

Annual financial statements

1

Balance sheet as at 31 December 2022

ASSETS

In CHF millions

	Item in Notes	31.12.2022	31.12.2021	Change
Gold holdings	01	56 099.3	55 690.7	+ 408.6
Foreign currency investments	02, 26	800 566.2	966 202.2	-165 636.0
Reserve position in the IMF	03, 24	2 136.6	2 000.8	+ 135.8
International payment instruments	04, 24	11 380.7	11 912.5	-531.8
Monetary assistance loans	05, 24	877.5	908.0	-30.5
Claims from US dollar repo transactions		-	2 147.2	-2 147.2
Claims from Swiss franc repo transactions	23	-	3 216.0	-3 216.0
Swiss franc securities	06	3 564.8	4 031.7	-466.9
Secured loans		4 430.5	9 202.4	-4 771.9
Tangible assets	07	440.5	437.2	+ 3.3
Participations	08, 25	132.3	135.6	-3.3
Other assets	09, 27	1 748.5	891.9	+ 856.6
Total assets		881 376.8	1 056 776.2	- 175 399.4

LIABILITIES

In CHF millions

	Item in Notes	31.12.2022	31.12.2021	Change
Banknotes in circulation	10	81 696.8	90 685.3	-8 988.5
Sight deposits of domestic banks		466 922.7	651 091.0	-184 168.3
Liabilities towards the Confederation	11	16 667.9	12 617.1	+4 050.8
Sight deposits of foreign banks and institutions		27 584.2	28 156.2	-572.0
Other sight liabilities	12	27 803.9	35 297.9	-7 494.0
Liabilities from Swiss franc repo transactions		67 144.8	-	+67 144.8
SNB debt certificates	13	98 168.8	-	+98 168.8
Other term liabilities		-	2 173.8	-2 173.8
Foreign currency liabilities	14, 26	16 739.7	20 888.5	-4 148.8
Counterpart of SDRs allocated by the IMF	04	10 919.1	11 325.1	-406.0
Other liabilities	15, 27	1 960.9	292.4	+1 668.5
Equity				
Provisions for currency reserves ¹		95 679.1	86 981.0	+8 698.1
Share capital	16	25.0	25.0	-
Distribution reserve ¹		102 543.5	90 943.1	+11 600.4
Annual result		-132 479.5	26 300.0	-158 779.5
Total equity		65 768.0	204 249.1	-138 481.1
Total liabilities		881 376.8	1 056 776.2	-175 399.4

¹ Before appropriation of profit, cf. p. 176.

Income statement and appropriation of profit for 2022

INCOME STATEMENT

In CHF millions

	Item in Notes	2022	2021	Change
Net result from gold		408.5	-56.4	+ 464.9
Net result from foreign currency positions	17	-131 458.5	25 656.4	-157 114.9
Net result from Swiss franc positions	18	-1 038.5	1 064.9	-2 103.4
Net result, other	19	6.7	17.0	-10.3
Gross income		-132 081.8	26 681.9	-158 763.7
Banknote expenses		-36.5	-33.7	-2.8
Personnel expenses	20, 21	-188.3	-182.8	-5.5
General overheads	22	-134.0	-127.8	-6.2
Depreciation on tangible assets	07	-38.9	-37.7	-1.2
Annual result		-132 479.5	26 300.0	-158 779.5

APPROPRIATION OF PROFIT¹

In CHF millions

	2022	2021	Change
- Allocation to provisions for currency reserves	-9 567.9	-8 698.1	-869.8
= Distributable annual result	-142 047.4	17 601.9	-159 649.3
+ Profit carried forward (distribution reserve before appropriation of profit)	102 543.5	90 943.1	+ 11 600.4
= Net profit/loss	-39 504.0	108 545.0	-148 049.0
- Payment of a dividend of 6%	-	-1.5	+ 1.5
- Profit distribution to Confederation and cantons	-	-6 000.0	+ 6 000.0
= Balance carried forward to following year's financial statements (distribution reserve after appropriation of profit)	-39 504.0	102 543.5	-142 047.5

¹ The determination and distribution of profits are governed by arts. 30 and 31 NBA. The portion of the annual result remaining after the allocation to the provisions for currency reserves is the distributable annual result. Together with the distribution reserve, this makes up the net profit/net loss. If a net profit is achieved, this is used for distributions. In the event of a net loss, no distribution is made.

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Changes in equity

In CHF millions

	Share capital	Provisions for currency reserves	Distribution reserve	Annual result	Total
Equity as at 1 January 2021	25.0	79 073.6	83 982.4	20 869.6	183 950.6
Endowment of provisions for currency reserves pursuant to NBA		7 907.4		-7 907.4	
Allocation to distribution reserve			6 960.7	-6 960.7	
Distribution of dividends to shareholders				-1.5	-1.5
Profit distribution to Confederation and cantons				-6 000.0	-6 000.0
Annual result				26 300.0	26 300.0
Equity as at 31 December 2021 (before appropriation of profit)	25.0	86 981.0	90 943.1	26 300.0	204 249.1
Equity as at 1 January 2022	25.0	86 981.0	90 943.1	26 300.0	204 249.1
Endowment of provisions for currency reserves pursuant to NBA		8 698.1		-8 698.1	
Allocation to distribution reserve			11 600.4	-11 600.4	
Distribution of dividends to shareholders				-1.5	-1.5
Profit distribution to Confederation and cantons				-6 000.0	-6 000.0
Annual result				-132 479.5	-132 479.5
Equity as at 31 December 2022 (before appropriation of profit)	25.0	95 679.1	102 543.5	-132 479.5	65 768.0
Appropriation of profit					
Endowment of provisions for currency reserves pursuant to NBA ¹		9 567.9		-9 567.9	
Release from distribution reserve ²			-142 047.4	142 047.4	
Distribution of dividends to shareholders				-	-
Profit distribution to Confederation and cantons				-	-
Equity after appropriation of profit	25.0	105 247.0	-39 504.0	-	65 768.0

1 The allocation to the provisions for currency reserves is made as part of the profit appropriation (i.e. after the General Meeting of Shareholders on 28 April 2023). After the allocation for 2022, which will amount to CHF 9.6 billion, the provisions for currency reserves will increase to CHF 105.2 billion.

2 The distribution reserve only changes once a year, as part of the profit appropriation (i.e. after the General Meeting of Shareholders on 28 April 2023). After the profit appropriation for 2022, it will amount to CHF -39.5 billion.

4.1 ACCOUNTING AND VALUATION PRINCIPLES

GENERAL

Basic principles

The Swiss National Bank is a special-statute joint-stock company with head offices in Berne and Zurich. The present financial statements have been drawn up in accordance with the provisions of the National Bank Act (NBA) and the Swiss Code of Obligations (CO) as well as the accounting principles detailed in these notes. The statements 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 is prepared. The structure and designation of the items in the annual financial statements take into consideration the special character of the business conducted at a central bank.

At its meeting of 3 March 2023, the Bank Council approved the 2022 financial report for submission to the Federal Council and the General Meeting of Shareholders.

Changes from previous year

Compared with the previous year, no changes were made to the accounting and valuation principles.

Cash flow statement

In accordance with art. 29 NBA, the SNB is exempt from the requirement to prepare a cash flow statement.

Financial liabilities

Swiss GAAP FER 31 requires that the conditions for financial liabilities be disclosed. Given the special status of a central bank, such a disclosure is of limited informative value. The majority of the liabilities presented directly reflect the implementation of the SNB's monetary policy, i.e. the provision of liquidity to or the absorption of liquidity from the money market. By virtue of its exclusive right to issue banknotes, the SNB runs no liquidity or refinancing risks from liabilities in Swiss francs. Because the SNB can create the necessary liquidity and determine the level and structure of its financing itself, it is always in a position to meet its obligations. In light of this, the SNB will not be publishing a detailed report of the conditions which apply to its financial liabilities.

Consolidated financial statements

The SNB does not hold any material participating interests which are subject to consolidation. It therefore does not draw up consolidated financial statements.

Recording of transactions

The SNB's business transactions are recorded and valued on the day the transaction is concluded (trade date accounting). However, they are not posted until the value date. Transactions already concluded, with a value date after the balance sheet date, are stated under off-balance-sheet business.

Expenses are recognised in the financial year in which they are incurred, and income in the financial year in which it is earned.

Accrual accounting

Under art. 8 NBA, the SNB is exempt from taxation on profits. Tax exemption applies both to direct federal taxes and to cantonal and municipal taxes.

Profit tax

The rights of the SNB's shareholders are restricted by law. The shareholders cannot exert any influence on financial or operational decisions. Banking services provided to members of the executive management are carried out at normal banking industry conditions. No banking services are provided to members of the Bank Council. In the 2022 financial year, there were no disclosable transactions with companies in which the SNB has a significant participation.

Transactions with related parties

Foreign currency positions are translated at year-end rates. Income and expenses in foreign currency are translated at the exchange rates applicable at the time when such income and expenses were posted to the accounts. All valuation changes are reported in the income statement.

Foreign currency translation

BALANCE SHEET AND INCOME STATEMENT

Gold holdings consist of gold ingots and gold coins. The gold is stored in Switzerland (roughly 70%) and abroad (roughly 30%). These holdings are stated at market value. Valuation gains and losses are reported under net result from gold.

Gold holdings

Negotiable securities (money market instruments, bonds and equities) as well as credit balances (sight deposits and call money, time deposits) and claims from foreign currency repo transactions are recorded under foreign currency investments. Securities, which make up the bulk of the foreign currency investments, are stated at market value inclusive of accrued interest, while credit balances and claims from repo transactions are stated at nominal value inclusive of accrued interest.

Foreign currency investments

Gains and losses from revaluation at market value, interest income and expenses, dividends, and exchange rate gains and losses are stated under net result from foreign currency positions. Negative interest is recorded as a reduction of interest income.

The management of foreign currency investments also includes securities lending transactions. Securities lent by the SNB from its own portfolio are secured by appropriate collateral. The SNB receives interest on the securities loaned. Loaned securities remain in the foreign currency investments item and are disclosed in the notes to the annual financial statements. Interest income from securities lending is stated under net result from foreign currency positions.

Reserve position in IMF

The reserve position in the International Monetary Fund (IMF) consists of the Swiss quota less the IMF's sight deposit account balance at the SNB as well as of claims based on the New Arrangements to Borrow (NAB).

The quota is Switzerland's portion of the IMF capital which is financed by the SNB. It is denominated in Special Drawing Rights (SDRs), the IMF's unit of account. The part of the quota that is not drawn on remains in a sight deposit account at the SNB. The IMF can access these Swiss franc assets at any time.

With the NAB, the IMF can – in the event of a crisis or if its own resources are in short supply – draw on credit lines from participants in these arrangements. Credit lines not drawn by the IMF are recorded as irrevocable lending commitments under the SNB's off-balance-sheet business.

The reserve position is stated at nominal value inclusive of accrued interest. The income from interest on the reserve position as well as the exchange rate gains and losses from a revaluation of the reserve position are stated under net result from foreign currency positions.

International payment instruments

International payment instruments comprise sight deposits in SDRs with the IMF. These deposits result from the allocation of SDRs and the purchase and sale of SDRs under the voluntary trading arrangement with the IMF. Sight deposits in SDRs are stated at nominal value inclusive of accrued interest. They attract interest at market conditions. Interest income and exchange rate gains and losses are stated under net result from foreign currency positions.

The liability entered into with the allocation is stated on the liabilities side of the balance sheet under counterpart of SDRs allocated by the IMF.

On the basis of the Monetary Assistance Act, Switzerland can participate in multilateral assistance operations aimed at preventing or remedying serious disruptions to the international monetary system. In such an event, the Confederation can instruct the SNB to grant a loan. Switzerland can also contribute to special funds or other IMF facilities, particularly those in favour of low-income countries, or grant bilateral monetary assistance loans to individual countries. In both of these cases, the Confederation can request that the SNB grant a loan. In return, the Confederation guarantees the SNB the interest and principal repayment on the loan in all of the above cases.

Monetary assistance loans

Currently outstanding are claims from the loans to the Poverty Reduction and Growth Trust (PRGT). The PRGT is administered by the IMF and is used to finance long-term loans at subsidised interest rates to low-income countries. These claims are stated at nominal value inclusive of accrued interest. Interest income and exchange rate gains and losses are stated under net result from foreign currency positions.

This item records claims from US dollar repo transactions arising from the coordinated central bank action to further enhance the provision of US dollar liquidity via the standing US dollar swap arrangements. The SNB uses repo auctions to provide US dollar liquidity. It engages in foreign exchange swaps with the US Federal Reserve for this purpose.

Claims from US dollar repo transactions

Claims from US dollar repo transactions are fully backed by collateral eligible for SNB repos. They are stated at nominal value inclusive of accrued interest. Net interest income is stated under net result from foreign currency positions.

The amount in Swiss francs for the account of the US Federal Reserve is stated on the liabilities side under other term liabilities.

Claims from repo transactions are fully backed by collateral eligible for SNB repos. They are stated at nominal value inclusive of accrued interest. Interest income is stated under net result from Swiss franc positions. Negative interest is recorded as a reduction of interest income.

Claims from Swiss franc repo transactions

Swiss franc securities are made up exclusively of negotiable bonds. They are stated at market value inclusive of accrued interest. Price gains and losses and interest income are stated under net result from Swiss franc positions.

Swiss franc securities

Secured loans Claims arising from the SNB COVID-19 refinancing facility are stated under secured loans. The facility allows banks to obtain liquidity from the SNB by assigning as collateral loans that have been granted under surety and loan guarantee programmes provided by the federal government or the cantons. The interest rate corresponds to the SNB policy rate. The claims are stated at nominal value. Net interest income is stated under net result from Swiss franc positions. Negative interest is recorded as a reduction of interest income.

Tangible assets Tangible assets comprise land and buildings, fixed assets under construction, software, and sundry tangible assets. For individual purchases, the minimum value for recognition as an asset is CHF 20,000. Other investments resulting in an increase in value (projects) are recognised as an asset from an amount of CHF 100,000. Tangible assets are stated at acquisition cost less required depreciation.

PERIOD OF DEPRECIATION

Land and buildings	
Land	No depreciation
Buildings (building structure)	50 years
Conversions (technical equipment and interior finishing work)	10 years
Fixed assets under construction ¹	No depreciation
Software	3 years
Sundry tangible assets	3–12 years

¹ Finished fixed assets are reclassified under the corresponding tangible assets category once they are in operational use.

The recoverable value is checked periodically. If this results in a decrease in value, an impairment loss is recorded. Scheduled and unscheduled depreciations are reported in the income statement under depreciation on tangible assets.

Profits and losses from the sale of tangible assets are stated under net result, other.

Participations In principle, participations are valued at acquisition cost less required value adjustments. However, the participation in Orell Füssli Ltd is valued on the basis of the pro rata book value of equity. The result from participations is stated under net result, other.

The SNB uses forward foreign exchange transactions (including foreign exchange swaps), foreign exchange options, credit derivatives, futures and interest rate swaps to manage its foreign currency investments. These are used to manage positioning with regard to shares, interest rates, credit risk and currencies (cf. also accountability report, chapter 5.4). Whenever possible, derivative financial instruments are stated at market value. If no market value is available, fair value is determined in accordance with generally recognised actuarial methods. Positive or negative replacement values are stated under other assets or other liabilities respectively. Valuation changes are recorded in the income statement and stated under net result from foreign currency positions.

Derivative financial instruments

The SNB does not state accrued expenses and deferred income as separate items in its balance sheet. For materiality reasons, they are reported under other assets or other liabilities, and are disclosed in the notes to the accounts.

Accrued expenses and deferred income

The banknotes in circulation item shows the nominal value of all the banknotes issued from any valid series as well as from series that have been recalled but can be exchanged for an unlimited period of time.

Banknotes in circulation

Sight deposit account balances of domestic banks in Swiss francs form the basis on which the SNB steers monetary policy. They also facilitate the settlement of cashless payments in Switzerland. These balances are stated at nominal value. The SNB can apply positive or negative interest on sight deposits, using a system of tiered remuneration. If the SNB policy rate is zero or positive, sight deposits up to a certain threshold are remunerated at the SNB policy rate. Sight deposits above this threshold are remunerated at the SNB policy rate minus a discount. Until the SNB policy rate was raised into positive territory on 23 September 2022, the negative SNB policy rate was charged on sight deposits exceeding a given exemption threshold set by the SNB. Interest expenses and interest income on sight deposit accounts are stated under net result from Swiss franc positions.

Sight deposits of domestic banks

The SNB holds sight deposit accounts in Swiss francs for the Confederation. The account balances are remunerated at the SNB policy rate up to a certain threshold. Balances above this threshold are remunerated at the SNB policy rate minus a discount. Until the SNB policy rate was raised into positive territory on 23 September 2022, the sight deposit accounts were non-interest-bearing. In addition, the Confederation may place time deposits with the SNB at market rates. The liabilities towards the Confederation are stated at nominal value inclusive of accrued interest.

Liabilities towards Confederation

Sight deposits of foreign banks and institutions	The SNB holds sight deposits for foreign banks and institutions which facilitate payment transactions in Swiss francs. The accounting and valuation principles as well as the interest rate conditions are the same as those for sight deposits of domestic banks.
Other sight liabilities	<p>The main components in other sight liabilities in Swiss francs are sight deposits of non-banks, the SNB pension fund's account and the accounts of active and retired SNB staff members.</p> <p>The accounting and valuation principles as well as the interest rate conditions for non-banks are the same as those for sight deposits of domestic banks.</p> <p>The SNB pension fund account is stated at nominal value; the remuneration is in line with that of sight deposits of domestic banks. Interest expenses and interest income are stated under net result from Swiss franc positions.</p> <p>Accounts of active and retired staff members are stated at nominal value inclusive of accrued interest. These accounts bear interest up to a certain amount. Interest expenses are stated under net result from Swiss franc positions.</p>
Liabilities from Swiss franc repo transactions	Liabilities arising from repo transactions are stated at nominal value inclusive of accrued interest. Interest expenses are stated under net result from Swiss franc positions.
SNB debt certificates	<p>To absorb liquidity from the market, the SNB can issue its own, interest-bearing debt certificates (SNB Bills) in Swiss francs. Money market management requirements dictate the frequency, term and amount of these issues. SNB Bills are valued at issue price plus cumulative discount accretion (i.e. the discount is amortised over the term of the issue). Interest expenses are stated under net result from Swiss franc positions.</p> <p>The SNB may participate in auctions of SNB Bills. Its own portfolio of acquired securities is offset against the total of issued securities in the SNB debt certificates item. When conducting liquidity-absorbing repo transactions, the SNB may use SNB Bills from its own portfolio as collateral.</p>
Other term liabilities	This balance sheet item contains term liabilities in Swiss francs arising from swap transactions with the US Federal Reserve. These are stated at nominal value.

Foreign currency liabilities comprise different sight liabilities and short-term term liabilities as well as short-term repo transactions related to the management of foreign currency investments. The latter are carried out at market conditions. These repo transactions (temporary transfer of securities against sight deposits, with reverse settlement at maturity) result in a short-term increase in the balance sheet total. On the one hand, the securities remain on the SNB's books, while on the other, the cash received as well as the obligation to repay it at maturity are stated in the balance sheet. Foreign currency liabilities are stated at nominal value inclusive of accrued interest. Interest expenses and exchange rate gains and losses are stated under net result from foreign currency positions. Negative interest is recorded as a reduction of interest expenses.

Foreign currency liabilities

This item comprises the liability vis-à-vis the IMF for the SDRs allocated to Switzerland. It attracts the same rate of interest as the SDRs on the assets side of the balance sheet. Interest expenses and exchange rate gains and losses are stated under net result from foreign currency positions.

Counterpart of SDRs allocated by IMF

Art. 30 para. 1 NBA stipulates that the SNB set up provisions permitting it to maintain the currency reserves at a level necessary for monetary policy. In so doing, it must take into account economic developments in Switzerland. These special-law provisions are equity-like in nature and are incorporated in the 'Changes in equity' table (cf. p. 177). The allocation is made as part of the profit appropriation. The Bank Council approves the level of these provisions annually.

Provisions for currency reserves

With the exception of the dividend, which – pursuant to the NBA – may not exceed 6% of the share capital, the Confederation and the cantons are entitled to the SNB's remaining profit after adequate provisions for currency reserves have been set aside. To achieve a smoothing of payments in the medium term, the annual profit distributions are fixed in advance for a certain period in an agreement concluded between the Federal Department of Finance and the SNB. The distribution reserve contains profits that have not yet been distributed. It is offset against losses and can therefore also be negative.

Distribution reserve

The SNB's pension plans are incorporated into one pension fund scheme under the defined contribution system. In accordance with Swiss GAAP FER 16, any share of actuarial surplus or deficit (overfunding or underfunding) is shown on the assets side of the balance sheet or reported as a liability.

Pension fund

There are no events after the balance sheet date which need to be mentioned or considered in the 2022 annual financial statements.

Events after balance sheet date

Valuation rates

VALUATION RATES

	31.12.2022 In CHF	31.12.2021 In CHF	Change In percent
1 euro (EUR)	0.9860	1.0366	-4.9
1 US dollar (USD)	0.9223	0.9137	+0.9
100 yen (JPY)	0.6998	0.7939	-11.9
1 pound sterling (GBP)	1.1140	1.2351	-9.8
1 Canadian dollar (CAD)	0.6810	0.7202	-5.4
1 Australian dollar (AUD)	0.6262	0.6635	-5.6
100 Korean won (KRW)	0.0732	0.0768	-4.7
100 Chinese yuan (CNY)	13.3766	14.3751	-6.9
100 Danish krone (DKK)	13.2591	13.9394	-4.9
1 Singapore dollar (SGD)	0.6884	0.6774	+1.6
100 Swedish krona (SEK)	8.8701	10.0734	-11.9
1 Special Drawing Right (SDR)	1.2381	1.2841	-3.6
1 kilogram of gold	53 941.10	53 548.29	+0.7

4.2 NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

Item 01

GOLD HOLDINGS**Breakdown by type**

	31.12.2022		31.12.2021	
	In tonnes	In CHF millions	In tonnes	In CHF millions
Gold ingots	1 001.0	53 993.7	1 001.0	53 600.5
Gold coins	39.0	2 105.6	39.0	2 090.2
Total	1 040.0	56 099.3	1 040.0	55 690.7

FOREIGN CURRENCY INVESTMENTS

Item 02

Breakdown by investment type in CHF millions

	31.12.2022	31.12.2021	Change
Sight deposits and call money	88 728.4	129 098.2	-40 369.8
Claims from repo transactions	16 738.2	21 705.5	-4 967.3
Money market instruments	2 636.8	9 904.3	-7 267.5
Bonds ¹	505 118.8	582 198.9	-77 080.1
Equities	187 343.8	223 295.3	-35 951.5
Total	800 566.2	966 202.2	-165 636.0

1 Of which CHF 545.3 million (2021: CHF 612.4 million) lent under securities lending operations.

Breakdown by issuer and borrower category in CHF millions

	31.12.2022	31.12.2021	Change
Governments	465 542.9	548 791.5	-83 248.6
Monetary institutions ¹	94 109.2	134 537.9	-40 428.7
Corporations	240 914.1	282 872.8	-41 958.7
Total	800 566.2	966 202.2	-165 636.0

1 BIS, central banks and multilateral development banks.

Breakdown by currency¹ in CHF millions

	31.12.2022	31.12.2021	Change
EUR	303 448.5	368 945.8	-65 497.3
USD	298 228.3	362 607.2	-64 378.9
JPY	62 396.2	77 316.1	-14 919.9
GBP	55 625.9	65 223.3	-9 597.4
CAD	19 633.9	23 883.0	-4 249.1
AUD	14 463.8	15 516.4	-1 052.6
KRW	14 460.1	15 549.6	-1 089.5
CNY	8 978.6	11 130.1	-2 151.5
DKK	5 699.2	6 601.4	-902.2
SGD	3 475.4	3 507.2	-31.8
SEK	3 004.4	4 109.6	-1 105.2
Other	11 151.8	11 812.4	-660.6
Total	800 566.2	966 202.2	-165 636.0

1 Excluding foreign exchange derivatives.

RESERVE POSITION IN THE IMF

In CHF millions

	31.12.2022	31.12.2021	Change
Swiss quota in the IMF ^{1,2}	7 153.7	7 410.9	-257.2
Less: IMF's Swiss franc sight deposit at the SNB ³	-5 083.1	-5 577.6	+494.5
Claim from participation in the IMF	2 070.6	1 833.3	+237.3
Loan based on New Arrangements to Borrow (NAB) ²	66.0	167.5	-101.5
Total reserve position in the IMF	2 136.6	2 000.8	+135.8

1 SDR 5,771.1 million; change due to exchange rates.

2 Including accrued interest.

3 Corresponds to the untransferred portion of the quota.

Details: New Arrangements to Borrow (NAB)¹ in CHF millions

	31.12.2022	31.12.2021	Change
Lending commitment ²	13 719.5	14 229.6	-510.1
Amount drawn	66.0	167.5	-101.5
Amount not drawn	13 653.5	14 062.1	-408.6

1 Maximum lending commitment totalling SDR 11,081.3 million, arising from liabilities from NAB, in favour of the IMF for special cases; revolving and without a federal guarantee (cf. accountability report, chapter 7.2.1).

2 Change due to exchange rates.

INTERNATIONAL PAYMENT INSTRUMENTS

Item 04

In CHF millions

	31.12.2022	31.12.2021	Change
SDRs from allocation ¹	10 919.1	11 325.1	-406.0
SDRs purchased/sold (net)	461.6	587.4	-125.8
Total	11 380.7	11 912.5	-531.8

1 Corresponds to the IMF's allocation of SDR 8,819 million; change due to exchange rates. The liability entered into with the allocation is stated in the balance sheet under counterpart of SDRs allocated by the IMF (cf. accountability report, chapter 7.2.1).

Details: Exchange arrangement for international payment instruments (voluntary trading arrangement)¹
in CHF millions

	31.12.2022	31.12.2021	Change
Purchase/sale commitment ²	5 459.9	5 662.9	-203.0
SDRs purchased	-461.6	-587.4	+125.8
SDRs sold	-	-	-
Total commitment ³	4 998.3	5 075.5	-77.2

1 The SNB has committed to purchasing or selling SDRs against foreign currencies (USD, EUR) up to an agreed maximum of SDR 4,410 million (cf. accountability report, chapter 7.2.1).

2 Change due to exchange rates.

3 Maximum purchase commitment.

MONETARY ASSISTANCE LOANS

In CHF millions

	31.12.2022	31.12.2021	Change
Claims from PRGT loans ^{1, 2}	877.5	816.6	+60.9
Claims from bilateral loans ²	–	91.4	–91.4
Total	877.5	908.0	–30.5

1 Poverty Reduction and Growth Trust of the IMF.

2 Including accrued interest.

Details: Drawn lending commitments in CHF millions

	31.12.2022	31.12.2021	Change
Lending commitment to PRGT ^{1, 2}	1 857.1	1 926.2	–69.1
Amount drawn	888.6	820.8	+67.8
Amount repaid	15.2	4.3	+10.9
Claims ³	877.5	816.6	+60.9
Amount not yet drawn	968.5	1 105.4	–136.9

1 Poverty Reduction and Growth Trust of the IMF; limited-term lending commitment to the PRGT in the amount of SDR 1,500 million; not revolving and with a federally guaranteed repayment of principal and payment of interest (cf. accountability report, chapter 7.2.1).

2 Change due to exchange rates.

3 Including accrued interest.

SWISS FRANC SECURITIES

Item 06

Breakdown by borrower category in CHF millions

	31.12.2022	31.12.2021	Change
Governments	1 260.6	1 542.5	-281.9
Corporations	2 304.2	2 489.2	-185.0
Total	3 564.8	4 031.7	-466.9

Breakdown of *governments* borrower category in CHF millions

	31.12.2022	31.12.2021	Change
Swiss Confederation	738.8	906.3	-167.5
Cantons and municipalities	373.6	448.7	-75.1
Foreign states ¹	148.2	187.6	-39.4
Total	1 260.6	1 542.5	-281.9

1 Including public authorities.

Breakdown of *corporations* borrower category in CHF millions

	31.12.2022	31.12.2021	Change
Domestic mortgage bond institutions	1 789.1	1 931.1	-142.0
Other domestic corporations ¹	44.2	46.0	-1.8
Foreign corporations ²	470.9	512.1	-41.2
Total	2 304.2	2 489.2	-185.0

1 Primarily international organisations with their head office in Switzerland.

2 Banks, international organisations and other corporations.

TANGIBLE ASSETS

In CHF millions

	Land and buildings ¹	Fixed assets under construction	Software	Sundry tangible assets ²	Total
Historical cost					
1 January 2022	707.0	13.4	90.0	81.8	892.3
Additions	1.0	29.4	5.7	6.1	42.2
Disposals	–	–	–3.3	–7.8	–11.1
Reclassified	1.8	–4.3	2.3	0.2	
31 December 2022	709.9	38.5	94.6	80.3	923.4
Cumulative value adjustments					
1 January 2022	317.8		80.2	57.1	455.1
Scheduled depreciation	20.3		7.5	11.1	38.9
Disposals	–		–3.3	–7.8	–11.1
Reclassified	–		–	–	
31 December 2022	338.1		84.4	60.4	482.9
Net book values					
1 January 2022	389.2	13.4	9.8	24.7	437.2
31 December 2022	371.8	38.5	10.3	19.9	440.5

1 Insured value: CHF 622.4 million.

2 Insured value: CHF 71.7 million.

Tangible assets from previous year in CHF millions

	Land and buildings ¹	Fixed assets under construction	Software	Sundry tangible assets ²	Total
Historical cost					
1 January 2021	697.6	6.5	85.2	84.7	874.0
Additions	1.3	20.4	7.4	7.8	36.8
Disposals	-0.9	-	-3.7	-14.0	-18.6
Reclassified	9.0	-13.4	1.1	3.4	-
31 December 2021	707.0	13.4	90.0	81.8	892.3
Cumulative value adjustments					
1 January 2021	299.7	-	76.6	59.7	436.0
Scheduled depreciation	19.0	-	7.3	11.5	37.7
Disposals	-0.8	-	-3.7	-14.0	-18.6
Reclassified	-	-	-	-	-
31 December 2021	317.8	-	80.2	57.1	455.1
Net book values					
1 January 2021	397.8	6.5	8.6	25.1	438.0
31 December 2021	389.2	13.4	9.8	24.7	437.2

1 Insured value: CHF 622.4 million.

2 Insured value: CHF 71.7 million.

Item 08

PARTICIPATIONS

In CHF millions

	BIS ¹	Orell Füssli ²	Landqart ³	Other	Total
Equity interest	3%	33%	97%		
Book value as at 1 January 2021	90.2	43.8	0.0	0.0	134.0
Investments	–	–	–	0.1	0.1
Divestments	–	–	–	–	–
Valuation changes	–	1.5	–	–	1.5
Book value as at 31 December 2021	90.2	45.2	0.0	0.2	135.6
Book value as at 1 January 2022	90.2	45.2	0.0	0.2	135.6
Investments	–	–	–	–	–
Divestments	–	–	–	–	–
Valuation changes	–	–3.3	–	–	–3.3
Book value as at 31 December 2022	90.2	41.9	0.0	0.2	132.3

1 Interest in the BIS, based in Basel, is held for reasons of monetary policy collaboration.

2 Orell Füssli Ltd, based in Zurich, which produces Switzerland's banknotes.

3 Landqart AG, based in Landquart, which manufactures the special paper for Swiss banknotes.

Item 09

OTHER ASSETS

In CHF millions

	31.12.2022	31.12.2021	Change
Coins ¹	212.4	250.7	–38.3
Foreign banknotes	1.2	0.9	+0.3
Other accounts receivable	1 196.6	205.9	+990.7
Prepayments and accrued income	6.2	107.0	–100.8
Positive replacement values ²	332.0	327.5	+4.5
Total	1 748.5	891.9	+856.6

1 Coins acquired from Swissmint destined for circulation.

2 Unrealised gains on financial instruments and on outstanding spot transactions (cf. item 27, p.208).

BANKNOTES IN CIRCULATION

Item 10

Breakdown by series¹ in CHF millions

	31.12.2022	31.12.2021	Change
9th series	68 041.2	68 334.2	-293.0
8th series	12 638.0	21 322.1	-8 684.1
6th series	1 017.6	1 029.0	-11.4
Total	81 696.8	90 685.3	-8 988.5

1 For information on the recall and exchange of banknotes, cf. accountability report, chapter 3.3.
The seventh banknote series, which was created as a reserve series, was never put into circulation.

LIABILITIES TOWARDS THE CONFEDERATION

Item 11

In CHF millions

	31.12.2022	31.12.2021	Change
Sight liabilities	3 960.2	11 617.1	-7 656.9
Term liabilities	12 707.7	1 000.0	+ 11 707.7
Total	16 667.9	12 617.1	+ 4 050.8

OTHER SIGHT LIABILITIES

Item 12

In CHF millions

	31.12.2022	31.12.2021	Change
Sight deposits of non-banks ¹	27 370.9	34 889.5	-7 518.6
Deposit accounts ²	433.0	408.4	+ 24.6
Total	27 803.9	35 297.9	-7 494.0

1 Clearing offices, insurance corporations, etc.

2 Primarily accounts of employees and retirees. Also contains current account liabilities towards the SNB pension fund of CHF 17.3 million (2021: CHF 18.4 million).

Item 13

SNB DEBT CERTIFICATES

In CHF millions

	31.12.2022	31.12.2021	Change
Issues	252 872.2	–	+ 252 872.2
Less: SNB portfolio ¹	–154 703.4	–	–154 703.4
Total	98 168.8	–	+ 98 168.8

1 On 31 December 2022, SNB debt certificates (SNB Bills) in the nominal amount of CHF 67.8 billion were used as collateral for liquidity-absorbing repo transactions (2021: none).

Item 14

FOREIGN CURRENCY LIABILITIES

In CHF millions

	31.12.2022	31.12.2021	Change
Sight liabilities ¹	10.0	15.6	–5.6
Liabilities from repo transactions ²	16 729.6	20 873.0	–4 143.4
Total	16 739.7	20 888.5	–4 148.8

1 Contains current account liabilities towards the SNB pension fund of CHF 3.9 million (2021: CHF 0.7 million).

2 Relating to the management of foreign currency investments.

Item 15

OTHER LIABILITIES

In CHF millions

	31.12.2022	31.12.2021	Change
Other accounts payable	23.6	12.0	+ 11.6
Accrued liabilities and deferred income	345.6	17.0	+ 328.6
Negative replacement values ¹	1 591.8	263.4	+ 1 328.4
Total	1 960.9	292.4	+ 1 668.5

1 Unrealised losses on financial instruments and on outstanding spot transactions (cf. item 27, p.208).

SHARE CAPITAL

Item 16

Shares¹

	2022	2021	2020
Share capital in CHF	25 000 000	25 000 000	25 000 000
Nominal value in CHF	250	250	250
Number of shares	100 000	100 000	100 000
Ticker symbol/ISIN ²	SNBN/CH0001319265		
Closing price on 31 December in CHF	4 790	5 240	4 680
Market capitalisation in CHF	479 000 000	524 000 000	468 000 000
Annual high in CHF	7 900	5 500	6 260
Annual low in CHF	4 060	4 590	3 280
Average daily trading volume in number of shares	62	41	97

1 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.

2 Listed in the Swiss Reporting Standard on SIX Swiss Exchange.

Breakdown of share ownership as at 31 December 2022

	Cantons	Cantonal banks	Other public law corporations/institutions ¹	Total public sector shareholders	Total private sector shareholders	Total
Registered shareholders	26	24	23	73	2 460	2 533
Voting shares	38 962	11 966	375	51 303	14 686	65 989
In percent	59.04%	18.13%	0.57%	77.74%	22.26%	100.00%
Non-voting shares					34 011	34 011
Of which shares pending registration of transfer ²					22 045	22 045
Of which registered shares held in trust ³					2 734	2 734
Of which shares with statutory limitation of voting rights ⁴					9 232	9 232
Total shares	38 962	11 966	375	51 303	48 697⁵	100 000

1 Other public law corporations include 20 municipalities.

2 Shares pending registration of transfer are registered shares not entered in the share register.

3 Registered shares held in trust are shares held on behalf of the beneficiary by a bank or asset manager, where the bank or asset manager is listed in the share register without voting rights.

4 Voting rights are limited to a maximum of 100 shares. This limitation shall not apply to Swiss public law corporations and institutions or to cantonal banks pursuant to art. 3a of the Federal Act of 8 November 1934 on Banks and Savings Banks (in accordance with art. 26 para. 2 NBA). In 2022, 26 shareholders, each with more than 100 shares, were affected by the statutory limitation of voting rights.

5 Of which 9,577 shares are in foreign ownership (accounting for 2.74% of voting rights).

Principal shareholders: Public sector

	Number of shares	31.12.2022 Participation	Number of shares	31.12.2021 Participation
Canton of Berne	6 630	6.63%	6 630	6.63%
Canton of Zurich	5 200	5.20%	5 200	5.20%
Canton of Vaud	3 401	3.40%	3 401	3.40%
Canton of St Gallen	3 002	3.00%	3 002	3.00%

Principal shareholders: Private sector¹

	Number of shares	31.12.2022 Participation	Number of shares	31.12.2021 Participation
Theo Siegert, Düsseldorf	5 010	5.01%	5 039	5.04%

1 Non-public sector shareholders are subject to legal restrictions (art. 26 NBA), i.e. voting rights are limited to 100 shares.

NET RESULT FROM FOREIGN CURRENCY POSITIONS

Item 17

Breakdown by origin in CHF millions

	2022	2021	Change
Foreign currency investments	-131 377.2	25 653.1	-157 030.3
Reserve position in the IMF	-54.0	0.6	-54.6
International payment instruments	-6.2	-5.6	-0.6
Monetary assistance loans	-21.1	8.3	-29.4
Total	-131 458.5	25 656.4	-157 114.9

Breakdown by type in CHF millions

	2022	2021	Change
Interest income	7 408.0	7 041.4	+366.6
Price gain/loss on interest-bearing paper and instruments	-71 998.0	-16 148.6	-55 849.4
Interest expenses	-135.4	41.1	-176.5
Dividend income	4 361.7	3 789.2	+572.5
Price gain/loss on equity securities and instruments	-41 310.7	37 101.3	-78 412.0
Exchange rate gain/loss	-29 750.0	-6 130.7	-23 619.3
Asset management, safe custody and other fees	-34.0	-37.3	+3.3
Total	-131 458.5	25 656.4	-157 114.9

Breakdown of overall net result by currency in CHF millions

	2022	2021	Change
EUR	-54 996.5	-15 326.7	-39 669.8
USD	-44 280.8	40 731.4	-85 012.2
JPY	-10 343.4	-3 314.2	-7 029.2
GBP	-10 522.2	1 423.2	-11 945.4
CAD	-2 498.1	1 784.1	-4 282.2
AUD	-1 917.4	-348.0	-1 569.4
KRW	-1 950.8	-980.7	-970.1
CNY	-607.6	1 070.3	-1 677.9
DKK	-891.0	21.3	-912.3
SGD	-41.4	-3.4	-38.0
SEK	-1 223.2	188.7	-1 411.9
SDR	-81.9	0.0	-81.9
Other	-2 104.4	410.6	-2 515.0
Total	-131 458.5	25 656.4	-157 114.9

Breakdown of exchange rate gain/loss by currency in CHF millions

	2022	2021	Change
EUR	-17 163.0	-14 425.3	-2 737.7
USD	6 208.2	12 387.8	-6 179.6
JPY	-8 619.9	-5 427.6	-3 192.3
GBP	-5 595.6	1 380.2	-6 975.8
CAD	-1 066.2	1 112.6	-2 178.8
AUD	-801.3	-520.0	-281.3
KRW	-765.8	-855.9	+90.1
CNY	-722.4	542.2	-1 264.6
DKK	-323.6	-251.8	-71.8
SGD	54.9	52.8	+2.1
SEK	-532.9	-318.8	-214.1
SDR	-121.8	-4.3	-117.5
Other	-300.5	197.3	-497.8
Total	-29 750.0	-6 130.7	-23 619.3

NET RESULT FROM SWISS FRANC POSITIONS

Item 18

Breakdown by origin in CHF millions

	2022	2021	Change
Negative interest on sight deposit account balances	609.2	1 256.6	-647.4
Positive interest on sight deposit account balances	-806.9	-	-806.9
Swiss franc securities	-538.9	-109.4	-429.5
Liquidity-providing Swiss franc repo transactions	-38.5	-0.7	-37.8
Liquidity-absorbing Swiss franc repo transactions	-84.6	-	-84.6
Secured loans	-27.9	-79.9	+52.0
Liabilities towards the Confederation	-24.8	-	-24.8
SNB debt certificates	-120.8	-	-120.8
Other Swiss franc positions	-5.2	-1.7	-3.5
Total	-1 038.5	1 064.9	-2 103.4

Breakdown by type in CHF millions

	2022	2021	Change
Negative interest on sight deposit account balances	609.2	1 256.6	-647.4
Positive interest on sight deposit account balances	-806.9	-	-806.9
Interest income	-32.5	-45.1	+12.6
Price gain/loss on interest-bearing paper and instruments	-560.5	-135.9	-424.6
Interest expenses	-235.5	-1.7	-233.8
Trading, safe custody and other fees	-12.2	-9.0	-3.2
Total	-1 038.5	1 064.9	-2 103.4

Item 19

NET RESULT, OTHER

In CHF millions

	2022	2021	Change
Commission income	2.9	3.0	-0.1
Commission expenses	-2.9	-2.9	0.0
Result from participations	5.0	15.2	-10.2
Income from real estate	1.7	1.6	+0.1
Other income	0.1	0.1	0.0
Total	6.7	17.0	-10.3

Item 20

PERSONNEL EXPENSES¹

Breakdown by type in CHF millions

	2022	2021	Change
Wages, salaries and allowances	144.0	140.1	+3.9
Social security expenses	34.9	33.7	+1.2
Other personnel expenses ²	9.4	8.9	+0.5
Total	188.3	182.8	+5.5

1 In terms of full-time equivalents, the number of employees averaged 878 for 2022 (2021: 871).

2 Various social benefits; expenses for staff development, training and recruitment; events, etc.

Remuneration for members of the Bank Council¹ (including employer social security contributions) in CHF thousands

	Total remuneration (gross)	Employer contributions to pension plans and OASI, VAT ²	2022 Total	2021 Total	Change
Barbara Janom Steiner, President ^{3, 4, 5}	186.6	64.4	251.0	244.3	+ 6.7
Romeo Lacher, Vice President ^{3, 4, 5} (since 1.5.2021)	93.6	6.0	99.6	67.2	+ 32.4
Olivier Steimer, Vice President ^{3, 4, 5} (until 30.4.2021)	–	–	–	29.2	– 29.2
Vania Alleva ³	47.0	3.6	50.6	57.1	– 6.5
Christoph Ammann ⁶	53.4	–	53.4	45.0	+ 8.4
Monika Bütler ^{4, 7} (until 30.4.2022)	20.6	1.3	21.9	59.8	– 37.9
Rajna Gibson Brandon ⁷ (since 1.5.2022)	38.4	2.5	40.9	–	+ 40.9
Heinz Karrer ^{3, 6} (until 30.4.2021)	–	–	–	26.2	– 26.2
Christoph Lengwiler ^{3, 6}	67.2	4.3	71.5	80.9	– 9.4
Christoph Mäder ^{3, 6} (since 1.5.2021)	52.6	3.4	56.0	45.1	+ 10.9
Shelby Robert du Pasquier ⁷	68.0	4.4	72.4	66.4	+ 6.0
Cornelia Stamm Hurter (since 1.5.2022)	30.0	–	30.0	–	+ 30.0
Ernst Stocker ⁶ (until 30.4.2022)	17.8	1.4	19.2	63.5	– 44.3
Cédric Pierre Tille ^{5, 7}	77.2	4.9	82.1	65.8	+ 16.3
Christian Vitta ⁴	46.4	–	46.4	45.0	+ 1.4
Total	798.8	96.1	894.9	895.5	– 0.6

1 In accordance with SNB regulations; participation in committee meetings not held on the same day as Bank Council meetings is compensated at a rate of CHF 2,800 per meeting. Special assignments are compensated at a rate of CHF 2,800 per day or CHF 1,400 per half-day.

2 If transferred to the Bank Council member's employer, value added tax may, where applicable, be paid instead of social security contributions.

3 Member of the 'HR processes and strategies' ad hoc committee. A flat-rate fee of CHF 2,000 was paid for associated work in the year under review (2021: CHF 8,000, or CHF 4,000 for work during part of the year).

4 Member of Compensation Committee.

5 Member of Nomination Committee. A flat-rate fee of CHF 14,000 was paid for associated work in the year under review.

6 Member of Audit Committee.

7 Member of Risk Committee.

Remuneration for members of the Regional Economic Councils in CHF thousands

	2022	2021	Change
Chairpersons ^{1, 3}	57.5	54.4	+ 3.1
Members ^{2, 3}	118.0	114.0	+ 4.0

1 Remuneration per chairperson (8 persons in total, one of whom opted to forgo compensation until April 2022): CHF 7,500 gross per year.

2 Remuneration per member (20 persons in total from May 2022, previously 19 persons): CHF 6,000 gross per year.

3 Changes are due to vacancies.

The list of Regional Economic Councils can be found on p. 225.

Remuneration for members of executive management¹ (excluding employer social security contributions) in CHF thousands

	Salaries (gross)	Miscellaneous ²	2022 Total remuneration	2021 Total remuneration	Change
Members of the Governing Board	3 172.2	213.0	3 385.2	2 873.2	+ 512.0
Thomas J. Jordan, Chairman ³	928.4	107.7	1 036.1	945.0	+91.1
Martin Schlegel, Vice Chairman (since 1.8.2022)	386.9	10.0	396.9	–	+396.9
Andréa M. Maechler	928.4	30.3	958.7	983.1	–24.4
Fritz Zurbrügg, Vice Chairman (until 31.7.2022) ⁴	928.4	65.0	993.4	945.0	+48.4
Alternate members of the Governing Board ^{5, 6}	1 642.3	86.2	1 728.5	1 527.1	+201.4
Total	4 814.5	299.1	5 113.6	4 400.3	+ 713.3

Remuneration for members of executive management¹ (including employer social security contributions) in CHF thousands

	Total remuneration	Employer contributions to pension plans and OASI	2022 Total	2021 Total	Change
Members of the Governing Board	3 385.2	878.9	4 264.0	3 631.9	+ 632.1
Thomas J. Jordan, Chairman ³	1 036.1	312.9	1 349.0	1 252.6	+96.4
Martin Schlegel, Vice Chairman (since 1.8.2022)	396.9	112.9	509.8	–	+509.8
Andréa M. Maechler	958.7	271.0	1 229.7	1 255.5	–25.8
Fritz Zurbrügg, Vice Chairman (until 31.7.2022) ⁴	993.4	182.1	1 175.5	1 123.7	+51.8
Alternate members of the Governing Board ^{5, 6}	1 728.5	470.4	2 198.9	1 913.7	+285.2
Total	5 113.6	1 349.3	6 462.9	5 545.7	+917.2

1 All remuneration is specified in SNB regulations (cf. also 'Corporate governance', p. 152).

2 Representation expenses, General Abonnement travel card, jubilee benefits and further compensation in accordance with regulations.

3 Excluding remuneration in the amount of CHF 74,275 for serving as member of the Board of Directors at the BIS.

4 As of August 2022, consisting of the continuation of salary payments after the term of office has ended. During the six-month cooling-off period, the restrictions on the right to carry out professional activities apply in accordance with the Regulations on the Governing Board. Further information can be found in the business report (chapter 1.5, Remuneration report, p. 152).

5 Three members until 31 July 2022, four members as of 1 August 2022. As regards this increase in the year under review, cf. 'Resources' (p. 160) and 'Changes in bank bodies' (p. 165).

6 Excluding remuneration in the amount of CHF 38,453 for an alternate member of the Governing Board for serving as member of the Board of Directors of Orell Füssli Ltd.

Like all employees, members of executive management are entitled to reduced-rate mortgage loans granted by the SNB pension fund as well as to preferential interest rates on the credit balances of their SNB staff accounts. No additional remuneration as defined by art. 663b^{bis} para. 1 CO was paid.

Of the members of executive management, Dewet Moser, Alternate Member of the Governing Board, held one SNB share as at 31 December 2022 (no change compared to previous year). In addition, as at 31 December 2022, a party related to Thomas J. Jordan, Chairman of the Governing Board, held one SNB share (no change compared to previous year).

In accordance with the 'Code of Conduct for members of the Bank Council', members of the Bank Council may not hold shares in the SNB.

EMPLOYEE BENEFIT OBLIGATIONS^{1, 2}

Item 21

Share of overfunding/underfunding of pension plans³ in CHF millions

	31.12.2022	31.12.2021	Change
Overfunding/underfunding in accordance with Swiss GAAP FER 26 ^{3,4}	7.9	156.2	-148.3
SNB's share of overfunding/underfunding in accordance with Swiss GAAP FER 16	-	-	-

1 The pension fund does not have any employer contribution reserves.

2 The pension fund by-laws contain a restructuring clause. The clause will come into effect if it appears likely that the pension fund coverage ratio will drop below 100%. In such a case, a restructuring concept must be drawn up to ensure that the shortfall in coverage can be remedied within a reasonable timeframe with the support of the SNB. The restructuring clause ensures a long-term solution to the problem of a shortfall.

3 The overfunding recorded as at 31 December 2022 is unaudited at the time of reporting.

4 Coverage ratio in accordance with art. 44 of the Ordinance on Occupational Old Age, Survivors' and Invalidity Pension Provision (BVV2) is 120.8% as at 31 December 2022, and is unaudited at the time of reporting (2021: 136.9%, audited figure).

Employee benefit expenses in CHF millions

	2022	2021	Change
Employer contributions	24.6	23.5	+1.1
Change in share of overfunding/underfunding	-	-	-
Employee benefit expenses as part of personnel expenses	24.6	23.5	+1.1

GENERAL OVERHEADS

Item 22

In CHF millions

	2022	2021	Change
Premises	19.8	24.9	-5.1
Maintenance of mobile tangible assets and software	24.6	23.8	+0.8
Consulting and other third-party support ¹	46.1	41.7	+4.4
Administrative expenses	23.8	20.6	+3.2
Contributions ²	8.0	7.2	+0.8
Other general overheads	11.6	9.7	+1.9
Total	134.0	127.8	+6.2

1 Auditing fees for the 2022 financial year totalled CHF 0.3 million (2021: CHF 0.3 million).

The External Auditor did not provide any consulting services (2021: none).

2 Mainly contributions towards the Study Center Gerzensee (SNB foundation).

4.3 NOTES REGARDING OFF-BALANCE-SHEET BUSINESS

Item 23

LIQUIDITY-SHORTAGE FINANCING FACILITY

The liquidity-shortage financing facility is a credit line for eligible counterparties to bridge unexpected short-term liquidity bottlenecks. Liquidity can be drawn by way of special-rate repo transactions. The amounts stated are the maximum amounts that can be drawn.

In CHF millions

	31.12.2022	31.12.2021	Change
Lending commitment	36 187.0	36 312.0	-125.0
Amount drawn	-	-	-
Amount not drawn	36 187.0	36 312.0	-125.0

Item 24

COMMITMENTS GRANTED IN THE CONTEXT OF INTERNATIONAL COOPERATION

Commitments to the IMF include irrevocable lending commitments and other commitments which the SNB has granted in the context of international cooperation. The amounts stated are the maximum liabilities arising from these commitments.

Overview: Undrawn lending commitments and exchange arrangement for international payment instruments in CHF millions

	31.12.2022	31.12.2021	Change
New Arrangements to Borrow (NAB) ¹	13 653.5	14 062.1	-408.6
Lending commitment to PRGT ²	968.5	1 105.4	-136.9
Bilateral lending commitment to IMF ³	3 662.0	3 662.0	-
Other bilateral lending commitments	-	91.4	-91.4
Total undrawn lending commitments	18 284.0	18 920.8	-636.8
Exchange arrangement for international payment instruments (voluntary trading arrangement) ⁴	4 998.3	5 075.5	-77.2

1 For further details, cf. item 03, p. 188.

2 For further details, cf. item 05, p. 190.

3 Bilateral lending commitment to the IMF in the maximum amount of CHF 3.7 billion; revolving and with a federally guaranteed repayment of principal and payment of interest (cf. accountability report, chapter 7.2.1).

4 For further details, cf. item 04, p. 189.

OTHER LIABILITIES NOT CARRIED ON BALANCE SHEET

Item 25

In CHF millions

	31.12.2022	31.12.2021	Change
Additional funding for the BIS ¹	80.0	82.9	-2.9
Liabilities from long-term rental, maintenance and leasing contracts ²	51.0	49.0	+2.0
Liabilities from procurement of banknotes	87.0	87.0	-
Total	218.0	218.9	-0.9

1 BIS shares are 25% paid up. The additional funding obligation is calculated in SDRs.

2 Including leasehold interest on Metropol building in Zurich.

ASSETS PLEDGED OR ASSIGNED AS COLLATERAL FOR SNB LIABILITIES

Item 26

In CHF millions

	Book value	31.12.2022 Liabilities or amount drawn	Book value	31.12.2021 Liabilities or amount drawn
Foreign currency investments in EUR	10 655.6	9 106.3	13 340.0	12 354.7
Foreign currency investments in USD	1 250.7	837.2	2 224.5	1 818.0
Foreign currency investments in GBP	5 983.3	5 976.2	6 667.6	6 700.3
Foreign currency investments in AUD	807.7	809.9	-	-
Total¹	18 697.2	16 729.6	22 232.1	20 873.0

1 Mainly collateral lodged in connection with repo transactions and futures.

Item 27

OUTSTANDING FINANCIAL INSTRUMENTS¹

In CHF millions

	Contract value	31.12.2022		Contract value	31.12.2021	
		Replacement value Positive	Replacement value Negative		Replacement value Positive	Replacement value Negative
Interest rate instruments	142 083.4	251.8	1 437.9	340 692.1	81.1	204.1
Swiss franc repo transactions ²	32 985.0	–	–	–	–	–
SNB debt certificates ²	7 910.0	–	–	–	–	–
Forward contracts ¹	409.2	0.1	0.4	131.8	0.2	0.0
Interest rate swaps	58 612.5	248.6	1 427.1	167 424.6	78.8	199.3
Futures	42 166.7	3.1	10.4	173 135.7	2.1	4.7
Foreign exchange	11 876.3	78.7	90.4	16 483.6	210.3	44.3
Forward contracts ¹	9 695.9	78.7	87.3	14 677.4	210.3	43.2
Options	2 180.4	–	3.1	1 806.2	–	1.2
Equities/indices	8 175.8	–	50.1	15 507.0	34.0	0.5
Forward contracts ¹	0.6	–	0.0	4.0	0.0	0.0
Futures	8 175.2	–	50.1	15 502.9	34.0	0.5
Credit instruments	1 654.4	1.6	13.4	731.2	2.1	14.6
Credit default swaps	1 654.4	1.6	13.4	731.2	2.1	14.6
Total	163 790.0	332.0	1 591.8	373 413.9	327.5	263.4

1 Including spot transactions with value date in the new year.

2 Only transactions to be settled in the new year.

FIDUCIARY INVESTMENTS

Item 28

Fiduciary business covers investments which the SNB makes in its own name but on the basis of a written contract exclusively for the account of and at the risk of the counterparty (mainly the Confederation). The transactions are stated at nominal value inclusive of accrued interest.

In CHF millions

	31.12.2022	31.12.2021	Change
Fiduciary investments for the Confederation	1 685.6	1 383.1	+ 302.5
Other fiduciary investments	8.7	7.2	+ 1.5
Total	1 694.4	1 390.2	+ 304.2

Report of the External Auditor for the General Meeting of Shareholders

REPORT OF THE STATUTORY AUDITOR ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Swiss National Bank (SNB), which comprise the balance sheet as at 31 December 2022, the income statement and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 173 to 209) give a true and fair view of the financial position of the SNB as at 31 December 2022 and of its financial performance for the year then ended in accordance with the accounting and valuation principles detailed in the notes and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the SNB in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Foreign currency investments

Key audit matter: In absolute figures, foreign currency investments constitute the SNB’s most important balance sheet position. Due to their composition and amount, even small changes to the negotiable securities prices and the Swiss franc exchange rates can lead to material effects on the valuation in the balance sheet as well as on gross income, and therefore also on the SNB’s equity. Therefore, the valuation of the negotiable securities within foreign currency investments was considered to be an area of focus in our audit.

Our audit approach for the foreign currency investments comprised, among others, the following key audit procedures:

We compared the valuation of the negotiable securities (money market instruments, bonds and equities) included within foreign currency investments with reference values that we obtained by applying our own valuation approach. The valuation methodology we used took into account, among other things, market liquidity and other characteristics relevant to the valuation of the individual negotiable securities. Further, we tested the valuation approach used in the relevant IT applications.

For further information on foreign currency investments can be found in items 02 and 26 of the notes to the annual financial statements.

The Bank Council is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Other information

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Bank Council is responsible for the preparation of the financial statements that give a true and fair view in accordance with the accounting and valuation principles detailed in the notes and the provisions of Swiss law, and for such internal control as the Bank Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Unless otherwise stated, the accounting and valuation principles are based on the Swiss GAAP FER standards. Departures from Swiss GAAP FER occur only if the special nature of the SNB needs to be taken into account.

Bank Council's responsibilities for the financial statements

**Auditor's responsibilities
for the audit of the financial
statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SNB's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Bank Council or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Bank Council or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Bank Council or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Bank Council.

We recommend that the financial statements submitted to you be approved.

KPMG LTD

ERICH SCHÄRLI
Licensed Audit Expert
Auditor in Charge

ADRIAN WALDER
Licensed Audit Expert

Zurich, 3 March 2023