



<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><b>Mandate</b></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 year. Deflation – i.e. a protracted decline in the price level – also breaches the objective of price stability. A medium-term inflation forecast serves as the main indicator for monetary policy decisions.</p>	<p><b>Price stability</b></p>
<p>The SNB implements its monetary policy by steering liquidity on the money market and by setting interest rates on its sight deposit accounts, thereby influencing the general interest rate level. The three-month Swiss franc Libor serves as its reference interest rate. From September 2011 to January 2015, a minimum exchange rate of CHF 1.20 per euro also applied.</p>	<p><b>Implementation of monetary policy</b></p>
<p>The SNB is entrusted with the note-issuing privilege. It supplies the Swiss economy with banknotes commensurate with demand for payment purposes. These banknotes meet high standards with respect to quality and security. It is also charged by the Confederation with the task of coin distribution.</p>	<p><b>Cash supply and distribution</b></p>
<p>Regarding cashless payment transactions, the SNB is involved in the area of payments between participants of the Swiss Interbank Clearing (SIC) system. The payments are settled in SIC via sight deposit accounts held with the SNB.</p>	<p><b>Cashless payment transactions</b></p>
<p>The SNB manages the currency reserves, the most important component of its assets. It requires currency reserves to ensure that it has room for manoeuvre in its monetary policy at all times. The level of the currency reserves is largely dictated by the implementation of monetary policy.</p>	<p><b>Asset management</b></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 financial market infrastructures.</p>	<p><b>Financial system stability</b></p>
<p>Together with the federal authorities, the SNB participates in international monetary cooperation and provides technical assistance.</p>	<p><b>International monetary cooperation</b></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 custody of securities and carries out foreign exchange transactions.</p>	<p><b>Banker to the Confederation</b></p>
<p>The SNB compiles statistical data on banks and financial markets, the balance of payments, direct investment, the international investment position and the Swiss financial accounts.</p>	<p><b>Statistics</b></p>