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Press Release

Credit Suisse: Global wealth has soared 14% since 2010 to USD 231 trillion with the strongest growth in emerging markets

Asia Pacific stands out as the key contributor of global wealth growth, accounting for 36% of global wealth creation since 2000 and 54% since 2010

Hong Kong, October 19, 2011 **The Credit Suisse Research Institute today released its second annual Global Wealth Report, which finds that Asia Pacific emerges as the key contributor of global wealth growth, accounting for 36% of all global wealth creation since 2000, and 54% since January 2010. Total global wealth has increased 14% from USD 203 trillion in January 2010 to USD 231 trillion in June 2011. Emerging markets remain the main wealth growth engine, with the fastest growth seen in Latin America, Africa and Asia. In the next five years, global wealth is expected to rise by 50% to USD 345 trillion and wealth per adult to increase 40% to reach USD 70,700, led by growth in emerging markets. The Report finds that emerging markets have considerable scope to increase personal wealth given their much lower ratio of net financial assets to income and a much lower debt-income ratio than found in mature economies. Aging is also expected to increase the demand for financial assets relative to real assets like housing.**

Osama Abbasi, Chief Executive Officer Asia Pacific, Credit Suisse said: "Our second edition of the Global Wealth Report reconfirms again that these are times of unprecedented economic change, and a radical reconfiguration of the world's economic order is taking shape. Emerging markets are important drivers of the global recovery and remain the key growth engines of global wealth."

Giles Keating, Global Head of Research for Private Banking and Asset Management, Credit Suisse and a member of the Credit Suisse Research Institute Operating Committee, said: "Credit Suisse believes this fast emerging wealth will drive new trends in consumption and investment in Asia, underpinning Credit Suisse's proprietary thematic research initiatives on Global Megatrends of Demographics and Multipolar World. The much higher debt per adult level in Europe versus Asia, together with the much higher wealth growth rate in Asia versus Europe, suggests there may be scope for significant mutual collaboration to help mitigate the euro debt crisis."

Stefano Natella, Global Head of Equity Research for Investment Banking and a member of the Credit Suisse Research Institute Operating Committee, said: "Unlike other studies, the Credit Suisse Global Wealth Report generates unique proprietary data and aims to offer the most comprehensive study of world wealth. It analyzes the wealth distribution of all the 4.5 billion adults in the world in more than 200 countries, using a rigorous and independent research approach."

Global wealth grew 14% since January 2010 to USD 231 trillion driven by strong contribution from emerging economies

The Credit Suisse Global Wealth Report 2011 finds that total global wealth increased 14% from USD 203 trillion in January 2010 to USD 231 trillion in June 2011 on the back of continued economic recovery from the global financial crisis. Wealth per adult increased 9% from USD 46,600 in January 2010 to USD 51,000 in June 2011 with the fastest growth registered in Latin America, Africa and Asia. The USA stood out as the largest wealth generator in the world over the 18 months, adding USD 4.6 trillion to global wealth. Asia Pacific was the main contributor to the rise in global wealth during the period, with China, Japan, Australia and India among the top six contributors to global wealth accumulation (Table 1). Asia Pacific stands out as the key contributor of global wealth growth, accounting for 36% of global wealth creation since 2000 and 54% since 2010.

Total household wealth in Asia Pacific increased 23% from USD 61 trillion in January 2010 to USD 75 trillion in June 2011. This sharply contrasted with the 9.2% and 4.8% total wealth growth in North America and Europe over the same period respectively, reflective of the global megatrend of the continued shift of economic power from the developed world to emerging economies. The Report finds that Europeans are sitting on much higher average debt per adult at USD 25, 550, versus USD 9,227 in Asia Pacific. The sharp divergence in indebtedness in Europe and Asia provides significant scope for Asia and Europe to work together to relieve the euro debt crisis.

Top of the wealth pyramid
The Report finds that 29.7 million adults with household wealth of more than USD 1 million make up less than 1% of the world's adult population but own 38.5% of global household wealth. This year, Europe surpassed North America making up 37.2% millionaires in the world, followed by North America (37%). In Asia Pacific, Japan ranked first with 11% or 3.1 million millionaires, followed by Australia and China (one million each). The Report estimates that China's high net worth individuals (HNWIs) have exceeded one million for the first time, representing 3.4% of the total number of HNWIs globally.

Based on our June 2011 estimates, there are 84,700 ultra high net worth individuals (UHNWIs) with net assets exceeding USD 50 million each globally. Of these UHNWIs, 29,000 have assets worth at least USD 100 million each and 2,700 have assets above USD 500 million each. The number of UHNWIs is considerably greater than a decade ago, due to the general growth in asset values and the appreciation of other currencies against the US dollar. In terms of single countries, the USA leads by a huge margin with 35,400 UHNWIs or 42% of the global total, followed by China with 5,400 UHNWIs (6.4%), Germany (4,135 or 4.9%), Switzerland (3,820 or 4.5%) and Japan (3,400 or 4%). UHNWIs in other BRIC countries are also rising fast, with 1,970 in Russia, 1,840 in India, and 1,520 in Brazil by June 2011.

Wealth of nations: Top 10 countries by average wealth per adult
In term of average wealth per adult in 2011, Switzerland, Australia and Norway are the three richest nations in the world, with Switzerland recording the highest average wealth per adult at USD 540,010 - the only country to exceed USD 500,000. In Asia Pacific, Singapore follows Australia as the second wealthiest nation in the region and fifth in the world in terms of average wealth.

Global wealth is expected to rise by 50% to USD 345 trillion in 2016
The Report projects global wealth to rise by 50% in the next five years to USD 345 trillion in 2016, equivalent to 8.4% growth per year. Wealth per adult worldwide is expected to reach USD 70,700 in 2016, an increase of 40% over 2011. The USA is expected to remain the largest wealth generator in the world with total household wealth of USD 82 trillion by 2016. China is expected to replace Japan as the second wealthiest country, with total household wealth increasing by USD 18 trillion to reach USD 39

trillion in 2016, compared to USD 31 trillion for Japan. They will be followed by France and Germany both with USD 20 trillion. The middle segment of the wealth pyramid with wealth between USD10,000 to USD 100,000 per adult, while accounting for 24% of adults in 2011, is expected to rise to 31% in 2016. We also expect an increase in the proportion of adults with wealth above USD 100,000 from 8.8% in 2011 to 10.9% in 2016.

Leapfrogging of emerging economies in the next five years
Over the next five years, wealth of emerging economies is expected to leapfrog the developed world, due to their more promising growth prospects. Wealth in China and Africa is projected to rise by over 90% to USD 39 trillion and USD 5.8 trillion in 2016 respectively, while wealth in India and Brazil are forecast to more than double by 2016 to USD 8.9 trillion and USD 9.2 trillion.

The Report compares the projected increase in wealth in the fastest growing emerging economies in the next five years, against the growth of wealth in the US over the course of the 20th century, forecasting the dramatic leapfrogging of emerging economies. Total wealth in China is currently USD 20 trillion, equivalent to that of the USA in 1968. In the next five years, it is projected to reach USD 39 trillion, a level that the USA achieved in 22 years between 1968 and 1990. At USD 4.1 trillion, India's total wealth in 2011 is comparable to the USA in 1916. However, it is projected to reach USD 8.9 trillion in the next five years, equivalent to what USA achieved in 30 years between 1916 and 1946. Similarly, Brazil's total wealth is expected to grow from USD 4.5 trillion in 2011 to USD 9.2 trillion by 2016, equivalent to level of wealth gained in the USA over 23 years from 1925 to 1948.

The Report also projects the number of global millionaires to rise by 17 million to reach a total of 47 million by 2016, emerging economies are expected to catch up with developed nations with significant increase in the number of millionaires (Table 3).

History of wealth and impact of aging population
The Report finds that emerging markets have considerable scope to increase personal wealth given their much lower ratio of net financial assets to income and debt-income ratio than the mature economies. A significant rise in household debt relative to income is evident in all G7 countries since 1980, with ratio of financial to non-financial assets higher than in emerging economies. The ratio of net worth to income and financial assets to non-financial assets tends to be considerably lower in emerging economies. The Report argues that increasing life expectancy and longer retirement, aging population and increasing uncertainty about labour earnings and future health costs are all factors that point to an increase in the need for private wealth, which will drive the increase in the wealth-income ratio in emerging markets over time.

The Report also highlights the relationship between wealth and age is likely to have greatest significance in the context of global demographic trends leading to population aging. Average wealth and wealth-income ratio will rise as the population weighting shifts to older groups. The Report points out that aging population would increase demand for financial assets relative to real assets like real estate. The strain that aging population places on public pension systems and other supports for elderly is likely to strengthen calls for private responsibility in preparing for retirement, pointing to a rise in household wealth in the longer term.

Notes to Editors
- The Report defines wealth as the value of financial assets and non-financial assets (mainly real estate), minus household debt.

- All current data relate to mid-2011 and are at then-current market exchange rates (not purchasing power parity).
- The figures presented in the Report are based on the best available data on household assets and debts, updated and estimated where necessary. Full information on sources and methodology is provided in the Global Wealth Databook 2011.
- Projections to 2016 are made by the Credit Suisse Research Institute and are based on forecasts of the three components of wealth, financial assets, non-financial assets and debts.

To obtain a copy of the Credit Suisse Global Wealth Report 2011, please visit https://www.credit-suisse.com/researchinstitute (Publications)

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– the strength of the global economy in general and the strength of the economies of the countries in which we conduct our operations, in particular the risk of continued slow economic recovery in the US or other developed countries in 2011 and beyond;
– the direct and indirect impacts of continuing deterioration or slow recovery in residential and commercial real estate markets;
– adverse rating actions by credit rating agencies in respect of sovereign issuers, structured credit products or other credit-related exposures;
– the ability of counterparties to meet their obligations to us;
– the effects of, and changes in, fiscal, monetary, trade and tax policies, and currency fluctuations;
– political and social developments, including war, civil unrest or terrorist activity;
– the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations;
– operational factors such as systems failure, human error, or the failure to implement procedures properly;
– actions taken by regulators with respect to our business and practices in one or more of the countries in which we conduct our operations;
– the effects of changes in laws, regulations or accounting policies or practices;
– competition in geographic and business areas in which we conduct our operations;
– the ability to retain and recruit qualified personnel;
– the ability to maintain our reputation and promote our brand;
– the ability to increase market share and control expenses;
– technological changes;
– the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users;
– acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets;
– the adverse resolution of litigation and other contingencies;
– the ability to achieve our cost efficiency goals and cost targets; and
– our success at managing the risks involved in the foregoing.

We caution you that the foregoing list of important factors is not exclusive. When evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, as well as the information set forth in our Annual Report 2010 under IX – Additional information – Risk Factors.