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**We are developing
tomorrow's public
service today**

Financial Report 2024



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→ annualreport.swisspost.ch

The Sustainability Report supplements the Financial Report. It focuses on social, environmental, ethical and governance aspects.

→ [Sustainability Report 2024 \(PDF\)](#)

Key figures

as at 31.12.2024



7,626 million

francs in **operating revenue**, up by 4.8 percent year-on-year.



324 million

francs in **Group profit**, up 70 million francs year-on-year.



10,631 million

francs in **equity**.



614 million

francs in **investments**.



100%

of our **investments** are **self-financed**.



180 million

parcels were delivered by Swiss Post in Switzerland, down 2.9 percent compared to the previous year.



183 million

passengers transported by PostBus, 4.9 percent higher year-on-year.



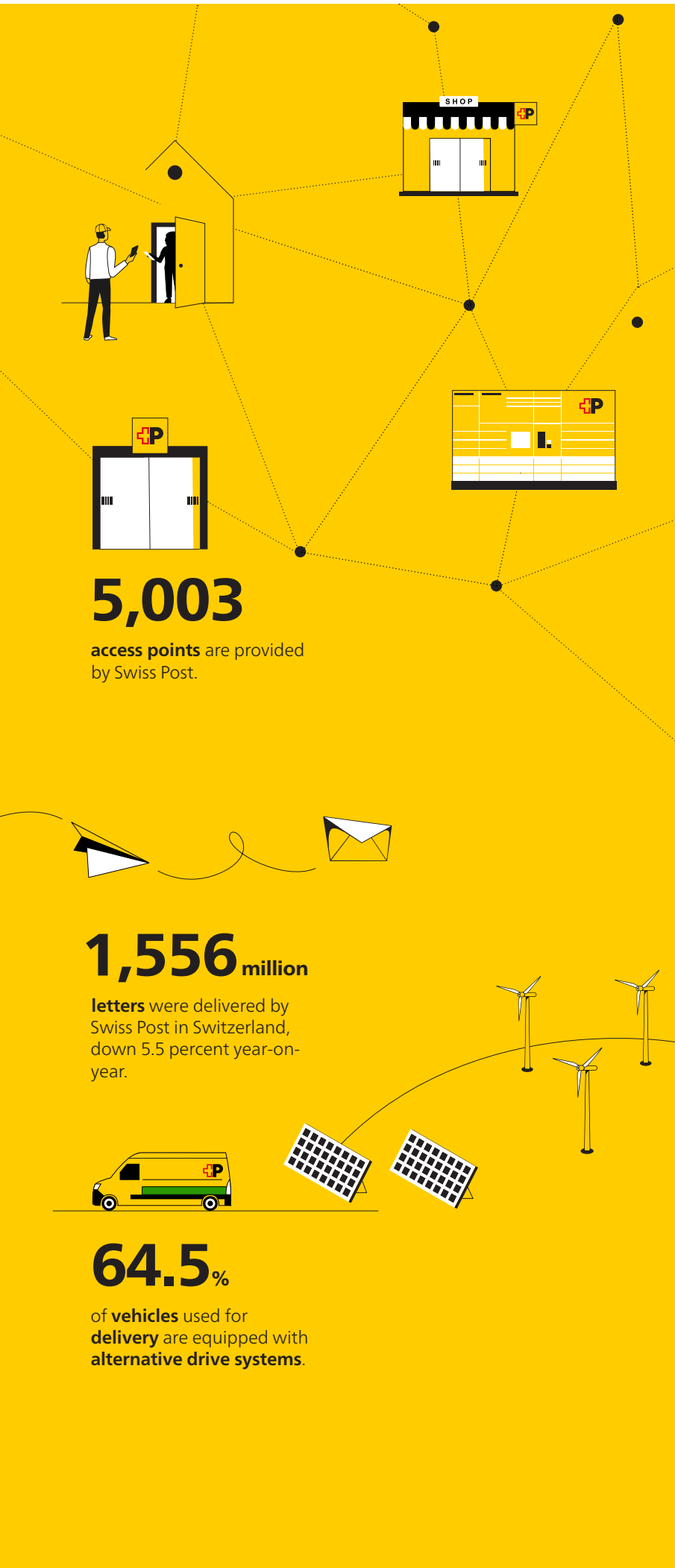
107 billion

francs, up by 2.4 percent represents the level of average **PostFinance customer assets**.



76 points

The **customer satisfaction** score stands at an impressive 76 points (scale 0–100).



About the report

Forward-looking statements

This report contains forward-looking statements. They are based on current management estimates and projections, and on the information currently available to management. Forward-looking statements are not intended as guarantees of future performance and results, which remain dependent on many different factors; they are subject to a variety of risks and uncertainties, and are based on assumptions that may not prove accurate.

Presentation of figures

The figures are rounded so that the original rounded total is preserved. While commercial rounding rules are applied to the summands, they are rounded so that their total is equal to the rounded total of the summands. 0 is a rounded amount, indicating that the original figure was less than half of the unit used. A dash (-) in place of a figure indicates that the value is zero.

True-to-scale representation of figures in charts

Charts are shown to scale to present a true and fair view. 20 mm is equivalent to one billion francs. Percentages in charts are standardized as follows:
Horizontal: 75 mm is equivalent to 100 percent.
Vertical: 40 mm is equivalent to 100 percent.

Key for charts

- Current year
- Previous year
- Positive effect on result
- Negative effect on result
- ▨ Planned, target or expected value

If the figures shown are not comparable with the more recent figures (e.g. due to a change in method or change in the scope of consolidation), this is shown as follows:

- ▨ Non-comparable prior-year figure
- ▨ Non-comparable difference with positive effect on result
- ▨ Non-comparable difference with negative effect on result

Stable result in a persistently challenging market environment

In 2024, Swiss Post generated Group profit of 324 million francs, 70 million francs more than the previous year. Operating profit rose to 401 million francs, mainly thanks to the implemented price and efficiency measures. However, due to declining volumes, it also reflects the challenges faced in core postal services and highlights the need to continue to pursue the “Swiss Post of tomorrow” strategy. The prior-year figure stood at 323 million francs.

After four years of consistent focus on its customers' needs, Swiss Post has stabilized its result. At 401 million francs, the operating profit (EBIT) achieved in 2024 is up 78 million francs on the previous year's figure. And at 324 million francs, Group profit is 70 million higher than in 2023. Operating revenue stands at 7,626 million francs, which is up by 347 million francs year-on-year. Thanks to the price measures implemented at the beginning of 2024, it was possible to offset the structural decline in letter volumes. Swiss Post succeeded in reducing costs by continuing its efficiency programmes in the past financial year. However, the market environment remains extremely challenging in both core postal services and the financial services business due to the volatile interest rate environment.

Good business result due to price and efficiency measures in Logistics Services

Operating profit at Logistics Services made a strong contribution to the stable Group result, and, at 439 million francs, was 104 million francs higher than in the previous year. The main drivers of this earnings growth were the implemented price measures and the impact of the efficiency measures introduced in 2023. The structural decline in letter volumes (–5.5 percent), negative consumer confidence in relation to parcels (–2.9 percent) and declining orders in goods logistics continued to weigh on the result. On the other hand, industry solutions in healthcare logistics proved to be robust

given the demand situation and further increased their contribution to results. With a view to customer needs, Logistics Services continued to invest in new technologies and the logistics network in 2024 in order to be able to respond flexibly to different volumes and formats.

Communication Services invests in the future of the public service

The operating result at the Communication Services Group unit (from 1.1.2025: Digital Services) stood at –67 million francs in 2024, reflecting the fact that this business unit is still under development. The result improved by 5 million francs year-on-year. This is due to better results at existing companies and units in the Digital SME Solutions and Trusted Interaction Services units as well as the integration of Diartis Group and Open Systems Group, which were acquired in the second half of 2024. With its investments in digital letters, e-voting and the electronic patient record (EPR), Swiss Post is contributing significantly to forward-looking solutions that are relevant to society and generate economic benefits.

Decline in profit due to lower over-the-counter volumes

The fall in revenue at PostalNetwork associated with declining volumes was not fully offset on the cost side. At –113 million francs in 2024, operating profit was down 20 million francs year-on-year. In 2024, PostalNetwork recorded more than

319,000 customer transactions per day (325,000 in 2023) and continues to face declining demand for traditional over-the-counter transactions. Partnerships with insurance companies, health insurers, banks and public authorities had a positive impact on PostalNetwork's result.

PostBus transports more passengers than ever before

With 183.1 million passengers, it was another record year for PostBus. The number of passengers increased, particularly for leisure services. Overall, the Mobility Services unit (PostBus and Post Company Cars) increased operating profit by 9 million francs, mainly because PostBus received higher compensatory payments from the Confederation and the cantons. At the end of 2024, Swiss Post launched an efficiency programme for Mobility Services to reduce administrative costs. By doing so, it is helping to relieve the burden on the Confederation, cantons and municipalities, which co-finance regional passenger transport and local PostBus services. In 2024, Swiss Post also continued to advance the electrification of its fleet, both in delivery and for Postbuses.

Turnaround in interest rate trends requires PostFinance to take action

Despite a turbulent year on the national and global financial markets, PostFinance posted an operating profit of 203 million francs, down 61 million francs year-on-year.

While the return to positive interest rates in the previous year brought a turnaround in profitability, the interest rate cuts by the Swiss National Bank in 2024 demonstrated the continued volatility of the interest rate environment, resulting in lower interest income than in the previous year. PostFinance needs to increase its activity in non-interest-sensitive business – for example in investment, trading, card business and with its expertise in payment transactions.

Read more on the business results from → page 32

Facts and figures

7,626 million
francs in **operating revenue** (+4.8 percent)

324 million
francs in **Group profit** (+70 million francs)

10,631 million
francs in **equity**

614 million
francs in **investments**

100%
degree of internal financing in investments

180.0 million
parcels (–2.9 percent)

1,556 million
letters (–5.5 percent)

183.1 million
passengers at PostBus (+4.9 percent)

106.6 billion
francs in **customer assets** at PostFinance (+2.4 percent)

76 points
The **customer satisfaction** score stands at an impressive 76 points (scale 0–100).

“The path is challenging, but our efforts are having an impact.”

Alex Glanzmann, Head of Finance, assesses the 2024 annual results and takes a look back on an eventful strategy period: four years of consistent change in line with customer needs have enabled Swiss Post to stabilize its result. Swiss Post is fit for the future thanks to investments in its core markets and new competencies. The challenges, however, remain.

Alex Glanzmann, how do you see the 2024 annual results?

Given the difficult operating framework, we achieved good results and managed to stabilize Swiss Post's financial result again after a challenging year in 2024. We generated Group profit of 324 million francs. That's 70 million francs more than in 2023. We achieved increased operating profit of 401 million francs due to price and efficiency measures.

2024 was the last year of the four-year Swiss Post of tomorrow strategy period. Is the strategy working?

Yes, the measures we've implemented with the strategy are working. When we developed them in 2019, the Swiss Post system was under a great deal of pressure. Letter volumes and over-the-counter transactions, which, up to then, had made a major contribution to results, were in serious decline and the interest rate environment was difficult. These trends remain to this day. If we hadn't made changes, our results would have continued to fall. With the Swiss Post of tomorrow strategy, we've fundamentally realigned Swiss Post with the goal of financing our universal service obligation from our own resources in the future.

What are the main drivers behind the improved result?

For 2024, the main driver is the Logistics Services unit. Thanks to more efficient processes and the price adjustments implemented, we more than offset the continuing decline in demand in the letter and parcel business.

But as I said, if we are to remain relevant, we need to undergo a holistic transformation. In the past four years, we've invested heavily in our core business to adapt to changing customer needs. In logistics, for example, we've increased our storage and processing capacities and further electrified our vehicle fleet. Thanks to targeted acquisitions of companies in healthcare and construction logistics, we've gained key expertise. We've built up new infrastructure and competencies in digital communication. We've continued to develop our branch network and opened our locations up to service providers and public authorities. And, at the same time, we've worked intensively on our internal structures and processes throughout the Group.



We want to remain relevant for Switzerland and finance the universal service obligation from our own resources.

Alex Glanzmann
Head of Finance
Interim CEO
(from 1.4.2025)



The market environment remains challenging. How do you assess the results in this context?

Our society has changed profoundly in recent years. Digitization, the dynamic nature of customer requirements and the geopolitical situation have all had a direct impact on our business. The decline in the volume of letters and payment transactions is irreversible. In 2024, we processed 5.5 percent fewer letters and the number of over-the-counter payments fell by 10.7 percent. In 2024, after two years of declining parcel volumes, we again processed more parcels in the run-up to Christmas, but over the year as a whole, these volumes continued to fall. Falling interest income and increasing pressure on margins are also weighing on PostFinance's result. The structural decline in volumes and the volatile interest rate environment, particularly influenced by the SNB's interest rate decisions, continue to be a challenge for Swiss Post.

Is Swiss Post ready for the new strategy period?

Yes, Swiss Post is in good shape. Our logistics are now efficient and we offer trust-based digital services. But we're not stand-

ing still. Given the challenging conditions, it's even more important for us to continually evolve and adapt to the changing environment. We need to gear our products and services consistently towards customers' needs, while also keeping a close eye on our costs. This is the only way that we can both remain relevant for Switzerland and provide a self-financed public service.

Read more on the business results from [→ page 32](#)



We need to gear our products and services consistently towards customers' needs.

Alex Glanzmann
Head of Finance
Interim CEO
(from 1.4.2025)

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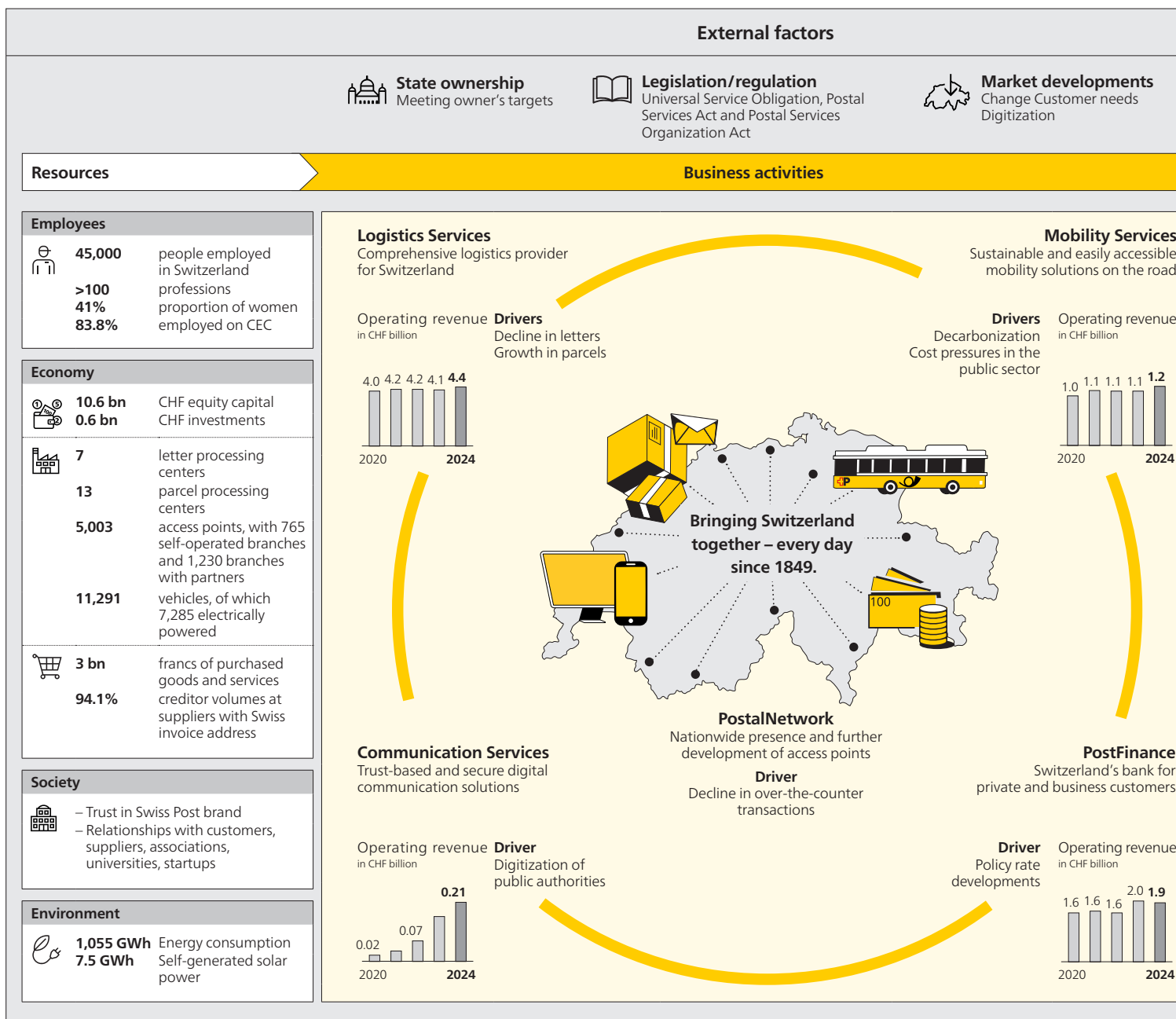
Swiss Post operates in markets that are undergoing rapid change due to intense competition, internationalization, technology deployment and regulations. Driven by e-commerce, logistics is developing into a global competitive market. The level of digitization in the communication market continues to rise. In financial services, regulatory changes are enabling digital providers to gain a foothold in payment transactions. In mobility, multi-modal and autonomous transport services, which complement but also compete with traditional public transport, are increasingly being offered.

Swiss Post is meeting the challenges in its market environment and at the regulatory level with the “Swiss Post of tomorrow” strategy and is looking ahead to the future.

Business activities

With its public service, Swiss Post helps to shape community life in Switzerland. Legal principles and the goals set by the Federal Council constitute the framework for its business activities. Swiss Post combines logistics, communication, mobility and financial services into a connected range of products and services that is consistently geared towards the needs of business and private customers. Swiss Post continues to develop its numerous and diverse physical and digital access points on an ongoing basis. In all of its markets, it plays a crucial role in ensuring that Switzerland's economy and society run smoothly. By investing in the ongoing development of its products and services and the infrastructure they require, in its employees and in sustainability, Swiss Post is securing its relevance and ensuring that it can continue to provide its services in a self-sustaining manner in the future (see business model illustration).

Swiss Post business model



External factors

For over 175 years, Swiss Post has been an institution that fosters national cohesion in Switzerland and provides public services on behalf of the Swiss Confederation. Postal legislation and the Federal Council's strategic goals provide the regulatory and legal framework for Swiss Post's business activities. Swiss Post is also continually adapting to current market conditions and to its environment and is developing its products and services in line with the needs of business and private customers. In particular, this means the ongoing development of Swiss Post towards digitization and connection to international goods flows.

Swiss Post's resources

Swiss Post carries out its business activities with a variety of resources, which include both tangible and intangible aspects:

– Employees

Employees are a key factor for Swiss Post. As one of Switzerland's largest employers, it employs around 45,000 people in over 100 professions in all language regions and all cantons, with 83.8 per cent on collective employment contracts.

– Economy







Swiss Post's economic resources include its equity capital, which it uses to finance necessary innovations and investments, purchased competences, and its own physical infrastructure. Swiss Post operates an extensive network of access points for its customers and distribution centers (seven letter processing centers, 13 parcel processing centers) in Switzerland. The subsidiary Post Company Cars is Switzerland's biggest manufacturer-independent, full-service fleet manager, managing around 25,500 vehicles owned by Swiss Post and external companies. With over 8,000 Swiss Post vehicles, Post Company Cars also has Switzerland's biggest fleet of electric vehicles. The vehicle fleet of Swiss Post and its subsidiaries, consisting of a large number of vehicles, including trucks and fully electric vehicles, is essential for its delivery operations. Swiss Post's well-organized logistics transport network enables delivery both within Switzerland and internationally, and it also works with other partner companies to extend its reach.

– Society

Another important factor in Swiss Post's success is its brand value and the trust it enjoys among the general public. Swiss Post has a broad customer base that includes private individuals as well as companies and public authorities. Long-standing relationships with customers, suppliers, associations, universities and start-ups contribute to the continuous improvement of Swiss Post's products and services.

– Environment

An important aspect of Swiss Post's resources is its energy requirements. Facilities such as Swiss Post branches and sorting centers require energy for operations, heating, lighting and IT. The delivery fleet also consumes energy, as the vehicles run on fossil fuels or electricity. Swiss Post is increasingly focused on sustainable energy solutions, such as energy-efficient buildings, solar energy and the use of electric vehicles, in order to reduce its energy consumption and CO₂ emissions.

Added value	
Employees	
 3.7 bn	CHF salaries and social benefits
82/100	points for "My direct manager"
Economy	
 76/100	points for customer satisfaction
 324 m	CHF Group profit
50 m	CHF dividend to owner
94 m	CHF taxes to public authorities
Society	
 1.6 bn	letters
180 m	parcels
3.3 m	ePost mail items
183 m	passengers (PostBus)
107 bn	CHF customer assets (PostFinance)
4	cantons use the e-voting system
84,584	electronic patient records
 802	of 2,121 municipalities in all cantons with Swiss Post jobs
16,000	jobs in peripheral regions
Environment	
 330,000 t	CO ₂ e reduction Scopes 1–3 compared to 2023

Business activities

Markets

Swiss Post generates nearly 88 percent of its revenue on the open market.

Swiss Post operates in four markets: logistics, communication, mobility and financial services. It complements its traditional, postal core business in the logistics of letters, parcels, advertising and newspapers with goods logistics, cross-media advertising and tailored, sector-specific logistics solutions. Swiss Post is also developing secure and trustworthy digital communication solutions for private customers and SMEs, the healthcare sector, public authorities and cantons. As a systemically important payment service provider, its banking subsidiary PostFinance provides financial services, including payment transactions, saving and investment services and new digital and platform-based solutions. In the mobility market, Swiss Post is primarily active in regional passenger transport and offers other services as part of holistic mobility solutions. As a linking element, Swiss Post operates an extensive, national network of access points and guarantees access to postal services and payment transactions.

With its services, Swiss Post generates almost 88 percent of its revenue on the free market, in competition with numerous domestic and foreign rivals. The remaining 12 percent is accounted for by the residual monopoly in letters up to 50 grams, which are exposed to a significant substitution effect from electronic solutions. Due to the advance of electronic substitution, both revenue and the relative share of operating revenue generated by Swiss Post's residual monopoly are falling year after year. This means the reserved postal service is contributing less and less to the financing of the universal service, and the value of this statutory privilege already falls well short of covering the costs of the statutory universal service (see → page 23). More information on the markets can be found in Background (see → page 18) and Strategy (see → page 22).

Geographical segmentation

Around 90 percent of Group revenue is generated in Switzerland.

Swiss Post operates first and foremost for Switzerland and therefore in Switzerland. In the international market, it focuses primarily on the expansion and further development of cross-border services in its core business in line with the needs of its customers and Switzerland. Around 90 percent of Group revenue is generated in Switzerland. Around 10 percent is generated abroad or in cross-border business.



Selective presence abroad

Swiss Post maintains a presence in 18 countries in Europe, North America and Asia via subsidiaries. The objective is to ensure that it can offer high-quality and competitive services, enabling it to meet the needs of its customers and the Swiss economy.

In its core business and in goods logistics, Swiss Post focuses primarily on the expansion and further development of cross-border services and on connections to important logistics hubs within Europe, with key roles played in particular by its partnerships with foreign postal companies (e.g. the Asendia joint venture with La Poste) and other logistics providers, and by access to their global logistics networks. Swiss Post has goods logistics subsidiaries in the markets most relevant to Switzerland (southern Germany, eastern France, northern Italy). International connections constitute an important basis for ensuring the mailing of letters, parcels and goods to and from other countries.

For some business models, particularly in digital communication services, having an international presence is essential. In ensuring that we can offer high-quality and competitive services for our customers and Swiss society, using the available expertise and the ability to scale are important success factors.

More information on the associated companies and joint ventures can be found on → page 121, on the acquisitions and disposals of subsidiaries on → page 96 and on the scope of consolidation on → page 190.

Digital and physical channels

Physical access points

Physical access points remain key.

Physical access points remain a key part of Swiss Post's services. This means customers can use the services throughout Switzerland. Swiss Post is continually developing its many different access points and has increased the number to over 5,000 – particularly through new acceptance and collection points at shops, and additional My Post 24 terminals and business customer points. The number of staffed access points is around 2,000 – which means Swiss Post has a very dense branch network.

Every day, thousands of Swiss Post employees and numerous partner staff serve and advise our customers in self-operated branches and branches with partners, processing over 300,000 transactions every day. A network of 18 PostFinance branches, 15 stores and 57 consulting offices is available for financial services. PostFinance employees advise small and medium-sized business customers directly at their premises. 770 Postomats, 14,077 letter boxes and 303 My Post 24 terminals are also available to customers around the clock, as are 563 acceptance and collection points at locations such as Migros branches. To meet the needs of business customers, Swiss Post operates 101 counters for business customers in branches and 231 business customer points in industrial or business districts as well as at letter and parcel processing centers.

Every day, Swiss Post serves around 4.7 million private letter boxes, can offer delivery of consignments on a specific day or at a specific time on request, e.g. on Saturdays or in the evening, or collect parcels from the customer's home with the pick@home service. In 1,911 – predominantly rural – locations, customers can take advantage of the home service ("branch counter" at their front door), where they can hand over letters and parcels to delivery staff directly at their front door. In other areas, where a branch with a partner is normally operated at the same time, Swiss Post offers payments and withdrawals from home, allowing customers to pay bills or withdraw cash at their doorstep. Swiss Post offers business customers consignment collections from their company address.

Covering a distance of 17,689 kilometres in total, PostBus maintains 944 routes and 11,339 stops in public transport in Switzerland. In addition, PostBus offers its passengers tourist trips as well as school and on-demand buses. PostBus also provides scheduled and unscheduled rail replacement services on behalf of the rail companies.

Digital access points

Around 135 million potential digital customer contacts underline the relevance of digital services.

Private and business customers can use various digital services via the "My Post" customer portal and apps (e.g. ePost App, PostFinance App). At the Contact Center, around 300 call center agents answer enquiries via phone, e-mail, chat, WhatsApp or social media. Around 8,700 enquiries are dealt with every day at the Fribourg, Schaffhausen, Kriens and Visp locations. Swiss Post's external digital sites (→ [swisspost.ch](https://www.swisspost.ch) and the Post-App, excluding PostFinance) are visited 388,000 times a day. That's around 135 million digital customer contacts a year. This illustrates the digital relevance of Swiss Post. Swiss Post also offers business customers a wide range of tailored contact options and services with fully integrated processes that enable efficient business processing, creating real added value.

Added value

In all of its markets, Swiss Post plays a crucial role in ensuring that Switzerland's economy and society run smoothly.

– Economy

Swiss Post is primarily committed to meeting the needs of its private and business customers. The consistently high score when measuring general customer satisfaction (76 out of 100 points) confirms that customers experience their contacts with Swiss Post as efficient and positive and that Swiss Post's services provide added value in their everyday lives. Swiss Post's customer base comprises 9 million individuals and hundreds of thousands of companies, ranging from small enterprises to large multinationals. In its business activities, Swiss Post generated Group profit of 324 million francs in 2024 and paid a dividend of 50 million francs to its owner as well as taxes to the public sector.

– Society

Swiss Post contributes to the stability of the Swiss market with its various products and services. It ensures efficient logistics for companies and private individuals, supports international trade and creates jobs in all cantons. Swiss Post also makes an important contribution to society by providing a nationwide public service to all people in Switzerland. It ensures the supply of letters (1.6 billion), parcels (180 million) and financial services (106.6 billion francs in customer assets) and strengthens the digital public service (e-voting in four cantons, 84,584 electronic patient records). By doing so, it promotes social integration and equal opportunities. Swiss Post is also committed to promoting education and social projects and supports digital access for all sections of the population.

– Employees

Swiss Post offers its employees an attractive working environment with a range of development opportunities. It is focused on equity, training and long-term job security. Promoting a positive corporate culture and creating a safe, respectful working environment are core values of the company. This is confirmed by the results of the 2024 employee survey. For example, at 82 points (on a scale of 0 to 100 points), the "My direct manager" index continues to have the highest score of all indices in 2024. The "Our corporate culture" index remains stable with a good score of 76 points.

– Environment

Swiss Post focuses on using renewable energies, energy-efficient buildings and expanding the number of electric vehicles in its fleet. With these and other measures, Swiss Post reduced its CO₂ emissions by around 330,000 t CO₂^e (Scopes 1–3) in 2024. Swiss Post is also working continually to optimize its logistics processes in order to reduce its ecological footprint and contribute to climate protection.

Organization

The Group structure is aligned with the strategic focus.

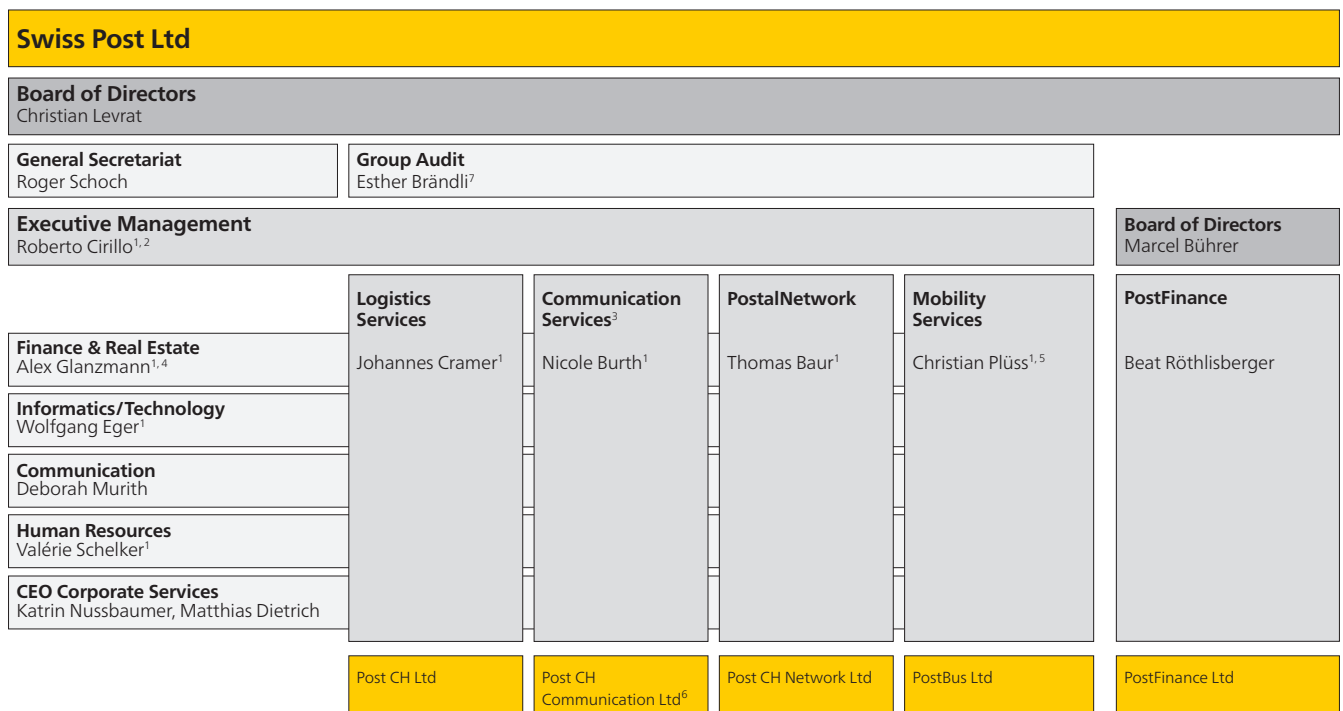
As a Group, Swiss Post operates five executive units: Logistics Services, Communication Services, PostalNetwork, Mobility Services and PostFinance. They are presented as individual segments in the annual financial statements (see Segment information, → page 101). The Communication Services unit was renamed Digital Services as of 1 January 2025.

The Finance, Real Estate, Informatics/Technology, Communication, Human Resources and CEO Corporate Services function units support the management of the Group and the provision of services by the executive units. In the annual financial statements, the results for these function units are included in Segment results, Functions and Management.

In the legal structure, "Swiss Post Ltd" is the holding company. The strategic subsidiaries, which in turn have subsidiaries of their own, are managed under this structure (see Consolidated Group, → page 190).

Organization chart

31.12.2024



1 Member of Executive Management.
 2 Up to 31 March 2025.
 3 The Communication Services unit was renamed Digital Services as of 1 January 2025.
 4 Interim CEO from 1 April 2025.
 5 Up to 31 January 2025.
 6 As of 6 January 2025, the company was renamed Post CH Digital Services Ltd.
 7 Up to 31 January 2025.

More information on the Board of Directors and Executive Management can be found on → pages 65 to 69 and → 73 to 76. For information on changes in Group management after the balance sheet date, see page → 76.

The strategy for the period 2021 to 2024 entered into force on 1 January 2021. The Group structure is aligned with the strategic focus (see → pages 22 to 29).

Brands

Swiss Post is one of the best-known brands in Switzerland. With its many physical touchpoints – such as delivery vehicles, letter boxes, My Post 24 terminals, branches, etc. and the high number of employees who have customer contact, it is omnipresent in everyday Swiss life. Thanks to its wide range of services, the brand is increasingly raising its profile in the digital arena.

The modernized, language and application-neutral logo was extended to Post CH Ltd and PostBus Ltd.

To enhance brand awareness, reflect its forward-looking strategy and simplify operational brand management, Swiss Post extended its language- and application-neutral logo (modernized in 2023) to Post CH Ltd and PostBus Ltd in 2024. The transition to the new Swiss Post logo will be completed by 2028 at the latest, for example, because the new procurement cycles for vehicles and other operating equipment will be utilized. The new PostFinance Ltd logo was unveiled in spring 2024. This new brand identity will be implemented in stages and largely finalized over the course of 2025. In addition to the Swiss Post and PostFinance brands, the Group's brand portfolio also includes other brands. They have mainly been added to the portfolio via company acquisitions and are actively used to raise public awareness of Swiss Post's activities in certain areas of expertise.

Image campaign with a focus on economic benefits

In a total of four waves in 2024, the focus was placed once again on the economic benefits of Swiss Post in the final phase of the communication support for the "Swiss Post of tomorrow" strategy period. The overarching theme was covered in a traditional image advert featuring Swiss Post's brand values and laying the emotional foundation for specific themed adverts focusing on "Climate and energy", "Swiss Post as an employer", "Digitization" and "Proximity". The themed adverts communicated concise promises and referred the audience to the websites of the Group units, where they could find more information. The campaign ran until the end of 2024 on national TV, on frequently visited online portals, in cinemas and on the screens of Livesystems, a Swiss Post subsidiary.

Sponsoring alignment

Swiss Post's commitments are aimed at strengthening Switzerland.

Swiss Post's commitments are geared towards strengthening Switzerland. Like Swiss Post itself, they embody Swiss identity, quality and reliability. Swiss Post uses sponsoring as a means of active brand management with the aim of creating added value for Swiss Post through image transfer.

With its commitment to Switzerland, Swiss Post is also there for its customers in their leisure time, creating lasting and positive memories. Its commitments include partnerships with the Swiss Hiking Trail Federation (main partnership), the Locarno Film Festival and the Museum of Communication as well as support for Swiss ice hockey via PostFinance's main partnerships with the National League and Women's League. With its social sponsorship programme, Swiss Post fulfils its social responsibility and supports both charitable and cultural projects that are important for Switzerland. For example, Swiss Post is a partner of the Swiss Red Cross and a co-sponsor of "2 x Christmas", a charitable campaign that collects goods throughout Switzerland and distributes them to people living in poverty nationwide. By doing so, Swiss Post makes an active contribution to social cohesion.

As a company that operates in both the physical and digital worlds, Swiss Post's business sponsorship activities focus on supporting projects and programmes that contribute to Switzerland's economic and digital development. Swiss Post engages in dialogue with its customers to learn about their wishes and needs in order to develop its products and services accordingly.

Reputation and image analysis

Swiss Post regularly has its reputation and image analysed by an external market research institute. Surveys of the general public are conducted for this purpose on an ongoing basis (quarterly report), from which the current image value is calculated. Media articles are analysed daily to determine the media image value.

Swiss Post is undergoing a transition in order to adapt to the changing needs of the population as a result of digitization. This may result in negative feedback from the general public and the media, especially when the necessity for change is not yet widely recognized and there are still doubts about the value of the changes being implemented. A scale of -1 to $+1$ is possible for the image value (general public and media), with -1 corresponding to purely negative reporting or purely negative evaluations by the general public and $+1$ corresponding to purely positive reporting or evaluation by the general public.

Swiss Post's reputation remains positive.

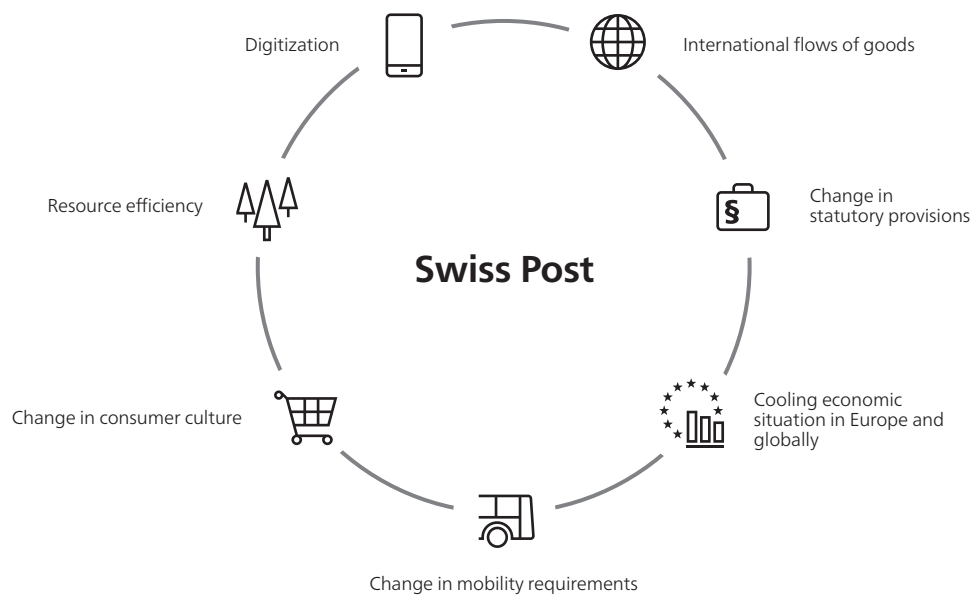
The media image averaged $+0.07$ in 2024 (previous year: $+0.09$). The general public image averaged $+0.21$ in 2024 (previous year: $+0.29$). The participants' assessment of the general sentiment was $+0.14$ on average (previous year: $+0.25$). It is therefore still the case that personal experiences of Swiss Post are more positive than indicated by the assessment of general sentiment towards Swiss Post.

Background

The constantly changing environment influences Swiss Post’s activities. A distinction is made between technological, sociocultural, economic, ecological, regulatory and political factors, which Swiss Post proactively addresses as a company. Recognizing and reacting to developments and trends in the environment in good time is an important basis for making sustainable strategic decisions and benefiting as much as possible from emerging changes.

Trends in the environment

2024



Technological factors

The digital transformation is presenting Swiss Post with challenges.

Digitization has made rapid progress in recent years and has accelerated further since the coronavirus pandemic in 2020. As a result, the physical communication market has been particularly hard hit. Letter volumes, newspapers and physical promotional mailings are constantly declining, while over-the-counter transactions continue to fall. This presents huge challenges for Swiss Post.

However, digitization presents opportunities as well: new, future-oriented business models in the field of digital communication are opening up, allowing a look ahead towards the public service of the future. In the core business, too, digitization and new technologies are key in evolving into the Swiss Post of tomorrow. Electric vehicles (with the exception of heavy vehicles such as trucks) are now standard and enable Swiss Post to develop a sustainable range of services. Artificial intelligence is enabling the development and optimization of processes and solutions. In logistics, robots – combined with the Internet of things (IoT) – are performing key tasks and simplifying the day-to-day processing of goods. Time-consuming administrative tasks are being automated. Combining digital and bricks-and-mortar channels creates a holistic customer experience.

With the advancement of digitization, data and the need for trusted data handling are growing in importance. Issues such as data protection and digital ethics are increasingly taking center stage.

Swiss Post is evolving in step with the sociocultural transformation.

Sociocultural factors

People are on the go much more than in the past, a trend that will intensify in the coming years. Fast and mobile access to the Internet via smart devices will continue to change how people live and work. Swiss Post wants to support its customers through this period of transition and win them over with solutions that are sustainable and offer a simple and holistic customer experience. The company wants to stay abreast of changing social values and to grow with new opportunities in an effort to promote sustainable sociocultural development.

Swiss Post is also facing challenges as an employer: it needs to remain attractive by providing interesting areas of activity, forward-looking work models and development opportunities for its employees.

Swiss Post remains an important part of the Swiss economy.

Economic factors

Technological and sociocultural factors are causing the competitive landscape to change rapidly. Over 50 percent of the companies currently with the highest market capitalization didn't even exist 20 years ago. Tech companies with disruptive business models in particular are increasingly entering the Swiss market and presenting companies with new challenges. They continue to develop products and services that allow their customers to consume everything from a single source. With platform-based solutions, they are strengthening their customer retention, making it harder for other companies to gain direct access to customers. This trend is currently being spurred on by the challenging economic climate (inflation and low consumer confidence).

To counter these economic pressures, new economic ways of thinking are needed. A key factor here is further development into nodes within larger networks. These ecosystems enable Swiss Post to enter into new collaborations at both international and local level to offer customers comprehensive solutions.

Both global and national companies are undergoing a transition. Forecasts show that an ageing population and a low birth rate could result in a shortage of up to 500,000 skilled workers in Switzerland by 2030. The balance of power on the labour market is shifting in favour of employees. In view of the high number of forthcoming retirements, Swiss Post is under pressure to remain an attractive employer by continuing to provide attractive employment conditions, interesting areas of activity and future-oriented work models. For Swiss Post, maintaining its appeal as an employer is crucial to ensure that it continues to attract and retain talent in the future.

Logistics

Long-term growth trends will slow down in the short term.

The e-commerce market, which is considered the biggest growth area in the next 15 years, is undergoing major structural change due to progressive internationalization (e.g. the emergence of large Chinese marketplaces) and a shift in channels (consolidation of marketplaces, emergence of social commerce) and offers growth opportunities for Swiss Post in the parcel market and in goods logistics – from cross-border e-commerce services to last-mile services.

The current market and geopolitical situation is inhibiting this growth at least in the short term (e.g. due to post-Covid consumer behaviour, general consumer confidence), and this is reflected in another year with reduced volumes. Senders and recipients of parcels are price-sensitive and have high expectations as regards quality. There is a demand for sustainable, rapid delivery, flexible recipient services and seamless processing of comprehensive logistics services (including customs clearance and returns). In this context, the issue of environmental sustainability is becoming increasingly important, despite a reluctance to pay for it. Swiss Post is well positioned to benefit from these trends with its range of services.

In goods logistics, the regions relevant to the Swiss economy that are served by Swiss Post (southern Germany, eastern France, northern Italy) also offer the potential for above-average growth, which is being temporarily slowed by the current market situation (geopolitical situation, recession in Germany).

Competitive pressures and the importance of digitization are growing in all sub-markets. It's not just about increasing efficiency or customer loyalty, but also expanding existing physical business models, including via platform-based services.

Communication

The need for the highest standard of data security will decisively shape the provider market.

Everyday life is increasingly digital and interconnected, which, in turn, is boosting the communication market. Consignment volumes are steadily declining in the traditional letter and newspaper business as well as in the physical advertising market, while demand for traditional over-the-counter services continues to fall. However, demand for digital services is growing at a disproportionately high rate. The resulting networked society is changing the basis for entrepreneurial success – and requires both individuals and companies to acquire new skills.

The trend towards artificial intelligence (AI) is amplifying these developments. AI-based technologies make it possible to analyse large volumes of data efficiently and gain valuable insights from it. This leads to an optimization of business processes and improved decision-making. Companies that successfully integrate AI can achieve competitive advantages and increase their innovative strength.

There is a constant rise in the need for maximum data security, traceability, inalterability and protection against misuse (cybersecurity), which is shaping the provider market. There is growing demand for modern solutions that enable people, companies and authorities to interact securely and easily in the digital space. The general public increasingly expects digital interactions to be seamless, efficient and secure, not only in the private sphere, but also when interacting with public administration. Swiss Post is participating in the debate on the development of a suitable regulatory basis.

Mobility

The future of mobility is fossil-free, connected and partially autonomous.

Flexibility, self-determination and mobility continue to play an important role in everyday life. Modern mobility requirements are increasingly shifting towards a seamless system. This consists of multimodal solutions covering public services, collective car, bike and scooter solutions, taxis, as well as individual forms of mobility. In this seamless system, providers are increasingly adopting a fossil-free, networked and (partially) autonomous approach with their solutions.

In the public passenger transport market, Swiss Post still assumes that the mobility requirements of the population will continue to increase in the long term. However, the funding available to the purchasers (the Confederation and the cantons) is not rising to the same extent. Rising energy costs and other inflationary factors have created additional cost pressure. New technologies and the opportunities they present are promoting the development of mobility towards seamless systems, such as via the provision of on-demand solutions, alternative drive technologies or sharing models. The environmental sustainability of mobility is growing in importance, but also requires considerable investment in alternative drive systems and the corresponding charging infrastructures. Furthermore, the opportunities for development within the framework of existing legislation remain limited in some areas (e.g. autonomous driving) or are hampered by public sector cost-cutting measures.

Customer requirements for digital services are changing rapidly.

Financial services

2024 was marked by a series of financial policy and social developments. Global economic uncertainty, triggered by geopolitical tensions and volatile markets, continued to test the resilience of financial markets. Although the return of positive interest rates marked a turning point for PostFinance in terms of improved profitability, the interest rate cuts by the Swiss National Bank (SNB) clearly demonstrate the persistent volatility of the interest rate environment. The dependence on interest operations and market developments are ongoing challenges.

Digitization is also progressing in the financial market. This is reflected, for example, by ongoing growth of the fintech sector, blockchain technology firms and cryptocurrencies as well as the emergence of ecosystems related to digital payment services. More stringent regulatory conditions are levelling up the competitive environment for established financial service providers in relation to fintechs. Demand continues to grow for services such as digital asset management and instant payment solutions. Companies need to continually improve the customer experience using artificial intelligence and data analysis.

Legal and political factors

The future of the universal service is the subject of political debate.

Regulatory challenges exist for Swiss Post specifically in terms of the current postal legislation governing the defined universal service, and also in the implementation of overarching industry-related or area-specific regulatory developments such as financial regulation, non-financial reporting obligations, decarbonization and data protection. Recent developments in all these areas have been rapid and far-reaching. Swiss Post's growth strategy has also faced criticism from a variety of sources – in political procedural requests, legal proceedings against Swiss Post and ongoing legislative work in the area of corporate governance.

Regarding the development of the universal service, in 2022 the Egerszegi expert committee appointed by the Federal Council presented its proposals on the universal postal service from 2030. The Federal Council then instructed the Department of the Environment, Transport, Energy and Communications (DETEC) to analyse the most significant issues in greater detail and to submit specific proposals for further action in a report. In June 2024, the Federal Council published the report and decided that the Postal Services Ordinance should be amended from 2026. At the same time, the Federal Office of Communications (OFCOM) is to commence preparatory work for a revision of the Postal Services Act. The amendment to the ordinance is intended to include digital elements in the universal service (in communication via digital letters and in payment transactions via e-banking) and to relax individual requirements for the delivery of consignments to enable Swiss Post to make savings. Swiss Post welcomes these initial steps towards a modernized universal service.

In Swiss Post's view, the future development of the universal service, including digital services and the funding of the entire postal system, are the most pressing issues and need to be addressed with urgency taking a holistic approach. To ensure the universal service and, in turn, Swiss Post remains beneficial after 2030 for Switzerland, relevant to the general public and that the company can continue financing it in a self-sustaining manner, the universal service obligation has to evolve in line with the changing requirements of society, the economy and the public sector.

The owner and politicians now need to look at the public service from 2030. By implementing the "Swiss Post of tomorrow" strategy, Swiss Post has provided politicians with the time required to define the legal framework from a holistic perspective. The 2021–2024 strategy period is at an end, and there is now even greater need for regulatory action due to the demand trend within the universal service compared with the beginning of the strategy period.

The goal is to build a robust postal service that evolves in sync with the requirements of the Swiss economy and public.

“Swiss Post of tomorrow” strategy

The “Swiss Post of tomorrow” strategy is based on Swiss Post’s traditional strengths and is shaped by the three key structural elements of state ownership, universal service and self-sustainability. However, the relevance of Swiss Post will need to be reformed for the future. The goal is to build a robust postal service that evolves in sync with the requirements of the Swiss economy and public, and, in turn, meets the strategic goals set by the Federal Council. Swiss Post is investing substantially in an effort to achieve this and intends to continue generating profits, which it will then invest into the ongoing development and fulfilment of its universal service obligation.

Swiss Post’s strategy is based on the statutory framework, the strategic goals set by the Federal Council and Swiss Post’s vision. The strategy came into force on 1 January 2021 and has since been systematically refined to reflect the changed framework conditions and new insights. The time horizon is ten years.

Statutory mandate and strategic goals set by the Federal Council

Swiss Post’s activity is based on the Postal Services Act, the Postal Services Organization Act and the related ordinances. As the owner, the Confederation defines the strategic goals for Swiss Post every four years.

Statutory mandate

The revised postal legislation was adopted by the Swiss Parliament in December 2010 and has been in force since October 2012. The Postal Services Act aims to guarantee a sufficient, inexpensive universal service for the entire Swiss population in every part of the country. Swiss Post has a universal service obligation to provide postal services and to provide payment transaction services. In the Postal Services Ordinance, the Federal Council differentiates between the two mandates, paving the way for a customer-oriented, financially viable service in line with market needs. Swiss Post’s monopoly on addressed domestic letters up to 50 grams is the most important legal pillar for financing the universal service.

The universal postal service sets out requirements concerning the services, price and quality to be provided, focusing on the needs of sender customers; with high demands placed on Swiss Post for home delivery (frequency, quality and nationwide coverage), the universal service also takes into account the needs of recipient customers. The universal service comprises priority and non-priority individual items (A and B Mail, Priority and Economy parcels) for which strict guidelines regarding delivery times must be met compared with other countries, as well as delivery of subscription newspapers. Postal legislation stipulates, among other things, that 97 percent of addressed domestic letters and 95 percent of domestic parcels must be delivered by Swiss Post on time. Priority items must be delivered to their destination by the following day, non-priority individual items must be delivered within three working days after the day of posting. The delivery deadline for subscription newspapers is 12.30 p.m. daily. Payment transaction services and the posting of individual consignments that form part of the universal service must be available in branches and be accessible to 90 percent of the population in each canton within 20 minutes on foot or by public transport. In areas where Swiss Post offers a home service, they must be less than 30 minutes away.

With the strategic guidelines for the years 2021 to 2024, the Federal Council is supporting Swiss Post's strengths.

Strategic goals set by the Federal Council

The Confederation, as Swiss Post's owner, manages the company through the designation of strategic goals. In December 2020, the Federal Council set out the strategic goals for Swiss Post for the years 2021 to 2024. Here, it was guided by the key principles of the previous strategy period. The financial targets were adjusted in view of the huge challenges posed by the transformation. In addition, an explicit obligation to provide information on the implementation of the strategy was created and the objective of stabilizing and opening up the network was added.

With its strategic requirements for 2021 to 2024, the Federal Council supports the strengths of Swiss Post and, in turn, the "Swiss Post of tomorrow" strategy: transporting goods, assets, information and people in a trustworthy manner.

For the now completed period between 2021 and 2024, the Federal Council also expects Swiss Post to stabilize the number of branches, provided this is economically justifiable, to commit itself to an environmentally sound corporate strategy and to operate a modern compliance management system.

With these financial objectives, the Federal Council recognizes that Swiss Post is in a challenging phase of transformation. The Council is adjusting its expectations accordingly, but expects Swiss Post over the next four years to establish the conditions required to safeguard the value of the company sustainably in the medium term. In addition, all business areas (with the exception of PostBus, which is subsidized) are to achieve an industry-standard level of profitability. With its human resources policy, Swiss Post is required to continue offering attractive, competitive employment conditions and help employees to balance work and family commitments.

Regulatory accounting and companies under individual supervision

Net costs arising from the universal service obligation

Swiss Post must present its accounts in such a way that costs and revenue can be identified for individual services (article 19, para. 2 of the Postal Services Act of 17 December 2010). The Postal Services Ordinance substantiates these requirements and regulates the calculation of net costs for the universal service obligation.

The net costs result from a comparison of a hypothetical result recorded by Swiss Post excluding the universal service obligation with the actual result achieved. They represent the difference between the avoided costs and lost revenue. Swiss Post specifically calculated the net costs arising from the universal service obligation for the first time in 2013. They stood at 363 million francs for 2024. The calculation is expected to be approved by the Federal Postal Services Commission (PostCom) in 2025.

At most, Swiss Post can offset the net costs from the previous year between different segments and the subsidiaries. This net cost compensation enables Swiss Post to spread the universal service burden over the services and segments that are best able to support it. Net cost compensation does not influence the Group's financial result in any way.

Each year, the auditors check for PostCom the calculation of net costs, net cost compensation, regulatory accounting and compliance with the ban on cross-subsidies.

PostFinance Ltd

Since 2013, PostFinance has been a private limited company under private law wholly owned by Swiss Post Ltd. The financial institution was granted a banking licence as a bank and securities dealer on 26 June 2013 and is subject to regulation by the Swiss Financial Market Supervisory Authority (FINMA). Postal legislation and the strategic goals set by the Federal Council remain relevant to PostFinance's business activities. In particular, postal legislation specifies that PostFinance must provide a universal service for payment transactions throughout Switzerland. It also states that PostFinance may not issue loans and mortgages to third parties. In the summer of 2015, the Swiss National Bank (SNB) declared PostFinance to be a systemically important bank. In this regard, FINMA sets out specific requirements to be met by PostFinance. PostFinance issues annual financial statements in accordance with the accounting rules under banking law (articles 25–28 of the Banking Ordinance, the FINMA Accounting Ordinance and FINMA Circular 2020/1 "Accounting – banks"). The statutory auditor audits the financial statements of PostFinance Ltd, which comprise the balance sheet, income statement, cash flow statement, statement of changes in equity and notes. The Federal Office of Communications (OFCOM) checks compliance with the universal service obligation in payment transactions.

PostBus Ltd

Since 2005, PostBus Ltd has been a private limited company under private law wholly owned by Swiss Post Ltd. The passenger transport company, whose activities are also based on the Postal Services Organization Act, performs mobility tasks and is subject to supervision by the Federal Office of Transport (FOT). The strategic goals set by the Federal Council remain relevant to PostBus's business activities. PostBus Ltd issues annual financial statements in accordance with accounting regulations under commercial law (article 957 et seq. of the Swiss Code of Obligations). The statutory auditor audits the financial statements of PostBus Ltd, which comprise the balance sheet, income statement and notes. It carries out the special audit on subsidies in accordance with FOT guidelines and monitors compliance with the Department of the Environment, Transport, Energy and Communications (DETEC) Ordinance on Accounting in Licensed Enterprises (ALEO) as well as compliance with other legislation under a special statutory regime. The FOT audits, periodically or as required, the approved financial accounts of companies that receive financial assistance or compensatory payments from the Confederation in accordance with the Railways Act or the Passenger Transport Act. The results of the audit were not available at the time of publication of the Annual Report.

Raison d'être, vision and values

In its "Swiss Post of tomorrow" strategy, Swiss Post has defined its raison d'être and set itself a Group-wide reference point for its development:

Swiss Post's raison d'être

Everyone has the power to make a difference.

From small to large scale. No matter where. And in their own personal way.

That's why we at Swiss Post do our very best, day in and day out.

Every day, we perform valuable work and are actively involved in the community, helping to bring Switzerland together.

We create new opportunities to ensure that everyone can achieve their goals and dreams. Individually, in teams and as a company. Yesterday, today and tomorrow, too.

Because we are Swiss Post:

Bringing Switzerland together – every day since 1849.

Swiss Post's vision

Something special is created when we can focus on essentials. This is why people and companies need as much freedom as possible.

At Swiss Post, we create this freedom. We do so by moving goods, information, assets and people.

We power Switzerland. With trustworthy services in the physical and digital worlds.

At home, during leisure time and at work. In the countryside and in the city. At any time and across all borders.

To ensure that Switzerland can focus on the important issues in the future, too.

Thanks to Swiss Post: powering a modern Switzerland.

When implementing its vision, Swiss Post focuses on its core values: "customer-centric", "trustworthy" and "committed".

Implementation of the “Swiss Post of tomorrow” strategy

Strategic priorities

As part of its “Swiss Post of tomorrow” strategy, Swiss Post focuses on the following priorities:

– **Ensuring relevance and fostering growth through new business by developing and transforming the core business**

Swiss Post is developing its existing core business and transforming its business models to adapt to technological, social, economic, regulatory and political changes (levers include digitization and data) so it can continue meeting customer requirements in future. Swiss Post is continuing to evolve in its core markets and is growing in selected markets primarily organically and, where necessary, inorganically. In particular, it is focusing on the transition of postal and mail secrecy to the digital age (portfolio of Communication Services), the opening-up of the network and new logistics solutions.

– **Underpinning self-sustainability through efficiency and pricing measures**

To ensure Swiss Post can continue providing the universal service in a self-sustaining manner in future and invest in core and new business areas, greater cost efficiency (productivity increase or stabilization) and higher prices are required. For this, Swiss Post has identified Group-wide efficiency measures with a focus on reducing expenditure and improving EBIT. They are to be implemented by 2030. By implementing pricing measures for letters, parcels and newspapers, Swiss Post is ensuring it can continue to provide a comprehensive universal service on all working days at competitive prices throughout Switzerland.

– **Making a social contribution by adopting a sustainable approach**

Swiss Post makes a relevant contribution to Switzerland’s sustainable development. It assumes responsibility for the direct and indirect consequences of its business activities on various stakeholders and on the environment. The corporate responsibility goals are being implemented in five priority areas of action across the value chain: responsible procurement, climate and energy, responsible employer, sustainable customer solutions (circular economy) and the common good.

Market strategies

The strategies of the Group units form the link between the Group strategy and Swiss Post’s activities in its markets.

Logistics Services

Comprehensive one-stop logistics services.

In the Logistics Services segment, Swiss Post pools its logistics competencies. It intends to defend its leading position as a holistic logistics service provider in Switzerland and for Switzerland. The strategy was therefore specifically geared to the market areas in which Swiss Post intends to operate and to their requirements. The approach underpinning this is to reinforce what is already in place and continue to develop in line with new requirements (e.g. through digital expansion), to grow in new business areas and, in its capacity as a trustworthy partner, to connect Switzerland to the world for the goods flows of the future. The focus remains on growth in the three markets of parcels (national/international), goods logistics and advertising. This is intended to compensate for the decline in the letter market and strengthen the overall market position.

The courier, express, parcels (CEP) and mail services are operated by Swiss Post both nationally and internationally. The CEP market is particularly attractive given the e-commerce boom, but it is also highly competitive. Swiss Post offers comprehensive, high-quality and environmentally sustainable products and services. The goal is to further increase convenience for senders and recipients and simplify border crossings. Letters remain a core element of the portfolio.

The media and advertising market is strongly impacted by digitization. Swiss Post is securing its relevance in this market by supplementing and expanding its services with digital and cross-media solutions. It is optimizing its business with physical media (newspaper delivery) and advertising.

To ensure a comprehensive logistics offering for business customers, Swiss Post is expanding its range of goods logistics services in road transport and contract logistics, and ensuring that Switzerland is connected to international trade flows. To do so, it is making targeted investments in the domestic market and in neighbouring countries. It is also developing industry-specific logistics solutions (construction logistics and healthcare logistics).

Communication Services¹

Digital communication services for intuitive, trustworthy data exchange and secure data handling.

The needs and day-to-day life of people in Switzerland are changing. Handling sensitive data carefully will become even more important in the future. At the same time, customers – whether private individuals, companies or public authorities – want a positive digital experience. This is where the Communication Services unit¹ comes in. Its goal is to become the relevant provider of digital communication services for intuitive, trustworthy data exchange and secure data handling. For orientation, there are three main fields:

- Protected communication platforms for the secure exchange of information between senders and recipients
- Software solutions for the digital connectivity of SMEs and municipalities
- Cybersecurity services for a secure digital environment in which senders and recipients can operate safely

With targeted national and international investments, Swiss Post is building up its expertise for the future digital core business of communication, and investing in digital public service solutions such as e-voting, the electronic patient record and the ePost digital letter box.

PostalNetwork

Expanding access points and opening up the branch network to partners.

Today, Swiss Post offers a very dense network for accessing postal services. The branches and other access points remain a central pillar of Swiss Post's services. Swiss Post's physical presence in all regions of Switzerland reflects its view of a nationwide universal service. Swiss Post is continuing to expand its network, which currently totals around 5,000 access points, with innovations such as terminals, business customer points and home services. Swiss Post is investing over 100 million francs in its staff, in modernizing its branches and in formats with more attractive opening hours. It is strengthening the quality of its branches with partners with local support from Swiss Post staff, training for partner staff and customer-friendly infrastructure.

The network currently has around 2,000 staffed access points. Swiss Post has opened the self-operated branches to public authorities and to companies operating in the health insurance, banking, insurance and healthcare sectors. By taking this step, Swiss Post is establishing new service centers in all regions, with products and services that are relevant to everyday life. It gives its partners access to people in urban and rural areas.

¹ The Communication Services unit was renamed Digital Services as of 1 January 2025.

Networked and sustainable road-based mobility solutions.

Mobility Services

Swiss Post is a leading mobility provider in road-based public passenger transport in Switzerland. It intends to continue strengthening this position with its Postbuses, as the public transport system in Switzerland needs to remain attractive and meet customer requirements in future. Because half of regional passenger transport is publicly funded, Swiss Post does everything it can to ensure that the compensatory payments from the Confederation, cantons and municipalities are used as efficiently as possible.

Swiss Post's mobility market services are rounded off by Post Company Cars Ltd, which manages Swiss Post's entire vehicle fleet and operates in the third-party market for individual and sustainable mobility solutions. With PostBus and Post Company Cars, Swiss Post is strategically well positioned to develop into a comprehensive full-service provider for sustainable individual and collective mobility solutions in the business and employee mobility market (B2B mobility).

As a competence center for e-mobility, Post Company Cars enables its internal and external customers to transition to electric mobility with ease. As the electrification of vehicles gathers pace (Postbuses and fleet vehicles of all kinds, including trucks and delivery vans, passenger vehicles, special vehicles), the Mobility Services unit is being expanded to include the separate "Charging systems" development area. Solutions are developed and made available here to meet Swiss Post's own charging needs and for the third-party market (as part of the PowerUp joint venture with the Fenaco cooperative).

PostFinance

Assuring the universal service for payment transactions and expanding digital solutions.

PostFinance is a diversified, innovation-driven financial service provider. It offers its customers fresh solutions and smart innovations for their finances. PostFinance simply wants to make banking enjoyable. To do so, it relies on future-oriented tools and technologies it has specially developed or adapted for the Swiss market. Whatever developments arise, it constantly focuses on the requirements of its customers – individuals and companies throughout Switzerland. With four independent business areas, PostFinance has consistently focused on these customer needs:

- In **Payment Solutions**, PostFinance is the reliable partner for payment and billing solutions for retailers and invoice issuers in Switzerland.
- In **Retail Banking**, PostFinance is offering its private and business customers the smartest ways to handle their money – both physically and digitally.
- In **Digital First Banking**, PostFinance, with Yuh, is establishing itself a new service for "Banking & Beyond" geared entirely to the digital world.
- In **Platform Business**, PostFinance has created an independent Swiss comparison and sign-up platform for financing solutions. As a result of the partnership with Credit Exchange Ltd (CredEx), the platform business has continued at CredEx since the beginning of 2024.

Outlook for strategy period 2025–2028

Changing customer behaviour and a volatile environment in all four markets remain major challenges on the road to the “Swiss Post of tomorrow”. Swiss Post is facing up to these challenges with its strategy and is focusing on continuity in the next strategy period. It is continuing to develop its core business for the future and is preparing for a time when the letter business will no longer be the main financial pillar. By pursuing seven strategic ambitions in all five Group units, Swiss Post is securing its added value for people, companies and authorities in Switzerland and beyond.

Swiss Post continues to finance the public service, our innovations and investments from our own resources.

Swiss Post continues to generate reliable added value, which it can use to finance the public service, its innovations and investments from its own resources (self-sustaining). It is customer-centric and connects the physical and digital worlds. This ensures that it remains relevant to the general public. It is growing in a targeted and sustainable manner in line with customer needs and is on course to achieve its net zero target by 2040. In doing so, it meets its responsibilities and remains attractive for employees, the general public and the economy.

More information on the strategy for the 2025–2028 period and the strategic ambitions can be found in the Annual Report:

2025–2028 strategy: → annualreport.swisspost.ch/strategy

Strategic ambitions: → annualreport.swisspost.ch/ambitions

The financial management model ensures clear and simple financial transparency and comparability.

Financial management

The financial management model defines the Group-wide principles of financial management, taking into account the targets set by the owner, the strategic ambitions of the Board of Directors and Executive Management, as well as the legal and regulatory requirements. It ensures clear and simple financial transparency and comparability. Measures and options for action are defined on the basis of these principles in order to promote the Group's growth and ensure its self-sustainability.

Goals set by the owner

The owner expects Swiss Post to create the conditions during the current 2021–2024 strategy period to sustainably secure economic value added in future. The company's value increases when adjusted operating profit exceeds the cost of average invested capital. In addition to the income statement, this approach also factors in the risks and the capital employed. Innovations and investments must be financed from the company's own resources. To achieve the goals, Swiss Post is managed and controlled based on the results of all executive units (segments). Operating profit and economic value added are key financial objectives and form part of the calculation of the management's variable remuneration (see Determination of remuneration on → page 77). The executive units (segments) are largely free to decide on investments, projects or the acquisition of participations with significant financial consequences and of strategic character as part of strategic financial planning. Executive Management or the Board of Directors makes the final decision, depending on the funding requirements.

Internal reporting and consolidated financial statements

The financial management model defines the management focus, the management key figures and responsibilities, as well as the required management processes – always based on the consolidated financial statements.

Consolidated financial statements

The consolidated financial statements are produced in accordance with the provisions of IFRS Accounting Standards (subsequently referred to as IFRS) and show the financial performance of the Group and its executive units (segments). Financial reporting is based on the Group structure in line with the Group strategy and is divided into segments on which the Group management is reported to as well as the geographical information "Switzerland" and "other countries".

Management tools

The income statement, balance sheet and cash flow statement form the basis for the executive units (segments) and the Group. The income statement is produced monthly, and the balance sheet and cash flow statement on a quarterly basis.

Key management figures

The key management figures of the Group and its segments are the key financial figures defined as the ambition figures for the two strategic ambitions “targeted and sustainable growth” and “self-sustaining” as well as the target figures for the annual goals. Other financial and non-financial indicators used in reporting are also used for financial management.

Internal reporting

Based on the key management and other figures, internal reporting shows what the executive units (segments) contribute to the financial result. It indicates the progress of the strategic ambitions used to implement the “Swiss Post of tomorrow” strategy. Analyses, evaluations and, if required, measures at all levels show the main developments of the organizational units and their use of funds for investments, projects and acquired participations. As well as showing the change from the previous year and any deviation from planned values, they describe the expectations for the current year. The periodicity of the commentary depends on the key figure on which it is based and the variance.

Operating profit and Group profit up on previous year.

Business performance

In 2024, Swiss Post generated Group profit of 324 million francs, 70 million francs higher year-on-year. Operating profit rose to 401 million francs, mainly thanks to the implemented price and efficiency measures. However, due to declining volumes, it also reflects the challenges faced in core postal services and highlights the need to continue to pursue the “Swiss Post of tomorrow” strategy. The prior-year figure stood at 323 million francs.

Group | Key figures

2024 with previous year for comparison		2023	2024
Results			
Operating revenue	CHF million	7,279	7,626
Of which revenue abroad ¹	CHF million	711	905
As a share of operating revenue	%	9.8	11.9
Reserved services ²	CHF million	905	940
As a share of operating revenue	%	12.4	12.3
Operating profit	CHF million	323	401
As a share of operating revenue	%	4.4	5.3
Group profit	CHF million	254	324
Employees			
Headcount at Swiss Post Group	Full-time equivalents	34,587	35,106
Abroad	Full-time equivalents	1,200	1,784
Financing			
Total assets	CHF million	108,866	112,055
of which customer deposits (PostFinance)	CHF million	89,121	87,979
Equity	CHF million	10,255	10,631
Investments			
Investments	CHF million	605	614
Other property, plant and equipment, intangible assets	CHF million	266	237
Operating property	CHF million	149	119
Investment property	CHF million	13	11
Investments	CHF million	140	246
Biological assets	CHF million	37	1
Degree of self-financed investment	%	100	100
Value generation			
Cash flow from operating activities	CHF million	-8,883	6,879
Value added ³	CHF million	4,279	4,515
Economic value added ⁴	CHF million	-215	-202

1 Definition of “abroad” in accordance with Notes to the 2024 Group annual financial statements, Note 6.6, Geographical information.

2 Letters up to 50 g.

3 Value added = operating profit + personnel expenses + depreciation – gain / loss on the sale of property, plant and equipment, intangible assets and interests.

4 The net costs of 363 million francs for the universal service obligation (2023: 268 million francs) are included in economic value added. See the definition of net costs on page 23.

Operating profit rose in the Logistics Services, Mobility Services and Communication Services segments in 2024. Price and efficiency measures contributed to the increase in operating profit at Logistics Services and made the biggest contribution to consolidated operating profit. Mobility Services recorded a greater balance between costs and income (including compensatory payments), which also resulted in higher operating profit. The improvement in the operating result for Communication Services is due to better performance in the Digital SME Solutions and Trusted Interaction Services units as well as the integration of the companies acquired in the second half of 2024. At PostFinance, lower interest income on credit balances at the SNB and in the repo business negatively impacted the result. PostalNetwork recorded a lower operating result due to reduced over-the-counter volumes. In the central Functions and Management, income from sales of property, plant and equipment increased, leading to a rise in its operating result year-on-year.

Value drivers

The Swiss economy

Despite the ongoing decline in inflation, the international security situation and resulting inflation in many countries continued to have an impact on the global economic situation. The Swiss economy grew modestly in 2024. Due to monetary easing, with policy rate cuts in the final quarters of 2024, gross domestic product (GDP) growth should be somewhat stronger in the coming year, albeit only slightly, due to the moderate performance of the world economy. The overall economic outlook for 2025 remains subdued. Inflation in Switzerland is likely to stabilize at a more moderate level. The geopolitical security situation means that demand trends for many products remain difficult to predict. Starting in spring 2024, the Swiss National Bank (SNB) adjusted the policy rate in several steps from 1.75 percent to 0.50 percent, which led inflation expectations to move in line with price stability. In its baseline scenario for Switzerland, the SNB assumes that the economy will show a slight improvement at a low level over the next year.

Segments

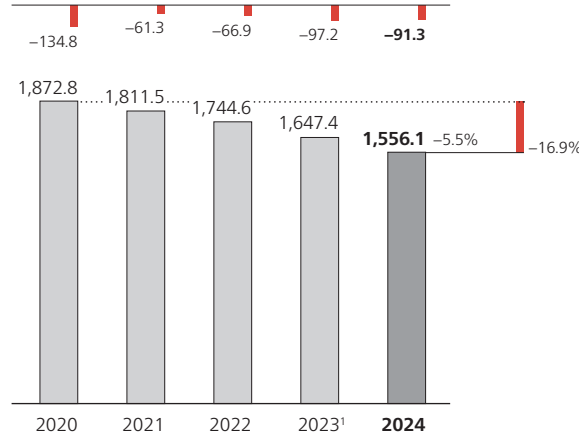
Logistics Services

Handling around 5.1 million letters domestically and abroad every day, Swiss Post is one of Switzerland's leading logistics companies. Its products for private and business customers range from physical, hybrid or digital letters and goods consignments to value-added services such as cash on delivery, registered letters and promotional mail. Nevertheless, Swiss Post faces challenges because demand for physical services is falling. At the end of 2024, for example, the number of letters handled was down 5.5 percent on the previous year. The reliability and quality of these services continue to be guaranteed by the use of the latest technology and a mix of traditional and new access points.

Demand for physical letter mail falls.

Letter volumes continue to decline as expected

Logistics Services | Letters in millions
 2020 to 2024
 2020 = 100%



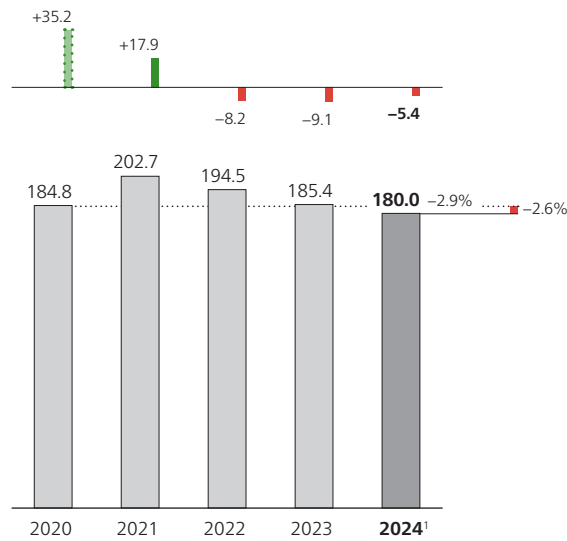
¹ The 2023 figure has been adjusted.

Demand for parcel services remains subdued.

Every working day, Swiss Post delivers around 710,000 parcels in Switzerland, making it the market leader. Its comprehensive range of services in the national and international parcel business, digital commerce, freight and warehousing, Innight, Courier and Express and in customs clearance continues to experience high demand, even if it is currently subdued. Domestic parcel volumes decreased year-on-year (-2.8 percent). Import and export volumes fell by 4.3 percent. The overall decline stood at 2.9 percent.

Slower decline in demand in the parcel market

Logistics Services | Parcels in millions
 2020 to 2024
 2020 = 100%



¹ The definition of parcel volumes was modified. They contain additional parcel volumes that were handed over for processing by PostLogistics Ltd. The figures for 2020 to 2023 have been adjusted. The difference relative to 2019 is not comparable.

Development of new digital solutions for companies, authorities and the general public in relation to the public service.

Physical access points remain important to the public.

Growth in demand continues and reaches new high.

Communication Services

With the Communication Services segment, which is currently under development, Swiss Post guarantees the established principle of mail secrecy in the digital world, too. It is building on its many years of experience as a trustworthy carrier of sensitive information – with new digital solutions for companies, public authorities and the general public, allowing them to exchange confidential data securely and via a trustworthy Swiss provider. As a public service company owned by the Confederation, Swiss Post supports Switzerland and the Swiss public in the digital transformation process and in ensuring the secure exchange of information. The first phase of development is focused on establishing business in specific markets, including through acquisitions.

PostalNetwork

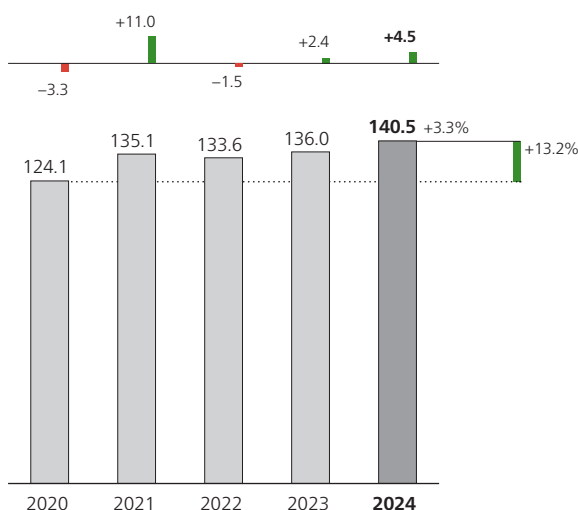
In 2024, PostalNetwork recorded more than 319,000 customer transactions per day and continues to face the challenge of declining demand for traditional over-the-counter transactions. For example, the number of payments at the counter fell by 10.7 percent year-on-year. The reliability and quality of the services offered by PostalNetwork continue to be guaranteed by a mix of traditional and new access points. Swiss Post is opening up its branch network to service providers and public authorities. This means that partners with access to the network benefit from Swiss Post’s service provision and the opportunity to offer their customers a physical point of contact in this digital age through the branch network.

Mobility Services

PostBus, which is part of Mobility Services, is the market leader in public bus transport in Switzerland. It offers high-quality regional passenger transport services, innovative mobility solutions and system services aligned with the changing needs of today’s customers. PostBus recorded an increase in the number of vehicle kilometres, due in particular to the expansion of its services. The transport services provided by PostBus rose by 3.3 percent to around 140.5 million kilometres covered.

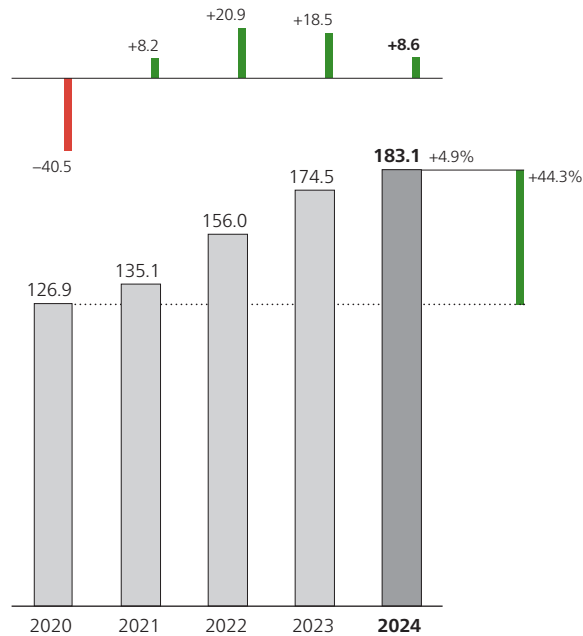
Annual performance continues to increase at a high level

Mobility Services | Vehicle kilometres in million km
2020 to 2024
2020 = 100%



Record passenger numbers lead to successful business performance

Mobility Services | Number of passengers in millions
 2020 to 2024
 2020 = 100%



Innovation and sustainability play an important role in the development of the PostBus services. For years now, PostBus has been making increasing use of vehicles with alternative drives, such as purely electrically powered vehicles in Saas-Fee, Sempach and the Bündner Herrschaft region. By the end of 2024, PostBus was operating a total of 42 vehicles with alternative drive systems. PostBus is thereby contributing to the social, economic and ecological benefits of public transport and the high quality of life in Switzerland. Post Company Cars, which is part of Mobility Services, continues to evolve as a partner for efficient and sustainable fleet management for its customers.

PostFinance

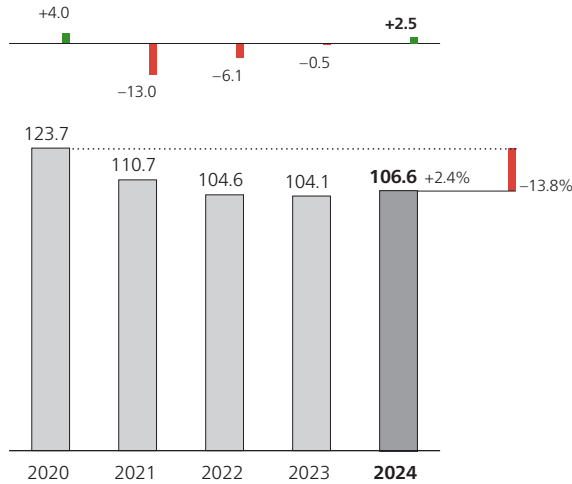
Higher customer assets in non-interest-sensitive business.

PostFinance is a diversified, innovation-driven financial service provider. It offers its customers fresh solutions and smart innovations for their finances. To do so, it relies on future-oriented tools and technologies it has specially developed or adapted for the Swiss market. PostFinance ensures provision of the universal service for payment transactions within the framework of postal legislation, making a significant contribution to the functioning of the Swiss economy. In addition, PostFinance has a business relationship with a large proportion of households and SMEs in Switzerland. More information on PostFinance’s universal service obligation can be found on → page 24. PostFinance adopts a highly responsible, careful and sustainable approach to its use of resources and investments.

After an intentional balance sheet reduction in previous years to improve self-sustainability, PostFinance succeeded in stabilizing customer deposits despite reduced policy rates. Non-interest-sensitive customer assets, such as fund self-service, retirement funds, e-asset management and e-trading, increased by around 2.6 billion francs in 2024. The negative market value fluctuations from 2022 were fully offset over the past two years, not least thanks to net cash inflows, and assets in the investment products increased to over 20 billion francs, which represents growth of around 15 percent year-on-year.

Increase in average customer assets, mainly due to growth in non-interest-sensitive customer assets

PostFinance | Customer assets in CHF billion, monthly avg.
2020 to 2024
2020 = 100%

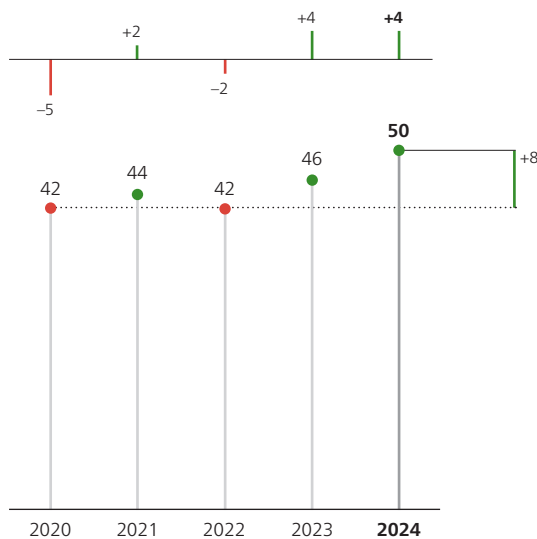


Falling interest rates are clouding the prospects of any rapid recovery in margins.

Following years of erosion, the interest margin increased again as in the previous year by 4 to 50 basis points. The return to positive interest rates and, in turn, to financial stability provides a solid foundation for consistently focusing on customer requirements again. PostFinance enabled its customers to share in the rise in interest rates and increased customer interest rates on various products several times. However, the SNB's more expansive monetary policy due to falling inflation rates is significantly limiting the scope for attractive customer interest rates. For this reason, PostFinance was forced to again lower interest rates slightly on savings and retirement savings accounts. The latest interest rate cuts by the Swiss National Bank illustrate the continued volatility of the interest rate environment. For PostFinance, whose revenue is heavily dependent on interest operations, falling interest rates make the prospect of a rapid recovery in margins less achievable.

Higher interest margin due to positive long-term interest rates

PostFinance | Interest margin in basis points
2020 to 2024
2020 = 100%



Profit situation

Economic value added

No economic value added as yet during transformation phase.

With its financial objectives for the 2021–2024 strategy period, the Federal Council recognized that Swiss Post is in a challenging phase of transformation. The Council adjusted its expectations accordingly and expects Swiss Post to establish the conditions required to allow it to safeguard its economic value added sustainably in the medium term. In the 2025 to 2028 strategy period, the Federal Council sees Swiss Post in a stabilization phase; it has sharpened its target for the company's value accordingly. It expects the company's value to be secured sustainably in terms of stabilization with results in line with industry standards in all business areas. Value added is created when adjusted operating profit exceeds the cost of average invested capital. In addition to the income statement, this approach also factors in the risks and the capital employed. When assessing target achievement for economic value added, the owner has the option of including further aspects – in particular the financial burden of the universal service. The net costs of the universal service obligation are therefore also included in this calculation.

The method for measuring economic value added has been agreed with the owner. Its focus is on operating performance. The main elements in the method for measuring economic value added are as follows:

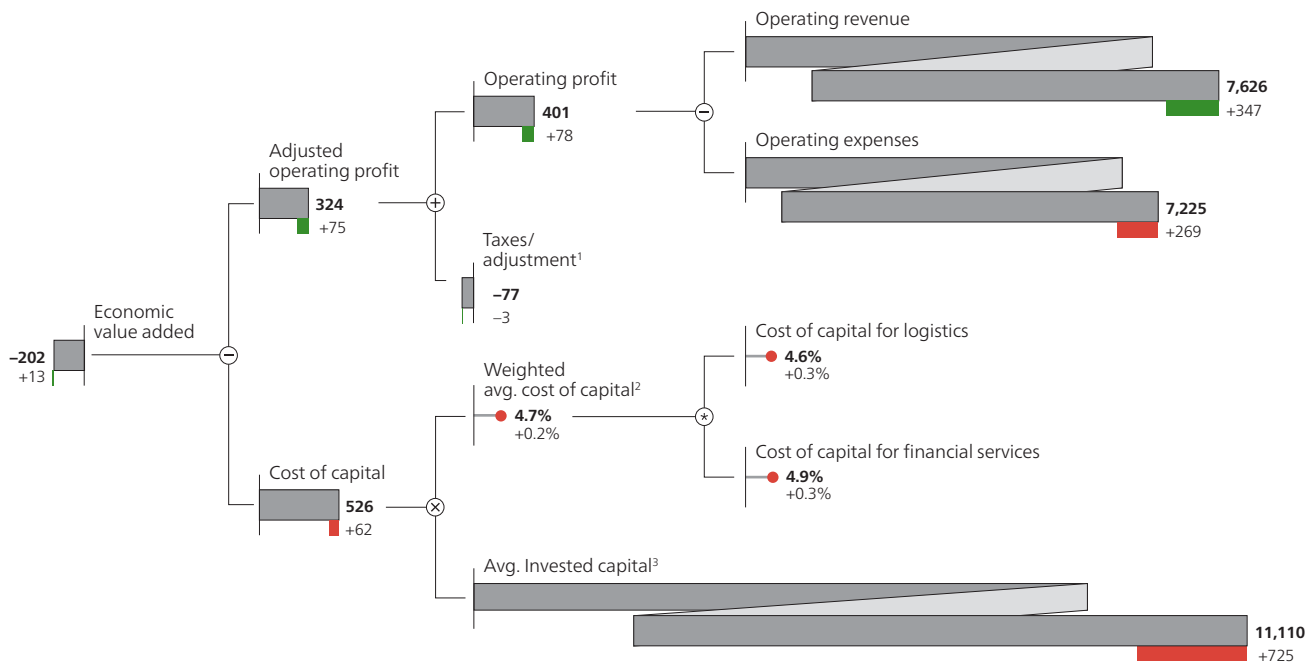
- PostBus Ltd is not taken into account to determine economic value added, as no profits may be generated in regional passenger transport.
- The cost of capital is determined on the basis of returns expected in the long term. The weighted total cost of capital applied is based on an industry-specific business risk in individual segments and a target capital structure derived from comparable companies.
- Employer contributions as per OPA are used instead of employee benefit expenses in accordance with IAS 19 to calculate economic value added.
- Tied capital is taken into account to determine the economic value added produced in all segments.
- Only the liquid assets required for operational purposes are included in the determination of economic value added.

Economic value added in the logistics unit is calculated from adjusted operating profit (NOPAT) minus capital costs (cost of capital for logistics multiplied by average invested capital, or NOA). In the financial services market, economic value added is calculated from earnings before tax (EBT) in accordance with IFRS minus capital costs (cost of capital in the financial services market multiplied by the relevant average capital amount).

Economic value added totalled –202 million francs, exceeding the previous year's total by 13 million francs. This improvement is primarily attributable to the higher operating profit and, in turn, the higher NOPAT.

Improved economic value added due to higher adjusted operating profit

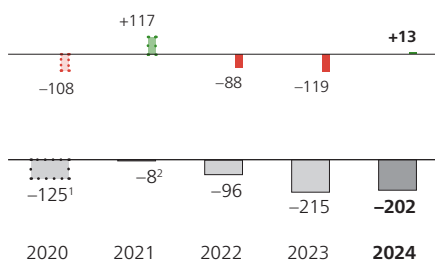
Group | Economic value added in CHF million
2024



⊙ Weighted with the average invested capital in logistics and in the financial services market (PostFinance).
 1 Part of the adjustment is the deduction for NOPAT and PostBus Ltd capital costs.
 2 Corresponds to weighted average cost of capital after taxes (WACC) for logistics and cost of equity for the financial services market.
 3 At PostFinance corresponds to average equity in accordance with IFRS of 6,145 million francs and in logistics units to the average net operating assets (NOA) of 4,965 million francs.

Continued negative economic value added

Group | Economic value added in CHF million
2020 to 2024



1 The figure has been adjusted (see Notes to the 2021 Group annual financial statements, Note 2.2, Accounting changes).
 2 Normalized figure. The 2021 figure has also been adjusted due to an enhancement in the calculation method. The figure for 2020 and the deviation from 2019 are not comparable with the figures for 2021 to 2024.

Higher revenue from price measures and acquired companies.

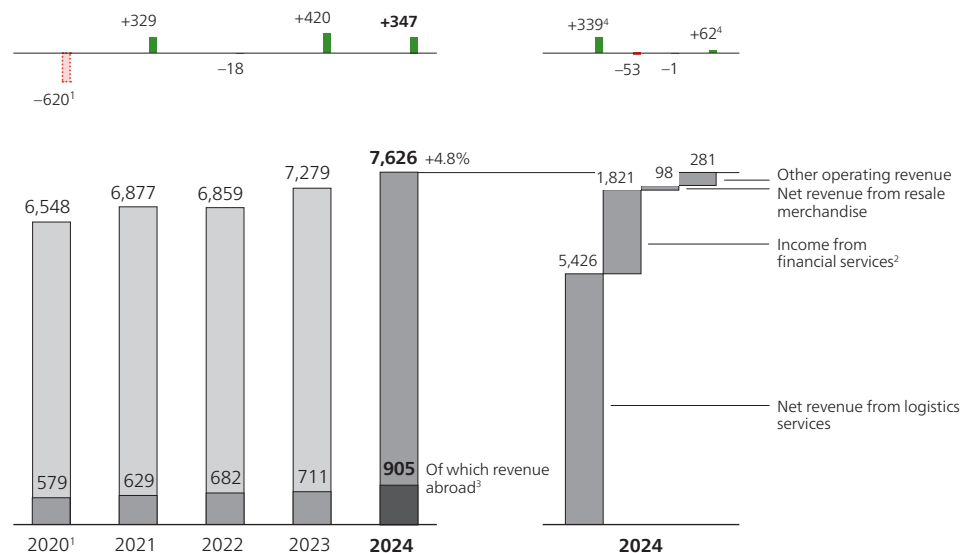
Income statement

Operating revenue

In 2024, operating revenue stood at 7,626 million francs, up 347 million francs year-on-year. The main reason for the increase is the higher revenue from Logistics Services due to price measures in the Logistics Services segment. Acquisitions in the Logistics Services and Communication Services segments and higher income from transport services in franchised business at Mobility Services also contributed to this growth in revenue. The interest rate moves from the SNB in 2024 led to lower income from financial services at PostFinance. The continued decline in addressed letter and parcel volumes reduced the increase in earnings, particularly in the Logistics Services and PostalNetwork segments.

Higher revenue due to pricing measures and additional revenue from acquisitions

Group | Operating revenue in CHF million
 2020 to 2024
 2020 = 100%



1 The figures have been adjusted (see Notes to the 2021 Group annual financial statements, Note 2.2, Accounting changes). The difference relative to 2019 is not comparable.
 2 Including "Other revenue from financial services" as at 31 December 2024: 1,096 million francs (as at 31 December 2023: 1,165 million francs).
 3 The figures for 2020 to 2022 have been adjusted. The definition of "abroad" is in accordance with the Notes to the 2024 Group annual financial statements, Note 6.6, Geographical information.
 4 Income from facility management is now recognized in other operating revenue instead of in net revenue from logistics services. The previous year has been adjusted.

Net revenue from logistics services rose by 339 million francs as a result of the price measures at Logistics Services and the acquisitions made at Logistics Services and Communication Services, and of higher income from transport services in franchised business at Mobility Services. This offset the impact of declining letter and parcel volumes on the income side. Income from financial services fell by 53 million francs to 1,821 million francs. This was mainly due to a decline of 72 million francs in interest income. Net revenue from resale merchandise at PostalNetwork almost reached the previous year's level (-1 million francs). Other operating revenue increased by 62 million francs year-on-year to 281 million francs, due in part to higher income from the sale of property, plant and equipment.

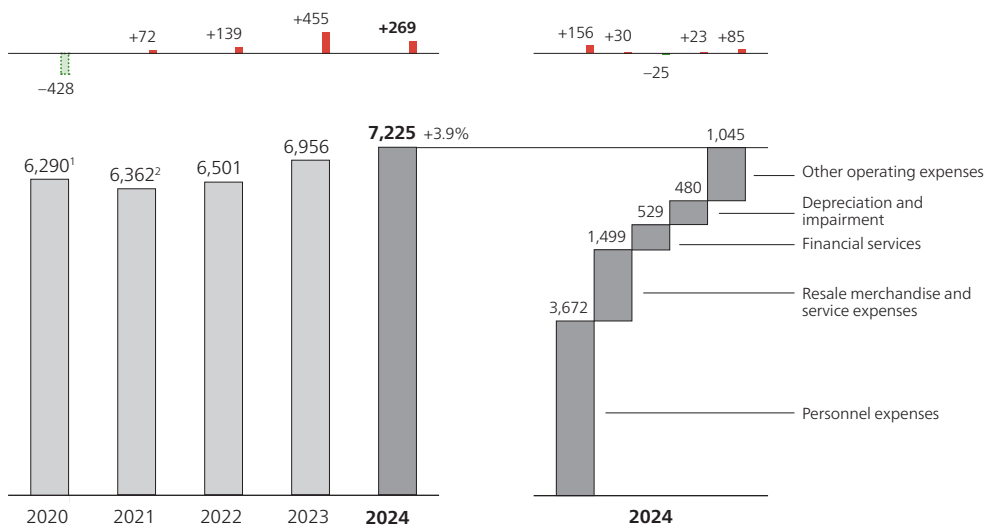
Operating expenses

Increase in operating expenses due to rise in personnel expenses

Operating expenses stood at 7,225 million francs, an increase of 269 million francs compared to the previous year's figure. The share of personnel expenses in relation to total operating expenses remained constant at 51 percent in 2024, but also increased by 156 million francs.

Higher personnel expenses due to increase in headcount and salary measures

Group | Operating expenses in CHF million
2020 to 2024
2020 = 100%



1 The figure has been adjusted (see Notes to the 2021 Group annual financial statements, Note 2.2, Accounting changes). The difference relative to 2019 is not comparable.
2 Normalized figure.

The increase in personnel expenses was the result of higher expenses for wages and salaries due to inflation and also acquisitions. Resale merchandise and service expenses stood at 1,499 million francs, The increase of 30 million francs is largely due to acquisitions. The reduction in expenses for financial services of 25 million francs was mainly due to lower expenses from repo transactions and lower interest paid on customer deposits. Expenses for depreciation and impairment rose by 23 million francs to 480 million francs. Other operating expenses increased by 85 million francs in 2024.

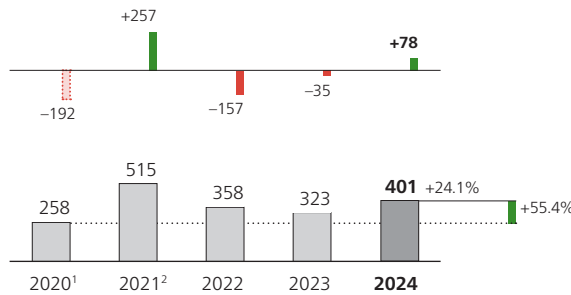
Higher operating profit through price and efficiency measures

Operating profit

Swiss Post generated an operating profit of 401 million francs in 2024, which represents an increase of 78 million francs year-on-year. This is due in particular to the price and efficiency measures introduced at Logistics Services. However, the operating profit achieved also reflects the challenges in the core postal business. At Logistics Services, volume trends and consumer confidence had a negative impact, while at PostalNetwork the negative trend in over-the-counter payment transaction volumes led to a decline in earnings. In contrast, the result for Mobility Services was higher due to the greater balance between costs and income in franchised transport services. The Communication Services segment remains under development and achieved a result that is 5 million francs higher than in the previous year. PostFinance recorded a lower result due to a decline in profit in the interest differential business. The Group result achieved demonstrates the need to continue with the adopted strategy.

Higher operating profit due to implemented price and efficiency measures

Group | Operating profit in CHF million
 2020 to 2024



1 The figures have been adjusted (see Notes to the 2021 Group annual financial statements, Note 2.2, Accounting changes). The difference relative to 2019 is not comparable.
 2 Normalized figure.

Higher operating profit leads to higher Group profit.

Group profit

Financial income increased by 1 million francs year-on-year, while financial expenses were down 21 million francs due to lower foreign currency losses. Net income from associates and joint ventures stood at -5 million francs, down 1 million francs from the previous year's level. Expenses for income taxes rose by 29 million francs in comparison with the prior-year figure to 94 million francs. The previous year included a one-off, positive tax effect amounting to 27 million francs. In total, this resulted in Group profit of 324 million francs for 2024, which is 70 million francs higher year-on-year.

Segment results

Overview

Group Segment results	Operating revenue ¹		Operating result ^{1,2}		Margin ³		Headcount ⁴	
	CHF million		CHF million		Percent		Full-time equivalents	
	2023	2024	2023	2024	2023	2024	2023	2024
1.1. to 31.12.2024 with prior-year period CHF million, percent, full-time equivalents								
Logistics Services	4,127	4,358	335	439	8.1	10.1	20,898	21,042
Communication Services	157	206	-72	-67	-	-	820	1,062
PostalNetwork	547	541	-93	-113	-	-	3,323	3,145
Mobility Services ⁵	1,069	1,160	21	30			2,856	3,017
PostFinance ⁶	1,961	1,897	264	203			3,340	3,486
Functions and Management ⁷	972	1,018	-132	-91			3,350	3,354
Consolidation	-1,554	-1,554	0	0				
Group	7,279	7,626	323	401	4.4	5.3	34,587	35,106

1 Operating revenue and operating result by segment are reported before management, licence fees and net cost compensation.

2 Operating result corresponds to earnings before net non-operating financial income/expenses and taxes (EBIT).

3 PostFinance uses the indicator return on equity; no EBIT margin is reported for Mobility Services with regard to its business model; no margin is calculated for "Functions and Management"; negative margins are not reported.

4 Average expressed in terms of full-time equivalents (excluding trainees).

5 Within the field of regional public transport, PostBus Ltd is subject to the DETEC Ordinance on Accounting in Licensed Enterprises (ALEO). There are differences between the ALEO and the IFRS results.

6 PostFinance Ltd also applies the FINMA Accounting Ordinance and FINMA Circular 2020/1 "Accounting – banks". There are differences between the results in accordance with "Accounting – banks" and those as per IFRS.

7 Includes function units (e.g. Real Estate, Informatics, Human Resources, Finance and Communication).

Good business result due to price and efficiency measures.

Logistics Services

In 2024, Logistics Services achieved a very good operating profit of 439 million francs, rising 104 million francs year-on-year. The main drivers of this earnings growth were the measures implemented in relation to list and contract prices as well as the impact of the efficiency measures introduced in 2023, which took full effect in 2024. The structural decline in volumes of letters, newspapers and unaddressed direct promotional mail continued to have a negative impact and intensified slightly again in 2024. The persistently negative consumer sentiment in Switzerland resulted in a decline in demand for parcels and advertising once more in 2024. Besides negative consumer confidence, goods logistics also faced declining industrial demand, which led to a drop in orders and volumes in 2024 after adjusting for acquisitions. On the other hand, industry solutions in healthcare logistics proved to be robust given the demand situation and further increased their contribution to results.

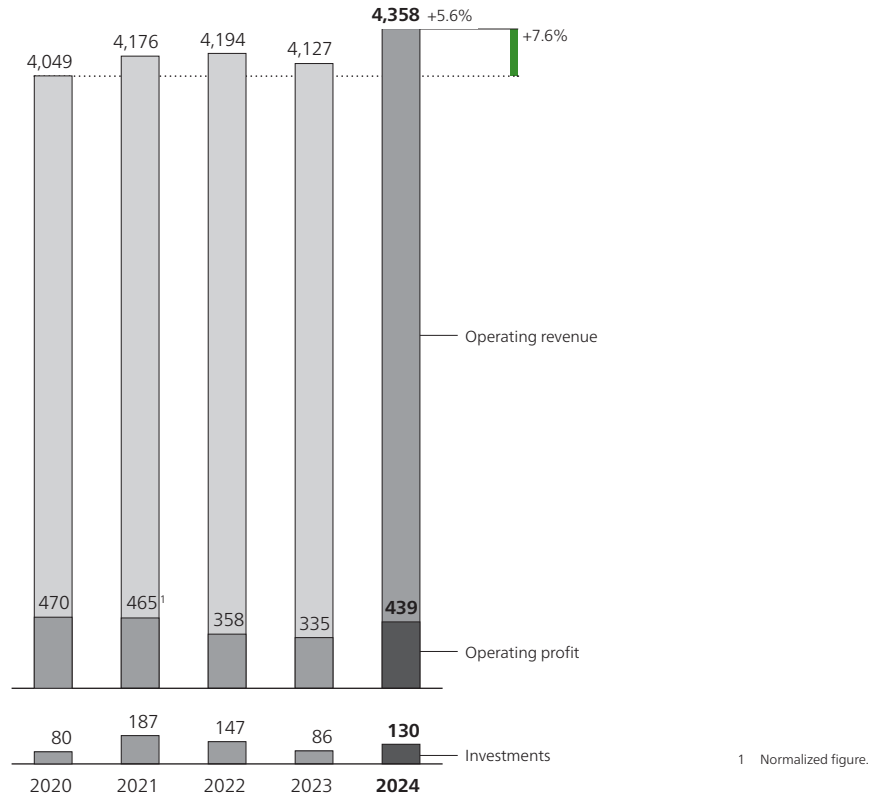
Operating revenue in 2024 totalled 4,358 million francs, which represents an increase of 231 million francs year-on-year. Firstly, this is due to the price measures implemented. And secondly, acquisitions from 2023 in goods and industry logistics led to an increase in revenue due to their first full-year effect. The strong demand for international small goods, particularly imports from Asia, also had a positive impact. By contrast, the decline in demand for core postal products (letters, parcels, advertising) and goods logistics led to a reduction in operating revenue.

Compared to the previous year, operating expenses increased mainly through acquisitions by 127 million francs to a total of 3,919 million francs. Besides the acquisitions, the continued increase in personnel costs, the rise in IT costs and the interest-related higher burden on employee benefit expenses led to an increase in expenses. Thanks to the implemented efficiency measures, staff deployment was further optimized in both operations and management functions. Volume-related optimization measures also led to reductions in personnel and therefore expenses, but these resulted in a disproportionately low decline in expenses because a significant proportion of fixed costs related to the provision of services still cannot be cut.

The average number of employees increased by 144 to 21,042 due to acquisitions, while the number of employees in the core business was lower.

Progress over multiple years highlights the structural challenges of logistics services

Logistics Services | Operating revenue, operating profit and investments in CHF million
 2020 to 2024



In recent years, operating profit at Logistics Services has been heavily influenced by market volatility caused by the geopolitical environment and the structural challenges of the core business. The coronavirus pandemic led to an enormous surge in growth in the parcel and goods logistics market, with an increase of up to 40 percent in parcel volumes in some cases. Simultaneously, in the period following the pandemic, a moderate decline in letter volumes led to an operating profit of 470 and 465 million francs in 2020 and 2021, respectively. The period after the pandemic and the geopolitical challenges were characterized by a market reaction that corrected the “overconsumption of goods” during coronavirus and also meant a partial shift back to bricks-and-mortar retail. The various geopolitical crises not only had a major impact on the delivery situation and inflation, but also led to a sharp reduction in industrial demand both in Switzerland and in neighbouring countries, which had a particularly negative impact on goods logistics. Low consumer confidence had a negative impact on almost all – particularly cyclical – market segments of logistics services. The structural decline in letter volumes continued to intensify due to optimization measures on the customer side. With fixed costs remaining unchanged, the combination of sharply increased costs and declining demand led to a fall in operating profit to 335 million francs in 2023, which represents a reduction of almost 30 percent compared to 2020. The necessary price and efficiency measures led to the result stabilizing again at 439 million francs in 2024 – but it is still below the 2020 level.

Despite the decline in the core markets, operating revenue has increased in recent years. Besides the structural decline in letter and newspaper volumes, which was above the long-term average, demand for parcels and advertising as well as in goods logistics was also subdued due to the economic situation. Due to targeted investments and both organic and inorganic expansion of activities in growth markets such as goods logistics, healthcare logistics and the digital advertising market, it has been

possible to more than compensate for the decline in the core markets, leading to an increase in operating revenue. The price measures introduced also contributed to the increase in operating revenue. Digitization, which is contributing to the structural decline in the physical letter, media and advertising market, is also a growth driver for the expansion of the digital advertising business and the basis for further automation in production. Operating revenue in 2024 totalled 4,358 million francs and was 309 million francs higher than in 2020. This represents an increase of 7.6 percent.

Communication Services

Inorganic growth leads to increase in operating revenue.

The operating result at the Communication Services Group unit stood at –67 million francs in 2024, reflecting the fact that this business unit is still under development. The result improved by 5 million francs year-on-year. This is due to better results at existing companies and units in the Digital SME Solutions and Trusted Interaction Services units as well as the integration of Diartis Group and Open Systems Group, which were acquired in the second half of 2024.

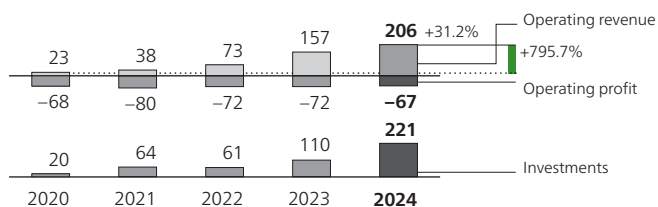
Operating revenue totalled 206 million francs. This represents an increase of 49 million francs year-on-year. Diartis Group and Open Systems Group, which were acquired in the second half of 2024, were the main contributors to this increase.

Operating expenses totalled 273 million francs, which is 44 million francs higher than in 2023. The main drivers behind these higher expenses were the aforementioned acquisitions in the second half of 2024.

As a result of the company acquisitions, average headcount rose from 820 to 1,062 full-time equivalents.

Investments in the expansion strategy leads to growth in earnings

Communication Services | Operating revenue, operating profit and investments in CHF million 2020 to 2024



Operating revenue rose from 23 million francs at the end of 2020 to 206 million francs in 2024, representing an average growth rate of 76 percent. This increase is largely due to the subsidiaries acquired and is therefore in line with the growth strategy in the area of digital services. Over the same reporting period, operating profit increased by one million francs to –67 million francs despite the required development costs for the new segment.

Communication Services again invested in the development of the newly created segment in 2024. The investments related primarily to the acquisition of new companies. Through these investments, Communication Services is focusing on individual companies that complement services in the core market of communication, while also meeting the strategic goals set by the owner.

Decline in profit due to lower over-the-counter volumes.

PostalNetwork

The fall in revenue associated with declining volumes was not fully offset on the cost side. At -113 million francs in 2024, the operating result at PostalNetwork was down 20 million francs year-on-year.

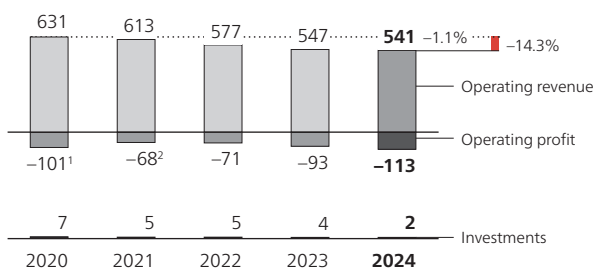
PostalNetwork generated operating revenue of 541 million francs in 2024, down 6 million francs year-on-year. The decline in payment transactions as a result of substitution by e-banking continued. The fall in the number of transactions resulted in a 2 million franc drop in revenue from financial products overall. This decline was more than offset by new income at PostalNetwork of 18 million francs from value logistics. Income from logistics products fell by 9 million francs. Net revenue from complementary business increased by one million francs, partly as a result of the network opening.

Operating expenses stood at 654 million francs, rising by 14 million francs year-on-year. This increase includes new costs of 18 million francs incurred by PostalNetwork for value logistics. Despite an interest-driven increase in employee benefit expenses, personnel expenses were down 5 million year-on-year as a result of a lower headcount.

The headcount of 3,145 employees fell by 178 full-time equivalents compared to the previous year thanks to adjustment to volume trends.

Ongoing decline in volumes leads to negative profit trend

PostalNetwork | Operating revenue, operating profit and investments in CHF million
 2020 to 2024



1 The figure has been adjusted (see Notes to the 2021 Group annual financial statements, Note 2.2, Accounting changes).
 2 Normalized figure.

Operating profit at PostalNetwork has improved in recent years, primarily as a result of efficiency measures and network development. Due to the persistently high decline in volumes, inflation and the stable network, the fall in revenue was not fully offset by cost savings.

Constant investments in recent years ensure that PostalNetwork meets its part of the universal service obligation.

Mobility Services

Positive profit trend in franchised transport business and special transport services.

Operating profit increased by 9 million francs to 30 million francs year-on-year. Compared to the previous year, PostBus achieved a greater balance between costs and revenue (including compensatory payments) in franchised transport business. The payment of 8 million francs made by the Zurich Transport Network from the 2023 result led to a higher result and will be used to increase the reserves subject to a special statutory regime. Improved performance in special transport services had a positive impact on the result. The result at Post Company Cars came in at one million francs below the previous year's figure. Due to market conditions, margins in the fuel business and in used vehicle sales were lower.

Operating revenue rose by 91 million francs year-on-year. At PostBus, the positive trend in demand and measures on fares produced higher income from transport services. As a result of cost development, compensatory payments in franchised transport business increased. Revenue in special transport services was 13 million francs higher than in the previous year. New acquisitions in relation to

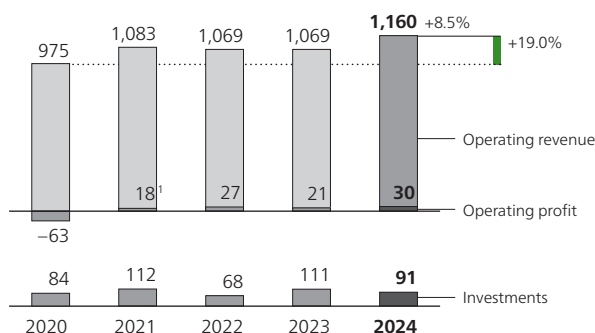
external business customers and the higher number of used vehicles sold led to revenue growth at Post Company Cars. The decline in prices and volumes in the fuel business partially reduced the positive effects.

Operating expenses rose by 82 million francs year-on-year. As a result of additional orders by the purchasers of franchised transport businesses and a higher volume of ancillary business, PostBus saw an increase in production costs. At Post Company Cars, growth in third-party business led to an increase in costs.

The number of full-time equivalents in the Mobility Services segment rose by 161 year-on-year to 3,017. Expansions of services and the integration of PostBus companies increased the headcount of drivers in particular.

Increase in public transport revenues

Mobility Services | Operating revenue, operating profit and investments in CHF million
2020 to 2024



1 Normalized figure.

After financial challenges during the coronavirus pandemic, the situation has stabilized in the last three years. In 2021, the remaining reserves subject to a special statutory regime were offset against the compensation for loss of revenue.

Operating revenue increased by 19 percent in the period under review. Passenger numbers have recovered steadily since 2021 and significantly exceeded pre-pandemic levels last year, leading to an increase in income from transport services. Measures on fares also contributed to this. This was countered by the cessation of PostBus operations in Liechtenstein in 2023 and the sale of PubliBike in 2022.

Operating expenses rose due to the expansion of services at PostBus, the positive trend in third-party business at Post Company Cars and the general price trend. These effects were partially offset by the discontinuation of PostBus operations in Liechtenstein and PubliBike.

Investments in the last four years averaged 95 million francs. They mainly concerned replacements and new acquisitions in the vehicle fleet. Cyclical vehicle procurement and the expansion of services have led to fluctuations in annual investment at PostBus. The electrification of the delivery fleet in particular meant there were higher investment volumes at Post Company Cars. Delays in delivery in the vehicle industry have made it difficult to implement planned investment projects in recent years.

Turnaround in interest rate trend requires renewed action.

PostFinance

Despite a turbulent year on the national and global financial markets, PostFinance posted an operating profit of 203 million francs, down 61 million francs year-on-year.

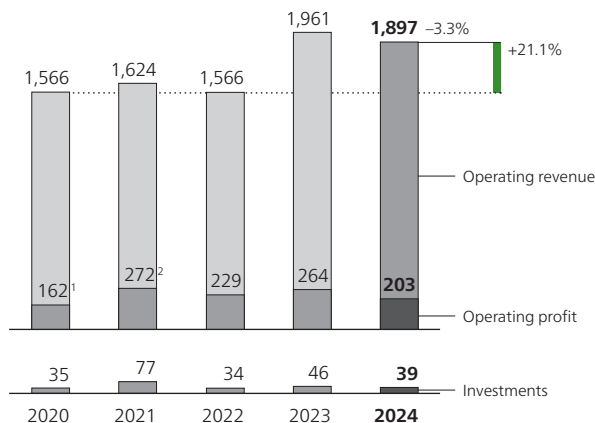
Operating revenue was down 64 million francs to 1,897 million francs. The interest differential business is the most important source of income for PostFinance. Interest income generated in the reporting period was down 72 million francs year-on-year. PostFinance relies on secure and profitable investments on the money and capital markets. While the return to positive interest rates brought a turnaround in profitability, the interest rate cuts by the Swiss National Bank in 2024 demonstrate the continued volatility of the interest rate environment. Inflationary pressure decreased over the course of 2024. In response, the Swiss National Bank (SNB) initiated measures to ensure that inflation remains within the range of price stability in the medium term. The SNB decided to ease its monetary policy and lower the policy rate several times to its current level of 0.5 percent, down from 1.75 percent at the beginning of the year. Due to market conditions, positive returns from new investment tranches in financial assets led to an increase in income of 78 million francs. This was offset by lower income of 153 million francs from interest on credit balances at the SNB and interest from repurchase agreements with banks (repo transactions). Since 1 December 2023, sight deposits at the SNB that are held to fulfil the minimum reserves no longer earn interest. This minimum reserve was further increased with effect from 1 July 2024. Non-interest-sensitive customer assets in investment products continued to grow, which led to a correspondingly improved result. Additional income from the combined PostFinance Debit Mastercard and transaction pricing for electronic payments from major customers only partially offset the increasing burden from the decline in over-the-counter payments, however.

Operating expenses fell by 3 million francs year-on-year to 1,694 million francs. Interest on customer deposits rose by 39 million francs in the positive interest rate environment. On the other hand, interest expenses from repo transactions with banks fell by 105 million francs. PostFinance increased customer interest rates on various products, allowing its customers to share in the positive interest rate environment. However, the SNB's more expansive monetary policy is significantly limiting the scope for attractive customer interest rates. PostFinance was forced to again lower interest rates slightly on savings and retirement savings accounts. Net interest income is also 36 million francs below the previous year's figure due to value adjustments on loans and bonds in the investment portfolio. Personnel expenses rose by 42 million francs owing to investment in additional specialists.

Headcount increased by 146 full-time equivalent positions to an average of 3,486 full-time equivalents. Growth at the Informatics unit is mainly due to the insourcing of previously external specialists and the set-up of additionally required resources. In the Distribution unit, measures were implemented to improve customer satisfaction as well as to ensure availability. At the same time, however, PostFinance pushed ahead with further innovations and built up staff in various units.

Renewed interest rate turnaround slows revenue and earnings growth

PostFinance | Operating revenue, operating profit and investments in CHF million
2020 to 2024



- 1 The figure has been adjusted (see Notes to the 2021 Group annual financial statements, Note 2.2, Accounting changes).
2 Normalized figure.

The interest differential business is the most important source of income for PostFinance. The limitations of its business model – with the prohibition on loans and mortgages – forced PostFinance to pass negative interest onto its customers until autumn 2022. With the turnaround to positive policy rates, relevant factors have changed. PostFinance is making new investments on a continuous basis within a long-term portfolio and along the annual maturities. Higher long-term interest rates therefore gradually resulted in higher income from financial investments. After an intentional balance sheet reduction to improve self-sustainability during the period of negative interest rates, PostFinance succeeded in stabilizing customer deposits and expanding non-interest-sensitive customer assets. The return to positive interest rates and, in turn, to financial stability provides a solid foundation for consistently focusing on customer requirements again. PostFinance enabled its customers to share in the rise in interest rates and increased customer interest rates on various products several times. However, the SNB's more expansive monetary policy due to falling inflation rates is significantly limiting the scope for attractive customer interest rates. The latest interest rate cuts by the Swiss National Bank illustrate the continued volatility of the interest rate environment. For PostFinance, whose revenue is heavily dependent on interest operations, falling interest rates make the prospect of a rapid recovery in margins less achievable.

PostFinance therefore needs to increase its activity in non-interest-sensitive business – for example in investment, trading, card business and with its expertise in payment transactions – and stay at the cutting edge. Non-interest-sensitive customer assets in investment products continued to grow, which led to a correspondingly improved result. Additional income from the combined PostFinance Debit Mastercard and transaction pricing for electronic payments from major customers only partially offset the increasing burden from the decline in over-the-counter payments, however.

Functions and Management

Higher income from the sale of property, plant and equipment and realized savings improve the result.

In 2024, the operating result for the function units improved by 41 million francs year-on-year to –91 million francs.

Higher income from the sale of property, plant and equipment (30 million francs), lower project and consulting expenses (7 million francs) and savings realized as part of efficiency measures (6 million francs) improved the result of the function units. Higher advertising expenses and changes in the valuation of assets (3 million francs) had a negative impact.

Average headcount remained stable year-on-year and now stands at 3,354 full-time equivalents. Expansion in the IT unit was offset by a reduction in other units as a result of an efficiency programme.

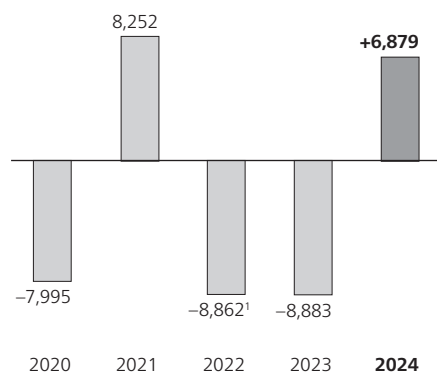
Assets and financial situation

Cash flow and investments

Cash flow from operating activities totalled 6,879 million francs in 2024. Cash flow from operating activities –8,883 million francs was recorded in the 2023 comparison period. The inflow of funds in 2024 mainly concerned the financial services business. For more information on changes in the consolidated cash flow statement, see [👉 page 90](#).

Inclusion of liabilities from the repo business at PostFinance leads to high cash inflow

Group | Cash flow in CHF million
 2020 to 2024



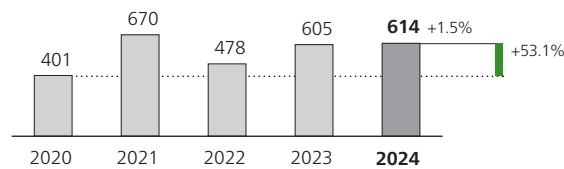
Pillar level reduced by a factor of 10 in relation to the standard benchmark.

¹ The figure has been adjusted (see Notes to the 2023 Group annual financial statements, Note 2.2, Accounting changes).

Overall, investments in property, plant and equipment (312 million francs, for the most part in operating property and vehicles), as well as in investment property (11 million francs), intangible assets (44 million francs), interests (246 million francs) and biological assets (1 million francs) were up 9 million francs on the previous year. Swiss Post will continue to invest in efficient processing, sustainable provision of services and the “Swiss Post of tomorrow” strategy over the coming year. Investments will be made mainly in Switzerland in the area of property, plant and equipment, as well as in interests.

Investments in the electrification and modernization of the vehicle fleet and strategic company acquisitions

Group | Investments in CHF million
 2020 to 2024



Net debt

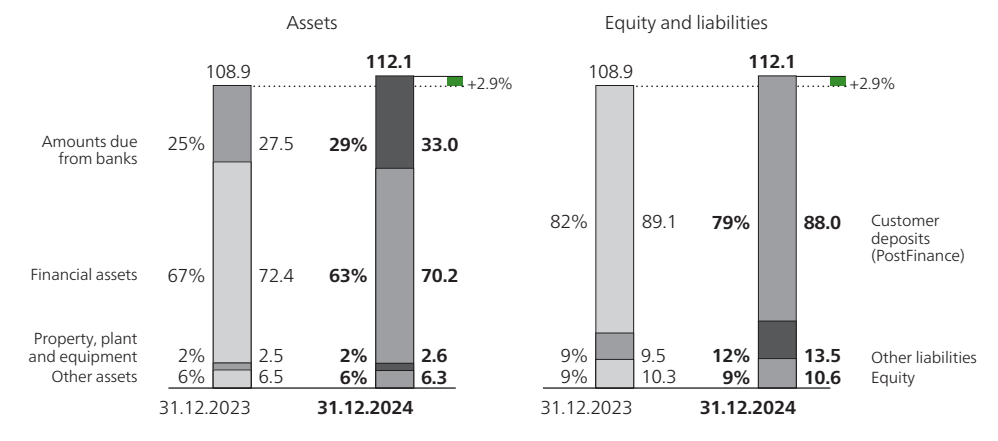
Swiss Post has been set a strategic goal by the owner that the ratio of net debt to EBITDA (operating profit before depreciation and amortization) may not exceed a maximum value of 1. Customer deposits and financial investments of PostFinance Ltd are not included in the calculation of this indicator. Values above the maximum are possible in the short term. Values below the target indicate financial leeway for Swiss Post. The strategic target was met in 2024.

Consolidated balance sheet

In comparison with 31 December 2023, amounts due from banks increased by 5.5 billion francs. This was due to borrowing of short-term funds from the financial services business in 2024.

Balance sheet extension due to lower outstanding amounts from financing transactions

Group | Balance sheet structure in CHF billion
As at 31.12.2023 and 31.12.2024



Financial assets

In comparison with 31 December 2023, financial assets decreased by 2.2 billion francs. This is primarily attributable to PostFinance.

Property, plant and equipment

The carrying amount for property, plant and equipment rose by 0.1 billion francs compared with 31 December 2023. The consistently high value can be explained by increased investment activity, particularly in more efficient processing centers at Logistics Services and climate-friendly vehicles at Mobility Services.

Customer deposits

Within a one-year period, customer deposits at PostFinance have fallen by 1.1 billion francs to 88.0 billion francs as at 31 December 2024. Customer deposits accounted for around 79 percent of the Group's total assets (previous year: 82 percent).

Other liabilities

Other liabilities increased significantly as at 31 December 2024. The increase is mainly due to the development of other financial liabilities from banking transactions. These are current liabilities from PostFinance repo transactions. Provisions fell by 15 million francs to 202 million francs in total.

Equity

Consolidated equity as at 31 December 2024 (10.6 billion francs) is calculated net of the appropriation of profit for 2023.

Outlook

According to the Swiss National Bank SNB, the global economic outlook for the coming quarters remains uncertain and subdued. The reasons for the uncertain outlook are the still unclear direction of economic policy in the USA and political uncertainties in Europe. Inflationary pressure abroad is likely to ease further over the next few quarters. At the same time, the moderate growth of the global economy is likely to continue. Purchasing power of private households should continue to recover and – together with monetary easing – support growth.

Growth should also pick up slightly over the coming year as a result of the monetary easing in recent quarters, albeit only slightly due to the moderate performance of the world economy. The SNB expects GDP growth of between 1 and 1.5 percent in 2025. Subdued demand from abroad and tighter financing conditions in particular are having a dampening effect. The forecast for Switzerland is subject to significant uncertainty. Political and economic developments abroad represent the main risk.

To ensure that Swiss Post can continue to play an important role in Switzerland in the future, the company is taking a very close look at its fundamental and still challenging operating framework. Swiss Post ensures the universal postal service and the universal service for payment transactions and has a good market position in its core competencies: logistics, communication, financial services and passenger transport. In turn, it ensures the provision of needs-based, high-quality and innovative physical and digital services. It connects the physical and digital worlds and is continuously developing its range of services.

Non-financial results of a material nature

In addition to financial goals, Swiss Post aims to meet non-financial targets, including on service quality, employees and climate, in particular.

Sustainability Report 2024

The Sustainability Report supplements the Financial Report and Annual Report. It focuses on social, environmental, ethical and governance aspects.

→ Sustainability Report 2024 (PDF)

The non-financial results of a material nature, arising from the statutory mandate and the Federal Council's strategic goals, are explained below (see → page 22 to 23). For details, refer to the relevant pages in the Sustainability Report.

Service quality

Delivery quality

Statutory requirements on the delivery of letters, parcels and newspapers exceeded.

Swiss Post adhered to all of the Confederation's regulatory quality requirements in 2024. Recipients received letters, parcels and newspapers punctually throughout the country. Swiss Post exceeded its targets both for letters (for which the Confederation requires punctuality of 97 percent) and for parcels and newspapers (which have a punctuality requirement of 95 percent). In 2024, 97.4 percent of A Mail letters and 99.1 percent of B Mail letters as well as 96.2 percent of Priority parcels and 99.6 percent of Economy parcels were delivered on time, measured by the legal requirements. With 97.8 percent of newspaper deliveries on time, Swiss Post also exceeded the quality target of 95 percent in this case.

More information in the Sustainability Report (PDF) → page 76

Accessibility

The statutory mandate on accessibility was met in all cantons in 2024.

The statutory mandate on accessibility (see → page 22) was met in all cantons in 2024. In specific terms, this means 90 percent of a canton's permanent resident population must be able to access a post office or postal agency within 20 minutes by foot or on public transport, or within 30 minutes if home service is available. A national score of 96.7 percent was achieved for the accessibility of postal services, and a score of 98.1 percent was achieved for payment transactions.

More information in the Sustainability Report (PDF) → page 76

Network development

The number of customer access points was increased again.

The number of customer access points was again expanded this year, to 5,003 in total. For example, touchpoints for terminals and service points were upgraded and expanded.

The number of self-operated branches (-4), branches with partners (-7) and locations offering home service (+13) remains stable. The number of business customer points (+10) and My Post 24 service points (+28) was further expanded. My Post Service service points (0) remains stable, while the number of letter boxes is tending to decline.

See also → page 13 and the Sustainability Report (PDF) → page 76

Once again, customers were generally satisfied with Swiss Post in 2024.

Customer satisfaction

Once again, customers were generally satisfied with Swiss Post in 2024. At 76 out of 100 points, the company achieved the same score as the previous year. This shows that Swiss Post is succeeding in meeting customers' needs. In total, some 20,000 customers were surveyed, including around 5,000 business customers.

More information in the Sustainability Report (PDF) → page 41

Employees

Employee satisfaction

"My direct manager" has the highest score in the employee survey.

At 82 points (previous year 83 points), the "My direct manager" index has the highest score of all indices in 2024 (scale: 0 to 100 points). The "Our corporate culture" index remains stable with a good score of 76 points (previous year: 77 points). In the individual questions and statements, "Customer centricity" achieved the highest score at 81 points, while "Cross-unit collaboration" at 71 points was the lowest. The findings of the survey show that the Group is evolving towards the defined target culture.

More information in the Sustainability Report (PDF) → page 51

Employment conditions

Collective employment contracts

The very good level of employment conditions is maintained.

The Post CH Ltd and PostFinance Ltd company collective employment contracts (CECs) and the umbrella CEC were renegotiated in 2024. The most important changes: from 2025, the new company collective employment contracts will include higher supplements for evening, night, Sunday and on-call deployments, an increase in the amount for loyalty bonuses and a new public holiday regulation. The social partners have also defined that in future, as part of the annually negotiated salary measures, a share of 0.4 percent of the salary sum will be available for structural salary adjustments. The negotiated changes have made it possible to maintain the very good level of employment conditions at Swiss Post and PostFinance.

More information in the Sustainability Report (PDF) → page 64

Equal pay

Swiss Post is committed to a clear and transparent salary system.

To ensure equal pay for women and men and a transparent salary policy, equal pay is measured annually on the basis of salary data. In all units, Swiss Post is below the tolerance threshold of 5 percent provided for by the Confederation (i.e. there is no wage discrimination). To eliminate the unexplained pay difference as far as possible, Swiss Post relies on a clear and transparent pay system.

More information in the Sustainability Report (PDF) → page 58

Women in leadership and management roles

The proportion of women in top management is 25.4 percent.

To promote gender diversity, Swiss Post has set itself the goal of increasing the proportion of women in leadership and management roles. Swiss Post has identified the recruitment process as a key factor in this effort and implemented targeted measures, among other things ensuring that gender-neutral and inclusive language is used in job advertisements and that all management roles are advertised with an employment level of 70 to 100 percent and as top sharing/job sharing positions. Promotion of the proportion of women in leadership and management positions is also actively supported in other HR processes. Development programmes prepare women for further career steps, and retention measures reduce the turnover rate.

More information in the Sustainability Report (PDF) → page 58

Digital technologies will continue to gain in importance.

Employee training and development

Swiss Post has developed new resources for the personal development of its employees, such as a data literacy programme, which includes various online training courses on data handling, digitization and artificial intelligence. Swiss Post provides support with using new technologies such as generative AI tools and encourages the development of skills in prompt engineering and with the help of learning communities. Internal training programmes are also available to employees. In the Digital Champion programme, for example, technology expertise and digital skills are shared with employees.

More information in the Sustainability Report (PDF) → page 61

Swiss Post's ambitious climate and energy target is on track.

Climate

Swiss Post's ambitious climate and energy target is on track in 2024. Greenhouse gas emissions in our own operations (Scopes 1–2) have remained stable. A reduction of just under 0.8 percent was recorded compared to the previous year. The drivers of this reduction are the offsetting of additional services in passenger transport and reduced services in goods logistics as well as measures in electromobility and fossil-free heating. The delivery fleet comprises 7,300 electric vehicles that are powered by 100 percent "naturemade star" certified green electricity. Postbus operates 42 vehicles with electric drives.

Swiss Post was able to significantly reduce greenhouse gas emissions in the value chain (Scope 3) by around 18 percent compared to the previous year. This sharp reduction is primarily due to the fall in emissions from PostFinance's own investment portfolio.

With the newly established E-Mobility Charging Solutions business unit, Swiss Post is building a reliable and cost-effective charging infrastructure and ensuring the energy supply for Swiss Post's own vehicles. Swiss Post is also planning to build a nationwide fast-charging network with renewable electricity together with the fenaco cooperative.

In 2024, Swiss Post installed new photovoltaic systems with an additional capacity of 1.6 megawatt-peak. Swiss Post's third-largest system was installed in 2024 at the Villmergen logistics center, which was the first Swiss logistics building to be awarded the sustainable building DGNB Switzerland label.

In 2024, Swiss Post received the top rating A in the climate category from the Carbon Disclosure Project CDP for its commitment and transparency.

More information in the Sustainability Report (PDF) → page 28

Risk report

Risk management principles

Today's business environment is constantly changing. The success of a company greatly depends on the early recognition and control of opportunities and threats (risk awareness), and taking account of capital and yield considerations (risk appetite). Risk management can make an important contribution to the achievement of corporate goals and quality of decisions and help increase the company's value. It also promotes a company-wide risk culture and risk awareness among all employees across all hierarchical levels.

Risk management system

The risk strategy is an integral part of entrepreneurial activities.

The Board of Directors sets out the primary guidelines and principles for the risk management system, defines risk policy at Swiss Post Ltd and approves the risk strategy. The risk strategy is derived from the Group strategy and defines Swiss Post's general attitude towards risk detection, risk-taking and risk management. This makes it an integral part of entrepreneurial activities. It forms the basis for the design and operational implementation of risk management at Swiss Post. The risk strategy comprises the protection objectives and qualitative and quantitative statements about risk appetite as fundamental elements.

The risk management system complies with the applicable laws and the Swiss Code of Best Practice for Corporate Governance. It is based on the COSO ERM (Committee of Sponsoring Organizations of the Treadway Commission Enterprise Risk Management) and ISO standard 31000:2018.

In 2023, Internal Auditing audited the Group's risk management system and confirmed that it is a suitable means of promptly identifying, assessing and monitoring material risks. In operational terms, it found that the introduction of a new GRC tool has significantly improved the risk management process. In addition, the enterprise risk management process was audited by the independent expert auditing firm Mazars in accordance with the audit objectives and criteria of the Federal Finance Administration defined within the framework of the Federal Council's objectives. Mazars confirms that, overall, Swiss Post demonstrates a high level of maturity with regard to the development and implementation of enterprise risk management compared to other companies of similar size and complexity.

Risk definition

Swiss Post understands "risk" to mean each possibility of an event or development occurring and exerting a positive or negative impact on the achievement of corporate goals. Risk is thus the umbrella term for a threat (negative target deviation) or opportunity (positive target deviation).

Successful entrepreneurial action is based on adequately controlling or avoiding material threats and taking advantage of opportunities that arise in a value-enhancing way. Risk assessment is carried out as part of operational planning for a four-year planning period (2024 to 2027).

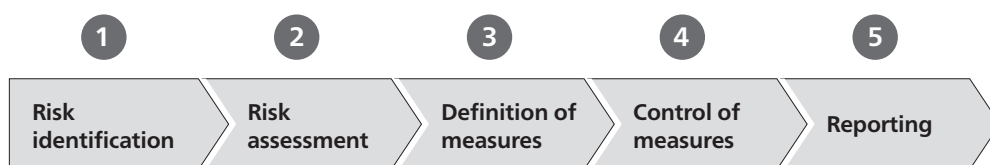
Risk management process

The risk management process is implemented in all Group and function units.

The risk management process is implemented in all Group and function units. It is based on the strategy and financial planning processes in which the business objectives are defined. It helps to mitigate threats that prevent these objectives from being achieved and to implement identified opportunities. The individual subsidiaries, business units and other units conduct, consolidate and direct the risk evaluations to the next-highest hierarchical level.

The risk management process at Swiss Post comprises the following five stages:

Risk management process



– Risk identification

Risk management comprises all risks associated with the business activity. Alongside financial risks, it also takes reputational, personal, environmental and compliance risks into account. Group and unit strategies and a company-wide basic catalogue of causes form the basis for risk identification, among other factors.

– Risk assessment

Threats and opportunities are defined in the assessment as potential deviations from planned business objectives. An individual scoring model is created at Group and unit level that enables the risk probability of occurrence and the scale of impact to be easily evaluated using clear definitions of different characteristics. In addition to financial impact, consideration is also given to reputational impact, compliance damage and personal and environmental damage, which is shown in a complete overview.

The scoring model allows the risk impact to be quantitatively and qualitatively recorded. The scoring model also defines the unit's own risk strategy by setting out the limit from which measures need to be defined for identified risks.

At least once a year, managers and specialists measure the risks that have been identified. This measurement is carried out according to a credible worst-case or best-case scenario on the basis of event data, analyses or expert estimates. A management assessment of the Swiss Post risk map is added to this bottom-up process at Group level.

– Definition of measures

As part of the risk management process, the Group units define appropriate measures in order to take advantage of opportunities whilst avoiding, reducing, or passing on threats to third parties.

– Control of measures

Comprehensive checks are carried out to ensure that risks are being controlled effectively by implementation and the effectiveness of the measures in place. Additional measures are defined if necessary.

– Reporting

Reports are submitted yearly to the Executive Boards, Executive Management, Board of Directors' Audit, Risk & Compliance Committee and Board of Directors. They summarize the threats and opportunities identified together with the planned and implemented measures and the risk indicators, and outline the actions that need to be taken.

Emerging risks

In addition to risks over the next four years, Swiss Post also monitors longer-term trends with the potential to have a positive or negative impact on its business model. These trends can arise as a result of various factors, including for example technological advances, socio-economic changes, environmental changes or new legal and regulatory frameworks.

Networking of risk management

Swiss Post aims to take an integral approach to risk management. Risk management is therefore combined with the Strategy, Accounting, Controlling, Insurance, Security, Internal Control System, Crisis Management units as well as with Group Audit, data protection and the Compliance department.

Swiss Post's 2nd line of defence functions support one another and form an assurance community led by Group risk management. The aim is to regularly share information and knowledge with one another and coordinate their activities, terminology, assessment logic, awareness-raising activities and reporting. The assurance community thereby promotes coordination, mutual foundations and the exploitation of integration and synergy potential.

Risk situation

Based on the latest calculations, the Group has an expected loss potential of 899 million francs in relation to the 2024–2027 business period. The unexpected four-year loss potential (VaR 99 percent) for the Group totals 2,733 million francs. This means the Group's risk capacity is ensured so that sufficient equity capital would be available at the end of the evaluation period (2027) even in the event of an unexpected cumulative cashflow deviation (VaR 99 percent).

The greatest threats include the development of earnings/equity at PostFinance, restriction/failure of system-critical infrastructure, difficulties with strategy implementation, potential violations of external directives, economic downturns and geopolitical tensions. Positive effects could occur as a result of business optimization measures, customer acquisitions and the implementation of transformation projects.

According to current estimates and taking into account the present circumstances, no risks have been identified that could jeopardize the future of the Group either on their own or in combination with other risks. The possibility cannot be ruled out that additional risks that are not yet known or that have currently been classed as immaterial could have an unexpected negative influence on the achievement of the desired Group objectives. In addition, new opportunities could arise that have not yet been identified, or current opportunities could become irrelevant.

With regard to emerging risks, a number of factors are having a growing impact on Swiss Post's core business while also showing a great deal of potential for opening up new business areas, including in particular the trends towards data literacy, artificial intelligence, climate change and CO₂ reduction.

For more information on risk management at Swiss Post, see  pages 164 to 178.

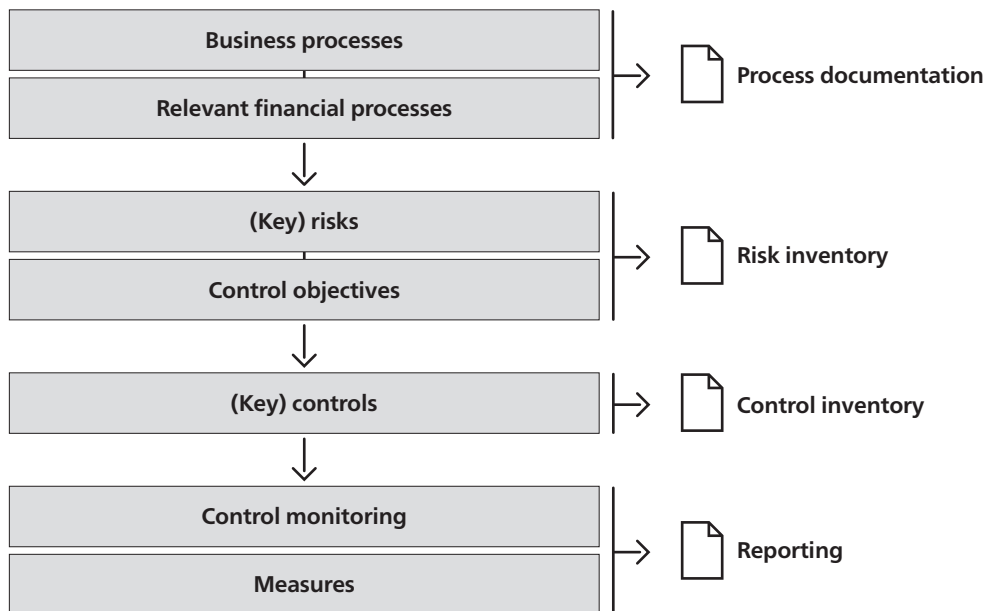
Internal control system

The Board of Directors and Executive Management are responsible for establishing and maintaining appropriate internal controls. The internal control system (ICS) at Swiss Post Ltd is required to provide reasonable assurance that the financial reporting is in accordance with the relevant accounting regulations and corresponding internal guidelines. It therefore encompasses principles, procedures and measures to ensure proper bookkeeping and rendering of accounts. In accordance with article 728 a, paragraph 1, section 3 of the Swiss Code of Obligations, the external auditors check that an ICS is in place in conducting their regular audit each year.

Design of the internal control system

The Swiss Post ICS is established in line with the internationally recognized framework for internal control systems of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The evaluation of ICS-relevant risks, known as scoping, is a standardized process carried out in spring throughout Swiss Post Group on the basis of the Group ICS Finance risk catalogue. In the identification of the relevant risks, so-called key risks, the qualitative factors are also to be considered in addition to the quantitative dimension. These key risks are given priority treatment by ICS Finance and are covered by appropriate key controls. Only those controls (concepts, procedures and practices) are included that ensure an adequate reduction of the risk and the creation of a degree of certainty that the control targets can be met and that undesired events can be prevented or detected and corrected.

ICS



Monitoring and effectiveness of the internal control system

The key controls undergo an annual maturity assessment. It investigates whether the respective controls are suitable to effectively reduce or eliminate the risk described.

The minimum maturity level pursued is "3 – standardized". Basic principles on the operation of ICS finance are defined and ICS-relevant risks and controls are documented. The controls carried out are clearly documented and regularly updated to take account of changes to risks. The maturity evaluation is based on a self-assessment by the person responsible for controls.

Assessment of the internal control system on 31 December 2024

All key controls were formally assessed at the end of the financial year as part of the control monitoring procedure, with only two identifying potential for improvement. No systematic control weaknesses were identified. As a result of inherent limitations, the internal control system may, however, not completely prevent or detect misstatements in the financial reports.

Ernst & Young Ltd, the independent auditors for Swiss Post, verified and unreservedly confirmed that an internal control system is in place for financial reporting as at 31 December 2024.

Corporate governance

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Swiss Post attaches great importance to corporate governance. For years, it has based its actions on the Swiss Code of Best Practice for Corporate Governance drawn up by economiesuisse. Swiss Post structures its reporting in line with the SIX guidelines for listed companies.

Basic principles

Swiss Post Ltd's rules on corporate governance are set out in the articles of association and organization regulations. Both sets of regulations are reviewed for any necessary amendments and updated on a regular basis. The organization regulations contain provisions on dealing with conflicts of interest, the duty of recusal and the rules on posts held by members of the Board of Directors and Executive Management. Swiss Post Ltd's governance is based on the relevant framework conditions, including, in particular, the Postal Services Organization Act and the related ordinance. The Board of Directors has laid down the key rules and principles in the Code of Conduct, which all employees are expected to adhere to in their everyday working lives. Violations of the fundamental values and rules of conduct are not tolerated. All Group directives are principle-based and are available to employees online in an easy-to-find format

Group structure and shareholders

Legal form and ownership

Swiss Post has been structured as a holding company since 26 June 2013. Swiss Post Ltd as the overall holding company is a company limited by shares subject to a special statutory regime solely owned by the Confederation. The organization chart on → page 15 shows the Group's organizational units. The "Consolidated Group" section on → pages 190 to 194 outlines the investments.

Control by the Confederation

The Confederation controls Swiss Post by setting strategic goals and checking that these are being met, using for this purpose Swiss Post's annual reporting to its owner and a report on staff (Public Officials Act/Ordinance on Executive Pay). See also the information policy section on → page 82.

Capital structure

Swiss Post has Group equity comprising 1.3 billion francs of fully paid-in share capital as well as capital reserves and retained earnings of around 9.3 billion francs. This means that total equity on the reference date stood at 10.6 billion francs (previous year: 9.9 billion francs). External debt amounted to around 0.8 billion francs on the reference date.

The General Meeting will be asked to approve a dividend distribution of 100 million francs for the 2024 financial year (resolution in previous year: 50 million francs, distribution in 2024).

Board of Directors

The Board of Directors has a responsibility to the Federal Council to guarantee the uniform management of Swiss Post Ltd and its subsidiaries. The holding company represents the entire Group to the owner and is responsible for ensuring that Swiss Post fulfils the universal service obligation. It is entitled to enlist the help of subsidiaries to do so.

The Board of Directors is responsible for implementing the strategic goals, for submitting reports to the Federal Council on their attainment and for providing the latter with the information it needs for verification purposes. The Board of Directors is also governed by the rights and duties set out in the provisions of the Swiss Code of Obligations on the subject of corporate law.

Composition as at 31 December 2024

On the reference date (31 December 2024), the Board of Directors had nine members.

Education, professional activities and interests

The following section sets out the most important details on the education, professional background and key posts held outside the Group by each of the members of the Board of Directors. Before accepting a new post, the members of the Board of Directors are obliged to consult the Chairman of the Board of Directors and to notify him immediately of any changes to their professional situation. If the Chairman of the Board is affected, the Board of Directors' People, Sustainability & Governance Committee (BoD PSGC) must be consulted. These professional changes or new posts are assessed to ensure compatibility with the post held at Swiss Post. An internal body draws up a written report on potential conflicts of interest for the auditor. The report is submitted to the members of the Board of Directors concerned for their response. The Chairman decides whether the new post held by the member of the Board of Directors is compatible with their post at Swiss Post. In the event that the Chairman acquires a new post, the Chair of the BoD PSGC decides. The Chairman provides regular updates on the mandates reported by the members of the Board of Directors during the Board's meetings. Private posts held by newly appointed Board of Directors members are also assessed for conflicts of interest by an internal body. A written report is drawn up for the appointment committee.

Each member of the Board of Directors must organize their personal and business relationships in such a way as to avoid, as far as possible, conflicts of interest. A conflict of interest arises if business activities are conducted which affect their own interests or those of close natural persons or legal entities. If a conflict of interest nevertheless arises, the member of the Board of Directors concerned notifies the Chairman of the Board of Directors, or the Chairman of the Board of Directors notifies the Chair of the BoD PSGC. The Chairman of the Board of Directors or the Chair of the BoD PSGC requests a decision by the Board of Directors that is commensurate with the severity of the conflict of interest. Every member of the Board of Directors is obliged to abstain from voting in the event of a conflict of interest. The Board of Directors makes a decision whereby the member of the Board of Directors concerned abstains.

After the Chairman of the Board, the other Board members are listed in alphabetical order.

Christian Levrat



Chairman of the Board of Directors, member since 2021
Switzerland, 1970, lic. iur./MA

Committees

- People, Sustainability & Governance
- Audit, Risk & Compliance
- Audit, Risk & Compliance (expert committee for PostFinance-related matters)
- Investment, Mergers & Acquisitions

Professional background

- Member of the Council of States (Fribourg, SP, 2012–2021), Member and Chair of the Committee for Economic Affairs and Taxes, Member and Chair of the Foreign Affairs Committee, Member of the Committee for Legal Affairs, Member of the Finance Committee
- Member and Chair of the Swiss Delegation at the French-speaking Parliamentary Assembly, Chair of the Committee for Education, Culture and Communication, Chair of the Parliamentary Network for the Fight Against AIDS, Tuberculosis and Malaria
- President of the Swiss Social Democratic Party (2008–2020)
- National Councillor (Fribourg, SP), Member of the Committee for Transportation and Telecommunications, Member of the Finance Committee (2003–2012)
- Communications Union, General Secretary and Chair (2000–2008)
- Swiss Refugee Council (SRC), Head of the Legal Service, Member of the Executive Board (1997–2000)

Key posts

- UNICEF Switzerland and Liechtenstein, President
- Municipality of Vuadens, Member of the General Council
- Forum Helveticum, Member of the Steering Committee

Thomas Bucher



Member of the Board of Directors, member since 2019
Switzerland, 1966, lic. oec. University of St. Gallen

Committees

- Audit, Risk & Compliance
- Audit, Risk & Compliance (expert committee for PostFinance-related matters)

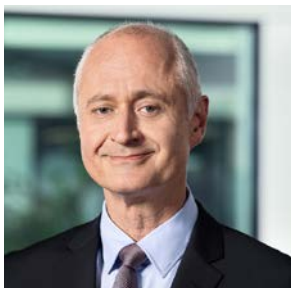
Professional background

- Archroma Management GmbH, CFO, Member of the Executive Committee (since 2021)
- Alpiq Holding Ltd, CFO, Member of the Executive Board (2015–2021)
- Gategroup, CFO, Member of the Executive Board (2008–2014)
- Ciba Specialty Chemicals, Regional CFO, Head of Business Support Center EMEA and Divisional CFO (1992–2008)

Key posts

- EBM (Elektra Birseck Cooperative) / Primeo Energie, Member of the Board of Directors

Ronny Kaufmann



Member of the Board of Directors, human resources representative, member since 2018
Switzerland, 1975, lic. rer. publ. University of St. Gallen

Committees

- People, Sustainability & Governance

Professional background

- Swisspower AG, CEO (since 2015)
- Swiss Post, Head of Public Affairs & CSR (2006–2014)
- Mediapolis AG für Wirtschaft und Kommunikation, Co-owner and Partner (2003–2006)

Key posts

- Muntagna – Die AlpenExpo 2027+, Member of the Board

Bernadette Koch

Member of the Board of Directors, since 2018; Vice-Chair, since 2022
Switzerland, 1968, certified public accountant, business economist, Higher School of Economics and Administration

Committees

- Audit, Risk & Compliance (Chair)
- Audit, Risk & Compliance (expert committee for PostFinance-related matters, Chair)

Professional background

- Ernst & Young Ltd, People Partner, Member of the Management Committee of Assurance Switzerland, Partner/Head of the Public Sector market area, Auditor (1993–2018)

Key posts

- PostFinance Ltd, Member of the Board of Directors and Member of the Audit & Compliance Committee
- Energie Oberkirch Ltd, Vice-Chair of the Board of Directors
- Geberit AG, Member of the Board of Directors
- Mobimo Holding AG, Member of the Board of Directors
- EXPERTsuisse, Member of the Professional Ethics Committee (stepped down 2024)

Denise Koopmans

Member of the Board of Directors, member since 2019
Netherlands, 1962, Master of Law

Committees

- Investment, Mergers & Acquisitions (Chair)

Professional background

- Wolters Kluwer, Managing Director Legal & Regulatory Division (2011–2015)
- LexisNexis Business Information Solutions, CEO (2007–2011)
- Capgemini Engineering, various management roles (2000–2007)

Key posts

- Royal BAM Group NV (Netherlands), Member of the Board of Directors
- Sanoma Corporation (Finland), Member of the Board of Directors (stepped down 2024)
- Enterprise Chamber of the Amsterdam Court of Appeal (Netherlands), lay judge/expert
- Swiss Data Alliance, Member of the Expert Committee
- Cicor Technologies Ltd., Member of the Board of Directors
- NORMA Group SE (Germany), Member of the Supervisory Board

Corrado Pardini

Member of the Board of Directors, human resources representative, member since 2020
Switzerland/Italy, 1965, former National Councillor, degree in NPO Management, University of Fribourg

Committees

- Investment, Mergers & Acquisitions

Professional background

- pardini consulting gmbh, Self-Employed Management Consultant (since 2020)
- Labour Court of the Canton of Bern, specialist judge (since 2000)
- National Council (SP), Committee for Economic Affairs and Taxes (CEAT), Committee for Legal Affairs (CLAG), Committee for Science, Education and Culture (CSEC) (2011–2019)
- Swiss Trade Union Federation (SGB), Member of the Presidential Committee (2014–2020)
- Unia, Member of the Management Board and Head of Industry Sector (National Head of Pharmaceutical and Chemical Industry, Regional Secretary for Biel-Seeland, Canton of Solothurn) (1997–2020)
- Pension funds for the carpentry industry, Foundation Board (2005–2016)
- Member of the Cantonal Parliament, Canton of Bern (SP) (2002–2011)

Key posts

- Tripartite Commission for matters arising from the International Labour Organization (ILO), Member of the Extraparliamentary Committee of the Swiss Confederation
- Suva Council, Member
- Volkshaus AG Bern, Chair of the Board of Directors
- Freienhof Thun AG, Chair of the Board of Directors
- Employment Market Inspectorate Bern, Vice-Chair of the Board
- syndicom Central Secretariat, Advisor, Chair (stepped down 2024)

Dirk Reich



Board of Directors, member since 2021
Germany/Switzerland, 1963, business administration graduate, WHU – Otto Beisheim School of Management

Committees

- Investment, Mergers & Acquisitions

Professional background

- Cargolux Airlines International S.A. (Luxembourg), Chairman and CEO (2014–2016)
- Kühne + Nagel International AG, Member of the Management Board (1994–2013)
- VIAG AG, Head of Investment Controlling, Transport and Logistics (1993–1994)
- German Cargo Services GmbH, Route Manager, America & West Africa (1986–1992)

Key posts

- Det Forenede Dampskibs-Selskab (DFDS) A.S., Member of the Board of Directors (Non-Executive Director)
- Log-hub Ltd, Chair of the Board of Directors

Maria Teresa Vacalli



Member of the Board of Directors, since 2022
Switzerland, 1971, graduate degree in operational and production engineering, Federal Institute of Technology Zurich

Committees

- Audit, Risk & Compliance
- Audit, Risk & Compliance (expert committee for PostFinance-related matters)

Professional background

- Bank Cler, CEO (2019–2022)
- Basler Kantonalbank, Chief Digital Officer (2018–2019)
- Moneyhouse AG, NZZ Mediengruppe, CEO (2016–2018)
- Sunrise Communications Ltd, Executive Director, Wholesale (2013–2016); Director in various departments (2008–2013)
- Cablecom GmbH, Director (2002–2008)
- GCI Consulting, Manager & Head of Business Process Design (2001–2002)
- Ernst & Young, Center of eBusiness Innovation (CBI), Manager (2001)
- Seavantage AG, Partner, Co-Founder and Owner (2000–2001)
- PwC, Manager (1998–2000)

Key posts

- PostFinance Ltd, Chair of the Organisation, Nomination & Remuneration Committee and Member of the IT & Digitization Committee
- Burckhardt Compression Holding AG, Member of the Board of Directors
- Kontivia AG, Member of the Advisory Board (stepped down 2024)
- Kardex Holding Ltd (Member of the Board of Directors)

Antonia Wanner



Member of the Board of Directors, since 2023
Germany, 1967, Dr jur., University of Bonn

Committees

- People, Sustainability & Governance (Chair)

Professional background

- Nestlé Group, Vevey, Chief Sustainability Officer (since 2025)
- Nestlé Group, Vevey, Head of ESG Strategy & Deployment (since 2020), Chief Procurement Officer (2017–2020); Head of Commodity Procurement Nestlé (2013–2017)
- Nestlé Germany, Frankfurt, Head of Sustainability (2012–2013); Head of Sales Services (2010–2012)
- Nestlé Group, Vevey, Head of Procurement Excellence (2006–2010)
- Nestlé Germany, Frankfurt, Head of Procurement (2002–2006)
- Nestlé Germany, Nestlé Europe, Packaging Procurement Manager (1999–2002)
- Nestlé Germany, Frankfurt, Legal Advisor (1996–1999)

Key posts

- Nestlé Deutschland AG, Member of the Supervisory Board

Roger Schoch

General Secretary, member since 2018
Switzerland, 1971, Lawyer, Executive M.B.L. HSG

Professional background

- Alpiq Holding Ltd, General Secretary of the Board of Directors (2013–2018)
- Swiss federal railways SFR Ltd, Secretary to the Board of Directors / Vice General Counsel (2003–2012); Secretary to the Board of Directors / Chief Compliance Officer (2012–2013)

Key posts

- None

Changes in the year under review

There were no staff changes in the reporting year.

Election and term of office

The Federal Council elects the Chairman of the Board of Directors and the other members of the Board of Directors for a period of two years. Re-election is possible. All members of the Board are subject to a 12-year limit for terms of office and an age limit of 70 years.

In accordance with the Postal Services Organization Act, employees have the right to appropriate representation on the Board of Directors. In 2024, this employee representation was provided by Ronny Kaufmann and Corrado Pardini.

Role and internal organization

As part of the Federal Council's strategic goals, the Board of Directors is responsible for the overall management and supervision of the persons entrusted with management. It defines company and business policy, medium- and long-term Group objectives and the means required to achieve those goals. Its remit includes authorizing the basic structure of the Group, the principles for financial controlling for the Group, strategic financial planning, reports to the owner, OFCOM and PostCom, and large and strategic projects. It also determines Swiss Post's owner strategy for PostFinance and appoints Swiss Post's representatives on PostFinance Ltd's Board of Directors. In addition, the Board of Directors appoints the members of Executive Management and approves the collective employment contracts and remuneration for the members of Executive Management. In the year under review, the Board of Directors met a total of eleven times. The meetings took place either in person or via video conference. The CEO and Head of Finance attend Board meetings in an advisory capacity.

The Chairman maintains good relations with the owner and coordinates matters of major importance, particularly with regard to exchanges with the Chairman of the Board of PostFinance Ltd. The Chairman chairs the meetings of the Board of Directors and represents the body externally.

The Board of Directors attaches great importance to its continual development. Training to gain a greater understanding of certain topics is provided twice a year by external experts. These training sessions generally take two days. After the appointment of a new member of the Board of Directors, various introductory events related to the position are held in preparation for the new role. The members of the Board of Directors also take part in Swiss Post's annual management event. In addition, they regularly undertake training on compliance, which must be completed with a test. This training addresses the issue of conflicts of interest and raises awareness among Board members

of how to manage conflicts of this nature. The Board of Directors undertakes annual self-evaluation, which, in addition to the body itself, also covers the work of the individual Board of Directors' Committees. Relevant measures are determined based on the insights gained. An internal body conducts an annual review of the mandates reported by the members of the Board of Directors by self-declaration to ensure that they are up to date and compiles a general overview. This general overview of the mandates of the members of the Board of Directors is submitted to the Board of Directors' People, Sustainability & Governance Committee for information.

Board of Directors' Committees

The Board of Directors establishes a standing committee for each of the following areas of responsibility: Audit, Risk & Compliance, Investment, Mergers & Acquisitions and People, Sustainability & Governance. In addition, the Board of Directors may appoint non-standing committees at any time. As a rule, the committees consist of three to four members of the Board of Directors who have relevant experience in the area of responsibility in question. The role of the committees is to advise the Board of Directors, prepare business for the Board and implement Board resolutions where necessary. To a limited extent, the committees also have decision-making authority.

Board of Directors' Audit, Risk & Compliance Committee

The Board of Directors' Audit, Risk & Compliance Committee (BoD ARCC) assists the Board in, among other things, the supervision of the accounts and financial reporting operations. It also supports the Board of Directors in the supervision of risk management and assesses Swiss Post's risk control at regular intervals. The committee is responsible for the creation and development of appropriate internal supervisory structures and ensures compliance with legal provisions (Compliance). It checks the findings and recommendations of Group Audit and the external audit teams and submits corresponding proposals to the Board as appropriate. The committee met nine times during the year under review (seven ordinary day-long sessions and two extraordinary meetings). The CEO, the Head of Finance and the Head of Group Audit attend the meetings.

Board of Directors' Audit, Risk & Compliance Committee (expert committee for PostFinance-related matters)

The Board of Directors' Audit, Risk & Compliance Committee (BoD ARCC) is an expert committee for PostFinance-related matters that was set up in 2022 to deal with issues on behalf of the Swiss Post Board of Directors. These issues are based either on proposals presented by PostFinance Ltd's Board of Directors to the PostFinance Ltd General Meeting or on proposals from Group bodies. The BoD ARCC (expert committee for PostFinance-related matters) prepares the decision-making on these matters in the Swiss Post Board of Directors and provides recommendations on them. The committee addresses PostFinance's strategic challenges and supports strategy implementation. The BoD ARCC (expert committee for PostFinance-related matters) met nine times during the year under review (eight ordinary day-long sessions and one extraordinary meeting). In addition to the members of the BoD ARCC, the representatives of the PostFinance Ltd Board of Directors as mandated by the parent company take part in meetings (Alex Glanzmann, Giulia Fitzpatrick [until September 2024], Nicole Burth [since November 2024] and Maria Teresa Vacalli participate alongside Bernadette Koch). The CEO also takes part in the meetings.

Board of Directors' Investment, Mergers & Acquisitions Committee

The Board of Directors' Investment, Mergers & Acquisitions Committee (BoD IMAC) deals with M&A strategy, strategic alliances and major investment. It identifies and assesses opportunities for participations, mergers and acquisitions. In addition, it oversees the formation, liquidation and sale of subsidiaries, associates and interests. The committee met ten times during the year under review (six ordinary day-long sessions and four extraordinary meetings). In 2024, the committee addressed various innovative, long-term projects at Swiss Post on forward-looking topics within the above framework. The CEO, Head of Finance and Head of Mergers & Acquisitions attend the meetings.

Board of Directors' People, Sustainability & Governance Committee

The Board of Directors' People, Sustainability & Governance Committee (BoD PSGC) met eleven times during the year under review (six ordinary day-long sessions and five extraordinary meetings). It has a pre-advisory role vis-à-vis the Board of Directors as a whole with regard to appointing and removing the members of Executive Management and deciding their remuneration. It also approves the negotiating mandate for the annual round of pay negotiations with the employee associations. It prepares all strategic organizational decisions for the Board of Directors, evaluates the size and composition of the Board of Directors and identifies and nominates new Board members. In addition, the committee reviews the independence rules for members of the Board of Directors on an annual basis. As the preliminary advisory body, the BoD PSGC analyses corporate responsibility issues and makes recommendations. The CEO and the Head of Human Resources and the Executive Management delegate for sustainability attend the meetings.

Independence

None of the members of the Board of Directors has any business relationships with Swiss Post or its subsidiaries, nor have they been involved in an executive capacity in the companies of Swiss Post in the past four years.

There is no contractually agreed reciprocal occupation of seats on boards between Swiss Post and any other commercial company.

Information and supervisory tools

Reporting

The Board of Directors receives monthly reports on the financial situation of the Group and its individual operating units. The financial and non-financial key figures relevant to management and the drivers of the current development are compared with the previous year, planning and expectations for the current year and analysed.

In addition, the Board of Directors receives quarterly reports from the BoD IMAC about the investments of the Group and the individual operational units. This also includes effectiveness monitoring of the strategic measures and participations used to implement the strategic investment goals.

The Chairman of the Board of Directors receives Executive Management meeting minutes. The Board of Directors receives reports from Risk Management (see → pages 56 to 60 and → 154 to 185), Compliance, Governance (new since 2024), Treasury & Taxes, Communication and Group Audit. At each Board of Directors meeting, the CEO and the Head of Finance provide information on the company's current business situation.

Risk management

Swiss Post operates a risk management system in line with COSO ERM (Committee of Sponsoring Organizations of the Treadway Commission Enterprise Risk Management) as well as ISO standard 31000: 2018 (see → pages 56 to 60).

Internal control system

As part of its risk management, Swiss Post has an internal control system (ICS) which uses appropriate key controls to promptly identify and evaluate the financial processes and bookkeeping and accounting risks. The Board of Directors receives a report on the progress of the ICS once a year.

Compliance

Swiss Post operates a compliance management system (CMS) based on the ISO standard 37301:2021. The CMS is continually adapted to new requirements and circumstances. Up to 2025, it will be developed as part of a project in order to continue ensuring the defined level of ambition.

Swiss Post's CMS takes appropriate account of the strategy, concrete business activities and the risks these entail. In addition, Swiss Post promotes a culture in which all parties conduct themselves ethically and lawfully.

Group Audit

Group Audit monitors compliance with internal and external directives, the efficiency and effectiveness of risk management, controls and governance and monitoring processes. This also includes IT processes and project management. It submits ongoing reports to the Board of Directors' Audit, Risk & Compliance Committee and an annual report to the whole Board of Directors. Group Audit works in accordance with international standards and adheres to principles relating to integrity, objectivity, confidentiality, technical expertise and quality assurance. To guarantee maximum independence, Group Audit is a separate organizational unit which reports to the Board of Directors.

Executive Management

Composition as at 31 December 2024

The CEO and the other seven members of Executive Management are elected by the Board of Directors. Each is responsible for the operational management of the unit assigned to them. The CEO represents Executive Management to the Board of Directors.

The Chief Executive Officer of PostFinance Ltd participates in Executive Management meetings as an observer.

Education, professional activities and interests

The following section sets out the most important information on the education, professional background and key posts of each of the members of Executive Management. Before accepting a new post outside the Group, the members of Executive Management are obliged to consult the Chairman of the Board of Directors. These posts are reviewed to ensure compatibility with the post held at Swiss Post. In the event of new private mandates held by members of Executive Management, an internal unit prepares a written report on potential conflicts of interest for the attention of the authorizing body. The Chairman of the Board of Directors decides whether the new post held by the Member of Executive Management is compatible with the Executive Management function. Private posts held by newly appointed Executive Management members are also assessed for conflicts of interest by an internal body. A written report is drawn up for the appointment committee.

Each member of Executive Management must organize their personal and business relationships in such a way as to avoid, as far as possible, conflicts of interest. A conflict of interest arises if business activities are conducted which affect their own interests or those of close natural persons or legal entities. If a conflict of interest arises, the Member of Executive Management concerned notifies the CEO or the CEO notifies the Chairman of the Board of Directors. Every member of Executive Management is obliged to abstain from voting in the event of a conflict of interest. Executive Management makes decisions while the Member of Executive Management concerned abstains.

After the CEO, the other members of Executive Management are listed in alphabetical order. The list concludes with the CEO of PostFinance Ltd.

Roberto Cirillo



CEO, member since 2019
Switzerland/Italy, 1971, ETH graduate in mechanical engineering, Advanced Management Program, Columbia Business School, New York, USA

Professional background

- Optegra Eye Health Care (United Kingdom), Group CEO (2014–2018)
- Sodexo Group (France), CEO France, COO, various management positions (2007–2014)
- McKinsey & Company, Inc. (Zurich and Amsterdam), Associate Principal (1999–2007)
- ETH Zurich, Researcher and Lecturer (1995–1999)

Key posts

- Croda International Plc (United Kingdom), Board of Directors, Non-Executive Director

Thomas Baur



Head of PostalNetwork, member since 2016, Deputy CEO since 2021
Switzerland, 1964, MBA ETH in Supply Chain Management

Professional background

- PostBus Ltd, Interim Head of PostBus Ltd (2018)
- Swiss Post Ltd, PostMail, Head of Delivery (2005–2016); Head of Logistics (2001–2005); Head of Business Development for ExpressPost (1994–2001)
- PTT, Electronic Data Center, Balico Project Manager (Construction & Real Estate) (1992–1994); Head of Quality Assurance (1989–1990); Programmer/Analyst (1983–1988)

Key posts

- Pro Patria Schweizerische Bundesfeierspende, Member of the Foundation Board

Nicole Burth



Head of Communication Services, member since 2021
Switzerland, 1972, MA in Economics, University of Zurich; Global Leadership Program, IESE Business School

Professional background

- The Adecco Group, Head of Austria, Luxembourg, Belgium, Switzerland; CEO The Adecco Group Switzerland; Head of EMEA Pontoon Solutions; CFO Pontoon Solutions; The Adecco Group, Head of M&A; The Adecco Group Germany, Business Executive; The Adecco Group, Head of Investor Relations & Special Projects (2005–2020)
- Lombard Odier Darier Hentsch, Head of Technology & Business Service Equity Research (2002–2005)
- Deutsche Bank (Switzerland) Ltd, Equity Research Analyst (2000–2002)
- UBS Switzerland & UK, Junior Equity Research Analyst (1998–2000)

Key posts

- PostFinance Ltd, Member of the Board of Directors
- Advance, Member of Executive Board
- Ascom Holding Ltd, Member of the Board of Directors

Johannes Cramer



Head of Logistics Services, member since 2021
Germany, 1981, Dr rer. pol. Friedrich–Alexander University Erlangen–Nürnberg

Professional background

- Digitec Galaxus Ltd, COO (logistics, branch operations, customer service and B2B service, after-sales services) (2015–2020)
- Petobel GmbH, Co-Founder and Co-CEO (purchasing, logistics, finance, business development, content development) (2013–2014)
- McKinsey & Company Inc., Engagement Manager (portfolio management, post-merger integration, strategy development, store operations) (2007–2013)

Key posts

- None

Wolfgang Eger

Head of Informatics/Technology, since 2022

Germany/Switzerland 1966, graduate degree in computer science, University of Karlsruhe; M-MBA McKinsey, Williamstown, Massachusetts, USA.

Professional background

- Swisscom IT Services Ltd, Swisscom Ltd, Head of Operations; Head of Outsourcing Services; Head of System Integration; Head of Risk and Quality Management; Head of Bid & Product Management (2003–2019)
- EDS Information Business GmbH, Zurich, Client Executive Representative Mega Deals, EMEA; Atraxis AG, Zurich, VP Network, Finance & Flight Operations; VP eBusiness Solutions (2001–2003)
- TTI Consult GmbH, Frankfurt, Managing Consultant (1999–2000)
- McKinsey & Company, Inc., Zurich, Associate Business Technology Office (1998–1998)
- Atraxis AG, Zurich, General Project Manager, Head of Warehouse Competence Center (1996–1997)
- Lufthansa Systems AG, Frankfurt, Project Manager, SW Engineer (1991–1996)

Key posts

- None

Alex Glanzmann

Head of Finance, member since 2016, Deputy CEO since 2021

Switzerland, 1970, lic. rer. pol. University of Bern, Executive MBA HSG in Business Engineering

Professional background

- Post CH Ltd, PostLogistics, Head of Finance (2010–2016); Head of Central Distribution Zone (2008–2010); Head of Strategic Projects & Business Controlling for the Goods Logistics unit (2006–2008); Project Portfolio Manager for the Goods Logistics unit (2005–2006)
- BDO Visura, Head of Management & HRM advisory unit and Vice-Director (2004–2005); Chief Management Consultant (1999–2004)
- Office for Information Technology and Organization at the Canton of Solothurn, Research Assistant (1998–1999)

Key posts

- PostFinance Ltd, Member of the Board of Directors, Member of the Risk and Organisation, Nomination & Remuneration Committees
- Swiss Post pension fund, Vice-Chairman of the Foundation Board

Christian Plüss

Head of Mobility Services, member since 2018

Switzerland, 1962, Dr sc. ETH Zurich

Professional background

- Alpiq Ltd, Head of Hydro Power Generation (2014–2018)
- MeteoSchweiz, Director (2011–2014)
- Erdgas Ostschweiz AG, CEO (2005–2011)
- SFR Ltd, Head of Offer Management (2002–2005)
- Cap Gemini SA, Managing Consultant (2000–2002)

Key posts

- Swiss Association of Public Transport (APT), cooperative, Member of the Committee
- LITRA (Ligue suisse pour l'organisation rationnelle du trafic), Member of the Management Committee
- Swiss Association for Technical Inspections (SVTI), Member of the Board of Directors
- Swiss Safety Center AG, Board of Directors

Valérie Schelker



Head of Human Resources, member since 2017
Switzerland, 1972, lic. rer. pol. University of Bern, CAS "Certified Strategy Professional" certificate programme at St. Gallen University

Professional background

– PostFinance Ltd, Head of Working Environment and Member of the Executive Board (2014–2017); Head of HR Strategy, Management and Organizational Development (2009–2014); Head of HR Consulting, IT and Finance (2007–2009), Data Analysis and Market Research Employee in Corporate Development (2001–2007)

Key posts

– Swiss Employers' Association, Member of the Board
– Swiss Post pension fund (Member of the Foundation Board)
– BLS Ltd, Member of the Board of Directors

Beat Röthlisberger



CEO of PostFinance Ltd¹, since 2024
Switzerland, 1971, Business Economist (UAS), Advanced Executive Program, Swiss Finance Institute, CAS Growth & Transformation

Professional background

– Basellandschaftliche Kantonalbank, Head of the Corporate Banking Advisory business unit, Member of the Executive Board (2017–2024); Head of Business Customers & Special Financing (2015–2017)
– UBS AG (Basel), Head of the Construction & Real Estate Customers segment and Deputy Head of Business Customers (2010–2015); Construction & Real Estate Customers (2009–2010); Deputy Head of Credit Risk Control (2005–2009); Credit Risk Control (2001–2005); Customer Advisor – Business Customers in the Capital Markets and International Customers units (2000–2001)

Key posts

– Yuh Ltd, Vice-Chairman of the Board of Directors (since 14 November 2024)

¹ As CEO of PostFinance Ltd, Beat Röthlisberger is not a Member of Executive Management, but attends Executive Management meetings as an observer

Changes in the year under review and after the reporting period

Hansruedi Köng, former Chief Executive Officer of PostFinance, stepped down from his position of his own volition at the end of February 2024. Beat Röthlisberger was appointed the new CEO of PostFinance and took up the position on 1 July 2024. In the meantime, PostFinance was managed on an interim basis by Kurt Fuchs, CFO of PostFinance.

Christian Plüss decided to step down from his roles as Head of Mobility Services at the end of January 2025. The Swiss Post Board of Directors appointed Stefan Regli as head of the Mobility Services business unit as of February 2025. This will make him a member of Swiss Post Executive Management. Stefan Regli will also become Head of PostBus in his new role.

Roberto Cirillo decided to step down from his position as CEO of Swiss Post at the end of March 2025. The Board of Directors of Swiss Post has already launched the process to determine his successor. Until the new CEO takes office, CFO Alex Glanzmann will lead the Group on an interim basis from April 2025.

Management contracts

There are no management contracts with companies or natural persons outside the Group.

Compensation and remuneration

Policy

Corporate risk, scope of responsibility and its strategic importance and the Confederation’s Ordinance on Executive Pay are taken into account by the Board of Directors when determining the remuneration due to members of Executive Management. The variable remuneration component rewards sustainable conduct and behaviour on the part of management in line with the strategy applicable to Swiss Post and its associated organizations, enabling managers to share in the company’s success.

The Board of Directors has regulated the remuneration and fringe benefits for its members in the remuneration and expenses regulations of the Board of Directors of Swiss Post Ltd.

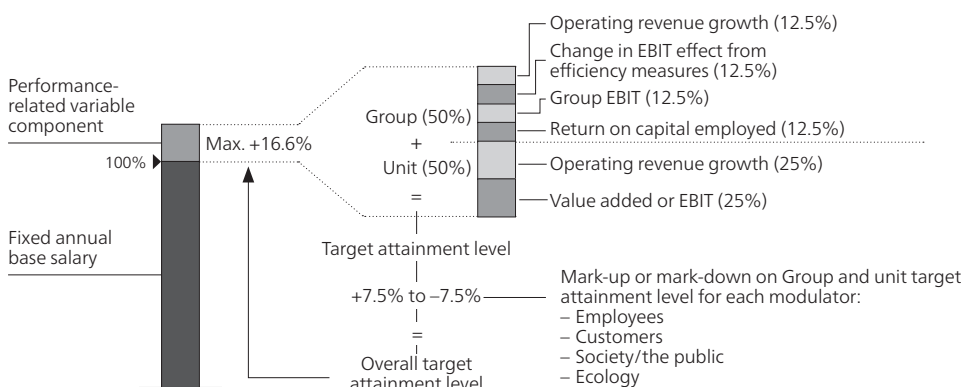
Determination

Remuneration for the CEO and members of Executive Management is comprised of a fixed annual base salary and a variable performance-related component. This may be a maximum of 16.6 percent of the gross annual base salary and is paid annually. Every year, the Board of Directors sets quantitative targets, taking account of additional qualitative figures, with a focus on the Group and taking into account the activities of the units. Target achievement is assessed by the Board of Directors and is identical for all management levels. In addition to the objectives at the level of the Group as a whole, the Board of Directors decides each year whether targets should be set for individual units or subsidiaries and what emphasis they are to be given. It may delegate the setting of unit goals, their weighting and their assessment to the CEO. At PostFinance Ltd, the PostFinance Ltd Board of Directors sets the annual quantitative and qualitative goals. The personal performance of employees is not taken directly into account in the variable component.

For the period 2024, the Board of Directors defined the following targets at Group level: growth in operating revenue, change in EBIT effect from efficiency measures, EBIT and return on capital employed (each weighted at 12.5 percent). As a rule, the benchmarks for unit level are third-party operating revenue growth and value added or EBIT (each weighted at 25 percent). In the determination of overall target achievement, additional qualitative supplementary values (so-called modulators) are taken into account, with consideration given to the aspects of human resources, customers, society/the public and ecology. Depending on the assessment of the various factors, overall target achievement can be marked up or marked down for each modulator. Both mark-ups and mark-downs can amount to a maximum of 7.5 percent for each modulator. In all cases, however, overall target achievement may be a maximum of 100 percent.

The performance-related variable salary component is a maximum of 16.6 percent of the fixed annual base salary

Executive Management | Breakdown of remuneration 2024



Members of Executive Management also receive a first-class GA Travelcard or a company car, a mobile phone and a monthly expense account. Individual bonuses may be paid to reward special personal contributions and additional fees may be paid for directorships.

Neither the members of Executive Management nor persons closely linked to them received any additional guarantees, advances, credits, loans or benefits in kind during the financial year.

The fixed base annual salary and the performance-based variable salary component of members of Executive Management are insured in accordance with employee benefits: salary elements up to 352,800 francs are insured with the Swiss Post Group pension fund; salary elements above the maximum salary insured with the Swiss Post pension fund are insured with an external management insurance scheme. The retirement provision with the pension fund and the management insurance scheme is based on a defined contribution plan. The employer makes a disproportionately high contribution (around 60 percent) for employee benefits. Employment contracts are based on the Swiss Code of Obligations. The notice period for members of Executive Management is six months. No agreements exist regarding possible severance payments.

Level of compensation and remuneration

Remuneration paid to members of the Board of Directors

In 2024, the nine members of the Board of Directors (including the Chair) received remuneration (fees and fringe benefits) totalling 991,918 francs. The fringe benefits totalling 84,368 francs are shown in the total remuneration. Employer contributions to mandatory social insurance stood at 71,227 francs, while employer contributions to ordinary employee benefits for Board of Directors members insured by Swiss Post amounted to 31,860 francs. In 2024, the fee of the Chairman of the Board of Directors was 225,000 francs (including employer contributions to employee benefits). The fringe benefits amounted to 28,368 francs.

The upper limit for total remuneration of 1,189,080 francs (including employer contributions to social insurance and employee benefits), which was determined by the General Meeting, was respected.

Remuneration paid to members of the Board of Directors	
CHF	2024
Chairman of the Board of Directors (1)	
Fees	204,225
Fringe benefits	28,368
Expenses and representation allowances	22,500
First-class GA Travelcard	5,868
Fees and fringe benefits	232,593
Employer contribution to social insurance	15,644
Employer contribution to employee benefits	20,775
Employer contributions to social insurance and employee benefits	36,419
Total remuneration	269,012
Other members of the Board of Directors (8)	
Fees	703,325
Base remuneration	601,325
Remuneration for committees	102,000
Fringe benefits	56,000
Expenses and representation allowances	56,000
First-class GA Travelcard	–
Fees and fringe benefits	759,325
Employer contribution to social insurance	55,583
Employer contribution to employee benefits	11,085
Employer contributions to social insurance and employee benefits	66,668
Total remuneration	825,993
Entire Board of Directors (9)	
Fees	907,550
Fringe benefits	84,368
Fees and fringe benefits	991,918
Employer contribution to social insurance	71,227
Employer contribution to employee benefits	31,860
Employer contributions to social insurance and employee benefits	103,087
Total remuneration	1,095,005

Remuneration paid to Executive Management

The members of Executive Management who were paid during the year under review and the CEO received remuneration totalling 4,877,867 francs in 2024. The fringe benefits totalling 228,523 francs are shown in the total remuneration. The performance-related variable salary component calculated for the members of Executive Management (including the CEO) for the period 2024, which is based on attainment of targets in 2023 and 2024, amounts to 606,800 francs. Employer contributions towards mandatory social insurance amounted to 346,825 francs. Employer contributions towards mandatory employee benefits amounted to 865,702 francs. A decision regarding the approval (entitlement and calculation) of the performance-related component for the former CEO and former Head of PostBus, who left the company in 2018, will not be reached until the investigations into the subsidy law breaches in the regional passenger transport segment have been completed.

The fixed annual base salary of the CEO totalled 678,726 francs. The additional performance-related variable salary component for the period 2024 amounts to 112,669 francs.

The upper limit of 6,192,614 francs for the total remuneration amount (including employer contributions to social insurance and employee benefits), which was determined by the General Meeting, was respected.

Remuneration paid to Executive Management

CHF	2024
CEO	
Fixed annual base salary	678,726
Performance-related variable salary component (reference period 2024) ¹	112,669
Fringe benefits	33,246
Expenses and representation allowances	24,000
Additional fringe benefits ²	9,246
Additional payments	–
Remuneration	824,641
Employer contribution to social insurance	57,198
Employer contribution to employee benefits	158,359
Employer contributions to social insurance and employee benefits	215,557
Total remuneration	1,040,198
Other members of Executive Management (7)	
Fixed annual base salary	3,363,818
Performance-related variable salary component (reference period 2024) ¹	494,131
Fringe benefits	195,277
Expenses and representation allowances	105,000
Additional fringe benefits ²	70,277
Additional payments ³	20,000
Remuneration	4,053,226
Employer contribution to social insurance	289,627
Employer contribution to employee benefits	707,343
Employer contributions to social insurance and employee benefits	996,970
Total remuneration	5,050,196
All members of Executive Management (8)	
Fixed annual base salary and performance-related variable salary component ¹	4,649,344
Fringe benefits ^{2,3}	228,523
Remuneration	4,877,867
Employer contribution to social insurance	346,825
Employer contribution to employee benefits	865,702
Employer contributions to social insurance and employee benefits	1,212,527
Total remuneration	6,090,394

1 For this period, the performance-related components generated in the current year under review are reported.

2 Other fringe benefits include: first-class GA Travelcard or company car; mobile phone.

3 Other payments include: fees for directorships.

Auditor

The statutory auditors are appointed annually by the General Meeting. Since 16 April 2019, Ernst & Young Ltd has been responsible for auditing at Swiss Post Ltd and the majority of its subsidiaries.

The fee agreed upon for the 2024 audit and the fees for services provided in the 2024 financial year total 3.3 million francs.

Information policy

A report on strategic goals and a report on staff are submitted to the owner annually (see → page 64). PostCom also receives a regulatory report on the universal service for postal services, and OFCOM is issued with a report on the universal service for payment transactions. Swiss Post additionally submits its Annual Report to the owner for approval. In accordance with the corporate governance principles of the Federal Council, ongoing discussions on key areas of business are held during regular Postrapport meetings between Confederation representatives and top-level Swiss Post management.

Group annual financial statements

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→ **Swiss Post Ltd annual financial statements**

→ **PostFinance annual financial statements**

The consolidated annual financial statements include all of Swiss Post's subsidiaries. They have been prepared in accordance with IFRS Accounting Standards and meet the requirements of the Postal Services Organization Act.

Consolidated income statement

Group | Income statement

CHF million	Notes	2023 ¹	2024
Revenue	7	7,060	7,345
of which interest income as per effective interest method		374	476
Other operating revenue	9	219	281
Total operating revenue	7, 8	7,279	7,626
Personnel expenses	10, 11	-3,516	-3,672
Resale merchandise and service expenses	12	-1,469	-1,499
Expenses for financial services	8	-554	-529
Depreciation and impairment	22-25	-457	-480
Other operating expenses	13	-960	-1,045
Total operating expenses		-6,956	-7,225
Operating profit	6	323	401
Financial income	14	71	72
Financial expenses	15	-71	-50
Net income from associates and joint ventures	16	-4	-5
Group profit before tax		319	418
Income taxes	17	-65	-94
Group profit		254	324
Group profit attributable to			
Swiss Confederation (owner)		260	328
Non-controlling interests		-6	-4

¹ The income from facility management is now reported in other operating revenue instead of revenue. The prior-year figure has been adjusted.

Consolidated statement of comprehensive income

Group | Statement of comprehensive income

CHF million	Notes	2023	2024
Group profit		254	324
Other comprehensive income			
Revaluation of employee benefit obligations and employee benefit assets	11	-138	-190
Change in unrealized gains/losses from fair value reserves in equity instruments FVTOCI		38	89
Change in income taxes	17	16	14
Items not reclassifiable in consolidated income statement, after tax	27	-84	-87
Change in currency translation reserves		-9	0
Change in share of other comprehensive income from associates and joint ventures	16	-2	7
Change in unrealized gains/losses from fair value reserves in debt instruments FVTOCI		232	88
Unrealized gains/losses from cash flow hedges and hedging costs		427	-71
Realized gains/losses from cash flow hedges and hedging costs reclassified to the income statement		-371	213
Change in income taxes	17	-52	-44
Reclassifiable items in consolidated income statement, after tax	27	225	193
Total other comprehensive income		141	106
Total comprehensive income		395	430
Total comprehensive income attributable to			
Swiss Confederation (owner)		401	435
Non-controlling interests		-6	-5

Consolidated balance sheet

Group | Balance sheet

CHF million	Notes	31.12.2023 ¹	31.12.2024
Assets			
Cash	19	1,278	1,044
Amounts due from banks	19	27,515	32,978
Interest-bearing amounts due from customers	19	493	449
Trade accounts receivable	19	734	730
Contract assets		238	202
Other receivables	19	793	878
Inventories	20	71	65
Assets held for sale	18	1	2
Capitalized contract costs		–	4
Current income tax assets		21	16
Financial assets	19	72,443	70,204
Biological assets	21	41	39
Investments in associates and joint ventures	16	55	68
Property, plant and equipment	22	2,467	2,551
Investment property	23	428	442
Intangible assets and goodwill	24	733	983
Right-of-use assets	25	819	792
Employee benefit assets	11	289	178
Deferred income tax assets	17	447	430
Total assets		108,866	112,055
Liabilities			
Customer deposits (PostFinance)	19	89,121	87,979
Other financial liabilities	19	7,574	11,406
Trade accounts payable	19	302	310
Contract liabilities		297	327
Other liabilities	19	712	695
Current income tax liabilities		43	70
Provisions	26	217	202
Employee benefit obligations	11	20	63
Deferred income tax liabilities	17	325	372
Total liabilities		98,611	101,424
Share capital		1,300	1,300
Capital reserves		2,215	2,215
Retained earnings		4,708	5,005
Gains and losses recorded directly in other comprehensive income		2,038	2,117
Equity attributable to the owner		10,261	10,637
Non-controlling interests		–6	–6
Total equity	27	10,255	10,631
Total equity and liabilities		108,866	112,055

¹ The accruals and deferrals from income taxes are now reported in current income tax assets and current income tax liabilities instead of other receivables and other liabilities. The prior-year figures have been adjusted.

Consolidated statement of changes in equity

Group | Statement of changes in equity

CHF million	Notes	Share capital	Capital reserves	Retained earnings	Gains and losses recorded directly in other comprehensive income	Equity attributable to the owner	Non-controlling interests	Total
Balance as at 1.1.2023		1,300	2,215	4,487	1,897	9,899	-15	9,884
Group profit				260		260	-6	254
Other comprehensive income	27				141	141	0	141
Total comprehensive income				260	141	401	-6	395
Distributions	27			-50		-50	0	-50
Changes from non-controlling interests	5			-9		-9	8	-1
Capital increase from non-controlling interests				-9		-9	12	3
Put options on non-controlling interests	29			29		29	-5	24
Total transactions with the owner				-39		-39	15	-24
Balance as at 31.12.2023		1,300	2,215	4,708	2,038	10,261	-6	10,255
Balance as at 1.1.2024		1,300	2,215	4,708	2,038	10,261	-6	10,255
Group profit				328		328	-4	324
Other comprehensive income	27				107	107	-1	106
Total comprehensive income				328	107	435	-5	430
Reclassification of realized gains from equity instruments FVTOCI	19			28	-28			
Distributions	27			-50		-50	0	-50
Costs of raising equity capital				-1		-1	0	-1
Changes from non-controlling interests	5			-5	0	-5	0	-5
Changes from non-controlling interests in associates	16			-1		-1		-1
Capital increase from non-controlling interests				-3	0	-3	4	1
Put options on non-controlling interests	29			1	0	1	1	2
Total transactions with the owner				-31	-28	-59	5	-54
Balance as at 31.12.2024		1,300	2,215	5,005	2,117	10,637	-6	10,631

Consolidated cash flow statement

Group | Cash flow statement

CHF million	Notes	2023	2024
Group profit before tax		319	418
Interest expense/income and dividends		-529	-528
Depreciation and impairment	22-25, 28	451	515
Net income from associates and joint ventures		4	5
Net gains on disposal of property, plant and equipment, and interests	5, 9, 13-16	-17	-38
Losses on the sale of financial assets		0	3
Decrease in provisions, net		-82	-66
Currency translation differences, net		242	23
Other non-cash expenses/(income)		2	-4
Change in net current assets:			
Decrease in receivables, inventories and other assets		236	20
Decrease in accounts payable and other liabilities		-8	-9
Items from financial services:			
Change in amounts due from banks (term of more than 3 months)		2,021	500
Change in customer deposits (PostFinance)/interest-bearing amounts due from customers		-756	-1,101
Change in other financial liabilities, derivatives		-11,300	3,831
Change in financial assets FVTPL including derivatives		713	363
Acquisition of financial assets at amortized cost		-12,197	-10,773
Disposal and reimbursement of financial assets at amortized cost		12,014	13,167
Acquisition of financial assets FVTOCI		-1,718	-1,444
Disposal and reimbursement of financial assets FVTOCI		1,305	1,279
Interest and dividends received		868	1,120
Interest paid		-413	-362
Income taxes paid		-38	-40
Cash flow from operating activities		-8,883	6,879
Purchases of biological assets	21	-37	-1
Purchases of property, plant and equipment	22	-375	-312
Purchases of investment property	23	-13	-11
Purchases of intangible assets (excl. goodwill)	24	-40	-44
Purchases of subsidiaries and parts of companies, net of cash proceeds	5	-123	-196
Purchases of associates and joint ventures	16	-17	-50
Purchases of other financial assets		-423	-542
Proceeds from disposal of property, plant and equipment	22	16	20
Proceeds from disposal of investment property	23	1	-
Proceeds from disposal of intangible assets (excl. goodwill)	24	5	-
Proceeds from disposal of subsidiaries and parts of companies, net of cash proceeds	5	-	0
Proceeds from disposal of associates and joint ventures	16	-	0
Proceeds from disposal of other financial assets		954	638
Dividends received (excl. financial services)		13	6
Interest received (excl. financial services)		28	33
Cash flow from investing activities		-11	-459

Group | Cash flow statement

CHF million	Notes	2023	2024
Increase in other financial liabilities	28	68	5
Decrease in other financial liabilities	28	-141	-220
Interest paid (excl. financial services)		-30	-32
Payment from capital increase of non-controlling interests		3	1
Payments for raising of equity capital		0	-1
Payment from purchase of non-controlling interests		-15	-34
Distributions paid to the owner	27	-50	-50
Cash flow from financing activities		-165	-331
Foreign exchange losses on cash and cash equivalents		-1	-1
Change in cash and cash equivalents		-9,060	6,088
Cash and cash equivalents at the start of the reporting period		36,764	27,704
Cash and cash equivalents at the end of the reporting period		27,704	33,792
Cash and cash equivalents include:			
Cash		1,278	1,044
Amounts due from banks with an original term of less than 3 months		26,426	32,748
Cash and cash equivalents do not include:			
Amounts due from banks with an original term of more than 3 months		1,089	230

Notes

1 | Business activities

Swiss Post Ltd is a company limited by shares subject to a special statutory regime with its head office at Wankdorffallee 4 in 3030 Bern (Switzerland) and is wholly owned by the Swiss Confederation. Swiss Post Ltd and its subsidiaries (hereinafter referred to as Swiss Post) provide logistics and financial services both in Switzerland and abroad (see Note 6, Segment information).

The 2024 consolidated annual financial statements were approved for publication on 10 March 2025 by the Board of Directors of Swiss Post Ltd and will be presented to the General Meeting of 6 May 2025 for approval.

2 | Basis of accounting

The consolidated annual financial statements comprise the annual financial statements of Swiss Post Ltd and its subsidiaries. They have been prepared in accordance with IFRS[®] Accounting Standards (hereinafter referred to as IFRSs) and also comply with the Postal Services Organization Act (PSOA).

The consolidated annual financial statements have been prepared under the historical cost convention. Exceptions to this rule are described in the accounting policies set out in the respective Notes. For instance, biological assets, derivative financial instruments and financial assets held for trading, designated at fair value and classified as FVTOCI, are recognized at fair value.

To take account of the characteristics of the financial services and their importance for Swiss Post, the result from financial services is shown separately in Note 8, Net income from financial services. Furthermore, the balance sheet is not broken down into current and non-current items, but structured according to descending liquidity. Financial income and expenses from financial services and the underlying cash flows are shown as operating revenue, expenses or cash flows. Financial income and expenses from other Group units are disclosed in the non-operating financial result (excluding financial services) and the relevant cash flows as investment or financing transactions.

Individual report figures are rounded for publication, while calculations are carried out using the non-rounded figures. Rounding differences may therefore occur.

2.1 | Revised and new IFRS Accounting Standards

No significant financial effects resulted from the supplements and revisions that took effect on 1 January 2024.

Standard	Title	Valid from
IAS 1	Classification of Debt with Covenants as Current or Non-current	1.1.2024
IAS 7 / IFRS 7	Supplier Finance Arrangements	1.1.2024
IFRS 16	Lease Liability in a Sale and Leaseback	1.1.2024

Outlook

An amendment of a standard comes into force for the financial year as of 1 January 2025:

Standard	Title	Valid from
IAS 21	The Effects of Changes in Foreign Exchange Rates	1.1.2025

Swiss Post will not be applying the specified standards ahead of schedule. Hence, this consolidated financial reporting does not contain any further effects resulting from these changes. No significant financial effects are expected from the introduction and revision planned for 1 January 2025.

3 | Consolidation methods

The consolidated annual financial statements of Swiss Post comprise Swiss Post Ltd and all the companies over which Swiss Post has direct or indirect control. Control means that Swiss Post is exposed to variable economic results as a result of its commitment to a company, or has rights in a company and is able to influence the latter's economic results through its decision-making power over it. Swiss Post has decision-making power if, on account of its rights in a company, it currently has the ability to determine the significant activities of the company, i.e. the activities that have a considerable impact on the latter's economic results. This is generally the case if Swiss Post holds over 50 percent of the voting rights or potentially exercisable voting rights, whether directly or indirectly. These companies are fully consolidated. The consolidated financial statements are based on the separate financial statements of Swiss Post Ltd and the subsidiaries, which are prepared in accordance with uniform principles as at a uniform reporting date.

All intra-Group receivables, liabilities, income and expenses from intra-Group transactions and unrealized intercompany profits are eliminated on consolidation. Non-controlling (minority) interests in the equity of consolidated companies are presented as a separate item within equity. Non-controlling interests in Group profit or loss are presented within the consolidated income statement / statement of comprehensive income.

Investments in associates where Swiss Post has 20 to 50 percent of the voting rights and/or significant influence but which it does not control are not consolidated, but accounted for using the equity method and reported under "Investments in associates and joint ventures". Joint ventures with 50 percent of the voting rights which Swiss Post holds together with a third party are recognized and disclosed by the same method. Under the equity method, the interest's value is calculated based on the acquisition cost, subsequently adjusted to take into account any changes in Swiss Post's share of the company's net assets. Material holdings and transactions with these companies are posted separately as items with associates and joint ventures. Interests of less than 20 percent are presented as financial assets in the FVTPL category (fair value through profit or loss) or, in the case of strategic long-term interests, as FVTOCI (fair value through other comprehensive income).

Companies acquired during the reporting period are included in the consolidated annual financial statements from the date on which Swiss Post assumed control. Companies that are sold are included until the date on which control is lost, which is usually the date of sale. Proceeds from the disposal of subsidiaries, associates and joint ventures are recorded in the financial result, unless this concerns a discontinued operation, in which case they are recognized in the result from discontinued operations.

Please see Note 30 (Consolidated Group) for an overview of Swiss Post subsidiaries, associates and joint ventures.

The accounting policies are explained in the individual notes on the items in the consolidated annual financial statements and are specially highlighted.

3.1 | Currency translation

The consolidated annual financial statements of Swiss Post are presented in Swiss francs (CHF).

Transactions in foreign currencies are translated at the daily rate ruling at the transaction date. At the end of the reporting period, monetary assets and liabilities in foreign currencies are translated at the closing rate. Non-monetary assets classified as FVTOCI are measured at fair value, and the unrealized foreign exchange gain or loss is recognized directly in other comprehensive income.

Assets and liabilities in balance sheets of fully consolidated companies that have been prepared in a foreign currency are translated into Swiss francs at the rate applicable on the balance sheet date. The income statement, cash flow statement and other transactions are translated at the average rate for the reporting period. Translation differences arising from the translation of balance sheets and statements of comprehensive income of foreign subsidiaries are recognized directly in other comprehensive income.

The following exchange rates were applied in translating the financial statements of foreign subsidiaries into Swiss francs:

Exchange rates		Closing rate as at		Average rate for the period ending	
		31.12.2023	31.12.2024	31.12.2023	31.12.2024
Unit					
1 Bulgarian lev	BGN	0.48	0.48	0.50	0.49
1 Canadian dollar	CAD	0.64	0.63	0.67	0.64
1 euro	EUR	0.93	0.94	0.97	0.95
1 pound sterling	GBP	1.08	1.13	1.12	1.13
100 Hungarian forints	HUF	0.24	0.23	0.25	0.24
100 Indian rupees	INR	1.01	1.06	1.09	1.05
1 Polish zloty	PLN	0.22	0.22	0.21	0.22
1 Singapore dollar	SGD	0.64	0.66	0.67	0.66
1 US dollar	USD	0.84	0.90	0.90	0.88

4 | Estimation uncertainty

Preparation of the consolidated annual financial statements requires the use of estimates and assumptions. Although these estimates and assumptions were based on Executive Management's best knowledge of current events and possible future actions on the part of Swiss Post Group, actual results may ultimately differ from these estimates. The estimation uncertainty in accounting policies that may have a material impact on the consolidated annual financial statements as a result of Executive Management's judgements are explained in the notes below.

Significant estimation uncertainty in accounting policies

Description	Uncertainty	Notes
Employee benefit obligations	Actuarial assumptions	11
Deferred tax assets	Recoverable amount	17
Financial instruments	Fair values	19
Credit losses	Amount of expected losses	19
Biological assets	Fair values	21
Property, plant and equipment	Useful life	22
Intangible assets	Useful life	24
Goodwill	Recoverable amount	24
Leases	Contract duration	25
Provisions	Management estimate	26
Other long-term employee benefits	Actuarial assumptions	26

5 | Acquisitions and disposals of subsidiaries

Accounting policies

In the event of a business combination, the identifiable assets and liabilities in the acquiree are recognized and measured at fair value in applying the acquisition method. Any non-controlling interests are measured at the proportionate share of the identifiable net assets. Any excess over the purchase price is capitalized as goodwill at acquisition cost less impairment. Any gain on an acquisition made at a price below fair value is recognized directly in the income statement as a reversal of impairment.

If, in the course of business combinations with put options, the Group does not obtain economic ownership, the non-controlling interests will continue to be attributed to profit or loss. At the end of each reporting period, this share of profit or loss will be recognized as a financial liability as if the acquisition had taken place on this date. Any surplus in relation to the reclassified amount and all changes in the fair value of the financial liability will be recognized in retained earnings.

5.1 | Additions and disposals of subsidiaries

2023

Post CH Ltd acquired 100 percent of the shares in Gaiser Transport AG on 2 January 2023. Also on 2 January 2023, Bächle Logistics GmbH acquired the business operations of Gaiser GmbH Internationale Spedition. The acquisition enables Swiss Post to expand its range of services in warehouse logistics and transshipment in Germany and north-eastern Switzerland. It strengthens its position in cross-border traffic and its presence in the Schaffhausen area and the Swiss-German border region. The number of people employed is around 61.

Bächle Logistics GmbH acquired the business operations of Hans Peter Nolden, Spedition on 2 January 2023. The acquisition enables Swiss Post to expand its range of services with an additional platform for goods handling and warehousing, as well as logistics transport on the important international north-south transport axis. The number of people employed is around 50.

Bächle Logistics GmbH acquired the business operations of Spedition Effinger GmbH and the vehicle fleet of Effinger GmbH & Co. KG on 1 February 2023. The acquisition enables Swiss Post to expand Switzerland's connection to international supply chains and strengthen its position as a reliable and fast logistics partner for SMEs and companies in Switzerland. The number of people employed is around 55.

Post CH Communication Ltd acquired around 97 percent of the shares in SPOTME Holding SA on 3 April 2023. The company holds 100 percent of the shares in the following companies:

- SPOTME SA
- SPOTME INC.
- SPOTME PTE. LTD.
- SPOTME EOOD

The SPOTME Group offers digital platforms for secure and confidential communication between companies and their customers and is one of the leading providers of cloud engagement solutions. Their technology is used, for example, to hold physical, hybrid and virtual events where high security standards are required to exchange confidential information. With its acquisition of a majority stake in the SPOTME Group, Swiss Post is helping its business customers to make their own communication

more efficient, interactive and location-independent as part of the process of digitization and strengthening its role as a trustworthy carrier of sensitive customer and corporate information. The number of people employed is around 110.

Post CH Communication Ltd acquired the remaining total of around 10 percent of shares in Tresorit S.A. on 21 April 2023.

Post CH Communication Ltd acquired 80 percent of the shares in terreActive Ltd and 100 percent of the shares in TAC.CH Ltd on 3 July 2023. The companies are among the leading cybersecurity service providers in Switzerland. They design, integrate and operate cybersecurity solutions for companies and public authorities. With the acquisition of TAC.CH Ltd and its majority stake in terreActive Ltd, Swiss Post is investing in the security and confidentiality of information and data. The number of people employed is around 80.

Post CH Ltd acquired 100 percent of the shares in PORTMANN GESTION SAS on 28 September 2023. The company holds 100 percent of the shares in the following companies directly or indirectly:

- PORTMANN LOGISTICS SARL
- TRANSPORTS PORTMANN SAS
- SITS SAS
- PORTMANN-LUX S.A.
- TRACTLUX S.à.r.l.
- G.B.S. LOGISTICS S.à.r.l.
- PORTMANN LOGISTIC POLSKA Sp. z.o.o.
- SCI Rixheimer Feld
- RIXHEIMER FELD SARL
- SCI PORT SUISS
- SCI PORT ESPALE
- SCI PORT SUD
- SCI PORT ALPES
- SCI SP

PORTMANN GESTION SAS is a transport and logistics company with locations in France, Luxembourg and Poland. The PORTMANN Group focuses on goods transport by road and operates primarily in France. With the growth of international goods traffic in recent years, cross-border transport is becoming increasingly important. Industrial and trading companies rely on well-connected logistics partners who can deliver their products from A to B and manage customs clearance or storage. The acquisition of the PORTMANN Group expands Swiss Post's network in the economic region of France and strengthens its range of goods logistics services. The number of people employed is around 780.

On 25 October 2023, Post CH Ltd acquired 60 percent of the shares in STERIPARC SA. The company's goal is to establish a new sterilization business as an outsourcing partner for medical service providers such as hospitals or outpatient clinics in French-speaking Switzerland. Operations are expected to begin in autumn 2024. The acquisition of STERIPARC SA will allow Swiss Post to further expand its range of logistics services in the area of sterile goods preparation, with a focus on western Switzerland.

InTraLog Hermes AG acquired the remaining approx. 9 percent of shares in OSA Spedition GmbH on 13 December 2023.

On 15 December 2023, Post CH Communication Ltd acquired a further stake of around 7 percent in KLARA Business Ltd in addition to the existing 63 percent.

2024

On 28 March 2024, Post CH Communication Ltd acquired a further stake of around 6 percent in ePost Service Ltd (formerly KLARA Business Ltd) in addition to the approximately 70 percent already held.

On 10 April 2024, Post CH Communication Ltd acquired the remaining total of around 18 percent of the shares in DIALOG VERWALTUNGS-DATA AG.

Post Construction Logistics Ltd, which was founded on 10 January 2024, was sold on 1 May 2024 (100 percent).

On 12 June 2024, Post CH Ltd acquired a further stake of around 8 percent in Bring! Labs AG in addition to the approximately 82 percent already held.

On 25 June 2024, Post CH Communication Ltd acquired the remaining total of 20 percent of the shares in Swiss Post Cybersecurity Ltd (formerly terreActive Ltd).

On 27 June 2024, Post CH Communication Ltd acquired the remaining total of 20 percent of the shares in Hacknowledge SA.

Post CH Communication Ltd acquired 70 percent of the shares in Diartis AG on 1 July 2024. Diartis AG owns 100 per cent of the shares in Diartis Solutions AG. The Diartis Group provides a platform for exchanging sensitive information in the social sector. Its services complement Swiss Post's existing range of software solutions for public authorities. With the acquisition of the Diartis Group, Swiss Post is strengthening its role as a trustworthy digital partner. The number of people employed is around 90.

On 27 September 2024, Post CH Communication Ltd acquired the remaining 49 percent of the shares in T2i Holding SA.

Post CH Communication Ltd acquired 100 percent of the shares in Safeguards Midco B.V. on 21 October 2024. The company holds 100 percent of the shares in Safeguards Bidco B.V. directly and 99 percent of the shares in the following companies indirectly:

- Open Systems AG
- Open Systems Germany GmbH
- Open Systems Americas Inc.
- OS Security India Private Ltd.

Open Systems Group specializes in operating network and cybersecurity solutions and protects the data transfer and networks of global companies and NGOs with a unique service concept and its own platform. With the acquisition of Open Systems Group, Swiss Post is consolidating its role as a provider of trustworthy communication solutions and protecting the handling of data for private companies and public authorities. In turn, it is expanding its knowledge and expertise in order to help boost a digitally connected Switzerland. The number of people employed is around 260.

H. Bucher Internationale Transporte AG acquired parts of the operations and vehicle fleet of RBN-Kurier AG in three tranches on 1 April, 1 July and 1 November 2024. The acquisition will enable Swiss Post to expand its range of courier services and express deliveries. The number of people employed is around 50.

EDS Media Ltd was sold as at 31 December 2024 (100 percent).

5.2 | Assets and liabilities arising from acquisitions

The following assets and liabilities were newly consolidated, based on temporary figures, in connection with acquisitions of subsidiaries and parts of companies. Temporary figures were used because the acquisition balance sheets had not yet been fully audited as at 31 December 2024. The assets and liabilities included in consolidation as at 31 December 2023 are now definitive and the provisional values disclosed in the previous year were not adjusted.

Assets and liabilities arising from acquisitions						
CHF million	terreActive Ltd	Others ¹	2023	Open-Systems Group	Others ²	2024
Cash and cash equivalents ³	6	10	16	35	3	38
Trade accounts receivable, contract assets and other receivables	13	36	49	19	3	22
Inventories, capitalized contract costs, employee benefit assets and income tax assets	0	14	14	10	1	11
Property, plant and equipment, right-of-use assets and financial assets	1	82	83	26	5	31
Intangible assets	18	30	48	82	11	93
Other financial liabilities	-2	-54	-56	-76	-3	-79
Trade accounts payable, contract liabilities and other liabilities	-14	-45	-59	-31	-9	-40
Provisions, income tax liabilities and employee benefit obligations	-3	-23	-26	-25	-4	-29
Fair value of net assets	19	50	69	40	7	47
Goodwill	40	32	72	175	9	184
Cash and cash equivalents acquired ³	-6	-10	-16	-35	-3	-38
Non-controlling interests	-3	-2	-5	0	-2	-2
Purchase price payments falling due at a later date (earn-outs and purchase price retentions)	-	-13	-13	-	-	-
Payment of liabilities from acquisitions in previous years	-	16	16	-	5	5
Net cash outflow for acquisitions	50	73	123	180	16	196

¹ Composition: Gaiser Transport AG, assets belonging to Gaiser GmbH Internationale Spedition, assets belonging to Hans Peter Nolden, Spedition, assets belonging to Spedition Effinger GmbH, assets belonging to Effinger GmbH & Co. KG, SPOTME Holding SA Group, TAC.CH AG, PORTMANN-GESTION Group and STERIPARC SA.

² Composition: Assets belonging to RBN-Kurier AG and Diartis Group.

³ Composition: cash and current amounts due from banks.

In the case of Open Systems Group, there are no purchase price payments falling due at a later date (earn-outs and purchase price retentions). The goodwill arising from the transaction consists of assets that are not separately identifiable or cannot be reliably determined, primarily synergies expected within the Group, acquired expertise and growth potential. Goodwill is not tax deductible. The directly attributable acquisition expense amounts to 1 million francs and is recognized in the income statement under "Other operating expenses". Since the acquisition date, Open Systems Group has contributed 24 million francs to operating revenue and 1 million francs to operating profit.

There are no purchase price payments (earn-outs and purchase price retentions) falling due at a later date for the other companies acquired in 2024. The goodwill arising from these transactions consists of assets that are not separately identifiable or cannot be reliably determined, primarily synergies expected within the Group, acquired expertise and growth potential. The directly attributable acquisition expense amounts to less than 1 million francs (previous year: 1 million francs) and is recognized in the income statement under "Other operating expenses". Since the acquisition date, the acquired entities have contributed 11 million francs (previous year: 78 million francs) to operating revenue and 2 million francs (previous year: -4 million francs) to operating profit.

5.3 | Assets and liabilities arising from disposals

The following assets and liabilities were deconsolidated in connection with disposals of subsidiaries and parts of companies:

CHF million	2023	2024 ¹
Cash and cash equivalents ²	–	0
Trade accounts receivable and other receivables	–	3
Property, plant and equipment, intangible assets and goodwill, as well as right-of-use assets	–	1
Income tax assets	–	0
Other financial liabilities	–	–2
Trade accounts payable and other liabilities	–	–1
Provisions and employee benefit obligations	–	0
Income tax liabilities	–	0
Carrying amount of net assets disposed of	–	1
Cash and cash equivalents disposed of ²	–	0
Net loss from disposals ³	–	–1
Deferred purchase price payment	–	0
Net cash inflow from disposals	–	0

1 Composition: Post Construction Logistics Ltd and EDS Media AG.

2 Composition: cash and current amounts due from banks.

3 The net loss from disposals was reported in net financial income in the income statement.

There was a sales loss arising from disposals of one million francs in 2024. There were no disposals of subsidiaries and parts of companies in the previous year.

6 | Segment information

6.1 | Segmentation

Swiss Post has the following reportable segments:

Segmentation	Description
Logistics Services	Services relating to addressed letters (domestic, import, export), e-commerce and parcels (domestic, import, export), Innight/Courier/Express/Same-Day, the advertising market (addressed, unaddressed, digital), media market, freight and warehousing and customs clearance in Switzerland and cross-border
Communication Services	Relevant solutions for intuitive digital interactions as well as simple and secure handling of data for people, companies, public authorities and healthcare
PostalNetwork	Sales channel for postal services and supplementary third-party products for private customers and small to medium-sized companies, consulting services and provision of premises as well as advertising for service providers from the health insurance, banking and insurance sectors as well as public authorities
Mobility Services	Efficient and sustainable solutions for all of Switzerland in regional, local and urban transport and fleet management
PostFinance	Payments, savings, investments, retirement planning, financing and insurance independently, in cooperation or as an intermediary
Functions and Management	Units that cannot be assigned to the segments such as function units (including Real Estate, Informatics, Human Resources, Finance and Communication).
Consolidation	Effects of intra-Group elimination

6.2 | Basic principles

The segments were determined based on the organizational units for which information is reported to the management of the Group. The allocation is based on the products and services offered. In doing so, no segments were aggregated. Executive Management is the main decision-maker.

Transactions between the segments are based on a range of services and a transfer pricing concept. The transfer prices are calculated on the basis of commercial criteria, which means that transactions between the segments are subject to the same conditions as for third parties.

The development of the segments is assessed based on operating profit and is measured in accordance with the operating profit disclosed in the consolidated financial statements. Group financing (including the financial result) and income taxes are managed uniformly on a Group-wide basis and are not allocated to the individual segments.

If possible, the assets and liabilities resulting from a segment's operating activities are assigned to the appropriate segments. As the PostFinance segment result includes financial income and expenses relating to operations, the corresponding interest-bearing assets and liabilities are accounted for in the segment's assets and liabilities.

"Functions and Management" mainly includes the following jointly used assets in the segment assets:

- Operating properties of Post Real Estate Ltd
- Right-of-use assets from the leasing of operating properties of Post Real Estate Ltd

Unallocated assets and liabilities comprise non-operating assets (principally financial assets and deferred income tax assets) and non-operational liabilities (mainly other financial liabilities and deferred tax liabilities).

Other non-cash expenses and income primarily include those incurred in recognizing provisions and reversing provisions without affecting cash.

Note 30, Consolidated Group, shows the segments to which Swiss Post and its subsidiaries have been assigned.

6.3 | Statutory mandates

Statutory mandates require Swiss Post to provide a universal service comprising postal services and payment transaction services. Pricing is not at Swiss Post's discretion. The Federal Council sets upper price limits for the reserved service (monopoly). The price regulator can also monitor the prices of most products and services at any time, both within and outside the universal service, owing to Swiss Post's dominant position in the market. The reserved service (monopoly) consists of addressed domestic letters and letters from abroad weighing up to 50 grams. It is provided by the Logistics Services segment.

6.4 | State compensatory payments

PostBus Ltd received compensatory payments totalling 238 million francs from the Swiss Confederation (previous year: 233 million francs), 249 million francs from cantons (previous year: 220 million francs) and 15 million francs from municipalities (previous year: 13 million francs) for providing legally required public passenger transport services. These compensatory payments are included in net revenue from logistics services in the Mobility Services segment.

6.5 | Information by business segment

Information by business segment									
Up to or as at 31.12.2023 CHF million	Notes	Logistics Services	Communi- cation Services	Postal- Network	Mobility Services ¹	PostFinance ²	Functions and Manage- ment ^{3,4}	Consolida- tion ⁴	Group ⁴
Revenue									
from customers		4,070	136	65	905	1,874	10		7,060
from other segments		37	3	480	78	7	518	-1,123	-
Other operating revenue		20	18	2	86	80	444	-431	219
Total operating revenue⁵		4,127	157	547	1,069	1,961	972	-1,554	7,279
Operating profit⁵									
		335	-72	-93	21	264	-132	0	323
Net financial income	14, 15								0
Net income from associates and joint ventures	16	3	-	-	-	-7	-		-4
Income taxes	17								-65
Group profit									254
Segment assets									
		2,025	371	227	880	101,767	4,132	-1,247	108,155
Associates and joint ventures	16	25	-	-	-	30	-		55
Unallocated assets ⁶									656
Total assets									108,866
Segment liabilities									
		1,042	530	99	525	95,690	188	-1,247	96,827
Unallocated liabilities ⁶									1,784
Total liabilities									98,611
Investment in biological assets, property, plant and equipment, investment property and intangible assets									
	21-24	66	20	4	111	30	234		465
Depreciation and impairments (/reversal of impairments) on property, plant and equipment, investment property, intangible assets and right-of-use assets									
	22-25	84	20	7	81	72	193		457
Impairments (and reversal of impairments) on financial assets									
	28	4	-	-	-	-4	0		0
Other non-cash (expenses)/income									
		-110	-6	-22	-20	-27	-56		-241
Headcount ⁷									
		20,898	820	3,323	2,856	3,340	3,350		34,587

1 Within regional public transport, PostBus Ltd is subject to the DETEC Ordinance on Accounting in Licensed Enterprises (ALEO). There are differences between the ALEO and the IFRS results.

2 PostFinance Ltd also applies the FINMA Accounting Ordinance and FINMA Circular 2020/1 "Accounting – banks". There are differences between the results in accordance with "Accounting – banks" and those as per IFRS.

3 Includes function units (e.g. Real Estate, Informatics, Human Resources, Finance and Communication).

4 The income from facility management is now reported in other operating revenue instead of revenue with customers and revenue with other segments. The prior-year figure has been adjusted.

5 Operating revenue and operating result by segment are reported before management, licence fees and net cost compensation.

6 Unallocated assets and liabilities comprise those that essentially contribute to net financial income rather than to operating profit and are therefore not assigned to segment assets or segment liabilities. The unallocated assets comprise financial assets (excluding PostFinance) of 209 million francs and deferred income tax assets of 447 million francs. The unallocated liabilities comprise other financial liabilities (excluding PostFinance) of 1,459 million francs and deferred income tax liabilities of 325 million francs. Unallocated assets and liabilities are eliminated in intra-Group transactions.

7 The average is expressed in terms of full-time equivalents (excluding trainees).

Information by business segment									
Up to or as at 31.12.2024									
CHF million									
	Notes	Logistics Services	Communication Services	Postal-Network	Mobility Services ¹	PostFinance ²	Functions and Management ³	Consolidation	Group
Revenue									
from customers		4,281	173	64	992	1,821	14		7,345
from other segments		40	6	473	69	2	525	-1,115	-
Other operating revenue		37	27	4	99	74	479	-439	281
Total operating revenue⁴		4,358	206	541	1,160	1,897	1,018	-1,554	7,626
Operating profit⁴									
		439	-67	-113	30	203	-91	0	401
Net financial income	14, 15								22
Net income from associates and joint ventures	16	-9	-	-	-	4	-		-5
Income taxes	17								-94
Group profit									324
Segment assets									
		1,933	721	223	846	104,688	4,131	-1,248	111,294
Associates and joint ventures	16	29	-	-	-	39	-		68
Unallocated assets ⁵									693
Total assets									112,055
Segment liabilities									
		970	812	107	358	98,353	289	-1,248	99,641
Unallocated liabilities ⁵									1,783
Total liabilities									101,424
Investment in biological assets, property, plant and equipment, investment property and intangible assets									
	21-24	78	31	3	90	34	132		368
Depreciation and impairments (/reversal of impairments) on property, plant and equipment, investment property, intangible assets and right-of-use assets									
	22-25	95	29	7	88	68	193		480
Impairments (and reversal of impairments) on financial assets									
	28	0	-	-	-	36	0		36
Other non-cash (expenses)/income									
		-136	-11	-26	-31	-39	-46		-289
Headcount⁶									
		21,042	1,062	3,145	3,017	3,486	3,354		35,106

1 Within regional public transport, PostBus Ltd is subject to the DETEC Ordinance on Accounting in Licensed Enterprises (ALEO). There are differences between the ALEO and the IFRS results.

2 PostFinance Ltd also applies the FINMA Accounting Ordinance and FINMA Circular 2020/1 "Accounting – banks". There are differences between the results in accordance with "Accounting – banks" and those as per IFRS.

3 Includes function units (e.g. Real Estate, Informatics, Human Resources, Finance and Communication).

4 Operating revenue and operating result by segment are reported before management, licence fees and net cost compensation.

5 Unallocated assets and liabilities comprise those that essentially contribute to net financial income rather than to operating profit and are therefore not assigned to segment assets or segment liabilities. The unallocated assets comprise financial assets (excluding PostFinance) of 263 million francs and deferred income tax assets of 430 million francs. The unallocated liabilities comprise other financial liabilities (excluding PostFinance) of 1,411 million francs and deferred income tax liabilities of 372 million francs. Unallocated assets and liabilities are eliminated in intra-Group transactions.

6 The average is expressed in terms of full-time equivalents (excluding trainees).

6.6 | Geographical information

Swiss Post primarily operates in Switzerland and its neighbouring countries. Allocation to the geographical regions of "Switzerland" and "Other countries" is based on the location of the customer headquarters. Revenue with customers and non-current assets are reported for both regions. Non-current assets include biological assets, property, plant and equipment, investment property, intangible assets and right-of-use assets.

Information by region

Up to or as at 31.12.2023
CHF million

	Notes	Switzerland ¹	Other countries	Group ¹
Revenue from customers		6,349	711	7,060
Non-current assets	21–25	4,209	279	4,488

¹ The income from facility management is now reported in other operating revenue instead of revenue with customers. The prior-year figure has been adjusted.

Information by region

Up to or as at 31.12.2024
CHF million

	Notes	Switzerland	Other countries	Group
Revenue from customers		6,440	905	7,345
Non-current assets	21–25	4,349	458	4,807

7 | Revenue

Accounting policies

Recognition of revenue from contracts with customers

Revenue from contracts with customers is realized when control over an item or a service is transferred to the customer. Revenue is measured on the basis of the contractually agreed transaction price, i.e. a revenue amount is recognized which is equal to the consideration Swiss Post can expect to receive in exchange for the transfer of goods or the provision of services (performance obligations assumed).

Performance obligations are met either on a specific date or over a period of time. When performance obligations are met over a period of time, the performance progress and hence the pro rata revenue recognition specific to the contract is determined either on an input basis (recognition of revenue on the basis of the efforts of the company to meet their performance obligations) or on an output basis (recognition of revenue on the basis of the direct determination of value of the products or services transferred so far in relation to the outstanding contractually agreed products or services).

A contract asset is recognized if a performance obligation from a contract with a customer has been met, but an unconditional claim to consideration or a receivable does not yet exist. Contract assets equivalent to the expected consideration are recognized and checked for indications of impairment using the simplified impairment model in accordance with IFRS 9.

A contract liability is recognized when a customer meets their contractual obligation by making the payment for the consideration they have been promised before Swiss Post has satisfied the corresponding performance obligation.

Swiss Post earns revenue from contracts with customers in connection with logistics services, the sale of resale merchandise and financial services and the commission business.

Logistics Services

Logistics Services generates revenue primarily from logistics services. Addressed letters and national parcels generate the largest proportion of revenue at Logistics Services. Addressed letters include priority items, non time-critical individual items and bulk mailings, letters with barcode and documents. National parcels include services in the national parcel business, particularly PostPac Priority and PostPac Economy. Customers pay for services when handing over letters or parcels on the basis of the published list prices. For larger volumes, the parcel prices are contractually agreed with business customers, otherwise the list prices apply. For customers who post letters and parcels regularly, Swiss Post invoices these services collectively on a monthly basis, or every two weeks at the customer's request. The standard payment term is 30 days. The performance obligation is met when letters or parcels are delivered or, if they are undeliverable, when they are returned to the sender. Letters or parcels are regarded as delivered if Swiss Post has notified the recipient, handed them to the recipient or deposited them in the letter box or in another place specified for this purpose. The production time – between the acceptance and the delivery of letters or parcels – is taken into account on the balance sheet date via accruals/deferrals.

Communication Services

The services provided in the following areas are responsible for the largest share of revenue generated by Communication Services:

- Data security solutions with Open Systems, Swiss Post Cybersecurity and SwissSign
- Software solutions for public authorities with Groupe T2i
- Highly secure collaboration and communication solutions with SpotMe and Tresorit
- Digital services in the healthcare sector with the electronic patient record (EPR) and Medbase

Open Systems provides an integrated Secure Access Service Edge (SASE) software solution (incl. support) on a subscription basis, which combines Software-Defined Networking (SD-WAN) and Security Service Edge (SSE) solutions. Open Systems also generates recurring revenue as an agent for certain software customers by procuring and managing their Connectivity Services (CaaS). The SASE solution and CaaS are invoiced quarterly or annually in advance. The payment term is 30 days. Revenue for the SASE solution and the CaaS is realized on a straight-line basis over the contract term. The individually ordered advisory services are recognized in revenue based on hours worked over the service provision period.

Swiss Post Cybersecurity specializes in the monitoring and operation of ICT security infrastructures. The customer selects the Security Operations Center (SOC) services required from a service catalogue with fixed prices. Supporting software is available for purchase if required. SOC services are billed quarterly or annually in advance, software is invoiced upon delivery and the individual consulting and support services ordered are invoiced before they are provided. The payment term is 20 days. Revenue from SOC services is recognized on a straight-line basis over the contract term. Revenue from software is recognized at the time of delivery, with a small support share realized on a straight-line basis over the contract period. The individually ordered advisory and support services are recognized in revenue over the service provision period.

SwissSign provides services in the areas of electronic certificates, digital identities and electronic signatures. The services are generally invoiced annually in advance based on the volume ordered by the customer and the fixed price lists with volume discounts. At the end of a one-year usage period, billing is based on the volume effectively used with retroactive invoicing if the volume ordered is exceeded. The payment term is 30 days. The service is generally provided consistently over the contract term (e.g. certificate validity), which is why the revenue is realized on a straight-line basis over the contract term.

Groupe T2i offers various software solutions and IT services and the sale of hardware for public authorities and companies. Prices are contractually agreed. Software licences are invoiced with installation. Software rentals, maintenance and hosting are generally invoiced annually as set out in the contract. IT services and support are invoiced monthly according to expenses.

Hardware sales are invoiced on delivery. The payment term for hardware sales is ten days, and 30 days for all other services. The software licences are entered in revenue after installation. Revenue from software rental, maintenance and hosting is recognized on a straight-line basis over the contract term. Revenue from IT services and support is entered based on the progress of service provision. The sale of hardware is recognized in revenue at the time of delivery.

SpotMe offers innovative event technology solutions to increase interaction and engagement during virtual and hybrid events. These solutions include features such as networking, live chats, Q&A sessions and surveys. The subscription (software and additional services) is fixed annually in advance, with automatic renewal at the end of the billing period. Prices depend on the service plan selected (number of events, number of participants, support, etc.) and any modifications requested by the customer. The service plans are published on the SpotMe website. Subscriptions are billed annually and the services ordered individually are invoiced after they have been provided. The payment term is 30 days. Revenue from the subscription is realized on a straight-line basis over the contract period, while individually ordered services are entered in revenue at the time of service provision.

Tresorit provides an end-to-end encrypted productivity solution for highly secure collaboration. This includes features for the secure management, storage, synchronization and transfer of data. Prices depend on the service plan selected (includes licence, data storage, maintenance and support etc.) and any modifications requested by the customer. The current prices and services are published on Tresorit's website. The service plan is invoiced monthly or annually depending on the billing period selected by the customer. The subscription is automatically extended at the end of the billing period by the same term. The standard payment term is 30 days. The revenue from the service plan is recognized on a straight-line basis over the subscription period.

The EPR is a collection of personal documents containing health-related information that can also be accessed by health professionals. Swiss Post provides the reference communities with a secure and EPR-compliant platform and ensures its ongoing operation. Medbase is a health-care provider offering medical, therapeutic, pharmaceutical and dental services. Swiss Post provides IT managed services for general practitioners and consultants, pharmacists, specialists, therapists and other health professionals affiliated with Medbase. For the EPR and Medbase, the price is contractually agreed and is fixed. The service is invoiced monthly, quarterly or annually as agreed. The standard payment term is 30 days. The performance obligation is fulfilled over the period of the contract. Revenue is recognized on the basis of the progress of service provision.

PostalNetwork

PostalNetwork generates revenue from logistics services with other segments and revenue from resale merchandise with customers. Resale merchandise at PostalNetwork consists mainly of mobile phones including accessories, stationery items and gift cards. The products offered can be purchased in branches and in the online shop. If products are sold in a branch, the transaction is processed simultaneously, and both the payment and the fulfilment of the performance obligation take place on conclusion of the transaction. Sales in the online shop are usually paid for immediately on completion of the order. The payment term for payments by invoice is usually 30 days. In the case of purchases in the online shop, the performance obligation is met when the order is delivered to the customer. If PostalNetwork does not supply the product or provide the service itself and thus acts as an agent, only the margin (commission) is recognized as revenue. Revenue from resale merchandise also include services from network opening and advertising. Opening of the network includes consultancy services, the provision of premises and advertising for service providers from the health insurance, banking and insurance sectors as well as public authorities. The services are invoiced monthly or per order (advertising). The payment term is 30 days. Revenues are realized over the term of the contract or over the period of service provision (advertising).

Mobility Services

Mobility Services generates revenue primarily from logistics services. PostBus passenger transport services generate the largest share of revenue at Mobility Services. PostBus is a franchised transport business and provides passenger transport services for the Swiss Confederation, cantons and municipalities. Each concession is issued for ten years and entitles PostBus to offer regular journeys for the commercial transport of passengers. Services are ordered by the public sector every two years and annual tender agreements are drawn up with the company that is awarded the tender for the advertised routes. PostBus undertakes to operate the routes in accordance with the agreement and is allowed to use public sector stops. In exchange for the services provided, PostBus receives passenger revenue each month, as well as quarterly compensatory payments from the public sector for uncovered costs in accordance with the agreement. The performance obligation is met on a straight-line basis over the performance period. The concession is treated in accordance with IFRIC 12 Service Concession Arrangements, and the resulting revenue including compensatory payments is recorded in accordance with IFRS 15 Revenue from Contracts with Customers.

PostFinance

Revenue from financial services and the commission business at PostFinance includes income from payments, savings, investments, retirement planning, financing and insurance services, which PostFinance offers independently, in partnerships or as an intermediary. Customers pay for services on the basis of contractually agreed prices. The performance obligation is met either with the provision of the service over the performance period or on the date of the transaction.

Breakdown of net revenue from contracts with customers

Up to or as at 31.12.2023 CHF million	Logistics Services	Communication Services	Postal-Network	Mobility Services	PostFinance	Functions and Management ¹	Consolidation ¹	Group ¹
Net revenue from contracts with customers								
of which logistics services	4,107	139	477	949	–	528	–1,113	5,087
of which resale merchandise	0	–	68	34	–	–	–3	99
of which financial services and commission business	–	–	–	–	716	–	–7	709
Total net revenue from contracts with customers	4,107	139	545	983	716	528	–1,123	5,895
Other revenue from financial services ²								1,165
Total revenue								7,060
Other operating revenue								219
Total operating revenue								7,279

¹ The income from facility management is now reported in other operating revenue instead of net revenue from logistics services. The prior-year figure has been adjusted.

² Other revenue from financial services mainly comprises income from financial assets, interest income and net income from foreign exchange trading at PostFinance.

Breakdown of net revenue from contracts with customersUp to or as at 31.12.2024
CHF million

	Logistics Services	Communication Services	Postal-Network	Mobility Services	PostFinance	Functions and Management	Consolidation	Group
Net revenue from contracts with customers								
of which logistics services	4,320	179	471	1,027	–	539	–1,110	5,426
of which resale merchandise	1	–	66	34	–	–	–3	98
of which financial services and commission business	–	–	–	–	727	–	–2	725
Total net revenue from contracts with customers	4,321	179	537	1,061	727	539	–1,115	6,249
Other revenue from financial services ¹								1,096
Total revenue								7,345
Other operating revenue								281
Total operating revenue								7,626

¹ Other revenue from financial services mainly comprises income from financial assets, interest income and net income from foreign exchange trading at PostFinance.

7.1 | Future revenue from remaining performance obligations

The total transaction price amount arising from performance obligations that exist as at 31 December 2024 and have not yet been met stands at 86 million francs (previous year: 104 million francs). 25 million francs of this amount is expected to be recorded as revenue in the next year, 39 million francs within two to three years and 22 million francs in more than three years. It includes contracts whose original term was expected to last more than one year. It does not include future revenue from performance obligations for which Swiss Post is entitled to receive consideration from a customer which corresponds directly to the value of the service already provided to the customer by Swiss Post.

7.2 | Revenue recorded from contract balances

Revenue rose by 3 million francs during the reporting period (prior year: reduction of 2 million francs) due to performance obligations met in prior periods (e.g. due to changes in the transaction price or a reassessment of the performance obligation fulfilled). An additional 296 million francs (prior year: 322 million francs) of revenue was recorded during the reporting period, which had been included in the balance of contract liabilities at the beginning of the period.

8 | Net income from financial services

By presenting the result from financial services in the following format, Swiss Post takes account of the character of these financial services. The result is broken down into individual items in line with banking practice.

Net income from financial services		
CHF million	2023	2024
Interest income on financial instruments – amortized cost, incl. effects from hedging transactions	879	784
Interest income on financial assets FVTOCI, incl. effects from hedging transactions	64	85
Net interest income from financial instruments FVTPL incl. effects from hedging transactions	6	6
Dividend income on financial assets	10	12
Interest and dividend income	959	887
Interest expense on financial instruments – amortized cost	–435	–369
Interest expense	–435	–369
Net interest and dividend income	524	518
Impairment/reversal of impairment on amounts due from banks, interest-bearing amounts due from customers and financial assets	5	–36
Net interest and dividend income, net of impairment/reversal of impairment	529	482
Commission income on lending business	20	21
Commission income on securities and investment business	86	99
Commission income on other services	101	111
Commission expenses	–29	–31
Net income from services	422	411
Net services and commission income	600	611
Net trading income FVTPL and mandatory	211	225
Net income from the disposal of financial assets FVTOCI	–	0
Net income from the disposal of financial assets – amortized cost	–	–2
Losses on payment transactions and operating losses	–11	–14
Other fees and duties	–9	–10
Net income from financial services	1,320	1,292
Reported in Note 7, Revenue, and in the consolidated income statement:		
Net revenue from contracts with customers, financial services and commission business	709	725
Other revenue from financial services	1,165	1,096
Expenses for financial services	–554	–529

9 | Other operating revenue

Other operating revenue

CHF million	2023 ¹	2024
Rental income	130	138
Gains on the sale of property, plant and equipment and intangible assets	20	45
Other income	69	98
Total other operating revenue	219	281

¹ The income from facility management is now reported in other income instead of revenue. The prior-year figure has been adjusted.

Most rental income was generated in Switzerland. The rental arrangements are in line with market practices. Other income mainly includes income from own work capitalized, income from the reversal of earn-out liabilities, income from ancillary costs for leased properties and income from transport advertising and marketing of advertising space.

10 | Personnel expenses

Breakdown

CHF million	Notes	2023	2024
Wages and salaries		2,919	3,005
Social security benefits		299	308
Employee benefit expenses	11	215	259
Other personnel expenses		83	100
Total personnel expenses		3,516	3,672

Headcount

Number of employees ¹	2023	2024
Employees at Swiss Post Group (excluding trainees)	34,587	35,106
Trainees at Swiss Post Group	1,844	1,887

¹ Average expressed in terms of full-time equivalents.

11 | Employee benefits

Estimation uncertainty

Employee benefits

Most of the employees are insured with the Swiss Post pension fund, a defined benefit plan in accordance with IAS 19. In line with statutory provisions, the plan covers risks resulting from the economic consequences of old age, disability and death. Service cost and obligations arising from the pension plan are calculated annually using the projected unit credit method. The service years worked by employees as at the end of the reporting period are taken into account, and assumptions, amongst other things, are made as to future salary trends. The amount to be recognized in the balance sheet as a liability or asset corresponds to the present value of the defined benefit employee benefit obligation (actuarial reserves as stipulated by IAS 19 for active contributors and pensioners calculated in accordance with the projected unit credit method), less benefit plan assets at fair value (Swiss Post pension fund assets apportioned on the basis of actuarial reserves for active contributors and pensioners).

Employee benefit entitlements acquired (current service cost), past service cost, gains and losses from plan settlements and net interest income are recognized directly in the income statement. Actuarial gains and losses from employee benefit obligations, income from plan assets (excluding interest income) and changes in the effects of asset ceiling regulations (excluding net interest income) are recognized in other comprehensive income.

In the event of net employee benefit obligations, risk sharing characteristics are taken into account in two stages when determining financial assumptions. These characteristics limit the employer's share in the costs of future benefits and integrate the employee into the obligations to pay any additional contributions needed to remove shortfalls. Both stages are incorporated directly into the calculation of defined employee benefit obligations (DBO) and therefore have an impact on future service cost in accordance with IAS 19. The assumptions are based on the formal regulations of the plan which, for a Swiss employee benefits plan, include the regulations of the employee benefits institution as well as the relevant laws, ordinances and directives on employee benefits, and above all the provisions contained in them regarding funding and measures to correct underfunding of employee benefits institutions.

Where there are employee benefit assets, the surplus is recognized at the lower of the surplus and the present value of any economic benefits available in the form of reductions in future contribution payments. The maximum economic benefit as per IFRIC 14 is calculated.

For the other pension plans, transferred employer contributions are charged to the income statement in accordance with the rules for defined contribution plans.

Swiss Post insures its employees with various pension plans in Switzerland. Plan assets are either kept separate in autonomous foundations or in collective foundations. The foundation board of the autonomous foundations is made up of an equal number of employee and employer representatives. In accordance with the law and employee benefit regulations, foundation boards have an obligation to act exclusively in the interests of the foundation and of beneficiaries (38,798 active contributors and 29,004 pensioners as at 31 December 2024). The employer is therefore not permitted to make decisions about benefits and financing on its own. Resolutions must be made jointly. Foundation boards are responsible for determining investment strategy, for making changes to employee benefit regulations (and insured benefits in particular) and for securing pension benefit funding.

Pension benefits are based on the insured salary and retirement assets. On taking retirement, insureds can choose between drawing a lifetime pension, which includes a reversionary spouse's pension, or withdrawing a lump-sum capital payment. In addition to retirement benefits, employee benefits also include disability and survivors' benefits, which are calculated as a percentage of the insured salary. Insureds also have the option of buying back pension benefits to improve their retirement situation, up to the regulatory maximum amount, or of withdrawing money early to purchase their home.

When determining benefits, the minimum legal requirements regarding the Occupational Old-age, Survivors' and Disability Benefit Plan (OPA) and its regulations on execution must be taken into account. The OPA establishes the minimum salary to be insured as well as minimum retirement assets. The minimum interest rate to be applied to the minimum retirement assets is set by the Federal Council at least once every two years. In 2024, the rate is 1.25 percent (previous year: 1.00 percent).

Due to plan arrangements and the legal provisions of the OPA, the employer is exposed to actuarial risks. The principal risks are the investment risk, the inflation risk in the event of salary changes, the interest rate risk, the disability risk and the risk of longevity. Employer and employee contributions are determined by the foundation boards. The employer pays at least 50 percent of the contributions required. In the event of a shortfall, both the employer and the employee may be required to pay restructuring contributions to fill gaps in cover.

The benefits paid by the Swiss Post pension fund exceed the statutory minimum level. The standard retirement age is 65. The pension paid is calculated on the basis of the conversion rate, which is applied to the retirement assets saved by each insured person by the date of retirement. The conversion rate applicable since 1 January 2024 for retirement at the age of 65 is 5.00 percent. The saved retirement assets are made up of the employer and employee contributions paid into the individual savings account of each insured person, together with any interest credited to the retirement assets. The interest rate applicable to retirement assets is determined by the foundation board each year.

Swiss Post Group believes there to be a strong likelihood that the Swiss Post pension fund will need to implement further stabilization measures in the future. Assumptions were therefore made on the level of future financial contribution shares of the employer and employees to funding gaps in the Swiss Post pension fund (risk sharing).

11.1 | Actuarial assumptions

The following parameters were applied in performing the calculations for Swiss retirement plans (weighted average):

Actuarial assumptions made in calculating annual employee benefit expenses		
Percent	2023	2024
Discount rate	2.25	1.52

Actuarial assumptions as at 31.12		
Percent	2023	2024
Discount rate	1.52	0.98
Expected change in salaries	1.50	1.25
Pension indexation	0.00	0.00
Interest on retirement assets	1.25	1.50
Staff turnover	4.88	4.98
Lump-sum capital withdrawal ratio	30.00	40.00
Employee share of funding gap	25.00	25.00
Years		
Current average life expectancy for a man / woman aged 65	22/24	22/24
Mortality table	OPA 2020 GT	BVG 2020 GT

The financial assumptions related to risk sharing are taken into account in two stages: with the implicit assumption of a future pension equal to the discount rate, the regulatory recurring contributions are insufficient to ensure the correct funding of the regulatory benefits promised by the Swiss Post pension fund. This results in a structural funding gap. In its assessment, Swiss Post anticipates that the measures taken by the Swiss Post pension fund so far are insufficient to cover the funding deficits that can be expected in the future. For the purpose of the actuarial calculations, it was assumed during the first stage that the Foundation Board would decide on measures to correct this funding gap in line with the formal regulations (reduction in the conversion rate to 4.79 percent until 2034; expected compensation of 75 percent of the reduction calculated in relation to the retirement assets available). This assumption involves taking a technical interest rate of 1.75 percent (1.50 percent from 2033) as a basis and is conditional on a gradual reduction in future pensions at the age of 65 over ten years being decided on by the Foundation Board. Even assuming a future reduction in benefits, there is still a structural funding gap, which is divided mathematically between the employer and the employee in a second stage. It is assumed that the employer's obligation is legally restricted to 50 percent and effectively limited to 75 percent of the funding gap. The statutory provisions for correcting underfunding and the specific past conduct and measures taken by both the employer and the Foundation Board form the basis for this assumption.

Where there are employee benefit assets, the surplus is recognized at the lower of the surplus and the present value of any economic benefits available in the form of reductions in future contribution payments. The maximum economic benefit as per IFRIC 14 is calculated.

On the basis of the AA rated bonds from the Swiss Bond Index used to determine the imputed interest rate, employee benefit assets as per IAS 19 stood at 178 million francs (31 December 2023: employee benefit assets of 289 million francs) and employee benefit obligations at 63 million francs as at 31 December 2024 (31 December 2023: employee benefit obligations of 20 million francs). The surplus plan assets in relation to gross employee benefit obligations total 193 million francs (31 December 2023: 323 million francs). The maximum economic benefit amounts to 181 million francs (31 December 2023: 289 million francs) and meets the criteria as per IFRIC 14.

The estimate process to establish the financial assumptions, taking risk sharing aspects into account, was modified in the 2017 financial year and first applied as at 30 April 2017, in order to provide a more realistic picture of the costs of the employee benefits plan to be expected by the company in the future.

Other long-term employee benefits are shown and described under Note 26, Provisions.

11.2 | Employee benefit expenses

Employee benefit expenses		
CHF million	2023	2024
Current service cost	206	250
Service cost to be recognized	-1	-2
Administrative costs	8	8
Additional employee benefits	1	1
Other plans, reclassifications, other expenses	1	2
Total employee benefit expenses recognized in personnel expenses	215	259
Interest expense arising from employee benefit obligations	330	234
Interest income on assets	-355	-242
Net interest income on the effect of asset ceiling regulation	12	0
Total net interest expense (/net interest income) recognized in financial expenses(/financial income)	-13	-8
Total employee benefit expenses recognized in the income statement	202	251
Revaluation elements recorded in the statement of comprehensive income		
CHF million	2023	2024
Actuarial losses		
due to the adjustment of demographic assumptions	-	-25
due to the adjustment of financial assumptions	1,086	787
due to experience adjustments	-205	264
Income from plan assets (excluding interest income)	-223	-813
Changes in effect of asset ceiling regulation (excluding net interest income)	-520	-23
Other	0	0
Total revaluation gains recorded in other comprehensive income (OCI)	138	190
Total employee benefit expenses	340	441

The effect of the change to the financial assumptions includes the adjustment to the imputed interest rate from 1.52 percent to 0.98 percent.

For 2024, employee benefit expenses fell by 7 million francs (previous year: 7 million francs) and employee benefit obligations declined by 119 million francs (previous year: 112 million francs) as at 31 December 2024 due to the application of risk sharing characteristics.

Transactions between the Swiss Post pension fund foundation and Swiss Post are subject to standard market terms and conditions.

11.3 | Cover status

Statement of recognized employee benefit obligations arising from material defined benefit plans, mainly from the Swiss Post pension fund foundation in Switzerland. As at 31 December 2024, there are recognized plan assets of 178 million francs and recognized pension benefit obligations of 63 million francs for defined benefit plans.

Summary of cover status		
CHF million	31.12.2023	31.12.2024
Present value of employee benefit obligations including assets set aside	-15,851	-16,648
Benefit plan assets at fair value	16,156	16,777
Surplus	305	129
Employee benefit obligations excluding assets set aside	-2	-2
Effect of asset ceiling regulation	-34	-12
Total recognized employee benefit assets arising from defined benefit plans, net	269	115
Employee benefit obligations arising from other benefit plans	0	0
Total employee benefit assets, net	269	115
of which:		
recognized employee benefit assets	289	178
recognized employee benefit obligations	-20	-63

11.4 | Performance of recognized employee benefit obligations and plan assets from defined benefit plans

Performance of recognized benefit obligations and benefit assets from defined benefit plans (excluding other plans), net		
CHF million	2023	2024
Balance as at 1.1	338	269
Employee benefit expenses arising from defined benefit plans	-202	-251
Revaluation gains recognized in other comprehensive income	-138	-190
Employer contributions	272	295
Pension payments by the employer	0	1
Translation differences	0	0
Company acquisitions, disposals or transfers	-1	-9
Balance as at 31.12	269	115
of which:		
current, i.e. payments falling due within the next twelve months	-295	-298
non-current	564	413

11.5 | Change in employee benefit obligations

Change in employee benefit obligations		
CHF million	2023	2024
Balance as at 1.1	15,146	15,853
Current service cost	206	250
Employee contributions	210	224
Interest expense arising from employee benefit obligations	330	234
Actuarial (gains)/losses	881	1,026
Plan settlements	-4	0
Company acquisitions, disposals or transfers	20	46
Additional employee benefits	1	1
Benefits paid from plan assets	-940	-983
Pension payments by the employer	0	-1
Plan amendments	0	-1
Transfers, reclassifications and other	3	1
Translation differences	0	0
Balance as at 31.12	15,853	16,650
Employee benefit obligations including assets set aside	15,851	16,648
Employee benefit obligations excluding assets set aside	2	2
Total employee benefit obligations	15,853	16,650

11.6 | Change in plan assets

Change in fair value of plan assets		
CHF million	2023	2024
Balance as at 1.1	16,026	16,156
Interest income on assets	355	242
Income from plan assets (excluding interest income)	224	813
Employee contributions	210	224
Employer contributions	271	295
Plan settlements	-4	0
Company acquisitions, disposals or transfers	19	36
Benefits paid from plan assets	-940	-983
Administrative costs	-8	-8
Transfers, reclassifications and other	3	2
Balance as at 31.12	16,156	16,777

11.7 | Asset categories

Asset allocation CHF million	31.12.2023			31.12.2024		
	Listed	Unlisted	Total	Listed	Unlisted	Total
Bonds	3,826	2,535	6,361	4,221	2,494	6,715
Shares	4,710	–	4,710	4,922	–	4,922
Real estate	8	2,526	2,534	19	2,532	2,551
Alternative investments	377	1,862	2,239	385	2,114	2,499
Qualified insurance paper	–	2	2	–	–	–
Other financial assets	–	15	15	–	15	15
Cash and cash equivalents	–	295	295	–	75	75
Total	8,921	7,235	16,156	9,547	7,230	16,777

The foundation board of an employee benefits institution issues investment guidelines for the investment of plan assets that include tactical asset allocation and benchmarks for comparing the results with a general investment universe. The foundation board forms an investment committee to implement the investment strategy. This committee appoints asset managers and the global custodian. Assets in pension plans are well diversified. OPA legal provisions apply regarding the diversification and security of pension plans. No real estate is held directly by the Swiss Post pension fund.

The foundation board carries out regular checks to ensure that the chosen investment strategy is appropriate for meeting pension benefits and that the risk budget corresponds to the demographic structure. Compliance with investment guidelines and the investment results of the investment advisors are regularly checked by the relevant employees of the Swiss Post pension fund and by an external investment controller. The efficiency and appropriateness of the investment strategy are also regularly verified by an external consulting firm.

The assets of the Swiss Post pension fund do not include any Swiss Post assets or real estate leased by Swiss Post.

11.8 | Sensitivities

The effect of a rise or fall in the underlying material actuarial assumptions on the present value of pension obligations as at 31 December 2023 and 2024:

Sensitivity of pension obligations to changes in actuarial assumptions CHF million	Deviation	Resulting change in present value		Deviation	Resulting change in present value	
		31.12.2023	31.12.2024		31.12.2023	31.12.2024
		Discount rate	+0.25 percentage point		–326	–371
Expected change in salaries	+0.25 percentage point	23	29	–0.25 percentage point	–23	–28
Pension indexation	+0.25 percentage point	256	260	–0.25 percentage point	–	–
Interest on retirement assets	+0.25 percentage point	54	56	–0.25 percentage point	–50	–61
Capital withdrawal ratio	+5.00 percentage point	–11	–31	–5.00 percentage point	11	31
Employee share of funding gap or surplus	+10.00 percentage point	43	24	–10.00 percentage point	–43	–24
Life expectancy at age 65	+1 year	393	427	–1 year	–370	–411

11.9 | Information on employer contributions

The following table shows the employer contributions for the previous financial year, as well as the expected contributions for 2025.

Employer contributions		
CHF million	Effective	Expected
2024	295	295
2025		298

11.10 | Maturity profile of the defined benefit employee benefit obligation

The weighted average term of the defined benefit employee benefit obligation is 13.6 years as at 31 December 2024 (previous year: 13.5 years).

11.11 | Expected future pension payments

The following table summarizes the expected cash flows for pension payments based on the maturity profile for the next ten years.

Cash flows resulting from employee benefits		Nominal payment of benefits (estimation)
CHF million		
2025		982
2026		984
2027		987
2028		974
2029		965
2030–2034		4,538

12 | Resale merchandise and service expenses

Resale merchandise and service expenses		
CHF million	2023	2024
Working materials, semi-finished and finished goods	8	8
Resale merchandise expenses	57	57
Service expenses	317	356
Compensation paid to PostBus operators	336	340
Compensation paid to forwarding companies	470	456
Compensation paid for international postal traffic	83	74
Temporary employees	198	208
Total resale merchandise and service expenses	1,469	1,499

13 | Other operating expenses

Other operating expenses			
CHF million		2023	2024
Premises		68	76
Maintenance and repairs of property, plant and equipment		130	142
Energy and fuel		54	62
Operating materials		42	61
Consulting, office and administrative expenses		419	431
Marketing and communications		113	115
Loss on disposal of property, plant and equipment		4	5
Other expenses		130	153
Total other operating expenses		960	1,045

14 | Financial income

Financial income			
CHF million	Notes	2023	2024
Interest income on financial assets at amortized cost	28	30	37
Net interest income on employee benefit assets	11	13	8
Interest income on leases		4	4
Foreign currency gains		14	18
Other financial income		10	5
Total financial income		71	72

Income from the financial services business is recorded as revenue in the consolidated income statement.

15 | Financial expenses

Financial expenses			
CHF million	Notes	2023	2024
Interest expense on financial liabilities at amortized cost	28	13	15
Net interest expense for employee benefit obligations	11	0	0
Interest charges on leases		16	18
Foreign currency losses		23	13
Other financial expenses		19	4
Total financial expenses		71	50

Expenses arising from the financial services business are recorded as "Expenses for financial services" in the consolidated income statement.

16 | Associates and joint ventures

Accounting policies

Associates and joint ventures of Swiss Post Group may in turn hold their own interests. If an associate or joint venture controls a company, but holds less than 100 percent of the interests, the non-controlling interests in the participation may be acquired over the course of time. Conversely, if all the interests are held, shares may be sold while nevertheless retaining control of the company. Gains or losses from such acquisitions and disposals of non-controlling interests are recognized directly in equity (retained earnings) for the Group without affecting profit or loss in accordance with the selected accounting method.

16.1 | Additions and disposals of associates and joint ventures

2023

On 31 October 2023, PostFinance Ltd acquired around 21 percent of the shares in Credit Exchange Ltd.

2024

On 3 January 2024, Post CH Ltd acquired 40 percent of the shares in griep Verwaltungs GmbH. griep Verwaltungs GmbH owns 100 percent of the shares in griep Baulogistik GmbH, griep Sicherheit GmbH and griep Service GmbH.

PostFinance Ltd sold its shares (around 24 percent) in moneymeets GmbH on 6 September 2024.

16.2 | Investments in associates and joint ventures

In 2024, Swiss Post Ltd granted Asendia Holding Ltd. loans amounting to 11 million francs (previous year: 46 million francs). Otherwise there were no material transactions between the Group and its associates and joint ventures (see also Note 31, Transactions with related companies and parties).

Investments in associates and joint ventures

CHF million	2023	2024
Balance as at 1.1.	45	55
Additions	17	50 ¹
Disposals	–	0
Changes to non-controlling interests	–	–1
Reclassification to loans, without affecting profit or loss	1	–31
Dividends	–9	–5
Share of net profit (after taxes) recognized in the income statement	–4	–5
Share of net profit (after taxes) recorded in other comprehensive income	–2	7
Currency translation differences	7	–2
Balance as at 31.12.	55	68

¹ Capital increase of 40 million francs at Asendia Holding Ltd.

In 2024, the Asendia Group generated consolidated revenue of 2,421 million francs (previous year: 2,549 million francs) and a loss of 32 million francs (previous year: loss of 17 million francs). As at 31 December 2024, assets stood at 1,077 million francs (previous year: 1,087 million francs) and liabilities at 875 million francs (previous year: 968 million francs). Swiss Post holds a 40 percent interest in the Asendia Group.

No further substantial investments in associates or joint ventures exist.

Swiss Post has not recognized losses totalling 8 million francs (previous year: 10 million francs) in respect of its interests in associates and joint ventures as it has no obligation in respect of these losses.

16.3 | Comprehensive income from associates

Net income from associates		
CHF million	2023	2024
Share of net profit (after taxes) recognized in the income statement	2	-8
Share of net profit (after taxes) recorded in other comprehensive income	-2	7
Comprehensive income from associates	0	-1

16.4 | Comprehensive income from joint ventures

Net income from joint ventures		
CHF million	2023	2024
Share of net profit (after taxes) recognized in the income statement	-6	3
Share of net profit (after taxes) recorded in other comprehensive income	-	-
Comprehensive income from joint ventures	-6	3

17 | Income taxes

Accounting policies

In accordance with Article 10 of the Postal Services Organization Act (PSOA), Swiss Post Ltd is taxed as a private corporation. Profit earned by Swiss and foreign subsidiaries is subject to tax at the regular rates applicable in the country in question.

Deferred income taxes are determined for Swiss Post and its subsidiaries on the basis of current or expected tax rates. Deferred income taxes take into account the income tax-related implications of temporary differences between assets and liabilities in the consolidated financial statements and their tax base (balance sheet liability method).

Estimation uncertainty

Deferred income tax assets based on temporary differences and tax loss carryforwards are taken into account in calculating deferred taxes only to the extent that it is probable that sufficient taxable profits will be generated in future, against which these can be offset. The possibility of realizing deferred tax assets is assessed by the management on every balance sheet date.

Income taxes recognized in the income statement

CHF million	2023	2024
(Expense) for current income taxes	-45	-71
(Expense) for deferred income taxes	-20	-23
Total (expense) for income taxes recognized in the income statement	-65	-94

Income taxes are recorded in other comprehensive income, comprised as follows:

Income taxes recorded in other comprehensive income

CHF million	2023	2024
Revaluation of employee benefit obligations and employee benefit assets	25	31
Fair value reserves of equity instruments FVTOCI	-9	-17
Currency translation reserves	3	0
Fair value reserves of debt instruments FVTOCI	-44	-17
Hedging reserves and hedging costs	-11	-27
Total income taxes recorded in other comprehensive income	-36	-30

17.1 | Deferred taxes relating to balance sheet items

CHF million	31.12.2023			31.12.2024		
	Deferred tax assets	Deferred tax liabilities	Net assets/(liabilities)	Deferred tax assets	Deferred tax liabilities	Net assets/(liabilities)
Trade accounts receivable	0	-26	-26	0	-30	-30
Financial assets	31	-73	-42	13	-110	-97
Investments in subsidiaries, associates and joint ventures	-	-20	-20	-	-39	-39
Property, plant and equipment	167	-7	160	166	-6	160
Intangible assets	81	-10	71	69	-22	47
Right-of-use assets	-	-138	-138	-	-135	-135
Employee benefit assets	6	-45	-39	-	-28	-28
Lease liabilities	139	-	139	137	-	137
Provisions	0	-4	-4	0	-1	-1
Employee benefit obligations	3	-	3	18	-	18
Other balance sheet items	0	-2	-2	1	-1	0
Deferred taxes arising from temporary differences	427	-325	102	404	-372	32
Tax assets recognized for loss carryforwards	20	-	20	26	-	26
Deferred tax assets/liabilities, gross	447	-325	122	430	-372	58
Deferred tax assets/liabilities, prior year	-471	277	-194	-447	325	-122
Deferred taxes recorded in other comprehensive income	20	19	39	8	22	30
Changes in the composition of the Group	-12	25	13	-6	17	11
Deferred taxes recognized in the income statement	-16	-4	-20	-15	-8	-23

Deferred tax assets of 430 million francs (previous year: 447 million francs) are comprised mainly of temporary differences on financial assets, property, plant and equipment and intangible assets, lease liabilities, employee benefit obligations according to IAS 19 and tax loss carryforwards.

There is a deductible temporary difference of 93 million francs (previous year: 124 million francs) on intangible assets, for which no deferred tax asset was recognized because it is unlikely that sufficient taxable profits will be available in the future. This is a temporary difference on trademark rights from the implementation of the tax reform and OASI financing (TRAF) as at 1 January 2020. The potential tax savings amount to a maximum of 12 million francs (previous year: 16 million francs).

Deferred tax liabilities of 372 million francs (previous year: 325 million francs) result mainly from temporary differences on trade accounts receivable, financial assets, interests, intangible assets, right-of-use assets and employee benefit assets as per IAS 19.

As at 31 December 2024, temporary differences in relation to interests amounted to 257 million francs (previous year: 301 million francs) for which no deferred tax liabilities were recognized. These are temporary differences which, in the event of a reversal, are subject only to a low level of taxation due to the deduction from interests.

17.2 | Unused tax loss carryforwards

Unused loss carryforwards – by maturity	31.12.2023			31.12.2024		
	Recognized	Not recognized	Total	Recognized	Not recognized	Total
CHF million						
Maturing within 1 year	–	14	14	–	35	35
Maturing in 2 to 6 years	43	333	376	83	328	411
Maturing in more than 6 years	64	81	145	59	107	166
Total unused loss carryforwards	107	428	535	142	470	612

Tax loss carryforwards of 470 million francs (previous year: 428 million francs) were not recognized within Swiss Post Group, as it seems uncertain that they will be utilized in the future.

Not recognized unused loss carryforwards and potential tax savings – by country	31.12.2023		31.12.2024	
	Not recognized	Potential tax savings	Not recognized	Potential tax savings
CHF million				
Switzerland	417	75	456	84
Germany	3	1	5	2
United Kingdom	–	–	0	0
Canada	0	0	0	0
Lithuania	1	0	3	0
Hungary	3	0	3	0
USA	4	1	3	1
Total not recognized unused loss carryforwards and potential tax savings	428	77	470	87

17.3 | Analysis of the expense for income taxes

The following breakdown shows the reconciliation from Group profit before tax with the income tax expense accounted for. The weighted average tax rate to be applied is 15.6 percent (previous year: 22.3 percent). The reduction in the Group tax rate by 6.7 percentage points is due to a change in the composition of positive and negative contributions to the results by the individual subsidiaries.

Reconciliation from Group profit before tax to provision for income taxes accounted for		
CHF million	2023	2024
Group profit before tax from continuing operations	319	418
Weighted average tax rate	22.3%	15.6%
Tax expense at weighted average tax rate	71	65
Reconciliation with expenses for income taxes accounted for:		
Effect of change in tax status/tax rates	3	-1
Effect of investments/impairment of goodwill	-6	14
Effect of back taxes and tax refunds from previous years	-1	-5
Effect of change in impairment for deferred income tax assets	-22	3
Effect of fiscally non-relevant income/expenses	-	1
Effect of loss carryforwards	17	16
Other effects	3	1
Expenses for income taxes accounted for	65	94

17.4 | OECD Pillar Two Model Rules

Swiss Post falls within the scope of the OECD's Pillar Two Model Rules. In Switzerland, the rules came into force on 1 January 2024. Under the new rules, Swiss Post will be obliged to pay tax at a rate of at least 15 percent on the profits generated in each jurisdiction in which it operates. In 2024, Swiss Post can essentially benefit from the transitional provisions of the Transitional CbCR Safe Harbour Rules in all jurisdictions. The application of the Pillar Two model rules therefore resulted in no additional income tax expense for Swiss Post in 2024 (previous year: 0 francs). Based on the current assessment, it is not expected that the Pillar Two model rules will have a significant impact on the Group tax rate in 2025.

Swiss Post is applying the temporary obligatory exemption according to IAS 12 to its accounting for deferred taxes arising from implementation of the Pillar Two rules.

18 | Non-current assets held for sale

Accounting policies

Non-current assets (e.g. property, plant and equipment and intangible assets) or groups of assets (e.g. an entire operation) are classified as “held for sale” if their carrying amount is to be realized first and foremost through a sale and not through continued use, and Swiss Post intends to dispose of them. Non-current assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell and no longer depreciated. The disposal is expected to take place within a year.

Non-current assets held for sale

CHF million	2023 ¹	2024 ¹
Balance as at 1.1.	7	1
Additions	29	36
Disposals	-35	-35
Balance as at 31.12.	1	2

¹ Contains exclusively property, plant and equipment.

19 | Financial assets and liabilities

Accounting policies

Cash

Cash includes cash holdings in Swiss francs and foreign currencies as well as asset-side cash in transit (cash payments made at Swiss Post branches which have not yet been credited to the PostFinance account held at the Swiss National Bank). Cash holdings are measured at face value.

Financial receivables

Amounts due from banks and interest-bearing amounts due from customers are measured at amortized cost using the effective interest method, which usually corresponds to the face value. Amounts due from banks are comprised principally of current account balances, money market instruments and reverse repurchase transactions with banks. In amounts due from banks, high cash reserves are held, which are mostly invested at the Swiss National Bank (SNB). Interest-bearing amounts due from customers consist of technically overdrawn postal accounts of postal account holders, the COVID-19 bridging loans issued on a temporary basis in connection with the coronavirus crisis from 26 March 2020, credit card receivables and reverse repurchase transactions with third parties.

Trade accounts receivable and other receivables

Trade accounts receivable and other receivables are recognized at amortized cost, which usually corresponds to the face value. The future expected default is calculated and impaired using the simplified impairment model in accordance with IFRS 9.

Financial assets

Recognition and initial measurement

Purchases and sales of financial assets are entered based on trade date accounting. At the time of initial recognition, a financial asset is allocated to the appropriate category in accordance with the requirements of IFRS 9 and measured at the fair value of the consideration received, including transaction costs directly attributable to the purchase. For financial assets in the FVTPL category, transaction costs are recognized immediately in profit or loss.

Classification and subsequent measurement of debt instruments

The classification and measurement approach for debt instruments is driven by the business model applicable for the management of the debt instruments provided that the financial instruments fulfil the cash flow conditions (SPPI test – solely payments of principal and interest). IFRS 9 consists of three main classification categories for debt instruments:

- Amortized cost
- FVTOCI (fair value through other comprehensive income)
- FVTPL (fair value through profit or loss)

Debt instruments in the amortized cost category are therefore measured at amortized cost. Debt instruments in the FVTPL or FVTOCI categories are measured at fair value through profit or loss or in other comprehensive income. Interest income from financial assets in the amortized cost and FVTOCI categories is recorded in the income statement using the effective interest method. The effective interest method spreads the difference between acquisition cost and the repayment amount (premium/discount) over the term of the asset in question using the present value method. This results in a constant rate of interest until maturity. Book gains/losses on debt instruments in the FVTOCI category are transferred from other comprehensive income to the income statement after their repayment or sale.

Classification and subsequent measurement of equity instruments

Equity instruments are assigned either as FVTPL or FVTOCI (FVTOCI option) depending on the business model. As a rule, interests in start-ups are classified as FVTPL, whereas all other interests (particularly financial infrastructure interests) are measured at FVTOCI.

The fair value of interests is reviewed annually or when there is an indication of a change in value. The carrying amount is adjusted if sufficient information is available to establish a new fair value. If there are no indications of any changes in fair value, the carrying amount is maintained.

Changes in the fair value of financial infrastructure interests (FVTOCI) are recognized in other comprehensive income. There is no reclassification to the income statement on derecognition. At the same time, the fair value reserves accrued are reclassified from the equity item "Gains and losses recorded directly in other comprehensive income" to retained earnings. Dividend income from this category is recorded in the income statement.

The mandatory FVTPL classification in accordance with IFRS 9 is applied for all other equity instruments. Changes in fair value and dividend income are recognized in the income statement.

Business model

Swiss Post differentiates between its core and non-core portfolio. The core portfolio aims to generate interest income to cover the interest expense of deposit products. The core portfolio consists of interest-bearing capital market investments, money market transactions and associated hedging transactions. The non-core portfolio is used to generate supplementary income. Investments are also made outside the traditional interest business, for instance in shares or funds.

Swiss Post defines the business models as follows:

Financial instruments for achieving contractual cash flows (held to collect) – at amortized cost

Debt instruments in the core and non-core portfolios intended for generating contractual cash flows and for holding positions to maturity.

The following sales are compatible with the business model:

- Sales made as a result of increased risk of default (credit risk)
- Sales are only made in isolated cases (even if material) or they are individually and jointly immaterial (even if frequent).
- Sales are made close to the maturity of the debt instruments and the sales proceeds essentially match the outstanding contractual cash flows.

Financial instruments for achieving contractual cash flows and sales revenue (held to collect and sell) – FVTOCI

Debt instruments in the core and non-core portfolios intended for generating contractual cash flows and sales revenue.

Other business models – FVTPL

Financial instruments that are not held in the “held to collect” or “held to collect and sell” business models are held in one of the following business models: “held for trading” or “management of financial instruments based on fair value”.

Cash flow conditions

The fair value of a debt instrument is defined the first time it is used as principal. Interest is defined as compensation for the time value of money, as compensation for the credit risk entered into and other general lending risks taken.

Swiss Post takes into account the terms of the contract for the financial instrument when assessing whether the contractual cash flows solely lead to payments of principal and interest (SPPI test – solely payments of principal and interest). This also involves assessing whether the financial asset includes a contractual provision which could influence the date or the amount of contractual cash flows. A provision of this kind could result in non-compliance with this test. Swiss Post takes the following points into account in its evaluation:

- Conditional events which could influence the amount and the date of cash flows
- Components with a leverage effect
- Early repayment clauses and extension provisions
- Provisions according to which cash flows from the financial asset may only be realized by pre-defined assets of the debtor (non-recourse asset arrangements)
- Components with an impact on the time value of money (e.g. regular redefinition of the interest rate where the definition period does not correspond to the definition frequency)

If the contractual cash flows change substantially, there is an indication that previous cash flows will expire. In this case, the previous financial asset will be derecognized and a new financial asset will be recognized at fair value. If the contractual cash flows of an adjusted financial asset have not changed substantially and the instrument was previously assigned to the amortized cost or FVTOCI category, the asset is not derecognized. In this case, Swiss Post recalculates the gross carrying amount and enters the difference between the previous and the new carrying amounts as an adjustment gain/loss in the income statement. If the contractual cash flows are adjusted due to financial difficulties experienced by the debtor, the difference identified between the old and new carrying amounts is recorded together with impairment losses.

Financial guarantees

Financial guarantees are contractual agreements that oblige the guarantor to make certain payments in order to compensate the guaranteed party for a loss arising when a certain debtor fails to make the payments due under the terms of a debt security.

Financial guarantees issued are measured at fair value on initial recognition. After that, the higher value of the impairments for expected losses or the original value less remuneration received is recognized.

Impairment losses on financial assets

Under IFRS 9, impairment losses on financial assets are determined using a forward-looking expected credit loss model. This model requires an assessment of how the development of economic factors will influence the need for value adjustments. Historical and future input factors such as default probabilities, credit loss ratios and credit exposure at the time of default are taken into account in particular. The impairment model applies to financial assets and contract assets measured at amortized cost and to debt instruments measured at FVTOCI.

Depending on the change in credit risk since acquisition, each financial asset belongs to one of three levels. Depending on the level, the impairment loss matches the expected loss over the next year (level 1) or the expected losses over the remaining term to maturity of an instrument (levels 2–3).

Calculation method and allocation to levels

12-month expected credit losses (level 1):

The expected losses over the next year depend on the exposure of the position for the relevant year included in the default risk, on the probability of default of the instrument due to economic trends, and on an expected loss given default.

Lifetime expected credit losses: (levels 2–3):

The lifetime expected losses depend on the probability of default of the position due to economic trends over the remaining term to maturity, on its future exposure included in the default risk, and on an expected loss given default.

Debt instruments measured at amortized cost and FVTOCI

Allocation of the positions in the three levels:

At the time of acquisition, an instrument with intrinsic value is allocated to level 1. A transition to level 2 takes place if there has been a significant increase in credit risk since initial recognition. There is a significant increase in credit risk if the current rating of a position is below a defined threshold. The threshold applied depends on the original rating of the position. The assigned rating corresponds to the rating issued by recognized rating agencies. If no such rating exists, the ratings of non-recognized rating agencies such as UBS AG, Zürcher Kantonalbank, etc. are used. Due to the exponential nature of the probability of default, the relative change in the probability of default must be higher, the better the rating at the time an instrument is acquired. A payment delay of more than 30 days also serves as a criterion for a move to level 2. In addition, a dedicated committee assesses whether there is a significant rise in credit risk for positions under special consideration, leading to a reclassification to level 2. This affects the following positions: those that have a non investment-grade rating, those whose spread exceeds a defined value, those that are lower tier 2 positions or those that do not have an external rating. If an event of default is present on the balance sheet date, the position is allocated to level 3. An event of default is present if PostFinance assumes that there is a strong probability that the debtor will be unable to meet their payment obligations in full and as agreed, if a D rating (default) applies or if the liability is more than 90 days overdue from the counterparty.

If a position has been allocated to levels 2 or 3, this can again be transferred to level 1 or 2 as soon as the criteria for that level have been satisfied.

Parameters for measuring expected credit loss (ECL)

The expected credit loss of an instrument is measured using the following parameters: default probability, credit loss ratio and credit exposure at the time of default. Default probabilities are derived from migration matrices from external sources. These derived default probabilities are adjusted periodically based on the expected economic trends. The model parameters for the credit loss rate are derived from various external sources by means of an expert opinion. Credit exposure at the time of default generally corresponds to amortized cost or forecasted amortized cost plus outstanding interest.

The ECL for amounts due from banks is measured based on the default risk of outstanding loans or their credit rating.

Impairment losses are calculated on interest-bearing amounts due from customers and associated limits on a collective basis. The portfolios used were generated on the basis of the characteristics applied in product management. Receivables are allocated to level 1 on initial recognition. They are allocated to levels 2 or 3 when the overdue period defined for the relevant level has been reached. The default rate used to determine the calculation of expected loss is calculated using historical data for a switch to level 2 or level 3. On the balance sheet date, the previously calculated default probability is verified in order to determine whether an adjustment is needed on the basis of current and forward-looking information.

The simplified approach permitted in accordance with IFRS 9 is applied to determine expected credit loss on trade accounts receivable, contract assets, amounts due from leases and other receivables. A historical default rate is calculated for each item in the balance sheet at accounting unit level. An additional risk premium is recorded to take into account future changes in debtor solvency. Bandwidths apply when calculating expected defaults on overdue receivables.

Financial guarantees issued

Impairment losses for expected credit losses are also estimated on financial guarantees issued.

Presentation

Impairment losses for expected loan defaults on financial assets in the at amortized cost category are presented as a deduction from the gross carrying amount. In the case of debt instruments held in the FVTOCI category, the carrying amount corresponds to fair value. Impairment losses for these debt instruments are recorded directly in equity in other comprehensive income instead of reducing the carrying amount of the instruments. Impairment losses on financial guarantees issued are reported in other provisions. A financial asset is definitively derecognized once there are firm indications that it is no longer recoverable.

Netting

Financial assets and financial liabilities are presented on a net basis if Swiss Post is entitled to offset the amounts against each other and has the intention to settle or collect the net amount or to collect the asset and settle the liability at the same time.

Income and expenses are only shown on a net basis if explicitly permitted by IFRS or in the case of gains and losses arising from a group of similar transactions such as that of Swiss Post's trading activities.

Derivative financial instruments and hedge accounting

Derivative financial instruments are recognized at fair value as positive or negative replacement values. They are used mainly to hedge currency and interest rate risks and to a small extent for trading.

For hedge accounting, Swiss Post applies the requirements of IFRS 9. Hedge accounting is applied if derivative financial instruments are effective in offsetting changes in fair value or cash flows attributable to the hedged items. The effectiveness of these hedges is reviewed on a monthly basis.

Fair value hedges are used to hedge exposure to changes in fair value of an asset or liability. Changes in the fair value of both the hedging instrument and the hedged item are recognized in profit or loss in the income statement in "Result from FVTPL trading portfolio assets and mandatory" and in "Interest income on financial instruments at amortized cost including effects from hedging transactions".

Cash flow hedges are used to hedge anticipated future transactions and variable cash flows. Changes in value to the extent a hedge is effective are recognized in other comprehensive income, while changes in value to the extent a hedge is ineffective are recognized in profit or loss in "Result from FVTPL trading portfolio assets and mandatory". As soon as the hedged item has been recognized in profit or loss, the cumulated changes in fair value recorded in other comprehensive income are stated in "Result from FVTPL trading portfolio assets and mandatory" and in "Interest income from financial assets FVTOCI including effects from hedging transactions". The foreign currency basis spreads of cross-currency swaps, which are designated as hedging instruments, are excluded from the designation and booked as hedging costs. The amounts are accounted for in other comprehensive income (hedging reserves) within equity and reclassified to the income statement over the term of the underlying transaction.

Derivatives which are not accounted for under the hedge accounting rules or which are held for trading purposes are treated as instruments held for trading. Changes in fair value are reported in "Result from FVTPL trading portfolio assets and mandatory" and net interest income in "Net interest income from financial instruments, FVTPL including effects from hedging transactions" or "Interest income on financial instruments at amortized cost including effects from hedging transactions".

Replacement value

The replacement value corresponds to the fair value of a derivative financial instrument, i.e. the price that would have to be paid for the conclusion of a substitute transaction if the counterparty defaults. Positive replacement values are exposed to the credit risk and represent the maximum loss that Swiss Post would suffer on the due date if the counterparty were to default. Negative replacement values correspond to the maximum amount the counterparty would lose in the event of default in performance by Swiss Post.

Contract volume

Corresponds to the receivables side of the derivative financial instruments' underlying value.

Fair value

Fair value is the price that would normally be received for the sale of an asset or that would have to be paid to transfer a debt in a standard transaction between market participants on the measurement date. It is assumed that the transaction takes place on the main market or, if the latter is not available, on the most advantageous market. The fair value of a liability reflects non-performance risk.

The fair values of financial instruments are determined on the basis of stock market prices and valuation techniques (present value method, etc.). In the case of listed financial instruments, the fair values correspond to the market prices. In the case of unlisted monetary financial instruments, the fair values are determined by discounting the cash flows using the current interest rate applicable to comparable instruments with the same maturity.

Repurchase, reverse repurchase and securities lending transactions

Cash outflows arising from reverse repurchase transactions are presented as amounts due from banks or interest-bearing amounts due from customers (other). Financial assets obtained from transactions as collateral are not recognized in the balance sheet. Transactions are recognized in the balance sheet at the settlement date. Interest income from reverse repurchase transactions is accounted for using the accrual-based accounting principle.

Financial assets transferred as collateral as part of repurchase transactions continue to be recognized in the balance sheet under "Financial assets". The cash inflow is reported under "Other financial liabilities". Interest expenses from repurchase transactions are accounted for using the accrual-based accounting principle.

In respect of securities lending and borrowing, Swiss Post engages in securities lending only. The loaned financial instruments continue to be recognized in the balance sheet as financial assets.

Securities cover for repurchase, reverse repurchase and securities lending transactions is recognized on a daily basis at current fair values.

Customer deposits (PostFinance)

Customer deposits held with PostFinance in postal, savings and investment accounts, medium-term notes and money market investments are measured at amortized cost, which usually corresponds to the face value. Deposits from banks are reported under other financial liabilities. Interest expenses are accounted for using the accrual-based accounting principle.

Other financial liabilities

Other financial liabilities comprise amounts due to banks measured at amortized cost, lease liabilities, liabilities from repurchase transactions, private placement and Other, as well as derivatives measured at fair value and deferred purchase price payments (earn-outs).

Estimation uncertainty

Fair values of financial instruments

Fair values of financial assets that are not traded publicly on a stock exchange are measured using recognized estimation methods. This requires making assumptions based on observable market information. The discounted cash flow method is used to determine the fair value of some unlisted FVTOCI financial assets. The discounted cash flows are calculated on the basis of Bloomberg yield curves, taking the relevant parameters (rating, maturity, etc.) into account. The discounted cash flow method or venture capital method is used to determine the fair value of unlisted equity instruments.

Expected credit losses

The level of expected credit losses depends on several factors. The most important assumptions are:

- The general assessment of future economic development (even taking into account and weighting various scenarios)
- The prompt recognition of significant changes in credit risks
- Evaluations of the model parameters "probability of default" and "loss rates"

Carrying amounts

31.12.2023 CHF million	FVTPL, incl. derivatives	FVTOCI, debt instruments	FVTOCI, equity instruments	Amortized cost	Total
Cash holdings				1,278	1,278
Amounts due from banks				27,515	27,515
Interest-bearing amounts due from customers				493	493
Trade accounts receivable				734	734
Other receivables				515	515
of which receivables from finance lease				144	144
Financial assets	1,476	6,309	322	64,336	72,443
Derivatives	1,330				1,330
Bonds	5	6,309		49,973	56,287
Shares	31		322		353
Funds	110				110
Loans				14,363	14,363
Total financial assets	1,476	6,309	322	94,871	102,978
Customer deposits (PostFinance)				89,121	89,121
Other financial liabilities	30			7,544	7,574
Liabilities relating to banks				1,828	1,828
Derivatives	11				11
Lease liabilities				831	831
Repurchase transactions				4,100	4,100
Private placements				775	775
Other	19			10	29
Trade accounts payable				296	296
Other liabilities	70			55	125
Total financial liabilities	100	–	–	97,016	97,116

Carrying amounts

31.12.2024 CHF million	FVTPL, incl. derivatives	FVTOCI, debt instruments	FVTOCI, equity instruments	Amortized cost	Total
Cash holdings				1,044	1,044
Amounts due from banks				32,978	32,978
Interest-bearing amounts due from customers				449	449
Trade accounts receivable				730	730
Other receivables				580	580
of which receivables from finance lease				141	141
Financial assets	893	6,779	362	62,170	70,204
Derivatives	771				771
Bonds	1	6,779		47,558	54,338
Shares	41		362		403
Funds	80				80
Loans				14,612	14,612
Total financial assets	893	6,779	362	97,951	105,985
Customer deposits (PostFinance)				87,979	87,979
Other financial liabilities	211			11,195	11,406
Liabilities relating to banks				1,112	1,112
Derivatives	211				211
Lease liabilities				809	809
Private placements				775	775
Repurchase transactions				8,490	8,490
Other	-			9	9
Trade accounts payable				304	304
Other liabilities	41			59	100
Total financial liabilities	252	-	-	99,537	99,789

The COVID-19 bridging loans fully guaranteed by the Confederation are included in the interest-bearing amounts due from customers. As at 31 December 2024, limits amounting to 206 million francs were provided, of which 101 million francs had been used by the reference date.

PostFinance's interests in connection with the processing of payments and securities transactions and long-term strategic interests in other segments are disclosed in FVTOCI, equity instruments. As these equity instruments were not acquired in order to generate short-term gains, they are reported in equity through other comprehensive income (FVTOCI option). Dividend income from these interests amounts to around 5 million francs in the current year (previous year: 4 million francs). The share of interests no longer held at the reporting date totalled less than 1 million francs in the reporting year. In the previous year, no dividend income was recognized from interests no longer held as at the reporting date.

In the reporting period, shares in two companies that were recognized directly in equity via other comprehensive income (FVTOCI option) were sold (PostFinance). The cumulative gain (28 million francs) was reclassified from other comprehensive income to retained earnings within equity. The partial sales of these two infrastructure interests were made due to their insignificant strategic relevance.

20 | Inventories

Accounting policies

Inventories comprise resale merchandise, fuel, and operating, working and production materials. They are measured at the lower of weighted average cost or net realizable value. Impairment losses are recognized for inventories that are not easily marketable.

Inventories

CHF million	31.12.2023	31.12.2024
Resale merchandise	17	16
Fuel and operating materials	44	50
Production materials	11	0
Work in progress and finished goods	0	0
Impairment loss for inventories which are not easily marketable	-1	-1
Total inventories	71	65

21 | Biological assets

Accounting policies

Biological assets are measured at fair value less costs to sell (FVLCTS). A gain or loss arising on initial recognition or from a change in the FVLCTS is recognized in profit or loss under other operating revenue or other operating expenses. Costs in connection with the management of biological assets are recognized in profit or loss under other operating expenses at the time the costs are incurred. At the time of harvest, the biological asset is reclassified to inventories.

Estimation uncertainty

The biological assets held by Swiss Post are forestry assets (trees). The fair value less costs to sell (FVLCTS) of the tree population is determined using the discounted cash flow method.

The following assumptions, which are subject to uncertainties, have a significant influence on measurement of the tree population:

- Proceeds from the sale of timber:
Future cash flows from timber sales depend on the tree population and the price of timber.

For the forest areas acquired in Thuringia, Germany, the last detailed inventory of the tree population by tree species was conducted in October 2016. The tree population as at the date of acquisition was approximated by deducting total timber usage since October 2016, with allowance made for an average annual growth rate. Pest infestations, forest fires and climate change can have a significant impact on the future tree population.

The assumptions regarding timber revenues free of harvesting costs are based on empirical values. Timber prices are subject to market-related fluctuations.

- CO₂ neutralization performance (negative emissions):
Swiss Post plans to credit part of the forest's CO₂ neutralization performance in the amount of the long-term, verifiable storage of CO₂ in construction timber. This neutralization performance is taken into account in the measurement of the tree population.

The achievable neutralization performance determines the number of certificates that can be produced, which are known as carbon dioxide removal certificates or CDR certificates. Swiss Post is working with third parties to develop a credit model for CDR certificates, which is expected to enable offsetting starting in 2027. This means that at present, there are not yet any observable market prices for these CDR certificates. However, there are already alternative methods in place for producing CDR certificates, for example by processing wood into biochar. The price assumed for the measurement of neutralization performance is based on prices paid for CDR certificates for these alternative methods.

- Demand for CDR certificates, and therefore their future price, will be significantly influenced by regulatory and technological developments.

Biological assets

CHF million	2023	2024
Carrying amount as at 1.1.	–	41
Additions	40	–
Income/(expense) from changes in fair value less costs to sell	2	1
Decrease due to timber harvest	–	–2
Currency translation differences	–1	–1
Carrying amount as at 31.12.	41	39

Swiss Post acquired an area of 2,257 hectares of forest in Thuringia, Germany, on 1 December 2023. As at 31 December 2024, 59 hectares (previous year: 59 hectares) of this area was free of trees. The remaining 2,198 hectares (previous year: 2,198 hectares) are forested and constitute the area used as the basis for measurement of the biological assets (trees) found there. The acquired land is recognized separately from the trees in the property, plant and equipment item in the balance sheet. Through sustainable forest management, Swiss Post intends to maximize the production of construction timber with a view to enabling the CO₂ stored in the trees to be stored in buildings in the long term. Depending on the tree species, the average turnover period (expected period between establishing a population and final utilization by cutting of timber) is between 80 and 100 years. Around one third of the tree population is 80 years old or older. The total tree population as at 31 December 2024 is around 695,000 cubic metres of harvest timber (previous year 720,000 cubic metres). The timber harvest in the reporting year totalled 52,000 cubic metres (previous year: 0 cubic metres).

To determine the FVLCTS of the tree population as at 31 December 2024, a weighted average cost of capital (WACC) of 5.9 percent (previous year: 5.8 percent) was used. According to current estimates, and based on a sustainable annual timber harvest of 26,000 cubic metres, the annual neutralization performance (negative emissions) that is expected to be credited annually from 2027 is around 9,000 tonnes of CO₂. The following further assumptions, again subject to uncertainties, were applied:

Evaluation parameters	Income from timber per m ³ harvested, less harvesting costs		CO ₂ certificate price	
	2023	2024	2023	2024
EUR				
Bandwidth	46–75	46–75	130–200	130–200
Weighted average	54	54	179	171

This table shows the effects of an increase or decrease in the key assumptions below concerning the FVLCTS of the tree population as at 31 December 2023 and 31 December 2024:

Sensitivity of the carrying amount of biological assets to changes in assumptions

CHF million	Deviation	Resulting change in fair value less costs to sell		Deviation	Resulting change in fair value less costs to sell	
		31.12.2023	31.12.2024		31.12.2023	31.12.2024
WACC	+0.50 percentage point	–4	–2	–0.50 percentage point	4	3
Income from timber per m ³ harvested, less harvesting costs	+10.00 percent	2	2	–10.00 percent	–2	–2
CO ₂ certificate price	+20.00 percent	4	4	–20.00 percent	–4	–4

22 | Property, plant and equipment

Accounting policies

Property, plant and equipment is recognized in the balance sheet at historical cost less cumulative depreciation. Depreciation is accounted for on a straight-line basis in line with the estimated useful life, as follows:

Estimated useful lives of items of property, plant and equipment	
Plots of land	indefinite
Operating property	20–60 years
Operating equipment	3–30 years
Machinery	3–15 years
IT infrastructure	3–10 years
Furnishings	3–20 years
Railway rolling stock	10–30 years
Other vehicles	3–15 years

Capitalized tenant fit-outs and installations in rented premises are depreciated over the estimated useful life or the duration of the rental agreement, if shorter. The components of property, plant and equipment that have different useful lives are recognized and depreciated separately. The useful lives of property, plant and equipment are reviewed on an annual basis.

Major renovations and other costs that add value are capitalized and depreciated over their estimated useful lives. Costs for repairs and maintenance are recognized as expenses. Borrowing costs for assets under construction are capitalized.

Property, plant and equipment are checked regularly to determine if there are signs of impairment. If this is the case, the carrying amount is compared with the recoverable amount (the higher of fair value less costs to sell and value in use). If the carrying amount of an asset exceeds its recoverable amount, an impairment equal to the difference between the carrying amount and the recoverable amount is recognized in profit or loss.

Estimation uncertainty

The useful life is defined on the basis of current technical conditions and past experience. As a result of technological change and market conditions, the actual useful life may differ from the original useful life. If there are differences, they are adjusted on a prospective basis or the property, plant and equipment may be sold.

Investment commitments for property, plant and equipment amount to 340 million francs (previous year: 132 million francs).

As at 31 December 2024, as in the previous year, no property, plant and equipment had been pledged in relation to mortgages.

As in the previous year, no borrowing costs were capitalized in 2024.

Property, plant and equipment						
CHF million	Land and operating property	Assets under construction: operating property	Equipment, machinery and IT infrastructure	Furniture, vehicles and other assets	Assets under construction: other asset classes	Total
Acquisition cost						
As at 1.1.2023	4,536	184	1,206	819	74	6,819
Additions to the consolidated Group	14	0	1	15	0	30
Additions	29	149	61	109	51	399
Disposals	-101	-4	-77	-22	0	-204
Reclassifications	105	-104	40	68	-97	12
Disposals arising from reclassifications (IFRS 5)	-14	-	-	-78	-	-92
Currency translation differences	-2	0	0	-2	0	-4
As at 31.12.2023	4,567	225	1,231	909	28	6,960
Cumulative amortization						
As at 1.1.2023	3,321	9	823	367	-	4,520
Depreciation	60	-	74	85	-	219
Impairment	4	6	3	0	-	13
Disposals	-99	-1	-77	-20	-	-197
Reclassifications	0	-	0	-2	-	-2
Disposals arising from reclassifications (IFRS 5)	-14	-	-	-46	-	-60
Currency translation differences	0	-	0	0	-	0
As at 31.12.2023	3,272	14	823	384	-	4,493
Carrying amount as at 1.1.2023	1,215	175	383	452	74	2,299
Carrying amount as at 31.12.2023	1,295	211	408	525	28	2,467

Property, plant and equipment						
CHF million	Land and operating property	Assets under construction: operating property	Equipment, machinery and IT infrastructure	Furniture, vehicles and other assets	Assets under construction: other asset classes	Total
Acquisition cost						
As at 1.1.2024	4,567	225	1,231	909	28	6,960
Additions to the consolidated Group	1	-	15	2	-	18
Additions	15	118	55	122	51	361
Disposals	-63	-	-32	-25	0	-120
Reclassifications ¹	-20	-81	6	44	-31	-82
Disposals arising from reclassifications (IFRS 5)	-2	-	-	-78	-	-80
Currency translation differences	0	0	0	0	0	0
As at 31.12.2024	4,498	262	1,275	974	48	7,057
Cumulative amortization						
As at 1.1.2024	3,272	14	823	384	-	4,493
Depreciation	66	-	77	97	-	240
Impairment	4	-	1	0	-	5
Disposals	-61	-	-30	-16	-	-107
Reclassifications ¹	-80	-	2	-2	-	-80
Disposals arising from reclassifications (IFRS 5)	-2	-	-	-43	-	-45
Currency translation differences	0	-	0	0	-	0
As at 31.12.2024	3,199	14	873	420	-	4,506
Carrying amount as at 1.1.2024	1,295	211	408	525	28	2,467
Carrying amount as at 31.12.2024	1,299	248	402	554	48	2,551

¹ Four properties were reclassified from operating property to investment property in the 2024 financial year. One property was reclassified from investment property to operating property (see Note 29.2). The reclassified amounts are 101 million francs on acquisition costs and 80 million francs on cumulative depreciation.

23 | Investment property

Accounting policies

Investment property comprises land, buildings and/or parts of buildings, held by the owner to earn rentals and/or for capital appreciation. This also includes facilities under construction, which are built as investment property for future use.

Investment property is valued at its acquisition or production cost on entry. The transaction costs are included in the initial valuation.

According to the initial approach, investment property in Swiss Post Group is measured and recognized at its acquisition or production cost less the accumulated amortization and accumulated impairment losses.

The investment property is depreciated on a straight-line basis in accordance with the estimated useful life (unlimited for plots of land and 20 – 60 years for operating properties in line with their useful life). Facilities under construction are not depreciated.

Expenses for the replacement, renovation or refurbishment of an investment property or a component thereof are capitalized as replacement investments. Maintenance costs are not capitalized. Such costs are recognized directly in the income statement.

Transfers to or from the stock of investment property are made if there is a corresponding change of use.

Investment property	2023			2024		
	Investment property	Investment property under construction	Total	Investment property	Investment property under construction	Total
CHF million						
Acquisition cost						
Balance as at 1.1.	522	36	558	540	24	564
Additions	–	13	13	1	10	11
Disposals	–7	0	–7	–1	–	–1
Reclassifications ¹	25	–25	–	112	–11	101
Balance as at 31.12.	540	24	564	652	23	675
Cumulative amortization						
Balance as at 1.1.	126	–	126	136	–	136
Depreciation	17	–	17	18	–	18
Impairment	0	–	0	0	–	0
Disposals	–7	–	–7	–1	–	–1
Reclassifications ¹	–	–	–	80	–	80
Balance as at 31.12.	136	–	136	233	–	233
Carrying amount as at 1.1.	396	36	432	404	24	428
Carrying amount as at 31.12.	404	24	428	419	23	442

¹ Four properties were reclassified from operating property to investment property in the 2024 financial year. One property was reclassified from investment property to operating property (see Note 29.2). The reclassified amounts are 101 million francs on acquisition costs and 80 million francs on cumulative depreciation.

Information on fair values can be found in Note 29, Fair value disclosures.

The following amounts from investment property were recognized in the result:

- Rental income: 35 million francs (previous year: 31 million francs)
- Direct operating expenses (including depreciation) that generated rental income during the reporting period: 31 million francs (previous year: 28 million francs)

On 31 December 2024, there were no restrictions on the saleability or transfer of earnings and proceeds from any sale.

There are investment commitments for investment property of 2 million francs (previous year: 1 million francs).

24 | Intangible assets and goodwill

Accounting policies

Purchased or internally generated intangible assets with a finite useful life are recognized at acquisition or production cost and amortized on a straight-line basis over their useful life. Intangible assets from business combinations (excluding goodwill) are recognized at fair value and amortized on a straight-line basis over their useful life. Amortization begins as soon as the asset is fit for use. The estimated useful lives of intangible assets are usually less than ten years.

Intangible assets (excluding goodwill) are checked regularly to determine if there are signs of impairment. If this is the case, the carrying amount is compared with the recoverable amount (the higher of fair value less costs to sell and value in use). If the carrying amount of an asset exceeds its recoverable amount, an impairment equal to the difference between the carrying amount and the recoverable amount is recognized in profit or loss.

In the event of a business combination, the identifiable assets and liabilities in the acquiree are recognized and measured at fair value in applying the acquisition method. Non-controlling interests are measured at the proportionate share of the identifiable net assets. Any excess over the purchase price is capitalized as goodwill at acquisition cost less impairment.

The recoverable amount of goodwill is reviewed at least annually or if there are indications of impairment. An impairment is applicable where the carrying amount of the cash-generating unit or units to which the goodwill was assigned exceeds the recoverable amount.

Estimation uncertainty

Management estimates the period over which future economic benefits from intangible assets with a finite useful life will flow to the company. The estimated useful lives of intangible assets are reviewed on a regular basis.

The allocation of goodwill to the cash-generating units and the calculation of the recoverable amount are at the discretion of management. The discount rates include specific risk premiums depending on the risk assessment of the relevant cash-generating unit. The expected future cash flows and the assumptions applied are based on historical data from both internal and external sources of information as well as the strategic planning approved by the management.

Intangible assets and goodwill	2023				2024			
	Goodwill ¹	Other intangible assets	Other intangible assets under construction	Total	Goodwill ¹	Other intangible assets	Other intangible assets under construction	Total
CHF million								
Acquisition cost								
Balance as at 1.1.	460	601	11	1,072	531	664	20	1,215
Additions to the consolidated Group	72	42	–	114	184	77	16	277
Additions	–	30	10	40	–	32	13	45
Disposals	–	–10	–	–10	–	–18	–	–18
Reclassifications	–	1	–1	–	–	16	–16	–
Currency translation differences	–1	0	0	–1	0	–1	1	0
Balance as at 31.12.	531	664	20	1,215	715	770	34	1,519
Cumulative amortization								
Balance as at 1.1.	21	401	–	422	21	461	–	482
Depreciation	–	69	–	69	–	71	–	71
Impairment	–	1	–	1	–	1	–	1
Disposals	–	–10	–	–10	–	–18	–	–18
Currency translation differences	0	0	–	0	0	0	–	0
Balance as at 31.12.	21	461	–	482	21	515	–	536
Carrying amount as at 1.1.	439	200	11	650	510	203	20	733
Carrying amount as at 31.12.	510	203	20	733	694	255	34	983

¹ Goodwill relating to fully consolidated companies. Goodwill arising from the acquisition of interests in associates and joint ventures is included in the disclosed value of these equity interests (see Note 16, Associates and joint ventures).

Other intangible assets essentially comprise purchased standard and banking software, software developed internally and customer relationships. In addition, other intangible assets from acquisitions of subsidiaries also include recognized trademark rights with an indefinite useful life amounting to 19 million francs (previous year: 19 million francs). Of this, 17 million francs were generated by the Communication Services segment (previous year: 17 million francs) and 2 million francs by the Logistics Services segment (previous year: 2 million francs). Verification of the recoverable amount of recognized trademark rights showed no need for impairment in the year under review (previous year: no need for impairment).

There are no investment commitments for intangible assets (previous year: no investment commitments).

24.1 | Reviewing the recoverable amount of goodwill

In the event of a new acquisition, goodwill is allocated to individual cash-generating units or a group of cash-generating units, and tested in the fourth quarter of each year for impairment. A segment is generally a cash-generating unit, as the monitoring of goodwill for internal management purposes largely takes place at this level.

The goodwill relates to the following segments:

Goodwill by segment	31.12.2023	31.12.2024
CHF million		
Logistics Services	298	299
Communication Services	212	395
Total goodwill	510	694

The recoverable amount of a cash-generating unit is based on a calculation of its value in use via the discounted cash flow method, in turn based on the strategic financial planning approved by the management. The calculation of value in use reflects the cash flows for the next five years, discounted to present value at the weighted average cost of capital (WACC). Cash flows that extend beyond the five-year planning period are extrapolated with a growth component in the amount of the expected long-term inflation for Switzerland. WACC is determined using the capital asset pricing model and comprises weighted equity costs and borrowing costs. The risk-free interest rate used is the return on ten-year Swiss government bond or, if higher, the expected long-term inflation rate in Switzerland.

The following significant assumptions were used to determine the recoverability of goodwill:

Segment	Logistics Services		Communication Services	
	2023	2024	2023	2024
Average annual growth rate in operating revenue	2.8	1.0	18.3	11.8
Long-term inflation rate	1.5	1.0	1.5	1.0
WACC before taxes	7.1	6.7	7.6	7.1

The values for the significant assumptions were determined as follows:

Significant assumption	Procedure for determining the values
Average annual growth rate of operating revenue	Average annual growth rate of operating revenue over the five-year planning period; based on past experience and management's expectations for market development.
Long-term inflation rate	Average growth rate used to extrapolate cash flows beyond the planning period. The rate corresponds to the most forward-looking estimate of long-term inflation expectations (average consumer price index) for Switzerland.
WACC before taxes	Weighted average cost of capital before taxes, which takes into account the specific risks relating to the relevant segments and is determined based on capital market data.

Results and sensitivity of the review

Logistics Services

Logistics Services ensures high-quality and efficient logistics for letters, printed matter and newspapers, as well as for parcels, goods and merchandise, in Switzerland and internationally. The market areas of Logistics Services are generally very cyclical and exhibit the corresponding market volatility, although this remains unchanged compared to 31 December 2023. The structural decline in volumes of the universal service products, letters, with the associated fixed costs continues unabated and represents a financial risk if the decline intensifies significantly without simultaneous adjustments to the range of services in the universal service requirements. (International) e-commerce is exhibiting constant growth rates and will continue to grow in the future according to the forecasts of all market experts.

As at 31 December 2023, the recoverable amount of the cash-generating unit Logistics Services exceeded the carrying amount relevant for the verification of the recoverable amount by 46 million francs. A reduction in the average annual growth rate of operating revenue over the next five years to 2.5 percent, an increase in the long-term inflation rate to 1.7 percent or an increase in WACC before taxes to 7.4 percent would have resulted in the recoverable amount matching the carrying amount.

As at 31 December 2024, the recoverable amount of the cash-generating unit Logistics Services exceeds the carrying amount relevant for the verification of the recoverable amount. Swiss Post believes that, as at 31 December 2024, no reasonably possible changes would result in a material assumption that the carrying amount exceeds the recoverable amount.

Communication Services

By developing secure communication platforms, software solutions for the digital connectivity of SMEs and municipalities as well as cybersecurity and identity solutions, Communication Services is positioning itself as a relevant provider of digital communication. There is uncertainty in these developments particularly in politically influenced areas such as in establishing the digital letter in the universal service obligation and further development of framework conditions for e-voting, in the identity business and for the electronic patient record. Management's assessment of current political developments was taken into account when modelling the financial plans. Swiss Post, for example, assumes that it is highly likely that digital letters will be established in the universal service obligation. A rejection or delay in this decision would delay or possibly jeopardize the achievement of the corresponding business plan.

As at 31 December 2023, the recoverable amount of the cash-generating unit Communication Services exceeded the carrying amount relevant for the verification of the recoverable amount by 143 million francs. A reduction in the average annual growth rate for operating revenue over the next five years to 14.3 percent would have resulted in a recoverable amount that corresponded to the carrying amount.

As at 31 December 2024, the recoverable amount of the cash-generating unit Communication Services exceeds the carrying amount relevant for the verification of the recoverable amount by 192 million francs. A reduction in the average annual growth rate for operating revenue over the next five years to 8.5 percent would result in a recoverable amount that corresponds to the carrying amount.

25 | Right-of-use assets (leases)

Accounting policies

As a lessee, Swiss Post determines upon conclusion of a contract whether a lease exists in accordance with IFRS 16. If this is the case, a right-of-use asset and a lease liability are recognized. As an exception, short-term leases (less than twelve months) and leases for assets with a replacement value of less than 5,000 francs are charged to expenses in the income statement.

Total lease liabilities are calculated according to the present value of future lease payments at the start of the lease agreement. Payments are discounted using the interest rate underlying the lease contract or – if that rate cannot be readily determined – Swiss Post's incremental borrowing rate in the relevant market.

Right-of-use assets are initially recognized at cost. The cost is derived mainly from the above-mentioned present value of future lease payments plus any advance payments made, reconversion obligations or initial direct costs, less lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the useful life or the term of the lease, if shorter, and impairment losses are recognized if necessary.

Management makes an estimate of the future lease term, taking into account any extension or termination options in place. This estimate may differ from the actual term of lease.

As a lessor, Swiss Post determines upon conclusion of a contract whether all risks and rewards incidental to ownership are transferred to the lessee. In this case, the lease is treated as a finance lease. Otherwise, it is treated as an operating lease.

An impairment test is carried out if there are indications of impairment, in particular in the event of vacant properties.

Estimation uncertainty

The term of the lease determines the amount of the right-of-use assets and the lease liabilities. Management makes an estimate of the future lease term, taking into account any extension or termination options in place. This estimate may differ from the actual term of lease.

Right-of-use assets					
CHF million	Land and buildings	Operating property	Equipment, machinery and IT infrastructure	Furniture, vehicles and other assets	Total
Acquisition cost					
As at 1.1.2023	111	1,030	32	34	1,207
Additions to the consolidated Group	–	16	0	42	58
Additions	13	141	11	3	168
Disposals	–1	–105	0	–1	–107
Reclassifications	–	0	–	–2	–2
Currency translation differences	–	–2	0	–3	–5
As at 31.12.2023	123	1,080	43	73	1,319
Cumulative amortization					
As at 1.1.2023	15	406	15	14	450
Depreciation	3	120	6	8	137
Disposals	–1	–86	0	0	–87
Reclassifications	–	0	–	0	0
Currency translation differences	–	0	0	0	0
As at 31.12.2023	17	440	21	22	500
Carrying amount as at 1.1.2023	96	624	17	20	757
Carrying amount as at 31.12.2023	106	640	22	51	819

Right-of-use assets

CHF million	Land and buildings	Operating property	Equipment, machinery and IT infrastructure	Furniture, vehicles and other assets	Total
Acquisition cost					
As at 1.1.2024	123	1,080	43	73	1,319
Additions to the consolidated Group	–	11	1	1	13
Additions	1	133	0	10	144
Disposals	–2	–35	–1	–2	–40
Reclassifications	–	0	–3	–8	–11
Currency translation differences	–	0	0	0	0
As at 31.12.2024	122	1,189	40	74	1,425
Cumulative amortization					
As at 1.1.2024	17	440	21	22	500
Depreciation	4	124	5	11	144
Impairment	–	0	–	–	0
Disposals	0	–6	–1	–1	–8
Reclassifications	–	0	–2	–1	–3
Currency translation differences	–	0	0	0	0
As at 31.12.2024	21	558	23	31	633
Carrying amount as at 1.1.2024	106	640	22	51	819
Carrying amount as at 31.12.2024	101	631	17	43	792

As part of its business activities, Swiss Post leases properties for the performance of operations. Operating equipment and vehicles are leased depending on the situation, but this is nevertheless the exception. Residual value guarantees and extension and termination options are assessed upon conclusion of contract in relation to their likelihood of occurrence or exercise and are remeasured in the event of indications of a change in general conditions. No significant remeasurements had taken place as at 31 December 2024. The volume of contractually agreed lease contracts, which had not yet entered into force, stood at 5 million francs as at 31 December 2024 (previous year: 6 million francs). There are no significant sale-and-leaseback transactions, restrictions or covenants in the entire portfolio.

26 | Provisions

Accounting policies

Provisions are recognized provided that, at the date of their recognition, a past event has resulted in a present obligation and a cash outflow is probable and can be measured reliably.

Restructuring provisions are recognized only upon presentation of a detailed plan and following the necessary communication.

Swiss Post bears a number of risks itself in accordance with the principle of self-insurance. Provisions are recognized for expected expenses arising from claims incurred that are not insured externally.

Estimation uncertainty

The level of provisions is determined according to the best-estimate principle. Under this calculation method, management makes estimates regarding the probability of occurrence and other considerations. The actual liabilities may differ from the balance sheet values as a result of new findings. Provisions for other long-term employee benefits (loyalty bonuses for long years of service) are determined in the same way as the provisions for sabbaticals taken by senior management and top management using the projected unit credit method. Past service cost, net interest income and remeasurements are recognized directly in the income statement.

Provisions						
CHF million	Other long-term employee benefits	Restructuring	Claims incurred	Litigation risks	Other	Total
As at 1.1.2023	98	31	31	5	63	228
Additions to the consolidated Group	–	0	–	0	–	0
Recognition	13	15	29	3	8	68
Present value adjustment	2	–	–	–	0	2
Use	–12	–9	–22	–1	–8	–52
Reversal	–1	–15	–10	–1	–2	–29
Reclassifications	–	–	–	–	0	0
Currency translation differences	–	0	–	0	0	0
As at 31.12.2023	100	22	28	6	61	217
of which short term	12	10	23	2	6	53
As at 1.1.2024	100	22	28	6	61	217
Additions to the consolidated Group	1	–	–	0	–	1
Recognition	18	7	37	6	6	74
Present value adjustment	1	–	–	–	0	1
Use	–12	–15	–24	–2	–7	–60
Reversal	–2	–4	–17	–2	–6	–31
Reclassifications	–	–	–	0	0	0
Disposal from consolidated Group	0	–	–	–	–	0
Currency translation differences	0	0	0	0	0	0
As at 31.12.2024	106	10	24	8	54	202
of which short term	13	5	2	4	2	26

Provisions of 7 million francs were recognized for planned and communicated restructuring plans (previous year: 15 million francs). The amount consists of benefits due based on the collective employment contract redundancy plan as well as additional benefits.

26.1 | Other long-term employee benefits

Provisions for other long-term employee benefits essentially comprise bonuses for anniversaries for numbers of years of service (loyalty bonuses including sabbaticals for management employees). In addition to loyalty bonuses and sabbaticals, other benefits amounting to 1 million francs (previous year: 1 million francs) are also included.

The following parameters were applied:

Assumptions for the calculation	Loyalty bonuses	
	31.12.2023	31.12.2024
As at		
Discount rate	1.48%	0.95%
Annual change in salaries	1.50%	1.50%
Leave share	55.80%	55.80%
Voluntary turnover	9.76%	7.91%
Average remaining service in years	9.15	9.82

26.2 | Contingent liabilities: guarantees and guarantee obligations

As in the previous year, there were no guarantees or guarantee obligations at the end of 2024.

26.3 | Contingent liabilities: legal cases

As regards claims or legal cases for which no reliable estimate of the amount of the obligation can be made, no provision is recognized. Executive Management believes either that they can be refuted or that they will not have a material impact on the Group's financial position or operating profit. In the reporting period, the resulting contingent liabilities amounted to 31 million francs (previous year: 26 million francs).

27 | Equity

27.1 | Share capital

On 1 January 1998, the Swiss Confederation provided Swiss Post with interest-free endowment capital of 1,300 million francs. Swiss Post was converted from an institution under public law into a company limited by shares subject to a special statutory regime with share capital of 1,300 million francs in accordance with the Postal Services Organization Act on 26 June 2013 with retroactive effect to 1 January 2013. The Confederation remains the full owner of Swiss Post.

The share capital comprises 1,300,000 registered shares, each with a face value of 1,000 francs. All shares are fully paid up.

27.2 | Gains and losses recorded directly in other comprehensive income

Revaluation of employee benefit obligations and employee benefit assets

Changes in revaluation gains from employee benefit obligations and employee benefit assets in accordance with IAS 19 that occurred during the year and that were recorded in other comprehensive income (OCI) as equity are shown in the following table. Revaluation gains are the result of changes in assumed (estimated) amounts and differences between the assumed (estimated) amounts and their actual realizations.

Fair value reserves

Fair value reserves comprise fluctuations in the value of financial assets FVTOCI, which are caused mainly by fluctuations in capital market interest rates. The cumulative gains/losses from the sale of debt instruments are transferred to the income statement. In the case of equity instruments held within the FVTOCI option, a reclassification to retained earnings is undertaken on the date of sale.

Hedging reserves

Hedging reserves include net gains and losses resulting from fair value changes attributable to the effective portion of cash flow hedges. The hedging reserves are reclassified in profit or loss when the hedged item is closed out. In addition, the foreign currency basis spreads of cross-currency swaps are allocated as hedging costs in the hedging reserves and reclassified to the income statement over the term of the underlying transaction.

Currency translation reserves

Currency translation reserves contain the cumulative differences resulting from the translation of the financial statements of subsidiaries, associates and joint ventures from their functional currency into Swiss francs. In the event of the sale of a company with a functional currency in a foreign currency, the corresponding reserve is released to profit or loss.

Other gains and losses

These reserves comprise any other gains and losses recorded in other comprehensive income, such as those arising from associates and joint ventures.

27.3 | Distributions paid to the owner

On 30 April 2024, the General Meeting of Swiss Post Ltd approved the distribution of a total of 50 million francs (previous year: 50 million francs) or 38.46 francs per share (previous year: 38.46 francs per share) in the form of a dividend to the owner. The payment was made on 29 May 2024.

According to the proposal submitted by the Board of Directors to the General Meeting of Swiss Post Ltd, 100 million francs will be distributed for the 2024 financial year. Further details can be found in the Swiss Post Ltd annual financial statements.

Gains and losses recorded directly in other comprehensive income:

Group Gains and losses recorded directly in other comprehensive income		Revaluation of employee benefit assets / obligations	Fair value reserves	Hedging reserves	Currency translation reserves	Other gains and losses	Equity attributable to the owner	Non-controlling interests	Total
CHF million	Notes								
Balance as at 1.1.2023		2,043	-178	64	-34	2	1,897	2	1,899
Revaluation of employee benefit obligations and employee benefit assets	11	-138	-	-	-	-	-138	0	-138
Change in fair value reserves of equity instruments FVTOCI		-	38	-	-	-	38	-	38
Change in income taxes	17	25	-9	-	-	-	16	0	16
Items not reclassifiable in consolidated income statement, after tax		-113	29	-	-	-	-84	0	-84
Change in currency translation reserves		-	-	-	-9	-	-9	0	-9
Change in share of other comprehensive income from associates and joint ventures	16	-	-	-	-	-2	-2	-	-2
Change in fair value reserves of debt instruments FVTOCI, net		-	232	-	-	-	232	-	232
Change in hedging reserves, net ¹		-	-	56	-	-	56	-	56
Change in income taxes	17	-	-44	-11	3	-	-52	-	-52
Reclassifiable items in consolidated income statement, after tax		-	188	45	-6	-2	225	0	225
Other comprehensive income		-113	217	45	-6	-2	141	0	141
Balance as at 31.12.2023		1,930	39	109	-40	0	2,038	2	2,040
Balance as at 1.1.2024		1,930	39	109	-40	0	2,038	2	2,040
Revaluation of employee benefit obligations and employee benefit assets	11	-189	-	-	-	-	-189	-1	-190
Change in fair value reserves of equity instruments FVTOCI		-	89	-	-	-	89	-	89
Change in income taxes	17	31	-17	-	-	-	14	0	14
Items not reclassifiable consolidated income statement, after tax		-158	72	-	-	-	-86	-1	-87
Change in currency translation reserves		-	-	-	0	-	0	0	0
Change in share of other comprehensive income from associates and joint ventures	16	-	-	-	-	7	7	-	7
Change in fair value reserves of debt instruments FVTOCI, net		-	88	-	-	-	88	-	88
Change in hedging reserves, net ¹		-	-	142	-	-	142	-	142
Change in income taxes	17	-	-17	-27	0	-	-44	-	-44
Reclassifiable items in consolidated income statement, after tax		-	71	115	0	7	193	0	193
Other comprehensive income		-158	143	115	0	7	107	-1	106
Reclassification of realized gains from equity instruments FVTOCI in retained earnings	19	-	-28	-	-	-	-28	-	-28
Balance as at 31.12.2024		1,772	154	224	-40	7	2,117	1	2,118

1 Additional information can be found in the consolidated statement of comprehensive income.

28 | Risk management and risk assessment

28.1 | Risk management (enterprise risk management)

Organization

Swiss Post operates a comprehensive risk management system whose structure is based on ISO 31000:2018. This system was certified by the external auditor Mazars in November 2023. Mazars confirms that Swiss Post demonstrates a high level of maturity with regard to the development and implementation of enterprise risk management compared to other companies of similar size and complexity.

The scope covers all Group and function units of Swiss Post. Subsidiaries and associated companies are integrated into the risk management processes of the Group units to which they are organizationally assigned. The Board of Directors sets out the primary guidelines and principles for the risk management system, defines risk policy at Swiss Post Ltd and approves the risk strategy. The implementation of risk management lies with line management. Unit management members of the different Group units are responsible for their own risk portfolio in order to identify, assess and control risks by taking appropriate measures.

Group risk management runs the process, develops Group-wide risk management methods and ensures that all detectable significant risks are identified and recorded in full in the risk analysis and reporting systems and documented in the reporting for Executive Management and the Board of Directors. Group risk management also monitors the necessary measures, controls and limits as well as the potential risks.

Swiss Post aims to take an integral and comprehensive approach to risk management. Risk management is therefore combined with the Corporate Development, Accounting, Controlling, Insurance, Security, Internal Control System and Crisis Management units as well as with Group Audit, Data Protection, and the Compliance department. Swiss Post's 2nd line of defence functions support one another and form an assurance community led by Group risk management. The aim is to regularly share information and knowledge with one another and coordinate activities, terminology, assessment logic, awareness activities and reporting. The assurance community promotes coordination, mutual foundations and the exploitation of integration and synergy potential.

Risk situation

Swiss Post understands "risk" to mean each possibility of an event or development occurring and exerting a positive or negative impact on the achievement of corporate goals. Risk is thus the umbrella term for a threat (negative target deviation) or opportunity (positive target deviation).

Successful entrepreneurial action is based on adequately controlling or avoiding material threats and taking advantage of opportunities that arise in a value-enhancing way. Risk assessment is carried out as part of operational planning for a four-year planning period (2024 to 2027).

At least once a year, managers and specialists measure the risks that have been identified (threats and opportunities). This measurement is carried out according to a credible worst-case scenario (threat) or credible best-case scenario (opportunity) on the basis of event data, analyses or expert estimates. The credible worst-case scenario constitutes the worst-possible case (threat), and the credible best-case scenario (opportunity) that is still realistic.

The credible worst-case and best-case scenarios are evaluated using the scoring model and an assessment of the following parameters:

- The extent of impact accumulated over the next four years. To evaluate this impact, at least one of the following impact dimensions is assessed: finances, reputation, personal/environmental damage, compliance.
- The likelihood of the identified accumulated impact occurring.

The probability distribution of the Group's overall risk portfolio is calculated using the Monte Carlo simulation process, taking account of the correlations from the probability distributions of the individual risks. The expected loss/gain potential and the maximum loss potential with a confidence interval of 99 percent are derived from this distribution as risk indicators.

Based on the latest calculations, the Group has an expected loss potential of 899 million francs in relation to the 2024–2027 business period. The unexpected four-year loss potential (VaR 99 percent) for the Group totals 2,733 million francs. This means the Group's risk capacity is ensured so that sufficient equity capital would be available at the end of the evaluation period (2027) even in the event of an unexpected cumulative cashflow deviation (VaR 99 percent).

The greatest threats include the development of earnings/equity at PostFinance, restriction/failure of system-critical infrastructure, difficulties with strategy implementation, potential violations of provisions, economic downturns and geopolitical tensions. Positive effects could occur as a result of business optimization measures, customer acquisitions and the implementation of transformation projects.

28.2 | Financial risk management in logistics

Following the introduction of the standard IFRS 9 Financial Instruments, and due to the fundamentally different business models within Swiss Post Group, financial risk management is disclosed in two parts (logistics and PostFinance). The logistics part comprises all Swiss Post's business activities with the exception of the PostFinance segment.

The Swiss Post consolidated balance sheet as at 31 December 2023 and 2024 is broken down between the logistics and PostFinance business models as follows:

Condensed balance sheet, divided according to business model

CHF million	31.12.2023			31.12.2024		
	PostFinance	Logistics	Group	PostFinance	Logistics	Group
Cash	1,277	1	1,278	1,044	0	1,044
Amounts due from banks	26,594	921	27,515	32,053	925	32,978
Interest-bearing amounts due from customers	493	–	493	449	–	449
Trade accounts receivable	4	730	734	5	725	730
Contract assets	29	209	238	29	173	202
Other receivables	387	427	814	451	443	894
of which financial instruments	342	173	515	381	199	580
Financial assets	72,235	208	72,443	69,941	263	70,204
Amortized cost	64,170	166	64,336	61,952	218	62,170
FVTPL including derivative financial instruments	1,449	27	1,476	859	34	893
FVTOCI equity instruments	307	15	322	351	11	362
FVTOCI debt instruments	6,309	–	6,309	6,779	–	6,779
Other assets ¹	860	4,491	5,351	830	4,724	5,554
Total assets	101,879	6,987	108,866	104,802	7,253	112,055
Customer deposits (PostFinance)	89,121	–	89,121	87,979	–	87,979
Other financial liabilities	5,673	1,901	7,574	9,552	1,854	11,406
Liabilities relating to banks	1,520	308	1,828	809	303	1,112
Derivatives	10	1	11	207	4	211
Lease liabilities	43	788	831	46	763	809
Private placements	–	775	775	–	775	775
Repurchase transactions	4,100	–	4,100	8,490	–	8,490
Other	–	29	29	–	9	9
Trade accounts payable	33	269	302	40	270	310
of which financial instruments	31	265	296	36	268	304
Other liabilities	156	594	750	142	608	750
of which financial instruments	30	95	125	36	64	100
Other equity and liabilities ¹	6,896	4,223	11,119	7,089	4,521	11,610
Total equity and liabilities	101,879	6,987	108,866	104,802	7,253	112,055

¹ The other assets and liabilities are not financial instruments. For the purposes of reconciliation with the balance sheet, they are reported here.

Risk management information on PostFinance can be found from page [164](#) onwards. The following explanations refer to financial risk management in the logistics business model.

Credit risks

Credit risks arising from the provision of logistics services include the default risk on cash holdings, amounts due from banks (current account balances, fixed-term deposits), trade accounts receivable, contract assets and other receivables (financial instruments), as well as on financial assets measured at amortized cost. The maximum credit risk corresponds to the amounts reported in the balance sheet and the guarantees provided.

Impairment losses required for potential future defaults on current account balances, fixed-term deposits and amounts due from banks are calculated taking into account the historical probability of default and an estimation of the probability of default in the future. To calculate expected credit loss in the logistics business model, the same ECL model is applied as in the PostFinance business model.

The creditworthiness of major counterparties is constantly monitored. A limit is set for each counterparty for risk control purposes. The counterparty limit is recalculated at regular intervals. Outstanding amounts due from major counterparties are constantly monitored and documented.

The trade accounts receivable recognized originate mainly from the invoicing of services provided by Logistics Services to business customers. Address verification is systematically carried out before automatic opening for all new customers. If upon registration it becomes clear that customers have a large order volume, creditworthiness is verified by means of a credit check. A complete creditworthiness check upon opening a customer relationship is not practically feasible. Instead standard or customer-specific credit limits are set in the main billing system of Logistics Services to minimize risk. If limits are exceeded, there is automatic notification. If irregularities arise, the Receivables & Finance Services team carries out additional checks, for example a creditworthiness check, and adjusts the billing and payment arrangements if required. If the risk of loss is too high, services are only provided in return for advance or cash payment. The measures indicated are also applied with periodic monitoring of outstanding receivables as part of dunning runs or the overdue payment list.

The simplified approach permitted in accordance with IFRS 9 is applied to determine expected credit loss on trade accounts receivable, contract assets and other receivables (financial instruments). A historical default rate is calculated for these in the balance sheet at accounting unit level. An additional risk premium is recorded to take into account future changes in debtor solvency. Bandwidths apply when calculating expected defaults on overdue receivables. If a receivable is 1 to 90 days overdue, an impairment loss of a maximum of 10 percent of the receivable amount is recorded (91 to 180 days: up to max. 75 percent, 181 to 360 days: up to max. 100 percent and more than 360 days: up to max. 100 percent). Information from the dunning system (on customer payment behaviour and creditworthiness) and from the sales department (on the sector and the market) is taken into account to determine the impairment loss. The receivable is definitively derecognized once there are firm indications that it is no longer recoverable.

On the reference date, the following impairment losses on financial instruments were recognized in the logistics business model:

Logistics Impairment losses on financial instruments	31.12.2023			31.12.2024		
	Gross	Impairment	Net	Gross	Impairment	Net
CHF million						
Cash	1	–	1	0	–	0
Amounts due from banks	921	0	921	925	0	925
Trade accounts receivable	739	–9	730	735	–10	725
Contract assets	209	–	209	173	–	173
Other receivables	176	–3	173	207	–8	199
Financial assets						
Amortized cost	171	–5	166	219	–1	218
Total financial instruments	2,217	–17	2,200	2,259	–19	2,240

The following receivables are overdue on the reference date:

Logistics Overdue receivables	31.12.2023				31.12.2024			
	1–90 days	91–180 days	181–365 days	> 1 year	1–90 days	91–180 days	181–365 days	> 1 year
CHF million								
Trade accounts receivable	51	6	4	6	43	11	4	6
Other receivables	3	–	–	13	2	0	–	15
Total receivables	54	6	4	19	45	11	4	21

Impairment losses on amounts due from banks, financial assets at amortized cost, trade accounts receivable, and other receivables (financial instruments) are broken down as follows between levels 1 to 3 as at 31 December 2023 and 31 December 2024:

Logistics Impairment losses on financial instruments	31.12.2023				31.12.2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
CHF million								
ECL on amounts due from banks	–	0	–	0	–	0	–	0
ECL on financial assets at amortized cost	–1	–	–4	–5	–1	–	0	–1
The following impairments were calculated based on the simplified approach								
ECL on trade accounts receivable ¹				–9				–10
ECL on other receivables ¹				–3				–8

¹ In each case, the figure matches the expected loss over the remaining term to maturity.

Other receivables also include receivables from the instalment agreements with the PostBus operators. As the operating materials are transferred at face value according to the Federal Office of Transport (FOT), they reflect the fair value of the receivables. This was also taken into consideration in the recognition of impairment losses.

Liquidity risks

Liquidity risk refers to the risk that current and future payment obligations cannot be met on time in full. Liquidity management by Group Treasury ensures that Swiss Post has sufficient liquidity available at all times to meet its payment obligations, even in stress situations, without losses or reputational damage.

Liquidity is managed daily by Group Treasury and reported each month to the decision-makers at Group level. A Group cash flow plan is drawn up each quarter. The minimum level of liquidity (minimum liquidity/cash burn rate) is defined as cash expenses and planned expenditure for the next 30 days. The short-term cash flow planning is constantly updated and monitored. The following due dates exist for financial instruments in the logistics business model:

Logistics | Due dates of financial instruments

31.12.2023
CHF million

	0–3 months	3 months–1 year	1–5 years	over 5 years	None	Total
Financial assets						
Cash holdings	1	–	–	–	–	1
Amounts due from banks	901	20	–	–	–	921
Trade accounts receivable	730	0	0	0	–	730
Other receivables	158	15	–	–	–	173
Financial assets						
Amortized cost	39	0	0	86	41	166
FVTPL incl. derivative financial instruments	–	–	–	–	27	27
FVTOCI equity instruments	–	–	–	–	15	15
Total financial assets	1,829	35	0	86	83	2,033
Financial liabilities						
Other financial liabilities						
Liabilities relating to banks	308	–	–	–	–	308
Derivatives	–	–	1	–	–	1
Lease liabilities	13	137	406	348	–	904
Private placements ¹	0	8	267	557	–	832
Other	7	3	18	1	–	29
Trade accounts payable	261	4	–	–	–	265
Other liabilities	16	8	43	32	–	99
Total financial liabilities	605	160	735	938	–	2,438

¹ Swiss Post Ltd has several outstanding private placements totalling 775 million francs. Nine tranches overall, expiring between 2026 and 2061, are outstanding on the capital market from major, predominantly domestic, private and institutional investors. The average interest rate applicable to these private placements is 1.06 percent, and the average remaining maturity of the outstanding tranches as at the end of 2023 is 8.4 years.

Logistics | Due dates of financial instruments

31.12.2024
CHF million

	0–3 months	3 months–1 year	1–5 years	over 5 years	None	Total
Financial assets						
Cash holdings	0	–	–	–	–	0
Amounts due from banks	885	40	–	–	–	925
Trade accounts receivable	723	2	0	0	–	725
Other receivables	54	22	83	40	–	199
Financial assets						
Amortized cost	7	8	38	85	80	218
FVTPL incl. derivative financial instruments	–	3	–	–	31	34
FVTOCI equity instruments	–	–	–	–	11	11
Total financial assets	1,669	75	121	125	122	2,112
Financial liabilities						
Other financial liabilities						
Liabilities relating to banks	200	94	2	7	–	303
Derivatives	–	2	2	–	–	4
Lease liabilities	8	103	399	330	–	840
Private placements ¹	0	8	374	442	–	824
Other	5	1	2	1	–	9
Trade accounts payable	268	–	–	–	–	268
Other liabilities	23	1	42	–	–	66
Total financial liabilities	504	209	821	780	–	2,314

¹ Swiss Post Ltd has several outstanding private placements totalling 775 million francs. Nine tranches overall, expiring between 2026 and 2061, are outstanding on the capital market from major, predominantly domestic, private and institutional investors. The average interest rate applicable to these private placements is 1.06 percent, and the average remaining maturity of the outstanding tranches as at the end of 2024 is 7.4 years.

The other financial liabilities with changes in cash flow from financing activities (Group perspective) are as follows:

Group Changes in other financial liabilities							
CHF million	Due to banks	Derivative financial instruments	Lease liabilities	Repurchase transactions	Private placements	Other	Total
As at 1.1.2023	1,526	23	779	15,626	775	27	18,756
Other financial liabilities with change in cash flow from operating and investment activities	1,284	23	–	15,626	–	20	16,953
Other financial liabilities with change in cash flow from financing activities as at 1.1.2023	242	–	779	–	775	7	1,803
Cash increases	65	–	–	–	–	3	68
Cash decreases	–4	–	–137	–	0	0	–141
Changes to scope of consolidation	11	–	45	–	–	13	69
Currency translation differences	–5	–	–3	–	–	0	–8
Other non-cash changes	–1	1	147	–	0	–13	134
Other financial liabilities with change in cash flow from financing activities as at 31.12.2023	308	1	831	–	775	10	1,925
Other financial liabilities with change in cash flow from operating and investment activities	1,520	10	–	4,100	–	19	5,649
As at 31.12.2023	1,828	11	831	4,100	775	29	7,574
As at 1.1.2024	1,828	11	831	4,100	775	29	7,574
Other financial liabilities with change in cash flow from operating and investment activities	1,520	10	–	4,100	–	19	5,649
Other financial liabilities with change in cash flow from financing activities as at 1.1.2024	308	1	831	–	775	10	1,925
Cash increases	1	–	–	–	–	4	5
Cash decreases	–69	–	–148	–	–	–3	–220
Changes to scope of consolidation	65	–	14	–	–	–2	77
Currency translation differences	1	–	1	–	–	0	2
Other non-cash changes	–3	3	112	–	0	–1	111
Other financial liabilities with change in cash flow from financing activities as at 31.12.2024	303	4	810	–	775	8	1,900
Other financial liabilities with change in cash flow from operating and investment activities	809	207	–	8,490	–	–	9,506
As at 31.12.2024	1,112	211	810	8,490	775	8	11,406

The change in customer deposits (PostFinance) reported under financial liabilities is included in cash flow from operating activities.

Foreign currency risks

Foreign currency risk is monitored by Group Treasury on a permanent basis. Foreign currency risk is constantly reduced via cash transactions or foreign exchange forward contracts. Foreign currency is only held to settle current liabilities in foreign currencies. Automated monitoring takes place; daily on the basis of balances transferred in real time. Subsidiaries with no automated connection immediately transfer excess liquidity in all currencies to the Group.

The following currency balances show foreign currency exposure as at 31 December 2023 and 31 December 2024:

Logistics Financial instruments by currency 31.12.2023 CHF million	Functional currency	Foreign currencies					Total
		CHF	EUR	USD	GBP	Other	
Assets							
Cash	1	–	0	–	–	–	1
Amounts due from banks	907	–	14	0	0	–	921
Trade accounts receivable	675	–	47	0	0	8	730
Other receivables	173	–	–	–	–	–	173
Financial assets							
Amortized cost	21	–	126	19	–	–	166
FVTPL incl. derivative financial instruments	3	–	12	12	–	–	27
Liabilities							
Other financial liabilities							
Liabilities relating to banks	215	–	93	–	–	–	308
Derivatives	1	–	–	–	–	–	1
Lease liabilities	788	–	–	–	–	–	788
Private placements	775	–	–	–	–	–	775
Other	23	–	6	–	–	–	29
Trade accounts payable	243	–	17	0	0	5	265
Other liabilities	86	–	9	–	–	–	95

Logistics Financial instruments by currency	Functional currency	Foreign currencies					Total
		CHF	EUR	USD	GBP	Other	
31.12.2024 CHF million							
Assets							
Cash	0	–	0	–	–	–	0
Amounts due from banks	908	–	17	0	0	–	925
Trade accounts receivable	677	0	32	0	0	16	725
Other receivables	199	–	–	–	–	–	199
Financial assets							
Amortized cost	26	–	175	17	–	–	218
FVTPL incl. derivative financial instruments	5	–	15	14	–	–	34
Liabilities							
Other financial liabilities							
Liabilities relating to banks	209	–	94	–	–	–	303
Derivatives	4	–	–	–	–	–	4
Lease liabilities	763	–	–	–	–	–	763
Private placements	775	–	–	–	–	–	775
Other	9	–	0	–	–	–	9
Trade accounts payable	249	–	14	1	0	4	268
Other liabilities	61	–	3	0	–	–	64

Interest rate risks

All financing and refinancing is monitored daily. Variable interest-bearing items are replicated. Net present value, duration and change in present value are calculated with a parallel shift in the yield curve of one basis point (DV01) for quarterly treasury reporting. Interest rate risk is kept as low as possible.

Goods price risks

Goods price risks that are relevant to the Group are identified, evaluated and controlled via appropriate measures by risk management. Significant goods price risks include pressure on parcel margins at Logistics Services due to rising competition and the increase in fuel prices at PostBus.

28.3 | Risk management at PostFinance

Business model and risk profile

PostFinance operates mainly in the fields of payment transaction services, the receipt of customer deposits, account services and related services. It also handles customer securities trading, carries out investments in its own name, and manages other financial services on behalf of third parties. On account of its business model, PostFinance is exposed to risks. PostFinance could suffer losses or deviations from the expected result if these risks materialize.

PostFinance defines three risk categories based on its business model.

- **Financial risk** refers to the risk of unexpected losses from the investment and deposit business. In terms of financial risks, PostFinance differentiates between interest rate, market, credit and liquidity risks.
- **Strategic risk** refers to the risk of failing to achieve company goals at the level of the fundamental or long-term orientation of the institution as a result of unexpected developments.
- **Operational risk** refers to the risk of unexpected costs or unwelcome events (such as events with a negative impact on reputation or compliance breaches) that arise as a result of the inadequacy or failure of internal processes, people or systems, or as a result of external events. Operational risks also include the risks associated with financial reporting.

Governance and reporting

In formal terms, the business control and monitoring process and the entire internal control system comply with the COSO II framework and “three lines model”. The COSO II framework incorporates risk management as well as risk control and monitoring. PostFinance also uses the ISO 31000 standard as a guideline.

The Board of Directors defines the risk policy and principles of risk management and is responsible for the regulation, establishment and monitoring of an effective risk management system. It is also responsible for ensuring an appropriate risk and control environment within PostFinance. The Board of Directors uses the definition of risk appetite to determine the total amount of risk that PostFinance is prepared to take. The risk appetite takes strategic, financial and operational risks into account and must be in line with the company's risk capacity. The risk capacity results from the regulatory and legal requirements to be met, adherence to which enables PostFinance to continue as a going concern. In addition, the risk appetite takes the directives and guidelines of the owner into account.

The Board of Directors and all Board of Directors' Committees (Risk, Audit & Compliance, IT & Digitization, Organisation, Nomination & Remuneration) apply these risk principles. The Risk and Audit & Compliance Committees have a special role to play here, as they perform an explicit monitoring function at Board level, with the Board of Directors' Audit & Compliance Committee focusing in particular on non-financial risks and the Board of Directors' Risk Committee on financial risks.

The PostFinance Executive Board is responsible for implementing the directives of the Board of Directors with regard to risk management and monitoring within the framework of the 1st and 2nd lines, and ensures compliance with the risk capacity and risk appetite. It implements the directives of the Board of Directors with regard to the establishment, maintenance and regular review of control activities and the control units involved. In addition, the Executive Board is responsible for the active management of financial, strategic and operational risks within the framework defined by the Board of Directors and ensures that the risk management infrastructure throughout the institution meets requirements in organizational, human resources, technical and methodology terms. The Chief Risk Officer (CRO) is a member of the Executive Board and is responsible for ensuring that the subordinated, independent control entities perform the tasks entrusted to them.

The business units which represent the 1st line bear primary responsibility for the risks from their unit and exercise their control function in the management of risks, in particular through their identification, measurement, control, monitoring and reporting activities. They take account of the directives of the 1st and 2nd lines and ensure that their risks and controls are complete and up-to-date in the risk and control inventory. Within the 1st line, there are units that are accountable for results and units with no direct accountability for results, which act for example as support units for other units or the Executive Board. The Risk Management unit supports decision-makers with the management and monitoring of financial risks in the overall balance sheet. It identifies, models and measures the financial risks entered into and proposes risk and income-oriented control measures. It also monitors and reports their effectiveness to decision-makers on a regular basis. The Compliance Services unit ensures compliance with legal provisions and guidelines in business operations and at the customer interface in accordance with the directives of the 2nd line. The management of security risks at the operational level is the responsibility of the Security unit.

The 2nd line units independently monitor risk management in the 1st line, ensuring that all risks are appropriately identified, measured, managed, monitored and reported across the company. They also issue directives on the assurance of compliance with internal and external provisions and define methods and procedures for risk management.

At PostFinance, the Governance, Compliance and Risk Control units are the control entities responsible for the 2nd line function. The independence of the 2nd line units from the 1st line units is ensured in organizational terms by the fact that these units are located in the business unit of the CRO.

Risk Control independently monitors all risks that are not monitored by Compliance or Governance. This applies in particular to financial risks, operational risks, security risks and strategic risks. Risk Control continuously monitors the risk situation in these areas, reviews central risk management processes, methods for risk measurement and assessment and risk monitoring systems in the 1st line, and monitors their correct implementation and application. Risk Control defines appropriate directives and processes for identifying, measuring, assessing and controlling the risks taken by PostFinance. Risk Control provides a suitable system for maintaining an inventory of all risks, risk management strategies, controls and events. As a 2nd line unit, it ensures that the 1st line units keep the inventory complete and up-to-date and validates the inventory on an ongoing basis with regard to completeness and correctness.

Compliance independently monitors adherence to legal, regulatory and internal provisions relating to money laundering, tax compliance and the provision of financial services. Governance independently monitors compliance by staff with the rules of governance as a whole and with the Code of Conduct.

As independent control entities, the 2nd line units monitor the established risk profile of PostFinance with suitable instruments, provide a central overview of its development and report it to the Executive Board and the Board of Directors jointly on a quarterly basis at least. In addition, matters of major importance are reported to the Board of Directors by the 2nd line units promptly and on an ad hoc basis. Risk Control coordinates the reporting activities of all 2nd line functions.

As part of the 3rd line, Internal Auditing is responsible for risk monitoring and for overseeing both the 1st and 2nd lines. It reports directly to the Board of Directors of PostFinance.

Risk measurement methods

Risk category	Potential loss or negative impact	Method of risk description and/or control
Financial risks		
- Credit risks	Losses due to deterioration in creditworthiness and counterparty default	Compliance with the minimum regulatory requirements for risk-weighted capital Concentration, rating structure and country portfolio limits as well as nominal limits at counterparty level; management of economic concentration risks in the credit portfolio
- Interest rate risks	Loss in present value of equity following market interest changes Fluctuating net interest income over time	Relative sensitivity limits for equity Implementation of multi-period dynamic revenue analyses
- Liquidity risks	Insolvency	Compliance with the minimum regulatory requirements for the liquidity coverage ratio (LCR), the Liquidity Requirements for Systemically Important Banks (LSIB) and the net stable funding ratio (NSFR) Holding of cash reserves to cover liquidity requirements in stress situations
- Market risks	Losses in fair value to be charged to the income statement and OCI reserves	Compliance with the minimum regulatory requirements for risk-weighted capital Value-at-risk limits for fair value effects on the income statement and equity
Strategic risks		
	Losses, reduced revenues or additional internal expenses resulting from failure to achieve company goals at the level of the fundamental or long-term orientation of the institution	Quantification of gross risk by evaluating the extent of loss and probability of occurrence of a dire but nevertheless realistic scenario. On this basis, establishment of a risk management strategy and risk-mitigating measures, and assessment of the residual risk in both quantitative and qualitative terms. Monitoring of the development of strategic top risks. Level-appropriate addressing of risks through the definition of approval limits and thresholds for risk management measures for individual risks.
Operational risks		
	Losses, reduced revenues or additional internal expenses resulting from inadequate or failed internal processes, people or systems, or external events	Quantification of gross risk by evaluating the extent of loss and probability of occurrence of a dire but nevertheless realistic scenario. On this basis, establishment of a risk management strategy and risk-mitigating measures, and assessment of the residual risk in both quantitative and qualitative terms. Monitoring by defining reporting limits for operational top risks. Level-appropriate addressing of risks through the definition of approval limits and thresholds for risk management measures for individual risks.

PostFinance measures and monitors financial risks both at individual portfolio level and with regard to the overall balance sheet. Risks are limited by means of a multi-dimensional limit system. A variety of methods of differing degrees of complexity are used by Risk Management to measure financial risks. In concrete terms, they include scenario analyses (e.g. to measure the earnings effects of interest rate risks or the full utilization of credit risk limits), sensitivity analyses (e.g. to measure the present value effects arising from interest rate risks) and stochastic models to determine value-at-risk or expected shortfall risk indicators (e.g. to measure fair value risks resulting from open foreign currency items or to quantify economic concentration risks in the credit portfolio). The principal aim of risk measurement is to allow the supervisory bodies to control risks adequately at all times.

All risks of PostFinance are assessed on the basis of a credible worst case scenario (CWC). The CWC represents a dire but nevertheless realistic loss scenario associated with a risk. The CWC covers both probability of occurrence and extent of loss in a quantitative and/or qualitative form. This assessment is undertaken for both gross and residual risk, i.e. after implementation of the risk management strategy. Individual risks are assessed using threshold values with regard to the obligation to record and the necessity of control measures. Approval limits for individual risks are used to ensure that risks and the associated risk management strategy are acknowledged and approved at the appropriate level. At a higher level, the risks in the risk inventory are used by the Executive Board and Board of Directors for the top-down definition of top risks that are of central importance to PostFinance and have a high level of management attention. Operational top risks are measured by aggregating the respective individual risk clusters. These top risks and other aggregated risk positions are assigned to a warning level which, if exceeded, triggers a notification to the Board of Directors.

Stress testing

The Risk Management unit regularly carries out an inverse stress test to identify developments which could pose a particular threat to PostFinance. This test identifies scenarios in which a specific measure of risk takes on extremely unfavourable values. The results of the inverse stress tests are discussed by the Executive Board and the Board of Directors on a regular basis.

As well as being used for control purposes, stress tests are also applied in the Risk Control unit as a monitoring tool for recognizing significant (new) risks, to determine risk concentrations and to verify the appropriateness of risk appetite in stress situations.

Financial risk management at PostFinance

An overview of the breakdown of the financial instruments reported in the Swiss Post consolidated balance sheet as at 31 December 2023 and 2024 between PostFinance and the logistics business model (other companies) is given from → page 156.

The following financial risks are constantly taken, measured, controlled and monitored at PostFinance:

Interest rate risk and balance sheet structure risk

The term "interest rate risk" refers to the potential impact of a change in market interest rates on the present value of assets and liabilities in the balance sheet and on the result from interest operations in the income statement resulting mainly from maturity mismatches. Interest-earning operations are a key earnings driver for PostFinance. As changes in interest rates have a direct impact on net interest income, management of the risks associated with such changes is considered a priority. The majority of customer deposits held by PostFinance are non-maturing and do not earn a fixed rate of interest. The interest rate of these deposits is therefore estimated using a replication method, which aims to map the most closely matching maturities of similar customer products while minimizing interest margin volatility. A certain quota of short-term investments are used to cover short-term volume fluctuations. The maturities of money and capital market investments are determined on the basis of the target present value sensitivity of equity capital, and used to define the maturity transformation strategy. The resulting imbalance between the liability and asset interest rates corresponds to the maturity transformation, which is controlled from a present value and income perspective.

The present value sensitivity covers the net effect of an adverse change in interest rates on the equity of PostFinance in the event of modifications to the yield curve. Future cash flow accruals are discounted according to the risk-adjusted present value formula. Sensitivity to a shift in the yield curve is determined on the one hand, and to isolated interest shocks at specific maturities (key rates) on the other.

PostFinance Absolute change in the present value of equity		
CHF million	31.12.2023	31.12.2024
Short up shock in accordance with FINMA Circular 2019/2 ¹	-304	
Parallel up shock in accordance with FINMA Circular 2019/2 ¹		-265

¹ The six standard shocks in accordance with FINMA Circular 2019/2 "Interest rate risks – banks" have been used to determine the present value sensitivity of equity since 1 January 2019. The scenario resulting in the greatest negative change in the present value of equity is shown per reference date.

Unlike assessments based on present value, income perspective analyses examine the impact of several potential multiple period interest scenarios on PostFinance's future interest income. In addition, dynamic income simulations are carried out for a broad set of deterministic scenarios over the course of the year. These scenarios describe future market interest trends and the resulting changes in customer interest and customer volumes for each replica, as well as different maturity transformation strategies where applicable. Dynamic income simulations are carried out by the Risk Management unit. Risk control proposals are submitted and discussed regularly with the Executive Board on the basis of the results.

Credit risks

PostFinance Ltd was granted a banking licence on 26 June 2013. Even with a banking licence, PostFinance is not permitted to issue direct loans and mortgages due to postal legislation provisions. Interest-bearing customer deposits therefore do not go towards granting mortgages, but are invested on the money and capital markets. PostFinance pursues a conservative investment strategy. Liquidity and creditworthiness are the main criteria for its investment decisions. The cluster risk is deliberately limited by holding financial investments that are broadly diversified in terms of the sectors, countries and counterparties. A large proportion of customer deposits are invested as a sight deposit balance at the SNB. On 31 December 2024, this sight deposit balance stood at 31,521 million francs (previous year: 25,423 million francs).

The term "credit risk" refers to the risk that a counterparty will no longer be able to fulfil its obligations, thereby causing the other party to incur a financial loss. In addition, a sharp decline in the creditworthiness of a counterparty can trigger additional impairment requirements for the creditor. Credit risk increases as counterparties become more concentrated in an individual sector or region. Economic developments affecting whole sectors or regions can threaten the creditworthiness or solvency of an entire group of otherwise unrelated counterparties.

To limit the overall credit risks taken, each year the Board of Directors of PostFinance sets a maximum figure not to be exceeded with regard to regulatory minimum capital to cover credit risks. It also determines directives on the investment rating structure, limits potential country risks and delegates responsibility for approving major counterparty limits to the Board of Directors' Risk Committee. Investments are only permitted if the debtor has a rating and its creditworthiness is classed as investment grade.

In addition to the portfolio limits defined by the Board of Directors, the credit risks associated with investment activities are restricted by the Executive Board by setting counterparty limits and other control requirements.

The directives for counterparty limits are based on publicly accessible ratings by recognized rating agencies and qualified banks, and on internal limit systems, with ESG criteria (environmental, social and governance) also being taken into account. Climate-related finance risks are also analysed and taken into account as part of the ESG criteria. PostFinance publishes the climate-related financial risks in a separate disclosure. By means of quantitative and risk-oriented qualitative analyses of balance sheet key figures and early warning indicators, publicly accessible ratings in the limit systems are examined critically and limits derived from them, taking into account the current portfolio. The Risk Management unit is responsible for developing and applying internal limit systems. These limit systems are approved and released by the Executive Board at least once a year. Changes in a counterparty's creditworthiness or of relevant key figures or ESG criteria result in the immediate adjustment of the directives. Compliance with prescribed limits is monitored on an ongoing basis and is verified by the Treasury unit before the closing of each transaction.

The economic concentration risks in the credit portfolio are taken into consideration in defining the portfolio and counterparty limits. To measure them, PostFinance uses a credit portfolio model that quantifies the credit risks within the credit portfolio while taking into account correlation effects. On the basis of the modelled risk indicators (expected shortfall and relevant risk contributions of sub-portfolios), limits can be defined in such a way that they increase portfolio efficiency and/or limit concentration risks.

The cluster risk is deliberately limited by holding financial investments that are broadly diversified in terms of the counterparties. An overview of the three largest counterparties as at 31 December 2023 and 31 December 2024 is given below:

PostFinance | Breakdown of the largest counterparties¹

CHF million	31.12.2023	31.12.2024
Pfandbriefbank schweizerischer Hypothekarinstitute AG, Zurich	10,066	9,464
Pfandbriefzentrale der schweizerischen Kantonalbanken AG, Zurich	7,888	7,509
Swiss Confederation, Bern	2,775	1,973

¹ Includes amounts due from banks (excluding secured loans) and financial assets; based on nominal values.

Country risks are controlled by establishing country portfolio limits, which encourages a broad diversification of international financial assets. An overview of the three largest country exposures as at 31 December 2023 and 31 December 2024 is given below:

Summary of main country exposures¹

CHF million	31.12.2023	31.12.2024
Switzerland	46,925	44,670
USA	5,637	6,480
France	3,269	3,179

¹ Includes amounts due from banks (excluding secured loans) and financial assets; based on nominal values.

The Risk Management unit informs the Executive Board of the extent to which limits are used in monthly reports. It submits risk control proposals where limits have been exceeded, resulting from adjustments to counterparty limits.

As an integral part of credit risk management, the limit systems are subjected to regular checks by Risk Control.

Credit risks arising from customer transactions are of secondary importance at PostFinance, and are due to account overdraft limits proposed in connection with payment transaction services, and to the range of credit cards available. The credit risks taken are established and monitored by means of product-specific processes. The Executive Board issues general directives on credit checks and authorizations for approving individual limits.

Collateral concentration risks may arise when carrying out repo transactions (financial investments in exchange for collateral) and securities lending transactions (securities lending in exchange for collateral). The collateral protects PostFinance against the counterparty default risk, as it can be realized by PostFinance in the event of default by the counterparty. Concentrations of securities delivered are measured, monitored and reported to the Executive Board on a monthly basis. At the same time, wrong-way risks are assessed and risk control proposals submitted where concentrations have been identified. PostFinance receives and provides cash collateral as part of derivative transactions and to cover operational risks in cooperation transactions. The amount of cash collateral and the exchange are determined and monitored in product-specific processes. PostFinance has concluded ISDA agreements with all counterparties for derivative transactions, including the Credit Support Annex, in which the variation margins are regulated in a standardized manner.

The mortgage lending solutions offered in cooperation with Münchener Hypothekenbank eG (MHB) since 2008, with Valiant Bank AG since 2010 and with Credit Exchange Ltd since 2023 do not result in any credit risks for PostFinance. These are borne entirely by the partner banks.

Impairment and analysis of expected losses

On the reference date, the following impairment losses on financial instruments were recognized in the PostFinance business model:

PostFinance Value adjustments on financial instruments	31.12.2023			31.12.2024		
	Gross	Impairment	Net	Gross	Impairment	Net
CHF million						
Cash	1,277	–	1,277	1,044	–	1,044
Amounts due from banks	26,640	–46	26,594	32,099	–46	32,053
Interest-bearing amounts due from customers	499	–6	493	455	–6	449
Trade accounts receivable	4	–	4	5	–	5
Contract assets	29	–	29	29	–	29
Other receivables	342	0	342	381	0	381
Financial assets						
Amortized cost	64,194	–24	64,170	62,012	–60	61,952
FVTOCI debt instruments	6,309	–2 ¹	6,309	6,779	–3 ¹	6,779
Total financial instruments	99,294	–78	99,218	102,804	–115	102,692

¹ The impairment loss is reported and carried forward in other comprehensive income.

Impairment losses are calculated using an expected credit loss model. The approach is forward looking in accordance with the relevant paragraphs of the IFRS 9 standard and takes into account expectations regarding future trends in the business cycle.

As explained above with regard to the logistics business model, the simplified approach permitted in accordance with IFRS 9 is applied to determine expected credit loss on trade accounts receivable, contract assets and other receivables. Overall, these impairments are not material in nature in the PostFinance business model.

As at 31 December 2023 and 31 December 2024, ECL levels are broken down as follows within amounts due from banks, interest-bearing receivables, financial assets and financial guarantees:

PostFinance Analysis of expected losses	31.12.2023				31.12.2024			
	12-month expected credit losses (level 1)	Expected credit losses over remaining term to maturity (level 2)	Expected credit losses over remaining term to maturity (level 3)	Total	12-month expected credit losses (level 1)	Expected credit losses over remaining term to maturity (level 2)	Expected credit losses over remaining term to maturity (level 3)	Total
CHF million								
Amortized cost								
Amounts due from banks	26,594	–	46	26,640	32,053	–	46	32,099
Value adjustments	0	–	–46	–46	–	–	–46	–46
Carrying amount	26,594	–	–	26,594	32,053	–	–	32,053
Interest-bearing amounts due from customers	490	3	6	499	447	3	5	455
Value adjustments	–2	–1	–3	–6	–2	–1	–3	–6
Carrying amount	488	2	3	493	445	2	2	449
Bonds and loans								
AAA to AA–	44,084	–	–	44,084	42,058	–	–	42,058
A+ to A–	13,959	–	–	13,959	13,173	20	–	13,193
BBB+ to BBB–	6,000	–	–	6,000	6,543	–	–	6,543
BB+ to B–	49	0	–	49	61	0	–	61
Below B–	–	–	–	–	–	–	72	72
Unrated	92	–	10	102	74	–	11	85
Total	64,184	0	10	64,194	61,909	20	83	62,012
Value adjustments	–14	0	–10	–24	–14	0	–46	–60
Carrying amount	64,170	0	0	64,170	61,895	20	37	61,952
FVTOCI								
Debt instruments								
AAA to AA–	2,009	–	–	2,009	2,060	–	–	2,060
A+ to A–	3,676	–	–	3,676	3,805	–	–	3,805
BBB+ to BBB–	624	–	–	624	914	–	–	914
Carrying amount	6,309	–	–	6,309	6,779	–	–	6,779
Value adjustments	–2	–	–	–2	–3	–	–	–3
Financial guarantees								
Financial guarantees	53	–	–	53	50	–	–	50

The economic outlook may have an impact on the credit quality of bonds and receivables. The economic forecasts for Switzerland have not changed significantly in 2024. However, these forecasts are subject to greater uncertainty, particularly due to the signals from the US and Europe. Expected losses on receivables and financial investments are therefore difficult to predict. The shifts within levels 1 and 2 were insignificant. Due to value adjustments on two individual items in level 3, the required value adjustments increased by a total of 37 million francs in the 2024 financial year.

Potential offsetting of financial assets and financial liabilities

No offsetting took place. The financial assets and financial liabilities listed below were subject to offsetting agreements, enforceable global offsetting or similar agreements as at 31 December 2023 or 31 December 2024. Both the Swiss Framework Contract for Repo Transactions (Multilateral Version) and the Agreement on the Settlement of Repo Transactions (Triparty Service Agreement) apply to repurchase and reverse repurchase transactions. There is also a framework contract applicable to securities lending transactions, as well as agreements for Triparty Collateral Management (TCM) between SIX Group Ltd, third parties and PostFinance.

PostFinance Financial assets subject to offsetting agreements, enforceable global offsetting or similar agreements	Financial assets with offsetting agreements			Unrecognized offsetting options		Financial assets after consideration of offsetting options
	Financial assets before offsetting (gross)	Offsetting with financial liabilities	Financial assets after offsetting (net)	Financial liabilities	Collateral received	
31.12.2023, CHF million						
Item in the balance sheet						
Positive replacement values	1,330	–	1,330	–	–1,346	–

PostFinance Financial liabilities subject to offsetting agreements, enforceable global offsetting or similar agreements	Financial liabilities with offsetting agreements			Unrecognized offsetting options		Financial liabilities after consideration of offsetting options
	Financial liabilities before offsetting (gross)	Offsetting with financial assets	Financial liabilities after offsetting (net)	Financial assets	Collateral issued	
31.12.2023, CHF million						
Item in the balance sheet						
Negative replacement values	10	–	10	–	–1	9
Repurchase transactions	4,100	–	4,100	–	–4,107	–
Securities lending and similar agreements	1,836	–	1,836	–	–1,942	–

PostFinance Financial assets subject to offsetting agreements, enforceable global offsetting or similar agreements	Financial assets with offsetting agreements			Unrecognized offsetting options		Financial assets after consideration of offsetting options
	Financial assets before offsetting (gross)	Offsetting with financial liabilities	Financial assets after offsetting (net)	Financial liabilities	Collateral received	
31.12.2024, CHF million						
Item in the balance sheet						
Positive replacement values	769	–	769	–	–680	89

PostFinance Financial liabilities subject to offsetting agreements, enforceable global offsetting or similar agreements	Financial liabilities with offsetting agreements			Unrecognized offsetting options		Financial liabilities after consideration of offsetting options
	Financial liabilities before offsetting (gross)	Offsetting with financial assets	Financial liabilities after offsetting (net)	Financial assets	Collateral issued	
31.12.2024, CHF million						
Item in the balance sheet						
Negative replacement values	207	–	207	–	–113	94
Repurchase transactions	8,490	–	8,490	–	–8,532	–
Securities lending and similar agreements	878	–	878	–	–977	–

Transfers of financial assets

Securities received as part of reverse repurchase transactions are recognized in the balance sheet only if risks and opportunities are entered into. Securities transferred as collateral as part of repurchase transactions continue to be recognized in the balance sheet under "Financial assets". Financial instruments loaned as part of securities lending transactions also continue to be recognized in the balance sheet as financial assets.

Financial assets from reverse repurchase, repurchase and securities lending transactions are pledged as follows:

PostFinance | Reverse repurchase transactions and securities lending and repurchase transactions

CHF million	31.12.2023	31.12.2024
Commitments		
Commitments from cash collateral in repurchase transactions	4,100	8,490
of which recognized in financial liabilities – other financial liabilities	4,100	8,490
Securities cover		
Own lent securities or securities provided as collateral for borrowed securities in securities lending and repurchase transactions	5,943	9,409
of which securities for which an unrestricted right to dispose of or pledge was granted	1,836	878
of which recognized in financial assets – amortized cost	1,823	843
of which recognized in financial assets – FVTOCI debt instruments	13	35
Borrowed securities or securities received as collateral for lent securities as part of securities lending and reverse repurchase transactions	1,942	977

Liquidity risks

Liquidity risk refers to the risk that current and future payment obligations cannot be met on time or in full. Liquidity risks are managed with a one-day, a one-month and a long-term time horizon. To guarantee liquidity on a daily basis, financial cushions are defined for the settlement of unforeseen payments. The minimum amount for a financial cushion is based on high daily cash outflows over a one-day horizon with an extremely low probability of occurrence.

Liquidity over a one-month horizon is guaranteed and limited by determining the liquidity coverage ratio (LCR), which is a regulatory key figure.

PostFinance | Liquidity in the short term

Percent	31.12.2023	31.12.2024
Liquidity coverage ratio (LCR)	219%	218%

In addition to the LCR, further liquidity is held to meet the special liquidity requirements of systemically important banks (LSIB).

To ensure liquidity over a longer time horizon, liquidity stress scenarios are defined that last at least three months and must not lead to illiquidity. Long-term stable financing beyond a one-year horizon is ensured by the structural liquidity ratio (net stable funding ratio, NSFR).

PostFinance | Long-term stable financing

Percent	31.12.2023	31.12.2024
Net stable funding ratio (NSFR)	184%	187%

There is an emergency plan to resolve any liquidity crises.

The following table shows an analysis of financial assets and financial liabilities in accordance with the maturities remaining as per the balance sheet date.

PostFinance Maturities					
31.12.2023					
CHF million					
	0–3 months	3 months–1 year	1–5 years	over 5 years	Total
Financial assets					
Cash holdings	1,277	–	–	–	1,277
Amounts due from banks	26,392	250	–	–	26,642
Interest-bearing amounts due from customers	333	–	166	–	499
Financial assets (excluding derivatives)					
Amortized cost	1,550	8,119	30,888	23,755	64,312
FVTOCI debt instruments	439	776	3,623	1,642	6,480
FVTPL debt instruments	1	1	2	–	4
Total non-derivative financial assets	29,992	9,146	34,679	25,397	99,214
Derivative financial instruments for trading purposes					
Outflow	–5,996	–1,121	–1	–	–7,118
Inflow	6,140	1,152	1	–	7,293
Derivative financial instruments for hedging purposes (risk management)					
Outflow	–159	–113	–735	–2,584	–3,591
Inflow	148	85	730	2,661	3,624
Total derivative financial assets	133	3	–5	77	208
Financial liabilities					
Postal accounts	62,218	–	–	–	62,218
Savings and investment accounts	25,096	–	–	–	25,096
Cash bonds for customers	2	4	112	5	123
Money market investments for customers	–	1,684	–	–	1,684
Total customer deposits	87,316	1,688	112	5	89,121
Liabilities relating to banks	1,514	6	–	–	1,520
Other financial liabilities	0	8	20	34	62
Repurchase transactions	4,100	–	–	–	4,100
Total other financial liabilities (excluding derivatives)	5,614	14	20	34	5,682
Issued financial guarantee contracts	2	20	18	13	53
Irrevocable credit commitments	–	–	–	149	149
Total off-balancesheet positions	2	20	18	162	202
Total non-derivative financial liabilities	92,932	1,722	150	201	95,005
Derivative financial instruments for trading purposes					
Outflow	–610	–191	–1	–	–802
Inflow	603	189	1	–	793
Total derivative financial liabilities	–7	–2	0	–	–9

PostFinance | Maturities31.12.2024
CHF million

	0–3 months	3 months–1 year	1–5 years	over 5 years	Total
Financial assets					
Cash holdings	1,044	–	–	–	1,044
Amounts due from banks	32,099	–	–	–	32,099
Interest-bearing amounts due from customers	354	–	101	–	455
Financial assets (excluding derivatives)					
Amortized cost	3,648	5,918	29,346	23,015	61,927
FVTOCI debt instruments	276	1,053	3,673	1,859	6,861
FVTPL debt instruments	1	0	–	–	1
Total non-derivative financial assets	37,422	6,971	33,120	24,874	102,387
Derivative financial instruments for trading purposes					
Outflow	–1,020	–114	–2	–	–1,136
Inflow	1,036	116	2	–	1,154
Derivative financial instruments for hedging purposes (risk management)					
Outflow	–58	–118	–1,054	–1,452	–2,682
Inflow	37	73	918	1,430	2,458
Total derivative financial assets	–5	–43	–136	–22	–206
Financial liabilities					
Postal accounts	62,017	–	–	–	62,017
Savings and investment accounts	24,975	–	–	–	24,975
Cash bonds for customers	9	87	39	5	140
Money market investments for customers	–	847	–	–	847
Total customer deposits	87,001	934	39	5	87,979
Liabilities relating to banks	794	15	–	–	809
Other financial liabilities	2	5	18	35	60
Repurchase transactions	8,490	–	–	–	8,490
Total other financial liabilities (excluding derivatives)	9,286	20	18	35	9,359
Issued financial guarantee contracts	1	18	21	10	50
Irrevocable credit commitments	–	–	105	–	105
Total off-balance sheet positions	1	18	126	10	155
Total non-derivative financial liabilities	96,288	972	183	50	97,493
Derivative financial instruments for trading purposes					
Outflow	–6,272	–1,221	–2	–	–7,495
Inflow	6,154	1,197	2	–	7,353
Derivative financial instruments for hedging purposes (risk management)					
Outflow	–82	–18	–72	–1,495	–1,667
Inflow	82	11	55	1,501	1,649
Total derivative financial liabilities	–118	–31	–17	6	–160

Market risks

PostFinance does not keep a trading book, and uses the market risk, standardized approach in accordance with art. 86 CAO to determine its minimum capital requirement for market risks. To limit the market risks taken, each year the Board of Directors of PostFinance sets a maximum figure not to be exceeded with regard to regulatory minimum capital to cover market risks.

According to PostFinance's business model, market risks are expressed by increased volatility in the short term in the income statement and in other comprehensive income (OCI). PostFinance is exposed to market risks for two reasons:

- Open foreign currency items and changes in value arising from foreign currency derivatives affect the volatility of the income statement (foreign currency risks).
- Changes in the value of instruments that are recognized at fair value (including equity positions, fund investments in the banking book, fixed-interest items available for sale and the related hedging instruments) have an effect on the volatility of OCI and possibly of the income statement

Market risks are modelled according to value at risk and limited in the income statement and OCI by the Board of Directors. To measure market risks, the risk factors that have an impact on the present value of the relevant item are assigned to each item. The change in present value is modelled according to the change in the allocated risk factors. A functional correlation between the item value and the associated risk factors must also be defined. The stochasticity of all relevant risk factors over the next 250 days is determined on the basis of probability distribution assumptions. Corresponding market data time series are used to calibrate the probability distributions. The distribution of changes to IFRS OCI and the IFRS income statement over a one-year period can be determined with the help of the functional correlation established between risk factors and portfolio items. Value at risk is then determined on the basis of the 95 percent quantile. The Risk Management department measures market risks on a weekly basis. It informs the Executive Board of the extent to which limits are used and submits risk control proposals.

The following table shows the breakdown of market risks determined as at 31 December 2023 and 31 December 2024 respectively.

PostFinance Value at risk from market risks		
CHF million	31.12.2023	31.12.2024
Income statement value at risk, aggregated	14	14
Income statement value at risk from foreign currency risks	8	5
Income statement value at risk from equity price risks	–	–
Income statement value at risk from credit spread risks	4	2
Income statement value at risk from interest rate risks	2	7
OCI value at risk, aggregated	225	238
OCI value at risk from foreign currency risks	0	0
OCI value at risk from equity price risks	21	59
OCI value at risk from credit spread risks	78	77
OCI value at risk from interest rate risks	126	102

The following table shows the foreign currency exposure of the PostFinance business model as at 31 December 2023 and 31 December 2024:

PostFinance Financial instruments by currency	Functional currency	Foreign currencies				Total
		EUR	USD	GBP	Other	
31.12.2023 CHF million						
Assets						
Cash	1,189	88	–	–	–	1,277
Amounts due from banks	26,570	10	3	0	11	26,594
Interest-bearing amounts due from customers	492	1	0	0	0	493
Trade accounts receivable	4	–	–	–	–	4
Other receivables	210	88	38	1	5	342
Financial assets						
Amortized cost	54,962	5,614	2,682	114	798	64,170
FVTOCI debt instruments	–	4,568	1,741	–	–	6,309
Liabilities						
Customer deposits (PostFinance)	86,485	2,093	459	43	41	89,121
Other financial liabilities excluding derivatives						
Liabilities relating to banks	1,463	56	1	–	0	1,520
Lease liabilities	43	–	–	–	–	43
Repurchase transactions	4,100	–	–	–	–	4,100
Trade accounts payable	29	2	0	0	0	31
Other liabilities	29	1	0	0	0	30

PostFinance Financial instruments by currency	Functional currency	Foreign currencies				Total
		EUR	USD	GBP	Other	
31.12.2024 CHF million						
Assets						
Cash	961	83	–	–	–	1,044
Amounts due from banks	31,991	43	7	1	11	32,053
Interest-bearing amounts due from customers	449	0	0	0	0	449
Trade accounts receivable	5	–	–	–	–	5
Other receivables	203	116	53	2	7	381
Financial assets						
Amortized cost	51,872	5,938	3,132	136	874	61,952
FVTOCI debt instruments	–	4,481	2,298	–	–	6,779
Liabilities						
Customer deposits (PostFinance)	85,397	1,994	510	39	39	87,979
Other financial liabilities excluding derivatives						
Liabilities relating to banks	803	4	2	0	0	809
Lease liabilities	46	–	–	–	–	46
Repurchase transactions	8,490	–	–	–	–	8,490
Trade accounts payable	33	1	2	0	–	36
Other liabilities	35	1	0	0	0	36

Operational and strategic risks

Definition

In line with the Basel Committee on Banking Supervision, operational risk at PostFinance is defined as the risk of unexpected costs or unwelcome events (such as events with a negative impact on reputation or compliance) that may arise as a result of the inadequacy or failure of internal processes, people or systems, or as a result of external events. Strategic risk refers to the risk of failing to achieve company goals at the level of the fundamental or long-term orientation of the institution as a result of unexpected developments. The Board of Directors sets out the principles for managing operational and strategic risks and defines the risk appetite in the risk policy regulations.

Risk appetite is defined using quantitative and qualitative targets from various perspectives. Equity is allocated for operational risks to meet regulatory requirements. The Board of Directors also defines indicators for the main risk categories and approval limits for individual risks. If these limits are exceeded, the management of the corresponding risks must be submitted to the Board of Directors for approval. The Board of Directors also adopts qualitative requirements on risk appetite. In particular, operational risks with the potential to lead to serious infringements of laws or regulations in plausible, adverse scenarios are not tolerated.

The risk appetite for strategic risks is taken into account by the Board of Directors when drawing up the business strategy. The Board of Directors receives regular reports on the extent of strategic risks. As part of equity capital planning, the Board of Directors is shown whether the strategy is feasible in compliance with regulatory capital and liquidity requirements.

The risk management process ensures that the risks assumed are in line with the risk appetite and that the risk capacity and in particular the legal and regulatory requirements are complied with. The stabilization and emergency plan is an instrument used to ensure either the continuation of business activities or, alternatively, an orderly wind-down with the continuation of systemically important functions, even during stressful periods.

28.4 | Derivative financial instruments and hedge accounting (Group)

Swiss Post acquires derivative financial instruments predominantly for hedging purposes. PostFinance holds derivative financial instruments to manage current or future interest rate risks and to manage foreign currency risks. The derivatives held comprise interest rate swaps, cross-currency interest rate swaps and FX forwards. In the logistics business model, individual derivatives are held to hedge foreign currency and commodities price risks.

Hedge accounting and micro-hedges are applied at PostFinance and PostBus (fuel hedges). Hedge accounting is applied if derivative financial instruments are effective in offsetting changes in replacement value or cash flows attributable to the hedged items.

Use of derivative financial instruments at PostFinance

PostFinance uses derivative financial instruments exclusively to hedge interest and currency risks.

The bond market in Swiss francs is not sufficient to cover PostFinance's investment requirements. It therefore invests in foreign currency bonds. As a general rule, two methods are used to hedge the foreign currency risks taken. A proportion of the foreign currency bonds refinanced in Swiss francs are hedged by means of cross-currency interest rate swaps (CCIRS). PostFinance uses hedge accounting here. The advantage of this method is that the amounts of all future cash flows (coupons, nominal value repayment) in Swiss francs are already known on the date of conclusion of the transaction. However, it rules out the diversification benefits associated with the varying amounts and performance of term spreads of different foreign currency yield curves. The second method is used to take advantage of diversification potential and access bond markets on which CCIRS are only available with high illiquidity discounts. The currency risks of certain foreign currency bonds are hedged economically by means of a currency overlay of rolling short-term foreign exchange forward contracts (FX forwards) without using hedge accounting.

The foreign currency risks of the other financial instruments are hedged on a rolling basis using FX forwards.

Interest rate swaps are used to control duration on the assets side. Long (short) duration bonds are transformed into short (long) duration bonds by means of interest rate swaps. As a rule, interest rate swaps (micro-hedges) are used to control the maturity transformation strategy in the overall balance sheet.

Economic relationship between hedged items and hedging transactions

PostFinance records the relationship between the hedging instrument and the hedged item on the date on which a financial instrument is classed as a hedging relationship. The information recorded includes the risk management objectives and strategy of the hedging transaction, and the methods used to measure the effectiveness of the hedging relationship. The economic relationship between the hedged item and the hedging transaction is constantly measured on a prospective basis in the course of effectiveness tests by measuring factors such as inverse performance and its correlation.

Effectiveness measurement

Hedging is deemed to be highly effective if the following criteria are essentially met:

- Hedging is considered to be highly effective upon its initial recognition (on a prospective basis via the critical terms match method).
- There is a close economic relationship between the hedged item and the hedging transaction.
- There is an inverse relationship between the value changes of the hedged item and those of the hedging transaction with regard to the hedged risk.

Ineffectiveness

If this results in an ineffective portion, this is included in the income statement for the period in question. This is carried out regularly through quantitative analysis based on the dollar-offset method. The absolute changes in value of the hedged item and hedging instrument are then compared for the period.

Derivatives entered into on behalf of customers of PostFinance are disclosed in the following overview as derivatives held for trading.

Group Overview of derivative financial instruments	31.12.2023		31.12.2024	
	Positive fair values	Negative fair values	Positive fair values	Negative fair values
CHF million				
Cash flow hedges				
Interest rate and currency risk				
Cross-currency interest rate swaps	944	–	695	3
Other				
Commodity swaps	–	–	–	4
Completed non-fulfilled transactions	0	–	0	–
Fair value hedges				
Interest rate risk				
Interest rate swaps	208	–	56	62
Derivatives for hedging, excluding application of hedge accounting				
Currency risk				
Foreign exchange forward contracts	175	3	14	141
Other				
Commodity swaps	–	1	–	–
Derivatives for trading purposes				
Currency risk				
Foreign exchange forward contracts	3	7	6	1
Total derivative financial instruments	1,330	11	771	211

Cash flow hedges

PostFinance uses cash flow hedge accounting to hedge the volatility of cash flows from interest-bearing instruments that can be predicted with a high degree of probability. Cash flow hedge accounting is used in particular to hedge fixed income instruments in foreign currencies via cross-currency interest rate swaps (in EUR, USD and SEK).

PostBus uses cash flow hedge accounting to reduce market price fluctuations in diesel consumption by means of commodity swaps. Part of the annual volume is hedged using commodity swaps based on planned values. The hedged price is used as the basis for calculating the price of services.

Group | Contract volumes for cash flow hedges

CHF million	Term to maturity				Total
	0–3 months	3 months–1 year	1–5 years	Over 5 years	
31.12.2023					
Interest rate and currency risk					
Cross-currency interest rate swaps	510	932	4,111	1,758	7,311
Other					
Completed non-fulfilled transactions	2	–	–	–	2
31.12.2024					
Interest rate and currency risk					
Cross-currency interest rate swaps	294	1,174	3,939	1,909	7,316
Other					
Commodity swaps	–	27	24	–	51
Completed non-fulfilled transactions	32	–	–	–	32

Positive replacement values are reported on the balance sheet in financial assets, while negative replacement values are recognized in other financial liabilities.

The following amounts were recognized from designated hedging instruments in the consolidated balance sheet and income statement:

Group Change in hedging instruments							
Cash flow hedges							
CHF million	Positive replacement values	Negative replacement values	Change in fair value in the year under review which was used for disclosure of ineffectiveness	Change in fair value of the hedging instrument, recorded in other comprehensive income	Ineffectiveness recorded in income statement	Net amount reclassified from other comprehensive income to income statement	
31.12.2023							
Interest rate and currency risk							
Cross-currency interest rate swaps	944	–	466	466	–	–387 ¹	
Other							
Completed non-fulfilled transactions	0	–	0	0	–	–	
31.12.2024							
Interest rate and currency risk							
Cross-currency interest rate swaps	695	3	–46	–46	–	196	
Other							
Commodity swaps	–	4	–4	–3	–1	–	
Completed non-fulfilled transactions	0	–	0	0	–	–	

¹ The figure has been adjusted. The item is now reported without foreign currency basis spreads.

In the course of the reporting periods, the following effects arose from designated hedged items (item in the balance sheet: financial assets):

Group Effects of hedged items in cash flow hedges			
CHF million		Change in fair value which was used for disclosure of ineffectiveness	Hedging reserves
31.12.2023			
Interest rate and currency risk			
FVTOCI			
Bonds		–466	195 ¹
31.12.2024			
Interest rate and currency risk			
FVTOCI			
Bonds		46	345
Other			
Fuel		3	3

¹ The figure has been adjusted. The item is now reported without foreign currency basis spreads.

The hedging reserves in other comprehensive income underwent the following change in the reporting periods:

Group Hedging reserves		
CHF million	2023	2024
Balance as at 1.1	64	109
Unrealized gains/losses from cash flow hedges and hedging costs		
Change in fair value of hedging instruments		
Interest rate and currency risk	466	-46
Other	0	-3
Change in hedging costs		
Interest rate and currency risk		
Foreign currency basis spreads	-39	-23
Realized gains/losses from cash flow hedges and hedging costs reclassified from hedging reserve to income statement		
Change in fair value of hedging instruments		
Interest rate and currency risk	-387	196
Change in hedging costs		
Interest rate and currency risk		
Foreign currency basis spreads	16	18
Change in deferred income taxes	-11	-27
Balance as at 31.12	109	224

These cash flows are expected to have an effect on the income statement in the following periods:

PostFinance Cash flows (not discounted)				
CHF million	Term to maturity			
	0–3 months	3 months–1 year	1–5 years	Over 5 years
31.12.2023				
Cash inflows	23	45	223	66
Cash outflows	-50	-108	-424	-110
31.12.2024				
Cash inflows	31	54	276	59
Cash outflows	-60	-124	-527	-111

Fair value hedges

PostFinance uses fair value hedge accounting to hedge changes in the value of interest-sensitive assets. Fair value hedge accounting is used in particular to hedge fixed income instruments via interest rate swaps.

Group Contract volumes for fair value hedges					
CHF million	Term to maturity				
	0–3 months	3 months–1 year	1–5 years	Over 5 years	Total
31.12.2023					
Interest rate risk					
Interest rate swaps	-	-	300	2,456	2,756
31.12.2024					
Interest rate risk					
Interest rate swaps	-	-	550	2,800	3,350

Positive replacement values are reported on the balance sheet in financial assets, while negative replacement values are recognized in other financial liabilities.

The following amounts were recognized from designated hedging instruments in the consolidated balance sheet and income statement:

Group Change in hedging instruments					
Fair value hedges				Change in fair value in year under review which was used for disclosure of ineffectiveness	Ineffectiveness recorded in income statement
CHF million		Positive replacement values	Negative replacement values		
31.12.2023					
Interest rate risk					
	Interest rate swaps	208	–	–237	–
31.12.2024					
Interest rate risk					
	Interest rate swaps	56	62	–209	–

In the course of the reporting periods, the following amounts arose from designated hedged items (item in the balance sheet: financial assets):

Group Effects of hedged items					
in fair value hedges			Accumulated expenses or income from fair value hedge adjustments that were recorded in the carrying amount of the hedged item	Change in fair value which was used for disclosure of ineffectiveness	Accumulated amount remaining in the balance sheet from fair value hedge adjustments for hedged items that are no longer adjusted for gains and losses from hedging.
CHF million		Carrying amount of hedged item			
31.12.2023					
Interest rate risk					
Amortized cost					
	Bonds	2,373	–196	220	3
	Loans	192	–8	17	–
31.12.2024					
Interest rate risk					
Amortized cost					
	Bonds	3,165	1	198	2
	Loans	203	3	11	–

28.5 | Capital management at Swiss Post and PostFinance Ltd

Swiss Post endeavours to achieve a solid equity base in line with industry standards. It also considers the goals set by the owner with regard to maximum net debt and securing the company's value. The continued existence of the company should be ensured at all times, and the resources implemented should result in appropriate income.

Net debt is measured in relation to EBITDA (operating profit before depreciation and amortization) and must not exceed the figure of 1 for long periods. External debt, in particular in the form of outstanding private placements currently totalling 775 million francs (31 December 2023: 775 million francs) can be fully offset with available liquid assets, meeting the target value. Customer deposits and financial investments of PostFinance Ltd are not included in the calculation of this indicator.

Economic value added is established on the basis of the earnings generated in relation to the economically accurate cost of invested capital, whereby the basis of capital costs is determined from a comparison with other companies in the sector.

The appropriation of profit is determined by legal provisions, by the goals set by the Federal Council, and by the requirements of the business. The key issues are a risk-appropriate capital structure and the financing of investments.

According to the decree issued by the Swiss National Bank on 29 June 2015, PostFinance Ltd was designated a systemically important financial group. As a result, the requirements set out in articles 124 to 136 of the Ordinance on the Capital Adequacy and Risk Diversification of Banks and Securities Firms (CAO) also became relevant to PostFinance Ltd. The detailed capital adequacy disclosure in accordance with the requirements for systemically important banks is found in the separate publications "Capital adequacy disclosure" and "Disclosure on grounds of systemic importance" of PostFinance Ltd.

29 | Fair value disclosures

29.1 | Carrying amounts and fair values of financial instruments and other assets

The carrying amounts and corresponding fair values of financial assets and liabilities, biological assets and investment property are as follows on 31 December 2023 and 31 December 2024:

Carrying amounts and fair values of financial instruments and other assets	31.12.2023		31.12.2024	
	Carrying amount	Fair value	Carrying amount	Fair value
CHF million				
Financial assets measured at fair value				
Financial assets				
FVTOCI				
Shares	322	322	362	362
Bonds	6,309	6,309	6,779	6,779
FVTPL mandatory				
Shares	31	31	41	41
Bonds	5	5	1	1
Funds	110	110	80	80
Positive replacement values	1,330	1,330	771	771
Financial assets not measured at fair value				
Financial assets				
Amortized cost				
Bonds	49,973	48,556	47,558	47,465
Loans	14,363	13,906	14,612	14,473
Other assets measured at fair value less costs to sell				
Biological assets	41	41	39	39
Other assets not measured at fair value				
Investment property	428	772	442	901
Financial liabilities measured at fair value				
Other financial liabilities				
Negative replacement values	11	11	211	211
Deferred purchase price payments (earn out)	19	19	–	–
Other liabilities				
Put options on non-controlling interests	70	70	41	41
Financial liabilities not measured at fair value				
Other financial liabilities				
Private placements	775	759	775	791

The carrying amounts of cash holdings, amounts due from banks, interest-bearing amounts due from customers, trade accounts receivable and payable, other receivables excluding accrued income and prepaid expenses and other liabilities excluding accrued expenses and deferred income, customer deposits (PostFinance) and other financial liabilities (excl. private placements) represent a reasonable estimate of fair value. These financial instruments are therefore not reported above.

29.2 | Fair value hierarchy

Financial instruments measured at fair value are assigned to one of three levels in the fair value hierarchy at the end of the year. The level to which they are assigned depends on the lowest level parameter, which is used for determining the fair value of the financial instrument. For purposes of disclosure, the same applies to financial instruments that are excluded from fair valuation.

Level 1 Quoted prices in an active market: fair value is determined on the basis of quoted prices in the active market for the specific assets and liabilities. The market price at the balance sheet date is mandatory and may not be adjusted.

Level 2 Valuation method based on observable model inputs: positions that are not traded on an active market but whose fair values are measured on the basis of similar assets and liabilities traded on active markets or using valuation techniques are classified as level 2. As a rule, recognized valuation techniques and directly or indirectly observable market data should be used as model parameters. Possible input parameters for level 2 fair values are prices in active markets for comparable assets and liabilities under normal market conditions. Fair values calculated using the DCF method with model inputs based on observable market data are classified as level 2.

The DCF method involves estimating the present value of expected cash flows from assets or liabilities. A discount rate is applied, which corresponds to the creditworthiness required on the market for similar instruments with similar risk and liquidity profiles. The discount rates needed for the calculation are determined according to standard market yield curve modelling and models.

Level 3 Valuation method not based on observable model inputs: fair value is determined using valuation techniques and significant inputs specific to the company that are not observable in the market.

Fair values are determined as follows:

Fair value of financial instruments and other assets	31.12.2023				31.12.2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
CHF million								
FVTOCI								
Shares	214	–	108	322	284	–	78	362
Bonds	6,187	122	–	6,309	6,644	135	–	6,779
FVTPL mandatory								
Shares	–	–	31	31	–	–	41	41
Bonds	–	–	5	5	–	–	1	1
Funds	–	110	–	110	–	80	–	80
Positive replacement values	–	1,330	–	1,330	2	769	–	771
Amortized cost								
Bonds	42,653	5,903	–	48,556	42,177	5,288	–	47,465
Loans	–	13,904	2	13,906	–	14,469	4	14,473
Negative replacement values								
Deferred purchase price payments (earn out)	–	–	19	19	–	–	–	–
Put options on non-controlling interests	–	–	70	70	–	–	41	41
Private placements	–	759	–	759	–	791	–	791
Biological assets								
Investment property	–	–	772	772	–	–	901	901

In relation to the acquisitions made in the current financial year of Diartis AG and Open Systems AG and the acquisitions made in the previous financial years of SPOTME Holding SA, unblu inc, and Bring! Labs AG, there are liabilities arising from put options on non-controlling interests. The financial liabilities arising from the put options are recognized at fair value and discounted to present value using cost of debt. The fair value calculations are based on the maximum number of shares that can be exercised at a price calculated on the basis of forecast profit and revenue trends. Despite the new acquisitions, liabilities arising from put options have decreased. The reduction is mainly due to the exercise of the option at Hacknowledge SA, T2i Holding SA, terreActive Ltd and DIALOG VERWALTUNGS-DATA AG.

For more information on deferred purchase price payments (earn-outs) see Note 5.2, Assets and liabilities arising from acquisitions.

Unlisted equity instruments in level 3 must be disclosed under either the FVTOCI or FVTPL mandatory category. A number of small investments, primarily in startup companies, are measured at fair value through profit or loss. In addition, the Group holds strategic long-term interests in infrastructure and service providers, which are measured at fair value with changes in fair value recorded in other comprehensive income. The fair value of these investments is determined using the DCF valuation method, the capitalized earnings method, or where appropriate on the basis of the reported or published net asset value adjusted for any relevant factors. In a few cases (minor interests), acquisition costs less impairment losses are used as a reasonable estimate of fair value for simplification purposes.

The fair value less costs to sell of the biological assets in level 3 is determined using the DCF method. The valuation parameters and sensitivities are explained in Note 21, Biological assets.

The financial assets and liabilities measured at fair value assigned to level 3 underwent the following changes during 2023 and 2024 respectively:

Fair value hierarchy: changes in level 3

CHF million	Financial assets		Other assets	
	FVTOCI	FVTPL mandatory	Biological assets	Financial liabilities
Balance as at 1.1.2023	116	42	–	124
Gains/losses recorded in the income statement	–	1	1	0
Gains/losses recorded in other comprehensive income	–23	–	–	–
Revaluation via retained earnings	–	–	–	–38
Additions	7	10	40	17
Disposals	–	–9	–	–14
Reclassifications from FVTPL mandatory to FVTOCI	8	–8	–	–
Balance as at 31.12.2023	108	36	41	89
Balance as at 1.1.2024	108	36	41	89
Gains/losses recorded in the income statement	–	0	1	–16
Gains/losses recorded in other comprehensive income	–30	–	–1	–
Revaluation via retained earnings	–	–	–	–10
Additions	1	11	–	10
Disposals	–1	–4	–2	–34
Balance as at 31.12.2024	78	43	39	39

For level 3 instruments, the value is based on unobservable inputs, which within a reasonable range are at the discretion of management. The main factor for the valuation of equity instruments using the DCF valuation method is the discount rate at which future cash flows are discounted. A change in the net asset value of unlisted interests results in a proportionate change in the fair value of these shares.

Gains and losses from financial assets FVTPL are recorded under net financial income in the logistics business model and under the result from FVTPL trading portfolio assets and mandatory (income from financial services) in the PostFinance business model.

No reclassifications were carried out within the different levels as at 31 December 2023 and 31 December 2024. Reclassifications between the different levels are carried out at the end of each reporting period.

The fair value measurements of investment properties were carried out exclusively by independent or internal experts with the necessary expertise.

Investment property Text, in percent, CHF million	Measurement method	Discount rate		Fair value	
		31.12.2023	31.12.2024	31.12.2023	31.12.2024
Bellinzona, Viale Stefano Franscini 30 ¹	Capitalized earnings	2.9	–	9	–
Bern PostParc, Schanzenstrasse 4/5	DCF	3.0	3.0	365	368
Bern, Viktoriastrasse 72 ²	DCF	–	3.0	–	19
Chiasso, Piazza Indipendenza ²	DCF	–	4.0	–	10
Delémont, Postplatz	DCF	3.5	3.5	72	70
Dübendorf, Wilstrasse 13 + 15	DCF	2.8	2.8	23	23
Frauenfeld Cupola, Rheinstrasse 1	DCF	3.2	3.2	39	40
Geneva, Rue du Vieux-Collège 3 ³	DCF	3.5	2.6	25	41
Interlaken, Marktgasse 1	DCF	3.4	3.4	17	18
Kloten, Bahnhofstrasse 2/6 ²	DCF	–	3.1	–	25
Martigny, Avenue de la Gare 34	DCF	3.3	3.3	30	30
Riehen, Bahnhofstrasse 25 ³	DCF	3.2	3.2	17	17
Uster, Gerichtsstrasse 4 ²	DCF	–	3.2	–	18
Volketswil, Im Zentrum 14/16	DCF	2.9	2.9	20	21
Zollikofen, Schulhausstrasse 27	DCF	2.9	2.9	20	20
Zug, Postplatz 1	DCF	3.2	3.2	22	23
Zurich, Altstetterstrasse 159 ³	DCF	–	2.5	–	44
Zurich, Franklinstrasse 27	DCF	3.1	3.1	81	82
Zurich, Molkenstrasse 8 + 10	DCF	2.4	2.4	32	32

1 Transferred to operating property in the 2024 financial year.

2 Transferred from operating property in the 2024 financial year.

3 Property under construction.

The rental income taken into account in the measurements reflects the current status of letting and reflects the local market situation of the individual properties.

The operating and maintenance costs are based primarily on past experience from the property accounts of the last few years and on benchmarks.

30 | Consolidated Group

30.1 | Subsidiaries

Swiss Post Ltd, as the Group's parent company, holds 100 percent of the shares in Post CH Ltd, Post CH Communication Ltd, Post CH Network Ltd, PostBus Ltd and PostFinance Ltd.

The companies listed below are fully consolidated.

Segment	Company	Domicile	Share capital		Equity interest	Equity interest
			Currency	in thousands	in percent as at 31.12.2023	in percent as at 31.12.2024
Switzerland						
1	Post CH Ltd	Bern	CHF	10,000	100*	100*
1	PostLogistics Ltd	Dintikon	CHF	1,000	100	100
1	SecurePost Ltd in liquidation ¹	Oensingen	CHF	–	100	–
1	B-Sped Logistics (Suisse) SA	Boncourt	CHF	200	100	100
1	Relatra AG	Tägerwilen	CHF	180	100	100
1	DESTINAS AG	Tägerwilen	CHF	140	100	100
1	Walli-Trans AG ²	Leuk	CHF	–	100	–
1	BPS Speditions-Service AG	Pfungen	CHF	100	100	100
1	notime (Schweiz) AG	Zurich	CHF	115	100	100
1	Presto Presse-Vertriebs AG	Bern	CHF	100	100	100
1	Direct Mail Company AG	Basel	CHF	420	100	100
1	Bring! Labs AG ³	Zurich	CHF	241	82	90
1	EDS Media AG ⁴	Meilen	CHF	150	100	–
1	Iemoli Trasporti SA	Chiasso	CHF	100	100	100
1	InTraLog Hermes AG	Pratteln	CHF	100	100	100
1	InTraLog Overseas AG	Kloten	CHF	200	100	100
1	Livesystems Group Ltd	Köniz	CHF	130	100	100
1	Livesystems Ltd	Köniz	CHF	100	100	100
1	Livesystems dooh Ltd	Köniz	CHF	100	100	100
1	Steriplus AG	Kaltbrunn	CHF	550	65	65
1	Stella Brandenberger Transporte AG	Pratteln	CHF	150	100	100
1	MW Partners Holding SA	Le Mont-sur-Lausanne	CHF	708	100	100
1	Stericenter SA	Cugy	CHF	400	100	100
1	Mediwar AG	Muri AG	CHF	200	100	100
1	Marcel Blanc et Cie S.A.	Le Mont-sur-Lausanne	CHF	100	100	100
1	resot.care SA ⁵	Froideville	CHF	–	100	–
1	eoscop AG	Balsthal	CHF	100	100	100
1	H. Bucher Internationale Transporte AG	Alpnach	CHF	100	100	100
1	Kickbag GmbH	St. Gallen	CHF	20	100	100
1	Gaiser Transport AG	Ramsen	CHF	100	100	100
1	STERIPARC SA	Yverdon-les-Bains	CHF	100	60	60
1	Post Construction Logistics Ltd ^{4,6}	Bern	CHF	100	–	–
1	Swiss Post Cargo Holding Ltd ⁶	Dintikon	CHF	1,000	–	100
2	Post CH Communication Ltd	Bern	CHF	1,000	100*	100*
2	DIALOG VERWALTUNGS-DATA AG ⁷	Hochdorf	CHF	1,000	82	100
2	ePost Service Ltd ^{8,9}	Lucerne	CHF	655	70	78
2	SwissSign AG	Opfikon	CHF	450	100	100
2	Tresorit Group Ltd ¹⁰	Zurich	CHF	–	100	–
2	Tresorit AG	Zurich	CHF	100	100	100
2	Hacknowledge SA ¹¹	Morges	CHF	–	80	–
2	Post Sanela Health AG	Zurich	CHF	400	75	75
2	T2i Holding SA ¹²	Sierre	CHF	100	51	100
2	Groupe T2i Suisse SA ¹³	Sierre	CHF	1,000	51	100

* Equity interest is held by Swiss Post Ltd.

1 Liquidated.

2 Merger with BPS Speditions-Service AG.

3 Acquisition of shares (around 8 percent).

4 Sale of shares (100 percent).

5 Merger with Marcel Blanc et Cie S.A.

6 Company founding (100 percent) and sale of shares (100 percent).

7 Acquisition of shares (around 18 percent).

8 Change of company name (previously KLARA Business Ltd).

9 Capital increases and acquisition of shares (around 6 percent).

10 Merger with Tresorit AG.

11 Acquisition of shares (20 percent) and merger with Swiss Post Cybersecurity Ltd.

12 Acquisition of shares (49 percent).

13 Indirect change in shareholding due to acquisition of shares (49 percent) in T2i Holding SA.

Segment

1 = Logistics Services

2 = Communication Services

Segment	Company	Domicile	Currency	Share capital in 000s	Equity interest in percent as at 31.12.2023	Equity interest in percent as at 31.12.2024
Switzerland						
2	unblu inc.	Basel	CHF	335	54	54
2	Unblu adiacom AG	Basel	CHF	100	54	54
2	SPOTME Holding SA	Lausanne	CHF	427	96	96
2	SPOTME SA	Lausanne	CHF	350	96	96
2	TAC.CH Ltd	Aarau	CHF	100	100	100
2	Swiss Post Cybersecurity Ltd ^{14,15}	Aarau	CHF	100	80	100
2	Diartis AG ¹⁶	Lenzburg	CHF	100	–	70
2	Diartis Solutions AG ¹⁶	Lenzburg	CHF	100	–	70
2	Open Systems AG ¹⁷	Zurich	CHF	1,000	–	99
3	Post CH Network Ltd	Bern	CHF	1,000	100*	100*
4	PostBus Ltd	Bern	CHF	1,000	100*	100*
4	Post CH Mobility Ltd ¹⁸	Bern	CHF	1,000	–	100*
4	Post Company Cars Ltd	Bern	CHF	100	100*	100*
5	PostFinance Ltd	Bern	CHF	2,000,000	100*	100*
6	Post CDR Ltd	Bern	CHF	1,000	100*	100*
6	Post Real Estate Management and Services Ltd	Bern	CHF	1,000	100	100
6	Post Real Estate Ltd	Bern	CHF	100,000	100*	100*
6	Swiss Post Insurance Ltd	Bern	CHF	30,000	100*	100*
Bulgaria						
2	Unblu Services Bulgaria EOOD	Sofia	BGN	1	54	54
2	SPOTME EOOD	Sofia	BGN	5	96	96
Germany						
1	Zollagentur Imlig GmbH	Rheinfelden Baden	EUR	25	100	100
1	Bächle Logistics GmbH	Villingen-Schwenningen	EUR	326	100	100
1	Bring! Labs Deutschland GmbH ¹⁹	Berlin	EUR	25	82	90
1	OSA Spedition GmbH	Efringen-Kirchen	EUR	350	100	100
1	OSA Logistik GmbH	Hamburg	EUR	100	100	100
1	Ost-West Cargo Europe GmbH Internationale Spedition	Stuttgart	EUR	50	100	100
1	LS Deutschland Holding GmbH	Efringen-Kirchen	EUR	25	100	100
1	LS Immobilienbewirtschaftungs GmbH	Efringen-Kirchen	EUR	100	100	100
1	LCV GmbH	Villingen-Schwenningen	EUR	25	100	100
1	Nolden Logistics GmbH ¹⁸	Frechen	EUR	25	–	100
2	Tresorit GmbH	Munich	EUR	25	100	100
2	Unblu GmbH	Frankfurt am Main	EUR	25	54	54
2	Open Systems Germany GmbH ¹⁷	Düsseldorf	EUR	25	–	99
6	CDR-Services Deutschland GmbH	Zillbach (Schwallungen)	EUR	25	100	100
France						
1	B-Sped Logistics (France) SARL	Fêche-l'Église	EUR	15	100	100
1	PORTMANN GESTION SAS	Sausheim	EUR	37	100	100
1	PORTMANN LOGISTICS SARL	Sausheim	EUR	50	100	100
1	TRANSPORTS PORTMANN SAS	Sausheim	EUR	500	100	100
1	SITS SAS ²⁰	Sainte-Croix-en-Plaine	EUR	–	100	–
1	SCI Rixheimer Feld ²¹	Sausheim	EUR	–	100	–
1	RIXHEIMER FELD SARL	Sausheim	EUR	1	100	100

* Equity interest is held by Swiss Post Ltd.

14 Acquisition of shares (20 percent).

15 Change of company name (previously terreActive Ltd).

16 Acquisition of shares (70 percent).

17 Acquisition of shares (around 99 percent).

18 Company founding (100 percent).

19 Indirect change in shareholding due to acquisition of shares (around 8 percent) in Bring! Labs AG.

21 Merger with SCI PORT SUISS.

Segment

1 = Logistics Services

2 = Communication Services

3 = PostalNetwork

4 = Mobility Services

5 = PostFinance

6 = Functions and Management

Segment	Company	Domicile	Currency	Share capital in 000s	Equity interest in percent as at 31.12.2023	Equity interest in percent as at 31.12.2024
France						
1	SCI PORT SUISS	Sausheim	EUR	1	100	100
1	SCI PORT ESPALE ²²	Sausheim	EUR	–	100	–
1	SCI PORT SUD ²²	Sausheim	EUR	–	100	–
1	SCI PORT ALPES ²²	Sausheim	EUR	–	100	–
1	SCI SP ²²	Sausheim	EUR	–	100	–
United Kingdom						
2	UNBLU LTD	London	GBP	1	54	54
India						
2	OS Security India Private Ltd. ²³	Noida	INR	100	–	99
Italy						
1	Iemoli Trasporti S.r.l.	Cadorago	EUR	80	100	100
Canada						
2	UNBLU CANADA CORP.	Vancouver	CAD	1	54	54
Liechtenstein						
6	Swiss Post Insurance AG	Triesen	CHF	30,000	100*	100*
Lithuania						
1	Ost-West Cargo Baltic UAB	Panevezys	EUR	10	75	75
1	Ost-West Cargo Transport UAB	Skaidiškės	EUR	683	100	100
Luxembourg						
2	Hacknowledge Lux SA ²⁴	Luxembourg	EUR	147	80	100
1	PORTMANN-LUX S.A.	Livange	EUR	155	100	100
1	TRACTLUX S.à.r.l.	Livange	EUR	300	100	100
1	G.B.S. LOGISTICS S.à.r.l.	Livange	EUR	12	100	100
Netherlands						
2	Safeguards Midco B.V. ²⁵	Amsterdam	CHF	25	–	100
2	Safeguards Bidco B.V. ²⁵	Amsterdam	CHF	0	–	100
Austria						
2	SwissSign GmbH	Vienna	EUR	35	100	100
Poland						
1	PORTMANN LOGISTIC POLSKA Sp. z.o.o.	Warsaw	PLN	100	100	100
Portugal						
6	SPICE-P S.A.	Lisbon	EUR	50	100*	100*
Singapore						
2	SPOTME PTE. LTD.	Singapore	SGD	30	96	96
Hungary						
2	Tresorit Kft.	Budapest	HUF	35,620	100	100
USA						
2	unblu Corp.	Albany	USD	0	54	54
2	SPOTME INC.	Chicago	USD	10	96	96
2	Open Systems Americas Inc ²³	San Francisco	USD	0	–	99

* Equity interest is held by Swiss Post Ltd.

²² Merger with SCI PORT SUISS.

²³ Acquisition of shares (around 99 percent).

²⁴ Indirect change in shareholding due to acquisition of shares (20 percent) in Hacknowledge SA.

²⁵ Acquisition of shares (100 percent).

Segment

1 = Logistics Services

2 = Communication Services

6 = Functions and Management

30.2 | Associates and joint ventures

The companies listed below are accounted for using the equity method.

Segment	Company	Domicile	Currency	Share capital in thousands	Equity interest in percent	
					as at 31.12.2023	as at 31.12.2024
Switzerland						
1	AZ Vertriebs AG	Aarau	CHF	100	25	25
1	SCHAZO AG	Schaffhausen	CHF	300	50	50
1	Somedia Distribution AG	Chur	CHF	100	35	35
1	Asendia Holding Ltd	Bern	CHF	125	40	40
1	FedEx Express Swiss Post GmbH	Oftringen	CHF	1,316	38	38
5	Finform Ltd	Bern	CHF	100	50	50
5	TWINT Ltd	Zurich	CHF	12,750	27	27
5	TONI Digital Insurance Solutions AG	Zurich	CHF	2,744	25	25
5	Tilbago AG	Lucerne	CHF	178	24	24
5	Yuh Ltd	Gland	CHF	1,000	50	50
5	Credit Exchange Ltd	Zurich	CHF	169	21	21
Germany						
1	GSF Spedition Schweiz GmbH	Gütersloh	EUR	25	50	50
1	Weliver Logistik GmbH	Grossbeeren	EUR	38	26	26
1	griep Verwaltungs GmbH ¹	Kronberg im Taunus	EUR	27	–	40
5	moneymeets GmbH ²	Cologne	EUR	113	24	–

1 Acquisition of shares (40 percent).

2 Sale of shares (24 percent).

Segment

1 = Logistics Services

5 = PostFinance

31 | Transactions with related companies and parties

Within the meaning of the IFRSs, Swiss Post Group has relationships with related companies and parties. As the owner of Swiss Post, the Swiss Confederation is deemed to be a related party.

Transactions between Swiss Post and its subsidiaries were eliminated during the consolidation and are no longer included in these notes.

Swiss Post and its subsidiaries carried out the following transactions at market conditions with related companies and parties that are not part of the Group.

Transactions with related companies and parties	Sale of goods and services		Purchase of goods and services		Receivables and loans		Liabilities	
	2023	2024	2023	2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024
CHF million								
Swiss Confederation	281 ¹	288 ¹	5	4	196	243	446	329
Swisscom	39	38	15	14	325	325	15	13
Swiss Federal Railways SFR	28	28	41	46	127	123	114	124
RUAG	0	0	0	0	0	0	0	0
SKYGUIDE	0	0	–	–	0	0	7	2
Companies with joint management or significant influence	348	354	61	64	648	691	582	468
Associates and joint ventures	142	179	17	17	220^{2,3}	277³	45	35
Other related companies and parties	1	1	1	1	0	0	66⁴	57⁴

1 Includes compensatory payments for passenger transport of 238 million francs (previous year: 233 million francs).

2 The figure has been adjusted.

3 Primarily includes the loans granted by Swiss Post Ltd to Asendia Holding Ltd.

4 Primarily includes customer deposits of the Swiss Post pension fund held at PostFinance.

31.1 | Remuneration paid to members of management

In the past financial year, compensation including fringe benefits of 5.87 million francs (previous year: 5.83 million francs) and social security contributions as well as employee benefit contributions of 1.32 million francs (previous year: 1.29 million francs) was paid to members of management (Board of Directors and Executive Management). The performance-based component paid out to members of Executive Management for 2024 was based on target attainment in 2023 and 2024 and amounted to 0.61 million francs (previous year: 0.61 million francs). There are no loan agreements in place with members of the Board of Directors or Executive Management.

32 | Events after the reporting period

Prior to the approval of the 2024 consolidated annual financial statements by Swiss Post Ltd's Board of Directors on 10 March 2025, no events came to light which either would have resulted in changes to the carrying amounts of the Group's assets and liabilities or would have to be disclosed in this section of the Report.

Auditor's report

Only the German versions of the stand-alone and consolidated financial statements have been audited and the related audit reports are included in the German version of the annual report on pages 196 and 210, respectively. The translations into English, French and Italian of the stand-alone and consolidated financial statements were not subject to audit and are therefore marked as "unaudited".

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- **Group annual financial statements**
- **PostFinance annual financial statements**

The annual financial statements issued by Swiss Post Ltd as the parent of Swiss Post Group meet the requirements of Swiss law.

Income statement

Swiss Post Ltd | Income statement

CHF million	2023	2024
Operating revenue		
Trade income	821	839
Other operating revenue	0	0
Income from investments	344	226
Total operating revenue	1,165	1,065
Operating expenses		
Materials expenses	0	0
Personnel expenses	-484	-484
Other operating expenses	-324	-307
Impairment losses / reversals of impairment on financial assets and interests	-77	14
Depreciation and impairment losses on property, plant and equipment	-13	-13
Depreciation of intangible assets	-83	-80
Total operating expenses	-981	-870
Operating profit	184	195
Financial income	128	172
Financial expenses	-53	-39
Total net financial income	75	133
Extraordinary, non-recurring or other-period income	0	-
Net annual profit before tax	259	328
Direct taxes	-	-14
Net annual profit	259	314

Balance sheet

Swiss Post Ltd | Balance sheet

CHF million	31.12.2023	31.12.2024
Assets		
Current assets		
Cash and cash equivalents	813	787
Trade accounts receivable	58	92
Other current receivables	1,670	1,268
Inventories and unbilled services	5	5
Accrued income and prepaid expenses	73	67
Total current assets	2,619	2,219
Fixed assets		
Financial assets	1,598	2,224
Interests	7,654	7,824
Property, plant and equipment	33	34
Intangible assets	301	228
Total fixed assets	9,586	10,310
Total assets	12,205	12,529
Equity and liabilities		
Liabilities		
Trade accounts payable	36	61
Current interest-bearing liabilities	397	441
Other current liabilities	26	36
Accrued expenses and deferred income	37	52
Total current liabilities	496	590
Non-current interest-bearing liabilities	775	775
Provisions	51	17
Total non-current liabilities	826	792
Total liabilities	1,322	1,382
Equity		
Share capital	1,300	1,300
Statutory capital reserves		
Other capital reserves	8,621	8,621
Distributable profit		
Profit carried forward	703	912
Net annual profit	259	314
Total equity	10,883	11,147
Total equity and liabilities	12,205	12,529

Notes

1 | Basic principles

1.1 | Legal form

Swiss Post Ltd was established as a company limited by shares subject to a special statutory regime. It is domiciled in Bern.

1.2 | General

A description is given below of any significant valuation policies applied that are not specified by law.

1.3 | Financial assets

Financial assets include long-term loans to direct and indirect interests of Swiss Post Ltd, as well as non-current securities held. They are measured at a maximum of acquisition cost less any necessary impairment losses. Loans granted in foreign currencies are measured at the current closing rate. Unrealized losses are recognized, whereas unrealized gains are not disclosed (impairment principle).

1.4 | Derivative financial instruments

Derivative financial instruments are recognized at fair value as positive or negative replacement values. They serve to hedge foreign currency and trading risks of direct and indirect interests held by Swiss Post Ltd. The derivatives are reported in other current receivables and liabilities, respectively.

1.5 | Interests

Swiss Post Ltd holds various interests. These interests are carried in the balance sheet at acquisition cost less any necessary impairment losses.

1.6 | Property, plant and equipment

Property, plant and equipment are measured at their acquisition or production costs less accumulated depreciation and impairment losses. Property, plant and equipment, with the exception of land, are depreciated on a straight-line basis. If there are any signs of overvaluation, the carrying amounts are checked and impairment losses recognized if necessary.

1.7 | Intangible assets

Any intangible assets acquired are capitalized at acquisition cost, provided that they offer the company economic benefits over several years. Internally generated intangible assets are capitalized if they meet the necessary requirements at the balance sheet date. Intangible assets are amortized on a straight-line basis. If there are any signs of overvaluation, the carrying amounts are checked and impairment losses recognized if necessary.

1.8 | Recognition of income

Income is recognized if it is clear that the economic benefits associated with the transaction will flow to Swiss Post Ltd and those benefits can be measured reliably. Income from services is recognized after sales deductions at the time the service is provided.

1.9 | Leases

Leases and rental agreements are recognized in the balance sheet based on legal ownership. The expenses as a lessee or a tenant are recognized on an accrual basis in other operating expenses but the leased or rented items themselves are not recorded in the balance sheet.

1.10 | Decision to dispense with additional information in the notes to the annual financial statements, cash flow statement and management report

Swiss Post Ltd, as the parent company within Swiss Post Group, prepares consolidated financial statements in accordance with recognized financial reporting standards (IFRS Accounting Standards). Consequently, and as set out in article 961 d, paragraph 1 of the Swiss Code of Obligations, additional information in the notes to the annual financial statements, the cash flow statement and the management report is dispensed with in these financial statements, in accordance with the requirements for financial reporting for larger undertakings.

2 | Information on the balance sheet and income statement

2.1 | Cash and cash equivalents

Swiss Post Ltd | Cash and cash equivalents

CHF million	31.12.2023	31.12.2024
Bank deposits due from third parties	786	764
Bank deposits due from PostFinance Ltd	27	23
Total cash and cash equivalents	813	787

2.2 | Trade accounts receivable

Swiss Post Ltd Trade accounts receivable		
CHF million	31.12.2023	31.12.2024
Amounts due from third parties	2	2
Amounts due from interests	56	90
Amounts due from related parties	0	0
Total trade accounts receivable	58	92

2.3 | Other current receivables

Swiss Post Ltd Other current receivables		
CHF million	31.12.2023	31.12.2024
Derivative financial instruments	1	6
Amounts due from third parties	37	56
Amounts due from investors and official bodies	3	5
Amounts due from interests	1,629	1,201
Total other current receivables	1,670	1,268

2.4 | Inventories and unbilled services

The inventories listed in the balance sheet are mostly operating materials.

2.5 | Accrued income and prepaid expenses

Swiss Post Ltd Accrued income and prepaid expenses		
CHF million	31.12.2023	31.12.2024
Accrued income and prepaid expenses due from third parties	49	42
Accrued income and prepaid expenses due from investors and governing bodies	1	—
Accrued income and prepaid expenses due from interests	23	25
Accrued income and prepaid expenses due from related parties	0	0
Total accrued income and prepaid expenses	73	67

2.6 | Financial assets

Swiss Post Ltd Financial assets		
CHF million	31.12.2023	31.12.2024
Financial assets due from third parties	33	36
Financial assets due from interests	1,565	2,188
Total financial assets	1,598	2,224

2.7 | Interests

Swiss Post Ltd Interests			Share capital	Investment in percent	
Company	Domicile	Currency	In 1000	Balance as at 31.12.2023	Balance as at 31.12.2024
Directly held interests					
Switzerland					
PostFinance Ltd	Bern	CHF	2,000,000	100	100
Post Real Estate Ltd	Bern	CHF	100,000	100	100
Post CH Ltd	Bern	CHF	10,000	100	100
PostBus Ltd	Bern	CHF	1,000	100	100
Post CH Communication Ltd	Bern	CHF	1,000	100	100
Post CH Network Ltd	Bern	CHF	1,000	100	100
Post Company Cars Ltd	Bern	CHF	100	100	100
Post CDR Ltd	Bern	CHF	1,000	100	100
Swiss Post Insurance Ltd	Bern	CHF	30,000	100	100
Post CH Mobility Ltd ¹	Bern	CHF	1,000	–	100
Liechtenstein					
Swiss Post Insurance AG	Triesen	CHF	30,000	100	100
Portugal					
SPICE-P S.A.	Lisbon	EUR	50	100	100
Significant indirectly held interests					
Switzerland					
PostLogistics Ltd	Dintikon	CHF	1,000	100	100
Asendia Holding Ltd	Bern	CHF	125	40	40
SecurePost Ltd in liquidation ²	Oensingen	CHF	–	100	–
Open Systems AG ³	Zurich	CHF	1,000	–	99
Germany					
Bächle Logistics GmbH	Villingen-Schwenningen	EUR	326	100	100
CDR-Services Deutschland GmbH	Zillbach (Schwallungen)	EUR	25	100	100
France					
TRANSPORTS PORTMANN SAS	Sausheim	EUR	500	100	100
Netherlands					
Safeguards Midco B.V. ⁴	Amsterdam	CHF	25	–	100

1 Company founding (100 percent).

2 Liquidated.

3 Acquisition of shares (around 99 percent).

4 Acquisition of shares (100 percent).

2.8 | Property, plant and equipment

The property, plant and equipment listed in the balance sheet is mostly IT equipment.

2.9 | Intangible assets

Swiss Post Ltd Intangible assets		
CHF million	31.12.2023	31.12.2024
Brands	267	200
Other intangible assets	34	28
Intangible assets in development	0	0
Total intangible assets	301	228

2.10 | Trade accounts payable

Swiss Post Ltd Trade accounts payable		
CHF million	31.12.2023	31.12.2024
Liabilities relating to third parties	30	46
Liabilities relating to investors and governing bodies	2	0
Liabilities relating to interests	3	14
Liabilities relating to related parties	1	1
Total trade accounts payable	36	61

2.11 | Current interest-bearing liabilities

Swiss Post Ltd Current interest-bearing liabilities		
CHF million	31.12.2023	31.12.2024
Liabilities relating to third parties	297	288
Liabilities relating to interests	100	153
Total current interest-bearing liabilities	397	441

2.12 | Other current liabilities

Swiss Post Ltd Other current liabilities		
CHF million	31.12.2023	31.12.2024
Derivative financial instruments	1	4
Liabilities relating to third parties	25	32
Liabilities relating to interests	–	0
Total other current liabilities	26	36

2.13 | Non-current interest-bearing liabilities

Swiss Post Ltd Non-current interest-bearing liabilities		
CHF million	31.12.2023	31.12.2024
Liabilities relating to third parties	775	775
Total non-current interest-bearing liabilities	775	775

2.14 | Share capital

The share capital stands at 1,300,000,000 francs. The 1,300,000 registered shares, each with a face value of 1,000 francs, are owned by the Swiss Confederation.

2.15 | Trade income

Trade income principally discloses revenue from services, management and licence fees. The income was generated essentially with companies in which Swiss Post Ltd holds a direct or indirect interest.

2.16 | Income from interests

Income from interests primarily consists of dividend income from the interests.

2.17 | Financial income

Financial income mainly consists of interest income from loans to interests, fees from letters of comfort to interests and foreign exchange gains.

2.18 | Financial expenses

Interest expense and foreign exchange losses are the main items recognized under financial expenses.

2.19 | Extraordinary, non-recurring or other-period income

The income from other accounting periods in the previous year comes from adjustments to tax deferrals for the years 2019 to 2020.

3 | Additional information

3.1 | Full-time equivalents

The average annual number of full-time equivalents exceeded 250, both in the year under review and in the previous year.

3.2 | Remaining liabilities from lease transactions

The lease liabilities that do not expire within twelve months or that cannot be terminated have the following maturity structure:

Swiss Post Ltd Remaining liabilities from lease transactions		
CHF million	31.12.2023	31.12.2024
Due within 1 year	19	6
Due within 1 to 5 years	65	21
Due in over 5 years	45	14
Total lease liabilities	129	41

These amounts include the payments from rental agreements or lease contracts owed until the end of the contract or the expiry of the notice period. Rental or lease items are mainly properties, vehicles, and operationally essential assets with contracts that cannot be terminated within twelve months.

3.3 | Bond issues

Swiss Post Ltd has several outstanding private placements totalling 775 million francs, which are recognized in non-current interest-bearing liabilities. Nine tranches overall, expiring between 2026 and 2061, are outstanding on the capital market from major, predominantly domestic, private and institutional investors. The average interest rate applicable to these private placements is 1.06 percent, and the average remaining maturity of the outstanding tranches was 7.4 years at the end of 2024.

3.4 | Liabilities relating to employee benefits schemes

The liabilities relating to the Swiss Post pension fund totalled 1 million francs as at 31 December 2024 (31 December 2023: 1 million francs), and are reported in other current liabilities. They are classed as liabilities relating to third parties.

3.5 | Collateral for third party liabilities

As at 31 December 2024, guarantees and guarantee obligations amounted to 26 million francs (31 December 2023: 20 million francs).

Collateral has been made available to guarantee intra-Group receivables from cash pooling via a time deposit (bank deposits due from third parties) of 100 million francs (31 December 2023: 100 million francs).

In addition, on 31 December 2024, letters of comfort of 1 billion francs existed, deposited by Swiss Post Ltd (31 December 2023: 1 billion francs).

Under the system of group taxation for value added tax, liability is as follows: each natural person or legal entity belonging to a VAT group is jointly and severally liable together with the taxpayer for all taxes owed by the group (VAT).

3.6 | Contingent liabilities

Contingent liabilities of less than 1 million francs existed as at 31 December 2024 (31 December 2023: 1 million francs), mostly from outstanding legal disputes with an uncertain outcome (probability of a liability <50 percent).

3.7 | Hidden reserves

In the reporting year, hidden reserves totalling 54 million francs were released (previous year: none).

3.8 | Material events after the reporting period

No material events occurred after the reporting period which either would have resulted in changes to the carrying amounts of the assets or liabilities disclosed or would have to be disclosed in this section of the Report.

No other information is required to be reported by law as set out in article 959c, paragraph 1, section 4 of the Swiss Code of Obligations.

4 | Proposed appropriation of distributable profit

The Board of Directors will submit a proposal to the General Meeting on 6 May 2025 for a dividend payout of 100 million francs out of distributable profit available of 1,226 million francs. The remaining amount of 1,126 million francs will be carried forward.

Swiss Post Ltd | Appropriation of distributable profit proposed by the Board of Directors

CHF million	31.12.2024
Profit carried forward	912
Net annual profit	314
Available distributable profit	1,226
Dividend	- 100
Amount carried forward to new account	1,126

Auditor's report

Only the German versions of the stand-alone and consolidated financial statements have been audited and the related audit reports are included in the German version of the annual report on pages 196 and 210, respectively. The translations into English, French and Italian of the stand-alone and consolidated financial statements were not subject to audit and are therefore marked as "unaudited".

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→ **Group annual financial statements**

→ **Swiss Post Ltd annual financial statements**

PostFinance Ltd reports to the Group in accordance with IFRS Accounting Standards and draws up its financial statements based on the FINMA Accounting Ordinance together with FINMA Circular 2020/1 "Accounting – banks".

Reconciliation

The valuation policies in accordance with the FINMA Accounting Ordinance and the FINMA Circular 2020/1 "Accounting – banks" differ from the IFRS rules. The table below reconciles the PostFinance segment results as per IFRS with profit pursuant to RelV-FINMA/FINMA-RS 20/1.

PostFinance Ltd Reconciliation of profit		
CHF million	2023 1.1. to 31.12.	2024 1.1. to 31.12.
PostFinance segment operating profit (EBIT) before fees, net cost compensation and EBIT-relevant result from public service mandate in counter payment transactions¹	326	261
EBIT-relevant result from public service mandate in counter payment transactions ¹	-62	-58
PostFinance segment operating profit (EBIT) as per IFRS before fees and net cost compensation	264	203
Management / licence fees / net cost compensation	-28	-42
PostFinance segment operating profit (EBIT) as per IFRS after fees and net cost compensation	236	161
Net income from associates and joint ventures	-7	4
Net financial income	-27	-49
PostFinance segment earnings before tax (EBT)	202	116
Income taxes	-41	-21
PostFinance segment profit	161	95
Consolidation effects from associates and joint ventures	9	-3
PostFinance Ltd profit before reconciliation	170	92
Valuation differences for financial assets	8	6
Reversal of impairment / impairment on financial assets and receivables, incl. taxes	0	0
Realized gains from (earlier than scheduled) repayments	0	1
Valuation differences between IAS 19 and Swiss GAAP ARR 16	-9	-5
Valuation differences, IFRS 16 Leases	0	0
Depreciation of revalued real estate	-7	-3
Individual value adjustment due to lower fair value (fixed assets)	0	0
Valuation differences for investments	-6	-1
Realized gains from investments	0	37
Realized gains from properties sold	-4	-
Adjustment of current and deferred tax effects as per IFRS	12	-7
PostFinance Ltd profit as per Accounting – banks	164	120

¹ Additional disclosure to Note 6, Information by business segment: funding gap from paper-based payment transactions and use of cash in the universal service.

Swiss Post and its subsidiaries have to finance the universal postal service from their own resources. This is why PostFinance's results also include income and expenses from over-the-counter transactions carried out at PostalNetwork branches. The ongoing digitization of payment transactions and resulting sharp decline in transaction volumes is additionally weighing on PostFinance's result. More information is provided in the reconciliation table.

The number of inpayments at the counter fell sharply again in 2024, with a decline of around 11 percent year-on-year. Customer behaviour has changed permanently. Customers are increasingly using payment methods other than cash, and bills are being paid digitally.

PostFinance Ltd statutory annual financial statements

The following pages show the PostFinance Ltd statutory financial statements in accordance with the FINMA Accounting Ordinance and FINMA Circular 2020/1 “Accounting – banks”.

Balance sheet

PostFinance Ltd | Balance sheet as per Accounting – banks

CHF million	Notes	31.12.2023	31.12.2024
Assets			
Liquid assets		27,090	32,947
Amounts due from banks		2,889	2,738
Amounts due from securities financing transactions	5	–	–
Amounts due from customers	6	11,871	12,276
Mortgage loans	6	0	–
Trading portfolio assets		–	–
Positive replacement values of derivative financial instruments	7	1,330	769
Other financial instruments at fair value		–	–
Financial investments	8	57,485	54,479
Accrued income and prepaid expenses		395	445
Participations	9, 10	143	143
Tangible fixed assets	11	991	961
Intangible assets	12	6	5
Other assets	13	57	73
Total assets		102,257	104,836
Total subordinated claims		15	11
of which subject to mandatory conversion and/or debt waiver		4	0
Liabilities			
Amounts due to banks		1,520	809
Liabilities from securities financing transactions	5	4,100	8,490
Amounts due in respect of customer deposits		89,607	88,326
Trading portfolio liabilities		–	–
Negative replacement values of derivative financial instruments	7	10	207
Liabilities from other financial instruments at fair value		–	–
Cash bonds		123	140
Bond issues and central mortgage institution loans		–	–
Accrued expenses and deferred income		132	131
Other liabilities	13	466	430
Provisions	16	35	33
Reserves for general banking risks		–	–
Bank's capital	17	2,000	2,000
Statutory capital reserve		4,140	4,140
of which tax-exempt capital contribution reserve		4,140	4,140
Statutory retained earnings reserve		–	–
Voluntary retained earnings reserves		–	–
Profit/loss carried forward		–40	10
Profit		164	120
Total liabilities		102,257	104,836
Total subordinated liabilities		442	442
of which subject to mandatory conversion and/or debt waiver		442	442

**PostFinance Ltd | Off-balance sheet transactions as
per Accounting – banks**

CHF million	Notes	31.12.2023	31.12.2024
Contingent liabilities	6, 25	53	50
Irrevocable commitments		930	869
Obligations to pay up shares and make further contributions		–	–
Credit commitments		–	–

Income statement

PostFinance Ltd | Income statement as per Accounting – banks

CHF million	Notes	2023	2024
Interest and discount income		659	523
Interest and dividend income from trading portfolios		–	–
Interest and dividend income from financial investments		299	361
Interest expense		–447	–387
Gross result from interest operations		511	497
Changes in value adjustments for default risks and losses from interest operations		5	–40
Net result from interest operations		516	457
Commission income from securities trading and investment activities		86	99
Commission income from lending activities		21	22
Commission income from other services		610	606
Commission expense		–329	–323
Result from commission business and services		388	404
Result from trading activities and the fair value option	27	214	230
Result from the disposal of financial investments		–	2
Income from participations		4	5
Result from real estate		64	61
Other ordinary income		49	42
Other ordinary expenses		–	–1
Other result from ordinary activities		117	109
Operating income		1,235	1,200
Personnel expenses	28	–469	–509
General and administrative expenses	29	–492	–500
Operating expenses		–961	–1,009
Value adjustments on participations and depreciation and amortization of tangible fixed assets and intangible assets		–78	–68
Changes to provisions and other value adjustments, and losses		–11	–13
Operating result		185	110
Extraordinary income	30	10	39
Extraordinary expenses	30	0	0
Changes in reserves for general banking risks		–	–
Earnings before taxes		195	149
Taxes	31	–31	–29
Profit		164	120

Appropriation of profit/loss

PostFinance Ltd | Distributable profit

CHF million	31.12.2023	31.12.2024
Profit for the year	164	120
Profit/loss carried forward	-40	10
Total distributable profit	124	130

At its meeting on 21 February 2025, the PostFinance Ltd Board of Directors proposed the following appropriation of profit for submission to the General Meeting on 11 April 2025:

PostFinance Ltd | Appropriation of profit/loss

CHF million	31.12.2023	31.12.2024
Dividend distribution	114	84
Allocation to voluntary retained earnings reserves	-	46
Profit carried forward to new account	10	-
Total distributable profit	124	130

Cash flow statement

PostFinance Ltd | Cash flow statement as per Accounting – banks

CHF million	Cash inflow 2023	Cash outflow 2023	Cash inflow 2024	Cash outflow 2024
Cash flow from operating activities (internal financing)				
Profit for the year	164	–	120	–
Value adjustments on participations, depreciation and amortization of tangible fixed assets and intangible assets	70	–	65	–
Provisions and other value adjustments	–	5	–	2
Change in value adjustments for default risks and losses	–	6	36	–
Accrued income and prepaid expenses	–	99	–	50
Accrued expenses and deferred income	55	–	–	1
Other items	–	–	–	–
Previous year's dividend	–	–	–	114
Subtotal	179		54	
Cash flow from shareholder's equity transactions				
Share capital	–	–	–	–
Recognized in reserves	–	190	–	–
Subtotal		190		–
Cash flow from transactions in respect of participations, tangible fixed assets and intangible assets				
Participations	2	12	12	13
Real estate	7	21	–	17
Other tangible fixed assets	–	8	–	16
Intangible assets	–	–	–	–
Subtotal		32		34
Cash flow from banking operations				
Medium and long-term business (>1 year):				
Amounts due to banks	–	–	–	–
Amounts due in respect of customer deposits	208	–	–	17
Cash bonds	112	–	17	–
Other liabilities	–	148	–	36
Amounts due from banks	494	–	269	–
Amounts due from customers	–	594	–	184
Mortgage loans	–	–	0	–
Financial investments	3,489	–	2,251	–
Other accounts receivable	–	4	–	17
Short-term business:				
Amounts due to banks	236	–	–	711
Liabilities from securities financing transactions	–	11,526	4,390	–
Amounts due in respect of customer deposits	–	1,016	–	1,262
Negative replacement values of derivative financial instruments	–	13	198	–
Amounts due from banks	29	–	–	118
Amounts due from securities financing transactions	10	–	–	–
Amounts due from customers	189	–	–	253
Positive replacement values of derivative financial instruments	–	151	561	–
Financial investments	–	748	748	–
Subtotal		9,433	5,836	
Liquidity				
Liquid assets	9,476	–	–	5,856
Subtotal	9,476			5,856
Total	9,655	9,655	5,890	5,890

Statement of changes in equity

PostFinance Ltd | Presentation of the statement of changes in equity

CHF million	Bank's capital	Capital reserve	Retained earnings reserve	Reserves for general banking risks	Voluntary retained earnings reserves and profit carried forward	Result of the period	Total
Equity as at 1.1.2024	2,000	4,140	–	–	124	–	6,264
Dividends	–	–	–	–	– 114	–	– 114
Profit	–	–	–	–	–	120	120
Equity as at 31.12.2024	2,000	4,140	–	–	10	120	6,270

Notes

1 | Business name and the legal form and domicile of the bank

Business name: PostFinance Ltd (company number CHE-114.583.749)
 Legal form: Private limited company (Ltd)
 Domicile: Bern (Switzerland)

2 | Accounting and valuation policies

General principles

The bookkeeping, accounting and valuation policies are based on the Swiss Code of Obligations, the Banking Act and the related ordinances, statutory provisions and the guidelines issued by the Swiss Financial Market Supervisory Authority (FINMA). The true and fair view statutory single-entity financial statements give an accurate picture of the assets, liabilities, financial position and results of operations of the company in accordance with the Accounting rules for banks, securities firms, financial groups and conglomerates.

Individual report figures are rounded in the notes for publication. Small rounding differences may therefore occur.

Foreign currency translation

Balance sheet items in foreign currency are converted at the foreign exchange rates valid at the end of the year. Any resulting exchange gains and losses are recognized in the income statement. Income and expenses are converted at the applicable daily rates.

Closing rates	31.12.2023	31.12.2024
EUR	0.9335	0.9407
USD	0.8429	0.9040
GBP	1.0764	1.1343
JPY	0.0060	0.0058

Offsetting

As a rule, no offsetting takes place, except in the cases set out below. Receivables and payables are offset if all the following conditions are met: the receivables and payables arise from transactions of the same type with the same counterparty, with the same maturity or earlier maturity of the receivable and in the same currency, and cannot lead to a counterparty risk. Value adjustments are deducted from the corresponding asset item.

Trade date/settlement date accounting

As a rule, securities transactions in financial investments are recognized on the trade date. Participations are recognized at the settlement date. Concluded foreign exchange and money market transactions are recognized in the balance sheet on the settlement date (value date). Foreign exchange transactions are recognized in the balance sheet in positive replacement values of derivative financial instruments or negative replacement values of derivative financial instruments until their settlement date.

General valuation policies

The detailed positions of items in the balance sheet are valued separately (item-by-item valuation).

Liquid assets, amounts due from banks and amounts due from securities financing transactions

These items are included in the balance sheet at their nominal value or acquisition cost less value adjustments for impaired loans / receivables and expected losses. Cash outflows arising from reverse repurchase transactions are presented as amounts due from securities financing transactions. Financial investments obtained from transactions as collateral are generally not recognized in the balance sheet. Interest income from reverse repurchase transactions is accounted for using the accrual-based accounting principle. Securities lending and borrowing transactions are recorded at the value of the cash deposits that have been received or made. Securities borrowed or received as collateral are only recognized in the balance sheet if PostFinance gains control over the contractual rights associated with these securities. Securities lent and provided as collateral are only taken off the balance sheet if PostFinance loses the contractual rights associated with these securities. The fair values of the securities borrowed and lent are monitored on a daily basis in order to provide or claim additional collateral where required. Securities cover for reverse repurchase and securities lending transactions is recognized on a daily basis at current fair values. Fees received or paid in relation to securities lending and repurchase transactions are stated in the result from commission business and services.

Amounts due from customers

These items are included in the balance sheet at their nominal value or acquisition cost less value adjustments for impaired loans / receivables and expected losses. Receivables are classed as impaired at the latest when the contractually agreed payments of capital and/or interest are more than 90 days outstanding. Interest outstanding for more than 90 days is regarded as overdue. Overdue interest and interest whose receipt is at risk is no longer credited to the income statement but allocated to value adjustments. Receivables are reported without interest when their collection is so doubtful that the accrual of such interest is no longer deemed appropriate.

If a receivable is considered entirely or partially uncollectible or a debt waiver has been granted, the amount of the receivable is derecognized from the corresponding value adjustment. Value adjustments that are no longer economically necessary are released to income. All value adjustments are deducted directly from the corresponding item in the balance sheet.

Trading portfolio assets

Securities held for trading acquired primarily with the aim of achieving short-term gains by making targeted use of fluctuations in market prices are measured at fair value. Realized and unrealized gains and losses from these securities are recorded in the result from trading activities and the fair value option. Interest and dividend income from securities held for trading is recognized under net interest income. Where, as an exception, no fair value is ascertainable, valuation and recognition are to follow the principle of the lower of cost or market value.

Positive and negative replacement values of derivative financial instruments

Derivative financial instruments which are not accounted for under the hedge accounting rules or which do not meet the conditions to qualify for hedge accounting are treated as instruments held for trading. Derivative financial instruments acquired for trading purposes are recognized at fair value and are subsequently measured at fair value. Hedge accounting is applied if derivative financial instruments are effective in offsetting changes in fair value or cash flows attributable to the hedged items. The effectiveness of these hedges is reviewed every six months. Fair value hedges are used to hedge exposure to changes in fair value of an asset or liability. Changes in the fair value of both the hedging instrument and the hedged underlying instrument are recognized in the income statement. Cash flow hedges are used to hedge anticipated future transactions. Changes in value to the extent a hedge is effective are allocated to the compensation account, while changes in value to the extent a hedge is ineffective are recognized in profit or loss. The foreign currency basis spreads of cross-currency swaps, which are designated as hedging instruments, are excluded from the designation and booked as hedging costs. The amounts are accounted for in other assets or other liabilities and reclassified into the income statement over the term of the underlying transaction. Positive and negative replacement values for all derivatives are recognized at fair value in positive replacement values of derivative financial instruments or negative replacement values of derivative financial instruments.

Financial investments

Financial investments with a fixed maturity that PostFinance intends and is able to hold to maturity are measured at amortized cost (accrual method) less impairment for expected losses. The effective interest method spreads the difference between the acquisition cost and the repayment amount (premium/discount) over the life of the investment in question using the present value method. The fair values of financial instruments are determined on the basis of stock market prices and valuation techniques (present value method, etc.). In the case of listed financial instruments, the fair values correspond to market prices provided that such prices have been set on a price-efficient and liquid market. If financial investments intended to be held to maturity are sold or repaid prior to maturity, the gains or losses realized that correspond to the interest component are accrued over the remaining term. Holdings in equity securities (shares) and cryptocurrencies are valued according to the principle of the lower of cost or market value. Debt securities acquired without the intention of being held to maturity are valued according to the principle of the lower of cost or market value, whereby the amortized cost is used to determine the lower of cost or market value. Recoveries of receivables written off in prior periods are credited to this item in the balance sheet.

Establishing amounts for value adjustments

The expected loss method as per the IFRS 9 Accounting Standard is used to establish amounts for value adjustments. Depending on the change in credit risk since acquisition, debt securities, amounts due from securities financing transactions, amounts due from customers and amounts due from banks belong to one of three levels for the calculation of value adjustments. Depending on the level, the value adjustment matches the expected loss over the next year (level 1) or the expected losses over the remaining term to maturity of an instrument (levels 2–3). The expected losses over the next year depend on the exposure of the position included in the default risk, on the probability of default of the instrument for the relevant year due to economic trends, and on an expected loss given default. The lifetime expected losses depend on the probability of default of the position due to economic trends over the remaining term to maturity, on its current and future exposure included in the default risk, and on an expected loss given default.

At the time of acquisition, a financial instrument with intrinsic value is allocated to level 1. A transition to level 2 takes place if there has been a significant increase in credit risk since initial recognition. There is a significant increase in credit risk if the current rating of a position is below a defined threshold. The threshold applied depends on the original rating of the position. Due to the exponential nature of the probability of default, the relative change in the probability of default must be higher, the better the rating at the time an instrument was acquired. The assigned rating corresponds to the rating issued by recognized rating agencies. If no such rating exists, the ratings of non-recognized rating agencies (e.g. ratings of qualified banks) are used. A payment delay of more than 30 days also serves as a criterion for a move to level 2. In addition, the Pricing Policy Committee assesses whether there is a significant rise in credit risk for positions under special consideration, leading to a reclassification to level 2. This affects the following positions: those that have a non investment-grade rating, those whose spread exceeds a defined value, those that are lower tier 2 positions or those that do not have an external rating. If an event of default is present on the balance sheet date, the position is allocated to level 3. An event of default is present if PostFinance assumes that there is a strong probability that the debtor will be unable to meet their payment obligations in full and as agreed, if a D rating (default) applies or if the liability is more than 90 days overdue from the counterparty. If a position has been allocated to levels 2 or 3, it can again be transferred to level 1 or 2 as soon as the criteria for that level have been satisfied.

The value adjustment of a financial instrument is measured using the following parameters: default probability, credit loss ratio and credit exposure at the time of default. As PostFinance has not recorded any bond defaults in the past and invests primarily in highly rated bonds, there are no internal default time series available in order to estimate default probabilities on this basis. For this reason, default probabilities are derived from migration matrices from external sources. These derived default probabilities are adjusted periodically based on the expected economic and credit market trends. The model parameters for the credit loss rate for various types of product are derived from various external sources by means of an expert opinion. If necessary, the Pricing Policy Committee can propose an appropriate value adjustment to the Head of Finance. Individual value adjustments are authorized by the Head of Finance. Credit exposure at the time of default generally corresponds to amortized cost or forecasted amortized cost plus outstanding interest.

Value adjustments are calculated on amounts due from private and business accounts and associated limits on a collective basis. The portfolios used were generated on the basis of the characteristics applied in product management. Receivables are allocated to level 1 on initial recognition. They are allocated to levels 2 or 3 when the overdue period defined for the relevant level has been reached. The default rate used to determine the calculation of expected loss is calculated using historical data for a switch to level 2 or level 3. On the balance sheet date, the previously calculated default probability is verified in order to determine whether an adjustment is needed on the basis of current and forward-looking information. The value adjustment for amounts due from banks is measured based on the default risk of outstanding loans or their credit rating.

Participations

All equity securities in companies intended to be held as long-term investments are reported as participations. These items are included in the balance sheet at acquisition cost less economically necessary value adjustments in accordance with the individual valuation principle. The fair values of participations for the purposes of impairment testing at least once a year are determined on the basis of stock market prices and valuation techniques such as the discounted cashflow method or using the venture capital approach.

Tangible fixed assets

Tangible fixed assets are recognized in the balance sheet at acquisition cost less cumulative depreciation. They are depreciated on a straight-line basis over their estimated useful life. Useful life is as follows:

- IT infrastructure 3–4 years
- Postomats 5–10 years
- Software 3–10 years
- Real estate 10–50 years

Assets associated with the purchase, installation and development of software are capitalized if they are of measurable economic benefit.

Regular checks are carried out to determine if there are signs of overvaluation. If this is the case, the book value is compared with the recoverable amount (the higher of fair value less costs to sell and value in use). If the book value of an asset exceeds its recoverable amount, an impairment equal to the difference between the book value and the recoverable amount is recognized in profit or loss. Gains realized from the disposal of tangible fixed assets are recorded in extraordinary income, while realized losses are recognized as extraordinary expenses.

Intangible assets

Acquired intangible assets are recognized in the balance sheet at acquisition cost less cumulative depreciation. They are depreciated on a straight-line basis over their estimated useful life of ten years. If an assessment on the balance sheet date shows that the capitalization of a proportion of intangible assets is no longer justified, the proportion in question is additionally depreciated on the relevant date. An assessment is carried out if there are any indications of impairment.

Accrued income and prepaid expenses, and accrued expenses and deferred income

Interest receivable and payable, commission and other income and expenses during the accounting period are accounted for using the accrual-based accounting principle to ensure that they are correctly represented in the income statement.

Amounts due to banks, liabilities from securities financing transactions and amounts due in respect of customer deposits

Private and business accounts are included in the balance sheet at their nominal value. Financial investments transferred as collateral as part of repurchase transactions continue to be recognized in the balance sheet under "Financial investments". Interest expenses from repurchase transactions are accounted for using the accrual-based accounting principle. Securities cover for repurchase and

securities borrowing transactions is recognized on a daily basis at current fair values. Amounts borrowed from banks and holders of qualified participations and cash bonds are recorded on the balance sheet at nominal value.

Provisions

Provisions are made according to objective criteria for all risks detectable on the balance sheet date and presented under this item in the balance sheet that represent probable liabilities as a result of a past event, the amounts and/or timing of which are uncertain but can be reliably estimated. Provisions that are no longer economically necessary are released to income. Provisions for expected losses are made for off-balance sheet transactions. The method used is analogous to value adjustments on expected losses.

Contingent liabilities, irrevocable commitments, obligations to pay up shares and make further contributions

These items are recorded at their nominal value as off-balance sheet transactions.

Pension benefit obligations

The accounting treatment of pension benefit obligations at PostFinance Ltd is based on Swiss GAAP ARR 16/26. PostFinance employees are insured with the Swiss Post pension fund foundation under a Duoprimat (combined defined benefit and defined contribution) scheme in accordance with the Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision (OPA). Staff are thereby insured against the financial consequences of old age, death and disability. The retirement benefits of all active members are calculated on a defined contribution basis and the risk cover (death and disability) on a defined benefit basis. Expenses related to pension benefit obligations are recognized in personnel expenses. Pension benefit obligations represent the actuarial present value of benefits for the employee's eligible insurance period and take the future into account by including statistical probabilities such as death and disability.

The employer contribution reserve is part of the Swiss Post pension fund. A future economic benefit is calculated and capitalized based on the last available and audited financial statements from the Swiss Post pension fund foundation.

Taxes

Income tax is determined on the basis of the accrued net annual results in the relevant reporting period. Deferred tax liabilities are calculated at the current tax rate. Accruals and deferrals are recognized in the balance sheet under accrued income and prepaid expenses or accrued expenses and deferred income.

The tax consequences of time differences between the values of assets and liabilities shown in the balance sheet and their tax bases are recognized as deferred taxes under provisions. Deferred taxes are determined separately in each business period.

Changes in the accounting and valuation principles versus the previous year

In the financial year 2024, there were no changes year-on-year.

Business policy on the use of derivative financial instruments and hedge accounting

PostFinance uses derivative financial instruments exclusively to hedge interest and currency risks.

The bond market in Swiss francs is not sufficient to cover PostFinance's investment requirements. It therefore also invests in foreign currency bonds. As a general rule, two methods are used to hedge foreign currency risks. A proportion of the foreign currency bonds refinanced in Swiss francs are hedged by means of cross-currency interest rate swaps (CCIRS) using hedge accounting. The advantage of this hedging approach is that the amounts of all future cash flows (coupons, nominal value repayment) in Swiss francs are already known on the date of conclusion of the transaction. However, it rules out the diversification benefits associated with the varying amounts and performance of term spreads of different foreign currency yield curves. To take advantage of this diversification potential and access bond markets on which CCIRS are only available with high illiquidity discounts, the currency risks of certain foreign currency bonds are hedged by means of a currency overlay of rolling short-term foreign exchange forward contracts (FX forwards) without the use of hedge accounting.

The foreign currency risks of the other financial instruments are also hedged on a rolling basis using FX forwards.

Interest rate swaps are used to control duration on the assets side. Long (short) duration bonds are transformed into short (long) duration bonds by means of interest rate swaps. In principle, interest rate swaps are used to control the maturity transformation strategy in the overall balance sheet.

Economic relationship between hedged items and hedging transactions

PostFinance records the relationship between the hedging instrument and the hedged item on the date on which a financial instrument is classed as a hedging relationship. The information recorded includes the risk management objectives and strategy of the hedging transaction, and the methods used to measure the effectiveness of the hedging relationship. The economic relationship between the hedged item and the hedging transaction is periodically measured on a prospective basis in the course of effectiveness tests by measuring factors such as inverse performance and its correlation.

Effectiveness measurement

Hedging is deemed to be highly effective if the following criteria are essentially met:

- Hedging is considered to be highly effective upon its initial recognition (on a prospective basis via the critical terms match method).
- There is a close economic relationship between the hedged item and the hedging transaction.
- There is an inverse relationship between the value changes of the hedged item and those of the hedging transaction with regard to the hedged risk.

Ineffectiveness

If this results in an ineffective portion, this is recognized in the income statement for the period in question in the result from trading activities and the fair value option. This is carried out regularly through quantitative analysis based on the dollar-offset method. The absolute changes in value of the hedged item and hedging instrument are then compared for the period.

Events after the balance sheet date

On the date of issue of the annual financial statements, no material events had occurred as at 31 December 2024 which would have to be disclosed in the financial statements and/or in the notes.

3 | Risk management

Business model and risk profile

PostFinance operates mainly in the fields of payment transaction services, the receipt of customer deposits, account services and related services. It also handles customer securities trading, carries out investments in its own name, and manages other financial services on behalf of third parties. On account of its business model, PostFinance is exposed to risks. PostFinance could suffer losses or deviations from the expected result if these risks materialize.

PostFinance defines three risk categories based on its business model.

- Financial risk refers to the risk of unexpected losses from the investment and deposit business. In terms of financial risks, PostFinance differentiates between interest rate, market, credit and liquidity risks.
- Strategic risk refers to the risk of failing to achieve company goals at the level of the fundamental or long-term orientation of the institution as a result of unexpected developments.
- Operational risk refers to the risk of unexpected costs or unwelcome events (such as events with a negative impact on reputation or compliance breaches) that arise as a result of the inadequacy or failure of internal processes, people or systems, or as a result of external events. Operational risks also include the risks associated with financial reporting.

Governance and reporting

In formal terms, the business control and monitoring process and the entire internal control system comply with the COSO II framework and “three lines model”. The COSO II framework incorporates risk management as well as risk control and monitoring. PostFinance also uses the ISO 31000 standard as a guideline.

The Board of Directors defines the risk policy and principles of risk management and is responsible for the regulation, establishment and monitoring of an effective risk management system. It is also responsible for ensuring an appropriate risk and control environment within PostFinance. The Board of Directors uses the definition of risk appetite to determine the total amount of risk that PostFinance is prepared to take. The risk appetite takes strategic, financial and operational risks into account and must be in line with the company's risk capacity. The risk capacity results from the regulatory and legal requirements to be met, adherence to which enables PostFinance to continue as a going concern. In addition, the risk appetite takes the directives and guidelines of the owner into account.

The Board of Directors and all Board of Directors' Committees (Risk, Audit & Compliance, IT & Digitalization, Organisation, Nomination & Remuneration) apply these risk principles. The Risk and Audit & Compliance Committees have a special role to play here, as they perform an explicit monitoring function at Board level, with the Board of Directors' Audit & Compliance Committee focusing in particular on non-financial risks and the Board of Directors' Risk Committee on financial risks.

The PostFinance Executive Board is responsible for implementing the directives of the Board of Directors with regard to risk management and monitoring within the framework of the 1st and 2nd lines of defence, and ensures compliance with the risk capacity and risk appetite. It implements the directives of the Board of Directors with regard to the establishment, maintenance and regular review of control activities and the control units involved. In addition, the Executive Board is responsible for the active management of financial, strategic and operational risks within the framework defined by the Board of Directors and ensures that the risk management infrastructure throughout the institution meets requirements in organizational, human resources, technical and methodology terms. The Chief Risk Officer (CRO) is a member of the Executive Board and is responsible for ensuring that the subordinated control entities perform the tasks entrusted to them.

The 1st line business units bear primary responsibility for the risks from their unit and exercise their control function in the management of risks, in particular through their identification, measurement, control, monitoring and reporting activities. They take account of the directives of the 2nd line and ensure that their risks and controls are complete and up-to-date in the risk and control inventory. Within the 1st line, there are units that are accountable for results and units with no direct accountability for results, which act for example as support units for other units or the Executive Board. The Risk Management unit supports decision-makers with the management and monitoring of financial risks in the overall balance sheet. It identifies, models and measures the financial risks entered into and proposes risk and income-oriented control measures. It also monitors and reports their effectiveness to decision-makers on a regular basis. The Compliance Services unit ensures compliance with legal provisions and guidelines in business operations and at the customer interface in accordance with the directives of the 2nd line. The management of security risks at the operational level is the responsibility of the Security unit.

The 2nd line units independently monitor risk management in the 1st line, ensuring that all risks are appropriately identified, measured, managed, monitored and reported across the company. They also issue directives on the assurance of compliance with internal and external provisions and define methods and procedures for risk management.

At PostFinance, the Governance, Compliance and Risk Control units are the control entities responsible for the 2nd line function. The independence of the 2nd line units from the 1st line units is ensured in organizational terms by the fact that these units are located in the business unit of the CRO.

Risk Control independently monitors all risks that are not monitored by Compliance or Governance. This applies to financial risks, operational risks, security risks and strategic risks. Risk Control continuously monitors the risk situation in these areas, reviews central risk management processes, methods for risk measurement and assessment and risk monitoring systems in the 1st line, and monitors their correct implementation and application. Risk Control defines appropriate directives and processes for identifying, measuring, assessing and controlling the risks taken by PostFinance.

Risk Control provides a suitable system for maintaining an inventory of all risks, risk management strategies, controls and events. As a 2nd line unit, it ensures that the 1st line units keep the inventory complete and up-to-date and validates the inventory on an ongoing basis with regard to completeness and correctness.

Compliance independently monitors adherence to legal, regulatory and internal provisions relating to money laundering, tax compliance and the provision of financial services. Governance independently monitors compliance by staff with the rules of governance as a whole and with the Code of Conduct.

As independent control entities, the 2nd line units monitor the risk profile of PostFinance with suitable instruments, provide a central overview of its development and report it to the Executive Board and the Board of Directors jointly on a quarterly basis at least. In addition, matters of major importance

are reported to the Board of Directors by the 2nd line units promptly and on an ad hoc basis. Risk Control coordinates the reporting activities of all 2nd line functions.

As part of the 3rd line, Internal Auditing is responsible for risk monitoring and for overseeing both the 1st and 2nd lines. It reports directly to the Board of Directors of PostFinance.

Risk measurement methods

Risk category	Potential loss or negative impact	Method of risk description and/or control
Financial risks		
– Credit risks	Losses due to deterioration in creditworthiness and counterparty default	Compliance with the minimum regulatory requirements for risk-weighted capital Concentration, rating structure and country portfolio limits as well as nominal limits at counterparty level; management of economic concentration risks in the credit portfolio
– Interest rate risks	Loss in present value of equity following market interest changes Fluctuating net interest income over time	Absolute sensitivity limits for equity capital Implementation of multi-period dynamic revenue analyses
– Liquidity risks	Insolvency	Compliance with the minimum regulatory requirements for the liquidity coverage ratio (LCR), the Liquidity Requirements for Systemically Important Banks (LSIB) and the net stable funding ratio (NSFR) Holding of cash reserves to cover liquidity requirements in stress situations
– Market risks	Losses in fair value to be charged to the income statement as per Accounting – banks	Compliance with the minimum regulatory requirements for risk-weighted capital Value at risk limits for fair value effects on the income statement
Strategic risks	Losses, reduced revenues or additional internal expenses resulting from failure to achieve company goals at the level of the fundamental or long-term orientation of the institution	Quantification of gross risk by evaluating the extent of loss and probability of occurrence of a dire but nevertheless realistic scenario. On this basis, establishment of a risk management strategy and risk-mitigating measures, and assessment of the residual risk in both quantitative and qualitative terms. Monitoring of the development of strategic top risks. Level-appropriate addressing of risks through the definition of approval limits and thresholds for risk management measures for individual risks.
Operational risks	Losses, reduced revenues or additional internal expenses resulting from inadequate or failed internal processes, people or systems, or external events	Quantification of gross risk by evaluating the extent of loss and probability of occurrence of a dire but nevertheless realistic scenario. On this basis, establishment of a risk management strategy and risk-mitigating measures, and assessment of the residual risk in both quantitative and qualitative terms. Monitoring by defining reporting limits for operational top risks. Level-appropriate addressing of risks through the definition of approval limits and thresholds for risk management measures for individual risks.

PostFinance measures and monitors financial risks both at individual portfolio level and with regard to the overall balance sheet. Risks are limited by means of a multi-dimensional limit system. A variety of methods of differing degrees of complexity are used by Risk Management to measure financial risks. In concrete terms, they include scenario analyses (e.g. to measure the earnings effects of interest rate risks or the full utilization of credit risk limits), sensitivity analyses (e.g. to measure the present value effects arising from interest rate risks) and stochastic models to determine value-at-risk or expected shortfall risk indicators (e.g. to measure market risks or to quantify economic concentration risks in the credit portfolio). The principal aim of risk measurement is to allow the supervisory bodies to control risks adequately at all times.

All risks of PostFinance are assessed on the basis of a credible worst case scenario (CWC). The CWC represents a dire but nevertheless realistic loss scenario associated with a risk. The CWC covers both probability of occurrence and extent of loss in a quantitative and/or qualitative form. This assessment is undertaken for both gross and residual risk, i.e. after implementation of the risk management strategy.

Individual risks are assessed using threshold values with regard to the obligation to record and the necessity of control measures. Approval limits for individual risks are used to ensure that risks and the associated risk management strategy are acknowledged and approved at the appropriate level.

At a higher level, the risks in the risk inventory are used by the Executive Board and Board of Directors for the top-down definition of top risks that are of central importance to PostFinance and have a high level of management attention. Operational top risks are measured by aggregating the respective individual risk clusters. These top risks and other aggregated risk positions are assigned to a warning level which, if exceeded, triggers a notification to the Board of Directors.

Stress testing

The Risk Management unit regularly carries out an inverse stress test to identify developments which could pose a particular threat to PostFinance. This test identifies scenarios in which a specific measure of risk takes on extremely unfavourable values. The results of the inverse stress tests are discussed by the Executive Board and the Board of Directors on a regular basis.

As well as being used for control purposes, stress tests are also applied in the Risk Control department as a monitoring tool for recognizing significant (new) risks, to determine risk concentrations and to verify the appropriateness of risk appetite in stress situations.

Financial risk management at PostFinance

Credit risks

PostFinance was granted a banking licence on 26 June 2013. Even with a banking licence, PostFinance is not permitted to issue direct loans and mortgages due to postal legislation provisions. Interest-bearing customer deposits therefore do not go towards granting mortgages, but are invested on the money and capital markets. PostFinance pursues a conservative investment strategy. Liquidity and creditworthiness are the main criteria for its investment decisions. The cluster risk is deliberately limited by holding financial investments that are broadly diversified in terms of the sectors, countries and counterparties.

The term "credit risk" refers to the risk that a counterparty will no longer be able to fulfil its obligations, thereby causing the creditor to incur a financial loss. In addition, a sharp decline in the creditworthiness of a counterparty can trigger additional impairment requirements for the creditor. Credit risk increases as counterparties become more concentrated in an individual sector or region. Economic developments affecting whole sectors or regions can threaten the creditworthiness or solvency of an entire group of otherwise unrelated counterparties.

To limit the overall credit risks taken, each year the Board of Directors of PostFinance sets a maximum figure not to be exceeded with regard to regulatory minimum capital to cover credit risks. It also determines directives on the investment rating structure, limits potential country risks and delegates responsibility for approving major counterparty limits to the Board of Directors' Risk Committee. New investments are generally only permitted if the debtor has a rating and its creditworthiness is classed as investment grade.

In addition to the portfolio limits defined by the Board of Directors, the credit risks associated with investment activities are restricted by the Executive Board by setting counterparty limits and other control requirements.

The directives for counterparty limits are based on publicly accessible ratings by recognized rating agencies and qualified banks, and on internal limit systems, with ESG criteria (environmental, social and governance) being taken into account. Climate-specific finance risks are also analysed and taken into account as part of the ESG criteria. PostFinance publishes the climate-related financial risks in a separate disclosure. By means of quantitative and risk-oriented qualitative analyses of balance sheet key figures and early warning indicators, publicly accessible ratings in the limit systems are examined critically and limits derived from them, taking into account the current portfolio. The Risk Management unit is responsible for developing and applying internal limit systems. These limit systems are approved and released by the Executive Board at least once a year. Changes in a counterparty's creditworthiness or of relevant key figures result in the immediate adjustment of the directives. Compliance with prescribed limits is monitored on an ongoing basis and is verified by the Treasury unit before the closing of each transaction.

The economic concentration risks in the credit portfolio are taken into consideration in defining the portfolio and counterparty limits. To measure them, PostFinance uses a credit portfolio model that quantifies the credit risks within the credit portfolio while taking into account correlation effects. On the basis of the modelled risk indicators (expected shortfall and the relevant risk contributions of sub-portfolios), limits and control requirements can be defined in such a way that they increase portfolio efficiency and/or limit concentration risks.

The Risk Management unit informs the Executive Board of the extent to which limits are used in monthly reports. It submits risk control proposals where limits have been exceeded, resulting from adjustments to counterparty limits.

As an integral part of credit risk management, the limit systems are subjected to regular checks by Risk Control.

Credit risks arising from customer transactions are of secondary importance at PostFinance, and are due to account overdraft limits proposed in connection with payment transaction services, and to the range of credit cards available. The credit risks taken are established and monitored by means of product-specific processes. The Executive Board issues general directives on credit checks and authorizations for approving individual limits.

Collateral concentration risks may arise when carrying out repo transactions (financial investments in exchange for collateral) and securities lending transactions (securities lending in exchange for collateral). The collateral protects PostFinance against the counterparty default risk, as it can be realized by PostFinance in the event of default by the counterparty. Concentrations of securities delivered (with the exception of cash collateral) are measured, monitored and reported to the Executive Board on a monthly basis. At the same time, wrong-way risks are assessed and risk control proposals submitted where concentrations have been identified.

The mortgage lending solutions offered in cooperation with Münchener Hypothekenbank eG (MHB) since 2008, with Valiant Bank AG since 2010 and with Credit Exchange Ltd since 2023 do not result in any credit risks for PostFinance. These are borne entirely by the partner banks.

Interest rate risk and balance sheet structure risk

The term "interest rate risk" refers to the potential impact of a change in market interest rates on the present value of assets and liabilities in the balance sheet and on the result from interest operations in the income statement resulting mainly from maturity mismatches. Interest-earning operations are a key earnings driver for PostFinance. As changes in interest rates have a direct impact on net

interest income, management of the risks associated with such changes is considered a priority. The majority of customer deposits held by PostFinance are non-maturing and do not earn a fixed rate of interest. The interest rate of these deposits is therefore estimated using a replication method, which aims to map the most closely matching maturities of similar customer products while minimizing interest margin volatility. A certain quota of short-term investments are used to cover short-term volume fluctuations.

The maturities of money and capital market investments are determined on the basis of the target present value sensitivity of equity capital, and used to define the maturity transformation strategy. The resulting imbalance between the liability and asset interest rates corresponds to the maturity transformation, which is controlled from a present value and income perspective.

The present value perspective covers the net effect of a change in interest rates on the equity of PostFinance in the event of modifications to the yield curve. Future cash flow accruals are discounted according to the risk-adjusted present value formula. Sensitivity to shifts in the yield curve is determined on the one hand, and to isolated interest shocks at specific maturities (key rates) on the other.

Absolute change in the present value of equity¹

CHF million	31.12.2023	31.12.2024
Parallel up shock	-304	-
Short up shock	-	-265

¹ In order to determine the present value sensitivity of equity, the six standard shocks in accordance with FINMA Circular 2019/2 "Interest rate risks – banks" are applied. The scenario resulting in the greatest negative change in the present value of equity is shown per reference date.

Unlike assessments based on present value, income perspective analyses examine the impact of several potential multiple period interest scenarios on PostFinance's future interest income. In addition, dynamic income simulations are carried out for a broad set of deterministic scenarios over the course of the year. These scenarios describe future market interest trends and the resulting changes in customer interest and customer volumes for each replica, as well as different maturity transformation strategies where applicable. Dynamic income simulations are carried out by the Risk Management unit. Risk control proposals are submitted and discussed regularly with the Executive Board on the basis of the results.

Liquidity risks

Liquidity risk refers to the risk that current and future payment obligations cannot be met on time or in full. Liquidity risks are managed with a one-day, a one-month, a three-month and a one-year time horizon. To guarantee liquidity on a daily basis, financial cushions are defined for the settlement of unforeseen payments. The minimum amount for a financial cushion is based on high daily cash outflows over a one-day horizon with an extremely low probability of occurrence.

Determining and limiting the regulatory key figures liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) ensure liquidity over a one-month and one-year horizon. In addition to the LCR, further liquidity is held to meet the special liquidity requirements of systemically important banks (LSIB).

To ensure liquidity over a three-month horizon, liquidity stress scenarios are defined that must not lead to illiquidity. Long-term stable financing beyond a one-year horizon is ensured by the structural liquidity ratio (net stable funding ratio, NSFR). There is an emergency plan to resolve any liquidity crises.

Market risks

PostFinance does not keep a trading book, and uses the market risk, standardized approach in accordance with art. 86 CAO to determine its minimum capital requirement for market risks. To limit the market risks taken, each year the Board of Directors of PostFinance sets a maximum figure not to be exceeded with regard to regulatory minimum capital to cover market risks.

According to PostFinance's business model, market risks are expressed by increased volatility in the income statement in the short term. PostFinance is exposed to market risks for two reasons:

- Open foreign currency items and changes in value arising from foreign currency derivatives affect the volatility of the income statement (foreign currency risks).
- Changes in the value of instruments that are recognized according to the principle of the lower of cost or market value or managed in accordance with hedge accounting (including fund investments in the banking book, hedged items and the related hedging instruments) may also have an effect on the volatility of the income statement

Market risks are modelled according to value at risk and limited in the income statement by the Board of Directors. To measure market risks, the risk factors that have an impact on the present value of the relevant item are assigned to each item. The change in present value is modelled according to the change in the allocated risk factors. A functional correlation between the item value and the associated risk factors must also be defined. The stochasticity of all relevant risk factors over the next 250 days is determined on the basis of probability distribution assumptions. Corresponding market data time series are used to calibrate the probability distributions. The distribution of changes to the income statement over a one-year period can be determined with the help of the functional correlation established between risk factors and portfolio items. Value at risk is then determined on the basis of the 95 percent quantile. The Risk Management department measures market risks on a weekly basis. It informs the Executive Board of the extent to which limits are used and submits risk control proposals where necessary.

Operational and strategic risks

In line with the Basel Committee on Banking Supervision, operational risk at PostFinance is defined as the risk of unexpected costs or unwelcome events (such as events with a negative impact on reputation or compliance) that may arise as a result of the inadequacy or failure of internal processes, people or systems, or as a result of external events. Strategic risk refers to the risk of failing to achieve company goals at the level of the fundamental or long-term orientation of the institution as a result of unexpected developments. The Board of Directors sets out the principles for managing operational and strategic risks and defines the risk appetite in the risk policy regulations.

Risk appetite is defined using quantitative and qualitative targets from various perspectives. Equity is allocated for operational risks to meet regulatory requirements. The Board of Directors also defines indicators for the main risk categories and approval limits for individual risks. If these limits are exceeded, the management of the corresponding risks must be submitted to the Board of Directors for approval. The Board of Directors also adopts qualitative requirements on risk appetite. In particular, operational risks with the potential to lead to serious infringements of laws or regulations in plausible, adverse scenarios are not tolerated.

The risk appetite for strategic risks is taken into account by the Board of Directors when drawing up the business strategy. The Board of Directors receives regular reports on the extent of strategic risks. As part of equity capital planning, it is shown whether the strategy is feasible in compliance with regulatory capital and liquidity requirements.

The risk management process ensures that the risks assumed are in line with the risk appetite and that the risk capacity and in particular the legal and regulatory requirements are complied with. The stabilization and emergency plan is an instrument used to ensure either the continuation of business activities or, alternatively, an orderly wind-down with the continuation of systemically important functions, even during stressful periods.

4 | Capital adequacy disclosure in accordance with FINMA Circular 2016/1¹

According to the decree issued by the SNB on 29 June 2015, PostFinance was designated a systemically important financial group. For this reason, PostFinance must comply with the requirements set out in Articles 124–136 of the Ordinance on the Capital Adequacy and Risk Diversification of Banks and Securities Firms (CAO).

Two disclosures showing PostFinance's equity situation were published as at 31 December 2024. The information in the "Capital adequacy disclosure" meets the requirements of Annexes 1 and 2 of the FINMA Circular 2016/1 "Disclosure – banks". The capital adequacy disclosure on grounds of systemic importance, which is a parallel calculation in accordance with Annex 3 of the aforementioned Circular, is also published. The different requirements result in deviations, particularly with regard to eligible capital and capital ratios. The specified documents are published at postfinance.ch/reporting.

¹ Chapter 4 on capital adequacy disclosures in accordance with FINMA Circular 2016/1 is not part of the audit by Ernst & Young Ltd.

Information on the balance sheet

5 | Securities financing transactions

Breakdown of securities financing transactions (assets and liabilities)

CHF million	31.12.2023	31.12.2024
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions	–	–
Book value of obligations from cash collateral received in connection with securities lending and repurchase transactions	4,100	8,490
Book value of securities lent in connection with securities lending or delivered as collateral in connection with securities borrowing as well as securities in own portfolio transferred in connection with repurchase agreements	6,128	9,381
with unrestricted right to resell or pledge	6,128	9,381
Fair value of securities received and serving as collateral in connection with securities lending or securities borrowed in connection with securities borrowing as well as securities received in connection with reverse repurchase agreements with an unrestricted right to resell or repledge	1,942	977
of which, repledged securities	–	–
of which, resold securities	–	–

6 | Collateral for loans/receivables and off-balance-sheet transactions, as well as impaired loans/receivables

Presentation of collateral for loans/receivables		Type of collateral			Total
		Secured by mortgage	Other collateral	Unsecured	
31.12.2024 CHF million					
Loans (before netting with value adjustments)					
Amounts due from customers		–	1,475	10,850	12,325
Total loans (before netting with value adjustments) 31.12.2024		–	1,475	10,850	12,325
31.12.2023		0	1,289	10,600	11,889
Total loans (after netting with value adjustments) 31.12.2024		–	1,475	10,801	12,276
31.12.2023		0	1,289	10,582	11,871

Presentation of collateral for off-balance-sheet transactions		Type of collateral			Total
		Secured by mortgage	Other collateral	Unsecured	
31.12.2024 CHF million					
Off-balance sheet					
Contingent liabilities		–	48	2	50
Irrevocable commitments		–	105	764	869
Total off-balance sheet 31.12.2024		–	153	766	919
31.12.2023		–	200	783	983

Guarantees, sureties for COVID-19 loans and cash collateral are recognized as receivables with other collateral.

PostFinance discloses payment obligations for depositor protection in irrevocable commitments.

Impaired loans/receivables	CHF million	
	31.12.2023	31.12.2024
Gross debt amount	63	135
Estimated liquidation value of collateral	–	–
Net debt amount	63	135
Individual value adjustments	60	96

7 | Derivative financial instruments and hedge accounting

Derivatives entered into by PostFinance on behalf of customers are disclosed in the following overview as trading instruments.

Presentation of derivative financial instruments (assets and liabilities)		Trading instruments			Hedging instruments		
		Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
31.12.2024 CHF million							
Interest rate instruments							
Forward contracts including FRAs		–	–	–	0	–	32
Swaps		–	–	–	56	62	3,350
Foreign exchange/precious metals							
Forward contracts		6	1	615	12	141	7,976
Cross-currency interest rate swaps		–	–	–	695	3	7,316
Total before netting agreements as at 31.12.2024		6	1	615	763	206	18,674
of which, determined using a valuation model		6	1		763	206	
31.12.2023		3	7	677	1,327	3	17,610
of which, determined using a valuation model		3	7		1,327	3	
Total after netting agreements as at 31.12.2024		6	1	615	763	206	18,674
31.12.2023		3	7	677	1,327	3	17,610

Breakdown by counterparty

31.12.2024 CHF million	Central clearing houses	Banks and securities firms	Other customers
Positive replacement values (after netting agreements)	–	769	0

Cash flow hedges

PostFinance uses cash flow hedge accounting to hedge the volatility of cash flows from interest-bearing instruments that can be predicted with a high degree of probability. Cash flow hedge accounting is used in particular to hedge fixed income instruments in foreign currencies via cross-currency interest rate swaps.

Contract volumes of cash flow hedges CHF million					Term to maturity
	0–3 months	3 months–1 year	1–5 years	Over 5 years	Total
31.12.2023					
Interest rate and currency risk					–
Cross-currency interest rate swaps	510	932	4,111	1,757	7,310
Other					–
Completed non-settled transactions	2	–	–	–	2
31.12.2024					
Interest rate and currency risk					–
Cross-currency interest rate swaps	294	1,174	3,939	1,909	7,316
Other					–
Completed non-settled transactions	32	–	–	–	32

The following amounts were recognized from designated hedging instruments in the balance sheet and income statement:

Changes in hedging instruments CHF million			Change in fair value which was used for disclosure of ineffectiveness in the reporting period	Change in fair value of hedging instrument in the reporting period, recorded in other assets/liabilities	Ineffectiveness recorded in the income statement	Net amount reclassified from other assets/liabilities to the income statement ¹
	Positive fair values	Negative fair values				
31.12.2023						
Interest rate and currency risk						
Cross-currency interest rate swaps	944	–	466	466	–	–371
Other						
Completed non-settled transactions	0	–	0	0	–	0
31.12.2024						
Interest rate and currency risk						
Cross-currency interest rate swaps	695	3	–46	–46	–	196
Other						
Completed non-settled transactions	0	–	0	0	–	–

¹ The ineffective share from the change in the fair value of the derivative is recognized in the result from trading activities and the fair value option. Reclassifications from other assets / liabilities are carried out in the result from trading activities and the fair value option (fair value change).

In the course of the reporting period, the following effects arose from designated hedged items (item in the balance sheet: financial investments):

Effects of hedged items in cash flow hedging	Change in fair value which was used for disclosure of ineffectiveness in the reporting period	Hedging reserves in other assets/liabilities
CHF million		
31.12.2023		
Interest rate and currency risk		
Debt securities intended to be held to maturity	-466	134
31.12.2024		
Interest rate and currency risk		
Debt securities intended to be held to maturity	46	345

The hedging reserves in other assets/liabilities underwent the following change in the reporting periods:

Hedging reserves in other assets/liabilities	2023	2024
CHF million		
	Hedging reserves – unrealized gains/losses from cash flow hedge	Hedging reserves – unrealized gains/losses from cash flow hedge
Balance at 1.1	78	134
Unrealized gains/losses from cash flow hedges and hedging costs		
Change in fair value of hedging instrument		
Interest rate and currency risk	466	-46
Other	0	0
Change in hedging costs		
Interest rate and currency risk		
Foreign currency basis spreads	-39	-23
Realized gains/losses from cash flow hedges and hedging costs reclassified to the income statement		
Change in fair value of hedging instrument		
Interest rate and currency risk	387	196
Other	-	-
Change in hedging costs		
Interest rate and currency risk		
Foreign currency basis spreads	16	18
Balance at 31.12	134	279

These cash flows are expected to have an effect on the income statement in the following periods:

Cash flows (not discounted)	Term to maturity			
CHF million	0–3 months	3 months–1 year	1–5 years	Over 5 years
31.12.2023				
Cash inflows	23	45	223	66
Cash outflows	-50	-108	-424	-110
31.12.2024				
Cash inflows	31	54	276	59
Cash outflows	-60	-124	-527	-111

Fair value hedges

PostFinance uses fair value hedge accounting to hedge changes in the value of interest-sensitive assets. Fair value hedge accounting is used in particular to hedge fixed income instruments via interest rate swaps.

Contract volumes for fair value hedges CHF million					Term to maturity
	0–3 months	3 months–1 year	1–5 years	Over 5 years	Total
31.12.2023					
Interest rate risk					
Interest rate swaps	–	–	300	2,456	2,756
31.12.2024					
Interest rate risk					
Interest rate swaps	–	–	550	2,800	3,350

The following amounts were recognized from designated hedging instruments in the balance sheet and income statement:

Change in fair value hedges CHF million	Positive fair values	Negative fair values	Change in fair value which was used for disclosure of ineffectiveness in the reporting period	Ineffectiveness recorded in income statement ¹
31.12.2023				
Interest rate risk				
Interest rate swaps	208	–	–237	–
31.12.2024				
Interest rate risk				
Interest rate swaps	56	62	–209	–

¹ The ineffective share from the change in the fair value of the derivative is recognized in the result from trading activities and the fair value option.

In the course of the reporting period, the following amounts arose from designated hedged items (item in the balance sheet: financial investments, amounts due from banks, amounts due from customers):

Effects of hedged items from fair value hedging CHF million	Book value of hedged item	Accumulated expenses or income from fair value hedge adjustments that were recorded in the book value of the hedged item	Change in fair value which was used for disclosure of ineffectiveness in the reporting period	Accumulated amount of fair value hedge adjustments remaining in the balance sheet for hedged items that have ceased to be adjusted for hedging gains and losses
31.12.2023				
Interest rate risk				
Debt securities intended to be held to maturity	2,373	–196	220	3
Amounts due from customers and banks	192	–8	17	–
31.12.2024				
Interest rate risk				
Debt securities intended to be held to maturity	3,165	1	198	2
Amounts due from customers and banks	203	3	11	–

8 | Financial investments

Breakdown of financial investments CHF million	Book value		Fair value	
	31.12.2023	31.12.2024	31.12.2023	31.12.2024
Debt securities	57,383	54,403	55,613	54,244
of which, intended to be held to maturity	57,383	54,403	55,613	54,244
Equity securities ¹	102	76	110	80
Cryptocurrencies	–	0	–	1
Total	57,485	54,479	55,723	54,325
of which, securities eligible for repo transactions in accordance with liquidity requirements	28,849	26,932	27,799	26,845

¹ There are no qualified participations.

Breakdown of counterparties by rating ¹

31.12.2024 CHF million	AAA to AA–	A+ to A–	BBB+ to BBB–	BB+ to B–	Below B–	Unrated
Debt securities: book values	34,434	12,765	6,666	37	17	485

¹ The following ratings agencies, all of which are recognized by FINMA, were consulted for the ratings: fedafin AG, Fitch Ratings, Moody's Investors Service, Standard & Poor's Ratings Services.

9 | Participations

Presentation of participations

CHF million	Acquisition cost	Accumulated value adjustments	Book value 31.12.2023	2024							
				Reclassifications	Additions	Disposals	Value adjustments	Depreciation reversals	Book value 31.12.2024	Market value 31.12.2024	
Participations											
with market value	44	–	44	–	–	–11	–	–	–	33	284
without market value	167	–68	99	–	13	0	–4	2	2	110	–
Total participations	211	–68	143	–	13	–11	–4	2	2	143	284

10 | Significant participations

Significant participations				Share of capital and of votes ¹	
CHF or EUR, percent	Business activities	Currency	Company capital	31.12.2023	31.12.2024
Finform Ltd, Bern, Switzerland	Fintech and regtech	CHF	100,000	50.00%	50.00%
Yuh Ltd, Gland, Switzerland	Fintech in the neobanking area	CHF	1,000,000	50.00%	50.00%
TWINT Ltd, Zurich, Switzerland	Mobile payment	CHF	12,750,000	26.66%	26.66%
TWINT Acquiring Ltd, Zurich, Switzerland ¹	Acquiring for payment transactions	CHF	100,000	26.66%	26.66%
TONI Digital Insurance Solutions AG, Schlieren, Switzerland	Insurance service provider	CHF	2,744,155	24.71%	24.55%
moneymeets GmbH, Cologne, Germany ²	Online financial services	EUR	112,568	24.23%	–
Tilbago AG, Lucerne, Switzerland	Smart online payment collection solution (robo payment collection)	CHF	177,906	24.43%	24.43%
Credit Exchange Ltd, Zurich, Switzerland	B2B mortgage platform	CHF	168,828	21.45%	21.36%

¹ TWINT Acquiring Ltd is held indirectly via TWINT Ltd. All other participations are directly owned by PostFinance Ltd.
² Sale of participation in moneymeets GmbH in the third quarter of 2024.

Additional information on the true and fair value statutory single-entity financial statements in accordance with article 62 of the FINMA Accounting Ordinance: The effect of a theoretical application of the equity method with regard to these participations would be to reduce total assets by 37 million francs (previous year: 41 million francs) and to increase profit for the year by 2 million francs (previous year: reduction of 6 million francs).

11 | Tangible fixed assets

Presentation of tangible fixed assets

CHF million	Acquisition cost	Accumulated depreciation	Book value 31.12.2023	2024						Book value 31.12.2024
				Reclassifications	Additions	Disposals	Depreciation	Reversals		
Bank buildings	234	–86	148	–	2	–	–7	–	143	
Other real estate	1,065	–302	763	–	15	–	–27	–	751	
Proprietary or separately acquired software	231	–173	58	–	–	–	–20	–	38	
Other tangible fixed assets	72	–50	22	–	16	–	–9	–	29	
Total tangible fixed assets	1,602	–611	991	–	33	–	–63	–	961	

Future lease obligations under operating leases

CHF million	2025	2026	2027	2028	2029	2030	Total
Future lease payments	5	5	5	4	2	0	21
of which cancellable within a year	1	0	0	0	0	0	1

12 | Intangible assets

Presentation of intangible assets							2024
CHF million	Cost value	Accumulated amortization	Book value 31.12.2023	Additions	Disposals	Amortization	Book value 31.12.2024
Other intangible assets	8	-2	6	-	-	-1	5
Total intangible assets	8	-2	6	-	-	-1	5

13 | Other assets and other liabilities

Breakdown of other assets and other liabilities	31.12.2023	31.12.2024	31.12.2023	31.12.2024
	Other assets	Other assets	Other liabilities	Other liabilities
Compensation account	-	4	345	284
Employer contribution reserves	33	35	-	-
Indirect taxes	18	32	35	38
Other assets and liabilities	5	2	87	108
Total other assets and other liabilities	56	73	467	430

14 | Pledged or assigned assets and assets under reservation of ownership

Total amount of assets pledged or assigned to secure own commitments and of assets under reservation of ownership¹

CHF million	31.12.2023	31.12.2024
Liquid assets:		
Book value of assets pledged and assigned as collateral	391	382
Effective commitments	-	-
Financial investments:		
Book value of assets pledged and assigned as collateral	79	83
Effective commitments	-	-

¹ Excluding securities lending and securities borrowing, and repurchase and reverse repurchase transactions.

15 | Liabilities relating to own pension schemes

Pension benefit obligations

There is no independent pension scheme for PostFinance staff. Their pension benefits are handled exclusively by the Swiss Post pension fund. The employer may be required to pay restructuring contributions in the event of underfunding of the Swiss Post pension fund.

Additional amounts due for extended disability benefit plans in the form of transitional invalidity insurance (supplementary disability pensions for men up to the age of 65 and women up to the age of 65, albeit with transitional arrangement in accordance with OASI) are taken into account in the annual financial statements.

Liabilities relating to own pension schemes as per Swiss GAAP ARR 16

All the compulsory ordinary employer contributions associated with the pension plan are accounted for as personnel expenses using the accrual-based accounting principle. An annual assessment is carried out in accordance with Swiss GAAP ARR 16 to determine whether, for PostFinance, the pension schemes generate an economic benefit or an economic obligation. The assessment is based on information from contracts, the annual financial statements of the pension schemes and other calculations presenting their financial situation and current overfunding or underfunding – in accordance with Swiss GAAP ARR 26 accounting principles. PostFinance does not however intend to use the economic benefit that may result from overfunding to reduce employer contributions. Consequently, a future economic benefit is not capitalized. An economic obligation is, however, recognized under liabilities. With 38,360 active insured persons and 28,948 pensioners (as at 31 October 2024), the Swiss Post pension fund had total assets of 16,975 million francs as at 31 December 2024 (previous year: 16,369 million francs). The level of cover calculated according to the accounting principles applicable to the Swiss Post pension fund stands at approximately 110.9 percent (previous year: 106.1 percent). As the Swiss Post pension fund value fluctuation reserves have not yet reached the set regulatory level, there is no overfunding available. The Swiss Post pension fund has employer contribution reserves of 350 million francs without a waiver of use (previous year: 350 million francs without a waiver of use). A technical interest rate of 1.75 percent (previous year: 1.75 percent) and the technical basis of OPA 2020 (previous year: OPA 2020) were used to calculate pension cover. It should be noted that all data regarding the Swiss Post pension fund is based on the information available at the time of drawing up the ARR 16 financial statements. Consequently, it may differ from the actual information contained in the annual financial statements for the Swiss Post pension fund. A detailed assessment did not reveal any financial impact on the bank; according to the financial statements for the Swiss Post pension fund drawn up according to Swiss GAAP ARR 26, there were no spare funds or underfunding as at 31 December 2024. There are no employer-sponsored pension schemes.

The economic benefit or economic obligations and pension expenses can be summarized as follows:

Presentation of the economic benefit/obligation and the pension expenses	Overfunding/ underfunding		Economic interest of PostFinance Ltd		Change in economic interest (economic benefit/obliga- tion) versus previous year 2024	Contributions paid		Pension expenses in personnel expenses	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023		2024	31.12.2023	31.12.2024	
CHF million									
Swiss Post pension fund	162	0	0	0	0	44	39	44	
Disability pensions	-1	-1	-1	0	0	0	0	0	
Total ARR 16	161	-1	-1	0	0	44	39	44	

The employer contribution reserves of the Swiss Post pension fund are allocated based on the percentage of PostFinance's retirement capital of the entire retirement capital. This gives the following picture:

Employer contribution reserves (ECR)	Nominal value		Waiver of use	Net amount		Influence of ECR on personnel expenses	
	31.12.2024	31.12.2023		31.12.2024	31.12.2023	31.12.2023	31.12.2024
CHF million							
Swiss Post pension fund	35	33	-	35	-1	-2	
Total ARR 16	35	33	-	35	-1	-2	

16 | Value adjustments and provisions, and reserves for general banking risks

Presentation of value adjustments and provisions, reserves for general banking risks, and changes therein during the current year

CHF million	As at 31.12.2023	Use in con- formity with designated purpose ¹	Reclassi- fications	Currency differences	Past due interest, recoveries	New creations charged to income	Releases to income	Balance at 31.12.2024
Provisions for pension benefit obligations	0	–	–	–	–	1	–	1
Provisions for default risks	–	–	–	–	–	–	–	–
of which provisions as per Art. 28 para. 1 RelV-FINMA	–	–	–	–	–	–	–	–
of which provisions for expected losses	–	–	–	–	–	–	–	–
Provisions for restructuring	1	–1	–	–	–	–	0	–
Other provisions	34	–3	–	–	–	4	–3	32
Total provisions	35	–4	–	–	–	5	–3	33
Reserves for general banking risks	–	–	–	–	–	–	–	–
Value adjustments for default and country risks²	79	–	–	–	1	39	–3	116
of which, value adjustments for default risks in respect of impaired loans/receivables	60	–	–	–	1	38	–3	96
of which, value adjustments for expected losses	19	–	–	–	–	1	0	20

¹ There were no changes in purpose.

² Includes the value adjustments from amounts due from banks, amounts due from customers und debt securities held to maturity.

Together with other Swiss financial institutions, PostFinance Ltd is currently involved in an investigation initiated in 2018 by the Federal Competition Commission in connection with the mobile payment solution TWINT. The investigation is not yet complete. No provisions have been recognized.

As at 31 December 2023 and 31 December 2024, the levels of expected loss within amounts due from banks, amounts due from customers, debt securities intended to be held to maturity and contingent liabilities consisted of the following.

Analysis of expected losses and impaired loans / receivables

CHF million	31.12.2023				31.12.2024			
	12-month expected credit losses (level 1)	Expected credit losses over remaining term to maturity (level 2)	Expected credit losses over remaining term to maturity (level 3)	Total	12-month expected credit losses (level 1)	Expected credit losses over remaining term to maturity (level 2)	Expected credit losses over remaining term to maturity (level 3)	Total
Amounts due from banks	2,889	–	–	2,889	2,738	–	–	2,738
Value adjustments	0	–	–	0	0	–	–	0
Book value	2,889	–	–	2,889	2,738	–	–	2,738
Amounts due from securities financing transactions	–	–	–	–	–	–	–	–
Value adjustments	–	–	–	–	–	–	–	–
Book value	–	–	–	–	–	–	–	–
Amounts due from customers	11,869	3	17	11,889	12,255	4	66	12,325
Value adjustments	–4	–1	–14	–18	–4	–1	–44	–49
Book value	11,865	2	3	11,871	12,251	3	22	12,276
Debt securities held to maturity								
AAA to AA–	37,480	–	–	37,480	34,436	–	–	34,436
A+ to A–	13,747	–	–	13,747	12,749	20	–	12,769
BBB+ to BBB–	5,745	–	–	5,745	6,674	–	–	6,674
BB+ to B–	30	–	–	30	37	–	–	37
Below B–	–	–	–	–	–	–	22	22
Unrated	395	–	46	441	485	–	46	531
Total	57,397	–	46	57,443	54,381	20	68	54,469
Value adjustments	–14	–	–46	–60	–14	0	–52	–66
Book value	57,383	–	0	57,383	54,367	20	16	54,403
Contingent liabilities	53	–	–	53	50	–	–	50
Provisions for expected losses	–	–	–	–	–	–	–	–
Total	53	–	–	53	50	–	–	50

The economic outlook may have an impact on the credit quality of bonds and receivables. The economic forecasts for Switzerland have not changed significantly in 2024. However, these forecasts are subject to greater uncertainty, particularly due to the signals from the US and Europe. Expected losses on receivables and financial investments are therefore difficult to predict. The shifts within the first and second levels were insignificant. Due to value adjustments on two individual items in level 3, the required value adjustments increased by a total of 38 million francs in the 2024 financial year.

17 | Bank's capital

PostFinance Ltd is owned entirely by Swiss Post Ltd.

Presentation of the bank's capital CHF million, number in million	31.12.2023			31.12.2024		
	Total par value	No. of shares	Capital eligible for dividend	Total par value	No. of shares	Capital eligible for dividend
Bank's capital						
Share capital	2,000	2	2,000	2,000	2	2,000
of which, paid up	2,000	2	2,000	2,000	2	2,000
Total bank's capital	2,000	2	2,000	2,000	2	2,000

18 | Amounts due from / to related parties

Disclosure of amounts due from/to related parties CHF million	Amounts due from		Amounts due to	
	31.12.2023	31.12.2024	31.12.2023	31.12.2024
Holders of qualified participations	638	701	971	865
Linked companies	22	17	136	60
Transactions with members of governing bodies	0	0	12	22

Associated companies and subsidiaries that are under the direct or indirect management of associated companies are regarded as linked companies.

Transactions (such as securities transactions, payment transactions, and interest on deposits) with related parties, with the exception of members of the Executive Board and Senior Management (senior management and individual specialist functions at PostFinance), were carried out according to the same terms and conditions and lending rates as transactions with third parties.

Industry-standard preferential conditions apply to the Executive Board and members of Senior Management, as is the case for all PostFinance employees.

PostFinance offers loans and mortgages in cooperation with partners. No items are included on the PostFinance balance sheet; these are not regarded as transactions with members of governing bodies in the strict sense and are therefore not shown in the Annual Report.

19 | Holders of significant participations

Disclosure of holders of significant participations CHF million	31.12.2023		31.12.2024	
	Nominal	% of equity	Nominal	% of equity
With voting rights: Swiss Post Ltd	2,000	100	2,000	100

20 | Maturity structure of financial instruments

Presentation of the maturity structure of financial instruments (assets/financial instruments)

31.12.2024 CHF million	Due							Total	
	At sight	Cancellable	Within 3 months	Within 3 to 12 months	Within 12 months to 5 years	After 5 years	No maturity		
Liquid assets	32,565	382	–	–	–	–	–	32,947	
Amounts due from banks	150	–	449	400	1,049	690	–	2,738	
Amounts due from customers	361	–	1,040	978	5,729	4,168	–	12,276	
Mortgage loans	–	–	–	–	–	–	–	–	
Positive replacement values of derivative financial instruments	–	–	28	134	425	182	–	769	
Financial investments	76	–	2,446	5,586	26,369	20,002	–	54,479	
Total	31.12.2024	33,152	382	3,963	7,098	33,572	25,042	–	103,209
	31.12.2023	27,178	394	2,711	9,339	35,282	25,761	–	100,665

Presentation of the maturity structure of financial instruments (debt capital/financial instruments)

31.12.2024 CHF million	Due							Total	
	At sight	Cancellable	Within 3 months	Within 3 to 12 months	Within 12 months to 5 years	After 5 years	No maturity		
Amounts due to banks	809	–	–	–	–	–	–	809	
Liabilities from securities financing transactions	–	–	8,490	–	–	–	–	8,490	
Amounts due in respect of customer deposits	62,062	25,417	829	18	–	–	–	88,326	
Negative replacement values of derivative financial instruments	–	–	118	24	2	63	–	207	
Cash bonds	–	–	9	87	39	5	–	140	
Total	31.12.2024	62,871	25,417	9,446	129	41	68	–	97,972
	31.12.2023	63,903	25,538	5,695	107	112	5	–	95,360

21 | Assets and liabilities by domestic and foreign origin

Presentation of assets and liabilities by domestic and foreign origin in accordance with the domicile principle	31.12.2023		31.12.2024	
	Domestic	Foreign	Domestic	Foreign
CHF million				
Assets				
Liquid assets	27,090	–	32,947	–
Amounts due from banks	2,861	28	2,647	91
Amounts due from securities financing transactions	–	–	–	–
Amounts due from customers	11,866	5	12,275	1
Mortgage loans	0	–	–	–
Positive replacement values of derivative financial instruments	396	934	130	639
Financial investments	32,152	25,333	29,792	24,687
Accrued income and prepaid expenses	246	149	250	195
Participations	125	18	133	10
Tangible fixed assets	991	–	961	–
Intangible assets	6	–	5	–
Other assets	57	–	73	–
Total assets	75,790	26,467	79,213	25,623
Liabilities				
Amounts due to banks	533	988	173	636
Liabilities from securities financing transactions	4,000	100	6,590	1,900
Amounts due in respect of customer deposits	85,978	3,629	84,705	3,621
Negative replacement values of derivative financial instruments	5	4	88	119
Cash bonds	118	5	135	5
Accrued expenses and deferred income	131	1	130	1
Other liabilities	463	3	424	6
Provisions	35	–	33	–
Bank's capital	2,000	–	2,000	–
Statutory capital reserve	4,140	–	4,140	–
Profit/loss carried forward	–40	–	10	–
Profit	164	–	120	–
Total liabilities	97,527	4,730	98,548	6,288

22 | Assets by country / group of countries

Breakdown of total assets by country or group of countries (domicile principle)	31.12.2023		31.12.2024	
	Absolute	Share as %	Absolute	Share as %
CHF million, percent				
Assets				
Switzerland	75,790	74.12	79,213	75.56
Europe	12,525	12.25	12,132	11.57
North America	7,979	7.80	8,997	8.58
Other countries	5,963	5.83	4,494	4.29
Total assets	102,257	100.00	104,836	100.00

23 | Assets by credit rating of country groups

Breakdown of total assets by credit rating of country groups (risk domicile view)	Foreign exposure 31.12.2023		Foreign exposure 31.12.2024	
	Absolute	Share as %	Absolute	Share as %
CHF million, percent				
Rating (Moody's)				
Aaa	13,854	55.63	14,612	59.64
Aa	8,024	32.22	7,310	29.84
A	1,902	7.64	1,596	6.52
Baa	456	1.83	538	2.19
Ba	1	0.00	0	0.00
B	191	0.77	69	0.28
Caa	251	1.01	150	0.61
No rating	224	0.90	225	0.92
Total	24,903	100.00	24,500	100.00

24 | Assets and liabilities by currency

Presentation of assets and liabilities broken down by the most significant currencies for the bank

31.12.2024
CHF million

	CHF	EUR	USD	GBP	JPY	Other	Total
Assets							
Liquid assets	32,863	84	–	–	–	–	32,947
Amounts due from banks	2,676	43	7	1	7	4	2,738
Amounts due from customers	12,276	0	0	0	0	0	12,276
Positive replacement values of derivative financial instruments	769	–	–	–	–	–	769
Financial investments	37,482	10,431	5,556	136	–	874	54,479
Accrued income and prepaid expenses	267	116	53	2	–	7	445
Participations	133	4	5	1	–	0	143
Tangible fixed assets	961	–	–	–	–	–	961
Intangible assets	5	–	–	–	–	–	5
Other assets	73	0	0	–	–	–	73
Total assets shown in balance sheet	87,505	10,678	5,621	140	7	885	104,836
Delivery entitlements from spot exchange, forward forex and forex options transactions	15,377	225	219	49	3	34	15,907
Total assets	102,882	10,903	5,840	189	10	919	120,743
Liabilities							
Amounts due to banks	803	4	2	0	0	0	809
Liabilities from securities financing transactions	8,490	–	–	–	–	–	8,490
Amounts due in respect of customer deposits	85,764	1,975	509	39	10	29	88,326
Negative replacement values of derivative financial instruments	207	–	–	–	–	–	207
Cash bonds	121	19	–	–	–	–	140
Accrued expenses and deferred income	130	1	0	0	–	0	131
Other liabilities	423	4	3	0	–	0	430
Provisions	33	–	–	–	–	–	33
Bank's capital	2,000	–	–	–	–	–	2,000
Statutory capital reserve	4,140	–	–	–	–	–	4,140
Profit/loss carried forward	10	–	–	–	–	–	10
Profit	120	–	–	–	–	–	120
Total liabilities shown in the balance sheet	102,241	2,003	514	39	10	29	104,836
Delivery obligations from spot exchange, forward forex and forex options transactions	510	8,795	5,277	147	0	881	15,610
Total liabilities	102,751	10,798	5,791	186	10	910	120,446
Net position per currency 31.12.2024	131	105	49	3	0	9	297
Net position per currency 31.12.2023	843	80	41	2	0	6	972

Information on off-balance sheet transactions

25 | Contingent assets and liabilities

Breakdown of contingent liabilities and contingent assets

CHF million	31.12.2023	31.12.2024
Guarantees to secure credits and similar	51	48
Other contingent liabilities	2	2
Total contingent liabilities	53	50

PostFinance Ltd is jointly and severally liable for all amounts due in connection with value-added tax (VAT) for the companies belonging to the "Swiss Post" VAT group.

As far as systemic importance is concerned, a letter of comfort from Swiss Post Ltd amounting to 1 billion francs (previous year: 1 billion francs) in favour of PostFinance Ltd existed as at 31 December 2024.

26 | Managed assets

Breakdown of managed assets

CHF million	31.12.2023	31.12.2024
Type of managed assets:		
Assets under discretionary asset management agreements	1,385	1,824
Other managed assets	36,335	37,285
Total managed assets¹	37,720	39,109
of which, double counting	–	–

¹ "Managed assets" refers only to assets deposited for investment purposes. Assets in connection with retirement planning products which are managed by third parties and assets deposited for transaction purposes are not included. PostFinance does not offer collective investment schemes managed by the bank. The item "Assets under discretionary asset management agreements" comprises assets in conjunction with e-asset management offered by PostFinance. Assets for which the customer decides independently how they should be invested are reported under "Other managed assets".

Presentation of the development of managed assets

CHF million	31.12.2023	31.12.2024
Total managed assets (including double counting) at beginning	35,669	37,720
+/- net new money inflow or net new money outflow ¹	1,156	–212
+/- price gains / losses, interest, dividends and currency gains / losses	895	1,601
+/- other effects		
Total managed assets (including double counting) at end	37,720	39,109

¹ Net new money inflow or net new money outflow is calculated based on the overall change in managed assets, less price, interest and currency gains/losses, dividend distributions and other effects.

Information on the income statement

27 | Result from trading activities and the fair value option

Breakdown by business area

CHF million	2023	2024
Payment transactions and financial investments	249	231
Hedge accounting	-14	-16
Proprietary trading	-21	15
Total result from trading activities	214	230

Breakdown by risk and based on the use of the fair value option

CHF million	2023	2024
Result from trading activities from:		
Interest rate instruments	-1,038	403
Equity securities	-2	1
Foreign currencies	1,254	-174
Total result from trading activities¹	214	230

¹ PostFinance does not apply the fair value option.

28 | Personnel expenses

Breakdown of personnel expenses

CHF million	2023	2024
Salaries (meeting attendance fees and fixed compensation to members of the bank's governing bodies, salaries and benefits)	380	412
Social insurance benefits	72	79
Other personnel expenses	17	18
Total personnel expenses	469	509

29 | General and administrative expenses

Breakdown of general and administrative expenses		
CHF million	2023	2024
Office space expenses	31	29
Expenses for information and communications technology	215	218
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	17	17
Fees of audit firm (Art. 961a no. 2 CO)	2	2
of which, for financial and regulatory audits	2	2
of which, for other services	–	–
Other operating expenses	227	234
Total general and administrative expenses	492	500

30 | Extraordinary expenses and income

Extraordinary expenses		
CHF million	2023	2024
Losses from disposal of participations	0	0
Total extraordinary expenses	0	0

Extraordinary income		
CHF million	2023	2024
Reversals of impairment	5	2
Gains from disposal of participations	–	37
Other extraordinary income	5	–
Total extraordinary income	10	39

31 | Taxes

Current and deferred taxes		
CHF million	2023	2024
Expenses for current capital and income taxes	31	29
Total taxes	31	29

Tax expenses for corporate income tax and taxes on capital stood at 29 million francs (previous year: 31 million francs). In the previous year, the profit for 2023 was offset against the remaining loss carryforward of 40 million francs as at 31 December 2022. As in the previous year, a tax rate of 19.5 percent was used for calculating corporate income tax.

Auditor's report

Only the German version of the financial statements have been audited and the related audit report is included in the German version of the annual report of PostFinance Ltd on page 88. The translations into English, French and Italian of the financial statements were not subject to audit and are therefore marked as "unaudited".

Five-year overview of key figures

		2020	2021	2022	2023	2024
Result						
Operating revenue	CHF million	6,548	6,877	6,859	7,279	7,626
Generated in competition	% of operating revenue	84.8	86.1	86.0	87.6	87.7
Of which revenue abroad ¹	% of operating revenue	9.5	9.1	9.9	9.8	11.9
Operating profit	CHF million	258	515	358	323	401
Generated in competition	% of operating profit	68.2	79.8	87.7	91.3	80.5
Group profit	CHF million	178	452	295	254	324
Equity	CHF million	6,906	8,918	9,884	10,255	10,631
Value generation						
Economic value added ²	CHF million	-125	-8	-96	-215	-202
Added value generated	CHF million	4,180	4,376	4,296	4,279	4,515
to employees	CHF million	3,529	3,448	3,496	3,516	3,672
to creditors	CHF million	50	44	66	71	50
to public sector	CHF million	28	55	37	45	72
to owner	CHF million	50	50	50	50	100
to company	CHF million	523	779	647	597	621
Jobs						
Headcount (excluding trainees) ³	Full-time equivalents	39,089	40,144	34,072	34,587	35,106
Trainees in Switzerland	Persons	1,863	1,860	1,839	1,844	1,887
Jobs in peripheral regions ⁴	Persons	15,655	16,660	16,224	16,244	15,934
Turnover rate (voluntary departures)	As % of average headcount	4.1	5.0	6.2	6.4	6.0
Notice given by employer for economic reasons	As % of average headcount	1.3	1.5	1.2	1.4	1.8
Employment conditions and remuneration						
Employment in accordance with Swiss Post CEC	% of employees	79.6	80.3	81.0	80.3	83.8
Swiss Post CEC minimum salary ⁵	CHF per annum	47,820	50,451	50,653	52,503	53,396
Average salary for employees	CHF per annum	83,636	84,490	84,629	85,552	86,937
Average remuneration paid to members of Executive Management	CHF per annum	575,822	583,501	575,349	576,393	579,032
Health management						
Occupational accidents	Number per 100 FTEs	6.1	7.4	7.0	7.5	7.4
Days lost due to medical reasons ^{6,7}	Days per employee	13.3	7.7	9.4	9.2	9.8
Diversity						
Women	% of employees	44.1	43.0	42.0	41.3	40.7
Nationalities represented	Number	142	143	147	141	139
Women on Board of Directors	%	33.3	33.3	40.0	44.4	44.4
Women in Executive Management ⁸	%	12.5	25.0	25.0	25.0	25.0
Women in senior management roles	%	19.8	21.6	22.6	24.2	25.4
Women in middle and lower management roles	%	22.3	22.8	21.8	22.3	22.9
Demographics						
Average age of workforce	Years	46.0	45.8	45.8	46.1	45.9
Resource consumption⁹						
Energy consumption	GWh	N/A	2,061	2,096	2,056	2,000
Energy consumption within Swiss Post	GWh	N/A	1,095	1,089	1,063	1,055
Renewable share	%	N/A	16.1	16.1	16.5	16.5
Energy consumption outside Swiss Post	GWh	N/A	966	1,008	993	944
Carbon footprint (Scopes 1–3)⁹						
Carbon footprint (Scopes 1 & 2) (own operations)	t CO ₂ equivalent	N/A	249,871	248,825	242,051	240,117
Carbon footprint (Scope 3) (remaining value chain)	t CO ₂ equivalent	N/A	1,941,892	1,957,013	1,859,435	1,530,851

1 Definition of "abroad" in accordance with Notes to the 2024 Group annual financial statements, Note 6.6, Geographical information.

2 The net costs of 363 million francs for the universal service obligation (2023: 268 million francs; 2022: 260 million francs; 2021: 257 million francs; 2020: 231 million francs) are included in economic value added. See the definition of net costs on page 23.

3 The figures up to and including 2021 include the headcount from the sold business unit Swiss Post Solutions.

4 The definition of rural municipalities has been adjusted in accordance with the new data collection from 2022 and retroactively adapted for 2021. It is based on the SECO Ordinance on Regional Policy. The figure for 2020 is not comparable with the figures from 2021 to 2024.

5 Until 2020, the minimum salary under the Swiss Post collective employment contract for an 18-year-old employee who has not completed vocational training was reported. As of 2021, the minimum salary for remote municipalities (region D) is now reported.

6 The figure for 2023 has been adjusted (restatement of provisional prior-year figure). The figure for 2024 is provisional. The definitive figure will follow in the subsequent year based on possible retroactive adjustments in long-term absences (as per the social security calculation system and in line with the SFSO).

7 The continuation of the employment relationship for employees with long-term absences varies according to the company and sector. In order to make a comparison possible with the data used by the Swiss Federal Statistical Office (SFSO) and other companies in Switzerland, this calculation takes account of the absences of full-time employees for a period up to a maximum of six months. The figure for 2020 was not adjusted in line with this definition and is not comparable with the figures from 2021 to 2024.

8 The figures from 2020 to 2022 have been adjusted.

9 The base year 2021 and the years 2022 and 2023 were recalculated retroactively in the event of acquisitions and disposals of subsidiaries or changes in data quality. No comparable figures are available for the year 2020.

Reporting

Document structure

The Swiss Post annual reporting documents 2024 consist of:

- Swiss Post Ltd:
 - Annual Report 2024
 - Financial Report 2024 (management report, corporate governance, annual financial statements for the Group, Swiss Post Ltd and PostFinance Ltd)
 - Sustainability Report 2024
- PostFinance Ltd:
 - Annual Report 2024
 - Sustainability Report 2024
 - Capital adequacy disclosure on grounds of systemic importance as at 31 December 2024
 - Capital adequacy disclosure as at 31 December 2024

These documents are available in electronic format in the online version of the Annual Report at [→ annualreport.swisspost.ch/downloads](https://annualreport.swisspost.ch/downloads) and at [→ postfinance.ch/reporting](https://postfinance.ch/reporting).

Languages

The Swiss Post Financial Report, Sustainability Report and Annual Report are available in English, German, French and Italian. The German version is authoritative.

Publication details

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Switzerland

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swisspost.ch

Concept and project management

Swiss Post Finance, Bern, Swiss Post Communication, Bern
Dr Andreas Sturm, phorbis Communications Ltd, Basel

Text

Swiss Post Finance, Bern, Swiss Post editorial team, Bern

Photographs

Paolo Dutto, Zurich

Design and typesetting

Ilona Troxler Smith and Franck Schirmer, phorbis Communications Ltd, Basel

Proofreading and translations

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