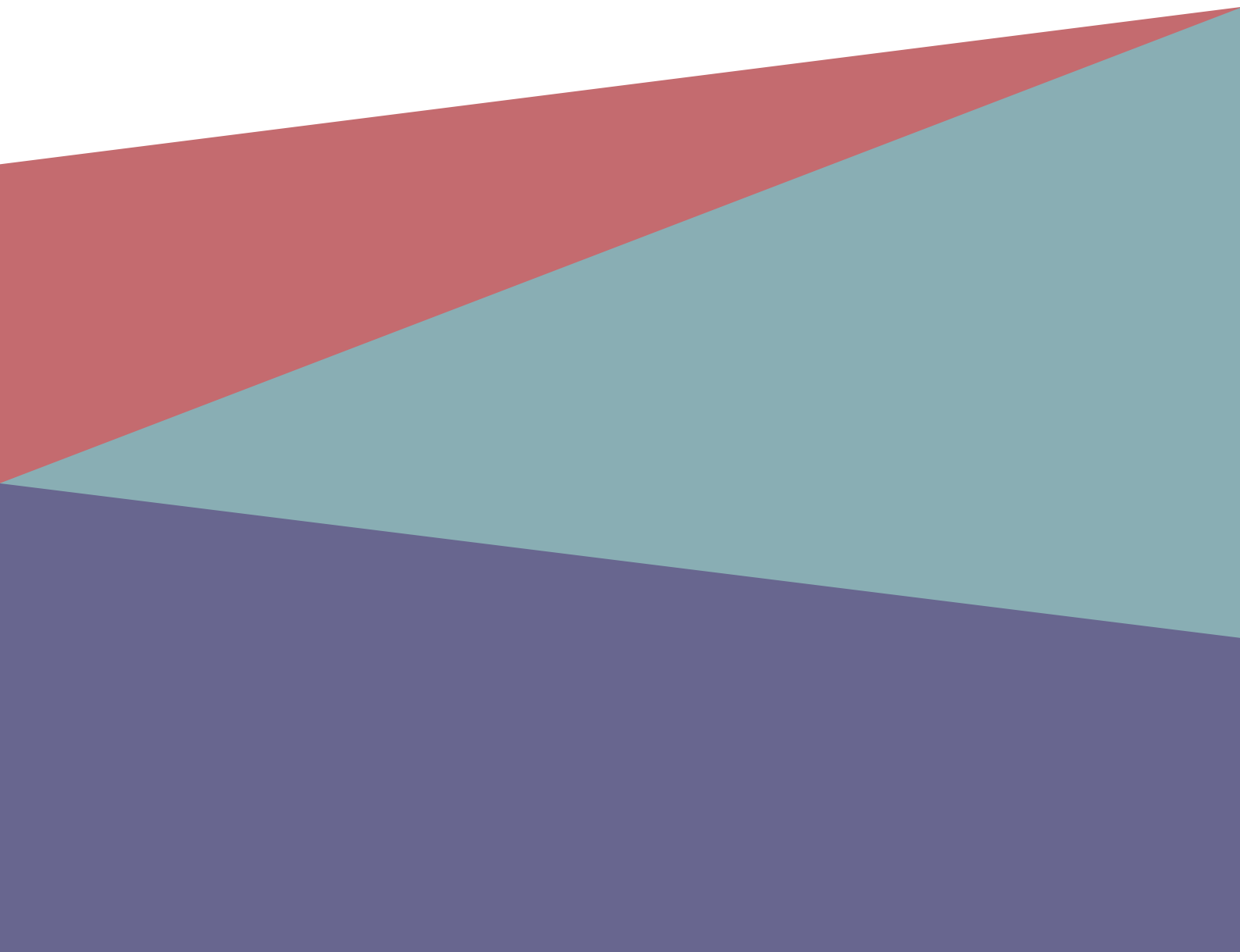




ETH BOARD

FINANCIAL REPORT OF THE ETH BOARD ON THE ETH DOMAIN 2024



Rounding differences: The figures presented in this document may not correspond precisely to the total amounts presented in the tables. Changes are calculated on unrounded amounts and may differ from a figures that is based on the rounded amounts presented in the tables.

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Commentary on the financial year

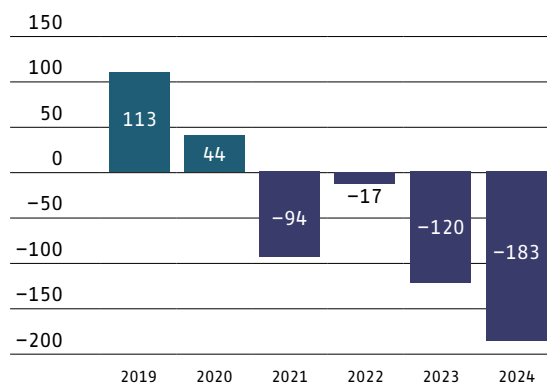
Financial challenges for the ETH Domain

Thanks to the long-term support of the Federal Government, the institutions in the ETH Domain have been able to maintain their leading position on the national and international stage and develop solutions for the challenges facing society and the economy over many decades.

This leeway has come under pressure in recent times, which is also reflected in this year's result. Despite once again increasing revenue from third-party funding in 2024, the ETH Domain ended the year with a deficit of CHF -144m (2023: CHF +23m). Since 2021, the ETH Domain's liquidity has decreased each year because the **free cash flow** has consistently been negative. Both ongoing operations and necessary investments are putting a strain on the ETH Domain's financial resources. A key factor in this development is the real decline in federal funding for the ETH Domain: inflation has not been fully offset in recent years. At the same time, the number of students is growing much faster than the available resources – a challenge that further increases the financial pressure.

The ETH Domain has responded to this challenge. The institutions of the ETH Domain have already implemented internal cost-saving measures and used their reserves as a stopgap (see Outlook on p. 10).

Development of free cash flow of the ETH Domain in CHF millions



Free cash flow is an important key figure in liquidity planning and corresponds to cash flow from operating activities less the net effect of additions/disposals of tangible fixed assets and intangible assets. It shows the funds that are freely available after deducting expenses for operating activities and investments. For the fourth year in a row, it is negative in the ETH Domain, i.e. expenses exceed revenues, resulting in a continuous cash outflow.

Savings programmes and waiver measures to strengthen financial stability

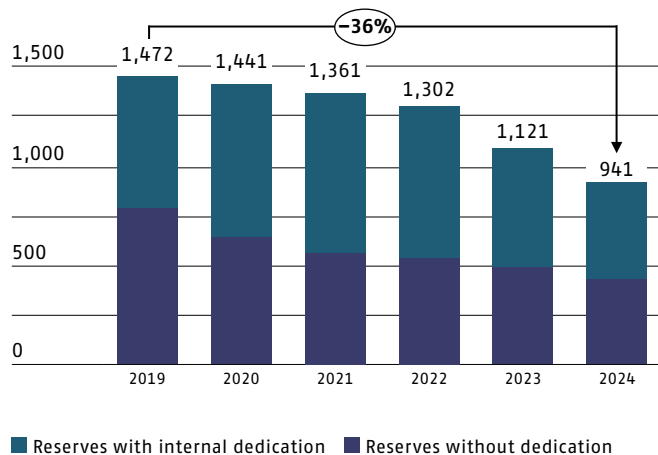
In 2023 and especially in 2024, cost-cutting programmes were introduced in the ETH Domain without which the outflow of money would have been even more marked. In some organisational units, for example, vacant positions were not refilled. Infrastructure budgets were cut at a number of institutions of the ETH Domain, including for cross-divisional functions such as modernisation of the IT infrastructure. In the area of real estate, for example, the planned renovation and conversion of the Polyterrace at ETH Zurich was abandoned, as was the planned replacement building in Birmensdorf at WSL.

Effects on the ETH Domain's reserves

The cost-cutting programmes and measures that have been introduced will partially close the funding gaps. The ETH Domain is currently reducing reserves that it had earmarked for other investments. Funds are being released from the reserves to finance the annual net cash outflows, which also contributes to achieving the target of reducing reserves in the ETH Domain.

The **reserves** of the ETH Domain have been reduced by 36% to CHF 941m in total since 2019 (as at 31 December 2024). These funds, which are largely dedicated reserves, are being invested in teaching, research, infrastructure and administration. They are actively managed and are used in a targeted manner for strategic focus areas and the realisation of large-scale research infrastructure projects. A significant portion of the **reserves without dedication** is already budgeted for investments in buildings, such as the Advanced Science Building (ASB) and the Coupole at EPFL, as well as for building renovations.

Development of reserves of the ETH Domain in CHF millions



Compact consolidated financial statements

Basis of accounting

The consolidated financial statements of the ETH Domain comprise the statement of financial performance, balance sheet, cash flow statement, statement of changes in equity and the Notes. They have been prepared and audited in accordance with the International Public Sector Accounting Standards (IPSAS).

It is based on the concept of consumption of resources: The revenue and expenses are accrued to the period to which they belong. In addition to the financial performance, the financial statements also show the financial position and the net assets.

The Federal Assembly decides on both the expenditure and the investment credit recognised in net lending/borrowing for the ETH Domain. The latter is not recognised in the consolidated financial statements, as explained below.

Ownership arrangements of the ETH Domain's real estate

The consolidated financial statements reflect the actual legal ownership of the ETH Domain's real estate: Most of the real estate used by the ETH Domain is owned by the Federal Government and is therefore not included in the ETH Domain's financial statements.

The Federal Government has transferred the management of the state-owned real estate used to the ETH Domain. Investments triggered and monitored by the ETH Domain in the state-owned real estate concerned are explained in the Annual Report from page 80 onwards. The investment credit for the state-owned real estate and the federal financial contribution (expenditure credit) are shown under total federal contribution from the expenditure ceiling (see Annual Report, p. 112 et seq.). This therefore comprehensively reflects the political control of the ETH Domain exercised by the Federal Government.

In contrast, in the consolidated financial statements of the ETH Domain, the total federal contribution (see Note 7) is made up of the federal financial contribution and the federal contribution to accommodation. For the use of this real estate owned by the Federal Government, a rent in the same amount is recognised under other operating expenses so that these two items cancel each other out in the surplus or deficit.

Investments in immovable assets owned by the ETH Domain, most of which are leasehold improvements, were financed from the federal financial contribution and form part of the consolidated financial statements.

Comparability with previous years and special events

The financial statements do not contain any fundamental changes that would have a material impact and are therefore comparable with previous years.

In August 2024, Credit Suisse Asset Management (Schweiz) AG (deregistered on 30 August 2024 and taken over by UBS Asset Management Switzerland AG) announced the early reversion of the STCC to the Federal Government in January 2025. The payment to the notary was made as per the agreement in December 2024. As a result of the reversion, the federal financial contribution received by EPFL was reduced, and the purchase amount of CHF 141m for the acquisition of the STCC was reallocated to the investment credit. EPFL offset this reduction by releasing an equal amount from its reserves to finance its operating activities. Given the date determined for the reversion, the STCC was revalued in 2024. The residual value after revaluation corresponded to the purchase value of the building, which was contractually defined with Credit Suisse Funds AG (deleted from the commercial register on April 30, 2024 after the transfer of assets and liabilities to UBS Funds Switzerland AG as a result of a merger).

Surplus/deficit

The reporting period closed with a loss of CHF -144m (2023: profit of CHF 23m). This is made up of the operating result of CHF -195m (2023: CHF -16m), net finance income of CHF 37m (2023: CHF 30m) and the result of the associated entities of CHF 14m (2023: CHF 8m). A substantial portion of the loss is connected to the purchase of the STCC (see preceding section).

Operating revenue and total revenue

Operating revenue decreased by CHF –67m relative to the previous year to CHF 3,862m (2023: CHF 3,929 m). Total revenue, which includes income from financing activities and investments, was also down, falling by CHF –54m to CHF 3,913m (2023: CHF 3,967m).

Federal financing, the total federal contribution (see Note 7), is the main component of the operating revenue. It consists of the federal financial contribution of CHF 2,449m (2023: CHF 2,535m) and the federal contribution to accommodation of CHF 203m (2023: CHF 195m). Compared with the previous year, the total federal contribution decreased by a total of CHF –78m.

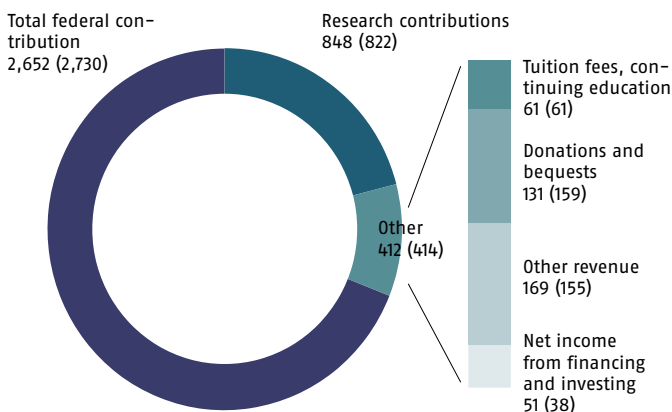
Total revenue from third-party funding (see Notes 8, 9, 10, 11, 15 and 20) increased by CHF 25m to CHF 1,261m. The reasons for this were higher research contributions and increases in the income from financial activities and investments. The share of third-party funds relative to total revenue stood at 32%.

Revenue from research contributions, mandates and scientific services increased by CHF 26m to CHF 848m (2023: CHF 822m). Projects financed via the transitional measures of the Federal Government were up by CHF 59m year on year.

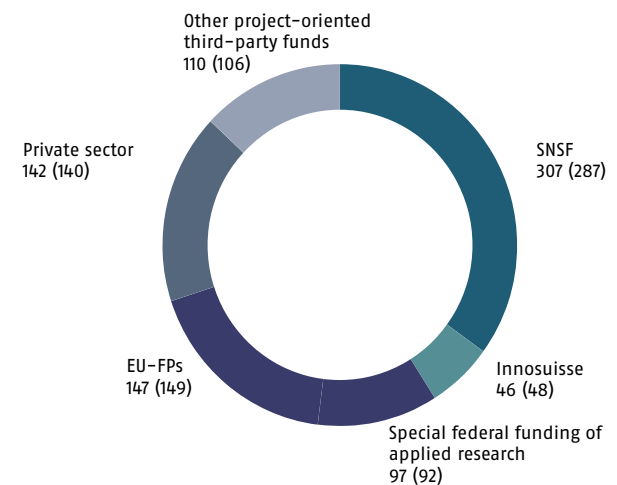
Obtained grants – research projects competitively acquired (separate key figure off the balance sheet)

In 2024, the ETH Domain raised a total of CHF 514m in competitive funding*, of which CHF 142m (2023: CHF 163m) originated from the transitional measures of the Federal Government (total in 2023: CHF 495m, 2022: CHF 492m and 2021: CHF 388m). The SNSF allocated CHF 357m, some CHF 3m more than in 2023. Transitional measures accounted for CHF 48m of this amount (2023: CHF 83m). The projects funded by Innosuisse declined by CHF 8m; of the total of CHF 43m, there was no more financing from transitional measures in 2024 (2023: CHF 1m). Grants for EU FP projects increased by CHF 23m and stood at CHF 114m, with transitional measures accounting for CHF 94m of this figure (2023: CHF 80m).

Total revenue in 2024 in CHF millions
CHF3,913m (previous year: CHF3,967m)



Research contributions in 2024 in CHF millions
CHF 848m (previous year: CHF 822m)



* It should be noted that double counting is possible for these values due to the structure of the leading house contracts contained therein.

Operating expenses

In total, operating expenses rose by CHF 113m year on year to CHF 4,057m in the reporting period. While expenses for energy (including water and waste disposal) in the ETH Domain, for example, were reduced, personnel expenses and depreciation increased.

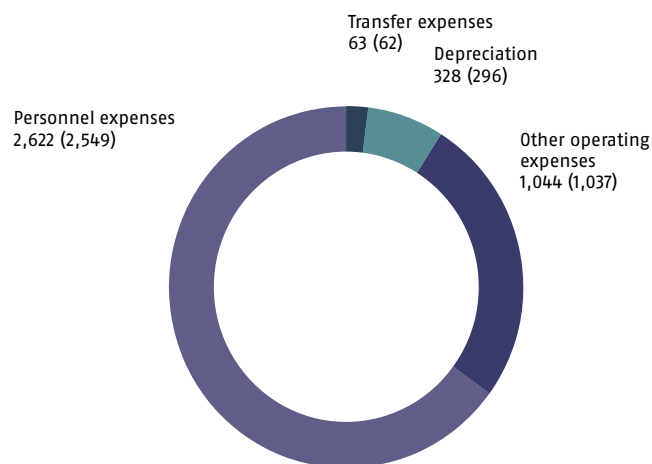
Personnel expenses are the largest item of expense, with a relative share of 65% of total operating expenses (in 2024 and 2023). They rose against 2023, in part due to the inflation adjustment, by a total of CHF 73m to CHF 2,622m. Salaries and wages and net pension costs increased by CHF +45m and CHF +26m, respectively.

At CHF 1,044m, other operating expenses were higher than in the previous year (2023: CHF 1,037m). Energy costs (including water and disposal) were reduced by CHF 17m to CHF 130m in the ETH Domain. In contrast, the cost of premises for external rental expenses, maintenance, repairs and upkeep of real estate increased by CHF 16m.

As investments were again higher than in the previous year, depreciation expenses increased to CHF 328m (CHF +32m). Transfer expenses remained at the prior year's level (2024: CHF 63m; 2023: CHF 62m).

Detailed information on operating expenses can be found in Notes 12 to 14 as well as in Note 21.

Operating expenses in 2024 in CHF millions
 CHF 4,057m (previous year: CHF 3,944m)



Consolidated balance sheet and equity

Total assets of the ETH Domain were up CHF 97m or 1% on the previous year. The increase resulted in particular from the rise in financial assets and receivables. In the case of cash and cash equivalents and short-term financial investments, shifts led to a reduction on the one hand, but on the other hand they led to an increase in short-term financial investments. Property, plant and equipment remain on a par with the previous year.

Equity declined in the reporting period due to a decrease in the revaluation reserves from net defined benefit liabilities (CHF –117m, for details, see Note 28 Defined benefit plans). Together with the deficit of CHF –144m, equity amounted to CHF 2,871m, CHF 261m less than in the previous year.

Property, plant and equipment and investments

Property, plant and equipment account for around one-third of the total assets (31 December 2024: CHF 2,137m). In 2024, CHF 334m was capitalised in property, plant and equipment. Examples of larger investments include:

- **ETH Zurich:** In the area of information and communication technology, CHF 58m was invested in the hardware extensions for the high-performance computer HPCN/Alps. In movable property, plant and equipment, technical/scientific equipment such as the two microscopes CryoPlasmaFIB Arctis and Zeiss Xradia Versa 630 were purchased for CHF 4m with third-party funding. In terms of immovable non-current assets, ETH Zurich recorded in 2024 a 22% drop in new investments with respect to leasehold improvements and assets under construction, which totalled CHF 44m (2023: CHF 56m). CHF 4m was invested in leasehold improvements for the HPT conversions at the Hönggerberg campus (Department of Biology). Other noteworthy leasehold improvements included the investments in the new construction / user expansion of the HPQ lab and office building at the Hönggerberg campus (Department of Physics and Technology Platforms, CHF 3m) and in the new construction of the HRZ Data Centre and the renovation of the FMG laboratory building (Agricultural Sciences), CHF 2m each.
- **EPFL:** In the area of movable property, plant and equipment, technical/scientific equipment was purchased, including a Krios G4 300kV electron microscope (Centre Dubochet, CHF 6m) and additional electro-physical and medical devices (BioSpec consoles) for the Center of Biomedical Imaging (CHF 2m), both of which were financed in combination with third-party funds of CHF 5m. For IT hardware, EPFL invested CHF 8m in two additional servers for SCITAS scientific IT and application support and IC-IT support and services as well as a Nexus 9300 Series IT network for the Infrastructure and Maintenance IT unit.
- **PSI:** PSI invested the majority of the acquisitions in technical equipment such as the user-specific expansion of the large-scale research facilities SLS 2.0 (CHF 32m).
- **WSL:** Investments were made in machinery / IT hardware (CHF 1.0m) and leasehold improvements (CHF 0.3m).
- **Empa:** Purchase of technical/scientific equipment for CHF 3m. For the leasehold improvements, Empa invested an additional CHF 2m in the Master Plan Research Campus Empa Eawag.
- **Eawag:** Eawag purchased various pieces of technical/scientific equipment for CHF 1m and invested another CHF 5m in the laboratory conversion in 2024.

Detailed information on property, plant and equipment can be found in Note 21.

Outlook

Financial and strategic decisions

The ETH Domain is facing a financially tense future. The funding cuts proposed by the Federal Government as part of the 2027 austerity programme will further exacerbate the financial situation. For the 2025–2028 ERI period, the total federal contribution can therefore be expected to either stagnate or decline in real terms. While income is stagnating, expenses are continuing to increase – and this financial imbalance is forcing the ETH Domain to make substantial sacrifices.

No new professorships are expected to be created at the two universities in the coming years, despite increasing student numbers. As a consequence, the staff–student ratio will continue to deteriorate. Measures to limit student numbers remain an issue or are being implemented.

In terms of research infrastructures, planned upgrades such as the ESUP beam line at PSI will be realised later than planned. The institutions are having to postpone or cut back research projects and programmes. In this context, in March 2024 the ETH Board had to suspend planned tenders for the Joint Initiatives in the Strategic Areas of Human Health, Advanced Materials and Key Technologies and Responsible Digital Transformation for the 2025–2028 ERI period. This will have consequences for Switzerland in its capacity as a location for science and technology.

Diversification of the funding base is becoming increasingly important in the current situation. Funds from private foundations and donations make a valuable contribution in this regard, accelerating the implementation of strategic projects and giving new impetus to the topic-focused expansion of teaching and research, but they are subject to considerable fluctuation.

Further substantial reduction in reserves expected

Despite the sacrifices made and the increased diversification of the financing sources, the decline in the reserves will continue against the backdrop of the funding cuts. Over the next three years, the ETH Domain expects a further reduction of well over 50% in funding for the implementation of strategic programmes and investments in operationally necessary infrastructure construction and renovation measures that are essential to meet the needs of cutting-edge research and the growth in student numbers.

After that, the budget must be rebalanced as a matter of urgency. The ETH Domain needs a minimum level of reserves, not just to protect itself against risks and finance deficits, but also to be able to react to strategic opportunities and challenges in a targeted manner.

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Consolidated financial statements

Consolidated statement of financial performance

Table 1: Statement of financial performance of the ETH Domain (consolidated)

CHF millions	Notes	Budget 2024	Actual 2024	Actual 2023	Change to Actual absolute
Federal financial contribution		2,449	2,449	2,535	-86
Federal contribution to accommodation		203	203	195	8
Total federal contribution	7	2,652	2,652	2,730	-78
Tuition fees, continuing education	8	62	61	61	-
Swiss National Science Foundation (SNSF), regular research funding		304	278	272	6
Swiss National Science Foundation (SNSF), transitional measures Confederation		n/a	29	15	14
Swiss Innovation Agency (Innosuisse), regular research funding		46	45	47	-2
Swiss Innovation Agency (Innosuisse), transitional measures Confederation		n/a	1	1	-
Special federal funding of applied research, regular research funding		94	87	90	-3
Special federal funding of applied research, transitional measures Confederation		n/a	10	2	8
EU Framework Programmes for Research and Innovation (EU FPs), regular research funding		130	65	106	-40
EU Framework Programmes for Research and Innovation (EU FPs), transitional measures Confederation		n/a	81	43	38
Industry-oriented research (private sector)		144	142	140	2
Other project-oriented third-party funding (incl. cantons, municipalities, international organisations)		105	110	106	4
Research contributions, mandates and scientific services	9	823	848	822	26
Donations and bequests	10	109	131	159	-28
Other revenue	11	134	169	155	14
Operating revenue *		3,780	3,862	3,929	-67
Personnel expenses	5, 12, 28	2,595	2,622	2,549	73
Other operating expenses	13	1,014	1,044	1,037	7
Depreciation	21, 23	321	328	296	32
Transfer expenses	14	38	63	62	-
Operating expenses		3,968	4,057	3,944	113
OPERATING RESULT		-189	-195	-16	-179
NET FINANCE INCOME/EXPENSE *	15	9	37	30	7
Share of surplus/deficit of associated entities and joint ventures *	20	-	14	8	6
SURPLUS (+) OR DEFICIT (-)		-180	-144	23	-166
Total revenue *		3,788	3,913	3,967	-54

Consolidated balance sheet

Table 2: Balance sheet of the ETH Domain (consolidated)

CHF millions	Notes	31.12.2024	31.12.2023	Change absolute
CURRENT ASSETS				
Cash and cash equivalents	16	633	1,061	-428
Current receivables from non-exchange transactions	17	775	697	79
Current receivables from exchange transactions	17	54	65	-10
Current financial assets and loans	22	1,401	1,124	277
Inventories	18	13	12	1
Prepaid expenses and accrued income	19	77	60	17
Total current assets		2,953	3,018	-65
NON-CURRENT ASSETS				
Property, plant and equipment	21	2,137	2,136	1
Intangible assets	21	64	60	4
Non-current receivables from non-exchange transactions	17	1,242	1,098	144
Non-current receivables from exchange transactions	17	-	-	-
Investments in associated entities and joint ventures	20	267	254	14
Non-current financial assets and loans	22	84	80	4
Co-financing	23	100	105	-4
Total non-current assets		3,894	3,732	162
TOTAL ASSETS		6,847	6,750	97
LIABILITIES				
Current liabilities	24	223	217	7
Current financial liabilities	25	152	17	135
Accrued expenses and deferred income	26	213	200	13
Short-term provisions	27	98	97	1
Short-term liabilities		687	531	156
Dedicated third-party funds	29	1,942	1,697	245
Non-current financial liabilities	25	239	373	-134
Net defined benefit liabilities	28	596	497	99
Long-term provisions	27	511	519	-8
Long-term liabilities		3,289	3,087	202
Total liabilities		3,976	3,618	358
EQUITY				
Valuation reserves		392	508	-117
Reserves from associated entities	20	267	254	14
Donations, grants, co-financing		1,050	1,024	26
Other equity		1,162	1,346	-184
Total equity		2,871	3,133	-261
TOTAL LIABILITIES AND EQUITY		6,847	6,750	97

Consolidated statement of changes in equity

Table 3: Statement of changes in equity for the ETH Domain (consolidated)

CHF millions	Valuation reserves	Reserves from associated entities	Donations, grants, co-financing	Other equity				Accumulated surplus (+)/ deficit (-)	Total equity
				Teaching and research reserves	Infrastructure and administration reserves	Reserves with internal dedication	Reserves without dedication		
2023									
Value as of 01.01.2023	721	246	948	658	83	741	561	105	3,322
<i>Items directly recognised in equity:</i>									
Revaluation of defined benefit liability	-213								-213
Changes in investments in associated entities		-						-	-
Other changes								1	1
Total items directly recognised in equity	-213	-						1	-212
Surplus (+) or deficit (-)								23	23
Transfers in current period		8	76					-84	-
Transfer of reserves with internal dedication				-79	-40	-119	119		-
Appropriation of reserves							-180	180	-
Currency translations								-	-
Total changes	-213	8	76	-79	-40	-119	-61	119	-190
Value as of 31.12.2023	508	254	1,024	579	43	622	500	225	3,133
2024									
Value as of 01.01.2024	508	254	1,024	579	43	622	500	225	3,133
<i>Items directly recognised in equity:</i>									
Revaluation of defined benefit liability	-117								-117
Changes in investments in associated entities		-1						-	-1
Other changes								-	-
Total items directly recognised in equity	-117	-1						-	-118
Surplus (+) or deficit (-)								-144	-144
Transfers in current period		14	26					-40	-
Transfer of reserves with internal dedication				-107	-24	-132	132		-
Appropriation of reserves							-180	180	-
Currency translations								-	-
Total changes	-117	14	26	-107	-24	-132	-48	-4	-261
Value as of 31.12.2024	392	267	1,050	472	18	490	451	221	2,871

Equity fell in the reporting period from CHF 3,133m to CHF 2,871m. The decrease in equity by CHF 261m can be attributed to the deficit of CHF 144m and the decline in the revaluation reserves from net defined liabilities of CHF 117m.

Valuation reserves

The valuation reserves comprise the accumulated actuarial and investment net gains on defined benefit pension plans (CHF 392m). The revaluation loss of CHF 117m recorded during the reporting period can mainly be attributed to the changes in financial assumptions (reduction in the discount rate), which were offset by a positive return on investments (for details, see Note 28 Defined benefit plans).

Donations, grants, co-financing

Donations, grants, co-financing rose by CHF 26m. The increase primarily reflects the positive result from the asset management mandates.

Reserves with internal dedication

Reserves with internal dedication include financial commitments made by the governing bodies (ETH Board, Executive Boards and directorates) for the promotion of strategic initiatives and projects, also including federal funds received but not yet used for the strategic focus areas, joint initiatives in the focus areas and research infrastructures. The decrease in the reporting period totalled CHF 132m.

At ETH Zurich, reserves were mainly reduced for the HPCN/Alps Supercomputer, for progress with the ETH+/Open ETH programme, for scientific equipment at the BSS site and for initially funded professorships. Reserve funds were also appropriated in connection with investments for the SLS 2.0 upgrade and the ESUP project at PSI, for activities at NEST, the modular research and innovation building at Empa, and for the laboratory conversion at Eawag. New commitments were recorded at Empa for the establishment of a professorship for environmental sensing technologies and at EPFL for the S4S (Solutions for Sustainability) initiative.

Reserves without dedication

The reserves without dedication were reduced by CHF 48m in the reporting period. The reduction was related to the financing of the acquisition of the Swiss Tech Convention Center (STCC) by EPFL (see Note 4 Management judgements for details). By contrast, delays in construction projects at ETH Zurich and Eawag led to a temporary increase in reserves via the credit reallocation from the investment to the expenditure credit (see explanations in Note 5 for details of the credit reallocation). At PSI, reserves increased due to remaining balances from third-party-funded projects.

Furthermore, as was the case in previous years, a significant share of the total federal contribution was invested in movable and immovable assets. As a result, there were fewer federal funds available for operating activities and for the increased operating costs, which contributed to the decline in the reserves.

Accumulated surplus/deficit

The accumulated surplus of CHF 221m as of 31 December 2024 is the total residual amount of total equity less the equity items shown separately. It includes the undistributed earnings (surplus) from previous years, the negative restatement from the transition and adjustments to IPSAS, the increase/decrease in donations, grants, co-financing, the reserves from associated entities and the appropriation of reserves during the year.

Consolidated cash flow statement

Table 4: Cash flow statement of the ETH Domain (consolidated)

CHF millions	Notes	2024	2023	Change absolute
CASH FLOWS FROM OPERATING ACTIVITIES				
Surplus (+) or deficit (-)		-144	23	-166
Depreciation	21, 23	328	296	32
Share of surplus/deficit of associated entities and joint ventures	20	-14	-8	-6
Net finance income/expense (non-cash)	15	-39	-33	-5
Increase/decrease in net working capital		-66	-16	-51
Increase/decrease in net defined benefit liabilities	28	-18	-36	18
Increase/decrease in provisions	27	-6	-87	80
Increase/decrease in non-current receivables	17	-138	-48	-90
Increase/decrease in dedicated third-party funds	29	245	57	187
Reclassifications and other (non-cash) income		9	70	-61
Cash flows from operating activities		156	218	-63
CASH FLOWS FROM INVESTING ACTIVITIES				
Investments				
Purchase of property, plant and equipment	21	-329	-332	3
Purchase of intangible assets	21	-12	-9	-3
Increase in co-financing	23	-	-	-
Increase in loans	22	-176	-	-176
Increase in current and non-current financial assets	22	-585	-85	-500
Total investments		-1,101	-425	-676
Divestments				
Disposal of property, plant and equipment	21	2	3	-1
Disposal of intangible assets	21	-	-	-
Decrease in co-financing	23	-	-	-
Decrease in loans	22	45	-	45
Decrease in current and non-current financial assets	22	469	552	-83
Total divestments		516	555	-39
Cash flows from investing activities		-585	130	-715
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in short-term and long-term financial liabilities	25	11	4	7
Decrease in short-term and long-term financial liabilities	25	-10	-12	2
Cash flows from financing activities		1	-8	9
Total cash flow		-429	341	-770
Cash and cash equivalents at the beginning of the period	16	1,061	721	340
Total cash flow*		-429	341	
Cash and cash equivalents at the end of the period	16	633	1,061	-428
Net effect of currency translation on cash and cash equivalents		1	-1	2
Contained in the cash flows from operating activities:				
Dividends received		8	5	3
Interest received		7	2	5
Interest paid		-11	-8	-3

* Year 2024 included reclassifications to current financial assets and loans of CHF 314m (2023: from current financial assets of CHF 508m)

Notes to the consolidated financial statements

1 Business activity

The ETH Domain includes the two Federal Institutes of Technology ETH Zurich and EPFL, and the four research institutes Paul Scherrer Institute PSI, the Swiss Federal Institute for Forest, Snow and Landscape Research (WSL), Swiss Federal Laboratories for Materials Testing and Research (Empa), and the Swiss Federal Institute of Aquatic Science and Technology (Eawag). The six institutions are public law organisations of the Swiss Confederation with a legal personality. The ETH Domain also includes the Board of the Swiss Federal Institutes of Technology (ETH Board) as the strategic governing and regulatory body, and the Internal Appeals Commission of the ETH.

Detailed information on the business activity, management and reporting of the ETH Domain is provided in the chapter on Governance (see Annual Report, p. 35 et sqq.).

2 Basis of accounting

These financial statements are consolidated financial statements covering the reporting period from 1 January 2024 to 31 December 2024. The reporting date is 31 December 2024. The report is prepared in Swiss francs (CHF). All figures are shown in millions of Swiss francs (CHF million) unless indicated otherwise.

Legal basis

The legal basis of ETH Domain's accounting is formed of the version of the following (including directives and regulations) in effect in the reporting period:

- Federal Act on the Federal Institutes of Technology of 4 October 1991 (ETH Act; SR 414.110) (Systematische Rechtssammlung, SR; classified compilation of the Swiss federal law)
- Ordinance on the Domain of the Swiss Federal Institutes of Technology of 19 November 2003 (Ordinance on the ETH Domain; SR 414.110.3)
- Ordinance on the Finance and Accounting of the ETH Domain of 5 December 2014 (SR 414.123)
- Accounting Manual for the ETH Domain (version 7.2)

Accounting standards

The annual consolidated financial statements of the ETH Domain have been prepared in accordance with the International Public Sector Accounting Standards (IPSASs). The underlying accounting provisions are set out in the Accounting Manual for the ETH Domain (Art. 34, Ordinance on the Finance and Accounting of the ETH Domain).

IPSAS issued but not yet applied

The following IPSAS were issued before the reporting date.

Standard	Title	Effective Date
IPSAS 43	Leases	01.01.2025
IPSAS 44	Non-current Assets Held for Sale and Discontinued Operations	01.01.2025
IPSAS 45	Property, Plant and Equipment	01.01.2025
IPSAS 46	Measurement	01.01.2025
IPSAS 47	Revenue	01.01.2026
IPSAS 48	Transfer Expenses	01.01.2026
IPSAS 49	Retirement Benefit Plans	01.01.2026
	Improvements to IPSAS 2023	01.01.2026*
	Concessionary Leases and Other Arrangements Conveying Rights Over Assets (amendments to IPSAS 43, IPSAS 47 and IPSAS 48)	01.01.2027
IPSAS 50	Exploration for and Evaluation of Mineral Resources	01.01.2027
	Stripping Costs in the Production Phase of a Surface Mine (Amendments to IPSAS 12)	01.01.2027

* Effective date for changes that may have an impact on the ETH Domain

The above-mentioned standards and improvements to the IPSAS have not been applied early in these annual consolidated financial statements. The ETH Domain is currently analysing the expected impacts of the following standards on the annual consolidated financial statements:

- IPSAS 43 Leases introduces a standardised approach for lessees to account for leases, whereby for each lease an asset is to be recognised for the rights to use the leased assets and a liability is to be recognised for the payment obligations entered into. Practical expedients may be applied for leased assets of low value and for short-term leases. The standard also includes various practical expedients for the first-time application. In contrast to the previous disclosure of expenses from operating leases, depreciation on rights of use and interest expenses from the compounding of interest on lease liabilities will be recognised in the future. The ETH Domain expects that the first-time application of IPSAS 43 will have a significant impact on the annual financial statements of the ETH Domain. However, the analyses as of 31 December 2024, have not yet been completed, which is why it is not yet possible to make a reliable estimate of the effects of applying IPSAS 43. For short-term leases (less than twelve months), application relief is used. The accounting rules for lessors remain largely unchanged.

As of January 1, 2025, existing finance leases will be carried over, with all other conditions remaining the same. Contracts previously classified as operating leases will generally be capitalised and recognised as liabilities in the amount of the present value of the future residual lease payments. Due to the resulting balance sheet extension, non-current assets and liabilities will increase. At the date of initial application, the balance sheet surplus/deficit is not expected to change materially due to the transition options adopted by the ETH-domain.

In contrast to the previous disclosure of expenses from operating leases, the income statement will in future show depreciation of rights of use and interest expenses from the compounding of lease liabilities, which will cause a time lag in the recognition of expenses from leases. We expect this effect to increase lease expenses in the 2025 annual result.

In the cash flow statement, the cash flow from operating activities will be higher and the cash flow from financing activities lower due to the change in the disclosure of lease expenses from previous operating leases.

- IPSAS 44 Non-current Assets Held for Sale and Discontinued Operations governs the accounting and measurement of assets held for sale and specifies the presentation and disclosure of discontinued operations.
- IPSAS 45 Property, Plant and Equipment replaces the previous standard on the same topic, IPSAS 17. The new standard includes an additional measurement model (“current operational value”). The standard also introduces the requirement to recognise and disclose heritage assets that qualify as items of property, plant and equipment.
- IPSAS 46 Measurement introduces principles for initial and subsequent measurements that apply to all IPSAS. The standard provides comprehensive guidance on fair value measurement. It also introduces a new additional measurement model (“current operational value”), which provides an alternative measurement basis for certain public sector assets.
- IPSAS 47 Revenue replaces the previous standards IPSAS 9 Revenue from Exchange Transactions, IPSAS 11 Construction Contracts and IPSAS 23 Revenue from Non-Exchange Transactions. Under the new standard, revenue transactions are classified into binding and non-binding arrangements. A binding agreement is an agreement that confers both rights and obligations on the parties that can be enforced by legal or equivalent means. The difference between the two categories affects both the time at which the revenue is recognised and the recognition of assets and liabilities that are associated with revenue transactions. The ETH Domain expects that the requirements in the standard that relate to classification and presentation of revenue transactions in particular will have an impact on the ETH Domain's balance sheet.
- IPSAS 48 Transfer Expenses contains provisions on the recognition and disclosure of transfer expenses and thus closes an existing gap in the IPSAS. As is the case with IPSAS 47 Revenue, the standard is based on the concept of binding agreements. The recognition of transfer expenses depends on whether the transaction includes an enforceable right to the fulfilment of the obligations (by the recipient of the transfer). Such an enforceable right is recognised by the transferor and subsequently recognised as an expense when the enforceable right expires.
- Concessionary Leases and Other Arrangements Conveying Rights Over Assets has led to amendments to IPSAS 43, IPSAS 47 and IPSAS 48. Among other things, these amendments address the application of these standards to agreements for the use of property, plant and equipment that are given without consideration or at below market terms.

3 Accounting policies

The accounting policies are derived from the basis of accounting. The annual consolidated financial statements present a true and fair view of ETH Domain's financial position, financial performance and cash flows.

The consolidated financial statements are based on historical cost. Exceptions to this rule are described in the following presentation of the accounting principles.

Consolidation

The annual consolidated financial statements of the ETH Domain comprise the financial statements of the two Federal Institutes of Technology, the four research institutes, the ETH Board, as well as the financial statements of all the entities over which the aforementioned institutions or the ETH Board exercise direct or indirect control. The carrying amounts of investments in associated entities are also included in the consolidated financial statements.

Control means that, through its involvement with the entity, the institution or the ETH Board has the power to direct the relevant activities of the entity and thus the ability to affect the nature and amount of benefits. At the same time, the controlling entity is exposed, or has rights, to variable benefits. The institution or the ETH Board normally has control if it directly or indirectly holds more than 50% of the voting rights or potential voting rights of the entity. These entities are fully consolidated.

Entities are consolidated on the basis of the single-entity financial statements of the institutions, the ETH Board and the controlled entities. Receivables, liabilities, revenue and expenses from transactions between the consolidated entities as well as ownership interests and unrealised intra-economic entity surpluses are eliminated on consolidation. All financial statements are prepared in accordance with uniform policies and normally at the same reporting date. Due to time constraints, it is sometimes necessary to use prior-year financial statements for controlled entities rather than the financial statements as at 31 December of the reporting period. The prior-year financial statements used make up an insignificant portion of the consolidated financial statements of ETH Domain and are adjusted for significant transactions between the prior-year reporting date and 31 December of the reporting period.

Investments in entities newly acquired in the course of the reporting period are included in the annual consolidated financial statements if they meet the consolidation criteria and exceed the thresholds defined in the Ordinance on the Finance and Accounting of the ETH Domain two years in succession. Entities which are sold are included up until the date on which control is lost, which is usually the date of disposal.

There are no non-controlling interests to consider or report in the ETH Domain.

Associated entities are entities where the institution or the ETH Board has significant influence, but not control. The institution or the ETH Board normally has significant influence over an associated entity if it holds a 20% to 50% share of the voting rights. These investments are not consolidated, but are instead accounted for using the equity method and recognised as investments in associated entities. Under the equity method, the value of the investment corresponds to the acquisition value, which is subsequently adjusted for any changes in the net assets of the associated entity. An overview of the controlled and associated entities can be found in section 35 Relationships with controlled and associated entities.

Currency translation

Transactions in a currency other than the functional currency are translated using the exchange rate at the transaction date.

At the reporting date, monetary items in foreign currencies are translated at the closing rate and non-monetary items using the exchange rate at the transaction date. The resulting currency translation differences are recognised as finance income or finance expense.

Assets and liabilities of controlled entities with a different functional currency are translated at the closing rate, and the statement of financial performance and cash flow statement at the average rate. Translation differences arising on the translation of net assets and statements of financial performance are recognised in equity.

The principal currencies and their exchange rates are:

Table 5: Principal currencies

Currency	Unit	Closing rate as of		Average rate	
		31.12.2024	31.12.2023	2024	2023
EUR	1	0.9389	0.9298	0.9524	0.9717
USD	1	0.9063	0.8418	0.8801	0.8988
GBP	1	1.1364	1.0716	1.1251	1.1171
SGD	1	0.6642	0.6378	0.6588	0.6692

Revenue recognition

Each inflow of funds is assessed to determine whether it is an exchange transaction (IPSAS 9) or a non-exchange transaction (IPSAS 23). In the case of an exchange transaction (IPSAS 9), the revenue is generally recognised when the goods are delivered or the services rendered. For project agreements, the performance obligation not yet performed is allocated to liabilities. The revenue is recorded and reported by reference to the stage of completion of the project, based on the costs incurred in the reporting period.

In the case of a non-exchange transaction (IPSAS 23), a distinction is made between whether or not there is a performance or repayment obligation. If there is such an obligation, the corresponding amount is recognised as a liability at inception of the agreement and released to surplus or deficit according to the stage of completion based on the resources consumed.

If there is neither an exchange nor a performance or repayment obligation in accordance with IPSAS 23, revenue is recognised in surplus or deficit in full in the reporting period and net assets/equity increased accordingly. This is usually the case with donations.

Revenue and costs for construction contracts (IPSAS 11) are booked as at the reporting date as income and expenses corresponding to the project's progress. Income is valued at the actual value of the received or pending exchange transaction. The cost calculation for expenses is based on systematic and appropriate methods. Construction contracts with a negative balance are displayed as debt, those with a positive balance as assets.

Revenue is structured as follows:

Total federal contribution

The contributions granted by the Federal Government to the ETH Domain include the federal financial contribution (in the narrower sense) and the federal contribution to accommodation. Both types of revenue are classified as non-exchange transactions (IPSAS 23). Federal contributions are recognised in the year in which they are paid. Unused funds from federal financial contributions result in reserves under equity.

The contribution to accommodation is equal to the accommodation expense, which is equal in amount to an imputed rent for the buildings owned by the Federal Government and used by

the institutions of the ETH Domain. Accommodation expense is reported within other operating expenses.

Tuition fees, continuing education

Revenue from tuition fees, cost contributions to continuing education and further training as well as administration fees is classified as an exchange transaction (IPSAS 9). As a rule, revenue is accounted for on an accrual basis when the goods are delivered or the services rendered.

Research contributions, mandates and scientific services

Project-related contributions are given to the institutions of the ETH Domain by various donors with the aim of promoting teaching and research. Project financing primarily relates to multi-year projects. Depending on the nature of the contributions, they are classified as either an exchange or a non-exchange transaction.

Donations and bequests

Revenue from donations and bequests is classified as a non-exchange transaction (IPSAS 23). Such grants where there is no conditional repayment risk are usually recognised as revenue in full when the agreement is signed.

Donations also include goods and services in-kind, which are distinguished as follows:

- **Goods In-kind** are recognised as assets in accordance with the applicable provisions when the agreement is signed.
- **Donated rights** to use assets in the sense of an operating lease are recognised as revenue and expense. Donated rights to use assets in the sense of a finance lease are measured at their fair value at inception of the agreement, if this is known, and depreciated over their useful life. If a performance obligation exists, it is stated as a liability and revenue recognised annually according to the services received. If there is no performance obligation, revenue is recognised upon recognition of the asset as a whole.
- **Services In-kind** received are not recognised but are instead disclosed and commented upon in the Notes if they are material.

Due to the high number and the difficulty in elicitation, separability and measurement of rights of use and services in-kind within research agreements, these are not recognised. There is only a general description of the research activity in the Notes section.

Other revenue

Among other items, other revenue includes other service revenue and real estate revenue. This revenue is classified as an exchange transaction (IPSAS 9). As a rule, revenue is accounted for on an accrual basis when the goods are delivered or the services rendered.

Cash and cash equivalents

Cash and cash equivalents comprise cash-in-hand, demand and term deposits with financial institutions and funds invested with the Federal Government if their total term or the remaining term to maturity at the time of acquisition is less than 90 days. Cash and cash equivalents are measured at their nominal amount.

Receivables

Receivables from exchange (from goods and services) and non-exchange transactions are presented separately in the balance sheet.

In the case of receivables from non-exchange transactions (IPSAS 23), such as on SNSF and EU projects and from other donors, it is probable that there will be an inflow of funds in relation to the total contractual project volume. Therefore, the total amount of the project is usually recognised as a receivable at inception of the agreement if the fair value can be measured reliably. If the

recognition criteria cannot be met, information is disclosed under contingent assets. Non-current receivables of over CHF 10m are stated at amortised cost using the effective interest method. Current receivables are stated at cost.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method. Appropriate value adjustments are recognised for slow-moving inventories.

Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation. They are depreciated over their estimated useful life using the straight-line method. The estimated useful lives are as follows:

Table 6: Useful life of the asset categories

Asset category	Useful life ETH Zurich/EPFL	Useful life Research Institute and ETH Boards
Immovable assets		
Property	unrestricted	unrestricted
Leasehold improvements up to CHF 1m	10 years	10 years
Leasehold improvements from CHF 1m	according to components	according to components
Buildings and structures	according to components ¹	according to components ¹
Biotopes and geotopes	unrestricted	unrestricted
Movable assets		
Machinery, equipment, tools, devices	5 years	5–10 years
Passenger vehicles, delivery vehicles, trucks, aircraft, ships, etc.	5 years	4–7 years
Furnishings	5 years	5–10 years
IT and communication	3 years	3–7 years
Large scale research plants and equipment	–	10–40 years ²

¹ Useful life depends on the type of building, its purpose and the fabric of the building (20–100 years). Assets under construction are not depreciated.

² This practice is deviated from in exceptional cases.

Capitalised leasehold improvements and installations in leased premises are depreciated over the estimated useful life or over the term of the lease if shorter.

In the event of additions to property, plant and equipment with a purchase value of CHF 1m or above, components with a purchase value that is significant in relation to the total purchase value are recognised and depreciated separately based on their specific useful life (components approach).

Investments that have future economic benefits or are of public interest over several years and can be measured reliably are recognised as assets and depreciated over the estimated useful life.

The residual value of property, plant and equipment that is scrapped or sold is derecognised at the time of the asset's physical disposal. The gains or losses resulting from the derecognition of an item of property, plant and equipment are recognised as operating revenue or operating expenses.

Movable cultural items and works of art are not recognised as assets. An inventory of these items is kept.

Intangible assets

Intangible assets are recognised at cost. Standard software is amortised over three years using the straight-line method. Other intangible assets with an amortisation period required to be determined individually are amortised over their estimated useful life using the straight-line method.

Impairments of non-financial assets (property, plant and equipment and intangible assets)

Property, plant and equipment and intangible assets are reviewed annually for indications of impairment. If specific indications are identified, an impairment test is performed. If the carrying amount permanently exceeds the value in use or net realisable value, an impairment is recognised in surplus or deficit in the amount of the difference. If the main purpose of an investment is to generate a commercial return, the impairment is calculated using IPSAS 26 (Impairment of cash-generating assets). For all other investments, any impairment is calculated in accordance with the provisions of IPSAS 21 (Impairment of non-cash-generating assets). The main criteria for the judgement are the original motives behind the respective investments and the significance of the planned cash inflows.

Financial assets

The ETH Domain recognises loss allowances for expected credit losses (ECL) for financial assets which are valued at amortised cost. The ETH Domain measures the loss allowances on receivables in the amount of the expected credit losses over the term (simplified approach). The amount of the loss allowance is measured in the amount of the 12-month credit loss to be expected on the following financial instruments (three-level approach):

- Loans which have a low default risk at the balance sheet date and
- bank deposits for which the default risk has not significantly increased since initial recognition.

Loss allowances for receivables from non-exchange transactions and for receivables from exchange transactions will be measured in the amount of the expected lifetime credit loss (simplified approach) using a loss allowance matrix for portfolios of receivables. In some individual cases, a receivable cannot be assigned to a portfolio and is therefore assessed separately. The probability of default is based on experience, supplemented where possible with currently observed data and an assumption of future development. No loss allowance will be recognised for the share for which a performance obligation according to IPSAS 23 is still recorded on the balance sheet.

In determining whether the default risk of a financial asset has significantly increased since the initial recognition, and in estimating expected credit losses, the ETH Domain takes into account appropriate and reliable information, which is relevant and available without undue expenditure of time and money. This comprises both quantitative as well as qualitative information and analyses which are based on previous experiences of the ETH Domain and well-founded assessments, including forward-looking information, where possible. Among other things, the ETH Domain assumes that the default risk of a financial asset has significantly increased if it is overdue by more than 30 days.

Presentation of the loss allowance for expected credit losses in the balance sheet

Impairments on financial assets which are measured at amortised cost are deducted from the gross book value of the assets.

Acceptance of loss allowance

The gross book value of a financial asset will be derecognised if the ETH Domain, after reasonable assessment, does not assume that the financial asset is achievable either completely or in part. For this purpose, the ETH Domain carries out an individual estimate of the time and amount of the acceptance of the loss allowance. Here, the ETH Domain fundamentally expects that collection of the financial asset is possible. If the ETH Domain does not expect any significant redemption, the amount will be used and the asset derecognised.

Leases

Leases for real estate, equipment, other movable assets and vehicles where the ETH Domain substantially assumes all the risks and rewards incidental to ownership are treated as finance leases. At inception of the lease, the assets and liabilities under a finance lease are recognised at the fair value of the leased property or, if lower, the present value of the minimum lease payments. Each lease payment is apportioned between the reduction of the outstanding liability and the finance charge. The reduction is deducted from the recognised lease liability. The depreciation of the leased goods occurs over whichever is the shorter of the useful life or the lease term, if the transfer of ownership is not certain by the end of the lease term.

Other leases where the ETH Domain acts as the lessee or lessor are recognised as operating leases. They are not carried in the balance sheet, but instead recognised as an expense in the statement of financial performance on an accrual basis.

Long-term leases of real estate are assessed separately depending on whether they are for plots of land or buildings.

Financial assets and loans

At initial recognition, a financial asset will be classified and measured as follows in the ETH Domain:

- At amortised cost (AC):
 - These are debt instruments that are held in order to collect contractual cash flows which are exclusively principal and interest payments. These include primarily loans and fixed deposits.
 - Originated loans and fixed deposits are stated either at amortised cost (nominal value of less than CHF 10m, and current loans and fixed deposits of over CHF 10m) or at amortised cost using the effective interest method (non-current loans and fixed deposits of over CHF 10m).
 - The amortised costs are reduced by impairment expenditure. Interest earnings, foreign exchange gains and losses as well as impairments will be recognised in surplus or deficit. A gain or loss from derecognition will be recognised in surplus or deficit
- At fair value through surplus or deficit (FV statement of financial performance):
 - The financial assets held for trade purposes as well as derivative financial instruments are recognised at fair value through surplus or deficit. Fluctuations in value and dividends will be recognised in surplus or deficit.

Investment property

Investment property is only reported separately if it is material. Otherwise, it is recognised in the balance sheet as property, plant and equipment and disclosed accordingly.

Co-financing

Co-financing is third-party funding acquired by the ETH Domain that is used to finance construction projects in property owned by the Federal Government.

Co-financing is measured based on the valuation of the underlying property, which the Federal Government recognises at cost less accumulated depreciation. A property's ongoing depreciation reduces the value of the co-financing to the same degree as the underlying property.

Co-financing is reported with the same amounts on both the assets and the equity and liabilities side (in equity) of the balance sheet.

Current liabilities

Current liabilities are usually recognised on receipt of the invoice. This item also includes current accounts with third parties (including social insurance institutions). Current liabilities are measured at their nominal amount.

Financial liabilities

Financial liabilities include monetary liabilities resulting from financing activities as well as negative replacement values from derivative financial instruments. Monetary liabilities are usually interest-bearing. Liabilities that are due for repayment within twelve months of the reporting date are current. They are generally measured at amortised cost. Derivative financial instruments are measured at their fair value.

Provisions

Provisions are recognised when a past event gives rise to a present obligation, an outflow of resources is probable and the amount can be estimated reliably.

Defined benefit plans

Net defined benefit liabilities presented in the balance sheet are measured in accordance with the methods IPSAS 39. They correspond to the present value of the defined benefit obligations (DBO), less the fair value of the plan assets. A description of the pension scheme and the insured persons of the ETH Domain can be found in Note 28 Defined benefit plans.

The defined benefit obligations and the service costs are determined annually by external experts using the actuarial valuation method Projected Unit Credit-method. The calculation is made based on information about the beneficiaries (salary, vested benefits, etc.) and using both demographic (retirement rates, disability rates, mortality rates, etc.) and financial (salary or pension trends, returns, etc.) assumptions. The amounts calculated are discounted to the valuation date by applying a discount rate. Changes in estimates of economic conditions can significantly affect defined benefit obligations.

The defined benefit obligations were measured based on the current membership base of the ETH Domain's pension scheme as of 31 October 2024, using actuarial assumptions as of 31 December 2024 (e.g. BVG 2020 actuarial tables), and the plan provisions of the ETH Domain pension scheme. The results were then adjusted using estimated pro rata cash flows as of 31 December 2024. The fair value of the plan assets is used including estimated performance as of 31 December 2024.

The inclusion of risk sharing in the measurement of pension liability occurs in a two-level judgement and requires the definition of additional assumptions. As with the other financial and demographic assumptions, these assumptions are from the employer's perspective. In the first step, it will be checked whether a structural funding gap based on BVG currently exists or may arise. If this is the case, any performance measures (conversion rate reduction and accompanying measures such as the contribution of retirement assets, adjustment of amounts) will be taken into consideration in the calculations. Any funding gap based on IPSAS that may remain will be split up mathematically in a second step between employer and employee.

The assumption is that the employer's share of the financial shortfall is limited to 64% as per the current scale for regulatory savings contributions. The employee share is distributed according to the past and future expected service years at a flat rate in an acquired and outstanding share. The part that has already been acquired reduces the cash value of the employer's pension liability while the outstanding part reduces the future service costs of the employer.

Effects from plan amendments that relate to risk-sharing assumptions have no longer been recognised on the statement of financial performance since the introduction of risk sharing, but rather are recognised directly in equity as part of the revaluation of the liability.

Any net pension plan asset from a defined benefit plan will be recognised at the lower value from the excess cover (after deduction of employee's contribution of 50%) and the cash value of an economic benefit in the form of refunds or reductions of future contribution payments ("asset ceiling").

Current service cost, past service cost resulting from plan amendments, gains and losses on settlement, administrative costs and interest on the net defined benefit liabilities are presented in the statement of financial performance within personnel expenses.

Plan amendments and settlements are recognised immediately in surplus or deficit in the period in which they occur provided they result in vested benefits.

Actuarial and investment gains and losses on defined benefit plans are recognised directly in equity in the reporting period in which they occur.

Dedicated third-party funds

Liabilities from dedicated projects that arise from non-exchange transactions (IPSAS 23) are presented in the balance sheet as dedicated third-party funds. They are allocated solely to non-current liabilities because the projects usually last for several years and the current portion of the liability cannot be determined in most cases due to the nature of the projects.

They are measured based on the outstanding performance obligations at the reporting date, which are calculated from the total contractual project volume less services performed up to the reporting date.

Equity

Net assets/equity is the residual interest in the assets of an entity after deducting all its liabilities. In the ETH Domain, equity is structured as follows:

Valuation reserves (recognition in equity):

This position contains revaluation reserves for net defined benefit liabilities. Actuarial and investment gains and losses on defined benefit obligations or plan assets are recognised in equity.

Reserves from associated entities

This position contains reserves from the inclusion of the proportional equity from the associated entities valued according to the equity method. These reserves cannot be accessed directly and they are dedicated.

Donations, grants and co-financing

This item includes unused third-party funds from donations and bequests as well as from other grants that have conditions attached, but are not required to be classified as liabilities.

These funds are exclusively from non-exchange transactions (IPSAS 23). The result generated from the management of third-party funds and the reserves for fluctuations in the value of the securities portfolio (risk capital) are also allocated to this category. Further information on co-financing can be found in the section "Co-financing".

Reserves with internal dedication

- **Teaching and research reserves:** this item indicates that various internal commitments exist and appropriate reserves are recognised to cover them. They comprise reserves for teaching and research projects. These also include appointment commitments i.e. funds granted to newly elected professors under contractual arrangements for the purpose of setting up their professorship.
- **Infrastructure and administration reserves:** these include reserves for delayed construction projects and for dedicated savings for specific infrastructure projects and administration projects.

Reserves without dedication

Funds for which there are no contractual or internal provisions in accordance with IPSAS are presented as reserves without dedication. They are not restricted in terms of time or purpose. Reserves must have been generated. They are recognised and released within the equity.

Accumulated surplus/deficit

The accumulated surplus/deficit shows the cumulative results at the reporting date. It comprises the surplus/deficit carried forward, the surplus/deficit for the period and increases or decreases (transfers in current period) in donations, grants and co-financing as well as reserves from associated entities and the allocations to and releases from the reserves (appropriation of reserves).

The surplus/deficit carried forward changes annually as part of the appropriation of surplus/deficit. The surplus/deficit for the period includes the portion of the result not yet distributed. If currency translation differences arise on foreign, fully consolidated entities on consolidation, they are recognised in equity, without affecting surplus or deficit.

Contingent liabilities and contingent assets

A contingent liability is either a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of an uncertain future event not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because of its low probability of occurrence or because the obligation cannot be measured reliably, as a result of which the criteria for recognising a provision are not met.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of an uncertain future event not wholly within the control of the entity.

Financial commitments

Financial commitments are presented in the Notes if they are based on events prior to the reporting date, they will definitely lead to obligations to third parties after the reporting date and their amount can be measured reliably.

Cash flow statement

The cash flow statement shows the cash flows from operating activities, investing activities and financing activities. It is presented using the indirect method, i.e. cash flows from operating activities are based on the surplus or deficit for the period, adjusted for the effects of transactions of a non-cash nature. Total cash flow represents the change in the balance sheet item Cash and cash equivalents taking account of foreign currency effects during the consolidation of foreign investments.

Segment reporting

The two sub-consolidated Federal Institutes of Technology, the four research institutes and the ETH Board are defined as segments in the ETH Domain. The segments reflect the operational independence of the institutions. The intersegment transfers are based on the cost structure.

4 Estimation uncertainty and management judgements

Estimation uncertainty in the application of accounting policies Preparation of the annual consolidated financial statements is dependent on assumptions and estimates in connection with accounting principles, where management has a certain margin of discretion. Although these estimates are based on management's best knowledge, actual results may differ from those estimates. This applies to the following items in particular:

Useful life and impairment of plant, property and equipment

The useful life of plant, property and equipment is defined and periodically reviewed bearing in mind the current technical environment and past experience. A change in the estimate may affect the future amount of the depreciation charges and the carrying amount.

Estimates that could lead to a reduction in the carrying amount (impairment) are likewise made in the course of the regular impairment test.

Provisions as well as contingent assets and liabilities

Provisions as well as contingent assets and liabilities involve a higher degree of estimation with respect to the probability and scale of cash inflows and outflows. As a result, they therefore may lead to a higher or lower cash outflow depending on the actual outcome of a past event.

Defined benefit plans

The net defined benefit liabilities and assets are calculated based on long-term actuarial assumptions for the defined benefit obligations and for the expected returns on plan assets. These assumptions may differ from actual future developments. The determination of the discount rate and future salary and pension trends and demographic development (future life expectancy, disability, likelihood of the employee leaving) and assumptions about risk sharing between employer and employee are an important component of the actuarial valuation.

Recognition of donations

The ETH Domain regularly receives donations in the form of assets. Under IPSASs, donations must be recognised initially at fair value. The determination of that fair value requires management to make estimates.

Discount rates

Uniform discount rates have been defined for use in discounting non-current receivables, liabilities and provisions. They are based on a risk-free rate and a premium for credit risk. However, because of the current interest rate situation these discounting rates are subject to some uncertainties.

Loss allowance for expected credit losses

In the measurement of the loss allowance due to expected credit losses for receivables from non-exchange transactions and for receivables from exchange transactions, the key assumptions for determining probabilities of default are subject to estimation uncertainties.

Management judgements in the application of accounting policies

Finance lease in connection with Société pour le Quartier de l'Innovation de l'EPFL (SQIE)

When accounting for the long-term lease contract of entity SQIE, EPFL applied the following significant management judgements:

- The lease is classified as finance lease because the main risks and rewards incidental to ownership are transferred to EPFL.
- The termination of the lease after 30 years was considered the most likely scenario. This hypothesis does not impose any formal obligation upon the EPFL to terminate the lease.

Finance lease in connection with Société pour le Quartier Nord de l'EPFL (SQNE)

In 2022, EPFL created the conditions for the early reversion of the Swiss Tech Convention Centre (STCC) to the Confederation. The reversion was scheduled for the period between 1 January 2024 and 31 December 2026 and financed out of EPFL's reserves. The federal parliament gave a commitment credit of CHF 146m for this in December 2022. In 2022, the lease agreement for the STCC was also reassessed on the basis of the latest possible contractual transfer date, i.e. 31 December 2026.

Credit Suisse Asset Management (Switzerland) AG (deregistered from the commercial register on August 30, 2024, with the entity's and assets and liabilities assumed by UBS Asset Management Switzerland AG) announced on August 20, 2024 the early reversion of the STCC to the Confederation in January 2025, with payment to the notary by 20 December 2024. The lease was revalued based on the specified date of reversion, and the residual value subsequently corresponded to the purchase price of the building, which was contractually agreed with Credit Suisse Funds AG (deregistered from the commercial register on 30 April 2024, with the entity's assets and liabilities assumed by UBS Funds Switzerland AG as a result of the merger). The purchase value of CHF 141m, i.e. CHF 5m less than the amount of the commitment credit of CHF 146m, also takes into account the reduction in the input tax deduction for value added tax on the construction costs. The financial obligation as at 31 December 2024 was adjusted accordingly.

The early reversion of the STCC to the federal government therefore has the following effects on the 2024 result:

1. The federal financial contribution received by EPFL has been reduced by CHF 141m. EPFL compensated for this reduction by drawing an equal amount from its reserves to finance its operating activities. EPFL's investment credit was increased by the same amount to finance the acquisition.
2. The change in the valuation of the finance lease of the STCC in 2024 due to the reversion in January 2025 has no significant impact on the annual result for 2024.

The derecognition of the STCC assets and lease liability on 6 January 2025 will not have a material impact on EPFL's annual result in 2025.

SQNE also signed a contract amendment in 2022 to extend the existing lease for the Centre de Logement (CL), which comprises a hotel, student accommodation, restaurants and retail space, by 10 years. The lease for the Centre de Logement is still classified as a finance lease, as the risks and rewards of ownership have been transferred to SQNE and the lease is long-term. Due to the 10-year lease extension, the value of the Centre de Logement as at 31 December 2022 has increased by the present value of the additional lease years. The depreciation period for building elements with a useful life of more than 30 years was extended to 40 years from 1 January 2023, which has the effect of reducing depreciation. The financial obligation was adjusted accordingly as at 31 December 2022.

Infestation of EPFL's cooling systems with quagga mussels

EPFL's cooling systems are infested with invasive quagga mussels. The cooling systems are still in operation, and EPFL has taken initial measures to ensure continued operation, but is also planning further measures to clean the systems. The cost of the entire set of measures is estimated at approximately CHF 60m. In a letter dated February 29, 2024, the Federal Council stated that, due to the current financial situation of the federal government, the ETH Domain is expected to bear these costs itself. Because these costs pertain to buildings owned by the Federal Government, which are recorded outside the ETH Domain's accounting area, and as there is also no obligating event for the ETH Domain as defined under IPSAS 19, no provision was formed in the consolidated financial statements of the ETH Domain.

Property, plant and equipment

A review of the effective useful life of the accelerator facilities at the PSI in 2019 revealed a value of 45 years. Large scale research plants and equipment is generally depreciated over a period of between 10 and 40 years. In exceptional cases, however, this can be deviated from. From a technological point of view and based on experience to date, a longer useful life is appropriate in this case.

Provisions

Provisions set aside at the PSI for dismantling the accelerator facilities and the disposal of the radioactive waste amounting to CHF 443m (previous year: CHF 449m, see Note 27 Provisions).

The amount is based on estimates of the Federal Government's and the ETH Domain's disposal costs on the basis of the cost study for deep geological disposal issued by Swissnuclear in 2021 (KS21). It was duly noted by the Federal Council on 15 December 2023. This amount corresponds to the current estimate of the total costs to be expected up to and including storage in the deep geological repository at today's value.

No inflation rate is taken into account, nor is a simultaneous discounting of the provisions being considered, as this would not allow a more reliable statement to be made. Both inflation and the expected cash outflow depend to a large extent on when final storage takes place.

The assessment of the total cost for the radioactive waste of the Federal Government is updated every five years. The provisions for the dismantling of the Confederation's nuclear facilities are managed in the Confederation's Real Estate mandate accounting system.

5 Comparison with the budget

Table 7: Statement of financial performance for the ETH Domain (consolidated) – Comparison between the 2024 statement and the final 2024 budget

CHF millions	Budget 2024			Actual 2024	Changes to B 2024 Final absolute
	Approved	Reconciliation of federal financial contribution/IPSAS effects	Final		
Federal financial contribution	2,537	-89	2,449	2,449	-
Federal contribution to accommodation	203	-	203	203	-
Total federal contribution	2,741	-89	2,652	2,652	-
Tuition fees, continuing education	62	-	62	61	-
Swiss National Science Foundation (SNSF)	304	-	304	307	3
Swiss Innovation Agency (Innosuisse)	46	-	46	46	-
Special federal funding of applied research	94	-	94	97	3
EU Framework Programmes for Research and Innovation (EU-FPs)	130	-	130	147	17
Industry-oriented research (private sector)	144	-	144	142	-2
Other project-oriented third-party funding (incl. cantons, municipalities, international organisations)	105	-	105	110	5
Research contributions, mandates and scientific services	823	-	823	848	26
Donations and bequests	109	-	109	131	22
Other revenue	134	-	134	169	35
Operating revenue	3,868	-89	3,780	3,862	82
Personnel expenses	2,611	-16	2,595	2,622	27
Other operating expenses	1,014	-	1,014	1,044	30
Depreciation	321	-	321	328	7
Transfer expenses	126	-89	38	63	25
Operating expenses	4,073	-105	3,968	4,057	88
OPERATING RESULT	-205	16	-189	-195	-6
NET FINANCE INCOME/EXPENSE	9	-	9	37	28
Share of surplus/deficit of associated entities and joint ventures	-	-	-	14	14
SURPLUS (+) OR DEFICIT (-)	-196	16	-180	-144	36

Table 8: Reallocation of funds ETH Domain, Budget 2024

	ETH Board	ETH Zurich	EPFL	PSI	WSL	Empa	Eawag	Total Credit
Status as at 01.01.2024 (federal decree Ia of 21.12.2023)	67.6	1,241.4	704.1	297.0	60.8	107.7	58.5	2,537.2
Changes:								
Credit reallocation								
Credit reallocation in favour of credit A202.0134 constructions of ETH Domain in acc. with Art. 8(8) FedD Ia	–	40.5	–136.7	–1.5	1.2	3.8	4.0	–88.7
Assignments by ETH Board:								
Strategic proposals teaching and research	–7.3	2.7	2.3	2.5	–1.6	1.0	0.4	–
Credit reallocations within Strategic Focus Areas (SFA) and Joint Initiatives (JI) within the Strategic Areas:								
Personalized Health and Related Technologies (SFA)	–11.4	6.4	3.5	1.1	0.1	0.4	–	–
Advanced Manufacturing (SFA)	–3.7	0.7	0.8	0.4	–	1.7	–	–
Data Science (SFA)	–11.3	6.1	3.0	1.4	0.4	0.4	–	–
Energy, Climate and Sustainable Environment (JI)	–11.3	4.7	2.5	2.2	0.8	0.8	0.4	–
Engagement and Dialogue with Society (JI)	–2.3	1.2	0.2	0.1	0.4	0.2	0.2	–
Various reallocations of funds	–	0.1	–	–1.2	–	1.2	–	–
Status as at 31.12.2024	20.3	1,303.9	579.6	302.0	62.0	117.3	63.5	2,448.6

The budget for 2024 approved by Parliament on 21 December 2023 includes a financing contribution in the amount of CHF 2,537m (Volume 3 of the federal decrees). The consolidated surplus or deficit of the proposed budget for 2024, according to the ETH Board's 2024 Budget Report for the ETH Domain (July 2023) amounted to CHF –196m.

The final budget for 2024 shows an adjustment compared to the approved budget for 2024, which led to the budgeted annual deficit of CHF –180m for 2024. This relates to the recognition of net pension costs of –CHF 16m under personnel expenses in accordance with IPSAS 39.

By contrast, the reallocation of funds as shown in the table above had no effect on the budgeted surplus or deficit for 2024, as revenue and expenses also changed to the same extent:

- Reallocation of funds within the ETH Domain;
- Budget-neutral credit reallocation at federal level of CHF 88.7m from the ETH Domain's financial contribution (credit A231.0181, VE 701 GS-WBF) to the ETH Domain's investment credit for buildings (credit A202.0134, VE 620 BBL) (2023: CHF 13.5m from the ETH Domain's investment credit for buildings to the ETH Domain's financial contribution). The main contributors to this credit reallocation were EPFL with CHF 137m from the financial contribution (to buy back the Swisstech Convention Center (STCC) in accordance with Art. 8(8) FedD Ia on the 2024 budget) and ETH Zurich with CHF 41m from the investment credit (due to construction delays). The reallocation was carried out on the basis of the FedD Ia between the two credits, taking into account the expenditure ceiling of the ETH Domain for 2021–2024.

In the budgeting process, those entities controlled or significantly influenced by ETH Zurich, EPFL and the PSI are not included in the consolidated financial statements. This leads to one of the discrepancies between the annual financial statement and the budget for 2024.

The other figures in the final 2024 budget reflect the approved budget in accordance with the 2024 Budget Report issued by the ETH Board for the ETH Domain.

6 Segment reporting

The two sub-consolidated Federal Institutes of Technology, the four research institutes and the ETH Board are defined as segments in the ETH Domain.

Statement of financial performance by segments

Table 9: Statement of financial performance 2024 by segments

CHF millions	2024							ETH Domain*
	ETH Zurich	EPFL	PSI	WSL	Empa	Eawag	ETH Board	
Federal financial contribution	1,304	580	302	62	117	63	20	2,449
Federal contribution to accommodation	118	49	17	3	12	3	1	203
Total federal contribution	1,422	629	319	65	130	67	21	2,652
Tuition fees, continuing education	40	19	3	-	-	-	-	61
Swiss National Science Foundation (SNSF)	148	111	19	10	11	7	-	307
Swiss Innovation Agency (Innosuisse)	22	11	2	-	9	-	-	46
Special federal funding of applied research	42	20	10	14	8	7	-	97
EU Framework Programmes for Research and Innovation (EU FPs)	73	55	4	3	11	1	-	147
Industry-oriented research (private sector)	65	57	8	-	11	1	-	142
Other project-oriented third-party funding (incl. cantons, municipalities, international organisations)	52	43	11	6	7	2	-	110
Research contributions, mandates and scientific services	403	297	54	34	57	19	-	848
thereof transitional measures Confederation	58	47	4	2	10	1	-	121
Donations and bequests	91	37	1	-	3	-	-	131
Other revenue	44	68	67	3	9	1	-	169
Operating revenue *	2,000	1,050	443	102	199	87	21	3,862
Personnel expenses	1,298	754	291	82	129	60	11	2,622
Other operating expenses	546	301	124	21	47	21	4	1,044
Depreciation	145	90	74	2	14	2	-	328
Transfer expenses	34	28	2	2	1	-	12	63
Operating expenses	2,024	1,173	491	107	191	84	27	4,057
OPERATING RESULT	-24	-123	-48	-5	7	3	-6	-195
NET FINANCE INCOME/EXPENSE *	32	1	3	-	-	-	-	37
Share of surplus/deficit of associated entities and joint ventures	15	-1	-	-	-	-	-	14
SURPLUS (+) OR DEFICIT (-)	24	-123	-45	-5	8	3	-6	-144

* Including consolidation entries (Research contributions, mandates and scientific services: CHF -16m; Donations and bequests: CHF -1m; Other revenue: CHF -22m; Personnel expenses: CHF -3m; Other operating expenses: CHF -19m; Transfer expenses: CHF -17m)

Table 10: Statement of financial performance 2023 by segments

CHF millions	2023							ETH Domain*
	ETH Zurich	EPFL	PSI	WSL	Empa	Eawag	ETH Board	
Federal financial contribution	1,252	717	326	64	100	64	12	2,535
Federal contribution to accommodation	113	47	16	3	11	3	1	195
Total federal contribution	1,365	765	342	67	111	67	12	2,730
Tuition fees, continuing education	37	22	2	-	-	-	-	61
Swiss National Science Foundation (SNSF)	144	101	19	9	9	6	-	287
Swiss Innovation Agency (Innosuisse)	22	13	2	-	10	-	-	48
Special federal funding of applied research	40	18	10	14	7	5	-	92
EU Framework Programmes for Research and Innovation (EU FPs)	74	54	10	2	9	1	-	149
Industry-oriented research (private sector)	61	53	14	-	12	-	-	140
Other project-oriented third-party funding (incl. cantons, municipalities, international organisations)	42	45	18	7	5	2	-	106
Research contributions, mandates and scientific services	383	285	73	32	51	15	-	822
thereof transitional measures Confederation	27	26	2	1	5	-	-	62
Donations and bequests	132	23	1	-	4	-	-	159
Other revenue	39	64	60	3	9	-	-	155
Operating revenue *	1,956	1,158	479	103	175	83	12	3,929
Personnel expenses	1,261	741	283	78	122	57	11	2,549
Other operating expenses	534	323	108	21	44	20	4	1,037
Depreciation	119	82	78	2	14	3	-	296
Transfer expenses	29	32	2	2	1	-	12	62
Operating expenses	1,942	1,178	471	102	181	80	27	3,944
OPERATING RESULT	14	-20	7	1	-6	3	-15	-16
NET FINANCE INCOME/EXPENSE *	27	-1	2	-	1	-	1	30
Share of surplus/deficit of associated entities and joint ventures	9	-1	-	-	-	-	-	8
SURPLUS (+) OR DEFICIT (-)	50	-21	10	1	-6	3	-14	23

* Including consolidation entries (Research contributions, mandates and scientific services: CHF -16m; Donations and bequests: CHF -1m; Other revenue: CHF -21m; Personnel expenses: CHF -4m; Other operating expenses: CHF -17m; Transfer expenses: CHF -16m)

Balance sheet by segments

Table 11: Balance sheet as of 31 December 2024 by segments

CHF millions	31.12.2024							ETH Domain*
	ETH Zurich	EPFL	PSI	WSL	Empa	Eawag	ETH Board	
CURRENT ASSETS								
Cash and cash equivalents	286	76	75	34	82	52	28	633
Current receivables from non-exchange transactions	346	279	71	27	45	14	–	775
Current receivables from exchange transactions	21	17	16	1	3	1	–	54
Current financial assets and loans	794	427	62	40	43	34	–	1,401
Inventories	8	3	3	–	–	–	–	13
Prepaid expenses and accrued income	42	23	6	–	2	3	–	77
Total current assets	1,498	825	232	103	174	104	28	2,953
NON-CURRENT ASSETS								
Property, plant and equipment	764	502	763	11	74	24	–	2,137
Intangible assets	2	54	7	–	1	–	–	64
Non-current receivables from non-exchange transactions	831	273	121	28	41	12	–	1,242
Non-current receivables from exchange transactions	–	–	–	–	–	–	–	–
Investments in associated entities and joint ventures	222	38	7	–	–	–	–	267
Non-current financial assets and loans	5	8	4	–	1	–	73	84
Co-financing	37	57	–	–	6	–	–	100
Total non-current assets	1,862	932	902	39	123	37	73	3,894
TOTAL ASSETS	3,360	1,757	1,134	142	297	140	101	6,847
LIABILITIES								
Current liabilities	158	41	19	6	5	5	1	223
Current financial liabilities	1	152	–	–	–	–	–	152
Accrued expenses and deferred income	119	63	18	3	8	2	–	213
Short-term provisions	40	24	20	5	7	3	1	98
Short-term liabilities	317	279	57	14	19	10	2	687
Dedicated third-party funds	942	632	159	74	100	35	–	1,942
Non-current financial liabilities	24	222	–	–	–	–	66	239
Net defined benefit liabilities	285	158	79	21	34	14	4	596
Long-term provisions	31	16	455	3	4	2	–	511
Long-term liabilities	1,281	1,029	694	98	138	51	70	3,289
Total liabilities	1,598	1,308	750	112	158	60	72	3,976
EQUITY								
Valuation reserves	178	122	44	14	22	10	2	392
Reserves from associated entities	222	38	7	–	–	–	–	267
Donations, grants, co-financing	854	157	23	–	12	2	2	1,050
Other equity*	507	131	309	16	106	67	25	1,162
Total equity	1,761	448	383	30	139	80	29	2,871
TOTAL LIABILITIES AND EQUITY	3,360	1,757	1,134	142	297	140	101	6,847

* Including consolidation entries (Current assets: CHF –10m, Non-current assets: CHF –73m, Liabilities: CHF –83m)

** Details on the other equity of the ETH Domain can be found in the statement of changes in equity. Details for the individual segments are available in their published financial statements.

Table 12: Balance sheet as of 31 December 2023 by segments

CHF millions	31.12.2023							ETH Domain*
	ETH Zurich	EPFL	PSI	WSL	Empa	Eawag	ETH Board	
CURRENT ASSETS								
Cash and cash equivalents	224	507	117	44	80	55	34	1,061
Current receivables from non-exchange transactions	303	246	67	30	44	12	–	697
Current receivables from exchange transactions	23	19	20	1	4	3	–	65
Current financial assets and loans	851	127	41	34	43	29	–	1,124
Inventories	7	2	3	–	–	–	–	12
Prepaid expenses and accrued income	26	19	11	–	2	2	–	60
Total current assets	1,434	921	258	109	173	100	34	3,018
NON-CURRENT ASSETS								
Property, plant and equipment	742	522	769	11	72	20	–	2,136
Intangible assets	2	53	4	–	1	–	–	60
Non-current receivables from non-exchange transactions	732	230	107	32	45	14	–	1,098
Non-current receivables from exchange transactions	–	–	–	–	–	–	–	–
Investments in associated entities and joint ventures	207	39	7	–	–	–	–	254
Non-current financial assets and loans	6	8	3	–	–	–	69	80
Co-financing	39	60	–	–	6	–	–	105
Total non-current assets	1,729	912	889	43	124	34	69	3,732
TOTAL ASSETS	3,163	1,833	1,148	152	297	134	102	6,750
LIABILITIES								
Current liabilities	140	44	25	7	9	3	1	217
Current financial liabilities	2	15	–	–	–	–	–	17
Accrued expenses and deferred income	107	71	11	3	6	2	–	200
Short-term provisions	40	27	15	5	6	3	1	97
Short-term liabilities	290	157	51	14	21	8	2	531
Dedicated third-party funds	796	564	121	78	105	33	–	1,697
Non-current financial liabilities	17	363	–	–	–	–	62	373
Net defined benefit liabilities	238	135	65	17	28	11	3	497
Long-term provisions	29	16	465	3	4	2	–	519
Long-term liabilities	1,080	1,078	652	98	137	46	65	3,087
Total liabilities	1,370	1,235	703	113	157	54	67	3,618
EQUITY								
Valuation reserves	233	149	60	19	30	14	3	508
Reserves from associated entities	207	39	7	–	–	–	–	254
Donations, grants, co-financing	832	155	22	–	11	2	2	1,024
Other equity**	521	255	355	21	98	64	31	1,346
Total equity	1,793	599	445	40	140	80	36	3,133
TOTAL LIABILITIES AND EQUITY	3,163	1,833	1,148	152	297	134	102	6,750

* Including consolidation entries (Current assets: CHF –11m, Non-current assets: CHF –69m, Liabilities: CHF –80m)

** Details on the other equity of the ETH Domain can be found in the statement of changes in equity. Details for the individual segments are available in their published financial statements.

7 Total federal contribution

Federal financial contribution

Table 13: Federal financial contribution

CHF millions	2024	2023	Change absolute
Federal financial contribution	2,449	2,535	-86

The available funds from the approved expenditure ceiling of the ETH Domain for the years 2021–2024 are processed via the two credit items “federal financial contribution” and “investment credit for ETH Domain buildings”. While the former is assigned to the Federal Department of Economic Affairs, Education and Research (EAER), the investment credit is allocated by the Federal Department of Finance (FDF) (AU 620 FOBL).

The consolidated financial statements of the ETH Domain only include the funds from the financial contribution credit that are used by the ETH Domain for the strategic objectives set by the Swiss Federal Council with ERI Dispatch for 2021–2024 (FCD dated 21 April 2021).

The financial contribution decreased by CHF 86m or 3% compared to 2023. In 2024, funds in the amount of CHF 89m were shifted from the financial contribution to the investment credit (2023: CHF 13m from the investment credit to the financial contribution).

The financial contribution to the institutions of the ETH Domain consisted of the following:

- the **base budget** of CHF 2,326m (2023: CHF 2,389m) and
- the **strategic funds for projects in teaching and research** of CHF 126m (2023: CHF 158m) as well as
- the savings contribution for financing the **dismantling of the accelerator facilities** (CHF 11m).

The ETH Board decided to use funds from its reserves in an amount of CHF 14m (2023: CHF 23m) in order to finance the expenditure surplus budget.

The **strategic funds for projects in teaching and research** were comprised as follows:

- The strategic focus areas in research: “Personalized Health and Related Technologies”, “Advanced Manufacturing” and “Data Science” in the amount of CHF 26m (2023: CHF 29m)
- For the major research infrastructures in accordance with Objective 3 of the strategic objectives:
 - CHF 23m for the upgrade of the “Sustained scientific user lab for simulation based science” at the CSCS in Lugano of ETH Zurich (HPCN/Alps) (2023: CHF 23m);
 - CHF 22m for the consolidation of the “Blue Brain Project” at EPFL (2023: CHF 22m);
 - CHF 14m for the upgrade of the Swiss Light Source at PSI (SLS 2.0) (2023: CHF 25m);
 - CHF 3m for the development of the Catalysis Hub SwissCat+ for research into catalytic processes at ETH Zurich and EPFL (2023: CHF 3m)
- CHF 8m for the Empa site master plan (new campus facility) (2023: CHF 8m)
- CHF 14m for joint initiatives in the two strategic focus areas “Energy, Climate and Ecological Sustainability” and “Engagement and Dialogue with Society” (2023: CHF 12m)
- CHF 6m for various projects in the ETH Domain such as the “ETH Domain Quantum Technology Network” (QNet) (2023: CHF 8m for QNet, the “Quantum Matter and Materials Center” (QMMC) and the “CHART Collaboration Project”)
- A total of CHF 10m for incentive and seed capital funding for strategic proposals for teaching and research (2023: CHF 18m).

The Federal Government is **financing the dismantling of the accelerator facilities** and the disposal of radioactive components at PSI. In the reporting period, the provisions established by PSI (for activities up to and including deep geological disposal) totalled CHF 443m based on the cost study of the Federal Government from 2021 and the cost estimate of the Federal Government from 2023. The annual savings contribution remained at CHF 11m (see Note 27 Provisions).

Federal contribution to accommodation

Table 14: Federal contribution to accommodation for the ETH Domain

CHF millions	2024	2023	Change absolute
Federal contribution to accommodation	203	195	8

The federal contribution to accommodation is used to cover the expenses for the rental of real estate owned by the government. The credit is not part of the credits taking into account the expenditure ceiling of the ETH Domain. There is no cash flow. The calculations are based on the depreciation and capital costs for state-owned real estate.

The interest was increased relative to the previous year. The underlying imputed rate of return on average capital invested was 1.0% (2023: 0.75%).

8 Tuition fees, continuing education

Table 15: Tuition fees, continuing education

CHF millions	2024	2023	Change absolute
Tuition fees, continuing education	61	61	–

Tuition fees and attendance fees for studies and continuing education programmes as well as other fees are regulated in the Ordinance of the ETH Board on Fees in the Domain of Federal Institutes of Technology (SR 414.131.7).

The item tuition fees and continuing education contains all revenue received by the ETH Domain for its educational services. In the reporting period, CHF 40m (2023: CHF 37m) was attributable to ETH Zurich, CHF 19m (2023: CHF 22m) to EPFL and CHF 3m (2023: CHF 2m) to PSI.

Revenue from tuition fees for Bachelor's and Master's programmes amounted to CHF 41m (ETH Zurich: CHF 25m; EPFL CHF 16m) in the reporting year and CHF 39m in the previous year. The increase of CHF 2m relative to 2023 is related to the growth in the number of students. The number of Bachelor's and Master's students rose compared to 2023 (see Annual Report, p. 95, Fig. 5: Students and doctoral students by academic level).

Revenue from PSI came from the PSI training centre, consisting of the school of radiation protection and the PSI academy.

The total revenue also includes administration fees, in particular registration and examination fees or fees for the use of the libraries. They amounted to CHF 5m in the reporting period (2023: CHF 5m).

Tuition fees and revenue from continuing education at both ETH Zurich and EPFL equate to around 2% of the respective operating revenue in 2024.

9 Research contributions, mandates and scientific services

Revenue from research contributions, mandates and scientific services increased in 2024 by CHF 26m (3%) to CHF 848m. This includes the contributions from transitional measures of the Federal Government due to the non-association of Switzerland in the Framework Programme for Research and Innovation "Horizon Europe", which increased from CHF 62m (2023) to CHF 121m (2024).

Of the total revenue volume, CHF 670m or 79% was attributable to non-exchange transactions (IPSAS 23), generally research grants, and CHF 178m or 21% to exchange transactions (IPSAS 9), generally contract research and scientific services. Both of these shares have not changed over the years.

Table 16: Research contributions, mandates and scientific services

CHF millions	2024	of which revenues (IPSAS 23)	of which revenues (IPSAS 9)	2023	of which revenues (IPSAS 23)	of which revenues (IPSAS 9)	Change absolute
Swiss National Science Foundation (SNSF)	307	307	–	287	287	–	20
Swiss Innovation Agency (Innosuisse)	46	46	–	48	48	–	–2
Special federal funding of applied research	97	53	44	92	52	40	5
EU Framework Programmes for Research and Innovation (EU FPs)	147	147	–	149	149	–	–3
Industry-oriented research (private sector)	142	49	93	140	47	93	2
Other project-oriented third-party funding (incl. cantons, municipalities, international organisations)	110	69	41	106	72	34	4
Total research contributions, mandates and scientific services	848	670	178	822	655	167	26

Table 17: Regular research funding and transitional measures of the Federal Government

CHF millions	2024	thereof regular research funding	thereof transitional measures Confederation	2023	thereof regular research funding	thereof transitional measures Confederation	Change absolute
Swiss National Science Foundation (SNSF)	307	278	29	287	272	15	20
Swiss Innovation Agency (Innosuisse)	46	45	1	48	47	1	–2
Special federal funding of applied research	97	87	10	92	90	2	5
EU Framework Programmes for Research and Innovation (EU FPs)	147	65	81	149	106	43	–3
Total regular research funding/transitional measures Confederation		475	121		515	62	

Revenue from research contributions, mandates and scientific services corresponds to the result of research contributions and scientific services rendered in the reporting period. The revenue per fund organisation as well as the change against the previous year thus depend largely on the working progress of many projects. The trend in the individual categories is as follows:

The project revenue from the Swiss National Science Foundation (SNSF) increased by CHF 20m (+7%) to CHF 307m. This includes transitional measures of CHF 29m. Around 85% of the revenue was once again allocated to the two Federal Institutes of Technology (ETH Zurich: CHF 148m; EPFL: CHF 111m).

ETH Zurich once again received the highest share of funding from Innosuisse (2024: CHF 22m; 2023: CHF 22m), followed by EPFL (2024: CHF 11m; 2023: CHF 13m) and Empa (2024: CHF 9m; 2023: CHF 10m).

The special federal funding of applied research increased in the reporting period by CHF 5m (+5%) to CHF 97m. Of this total amount, CHF 45m went to ETH Zurich, CHF 16m to EPFL, CHF 13m to WSL and CHF 9m to Empa.

Thanks to transitional measures of the Federal Government in the amount of CHF 81m, the high implementation level of the EU-FPs for the previous year was almost maintained (2024: CHF 147m; 2023: CHF 149m). At the two universities ETH Zurich and EPFL, this revenue remained unchanged from the previous year at CHF 73m and CHF 55m, respectively.

Revenue from cooperation with the private sector rose by CHF 2m (+1%) to CHF 142m in 2024. Year-on-year increases were recorded at ETH Zurich (CHF +4m) and EPFL (CHF +3m). At PSI, revenue from the private sector declined (CHF -6m). For certain research projects, revenue depends on project progress and has proven to be volatile in a long-term comparison with corresponding fluctuations. These projects are mostly based on non-exchange contracts (IPSAS 9).

The other project-oriented third-party funding comprises contributions from the cooperation with cantons, municipalities, public-law institutions and international organisations. These increased relative to the previous year by 4% to CHF 110m. The declines at PSI (CHF -6m), EPFL (CHF 1m) and WSL (CHF -1m) were compensated for by increases at ETH Zurich (CHF +10m) and Empa (CHF +2m).

Information on receivables from non-exchange transactions and their development, as well as on dedicated third-party funding in connection with the projects financed by the relevant third-party funding category, can be found in Notes 17 and 29.

10 Donations and bequests

Table 18: Donations and bequests

CHF millions	2024	2023	Change absolute
Donations and bequests	131	159	-28

The total volume of revenue from donations and bequests fell to CHF 131m in the reporting period (2023: CHF 159m). The main reason for this was the decrease in revenue from donations (excluding rights of use and benefits in kind) at ETH Zurich of CHF 42m (-33%) to CHF 88m, in particular because a liability had to be recognised in dedicated third-party funds for various sizeable donation contracts. At EPFL, by contrast, revenue from donations and bequests (excluding rights of use and benefits in kind) increased compared to the previous year by CHF 11m (+62%) to CHF 30m.

At Empa, total revenue from donations and bequests fell from CHF 4m in the previous year to CHF 3m in 2024.

Table 19: In-kind contributions

CHF millions	2024	2023	Change absolute
Goods in-kind	-	-	-
Donated rights	9	5	4
Total in-kind contributions recognised as revenue	9	5	4
Services in-kind	-	-	-
Total in-kind contributions not recognised as revenue	-	-	-
Total in-kind contributions received	9	5	4

As in the previous year, most of the total revenue from in-kind contributions of CHF 9m arising from donated rights originated from EPFL (CHF 6m; 2023: CHF 4m). The rights of use relate to the Microcity buildings in Neuchâtel and the "Industrie 17" and "Industrie 19" buildings in Sion, which are made available to EPFL free of charge by the cantonal and city funding bodies. ETH Zurich recognised revenue of CHF 3m in relation to rights of use (2023: CHF 1m).

11 Other revenue

Table 20: Other revenue

CHF millions	2024	2023	Change absolute
Licences and patents	12	12	–
Sales	17	10	7
Refunds	5	3	2
Other services	58	57	1
Real estate revenue	40	39	2
Return subject to levy according to the ordinance on the Finance and Accounting of the ETH Domain	4	4	–
Profit from disposals (property, plant and equipment)	1	–	–
Own work capitalised	9	7	3
Other miscellaneous revenue	23	25	–2
Total other revenue	169	155	14

In the consolidated financial statements of the ETH Domain, revenue from licences and patents remained at the previous year's level of CHF 12m. While this kind of revenue fell by just under CHF 3m at EPFL, the negative effect was compensated for by increased licence revenue at ETH Zurich in particular.

Revenue from sales increased to CHF 17m. A sale in connection with the modernisation of the large research facility The Swiss Light Source (SLS) by PSI for a price of just under CHF 6m had a positive impact here.

Revenue from other services rose slightly to CHF 58m. This is revenue without a direct connection to teaching and research (promotion of science). It includes revenue from mailing orders, graphic design orders, libraries, administration, calibration, non-scientific advisory services, publicity services (sponsorship, advertising) and the use of devices.

In addition to revenue from real estate owned by the Federal Government left for use, the return subject to levy according to the Ordinance on Finance and Accounting of the ETH Domain also contains revenue from energy sales. Details of the charges paid can be found under other operating expenses in Note 13.

Revenue in connection with own work capitalised was up by CHF +3m year on year to CHF 9m. Increases were recorded at EPFL (CHF +1m) and PSI (CHF +2m) in particular.

Other miscellaneous revenue (e.g. for IT services or rental of machines and vehicles) fell slightly in comparison with the previous year to CHF 23m.

12 Personnel expenses

Table 21: Personnel expenses

CHF millions	2024	2023	Change absolute
Professors	231	227	4
Scientific personnel	1,036	1,021	15
Technical and administrative personnel, apprentices, trainees	915	889	26
IC, Suva and other refunds	-12	-12	-
Total salaries and wages	2,170	2,125	45
Social insurances OASI/DI/IC/MB	139	136	3
Net pension costs	243	216	26
Accident and sickness insurance Suva (BU/NBU/KTG)	7	7	-
Employer's contribution to Family Compensation Fund (FAK/FamZG)	33	33	-
Total social insurance schemes and pension expenses	423	393	30
Other employer contributions	1	-	-
Temporary personnel	7	8	-
Change in provisions for untaken leave and overtime	-3	-3	-1
Change in provisions for contributions to long-service awards	2	3	-
Other personnel expenses	22	23	-1
Total personnel expenses	2,622	2,549	73

The average number of full-time equivalents (FTEs) (excluding apprentices) for the ETH Domain was 20,546 in the reporting period (2023: 20,438 FTEs) and increased by 0.5%.*

Salaries and wages rose due to this growth in jobs and on account of the compensation measures decided upon by the ETH Board in line with the Federal Government for 2024 and the increase in the standard rate for doctoral students. An inflation adjustment of 1.0% was granted in the year under review. Furthermore, 1.2% of the total salary payments was at the disposal of employees under the Salary System (SS) for individual salary adjustments (on the basis of performance and experience).

The actuarially calculated net pension costs led to an increase in total personnel expenses of CHF 26m. Detailed information on the net pension costs can be found in Note 28 Defined benefit plans.

Explanations on the changes in provisions are provided in Note 27 Provisions.

* The Annual Report does not show the annual average value but rather the year-end figure. This is 20,944 FTEs (including 475 apprentices). The figure in the annual report also excludes the FTEs of the controlled entities.

13 Other operating expenses

Table 22: Other operating expenses

CHF millions	2024	2023	Change absolute
Expenses for goods and materials	153	164	-11
Premises costs	350	330	20
Energy costs	130	148	-17
IT expenses	105	106	-1
Expenses for consultations, appraisals and guest lecturers	93	88	5
Library expenses	28	29	-1
Other operating costs	185	172	13
Total other operating expenses	1,044	1,037	7

The costs for non-capitalisable material assets included in expenses for goods and materials are back at the level of recent years. The main reason for the reduction is the expired projects at ETH Zurich and PSI.

Of the premises costs, 58% (2023: 59%) comprise the accommodation expenditure for the state-owned real estate used by the institutions of the ETH Domain. Other items within the premises costs (external rental expenditure, maintenance, repairs and upkeep for real estate) increased by a total of CHF 16m. The expenditure for cleaning, janitor services and surveillance was reduced by CHF 3m.

Energy costs (including water and disposal) were cut by CHF 17m to CHF 130m. With an expenditure reduction of around CHF 24m, EPFL in particular made a significant contribution in this regard. This contrasted with an increase of CHF 5m at ETH Zurich, primarily as a result of higher energy consumption in connection with the commissioning of the new Alps Supercomputer at the CSCS.

Consisting of maintenance, administration, transport and insurance costs as well as losses on receivables and third-party service costs, other operating costs rose to CHF 185m. Causes of the increase included higher expected losses on receivables and the derecognition of assets due to a claim at ETH Zurich. As in the previous year, the charge paid to the Federal Government from the transfer of use of state-owned real estate to third parties (Art. 33a-f of the Ordinance on Finance and Accounting of the ETH Domain, VFR) was CHF 1m. The charge on the sale of energy (Art. 2b of the VFR) amounted to CHF 3m, on a par with the previous year.

14 Transfer expenses

Table 23: Transfer expenses

CHF millions	2024	2023	Change absolute
Scholarships and grants to students and doctoral students	21	26	-5
Contributions to research projects	30	23	8
Other transfer expenses	11	13	-2
Total transfer expenses	63	62	-

Transfer expenses are contributions for which no direct payment is invoiced. The decrease is attributable to a new ordinance on scholarships that limits the granting of scholarships to international students and a declining trend in applications among Swiss students.

Contributions to research projects rose to CHF 30m. ETH Zurich in particular reported higher expenses in this regard (2024: CHF 13m; 2023: CHF 7m) due to significant new contribution payments to research projects.

15 Net finance income/expense

Table 24: Net finance income/expense

CHF millions	2024	2023	Change absolute
FINANCE INCOME			
Interest income	16	21	-5
Income from investments	8	5	3
Fair value gains on financial assets	37	28	9
Foreign currency gains	15	7	7
Other finance income	-	-	-
Total finance income	76	62	14
FINANCE EXPENSE			
Interest expense	11	8	3
Other financing costs for provision of capital	-	-	-
Fair value losses on financial assets	10	5	5
Foreign currency losses	16	18	-2
Impairments	-	-	-
Other finance expense	2	1	1
Total finance expense	39	32	8
Total net finance income/expense	37	30	7

Developments on the financial markets coupled with an increase in third-party funds invested on the market led to positive net finance income, which was reduced primarily by slightly higher interest expense and foreign currency losses. Fair value gains were mainly generated by various fund investments.

Of the interest income, CHF 5m (2023: CHF 6m) was generated by the compounding of receivables and CHF 8m (2023: CHF 13m) stemmed from other interest income, which included interest on financial assets placed with the Federal Government. The interest rate on Federal Government deposit accounts was cut in the year under review, prompting some institutions to reallocate assets to asset classes with better return prospects. Both changes contributed to the year-on-year fall in interest income.

The weakening of the Swiss franc against the euro and the US dollar during the course of 2024 resulted in net foreign currency losses of CHF 1m (2023: loss of CHF 11m). In the reporting period, the foreign currency gains for assets recognised at fair value amounted to CHF 7m and foreign currency losses came to CHF 4m.

Interest expenses mainly comprise interest expenses from finance leases. Further information about finance leases can be found in Note 25 Financial liabilities.

16 Cash and cash equivalents

Table 25: Cash and cash equivalents

CHF millions	31.12.2024	31.12.2023	Change absolute
Cash	1	1	–
Swiss Post	195	183	12
Bank	48	55	–6
Short-term deposits (<90 days)	388	822	–434
Total cash and cash equivalents	633	1,061	–428

The decrease in cash and cash equivalents in the reporting period is due, in particular, to reallocations. For the purpose of generating higher interest income, EPFL reallocated CHF 294m and PSI CHF 20m to current financial assets. At EPFL, the reduction in the Federal financial contribution in connection with the early reversion of the STCC to the Federal Government led to a further decline in cash equivalents. On the other side were amounts from ETH Zurich that flowed into cash and cash equivalents. This reallocation was carried out in order both to invest in short-term time deposits for the purpose of interest optimisation and to free up liquidity to meet the increased need for funds to finance the operating business.

CHF 233m or 60% of the short-term deposits are with the Federal Treasury in accordance with the applicable agreement between the Federal Finance Administration and the ETH Domain on the treasury relationships.

17 Receivables

Table 26: Receivables

CHF millions	31.12.2024	31.12.2023	Change absolute
RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS			
Receivables from project contracts and donations	2,013	1,785	228
Other receivables	16	12	4
Loss allowance	–12	–2	–10
Total receivables from non-exchange transactions	2,017	1,795	223
of which current	775	697	79
of which non-current	1,242	1,098	144
RECEIVABLES FROM EXCHANGE TRANSACTIONS			
Trade accounts receivable	54	64	–11
Other receivables	2	2	–
Loss allowance	–1	–2	–
Total receivables from exchange transactions	54	65	–10
of which current	54	65	–10
of which non-current	–	–	–

The receivables from non-exchange transactions comprise the remaining amounts from contractually agreed project totals or from granted donations which had not been called or paid by the end of the year. Receivables from non-exchange transactions from the SNSF, Innosuisse, the private sector and donations and bequests increased in comparison with the previous year. In contrast, receivables from non-exchange transactions from EU-FPs, special federal funding of applied research and municipalities, cantons and international organisations declined. The other receivables from non-exchange

transactions essentially included the assets from the settlement with social security institutions. Explanations on the value adjustments can be found in Note 30 Financial risk management and additional information about financial instruments.

18 Inventories

Table 27: Inventories

CHF millions	31.12.2024	31.12.2023	Change absolute
Inventories purchased	13	12	1
Inventories self-produced	–	–	–
Total inventories	13	12	1

In general, the ETH Domain does not have considerable inventories or its own products to sell. The inventories consist of recurring stock items such as chemicals, laboratory materials and materials for experiments that are used in teaching and in research.

19 Prepaid expenses and accrued income

Table 28: Prepaid expenses and accrued income

CHF millions	31.12.2024	31.12.2023	Change absolute
Interest	1	1	1
Prepaid expenses	39	34	5
Other prepaid expenses and accrued income	37	25	11
Total prepaid expenses and accrued income	77	60	17

The largest deferrals for prepaid expenses concerned library expenses (CHF 10m), rental payments in advance (CHF 9m) and information technology services (CHF 9m).

In particular, other prepaid expenses and accrued income in turn include accrued income in connection with IPSAS 9 transactions (revenue from exchange transactions), which amounted to CHF 30m.

20 Investments in associated entities and joint ventures

Details about the significant associated entities can be found in the tables below. All associated entities can be found in Note 35 Relationships with controlled and associated entities.

There were no joint ventures in the ETH Domain in the reporting period.

Investments in associated entities changed as follows over the course of the year, as shown in the table below.

Table 29: Change in associated entities

CHF millions	2024	2023
As of 01.01.	254	246
Additions	–	–
Disposals	–	–
Dividends	–	–
Share of the annual surplus or deficit	14	8
Share of items directly recognised in equity	–1	–
As of 31.12.	267	254

The summarising financial information about the material associated entities is indicated below. The statements and the amounts shown there were adjusted for the purposes of recognition in accordance with the equity method with simplifications in line with the accounting practices of the ETH Domain.

Table 30: Material associated entities – aggregated financial information

CHF millions	ETH Zurich Foundation*	Albert Lück Foundation	Student Housing Foundation	Fondation Les Bois Chamblard	Fondation Campus Biotech Geneva
31.12.2024					
Reporting date used	31.12.2024	31.12.2023	31.12.2023	31.12.2023	31.12.2024
Current assets	481	8	12	9	7
Non-current assets	324	35	131	14	22
Short-term liabilities*	74	2	–	–	2
Long-term liabilities*	572	23	71	–	2
Revenue	7	5	13	–	29
Surplus (+) or deficit (-)	13	1	–	–	-1
Dividends received from the associated entity	–	–	–	–	–
31.12.2023					
Reporting date used	31.12.2023	31.12.2022	31.12.2022	31.12.2022	31.12.2023
Current assets	373	3	10	9	8
Non-current assets	333	36	136	15	24
Short-term liabilities*	51	1	5	–	4
Long-term liabilities*	509	23	70	–	3
Revenue	9	5	12	–	31
Surplus (+) or deficit (-)	8	2	1	-1	1
Dividends received from the associated entity	–	–	–	–	–

* The short and long-term liabilities of the ETH Zurich Foundation includes capital in the form of dedicated funds and liabilities arising from grants of CHF 74m (short-term, previous year: CHF 51m) and CHF 572m (long-term, previous year: CHF 509m). They are already included in ETH Zurich's equity, where they make up a significant portion of donations, grants, co-financing.

Table 31: Aggregated information for individually immaterial associated entities

CHF millions	2024	2023
Revenue	41	39
Tax expense	–	–
Surplus (+) or deficit (-)	1	1

Unrecognised share of losses of associated entities

There is no unrecognised share of losses of associated entities, either in the reporting period or on a cumulative basis.

21 Property, plant and equipment and intangible assets

Movable assets

Large-scale research plants and equipment, machinery, furnishings, vehicles:

Purchases in this category amounted to CHF 114m in the reporting period (2023: CHF 112m). At PSI, investments in 2024 were again primarily made in the large research facility The Swiss Light Source SLS (SLS 2.0 project). The other institutions also invested in technical/scientific equipment assets again in 2024. A selection of these investments are described in the chapter Report on the financial year of the ETH Domain under Property, plant and equipment on page 9.

The reclassifications of CHF 20m related to movable assets under construction or recognised advance payments for plants, which were definitely allocated to this asset category in the reporting period and will be depreciated in the future.

The decrease in purchase values of CHF 74m (2023: CHF 163m) included decommissioned, derecognised or sold assets.

The carrying amount of the accelerator facilities in the consolidated financial statements amounted to CHF 322m as at 31 December 2024 (2023: CHF 334m).

Information and communication:

The procurement of IT hardware and communication media almost doubled in the past financial year to CHF 89m (2023: CHF 46m). The two universities made a significant contribution to the increase with the purchase of additional hardware extensions for the high-performance computer HPCN/Alps (ETH Zurich) and server systems (EPFL).

Table 32: Change in property, plant and equipment and intangible assets in 2024

CHF millions	Large-scale research plants and equipment, machinery, furnishings, vehicles	Information and communication	Advance payments, movable assets under construction	Total movable assets	Property, buildings	Assets under construction	Total immovable assets	Total property, plant and equipment	Total intangible assets
PURCHASE VALUE									
Value as of 01.01.2024	3,109	412	178	3,699	1,205	188	1,393	5,092	114
Additions	114	89	59	263	13	58	71	334	12
Reclassifications	20	35	-55	-	49	-49	-	-	-
Disposals	-74	-23	-11	-108	-4	-6	-11	-118	-3
Value as of 31.12.2024	3,168	514	172	3,854	1,262	191	1,453	5,307	123
ACCUMULATED DEPRECIATION									
Value as of 01.01.2024	2,170	330	-	2,500	456	-	456	2,956	55
Depreciation	173	56	-	229	81	-	81	310	8
Impairments	-	-	-	-	-	6	7	7	-
Reversed impairments	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Disposals value adjustments	-69	-23	-	-92	-4	-6	-10	-102	-3
Value as of 31.12.2024	2,274	364	-	2,638	533	-	533	3,170	59
Balance sheet value as of 31.12.2024	894	150	172	1,216	729	191	920	2,137	64
thereof leased assets	-	-	-	-	272	-	272	272	-

Tangible assets

Most of the real estate is owned by the Federal Government, meaning it is mainly leasehold improvements that were reported. Additions for leasehold improvements were reported by ETH Zurich (CHF 4m), Empa and the EPFL Innovation Park Foundation (FEIP) (CHF 2m each) as well as EPFL (CHF 1m), among others.

Leasehold improvements under construction showed additions of CHF 58m in the reporting period. This mainly affected ETH Zurich at CHF 35m (primarily due to necessary construction activities), PSI at CHF 13m (for numerous construction activities on the renovated accelerator facility SLS 2.0 and for user-specific installations in the newly constructed Park Innovaare), Eawag at CHF 5m (for additional conversion work on the laboratory building) and EPFL at CHF 3m (for a total of five smaller structural measures on the Lausanne campus).

The cancellation of the construction project for the FEIP Ecotop building resulted in an impairment of CHF 6m for already capitalised project costs in the real estate under construction (see Note 31). The property, plant and equipment leased in the amount of CHF 272m related largely to the SQIE and SQNE entities controlled by EPFL.

Intangible assets

Intangible assets include capitalised licences, patents, rights, software and donated rights. The net carrying amount of CHF 64m consisted largely of the rights of use for the Microcity building at EPFL (CHF 44m). The additions in the reporting period related, in particular, to software acquired by EPFL, PSI, ETH Zurich, Empa and WSL.

All asset categories were depreciated using the principles described in Note 3. Possible impairments are disclosed separately in Tables 32 and 33.

Table 33: Change in property, plant and equipment and intangible assets in 2023

CHF millions	Large-scale research plants and equipment, machinery, furnishings, vehicles	Information and communication	Advance payments, movable assets under construction	Total movable assets	Property, buildings	Assets under construction	Total immovable assets	Total property, plant and equipment	Total intangible assets
PURCHASE VALUE									
Value as of 01.01.2023	3,111	380	137	3,628	1,102	240	1,342	4,969	109
Additions	112	46	97	256	16	68	84	340	10
Reclassifications	49	3	-53	-	120	-120	-	-	-
Disposals	-163	-17	-4	-184	-33	-1	-33	-217	-4
Value as of 31.12.2023	3,109	412	178	3,699	1,205	188	1,393	5,092	114
ACCUMULATED DEPRECIATION									
Value as of 01.01.2023	2,075	307	-	2,382	416	-	416	2,798	51
Depreciation	173	40	-	213	71	-	71	284	7
Impairments	-	-	-	-	-	-	-	-	-
Reversed impairments	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Disposals value adjustments	-78	-17	-	-95	-31	-	-31	-125	-4
Value as of 31.12.2023	2,170	330	-	2,500	456	-	456	2,956	55
Balance sheet value as of 31.12.2023	939	82	178	1,199	749	188	937	2,136	60
thereof leased assets				-	280		280	280	-

22 Financial assets and loans

Table 34: Financial assets and loans

CHF millions	31.12.2024	31.12.2023	Change absolute
CURRENT FINANCIAL ASSETS AND LOANS			
Securities, fixed deposits and investment funds	899	336	562
Positive replacement values	–	–	–
Other financial assets	370	786	–416
Loans	132	1	131
Total current financial assets and loans	1,401	1,124	277
NON-CURRENT FINANCIAL ASSETS AND LOANS			
Securities and fixed deposits	–	–	–
Other financial assets	83	79	4
Loans	1	1	–
Total non-current financial assets and loans	84	80	4

Current financial assets are especially financed with third-party funds that are not used immediately. On the basis of the prevailing treasury relationships agreement between the FFA and the ETH Domain, these funds are placed on the market or with the Federal Government.

Some of the third-party funds placed on the market are managed under asset management mandates with Swiss banks. The increase in the total of securities, fixed deposits and investment funds of CHF 562m to CHF 899m is attributable to various reallocations. At ETH Zurich, both transfers from Federal Government deposit accounts to money market funds for the purpose of interest optimisation and the positive performance of the asset management mandates increased the total of the securities, fixed deposits and investment funds. Reallocations from current cash equivalents at EPFL and PSI also contributed to this increase. At EPFL, current cash equivalents were also allocated to various companies owned by public bodies in the form of short-term loans.

Other current financial assets primarily include the short-term deposit accounts with the Federal Government with a total or remaining term at the time of acquisition of three to twelve months. The reduction in the total is primarily due to a reallocation to financial assets and investments and the need for liquidity for operations (see Note 16 Cash and cash equivalents).

Other non-current financial assets include investments recognised at fair value (CHF 17m) and the non-current Federal Government deposit account (CHF 66m), to which CHF 4m net was allocated. This deposit account is accumulated annually in order to finance the future dismantling of the accelerator plant at PSI (see Note 27 Provisions). The other investments mainly contain participations in spin-offs with a shareholding of less than 20% in the accounts of ETH Zurich, the ETH Board (on behalf of the ETH Domain; held in trust by EPFL), EPFL and PSI. They are measured at their fair values.

In addition to the aforementioned short-term loans of EPFL amounting to CHF 131m, current and non-current loans also include loans of CHF 2m issued to students and doctoral students and – in some cases on a concessionary basis – to spin-offs. No significant value adjustments were recognised in respect of loans.

Of the total financial assets at the end of 2024 of CHF 1,352m, CHF 436m (2023: CHF 848m) was invested with the Federal Government.

23 Co-financing

Table 35: Co-financing

CHF millions	2024	2023	Change absolute
PURCHASE VALUE			
As of 01.01.	163	163	-
Additions	-	-	-
Disposals	-	-	-
As of 31.12.	163	163	-
ACCUMULATED DEPRECIATION			
As of 01.01.	58	54	4
Depreciation	4	4	-
Disposals	-	-	-
As of 31.12.	62	58	4
Balance sheet value as of 31.12.	100	105	-4

24 Current liabilities

Table 36: Current liabilities

CHF millions	31.12.2024	31.12.2023	Change absolute
Trade payables	107	106	1
Liabilities to social insurance institutions	36	37	-
Other current liabilities	80	74	6
Total current liabilities	223	217	7

The annual changes in liabilities are due to periodic fluctuations in payment behaviour.

Trade payables at ETH Zurich rose by CHF 8m, reflecting the variability of the accounts payable revenue. By contrast, trade payables at EPFL and the four research institutes fell by CHF 7m. This reduction is the result of the constant seasonal patterns of major purchases and tranche payments due on large projects and conscious cash management towards the end of the financial year.

Other current liabilities primarily result from outstanding withholding tax liabilities vis-à-vis the cantonal tax offices.

25 Financial liabilities

Table 37: Current and non-current financial liabilities – summary

CHF millions	31.12.2024	31.12.2023	Change absolute
CURRENT FINANCIAL LIABILITIES			
Liabilities to financial institutes	–	–	–
Finance lease liabilities	146	9	137
Negative replacement values	–	2	–2
Other financial liabilities	6	6	–
Total current financial liabilities	152	17	135
NON-CURRENT FINANCIAL LIABILITIES			
Finance lease liabilities	158	300	–141
Other financial liabilities	81	73	8
Total non-current financial liabilities	239	373	–134

Table 38: Current and non-current financial liabilities – change

CHF millions	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Financial liabilities as of 01.01.	17	373	391	17	382	398
Increase in short-term and long-term financial liabilities	–	11	11	–	4	4
Decrease in short-term and long-term financial liabilities	–9	–1	–10	–12	–	–12
Total cash transactions	–9	10	1	–12	4	–8
Effect of changes in foreign exchange rates	2	–	2	3	–	3
Changes in fair values	–	–	–	–	–	–
Reclassifications	144	–144	–	12	–12	–
Other changes	–1	–	–1	–3	–	–3
Total non-cash transactions	144	–144	–	13	–13	–
Financial liabilities as of 31.12.	152	239	392	17	373	391

The finance lease liabilities decrease by the proportion of the annual lease payments paid back. Other financial liabilities include the payment commitment for the right of use received by EPFL in connection with the Microcity building, which was recognised as a finance lease (CHF 44m; 2023: CHF 46m). The annual decrease corresponds to a service received periodically and is recognised as non-cash revenue from donations.

Table 39: Finance leases

CHF millions	Future minimum leasing payments	Future financial expenses	Present value of future minimum leasing payments	Future minimum leasing payments	Future financial expenses	Present value of future minimum leasing payments
	2024	2024	2024	2023	2023	2023
Due dates						
Due within 1 year	153	7	146	18	9	9
Due within 1 to 5 years	61	32	29	195	36	160
Due after more than 5 years	199	70	129	218	78	140
As of 31.12.	413	109	304	431	122	309
			2024	2023		
LEASING EXPENSES						
Contingent lease payments expensed in period			–	–		
ADDITIONAL DETAILS						
Future revenue from sublease (from non-cancellable contracts)			32	27		

The finance leases at EPFL relate to real estate belonging to the simple partnerships SQIE and SQNE. EPFL has made various assumptions with regard to the recognition of these lease agreements, which are set out in Note 4 Estimation uncertainty and management judgements. As at 31 December 2024, finance lease liabilities of SQNE amounted to CHF 209m. Due to the reversion of the STCC to the Federal Government on 7 January 2025, the leasing liability of the STCC was revalued (CHF 141m) and reallocated to current financial liabilities. The present value of minimum lease payments at SQIE was CHF 80m as at the end of the reporting period. The lease agreements at SQIE and SQNE Centre de Logement both include a clause linking the rent to general price trends (underlying consumer price index).

The reporting of the estimated future return from subleasing from non-cancellable leases for 2023 was adjusted due to inconsistencies in the estimation method at SQNE and for contracts that were not previously taken into account at SQIE.

The finance lease for ETH Zurich concerns real estate on the Hönggerberg campus (total present value of future minimum leasing payments: CHF 15m). The building was occupied in September 2015, and the lease will run until 2045. There are no options for extension or purchase. The net rent is indexed at 80% and can be adjusted at the end of each year.

26 Accrued expenses and deferred income

Table 40: Accrued expenses and deferred income

CHF millions	31.12.2024	31.12.2023	Change absolute
Interest	–	–	–
Deferred income	142	125	17
Other accrued expenses and deferred income	71	75	–4
Total accrued expenses and deferred income	213	200	13

Deferred income especially includes service agreements and commissioned research from exchange transactions in accordance with IPSAS 9 (2024: CHF 137m; 2023: CHF 121m). Project implementation for IPSAS 9 projects led to a change in this item.

Other accrued expenses and deferred income mainly consisted of deferrals in connection with withholding taxes and with deferrals of expenses for central procurement for operations, for construction projects or for the purchase of IT equipment. The total was divided between ETH Zurich (CHF 40m), EPFL (CHF 21m), PSI (CHF 6m), Empa (CHF 3m) and Eawag (CHF 1m).

27 Provisions

Table 41: Provisions – summary

CHF millions	31.12.2024	31.12.2023	Change absolute
Provisions for untaken leave and overtime	89	93	–3
Other long-term employee benefits (IPSAS 39)	67	64	2
Dismantling	451	456	–6
Guarantees and warranties	–	–	–
Litigations	2	1	1
Other provisions	1	1	–
Total provisions	610	616	–6

Provisions for untaken leave and overtime are calculated on the basis of the actual hourly balances per employee. This employees' credit is classified as current. This provision was reduced by CHF 3m in the reporting period. The decline in this short-term provision primarily affected the universities; some of the research institutes recorded an increase. The item Other long-term employee benefits (IPSAS 39) includes the acquired long-service awards/jubilee, which are measured by independent actuaries using the projected unit credit method. The creation and appropriation of this provision are to be recognised separately.

The amount for dismantling includes CHF 443m (2023: CHF 449m) for the dismantling of the accelerator facilities and the disposal of radioactive waste at PSI (see explanations in Note 4 Estimation uncertainty and management judgements). This amount equals the current estimate of the total costs to be expected up to and including storage in the deep geological repository at today's value.

In the reporting period, PSI used CHF 6m (2023: CHF 3m) for dismantling measures and payment of the annual Nagra contribution. An amount of CHF 11m is accrued in the Federal Government deposit account each year to finance these costs.

Table 42: Provisions – change 2024

CHF millions	Provisions for untaken leave and overtime	Other long-term employee benefits (IPSAS 39)	Dismantling	Guarantees and warranties	Litigations	Other provisions	Total provisions
Value as of 01.01.2024	93	64	456	–	1	1	616
Additions to provisions	1	10	–	–	1	–	11
Reversal	–4	–2	–	–	–	–	–6
Use of provisions	–	–6	–6	–	–	–	–12
Reclassifications	–	–	–	–	–	–	–
Increase in present value	–	–	–	–	–	–	–
Value as of 31.12.2024	89	67	451	–	2	1	610
of which current	89	–	7	–	2	–	98
of which non-current	–	67	443	–	–	1	511

Table 43: Provisions – change 2023

CHF millions	Provisions for untaken leave and overtime	Other long-term employee benefits (IPSAS 39)	Dismantling	Guarantees and warranties	Litigations	Other provisions	Total provisions
Value as of 01.01.2023	95	62	544	–	1	1	703
Additions to provisions	1	11	–	–	1	–	12
Reversal	–4	–2	–84	–	–	–	–90
Use of provisions	–	–6	–3	–	–	–	–9
Reclassifications	–	–	–	–	–	–	–
Increase in present value	–	–	–	–	–	–	–
Value as of 31.12.2023	93	64	456	–	1	1	616
of which current	93	–	3	–	1	–	97
of which non-current	–	64	453	–	–	1	519

28 Defined benefit plans

Most employees and pensioners of the institutions of the ETH Domain, as well as the staff and the President of the ETH Board, are insured under the ETH Domain's pension scheme with the collective institution "Swiss Federal Pension Fund PUBLICA" (PUBLICA). There are no other significant pension schemes at the controlled entities, therefore any further statements in the text refer to the pension scheme the ETH Domain maintains at PUBLICA, except where indicated.

The net defined benefit liabilities as at December 31, 2024 include net defined benefit liabilities from other plans outside the ETH Domain's pension fund at PUBLICA amounting to significantly less than CHF 1m (2023: CHF 1m).

Legal framework and responsibilities

Legal requirements

Swiss pension plans must be managed and operated through a legally separate, trustee-administered pension institution. The law prescribes minimum benefits.

Organisation of the pension scheme

PUBLICA is an independent, state-run institution under public law.

The Board of Directors (*Kassenkommission*) is PUBLICA's most senior governing body. In addition to management, it is also responsible for the oversight and supervision of PUBLICA's Executive Board. The Board of Directors has 16 members, eight representing the insured employees and eight representing the employers, from among all the affiliated pension plans. This means that PUBLICA's most senior governing body is made up of an equal number of employee and employer representatives.

Each pension scheme has its own Parity Commission made up of equal numbers of representatives. Among other things, it is involved in concluding the affiliation contract and decides on the appropriation of any surpluses. Each Parity Commission is made up of nine employer representatives and nine employee representatives from the entities.

Benefits from the pension plans

In accordance with IPSAS 39, the pension plans are classified as defined benefit plans.

The pension solution is defined in the terms of the ETH Domain pension scheme applicable to employees and professors, which form part of the affiliation contract with PUBLICA. There are pension plans for different groups of insured persons. The different pension plans provide benefits in excess of the minimum benefits required by law in the event of disability, death, old age and departure, i.e. what are known as "enveloping" plans (obligatory and extra-ordinary benefits).

The employer and employee savings contributions are set as a percentage of the insured salary. A risk premium is charged for death and disability insurance. The administrative costs are paid by the employer.

The old-age pension is calculated from the credit balance in the retirement fund at the retirement date multiplied by the conversion rate specified in the terms. Employees have the option of drawing the retirement benefits as a lump sum. In addition, employees have the option of making additional savings contributions.

The risk benefits are determined depending on the projected savings capital, which attracts interest, and on the conversion rate.

Investment of assets

Investments are made by PUBLICA collectively for all pension schemes (with the same investment profile).

As PUBLICA's most senior governing body, the Board of Directors bears overall responsibility for asset management. It is responsible for issuing and amending the investment policy and determines the investment strategy. The Investment Committee advises the Board of Directors on investment-related issues and oversees compliance with the investment policy and strategy.

Responsibility for implementing the investment strategy rests with PUBLICA's Asset Management. Asset Management also makes tactical decisions to deviate temporarily from the investment strategy weightings in order to generate added value compared to the existing strategy. Where individual asset classes are built up or reduced over a number of years, a pro rata strategy is calculated so as to enable transactions to be diversified over time.

Risks for the employer

The Parity Commission of the ETH Domain's pension scheme made up of equal numbers of representatives can change the funding system (contributions and future benefits) at any time. The Parity Commission may collect restructuring contributions from the employer if the scheme is underfunded within the meaning of pension law (Article 44 Occupational Pension Ordinance (BVV 2)) and if other measures are without success. If these are used to fund benefits in excess of the statutory minimum, the employer must indicate their agreement with this approach.

Risk sharing (sharing of risk between insured persons and employer), which was introduced in 2020, remains unchanged (details can be found in Note 3 Accounting policies). As no structural funding gap has been identified, this year's valuation does not take into account any planned benefit adjustments (in particular no reduction in the conversion rate and no compensatory measures). Assumptions used for the valuation as at 31 December 2024 however still led to a funding gap under IPSAS, thus leading to the application of the expanded risk sharing approach.

The definitive regulatory funding ratio for the ETH Domain's pension scheme with PUBLICA in accordance with the Occupational Pension Ordinance (BVV 2) was 105.2% at the end of 2024 (2023: 99.3%). The definitive economic funding ratio for the ETH Domain's pension scheme with PUBLICA at the end of the year was 92.6% (2023: 92.2%).

Special events during the reporting period

Adjustments to the pension schemes effective from 1 January 2024 include changes to death benefits, and are considered a plan amendment. The adjustments include an increase in the level of lump-sum death benefits as well as an additional lump-sum death benefit for spouses and life partners. In addition, from 1 January 2024, child pension benefits were reduced to the standard BVG basis.

The benefits of the insurance plan were adjusted in the previous reporting period: The final age of bridging pensions for women will be gradually increased to 65 and the regulatory conversion rates for women born in 1964 or later will be aligned with those for men as of 1 January 2025. The increase in the final age of women's bridging pensions was treated as plan amendment. The adjustment of the conversion rates for women was treated as change in financial assumptions under the risk sharing approach.

Table 44: Net defined benefit liabilities/assets

CHF millions	31.12.2024	31.12.2023	Change absolute
Present value of defined benefit obligations	8,730	8,169	560
Less fair value of plan assets	-8,135	-7,673	-462
Recognised net defined benefit liabilities (+)/assets (-)	596	497	99

The overall increase in net defined benefit liabilities of CHF 99m results from an increase in the present value of defined benefit obligations and relatively lower growth of the fair value of plan assets. The decrease in the discount rate (31 December 2024: 1.0%; 31 December 2023: 1.5%) and experience variance caused the net defined benefit liabilities to increase by CHF 394m and CHF 211m, respectively. These changes were partially offset by the effect of assumptions regarding salary development and the projected interest for retirement assets, which cumulatively led to a reduction in net defined benefit liabilities of CHF 175m. Plan assets increased by CHF 276m due to the positive return on investments.

Of the total net defined benefit liabilities shown above, significantly less than CHF 1m (2023: CHF 1m) relate to pension plans outside the ETH Domain's pension fund at PUBLICA.

Table 45: Net pension costs

CHF millions	2024	2023	Change absolute
Current service cost (employer)	215	197	18
Past service cost	17	9	7
Gains (-)/losses (+) from plan settlements	-	-	-
Interest expense from defined benefit obligations	122	169	-47
Interest income from plan assets	-115	-162	48
Administrative costs (excl. asset management costs)	4	4	-
Other	-	-	-
Total Net pension costs incl. interest expense recognised in statement of financial performance	243	216	26

The net pension cost of the ETH Domain for the reporting year is CHF 243m (2023: CHF 216m). Of the total, CHF 1m (2023: significantly less than CHF 1m) relate to pension plans outside the ETH Domain's pension scheme with PUBLICA. Net pension costs are CHF 26m higher than in the previous year. The increase is attributable to both higher current service costs (increase of CHF 18m) and higher past service costs (increase of CHF 7m). The rise in current service cost is primarily due to a change in the discount rate. Under IPSAS 39, the calculation of the current service cost is based on the discount rate of the previous year, and the increase reflects the decrease in the discount rate in 2023.

Past service cost includes the effect of the aforementioned changes to death benefits and child pensions as well as plan buy-ins of professors at ETH Zurich and EPFL.

For the coming financial year, the ETH Domain expects employer's contributions of CHF 256m and employees' contributions of CHF 145m.

Table 46: Revaluation amount recognised in equity

CHF millions	31.12.2024	31.12.2023	Change absolute
Actuarial gains (-) and losses (+)	490	354	136
from change in financial assumptions	279	324	-45
from change in demographic assumptions	-	-	-
from experience adjustments	211	30	180
Return on plan assets excl. interest income (gains (-)/losses (+))	-373	-141	-232
Other	-	-	-
Revaluation amount recognised in equity	117	213	-96
Cumulative amount of revaluation recognised in equity (gain (-)/loss (+))	-392	-508	117

The revaluation loss (remeasurement) recognised in equity for 2024 amounts to CHF 117m (2023: loss of CHF 213m). This results in positive valuation reserves of CHF 392m as at 31 December 2024 (2023: CHF 508m). Of this amount, revaluation reserves of CHF 4m (2023: CHF 3m) pertain to pension plans outside the ETH Domain's pension scheme with PUBLICA. The actuarial losses from the change in financial assumptions mainly result from the reduction in the discount rate (CHF 394m). The loss was mitigated by the lower interest rate on retirement assets and the lower expected salary trend (actuarial gain of CHF 115m). Furthermore, experience-based losses reduced the cumulative revaluation gains recognised in equity by CHF 211m. Experience-based gains and losses reflect deviations between assumptions made and actual values realized. This year, experience-based losses particularly reflect the effect of the assumptions made under the risk sharing approach with regards to the financing shortfall.

The return on plan assets recognised in equity is attributable to the gain on investments based on a return of 5.9%, compared to the net interest on plan assets of 1.5%, which corresponds to the discount rate of the previous year.

Table 47: Change in present value of defined benefit obligations

CHF millions	2024	2023
Present value of defined benefit obligations as of 01.01.	8,169	7,717
Current service cost (employer)	215	197
Interest expense from defined benefit obligations	122	169
Employee contributions	149	145
Benefits paid in (+) and paid out (-)	-432	-421
Past service cost	17	10
Gains (-)/losses (+) from plan settlements	-	-
Actuarial gains (-)/losses (+)	490	354
Other	-	-
Present value of defined benefit obligations as of 31.12.	8,730	8,169

The weighted average term arising from defined benefit obligations is 13.0 years as at 31 December 2024 (2023: 12.6 years).

Table 48: Change in the fair value of plan assets

CHF millions	2024	2023
Fair value of plan assets as of 01.01.	7,673	7,397
Interest income from plan assets	115	162
Employer contributions	261	253
Employee contributions	149	145
Benefits paid in (+) and paid out (-)	-432	-421
Gains (+)/losses (-) from plan settlements	-	-
Administrative costs (excl. asset management costs)	-4	-4
Return on plan assets excl. interest income (gains (+)/losses (-))	373	141
Other	-	-
Fair value of plan assets as of 31.12.	8,135	7,673

Table 49: Change in net defined benefit liabilities

CHF millions	2024	2023
Net defined benefit liabilities as of 01.01.	497	320
Net pension costs incl. interest expense recognised in statement of financial performance	243	216
Revaluation amount recognised in equity	117	213
Employer contributions	-261	-253
Obligations paid directly by the entity	-	-
Other	-	-
Net defined benefit liabilities (+)/assets (-) as of 31.12.	596	497

Table 50: Major categories of plan assets (in percentage)

Percentage	31.12.2024			31.12.2023		
	Listed	Not listed	Total	Listed	Not listed	Total
Liquidity	3	-	3	4	-	4
Bonds (in CHF) Confederation	6	-	6	7	-	7
Bonds (in CHF) ex. Confederation	7	-	7	8	-	8
Government bonds (in foreign currencies)	14	-	14	15	-	15
Corporate bonds (in foreign currencies)	5	-	5	7	-	7
Mortgages	3	-	3	3	-	3
Shares	35	-	35	31	-	31
Real estate	8	8	16	8	8	16
Commodities	3	-	3	3	-	3
Other	-	7	7	-	6	6
Total plan assets	85	15	100	86	14	100

PUBLICA bears the actuarial and investment risks itself. The investment strategy is defined in such a way that benefits under the policy can be provided at maturity.

None of the properties owned by the pension plan has been identified as being used by the employer.

Table 51: Principal actuarial assumptions used as at the reporting date (in percentage)

Percentage	2024	2023
Discount rate as of 01.01.	1.50	2.20
Discount rate as of 31.12.	1.00	1.50
Expected salary development	1.20	1.70
Expected pension development	0.00	0.00
Interest on retirement savings	1.10	1.50
Share of employee contribution to funding gap	36.00	36.00
Life expectancy at age 65 – women (no. of years)	24.70	24.59
Life expectancy at age 65 – men (no. of years)	22.95	22.82

As in the previous year, the discount rate is derived from the yield on fixed-interest high-quality corporate bonds and the expected cash flows of the ETH Domain's pension scheme at PUBLICA based on data from the prior year. The expected future salary development is based on macroeconomic reference data. The rate of pension increase is the rate of pension increase expected for the average remaining term based on the financial position of the pension plan. The share of employee contribution to any funding gap is based on the current staging of savings contributions under the policy. The generation tables in BVG 2020 are applied for assumptions about life expectancy.

Table 52: Sensitivity analysis (effect on present value of defined benefit obligations)

CHF millions	31.12.2024		31.12.2023	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate (change +/- 0.25%)	-200	212	-180	190
Expected salary development (change +/- 0.25%)	23	-23	20	-20
Expected pension development (change +/- 0.25%)	160	n/a	143	n/a
Interest on retirement savings (change +/- 0.25%)	42	-42	40	-39
Share of employee contribution to funding gap (change +/- 10%)	-35	35	-35	35
Life expectancy (change +/-1 year)	214	-217	192	-196

The adjustment in defined benefit obligations upon adjustment of the actuarial assumptions is determined in the sensitivity analysis. Only one of the assumptions is adjusted at a time, while the other parameters remain unchanged.

The discount rate, the assumptions made on salary trends and on interest on retirement savings as well as the share of employee contribution to funding gap have been increased or lowered by fixed percentage points. The sensitivity of the assumption relating to expected pension development has been tested for increases only, as it is not possible to reduce pension benefits. The sensitivity to life expectancy has been calculated by lowering or increasing life expectancy by a flat-rate factor, as a result of which the life expectancy of most age categories has been increased or reduced by about one year.

29 Dedicated third-party funds

Table 53: Dedicated third-party funds

CHF millions	31.12.2024	31.12.2023	Change absolute	thereof transitional measures Confederation 31.12.2024	thereof transitional measures Confederation 31.12.2023	Change absolute
Swiss National Science Foundation (SNSF)	910	770	140	154	122	32
Swiss Innovation Agency (Innosuisse)	83	87	-4	1	2	-1
EU Framework Programmes for Research and Innovation (FP)	337	348	-11	229	201	28
Special federal funding of applied research	132	154	-23	5	-	5
Industry-oriented research (private sector)	118	92	27			
Other project-oriented third-party funding	158	139	19			
Donations and bequests	204	107	97			
Total dedicated third-party funds	1,942	1,697	245	389	325	64

The dedicated third-party funds correspond to the outstanding performance obligations on current research projects and mandates from contracts with non-exchange transactions. The changes to this balance sheet item are due, on the one hand, to the newly contracted project volume (increase) and, on the other hand, to the decline in the project volume as a result of the research activities carried out in many projects. Accordingly, an increase over the previous year means that more new projects were newly contracted in the reporting period than were executed. A decline means that more projects were executed than awarded in the reporting period.

The change at the SNSF is due to increases at all institutions (ETH Zurich: CHF +61m, EPFL: CHF +55m, PSI: CHF +14m, WSL: CHF +5m, Empa: CHF +2m, Eawag: CHF +3m).

In the case of dedicated third-party funds from the research contributions granted by Innosuisse, there were major changes at ETH Zurich (CHF –2m), PSI (CHF –1m) and Empa (CHF –1m). The other institutions did not differ noticeably from the previous year.

With respect to the EU research contributions, dedicated third-party funds declined at ETH Zurich (CHF –17m) and EPFL (CHF –8m). They increased at PSI (CHF +13m) and Empa (CHF +2m). The Federal Government's transitional measures (CHF 229m) helped to prevent an even greater decline.

The research contributions of the Federal Government in the ETH Domain decreased by a total of CHF –23m in the reporting period. While ETH Zurich recorded an increase of CHF +6m due to new projects, the Federal Government's research contributions fell at the other institutions (EPFL: CHF –12m, PSI: CHF –3m, WSL: CHF –9m, Empa: CHF –4m, Eawag: CHF –1m).

Third-party funds from the private sector increased at all institutions with the exception of Empa (–CHF 2m). The strongest increases were recorded at EPFL (CHF +17m), PSI (CHF +7m) and ETH Zurich (CHF +4m).

The dedicated third-party funds in the "Other project-oriented third-party funds" category financed by cantons and municipalities, public-law institutions and international organisations increased at EPFL (CHF +16m) and PSI (CHF +7m). Declines were registered by ETH Zurich (CHF –4m) and Empa (CHF –1m).

The volume of projects financed through donations and bequests increased at ETH Zurich (CHF +97m). This was primarily due to new donation contracts, for which a liability had to be recognised.

30 Financial risk management and additional information about financial instruments

Classes and categories of financial instruments by carrying amount

Table 54: Classes and categories of financial instruments

CHF millions	Amortised cost	Fair Value through surplus or deficit	Financial liabilities measured at amortised cost	Total carrying amount
	31.12.2024			
Cash and cash equivalents	633			633
Receivables from non-exchange transactions	2,017			2,017
Receivables from exchange transactions	54			54
Financial assets and loans	589	896		1,485
Prepaid expenses and accrued income	38			38
Financial liabilities*			686	686
	31.12.2023			
Financial assets**	3,796	354		4,150
Financial liabilities*		2	679	681

* Current liabilities, Leasing liabilities, Financial liabilities, Accrued expenses and deferred income

** Cash and cash equivalents, Receivables from non-exchange transactions, Receivables from exchange transactions, Financial assets and loans, Prepaid expenses and accrued income

General

Financial risk management is embedded in the general risk management of the ETH Domain, in respect of which annual reports are made to the ETH Board (see Annual Report, chapter on Risk Situation and Risk Management).

Financial risk management primarily addresses credit risk (default risk) and liquidity risk as well as market risk (interest rate, foreign currency and other price risk).

The focus of risk management remains on credit risk. There are guidelines governing the investment of financial resources in order to reduce credit and market risk. A significant proportion of receivables and claims from financial assets are due from parties with typically low credit and liquidity risks (e.g. the Confederation, cantons, foundations). Cluster risks only exist in relation to these counterparties, which is why the credit risk is generally considered to be low. Special cases relating to default risk are dealt with separately (see Note 3). There are also receivables and financial assets in foreign currencies, which are hedged on a case-by-case basis to reduce the risk.

Compliance with and the effectiveness of the guidelines are ensured by the internal control system (ICS).

Credit and default risk

The default risk is the risk of financial losses, if one contractual party of a financial instrument does not fulfil its contractual obligations. The maximum exposure to credit risk corresponds to the carrying amounts in the balance sheet. The actual risk is very low due to the fact that the majority of financial assets are owed to the Confederation, other public institutions or other counterparties with a low default risk.

The table below shows the maximum exposure to default risk of the financial assets broken down into type of counterparty.

Table 55: Maximum exposure to credit risk

CHF millions	Total	Federal Government	European Commission FP *	SNSF, Innosuisse, OASI social service, Suva *	SNB and banks with government guarantee	PostFinance and other banks	Other counterparties (e.g. cantons, foundations)	Other counterparties (e.g. private companies)
	31.12.2024							
Cash and cash equivalents	633	234	–	–	27	373	–	–
Receivables from non-exchange transactions	2,017	135	251	729	14	–	806	83
Receivables from exchange transactions	54	2	–	–	–	–	16	36
Financial assets and loans	1,485	437	–	–	–	56	131	860
Prepaid expenses and accrued income	38	5	–	–	–	–	7	26
Total	4,227	812	251	729	41	428	960	1,006
	31.12.2023							
Total previous period	4,150	1,442	275	615	29	604	716	469

* In the column European Commission, the receivables disclosed are from European universities which have emerged from EU research framework programmes, as well as the outstanding receivables from the temporary measures for Horizon 2020 and Horizon Europe (direct financing State Secretariat for Education, Research and Innovation SERI). The temporary measures for non-accessible programme parts from Horizon Europe are shown in the column of the respective sponsor (SNSF, Innosuisse).

Estimate of expected credit losses as of 31 December 2024

Cash and cash equivalents

The ETH Domain deposits cash and cash equivalents in the accounts set up for this purpose at the PostFinance, cantonal banks, other banks and at the FFA. All counterparties have an investment grade rating from a recognised rating agency. The ETH Domain therefore assumes that no significant increase in the credit risk has occurred since the initial recognition and determines the expected credit losses, due to the short-term nature of the financial instruments, on the basis of the 12-month credit loss.

Receivables from non-exchange transactions and receivables from exchange transactions

The ETH Domain applies a loss allowance matrix to determine the expected credit losses on receivables from non-exchange transactions and receivables from exchange transactions.

Table 56: Maturity analysis

CHF millions	Total receivables	Not due	Due until 90 days	Due 91 to 180 days	Due 181 to 360 days	Due more than 360 days
	31.12.2024					
Gross amount	2,085	2,050	24	4	4	3
Receivables from non-exchange transactions gross	2,029	2,010	12	3	3	2
Loss allowance	-12	-11	-	-	-	-
Receivables from exchange transactions gross	56	40	12	1	2	1
Loss allowance	-1	-	-	-	-	-
	31.12.2023					
Gross amount	1,863	1,822	25	7	5	4
Receivables from non-exchange transactions gross	1,796	1,770	15	5	5	2
Loss allowance	-2	-	-	-	-1	-
Receivables from exchange transactions gross	67	52	10	2	1	2
Loss allowance	-2	-	-	-	-1	-1

Loss allowances in the amount of CHF 1m were recognised for at-risk trade accounts receivable at the end of 2024 (2023: CHF 2m). Loss allowances on receivables from non-exchange transactions amounted to CHF 12m in 2024 (2023: CHF 2m). The net revaluation of value adjustments for receivables without attributable consideration is mainly attributable to a small number of large individual items.

The table below shows the development of loss allowance with respect to receivables from non-exchange transactions and for receivables from exchange transactions.

Table 57: Development of loss allowance

CHF millions	2024		2023	
	Loss allowance of receivables from non-exchange transactions	Loss allowance of receivables from exchange transactions	Loss allowance of receivables from non-exchange transactions	Loss allowance of receivables from exchange transactions
As of 01.01.	-2	-2	-1	-1
Changes from restatement as of 01.01.	-	-	-	-
As of 01.01.	-2	-2	-1	-1
Use of loss allowance	-	-	-	-
Net revaluation of loss allowance	-10	-	-	-1
As of 31.12.	-12	-1	-2	-2

Financial assets and loans

As of 31 December 2024, financial assets and loans valued at amortised cost amounted to CHF 589m (2023: CHF 850m). These include loans to public-sector companies, students, doctoral students and spin-offs with mostly short-term maturities amounting to CHF 133m and financial assets placed with the Confederation amounting to CHF 436m. Based on historic data and also taking into account future developments, the ETH Domain assesses the credit risk of the counterparties to be low and therefore assumes that no significant increase in the credit risk has occurred since the initial recognition. The ETH Domain therefore determines the expected credit losses on the basis of the 12-month credit loss.

There were no material balances of overdue loans as of 31 December 2024. No significant loss allowances were recognised in respect of loans during the reporting period.

Liquidity risk

The liquidity risk is the risk that the ETH Domain might possibly not be able to meet its financial obligations according to contract by the delivery of means of payment or other financial assets. The ETH Domain has processes and principles in place which guarantee that adequate liquidity is available to settle current and future obligations. This includes maintaining an adequate reserve of liquidity and tradeable securities.

Financial liabilities arise, most notably, from current operating liabilities and leasing liabilities. Under normal circumstances, expenses and investments are financed with self-generated funds. In some cases, investments are financed through lease agreements. Financial liabilities include a liability due to the donated right at EPFL (Microcity) which is recognised in the balance sheet. It is treated as a finance lease but does not represent a liquidity risk.

The following table shows the maturities of the financial liabilities.

The entities controlled by the institutions of the ETH Domain may raise funds on the financial market, the institutions may not do so themselves.

The stock of cash and cash equivalents held suffices to cover financial liabilities. Liquidity risk is low.

Table 58: Contractual maturities of the financial liabilities

CHF millions	Total carrying amount	Total contract value	31.12.2024		
			Up to 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Current liabilities	223	223	223	–	–
Leasing liabilities	304	413	153	61	199
Financial liabilities	87	87	6	31	50
Accrued expenses and deferred income	71	71	71	–	–
Derivative financial liabilities	–	0	0	–	–
Total	686	795	454	92	250
			31.12.2023		
Total previous period	681	803	316	217	270

Market risk

The market risk is the risk that the market prices, such as exchange rate, interest rates or share prices change and thus the revenues of the ETH Domain or the value of the financial instruments held are influenced.

Interest rate and price risk

Interest rate risk is not hedged. A one percentage point increase or decrease in the interest rate would increase or reduce surplus or deficit by around CHF 2m.

The bonds under the asset management mandates are also taken into account in analysing interest rate risk. The other trading positions (excluding bonds) encompass international and domestic shares and fund investments, which include both domestic and international issuers. A 10% decrease in price would reduce surplus or deficit by approximately CHF 72m.

Most of the trading positions exposed to a price risk are held under asset management mandates with Swiss banks.

The ETH Board issued the investment guidelines based on Art. 34c paragraph 2 of the ETH Act (SR 414.110). The two Federal Institutes of Technology and the four research institutes defined their own investment strategies on this basis. A model is operated for the selection of the relevant portfolio optimised for the investment strategy of the asset management mandate. The risk capacity is determined using the value-at-risk approach. The investment strategy and the amount of the invested assets must be selected in such a way that sufficient risk capital is available or can be formed in order to cover the calculated value at risk.

Foreign currency risk

The majority of the receivables and liabilities in foreign currencies are in euros and US dollars. These are hedged using derivatives according to prevailing circumstances. Most foreign currency risks in asset management mandates are hedged. Net of hedges, a fluctuation in the exchange rate of these two currencies of +/-10% would impact on the statement of financial performance as follows:

Table 59: Sensitivity to foreign currency risk

CHF millions	31.12.2024					31.12.2023				
	Total	CHF	EUR	USD	Other	Total	CHF	EUR	USD	Other
Net currency balance	2,926	2,860	15	22	29	2,858	2,818	12	13	15
Sensitivity affecting financial performance +/- 10%			2	2				1	1	
Closing rate			0.9389	0.9063				0.9298	0.8418	

The net currency balance for the other currencies category is primarily related to the consolidated entity in Singapore, controlled by ETH Zurich.

Capital management

Managed capital is defined as equity excluding valuation reserves. The ETH Domain seeks to create a solid equity base. This basis makes it possible to ensure the implementation of the strategic goals. Legal regulations prohibit the institutions of the ETH Domain and the ETH Board from raising funds in the capital market.

Estimation of fair value

Because of their short-term maturity, the carrying amount of cash and cash equivalents and the carrying amounts of current loans, fixed deposits, receivables and current liabilities are a reasonable approximation of the respective fair value. These are therefore not recognised separately.

The ETH Domain does not estimate the fair values of non-current receivables from non-exchange transactions, as these receivables can only be fulfilled through the realisation of the respective project by the institutions of the ETH Domain. The financial assets are recognised at fair value, which is based on actual values, provided these can be determined reliably. Otherwise, the fair value corresponds to the acquisition costs.

The fair value of the fixed-interest financial assets which are traded publicly is based upon stock market quotations on the reporting date.

Hierarchy levels of the financial instruments measured at the fair value

Financial instruments measured at fair value are required to be disclosed within a three-level valuation hierarchy:

- Level 1: Quoted prices in an active market for identical assets and liabilities;
- Level 2: Valuation techniques where all significant inputs are based on observable market data;
- Level 3: Valuation techniques where significant inputs are not based on observable market data.

Table 60: Fair value hierarchy

CHF millions	31.12.2024				31.12.2023			
	Carrying amount/fair value	Level 1	Level 2	Level 3	Carrying amount/fair value	Level 1	Level 2	Level 3
Financial assets	896	879	8	9	354	337	8	9
Financial liabilities	–	–	–	–	2	–	2	–

Net surplus or deficit by category

Table 61: Net surplus or deficit by category

CHF millions	2024		
	Amortised cost	Fair Value through surplus or deficit	Financial liabilities
Interest income (+)/interest expense (-)	14	2	-11
Income from investments		8	
Change in fair value		27	
Currency translation differences, net	-4	3	–
Impairments	–		
Reversal of impairment	–		
Other finance income	-2		
Total net surplus or deficit by category	8	41	-12
	2023		
Total net surplus or deficit by category previous year	14	25	-8

The favourable development of financial markets led to the positive fair value adjustments reported through net surplus or deficit. Further information can be found in Note 15 Net finance income/expense.

31 Contingent liabilities and contingent assets

Contingent liabilities

Table 62: Contingent liabilities

CHF millions	31.12.2024	31.12.2023	Change absolute
Guarantees	–	–	–
Warranties	3	1	2
Litigations	–	–	–
Other	202	308	–107
Total contingent liabilities	204	309	–105

There are still two warranties totalling CHF 1m at EPFL to cover possible customs debts in connection with cross-border transactions that are not time-barred. There is also a bank guarantee for China Educational Instrument & Equipment Corp. of around CHF 2m with a term lasting until 31 December 2025. In addition, there are unspecified contingent liabilities in connection with the investment held by EPFL in research syndicates.

EPFL has the following other contingent liabilities:

- Biotech Campus: EPFL, the University of Geneva and Fondation Campus Biotech Geneva are jointly and severally liable for leasing relationships until 30 June 2043 (2024: CHF 186m, plus repairs CHF 14m; 2023: CHF 197m, plus repairs CHF 14m).
- Joint and several liability in respect of rental payments for the AGORA building in Lausanne (2024: CHF 1m; 2023: CHF 2m). This amount corresponds to the risk for EPFL if both parties (CHUV, UNIL) were to default for the period until 31 May 2026.
- Expansion of EPFL Innovation Park at EPFL Innovation Park Foundation (Ecotop): The project to construct a new building that had still been planned in the previous year was abandoned in 2024.

The contingent liability (2023: CHF 95m) in relation to the building rights therefore became redundant, as did the memorandum of understanding with UBS Switzerland AG regarding the financing of this building.

- Risk in relation to EU projects: The European Anti-Fraud Office (OLAF) conducted investigations into the administrative management of research projects. The investigations came to the conclusion that there had been irregularities. Based on the information available to date, EPFL cannot understand this finding. In terms of the consequences, it is also unclear based on the information currently available whether and to what extent funding agencies could ask for their funding to be paid back in light of OLAF's findings.

Contingent assets

Table 63: Contingent assets

CHF millions	31.12.2024	31.12.2023	Change absolute
Off-balance sheet receivables	–	–	–
Other	–	–	–
Total contingent assets	–	–	–

As in the previous year, there were no quantifiable contingent assets at the end of 2024.

ETH Zurich receives research funds and grants from third parties. Although these fulfil the main characteristics of an asset, it was not possible to reliably quantify the future pro-rata cash inflow for ETH Zurich in the year under review. In particular, these include the donation by the Wyss Zurich Foundation, founded by Hansjörg Wyss, for the Wyss Translational Center Zurich. In addition, there was an insurance entitlement that could not be reliably quantified in connection with a claim for an amount in the single-digit millions.

In the previous year, another contingent liability had been recognised for ETH Zurich in respect of the remaining inheritance from Dr Branco Weiss for the Society in Science Programme (The Branco Weiss Fellowship) to support young researchers. ETH Zurich received the outstanding money in the year under review.

32 Financial commitments

Table 64: Financial commitments

CHF millions	31.12.2024	31.12.2023	Change absolute
Financial commitments <= 1 year	81	122	-41
Financial commitments from 1 to 5 years	30	13	18
Financial commitments > 5 years	-	-	-
No due date/indefinite	-	-	-
Total financial commitments	112	135	-23

At the reporting date, PSI had contractual obligations for the acquisition of goods and services in the amount of CHF 79m (of which CHF 60m were short term and CHF 19m long term). The financial commitments related, in particular, to various orders for plant construction projects in the area of SLS 2.0, Esup, Impact, CHART and ESS.

At the end of 2024, ETH Zurich had financial commitments of CHF 20m. These mostly related to financial commitments by the ETH Library for access to digital publications and the acquisition of technical/scientific equipment.

EPFL (CHF 7m), Empa (CHF 3m) and Eawag (CHF 3m) also reported financial commitments.

In addition, EPFL had contractually undertaken to bear the expenses for major maintenance work, as well as conversion and renovation costs for the interior fittings and operating facilities of the Microcity building in Neuchâtel.

33 Operating lease

Table 65: Operating lease

CHF millions	2024	2023	Change absolute
DUE DATES			
Due within 1 year	59	49	10
Due within 1 to 5 years	201	181	20
Due after more than 5 years	332	327	5
Future minimum payments for non-cancellable operating lease as of 31.12.	592	557	35
Leasing payments of current period	53	48	5
ADDITIONAL DETAILS			
Return from subleasing	1	1	-
Future revenue from sublease (from non-cancellable contracts)	2	2	-

In the reporting period, the leases particularly concerned future minimum lease payments at ETH Zurich (CHF 300m, +CHF 31m), PSI (CHF 146m, +CHF 16m), EPFL (CHF 141m, –CHF 12m) and Empa (CHF 5m, unchanged from 2023). This primarily involved the rental of various properties. PSI reported a rental contract for office, laboratory and workshop space that has been in force since 1 January 2024 and has a nominal term of 23 years.

The lease payments of the current period were mainly divided between ETH Zurich (CHF 32m), EPFL (CHF 12m), PSI (CHF 7m) and Empa (CHF 2m).

The lease payments disclosed for the previous year were adjusted to take into account the reporting of building rights agreements between a third party as the grantor of building rights and the Federal Government. The properties in question are used for buildings that are utilised by the ETH Domain. To date, these building rights agreements have been reported as operating leases at ETH Zurich, even though, from the perspective of the institutions, they are not leases of the ETH Domain. In addition, a further operating lease was taken into account in the disclosure for the previous year.

34 Remuneration of key management personnel

Table 66: Remuneration of key management personnel (rounded values)

CHF millions	2024	2023	Change absolute
ETH Board	1	1	–
Directorate**	2	2	–
Remuneration of key personnel	3	3	–

Table 67: Key personnel

Full-time equivalent	2024	2023	Change absolute
ETH Board*	2.22	2.22	–
Directorate**	6.00	6.00	–
Number of persons (in full-time positions)	8.22	8.22	–

* Workload: President of the ETH Board: 80%, Vice President of the ETH Board: 16%, President Audit Committee: 16%, one member of the ETH Board: 70%, remaining four members of the ETH Board without management functions: 10% each

** Board members with management functions and the directors of the other research institutes

35 Relationships with controlled and associated entities

Controlled entities

The following institutions, the ETH Board and the units listed in Table 68 are fully consolidated with all their locations.

Institutions and the ETH Board:

- Board of the Federal Institutes of Technology (ETH Board), Zurich and Bern
- ETH Zurich, Zurich
- EPFL, Lausanne
- Paul Scherrer Institute PSI, Villigen
- Swiss Federal Institute for Forest, Snow and Landscape Research (WSL), Birmensdorf
- Swiss Federal Laboratories for Materials Testing and Research (Empa), Dübendorf
- Swiss Federal Institute of Aquatic Science and Technology (Eawag), Dübendorf

Table 68: Controlled entities

	Legal form	Nature of collaboration / business activity	Domicile	Jurisdiction	Currency	Share of voting rights and participation (in %) 31.12.2024 ¹		Reporting date used
ETH Singapore SEC Ltd.	Ltd.	Strengthening of the global position of Switzerland and Singapore in the field of environment/sustainability and engaging in appropriate research cooperation	Singapore	Singapore	SGD	100	100	31.03.2024
Rübel Geobotanical Research Institute Foundation ²	Foundation	Promoting geobotanical science (plant sociology, plant ecology, plant propagation, vegetation history)	Zurich	Switzerland	CHF	57	100	31.12.2023
Fondation pour les Etudiants de l'EPFL	Foundation	The foundation supports EPFL students whose financial circumstances make it difficult for them to complete their studies.	Ecublens (VD)	Switzerland	CHF	60	100	31.12.2024
EPFL Innovation Park Foundation (FEIP)	Foundation	The foundation owns and maintains buildings for promising start-ups (technology park).	Ecublens (VD)	Switzerland	CHF	31	100	31.12.2024
Société pour le Quartier de l'Innovation de l'EPFL (SQIE)	Simple partnership	The simple partnership maintains buildings on a finance lease basis for large technology companies.	Ecublens (VD)	Switzerland	CHF	100	100	31.12.2024
Société pour le Quartier Nord de l'EPFL (SQNE) ³	Simple partnership	The simple partnership maintains various buildings on a finance lease basis and operates a convention centre, student housing, shops and a hotel.	Ecublens (VD)	Switzerland	CHF	80	100	31.12.2024

¹ The figures are unchanged compared to the previous year, except for Fondation EPFL Innovation Park (2023: 36%).

² The remaining 43% of the voting rights in the Rübel Geobotanical Research Institute Foundation are held by persons designated by the founder. However, ETH Zurich has a 100% share in the capital of the foundation.

³ EPFL has a 100% stake in SQNE. EPFL holds 90% directly and 5% indirectly through the fully consolidated EPFL Innovation Park Foundation. The other 5% is held by the associated entity Fondation Les Bois Chamblard, in which EPFL has substantial interest with a stake of 100%. Based on this situation, SQNE is fully consolidated; non-controlling interests are not included or reported.

Associated entities

All the listed associated entities are entered in the balance sheet using the equity method.

Table 69: Associated entities

	Legal form	Nature of collaboration / business activity	Domicile	Jurisdiction	Currency	Share of voting rights and participation (in %) 31.12.2024 ¹	
ETH Zurich Foundation ²	Foundation	Promoting research and teaching at the Swiss Federal Institute of Technology Zurich	Zurich	Switzerland	CHF	14	100
Albert Lück Foundation	Foundation	Promoting teaching, research and study in the field of construction at ETH Zurich, initially in the current Department of Civil, Environmental and Geomatic Engineering and in its successor unit	Zurich	Switzerland	CHF	20	100
Student Housing Foundation	Foundation	Providing and operating affordable student housing in Zurich	Zurich	Switzerland	CHF	25	50
Archives of Contemporary History Foundation	Foundation	Promoting, safeguarding the long-term existence of and extending ETH Zurich's Archives of Contemporary History as a documentation and research centre for general and Swiss contemporary history	Zurich	Switzerland	CHF	33	100
Foundation for Contemporary Jewish History	Foundation	Setting up and promoting a documentation centre for contemporary Jewish history within ETH Zurich's Archives of Contemporary History	Zurich	Switzerland	CHF	22	100
Fondation Les Bois Chamblard	Foundation	The foundation provides facilities for the organisation of seminars and conferences.	Buchillon	Switzerland	CHF	20	100
Fondation Campus Biotech Geneva	Foundation	The Biotech Campus is a centre of excellence in biotechnology and life science research.	Geneva	Switzerland	CHF	33	50
Fondation du Centre universitaire protestant de Lausanne	Foundation	The foundation provides accommodation for students from EPFL and from the University of Lausanne.	Lausanne	Switzerland	CHF	33	60
Fondation "Institut d'Imagerie Moléculaire Translationnelle IIMT", en liquidation	Foundation	The foundation supports the development of new programmes in translational research and technological innovation in the area of molecular imaging.	Geneva	Switzerland	CHF	50	50
DECTRIS AG	Public limited company	Development and production of electronic measuring instruments for research and industrial applications	Baden	Switzerland	CHF	20	20

1 Changes in the share of voting rights for the ETH Zurich Foundation (2023: 17%), Albert Lück Foundation (2023: 17%) and the Archives of Contemporary History Foundation (2023: 38%).

2 Although ETH Zurich has less than 20% of the voting rights in the ETH Zurich Foundation, it has considerable influence over the foundation and is its sole beneficiary. For this reason, the ETH Zurich Foundation has been classified as an associated entity.

Restrictions

The ETH Domain does not have any rights to the assets of the controlled or associated entities shown above. For instance, it cannot arrange a transfer of liquidity or access the funds of the units in any other way.

Controlled and associated entities below the threshold in accordance with the Ordinance on Finance and Accounting of the ETH Domain

The Ordinance lays out the details on the consolidation. It also defines thresholds to be taken into account in the consolidated financial statements. Units which meet the criteria for consolidation or equity valuation but which fall below these thresholds are to be disclosed in the following table in accordance with Note 2 of the Ordinance on Finance and Accounting of the ETH Domain:

Table 70: Entities below the thresholds in accordance with the Ordinance on Finance and Accounting Regulations of the ETH Domain

	31.12.2024	31.12.2023
Controlled entities		
Quantity	7	7
Total assets (CHF million)	15	15
Associated entities		
Quantity	11	11
Total assets (CHF million)	66	60

36 Events after the balance sheet date

The ETH Board approved the 2024 consolidated financial statements of the ETH Domain on 5/6 March 2025. No significant events in the ETH Domain occurred prior to that date that would require disclosure in or changes to the consolidated financial statements of the ETH Domain as of 31 December 2024.

Auditor's report

Reg. Nr. 932.24429.003

Report of the statutory auditor

to the Federal Council and the ETH Board

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of the Domain of the Swiss Federal Institutes of Technology (ETH Domain) which comprise the consolidated statement of financial performance 2024, the consolidated balance sheet as of 31 December 2024, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements (pages 12 to 75) present fairly, in all material respects, the consolidated financial position of the ETH Domain as of 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS) and legal requirements and the Accounting Manual for the ETH Domain.

Basis for Opinion

We conducted our audit in accordance with Swiss Law, International Standards on Auditing (ISAs), Swiss Standards on Auditing (SA-CH) and article 35a^{ter} of the Federal Act on the Federal Institutes of Technology (SR 414.110). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent based on the Federal Audit Office Act (SR 614.0) and the requirements of the audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The ETH Board is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. In this context, please refer to the section Report on other legal and regulatory requirements at the end of this report.

Responsibilities of the ETH Board for the consolidated financial statements

The ETH Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Public Sector Accounting Standards (IPSAS) and the legal requirements (Ordinance on the ETH Domain, SR 414.110.3; Ordinance on the Finance and Accounting of the ETH Domain, SR 414.123; Accounting Manual for the ETH Domain), and for such internal control as the ETH Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the ETH Board is responsible for assessing the ETH Domain's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA's and SA-CH we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ETH Domain's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the ETH Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ETH Domain's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the notes to the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the ETH Domain to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the ETH Domain as a basis for forming an opinion on the consolidated financial statements of the ETH Domain. We are responsible for the direction, supervision and review of the audit work performed for purposes of the ETH Domain audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee of the ETH Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the ETH Board.


In accordance with Art. 21 par. 2 of the Ordinance on the Finance and Accounting of the ETH Domain, we confirm that no contradictions exist between the personnel reporting in the annual report (management report) and the consolidated financial statements. Likewise, we confirm that no contradictions exist between the financial figures in the annual report (management report) and the consolidated financial statements.

Furthermore, in accordance with Art. 21 par. 2 of the Ordinance on the Finance and Accounting of the ETH Domain, we confirm that risk management has been appropriately conducted according to the instructions of the ETH Board.

We recommend that these consolidated financial statements be approved.

Berne, 6 March 2025

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Rounding differences: the figures presented in this document may not correspond precisely to the total amounts presented in the tables. Changes are calculated on unrounded amounts and may differ from a figure that is based on the rounded amounts presented in the tables.

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