

**Communications**

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## **Interim results of the Swiss National Bank as at 30 June 2017**

**The Swiss National Bank (SNB) reports a profit of CHF 1.2 billion for the first half of 2017.**

A valuation gain of CHF 0.3 billion was recorded on gold holdings. The profit on foreign currency positions amounted to CHF 0.1 billion and the profit on Swiss franc positions stood at CHF 0.9 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 net result on foreign currency positions was CHF 0.1 billion.

Interest income accounted for CHF 4.4 billion and dividends for CHF 1.8 billion. Movements in bond prices differed from those in share prices. A loss of CHF 3.6 billion was recorded on interest-bearing paper and instruments. By contrast, equity securities and instruments benefited from the favourable stock market environment and contributed CHF 9.4 billion to the net result.

Exchange rate-related losses totalled CHF 11.8 billion. Exchange rate gains on the euro did not offset losses recorded on other investment currencies, particularly the US dollar.

Press release

## **Valuation gain on gold holdings**

A valuation gain of CHF 0.3 billion was achieved on gold holdings, which remained unchanged in volume terms. Gold was trading at CHF 38,217 per kilogram at end-June 2017 (end-2016: CHF 37,885).

## **Profit on Swiss franc positions**

The net result on Swiss franc positions, which stood at CHF 0.9 billion, was largely comprised of negative interest charged on sight deposit account balances.

## **Provisions for currency reserves**

As at end-June 2017, the SNB recorded a profit of CHF 1.2 billion, before 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 2017 will be determined at the end of the year.

Press release

**Income statement, 1 January–30 June 2017<sup>1</sup>**

In CHF millions

	Item in Notes	Q1–Q2 2017	Q1–Q2 2016	Change
Net result from gold		345.8	7 597.4	–7 251.6
Net result from foreign currency positions	1	110.8	12 994.4	–12 883.6
Net result from Swiss franc positions	2	943.9	868.1	+75.8
Net result, other		9.9	12.3	–2.4
<b>Gross income</b>		<b>1 410.3</b>	<b>21 472.1</b>	<b>–20 061.8</b>
Banknote expenses		–39.8	–10.1	–29.7
Personnel expenses		–83.1	–80.6	–2.5
General overheads		–57.5	–64.9	+7.4
Depreciation on tangible assets		–14.9	–16.3	+1.4
<b>Interim result</b>		<b>1 214.9</b>	<b>21 300.2</b>	<b>–20 085.3</b>

<sup>1</sup> Unaudited. The external auditors only audit the annual financial statements.

Press release

## Income statement for the second quarter of 2017<sup>1</sup>

In CHF millions

	Q2 2017	Q2 2016	Change
Net result from gold	- 1 901.5	3 449.7	-5 351.2
Net result from foreign currency positions	-5 155.5	11 804.0	-16 959.5
Net result from Swiss franc positions	474.1	428.9	+45.2
Net result, other	7.4	8.6	-1.2
<b>Gross income</b>	<b>- 6 575.4</b>	<b>15 691.2</b>	<b>-22 266.6</b>
Banknote expenses	-32.3	-9.9	-22.4
Personnel expenses	-40.0	-38.8	-1.2
General overheads	-26.3	-27.2	+0.9
Depreciation on tangible assets	-7.4	-8.3	+0.9
<b>Interim result</b>	<b>- 6 681.5</b>	<b>15 607.1</b>	<b>-22 288.6</b>

<sup>1</sup> Unaudited. The external auditors only audit the annual financial statements.

Press release

**Balance sheet as at 30 June 2017<sup>1</sup>****Assets**

In CHF millions

	30.06.2017	31.12.2016	Change
Gold holdings	39 746.2	39 400.3	+ 345.9
Foreign currency investments <sup>2</sup>	724 360.7	696 104.2	+ 28 256.5
Reserve position in the IMF	1 234.3	1 341.2	- 106.9
International payment instruments	4 253.0	4 406.2	- 153.2
Monetary assistance loans	224.9	155.4	+ 69.5
Claims from Swiss franc repo transactions	-	-	-
Swiss franc securities	3 974.4	3 997.6	- 23.2
Tangible assets	369.9	375.1	- 5.2
Participations	136.5	137.2	- 0.7
Other assets	644.4	584.8	+ 59.6
<b>Total assets</b>	<b>774 944.2</b>	<b>746 502.0</b>	<b>+ 28 442.2</b>

1 Unaudited. The external auditors only audit the annual financial statements.

2 Includes, as at end-June 2017, cash received from repo transactions relating to the management of foreign currency investments amounting to CHF 30.3 billion (end-2016: CHF 49.1 billion). The associated liabilities are included in the balance sheet under foreign currency liabilities and result in an increase in the balance sheet total.

## Press release

**Liabilities**

In CHF millions

	30.06.2017	31.12.2016	Change
Banknotes in circulation	76 242.0	78 084.4	-1 842.4
Sight deposits of domestic banks	480 519.9	468 199.2	+12 320.7
Liabilities towards the Confederation	18 879.3	7 229.7	+11 649.6
Sight deposits of foreign banks and institutions	42 531.6	24 585.0	+17 946.6
Other sight liabilities	37 745.3	30 035.6	+7 709.7
Liabilities from Swiss franc repo transactions	8.0	-	+8.0
SNB debt certificates	-	-	-
Foreign currency liabilities	30 353.9	49 096.3	-18 742.4
Counterpart of SDRs allocated by the IMF	4 376.7	4 492.8	-116.1
Other liabilities	276.5	251.6	+24.9
<b>Equity</b>			
Provisions for currency reserves <sup>1</sup>	62 771.2	58 121.5	+4 649.7
Share capital	25.0	25.0	-
Distribution reserve <sup>2</sup>	20 000.0	1 904.5	+18 095.5
Annual result 2016		24 476.4	-24 476.4
Interim result	1 214.9		+1 214.9
<b>Total equity</b>	<b>84 011.1</b>	<b>84 527.4</b>	<b>-516.3</b>
<b>Total liabilities</b>	<b>774 944.2</b>	<b>746 502.0</b>	<b>+28 442.2</b>

1 The allocation to the provisions for currency reserves forms part of the profit appropriation. The increase of around CHF 4.6 billion represents the allocation for the 2016 financial year.

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

Press release

## Condensed changes in equity

In CHF millions

	Q1–Q2 2017	Q1–Q2 2016
<b>Equity at beginning of period<sup>1</sup></b>	<b>84 527.4</b>	<b>61 052.5</b>
Distribution of dividends to shareholders	– 1.5	– 1.5
Profit distribution to Confederation and cantons	– 1 729.7	– 1 000.0
Interim result	1 214.9	21 300.2
<b>Equity at end of period</b>	<b>84 011.1</b>	<b>81 351.2</b>

<sup>1</sup> At the beginning of the period, equity is composed of share capital, provisions for currency reserves, the distribution reserve and the annual result.

## Valuation rates

	Year under review			Previous year		
	30.06.2017 CHF	31.12.2016 CHF	Change In percent	30.06.2016 CHF	31.12.2015 CHF	Change In percent
1 EUR	1.0926	1.0723	+1.9	1.0826	1.0861	–0.3
1 USD	0.9567	1.0164	–5.9	0.9752	0.9981	–2.3
100 JPY	0.8526	0.8707	–2.1	0.9488	0.8297	+14.4
1 GBP	1.2407	1.2587	–1.4	1.3089	1.4771	–11.4
1 CAD	0.7379	0.7564	–2.4	0.7511	0.7197	+4.4
1 kilogram of gold	38 217.12	37 884.60	+0.9	41 407.81	34 102.64	+21.4

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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 2016. 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.

Compared with the annual financial statements as at 31 December 2016, there were no changes to the accounting and valuation principles.

The SNB interim results as at 30 June 2017 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 and 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 2017	Q1–Q2 2016	Change
Foreign currency investments	146.3	13 036.8	– 12 890.5
Reserve position in the IMF	– 31.1	– 40.6	+ 9.5
International payment instruments	2.7	0.1	+ 2.6
Monetary assistance loans	– 7.2	– 1.9	– 5.3
<b>Total</b>	<b>110.8</b>	<b>12 994.4</b>	<b>– 12 883.6</b>

Breakdown by type in CHF millions

	Q1–Q2 2017	Q1–Q2 2016	Change
Interest income	4 350.9	4 124.3	+ 226.6
Price gain/loss on interest-bearing paper and instruments	– 3 602.2	10 347.1	– 13 949.3
Interest expenses	81.6	5.7	+ 75.9
Dividend income	1 752.6	1 709.8	+ 42.8
Price gain/loss on equity securities and instruments	9 363.1	– 233.2	+ 9 596.3
Exchange rate gain/loss	– 11 819.6	– 2 946.1	– 8 873.5
Asset management, safe custody and other fees	– 15.6	– 13.3	– 2.3
<b>Total</b>	<b>110.8</b>	<b>12 994.4</b>	<b>– 12 883.6</b>

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

	Q1–Q2 2017	Q1–Q2 2016	Change
Negative interest on sight deposit account balances	970.3	691.9	+ 278.4
Swiss franc securities	– 25.6	176.9	– 202.5
Liquidity-providing Swiss franc repo transactions	–	–	–
Liquidity-absorbing Swiss franc repo transactions	–	–	–
Liabilities towards the Confederation	–	–	–
SNB debt certificates	–	–	–
Other Swiss franc positions	– 0.9	– 0.7	– 0.2
<b>Total</b>	<b>943.9</b>	<b>868.1</b>	<b>+ 75.8</b>

**Breakdown by type** in CHF millions

	Q1–Q2 2017	Q1–Q2 2016	Change
Negative interest on sight deposit account balances	970.3	691.9	+ 278.4
Interest income	27.9	31.2	– 3.3
Price gain/loss on interest-bearing paper and instruments	– 48.6	150.0	– 198.6
Interest expenses	– 0.9	– 0.7	– 0.2
Trading, safe custody and other fees	– 4.9	– 4.3	– 0.6
<b>Total</b>	<b>943.9</b>	<b>868.1</b>	<b>+ 75.8</b>