



SNCB Consolidated Annual Report 2022

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Consolidated Management Report

ANNUAL REPORT ON THE 2022 CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the SNCB Group as per 31 December 2022 have been prepared in accordance with the IFRS (International Financial Reporting Standards) as adopted by the European Union and published at that date, namely, the standards published by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

In the appendix are the consolidated financial statements together with their notes to the financial statements restating all information in accordance with the IFRS standards.

I. CONSOLIDATION SCOPE

The consolidation scope brings together all companies forming the SNCB Group. They are included in the consolidated financial statements following the two techniques allowed by the IFRS standards according to whether or not there exists a control of the company by the Group, namely full consolidation and consolidation using the equity method.

Changes in the consolidation scope

	31/12/2018	31/12/2019	31/12/2020	31/12/2021	31/12/2022
Parent company	1	1	1	1	1
Fully consolidated companies	8	8	8	5	3
Companies consolidated in accordance with the equity method	12	11	12	11	10
TOTAL	21	20	21	17	14

In 2022, SNCB carried out a merger by absorption of its subsidiary Railtour and its subsidiary Publifer. In February, Thalys International merged with THI Factory and in early April, the shareholders of THI Factory and Eurostar International Ltd merged the two companies under the same structure, Eurostar Group, via a contribution in kind of their shares in Eurostar International Ltd and in THI Factory. After this transaction, SNCB became a 18.5% shareholder of Eurostar Group (the holding company which now owns Eurostar International Ltd and THI Factory).

II. 2022 CONSOLIDATED FINANCIAL STATEMENTS

II.A. BALANCE SHEET

ASSETS

<i>In millions of €</i>	<u>31/12/2022</u>	<u>31/12/2021</u>	<u>Change</u>
<u>Non-current assets</u>	<u>10.265,0</u>	<u>9.893,1</u>	<u>372,0</u>
Intangible assets	239,6	236,2	3,4
Property, plant and equipment	7.644,8	7.463,6	181,2
Investment property	497,7	511,4	-13,7
Interests under equity method	514,3	335,4	178,9
Trade and other receivables	610,6	597,8	12,8
Derivatives	301,8	241,2	60,6
Other financial assets	456,3	507,5	-51,2
Deferred tax assets	0,0	0,0	0,0
<u>Current assets</u>	<u>1.914,6</u>	<u>2.049,0</u>	<u>-134,4</u>
Inventories	233,6	233,7	-0,1
Trade and other receivables	1.395,4	1.284,7	110,8
Derivatives	3,6	7,5	-3,9
Other financial assets	56,2	101,7	-45,5
Current tax receivable	1,5	1,6	-0,1
Cash and cash equivalents	224,4	419,9	-195,5
<u>Non-current assets held for sale</u>	<u>28,5</u>	<u>22,3</u>	<u>6,2</u>
TOTAL ASSETS	<u>12.208,1</u>	<u>11.964,3</u>	<u>243,8</u>

Total consolidated assets of the SNCB Group at 31 December 2022 represented an amount of €12,208.1 million. SNCB accounts for 95.7% of all consolidated assets, even 99.9% if equity interests in companies consolidated under the equity method are not taken into account.

Non-current assets (€10,265 million) accounted for 84.0% of total assets, i.e.:

- ❖ €8,382 million (81.7% of non-current assets) relating to *intangible and tangible assets as well as investment properties* of which 99.9% came from the parent company. Investments made at SNCB in 2022 (mainly financed by capital grants) amounted to €786.7 million of which €437.7 million were for the acquisition and refurbishing of rolling stock, €182.6 million for welcoming passengers, €60.4 million for the construction and fitting out of workshops and €106.5 million for other investments (including IT and buildings). The annual depreciation and impairment losses on assets belonging to the parent company came to €587 million (including depreciation for right-of-use assets). In 2022, the parent company carried out a review of the useful lives of rolling stock (partially subsidised) and, as part of their three-year analysis, the internal valuation experts analysed land, major files and projects around stations.

- ❖ €514.3 million (5.0% of non-current assets) relating to the share in shareholders' equity of the companies consolidated using the equity method, companies in which SNCB has a significant influence but without possessing control thereof including Eurostar Group (€374.9 million), Eurofima (€110.7 million), HR RAIL (€16.4 million) and BeNe Rail International (€6.7 million). The change compared to the previous financial year (+€178.9 million) is mainly explained by the transaction related to the creation of Eurostar Group (+€175.5 million including €73.4 million of Eurostar Group's share in the consolidated comprehensive income since the transaction).
- ❖ €1,368.7 million (13.3% of non-current assets) concern trade and other receivables, financial derivatives and other financial assets including €489.4 million relating to interventions by the State, €446.3 million of investments within the scope of debt management, €301.8 million of financial derivatives and €90.5 million of long-term receivables from finance leasing. The increase of €22.2 million from one financial year to the next came mainly from SNCB and is mainly explained by +€12.6 million for long-term finance lease receivables (following the conclusion of rights in rem in 2022), +€60.6 million for financial derivatives and -€57.3 million following the contribution of Eurostar International Ltd in the new company Eurostar Group.

Current assets (€1,914.6 million) accounted for 15.7% of total assets and were made up in particular of cash and cash equivalents (€224.4 million), receivables from the State (€745.7 million), guarantees paid within the scope of financial derivatives (€327.8 million), inventories (€233.6 million those of SNCB), trade receivables at less than one year (€100.7 million) and VAT to be recovered (€69.1 million). They decreased by €134.4 million compared to the previous year (mainly following a decrease in cash and cash equivalents of -€195.5 million, partially offset by an increase in trade and other receivables of +110.8 M€).

LIABILITIES

<i>In millions of €</i>	<u>31/12/2022</u>	<u>31/12/2021</u>	<u>Change</u>
<u>Equity</u>	<u>-258,4</u>	<u>-431,2</u>	<u>172,8</u>
<u>Non-current liabilities</u>	<u>10.550,5</u>	<u>10.507,5</u>	<u>43,0</u>
Employee benefit obligations	258,6	357,7	-99,1
Provisions	54,5	66,8	-12,3
Financial liabilities	2.427,4	2.385,7	41,7
Derivatives	400,7	474,0	-73,3
Deferred tax liabilities	0,0	1,2	-1,2
Trade and other payables	0,0	1,7	-1,7
Grants	7.395,5	7.204,5	191,0
Other amounts payable	13,7	15,7	-2,0
<u>Current liabilities</u>	<u>1.916,1</u>	<u>1.888,1</u>	<u>28,0</u>
Employee benefit obligations	119,1	116,9	2,2
Provisions	124,9	108,3	16,6
Financial liabilities	450,7	557,7	-107,1
Derivatives	3,9	7,4	-3,5
Current tax payables	0,1	0,2	-0,1
Trade and other payables	495,6	381,1	114,5
Social debts	119,2	103,3	15,9
Grants	432,4	441,3	-8,9
Other amounts payable	170,3	171,9	-1,6
TOTAL LIABILITIES	12.208,1	11.964,3	243,8

Consolidated shareholders' equity was negative at €258.4 million. Compared to 2021, shareholders' equity increased by €172.8 million corresponding to the financial year's consolidated comprehensive income. This shareholders' equity excludes capital grants of €7,827.9 million recognised as liabilities in IFRS, contrary to Belgian law, where it is included in shareholders' equity.

Non-current and current liabilities came to €12,466.5 million or +€71 million in relation to the previous financial year:

- ❖ +€79.2 million attributable to SNCB, of which mainly +€182.1 million in capital grants relating to the financing of intangible and tangible assets, +€112.8 million in trade payables, +€15.9 million in social debts, -€64.7 million for SNCB financial liabilities, -€76.8 million for financial derivatives and -€96.9 million for employee benefits (including -€83.1 million in gains and actuarial losses recognised in 2022 for post-employment benefits).
- ❖ -€8.2 million for *other Group companies*, mainly after removing subsidiaries Publifer and Railtour from the scope.

II.B. INCOME STATEMENT

<i>In millions of €</i>	<u>31/12/2022</u>	<u>31/12/2021</u>	<u>Change</u>
<u>Cash result</u>	<u>22,5</u>	<u>-17,8</u>	<u>40,3</u>
<i>SNCB</i>	21,9	-21,0	42,9
<i>Other entities</i>	0,6	3,2	-2,6
<u>Non-cash result</u>	<u>72,7</u>	<u>37,0</u>	<u>35,8</u>
<i>SNCB</i>	75,0	41,2	33,8
<i>Other entities</i>	-2,3	-4,2	1,9
<u>Share of net result of entities accounted for using the equity method</u>	<u>77,6</u>	<u>-11,9</u>	<u>89,5</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE GROUP	172,8	7,3	165,5

Cash result came to €22.5 million, showing an improvement of €40.3 million in relation to 2021, including:

- ❖ an increase of €42.9 million for SNCB, which can be explained in particular by:
 - o +208.1 million in increased turnover from domestic passenger traffic;
 - o +35.7 million in increased international turnover;
 - o -€14 million due to increased infrastructure fees;
 - o -€41 million due to increased personnel charges;
 - o -€50.5 million in increased electric traction energy;
 - o -€58.3 million of non-recurring capital gains following disposals of tangible assets or the granting of rights in rem, of which -€71.5 million were recognised in 2021 and +€ 13.2 million in 2022;
- ❖ a reduction of €2.6 million for subsidiaries of the Group.

The economic effects of the Covid-19 pandemic faded during 2022. This health crisis was followed by an inflationary and energy crisis impacting both the costs and the behaviour of travellers. The parent company was once again able to count on the support of the State which partially offset, in addition to part of the economic impact of the health crisis in 2022, the effects of the inflation and energy crisis on energy costs and salaries.

The **non cash result** (€72.7 million) came essentially from SNCB (€75.0 million) and can primarily be explained by: €83.1 million of other comprehensive income relating to actuarial gains and losses on post-employment benefits, €44.7 million of capital gains following the creation of Eurostar Group, -€10.1 million of interest calculated on unallocated grants and -€30.9 million of write-downs on inventories.

The change in the **share in the comprehensive income of companies accounted for using the equity method** amounted to +€89.5 million, of which mainly +€73.4 million was for Eurostar Group (including €33.1 million in actuarial gains and losses on post-employment benefits).

II.C. ECONOMIC DEBT

The economic debt is equal to:

- ❖ Net financial liabilities, namely
 - Debt contracted with financial institutions;
 - plus finance lease debts;
 - minus cash and cash equivalent as well as back-to-back receivables with the State within the scope of the debt assumption on 1 January 2005;
- ❖ plus the balance of the grants in capital paid by the State for which the investments remain to be executed;
- ❖ plus or minus the balance of receivables and trade payables;
- ❖ plus or minus the guarantees received or paid within the scope of the Credit Support Annex;
- ❖ plus or minus co-financing, i.e. the financial balance of the investments made by SNCB on behalf of other public authorities; and
- ❖ minus net receivables relating to operating grants;
- ❖ minus finance lease debts in accordance with standard IFRS 16.

<i>In millions of €</i>	31-12-2022	31-12-2021	Δ
Net financial debt	2.207,8	2.072,2	135,6
Investment grants paid by the State for the works still to be carried out	703,0	828,0	-125,0
Working capital (trade receivables/-payables + State interventions for the exploitation)	-267,3	-168,1	-99,2
CSA-guarantees	-308,2	-371,1	62,8
Co-financing	-40,2	-27,5	-12,8
Neutralisation financial debt IFRS 16	-21,1	-28,0	6,9
Economic debt	2.274,0	2.305,6	-31,6

Significant events after the closure date

A social agreement has been negotiated with the trade unions for the period 2023-2024. It provides for the transfer of the cost of hospitalisation insurance granted to retired statutory staff to the social works fund from 1 July 2023, in order to ensure its sustainability. This transfer will lead to a reversal of the IAS 19 «Hospitalisation coverage» provision from 30 June 2023.

No significant other event impacting the SNCB Group's consolidated financial statements was observed after the closing date of 31 December 2022.

Application of continuity rules

On the basis of an analysis of the forecast financial consequences and especially the current liquidity position, expected cash flows and available financial resources, it appears that there is no threat to the Group's ongoing ability to operate. Moreover the parent company can call upon a Belgian State guarantee of up to €1,138 million (SNCB has not called upon this State guarantee and currently has no intention of doing so). Consequently, the 31 December 2022 consolidated financial statements have been prepared based on the continuation of the Group's activities.

Indications on other circumstances likely to have a notable influence on the Group's development

The annual report published individually by the various companies forming the SNCB Group justifies, for each of them, circumstances that are likely to have a notable influence on development.

The year 2022 also saw the completion of negotiations between SNCB and the Belgian State for the contractual implementation of the direct award of the public service remit for domestic passenger transport by rail for a period of 10 years, as the Belgian State had decided in principle in 2021. Thus, on 23 December 2022, the Council of Ministers and the Board of Directors of SNCB approved the SNCB Public Service Contract as well as the business plan and the multi-annual investment plan for the period 2023-2032.

The public service contract having been signed at the end of the year and starting on 1 January 2023, the 2022 consolidated accounts are still drawn up on the basis of the 2008-2012 management contract which has been extended in the meantime and the provisional rules equivalent to a management contract which were set by the Royal Decree of 22 December 2020.

Application of the exemption provided for in article 3:32 of the Companies Code

Article 3:32 of the Companies Code defines the content of the annual report bearing on the consolidated financial statements. However, in its last paragraph, this article states that *"the management report on the consolidated financial statements can be combined with the management report drawn up in application of article 3:6 in order to constitute a single report, provided that prescribed indications are given separately for the consolidating company and for the consolidated whole"*.

For matters other than those pointed out above, there is reason to refer to the management report on the statutory annual financial statements of SNCB (=consolidating company).

As concerns more particularly the use of financial derivatives, we refer you to the notes appended to the annual financial report which include all data and information required by the IFRS 9 and 7 standards.

Consolidated Financial Statements

**SNCB GROUP
CONSOLIDATED
FINANCIAL STATEMENTS
AT 31 DECEMBER 2022**

I. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

		31/12/2022	31/12/2021
	<u>Notes</u>		
Non-current assets			
Intangible assets	5	239.565.777,97	236.211.732,24
Property, plant and equipment	6	7.644.766.681,16	7.463.553.278,77
<i>A. Land</i>		756.929.457,14	780.695.815,24
<i>B. Buildings</i>		1.212.208.810,51	1.192.457.014,87
<i>C. Railway infrastructure</i>		130.404.327,52	116.935.839,55
<i>D. Railway rolling stock</i>		3.519.437.437,31	3.321.960.555,90
<i>E. Plant and various equipment</i>		458.107.390,35	429.688.838,44
<i>F. Tangible fixed assets under construction</i>		1.567.679.258,33	1.621.815.214,77
Investment property	7	497.691.942,68	511.420.774,21
Interests under equity method	8	514.311.993,50	335.376.488,29
Trade and other receivables	9	610.602.910,86	597.781.607,43
Derivatives	11	301.794.422,32	241.191.954,16
Other financial assets	12	456.285.948,42	507.532.544,04
Deferred tax asset	22	0,00	0,00
Subtotal of non-current assets		10.265.019.676,91	9.893.068.379,14
Current assets			
Inventories	13	233.553.326,05	233.677.373,82
Trade and other receivables	9	1.395.418.433,42	1.284.666.658,92
Derivatives	11	3.573.606,93	7.476.216,32
Other financial assets	12	56.189.665,32	101.700.828,72
Current tax receivables	22	1.533.595,03	1.594.868,95
Cash and cash equivalents	14	224.363.405,96	419.894.983,13
Subtotal of current assets		1.914.632.032,71	2.049.010.929,86
Non-current assets held for sale			
Non-current assets held for sale	15	28.493.118,53	22.262.810,13
TOTAL ASSETS		12.208.144.828,15	11.964.342.119,13

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2022 - Page 2/118

EQUITY AND LIABILITIES

		31/12/2022	31/12/2021
	<u>Notes</u>		
Equity			
Share capital	17	249.022.345,57	249.022.345,57
Consolidated reserves	18	-507.400.873,27	-680.199.594,06
Group equity		-258.378.527,70	-431.177.248,49
Non-controlling interests		0,00	0,00
Total equity		-258.378.527,70	-431.177.248,49
Non-current liabilities			
Employee benefit	19	258.636.479,09	357.712.774,60
Provisions	20	54.518.968,36	66.838.364,07
Financial liabilities	21	2.427.444.100,06	2.385.747.875,31
Derivatives	11	400.650.519,94	473.960.096,74
Deferred tax liabilities	22	0,00	1.199.518,52
Trade and other payables	23	0,00	1.745.953,45
Grants	25	7.395.545.590,20	7.204.545.849,41
Other amounts payable	26	13.663.053,55	15.703.209,68
Subtotal of non-current liabilities		10.550.458.711,20	10.507.453.641,78
Current liabilities			
Employee benefit	19	119.060.963,99	116.909.096,12
Provisions	20	124.860.652,65	108.268.461,29
Financial liabilities	21	450.672.111,58	557.743.236,96
Derivatives	11	3.906.225,35	7.367.011,00
Current tax payables		69.433,85	185.411,36
Trade and other payables	23	495.609.792,59	381.088.917,40
Social debts	24	119.170.884,56	103.318.943,64
Grants	25	432.387.693,60	441.261.241,70
Other amounts payable	26	170.326.886,48	171.923.406,37
Subtotal of current liabilities		1.916.064.644,65	1.888.065.725,84
Total liabilities		12.466.523.355,85	12.395.519.367,62
TOTAL EQUITY AND LIABILITIES		12.208.144.828,15	11.964.342.119,13

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2022 - Page 3/118

II. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		31/12/2022	31/12/2021
	<u>Notes</u>		
Operating income before investment grants			
Revenues	27	1.076.736.558,50	823.640.283,00
Operating grants	25	1.153.202.632,39	1.146.806.725,29
Internally generated fixed assets		160.039.060,56	177.063.596,97
Other operating income	27	94.288.592,73	163.623.963,49
Total of operating income before investment grants		2.484.266.844,18	2.311.134.568,75
Operating expenses before depreciation and impairment			
Purchase of raw materials and goods for resale		-107.685.381,48	-106.991.457,78
Services and other goods	27	-1.039.959.749,57	-977.406.402,56
Employee benefit expenses	28	-1.227.053.148,24	-1.170.588.652,23
Other operating expenses	27	-40.467.163,37	-24.805.846,42
Total of operating expenses before depreciation and impairment		-2.415.165.442,66	-2.279.792.358,99
Operating result before investment grants, depreciation and impairment		69.101.401,52	31.342.209,76
Investment grants	25	478.868.311,46	436.617.434,41
Depreciation and impairment	5, 6, 7 & 15	-588.742.788,40	-484.959.503,96
Operating result		-40.773.075,42	-16.999.859,79
Financial income	29	182.878.790,97	117.165.804,23
Financial expenses	29	-132.737.846,55	-111.289.258,32
Net financial result		50.140.944,42	5.876.545,91
Share of net result of entities accounted for using the equity method	8	42.396.084,44	-12.889.185,11
Net result from continuing operations before tax		51.763.953,44	-24.012.498,99
Income taxes	30	1.057.846,61	-530.308,07
Net result from continuing operations		52.821.800,05	-24.542.807,06
NET RESULT FOR THE YEAR		52.821.800,05	-24.542.807,06
Other comprehensive income for the year :			
That will not be reclassified subsequently to profit or loss			
Actuarial gains and losses	19	83.072.315,20	39.495.681,17
Share of other comprehensive income of entities accounted for using the equity method	8	35.216.045,91	1.017.570,44
Own credit risk		1.715.639,47	-460.155,99
Fair value adjustment Other financial assets	12		-8.098.594,16
Subtotal of other comprehensive income for the year that will not be reclassified subsequently to profit or loss		120.004.000,58	31.954.501,46
TOTAL COMPREHENSIVE INCOME		172.825.800,63	7.411.694,39
		31/12/2022	31/12/2021
Net result for the year attributable to			
Shareholders of the Group		52.821.800,05	-24.655.521,32
Non-controlling interests		0,00	112.714,26
		52.821.800,05	-24.542.807,06
Total comprehensive income attributable to			
Shareholders of the Group		172.825.800,63	7.298.980,13
Non-controlling interests		0,00	112.714,26
		172.825.800,63	7.411.694,39

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2022 - Page 4/118

III. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to the shareholders of the Group			Non-controlling interests	Total equity
	Share Capital	Consolidated reserves	Total		
<u>Notes</u>					
At 1 January 2021	249.022.345,57	-689.903.127,70	-440.880.782,13	2.175.076,69	-438.705.705,44
Net income 2021		-24.655.521,32	-24.655.521,32	112.714,26	-24.542.807,06
Other comprehensive income 2021		31.954.501,46	31.954.501,46		31.954.501,46
Dividend paid to non-controlling interests			0,00	-7.927,49	-7.927,49
Change in the consolidation scope			0,00	-2.279.863,46	-2.279.863,46
Change in the consolidation scope - in		2.404.553,38	2.404.553,38		2.404.553,38
Rounding		0,12	0,12		0,12
At 31 December 2021	17&18	249.022.345,57	-680.199.594,06	-431.177.248,49	0,00
At 1 January 2022		249.022.345,57	-680.199.594,06	-431.177.248,49	0,00
Net income 2022		52.821.800,05	52.821.800,05		52.821.800,05
Other comprehensive income 2022		120.004.000,58	120.004.000,58		120.004.000,58
Other variations of equity		-27.079,42	-27.079,42		-27.079,42
Rounding		-0,42	-0,42		-0,42
At 31 December 2022	17&18	249.022.345,57	-507.400.873,27	-258.378.527,70	0,00

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2022 - Page 5/118

IV. CONSOLIDATED STATEMENT OF CASH FLOWS

	31/12/2022	31/12/2021
<i>Notes</i>		
CASH FLOW FROM OPERATING ACTIVITIES		
Net result of the period	52.821.800,05	-24.542.807,06
Adjustments for		
Depreciation and impairment on property, plant and equipment, intangible assets, investment property and non-current assets held for sale	5, 6, 7 & 15 589.169.992,33	485.096.187,37
Write-down on inventories, impairment losses on trade and other receivables	9, 13 & 27.2.2 32.283.058,36	19.237.529,28
Changes in fair value of financial derivatives	29 -84.953.341,77	-32.338.652,61
Changes in fair value of and impairment losses on other financial assets and financial liabilities	29 -8.880.787,02	-3.955.608,41
(Gains) / losses on disposal of property, plant and equipment, intangible assets, investment property and non-current assets held for sale	15.2 -21.844.427,81	-79.665.686,64
Creation of Eurostar Group	27.1.2 -44.743.497,58	
(Gains) / losses on disposal/dissolution of subsidiaries and interests under equity method		9.630,67
Fees on cross-border arrangements recognised in net result	27.1.2 -2.757.435,88	-3.068.450,09
Provisions	4.272.795,65	-11.137.030,24
Employee benefits	-13.852.112,44	-1.023.464,84
Investment grants recognised in net result	25.1 -468.777.222,61	-436.617.434,41
Net of interest income and expenses	29 30.582.051,53	27.993.322,52
Share of net result of entities accounted for using the equity method	8.2 & 8.3 -42.396.084,44	12.889.185,11
Income taxes	-1.057.846,61	530.308,07
Exchange loss/gain	4.224.038,96	-1.453.169,87
Gross cash from operating activities	24.090.980,72	-48.046.141,15
Change in net working capital		
Inventories	-30.829.799,31	-21.302.975,80
Trade and other receivables	-72.132.877,66	23.495.816,10
Trade and payables, social debts and other amounts payable	112.897.302,05	-11.966.229,48
	9.934.625,08	-9.773.389,18
Cash generated from operating activities before taxes	34.025.605,80	-57.819.530,33
Taxes paid	-210.216,27	-172.688,11
Taxes received	13.840,77	0,00
NET CASH CONNECTED TO / USED BY OPERATING ACTIVITIES	33.829.230,30	-57.992.218,44

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2022 - Page 6/118

		31/12/2022	31/12/2021
	<i>Notes</i>		
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment, intangible assets and investment property	5.1.2, 6.1, 7.1	-789.448.154,29	-757.497.815,41
Acquisition of financial assets		-57.116.883,36	-38.059.784,99
Acquisition of interests under equity method		-34.650,00	
Acquisition of non controlling interests			124.689,92
Investment grants received		630.427.311,40	668.564.954,79
Proceeds from disposal of property, plant and equipment and intangible assets, investment property and non-current assets held for sale		26.541.514,42	33.062.038,97
Proceeds from disposal of other financial assets		94.143.462,11	69.598.218,16
Proceeds from disposal/dissolution of interests under equity method			455.739,61
Interest received		51.796.678,22	54.478.756,27
Dividends received	8.2, 8.3 & 12.2	1.410.439,43	1.686.636,98
NET CASH CONNECTED TO / USED BY INVESTING ACTIVITIES		-42.280.282,07	32.413.434,30
CASH FLOW FROM FINANCING ACTIVITIES			
Revenue from financial liabilities	21.1	428.814.294,16	544.242.274,66
Redemption of lease liabilities	21.1	-9.614.737,50	-10.253.361,28
Redemption of financial liabilities	21.1	-487.458.953,34	-623.227.971,41
Redemption / net payment of financial derivatives	11.2	-35.102.804,25	50.300.633,26
Interests paid		-83.984.276,70	-80.599.902,86
Dividends paid			-7.927,49
NET CASH CONNECTED TO / USED BY FINANCING ACTIVITIES		-187.346.477,63	-119.546.255,12
(DECREASE) / INCREASE IN CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS		-195.797.529,40	-145.125.039,26
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE BEGINNING OF THE YEAR (note 14)		419.894.983,13	564.985.525,56
(Decrease) / increase in cash, cash equivalents and bank overdrafts		-195.797.529,40	-145.125.039,26
Effect of change in the interest rate on cash held		265.952,23	34.496,83
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE END OF THE YEAR (note 14)		224.363.405,96	419.894.983,13

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2022 - Page 7/118

GENERAL INFORMATION

Activities

Amongst all companies included in the consolidation scope of the SNCB Group, SNCB alone represented 95.7% of the assets on 31 December 2022 (97% on 31 December 2021) and EUR 12,134,317.26 (- EUR 10,759,458.55 EUR) of the consolidated net result out of a total of EUR 52,821,800.05 (- EUR 24,542,807.06) on 31 December 2022 (31 December 2021). The difference of EUR 40,687,482.79 resulted mainly from the share in the net result of entities accounted for using the equity method of EUR 42,396,084.44 (including EUR 40,313,474.52 for Eurostar Group).

The main activities of SNCB are public services activities as described in the Royal Decree of 11 December 2013:

- the domestic transport of passengers with normal service trains as well as domestic destinations by high-speed trains;
- the cross-border transport of passengers;
- the purchase, maintenance, management and financing of rolling stock used for the tasks as mentioned above;
- services that the railway company is required to provide for the needs of the Nation;
- the purchasing, designing, building, renewing, maintaining and managing of train stations, unmanned train stops and related property,
- preserving the heritage of railway operations,
- security and surveillance tasks in the field of railways;
- other public services it is responsible for under the law or by virtue of the law.

Legal status

SNCB SA is a public limited company whose head office is located at Rue de France 56, 1060 Brussels. It is registered under company number 0203.430.576. The last amendments to its statutes were published in the Belgian Official Journal, dated 26 April 2022.

Financial statements

The consolidated financial statements at 31 December 2022, prepared in accordance with IFRS standards, were approved by the Management Board of SNCB on 28 April 2023. All figures in this document are expressed in euros (EUR), 2 decimals, unless otherwise indicated.

Accounting policies

Except for the new applicable standards and amendments, the accounting policies have been applied uniformly from one year to the next and throughout the SNCB Group. The consolidated financial statements are prepared using uniform accounting principles for transactions and other, similar events within the SNCB Group.

Management Board

Georgin Thibaut	Chair of the Board of Directors
Dutordoir Sophie	Managing Director
Bihet Mathieu	Board member until 22 December 2022
Boelaert Filip	Board member
Dewez Arnaud	Board member as of 23 December 2022
Durez Martine	Board member
Geradon Deborah	Board member
Glautier Laurence	Board member
Levêque Laurent	Board member
Mercenier Eric	Board member
Poot An	Board member
Schalck Daan	Board member
Sterckx Dirk	Board member
Van Besien Wouter	Board member
Van Camp Bart	Board member

Auditors

The Auditors of SNCB are:

KPMG Réviseurs d'entreprises SRL represented by Tanguy LEGEIN

BDO Réviseurs d'entreprises SRL represented by Michaël DELBEKE

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Note 1 - Summary of the significant accounting policies

1.1 Basis for preparation and statement of compliance with IFRS

The consolidated financial statements of the SNCB Group as per 31 December 2022 were prepared in accordance with the "IFRS" (International Financial Reporting Standards) as adopted by the European Union and as published on that date, namely the standards published by the International Accounting Standards Board ("IASB") and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

These consolidated financial statements were prepared based on the principle of valuation:

- at fair value of certain financial assets and liabilities: financial derivatives, equity instruments, financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss;
- at the current value of certain assets: liabilities and receivables over one year with a zero interest rate or an abnormally low interest rate (booked at amortised cost after initial recording) as well as non-current provisions. The discount rates used are the IRS according to the duration concerned, except for liabilities related to IAS 19 where discount rates are determined by reference to market rates at the closing date based on investment grade corporate bonds, and according to their duration;
- at the historical acquisition cost of the other balance sheet items except for certain revaluations of some intangible assets and investment property for which the SNCB Group has opted for the application of valuation at fair value at the moment of transition to IFRS (1 January 2014) and the use of this fair value as deemed cost at the date of transition (mainly land).

Amendments to certain standards have been adopted by the European Union and have become mandatory from the accounting year beginning on 1 January 2022 (amendments to IFRS 3 *Business Combinations* and to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*) as well as annual improvements to the IFRS (minor amendments to IFRS 1 *First-Time Adoption of IFRS*, IFRS 9 *Financial Instruments* and to the illustrative examples that accompany IFRS 16 *Leases*). They include modifications which clarify the texts or correct minor consequences, omissions or conflicts between the various standards, they do not modify the financial information and the accounting principles applied in the SNCB Group. The amendments to IAS 16 *Property, Plant and Equipment* and the amendment to IFRS 16 *Leases related to Covid-19* are not applicable to the Group.

Other amendments have been adopted by the European Union but are not yet mandatory for the financial year beginning on 1 January 2022. They include amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (effective 1 January 2023) clarifying how companies should distinguish between changes in policies and changes in estimates, to IAS 1 *Presentation of Financial Statements* (effective 1 January 2023) and to IAS 12 *Income Taxes* to clarify how companies account for deferred tax in certain specified transactions (effective 1 January 2023).

Some amendments have not yet been adopted by the European Union. Here too, the amendments are limited in scope and should not impact the consolidated accounts of the SNCB Group:

- The classification of current and non-current liabilities with "covenants": amendments to standard IAS 1 *Presentation of Financial Statements* (that comes into force on 1 January 2023). These changes only affect the presentation of liabilities in the financial statements as the current stipulations in the standard were imprecise when it came to determining whether a liability is to be presented as a current or non-current one.

- amendments to IFRS 16 *Leases* (effective 1 January 2024) that explain how an entity accounts for a sale and leaseback after the date of the transaction, particularly when all or part of the lease payments are variable lease payments which do not depend on an index or a rate.

1.1.1. Noteworthy events

The economic effects of the Covid-19 pandemic faded during 2022. This health crisis was followed by an inflationary and energy crisis impacting both the costs of the parent company and the behaviour of travellers.

A new structural reality has taken hold, accelerated and transformed through these successive health, inflationary and energy crises:

- the pandemic and its impact in particular on the work organisation in public and private institutions has led to a significant reduction in the number of pass holders, linked to the sharp increase in remote work,
- the changes in behaviour observed during the pandemic and especially the energy crisis have accelerated the transition to public transport in certain mobility behaviours, which, combined with effective promotions, has enabled leisure ticket sales to exceed their 2019 levels.

The parent company was once again able to count on the support of the State which partially offset, in addition to part of the economic impact of the health crisis in 2022, the effects of the inflation and energy crisis on energy costs and salaries. It was thus able to achieve a better financial operating result before capital subsidies, depreciation and impairment than in 2021, and was able to slightly reduce its economic debt compared to the previous year.

The year 2022 also saw the completion of negotiations between SNCB and the Belgian State for the contractual implementation of the direct award of the public service remit for domestic passenger transport by rail for a period of 10 years, as the Belgian State had decided in principle in 2021. Thus, on 23 December 2022, the Council of Ministers and the Board of Directors of SNCB approved the SNCB Public Service Contract as well as the business plan and the multi-annual investment plan for the period 2023-2032.

This economic context was taken into account when performing the asset value tests. We refer you to notes 3.1, 6.1 and 12.2 in the consolidated annual financial statements.

1.1.2. Preparation of financial statements on the basis of continuity of principal activities

The total consolidated equity of the SNCB Group at 31 December 2022 amounted to - EUR 258,378,527.70.

On the basis of an analysis of the forecast financial consequences and especially the current liquidity position, expected cash flows and available financial resources, it appears that there is no threat to the Group's ongoing ability to operate. Moreover the parent company can call upon a Belgian State guarantee of up to €1,138 million (SNCB has not called upon this State guarantee and currently has no intention of doing so).

Consequently, the 2022 financial statements have been prepared based on the continuation of the activities of SNCB.

Further, on 30 November 2022, Moody's published a credit opinion on SNCB in which they confirmed an A1 long term rating with 'stable' prospects while publishing a short term P-1 prospect. Standard & Poor's confirmed our long term A rating with 'stable' prospects and confirmed the short term A-1 rating on 16 December 2022.

We also note that the capital grants of EUR 7,827,933,283.80 (EUR 7,645,807,091.11 at 31 December 2021), that cover almost all the investments of the SNCB Group, are booked as liabilities according to the IFRS.

1.2 Consolidation

1.2.1 Subsidiaries

The assets, liabilities, rights and commitments, income and expenditures of the SNCB and the subsidiaries over which it exercises control are included in the consolidated financial statements according to the full consolidation method. There is control when the entity holds power over the company (it has the existing rights that enable it to direct the relevant activities of the company), when it is exposed to variable returns from its involvement with the company and when it can exercise its power over the company in such a way as to influence the amount of yields it obtains. This control is deemed to exist where the SNCB Group holds more than half of the voting rights, but this presumption can be rebutted if there is material evidence to the contrary. In determining whether there is control, the existence of potential voting rights that can be exercised or that are immediately convertible are considered. The 'control' aspect has been assessed based on the IFRS 10 standard.

A subsidiary is consolidated from the acquisition date, i.e. the date on which control is effectively transferred to the acquiring party. From that time, the parent company (the purchaser) includes income of the subsidiary in the total consolidated comprehensive income and includes the assets, liabilities and contingent liabilities acquired at fair value, including any goodwill resulting from the acquisition. A subsidiary ceases to be consolidated from the time at which the SNCB Group ceases to hold control. In case of loss of control of a subsidiary, its assets and liabilities are derecognised from the consolidated financial statements, the investment retained in the former subsidiary is recognised at its fair value at the date of the loss of control and the gain or loss associated with the loss of control is recognised in profit or loss.

Business combinations under common control are treated according to the antecedent accounting method.

For consolidation purposes, intra-group balances and transactions are fully eliminated. Non-realised intra-group profits and losses are adjusted.

The consolidated financial statements are prepared using uniform accounting principles for transactions and other, similar events within the SNCB Group.

1.2.2 Jointly controlled entities and affiliates

Entities over which the SNCB Group exercises joint control together with one or more partners pursuant to a contractual arrangement with those parties, as well as affiliated companies over which the SNCB Group exercises significant influence without exercising control, are recognised under the equity method. If the entity directly or indirectly holds 20% to 50% of the voting rights of a company, it is presumed to exercise a significant influence unless the contrary can be clearly demonstrated.

Equity interest in an affiliated company or in a joint venture is recorded at cost at the time of initial recognition; then, the book value is increased or decreased in order to record the entity's share in the company's net income after the acquisition date. The entity's share in the company's net income is recorded in the entity's net income.

1.2.3 Goodwill and negative consolidation differences

In the event that an entity is acquired, the difference observed on the acquisition date between the acquisition value of the equity interest and the fair value of the identifiable acquired assets, liabilities and contingent liabilities is recorded as goodwill under assets (where the difference is positive) or immediately recorded in net result (where the difference is negative).

Goodwill is not depreciated but is subject to an annual impairment test.

1.2.4 Conversion of the financial statements of subsidiaries prepared in foreign currencies

All monetary and non-monetary assets and liabilities are converted in the consolidated financial statements using the closing rate method. Income and expenditures are converted using the average rate over the period under review. Conversion differences are recognised in other comprehensive income.

1.2.5 Non-controlling interests

Non-controlling interests represent the part of results and net assets that are not held by the SNCB Group and are presented separately in the consolidated financial statements as part of equity, in a separate section from the equity directly attributable to the SNCB Group. The 'control' aspect has been assessed based on the IFRS 10 standard.

The SNCB Group treats transactions with minority shareholders as transactions with shareholders of the SNCB Group. For purchases of non-controlling equity interests, the difference between any consideration paid and the relevant share acquired of the book value of the subsidiary's net assets is recorded in equity.

1.3 Foreign currency transactions

The financial statements of each entity of the SNCB Group are presented in the currency of the principal economic environment in which the entity is performing its activities (its operating currency). The consolidated financial statements of the SNCB Group are expressed in the operating currency of the parent company, namely the Euro, which is the presentation currency of the consolidated financial statements.

Transactions in foreign currencies are converted into the operating currency of the entities, using the exchange rates at the time of the transaction. Exchange gains and losses from the settlement of such transactions and from the conversion of monetary assets and liabilities denominated in foreign currencies at the foreign exchange rate on the closing date are included in net result.

1.4 Intangible assets

An intangible asset is recorded in the statement of financial position when the following conditions are met:

1. the asset is identifiable, i.e. either it can be separated (if it can be individually sold, transferred or rented) or it results from contractual or legal rights;
2. it is probable that the asset will generate economic benefits for the SNCB Group;
3. the SNCB Group has control over the asset;
4. the cost of the asset can be measured reliably.

Intangible assets are measured according to the cost model, i.e. at the initial cost price less any accumulated depreciation and any accumulated impairment losses.

The initial cost of intangible assets:

- that **are acquired separately** includes costs directly attributable to the transaction (purchase price net of trade discounts and other rebates), excluding indirect costs;
- that **are generated internally** is equal to the sum of the expenses incurred as from the date the assets first meet the recognition criteria in accordance with IAS 38, i.e. as from the time the SNCB Group can demonstrate (1) that the project is technically feasible, (2) that there is an intention of using or selling the asset, (3) how the asset will generate future economic benefits, (4) that there exist adequate resources to complete the project and (5) that the expenditure can be measured reliably. These expenses include direct costs plus the operating costs of the operational services where they can be directly assigned (except depreciation of assets financed by grants). The hourly rate is calculated considering all costs of short-term employee benefits, except for training costs and expenditures on safety, plus all costs of other long-term employee benefits, post-employment benefits and termination benefits (where related to staff that is still partially employed).

Only the development costs of internally generated software are capitalised; research costs are recognised immediately in net result. The development costs only include: (a) design (functional and technical blueprint), (b) programming and configuration, (c) developing interfaces, (d) technical documentation for internal use, (e) hardware integration and (f) testing.

Expenditures subsequent to the initial recognition are recognised in net result, except if it can be demonstrated that it generates new, significant economic benefits;

- that **are acquired as part of a business combination** is the fair value on the date of acquisition.

The cost of the asset also includes financing costs if the intangible assets necessarily take a period of more than one year to get ready for use or sale. The capitalisation rate is either equal to that of a specific loan or equal to the weighted average financing costs applicable to the outstanding loans of the SNCB Group, excluding those loans that have been contracted specifically.

Intangible assets are amortised on a straight-line basis over their probable useful life. The amount that can be amortised corresponds to the acquisition cost, whereby the residual value is supposed to be equal to zero. The useful lives applied are the following:

Categories	Probable useful life
ERP development costs	10 years
Other software development costs	5 years
Websites	3 years
Software acquired from third parties	5 years
Goodwill	N/A, annual impairment test

Amortisation starts when the asset is ready for use.

The useful life and amortisation method for intangible assets with a limited useful life are reviewed annually at balance sheet date. Changes in estimated useful life or anticipated consumption of future economic benefits generated by the asset are accounted for by changing the useful life or depreciation method, as the case may be, and are treated as changes in estimates.

Impairment tests are performed on intangible assets when there are indications that the carrying value would not be recovered through their use or their sale. Intangible assets that are not yet ready for use, are subject to an annual impairment test at balance sheet date.

1.5 Tangible assets

Tangible assets are measured according to the cost model, at initial cost less accumulated depreciation and any accumulated impairment charges. The initial cost includes:

- any costs directly attributable to the purchase transaction, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the SNCB Group;
- the initial estimate of the costs of dismantling and removing the asset and restoring the site on which it is located (obligation for which the SNCB Group incurs these costs either when the asset is acquired or is manufactured).

The cost therefore does not include study costs and the costs of feasibility studies incurred relating to construction projects for tangible fixed assets (stations, sites, etc.), the costs of management and general administration or salary costs and other operating expenses that cannot be allocated to an investment activity.

The initial cost price of tangible assets that is generated internally is equal to the sum of the costs incurred from the time the assets first meet the recognition criteria set down in IAS 16, i.e. where it is probable that the future economic benefits will flow to the SNCB Group and the cost of the asset can be reliably determined. These costs include direct costs plus the operating costs of the operational services (except depreciation on assets financed by grants). The hourly rate is calculated considering all costs of short-term employee benefits, except for training costs and expenditures on safety, plus all costs of other long-term employee benefits, post-employment benefits and termination benefits (where related to staff that is still partially employed). In addition, costs subsequent to the initial recognition are recognised in net result, except if it can be demonstrated that these generate new and significant economic benefits.

Costs of maintenance and repairs that merely maintain the value of the assets without increasing it, are recognised in net result. However, costs of major maintenance and major repair works that increase the future economic benefits generated by the asset are recognised as a separate component of the cost price. The cost price of tangible assets is then broken down into major components. These major components, which are replaced at regular intervals and therefore have a useful life that differs from that of the main asset, are depreciated over their own, specific useful life. In case of a replacement, the asset is no longer recognised in the statement of financial position and the new asset is amortised over its own useful life.

The cost of the asset also includes financing costs if the property, plant and equipment necessarily take a period of more than one year to get ready for use or sale. The capitalisation rate is either equal to that of a specific loan or equal to the weighted average financing costs applicable to the outstanding loans of the SNCB Group, excluding those loans that have been contracted specifically.

Tangible assets are fully depreciated over their probable useful life using the straight-line method of depreciation. The depreciable amount is usually the cost of the asset. The useful lives applied are the following:

Property, plant and equipment	Probable useful life
Land	Not applicable
Administrative buildings	60 years
Components of administrative buildings	10 to 30 years
Industrial buildings	50 years
Components of industrial buildings	15 to 20 years
Residential properties	50 years
Components of residential properties	15 to 20 years
Stations	100 years
Components of stations	10 to 40 years
Car parks	100 years
Components of car parks	10 to 20 years
Track and associated components	25 to 100 years
Structures and associated components	20 to 120 years
Level crossings and associated components	10 to 25 years
Railway infrastructure – signalling	7 to 35 years
Miscellaneous railway infrastructure	7 to 50 years
Railway rolling stock, excluding wagons and carriages	25 to 60 years
“Mid-life” component of railway rolling stock	15 to 30 years
Installations and various equipment	4 to 30 years
Furniture	10 years
ICT	4 to 10 years
Road vehicles	2 to 10 years
Leasehold improvements to property, plant and equipment	See 1.6.2.

The useful life and depreciation method for tangible assets are reviewed. Changes in estimated useful life or anticipated consumption of future economic benefits generated by the asset are accounted for by changing the useful life or depreciation method, as the case may be, and are treated as changes in estimates.

Concessions in the stations are recognised as tangible assets.

1.6 Leases

1.6.1. Alternative financing transactions

Various financing arrangements (sale and lease-back, lease and lease-back, rent and rent-back or concession and concession-back transactions) are set up by the SNCB Group, mainly for purchases of rolling stock. These transactions are recognised based on their economic substance according to the provisions of the IFRS 16 and 15 standards. If not a sale under the terms of IFRS

15, the fixed assets are recorded in the SNCB Group's financial statements. The investment accounts and related payment obligations towards lenders are recognised in the statement of financial position except for investment accounts contracted with a public authority with a superior credit rating, a counterparty that is guaranteed by a State with superior credit rating, or counterparties of these transactions. The fees received according to these arrangements are spread over the term of the operations.

1.6.2. Leases for which the Company is the lessee

All leases are recorded on the lessees' balance sheet with the exception of leases whose term is less than or equal to one year and the leases for which the underlying asset is of low value. In both cases, payments of rent under the lease are recorded under expenses on a straight line basis over the duration of the lease. For all other leases, the SNCB Group records an asset representing the right to use the underlying asset and a liability representing future payments of rent.

On the date the lease begins, the asset and the rental liability are recorded under assets and liabilities for a value equal to the current value of the payments of rent that have not yet been paid by using the implicit interest rate of the lease or, as the case may be, the incremental borrowing rate. Payments of rent taken into account in the assessment of the leasing valuation are fixed payments (after deduction of rental inducements to be received), payments of variable rent according to an index or a rate, sums one is expected as lessee to pay the lessor for guarantees of residual value, the strike price on the purchase option that the lessee is reasonably certain to exercise and the penalties required in case of termination of the lease. The cost of the asset also includes initial direct costs incurred by the lessee and, if such an obligation exists, it also includes a valuation by the lessee of the costs for dismantling or removal of the underlying asset. The lease liability is recognised in Financial debts and assets are recognised in tangible assets according to their nature.

Each rental payment is broken down between the financial expense and amortisation of the debt. For each period included in the term of the lease, interest on the leasing commitment corresponds to application of a constant interest rate to the outstanding balance of the leasing commitment. Tangible assets held by the SNCB Group as lessee are amortised over the shortest period between the term of the contract and their useful life if the lease does not provide for transfer of ownership of the underlying asset to the SNCB Group at the end of the lease or if the SNCB Group has not taken into account the future exercise of a purchase option in the cost of the asset.

1.6.3. Leases for which the Company is the lessor

A lease is recorded as a finance lease if the SNCB Group acquires virtually all the risks and rewards incidental to ownership of the asset. Finance lease operations are recorded as a sale combined with a financing. On the beginning date, the asset is derecognised from the statement of financial position (with capital gain or loss recognised in net income), and the SNCB Group recognises a receivable representing the discounted value flows to be received. Lease receivables are recorded as Trade and other receivables.

Recognition of financial income takes place on the basis of a formula expressing a constant periodic rate of profitability on the balance remaining due of the receivable in the finance leasing contract. Payments of rent corresponding to the period decrease both the amount of the receivable and the amount of the non-acquired financial income.

A lease is recorded as an operating lease where virtually all risks and rewards incidental to ownership of the asset are not transferred to the lessee. Assets leased out under operating leases are included in tangible assets in the statement of financial position. They are depreciated over their expected useful lives. Rental income is recognised on a straight-line basis over the lease term.

1.7 Investment property

An investment property is property (land or a building) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation, rather than for:

- use in the production or supply of goods or services or for administrative purposes; or
- sale in the ordinary course of business.

IAS 40 is only applicable to investment properties for mixed use in the case that:

- the portion held to earn rentals or to get capital gains and the portion held for own use can be sold separately;
- the portion held for own use amounts to less than 5% of the whole.

Investment properties are measured according to the cost model. All accounting principles relating to tangible assets are therefore likewise applicable to investment properties.

1.8 Investments accounted for using the equity method

Entities over which the SNCB Group exercises joint control together with one or more partners pursuant to a contractual arrangement with those parties, as well as affiliated companies over which the SNCB Group exercises significant influence without exercising control, are recognised under the equity method.

Impairment on investments accounted for using the equity method are recorded when the book value is higher than the recoverable amount. Investments accounted for using the equity method are subject to an impairment test as an individual asset (including the goodwill paid to acquire this interest) where there is an objective indicator to believe the interest has suffered an impairment loss.

1.9 Impairment losses

An impairment loss is recorded in intangible assets (including goodwill) and tangible assets when the book value of the asset is higher than its recoverable amount. The recoverable amount of an asset is the higher of:

1. its fair value less costs to sell (being the amount that the SNCB Group would receive upon sale of the asset); and
2. its value in use (being the amount that the SNCB Group would generate by continuing to use the asset).

Where possible, these tests are carried out for each individual asset. However, if the assets do not generate independent cash flows, the test needs to be done at the level of the cash-generating unit (or 'CGU') to which the asset belongs (CGU = the smallest identifiable group of assets generating cash inflows that are largely independent of the cash inflows from other assets or groups of assets).

An annual impairment test should be performed if goodwill is allocated to a CGU or if there are indications there has been an impairment loss. If no goodwill is allocated to the CGU, an impairment test should only be performed if there are indications there has been an impairment loss. Goodwill acquired as part of a business combination is allocated to the acquired subsidiaries and, as the case may be, to the CGUs that are expected to benefit from the synergies resulting from the business combination.

When an impairment loss is identified, it is first allocated to goodwill. Any surplus must then be allocated to the other fixed assets of the CGU in proportion to their book value, but only to the extent that the sale value of these assets is lower than the book value. An impairment loss against goodwill may never be reversed in a subsequent period. Impairment losses against other fixed assets are reversed if this is justified in the circumstances.

It is possible to account for an impairment loss on an individual asset resulting from an indication of impairment related to that individual asset (e.g. because of damage suffered), regardless of whether the asset is or is not (fully or partially) financed by grants.

Impairment losses cannot be recorded in assets that are part of a CGU that is fully financed by grants. If impairment losses are determined for CGUs that are partially financed by grants, they must be allocated proportionally to the assets (and to the investment grants relating to them).

1.10 Inventories

Inventories are recorded at their acquisition cost or at their net realisable value, if this is lower.

The cost of fungible goods is determined by applying the weighted average price method. Inventories of lesser importance and whose value and composition remain stable over the period are recognised in the statement of financial position at a fixed value.

The cost of inventories includes the acquisition cost and other costs incurred in bringing the inventories to their present location and condition. The cost of manufactured inventories includes the direct and indirect production costs, except for finance costs and overheads that do not contribute in bringing the inventories to their present location and condition.

A value reduction is recorded if the net realisable value of an item of inventory at balance sheet date is less than its book value. Slow-moving spare parts are subject to a write-down based on technical and economic criteria.

1.11 Trade and other receivables

Receivables are initially measured at the transaction value and, after initial recognition, at their amortised cost.

Receivables are measured individually. Impairment losses are recognised when cash recovery of a receivable is doubtful or uncertain in its entirety or a portion thereof. For trade and other receivables within the scope of IFRS 9 the general impairment model is applicable. It consists of estimating the expected losses over a one-year period. In order to assess the level of expected losses on its financial assets, the Group has adopted a method based on either the rating of the counterparties, the payment history or the legal status of the counterparty.

The recognition of credit losses according to IFRS 9 is based on the following principles:

- SNCB Group uses the simplified approach for receivables without a significant financing component and contract assets as defined by IFRS 15. The simplified approach or full life model consists of the immediate recognition of the lifetime expected credit losses of the asset.
- For trade and other receivables (other than lease receivables) within the scope of IFRS 9, the SNCB Group determines the provision to be recognised for each receivable on the basis of the probability of default according to the following rules:

- any receivable for which cash recovery is doubtful or uncertain, in its entirety or a portion thereof is considered “as being in default”. A reimbursement might still be possible after the term but considering the low probability, an impairment of 100% is recorded;
- to make the allowance evolve according to the ageing of the receivable, probabilities of default are determined for different time buckets;
- probabilities of default are measured on the basis of the payment history over the preceding two years excluding the receivables recorded over the preceding year in order not to influence the measured probabilities.

Prepayments, amounts paid as collateral and accrued income (except those related to derivatives and other financial assets) are also accounted for under Trade and other receivables.

Capital grants are recognised at the date of the transaction while the payment date is used for all other instruments.

1.12 Derivatives

The SNCB Group uses derivatives (IRS, IRCS, futures and options, etc.) to hedge against possible adverse changes in interest rates, exchange rates, inflation and energy prices. The SNCB Group does not use derivatives for speculative purposes.

Upon recognition, derivatives are valued at fair value and recognised in the financial report as an asset or liability. Transaction costs are recognised in net income when they occur. The derivatives are, after initial recognition, recognised in the financial statement of each reporting period at fair value, estimated by using different valuation techniques. Changes in fair value are recognised in net income. Derivatives are divided between short and long term based on their date of maturity.

The fair value of derivatives is determined using valuation techniques such as valuation models for options or using the discounted cash flow method. Fair values taking into account assumptions based on market data, as defined in paragraphs 81 and 82 of IFRS 13, fall within Level 2 of the fair value hierarchy. Fair values not based on observable market data fall within Level 3 of the same hierarchy.

The SNCB Group has decided not to apply the hedge accounting principles.

1.13 Other financial assets

The other financial assets include investments in equity instruments of companies over which the SNCB Group exercises neither an authority nor significant influence and interest-bearing receivables (fixed income investments, deposits and back-to-back transactions with the State).

Financial investments are initially measured at fair value of the consideration paid to acquire them, including transaction costs, with the exception of derivatives and financial assets measured at fair value through profit or loss for which the transaction costs are recognised in the net result.

Other financial assets are classified into different categories based on:

- the SNCB Group’s business model for managing financial assets; and
- the contractual cash flows characteristics of the financial asset.

1.13.1. Debt instruments

In accordance with its financial policy, the SNCB Group applies a business model whose objective is to hold financial assets in order to collect contractual cash flows. The occasional sale before maturity of financial assets does not affect the classification of the remaining assets. The financial policy explicitly prohibits the execution of transactions whose sole objective consists of reversing them at short-term to generate a profit.

Financial assets whose cash flows pass the "SPPI" test (Solely Payment of Principal and Interests) are recorded at amortised cost with the exception of financial assets for which the SNCB Group has intentionally chosen to designate them as being measured at fair value through profit or loss at initial recognition. Financial assets whose cash flows do not pass the "SPPI" test are measured at fair value through other comprehensive income.

The fixed income securities' fair value is evaluated using market data and the discounted cash flow method based on the yield curves and credit spreads of individual securities issuers. The fair value of these investments is classified as level 1 (market value) and 2 (other market data) in the fair value hierarchy as defined in IFRS 13.

The other financial assets are classified as long term, except for those with a maturity of less than 12 months which are recorded as short term.

For financial assets not recorded at fair value through profit or loss, the SNCB Group records expected credit loss allowances according to the general approach as defined by IFRS 9. The general approach or earlier recognition of impairment loss model is to record a credit loss allowance equal to 12-month expected credit losses. This allowance is calculated as of the initial recognition onwards.

For debt instruments a credit allowance is recognised upon initial recognition of the asset according to its probability of default at that point in time. For assets with a rating, the probability of default is based on the rating. If there is no rating for the asset, the SNCB Group will determine its probability of default using economic indicators, indicators of the counterparty's financial health and market knowledge.

1.13.2. Equity instruments

The fair value of equity instruments is determined based on the most appropriate financial criteria for each company's particular situation. Criteria generally used are the market value or the share in the equity and the profitability forecasts when the market value is not available. The equity instruments' fair value for which no market value exists, is classified as Level 3 in the fair value hierarchy as defined in IFRS 13.

Purchases and sales of financial assets are recognised at settlement date.

1.14 Cash and cash equivalents

This includes securities available in cash, at the bank, securities for collection, short-term investments (with an initial maturity of 3 months at most), very liquid, which are easily convertible into a known amount of cash, and which are subject to a negligible risk of change in value, as well as bank overdrafts. The last of these are recorded under financial liabilities on the liabilities side of the statement of financial position.

Cash and cash equivalents are recognised in the statement of financial position at their amortised cost.

1.15 Non-current assets held for sale

A non-current asset (or group of assets) is classified as held for sale if its book value is recovered principally through a sale transaction rather than through continuing use. This means that the asset is available for an immediate sale in its current condition and that the sale is very probable (official decision to sell, active search for a buyer, very probable sale within a year).

Non-current assets held for sale are no longer depreciated, but are subject to impairment, if necessary, in order to reduce their book value to their lower realisable value.

The groups of assets held for payment to the owners within the framework of a transaction under joint control are booked at book value.

1.16 Discontinued operations

A discontinued operation is an activity that either meets the criteria for being classified as held for sale or has been disposed of, and additionally meets the following criteria:

- the cash flows from the activity can be distinguished, operationally and for financial reporting purposes;
- the activity is a separate major line of business or geographical area of operations;
- it is part of a single coordinated sales plan or is being purchased with a view of being sold.

1.17 Capital

Ordinary shares are classified under the 'Share capital' section. The share capital includes two categories:

- issued share capital, consisting of amounts that the shareholders have committed to paying up in full;
- uncalled share capital: the portion of the issued share capital over which the Management Board of one of the consolidated entities has not yet issued a call.

1.18 Employee benefits

1.18.1 Short-term employee benefits

Short-term employee benefits are employee benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Short-term employee benefits are recognised in expenses when the related service has been rendered by the staff members.

1.18.2 Post-employment benefits

Post-employment benefits are employee benefits (other than short term and termination benefits) that are due after the completion of employment.

Post-employment benefits can be subdivided into two categories:

- 'defined contribution' plans: these are plans where the SNCB Group pays contributions to a separate entity and the SNCB Group has no legally enforceable or de facto obligation to pay any additional contributions. These contributions are recognised in expenses over the periods during which service has been rendered by the staff members. If contributions were paid upfront (or have not yet been paid), they are recognised on the assets (or liabilities) side of the statement of financial position;
- defined benefit plans: these are all plans that are not defined contribution plans.

Post-employment benefits that fall under the category of defined benefit schemes are measured based on an actuarial valuation. They are accounted for (after deduction of any plan assets) to the extent that the SNCB Group must bear the costs resulting from the service rendered by the staff members. This can result from Law, a contract, or “vested rights” based on past practice (implicit obligation). The actuarial method to be used is the projected unit credit method.

The discount rate used is based on the market rates on the calculation date of high quality corporate bonds with a similar duration than the liabilities. The other actuarial assumptions (mortality rates, future salary increases, inflation, etc.) are the best estimates of the SNCB Group.

Since actuarial assumptions are used to measure these liabilities, actuarial gains and losses inevitably arise, resulting from changes in the actuarial assumptions from one financial year to the next and from differences between the actuarial assumptions used and reality. Actuarial gains and losses relative to post-employment benefits are recognised in other comprehensive income.

1.18.3 Other long-term employee benefits

The other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service.

The figure recognised in the statement of financial position is equal to the present value of the liabilities, less any fair value of plan assets. Calculations are made according to the projected unit credit method. The actuarial gains and losses are recognised in net result.

1.18.4 Termination benefits

Termination benefits are benefits payable as a result of the decision of the SNCB Group to terminate an employee’s employment (or of a group of employees) before the normal retirement date, or an employee’s decision (or of a group of employees) to accept voluntary redundancy of the SNCB Group in exchange for those benefits.

A liability measured on an actuarial basis is recognised for these payments to the extent that the SNCB Group has an obligation. The liability is discounted if benefits are payable after 12 months.

For all these employee benefits (except for short-term employee benefits), the financial cost represents the passage of time. It is accounted for under financial expenses.

1.19 Provisions

A provision is only recognised if:

1. the SNCB Group has a present obligation (legal or implicit) to incur expenditure by virtue of a past event;
2. it is probable that an outflow of resources will be required; **and**
3. a reliable estimate can be made of the amount of the obligation.

If significant (mainly for long-term provisions), the provision must be discounted. The effect of the time value of money on the provision is recognised in financial expenses. The discount rate is the IRS rate according to the duration of the future cash flows.

A provision for environmental obligations (soil clean-up, etc.) is only recognised if the SNCB Group has a legal or implicit obligation.

If the SNCB Group has an onerous contract, a provision has to be accounted for. Before a provision for onerous contract is accounted for, the SNCB Group accounts for any impairment losses on the assets that are used in executing the related contract. Provisions for future operating losses are forbidden.

A provision for restructuring is only recognised if it can be demonstrated that the SNCB Group has an implicit obligation to restructure, and to do so no later than at balance sheet date. This obligation needs to be evidenced by:

- the existence of a detailed formal plan in which the most important features of the restructuring are identified; and
- the start of implementation of the plan or notification of the most important features of the plan to the relevant persons.

1.20 Financial liabilities

Financial liabilities include bank loans, issued bonds, financial leasing debts, financial debts towards other financial institutions and bank overdrafts.

Financial liabilities are evaluated initially at their fair value less the transaction costs with the exception of those that the SNCB Group has decided voluntarily and irrevocably at the time of initial recognition to evaluate at fair value through net income in order to eliminate or limit inconsistencies at the level of evaluation. Financial liabilities are classified long term with the exception of those payable within 12 months that are classified short term.

Leasing liabilities are initially evaluated at the actual value of payment of remaining rent. The discount rate is the implicit interest rate of the contract or, as the case may be, the marginal interest rate.

The discount rate of financial liabilities evaluated at fair value is determined using valuation techniques such as the valuation models used for options or using the discounted cash flows method. The financial liabilities valuation models consider observable and non-observable data on the markets on the closing date. The use of non-observable data on the markets on closing date implies that the fair value of financial liabilities is included in Level 3 of the fair value hierarchy as defined in IFRS 13.

Pursuant to IFRS 9, the own credit risk component, proper to the SNCB Group, of the fair value adjustment of the financial liabilities is recorded in other comprehensive income instead of in net result.

1.21 Income taxes – Deferred tax assets / liabilities

Income taxes include both current and deferred taxes. Current tax comprises the taxes to be paid (or recovered) on the taxable result of the past financial year, together with any adjustment to the taxes to be paid (or recovered) with regard to previous accounting years.

Deferred tax is calculated using the liability method on temporary differences between the tax base of an asset or liability and the book value in the consolidated IFRS statement of financial position. Deferred tax is measured on the basis of the expected tax rate at the time the asset is realised or the liability is settled. In practice, it is usually the tax rate in force at balance sheet date that is applied.

Nonetheless, there are no deferred taxes on:

1. the initial recognition of goodwill that is not tax deductible,
2. the initial recognition of assets and liabilities (except for acquisitions of subsidiaries) that have no effect on the accounting profit or taxable profit; and

3. temporary differences in investments in subsidiaries and joint ventures if the Group is able to control when the temporary difference will reverse and if it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are only recognised when it is probable that taxable profit will be available for crediting the existing deductible temporary differences in future reporting periods, for instance those resulting from recoverable tax losses or investment credits. This criterion is tested on each balance sheet date.

Both current and deferred taxes are calculated at the level of each taxable entity. The (deferred) tax assets and (deferred) tax liabilities belonging to different subsidiaries may not be netted.

1.22 Trade payables

Trade payables are initially measured at their fair value and subsequently at amortised cost, i.e. the present value of the future cash flows (except where the impact of discounting is not significant).

1.23 Social debts

Social debts are initially measured at their nominal value and subsequently at amortised cost, i.e. at the present value of the future cash flows (except where the impact of discounting is not significant).

1.24 Grants

Investment grants acquired within the framework of investments in intangible and tangible assets are accounted for on the liabilities side of the statement of financial position. Monetary grants are recognised at their nominal value and non-monetary grants at their fair value. Investments grants are accounted for in operating income ('Investment grants' section) in proportion to the depreciation on the assets for which they were received. In case of sale of granted assets, the grants are cancelled through the operating result and then reclassified, also via the operating income, as operating grants. In addition, interest is calculated as a benefit for the investment of the unallocated capital grants and payments made to subsidiaries which are not yet affected. Capital grants are recognised as soon as a reasonable assurance exists that the SNCB Group will comply with the conditions attached to these grants and that the latter will be received.

Operating grants, to the extent that it is certain that they will be received, are systematically recognised in operating result under the heading "Operating result before investment grants" on the basis of their nominal value over the period necessary to match them with the related costs. An operating grant received as compensation for a cost or losses already incurred or to provide immediate financial support without related future costs is recorded as income for the period in which it is received. Operating grants received before the associated conditions are fulfilled, are presented as liabilities in the statement of financial position.

Financial grants received to cover loans are systematically recognised in the financial result on the basis of their nominal value over the period necessary to match them with the related financial costs. Financial grants are deducted from the financial expenses. Financial grants received before the associated conditions are presented as liabilities in the statement of financial position.

1.25 Other amounts payable

Other amounts payable are initially measured at their fair value and, after initial recognition, at amortised cost, i.e. at the present value of the future cash flows to be paid (except where the impact of discounting is not significant).

The dividends that the SNCB Group distributes to its shareholders are accounted for under Other amounts payable during the period in which they were authorised. Deferred income, i.e. the portion of income that is collected ahead of time during the current financial year or during previous financial years but which relates to a subsequent financial year, is also classified as other amounts payable with the exception of those relating to derivative financial instruments and to financial liabilities. The amounts received in guarantee are also repeated in Other amounts payable.

1.26 Operating income and expenses

Under IFRS 15, revenues are recognised when the control of goods or services is transferred to customers. Income is evaluated based on the consideration that the SNCB Group expects to receive in a contract with a customer and exclude the money collected on behalf of third parties.

For the most important revenue sources of the SNCB Group, income will continue to be recognised when the customer receives and consumes the benefits offered during the delivery of the service by the group, i.e.: for transportation services, the transfer of control takes place at the time the travel service is rendered. Payment of the transaction price is instantly due the moment the customer receives the service.

For the other contracts (construction, assets management and other services), income will continue to be recognised over time on the basis of the completion method.

Income and expenses associated with construction contracts are recognised respectively in operating income and expenses depending on the degree of completion and the estimated end margin. In case of expected negative margin, an expense is recorded for the amount of the estimated loss. The degree of completion is determined by the ratio between incurred costs for work performed and the estimated costs of the contract. The balances of assets and liabilities arising from contracts with customers (as defined by IFRS 15) reflect the degree of completion and the advances received from customers. The contract balances are presented in the consolidated financial statements of the SNCB Group in the note "Assets and liabilities arising from contracts with customers".

Income from the sale of goods is recorded when the performance obligations are fulfilled, this is when the group transfers the control of the good to the customer. More specifically, income recognition follows the following approach in 5 steps:

- identification of contracts with a customer
- identification of performance obligations in contracts
- determination of the transaction price
- allocation of the transaction price to the performance obligations in the contract
- recognition of the income when the performance obligation is satisfied

Income from the sale of goods is valued at the amount that reflects the best estimate of the expected consideration in exchange for such goods. Contracts with customers do not include trade discounts, volume discounts, or other forms of variable considerations.

Expenses relating to services or to the sale of goods are included in operating expenses.

1.27 Financial income and expenses

Financial income includes interest gains on funds invested (including financial assets available for sale) and derivatives, gains on financial assets and liabilities measured at fair value, reversals of impairment losses, foreign exchange gains, dividends and other financial income.

Financial expenses include interest expenses on financial liabilities (including derivatives and liabilities related to staff), losses on assets and liabilities measured at fair value, impairment losses, foreign exchange losses and other financial expenses.

The income resulting from interest is recognised in the net result as soon as it is acquired using the effective interest method. Dividends are recognised in the net result as from the time at which the SNCB Group acquires the right to collect the payments. Financing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the net result using the effective interest method. Gains and losses from exchange rate differences are recognised on a net basis.

1.28 Rights and obligations

The rights and obligations that are not recognised in the statement of financial position are listed by category if they are likely to have a material influence on the financial statements.

This concerns in particular rights and obligations resulting from orders placed or received, forward contracts, bonds, guarantees or collateral, whether real or not, entered into by the SNCB Group in favour of third parties, or from the receipt in deposit or pledge of assets belonging to third parties.

1.29 Cash flow statements

The cash flow statements from operating activities are presented using the indirect method, according to which net result is adjusted via the effects of transactions without cash flows, movements in working capital and elements of income or expenses related to cash flows from investing and financing activities.

Note 2 - Capital management

2.1 Capital management

The policy of the SNCB Group for capital management, consists in maintaining a financial structure that allows it to maintain its good credit rating from the international rating agencies and allows it to continue providing a quality service to its customers. The SNCB Group thus wants to reduce its debt in order to reach an optimal capital structure that ensures strategic financial flexibility for its future growth.

Net debt level and economic debt

The SNCB Group defines its net debt as:

The balance of the nominal value of liabilities and assets (including derivatives) with financial institutions or traded on the capital markets and the available cash and cash equivalents including the balance of back-to-back operations as described in the Royal Decree of 30 December 2004 – Appendix 4 of the Belgian Official Journal, 31 December 2004.

Total net debt was as follows as at 31 December 2022 and 2021:

Net debt		31/12/2022	31/12/2021
Line item	<u>Notes</u>		
Derivatives	11	122.707.470,14	7.251.658,84
Other financial assets	2.1	446.281.750,30	439.036.704,71
Subtotal of non-current assets		568.989.220,44	446.288.363,55
Derivatives	11	1.855.535,37	0,00
Other financial assets	2.1	55.716.775,84	100.884.154,75
Cash and cash equivalents	2.1	224.363.405,96	419.831.358,26
Subtotal of current assets		281.935.717,17	520.715.513,01
Total assets		850.924.937,61	967.003.876,56
Financial liabilities	21	2.399.380.142,87	2.344.915.013,22
Derivatives	11	221.042.606,28	148.590.952,92
Subtotal of non-current liabilities		2.620.422.749,15	2.493.505.966,14
Financial liabilities	21	438.278.799,58	545.673.269,22
Derivatives	11	0,00	0,00
Subtotal of current liabilities		438.278.799,58	545.673.269,22
Total liabilities		3.058.701.548,73	3.039.179.235,36
Net debt		2.207.776.611,12	2.072.175.358,80
Change in net debt		135.601.252,32	

The net debt does not always provide a correct economic image of the SNCB Group's debt. To provide a correct economic view of the financial debt of the SNCB Group, several items are added to the net debt. These are as follows:

- unused advances (co-financing) and investment grants (FPS) which the SNCB Group had committed to use in the near future minus any receivables (co-financing) in the case that the SNCB Group has already spent more than it received in advances;

- current trade payables that the SNCB Group has agreed to pay minus the current trade receivables which the Company expects to receive;
- the collateral paid or received by the SNCB Group in the context of CSA-agreements;
- the net receivables on the operating grants (FPS) committed by the Belgian State but not yet received by the SNCB Group.

To ensure comparability with the past, recognised debts in application of IFRS 16 are set off as deductions.

The reconciliation of the net debt position and the economic debt as of 31 December 2022 and 2021 is presented as follows:

<i>Economic debt</i>	31/12/2022	31/12/2021
Net debt	2.207.776.611,12	2.072.175.358,80
Regional cofinancings	-40.237.952,54	-27.481.980,29
Unused received investment allowances PSF	703.011.582,90	828.049.744,99
Impact IFRS 16 (neutralisation)	-21.122.803,87	-28.047.968,82
Net balance of trade debts and receivables	388.127.538,81	207.548.937,38
Net balance of acquired operating grants PSF	-655.382.698,44	-375.631.426,23
Net balance of collateral (CSA)	-308.206.501,00	-371.051.961,00
Total of economical corrections	66.189.165,86	233.385.346,03
Economic debt	2.273.965.776,98	2.305.560.704,83

Reconciliation of net debt with balance sheet items The amounts included in the calculation of the net debt are the nominal amounts (“principal”) of the financial instruments, thus excluding fair value adjustments and accrued interest. The allowance for expected credit losses in ‘Other financial assets’ is repeated in the table below in the column ‘Fair value adjustments’. The tables below make it possible to reconcile the different sections of the financial statement with the amounts included in the calculation of the net debt.

- Other financial assets:

<i>Other financial assets</i>		31/12/2022					TOTAL
		Nominal	Net debt		Other		
Notes	Fair value adjustments		Accrued income	Assets managed on behalf of third parties	Other		
Non-current							
Receivables	12	136.166.710,69	-386.867,25	9.317.978,52	0,00	0,00	145.097.821,96
Back-to-back		310.115.039,61	0,00	956.846,50	0,00	0,00	311.071.886,11
Equity instruments	12	0,00	0,00	0,00	0,00	116.240,35	116.240,35
Total non-current		446.281.750,30	-386.867,25	10.274.825,02	0,00	116.240,35	456.285.948,42
Current							
Receivables	12	55.716.775,84	-20,47	417.930,84	0,00	0,00	56.134.686,21
Back-to-back		0,00	0,00	54.979,11	0,00	0,00	54.979,11
Equity instruments	12	0,00	0,00	0,00	0,00	0,00	0,00
Total current		55.716.775,84	-20,47	472.909,95	0,00	0,00	56.189.665,32
Total other financial assets		501.998.526,14	-386.887,72	10.747.734,97	0,00	116.240,35	512.475.613,74

		31/12/2021					TOTAL
		Net debt			Other		
		Nominal	Fair value adjustments	Accrued income	Assets managed on behalf of third parties	Other	
Non-current	Notes						
Receivables	12	142.736.417,25	1.785.564,79	8.386.507,53	0,00	0,00	152.908.489,57
Back-to-back		296.300.287,46	0,00	909.231,66	0,00	0,00	297.209.519,12
Equity instruments	12	0,00	0,00	0,00	0,00	57.414.535,35	57.414.535,35
Total non-current		439.036.704,71	1.785.564,79	9.295.739,19	0,00	57.414.535,35	507.532.544,04
Current							
Receivables	12	100.884.154,75	0,00	828.793,80	0,00	0,00	101.712.948,55
Back-to-back		0,00	0,00	-12.119,83	0,00	0,00	-12.119,83
Equity instruments	12	0,00	0,00	0,00	0,00	0,00	0,00
Total current		100.884.154,75	0,00	816.673,97	0,00	0,00	101.700.828,72
Total other financial assets		539.920.859,46	1.785.564,79	10.112.413,16	0,00	57.414.535,35	609.233.372,76

The receivables included in net debt consist primarily of the investments made by the SNCB Group as part of its alternative financing transactions. They were concluded either at the request of investors or to manage the cash flows. These assets provide financial compensation for the financial debts contracted within the framework of these operations.

The “back-to-back” shows the outstanding balances of receivables to the State from debts assumed on 1 January 2005.

– Cash and cash equivalents:

		31/12/2022					TOTAL
		Net debt			Others		
		Nominal	Fair value adjustments	Accrued income	Assets managed on behalf of third parties	Others	
Commercial Paper		0,00	0,00	0,00	0,00	0,00	0,00
Short-term deposits		1.200,00	0,00	0,00	0,00	0,00	1.200,00
Cash at bank		221.457.163,21	0,00	0,00	0,00	0,00	221.457.163,21
Cash in hand		2.905.042,75	0,00	0,00	0,00	0,00	2.905.042,75
Total cash and cash equivalents		224.363.405,96	0,00	0,00	0,00	0,00	224.363.405,96

		31/12/2021					TOTAL
		Net debt			Others		
		Nominal	Fair value adjustments	Accrued income	Assets managed on behalf of third parties	Others	
Commercial Paper		0,00	0,00	0,00	0,00	0,00	0,00
Short-term deposits		1.000,00	0,00	0,02	63.524,75	0,00	64.524,77
Cash at bank		417.415.035,14	0,00	0,00	31,47	0,00	417.415.066,61
Cash in hand		2.415.323,12	0,00	0,00	0,00	68,63	2.415.391,75
Total cash and cash equivalents		419.831.358,26	0,00	0,02	63.556,22	68,63	419.894.983,13

The assets managed on behalf of third parties consist of investments made by the RER Fund on behalf of the Belgian State. The RER Fund was created by the Belgian State in 2001 to finance the infrastructure works for the creation of a “Regional Express Network” (Réseau Express Régional, RER). In the management contract of the former SNCB Holding for the years 2005 - 2008, the Belgian State has delegated the management of the resources available in the RER fund to SNCB. All the resources whose management is transferred to SNCB are considered by the SNCB Group as a debt to the public authorities (included in ‘Other amounts payable’). During 2022, the last resources of the RER Fund were used, which effectively means the end of it.

Details of derivative financial instruments and financial liabilities are presented in notes 11 and 21.

2.2 Financial risk management

Financial instruments are contracts that lead to a financial asset for one party and a financial liability for the other party. These include both traditional financial instruments (receivables, debts and securities) and derivatives included in the financial statements.

All financial instruments imply risks. The SNCB Group is subject primarily to market risk, credit risk and liquidity risk. The SNCB Group risk policy aims to map and analyse the risks the SNCB Group faces, to determine limits and appropriate risk controls and monitor compliance with risk limits. The SNCB's Management Board is regularly informed of the various risks and receives a summary of all financial instruments. The policy and systems for risk management are regularly assessed and, if necessary, adapted to changes in market conditions and the operations of the SNCB Group.

The Management Board of the SNCB has defined the principles for risk management ("Financial Policy") which are applicable to the parent company. The rules of "Corporate governance" are applicable for the subsidiaries. These principles are divided into three parts: the management of debt, cash management and management of financial derivatives. These principles are applied and monitored by the treasury department of the parent company, in collaboration with the various subsidiaries, while enforcement is ensured by the internal audit of the parent company. The same principles apply for instruments that are recorded off balance sheet. Transactions for short-term gains are not permitted.

Debt management

Debt includes all financial liabilities and financial assets, other than financial derivatives and cash, which are included in the net debt of the SNCB Group. Here, the SNCB Group makes use of bank loans, bond loans, alternative financing and the acquisition of term deposits and fixed-income securities at different terms and in different currencies.

Debt management, taking into account financial derivatives, requires that:

- whenever possible, the repayments of net debt are based on maturities chosen according to the expected changes in future cash flows in order to level and reduce cash balances.
- long term net debt of the SNCB Group must be contracted for minimum 75% and maximum 90% through fixed rate instruments and for minimum 10% and maximum 25% through floating rate instruments. Any exceeding of these maximum thresholds must be approved by the management boards.
- the weighted residual maturity of long-term debt of the SNCB Group is fixed at a minimum of 5 years.
- debt maturities are spread over time, in terms of liquidity as well as in terms of interest rate risk.
- any significant debt or investment transaction, that generates a currency risk, must be fully hedged in EUR to eliminate currency risk on principal and interest.
- the cash flows of each financial liability or investment are composed solely of principal and interest on the principal. Investments in risk-bearing capital are not allowed.
- Investment limits are respected for investment transactions.

Treasury management

Treasury management must be understood as centralised treasury management (e.g. cash flows over a year) of the SNCB Group.

Main items of treasury management:

- Any structural treasury surplus must be used, to the extent possible, to reduce debt.
- Any structural treasury deficit must be consolidated by long-term financings.
- Treasury surpluses must be invested preferably in affiliated companies with treasury deficits.
- In the event of a cash surplus, investment limits must be observed.

- Any investment transaction, that generates a currency risk, must be fully hedged in EUR to eliminate currency risk on principal and interest.
- To finance the remaining cash deficits, the SNCB Group relies on credit lines (confirmed and unconfirmed ones) and issues EUR-denominated commercial paper or similar short-term instruments.

Management of financial derivatives

The SNCB Group uses the following types of financial derivatives as part of its risk management: swaps, options and forward exchange contracts that have as underlying an interest rate, an exchange rate, inflation index, energy prices or a credit.

Main items of Managing Derivatives:

- At all times any financial derivative transaction must be backed by an existing financial debt, an investment, a business contract or a claim against the Belgian State or Regions in the context of pre-financing.
- Counterparty credit risk must be systematically covered by the conclusion of CSAs (Credit Support Annex).

Instruments that do not meet the definition of financial instruments

The analyses in this note are limited to instruments that meet the definition of financial instruments: "Assets (such as prepaid expenses) for which the future economic benefit is the receipt of goods or services rather than the right to receive cash or another financial asset, are not financial assets" (IAS 32 - AG11). "Non-contractual liabilities or assets (such as income taxes resulting from government-mandated legal requirements) are not financial liabilities or financial assets" (IAS 32 - AG12). The totals of the headings in the tables in this note are therefore not necessarily reconcilable directly with the balance sheet headings.

The tables below reconcile the totals of the different sections of the balance sheet and the balances of the instruments contained in the various analyses.

	31/12/2022		Total
	Financial instruments	Other	
Financial assets			
Trade and other receivables	1.842.321.075,73	163.700.268,55	2.006.021.344,28
Derivatives	305.368.029,25	0,00	305.368.029,25
Other financial assets	512.475.613,74	0,00	512.475.613,74
Cash and cash equivalents	224.363.405,96	0,00	224.363.405,96
Total financial assets	2.884.528.124,68	163.700.268,55	3.048.228.393,23
Financial liabilities			
Financial liabilities	2.878.116.211,64	0,00	2.878.116.211,64
Derivatives	404.556.745,29	0,00	404.556.745,29
Trade and other payables	476.160.723,88	19.449.068,71	495.609.792,59
Other amounts payable	41.250.116,89	142.739.823,14	183.989.940,03
Total financial liabilities	3.800.083.797,70	162.188.891,85	3.962.272.689,55

	31/12/2021		Total
	Financial instruments	Other	
Financial assets			
Trade and other receivables	1.683.075.546,88	199.329.341,18	1.882.404.888,06
Derivatives	248.668.170,48	0,00	248.668.170,48
Other financial assets	609.233.372,76	0,00	609.233.372,76
Cash and cash equivalents	419.894.983,13	0,00	419.894.983,13
Total financial assets	2.960.872.073,25	199.329.341,18	3.160.201.414,43
Financial liabilities			
Financial liabilities	2.943.491.112,27	0,00	2.943.491.112,27
Derivatives	481.327.107,74	0,00	481.327.107,74
Trade and other payables	361.860.052,62	20.974.818,23	382.834.870,85
Other amounts payable	36.035.057,27	151.591.558,78	187.626.616,05
Total financial liabilities	3.822.713.329,90	172.566.377,01	3.995.279.706,91

2.2.1 Market risk: currency risk

The SNCB Group is exposed to currency risk arising from financing operations in foreign currencies and more precisely through derivatives.

Any significant financing operation, even a short-term one, that generates a currency risk, must be immediately and fully hedged in EUR (principal and interest) using derivatives. Hedging in EUR

is not mandatory if the reimbursement of debt cash flows is matched by a cash-in in foreign currency. The hedged position can be accompanied by a floating or fixed interest rate. Assets and liabilities relating to alternative financing transactions are in some cases in USD, but the structure of alternative financing transactions and the use of hedging instruments ensure that the SNCB Group is not exposed to exchange rate risk.

a. Financial instruments by currency

	31/12/2022				Total
	EUR	USD	GBP	Other	
Financial assets					
Trade and other receivables	1.842.321.075,73	0,00	0,00	0,00	1.842.321.075,73
Derivatives	180.513.969,33	124.854.059,92	0,00	0,00	305.368.029,25
Other financial assets	311.242.488,84	200.547.862,43	685.262,47	0,00	512.475.613,74
Cash and cash equivalents	224.215.159,33	28.078,54	103.425,45	16.742,64	224.363.405,96
Total financial assets	2.558.292.693,23	325.430.000,89	788.687,92	16.742,64	2.884.528.124,68
Financial liabilities					
Financial liabilities	2.562.370.916,12	315.745.295,52	0,00	0,00	2.878.116.211,64
Derivatives	411.312.232,38	-6.755.487,09	0,00	0,00	404.556.745,29
Trade and other payables	476.146.378,75	8.579,88	5.141,13	624,12	476.160.723,88
Other amounts payable	41.250.116,89	0,00	0,00	0,00	41.250.116,89
Total financial liabilities	3.491.079.644,14	308.998.388,31	5.141,13	624,12	3.800.083.797,70
Net exposure		16.431.612,58	783.546,79	16.118,52	

	31/12/2021				Total
	EUR	USD	GBP	Other	
Financial assets					
Trade and other receivables	1.683.034.614,01	527,17	40.405,70	0,00	1.683.075.546,88
Derivatives	144.786.701,37	103.881.469,11	0,00	0,00	248.668.170,48
Other financial assets	398.786.026,56	210.301.969,68	145.376,52	0,00	609.233.372,76
Cash and cash equivalents	419.836.780,01	15.021,12	30.681,91	12.500,09	419.894.983,13
Total financial assets	2.646.444.121,95	314.198.987,08	216.464,13	12.500,09	2.960.872.073,25
Financial liabilities					
Financial liabilities	2.588.622.553,94	354.868.558,33	0,00	0,00	2.943.491.112,27
Derivatives	549.638.345,51	-68.311.237,77	0,00	0,00	481.327.107,74
Trade and other payables	361.831.036,52	22.213,79	6.383,58	418,73	361.860.052,62
Other amounts payable	36.035.057,27	0,00	0,00	0,00	36.035.057,27
Total financial liabilities	3.536.126.993,24	286.579.534,35	6.383,58	418,73	3.822.713.329,90
Net exposure		27.619.452,73	210.080,55	12.081,36	

The above detail shows the foreign currency exposure of the financial assets and liabilities of the SNCB Group. Apart from the Euro, the significant currency for the SNCB Group is the US Dollar. The exposures in USD come from alternative financing operations. Currency risks arising from USD positions are hedged by swap agreements as described in section b. below. The USD hedging difference highlighted above is the result of a difference in the valuation method of derivatives (fair value) and financial assets and financial liabilities hedged (amortised cost). In cash-flow terms, the SNCB Group has fully hedged its US Dollar positions.

b. Currency derivatives

	31/12/2022		31/12/2021	
	Total fair value	Total nominal value	Total fair value	Total nominal value
Currencies bought				
USD	162.028.282,37	150.879.732,35	172.192.706,88	135.916.922,06
Other	0,00	0,00	0,00	0,00
Currencies bought - Total	162.028.282,37	150.879.732,35	172.192.706,88	135.916.922,06
Currencies sold				
USD	30.418.735,36	30.418.735,36	0,00	0,00
Other	0,00	0,00	0,00	0,00
Currencies sold - Total	30.418.735,36	30.418.735,36	0,00	0,00
Options				
USD	0,00	0,00	0,00	0,00
Other	0,00	0,00	0,00	0,00
Options - Total	0,00	0,00	0,00	0,00

Currency derivatives concluded by the SNCB Group are swaps transactions concluded exclusively for assets and liabilities related to alternative financing transactions. These derivatives transactions are concluded to manage the cash flows in foreign currency. The SNCB Group has chosen not to apply hedge accounting as defined in IFRS 9 and therefore does not recognise the derivatives as hedging instruments. The derivatives are recognised at fair value through profit or loss.

c. Sensitivity analysis

IFRS 7 requires a sensitivity analysis to illustrate the theoretical impact of movements in exchange rates on net result and equity. The sensitivity analysis has been performed based on the position of the SNCB Group at balance sheet date. For currency risk, the sensitivity analysis consists in evaluating the impact on the IFRS consolidated statements of a variation of the USD (or any other significant currencies) exchange rates relative to EUR by +/- 10% at the closing rate.

Foreign exchange rate variation	Impact on net result	Impact on other comprehensive income
2022		
USD + 10%	1.825.734,73	0,00
USD - 10%	-1.493.782,96	0,00
GBP + 10%	87.060,75	0,00
GBP - 10%	-71.231,53	0,00
2021		
USD + 10%	3.068.828,08	0,00
USD - 10%	-2.510.859,34	0,00
GBP + 10%	23.342,28	0,00
GBP - 10%	-19.098,23	0,00

Market risk: interest rate risk

a. Interest rate risk

The SNCB Group is exposed to three types of interest rate risk. The first relates to the effects of revisions of variable interest rates on cash flows. This risk is constantly monitored for the net debt position for which, with or without the use of interest rate swaps, the SNCB Group strives to let this risk evolve within approved limits. The SNCB's Board of Directors may provide a deviation of these limits if it would be a response to a specific market condition. The second type relates to the effects of revisions of the fair value. As the SNCB Group still intends to settle its receivables and payables on the due date, there is no specific hedging planned to cover this risk. Revisions of the discount rate can have a significant impact on income for a defined time period but have no impact on income over the lifetime of the operation. A third risk constitutes refinancing risk. The SNCB Group strives to limit its exposure to changes in market conditions by spreading the maturity dates of its fixed rates liabilities. The sharp swings in energy prices in 2022 had a huge impact on inflation in 2022 as well as forecasts for the next few years. The unexpected rise in inflation has, in turn, led to an increase in market interest rates. The interest rates for new (re)financing concluded in 2022 are therefore higher than those concluded in previous years but are in line with the interest rates for financing maturing in 2022.

As of 31 December 2022, an average of 37.24% (2021: 16.91%) of net interest bearing financial liabilities (before impact of derivatives) of the SNCB Group were contracted at variable rate and 62.76% (2020: 83.09%) at fixed rates. When taking the derivatives into account, the variable/fixed ratio as of 31 December 2022 became 10.16%/89.84% (2021: 1.92%/98.08%).

	31/12/2022	31/12/2021
	Carrying amount	Carrying amount
Fixed rate instruments		
Financial assets	1.172.899.631,22	1.246.354.435,27
Trade and other receivables	971.666.506,32	991.732.851,78
Other financial assets	201.233.124,90	254.621.583,49
Cash and cash equivalents	0,00	0,00
Financial liabilities	-2.160.030.408,88	-2.519.285.229,59
Financial liabilities	-2.160.030.408,88	-2.519.285.229,59
Trade and other payables	0,00	0,00
Other amounts payable	0,00	0,00
Derivatives	-354.712.487,43	-294.125.785,92
Interest rate sw aps	-415.302.296,81	-335.521.311,56
Foreign exchange sw aps	60.589.809,38	41.395.525,64
Total fixed rate instruments	-1.341.843.265,09	-1.567.056.580,24
Floating rate instruments		
Financial assets	151.949.605,04	164.190.439,71
Trade and other payables	21.729.688,43	34.175.394,17
Other financial liabilities	130.219.916,61	129.951.520,79
Cash and cash equivalents	0,00	63.524,75
Financial liabilities	-737.662.601,03	-423.261.464,98
Financial liabilities	-718.085.802,76	-423.197.882,68
Trade liabilities	0,00	0,00
Other liabilities	-19.576.798,27	-63.582,30
Derivatives	433.959.090,81	228.357.620,84
Interest rate sw aps	450.453.554,61	244.703.749,20
Foreign exchange sw aps	-16.494.463,80	-16.346.128,36
Total variable rate instruments	-151.753.905,18	-30.713.404,43
Total	-1.493.597.170,27	-1.597.769.984,67

The table above does not show instruments that do not bear interest such as customer liabilities, trade liabilities, oil swaps, etc.

Following the debt assumption by the Belgian State on 1 January 2005, swap contracts were concluded with the Belgian State. Capitalised interest and accrued income relating to these swaps were recorded together with the back-to-back receivables as “Other Financial Assets”. For the sake of consistency, the impact of these swaps has been included as interest rate swaps in the table above.

The main interest rate exposures of the SNCB Group result from financing in EUR and USD. Sensitivity to interest rate risk in points b. and c. below was determined on the basis of a theoretical parallel shift in the rate curve of 100 basis points.

b. Cash flow sensitivity analysis

An upward variation of 100 bps on variable interest rates (including derivative financial instruments) would result in a decrease of EUR 201,211.51 (2021: decrease of EUR 195,306.83) in net interest paid by the SNCB Group in 2022.

c. Fair value sensitivity analysis

Changes in market interest rates affect the fair value of non-derivative financial instruments recorded at fair value through net result, and derivatives. This change is taken into account in the measurement of the sensitivity of net income.

The fair value sensitivity analysis was determined for the SNCB Group at the balance sheet date. An increase of 100 basis points would impact the overall result by EUR 22,701,303.92 (2021: EUR 23,803,930.46) on 31 December 2022, of which EUR 235,436.34 (2021: EUR 432,680.17) via other comprehensive income. This positive change in income is mainly the result of the type of interest rate derivatives concluded by the SNCB Group for which a fixed rate is paid and a variable rate is received.

The impact via the other comprehensive income from 2018 is the consequence of the component “own credit risk of the SNCB Group” pursuant to IFRS 9.

2.2.3 Market risk: price risk on commodities

In terms of commodities, the SNCB Group is primarily exposed to price risk on energy prices (electricity, natural gas and diesel). In the SNCB Group, each company is responsible for the purchase of commodities. The exposure to the price risks is mainly linked to the purchase of electricity for the traction. Thus, the price risk for the SNCB Group is for an important part the same as that of the parent company.

The parent company uses in its purchase contracts, when possible, a *ratchet* system fixing the price at different points in time. This strategy allows the price risk to be spread over time and market opportunities to be exploited. The Board of Directors of the SNCB Group has agreed to move away from the fixed limit values for traction electricity and natural gas and move to a system where the impact of ratchets is evenly distributed over a period running until the year of delivery.

With regard to electricity, the infrastructure manager (Infrabel) acts as “lead buyer”. The SNCB has mandated Infrabel to conclude framework agreements until 2024 including the “Traction” contract (all electricity via the traction subsystems, mainly for the traction of rolling stock) and the distribution contract (for all electricity that is not used via the traction substations) until 2024. In the “traction” contract, since the 2018 delivery date, the SNCB Group has stipulated that one part is purchased on the forward market via a *ratchet* system (free ratchet prices) in combination with the average forward prices (daily ratchets) and the other part is bought on the spot market. In the “distribution” contract, for technical reasons, only a combination of daily ratchets on the forward market and prices on the spot market are used.

With an annual average price of 244 EUR/MWh for electricity on the spot market, the SNCB Group was exposed to historically high prices. The combination of limited exposure (25%) to the spot price and the application of a strategy to diversify prices and risks slightly compensated the impact of the price rise. The benefit of this strategy was limited by the duration of the crisis and the fact that the increase in energy prices had already started in 2021. In 2022, the federal government granted the SNCB Group an additional operating subsidy (see note 25.2) to partially offset the consequences of the energy crisis.

With regard to natural gas (heating) the SNCB acts as “lead buyer” for several participating companies within the Belgian railway landscape. Prices are negotiated by the SNCB Group on behalf of the participating companies, but the individual companies are billed directly for the energy. For diesel (traction and heating), the procurement file is put out for tender by each company separately. The SNCB Group applies the following strategies:

- Natural gas: Application of the *ratchet* system where prices are set at different times for a part of the volume. The final price is the average of the different buying moments in combination with the spot price for the remaining volume. This way the risk is spread and may even be limited when a part of the price is fixed and it is possible to react to market opportunities. To ensure the supply, the Management Board has decided to conclude a framework agreement until 2025 included.
- Diesel “traction”: The *ratchet* system cannot be applied here. That is why the SNCB combines the purchase of diesel at current price with the conclusion of derivatives (diesel swaps). The use of derivatives has the potential to react to market

opportunities and to reduce uncertainty on future cash flows. The SNCB Board of Directors has decided for the period 2022-2023 to hedge a total volume based on 60% of the average use estimated for these years and this at the set price limit to guarantee that the budget is met.

Costs related to energy delivery are recorded in operating expenses. Changes in the fair value of derivative financial instruments (diesel swaps) are recognized as financial expenses and income. The impact of the *ratchet* system is not separated from the basic contract given the close relationship between the economic characteristics and risks of the derivatives and the economic characteristics and risks of the basic contract.

2.2.4. *Market risk: price risks 'Other financial assets'*

Investments (deposits and fixed-income securities) recognised under "Other financial assets" are held by the SNCB Group for the sole purpose of collecting contractual cash flows and are part of the contractual obligations arising from the "Financial liabilities" (mainly alternative financing). Some of these assets are voluntarily valued at fair value to eliminate an accounting difference. The SNCB Group therefore concludes that it is not subject to market risk on these assets.

2.2.5. *Credit risk*

Credit risk is the risk of financial loss to the SNCB Group if a business partner or counterparty of a financial instrument fails to meet contractual obligations. The SNCB Group's credit risk arises from trade receivables, fixed income investments and derivatives. The SNCB Group does not currently use derivative financial instruments to hedge credit risks.

Expected credit losses

The SNCB Group is required to recognise expected credit losses on financial instruments valued at amortised cost or at fair value with recognition of changes in fair value in other comprehensive income. The SNCB Group's valuation principles provide for a 100% reduction of value for all receivables whose collection is doubtful or uncertain in full or in part. For other receivables ('Trade and other receivables' and 'Other financial assets'), credit losses are recognised on the basis of time already lapsed. For 'Trade and other receivables' without a financing component, credit losses are calculated using a matrix that takes account of the various intervals of time and of the nature of the counterparty. Credit losses for 'Trade and other receivables' with a financing component and 'Other financial assets' are calculated on an individual basis according to their individual degree of solvency and the legal status of the counterparty. For calculation of credit losses, receivables without a specific due date are considered to be 'not due'.

The following table reconciles the net book value of the receivables, accumulated losses of credit and their gross book value for each interval of time. Given that all receivables restated in 'Other financial assets' are not due, there is not, for these assets, any breakdown by interval of time.

	Net carrying amount	Gross carrying amount	Credit Loss Allowance
31 December 2022			
Trade and other receivables	1.842.295.706,38	1.844.628.647,81	2.332.941,43
Not expired	1.837.498.530,94	1.838.954.726,15	1.456.195,21
0 - 3 months past due	4.805.123,04	5.005.947,73	200.824,69
3 - 6 months past due	-521.574,06	-473.142,79	48.431,27
more then 6 months past due	513.626,46	1.141.116,72	627.490,26
Other financial assets	306.327.877,67	306.328.494,40	616,73
Total	2.148.623.584,05	2.150.957.142,21	2.333.558,16
31 December 2021			
Trade and other receivables	1.683.038.965,30	1.684.992.433,05	1.953.467,75
Not expired	1.678.043.001,57	1.679.410.577,77	1.367.576,20
0 - 3 months past due	3.311.580,22	3.429.474,44	117.894,22
3 - 6 months past due	948.959,62	1.018.465,94	69.506,32
more then 6 months past due	735.423,89	1.133.914,90	398.491,01
Other financial assets	301.766.754,87	301.766.900,24	145,37
Total	1.984.805.720,17	1.986.759.333,29	1.953.613,12

In 2022, the SNCB Group was not faced with any late payments or defaults that were significantly higher than usual. The SNCB Group does not therefore have any indicators pointing to a significant rise in the credit risk affecting its financial assets.

Regional distribution

The financial assets held by the SNCB Group are distributed as follows by geographic region.

	Belgium	Eurozone	Europe - other	United States	Other countries	Total
31 December 2022						
Trade and other receivables	1.479.329.855,91	334.639.083,97	15.403.478,76	12.912.008,60	36.648,49	1.842.321.075,73
Derivatives	222.352.062,39	33.470.242,08	49.545.724,78	0,00	0,00	305.368.029,25
Other financial assets	311.132.115,22	110.990,35	145.506.819,45	55.725.688,72	0,00	512.475.613,74
Cash and cash equivalents	224.352.655,27	0,00	0,00	10.750,69	0,00	224.363.405,96
Total	2.237.166.688,79	368.220.316,40	210.456.022,99	68.648.448,01	36.648,49	2.884.528.124,68
31 December 2021						
Trade and other receivables	1.287.530.494,12	368.474.178,56	16.503.292,38	10.803.641,06	-236.059,24	1.683.075.546,88
Derivatives	215.380.705,09	7.255.322,31	26.032.143,08	0,00	0,00	248.668.170,48
Other financial assets	297.202.649,29	109.285,35	229.115.234,08	82.806.204,04	0,00	609.233.372,76
Cash and cash equivalents	419.894.983,13	0,00	0,00	0,00	0,00	419.894.983,13
Total	2.220.008.831,63	375.838.786,22	271.650.669,54	93.609.845,10	-236.059,24	2.960.872.073,25

Credit risk on trade and other receivables

Accounts receivable and other receivables concerned in 2022 for 63.96% (2021: 56.45%) receivables from the Belgian State further to the pre-financing of investments, receivables concerning subsidies in capital and net receivables regarding operating grants (SPF) and for 17.79% (2021: 22.05%) the guarantees paid to financial institutions under CSA contracts. Other trade receivables and other receivables (2022: 18.25%; 2021: 21,50%) were spread over several third parties.

Credit risk on "Other financial assets" and "Cash and cash equivalents"

Other financial assets of the SNCB Group are equity instruments (shares) and interest-bearing receivables (fixed income investments, deposits and back-to-back transactions with the State).

The SNCB Group limits its credit risk on interest-bearing receivables by investing exclusively in counterparties that meet the criteria of the financial policy. Receivables must resemble a loan and cannot take place in risk bearing capital. Investments are subjected to strict conditions regarding minimum credit quality based on the maturity of the investment. The SNCB Group has set investment limits by counterparty. These limits are however not applicable to investments in instruments that are issued or guaranteed by the Belgian State, the Flemish Community, the Walloon Region, the French Community, the German Community and the Region of Brussels Capital. They are also not applicable to US treasury bonds and to deposits with Eurofima. Given the credit quality of the counterparties, the SNCB Group expects the counterparties to meet their obligations. Investments are continuously monitored and an annual decision of the Board of Directors is required to change the counterparties that no longer meet the set criteria.

The SNCB Group considers the book value of its investments measured at fair value as a correct estimate of its maximum exposure to credit risk. The tables below show, for investments valued at fair value, the distinction between the contractual value (nominal and acquired products) and the fair value adjustment. For presentation purposes, provisions for expected credit losses recognised are included in the “Fair value adjustments” column.

Equity instruments in which the SNCB Group has invested consist of operational investments in companies that do not meet the criteria of subsidiary, joint venture or associated company. For a more detailed analysis of these assets, see Note 12.

The cash and cash equivalents relate mainly to bank receivables and deposits with a maturity date less than 3 months at financial institutions in Belgium, the Belgian Treasury or financial instruments issued by the Federal State or a regional government.

Shares, fixed rate securities and deposits in which the SNCB Group has invested benefit from the following (Standard & Poor’s) ratings:

Rating	31/12/2022					
	Nominal		Fair value adjustment	Accrued income		Total
	Non-current	Current		Non-current	Current	
Other financial assets	446.397.990,65	55.716.775,84	-386.887,72	10.274.825,02	472.909,95	512.475.613,74
AA+	0,00	55.716.775,84	-386.270,99	0,00	395.183,87	55.725.688,72
<i>Financial institutions</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Sovereigns</i>	0,00	55.716.775,84	-386.270,99	0,00	395.183,87	55.725.688,72
<i>Corporates</i>	0,00	0,00	0,00	0,00	0,00	0,00
AA	342.240.344,12	0,00	0,00	2.800.674,81	54.979,11	345.095.998,04
<i>Financial institutions</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Sovereigns</i>	342.240.344,12	0,00	0,00	2.800.674,81	54.979,11	345.095.998,04
<i>Corporates</i>	0,00	0,00	0,00	0,00	0,00	0,00
AA-	0,00	0,00	0,00	0,00	0,00	0,00
<i>Financial institutions</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Sovereigns</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Corporates</i>	0,00	0,00	0,00	0,00	0,00	0,00
A+	0,00	0,00	0,00	0,00	0,00	0,00
<i>Financial institutions</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Sovereigns</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Corporates</i>	0,00	0,00	0,00	0,00	0,00	0,00
A	103.378.890,68	0,00	0,00	7.474.150,21	0,00	110.853.040,89
<i>Financial institutions</i>	103.378.890,68	0,00	0,00	7.474.150,21	0,00	110.853.040,89
<i>Sovereigns</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Corporates</i>	0,00	0,00	0,00	0,00	0,00	0,00
NR	778.755,85	0,00	-616,73	0,00	22.746,97	800.886,09
<i>Financial institutions</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Sovereigns</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Corporates</i>	662.515,50	0,00	-616,73	0,00	22.746,97	684.645,74
<i>Equity securities</i>	116.240,35	0,00	0,00	0,00	0,00	116.240,35
<i>Other</i>	0,00	0,00	0,00	0,00	0,00	0,00

Rating	31/12/2022					
	Nominal		Fair value adjustment	Accrued income		Total
	Non-current	Current		Non-current	Current	
Cash and cash equivalents	0,00	224.363.405,96	0,00	0,00	0,00	224.363.405,96
A-1+	0,00	0,00	0,00	0,00	0,00	0,00
<i>Financial institutions</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Sovereigns</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Corporates</i>	0,00	0,00	0,00	0,00	0,00	0,00
NR	0,00	224.363.405,96	0,00	0,00	0,00	224.363.405,96
<i>Financial institutions</i>	0,00	1.200,00	0,00	0,00	0,00	1.200,00
<i>Sovereigns</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Corporates</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Cash at bank</i>	0,00	221.637.733,85	0,00	0,00	0,00	221.637.733,85
<i>Cash in hand</i>	0,00	2.724.472,11	0,00	0,00	0,00	2.724.472,11

Rating	31/12/2021					
	Nominal		Fair value adjustment	Accrued income		Total
	Non-current	Current		Non-current	Current	
Other financial assets	541.074.888,94	100.884.154,75	-42.838.084,09	9.295.739,19	816.673,97	609.233.372,76
AA+	23.294.252,03	56.740.817,80	1.785.710,16	187.562,45	797.861,60	82.806.204,04
<i>Financial institutions</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Sovereigns</i>	23.294.252,03	56.740.817,80	1.785.710,16	187.562,45	797.861,60	82.806.204,04
<i>Corporates</i>	0,00	0,00	0,00	0,00	0,00	0,00
AA	324.887.064,56	0,00	0,00	2.549.966,58	-12.119,83	327.424.911,31
<i>Financial institutions</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Sovereigns</i>	324.887.064,56	0,00	0,00	2.549.966,58	-12.119,83	327.424.911,31
<i>Corporates</i>	0,00	0,00	0,00	0,00	0,00	0,00
AA-	0,00	44.143.336,95	0,00	0,00	30.900,34	44.174.237,29
<i>Financial institutions</i>	0,00	44.143.336,95	0,00	0,00	30.900,34	44.174.237,29
<i>Sovereigns</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Corporates</i>	0,00	0,00	0,00	0,00	0,00	0,00
A+	0,00	0,00	0,00	0,00	0,00	0,00
<i>Financial institutions</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Sovereigns</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Corporates</i>	0,00	0,00	0,00	0,00	0,00	0,00
A	90.710.043,46	0,00	0,00	6.558.210,16	0,00	97.268.253,62
<i>Financial institutions</i>	90.710.043,46	0,00	0,00	6.558.210,16	0,00	97.268.253,62
<i>Sovereigns</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Corporates</i>	0,00	0,00	0,00	0,00	0,00	0,00
NR	102.183.528,89	0,00	-44.623.794,25	0,00	31,86	57.559.766,50
<i>Financial institutions</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Sovereigns</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Corporates</i>	145.344,66	0,00	-145,37	0,00	31,86	145.231,15
<i>Equity securities</i>	102.038.184,23	0,00	-44.623.648,88	0,00	0,00	57.414.535,35
<i>Other</i>	0,00	0,00	0,00	0,00	0,00	0,00

Rating	31/12/2021					
	Nominal		Fair value adjustment	Accrued income		Total
	Non-current	Current		Non-current	Current	
Cash and cash equivalents	0,00	419.894.983,11	0,00	0,00	0,02	419.894.983,13
A-1+	0,00	63.524,75	0,00	0,00	0,00	63.524,75
<i>Financial institutions</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Sovereigns</i>	0,00	63.524,75	0,00	0,00	0,00	63.524,75
<i>Corporates</i>	0,00	0,00	0,00	0,00	0,00	0,00
NR	0,00	419.831.458,36	0,00	0,00	0,02	419.831.458,38
<i>Financial institutions</i>	0,00	1.000,00	0,00	0,00	0,00	1.000,00
<i>Sovereigns</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Corporates</i>	0,00	0,00	0,00	0,00	0,02	0,02
<i>Cash at bank</i>	0,00	414.250.803,58	0,00	0,00	0,00	414.250.803,58
<i>Cash in hand</i>	0,00	5.579.654,78	0,00	0,00	0,00	5.579.654,78

The amounts mentioned as “Corporate” without rating (NR) are exclusively related to subsidiaries. With regard to bank accounts: these are mainly current accounts at financial institutions established in Belgium whose short-term rating is A-1 or A-2 with Standard & Poor’s or equivalent.

The recent health crisis had little or no impact on the credit risk of Other financial assets and Cash and cash equivalents.

Management of derivatives counterparty credit risk

The credit risk of counterparties with whom we conclude derivatives should systematically be covered by the conclusion of CSA (credit support annex). Under such contracts the net amount that should be paid either by the SNCB Group or by the counterparty in case of cancellation of the entire outstanding amount of the derivatives entered into between the counterparties is calculated regularly. By using CSAs, the SNCB Group has set up and received guarantees from counterparties for which the fair value of the portfolio of derivative financial instruments has exceeded the previously defined threshold. These thresholds are defined in the CSA contract based on the credit quality of each counterparty independently (rating).

No new transactions may be entered into with counterparties on “negative credit watch” during the period of “negative credit watch”. The received and paid guarantees under CSA are classified respectively under “Trade and other receivables” and “Other amounts payable”.

The table below provides an overview of the exposure to credit risk on financial derivatives, before and after the application of guarantees. As shown in the table, the SNCB Group has an exposure to a limited number of counterparties.

<i>Management of derivatives counterparty credit risk</i>						31/12/2022
Counterparty	Rating	Credit risk	Collateral posted	Collateral received	Net exposure	
152	A+	-744.325,40	400.000,00	0,00	-344.325,40	
154	A-	-357.073.256,31	314.456.501,00	0,00	-42.616.755,31	
155	A+	1.105.580,80	0,00	0,00	1.105.580,80	
156	A+	2.494.487,32	0,00	0,00	2.494.487,32	
160	A	21.682.529,77	0,00	0,00	21.682.529,77	
161	A+	20.117.697,96	0,00	0,00	20.117.697,96	
162	AA-	-22.419.439,90	12.900.000,00	0,00	-9.519.439,90	
163	A	31.643.227,60	0,00	-19.550.000,00	12.093.227,60	
166	A	-2.157.739,10	0,00	0,00	-2.157.739,10	
167	A+	-183.910,39	0,00	0,00	-183.910,39	
With CSA		-305.535.147,65	327.756.501,00	-19.550.000,00	2.671.353,35	
Belgian State	AA	178.060.528,24	0,00	0,00	178.060.528,24	
Eurofima	AA	28.285.903,37	0,00	0,00	28.285.903,37	
Without CSA		206.346.431,61	0,00	0,00	206.346.431,61	
Total		-99.188.716,04	327.756.501,00	-19.550.000,00	209.017.784,96	

<i>Management of derivatives counterparty credit risk</i>						31/12/2021
Counterparty	Rating	Credit risk	Collateral posted	Collateral received	Net exposure	
152	A+	-3.490.071,69	1.700.000,00	0,00	-1.790.071,69	
154	A-	-383.813.034,93	344.151.961,00	0,00	-39.661.073,93	
155	A	1.118.603,46	0,00	0,00	1.118.603,46	
156	A+	-3.843.616,79	0,00	0,00	-3.843.616,79	
160	A-	-3.673.466,80	0,00	0,00	-3.673.466,80	
161	A	-3.958.357,41	0,00	0,00	-3.958.357,41	
162	AA-	-36.016.921,72	10.800.000,00	0,00	-25.216.921,72	
163	A	3.955.809,67	0,00	0,00	3.955.809,67	
166	A	-39.561.326,20	14.400.000,00	0,00	-25.161.326,20	
With CSA		-469.282.382,41	371.051.961,00	0,00	-98.230.421,41	
Belgian State	AA	215.380.705,09	0,00	0,00	215.380.705,09	
Eurofima	AA+	21.242.740,06	0,00	0,00	21.242.740,06	
Without CSA		236.623.445,15	0,00	0,00	236.623.445,15	
Total		-232.658.937,26	371.051.961,00	0,00	138.393.023,74	

2.2.6. Offsetting reciprocal receivables and debts

The SNCB Group doesn't systematically offset the reciprocal debts and receivables, except for the case mentioned below. Spot offsets are possible if they meet the required criteria (IAS 32.42).

The SNCB Group, together with other European railway companies, is part of a multilateral clearing mechanism (CCB). This organisation sets periodically, on the basis of the reciprocal receivables and liabilities presented to it, the amounts to be paid and received by each party to settle all the reciprocal obligations. As soon as the CCB has communicated these amounts to its members, they have a legally enforceable right to pay these amounts.

The table below details the amounts of recognised balances as well as receivables and liabilities with other members of the organisation that have not yet been listed as at 31 December 2022 and at 31 December 2021.

	31/12/2022	31/12/2021
	Carrying amount	Carrying amount
Amounts offset	396.740,94	494.119,28
Trade and other receivables	407.544,77	500.439,03
Other amounts payable	-10.803,83	-6.319,75
Eligible amounts not yet offset	-2.038.661,10	-43.119,32
Trade and other receivables	3.384.821,92	5.572.371,26
Other amounts payable	-5.423.483,02	-5.615.490,58
Total	-1.641.920,16	450.999,96

The SNCB Group already concludes its derivative financial instruments according to the framework agreement of the International Swaps and Derivatives Association (ISDA). Under this master agreement, it is possible to settle all reciprocal obligations in a given currency and day in an amount owed by one party to another party. In special circumstances, for example when a credit event occurs such as a bankruptcy, all transactions falling under the master agreement are closed and an amount receivable or payable is determined for settlement of all reciprocal obligations.

The ISDA-Master Agreement does not meet the criteria for offsetting financial assets and liabilities. This is because the SNCB Group does not currently have a legally enforceable right to offset the recognised amounts. This right is only enforceable after a future event, such as a bankruptcy, occurs.

The gross amounts of derivative financial instruments by type of contract are detailed in note 11. The net amounts per counterparty and considering the guarantees paid and received are detailed in section 2.2.5. above.

2.2.7. Liquidity risk

To ensure that it can, at all times, meet its financial commitments, the SNCB Group has implemented a cash flow management system and:

- has sufficient liquidity. The SNCB Group had, at the end of 2022, EUR 224,363,405.96 (2021: EUR 419,831,426.91) at its disposal which were not managed for third parties;
- had sufficient available lines of credit, confirmed (2022: EUR 175 million; 2021: EUR 175 million) and unconfirmed (2022: EUR 35 million; 2021: EUR 35 million), complemented by (unconfirmed) commercial paper programmes (2022: EUR 2 billion; 2021: EUR 4 billion);
- had an unconfirmed EMTN (Euro Medium Term Notes) programme worth EUR 1 billion (2021: EUR 1 billion), of which an amount of EUR 810 million were available on 31/12/2022 (2021: EUR 810 million) ;
- can request the State guarantee for financing made by the parent company for an amount up to EUR 1,138,007,506.22 EUR.
- provides for the spreading of the net debt maturities over time, according to its financial policy. Thus, a maximum of 20% of the outstanding debt may mature in a given year, with a maximum of 10% of the debt per quarter.

On 31 December 2022, the SNCB Group issued commercial paper for an amount of EUR 49,969,003.40 (2021: EUR 0.00), and, except for the use of the balance (EUR 100 million) of the long-term credit line with the European Investment Bank, has not made use of the available credit lines. On 31 December 2022 (2021), the SNCB Group had used EUR 190 million from the EMTN programme.

At the end of 2022, SNCB concluded a new management contract with the Belgian State for the period 2023-2032. The capital and operating grants provided for in the SNCB management contract play an important role in financing the operational and investment activities of the parent company. The SNCB Group optimises the management of its cash-flow based on a regular analysis of changes to its liquidity position.

The table below shows the maturity of future undiscounted contractual cash flows of financial liabilities, including estimated interest payments and taking into account the cash flow from interest-bearing receivables, back to back receivables, reimbursements from the State for agreed transactions, derivatives and available cash and cash equivalents. The financial assets restated in the table below therefore only comprise financial assets directly linked to financial liabilities.

	Carrying amount	Contractual cash flows *	< 6 months	6-12 months	1-2 year	2-5 years	> 5 year
* including interest payments							
31 December 2022							
Financial assets							
Trade and other receivables	415.844.290,60	524.937.000,00	11.891.000,00	30.035.000,00	41.926.000,00	125.778.000,00	315.307.000,00
Derivatives	305.368.029,25	125.382.753,84	7.383.889,31	-17.372.555,22	-21.455.773,75	-59.997.634,17	216.824.827,67
Other financial assets	512.359.990,12	808.706.827,68	38.576.360,75	18.993.565,11	1.173.133,70	89.882.541,32	660.081.226,80
Cash and cash equivalents	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total financial assets	1.233.572.309,97	1.459.026.581,52	57.851.250,06	31.656.009,89	21.643.359,95	155.662.907,15	1.192.213.054,47
Financial liabilities							
Financial liabilities	2.878.116.211,64	3.352.079.581,31	430.370.219,81	45.294.794,09	107.198.137,65	683.283.446,19	2.085.932.983,57
Derivatives	404.556.745,29	369.342.862,88	-9.207.363,33	12.281.375,26	-1.790.712,50	-4.146.225,80	372.205.789,25
Trade and other payables	476.160.723,88	476.160.723,88	476.160.723,88	0,00	0,00	0,00	0,00
Other amounts payable	41.250.116,89	41.250.116,89	36.382.833,51	644.825,46	339.098,26	0,00	3.883.359,66
Total financial liabilities	3.800.083.797,70	4.238.833.284,96	933.706.413,87	58.220.994,81	105.746.523,41	679.137.220,39	2.462.022.132,48
Total	-2.566.511.487,73	-2.779.806.703,44	-875.855.163,81	-26.564.984,92	-84.103.163,46	-523.474.313,24	-1.269.809.078,01

	Carrying amount	Contractual cash flows *	< 6 months	6-12 months	1-2 year	2-5 years	> 5 year
* including interest payments							
31 December 2021							
Financial assets							
Trade and other receivables	441.264.673,20	566.863.000,00	11.891.000,00	30.035.000,00	41.926.000,00	125.778.000,00	357.233.000,00
Derivatives	248.668.170,48	8.264.519,85	-3.203.629,86	-14.603.030,00	5.538.184,43	-467.844,81	21.000.840,09
Other financial assets	551.818.982,78	845.741.362,00	65.206.337,97	38.651.835,55	23.822.949,47	41.477.275,97	676.582.963,04
Cash and cash equivalents	63.556,22	63.556,22	63.556,22	0,00	0,00	0,00	0,00
Total financial assets	1.241.815.382,68	1.420.932.438,07	73.957.264,33	54.083.805,55	71.287.133,90	166.787.431,16	1.054.816.803,13
Financial liabilities							
Financial liabilities	2.943.491.112,27	3.611.178.858,23	445.267.496,21	462.901.527,13	404.058.721,16	551.602.131,87	1.747.348.981,86
Derivatives	481.327.107,74	452.608.172,05	8.684.986,64	33.278.109,37	34.021.985,87	106.690.833,10	269.932.257,07
Trade and other payables	361.860.052,62	361.860.052,62	361.860.052,62	0,00	0,00	0,00	0,00
Other amounts payable	36.035.057,27	36.037.057,27	31.024.663,21	644.825,46	375.510,94	103.238,27	3.888.819,39
Total financial liabilities	3.822.713.329,90	4.461.684.140,17	846.837.198,68	496.824.461,96	438.456.217,97	658.396.203,24	2.021.170.058,32
Total	-2.580.897.947,22	-3.040.751.702,10	-772.879.934,35	-442.740.656,41	-367.169.084,07	-491.608.772,08	-966.353.255,19

2.2.8. Fair value risk

The table below lists the financial instruments recorded at fair value based on the three levels in the fair value hierarchy. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs, other than quoted prices in Level 1 that are observable for assets or liabilities, directly (e.g. as prices) or indirectly (e.g. derived from prices).

Level 3: Level 3: inputs of assets or liabilities that are not based on observable market data (unobservable inputs).

	31/12/2022			TOTAL
	Level 1	Level 2	Level 3	
Assets				
Financial assets at fair value through profit or loss				
Deposits	0,00	0,00	0,00	0,00
Fixed rate securities	25.124.547,11	0,00	0,00	25.124.547,11
Derivatives	0,00	279.755.154,67	25.612.874,58	305.368.029,25
Other receivables	0,00	180.932.317,96	0,00	180.932.317,96
Financial assets at fair value through other comprehensive income				
Equity instruments	0,00	0,00	116.240,35	116.240,35
Other instruments	0,00	0,00	0,00	0,00
Total	25.124.547,11	460.687.472,63	25.729.114,93	511.541.134,67
Liabilities				
Financial liabilities at fair value through profit or loss				
Financial liabilities	0,00	0,00	75.047.073,38	75.047.073,38
Derivatives	0,00	407.229.774,09	-2.673.028,80	404.556.745,29
Other financial liabilities	0,00	0,00	0,00	0,00
Total	0,00	407.229.774,09	72.374.044,58	479.603.818,67

	31/12/2021			TOTAL
	Level 1	Level 2	Level 3	
Assets				
Financial assets at fair value through profit or loss				
Deposits	0,00	0,00	0,00	0,00
Fixed rate securities	82.806.204,04	0,00	0,00	82.806.204,04
Derivatives	0,00	229.757.105,36	18.911.065,12	248.668.170,48
Other	0,00	167.282.460,08	0,00	167.282.460,08
Financial assets at fair value through other comprehensive income				
Equity instruments	0,00	0,00	57.414.535,35	57.414.535,35
Other instruments	0,00	0,00	0,00	0,00
Total	82.806.204,04	397.039.565,44	76.325.600,47	556.171.369,95
Liabilities				
Financial liabilities at fair value through profit or loss				
Financial liabilities	0,00	0,00	136.647.832,01	136.647.832,01
Derivatives	0,00	483.658.782,68	-2.331.674,94	481.327.107,74
Other financial liabilities	0,00	0,00	0,00	0,00
Total	0,00	483.658.782,68	134.316.157,07	617.974.939,75

The fixed income securities (and liabilities) measured at fair value include investments (and liabilities) for which the SNCB Group decided at the time of initial recognition to recognise them as “measured at fair value through profit and loss”. Other receivables measured at fair value include capitalised interest and interest accrued on swap contracts with the Belgian State forming part of the back-to-back receivables which, together with the financial derivatives, form the financial instruments held for commercial purposes.

Equity instruments measured at fair value include operating interests in companies that do not meet the definition of subsidiary, joint venture or associated company and for which there is no directly observable data that would make a valuation possible. These financial assets remain valued at their historical acquisition value. At the end of each reference period, these instruments are subject to an impairment test.

Following the reorganisation on 1 January 2014, the SNCB Group no longer has a representative number of listed fixed income securities (Bonds). The SNCB Group no longer has directly observable market data as defined in paragraphs 81 and 82 of IFRS 13 to value at fair value the liabilities voluntary classified “at fair value through profit and loss” and financial derivatives that are not part of a CSA. Therefore, since 1 January 2014, the fair values of these instruments are considered Level 3 in the fair value hierarchy according to IFRS 13. Based on periodic market consultations, the SNCB Group establishes an estimate of the credit margin applicable to it in relation to the financing cost of the Belgian State and which enables it to make a realistic estimate of the valuation curve for these instruments.

Changes in level 3 financial instruments	
	EUR
Assets	
At 1st of January	76.325.600,47
Acquisitions	1.705,00
Disposals	-57.300.000,00
Payments	12.317.981,74
Total gains and losses recognised in profit or loss	-5.616.172,28
Impairment losses through other comprehensive income	0,00
Transfers assets-liabilities	0,00
Transfer to another balance sheet item	0,00
At 31st of December	25.729.114,93
Liabilities	
At 1st of January	134.316.157,07
Payments	-62.264.660,76
Total gains and losses recognised in profit or loss	2.038.187,74
Changes in fair value through other comprehensive income (own credit risk)	-1.715.639,47
Transfers assets-liabilities	0,00
At 31st of December	72.374.044,58

Asset sales related to the transfer of its stake in Eurostar International Ltd to the newly formed Eurostar Group. For more information, please refer to note 4.

An increase in the SNCB Group's credit margin of 10 basis points lead at the end of the current reference period to a gain of EUR 141,959.17 in the overall result (2021: EUR 211,612.05) of which EUR 227,143.02 (2021: EUR 376,571.79) via Other comprehensive income. The difference between the two amounts is the result of the change in financial derivatives which are not subject to CSAs and for which the SNCB Group's financing cost is used to determine the fair value.

Note 3 - Significant accounting estimates and assumptions

The preparation of the consolidated financial statements in accordance with IFRS standards leads the SNCB Group to make judgements, estimates and assumptions which have an impact on the application of the valuation rules and on the amounts of assets, liabilities, income and expenses, and which inherently contain a degree of uncertainty. These estimates are based on experience and on assumptions that the SNCB Group considers reasonable in the circumstances. By definition, actual results could and often will differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in all relevant future periods. Judgements and estimates mainly relate to the following areas:

3.1 Impairment losses on fixed assets

The recoverable amount of each asset or CGU is determined either as the fair value of the asset or the CGU less the costs to sell or the value in use of the asset or the CGU, if this is higher. These calculations use estimates and assumptions for discount rates, growth rates, future capital requirements and future operating results.

Certain tangible fixed assets of the SNCB Group, as well as certain investment properties of the SNCB Group (mainly land), were valued at fair value during the transition to IFRS on 1 January 2014. Tangible assets are subject to an impairment test when there is an indication that they may have been impaired. Impairment losses are recorded when the book value is higher than the recoverable amount. If the recoverable value of land proves to be higher than the book value, an impairment loss is reversed provided that the book value does not exceed the revalued value on 1 January 2014.

The SNCB Board of Directors has decided to carry out a general impairment test on its land every 3 years. It was carried out for the first time in 2016 and then in 2019 by internal property valuation experts. In 2022, these experts analysed the land showing an impairment loss as well as land forming part of major projects and major files.

We refer you to note 6.1. Tangible assets.

3.2 Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market (such as over-the-counter derivatives) is determined using valuation techniques. The SNCB Group selects the methods and retains the assumptions which seem to it the most appropriate, basing itself mainly on the market conditions existing at the date of each closing.

The SNCB Group values:

- *fixed income securities* and *interest-bearing financial assets* that are not traded in an active market using the discounted cash flow method;
- the others, *non-interest bearing financial assets*, at their historical cost and tests them for impairment at the end of each reporting period;
- *financial derivatives* using the discounted cash flow method supplemented with pricing models for options;
- *financial liabilities* using the discounted cash flow method.

The valuation of individual financial derivatives is corrected for any possible credit risk that exists at the level of the counterparty, taking into account all the instruments entered into with this counterparty and/or the guarantees received. This correction is calculated taking into account the average residual maturity of the instruments and the solvency of the counterparty.

To determine future cash flows, the SNCB Group uses forward rates for interest rates derived from the yield curve (Eurozone, etc.) for the currencies and the corresponding maturities.

To determine the discount rates, the type of instrument to be valued, the residual maturity and the currency in which the instrument was issued are taken into account. The SNCB Group uses the following discount rates:

- the risk-neutral rate curve (€STR, FED Funds, etc.) for the valuation of financial derivatives that are part of the Credit Support Annex (CSA);
- the risk-neutral yield curve plus a sector- or counterparty-specific credit spread for the valuation of fixed-income securities that are not traded in an active market;
- the OLO rate curve plus a credit margin specific to the SNCB Group for the valuation of financial liabilities and financial derivatives that are not part of the CSA.

We refer to Note 2.2.2. for an analysis of the interest rate sensitivity of cash flows and fair values of financial instruments.

3.3 Employee benefits

The liability relating to employee benefits is determined on an actuarial basis, based on a number of financial and demographic assumptions. Any change in these assumptions would impact the amount of this liability. An important and highly sensitive assumption for the liability is the discount rate. At each closing, the SNCB Group determines the discount rate used to discount the liabilities by reference to the market on the closing date for high quality corporate bonds with similar duration than the liabilities. The other main assumptions are based on the market or reflect the best estimates of the SNCB Group.

3.4 Fair value less costs of sale of non-current assets held for sale

Non-current assets held for sale are measured at the lower of their book value and fair value less costs of sale. Fair value is determined based on the discounted value of future cash flows. These calculations use estimates and assumptions about growth rates, discount rates and future cash flows.

3.5 Useful life of tangible assets

Tangible assets mainly include railway rolling stock, railway infrastructure and stations. Depreciation is calculated from the date on which the asset is ready for use, according to the straight-line method and according to a rate corresponding to the estimated useful life of the asset. This useful life has been estimated by management and corresponds to the period during which an asset is expected to be available for use by the SNCB Group. The estimated useful life takes into account the intended use by the SNCB Group, the expected physical wear and tear which depends on operational factors such as the maintenance programme, technical and economic ageing and legal limitations and other similar limitations (such as for example the period of the finance lease). For details on the estimated useful lives of tangible assets, we refer to note 1.5. However, the actual useful life may be different due to many factors, which could result in a shorter or longer useful life. If the estimated useful life appears incorrect, or if circumstances change such that the estimated useful life needs to be revised, this could result in an impairment loss or increased or reduced amortisation expense in future periods. Useful lives are reviewed periodically and adjusted prospectively, if necessary.

In 2022, SNCB carried out a review of the useful lives of rolling stock which led to a reduction in the amortisation expense (net impact of the extension and shortening of durations). As part of this same exercise, impairment losses were identified on certain types of partially subsidised rolling stock.

These changes in rolling stock accounting estimates result from new information and new developments, in particular the ECTS system which will soon become mandatory with the consequence that certain locomotives can no longer be used.

3.6 Deferred taxes: recovery of deferred tax assets

Deferred tax assets are recognised for the purpose of deducting temporary differences and losses carried forward only if it is probable that future taxable profits will make it possible to offset these differences and losses and that the tax losses will remain available taking into account their origin, their period of occurrence and their compliance with the legislation relating to their recovery. The ability of the SNCB Group to recover deferred tax assets is assessed through an analysis based in particular on business plans and on the vagaries of economic conditions and the uncertainties of the markets in which the SNCB Group operates. In view of the various uncertainties described above, the SNCB Group based its analysis on a time horizon of three years. The assumptions underlying this analysis are reviewed annually.

3.7 Provisions

The SNCB Group records provisions when there is a legal or implicit obligation towards a third party which will result in an outflow of resources and which can be reliably estimated. The amounts recorded are based on the best possible estimate of the analyses carried out at the time of the closing of the accounts.

Provision for soil remediation

The provision for soil remediation covers the costs that the SNCB Group must bear, legally or in view of its general policy, to provide soil certificates or to fulfil remediation obligations. This provision is broken down by type of expenditure and by site and is calculated on the basis of the techniques likely to be used in terms of restoring the environment and on the basis of the SNCB Group's best estimates in terms of the costs to be incurred and their timing.

Provision for legal disputes

The provision for legal disputes corresponds to the present value of the best estimate of resource outflows embodying economic benefits because of legal claims filed against the SNCB Group. It is adjusted at the closing date on the basis of a re-estimation by the legal department of the SNCB Group of the risks incurred in the context of ongoing litigation and the discounted value of expected future cash flows using the IRS curve.

Note 4 - Scope of Consolidation of the SNCB Group

The subsidiaries of the SNCB Group are as follows:

Name	Share of voting rights in % at		Share of equity holders of non-controlling interest in the voting right in %		Net result (consolidated) attributed to the non-controlling holders		Location of the headquarters	Company/VAT number
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021		
De Leuwe Il	100,00	100,00	0,00	0,00	0,00	0,00	Brussel	BE 0476.491.021
Publifer	-	100,00	-	0,00	-	0,00	Brussel	BE 0402.695.993
Railtour	-	100,00	-	0,00	-	0,00	Brussel	BE 0402.698.765
Train World	100,00	100,00	0,00	0,00	0,00	0,00	Brussel	BE 0632.739.017
YPTO	100,00	100,00	0,00	0,00	0,00	0,00	Brussel	BE 0821.220.410

On 25 February 2022, SNCB proceeded with the merger by absorption of its subsidiary **Railtour** with an accounting and tax effective date of 1 January 2022. On 1 July 2022, the merger by absorption of the **Publifer** subsidiary was legally recorded with an accounting and tax effective date of 1 January 2022.

The equity affiliates of the SNCB Group are as follows:

Name	Share of voting rights in % at		Share of equity holders of non-controlling interest in the voting right in %		Net result (consolidated) attributed to the non-controlling holders		Location of the headquarters	Company/VAT number
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021		
Belgian Mobility Card (*)	25,00	25,00	0,00	0,00	0,00	0,00	Brussel	BE 0822.658.483
BeNe Rail International	50,00	50,00	0,00	0,00	0,00	0,00	Brussel	BE 0479.863.354
Eurofima Joint-Stock Cie (Swiss law)	9,80	9,80	0,00	0,00	0,00	0,00	Bazel	-
Eurostar group	18,50	-	0,00	-	0,00	-	Brussel	BE 0784.617.657
K. EUR Development	50,00	50,00	0,00	0,00	0,00	0,00	Antwerpen	BE 0651.617.195
Optimobil Belgium	24,01	24,01	0,00	0,00	0,00	0,00	Brussel	BE 0471.868.277
Railteam (Dutch law)	10,00	10,00	0,00	0,00	0,00	0,00	Amsterdam	NL 818547182B01
Terminal Athus	25,42	25,42	0,00	0,00	0,00	0,00	Athus	BE 0419.149.074
Thalys International	-	30,00	-	0,00	-	0,00	Brussel	BE 0455.370.557
THI Factory	-	40,00	-	0,00	-	0,00	Brussel	BE 0541.696.005
HR Rail (**)	20,00	20,00	0,00	0,00	0,00	0,00	Brussel	BE 0541.691.352
Wetenschapspark Leuven Noord	33,33	33,33	0,00	0,00	0,00	0,00	Leuven	BE 0759.838.315

(*) 18,60% of the equity held, but 25% of the voting rights (unanimous vote). The equity method takes into account the percentage held of 18,60%.

(**) 49% of equity held but 20% of the voting rights based upon a shareholders agreement. The equity method takes into account the percentage held of 49%.

On 1 March 2022, **Thalys International** merged with **THI Factory**. On 11 April 2022, SNCB transferred its 40% stake in THI Factory to **Eurostar Group**, a Belgian company incorporated on 7 April 2022. When the company was formed, SNCB brought its 5% shareholding in Eurostar International Ltd. After these operations, SNCB holds 18.5% of the shares of this holding company. As SNCB exercises significant influence in Eurostar Group (associated company), the latter is accounted for using the equity method on the basis of its consolidated accounts. The SNCB Group exercises significant influence in Eurostar Group under IAS 28 §6:

- SNCB is represented on the Eurostar Group Board of Directors
- it participates in decisions relating to dividends and other distributions
- as a shareholder, it has obligations to supply essential technical information.

Note:

Eurofima, with a 9.80% stake held by SNCB, is accounted for using the equity method in the consolidated accounts of the SNCB Group because SNCB exercises significant influence therein by virtue of IAS 28 §6.

Note 5 - Intangible assets

5.1 Intangible assets

EUR	31/12/2022	31/12/2021
Goodwill	0,00	849.215,56
Intangible assets - other - internally generated	239.543.596,72	235.205.335,77
Intangible assets - other - acquired from third parties	22.181,25	157.180,91
Carrying value	239.565.777,97	236.211.732,24

Either:

	31/12/2022	31/12/2021
SNCB	239.565.777,97	236.076.732,58
Subsidiaries	0,00	134.999,66
Carrying value	239.565.777,97	236.211.732,24

5.1.1 Intangible assets - goodwill

	Goodwill - global integration	Total
Carrying value at 1 January 2022	849.215,56	849.215,56
Variation	-849.215,56	-849.215,56
Carrying value at 31 December 2022	0,00	0,00

The change of -849,215.56 is explained by excluding the Publifer and Railtour subsidiaries from the scope.

5.1.2 Intangible assets - other than Goodwill

	Internally generated			Acquired from third parties		
	Software	Others	Total	Software	Others	Total
Carrying value at 1 January 2021	228.383.012,63	0,00	228.383.012,63	222.040,61	413.982,47	636.023,08
Individual acquisitions	26.232.975,68		26.232.975,68			0,00
Internally generated	52.331.375,25		52.331.375,25			0,00
Disposals			0,00		-6.825,00	-6.825,00
Transfer to:						
other categories within the section	203.416,91		203.416,91	-8.491,11	-194.925,80	-203.416,91
other			0,00		10.881,00	10.881,00
Amortization of the period	-71.945.444,70		-71.945.444,70	-78.549,84	-200.931,42	-279.481,26
Carrying value at 31 December 2021	235.205.335,77	0,00	235.205.335,77	134.999,66	22.181,25	157.180,91
Carrying value at 1 January 2022	235.205.335,77	0,00	235.205.335,77	134.999,66	22.181,25	157.180,91
Individual acquisitions	30.570.856,93		30.570.856,93			0,00
Internally generated	49.845.677,83		49.845.677,83			0,00
Disposals			0,00		-8.645,00	-8.645,00
Transfer to:						
other categories within the section	134.999,66		134.999,66	-134.999,66		-134.999,66
other			0,00		8.645,00	8.645,00
Amortization of the period	-76.213.273,47		-76.213.273,47			0,00
Carrying value at 31 December 2022	239.543.596,72	0,00	239.543.596,72	0,00	22.181,25	22.181,25

The other transfers of intangible assets at 31 December 2022 (EUR 8,645.00) relate to green certificates obtained by SNCB in return for the installation of photovoltaic panels. In 2022, 133 green certificates with a book value of EUR 8,645.00 were sold.

	Internally generated			Acquired from third parties		
	Software	Others	Total	Software	Others	Total
At 31 December 2021						
Acquisition value	771.686.459,56		771.686.459,56	6.389.030,86	1.818.529,04	8.207.559,90
Accumulated amortization	-525.666.665,17		-525.666.665,17	-6.254.031,20	-1.796.347,79	-8.050.378,99
Accumulated impairment losses	-10.814.458,62		-10.814.458,62			0,00
Carrying value at 31 December 2021	235.205.335,77	0,00	235.205.335,77	134.999,66	22.181,25	157.180,91
At 31 December 2022						
Acquisition value	849.165.806,48		849.165.806,48	1.191.801,52	22.181,25	1.213.982,77
Accumulated amortization	-598.899.291,37		-598.899.291,37	-1.191.801,52		-1.191.801,52
Accumulated impairment losses	-10.722.918,39		-10.722.918,39			0,00
Carrying value at 31 December 2022	239.543.596,72	0,00	239.543.596,72	0,00	22.181,25	22.181,25

The SNCB Group has no intangible assets with an indefinite useful life.

5.1.3 Intangible assets - finance lease

	Software	Total in finance lease
At 31 December 2021		
Acquisition value	1.059.956,16	1.059.956,16
Accumulated amortization	-1.059.956,16	-1.059.956,16
Carrying value at 31 December 2021	0,00	0,00
At 31 December 2022		
Acquisition value	0,00	0,00
Accumulated amortization	0,00	0,00
Carrying value at 31 December 2022	0,00	0,00

Software held under finance leases in 2021 relates to the YPTO subsidiary.

5.1.4 Other information relating to intangible assets

Carrying value of intangible assets	31/12/2022	31/12/2021
Acquired through grants		
Softwares - internally generated	234.424.086,05	229.898.926,30
Total	234.424.086,05	229.898.926,30

As of 31 December 2022, 97.9% of the SNCB Group's intangible assets were subsidised and relate exclusively to SNCB. Intangible assets which are not yet ready for use amounted to EUR 69,532,728.72 of which EUR 67,934,621.59 were subsidised on 31 December 2022 (EUR 98,612,800.77 of which EUR 96,498,400.49 were subsidised on 31 December 2021).

Note 6 - Intangible assets

6.1 Tangible assets

EUR	Land	Buildings	Railway infrastructure	Railway rolling stock	Plant and various equipment	Assets under construction	Total
Carrying value at 1 January 2021	794.054.246,29	1.278.991.739,59	107.176.784,18	3.398.102.087,76	400.235.917,03	1.320.995.960,88	7.299.556.735,73
Individual acquisitions	214.360,06	829.241,31		534.655,84	1.121.067,19	553.557.870,72	556.257.195,12
Acquisitions financial lease	94.187,40	-235.085,83			1.378.733,33		1.237.834,90
Internally generated						124.726.821,72	124.726.821,72
Borrowing cost						103.840,14	103.840,14
Disposals	149.962,37	-200.302,19			-69.786,36	-133.735,68	-253.861,86
Transfer to:							
non-current assets held for sale	-16.461.943,28	-7.929.541,99	0,00	-975.031,47	-746.960,56	-35.229,20	-26.148.706,50
other category within this class	2.622.100,14	77.466.073,78	16.207.729,10	205.077.879,89	75.739.443,25	-377.113.226,16	0,00
from/to investment property	-61.070,07	-91.467.517,00			16.818,45	-243.709,36	-91.755.477,98
from/to trade and other receivables	-114.569,13					-43.378,29	-157.947,42
from/to stocks					6.314,90		6.314,90
Impairment losses	757.743,91						757.743,91
Reversal of impairment losses							0,00
Depreciation	-559.202,45	-64.997.592,80	-6.448.673,73	-280.779.036,12	-47.992.708,79		-400.777.213,89
Carrying value at 31 December 2021	780.695.815,24	1.192.457.014,87	116.935.839,55	3.321.960.555,90	429.688.838,44	1.621.815.214,77	7.463.553.278,77
Carrying value at 1 January 2022	780.695.815,24	1.192.457.014,87	116.935.839,55	3.321.960.555,90	429.688.838,44	1.621.815.214,77	7.463.553.278,77
Individual acquisitions	2.315.905,17				106.635,78	595.890.198,83	598.312.736,78
Acquisitions financial lease	94.187,40				2.007.719,17		2.101.906,57
Internally generated						110.189.223,55	110.189.223,55
Borrowing cost						59.518,93	59.518,93
Disposals					-4.796.292,46		-4.796.292,46
Transfer to:							
non-current assets held for sale	-9.912.806,52	-4.253.747,92	0,00	-1.354.610,12	-3.021.324,65	-238.345,54	-18.780.834,75
other category within this class	1.789.843,18	93.781.082,83	20.244.124,56	560.150.548,99	82.940.636,53	-758.906.236,09	0,00
from/to investment property	-17.046.910,33	-703.487,49			-103.666,78	-1.130.313,12	-18.984.377,72
from/to trade and other receivables	-189.866,27						-189.866,27
Impairment losses	-816.710,73	-504.694,57		-88.717.681,11			-90.039.086,41
Depreciation		-68.332.271,38	-6.775.636,59	-272.601.376,35	-48.716.240,66		-396.425.524,98
Cancelled (decommissioning)	0,00	-235.085,83	0,00	0,00	1.084,98		-234.000,85
Carrying value at 31 December 2022	756.929.457,14	1.212.208.810,51	130.404.327,52	3.519.437.437,31	458.107.390,35	1.567.679.258,33	7.644.766.681,16

As of 31 December 2022, **acquisitions by finance lease** included new leases entered into in 2022. See also Note 6.2 and Note 21.2. Financial liabilities.

At 31 December 2022, **individual acquisitions (including capitalised production)** of EUR 708,501,960.33 mainly related to SNCB and included, in particular, investments in rolling stock for EUR 437,270,204.95, investments in passenger reception (including the continuation of PSPI works and major projects (Mechelen, Gent-Sint-Pieters, Mons, Kortrijk) as well as various redevelopment projects) for EUR 182,611,804.14 and investments in workshops for EUR 60,367,826.17 .

Transfers to investment properties (EUR -18,984,377.72) mainly concerned SNCB land no longer useful for public service on 31 December 2022 and which is planned to be sold in the next 10 years.

As indicated in Note 3, SNCB reviewed the useful lives of its rolling stock in 2022. This exercise led to a reduction in the amortisation expense (net impact of the extension and shortening of durations) of EUR 23,900,000 (of which EUR 1,300,000 relates to non-subsidised equipment. We refer you to Note 25.1 again). As part of this same exercise, impairment losses amounting to EUR 85,117,878.73 were identified on certain types of rolling stock (of which EUR 52,622,602.94 concerns non-subsidised equipment. We refer you to Note 25.1 again).

In 2022 internal real estate valuation experts analysed the land showing an impairment loss as well as land forming part of major projects. The analysis led to a net impairment loss of EUR 213,462.49 (impairment losses following regulatory changes and reversals of impairment losses following market developments or better valuation due to new tools).

Overall, SNCB's assets are divided into six cash-generating units whose realisable value corresponds to the discounted value of future cash flows defined in the 10-year plan validated by SNCB's management bodies in December 2022. The discount rate used is 5.9% for public service activities and 6.1% for the rest. The long-term growth applied to terminal values is 1%. The comparison of these values with the book values does not indicate the need to recognise any impairment loss. In order to determine the book values subject to the impairment test, we took into account the capital subsidies allocated to the assets linked to the cash-generating units forming part of the public service tasks.

EUR	Land	Buildings	Railway infrastructure	Railway rolling stock	Plant and various equipment	Assets under construction	Total
At 31 December 2021							
Acquisition value	842.295.465,40	2.139.524.443,16	235.285.326,54	7.149.369.312,11	915.860.984,63	1.621.815.214,77	12.904.150.746,61
Accumulated amortization		-934.416.481,07	-101.873.989,16	-3.816.855.190,37	-481.735.451,27		-5.334.881.111,87
Accumulated impairment losses	-61.599.650,16	-12.650.947,22	-16.475.497,83	-10.553.565,84	-4.436.694,92		-105.716.355,97
Carrying value at 31 December 2021	780.695.815,24	1.192.457.014,87	116.935.839,55	3.321.960.555,90	429.688.838,44	1.621.815.214,77	7.463.553.278,77
At 31 December 2022							
Acquisition value	813.279.500,02	2.211.481.956,20	252.043.957,51	7.581.821.022,07	948.746.720,79	1.567.679.258,33	13.375.052.414,92
Accumulated amortization		-986.901.703,94	-105.819.942,29	-3.978.241.456,68	-486.251.801,60		-5.557.214.904,51
Accumulated impairment losses	-56.350.042,88	-12.371.441,75	-15.819.687,70	-84.142.128,08	-4.387.528,84		-173.070.829,25
Carrying value at 31 December 2022	756.929.457,14	1.212.208.810,51	130.404.327,52	3.519.437.437,31	458.107.390,35	1.567.679.258,33	7.644.766.681,16

Of which:

	31/12/2022	31/12/2021
SNCB	7.638.815.706,85	7.449.409.815,89
Subsidiaries	5.950.974,31	14.143.462,88
Carrying value	7.644.766.681,16	7.463.553.278,77

At 31 December 2022, SNCB represented 99.9% of the total tangible assets of the SNCB Group.

The capitalisation rate used to determine the amounts of borrowing costs to be included in tangible assets amounted to an average of 1.57% (1.74% in 2021).

Apart from land for which an impairment test is carried out every 3 years and major projects around stations which are tested if changes occur in the master plans, the other tangible assets are mostly subsidised as shown in the table below :

	Carrying value (*)	Part subsidised	%
Buildings	1.211.461.080,80	1.135.672.520,07	94%
Railway infrastructure	130.404.327,52	123.147.499,37	94%
Railway rolling stock	3.519.437.437,31	3.364.297.413,14	96%
Plant and various equipment	458.107.390,35	435.052.655,53	95%
Assets under construction	1.567.679.258,33	1.562.029.919,63	100%
Total	6.887.089.494,31	6.620.200.007,74	96%

(*) except carrying value of the Great projects

6.2 Tangible assets: right-of-use assets

The SNCB Group has applied IFRS 16 since 1 January 2019 in the accounting of lessees of leased assets. All leases with a duration of more than 1 year and the value of the underlying asset exceeding EUR 5,000 are recognised on the IFRS balance sheet: an asset corresponding to the right to use the asset and a liability corresponding to the present value of the rents to be paid in the future. Right-of-use assets are amortised over the term of the corresponding lease or component if the economic life of the latter is shorter. They relate in particular to: lease contracts relating to buildings, a rental contract for rolling stock, rental contracts for buildings, company cars and the right to use land. We refer you to note 21.2 again. Financial liabilities.

The SNCB Group holds the following assets, included in total tangible assets, under lease agreements:

EUR	Lands	Buildings	Plant and various equipment	Railway rolling stock	Total
At 31 December 2021					
Acquisition value	62.791,60	32.098.468,92	12.497.141,02	30.371.045,57	75.029.447,11
Accumulated amortization		-9.592.285,79	-6.007.088,48	-15.637.923,92	-31.237.298,19
Accumulated impairment losses	-31.395,80	-5.959.691,46			-5.991.087,26
Carrying value at 31 December 2021	31.395,80	16.546.491,67	6.490.052,54	14.733.121,65	37.801.061,66
At 31 December 2022					
Acquisition value	156.979,00	31.582.586,15	8.594.610,52	30.371.045,57	70.705.221,24
Accumulated amortization		-11.554.305,57	-4.565.514,68	-20.933.103,78	-37.052.924,03
Accumulated impairment losses	-62.791,60	-5.959.691,46			-6.022.483,06
Carrying value at 31 December 2022	94.187,40	14.068.589,12	4.029.095,84	9.437.941,79	27.629.814,15

The table below illustrates changes to right-of-use assets:

	Lands	Buildings	Plant and various equipment	Railway rolling stock	Total
At 31/12/2021	31.395,80	16.546.491,67	6.490.052,54	14.733.121,65	37.801.061,66
Boards Publifer			-2.814.169,07		-2.814.169,07
New financial lease	94.187,40		2.007.719,17		2.101.906,57
Early termination of lease		-235.085,83	-32.599,93		-267.685,76
Depreciation	-31.395,80	-2.242.816,72	-1.621.906,87	-5.295.179,86	-9.191.299,25
At 31/12/2022	94.187,40	14.068.589,12	4.029.095,84	9.437.941,79	27.629.814,15

6.3 Other information relating to tangible assets

Carrying value of property, plant and equipment	31/12/2022	31/12/2021
Whose ownership is		
given guarantee for debts	1.416.308.853,47	1.539.916.647,67
Total	1.416.308.853,47	1.539.916.647,67

Tangible assets pledged as collateral for debts concern SNCB and mainly rolling stock (EUR 1,364,045,552.65 in 2022 and EUR 1,488,546,387.06 EUR in 2021) and to a lesser extent administrative buildings (EUR 52,263,300.82 in 2022 and EUR 51,370,260.61 in 2021).

Carrying values of property, plant and equipment	31/12/2022	31/12/2021
Acquired through grants		
Land	45.147.508,67	45.020.111,42
Buildings	1.135.672.520,07	1.112.853.426,00
Railway infrastructure	123.147.499,37	109.280.896,33
Railway rolling stock	3.364.297.413,14	3.087.164.238,97
Plant and various equipment	435.052.655,53	397.147.765,58
Assets under construction	1.562.029.919,63	1.612.327.484,65
Total	6.665.347.516,41	6.363.793.922,95

As of 31 December 2022, 87.2% (85.2% in 2021) of the tangible assets were subsidised and relate exclusively to SNCB.

Note 7 - Investment property

7.1 Investment property

	Land	Buildings	Total
Carrying value at 1 January 2021	303.531.516,61	133.273.229,77	436.804.746,38
Acquisitions	139.833,39	-1.009.131,35	-869.297,96
Internally generated		5.400,00	5.400,00
Disposals	-0,02	-9.338,95	-9.338,97
Transfer:			
to non-current assets held for sale	-2.108.433,24	-1.442.671,96	-3.551.105,20
to/from tangible assets	60.905,46	91.694.572,52	91.755.477,98
other category within this class	37.184,03	-37.184,03	0,00
Impairment losses	-78.769,95		-78.769,95
Depreciation		-12.636.338,07	-12.636.338,07
Carrying value at 31 December 2021	301.582.236,28	209.838.537,93	511.420.774,21
Carrying value at 1 January 2022	301.582.236,28	209.838.537,93	511.420.774,21
Acquisitions	192.851,10	228.112,82	420.963,92
Internally generated		4.159,18	4.159,18
Disposals		-4.336,01	-4.336,01
Transfer:			
to non-current assets held for sale	-4.256.922,74	-2.810.099,57	-7.067.022,31
to/from tangible assets	17.046.910,33	1.937.467,39	18.984.377,72
to/from trade and other receivables	-2.070,49		-2.070,49
other			0,00
Impairment losses	-13.604.830,28		-13.604.830,28
Depreciation		-12.460.073,26	-12.460.073,26
Carrying value at 31 December 2022	300.958.174,20	196.733.768,48	497.691.942,68

In 2022, **transfers** of EUR 18,984,377.72 from tangible assets related exclusively to SNCB (see Note 6.1. Tangible assets).

EUR	Land	Buildings	Total
At 31 December 2021			
Acquisition value	362.719.123,80	440.644.784,99	803.363.908,79
Accumulated amortization		-226.762.819,65	-226.762.819,65
Accumulated impairment losses	-61.136.887,52	-4.043.427,41	-65.180.314,93
Carrying value at 31 December 2021	301.582.236,28	209.838.537,93	511.420.774,21
At 31 December 2022			
Acquisition value	368.927.799,34	432.237.653,37	801.165.452,71
Accumulated amortization		-230.676.257,44	-230.676.257,44
Accumulated impairment losses	-67.969.625,14	-4.827.627,45	-72.797.252,59
Carrying value at 31 december 2022	300.958.174,20	196.733.768,48	497.691.942,68

As of 31 December 2022, 99.9 % of the investment properties were held by SNCB (EUR 497,169,653.70 out of a total of EUR 497,691,942.68).

7.2 Other information relating to investment property

There are no investment properties the ownership of which is given as collateral for debts.

Carrying value of Investment properties	31/12/2022	31/12/2021
Acquired through grants		
Land	750.306,42	1.178.968,92
Buildings	166.265.930,74	178.583.298,03
Total	167.016.237,16	179.762.266,95

As of 31 December 2022, 33.6% of the investment properties were subsidised and relate exclusively to SNCB.

The rental income and operating expenses recognised in the result of the SNCB Group are as follows:

Accounted for in net result for the year ending	31/12/2022	31/12/2021
Rental income	24.863.293,00	20.275.481,00
Operating expenses	16.391.506,00	16.088.740,00

The investment properties of the SNCB Group include land and buildings fully or partially leased under operating leases:

	31/12/2022			31/12/2021		
	Lands	Buildings and land equipments	Total	Lands	Buildings and land equipments	Total
Cost	234.827.333,82	316.760.610,87	551.587.944,69	226.043.869,84	305.050.727,59	531.094.597,43
Accumulated depreciation at 1 January	-32.404.897,74	-168.847.422,00	-201.252.319,74	-28.183.437,52	-159.838.538,86	-188.021.976,38
Depreciation of the year		-9.220.794,67	-9.220.794,67		-9.318.578,80	-9.318.578,80
Carrying value at 31 December	202.422.436,08	138.692.394,20	341.114.830,28	197.860.432,32	135.893.609,93	333.754.042,25

Fair value of investment property

The fair value of the land (as supplementary information) was determined using two main methods. Land located around stations and for which development projects exist has been valued either on the basis of comparable units, or on the basis of the present value of estimated future cash flows, taking into account the most advantageous use of the land, and taking into account realistic and conservative assumptions as to its potential application. The other land was valued on the basis of comparable units. Where warranted by the nature of the land, adjustments have been made to capture the specificities of the land used for rail operations, as these specificities are not necessarily taken into account in the market prices derived from more general transactions. The valuations performed are level 2 valuations (based on observable market data relating to the asset, other than observable data on active markets) or level 3 valuations (based on unobservable data relating to the asset) .

The fair value of buildings is determined on the basis of net annual rents [to which a rate of return is applied] for occupied (leased) buildings, and on the basis of the average selling price less selling costs of the last 5 years for unoccupied (leased) buildings.

EUR	Land	Buildings	Total
Fair value as at 31 December 2021	306.236.594,34	671.914.886,48	978.151.480,82
Fair value as at 31 December 2022	306.166.574,65	705.219.546,92	1.011.386.121,57

Note 8 - Investments accounted for using the equity method

EUR		31/12/2022	31/12/2021
	Notes		
Interests in joint ventures	8.2	7.243.139,45	7.296.937,18
Investments in associated companies	8.3	507.068.854,05	328.079.551,11
Carrying value		514.311.993,50	335.376.488,29

8.1 Investments in joint ventures

As of 31 December 2022, investments in joint ventures were as follows:

Name	Share in voting rights in %		Headquarters location	VAT/Company number	Activities
	31/12/2022	31.12.2021			
Belgian Mobility Card	(*) 25,00	25,00	Brussels	BE 0822.658.483	Single transport ticket administrator
BeNe Rail International	50,00	50,00	Brussels	BE 0479.863.354	ICT (distribution international tickets)
K. EUR Development	50,00	50,00	Antwerp	BE 0651.617.195	Projects / studies real estate
Thalys International	-	30,00	Brussels	BE 0455.370.557	International transport
Wetenschapspark Leuven Noord	33,33	33,33	Leuven	BE 0759.838.315	Use and development of the site Leuven noord by the development of a science park

(*) 18,60% of the equity held but 25% of the voting rights (unanimous vote). The equity method takes into account the percentage held of 18,60%

The table below details the movements in investments in joint ventures:

EUR	31/12/2022	31/12/2021
Carrying value at beginning of period	7.296.937,18	7.706.684,47
Changes in scope:		
additional subscription (10 shares in Thalys International)	34.650,00	
merger Thalys International and THI Factory	-138.600,00	
Dividend set but not paid	-77.907,59	-92.058,30
Share in the net result of Interests under equity method	128.059,86	-317.689,13
Roundings		0,14
Carrying value at end of period	7.243.139,45	7.296.937,18

On 15 February 2022, SNCB bought 10 Thalys International shares for SNCF Voyages Développement to become a 40% shareholder in the company. On 1 March 2022, Thalys International merged with THI Factory.

The dividend on 31 December 2022 is that of Thalys International relating to the 2021 financial year.

The SNCB Group's share in the statement of financial position and comprehensive income of joint ventures as at 31 December 2022 was:

	31/12/2022				Total
	BeNe RI	K.EUR Development	Belgian Mobility Card	Wetenschapspark Leuven Noord	
Financial statement position of companies using the equity method					
Current assets	9.507.548,39	10.165.368,62	1.021.685,26	505.165,95	21.199.768,22
Non-current assets	8.063.974,73		993.570,51	279.606,93	9.337.152,17
Current liabilities	-4.074.205,68	-5.607.612,60	-285.045,86	-116.144,72	-10.083.008,86
Non-current liabilities		-4.030.556,51			-4.030.556,51
Net assets	13.497.317,44	527.199,51	1.730.209,91	668.628,16	16.423.355,02
Share in the financial statement position of companies using the equity method	6.748.658,72	263.599,76	321.819,04	-90.938,07	7.243.139,45

WHICH:

Additional information (IFRS 12)

Cash & Cash Equivalents	2.698.572,75	1.282.201,47	582.267,09	487.153,49	5.050.194,80
Current financial liabilities					0,00
Non-current financial liabilities		4.030.556,51			4.030.556,51

Net income of companies using the equity method

Income	18.787.920,68	5.298.510,39	1.885.372,44	0,00	25.971.803,51
Expenses	-18.490.694,60	-5.228.904,75	-1.898.993,46	-158.483,33	-25.777.076,14
Net Income	297.226,08	69.605,64	-13.621,02	-158.483,33	194.727,37
Share in the net income of companies using the equity method	148.613,04	34.802,82	-2.533,51	-52.822,49	128.059,86

Other comprehensive income

					0,00
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WHICH:

Additional information (IFRS 12)

Depreciation, amortization and impairment losses	2.311.399,34		191.538,22	53.423,40	2.556.360,96
Financial income	612,70		-24,92		587,78
Financial charges	24.063,19	10.810,84	4.444,17	210,23	39.528,43
Taxes on net income		9.316,00			9.316,00

The SNCB Group's share in the statement of financial position and comprehensive income of joint ventures as at 31 December 2021 was:

	31/12/2021					Totaal
	BeNe RI	K.EUR Development	Belgian Mobility Card	Thalys International	Wetenschapspark Leuven Noord	
Financial statement position of companies using the equity method						
Current assets	7.383.853,02	15.866.653,07	1.738.042,76	4.331.812,14	931.268,98	30.251.629,97
Non-current assets	7.932.509,23		251.311,95	190.538,59	45.634,09	8.419.993,86
Current liabilities	-2.116.270,89	-15.409.059,20	-245.523,78	-3.284.594,97	-166.565,76	-21.222.014,60
Non-current liabilities				-631.563,79		-631.563,79
Net assets	13.200.091,36	457.593,87	1.743.830,93	606.191,97	810.337,31	16.818.045,44
Share in the financial statement position of companies using the equity method	6.600.045,68	228.796,94	324.352,55	181.857,59	-38.115,58	7.296.937,18

WHICH:

Additional information (IFRS 12)

Cash & Cash Equivalents	2.393.679,13	3.351.784,87	1.593.558,75	2.616.996,90	887.778,66	10.843.798,31
Current financial liabilities						0,00
Non-current financial liabilities						0,00

Net income of companies using the equity method

Income	12.189.396,33	355.331,65	1.273.541,17	11.510.664,07	0,00	25.328.933,22
Expenses	-12.795.561,49	-362.959,78	-1.545.495,47	-11.250.972,10	-114.361,18	-26.069.350,02
Net Income	-606.165,16	-7.628,13	-271.954,30	259.691,97	-114.361,18	-740.416,80
Share in the net income of companies using the equity method	-303.082,58	-3.814,06	-50.583,50	77.907,59	-38.116,58	-317.689,13

Other comprehensive income

						0,00
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WHICH:

Additional information (IFRS 12)

Depreciation, amortization and impairment losses	1.590.257,86		57.920,00		12.521,08	1.660.698,94
Financial income	376,79			701,22		1.078,01
Financial charges	34.970,33	1.569,76	7.524,31	21.701,04	326,10	66.091,54
Taxes on net income				196.823,44		196.823,44

8.2 Investments in associated companies

Name	Share in voting rights in%		Headquarters location	VAT/Company number	Activities
	31/12/2022	31.12.2021			
Eurofima Joint-Stock Cie (Swiss law)	9,80	9,80	Basel	-	Financing of rolling stock
Eurostar Group	18,50	-	Brussels	BE 0784.617.657	International transport
HR Rail (*)	20,00	20,00	Brussels	BE 0541.691.352	Personnel Management
Optimobil Belgium	24,01	24,01	Brussels	BE 0471.868.277	Car rental
Railteam (Dutch law)	10,00	10,00	Amsterdam	NL 818547182B01	Alliance of European high speed rail operators
Terminal Athus	25,42	25,42	Athus	BE 0419.149.074	Logistics
THI Factory	-	40,00	Brussels	BE 0541.696.005	International transport

(*) HR Rail: held 49% of the capital but 20% of the voting rights by the shareholders' agreement. The equity method takes into account the participation percentage of 49%.

The table below details the movements in investments in associated companies:

EUR	31/12/2022	31/12/2021
Carrying value at beginning of period	328.079.551,11	340.906.446,95
Changes in scope:		
merger Thalys International and THI Factory	138.600,00	
Eurostar Group	102.160.507,46	
out of the scope of consolidation		-465.370,28
Dividends paid	-793.875,00	-807.600,00
Share in the net result of Interests under equity method	42.268.024,58	-12.571.495,98
Share in the other comprehensive income of interests under equity method	35.216.045,91	1.017.570,44
roundings	-0,01	-0,02
Carrying value at end of period	507.068.854,05	328.079.551,11

The dividends collected in 2022 are those of Eurofima (EUR 588,000) and Terminal Athus (EUR 205,875). The share in the net income and in the other comprehensive income items of companies accounted for using the equity method mainly concerns Eurostar Group.

As mentioned in note 4, SNCB contributed its 40% stake in **THI Factory** and 5% in Eurostar International Ltd. in a new Belgian company **Eurostar Group**. After these operations, SNCB holds 18.5% of the shares of Eurostar Group.

From the creation of this holding company in April 2022, the 18.5% stake is accounted for using the equity method for a value of **EUR 301,525,470.33** which corresponds to:

- 18.5%/40% of the equity value of THI Factory at 40% which was EUR 199,364,962.88 as of 31 March 2022 (before the transaction), i.e. an amount of **EUR 92,206,295.33**. THI Factory was already accounted for using the equity method in the consolidated accounts of the SNCB Group before the creation of Eurostar Group. According to the principles of IAS 28 §25, the book value corresponding to 18.5% (EUR 92,206,295.33) is retained and the book value of the 21.5% sold is derecognised.
- 18.5% of the fair value of Eurostar International (EUR 1,131.5 million) i.e. an amount of **EUR 209,319,175.00**. Until April 2022, Eurostar International was an equity instrument measured at fair value through OCI (see note 12.2 again). From April 2022, this company is classified as an associated company to which the equity method is applied. At the acquisition date, the fair value of the net assets of Eurostar International was valued at EUR 37,646,124.18 (after deferred taxes), this value includes fair value adjustments for the Eurostar brand and the customer relationships for respective amounts of EUR 33,152,000 and EUR 13,320,000 (both before deferred taxes). Taking into account the deferred taxes on these fair value adjustments, the goodwill generated is EUR 171,673,050.82. It is included in the EUR 209,319,175.00 value.

The de-recognition of 21.5%/40% of the equity method value of THI Factory and of the financial asset Eurostar International generated a capital gain of EUR 44.7 million (we refer you to Note 27.1.2).

After 1 April 2022, the equity value of Eurostar Group changed with SNCB's share (18.5%) in the consolidated comprehensive income of Eurostar Group which amounted to EUR 73,416,572.95 (9 months of results in 2022).

As of 31 December 2022, the equity method value of Eurostar Group amounted to **EUR 374,942,043.28**.

The SNCB Group's share in the statement of financial position and comprehensive income of associated companies as at 31 December 2022 was:

	31/12/2022					Total
	HR Rail	THI Factory	Eurofima	Eurostar Group	Other Associates	
Financial statement position of companies using the equity method						
Current assets	463.752.862,75	-	11.491.860.000,00	587.920.305,15	23.634.753,04	12.567.167.920,94
Non-current assets	72.600.054,61	-	4.178.511.000,00	3.101.857.205,73	11.214.067,99	7.364.182.328,33
Current liabilities	-479.549.012,65	-	-12.613.816.000,00	-468.299.335,89	-5.774.348,10	-13.567.438.696,64
Non-current liabilities	-23.435.353,22	-	-1.926.792.810,00	-1.067.031.834,72	-9.309.899,59	-3.026.569.897,53
Net assets	33.368.551,49	0,00	1.129.762.190,00	2.154.446.340,27	19.764.573,34	3.337.341.655,10
Share in the financial statement position of companies using the equity method	16.350.590,23	0,00	110.716.694,62	398.572.572,95	5.059.525,92	530.699.383,72

(*)

(*) Given the equity method of THI Factory (we didn't apply 18,5% * the fair value of THI Factory of 626.145.000 EUR on April 1 2022 since THI Factory was already equity-accounted before the transaction - see above), the equity value of Eurostar Group of 374.942.043.28 EUR as of 31/12/2022 does not correspond to 18,5% of the net assets of Eurostar Group as of 31/12/2022

WHICH:

Additional information (IFRS 12)

Cash & Cash Equivalents	212.240.744,27	-	2.245.274.000,00	164.681.817,39	13.591.517,82	2.635.788.079,48
Current financial liabilities	82.462.735,73	-	11.690.579.000,00	9.490.772,74	794.132,01	11.783.326.640,48
Non-current financial liabilities	-	-	-	982.645.840,00	8.732.669,84	991.378.509,84

Net income of companies using the equity method

Income	2.100.709.837,20	83.961.603,90	287.718.000,00	1.391.760.183,42	34.283.585,77	3.898.433.210,29
Expenses	-2.098.611.893,19	-86.828.012,33	-271.229.000,00	-1.173.849.510,35	-32.494.039,91	-3.663.012.455,78
Net Income	2.097.944,01	-2.866.408,43	16.489.000,00	217.910.673,06	1.789.545,86	235.420.754,50
Share in the net income of companies using the equity method	1.027.992,56	-1.146.563,37	1.615.922,00	40.313.474,52	457.198,87	42.268.024,58

Other comprehensive income

	3.514.445,47		-1.401.498,00	33.103.098,43		35.216.045,90
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WHICH:

Additional information (IFRS 12)

Depreciation, amortization and impairment losses	5.418.066,64	-	-	136.823.713,19	1.240.370,89	143.482.150,72
Financial income	4.860.345,12	-	272.403.000,00	2.363.125,14	162.021,61	279.788.491,87
Financial charges	1.523.274,79	-	260.514.000,00	65.119.795,04	146.902,81	327.303.972,64
Taxes on net income	1.362.579,43	-	-	-20.569.353,37	424.483,45	-18.782.290,49

The SNCB Group's share in the statement of financial position and comprehensive income of associated companies as at 31 December 2021 was:

	31/12/2021				Total
	HR Rail	THI Factory	Eurofima	Other Associates	
Financial statement position of companies using the equity method					
Current assets	377.199.381,69	89.384.127,55	11.591.411.000,00	1.142.904.326,09	13.200.898.835,33
Non-current assets	57.979.530,04	584.957.230,31	4.317.179.000,00	-27.111.836,83	4.933.003.923,52
Current liabilities	-377.736.887,85	-78.134.810,50	-13.982.360.000,00	-1.060.215.405,81	-15.498.447.104,16
Non-current liabilities	-33.343.754,10	-95.274.231,72	-792.655.810,00	-8.513.700,02	-929.787.495,84
Net assets	24.098.269,78	500.932.315,64	1.133.574.190,00	47.063.383,43	1.705.668.158,85
Share in the financial statement position of companies using the equity method	11.808.152,19	200.372.926,26	111.090.270,62	4.808.202,04	328.079.551,11

WHICH:

Additional information (IFRS 12)

Cash & Cash Equivalents	151.189.862,47	116.072,89	1.439.837.000,00	14.290.989,85	1.605.433.925,21
Current financial liabilities	76.256.975,09	2.144.000,00	12.988.054.000,00	793.340,63	13.067.248.315,72
Non-current financial liabilities	-	59.370.000,00	-	9.526.801,88	68.896.801,88

Net income of companies using the equity method

Income	1.973.761.097,35	259.514.957,66	331.062.000,00	30.228.080,43	2.594.566.135,44
Expenses	-1.972.387.322,69	-298.846.699,08	-312.072.533,00	-27.769.105,21	-2.611.075.659,98
Net Income	1.373.774,66	-39.331.741,42	18.989.467,00	2.458.975,22	-16.509.524,54
Share in the net income of companies using the equity method	673.149,58	-15.732.696,57	1.860.967,77	627.083,24	-12.571.495,98

Other comprehensive income

	1.770.014,44		-752.444,00		1.017.570,44
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WHICH:

Additional information (IFRS 12)

Depreciation, amortization and impairment losses	5.646.280,76	45.387.037,39	37.000,00	1.232.427,09	52.302.745,24
Financial income	5.231.517,00	774,30	316.287.000,00	100.826,74	321.620.118,04
Financial charges	561.046,44	1.944.266,77	299.307.000,00	145.629,38	301.957.942,59
Taxes on net income	779.951,54	3.496.257,94	-	1.377.791,75	5.654.001,23

Note 9 - Trade and other receivables

9.1 Trade and other receivables

		31/12/2022						
		Gross amount		Impairment		Net amount		
	Notes	Financial instruments	Other	Financial instruments	Other	Financial instruments	Other	Total
Non-current								
Trade receivables		8.403.487,30	0,00	0,00	0,00	8.403.487,30	0,00	8.403.487,30
Other trade receivables		8.403.487,30				8.403.487,30	0,00	8.403.487,30
Other receivables		598.493.803,15	3.776.760,09	-63.811,27	-7.328,41	598.429.991,88	3.769.431,68	602.199.423,56
Receivables on public authorities	35	489.390.709,34				489.390.709,34	0,00	489.390.709,34
Deferred charges			2.740,83				2.740,83	2.740,83
Accrued income						0,00	0,00	0,00
Finance lease receivables	9.3	88.666.135,79	1.794.019,26	-63.811,27	-7.328,41	88.602.324,52	1.786.690,85	90.389.015,37
Other receivables		20.436.958,02	1.980.000,00			20.436.958,02	1.980.000,00	22.416.958,02
Total (non-current)		606.897.290,45	3.776.760,09	-63.811,27	-7.328,41	606.833.479,18	3.769.431,68	610.602.910,86
Current								
Trade receivables		763.980.490,67	10.305.484,10	-10.185.772,77	-396.535,14	753.794.717,90	9.908.948,96	763.703.666,86
Amounts relating to construction contracts	10		4.560.441,39			0,00	4.560.441,39	4.560.441,39
Receivables on public authorities	35	658.483.008,37				658.483.008,37	0,00	658.483.008,37
Other trade receivables		105.497.482,30	5.745.042,71	-10.185.772,77	-396.535,14	95.311.709,53	5.348.507,57	100.660.217,10
Other receivables		485.112.878,65	150.021.887,91	-3.420.000,00	0,00	481.692.878,65	150.021.887,91	631.714.766,56
Receivables on public authorities	35	87.228.247,72				87.228.247,72	0,00	87.228.247,72
Deferred charges		-38.108,27	80.944.446,48			-38.108,27	80.944.446,48	80.906.338,21
Accrued income		31.168.295,15				31.168.295,15	0,00	31.168.295,15
Finance lease receivables	9.3	5.997.162,99				5.997.162,99	0,00	5.997.162,99
Other receivables		360.757.281,06	69.077.441,43	-3.420.000,00		357.337.281,06	69.077.441,43	426.414.722,49
Total (current)		1.249.093.369,32	160.327.372,01	-13.605.772,77	-396.535,14	1.235.487.596,55	159.930.836,87	1.395.418.433,42
31/12/2021								
		Gross amount		Impairment		Net amount		
	Notes	Financial instruments	Other	Financial instruments	Other	Financial instruments	Other	Total
Non-current								
Trade receivables		7.238.812,59	0,00	0,00	0,00	7.238.812,59	0,00	7.238.812,59
Other trade receivables		7.238.812,59				7.238.812,59	0,00	7.238.812,59
Other receivables		589.142.717,69	1.468.880,13	-61.474,57	-7.328,41	589.081.243,12	1.461.551,72	590.542.794,84
Receivables on public authorities	35	509.581.413,31				509.581.413,31	0,00	509.581.413,31
Deferred charges			3.200,83				3.200,83	3.200,83
Accrued income						0,00	0,00	0,00
Finance lease receivables	9.3	76.394.281,47	1.465.679,30	-61.474,57	-7.328,41	76.332.806,90	1.458.350,89	77.791.157,79
Other receivables		3.167.022,91				3.167.022,91	0,00	3.167.022,91
Total (non-current)		596.381.530,28	1.468.880,13	-61.474,57	-7.328,41	596.320.055,71	1.461.551,72	597.781.607,43
Current								
Trade receivables		572.943.665,97	18.916.218,16	-9.613.053,52	0,00	563.330.612,45	18.916.218,16	582.246.830,61
Amounts relating to construction contracts	10		12.659.085,69			0,00	12.659.085,69	12.659.085,69
Receivables on public authorities	35	400.596.648,85				400.596.648,85	0,00	400.596.648,85
Other trade receivables		172.347.017,12	6.257.132,47	-9.613.053,52		162.733.963,60	6.257.132,47	168.991.096,07
Other receivables		526.844.878,72	178.994.949,59	-3.420.000,00	0,00	523.424.878,72	178.994.949,59	702.419.828,31
Receivables on public authorities	35	77.469.622,17				77.469.622,17	0,00	77.469.622,17
Deferred charges		-27.877,58	72.461.608,24			-27.877,58	72.461.608,24	72.433.730,66
Accrued income		30.127.840,79				30.127.840,79	0,00	30.127.840,79
Finance lease receivables	9.3	5.483.746,87				5.483.746,87	0,00	5.483.746,87
Other receivables		413.791.546,47	106.533.341,35	-3.420.000,00		410.371.546,47	106.533.341,35	516.904.887,82
Total (current)		1.099.788.544,69	197.911.167,75	-13.033.053,52	0,00	1.086.755.491,17	197.911.167,75	1.284.666.658,92

of which:

	31/12/2022			31/12/2021		
	Financial instruments	Other	Total	Financial instruments	Other	Total
Non-current						
SNCB	606.828.704,18	3.769.431,68	610.598.135,86	596.313.395,71	1.461.551,72	597.774.947,43
Other subsidiaries	4.775,00		4.775,00	6.660,00		6.660,00
Carrying value	606.833.479,18	3.769.431,68	610.602.910,86	596.320.055,71	1.461.551,72	597.781.607,43
Current						
SNCB	1.234.010.763,02	157.455.578,13	1.391.466.341,15	1.081.350.791,47	194.990.087,35	1.276.340.878,82
Other subsidiaries	1.476.833,53	2.475.258,74	3.952.092,27	5.404.699,70	2.921.080,40	8.325.780,10
Carrying value	1.235.487.596,55	159.930.836,87	1.395.418.433,42	1.086.755.491,17	197.911.167,75	1.284.666.658,92

Trade and other receivables as of 31 December 2022 included, in particular, SNCB receivables from public authorities for EUR 1,235,086,365.43 (2021: EUR 987,647,684.33). These are mainly receivables from the State and the Regions relating to grants to be received as part of:

- the management contract: EUR 658,483,008,37 in receivables relating to operating grants and EUR 17,854,990.70 in receivables relating to investment grants ;
- specific investment financing contracts for EUR 501,998,794.79 including RER equipment: 308,393,064.26 ; HLE 18: EUR 86,154,504.19 ; Desiro: EUR 66,414,519.64 ; Te Kort TGV: EUR 41,036,706.70 EUR;
- priority regional projects: Station of Mons: EUR 21,409,427.77 and SPV LLN: EUR 6,698,676.13. Since the Management Authority considers that the subsidies under the SPV LLN contracts are virtually certain, the SNCB Group accounts for these receivables, as well as the related investment grants, in the statement of financial position;
- public interventions other than the State for EUR 19,387,694.79.

They also include other current receivables for an amount of EUR 327,756,501.00 (2021: EUR 371,051,961.00) relating to the guarantees paid in cash within the scope of the Credit Support Annexes (CSA) with financial institutions.

9.2 Write-downs on trade and other receivables

The nominal value of trade and other receivables subject to impairment amounted to EUR 14,073,447.59 (EUR 13,101,856.50) as per 31 December 2022 (2021). The table below shows the changes in cumulative write-downs on these receivables.

		31/12/2022	31/12/2021
	<u>Notes</u>		
Impairment on non-current trade and other receivables			
At 1 January		-68.802,98	-70.816,92
Write down s	27	-2.336,70	-4,63
Reversal of w rite dow ns	27		2.018,57
At 31 December		-71.139,68	-68.802,98

		31/12/2022	31/12/2021
Impairment on current trade and other receivables			
At 1 January		-13.033.053,52	-14.318.657,41
Write downs	27	-9.298.276,33	-7.085.102,98
Use of write downs on irrecoverable receivables		668.287,36	571.709,12
Reversal of write downs	27	7.660.734,58	7.798.997,75
At 31 December		-14.002.307,91	-13.033.053,52

Information about the SNCB Group's exposure to credit risk and foreign currency risk of trade and other receivables (excluding construction contracts and deferred charges) can be found in Note 2.

9.3 Finance lease receivables

	Less than one year	More than one year and less than five years	More than five years	Total
Net investments at 31/12/2022				
Future minimum payments	8.693.010,86	35.284.890,73	101.108.278,42	145.086.180,01
Unearned financial income	-2.695.847,87	-11.286.792,66	-34.717.361,12	-48.700.001,65
Total	5.997.162,99	23.998.098,07	66.390.917,30	96.386.178,36
Net investments at 31/12/2021				
Future minimum payments	8.365.755,15	33.463.020,65	80.301.936,11	122.130.711,91
Unearned financial income	-2.882.008,28	-10.402.584,89	-25.571.214,08	-38.855.807,25
Total	5.483.746,87	23.060.435,76	54.730.722,03	83.274.904,66

Finance lease receivables of EUR 96,386,178.36 as per 31 December 2022 were exclusively related to SNCB and include the lease agreements for railway rolling stock (over a remaining period of 12 to 15 years) as well as the emphyteutic leases with third parties for land and buildings. The non-guaranteed residual values attributable to SNCB under finance leases amounted to EUR 1,786,690.85 (EUR 1,458,350.89) as at 31 December 2022 (2021).

Interest income relating to finance lease receivables recognised on 31 December 2022 came to EUR 3,118,348.38. See also Note 29.1. Financial income.

Note 10 – Assets and liabilities resulting from contracts with customers

		31/12/2022	31/12/2021
	<u>Notes</u>		
Gross amounts due from customers for construction contracts	9	4.560.441,39	12.659.085,69
Advances received from customers for construction contracts	23	6.476.922,07	6.176.992,86

Revenues and costs associated with construction contracts are recognised respectively in revenue or charges depending on the degree of completion and the estimated end margin. In case of expected negative margin, a charge is recorded for the amount of the estimated loss. The degree of completion is determined by the ratio between incurred costs for work performed and the estimated costs of the contract.

When the amount of intermediate invoicing is lower than the aggregate amount of costs incurred, increased with recognised profits or reduced with recognised losses, the amounts due to customers will be recognised in the statement of financial position under current trade receivables.

		31/12/2022	31/12/2021
	<u>Note</u>		
Aggregate amount of: Incurred costs		103.762.955,89	130.908.885,95
Recognized gains / losses		223.981,39	172.451,32
Amounts written down / impairments recorded		-0,83	-0,94
Aggregate amount of: Interim invoicing		-99.426.495,06	-118.422.250,64
Gross amounts due from customers for construction contracts		4.560.441,39	12.659.085,69
	Current 9.1	4.560.441,39	12.659.085,69

When the amount of intermediate invoicing is higher than the aggregate amount of costs incurred, increased with recognised profits or reduced with recognised losses, the amount due to customers will be recognised in the statement of financial position under trade payables.

		31/12/2022	31/12/2021
	<u>Note</u>		
Aggregate amount of: Incurred costs		95.202.807,99	42.598.758,72
Recognised profits (losses)		-7.819.054,23	-882.576,37
Amounts written down / impairments recorded		-455.927,06	-766.594,12
Aggregate amount of: Progress billings		-93.404.748,77	-45.380.627,64
Gross amounts due to customers for construction contracts		6.476.922,07	4.431.039,41
	Current 23	6.476.922,07	4.431.039,41

Received advances are recognised within liabilities as non-current trade payables and consist of:

		31/12/2022	31/12/2021
	<u>Note</u>		
Advances received		0,00	138.899.319,60
Capitalized interest		0,00	2.048.856,56
Aggregate amount of: Costs incurred		0,00	-139.202.222,71
Advances received from customers for construction contracts	23	0,00	1.745.953,45

Revenues from contracts recognised in the 2022 income statement (at revenue level) amounted to EUR 18,573,171.42 (EUR 24,513,548.21 in 2021).

Note 11 - Derivatives

11.1 Derivatives by category

Within the SNCB Group, the fair value of swaps is divided into three components:

- the nominal: the difference between the outstanding nominal amounts of the receiving leg and the paying leg converted at the closing rate.
- the fair value adjustment.
- accrued income and accrued expenses.

The following table gives a detailed overview by type, separated into short-term and long-term derivatives:

Derivatives	31/12/2022			Total	
	Assets	Nominal	Fair value adjustments		Accrued income
Derivatives used for cash flow management		122.707.470,14	179.086.952,18	0,00	301.794.422,32
Interest rate sw aps		90.166.577,57	173.309.438,51	0,00	263.476.016,08
Currency sw aps		32.540.892,57	5.777.513,67	0,00	38.318.406,24
Commodity sw aps		0,00	0,00	0,00	0,00
Inflation sw aps		0,00	0,00	0,00	0,00
Other derivatives		0,00	0,00	0,00	0,00
Other		0,00	0,00	0,00	0,00
Total (non-current)		122.707.470,14	179.086.952,18	0,00	301.794.422,32
Derivatives used for cash flow management		1.855.535,37	1.610.546,04	107.525,52	3.573.606,93
Interest rate sw aps		0,00	0,00	0,00	0,00
Currency sw aps		1.855.535,37	-88.241,44	-121.642,52	1.645.651,41
Commodity sw aps		0,00	951.616,24	229.168,04	1.180.784,28
Inflation sw aps		0,00	747.171,24	0,00	747.171,24
Other derivatives		0,00	0,00	0,00	0,00
Other		0,00	0,00	0,00	0,00
Total (current)		1.855.535,37	1.610.546,04	107.525,52	3.573.606,93
Derivatives used for cash flow management		-221.042.606,28	-182.107.690,90	2.499.777,24	-400.650.519,94
Interest rate sw aps		-221.042.606,28	-182.107.690,90	-956.846,50	-404.107.143,68
Currency sw aps		0,00	0,00	3.456.623,74	3.456.623,74
Commodity sw aps		0,00	0,00	0,00	0,00
Inflation sw aps		0,00	0,00	0,00	0,00
Other derivatives		0,00	0,00	0,00	0,00
Other		0,00	0,00	0,00	0,00
Total (non-current)		-221.042.606,28	-182.107.690,90	2.499.777,24	-400.650.519,94
Derivatives used for cash flow management		0,00	-184.087,92	-3.722.137,43	-3.906.225,35
Interest rate sw aps		0,00	0,00	-5.402.450,80	-5.402.450,80
Currency sw aps		0,00	0,00	533.264,07	533.264,07
Commodity sw aps		0,00	-184.087,92	0,00	-184.087,92
Inflation sw aps		0,00	0,00	1.147.049,30	1.147.049,30
Other derivatives		0,00	0,00	0,00	0,00
Other		0,00	0,00	0,00	0,00
Total (current)		0,00	-184.087,92	-3.722.137,43	-3.906.225,35

Derivatives		31/12/2021			Total
Assets	Nominal	Fair value adjustments	Accrued income		
Derivatives used for cash flow management	7.251.658,84	233.940.295,32	0,00	241.191.954,16	
Interest rate sw aps	0,00	215.380.705,09	0,00	215.380.705,09	
Currency sw aps	7.251.658,84	18.177.895,83	0,00	25.429.554,67	
Commodity sw aps	0,00	381.694,40	0,00	381.694,40	
Inflation sw aps	0,00	0,00	0,00	0,00	
Other derivatives	0,00	0,00	0,00	0,00	
Other	0,00	0,00	0,00	0,00	
Total (non-current)	7.251.658,84	233.940.295,32	0,00	241.191.954,16	
Derivatives used for cash flow management	0,00	7.412.146,84	64.069,48	7.476.216,32	
Interest rate sw aps	0,00	6.295.314,41	0,00	6.295.314,41	
Currency sw aps	0,00	0,00	0,00	0,00	
Commodity sw aps	0,00	1.116.832,43	64.069,48	1.180.901,91	
Inflation sw aps	0,00	0,00	0,00	0,00	
Other derivatives	0,00	0,00	0,00	0,00	
Other	0,00	0,00	0,00	0,00	
Total (current)	0,00	7.412.146,84	64.069,48	7.476.216,32	
Liabilities	Nominal	Fair value adjustments	Accrued expenses	Total	
Derivatives used for cash flow management	-148.590.952,92	-327.900.023,42	2.530.879,60	-473.960.096,74	
Interest rate sw aps	-151.629.370,10	-320.851.649,09	-909.231,66	-473.390.250,85	
Currency sw aps	3.038.417,18	-6.803.432,43	3.440.111,26	-324.903,99	
Commodity sw aps	0,00	0,00	0,00	0,00	
Inflation sw aps	0,00	-244.941,90	0,00	-244.941,90	
Other derivatives	0,00	0,00	0,00	0,00	
Other	0,00	0,00	0,00	0,00	
Total (non-current)	-148.590.952,92	-327.900.023,42	2.530.879,60	-473.960.096,74	
Derivatives used for cash flow management	0,00	-41,11	-7.366.969,89	-7.367.011,00	
Interest rate sw aps	0,00	0,00	-6.358.639,48	-6.358.639,48	
Currency sw aps	0,00	0,00	-66.820,97	-66.820,97	
Commodity sw aps	0,00	-41,11	0,00	-41,11	
Inflation sw aps	0,00	0,00	-941.509,44	-941.509,44	
Other derivatives	0,00	0,00	0,00	0,00	
Other	0,00	0,00	0,00	0,00	
Total (current)	0,00	-41,11	-7.366.969,89	-7.367.011,00	

Following the debt assumption by the Belgian State on 1 January 2005, swap contracts were concluded with the Belgian State. Capitalised interest and accrued income resulting from these derivatives has been booked together with the back-to-back receivables in Other financial assets. On 31 December 2022 this amounted to EUR 180,906,948.61 (2021: EUR 167,245,878.50).

The position held in inflation swaps is a historic position as SNCB Group does not actively manage the inflation risk.

More information about the exposure of the SNCB Group to financial risks can be found in Note 2.

11.2 Changes in financial derivative instruments table

The table below gives an exhaustive view of the changes in financial derivatives:

	Changes in derivatives							31/12/2022	
	31/12/2021	Net payments of nominal amounts	Net interest payments	Net other payments	Net interest expense	Other net expenses	Exchange impact		Adjustments to fair value
Interest rate swaps	-258.072.870,83	20.753.341,39	24.062.491,15	0,00	-23.153.917,31	0,00	0,00	90.377.377,20	-146.033.578,40
Currency swaps	25.037.829,71	14.349.462,86	-2.934.595,12	0,00	3.429.550,12	0,00	9.756.889,06	-5.685.191,17	43.953.945,46
Commodity swaps	1.562.555,20	0,00	0,00	-3.533.937,60	0,00	3.699.036,16	0,00	-730.957,40	996.696,36
Inflation swaps	-1.186.451,34	0,00	0,00	1.060.679,21	0,00	1.027.879,53	0,00	992.113,14	1.894.220,54
Total	-232.658.937,26	35.102.804,25	21.127.896,03	-2.473.258,39	-19.724.367,19	4.726.915,69	9.756.889,06	84.953.341,77	-99.188.716,04

Coupons paid and/or received under oil and inflation swaps are not considered as interest.

Note 12 - Other financial assets

12.1 General information

The other financial assets include investments in equity instruments of companies over which the SNCB Group exercises neither an authority nor significant influence and interest-bearing receivables (fixed income investments, deposits and back-to-back transactions with the State).

The table below gives a breakdown of the other financial assets according to their principle of evaluation on 31 December 2022 and on 31 December 2021.

Other financial assets					31/12/2022	TOTAL
	Nominal	Fair value adjustments	Credit Loss Allowance	Accrued income		
Non-current						
Amortised cost	266.166.710,69		-596,26	9.317.978,52		275.484.092,95
Fair value though						
other comprehensive income (Equity instruments)	116.240,35			0,00		116.240,35
profit or loss (designated)	0,00	-386.270,99		0,00		-386.270,99
profit or loss (mandatory)	180.115.039,61	0,00		956.846,50		181.071.886,11
Total non-current	446.397.990,65	-386.270,99	-596,26	10.274.825,02		456.285.948,42
Current						
Amortised cost	30.409.705,78		-20,47	434.099,41		30.843.784,72
Fair value though						
other comprehensive income (Equity instruments)	0,00	0,00		0,00		0,00
profit or loss (designated)	25.307.070,06	0,00		203.748,04		25.510.818,10
profit or loss (mandatory)	0,00	0,00		-164.937,50		-164.937,50
Total current	55.716.775,84	0,00	-20,47	472.909,95		56.189.665,32
Total other financial assets	502.114.766,49	-386.270,99	-616,73	10.747.734,97		512.475.613,74

Other financial assets					31/12/2021	TOTAL
	Nominal	Fair value adjustments	Credit Loss Allowance	Accrued income		
Non-current						
Amortised cost	249.442.165,22		-145,37	8.198.945,08		257.640.964,93
Fair value though						
other comprehensive income (Equity instruments)	102.038.184,23	-44.623.648,88		0,00		57.414.535,35
profit or loss (designated)	23.294.252,03	1.785.710,16		187.562,45		25.267.524,64
profit or loss (mandatory)	166.300.287,46	0,00		909.231,66		167.209.519,12
Total non-current	541.074.888,94	-42.837.938,72	-145,37	9.295.739,19		507.532.544,04
Current						
Amortised cost	44.143.336,95		0,00	-17.547,01		44.125.789,94
Fair value though						
other comprehensive income (Equity instruments)	0,00	0,00		0,00		0,00
profit or loss (designated)	56.740.817,80	0,00		797.861,60		57.538.679,40
profit or loss (mandatory)	0,00	0,00		36.359,38		36.359,38
Total current	100.884.154,75	0,00	0,00	816.673,97		101.700.828,72
Total other financial assets	641.959.043,69	-42.837.938,72	-145,37	10.112.413,16		609.233.372,76

The instruments valued at amortised cost mentioned above relate to receivables from the Belgian State, receivables in the context of alternative financing operations whose structure eliminates any potential credit risk and receivables relating to companies in the SNCB Group's sphere of influence.

12.2 Financial assets measured at fair value with recognition of the changes in the fair value in other comprehensive income

The table below presents the movements in the years 2022 and 2021 of the financial assets measured at fair value with recognition of the changes in the fair value in other comprehensive income.

At 31 December 2022 and 2021, the assets in question were exclusively equity instruments:

	2022		2021	
	Equity instruments	Total	Equity instruments	Total
At 1st of January	57.414.535,35	57.414.535,35	57.514.535,35	57.514.535,35
Acquisitions	1.705,00	1.705,00	9.598.594,16	9.598.594,16
Disposals	-57.300.000,00	-57.300.000,00	-1.600.000,00	-1.600.000,00
Interest income	0,00	0,00	0,00	0,00
Dividends	-616.564,43	-616.564,43	879.036,98	879.036,98
Interest received	0,00	0,00	0,00	0,00
Dividends received	616.564,43	616.564,43	-879.036,98	-879.036,98
Impairment losses through other comprehensive income	0,00	0,00	-8.098.594,16	-8.098.594,16
Transfer to/from another balance sheet item	0,00	0,00	0,00	0,00
At 31st of December	116.240,35	116.240,35	57.414.535,35	57.414.535,35
Of which				
Non-current	116.240,35	116.240,35	57.414.535,35	57.414.535,35
Current	0,00	0,00	0,00	0,00

On 7 April 2022, when the Belgian Eurostar Group company was formed, SNCB contributed its 5% shareholding in Eurostar International Ltd. We refer you to Note 4.

The following equity instruments are included in the Other financial assets of the SNCB Group:

Name	2022	2021	Location of head office
	% of voting rights		
ICRRL (*)	--	14,99%	Birmingham (UK)
Bureau Central de Clearing	4,73%	4,73%	Brussel
Eurostar International Ltd.	--	5,00%	London (UK)
Eurail BV	1,71%	--	Utrecht (NL)
Hit Rail	9,52%	9,52%	Tiel (NL)

(*) During 2022, ICCRL was liquidated.

Given that these are equity instruments held for strategic reasons where the SNCB Group does not intend to achieve any short term (trading) profit, SNCB Group has made the irrevocable choice to value its equity instruments listed under the "Other financial assets" heading at fair value and to book the changes in value in other comprehensive income.

The SNCB Group has not received any additional information that could question the existing value of the other equity instruments.

12.3 Financial assets pledged

The table below shows which parts of recognised receivables have been pledged as collateral for alternative financing transactions:

	31/12/2022				TOTAL
	Nominal	Fair value adjustments	Credit Loss Allowance	Accrued income	
Non-current					
Pledged as collateral	0,00	-331.812,65	0,00	0,00	-331.812,65
Not pledged as collateral	135.504.195,19	-54.458,34	0,00	9.317.978,52	144.767.715,37
Not part of cross-border leasing	662.515,50	0,00	-596,26	0,00	661.919,24
Total non-current	136.166.710,69	-386.270,99	-596,26	9.317.978,52	145.097.821,96
Current					
Pledged as collateral	52.148.536,36	0,00	0,00	366.458,49	52.514.994,85
Not pledged as collateral	3.568.239,49	0,00	0,00	28.725,38	3.596.964,87
Not part of cross-border leasing	0,00	0,00	-20,47	22.746,97	22.726,50
Total current	55.716.775,85	0,00	-20,47	417.930,84	56.134.686,22
Total receivables	191.883.486,54	-386.270,99	-616,73	9.735.909,36	201.232.508,18
Of which					
part of cross-border leasing	191.220.971,04	-386.270,99	0,00	9.713.162,39	200.547.862,44
not part of cross-border leasing	662.515,50	0,00	-616,73	22.746,97	684.645,74
	31/12/2021				TOTAL
	Nominal	Fair value adjustments	Credit Loss Allowance	Accrued income	
Non-current					
Pledged as collateral	23.294.252,03	1.785.710,16	0,00	187.562,45	25.267.524,64
Not pledged as collateral	119.296.820,56	0,00	0,00	8.198.945,08	127.495.765,64
Not part of cross-border leasing	145.344,66	0,00	-145,37	0,00	145.199,29
Total non-current	142.736.417,25	1.785.710,16	-145,37	8.386.507,53	152.908.489,57
Current					
Pledged as collateral	75.407.183,35	0,00	0,00	470.517,24	75.877.700,59
Not pledged as collateral	25.476.971,40	0,00	0,00	358.244,70	25.835.216,10
Not part of cross-border leasing	0,00	0,00	0,00	31,86	31,86
Total current	100.884.154,75	0,00	0,00	828.793,80	101.712.948,55
Total receivables	243.620.572,00	1.785.710,16	-145,37	9.215.301,33	254.621.438,12
Of which					
part of cross-border leasing	243.475.227,34	1.785.710,16	0,00	9.215.269,47	254.476.206,97
not part of cross-border leasing	145.344,66	0,00	-145,37	31,86	145.231,15

Note 13 - Inventories

13.1 Inventories

EUR	31/12/2022	31/12/2021
Goods, supplies and parts for rolling stock	229.600.394,02	229.799.123,97
Raw materials	2.495.167,02	2.216.548,63
Work in progress	1.457.765,01	1.661.701,22
Carrying value	233.553.326,05	233.677.373,82
Of which		
Carrying value expected to be recovered within 12 months	105.072.828,00	108.301.630,63
Carrying value expected to be recovered in more than 12 months	128.480.498,05	125.375.743,19

These are inventories of SNCB. There are no inventories carried at fair value less costs to sell.

13.2 Impairment of inventories – impact on net result

		31/12/2022	31/12/2021
	<u>Notes</u>		
Beginning of period		-163.740.522,37	-155.710.735,37
Increase in impairment of inventories	27	-30.953.847,08	-20.417.990,79
Cancelling of impairment losses on inventories because irrecoverable		15.291.072,26	12.397.038,13
Other movements		8.834,34	-8.834,34
At the end of the period		-179.394.462,85	-163.740.522,37

The impairments of inventories amounted to EUR 30,953,847.08 (EUR 20,417,990.79) in 2022 (2021) and were recognised at SNCB in the net result. For parts relating to rolling stock, the impairments recorded are based on the depreciation rate of the rolling stock to which they relate. An impairment of consumables is only recognised if the inventory turnover does not occur for at least one year. The percentage for impairment applied is determined based on the known rate of inventory turnover.

13.3 Inventories recognised in net result

	31/12/2022	31/12/2021
Purchases	-144.736.511,03	-135.923.062,52
Changes in	36.823.373,82	28.512.077,66
<i>Goods, supplies and parts for rolling stock</i>	<i>36.727.319,03</i>	<i>28.817.517,26</i>
<i>Raw materials</i>	<i>299.991,00</i>	<i>114.087,48</i>
<i>Work in progress</i>	<i>-203.936,21</i>	<i>-419.527,08</i>
Impact on net result	-107.913.137,21	-107.410.984,86
<i>Of which included in turnover</i>	<i>-227.755,73</i>	<i>-419.527,08</i>

Note 14 - Cash and cash equivalents

14.1. Cash and cash equivalents

		31/12/2022	31/12/2021
	<u>Note</u>		
Cash and cash equivalents			
Short-term deposits and commercial paper		1.200,00	64.524,77
Cash at bank		221.457.163,21	417.415.066,61
Cash in hand		2.905.042,75	2.415.391,75
Total		224.363.405,96	419.894.983,13
Cash and cash equivalents as in the statement of cash flows			
Bank overdrafts	21	0,00	0,00
		224.363.405,96	419.894.983,13

Of which:

		31/12/2022	31/12/2021
SNCB		224.291.605,03	419.751.730,85
Other subsidiaries		71.800,93	143.252,28
Carrying value		224.363.405,96	419.894.983,13

The balance of cash and cash equivalents which is not available for the SNCB Group is EUR 0.00 (EUR 63,566.22) at 31 December 2022 (2021).

The exposure of the SNCB Group to financial risks can be found in Note 2.

Note 15 - Non-current assets classified as held for sale and discontinued operations

15.1 Non-current assets held for sale and directly associated liabilities

Non-current assets held for sale and liabilities directly associated	31/12/2022	31/12/2021
Assets	28.493.118,53	22.262.810,13
Liabilities	0,00	0,00

Non-current assets held for sale as per 31 December 2022 and as per 31 December 2021 related to:

	31/12/2022	31/12/2021
Property, plant and equipment	25.767.427,49	21.249.845,38
Investment property	2.725.691,04	1.012.964,75
	28.493.118,53	22.262.810,13

Non-current assets held for sale are measured at the lower of their book value and fair value less costs of sale.

Movements of non-current assets held for sale are presented as follows at 31 December 2022:

	Property, plant and equipment	Investment property	Total
Carrying value at 1 January 2021	20.250.772,93	824.548,87	21.075.321,80
Excess	154.848,35	113.422,40	268.270,75
Transfer during period :			
Cost	42.559.898,87	5.104.265,35	47.664.164,22
Accumulated impairment	-873.930,30	-27.292,24	-901.222,54
Accumulated gain	18.751.043,67	1.257.689,88	20.008.733,55
Accumulated depreciation	-34.288.305,74	-2.783.557,79	-37.071.863,53
Disposal during period:			
Cost	-57.250.526,17	-6.218.908,29	-63.469.434,46
Accumulated impairment	1.428.813,21	18.515,57	1.447.328,78
Accumulated depreciation	30.653.913,97	2.724.281,00	33.378.194,97
Impairment after transfer to this section			
Increase	-136.683,41		-136.683,41
Carrying value at 31 December 2021	21.249.845,38	1.012.964,75	22.262.810,13
Carrying value at 1 January 2022	21.249.845,38	1.012.964,75	22.262.810,13
Excess	11.207,73	124,53	11.332,26
Transfer during period :			
Cost	114.179.669,37	12.310.494,02	126.490.163,39
Accumulated impairment	-15.561.827,27	-169.464,92	-15.731.292,19
Accumulated gain	15.732.707,19	4.216.124,02	19.948.831,21
Accumulated depreciation	-95.706.117,74	-9.290.130,81	-104.996.248,55
Disposal during period:			
Cost	-34.447.544,84	-10.781.240,18	-45.228.785,02
Accumulated impairment	1.546.311,72	124.314,70	1.670.626,42
Accumulated gain	-5.832.725,74	-3.101.786,55	-8.934.512,29
Accumulated depreciation	25.021.075,51	8.406.321,59	33.427.397,10
Impairment after transfer to this section			
Increase	-425.173,82	-2.030,11	-427.203,93
Carrying value at 31 December 2022	25.767.427,49	2.725.691,04	28.493.118,53

The 2022 transfers to non-current assets held for sale relate only to SNCB and are primarily comprised of land and buildings.

	Property, plant and equipment	Investment property	Total
As at 31 December 2021			
Cost	77.923.947,84	1.288.655,26	79.212.603,10
Accumulated impairment	-9.162.522,50	-167.279,82	-9.329.802,32
Accumulated depreciation	-47.511.579,96	-108.410,69	-47.619.990,65
Carrying value at 31 December 2021	21.249.845,38	1.012.964,75	22.262.810,13
As at 31 December 2022			
Cost	167.567.261,55	3.932.371,10	171.499.632,65
Accumulated impairment	-23.603.211,87	-212.430,04	-23.815.641,91
Accumulated depreciation	-118.196.622,19	-994.250,02	-119.190.872,21
Carrying value at 31 December 2022	25.767.427,49	2.725.691,04	28.493.118,53

15.2 Profits and losses relating to non-current assets held for sale which are not discontinued operations

	31/12/2022	31/12/2021
Impairment losses (increase)	-427.203,93	-136.683,41
Loss on sale of non-current assets held for sale	-68.980,06	-21.902,89
Gain on sale of non-current assets held for sale	21.913.407,87	79.687.589,53

The allocations and reversals of impairment losses for the period are recorded in the annual accounts under "Other operating expenses". Gains and losses for the period are recorded in the annual accounts under "Other operating income" and "Other operating expenses". The capital gains made in 2022 relate primarily to the sale of SNCB land and buildings as well as the sale of advertising devices.

Note 16 – Business combinations

In 2022, there were no business combination in the SNCB Group.

Note 17 - Share capital

Movements of capital were as follows:

	Common shares	Dividend-right share	Total
At 31 December 2022			
CAPITAL			
Subscribed amount (EUR)	249.022.345,57	0,00	249.022.345,57
Number of shares	1.053.611.251	20.000.000	1.073.611.251
At 31 December 2021			
CAPITAL			
Subscribed amount (EUR)	249.022.345,57	0,00	249.022.345,57
Number of shares	1.053.611.251	20.000.000	1.073.611.251

The share capital of SNCB Group is composed of ordinary shares belonging to the Belgian State. Dividend-right shares that do not represent the capital.

The ordinary shares are composed of:

- 333,754,509 ordinary shares with a par value of EUR 2.47893525 each, allocated to the Belgian State;
- 719,856,742 ordinary shares with a par value of EUR 3.09866906 each, allocated to the Belgian State;

Following the law on the dematerialisation of bearer shares, since 2016, bearer shares whose holders have not made themselves known are deposited at the "Caisse de Dépôt et de Consignation". On 1 January 2026, unclaimed titles will be attributed to the State.

One common share gives a right to one vote in the General Meeting. Ten dividend-right shares give a right to one vote. The Belgian State directly and indirectly (via S.F.P.I.) owns 99.97% of the voting rights.

Note 18 - Consolidated reserves

EUR	Changes in fair value via other comprehensive income	Translation differences	Net results carried forward	Total consolidated reserves
At 1 January 2021	211.577,26	30.806,07	-690.145.511,03	-689.903.127,70
Net income 31-12-2021	0,00	0,00	-24.655.521,32	-24.655.521,32
<i>Consolidated entities</i>			-11.766.336,21	-11.766.336,21
<i>Interests under equity method</i>			-12.889.185,11	-12.889.185,11
Other comprehensive income 31-12-2021	-8.098.594,16	0,00	40.053.095,62	31.954.501,46
<i>Consolidated entities</i>	-8.098.594,16		39.035.525,18	30.936.931,02
<i>Interests under equity method</i>			1.017.570,44	1.017.570,44
Total comprehensive income 31-12-2021	-8.098.594,16	0,00	15.397.574,30	7.298.980,14
Other movements in equity			2.404.553,38	2.404.553,38
Roundings			0,12	0,12
At 31 December 2021	-7.887.016,90	30.806,07	-672.343.383,23	-680.199.594,06
At 1 January 2022	-7.887.016,90	30.806,07	-672.343.383,23	-680.199.594,06
Net income 31-12-2022	0,00	0,00	52.821.800,05	52.821.800,05
<i>Consolidated entities</i>			10.425.715,61	10.425.715,61
<i>Interests under equity method</i>			42.396.084,44	42.396.084,44
Other comprehensive income 31-12-2022	0,00	0,00	120.004.000,58	120.004.000,58
<i>Consolidated entities</i>			84.787.954,67	84.787.954,67
<i>Interests under equity method</i>			35.216.045,91	35.216.045,91
Total comprehensive income 31-12-2022	0,00	0,00	172.825.800,63	172.825.800,63
Other movements in equity			-27.079,42	-27.079,42
Roundings			-0,42	-0,42
At 31 December 2022	-7.887.016,90	30.806,07	-499.544.662,44	-507.400.873,27

Note 19 - Employee benefits

19.1 Summary of employee benefits

Employee benefits recognised in the statement of financial position are broken down as follows:

	31/12/2022	31/12/2021
Liability in the statement of financial position		
Post-employment benefits	237.620.628,85	324.951.401,83
Other long-term benefits	109.024.714,07	108.266.766,46
Termination benefits	8.229.141,42	11.680.297,12
Short-term benefits (holidays only)	22.822.958,74	29.723.405,31
Total liability in the statement of financial position	377.697.443,08	474.621.870,72
- current	119.060.963,99	116.909.096,12
- non-current	258.636.479,09	357.712.774,60

Employee benefits at 31 December 2022 and at 31 December 2021 related exclusively to SNCB.

19.2 Description of employee benefits

19.2.1 Post-employment benefits

SNCB operates the following post-employment benefit plans:

1. Employer contributions to the Social Solidarity Fund

Retired statutory employees and their dependants (children and spouse) and dependants of deceased employees are covered by the Social Solidarity Fund. This fund is partially financed by the SNCB Group, with a contribution equal to a percentage of pensions paid. This contribution has been 0.75% from 1 April 2021.

2. Hospitalisation coverage

The Belgian Railways finance the premiums to a group insurance covering the hospitalisation costs in a room with two beds. This coverage applies to both active and retired statutory employees and their dependants (children and spouse), affiliated with the Social Works Fund and to active contract staff.

A social agreement has been negotiated with the trade unions for the period 2023-2024. It provides for the transfer of the cost of hospitalisation insurance granted to retired statutory staff to the social works fund from 1 July 2023, in order to ensure its sustainability. This transfer will lead to a reversal of the IAS 19 "Hospitalisation insurance" provision from 30 June 2023.

3. Benefits in case of work accident

Since statutory employees do not benefit from the legal protection in cases of work accidents, a system unique to the Belgian Railways was established. Based on this system, employees and their dependants are entitled to compensation in the case of a work accident, both at work and on the way to work, or in case of occupational diseases. Benefits include the reimbursement of

medical care, life annuities, which are dependent on the degree of disability, and annuities and allowances for dependants in case of death following a work accident.

4. Pension plans

Since 1 January 2007, the Belgian State took over the pension liabilities for the statutory employees, which were previously borne by the Belgian Railways. The liability of the Belgian Railways is now limited to the payment of the employer's contributions to the State. A defined contribution pension plan is applicable for a limited number of employees. As these pension plans are adequately financed, they do not generate any debt relating to employee benefits.

Furthermore, defined contribution plans are in place in some subsidiaries.

Except for the hospitalisation insurance and the defined contribution pension plans that are insured by an insurance company, the post-employment benefits are not pre-financed in an external fund and are therefore not financed by any underlying assets or reimbursement rights.

19.2.2 Other long-term employee benefits

The following other long-term employee benefits are granted to employees:

1. Jubilee premiums

Civic awards are paid to employees after a certain number of years of service.

2. Additional holidays based on age

Additional days off are granted to statutory employees as from the age of 45 and 50. A corresponding liability is recognised only for the employees for whom benefits need to be paid.

3. Credit days

Credit days granted to employees may be carried over more than 12 months after the end of the closing date of the accounting year. According to the revised IAS 19 standard, these benefits must be recognised as other long-term employee benefits.

4. Loyalty premiums for train drivers

A loyalty premium is granted to train drivers in service when the seniority of service reaches 18 years.

There are no underlying assets and no reimbursement rights to cover these benefits.

19.2.3 Termination benefits

Part-time work

Part-time compensation systems exist for certain categories of staff. These are voluntary part-time work schemes, whereby an additional allowance is provided which partially compensates the loss of working hours. Only the indemnities granted to the employees who joined the scheme until 2006 (date of the scheme change) are now considered as termination benefits.

There are no underlying assets and no reimbursement rights to cover these benefits.

19.3 Employee benefits (except for short term)

The following amounts for employee benefits are recognised in the income statement:

	31/12/2022			Total	31/12/2021			Total
	Post employment benefits	Other long term benefits	Termination benefits		Post employment benefits	Other long term benefits	Termination benefits	
Amount recognised in the statement of financial position								
Defined benefit obligation end of period	237.620.628,85	109.024.714,07	8.229.141,42	354.874.484,34	324.951.401,83	108.266.766,46	11.680.297,12	444.898.465,41
Fair value of plan assets end of period	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total	237.620.628,85	109.024.714,07	8.229.141,42	354.874.484,34	324.951.401,83	108.266.766,46	11.680.297,12	444.898.465,41
<i>Of which : Net liability recognised</i>	<i>237.620.628,85</i>	<i>109.024.714,07</i>	<i>8.229.141,42</i>	<i>354.874.484,34</i>	<i>324.951.401,83</i>	<i>108.266.766,46</i>	<i>11.680.297,12</i>	<i>444.898.465,41</i>
<i>Of which : Unfunded plans</i>	<i>237.620.628,85</i>	<i>109.024.714,07</i>	<i>8.229.141,42</i>	<i>354.874.484,34</i>	<i>324.951.401,83</i>	<i>108.266.766,46</i>	<i>11.680.297,12</i>	<i>444.898.465,41</i>

The amounts relating to defined benefit plans recognised in comprehensive income are detailed as follows:

	31/12/2022			Total	31/12/2021			Total
	Post employment benefits	Other long term benefits	Termination benefits		Post employment benefits	Other long term benefits	Termination benefits	
Defined benefit cost								
Current service cost	9.369.070,27	53.231.225,64	0,00	62.600.295,91	13.905.853,60	49.204.304,92	36.518,62	63.146.677,14
Net interest (*)	3.436.004,88	274.823,40	49.412,64	3.760.240,92	1.592.411,52	70.881,00	5.278,32	1.668.570,84
Remeasurements (other long terms and termination benefits)	-	-8.464.321,07	-2.600.788,91	-11.065.109,98	-	-1.928.234,01	-1.144.086,87	-3.072.320,88
Transfers	-38.178,72	31.261,15	54.433,97	47.516,40	39.345,75	133.554,74	107.366,22	280.266,71
Past service cost	-2.756.677,97	0,00	0,00	-2.756.677,97	0,00	0,00	0,00	0,00
Total Defined benefit cost	10.010.218,46	45.072.989,12	-2.496.942,30	62.586.265,28	15.537.610,87	47.409.506,65	-994.923,71	62.023.193,61
<i>included in</i>								
<i>payroll and related benefits</i>	<i>28 6.574.213,58</i>	<i>44.798.165,72</i>	<i>-2.546.354,94</i>	<i>48.826.024,36</i>	<i>13.945.199,35</i>	<i>47.409.625,65</i>	<i>-1.000.202,03</i>	<i>60.354.622,97</i>
<i>finance costs</i>	<i>29 3.436.004,88</i>	<i>274.823,40</i>	<i>49.412,64</i>	<i>3.760.240,92</i>	<i>1.592.411,52</i>	<i>70.881,00</i>	<i>5.278,32</i>	<i>1.668.570,84</i>
Included in statement of other comprehensive income	-83.072.315,20			-83.072.315,20	-39.495.681,17			-39.495.681,17

In a new agreement concluded in March 2022 with the unions, it was decided, among other things, that the bonus of EUR 10 paid to pensioners affiliated to a union would no longer be paid, with retroactive effect from 1 January 2022. The corresponding liability is included (- EUR 2,756,677.97).

According to the revised IAS 19 standard, actuarial gains and losses on post-employment benefits are recognised in other comprehensive income. Actuarial gains and losses relating to other long-term benefits and termination benefits are recognised in comprehensive income.

The total amount of premiums paid in 2022 by the SNCB Group related to defined contribution plans amounted to EUR 4,778,372.07.

The change in the defined benefit obligation and in the fair value of plan assets during the reporting period can be summarised as follows:

	31/12/2022			Total	31/12/2021			Total
	Post employment benefits	Other long term benefits	Termination benefits		Post employment benefits	Other long term benefits	Termination benefits	
Defined benefit obligation								
As at 1 January	324.951.401,83	108.266.766,46	11.680.297,12	444.898.465,41	361.903.025,80	102.208.316,89	13.823.938,35	477.935.281,04
Current service cost	9.369.070,27	53.231.225,64	0,00	62.600.295,91	13.905.853,60	49.204.304,92	36.518,62	63.146.677,14
Past service cost (plan changes and curtailment)	-2.756.677,97	0,00	0,00	-2.756.677,97	0,00	0,00	0,00	0,00
Interest cost	3.436.004,88	274.823,40	49.412,64	3.760.240,92	1.592.411,52	70.881,00	5.278,32	1.668.570,84
Actuarial (gains) / losses	-83.072.315,20	-8.464.321,07	-2.600.788,91	-94.137.425,18	-39.495.681,17	-1.928.234,01	-1.144.086,87	-42.568.002,05
Benefits paid	-14.268.676,24	-44.315.041,51	-954.213,40	-59.537.931,15	-12.993.553,67	-41.422.057,08	-1.148.717,52	-55.564.328,27
Transfers	-38.178,72	31.261,15	54.433,97	47.516,40	39.345,75	133.554,74	107.366,22	280.266,71
Present value of the obligation at the end of the period	237.620.628,85	109.024.714,07	8.229.141,42	354.874.484,34	324.951.401,83	108.266.766,46	11.680.297,12	444.898.465,41

The split of the defined benefit obligation, separately for the active employees and for the non-active members (pensioners and dependants) is as follows:

	31/12/2022				31/12/2021			
	Post employment benefits	Other long term benefits	Termination benefits	Total	Post employment benefits	Other long term benefits	Termination benefits	Total
Defined benefit obligation at the end of the period								
Liability relative to active members	50.562.706,41	109.024.714,07	8.229.141,42	167.816.561,90	91.874.500,15	108.266.766,46	11.680.297,12	211.821.563,73
Liability relative to pensioners and non-active members (beneficiaries, ...)	187.057.922,44	0,00	0,00	187.057.922,44	233.076.901,68	0,00	0,00	233.076.901,68
Total Defined benefit obligation at the end of the period	237.620.628,85	109.024.714,07	8.229.141,42	354.874.484,34	324.951.401,83	108.266.766,46	11.680.297,12	444.898.465,41

The reconciliation with the statement of financial position is as follows:

	31/12/2022				31/12/2021			
	Post employment benefits	Other long term benefits	Termination benefits	Total	Post employment benefits	Other long term benefits	Termination benefits	Total
Funded status								
Defined benefit obligation as at 1 January	324.951.401,83	108.266.766,46	11.680.297,12	444.898.465,41	361.903.025,80	102.208.316,89	13.823.938,35	477.935.281,04
Fair value of plan assets as at 1 January	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total	324.951.401,83	108.266.766,46	11.680.297,12	444.898.465,41	361.903.025,80	102.208.316,89	13.823.938,35	477.935.281,04
Unrecognised amount due to effect of the asset ceiling	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Amount recognised in the statement of financial position								
As at 1 January	324.951.401,83	108.266.766,46	11.680.297,12	444.898.465,41	361.903.025,80	102.208.316,89	13.823.938,35	477.935.281,04
Total expense recognised in the profit or loss	10.010.218,46	45.072.989,12	-2.496.942,30	52.586.265,28	15.537.610,87	47.480.506,85	-994.923,71	62.023.193,81
Actuarial (gains) / losses in other comprehensive income	-83.072.315,20	-	-	-83.072.315,20	-39.495.681,17	-	-	-39.495.681,17
Employer contributions / benefits paid directly by employer	-14.268.676,24	-44.315.041,51	-954.213,40	-59.537.931,15	-12.993.553,67	-41.422.057,08	-1.148.717,52	-55.564.328,27
At the end of the period	237.620.628,85	109.024.714,07	8.229.141,42	354.874.484,34	324.951.401,83	108.266.766,46	11.680.297,12	444.898.465,41

For 2023, the SNCB Group expects that contributions and benefits paid directly will equal EUR 13.5 million for post-employment benefits, EUR 53.2 million (including credit days) for long-term employee benefits and EUR 0.8 million for termination benefits.

19.4 Split of actuarial gains and losses

The actuarial gains and losses are split as follows:

	31/12/2022				31/12/2021			
	Post employment benefits	Other long term benefits	Termination benefits	Total	Post employment benefits	Other long term benefits	Termination benefits	Total
Actuarial (gains) / losses								
(Gain) / loss due to changes in financial assumptions	-117.461.174,71	-8.255.404,44	-1.911.662,55	-127.628.241,70	-37.926.541,16	-2.029.735,90	-378.394,47	-40.334.671,53
(Gain) / loss due to changes in demographic assumptions	-422.895,12	0,00	0,00	-422.895,12	630.083,86	0,00	0,00	630.083,86
Experience (gain) / loss	34.811.754,63	-208.916,63	-689.126,36	33.913.711,64	-2.199.223,87	101.501,89	-765.692,40	-2.863.414,38
Total actuarial (gains) / losses	-83.072.315,20	-8.464.321,07	-2.600.788,91	-94.137.425,18	-39.495.681,17	-1.928.234,01	-1.144.086,87	-42.568.002,05

19.5 Actuarial assumptions and sensitivity analysis

Actuarial assumptions

The employee benefits are calculated on an actuarial basis, based on the projected unit credit method. The main underlying parameters (financial and demographic assumptions) used in the calculation of the liability can be summarised as follows:

Actuarial assumptions at closing

	31/12/2022	31/12/2021
Discount rate		
Post-employment benefits	3,80%	1,07%
Other long-term benefits	0%-3,80%	0%-0,82%
Termination benefits	3,66%	0%-0,44%
Expected return on plan assets	0,00%	0,00%
Inflation rate	2,00%	2,00%
Medical cost increase	3,00%	3,00%
Mortality tables	MR et MR-3 (si nés après 1961)/FR	MR et MR-3 (si nés après 1961)/FR

As per 31 December, the discount rate used to discount the liabilities was determined by reference to the market rate at the closing date for first class corporate bonds with a similar maturity to the liabilities (source: Bloomberg).

The assumption of increased medical costs (including inflation) was determined based on the current contract. All assumptions represent the best estimate of the SNCB Group.

Weighted average duration

	31/12/2022	31/12/2021
Post-employment benefits	15,05	17,65
Other long-term benefits (*)	9,33	10,84
Termination benefits	6,62	7,99
Weighted average duration	14,11	16,61

(*) does not take into account the liability relative to the credit days

The assumptions relating to mortality are based on the official Belgian mortality tables and on the experience observed within the Belgian Railways.

Life expectancy at retirement

	Personnel actif (espérance de vie à la retraite)	Inactifs
Men	23,73	14,21
Women	24,90	11,04

Sensitivity analysis

	Impact on liability as at 31/12/2022	
	Increase	Decrease
Discount rate (0,5% change)		
Post-employment benefits	-16.571.451,89	17.913.220,80
Other long-term benefits (*)	-1.154.812,90	1.210.210,69
Termination benefits	-257.987,88	267.646,20
Medical cost increase (1% change)	7.760.063,51	-6.205.315,60
	6.585.638,31	-
Mortality (change of life expectancy with 1 year)	16.124.872,34	-

Note 20 - Provisions

Movements in the provisions over the years 2022 and 2021 can be summarised as follows:

	Legal claims	Environmental provisions	Other provisions	Total
As at 1 January 2021	41.370.390,94	133.530.156,71	11.343.307,95	186.243.855,60
<u>Of which</u>				
Non-current	8.314.851,95	68.584.301,11	6.624.886,07	83.524.039,13
Current	33.055.538,99	64.945.855,60	4.718.421,88	102.719.816,47
Included in statement of comprehensive income				
Increase of the year	8.547.708,04	8.493.958,56	1.518.017,74	18.559.684,34
Utilization of the year	-9.490.702,98	-6.766.273,35	-2.026.992,40	-18.283.968,73
Decrease of the year (unused)	-5.349.635,16	-1.771.632,78	-78.563,34	-7.199.831,28
Change in discount rates		-2.712.111,10		-2.712.111,10
Unwinding of discount	39.340,72			39.340,72
Transfer - other			-1.540.144,19	-1.540.144,19
As at 31 December 2021	35.117.101,56	130.774.098,04	9.215.625,76	175.106.825,36
<u>Of which</u>				
Non-current	6.764.008,05	51.970.427,63	8.103.928,39	66.838.364,07
Current	28.353.093,51	78.803.670,41	1.111.697,37	108.268.461,29

	Legal claims	Environmental provisions	Other provisions	Total
As at 1 January 2022	35.117.101,56	130.774.098,04	9.215.625,76	175.106.825,36
<u>Of which</u>				
Non-current	6.764.008,05	51.970.427,63	8.103.928,39	66.838.364,07
Current	28.353.093,51	78.803.670,41	1.111.697,37	108.268.461,29
Included in statement of comprehensive income				
Increase of the year	3.344.228,44	5.905.307,13	11.920.104,12	21.169.639,69
Utilization of the year	-1.127.029,35	-1.689.271,14	-210.859,35	-3.027.159,84
Decrease of the year (unused)	-2.043.682,84	-4.946.014,69	-9.846,36	-6.999.543,89
Change in discount rates	-1.127.253,84	-5.757.627,62		-6.884.881,46
Unwinding of discount		14.741,15		14.741,15
Transfer to non-current assets held for sale				0,00
Transfer - other				0,00
As at 31 December 2022	34.163.363,97	124.301.232,87	20.915.024,17	179.379.621,01
<u>Of which</u>				
Non-current	11.496.068,52	34.592.937,02	8.429.962,82	54.518.968,36
Current	22.667.295,45	89.708.295,85	12.485.061,35	124.860.652,65

The provision for legal claims represents the present value of the best estimate of resource outflows embodying economic benefits over 20 years because of legal claims filed against the SNCB Group. It is adjusted at the closing date on the basis of a re-estimation by Legal Affairs of the risks incurred in the context of ongoing litigation and the discounted value of expected future cash flows using the IRS curve. At 31 December 2022, it amounted to EUR 34,163,363.97 and concerned SNCB (EUR 34,003,363.97) almost exclusively.

The provision for soil remediation is the present value of the estimated cost of work to be executed over a period of 20 years in respect of legal and constructive obligations for the decontamination of the land. It was constituted to cover long-term land decontamination costs based on the estimated costs of the technical services and their timing and the yield curve. It exclusively concerns SNCB and amounted to EUR 124,301,232.87 as at 31 December 2022.

Note 21 - Financial liabilities

21.1 Financial liabilities

This note provides information about the contractual terms of the Group's interest-bearing loans. For more information about the SNCB Group's exposure to interest rate, exchange rate and liquidity risks, see Note 2.

The following table gives a detailed overview by type, separately for current and non-current financial liabilities:

Financial liabilities		31/12/2022				TOTAL
	Notes	Net debt			Other	
		Nominal	Fair value adjustments	Accrued expenses	Other	
Non-current financial liabilities						
Borrowings with financial institutions		1.675.476.426,68	0,00	4.228.427,33	0,00	1.679.704.854,01
Bonds		475.307.512,05	0,00	5.511.033,67	0,00	480.818.545,72
Lease liabilities	21.2	22.241.283,72	0,00	0,00	0,00	22.241.283,72
Other financial liabilities		226.354.920,42	6.904.709,43	11.419.786,76	0,00	244.679.416,61
Total		2.399.380.142,87	6.904.709,43	21.159.247,76	0,00	2.427.444.100,06
Current financial liabilities						
Bank overdrafts	14	0,00	0,00	0,00	0,00	0,00
Borrowings with financial institutions		346.607.114,96	0,00	4.523.929,58	0,00	351.131.044,54
Bonds		0,00	0,00	5.493.357,53	0,00	5.493.357,53
Lease liabilities	21.2	9.519.579,32	0,00	58.719,35	0,00	9.578.298,67
Commercial paper		49.969.003,40	0,00	0,00	0,00	49.969.003,40
Other financial liabilities		32.183.101,90	469.944,77	1.847.360,77	0,00	34.500.407,44
Total		438.278.799,58	469.944,77	11.923.367,23	0,00	450.672.111,58
Total financial liabilities		2.837.658.942,45	7.374.654,20	33.082.614,99	0,00	2.878.116.211,64
Financial liabilities		31/12/2021				TOTAL
	Notes	Net debt			Other	
		Nominal	Fair value adjustments	Accrued expenses	Other	
Non-current financial liabilities						
Borrowings with financial institutions		1.610.994.804,24	0,00	3.760.905,01	0,00	1.614.755.709,25
Bonds		468.636.707,26	0,00	5.242.965,22	0,00	473.879.672,48
Lease liabilities	21.2	30.192.518,74	0,00	0,00	0,00	30.192.518,74
Other financial liabilities		235.090.982,98	20.143.061,84	11.685.930,02	0,00	266.919.974,84
Total		2.344.915.013,22	20.143.061,84	20.689.800,25	0,00	2.385.747.875,31
Current financial liabilities						
Bank overdrafts	14	0,00	0,00	0,00	0,00	0,00
Borrowings with financial institutions		404.885.007,86	0,00	3.572.340,03	0,00	408.457.347,89
Bonds		0,00	0,00	5.493.357,53	0,00	5.493.357,53
Lease liabilities	21.2	9.351.244,12	0,00	58.871,07	0,00	9.410.115,19
Commercial paper		0,00	0,00	0,00	0,00	0,00
Other financial liabilities		131.437.017,24	0,00	2.945.399,11	0,00	134.382.416,35
Total		545.673.269,22	0,00	12.069.967,74	0,00	557.743.236,96
Total financial liabilities		2.890.588.282,44	20.143.061,84	32.759.767,99	0,00	2.943.491.112,27

	31/12/2022	31/12/2021
Non-current financial liabilities		
SNCB	2.425.463.287,71	2.382.899.808,67
Subsidiaries	1.980.812,35	2.848.066,64
Carrying value	2.427.444.100,06	2.385.747.875,31
Current financial liabilities		
SNCB	448.861.271,35	556.120.908,05
Subsidiaries	1.810.840,23	1.622.328,91
Carrying value	450.672.111,58	557.743.236,96

Table of changes in financial liabilities

The table below gives an exhaustive view of the changes in financial liabilities:

	Changes in financial liabilities							31/12/2022
	31/12/2021	New transactions	Payments	Interest expense	Exchange impact	Adjustments to fair value	Other	
Bank overdrafts	0,00	0,00	-1.993.780,15	1.993.780,15	0,00	0,00	0,00	0,00
Borrowings with financial institutions	2.023.213.057,14	357.516.803,93	-383.035.465,07	27.466.445,47	5.675.057,08	0,00	0,00	2.030.835.898,55
Bonds	479.373.030,01	6.670.804,79	-15.530.004,79	15.798.073,24	0,00	0,00	0,00	486.311.903,25
Lease liabilities	39.602.633,93	2.101.906,57	-10.767.289,78	1.152.400,56	0,00	0,00	-270.068,89	31.819.582,39
Commercial paper	0,00	49.969.003,40	-153.045,69	153.045,69	0,00	0,00	0,00	49.969.003,40
Other financial liabilities	401.302.391,19	14.657.682,04	-148.543.402,09	16.708.398,62	7.823.161,93	-12.768.407,64	0,00	279.179.824,05
Total	2.943.491.112,27	430.916.200,73	-560.022.987,57	63.272.143,73	13.498.219,01	-12.768.407,64	-270.068,89	2.878.116.211,64

New transactions entered into by the SNCB Group include, excluding capitalisation of interest:

- recognition of lease liabilities in application of IFRS 16 for an amount of EUR 2,101,906.24;
- a number of long term financing agreements for a total amount of EUR 350 million at fixed interest rates entered into with the European Investment Bank and EUR 250 million at variable interest rates concluded with Eurofima for a period of 8 to 11 years;
- The issuance of commercial paper for an amount of EUR 49,969,003.40;
- short-term transactions with related companies outside the scope of consolidation.

The anticipated end of certain leasing transactions led to a derecognition of leasing liabilities for a total of EUR 270,068.89.

Total payments may be subdivided into repayments of the nominal amount of existing debt (EUR 497,073,690.84) and interest payments (EUR 62,949,296.73). Changes in the fair value of the debt are recognised in net income (- EUR 11,052,768.17) and in other comprehensive income (- EUR 1,715,639.47: component of the credit risk specific to the SNCB Group under IFRS 9).

For the fair value of financial liabilities, see Note 32.

Characteristics of the financial liabilities

The following table divides the different financial debts by issue currency, type of coupon and maturity.

Characteristics of the financial liabilities		31/12/2022			
	Currency	Coupon	Final maturity	Nominal (Currency)	Carrying amount (EUR)
Bank overdrafts	EUR	N/A	< 1 year	0,00	0,00
	<i>Total EUR</i>			<i>0,00</i>	<i>0,00</i>
Total bank overdrafts					0,00
Borrowings with financial institutions	EUR	Floating	< 1 year	125.000.000,00	125.597.083,34
			1 - 2 years	60.900.000,00	61.086.915,50
			2 - 5 years	70.982.595,17	71.153.724,38
			> 5 years	409.402.000,00	410.276.334,26
		0% - 2%	< 1 year	200.000.000,00	200.615.000,00
			1 - 2 years	114.350.000,00	114.846.056,66
			2 - 5 years	171.651.300,00	171.740.342,68
			> 5 years	606.200.000,00	606.533.395,92
		2% - 4%	1 - 2 years	15.000.000,00	15.169.085,55
			2 - 5 years	150.000.000,00	150.911.230,56
	<i>Total EUR</i>			<i>1.923.485.895,17</i>	<i>1.927.929.168,85</i>
	USD	4% - 6%	< 1 year	6.758.772,71	6.699.109,01
			2 - 5 years	6.605.221,87	6.547.589,03
			> 5 years	35.004.730,20	34.706.070,57
		6% - 8%	2 - 5 years	28.863.256,69	27.879.407,67
			> 5 years	28.031.350,64	27.074.553,42
	<i>Total USD</i>			<i>105.263.332,11</i>	<i>102.906.729,70</i>
Total borrowings with financial institutions					2.030.835.898,55
Bonds	EUR	Zero Coupon	> 5 years	213.000.000,00	137.621.132,46
		0% - 2%	> 5 years	190.000.000,00	189.882.399,24
		2% - 4%	> 5 years	100.000.000,00	102.287.729,50
		4% - 6%	2 - 5 years	55.000.000,00	56.520.642,05
	<i>Total EUR</i>			<i>558.000.000,00</i>	<i>486.311.903,25</i>
Total bonds					486.311.903,25
Lease liabilities	EUR	0% - 2%	< 1 year	34.720,16	34.720,16
			1 - 2 years	2.708.567,41	2.708.553,10
			2 - 5 years	11.737.609,62	11.737.609,62
			> 5 years	5.282.723,02	5.282.723,02
		2% - 4%	2 - 5 years	1.359.183,66	1.359.183,66
			> 5 years	7.271.175,80	7.329.909,46
		> 10%	2 - 5 years	3.366.883,37	3.366.883,37
	<i>Total EUR</i>			<i>31.760.863,04</i>	<i>31.819.582,39</i>
Total lease liabilities					31.819.582,39
Commercial paper	EUR	Floating	< 1 year	50.000.000,00	49.969.003,40
	<i>Total EUR</i>			<i>50.000.000,00</i>	<i>49.969.003,40</i>
Total commercial paper					49.969.003,40
Other financial liabilities	EUR	Floating	< 1 year	2.741,88	2.741,88
		0% - 2%	1 - 2 years	4.500.000,00	4.500.910,00
			2 - 5 years	10.500.000,00	10.506.203,34
			> 5 years	45.000.000,00	45.000.000,00
	<i>Total EUR</i>			<i>60.002.741,88</i>	<i>60.009.855,22</i>
	USD	4% - 6%	< 1 year	25.219.851,92	24.095.098,79
			> 5 years	33.587.801,56	33.269.854,57
		6% - 8%	< 1 year	9.132.682,40	9.138.078,61
			2 - 5 years	67.898.375,24	69.246.014,00
			> 5 years	76.097.700,73	83.420.922,86
	<i>Total USD</i>			<i>211.936.411,85</i>	<i>219.169.968,83</i>
Total other financial liabilities					279.179.824,05
Total financial liabilities					2.878.116.211,64

Characteristics of the financial liabilities		31/12/2021				
	Currency	Coupon	Final maturity	Nominal (Currency)	Carrying amount (EUR)	
Bank overdrafts	EUR	N/A	< 1 year	0,00	0,00	
	<i>Total EUR</i>			<i>0,00</i>	<i>0,00</i>	
Total bank overdrafts					0,00	
Borrowings with financial institutions	EUR	Floating	1 - 2 years	125.000.000,00	124.973.986,11	
			2 - 5 years	60.900.000,00	60.876.156,03	
			> 5 years	237.372.726,64	237.222.740,54	
		0% - 2%	1 - 2 years	200.000.000,00	200.615.000,00	
			2 - 5 years	286.001.300,00	286.584.569,31	
			> 5 years	606.200.000,00	606.532.673,16	
		2% - 4%	1 - 2 years	400.000.000,00	399.901.223,05	
			2 - 5 years	15.000.000,00	15.159.493,86	
	<i>Total EUR</i>			<i>1.930.474.026,64</i>	<i>1.931.865.842,06</i>	
	USD	4% - 6%	1 - 2 years	6.392.856,38	5.963.002,05	
			2 - 5 years	6.246.971,95	5.827.527,98	
			> 5 years	33.099.685,58	30.883.277,79	
		6% - 8%	2 - 5 years	12.044.735,23	10.948.541,71	
			> 5 years	41.503.238,74	37.724.865,55	
	<i>Total USD</i>			<i>99.287.487,88</i>	<i>91.347.215,08</i>	
Total borrowings with financial institutions					2.023.213.057,14	
Bonds	EUR	Zero Coupon	> 5 years	213.000.000,00	130.862.931,40	
		0% - 2%	> 5 years	190.000.000,00	189.818.244,18	
		2% - 4%	> 5 years	100.000.000,00	102.273.876,92	
		4% - 6%	2 - 5 years	55.000.000,00	56.417.977,51	
	<i>Total EUR</i>			<i>558.000.000,00</i>	<i>479.373.030,01</i>	
Total bonds					479.373.030,01	
Lease liabilities	EUR	0% - 2%	< 1 year	32.875,37	32.875,37	
			1 - 2 years	428.633,20	428.633,20	
			2 - 5 years	21.921.447,40	21.921.425,95	
			> 5 years	5.665.012,85	5.665.012,85	
		2% - 4%	> 5 years	7.290.842,42	7.349.734,94	
		> 10%	2 - 5 years	4.204.951,62	4.204.951,62	
	<i>Total EUR</i>			<i>39.543.762,86</i>	<i>39.602.633,93</i>	
Total lease liabilities					39.602.633,93	
Commercial paper	EUR	Floating	< 1 year	0,00	0,00	
	<i>Total EUR</i>			<i>0,00</i>	<i>0,00</i>	
Total commercial paper					0,00	
Other financial liabilities	EUR	Floating	< 1 year	1.133.000,00	1.133.000,00	
		0% - 2%	2 - 5 years	12.000.000,00	12.004.973,50	
			> 5 years	48.000.000,00	48.002.495,50	
		4% - 6%	< 1 year	76.587.688,54	76.640.578,94	
	<i>Total EUR</i>			<i>137.720.688,54</i>	<i>137.781.047,94</i>	
	USD	4% - 6%	< 1 year	60.933.117,46	59.002.665,34	
			1 - 2 years	23.914.168,88	24.521.544,06	
			> 5 years	31.759.869,75	29.605.257,62	
		6% - 8%	1 - 2 years	8.548.898,50	8.645.166,56	
			2 - 5 years	36.105.207,91	35.345.456,28	
			> 5 years	98.286.311,49	106.401.253,39	
	<i>Total USD</i>			<i>259.547.573,99</i>	<i>263.521.343,25</i>	
Total other financial liabilities					401.302.391,19	
Total financial liabilities					2.943.491.112,27	

21.2 Financial liabilities relating to leases

The due dates of the leasing liabilities are as follows:

	Less than one year	Between one and five years	More than five years	Total
Present value of future minimum lease payments - 31/12/2022				
Future minimum lease payments	10.471.781,11	13.841.526,51	21.921.701,62	46.235.009,24
Interest / Future finance charges on contracts	-893.482,44	-1.676.580,36	-11.845.364,05	-14.415.426,85
Total	9.578.298,67	12.164.946,15	10.076.337,57	31.819.582,39
Present value of future minimum lease payments - 31/12/2021				
Future minimum lease payments	10.493.362,96	21.962.357,28	22.662.454,11	55.118.174,35
Interest / Future finance charges on contracts	-1.083.247,77	-2.310.452,37	-12.121.840,28	-15.515.540,42
Total	9.410.115,19	19.651.904,91	10.540.613,83	39.602.633,93

With the exception of short-term leases, those whose underlying amount is of low value and those which are not considered leases pursuant to IFRS 16, leases entered into by the SNCB Group were:

- leasehold contracts for buildings with a duration of 20 to 93 years without a purchase option;
- leases of buildings and land with a term of 2 to 15 years without a purchase option;
- 3-year rolling stock leases with a 3-year extension option (exercised) without a purchase option;
- 4-5 year company car leases without a purchase option;
- lease contracts for various assets (forklifts, etc.) for a period of 2 to 8 years without a purchase option.

Note 22 - Deferred and current tax assets/liabilities

EUR	31/12/2022	31/12/2021
Current taxes		
Current tax receivables	1.533.595,03	1.594.868,95
Current tax debts	-69.433,85	-185.411,36
Net position for current taxes	1.603.028,88	1.780.280,31
Deferred taxes		
Deferred tax assets	0,00	0,00
Deferred tax liabilities	0,00	-1.199.518,52
Net position of deferred taxes	0,00	-1.199.518,52

Movements during the year can be summarised as follows:

EUR	31/12/2022	31/12/2021
Deferred tax assets		
As at 1 January	0,00	0,00
Taxes recognized in net result	0,00	0,00
Taxes recognized in other comprehensive income	0,00	0,00
As at 31 December	0,00	0,00

EUR	31/12/2022	31/12/2021
Deferred tax liabilities		
As at 1 January	-1.199.518,52	-1.554.247,77
Taxes recognized in net result	1.199.518,52	348.064,90
Other movements	0,00	6.664,35
As at 31 December	0,00	-1.199.518,52

Following the merger with Publifer, the deferred tax liability recognised since 2017 (following the business combination carried out in stages and the valuation at fair value of the assets acquired during this combination) was cancelled in 2022.

	31/12/2022	31/12/2021
Deferred tax assets		
Tax losses carried forward and other fiscal deductions	284.413.883,71	264.256.508,60
Provision for legal claims, soil remediation, derivatives, ...	11.310.026,06	13.338.905,89
Liabilities for employee benefits	33.358.273,86	39.172.664,84
Write down on trade and other receivables	2.243.766,72	1.028.087,77
Financial instruments at fair value	0,00	21.026.303,65
Gross deferred tax assets	331.325.950,34	338.822.470,74
Deferred tax liabilities		
Property, plant and equipment and investment property	9.615.645,94	11.016.916,68
Financial instruments at fair value	286.762,13	
Gross deferred tax liabilities	9.902.408,07	11.016.916,68
Less unrecognized deferred tax assets	-321.423.542,27	-329.005.072,58
Net position of deferred taxes	0,00	-1.199.518,52

The other tax deductions relate to investment credits. Investment credits and tax losses that can be carried forward have an economic value which is recognised in the accounts in the form of a deferred tax asset when it is probable that these investment credits and tax losses can be used for taxable profits expected in future accounting years.

The ability of the SNCB Group to recover deferred tax assets is assessed through an analysis based in particular on business plans and on the vagaries of economic conditions and the uncertainties of the markets in which the SNCB Group operates. In view of the various uncertainties described above, the Group based its analysis on a time horizon of three years. Given certain

uncertainties about future forecasts (in particular for 2023 which is the first year of application of the public service contract), the SNCB Group did not recognise any deferred tax assets relating to tax losses carried forward and investment credits as of 31 December 2022.

Note 23 - Trade payables

EUR		31/12/2022			31/12/2021		
		Financial instruments	Other	Total	Financial instruments	Other	Total
		<u>Note</u>					
Non-current trade payables							
	Advances received relative to construction contracts	10		0,00		0,00	1.745.953,45
	Total		0,00	0,00	0,00	1.745.953,45	1.745.953,45
Current trade payables							
	Public authorities		175,21	175,21	52,73		52,73
	Suppliers		476.160.548,67	12.972.146,64	489.132.695,31	361.859.999,89	14.797.825,37
	Advances received relative to construction contracts	10		6.476.922,07	6.476.922,07		4.431.039,41
	Total		476.160.723,88	19.449.068,71	495.609.792,59	361.860.052,62	19.228.864,78
	Total trade payables		476.160.723,88	19.449.068,71	495.609.792,59	361.860.052,62	20.974.818,23

Of which:

EUR		31/12/2022			31/12/2021		
		Financial instruments	Other	Total	Financial instruments	Other	Total
Non-current							
	SNCB			0,00	0,00	1.745.953,45	1.745.953,45
	Other subsidiaries			0,00	0,00	0,00	0,00
	Carrying value		0,00	0,00	0,00	1.745.953,45	1.745.953,45
Courant							
	SNCB		465.177.481,06	19.449.068,71	484.626.549,77	347.595.274,22	19.228.864,78
	Other subsidiaries		10.983.242,82		10.983.242,82	14.264.778,40	14.264.778,40
	Carrying value		476.160.723,88	19.449.068,71	495.609.792,59	361.860.052,62	19.228.864,78

At SNCB, non-current trade payables relate to advances received under co-financing contracts.

Note 24 - Social debts

EUR	31/12/2022	31/12/2021
Withholding tax	44.490,07	42.489,95
Social security contributions	711,02	283.558,14
Wages	-746,46	11.435,48
Holiday pay	71.873.389,04	64.045.016,47
Other social debts	47.253.040,89	38.936.443,60
Total	119.170.884,56	103.318.943,64
Of which		
Social debts that are due	1.832.850,58	1.869.919,48
Social debts not yet due	117.338.033,98	101.449.024,16

On 31 December 2022 (2021), SNCB's share in social debts was EUR 113,311,881.73 (EUR 98,086,251.40). The subsidiaries' share in total social debt was EUR 5,859,002.83 (EUR 5,232,692.24).

Note 25 - Grants

25.1 Capital grants

Movements during the year can be summarised as follows:

	2022	2021
Investment grants		
At 1st of January	7.645.807.091,11	7.413.102.771,07
New grants	650.903.415,30	669.321.754,45
Allocated to property, plant and equipment and to intangible assets	-468.777.222,61	-436.617.434,41
At 31st December	7.827.933.283,80	7.645.807.091,11
Of which		
Non-current	7.395.545.590,20	7.204.545.849,41
Current	432.387.693,60	441.261.241,70

Capital grants, obtained within the framework of investments in intangible and tangible assets, are presented under liabilities in the statement of financial position and are recognised in operating income at the same rate as the depreciation of the assets for which they were obtained. Capital grants acquired but not yet received are included under Trade and other receivables.

The new capital grants for 2022 are fully attributable to the parent company. There were no new capital grants acquired by the subsidiaries.

The amount of - EUR 468,777,222.61 in 2022 (2021: EUR -436,617,434.41) concerns for EUR -485,303,185.46 (2021: - EUR 447,333,687.84) the recognition of capital grants, for EUR 6,434,874.00 (2021: EUR 10,716,253.43) the reconstitution of amortised grants cancelled following the sales of subsidised assets and for EUR 10,091,088.85 (2021: EUR 0.00) the recognition of interest on unallocated grants. The recognition of capital grants for 2022 (- EUR 485,303,185.46) included an amount of - EUR 10 million following the change in the accounting estimate for rolling stock (see Note 6.1).

25.2 Operating grants

Movements during the year can be summarised as follows:

	2022	2021
Operating grants to be received		
At 1st of January	377.262.908,01	290.523.862,90
New grants	1.153.202.632,39	1.146.806.725,29
Payments received	-882.351.011,15	-1.060.067.680,47
Other movements	5.660.377,36	0,29
At 31st December	653.774.906,61	377.262.908,01

The SNCB Group's operating grants are fully attributable to the parent company and include the basic allocation (fixed and variable), the allocation for security and the fight against terrorism and radicalism. As of 31 December 2022, they also include an exceptional grant to offset the costs of energy prices and salaries (EUR 143,268,148) and an operating grant of EUR 26,750,000 (2021: EUR 298,900,000) to compensate for the impact of the health crisis on SNCB's public service operating accounts for 2022 (2021). The other movements concern the VAT due to the State calculated on the EUR 100,000,000 granted for the Hello Belgium Rail Pass.

Grants acquired to offset the State's share of free home-to-work travel (EUR 30,018,831.61) are recognised in income.

Operating grants acquired but not yet received are included under Trade and other receivables.

25.3 Financial grants

Movements during the year can be summarised as follows:

	2022	2021
Financial grants to be received		
At 1st of January	16.569.964,52	17.146.543,26
New grants	21.711.857,83	22.798.308,95
Payments received	-22.380.857,78	-23.374.887,69
At 31st December	15.900.964,57	16.569.964,52

Financial grants include interest income arising from receivables from the State under "Te Kort TGV" pre-financing contracts, priority regional projects, pre-financing of rolling stock and co-financing. Interest earned under back-to-back contracts is not considered a grant.

Receivables relating to financial grants are recorded as Trade and other receivables.

New financial grants are recognised in net income as a deduction from financial expenses (see Note 29.2).

Note 26 - Other amounts payable

EUR	31/12/2022			31/12/2021		
	Financial instruments	Other	Total	Financial instruments	Other	Total
Other amounts payable - non-current						
Funds managed for third parties (RER Fund)			0,00			0,00
Fees relating to cross border arrangements		13.427.193,56	13.427.193,56		15.467.349,69	15.467.349,69
Other amounts payables	235.859,99		235.859,99	235.859,99		235.859,99
Total	235.859,99	13.427.193,56	13.663.053,55	235.859,99	15.467.349,69	15.703.209,68
Other amounts payable - current						
Funds managed for third parties (RER Fund)			0,00	63.582,30		63.582,30
Fees relating to cross border arrangements			0,00		2.400.254,36	2.400.254,36
Deferred income		127.626.783,92	127.626.783,92		110.541.138,66	110.541.138,66
Accrued expenses	3.589.504,08	-227.854,11	3.361.649,97	20.452.575,54		20.452.575,54
Debts towards related parties	299.815,48		299.815,48	146.250,20		146.250,20
Various debts relative to the State	3.119.909,93		3.119.909,93	3.588.639,98	21.396.182,64	24.984.822,62
VAT, taxes and withholding tax to be paid		428.633,29	428.633,29		355.318,51	355.318,51
Other amounts payables	34.005.027,41	1.485.066,48	35.490.093,89	11.548.149,26	1.431.314,92	12.979.464,18
Total	41.014.256,90	129.312.629,58	170.326.886,48	35.799.197,28	136.124.209,09	171.923.406,37
Total other amounts payable	41.250.116,89	142.739.823,14	183.989.940,03	36.035.057,27	151.591.558,78	187.626.616,05

On 31 December 2022, SNCB's share in Other amounts payable was EUR 182,556,687.92 (EUR 182,647,408.83 in 2021), for the subsidiaries EUR 1,433,252.11 (EUR 4,979,207.22 in 2021).

Among SNCB's Other amounts payable on 31 December 2022 were:

- EUR 15,344,829.38 (EUR 17,867,604.05 in 2021) in commissions for alternative financing transactions (NPV);
- EUR 19,550,000.00 in guarantees received under the CSA.

Deferred income and accrued expenses mainly concern SNCB and mainly include income and expenses relating to traffic and inter-network relations.

On 31 December 2022, miscellaneous liabilities to the State included the unused part of the Covid compensation received (EUR 2,100,000.00). They also include the portion of operating grants and capital grants received by SNCB in the context of anti-terrorism measures exceeding the actual operating and investment costs of the Company (EUR 418,594.93 in 2022 and EUR 893,039.98 in 2021).

Note 27- Operating income and expenses

27.1 Operating income

27.1.1 Income

	31/12/2022	31/12/2021
Transport	816.282.855,20	548.055.690,65
<i>National</i>	739.625.518,08	507.017.956,83
<i>International</i>	76.492.287,59	40.805.848,51
<i>Freight Services</i>	165.049,53	231.885,31
Railway asset management	214.329.565,33	210.717.396,92
Services - studies and assistance	2.662.286,08	7.915.631,65
Miscellaneous	43.461.851,89	56.951.563,78
Total revenue	1.076.736.558,50	823.640.283,00

Of which:

	31/12/2022	31/12/2021
SNCB	1.074.025.383,21	808.341.271,15
Publifer		9.301.455,66
Ypto	2.662.286,08	5.708.925,23
Eurogare		262.977,04
Other subsidiaries	48.889,21	25.653,92
Total turnover	1.076.736.558,50	823.640.283,00

27.1.2 Other operating income

	31/12/2022	31/12/2021
Gain on disposal of intangible assets, property, plant and equipment, investment property and non-current assets held for sale	21.913.407,87	79.687.589,53
Creation of Eurostar Group (contribution in 04/2022)	44.743.497,58	
NPV on cross-border arrangements	2.757.435,88	3.068.450,09
Expenses recharged	6.703.671,56	18.318.384,93
Miscellaneous operating income (fines, received compensation, etc.)	14.980.019,21	15.902.228,51
Other	3.190.560,63	46.647.310,43
Total other operating income	94.288.592,73	163.623.963,49

Of which:

	31/12/2022	31/12/2021
SNCB	93.908.357,56	163.350.807,02
Other subsidiaries	380.235,17	273.156,47
Total other operating income	94.288.592,73	163.623.963,49

On 31 December 2022 and 2021, capital gains mainly related to the sale of SNCB land and buildings and the granting of rights in rem. For the THI Factory and Eurostar International contributions to the new company Eurostar Group (see Notes 8 and 12), SNCB generated a capital gain of EUR 44,743,497.58.

Other operating income of 2021 included EUR 37,753,894 of compensation received under a commercial agreement relating to the delivery of railway rolling stock.

27.2 Operating expenses

27.2.1 Miscellaneous services and goods

	31/12/2022	31/12/2021
Fees	419.000.848,17	384.311.187,73
Payments to third parties	130.064.967,10	152.120.084,94
Supplies	208.324.595,47	148.845.603,34
Maintenance and repairs	107.237.392,73	110.720.905,74
HR Rail costs and miscellaneous personnel costs	43.223.399,50	43.808.430,89
Expenses related to operational activities	47.477.097,44	49.975.539,73
Rent and rental charges	19.045.948,27	19.487.974,09
Provisions for risks and charges	4.258.054,50	-8.182.827,21
Other	61.327.446,39	76.319.503,31
Total services and other goods	1.039.959.749,57	977.406.402,56

Of which:

	31/12/2022	31/12/2021
SNCB	986.615.790,16	894.825.723,76
Ypto	52.691.568,16	60.425.030,68
Eurogare		19.236.441,44
Publifer		1.987.447,34
Other subsidiaries	652.391,25	931.759,34
Total services and other goods	1.039.959.749,57	977.406.402,56

In 2022, the inflation and energy crisis impacted SNCB's expenses. Compared to 31 December 2021, fees increased by EUR 34,689,660.44, including +EUR 14,027,730.85 for the SNCB infrastructure fee. Supplies increased by EUR 59,478,992.13, including EUR +50,465,056.85 for the costs of electric traction energy borne by SNCB.

The expenses recognised as at 31 December 2022 relating to short-term leases and those of low value amounted to EUR 2,447,113.20.

27.2.2 Other operating expenses

		31/12/2022	31/12/2021
	Note		
Losses on disposal of property, plant and equipment, intangible assets, investment property and non-current assets held for sale	15	68.980,06	21.902,89
Impairment on trade and other receivables	9	1.639.878,45	-715.908,71
Impairment on contracts in progress		-310.667,17	-464.552,80
Impairment on inventories	13	30.953.847,08	20.417.990,79
Impairment losses on non-current assets held for sale	15	427.203,93	136.683,41
Other operating expenses		7.687.921,02	5.409.730,84
Total other operating expenses		40.467.163,37	24.805.846,42

Of which:

	31/12/2022	31/12/2021
SNCB	40.186.195,72	24.678.454,75
Other subsidiaries	280.967,65	127.391,67
Total other operating expenses	40.467.163,37	24.805.846,42

Note 28 - Personnel costs

28.1 Personnel costs

		31/12/2022	31/12/2021
	<u>Note</u>		
Wages, salaries and other short-term benefits		962.566.058,18	904.688.470,86
Social security expenses		201.855.393,49	192.199.507,35
Defined contribution plans		4.778.372,07	4.468.789,69
Post-employment benefits	19.2	6.574.213,58	13.945.199,35
Other long-term employee benefits	19.2	44.798.165,72	47.409.625,65
Termination benefits	19.2	-2.546.354,94	-1.000.202,03
Other		9.027.300,14	8.877.261,36
Total employee benefit expenses		1.227.053.148,24	1.170.588.652,23

The financial expense relating to employee benefits is recorded in financial results, see Note 29.

28.2 Headcount

	31/12/2022	31/12/2021
A. Staff		
Average number of employees (in FTE)	17.059	17.457
Blue-collar workers	5.966	6.407
White-collar workers	10.433	10.410
Management	661	640
B. Interim personnel (in FTE)		
Average number based on the full time equivalents	0	0

Note 29 - Financial income and expenses

29.1 Financial income

		31/12/2022	31/12/2021
	<u>Note</u>		
<i>Interest income on</i>		<u>16.353.469,79</u>	<u>17.835.093,45</u>
financial assets at amortised cost			
unimpaired		14.436.817,69	15.320.229,11
impaired		0,00	0,00
financial assets at fair value through			
profit or loss		2.038.294,62	2.557.351,96
other comprehensive income	12.2	0,00	0,00
derivatives		-121.642,52	-42.487,62
<i>Net change in fair value of</i>		<u>150.578.387,69</u>	<u>92.959.261,72</u>
financial assets at fair value through profit or loss		0,00	0,00
financial liabilities at fair value through profit or loss		11.052.768,17	6.290.648,42
derivatives		139.525.619,52	86.668.613,30
<i>Gains from foreign exchange differences</i>		14.167.710,63	4.868.412,19
<i>Dividends received</i>		616.564,43	879.036,98
<i>Other financial income</i>		1.162.658,43	623.999,89
Total financial income		182.878.790,97	117.165.804,23

Interest income relating to finance lease receivables recognised on 31 December 2022 came to EUR 3,119,348.38 (2021: EUR 3,290,856.45).

29.2 Financial expenses

		31/12/2022	31/12/2021
	<u>Note</u>		
<i>Interest expenses on</i>		<u>51.254.505,21</u>	<u>48.404.374,61</u>
financial liabilities at amortised cost		34.260.767,52	31.989.456,70
financial liabilities at fair value through profit or loss		6.393.361,75	6.517.456,87
derivatives		5.672.993,31	6.862.791,56
lease liabilities		1.152.400,56	1.326.757,92
employee benefit obligations	19.3	3.760.240,92	1.668.570,84
provisions	20	14.741,15	39.340,72
<i>Capitalised finance costs</i>		-59.518,93	-103.840,14
<i>Net change in fair value of</i>		<u>56.744.258,90</u>	<u>56.665.000,70</u>
financial assets at fair value through profit or loss		2.171.981,15	2.335.040,01
financial liabilities at fair value through profit or loss		0,00	0,00
derivatives		54.572.277,75	54.329.960,69
<i>Impairment on</i>		<u>31.949,00</u>	<u>17.492,00</u>
financial assets at amortised cost		31.949,00	17.492,00
financial assets at fair value through other comprehensive income	12.2	0,00	0,00
<i>Losses from foreign exchange differences</i>		13.297.073,82	3.424.691,72
<i>Other financial expenses</i>		11.469.578,55	2.881.539,43
Total financial expenses		132.737.846,55	111.289.258,32

Interest received under back-to-back contracts and financial grants (see Note 25.3) are included as a deduction from financial expenses.

The tables below reconcile the total interest charges indicated above with interest on financial liabilities (change table in Note 21.1) and with interest income from financial grants (Note 25.2) which are included deducted from the interest charges presented.

	31/12/2022				TOTAL
	Financial liabilities	Back-to-Back	Grants	Other	
financial liabilities at amortised cost	55.726.381,42	89.819,17	-21.711.857,83	156.424,76	34.260.767,52
financial liabilities at fair value through profit or loss	6.393.361,75				6.393.361,75
derivatives		-13.929.731,36		19.602.724,67	5.672.993,31
lease liabilities	1.152.400,56				1.152.400,56
employee benefit obligations				3.774.982,07	3.774.982,07
provisions				0,00	0,00
Total interest expenses	63.272.143,73	-13.839.912,19	-21.711.857,83	23.534.131,50	51.254.505,21

	31/12/2021				TOTAL
	Financial liabilities	Back-to-Back	Grants	Other	
financial liabilities at amortised cost	54.041.894,10	679.271,69	-22.798.308,95	66.599,86	31.989.456,70
financial liabilities at fair value through profit or loss	6.517.456,87				6.517.456,87
derivatives		-13.681.998,02		20.544.789,58	6.862.791,56
lease liabilities	1.326.757,92				1.326.757,92
employee benefit obligations				1.668.570,84	1.668.570,84
provisions				39.340,72	39.340,72
Total interest expenses	61.886.108,89	-13.002.726,33	-22.798.308,95	22.319.301,00	48.404.374,61

Note 30 - Comprehensive income tax expenses

		31/12/2022	31/12/2021
	<u>Note</u>		
Current taxes through net income		-141.671,91	-878.372,97
Deferred taxes through net income	22	1.199.518,52	348.064,90
Tax (expense)/income on total comprehensive income		1.057.846,61	-530.308,07

	2022	2021
Result before taxes from continuing operations	171.767.954,02	7.942.002,46
Income taxes calculated based on tax rate (25%)	-42.941.988,50	-1.985.500,62
Effect of not deductible expenses for tax purposes	-9.654.790,36	-11.946.268,99
Taxes related to interest under equity method	19.403.032,59	-2.967.903,67
Other permanent differences	25.834.923,24	6.902.674,18
Change in accounting of deferred tax assets	7.255.995,37	9.923.038,28
Corrections regarding previous financial years	208,88	-8.645,48
Other movements	1.160.465,40	-447.701,78
Tax (expense)/income on total comprehensive income from continuing operations	1.057.846,61	-530.308,07

The other permanent differences include certain liabilities for employee benefits as well as the capital gain realised following the creation of Eurostar Group.

Note 31 - Contingent assets and liabilities

On 31 December 2022 (2021), contingent assets amounted to EUR 3,015,502.88 (EUR 2,919,712.64) and mainly represent sums claimed by the SNCB Group from third parties. Contingent liabilities amounted to EUR 2,672,199.73 (EUR 2,675,407.54) and represent the legal disputes brought against the SNCB Group for which the probability of an outflow of resources was low at that date.

Note 32 - Additional information on financial instruments

32.1. Financial assets

Classification according to IFRS 9	31/12/2022		31/12/2021		
	Carrying amount	Fair value	Carrying amount	Fair value	
Non-current financial assets					
Trade and other receivables	Amortised cost	606.833.479,18	632.725.909,83	596.320.055,71	776.782.712,42
	Fair value through profit or loss (mandatorily)	0,00	0,00	0,00	0,00
Derivatives	Fair value through profit or loss (mandatorily)	301.794.422,32	301.794.422,32	241.191.954,16	241.191.954,16
Other financial assets	Fair value through other comprehensive income (Equity instrument)	116.240,35	116.240,35	57.414.535,35	57.414.535,35
	Fair value through profit or loss (designated)	-386.270,99	-386.270,99	25.267.524,64	25.267.524,64
	Fair value through profit or loss (hedging instrument)	181.071.886,11	181.071.886,11	167.209.519,12	167.209.519,12
	Amortised cost	275.484.092,95	290.814.019,62	257.640.964,96	301.285.416,74
Total		1.364.913.849,92	1.406.136.207,24	1.345.044.553,94	1.569.151.662,43
Current financial assets					
Trade and other receivables	Amortised cost	1.235.462.227,20	1.235.462.227,20	1.086.718.909,59	1.086.718.909,59
	Fair value through profit or loss (mandatorily)	25.369,35	25.369,35	36.581,58	36.581,58
Derivatives	Fair value through profit or loss (mandatorily)	3.573.606,93	3.573.606,93	7.476.216,32	7.476.216,32
Other financial assets	Fair value through other comprehensive income (Equity instrument)	0,00	0,00	0,00	0,00
	Fair value through profit or loss (designated)	25.510.818,10	25.510.818,10	57.538.679,40	57.538.679,40
	Fair value through profit or loss (hedging instrument)	-164.937,50	-164.937,50	36.359,38	36.359,38
	Amortised cost	30.843.784,72	30.836.442,76	44.125.789,91	44.685.136,29
Total		1.295.250.868,80	1.295.243.526,84	1.195.932.536,18	1.196.491.882,56

The above analysis only concerns financial assets under IFRS 7, therefore excluding deferred charges, amounts relating to construction contracts, etc.

The SNCB Group considers the nominal value of "Trade and other receivables", until now not valued at fair value, as a reasonable estimate of their fair value. This item mainly includes, on the one hand, short-term receivables without a significant financing component and, on the other hand, long-term interest-bearing receivables with the State.

The fair values of comparison of financial assets valued at amortised cost, included in the headings "Other financial assets" and "Trade and other receivables" are calculated using the same models and assumptions as those used for the valuation of the assets, which the SNCB Group has voluntarily chosen to recognise in the "Financial assets measured at fair value through profit or loss" category.

The table below details changes in the fair value of financial assets recognised, or to be recognised, as measured at fair value through profit or loss. The "other changes" line contains all changes that are the consequence of redemptions, capitalisations and, in the case of foreign currency assets, the impact of conversion differences. The change in the fair value of financial derivatives is shown in Note 11.2.

	2022	2021
At 1st of January	82.842.785,62	105.242.696,48
Market risk	-2.202.135,56	-2.443.179,19
Credit risk	30.154,41	108.139,18
Fair value variations	-2.171.981,15	-2.335.040,01
Other variations	-55.520.888,01	-20.064.870,85
At 31st December	25.149.916,46	82.842.785,62

The “credit risk” component has been isolated from the recognised changes in fair value by comparing the changes in fair value if a “risk neutral” valuation curve had been used.

The separately accumulated share of market risk and credit risk in fair value adjustments at the end of 2022 and 2021 is shown in the table below:

	31/12/2022	31/12/2021	Δ
Market risk	-418.315,89	1.783.819,67	-2.202.135,56
Credit risk	32.044,90	1.890,49	30.154,41
Fair value adjustments	-386.270,99	1.785.710,16	-2.171.981,15

32.3 Financial liabilities

Classification according to IFRS 9	31/12/2022		31/12/2021		
	Carrying amount	Fair value	Carrying amount	Fair value	
Non-current financial liabilities					
Financial liabilities	Amortised cost	2.386.887.578,90	2.215.507.519,37	2.305.701.411,71	2.515.520.945,06
	Fair value through profit or loss (designated)	40.556.521,16	40.556.521,16	80.046.463,60	80.046.463,60
Derivatives	Fair value through profit or loss (mandatory)	400.650.519,94	400.650.519,94	473.960.096,74	473.960.096,74
Trade and other payables	Amortised cost	0,00	0,00	0,00	0,00
Other liabilities	Amortised cost	235.859,99	235.859,99	235.859,99	235.859,99
	Fair value through profit or loss (mandatory)	0,00	0,00	0,00	0,00
Total		2.828.330.479,99	2.656.950.420,46	2.859.943.832,04	3.069.763.365,39
Current financial liabilities					
Financial liabilities	Amortised cost	416.181.559,36	414.894.154,74	501.141.868,55	517.035.165,78
	Fair value through profit or loss (designated)	34.490.552,22	34.490.552,22	56.601.368,41	56.601.368,41
Derivatives	Fair value through profit or loss (mandatory)	3.906.225,35	3.906.225,35	7.367.011,00	7.367.011,00
Trade and other payables	Amortised cost	476.160.723,88	476.160.723,88	361.860.052,62	361.860.052,62
Other liabilities	Amortised cost	41.014.256,90	41.014.256,90	35.799.197,28	35.799.197,28
	Fair value through profit or loss (mandatory)	0,00	0,00	0,00	0,00
Total		971.753.317,71	970.465.913,09	962.769.497,86	978.662.795,09

The above analysis only concerns financial liabilities under IFRS 7, therefore excluding deferred income, amounts relating to construction contracts, etc.

The SNCB Group considers the nominal value of “Trade payables” and “Other amounts payable”, as a reasonable estimate of their fair value. “Trade Payables” mainly consist of short-term debts with no significant financing component and “Other amounts payable” mainly include guarantees received under CSA contracts.

The fair values of comparison of liabilities valued at amortised cost are calculated using the same models and assumptions as those used for the valuation of the liabilities, which the SNCB Group has voluntarily chosen to recognise in the "Financial liabilities at fair value through profit or loss" category.

The table below details changes in the fair value of recognised financial liabilities, or to be recognised, as measured at fair value through profit or loss. The "other changes" line contains all changes that are the consequence of redemptions, capitalisations and, in the case of foreign currency liabilities, the impact of conversion differences. The change in the fair value of financial derivatives is shown in Note 11.2.

	2022	2021
At 1st of January	136.647.832,01	127.489.449,06
Market risk	-11.052.768,17	-6.290.648,42
Credit risk	-1.715.639,47	460.155,99
Fair value variations	-12.768.407,64	-5.830.492,43
Other variations	-48.832.350,99	14.988.875,38
At 31st December	75.047.073,38	136.647.832,01

The "credit risk" component has been isolated from the recognised changes in fair value by comparing the changes in fair value if a "risk neutral" valuation curve had been used.

The separately accumulated share of market risk and credit risk in fair value adjustments at the end of 2022 and 2021 is shown in the table below:

	31/12/2022	31/12/2021	Δ
Market risk	5.736.375,60	16.789.143,77	-11.052.768,17
Credit risk	1.638.278,60	3.353.918,07	-1.715.639,47
Fair value adjustments	7.374.654,20	20.143.061,84	-12.768.407,64

Note 33 - Alternative financing transactions

The SNCB Group has entered into cross-border leasing transactions (assets sold or leased to a Trust and then immediately re-let to the SNCB Group) with the aim of achieving a financial benefit shared with the Trust. These so-called “Alternative financing transactions” are recognised based on their economic substance according to the provisions of the IFRS 16 and 15 standards. The underlying fixed assets of these transactions can be grouped as follows:

- rolling stock (electric and diesel locomotives, railcars, high-speed trains and passenger cars): the contracts relating thereto have an initial basic duration of between 18 and 28 years.
- administrative buildings: the related contracts have an initial basic term of 29.5 years.

The transactions have some restrictions on the use of the underlying assets (e.g. no sale, no subletting without prior approval from the Trust). The risks are limited to the risks related to the ownership of the asset, to the risks which arise from Belgian legislation and to the credit risk on the counterparties for which the investment account has been maintained.

The SNCB Group has kept the tangible assets in the statement of financial position and has not recognised any loss or gain following the sale to the Trust. These tangible assets relating to alternative financing are mainly intended for own use or are the subject of rental contracts with companies of the SNCB Group or other companies within the sphere of influence of the SNCB Group, as explained in Note 9.3.

Investment accounts (investment of a portion of funds from the principal sale or lease) and payment obligations to the Trust (over the term of the contract) are recognised in the statement of financial position, with the exception of investment accounts whose counterparty is a governmental entity or a supranational organisation (or guaranteed by a governmental entity). Investment accounts that are not recognised in the statement of financial position represented on 31 December 2022 (2021) EUR 400,445,758.46 (EUR 570,525,445.76). Investment accounts and payment obligations to the Trust were recognised applying IFRS 9 under “Other financial assets” and “Financial liabilities”. On 31 December 2022 (2021), EUR 200,547,862.43 (EUR 254,476,206.97) were recognised in investment accounts. On the other hand, EUR 578,606,611.09 (EUR 769,508,649.20) were recognised as payment obligations to the Trust on 31 December 2022 (2021).

The table below reconciles unrecognised investment accounts with unrecognised pledged assets and prepayments listed in Note 34:

	2022	2021
Pledged as collateral	41.828.593,70	118.167.248,43
Advance payments	64.850.266,80	65.244.830,13
Other invested amounts	293.766.897,96	387.113.367,20
Off balance sheet	400.445.758,46	570.525.445,76

For certain transactions, the SNCB Group used derivative instruments to hedge interest rate and exchange rate risks. In this case, the SNCB Group used the fair value option provided for by IFRS 9 for the recognition of financial assets and liabilities. The use of derivative instruments is shown in Note 11. At the end of 2022, the positive fair value of derivative instruments used in the context of alternative financing represented EUR 29,931,554.79 (2021: positive fair value of EUR 21,242,740.06). The risk management analysis related to the use of financial instruments, including financial instruments related to alternative financing, is presented in Note 2.2.

The commissions received as part of these transactions are recognised through operating income on a straight-line basis over the duration of these transactions. In 2022 (2021), EUR 2,696,872.27 (EUR 3,066,297.32) were recognised in income

Depending on the type of transaction, the SNCB Group has several options at the end of the initial basic duration of the contract, namely:

- exercising the option to buy;
- the return of the asset to the Trust which will use it for its own account;
- the return of the asset to the Trust for which the SNCB Group will act as sales agent for the asset;
- the extension of the contract by a rental or a service contract beyond the initial basic duration of the contract; or
- finding a third party that assumes the remaining obligations to the Trust through a lease or service contract.

Note 34 - Rights and obligations

The amount of contractual commitments for the acquisition of property, plant and equipment and investment properties is EUR 947,384,957.19 (EUR 649,657,583.77) as at 31 December 2022 (2021).

The amount of contractual commitments for the acquisition of services is EUR 655,549,613.89 (EUR 404,340,165.89) as at 31 December 2022 (2021).

The contractual obligations for the acquisition of stocks amounted to EUR 291,290,100.53 (EUR 277,044,405.63) as at 31 December 2022 (2021).

The personal guarantees by the SNCB Group for third parties amounted to EUR 161,868,646.69 (EUR 159,952,131.78) as at 31 December 2022 (2021).

Credit lines granted by third parties to the SNCB Group amounted to EUR 1,313,007,506.22 (EUR 1,413,007,506.22) as at 31 December 2022 (2021).

Guarantees given by third parties on behalf of the SNCB Group amounted to EUR 1,502,957,685.61 (EUR 1,595,553,872.77) as at 31 December 2022 (2021) and mainly relate to the securities given by the State within the framework of the alternative financing arrangements. For 2022: guarantees on investments: EUR 41,828,593.70 ; guarantees on debts (Eurofima/Infrabel): EUR 1,460,169,550.22 and other guarantees: EUR 959,541.69.

Goods and values held by third parties on their behalf but for which the risks and rewards are assumed by the Company represented EUR 64,850,266.80 (EUR 65,244,830.13) as at 31 December 2022 (2021) and related to prepayments within the framework of the alternative financing arrangements.

Inventories belonging to third parties but kept by the SNCB Group which bears the risks, amounted to EUR 10,733,279.37 (EUR 10,570,584.51) as at 31 December 2022 (2021).

The real guarantees given by the SNCB Group on own assets amounted to EUR 1,510,285,983.53 (EUR 1,756,785,331.48) as at 31 December 2022 (2021) and related to investments pledged under alternative financing transactions (2022: EUR 93,977,130.06 of which EUR 52,148,536.36 recognised in the balance sheet and EUR 41,828,593.70 not recognised in the balance sheet) and the book value of the equipment in the operations (2022: EUR 1,416,308,853.47).

The received bank guarantees amounted to EUR 468,885,968.24 (EUR 477,077,005.63) as at 31 December 2022 (2021).

The SNCB Group is an unlimited indefinitely responsible member in the European economic interest grouping Eurail Group (NL 809837353 B01) PO BOX 2112, NL 3500 Utrecht – The Netherlands).

Investment accounts related to alternative financing transactions that are not recognised in the statement of financial position are shown in Note 33.

Note 35 - Information relating to related parties

35.1 Consolidated companies

The list of subsidiaries and companies accounted for using the equity method is shown in Note 4.

35.2 Relations with the State

35.2.1 Equity links

The State directly and indirectly owns 99.97% of SNCB's voting rights.

35.2.2 Management contracts

The State concluded a management contract with SNCB for the period 2008-2012. In this management contract, it is stipulated that the SNCB constitutes an essential element of the transport system in Belgium. It is entrusted with the task, within the framework of a coherent group policy, of ensuring that the activities fall within the framework of the sustainable mobility policy carried out by the Government and of contributing to the satisfaction of the needs of transport.

On 23 December 2022, the Council of Ministers and the Board of Directors of SNCB approved the SNCB Public Service Contract as well as the business plan and the multi-annual investment plan for the period 2023-2032. These plans are based on a government financing guarantee over ten years and on concrete short, medium and long-term objectives on which SNCB will be assessed, among which:

- Extend the train offer by 10% by 2032.
- Increase the number of passengers by 30% and significantly improve the customer experience.
- Invest in passenger reception by doubling the current number of fully accessible stations.
- Invest in modern and comfortable rolling stock with a 50% renewal of the fleet by 2032.
- Improve the financial health of the company.

As the public service contract was signed at the end of the year and started on 1 January 2023, the 2022 consolidated accounts are still established on the basis of:

- the 2008-2012 management contract which has been extended in the meantime and
- provisional rules equivalent to a management contract which were set by the Royal Decree of 22 December 2020.

The SNCB's goal is to:

1. transport passengers, including receiving and informing its customers, and goods by rail;
2. transport goods in general together with logistics services provided for this purpose;
3. acquire, maintain, manage and finance railway rolling stock;
4. provide security and surveillance tasks in the field of railways;
5. acquire, design, construct, renew, maintain and manage railway stations, unmanned stopping points and their dependencies as well as their surroundings, including the design, development, modernisation and enhancement of urban centres;
6. develop commercial or other activities, intended to directly or indirectly promote its services or optimise the use of its assets.

SNCB may, by itself or through participation in bodies and legal persons, whether existing or to be created, Belgian, foreign or international, carry out all commercial, industrial or financial operations relating directly or indirectly, in whole or in part, to its purpose or which are likely to facilitate or benefit the fulfilment or development of this purpose, including the provision of securities for the debts of related companies or with which there is an equity link.

The manufacture and sale of goods or services relating directly or indirectly to the railway activity are in particular considered as likely to benefit the fulfilment or the development of its purpose.

SNCB may also act as administrator, holder of a power of attorney, agent or liquidator in other companies or enterprises.

35.2.3 Services to administrations

SNCB provides transport and telecommunications services to the Belgian State and to various Belgian State administrations. All these transactions are carried out within the framework of normal customer/supplier relations under conditions that are no more favourable than those offered to other customers and suppliers. The services provided to these administrations do not represent a significant component of SNCB's net income.

35.3 Relations between companies in the SNCB Group

Under the management contract, SNCB is required to have relationships with the other companies of the SNCB Group. The main relationships that are maintained by the Company for the benefit of certain Group Companies are essentially treasury services, accounting coordination, etc.

35.4 Figures relating to relations with public authorities and companies accounted for using the equity method

Grants given by public authorities are detailed in Note 25.

Aside from these grants, the following operations were carried out with related parties:

	31/12/2022	31/12/2021
Turnover realised with interests under equity method	65.167.843,15	64.954.853,04
Net receivables on interests under equity method	3.346.753,11	3.522.579,13
Net receivables on public authorities	1.235.101.965,43	987.647.684,33
Debts towards interests under equity method	30.854.299,20	29.661.975,51

Receivables from public authorities relate almost exclusively to SNCB and are detailed in Note 9. Trade and other receivables.

The turnover for 2022 achieved with companies accounted for using the equity method amounted to EUR 65,167,843.15 and mainly concerned that of SNCB vis-à-vis the Eurostar Group (EUR 51,673,675.52) and vis-à-vis HR Rail (EUR 9,472,688.31). Debts on companies accounted for using the equity method of EUR 30,854,299.20 at 31 December 2022 mainly concern those of SNCB vis-à-vis HR Rail (EUR 28,296,148.96).

35.5 Relations with top executives

The directors and members of the SNCB Management Committee are considered to be the top executives of the SNCB Group.

The total amount of compensation for directors and members of the Management Committee amounted to EUR 1,521,601.26 (excluding allowances for operating costs) in 2022 and to EUR 1,458,273.05 in 2021. They have not received any loans or advances from SNCB. For a list of directors, please refer to the General Information.

These total top executive compensation amounts include the following:

- short-term benefits: annual salary (base and variable) as well as other short-term salary benefits such as medical insurance, private use of the company car, etc. as well as contributions paid to social security on these benefits;
- employment termination benefits;
- post-employment benefits: insurance premiums paid by SNCB. The premiums essentially cover a supplementary pension plan;
- any severance pay.

Top executive pay is broken down as follows:

	31/12/2022	31/12/2021
Salaries and other short-term benefits	1.464.884,00	1.411.322,64
Post-employment benefits	56.717,26	46.950,41
Total	1.521.601,26	1.458.273,05

No loans have been granted to top executives.

Note 36 - Auditor's fee

The SNCB Group recognised in 2022 (2021) an amount of EUR 475,617 (EUR 494,700) relating to the fees of the Group's company auditors as part of their mandate as statutory auditors and an amount of EUR 65,928 (EUR 25,274) relating to non-audit assignments carried out by the auditors.

	31/12/2022		31/12/2021	
	Auditor	Related to the auditor	Auditor	Related to the auditor
Assignments related to the review of the financial statements	475.617,00		494.700,00	
Assignments related to tax consultancy			7.074,00	
Other assignments	65.928,00		18.200,00	
Total	541.545,00	0,00	519.974,00	0,00

Note 37 - Events after the closing date

A social agreement has been negotiated with the trade unions for the period 2023-2024. It provides for the transfer of the cost of hospitalisation insurance granted to retired statutory staff to the social works fund from 1 July 2023, in order to ensure its sustainability. This transfer will lead to a reversal of the IAS 19 "Hospitalisation coverage" provision from 30 June 2023.

No significant event impacting SNCB Group financial statements was observed after the closing date of 31 December 2022.

**Auditor's Report
on the Consolidated
Financial Statements**



Rapport des réviseurs d'entreprises membres du Collège des commissaires (ci-après « le Collège des commissaires ») à l'assemblée générale de la société SNCB SA de Droit Public sur les comptes consolidés pour l'exercice clos le 31 décembre 2022

Dans le cadre du contrôle légal des comptes consolidés de SNCB SA de Droit Public (la « Société ») et de ses filiales (conjointement « le Groupe »), nous vous présentons notre rapport du Collège des commissaires. Celui-ci inclut notre rapport sur les comptes consolidés pour l'exercice clos le 31 décembre 2022, ainsi que les autres obligations légales et réglementaires. Le tout constitue un ensemble et est inséparable.

Nous avons été nommés en tant que commissaire par l'assemblée générale du 29 mai 2020, conformément à la proposition de l'organe de gestion émise sur recommandation du comité d'audit. Notre mandat de commissaire vient à échéance à la date de l'assemblée générale délibérant sur les comptes annuels clôturés au 31 décembre 2022. Nous avons exercé le contrôle légal des comptes consolidés de SNCB SA de Droit Public durant six exercices consécutifs.

Rapport sur les comptes consolidés

Opinion sans réserve

Nous avons procédé au contrôle légal des comptes consolidés du Groupe pour l'exercice clos le 31 décembre 2022, établis conformément aux normes IFRS émises par l'International Accounting Standards Board et telles qu'adoptées par l'Union Européenne et aux dispositions légales et réglementaires applicables en Belgique. Ces comptes consolidés comprennent l'état de la situation financière consolidé au 31 décembre 2022, l'état consolidé du résultat net et des autres éléments du résultat global, l'état consolidé des variations des capitaux propres et un tableau consolidé des flux de trésorerie de l'exercice clos à cette date, ainsi que des annexes contenant un résumé des principales méthodes comptables et d'autres informations explicatives. Le total de l'état de la situation financière consolidé s'élève à 12.208.144.828 EUR et l'état consolidé du résultat net se solde par un bénéfice de l'exercice de 52.821.800 EUR.

À notre avis, ces comptes consolidés donnent une image fidèle du patrimoine et de la situation financière du Groupe au 31 décembre 2022, ainsi que de ses résultats consolidés et de ses flux de trésorerie consolidés pour l'exercice clos à cette date, conformément aux normes IFRS émises par l'International Accounting Standards Board et telles qu'adoptées par l'Union Européenne et aux dispositions légales et réglementaires applicables en Belgique.

KPMG Réviseurs d'Entreprises BV/SRL / TVA BE 0419.122.548 RPM Bruxelles

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Fondement de l'opinion sans réserve

Nous avons effectué notre audit selon les Normes internationales d'audit (ISA) telles qu'applicables en Belgique. Par ailleurs, nous avons appliqué les normes internationales d'audit approuvées par l'IAASB et applicables à la présente clôture et non encore approuvées au niveau national. Les responsabilités qui nous incombent en vertu de ces normes sont plus amplement décrites dans la section « Responsabilités du Collège des commissaires relatives à l'audit des comptes consolidés » du présent rapport. Nous nous sommes conformés à toutes les exigences déontologiques qui s'appliquent à l'audit des comptes consolidés en Belgique, en ce compris celles concernant l'indépendance.

Nous avons obtenu de l'organe d'administration et des préposés de la Société, les explications et informations requises pour notre audit.

Nous estimons que les éléments probants que nous avons recueillis sont suffisants et appropriés pour fonder notre opinion.

Points clés de l'audit

Les points clés de l'audit sont les points qui, selon notre jugement professionnel, ont été les plus importants lors de l'audit des comptes consolidés de la période en cours. Ces points ont été traités dans le contexte de notre audit des comptes consolidés pris dans leur ensemble et lors de la formation de notre opinion sur ceux-ci. Nous n'exprimons pas une opinion distincte sur ces points.

Nous avons déterminé qu'il n'y avait pas de points clés de l'audit à communiquer dans notre rapport.

Responsabilités de l'organe d'administration relatives à l'établissement des comptes consolidés

L'organe d'administration est responsable de l'établissement des comptes consolidés donnant une image fidèle conformément aux normes IFRS émises par l'International Accounting Standards Board et telles qu'adoptées par l'Union Européenne et aux dispositions légales et réglementaires applicables en Belgique, ainsi que du contrôle interne qu'il estime nécessaire à l'établissement de comptes consolidés ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de l'établissement des comptes consolidés, il incombe à l'organe d'administration d'évaluer la capacité du Groupe à poursuivre son exploitation, de fournir, le cas échéant, des informations relatives à la continuité d'exploitation et d'appliquer le principe comptable de continuité d'exploitation, sauf si l'organe d'administration a l'intention de mettre le Groupe en liquidation ou de cesser ses activités ou s'il ne peut envisager une autre solution alternative réaliste.

Responsabilités du Collège des commissaires relatives à l'audit des comptes consolidés

Nos objectifs sont d'obtenir l'assurance raisonnable que les comptes consolidés pris dans leur ensemble ne comportent pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, et d'émettre un rapport du Collège des commissaires contenant notre opinion. L'assurance raisonnable correspond à un niveau élevé d'assurance, qui ne garantit toutefois pas qu'un audit réalisé conformément aux normes ISA permettra de toujours détecter toute anomalie significative existante. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsque l'on peut raisonnablement s'attendre à ce qu'elles puissent, prises individuellement ou en cumulé, influencer les décisions économiques que les utilisateurs des comptes consolidés prennent en se fondant sur ceux-ci.

Lors de l'exécution de notre contrôle, nous respectons le cadre légal, réglementaire et normatif qui s'applique à l'audit des comptes consolidés en Belgique. L'étendue du contrôle légal des comptes consolidés ne comprend pas d'assurance quant à la viabilité future du Groupe ni quant à l'efficacité ou l'efficacités avec laquelle l'organe d'administration a mené ou mènera les affaires du Groupe. Nos responsabilités relatives à l'application par l'organe d'administration du principe comptable de continuité d'exploitation sont décrites ci-après.

Dans le cadre d'un audit réalisé conformément aux normes ISA et tout au long de celui-ci, nous exerçons notre jugement professionnel et faisons preuve d'esprit critique. En outre:

- nous identifions et évaluons les risques que les comptes consolidés comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définissons et mettons en œuvre des procédures d'audit en réponse à ces risques, et recueillons des éléments probants suffisants et appropriés pour fonder notre opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne;
- nous prenons connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, mais non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne du Groupe;
- nous apprécions le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par l'organe d'administration, de même que des informations les concernant fournies par ce dernier;
- nous concluons quant au caractère approprié de l'application par l'organe d'administration du principe comptable de continuité d'exploitation et, selon les éléments probants recueillis, quant à l'existence ou non d'une incertitude significative liée à des événements ou situations susceptibles de jeter un doute important sur la capacité du Groupe à poursuivre son exploitation. Si nous concluons à l'existence d'une incertitude significative, nous sommes tenus d'attirer l'attention des lecteurs de notre rapport du Collège des commissaires sur les informations fournies dans les comptes consolidés au sujet de cette incertitude ou, si ces informations ne sont pas adéquates, d'exprimer une opinion modifiée. Nos conclusions s'appuient sur les éléments probants recueillis jusqu'à la date de notre rapport du Collège des commissaires. Cependant, des situations ou événements futurs pourraient conduire le Groupe à cesser son exploitation;
- nous apprécions la présentation d'ensemble, la structure et le contenu des comptes consolidés et évaluons si les comptes consolidés reflètent les opérations et événements sous-jacents d'une manière telle qu'ils en donnent une image fidèle;
- nous recueillons des éléments probants suffisants et appropriés concernant les informations financières des entités ou activités du Groupe pour exprimer une opinion sur les comptes consolidés. Nous sommes responsables de la direction, de la supervision et de la réalisation de l'audit au niveau du groupe. Nous assumons l'entière responsabilité de l'opinion d'audit.

Nous communiquons au comité d'audit notamment l'étendue des travaux d'audit et le calendrier de réalisation prévus, ainsi que les constatations importantes relevées lors de notre audit, y compris toute faiblesse significative dans le contrôle interne.



Nous fournissons également au comité d'audit une déclaration précisant que nous nous sommes conformés aux règles déontologiques pertinentes concernant l'indépendance, et leur communiquons, le cas échéant, toutes les relations et les autres facteurs qui peuvent raisonnablement être considérés comme susceptibles d'avoir une incidence sur notre indépendance ainsi que les éventuelles mesures de sauvegarde y relatives.

Parmi les points communiqués au comité d'audit, nous déterminons les points qui ont été les plus importants lors de l'audit des comptes consolidés de la période en cours, qui sont de ce fait les points clés de l'audit. Nous décrivons ces points dans notre rapport du Collège des commissaires, sauf si la loi ou la réglementation en interdit la publication ou si, dans des circonstances extrêmement rares, nous déterminons que nous ne devrions pas communiquer un point dans notre rapport du Collège des commissaires parce que les conséquences néfastes raisonnablement attendues de la communication de ce point dépassent les avantages qu'elle aurait au regard de l'intérêt public.

Autres obligations légales et réglementaires

Responsabilités de l'organe d'administration

L'organe d'administration est responsable de la préparation et du contenu du rapport de gestion sur les comptes consolidés.

Responsabilités du Collège des commissaires

Dans le cadre de notre mandat et conformément à la norme belge complémentaire aux normes internationales d'audit (ISA) applicables en Belgique, notre responsabilité est de vérifier, dans leurs aspects significatifs, le rapport de gestion sur les comptes consolidés ainsi que de faire rapport sur ces éléments.

Aspects relatifs au rapport de gestion sur les comptes consolidés

A l'issue des vérifications spécifiques sur le rapport de gestion sur les comptes consolidés, nous sommes d'avis que celui-ci concorde avec les comptes consolidés pour le même exercice et a été établi conformément à l'article 3:32 du Code des sociétés et des associations.

Dans le cadre de notre audit des comptes consolidés, nous devons également apprécier, en particulier sur la base de notre connaissance acquise lors de l'audit, si le rapport de gestion sur les comptes consolidés comporte une anomalie significative, à savoir une information incorrectement formulée ou autrement trompeuse. Sur la base de ces travaux, nous n'avons pas d'anomalie significative à vous communiquer.



Mentions relatives à l'indépendance

- Nos cabinets de révision et nos réseaux n'ont pas effectué de missions incompatibles avec le contrôle légal des comptes consolidés et notre cabinet de révision est resté indépendant vis-à-vis du Groupe au cours de notre mandat.
- Les honoraires relatifs aux missions complémentaires compatibles avec le contrôle légal visées à l'article 3:65 du Code des sociétés et des associations ont correctement été valorisés et ventilés dans les annexes des comptes consolidés.

Bruxelles, le 15 mai 2023

Le Collège des commissaires

KPMG Réviseurs d'Entreprises
représentée par

Tanguy Digitally signed
by Tanguy Legein
Legein Date: 2023.05.15
21:38:30 +02'00'

Tanguy Legein
Réviseur d'Entreprises

BDO Réviseurs d'Entreprises
représentée par

Michaël Digitally signed by Michaël
Delbeke
Delbeke DN: cn=Michaël Delbeke,
ou=AU,
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Michaël Delbeke
Réviseur d'Entreprises



Verslag van de bedrijfsrevisoren leden van het College van commissarissen (hierna “het College van Commissarissen”) aan de algemene vergadering van NMBS NV van Publiek Recht over de geconsolideerde jaarrekening voor het boekjaar afgesloten op 31 december 2022

In het kader van de wettelijke controle van de geconsolideerde jaarrekening van NMBS NV van Publiek Recht (de “Vennootschap”) en zijn dochterondernemingen (samen de “Groep”), leggen wij u ons verslag van het College van commissarissen voor. Dit bevat ons verslag over de geconsolideerde jaarrekening voor het boekjaar afgesloten op 31 december 2022, alsook de overige door wet- en regelgeving gestelde eisen. Dit vormt een geheel en is ondeelbaar.

Wij werden benoemd in onze hoedanigheid van commissaris door de algemene vergadering van 29 mei 2020, overeenkomstig het voorstel van het bestuursorgaan uitgebracht op aanbeveling van het auditcomité. Ons mandaat loopt af op de datum van de algemene vergadering die beraadslaagt over de jaarrekening afgesloten op 31 december 2022. Wij hebben de wettelijke controle van de geconsolideerde jaarrekening van NMBS NV van Publiek Recht uitgevoerd gedurende zes opeenvolgende boekjaren.

Verslag over de geconsolideerde jaarrekening

Oordeel zonder voorbehoud

Wij hebben de wettelijke controle uitgevoerd van de geconsolideerde jaarrekening van de Groep over het boekjaar afgesloten op 31 december 2022 opgesteld in overeenstemming met de IFRS standaarden zoals uitgegeven door de International Accounting Standards Board en zoals goedgekeurd door de Europese Unie en met de in België van toepassing zijnde wettelijke en reglementaire voorschriften. Deze geconsolideerde jaarrekening omvat de geconsolideerde balans op 31 december 2022, alsook de geconsolideerde winst- en verliesrekening, het geconsolideerd overzicht van gerealiseerde en niet-gerealiseerde resultaten, het geconsolideerd mutatieoverzicht van het eigen vermogen en het geconsolideerd kasstroomoverzicht over het boekjaar afgesloten op die datum evenals de toelichting bestaande uit een overzicht van de belangrijkste gehanteerde grondslagen voor financiële verslaggeving en overige informatieverschaffing. Het totaal van de geconsolideerde balans bedraagt EUR 12.208.144.828 en het geconsolideerde overzicht van de gerealiseerde en niet-gerealiseerde resultaten voor het boekjaar sluit af met een winst van het boekjaar van EUR 52.821.800.

Naar ons oordeel geeft de geconsolideerde jaarrekening een getrouw beeld van het vermogen en de financiële toestand van de Groep op 31 december 2022, alsook van zijn geconsolideerde resultaten en van zijn geconsolideerde kasstromen over het boekjaar dat op die datum is afgesloten, in overeenstemming met de IFRS standaarden zoals uitgegeven door de International Accounting Standards Board en zoals goedgekeurd door de Europese Unie en met de in België van toepassing zijnde wettelijke en reglementaire voorschriften.

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Basis voor het oordeel zonder voorbehoud

Wij hebben onze controle uitgevoerd volgens de internationale controlestandaarden (ISA's) zoals van toepassing in België. Wij hebben bovendien de door IAASB goedgekeurde internationale controlestandaarden toegepast die van toepassing zijn op de huidige afsluitdatum en nog niet goedgekeurd op nationaal niveau. Onze verantwoordelijkheden op grond van deze standaarden zijn verder beschreven in de sectie "Verantwoordelijkheden van het College van commissarissen voor de controle van de geconsolideerde jaarrekening" van ons verslag. Wij hebben alle deontologische vereisten die relevant zijn voor de controle van de geconsolideerde jaarrekening in België nageleefd, met inbegrip van deze met betrekking tot de onafhankelijkheid.

Wij hebben van het bestuursorgaan en van de aangestelden van de Vennootschap de voor onze controle vereiste ophelderingen en inlichtingen verkregen.

Wij zijn van mening dat de door ons verkregen controle-informatie voldoende en geschikt is als basis voor ons oordeel.

Kernpunten van de controle

Kernpunten van onze controle betreffen die aangelegenheden die naar ons professioneel oordeel het meest significant waren bij de controle van de geconsolideerde jaarrekening van de huidige verslagperiode. Deze aangelegenheden zijn behandeld in de context van onze controle van de geconsolideerde jaarrekening als geheel en bij het vormen van ons oordeel hierover, en wij verschaffen geen afzonderlijk oordeel over deze aangelegenheden.

Naar ons oordeel waren er geen kernpunten van de controle die in dit verslag zouden moeten opgenomen worden.

Verantwoordelijkheden van het bestuursorgaan voor het opstellen van de geconsolideerde jaarrekening

Het bestuursorgaan is verantwoordelijk voor het opstellen van de geconsolideerde jaarrekening die een getrouw beeld geeft in overeenstemming met de IFRS standaarden zoals uitgegeven door de International Accounting Standards Board en zoals goedgekeurd door de Europese Unie en met de in België van toepassing zijnde wettelijke en reglementaire voorschriften, alsook voor de interne beheersing die het bestuursorgaan noodzakelijk acht voor het opstellen van de geconsolideerde jaarrekening die geen afwijking van materieel belang bevat die het gevolg is van fraude of van fouten.

Bij het opstellen van de geconsolideerde jaarrekening is het bestuursorgaan verantwoordelijk voor het inschatten van de mogelijkheid van de Groep om haar continuïteit te handhaven, het toelichten, indien van toepassing, van aangelegenheden die met continuïteit verband houden en het gebruiken van de continuïteitsveronderstelling, tenzij het bestuursorgaan het voornemen heeft om de Groep te liquideren of om de bedrijfsactiviteiten te beëindigen of geen realistisch alternatief heeft dan dit te doen.

Verantwoordelijkheden van het College van commissarissen voor de controle van de geconsolideerde jaarrekening

Onze doelstellingen zijn het verkrijgen van een redelijke mate van zekerheid over de vraag of de geconsolideerde jaarrekening als geheel geen afwijking van materieel belang bevat die het gevolg is van fraude of van fouten en het uitbrengen van een verslag van het College van commissarissen waarin ons oordeel is opgenomen. Een redelijke mate van zekerheid is een hoog niveau van zekerheid, maar is geen garantie dat een controle die overeenkomstig de ISA's is uitgevoerd altijd een afwijking van materieel belang ontdekt wanneer die bestaat. Afwijkingen kunnen zich voordoen als gevolg van fraude of fouten en worden als van materieel belang beschouwd indien redelijkerwijs

kan worden verwacht dat zij, individueel of gezamenlijk, de economische beslissingen genomen door gebruikers op basis van deze geconsolideerde jaarrekening, beïnvloeden.

Bij de uitvoering van onze controle leven wij het wettelijk, reglementair en normatief kader dat van toepassing is op de controle van de geconsolideerde jaarrekening in België na. Een wettelijke controle van de geconsolideerde jaarrekening biedt evenwel geen zekerheid omtrent de toekomstige levensvatbaarheid van de Groep, noch omtrent de efficiëntie of de doeltreffendheid waarmee het bestuursorgaan de bedrijfsvoering van de Groep ter hand heeft genomen of zal nemen. Onze verantwoordelijkheden inzake de door het bestuursorgaan gehanteerde continuïteitsveronderstelling staan hieronder beschreven.

Als deel van een controle uitgevoerd overeenkomstig de ISA's, passen wij professionele oordeelsvorming toe en handhaven wij een professioneel-kritische instelling gedurende de controle. We voeren tevens de volgende werkzaamheden uit:

- het identificeren en inschatten van de risico's dat de geconsolideerde jaarrekening een afwijking van materieel belang bevat die het gevolg is van fraude of van fouten, het bepalen en uitvoeren van controlewerkzaamheden die op deze risico's inspelen en het verkrijgen van controle-informatie die voldoende en geschikt is als basis voor ons oordeel. Het risico van het niet detecteren van een van materieel belang zijnde afwijking is groter indien die afwijking het gevolg is van fraude dan indien zij het gevolg is van fouten, omdat bij fraude sprake kan zijn van samenspanning, valsheid in geschrifte, het opzettelijk nalaten om transacties vast te leggen, het opzettelijk verkeerd voorstellen van zaken of het doorbreken van de interne beheersing;
- het verkrijgen van inzicht in de interne beheersing die relevant is voor de controle, met als doel controlewerkzaamheden op te zetten die in de gegeven omstandigheden geschikt zijn maar die niet zijn gericht op het geven van een oordeel over de effectiviteit van de interne beheersing van de Groep;
- het evalueren van de geschiktheid van de gehanteerde grondslagen voor financiële verslaggeving en het evalueren van de redelijkheid van de door het bestuursorgaan gemaakte schattingen en van de daarop betrekking hebbende toelichtingen;
- het concluderen of de door het bestuursorgaan gehanteerde continuïteitsveronderstelling aanvaardbaar is, en het concluderen, op basis van de verkregen controle-informatie, of er een onzekerheid van materieel belang bestaat met betrekking tot gebeurtenissen of omstandigheden die significante twijfel kunnen doen ontstaan over de mogelijkheid van de Groep om haar continuïteit te handhaven. Indien wij concluderen dat er een onzekerheid van materieel belang bestaat, zijn wij ertoe gehouden om de aandacht in ons verslag van het College van commissarissen te vestigen op de daarop betrekking hebbende toelichtingen in de geconsolideerde jaarrekening, of, indien deze toelichtingen inadequaat zijn, om ons oordeel aan te passen. Onze conclusies zijn gebaseerd op de controle-informatie die verkregen is tot de datum van ons verslag van het College van commissarissen. Toekomstige gebeurtenissen of omstandigheden kunnen er echter toe leiden dat de Groep haar continuïteit niet langer kan handhaven;
- het evalueren van de algehele presentatie, structuur en inhoud van de geconsolideerde jaarrekening, en van de vraag of de geconsolideerde jaarrekening de onderliggende transacties en gebeurtenissen weergeeft op een wijze die leidt tot een getrouw beeld;
- het verkrijgen van voldoende en geschikte controle-informatie met betrekking tot de financiële informatie van de entiteiten of bedrijfsactiviteiten binnen de Groep gericht op het tot uitdrukking brengen van een oordeel over de geconsolideerde jaarrekening. Wij zijn verantwoordelijk voor

de aansturing van, het toezicht op en de uitvoering van de groepscontrole. Wij blijven ongedeeld verantwoordelijk voor ons oordeel.

Wij communiceren met het auditcomité onder meer over de geplande reikwijdte en timing van de controle en over de significante controlebevindingen, waaronder eventuele significante tekortkomingen in de interne beheersing die wij identificeren gedurende onze controle.

Wij verschaffen aan het auditcomité tevens een verklaring dat wij de relevante deontologische voorschriften over onafhankelijkheid hebben nageleefd, en wij communiceren met hen over alle relaties en andere zaken die redelijkerwijs onze onafhankelijkheid kunnen beïnvloeden en, waar van toepassing, over de daarmee verband houdende maatregelen om onze onafhankelijkheid te waarborgen.

Uit de aangelegenheden die met het auditcomité zijn gecommuniceerd bepalen wij die zaken die het meest significant waren bij de controle van de geconsolideerde jaarrekening van de huidige verslagperiode, en die derhalve de kernpunten van onze controle uitmaken. Wij beschrijven deze aangelegenheden in ons verslag van het College van commissarissen, tenzij het openbaar maken van deze aangelegenheden is verboden door wet- of regelgeving of, in buitengewoon zeldzame omstandigheden, tenzij wij bepalen dat een aangelegenheid niet in ons verslag van het College van commissarissen moet worden opgenomen omwille van het feit dat de negatieve gevolgen van dergelijke communicatie redelijkerwijs worden verwacht groter te zijn dan de voordelen voor het maatschappelijk verkeer.

Overige door wet- en regelgeving gestelde eisen

Verantwoordelijkheden van het bestuursorgaan

Het bestuursorgaan is verantwoordelijk voor het opstellen en de inhoud van het jaarverslag over de geconsolideerde jaarrekening.

Verantwoordelijkheden van het College van commissarissen

In het kader van ons mandaat en overeenkomstig de Belgische bijkomende norm bij de in België van toepassing zijnde internationale controlestandaarden (ISA's), is het onze verantwoordelijkheid om, in alle van materieel belang zijnde opzichten, het jaarverslag over de geconsolideerde jaarrekening, te verifiëren, alsook verslag over deze aangelegenheden uit te brengen.

Aspecten betreffende het jaarverslag over de geconsolideerde jaarrekening

Na het uitvoeren van specifieke werkzaamheden op het jaarverslag over de geconsolideerde jaarrekening, zijn wij van oordeel dat dit jaarverslag over de geconsolideerde jaarrekening overeenstemt met de geconsolideerde jaarrekening voor hetzelfde boekjaar en is opgesteld overeenkomstig het artikel 3:32 van het Wetboek van vennootschappen en verenigingen.

In de context van onze controle van de geconsolideerde jaarrekening, zijn wij tevens verantwoordelijk voor het overwegen, in het bijzonder op basis van de kennis verkregen in de controle, of het jaarverslag over de geconsolideerde jaarrekening een afwijking van materieel belang bevat, hetzij informatie die onjuist vermeld is of anderszins misleidend is. In het licht van de werkzaamheden die wij hebben uitgevoerd, dienen wij u geen afwijking van materieel belang te melden.



Vermeldingen betreffende de onafhankelijkheid

- Onze bedrijfsrevisorenkantoren en ons netwerk hebben geen opdrachten die onverenigbaar zijn met de wettelijke controle van de geconsolideerde jaarrekening verricht en ons bedrijfsrevisorenkantoor is in de loop van ons mandaat onafhankelijk gebleven tegenover de Groep.
- De honoraria voor de bijkomende opdrachten die verenigbaar zijn met de wettelijke controle bedoeld in artikel 3:65 van het Wetboek van vennootschappen en verenigingen werden correct vermeld en uitgesplitst in de toelichting bij de geconsolideerde jaarrekening.

Brussel, 15 mei 2023

Het College van commissarissen

KPMG Bedrijfsrevisoren
Commissaris
vertegenwoordigd door

**Tanguy
Legein** Digitally signed
by Tanguy Legein
Date: 2023.05.15
21:39:50 +02'00'

Tanguy Legein
Bedrijfsrevisor

BDO Bedrijfsrevisoren
Commissaris
vertegenwoordigd door

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Michaël Delbeke
Bedrijfsrevisor