



Schweizerische Eidgenossenschaft

Confédération suisse

Confederazione Svizzera

Confederaziun svizra

Swiss Confederation

# STATE FINANCIAL STATEMENTS

# 20

# 22

DISPATCH

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## **DISPATCH ON THE 2022 STATE FINANCIAL STATEMENTS**

of March 29, 2023

Dear Mr President of the National Council  
Dear Madam President of the Council of States  
Ladies and gentlemen

With this dispatch, we hereby submit the Swiss state financial statements for 2022 to you, and propose that you approve them in accordance with the enclosed draft resolutions.

Respectfully yours

Bern, March 29, 2023

On behalf of the Swiss Federal Council

President of the Swiss Confederation:

**Alain Berset**

Federal Chancellor:

**Walter Thurnherr**

## 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                  |
| Fin. stmt. | financial statements       |
| Bdg.       | budget                     |
| FP         | financial plan             |
| LFP        | legislature financial plan |
| E          | estimate                   |
| FTE        | full-time equivalent       |
| PG         | performance group(s)       |

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# REPORT ON THE ANNUAL FINANCIAL STATEMENTS

A





# FIGURES OVERVIEW

## FIGURES OVERVIEW

| CHF mn  | FS<br>2021 | Bdg.<br>2022 | FS<br>2022 | Δ 2021-22 |      |
|---|------------|--------------|------------|-----------|------|
|   |            |              |            | absolute  | %    |
| <b>Financing statement</b>                      |            |              |            |           |      |
| Ordinary receipts                               | 74 545     | 77 122       | 75 277     | 732       | 1.0  |
| Ordinary expenditure                            | 75 950     | 77 716       | 77 152     | 1 202     | 1.6  |
| Ordinary fiscal balance                         | -1 405     | -594         | -1 875     | -470      |      |
| Extraordinary receipts                          | 1 535      | 1 521        | 1 592      | 56        |      |
| Extraordinary expenditure                       | 12 331     | 3 245        | 3 998      | -8 333    |      |
| Overall fiscal balance                          | -12 201    | -2 319       | -4 282     | 7 920     |      |
| <b>Debt brake</b>                               |            |              |            |           |      |
| Maximum admissible expenditure                  | 88 281     | 80 961       | 79 576     | -8 705    | -9.9 |
| Structural surplus (+) / structural deficit (-) | 309        | 23           | -1 574     | -1 883    |      |
| Compensation account balance                    | 23 500     |              | 21 926     | -1 574    |      |
| Amortization account balance                    | -20 276    |              | -22 682    | -2 407    |      |
| <b>Statement of financial performance</b>       |            |              |            |           |      |
| Operating revenue                               | 74 700     | 77 288       | 75 613     | 913       | 1.2  |
| Operating expenses                              | 85 759     | 78 725       | 78 902     | -6 857    | -8.0 |
| Operating result                                | -11 059    | -1 437       | -3 289     | 7 770     |      |
| Financial result                                | -503       | -482         | -623       | -120      |      |
| Result from interests                           | 1 846      | 1 421        | 1 516      | -330      |      |
| Surplus/deficit for the year                    | -9 716     | -498         | -2 396     | 7 319     |      |
| <b>Statement of investments</b>                 |            |              |            |           |      |
| Investment receipts                             | 719        | 710          | 746        | 27        | 3.8  |
| Investment expenditure                          | 11 196     | 11 640       | 11 705     | 509       | 4.5  |
| Statement of investments balance                | -10 477    | -10 930      | -10 959    | -482      |      |
| Extraordinary investment receipts               | 84         | 14           | 82         | -2        |      |
| Extraordinary investment expenditure            | 664        | -            | 575        | -90       |      |
| Statement of investments balance                | -11 058    | -10 916      | -11 451    | -394      |      |
| <b>Statement of financial position</b>          |            |              |            |           |      |
| Net assets/equity                               | 6 127      |              | 5 648      | -479      | -7.8 |
| Gross debt                                      | 108 570    | 115 841      | 119 958    | 11 388    | 10.5 |
| <b>Indicators</b>                               |            |              |            |           |      |
| Expenditure ratio in %                          | 12.1       | 10.5         | 10.5       | -1.5      |      |
| Tax ratio in %                                  | 9.6        | 9.5          | 9.2        | -0.4      |      |
| Gross debt ratio in %                           | 14.9       | 15.1         | 15.6       | 0.7       |      |

Note: expenditure ratio including extraordinary expenditure

## BASIC PARAMETERS OVERVIEW

|  | E<br>2021 | Bdg.<br>2022 | FS<br>2022 | Δ 2021-22 |      |
|--|-----------|--------------|------------|-----------|------|
|  |           |              |            | absolute  | %    |
| <b>Macroeconomic reference values</b>            |           |              |            |           |      |
| Real GDP growth in %                             | 3.9       | 3.3          | 2.1        | -1.8      |      |
| Nominal GDP growth in %                          | 5.0       | 3.8          | 5.4        | 0.4       |      |
| Change in the National Consumer Price Index in % | 0.6       | 0.5          | 2.8        | 2.2       |      |
| Long-term interest rates in % (annual average)   | -0.2      | -0.1         | 0.8        | 1.0       |      |
| Short-term interest rates in % (annual average)  | -0.7      | -0.7         | -0.2       | 0.5       |      |
| USD to CHF exchange rate (annual average)        | 0.91      | 0.90         | 0.95       | 0.04      | 4.4  |
| EUR to CHF exchange rate (annual average)        | 1.08      | 1.10         | 1.00       | -0.08     | -7.4 |

Notes:

- GDP growth: adjusted for sporting events and calendar-adjusted. Source: SECO
- Interest rates: annual averages for 10-year Confederation bonds or SARON
- Exchange rates: annual averages. Source: SNB



# SUMMARY

## 2022 FINANCIAL STATEMENTS: DEVELOPMENT OF RECEIPTS AND EXPENDITURE DURING THE YEAR

In CHF bn



■ Receipts  
■ Expenditure

The financing deficit was higher than anticipated in the budget. Total receipts remained lower than budgeted as a result of withholding tax. On the expenditure side, substantial supplementary credits were approved in the first half of 2022 to combat the COVID-19 pandemic. However, they were not fully utilized.

The 2022 financial statements ended the year with a financing deficit of 4.3 billion. Once again, substantial extraordinary expenditure was incurred, on the one hand for COVID-19 measures (3.3 bn), and on the other for people from Ukraine seeking protection (0.7 bn). In the ordinary budget, withholding tax receipts were well below expectations. The financial statements showed a structural deficit for the first time since 2005.

*Economic growth* was less vigorous than expected in the budget (real GDP +2.1% vs. budget +3.3%). The anticipated catch-up effects after the COVID-19 pandemic were tempered by the war in Ukraine, rising inflation (+2.8%), driven primarily by energy and commodity prices, and central banks' tighter monetary policy. Including inflation, economic output grew much more robustly than expected (nominal GDP +5.4%).

The Confederation's fiscal policy was again dominated by the *measures to combat the COVID-19 pandemic*, albeit to a lesser extent than in the two preceding years. A total of 3.7 billion had to be spent, most of it in the extraordinary budget (3.3 bn). The largest expenditure items concerned the financing of COVID-19 tests (1.2 bn), short-time working compensation (0.7 bn) and the procurement of medical materials and vaccines (0.6 bn). As a result of the war in Ukraine, further extraordinary expenditure became necessary for people from Ukraine seeking protection (0.7 bn). Another 0.5 billion was recognized in the ordinary budget.

Federal *expenditure* fell by 7 billion to 81.2 billion (-8.1%). The sharp decline was attributable to significantly lower coronavirus-related expenditure. However, excluding COVID-19 measures, expenditure was up on the previous year (+3.2 bn, or +4.3%), especially due to additional expenditure in the areas of social welfare (+1.5 bn: migration, AHV, IV) and security (+0.5 bn: defense expenditure).

*Receipts* posted weak growth of 0.8 billion, or +1.0%. This was driven by the two largest receipt items: value added tax benefited from robust consumption and rising import prices; in the case of direct federal tax, receipts from profit taxation experienced strong growth. However, withholding tax suffered a sharp decline (-1.0 bn). The low level of receipts was mainly due to estimate corrections (-1.9 bn), as the receipts recorded in 2019–2021 were too high from today's perspective.

The Swiss economy remained below its potential in 2022. In the ordinary budget, the *debt brake* would have permitted a cyclical deficit of 0.3 billion. The ordinary financing deficit amounted to 1.9 billion at the end of 2022. This was the first structural deficit since 2005 (-1.6 bn).

Aside from the above-mentioned expenditure, the extraordinary budget also included receipts of 1.6 billion, arising in particular from the supplementary distribution by the SNB (1.3 bn). The extraordinary budget ended the year with a deficit of 2.4 billion. All in all, this resulted in a *financing deficit* of 4.3 billion.

The funding requirements were covered by the federal government increasing its short-term and long-term liabilities (+11.8 bn). As a result, *gross debt* rose to 120.0 billion, or 15.6% of GDP. Net debt (gross debt less non-administrative assets) climbed by 6.9 billion to 83.0 billion.

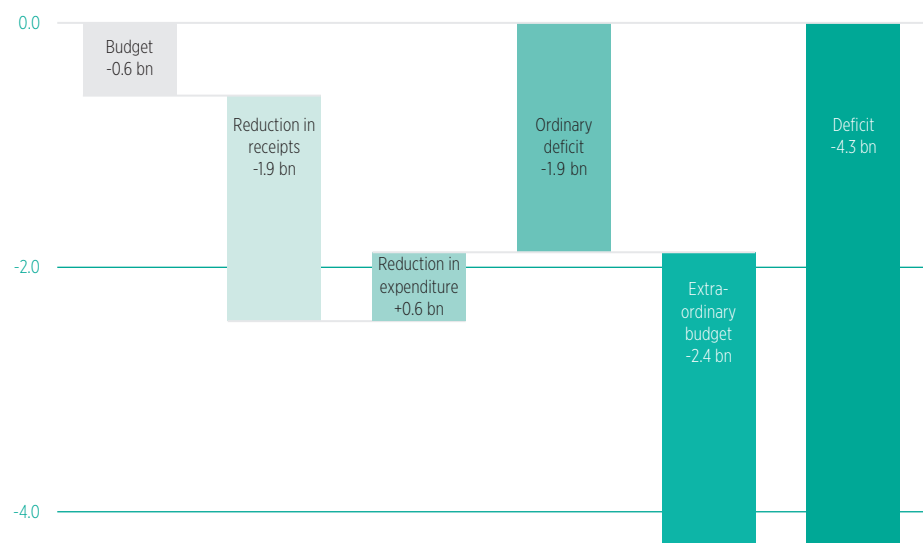
The shortfall in the amortization account rose to 22.7 billion due to the deficit in the extraordinary budget. It is to be reduced by 2035 in accordance with the parliamentary resolution of September 30, 2022 (see section A 11, Measures to combat the COVID-19 pandemic).

**REVISION OF THE FINANCIAL BUDGET ACT (IMPLEMENTATION OF MOTION 16.4018)**

The amendment to the Financial Budget Act (FBA; SR 611.07) to «simplify and optimize budget management» was brought into effect on January 1, 2022. The amendments include, among other things, the adjustment of the definition of receipts and expenditure, as well as the deletion of the financing statement, and will be applied for the first time for the 2023 budget year. These 2022 financial statements were prepared in accordance with the old legislation (FBA as of 1.1.2016).

**DERIVATION OF FINANCIAL STATEMENT RESULTS**

Financing statement for 2022 in CHF bn



In the ordinary budget, the deficit was larger than anticipated in the budget because of significantly lower withholding tax receipts. The budget underruns, which were small by long-term standards, were unable to offset this reduction in receipts. In the extraordinary budget, high expenditure was incurred once again to combat the pandemic. In addition, expenditure was incurred in connection with the Ukraine crisis. All in all, there was a financing deficit of 4.3 billion.

# EXPLANATIONS

## 1 BACKGROUND

### 11 MEASURES TO COMBAT THE COVID-19 PANDEMIC

Individual measures to combat the COVID-19 pandemic were extended into 2022. These included the assumption of COVID-19 testing costs, the contribution to unemployment insurance for short-time working compensation, and the procurement of medical materials and vaccines. That resulted in expenditure of 3.7 billion in 2022, most of which was in the extraordinary budget (3.3 bn). To date, the Confederation has spent 32.8 billion to combat the crisis.

#### **HIGH SUPPLEMENTARY BUDGET CREDITS ONCE AGAIN**

In the 2022 budget, Parliament approved expenditure of 3.8 billion to tackle the COVID-19 pandemic, 3.2 billion of which was in the extraordinary budget. The funds were significantly increased (+6.6 bn) by means of three addenda (Ia, Ib, II). The additional funding requirement resulted, among other things, from the extension of certain provisions of the COVID-19 Act. This was intended to ensure that, in the event of a prolonged crisis, the federal government would have the necessary instruments to mitigate the pandemic and its consequences also in 2022. Including the credit transfers from the previous year (0.1 bn), expenditure of just under 9.9 billion was approved, and 3.7 billion of this was utilized.

#### **LARGEST EXPENDITURE ITEMS IN 2022**

Once again, the largest items in terms of amount included the assumption of COVID-19 testing costs (1.2 bn), the contribution to unemployment insurance for short-time working compensation (0.7 bn), the procurement of medical materials and vaccines (0.6 bn), the honoring of guarantees (0.4 bn) and measures in the transportation sector (0.2 bn).

Various areas saw additional provisions or accruals/deferrals that were not yet applied to the debt brake. Specific examples include the contribution to unemployment insurance (0.5 bn) and the hardship measures for 2022 (0.2 bn), which are expected to be paid out in 2023.

#### **EXPENDITURE OF ROUGHLY 33 BILLION IN 2020–2022**

Altogether, therefore, the Confederation incurred coronavirus-related expenditure of 32.8 billion between 2020 and 2022, most of which was in the extraordinary budget (30.3 bn). On September 30, 2022, Parliament decided to reduce all of the coronavirus-related debt in the extraordinary budget within the next three legislative periods (see box).

### INSTRUMENTS USED

Overall, the COVID-19 measures can be broken down into the following instruments: non-repayable contributions, procurements, loans and financial interests, and sureties and guarantees. While the first three instruments have an immediate impact on expenditure, the burden from sureties does not become visible until losses are incurred:

- During the year under review, *non-repayable contributions* were once again the most frequently used means of cushioning the impact of the pandemic (total 2.4 bn, including provisions).
- *Procurements* were undertaken to ensure primary medical care. In 2022, medical materials and vaccines worth 575 million were procured.
- *Loans and financial interests* were used in 2020 and 2021 to provide capital and/or liquidity to organizations (sports sector) and own companies (Skyguide). No new loans were granted in 2022. The outstanding loans amounted to 341 million in nominal terms.
- Regarding *sureties and guarantees*, in order to provide private companies with liquidity, the Confederation guaranteed corresponding commercial bank loans in 2020. These generated losses of 366 million in 2022. At the end of 2022, guaranteed credits of 9.8 billion were outstanding, largely concerning joint and several sureties (9.5 bn). There are provisions of 1.1 billion for expected defaults, and a contingent liability exists for the remaining amount.

Detailed information on the measures and instruments can be found in section B 72, Expenses for tackling the COVID-19 pandemic. For information on the debt brake and expenditure in general, see sections A 22 and A 32. For information on the contingent liabilities for sureties and guarantees issued, see section B 83.

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### REDUCTION OF CORONAVIRUS-RELATED DEBT

**Most of the extensive measures to combat the COVID-19 pandemic were dealt with in the extraordinary budget. By the end of 2022, the deficit in the extraordinary budget totaled 22.7 billion. The amortization account is used as a control statistic to keep account of extraordinary receipts and expenditure. However, the reported deficit does not reflect the actual COVID-19 expenditure, as the amortization account had a positive balance before the pandemic began. In addition, some extraordinary receipts likewise appear in the statistics. These include the supplementary distribution by the Swiss National Bank (SNB), which has been recognized as extraordinary receipts since fiscal 2021.**

**On September 30, 2022, Parliament decided to clear the entire deficit in the extraordinary budget within the next three legislative periods. To this end, structural financing surpluses in the ordinary budget – in addition to extraordinary receipts – will be credited to the amortization account. However, any structural deficits like in 2022 will continue to be debited to the compensation account (control statistics for the ordinary budget).**

## COVID-19 EXPENDITURE 2020-2022

| Expenditure<br>CHF mn   | 2020<br>Expenditure | 2021<br>Expenditure | 2022<br>Approved<br>funds | 2022<br>Expenditure | 2021<br>Provisions/<br>accruals/<br>deferrals | Total<br>2020-2022 |
|---|---------------------|---------------------|---------------------------|---------------------|---|--------------------|
| <b>Total expenditure</b>  | <b>14 998</b>       | <b>14 069</b>       | <b>9 954</b>              | <b>3 724</b>        | <b>2 310</b>                                  | <b>35 100</b>      |
| of which extraordinary  | 14 672              | 12 301              | 9 087                     | 3 297               | 1 174   | 31 445             |
| <b>Social welfare</b>   | <b>12 982</b>       | <b>6 160</b>        | <b>5 093</b>              | <b>962</b>          | <b>505</b>                                    | <b>20 609</b>      |
| Short-time working compensation   | 10 775              | 4 338               | 2 900                     | 664                 | 505   | 16 282             |
| COVID-19 loss of earnings compensation  | 2 201               | 1 799               | 2 180                     | 285                 | -   | 4 285              |
| Childcare   | 6                   | 23                  | 13                        | 13                  | -   | 42                 |
| <b>Health</b>   | <b>857</b>          | <b>2 026</b>        | <b>2 705</b>              | <b>1 934</b>        | <b>440</b>                                    | <b>5 257</b>       |
| Medical goods (incl. vaccines) *  | 618                 | 666                 | 799                       | 585                 | -   | 1 869              |
| Assumption of costs for COVID-19 tests  | 194                 | 1 184               | 1 615                     | 1 202               | 440   | 3 019              |
| FOPH additional expenses  | 28                  | 101                 | 98                        | 74                  | -   | 204                |
| Medicinal products, vaccination services, startup financing of repetitive testing, etc. | 16                  | 75                  | 193                       | 74                  | -   | 165                |
| <b>Economy</b>  | <b>81</b>           | <b>4 471</b>        | <b>1 403</b>              | <b>333</b>          | <b>1 334</b>                                  | <b>6 218</b>       |
| Losses COVID-19 joint and several sureties (incl. start-ups and admin. expenses)        | 60                  | 247                 | 387                       | 366                 | 1 105   | 1 778              |
| Cantonal hardship measures  | -                   | 4 194               | 932                       | -55                 | 229   | 4 368              |
| Safety net for event industry   | -                   | -                   | 60                        | 3                   | -   | 3                  |
| Tourism   | 13                  | 27                  | 17                        | 17                  | -   | 57                 |
| Export promotion, commercial guarantee cooperatives, additional SECO expenditure, etc.  | 7                   | 3                   | 7                         | 2                   | -   | 12                 |
| <b>Transportation</b>   | <b>371</b>          | <b>589</b>          | <b>459</b>                | <b>285</b>          | <b>31</b>                                     | <b>1 276</b>       |
| Public transportation (extraordinary / incl. deposit in railway infrastructure fund)    | -                   | -                   | 211                       | 165                 | 28  | 193                |
| Public transportation (ordinary)  | 221                 | 247                 | 97                        | 90                  | -   | 558                |
| Rail freight services   | -                   | 88                  | 5                         | 5                   | -   | 93                 |
| Tourist traffic   | -                   | 4                   | 46                        | 25                  | 3   | 32                 |
| COVID-19: Skyguide recapitalization   | 150                 | 250                 | 100                       | -                   | -   | 400                |
| <b>Culture and leisure</b>  | <b>311</b>          | <b>460</b>          | <b>230</b>                | <b>147</b>          | <b>-</b>                                      | <b>917</b>         |
| Culture (extraordinary)   | 169                 | 31                  | -                         | -                   | -   | 200                |
| Culture (ordinary)  | -                   | 104                 | 130                       | 97                  | -   | 201                |
| Sport   | 130                 | 307                 | 100                       | 50                  | -   | 487                |
| Media (increase in indirect press subsidies)  | 12                  | 17                  | -                         | -                   | -   | 29                 |
| <b>International relations – international cooperation</b>                              | <b>343</b>          | <b>345</b>          | <b>60</b>                 | <b>60</b>           | <b>-</b>                                      | <b>749</b>         |
| Global health initiative (ACT-A)  | -                   | 300                 | -                         | -                   | -   | 300                |
| International Committee of the Red Cross (ICRC) loans                                   | 200                 | -                   | -                         | -                   | -   | 200                |
| Development cooperation, humanitarian aid, etc.   | 143                 | 45                  | 60                        | 60                  | -   | 249                |
| <b>Institutional and financial prerequisites</b>  | <b>7</b>            | <b>11</b>           | <b>2</b>                  | <b>2</b>            | <b>-</b>                                      | <b>20</b>          |
| FSO additional expenses (data collection and analysis)                                  | -                   | 11                  | 2                         | 2                   | -   | 13                 |
| Additional expenses Parliament/special session  | 7                   | -                   | -                         | -                   | -   | 7                  |
| <b>Education and research</b>   | <b>27</b>           | <b>2</b>            | <b>-</b>                  | <b>-</b>            | <b>-</b>                                      | <b>29</b>          |
| <b>Security</b>   | <b>9</b>            | <b>5</b>            | <b>2</b>                  | <b>1</b>            | <b>-</b>                                      | <b>14</b>          |
| <b>Agriculture and food</b>   | <b>11</b>           | <b>-</b>            | <b>-</b>                  | <b>-</b>            | <b>-</b>                                      | <b>11</b>          |

Note: Provisions/accruals/deferrals: at 31.12.2022

\* The extraordinary expenditure for the procurement of medical goods includes part of the expenditure for the procurement of medicines

## 12 ECONOMIC DEVELOPMENT

Switzerland's real economic output was less vigorous in 2022 than expected in the budget. The anticipated catch-up effects after the COVID-19 pandemic were tempered by the war in Ukraine, rising inflation, and central banks' tighter monetary policy.

### MACROECONOMIC PARAMETERS 2022

|                 | Bdg. | FS  | Deviation in percentage points |
|-----------------|------|-----|--------------------------------|
| Change in %     |      |     |                                |
| Real GDP        | 3.3  | 2.1 | -1.2                           |
| Nominal GDP     | 3.8  | 5.4 | 1.6                            |
| Rate in %       |      |     |                                |
| Inflation (CPI) | 0.5  | 2.8 | 2.3                            |

### SUBDUED ECONOMIC GROWTH

The economy expanded by 2.1% in real terms in 2022, meaning that its growth was weaker than the 3.3% assumed in the 2022 budget. At the same time, however, inflation was significantly higher than expected. Consequently, economic growth amounted to 5.4% in nominal terms, which was stronger than expected in the 2022 budget.

Economic growth was underpinned primarily by the domestic economy. Despite rising inflation, the development of consumer spending remained positive, not least thanks to the supportive labor market. Investments decreased overall, as construction investments declined as a result of higher financing and material costs, and the deterioration of the international environment and the associated decline in foreign demand also curbed their growth.

### NOTICEABLE INFLATION

Compared with the previous year, inflation increased to 2.8%. The war in Ukraine and supply chain bottlenecks caused energy and commodity prices to skyrocket. Moreover, inflation spread, as the prices of other goods were also raised. Although inflation had not been as high in Switzerland since the 1990s, it remained moderate by international standards. This was partly due to the economy being less energy-intensive and the nominal appreciation of the Swiss franc.

### TIGHT LABOR SUPPLY

The labor market remained robust. As the economy recovered and unemployment fell, the labor market was increasingly impacted by the tight labor supply. Employment increased moderately and the unemployment rate fell to 2.2% (2021: 3.0%), its lowest level in over 20 years.

### U-TURN IN MONETARY POLICY

Central banks responded to the rise in inflation rates. Aside from the US Federal Reserve and the European Central Bank, the Swiss National Bank also raised interest rates. It did so in three steps, taking the SNB policy rate from -0.75% to 1.0% by year-end.

### ECONOMIC GROWTH AND INFLATION



■ Real GDP  
■ Inflation (CPI)

Economic growth was sluggish in real terms in 2022 (2.1%). As a result of inflation, economic output measured in nominal terms rose sharply (5.4%).



## 2 RESULTS

### 21 FINANCING STATEMENT

The federal budget ended 2022 with a financing deficit of 4.3 billion as a result of high extraordinary expenditure and the weak performance of withholding tax receipts.

#### OVERALL FISCAL BALANCE

| CHF mn                        | FS             | Bdg.          | FS            | Δ 2021-22 |     |
|-------------------------------|----------------|---------------|---------------|-----------|-----|
|                               | 2021           | 2022          | 2022          | absolute  | %   |
| <b>Overall fiscal balance</b> | <b>-12 201</b> | <b>-2 319</b> | <b>-4 282</b> |           |     |
| Ordinary financing result     | -1 405         | -594          | -1 875        |           |     |
| Ordinary receipts             | 74 545         | 77 122        | 75 277        | 732       | 1.0 |
| Ordinary expenditure          | 75 950         | 77 716        | 77 152        | 1 202     | 1.6 |
| Extraordinary receipts        | 1 535          | 1 521         | 1 592         |           |     |
| Extraordinary expenditure     | 12 331         | 3 245         | 3 998         |           |     |

#### ORDINARY BUDGET

The ordinary financing deficit for 2022 amounted to 1.9 billion. A deficit of 0.6 billion had been expected in the budget. The deterioration *relative to the budget* was due to the weak performance of withholding tax receipts (-3.2 bn). The shortfall in receipts was tempered by lower-than-budgeted expenditure (-0.6 bn).

The ordinary fiscal balance was also worse *year on year* (-0.5 bn). Ordinary receipts rose by 0.7 billion (+1.0%). The growth was attributable on the one hand to direct federal tax (+0.9 bn), as the economic recovery in 2021 had a positive impact on profit tax. On the other hand, value added tax also experienced strong growth (+1.1 bn). This momentum was mainly attributable to imports, where the high level of inflation internationally was reflected. At the same time, however, ordinary expenditure grew by 1.2 billion (+1.6%), thereby outpacing receipt growth. The key growth drivers were military national defense (+0.4 bn; defense expenditure), migration (+0.3 bn; integration measures for people from Ukraine seeking protection and higher numbers of people in the asylum system) and retirement provision (0.3 bn; demographically induced growth in the number of pensions).

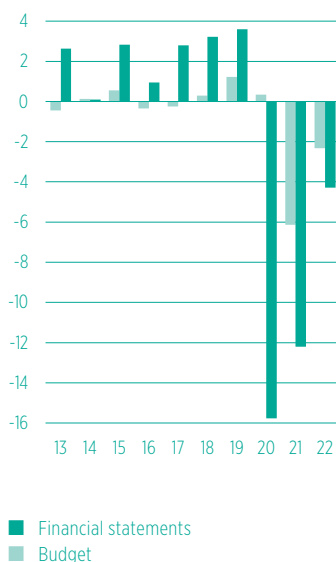
#### EXTRAORDINARY BUDGET

*Extraordinary expenditure* totaling just under 4 billion was incurred in 2022, with 3.3 billion of that amount spent on combating the COVID-19 pandemic. The largest coronavirus-related expenditure items concerned the federal financing of COVID-19 tests (1.2 bn), short-time working compensation (0.7 bn) and the procurement of medical materials (0.6 bn). The remaining 0.7 billion involved compensation for the cantons' social welfare expenditure in favor of people from Ukraine seeking protection. Extraordinary payment requirements were invoked, as both the COVID-19 pandemic and the effects of the war in Ukraine were extraordinary events beyond the control of the Confederation (in accordance with Art. 15 para. 1 lit. a of the FBA).

*Extraordinary receipts* were derived essentially from the federal share of the supplementary profit distribution by the SNB (1.3 bn). These funds have been recognized as extraordinary since fiscal 2021 to cover part of the shortfall in the amortization account resulting from the high extraordinary expenditure.

#### FISCAL BALANCE TREND

In CHF bn



The high financing deficits from 2020 to 2022 during the COVID-19 pandemic abruptly halted the previous years' series of surpluses. Due to the unpredictability of the pandemic, the budgeted expenditure had to be increased during the year. Therefore, the results were significantly worse than anticipated in the budget. Moreover, receipts were lower than budgeted.

## 22 DEBT BRAKE

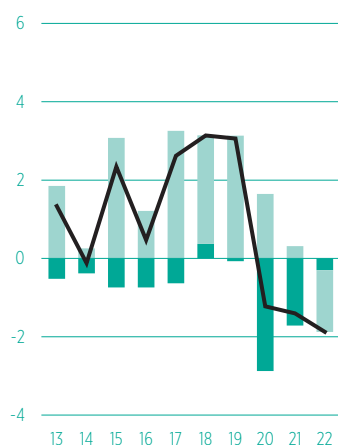
Switzerland's economic output remained below potential in 2022, which is why the debt brake permitted a financing deficit in the ordinary budget (-0.3 bn). In reality, however, the ordinary deficit was larger (-1.9 bn). This resulted in a structural deficit of 1.6 billion, which was charged to the compensation account. The extraordinary expenditure of 4.0 billion incurred by the federal government was significantly lower than in the two preceding years (2020 and 2021: 14.7 bn and 12.3 bn).

### DEBT BRAKE REQUIREMENTS

| CHF mn  | FS<br>2021 | Bdg.<br>2022 | FS<br>2022 | Δ 2021-22 |      |
|---|------------|--------------|------------|-----------|------|
|   |            |              |            | absolute  | %    |
| 1 Total receipts  | 76 080     | 78 643       | 76 868     | 789       | 1.0  |
| 2 Extraordinary receipts  | 1 535      | 1 521        | 1 592      | 56        |      |
| 3 Ordinary receipts<br>[3=1-2]  | 74 545     | 77 122       | 75 277     | 732       | 1.0  |
| 4 Cyclical factor   | 1.023      | 1.008        | 1.004      | -0.019    |      |
| 5 Expenditure ceiling (Art. 13 FBA)<br>[5=3x4]                                    | 76 259     | 77 739       | 75 578     | -681      | -0.9 |
| 6 Surplus/deficit required/permitted cyclically<br>[6=3-5]                        | -1 715     | -617         | -301       | 1 413     |      |
| 7 Extraordinary expenditure (Art. 15 FBA)   | 12 331     | 3 245        | 3 998      |           |      |
| 8 Expenditure ceiling reduction (Art. 17 FBA,<br>compensation account shortfall)  | -          | -            | -          |           |      |
| 9 Expenditure ceiling reduction (Art. 17b FBA,<br>amortization account shortfall) | -          | 23           | -          |           |      |
| 10 Expenditure ceiling reduction (Art. 17c FBA,<br>precautionary savings)         | 309        | -            | -          |           |      |
| 11 Maximum admissible expenditure<br>[11=5+7-8-9-10]                              | 88 281     | 80 961       | 79 576     | -8 705    | -9.9 |
| 12 Total expenditure according to FS/budget                                       | 88 281     | 80 961       | 81 150     | -7 131    | -8.1 |
| 13 Deviation (Art. 16 FBA)<br>[13=11-12]  | 0          | 0            | -1 574     | -1 574    |      |

### THE FEDERAL BUDGET FROM A DEBT BRAKE VIEWPOINT

In CHF bn



■ Structural balance  
■ Cyclical balance  
— Ordinary fiscal balance

The decline in withholding tax receipts led to a financing deficit of 1.9 billion in the ordinary budget in 2022. The debt brake would have permitted a deficit of only 0.3 billion. Expenditure was thus 1.6 billion above the recalculated expenditure ceiling (structural deficit).

### STRUCTURAL FINANCING DEFICIT

The debt brake evens out cyclical fluctuations in receipts. The cyclical factor is used as a measure of the economic situation (see box). Accordingly, an ordinary financing deficit of 0.4% of receipts, or 0.3 billion, was permitted in 2022 (see table, row 6). The actual ordinary financing deficit was 1.9 billion. Consequently, the permissible deficit was exceeded, and a structural deficit of 1.6 billion ensued for the first time since 2005. This was due to the fact that ordinary receipts remained well below the budgeted level because of withholding tax. However, ordinary expenditure remained below the expenditure ceiling set in the budget in accordance with Article 13 of the FBA, which means that the debt brake was complied with despite a structural financing deficit.

### LOWER CYCLICAL FACTOR ESTIMATED

The cyclical factor is defined as the ratio of trend gross domestic product (trend GDP) to current GDP. Since the 2023 budget, trend GDP and production potential have been calculated by SECO using a production function. According to the current estimate, the cyclical factor for 2022 is 1.004. The underutilization of economic capacity in Switzerland is thus estimated at 0.4% of production potential, which is lower than expected in the 2022 budget (1.008). On the one hand, the economic slump in 2020 was not as severe as feared in the 2022 budget. On the other hand, the extraordinary partial revision of the national accounts in the fall of 2022 resulted in a lower estimate for Swiss GDP. The production potential correction was even somewhat greater for 2022. Consequently, the output gap has narrowed, i.e. underutilization is estimated to be lower.

### DEBITING OF COMPENSATION AND AMORTIZATION ACCOUNT

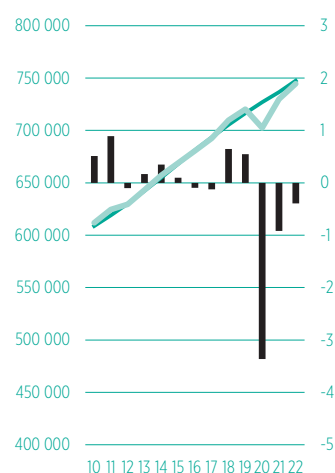
The structural financing deficit (1.6 bn) was debited to the compensation account (see table below, row 16). This brought the compensation account's balance to 21.9 billion at the end of 2022. The compensation account provides the debt brake statistics for the ordinary budget. The positive balance shows that the debt brake requirements were exceeded overall in the past.

### COMPENSATION ACCOUNT BALANCE

| CHF mn  | FS<br>2021 | FS<br>2022 |
|---|------------|------------|
| 14 Compensation account balance at 31.12. of preceding year                       | 29 000     | 23 500     |
| 15 Expenditure ceiling reduction (Art. 17 FBA, amortization account balance) [=8] | -          | -          |
| 16 Deviation (Art. 16 FBA) [=13]  | 0          | -1 574     |
| 17 Subtotal [17=14+15+16]   | 29 000     | 21 926     |
| 18 Compensation account reduction   | -5 500     | -          |
| 19 Compensation account balance at 31.12. incl. reduction [19=17+18]              | 23 500     | 21 926     |

### GDP AND OUTPUT GAP

In CHF mn and %



- Output gap in % (rhs)
- Trend GDP (SECO production function)
- Real GDP

Economic output remained below potential in 2022. The output gap amounted to 0.4% of trend GDP or potential output.

In the extraordinary budget, expenditure totaled 4.0 billion in 2022, with 3.3 billion of that amount going toward combating the COVID-19 pandemic; this was significantly less than in 2020 and 2021 (14.7 bn and 12.3 bn). A further 0.7 billion involved compensation for the cantons' social welfare expenditure in favor of people from Ukraine seeking protection. As in 2020 and 2021, the debt brake exception was invoked in 2022 too, as both the COVID-19 pandemic and the high number of people from Ukraine seeking protection were extraordinary events beyond the control of the Confederation (in accordance with Art. 15 para. 1 lit. a of the FBA). At the same time, extraordinary receipts of 1.6 billion were recognized. Just over 1.3 billion of that came from the SNB's supplementary profit distribution from fiscal 2021. Extraordinary receipts are credited to the amortization account and extraordinary expenditure is debited to it. The shortfall in the amortization account at the end of 2022 thus rose to 22.7 billion.

**EXTRAORDINARY BUDGET**

| CHF mn   | FS<br>2021    | FS<br>2022   |
|--|---------------|--------------|
| <b>Extraordinary receipts</b>  | <b>1 535</b>  | <b>1 592</b> |
| E190.0105 e.o. revenue fines   | 23            | 112          |
| E190.0107 COVID-19: Repayment of loans                                 | 0             | 1            |
| E190.0108 COVID-19: Repayment of loans to cultural entities            | 1             | 1            |
| E190.0110 COVID-19: Medical materials refund                           | 75            | 69           |
| E190.0112 COVID-19: Repayment of SFL/SIHF loans                        | 7             | 12           |
| E190.0113 COVID-19: Receipts aviation support                          | 33            | 14           |
| E190.0114 COVID-19: reimbursement increase in indirect press subsidies | -             | 4            |
| E190.0115 COVID-19: Repayment of financial assistance                  | 4             | 47           |
| E190.0117 COVID-19: Refund of compensation for loss of income          | 34            | -            |
| E190.0118 Extraordinary SNB profit distribution                        | 1 333         | 1 333        |
| E190.0119 Extraordinary repayment, BLS                                 | 25            | -            |
| <b>Extraordinary expenditure</b>                                       | <b>12 331</b> | <b>3 998</b> |
| A290.0104 COVID-19: Loss of earnings compensation                      | 1 799         | 285          |
| A290.0105 COVID-19: Federal contribution to ALV                        | 4 338         | 664          |
| A290.0106 COVID-19: Sureties   | -             | 380          |
| A290.0113 COVID-19: Procurement of medical materials                   | 666           | 585          |
| A290.0115 COVID-19: Childcare  | 23            | -            |
| A290.0116 COVID-19: Tourism contribution                               | 27            | -            |
| A290.0118 COVID-19: Humanitarian aid                                   | 45            | 60           |
| A290.0130 COVID-19: Federal financing SARS-CoV-2 tests                 | 1 184         | 1 202        |
| A290.0131 COVID-19: Cultural service level agreements with cantons     | 31            | -            |
| A290.0132 COVID-19: Cantonal hardship measures for businesses          | 4 194         | -55          |
| A290.0135 COVID-19: compensation for regional passenger transportation | -             | 107          |
| A290.0136 COVID-19: compensation for local transportation              | -             | 59           |
| A290.0141 COVID-19: compensation for tourist traffic                   | -             | 25           |
| A290.0142 Extraordinary expenses, refund FINMA disgorgement of profits | 30            | -            |
| A290.0144 Ukraine: contributions to cantons                            | -             | 702          |
| E190.0116 COVID-19: Sureties   | -6            | -14          |

**AMORTIZATION ACCOUNT BALANCE**

| CHF mn   | FS<br>2021 | FS<br>2022 |
|--|------------|------------|
| 20 Amortization account balance at 31.12. of preceding year                          | -9 789     | -20 276    |
| 21 Extraordinary expenditure (Art. 17a FBA)  | 12 331     | 3 998      |
| 22 Extraordinary receipts (Art. 17a FBA)   | 1 535      | 1 592      |
| 23 Expenditure ceiling reduction (Art. 17b FBA, amortization account shortfall) [=9] | -          | -          |
| 24 Expenditure ceiling reduction (Art. 17c FBA, precautionary savings) [=10]         | 309        | -          |
| 25 Amortization account balance at 31.12. [25=20-21+22+23+24]                        | -20 276    | -22 682    |

**RESTRICTIVE EFFECT OF THE FEDERAL BUDGET**

The aim of the debt brake is to achieve a balanced budget over the longer term within the framework of an economically compatible fiscal policy. To this end, fiscal policy should have a countercyclical effect in order to partly offset excessively high private demand, or the lack thereof. The primary stimulus is an indicator of the impact on demand and is defined as the change in the fiscal balance (as a percentage of GDP). The financing deficit decreased by 7.9 billion in 2022, going from -12.2 billion (2021) to -4.3 billion. Measured relative to nominal economic output, the reduction in demand amounted to 1.0% of GDP. The restrictive effect was due to the reduction in extraordinary expenditure. The federal budget had a countercyclical effect by reducing demand and thus indirectly curbing inflation.

## 23 STATEMENT OF FINANCIAL PERFORMANCE

The statement of financial performance ended with an expense surplus of 2.4 billion. This was largely attributable to the once again negative operating result and the negative financial result.

### STATEMENT OF FINANCIAL PERFORMANCE RESULT

| CHF mn                 | FS            | Bdg.        | FS            | Δ 2021-22 |      |
|------------------------|---------------|-------------|---------------|-----------|------|
|                        | 2021          | 2022        | 2022          | absolute  | %    |
| <b>Surplus/deficit</b> | <b>-9 716</b> | <b>-498</b> | <b>-2 396</b> |           |      |
| Operating result       | -11 059       | -1 437      | -3 289        |           |      |
| Operating revenue      | 74 700        | 77 288      | 75 613        | 913       | 1.2  |
| Operating expenses     | 85 759        | 78 725      | 78 902        | -6 857    | -8.0 |
| Financial result       | -503          | -482        | -623          |           |      |
| Result from interests  | 1 846         | 1 421       | 1 516         |           |      |

*Relative to the budget*, the result for the year was 1.9 billion lower. First and foremost, the operating result deteriorated (-1.9 bn) because of lower revenue (-1.7 bn) and higher expenses (+0.2 bn). The financial result and the result from financial interests deviated only slightly from the budget.

*Relative to the previous year*, the result for the year was up by 7.3 billion, which can be explained by the massive reduction in the operating loss (-7.8 bn). Operating revenue rose by 0.9 billion. By contrast, operating expenses declined significantly (-6.9 bn), mainly because of lower extraordinary expenses (-10.2 bn). Meanwhile, there was an increase in transfer expenses (+2.1 bn) and general, administrative and operating expenses (+1.1 bn). The latter was largely attributable to the formation of the Mitholz provision (+0.8 bn). The financial result and the result from financial interests declined relative to the previous year (-0.1 bn and -0.3 bn).

*Compared with the financing statement*, the statement of financial performance ended the year 1.9 billion better off. The difference was mainly due to the fact that unrealized profits on financial interests were 0.9 billion higher than dividends received (1.5 bn vs. 0.6 bn). Similarly, the amounts for depreciation and amortization and value adjustments on investment contributions were lower than net investments in fixed assets. For details, see section B 84, Financing statement versus statement of financial performance.

## 24 STATEMENT OF INVESTMENTS

The Confederation's net investments rose by 394 million in 2022, due to higher investments for military national defense and a bigger deposit in the railway infrastructure fund.

### STATEMENT OF INVESTMENTS

| CHF mn                                    | FS             | Bdg.           | FS             | Δ 2021-22 |     |
|---|----------------|----------------|----------------|-----------|-----|
|   | 2021           | 2022           | 2022           | absolute  | %   |
| <b>Statement of investments balance</b>   | <b>-11 058</b> | <b>-10 916</b> | <b>-11 451</b> |           |     |
| Ordinary statement of investments balance | -10 477        | -10 930        | -10 959        |           |     |
| Investment receipts                       | 719            | 710            | 746            | 27        | 3.8 |
| Investment expenditure                    | 11 196         | 11 640         | 11 705         | 509       | 4.5 |
| Extraordinary investment receipts         | 84             | 14             | 82             |           |     |
| Extraordinary investment expenditure      | 664            | -              | 575            |           |     |

The federal statement of investments covers the expenditure incurred for the accumulation of assets which the Confederation requires for the performance of functions and are used over successive periods (administrative assets). This expenditure also includes significant portions of the deposits in transportation funds (RIF, motorway and urban transportation fund) and the grid supplement fund (GrSF). Proprietary investments account for just over 60% of investments (especially motorways, defense equipment and buildings), and transfers account for just under 40% (mainly investment contributions).

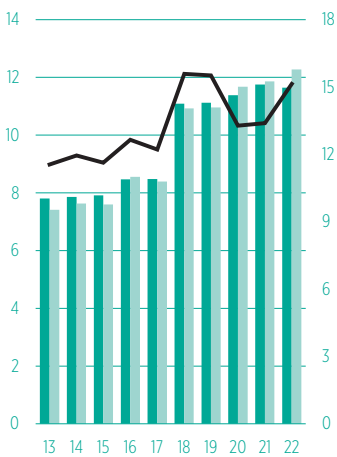
*Investment receipts* arose primarily from the cantons' contribution of 578 million to the railway infrastructure fund (RIF), the sale of buildings, land and tangible fixed assets, and the repayment of investment contributions and loans.

*Ordinary investment receipts* rose by 27 million. This was largely attributable to a bigger cantonal contribution to the RIF, higher receipts from the sale of land no longer needed in connection with motorway construction, and the sale of the Federal Council's PC-24 jet. The 509 million increase in *ordinary investment expenditure* was due to investments in defense equipment and buildings for military national defense, as well as a larger deposit in the RIF.

*Extraordinary investment receipts* were associated with medical materials to combat the COVID-19 pandemic and with the repayment of loans by professional sports clubs. *Extraordinary investment expenditure* was incurred exclusively for medical materials, likewise in connection with the COVID-19 pandemic.

### DEVELOPMENT OF ORDINARY INVESTMENT EXPENDITURE

In CHF bn and % of expenditure



- Bdg. in CHF bn (lhs)
- Fin. stmt. in CHF bn (lhs)
- Fin. stmt. in % of ordinary expenditure (rhs)

Investments surged in 2018 (introduction of the grid supplement fund and motorway and urban transportation fund) and have grown at an average annual rate of 3% since then. The proportion of investment reached 15.1% in 2022, which was more or less the same level as in 2019.

## 25 CASH FLOW STATEMENT

In 2022, the cash outflow from operating activities was significantly lower than the previous year at 3.8 billion. The result was impacted by high withholding tax refund requests and delayed cash outflows from the previous year's COVID-19 measures.

### CASH FLOW STATEMENT

| CHF mn                              | FS          | FS           | Δ 2021-22    |              |
|-------------------------------------|-------------|--------------|--------------|--------------|
|                                     | 2021        | 2022         | absolute     | %            |
| <b>Total cash flow</b>              | <b>-922</b> | <b>2 642</b> | <b>3 564</b> | <b>386.6</b> |
| Cash flow from operating activities | 1 183       | -3 755       | -4 938       | -417.6       |
| Cash flow from investing activities | -3 466      | -5 369       | -1 903       | -54.9        |
| Cash flow from financing activities | 1 362       | 11 767       | 10 405       | 764.2        |

The *cash flow from operating activities* was negative in 2022 (-3.8 bn). By contrast, the operating cash flow was still slightly positive a year earlier, even though the recognized expenditure to combat the COVID-19 pandemic was significantly higher in 2021. This can be explained by the fact that considerable amounts due in relation to COVID-19 measures in 2021 were not paid out until 2022 (mainly testing costs and hardship measures). In addition, in 2022, the cantons claimed substantial amounts of their withholding tax credits from the Confederation. This caused withholding tax accrued expenses and deferred income to decrease by 4.4 billion. The surpluses of the federal government's major funds (RIF, motorway and urban transportation fund, and grid supplement fund) also contributed to the fact that less money flowed out of the funds than was deposited as restricted funds and recognized as an expense. This can be seen in the 0.7 billion increase in liabilities toward separate accounts (for the RIF and motorway and urban transportation fund) and the 1.0 billion rise in restricted funds in liabilities (for the grid supplement fund).

The *cash outflow from investing activities* was significantly higher than a year earlier at 5.4 billion. The aggregate investment expenditure of 4.0 billion was incurred largely for motorways, buildings and defense equipment. In addition, short-term financial investments were up by 1.6 billion.

The *cash inflow from financing activities* amounted to 11.8 billion, and covered the Confederation's substantial liquidity needs. It is reflected in the increase in financial liabilities. The largest net inflow came from money market paper (4.4 bn) and bonds (3.2 bn).

Overall, cash and liquid assets rose by 2.6 billion to 15.6 billion (see the cash fund statement below).

### CASH FUND STATEMENT

| CHF mn         | FS     | FS     | Δ 2021-22 |      |
|----------------|--------|--------|-----------|------|
|                | 2021   | 2022   | absolute  | %    |
| Cash at 01.01. | 13 894 | 12 973 | -922      | -6.6 |
| Cash at 31.12. | 12 973 | 15 615 | 2 642     | 20.4 |

## 26 STATEMENT OF FINANCIAL POSITION

Total assets increased in 2022. Both cash and other liquid assets and financial liabilities rose considerably relative to the previous year. Net assets/equity decreased slightly.

### STATEMENT OF FINANCIAL POSITION

| CHF mn                                | FS             | FS             | Δ 2021-22    |            |
|---------------------------------------|----------------|----------------|--------------|------------|
|                                       | 2021           | 2022           | absolute     | %          |
| Assets                                | 176 665        | 183 677        | 7 012        | 4.0        |
| Non-administrative assets             | 35 840         | 40 480         | 4 640        | 12.9       |
| Administrative assets                 | 140 825        | 143 197        | 2 371        | 1.7        |
| <b>Liabilities and equity</b>         | <b>176 665</b> | <b>183 677</b> | <b>7 012</b> | <b>4.0</b> |
| Short-term liabilities                | 54 151         | 58 632         | 4 481        | 8.3        |
| Long-term liabilities                 | 116 387        | 119 397        | 3 009        | 2.6        |
| Net assets/equity                     | 6 127          | 5 648          | -479         | -7.8       |
| Restricted funds in net assets/equity | 6 523          | 6 582          | 59           | 0.9        |
| Reserves from global budget           | 446            | 710            | 264          | 59.2       |
| Accumulated surplus                   | -841           | -1 643         | -802         | -95.4      |

*Non-administrative assets* rose by 4.6 billion in 2022. This was attributable to cash and other liquid assets (+2.6 bn) as well as short-term financial investments (+1.6 bn), which were higher despite significant cash outflows from operating activities. Short-term funds were increased to allow for the substantial potential cash outflows from withholding tax refund requests and for the rescue mechanism for the electricity industry. With regard to long-term financial investments, a trend from previous years continued: the repayment of RIF loans offset the increase in Treasury loans to SBB.

*Administrative assets* rose by 2.4 billion, driven largely by the higher valuation of financial interests (+1.7 bn) and the increase in the value of tangible fixed assets (+0.7 bn). The increase in the carrying amount of financial interests can be explained by the reduction in federal enterprises' employee retirement benefits (0.7 bn), among other things.

Liabilities grew by 7.5 billion. Opposing effects were evident in this regard:

- *Financial liabilities* rose by around 11.8 billion. There was an increase in both amounts due in respect of bonds (+3.2 bn) and money market instruments (+4.4 bn), as well as in other financial liabilities.
- *Accumulated withholding tax refund liabilities* – recognized under current liabilities, accrued expenses and deferred income, and provisions – remained high at 40.9 billion, but were down on the previous year's very high figure (-1.7 bn).
- The value of *other provisions* remained more or less stable. The provisions for COVID-19 tests (-0.9 bn) and COVID-19 joint and several sureties (-0.5 bn) were reduced. In contrast, the provision for the clearance of the Mitholz ammunition depot was increased (+0.8 bn), and a new provision was recognized for back payments of short-time working compensation (+0.5 bn).
- The Confederation's *employee retirement benefits* dropped to 2.1 billion (-1.4 bn), largely due to a higher discount rate.

Net assets/equity fell by 0.5 billion as a result of the loss in the statement of financial performance (-2.4 bn) and the items that were recognized directly in net assets/equity (+1.9 bn), which were largely attributable to the valuation of the Confederation's employee retirement benefits and financial interests.



## 27 DEBT

Gross federal debt increased by 11.4 billion during the year under review. At the end of 2022, it amounted to 120.0 billion, or 16% of Switzerland's economic output.

### DEVELOPMENT OF FEDERAL DEBT

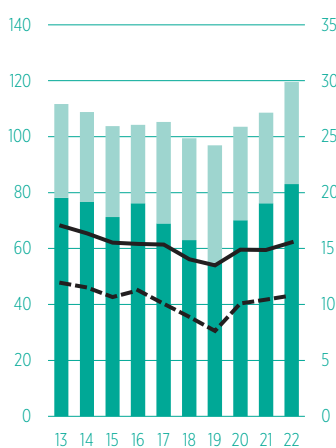
| CHF mn                           | FS            | FS            | Δ 2021-22    |            |
|----------------------------------|---------------|---------------|--------------|------------|
|                                  | 2021          | 2022          | absolute     | %          |
| Gross debt                       | 108 570       | 119 958       | 11 388       | 10.5       |
| Current liabilities              | 15 472        | 15 100        | -372         | -2.4       |
| Short-term financial liabilities | 25 857        | 35 572        | 9 715        | 37.6       |
| Long-term financial liabilities  | 67 241        | 69 286        | 2 045        | 3.0        |
| <b>Net debt</b>                  | <b>76 144</b> | <b>83 017</b> | <b>6 874</b> | <b>9.0</b> |
| Gross debt                       | 108 570       | 119 958       | 11 388       | 10.5       |
| less:                            |               |               |              |            |
| Cash and cash equivalents        | 12 973        | 15 615        | 2 642        | 20.4       |
| Receivables                      | 6 001         | 6 225         | 224          | 3.7        |
| Short-term financial investments | 2 096         | 3 650         | 1 553        | 74.1       |
| Long-term financial investments  | 11 356        | 11 451        | 95           | 0.8        |

*Gross debt* comprises current liabilities as well as short- and long-term financial liabilities. The former are mainly liabilities toward taxpayers and the cantons, while the latter are outstanding debt instruments of the Confederation (bonds and money market debt register claims). The 11.4 billion rise in gross debt was primarily due to the increase in money market debt register claims (+4.4 bn), bonds (+3.2 bn), liabilities toward the Substitute Occupational Benefit Institution (+2.0 bn) and liabilities toward unemployment insurance (+1.6 bn).

*Net debt* is defined as gross debt less non-administrative assets. Non-administrative assets could be used to repay debt if necessary. Net debt rose by 6.9 billion during the year under review. This consisted of the 11.4 billion rise in gross debt, less the 4.5 billion increase in non-administrative assets. Cash and other liquid assets (+2.6 bn), receivables (+0.2 bn) and financial investments (+1.6 bn) all climbed.

### DEBT AND DEBT RATIO

In CHF bn and % of GDP



- Net debt in bn (lhs)
- Gross debt in bn (lhs)
- Gross debt ratio in % of GDP (rhs)
- - Net debt ratio in % of GDP (rhs)

The high funding requirements and the increase in cash and other liquid assets caused gross and net debt to rise further in 2022. The gross debt ratio ended the year at 15.6% of GDP, and the net debt ratio stood at 10.8% of GDP.

## 28 INDICATORS

The biggest changes in the Confederation's indicators in 2022 concerned the decrease in the expenditure ratio, transfer expenditure and unutilized credits, as well as the increase in the proportion of investment.

### FEDERAL INDICATORS

| In %  | FS<br>2017 | FS<br>2018 | FS<br>2019 | FS<br>2020 | FS<br>2021 | FS<br>2022 |
|---|------------|------------|------------|------------|------------|------------|
| Expenditure ratio   | 10.0       | 10.0       | 9.9        | 12.6       | 12.1       | 10.5       |
| <i>Expenditure (in % of nom. GDP)</i>                         |            |            |            |            |            |            |
| Tax ratio   | 9.7        | 9.6        | 9.7        | 9.7        | 9.6        | 9.2        |
| <i>Tax receipts (in % of nom. GDP)</i>                        |            |            |            |            |            |            |
| Receipt ratio   | 10.4       | 10.4       | 10.4       | 10.4       | 10.4       | 10.0       |
| <i>Receipts (in % of nom. GDP)</i>                            |            |            |            |            |            |            |
| Deficit/surplus ratio   | + 0.4      | + 0.5      | + 0.5      | - 2.3      | - 1.7      | - 0.6      |
| <i>Fiscal balance (in % of nom. GDP)</i>                      |            |            |            |            |            |            |
| Gross debt ratio  | 15.3       | 14.0       | 13.5       | 14.9       | 14.9       | 15.6       |
| <i>Gross debt (in % of nom. GDP)</i>                          |            |            |            |            |            |            |
| Net debt ratio  | 10.1       | 8.9        | 7.6        | 10.1       | 10.4       | 10.8       |
| <i>Debt less non-administrative assets (in % of nom. GDP)</i> |            |            |            |            |            |            |
| Net interest burden   | 1.6        | 1.2        | 1.1        | 0.9        | 0.7        | 0.8        |
| <i>Net interest expenditure (in % of receipts)</i>            |            |            |            |            |            |            |
| Proportion of investment                                      | 12.2       | 15.6       | 15.5       | 13.3       | 13.4       | 15.1       |
| <i>Investment expenditure (in % of expenditure)</i>           |            |            |            |            |            |            |
| Proportion of transfers                                       | 78.5       | 77.9       | 78.3       | 81.3       | 81.6       | 79.0       |
| <i>Transfer expenditure (in % of expenditure)</i>             |            |            |            |            |            |            |
| Share in restricted taxes                                     | 20.9       | 22.0       | 21.9       | 22.0       | 22.1       | 22.0       |
| <i>Restricted taxes (in % of tax receipts)</i>                |            |            |            |            |            |            |
| Average FTE   | 36 946     | 36 522     | 37 027     | 37 689     | 37 972     | 38 058     |
| <i>Full-time equivalents (FTEs)</i>                           |            |            |            |            |            |            |
| Addenda (in ordinary budget)                                  | 0.4        | 0.1        | 0.4        | 0.6        | 2.2        | 1.6        |
| <i>Supplementary credits (in % of budget)</i>                 |            |            |            |            |            |            |
| Credit underruns (in ordinary budget)                         | -2.0       | -2.0       | -2.6       | -3.9       | -5.7       | -3.6       |
| <i>Credit underruns (in % of budget)</i>                      |            |            |            |            |            |            |

Note: all of the indicators, with the exception of supplementary credits and credit underruns (unutilized credits) as a percentage of the budget, take account of extraordinary items.

### EXPENDITURE RATIO

Total expenditure, including extraordinary expenditure, fell by a very substantial 8.1% in 2022, as expenditure in connection with the COVID-19 crisis declined sharply. As nominal gross domestic product (GDP) grew by 5.4%, the expenditure ratio fell by 1.5 percentage points to 10.6%. The expenditure ratio is a rough indicator of the extent of Confederation's activities relative to the overall economy.

### TAX RATIO AND RECEIPT RATIO

In 2022, both total receipts and tax receipts rose by 1.0%. In view of the nominal GDP growth anticipated for 2022, both the tax ratio and receipt ratio were down on the previous year, with the 2022 receipt ratio standing at 10.0% and the tax ratio at 9.3%.

### DEFICIT/SURPLUS RATIO

The 2022 deficit was smaller than the previous year's, due primarily to the considerable drop in expenditure. The deficit ratio was 0.6% in 2022.

**GROSS AND NET DEBT RATIOS**

Relative to 2021, gross debt rose sharply (+11.4 bn; +10.5%). Given the nominal GDP growth, the Confederation's gross debt ratio rose by 0.7 percentage points to 15.6%. This ratio includes the Confederation's gross debt in accordance with the EU criteria defined in connection with the Maastricht Treaty. As non-administrative assets were also up (+4.5 bn), the rise in net debt was less significant than that in gross debt. The net debt ratio for 2022 was 10.8% (see section A 27).

**NET INTEREST EXPENSE**

Given the rise in interest rates, interest expense was higher in 2022. The Confederation thus had to devote 0.8% of its receipts to net interest financing (less interest receipts).

**PROPORTION OF INVESTMENT**

Investment expenditure grew year on year (+4.5%). This mainly concerned investments in defense equipment (see section A 24). As total expenditure decreased, the proportion of investment rose by 1.7 percentage points to 15.1% in 2022.

**TRANSFER RATIO**

Relative to 2021, transfer expenditure decreased more substantially than total expenditure (11.0% vs. 8.1%), due in particular to the considerable drop in unemployment insurance expenditure. The transfer ratio fell by 2.6 percentage points to 79.0% in 2022. The Confederation's total transfer expenditure amounted to 64.1 billion in 2022; around 90% of this was current expenditure and 10% was investment expenditure.

**PROPORTION OF RESTRICTED TAX RECEIPTS**

Relative to 2021, restricted tax receipts grew at a slower pace than tax receipts (+0.5% vs. +1.0%). Their proportion therefore slipped to 22.0% in 2022. Further information on restricted funds can be found in section B 82/34.

**AVERAGE WORKFORCE (FTE)**

In 2022, the number of full-time equivalents (FTEs) in the Federal Administration increased by only 86 FTEs (see section A 41).

**SUPPLEMENTARY CREDITS IN % OF THE BUDGET**

In 2022, supplementary credits – excluding extraordinary expenditure – amounted to 1.6% of the budgeted expenditure. This percentage was lower than the previous year, as the additional expenditure related to the COVID-19 pandemic was below the 2021 level. Nevertheless, this indicator was still higher than the average seen in recent years (Ø 2015–2021: 0.8%), primarily because of the expenditure related to the crisis in Ukraine.

**UNUTILIZED CREDITS IN % OF THE BUDGET**

The share of unutilized credits as a percentage of budgeted expenditure plunged, going from 5.7% in 2021 to 3.6% in 2022. The biggest unutilized credits in 2022 were for the EU research program (439 mn) and the cantons' share of net withholding tax receipts (269 mn).

## INTERNATIONAL COMPARISON

Following the impact of the COVID-19 pandemic on Swiss and foreign public finances, there are now signs of a recovery. However, it is accompanied by new uncertainties caused by the war in Ukraine, persistent supply bottlenecks, inflation and tighter monetary policy.

The receipt ratio shows receipts as a percentage of nominal GDP. Switzerland's receipt ratio is expected to fall from 34.6% in 2021 to 33.7% in 2022, while the receipt ratio of the euro area country average will remain unchanged at the previous year's level of 47.3% in 2022. When making comparisons with international ratios, however, it should be noted that, in Switzerland, contributions in the area of occupational pension plans and premiums for mandatory health insurance are not included in revenue, whereas these contributions go through the tax system in many countries.

The general government expenditure ratio expresses government expenditure in relation to nominal GDP. Switzerland's general government expenditure ratio is likely to decline from the record level of 37.1% seen in 2020 during the COVID-19 pandemic to 33.6% of GDP in 2022, putting it at 1.6 percentage points above the pre-crisis level. According to the available data, Switzerland has the lowest general government expenditure ratio of all the countries under review, and it is 9.4 percentage points below the OECD average.

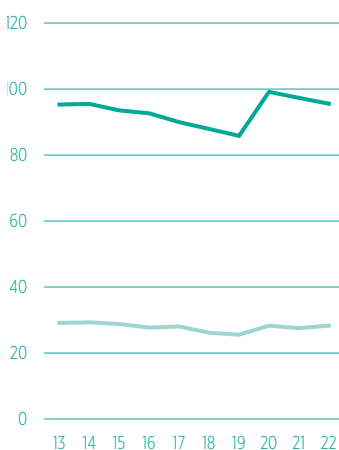
With the exception of Norway, Sweden and Switzerland, all of the countries shown here had deficits in 2022. Norway's surplus ratio of 16.2% of GDP is particularly striking, and is attributable to the rise in receipts caused by higher oil and gas export prices.

With regard to the gross debt ratio as defined by the International Monetary Fund (IMF), there are major differences between the countries under review. At the end of 2022, Switzerland is expected to have the lowest gross debt ratio, at 42.2% of GDP, while the euro area is likely to have an average ratio of 113.5% and the OECD 122.5%.

The information for Switzerland is based on the data and estimates of the Federal Finance Administration's Financial Statistics Section (as of October 11, 2022). The IMF government finance figures and the OECD Annual National Accounts are generally used for international comparisons (as of January 31, 2023). If no official data is available, projected growth rates from the OECD Economic Outlook 112 (November 2022) are taken into account.

### COMPARISON OF SWISS AND EURO AREA DEBT RATIOS

In % of GDP



— Euro area debt ratio  
— Swiss debt ratio

In 2022, Switzerland's debt ratio rose to 28.3%. It was thus well below the 60% mark which is relevant for the euro area. In the euro area, meanwhile, the ratio fell from 97.3% (2021) to 95.6% (2022).

### INTERNATIONAL COMPARISON OF PUBLIC FINANCE INDICATORS FOR 2022

| In % of GDP    | General government |                   |                       | Debt ratio | Gross debt ratio |
|----------------|--------------------|-------------------|-----------------------|------------|------------------|
|                | Receipt ratio      | expenditure ratio | Deficit/surplus ratio |            |                  |
| Switzerland    | 33.7               | 33.6              | 0.2                   | 28.3       | 42.2             |
| EU - euro area | 47.3               | 51.0              | -3.7                  | 95.6       | 113.5            |
| Germany        | 47.8               | 50.4              | -2.7                  | 69.6       | 78.5             |
| France         | 52.6               | 57.5              | -4.9                  | 113.1      | 138.0            |
| Italy          | 46.9               | 52.5              | -5.6                  | 146.4      | 169.2            |
| Austria        | 49.4               | 52.9              | -3.5                  | 81.2       | 100.5            |
| Belgium        | 47.7               | 52.9              | -5.2                  | 106.2      | 126.2            |
| Netherlands    | 42.7               | 44.2              | -1.2                  | 50.3       | 64.1             |
| Norway         | 57.0               | 41.0              | 16.2                  | n.d.       | n.d.             |
| Sweden         | 46.8               | 45.9              | 0.9                   | 31.4       | 53.0             |
| United Kingdom | 38.0               | 45.6              | -7.3                  | n.d.       | 189.5            |
| United States  | 32.4               | 36.8              | -4.1                  | n.d.       | 121.9            |
| Canada         | 38.9               | 40.3              | -1.6                  | n.d.       | 129.1            |
| OECD           | 39.2               | 42.9              | -3.7                  | n.d.       | 122.5            |

Notes

- Debt ratio: gross debt in accordance with the Maastricht definition
- Gross debt ratio: debt in accordance with the IMF definition (liabilities less financial derivatives)
- Figures for Switzerland according to the FFA's financial statistics, October 2022
- Other countries: IMF GFS database and OECD Annual National Accounts (January 2023)
- Forecast for other countries: OECD Economic Outlook 112, November 2022

### 3 DEVELOPMENT OF RECEIPTS AND EXPENDITURE

#### 31 DEVELOPMENT OF RECEIPTS

In 2022, total receipts grew by 1.0% to 76.9 billion. This relatively weak growth resulted from higher receipts from direct federal tax (3.7%) and VAT (4.8%), and the sharp decline in withholding tax receipts (-20.7%).

#### DEVELOPMENT OF RECEIPTS

| CHF mn                             | FS<br>2021    | Bdg.<br>2022  | FS<br>2022    | Δ FS22<br>vs.<br>FS21 |            | Δ FS22<br>vs.<br>Bdg.22 |   |
|------------------------------------|---------------|---------------|---------------|-----------------------|------------|-------------------------|---|
|                                    |               |               |               | absolute              | %          | absolute                | % |
| <b>Receipts</b>                    | <b>76 080</b> | <b>78 643</b> | <b>76 868</b> | <b>789</b>            | <b>1.0</b> | <b>-1 774</b>           |   |
| Tax receipts                       | 70 408        | 73 072        | 71 102        | 694                   | 1.0        | -1 970                  |   |
| Direct federal tax natural persons | 12 676        | 12 531        | 12 708        | 32                    | 0.3        | 177                     |   |
| Direct federal tax legal entities  | 12 718        | 13 722        | 13 623        | 905                   | 7.1        | -99                     |   |
| Withholding tax                    | 4 900         | 7 080         | 3 888         | -1 012                | -20.7      | -3 192                  |   |
| Stamp duty                         | 2 608         | 2 075         | 2 483         | -125                  | -4.8       | 408                     |   |
| Value added tax                    | 23 553        | 23 510        | 24 679        | 1 126                 | 4.8        | 1 169                   |   |
| Other consumption taxes            | 8 507         | 8 400         | 8 202         | -305                  | -3.6       | -198                    |   |
| Misc. tax receipts                 | 5 446         | 5 753         | 5 519         | 73                    | 1.3        | -234                    |   |
| Nontax receipts                    | 4 137         | 4 050         | 4 175         | 38                    | 0.9        | 125                     |   |
| Extraordinary receipts             | 1 535         | 1 521         | 1 592         | 56                    | 3.7        | 71                      |   |

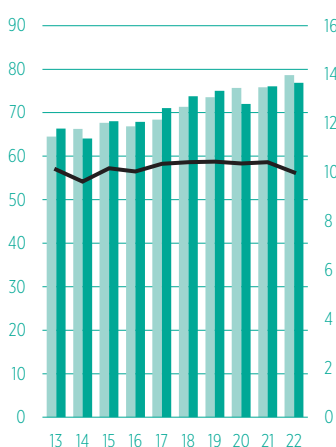
In 2022, receipts amounted to 76.9 billion, representing a year-on-year increase of 1.0% (+0.8 bn). This rise was mainly due to higher receipts from direct federal tax (3.7%; +0.9 bn) and VAT (4.8%; +1.1 bn), which were almost offset by the sharp decline in withholding tax receipts (-20.7%; -1.0 bn).

In terms of details, the following can be observed:

- In 2022, the receipts generated by the *income tax of natural persons* more or less stagnated (+0.3%). This can be explained in part by the sharp decline in receipts from fiscal 2020 and earlier tax periods (-17%). However, payments for the main tax period (2021) rose. Receipts from *taxes on the net revenue of legal entities* rose by 7.1% (+0.9 bn) in 2022. This was largely due to the business activity recovery seen in 2021 (main tax year) following the COVID-19 crisis.
- With regard to *withholding tax*, both incoming payments and refunds reached record levels in 2022. Taking into consideration the refunds still expected, the receipts for fiscal 2022 are estimated to be 5.7 billion. However, from today's perspective, excessively high receipts were recorded for the period 2019 to 2021. The resulting corrections were charged to 2022 (-1.9 bn). As a result, the final receipts amounted to 3.9 billion, which was significantly lower than the previous year (-1.0 bn).
- *Stamp duty* has been fluctuating around the 2.2 billion mark since 2012. In 2022, the 4.8% drop in receipts from the previous year's high level was attributable mainly to the decline in transfer stamp tax receipts (-143 mn).
- *Value added tax (VAT)* receipts climbed by 4.8% to 24.7 billion in 2022. This increase, which was smaller than nominal GDP growth (+5.4%), was primarily due to import tax receipts, which rose sharply in 2022 because of the high inflation abroad.

#### DEVELOPMENT OF RECEIPTS

In CHF bn and % of GDP



■ Fin. stmt. in CHF bn (lhs)  
■ Budget in CHF bn (lhs)  
— Fin. stmt. in % of GDP (rhs)

As total receipts grew at a much slower pace than GDP in 2022 (1.0% vs. 5.3%), the receipt ratio as a percentage of GDP dropped to 10.0%.

- Regarding *other consumption taxes*, receipts were down by 3.6%. This was mainly attributable to the receipts from *mineral oil tax* (-121 mn) and *tobacco duty* (-176 mn), both of which fell. The decline in mineral oil tax receipts can be explained by the relatively high level of fuel prices, the price differential with other countries and the growing number of electric vehicles. The decline in tobacco duty receipts was due to the fact that, in 2022, more cigarettes were purchased abroad, where prices are lower, or in duty-free stores.
- *Other tax receipts* grew by 1.3% in 2022. One reason for this was that travel behavior returned to its pre-COVID-19 level last year, which led to an increase in *motorway tax* receipts (+63 mn).
- *Nontax receipts and extraordinary receipts* were up by 0.9% and 3.7%, respectively, due primarily to the increase in the price of CO<sub>2</sub> emissions rights and the fines imposed by the Competition Commission.

For further details on receipts, see section A 7.

### COMPARISON OF ECONOMIC GROWTH AND RECEIPT TRENDS

Experience shows that the Confederation's total receipts develop in proportion to nominal GDP in the long term. In order to compare the trend of receipts with that of GDP, it is necessary to take account of any structural breaks such as tax rate changes, for example, the volatility of withholding tax, and extraordinary receipts. These effects are presented in the table below.

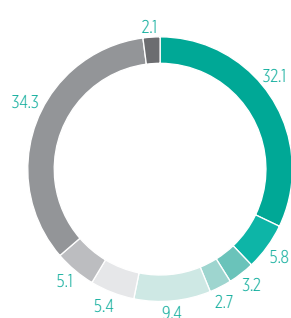
In 2022, only the volatility of withholding tax (deviation from the trend) distorted receipt growth. After adjustment, ordinary receipts increased by 2.5% in 2022, but much less than nominal GDP, which grew by 5.4%.

### QUALITY OF ESTIMATES

Ordinary receipts were -2.4% (1.8 bn) lower than the budgeted level in 2022. The biggest deviations concerned withholding tax receipts, which were overestimated by 3.2 billion, and VAT receipts, which were underestimated by 1.2 billion. An important aspect of the quality of estimates is that forecasting errors offset one another over time. Since the introduction of the debt brake in 2003, the average forecasting error has been 1.1%. Excluding withholding tax, the average forecasting error even falls to 0.4%. A detailed analysis of the quality of estimates is provided in section A 79.

## 2022 RECEIPTS

Shares in %



- Value added tax: 24 679 mn
- Mineral oil tax: 4434 mn
- Stamp duty: 2483 mn
- Tobacco duty: 2082 mn
- Other tax receipts: 7205 mn
- Nontax receipts: 4175 mn
- Withholding tax: 3888 mn
- Direct federal tax: 26 331 mn
- Extraordinary receipts: 1592 mn

Value added tax and direct federal tax are the main sources of receipts. In 2022, they together accounted for two thirds (66.4%) of total receipts.

### ADJUSTMENT OF THE RECEIPT TREND FOR COMPARISON WITH ECONOMIC GROWTH

| CHF mn   | FS            | FS            | Δ 2021-22    |            |
|--|---------------|---------------|--------------|------------|
|  | 2021          | 2022          | absolute     | %          |
| <b>Total receipts</b>                          | <b>76 080</b> | <b>76 868</b> | <b>789</b>   | <b>1.0</b> |
| Factors (increase and decrease in receipts)    | -804          | -1 903        |              |            |
| Withholding tax: deviation from the trend      | -804          | -1 903        |              |            |
| <b>Total adjusted receipts (excl. factors)</b> | <b>76 884</b> | <b>78 771</b> | <b>1 888</b> | <b>2.5</b> |

## 32 DEVELOPMENT OF EXPENDITURE BY TASK AREA

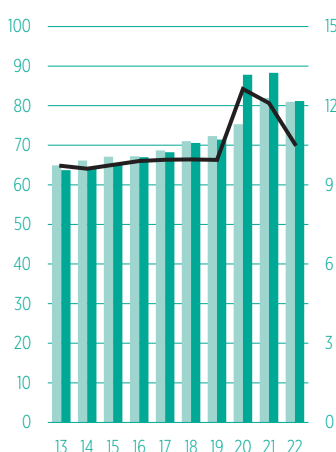
In 2022, expenditure amounted to 81 billion, i.e. significantly less than the previous year. While the burden placed on the budget by the COVID-19 pandemic eased, the war in Ukraine had a negative impact of over 1 billion.

### DEVELOPMENT OF EXPENDITURE BY TASK AREA

| CHF mn  | FS<br>2021    | Bdg.<br>2022  | FS<br>2022    | Δ FS22 at<br>FS21<br>absolute | Δ FS22 at<br>Bdg.22<br>% | Δ FS22 at<br>Bdg.22<br>absolute |
|---|---------------|---------------|---------------|-------------------------------|--------------------------|---------------------------------|
| <b>Expenditure by task area</b>                     | <b>88 281</b> | <b>80 961</b> | <b>81 150</b> | <b>-7 131</b>                 | <b>-8.1</b>              | <b>189</b>                      |
| <i>Excl. COVID-19 expenditure</i>                   | <i>74 213</i> | <i>77 132</i> | <i>77 426</i> | <i>3 213</i>                  | <i>4.3</i>               | <i>294</i>                      |
| Social welfare                                      | 30 222        | 25 040        | 26 576        | -3 646                        | -12.1                    | 1 536                           |
| <i>Excl. COVID-19 expenditure</i>                   | <i>24 062</i> | <i>24 550</i> | <i>25 614</i> | <i>1 552</i>                  | <i>6.5</i>               | <i>1 064</i>                    |
| Finances and taxes                                  | 11 620        | 11 391        | 11 341        | -279                          | -2.4                     | -50                             |
| <i>Excl. COVID-19 expenditure</i>                   | <i>11 620</i> | <i>11 391</i> | <i>11 341</i> | <i>-279</i>                   | <i>-2.4</i>              | <i>-50</i>                      |
| Transportation                                      | 10 801        | 10 873        | 10 693        | -108                          | -1.0                     | -180                            |
| <i>Excl. COVID-19 expenditure</i>                   | <i>10 213</i> | <i>10 558</i> | <i>10 408</i> | <i>195</i>                    | <i>1.9</i>               | <i>-150</i>                     |
| Education and research                              | 7 528         | 8 487         | 7 907         | 379                           | 5.0                      | -580                            |
| <i>Excl. COVID-19 expenditure</i>                   | <i>7 526</i>  | <i>8 487</i>  | <i>7 907</i>  | <i>381</i>                    | <i>5.1</i>               | <i>-580</i>                     |
| Security  | 5 927         | 6 419         | 6 406         | 479                           | 8.1                      | -13                             |
| <i>Excl. COVID-19 expenditure</i>                   | <i>5 923</i>  | <i>6 419</i>  | <i>6 405</i>  | <i>482</i>                    | <i>8.1</i>               | <i>-14</i>                      |
| International relations - international cooperation | 3 816         | 3 668         | 3 825         | 9                             | 0.2                      | 157                             |
| <i>Excl. COVID-19 expenditure</i>                   | <i>3 471</i>  | <i>3 668</i>  | <i>3 765</i>  | <i>294</i>                    | <i>8.5</i>               | <i>96</i>                       |
| Agriculture and food                                | 3 660         | 3 676         | 3 659         | -1                            | 0.0                      | -17                             |
| <i>Excl. COVID-19 expenditure</i>                   | <i>3 660</i>  | <i>3 676</i>  | <i>3 659</i>  | <i>-1</i>                     | <i>0.0</i>               | <i>-17</i>                      |
| Other task areas                                    | 14 706        | 11 407        | 10 743        | -3 963                        | -26.9                    | -664                            |
| <i>Excl. COVID-19 expenditure</i>                   | <i>7 739</i>  | <i>8 382</i>  | <i>8 327</i>  | <i>588</i>                    | <i>7.6</i>               | <i>-55</i>                      |

### DEVELOPMENT OF EXPENDITURE

In CHF bn and % of GDP



■ Fin. stmt. in CHF bn (lhs)  
■ Bdg. in CHF bn (lhs)  
— Fin. stmt. in % of GDP (rhs)

The expenditure ratio fell as a result of lower COVID-19 expenditure. However, at 10.6%, it was still slightly higher than before the pandemic.

Federal expenditure fell by 7.1 billion to 81.2 billion (-8.1%) relative to the previous year. Although expenditure to combat the COVID-19 pandemic fell from 14.1 billion (2021) to 3.7 billion (2022), the war in Ukraine led to additional federal expenditure of 1.2 billion. A substantial proportion of this was needed to accommodate people seeking protection in Switzerland. Excluding coronavirus-related expenditure and expenditure in connection with the Ukraine crisis, expenditure growth amounted to 2.7%.

Expenditure increased in particular in the areas of social welfare (migration, AHV, IV), security (defense expenditure), education and research (Horizon mitigation measures) and in other task areas (including redistribution of CO<sub>2</sub> tax, security of energy supply).

A total of 4 billion was recognized as extraordinary expenditure in accordance with Article 15 of the Financial Budget Act (FBA), of which 3.3 billion was spent on tackling the COVID-19 pandemic and 0.7 billion on social welfare lump sums for people from Ukraine seeking protection. This amount was charged to the amortization account.

### SOCIAL WELFARE

The social welfare task area covers mainly the expenditure for social insurance and migration, and thus expenditure that is strictly earmarked. Excluding COVID-19 expenditure for short-time working compensation (0.7 bn) and COVID-19 loss of earnings compensation (0.3 bn), expenditure in this task area grew by almost 1.6 billion. More than 1 billion of that was attributable to migration, especially global lump sums for people from Ukraine seeking protection and other asylum seekers, as well as integration measures. In the area of retirement provision, the federal contribution to AHV rose because of the growth in the number of pensions (+190 mn), and higher VAT receipts also led to a rise in the percentage of value added tax for AHV (+146 mn). The positive development of value added tax additionally contributed to growth in the Confederation's payments to disability insurance (+146 mn).

**FINANCES AND TAXES**

The finances and taxes task area comprises the shares of third parties (particularly cantons) in the Confederation’s receipts, and expenditure for funding and asset management (primarily interest payable) and fiscal equalization. Debt interest expenditure was up as a result of the rise in interest rates (+124 mn). Third parties’ shares of federal receipts decreased by 0.5 billion in net terms: while the rise in direct federal tax led to higher cantonal shares, withholding tax was down. In addition, the previous year’s special factor in the form of the refund of VAT on radio and television reception fees ceased to apply (-186 mn). Fiscal equalization expenditure was up on the previous year (+126 mn), due to the planned increase in temporary mitigation measures in connection with the fiscal equalization reform.

**TRANSPORTATION**

Transportation expenditure posted a year-on-year decrease of 1% (-108 mn). This was mainly because expenditure to combat the COVID-19 pandemic dropped from 589 million to 285 million relative to the previous year. Excluding these measures, transportation expenditure increased by 195 million (+1.9%). The main driver was the higher deposit in the railway infrastructure fund (+213 mn). However, the contribution to the motorway and urban transportation fund was lower (-105 mn), due to the decline in mineral oil tax.

**EDUCATION AND RESEARCH**

The Confederation spent around 380 million more on education and research (+5%). This increase was due to the combination of the introduction of mitigation measures as a result of Switzerland’s non-association to Horizon Europe (+266 mn) and the rise in contributions to the ETH Domain and research promotion institutions, as well as project contributions under the Higher Education Act.

**SECURITY**

This task area covers mainly the expenditure for military national defense, border controls, the Confederation’s police tasks and civil protection. Security expenditure climbed by over 8% (+479 mn) in 2022, due largely to additional expenditure in the area of armaments, namely for the procurement of new fighter jets and ground-based air defense systems. In addition, border control expenditure and compensation for extraordinary protection tasks of the cantons and cities were higher.

**INTERNATIONAL RELATIONS – INTERNATIONAL COOPERATION**

Expenditure in this task area can be broken down into three areas: development cooperation, political relations (foreign representations, central offices in Bern, contributions to international organizations) and economic relations (primarily EU enlargement contribution). Coming in at 3.8 billion, expenditure remained at the previous year’s level. Although more was spent on humanitarian and food aid for Ukraine (+150 mn), expenditure for combating the COVID-19 pandemic abroad decreased.

**AGRICULTURE AND FOOD**

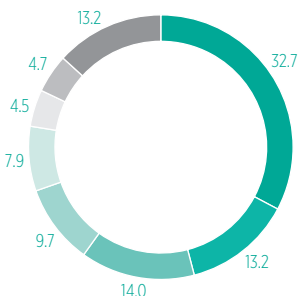
Agriculture and food expenditure remained unchanged on the previous year at 3.7 billion.

**OTHER TASK AREAS**

Other task areas include institutional and financial conditions, culture and leisure, health, environment and spatial planning, and economic relations. The sharp decline of around 4 billion was attributable to the measures taken to deal with the COVID-19 pandemic. This expenditure was lower than in 2021, particularly in the case of hardship contributions for companies and testing and vaccination costs, but still totaled 2.4 billion. Expenditure for ordinary government activities was almost 0.6 billion higher than a year earlier. There was additional expenditure especially in the areas of energy (195 mn: reserve power plants and building program), the environment (+200 mn: redistribution of CO<sub>2</sub> tax and the VOC incentive fee) and internal Federal Administration services (buildings, logistics, IT).

**2022 EXPENDITURE BY TASK AREA**

Shares in %



- Social welfare: 26 576 mn
- Transportation: 10 693 mn
- Finances and taxes: 11 341 mn
- Education and research: 7907 mn
- Security: 6406 mn
- Agriculture and food: 3659 mn
- International relations: 3825 mn
- Other tasks: 10 743 mn



## 4 OUTLOOK

Considerable extraordinary expenditure will continue to be incurred in 2023. Although the payment requirements triggered by the COVID-19 pandemic will almost completely disappear, the war in Ukraine will result in substantial extraordinary additional expenditure. The outlook for the following years remains gloomy. Due to the high structural deficits in the ordinary budget between 2024 and 2027, adjustment measures will have to be implemented to comply with the debt brake requirements.

The repercussions of the Ukraine crisis are also becoming increasingly evident in the federal budget. First, the war is causing major migration flows. Due to the high number of asylum applications submitted by people from Ukraine seeking protection, the Federal Council and Parliament have declared extraordinary payment requirements for 2023 as well. Second, prices have risen sharply on international energy markets. In order to guarantee Switzerland's power supply even in the case of unforeseen events, the Confederation will grant loans to systemically important electricity companies as required. Overall, the 2023 budget shows extraordinary expenditure of 5.8 billion and a financing deficit of 5.9 billion.

In subsequent years, the situation will remain tight for the federal budget. However, unlike in previous years, which saw substantial extraordinary expenditure, the focus will shift to the ordinary budget. In the light of the structural deficits in the old financial plan for 2024 to 2026, it became apparent toward the end of 2022 that the deficits would grow further as a result of new spending decisions by Parliament and that the debt brake requirements would not be met by a long shot in those years. These structural deficits amounted to 2 billion in the budget year, and to around 3 billion from 2025 onward. In order to comply with the debt brake requirements in the 2024 budget, the Federal Council thus decided on a broad package of adjustment measures. This means that the 2024 budget can be kept in line with the debt brake. However, structural deficits will remain in the subsequent years even after the savings measures have been taken into account.

How the situation will evolve for the federal budget in the coming years will be determined not only by decisions taken by the Federal Council and Parliament, but also to a large extent by how the economy performs. This is still highly uncertain and will depend very much on the global economy and energy supplies. It is assumed that the energy situation will return to normal, that inflation will cool off again worldwide, and that the global economy will gradually gain momentum.

In the medium to long term, the trend of economic output will be the key factor for the federal budget. Higher GDP would also result in higher federal receipts (and vice versa). Another important factor is how Switzerland positions itself as a business location in the international environment. Consequently, the international reform of OECD profit taxation is key for Switzerland. With the planned implementation, Switzerland will create stable framework conditions and thus secure substantial tax receipts.



# FEDERAL FINANCIAL STATEMENTS

B



## STATEMENT OF FINANCIAL PERFORMANCE

| CHF mn   | FS             | Bdg.          | FS            | Δ 2021-22 |       |
|--|----------------|---------------|---------------|-----------|-------|
|  | 2021           | 2022          | 2022          | absolute  | %     |
| <b>Surplus/deficit</b>                             | <b>-9 716</b>  | <b>-498</b>   | <b>-2 396</b> |           |       |
| <b>Operating result</b>                            | <b>-11 059</b> | <b>-1 437</b> | <b>-3 289</b> |           |       |
| Operating revenue                                  | 74 700         | 77 288        | 75 613        | 913       | 1.2   |
| Tax revenue  | 70 238         | 73 093        | 71 043        | 805       | 1.1   |
| Direct federal tax natural persons                 | 12 676         | 12 531        | 12 708        | 32        | 0.3   |
| Direct federal tax legal entities                  | 12 718         | 13 722        | 13 623        | 905       | 7.1   |
| Withholding tax                                    | 4 900          | 7 080         | 3 888         | -1 012    | -20.7 |
| Stamp duty   | 2 608          | 2 075         | 2 483         | -125      | -4.8  |
| Value added tax                                    | 23 539         | 23 510        | 24 588        | 1 050     | 4.5   |
| Other consumption taxes                            | 8 459          | 8 400         | 8 207         | -252      | -3.0  |
| Misc. tax revenue                                  | 5 339          | 5 774         | 5 546         | 207       | 3.9   |
| Royalties and concessions                          | 935            | 907           | 973           | 38        | 4.0   |
| Other revenue                                      | 1 850          | 1 680         | 1 817         | -33       | -1.8  |
| Net revenue from special financing in liabilities  | 138            | 13            | 183           | 45        | 32.4  |
| Revenue from extraordinary transactions            | 1 539          | 1 594         | 1 597         |           |       |
| Operating expenses                                 | 85 759         | 78 725        | 78 902        | -6 857    | -8.0  |
| Operating expenses                                 | 14 554         | 15 061        | 15 743        | 1 188     | 8.2   |
| Personnel expenses                                 | 6 009          | 6 090         | 6 108         | 100       | 1.7   |
| General, administrative and operating expenses     | 4 410          | 4 644         | 5 477         | 1 067     | 24.2  |
| Defense expenses                                   | 1 111          | 1 258         | 1 211         | 101       | 9.1   |
| Deprec., amortiz. tangible/intangible fixed assets | 3 025          | 3 069         | 2 946         | -79       | -2.6  |
| Transfer expenses                                  | 57 834         | 60 658        | 59 980        | 2 147     | 3.7   |
| Third parties' share in federal income             | 11 027         | 11 579        | 11 448        | 420       | 3.8   |
| Compensation to public bodies                      | 1 333          | 1 362         | 1 569         | 236       | 17.7  |
| Contributions to own institutions                  | 4 299          | 4 105         | 4 280         | -19       | -0.4  |
| Contributions to third parties                     | 15 744         | 17 405        | 16 467        | 723       | 4.6   |
| Contributions to social insurance                  | 18 716         | 19 094        | 19 144        | 428       | 2.3   |
| Value adjustment on investment contributions       | 6 714          | 7 113         | 7 065         | 350       | 5.2   |
| Value adjustment on loans and financial interests  | 0              | 0             | 8             | 8         | n.d.  |
| Net expense for special financing in liabilities   | 119            | 161           | 130           | 11        | 9.2   |
| Extraordinary transaction expenses                 | 13 252         | 2 845         | 3 049         |           |       |
| <b>Financial result</b>                            | <b>-503</b>    | <b>-482</b>   | <b>-623</b>   |           |       |
| Financial revenue                                  | 351            | 285           | 350           | -2        | -0.5  |
| Financial expense                                  | 854            | 767           | 972           | 118       | 13.8  |
| Interest expense                                   | 760            | 732           | 852           | 92        | 12.1  |
| Other financial expense                            | 94             | 35            | 121           | 27        | 28.3  |
| <b>Result from interests</b>                       | <b>1 846</b>   | <b>1 421</b>  | <b>1 516</b>  |           |       |

## FINANCING STATEMENT

| CHF mn  | FS             | Bdg.          | FS            | Δ 2021-22 |       |
|---|----------------|---------------|---------------|-----------|-------|
|   | 2021           | 2022          | 2022          | absolute  | %     |
| <b>Overall fiscal balance</b>                     | <b>-12 201</b> | <b>-2 319</b> | <b>-4 282</b> |           |       |
| <b>Ordinary fiscal balance</b>                    | <b>-1 405</b>  | <b>-594</b>   | <b>-1 875</b> |           |       |
| Ordinary receipts                                 | 74 545         | 77 122        | 75 277        | 732       | 1.0   |
| Tax receipts                                      | 70 408         | 73 072        | 71 102        | 694       | 1.0   |
| Direct federal tax natural persons                | 12 676         | 12 531        | 12 708        | 32        | 0.3   |
| Direct federal tax legal entities                 | 12 718         | 13 722        | 13 623        | 905       | 7.1   |
| Withholding tax                                   | 4 900          | 7 080         | 3 888         | -1 012    | -20.7 |
| Stamp duty  | 2 608          | 2 075         | 2 483         | -125      | -4.8  |
| Value added tax                                   | 23 553         | 23 510        | 24 679        | 1 126     | 4.8   |
| Other consumption taxes                           | 8 507          | 8 400         | 8 202         | -305      | -3.6  |
| Misc. tax receipts                                | 5 446          | 5 753         | 5 519         | 73        | 1.3   |
| Royalties and concessions                         | 933            | 907           | 964           | 31        | 3.3   |
| Financial receipts                                | 879            | 877           | 866           | -13       | -1.4  |
| Financial interest receipts                       | 636            | 636           | 633           | -3        | -0.5  |
| Other financial receipts                          | 243            | 241           | 234           | -9        | -3.7  |
| Other current receipts                            | 1 606          | 1 556         | 1 599         | -7        | -0.5  |
| Investment receipts                               | 719            | 710           | 746           | 27        | 3.8   |
| Ordinary expenditure                              | 75 950         | 77 716        | 77 152        | 1 202     | 1.6   |
| Operating expenditure                             | 11 355         | 11 694        | 11 612        | 257       | 2.3   |
| Personnel expenditure                             | 5 983          | 6 090         | 6 062         | 79        | 1.3   |
| General, administrative and operating expenditure | 4 415          | 4 516         | 4 618         | 203       | 4.6   |
| Defense expenditure                               | 957            | 1 088         | 932           | -24       | -2.6  |
| Current transfer expenditure                      | 52 628         | 53 606        | 52 904        | 276       | 0.5   |
| Third parties' share in federal receipts          | 11 537         | 11 579        | 11 498        | -40       | -0.3  |
| Compensation to public bodies                     | 1 321          | 1 361         | 1 574         | 254       | 19.2  |
| Contributions to own institutions                 | 4 291          | 4 105         | 4 229         | -62       | -1.4  |
| Contributions to third parties                    | 16 696         | 17 392        | 16 428        | -268      | -1.6  |
| Contributions to social insurance                 | 18 782         | 19 169        | 19 174        | 391       | 2.1   |
| Financial expenditure                             | 805            | 776           | 928           | 122       | 15.2  |
| Interest expenditure                              | 769            | 741           | 861           | 91        | 11.9  |
| Other financial expenditure                       | 36             | 35            | 67            | 31        | 84.8  |
| Investment expenditure                            | 11 162         | 11 640        | 11 708        | 547       | 4.9   |
| Tangible fixed assets and inventories             | 3 355          | 3 636         | 3 869         | 514       | 15.3  |
| Intangible fixed assets                           | 26             | 26            | 52            | 25        | 95.4  |
| Loans   | 421            | 127           | 62            | -359      | -85.3 |
| Financial interests                               | 92             | 186           | 81            | -11       | -11.5 |
| Own investment contributions                      | 6 723          | 7 113         | 7 066         | 343       | 5.1   |
| Transitory investment contributions               | 545            | 551           | 578           | 34        | 6.2   |
| Extraordinary receipts                            | 1 535          | 1 521         | 1 592         |           |       |
| Extraordinary expenditure                         | 12 331         | 3 245         | 3 998         |           |       |

## STATEMENT OF FINANCIAL POSITION

| CHF mn                                  | FS             |                | Δ 2021-22    |             |
|---|----------------|----------------|--------------|-------------|
|   | 2021           | 2022           | absolute     | %           |
| <b>Assets</b>                           | <b>176 665</b> | <b>183 677</b> | <b>7 012</b> | <b>4.0</b>  |
| Non-administrative assets               | 35 840         | 40 480         | 4 640        | 12.9        |
| Current assets                          | 24 484         | 29 029         | 4 545        | 18.6        |
| Liquid assets                           | 12 973         | 15 615         | 2 642        | 20.4        |
| Receivables                             | 6 001          | 6 225          | 224          | 3.7         |
| Short-term financial investments        | 2 096          | 3 650          | 1 553        | 74.1        |
| Prepaid expenses and accrued income     | 3 414          | 3 540          | 126          | 3.7         |
| Non-current assets                      | 11 356         | 11 451         | 95           | 0.8         |
| Long-term financial investments         | 11 356         | 11 451         | 95           | 0.8         |
| <b>Administrative assets</b>            | <b>140 825</b> | <b>143 197</b> | <b>2 371</b> | <b>1.7</b>  |
| Current assets                          | 4 425          | 4 264          | -161         | -3.6        |
| Inventories and advances                | 4 425          | 4 264          | -161         | -3.6        |
| Non-current assets                      | 136 400        | 138 933        | 2 532        | 1.9         |
| Tangible fixed assets                   | 60 893         | 61 635         | 743          | 1.2         |
| Intangible fixed assets                 | 431            | 564            | 133          | 30.9        |
| Loans                                   | 5 574          | 5 523          | -51          | -0.9        |
| Financial interests                     | 69 503         | 71 211         | 1 707        | 2.5         |
| <b>Liabilities and equity</b>           | <b>176 665</b> | <b>183 677</b> | <b>7 012</b> | <b>4.0</b>  |
| <b>Short-term liabilities</b>           | <b>54 151</b>  | <b>58 632</b>  | <b>4 481</b> | <b>8.3</b>  |
| Current liabilities                     | 15 472         | 15 100         | -372         | -2.4        |
| Short-term financial liabilities        | 25 857         | 35 572         | 9 715        | 37.6        |
| Accrued expenses and deferred income    | 10 371         | 6 011          | -4 361       | -42.0       |
| Short-term provisions                   | 2 450          | 1 950          | -501         | -20.4       |
| <b>Long-term liabilities</b>            | <b>116 387</b> | <b>119 397</b> | <b>3 009</b> | <b>2.6</b>  |
| Long-term financial liabilities         | 67 241         | 69 286         | 2 045        | 3.0         |
| Liabilities toward separate accounts    | 5 108          | 5 762          | 654          | 12.8        |
| Employee retirement benefit obligations | 3 475          | 2 139          | -1 336       | -38.4       |
| Long-term provisions                    | 36 386         | 37 139         | 754          | 2.1         |
| Restricted funds in liabilities         | 4 177          | 5 071          | 893          | 21.4        |
| <b>Net assets/equity</b>                | <b>6 127</b>   | <b>5 648</b>   | <b>-479</b>  | <b>-7.8</b> |
| Restricted funds in net assets/equity   | 6 523          | 6 582          | 59           | 0.9         |
| Reserves from global budget             | 446            | 710            | 264          | 59.2        |
| Accumulated surplus                     | -841           | -1 643         | -802         | -95.4       |

**CASH FLOW STATEMENT**

| CHF mn   | FS<br>2021    | FS<br>2022    | Δ 2021–22<br>absolute |
|--|---------------|---------------|-----------------------|
| <b>Total cash flow</b>   | <b>-922</b>   | <b>2 642</b>  | <b>3 564</b>          |
| Cash flow from operating activities  | 1 183         | -3 755        | -4 938                |
| Tax receipts   | 70 408        | 71 102        | 694                   |
| Royalties and concessions  | 933           | 964           | 31                    |
| Revenue from exchange transactions   | 1 035         | 1 058         | 23                    |
| Other current receipts   | 571           | 541           | -30                   |
| Financial receipts   | 879           | 866           | -13                   |
| Repayment of investment contributions  | 17            | 1             | -17                   |
| Operating expenditure  | -11 355       | -11 612       | -257                  |
| Transfer expenditure   | -52 628       | -52 904       | -276                  |
| Financial expenditure  | -805          | -928          | -122                  |
| Investment contributions   | -6 723        | -7 066        | -343                  |
| Investment expenditure inventories   | -67           | -98           | -31                   |
| Extraordinary receipts   | 1 451         | 1 510         | 58                    |
| Extraordinary expenditure  | -12 324       | -3 998        | 8 326                 |
| Increase/decrease in receivables (excl. value adjustments)   | -20           | -198          | -178                  |
| Increase/decrease in current liabilities   | 4 078         | -372          | -4 450                |
| Increase/decrease withholding tax accrued expenses & deferred income/provisions                    | 5 613         | -3 882        | -9 495                |
| Increase/decrease in liabilities vis-à-vis separate accounts                                       | 82            | 654           | 571                   |
| Other changes  | 37            | 607           | 570                   |
| <b>Cash flow from investing activities</b>   | <b>-3 466</b> | <b>-5 369</b> | <b>-1 903</b>         |
| Investment expenditure tangible and intangible fixed assets  | -3 314        | -3 823        | -508                  |
| Investment receipts tangible and intangible fixed assets   | 52            | 75            | 23                    |
| Investment expenditure on loans and financial interests  | -513          | -143          | 370                   |
| Investment receipts from loans and financial interests   | 105           | 92            | -13                   |
| Extraordinary investment expenditure   | -7            | -             | 7                     |
| Extraordinary investment receipts  | 84            | 82            | -2                    |
| Increase/decrease in short-term financial investments  | -275          | -1 557        | -1 282                |
| Increase/decrease in long-term financial investments   | 403           | -95           | -498                  |
| <b>Cash flow from financing activities</b>   | <b>1 362</b>  | <b>11 767</b> | <b>10 405</b>         |
| Increase/decrease in short-term financial liabilities  | -4 042        | 9 715         | 13 757                |
| Increase/decrease in long-term financial liabilities   | 4 948         | 2 045         | -2 903                |
| Less premium amortization not affecting cash   | 393           | 413           | 20                    |
| Less increase/decrease in derivative financial instruments not affecting cash                      | 73            | -380          | -454                  |
| Less increase/decrease in lease liability/investments financed by third parties not affecting cash | -11           | -26           | -15                   |

**CASH FUND STATEMENT**

| CHF mn                          | FS<br>2021 | FS<br>2022 | Δ 2021–22<br>absolute |
|---------------------------------|------------|------------|-----------------------|
| Liquid assets balance at 01.01. | 13 894     | 12 973     | -922                  |
| Increase (+) / decrease (-)     | -922       | 2 642      | 3 564                 |
| Liquid assets balance at 31.12. | 12 973     | 15 615     | 2 642                 |



## STATEMENT OF INVESTMENTS

| CHF mn   | FS             | Bdg.           | FS             | Δ 2021-22  |            |
|--|----------------|----------------|----------------|------------|------------|
|  | 2021           | 2022           | 2022           | absolute   | %          |
| <b>Statement of investments balance</b>          | <b>-11 058</b> | <b>-10 916</b> | <b>-11 451</b> |            |            |
| <b>Ordinary statement of investments balance</b> | <b>-10 477</b> | <b>-10 930</b> | <b>-10 959</b> |            |            |
| Investment receipts                              | 719            | 710            | 746            | 27         | 3.8        |
| Buildings  | 49             | 45             | 39             | -11        | -21.4      |
| Property, plant and equipment                    | 3              | 3              | 12             | 9          | 301.5      |
| Motorways  | 0              | 1              | 24             | 24         | n.d.       |
| Intangible fixed assets                          | -              | -              | -              | -          | -          |
| Loans  | 105            | 109            | 92             | -13        | -12.4      |
| Financial interests                              | -              | -              | -              | -          | -          |
| Repayment of own investment contributions        | 17             | 1              | 1              | -17        | -95.9      |
| Transitory investment contributions              | 545            | 551            | 578            | 34         | 6.2        |
| <b>Investment expenditure</b>                    | <b>11 196</b>  | <b>11 640</b>  | <b>11 705</b>  | <b>509</b> | <b>4.5</b> |
| Buildings  | 703            | 797            | 861            | 159        | 22.6       |
| Property, plant and equipment                    | 87             | 119            | 123            | 36         | 41.2       |
| Inventories                                      | 67             | 85             | 98             | 31         | 46.5       |
| Motorway   | 2 082          | 2 026          | 2 012          | -70        | -3.4       |
| Defense equipment                                | 441            | 610            | 771            | 330        | 74.7       |
| Intangible fixed assets                          | 26             | 26             | 52             | 25         | 95.4       |
| Loans  | 421            | 127            | 62             | -359       | -85.3      |
| Financial interests                              | 92             | 186            | 81             | -11        | -11.5      |
| Own investment contributions                     | 6 732          | 7 113          | 7 065          | 334        | 5.0        |
| Transitory investment contributions              | 545            | 551            | 578            | 34         | 6.2        |
| <b>Extraordinary investment receipts</b>         | <b>84</b>      | <b>14</b>      | <b>82</b>      |            |            |
| <b>Extraordinary investment expenditure</b>      | <b>664</b>     | <b>-</b>       | <b>575</b>     |            |            |

Extraordinary investment receipts included 66 million from the sale of COVID-19 vaccines, 3 million from the sale of COVID-19 medical materials and 12 million from the repayment of COVID-19 loans in the sports sector.

The extraordinary investment expenditure was related to the procurement of COVID-19 vaccines (550 mn) and COVID-19 medical materials (25 mn).

Further information on extraordinary receipts and expenditure can be found in section B 72.

## STATEMENT OF NET ASSETS/EQUITY

| CHF mn  | Special<br>financing<br>1 | Special<br>funds<br>2 | Other<br>restricted<br>funds<br>3 | Restricted<br>funds<br>4=1+2+3 | Global<br>budget<br>reserves<br>5 | Accumulated<br>surplus<br>6 | Total net<br>assets/<br>equity<br>7=4+5+6 |
|---|---------------------------|-----------------------|-----------------------------------|--------------------------------|-----------------------------------|-----------------------------|---|
| <b>As of 01.01.2021</b>                                 | 5 071                     | 1 414                 | 32                                | 6 517                          | 395                               | 2 679                       | 9 590                                     |
| Special funds result                                    | -                         | 23                    | -                                 | 23                             | -                                 | 2                           | 25  |
| Change in other restricted funds                        | -                         | -                     | -2                                | -2                             | -                                 | -                           | -2  |
| Revaluation employee retirement benefits                | -                         | -                     | -                                 | -                              | -                                 | 1 657                       | 1 657                                     |
| Share of equity transactions involving equity interests | -                         | -                     | -                                 | -                              | -                                 | 4 540                       | 4 540                                     |
| Hedging transactions                                    | -                         | -                     | -                                 | -                              | -                                 | 33                          | 33  |
| <b>Total items recognized under net assets/equity</b>   | -                         | 23                    | -2                                | 21                             | -                                 | 6 232                       | 6 253                                     |
| Surplus/deficit for the year                            | -                         | -                     | -                                 | -                              | -                                 | -9 716                      | -9 716                                    |
| <b>Total profit and loss recognized</b>                 | -                         | 23                    | -2                                | 21                             | -                                 | -3 484                      | -3 463                                    |
| Entry transfers in net assets/equity                    | -15                       | -                     | -                                 | -15                            | 51                                | -36                         | -   |
| <b>As of 31.12.2021</b>                                 | <b>5 055</b>              | <b>1 437</b>          | <b>30</b>                         | <b>6 523</b>                   | <b>446</b>                        | <b>-841</b>                 | <b>6 127</b>                              |
| Special funds result                                    | -                         | 33                    | -                                 | 33                             | -                                 | 1                           | 34  |
| Change in other restricted funds                        | -                         | -                     | -1                                | -1                             | -                                 | -                           | -1  |
| Revaluation employee retirement benefits                | -                         | -                     | -                                 | -                              | -                                 | 1 386                       | 1 386                                     |
| Share of equity transactions involving equity interests | -                         | -                     | -                                 | -                              | -                                 | 738                         | 738                                       |
| Hedging transactions                                    | -                         | -                     | -                                 | -                              | -                                 | -239                        | -239                                      |
| <b>Total items recognized under net assets/equity</b>   | -                         | 33                    | -1                                | 31                             | -                                 | 1 885                       | 1 917                                     |
| Surplus/deficit for the year                            | -                         | -                     | -                                 | -                              | -                                 | -2 396                      | -2 396                                    |
| <b>Total profit and loss recognized</b>                 | -                         | 33                    | -1                                | 31                             | -                                 | -511                        | -480                                      |
| Entry transfers in net assets/equity                    | 28                        | -                     | -                                 | 28                             | 264                               | -292                        | -   |
| <b>As of 31.12.2022</b>                                 | <b>5 083</b>              | <b>1 470</b>          | <b>29</b>                         | <b>6 582</b>                   | <b>710</b>                        | <b>-1 644</b>               | <b>5 648</b>                              |

## STATEMENT OF NET ASSETS/EQUITY

The statement of net assets/equity shows which financial transactions led to a change in the respective equity item. Specifically, it indicates the expense and revenue items that were recognized directly in net assets/equity rather than in the statement of financial performance, and the impact of a change in reserves and restricted funds on net assets/equity.

## RESERVES FROM GLOBAL BUDGET

| CHF mn         | General reserves            |                        |                       |                    |                             | Restricted reserves         |                        |                       |                    |                             |
|----------------|-----------------------------|------------------------|-----------------------|--------------------|-----------------------------|-----------------------------|------------------------|-----------------------|--------------------|-----------------------------|
|                | Closing stock at 31.12.2021 | Formation from FS 2021 | Reversal/ Closure/use | Other transactions | Closing stock at 31.12.2022 | Closing stock at 31.12.2021 | Formation from FS 2021 | Reversal/ Closure/use | Other transactions | Closing stock at 31.12.2022 |
| <b>Total</b>   | <b>39</b>                   | <b>-</b>               | <b>-3</b>             | <b>-</b>           | <b>35</b>                   | <b>407</b>                  | <b>428</b>             | <b>-161</b>           | <b>-</b>           | <b>674</b>                  |
| 101 FA         | -                           | -                      | -                     | -                  | -                           | -                           | 2                      | -                     | -                  | 2                           |
| 104 FCh        | -                           | -                      | -                     | -                  | -                           | 25                          | 7                      | -18                   | -                  | 14                          |
| 110 OAG        | -                           | -                      | -                     | -                  | -                           | 5                           | -                      | -                     | -                  | 5                           |
| 202 FDFA       | 11                          | -                      | -                     | -                  | 11                          | 9                           | 7                      | -7                    | -                  | 9                           |
| 301 GS-FDHA    | -                           | -                      | -                     | -                  | -                           | 1                           | 0                      | 0                     | -                  | 1                           |
| 303 FOGE       | -                           | -                      | -                     | -                  | -                           | 0                           | 0                      | 0                     | -                  | 0                           |
| 305 SFA        | -                           | -                      | -                     | -                  | -                           | 3                           | 1                      | 0                     | -                  | 3                           |
| 306 FOC        | -                           | -                      | -                     | -                  | -                           | 1                           | 2                      | -1                    | -                  | 2                           |
| 311 MeteoSwiss | 1                           | -                      | -                     | -                  | 1                           | 0                           | 4                      | -1                    | -                  | 3                           |
| 316 FOPH       | -                           | -                      | -                     | -                  | -                           | 1                           | 12                     | -                     | -                  | 12                          |
| 317 SFSO       | -                           | -                      | -                     | -                  | -                           | 5                           | 2                      | -2                    | -                  | 6                           |
| 318 FSIO       | -                           | -                      | -                     | -                  | -                           | 5                           | 1                      | -1                    | -                  | 5                           |
| 341 FSVO       | -                           | -                      | -                     | -                  | -                           | 2                           | -                      | -1                    | 2                  | 2                           |
| 342 IVI        | -                           | -                      | -                     | -                  | -                           | 0                           | -                      | 0                     | -                  | 0                           |
| 401 GS-FDJP    | -                           | -                      | -                     | -                  | -                           | 5                           | 4                      | -                     | -                  | 9                           |
| 402 FOJ        | -                           | -                      | -                     | -                  | -                           | 4                           | 1                      | -2                    | -                  | 3                           |
| 403 fedpol     | -                           | -                      | -                     | -                  | -                           | 9                           | 6                      | -5                    | -                  | 10                          |
| 413 SICL       | -                           | -                      | -                     | -                  | -                           | 1                           | 0                      | 0                     | -                  | 1                           |
| 420 SEM        | -                           | -                      | -                     | -                  | -                           | 25                          | 2                      | -7                    | -                  | 20                          |
| 485 ISC-FDJP   | 3                           | -                      | -                     | -                  | 3                           | 43                          | 4                      | -17                   | -                  | 30                          |
| 500 GS-DDPS    | -                           | -                      | -                     | -                  | -                           | 7                           | -                      | -1                    | -                  | 6                           |
| 503 FIS        | -                           | -                      | -                     | -                  | -                           | -                           | 0                      | 0                     | -                  | -                           |
| 504 FOSPO      | 3                           | -                      | -                     | -                  | 3                           | 10                          | 0                      | -3                    | -                  | 8                           |
| 506 FOCP       | 2                           | -                      | -                     | -                  | 2                           | 27                          | 21                     | 0                     | -                  | 47                          |
| 525 D          | -                           | -                      | -                     | -                  | -                           | 114                         | 228                    | -32                   | -                  | 310                         |
| 542 ar S+T     | 1                           | -                      | -                     | -                  | 1                           | 0                           | 0                      | -1                    | -                  | -                           |
| 543 ar Immo    | -                           | -                      | -                     | -                  | -                           | -                           | 25                     | -17                   | -                  | 8                           |
| 570 swisstopo  | 4                           | -                      | -                     | -                  | 4                           | 1                           | 1                      | -1                    | -                  | 1                           |
| 600 GS-FDF     | -                           | -                      | -                     | -                  | -                           | 4                           | 2                      | 0                     | -                  | 6                           |
| 601 FFA        | -                           | -                      | -                     | -                  | -                           | 6                           | 1                      | -3                    | -                  | 4                           |
| 602 CCO        | -                           | -                      | -                     | -                  | -                           | 2                           | 0                      | -1                    | -                  | 1                           |
| 603 Swissmint  | -                           | -                      | -                     | -                  | -                           | -                           | 0                      | 0                     | -                  | -                           |
| 604 SIF        | -                           | -                      | -                     | -                  | -                           | 0                           | -                      | -                     | -                  | 0                           |
| 605 FTA        | -                           | -                      | -                     | -                  | -                           | 6                           | 2                      | -2                    | -                  | 5                           |
| 606 FOCBS      | -                           | -                      | -                     | -                  | -                           | 39                          | 28                     | -6                    | -                  | 62                          |
| 609 FOITT      | 10                          | -                      | -3                    | -                  | 7                           | 1                           | -                      | 0                     | -                  | 0                           |
| 611 SFAO       | -                           | -                      | -                     | -                  | -                           | 0                           | -                      | -                     | -                  | 0                           |
| 614 FOPER      | -                           | -                      | -                     | -                  | -                           | 1                           | -                      | -1                    | -                  | -                           |
| 620 SFBL       | -                           | -                      | -                     | -                  | -                           | 20                          | 45                     | -16                   | -                  | 49                          |
| 701 GS-EAER    | -                           | -                      | -                     | -                  | -                           | 1                           | 2                      | -                     | -                  | 3                           |
| 704 SECO       | -                           | -                      | -                     | -                  | -                           | 0                           | -                      | 0                     | -                  | -                           |
| 708 FOAG       | 0                           | -                      | -                     | -                  | 0                           | 3                           | 2                      | -1                    | -2                 | 1                           |
| 710 Agroscope  | -                           | -                      | -                     | -                  | -                           | 2                           | 3                      | -3                    | -                  | 3                           |
| 735 ZIVI       | 1                           | -                      | -                     | -                  | 1                           | -                           | 1                      | -                     | -                  | 1                           |
| 740 SAS        | 0                           | -                      | -                     | -                  | 0                           | 2                           | -                      | 0                     | -                  | 1                           |
| 750 SERI       | -                           | -                      | -                     | -                  | -                           | -                           | 1                      | -                     | -                  | 1                           |
| 785 ISCeco     | -                           | -                      | -                     | -                  | -                           | 1                           | 0                      | -1                    | -                  | 0                           |
| 801 GS-DETEC   | -                           | -                      | -                     | -                  | -                           | 4                           | 1                      | -3                    | 1                  | 3                           |
| 802 FOT        | -                           | -                      | -                     | -                  | -                           | 1                           | 1                      | 0                     | -                  | 1                           |
| 803 FOCA       | 1                           | -                      | -                     | -                  | 1                           | 3                           | 2                      | -1                    | -                  | 3                           |
| 805 FOE        | -                           | -                      | -                     | -                  | -                           | 2                           | 1                      | -1                    | -                  | 2                           |
| 806 FEDRO      | -                           | -                      | -                     | -                  | -                           | -                           | 4                      | -                     | -                  | 4                           |
| 808 OFCOM      | 1                           | -                      | -                     | -                  | 1                           | 4                           | 2                      | 0                     | -1                 | 4                           |
| 817 RegInfra   | -                           | -                      | -                     | -                  | -                           | 2                           | 1                      | -2                    | -                  | 1                           |

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**GLOBAL BUDGET RESERVES**

Depending on the annual results and the achievement of objectives, the administrative units have the possibility of forming reserves from their global budgets and individual credits in their own area. Reserves are broken down into general and earmarked reserves.

The formation or release of global budget reserves is recognized as a statement of financial position transaction. In the process, an entry transfer is made from the accumulated surplus to reserves (formation) or from reserves to the accumulated surplus (release). Since reserves are not available to the administrative unit until after the Federal Assembly's decision (normally after the summer session), reserve formation and release are always recognized the following (and not the current) fiscal year.

Expenses or investment expenditure financed with reserves is recognized and reported on an accrual basis in the statement of financial performance or statement of investments. The change in global budget reserves is disclosed in the statement of net assets/equity in the notes to the Confederation's annual financial statements.



