

Communications

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Interim results of the Swiss National Bank as at 30 September 2017

The Swiss National Bank (SNB) reports a profit of CHF 33.7 billion for the first three quarters of 2017.

A valuation gain of CHF 2.3 billion was recorded on gold holdings. The profit on foreign currency positions amounted to CHF 30.3 billion, and the profit on Swiss franc positions to CHF 1.5 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 amounted to CHF 30.3 billion.

Interest income accounted for CHF 6.8 billion and dividends for CHF 2.5 billion. Movements in bond prices differed from those in share prices. A loss of CHF 4.0 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 14.4 billion to the net result. Overall, exchange rate-related gains amounted to CHF 10.5 billion.

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Valuation gain on gold holdings

A valuation gain of CHF 2.3 billion was achieved on gold holdings, which remained unchanged in volume terms. Gold was trading at CHF 40,071 per kilogram at end-September 2017 (end-2016: CHF 37,885).

Profit on Swiss franc positions

The net result on Swiss franc positions totalled CHF 1.5 billion overall, which essentially resulted from negative interest charged on sight deposit account balances.

Provisions for currency reserves

As at end-September 2017, the SNB recorded a profit of CHF 33.7 billion, before the allocation to the provisions for currency reserves.

In accordance with art. 30 para. 1 of the National Bank Act, 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 September 2017¹

In CHF millions

	Item in Notes	Q1–Q3 2017	Q1–Q3 2016	Change
Net result from gold		2 274.0	7 459.1	–5 185.1
Net result from foreign currency positions	1	30 267.7	20 272.4	+9 995.3
Net result from Swiss franc positions	2	1 463.8	1 253.0	+210.8
Net result, other		11.7	12.0	–0.3
Gross income		34 017.3	28 996.4	+5 020.9
Banknote expenses		–41.0	–49.1	+8.1
Personnel expenses		–123.7	–120.7	–3.0
General overheads		–85.0	–92.2	+7.2
Depreciation on tangible assets		–22.6	–24.7	+2.1
Interim result		33 745.0	28 709.7	+5 035.3

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

Press release

Income statement for the third quarter of 2017¹

In CHF millions

	Q3 2017	Q3 2016	Change
Net result from gold	1 928.2	-138.3	+2 066.5
Net result from foreign currency positions	30 157.0	7 278.0	+22 879.0
Net result from Swiss franc positions	520.0	384.9	+135.1
Net result, other	1.8	-0.3	+2.1
Gross income	32 607.0	7 524.3	+25 082.7
Banknote expenses	-1.1	-39.0	+37.9
Personnel expenses	-40.6	-40.0	-0.6
General overheads	-27.5	-27.3	-0.2
Depreciation on tangible assets	-7.7	-8.4	+0.7
Interim result	32 530.1	7 409.5	+25 120.6

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

Press release

Balance sheet as at 30 September 2017¹**Assets**

In CHF millions

	30.09.2017	31.12.2016	Change
Gold holdings	41 674.4	39 400.3	+ 2 274.1
Foreign currency investments ²	760 965.6	696 104.2	+ 64 861.4
Reserve position in the IMF	1 154.5	1 341.2	- 186.7
International payment instruments	4 380.6	4 406.2	- 25.6
Monetary assistance loans	225.2	155.4	+ 69.8
Claims from Swiss franc repo transactions	-	-	-
Swiss franc securities	3 893.4	3 997.6	- 104.2
Tangible assets	374.6	375.1	- 0.5
Participations	137.5	137.2	+ 0.3
Other assets	650.5	584.8	+ 65.7
Total assets	813 456.4	746 502.0	+ 66 954.4

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

2 Includes, as at end-September 2017, cash received from repo transactions relating to the management of foreign currency investments amounting to CHF 36.0 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.

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Liabilities

In CHF millions

	30.09.2017	31.12.2016	Change
Banknotes in circulation	76 522.0	78 084.4	-1 562.4
Sight deposits of domestic banks	468 449.5	468 199.2	+ 250.3
Liabilities towards the Confederation	16 131.5	7 229.7	+ 8 901.8
Sight deposits of foreign banks and institutions	59 542.2	24 585.0	+ 34 957.2
Other sight liabilities	35 371.4	30 035.6	+ 5 335.8
Liabilities from Swiss franc repo transactions	-	-	-
SNB debt certificates	-	-	-
Foreign currency liabilities	36 048.8	49 096.3	-13 047.5
Counterpart of SDRs allocated by the IMF	4 510.2	4 492.8	+ 17.4
Other liabilities	339.5	251.6	+ 87.9
Equity			
Provisions for currency reserves ¹	62 771.2	58 121.5	+ 4 649.7
Share capital	25.0	25.0	-
Distribution reserve ²	20 000.0	1 904.5	+ 18 095.5
Annual result 2016		24 476.4	-24 476.4
Interim result	33 745.0		+ 33 745.0
Total equity	116 541.2	84 527.4	32 013.8
Total liabilities	813 456.4	746 502.0	+ 66 954.4

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.

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Condensed changes in equity

In CHF millions

	Q1–Q3 2017	Q1–Q3 2016
Equity at beginning of period¹	84 527.4	61 052.5
Distribution of dividends to shareholders	– 1.5	– 1.5
Profit distribution to Confederation and cantons	– 1 729.7	– 1 000.0
Interim result	33 745.0	28 709.7
Equity at end of period	116 541.2	88 760.7

¹ 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		
	30.09.2017 CHF	31.12.2016 CHF	Change In percent	30.09.2016 CHF	31.12.2015 CHF	Change In percent
1 EUR	1.1457	1.0723	+6.8	1.0885	1.0861	+0.2
1 USD	0.9706	1.0164	–4.5	0.9704	0.9981	–2.8
100 JPY	0.8620	0.8707	–1.0	0.9590	0.8297	+15.6
1 GBP	1.2976	1.2587	+3.1	1.2604	1.4771	–14.7
1 CAD	0.7781	0.7564	+2.9	0.7399	0.7197	+2.8
1 kilogram of gold	40 071.15	37 884.60	+5.8	41 274.82	34 102.64	+21.0

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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 September 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–Q3 2017	Q1–Q3 2016	Change
Foreign currency investments	30 263.5	20 324.5	+ 9 939.0
Reserve position in the IMF	6.2	–49.8	+ 56.0
International payment instruments	– 1.3	0.5	– 1.8
Monetary assistance loans	– 0.7	– 2.8	+ 2.1
Total	30 267.7	20 272.4	+ 9 995.3

Breakdown by type in CHF millions

	Q1–Q3 2017	Q1–Q3 2016	Change
Interest income	6 789.3	6 221.1	+ 568.2
Price gain/loss on interest-bearing paper and instruments	– 3 978.5	9 999.3	– 13 977.8
Interest expenses	111.0	24.1	+ 86.9
Dividend income	2 507.6	2 362.1	+ 145.5
Price gain/loss on equity securities and instruments	14 410.6	5 050.3	+ 9 360.3
Exchange rate gain/loss	10 450.4	– 3 364.6	+ 13 815.0
Asset management, safe custody and other fees	– 22.7	– 20.1	– 2.6
Total	30 267.7	20 272.4	+ 9 995.3

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

	Q1–Q3 2017	Q1–Q3 2016	Change
Negative interest on sight deposit account balances	1 496.8	1 093.7	+ 403.1
Swiss franc securities	– 31.6	160.2	– 191.8
Liquidity-providing Swiss franc repo transactions	–	–	–
Liquidity-absorbing Swiss franc repo transactions	–	–	–
Liabilities towards the Confederation	–	–	–
SNB debt certificates	–	–	–
Other Swiss franc positions	– 1.4	– 1.0	– 0.4
Total	1 463.8	1 253.0	+ 210.8

Breakdown by type in CHF millions

	Q1–Q3 2017	Q1–Q3 2016	Change
Negative interest on sight deposit account balances	1 496.8	1 093.7	+ 403.1
Interest income	41.5	46.1	– 4.6
Price gain/loss on interest-bearing paper and instruments	– 65.8	120.7	– 186.5
Interest expenses	– 1.4	– 1.0	– 0.4
Trading, safe custody and other fees	– 7.3	– 6.6	– 0.7
Total	1 463.8	1 253.0	+ 210.8