

Balance of payments in Q3 2011

The current account surplus expanded by CHF 5 billion year-on-year, to CHF 27 billion. This increase was mainly attributable to higher dividends received by finance and holding companies from their direct investment abroad, boosting the receipts surplus from investment income from CHF 14 billion to CHF 19 billion. Foreign trade in goods and services saw a slight decline in both exports and imports; the receipts surplus of CHF 15 billion remained around the same level as one year earlier.

The financial account was strongly affected by capital outflows attributable to the Swiss National Bank (SNB). Reserve assets increased by CHF 71 billion (on a transaction basis). This was primarily due to foreign exchange swaps conducted by the SNB to provide the money market with liquidity. A year previously, reserve assets had contracted by CHF 5 billion. Cross-border repo transactions (shown under Swiss National Bank lending) resulted in capital outflows of CHF 20 billion, as against CHF 3 billion in the year-back quarter. Direct investment and portfolio investment also recorded net capital outflows of CHF 15 billion and CHF 10 billion respectively. As to portfolio investment, the outflows were mainly due to transactions by the SNB, which ceased to renew SNB Bills falling due, while repurchasing outstanding SNB Bills. As a result, the market volume of outstanding SNB Bills shrank. These large-scale outflows of capital were partly offset by net capital inflows in banks' lending and deposit business (CHF 37 billion) and in other claims and liabilities abroad (CHF 16 billion), with the latter originating primarily from banks' other capital transactions. Overall, the financial account posted a net capital outflow of CHF 59 billion, as against CHF 31 billion in the third quarter of 2010.

Banking statistics: Adjustments to table D3 in the *Monthly Statistical Bulletin*, and tables 1Ja, 3A and 3B in the *Monthly Bulletin of Banking Statistics*

With effect from November 2011, the Raiffeisen Group adjusted its sectoral breakdown as part of an IT upgrade, bringing it into line with the General Classification of Economic Activities NOGA 2008 (*Nomenclature générale des activités économiques*). This has led to adjustments in the sectoral breakdown in the statistics. In addition, the coverage of internal lines of credit was expanded.

These adjustments resulted in changes to a number of tables, as follows:

- Decrease for non-profit institutions serving households (NPISHs) and increase for non-financial corporations (*Monthly Bulletin of Banking Statistics*, table 1Ja);
- Increase in the credit lines figure for Raiffeisen banks, as well as in the aggregate figure for all banks (*Monthly Bulletin of Banking Statistics*, table 3A, and *Monthly Statistical Bulletin*, table D3);
- Decrease in credit lines and utilisation for other service activities, and increase for water supply, sewerage, waste management and remediation activities (*Monthly Bulletin of Banking Statistics*, table 3B).