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Swiss Confederation

FEDERAL CONSOLIDATED FINANCIAL STATEMENTS

2024

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SYMBOLS AND ABBREVIATIONS

The following symbols and abbreviations were used in the tables in this dispatch:

–	same as 0 or no value
n.d.	not displayed
n.q.	not quantifiable
CHF	Swiss francs
mn	million
bn	billion
%	percent
Δ	difference
Ø	average
>	greater than
<	less than
FTE	full-time equivalent

ANNUAL REPORT

A

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RESULTS OVERVIEW

The federal consolidated financial statements ended 2024 with a surplus of 11.3 billion. All three segments made a clearly positive contribution to his result. While the enterprises segment remained largely stable (2.1 bn), the Federal Administration and social insurance segments posted significantly higher results than in the previous year (1.7 bn and 7.5 bn respectively).

RESULTS OVERVIEW

CHF mn	2023	2024	Δ 2023-24 absolute
Statement of financial performance			
Surplus/deficit for the year	**8 394**	**11 350**	**2 956**
Federal Administration segment	313	1 697	1 384
Enterprises segment	2 087	2 146	59
Social insurance segment	5 994	7 507	1 513
Statement of financial position			
Net assets/equity	68 269	80 020	11 751
Cash flow statement			
Total cash flow	-9 815	7 989	17 804
Cash flow from operating activities	15 660	20 842	5 183
Cash flow from investing activities	-11 175	-19 713	-8 537
Cash flow from financing activities	-14 299	6 859	21 158
Personnel			
Number of full-time employees (FTEs)	156 663	159 005	2 341

SURPLUS FOR THE YEAR

The statement of financial performance ended with a surplus of 11.3 billion. This was 3.0 billion higher than in the previous year. The significant improvement was driven primarily by the favorable development of tax receipts in the Federal Administration segment and the positive investment result of the social insurance segment.

The *Federal Administration segment* closed with a surplus of 1.7 billion (2023: 0.3 bn). The year-on-year improvement was attributable mainly to additional receipts from direct federal tax (+2.0 bn). The increase in value added tax receipts (+1.8 bn) is largely due to the 0.4 percentage point increase in value added tax that was decided as part of the AHV 21 reform. This is allocated in full to AHV (1.1 bn in 2024). The cantons' shares of federal receipts likewise rose in line with the growth in receipts (+0.5 bn).

Federal enterprises generated a gain of 2.1 billion (2023: 2.1 bn). Swisscom (1.5 bn) and Swiss Post (0.3 bn) in particular contributed to the annual surplus. Most of the other federal enterprises also achieved a positive or balanced result.

Social insurance ended the year with a surplus of 7.5 billion (2023: 6.0 bn). The investment result increased year on year once again to stand at 3.0 bn (2023: 1.9 bn). Old-age and survivors' insurance, at 2.8 billion, and unemployment insurance, at 1.3 billion, were the main contributors to the apportionment result of 4.5 bn (2023: 4.1 bn). The good apportionment result for old-age and survivors' insurance is due in particular to the growth in receipts from value added tax, including the VAT rate increase in favor of AHV.

THE FEDERAL CONSOLIDATED FINANCIAL STATEMENTS

The federal consolidated financial statements provide a comprehensive overview of the situation of the Confederation as a group in terms of finances, assets and revenue. The figures include the Federal Administration, and the federal social insurance and enterprises.

Thanks to the positive annual result, consolidated net assets/equity rose to 80.0 billion in the year under review (2023: 68.3 bn). The vast majority of net assets/equity is restricted and cannot be used for the general performance of tasks.

NET CASH INFLOW IN THE YEAR UNDER REVIEW

The *cash inflow from operating activities* totaled 20.8 billion. In addition to the federal enterprises and social insurance segments (7.7 bn and 2.8 bn respectively), the Federal Administration segment (10.4 bn) was a major contributor to the positive operating cash flow. In particular, net cash inflows from taxes were around 10 billion higher than the previous year. However, a considerable portion of these substantial inflows originated from withholding tax, and remained only temporarily with the federal government.

The net *cash outflow from investing activities* amounted to 19.7 billion. The high cash outflow was largely attributable to the acquisition of Vodaphone Italia by Swisscom (7.4 bn). There was net expenditure of 11.0 billion on tangible and intangible fixed assets. Considerable funds were invested in transportation infrastructure (roads: 2.1 bn; rail: 2.5 bn) and telecommunications infrastructure (1.4 bn), for example, but also in land and buildings (1.6 bn), property, plant and equipment and other tangible fixed assets (1.5 bn), and software (1.1 bn). The investments stood against depreciation and amortization of 8.8 billion.

The *cash inflow from investing activities*, amounting to 6.9 billion, also reflects the acquisition of Vodaphone Italia by Swisscom. The acquisition was mainly financed by bond issuance and bank loans. While bond issuance (+5.7 bn), bank loans (+3.0 bn), and liabilities from repo transactions (+4.4 bn) resulted in a net cash inflow, there was a net cash outflow in connection with money market instruments in particular (-5.3 bn). There was a further cash outflow associated with client deposits and other financial liabilities (-0.4 bn), and dividend payments (-0.6 bn).

All in all, there was a cash inflow of 8.0 billion. Cash and cash equivalents rose by this amount year on year.

PERSONNEL

The headcount rose by 2,341 full-time equivalents (FTEs) relative to the previous year. In particular, headcount increased at SBB (+582), Swiss Post (+519), Swisscom (+457), the Confederation as parent entity (+366), RUAG MRO (+330) and the ETH Domain (+107). By contrast, fewer FTEs were employed at RUAG International (-176), which can be attributed primarily to the partial divestiture of business arms.

WHY FEDERAL CONSOLIDATED FINANCIAL STATEMENTS?

The entities included in the federal consolidated financial statements are all attributable to the Confederation. In order to provide information on their business performance and their asset and financial situation, the individual entities publish separate financial status reports each year.

However, as there are significant capital ties and transfer payments between the Confederation's entities, these separate financial reports on their own do not provide a comprehensive overview of the Confederation's situation in terms of assets, finances and revenue. The consolidated financial statements eliminate this shortcoming and allow for a comprehensive overview of the Confederation's financial situation by taking a net view. Meanwhile, the *federal financial statements* cover the central Federal Administration. Detailed information on the differences between the consolidated financial statements and the federal financial statements can be found in section A 33.

1 FACTS

ASSETS

Assets are marked by high holdings of financial assets and civil engineering structures.

Financial assets come essentially from PostFinance investments and social insurance fund assets.

Infrastructure assets are largely associated with the performance of federal tasks in the areas of mobility (motorways, rail transportation) and defense.

LIABILITIES

Existing liabilities are recognized in the statement of financial position; potential liabilities are off-balance sheet.

Recognized liabilities include mainly PostFinance client deposits, Confederation bonds and money market paper. In addition, significant provisions for expected future outflows of funds and obligations under employee pension plans are posted under liabilities.

Liabilities not recognized in the statement of financial position primarily include the maximum claimable amounts from sureties and guarantees, capital commitments for development banks and SERV insurance liabilities.

NET ASSETS/EQUITY

Consolidated net assets/equity totaled 80 billion of that amount, 9 billion was attributable to minority shareholders of consolidated enterprises (mainly minority interests in Swisscom and BLS Netz AG). The net assets/equity to which the Confederation is entitled amounted to 71 billion.

The vast majority of the net assets/equity is restricted and cannot be used for the general performance of tasks. Earmarking within the meaning of the federal consolidated financial statements exists if, at the time of the inflow of funds, the law or fund providers prescribe that the funds are to be used for a predefined purpose.

INVESTMENTS

The Confederation makes significant investments in its infrastructure assets in connection with the performance of its tasks. Last year, investments amounted to 11 billion. This stood against the loss in value of existing infrastructure assets in the form of depreciation of 8.6 billion.

EMPLOYEES

The Confederation has 159,000 full-time positions (FTEs), divided between the Federal Administration (60,300 FTEs) and enterprises (98,700 FTEs) segments. There are no employees in the social insurance segment, as the operational management of social insurance is carried out by employees of the Federal Administration segment or by the implementing bodies outside the scope of consolidation.

ASSETS

213 BN FINANCIAL ASSETS

56 BN

LIQUID ASSETS

The high cash holding is due to a lack of investment opportunities. Consequently, both PostFinance and the parent entity deposited large holdings with the Swiss National Bank.

— *Detailed explanations: section B 23/11 in the Notes*

34 BN

RECEIVABLES/ACCRUALS AND DEFERRALS

This includes primarily trade receivables (6 bn), tax and customs receivables (11 bn), assets due from compensation funds (5 bn), and prepaid expenses and accrued income (9 bn).

— *Detailed explanations: section B 23/12 in the Notes*

123 BN

FINANCIAL INVESTMENTS

Financial investments are largely in bonds. Their share amounted to 68 billion, or 55% of total investments. The remainder is invested in loans (22 bn) and other financial investments.

— *Detailed explanations: section B 23/13 in the Notes*

152 BN INFRASTRUCTURE

46 BN

RAILWAY INFRASTRUCTURE

The existing railway infrastructure of companies controlled by the Confederation is recognized in the statement of financial position at 38 billion. Further railway infrastructure assets worth 8 billion are recorded under assets under construction.

35 BN

MOTORWAYS

The existing motorway network is recognized in the statement of financial position at 25 billion. Moreover, 10 billion is recorded under assets under construction for motorway segments that are still being constructed.

33 BN

LAND/BUILDINGS

Land and buildings are worth 29 billion, with an additional 4 billion capitalized under assets under construction. High-value buildings in the military and civilian sector (e.g. rail, administration and ETH educational facilities) have been capitalized. Land is largely associated with motorway construction and the military sector.

16 BN

PROPERTY, PLANT AND EQUIPMENT/ OTHER TANGIBLE FIXED ASSETS

The carrying amount of the Confederation's property, plant and equipment and other tangible fixed assets is 16 billion. The item with the highest value concerns the rolling stock and vehicle fleets of transportation companies (8 bn).

8 BN

DEFENSE EQUIPMENT

The Armed Forces' ammunition inventories are valued at 3 billion and are recognized under inventories. The capitalized defense equipment under tangible fixed assets amounts to 5 billion in total (including advance payments). However, it should be noted that only the main weapon systems are recognized. The effective value of defense equipment is thus significantly higher.

11 BN

TELECOMMUNICATIONS

The value of telecommunication infrastructures is 11 billion, recognized solely under Swisscom.

3 BN

SOFTWARE

IT systems and software totaling 3 billion are recognized under intangible fixed assets.

LIABILITIES

308 BN RECOGNIZED LIABILITIES

90 BN

CLIENT FUNDS

Liabilities from client funds amounted to 90 billion as of the reporting date and consisted of PostFinance client deposits and client deposits in the savings bank for federal employees.

— *Detailed explanations: section B 23/19 in the Notes*

106 BN

BONDS/MONEY AND REPO MARKET

The Confederation is financed largely with the issuance of Confederation bonds and money market paper. Most of the financing requirements of spun-off entities are covered by the Confederation as parent entity. With the exception of the Federal Administration, only Swiss Post and Swisscom have significant outstanding amounts on the financial market.

— *Detailed explanations: section B 23/19 in the Notes*

4 BN

EMPLOYEE RETIREMENT BENEFITS

Net liabilities from employee retirement benefits are estimated to be 4 billion. This is an actuarial calculation that is highly dependent on the assumed trend of interest rates.

— *Detailed explanations: section B 23/21 in the Notes*

42 BN

PROVISIONS

Because of its broad range of activities, the Confederation is exposed to myriad risks, for which provisions have to be recognized. Provisions are recorded when an outflow of funds is expected because of a past event but the precise amount and timing of the outflow of funds is still uncertain.

— *Detailed explanations: section B 23/20 in the Notes*

66 BN

OTHER LIABILITIES

Other recognized liabilities include in particular current liabilities (29 bn), other financial liabilities (15 bn) and accrued expenses and deferred income (13 bn), as well as other long-term liabilities in special funds and restricted funds (6 bn).

— *Detailed explanations: sections B 23/18, B23/19 and B 23/22 in the Notes*

37 BN UNRECOGNIZED LIABILITIES

17 BN

SURETIES/GUARANTEES

As part of its task performance, the Confederation provides guarantees for third parties in order to indemnify the lender in the event of non-payment by the borrower. The borrowers can borrow at more favorable rates with the Confederation's guarantee commitment. Guarantees amounting to a maximum of 17 billion can currently be utilized. In the case of guarantees where the default risk can be reliably estimated, the expected loss is recognized as a provision. A liability of 1 billion is recognized under provisions for this purpose.

— *Detailed explanations: section B 23/23 in the Notes*

9 BN

CAPITAL COMMITMENTS FOR DEVELOPMENT BANKS

Participation in development banks is part of Switzerland's multilateral development assistance. Only a small part of each of the participations is paid in, and the remainder is shown as capital commitments under contingent liabilities.

— *Detailed explanations: section B 23/25 in the Notes*

10 BN

SERV INSURANCE LIABILITIES

The insurance liabilities of Swiss Export Risk Insurance (SERV) amounted to 10 billion as of the reporting date. They include insurance policies (8 bn) and insurance commitments in principle (2 bn).

— *Detailed explanations: section B 23/26 in the Notes*

NET ASSETS/EQUITY

68 BN RESTRICTED

4 BN

ROADS/URBAN TRANSPORTATION

In recent years, fund inflows into the special financing for road construction and the motorway and urban transportation fund via restricted tax receipts have exceeded the investments made. In the future, the funds will still have to be allocated to the intended use.

-3 BN

RAIL

In the past, the expenditure of the railway infrastructure fund was higher than the funds intended for this purpose. Accordingly, the railway infrastructure fund has negative net assets/equity.

60 BN

SOCIAL INSURANCE

The net assets/equity of federal social insurance is consolidated as a positive element. However, these fund assets are restricted and earmarked for social insurance tasks.

7 BN

OTHER RESTRICTED FUNDS

Other restricted funds include the special funds and special financing allocable to net assets/equity, as well as the restricted funds of the ETH Domain.

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6 BN

RISK CAPITAL

Due to their business activities, both PostFinance and SERV are obliged to build up corresponding risk capital.

-3 BN

OTHER NET ASSETS/EQUITY

Other net assets/equity is a residual value within total assets/equity. These are amounts accumulated over the years that are neither restricted nor specifically reserved.

— *Detailed explanations: section B 14, Statement of net assets/equity*

INVESTMENTS

The Confederation makes significant investments in its infrastructure assets in connection with the performance of its tasks. These stand against the decline in the value of existing infrastructure assets, which is recognized as depreciation.

	INVESTMENTS	DEPRECIATION AND AMORTIZATION
RAILWAY INFRASTRUCTURE	**2.5 BN**	**-1.2 BN**
MOTORWAYS	**2.1 BN**	**-1.8 BN**
LAND/BUILDINGS	**1.6 BN**	**-1.0 BN**
PROPERTY, PLANT AND EQUIPMENT/OTHER TANGIBLE FIXED ASSETS	**1.5 BN**	**-2.0 BN**
DEFENSE EQUIPMENT	**0.8 BN**	**-0.5 BN**
TELECOMMUNICATIONS	**1.4 BN**	**-1.1 BN**
SOFTWARE	**1.1 BN**	**-1.0 BN**

EMPLOYEES

The Confederation has 159,000 full-time positions (FTEs). These are divided between the Federal Administration (60,300 FTEs) and enterprises (98,700 FTEs) segments.

FEDERAL ADMINISTRATION

39 000
CONFEDERATION AS PARENT ENTITY

20 500
ETH

800
OTHER

ENTERPRISES

35 100
SWISS POST

3000
RUAG MRO

35 600
SBB

1800
RUAG INTERNATIONAL

19 900
SWISSCOM

3300
OTHER

17.0 BN

WAGES AND SALARIES

Wages and salaries paid to employees.

1.6 BN

FIRST PILLAR INCOMING PAYMENTS

Employer contributions paid into own AHV, IV, EO and ALV social insurance funds.

2.1 BN

SECOND PILLAR INCOMING PAYMENTS

Ordinary employer contributions to second pillar pension plans.

2 SEGMENTS

21 OVERVIEW OF CONSOLIDATED ENTITIES

The consolidated figures are summarized in segments. The segments of the consolidated financial statements are heterogeneous and exposed to different risks. The disclosure of financial information on the individual segments enables the readers of the financial statements to carry out a differentiated assessment.

Federal consolidated financial statements

FEDERAL ADMINISTRATION

Primarily tax-financed entities

Federal financial statements
Confederation as parent entity

Separate accounts
Railway infrastructure fund RIF
Motorway and urban transportation fund

Decentralized administrative units
Swiss Federal Institutes of Technology (ETH)
Swiss Federal Institute for Vocational Education and Training (SFIVET)
Federal Institute of Metrology (METAS)
Innosuisse
Pro Helvetia
Swiss National Museum (SNM)

ENTERPRISES

Entities that are not tax-financed or not primarily tax-financed

Companies with a federal stake
Swiss Federal Railways SBB
Swisscom AG
Swiss Post AG
RUAG International Holding AG
RUAG MRO Holding AG
Skyguide AG
SIFEM AG
BLS Netz AG

Decentralized administrative units
Swiss Financial Market Supervisory Authority FINMA
Swiss Federal Institute of Intellectual Property IIP
Swiss Federal Nuclear Safety Inspectorate ENSI
Federal Audit Oversight Authority FAOA
Swiss Export Risk Insurance SERV
Swiss Association for Hotel Credit SAH
Swiss capacity allocation body TVS
Swissmedic

SOCIAL INSURANCE

Federal social insurance

Social insurance
Old-age and survivors' insurance AHV
Disability insurance IV
Compensation for loss of earnings EO
Agriculture family allowances FL
Unemployment insurance ALV

22 FEDERAL ADMINISTRATION SEGMENT

Operating receipts rose by a robust 6%. Growth in operating expenditure was also strong at 5%. Overall, there was an annual surplus of 1.7 billion.

FEDERAL ADMINISTRATION SEGMENT: STATEMENT OF FINANCIAL PERFORMANCE

CHF mn	2023	2024	Δ 2023-24 Absolute	Δ 2023-24 %
Tax receipts	74 784	79 245	4 461	6
Direct federal tax	27 835	29 806	1 971	7
Withholding tax	6 445	6 913	467	7
Stamp duty	2 181	2 398	217	10
Value added tax	25 148	26 930	1 782	7
Other consumption taxes	7 992	7 988	-5	-0
Misc. tax receipts	5 183	5 211	28	1
Other sovereign receipts	894	790	-104	-12
Misc. receipts	3 365	3 443	79	2
Operating receipts	**79 042**	**83 478**	**4 435**	**6**
Operating expenditure	-19 750	-20 347	-598	3
Personnel expenditure	-8 916	-9 172	-256	3
General, administrative and operating expenditure	-7 526	-7 723	-197	3
Depreciation and amortization	-3 308	-3 453	-145	4
Transfer expenditure	-58 312	-61 412	-3 100	5
Contributions to social insurance segment	-18 390	-19 827	-1 437	8
Contributions to federal enterprises segment	-3 370	-3 319	51	-2
Contributions to cantons and third parties	-36 552	-38 267	-1 714	5
Cantons' share of federal receipts	-7 425	-7 891	-466	6
Fiscal equalization to cantons	-3 788	-4 033	-246	6
Compensation to cantons	-2 760	-2 986	-226	8
Individual premium reductions (IPR) to cantons	-3 044	-3 344	-300	10
Contributions to international organizations	-2 224	-2 053	171	-8
Direct payments for agriculture	-2 791	-2 797	-6	0
AHV and IV supplementary benefits	-1 941	-2 015	-74	4
Redistribution of incentive fees	-799	-854	-55	7
Contributions to research promotion institutions	-1 270	-1 248	21	-2
Other contributions to cantons	-3 147	-3 020	127	-4
Other contributions to third parties	-7 366	-8 024	-658	9
Operating expenditure	**-78 062**	**-81 760**	**-3 698**	**5**
Operating result	**980**	**1 718**	**738**	
Financial receipts	672	919	247	37
Financial expenditure	-1 440	-1 334	106	-7
Financial result	**-768**	**-415**	**354**	
Result from financial interests	**101**	**394**	**293**	
Surplus/deficit for the year	**313**	**1 697**	**1 384**	

OPERATING RECEIPTS

During the year under review, *tax receipts* rose to 79.2 billion (+4.5 bn). In the case of direct federal tax, both profit taxes (+1.1 bn) and income taxes (+0.9 bn) experienced strong growth. The positive result was driven not only by solid nominal economic growth in the relevant fiscal year of 2023 (+2.1%), but also by receipts from earlier tax periods. Withholding tax receipts likewise rose (+0.5 bn). The high level of incoming payments associated with interest income as a result of the rise in interest rates contributed to this. Value added tax receipts climbed sharply (+1.8 bn), due mainly to economic growth and the 0.4 percentage point increase in the VAT rate in favor of AHV.

Coming in at 4.2 billion, *nontax receipts* remained at the previous year's level. There was no SNB profit distribution in either year.

OPERATING EXPENDITURE

Transfer expenditure

Transfer expenditure rose by 3.1 billion to 61.4 billion. Higher contributions were paid to social insurance (+1.4 bn) and to the cantons and third parties (+1.7 bn). By contrast, payments to federal enterprises remained stable. *Internal transfer expenditure* between the two other segments of the Confederation accounted for 23.1 billion of transfer expenditure; 38.3 billion was paid to recipients outside the scope of consolidation (*external transfer expenditure*).

Internal transfer expenditure (23.1 bn): 19.8 billion (+1.4 bn) went to *social insurance* in the year under review. AHV accounted for 15.0 billion of this, IV 4.2 billion and ALV 0.6 billion. The year-on-year increase was largely attributable to the VAT rate being raised by 0.4 percentage points. *Federal enterprises* received 3.3 billion. Transfer payments were made primarily to companies in the area of public transportation (rail, postal bus) in the form of subsidies for transportation services and civil engineering structures.

External transfer expenditure (38.3 bn): 18.3 billion, i.e. just under half of external transfer expenditure, went to the cantons. In particular, this involved recurring payments from shares of federal receipts, fiscal equalization, individual premium reductions, AHV and IV supplementary benefits, and compensation. Transfer payments of 20.3 billion were made to third parties. Significant payments went to international organizations and agriculture, or were used to promote renewable energies and research.

Operating expenditure

Operating expenditure amounted to 20.3 billion. It mainly included personnel expenditure and general, administrative and operating expenditure of the Federal Administration and the ETH Domain.

Personnel expenditure (9.2 bn) was up by 0.3 billion on the previous year. The increase was due to higher staffing levels and the partial cost-of-living adjustment that was granted. Both *general, administrative and operating expenditure* (+0.2 bn) and infrastructure *depreciation* (+0.2 bn) rose marginally year on year.

FINANCIAL RESULT

Interest expenditure for Confederation bonds and money market debt register claims amounted to 1.0 billion. Financial receipts include primarily interest receipts on loans granted, overdue tax receivables and other credit balances.

SURPLUS/DEFICIT FOR THE YEAR

Overall, there was an annual surplus of 1.7 billion.

23 ENTERPRISES SEGMENT

Swisscom and Swiss Post were the main contributors to the positive result of 2.1 billion for the year. Overall, the segment's surplus was up slightly on the previous year.

ENTERPRISES SEGMENT: STATEMENT OF FINANCIAL PERFORMANCE

CHF mn	2023	2024	Δ 2023-24 Absolute	Δ 2023-24 %
Service and production revenue	27 945	28 429	484	2
Postal service revenue	4 240	4 482	242	6
Income from financial services	1 315	1 288	-28	-2
Telecommunications service revenue	11 072	11 036	-36	-0
Armament sector revenue	1 337	1 274	-63	-5
Transportation revenue	5 703	5 989	286	5
Federal contributions	3 370	3 319	-51	-2
Other service revenue	908	1 041	133	15
Other revenue	4 957	4 838	-119	-2
Operating revenue	**32 902**	**33 267**	**365**	**1**
Personnel expenses	-12 363	-12 709	-346	3
General, administrative and operating expenses	-12 338	-12 423	-85	1
Cost of materials, goods and services	-5 688	-5 962	-274	5
Other general, administrative and operating expenses	-6 649	-6 460	189	-3
Depreciation and amortization	-5 338	-5 394	-56	1
Operating expenses	**-30 039**	**-30 526**	**-487**	**2**
Operating result	**2 863**	**2 741**	**-122**	
Financial revenue	675	400	-275	-41
Financial expense	-974	-548	426	-44
Financial result	**-299**	**-148**	**151**	
Income from associates	**9**	**7**	**-2**	
Income taxes of federal enterprises	**-487**	**-454**	**33**	**-7**
Surplus/deficit for the year	**2 087**	**2 146**	**59**	

OPERATING REVENUE

The *postal service* revenue of 4.5 billion was generated by Swiss Post largely with the dispatch of letters, print media and parcels. It was up by 242 million (+6%) year on year. The increase in turnover was due in particular to the price measures that were introduced, which more than made up for the structural decline in letter volumes in the logistics sector.

Financial service revenue is generated primarily by PostFinance and is a net figure. In the year under review, net income of 1.3 billion was achieved (-2%). The reduction in interest rates led to lower interest income than a year earlier.

Telecommunications service revenue comes exclusively from Swisscom. The revenue of 11.0 billion reported in the year under review was the same as in the previous year. It does not yet include revenue from Vodafone Italia, as this acquisition by Swisscom took place on the reporting date of December 31, 2024 (see section B 21).

Armament sector revenue is generated by RUAG MRO and RUAG International, and amounted to 1.3 billion. While turnover for RUAG International (civilian sector) declined to 0.5 billion, that for RUAG MRO (defense technology sector) rose to 0.8 billion.

Transportation revenue of 6.0 billion was generated by SBB and BLS Netz AG, as well as by PostBus. Transportation revenue was up by 286 million (+5%) year on year. The good result was attributable primarily to the high demand for passenger transportation at SBB and PostBus.

The *federal contributions* to the enterprises segment amounted to 3.3 billion (-2%). These are essentially federal payments for railway infrastructure and subsidies for regional passenger transportation.

Coming in at 1.0 billion, *other service revenue* was up by 133 million (+15%) on the previous year, and consisted mainly of revenue from air traffic control (Skyguide), insurance services (SERV), Swiss Post merchandise, and fees for administrative acts (e.g. IIP, ENSI, Swissmedic, FINMA, TVS).

Other revenue of 4.8 billion included own work capitalized (2.2 bn) and building rental income (0.9 bn). The decrease of 119 million (-2%) was largely due to lower energy revenue and lower revenue from cost sharing at SBB. The previous year's figure included claims against reinsurers arising from the accident in the Gotthard Base Tunnel.

OPERATING EXPENSES

Coming in at 12.7 billion, *personnel expenses* were 3% higher than a year earlier (+346 mn). First, the total wage bill rose by 247 million (+3%) year on year, and second, retirement benefit costs also climbed by 129 million (+16%). The increase was caused primarily by valuation effects arising from the discount rates used to calculate retirement benefit costs.

General, administrative and operating expenses remained stable year on year at 12.4 billion (+1%). While Swisscom in particular experienced an increase in general, administrative and operating expenses, those at SBB decreased, as the previous year's figure included the expenses for the Gotthard damage claim, among other things.

Similarly, *depreciation and amortization* were only slightly higher than a year earlier and totaled 5.4 billion (+1%).

FINANCIAL RESULT

The financial result improved by 151 million in the year under review. While the valuation changes with respect to the derivatives used to hedge interest rate and energy risks were significantly lower in terms of both expenses and revenue, Swisscom in particular recorded lower net interest expense. This was due to different payment dates for capital procurement and purchase price payments in connection with the acquisition of Vodafone Italia.

SURPLUS/DEFICIT FOR THE YEAR

The enterprises segment posted an annual surplus of 2.1 billion, which was up by 59 million on the previous year. Swisscom (1,542 mn) and Swiss Post (328 mn) in particular contributed to the surplus. Most of the other federal enterprises also achieved a positive or balanced result. However, it should be noted that half of Swisscom's positive contribution was attributable to minority shareholders.

24 SOCIAL INSURANCE SEGMENT

Old-age and survivors' insurance and unemployment insurance were the main contributors to the positive apportionment result of 4.5 billion in total. The investment result was also positive at 3.0 billion, resulting in an overall annual surplus of 7.5 billion.

SOCIAL INSURANCE SEGMENT: STATEMENT OF FINANCIAL PERFORMANCE

CHF mn	2023	2024	Δ 2023-24 Absolute	Δ 2023-24 %
Contributions by insured persons/employers	53 303	54 993	1 689	3
Federal contributions	14 731	15 070	339	2
Contributions cantons	211	214	4	2
Tax shares	3 659	4 757	1 098	30
Other revenue	50	40	-10	-20
Operating revenue	71 954	75 073	3 120	4
Benefits in cash and in kind	-66 206	-68 979	-2 773	4
Administrative expenses	-1 605	-1 602	3	-0
Operating expenses	-67 812	-70 581	-2 769	4
Operating result	**4 142**	**4 492**	**350**	
Investment result	1 853	3 015	1 162	
Financial result	**1 853**	**3 015**	**1 162**	
Surplus/deficit for the year	**5 994**	**7 507**	**1 513**	

OPERATING RESULT

Federal social insurance is financed with a pay-as-you-go system. The insurance benefits paid out stand against the contributions of insured persons and employers, as well as government unit grants (primarily federal). The apportionment result shows whether contributions and grants can cover the insurance benefits paid out.

The consolidated apportionment result for federal social insurance was very positive at 4.5 billion. While old-age and survivors' insurance (AHV; 2.8 bn), unemployment insurance (ALV; 1.3 bn) and compensation for loss of earnings (EO; 0.2 bn) achieved a positive operating result, disability insurance (IV) was just about balanced.

FINANCIAL RESULT

In the year under review, a positive financial result of 3.0 billion (2023: 1.9 bn) resulted from the investments of the three compensation funds AHV/IV/EO. The funds are jointly managed and had assets of 46.1 billion as of the reporting date (2023: 40.6 bn). The funds' different risk profiles are taken into account when investing the assets, which leads to different investment returns.

SOCIAL INSURANCE SEGMENT: STATEMENT OF FINANCIAL PERFORMANCE BY ENTITY

CHF mn	AHV	IV	EO	ALV	Other	Consoli-dation	2024
Contributions by employers/ insured persons	38 670	6 248	2 230	8 089	24	-268	54 993
Federal contributions	10 290	4 156	–	586	38	–	15 070
Contributions cantons	–	–	–	195	19	–	214
Tax shares	4 757	–	–	–	–	–	4 757
Other revenue	2	32	–	5	–	–	40
Operating revenue	53 719	10 436	2 230	8 875	81	-268	75 073
Benefits in cash and in kind	-50 726	-9 623	-2 029	-6 790	-80	268	-68 979
Administrative expenses	-215	-616	-5	-763	-1	–	-1 602
Interest expense (AHV loan to IV)	–	-216	–	–	–	216	–
Operating expenses	-50 941	-10 455	-2 034	-7 553	-81	484	-70 581
Operating result	**2 778**	**-19**	**196**	**1 322**	**–**	**216**	**4 492**
Investment result	2 559	254	125	77	–	–	3 015
Interest income (AHV loan to IV)	216	–	–	–	–	-216	–
Financial result	**2 775**	**254**	**125**	**77**	**–**	**-216**	**3 015**
Surplus/deficit for the year	**5 553**	**235**	**321**	**1 399**	**–**	**0**	**7 507**

OLD-AGE AND SURVIVORS' INSURANCE (AHV)

The AHV apportionment result amounted to 2,778 million (2023: 1,229 mn). Both expenditure and receipts increased year on year, with expenditure rising less sharply (2.0%) than receipts (+5.0%). Receipts were divided into contributions from insured persons and employers (+3.3%), the federal contribution (+2.0%) and receipts from tax shares (+30%). Receipts from tax shares concern the casino tax and value added tax receipts. Effective January 1, 2024, AHV receives additional financing as a result of the 0.4 percentage point increase in value added tax that was decided as part of the AHV 21 reform, leading to a surge in receipts from tax shares.

The total assets of the AHV compensation fund (40.3 bn) generated a return of 7.21%. This corresponds to a positive investment result of 2,559 million. Overall, the insurance fund ended the year with an annual gain of 5,553 million.

DISABILITY INSURANCE (IV)

The IV apportionment result amounted to -19 million (2023: 50 mn). Both expenditure and receipts increased year on year, with expenditure rising more sharply (3.9%) than receipts (+3.2%).

The total assets of the IV compensation fund (3.9 bn) generated a return of 7.13%. This corresponds to a positive investment result of 254 million. Overall, the insurance fund ended the year with an annual gain of 235 million.

COMPENSATION FOR LOSS OF EARNINGS (EO)

The EO apportionment result amounted to 196 million (2023: 173 mn). Both expenditure and receipts increased year on year, with expenditure rising less sharply (2.4%) than receipts (+3.3%).

The total assets of the EO compensation fund (2.0 bn) generated a return of 7.13%. This corresponds to a positive investment result of 125 million. Overall, the insurance fund ended the year with an annual gain of 321 million.

UNEMPLOYMENT INSURANCE (ALV)

The ALV apportionment result amounted to 1,322 million (2023: 2,638 mn). Both expenditure and receipts increased year on year, with expenditure rising more sharply (26.1%) than receipts (+2.9%). The surge in expenditure was attributable to the higher rate of unemployment than a year earlier.

3 FEATURES

31 CATEGORIES OF CONSOLIDATED ENTITIES

Aside from the central Federal Administration, other entities and organizations are allocated to the Confederation by virtue of ownership and financing relationships, or by law. These entities are likewise included in the consolidation scope of the consolidated financial statements.

ORGANIZATIONS/ENTITIES

The consolidated entities of the consolidated financial statements can be categorized as follows:

Confederation as parent entity
Funds with separate accounts
Decentralized administrative units with their own accounts
Companies with a federal stake
Federal social insurance

CONFEDERATION AS PARENT ENTITY

The Confederation as parent entity corresponds to the federal budget, which is subject to the debt brake rules. This corresponds to the definition of the federal financial statements and includes the departments and their administrative units, the Federal Chancellery, the Federal Assembly and its Parliamentary Services, the Federal Council, the general secretariats, the federal courts, including the arbitration commission and appeals commission, the Office of the Attorney General and the supervisory authority via the Office of the Attorney General, and the administrative units of the decentralized Federal Administration that do not maintain separate accounts.

The central Federal Administration covers ministerial tasks. These include in particular policy preparation and sovereign tasks, the performance of which is usually associated with intervention concerning fundamental rights (e.g. security, justice). They thus require a high degree of democratic legitimacy and political control; there is also a distinct need for coordination with other tasks of the central Federal Administration.

The Confederation as parent entity is financed mainly with the collection of taxes. While tax receipts account for more than 90% of the Confederation’s total receipts, nontax receipts (e.g. profit distributions from companies with a federal stake and fees) are of minor importance. The Confederation as parent entity is essentially a transfer budget. Most of the funds are transferred in the form of contributions, compensation and shares. This transfer expenditure, together with the operating expenditure of the Confederation as parent entity, is subject to the debt brake.

FUNDS WITH SEPARATE ACCOUNTS

The funds with separate accounts include the railway infrastructure fund (RIF) and the motorway and urban transportation fund. The functioning of these funds is regulated by corresponding special laws. The Financial Budget Act (FBA) applies on a subsidiary basis. The two funds were spun off from the federal financial statements but are closely linked to them. They have no legal personality of their own. The funds were spun off from the federal financial statements in a bid to increase long-term planning and implementation certainty for investments in transportation infrastructure.

The RIF pays for operations and the preservation of value, as well as for the further expansion of the railway infrastructure. The motorway and urban transportation fund finances all federal expenditure in the motorway sector (operation, maintenance, expansion, completion of the motorway network and elimination of bottlenecks), as well as the contributions for urban transportation infrastructures.

The funds are financed mainly by means of restricted receipts and general federal budget deposits. These funds are subject to the debt brake for the federal financial statements. The RIF additionally receives annual cantonal contributions of at least 606 million (2024: 623 mn). Withdrawals from the funds are made according to the intended purpose and are not subject to the debt brake.

Consolidated entities

RIF, motorway and urban transportation fund

DECENTRALIZED ADMINISTRATIVE UNITS WITH THEIR OWN ACCOUNTS

The decentralized administrative units with their own accounts are legally independent and spun off from the central Federal Administration. Their task areas are very diverse, and they mainly perform services on a monopoly basis and economic and safety oversight functions. They are spun off from the central Federal Administration because the tasks do not have to be highly coordinated with other federal tasks, on the one hand, and a certain degree of autonomy is advantageous on the other hand. However, close ownership policy management remains indispensable.

Services on a monopoly basis are generally market-based tasks that could in principle be provided privately too. However, due to some market failures, as well as for historical and socio-political reasons, these tasks are performed by the public sector. Tasks that are determined by scientific, technical and international requirements and have little scope for political structuring are additionally subsumed here.

Although the *economic and safety oversight tasks* are of a sovereign nature, they have to be exempt from political influence in operational terms. Spinning off is necessary here in order to ensure the independence of supervisory activities.

The entities are financed according to task performance. Entities that mainly perform services on a monopoly basis are financed largely by contributions from the Confederation as parent entity (transfer payments). In the consolidated financial statements, they are allocated to the Federal Administration segment. Entities that perform economic and safety oversight tasks finance their activities mainly by means of supervisory duties and fees. They are allocated to the enterprises segment.

Consolidated entities

Services on a monopoly basis: ETH, SFIVET, METAS, Innosuisse, Pro Helvetia, SNM
Economic and safety oversight tasks: FINMA, IIP, ENSI, FAOA, SERV, SAH, TVS, Swissmedic

COMPANIES WITH A FEDERAL STAKE

The Confederation holds a majority stake in several companies, and controls these companies via its position as majority shareholder.

The services provided by these companies are basically controlled by the market. The public interest in ensuring a minimum supply standard should normally be taken into account by means of statutory provisions on basic supply (e.g. postal services, public transportation).

Accordingly, the entities are likewise financed primarily via the market. To the extent that the companies provide services in order to maintain basic supply, they are compensated from the federal financial statements (or funds with separate accounts).

Consolidated entities

Swiss Post AG, Swisscom AG, SBB, RUAG International Holding AG, RUAG MRO Holding AG, Skyguide AG, SIFEM AG, BLS Netz AG

FEDERAL SOCIAL INSURANCE

The (mandatory) social insurance of the first pillar (old-age and survivors' insurance, disability insurance), compensation for loss of earnings, agriculture family allowances and unemployment insurance are regarded as federal social insurance.

The first pillar covers the basic benefits of Swiss old-age, survivors' and disability pension provision. Compensation for loss of earnings provides reasonable compensation for the loss of earnings in the event of compulsory service and maternity and paternity leave. AHV and IV are implemented in a decentralized manner via employers, employees, a Central Compensation Office (CCO), the compensation funds of associations, the cantons and the Confederation, as well as IV offices. Asset management is centralized: all contributions go to the three AHV/IV/EO compensation funds, and all expenditure is also debited to these.

Unemployment insurance provides benefits in the event of unemployment, bad weather stoppages, short-time working and the employer's inability to pay. Unemployment insurance also pays for reintegration measures. Responsibilities are divided between the various implementing bodies. The cantons and social partners are involved in implementation. The compensation office and the supervisory commission for the unemployment insurance compensation fund are primarily responsible for management and supervision. This is a legally dependent fund with its own accounts. The assets of this compensation fund are managed by the Confederation.

Federal social insurance is financed by means of the pay-as-you-go system. This means that social insurance benefits are financed essentially by the contributions from insured persons and employers. A significant portion of the financing for social insurance also comes from contributions from government units.

Consolidated entities

Old-age and survivors' insurance, disability insurance, compensation for loss of earnings, agriculture family allowances, unemployment insurance

32 MANAGEMENT OF THE CONSOLIDATED ENTITIES BY THE CONFEDERATION

Management varies depending on the structure of the entities and organizations. The following framework generally applies.

CONFEDERATION AS PARENT ENTITY AND FUNDS WITH SEPARATE ACCOUNTS

The federal financial statements and the separate accounts of the RIF and the motorway and urban transportation fund together form the state financial statements. The partial financial statements of the state financial statements are not consolidated, but they must be approved individually by the Federal Assembly.

The Federal Assembly has various instruments at its disposal for managing and controlling the Confederation's expenses and investment expenditure. In this regard, a distinction has to be made between payment frameworks and guarantee credits, with which the multi-year management function is performed in important areas and in the case of commitments extending over more than one year, and budgetary and supplementary credits, which cover an entire (annual) accounting period.

Aside from managing expenditure and expenses, Parliament also has the possibility of directly influencing outputs and outcomes in the budgeting and financial planning process if required.

Based the requirements of the Constitution and the law, the Federal Assembly decides on the annual deposits in funds with separate accounts within the framework of the budget. During the term of the funds, it also approves their accounts annually. At the same time as the federal decree on the federal budget, it additionally determines with a simple federal decree the amount of funds withdrawn from the funds annually.

DECENTRALIZED ADMINISTRATIVE UNITS WITH THEIR OWN ACCOUNTS/ COMPANIES WITH A FEDERAL STAKE

Despite the spinning off of a federal task, the Confederation remains responsible for the performance of the task as guarantor. The Confederation can be the owner or the main or majority shareholder of the entity. Its influence depends to a large extent on the spun-off entity's legal concept. The management instruments must be comprehensive, i.e. they must be geared toward the long, medium and short term.

Management is legally enshrined and is designed for the long term. In that regard, companies limited by shares are based on the Code of Obligations, unless a special law provides otherwise. The Confederation is legally obliged to hold a majority of the capital and voting rights in its companies. There is more regulatory room for maneuver in the case of institutions; in this respect, the sample templates based on the Confederation's corporate governance guidelines and task typology in particular are intended to ensure standardization, provided no deviations are justified.

The Federal Council generally adopts strategic objectives for each spun-off entity every four years; only in the case of the economic and safety oversight entities does the supreme governing body decide, with the approval of the Federal Council if need be.

As a rule, owner talks take place several times a year between the owner (federal representatives) and the top management of the spun-off entities. These involve interim reporting on the achievement of objectives and discussions concerning current issues.

FEDERAL SOCIAL INSURANCE

The principle of centralized legislation and supervision by the Confederation and decentralized implementation applies. The Confederation monitors the enforcement of laws and ensures they are applied uniformly. In addition, the Federal Council reports regularly on the implementation of social insurance.

The Federal Council's politico-strategic management of federal social insurance essentially corresponds to its function as state leader. The Federal Council and the administration should identify current and future challenges as early as possible, and initiate suitable measures where necessary. The Federal Commission for the Old-Age, Survivors' and Invalidity Insurance and the Supervisory Commission for the Unemployment Insurance Fund support the Federal Council in this task by examining issues concerning the implementation and further development of the relevant insurance, among other things. They can also submit suggestions to the Federal Council.

The development of social insurance is highly influenced by the economic and social environment. Social insurance benefits are defined by law and therefore cannot be influenced in the short term by the Federal Council and Parliament.

33 RELATIONSHIP BETWEEN THE CONSOLIDATED AND THE FEDERAL FINANCIAL STATEMENTS

The consolidated financial statements are more comprehensive than the federal financial statements. However, the federal financial statements can be compared with the Federal Administration segment.

Unlike the federal financial statements, which are approved by Parliament and limited to the Confederation as parent entity, the consolidated financial statements additionally take account of the results of companies affiliated with the Confederation and of social insurance. Consequently, they consist of three segments.

FEDERAL CONSOLIDATED FINANCIAL STATEMENTS

CHF mn	2024
Statement of financial performance	
Surplus/deficit for the year	11 350
Federal Administration segment	1 697
Enterprises segment	2 146
Social insurance segment	7 507

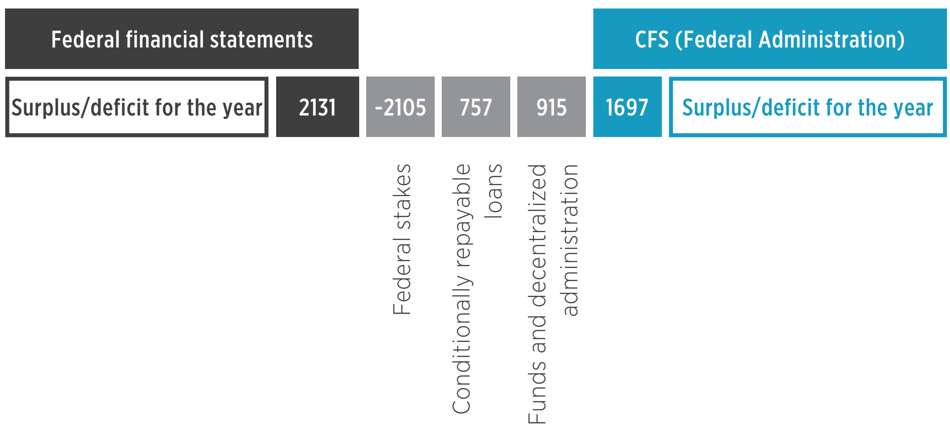
The results of the Federal Administration segment are not identical to the results in the federal financial statements. The two sets of annual results differ in the following areas:

Federal stakes: in the federal financial statements, the change in the equity stake of federal enterprises (2,484 mn) is recorded as a result from financial interests. In the consolidated view, only the result of associates (379 mn) remains in the Federal Administration segment. By contrast, the result from fully consolidated federal stakes (2,105 mn) is attributable to the enterprises segment.

Conditionally repayable loans: the investment contributions for tunnel excavations and conditionally repayable loans to finance railway infrastructure are depreciated directly via expenses in the federal financial statements. In the consolidated view, however, these payments result in infrastructure assets. Consequently, recognition in the statement of financial performance is reversed for the consolidated financial statements.

Funds and decentralized administration: in addition to the federal financial statements, the Federal Administration segment includes the results of funds with separate accounts (RIF and motorway and urban transportation fund), as well as the results of the primarily tax-financed units of the decentralized administration.

FROM THE SURPLUS/DEFICIT IN THE FEDERAL FINANCIAL STATEMENTS TO THE SURPLUS/DEFICIT IN THE FEDERAL ADMINISTRATION SEGMENT

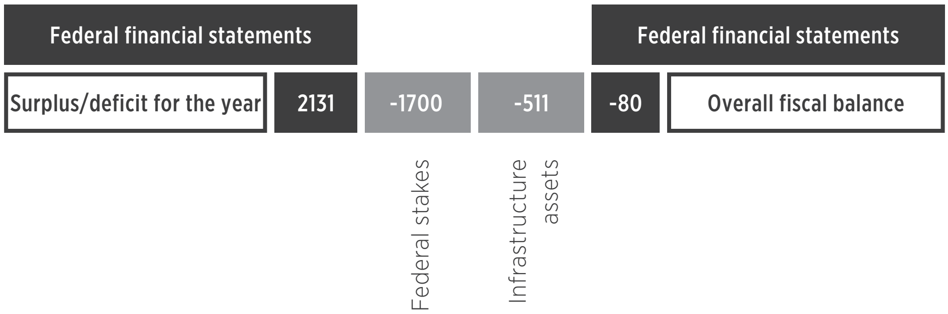


FEDERAL FINANCIAL STATEMENTS

The consolidated financial statements correspond to the view in terms of financial performance. The principle of recognition on an accrual basis applies to *statements of financial performance*. In the federal financial statements, aside from the performance approach, the financing approach in particular is also decisive.

Under the financing approach, the *overall fiscal balance* is decisive. This is tailored to the special needs of the debt brake and is thus the key instrument for the Confederation's political management. The two approaches differ in the following areas:

FEDERAL FINANCIAL STATEMENTS: FROM THE SURPLUS/DEFICIT IN THE FEDERAL FINANCIAL STATEMENTS TO THE OVERALL FISCAL BALANCE



Differences between the performance approach and the financing approach

Federal stakes: in the overall fiscal balance, only the dividend payments actually received (in the year under review: 784 mn) are taken into account instead of the proportional changes in equity (in the year under review: 2,484 mn). The increase in net assets/equity is not decisive for the overall fiscal balance, as a significant proportion of this amount remains in the companies for the development of their business activities. Only the amount distributed to the Confederation in its capacity as owner is decisive for the management of the federal budget. However, the change in net assets/equity of the companies is (with a few exceptions) recognized proportionally in the statement of financial performance.

Depreciation vs. investments: instead of depreciation, the overall fiscal balance takes account of the investments actually made in the year under review. Depreciation is not an appropriate item for political steering, as the depreciation of non-current assets is a consequence of earlier investment decisions and can no longer be influenced. In the statement of financial performance, by contrast, the reduction in value of recognized assets (in the form of depreciation and value adjustments) and withdrawals from inventories are both charged to the surplus or deficit for the year. Overall, the investments that impacted the overall fiscal balance were 511 million higher than the reduction in value charged to the statement of financial performance.

34 RELATIONSHIP BETWEEN THE CONSOLIDATED FINANCIAL STATEMENTS AND FINANCIAL STATISTICS

The statistics on Switzerland's public finances ("financial statistics") show the financial figures of the government units and the general government sector with its four sub-sectors. By contrast, the consolidated financial statements are divided into three segments.

THE GENERAL GOVERNMENT SECTOR IS COMPRISED OF THE FOLLOWING SUB-SECTORS

Confederation sub-sector
Cantons sub-sector
Municipalities sub-sector
Social security funds sub-sector

In the financial statistics, the entities incorporated within the "general government" sector are determined on the basis of the criteria laid down in the European System of Accounts (ESA 2010). By contrast, the consolidated financial statements follow the accounting standard control criterion (IPSAS). As a result, the consolidation scopes of the financial statistics and the consolidated financial statements are not identical.

CONSOLIDATION SCOPE DIFFERENCES

The "Confederation" sub-sector is comparable with the "Federal Administration" segment in the consolidated financial statements, but it is not entirely identical. The "Confederation" sub-sector is more comprehensive than the "Federal Administration" segment and additionally contains the following: Swiss National Science Foundation, Switzerland Tourism and Building Foundation for International Organisations (FIPOI).

The "social security funds" sub-sector is virtually congruent with the "social insurance" segment of the consolidated financial statements. The only difference concerns "Geneva maternity insurance", which is additionally included in the "social security" sub-sector of the financial statistics.

The "cantons" and "municipalities" sub-sectors are covered only by the financial statistics.

By contrast, companies with a federal stake and decentralized administrative units that are not tax-financed or not primarily tax-financed are combined in the "enterprises" segment in the consolidated financial statements. The entities in this segment are not part of the *general government sector* in the financial statistics.

MEASUREMENT AND RECORDING DIFFERENCES

The criteria for the recording and measurement of items in the financial statistics differ in some cases from the IPSAS recording and measurement requirements.

In the financial statistics, items in the statement of financial position are more frequently measured at market values, while under IPSAS they are generally valued at historical acquisition and production costs or at amortized cost.

FINANCIAL REPORT

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1 ANNUAL FINANCIAL STATEMENTS

11 STATEMENT OF FINANCIAL PERFORMANCE

CHF mn	2023	2024	Notes section
Tax receipts	74 784	79 245	1
Service and production revenue	25 981	26 627	2
Social insurance revenue	52 306	53 951	3
Other revenue	7 145	6 851	4
Operating revenue	160 215	166 674	
Personnel expenses	-20 022	-20 587	5
General, administrative and operating expenses	-20 797	-21 040	6
Transfer expenditure	-36 554	-38 266	7
Social insurance expenses	-66 208	-68 979	3
Depreciation and amortization	-8 649	-8 850	15/16
Operating expenses	-152 230	-157 722	
Operating result	7 985	8 951	
Financial result	786	2 452	8
Income from associates	110	400	17
Income taxes of federal enterprises	-487	-454	9
Surplus/deficit for the year	**8 394**	**11 350**	
Confederation's share	*7 553*	*10 605*	
Minority interests	*841*	*745*	

12 STATEMENT OF FINANCIAL POSITION

CHF mn	2023	2024	Notes section
Assets	**361 558**	**387 769**	
Cash and cash equivalents	48 491	56 480	11
Receivables	23 792	24 933	12
Financial investments	118 422	123 278	13
Prepaid expenses and accrued income	7 893	8 637	
Current and deferred income tax assets	677	785	
Inventories	4 709	4 690	14
Tangible fixed assets	141 096	145 752	15
Intangible fixed assets	9 893	15 742	16
Financial interests	6 283	6 788	17
Employee retirement benefit assets	304	684	21
Liabilities and equity	**361 558**	**387 769**	
Liabilities	293 289	307 748	
Current liabilities	26 258	29 603	18
Accrued expenses and deferred income	12 243	13 366	
Financial liabilities	112 223	120 460	19
Client funds	90 310	89 966	19
Current and deferred income tax liabilities	1 483	1 712	
Provisions	40 921	41 922	20
Employee retirement benefits	3 488	4 268	21
Other liabilities	6 364	6 453	22
Net assets/equity	68 269	80 020	
Minority interests	9 040	9 288	
Net assets/equity of the Confederation	59 230	70 732	
Restricted funds	60 064	68 425	
Other net assets/equity	-835	2 308	

13 CASH FLOW STATEMENT

CHF mn	2023	2024
Total cash flow	**-9 815**	**7 989**
Cash flow from operating activities	15 660	20 842
Surplus/deficit for the year	8 394	11 350
Depreciation and amortization	8 650	8 850
Income associated financial interests	-110	-400
Profit from disposals	-167	-236
Increase/decrease in provisions, net	-2 518	791
Non-cash fair value adjustments	204	-2 694
Other non-cash transactions	135	861
Change in other net operating assets	1 071	2 321
Cash flow from investing activities	-11 175	-19 713
Acquisition of tangible and intangible fixed assets	-11 385	-11 465
Disposal of tangible and intangible fixed assets	377	450
Acquisition of financial interests and subsidiaries	-268	-7 421
Sale of financial interests and subsidiaries	44	11
Financial investment expenditure	38	-1 305
Dividends and profit distributions received	18	17
[Geldfluss aus Finanzierungstätigkeit]	-14 299	6 859
Cash inflow/outflow from client assets	-1 327	-347
Net issuance/redemption of bonds	2 214	5 742
Net issuance/redemption of money market paper	-545	-5 279
Net issuance/repayment of bank loans	-317	3 005
Net borrowing/repayment of repo transactions	-11 526	4 390
Net issuance/redemption of other financial liabilities	-2 265	-82
Capital increase	0	-4
Dividends and profit distributions	-559	-559
Change in minority interests	27	-6

CASH FUND STATEMENT

CHF mn	2023	2024
Cash and cash equivalents balance at 01.01.	58 306	48 491
Increase (+) / decrease (-)	-9 815	7 989
Cash and cash equivalents balance at 31.12.	48 491	56 480

14 STATEMENT OF NET ASSETS/EQUITY

CHF mn	Road	Rail	Social insurance	Other	Total restricted funds	Venture capital	Net assets/ equity	Total federal net assets/ equity	Minority interests	Total net assets/ equity
As of 01.01.2023	**4 209**	**-4 649**	**46 406**	**7 192**	**53 158**	**5 963**	**-6 046**	**53 075**	**8 794**	**61 869**
Change in special constructs	–	–	–	4	4	–	-0	4	–	4
Revaluation employee retirement benefits	–	–	–	–	–	–	-1 279	-1 279	-31	-1 310
Revaluation associated companies	–	–	–	–	–	–	46	46	-0	46
Revaluation financial instruments	–	–	–	–	–	–	-120	-120	16	-104
Change in deferred taxes	–	–	–	–	–	–	-26	-26	3	-22
Change in currency translations	–	–	–	–	–	–	-131	-131	-65	-196
Total items recognized under net assets/equity	–	–	–	4	4	–	-1 510	-1 507	-77	-1 584
Surplus/deficit for the year	-171	1 003	5 994	76	6 903	–	650	7 553	841	8 394
Total profit and loss recognized	-171	1 003	5 994	80	6 907	–	-860	6 046	764	6 810
Dividends	–	–	–	–	–	–	0	0	-559	-559
Change in reserves	–	–	–	–	–	344	-344	–	–	–
Transactions with minority shareholders	–	–	–	–	–	–	-58	-58	27	-31
Other transactions	–	–	–	–	–	–	166	167	15	181
As of 31.12.2023	**4 038**	**-3 646**	**52 400**	**7 272**	**60 064**	**6 308**	**-7 143**	**59 230**	**9 040**	**68 269**
Change in accounting policies	–	–	74	–	74	–	–	74	–	74
Status as of 01.01.2024	**4 038**	**-3 646**	**52 474**	**7 272**	**60 138**	**6 308**	**-7 143**	**59 304**	**9 040**	**68 343**
Change in special constructs	–	–	–	-26	-26	–	–	-26	–	-26
Revaluation employee retirement benefits	–	–	–	–	–	–	-478	-478	-19	-497
Revaluation associated companies	–	–	–	–	–	–	5	5	–	5
Revaluation financial instruments	–	–	–	–	–	–	1 286	1 286	70	1 356
Change in deferred taxes	–	–	–	–	–	–	-14	-14	6	-8
Change in currency translations	–	–	–	–	–	–	-42	-42	10	-33
Total items recognized under net assets/equity	–	–	–	-26	-26	–	757	731	68	799
Surplus/deficit for the year	-283	1 067	7 507	21	8 312	–	2 293	10 605	745	11 350
Total profit and loss recognized	-283	1 067	7 507	-5	8 287	–	3 050	11 336	813	12 149
Dividends	–	–	–	–	–	–	-0	-0	-559	-559
Change in reserves	–	–	–	–	–	-515	515	–	–	–
Transactions with minority shareholders	–	–	–	–	–	–	-29	-29	-6	-36
Other transactions	–	–	–	–	–	–	122	122	1	123
Status as of 31.12.2024	**3 755**	**-2 578**	**59 981**	**7 267**	**68 425**	**5 793**	**-3 485**	**70 732**	**9 288**	**80 020**

CATEGORIES OF NET ASSETS/EQUITY

Restricted funds

The vast majority of net assets/equity is restricted and cannot be used for the general performance of tasks. Earmarking within the meaning of the federal consolidated financial statements exists if, at the time of the inflow of funds, the law or fund providers prescribe that the funds are to be used for a predefined purpose.

The allocations were as follows:

- The roads restricted funds include the net assets/equity of the motorway and urban transportation fund and the special financing for road transportation.
- The rail restricted funds include the negative net assets/equity of the railway infrastructure fund (RIF).
- The social insurance restricted funds include the net assets/equity of the old-age and survivors' insurance, disability insurance, compensation for loss of earnings and unemployment insurance social security institutions.
- Other restricted funds include the special funds and special financing allocable to net assets/equity pursuant to Articles 53 and 54 of the FBA (excluding special financing for road transportation), the other restricted funds of the federal financial statements, as well as the restricted funds of the ETH Domain and Pro Helvetia.

Risk capital

In addition, the risk capital category is reported separately. This includes the required own funds of PostFinance, as well as SERV's core capital and risk-bearing capital.

Other net assets/equity

The figure for other net assets/equity is obtained after subtracting restricted funds, risk capital and the capital attributable to minority shareholders of consolidated companies. It is influenced primarily by the annual results of the Confederation and federal enterprises, as well as by the revaluation of employee retirement benefits and financial instruments, and it can thus vary considerably from year to year.

Minority interests

The values of Swisscom AG and BLS Netz AG are fully consolidated (100%) in the consolidated financial statements, as the Confederation controls these companies via its position as majority shareholder (51%). However, 49% of the net assets/equity is attributable to minority shareholders. The minority interests result mainly from these two financial interests.

2 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

21 CONSOLIDATION PRINCIPLES

CONSOLIDATED FINANCIAL STATEMENT ACCOUNTING STANDARDS

Pursuant to the Financial Budget Ordinance (FBO), the consolidated financial statements are prepared in accordance with the International Public Sector Accounting Standards (IPSAS). The fundamental purpose of financial statements is to give a true and fair view.

CONSOLIDATED ENTITY ACCOUNTING STANDARDS

With the exception of social insurance, all of the entities included in the consolidated financial statements prepare financial statements which also follow the principle of a true and fair view. Consequently, these financial statements are transferred largely unchanged into the consolidated financial statements. However, if the accounting and valuation principles of the rules applied by the consolidated entities differ significantly from those of the IPSAS, the entities' financial statements are adjusted to the IPSAS.

The following significant deviations have been identified and adjusted for the consolidated financial statements:

— *Railway civil engineering structures:* the costs incurred for tunnel excavation work are not capitalized in the financial statements of SBB and BLS Netz AG (Lötschberg, Rosshäusern). In the consolidated financial statements, these civil engineering structures are recognized and depreciated according to their service potential.
— *Employee retirement benefits:* some financial statements are prepared in accordance with Swiss GAAP FER (e.g. SBB, RUAG and Skyguide). Accordingly, obligations under employee pension plans are recognized under liabilities only if restructuring commitments actually exist. By contrast, the consolidated financial statements recognize a liability for all retirement benefits using an actuarial calculation (IPSAS 39).

DEVIATIONS FROM THE IPSAS IN THE CONSOLIDATED FINANCIAL STATEMENTS

Following the adjustment of the financial statements to the IPSAS as described above, the following areas where the consolidated financial statements do not comply with the IPSAS accounting and valuation principles remain.

Reporting on an accrual basis

Direct federal tax receipts are recognized at the time the federal share is invoiced by the cantons (accrual principle). This means there is no reporting on an accrual basis.

The contributions of insured persons to the Confederation's social insurance are recognized at the time of the incoming payment. This means there is no reporting on an accrual basis.

Accounting and valuation

The capitalization of defense equipment includes the main systems (A systems) according to the armament programs. Other defense equipment expenses are thus recorded at cost and not over the period of the useful life.

INTERCOMPANY RELATIONSHIPS

To enable a net view, intra-group transactions must be eliminated during consolidation. As there are significant capital ties and transfer payments between the consolidated entities, the consolidated financial statements also apply this principle. Consequently, the figures presented are highly meaningful.

For economic reasons (time factor, cost/benefit considerations), the consolidated financial statements deviate from this principle in the following cases. The effects of the simplifications on the statement of financial position and statement of financial performance are insignificant overall and do not lead to any material loss of information. By contrast, the amount of work required to collect these figures would be disproportionately high for the consolidated entities involved.

Fair value transactions between the consolidated entities

The consolidated entities have a variety of reciprocal business transactions that are carried out at market rates (e.g. postal services, telephony and internet fees, rail travel, etc.). During consolidation, these transactions should generally be removed and the resulting intercompany profits eliminated. The revenue from these transactions and the resulting receivables and liabilities are not eliminated for economic reasons (cost/benefit considerations). Both the annual surplus/deficit and the statement of financial position of the consolidated financial statements are only marginally affected by refraining from doing this.

Transactions between the Federal Administration (DDPS) and RUAG are an exception. The total corresponding RUAG revenue is offset against the defense expenses of the DDPS. Intercompany profits are not taken into account. By contrast, reciprocal receivables and liabilities are eliminated.

Direct federal tax transactions

The activities of federal enterprises are generally subject to direct federal tax, unless they are explicitly exempt from it (e.g. rail services). The direct federal tax recognized by the federal enterprises is not eliminated with the corresponding tax revenue or receivables/liabilities of the Federal Tax Administration.

Similarly, the deferred tax items recognized by federal enterprises for direct federal tax are not taken into account. The items recognized by companies for deferred direct federal tax constitute a one-sided intercompany relationship. The Federal Tax Administration does not record any corresponding counter-item for this. The amounts are not reversed in the statement of financial performance or statement of financial position.

ADJUSTMENT OF PRIOR-YEAR FIGURES

If a consolidated entity adjusts its prior-year figures in the form of a retrospective restatement, the prior-year figures of the consolidated financial statements are generally not adjusted. Effects resulting from the adjustment are recognized directly in net assets/equity as of January 1 of the year under review without affecting the statement of financial performance.

ACQUISITION OF VODAFONE ITALIA BY SWISSCOM

In March 2024, Swisscom signed a purchase agreement with Vodafone Group Plc to acquire 100% of Vodafone Italia. The transaction was completed on December 31, 2024. Vodafone Italia is to be merged with the Swisscom subsidiary Fastweb at a later date. The purchase price was 7.4 billion and was largely debt-financed. The net assets acquired include in particular infrastructure and communications facilities (1.9 bn), brands and licenses (2.5 bn) and customer relationships (1.5 bn). This results in goodwill of 1.1 billion.

22 ACCOUNTING AND VALUATION PRINCIPLES

ACCOUNTING PRINCIPLES

Assets are shown as assets in the statement of financial position if they generate a future economic benefit (net inflows of funds) or if they directly serve the fulfilment of public tasks (service potential). Existing liabilities are shown under liabilities and equity in the statement of financial position if their settlement is likely to result in an outflow of funds. Moreover, it must be possible to estimate them reliably.

VALUATION PRINCIPLES

Items in the statement of financial position are generally valued at historical acquisition and production costs or amortized cost, unless a standard or statutory requirements prescribe a different valuation principle.

CURRENCY TRANSLATION

The reporting currency is Swiss francs. The consolidated financial statements also include the translation method used by the consolidated entities to convert accounts in a foreign currency or to convert the closing accounts of subsidiaries. No group conversion rates are issued.

VALUE ADJUSTMENT PRINCIPLES

The impairment of recognized assets is always tested if it appears that the carrying amounts may be too high owing to changed circumstances or other events. If this is the case, the procedure is as follows:

Financial assets

An impairment loss on financial assets carried at amortized cost is calculated as the difference between the carrying amount and the present value of estimated future cash flows taking the original effective interest rate into account.

Other assets

The impairment principles for other assets differ depending on whether an asset is classified as a cash-generating or non-cash-generating asset.

Cash-generating assets are assets that are held with the main objective of generating an economic return. In this case, the carrying amount is compared with the recoverable amount (higher of fair value less costs to sell and value in use). If the carrying amount exceeds the recoverable amount, the difference is recognized as a value adjustment.

If the carrying amount of *non-cash-generating assets* exceeds the higher of fair value less costs to sell and service potential, an impairment loss in the amount of the difference is recognized as an expense. It can be difficult to calculate the service potential for some assets, as there are no cash flows. One of the following methods is used to determine the present value of the remaining service potential:

- Replacement cost method with accumulated depreciation
- Restoration cost method

RECOGNITION OF REVENUE

Each inflow of funds of an entity is assessed to determine whether it is an inflow from exchange transactions (IPSAS 9) or an inflow from non-exchange transactions (IPSAS 23). In the case of a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

If an *exchange transaction* exists, the revenue is generally recognized at the time of delivery and service provision. In the case of project contracts, the performance obligation not yet fulfilled is allocated to liabilities. The revenue is accounted for and shown by reference to the stage of completion of the project.

In the case of a *non-exchange transaction*, it is necessary to determine whether or not a service or repayment obligation exists. In the event of such an obligation, the corresponding amount is recognized under liabilities at the time of contract conclusion, and the revenue is recognized according to the progress of the project in question.

If neither an exchange transaction nor a service or repayment obligation exists, as is usually the case with grants, the revenue is recognized in full in the statement of financial performance in the year under review.

Revenue is structured as follows:

Tax receipts

Accrual accounting is used for the recognition of *direct federal tax*. The claim is usually not submitted by the cantons until the following year. If, exceptionally, invoicing occurs during the tax year, the revenue is accounted for on an accrual basis. Advance payments are recognized as liabilities. Due to the reporting timeframe required by the cantons, there is a one-month delay before recognition in the federal financial statements.

Value added tax receipts are calculated on the basis of amounts receivable and payable from settlements (including supplementary settlements, credit advices, etc.) during the fiscal year. Receivables from estimates due to the non-submission of VAT returns are only recognized as revenue with an empirical value of 20% due to the low probability of an inflow of funds.

The cantons' shares of tax receipts are recognized separately as an expense.

Service and production revenue

Service revenue is recognized on a straight-line basis over the term of the contract or at the time the service is rendered. Revenue from product sales is recognized in the statement of financial performance when the risks and opportunities of ownership of the products are transferred to the buyer.

Social insurance revenue

Contributions by employers and insured persons (personal contributions and wage contributions) are based on the current contribution rates. They are recorded on a cash accounting basis.

Other revenue

Some other revenue, such as building revenue, is recorded on a pro rata basis. Other forms of other revenue, such as the Swiss National Bank's profit distribution, are recognized when the legal entitlement to the payment has arisen.

RECOGNITION OF EXPENSES

In accordance with the principle of accrual accounting, expenses are allocated to the accounting period in which they were incurred (e.g. personnel expenses). In the area of general, administrative and operating expenses, the time at which the goods or services were received or supplied is generally decisive. In the case of transfer expenditure, the expenses are recorded on the basis of an order or other legally binding assurance or, where no direct service is rendered, at the time when the contribution becomes due.

TANGIBLE FIXED ASSETS

Tangible fixed assets are recognized in the statement of financial position at acquisition cost or production cost, less accumulated depreciation. Depreciation is on a straight-line basis over the estimated useful life of the asset. The permissible useful life ranges are as follows:

Property, plant and equipment	
Machines, appliances, tools, office machines, etc.	3–15 years
Passenger vehicles, delivery vans, lorries, buses	3–20 years
Railway locomotives, aircraft, ships	10–33 years
IT (hardware), communication systems	2–10 years
Furniture	3–20 years
Fixtures and fittings, operating equipment	3–25 years
Land and buildings	
Land	Unlimited
Buildings, structures	10–75 years
Hydraulic engineering structures	40–80 years
Armaments	
Main systems (A systems)	10–75 years
Communication infrastructures	
Technical equipment (cables, ducts)	30–40 years
Technical equipment (transmission and switching equipment)	3–15 years
Other investments	3–15 years
Motorway infrastructures	
Roads, bridges	30 years
Tunnels	50 years
Electromechanical equipment	10 years
Rail infrastructures	
Technical equipment (cables, ducts), railway technology, overhead lines	10–33 years
Civil engineering structures (bridges, tunnels), substructure, superstructure	25–50 years
Tunnel excavations	80 years

The capitalization of *defense equipment* includes the main systems (A systems) according to the armament programs. Defense equipment comprising components with differing periods of useful life is not recorded or depreciated separately. Other defense equipment eligible for capitalization is not recognized in the statement of financial position. Unlike the main systems, the data required for capitalization of other defense equipment can be collected only with considerable effort, which is why it is not capitalized. Except in the case of main systems, the expenses for this defense equipment are thus recorded at cost and not over the period of the useful life.

Federal *works of art* are not capitalized in the statement of financial position. The Federal Office of Culture keeps an inventory of all items owned by the Confederation.

INTANGIBLE FIXED ASSETS AND GOODWILL

Intangible fixed assets acquired or created are valued at acquisition or production cost.

Goodwill	No planned amortization, impairment test
Software	Term or useful life
Other intangible fixed assets (licenses, patents, rights, client relationships, brands)	Term or useful life

FINANCIAL INTERESTS

A distinction has to be made between associates and other financial interests.

In the case of *associates*, the Confederation can have a significant impact on their business activities without controlling them. A significant impact is generally assumed with a 20% to 50% share of voting rights. Associates are generally valued at equity. Alternatively, they can also be valued at cost if the proportionate equity of a financial interest is less than 50 million.

Other financial interests are financial interests in companies and organizations over which the Confederation cannot exercise control or have significant influence due to its position. Other financial interests are shown under this item in the statement of financial position only if they are held for the performance of tasks. In this case, they are valued at cost because, as a rule, there are no fair values. By contrast, financial interests for investment purposes are recognized under financial investments and, for the most part, are valued at market rates.

Equity method

Valuation using the equity method is based on closing accounts that are adjusted to the accounting standards of the consolidated financial statements.

Valuation using the equity method is based on the company's most recent closing accounts available. If this does not correspond to the reporting date of the consolidated financial statements, either closing accounts are obtained for the reporting date of the consolidated financial statements or they are based on the company's last available closing accounts and are updated to reflect the significant transactions between the two reporting dates.

Valuation at cost

The initial valuation at cost is based on the actual acquisition costs. The acquisition value generally corresponds to the capital paid in.

Subsequent measurement is also based on acquisition costs, as no market prices can be used for measurement. Acquisition costs in foreign currencies are valued at the exchange rate applicable on the reporting date.

If the company significantly restricts its business or administrative activities or if future financial flows (e.g. the possibility of conversion into liquid funds, interest payments, dividend payments) are adversely affected, impairment is tested.

EMPLOYEE RETIREMENT BENEFITS

Employee retirement benefits include obligations under pension plans of the Confederation and federal enterprises which pay out benefits upon retirement, death and disability.

In accordance with the requirements of IPSAS 39, these pension plans are to be classified as defined benefit plans. In contrast to the static method of accounting for employee benefits under Swiss pension law, vested employee benefits are measured on a basis to reflect future changes in salary and pension levels, applying the "substance over form" approach in IPSAS 39. The employee retirement benefits shown in the statement of financial position correspond to the present value of defined benefit employee retirement benefits less the fair value of plan assets.

The current service cost and obligations under pension plans are calculated using the actuarial valuation method known as the projected unit credit method (PUC). The calculation is based on information on those insured (wage, retirement savings, etc.) using demographic parameters (retirement age, fluctuation rate, disability rate, mortality rate) and financial parameters (wage and pension development, interest rate). The calculated values are discounted to the measurement date using a discount rate.

The statement of financial performance shows the current service cost, administrative costs and the interest on net retirement benefits under personnel expenses. Gains and losses on plan changes are recognized in the statement of financial performance, provided that the risk-sharing characteristics are not taken into account in the valuation of the obligation. If the valuation is based on risk sharing, the effects of plan changes are recognized directly in net assets/equity.

Actuarial and investment gains and losses from pension plans are recognized directly in net assets/equity in the reporting period in which they arise. Actuarial gains and losses result from changes in the parameters used and from experience adjustments.

The assumptions made by the consolidated entities are applied unchanged for the calculation of employee retirement benefits. This also applies for the assumptions in connection with risk sharing. In contrast to the individual financial statements of SBB, RUAG and Skyguide in accordance with Swiss GAAP FER, where a liability is recognized only to the extent of the actual restructuring commitments, the consolidated financial statements recognize a liability for all retirement benefits in accordance with IPSAS 39.

Other staff benefits (long-service benefits, vacation and overtime, etc.) are included in provisions (employee benefits).

PROVISIONS

Provisions are recognized where a liability has arisen from a past event, an outflow of funds will probably be required to settle that liability, and the amount of the liability can be reliably estimated. Where it is unlikely that an outflow of funds will be required (<50%) or the amount cannot be estimated reliably, it is disclosed as a contingent liability. A provision for restructuring costs is recognized only when a detailed formal plan for the restructuring has been presented, the plan has been communicated, and the level of costs can be measured with sufficient reliability.

23 EXPLANATIONS CONCERNING THE ANNUAL FINANCIAL STATEMENTS

1 TAX REVENUE

CHF mn	2023	2024
Tax receipts	**74 784**	**79 245**
Direct federal tax	27 835	29 806
Natural persons	13 344	14 246
Legal entities	14 491	15 559
Value added tax	25 148	26 930
General federal resources	20 129	20 683
Restricted funds	5 019	6 247
Withholding tax	6 445	6 913
Withholding tax Switzerland	6 439	6 897
US withholding tax	6	16
Stamp duty	2 181	2 398
Issue tax	219	229
Transfer stamp tax	1 164	1 335
Insurance premium stamp duty and other	798	834
Other consumption taxes	7 992	7 988
Mineral oil taxes	4 341	4 383
Tobacco duty	2 025	1 997
Grid supplement	1 226	1 224
Spirits tax	288	276
Beer tax	112	109
Misc. tax receipts	5 183	5 211
Transportation levies	2 502	2 692
Customs duties	1 184	738
Casino tax	364	358
Incentive fees and other tax receipts	1 133	1 423

2 SERVICE AND PRODUCTION REVENUE

CHF mn	2023	2024
Service and production revenue	**25 981**	**26 627**
Postal service revenue	4 240	4 482
Postal service revenue	4 240	4 482
Income from financial services	1 314	1 287
Financial service revenue	1 868	1 815
Financial service expenses	-554	-529
Telecommunications service revenue	11 072	11 036
Telecommunications services Switzerland	8 516	8 363
Telecommunications services abroad	2 556	2 672
Armament sector revenue	824	718
Defense technology	181	235
Civilian area	643	482
Transportation revenue	5 703	5 989
Passenger transportation rail	3 731	3 974
Passenger transportation road	393	442
Freight transportation rail	745	732
Ancillary operating revenue rail	188	182
Cantons' contributions/compensation	647	659
Other service revenue	2 827	3 116
Air traffic control	411	415
Income from insurance services	-8	105
Swiss Post merchandise	99	98
ETH research/science services	636	651
Other services	1 689	1 847

3 SOCIAL INSURANCE REVENUE/EXPENDITURE

CHF mn	2023	2024
Net result social insurance	**-13 900**	**-15 028**
Social insurance revenue	52 306	53 951
Contributions by employers and insured persons	53 517	55 261
Cantons' contributions/other revenue	260	253
./. social insurance revenue from consolidation scope	-1 471	-1 563
Social insurance expenses	-66 206	-68 979
Direct old-age and survivors' insurance (AHV) benefits	-49 742	-50 726
Direct disability insurance (IV) benefits	-9 414	-9 622
Direct benefits concerning compensation for loss of earnings (EO)	-1 981	-2 029
Direct benefits concerning agriculture family allowances (FL)	-83	-80
Direct unemployment insurance (ALV) benefits (net AHV contributions)	-4 986	-6 521

Federal social insurance is financed primarily with employer and employee contributions. Contributions from the federal budget and restricted tax shares are also major sources of funding. The above overview shows a net view of the social insurance result in the narrower sense (social insurance revenue and expenditure). The Confederation's contributions which are paid into its own social insurance funds in the form of contributions, tax shares and employer contributions are excluded.

4 OTHER REVENUE

CHF mn	2023	2024
Other revenue	**7 145**	**6 851**
Capitalized own work	2 235	2 332
Rail	1 487	1 553
Other	747	779
Building revenue	958	989
Building revenue rail operations	696	729
Federal buildings	82	81
Other	181	179
Other sovereign revenue	894	790
Revenue from exchange transactions, fines	184	119
Revenue from concessions, quota auctions	376	404
Gifts, bequests to the ETH	159	131
Other revenue from payments, royalties	175	135
Other revenue	3 058	2 740
Cantons' contributions to railway infrastructure fund	606	623
Other miscellaneous revenue	2 452	2 117

5 PERSONNEL EXPENSES

CHF mn	2023	2024
Personnel expenses	**-20 022**	**-20 587**
Wages and salaries	-16 567	-16 987
Retirement benefit cost	-1 714	-1 926
Other personnel expenses	-1 742	-1 674

6 GENERAL, ADMINISTRATIVE AND OPERATING EXPENSES

CHF mn	2023	2024
General, administrative and operating expenses	**-20 797**	**-21 040**
Cost of materials, goods and services	-6 476	-6 235
Building expenses and rent	-2 062	-2 050
IT expenses	-1 863	-1 939
Armed Forces operating and defense expenses	-1 573	-1 869
Other general and administrative expenses	-487	-503
Other operating expenses	-8 336	-8 443

7 TRANSFER EXPENDITURE

CHF mn	2023	2024
Transfer expenditure	**-36 554**	**-38 266**
Cantons	**-24 895**	**-26 086**
Cantons' share of federal receipts	-7 425	-7 891
Fiscal equalization	-3 788	-4 033
Individual premium reductions (IPR)	-3 044	-3 344
Compensation to cantons	-2 760	-2 986
Direct payments for agriculture	-2 791	-2 797
AHV and IV supplementary benefits	-1 941	-2 015
Other contributions to cantons	-3 147	-3 020
Third parties	**-11 658**	**-12 180**
Contributions to international organizations	-2 224	-2 053
Contributions to research promotion institutions	-1 270	-1 248
Redistribution of incentive fees	-799	-854
Other contributions to third parties	-7 366	-8 024

8 FINANCIAL RESULT

CHF mn	2023	2024
Financial result	**786**	**2 452**
Financial revenue	3 004	4 166
Interest income	924	1 127
Revenue from financial interests	383	433
Fair value adjustments	1 544	2 197
Other financial revenue	154	410
Financial expense	-2 218	-1 713
Interest expense	-1 357	-1 428
Capital procurement expenses	-37	-36
Impairments on financial investments	-103	-11
Fair value adjustments	-568	-138
Other financial expense	-153	-100

9 INCOME TAXES OF FEDERAL ENTERPRISES

CHF mn	2023	2024
Income taxes of federal enterprises	**-487**	**-454**
Expenses/revenue for current income taxes	-431	-488
Expenses/revenue for deferred income taxes	-56	34

10 BREAKDOWN BY SEGMENT

CHF mn	Federal Administration	Enter-prises	Social insurance	Consoli-dation	2024
Statement of financial performance					
Operating revenue	83 478	33 267	75 073	-25 144	166 674
Operating expenses	-81 760	-30 526	-70 581	25 144	-157 722
Operating result	1 718	2 741	4 492	–	8 951
Financial result	-415	-148	3 015	–	2 452
Income from associates	394	7	–	–	400
Income taxes of federal enterprises	-0	-454	–	–	-454
Surplus/deficit for the year	1 697	2 146	7 507	–	11 350
Personnel					
Number of full-time employees (FTEs)	60 305	98 700	–	–	159 005

11 CASH AND CASH EQUIVALENTS

CHF mn	2023	2024
Cash and cash equivalents	**48 491**	**56 480**
Cash	1 357	1 104
Sight deposits with financial institutions	35 983	42 931
Cash investments	11 151	12 445

12 RECEIVABLES

CHF mn	2023	2024
Receivables	**23 792**	**24 933**
Trade receivables	5 723	6 423
Tax and customs receivables	10 403	10 925
Current account receivables from compensation funds	4 366	4 508
Other current account receivables	886	790
Other receivables	3 678	3 775
Value adjustments on receivables	-1 265	-1 489

13 FINANCIAL INVESTMENTS

CHF mn	2023	2024
Financial investments	**118 422**	**123 278**
Bonds	69 792	68 401
Fixed-term deposits, discount paper	940	2 448
Shares	9 028	11 045
Fund investments	11 517	15 396
Loans	20 820	21 609
Derivatives	1 102	676
Other financial investments	5 223	3 702
of which short term	*22 332*	*22 705*
of which long term	*96 091*	*100 572*

14 INVENTORIES

CHF mn	2023	2024
Inventories	**4 709**	**4 690**
Civilian inventories and work in progress	1 550	1 912
Military inventories	3 533	3 172
Value adjustments on inventories	-374	-393

15 TANGIBLE FIXED ASSETS

2024 CHF mn	Advances and assets under construction	Property, plant and equipment	Land and buildings	Armaments	Infrastructures communi-cations	Infrastructures motorways	Infrastructures rail	Total
Acquisition costs								
Status as of 01.01.2024	21 429	42 004	59 357	16 006	28 615	49 649	57 899	274 958
Additions	8 163	732	70	300	1 026	–	67	10 358
Disposals	-199	-790	-470	-207	-102	-1 412	-358	-3 537
Change in scope of consolidation	33	58	44	–	1 947	–	–	2 082
Reclassifications	-5 961	1 452	1 162	361	154	1 105	1 707	-21
Currency translations	1	4	2	–	86	–	–	94
Status as of 31.12.2024	23 465	43 461	60 165	16 460	31 725	49 342	59 315	283 934
Accumulated depreciation								
Status as of 01.01.2024	-25	-25 860	-30 724	-13 031	-20 067	-24 011	-20 144	-133 863
Depreciation and amortization	-125	-1 993	-1 068	-473	-1 052	-1 663	-1 226	-7 600
Impairments	-7	-2	-5	–	-1	–	-0	-15
Disposals	132	735	444	207	102	1 412	281	3 312
Change in scope of consolidation	–	-1	–	–	–	–	–	-1
Reclassifications	1	23	17	–	2	-0	-0	43
Currency translations	–	-0	-2	–	-57	–	–	-59
Status as of 31.12.2024	-24	-27 099	-31 338	-13 298	-21 072	-24 262	-21 090	-138 182
Carrying amount as of 31.12.2024	**23 442**	**16 362**	**28 827**	**3 162**	**10 653**	**25 080**	**38 226**	**145 752**

2023 CHF mn	Advances and assets under construction	Property, plant and equipment	Land and buildings	Armaments	Infrastructures communi-cations	Infrastructures motorways	Infrastructures rail	Total
Acquisition costs								
Status as of 01.01.2023	20 273	41 491	58 082	17 175	27 849	48 970	56 693	270 533
Additions	8 111	780	128	261	1 252	0	66	10 599
Disposals	-11	-1 429	-623	-1 517	-286	-1 470	-341	-5 677
Change in scope of consolidation	-3	-23	12	–	–	–	–	-14
Reclassifications	-6 936	1 199	1 766	87	150	2 149	1 481	-105
Currency translations	-5	-14	-8	–	-350	–	–	-378
Status as of 31.12.2023	21 429	42 004	59 357	16 006	28 615	49 649	57 899	274 958
Accumulated depreciation								
Status as of 01.01.2023	-19	-25 295	-30 260	-13 967	-19 455	-23 889	-19 180	-132 065
Depreciation and amortization	-0	-1 926	-1 044	-581	-1 083	-1 591	-1 263	-7 488
Impairments	-6	-6	-4	–	-49	-0	–	-66
Reversal of impairments	–	11	1	–	–	–	–	12
Disposals	2	1 323	563	1 517	285	1 470	291	5 449
Change in scope of consolidation	–	26	1	–	–	–	–	27
Reclassifications	-1	0	17	–	3	-0	7	26
Currency translations	–	7	4	–	232	–	–	242
Status as of 31.12.2023	-25	-25 860	-30 724	-13 031	-20 067	-24 011	-20 144	-133 863
Carrying amount as of 31.12.2023	**21 403**	**16 144**	**28 633**	**2 975**	**8 548**	**25 638**	**37 754**	**141 096**

Advance payments and assets under construction comprise mainly motorways (9.6 bn), construction projects and advance payments for railway infrastructure and rolling stock (8 bn).

Property, plant and equipment/other tangible fixed assets include the rolling stock of railway companies (8.2 bn).

16 INTANGIBLE FIXED ASSETS

2024 CHF mn	Assets under construction	Goodwill	Software	Other intangible fixed assets	Total
Acquisition costs					
Status as of 01.01.2024	914	6 971	9 333	2 299	19 517
Additions	516	0	593	125	1 234
Disposals	-6	–	-381	-205	-591
Change in scope of consolidation	58	1 333	462	4 039	5 892
Reclassifications	-498	-0	416	41	-41
Currency translations	-0	26	30	9	65
Status as of 31.12.2024	985	8 330	10 453	6 308	26 076
Accumulated depreciation					
Status as of 01.01.2024	-9	-1 229	-7 003	-1 383	-9 624
Depreciation and amortization	-5	–	-979	-215	-1 200
Impairments	–	-31	-5	–	-36
Disposals	5	–	378	191	574
Change in scope of consolidation	–	1	0	–	1
Reclassifications	7	0	-5	-0	2
Currency translations	–	-19	-26	-6	-51
Status as of 31.12.2024	-2	-1 278	-7 641	-1 414	-10 334
Carrying amount as of 31.12.2024	**983**	**7 052**	**2 813**	**4 894**	**15 742**

2023 CHF mn	Assets under construction	Goodwill	Software	Other intangible fixed assets	Total
Acquisition costs					
Status as of 01.01.2023	1 025	6 980	8 424	2 157	18 586
Additions	561	–	583	147	1 291
Disposals	-5	–	-267	-30	-301
Change in scope of consolidation	–	99	27	44	170
Reclassifications	-667	–	693	13	38
Currency translations	-0	-108	-126	-33	-267
Status as of 31.12.2023	914	6 971	9 333	2 299	19 517
Accumulated depreciation					
Status as of 01.01.2023	-9	-1 307	-6 421	-1 240	-8 977
Depreciation and amortization	-1	–	-899	-197	-1 096
Impairments	-0	-1	-10	–	-11
Disposals	1	–	259	27	287
Change in scope of consolidation	–	4	2	2	7
Reclassifications	–	–	-44	-0	-44
Currency translations	–	76	111	24	210
Status as of 31.12.2023	-9	-1 229	-7 003	-1 383	-9 624
Carrying amount as of 31.12.2023	**905**	**5 742**	**2 330**	**915**	**9 893**

17 FINANCIAL INTERESTS

2024 CHF mn	BLS AG	Rhaetian Railway RhB	Matterhorn Gotthard Infra-struktur AG	Other licensed transportation companies	Development banks	Developing countries and countries in transition	Other	Total
Financial interests								
Status as of 01.01.2023	539	1 309	596	1 765	948	325	663	6 144
Additions	–	–	–	–	51	44	21	117
Disposals	–	–	–	–	–	-25	-3	-28
Dividends	–	–	–	–	–	–	-18	-18
Share of net result recognized in statement of financial performance	-4	-54	41	110	–	–	17	110
Share of net result recognized in net assets/equity	–	–	–	49	–	–	-3	46
Other transactions	–	–	–	–	–	3	-65	-62
Currency translations	–	–	–	–	-77	-23	75	-25
As of 31.12.2023	535	1 255	637	1 924	922	324	687	6 283
Additions	–	–	–	–	52	66	58	177
Disposals	–	–	–	–	–	-33	-9	-42
Dividends	–	–	–	–	–	–	-17	-17
Share of net result recognized in statement of financial performance	5	67	60	240	–	–	28	400
Share of net result recognized in net assets/equity	–	–	–	-1	–	–	6	5
Other transactions	–	–	–	–	–	-24	-23	-47
Currency translations	–	–	–	–	56	-26	-1	29
Status as of 31.12.2024	541	1 321	696	2 163	1 031	307	729	6 788

FINANCIAL INTERESTS IN LICENSED TRANSPORTATION COMPANIES

Significant interests in licensed transportation companies are valued using the equity method. The net assets/equity of licensed transportation companies is valued in accordance with the IPSAS guidelines. The following items are treated differently under the IPSAS than in licensed transportation companies' accounting standards:

- Licensed transportation companies receive *conditionally repayable public-sector loans* to finance railway infrastructure. Repayment of the loans is subject to conditions which generally do not apply. Conditionally repayable loans are shown as liabilities in licensed transportation companies' financial statements. Irrespective of the legal structure, the funds received are attributable to licensed transportation companies' net assets/equity in economic terms.
- The *investment contributions for tunnel excavation work* are granted by the Confederation to licensed transportation companies as non-repayable payments. Based on the DETEC Ordinance on Accounting in Licensed Enterprises (ALEO), the investments made with them are recognized in licensed transportation companies' statements of financial performance and are thus not recognized in the statement of financial position. In the consolidated financial statements, these civil engineering structures are recognized and depreciated according to their service potential.

FINANCIAL INTERESTS IN DEVELOPMENT BANKS

Financial interests held for the performance of tasks are measured at amortized cost. Financial interests held in foreign currencies are valued annually at the exchange rate applicable on the reporting date.

18 CURRENT LIABILITIES

CHF mn	2023	2024
Current liabilities	**26 258**	**29 603**
Trade payables	5 262	5 690
Tax and customs liabilities	13 946	16 437
Current accounts	5 421	6 102
Other liabilities	1 629	1 374

19 FINANCIAL LIABILITIES

CHF mn	2023	2024
Financial liabilities	**202 533**	**210 425**
Client funds	90 310	89 966
Bonds	80 958	87 464
Liabilities from money market paper	15 606	10 488
Liabilities from repo transactions	4 100	8 490
Bank loans	3 440	6 474
Liabilities from financial leases	742	447
Negative replacement values	778	1 054
Other financial liabilities	6 599	6 042
of which short term	*119 694*	*119 701*
of which long term	*82 838*	*90 725*

20 PROVISIONS

CHF mn	Withholding tax	Military insurance	Coins in circulation	Decommissioning, restoration, disposal	Benefits for employees	Sureties	Other	Total
Status as of 01.01.2023	**30 000**	**1 816**	**2 312**	**3 244**	**1 362**	**1 205**	**3 501**	**43 440**
Increase	–	130	13	282	133	8	1 100	1 666
Decrease	-1 900	–	–	-206	-22	-8	-321	-2 457
Utilization	–	-173	-24	-70	-59	-382	-980	-1 687
Present value adjustments	–	–	–	13	2	–	-51	-36
Consolidation scope changes	–	–	–	–	0	–	-1	-1
Currency translations	–	–	–	-0	-1	–	-3	-4
Reclassifications	–	0	–	10	4	–	-13	0
As of 31.12.2023	**28 100**	**1 773**	**2 302**	**3 272**	**1 420**	**824**	**3 231**	**40 921**
Accounting standard changes	–	–	–	–	–	–	25	25
Status as of 01.01.2024	**28 100**	**1 773**	**2 302**	**3 272**	**1 420**	**824**	**3 256**	**40 946**
Increase	21 473	137	51	95	102	8	1 074	22 940
Decrease	–	–	–	-13	-50	-20	-692	-774
Utilization	-19 973	-169	-20	-92	-61	-242	-809	-21 366
Present value adjustments	–	–	–	9	2	–	-19	-8
Consolidation scope changes	–	–	–	–	16	–	169	185
Currency translations	–	–	–	0	-1	–	-0	-1
Reclassifications	–	–	–	-0	–	-1	1	–
Status as of 31.12.2024	**29 600**	**1 741**	**2 332**	**3 271**	**1 429**	**570**	**2 979**	**41 922**
of which short term	*–*	*177*	*–*	*78*	*608*	*159*	*715*	*1 737*
of which long term	*29 600*	*1 564*	*2 332*	*3 193*	*821*	*411*	*2 264*	*40 185*

WITHHOLDING TAX

The provision covers expected future refunds in respect of withholding tax incoming payments. Measuring the provision level is extremely challenging due to the special structure of the tax. The Confederation receives very large sums of money from taxpayers, which can be reclaimed in full or in part by those eligible for a refund. As the Confederation knows neither those eligible for a refund nor their behavior, the expected refund claims have to be estimated. These estimates are subject to considerable uncertainty.

MILITARY INSURANCE

Suva operates the military insurance scheme as a separate social insurance fund on behalf of the Confederation. In the event of an insured event giving rise to a pension entitlement under the military insurance scheme, provision must be made for the projected pension liabilities. Actuarial methods are used to calculate the provision required.

COINS IN CIRCULATION

Where necessary, the Confederation is obliged to take back and reimburse the countervalue of all coins put into circulation by the SNB. Accordingly, a provision is set aside for coins in circulation. As a loss rate of 35% is to be anticipated based on eurozone empirical values, the provision recognized corresponds to 65% of the nominal value of the coins in circulation.

DECOMMISSIONING, RESTORATION AND DISPOSAL COSTS

The provisions for decommissioning, restoration and disposal costs include in particular the provision for the Mitholz ammunition depot, provisions for the decommissioning of telecommunications facilities, and provisions for nuclear decommissioning and disposal.

EMPLOYEE BENEFITS

Employees' vacation entitlement and overtime, as well as long-service entitlements are recognized under provisions for employee benefits.

SURETIES

The Confederation grants sureties and guarantees as part of task performance. It thus undertakes to make certain payments to the guarantee holder if a borrower fails to meet its payment obligations toward the guarantee holder. In the case of guarantees and sureties for which the risk of loss can be reliably estimated, the expected loss is recognized as a provision. A large part of the provision for the risk of loss relates to COVID-19 credits with a joint and several guarantee.

OTHER PROVISIONS

Other provisions include, in particular, provisions for outstanding claims, provisions for unearned premiums, provisions for regulatory and competition law proceedings, and provisions for outstanding refunds of levies received.

21 EMPLOYEE RETIREMENT BENEFIT LIABILITIES/ASSETS

In accordance with the legal requirements in Switzerland, group entities have legally independent pension funds and thus report their retirement benefit liabilities separately. Under IPSAS 39, Swiss pension funds qualify as defined benefit plans, which is why the actuarially determined funding surplus or deficit is recognized in the group statement of financial position. Each pension fund has its own equal representation body consisting of the same number of employee and employer representatives. The pension funds bear their own underwriting and investment risks. The investment strategy is defined in such a way that the regulatory benefits can be paid when they become due.

EMPLOYEE RETIREMENT BENEFITS RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION

CHF mn	2023	2024
Employee retirement benefits	3 488	4 268
Present value of employee retirement benefits	41 964	46 665
Fair value of plan assets	-38 476	-42 397
Retirement benefit assets	-304	-684
Present value of employee retirement benefits	46 550	47 587
Fair value of plan assets	-46 854	-48 272

The net employee retirement benefit liabilities recognized in the statement of financial position rose by 0.8 billion to 4.3 billion in the year under review. In addition, as in the previous year, individual group entities have net retirement benefit assets, which are reported on the assets side of the statement of financial position and amounted to 0.7 billion (previous year: 0.3 bn). The 5.7 billion overall increase in the present value of employee retirement benefit liabilities was mainly due to the year-on-year drop in interest rates. Lower interest rates caused the valuation of employee retirement benefit liabilities to be higher. Due to the positive investment results in 2024, the plan assets also rose (+5.3 bn).

All revaluation effects are recognized directly in net assets/equity.

RETIREMENT BENEFIT COST IN ACCORDANCE WITH IPSAS 39

CHF mn	2023	2024
Retirement benefit cost	-1 714	-1 926
Current service cost (employer)	-1 605	-1 794
Plan changes	-45	-65
Administrative costs	-32	-32
Interest expense for employee retirement benefits	-1 816	-1 324
Interest income from plan assets	1 784	1 289

REVALUATION OF EMPLOYEE RETIREMENT BENEFITS AND PLAN ASSETS

CHF mn	2023	2024
Revaluation recognized in net assets/equity	**-1 309**	**-496**
Actuarial gains (+) / losses (-)	-4 452	-5 778
Change in financial assumptions	-4 997	-4 511
Change in demographic assumptions	-6	197
Empirical adjustments	551	-1 464
Revenue from plan assets (excl. interest based on discount rate)	2 086	5 029
Limit on assets	1 058	253

DETAILS OF INDIVIDUAL PLANS

The largest pension plans are at the Confederation, the ETH Domain, Swiss Post, Swiss Federal Railways (SBB) and Swisscom. The key data for these plans is as follows:

BREAKDOWN BY SEGMENT

	Confederation as parent	ETH Domain	Swiss Post	SBB	Swisscom
Number of active insured persons	42 061	21 324	38 798	34 322	16 252
Number of pensioners	27 723	6 308	29 004	25 533	10 092
Discount rate	1.0%	1.0%	1.0%	1.1%	1.0%
Risk sharing	Yes	Yes	Yes	Yes	Yes

DISCOUNT RATE

The discount rate for discounting employee retirement benefits is determined individually by the group entities and taken over unchanged into the consolidated financial statements. The discount rates are based on first-class corporate bonds.

RISK SHARING

With the customary valuation of employee retirement benefits under IPSAS 39, it is assumed that the costs for funding current pension commitments are borne exclusively by the employer. However, both employees and the employer contribute in the event of restructuring.

By including risk sharing in the valuation of employee retirement benefits, this circumstance is taken into account in that the employer's statement of financial position shows only the portion that the employer probably has to bear. The recognized obligation thus corresponds more closely to the actual circumstances. Furthermore, the effects of plan changes are not recognized in the statement of financial performance, rather directly in net assets/equity as part of the revaluation of employee retirement benefits.

The valuation of the larger pension plans of the Confederation as parent entity, the ETH Domain, Swiss Post, SBB and Swisscom takes risk-sharing characteristics into account.

22 OTHER LIABILITIES

CHF mn	2023	2024
Other liabilities	**6 364**	**6 453**
Special funds	3 546	3 364
Grid supplement fund	2 829	2 639
Nuclear damage fund	552	557
Family compensation fund	100	105
Other special funds	65	63
Restricted funds	2 615	2 987
Restricted research contributions	1 697	1 942
Special financing	543	651
Other restricted funds	375	394
Other liabilities	203	102

23 SURETIES AND GUARANTEES

CHF mn	Maximum claimable as of 01.01.2024	Maximum claimable as of 31.12.2024	Recognized as provision
Sureties and guarantees	**18 114**	**17 348**	**569**
COVID-19 bridging credits	7 566	6 169	475
Subsidized housing	3 933	4 073	44
Commercial sureties	302	292	32
Hardship sureties	139	101	18
IMF monetary assistance decree	3 662	3 662	–
IMF PRGT	1 578	1 587	–
IMF RST	–	585	
Int. mutual benefits assistance health insurance	300	300	–
Compulsory stock bills	164	135	–
Oceangoing vessels	154	111	–
Other sureties and guarantees	316	334	–

The Confederation grants sureties and guarantees as part of task performance. It thus undertakes to make certain payments in favor of the guarantee holder if a borrower fails to meet its payment obligations toward the guarantee holder. Expected payment defaults from outstanding sureties and guarantees generally have to be measured and recognized as liabilities. However, measurement is conditional on it being possible to estimate the future probability of default with sufficient certainty. The amount of the payments that the Confederation, as guarantor, will actually have to make in the future as a result of defaults may differ significantly from the value shown in the statement of financial position. Furthermore, there are guarantees and sureties where the Confederation does not expect any payment defaults or for which the future probability of default cannot be estimated with sufficient certainty.

For explanations concerning sureties and guarantees for which a provision for a possible outflow of funds has been recognized, please refer to the section on provisions. The other sureties and guarantees are described below:

- *International Monetary Fund (IMF):* for the Swiss National Bank (SNB), the Confederation guarantees the repayment of loans granted by the SNB to the IMF under the Monetary Assistance Act (MAA) and to the *IMF's Poverty Reduction and Growth Trust* (PRGT) and *Resilience and Sustainability Trust* (RST).
- *International mutual benefits assistance concerning health insurance:* the Confederation has issued a guarantee for a loan taken out by the HIA Collective Institution for the enforcement of international mutual benefits assistance in relation to health insurance.
- *Compulsory stock bills:* based on Article of the National Economic Supply Act, the Confederation grants guarantees to lending banks for funding the goods held as compulsory stocks and as supplementary compulsory stocks. In this way, the Confederation helps to facilitate the funding of goods.
- *Oceangoing vessels:* the Confederation provides sureties for loans granted by shipping companies to finance oceangoing vessels. The sureties are granted within the framework of the National Economic Supply Act to secure cargo space under the Swiss flag.

24 CONTINGENT LIABILITIES

CHF mn	2023	2024
Contingent liabilities	1 567	1 468
Litigation	354	309
Dismantling and disposal	351	364
Misc. other contingent liabilities	863	795

The contingent liabilities in connection with litigation are related primarily to disputed withholding tax refund requests. No contingent liabilities or provisions were recognized for legal proceedings in connection with the takeover of Credit Suisse by UBS.

The principal items in the area of decommissioning and disposal concern contaminated site clean-up and noise abatement measures, as well as dismantling and decommissioning costs in the real estate sector.

The various other contingent liabilities include joint and several liability arising from tenancies and ground rent in the ETH Domain.

25 CAPITAL COMMITMENTS FOR DEVELOPMENT BANKS

Capital commitments refer to guarantee capital which has not yet been paid up that can be called upon if necessary by development banks. They amounted to 9.4 billion as of the reporting date (2023: 8.8 bn). Participation in the banks is part of Switzerland's development assistance, as these banks promote sustainable economic and social development in the target countries. Guarantee capital helps to secure the bonds issued by the banks on international capital markets.

26 SERV LIABILITY SCOPE

CHF mn	2023	2024
SERV liability scope		
SERV liability scope	14 000	14 000
Utilization	9 674	9 870
Utilization in %	69.1%	70.5%

The Federal Council is responsible for determining the maximum scope of Swiss Export Risk Insurance (SERV) insurance liabilities. This currently amounts to 14 billion. The liability scope sets the total exposure ceiling that SERV can assume for insured benefits. The liability scope is reviewed periodically and adjusted where necessary.

At the end of 2024, the insurance liability amounted to 9.9 billion, whereby the liability scope was 71% utilized. Insurance liabilities include outstanding insurance policies (8.2 bn) and insurance commitments in principle (1.7 bn).

27 ACKNOWLEDGEMENT BY THE FEDERAL COUNCIL

The 2024 consolidated financial statements were approved by the Federal Council on April 16, 2025.

24 SCHEDULE OF HOLDINGS

CONSOLIDATED ENTITIES

Financial interests	Capital share (in %)	Valuation method
Federal Administration segment		
Confederation as parent		
Federal Department of Foreign Affairs	100	Full consolidation
Federal Department of Home Affairs	100	Full consolidation
Federal Department of Justice and Police	100	Full consolidation
Federal Department of Defence, Civil Protection and Sport	100	Full consolidation
Federal Department of Finance	100	Full consolidation
Federal Department of Economic Affairs, Education and Research	100	Full consolidation
Federal Department of the Environment, Transport, Energy and Communications	100	Full consolidation
Authorities and courts	100	Full consolidation
Separate accounts		
Railway infrastructure fund (RIF)	100	Full consolidation
Motorway and urban transportation fund	100	Full consolidation
Decentralized administrative units (tax-financed)		
Swiss Federal Institutes of Technology Domain (ETH)	100	Full consolidation
Swiss Federal Institute for Vocational Education and Training (SFIVET)	100	Full consolidation
Swiss Federal Institute of Metrology (METAS)	100	Full consolidation
Innosuisse	100	Full consolidation
Pro Helvetia	100	Full consolidation
Swiss National Museum (SNM)	100	Full consolidation
Significant associated companies		
BLS AG	22	Equity
Rhaetian Railway (RhB)	43	Equity
Matterhorn Gotthard Infrastruktur AG	77	Equity
Federal enterprises segment		
Federal enterprises		
Parent company incl. its subsidiaries		
Swiss Post AG	100	Full consolidation
Swisscom AG	51	Full consolidation
Skyguide AG	100	Full consolidation
SBB AG	100	Full consolidation
BLS Netz AG	50	Full consolidation
SIFEM AG	100	Full consolidation
RUAG International Holding AG	100	Full consolidation
RUAG MRO Holding AG	100	Full consolidation
Decentralized administrative units (not tax-financed or not primarily tax-financed)		
Swiss Financial Market Supervisory Authority (FINMA)	100	Full consolidation
Swiss Federal Institute of Intellectual Property (IIP)	100	Full consolidation
Swiss Federal Nuclear Safety Inspectorate (ENSI)	100	Full consolidation
Federal Audit Oversight Authority (FAOA)	100	Full consolidation
Swiss Export Risk Insurance (SERV)	100	Full consolidation
Swiss Association for Hotel Credit (SAH)	21	Full consolidation
Swiss capacity allocation body TVS	100	Full consolidation
Swissmedic	66	Full consolidation
Federal social insurance segment		
Old-age and survivors' insurance (AHV)	100	Full consolidation
Disability insurance (IV)	100	Full consolidation
Compensation for loss of earnings (EO)	100	Full consolidation
Agriculture family allowances (FL)	100	Full consolidation
Unemployment insurance (ALV)	100	Full consolidation