

The change in the deferred revenues is attributable to various factors, including the lower net deferrals for special offerings for specific periods (mainly BahnCards, flexible tickets as well as discount tickets) in the DB Long-Distance segment despite higher opposite deferrals for vouchers.

The deferred public-sector grants included the interest benefit (difference between the nominal value and present value) attributable to the interest-free loans; this has developed as follows during the year under review:

€ million	2021	2020
As of Jan 1	67	211
Reversals	- 67	- 144
As of Dec 31	-	67

Of the figure shown for reversals in the year under review, € 30 million (previous year: € 59 million) was attributable to the annual reversal of deferred items. The remainder was attributable to the reversal of amortized deferrals relating to premature one-off repayments at the present value in 1999, 2004 and 2011.

Deferred revenues constituted that part of compensation that is attributable to the period after the balance sheet date.

Notes to the statement of cash flows

The statement of cash flows shows the changes in cash and cash equivalents in the year under review, and was prepared in accordance with IAS 7 (Cash Flow Statements). The indirect method has been used for showing cash flow from operating activities.

Interest income and interest payments, dividend income as well as tax payments are stated under operating activities.

Cash and cash equivalents include the cash and cash equivalents stated in the balance sheet with a residual maturity of up to three months (cash in hand, cash at banks as well as security investments). As of December 31, 2021, of the total figure stated for cash and cash equivalents, € 1,162 million (as of December 31, 2020: € 981 million) was subject to restrictions mainly as a result of provisions of the rail franchises in the United Kingdom as well as country-specific and contractual restrictions particularly in the international logistics business.

Current receivables due from banks (as of December 31, 2021: € 83 million; as of December 31, 2020: € 271 million), resulting from collateral agreements in connection with financial futures, are shown under current other receivables and assets. Because it is becoming increasingly difficult to predict the development in the value of the financial futures, it can only be assumed to a limited extent that such hedges represent current liquidity. See [Comparability with the previous year](#) 193 ff.

CASH FLOW FROM OPERATING ACTIVITIES

The cash flow from operating activities is calculated by adjusting the net profit/loss for the period before taxes by items that are not cash-effective (in particular additions to and reversals of other provisions) and by adding other changes in current assets, in liabilities (excluding financial debt) and provisions. The cash flow from operating activities is then established after due consideration is given to interest and tax payments.

In accordance with IFRS 16, outflows related to leases are recognized in cash flow from financing activities if they are redemption payments, and are recognized in cash flow from operating activities if they are payments of interest.

The cash flow from operating activities has increased considerably in the year under review. This was primarily due to a significantly lower net loss for the year, adjusted for a reduction in depreciation recognized in relation to property, plant and equipment and intangible assets (discontinuation of the full amortization of goodwill previously recognized by DB Arriva in the previous year of € 1,411 million), higher trade receivables and higher non-cash-effective expenses.

Non-cash-effective expenses and income increased in the year under review, particularly as a result of a significantly higher balance of expenses from additions to and reversals of other provisions (€ + 553 million).

CASH FLOW FROM INVESTING ACTIVITIES

The cash flow from investing activities is calculated as the cash flow provided by the disposal of property, plant and equipment and intangible assets as well as by investment grants, and the cash outflow for capital expenditures in property, plant and equipment and intangible assets as well as cash flow from the addition and disposal of non-current financial assets.

Payments received from investment grants are shown under investing activities due to the close connection between investment grants received and the payments made for capital expenditures in property, plant and equipment assets.

The slight increase in outflows of cash from investing activities was mainly attributable to higher outflows for capital expenditures in property, plant and equipment (€ + 898 million; + 6.8%). On the other hand, net inflows of cash from investment grants increased (€ + 534 million; + 6.3%). The outflows for the acquisition of shares in consolidated companies (year under review: € 45 million; previous year: € 40 million) have only increased slightly compared with the previous year and were attributable to the acquisitions and also to subsequent purchase price payments for ESE Engineering und Software-Entwicklung GmbH, Brunswick. On balance, inflows and outflows for investments in financial assets included outflows of € 107 million to pay for investments from the acquisition of transport concessions (IFRIC 12).

When changes take place in the scope of consolidation as a result of the acquisition or sale of companies, the acquisition price paid (excluding any liabilities that are transferred) less the acquired or sold financial resources are stated as cash flow from investing activities.

CASH FLOW FROM FINANCING ACTIVITIES

The cash flow from financing activities is due to additions to capital, the net inflows and outflows attributable to senior bonds issued, changes in bank borrowings and loans as well as outflows for the redemption of finance leasing liabilities and interest-free loans.

The cash inflow from financing activities decreased by € 397 million. This was primarily made up of a net outflow from the raising and repayment of funds (previous year: net inflow), primarily from the repayment of bank borrowings, reduced net inflows from the issue and redemption of senior bonds and increased redemption payments for leases, combined with higher inflows from additions to capital and the absence of the dividend payment to the Federal Government (previous year: € 650 million).

INFORMATION REGARDING THE CHANGES IN FINANCIAL LIABILITIES (IAS 7)

€ million	As of Jan 1, 2021	Cash-effective changes (inflow [+]/ outflow [-])	Non-cash-effective changes				As of Dec 31, 2021
			Acquisition (+)/ sale (-) of companies	Currency effects	Addition (+)/ disposal (-) of leasing liabilities and financial receivables ¹⁾	Compounding ¹⁾	
Financial receivables ¹⁾	- 856	187	-	-	586	-	- 83
LIABILITIES FROM FINANCING							
Interest-free loans	580	- 157	-	-	-	23	446
Senior bonds	24,021	3,028	-	337	-	17	27,403
Commercial paper	-	-	-	-	-	-	-
Bank borrowings	3,304	- 1,986	-	2	-	-	1,320
EUROFIMA loan	200	- 200	-	-	-	-	-
Leasing liabilities ²⁾	4,931	- 1,164	35	55	1,202	0	5,059
Liabilities from transport concessions	191	- 25	-	-	14	-	180
Other financial liabilities	97	- 16	1	0	- 4	-	78
Liabilities from financing	33,324	- 520	36	394	1,212	40	34,486
Total	32,468	- 333	36	394	1,798	40	34,403

¹⁾ The disposals from financial receivables follow the changes of presentation in the statement of cash flows.

²⁾ The outflows for leasing liabilities including interest paid amounted to € 1,244 million as of December 31, 2021.
This interest element is netted under compounding.

€ million	As of Jan 1, 2020	Cash- effective changes (inflow [+]/ outflow [-])	Non-cash-effective changes				As of Dec 31, 2020
			Acquisition (+)/ disposal (-) of companies	Currency effects	Addition (+)/ Disposal (-) Liabilities and financial receivables	Compounding ¹⁾	
Financial receivables and earmarked bank deposits	- 393	- 511	7	- 10	51	-	- 856
LIABILITIES FROM FINANCING							
Interest-free loans	707	- 155	-	-	-	28	580
Senior bonds	20,966	3,249	-	- 209	-	15	24,021
Commercial paper	890	- 890	-	-	-	-	-
Bank borrowings	626	2,678	3	- 3	-	-	3,304
EUROFIMA loan	200	-	-	-	-	-	200
Leasing liabilities ¹⁾	5,015	- 995	-	- 60	972	- 1	4,931
Liabilities from transport concessions	77	114	-	-	-	-	191
Other financial liabilities	212	- 105	10	- 2	- 18	-	97
Liabilities from financing	28,693	3,896	13	- 274	954	42	33,324
Total	28,300	3,385	20	- 284	1,005	42	32,468

¹⁾ The outflows for leasing liabilities including interest paid amounted to € 1,076 million as of December 31, 2020.
This interest element is netted under compounding.

Notes to the segment reporting

The segment reporting of DB Group has been prepared in accordance with IFRS 8 (Operating Segments). The operating segments of DB Group result from the aggregation of fully consolidated legal entities; these legal entities have been allocated to specific segments on the basis of the company-specific operational performance on a defined market. The Management Board takes its decisions and carries out economic analyses as well as assessments at the level of the operating segments ("management approach").

The allocation of legal entities to operating segments in external accounting is consistent with the allocation in internal management reporting. This means that the management and legal structure of DB Group are congruent. As a result of this allocation principle, there are no partial balance sheets or partial income statements within a legal entity that are allocated to different segments.

In this connection, management reporting is addressed to the Management Board in its function as the primary decision maker. Management reporting in DB Group is based on the accounting principles in accordance with IFRS. When reconciling the segment data to the corresponding company data, consolidation effects must therefore be taken into account. For this reason, a consolidation column is used for reconciliation purposes. The operations of the business segments are covered in the reporting format in line with the corporate and organizational structure of DB Group. The main regions covered by DB Group are detailed in the segment information by regions.