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 228ff.) 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.

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:

	2023		2022	
	Percentage change in foreign currency exchange rates			
€ million	+ 10 %	- 10 %	+ 10 %	- 10 %
USD	+ 29	- 29	+ 27	- 27
CNY	+ 8	- 9	+ 3	- 3
CAD	- 1	+ 1	0	0
GBP	+ 114	- 114	+ 1	- 1
SGD	- 4	+ 5	- 12	+ 13
HKD	0	0	- 31	+ 31
SEK	- 2	+ 2	0	0
PLN	+ 2	- 2	0	0
HUF	- 4	+ 5	- 2	+ 2
BDT	0	0	+ 1	- 2
VND	- 1	+ 1	- 1	+ 2
PHP	0	0	- 2	+ 3
TWD	0	0	- 2	+ 2
IDR	0	0	+ 2	- 2
TRY	- 2	+ 2	- 3	+ 3
SAR	+ 1	- 1	0	0
ARS	0	- 1	0	0
INR	+ 1	- 1	0	0
ILS	+ 1	- 1	0	0

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 the 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:

- The effective part of the change in the fair values of energy price swaps is recorded in equity without affecting profit or loss, whereas the ineffective portion is recorded 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:

	2023		2022	
	Percentage change in market prices			
€ million	+ 10 %	- 10 %	+ 10 %	- 10 %
Impact on comprehensive income	+ 32	- 32	+ 52	- 52
thereof other net profit / loss	+ 32	- 32	+ 52	- 52
Diesel	+ 20	- 20	+ 29	- 29
Hard coal	+ 12	- 12	+ 23	- 23

RISK OF DEFAULT OF 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 credit 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 that are not netted in the balance sheet: Amounts subject to framework netting agreement		Cash securities received / provided		Net amounts	
AS OF DEC 31 / € million	2023	2022	2023	2022	2023	2022	2023	2022
Derivative financial instruments - assets	799	748	- 201	- 223	- 524	- 525	**74**	**-**
Derivative financial instruments - liabilities	432	405	- 201	- 223	- 228	- 142	**3**	**40**

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. Liabilities from derivative financial instruments increased due to falling energy prices. The cash securities received were predominant. The maximum individual risk (default risk in relation to individual contract partners) was € 263 million (as of December 31, 2022: € 151 million) and existed in relation to a bank with an S&P rating of A+. As of December 31, 2023, all contract partners that are exposed to a credit risk had a Moody's rating of at least Baa1/BBB+ for transactions with terms of more than one year.

Liquidity risk

Liquidity management involves maintaining adequate liquid assets, 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) 253 ff.).

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, 2023 / € million	**2024**		**2025**		**2026–2028**		**2029–2033**		**2034 ff.**	
	Fixed/ variable interest	**Redemption**	**Fixed/ variable interest**	**Redemption**	**Fixed/ variable interest**	**Redemption**	**Fixed/ variable interest**	**Redemption**	**Fixed/ variable interest**	**Redemption**
ORIGINAL FINANCIAL LIABILITIES										
Interest-free loans	–	152	–	–	–	–	–	–	–	–
Senior bonds	492	1,966	446	1,973	1,099	7,118	1,279	9,545	1,316	9,440
Commercial paper	1	358	–	–	–	–	–	–	–	–
Bank borrowings	90	566	90	8	60	2,000	0	–	–	–
Leasing liabilities	106	958	83	802	152	1,474	112	954	178	584
Financing liabilities from transport concessions	3	21	2	21	5	57	2	46	0	6
Other financial liabilities	–	22	–	–	–	21	–	1	–	–
Trade liabilities	–	6,134	–	36	–	66	–	3	–	–
Other and miscellaneous liabilities	–	1,807	–	92	–	420	–	352	–	–
DERIVATIVE FINANCIAL LIABILITIES (NET/GROSS SETTLED)										
Interest rate/currency derivatives in connection with cash flow hedges	63	481	58	238	138	797	163	900	77	592
Interest derivatives in connection with cash flow hedges	21	–	9	–	17	–	4	–	–	–
Currency derivatives in connection with cash flow hedges	–	208	–	–	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	632	–	12	–	0	–	–	–	–
Energy price derivatives	50	–	17	–	4	–	0	–	–	–
DERIVATIVE FINANCIAL ASSETS (GROSS SETTLED)										
Interest rate/currency derivatives in connection with cash flow hedges	67	350	58	639	130	1,669	134	1,740	159	1,272
Currency derivatives in connection with cash flow hedges	–	123	–	–	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	1,073	–	62	–	33	–	–	–	–
VOLUNTARY DISCLOSURES ABOUT DERIVATIVES										
DERIVATIVE FINANCIAL ASSETS (NET SETTLED)										
Interest derivatives in connection with cash flow hedges	5	–	-4	–	-13	–	–	–	–	–
Energy price derivatives	-103	–	-22	–	-3	–	–	–	–	–
INFLOW OF FUNDS FROM DERIVATIVE FINANCIAL INSTRUMENTS (GROSS SETTLED)										
Interest rate/currency derivatives in connection with cash flow hedges	-154	-886	-136	-837	-300	-2,493	-333	-2,795	-299	-1,917
Currency derivatives in connection with cash flow hedges	–	-330	–	0	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	-1,712	–	-74	–	-34	–	–	–	–
FINANCIAL WARRANTIES										
Financial warranties	–	14	–	–	–	–	–	–	–	–

MATURITY ANALYSIS OF FINANCIAL LIABILITIES AS OF DEC 31, 2022 / € million	2023		2024		2025–2027		2028–2032		2033 ff.	
	Fixed/ variable interest	Redemption	Fixed/ variable interest	Redemption	Fixed/ variable interest	Redemption	Fixed/ variable interest	Redemption	Fixed/ variable interest	Redemption
ORIGINAL FINANCIAL LIABILITIES										
Interest-free loans	–	156	–	155	–	–	–	–	–	–
Senior bonds	419	1,982	379	1,962	896	6,380	965	9,736	1,056	8,963
Commercial paper	–	–	–	–	–	–	–	–	–	–
Bank borrowings	0	539	0	–	–	6	0	–	–	–
Leasing liabilities	96	1,040	77	825	153	1,575	124	1,092	177	670
Financing liabilities from transport concessions	3	20	3	19	6	56	3	60	0	9
Other financial liabilities	–	273	–	2	–	2	–	7	–	–
Trade liabilities	–	7,643	–	74	–	28	–	4	–	–
Other and miscellaneous liabilities	–	2,100	–	164	–	342	–	302	–	–
DERIVATIVE FINANCIAL LIABILITIES (NET/GROSS SETTLED)										
Interest rate/currency derivatives in connection with cash flow hedges	61	259	51	138	123	1,344	115	949	58	151
Interest derivatives in connection with cash flow hedges	12	–	16	–	28	–	10	–	–	–
Currency derivatives in connection with cash flow hedges	–	218	–	–	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	987	–	3	–	12	–	–	–	–
Energy price derivatives	50	–	17	–	4	–	0	–	–	–
DERIVATIVE FINANCIAL ASSETS (GROSS SETTLED)										
Interest rate/currency derivatives in connection with cash flow hedges	67	434	57	697	118	1,480	124	1,822	79	1,653
Currency derivatives in connection with cash flow hedges	–	42	–	–	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	1,679	–	13	–	2	–	–	–	–
VOLUNTARY DISCLOSURES ABOUT DERIVATIVES										
DERIVATIVE FINANCIAL ASSETS (NET SETTLED)										
Interest derivatives in connection with cash flow hedges	–	–	–	–	–	–	–	–	–	–
Energy price derivatives	-103	–	-22	–	-3	–	–	–	–	–
INFLOW OF FUNDS FROM DERIVATIVE FINANCIAL INSTRUMENTS (GROSS SETTLED)										
Interest rate/currency derivatives in connection with cash flow hedges	-150	-784	-136	-884	-298	-2,709	-286	-2,879	-198	-1,870
Currency derivatives in connection with cash flow hedges	–	-257	–	0	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	-2,677	–	-18	–	-13	–	–	–	–
FINANCIAL WARRANTIES										
Financial warranties	–	16	–	–	–	–	–	–	–	–

This includes all instruments which were held as of December 31, 2023, 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, 2023 (previous year: on December 31, 2022). 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 € 2,631 million as of December 31, 2023 (as of December 31, 2022: € 5,138 million), consisting of positive account balances and current short-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 and liabilities

The valuation scales of IFRS 9 are shown below:

CARRYING AMOUNT / € million	Recognized in the income statement at fair value	With no impact on profit and loss at fair value		Derivatives in hedging transactions	At amortized acquisition costs	Not within the scope of IFRS 7	Total	thereof fair value	Fair value		
		with recycling	without recycling						Level 1	Level 2	Level 3
AS OF DEC 31, 2023											
Non-current financial assets	39	1	28	673	1,465	844	**3,050**	741	1	679	61
Current financial assets	533	439	–	106	9,063	4,214	**14,355**	1,078	519	120	439
Non-current financial liabilities	22	–	–	314	31,205	3,752	**35,293**	336	–	336	–
Current financial liabilities	8	–	–	88	11,026	5,490	**16,612**	96	–	96	–
Net result	-61	–	–	96	-651	–	**–**	–	–	–	–
AS OF DEC 31, 2022											
Non-current financial assets	102	2	31	558	1,420 [1]	853 [1]	**2,966**	693	2	559	132
Current financial assets	526	822	–	164	12,210	1,396	**15,118**	1,512	502	189	821
Non-current financial liabilities	16	–	–	313	28,040	4,079	**32,448**	329	–	329	–
Current financial liabilities	12	–	–	64	12,710	3,941	**16,727**	76	–	76	–
Net result	40	–	–	-53	-371	–	**–**	–	–	–	–

[1] Figure adjusted.

The net result by valuation categories in particular contains interest income of € 167 million (previous year: € 75 million) and interest expenses of € 545 million (previous year: € 426 million) from the financial assets or liabilities that are not recognized in the statement of income at fair value.

If observable market values were not available, a non-market-based valuation (Level 3 valuation) was carried out, for example on the basis of similar transactions at normal market conditions in sufficient time. For DB Group, this includes the valuation of the investment in Volocopter GmbH, Bruchsal, as of December 31, 2023, which is based on probable future financing transactions. If these share prices were to change by + / – 10 %, this would result in a change in fair value of € 3 million. For non-material other investments, amortized acquisition cost has been used for simplification purposes.

In addition, the Level 3 valuation also includes receivables that meet certain criteria relevant to a sale and are therefore valued at fair value using country-weighted credit spreads. If the credit risk increases or decreases, this would result in proportional valuation effects in the fair value of these receivables.

There have been no reclassifications between the valuation levels in the year under review.

For establishing the fair values of the derivative financial instruments, contractually agreed or most probable cash flows are discounted using the appropriate market interest rate, with due consideration given to the credit risk by means of credit spreads. No credit risk markdowns have been recognized in the case of secured exposures. The credit risk resulting from the derivative portfolio is treated on a net basis. Credit support annexes, which are still subject to daily security settlement with a threshold value of € 0, were concluded to minimize the credit risk of long-term interest and cross-currency transactions.