

Swiss financial centre

Key figures April 2020



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Finance FDF
State Secretariat for International Finance SIF

1 Basic elements

Over the past ten years Switzerland’s gross domestic product (GDP) has risen, whereas the absolute contribution of the financial centre to added value has stagnated. This resulted in a declining share of GDP for the financial centre.

Table 1

Added value, in CHF bn

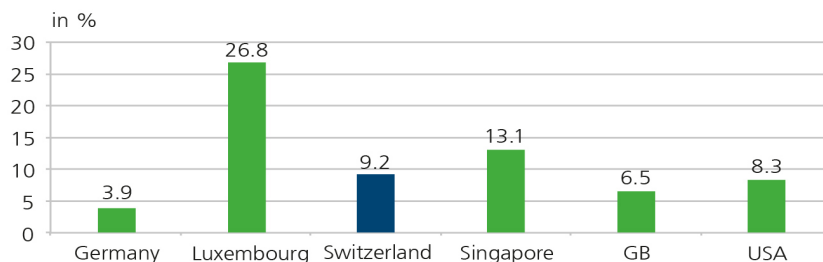
	2009	2014	2019
Financial services	38.0	34.6	33.2
Insurance services	24.9	27.8	30.9
Financial centre total	63.0	62.4	64.1
in % of GDP	10.7	9.6	9.2
GDP Switzerland	589.2	649.7	698.7

Data: FSO/SECO, annual aggregates of GDP, production approach (annual data)

Figure 1

Financial centre’s share of GDP (2019)

The proportion of GDP from the financial centre shows its relative contribution to national added value. The size, sector structure and international interdependence of an economy can influence the extent of production by the financial sector.



The values for the USA refer to 2018.

Data: Federal Statistical Office (DE), Statistics Portal (LU), FSO/SECO (CH), Department of Statistics (SG), Office for National Statistics (GB), Bureau of Economic Analysis (US).

Over the last decade, employment grew only outside the core area of the financial centre. The decline in the traditional financial services sector is clearly visible.

Table 2

Employees, in full-time equivalents

	2009	2014	2019
Financial services	124 163	118 928	104 243
Insurance services	43 697	42 995	42 627
Activities auxiliary to financial services and insurance activities	47 126	52 668	59 548
Financial centre total	214 986	214 411	206 419
in % of overall employment	6.0	5.6	5.2
Overall employment	3 569 400	3 814 009	3 984 399

Data: FSO, Job Statistics (values for Q4)

The financial centre makes a contribution to the receipts of the public sector. This results both from taxes on workers' incomes and from taxes on employers' profits.

Table 3

Estimated Taxes, in CHF bn

	2014	2016	2018
Individuals*	4.9	4.9	5.1
Legal entities	4.3	3.8	2.8
<i>Banks</i>	2.6	2.3	1.5
<i>Insurers</i>	1.9	1.5	1.3
Financial centre total	9.2	8.8	7.9
in % of direct overall tax revenue	10.1	8.8	7.2

* New estimation method in comparison to previous issues.

Data: FSO, FFA, SNB, FINMA (annual data)

2 Global integration

The current account surplus goes hand in hand with a rise in net foreign assets, whereby receivables in relation to foreign countries increase. The financial sector contributes to the creditor position.

Table 4

Net exports, in CHF bn

	2016	2017	2018
Financial services	15.9	16.2	17.3
<i>Export receipts</i>	19.4	19.9	21.1
<i>Import expenditure</i>	3.5	3.7	3.8
Insurance services	6.1	6.5	5.5
<i>Export receipts</i>	7.7	8.2	7.3
<i>Import expenditure</i>	1.6	1.7	1.7
Financial centre total	22.0	22.7	22.5
in % of Switzerland's current account surplus	33.8	52.9	40.3
Current account surplus	64.1	42.9	56.6

Data: <https://data.snb.ch> (SNB data portal; year-end values)

Direct investments are a possible indicator of globalisation and represent a dynamic form of the international division of labour and the interconnectedness of economies.

Table 5

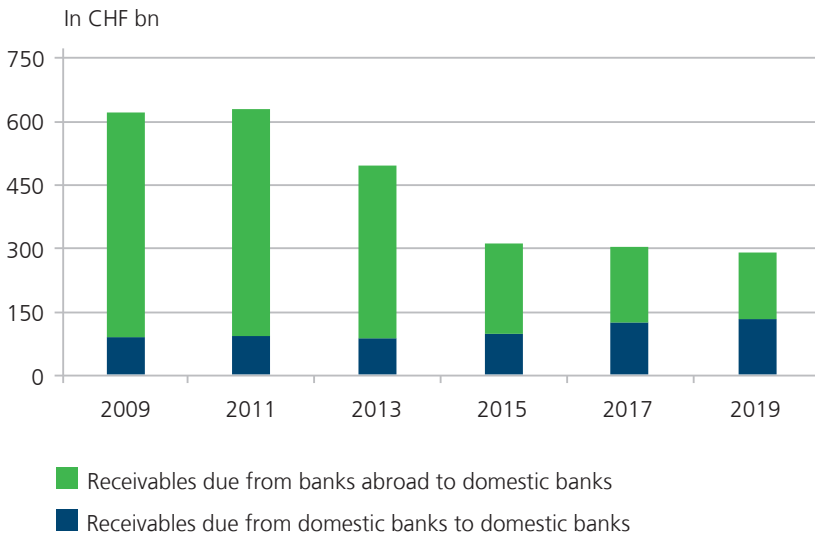
Direct investments abroad, in CHF bn

	2016	2017	2018
Capital stock of banks	86	82	79
Capital stock of insurers	100	107	103
Financial centre total	186	189	182
in % of total capital stock abroad	14.0	13.5	12.4
Total capital stock abroad	1 467	1 399	1 327

Data: <https://data.snb.ch> (SNB data portal; year-end values)

Figure 2
Interbank market (2009–2019)

Cross-border interbank transactions have lost importance over the last decade. This can be interpreted as a sign of Switzerland's reduced international links as a financial centre. In contrast, the interbank business in Switzerland has gained momentum, which has led to an increase in receivables between banks in Switzerland.



Data: <https://data.snb.ch> (SNB data portal; year-end values)

3 Banks and credit market

Following the global financial crisis, the establishment of holding structures and Swiss subsidiaries caused the number of big banks to double. An economic structural change is also evident in the decline of over a third in foreign-controlled banks. The number of private bankers declined too.

Table 6

Number of banks

	2008	2013	2018
Cantonal banks	24	24	24
Big banks	2	2	4
Regional banks and savings banks	75	64	60
Raiffeisen banks	1	1	1
Stock exchange banks	48	47	43
Foreign-controlled banks	123	93	74
Branches of foreign banks	31	27	23
Private bankers	14	11	5
Other banks	9	14	14
Total	327	283	248
<i>Systemically important banks</i>	-	2	5

Data: <https://data.snb.ch> (SNB data portal; year-end values)

The financial sector and the real economy are interconnected through bank lending. In domestically focused banking business, mortgage credits are the most important form of credit investment, whereas for foreign-facing business this kind of credit tends to be an exception.

Table 7

Credit volume, in CHF bn

	2017	2018	2019
Domestic borrowers	1 134	1 173	1 212
<i>of which mortgage borrowers</i>	974	1 006	1 038
Foreign borrowers	199	184	185
<i>of which mortgage borrowers</i>	9	9	10
Total	1 332	1 357	1 397

Data: <https://data.snb.ch> (SNB data portal; year-end values)

Holdings in client bank accounts serve as an indicator of the assets managed in Switzerland's financial centre.

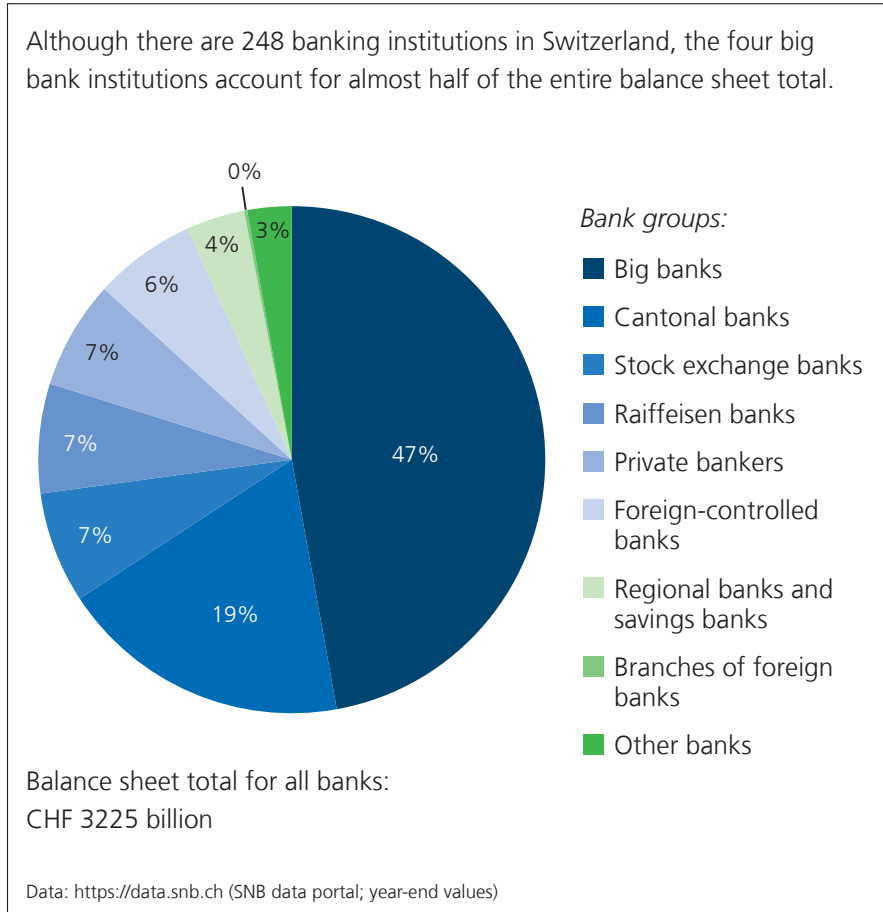
Table 8

Securities holdings, in CHF bn

	2017	2018	2019
Swiss custody account holders	3 033	2 898	3 398
<i>private customers</i>	609	564	662
<i>commercial customers</i>	214	202	245
<i>institutional investors</i>	2 309	2 132	2 490
Foreign custody account holders	3 138	2 862	3 323
<i>private customers</i>	513	478	543
<i>commercial customers</i>	81	73	85
<i>institutional investors</i>	2 544	2 312	2 696
Total	6 170	5 761	6 721

Data: <https://data.snb.ch> (SNB data portal; year-end values)

Figure 3
Concentration in the banking system (2018)



4 Insurers and occupational benefits schemes

Consolidation among insurers is mainly due to a decrease in the number of captives and health insurance funds with supplementary insurance business.

Table 9

Number of insurers

	2008	2013	2018
Life insurers	26	23	19
<i>domiciled in Switzerland</i>	22	19	16
<i>branches of foreign insurers</i>	4	4	3
Non-life insurers	122	103	114
<i>domiciled in Switzerland</i>	79	60	70
<i>branches of foreign insurers</i>	43	43	44
Reinsurers	70	62	54
<i>of which captives</i>	42	34	27
Health insurance funds with supplementary health insurance business	44	14	12
Total	262	202	199

Data: FINMA, Report on the insurance market – direct insurers (year-end values)

The trend towards collective foundations and community bodies continues, as reflected in a decline in pension funds. The number of pension claimants is growing proportionally more rapidly than the number of insured persons in active employment.

Table 10

Number of occupational benefits schemes, members and benefit claimants

	2008	2013	2018
Occupational benefits schemes	2 435	1 957	1 526
Members in active employment	3 651 984	3 932 187	4 245 569
Current pension claimants	631 663	647 309	833 097

Data: <https://www.pxweb.bfs.admin.ch> (STAT-TAB – interactive FSO database; year-end values)

■ Key figures on Swiss financial centre – April 2020

Insurers control the asset and liability sides of their balance sheets. They also take risk capacity into account in order to find a balance between benefits and their financing. Despite low interest rates, fixed-interest securities remained the predominant asset class over the past decade, although shares and investment funds, real estate and mortgages also gained in importance.

Table 11

Assets of insurers, in CHF bn

	2008	2013	2018
Real estate	36	41	51
Mortgages	27	32	40
Financial interests	60	58	60
Shares and investment funds	27	44	71
Fixed-interest securities	224	270	254
Loans, debt register claims	19	18	19
Other investments	87	67	86
Total capital investments	480	531	582

Data: FINMA, capital investments of all insurers (year-end values)

Over the past ten years, collective assets have become more important in the capital allocation of pension funds. This development has been accompanied by increased investment in shares, real estate and alternative investments.

Table 12

Assets of occupational benefits schemes, in CHF bn

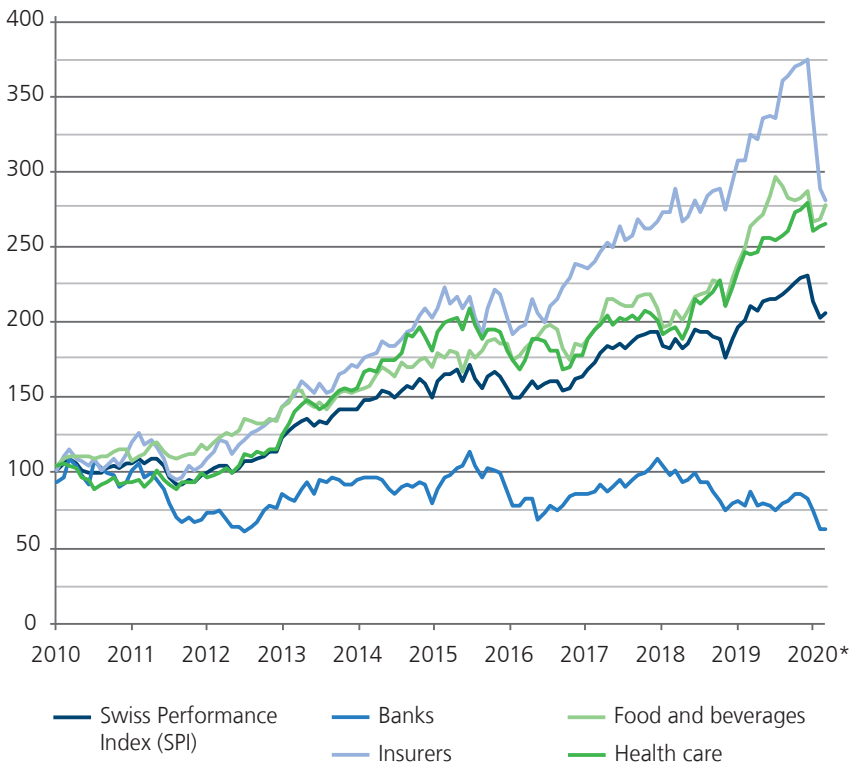
	2008	2013	2018
Cash and cash equivalents	47	58	46
Real estate	89	123	178
Mortgages	17	14	17
Shares	114	208	244
Bonds	220	242	275
Alternative investments	31	44	81
Other investments	21	31	35
Total capital investments	539	720	876
<i>of which collective assets</i>	<i>198</i>	<i>358</i>	<i>568</i>

Data: <https://www.pxweb.bfs.admin.ch> (STAT-TAB – interactive FSO database; year-end values)

5 Stock exchange and capital market

Figure 4: **Equity market (2010–2020)**

The low interest rate environment of recent years was the result of low policy rates introduced by central banks around the world in response to the global financial crisis. This made stock market investments relatively more attractive for savers. Until the outbreak of the COVID-19 crisis, many sectors were able to record positive developments in their baskets of shares, while those of the banks stagnated. In the early stage of the COVID 19 crisis, the equity markets plunged. Insurance stocks have been hit particularly hard.



*up to 15 April 2020

Data: <https://data.snb.ch> (SNB data portal; own indexing based on end-of-month values)

Developments on the primary market, i.e. bond issuance, are determined by the (re)financing needs of companies and governments. The absolute financing costs (interest rates) are also important. Their level relative to other capital markets in the various currency areas likewise plays a role.

Table 13

Net issuing value of bonds, in CHF bn

	2017	2018	2019
Domestic borrowers	10	12	16
<i>Issues</i>	40	44	43
<i>Redemptions</i>	30	32	26
Foreign borrowers	-14	-14	-6
<i>Issues</i>	14	16	19
<i>Redemptions</i>	28	30	25
Financial centre total	-3	-3	10

Data: <https://data.snb.ch> (SNB data portal; year-end values)

The secondary market, i.e. securities trading, is dominated by domestic shares.

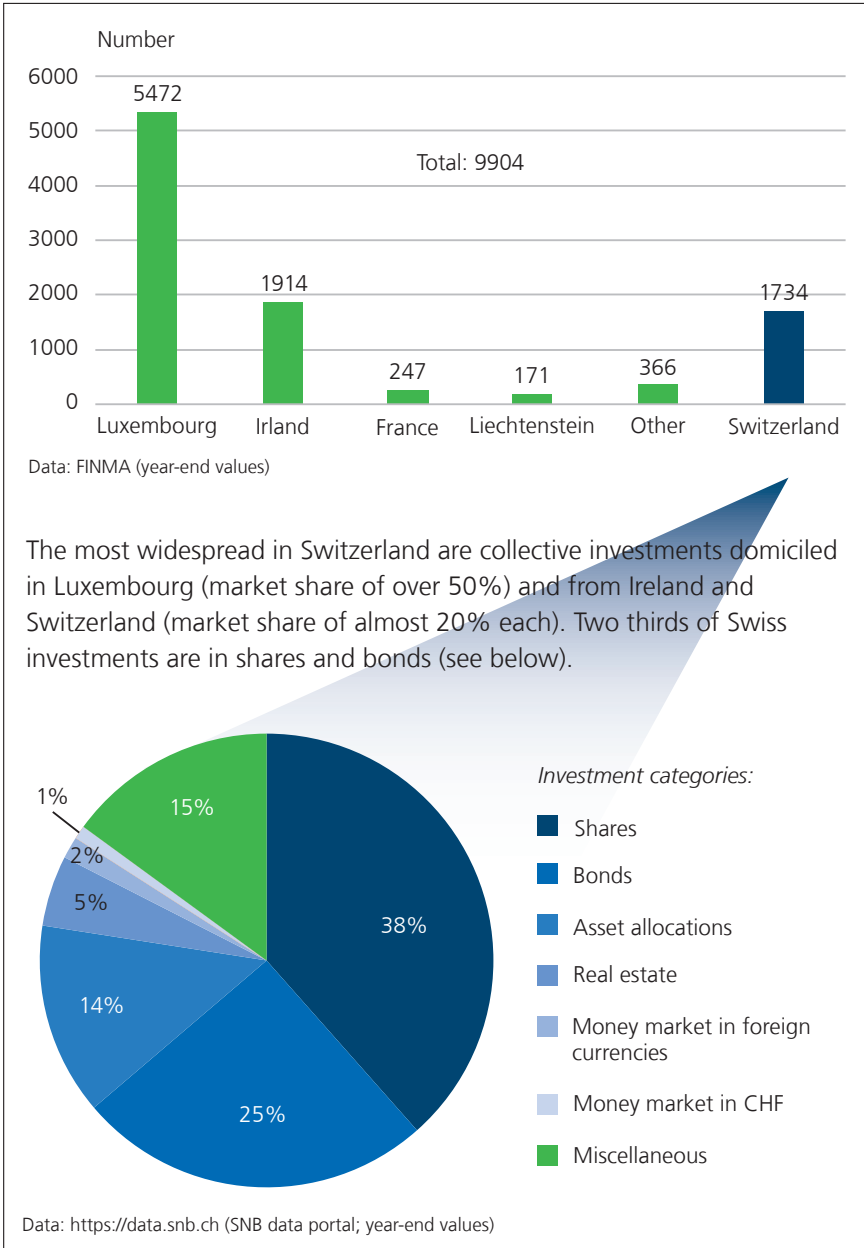
Table 14

Securities turnover, in CHF bn

	2017	2018	2019
Domestic securities	1 098	1 085	1 166
<i>Shares</i>	1 020	1 013	1 088
<i>Bonds</i>	78	72	78
Foreign securities	107	152	157
<i>Shares</i>	29	87	75
<i>Bonds</i>	78	65	82
Domestic and foreign investment funds, options and structured products	142	124	155
Financial centre total	1 346	1 361	1 477

Data: <https://data.snb.ch> (SNB data portal; year-end values)

Figure 5
Collective capital investments (2019)



Imprint

This report is published annually in the three official languages of French, German and Italian, as well as in English. As a guide, it provides fundamental values for analysing Switzerland as a location for financial services using official key figures. Rounding differences appear in a few calculations. This publication is available at www.sif.admin.ch > Documentation > Publications > Key figures Swiss financial centre.

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