

Banks in Switzerland 2018

SCHWEIZERISCHE NATIONALBANK
BANQUE NATIONALE SUISSE
BANCA NAZIONALE SVIZZERA
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SWISS NATIONAL BANK



Banks in Switzerland 2018

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Banks in Switzerland 2018

This publication contains data on the individual financial statements of banks (parent companies) as required by law. In the case of the big banks, in particular, these statements may deviate from the group financial statements. The breakdown of the banks' balance sheets and income statements is subject to the accounting rules issued by FINMA for banks, securities dealers, financial groups and conglomerates (ARB, FINMA-Circ. 15/01).

Rounding differences

The figures used in the text, tables and charts have been rounded. The use of such rounded figures in calculations (totals, balances, rates of change, proportions) may therefore result in deviations from the exact values.

This publication examines the development and structure of the banking sector in Switzerland. When interpreting the data, the points set out below should be taken into account.

This publication covers bank data reported at parent company level.¹ The reporting entity ‘parent company’ includes offices in Switzerland and legally dependent branches abroad. If banks conduct business with other legally independent bank entities, this is included in the data even if the counterparties belong to the same group. Such intragroup transactions had an increased impact on the data published for 2018, primarily in the big banks category. This stems from previous structural changes, for example the reorganisations carried out by big banks in recent years against the backdrop of regulatory requirements. UBS Switzerland AG was established in 2015, and took over part of the business activities of UBS Inc. Credit Suisse (Switzerland) Ltd. was established in 2016, and took over part of the business activities of Credit Suisse AG. The big banks category thus now comprises four institutions. As a result, interbank positions between UBS Inc. and UBS Switzerland AG and between Credit Suisse AG and Credit Suisse (Switzerland) Ltd. have since been reported at parent company level and included in the published data. There have been corresponding increases in these and other items (e.g. participations, income from participations).

Reorganisations that take place between banks and intragroup non-banks – i.e. entities that belong to the group in question but are not included in the banking statistics – also have an effect on the published data. Such moves can mean that certain business activities are newly added to the banking statistics while others are no longer covered. For example, a given bank may to date have generated income through providing services to other group entities. As the result of a reorganisation, that bank may record expenses if it itself now receives services from providers within the same group. Furthermore, interest income and expenses can arise for certain business areas taken over by other group entities, and amounts due to/from customers may also increase.² Meanwhile, the transfer of staff to service companies within a group results in a reduction in the reported headcount.

¹ The data commented on here are based on the individual financial statements of banks (parent companies) as required by law. Banks’ consolidated financial statements, by contrast, also include business conducted by their legally independent subsidiaries in Switzerland and in other countries (banks and ‘non-banks’); transactions between entities that are legally independent but belong to the same group are consolidated in these statements. Further information can be found at data.snb.ch, *Table selection, Banks, Notes – Banks, Reporting entities*.

² For reporting purposes, ‘customers’ also includes a company’s own subsidiaries that do not have a banking licence (‘non-banks’).

Table 1

KEY FIGURES

	2018	2017 ¹	Year-on-year change
Number of banks	248	253	-5
Balance sheet total (in CHF millions)	3 225 000	3 249 443	-0.8%
Operating result (in CHF millions)	12 781	11 323	+12.9%
Result of the period ² (Profit/loss, in CHF millions)	11 514	9 767	+17.9%
Fiduciary transactions (in CHF millions)	160 039	138 248	+15.8%
Securities holdings in bank custody accounts ³ (in CHF millions)	5 849 280	6 255 518	-6.5%
Number of staff (in full-time equivalents)	107 388	108 935	-1 547

1 Figures may have been revised since their inclusion in last year's publication.

2 Individual banks' profits and losses are offset against each other.

3 At offices in Switzerland. Securities held by branches abroad are not included.

Source: SNB

Table 2

KEY FIGURES BY BANK CATEGORY 2018

	Number of banks	Balance sheet total In CHF millions	Operating result In CHF millions	Result of the period (profit/loss) ¹ In CHF millions	Fiduciary transactions In CHF millions	Number of staff ² In full-time equivalents
All banks in Switzerland						
2014	275	3 041 720	4 371	7 370	115 083	125 289
2015	266	3 026 117	6 857	15 788	114 016	123 890
2016	261	3 101 375	7 913	7 908	120 429	120 840
2017	253	3 249 443	11 323	9 767	138 248	108 935
2018	248	3 225 000	12 781	11 514	160 039	107 388
Cantonal banks						
2014	24	522 628	3 121	2 298	1 293	17 150
2015	24	537 441	3 253	2 741	1 160	17 360
2016	24	553 231	3 312	2 783	1 157	17 294
2017	24	575 343	3 585	2 936	1 226	17 322
2018	24	600 318	3 735	2 934	1 807	17 357
Big banks						
2014	2	1 460 240	836	4 756	10 529	53 410
2015	3	1 424 231	667	10 175	17 984	53 016
2016	4	1 454 808	592	1 793	26 388	50 399
2017	4	1 566 435	3 216	3 161	33 185	38 307
2018	4	1 520 781	4 742	4 913	41 698	37 050
Regional and savings banks						
2014	63	108 954	492	391	57	3 938
2015	62	113 076	554	422	25	3 836
2016	62	116 141	570	418	22	3 845
2017	62	118 131	579	417	26	3 855
2018	60	120 283	551	409	30	3 915
Raiffeisen banks						
2014	1	185 703	882	743	16	8 406
2015	1	202 412	913	727	2	8 807
2016	1	215 262	840	736	15	8 868
2017	1	225 253	1 081	894	12	9 079
2018	1	225 333	699	541	20	9 215
Stock exchange banks						
2014	47	206 694	908	741	37 802	13 996
2015	44	210 049	155	314	39 091	14 010
2016	43	226 300	1 187	1 103	39 586	14 838
2017	43	223 990	1 449	1 155	43 409	15 210
2018	43	228 729	1 552	1 521	50 702	15 723

	Number of banks	Balance sheet total In CHF millions	Operating result In CHF millions	Result of the period (profit/loss) ¹ In CHF millions	Fiduciary transactions In CHF millions	Number of staff ² In full-time equivalents
Other banking institutions						
2014	13	196 644	815	630	1 762	7 072
2015	14	198 580	1 079	856	1 793	7 933
2016	14	205 693	1 221	946	1 610	7 849
2017	14	209 474	903	711	1 687	7 749
2018	14	209 730	832	664	1 936	7 672
Private bankers						
2014	7	7 407	79	55	1 087	599
2015	7	6 699	51	48	1 158	614
2016	6	5 942	62	43	1 131	519
2017	6	6 198	78	50	1 346	531
2018	5	6 323	64	63	1 633	523
Foreign-controlled banks						
2014	91	294 203	-2 942	-2 426	62 117	19 662
2015	85	260 962	-1	416	52 137	17 231
2016	81	248 080	-230	-142	50 188	16 131
2017	76	231 299	74	226	57 117	15 805
2018	74	222 560	215	237	61 861	14 805
Branches of foreign banks						
2014	27	59 248	181	181	419	1 057
2015	26	72 667	187	88	666	1 084
2016	26	75 919	360	228	332	1 096
2017	23	93 320	359	217	240	1 079
2018	23	90 943	389	232	353	1 129

1 Individual banks' annual profit and annual loss are offset against each other.

2 Part-time jobs, apprenticeships and trainee posts are weighted.

Source: SNB

2 Number of banks

The number of banks in Switzerland declined again in 2018, from 253 to 248.

While one stock exchange bank was newly established, there were six changes that resulted in a reduction in the number of banks: one institution lost its status as a bank, four were acquired by other institutions, and one was liquidated. These changes affected the following categories: regional and

savings banks (–2), foreign-controlled banks (–2), stock exchange banks (–1) and private bankers (–1).

Two institutions changed category: one foreign-controlled bank was reclassified as a stock exchange bank and one stock exchange bank was newly allocated to the foreign-controlled banks category.

Table 3

NUMBER OF BANKS

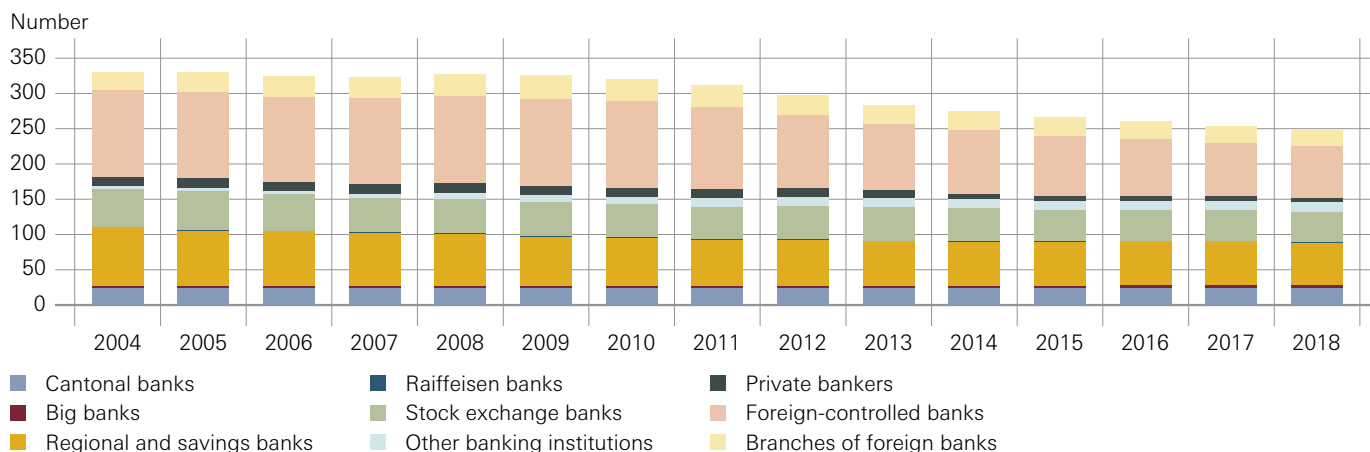
	Total at 31.12.2017	Additions	Change of bank category (reclassification)	Removals	Total at 31.12.2018
Cantonal banks	24				24
Big banks	4				4
Regional and savings banks	62			2	60
Raiffeisen banks	1				1
Stock exchange banks	43	1	+1/–1	1	43
Other banking institutions	14				14
Private bankers	6			1	5
Foreign-controlled banks	76		+1/–1	2	74
Branches of foreign banks	23				23
Total	253	1		6	248

Source: SNB

Chart 1

NUMBER OF BANKS

By bank category



Source: SNB

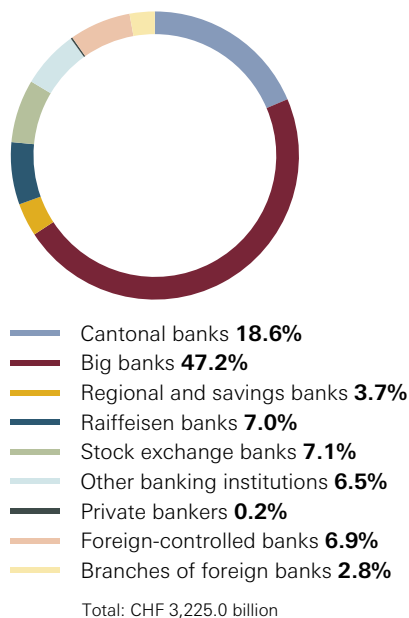
BALANCE SHEET TOTAL

In 2018, the aggregate balance sheet total for all banks in Switzerland decreased slightly by 0.8% or CHF 24.4 billion to CHF 3,225.0 billion. This resulted from contrasting developments in the individual bank categories. In particular, big banks (CHF –45.7 billion or –2.9%) and foreign-controlled banks (CHF –8.7 billion or –3.8%) reported lower balance sheet totals. Meanwhile, there were increases recorded in this respect by cantonal banks (CHF 25.0 billion or 4.3%) and stock exchange banks (CHF 4.7 billion or 2.1%).

The breakdown by domestic and foreign components also showed contrasting developments. There were increases in domestic assets and liabilities alike, whereas the corresponding foreign components declined.

As regards the currency breakdown, domestically there were increases both on the assets side (2.5% or CHF 44.7 billion) and the liabilities side (3.1% or CHF 48.8 billion), this primarily affecting stocks in Swiss francs. Although foreign assets decreased overall, there was a marked rise in stocks in Japanese yen (28.6% or CHF 13.0 billion). In the case of foreign liabilities, there were declines particularly in stocks in US dollars (–5.6% or CHF –39.5 billion) and euros (–6.5% or CHF –17.7 billion).

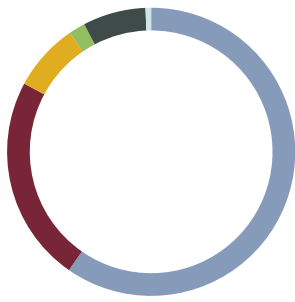
Chart 2

BALANCE SHEET TOTAL, BY BANK CATEGORY, 2018

Source: SNB

Chart 3

ASSETS, BY CURRENCY, 2018



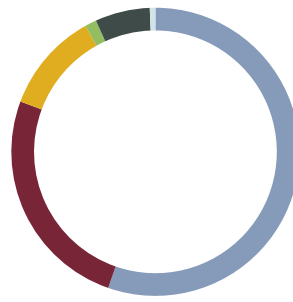
- Swiss franc **59.7%**
- US dollar **23.2%**
- Euro **7.6%**
- Yen **1.8%**
- Other currencies **7.1%**
- Precious metals **0.6%**

Total: CHF 3,225.0 billion

Source: SNB

Chart 4

LIABILITIES, BY CURRENCY, 2018



- Swiss franc **55.3%**
- US dollar **25.4%**
- Euro **11.3%**
- Yen **1.3%**
- Other currencies **6.1%**
- Precious metals **0.6%**

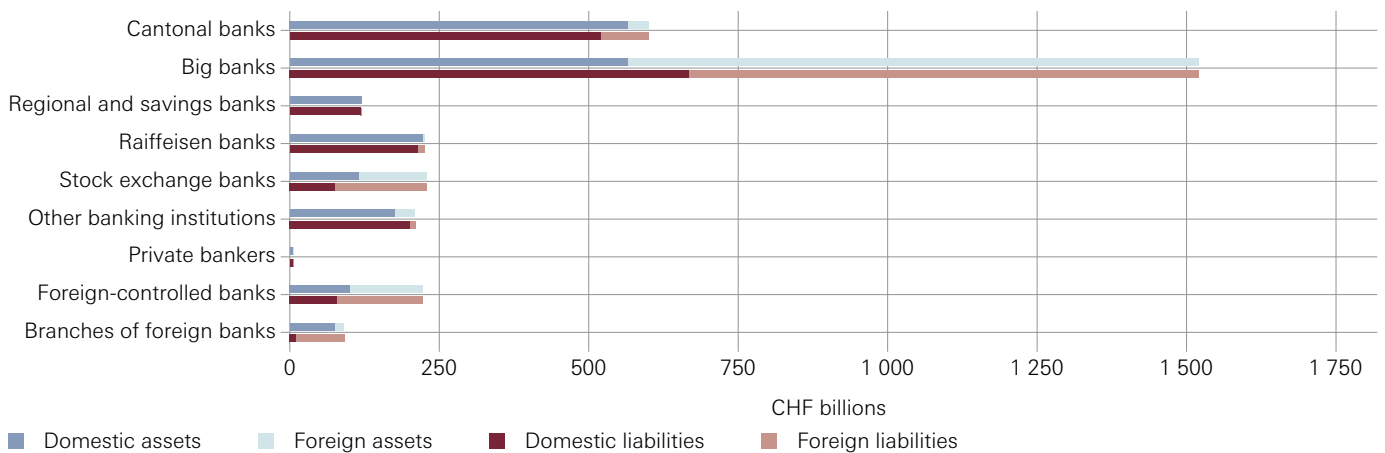
Total: CHF 3,225.0 billion

Source: SNB

Chart 5

ASSETS AND LIABILITIES, DOMESTIC AND FOREIGN, 2018

By bank category



Source: SNB

Table 4

ASSETS

In CHF millions

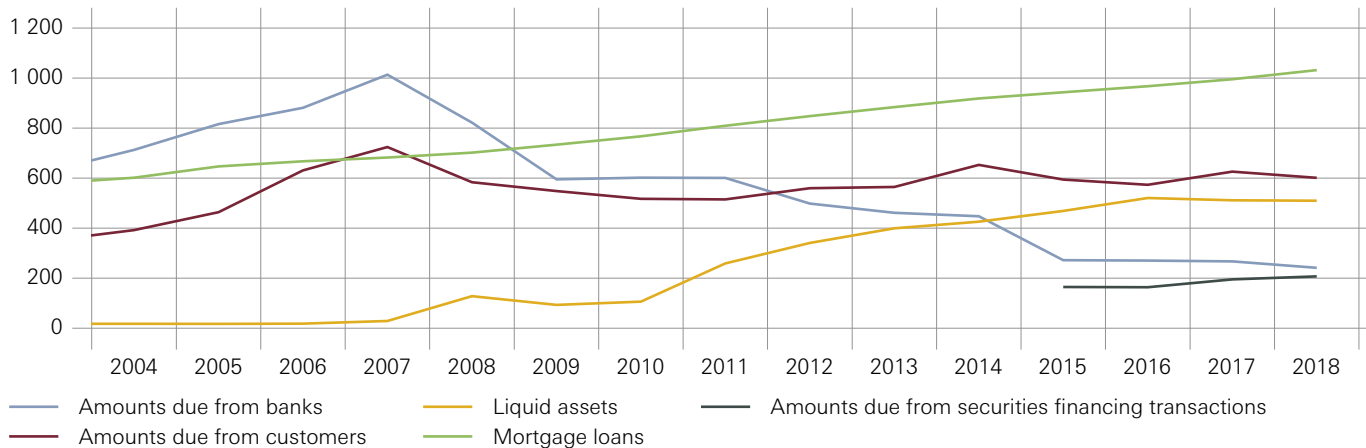
	2018	Domestic Year-on-year change	2018	Foreign Year-on-year change	2018	Total Year-on-year change
Liquid assets	469 101	+2.0%	40 624	-21.1%	509 726	-0.3%
Amounts due from banks	84 333	-10.1%	157 055	-9.4%	241 388	-9.6%
Amounts due from securities financing transactions	18 448	+15.7%	188 706	+5.3%	207 154	+6.1%
Amounts due from customers	164 560	+5.2%	436 690	-7.0%	601 249	-3.9%
Mortgage loans	1 010 168	+3.6%	21 673	+5.2%	1 031 840	+3.7%
Trading portfolio assets	29 198	-10.7%	145 782	-11.3%	174 980	-11.2%
Positive replacement values of derivative financial instruments	9 783	-8.6%	30 333	-0.0%	40 115	-2.3%
Other financial instruments at fair value	1 299	+10.6%	3 389	+0.4%	4 687	+3.0%
Financial investments	88 900	+8.0%	143 011	-0.3%	231 911	+2.7%
Accrued income and prepaid expenses	4 166	-5.3%	4 799	+6.9%	8 965	+0.8%
Participations	28 939	-1.3%	102 035	-0.5%	130 974	-0.6%
Tangible fixed assets	19 210	-0.1%	2 094	-1.8%	21 304	-0.2%
Intangible assets	5 236	-30.8%	187	-11.9%	5 422	-30.3%
Other assets	9 056	-10.9%	6 227	+2.8%	15 283	-5.8%
Capital not paid in	-		-		-	
Total assets	1 942 394	+2.3%	1 282 605	-5.1%	3 225 000	-0.8%

Source: SNB

Chart 6

SELECTED ASSETS

CHF billions



Source: SNB

Table 5

LIABILITIES

In CHF millions

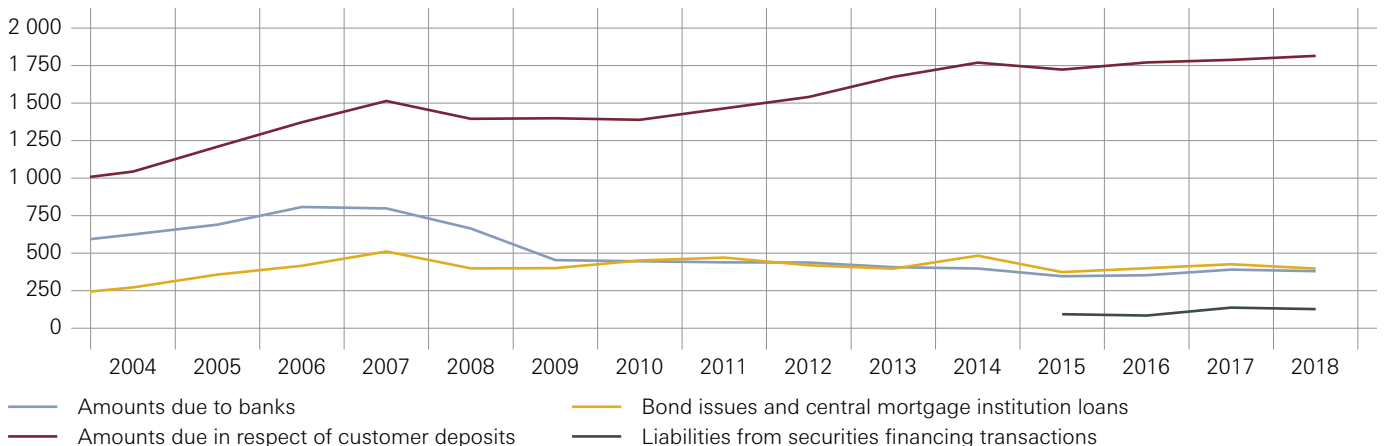
	2018	Domestic Year-on-year change	2018	Foreign Year-on-year change	2018	Total Year-on-year change
Amounts due to banks	103 299	+ 4.2%	276 636	-5.0%	379 935	-2.7%
Liabilities from securities financing transactions	33 169	-9.7%	94 101	-6.3%	127 271	-7.2%
Amounts due in respect of customer deposits	1 223 680	+ 2.5%	591 074	-0.6%	1 814 754	+ 1.5%
Trading portfolio liabilities	3 892	+ 22.8%	29 484	-5.8%	33 376	-3.1%
Negative replacement values of derivative financial instruments	8 733	+ 19.6%	31 169	-7.8%	39 902	-3.0%
Liabilities from other financial instruments at fair value	11 082	-2.1%	124 615	+ 0.5%	135 696	+ 0.2%
Cash bonds	8 394	-11.8%	93	-4.7%	8 488	-11.7%
Bond issues and central mortgage institution loans	211 313	+ 5.9%	185 850	-18.0%	397 163	-6.8%
Accrued expenses and deferred income	11 337	-1.8%	5 635	-9.3%	16 972	-4.4%
Other liabilities	17 039	+ 0.3%	2 536	-16.5%	19 575	-2.3%
Provisions	10 772	+ 1.4%	565	-4.1%	11 337	+ 1.1%
Reserves for general banking risks	25 399	+ 4.2%	341	-11.0%	25 740	+ 4.0%
Bank capital	27 704	+ 1.8%	-	-	27 704	+ 1.8%
Statutory capital reserve	112 137	-0.6%	-3	0.0%	112 134	-0.6%
Statutory retained earnings reserve	25 453	+ 2.7%	-	-	25 453	+ 2.7%
Voluntary retained earnings reserves	44 447	+ 2.0%	2	-64.3%	44 449	+ 2.0%
Own shares	501	+ 32.8%	-	-	501	+ 32.8%
Profit carried forward/loss carried forward	12 037	+ 92.5%	-6 485	+ 605.4%	5 552	+ 4.1%
Total liabilities	1 889 387	+ 2.8%	1 335 613	-5.4%	3 225 000	-0.8%

Source: SNB

Chart 7

SELECTED LIABILITIES

CHF billions



Source: SNB

ASSETS

Domestic mortgage loans continued to rise, and by the end of 2018 stood at CHF 1,010.2 billion, an increase of CHF 35.5 billion or 3.6%¹. They thus make up around 30% of the balance sheet total. There were marked increases recorded by the cantonal banks (CHF 14.6 billion or 4.1%) and the Raiffeisen banks (CHF 7.5 billion or 4.4%). As in 2017, fixed-interest mortgage loans made up around 80% of total domestic mortgage loans.

The remaining loans, which are reported in the balance sheet under amounts due from customers, were CHF 24.7 billion lower at CHF 601.2 billion, a decline of 3.9%. They thus accounted for just under one-fifth of the aggregate balance sheet total. A key factor here was a reduction in amounts due to big banks from foreign customers, down CHF 31.4 billion to CHF 310.6 billion; a significant part of this related to positions in respect of intragroup companies.

Liquid assets remained virtually unchanged at CHF 509.7 billion (-0.3%). While there were increases domestically (CHF 9.2 billion to CHF 469.1 billion), the corresponding figures abroad showed a decline of CHF 10.9 billion to CHF 40.6 billion. Both these developments were primarily attributable to big banks having increased their holdings of sight deposits at the SNB by CHF 10.1 billion to CHF 126.8 billion while reducing those with foreign central banks by CHF 8.9 billion to CHF 38.5 billion.

Chart 8

BALANCE SHEET, BY ASSETS, 2018

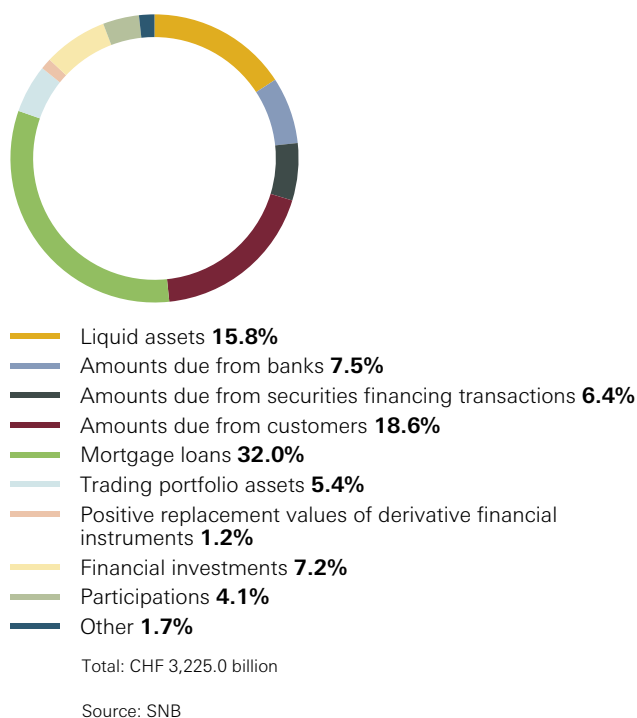
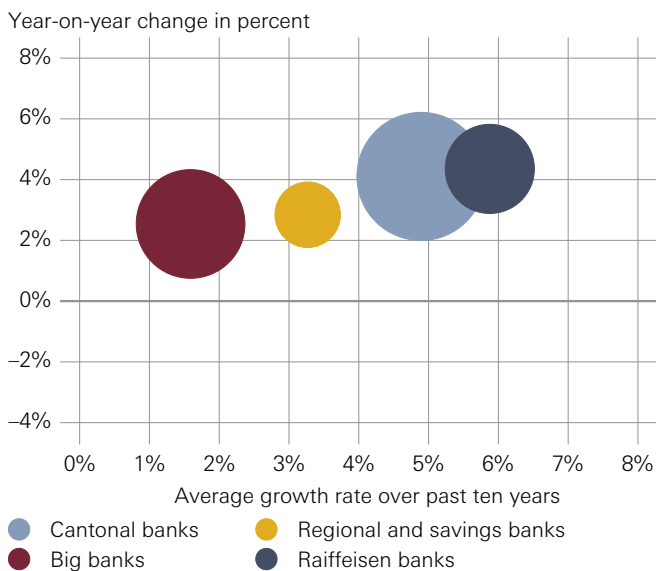


Chart 9

DEVELOPMENTS IN DOMESTIC MORTGAGE LOANS, 2018

Circular areas represent domestic loan volumes



¹ Excluding an intragroup mortgage, the annual growth rate is 3.3%.

Amounts due from banks were CHF 25.8 billion lower at CHF 241.4 billion, with the largest decline being recorded in the big banks category (CHF –14.1 billion to CHF 146.2 billion). Unlike in the previous years, amounts due from banks fell both domestically and abroad, and this across various bank categories.

There was a marked decline in trading portfolio assets (CHF –22.1 billion to CHF 175.0 billion). Amounts due from securities financing transactions rose by a total of CHF 12.0 billion to CHF 207.2 billion, a significant factor in this regard being the clear increase in amounts due to big banks from abroad.

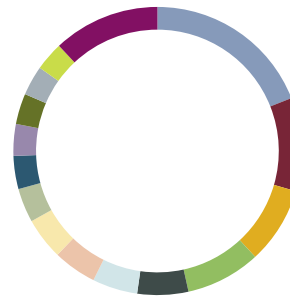
The positive replacement values of derivative financial instruments declined by CHF 0.9 billion to CHF 40.1 billion. The balance sheet item ‘other financial instruments at fair value’ showed a slight increase in the year under review (CHF 0.1 billion to CHF 4.7 billion).

Overall, financial investments rose by CHF 6.2 billion to CHF 231.9 billion. While domestic investments were up by CHF 6.6 billion to CHF 88.9 billion, there was a slight decline in foreign investments, down CHF 0.4 billion to CHF 143.0 billion. The balance sheet item ‘participations’ was CHF 0.8 billion lower at CHF 131.0 billion.

Chart 10

MORTGAGE LOANS, BY CANTON, 2018

By location of mortgage loan object



- Zurich **19.0%**
- Berne **10.5%**
- Aargau **8.6%**
- Vaud **8.4%**
- St Gallen **5.7%**
- Geneva **5.1%**
- Ticino **4.9%**
- Lucerne **4.7%**
- Valais **3.8%**
- Baselland **3.7%**
- Thurgau **3.6%**
- Fribourg **3.4%**
- Graubünden **3.3%**
- Solothurn **3.2%**
- Others **12.0%**

Total¹: CHF 1,009.2 billion

¹ The data on mortgage loans broken down by canton are taken from a partial sample survey.

Source: SNB

LIABILITIES

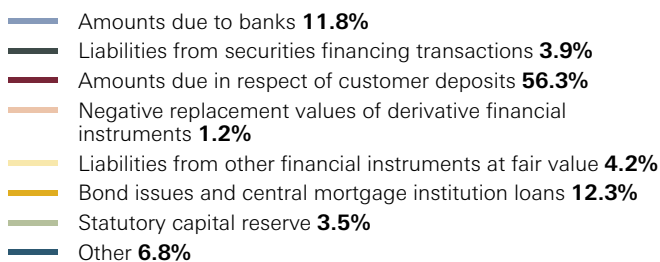
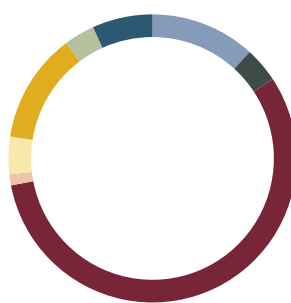
Amounts due in respect of customer deposits were up 1.5% overall, rising by CHF 26.7 billion to CHF 1,814.8 billion, and thus accounted for around 56% of the aggregated balance sheet total. The largest increases were recorded by the cantonal banks (CHF 12.3 billion to CHF 357.7 billion) and big banks (CHF 15.5 billion to CHF 733.9 billion). In the latter category, additional deposits by intragroup entities without banking licences were a significant factor in the rise. Domestic customer deposits were up by a total of CHF 30.3 billion to CHF 1,223.7 billion, while foreign customer deposits were down slightly (CHF –3.6 billion to CHF 591.1 billion).

Amounts due in respect of customer deposits (excluding tied pension provision) are broken down by maturity into three components: ‘on sight’, ‘cancellable’ and ‘remaining period to maturity’. There were decreases recorded in the case of both sight deposits (CHF –9.4 billion to CHF 880.6 billion) and cancellable deposits (CHF –3.4 billion to CHF 569.0 billion). However, deposits with a remaining period to maturity (time deposits) were CHF 39.1 billion higher at CHF 269.5 billion. In the case of tied pension provision, there was a CHF 0.4 billion increase to CHF 95.7 billion.

Amounts due to banks fell by CHF 10.5 billion to CHF 379.9 billion. While amounts due to domestic banks rose by CHF 4.1 billion to CHF 103.3 billion, amounts due to banks outside Switzerland declined by CHF 14.6 billion to CHF 276.6 billion.

Chart 11

BALANCE SHEET, BY LIABILITIES, 2018



Total: CHF 3,225.0 billion

Source: SNB

Trading portfolio liabilities fell slightly (CHF –1.1 billion to CHF 33.4 billion). The negative replacement values of derivative financial instruments declined by CHF 1.2 billion to CHF 39.9 billion. At CHF 135.7 billion, liabilities from other financial instruments at fair value remained virtually unchanged.

Liabilities from securities financing transactions were lower both in Switzerland (CHF –3.6 billion to CHF 33.2 billion) and abroad (CHF –6.3 billion to CHF 94.1 billion), this being primarily attributable to intragroup reductions in the big banks category.

The balance sheet item ‘bond issues and central mortgage institution loans’ fell by CHF 29.0 billion to CHF 397.2 billion. This was in particular attributable to a decline in big banks’ issuance abroad of money market instruments (CHF –21.3 billion) and bonds (CHF –19.4 billion). Domestically, however, this item showed an increase overall (CHF 11.8 billion to CHF 211.3 billion), chiefly in the categories of cantonal banks (up CHF 4.8 billion) and big banks (up CHF 3.7 billion).

In preparing their balance sheets, the banks can – subject to certain conditions – offset the positive and negative replacement values of individual contracts and derivative financial instruments (netting). The balance sheet items in question therefore generally show net figures. Unlike the balance sheet itself, the notes in the appendix show the positive and negative replacement values without netting, as well as the underlying contract volume in each case. Owing to the extensive use of netting, the figures in the notes are, as a rule, many times higher than the corresponding balance sheet items. The description of movements in contract volume and the attendant replacement values relates to figures prior to netting.

The contract volume of derivative financial instruments remained essentially unchanged, increasing only slightly by 1.1% to CHF 28,895.7 billion. The corresponding positive replacement values rose by 5.2% to CHF 188.8 billion and the negative replacement values by 8.9% to CHF 192.9 billion. As in previous years, business in derivative financial instruments was dominated by the big banks category, which accounted for 92.2% of the contract volume.

The contract volume of interest rate derivatives declined slightly in 2018, by 0.4% to CHF 18,831.5 billion. In terms of total contract volume, they remained the most significant category with a share of 65.2%. The corresponding replacement values fell slightly, the positive values by 2.7% to CHF 69.4 billion and the negative values by 0.3% to CHF 66.1 billion.

In the case of foreign exchange derivatives, the second largest category of derivative financial instrument, contract volume increased (4.0% to CHF 8,331.6 billion), as did the corresponding positive and negative replacement values (5.5% to CHF 77.6 billion and 9.2% to CHF 78.6 billion respectively).

Table 6

OUTSTANDING DERIVATIVE FINANCIAL INSTRUMENTS

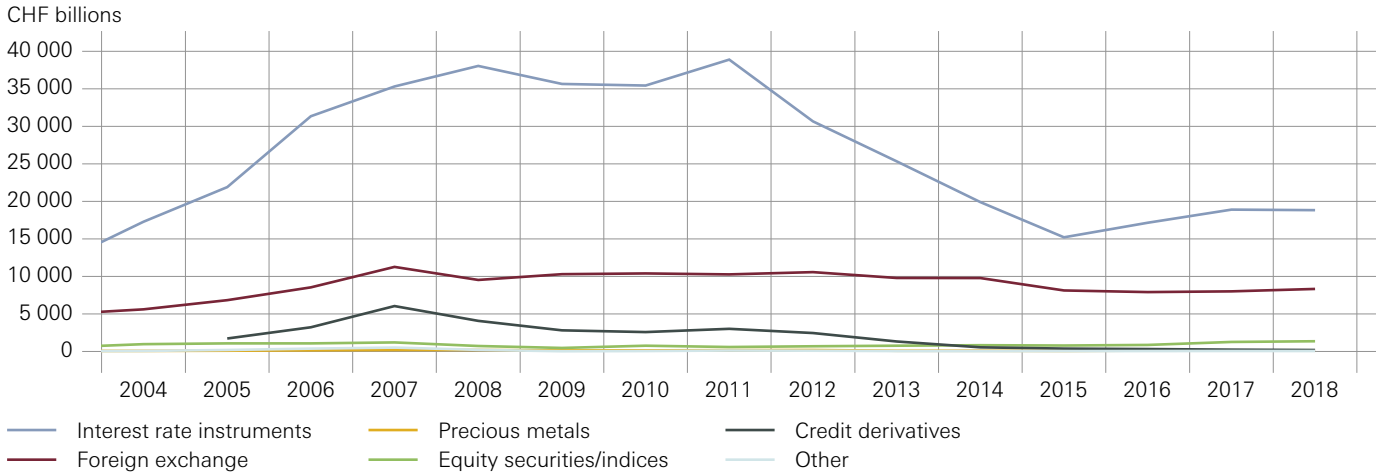
In CHF millions

	Positive replacement value		Negative replacement value		Contract volume	
	2018	Year-on-year change	2018	Year-on-year change	2018	Year-on-year change
Interest rate instruments	69 376	-2.7%	66 098	-0.3%	18 831 486	-0.4%
Foreign exchange	77 561	+5.5%	78 571	+9.2%	8 331 591	+4.0%
Precious metals	1 854	+27.7%	1 515	+25.8%	119 243	+11.3%
Equity securities/indices	34 740	+25.9%	41 170	+28.7%	1 360 735	+7.4%
Credit derivatives	2 744	-20.2%	4 209	-8.0%	192 828	-20.0%
Other	2 543	+12.3%	1 385	+17.3%	59 816	-6.1%
Total	188 818	+5.2%	192 948	+8.9%	28 895 699	+1.1%

Source: SNB

Chart 12

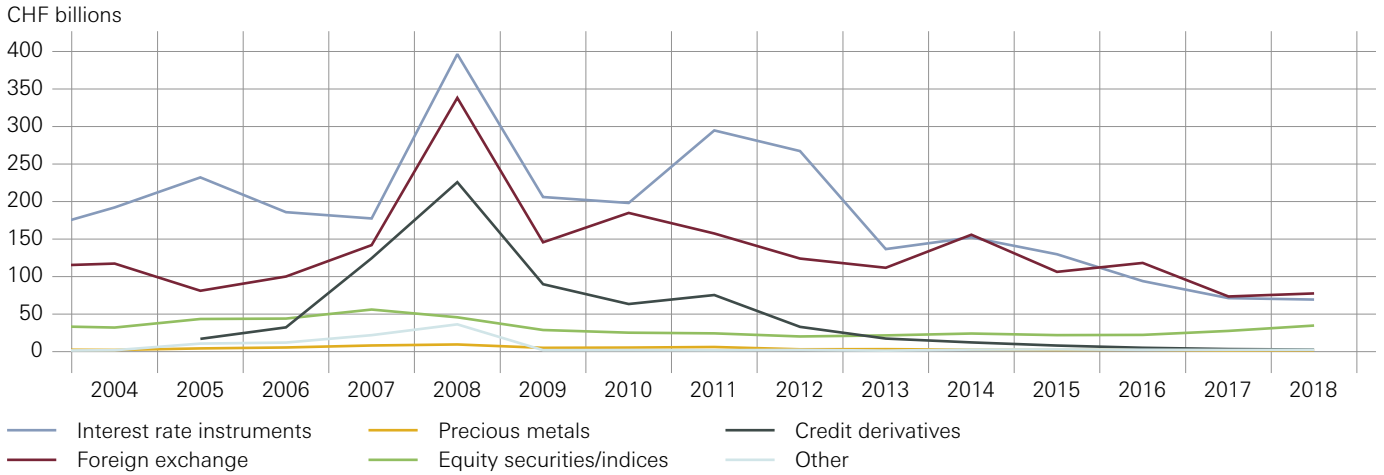
CONTRACT VOLUME



Source: SNB

Chart 13

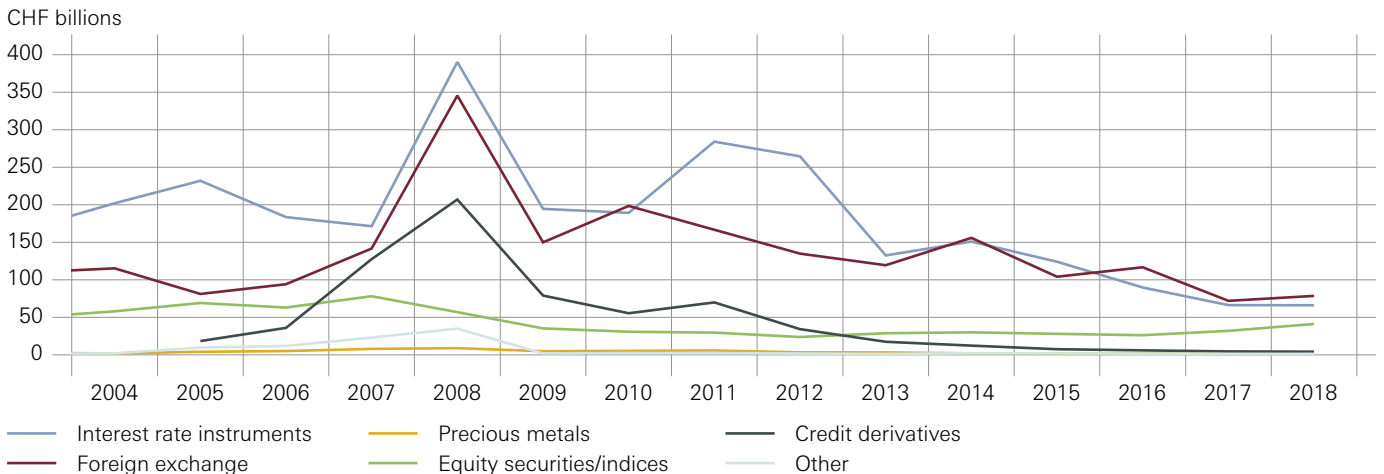
POSITIVE REPLACEMENT VALUES



Source: SNB

Chart 14

NEGATIVE REPLACEMENT VALUES



Source: SNB

5

Fiduciary transactions

Fiduciary funds administered by banks have been increasing since 2015, and this continued in 2018 with a rise of CHF 21.8 billion or 15.8% to CHF 160.0 billion. However, this value is still well below the high of CHF 482.9 billion set in 2007. As in 2017, increases were recorded for both fiduciary deposits from abroad (CHF 16.8 billion to CHF 132.4 billion) and domestic deposits (CHF 4.9 billion to CHF 27.6 billion).

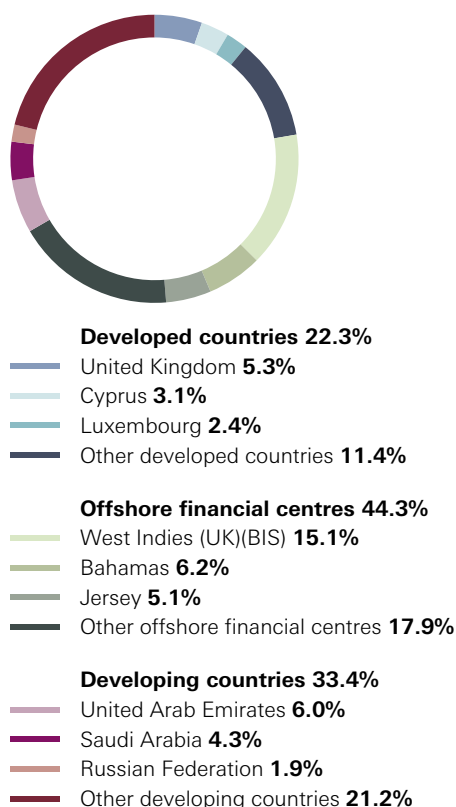
Fiduciary funds are invested in the currency in which they are received, i.e. the banks do not carry out any foreign exchange translation. The breakdown by currency is influenced in particular by the movement of interest rates on the money market, given that this is above all where fiduciary deposits are invested. Against the backdrop of the higher interest rates on the US dollar money market, deposits invested in the currency rose, recording a pronounced increase of CHF 18.9 billion to CHF 127.0 billion. The fiduciary deposits invested in Swiss francs showed a modest rise of CHF 0.2 billion to CHF 3.9 billion, while those deposits invested in euros declined slightly by CHF 0.4 billion to CHF 8.8 billion.

The significance of the US dollar has risen continuously in recent years, with stocks in the currency accounting for a 79.4% share at the end of 2018. The shares of fiduciary funds invested in euros and in Swiss francs were comparatively small, at 5.5% and 2.5% respectively.

The breakdown of fiduciary funds in accordance with their origin shows the make-up by client domicile. Regarding fiduciary deposits from abroad, those from offshore financial centres increased by 20.6%, those from developed countries by 15.4%, and those from developing countries by 6.0%.

Chart 15

FIDUCIARY DEPOSITS FROM ABROAD, BY REGION AND COUNTRY, 2018



Total¹: CHF 124.0 billion

¹ The data on fiduciary deposits from abroad broken down by region and country are taken from a partial sample survey.

Source: SNB

Table 7

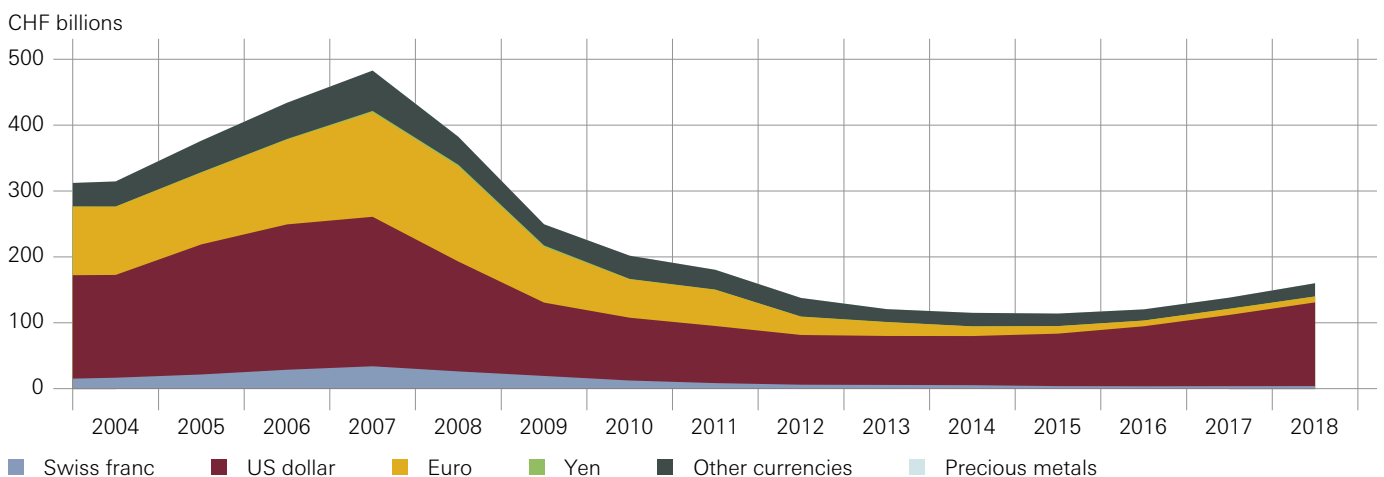
FIDUCIARY TRANSACTIONS

In CHF millions

	2018	Domestic Year-on-year change	2018	Foreign Year-on-year change	2018	Total Year-on-year change
Fiduciary assets						
Swiss franc	1 705	-5.4%	2 236	+14.0%	3 941	+4.7%
US dollar	2 765	+37.1%	124 238	+17.1%	127 003	+17.5%
Euro	237	+410.1%	8 584	-6.0%	8 821	-3.9%
Yen	-		377	+21.3%	377	+21.3%
Other currencies	281	+293.4%	19 606	+17.3%	19 888	+18.5%
Precious metals	3	-16.0%	7	-92.3%	10	-89.7%
Total	4 990	+26.7%	155 049	+15.4%	160 039	+15.8%
Fiduciary liabilities						
Swiss franc	3 543	+8.7%	398	-20.9%	3 941	+4.7%
US dollar	18 044	+29.3%	108 958	+15.7%	127 003	+17.5%
Euro	3 067	+10.7%	5 754	-10.2%	8 821	-3.9%
Yen	18	+7.1%	360	+22.1%	377	+21.3%
Other currencies	2 932	+11.0%	16 955	+19.9%	19 888	+18.5%
Precious metals	7	-51.8%	3	-96.7%	10	-89.7%
Total	27 611	+21.8%	132 428	+14.6%	160 039	+15.8%

Source: SNB

Chart 16

FIDUCIARY TRANSACTIONS, BY CURRENCY

Source: SNB

6 Securities holdings in bank custody accounts

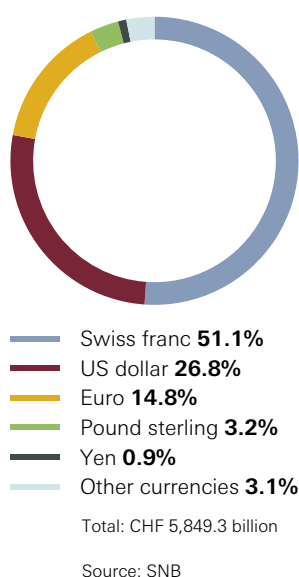
The information on stocks of securities relates to open custody accounts of customers at the domestic offices of banks in Switzerland. These include holdings that banks manage for domestic customers as well as those they manage or hold in custody for foreign customers.¹

Stocks of securities in custody accounts of customers at banks fell by 6.5% or CHF 406.2 billion to CHF 5,849.3 billion, with declines registered in nearly all securities categories. Investment in shares was down by 11.7% at CHF 2,199.4 billion. The decline in share prices was a significant contributory factor in this regard. At 37.6% of the total, however, this remains the most important category of security. Stocks of collective investment scheme units – the second largest category – also declined, down 3.3% to CHF 2,125.7 billion. Stocks of bonds also decreased slightly (–2.3% to CHF 1,265.4 billion). Structured products fell by 10.0% to CHF 182.6 billion. The only category to record an increase was money market instruments (12.4% to CHF 76.2 billion); more instruments of foreign issuers were held in this instance.

With a share of 51.1%, the Swiss franc remained the most important investment currency. The corresponding stocks were 6.3% lower at CHF 2,989.4 billion. Securities in US dollars also registered a decline (–2.7% to CHF 1,565.4 billion), but at 26.8% accounted for a greater share than in previous years. Stocks in euros decreased by 12.3% overall to CHF 866.8 billion. As a consequence, their share in the total fell to 14.8% in 2018.

Chart 17

HOLDINGS OF SECURITIES IN BANK CUSTODY ACCOUNTS, BY CURRENCY, 2018



All investor categories showed declines: in the case of institutional investors,² stocks were down by CHF 296.2 billion or 6.3% to CHF 4,434.3 billion, with foreign institutional investors accounting for CHF 224.8 billion (–8.8%) of this decrease. Stocks held by private customers were down 7.4% at CHF 1,122.5 billion, and those of commercial customers³ were 6.7% lower at CHF 292.4 billion.

Stocks held by resident custody account holders reduced by 4.4% to CHF 2,919.0 billion, and those of non-residents by 8.5% to CHF 2,930.3 billion. As at the end of the 2018 financial year, non-resident custody account holders held 50.1% of the total securities holdings in Switzerland.

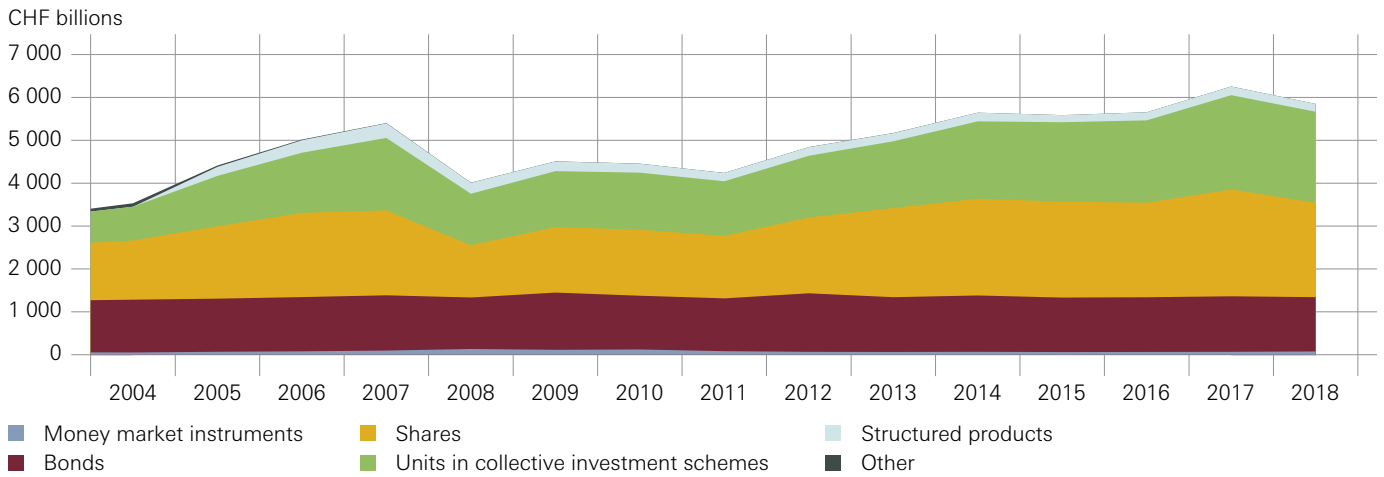
¹ For the purposes of this publication, managed securities holdings do not refer to all kinds of asset management mandate held by banks. Rather, the portfolios designated here as 'managed' indicate that the bank implements transaction decisions on behalf of the owner or their asset manager, maintains interest and/or dividend payments and provides information under tax legislation (custody account statements, tax statements). Custody of securities, by contrast, is understood to mean mere safekeeping. Further notes can be found at data.snb.ch, *Table selection, Banks, Notes – Banks, Surveys*.

² Financial corporations including banks outside Switzerland and social security funds.

³ Non-financial corporations, public sector, and non-profit institutions serving households.

Chart 18

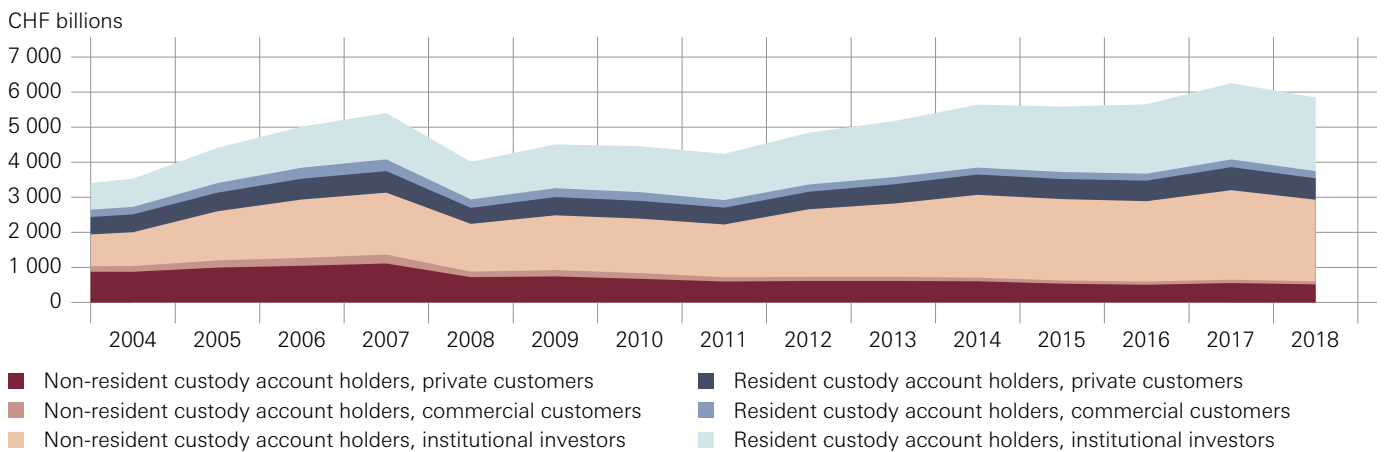
HOLDINGS OF SECURITIES IN BANK CUSTODY ACCOUNTS, BY CATEGORY OF SECURITY



Source: SNB

Chart 19

HOLDINGS OF SECURITIES IN BANK CUSTODY ACCOUNTS, BY DOMICILE AND BUSINESS SECTOR OF CUSTODY ACCOUNT HOLDER



Source: SNB

Table 8

SECURITIES HOLDINGS IN BANK CUSTODY ACCOUNTS

In CHF billions

	2018	All currencies Year-on-year change	2018	CHF Year-on-year change	2018	EUR Year-on-year change
Resident custody account holders						
Private customers	609	-7.5%	415	-6.6%	74	-14.5%
Commercial customers	206	-6.3%	161	-4.2%	17	-9.9%
Institutional investors	2 104	-3.3%	1 376	-1.0%	198	-9.1%
Total	2 919	-4.4%	1 953	-2.5%	289	-10.6%
Non-resident custody account holders						
Private customers	513	-7.2%	63	-10.7%	132	-14.9%
Commercial customers	86	-7.6%	5	-22.6%	28	-8.0%
Institutional investors	2 331	-8.8%	969	-12.8%	418	-12.8%
Total	2 930	-8.5%	1 037	-12.8%	578	-13.1%
Resident and non-resident custody account holders						
Private customers	1 123	-7.4%	479	-7.2%	206	-14.8%
Commercial customers	292	-6.7%	166	-4.9%	45	-8.7%
Institutional investors	4 434	-6.3%	2 344	-6.3%	616	-11.7%
Total	5 849	-6.5%	2 989	-6.3%	867	-12.3%

Source: SNB

In CHF billions

	2018	USD Year-on-year change	2018	Other currencies Year-on-year change
Resident custody account holders				
Private customers	91	-1.5%	28	-17.2%
Commercial customers	22	-8.8%	6	-32.6%
Institutional investors	404	-5.1%	126	-10.9%
Total	518	-4.7%	159	-13.0%
Non-resident custody account holders				
Private customers	273	-1.3%	45	-11.5%
Commercial customers	43	+0.7%	11	-24.3%
Institutional investors	732	-1.9%	213	-2.9%
Total	1 048	-1.6%	268	-5.5%
Resident and non-resident custody account holders				
Private customers	365	-1.3%	73	-13.8%
Commercial customers	65	-2.8%	16	-27.3%
Institutional investors	1 136	-3.1%	338	-6.1%
Total	1 565	-2.7%	428	-8.5%

Income statement as well as appropriation of profit and coverage of losses

SUMMARY

Of the 248 banks covered in 2018, 216 reported a profit, with an aggregate figure of CHF 12.8 billion. The remaining 32 institutions recorded an aggregate loss of CHF 1.3 billion.

The result of the period across all banks was thus CHF 11.5 billion, an increase of CHF 1.7 billion over 2017.

RESULT FROM INTEREST OPERATIONS

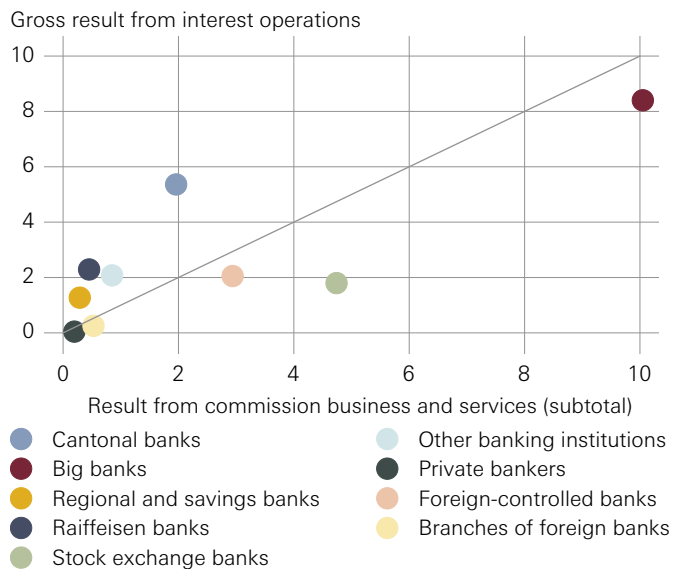
There were marked increases in interest income (CHF 6.8 billion to CHF 48.7 billion) and also in interest expense (CHF 7.3 billion to CHF 25.1 billion). These rises were in part attributable to certain business activities at big banks being newly performed by the parent company rather than by foreign subsidiaries. In the case of all other banks, there were only moderate increases in aggregated interest income (CHF 1.0 billion to CHF 20.2 billion) and aggregated interest expense (CHF 0.8 billion to CHF 5.1 billion). Given that growth in expense was slightly stronger than in income, the gross result from interest operations decreased marginally by CHF 0.4 billion to CHF 23.5 billion.

Value adjustments and losses related to interest business amounting to CHF 0.6 billion were offset against the gross result from interest operations to give the net result from interest operations. This declined by CHF 0.3 billion to CHF 22.9 billion.

Chart 20

INTEREST OPERATIONS VS COMMISSION BUSINESS AND SERVICES, 2018

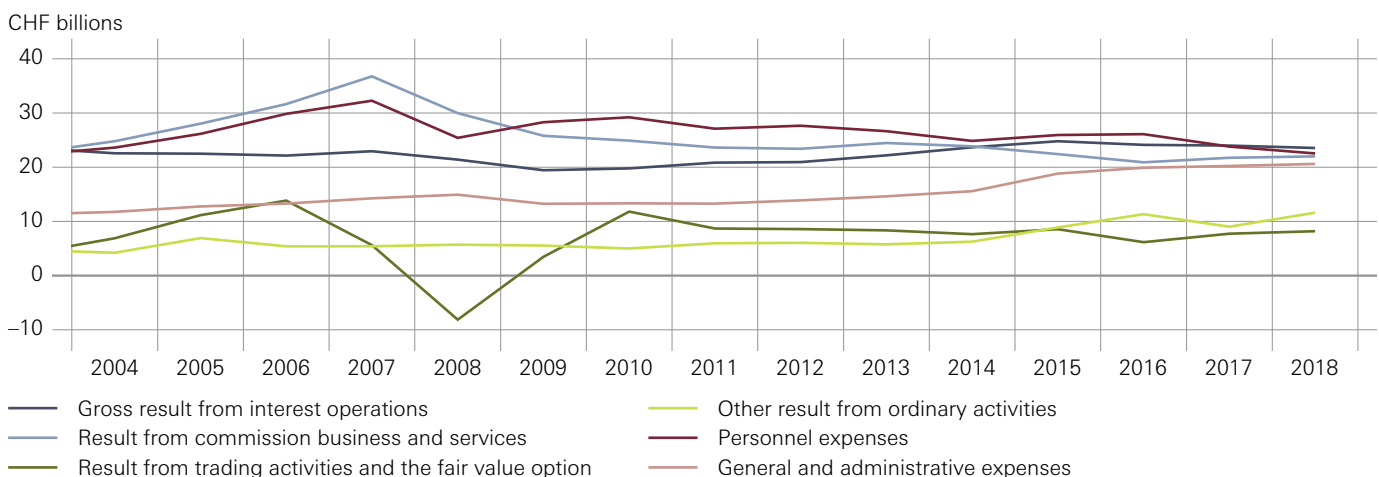
Result by bank category in CHF billions



Source: SNB

Chart 21

INDIVIDUAL ELEMENTS OF THE INCOME STATEMENT



Source: SNB

RESULT FROM COMMISSION BUSINESS AND SERVICES

The result from commission business and services increased slightly to CHF 22.0 billion. The various income components and the commission expense changed only slightly year-on-year. Commission income from lending activities came to CHF 2.1 billion, that from securities trading and investment activities totalled CHF 20.6 billion, and that from other services amounted to CHF 4.2 billion. Commission expense stood at CHF 5.0 billion.

RESULT FROM TRADING ACTIVITIES AND THE FAIR VALUE OPTION

The result from trading activities and the fair value option increased by CHF 0.5 billion to CHF 8.2 billion, with the categories of big banks (up CHF 0.5 billion) and stock exchange banks (up CHF 0.2 billion) contributing to this rise.

OTHER RESULT FROM ORDINARY ACTIVITIES

The other result from ordinary activities item was up by CHF 2.6 billion to CHF 11.6 billion. The breakdown by component is set out below. Income from participations increased by CHF 4.3 billion to CHF 7.1 billion. The big banks, which recorded a rise of CHF 4.0 billion, had a significant impact in this regard. They also report the dividend payments they receive from their subsidiaries under this item. These subsidiaries also include institutions in Switzerland with their own banking licence. There was a marked drop in other ordinary income, down CHF 1.5 billion at CHF 4.7 billion. The big banks category (CHF -1.4 billion) was a significant factor in this development as well. The result from the disposal of financial investments was also lower than in 2017 at CHF 0.1 billion. Slight increases were recorded in the result from real estate (CHF 0.9 billion) and in the other ordinary expenses item (CHF 1.1 billion).

PERSONNEL EXPENSES AS WELL AS GENERAL AND ADMINISTRATIVE EXPENSES

Personnel expenses decreased by CHF 1.3 billion to CHF 22.5 billion, this decline mainly affecting the big banks category (CHF -1.3 billion to CHF 8.8 billion).

The general and administrative expenses rose by CHF 0.4 billion to CHF 20.6 billion.

Operating expenses, which comprise personnel expenses as well as general and administrative expenses, thus decreased in total across all banks by CHF 0.9 billion to CHF 43.1 billion.

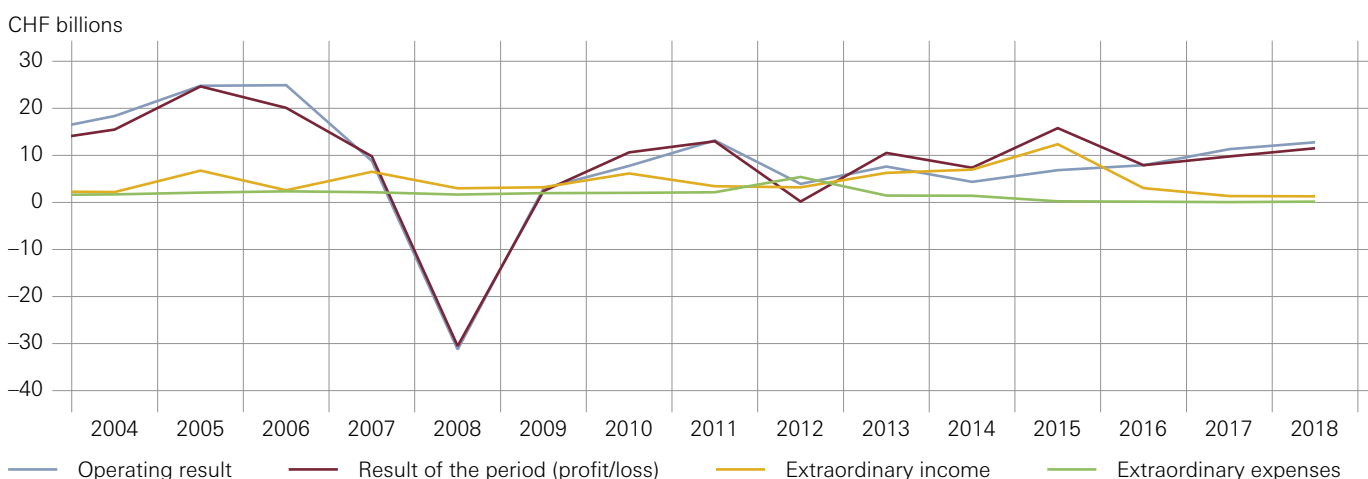
DEPRECIATION, VALUE ADJUSTMENTS AND PROVISIONS

In 2018, the 'value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets' item increased by CHF 2.4 billion to CHF 7.7 billion. The big banks category recorded a rise of CHF 2.2 billion and accounted for CHF 5.4 billion of this figure.

The 'changes to provisions and other value adjustments, and losses' item showed a slight increase, up CHF 0.1 billion to CHF 1.1 billion.

Chart 22

OPERATING RESULT AND RESULT OF THE PERIOD



Source: SNB

OPERATING RESULT

Overall, the banks reported an operating result totalling CHF 12.8 billion in 2018, a rise of CHF 1.5 billion. The highest figures in this respect were recorded by the big banks (CHF 4.7 billion), cantonal banks (CHF 3.7 billion) and stock exchange banks (CHF 1.6 billion).

EXTRAORDINARY INCOME AND EXTRAORDINARY EXPENSES

Extraordinary income amounted to CHF 1.3 billion in 2018, while extraordinary expenses totalled CHF 0.2 billion.

RESULT OF THE PERIOD (PROFIT/LOSS)

The changes in reserves for general banking risks (CHF –0.9 billion) and taxes (CHF 1.5 billion) are taken into account in calculating the ‘result of the period (profit/loss)’ item. Of the 248 banks covered, 216 registered a profit (2017: 230 of 253). Aggregate profits increased by CHF 2.5 billion to CHF 12.8 billion. The remaining 32 institutions (2017: 23) recorded losses totalling CHF 1.3 billion. The aggregate losses were CHF 0.7 billion higher than in 2017.

Taking all banks together, the aggregate result of the period was CHF 11.5 billion, an increase of CHF 1.7 billion year-on-year. The highest aggregate figures in this respect were recorded by the big banks (CHF 4.9 billion), cantonal banks (CHF 2.9 billion) and stock exchange banks (CHF 1.5 billion).

Table 9

INCOME STATEMENT

In CHF millions

	2018	Year-on-year change
Result from interest operations		
Interest and discount income	41 333	+ 14.1%
Interest and dividend income from trading portfolios	4 930	+ 46.0%
Interest and dividend income from financial investments	2 410	+ 8.4%
Interest expense	25 124	+ 40.9%
Gross result from interest operations	23 550	- 1.8%
Changes in value adjustments for default risks and losses from interest operations	638	- 17.6%
Subtotal net result from interest operations	22 912	- 1.3%
Result from commission business and services		
Commission income from securities trading and investment activities	20 648	+ 0.3%
Commission income from lending activities	2 137	+ 8.2%
Commission income from other services	4 229	- 3.8%
Commission expense	5 014	- 4.0%
Subtotal result from commission business and services	22 000	+ 1.2%
Result from trading activities and the fair value option	8 189	+ 5.9%
Other result from ordinary activities		
Result from the disposal of financial investments	116	- 60.4%
Income from participations	7 059	+ 154.3%
Result from real estate	859	+ 4.9%
Other ordinary income	4 667	- 24.4%
Other ordinary expenses	1 096	+ 5.4%
Subtotal other result from ordinary activities	11 605	+ 28.6%
Operating expenses		
Personnel expenses	22 539	- 5.3%
General and administrative expenses	20 607	+ 1.9%
Subtotal operating expenses	43 146	- 2.0%
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	7 651	+ 44.4%
Changes to provisions and other value adjustments, and losses	1 129	+ 6.6%
Operating result	12 781	+ 12.9%
Extraordinary income	1 297	- 4.0%
Extraordinary expenses	169	+ 147.7%
Changes in reserves for general banking risks	- 943	+ 55.2%
Taxes	1 453	- 34.9%
Result of the period (profit/loss)	11 514	+ 17.9%

Source: SNB

Table 10

APPROPRIATION OF PROFIT AND COVERAGE OF LOSSES

In CHF millions

	2018	Year-on-year change
Result of the period (profit/loss)	11 514	+ 17.9%
Profit carried forward/loss carried forward	5 237	+ 7.8%
Distributable profit/accumulated loss	16 751	+ 14.5%
Appropriation of profit	12 016	+ 26.3%
Allocation to statutory retained earnings reserve	554	+ 16.3%
Allocation to voluntary retained earnings reserves	1 984	-43.5%
Distributions from distributable profit		
Distribution to shareholders, company members, proprietors, etc.	8 166	+ 81.4%
Allocation to cantons and municipalities	1 171	+ 30.8%
Interest on endowment capital	69	-9.2%
Subtotal distributions from distributable profit	9 406	+ 71.8%
Other appropriation of profit		
Emoluments	3	+ 9.3%
Allocation to staff pension schemes	1	-63.6%
Other appropriation	67	+ 37.0%
Subtotal other appropriation of profit	71	+ 29.7%
Coverage of losses	816	
Transfers from statutory retained earnings reserve	59	
Transfers from voluntary retained earnings reserves	757	
New profit/loss carried forward	5 552	+ 4.1%

Source: SNB

The number of staff at banks in Switzerland – in terms of full-time equivalents (FTEs) – was down by 1,547 to 107,388 (–1.4%). In the domestic component, the total number of staff decreased by 1,240 to 90,660 (–1.3%), and the number abroad declined by 307 to 16,728 (–1.8%). As in 2017, part of this reduction was attributable to jobs being transferred to intragroup entities not included in the banking statistics.

In the big banks category, the number of staff fell by 1,257 to 37,050. In Switzerland there was a decline of 813 to 24,097 (–3.3%). Outside Switzerland, two larger effects offset one another: one big bank markedly increased staff numbers at its foreign branches, while another transferred staff to a foreign entity not covered by the banking statistics. All in all, the number of staff employed abroad was 444 lower at 12,953.

The foreign-controlled banks category also reported a clear decrease in staff numbers, down 1,000 to 14,805 (of which, Switzerland: –928 to 13,107). A large part of the reduction also related to staff transferred by two banks to intragroup service companies not included in the banking statistics.

Meanwhile, the stock exchange banks category recorded a pronounced rise in staff numbers, up by 513 to 15,723 (of which, Switzerland: +292 to 13,655).

The proportion of women employed stood at 39.5%.

Chart 23

NUMBER OF STAFF, BY GENDER, 2018

Measured in full-time equivalents, shares in %

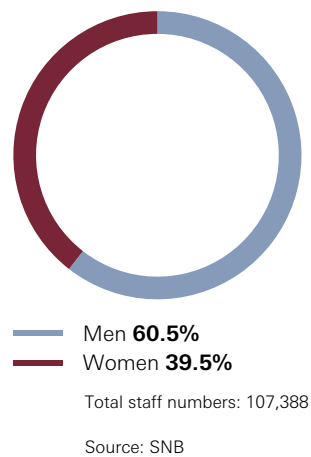


Table 11

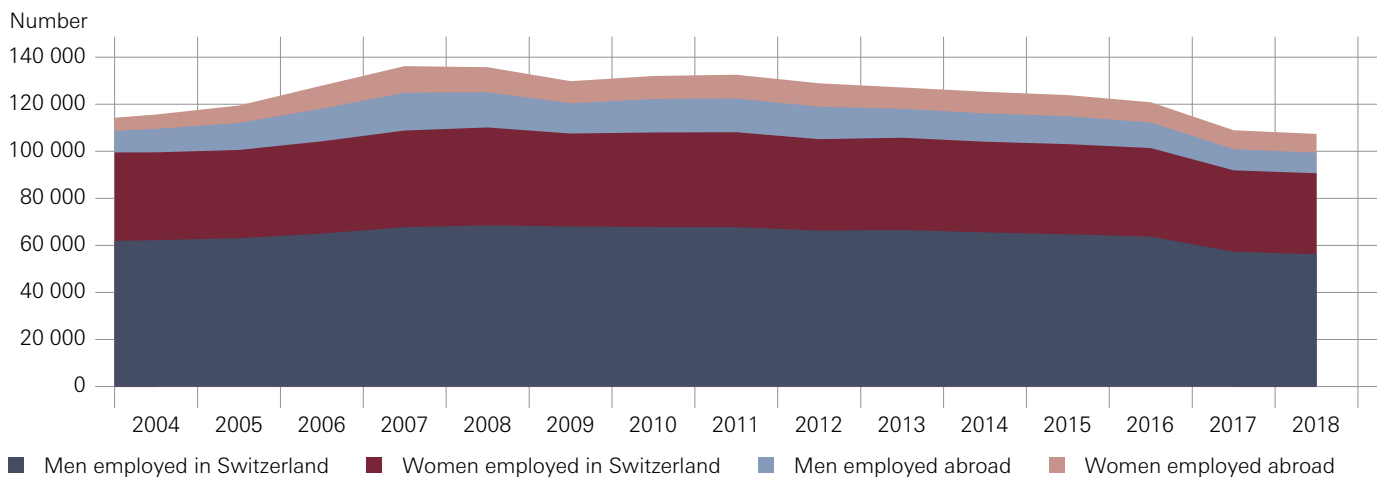
NUMBER OF STAFF

In full-time equivalents

	2018	Domestic Year-on-year change	2018	Foreign Year-on-year change	Domestic and foreign 2018	Year-on-year change
Men	56 239	-1.9%	8 749	-2.7%	64 988	-2.0%
Women	34 421	-0.4%	7 979	-0.8%	42 400	-0.5%
Total	90 660	-1.3%	16 728	-1.8%	107 388	-1.4%

Source: SNB

Chart 24

CHANGE IN STAFF NUMBERS

Source: SNB

Average rate of interest and distribution by rate of interest

The following comments refer to the average rate of interest, weighted by stocks, on balance sheet items denominated in Swiss francs.

The average rate of interest on domestic mortgage loans¹ declined by 7 basis points to 1.45%. As in the preceding years, all bank categories recorded decreases, ranging from 1 basis point in the case of branches of foreign banks to 8 basis points for the cantonal banks and Raiffeisen banks. The average rate of interest on amounts due from domestic customers was 7 basis points lower at 1.86%.

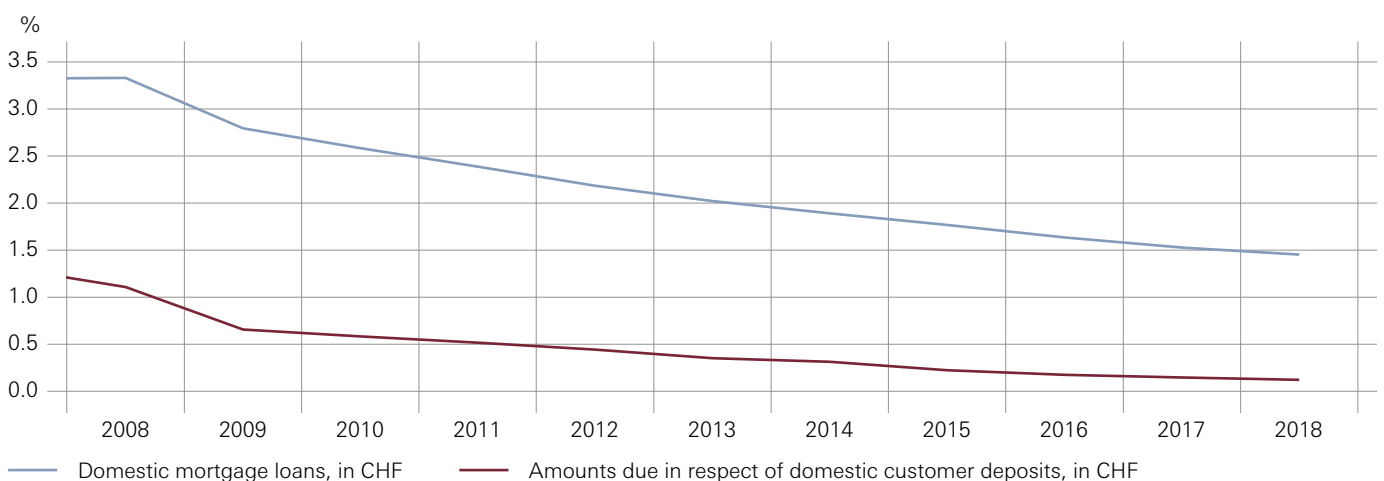
¹ Not comparable with the reference interest rate for tenancies. For this rate, only banks in Switzerland whose domestic mortgage loans in Swiss francs exceed a total amount of CHF 300 million are required to report data.

The average rate of interest on domestic amounts due in respect of customer deposits was down by 2 basis points to 0.12%. The most pronounced declines were recorded by the categories of big banks and other banking institutions, each down 4 basis points to 0.06% and 0.10% respectively. The only category to record an increase was foreign-controlled banks (up 1 basis point to 0.11%). The average rate of interest on liabilities from cash bonds decreased by 10 basis points to 0.91%, while that on liabilities from bonds, warrant bonds and convertible bonds was 9 basis points lower at 1.07%.

The average rate of interest on amounts due from/to domestic banks in Swiss francs increased, both on the claims side (5 basis points to 0.10%) and the liabilities side (2 basis points to 0.10%).

Chart 25

AVERAGE RATE OF INTEREST ON SELECTED BALANCE SHEET ITEMS



Source: SNB

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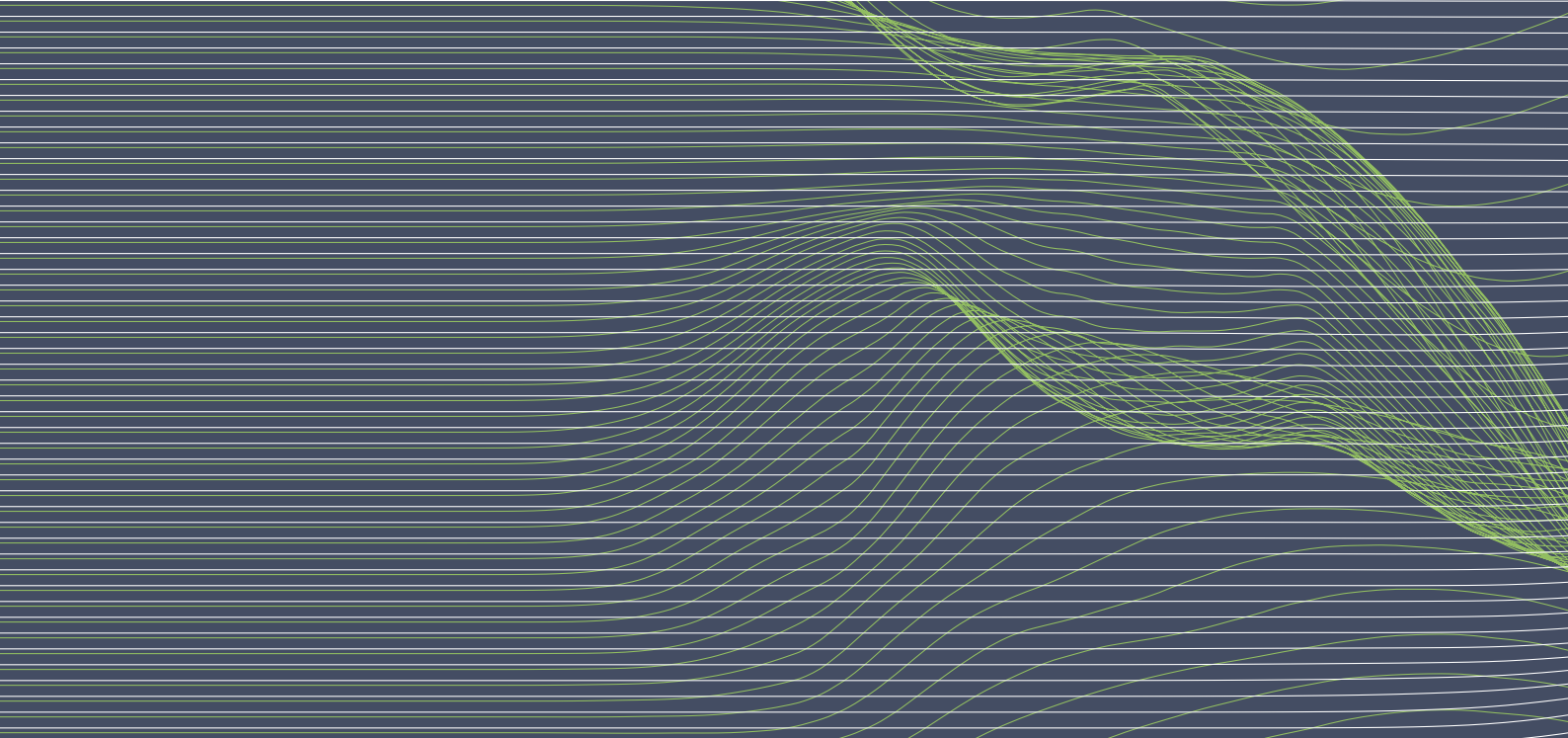
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