EXPLANATIONS CONCERNING THE INFORMATION BY REGIONS

External revenues are stated on the basis of the registered offices of the Group company providing the service.

Non-current assets are also allocated on the basis of the location of the company. The non-current assets comprise intangible assets, property, plant and equipment as well as non-current receivables and other assets (excluding financial instruments, deferred tax assets, rights from insurance policies as well as assets in conjunction with benefits after termination of the employment agreement).

INFORMATION CONCERNING MAJOR CUSTOMERS

In the year under review and the previous year, no single customer accounted for more than 10% of overall revenues of DB Group.

Risk management and derivative financial instruments

MANAGEMENT OF FINANCIAL AND ENERGY PRICE RISKS

As a mobility, transport and logistics group with international operations, DB Group is exposed to financial risks in the form of changes in interest rates and exchange rates. In addition, there are also energy price risks on the procurement side as a result of fluctuations in the prices of diesel fuel and electricity. One of the aspects of corporate policy is to actively manage and thus limit these risks by means of the use of derivative financial instruments.

DB AG is responsible for all financing and hedging transactions of DB Group with its central Group Treasury, and operates in close cooperation with the subsidiaries, where the risk positions primarily arise. Group Treasury follows the relevant regulations for risk management (Minimum requirements for risk management [Mindestanforderungen an das Risikomanagement; MaRisk], Corporate Sector Supervision and Transparency Act [Gesetz zur Kontrolle und Transparenz im Unternehmensbereich; KonTraG]). Speculation is not permitted. Ongoing market and risk assessment takes place as part of risk management.

Derivative financial instruments are used exclusively for hedging interest, currency and energy price risks. All individual transactions correspond to on-balance-sheet or anticipated underlying transactions (for example senior bonds, purchasing of diesel fuel and electricity). The aim is to achieve qualification as an effective hedge in accordance with IFRS 9.

INTEREST RATE RISKS

The interest rate risks are attributable to borrowings at variable interest rates.

In accordance with IFRS 7, the effects of theoretical changes in market interest rates on net profit and loss and shareholders' equity are investigated by means of a sensitivity analysis. For this purpose, the following financial instruments are considered:

- Derivatives designated in cash flow hedges (interest hedges and cross-currency hedges) have an impact on the hedge reserve in shareholders' equity and are therefore taken into consideration in the sensitivity calculations relating to shareholders' equity.
- The sensitivity calculations for net interest income include financial instruments with variable interest (bank deposits, short-term borrowings/investments, cross-currency swaps, loans).

If the level of market interest rates for the exposure had been 100 basis points higher (lower) as of the balance sheet date, the comprehensive income would have been affected as follows:

	2021		2020	
	Changes in market level of interest rates			
€ million	+ 100 BP [1]	- 100 BP [1]	+ 100 BP [1]	- 100 BP [1]
Impact on comprehensive income	-6	+5	+13	-14
thereof net profit/loss for the year	-12	+12	-4	+4
thereof covered directly in equity	+6	-7	+17	-18

[1] Basis points.

FOREIGN CURRENCY RISKS

The foreign currency risks are attributable to financing measures and operating activities.

In order to avoid interest rate and foreign currency risks, the foreign currency bonds issued and loans within the framework of DB Group treasury are converted into euro liabilities and receivables by means of cross-currency swaps. However, it is not necessary for such bonds to be converted in individual cases if there is a guarantee that the bond can be serviced out of inflows of foreign currency payments.

Subsidiaries hedge all significant foreign currency positions in their functional currency via Group Treasury. In exceptional cases and to a limited extent, subsidiaries are permitted to hedge foreign currency positions with banks themselves.

The currency sensitivity analysis in accordance with IFRS 7 is based on the following assumptions:

- The cross-currency swaps that are concluded and the current currency transactions are always allocated to original underlying transactions.
- All major foreign currency positions arising from business operations are always 100% hedged. If exchange rate changes are 100% hedged, they do not have any impact on profits or equity capital.
- Foreign currency risks can only occur if a 100% hedge does not exist in justified exceptional cases; for instance if a conservative estimate is made for hedge volumes for anticipated foreign currency cash flows in order to avoid overhedging.
- On-balance-sheet foreign currency risks may result from energy price hedging which is not denominated in the respective functional currency.

If the following foreign currencies for currency hedges had weakened (or strengthened) by 10% as of the balance sheet date, comprehensive income would not have been significantly affected:

	2021		2020	
	Percentage change in foreign currency exchange rates			
€ million	+ 10%	- 10%	+ 10%	- 10%
USD	+13	-13	+9	-9
CNY	+3	-4	+5	-6
CZK	-1	+2	0	0
SAR	0	0	-2	+2
SGD	-4	+4	-3	+3
HKD	+1	-1	-8	+8
HUF	0	0	-2	+2
RON	0	0	+5	-7
TWD	-5	+6	-2	+3
KRW	0	0	-1	+1
TRY	-3	+3	-2	+3

DB Group has numerous equity investments in foreign subsidiaries whose net assets are exposed to a translation risk. This translation risk is not perceived to be a foreign currency risk for the purposes of IFRS 7, and is not hedged.

ENERGY PRICE RISKS

The Energy Price Risk Management Committee (ERMC) is responsible for managing and minimizing energy price risks; this committee is responsible for ensuring the implementation of the risk policy of DB Group specifically with regard to energy price risks (in particular for procurement of diesel and electricity). The ERMC takes decisions with regard to specific hedging strategies and measures in which financial and energy derivatives are used.

Swaps relating to the commodities underlying the price formulae are used as hedges for the risks of price changes for sourcing electricity.

Diesel price risks are for instance limited by the conclusion of diesel swaps (usually by means of hybrid hedging of diesel price and currency risks).

The following assumptions have been made for performing the sensitivity analyses in accordance with IFRS 7:

- In the case of energy price swaps, the effective part is recognized in shareholders' equity, and the ineffective part is recognized in the statement of income.
- If options are used (collars), the intrinsic value constitutes the effective part of the hedge, so that the intrinsic value is shown in shareholders' equity. On the other hand, the fair value is not part of the hedge, and is shown in the statement of income.

If the energy prices at the end of the year had been 10% lower (or higher), comprehensive income would have been affected as follows:

	2021		2020	
	Changes in market prices			
€ million	+10%	-10%	+10%	-10%
Impact on comprehensive income	+32	-32	+38	-38
thereof covered directly in equity	+32	-32	+38	-38
Diesel	+20	-20	+22	-22
Hard coal	+12	-12	+16	-16

COUNTERPARTY DEFAULT RISK OF THE INTEREST, CURRENCY AND ENERGY DERIVATIVES

The counterparty default risk is actively managed by way of strict requirements relating to the creditworthiness of the counterparty at the point at which the transactions are concluded and also throughout the entire duration of the transactions, and also by way of defining risk limits.

In order to minimize the counterparty default risk of derivatives, DB Group has concluded credit support agreements (CSAs) with its core banks. In the CSAs, it was agreed that both parties would mutually provide cash securities for interest and cross-currency swaps as well as energy derivatives. Securities are exchanged daily with all relevant banks.

Related amounts that are not netted in the balance sheet:

	Financial assets/liabilities shown in the balance sheet		Related amounts which are not netted in the balance sheet					
			Financial instruments		Cash securities received/provided		Net amounts	
AS OF DEC 31 / € million	2021	2020	2021	2020	2021	2020	2021	2020
Derivative financial instruments - assets	406	164	-134	-108	-272	-18	-	38
Derivative financial instruments - liabilities	219	379	-134	-108	-83	-271	2	-

The assets of financial derivatives and thus the maximum counterparty default risk have increased as a result of exchange rate fluctuations of the euro against other currencies, particularly against the Swiss franc, the British pound sterling and the Norwegian krone. At the same time, the liabilities of derivative financial instruments have decreased. The cash securities received were predominant. The maximum individual risk (default risk in relation to individual contract partners) was € 68 million (as of December 31, 2020: € 31 million) and existed in relation to a bank with a Moody's rating of Aa3. As of December 31, 2021, all contract partners that are exposed to a credit risk had a Moody's rating of at least Baa1 for transactions with terms of more than one year.

Liquidity risk

Liquidity management involves maintaining adequate cash and cash equivalents, constantly checking the commercial paper market to ensure adequate market liquidity and depth, and the constant availability of financial resources via guaranteed credit facilities of banks (Note (28) 216ff.).

The following table shows the contractually agreed undiscounted interest payments and redemption payments relating to the original financial liabilities as well as the derivative financial instruments with a positive and negative fair value of DB Group:

MATURITY ANALYSIS OF FINANCIAL LIABILITIES AS OF DEC 31, 2021 / € million	**2022**		**2023**		**2024–2026**		**2027–2031**		**2032ff.**	
	Fixed/ variable interest	**Redemp- tion**	**Fixed/ variable interest**	**Redemp- tion**	**Fixed/ variable interest**	**Redemp- tion**	**Fixed/ variable interest**	**Redemp- tion**	**Fixed/ variable interest**	**Redemp- tion**
ORIGINAL FINANCIAL LIABILITIES										
Interest-free loans	–	157	–	156	–	157	–	5	–	–
Senior bonds	364	1,576	336	1,960	811	6,238	774	9,543	829	8,222
Bank borrowings	0	1,315	0	1	–	–	0	4	–	–
EUROFIMA loan	–	–	–	–	–	–	–	–	–	–
Leasing liabilities	75	983	60	824	125	1,472	110	1,076	183	716
Financing liabilities from transport concessions	3	19	3	19	7	56	4	72	0	14
Other financial liabilities	–	70	–	5	–	1	–	2	–	–
Trade liabilities	–	7,817	–	96	–	13	–	5	–	–
Other and miscellaneous liabilities	–	1,550	–	6	–	27	–	170	–	–
DERIVATIVE FINANCIAL LIABILITIES (NET/GROSS SETTLED)										
Interest rate/currency derivatives in connection with cash flow hedges	33	325	32	124	78	692	58	576	2	134
Interest derivatives in connection with cash flow hedges	0	–	–	–	–	–	–	–	–	–
Currency derivatives in connection with cash flow hedges	–	28	–	–	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	1,189	–	9	–	0	–	–	–	–
Energy price derivatives	0	–	0	–	1	–	0	–	–	–
DERIVATIVE FINANCIAL ASSETS (GROSS SETTLED)										
Interest rate/currency derivatives in connection with cash flow hedges	69	14	68	417	145	2,820	109	1,715	53	1,553
Currency derivatives in connection with cash flow hedges	–	784	–	–	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	1,335	–	16	–	5	–	–	–	–
VOLUNTARY DISCLOSURES ABOUT DERIVATIVES										
DERIVATIVE FINANCIAL ASSETS (NET SETTLED)										
Energy price derivatives	-51	–	-23	–	-6	–	–	–	–	–
INFLOW OF FUNDS FROM DERIVATIVE FINANCIAL INSTRUMENTS (GROSS SETTLED)										
Interest rate/currency derivatives in connection with cash flow hedges	-130	-328	-129	-618	-306	-3,558	-222	-2,376	-109	-1,725
Currency derivatives in connection with cash flow hedges	–	-818	–	0	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	-2,532	–	-26	–	-5	–	–	–	–
FINANCIAL WARRANTIES										
Financial warranties	–	18	–	–	–	–	–	–	–	–

MATURITY ANALYSIS OF FINANCIAL LIABILITIES AS OF DEC 31, 2020 / € million	2021		2022		2023–2025		2026–2030		2031ff.	
	Fixed/ variable interest	Redemp- tion	Fixed/ variable interest	Redemp- tion	Fixed/ variable interest	Redemp- tion	Fixed/ variable interest	Redemp- tion	Fixed/ variable interest	Redemp- tion
ORIGINAL FINANCIAL LIABILITIES										
Interest-free loans	–	157	–	157	–	313	–	5	–	–
Senior bonds	381	1,809	325	1,545	800	5,816	722	8,583	567	6,384
Bank borrowings	-2	2,900	–	402	–	–	–	2	–	–
EUROFIMA loan	8	200	–	–	–	–	–	–	–	–
Leasing liabilities	69	1,024	54	753	109	1,423	101	1,061	143	670
Financing liabilities from transport concessions	3	27	3	27	6	78	3	56	0	3
Other financial liabilities	–	87	–	2	–	6	–	2	–	–
Trade liabilities [1]	–	5,948	–	476	–	77	–	4	–	–
Other and miscellaneous liabilities [1]	–	1,385	–	4	–	14	–	139	–	–
DERIVATIVE FINANCIAL LIABILITIES (NET/GROSS SETTLED)										
Interest rate/currency derivatives in connection with cash flow hedges	55	244	46	201	130	609	106	1,631	8	212
Interest derivatives in connection with cash flow hedges	0	–	–	–	–	–	–	–	–	–
Currency derivatives in connection with cash flow hedges	–	91	–	1	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	2,438	–	1	–	0	–	–	–	–
Energy price derivatives	37	–	20	–	17	–	0	–	–	–
DERIVATIVE FINANCIAL ASSETS (GROSS SETTLED)										
Interest rate/currency derivatives in connection with cash flow hedges	47	63	45	28	100	1,611	60	1,208	22	447
Currency derivatives in connection with cash flow hedges	–	0	–	–	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	40	–	0	–	0	–	–	–	–
VOLUNTARY DISCLOSURES ABOUT DERIVATIVES										
DERIVATIVE FINANCIAL ASSETS (NET SETTLED)										
Energy price derivatives	-3	–	-2	–	0	–	–	–	–	–
INFLOW OF FUNDS FROM DERIVATIVE FINANCIAL INSTRUMENTS (GROSS SETTLED)										
Interest rate/currency derivatives in connection with cash flow hedges	-117	-289	-109	-231	-287	-2,234	-208	-2,821	-47	-642
Currency derivatives in connection with cash flow hedges	–	-24	–	0	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	-2,581	–	0	–	-39	–	–	–	–
FINANCIAL WARRANTIES										
Financial warranties	–	16	–	–	–	–	–	–	–	–

[1] Figure adjusted.

This includes all instruments which were held as of December 31, 2021 and for which payments had already been agreed. Foreign currency amounts have been translated using the spot rate applicable as of the balance sheet date. The variable interest payments attributable to the financial instruments have been calculated on the basis of the interest rates applicable on December 31, 2021 (previous year on December 31, 2020). Financial liabilities that can be repaid at any time are allocated to the earliest possible time segment.

The financial liabilities were opposed by cash and cash equivalents of € 4,591 million as of December 31, 2021 (as of December 31, 2020: € 3,411 million), consisting of positive account balances and current fixed-term deposits.

Additional disclosures relating to the financial instruments

If covered by the scope of IFRS 9, the financial assets and liabilities are categorized and measured in accordance with IFRS 9. Financial assets and liabilities not covered by the scope of IFRS 9 are valued in accordance with the relevant standards and not allocated to any of the valuation categories of IFRS 9.

The carrying amounts as well as the net result per valuation category of IFRS 9 are shown in the following. The fair values and the details of individual classes of financial instruments are shown within the notes to the respective balance sheet items.

In DB Group, financial assets that are allocated to a valuation category according to IFRS 9 mainly comprise trade receivables and cash and cash equivalents.

In DB Group, financial liabilities that are allocated to a valuation category according to IFRS 9 mainly comprise senior bonds, EUROFIMA loans, bank borrowings, trade liabilities and other liabilities.

Classification of financial assets

The valuation categories of IFRS 9 are set out in the following:

	Fair value (recognized in statement of income)		Fair value (recognized directly in equity) with recycling		Fair value (recognized directly in equity) without recycling		Derivatives in hedges		At amortized cost		Not in scope of IFRS 7		Total	
AS OF DEC 31 / € million	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	**2020**
CARRYING AMOUNT														
Non-current financial assets	69	30	2	2	29	25	355	151	1,085	902	356	238	**1,896**	**1,348**
Current financial assets	14	9	1	1	–	–	36	4	12,645	9,781	780	684	**13,476**	**10,479**
Non-current financial liabilities	21	27	–	–	–	–	179	292	26,610	23,931	4,053	3,873	**30,863**	**28,123**
Current financial liabilities	6	9	–	–	–	–	13	51	12,501	12,509	3,643	3,365	**16,163**	**15,934**
Net result	8	-2	–	–	–	–	–	–	38	-5	-510	-543	**-464**	**-550**

The net result according to valuation categories in particular contains interest income of € 16 million (previous year: € 20 million) and interest expenses of € 449 million (previous year: € 429 million) from the financial assets or liabilities that are not recognized in the statement of income at fair value.

Other disclosures

(34) CONTINGENT RECEIVABLES AND LIABILITIES, AND GUARANTEE OBLIGATIONS

Contingent receivables (as of December 31, 2021: € 26 million, as of December 31, 2020: € 33 million) mainly comprised a recovery claim in conjunction with construction grants provided but that had not been sufficiently determined as of the balance sheet date in terms of the specific amount and the time at which the claim would become due. Potential further compensation payments by the public authorities in connection with the Covid-19 pandemic are not included in the contingent receivables as the absence of a legal basis means that neither their timing nor their extent can be estimated.

As of the balance sheet date, no contingent receivables had been recognized for all injunction proceedings in view of the high level of uncertainty relating to refund claims, the timing of refunds and the probability of refunds.

The contingent liabilities were broken down as follows:

AS OF DEC 31 / € million	**2021**	2020
Negotiation and transfer of bills of exchange	2	–
Provisions of warranties	0	–
Other contingent liabilities	109	132
Total	**111**	**132**

Other contingent liabilities also comprise risks arising from litigation that had not been stated as provisions because the expected probability of occurrence is less than 50%. This relates to numerous individual cases of minor significance.

There are also contingencies of € 18 million from guarantees as of December 31, 2021 (as of December 31, 2020: € 16 million). Property, plant and equipment with carrying amounts of € 5 million (as of December 31, 2020: € 19 million) were also used as security for loans. The reported figure related to rolling stock used at the operating companies in the DB Arriva segment.

DB Group acts as guarantor mainly for equity participations and consortiums, and is legally subject to joint and several liability for all consortiums in which it is involved.

Potential claims for compensation that are not recognized in the balance sheet are not included in contingent liabilities as they cannot currently be quantified.

(35) OTHER FINANCIAL COMMITMENTS

Capital expenditures in relation to which DB Group has entered into contractual commitments as of the balance sheet date, but for which no consideration has yet been received, were broken down as follows:

AS OF DEC 31 / € million	**2021**	2020
PURCHASE COMMITMENT FOR THE ACQUISITION OF		
Property, plant and equipment	21,196	18,499
Intangible assets	35	32
Acquisition of financial assets	455	435
Total	**21,686**	**18,966**
Order commitment for leasing property, plant and equipment	212	370
Possible but unlikely lease payments	2,204	2,648

The increase in the order commitment in property, plant and equipment was particularly due to the planned capital expenditure projects relating to own construction services and the procurement of new vehicles. In the case of some supply arrangements, there are independent admissions of guilt with regard to fulfilling the purchase commitment; these are opposed by claims of the same amount, backed by bank guarantees and insurance policies with