



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
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Swiss Confederation

# STATE FINANCIAL STATEMENTS

# 20

# 23

DISPATCH

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## **DISPATCH ON THE 2023 STATE FINANCIAL STATEMENTS**

of March 27, 2024

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 2023 to you, and propose that you approve them in accordance with the enclosed draft resolutions.

Respectfully yours

Bern, March 27, 2024

On behalf of the Swiss Federal Council

President of the Swiss Confederation:

**Viola Amherd**

Federal Chancellor:

**Viktor Rossi**

## **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
$\Delta$	difference
$\emptyset$	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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# COMMENTARY ON THE FEDERAL FINANCIAL STATEMENTS

A





# FIGURES OVERVIEW

## FIGURES OVERVIEW

CHF mn	FS 2022	Bdg. 2023	FS 2023	Δ 2022-23 absolute	%
<b>Statement of financial performance</b>					
Current receipts	74 766	80 309	78 605	3 840	5.1
Current expenditure	75 072	76 629	75 203	131	0.2
Self-financing	-307	3 681	3 402		
Valuation changes under administrative assets	-3 313	-3 342	-2 525		
Surplus/deficit for the year	-3 619	339	877		
<b>Statement of investments</b>					
Investment receipts	882	1 038	1 002	119	13.5
Investment expenditure	5 825	9 544	5 835	10	0.2
Net investments	-4 943	-8 506	-4 833		
<b>Debt brake and net debt</b>					
Receipts	75 648	81 347	79 607	3 959	5.2
Expenditure	80 897	86 173	81 038	141	0.2
Overall fiscal balance	-5 249	-4 825	-1 431		
Extraordinary fiscal balance	-1 525	-4 142	-760		
Ordinary fiscal balance	-3 724	-683	-672		
Fiscal balance required/permitted cyclically	-296	-878	-238		
Structural fiscal balance/leeway	-3 428	194	-434		
Compensation account balance	20 477		20 043	-434	-2.1
Amortization account balance	-26 456		-27 216	-760	-2.9
Net debt (liabilities ./ non-administrative assets)	139 006	139 893	141 687	2 681	1.9
<b>Total federal investments</b>					
Investment expenditure incl. funds	10 594	11 055	11 057	463	4.4
<b>Indicators</b>					
Expenditure ratio in %	10.4	10.8	10.2		
Tax ratio in %	8.9	9.4	9.4		
Net debt ratio in %	17.8	17.5	17.8		

Note: the balances of the compensation account and amortization account have been adjusted retroactively as of the end of 2022 (see section A 31)

## KEY ECONOMIC FIGURES

	E 2022	Bdg. 2023	FS 2023	Δ 2022-23 absolute	%
<b>Macroeconomic reference values</b>					
Real GDP growth in %	2.5	1.9	1.3	-1.2	
Nominal GDP growth in %	5.1	3.2	2.3	-2.8	
Change in the National Consumer Price Index in %	2.8	1.4	2.1	-0.7	
Long-term interest rates in % (annual average)	0.8	0.9	1.1	0.3	
Short-term interest rates in % (annual average)	-0.2	0.3	1.5	1.7	
USD to CHF exchange rate (annual average)	0.95	0.95	0.90	-0.05	-5.3
EUR to CHF exchange rate (annual average)	1.00	1.05	0.97	-0.03	-3.0

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

The 2023 financial statements ended the year with a financing deficit (-1.4 bn). The absence of a profit distribution from the Swiss National Bank (-2 bn) contributed significantly to this. In addition, extraordinary payments were once again required for contributions to the cantons for people from Ukraine seeking protection (1.1 bn). The rescue mechanism for the electricity industry was removed.

## LESS VIGOROUS ECONOMIC GROWTH

*Economic growth* was less vigorous than assumed in the budget (real GDP +1.3% vs. budget +1.9%). Inflation, meanwhile, rose more sharply than expected (CPI +2.1% vs. budget +1.4%), which adversely affected domestic demand. Investments also declined because of higher financing costs. However, the situation on the labor market remained encouragingly stable.

## POSITIVE RESULT IN THE STATEMENT OF FINANCIAL PERFORMANCE

The *annual surplus* in the statement of financial performance amounted to 877 million. *Current receipts* grew more robustly (+5.1%) than *current expenditure* (+0.2%), but both remained well below the budgeted figure (-1.7 bn and -1.4 bn, respectively). Receipts grew strongly despite the absence of a profit distribution from the Swiss National Bank (SNB; -2.0 bn). This can be explained primarily by the previous year's weak results for direct federal tax and withholding tax. Receipts totaling 201.3 million were generated in connection with the takeover of Credit Suisse by UBS (fees, risk premium and commitment premium). Current expenditure remained more or less at the previous year's level, which was still heavily influenced by expenditure to combat the COVID-19 pandemic. The contributions to the cantons for people from Ukraine seeking protection were high, but remained below the budgeted figure (-0.6 bn).

The financing contribution from the statement of financial performance – *self-financing* – rose from -307 million to 3.4 billion. The very good *result from financial interests* (+0.9 bn) made a significant contribution to the annual surplus. By contrast, *depreciation and amortization* and *other valuation changes regarding administrative assets* were largely unchanged.

## STABLE INVESTMENT EXPENDITURE AND EXTRAORDINARY INVESTMENT RECEIPTS

*Net investments* (investment expenditure less investment receipts) decreased slightly and amounted to 4.8 billion (-110 mn). In terms of receipts, this was due to a special dividend received by the Confederation from the privatization of RUAG International Holding AG (200 mn). As a result, *investment receipts* rose to 1.0 billion (+119 mn). *Investment expenditure* remained stable at 5.8 billion (+10 mn). Only in the area of military national defense was considerably more invested (+349 mn). By contrast, there was a reduction in expenditure on disease control (COVID-19 vaccines; -452 mn), among other things.

Funds had been budgeted for the rescue mechanism for the electricity industry (credit facility of 4 bn per year for Axpo Holding AG). This was removed during the fiscal year.

### STRUCTURAL DEFICIT IN ACCORDANCE WITH THE DEBT BRAKE

The federal budget again closed with a *financing deficit* (-1.4 bn), and the Confederation was therefore unable to finance its expenditure using its own funds once more (self-financing < net investments). There was a deficit of 672 million in the *ordinary budget*. This was the second year in succession that a structural financing deficit was recorded. A smaller cyclical deficit was permitted than expected when preparing the budget (238 mn instead of 878 mn).

Once again, extraordinary payments were required for contributions to the cantons for people from Ukraine seeking protection (1.1 bn). The rescue mechanism for the electricity industry in favor of Axpo Holding AG (4 bn) was not utilized. Most of the 310 million in extraordinary receipts came from a special dividend in connection with the privatization process of RUAG International Holding AG (200 mn) and from the risk premium for the default guarantee for the liquidity assistance loans from the SNB to Credit Suisse (61 mn). Overall, the *accumulated deficit in the extraordinary budget* (amortization account) rose to over 27 billion at year-end 2023.

Net debt increased further due to the financing deficit and transactions recognized directly in net assets/equity (valuation of retirement benefit obligations and hedging transactions). It amounted to around 142 billion at the end of 2023.

### OUTLOOK

As part of the fiscal policy assessment in mid-February 2024, the Federal Council set the course for a 2025 budget that complies with the debt brake. To achieve this, an expected financing deficit of over 2 billion had to be adjusted. Linear reductions and extraordinary payment requirements are once again necessary in order to balance the budget. There are no indications that the budgetary situation will improve substantially in the years ahead. In the financial plan, growth in expenditure is higher than that in receipts. Consequently, the Federal Council will initiate a thorough review of federal tasks and subsidies, which will also include expenditure that is subject to statutory earmarking and existing funds.

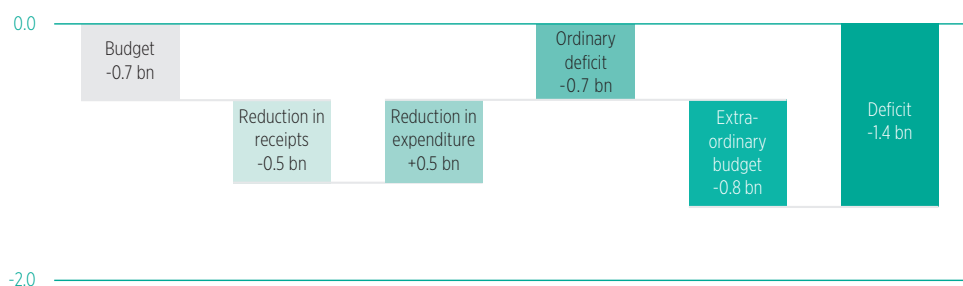
### ADJUSTED FIGURES FOR THE 2022 FINANCIAL STATEMENTS

The amendment of the Financial Budget Act (FBA; SR 611.07) to “simplify and optimize budget management” was brought into effect on January 1, 2022, and was applied for the first time in the 2023 budget. These are the first financial statements prepared in accordance with the new legislation. The figures for the 2022 financial statements have also been adjusted to enable comparisons. The changeover to the accrual basis for direct federal tax has likewise been taken into account (see section A 11).

### DERIVATION OF FINANCIAL STATEMENT RESULTS

Fiscal balance for 2023 in CHF bn

In the ordinary budget, the financing deficit of 0.7 billion was as budgeted. The budget underruns offset the reduction in receipts. In the extraordinary budget, expenditure was once again incurred in connection with the Ukraine crisis. Overall, there was a financing deficit of 1.4 billion.



## 1 BACKGROUND

### 11 CHANGES DUE TO THE REVISION OF THE FBA (IMPLEMENTATION OF MOTION 16.4018)

The amendment to the Financial Budget Act to “simplify and optimize budget management” was brought into effect on January 1, 2022, and was applied for the first time in the 2023 budget. The 2023 state financial statements are the first financial statements prepared in accordance with the new legislation.

The main changes resulting from the revision of the Financial Budget Act (FBA; SR 671.0) to simplify and optimize budget management (AS 2021 662) are briefly summarized below:

#### **DISCONTINUATION OF THE FINANCING STATEMENT**

The financing statement has been discontinued as a separate statement. Nevertheless, the debt brake remains the key instrument for steering the federal budget (section A 31). As a step toward deriving the debt brake, the fiscal balance and receipts and expenditure are now calculated using the statement of financial performance and the statement of investments (see chart).

#### **MORE ACCRUAL-BASED BUDGET MANAGEMENT**

Receipts and expenditure are defined more broadly, and now include period shifts as well. The creation and release of provisions and accruals and deferrals are now uniformly subject to the debt brake. Previously, this was the case only in exceptional cases (especially provisions for withholding tax, premia/discounts).

#### **NEW DEFINITION OF NET DEBT**

In line with the Harmonized Accounting Model for the Cantons (HAM2), net debt now comprises total liabilities, including provisions and accruals and deferrals. This means that the fiscal balance leads directly to a change in net debt (section A 32).

#### **PRESENTATION OF THE STATEMENT OF FINANCIAL PERFORMANCE AND THE STATEMENT OF INVESTMENTS**

Expenditure in the statement of financial performance and statement of investments is now shown from a functional perspective (see section A 21/22). The “self-financing” subtotal in the statement of financial performance includes all expenses and revenue that impact the debt brake (so-called current expenditure and receipts).

#### **SHIFTS BETWEEN THE STATEMENT OF FINANCIAL PERFORMANCE AND THE STATEMENT OF INVESTMENTS**

Deposits in and withdrawals from special funds and special financing (including cantonal contributions) are now generally recognized net under transfer expenses. Only fund deposits that lead to administrative assets in the federal financial statements are still recorded in the statement of investments. Cantonal contributions for the railway infrastructure fund (RIF) are now recognized in the statement of financial performance (previously investment receipts), whereas dividend receipts are reported as investment receipts. The above changes affect the amount and structure of the figures. In order to enable prior-year comparisons, the 2022 financial statements have been adjusted accordingly.

**NO NOTES TO THE BUDGET**

The technical notes are geared toward accounting and are now prepared only for the state financial statements. They can be found in a separate volume (volume 1B, part A).

**ACCRUAL BASIS FOR DIRECT FEDERAL TAX**

Effective from the start of 2023, direct federal tax receipts are recognized on an accrual basis, and no longer on a cash basis. This means that receipts are recognized in the statement of financial performance when the tax invoice (receivable) is issued, and not only when it is paid or when an advance payment is made (see section B 11/12).

**SIMPLIFIED SUPPLEMENTARY CREDIT PROCEDURE**

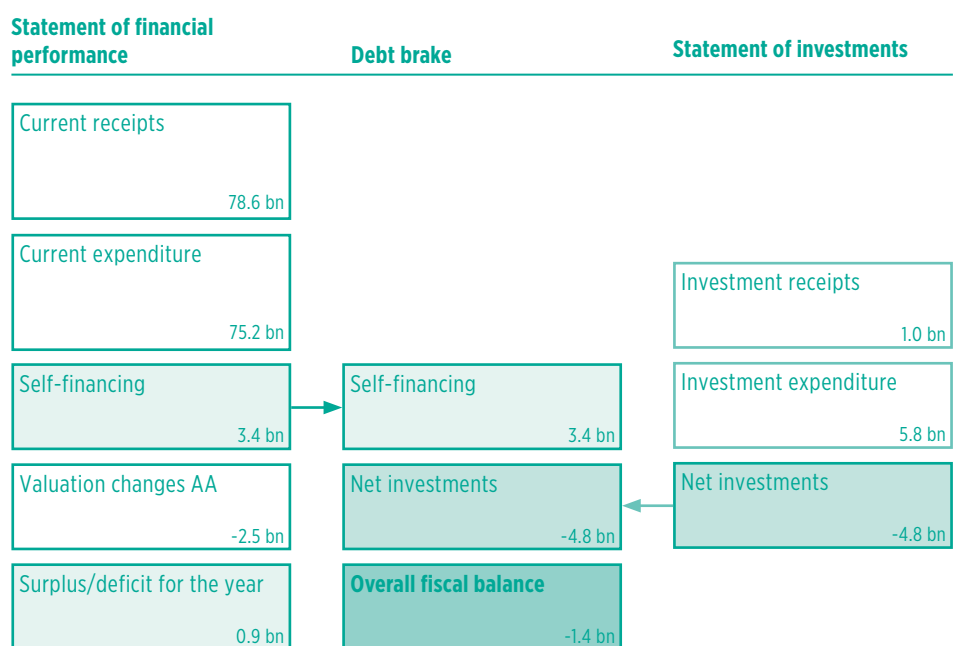
With the simplified supplementary credit procedure, the administrative units no longer have to apply for supplementary credits in their own area from 2023 onward if the overrun does not exceed 1%, or a maximum of 10 million. The expenditure ceilings of the individual administrative units were lowered accordingly in the budget. If there is little room for discretion, the Federal Council may also exceed credits in accordance with the criteria set out in the federal decree on the budget. The statement concerning overruns can be found in the federal decrees (section E, table of credit overruns in accordance with Art. 36 of the FBA).

**COMPENSATION AND AMORTIZATION ACCOUNT ADJUSTMENT**

The amendments to the Financial Budget Act described above affect the debt brake control statistics for the ordinary and extraordinary budgets (compensation account and amortization account). In the 2023 financial statements, both accounts have been retroactively adjusted as of the end of 2022 by the amount that would have resulted from the application of the new law from the time the respective account was introduced (Art. 66c of the FBA). For detailed information, see volume 1B, section A 72.

**DERIVATION OF THE FISCAL BALANCE FROM THE STATEMENT OF FINANCIAL PERFORMANCE AND THE STATEMENT OF INVESTMENTS**

The 2023 state financial statements have a financing deficit (-1.4 bn); the Confederation will thus have to take on new debt. Although the financing contribution from the statement of financial performance was positive, it is not sufficient to cover the planned net investments. The valuation changes regarding administrative assets (in particular, depreciation and amortization, and unrealized gains on financial interests) are not subject to the debt brake.



## 12 ECONOMIC DEVELOPMENT

In 2023, Switzerland's GDP growth was weaker than expected in the budget. Lower investments and sluggish global growth offset the positive momentum generated by private consumer spending.

### MACROECONOMIC PARAMETERS 2023

	Bdg.	FS	Deviation in percentage points
Change in %			
Real GDP	1.9	1.3	-0.6
Nominal GDP	3.2	2.3	-0.9
Rate in %			
Inflation (CPI)	1.4	2.1	0.7

### LESS ROBUST ECONOMIC GROWTH

The Swiss economy grew by 1.3% in real terms and 2.3% in nominal terms in 2023. Both of these figures were less robust than anticipated in the 2023 budget. By contrast, the consumer price index (CPI) rose more sharply than expected, reaching 2.1% for 2023.

Swiss economic growth was bolstered primarily by private consumer spending in 2023. In addition, the situation on the labor market remained very favorable. However, these positive effects were offset by a decline in investments, due in particular to high financing costs and the difficulty of finding qualified personnel, as well as the lackluster global economic situation.

### HIGHER INFLATION THAN ANTICIPATED IN THE BUDGET

Inflation amounted to 2.1% in 2023. This increase can be explained mainly by higher electricity and gas prices, as well as higher rents. By contrast, prices for petroleum products, combined landline/cellular communication packages and medicines fell. Inflation in Switzerland is still moderate by international standards.

### STILL FAVORABLE LABOR MARKET SITUATION

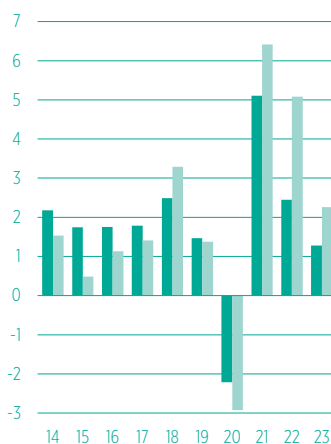
Although demand for workers fell somewhat in 2023, many companies continued to encounter a shortage of skilled labor. Consequently, the labor market situation remained favorable. Switzerland's average annual rate of unemployment was 2.0% in 2023 (versus 2.2% in 2022), the lowest rate since 2001. However, the number of people unemployed at the end of December 2023 was 10.2% higher than in 2022, signaling a return to normal in the near future, and thus a rise in unemployment.

### STILL TIGHT MONETARY POLICY

In 2023, monetary policy remained restrictive both in Switzerland and abroad, thereby curbing economic growth. Higher interest rates in Switzerland caused the Swiss franc to appreciate, which adversely affected exports.

### DEVELOPMENT OF ECONOMIC OUTPUT (IN REAL AND NOMINAL TERMS; ADJUSTED FOR SPORTING EVENTS)

In %



- GDP real rate of change
- GDP nominal rate of change

Real economic growth (1.3%) and the GDP deflator (1.0%) were lower in 2023 than in 2022 (2.5% and 2.6%, respectively). Consequently, the nominal growth rate of 2.3% for 2023 was also down on the 2022 figure (5.1%).





## 2 RESULTS

### 21 STATEMENT OF FINANCIAL PERFORMANCE

The statement of financial performance ended the year with a surplus of 877 million. Despite the absence of a profit distribution from the SNB, current receipts rose significantly, and grew more robustly than current expenditure, which reflects the discontinuation of coronavirus-related expenditure. Self-financing climbed to 3.4 billion. The result from financial interests also contributed to the surplus for the year.

#### STATEMENT OF FINANCIAL PERFORMANCE RESULT

CHF mn	FS	Bdg.	FS	Δ 2022-2023	
	2022	2023	2023	absolute	%
<b>Current receipts</b>	<b>74 766</b>	<b>80 309</b>	<b>78 605</b>	<b>3 840</b>	5.1
Tax receipts	69 493	74 970	74 784	5 291	7.6
Nontax receipts	5 272	5 339	3 821	-1 451	-27.5
<b>Current expenditure</b>	<b>75 072</b>	<b>76 629</b>	<b>75 203</b>	<b>131</b>	0.2
Social welfare	27 005	27 643	27 118	113	0.4
Finances and taxes	11 099	12 145	12 208	1 109	10.0
Transportation	8 378	8 599	8 334	-44	-0.5
Education and research	7 626	8 305	7 965	339	4.4
Security	5 842	5 276	5 264	-579	-9.9
Agriculture and food	3 573	3 628	3 603	30	0.9
International relations - international cooperation	3 693	3 603	3 886	193	5.2
Other task areas	7 856	7 430	6 825	-1 031	-13.1
<b>Self-financing</b>	<b>-307</b>	<b>3 681</b>	<b>3 402</b>		
Deprec., amortiz. tangible/intangible fixed assets	-2 946	-3 123	-3 002	-57	1.9
Depreciation investment contributions	-1 188	-1 432	-1 229	-40	3.4
Other valuation changes under administrative assets	-694	-210	-704	-9	1.4
Result from interests	1 516	1 423	2 410	894	59.0
<b>Surplus/deficit</b>	<b>-3 619</b>	<b>339</b>	<b>877</b>		

#### SURPLUS/DEFICIT FOR THE YEAR

The surplus in the statement of financial performance was driven by the very positive trend of current receipts (+3.8 bn) and by the result from financial interests (+0.9 bn). Current expenditure barely increased year on year, and the same was true of depreciation and amortization, and other valuation changes (+0.1 bn each). Self-financing climbed to 3.4 billion. Overall, there was a surplus of 877 million.

#### CURRENT RECEIPTS

The positive trend of current receipts was attributable to tax receipts (+5.3 bn), whereas nontax receipts decreased (-1.5 bn) due to the absence of a profit distribution from the SNB. With regard to *direct federal tax* receipts, profit tax in particular experienced strong growth (+18.3%), but income tax receipts grew vigorously too (+6.5%). Most of the receipts were attributable to the relevant fiscal year of 2022, and reflected the upswing following the COVID-19 pandemic.

- Although *withholding tax* receipts stabilized after three weaker years, the year-on-year growth (+65.8%) is not very representative, as it was adjusted downward by 1.9 billion due to a nonrecurring effect relating to previous years. Nevertheless, the figure of 5.9 billion estimated during the year was also clearly exceeded.
- While *value added tax* grew in step with the economy (+2.3%), it fell well short of the budgeted figure, as the economic forecasts when preparing the 2023 budget were even more optimistic (nominal GDP: +3.2%). The economic slowdown was particularly evident toward the end of the year.
- *Stamp duty* receipts dropped significantly (-12.2%), due primarily to the decline in transfer stamp tax on foreign securities.
- The Confederation generated receipts totaling 201.3 million in connection with the takeover of Credit Suisse by UBS (fees, risk premium and commitment premium).

### CURRENT EXPENDITURE

In 2023, current expenditure remained more or less unchanged on the previous year (+0.2%). The low growth rate was due to the discontinuation of COVID-19 expenditure, which still had a major impact on 2022.

- Despite substantial growth in the area of migration (+29.6%) and a rise in AHV expenditure (+3.5%), *social welfare* expenditure remained at the previous year's level (+0.4%). This can be explained by the discontinuation of COVID-19 short-time working compensation, which still had a negative impact of 1.1 billion on the 2022 financial statements.
- There was strong growth in the *finances and taxes* task area (+10.0%), as interest expenditure (+0.3 bn), the cantons' shares of federal receipts (+0.7 bn) and fiscal equalization contributions (+0.2 bn) all rose.
- *Education and research* expenditure increased (+4.4%) because of contributions for transitional measures owing to Switzerland's non-association to Horizon.
- *Security* expenditure was down (-9.9%), as the preceding year saw the creation of an 810 million provision for the clearance of the Mitholz ammunition depot. Excluding this provision, growth in the statement of financial performance would have amounted to 3.5%.
- Expenditure in the area of *international relations – international cooperation* rose by 5.2%, due mainly to additional support for Ukraine and the Middle East, as well as the higher contribution to the ICRC.
- Expenditure in *other task areas* decreased as a result of the discontinuation of COVID-19 expenditure (-13.1%). By contrast, digitalization expenditure increased.

### DEPRECIATION, AMORTIZATION AND OTHER VALUATION CHANGES REGARDING ADMINISTRATIVE ASSETS, INCLUDING THE RESULT FROM FINANCIAL INTERESTS

Administrative assets recognized in the statement of investments are depreciated over the useful life of the tangible fixed assets, and investment contributions to third parties are written down immediately. In addition, there are other valuation changes that are not covered by the debt brake. Overall, these items fell from 3.3 billion to 2.5 billion. This was attributable mainly to the result from financial interests (+0.9 bn). Dividend receipts are part of the statement of investments (see section A 22).

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### SELF-FINANCING

**Self-financing indicates whether current expenditure is covered by current receipts. If self-financing is positive, the corresponding funds are available for investing, without the federal government having to take on debt (debt financing). Self-financing includes all receipts and expenditure in the statement of financial performance that impact the debt brake. It is used to derive proof of compliance with the debt brake.**

## 22 STATEMENT OF INVESTMENTS

Investment receipts rose by 119 million in 2023, while investment expenditure remained stable (+10 mn). The biggest increase concerned expenditure for military national defense.

### STATEMENT OF INVESTMENTS

CHF mn	FS	Bdg.	FS	Δ 2022-2023	
	2022	2023	2023	absolute	%
<b>Investment receipts</b>	<b>882</b>	<b>1 038</b>	<b>1 002</b>	<b>119</b>	<b>13.5</b>
Dividend receipts	633	833	832	200	31.6
Repayment of loans	105	152	147	42	40.1
Other	145	53	22	-123	-84.6
<b>Investment expenditure</b>	<b>5 825</b>	<b>9 544</b>	<b>5 835</b>	<b>10</b>	<b>0.2</b>
Social welfare	40	68	48	9	21.6
Transportation	2 220	2 048	2 279	59	2.7
Education and research	278	342	249	-29	-10.5
Security	1 353	1 526	1 695	342	25.3
Agriculture and food	90	91	90	-1	-0.6
International relations - international cooperation	125	208	140	15	12.0
Other task areas	1 719	5 260	1 333	-386	-22.5
<b>Net investments</b>	<b>-4 943</b>	<b>-8 506</b>	<b>-4 833</b>	<b>110</b>	<b>2.2</b>

### INVESTMENT RECEIPTS

Investment receipts rose by 119 million in 2023, representing a year-on-year increase of 13.5%. Dividend receipts, which were up by 200 million, made a significant contribution to this. This amount was attributable to the budgeted special dividend in connection with the privatization of RUAG International Holding AG, which makes provision for the proceeds of the sale to be paid out in stages. The other dividend receipts remained at the previous year's level.

Loan repayments were up once again (+42 mn), due largely to the repayment of COVID-19 loans, especially by Skyguide AG and various sports clubs.

### INVESTMENT EXPENDITURE

Investment expenditure remained more or less constant, with an increase of 10 million (+0.2%). This stability is also reflected in the individual task areas. Only in the area of military national defense was significantly more invested, with a rise of 349 million. These investments concerned primarily defense equipment and the replacement of the state aircraft. Further increases were recorded in wastewater disposal (+18 mn), noise abatement (+17 mn), water control (+10 mn) and subsidized housing (+6 mn).

By contrast, although investment expenditure in the area of disease control was down (COVID-19 vaccines; -452 mn), it remained significantly higher than before the COVID-19 pandemic. There was also a decline in investments in the area of education and research, due primarily to lower investments in ETH buildings (-16 mn). Finally, construction contributions for prisons and juvenile correctional institutions likewise decreased (-28 mn).

Funds had been budgeted for the rescue mechanism for the electricity industry (credit facility of 4 bn per year for Axpo Holding AG), but as Axpo did not need the credit facility, it was removed as of December 1, 2023.

## TOTAL FEDERAL INVESTMENTS

Just over half of the Confederation's investments are made using the federal budget. The remaining resources originate from funds that are financed via the federal budget. To obtain a comprehensive overview of investing activities, fund investments thus have to be taken into account as well.

In 2023, total investments of around 11 billion accounted for roughly 14% of total federal expenditure. Approximately 57% of this amount was invested in transportation infrastructure. Additional funding went from the grid supplement fund (GrSF) to promote renewable energies and energy efficiency.

The grid supplement fund posted a sharp increase of around 56% in investments. This can be explained in particular by lower electricity prices, which led to an increase in feed-in remuneration, as well as by higher nonrecurring payments for small and large photovoltaic systems. Furthermore, investment expenditure from the railway infrastructure fund rose by around 4%. The increase was seen in both operation and asset maintenance, as well as network expansion. By contrast, investments made from the motorway and urban transportation fund for transportation projects in towns, cities and conurbations fell by just over 25%.

## OVERVIEW OF STATEMENTS OF INVESTMENTS

CHF mn	FS	Bdg.	FS	Δ 2022-2023	
	2022	2023	2023	absolute	%
<b>Investment expenditure</b>	<b>10 594</b>	<b>15 055</b>	<b>11 057</b>	<b>463</b>	<b>4.4</b>
<i>from:</i>					
Federal financial statements	5 825	9 544	5 835	10	0.2
Railway infrastructure fund	3 986	4 345	4 151	165	4.1
Motorway & urban transp. fund (urban transp.)	184	297	139	-45	-24.5
Grid supplement fund	599	869	932	333	55.6

## 23 CASH FLOW STATEMENT

Operating activities resulted in a cash outflow of 0.7 billion. This was influenced by the reduction in the high level of withholding tax refund claims.

### CASH FLOW STATEMENT

CHF mn	FS	FS	Δ 2022-23	
	2022	2023	absolute	%
<b>Total cash flow</b>	<b>2 642</b>	<b>1 177</b>	<b>-1 465</b>	<b>-55.5</b>
Cash flow from operating activities	-3 716	-733	2 982	80.3
Cash flow from investing activities	-4 550	253	4 803	105.6
Cash flow from financing activities	10 908	1 657	-9 251	-84.8

The *cash flow from operating activities* remained negative in 2023. However, the cash outflow of 0.7 billion was much lower than a year earlier, particularly because high payments associated with COVID-19 measures were still incurred in 2022 (mainly testing costs and hardship measures). As a result of the turnaround in interest rates, withholding tax refund requests tended to be submitted earlier, which again led to cash outflows and a reduction in existing liabilities. While the cantons in particular asserted their claims earlier in the previous year (accrued expenses and deferred income), the decline in withholding tax liabilities in 2023 was observed also among legal entities and foreign taxpayers (decrease in provisions: -1.9 bn). In the case of other taxes, the net cash inflows in the year under review differed only marginally from receipts according to the statement of financial performance.

The *cash flow from investing activities* was slightly positive at 0.3 billion in the year under review. Net investments in tangible and intangible fixed assets resulted in a cash outflow of 4.3 billion (+0.4 bn year on year). Interest and dividend receipts generated an inflow of 1.4 billion (+0.5 bn year on year). Financial investments were reduced by 3.1 billion, resulting in a cash inflow. Primarily the holdings of short-term deposits with fixed terms were scaled back. Financial investments had been increased by 1.6 billion a year earlier.

The *cash inflow from financing activities* covers the Confederation's liquidity needs. It is reflected in the increase in financial liabilities. Bonds generated a net inflow of 2.5 billion, while money market instruments led to a net outflow of 1.0 billion.

Overall, cash and liquid assets rose by 1.2 billion to 16.8 billion (see the cash fund statement).

### CASH FUND STATEMENT

CHF mn	FS	FS	Δ 2022-23	
	2022	2023	absolute	%
Liquid assets balance at 01.01.	12 973	15 615	2 642	20.4
Liquid assets balance at 31.12.	15 615	16 791	1 177	7.5

## 24 STATEMENT OF FINANCIAL POSITION

Total assets increased by 1.5 billion year on year to 190 billion.  
Net assets/equity remained virtually unchanged at 4 billion.

### STATEMENT OF FINANCIAL POSITION

CHF mn	31.12.2022	31.12.2023	Δ 2022-23
<b>Assets</b>	<b>188 700</b>	<b>190 187</b>	<b>1 487</b>
Non-administrative assets	45 504	44 564	-940
Administrative assets	143 196	145 623	2 427
<b>Liabilities and equity</b>	<b>188 700</b>	<b>190 187</b>	<b>1 487</b>
Liabilities	184 510	186 251	1 742
<b>Net assets/equity</b>	<b>4 191</b>	<b>3 936</b>	<b>-255</b>
Restricted funds in net assets/equity	6 582	6 601	20
Global budget reserves	710	621	-88
Accumulated deficit	-3 101	-3 287	-186

Despite an annual surplus of 877 million, net assets/equity in the federal financial statements decreased by 255 million. This was due to the recognition of items amounting to around 1.1 billion directly in net assets/equity. These charges were largely due to the valuation of retirement benefit obligations and hedging transactions. The development of net assets/equity is shown in volume 1B, section A 5, Statement of net assets/equity.

For explanations concerning the items in the statement of financial position, see section C, Assets and liabilities.

### 3 DEBT BRAKE AND NET DEBT

#### 31 DEBT BRAKE

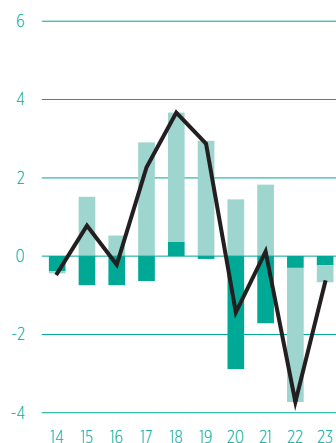
The federal budget ended the year with a financing deficit (-1.4 bn), and the Confederation was therefore once again unable to finance its expenditure using its own funds. For the second year in succession, the deficit in the ordinary budget was not only due to cyclical factors, but was also structural in nature. In addition, extraordinary payments were once again required for people from Ukraine seeking protection.

#### FINANCING DEFICIT SMALLER THAN ANTICIPATED IN THE BUDGET

In 2023, the financing contribution from the statement of financial performance was 3.4 billion (self-financing). Consequently, the Confederation was unable to fully finance its investment requirements (net investments) of 4.8 billion, resulting in a financing deficit of 1.4 billion and corresponding new debt. The financing deficit was much smaller than anticipated in the budget (-4.8 bn), as Axpo Holding AG did not have to make use of the rescue mechanism, and this was removed on December 1, 2023 (4 bn, budgeted as extraordinary expenditure).

#### ORDINARY BUDGET IN ACCORDANCE WITH THE DEBT BRAKE

In CHF bn



- Cyclical balance
- Structural balance
- Ordinary fiscal balance

There was an ordinary financing deficit of 0.7 billion (unchanged on the budget). However, the economic capacity underutilization was lower than forecast at the time of budgeting. Consequently, the debt brake permitted a cyclical deficit of only 0.2 billion. Expenditure was thus 0.4 billion above the recalculated expenditure ceiling (structural deficit).

#### FISCAL BALANCE

CHF mn	FS 2022	Bdg. 2023	FS 2023
Self-financing (as per statement of financial performance)	-307	3 681	3 402
+ Net investments (as per statement of investments)	-4 943	-8 506	-4 833
= Overall fiscal balance	-5 249	-4 825	-1 431
- Extraordinary fiscal balance	-1 525	-4 142	-760
= Ordinary fiscal balance	-3 724	-683	-672

#### EXTRAORDINARY PAYMENT REQUIREMENTS ONCE AGAIN

Extraordinary payments were required for the fourth consecutive year, but they were significantly lower than in previous years, which were impacted by high COVID-19 expenditure. The only expenditure recognized as extraordinary was in connection with people from Ukraine seeking protection (1.1 bn). Funds had also been budgeted for the 4 billion credit facility granted to Axpo Holding AG (rescue mechanism for the electricity industry). This facility was not utilized, and the corresponding decision was lifted during the year.

#### ORDINARY AND EXTRAORDINARY BUDGET

CHF mn	FS 2022	Bdg. 2023	FS 2023	Δ 2022-23	
				absolute	%
<b>Receipts</b>	<b>75 648</b>	<b>81 347</b>	<b>79 607</b>	<b>3 959</b>	<b>5.2</b>
Ordinary receipts	74 056	79 789	79 296	5 240	7.1
Extraordinary receipts	1 592	1 558	310	-1 281	-80.5
<b>Expenditure</b>	<b>80 897</b>	<b>86 173</b>	<b>81 038</b>	<b>141</b>	<b>0.2</b>
Ordinary expenditure	77 781	80 473	79 968	2 187	2.8
Extraordinary expenditure	3 116	5 700	1 070	-2 046	-65.7
<b>Overall fiscal balance</b>	<b>-5 249</b>	<b>-4 825</b>	<b>-1 431</b>	<b>3 818</b>	<b>72.7</b>

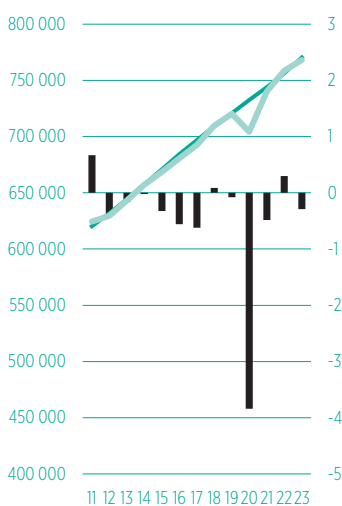
### ORDINARY BUDGET UNDER CYCLICAL AND STRUCTURAL PRESSURE

The debt brake limits ordinary expenditure to the level of ordinary receipts, taking the economic situation into account. The cyclical factor (k factor) is used as a measure of the economic situation. If current economic output (real GDP) is below its trend level, economic capacity is underutilized, resulting in lower tax receipts. To offset the lower receipts, the debt brake permits a cyclical financing deficit. Accordingly, expenditure may exceed receipts (expenditure ceiling > ordinary receipts).

The cyclical factor for 2023 was 1.003, which corresponds to economic capacity underutilization of 0.3%. Under the debt brake, expenditure could thus be 238 million higher than receipts (0.3% of receipts). The ordinary financing deficit amounted to 672 million at the end of 2023. Consequently, the remaining 434 million of the deficit was structural in nature. This was already the second year in succession that there was a structural financing deficit in the financial statements (ordinary expenditure > expenditure ceiling). When the budget was being prepared, it was expected that economic capacity utilization would be even more pronounced (see comment on the second chart).

### GDP AND OUTPUT GAP

In CHF mn and %



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

The economic trend of recent years is estimated differently than in the 2023 budget because of the GDP revision of summer 2023. From today's perspective, the 2020 downturn was less severe and the 2021 recovery was stronger, meaning that economic capacity utilization was above average at the end of 2022 (output gap of +0.3% instead of -1.0% according to the 2023 budget). In 2023, sluggish economic growth caused the output gap to widen; however, it is estimated to be smaller than in the 2023 budget (output gap of -0.3% instead of -1.1%). Accordingly, the cyclical factor is also smaller (1.003 instead of 1.011).

### COMPLIANCE WITH THE DEBT BRAKE IN THE ORDINARY BUDGET

CHF mn	FS	Bdg.	FS	Δ 2022-23	
	2022	2023	2023	absolute	%
1 Ordinary receipts	74 056	79 789	79 296	5 240	7.1
2 Cyclical factor	1.004	1.011	1.003		
3 Expenditure ceiling [3=1*2]	74 353	80 667	79 534	5 182	7.0
4 Ordinary expenditure	77 781	80 473	79 968	2 187	2.8
5 Ordinary fiscal balance [5=1-4]	-3 724	-683	-672		
6 Fiscal balance required/permitted cyclically [6=3-1]	-296	-878	-238		
7 Structural fiscal balance/leeway [7=3-4]	-3 428	194	-434		

### NEUTRAL IMPACT OF THE FEDERAL BUDGET

With the debt brake, the federal government's fiscal policy is designed in such a way that it primarily makes a passive contribution to smoothing economic fluctuations. Receipts act as automatic stabilizers within the federal budget. As they follow the economic trend, an economic downturn leads to a deficit (with constant expenditure), while rising receipts enable surpluses in an upswing. As a result, the federal budget has a countercyclical effect without further action being taken.

The primary stimulus (change in the fiscal balance as a percentage of GDP) is an indicator of the impact of the federal budget on the economy. According to current estimates, economic capacity utilization was above average in 2022 (output gap of +0.3%), but economic capacity was not fully utilized in 2023 (output gap of -0.3%). At the same time, the federal financing deficit – including the RIF, the motorway and urban transportation fund and the grid supplement fund – decreased by 2.7 billion. If the estimate corrections for withholding tax are also factored in (2022: -1.9 bn; 2023: +0.3 bn), the restrictive demand stimulus is reduced to around 0.5 bn, or 0.07% of GDP, and is therefore negligible or neutral.



**DEBITING OF THE COMPENSATION ACCOUNT AND AMORTIZATION ACCOUNT**

The compensation account shows the debt brake control statistics for the ordinary budget, while the amortization account does the same for the extraordinary budget. Both control statistics are updated based on the actual results in the financial statements. If there is a structural financing surplus in the ordinary budget, this is currently credited to the amortization account (FBA revision to reduce coronavirus-related debt; in force since February 1, 2023). A structural financing deficit is still debited to the compensation account.

In 2023, the structural financing deficit (0.4 bn) was thus debited to the compensation account, which continues to show a high positive balance, as the debt brake requirements have been exceeded overall in the past. By contrast, extraordinary expenditure (1.1 bn) is debited to the amortization account, and extraordinary receipts (0.3 bn) are credited to it. The amortization account has a large negative balance as a result of coronavirus-related expenditure.

In addition, with the 2023 financial statements, the balances of the compensation account and amortization account as of the end of 2022 have been retroactively adjusted because of the amendment of the Financial Budget Act of March 19, 2021 to simplify and optimize budget management (in force since January 1, 2022). The changes concern primarily provisions and accruals and deferrals, which, from the time of creation or release, are subject to the debt brake from 2023 onward. Consequently, the provisions and accruals and deferrals existing at the end of 2022 need to be retroactively debited to the debt brake control statistics, as otherwise they would have been created in contravention of the debt brake. The balances of the compensation account and amortization account at year-end 2022, including the reductions of 1.4 billion and 3.8 billion, were 20.5 billion and -26.5 billion, respectively (see also volume 1B, section A 72, Compensation and amortization account adjustment).

Including this nonrecurring adjustment, the compensation account's balance at the end of 2023 stood at 20.1 billion, and the shortfall in the amortization account was 27.2 billion.

**COMPENSATION ACCOUNT BALANCE**

CHF mn	FS 2019	FS 2020	FS 2021	FS 2022	FS 2023
Compensation account balance at 31.12. of preceding year	25 563	27 770	29 000	23 500	20 477
Structural fiscal balance credit/debit	2 206	1 230	0	-1 574	-434
Compensation account reduction (as per federal decree)	-	-	-5 500	-1 449	-
<b>Compensation account balance at 31.12.</b>	<b>27 770</b>	<b>29 000</b>	<b>23 500</b>	<b>20 477</b>	<b>20 043</b>

The balance of the compensation account was adjusted retroactively at the end of 2022

**AMORTIZATION ACCOUNT BALANCE**

CHF mn	FS 2019	FS 2020	FS 2021	FS 2022	FS 2023
Amortization account balance at 31.12. of preceding year	2 871	4 339	-9 789	-20 276	-26 456
Extraordinary expenditure	-	14 672	12 331	3 998	1 070
Extraordinary receipts	541	125	1 535	1 592	310
Structural fiscal balance credit	928	419	309	-	-
Amortization account reduction (as per federal decree)	-	-	-	-3 774	-
<b>Amortization account balance at 31.12.</b>	<b>4 339</b>	<b>-9 789</b>	<b>-20 276</b>	<b>-26 456</b>	<b>-27 216</b>

The balance of the amortization account was adjusted retroactively at the end of 2022

**EXTRAORDINARY RECEIPTS AND EXPENDITURE**

<b>CHF mn</b>	<b>FS 2022</b>	<b>Bdg. 2023</b>	<b>FS 2023</b>
<b>Extraordinary receipts</b>	<b>1 592</b>	<b>1 558</b>	<b>310</b>
E190.0100 FINMA disgorgement of profits	-	-	13
E190.0105 e.o. revenue fines	112	-	-
E190.0107 COVID-19: repayment of loans	1	2	1
E190.0108 COVID-19: repayment of loans to cultural entities	1	0	2
E190.0110 COVID-19: medical materials refund	69	-	-
E190.0112 COVID-19: repayment of SFL/SIHF loans	12	20	26
E190.0113 COVID-19: receipts aviation support	14	3	2
E190.0114 COVID-19: reimbursement increase in indirect press subsidies	4	-	0
E190.0115 COVID-19: repayment of financial assistance	47	-	5
E190.0118 Extraordinary SNB profit distribution	1 333	1 333	-
E190.0120 Extraordinary RUAG distributions	-	200	200
E190.0122 Extraordinary receipts risk prem. liquidity assistance loan	-	-	61
<b>Extraordinary expenditure</b>	<b>3 116</b>	<b>5 700</b>	<b>1 070</b>
A290.0104 COVID-19: loss of earnings compensation	286	-	-
A290.0105 COVID-19: federal contribution to ALV	1 149	-	-
A290.0106 COVID-19: sureties	380	-	-
A290.0113 COVID-19: procurement of medical materials	585	-	-
A290.0118 COVID-19: humanitarian aid	60	-	-
A290.0130 COVID-19: federal financing SARS-CoV-2 tests	324	-	-
A290.0132 COVID-19: cantonal hardship measures for businesses	149	-	-
A290.0135 COVID-19: compensation for regional passenger transportation	107	-	-
A290.0136 COVID-19: compensation for local transportation	60	-	0
A290.0141 COVID-19: compensation for tourist traffic	28	-	-
A290.0144 Ukraine: contributions to cantons	702	1 700	1 070
A290.0145 Rescue mechanism electricity industry	-	4 000	-
E190.0116 COVID-19: sureties	-506	-	-
E190.0121 Withdrawal from COVID-19 provisions	-205	-	0

## EXTRAORDINARY RECEIPTS AND EXPENDITURE

### Extraordinary receipts

Extraordinary receipts of 310 million were recognized in 2023.

The Confederation is the owner of *RUAG MRO Holding AG* and *RUAG International Holding AG*. *RUAG International Holding AG* will be fully privatized in the next few years, and the individual business segments will be gradually sold. In principle, the sale proceeds will be paid to the Confederation as a special dividend. Similarly, proceeds from the sale of real estate and land by *RUAG Real Estate AG* (real estate company of *RUAG MRO Holding AG*) are generally distributed as special dividends. Distributions are carried out in stages. This resulted in extraordinary receipts of 200 million for the Confederation in 2023.

The Confederation received a default guarantee *risk premium* of 1.5% of the outstanding liquidity assistance loans with a default guarantee granted to Credit Suisse. The liquidity assistance loans with a default guarantee were repaid in full on May 30, 2023. Up to that date, the Confederation generated risk premium receipts of around 61 million for effectively drawn liquidity assistance loans with a default guarantee.

*Repayment of loans*: loans were granted to the International Committee of the Red Cross, to non-profit cultural entities and in the sports sector to deal with the COVID-19 pandemic. In 2023, loan repayments generated extraordinary receipts totaling just over 34 million.

In addition, extraordinary receipts were generated by *FINMA ordering the disgorgement of profits* (13 mn), sureties for Swiss airlines and aviation-related businesses due to the COVID-19 pandemic (*support for aviation*: 1.6 mn) and the reimbursement in the area of *indirect press subsidies*, which were also granted due to the COVID-19 pandemic (0.5 mn).

### Extraordinary expenditure

In 2023, extraordinary expenditure of just under 1.1 billion was incurred for *people from Ukraine seeking protection* (global lump sum to the cantons). Expenditure remained below the budgeted figure (1.7 bn), as the number of people from Ukraine seeking protection was lower than expected when preparing the budget (an average of 65,900 instead of 100,000).

In addition, a small amount of extraordinary expenditure was incurred for public transportation companies as a result of support measures in connection with the COVID-19 pandemic.

## 32 DEVELOPMENT OF NET DEBT

Net debt increased by another 2.7 billion to 142 billion in 2023. The increase was attributable to the financing deficit (1.4 bn) and transactions charged directly to net assets/equity (1.3 bn).

### CHANGE IN NET DEBT

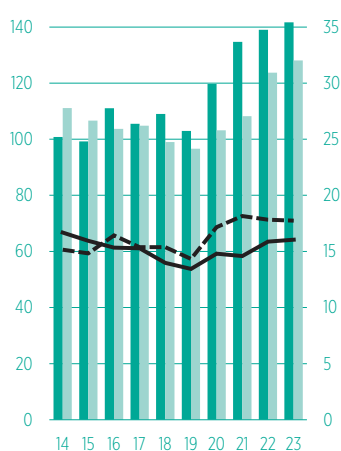
CHF mn	FS 2022	FS 2023	Δ 2022-23 %
<b>Net debt 01.01.</b>	<b>-134 933</b>	<b>-139 006</b>	<b>3.0</b>
Overall fiscal balance	-5 249	-1 431	72.7
Equity transactions	1 176	-1 250	-206.3
<b>Net debt 31.12.</b>	<b>-139 006</b>	<b>-141 687</b>	<b>1.9</b>

Expenditure was not financed in full by receipts in 2023. The federal government had to take on additional debt in the amount of the financing deficit (1.4 bn). In addition, certain liabilities were charged directly to net assets/equity (1.3 bn), which likewise impacted net debt. In particular, these included the annual revaluation of employee retirement benefit liabilities and hedging transactions due to changes in the financial assumptions (see volume 1B, section A 5, Statement of net assets/equity). Overall, net debt rose by 2.7 billion.

The increase in net debt between 2020 and 2022 was largely due to the high level of expenditure to deal with the COVID-19 pandemic. The funding requirements were covered partly by increasing financial liabilities (money market debt register claims and bonds) and partly by reducing non-administrative assets. Both measures resulted in higher net debt.

### DEBT AND DEBT RATIO

In CHF bn and % of GDP



- Net debt (liabilities less non-administrative assets) in bn (lhs)
- Gross debt according to Maastricht definition in bn (lhs)
- Gross debt ratio (rhs)
- Net debt ratio (rhs)

Net debt includes total liabilities on the liabilities side and is thus more broadly defined than gross debt in accordance with the Maastricht definition. A provision for employee retirement benefit liabilities was recognized for the first time in 2016. Since then, the amount of net debt has been greater than that of gross debt.

### COMPOSITION OF NET DEBT

CHF mn	FS 2019	FS 2020	FS 2021	FS 2022	FS 2023
<b>Liabilities</b>	<b>147 629</b>	<b>155 516</b>	<b>170 538</b>	<b>184 510</b>	<b>186 251</b>
Gross debt	96 575	103 176	108 206	123 704	128 092
Current liabilities	13 696	11 341	15 470	19 235	21 223
Financial liabilities	82 879	91 835	92 736	104 469	106 869
Provisions/employee retirement benefit liabilities	34 731	33 453	42 513	41 462	39 365
Other liabilities	16 323	18 888	19 819	19 344	18 794
<b>Non-administrative assets</b>	<b>44 673</b>	<b>35 836</b>	<b>35 840</b>	<b>45 504</b>	<b>44 564</b>
Liquid assets and financial investments	36 190	27 485	26 425	30 716	28 808
Receivables and accruals/deferrals	8 483	8 351	9 414	14 788	15 756
<b>Net debt (liabilities less non-administrative assets)</b>	<b>102 956</b>	<b>119 680</b>	<b>134 698</b>	<b>139 006</b>	<b>141 687</b>

### DEFINITION OF NET DEBT

Net debt is defined as liabilities less non-administrative assets. The definition is thus broader than gross debt in accordance with the Maastricht definition. Total liabilities are recognized on the liabilities side (including provisions and other liabilities). Non-administrative assets are not earmarked for the performance of federal tasks and could theoretically be used to settle liabilities. The change in net debt corresponds to the overall fiscal balance plus equity transactions.

## 4 INDICATORS

The evolution of the indicators suggests that the federal finances improved in 2023 compared with 2022. The financing deficit ratio decreased, as did the expenditure ratio. The receipt ratio rose.

### FEDERAL INDICATORS

In %	FS 2018	FS 2019	FS 2020	FS 2021	FS 2022	FS 2023
Expenditure ratio	9.9	9.9	13.0	11.8	10.4	10.2
<i>Expenditure (in % of nom. GDP)</i>						
Tax ratio	9.7	9.7	9.6	9.5	8.9	9.4
<i>Tax receipts (in % of nom. GDP)</i>						
Receipt ratio	10.5	10.4	10.4	10.2	9.7	10.0
<i>Receipts (in % of nom. GDP)</i>						
Financing deficit/surplus ratio	+ 0.5	+ 0.5	- 2.7	- 1.6	- 0.7	- 0.2
<i>Fiscal balance (in % of nom. GDP)</i>						
Net debt ratio	15.4	14.3	17.2	18.2	17.8	17.8
<i>Debt less non-administrative assets (in % of nom. GDP)</i>						
Share in restricted taxes	22.0	21.9	22.0	22.1	22.5	22.4
<i>Restricted taxes (in % of tax receipts)</i>						
Average FTE	36 522	37 027	37 689	37 972	38 058	38 596
<i>Full-time equivalents (FTEs)</i>						
Addenda (in ordinary budget)	0.1	0.4	0.6	2.3	1.5	0.9
<i>Supplementary credits (in % of budget)</i>						
Credit underruns (in ordinary budget)	-2.0	-2.6	-3.9	-5.7	-3.6	-3.6
<i>Credit underruns (in % of budget)</i>						

Note: all of the indicators, with the exception of supplementary credits and expenditure reductions (un-utilized credits) as a percentage of the budget, take account of extraordinary items

#### Expenditure ratio

Total expenditure, including extraordinary expenditure, stagnated in 2023. As nominal gross domestic product (GDP) grew by 2.3%, the expenditure ratio fell to 10.2%, and thus moved toward its level of before the COVID-19 pandemic crisis. It is a rough indicator of the extent of the Confederation's activities relative to the overall economy.

#### Tax ratio and receipt ratio

In 2023, total receipts rose by 5.2% and tax receipts by 7.6%. As they grew at a much faster pace than nominal GDP, their ratios relative to nominal GDP increased year on year, but remained slightly below their pre-2022 levels.

#### Financing deficit/surplus ratio

As the rise in receipts was much greater than that in expenditure, the 2023 deficit (-0.2% of nominal GDP) was smaller than the previous year's.

#### Net debt ratio

The net debt ratio surged in 2020 as a result of the COVID-19 pandemic. In 2023, it stagnated compared with 2022. The 1.9% rise in net debt seen in 2023 was smaller than the increase in nominal GDP (see section A 32).

**Proportion of restricted tax receipts**

The proportion of restricted tax receipts fell slightly to 22.4% in 2023. Further information on restricted funds can be found in volume 1B, section B 82/12.

**Average workforce (FTE)**

In 2023, the number of full-time equivalents (FTEs) in the Federal Administration was up by 538 FTEs (+1.4%) year on year. The 2.1% increase in personnel expenditure was also due to salary measures (see section B 31).

**Supplementary credits in % of the budget**

In 2023, supplementary credits amounted to 0.9% of budgeted expenditure (2022: 1.5%). This indicator remained higher than the average seen in recent years (Ø 2016-2022: 0.7%), primarily because of the additional expenditure related to the crises in Eastern Europe and the Middle East, as well as the acquisition of a new aircraft for the Federal Air Transport Service.

**Unutilized credits in % of the budget**

Compared with 2022, the share of unutilized credits as a percentage of budgeted expenditure remained unchanged at 3.6%.

## INTERNATIONAL COMPARISON

The *receipt ratio* shows receipts as a percentage of nominal GDP. Switzerland's receipt ratio is expected to slide from 32.9% in 2022 to 32.8% in 2023, while the receipt ratio of OECD member states will fall from 39.2% in 2022 to 37.8% in 2023. When making international comparisons, it should be noted that, in Switzerland, contributions in the area of occupational pension plans and premia 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. In 2020, Switzerland's general government expenditure ratio rose to a new high of 37% due to the combination of substantial expenditure to combat the COVID-19 pandemic and low economic output. Thereafter, it fell thanks to the robust recovery of the Swiss economy. It is expected to be 32% in 2023, which corresponds to the pre-crisis level seen in 2019. Compared with the OECD area, it remains well below average.

*Deficit/surplus ratio*: Switzerland and Norway are the only countries in the table not to have a financing deficit in 2023, with the average deficit for OECD member states amounting to 4.8% of economic output.

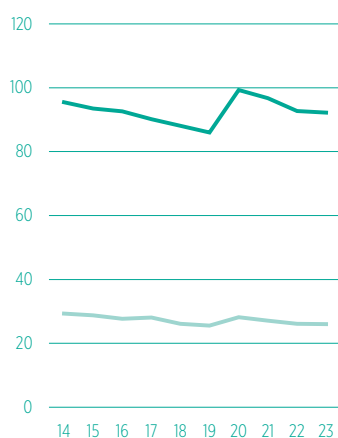
Western industrialized countries borrowed heavily during the pandemic to finance their high deficits. Thanks to the debt reduction before the crisis, Switzerland is still in good shape by international standards. Its Maastricht *debt ratio* is expected to be around 26% of GDP in 2023, while the average for the euro area is 92.2%.

There are major differences also when it comes to the *gross debt ratio*. In 2023, Switzerland's gross debt ratio (as defined by the International Monetary Fund) is likely to be 36.6%, versus 96% in the euro area and more than 120% in the United Kingdom and North America.

The information for Switzerland is based on the data and estimates of the Federal Finance Administration's Financial Statistics Section (as of October 2023). The data of the International Monetary Fund (IMF) is generally used for international comparisons. The 2023 country data is based on the IMF Government Finance Statistics (GFS) and the OECD Economic Outlook 114 of November 2023.

### COMPARISON OF SWISS AND EURO AREA DEBT RATIOS

In % of GDP, according to Maastricht definition



— Euro area debt ratio  
— Swiss debt ratio

Due to the economic recovery, the debt ratio fell in the euro area and Switzerland in 2022, and is expected to decline somewhat further in 2023, due primarily to nominal economic growth. When compared with other European countries, Switzerland's debt ratio is still well below the Maastricht criterion of 60% of GDP.

### INTERNATIONAL COMPARISON OF PUBLIC FINANCE INDICATORS FOR 2023

In % of GDP	General government			Debt ratio	Gross debt ratio
	Receipt ratio	expenditure ratio	Deficit/surplus ratio		
Switzerland	32.8	32.0	0.8	26.0	36.6
EU - euro area	46.3	49.6	-3.3	92.2	96.0
Germany	45.0	47.2	-2.2	65.9	65.3
France	51.0	55.9	-4.9	112.1	117.7
Italy	48.9	54.3	-5.4	141.4	148.2
Austria	49.1	51.7	-2.6	78.2	80.3
Belgium	48.6	53.4	-4.9	105.4	105.0
Netherlands	41.6	43.4	-1.7	49.8	53.6
Norway	54.5	39.8	14.6	n.d.	n.d.
Sweden	47.7	47.9	-0.2	32.9	53.0
United Kingdom	38.8	46.0	-7.6	n.d.	148.5
United States	29.8	37.4	-7.7	n.d.	120.9
Canada	41.7	41.8	-0.1	n.d.	116.7
OECD	37.8	42.6	-4.8	n.d.	112.8

#### 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, September 2023
- Other countries: IMF GFS database and OECD Annual National Accounts (February 2024)
- Forecast for other countries: OECD Economic Outlook 114, November 2023





# ADDITIONAL EXPLANATIONS

## 1 DEVELOPMENT OF RECEIPTS

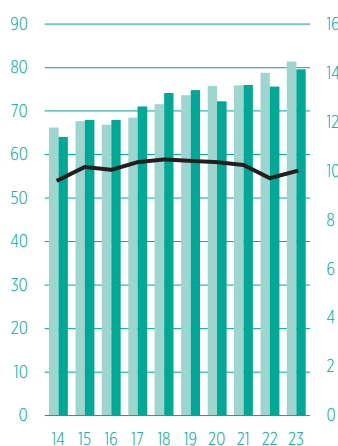
In 2023, total receipts grew by 4.0 billion (+5.2%) to 79.6 billion. This growth was influenced by considerably higher receipts from direct federal tax (+3.1 bn) and withholding tax (+2.6 bn).

### DEVELOPMENT OF RECEIPTS

CHF mn	FS 2022	Bdg. 2023	FS 2023	absolute	Δ FS23	Δ FS23
					vs. FS22 %	vs. Bdg.23 absolute
<b>Receipts</b>	<b>75 648</b>	<b>81 347</b>	<b>79 607</b>	<b>3 959</b>	<b>5.2</b>	<b>-1 741</b>
of which extraordinary receipts	1 592	1 558	310			
<b>Current receipts</b>	<b>74 766</b>	<b>80 309</b>	<b>78 605</b>	<b>3 840</b>	<b>5.1</b>	<b>-1 704</b>
Tax receipts	69 493	74 970	74 784	5 291	7.6	-186
Direct federal tax natural persons	12 532	13 306	13 344	812	6.5	38
Direct federal tax legal entities	12 249	13 835	14 491	2 242	18.3	656
Withholding tax	3 888	6 675	6 445	2 557	65.8	-229
Stamp duty	2 483	2 375	2 181	-302	-12.2	-194
Value added tax	24 588	25 410	25 148	559	2.3	-262
Other consumption taxes	8 207	8 077	7 992	-214	-2.6	-85
Misc. tax receipts	5 546	5 292	5 183	-363	-6.6	-110
<b>Nontax receipts</b>	<b>5 272</b>	<b>5 339</b>	<b>3 821</b>	<b>-1 451</b>	<b>-27.5</b>	<b>-1 518</b>
Royalties and concessions	2 393	2 350	374	-2 020	-84.4	-1 977
Other receipts	2 521	2 589	2 818	297	11.8	229
Financial receipts	358	400	630	272	75.9	230
<b>Investment receipts</b>	<b>882</b>	<b>1 038</b>	<b>1 002</b>	<b>119</b>	<b>13.5</b>	<b>-36</b>

### DEVELOPMENT OF RECEIPTS

In CHF bn and % of GDP



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

In 2023, total receipts grew by 5.2%, i.e. at a much faster pace than nominal GDP (2.3%). As a result, the receipt ratio, which shows receipts as a percentage of GDP, rose to 10.0% in 2023.

In 2023, receipts amounted to 79.6 billion, representing a year-on-year increase of 5.2% (+4.0 bn). In terms of details, the following can be observed:

- *Direct federal tax* receipts soared in 2023 (+3.1 bn). Effective from 2023, these receipts are no longer recognized on a cash basis, but rather on an accrual basis. The 2022 figures have been adjusted accordingly to allow for comparisons. Receipts generated by the *income tax of natural persons* were up by 0.8 billion. Both receipts from the main tax period (2022) and from earlier tax periods contributed to this good result. Receipts from *taxes on the net revenue of legal entities* surged by 2.2 billion in 2023. Aside from the strong growth recorded in 2022, the main tax year, it was above all the receipts from tax periods prior to 2022 that soared. The receipts from earlier tax periods had fallen sharply in the previous year.
- *Withholding tax* receipts came in at 6.4 billion in 2023. Both incoming payments and refunds were down on the previous year. The sharp increase in receipts (+2.6 bn) was attributable to estimate corrections concerning earlier years. Without this downward correction for 2022 (-1.9 bn), the 2023 result would have been only slightly better (+0.3 bn).

- *Stamp duty* receipts fell quite sharply (- 0.3 bn), due primarily to lower transfer stamp tax receipts.
- *Value added tax* (VAT) receipts amounted to 25.1 billion in 2023, corresponding to an increase of 2.3%, which was identical to nominal GDP growth. Receipts from domestic taxes rose by 5.2%, while import tax receipts fell by 1.0%.
- Regarding *other consumption taxes*, receipts continued to fall (-2.6% in 2023). This was mainly attributable to the receipts from mineral oil tax (-92 mn) and tobacco duty (-57 mn), whose downward trend persisted once again in 2023. The decline in mineral oil tax receipts can be explained primarily by 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, yet again in 2023, more cigarettes were purchased abroad, where prices are lower, or in duty-free stores.
- *Other tax receipts* fell by 6.6% in 2023. All of the main receipt items (heavy vehicle charge, customs duty and incentive fees) were down in 2023.
- *Nontax receipts* decreased by 1.5 billion overall, due largely to the fact that the SNB's significant loss in fiscal 2022 meant that no profit distribution by the SNB was possible. The SNB had distributed 2 billion to the Confederation in 2022, and same amount had been budgeted for 2023 (including 1.3 bn in extraordinary receipts).
- For further details on receipts, see section B 1.

### COMPARISON OF ECONOMIC GROWTH AND RECEIPT TRENDS

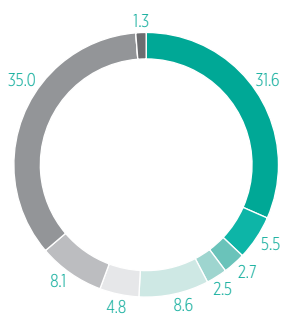
Experience shows that the Confederation's total receipts develop in proportion to nominal GDP in the long term. In order to compare the trend of receipts with that of GDP, it is necessary to take account of any structural breaks such as tax rate changes, for example, the volatility of withholding tax, and extraordinary receipts. These effects are presented in the table below. After adjusting for special factors, ordinary receipts increased by 4.9% in 2023, i.e. much more than nominal GDP, which grew by 2.3%. This was largely due to the surge in profit tax receipts.

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

CHF mn	FS	FS	Δ 2022-23	
	2022	2023	absolute	%
<b>Total receipts</b>	<b>75 648</b>	<b>79 607</b>	<b>3 959</b>	<b>5.2</b>
Factors (increase and decrease in receipts)	262	533		
Withholding tax: deviation from the trend	-1 963	433		
First-time provision for refunds (mineral oil tax, CO <sub>2</sub> tax, and VOC incentive fee, performance-related HVC and customs duties)	-	-210		
SNB profit distribution (1.3 bn of which recognized as extraordinary)	2 000	-		
Other extraordinary receipts	225	310		
<b>Total adjusted receipts (excl. factors)</b>	<b>75 386</b>	<b>79 074</b>	<b>3 688</b>	<b>4.9</b>

### 2023 RECEIPTS

Shares in %



- Value added tax: 25.1 bn
- Mineral oil tax: 4.3 bn
- Stamp duty: 2.2 bn
- Tobacco duty: 2.0 bn
- Other tax receipts: 6.8 bn
- Nontax receipts: 3.8 bn
- Withholding tax: 6.4 bn
- Direct federal tax: 27.8 bn
- Investment receipts: 1.0 bn

Value added tax, direct federal tax and withholding tax are the Confederation's three main sources of receipts, accounting for over 70% of total receipts.

### QUALITY OF ESTIMATES

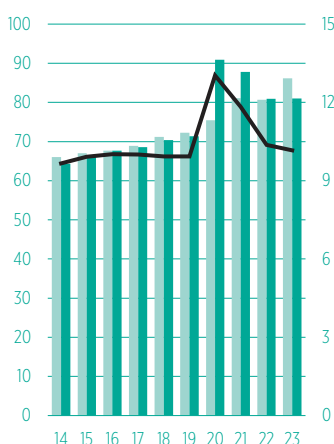
Ordinary receipts were -0.6% (0.5 bn) lower than the budgeted level in 2023. An important aspect of the quality of estimates is that forecasting errors offset one another over time. Over the past ten years (2014–2023), ordinary receipts have been overestimated by an average of 0.4% in the budget.

## 2 DEVELOPMENT OF EXPENDITURE BY TASK AREA

In 2023, total expenditure amounted to 81 billion, i.e. the same as the previous year. Extraordinary expenditure decreased, while ordinary expenditure grew by 2.8% (+2.2 bn). This was attributable primarily to the task areas of finances and taxes, social welfare, education and research, and international relations.

### DEVELOPMENT OF EXPENDITURE

In CHF bn and % of GDP

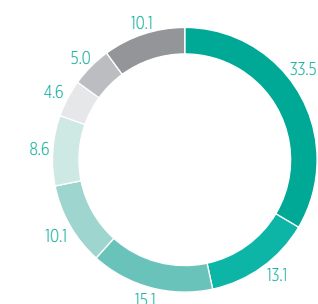


- Fin. stmt. in CHF bn (lhs)
- Bdg. in CHF bn (lhs)
- Fin. stmt. in % of GDP (rhs)

The expenditure ratio decreased further and reached the same level as before the COVID-19 pandemic.

### 2023 EXPENDITURE BY TASK AREA

Shares in %



- Social welfare: 27.2 bn
- Transportation: 10.6 bn
- Finances and taxes: 12.2 bn
- Education and research: 8.2 bn
- Security: 7.0 bn
- Agriculture and food: 3.7 bn
- International relations: 4.0 bn
- Other tasks: 8.2 bn

### DEVELOPMENT OF EXPENDITURE BY TASK AREA

CHF mn	FS 2022	Bdg. 2023	FS 2023	Δ FS23 vs. Δ FS23 vs.		
				absolute	FS22 % Bdg.23 absolute	
<b>Expenditure by task area</b>	<b>80 897</b>	<b>86 173</b>	<b>81 038</b>	<b>141</b>	<b>0.2</b>	<b>-5 135</b>
of which extraordinary expenditure	3 116	5 700	1 070			
Social welfare	27 045	27 712	27 167	122	0.5	-545
Finances and taxes	11 099	12 145	12 208	1 109	10.0	63
Transportation	10 598	10 647	10 614	16	0.2	-33
Education and research	7 904	8 647	8 214	310	3.9	-433
Security	7 195	6 802	6 959	-236	-3.3	157
International relations - international cooperation	3 818	3 811	4 026	208	5.5	214
Agriculture and food	3 663	3 719	3 693	30	0.8	-26
Other task areas	9 575	12 690	8 158	-1 417	-14.8	-4 533

Federal expenditure grew by 141 million to 81 billion year on year. For the fourth year in succession, the Confederation incurred billions in extraordinary expenditure, but it was on a smaller scale than in previous years. No extraordinary expenditure to deal with the COVID-19 pandemic was incurred in 2023 (2022: 2.4 bn); only ordinary expenditure of 195 million was required. Extraordinary expenditure was once again recognized for people from Ukraine seeking protection (global lump sum to the cantons), and amounted to 1.1 billion (2022: 0.7 bn). The 4 billion rescue mechanism for the electricity industry, which was budgeted as an extraordinary item, was not utilized. Ordinary expenditure grew by 2.2 billion, or 2.8%, in 2023, and thus outstripped nominal GDP growth (+2.3%).

Excluding extraordinary expenditure, the area of *social welfare* also grew by around 5% (+1.2 bn). There were substantial increases especially in payments to old-age and survivors' insurance (+0.4 bn), the contribution to individual premium reductions (+0.2 bn) and migration expenditure (+0.4 bn). *Finances and taxes* posted an increase of 1.1 billion. This was driven by higher cantonal shares of federal receipts (+0.6 bn; mainly direct federal tax and withholding tax), as well as rising expenditure for interest payable (+0.3 bn) and fiscal equalization (+0.2 bn). The task areas of *international relations* (humanitarian aid) and *education and research* (Horizon transitional measures) also experienced above-average growth, with their ordinary expenditure rising by 0.3 billion in each case (+7.2% and +3.9%, respectively).

By contrast, the *other task areas* posted a decline (-1.4 bn). Aside from the discontinuation of expenditure to deal with the COVID-19 pandemic (-1.1 bn), expenditure in the area of energy (-0.2 bn) fell too. First, payments for the reserve power plant in Birr no longer applied and, second, the contribution to the grid supplement fund was reduced on the back of lower electricity consumption. The negative growth in the area of *security* can be explained by the increase in the provision for the clearance of the Mitholz ammunition depot at the end of 2022 (+0.8 bn). Adjusted for this factor, expenditure rose by over 8% (+0.5 bn), and was associated particularly with armament projects.

Expenditure in the *transportation* and *agriculture* task areas remained stable year on year.



# FEDERAL FINANCIAL STATEMENTS



## STATEMENT OF FINANCIAL PERFORMANCE

CHF mn	FS 2022	Bdg. 2023	FS 2023	Δ 2022-23	
				absolute	%
<b>Current receipts</b>	<b>74 766</b>	<b>80 309</b>	<b>78 605</b>	<b>3 840</b>	<b>5.1</b>
Tax receipts	69 493	74 970	74 784	5 291	7.6
Direct federal tax natural persons	12 532	13 306	13 344	812	6.5
Direct federal tax legal entities	12 249	13 835	14 491	2 242	18.3
Withholding tax	3 888	6 675	6 445	2 557	65.8
Stamp duty	2 483	2 375	2 181	-302	-12.2
Value added tax	24 588	25 410	25 148	559	2.3
Other consumption taxes	8 207	8 077	7 992	-214	-2.6
Misc. tax receipts	5 546	5 292	5 183	-363	-6.6
<b>Nontax receipts</b>	<b>5 272</b>	<b>5 339</b>	<b>3 821</b>	<b>-1 451</b>	<b>-27.5</b>
Royalties and concessions	2 393	2 350	374	-2 020	-84.4
Other receipts	2 521	2 589	2 818	297	11.8
Financial receipts	358	400	630	272	75.9
<b>Current expenditure</b>	<b>75 072</b>	<b>76 629</b>	<b>75 203</b>	<b>131</b>	<b>0.2</b>
Operating expenditure	12 009	11 626	11 529	-480	-4.0
Personnel expenditure	6 107	6 379	6 234	127	2.1
General, administrative and operating expenditure	4 970	4 443	4 353	-618	-12.4
Defense expenditure	932	804	943	10	1.1
Transfer expenditure	62 057	63 993	62 379	322	0.5
Deposits in special funds and special financing	7 614	8 034	7 438	-176	-2.3
Contributions to own institutions	3 920	3 926	4 042	122	3.1
Contributions to social insurance	19 332	18 426	18 422	-910	-4.7
Contributions to cantons and communes	23 025	25 088	24 340	1 315	5.7
Contributions to third parties	8 166	8 519	8 138	-28	-0.3
Financial expenditure	1 006	1 010	1 295	289	28.7
<b>Self-financing</b>	<b>-307</b>	<b>3 681</b>	<b>3 402</b>	<b>3 708</b>	<b>n.d.</b>
Deprec. & amort. tangible/intangible fixed assets	-2 946	-3 123	-3 002	-57	-1.9
Depreciation of investment contributions	-1 188	-1 432	-1 229	-40	-3.4
Other valuation changes under administrative assets	-694	-210	-704	-9	-1.4
Result from financial interests	1 516	1 423	2 410	894	59.0
<b>Surplus/deficit for the year</b>	<b>-3 619</b>	<b>339</b>	<b>877</b>	<b>4 496</b>	<b>124.2</b>

The figures for 2022, as well as the structure and presentation have been adjusted (see section B 72, Changes in the 2023 financial statements)

**STATEMENT OF FINANCIAL POSITION**

CHF mn	01.01.2022	31.12.2022	31.12.2023	Δ 2022-23	Notes section
<b>Assets</b>	<b>181 781</b>	<b>188 700</b>	<b>190 187</b>	<b>1 487</b>	
<b>Non-administrative assets</b>	<b>40 955</b>	<b>45 504</b>	<b>44 564</b>	<b>-940</b>	
Liquid assets	12 973	15 615	16 791	1 177	-
Receivables	10 746	10 557	11 615	1 058	-
Prepaid expenses and accrued income	3 784	4 231	4 141	-90	-
Financial investments	13 453	15 101	12 017	-3 084	-
<b>Administrative assets</b>	<b>140 825</b>	<b>143 196</b>	<b>145 623</b>	<b>2 427</b>	
Inventories and advances	4 425	4 264	3 764	-500	-
Tangible fixed assets	60 893	61 635	62 853	1 218	-
Intangible fixed assets	431	564	677	113	-
Loans	5 574	5 523	5 627	105	-
Financial interests	69 503	71 211	72 701	1 491	-
<b>Liabilities and equity</b>	<b>181 781</b>	<b>188 700</b>	<b>190 187</b>	<b>1 487</b>	
<b>Liabilities</b>	<b>175 888</b>	<b>184 510</b>	<b>186 251</b>	<b>1 742</b>	
Current liabilities	18 558	19 235	21 223	1 988	-
Accrued expenses and deferred income	12 796	8 511	7 587	-924	-
Financial liabilities	92 736	104 469	106 869	2 400	-
Restricted funds in liabilities	9 285	10 832	11 207	375	-
Employee retirement benefit obligations	3 475	2 139	2 767	628	-
Provisions	39 038	39 323	36 598	-2 725	-
<b>Net assets/equity</b>	<b>5 893</b>	<b>4 191</b>	<b>3 936</b>	<b>-255</b>	
Restricted funds in net assets/equity	6 523	6 582	6 601	20	-
Reserves from global budget	446	710	621	-88	-
Accumulated deficit	-1 076	-3 101	-3 287	-186	-

The figures for 2022 have been adjusted (see section B 72, Changes in the 2023 financial statements)



**CASH FLOW STATEMENT**

CHF mn	FS 2022	FS 2023	absolute
<b>Total cash flow</b>	<b>2 642</b>	<b>1 177</b>	<b>-1 465</b>
Cash flow from operating activities	-3 716	-733	2 982
Surplus/deficit for the year	-3 619	877	4 496
Depreciation, amortization and impairments	2 946	3 002	57
Result from financial interests (equity method)	-1 516	-2 410	-894
Profit from disposals of non-current assets	-6	-12	-6
Net increase/decrease in provisions	285	-2 725	-3 010
Other non-cash transactions	1 899	-61	-1 960
Change in net current assets	-3 705	595	4 300
Increase/decrease in receivables	189	-1 058	-1 247
Increase/decrease prepaid expenses/accrued income	-447	90	538
Increase/decrease in inventories	161	500	338
Increase/decrease in current liabilities	677	1 988	1 311
Increase/decrease accrued expenses/deferred income	-4 284	-924	3 360
<b>Cash flow from investing activities</b>	<b>-4 550</b>	<b>253</b>	<b>4 803</b>
Purchase of tangible and intangible fixed assets	-3 865	-4 265	-400
Disposal of tangible and intangible fixed assets	75	23	-53
Investments in loans/financial interests (admin. assets)	-143	-139	4
Divestiture of loans/financial interests (admin. assets)	105	147	42
Investments in non-administrative assets	-7 431	-7 581	-150
Divestiture of non-administrative assets	5 784	10 646	4 862
Interest and dividends received	925	1 423	497
<b>Cash flow from financing activities</b>	<b>10 908</b>	<b>1 657</b>	<b>-9 251</b>
Increase in short-term financial liabilities	48 622	60 234	11 613
Disposals short-term financial liabilities	-43 857	-65 706	-21 849
Additional long-term financial liabilities	13 219	14 669	1 450
Disposals long-term financial liabilities	-5 687	-6 127	-440
Interest paid	-1 389	-1 415	-25

**CASH FUND STATEMENT**

CHF mn	FS 2022	FS 2023	absolute
Cash at 01.01.	12 973	15 615	2 642
Increase (+) / decrease (-)	2 642	1 177	-1 465
Cash at 31.12.	15 615	16 791	1 177

The presentation and structure have been adjusted (see section B 72, Changes in the 2023 financial statements)

**STATEMENT OF INVESTMENTS**

CHF mn	FS	Bdg.	FS	Δ 2022-23	
	2022	2023	2023	absolute	%
Investment receipts	882	1 038	1 002	119	13.5
Dividends	633	833	832	200	31.6
Loan repayment	105	152	147	42	40.1
Other investment receipts	145	53	22	-123	-84.6
<b>Investment expenditure</b>	<b>5 825</b>	<b>9 544</b>	<b>5 835</b>	<b>10</b>	<b>0.2</b>
Buildings	861	898	829	-32	-3.8
Property, plant and equipment	123	135	253	130	106.1
Inventories	673	105	232	-441	-65.5
Motorways	2 012	1 772	2 067	55	2.7
Defense equipment	771	950	1 026	255	33.0
Intangible fixed assets	52	38	57	6	10.8
Loans	62	4 143	68	6	9.4
Financial interests	81	71	71	-10	-12.2
Own investment contributions	1 189	1 432	1 231	41	3.5
<b>Net investments</b>	<b>-4 943</b>	<b>-8 506</b>	<b>-4 833</b>	<b>110</b>	<b>2.2</b>

The presentation and structure have been adjusted (see section 72, Changes in the 2023 financial statements)

## STATEMENT OF NET ASSETS/EQUITY

CHF mn	Special financing	Special funds	Other restricted funds	Restricted funds	Global budget reserves	Accumulated deficit/surplus	Total net assets/equity
	1	2	3	4=1+2+3	5	6	7=4+5+6
<b>At 01.01.2022 reported</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>
Changes in accounting standards/restatement	-	-	-	-	-	-235	-235
<b>At 01.01.2022 restated</b>	<b>5 055</b>	<b>1 437</b>	<b>30</b>	<b>6 523</b>	<b>446</b>	<b>-1 076</b>	<b>5 893</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>	<b>-</b>	<b>33</b>	<b>-1</b>	<b>31</b>	<b>-</b>	<b>1 886</b>	<b>1 917</b>
Surplus/deficit for the year restated	-	-	-	-	-	-3 619	-3 619
<b>Total profit and loss recognized</b>	<b>-</b>	<b>33</b>	<b>-1</b>	<b>31</b>	<b>-</b>	<b>-1 733</b>	<b>-1 702</b>
Entry transfers in net assets/equity	28	-	-	28	264	-292	-
Consolidation scope changes	-	-	-	-	-	-	-
<b>At 31.12.2022 restated</b>	<b>5 083</b>	<b>1 470</b>	<b>28</b>	<b>6 582</b>	<b>710</b>	<b>-3 101</b>	<b>4 191</b>
Changes in accounting standards/restatement	-5	35	-	30	-	21	51
<b>At 01.01.2023 restated</b>	<b>5 078</b>	<b>1 505</b>	<b>28</b>	<b>6 612</b>	<b>710</b>	<b>-3 080</b>	<b>4 242</b>
Special funds result	-	8	-	8	-	1	10
Change in other restricted funds	-	-	-6	-6	-	-	-6
Revaluation employee retirement benefits	-	-	-	-	-	-661	-661
Share of equity transactions involving equity interests	-	-	-	-	-	-82	-82
Hedging transactions	-	-	-	-	-	-444	-444
<b>Total items recognized under net assets/equity</b>	<b>-</b>	<b>8</b>	<b>-6</b>	<b>2</b>	<b>-</b>	<b>-1 185</b>	<b>-1 183</b>
Surplus/deficit for the year	-	-	-	-	-	877	877
<b>Total profit and loss recognized</b>	<b>-</b>	<b>8</b>	<b>-6</b>	<b>2</b>	<b>-</b>	<b>-308</b>	<b>-306</b>
Entry transfers in net assets/equity	-13	-	-	-13	-88	101	-
Consolidation scope changes	-	-	-	-	-	-	-
<b>As of 31.12.2023</b>	<b>5 066</b>	<b>1 513</b>	<b>22</b>	<b>6 601</b>	<b>621</b>	<b>-3 287</b>	<b>3 936</b>

The figures for 2022 have been adjusted (see section B 72, Changes in the 2023 financial statements)

## 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.

## GLOBAL BUDGET RESERVES

CHF mn	General reserves					Restricted reserves				
	Closing stock at 31.12.2022	Formation from FS 2022	Reversal/ use	Other transactions	Closing stock at 31.12.2023	Closing stock at 31.12.2022	Formation from FS 2022	Reversal/ use	Other transactions	Closing stock at 31.12.2023
<b>Total</b>	<b>35</b>	<b>1</b>	<b>0</b>	<b>-</b>	<b>36</b>	<b>674</b>	<b>161</b>	<b>-250</b>	<b>-</b>	<b>585</b>
101 FA	-	-	-	-	-	2	-	-2	-	-
104 FCh	-	-	-	-	-	14	5	-7	-	11
108 FAC	-	-	-	-	-	-	8	-	-	8
110 OAG	-	-	-	-	-	5	1	-	-	6
202 FDFA	11	-	-	-	11	9	3	-3	-	9
301 GS-FDHA	-	-	-	-	-	1	0	-	-	2
303 FOGF	-	-	-	-	-	0	-	0	-	0
305 SFA	-	-	-	-	-	3	1	0	-	4
306 FOC	-	-	-	-	-	2	2	0	-	4
311 MeteoSwiss	1	-	-	-	1	3	7	-5	-	5
316 FOPH	-	-	-	-	-	12	7	-2	-	18
317 SFSO	-	-	-	-	-	6	1	-2	-	5
318 FSIO	-	-	-	-	-	5	3	-3	-	5
341 FSVO	-	-	-	-	-	2	0	0	-	2
342 IVI	-	-	-	-	-	0	-	0	-	0
401 GS-FDJP	-	-	-	-	-	9	4	-	-	13
402 FOJ	-	-	-	-	-	3	2	-1	-	5
403 fedpol	-	-	-	-	-	10	5	-5	-	10
413 SICL	-	-	-	-	-	1	0	0	-	1
420 SEM	-	-	-	-	-	20	2	-4	-	18
485 ISC-FDJP	3	-	-	-	3	30	1	-14	-	17
500 GS-DDPS	-	-	-	-	-	6	4	-3	-	7
504 FOSPO	3	-	-	-	3	8	2	-4	-	7
506 FOCF	2	-	-	-	2	47	40	-10	-	78
525 D	-	-	-	-	-	310	-	-147	-	163
542 ar S+T	1	-	-	-	1	-	0	0	-	-
543 ar Immo	-	-	-	-	-	8	-	-	-	8
570 swisstopo	4	-	-	-	4	1	5	-2	-1	4
600 GS-FDF	-	-	-	-	-	6	4	-2	-	9
601 FFA	-	-	-	-	-	4	0	-	-	5
602 CCO	-	-	-	-	-	1	1	-1	-	1
603 Swissmint	-	-	-	-	-	-	0	0	-	0
604 SIF	-	-	-	-	-	0	-	0	-	0
605 FTA	-	-	-	-	-	5	0	0	-	5
606 FOCBS	-	-	-	-	-	62	29	-10	-	80
609 FOITT	7	-	-	-	7	0	-	-	-	0
611 SFAO	-	-	-	-	-	0	2	-2	-	0
620 SFBL	-	-	-	-	-	49	2	-12	-	38
701 GS-EAER	-	-	-	-	-	3	2	-	-	4
704 SECO	-	-	-	-	-	-	1	-	-	1
708 FOAG	0	-	-	-	0	1	1	-1	-	2
710 Agroscope	-	-	-	-	-	3	5	-4	-	4
724 FONES	-	-	-	-	-	-	0	0	-	-
725 FHO	-	1	-	-	1	-	0	-	-	0
735 ZIVI	1	-	-	-	1	1	1	-	-	2
740 SAS	0	-	0	-	0	1	-	0	-	1
750 SERI	-	-	-	-	-	1	0	0	-	1
785 ISCeco	-	-	-	-	-	0	2	0	-	2
801 GS-DETEC	-	-	-	-	-	3	1	-	-	4
802 FOT	-	-	-	-	-	1	-	0	-	0
803 FOCA	1	-	-	-	1	3	1	-1	-	3
805 FOE	-	-	-	-	-	2	2	-2	-	3
806 FEDRO	-	-	-	-	-	4	-	-	-	4
808 OFCOM	1	-	-	-	1	4	1	0	-	5
810 FOEN	-	-	-	-	-	-	-	-	1	1
817 RegInfra	-	-	-	-	-	1	-	-	-	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.

**PROOF OF COMPLIANCE WITH THE DEBT BRAKE**

The debt brake is the key instrument for steering the federal budget in terms of fiscal policy. It requires the Confederation to maintain its expenditure and receipts in balance over the longer term (in accordance with Art. 126 para. 1 of the Cst; SR 101).

The debt brake has an impact primarily when preparing the budget, but also during budget implementation. Compliance with the debt brake is checked in the financial statements based on the actual figures.

- In the *budget*, ordinary expenditure may not exceed the expenditure ceiling (Art. 13 of the FBA; SR 611.0). The expenditure ceiling corresponds to ordinary receipts, which are adjusted for a cyclical increase or decrease in receipts using the cyclical factor.
- The budgeted expenditure ceiling must also be taken into account during *budget implementation* (Art. 14 of the FBA). Moreover, budgeted expenditure should not be exceeded as a rule (Art. 35 of the FBA).
- The expenditure ceiling is recalculated in the *financial statements* and set against the actual expenditure (Art. 16 para. 1 of the FBA). Structural financing surpluses are credited to the amortization account (Art. 17e of the FBA) and corresponding deficits are debited to the compensation account (Art. 16 para. 2 of the FBA).

**COMPLIANCE WITH THE DEBT BRAKE IN THE ORDINARY BUDGET**

CHF mn	FS	Bdg.	FS	Δ 2022–23	
	2022	2023	2023	absolute	%
1 Ordinary receipts	74 056	79 789	79 296	5 240	7.1
2 Cyclical factor	1.004	1.011	1.003		
3 Expenditure ceiling [3=1*2]	74 353	80 667	79 534	5 182	7.0
4 Ordinary expenditure	77 781	80 473	79 968	2 187	2.8
5 Ordinary fiscal balance [5=1-4]	-3 724	-683	-672		
6 Fiscal balance required/permitted cyclically [6=3-1]	-296	-878	-238		
7 Structural fiscal balance/leeway [7=3-4]	-3 428	194	-434		

The FBA amendment to “simplify and optimize budget management” was brought into effect on January 1, 2022, and was applied for the first time in the 2023 budget and financial statements. In the table above, the figures for the 2022 financial statements have been adjusted accordingly to enable a comparison with the previous year. The adjustments are explained in terms of content in section A 72, Changes in the 2023 financial statements. It was decided not to adjust the 2022 figures in the table below concerning extraordinary receipts and expenditure; for this reason, they are not shown.

**EXTRAORDINARY RECEIPTS AND EXPENDITURE**

CHF mn	Bdg. 2023	FS 2023
<b>Extraordinary receipts</b>	<b>1 558</b>	<b>310</b>
E190.0100 FINMA disgorgement of profits	-	13
E190.0107 COVID-19: repayment of loans	2	1
E190.0108 COVID-19: repayment of loans to cultural entities	0	2
E190.0112 COVID-19: repayment of SFL/SIHF loans	20	26
E190.0113 COVID-19: receipts aviation support	3	2
E190.0114 COVID-19: reimbursement increase in indirect press subsidies	-	0
E190.0115 COVID-19: repayment of financial assistance	-	5
E190.0118 Extraordinary SNB profit distribution	1 333	-
E190.0120 Extraordinary RUAG distributions	200	200
E190.0122 Extraordinary receipts risk prem. liquidity assistance loan	-	61
<b>Extraordinary expenditure</b>	<b>5 700</b>	<b>1 070</b>
A290.0136 COVID-19: compensation for local transportation	-	0
A290.0144 Ukraine: contributions to cantons	1 700	1 070
A290.0145 Rescue mechanism electricity industry	4 000	-
E190.0121 Withdrawal from COVID-19 provisions	-	0

The two debt brake control statistics for the ordinary and extraordinary budgets (compensation account and amortization account) show whether or not receipts and expenditure are in balance over the longer term. Shortfalls have to be made up again. The amortization account has a large deficit mostly as a result of coronavirus-related expenditure, and Parliament has extended the deadline for balancing it to 2035, or 2039 at the latest (Art. 17e of the FBA).

**COMPENSATION ACCOUNT BALANCE**

CHF mn	FS 2019	FS 2020	FS 2021	FS 2022	FS 2023
Compensation account balance at 31.12. of preceding year	25 563	27 770	29 000	23 500	20 477
Structural fiscal balance credit/debit	2 206	1 230	0	-1 574	-434
Compensation account reduction (as per federal decree)	-	-	-5 500	-1 449	-
<b>Compensation account balance at 31.12.</b>	<b>27 770</b>	<b>29 000</b>	<b>23 500</b>	<b>20 477</b>	<b>20 043</b>

The balance of the compensation account was adjusted retroactively at the end of 2022

**AMORTIZATION ACCOUNT BALANCE**

CHF mn	FS 2019	FS 2020	FS 2021	FS 2022	FS 2023
Amortization account balance at 31.12. of preceding year	2 871	4 339	-9 789	-20 276	-26 456
Extraordinary expenditure	-	14 672	12 331	3 998	1 070
Extraordinary receipts	541	125	1 535	1 592	310
Structural fiscal balance credit	928	419	309	-	-
Amortization account reduction (as per federal decree)	-	-	-	-3 774	-
<b>Amortization account balance at 31.12.</b>	<b>4 339</b>	<b>-9 789</b>	<b>-20 276</b>	<b>-26 456</b>	<b>-27 216</b>

The balance of the amortization account was adjusted retroactively at the end of 2022

The balances of the compensation account and amortization account at year-end 2022, including the reductions of 1.4 billion and 3.8 billion, are now 20.5 billion and -26.5 billion, respectively (previously 21.9 bn and -22.7 bn). The reductions are submitted to Parliament for approval in the federal decree on the 2023 financial statements (see volume 1A, section F, draft FedD I).

The cumulative changes in provisions and accruals and deferrals from the time the compensation account was set to zero (2007) and the amortization account was introduced (2010) up to 2022 are relevant for the adjustment. Consequently, the tables concerning the compensation account and the amortization account show the 2022 figures without the FBA amendment (unchanged figures according to the 2022 financial statements of March 2021), as well as the cumulative adjustment in the separate row “as per federal decree” as of year-end 2022. For information on the derivation of the adjustments, see section 72, Compensation and amortization account adjustment.

**COMPENSATION AND AMORTIZATION ACCOUNT ADJUSTMENT AS OF YEAR-END 2022**

With the 2023 financial statements, the balances of the compensation account and amortization account as of the end of 2022 have been retroactively adjusted to the amendment of the Financial Budget Act to “simplify and optimize budget management” (in accordance with Art. 66c of the FBA). These concern primarily provisions and accruals and deferrals, which are subject to the debt brake from 2023 onward.





