

The Swiss National Bank in Brief

SCHWEIZERISCHE NATIONALBANK
BANQUE NATIONALE SUISSE
BANCA NAZIONALE SVIZZERA
BANCA NAZIUNALA SVIZRA
SWISS NATIONAL BANK





The Swiss National Bank in Brief

Introduction	5
1 The SNB's mandate	6
2 Monetary policy strategy	9
3 Implementation of monetary policy	14
4 Ensuring the supply and distribution of cash	22
5 The SNB's role in the cashless payment system	24
6 Asset management	27
7 The SNB's contribution to financial stability	31
8 International monetary cooperation	37
9 Independence, accountability and relationship with the Confederation	42
10 The SNB as a company	45
11 Legal basis	52
Appendix	
1 SNB balance sheet	56
2 Information resources and publications	58
3 Addresses	61



SCHWEIZERISCHE NATIONALBANK

Introduction

The Swiss National Bank is Switzerland's central bank. It has the exclusive right to issue banknotes (note-issuing privilege) and has been mandated to conduct the country's monetary policy. In accordance with the Constitution and Swiss law, the SNB is independent in the fulfilment of its mandate, holds regular discussions with the Federal Council, is accountable to the Federal Assembly and is obliged to provide the general public with periodic information on its activities.

This brochure presents the key tasks and the organisation of the SNB. Chapter 1 outlines the SNB's mandate and history. Chapter 2 explains the strategy that the SNB pursues to achieve its goal of ensuring price stability and the considerations on which it bases its monetary policy decisions. Chapter 3 explains which instruments the SNB uses to put its monetary policy decisions into practice. Chapter 4 looks at the SNB's role in the supply and distribution of cash, while Chapter 5 focuses on its role in cashless payment systems. Chapter 6 deals with the SNB's assets, their functions and the principles by which they are managed. Chapter 7 illustrates the ways in which the SNB contributes to the stability of the financial system. Chapter 8 outlines the international institutions and bodies in which the SNB is represented. Chapter 9 explains the link between independence and accountability, and the relationship between the SNB and the Swiss Confederation. Chapter 10 describes how the SNB is structured and includes its organisational chart. Chapter 11 summarises the legal foundation on which the SNB's activities are based.

The appendix provides a graphical representation of the balance sheet, details of the SNB's most important information resources and publications, and a list of addresses.

This brochure is available in German, French, Italian and English from the SNB library. It is also available, together with additional information, on the SNB website at www.snb.ch.

The SNB conducts the country's monetary policy as an independent central bank. Its mandate is to conduct monetary policy in such a way that money preserves its value and the economy develops favourably. This mandate is enshrined in the Constitution and the National Bank Act (NBA). The Constitution (art. 99) obliges the SNB, as an independent central bank, to conduct a monetary policy that serves the interests of the country as a whole. The NBA (art. 5 para. 1) describes the SNB's mandate in more detail: 'It shall ensure price stability. In so doing, it shall take due account of economic developments.'

Origin of central banks

A well-organised, stable monetary system is an important prerequisite for a prosperous economy. With the emergence of nation states, the creation of money and the organisation of the monetary system were, as a rule, assigned to a public institution, i.e. the central bank.

The origins of central banks vary from one country to another. Some of the oldest central banks started out as state banks which granted loans to the state and managed state assets. Others were set up to enhance the stability of the banking system and prevent banking panics.

Other central banks, including the SNB, were successor organisations to private money-issuing institutions. In the 19th century, there were several cantonal and private banks in Switzerland which issued banknotes in competition with one another. As the Swiss economy was growing rapidly and becoming increasingly integrated into the world economy, the interests of the private issuing banks corresponded less and less to the requirements of the country's economy as a whole. This was reflected by, among other things, an inadequate supply of banknotes. Calls for the creation of a central bank endowed with the note-issuing privilege became increasingly vociferous, and in 1891 an article was added to the Constitution stating that the right to issue banknotes was the preserve of the Confederation alone. However, another 15 years were to pass before the Federal Act on the Swiss National Bank entered into force in early January 1906 as prior to that, Swiss voters had rejected a proposal to establish a state bank. In June 1907, the Swiss National Bank assumed its function as an independent central bank.

History of the SNB

At the time of the SNB's foundation, the monetary order in most of the world was based on the fixed relationship between currencies and gold. In this context, the SNB's mandate was to regulate the circulation of money and facilitate payment transactions. It was obliged to provide gold on demand in exchange for banknotes.

Changes in the monetary order

The global economy has changed considerably since then. Gold no longer plays the role of anchor in the international monetary system, and the significance of banknotes has dwindled in comparison to book money. What has remained unchanged, however, is the SNB's responsibility to conduct its monetary policy in a way that keeps the value of money stable and enables the economy to prosper.



Price stability is an important prerequisite for growth and prosperity. Inflation (a sustained increase in the price level) and deflation (a sustained decrease in the price level) both impair economic activity. They hinder the role of prices in allocating labour and capital to their most efficient use, and result in a socially undesirable redistribution of income and wealth.

In its monetary policy strategy, the SNB sets out the manner in which it operationalises its statutory mandate. The strategy consists of three elements: a definition of price stability, a conditional inflation forecast over the subsequent three years, and a description of how the SNB implements its monetary policy by influencing the interest rate level and the exchange rate.

**Monetary
policy strategy**

Against the backdrop of the changes in the economic environment in recent years, in 2022 the SNB subjected its monetary policy strategy to a comprehensive review, which concluded that the strategy has fundamentally proved its worth. Only the formulation of the third element has been adjusted. Having previously mentioned only setting the SNB policy rate, the third element now explicitly provides for the SNB to also use additional monetary policy measures to influence the exchange rate or the interest rate level, if necessary. With this adjustment, the SNB is taking into account the increased importance of such measures in recent years.

**Review of monetary
policy strategy**

Definition of price stability

The SNB equates price stability with a rise in the Swiss consumer price index (CPI) of less than 2% per annum. Deflation also breaches the objective of price stability. With its definition of price stability, the SNB takes into account the fact that it cannot steer inflation precisely and that the CPI tends to overstate inflation slightly.

CONSUMER PRICES

Year-on-year change in percent



Source(s): SFSO, SNB

Conditional inflation forecast

The inflation forecast published quarterly by the SNB serves as the main indicator for monetary policy decisions and is a key element in its communications. The SNB’s inflation forecast is based on the assumption that the SNB policy rate applicable at the time of publication will remain constant over the forecast horizon. It is therefore a conditional forecast that shows how the SNB expects consumer prices to develop with an unchanged SNB policy rate. This enables the public to gauge whether there will be a need for monetary policy action in the future.

The inflation forecast published by the SNB cannot be compared with those provided by commercial banks or research institutions, as these generally factor in the interest rate adjustments they anticipate.

The forecast, which relates to the three subsequent years, reflects the medium-term focus of monetary policy. With this approach, the SNB takes account of the fact that output and prices react to monetary policy stimuli with – at times considerable – lags. Besides the inflation forecast, the SNB integrates a large number of indicators of domestic and international economic and monetary developments and of financial stability into its monetary policy decisions (cf. chapter 7).

The SNB maintains price stability by ensuring appropriate monetary conditions. These are determined by the interest rate level and the exchange rate. If the interest rate level rises or the Swiss franc appreciates, this means a tightening of monetary conditions. Conversely, an interest rate cut or Swiss franc depreciation amounts to an easing of monetary conditions. The Swiss National Bank sets the level of the SNB policy rate and communicates this in its monetary policy decision. It seeks to keep the secured short-term money market rates close to the SNB policy rate. The most important secured short-term Swiss franc interest rate is SARON (Swiss Average Rate Overnight).

**Implementation
of monetary policy**

If necessary, the SNB may also use additional monetary policy measures – for instance, foreign exchange market interventions – to influence the exchange rate or the interest rate level.

Negative interest phase from 2015 to 2022

From January 2015 until September 2022, the SNB charged negative interest on sight deposits held by banks and other financial market participants at the SNB which exceeded a given exemption threshold. The discontinuation of the minimum exchange rate against the euro in January 2015 caused the Swiss franc to appreciate. To make Swiss franc investments less attractive, thereby easing upward pressure on the currency, the SNB lowered its policy rate below zero. In an environment of very low interest rates abroad, this created a certain interest rate differential between the Swiss franc and other currencies. Additionally, the SNB stressed that it was willing to intervene in the foreign exchange market as necessary, in order to provide appropriate monetary conditions and ensure price stability. The low interest rate environment posed challenges for various economic agents, notably banks and pension funds. From an overall economic perspective, however, these challenges were clearly outweighed by the benefits. Without negative interest, the SNB would not have been able to ensure price stability and economic developments would have been significantly less favourable. The phase of negative interest ended with the decision in September 2022 to increase the SNB policy rate from -0.25% to 0.5% . Negative interest will retain its importance among the SNB's monetary policy instruments in the future.

Role of interest rate

An interest rate increase dampens the demand for goods and services. As a result, there is a decline in the demand for labour and in the utilisation of technical production capacity, and inflation falls. Conversely, a reduction in interest rates stimulates aggregate demand, which leads to an increase in the utilisation of production capacity and a rise in inflation. If the interest rate level changes, and with it the interest rate differentials between the major currency areas, this influences the exchange rate.

Changes in the exchange rate, like changes in interest rates, have an effect on the economy and inflation. While a depreciation of the Swiss franc has a stimulating effect, an appreciation tends to have a dampening effect on domestic economic activity and prices. An independent monetary policy that is geared towards the objective of price stability fundamentally requires flexible exchange rates. Nevertheless, due to the influence of the exchange rate on monetary conditions, the SNB intervenes in the foreign exchange market as necessary. In so doing, it takes the overall currency situation into consideration. Foreign currency purchases are particularly called for when scope for interest rate cuts is limited and there is a risk of Swiss franc appreciation causing sustained negative inflation or deflation. Conversely, if the Swiss franc weakens, the SNB can sell foreign currency in order to ensure price stability. Foreign exchange market interventions can also serve to ensure orderly market conditions in phases of high uncertainty.

Role of exchange rate

The SNB conducts an in-depth monetary policy assessment in March, June, September and December. Its monetary policy decision is based on this assessment. The reasons for its decision are provided in a press release, which also contains the conditional inflation forecast. The SNB also holds a news conference to explain its monetary policy. In addition, the SNB may take monetary policy measures at any time between regular assessment dates if circumstances so require. The background to the monetary policy decision is described in the monetary policy report published in the Quarterly Bulletin.

Quarterly assessments

The SNB implements its monetary policy by influencing monetary conditions. These are determined by the interest rate level on the money market and by the exchange rate. The Swiss National Bank sets the SNB policy rate. In so doing, it seeks to keep the secured short-term Swiss franc money market rates close to the SNB policy rate. The SNB focuses on SARON, the most important of the short-term Swiss franc rates.

The SNB can influence money market rates by means of its open market operations or adjust the interest rate on sight deposits held by banks and other financial market participants at the SNB. If necessary, the SNB may also use additional monetary policy measures to influence the exchange rate or the interest rate level.

The framework within which the SNB may conduct transactions on the financial market is specified in art. 9 NBA. Both the regular and the other monetary policy instruments are described in the ‘Guidelines of the Swiss National Bank on monetary policy instruments’. These guidelines are supplemented by instruction sheets for the SNB’s counterparties.

Sight deposits at the SNB

Sight deposits at the SNB are financial market participants’ most liquid assets. They are readily available for payments and are considered legal tender. Domestic banks also hold sight deposits to satisfy statutory minimum reserve requirements and as a liquidity reserve. In addition to sight deposits held by domestic banks, total sight deposits include sight liabilities towards the Confederation, sight deposits of foreign banks and institutions, as well as other sight liabilities. Any deployment of monetary policy instruments by the SNB also has an influence on sight deposits. The SNB applies interest to, or ‘remunerates’, sight deposits held by banks and other financial market participants at the SNB. By setting the interest rate and defining other conditions, the SNB influences the interest rate level on the money market.



Minimum reserves

The minimum reserve requirement on banks, laid down in the National Bank Act (NBA), ensures that banks hold a minimum amount of base money. Eligible assets in Swiss francs comprise coins in circulation, banknotes and banks' sight deposits held at the SNB. At present, the minimum reserve requirement amounts to 2.5% of the relevant liabilities, which are calculated as the sum of short-term liabilities in Swiss francs (up to 90 days) plus 20% of liabilities towards customers in the form of savings and investments.

Access to monetary policy operations

In principle, all banks domiciled in Switzerland and the Principality of Liechtenstein are admissible as counterparties in SNB monetary policy operations. Other domestic financial market participants such as insurance companies, as well as foreign banks, may be admitted, provided there is a monetary policy interest in doing so and they contribute to liquidity on the secured Swiss franc money market.

Open market operations and standing facilities

Within its set of monetary policy instruments, the SNB distinguishes between open market operations and standing facilities. In the case of the former, the SNB takes the initiative in the transaction, whereas the initiative comes from the relevant counterparty in the case of standing facilities.

Open market operations include repo transactions, the issuance, purchase and sale of its own debt certificates (SNB Bills), as well as foreign exchange transactions. The SNB can carry out its open market operations in the form of auctions or bilateral transactions. Transactions on the money market are mostly conducted via an electronic trading platform.

Open market operations

Standing facilities include the liquidity-shortage financing facility, the intraday facility and the SNB COVID-19 refinancing facility (CRF). For these facilities, the SNB sets the conditions under which counterparties can obtain liquidity. The liquidity-shortage financing facility serves to bridge unexpected liquidity bottlenecks. The intraday facility eases interbank payment transactions in the Swiss Interbank Clearing (SIC) payment system and foreign exchange transactions in the multilateral foreign exchange settlement system (Continuous Linked Settlement) (cf. chapter 5). The CRF, introduced by the SNB in March 2020, was aimed at supporting the supply of credit to the economy, thereby cushioning the economic impact of the coronavirus pandemic.

Standing facilities

In the case of liquidity-providing repo transactions, the SNB purchases securities from a bank (or other financial institution admitted to the repo market) and credits the corresponding sum in Swiss francs to the counterparty's sight deposit account with the SNB. At the same time, it is agreed that the SNB will sell securities of the same type and quantity back to the bank at a later date. In the case of a liquidity-absorbing repo, the transactions are conducted in the opposite direction. For the term of the repo agreement, the cash taker generally pays interest (the repo rate) to the cash provider.

Repo transactions

Collateral eligible for SNB repos

The SNB requires that the banks and other financial market participants with which it conducts credit transactions provide sufficient collateral. In so doing, the SNB protects itself against losses and ensures equal treatment of its counterparties. The 'Guidelines of the Swiss National Bank on monetary policy instruments' outline the types of securities that are eligible as collateral for SNB transactions. The 'Instruction sheet on collateral eligible for SNB repos' details the criteria which securities must meet in order to be eligible as collateral in repo transactions with the SNB. Since the SNB also admits foreign banks to its monetary policy operations and since the portfolio of Swiss franc securities is limited, it also accepts securities in foreign currencies. The SNB sets high minimum requirements with regard to the marketability and credit rating of securities.

Indexed repo transactions

In 2022, the SNB introduced the possibility of having the repo rate on its repo transactions indexed to the SNB policy rate (indexed repo transactions). This enhances the SNB's flexibility in steering liquidity, since expectations of an interest rate change are irrelevant to the participation of market players in auctions for indexed repo transactions. In contrast to a repo transaction with a fixed repo rate, in the case of an indexed repo transaction the repo rate is calculated as the simple average of the index values over the term minus any discount. The discount remains constant over the term of the repo transaction, but the average of the index values – and thus also the repo rate – is not known until the transaction matures.



SNB Bills

The issuance of its own debt certificates in Swiss francs (SNB Bills) allows the SNB to absorb liquidity. Terms can be up to one year. To increase liquidity, the SNB can repurchase SNB Bills via the secondary market.

Monetary policy in an environment of high excess liquidity

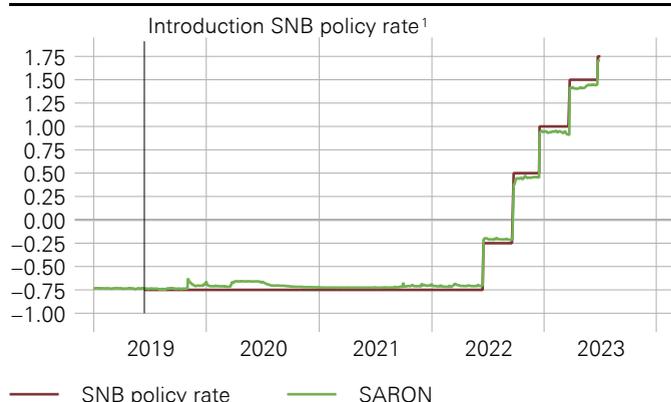
After a phase of a negative SNB policy rate lasting several years (cf. chapter 2, box 'Negative interest phase from 2015 to 2022'), the SNB raised its policy rate into positive territory. The SNB uses two levers to reduce excess liquidity and keep the secured short-term Swiss franc money market rates close to the SNB policy rate. The first lever is a tiered remuneration of the sight deposits that banks and other financial market participants hold at the SNB. This involves the SNB remunerating sight deposits up to a certain threshold at the SNB policy rate and sight deposits above this threshold at the SNB policy rate minus a discount. The calculation of the institution-specific thresholds is based on the minimum reserve requirements. The SNB sets a fixed threshold for account holders not subject to any minimum reserve requirements. Tiered remuneration allows the SNB to influence the general interest rate level in the Swiss franc money market; it also creates an incentive for sight deposit trading, which promotes the robustness of the reference rate, SARON.

The second lever is the absorption of reserves by way of open market operations. Liquidity-absorbing repo transactions and the issuance of short-term SNB debt certificates (SNB Bills) are used to reduce sight deposits, and thus the liquidity supply in the money market. A reduction in the liquidity supply is necessary to keep the secured short-term Swiss franc money market rates close to the SNB policy rate. Without this reduction in liquidity, money market interest rates would be close to the rate for sight deposits above the threshold, and not to the SNB policy rate.

In order to fulfil its monetary policy mandate, the SNB may purchase or sell foreign currency against Swiss francs on the financial markets. Foreign exchange transactions conducted by the SNB are usually either spot or swap transactions. In a foreign exchange swap, the purchase (sale) of foreign currency at the current spot rate and the sale (purchase) of the foreign currency at a later date are simultaneously agreed. Such swaps are used to manage liquidity in Swiss francs. The SNB concludes foreign exchange transactions with a wide range of domestic and foreign counterparties.

SNB POLICY RATE AND SARON

End-of-day values in percent



1 Until the introduction of the SNB policy rate in June 2019, monetary policy was implemented by setting a target range for the three-month Libor.

Source(s): SIX Swiss Exchange Ltd, SNB

Ensuring the supply and distribution of cash

The SNB is entrusted with the note-issuing privilege. It supplies the economy with banknotes that meet high standards with respect to quality and security. The SNB is also charged by the Confederation with the task of coin distribution.

Issuance and return of banknotes and coins

Banknotes and coins are supplied to the economy via the two cashier's offices at the Berne and Zurich head offices, as well as 13 agencies operated by cantonal banks on behalf of the SNB. The SNB issues banknotes and coins commensurate with demand for payment purposes, offsets seasonal fluctuations, and withdraws banknotes and coins no longer fit for circulation.

The supply and distribution of cash is a service which involves multiple players. The large-scale distribution of banknotes and coins is undertaken by the SNB, while local distribution is handled by commercial banks, Swiss Post and cash processing operators. Demand for banknotes, in particular for large denominations used as a store of value, tends to rise in phases of low interest rates or during crises. In phases of rising interest rates, on the other hand, this demand tends to decline. Following the SNB policy rate hike in June 2022, cash flows back to the SNB increased from July onwards, which reduced the currency in circulation. On average, 537.6 million banknotes, worth CHF 87.2 billion, were in circulation in 2022.

Production of banknotes and coins

Swiss banknotes are printed by Orell Füssli Ltd. The Confederation is responsible for the minting of coins, which is carried out by Swissmint, the federal mint, in Berne.

The SNB determines banknote denomination and design. Particular attention is paid to security. Given the speed at which counterfeiting technology advances, the effectiveness of the security features on the banknotes must be continuously reviewed.

In cooperation with third parties, the SNB has developed new security features that offer up-to-date and effective protection against counterfeiting. The percentage of counterfeit banknotes seized and withdrawn from circulation is small by international standards.

At the end of April 2021, the SNB recalled the banknotes from the eighth series. Banknotes from the sixth series onwards can be exchanged at the SNB for an unlimited period of time at their full nominal value.

Payment methods surveys of private individuals and companies

Since 2017, the SNB has regularly conducted representative surveys on the use of the different payment methods by households in Switzerland. These have shown a shift from cash to cashless payment methods and increased uptake of associated innovations by the population.

In 2021, the SNB carried out its first representative survey on the use of payment methods by Swiss companies as well. That survey found that companies select their payment methods on the basis of customer and supplier preferences as well as transaction speed.

The SNB intends to continue regularly conducting surveys of private individuals and companies. The surveys give the SNB an overview of changes taking place in the payment methods landscape and a basis for efficient planning in the cash domain in line with its mandate.

The SNB's role in the cashless payment system

The SNB has the task of facilitating and securing the operation of cashless payment systems. It fulfils this duty primarily by serving as commissioning party and system manager of the Swiss Interbank Clearing (SIC) payment system.

SIC system

The SIC system is the central payment system in Switzerland for payments in Swiss francs. Via the SIC system, banks and other financial market participants settle both their interbank payments (payments between financial institutions as well as third-party system payments) and retail payments. The latter are mainly initiated by payment instruments such as bank transfers, direct debits and eBill invoices. Likewise, some obligations arising from card transactions are bundled and settled among the participants via the SIC system. The SNB also uses the SIC system to provide the Swiss franc money market with liquidity (cf. chapter 3).

The SIC system is a real-time gross settlement system. This means that payment orders are executed continuously, individually, irrevocably and with finality. Payments in the SIC system are settled in central bank money. The deposits held by SIC participants in their sight deposit accounts at the SNB are used as the means of payment in the SIC system. Technically, a participant holds a sight deposit account with the SNB and a settlement account in the SIC system – legally, the two accounts form one unit. In 2022, a daily average of approximately 3.7 million transactions amounting to CHF 200 billion were settled via the SIC system. Retail payments accounted for 98.1% of transactions and 11.3% of turnover. Interbank payments were responsible for 1.9% of transactions and 88.7% of turnover.

As commissioning party and system manager of the SIC system, the SNB determines the admission criteria, provides the system with liquidity, and defines the functionalities and settlement rules.



The SNB has entrusted the operation of the SIC system to SIX Interbank Clearing Ltd, a subsidiary of SIX Group Ltd (SIX). SIX in turn is owned by a large number of national and international financial institutions.

As a systemically important financial market infrastructure, the SIC system is overseen by the SNB (cf. chapter 7).

SIC5 and instant payments

In 2020, the SNB and SIX Interbank Clearing Ltd initiated the SIC5 project to further develop the SIC system. Among other things, the new generation of the SIC system allows the settlement of instant payments, i.e. cashless retail payments that are processed around the clock with the amount being made available for use by the final recipient within seconds. The new SIC5 platform is intended to create the technical framework required for instant payments. As of August 2024, the largest financial institutions must be able to process instant payments. This obligation will extend to all SIC participants active in retail payment transactions by the end of 2026. Other payment methods in the SIC system, e.g. interbank payments, will subsequently be migrated to the new platform. With the SIC5 project, the SIC system will be strategically and technically enhanced over the long term, taking the changes in payment transactions into account. In accordance with its task to facilitate and secure the operation of cashless payment systems, the SNB is thus creating the framework at infrastructure level for future-proof and account-based cashless payment transactions which are secure, efficient and fast. The SIC5 project is being developed in close collaboration with the SIC participants.

The assets of the Swiss National Bank fulfil important monetary policy functions. They consist mainly of gold and foreign currency investments and, to a lesser extent, financial assets in Swiss francs. Their size and composition are determined by monetary policy requirements and the established monetary order.

Foreign currency investments (foreign exchange reserves), gold holdings, the reserve position in the International Monetary Fund (IMF) and IMF Special Drawing Rights comprise Switzerland's reserve assets. The foreign exchange reserves are made up predominantly of bonds (around 75%) and equities (around 25%), which are mainly denominated in euros and US dollars. The large-scale purchases of foreign currency that were needed to curb upward pressure on the Swiss franc in the period from 2009 until 2021 led to a manifold increase in the foreign exchange reserves. The SNB's gold holdings are mainly in the form of gold ingots, with the remainder in gold coins. Switzerland receives Special Drawing Rights as a member of the IMF, and these are managed by the SNB (for information on the IMF, cf. chapter 8).

Currency reserves

Function of the currency reserves

The currency reserves provide the SNB with room for manoeuvre in its monetary policy. They are of special significance to Switzerland, a country with a small open economy and an internationally important financial centre. Currency reserves have a confidence-building and stabilising effect and serve to prevent and overcome crises. In the current environment, the level of the currency reserves is largely dictated by the implementation of monetary policy.

**Financial assets
in Swiss francs**

The SNB's financial assets in Swiss francs are made up of Swiss franc bonds, claims from repo transactions (cf. chapter 3), secured loans and loans under emergency law. If present, the loans comprise claims arising from emergency liquidity assistance drawn against collateral, and claims arising from the SNB COVID-19 refinancing facility (CRF). Also included under this item are any claims from additional liquidity assistance loans with preferential rights in bankruptcy proceedings and claims from liquidity assistance loans with preferential rights in bankruptcy proceedings as well as a federal default guarantee (cf. chapter 7).

Investment policy

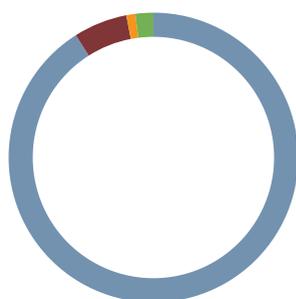
The SNB's investment policy is governed by the primacy of monetary policy. The SNB must always be in a position to move a large volume of investments without unduly influencing prices on the market. In addition, the SNB aims for the long-term value preservation of currency reserves. The 'Investment Policy Guidelines of the Swiss National Bank (SNB)' define the scope of its investment activity as well as its investment and risk control process.

Investments are made in line with generally accepted principles of asset management. The SNB manages its investment risk by means of a broad diversification of currencies, asset classes and issuers. To support its monetary policy at all times, the SNB holds a large share of liquid and secure government bonds in the major currencies. The SNB cannot hedge against the risk of Swiss franc appreciation, as this would constitute demand for Swiss francs, thereby restricting monetary policy. For this reason, it also invests to a small degree in higher-risk, higher-yield asset classes, with an eye to generating returns and ensuring that its currency reserves preserve their value. It thus maintains around 25% of its investments in globally well-diversified equities and a small proportion in corporate bonds.

The broad diversification and passive management of the equity portfolio ensure that its exposure to different risks is similar to that of the global universe of listed companies, and that structural changes in the global economy are also reflected in the SNB's portfolio.

To take account of the financial risks, the SNB needs a sufficiently strong capital position, which it ensures by making annual allocations to its provisions (cf. chapter 10).

BREAKDOWN OF SNB ASSETS



- Foreign currency investments **91%**
- Gold holdings **6%**
- Financial assets in CHF **1%**
- Sundry **2%**

Total: CHF 881 billion

At year-end 2022

Non-financial aspects

When managing securities of private sector issuers, the SNB also takes non-financial aspects into consideration. Owing to its special role vis-à-vis the banking sector, the SNB refrains from investing in shares of systemically important banks worldwide. It also takes account of Switzerland's fundamental standards and values in its investment policy. Consequently, it does not invest in shares and bonds of companies whose products or production processes grossly violate values that are broadly accepted at a societal level. The SNB therefore does not purchase securities issued by companies that seriously violate fundamental human rights, are involved in the production of internationally condemned weapons or systematically cause severe environmental damage. The SNB also excludes securities of companies primarily active in the mining of coal for energy production.

It should, however, be noted that the SNB is not tasked with using its asset management activities to selectively influence the development of certain economic sectors. Its investment policy therefore cannot be geared to pursuing structural or climate policies. This means that there must be no positive or negative selection aimed at advantaging or disadvantaging specific economic sectors or promoting or inhibiting economic, political or social change.

The SNB's contribution to financial stability

Financial stability means that financial system participants, i.e. banks and financial market infrastructures (FMIs), can perform their functions and are resilient to potential shocks and disruptions. It is an important prerequisite for economic development and effective monetary policy implementation.

The National Bank Act (NBA) confers on the SNB the task of contributing to the stability of the financial system. The SNB performs this task by analysing sources of risk to the financial system, overseeing systemically important FMIs, and helping to shape the operational framework for the Swiss financial centre. A particular focus of attention is the resilience of systemically important banks. Every year, the SNB publishes a financial stability report, in which it assesses Swiss banking sector stability and discusses developments and risks in the economic environment as a whole as well as in the banking sector. In a crisis, the SNB fulfils its mandate by acting as lender of last resort.

Statutory mandate

To create an environment that promotes stability, the SNB works at national level with the Swiss Financial Market Supervisory Authority (FINMA) and the Federal Department of Finance (FDF). The SNB addresses the issue from a systemic perspective, and its focus is therefore on the macroprudential aspects of regulation. The monitoring of individual institutions, i.e. microprudential supervision, is among FINMA's responsibilities. At international level, the SNB is a member of various bodies working on issues related to financial stability, financial market regulation and FMIs (cf. chapter 8).

Regulatory measures to strengthen financial stability

The Basel Committee on Banking Supervision is a central standard-setting body for banking regulation (cf. chapter 8). In 2010, in response to the financial crisis, it issued Basel III, a revised version of the Basel international capital framework. This raised the capital requirements for banks worldwide, introduced quantitative liquidity requirements, and, as a last step, reviewed standardised approaches for measuring credit and operational risks. Banks which have been designated by the SNB as systemically important are subject to an even stricter set of capital requirements. Following the acquisition of Credit Suisse Group AG by UBS Group AG (UBS), the systemically important banks in Switzerland are currently UBS, Zürcher Kantonalbank, the Raiffeisen Group and PostFinance. These banks must comply with special regulations on liquidity, risk diversification and emergency planning. This is aimed at reducing the risk of having to rescue a bank which is too big and too important to the economy for it to be allowed to go bankrupt (the 'too big to fail' issue), and includes measures to ensure that the economically important functions of these banks can be maintained even in the event of bankruptcy.

Basel III also makes provision for macroprudential measures, including the countercyclical capital buffer (CCyB). If it is activated, banks are obliged to increase their capital over and above existing capital requirements, depending on vulnerabilities in the credit market. The CCyB is primarily designed to strengthen the resilience of the banking sector and to help counter excessive credit growth. The Federal Council activates, deactivates, raises or lowers the CCyB following a proposal of the SNB in each case.

In overseeing FMIs, the SNB focuses on those payment systems, central counterparties, central securities depositories and trading facilities for distributed ledger technology (DLT) securities that could harbour risks for the financial sector. Risks can arise, for example, when operational, technical or financial problems in an FMI spill over to other FMIs or financial intermediaries. This can result in serious disruption on the financial markets. Operators of such infrastructures must fulfil special requirements, which are defined in the implementing provisions (the National Bank Ordinance) to the NBA. When overseeing infrastructure operators governed by the Financial Market Infrastructure Act, the SNB cooperates with FINMA. In the case of FMIs domiciled abroad, it collaborates with the relevant foreign authorities.

Oversight of FMIs

Apart from taking preventive measures, the SNB also actively contributes to the resolution of financial crises. As lender of last resort, the SNB can provide emergency liquidity assistance (ELA) to individual banks if they are no longer able to refinance themselves via the market. To be eligible, the banks concerned must be important for the stability of the financial system, solvent, and able to post sufficient collateral to cover the liquidity assistance provided.

Emergency liquidity assistance

In March 2022, in the interest of providing liquidity to systemically important banks should a crisis arise, the Federal Council announced its intention to introduce a public liquidity backstop (PLB). The SNB would thus provide a systemically important bank with additional liquidity assistance in the form of a state-guaranteed loan in the event of a crisis. Based on an emergency ordinance by the Federal Council, the PLB was activated in March 2023 (cf. box ‘SNB’s contribution to managing crisis at Credit Suisse’). In May of the same year, the Federal Council continued its work on anchoring the PLB in the Banking Act.

SCHWEIZERISCHE NATIONALBANK
BANQUE NATIONALE SUISSE
BANCA NAZIONALE SVIZZERA



SNB's contribution to managing crisis at Credit Suisse

Credit Suisse had already been struggling for some time to cope with a loss of confidence and had suffered considerable outflows of client funds as early as the beginning of October 2022. The collapse of a regional US bank in mid-March 2023 triggered a swift deterioration of the situation. Credit Suisse's counterparties cut credit limits and clients withdrew their deposits at a rapid rate. The SNB used liquidity assistance loans to create a time window within which a solution could be worked out. As lender of last resort, it provided Credit Suisse with classic emergency liquidity assistance (ELA). In addition, based on an emergency ordinance by the Federal Council, the SNB provided a liquidity assistance loan secured by means of preferential rights in bankruptcy proceedings (ELA+). At the same time, the federal government, FINMA and the SNB worked together under high-pressure conditions to find a solution that was viable and as market-based as possible in order to safeguard financial stability and protect the Swiss economy.

On 19 March 2023, UBS announced its intention to acquire Credit Suisse. The SNB, once again based on the Federal Council's Emergency Ordinance, supported the deal by enabling Credit Suisse, under a PLB, to access a liquidity assistance loan secured by means of preferential rights in bankruptcy proceedings and a federal default guarantee.

**Financial sector
cybersecurity**

IT system outages and disruptions, particularly those resulting from cyberincidents, can severely jeopardise the availability, integrity and confidentiality of data as well as critical services and functions within the financial system. Due to the highly interconnected nature of the financial system and the various cross-institutional processes, sector-wide measures against cyber risks are necessary alongside the precautions taken by the individual financial institutions. This calls for close cooperation between the private stakeholders (banks, insurance companies, FMIs, industry associations) and a contribution by the authorities, namely the FDF, FINMA and the SNB.

The SNB is a member of the Swiss Financial Sector Cyber Security Centre (Swiss FS-CSC) association, founded in April 2022. The association promotes institutionalised cooperation between the private sector and the authorities in strategic and operational matters relating to the cybersecurity of the financial sector. In particular, it supports information exchange, the identification and implementation of sector-wide prevention and protection measures, and crisis management in the event of systemic cyberincidents.

International monetary cooperation

The objective of international monetary cooperation is to promote the functioning and stability of the international monetary and financial system and help overcome economic crises. As a country with its own currency and major financial centre, Switzerland is highly integrated with the global economy and therefore derives particular benefit from a stable international monetary and financial system.

Within the framework of international monetary cooperation, the SNB participates in the International Monetary Fund (IMF), the Bank for International Settlements (BIS), the Financial Stability Board (FSB), the Organisation for Economic Co-operation and Development (OECD), the G20 Finance Track at the invitation of the G20 presidency, and the Central Banks and Supervisors Network for Greening the Financial System (NGFS).

The IMF works to promote the stability of the global monetary and financial system as well as the economic stability of its member countries. It monitors and regularly reviews economic developments in all of its member countries. The IMF grants loans to countries faced with balance of payment difficulties, relying on the funds of its members to do so.

IMF

Switzerland is jointly represented in the IMF by the federal government and the SNB. The Chairperson of the SNB's Governing Board is a member of the IMF's highest decision-making body, the Board of Governors, which consists of a representative from each member country. The Head of the Federal Department of Finance (FDF) is one of the 24 members of the International Monetary and Financial Committee (IMFC), the IMF's most important advisory body. Switzerland is part of a voting group (constituency) whose other members are Azerbaijan, Kazakhstan, the Kyrgyz Republic, Poland, Serbia, Tajikistan, Turkmenistan and Uzbekistan. The constituency's executive director is one of the 24 members of the Executive Board, the IMF's most important operational body.

Switzerland in the IMF



Switzerland and Poland hold the position of executive director and deputy executive director, alternating every two years. The post of Swiss executive director is held alternately by a representative of the FDF and the SNB. The FDF and the SNB determine Switzerland's policy in the IMF and support the constituency's executive director in his or her activities.

The BIS in Basel serves as the bank for central banks and provides a forum for international monetary and financial cooperation among central banks. The SNB participates in the four standing committees of the BIS: the Basel Committee on Banking Supervision, the Committee on Payments and Market Infrastructures, the Committee on the Global Financial System, and the Markets Committee. The SNB has held one of the seats on the Board of Directors since the BIS was founded in 1930.

BIS

The BIS Innovation Hub aims to foster collaboration on innovative financial technology within the central banking community and to gain in-depth insights into the relevant technological developments affecting central banking. It also aims to develop public goods in the technology space geared towards further improving the functioning of the global financial system. The BIS Innovation Hub maintains various centres, one of them in collaboration with the SNB.

**BIS Innovation Hub
Swiss Centre**

Experiments with a central bank digital currency for financial institutions – a so-called wholesale central bank digital currency (wCBDC) – are being carried out at the Swiss Centre. The experiments are exploratory in nature and serve to better understand the implications of new DLT-based technologies. They do not allow any conclusions to be drawn about the SNB's decision for or against the introduction of Swiss franc wCBDC.

In addition, the SNB's analysis of topics surrounding retail CBDC, which would be made accessible to the public, includes participation in a working group with other central banks and the BIS. The SNB currently sees no additional benefits from retail CBDC. However, in view of ongoing digitalisation, the SNB considers it important to participate in international work on retail and wholesale CBDC.

FSB The FSB brings together national authorities responsible for financial stability, international organisations and standard-setting bodies. Switzerland is represented in the Plenary by the SNB and the FDF. The SNB is also a member of the Steering Committee and the Standing Committee on Assessment of Vulnerabilities. Representation in other committees and working groups is shared between FINMA, the FDF and the SNB, which collaborate closely to formulate Switzerland's position.

OECD Various committees of the OECD work to promote the development of relations among the organisation's 38 member countries with regard to economic, social and development policies. Together with the federal government, the SNB represents Switzerland on the Economic Policy Committee, the Committee on Financial Markets, and the Committee on Statistics and Statistical Policy.

G20 The SNB, together with the federal government, is invited to take part in the meetings of finance ministers and central bank governors of the G20 group of leading advanced and emerging economies, known as the Finance Track, and participates in a number of working groups.

The NGFS serves as a forum in which central banks and supervisory authorities can discuss the risks climate change poses to the economy and the financial system. Within the framework of the NGFS, institutions are examining how best to counter such risks and fund the transition to more sustainable economic activity. Through its membership of the NGFS, the SNB can engage in dialogue in order to better gauge the potential impact of climate risks on macroeconomic developments and financial stability.

NGFS

At a bilateral level, the SNB cooperates with other central banks and authorities. This bilateral cooperation involves exchanges on topics which are debated in international financial institutions, as well as participation in bilateral financial dialogues with other countries, which are led by the State Secretariat for International Finance (SIF). Furthermore, the SNB provides technical assistance to other central banks upon request. This generally takes the form of individual consultations with SNB experts, either at the central bank concerned or in Switzerland. In addition, the SNB is involved in cross-national activities to promote the exchange of central bank-specific expertise between central banks. Finally, under the terms of the Monetary Assistance Act, the SNB can – in collaboration with the federal government – grant loans and guarantees to individual countries and international institutions.

Bilateral cooperation

Switzerland and the Principality of Liechtenstein concluded a Currency Treaty in 1980. Prior to this, there had already been a de facto currency union between the two countries for 60 years. The SNB acts as Liechtenstein's central bank and the Swiss franc is the country's official currency.

**Principality of
Liechtenstein**

Independence, accountability and relationship with the Confederation

The SNB fulfils its monetary policy mandate independently of the Swiss government and parliament. This form of organisation reflects the historical experience that independent central banks are better able to maintain price stability than those subordinated to political authorities. The SNB's independence is counterbalanced by its duty of accountability – to the Federal Council, the Federal Assembly and the general public.

Legal basis of independence

The SNB's independence is enshrined in the Federal Constitution. It entails various aspects, which are set out in detail in the National Bank Act (NBA). Its functional independence prohibits the SNB and its bodies from accepting instructions issued by the Federal Council, the Federal Assembly or any other body in fulfilling its monetary policy tasks (art. 6 NBA). Its financial independence is evident both in the SNB's budgetary autonomy resulting from its legal status as a special-statute joint-stock company, and in the prohibition from granting loans to the Confederation (art. 11 para. 2 NBA). Direct state access to the banknote printing press is thus blocked. The SNB's institutional independence is indicated by the fact that it is an independent legal entity with an organisation of its own. Finally, the independence of the SNB in personnel issues is reflected by the fact that members of the Governing Board and their deputies may be removed from office during their fixed term only if they no longer fulfil the requirements for exercising their office or have committed a grave offence (art. 45 NBA).

Accountability and provision of information

As a counterbalance to its independence, the SNB is accountable to the Federal Council, the Federal Assembly and the general public and is obliged to provide them with information (art. 7 NBA). The SNB reviews the economic situation and monetary policy with the Federal Council and discusses issues relating to the government's economic policies. The members of the SNB's Governing Board hold regular meetings with the Federal Council Committee for Financial Matters to this end. Furthermore, the SNB draws up an annual written report – the accountability report – for the Federal Assembly on how it has fulfilled its statutory tasks, and explains its monetary policy to the relevant committees. The SNB keeps the

general public informed of its activities by means of press releases, news conferences and speeches, as well as regular publications on its monetary policy, such as the Quarterly Bulletin. The accountability report prepared for the Federal Assembly is also published and made available to the general public. By explaining its policy and rendering account for its decisions and their consequences, the SNB makes its activities transparent.

As the SNB performs a public function, it is administered with the cooperation of the Confederation and is under its supervision. Thus, the Federal Council appoints the majority of the Bank Council members, including the President and the Vice President, as well as the members and deputy members of the Governing Board, on the recommendation of the Bank Council. In addition, the Federal Council approves the SNB's Organisation Regulations issued by the Bank Council. The SNB must also submit its financial report to the Federal Council for approval before it can be approved by the General Meeting of Shareholders. In this way, the Swiss government ensures that the SNB is managed effectively and efficiently.

**Cooperation with
and supervision by
the Confederation**

The SNB also acts as the Confederation's bank (art. 5 para. 4 and art. 11 NBA). It keeps sight deposit accounts in Swiss francs and foreign currencies for the Confederation, via which it settles the latter's domestic and foreign payment transactions. In addition, it provides technical and advisory assistance in connection with the issuance of Confederation bonds and money market debt register claims. Furthermore, the SNB acts as the payment office for coupons and repayments of Confederation bonds. Finally, it manages the Confederation's securities custody accounts and conducts money market and foreign exchange transactions. Banking services to the Confederation are governed by an agreement between the Confederation and the SNB.

**Banker to the
Confederation**



The SNB as a company

The SNB is a joint-stock company governed by special provisions under federal law. It is administered with the cooperation and under the supervision of the Confederation in accordance with the provisions of the National Bank Act (NBA). Its shares are registered and traded on the Swiss stock exchange (SIX Swiss Exchange) under the Swiss Reporting Standard. The share capital amounts to CHF 25 million, about half of which is held by public shareholders (cantons, cantonal banks, etc.). The remaining shares are largely in the hands of private individuals. The Confederation does not hold any shares.

Provisions and distribution of profits

Art. 30 NBA contains a special provision governing the determination of profits, which stipulates that the SNB must set up provisions permitting it to maintain the currency reserves at a level necessary for monetary policy purposes. When doing so, it takes into account the development of the Swiss economy, as well as the risks arising from the balance sheet. The annual result following the allocation to the provisions for currency reserves is the distributable annual result, which can be either positive or negative.

Given the considerable fluctuations in the SNB's earnings, the NBA stipulates that profit distribution be maintained at a steady level. The level of the annual profit distribution to the Confederation and the cantons is laid down in an agreement between the Federal Department of Finance (FDF) and the SNB, which aims to smooth the flow of payments over several years. To this end, the SNB carries a distribution reserve on its balance sheet, which can likewise be either positive or negative. Together with the distributable annual result, this constitutes the net profit/net loss.

The agreement for the financial years 2020–2025 provides for an annual distribution to the Confederation and the cantons, if there is a net profit. In the event of a net loss, no distribution will be made. The maximum distribution of CHF 6 billion will be made if a net profit of at least CHF 40 billion is achieved, and it will be reduced incrementally in proportion to a lower net profit. Art. 31 NBA specifies that the amount to be paid out accrues to the Confederation and the cantons, with one-third going to the Confederation and two-thirds to the cantons.

Organisational structure

The NBA and the SNB's Organisation Regulations govern the structure and organisation of the Swiss National Bank. The SNB has two head offices, one in Berne and one in Zurich, and a branch office in Singapore. It also maintains representative offices with delegates for regional economic relations in Basel, Geneva, Lausanne, Lucerne, Lugano and St Gallen. These delegates, like those in Berne and Zurich, are responsible for monitoring economic developments and explaining the SNB's policy in the regions. Furthermore, the SNB maintains 13 agencies for the supply and distribution of banknotes and coins. These agencies are operated by cantonal banks.

The SNB is divided into three departments. For the most part, the organisational units of Departments I and III are located in Zurich, while those of Department II are mainly in Berne. Each of the three departments is headed by a member of the Governing Board. Each of these members has up to two deputies, who are involved in the management of their department.



General Meeting of Shareholders

The General Meeting of Shareholders is held once a year, as a rule in April. Owing to the SNB's public mandate, the powers of the shareholders' meeting are far less extensive than those of joint-stock companies under private law.

Bank Council

The Bank Council oversees and controls the conduct of business by the SNB. It consists of eleven members. Six members, including the President and Vice President, are appointed by the Federal Council, and five are elected by the General Meeting of Shareholders. The Bank Council sets up four committees from its own ranks: the Audit Committee, the Risk Committee, the Compensation Committee and the Nomination Committee.

Executive management

The SNB's management and executive body is the Governing Board. It consists of three members. The Governing Board is responsible, in particular, for monetary policy, asset management strategy, contributing to the stability of the financial system, and international monetary cooperation. It represents the SNB in the public sphere.

The Enlarged Governing Board consists of the three members of the Governing Board and their deputies, and is responsible for issuing the strategic guidelines for the SNB's business operations.

The Board of Deputies is responsible for business operations and ensures coordination in all operational matters of interdepartmental importance.

The members of the Governing Board and their deputies are appointed for a six-year term by the Federal Council on the recommendation of the Bank Council. Reappointment is possible.

The SNB employs predominantly specialists in the fields of economics, law, political science, banking, IT, logistics and technology as well as commercial training graduates. There are also apprentices working at the SNB. In 2022, the SNB had a total of 979 staff (891 full-time equivalents). **Number of staff**

Organisational chart

as at 1 July 2023

GENERAL MEETING OF SHAREHOLDERS **EXTERNAL AUDITOR**

BANK COUNCIL

INTERNAL AUDIT

GOVERNING BOARD

ENLARGED GOVERNING BOARD

BOARD OF DEPUTIES

DEPARTMENT I

Secretariat General

Secretariat Supervisory and Management Bodies

Communications

Documentation

Research Coordination, Education and Sustainability

Economic Affairs

Monetary Policy Analysis

Forecast and Analysis Switzerland

Forecast and Analysis International

Economic Data Science

Regional Economic Relations

International Monetary Cooperation

Multilateral Cooperation

International Policy Analysis

Bilateral Cooperation

Statistics

Balance of Payments and Swiss Financial Accounts

Banking Statistics

Publications and Data Banks

Legal Services

Compliance

Human Resources

Premises and Technical Services

DEPARTMENT II

Financial Stability

Banking System

Systemically Important Banks

Oversight

Cash

Specialist Support

Procurement and Logistics

Cash Processing

Cash Circulation

Accounting

Controlling

Risk Management

Operational Risk and Security

DEPARTMENT III

Money Market and Foreign Exchange (MMFX)

Trading MMFX

Market Analysis

Technology and Data Science MMFX

Asset Management

Portfolio Management

Portfolio Trading

Banking Operations

Banking Operations Analysis

Middle Office

Back Office

Information Technology

Banking Applications

Economic Information Systems

Business Support Processes

Infrastructure

Central IT Services

Singapore

The SNB's mandate is derived from the Federal Constitution. The Federal Act on the Swiss National Bank (National Bank Act, NBA) of 3 October 2003 sets out this mandate in detail and, with its various implementation decrees together with the Federal Act on Currency and Payment Instruments (CPIA) of 22 December 1999, constitutes the central statutory framework governing the activities of the SNB.

Federal Constitution

In accordance with art. 99 of the Federal Constitution, the SNB is required to pursue a monetary policy that serves the overall interests of the country.

In addition, art. 99 enshrines the SNB's independence and requires it to set aside sufficient currency reserves from its earnings, also specifying that a part of these reserves be held in gold. The SNB's independence and its currency reserves are intended to help maintain public confidence in the value of money. Finally, the Constitution also stipulates that the SNB shall allocate at least two-thirds of its net profits to the cantons (cf. chapter 10 for information on the distribution of profits).

National Bank Act and implementation provisions

The activities of the SNB are primarily governed by the National Bank Act. It specifies the various elements of the SNB's constitutional mandate (art. 5), the SNB's independence (art. 6), and its duty of accountability and information towards the Federal Council, parliament and the general public (art. 7). The SNB's scope of business is outlined in arts. 9–13.

The National Bank Act also contains the legal principles relating to the collection of statistical data (arts. 14–16), the definition of minimum reserves for banks (arts. 17–18) and the oversight of systemically important financial market infrastructures (arts. 19–21).

Details on these monetary policy powers can be found in the National Bank Ordinance (NBO) issued by the SNB's Governing Board, and in the Financial Market Infrastructure Act (FinMIA).

In addition, the National Bank Act provides specific details on the SNB's constitutional mandate to set aside sufficient currency reserves from its earnings. Arts. 30 and 31 contain explicit rules on the determination and distribution of profits.

Finally, the National Bank Act also lays down the foundations of the SNB's organisational structure (arts. 3 and 33–48). Details can be found in the SNB's Organisation Regulations issued by the Bank Council and approved by the Federal Council.

For the implementation of its monetary policy, the SNB relies primarily on instruments based on contractual transactions. These are governed by art. 9 NBA. Details can be found in the 'Guidelines of the Swiss National Bank on monetary policy instruments' and the 'Investment Policy Guidelines of the Swiss National Bank'.

The Federal Act on Currency and Payment Instruments (CPIA) of 22 December 1999 lays down the Swiss franc as currency unit and contains regulations on the characteristic features of currency and money (legal tender). In addition to coins and banknotes, Swiss franc sight deposits at the SNB are also deemed to be legal tender. The SNB defines the criteria for determining whether institutions that process payment transactions can be granted access to a sight deposit account.

**Federal Act on
Currency and
Payment Instruments**

Legal basis of international monetary cooperation

Details regarding Switzerland's membership in the IMF and the World Bank Group are laid down in the Federal Act on Switzerland's Participation in the Bretton Woods Institutions of 4 October 1991. This Act also specifies the terms of cooperation between the federal government and the SNB with regard to the IMF. The Federal Council, for example, designates Switzerland's representatives at the IMF in agreement with the SNB. The procedure to be followed by Switzerland when delivering statements at the IMF is laid down in an administrative agreement.

The division of responsibilities between the SNB and the federal government regarding the granting of international monetary assistance loans is specified in the Federal Act on International Monetary Assistance of 19 March 2004. In the event of serious disruptions in the international monetary system, the Federal Council may instruct the SNB to grant loans or guarantees. It may also be requested to grant loans or guarantees to the IMF's special funds or other IMF facilities, or to grant bilateral monetary assistance loans or guarantees to individual countries. The federal government guarantees the timely fulfilment of agreements concluded by the SNB.

In the event that the IMF's regular means are not sufficient to manage a crisis, the New Arrangements to Borrow (NAB) form an additional safety net. Switzerland's participation in the IMF's NAB is based on special federal decrees. They stipulate that the SNB participate in these Arrangements and that it can grant the associated loans to the IMF. The SNB participates in the NAB up to a maximum of CHF 13.7 billion.

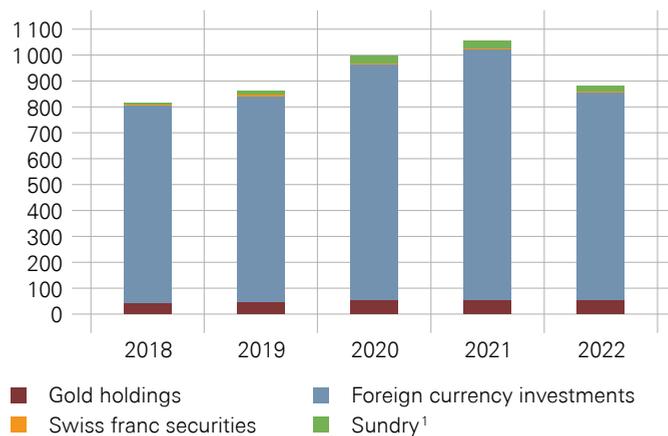


Appendix

1 SNB BALANCE SHEET (AGGREGATED)

ASSETS AT YEAR-END

In CHF billions

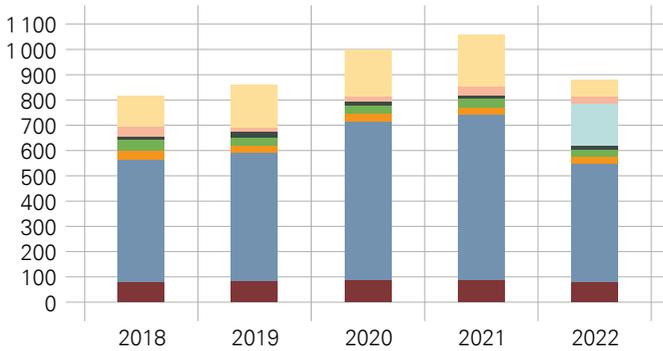


¹ Reserve position in the IMF, international payment instruments, monetary assistance loans, claims from US dollar repo transactions, claims from Swiss franc repo transactions, secured loans, tangible assets, participations, other assets.

Source(s): SNB

LIABILITIES AT YEAR-END

In CHF billions



- Banknotes in circulation
- Sight deposits of domestic banks
- Sight deposits of foreign banks and institutions
- Other sight liabilities
- Liabilities towards the Confederation
- Liquidity-absorbing instruments¹
- Sundry²
- Equity³

1 SNB debt certificates, liabilities from Swiss franc repo transactions.

2 Other term liabilities, foreign currency liabilities, counterpart of Special Drawing Rights allocated by the IMF, other liabilities.

3 Provisions for currency reserves, share capital, distribution reserve (before appropriation of profit), annual result.

Source(s): SNB

2 INFORMATION RESOURCES AND PUBLICATIONS

Websites

WWW.SNB.CH

The website provides information on the SNB's organisation and responsibilities as well as its statistics and publications. Most publications are available online, many also in printed form. It also contains information for the media, the financial markets, shareholders and the general public. The website content is available in German, French, Italian and English.

On its website, the SNB publishes press releases and speeches by members of the Governing Board. Also to be found on the website is a glossary, which explains the most important terms from the world of finance and monetary policy. 'Questions and answers' deals with topics relevant to the SNB.

DATA.SNB.CH

On its data portal, the SNB provides an extensive range of data relevant for monetary policy as well as for monitoring the economy. Important monetary policy data – the SNB policy rate, SARON, the special rate, the interest rate on sight deposits and the threshold factor – are published on a weekly basis. The 'Important monetary policy data' also include information on sight deposits at the SNB and on minimum reserve requirements and banks' compliance with them. One of the major datasets is the statistical data compiled by the SNB on banks and financial markets, the balance of payments, direct investment, the international investment position and the Swiss financial accounts. The SNB also publishes detailed data on its money and foreign exchange market operations.

The data portal comprises a table selection with predefined tables and charts, datasets with supplementary data series, and a resources section. The latter contains information on the data portal and an overview for each topic, briefly describing the range of data available and the correlations. It also features focus articles closely related to the published data.

YOUTUBE, TWITTER AND LINKEDIN

Social media

The SNB's YouTube channel offers an extensive range of videos. There are numerous films showing the design and security features of the ninth banknote series and how the notes are made. The film 'The Swiss National Bank – What it does and how it works', which lasts about 15 minutes, takes a behind-the-scenes look at the SNB and its monetary policy. The videos are available in German, French, Italian and English. There are also recordings of the news conferences and general meetings of shareholders (Web TV) as well as SNB research events (Research TV). The YouTube channel and the individual videos can be accessed via the SNB website.

On Twitter, the SNB posts relevant publications from its website as well as information on other current topics and projects.

The SNB likewise uses LinkedIn as a means of communication and posts contributions on current publications and topics. Open positions are also advertised on LinkedIn.

Educational resources

OUR NATIONAL BANK

Our National Bank, a resource for schools and the general public, can be found at our.snb.ch. It provides easily accessible information on topics such as the SNB and its monetary policy, the importance of price stability and the history of the minimum exchange rate. The resource is available in German, French, Italian and English, and can also be obtained in brochure form in all four languages (print and online).

ICONOMIX

Iconomix is the SNB's web-based educational programme offering a range of teaching material that can be either downloaded or ordered. It is aimed at teachers of economics and social studies at upper secondary schools, but is also open to the general public free of charge. Iconomix is available in full in German, French and Italian, and partially in English, at www.iconomix.ch.

Ordering information resources and publications

Swiss National Bank, Library

Email: library@snb.ch

Telephone: +41 58 631 11 50

Postal address: P.O. Box, 8022 Zurich

Address: SNB Forum, Fraumünsterstrasse 8, 8001 Zurich

3 ADDRESSES

Head offices	Berne	Bundesplatz 1 P.O. Box, 3003 Berne	Tel. +41 58 631 00 00 Email snb@snb.ch
	Zurich	Börsenstrasse 15 P.O. Box, 8022 Zurich	Tel. +41 58 631 00 00 Email snb@snb.ch
Representative offices	Basel	Freie Strasse 27 P.O. Box, 4001 Basel	Tel. +41 58 631 40 00 Email basel@snb.ch
	Geneva	Rue de la Croix-d'Or 19 P.O. Box 3020, 1204 Geneva	Tel. +41 58 631 40 20 Email geneve@snb.ch
	Lausanne	Avenue de la Gare 18 P.O. Box 175, 1001 Lausanne	Tel. +41 58 631 40 10 Email lausanne@snb.ch
	Lucerne	Münzgasse 6 P.O. Box 71, 6000 Lucerne	Tel. +41 58 631 40 40 Email luzern@snb.ch
	Lugano	Via Giovan Battista Pioda 6 6900 Lugano	Tel. +41 58 631 40 60 Email lugano@snb.ch
	St Gallen	Neugasse 43 P.O. Box 645, 9004 St Gallen	Tel. +41 58 631 40 70 Email st.gallen@snb.ch
Agencies	The Swiss National Bank maintains agencies operated by cantonal banks in Appenzell, Chur, Fribourg, Geneva, Glarus, Liestal, Lucerne, Sarnen, Schaffhausen, Schwyz, Sion, Stans and Zug.		
Branch office abroad	Singapore	8 Marina View #35-02 Asia Square Tower 1 Singapore 018960	Tel. +65 65 80 8888 Email singapore@snb.ch
Library		SNB Forum Fraumünsterstrasse 8 8001 Zurich	Tel. +41 58 631 11 50 Email library@snb.ch

Published by

Swiss National Bank
Secretariat General
Börsenstrasse 15
CH-8001 Zurich

Languages

German, French, Italian and English

Design

Interbrand Ltd, Zurich

Typeset and printed by

Neidhart + Schön Group AG, Zurich

Copyright

Reproduction and publication of figures and text permitted for non-commercial purposes with reference to source.

To the extent that the information and data clearly derive from outside sources, the users of such information and data are obliged to respect any existing copyrights and to obtain the right of use from the relevant outside source themselves.

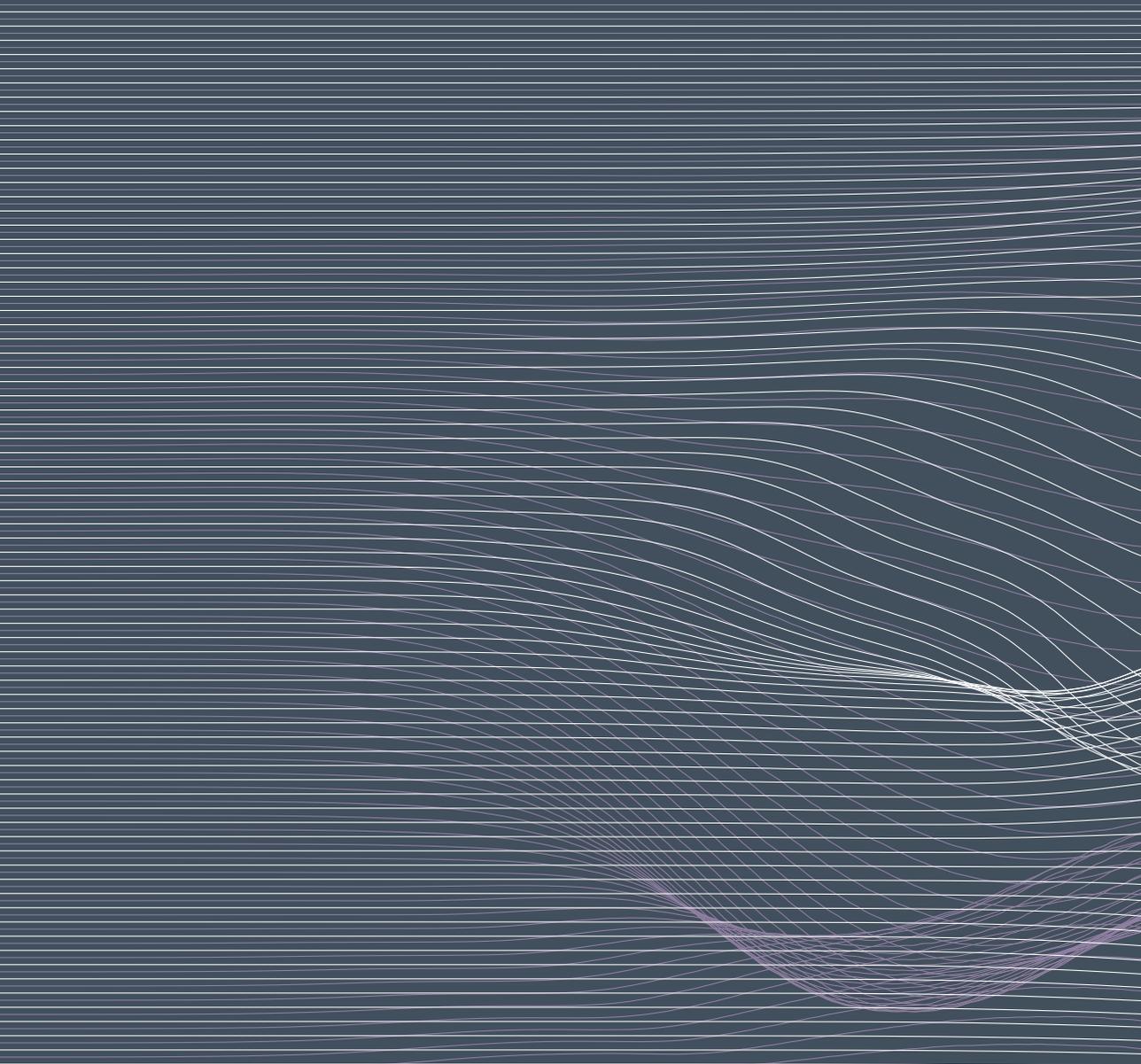
© Photographs pp. 4, 15, 25, 38, 44 and 47: SNB

© Photographs pp. 8, 19, 34 and 55: Leo Fabrizio

Edition

18th edition, July 2023





SCHWEIZERISCHE NATIONALBANK
BANQUE NATIONALE SUISSE
BANCA NAZIONALE SVIZZERA
BANCA NAZIUNALA SVIZRA
SWISS NATIONAL BANK

