

Net Worth Calculation Guide

How to calculate your net worth? Please use this formula:

Your net worth = A + B – C, where

A is your net annual income and it is equal to the sum of the following earnings (minus any associated costs and charges, social contributions, and taxes):

- + Salaries, unemployment benefits, and pension payments excluding exceptional payments
- + Interests on bank deposits or other debt instruments excluding those that are exceptional by nature
- + Dividend payments as a result of owning shares or other equity instruments excluding any capital gain released by selling such holding
- + Dividend payments for shares of a collective investment entity or fund units, as well as other shares or ownership securities (instruments), excluding any capital gains derived from the sale of a package of securities (instruments)
- + Real estate income received from renting your properties

B is the approximate total value of your liquid assets obtained by summing up:

- + Total cash on savings accounts and current accounts
- + Value of assets that can be easily and swiftly converted into cash, such as saving products that can be turned into cash within a maximum of 30 calendar days, financial instruments negotiated on a regulated market, shares and units of collective investment schemes offering redemption rights at least on a weekly basis and similar
- ! Real estate properties, amounts paid to a pension scheme, and company shares that are not freely redeemable or transferable, including crowdfunding investments, **should not be considered as liquid assets.**

C is the approximate total annual value of your financial commitments calculated as a sum of the following expenditures:

- Alimony and child support payments
- Rent and mortgage payments
- Repayments of loans
- Payments of insurance premiums
- Utility expenses payments, including those made to cover electricity, heating and water expenses
- Service subscription payments
- Income tax and property taxes
- Other commitments

Which period is considered your financial year?

When calculating the total annual value of your assets and separately your financial obligations, consider the data of the last 12 months before the 31st of December of the previous calendar year, or choose any later date before this calculation as the reference date, if it more accurately reflects your net worth. The evaluation period of the total value of your assets and the total value of your financial obligations must coincide.

Calculate your annual income for the previous calendar year, unless you choose a reference date other than the 31st of December of the previous calendar year for the total value of your assets and separately your financial obligations. In this case, your annual income is a number that was received in the twelve months before the selected reference date.