

Embargo

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Introductory remarks by the Governing Board

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Chairman of the Governing Board / Vice Chairman of the Governing Board / Member of the
Governing Board

Swiss National Bank

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Ladies and gentlemen

On behalf of the Governing Board, it is my pleasure as Chairman to welcome you to the SNB's news conference. After our introductory remarks, we will as usual be pleased to take any questions you may have.

Monetary policy decision

I will begin with our monetary policy decision. We have decided to leave the SNB policy rate unchanged at 0%. Banks' sight deposits held at the SNB will be remunerated at the SNB policy rate up to a certain threshold. The discount for sight deposits above this threshold still stands at 0.25 percentage points. We remain willing to be active in the foreign exchange market as necessary.

Inflation in recent months has been slightly lower than expected. In the medium term, however, inflationary pressure is virtually unchanged compared to the last monetary policy assessment. Our monetary policy helps to keep inflation within the range consistent with price stability and supports economic development. We will continue to monitor the situation and adjust our monetary policy if necessary, in order to ensure price stability.

Inflation forecast

Let me now turn to the development of inflation. Inflation has declined slightly since the last monetary policy assessment. It decreased from 0.2% in August to 0.0% in November. Lower inflation in the hotel industry, as well as for rents and clothing, contributed in particular to this decline.

Inflationary pressure in the medium term is virtually unchanged compared to the previous quarter. Although our conditional inflation forecast is somewhat lower in the short term than in September, there is only little change in the medium term. The forecast is within the range of price stability over the entire forecast horizon (cf. chart). It puts average annual inflation at 0.2% for 2025, 0.3% for 2026 and 0.6% for 2027 (cf. table). Our forecast is based on the assumption that the SNB policy rate is 0% over the entire forecast horizon.

I will now hand over to Antoine Martin, who will address the global economic outlook.

Global economic outlook

Global economic growth was stronger than expected in the third quarter. Although US tariffs and trade policy uncertainty weighed on the global economy, economic development in many countries has thus far remained more resilient than had been assumed. Global trade in goods continued to increase. Investment was also higher than expected, this being due, among other things, to strong spending on artificial intelligence. Inflation remained elevated in the US. However, since the downside risks to employment have increased, monetary policy there has nonetheless been eased further. In the euro area, inflation was close to target and key interest rates were left unchanged.

In our baseline scenario, we anticipate that growth in the global economy will be moderate over the coming quarters. Among the factors supporting this are the further monetary policy easing over the course of 2025, as well as more expansionary fiscal policy in some countries. Inflation in the US is likely to remain elevated for some time. In the euro area, on the other hand, inflation is expected to stay close to target.

Uncertainty has decreased somewhat compared to the last monetary policy assessment. That said, our baseline scenario for the global economy is still subject to significant risks. For example, US tariffs and trade policy uncertainty could yet weigh more heavily on global economic momentum than observed thus far. It is also possible that trade barriers may be raised again. At the same time, however, it cannot be ruled out that the global economy will continue to develop better than expected in the coming quarters.

This brings us to the situation in Switzerland, which Petra Tschudin will present.

Swiss economic outlook

Swiss GDP contracted in the third quarter. The decline was due in particular to the pharmaceuticals industry. Value added there had risen strongly in the first quarter because deliveries to the US had been brought forward in anticipation of possible tariffs. There was a countermovement in the second quarter, which continued in the third quarter. Value added rose slightly in the other manufacturing industries and in services. Owing to this subdued economic development overall, unemployment has risen further in recent months.

The economic outlook for Switzerland has improved slightly due to the lower US tariffs and somewhat better development globally. For 2025 as a whole, we expect GDP growth of just under 1.5%. For 2026, we expect growth of around 1%. In this environment, unemployment is likely to continue to rise somewhat.

The main risk to the economic outlook for Switzerland is the development of the global economy.

I will now hand back to Martin Schlegel.

Monetary policy outlook

Ladies and gentlemen, allow me to return to our monetary policy.

There has been hardly any change in inflationary pressure compared to the previous quarter. Our conditional inflation forecast is thus virtually unchanged in the medium term compared to the previous quarter, and is within the range of price stability over the entire forecast horizon.

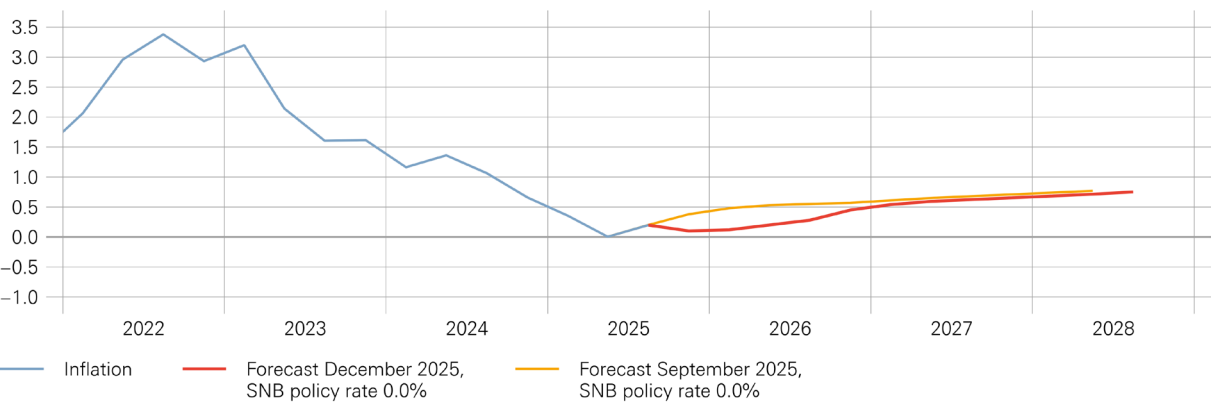
We have decided to leave the SNB policy rate unchanged. Our monetary policy continues to have an expansionary effect. The low level of interest rates in Switzerland is having an effect via the exchange rate. Furthermore, the expansionary effect of our monetary policy is evident in credit growth. Our monetary policy is helping to ensure that inflation is likely to rise slowly in the coming quarters. At the same time, it is supporting economic development.

We will continue to monitor the situation and adjust our monetary policy if necessary, to ensure price stability over the medium term. We remain willing to be active in the foreign exchange market as necessary.

Ladies and gentlemen, thank you for your attention. We will now be pleased to take your questions.

CONDITIONAL INFLATION FORECAST OF DECEMBER 2025

Year-on-year change in Swiss consumer price index in percent



Source(s): SFSO, SNB

OBSERVED INFLATION IN DECEMBER 2025

| | 2022 | | | | 2023 | | | | 2024 | | | | 2025 | | | | 2022 | 2023 | 2024 |
|-----------|------|-----|-----|-----|------|-----|-----|-----|------|-----|-----|-----|------|-----|-----|----|------|------|------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | | | |
| Inflation | 2.1 | 3.0 | 3.4 | 2.9 | 3.2 | 2.1 | 1.6 | 1.6 | 1.2 | 1.4 | 1.1 | 0.7 | 0.4 | 0.0 | 0.2 | | 2.8 | 2.1 | 1.1 |

Source(s): SFSO

CONDITIONAL INFLATION FORECAST OF DECEMBER 2025

| | 2025 | | | | 2026 | | | | 2027 | | | | 2028 | | | | 2025 | 2026 | 2027 |
|---|------|----|----|----|------|-----|-----|-----|------|-----|-----|-----|------|-----|-----|-----|------|------|------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | | | |
| Forecast September 2025, SNB policy rate 0.0% | | | | | 0.2 | 0.4 | 0.5 | 0.5 | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 | 0.8 | 0.2 | 0.5 | 0.7 |
| Forecast December 2025, SNB policy rate 0.0% | | | | | 0.1 | 0.1 | 0.2 | 0.3 | 0.5 | 0.5 | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 | 0.8 | 0.2 | 0.3 | 0.6 |

Source(s): SNB