

Communications

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Interim results of the Swiss National Bank as at 30 June 2023

The Swiss National Bank reports a profit of CHF 13.7 billion for the first half of 2023.

The profit on foreign currency positions amounted to CHF 16.2 billion. A valuation gain of CHF 1.2 billion was recorded on gold holdings. The loss on Swiss franc positions was CHF 3.4 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 totalled CHF 16.2 billion.

Interest and dividend income amounted to CHF 5.1 billion and CHF 2.2 billion respectively, while interest expenses stood at CHF 0.6 billion. Price gains of CHF 2.8 billion were recorded on interest-bearing paper and instruments, and CHF 26.2 billion in price gains were recorded on equity securities and instruments. Exchange rate-related losses totalled CHF 19.6 billion.

Valuation gain on gold holdings

A valuation gain of CHF 1.2 billion was recorded on gold holdings, which remained unchanged in volume terms. Gold was trading at CHF 55,098 per kilogram at the end of June 2023 (end-2022: CHF 53,941).

Ad hoc announcement pursuant to Art. 53 LR

Loss on Swiss franc positions

The loss on Swiss franc positions totalled CHF 3.4 billion.

This largely resulted from the CHF 3.3 billion in remuneration of sight deposit account balances. Additional interest expenses of CHF 1.1 billion arose from liquidity-absorbing operations. The SNB absorbs liquidity with repo transactions and SNB debt certificates. The interest income on secured loans and loans under emergency law amounted to CHF 0.9 billion.

Provisions for currency reserves

As at end-June 2023, the SNB recorded a profit of CHF 13.7 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.

Ad hoc announcement pursuant to Art. 53 LR

Income statement, 1 January–30 June 2023¹

In CHF millions

	Item in Notes	Q1–Q2 2023	Q1–Q2 2022	Change
Net result from gold		1 203.6	2 379.7	–1 176.1
Net result from foreign currency positions	1	16 166.7	–97 378.5	+ 113 545.2
Net result from Swiss franc positions	2	–3 430.9	35.1	–3 466.0
Net result, other		–0.1	3.9	–4.0
Gross income		13 939.4	–94 959.8	+ 108 899.2
Banknote expenses		–18.9	–18.5	–0.4
Personnel expenses		–97.6	–93.0	–4.6
General overheads		–81.5	–73.4	–8.1
Depreciation on tangible assets		–17.8	–19.4	+ 1.6
Interim result		13 723.6	–95 164.2	+ 108 887.8

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

Ad hoc announcement pursuant to Art. 53 LR

Income statement for the second quarter of 2023¹

In CHF millions

	Q2 2023	Q2 2022	Change
Net result from gold	-3 144.9	-1 782.2	-1 362.7
Net result from foreign currency positions	-8 077.6	-60 537.2	+52 459.6
Net result from Swiss franc positions	-1 879.1	24.5	-1 903.6
Net result, other	0.3	6.6	-6.3
Gross income	-13 101.3	-62 288.2	+49 186.9
Banknote expenses	-11.1	-10.7	-0.4
Personnel expenses	-47.7	-45.8	-1.9
General overheads	-33.4	-29.3	-4.1
Depreciation on tangible assets	-8.8	-9.8	+1.0
Interim result	-13 202.4	-62 383.8	+49 181.4

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

Ad hoc announcement pursuant to Art. 53 LR

Balance sheet as at 30 June 2023¹**Assets**

In CHF millions

	30.06.2023	31.12.2022	Change
Gold holdings	57 302.9	56 099.3	+ 1 203.6
Foreign currency investments ²	741 599.5	800 566.2	-58 966.7
Reserve position in the IMF	2 060.4	2 136.6	- 76.2
International payment instruments	11 061.1	11 380.7	-319.6
Monetary assistance loans	845.5	877.5	-32.0
Claims from US dollar repo transactions	-	-	-
Claims from Swiss franc repo transactions	-	-	-
Swiss franc securities	3 718.2	3 564.8	+ 153.4
Secured loans and loans under emergency law ³	66 699.1	4 430.5	+62 268.6
Tangible assets	437.0	440.5	-3.5
Participations	128.9	132.3	-3.4
Other assets	1 740.5	1 748.5	-8.0
Total assets	885 593.1	881 376.8	+ 4 216.3

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

2 Includes, as at end-June 2023, cash received from repo transactions relating to the management of foreign currency investments amounting to CHF 15.0 billion (end-2022: CHF 16.7 billion). The associated liabilities are included in the balance sheet under foreign currency liabilities and result in a balance sheet expansion.

3 Includes claims from the facilities for drawing emergency liquidity assistance (ELA) against collateral as set out in the 'Guidelines on monetary policy instruments' and claims from the SNB COVID-19 refinancing facility (CRF). Also included under this item are claims from additional liquidity assistance loans with preferential rights in bankruptcy proceedings (ELA+) and claims from liquidity assistance loans with preferential rights in bankruptcy proceedings as well as a federal default guarantee (public liquidity backstop, PLB), both of which are based on the Federal Council's emergency ordinance of 16 March 2023.

Ad hoc announcement pursuant to Art. 53 LR

Liabilities

In CHF millions

	30.06.2023	31.12.2022	Change
Banknotes in circulation	75 931.9	81 696.8	-5 764.9
Sight deposits of domestic banks	462 501.5	466 922.7	-4 421.2
Liabilities towards the Confederation	25 031.5	16 667.9	+ 8 363.6
Sight deposits of foreign banks and institutions	6 054.6	27 584.2	-21 529.6
Other sight liabilities	3 608.2	27 803.9	-24 195.7
Liabilities from Swiss franc repo transactions	73 947.6	67 144.8	+ 6 802.8
SNB debt certificates	131 384.4	98 168.8	+33 215.6
Other term liabilities	-	-	-
Foreign currency liabilities	15 047.2	16 739.7	-1 692.5
Counterpart of SDRs allocated by the IMF	10 568.5	10 919.1	-350.6
Other liabilities	2 025.9	1 960.9	+ 65.0
Equity			
Provisions for currency reserves ¹	105 247.0	95 679.1	+ 9 567.9
Share capital	25.0	25.0	-
Distribution reserve ²	-39 504.0	102 543.5	-142 047.5
Annual result 2022	-	-132 479.5	+ 132 479.5
Interim result	13 723.6		+ 13 723.6
Total equity	79 491.6	65 768.0	+ 13 723.6
Total liabilities	885 593.1	881 376.8	+ 4 216.3

1 The allocation to the provisions for currency reserves is made as part of the profit appropriation. The increase of around CHF 9.6 billion represents the allocation for the 2022 financial year.

2 The distribution reserve only changes once a year, as part of the profit appropriation.

Ad hoc announcement pursuant to Art. 53 LR

Condensed changes in equity

In CHF millions

	Q1–Q2 2023	Q1–Q2 2022
Equity at beginning of period¹	65 768.0	204 249.1
Distribution of dividends to shareholders ²	–	– 1.5
Profit distribution to Confederation and cantons ²	–	– 6 000.0
Interim result	13 723.6	– 95 164.2
Equity at end of period	79 491.6	103 083.4

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 There will be no dividend payment or profit distribution in the current year due to the net loss as at 31 December 2022.

Valuation rates

	Year under review			Previous year		
	30.06.2023 CHF	31.12.2022 CHF	Change In percent	30.06.2022 CHF	31.12.2021 CHF	Change In percent
1 EUR	0.9782	0.9860	– 0.8	0.9949	1.0366	– 4.0
1 USD	0.8962	0.9223	– 2.8	0.9553	0.9137	+ 4.6
100 JPY	0.6204	0.6998	– 11.3	0.7029	0.7939	– 11.5
1 GBP	1.1380	1.1140	+ 2.2	1.1611	1.2351	– 6.0
1 CAD	0.6772	0.6810	– 0.6	0.7408	0.7202	+ 2.9
1 kilogram of gold	55 098.41	53 941.10	+ 2.1	55 836.41	53 548.29	+ 4.3

Ad hoc announcement pursuant to Art. 53 LR

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 2022. 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 2022. The 'secured loans' item has been renamed 'secured loans and loans under emergency law'. Additional explanations can be found in the footnotes to the balance sheet.

The SNB interim results as at 30 June 2023 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–Q2 2023	Q1–Q2 2022	Change
Foreign currency investments	16 220.5	–97 361.3	+ 113 581.8
Reserve position in the IMF	–36.0	–13.5	–22.5
International payment instruments	–4.8	1.3	–6.1
Monetary assistance loans	–13.0	–5.1	–7.9
Total	16 166.7	–97 378.5	+ 113 545.2

Breakdown by type in CHF millions

	Q1–Q2 2023	Q1–Q2 2022	Change
Interest income	5 067.5	3 290.2	+ 1 777.3
Price gain/loss on interest-bearing paper and instruments	2 848.9	–48 674.7	+51 523.6
Interest expenses	–552.4	35.4	–587.8
Dividend income	2 165.9	2 334.5	–168.6
Price gain/loss on equity securities and instruments	26 242.3	–44 031.5	+70 273.8
Exchange rate gain/loss	–19 589.1	–10 312.3	–9 276.8
Asset management, safe custody and other fees	–16.4	–19.9	+3.5
Total	16 166.7	–97 378.5	+ 113 545.2

Ad hoc announcement pursuant to Art. 53 LR

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

	Q1–Q2 2023	Q1–Q2 2022	Change
Sight deposit account balances	– 3 280.7	540.3	– 3 821.0
Swiss franc securities	133.5	– 441.8	+ 575.3
Liquidity-providing Swiss franc repo transactions	2.5	– 30.7	+ 33.2
Liquidity-absorbing Swiss franc repo transactions	– 449.1	–	– 449.1
Secured loans and loans under emergency law	939.9	– 30.9	+ 970.8
Liabilities towards the Confederation	– 96.4	–	– 96.4
SNB debt certificates	– 676.9	–	– 676.9
Other Swiss franc positions	– 3.7	– 1.8	– 1.9
Total	– 3 430.9	35.1	– 3 466.0

Breakdown by type in CHF millions

	Q1–Q2 2023	Q1–Q2 2022	Change
Interest income	960.7	– 45.0	+ 1 005.7
Price gain/loss on interest-bearing paper and instruments	125.2	– 453.6	+ 578.8
Interest expenses	– 4 506.8	538.5	– 5 045.3
Trading, safe custody and other fees	– 10.0	– 4.7	– 5.3
Total	– 3 430.9	35.1	– 3 466.0