

**Communications**

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## **Interim results of the Swiss National Bank as at 30 September 2019**

**The Swiss National Bank reports a profit of CHF 51.5 billion for the first three quarters of 2019.**

The profit on foreign currency positions amounted to CHF 42.7 billion. A valuation gain of CHF 7.3 billion was recorded on gold holdings. The profit on Swiss franc positions was CHF 1.7 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 amounted to CHF 42.7 billion.

Interest and dividend income totalled CHF 6.9 billion and CHF 2.9 billion respectively. A gain of CHF 19.5 billion was recorded on interest-bearing paper and instruments. Furthermore, the favourable stock market environment led to a gain of CHF 22.4 billion on equity securities and instruments. Exchange rate-related losses totalled CHF 8.9 billion.

### **Valuation gain on gold holdings**

A valuation gain of CHF 7.3 billion was recorded on gold holdings, which remained unchanged in volume terms. Gold was trading at CHF 47,620 per kilogram at end-September 2019 (end-2018: CHF 40,612).

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## **Profit on Swiss franc positions**

The profit on Swiss franc positions totalled CHF 1.7 billion. It largely resulted from negative interest charged on sight deposit account balances.

## **Provisions for currency reserves**

As at the end of September 2019, the SNB recorded a profit of CHF 51.5 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 the current financial year is determined at the end of the year.

Press release

**Income statement, 1 January–30 September 2019<sup>1</sup>**

In CHF millions

	Item in Notes	Q1–Q3 2019	Q1–Q3 2018	Change
Net result from gold		7 287.6	–3 728.6	+ 11 016.2
Net result from foreign currency positions	1	42 738.4	–5 266.9	+ 48 005.3
Net result from Swiss franc positions	2	1 738.7	1 458.7	+ 280.0
Net result, other		0.2	–5.0	+ 5.2
<b>Gross income</b>		<b>51 764.9</b>	<b>–7 541.8</b>	<b>+ 59 306.7</b>
Banknote expenses		–47.2	–45.2	–2.0
Personnel expenses		–132.7	–129.6	–3.1
General overheads		–92.0	–89.2	–2.8
Depreciation on tangible assets		–23.4	–20.0	–3.4
<b>Interim result</b>		<b>51 469.6</b>	<b>–7 825.8</b>	<b>+ 59 295.4</b>

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

Press release

## Income statement for the third quarter of 2019<sup>1</sup>

In CHF millions

	Q3 2019	Q3 2018	Change
Net result from gold	3 509.6	-2 796.3	+ 6 305.9
Net result from foreign currency positions	8 978.7	-10 510.1	+ 19 488.8
Net result from Swiss franc positions	598.2	470.4	+ 127.8
Net result, other	8.1	-4.1	+ 12.2
<b>Gross income</b>	<b>13 094.5</b>	<b>-12 840.1</b>	<b>+ 25 934.6</b>
Banknote expenses	-10.8	-22.2	+ 11.4
Personnel expenses	-43.4	-43.1	-0.3
General overheads	-26.8	-29.4	+ 2.6
Depreciation on tangible assets	-8.3	-6.6	-1.7
<b>Interim result</b>	<b>13 005.2</b>	<b>-12 941.4</b>	<b>+ 25 946.6</b>

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

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**Balance sheet as at 30 September 2019<sup>1</sup>****Assets**

In CHF millions

	30.09.2019	31.12.2018	Change
Gold holdings	49 524.9	42 237.3	+ 7 287.6
Foreign currency investments <sup>2</sup>	797 782.3	763 727.9	+ 34 054.4
Reserve position in the IMF	1 308.4	1 188.4	+ 120.0
International payment instruments	4 421.6	4 440.6	- 19.0
Monetary assistance loans	244.8	260.3	- 15.5
Claims from Swiss franc repo transactions	-	-	-
Swiss franc securities	4 149.0	3 977.1	+ 171.9
Tangible assets	440.9	435.5	+ 5.4
Participations	154.6	151.0	+ 3.6
Other assets	868.0	650.7	+ 217.3
<b>Total assets</b>	<b>858 894.6</b>	<b>817 068.8</b>	<b>+ 41 825.8</b>

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

2 Includes, as at end-September 2019, cash received from repo transactions relating to the management of foreign currency investments amounting to CHF 11.6 billion (end-2018: CHF 34.8 billion). The associated liabilities are included in the balance sheet under foreign currency liabilities and result in a balance sheet expansion.

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**Liabilities**

In CHF millions

	30.09.2019	31.12.2018	Change
Banknotes in circulation	79 696.9	82 238.8	-2 541.9
Sight deposits of domestic banks	479 365.3	480 634.3	-1 269.0
Liabilities towards the Confederation	27 604.7	15 612.6	+ 11 992.1
Sight deposits of foreign banks and institutions	50 192.2	37 101.7	+ 13 090.5
Other sight liabilities	35 899.0	41 478.6	-5 579.6
Liabilities from Swiss franc repo transactions	-	-	-
SNB debt certificates	-	-	-
Foreign currency liabilities	11 648.1	34 811.8	-23 163.7
Counterpart of SDRs allocated by the IMF	4 461.8	4 486.5	-24.7
Other liabilities	326.1	472.2	-146.1
<b>Equity</b>			
Provisions for currency reserves <sup>1</sup>	73 216.3	67 792.9	+ 5 423.4
Share capital	25.0	25.0	-
Distribution reserve <sup>2</sup>	44 989.5	67 348.4	-22 358.9
Annual result 2018		- 14 934.0	+ 14 934.0
Interim result	51 469.6		+ 51 469.6
<b>Total equity</b>	<b>169 700.4</b>	<b>120 232.3</b>	<b>+49 468.1</b>
<b>Total liabilities</b>	<b>858 894.6</b>	<b>817 068.8</b>	<b>+41 825.8</b>

1 The allocation to the provisions for currency reserves forms part of the profit appropriation. The increase of around CHF 5.4 billion represents the allocation for the 2018 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 2019	Q1–Q3 2018
<b>Equity at beginning of period<sup>1</sup></b>	<b>120 232.3</b>	<b>137 167.8</b>
Distribution of dividends to shareholders	– 1.5	– 1.5
Profit distribution to Confederation and cantons	– 2 000.0	– 2 000.0
Interim result	51 469.6	– 7 825.8
<b>Equity at end of period</b>	<b>169 700.4</b>	<b>127 340.6</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		
	30.09.2019 CHF	31.12.2018 CHF	Change In percent	30.09.2018 CHF	31.12.2017 CHF	Change In percent
1 EUR	1.0864	1.1283	– 3.7	1.1313	1.1711	– 3.4
1 USD	0.9965	0.9868	+ 1.0	0.9769	0.9765	0.0
100 JPY	0.9226	0.8969	+ 2.9	0.8608	0.8678	– 0.8
1 GBP	1.2271	1.2630	– 2.8	1.2709	1.3205	– 3.8
1 CAD	0.7524	0.7232	+ 4.0	0.7535	0.7775	– 3.1
1 kilogram of gold	47 619.68	40 612.43	+ 17.3	37 274.14	40 859.28	– 8.8

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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 2018. 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 2018, there were no changes to the accounting and valuation principles.

The SNB interim results as at 30 September 2019 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 2019	Q1–Q3 2018	Change
Foreign currency investments	42 734.0	– 5 252.9	+ 47 986.9
Reserve position in the IMF	– 0.9	– 17.2	+ 16.3
International payment instruments	– 0.3	2.4	– 2.7
Monetary assistance loans	5.6	0.8	+ 4.8
<b>Total</b>	<b>42 738.4</b>	<b>– 5 266.9</b>	<b>+ 48 005.3</b>

Breakdown by type in CHF millions

	Q1–Q3 2019	Q1–Q3 2018	Change
Interest income	6 944.5	7 191.1	– 246.6
Price gain/loss on interest-bearing paper and instruments	19 485.5	– 8 520.8	+ 28 006.3
Interest expenses	– 75.0	6.8	– 81.8
Dividend income	2 908.1	2 699.8	+ 208.3
Price gain/loss on equity securities and instruments	22 381.5	8 167.8	+ 14 213.7
Exchange rate gain/loss	– 8 879.4	– 14 782.7	+ 5 903.3
Asset management, safe custody and other fees	– 26.9	– 28.9	+ 2.0
<b>Total</b>	<b>42 738.4</b>	<b>– 5 266.9</b>	<b>+ 48 005.3</b>

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

	Q1–Q3 2019	Q1–Q3 2018	Change
Negative interest on sight deposit account balances	1 528.2	1 528.4	–0.2
Swiss franc securities	211.6	–67.8	+ 279.4
Liquidity-providing Swiss franc repo transactions	–	–	–
Liquidity-absorbing Swiss franc repo transactions	–	–	–
Liabilities towards the Confederation	–	–	–
SNB debt certificates	–	–	–
Other Swiss franc positions	–1.1	–1.8	+0.7
<b>Total</b>	<b>1 738.7</b>	<b>1 458.7</b>	<b>+ 280.0</b>

**Breakdown by type** in CHF millions

	Q1–Q3 2019	Q1–Q3 2018	Change
Negative interest on sight deposit account balances	1 528.2	1 528.4	–0.2
Interest income	33.9	37.6	–3.7
Price gain/loss on interest-bearing paper and instruments	183.0	–98.4	+ 281.4
Interest expenses	–1.1	–1.8	+0.7
Trading, safe custody and other fees	–5.4	–7.0	+1.6
<b>Total</b>	<b>1 738.7</b>	<b>1 458.7</b>	<b>+ 280.0</b>