+41 738.7
Exchange rate gain/loss	39 916.7	-17 125.0	+57 041.7
Asset management, safe custody and other fees	-12.3	-10.1	-2.2
Total	39 868.5	-41 199.1	+81 067.6

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

	Q1 2021	Q1 2020	Change
Negative interest on sight deposit account balances	359.4	346.0	+ 13.4
Swiss franc securities	-70.7	-78.3	+ 7.6
Liquidity-providing Swiss franc repo transactions	-0.7	-0.4	-0.3
Liquidity-absorbing Swiss franc repo transactions	-	-	-
Secured loans	-21.0	-	-21.0
Liabilities towards the Confederation	-	-	-
SNB debt certificates	-	-	-
Other Swiss franc positions	-0.2	-0.2	-
Total	266.8	267.1	-0.3

Breakdown by type in CHF millions

	Q1 2021	Q1 2020	Change
Negative interest on sight deposit account balances	359.4	346.0	+ 13.4
Interest income	-12.5	9.9	-22.4
Price gain/loss on interest-bearing paper and instruments	-77.7	-86.9	+9.2
Interest expenses	-0.2	-0.2	-
Trading, safe custody and other fees	-2.2	-1.8	-0.4
Total	266.8	267.1	-0.3