

Switzerland's international investment position in 2006

December 2007

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Summary

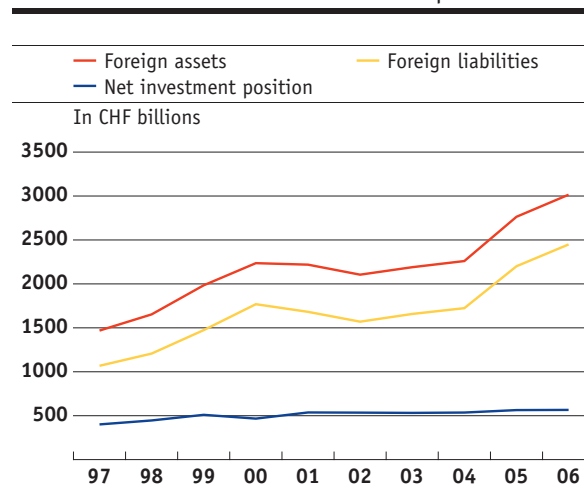
In 2006, foreign assets and foreign liabilities increased by approximately CHF 250 billion each, reaching CHF 3,015 billion and CHF 2,449 billion. At CHF 567 billion, the net investment position was almost the same level as in the previous year.

Changes in the net investment position were dominated by three factors: the financial account (high level of capital outflows and inflows), loss in value of the US dollar and price gains on shares. Capital outflows exceeded capital inflows by CHF 88 billion. The weaker dollar mainly affected foreign assets, one-third of which were denominated in US dollars. The US dollar accounted for only 20% of the foreign liabilities. By contrast, price gains on shares had a stronger impact on foreign liabilities than on foreign assets: While foreign investors in Switzerland held just under one-third of their assets in shares, a mere 10% of Swiss investors' foreign assets were held in shares. Consequently, on balance, valuation changes in shares and foreign currency items led to a net decline in the net investment position.

Valuation changes have also had a negative effect on the net investment positions in previous years. Consequently, in spite of considerable net capital outflows, the net investment position has only seen a minimal rise since 2001. A special topic on page 11 gives more detailed information on the role of exchange rates and share prices in this development.

Investment in structured products as well as the positive and negative replacement values of derivatives are included in this publication for the first time. In the case of foreign assets, these holdings amounted to CHF 114 billion (CHF +34 billion), while the share of foreign liabilities was CHF 71 billion (CHF +11 billion).

Graph 1
Switzerland's international investment position



Changes in the international investment position in CHF billions

Table 1

	Foreign assets	Foreign liabilities	Net assets
Total at the end of 2005	2 764.5	2 200.9	563.6
Changes in 2006	250.7	247.8	2.9
Investment ¹	205.8	117.6	88.2
Valuation changes	-32.9	86.8	-119.7
Exchange rate	-72.1	-37.5	-34.6
Share price	39.2	124.3	-85.1
Other changes	77.8	43.3	34.4
Total at the end of 2006	3 015.2	2 448.7	566.5

¹ Investment in accordance with the financial account in the balance of payments; capital outflows result in an increase in foreign assets and capital inflows in an increase in foreign liabilities.

Foreign assets

Foreign assets comprise direct investment, portfolio investment, derivatives and structured products, reserve assets, as well as other foreign assets. Overall, they increased by CHF 250 billion to CHF 3,015 billion. This increase was largely due to capital outflows. At the same time, US dollar holdings registered valuation losses. The US dollar weakened by 7% year-on-year.

Direct investment abroad rose from CHF 563 billion to CHF 632 billion. Brisk investment activity by Swiss companies abroad, in particular, contributed to this development. The share of direct investment in total foreign assets rose by one percentage point to 21%.

Portfolio investment abroad advanced from CHF 958 billion to CHF 1,075 billion. The increase in debt securities was attributable to the acquisition of securities, while the higher level of equity securities was primarily the result of rising share prices in Europe. The share of portfolio investment in total foreign assets increased by one percentage point to 36%.

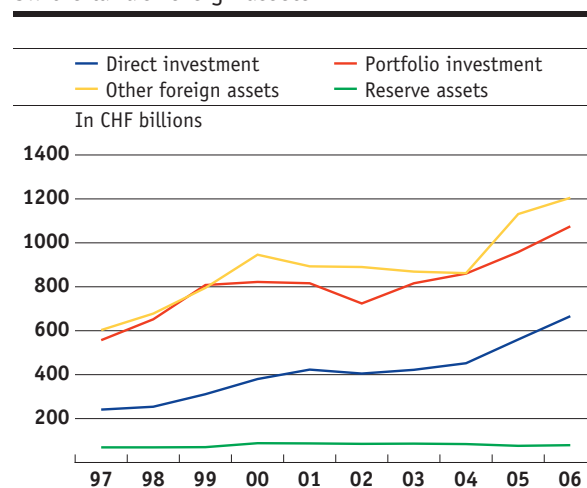
For the first time, derivatives and structured products are included in the international investment position. On the one hand, the new item shows investments by domestic investors in structured products of foreign issuers and, on the other hand, it shows the replacement values of derivatives with counterparties abroad. While the positive replacement values of derivatives increased from CHF 32 billion to CHF 46 billion, holdings of structured products advanced by CHF 48 billion to CHF 67 billion. The proportion of derivatives and structured products in total foreign assets rose by one percentage point to 4%.

Other foreign assets increased from CHF 1,088 billion to CHF 1,116 billion. This position consists mainly of domestic banks' balances with banks

abroad. Due to exchange rate fluctuations, these interbank balances receded by CHF 18 billion. Balances with customers abroad, by contrast, were CHF 13 billion higher. The level of fiduciary investments increased by CHF 24 billion to CHF 108 billion. Fiduciary investments take the form of short-term investments in the money market abroad. The share of other foreign assets in total foreign assets dropped by three percentage points to 37%.

The National Bank's reserve assets increased by CHF 3 billion to CHF 79 billion. This increase was almost entirely attributable to valuation gains on gold holdings. The share of reserve assets in foreign assets remained unchanged at 3%.

Graph 2
Switzerland's foreign assets



Other foreign assets include derivatives and structured products as well as other assets.

Switzerland's international investment position – assets in CHF billions

Table 2

Total at year-end	2005	2006	Year-on-year change in percent	Share in percent
Direct investment	562.6	632.2	12.4	21.0
Portfolio investment	958.2	1 075.0	12.2	35.7
Debt securities	488.6	560.4	14.7	18.6
Equity securities	469.6	514.7	9.6	17.1
Derivatives and structured products	79.9	113.6	42.1	3.8
Derivatives	32.1	46.2	44.2	1.5
Structured products	47.8	67.3	40.7	2.2
Other assets	1 088.0	1 115.7	2.5	37.0
of which bank balances	744.4	739.1	-0.7	24.5
Reserve assets	75.8	78.7	3.8	2.6
Total	2 764.5	3 015.2	9.1	100.0

Foreign liabilities

Liabilities comprise foreign direct investment in Switzerland, stocks of Swiss securities held by non-residents (portfolio investment), derivatives and structured products and other foreign liabilities. They increased by CHF 248 billion to CHF 2,449 billion.

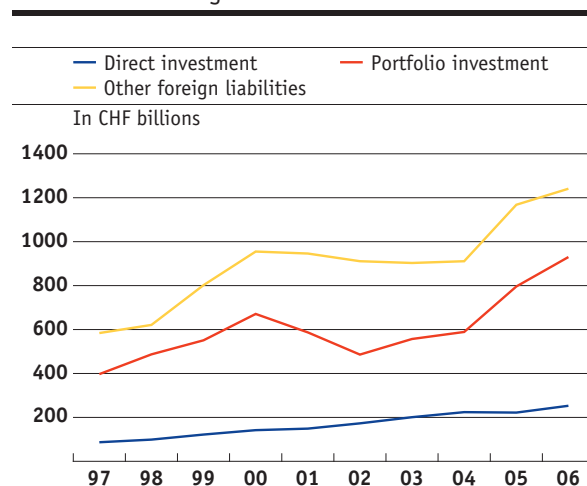
Portfolio investment rose by CHF 139 billion to CHF 930 billion. Equity securities, which were up by CHF 130 billion to CHF 835 billion, accounted for the bulk of the increase. Rallying share prices in Switzerland (SPI +18%) were instrumental in this development, while share purchases played only a minor role. Securities accounted for 38% of total foreign liabilities compared with 36% a year earlier.

The stock of foreign direct investment in Switzerland climbed by CHF 42 billion to CHF 266 billion. This was mainly attributable to capital inflows. The share of direct investment in total foreign liabilities mounted by one percentage point to 11%.

The new 'derivatives and structured products' item shows investments by foreign investors in structured products of domestic issuers as well as the negative replacement values of derivatives with counterparties abroad. Investment in structured products climbed from CHF 17 billion to CHF 29 billion. The negative replacement values of derivatives decreased by CHF 1 billion to CHF 42 billion. The share of derivatives and structured products in foreign liabilities remained unchanged at 3%.

Other foreign liabilities largely consist of banks' liabilities towards banks abroad. Other foreign liabilities rose from CHF 1,125 billion to CHF 1,182 billion. Their share dropped from 51% to 48%.

Graph 3
Switzerland's foreign liabilities



Other foreign liabilities include derivatives and structured products as well as other liabilities.

Switzerland's international investment position – liabilities in CHF billions

Table 3

Total at year-end	2005	2006	Year-on-year change in percent	Share in percent
Direct investment	224.5	266.0	18.5	10.9
Portfolio investment	791.0	930.1	17.6	38.0
Debt securities	85.9	95.2	10.8	3.9
Equity securities	705.1	835.0	18.4	34.1
Derivatives and structured products	60.4	70.9	17.4	2.9
Derivatives	43.2	41.9	-2.9	1.7
Structured products	17.3	29.0	68.2	1.2
Other liabilities	1 125.0	1 181.6	5.0	48.3
of which deposits with banks	775.5	803.9	3.7	32.8
Total	2 200.9	2 448.7	11.3	100.0

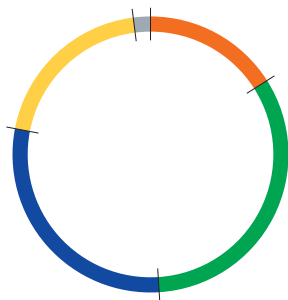
Breakdown of foreign assets and liabilities by currency

Movements in exchange rates led to valuation losses on US dollar holdings (-7%) and valuation gains on euro holdings (+3%).

84% of foreign assets were held in foreign currency compared with 85% in the previous year. The share of US dollar investments fell from 35% to 33% in favour of the Swiss franc and the euro.

The Swiss franc share of foreign liabilities advanced from 55% to 57%. The proportion of US-dollar investments fell from 25% to 21% in favour of the Swiss franc and the euro. The share of the euro investments increased from 14% to 15%.

Graph 4



Foreign assets in 2006
Breakdown by currency in %

CHF 16

USD 33

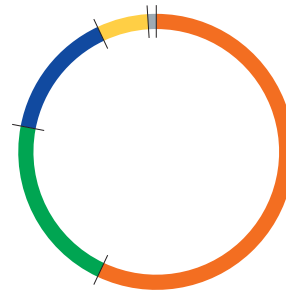
EUR 29

Other currencies 20

Precious metals 2

Total: CHF 3015 billion

Graph 5



Foreign liabilities in 2006
Breakdown by currency in %

CHF 57

USD 21

EUR 15

Other currencies 6

Precious metals 1

Total: CHF 2449 billion

Special topic:

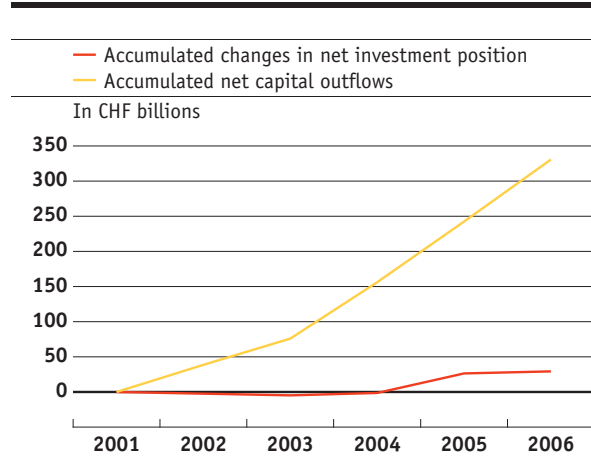
The impact of valuation changes on the international investment position since 2001

Foreign assets and liabilities have seen significant growth since 2001. Between 2001 and 2006, foreign assets surged by CHF 796 billion to CHF 3,015 billion, while foreign liabilities climbed by CHF 767 billion to CHF 2,449 billion during the same period. As a result, the net international investment position rose by CHF 29 billion to CHF 567 billion. During the same period, capital outflows came to CHF 715 billion and capital inflows to CHF 392 billion. Swiss net outflows of capital amounted to CHF 323 billion. In comparing the high level of capital outflows of CHF 323 billion with the increase in the net investment position of CHF 29 billion, it becomes apparent that net capital outflows only accounted for a small proportion of the rise in the net investment position (graph 6). The following section describes the impact of valuation changes on this trend. Changes in the exchange rate and share prices are the main contributing factors.

Table 4 shows the breakdown by currency of the international investment position. Between 2001 and 2006, the share of foreign currency in foreign assets averaged 85%. The corresponding proportion in foreign liabilities came to 46%. As a result of the different weighting, changes in the exchange rate affect foreign assets and foreign liabilities disproportionately: when foreign currencies drop in value, this has a bigger impact on foreign assets than on foreign liabilities. Graph 7 shows that the US dollar was weak between 2001 and 2006. This had a particularly negative effect on the net investment position.

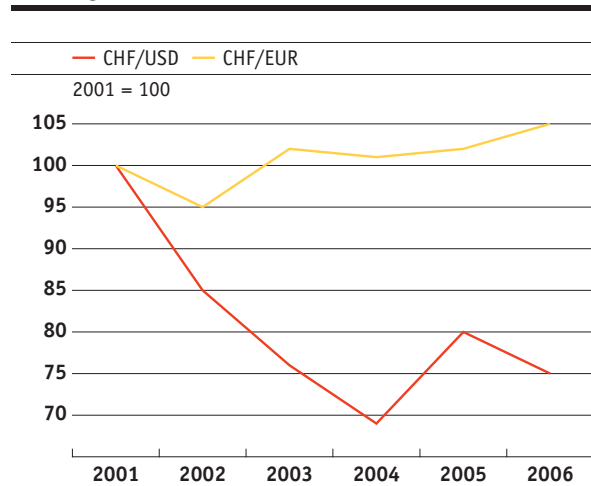
Graph 6

Accumulated changes in net investment position and net capital outflows since 2001



Graph 7

Exchange rates: indexed



Breakdown by currency in the international investment position

Average from 2001 to 2006 in percent

Table 4

	Foreign assets	Foreign liabilities
CHF	15	55
USD	33	23
EUR	30	14
Other currencies	22	8
Total	100	100

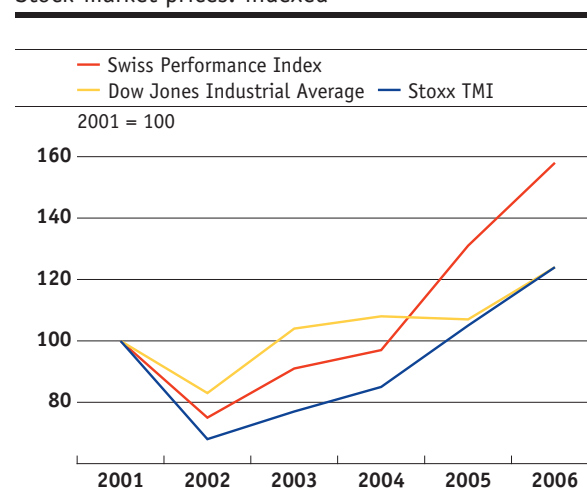
Table 5 shows the proportion of portfolio investment in foreign assets and liabilities. At the end of 2006, shares accounted for 9% of foreign assets. They accounted for 30% of foreign liabilities. Since the end of 2001, share prices have risen sharply both in Switzerland and abroad. Since shares account for a smaller share of foreign assets than of foreign liabilities, an identical price rise in foreign and domestic shares will result in a smaller increase in foreign assets than in foreign liabilities. Since 2001, this trend has been magnified because share prices abroad – in particular in Europe and in the US – have risen only half as sharply as those in Switzerland (cf. graph 8).

Table 6 shows what impact these factors had on foreign assets and liabilities as well as on the net investment position. Information on the financial account is derived from the balance of payments. Valuation changes were estimated on the basis of changes in the exchange rate and share prices. Representative indices were used to estimate the influence of share prices. Other changes reflect adjustments in the reporting population (inclusion of new companies in the survey), inclusion of financial instruments not previously covered as well as inexplicable changes.

Between 2001 and 2006, cumulated valuation changes had a negative effect on foreign assets. As against share price gains of CHF 142 billion, exchange rate losses of CHF 255 billion were recorded. At CHF 203 billion, exchange rate losses were particularly heavy in 2002 due to the weaker

US dollar and euro. In the case of foreign liabilities, however, valuation changes of CHF 129 billion had a positive effect on holdings. While cumulated exchange rate losses amounted to CHF 117, share price gains totalled CHF 245 billion. Both exchange rate losses on foreign assets and share price gains on foreign liabilities had a negative impact on the net investment position. These losses and gains also explain why the net investment position between 2001 and 2006 has only seen a slight increase.

Graph 8
Stock-market prices: indexed



Share of portfolio investment in foreign assets and liabilities

Table 5

Total at the end of 2006	Foreign assets		Foreign liabilities	
	in CHF billions	Share in %	in CHF billions	Share in %
Total international investment position	3 015	100	2 449	100
of which Portfolio investment	1 075	36	930	38
Shares	263	9	747	30
Investment fund certificates	251	8	88	4
Debt securities	560	19	95	4

**Switzerland's international investment position –
components of changes in totals in CHF billions**

Table 6

	2001	2002	2003	2004	2005	2006	Change in 2002 Cumulated until 2006
Foreign assets							
Total at year-end	2 218.8	2 104.5	2 190.0	2 259.8	2 764.5	3 015.2	
Changes		-114.3	85.5	69.8	504.7	250.7	796.3
Capital outflows		122.6	74.4	121.3	193.6	205.8	717.7
Valuation changes		-241.3	-18.9	-48.6	229.1	-32.9	-112.7
Exchange rate		-197.1	-64.7	-88.0	166.8	-72.1	-255.0
Share price		-44.3	45.8	39.4	62.2	39.2	142.3
Other changes		4.4	30.0	-2.9	82.1	77.8	191.3
Foreign liabilities							
Total at year-end	1 681.6	1 569.7	1 657.6	1 724.0	2 200.9	2 448.7	
Changes		-111.9	87.8	66.4	476.9	247.8	767.0
Capital inflows		84.0	37.1	41.1	107.2	117.6	387.1
Valuation changes		-230.2	50.0	-5.7	227.9	86.8	128.7
Exchange rate		-99.2	-23.1	-35.1	78.1	-37.5	-116.7
Share price		-131.0	73.1	29.3	149.7	124.3	245.4
Other changes		34.3	0.7	31.1	141.9	43.3	251.3
Net investment position							
Total at year-end	537.2	534.8	532.4	535.7	563.6	566.5	
Changes		-2.4	-2.4	3.3	27.8	2.9	29.3
Financial account, net		38.6	37.3	80.2	86.4	88.2	330.7
Valuation changes, net		-11.1	-69.0	-42.9	1.2	-119.7	-241.4
Exchange rate		-97.9	-41.6	-52.9	88.7	-34.6	-138.3
Share price		86.8	-27.4	10.0	-87.5	-85.1	-103.1
Other changes, net		-29.9	29.3	-34.0	-59.8	34.4	-60.0

Changes from the previous year

Derivatives and structured products

As of 2005, derivatives and structured products are being shown as additional components in the international investment position, based on new data sources. The derivatives item contains replacement values for outstanding derivatives held by banks and insurance companies. Derivatives held by other industries will be available as of 2008. Holdings of bank customers are reported under structured products.

Statistical basis

Direct investment

Swiss direct investment abroad: Swiss participations of no less than 10% in companies abroad (subsidiaries, branch offices), as well as intragroup lending.

Foreign direct investment in Switzerland: Foreign participations of no less than 10% in companies in Switzerland (subsidiaries, branch offices), as well as intragroup lending.

The statistics are based on data submitted to the Swiss National Bank by banks and companies.

Portfolio investment

Swiss portfolio investment abroad: Investment by residents in securities issued by foreign borrowers which are not included in direct investment or reserve assets, such as debt securities (money market instruments, bonds), equity securities (shares, participation certificates, dividend-right certificates), and investment fund certificates from foreign investment funds.

Foreign portfolio investment in Switzerland: Foreign investment in securities issued by domestic borrowers which are not included in direct investment, such as debt securities (money market instruments, bonds, medium-term bank-issued notes), equity securities (shares, participation certificates, dividend-right certificates), and investment fund certificates.

The statistics are based on data submitted to the SNB by banks and companies.

Derivatives and structured products

Derivatives include unconditional forward transactions (forwards, futures, swaps) and conditional forward transactions (options). Derivatives abroad: Positive replacement values of outstanding derivative financial instruments with counterparties abroad. Derivatives in Switzerland: Negative replacement values of outstanding derivative financial instruments with counterparties abroad. The statistics are based on data submitted by banks and insurance companies to the SNB.

Structured products are standardised debt certificates that combine the properties of two or more financial instruments, thus forming a new investment product. A wide variety of structured products are available on the market. A commonly used breakdown divides structured products into participation products (certificates), yield-optimisation products (certificates, convertibles) and capital-protected products (with or without cap). Structured finance products (asset-backed securities, collateralised debt obligations and similar products), for which the financing purpose or risk transfer is of central importance, are classified as debt securities rather than structured products. Investment abroad: investment by Swiss residents in structured products of foreign issuers. Investment in Switzerland: investment by non-residents in structured products of domestic issuers. Holdings in bank custody accounts are reported. The statistics are based on data submitted by the banks to the SNB.

Other investment

Lending by the SNB: Claims abroad: Claims from repo transactions, monetary assistance loans.

Bank lending: Claims abroad: Lending to banks and customers abroad. Liabilities abroad: Deposits of banks and customers abroad.

Private sector lending: Claims abroad: Lending abroad by companies, investment funds and pension funds in Switzerland, excluding intragroup lending which is recorded with direct investment abroad. Liabilities abroad: Lending from abroad to companies in Switzerland, excluding intragroup lending which is recorded with direct investment in Switzerland.

Public sector lending: Claims abroad: Lending abroad by the public sector. Liabilities abroad: short-term liabilities of the public sector towards other countries.

Other: Claims abroad: Residents' fiduciary funds which are invested abroad. The Swiss Confederation's participation in international organisations, the SNB's participation in the Bank for International Settlements (BIS). Non-bank balances at banks abroad. Real estate held abroad by investment funds and pension funds. Liabilities abroad: Banknotes in Swiss francs held by non-residents. Non-residents' fiduciary funds which are invested in Switzerland. Real estate in Switzerland owned by non-residents.

The statistics are based on data submitted to the SNB by the Swiss Confederation, banks, companies and the BIS.

Reserve assets

Gold holdings, foreign exchange holdings, the reserve position in the International Monetary Fund and international payment instruments (SDRs) held by the SNB.

Methodological basis

Definition

The international investment position indicates the level of Switzerland's financial assets and liabilities. The net investment position denotes the balance of these assets and liabilities. The international investment position comprises portfolio investment, direct investment stocks, the SNB's reserve assets, as well as other financial assets and liabilities.

Switzerland's international investment position is compiled in accordance with IMF guidelines (*Balance of Payments Manual*, 5th edition).

Valuation of stocks

The positions at the end of the year are generally stated at market prices. Direct investment positions are an exception, as they are shown at book value.

International investment position and balance of payments

The international investment position is closely related to the balance of payments. It reflects the level of foreign assets and liabilities at a given point in time. In the balance of payments, capital flows (investments) are shown during a specified period. Capital outflows (Swiss investment abroad) lead to an increase in foreign assets, while capital inflows (foreign investment in Switzerland) bring about an increase in foreign liabilities. If Switzerland makes more investments abroad than vice versa, i.e. if its transactions result in a net capital outflow, the net international investment position increases. In this case, the corresponding balance in the current account shows a surplus.

However, changes in the international investment position are determined not only by investment, but by other factors as well. In particular, the positions reflect fluctuations in exchange rates and precious metal prices, as well as changes in stock prices.

Legal basis

According to the Federal Act on the Swiss National Bank of 3 October 2003 (National Bank Act) and the Implementing Ordinance on the National Bank Act of 18 March 2004 (National Bank Ordinance), the Swiss National Bank is authorised to collect the statistical data required for drawing up the balance of payments as well as the statistics

on the international investment position. Pursuant to the Appendix to the Implementing Ordinance on the National Bank Act, legal entities and companies are obliged to supply information if their financial claims or liabilities abroad exceed CHF 10 million at the time of the survey or if their direct investment abroad or direct investment from abroad exceed CHF 10 million at the time of the survey.

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Explanation of symbols

- . Figure unknown, confidential, meaningless, no longer reported or no reporting institutions (missing value).

Rounding differences

Deviations between the totals and the sums of components are due to rounding.

Revision procedure

Annual revisions are conducted in connection with the publication of the report on the international investment position in December. When the provisional data for the year are published in December, the figures for the previous year are generally revised. For these revisions, information supplied after the deadline and new data from secondary sources are taken into account; provisional estimates are revised or replaced. If the new information relates to periods dating even further back, the older figures are also revised. Methodological modifications, new classifications, new sources – also for periods dating further back – are discussed in the explanatory notes of the report in question.

Switzerland's international investment position – overview in CHF millions

Table 1.1

Total at year-end	2002	2003	2004	2005	2006
Foreign assets	2 104 519	2 189 987	2 259 767	2 764 489	3 015 164
Direct investment ¹	405 229	422 244	453 307	562 572	632 182
Portfolio investment	724 385	816 257	860 089	958 223	1 075 035
Derivatives and structured products	.	.	.	79 899	113 568
Other assets	889 556	865 439	861 908	1 088 001	1 115 711
Reserve assets	85 349	86 047	84 462	75 794	78 668
Foreign liabilities	1 569 742	1 657 579	1 724 029	2 200 923	2 448 680
Direct investment ¹	173 080	200 666	223 682	224 529	266 045
Portfolio investment	485 660	556 790	589 478	791 012	930 141
Derivatives and structured products	.	.	.	60 411	70 936
Other liabilities	911 003	900 123	910 869	1 124 971	1 181 559
Net investment position	534 777	532 408	535 738	563 566	566 483
Direct investment ¹	232 149	221 578	229 625	338 043	366 136
Portfolio investment	238 726	259 466	270 611	167 211	144 895
Derivatives and structured products	.	.	.	19 488	42 633
Other assets and liabilities	-21 446	-34 684	-48 961	-36 970	-65 848
Reserve assets ²	85 349	86 047	84 462	75 794	78 668

¹ Expansion of the reporting population in 2004.

² In 2005, distribution to the Confederation and the cantons of the proceeds from gold sales.

Switzerland's international investment position – assets
Breakdown by components in CHF millions

Table 2.1

Total at year-end	2002	2003	2004	2005	2006
Direct investment^{1,2}	405 229	422 244	453 307	562 572	632 182
Equity capital	365 986	386 412	428 591	535 277	595 751
Intragroup lending	39 242	35 832	24 717	27 295	36 431
Portfolio investment	724 385	816 257	860 089	958 223	1 075 035
Debt securities	421 686	453 033	475 945	488 624	560 375
Bonds and notes	391 835	417 829	443 079	445 732	498 841
Money market instruments	29 850	35 205	32 866	42 892	61 534
Equity securities	302 700	363 223	384 145	469 600	514 660
Shares	184 468	224 784	228 174	250 184	263 442
Investment funds	118 231	138 439	155 971	219 416	251 218
Derivatives and structured products	.	.	.	79 899	113 568
Derivatives	.	.	.	32 066	46 244
Structured products	.	.	.	47 833	67 324
Other foreign assets	889 556	865 439	861 908	1 088 001	1 115 711
Loans by	781 940	761 092	754 471	946 364	938 972
the Swiss National Bank	9 088	9 391	9 209	10 573	9 785
Government	495	484	473	8 752	7 334
Banks ³	646 090	626 246	613 545	744 367	739 126
to banks	549 577	526 516	482 693	599 608	581 195
to customers	96 513	99 730	130 852	144 759	157 931
Companies ⁴	126 266	124 971	131 243	182 672	182 727
Other investment	107 617	104 347	107 437	141 637	176 739
of which fiduciary investments	76 500	63 064	65 331	84 011	107 818
Reserve assets	85 349	86 047	84 462	75 794	78 668
Gold	29 340	27 128	21 639	28 050	32 221
Foreign exchange ⁵	52 941	56 312	60 708	46 585	45 592
Reserve position in the IMF	2 670	2 562	2 035	1 080	557
Other reserve assets	399	46	80	79	298
Total	2 104 519	2 189 987	2 259 767	2 764 489	3 015 164

¹ Swiss equity holdings of at least 10% in companies abroad as well as the net assets of branches abroad.

² Expansion of the reporting population in 2004.

³ Offices in Switzerland and in the Principality of Liechtenstein.

⁴ Intragroup lending is shown under direct investment.

⁵ In 2005, distribution to the Confederation and the cantons of the proceeds from gold sales.

Switzerland's international investment position – liabilities
Breakdown by components in CHF millions

Table 3.1

Total at year-end	2002	2003	2004	2005	2006
Direct investment^{1,2}	173 080	200 666	223 682	224 529	266 045
Equity capital	169 178	189 246	219 088	222 563	261 836
Intragroup lending	3 902	11 420	4 594	1 966	4 209
Portfolio investment	485 660	556 790	589 478	791 012	930 141
Debt securities	49 136	58 785	72 711	85 904	95 151
Bonds and notes	47 831	57 675	71 408	84 525	93 416
Money market instruments	1 306	1 110	1 303	1 379	1 735
Equity securities	436 524	498 005	516 767	705 109	834 990
Shares	374 356	431 847	451 126	622 793	746 653
Investment funds	62 167	66 158	65 641	82 316	88 337
Derivatives and structured products	.	.	.	60 411	70 936
Derivatives	.	.	.	43 156	41 914
Structured products	.	.	.	17 255	29 021
Other foreign liabilities	911 003	900 123	910 869	1 124 971	1 181 559
Loans to	750 475	742 707	748 870	945 668	977 804
the Swiss National Bank	703	641	330	721	426
Government	855	575	798	945	1 463
Banks ³	647 877	636 533	641 916	775 536	803 859
from banks	564 670	535 646	538 622	662 548	688 407
from customers	83 207	100 887	103 294	112 988	115 452
Companies ⁴	101 040	104 957	105 826	168 466	172 056
Other investment	160 528	157 416	162 000	179 304	203 755
Total	1 569 742	1 657 579	1 724 029	2 200 923	2 448 680

¹ Foreign equity holdings of at least 10% in companies in Switzerland as well as the net assets of foreign branches in Switzerland.

² Expansion of the reporting population in 2004.

³ Offices in Switzerland and in the Principality of Liechtenstein.

⁴ Intragroup lending is shown under direct investment.

Switzerland's international investment position - assets
Breakdown by currency in CHF millions

Table 4.1

Total at year-end	2002	2003	2004	2005	2006
Direct investment^{1,2}	405 229	422 244	453 307	562 572	632 182
CHF	10 455	-870	-3 596	-4 163	-4 989
USD	79 995	89 939	89 317	128 540	141 016
EUR	123 464	125 634	136 440	168 885	185 961
Other currencies	191 314	207 541	231 147	269 310	310 194
Portfolio investment	724 385	816 257	860 089	958 223	1 075 035
CHF	186 674	212 213	226 531	238 802	274 765
USD	200 504	207 094	209 088	247 219	269 861
EUR	270 147	312 914	330 040	344 264	395 503
Other currencies	67 061	84 036	94 430	127 939	134 907
Derivatives and structured products	.	.	.	79 899	113 568
CHF	.	.	.	50 962	73 092
USD	.	.	.	11 703	14 810
EUR	.	.	.	15 185	22 528
Other currencies	.	.	.	2 049	3 138
Other foreign assets	889 556	865 439	861 908	1 088 001	1 115 711
CHF	136 675	109 847	112 567	131 954	135 184
USD	394 879	384 477	398 701	567 913	562 200
EUR	192 751	227 052	214 771	236 690	251 098
Other currencies	159 215	139 923	131 194	143 314	156 100
Precious metals	6 037	4 139	4 675	8 130	11 129
Reserve assets³	85 349	86 047	84 462	75 794	78 668
CHF	-	-	-	-	-
USD	20 752	20 406	20 405	16 282	14 956
EUR	25 962	29 320	28 855	21 570	21 443
Other currencies	9 295	9 193	13 563	9 892	10 048
Precious metals	29 340	27 128	21 639	28 050	32 221
Total foreign assets	2 104 519	2 189 987	2 259 767	2 764 489	3 015 164
CHF	333 804	321 191	335 502	417 555	478 051
USD	675 378	681 510	697 106	971 657	1 002 842
EUR	586 362	665 600	681 251	786 593	876 533
Other currencies	417 590	431 500	456 771	552 505	614 387
Precious metals	35 377	31 267	26 314	36 180	43 350

¹ Given that assets and liabilities are offset within intragroup lending, the balance may be negative.

² Expansion of the reporting population in 2004.

³ In 2005, distribution to the Confederation and the cantons of the proceeds from gold sales.

Switzerland's international investment position – liabilities
Breakdown by currency in CHF millions

Table 5.1

Total at year-end	2002	2003	2004	2005	2006
Direct investment^{1,2}	173 080	200 666	223 682	224 529	266 045
CHF	171 262	196 300	214 982	229 593	268 829
USD	1 581	4 324	10 973	-431	4 572
EUR	-274	187	-2 478	-4 367	-1 106
Other currencies	512	-145	204	-267	-6 249
Portfolio investment	485 660	556 790	589 478	791 012	930 141
CHF	414 998	481 581	506 741	694 307	837 813
USD	27 716	30 148	33 219	36 735	36 776
EUR	33 741	36 102	39 311	46 464	41 774
Other currencies	9 205	8 960	10 207	13 505	13 777
Derivatives and structured products	.	.	.	60 411	70 936
CHF	.	.	.	38 873	57 849
USD	.	.	.	9 176	5 905
EUR	.	.	.	9 632	5 818
Other currencies	.	.	.	2 730	1 364
Other foreign liabilities	911 003	900 123	910 869	1 124 971	1 181 559
CHF	234 126	230 962	227 210	244 063	245 455
USD	373 189	324 288	362 033	505 915	460 717
EUR	182 193	231 057	233 897	248 370	317 676
Other currencies	111 986	104 465	77 545	111 799	136 851
Precious metals	9 509	9 352	10 185	14 824	20 860
Total foreign liabilities	1 569 742	1 657 579	1 724 029	2 200 923	2 448 680
CHF	820 386	908 842	948 933	1 206 837	1 409 945
USD	402 485	358 760	406 225	551 396	507 970
EUR	215 660	267 346	270 730	300 099	364 162
Other currencies	121 702	113 279	87 957	127 767	145 743
Precious metals	9 509	9 352	10 185	14 824	20 860

¹ Given that assets and liabilities are offset within intragroup lending, the balance may be negative.

² Expansion of the reporting population in 2004.

Switzerland's international investment position – assets
Breakdown by sector in CHF millions

Table 6.1

Total at year-end	2002	2003	2004	2005	2006
Swiss National Bank	96 892	98 445	96 270	88 451	90 250
Portfolio investment	2 393	2 945	2 537	1 993	1 707
Loans and other foreign assets	9 149	9 452	9 270	10 663	9 875
Reserve assets ¹	85 349	86 047	84 462	75 794	78 668
Government	966	960	954	9 238	7 770
Loans and other foreign assets	966	960	954	9 238	7 770
Banks	754 033	741 712	737 240	922 559	966 859
Direct investment ²	52 791	57 078	59 480	70 038	89 331
Portfolio investment	55 152	58 389	64 215	77 688	96 399
Derivatives and structured products	.	.	.	30 466	42 003
Loans and other foreign assets	646 090	626 246	613 545	744 367	739 126
Other sectors	1 252 629	1 348 870	1 425 303	1 744 242	1 950 285
Direct investment ²	352 438	365 166	393 828	492 534	542 851
Portfolio investment	666 840	754 923	793 337	878 542	976 929
Derivatives and structured products	.	.	.	49 433	71 565
Loans and other foreign assets ³	233 352	228 781	238 138	323 733	358 940
Total foreign assets	2 104 519	2 189 987	2 259 767	2 764 489	3 015 164

¹ In 2005, distribution to the Confederation and the cantons of the proceeds from gold sales.

² Expansion of the reporting population in 2004.

³ Intragroup lending is shown under direct investment.

Switzerland's international investment position – liabilities
Breakdown by sector in CHF millions

Table 7.1

Total at year-end	2002	2003	2004	2005	2006
Swiss National Bank	9 368	9 581	9 162	9 948	10 019
Loans and other foreign liabilities	9 368	9 581	9 162	9 948	10 019
Government	13 321	20 640	31 313	50 103	61 019
Portfolio investment	12 467	20 065	30 515	49 158	59 556
Loans and other foreign liabilities	855	575	798	945	1 463
Banks	674 756	664 889	670 160	843 244	879 194
Direct investment ¹	24 541	26 536	27 287	29 687	32 059
Portfolio investment ²
Derivatives and structured products	.	.	.	36 540	40 757
Loans and other foreign liabilities	650 215	638 353	642 873	777 017	806 377
Other sectors	872 298	962 470	1 013 394	1 297 628	1 498 448
Direct investment ¹	148 539	174 130	196 395	194 841	233 986
Portfolio investment ³	473 193	536 725	558 963	741 854	870 585
Derivatives and structured products	.	.	.	23 871	30 179
Loans and other foreign liabilities ⁴	250 566	251 614	258 036	337 062	363 699
Total foreign liabilities	1 569 742	1 657 579	1 724 029	2 200 923	2 448 680

¹ Expansion of the reporting population in 2004.

² Included in portfolio investment by the other sectors.

³ Including portfolio investment by banks.

⁴ Intragroup lending is shown under direct investment.

Other SNB publications on the international investment position

The Swiss National Bank publishes quarterly data on the international investment position in the *Monthly Statistical Bulletin* (R tables). The online version of the *Monthly Statistical Bulletin* also provides access to long time series. Data is available on an annual basis from 1985, and on a quarterly basis from 2000.

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