

Switzerland's International Investment Position in 2007

December 2008

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Summary

Substantial increase in foreign assets and liabilities

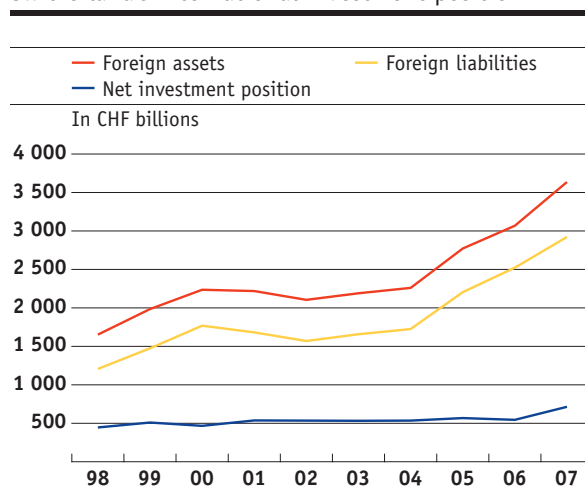
In 2007, both foreign assets and foreign liabilities rose substantially. Assets increased by CHF 568 billion to CHF 3,636 billion and the liabilities were up by CHF 399 billion to CHF 2,922 billion. This increase was due, to a large extent, to a major expansion in interbank business. The net investment position abroad amounted to CHF 714 billion, compared to CHF 545 billion in 2006. This expansion was mainly attributable to the fact that data on foreign assets which had not been recorded previously were included for the first time.

All components of foreign assets contributed to the rise in this figure, with the largest increase recorded by interbank claims. This item rose by CHF 232 billion to CHF 813 billion. Direct investment advanced by CHF 57 billion to CHF 740 billion due to capital outflows initiated by Swiss companies. Portfolio investment climbed by CHF 119 billion to CHF 1,191 billion. Essentially, this increase reflected the inclusion of debt securities and equities that had not been recorded in the statistics previously. For the first time, portfolio investment is also broken down by country of origin of the issuer. Of total securities holdings abroad (CHF 1,191 billion), 88% were placed with issuers from Europe, North America, and the Central and South American offshore centres. The three most important countries were Luxembourg (CHF 174 billion), the US (CHF 152 billion) and Germany (CHF 133 billion), accounting between them for almost 40% of all invest-

ment. Together, the offshore centres in Europe and in Central and South America accounted for a share of 15%.

In the case of foreign liabilities, both interbank liabilities (which rose by CHF 275 billion to CHF 964 billion) and direct investment contributed to the higher figure in 2007. The stock of foreign direct investment in Switzerland increased by CHF 57 billion to CHF 380 billion as a result of capital inflows. However, the stock of Swiss securities held outside Switzerland fell by CHF 28 billion to CHF 902 billion. This decline was mainly due to share price declines.

Chart 1
Switzerland's international investment position



International investment position in brief in CHF billions

Table 1

Total at year-end	2006	2007	Year-on-year change in CHF billions
Foreign assets			
Direct investment	683.3	740.5	57.2
Portfolio investment	1 072.3	1 190.8	118.5
Derivatives and structured products	113.6	138.9	25.3
Other assets	1 120.2	1 481.0	360.8
of which interbank claims	581.2	812.7	231.5
Reserve assets	78.7	85.0	6.3
Total	3 068.1	3 636.2	568.1
Foreign liabilities			
Direct investment	323.3	379.9	56.6
Portfolio investment	930.1	902.1	-28.0
Derivatives and structured products	70.9	75.9	5.0
Other liabilities	1 198.7	1 564.0	365.3
of which interbank liabilities	688.4	963.7	275.3
Total	2 523.1	2 921.9	398.8
Net investment position			
Direct investment	360.0	360.6	0.6
Portfolio investment	142.2	288.7	146.5
Derivatives and structured products	42.7	63.0	20.3
Other positions	-78.5	-83.0	-4.5
of which net interbank position	-107.2	-151.0	-43.8
Reserve assets	78.7	85.0	6.3
Total	545.0	714.3	169.3

Foreign assets

Foreign assets rose by CHF 568 billion to CHF 3,636 billion (+19%). This was mainly due to capital outflows amounting to CHF 458 billion.

The largest increase was recorded by the other assets item, which was up by CHF 361 billion to CHF 1,481 billion. Interbank claims, in particular, recorded a sharp rise (CHF +232 billion). However, bank claims against customers, corporate lending and fiduciary investment abroad were also up. Consequently, the share of other foreign assets in total foreign assets rose from 37% to 41%.

Portfolio investment abroad increased by CHF 118 billion to CHF 1,191 billion. This was mainly due to the fact that a number of debt securities and equities were included in the statistics for the first time. Debt securities accounted for 52% of total portfolio investment abroad, while shares and units in collective investment schemes each accounted for 24%. The share of portfolio investment in total foreign assets fell from 36% to 33%.

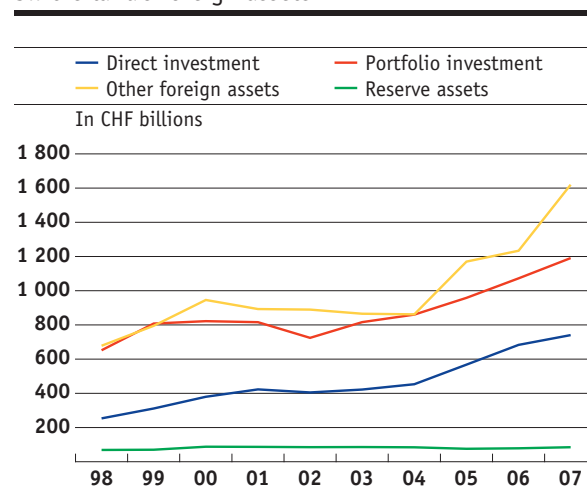
The stock of direct investment abroad increased by CHF 57 billion to CHF 740 billion. Capital outflows to the EU and to Central and South America played a major role in this result. The share of direct investment in total foreign assets declined from 21% to 20%.

Derivatives and structured products rose by CHF 25 billion to CHF 139 billion. This item includes the positive replacement values of deriva-

tives with counterparties abroad, as well as investment in structured products of foreign issuers. The share of this item in total foreign assets remained unchanged at 4%.

The SNB's reserve assets rose by CHF 6 billion to CHF 85 billion. This increase was mainly attributable to valuation gains on gold holdings. The share of reserve assets in total foreign assets declined from 3% to 2%.

Chart 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	2006	2007	Year-on-year change in percent	Share in percent
Direct investment	683.3	740.5	8.4	20.4
Portfolio investment	1 072.3	1 190.8	11.0	32.7
Debt securities	558.0	615.4	10.3	16.9
Shares	263.1	277.5	5.5	7.6
Collective investment schemes	251.2	297.9	18.6	8.2
Derivatives and structured products	113.6	138.9	22.3	3.8
Derivatives	46.2	58.3	26.1	1.6
Structured products	67.3	80.6	19.7	2.2
Other assets	1 120.2	1 481.0	32.2	40.7
of which interbank claims	581.2	812.7	39.8	22.4
Reserve assets	78.7	85.0	8.1	2.3
Total	3 068.1	3 636.2	18.5	100.0

Foreign liabilities

Foreign liabilities grew by CHF 399 billion to CHF 2,922 billion (a rise of 16%). This increase was entirely due to capital inflows of CHF 418 billion.

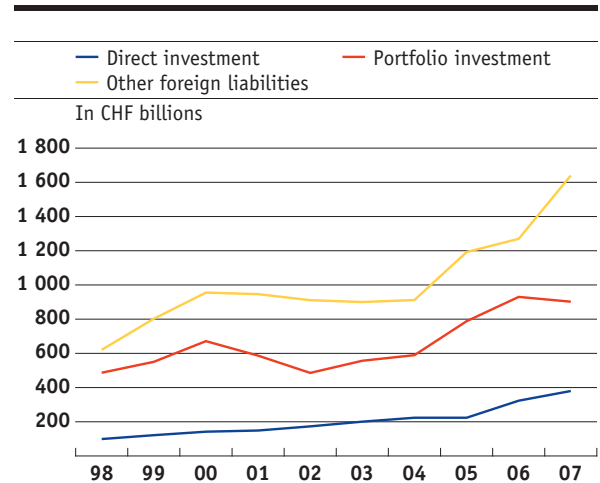
In particular, capital inflows accounted for by banks (CHF 298 billion) and companies (CHF 49 billion) contributed to this result. Both of these components are reported under other foreign liabilities, which increased by CHF 365 billion to CHF 1,564 billion. The share of other foreign liabilities in total foreign liabilities increased, from 48% to 54%.

Foreign portfolio investment declined by CHF 28 billion to CHF 902 billion. This decrease resulted from valuation losses: share prices in Switzerland (SPI) fell by 4% year on year. Among portfolio investment, 79% was accounted for by shares, 11% by units in collective investment schemes and 10% by debt securities. The share of securities in total foreign liabilities was 31%, compared with 38% a year earlier.

The stock of foreign direct investment in Switzerland climbed by CHF 57 billion to CHF 380 billion. This was mainly attributable to capital inflows from the EU. The share of direct investment in total foreign liabilities increased from 11% to 13%.

Taken together, the negative replacement value of derivatives with foreign counterparties and foreign investment in structured products of domestic issuers rose by CHF 5 billion to CHF 76 billion. The share of derivatives and structured products in foreign liabilities remained unchanged at 3%.

Chart 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	2006	2007	Year-on-year change in percent	Share in percent
Direct investment	323.3	379.9	17.5	13.0
Portfolio investment	930.1	902.1	-3.0	30.9
Debt securities	95.1	85.4	-10.3	2.9
Shares	746.7	716.4	-4.1	24.5
Collective investment schemes	88.3	100.3	13.6	3.4
Derivatives and structured products	70.9	75.9	7.1	2.6
Derivatives	41.9	57.2	36.5	2.0
Structured products	29.0	18.7	-35.4	0.6
Other liabilities	1 198.7	1 564.0	30.5	53.5
of which interbank liabilities	688.4	963.7	40.0	33.0
Total	2 523.1	2 921.9	15.8	100.0

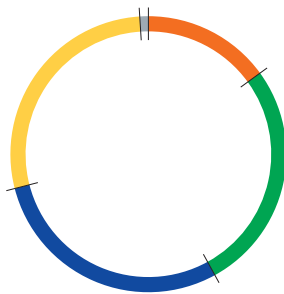
Breakdown of foreign assets and liabilities by currency

The strong expansion in interbank business also had an impact on the currency breakdown of assets and liabilities. The main beneficiary of this expansion was the pound sterling, which is included under other currencies. The share of other currencies in foreign assets thus rose from 21% to 28%, while their share in foreign liabilities increased from 6% to 13%.

As in the previous year, 84% of foreign assets were held in foreign currency. The share of US dollar investments fell from 33% to 27%. This was partly due to valuation losses of 7% on US dollar holdings as a result of exchange rate movements. The share of the euro remained unchanged, at 29%.

The Swiss franc share of foreign liabilities fell from 58% to 52%. The share of the euro declined from 15% to 13%, while that of the US dollar remained unchanged, at 21%.

Chart 4

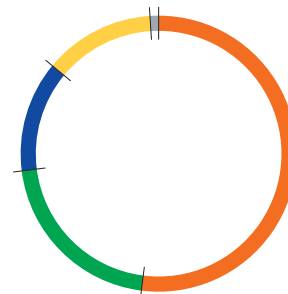


Foreign assets in 2007
Breakdown by currency in %

CHF 15
 USD 27
 EUR 29
 Other currencies 28
 Precious metals 1

Total: CHF 3636 billion

Chart 5



Foreign liabilities in 2007
Breakdown by currency in %

CHF 52
 USD 21
 EUR 13
 Other currencies 13
 Precious metals 1

Total: CHF 2922 billion

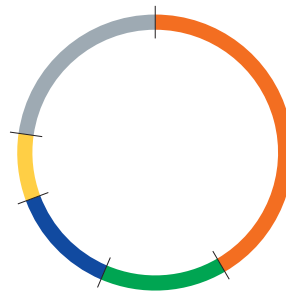
Special topic:

Foreign portfolio investment, by country of issuer

Of total securities holdings abroad, 88% were placed with issuers from Europe, North America, and the Central and South American offshore centres. Six countries accounted for 57% of the total holdings: Luxembourg (15%), followed by the US (13%), Germany (11%), France (7%), the UK and the Netherlands (6% each). The share of offshore centres in Europe and Central and South America was 8% each. The share of securities from developing country issuers was only 2%. For around 7% of foreign securities, it is not possible to provide a breakdown by country.

Collective investment schemes were the largest component of securities from issuers in Luxembourg (86%) and in Central and South American offshore financial centres (76%). In the US and some Asian countries, a comparatively large proportion of investment was in shares. In most other countries, by contrast, debt securities were the dominant instrument.

Chart 6



Portfolio investment abroad in 2007
Selected countries and regions, share in %



Portfolio investment abroad in 2007 – Breakdown by instrument category, in selected countries in CHF billions

Table 4

Total at year-end	Debt securities	Shares	Collective investment schemes	Total	Total share in percent
Europe	435.1	133.2	214.7	783.0	65.8
EU27, of which	362.4	125.5	188.0	676.0	56.8
Germany	85.7	41.9	5.3	133.0	11.2
France	56.6	20.9	8.1	85.6	7.2
Luxembourg	22.2	1.4	150.4	174.0	14.6
Netherlands	56.6	8.7	0.6	65.9	5.5
UK	42.6	25.6	4.6	72.9	6.1
Offshore financial centres	62.3	0.8	26.4	89.5	7.5
North America, of which	86.7	75.2	8.7	170.7	14.3
US	76.7	67.1	8.2	152.0	12.8
Central and South America, of which	16.7	10.7	71.1	98.6	8.3
Offshore financial centres	14.9	8.1	71.1	94.2	7.9
Asia	10.6	23.8	2.1	36.5	3.1
Rest of the world	66.3	34.6	1.3	102.2	8.5
All countries	615.4	277.5	297.9	1 190.8	100.0

Notes

Changes from the previous year

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 collective investment schemes 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 collective investment schemes).

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 assets and liabilities

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 exceeds 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 under review are published in December, the figures for the previous period are generally also 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 and new sources – also for periods dating further back – are discussed in the explanatory notes of the publication in question.

Switzerland's international investment position – overview
In CHF millions

Table 1.1

Total at year-end	2003	2004	2005	2006	2007
Foreign assets	2 189 987	2 259 962	2 772 036	3 068 063	3 636 196
Direct investment ¹	422 244	453 307	567 752	683 307	740 472
Portfolio investment	816 257	860 284	958 336	1 072 345	1 190 815
Derivatives and structured products	.	.	.	113 568	138 867
Other assets	865 439	861 908	1 090 255	1 120 174	1 481 013
Reserve assets	86 047	84 462	75 794	78 668	85 029
Foreign liabilities	1 657 579	1 724 954	2 204 280	2 523 107	2 921 899
Direct investment ¹	200 666	223 694	223 636	323 310	379 894
Portfolio investment	556 790	589 478	788 126	930 140	902 077
Derivatives and structured products	.	.	.	70 936	75 938
Other liabilities	900 123	911 782	1 132 107	1 198 722	1 563 991
Net investment position	532 408	535 009	567 756	544 956	714 297
Direct investment ¹	221 578	229 614	344 115	359 997	360 578
Portfolio investment	259 466	270 806	170 210	142 205	288 738
Derivatives and structured products	.	.	.	42 633	62 929
Other assets and liabilities	-34 684	-49 874	-41 852	-78 547	-82 977
Reserve assets ²	86 047	84 462	75 794	78 668	85 029

¹ Expansion of the reporting population in 2004.

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

Assets - breakdown by components
In CHF millions

Table 2.1

Total at year-end	2003	2004	2005	2006	2007
Direct investment^{1,2}	422 244	453 307	567 752	683 307	740 472
Equity capital	386 412	428 591	540 192	620 098	662 388
Intragroup lending	35 832	24 717	27 560	63 210	78 084
Portfolio investment	816 257	860 284	958 336	1 072 345	1 190 815
Debt securities	453 033	476 140	488 672	557 993	615 356
Bonds and notes	417 829	443 274	445 780	496 491	526 490
Money market paper	35 205	32 866	42 892	61 502	88 866
Equity securities	363 223	384 145	469 664	514 353	575 459
Shares	224 784	228 174	250 248	263 135	277 530
Collective investment schemes	138 439	155 971	219 416	251 218	297 929
Derivatives and structured products	.	.	.	113 568	138 867
Derivatives	.	.	.	46 244	58 312
Structured products	.	.	.	67 324	80 555
Other foreign assets	865 439	861 908	1 090 255	1 120 174	1 481 013
Loans by	761 092	754 471	948 618	943 435	1 274 340
the Swiss National Bank	9 391	9 209	10 573	9 785	15 641
Government	484	473	8 752	8 954	6 167
Banks ³	626 246	613 545	744 367	739 126	1 013 141
to banks	526 516	482 693	599 608	581 195	812 726
to customers	99 730	130 852	144 759	157 931	200 415
Companies ⁴	124 971	131 243	184 926	185 571	239 391
Other investment	104 347	107 437	141 637	176 739	206 674
of which fiduciary investments	63 064	65 331	84 011	107 818	124 060
Reserve assets	86 047	84 462	75 794	78 668	85 029
Gold	27 128	21 639	28 050	32 221	34 776
Foreign exchange ⁵	56 312	60 708	46 585	45 592	49 468
Reserve position in the IMF	2 562	2 035	1 080	557	406
Other reserve assets	46	80	79	298	379
Total	2 189 987	2 259 962	2 692 137	3 068 063	3 636 196

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.

Assets – breakdown by currency
In CHF millions

Table 2.2

Total at year-end	2003	2004	2005	2006	2007
Direct investment^{1,2}	422 244	453 307	567 752	683 307	740 472
CHF	-870	-3 594	-4 116	-3 807	-863
USD	89 939	89 316	129 939	154 563	130 655
EUR	125 634	136 439	170 132	192 619	238 212
Other currencies	207 541	231 146	271 797	339 932	372 469
Portfolio investment	816 257	860 284	958 336	1 072 345	1 190 815
CHF	212 213	226 531	238 802	274 765	315 135
USD	207 094	209 115	247 240	269 688	294 547
EUR	312 914	330 183	344 277	393 027	434 446
Other currencies	84 036	94 455	128 018	134 866	146 686
Derivatives and structured products	.	.	.	113 568	138 867
CHF	.	.	.	73 092	89 858
USD	.	.	.	14 810	19 078
EUR	.	.	.	22 528	24 646
Other currencies	.	.	.	3 138	5 285
Other foreign assets	865 439	861 908	1 090 255	1 120 174	1 481 013
CHF	109 847	112 567	132 459	137 391	157 943
USD	384 477	398 701	567 943	562 587	523 616
EUR	227 052	214 771	238 224	252 470	316 795
Other currencies	139 923	131 194	143 499	156 596	469 450
Precious metals	4 139	4 675	8 130	11 129	13 209
Reserve assets³	86 047	84 462	75 794	78 668	85 029
CHF	-	-	-	-	-
USD	20 406	20 405	16 282	14 956	15 711
EUR	29 320	28 855	21 570	21 443	23 047
Other currencies	9 193	13 563	9 892	10 048	11 495
Precious metals	27 128	21 639	28 050	32 221	34 776
Total foreign assets	2 189 987	2 259 962	2 692 137	3 068 063	3 636 196
CHF	321 191	335 504	367 144	481 441	562 073
USD	681 510	697 132	945 121	1 016 604	983 607
EUR	665 600	681 393	752 633	882 088	1 037 146
Other currencies	431 500	456 795	543 314	644 581	1 005 385
Precious metals	31 267	26 314	36 180	43 350	47 985

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.

Assets – breakdown by sector
In CHF millions

Table 2.3

Total at year-end	2003	2004	2005	2006	2007
Swiss National Bank	98 445	96 270	88 451	90 250	102 502
Portfolio investment	2 945	2 537	1 993	1 707	1 742
Loans and other foreign assets	9 452	9 270	10 663	9 875	15 731
Reserve assets ¹	86 047	84 462	75 794	78 668	85 029
Government	960	954	9 238	9 390	7 128
Loans and other foreign assets	960	954	9 238	9 390	7 128
Banks	741 712	737 435	892 141	959 073	1 264 937
Direct investment ²	57 078	59 480	70 038	81 410	86 794
Portfolio investment	58 389	64 410	77 736	96 534	108 352
Derivatives and structured products	.	.	.	42 003	56 650
Loans and other foreign assets	626 246	613 545	744 367	739 126	1 013 141
Other sectors	1 348 870	1 425 303	1 702 307	2 009 350	2 261 630
Direct investment ²	365 166	393 828	497 713	601 897	653 678
Portfolio investment	754 923	793 337	878 606	974 105	1 080 721
Derivatives and structured products	.	.	.	71 565	82 217
Loans and other foreign assets ³	228 781	238 138	325 987	361 784	445 014
Total foreign assets	2 189 987	2 259 962	2 692 137	3 068 063	3 636 196

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.

Liabilities – breakdown by components
In CHF millions

Table 3.1

Total at year-end	2003	2004	2005	2006	2007
Direct investment^{1,2}	200 666	223 694	223 636	323 310	379 894
Equity capital	189 246	219 099	222 354	288 184	348 153
Intragroup lending	11 420	4 594	1 282	35 126	31 741
Portfolio investment	556 790	589 478	788 126	930 140	902 077
Debt securities	58 785	72 711	83 017	95 150	85 365
Bonds and notes	57 675	71 408	81 638	93 415	83 479
Money market paper	1 110	1 303	1 379	1 735	1 886
Equity securities	498 005	516 767	705 109	834 990	816 712
Shares	431 847	451 126	622 793	746 653	716 378
Collective investment schemes	66 158	65 641	82 316	88 337	100 334
Derivatives and structured products	.	.	.	70 936	75 938
Derivatives	.	.	.	41 914	57 199
Structured products	.	.	.	29 021	18 739
Other foreign liabilities	900 123	911 782	1 132 107	1 198 722	1 563 991
Loans to	742 707	748 870	946 183	984 894	1 320 751
the Swiss National Bank	641	330	721	426	6 380
Government	575	798	945	1 463	1 755
Banks ³	636 533	641 916	775 536	803 859	1 084 793
from banks	535 646	538 622	662 548	688 407	963 738
from customers	100 887	103 294	112 988	115 452	121 055
Companies ⁴	104 957	105 826	168 982	179 146	227 823
Other investment	157 416	162 912	185 924	213 828	243 240
Total	1 657 579	1 724 954	2 143 869	2 523 107	2 921 899

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.

Liabilities – breakdown by currency
In CHF millions

Table 3.2

Total at year-end	2003	2004	2005	2006	2007
Direct investment^{1,2}	200 666	223 694	223 636	323 310	379 894
CHF	196 300	219 074	229 896	306 124	362 172
USD	4 324	7 657	-927	21 280	15 006
EUR	187	-2 893	-4 985	2 100	9 060
Other currencies	-145	-144	-348	-6 194	-6 343
Portfolio investment	556 790	589 478	788 126	930 140	902 077
CHF	481 581	506 741	694 291	837 813	799 514
USD	30 148	33 219	36 625	36 776	43 483
EUR	36 102	39 311	43 718	41 774	43 909
Other currencies	8 960	10 207	13 492	13 777	15 171
Derivatives and structured products	.	.	.	70 936	75 938
CHF	.	.	.	57 849	58 155
USD	.	.	.	5 905	7 093
EUR	.	.	.	5 818	8 992
Other currencies	.	.	.	1 364	1 697
Other foreign liabilities	900 123	911 782	1 132 107	1 198 722	1 563 991
CHF	230 962	227 636	246 535	257 853	292 502
USD	324 288	362 216	507 413	462 913	550 382
EUR	231 057	233 917	248 778	317 029	312 729
Other currencies	104 465	77 829	114 558	140 066	383 954
Precious metals	9 352	10 185	14 824	20 860	24 424
Total foreign liabilities	1 657 579	1 724 954	2 143 869	2 523 107	2 921 899
CHF	908 842	953 451	1 170 722	1 459 639	1 512 343
USD	358 760	403 091	543 111	526 874	615 964
EUR	267 346	270 335	287 511	366 721	374 690
Other currencies	113 279	87 892	127 702	149 013	394 479
Precious metals	9 352	10 185	14 824	20 860	24 424

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

² Expansion of the reporting population in 2004.

Liabilities – breakdown by sector
In CHF millions

Table 3.3

Total at year-end	2003	2004	2005	2006	2007
Swiss National Bank	9 581	9 162	9 948	10 019	16 140
Loans and other foreign liabilities	9 581	9 162	9 948	10 019	16 140
Government	20 640	31 313	50 103	61 019	49 957
Portfolio investment	20 065	30 515	49 158	59 556	48 202
Loans and other foreign liabilities	575	798	945	1 463	1 755
Banks	664 889	670 160	806 705	879 198	1 179 853
Direct investment ¹	26 536	27 288	29 688	32 063	35 761
Portfolio investment ²
Derivatives and structured products	.	.	.	40 757	55 923
Loans and other foreign liabilities	638 353	642 873	777 017	806 377	1 088 169
Other sectors	962 470	1 014 318	1 277 114	1 572 871	1 675 950
Direct investment ¹	174 130	196 406	193 948	291 247	344 133
Portfolio investment ³	536 725	558 963	738 968	870 584	853 875
Derivatives and structured products	.	.	.	30 179	20 015
Loans and other foreign liabilities ⁴	251 614	258 949	344 198	380 862	457 927
Total foreign liabilities	1 657 579	1 724 954	2 143 869	2 523 107	2 921 899

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.

Assets – portfolio investment abroad – by country of issuer

Table 4.1

Total

In CHF millions

Stock at year-end	2003	2004	2005	2006	2007
Europe	531 613	572 911	629 701	705 015	782 963
EU ¹	478 850	512 871	569 769	616 729	676 006
Other European countries ²	52 763	60 039	59 933	88 286	106 957
Selected countries					
Belgium	5 648	6 716	7 805	8 608	10 590
Denmark	4 965	4 580	6 002	6 380	7 826
Germany	102 620	107 162	117 237	125 243	132 982
Finland	6 282	6 771	6 741	6 696	7 821
France	54 555	62 604	69 566	77 584	85 584
Greece	1 317	2 011	2 596	3 405	3 950
Ireland	10 871	13 818	22 010	28 561	33 953
Italy	11 874	12 304	14 041	12 695	13 497
Luxembourg	131 348	136 373	149 851	159 828	174 033
Netherlands	65 544	66 578	62 562	66 184	65 942
Norway	6 255	5 582	5 692	6 491	8 479
Austria	25 852	27 599	30 513	35 088	40 036
Portugal	881	969	1 313	1 438	1 628
Russian Federation	1 699	1 805	2 084	3 898	5 701
Sweden	9 898	9 678	10 157	10 428	11 680
Spain	5 952	7 015	8 359	10 015	10 691
Turkey	770	831	554	2 658	1 286
United Kingdom	41 240	48 685	61 017	64 574	72 861
Offshore financial centres ³	42 725	50 290	48 414	71 607	89 536
North America	130 172	123 308	145 760	161 852	170 656
Canada	10 230	10 022	13 419	15 607	18 678
United States	119 943	113 286	132 341	146 245	151 978
Central and South America	50 574	53 759	69 734	85 773	98 556
of which					
Brazil	2 091	1 514	1 689	2 010	2 431
Mexico	736	662	898	1 119	1 223
Offshore financial centres ⁴	46 541	50 480	65 715	81 387	94 161

Stock at year-end	2003	2004	2005	2006	2007
Asia	21 347	23 781	34 909	34 573	36 470
of which					
Hong Kong	964	1 092	1 415	1 766	2 683
Japan	15 295	16 836	24 471	22 845	21 804
Korea (South)	1 447	1 734	2 401	2 582	3 128
Philippines	734	678	473	479	632
Singapore	655	856	1 197	1 509	2 081
Taiwan	790	957	1 273	1 196	1 050
Africa	1 419	1 507	1 899	2 090	2 357
of which					
South Africa	923	999	1 187	1 245	1 293
Oceania	7 815	8 997	12 129	13 984	16 933
of which					
Australia	7 238	8 260	10 933	12 640	15 160
New Zealand	552	706	1 154	1 270	1 645
International organisations	4 162	4 145	6 386	5 919	6 564
Not broken down by country	69 154	71 877	57 815	63 140	76 316
Total	816 257	860 285	958 335	1 072 345	1 190 815

¹ Until 2003, EU15; as of 2004, EU25; as of 2007, EU27.

² Until 2003, incl. Baltic countries, Malta, Poland, Slovakia, Slovenia, Czech Republic, Hungary and Cyprus; until 2006, incl. Bulgaria and Romania.

³ Gibraltar, Guernsey, Jersey and the Isle of Man.

⁴ Virgin Islands (US), Anguilla, Antigua and Barbuda, Bahamas, Barbados, Belize, Bermuda, Virgin Islands (British), Dominica, Grenada, Jamaica, Cayman Islands, Montserrat, Netherlands Antilles, Panama, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Turks and Caicos Islands.

Assets – portfolio investment abroad – by country of issuer
Debt securities
 In CHF millions

Table 4.2

Stock at year-end	2003	2004	2005	2006	2007
Europe	310 457	334 318	350 494	395 347	435 063
EU ¹	265 376	286 136	307 207	331 481	362 442
Other European countries ²	45 081	48 182	43 286	63 866	72 621
Selected countries					
Belgium	4 401	4 984	5 495	5 835	6 527
Denmark	4 451	3 951	5 361	5 536	6 887
Germany	74 224	77 524	83 974	89 628	85 710
Finland	3 482	4 113	3 640	4 149	4 725
France	39 592	46 577	48 965	51 170	56 553
Greece	1 115	1 722	2 039	2 397	2 788
Ireland	4 518	6 768	9 935	14 085	16 779
Italy	7 901	7 927	8 322	6 854	6 536
Luxembourg	19 447	17 854	17 952	19 641	22 211
Netherlands	47 288	49 080	50 536	54 434	56 591
Norway	5 897	5 090	4 669	5 246	6 946
Austria	24 430	25 710	27 766	31 765	36 474
Portugal	686	779	1 026	1 205	1 399
Russian Federation	389	299	375	370	294
Sweden	7 829	6 875	7 459	7 322	8 973
Spain	3 041	3 248	3 798	4 606	5 429
Turkey	564	536	452	390	1 180
United Kingdom	22 970	29 020	30 942	32 854	42 641
Offshore financial centres ³	37 142	41 033	35 061	54 882	62 337
North America	61 743	56 225	66 611	77 146	86 684
Canada	6 896	6 249	7 238	8 215	9 971
United States	54 846	49 976	59 373	68 932	76 713
Central and South America	18 581	17 924	15 044	17 994	16 687
of which					
Brazil	1 132	975	744	696	635
Mexico	495	411	559	538	526
Offshore financial centres ⁴	15 874	15 516	12 685	15 591	14 932

Stock at year-end	2003	2004	2005	2006	2007
Asia	5 676	5 211	5 847	7 628	10 567
of which					
Hong Kong	61	54	91	104	140
Japan	4 208	3 685	3 932	4 865	5 464
Korea (South)	131	173	263	838	1 418
Philippines	707	634	422	424	562
Singapore	188	237	368	370	811
Taiwan	90	97	84	75	75
Africa	637	667	639	851	970
of which					
South Africa	207	223	244	319	415
Oceania	6 110	6 743	8 941	10 507	12 541
of which					
Australia	5 601	6 096	7 864	9 302	10 967
New Zealand	509	645	1 074	1 203	1 571
International organisations	4 095	3 784	5 847	5 604	6 011
Not broken down by country	45 735	51 269	35 248	42 914	46 833
Total	453 033	476 141	488 671	557 993	615 356

¹ Until 2003, EU15; as of 2004, EU25; as of 2007, EU27.

² Until 2003, incl. Baltic countries, Malta, Poland, Slovakia, Slovenia, Czech Republic, Hungary and Cyprus; until 2006, incl. Bulgaria and Romania.

³ Gibraltar, Guernsey, Jersey and the Isle of Man.

⁴ Virgin Islands (US), Anguilla, Antigua and Barbuda, Bahamas, Barbados, Belize, Bermuda, Virgin Islands (British), Dominica, Grenada, Jamaica, Cayman Islands, Montserrat, Netherlands Antilles, Panama, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Turks and Caicos Islands.

Assets – portfolio investment abroad – by country of issuer
Equity securities
 In CHF millions

Table 4.3

Stock at year-end	2003	2004	2005	2006	2007
Europe	221 157	238 593	279 208	309 667	347 900
EU ¹	213 474	226 735	262 561	285 247	313 564
Other European countries ²	7 683	11 858	16 646	24 420	34 336
Selected countries					
Belgium	1 247	1 733	2 310	2 772	4 063
Denmark	515	629	641	844	939
Germany	28 396	29 638	33 263	35 614	47 272
Finland	2 800	2 658	3 102	2 547	3 096
France	14 963	16 027	20 601	26 414	29 031
Greece	202	289	557	1 009	1 162
Ireland	6 353	7 050	12 075	14 476	17 174
Italy	3 972	4 377	5 719	5 841	6 961
Luxembourg	111 901	118 520	131 898	140 187	151 822
Netherlands	18 256	17 498	12 026	11 750	9 351
Norway	358	492	1 024	1 245	1 533
Austria	1 422	1 889	2 747	3 324	3 562
Portugal	195	190	288	233	229
Russian Federation	1 309	1 506	1 709	3 528	5 407
Sweden	2 069	2 803	2 697	3 106	2 706
Spain	2 911	3 767	4 562	5 409	5 262
Turkey	206	295	103	2 269	106
United Kingdom	18 270	19 666	30 075	31 721	30 220
Offshore financial centres ³	5 584	9 256	13 353	16 725	27 199
North America	68 430	67 083	79 149	84 706	83 972
Canada	3 334	3 773	6 181	7 392	8 707
United States	65 096	63 310	72 968	77 313	75 265
Central and South America	31 993	35 836	54 690	67 778	81 869
of which					
Brazil	960	538	945	1 314	1 796
Mexico	241	251	339	581	697
Offshore financial centres ⁴	30 667	34 964	53 029	65 796	79 229

Stock at year-end	2003	2004	2005	2006	2007
Asia	15 671	18 570	29 062	26 945	25 903
of which					
Hong Kong	903	1 038	1 323	1 662	2 543
Japan	11 087	13 151	20 539	17 979	16 340
Korea (South)	1 316	1 561	2 139	1 745	1 710
Philippines	27	44	51	55	70
Singapore	467	619	829	1 139	1 271
Taiwan	700	860	1 189	1 121	975
Africa	782	840	1 260	1 239	1 387
of which					
South Africa	716	775	944	926	877
Oceania	1 705	2 254	3 188	3 477	4 392
of which					
Australia	1 637	2 164	3 069	3 338	4 193
New Zealand	43	62	80	67	74
International organisations	67	361	540	315	553
Not broken down by country	23 419	20 608	22 568	20 226	29 483
Total	363 223	384 144	469 664	514 353	575 459

¹ Until 2003, EU15; as of 2004, EU25; as of 2007, EU27.

² Until 2003, incl. Baltic countries, Malta, Poland, Slovakia, Slovenia, Czech Republic, Hungary and Cyprus; until 2006, incl. Bulgaria and Romania.

³ Gibraltar, Guernsey, Jersey and the Isle of Man.

⁴ Virgin Islands (US), Anguilla, Antigua and Barbuda, Bahamas, Barbados, Belize, Bermuda, Virgin Islands (British), Dominica, Grenada, Jamaica, Cayman Islands, Montserrat, Netherlands Antilles, Panama, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Turks and Caicos Islands.

Other SNB publications on Switzerland's international investment position

The SNB publishes quarterly data on Switzerland's international investment position in the *Monthly Statistical Bulletin* (R tables). The March, June, September and December issues of the *Monthly Statistical Bulletin* contain the latest data on Switzerland's investment position.

The *Monthly Statistical Bulletin* is available as a pdf file on the SNB website at www.snb.ch, *Publications*. The online version of the *Monthly Statistical Bulletin* provides access to long time series. Data is available on an annual basis from 1985, and on a quarterly basis from 2000.

Further information

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