

## Communications

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# Household wealth in 2010

## Rise in household wealth checked by currency movements

In 2010, the net worth<sup>1</sup> of households rose by CHF 74 billion, or 2.8%, to CHF 2,691 billion. The main reasons for the increase were the persistently high level of saving by households and the further advance in real estate prices. By contrast, currency movements reduced the growth in household wealth by some CHF 25 billion.

Financial assets held by households grew in 2010 by CHF 49 billion (2.5%) to CHF 1,958 billion, while real estate assets increased by CHF 55 billion (4.1%) to CHF 1,415 billion. Consequently, total assets recorded a growth of CHF 104 billion (3.2%) to CHF 3,373 billion. Liabilities rose by CHF 30 billion (4.6%) to CHF 682 billion. As a result, net worth per capita increased by around CHF 6,000 (1.7%) to CHF 341,000.

Currency movements had a considerable impact on financial assets. From end-2009 to end-2010, the euro lost 16% against the Swiss franc, while the US dollar lost 10%. As a result, households suffered losses amounting to some CHF 25 billion on the value of their foreign currency investments, measured in terms of Swiss francs. Domestic share prices were stable. Share prices on foreign stock exchanges rose slightly, but this did not offset the currency losses on foreign shares.

Deposits with banks and PostFinance grew by CHF 36 billion to CHF 586 billion, due partly to household savings and partly to a shift from debt securities to deposits. Losses of CHF 4 billion were recorded on the deposits as a result of currency movements. Units in collective investment schemes advanced by CHF 2 billion to CHF 182 billion. While, on the one hand, transactions by private households led to a CHF 7 billion increase, on the other hand, capital losses of CHF 5 billion were recorded. In the case of investment in shares, purchases amounted to CHF 5 billion, while capital losses came to CHF 2 billion; consequently stocks of shares rose by CHF 3 billion to CHF 215 billion. Insurance

<sup>1</sup> The net worth figure corresponds to the financial assets and real estate assets less the liabilities.

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technical reserves grew by CHF 28 billion to CHF 830 billion. The main reason for this increase was the fact that contributions to occupational pension schemes exceeded the benefits drawn. Investment in debt securities (medium-term bank-issued notes, short-term securities, long-term securities) declined by CHF 20 billion to CHF 118 billion. Households decreased their stocks of medium-term bank-issued notes by CHF 7 billion and reduced stocks of long-term securities issued by foreign borrowers by CHF 5 billion. In addition, capital losses of CHF 7 billion were recorded as a result of currency movements.

The value of real estate owned by households (single-family homes, owner-occupied apartments and apartment buildings with rental apartments) grew by CHF 55 billion to CHF 1,415 billion. The largest part of this advance was attributable to higher real estate prices in all three categories.

Household liabilities rose overall by CHF 30 billion to CHF 682 billion. Mortgage loans, which account for some 90% of this total, increased by CHF 28 billion to CHF 632 billion. Consumer loans remained stable at CHF 15 billion, while other loans advanced by CHF 2 billion to CHF 32 billion.

The data on the financial assets and liabilities of households form part of the Swiss financial accounts. Data on real estate assets are estimated by the Swiss National Bank. More detailed information on the data sources and estimation methods can be found in appendix 2 of this press release. The *Swiss Financial Accounts* (with data up to 2009) can be accessed on the SNB website: [www.snb.ch](http://www.snb.ch), *Statistics*, *Statistical publications*, *Swiss Financial Accounts* (data to 2009).

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## Appendix 1: Charts and tables

Chart 1: Balance sheet of households

Chart 2: Stocks of household assets

Chart 3: Breakdown of household assets

Chart 4: Transactions in financial assets

Chart 5: Capital gains and losses in financial assets

Table 1: Balance sheet of households

Table 2: Transactions in financial assets and liabilities

Table 3: Capital gains and losses in financial assets and liabilities

Table 4: Statistical changes and reclassifications

Note on the charts and tables:

The assets side of the balance sheet comprises financial assets and real estate assets. The liabilities side contains liabilities and net worth. The net worth per capita is calculated on the basis of the average population of Switzerland as provided by the Swiss Federal Statistical Office.

Changes in these stocks of financial assets and liabilities correspond to the sum of the transactions (chart 4 and table 2), the capital gains and losses (chart 5 and table 3) and the statistical changes and reclassifications (table 4). A breakdown of the changes in stocks of real estate assets is not yet included.

Data on website:

The tables in this press release cover the years 2006 to 2010. On the SNB website ([www.snb.ch](http://www.snb.ch), *Statistics*, *Statistical publications*, *Household Wealth*) data may be found covering the period from 1999 (for financial assets and liabilities), and from 2000 (for real estate assets).

Explanation of symbols:

0 Value negligible

— Absolute zero

.. Data not yet available

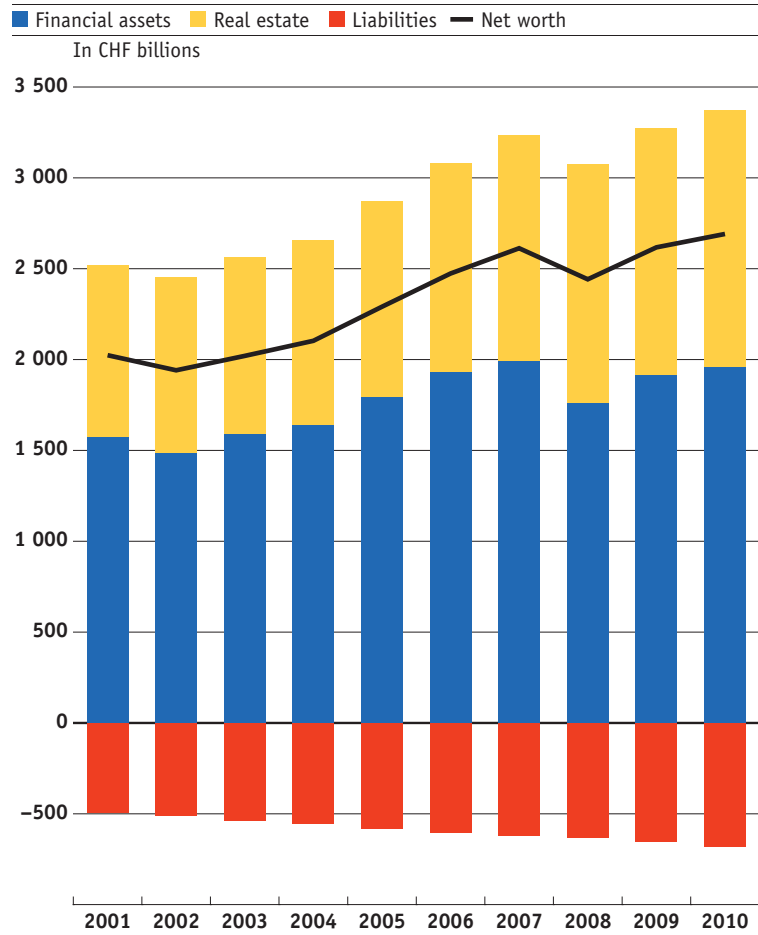


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Chart 1

Balance sheet of households



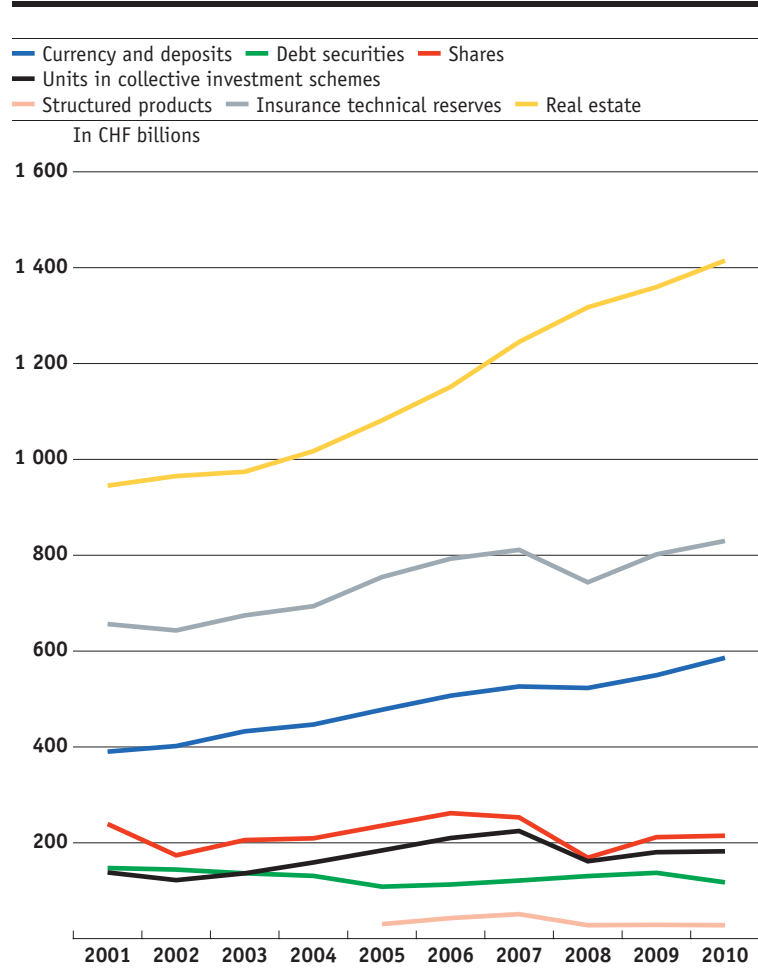


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Chart 2

Stocks of household assets

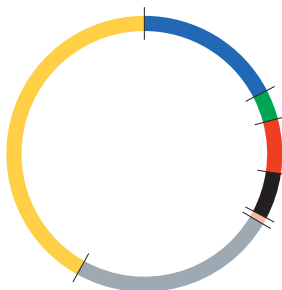




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Chart 3



**Breakdown of household assets**

At year-end 2010, in %

Currency and deposits, 17.4

Debt securities, 3.5

Shares, 6.4

Units in collective investment schemes, 5.4

Structured products, 0.8

Insurance technical reserves, 24.6

Real estate 41.9

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Chart 4

Transactions in financial assets

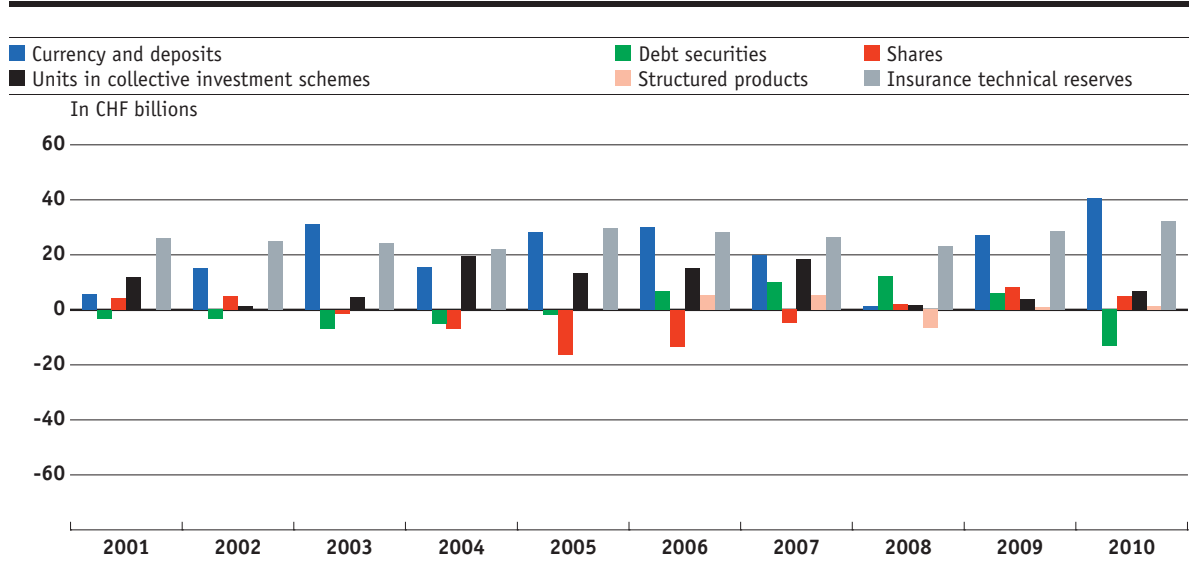
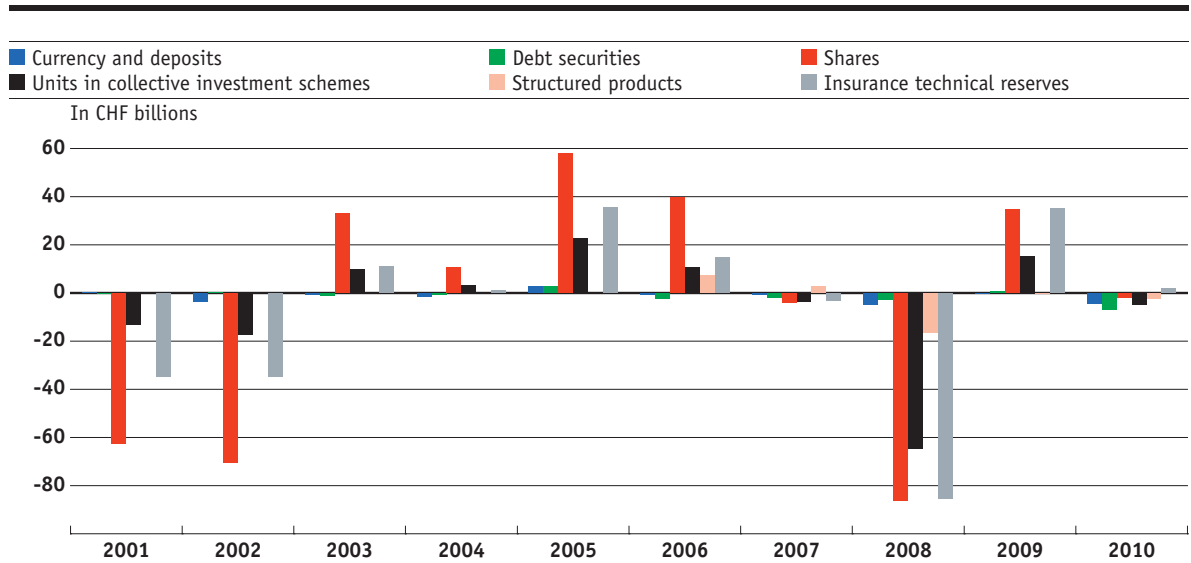


Chart 5

Capital gains and losses in financial assets



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## Balance sheet of households

In CHF millions

Table 1

Item	2006	2007	2008	2009	2010
<b>Assets</b>					
<b>Financial assets</b>	<b>1 927 528</b>	<b>1 987 523</b>	<b>1 755 708</b>	<b>1 909 881</b>	<b>1 958 496</b>
Currency and deposits	506 968	526 198	523 048	549 664	585 960
Debt securities	112 999	121 265	130 581	137 378	117 521
Shares	261 895	253 059	168 913	211 740	214 816
Units in collective investment schemes	210 000	224 645	161 547	180 425	182 286
Structured products	42 931	51 155	28 099	28 872	28 042
Insurance technical reserves	792 735	811 201	743 522	801 802	829 872
<b>Real estate</b>	<b>1 151 282</b>	<b>1 245 060</b>	<b>1 317 348</b>	<b>1 359 495</b>	<b>1 414 786</b>
<b>Total</b>	<b>3 078 810</b>	<b>3 232 583</b>	<b>3 073 056</b>	<b>3 269 376</b>	<b>3 373 282</b>
<b>Liabilities and net worth</b>					
<b>Liabilities</b>	<b>605 225</b>	<b>620 017</b>	<b>631 353</b>	<b>651 832</b>	<b>682 078</b>
Loans	598 861	615 538	626 929	649 380	679 626
Mortgages	547 899	564 609	579 981	604 436	632 278
Consumer loans	14 148	14 803	15 183	15 388	15 303
Other loans	36 815	36 127	31 765	29 557	32 044
Other accounts payable	6 364	4 478	4 425	2 452	2 452
<b>Net worth</b>	<b>2 473 585</b>	<b>2 612 567</b>	<b>2 441 703</b>	<b>2 617 543</b>	<b>2 691 205</b>
<b>Total</b>	<b>3 078 810</b>	<b>3 232 583</b>	<b>3 073 056</b>	<b>3 269 376</b>	<b>3 373 282</b>
<i>Net worth per capita (in CHF)</i>	327 297	342 920	316 650	335 528	341 262



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## Transactions in financial assets and liabilities

In CHF millions

Table 2

Item	2006	2007	2008	2009	2010
<b>Financial assets</b>	<b>71 947</b>	<b>75 298</b>	<b>33 676</b>	<b>74 443</b>	<b>72 512</b>
Currency and deposits	30 069	19 927	1 429	26 946	40 554
Debt securities	6 868	9 986	12 128	6 054	- 13 161
Shares	- 13 440	- 4 794	2 063	8 200	4 988
Units in collective investment schemes	15 094	18 366	1 654	3 685	6 651
Structured products	5 337	5 434	- 6 636	1 026	1 422
Insurance technical reserves	28 020	26 378	23 037	28 533	32 057
<b>Liabilities</b>	<b>23 727</b>	<b>12 061</b>	<b>11 337</b>	<b>20 479</b>	<b>30 246</b>
Loans	25 322	16 677	11 391	22 451	30 246
Mortgages	23 660	16 711	15 372	24 455	27 843
Consumer loans	188	655	381	204	- 85
Other loans	1 474	- 688	- 4 362	- 2 208	2 487
Other accounts payable	- 1 595	- 4 616	- 54	- 1 973	0

## Capital gains and losses in financial assets and liabilities

In CHF millions

Table 3

Item	2006	2007	2008	2009	2010
<b>Financial assets</b>	<b>69 262</b>	<b>- 10 356</b>	<b>- 260 266</b>	<b>84 963</b>	<b>- 18 087</b>
Currency and deposits	- 766	- 697	- 4 579	- 330	- 4 258
Debt securities	- 2 380	- 1 720	- 2 813	743	- 6 697
Shares	39 607	- 4 042	- 86 208	34 628	- 1 913
Units in collective investment schemes	10 765	- 3 721	- 64 753	15 193	- 4 790
Structured products	7 252	2 791	- 16 421	- 253	- 2 252
Insurance technical reserves	14 784	- 2 966	- 85 493	34 981	1 823
<b>Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Loans	0	0	0	0	0
Mortgages	0	0	0	0	0
Consumer loans	0	0	0	0	0
Other loans	0	0	0	0	0
Other accounts payable	0	0	0	0	0

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## Statistical changes and reclassifications

In CHF millions

Table 4

Item	2006	2007	2008	2009	2010
<b>Financial assets</b>	<b>- 4 604</b>	<b>- 4 946</b>	<b>- 5 224</b>	<b>- 5 234</b>	<b>- 5 809</b>
Currency and deposits	—	—	—	—	—
Debt securities <sup>1</sup>	—	—	—	—	—
Shares <sup>1</sup>	—	—	—	—	—
Units in collective investment schemes <sup>1</sup>	—	—	—	—	—
Structured products <sup>1</sup>	—	—	—	—	—
Insurance technical reserves <sup>2</sup>	- 4 604	- 4 946	- 5 224	- 5 234	- 5 809
<b>Liabilities</b>	<b>—</b>	<b>2 730</b>	<b>—</b>	<b>—</b>	<b>—</b>
Loans <sup>3</sup>	—	—	—	—	—
Mortgages	—	—	—	—	—
Consumer loans	—	—	—	—	—
Other loans	—	—	—	—	—
Other accounts payable <sup>4</sup>	—	2 730	—	—	—

1 2005 (data on SNB website): 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.

3 2005 (data on SNB website): New source of data for consumer loans.

4 2007: Change in a statistical source for the financial accounts.

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## Appendix 2: Notes on methodology and data sources

Household assets can be broken down into two parts – financial assets and real estate assets.

### *Financial assets*

The data on the financial assets and liabilities of households are derived from the Swiss financial accounts. The Swiss financial accounts form part of the national accounts for Switzerland and are drawn up, commented on and published by the Swiss National Bank (SNB) ([www.snb.ch](http://www.snb.ch), *Statistics, Statistical publications, Swiss Financial Accounts*).

The financial assets of households consist of currency and deposits, investment in securities and insurance technical reserves. The deposits consist mainly of deposits with banks and PostFinance in the form of savings and transaction accounts as well as time deposits. Investment in securities comprises debt securities (medium-term bank-issued notes, short-term securities, long-term securities), shares, units in collective investment schemes and structured products. Insurance technical reserves are essentially made up of net equity in life insurance contracts and claims against occupational pension schemes, where the occupational pension schemes include not only individual claims of insured persons, but also any excesses or shortfalls in the cover ratios of pension funds. Alongside the financial assets, liabilities are held in the form of loans. Most of these are bank loans (e.g. mortgages, Lombard loans, consumer loans, leasing liabilities) as well as mortgages granted by insurance corporations and pension funds. The *other accounts payable* item is a technical parameter for which there is no economic interpretation.

In addition to stocks, the two most important components explaining changes in asset holdings are also reported. These are transactions as well as capital gains and losses. Transactions comprise effective payment flows and certain imputed transactions. For instance, in the case of insurance technical reserves, investment income is taken into account in addition to paid premiums and pension fund contributions as well as policyholders' pension payments and capital withdrawn. Capital gains and losses are valuation changes arising from movements in market prices and exchange rates.

The data used to calculate the financial assets and liabilities are mainly taken from bank balance sheets, the survey on securities holdings in bank custody accounts and insurance company and pension fund balance sheets. Some individual items, such as currency holdings, are estimated.

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### *Real estate assets*

Data on real estate assets are estimated by the SNB. This estimate is based on an evaluation of the dwellings recorded in the National Register of Buildings and Dwellings (RBD) issued by the Swiss Federal Statistical Office.

The real estate assets reported comprise single-family homes, owner-occupied apartments and apartment buildings with rental apartments located in Switzerland – including the land belonging to the buildings. Commercial real estate, undeveloped land and real estate in the rest of the world are not covered.

The estimate is based on a standard property for each of the three property types – a single-family home, an owner-occupied apartment and an apartment building with rental apartments. These three standard properties are evaluated by real estate consulting companies using hedonic pricing models. This is done for each municipality in Switzerland. The prices obtained in this manner are multiplied by the number of properties in each municipality. Adding the totals for all municipalities provides an estimate of the market value of all single-family homes, all owner-occupied apartments and all apartment buildings with rental apartments in Switzerland. Finally, the share of the households sector in the overall stock of each of the three property types is estimated, using a reference value taken from the Swiss Housing Census of 2000. The same data source is used to divide up the residential stock into owner-occupied and rental dwellings. The Housing Census has to be used because the requisite information is not available in the RBD.