The cash inflow from financing activities increased by about 50 %. This was due in particular to an increase in the net inflow from the raising and repayment of funds, mainly from the repayment of bank borrowings and a reduced net inflow from the issue and redemption of senior bonds. In addition, there were lower proceeds from capital injections, the distribution of profits to the Federal Government and increased payments for redemptions of lease contracts.

INFORMATION REGARDING THE CHANGES IN FINANCIAL LIABILITIES (IAS 7)

€ million	As of Jan 1, 2023	Cash-effective changes (inflow [+]/ outflow [-])	Non-cash changes: Acquisition (+)/ disposal (-) ofcompanies	Non-cash changes: Exchange rate effects	Non-cash changes: Addition (+)/ disposal (-) of liabilities and receivables from financing	Non-cash changes: Reclassification of discontinued operations	Non-cash changes: Compounding [1]	As of Dec 31, 2023
Financial receivables	-142	-86	-	-	-	-	-	-228
LIABILITIES FROM FINANCING								
Interest-free loans	298	-155	-	-	-	-	9	152
Senior bonds	28,802	1,124	-	98	-	-	18	30,042
Commercial paper	-	358	-	-	-	-	-	358
Bank borrowings	545	2,030	-	-1	-	-	-	2,574
Leasing liabilities [1]	5,180	-1,021	-4	-29	774	-115	2	4,787
Liabilities from transport concessions	164	-17	-	-	4	-	-	151
Other financial liabilities	284	-220	-	-1	-11	-8	-	44
	35,273	**2,099**	**-4**	**67**	**767**	**-123**	**29**	**38,108**
Total	**35,131**	**2,013**	**-4**	**67**	**767**	**-123**	**29**	**37,880**

[1] The outflows for leasing liabilities including interest paid amounted to € 1,131 million as of December 31, 2023. For the statement of cash flows, these were broken down into an interest component and a redemption component. This interest element is netted under compounding.

€ million	As of Jan 1, 2022	Cash-effective changes (inflow [+]/ outflow [-])	Non-cash changes: Acquisition (+)/ disposal (-) of companies	Non-cash changes: Exchange rate effects	Non-cash changes: Addition (+)/ disposal (-) of liabilities and receivables from financing	Non-cash changes: Reclassification of discontinued operations	Non-cash changes: Compounding [2]	As of Dec 31, 2022
Financial receivables	-83	-59	-	-	-	-	-	-142
LIABILITIES FROM FINANCING								
Interest-free loans	446	-157	-	-	-7	-	16	298
Senior bonds	27,403	1,487	-	-105	-	-	17	28,802
Commercial paper	-	-	-	-	-	-	-	-
Bank borrowings	1,320	-779 [1]	-40	-	-	44 [1]	-	545
Leasing liabilities [2]	5,059	-935 [1]	59	-29	1,148	-124 [1]	2	5,180
Liabilities from transport concessions	180	-16	-	-	-	-	-	164
Other financial liabilities	78	149	65	-11	3	-	-	284
	34,486	**-251**	**84**	**-145**	**1,144**	**-80**	**35**	**35,273**
Total	**34,403**	**-310**	**84**	**-145**	**1,144**	**-80**	**35**	**35,131**

[1] Figure adjusted.
[2] The outflows for leasing liabilities including interest paid amounted to € 1,015 million as of December 31, 2022. For the statement of cash flows, these were broken down into an interest component and a redemption component. This interest element is netted under compounding.

Notes to the segment information by operating segments

The DB Group segment reporting has been prepared in accordance with IFRS 8 (Operating Segments). The operating segments of DB Group result from the aggregation of fully consolidated companies; these companies 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 companies 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. With regard to reconciling the segment data with the corresponding corporate data, it is accordingly mainly necessary to take account of consolidation effects. 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 organization structure of DB Group. The main regions covered by DB Group are detailed in the segment information by regions.

The former DB Arriva segment has been classified and reported as discontinued operations since October 2023. As a result, as of December 31, 2023, the business area will no longer be part of management and thus the internal management financial information. Segment reporting as of December 31, 2023, including the previous year's figures in the statement of comprehensive income, was adjusted accordingly. The assets and liabilities of the previous year of the subsidiaries belonging to the former segment are presented in the reconciliation. As of December 31, 2023, the continuing operations of DB Group consisted of the remaining eight segments.

DB Group uses the following primary segments of the Integrated Rail System:

- **DB Long-Distance:** The DB Long-Distance segment comprises all cross-regional transport and service operations in long-distance rail passenger transport. Most of these transport services are provided in Germany.
- **DB Regional:** The DB Regional segment combines the activities for the German transport and general services in regional rail and road local passenger transport. These activities also comprise the S-Bahn (metro) operations in Berlin and Hamburg.
- **DB Cargo:** All European rail freight transport activities are pooled in the DB Cargo segment. In addition, the multimodal activities are included in the large-volume full load transport of the European land transport network. It operates primarily in Germany, Denmark, the Netherlands, Italy, the United Kingdom, France, Poland and Spain.
- **DB Netze Track:** The DB Netze Track segment is responsible for installing, maintaining and operating our track-related rail infrastructure in Germany.

  With the registration in the trade register on December 27, 2023, DB Station&Service AG was merged into DB Netz AG with retroactive effect from May 1, 2023. At the same time, DB Netz AG was rebranded and now operates under the name DB InfraGO AG. The purpose of the company is to operate the rail infrastructure as a commercial enterprise, with particular regard to public-interest objectives and the respective financing bases. In segment reporting, the DB Netze Track and DB Netze Stations segments were reported separately for the last time as of December 31, 2023. From January 1, 2024, they will be grouped in the new DB InfraGO segment.
- **DB Netze Stations:** The DB Netze Stations segment comprises the operation, development and marketing of passenger stations and retail facilities in stations in Germany.
- **DB Energy:** The DB Energy segment provides all standard energy products in the fields of transport energy and stationary energy.
- **Subsidiaries/Other:** This segment comprises DB AG with its numerous management, financing and service functions in its capacity as the management holding of DB Group. This also includes the service companies which mostly render their services within DB Group in the fields of transport, logistics, information technology and telecommunications. The other subsidiaries and remaining activities are classified under Subsidiaries/Other as well.

In addition to the Integrated Rail System, the following segment also exists:

- **DB Schenker:** All global logistics activities of DB Group are managed in the DB Schenker segment. These comprise the freight forwarding, transport and other services in commodity and goods transport.

The data concerning the segments are shown after intra-segment relations have been eliminated. The transactions between the segments (inter-segment relations) are eliminated in the consolidation column.

The income and expenses detailed on the basis of operating segments in the segment information by segments are adjusted by issues which are of an exceptional nature in terms of the amount involved or in terms of the reason for the specific issue. A general adjustment is recognized for book profits and losses attributable to transactions with investments/financial assets and in the amount of the depreciation on long-term customer contracts that have been capitalized as part of the purchase price allocation process of company acquisitions. In addition, an adjustment is recognized for individual issues if they are of an exceptional nature, if they are definable for accounting purposes, if they can be measured and if the amount involved is material. They are shown in the reconciliation column. This column also includes the reconcilation of the balance sheet items of capital employed (contents allocated in accordance with management reporting) to the external presentation in accordance with the consolidated balance sheet of DB Group. As a result of the dissolution of the DB Arriva segment, the assets and liabilities of the relevant companies for the previous year are presented in the reconciliation.

Segment reporting is based on the key business figures used for the internal management of the operating segments. These key figures form the basis of the value-oriented management concept (see Capital management in DB Group 232 f.).

The external revenues and other income consist exclusively of income generated by the segments with non-Group parties. The internal revenues and other income show the income with other segments of DB Group (inter-segment income). The intercompany prices for intra-Group transactions are determined on a market-related basis.

EBITDA (earnings before interest, taxes, depreciation and amortization) is used for assessing the pure earning power of the operating segments. It does not include any costs of capital employed in the form of depreciation and interest. Accordingly, EBITDA is not influenced by segment-specific financing structures and long-term capital expenditure cycles (in particular in the infrastructure segments) because depreciation is incurred sooner than the positive returns generated by these capital expenditures. EBITDA thus has the character of pre-tax cash flow.

On the other hand, EBIT additionally comprises depreciation recognized in relation to fixed assets (property, plant and equipment and intangible assets). EBIT represents the operating profit generated that is available to satisfy the interest yield claims on the investor side.

The costs of financing that are incurred as a result of the (in certain cases) very high amounts of capital tied up in the segments of DB Group (particularly in the infrastructure segments) are also relevant for a long-term assessment of results. This is the reason why the operating interest balance is also taken into consideration in the key figure operating income after interest.

The capital employed also has to be taken into consideration in addition to the above-mentioned parameters for internal management of the operating segments. The capital employed comprises the essential capital which is used by providers of equity and debt investors and for which interest has to be paid.

Net financial debt corresponds to the balance of external liabilities subject to interest as well as cash and cash equivalents, interest-bearing external receivables and short-term cash investments in money-market funds. The net financial debt of the segments also comprises the receivables and liabilities attributable to Group financing as well as from domination and profit-and-loss transfer agreements.

Gross capital expenditures consist of capital expenditures in property, plant and equipment and intangible assets excluding capitalized costs of debt. Net capital expenditures are calculated by deducting the participation of third parties in the financing of specific capital expenditure projects (essentially the investment grants of the Federal Government and the Federal states). In the year under review, the companies of the former DB Arriva segment were included until the date of signing of the purchase agreement.

Additions from changes in the scope of consolidation are shown as part of segment gross capital expenditures, and comprise exclusively the capital expenditures on property, plant and equipment and intangible assets, including the goodwill acquired as part of company acquisitions or included in the consolidated financial statements for the first time.

The number of employees comprises the workforce, excluding trainees and dual degree students, at the end of the reporting period (part-time employees have been converted to full-time equivalents).

The segments are subject to the same accounting principles (Basic principles and methods 228 ff.) which are applicable for the remainder of the consolidated financial statements. Intra-Group segment transactions are generally conducted at market prices.

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, once again, no single customer accounted for more than 10 % of the 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, issue of senior bonds, procurement 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:

	2023		2022	
	Changes in market level of interest rates			
€ million	+ 100 BP [1]	- 100 BP [1]	+ 100 BP [1]	- 100 BP [1]
Impact on comprehensive income	- 20	+ 22	- 5	+ 6
thereof net profit/loss for the year	+ 14	- 14	+ 14	- 14
thereof other net profit/loss	- 34	+ 36	- 19	+ 20

[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 and loans issued 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 which 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 net profit and loss 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.