

Communications

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Annual result of the Swiss National Bank for 2017

The Swiss National Bank (SNB) reports a profit of CHF 54.4 billion for the year 2017 (2016: CHF 24.5 billion).

The profit on foreign currency positions amounted to CHF 49.7 billion. A valuation gain of CHF 3.1 billion was recorded on gold holdings. The profit on Swiss franc positions was CHF 2.0 billion.

For the financial year just ended, the SNB has set the allocation to the provisions for currency reserves at CHF 5.0 billion. After taking into account the distribution reserve of CHF 20.0 billion, the net profit comes to CHF 69.3 billion. This will allow a dividend payment of CHF 15 per share, which corresponds to the legally stipulated maximum amount, as well as a profit distribution to the Confederation and the cantons of CHF 1 billion. The Confederation and the cantons are also entitled to a supplementary distribution of CHF 1 billion as the distribution reserve after appropriation of profit exceeds CHF 20 billion. Of the total amount to be distributed (CHF 2 billion), one-third goes to the Confederation and two-thirds to the cantons. After these payments, the distribution reserve will amount to CHF 67.3 billion.

Profit on foreign currency positions

The profit on foreign currency positions was CHF 49.7 billion (2016: CHF 19.4 billion).

Of this, interest income amounted to CHF 9.3 billion and dividend income to CHF 3.2 billion. Movements in bond prices differed from those in share prices. Price losses of CHF 5.5 billion were recorded on interest-bearing paper and instruments. By contrast, equity securities and instruments benefited from the favourable stock market environment and contributed CHF 21.5 billion to the net result. Overall, exchange rate-related gains amounted to CHF 21.0 billion.

Press release

Valuation gain on gold holdings

At CHF 40,859 per kilogram, the price of gold was 8% higher than at the end of 2016 (CHF 37,885). This gave rise to a valuation gain of CHF 3.1 billion on the unchanged holdings of 1,040 tonnes of gold (2016: CHF 3.9 billion).

Profit on Swiss franc positions

The profit on Swiss franc positions, which stood at CHF 2.0 billion (2016: CHF 1.6 billion), largely resulted from negative interest charged on sight deposit account balances.

Provisions for currency reserves

In principle, given the high market risks present in the SNB balance sheet, the percentage increase in provisions is calculated on the basis of double the average nominal GDP growth rate for the previous five years. In addition, a minimum annual allocation of 8% of the provisions at the end of the previous year has applied since 2016. This is aimed at ensuring that sufficient allocations are made to the provisions and the balance sheet is further strengthened, even in periods of low nominal GDP growth.

Since nominal GDP growth over the last five years has averaged just 1.4%, the minimum rate of 8% will be applied for the 2017 financial year. This corresponds to an allocation of CHF 5.0 billion (2016: CHF 4.6 billion). As a result, the provisions for currency reserves will grow from CHF 62.8 billion to CHF 67.8 billion.

Press release

Income statement for 2017

In CHF millions

	Item no. in Notes	2017	2016	Change
Net result from gold		3 093.7	3 933.7	-840.0
Net result from foreign currency positions	1	49 672.0	19 365.8	+30 306.2
Net result from Swiss franc positions	2	2 007.0	1 567.5	+439.5
Net result, other		13.1	13.6	-0.5
Gross income		54 785.8	24 880.6	+29 905.2
Banknote expenses		-97.8	-74.2	-23.6
Personnel expenses		-165.6	-160.6	-5.0
General overheads		-120.3	-130.6	+10.3
Depreciation on tangible assets		-30.6	-38.8	+8.2
Annual result		54 371.6	24 476.4	+29 895.2

Press release

Appropriation of profit for 2017

In CHF millions

	2017	2016	Change
Annual result	54 371.6	24 476.4	+ 29 895.2
- Allocation to provisions for currency reserves	- 5 021.7	- 4 649.7	- 372.0
= Distributable annual result	49 349.9	19 826.7	+ 29 523.2
+ Profit carried forward (distribution reserve before appropriation of profit)	20 000.0	1 904.5	+ 18 095.5
= Net profit	69 349.9	21 731.2	+ 47 618.7
- Payment of a dividend of 6%	- 1.5	- 1.5	-
- Profit distribution to Confederation and cantons ¹	- 2 000.0	- 1 729.7	- 270.3
= Balance carried forward to following year's financial statements (distribution reserve after appropriation of profit)	67 348.4	20 000.0	+ 47 348.4

1 Profit distribution agreement of 9 November 2016 between the Federal Department of Finance and the Swiss National Bank.

Press release

Balance sheet as at 31 December 2017

Assets

In CHF millions

	31.12.2017	31.12.2016	Change
Gold holdings	42 494.0	39 400.3	+ 3 093.7
Foreign currency investments ¹	790 124.8	696 104.2	+ 94 020.6
Reserve position in the IMF	871.3	1 341.2	- 469.9
International payment instruments	4 495.5	4 406.2	+ 89.3
Monetary assistance loans	210.3	155.4	+ 54.9
Claims from Swiss franc repo transactions	-	-	-
Swiss franc securities	3 956.2	3 997.6	- 41.4
Tangible assets	396.3	375.1	+ 21.2
Participations	156.9	137.2	+ 19.7
Other assets	601.1	584.8	+ 16.3
Total assets	843 306.4	746 502.0	+ 96 804.4

¹ Includes, as at end-December 2017, cash received from repo transactions relating to the management of foreign currency investments amounting to CHF 45.9 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

	31.12.2017	31.12.2016	Change
Banknotes in circulation	81 638.9	78 084.4	+ 3 554.5
Sight deposits of domestic banks	470 439.4	468 199.2	+ 2 240.2
Liabilities towards the Confederation	14 754.8	7 229.7	+ 7 525.1
Sight deposits of foreign banks and institutions	54 085.6	24 585.0	+ 29 500.6
Other sight liabilities	34 398.8	30 035.6	+ 4 363.2
Liabilities from Swiss franc repo transactions	–	–	–
SNB debt certificates	–	–	–
Foreign currency liabilities	45 933.6	49 096.3	– 3 162.7
Counterpart of SDRs allocated by the IMF	4 572.7	4 492.8	+ 79.9
Other liabilities	314.8	251.6	+ 63.2

Equity

Provisions for currency reserves ¹	62 771.2	58 121.5	+ 4 649.7
Share capital	25.0	25.0	–
Distribution reserve ¹	20 000.0	1 904.5	+ 18 095.5
Annual result	54 371.6	24 476.4	+ 29 895.2
Total equity	137 167.8	84 527.4	+ 52 640.4
Total liabilities	843 306.4	746 502.0	+ 96 804.4

1 Before appropriation of profit.

Press release

Valuation rates

	Year under review			Previous year		
	31.12.2017 CHF	31.12.2016 CHF	Change In percent	31.12.2016 CHF	31.12.2015 CHF	Change In percent
1 EUR	1.1711	1.0723	+9.2	1.0723	1.0861	-1.3
1 USD	0.9765	1.0164	-3.9	1.0164	0.9981	+1.8
100 JPY	0.8678	0.8707	-0.3	0.8707	0.8297	+4.9
1 GBP	1.3205	1.2587	+4.9	1.2587	1.4771	-14.8
1 CAD	0.7775	0.7564	+2.8	0.7564	0.7197	+5.1
1 kilogram of gold	40 859.28	37 884.60	+7.9	37 884.60	34 102.64	+11.1

Press release

Notes to the annual financial statements

Item no. 1: Net result from foreign currency positions

Breakdown by origin in CHF millions

	2017	2016	Change
Foreign currency investments	49 648.9	19 404.9	+ 30 244.0
Reserve position in the IMF	25.0	- 37.5	+ 62.5
International payment instruments	- 4.8	0.1	- 4.9
Monetary assistance loans	3.0	- 1.6	+ 4.6
Total	49 672.0	19 365.8	+ 30 306.2

Breakdown by type in CHF millions

	2017	2016	Change
Interest income	9 267.0	8 311.6	+ 955.4
Price gain/loss on interest-bearing paper and instruments	- 5 460.9	1 084.0	- 6 544.9
Interest expenses	145.7	66.9	+ 78.8
Dividend income	3 203.3	2 992.6	+ 210.7
Price gain/loss on equity securities and instruments	21 516.3	8 613.3	+ 12 903.0
Exchange rate gain/loss	21 030.9	- 1 675.9	+ 22 706.8
Asset management, safe custody and other fees	- 30.2	- 26.6	- 3.6
Total	49 672.0	19 365.8	+ 30 306.2

Press release

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

	2017	2016	Change
Negative interest on sight deposit account balances	2 020.7	1 523.2	+497.5
Swiss franc securities	-11.9	45.5	-57.4
Liquidity-providing Swiss franc repo transactions	-	-	-
Liquidity-absorbing Swiss franc repo transactions	-	-	-
Liabilities towards the Confederation	-	-	-
SNB debt certificates	-	-	-
Other Swiss franc positions	-1.8	-1.2	-0.6
Total	2 007.0	1 567.5	+439.5

Breakdown by type in CHF millions

	2017	2016	Change
Negative interest on sight deposit account balances	2 020.7	1 523.2	+497.5
Interest income	54.7	60.6	-5.9
Price gain/loss on interest-bearing paper and instruments	-57.0	-6.1	-50.9
Interest expenses	-1.8	-1.2	-0.6
Trading, safe custody and other fees	-9.6	-8.9	-0.7
Total	2 007.0	1 567.5	+439.5