

Communications

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Household wealth in 2006

Strong advance in household assets again

Data published by the Swiss National Bank on household financial assets for 2006 show a substantial increase in net financial assets, by CHF 93 billion to CHF 1,261 billion. At the end of 2006, average net financial assets per capita amounted to CHF 167,000.

Household financial assets form part of the Swiss financial accounts, which present the volume and breakdown of the financial assets and liabilities held by the different sectors of the economy. This year, data on financial transactions are being published for the first time. This makes it possible to differentiate between transactions (purchases less sales) and capital gains when looking at changes in financial assets and liabilities. Non-financial assets are not included in the financial accounts.

The report on the financial accounts for all sectors contains data to 2005, and is available at www.snb.ch, *Publications*. Data on transactions are available for households and for the general government sector. For 2006, figures are already available for the households sector. These figures are being released as part of this communication and are discussed below.

Results

In 2006, financial assets held by households in Switzerland rose by CHF 119 billion to CHF 1,865 billion, while liabilities increased by CHF 26 billion to CHF 604 billion. Consequently, household net financial assets, at CHF 1,261 billion, were CHF 93 billion higher than in 2005 (when they had risen by CHF 118 billion). Three-quarters of this increase was attributable to capital gains. As in 2005, households benefited from the upward trend observed on all major stock markets – the Swiss Performance Index, for instance, rose by 21% in 2006.

Graph 1 shows stocks of household financial assets, broken down by financial instrument. Graphs 2 and 3 show how transactions as well as capital gains or losses contributed to the changes in stocks.

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In 2006, households' insurance technical reserves rose by CHF 39 billion to CHF 794 billion. About 60% of this increase was attributable to the fact that, in occupational pension schemes, contributions together with interest and dividends were higher than benefits paid out by these schemes; 40% arose from capital gains on investments made by insurance companies and pension funds. As in the previous year, households were net sellers of shares (CHF –13 billion). Nevertheless, they again earned substantial capital gains CHF (+39 billion). Consequently, the stock of shares rose by CHF 26 billion to CHF 259 billion. As opposed to their sales of shares, households engaged in additional purchases of units in collective investment schemes amounting to CHF 15 billion. Including capital gains, collective investment schemes rose by CHF 26 billion to CHF 210 billion. CHF 4 billion were invested in structured products, which increased by CHF 13 billion to CHF 43 billion, taking capital gains into account. Investment in debt securities rose by CHF 4 billion to CHF 113 billion, while deposits with banks and PostFinance advanced by CHF 11 billion to CHF 446 billion.

At the end of 2006, insurance technical reserves made up 43% of household financial assets, with occupational pension schemes accounting for 80% of this figure. The second-largest asset category was deposits with banks and PostFinance, at 24%. This was followed by shares, at 14%, and units in collective investment schemes, at 11%. Debt securities accounted for 6% and structured products for 2% (cf. graph 4).

About 90% of household liabilities took the form of mortgages. In 2006, these rose by CHF 24 billion to CHF 548 billion. Other types of loans rose by CHF 2 billion to CHF 47 billion.

The report for all sectors of the Swiss financial accounts incorporating data to 2005 will be made available online at www.snb.ch, *Publications*, on 20 November 2007, at 9.00 a.m. The printed version may be obtained from the Swiss National Bank from 27 November 2007. Subscribers to the SNB's *Monthly Statistical Bulletin* will receive the report automatically.

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Appendix: Graphs and tables

Graph 1: Stocks of household financial assets

Graph 2: Household transactions

Graph 3: Capital gains and losses for households

Graph 4: Breakdown of stocks of household financial assets

Table 1: Stocks of household financial assets and liabilities

Table 2: Household transactions

Table 3: Capital gains and losses for households

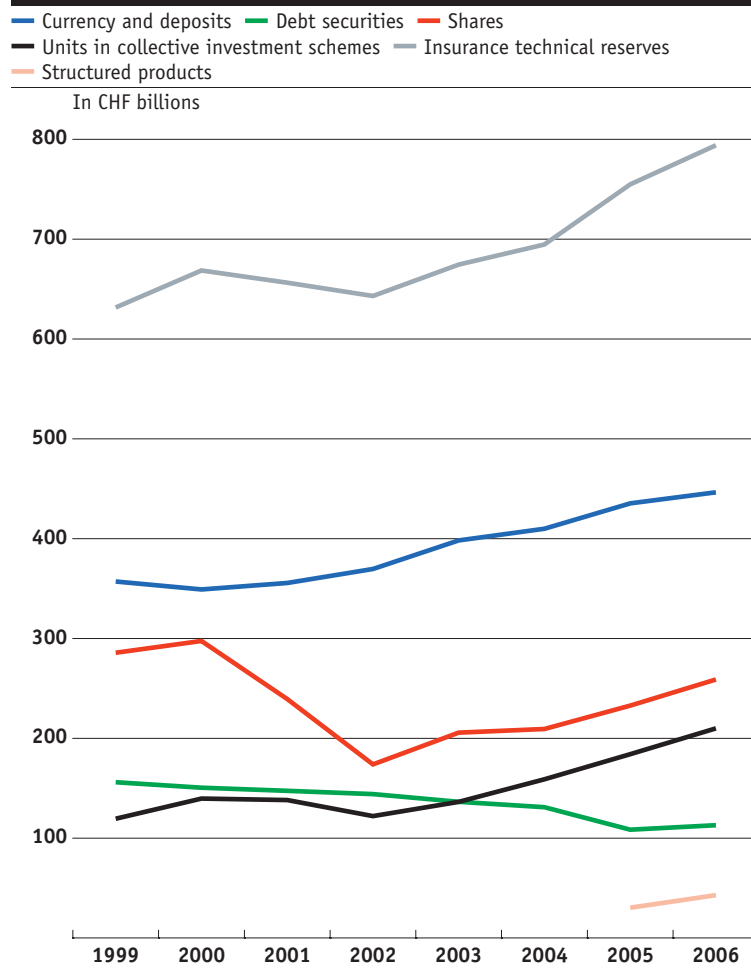
Table 4: Statistical changes and reclassifications

Note on interconnections between graphs and tables:

The changes to the stocks of financial assets and liabilities shown in graph 1 and table 1 correspond to the sum of the transactions (graph 2 and table 2), the capital gains and losses (graph 3 and table 3) and the statistical changes and reclassifications (table 4).

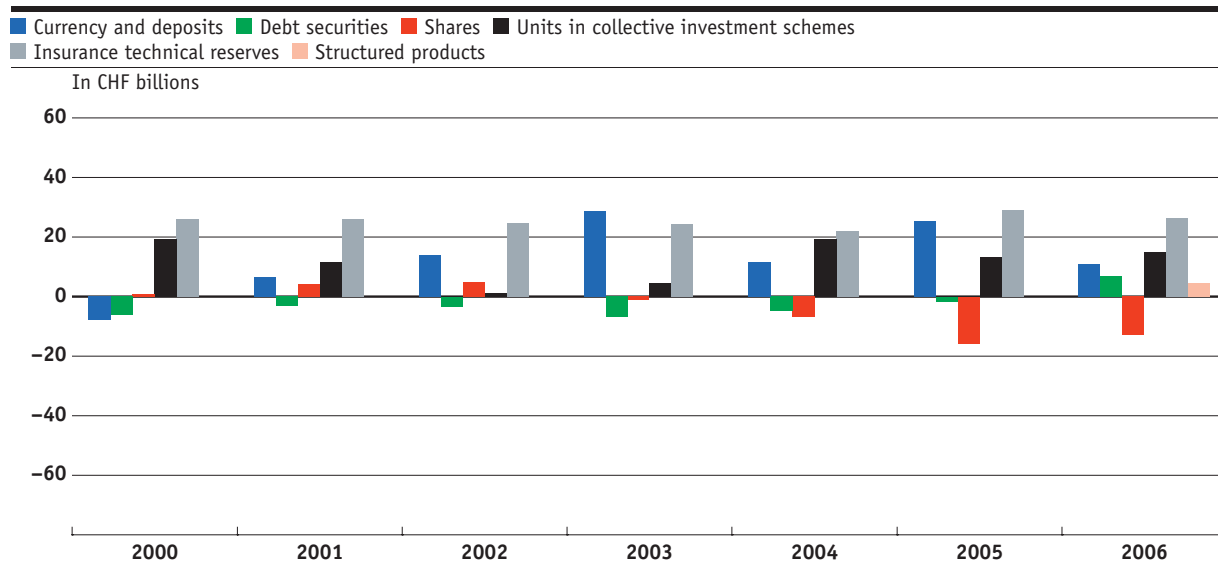
Graph 1

Stocks of household financial assets



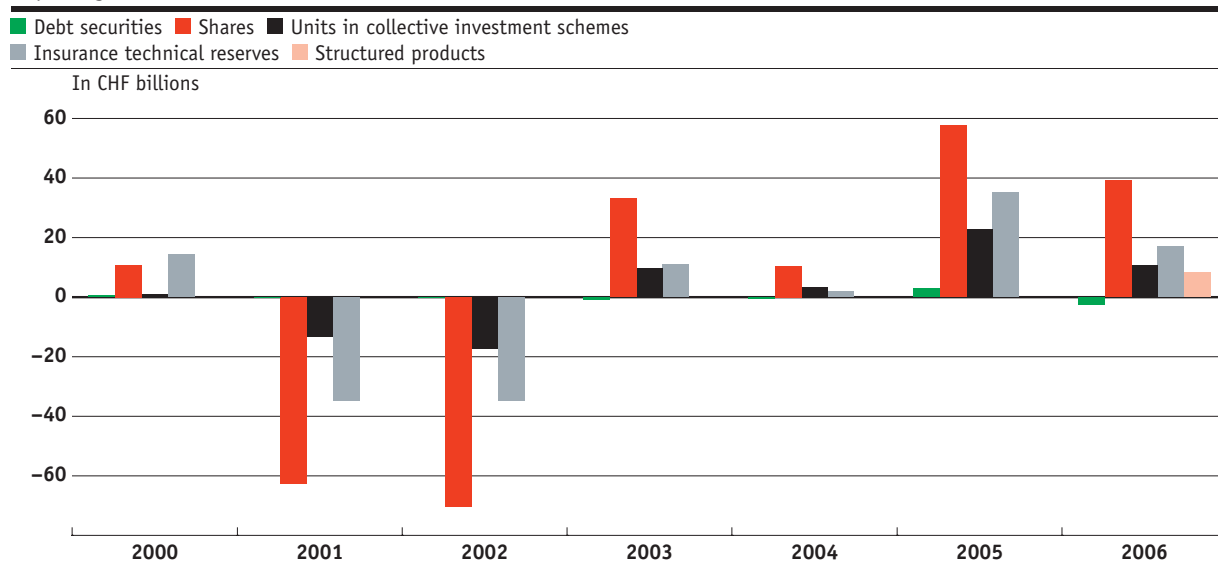
Graph 2

Household transactions

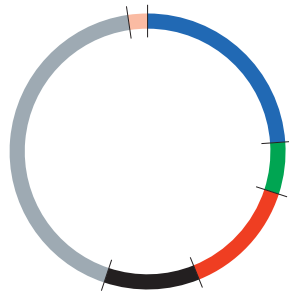


Graph 3

Capital gains and losses for households



Graph 4



Breakdown of stocks of household financial assets
At year-end 2006, in %

- Currency and deposits, 23.9
- Debt securities, 6.1
- Shares, 13.9
- Units in collective investment schemes, 11.2
- Insurance technical reserves, 42.6
- Structured products, 2.3

Stocks of household financial assets and liabilities

in CHF millions

Table 1

Item	1999	2000	2001	2002	2003	2004	2005	2006
1. Financial assets								
Currency and deposits	357 108	349 152	355 629	369 633	398 241	409 949	435 371	446 446
Debt securities	156 059	150 570	147 432	144 157	136 436	131 030	108 511	112 999
Shares	285 741	297 541	239 342	173 912	205 709	209 372	232 793	258 960
Units in collective investment schemes	119 486	139 682	138 197	122 116	136 366	158 995	184 141	210 000
Insurance technical reserves	631 585	668 641	656 387	643 091	674 517	694 672	754 909	794 086
Structured products	..	..	..	..	..	..	30 343	42 931
Total	1 549 979	1 605 585	1 536 987	1 452 909	1 551 269	1 604 019	1 746 066	1 865 422
2. Liabilities								
Loans	461 366	473 273	485 131	502 955	531 138	547 963	569 621	595 513
Mortgages	416 320	427 954	438 015	457 300	484 754	500 927	524 239	548 142
Other loans	45 046	45 319	47 116	45 655	46 385	47 036	45 382	47 371
Other accounts payable	7 088	7 087	7 369	6 201	8 784	5 894	7 960	8 546
Total	468 454	480 360	492 501	509 156	539 923	553 857	577 580	604 058
3. Net financial assets	1 081 524	1 125 226	1 044 486	943 753	1 011 346	1 050 162	1 168 486	1 261 363

.. No data available

Household transactions

in CHF millions

Table 2

Item	2000	2001	2002	2003	2004	2005	2006
1. Financial assets							
Currency and deposits	- 7 957	6 478	14 004	28 608	11 708	25 422	11 075
Debt securities	- 6 123	- 3 043	- 3 342	- 6 836	- 4 962	- 1 629	6 863
Shares	999	4 316	5 022	- 1 256	- 6 843	- 15 739	- 12 940
Units in collective investment schemes	19 204	11 739	1 160	4 687	19 460	13 165	15 091
Insurance technical reserves	25 908	25 872	24 837	24 186	22 121	29 209	26 365
Structured products	..	..	..	..	..	..	4 368
Total	32 031	45 361	41 681	49 389	41 485	50 428	50 822
2. Liabilities							
Loans	11 906	11 858	17 824	28 184	16 824	21 658	25 892
Mortgages	11 633	10 061	19 285	27 454	16 173	23 312	23 903
Other loans	273	1 797	- 1 462	730	651	- 1 654	1 989
Other accounts payable	- 1	283	- 1 168	2 583	- 2 891	2 066	586
Total	11 905	12 141	16 655	30 767	13 934	23 724	26 478
3. Net lending	20 126	33 220	25 025	18 622	27 551	26 705	24 344

.. No data available

Capital gains and losses for households

in CHF millions

Table 3

Item	2000	2001	2002	2003	2004	2005	2006
1. Financial assets							
Currency and deposits	0	0	0	0	0	0	0
Debt securities	634	- 94	66	- 884	- 444	2 849	- 2 375
Shares	10 802	- 62 515	- 70 452	33 053	10 506	57 541	39 107
Units in collective investment schemes	992	- 13 225	- 17 240	9 563	3 170	22 826	10 768
Insurance technical reserves	14 270	- 34 805	- 34 805	10 875	1 917	35 098	16 954
Structured products	..	..	..	..	..	..	8 220
Total	26 698	- 110 639	- 122 432	52 606	15 148	118 313	72 675
2. Liabilities							
Loans	0	0	0	0	0	0	0
Mortgages	0	0	0	0	0	0	0
Other loans	0	0	0	0	0	0	0
Other accounts payable	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0
3. Net financial assets	26 698	- 110 639	- 122 432	52 606	15 148	118 313	72 675

.. No data available

Statistical changes and reclassifications

in CHF millions

Table 4

Item	2000	2001	2002	2003	2004	2005	2006
1. Financial assets							
Currency and deposits	0	0	0	0	0	0	0
Debt securities ¹	0	0	0	0	0	- 23 740	0
Shares ¹	0	0	0	0	0	- 18 381	0
Units in collective investment schemes ¹	0	0	0	0	0	- 10 845	0
Insurance technical reserves ²	- 3 123	- 3 320	- 3 327	- 3 634	- 3 883	- 4 070	- 4 141
Structured products ¹	..	..	..	..	..	30 343	0
Total	- 3 123	- 3 320	- 3 327	- 3 634	- 3 883	- 26 694	- 4 141
2. Liabilities							
Loans	0	0	0	0	0	0	0
Mortgages	0	0	0	0	0	0	0
Other loans	0	0	0	0	0	0	0
Other accounts payable	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0
3. Net financial assets	- 3 123	- 3 320	- 3 327	- 3 634	- 3 883	- 26 694	- 4 141

.. No data available

1 2005: Revisions to securities survey statistics

2 Reclassification of claims against occupational pension schemes from the domestic households sector to the rest of the world due to employees and pensioners whose domicile has transferred to the rest of the world.