

<p>The Swiss National Bank (SNB) conducts the country's monetary policy as an independent central bank. It is obliged by Constitution and statute to act in accordance with the interests of the country as a whole. Its primary goal is to ensure price stability, while taking due account of economic developments. In so doing, it creates an appropriate environment for economic growth.</p>	<p>Mandate</p>
<p>Price stability is an important condition for growth and prosperity. Inflation and deflation, by contrast, impair economic activity. They complicate decision-making by consumers and producers, lead to misallocations of labour and capital, result in income and asset redistributions, and put the economically weak at a disadvantage. The SNB equates price stability with a rise in consumer prices of less than 2% per annum. Deflation – i.e. a protracted decline in price levels – is also regarded as a breach of the objective of price stability. A medium-term inflation forecast serves as the main indicator for monetary policy decisions.</p>	<p>Price stability</p>
<p>The SNB implements its monetary policy by steering liquidity on the money market and thereby influencing the interest rate level. The three-month Swiss franc Libor serves as its reference interest rate. In addition, since 6 September 2011, a minimum exchange rate for the euro against the Swiss franc has applied. In an environment in which interest rates are close to zero, this measure helps to ensure appropriate monetary conditions.</p>	<p>Implementation of monetary policy</p>
<p>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. It is also charged by the Confederation with the task of coin distribution.</p>	<p>Cash supply and distribution</p>
<p>In the field of cashless payment transactions, the SNB provides services for payments between banks. These are settled in the interbank payment system (SIC system) via sight deposit accounts held with the SNB.</p>	<p>Cashless payment transactions</p>
<p>The SNB manages the currency reserves, the most important component of its assets. The National Bank requires currency reserves to ensure that it has room for manoeuvre in its monetary policy at all times. At present, the level of the currency reserves is dictated directly by the implementation of monetary policy, or by the enforcement of the minimum exchange rate.</p>	<p>Asset management</p>
<p>The SNB contributes to the stability of the financial system. It fulfils this mandate by analysing sources of risk to the financial system and identifying areas where action is needed. In addition, it helps to create and implement a regulatory framework for the financial sector, and oversees systemically important payment and securities settlement systems.</p>	<p>Financial system stability</p>
<p>Together with the federal authorities, the SNB participates in international monetary cooperation and provides technical assistance.</p>	<p>International monetary cooperation</p>
<p>The SNB acts as banker to the Confederation. It processes payments on behalf of the Confederation, issues money market debt register claims and bonds, handles the safekeeping of securities and carries out money market and foreign exchange transactions.</p>	<p>Banker to the Confederation</p>
<p>The SNB compiles statistical data on banks and financial markets, on the balance of payments, direct investment, the international investment position and the Swiss financial accounts.</p>	<p>Statistics</p>