

Swiss financial centre

Key figures October 2018



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Federal Department of Finance FDF
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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 fallen. Both developments together result in a lower share of GDP for the financial centre.

Table 1

Added value, in CHF mn

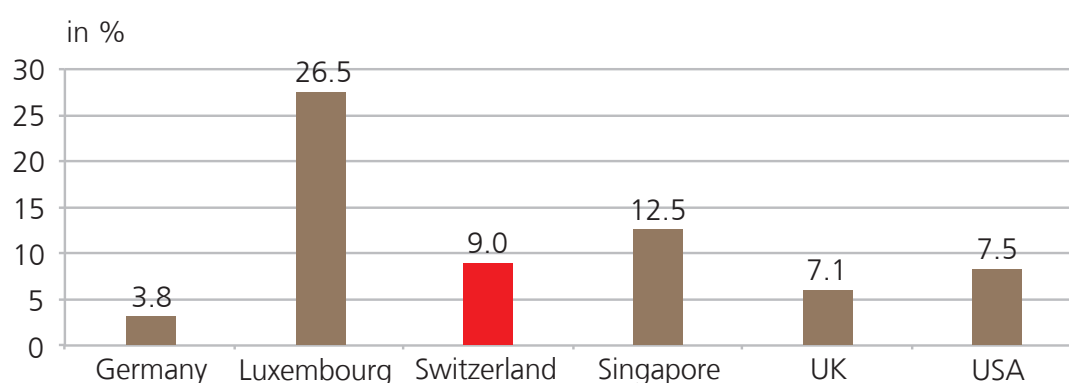
	2007	2012	2017
Financial services	47 068	34 581	31 047
Insurance services	26 777	28 429	28 865
Financial centre total	73 845	63 010	59 911
in % of GDP	12.8	10.1	9.0
Gross domestic product (GDP) Switzerland	576 088	626 414	668 572

Data: Federal Statistical Office (FSO) / State Secretariat for Economic Affairs (SECO), annual aggregates of GDP, production approach (annual data).

Figure 1

Financial centre's share of GDP (2017)

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



Data: German Federal Statistical Office, Statistics Portal – Grand Duchy of Luxembourg, FSO/SECO (Switzerland), Singapore Department of Statistics, Office for National Statistics (UK), Bureau of Economic Analysis (USA).

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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

	2008	2013	2018
Financial services	123 745	119 621	104 925
Insurance services	43 516	43 159	41 295
Activities auxiliary to financial services and insurance activities	44 678	51 631	58 235
Financial centre total	211 939	214 411	204 456
in % of overall employment	5.9	5.7	5.2
Overall employment	3 594 768	3 780 306	3 925 416

Data: FSO, Job Statistics (values for Q4 or Q2 2018).

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' revenue.

Table 3

Taxes, in CHF mn

	2012	2014	2016
Individuals	2 758	2 765	2 697
Companies	3 073	4 341	3 836
<i>Banks</i>	1 543	2 555	2 313
<i>Insurers</i>	1 530	1 786	1 523
Financial centre total	5 831	7 106	6 533
In % of direct overall tax revenue	7.5	8.8	7.5
Taxes on income and assets Confederation, cantons and communes	78 059	80 584	87 012

Data: SNB, FINMA, FFA, FTA (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

	2015	2016	2017
Financial services	16.3	15.8	16.1
<i>Export receipts</i>	19.9	19.6	20.0
<i>Import expenditure</i>	3.6	3.8	3.9
Insurance services	4.9	6.1	6.4
<i>Export receipts</i>	6.5	7.6	8.0
<i>Import expenditure</i>	1.6	1.6	1.6
Financial centre total	21.2	21.9	22.5
in % of Switzerland's current account surplus	29.9	35.1	34.4
Current account surplus	71.0	62.2	65.6

Data: <https://data.snb.ch> (SNB data portal; annual data).

Direct investments are a possible indicator of globalisation and represent a dynamic form of the international division of labour. The close ties between economies contribute to a strengthening of human cohesion.

Table 5

Direct investments abroad, in CHF bn

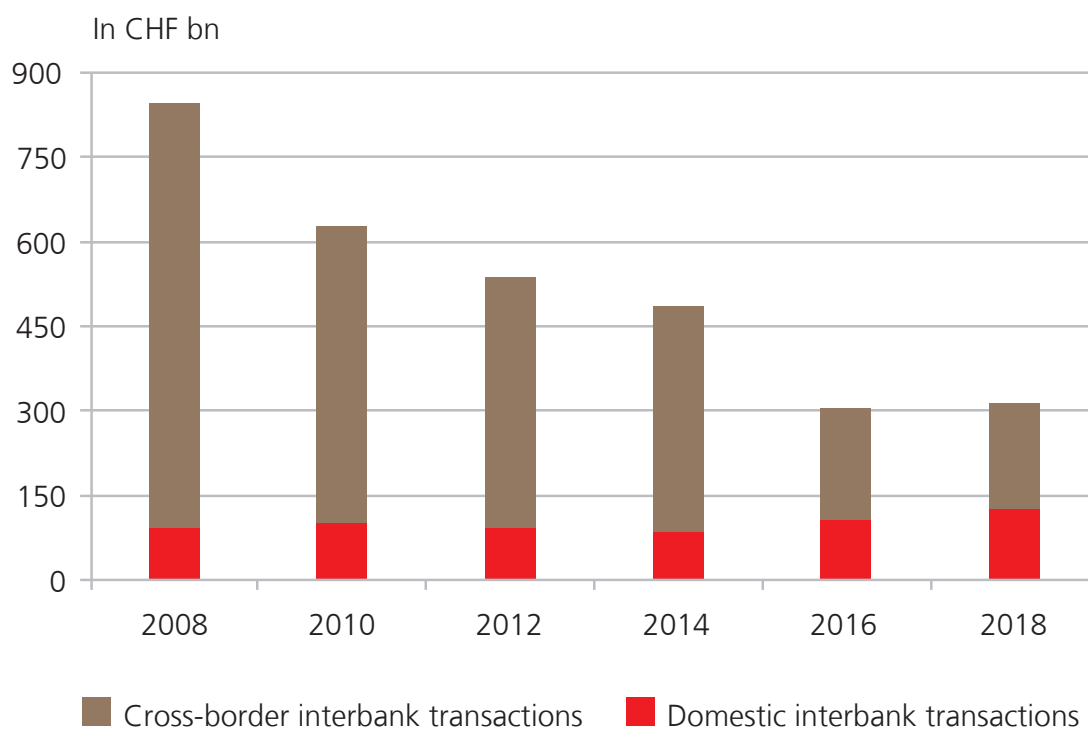
	2014	2015	2016
Capital stock of banks	85	81	86
Capital stock of insurers	72	75	84
Financial centre total	157	156	169
in % of total capital stock abroad	14.5	13.9	13.9
Total capital stock abroad	1 079	1 125	1 215

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

Figure 2

Bank receivables from other banks (2008–2018)

Compared with domestic transactions, cross-border interbank transactions posted very dynamic growth. The deleveraging by banks in the Swiss financial centre vis-à-vis banks abroad that took place after the outbreak of the global financial crisis of 2008 is clearly visible.



<https://data.snb.ch> (SNB data portal; year-end values or those for the end of June 2018).

3 Banks and credit market

Banking regulation following the global financial crisis has doubled the number of big banks. An economic structural change is also evident in the decline of over a third in banks under foreign control. The number of private bankers has even been more than halved.

Table 6

Number of banks

	2007	2012	2017
Cantonal banks	24	24	24
Big banks	2	2	4
Regional banks and saving banks	76	66	62
Raiffeisen banks	1	1	1
Stock exchange banks	48	47	43
Foreign-controlled banks	122	103	76
Branches of foreign banks	30	28	23
Private bankers	14	13	6
Other banks	6	13	14
Total	330	297	253
<i>Systemically important banks</i>	–	2	5

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

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The financial sector and the real economy are interconnected through bank lending. The credit volume in relation to GDP is a measure of systemic risk in the international Basel III framework.

Table 7

Credit volumes, in CHF bn

	2016	2017	2018
Domestic borrowers	1 109	1 134	1 157
<i>of which mortgage borrowers</i>	948	974	988
Foreign borrowers	168	199	192
<i>of which mortgage borrowers</i>	8	9	9
Total	1 277	1 332	1 349

Data: <https://data.snb.ch> (SNB data portal; year-end values or those for the end of June 2018).

Securities holdings in client bank accounts are an indicator of the assets managed in Switzerland's financial centre.

Table 8

Securities holdings, in CHF bn

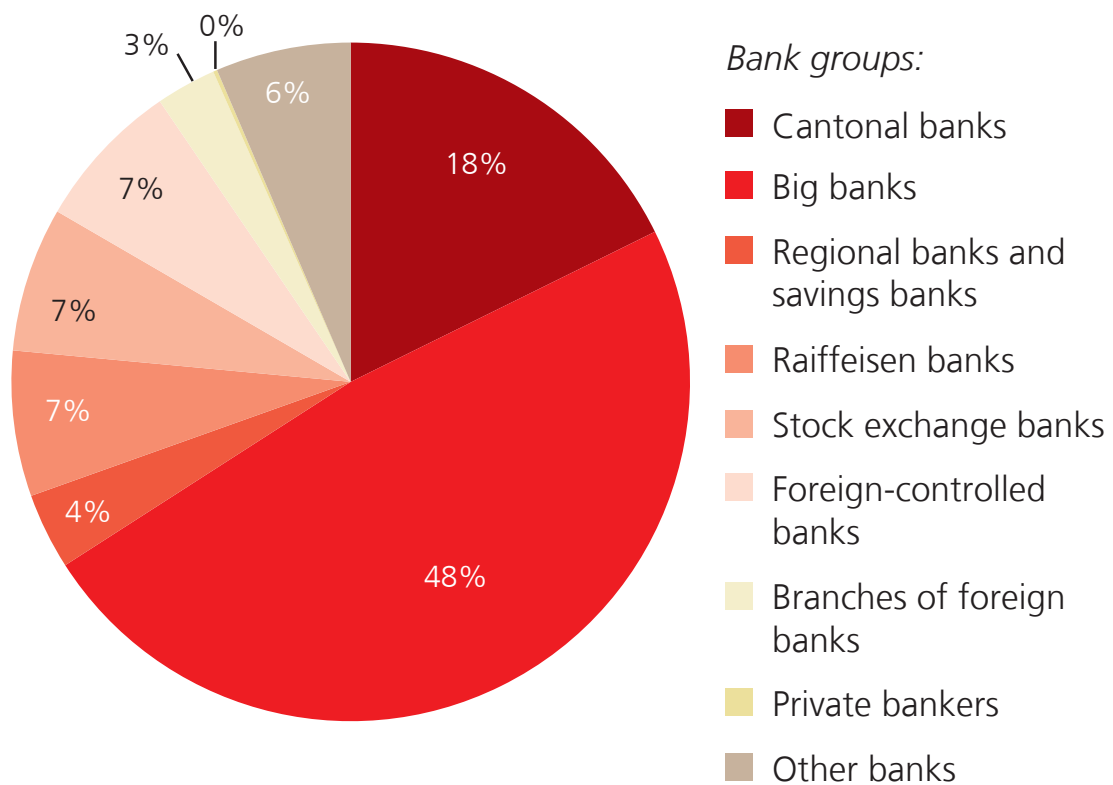
	2016	2017	2018
Swiss custody account holders	2 753	3 033	3 017
<i>private customers</i>	541	609	602
<i>commercial customers</i>	193	214	209
<i>institutional investors</i>	2 019	2 209	2 205
Foreign custody account holders	2 833	3 138	3 073
<i>private customers</i>	465	513	512
<i>commercial customers</i>	83	81	79
<i>institutional investors</i>	2 285	2 544	2 482
Total	5 586	6 170	6 090

Data: <https://data.snb.ch> (SNB data portal; year-end values or those for the end of June 2018).

Figure 3

Shares per bank group in the balance sheet total (2017)

Although there are 253 banking institutions in Switzerland, the four big bank institutions account for almost half of the entire balance sheet total. The degree of consolidation may indicate a possible restriction of competition.



Balance sheet total for all banks:
CHF 3 249 billion

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

4 Insurers and occupational benefits schemes

Consolidation can be observed not only in the banking sector, but also among insurers. This is mainly due to a decrease in the number of captives and health insurance funds with supplementary insurance business.

Table 9

Number of insurers

	2007	2012	2017
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	117	123	118
<i>domiciled in Switzerland</i>	78	81	73
<i>branches of foreign insurers</i>	39	42	45
Reinsurers	71	61	55
<i>of which captives</i>	46	35	27
Health insurance funds with supplementary health insurance business	47	16	12
Total	261	223	204

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

The rising numbers of members in active employment and pension claimants are spread across fewer and fewer occupational benefits schemes.

Table 10

Number of occupational benefits schemes, members and benefit claimants

	2006	2011	2016
Occupational benefits schemes	2 669	2 191	1 713
Members in active employment	3 431 851	3 787 263	4 090 508
Current pension claimants	896 026	1 002 931	1 114 112

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

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Despite low interest rates, fixed-interest securities have accounted for almost half of all capital investments in the past decade.

Table 11

Capital investments of insurers, in CHF bn

	2007	2012	2017
Land, buildings	37	41	50
Mortgages	27	31	39
Financial interests	51	59	56
Shares, bonds and investment funds	57	38	70
Fixed-interest securities	251	263	275
Loans, debt register claims	28	18	19
Other investments	59	79	82
Total capital investments	511	529	592

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.

Table 12

Capital investments of occupational benefits schemes, in CHF bn

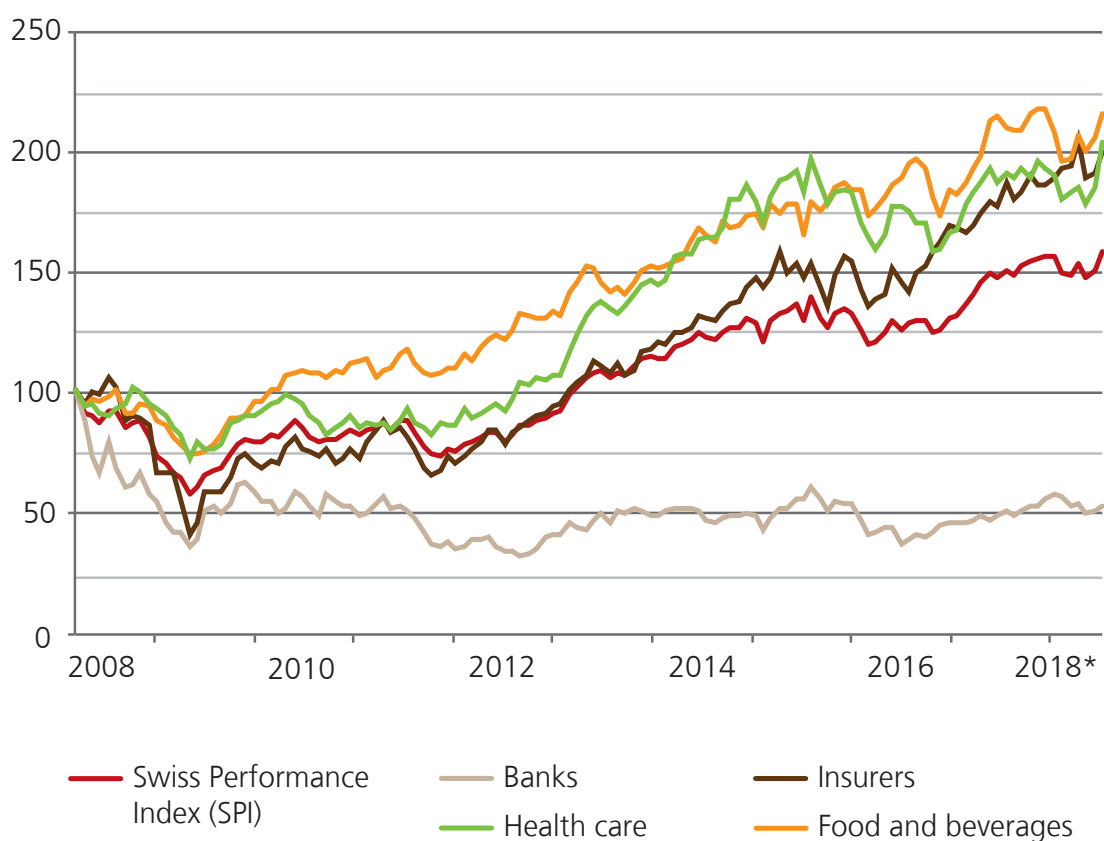
	2006	2011	2016
Cash and cash equivalents	45	46	41
Bonds	218	233	263
Mortgages	17	15	14
Shares	170	161	248
Real estate and land	83	110	155
Alternative investments	27	38	70
Other investments	25	22	32
Total capital investments	583	625	824
<i>of which collective assets</i>	<i>198</i>	<i>284</i>	<i>497</i>

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 (2008–2018)

The low interest rate environment in recent years has made stock market investments more attractive in relative terms. With the exception of banks, many sectors have recorded positive developments in their basket of shares since the global financial crisis.



* Up to end of July 2018

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

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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

	2016	2017	2018
Domestic borrowers	7	10	9
<i>Issues</i>	41	40	26
<i>Redemptions</i>	34	30	18
Foreign borrowers	-25	-14	-5
<i>Issues</i>	14	14	9
<i>Redemptions</i>	39	28	14
Financial centre total	-17	-3	3

Data: <https://data.snb.ch> (SNB data portal; year-end values or those for the end of June 2018).

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

Table 14

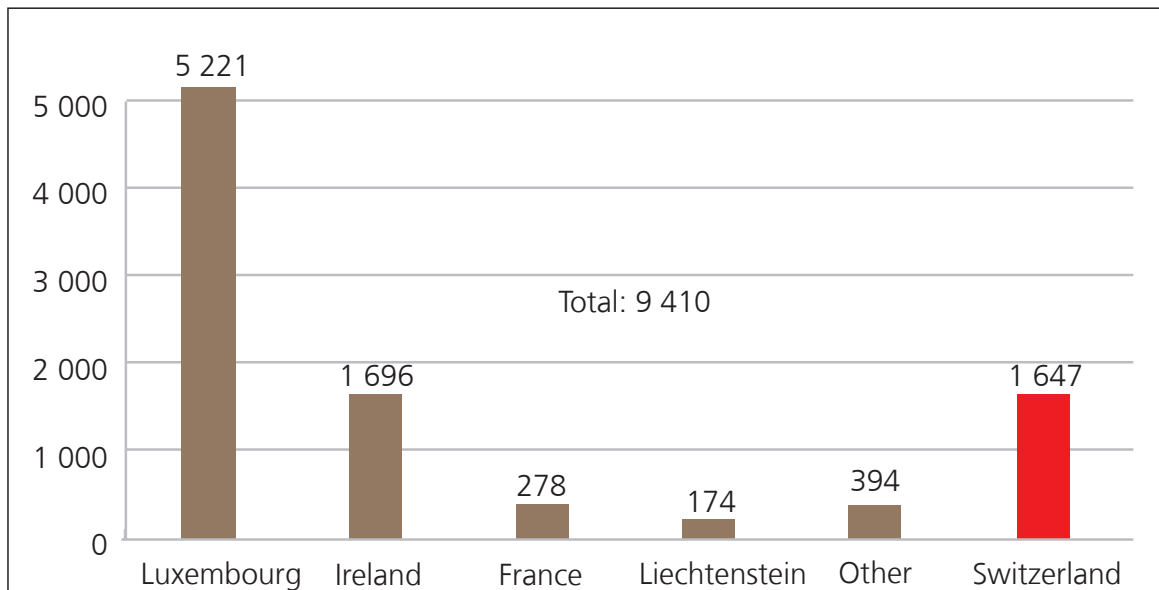
Securities turnover, in CHF bn

	2016	2017	2018
Domestic securities	1 037	1 098	656
<i>Shares</i>	954	1 020	612
<i>Bonds</i>	83	78	44
Foreign securities	114	107	101
<i>Shares</i>	43	29	61
<i>Bonds</i>	70	78	40
Domestic and foreign investment funds, options and structured products	129	142	78
Financial centre total	1 279	1 346	834

Data: <https://data.snb.ch> (SNB data portal; year-end values or those for the end of July 2018).

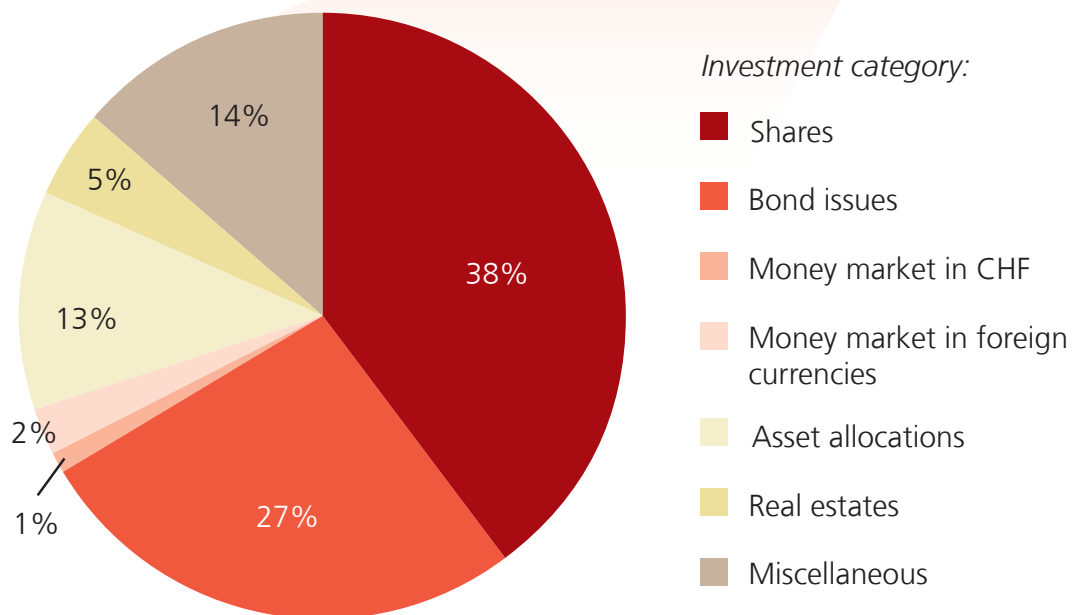
Figure 5

Collective capital investments: number and domicile (2018)



Data: FINMA (values for end of Q1).

The most widespread in Switzerland are collective investments from Luxembourg (market share of over 50%) and from Ireland and Switzerland (market share of almost 20% each). Two thirds of Swiss investments are in shares and bonds (see below).



Data: <https://data.snb.ch> (SNB data portal; values for end of Q1).

Imprint

This report is published on a semi-annual basis in the three official languages of French, German and Italian, as well as in English and Chinese. 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 also available online at www.sif.admin.ch.

Explanations

In addition to the publication, you can download statistical and economic history explanations on www.sif.admin.ch. This document contains information on data collection and an insight into the history of the Swiss financial centre.

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