



# Consolidated Annual Report 2021

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# Content

- 3. Consolidated Management Report**
- 12. Consolidated Financial Statements**
- 134. Auditor's Report on the Consolidated Financial Statements (in French)**

# **Consolidated Management Report**

# CONSOLIDATED ANNUAL REPORT ON THE 2021 CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the SNCB Group as per 31 December 2021 have been prepared in accordance IFRS (International Financial Reporting Standards) as adopted by the European Union and that have been 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 repeated 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 by the equity method.

### Changes in the consolidation scope

	31/12/2017	31/12/2018	31/12/2019	31/12/2020	31/12/2021
Parent company	1	1	1	1	1
Fully consolidated companies	10	8	8	8	5
Companies consolidated in accordance with the equity method	12	12	11	12	11
<b>TOTAL</b>	<b>23</b>	<b>21</b>	<b>20</b>	<b>21</b>	<b>17</b>

In 2021, SNCB completed the merger by takeover of its B-Parking subsidiary (with tax and accounting impacts backdated to 1 January 2021) and of its Eurogare subsidiary (with tax and accounting impacts backdated to 1 January 2021). SNCB also proceeded to liquidate its SLP subsidiary and the company consolidated under the equity method, Hasselt Stationsomgeving.



## II. 2021 CONSOLIDATED FINANCIAL STATEMENTS

### II.A. BALANCE SHEET

#### ASSETS

<i>In millions of €</i>	<u>31/12/2021</u>	<u>31/12/2020</u>	<u>Change</u>
<b><u>Non-current assets</u></b>	<b><u>9.893,1</u></b>	<b><u>9.847,7</u></b>	<b><u>45,4</u></b>
Intangible assets	236,2	229,9	6,3
Property, plant and equipment	7.463,6	7.299,6	164,0
Investment property	511,4	436,8	74,6
Interests under equity method	335,4	348,6	-13,2
Trade and other receivables	597,8	625,6	-27,8
Derivatives	241,2	306,4	-65,2
Other financial assets	507,5	600,8	-93,3
Deferred tax assets	0,0	0,0	0,0
<b><u>Current assets</u></b>	<b><u>2.049,0</u></b>	<b><u>2.039,3</u></b>	<b><u>9,7</u></b>
Inventories	233,7	232,8	0,9
Trade and other receivables	1.284,7	1.202,5	82,1
Derivatives	7,5	0,0	7,5
Other financial assets	101,7	36,9	64,8
Current tax receivable	1,6	2,1	-0,5
Cash and cash equivalents	419,9	565,0	-145,1
<b><u>Non-current assets held for sale</u></b>	<b><u>22,3</u></b>	<b><u>21,1</u></b>	<b><u>1,2</u></b>
<b>TOTAL ASSETS</b>	<b>11.964,3</b>	<b>11.908,1</b>	<b>56,3</b>

**All consolidated assets** of the SNCB Group at 31 December 2021 represent an amount of €11,964.3 million, a change of +€56.3 million (+0.47%) in relation to the 2020 closing. SNCB accounts for 97.0% of all consolidated assets, even 99.8% net of equity interests in companies consolidated under the equity method.

**Non-current assets** (€9,893.1 million) accounting for 82.7% of total assets:

- ❖ €8,211.2 million (83.0% of non-current assets) relating to *intangible and tangible assets as well as investment properties* of which 99.8% come from the parent company. Investments made at SNCB in 2021 come to €713.0 million<sup>1</sup> of which €425.7 million for

<sup>1</sup> Excluding the amount reserved for M7 rolling stock of -€18.3 million

acquisition and refurbishing of rolling stock, €146.6 million for welcoming passengers, €48.0 million for the construction and fitting out of workshops and €92.7 million for other investments (including IT and buildings). These investments by the parent company were financed by grants in capital except for €6.4 million financed on shareholders' equity. The annual depreciation and impairment losses on assets belonging to the parent company come to €481.1 million (including depreciation for right-of-use assets). The next general test for value losses on land held by the parent company is scheduled for 2022. In 2021, the in-house valuation experts did not record any indications of loss of value for land in general nor for the major projects around stations where changes have taken place since 2020.

- ❖ €348.6 million (3.4% of non-current assets) relating to the portion in shareholders' equity of the companies consolidated under the equity method, companies in which SNCB has a notable influence but without possessing control thereof including THI Factory (€200.4 million) Eurofima (€111.1 million), HR RAIL (€11.8 million) and BeNe Rail International (€6.6 million). The change in relation to the previous financial year (-€13.2 million) is explained mainly by the part consolidated under the equity method in consolidated comprehensive income (-€11.9 million including THI Factory: -€15.7 million).
- ❖ €1,346.5 million (13.6% of the non-current assets) concern trade and other receivables, derived financial instruments other financial assets including €509.6 million relating to interventions by the State, €439.0 million of investments within the scope of debt management, €241.2 million of hedging financial instruments and €77.8 million of long-term receivables from finance leasing. The fall of €186.3 million from one financial year to another comes essentially from SNCB and is explained primarily by -€91.7 million for investments as part of debt management and -€65.2 million for financial cover instruments.

**Current assets** (€2,049.0 million) account for 17.1% of total assets and are made up in particular of cash reserves and cash reserves equivalents (€419.9 million), receivables on the State (€478.1 million), guarantees paid within the scope of derived financial instruments (€371.1 million), inventories (€277.8 million, mainly those of SNCB), trade receivables at less than one year (€169.0 million) and VAT to be recovered (€106.5 million). They are up €9.7 million over the previous year.

**LIABILITIES**

<i>In millions of €</i>	<u>31/12/2021</u>	<u>31/12/2020</u>	<u>Change</u>
<b><u>Equity</u></b>	<b><u>-431,2</u></b>	<b><u>-438,7</u></b>	<b><u>7,5</u></b>
<b><u>Non-current liabilities</u></b>	<b><u>10.507,5</u></b>	<b><u>10.381,4</u></b>	<b><u>126,1</u></b>
Employee benefit obligations	357,7	396,0	-38,3
Provisions	66,8	83,5	-16,7
Financial liabilities	2.385,7	2.388,6	-2,8
Derivatives	474,0	498,7	-24,7
Deferred tax liabilities	1,2	1,6	-0,4
Trade and other payables	1,7	12,1	-10,4
Grants	7.204,5	6.982,9	221,7
Other amounts payable	15,7	18,1	-2,4
<b><u>Current liabilities</u></b>	<b><u>1.888,1</u></b>	<b><u>1.965,4</u></b>	<b><u>-77,3</u></b>
Employee benefit obligations	116,9	119,1	-2,2
Provisions	108,3	102,7	5,5
Financial liabilities	557,7	620,1	-62,4
Derivatives	7,4	36,7	-29,3
Current tax payables	0,2	0,0	0,2
Trade and other payables	381,1	323,1	58,0
Social debts	103,3	101,7	1,6
Grants	441,3	430,2	11,0
Other amounts payable	171,9	231,6	-59,7
<b>TOTAL LIABILITIES</b>	<b>11.964,3</b>	<b>11.908,1</b>	<b>56,3</b>

**Consolidated shareholders' equity** is negative at €431.2 million. In relation to 2020, shareholders' equity increased by €7.5 million of which +€7.4 million corresponding to the financial year's consolidated comprehensive income. This shareholders' equity excludes grants in capital of €7,645.8 million recognised as liabilities in IFRS, contrary to Belgian law, where it is included in shareholders' equity.

**Non-current and current liabilities** come to €12,395.5 million or +€48.8 million in relation to the previous financial year:

- ❖ +€58.5 million due to SNCB of which primarily +€232.7 million in capital grants relating to the financing of tangible and intangible assets, -€63.6 million less financial debt owed by SNCB, -€54.0 million for derivative cover financial instruments, -€40.5 million for staff benefits (of which -€39.5 million for actuarial gains and losses booked in 2021 on benefits after employment) and -€32.5 million in reductions in debt owed the State as part of the RER Fund.
- ❖ -€9.7 million for *other Group companies*, mainly after removing subsidiaries B-Parking, SLP and Eurogare from the scope.

## II.B. INCOME STATEMENT

<i>In millions of €</i>	<u>31/12/2021</u>	<u>31/12/2020</u>	<u>Change</u>
<b>Cash result</b>	<b>-17,8</b>	<b>-88,7</b>	<b>70,9</b>
<i>SNCB</i>	-21,0	-88,1	67,1
<i>Other entities</i>	3,2	-0,6	3,8
<b>Non-cash result</b>	<b>37,0</b>	<b>-162,2</b>	<b>199,1</b>
<i>SNCB</i>	41,2	-156,8	198,0
<i>Other entities</i>	-4,2	-5,4	1,2
<b>Share of net result of entities accounted for using the equity method</b>	<b>-11,9</b>	<b>-33,7</b>	<b>21,8</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE GROUP</b>	<b>7,3</b>	<b>-284,5</b>	<b>291,8</b>

**Cash income** comes to -€17.8 million, showing an improvement of €70.9 million in relation to 2020, including:

- ❖ an increase of €67.1 million for SNCB that continues to suffer significant consequences from the Covid-19 pandemic. Just like for the 2020 financial year and to continue to perform its public service role, the parent company received compensation from the Belgian Government worth €298.9 million. This Belgian Government support, together with in-house savings, made it possible to reduce operating losses. The increased cash result posted by SNCB of €67.1 million is primarily explained by:
  - -€260.3 million in reduced operating grants linked especially to an adjustment in the fixed and variable grant to reflect the reduced infrastructure fee (new formula);
  - -€17.5 million due to increased personnel charges;
  - -€7.0 million due to reduced self-constructed capital assets;
  - +€236.1 million due to decreased services and miscellaneous goods including -€295.9 million following the reduction in the infrastructure fee and an extra €35.5 million following the increase in the price of traction energy;
  - +€71.5 million in non-recurring capital gains following asset transactions on tangible assets;
  - +€20.5 million in compensation received as part of a commercial agreement relating to the delivery of railway rolling stock (€37.7 million in 2021 and €17.2 million in 2020);
  - +10.8 million in increased turnover from domestic passenger traffic.
  
- ❖ an increase of €3.8 million for subsidiaries of the Group.

The **non cash result** (€37.0 million) comes essentially from SNCB (€41.2 million) and can primarily be explained by: +€39.5 million in other overall income relating to actuarial gains and losses booked on benefits after employment, +€35.9 million in non cash financial results (of which +€36.3 million in true value adjustments to derivatives), -€20.4 million in write downs on stocks and -€8.1 million in true value adjustments to holdings in Eurostar International.

The change in the **share of overall income of the companies consolidated under the equity method** comes to +€21.8 million of which primarily +€21.3 million for THI Factory.



## II.C. ECONOMIC DEBT

The economic debt is equal to:

- ❖ Net financial liabilities, namely
  - Debt contracted with financial institutions;
  - plus finance leasing liabilities;
  - minus sort-term investments and available securities as well as Back-to-Back receivables with the State within the scope of the drawdown of the liability at 1st 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 subsidies;
- ❖ minus finance lease liabilities in application of standard IFRS 16.

<i>In millions of €</i>	31-12-2021	31-12-2020	Δ
<b>Net financial debt</b>	<b>2.072,2</b>	<b>1.957,7</b>	<b>114,5</b>
Investment grants paid by the State for the works still to be carried out	828,0	902,3	-74,3
Working capital (trade receivables/-payables + State interventions for the exploitation)	-168,1	-95,3	-72,7
CSA-guarantees	-371,1	-382,7	11,6
Co-financing	-27,5	-13,2	-14,3
Neutralisation financial debt IFRS 16	-28,0	-34,8	6,7
<b>Economic debt</b>	<b>2.305,6</b>	<b>2.334,0</b>	<b>-28,4</b>

### Significant events after the closure date

No significant event impacting SNCB Group financial statements was observed after the closure date of 31 December 2021.

### Application of continuity rules

The persistent sanitary crisis continues to weigh on the operational results of the SNCB Group. To this is added increased energy costs. 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 2021 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 preparatory work to draw up a new management contract between SNCB and the government is ongoing, with the minister in charge having stated during the presentation of their policy note to the Chamber of Representatives, that the government intended to directly allocate the public service mission for domestic passenger transportation by rail to SNCB for a period of ten years by the end of 2022. The Belgian government has, as required by European law, published this intention in the Official Journal of the European Union on 26 November 2021. In addition to setting out SNCB's obligations, the management contract will define the public service missions it is tasked with performing including the transportation offer, taking charge of passengers and its commercial policy as well as the financial compensation that SNCB will receive for carrying out these missions and the performance path that SNCB is required to follow during the course of the contract.

In the interval, the 2008-2012 management contract has been extended and provisional rules for management contracts have been set by the Royal Decree of 22 December 2020. This Royal Decree provisionally sets the contribution that SNCB has received for the 2020-2021 period for its public service missions in terms of investments and operating funds. Furthermore, subsidies were granted to SNCB by this Royal Decree for the 2020-2021 period, to cover the cost of specific projects pertaining to the fight against terrorism and radicalism. A similar Royal Decree was adopted for 2022.

In addition, SNCB will continue to receive part of the "virtuous billion" from the State, which will be used to finalise RER projects and to make strategic investments in the Regions. These investments are the subject of the 2018-2031 Multi-Annual Strategic Investment Plan.

The parent company is closely assessing the structural consequences on traffic and commercial income of the Covid-19 crisis and the changes in mobility behaviours that it may trigger as well as the best way to address these. It sent a request for compensation for Covid-related losses for 2022 to its oversight body.

The first weeks of 2022 were marked by the general rise in inflation, especially in terms of energy prices. The rise in energy prices, already significant during the last months of 2021, accelerated in January 2022 and even more so from February with the Russian invasion of Ukraine. This increase will have a major impact on SNCB Group accounts in 2022 and on the accounts for the coming years. In parallel, the price of fuel and governmental climate ambitions may incite more travellers to go by train.

More generally, the war that followed the Russian invasion of Ukraine has created a major social-economic climate of uncertainty, especially in terms of economic growth and how prices will evolve worldwide. Impacts are to be expected especially on the demand for rail transportation, on the company's cost structure or on the public purse with possible consequences affecting the State's willingness to refinance the railway sector.

### **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 consolidated companies).

As concerns more particularly the use of derived financial instruments, 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 2021**

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

## I. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### ASSETS

		31/12/2021	31/12/2020
	<u>Notes</u>		
<b>Non-current assets</b>			
Intangible assets	5	236.211.732,24	229.868.251,27
Property, plant and equipment	6	7.463.553.278,77	7.299.556.735,73
<i>A. Land</i>		780.695.815,24	794.054.246,29
<i>B. Buildings</i>		1.192.457.014,87	1.278.991.739,59
<i>C. Railway infrastructure</i>		116.935.839,55	107.176.784,18
<i>D. Railway rolling stock</i>		3.321.960.555,90	3.398.102.087,76
<i>E. Plant and various equipment</i>		429.688.838,44	400.235.917,03
<i>F. Tangible fixed assets under construction</i>		1.621.815.214,77	1.320.995.960,88
Investment property	7	511.420.774,21	436.804.746,38
Interests under equity method	8	335.376.488,29	348.613.131,42
Trade and other receivables	9	597.781.607,43	625.610.607,11
Derivatives	11	241.191.954,16	306.397.934,88
Other financial assets	12	507.532.544,04	600.845.539,99
<b>Subtotal of non-current assets</b>		<b>9.893.068.379,14</b>	<b>9.847.696.946,78</b>
<b>Current assets</b>			
Inventories	13	233.677.373,82	232.798.703,71
Trade and other receivables	9	1.284.666.658,92	1.202.520.400,79
Derivatives	11	7.476.216,32	0,00
Other financial assets	12	101.700.828,72	36.864.372,64
Current tax receivables	22	1.594.868,95	2.115.142,45
Cash and cash equivalents	14	419.894.983,13	564.985.525,56
<b>Subtotal of current assets</b>		<b>2.049.010.929,86</b>	<b>2.039.284.145,15</b>
<b>Non-current assets held for sale</b>			
Non-current assets held for sale	15	22.262.810,13	21.075.321,80
<b>TOTAL ASSETS</b>		<b>11.964.342.119,13</b>	<b>11.908.056.413,73</b>

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

## EQUITY AND LIABILITIES

		31/12/2021	31/12/2020
	<u>Notes</u>		
<b>Equity</b>			
Share capital	17	249.022.345,57	249.022.345,57
Consolidated reserves	18	-680.199.594,06	-689.903.127,70
<b>Group equity</b>		<b>-431.177.248,49</b>	<b>-440.880.782,13</b>
Non-controlling interests		0,00	2.175.076,69
<b>Total equity</b>		<b>-431.177.248,49</b>	<b>-438.705.705,44</b>
<b>Non-current liabilities</b>			
Employee benefit	19	357.712.774,60	396.002.164,85
Provisions	20	66.838.364,07	83.524.039,13
Financial liabilities	21	2.385.747.875,31	2.388.551.154,45
Derivatives	11	473.960.096,74	498.667.774,82
Deferred tax liabilities	22	1.199.518,52	1.554.247,77
Trade and other payables	23	1.745.953,45	12.124.166,20
Grants	25	7.204.545.849,41	6.982.853.141,92
Other amounts payable	26	15.703.209,68	18.110.664,04
<b>Subtotal of non-current liabilities</b>		<b>10.507.453.641,78</b>	<b>10.381.387.353,18</b>
<b>Current liabilities</b>			
Employee benefit	19	116.909.096,12	119.132.559,23
Provisions	20	108.268.461,29	102.719.816,47
Financial liabilities	21	557.743.236,96	620.097.832,16
Derivatives	11	7.367.011,00	36.694.743,24
Current tax payables		185.411,36	0,00
Trade and other payables	23	381.088.917,40	323.123.553,33
Social debts	24	103.318.943,64	101.743.626,00
Grants	25	441.261.241,70	430.249.629,15
Other amounts payable	26	171.923.406,37	231.613.006,41
<b>Subtotal of current liabilities</b>		<b>1.888.065.725,84</b>	<b>1.965.374.765,99</b>
<b>Total liabilities</b>		<b>12.395.519.367,62</b>	<b>12.346.762.119,17</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11.964.342.119,13</b>	<b>11.908.056.413,73</b>

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021

## II. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		31/12/2021	31/12/2020
	<u>Notes</u>		
<b>Operating income before investment grants</b>			
Revenu	27	823.640.283,00	810.714.943,56
Operating grants	25	1.146.806.725,29	1.407.115.337,37
Internally generated fixed assets		177.063.596,97	163.023.763,51
Other operating income	27	163.623.963,49	70.811.758,84
<b>Total of operating income before investment grants</b>		<b>2.311.134.568,75</b>	<b>2.451.665.803,28</b>
<b>Operating expenses before depreciation and impairment</b>			
Purchase of raw materials and goods for resale		-106.991.457,78	-106.860.788,76
Services and other goods	27	-977.406.402,56	-1.207.429.477,52
Employee benefit expenses	28	-1.170.588.652,23	-1.156.439.251,66
Other operating expenses	27	-24.805.846,42	-37.714.154,42
<b>Total of operating expenses before depreciation and impairment</b>		<b>-2.279.792.358,99</b>	<b>-2.508.443.672,36</b>
<b>Operating result before investment grants, depreciation and impairment</b>		<b>31.342.209,76</b>	<b>-56.777.869,08</b>
Investment grants	25	436.617.434,41	416.282.164,21
Depreciation and impairment	5, 6, 7 & 15	-484.959.503,96	-471.272.790,16
<b>Operating result</b>		<b>-16.999.859,79</b>	<b>-111.768.495,03</b>
Financial income	29	117.165.804,23	52.154.376,25
Financial expenses	29	-111.289.258,32	-96.894.381,14
<b>Net financial result</b>		<b>5.876.545,91</b>	<b>-44.740.004,89</b>
<b>Share of net result of entities accounted for using the equity method</b>	8	<b>-12.889.185,11</b>	<b>-33.689.522,97</b>
<b>Net result from continuing operations before tax</b>		<b>-24.012.498,99</b>	<b>-190.198.022,89</b>
Income taxes	30	-530.308,07	-10.279.141,61
<b>Net result from continuing operations</b>		<b>-24.542.807,06</b>	<b>-200.477.164,50</b>
<b>NET RESULT FOR THE YEAR</b>		<b>-24.542.807,06</b>	<b>-200.477.164,50</b>
<b>Other comprehensive income for the year :</b>			
<b>That will not be reclassified subsequently to profit or loss</b>			
Actuarial gains and losses	19	39.495.681,17	-45.691.891,14
Tax relating to other comprehensive income		0,00	-3.799.182,87
Share of other comprehensive income of entities accounted for using the equity method	8	1.017.570,44	-1.780.931,61
Own credit risk		-460.155,99	5.027.159,37
Fair value adjustment Other financial assets		-8.098.594,16	-37.925.345,08
<b>Subtotal of other comprehensive income for the year that will not be reclassified subsequently to profit or loss</b>		<b>31.954.501,46</b>	<b>-84.170.191,33</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>7.411.694,39</b>	<b>-284.647.355,83</b>
		<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Net result for the year attributable to</b>			
Shareholders of the Group		-24.655.521,32	-200.370.184,32
Non-controlling interests		112.714,26	-106.980,18
<b>Total comprehensive income attributable to</b>		<b>-24.542.807,06</b>	<b>-200.477.164,50</b>
Shareholders of the Group		7.298.980,13	-284.540.375,64
Non-controlling interests		112.714,26	-106.980,19
		<b>7.411.694,39</b>	<b>-284.647.355,83</b>

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021



### 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>				
<b>At 1 January 2020</b>		<b>249.022.345,57</b>	<b>-405.509.988,04</b>	<b>-156.487.642,47</b>	<b>2.460.336,42</b>
Net income 2020			-200.370.184,32	-200.370.184,32	-106.980,18
Other comprehensive income 2020			-84.170.191,33	-84.170.191,33	-84.170.191,33
Dividend paid to non-controlling interests			0,00	0,00	-7.927,50
Rounding			0,03	0,03	-0,02
<b>At 31 December 2020</b>	17&18	<b>249.022.345,57</b>	<b>-689.903.127,70</b>	<b>-440.880.782,13</b>	<b>2.175.076,69</b>
<b>At 1 January 2021</b>		<b>249.022.345,57</b>	<b>-689.903.127,70</b>	<b>-440.880.782,13</b>	<b>2.175.076,69</b>
Net income 2021			-24.655.521,32	-24.655.521,32	112.714,26
Other comprehensive income 2021			31.954.501,46	31.954.501,46	
Dividend paid to non-controlling interests			0,00	0,00	-7.927,49
Other variations of equity			2.404.553,38	2.404.553,38	-2.279.863,46
Rounding			0,12	0,12	
<b>At 31 December 2021</b>	17&18	<b>249.022.345,57</b>	<b>-680.199.594,06</b>	<b>-431.177.248,49</b>	<b>0,00</b>

Prior to the merger with Eurogare, SNCB bought back the shares held by the minority shareholder and became the sole shareholder of 100% of the subsidiary company (with the transfer of 2,404,553.38 EUR in non-controlling interests to consolidated reserves).

The other movements of 124,689.92 EUR in non-controlling interests are the result of liquidating the SLP subsidiary company 50% held by the parent company.

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

## IV. CONSOLIDATED STATEMENT OF CASH FLOWS

		31/12/2021	31/12/2020
	<i>Notes</i>		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Net result of the period</b>		<b>-24.542.807,06</b>	<b>-200.477.164,50</b>
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	485.096.187,37	471.504.628,60
Write-down on inventories, impairment losses on trade and other receivables	9 & 13	19.237.529,28	26.863.134,72
Changes in fair value of financial derivatives		-32.338.652,61	7.908.721,99
Changes in fair value of and impairment losses on other financial assets and financial liabilities		-3.955.608,41	-2.145.330,26
(Gains) / losses on disposal of property, plant and equipment, intangible assets, investment property and non-current assets held for sale	15.2	-79.665.686,64	-18.409.254,86
(Gains) / losses on disposal of financial assets			-478.970,62
(Gains) / losses on disposal/dissolution of subsidiaries and interests under equity method		9.630,67	0,00
Fees on cross-border arrangements recognised in net result	27.1.2	-3.068.450,09	-3.358.719,57
Provisions		-11.137.030,24	-3.726.807,70
Employee benefits		-1.023.464,84	-14.054.640,97
Investment grants recognised in net result	25.1	-436.617.434,41	-416.282.164,21
Net of interest income and expenses	29	27.993.322,52	29.376.336,05
Share of net result of entities accounted for using the equity method	8.2 & 8.3	12.889.185,11	33.689.522,97
Income taxes		530.308,07	10.279.141,61
Exchange loss/gain		-1.453.169,87	1.970.656,49
<b>Gross cash from operating activities</b>		<b>-48.046.141,15</b>	<b>-77.340.910,26</b>
<b>Change in net working capital</b>			
Inventories		-21.302.975,80	-32.900.414,05
Trade and other receivables		23.495.816,10	260.914.625,44
Trade and payables, social debts and other amounts payable		-11.966.229,48	-118.820.530,33
		<b>-9.773.389,18</b>	<b>109.193.681,06</b>
<b>Cash generated from operating activities before taxes</b>		<b>-57.819.530,33</b>	<b>31.852.770,80</b>
Taxes paid		-172.688,11	0,00
Taxes received		0,00	843.758,29
<b>NET CASH CONNECTED TO / USED BY OPERATING ACTIVITIES</b>		<b>-57.992.218,44</b>	<b>32.696.529,09</b>

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

		31/12/2021	31/12/2020
	<u>Notes</u>		
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment, intangible assets and investment property	5.1.2, 6.1, 7.1 & 15.1	-757.497.815,41	-542.363.177,71
Acquisition of financial assets		-38.059.784,99	-122.128.592,80
Acquisition of non controlling interests		124.689,92	-178.160,00
Investment grants received		668.564.954,79	660.449.411,38
Proceeds from disposal of property, plant and equipment and intangible assets, investment property and non-current assets held for sale		33.062.038,97	37.903.027,34
Proceeds from disposal of other financial assets		69.598.218,16	140.899.220,29
Proceeds from disposal/dissolution of interests under equity method		455.739,61	0,00
Interest received		54.478.756,27	57.214.428,34
Dividends received	8.2, 8.3 & 12.2	1.686.636,98	2.098.306,27
<b>NET CASH CONNECTED TO / USED BY INVESTING ACTIVITIES</b>		<b>32.413.434,30</b>	<b>233.894.462,11</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Revenue from financial liabilities	21.1	544.242.274,66	403.184.851,44
Redemption of lease liabilities	21.1	-10.253.361,28	-10.634.506,63
Redemption of financial liabilities	21.1	-623.227.971,41	-359.851.201,75
Redemption / net payment of financial derivatives	11.2	50.300.633,26	-10.101.379,74
Interests paid		-80.599.902,86	-92.317.043,47
Dividends paid		-7.927,49	-7.927,50
<b>NET CASH CONNECTED TO / USED BY FINANCING ACTIVITIES</b>		<b>-119.546.255,12</b>	<b>-69.727.207,65</b>
<b>(DECREASE) / INCREASE IN CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS</b>		<b>-145.125.039,26</b>	<b>196.863.783,55</b>
<b>CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE BEGINNING OF THE YEAR (note 14)</b>		<b>564.985.525,56</b>	<b>368.173.760,27</b>
(Decrease) / increase in cash, cash equivalents and bank overdrafts		-145.125.039,26	196.863.783,55
Effect of change in the interest rate on cash held		34.496,83	-52.018,26
<b>CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE END OF THE YEAR (note 14)</b>		<b>419.894.983,13</b>	<b>564.985.525,56</b>

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021

## GENERAL INFORMATION

### Activities

Amongst all companies included in the consolidation scope of the SNCB Group, SNCB alone represents 97% of the assets at 31 December 2021 (96.79% at 31 December 2020) and -10,759,458.55 EUR (-162,517,484.50 EUR) of the consolidated net result on a total of -24,542,807.06 EUR (-200,477,164.50 EUR) at 31 December 2021 (31 December 2020). The difference of -13,783,348.51 EUR results mainly from the share in the net result of entities accounted for using the equity method of -12,889,185.11 EUR (of which -15,732,696.57 EUR for THI Factory).

The main activities of SNCB are activities of public services 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;
- cross-border transport of passengers;
- 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;
- Purchasing, designing, building, renewing, maintaining and managing 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 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 31 May 2021.

### Financial statements

The consolidated financial statements at 31 December 2021, prepared in accordance with IFRS standards, were approved by the Management Board of SNCB on 29 April 2022. 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 since 3 May 2021
Dutordoïr Sophie	Managing Director
Bihet Mathieu	Boardmember since 10 May 2021
Boelaert Filip	Board member
Durez Martine	Board member
Geradon Deborah	Board member since 03 May 2021
Glautier Laurence	Board member
Levêque Laurent	Board member since 03 May 2021
Mercenier Eric	Board member
Poot An	Board member since 03 May 2021
Schalck Daan	Board member since 10 May 2021
Sterckx Dirk	Board member
Van Besien Wouter	Board member since 03 May 2021
Van Camp Bart	Board member

Fontinoy Jean-Claude	President of the Board until 03 May 2021
Lauwers Kris	Board member until 03 May 2021
Schatteman Saskia	Board member until 03 May 2021
Cloquet Jean-Jacques	Board member until 03 May 2021
Descheemaecker Marc	Board member until 03 May 2021
Jeurissen Isabelle	Board member until 03 May 2021
Gosselin Ermeline	Board member until 03 May 2021

## Auditors

The Auditors of SNCB are:

KPMG Réviseurs d'entreprises SRL represented by Patrick De Schutter

BDO Réviseurs d'entreprises SRL represented by Felix Fank

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

I. CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2
II. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	4
III. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	5
IV. CONSOLIDATED STATEMENT OF CASH FLOWS	6
GENERAL INFORMATION	8
V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	10
Note 1 - Summary of the significant accounting policies	12
Note 2 - Capital management	31
Note 3 - Critical accounting estimates and significant judgements	51
Note 4 - Consolidation scope of the SNCB Group	54
Note 5 - Intangible assets	56
Note 6 - Property, plant and equipment	59
Note 7 - Investment property	62
Note 8 - Interests under equity method	64
Note 9 – Trade and other receivables	68
Note 10 – – Assets and liabilities resulting from contracts with customers	71
Note 11 - Derivatives	72
Note 12 - Other financial assets	75
Note 13 - Inventories	78
Note 14 - Cash and cash equivalents	79
Note 15 - Non-current assets classified as held for sale and discontinued operations	80
Note 16 – Business combinations	82
Note 17 - Share capital	83
Note 18 - Consolidated reserves	84
Note 19 - Employee benefits	85
Note 20 - Provisions	91
Note 21 - Financial liabilities	92
Note 22 - Deferred tax assets/liabilities	97
Note 23 - Trade and other payables	98
Note 24 - Social debts	99
Note 25 - Grants	100
Note 26 - Other amounts payable	102
Note 27 - Operating income and expenses	103

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

Note 28 - Employee benefit expenses	105
Note 29 - Financial income and expenses	107
Note 30 - Income tax	109
Note 31 - Contingent assets and liabilities	110
Note 32 – Additional information on financial instruments	111
Note 33 - Cross-border arrangements	114
Note 34 - Rights and obligations	116
Note 35 - Information on related parties	117
Note 36 - Auditors fees	120
Note 37 - Events after the reporting date	121

## 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 2021 have been prepared in accordance with "IFRS" (International Financial Reporting Standards) as adopted by the European Union and that have been 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).

These financial statements are prepared based on the principle of valuation:

- at fair value of certain financial assets and liabilities: financial derivatives, financial assets available for sale, financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss;
- on their present value of certain elements of patrimony based: liabilities and receivables in excess of one year accompanied by a zero interest rate or an abnormally low interest rate (booked at written down 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 yields at the reporting date based on corporate bonds of the first category, and according to their duration;
- at their historical cost of 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 some standards have been adopted by the European Union and are mandatory for the financial year beginning on 1 January 2021:

- Phase 2 of the reform to interest rates of reference (amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments. Recognition and Measurement*, IFRS 7 *Financial Instruments and Disclosures* and IFRS 16 *Leases*). This choice at present has no impact on the SNCB Group's financial information.
- The amendment to standard IFRS 16 *Leases linked to Covid-19*. If certain conditions are met, lessees do not have to assess whether discounted rents granted further to Covid-19 represent changes to the lease agreement. This therefore eliminates the need to treat them as such. This simplification measure does not apply to the SNCB Group as it has not benefited from any rent discounts further to the sanitary crisis.

Other amendments have been adopted by the European Union but are not yet mandatory for the financial year beginning on 1 January 2021. These comprises amendments of limited scope to three standards (IFRS 3 *Business Combinations*, IAS 16 *Property, plant and equipment*, IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*) as well as annual improvements to IFRS (minor modifications to standards IFRS 1 *First-time Adoption of IFRS*, IFRS 9 *Financial Instruments* and to the illustrative examples that come with IFRS 16 *Leases*). These clarifications do not change the financial information and the accounting principles applied by the SNCB Group. They also comprise:

- amendments to standard IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (that comes into force on 1 January 2023) clarifying the way in which companies need to distinguish between changes in methods and changes in estimates;

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

- Amendments to standard IAS 1 *Provisions, Contingent Liabilities and Contingent Assets* relating to loss making contracts (that comes into force on 1 January 2022).

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 liabilities as current and non current ones: 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 standard IAS 12 *Income Taxes* which clarifies how companies account for differed taxes for certain specific operations.

### 1.1.1. Noteworthy events

The Group continues to suffer from major consequences of the Covid-19 pandemic.

In 2021, the turnover from domestic passenger travel earned by the parent company (SNCB) came to €507 million (Note 27.1.1. Income) which was 37% less than in 2019, a year not impacted by the Coronavirus crisis. The number of travellers remains below that of 2019 (-32.2%) with as a consequence a reduction in the variable operating grant received from the Belgian Government. In parallel, at the government's request, SNCB maintained a maximum train offer and had to bear an increase in energy costs. Just like in 2020, to continue to perform its public service role, the parent company received compensation from the Belgian Government. This Government support, together with in-house savings, made it possible to reduce operating losses. Compared with 2020, the change in the variable operating grant was also impacted by lowering the passenger-kilometre price to reflect the reduction in the infrastructure fee (resulting from the new calculation method) (see Notes 25 Grants and 27 Operating income and operating expenses).

SNCB is closely assessing the structural consequences on traffic and commercial income and the changes in mobility behaviours that it may trigger as well as the best way to address these. It sent a request for compensation for Covid-related losses for 2022 to its oversight body.

The beginning of 2022 was marked by the general rise in inflation, especially in terms of energy prices. The rise in energy prices, already significant during the last months of 2021, accelerated in January 2022 and even more so from February with the Russian invasion of Ukraine. This increase will have a major impact on Group accounts in 2022 and on the accounts for the coming years. In parallel, the price of fuel and governmental climate ambitions may incite more travellers to go by train.

More generally, the war that followed the Russian invasion of Ukraine has created a major social-economic climate of uncertainty, especially in terms of economic growth and how prices will evolve worldwide. Impacts are to be expected especially on the demand for rail transportation, on the company's cost structure or on the public purse with possible consequences affecting the State's willingness to refinance the railway sector.

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.

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

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

The equity of the SNCB Group at 31 December 2021 amounts to -438,177,248.49 EUR.

The persistent sanitary crisis continues to weigh on the operational results of the SNCB Group. To this is added increased energy costs. 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 guarantee of the Belgian State of up to 1,138 million EUR (SNCB has not called upon this State guarantee and currently has no intention of doing so). Consequently, the 31 December 2021 consolidated financial statements have been prepared based on the continuation of the Group's activities.

Further, on 15 November 2021, 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 24 November 2021.

We also note that the capital grants of 7,645,807,091.11 EUR (7,413,102,771.07 EUR at 31 December 2020), that cover almost all the investments of the SNCB Group, are booked as liabilities according to 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 refused 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 judged according to 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 total comprehensive 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.

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

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 parties pursuant to a contractual arrangement with those parties, as well as affiliated holdings over which the SNCB Group exercises significant influence without exercising control, are recognized 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. Translation 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 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 judged according to the IFRS 10 standard.

The SNCB Group treats transactions with non-controlling shareholders as transactions with equity owners of the SNCB Group. For purchases from 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 at 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:

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

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 Property, plant and equipment

Property, plant and equipment 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 of property, plant and equipment (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 property, plant and equipment 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 property, plant and equipment 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 property, plant and equipment is split among significant (sub-)components. These significant (sub-)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.

Property, plant and equipment 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
Overhaul of carriages and wagons	30 years
Installations and various equipment	9 years
Furniture	4 to 30 years
ICT	10 years
Road vehicles	4 to 10 years
Leasehold improvements to property, plant and equipment	2 to 10 years
	See 1.6.2.

The useful life and depreciation method for property, plant and equipment are reviewed periodically. The next review of depreciation durations is planned for 2022. 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 intangible assets.

## 1.6 Leases

### 1.6.1. Cross-border arrangements

Various financing arrangements ('sale and lease back' transactions, 'sale and rent back' transactions, 'lease and lease back' transactions, 'rent and rent back' transactions 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. As a sale under the terms of IFRS 15 is not concerned, 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 arrangements. The fees received according to these arrangements are spread over the term of the arrangements.

### 1.6.2. Leases for which the Company is the lessee

All leases are recorded on the lessors' balance sheet with the exception of leases whose term is less than or equal to one year and the leases whose contingent asset is of low value. In both cases, payments of rent within the scope of the lease is recorded under expenditures 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 contingent 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 discounted 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 marginal borrowing rate. Payments of rent taken into account in the assessment of the leasing valuation are fixed payments (after deduction of incentivising advantages for leasing 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 contingent asset. The lease liability is recognised in Long-term 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 between the term of the lease, interest on the leasing commitment corresponds to application of a constant interest rate to the balance remaining due of the leasing commitment. Intangible assets held by the SNCB Group as lessee are amortised over the shortest period between the term of the contract and their lifetime if the lease does not provide for transfer of ownership of the contingent 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.

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

### 1.6.3. Leases for which the Company is the lessor

A lease is recorded as a financial lease if the SNCB Group acquires virtually all the risks and rewards incidental to ownership of the asset. Financial 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 property, plant and equipment 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 property, plant and equipment are therefore likewise applicable to investment properties.

## 1.8 Interests under equity method

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

Impairment on interests under equity method are recorded when the carrying value is higher than the recoverable amount. Interests under 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 on intangible assets (including goodwill) and property, plant and equipment when the carrying 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 assets of the CGU in proportion to their carrying values, but only to the extent that the allocation does not bring the carrying values of the assets below their fair value less costs to sell. An impairment loss against goodwill may never be reversed in a subsequent period. Impairment losses against property, plant and equipment 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 on 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 shall be measured at the lower of cost and net realisable value.

The cost of replaceable inventories 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.

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

A write-down is recorded if the net realisable value of an item of inventory at balance sheet date is less than its carrying 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 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 recognized;
  - 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 as 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. The fair value taking into account assumptions based on market data, as defined in paragraphs 81 and 82 of IFRS 13, fall in Level 2 of the fair value hierarchy. The fair values not based on observable market data fall into 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 recognized 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 flow don't pass the "SPPI" test are measured at fair value through other comprehensive income.

The fixed income investments' 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) of the hierarchy of valuation as defined in IFRS 13.

The other financial assets are classified as long term, except for those with maturity within 12 months who are recognised at short term.

For financial assets not recognized at fair value through net result, the SNCB Group recognizes credit loss allowances according to the general approach as defined by IFRS 9. The objective of the general approach is to

recognize 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 recognized upon initial recognition of the asset according to their probability of default at that point in time. For assets with a rating, the probability of default will be 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**

Equity investments' fair value is determined based on the most appropriate financial criteria to 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 in Level 3 of the hierarchy of valuation as defined in IFRS 13.

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

## **1.14 Cash and cash equivalents**

This includes cash on hand and at the bank, amounts in the process of collection, short-term investments (with an initial maturity of no more than three months), extremely liquid short-term investments that are easily convertible into a known sum of money and that are hardly subject to changes in value, together with 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 carrying amount 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).

The non-current assets held for sale are no longer depreciated, but are subject to impairment, if necessary, in order to reduce their carrying 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;

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

- it is part of a single coordinated sales plan or is being purchased with a view of being sold.

## 1.17 Capital

The 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 (constructive 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 increase, 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 interest 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 constructive) to incur expenditure further to 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 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 constructive 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 a constructive 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, emitted bonds, financial leasing debts, financial debts towards other financial institutions and bank overdrafts.

Financial liabilities are evaluated initially at their true 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 at balance 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. The 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.

The deferred tax on temporary differences between the tax base of an asset or liability and the carrying value in the consolidated IFRS financial statements is calculated according to the balance sheet liability method. The 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 and other payables

Trade and other 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 assets and property, plant and equipment 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 recognized 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 a compensation of a cost or losses already incurred or to provide an immediate financial support without related future costs are recognized as income for the period in which they were 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 recognized 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" in the financial statements during the period in which they were authorised by their shareholders. Deferred income,

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

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, are also classified as other liabilities with the exception of those relating to derivative financial instruments and to financial liabilities. The amounts received in guarantee are also repeated in Other liabilities.

## 1.26 Operating income and operating expenses

Under IFRS 15, revenues are recognized when the control of goods or services is transferred to customers. Revenues are 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 recognized 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), revenues will continue to be recognized over time on the basis of the completion method.

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. 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".

Revenues from the sale of goods are recognized when the performance obligations are fulfilled, this is when the group transfers the control of the good to the customer. More specifically, revenue 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 revenue when the performance obligation is satisfied

Revenues from the sale of goods are 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.

Costs relating to services or to the sale of goods are included in operating charges.



## 1.27 Financial income and financial expenses

The 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 on 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 interests 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 collaterals, 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 wants to reduce its net debt in order to reach an optimal capital structure that allows it to ensure a strategic financial flexibility for its future growth. Due to the current sanitary crisis, these goals will be hard to achieve. The SNCB Group keeps a close track on its net debt level and the economic debt.

#### 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 is as follows as at 31 December 2021 and 2020:

<i>Net debt</i>		31/12/2021	31/12/2020
Line item	<u>Notes</u>		
Derivatives	11	7.251.658,84	47.979.921,17
Other financial assets	2.1	439.036.704,71	530.390.832,76
<b>Subtotal of non-current assets</b>		<b>446.288.363,55</b>	<b>578.370.753,93</b>
Derivatives	11	0,00	0,00
Other financial assets	2.1	100.884.154,75	36.699.826,02
Cash and cash equivalents	2.1	419.831.358,26	532.417.726,93
<b>Subtotal of current assets</b>		<b>520.715.513,01</b>	<b>569.117.552,95</b>
<b>Total assets</b>		<b>967.003.876,56</b>	<b>1.147.488.306,88</b>
Financial liabilities	21	2.344.915.013,22	2.341.407.625,25
Derivatives	11	148.590.952,92	123.865.514,36
<b>Subtotal of non-current liabilities</b>		<b>2.493.505.966,14</b>	<b>2.465.273.139,61</b>
Financial liabilities	21	545.673.269,22	611.359.458,03
Derivatives	11	0,00	28.508.664,88
<b>Subtotal of current liabilities</b>		<b>545.673.269,22</b>	<b>639.868.122,91</b>
<b>Total liabilities</b>		<b>3.039.179.235,36</b>	<b>3.105.141.262,52</b>
<b>Net debt</b>		<b>2.072.175.358,80</b>	<b>1.957.652.955,64</b>
<b>Change in net debt</b>		<b>114.522.403,16</b>	

The net debt doesn't 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. Concerned are the following:

- unused advances (co-financing) and investment grants (PFS) 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 as advances;

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

- 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 operation grants (PFS) 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 2021 and 2020 is presented as follows:

<i>Economic debt</i>	31/12/2021	31/12/2020
<b>Net debt</b>	<b>2.072.175.358,80</b>	<b>1.957.652.955,64</b>
Regional cofinancings	-27.481.980,29	-13.192.508,60
Unused received investment allowances PSF	828.049.744,99	902.315.886,41
Impact IFRS 16 (neutrallisation)	-28.047.968,82	-34.797.154,52
Net balance of trade debts and receivables	207.548.937,38	195.889.574,86
Net balance of acquired operating grants PSF	-375.631.426,23	-291.227.832,38
Net balance of collateral (CSA)	-371.051.961,00	-382.659.101,00
<b>Total of economical corrections</b>	<b>233.385.346,03</b>	<b>376.328.864,77</b>
<b>Economic debt</b>	<b>2.305.560.704,83</b>	<b>2.333.981.820,41</b>

### Reconciliation of net debt with the 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 allow 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>		31/12/2021					TOTAL
		Nominal	Net debt		Other		
Notes	Fair value adjustments		Accrued income	Assets managed on behalf of third parties	Other		
<b>Non-current</b>							
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
<b>Total non-current</b>		<b>439.036.704,71</b>	<b>1.785.564,79</b>	<b>9.295.739,19</b>	<b>0,00</b>	<b>57.414.535,35</b>	<b>507.532.544,04</b>
<b>Current</b>							
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
<b>Total current</b>		<b>100.884.154,75</b>	<b>0,00</b>	<b>816.673,97</b>	<b>0,00</b>	<b>0,00</b>	<b>101.700.828,72</b>
<b>Total other financial assets</b>		<b>539.920.859,46</b>	<b>1.785.564,79</b>	<b>10.112.413,16</b>	<b>0,00</b>	<b>57.414.535,35</b>	<b>609.233.372,76</b>

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

Other financial assets		31/12/2020					TOTAL
		Nominal	Net debt		Other		
Notes	Fair value adjustments		Accrued income	Assets managed on behalf of third parties	Other		
<b>Non-current</b>							
Receivables	12	247.217.844,14	4.120.750,17	7.955.435,48	0,00	0,00	259.294.029,79
Back-to-back		283.172.988,62	0,00	863.986,23	0,00	0,00	284.036.974,85
Equity instruments	12	0,00	0,00	0,00	0,00	57.514.535,35	57.514.535,35
<b>Total non-current</b>		<b>530.390.832,76</b>	<b>4.120.750,17</b>	<b>8.819.421,71</b>	<b>0,00</b>	<b>57.514.535,35</b>	<b>600.845.539,99</b>
<b>Current</b>							
Receivables	12	36.699.826,02	0,00	176.057,05	0,00	0,00	36.875.883,07
Back-to-back		0,00	0,00	-11.510,43	0,00	0,00	-11.510,43
Equity instruments	12	0,00	0,00	0,00	0,00	0,00	0,00
<b>Total current</b>		<b>36.699.826,02</b>	<b>0,00</b>	<b>164.546,62</b>	<b>0,00</b>	<b>0,00</b>	<b>36.864.372,64</b>
<b>Total other financial assets</b>		<b>567.090.658,78</b>	<b>4.120.750,17</b>	<b>8.983.968,33</b>	<b>0,00</b>	<b>57.514.535,35</b>	<b>637.709.912,63</b>

The receivables included in net debt consist primarily of the investment accounts established by the SNCB Group as part of its cross-border arrangements. They were concluded, either on request of the counterparty, either to manage the cash flows. These assets compensate, from an economic point of view, the financial debt concluded under these arrangements.

The “back-to-back” operations are receivables on the State originated from the debt assumption on 1 January 2005.

– Cash and cash equivalents:

Cash and cash equivalents		31/12/2021					TOTAL
		Nominal	Net debt		Others		
	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	0,00
Short-term deposits	1.000,00	0,00	0,02	63.524,75	0,00	0,00	64.524,77
Cash at bank	417.415.035,14	0,00	0,00	31,47	0,00	0,00	417.415.066,61
Cash in hand	2.415.323,12	0,00	0,00	0,00	68,63	0,00	2.415.391,75
<b>Total cash and cash equivalents</b>	<b>419.831.358,26</b>	<b>0,00</b>	<b>0,02</b>	<b>63.556,22</b>	<b>68,63</b>	<b>0,00</b>	<b>419.894.983,13</b>

Cash and cash equivalents		31/12/2020					TOTAL
		Nominal	Net debt		Others		
	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	0,00
Short-term deposits	1.000,00	0,00	670,83	32.567.118,72	0,00	0,00	32.568.789,55
Cash at bank	529.968.117,57	0,00	0,00	9,08	0,00	0,00	529.968.126,65
Cash in hand	2.448.609,36	0,00	0,00	0,00	0,00	0,00	2.448.609,36
<b>Total cash and cash equivalents</b>	<b>532.417.726,93</b>	<b>0,00</b>	<b>670,83</b>	<b>32.567.127,80</b>	<b>0,00</b>	<b>0,00</b>	<b>564.985.525,56</b>

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’). In compliance with the law of December 21, 2013 containing various tax and financial requirements (articles 113 to 121), the available assets of the RER fund held on a bank account of an institution designated by the State, were immediately invested at the Public Treasury or invested in financial instruments issued by the Federal State.

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 of one party and a financial liability of 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. The implementation and monitoring of these principles is provided by the treasury department of the mother company, in collaboration with the subsidiaries, while enforcement is provided by the internal audit of the parent company. The same principles apply for cash management for third parties (RER fund) and for instruments that are recognised off-balance. Conducting operations to make a short-term gain is not allowed.

### Debt management

The net debt includes all financial liabilities and financial assets, other than derivatives and cash, which are included in the net debt of the SNCB Group. The SNCB Group appeals to emissions of bank loans, bonds and alternative financing and procurement of term deposits and fixed income securities with different terms and currencies.

Debt management, taking into account derivatives, require that:

- whenever possible, the reimbursements of net debt are based on 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. Every exceed to these maximum thresholds must be approved by the Management board.
- 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 debt operation, even a short-term one, that generates a currency risk, must be converted immediately and fully 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. The investments in risk-bearing capital are not allowed.
- the 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 net debt.

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

- Any structural treasury deficit must be consolidated by long-term financings.
- Treasury surpluses must be invested preferably in subsidiaries with treasury deficits.
- Investment limits must be respected in the case of treasury surplus or in the case of imposed investments for the benefit of cross-border arrangements.
- Any significant trading position implying currency risk must be converted immediately and fully in EUR to eliminate the currency risk on principal and interest.
- To finance other debts, the Group relies on credit lines (confirmed and unconfirmed ones) and issues EUR-denominated commercial paper or similar short-term instruments.

### Derivatives operations

The SNCB Group uses the following types of 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 management of operations on derivatives:

- At all times any derivative operation 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 a pre-financing.
- Credit risk towards counterparties for derivatives must be spread and systematically covered by the conclusion of Credit Support Annexes.

### 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.

	31/12/2021		Total
	Financial instruments	Other	
<b>Financial assets</b>			
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
<b>Total financial assets</b>	<b>2.960.872.073,25</b>	<b>199.329.341,18</b>	<b>3.160.201.414,43</b>
<b>Financial liabilities</b>			
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
<b>Total financial liabilities</b>	<b>3.822.713.329,90</b>	<b>172.566.377,01</b>	<b>3.995.279.706,91</b>

	31/12/2020		Total
	Financial instruments	Other	
<b>Financial assets</b>			
Trade and other receivables	1.636.650.084,58	191.480.923,32	1.828.131.007,90
Derivatives	306.397.934,88	0,00	306.397.934,88
Other financial assets	637.709.912,63	0,00	637.709.912,63
Cash and cash equivalents	564.985.525,56	0,00	564.985.525,56
<b>Total financial assets</b>	<b>3.145.743.457,65</b>	<b>191.480.923,32</b>	<b>3.337.224.380,97</b>
<b>Financial liabilities</b>			
Financial liabilities	3.008.645.986,61	0,00	3.008.645.986,61
Derivatives	535.362.518,06	0,00	535.362.518,06
Trade and other payables	312.634.269,50	22.613.450,03	335.247.719,53
Other amounts payable	69.203.710,45	180.519.960,00	249.723.670,45
<b>Total financial liabilities</b>	<b>3.925.846.484,62</b>	<b>203.133.410,03</b>	<b>4.128.979.894,65</b>

### 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 converted immediately and fully in EUR (principal and interest) using derivatives. Euro conversion is not mandatory if the reimbursement of debt cash flows is matched by a cash-in in foreign currency. The covered position can be accompanied by a floating or fixed interest rate. Assets and liabilities relative to cross-border arrangements are in USD, but the structure of alternative financing operations and the use of hedging instruments guarantee that the SNCB Group is not exposed to currency risk.

To minimize the currency risk, subsidiaries use the Treasury department of the parent company, which itself is covered by the financial markets to cover any significant currency risk. Exceptions are to be approved by the SNCB's Management Committee; the subsidiaries are not permitted to enter into derivatives.

#### a. Financial instruments by currency

	31/12/2021				Total
	EUR	USD	GBP	Other	
<b>Financial assets</b>					
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	455.526.844,36	153.561.151,88	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
<b>Total financial assets</b>	<b>2.703.184.939,75</b>	<b>257.458.169,28</b>	<b>216.464,13</b>	<b>12.500,09</b>	<b>2.960.872.073,25</b>
<b>Financial liabilities</b>					
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
<b>Total financial liabilities</b>	<b>3.536.126.993,24</b>	<b>286.579.534,35</b>	<b>6.383,58</b>	<b>418,73</b>	<b>3.822.713.329,90</b>
<b>Net exposure</b>		<b>-29.121.365,07</b>	<b>210.080,55</b>	<b>12.081,36</b>	

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021

	31/12/2020				Total
	EUR	USD	GBP	Other	
<b>Financial assets</b>					
Trade and other receivables	1.636.650.084,58	0,00	0,00	0,00	1.636.650.084,58
Derivatives	207.899.330,95	98.498.603,93	0,00	0,00	306.397.934,88
Other financial assets	422.438.970,19	215.270.942,44	0,00	0,00	637.709.912,63
Cash and cash equivalents	564.813.824,54	65.604,32	80.033,39	26.063,31	564.985.525,56
<b>Total financial assets</b>	<b>2.831.802.210,26</b>	<b>313.835.150,69</b>	<b>80.033,39</b>	<b>26.063,31</b>	<b>3.145.743.457,65</b>
<b>Financial liabilities</b>					
Financial liabilities	2.692.099.093,15	316.549.893,46	0,00	0,00	3.008.648.986,61
Derivatives	571.333.301,24	-35.970.783,18	0,00	0,00	535.362.518,06
Trade and other payables	312.445.377,75	21.374,35	165.203,62	2.313,78	312.634.269,50
Other amounts payable	69.203.710,45	0,00	0,00	0,00	69.203.710,45
<b>Total financial liabilities</b>	<b>3.645.081.482,59</b>	<b>280.600.484,63</b>	<b>165.203,62</b>	<b>2.313,78</b>	<b>3.925.849.484,62</b>
<b>Net exposure</b>		<b>33.234.666,06</b>	<b>-85.170,23</b>	<b>23.749,53</b>	

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 covered its US Dollar positions.

**b. Currency-derivatives**

	31/12/2021		31/12/2020	
	Total fair value	Total nominal value	Total fair value	Total nominal value
<b>Currencies bought</b>				
USD	172.192.706,88	135.916.922,06	163.135.355,94	120.078.115,76
Other	0,00	0,00	0,00	0,00
<b>Currencies bought - Total</b>	<b>172.192.706,88</b>	<b>135.916.922,06</b>	<b>163.135.355,94</b>	<b>120.078.115,76</b>
<b>Currencies sold</b>				
USD	0,00	0,00	28.665.968,83	28.508.664,88
Other	0,00	0,00	0,00	0,00
<b>Currencies sold - Total</b>	<b>0,00</b>	<b>0,00</b>	<b>28.665.968,83</b>	<b>28.508.664,88</b>
<b>Options</b>				
USD	0,00	0,00	0,00	0,00
Other	0,00	0,00	0,00	0,00
<b>Options - Total</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>

The currency-derivatives concluded by the SNCB Group are swaps transactions concluded exclusively for assets and liabilities related to cross-border arrangements. 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 recognize the derivatives as hedging instruments. The derivatives are recognized 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
<b>2021</b>		
USD + 10%	-3.235.707,23	0,00
USD - 10%	2.647.396,82	0,00
GBP + 10%	23.342,28	0,00
GBP - 10%	-19.098,23	0,00
<b>2020</b>		
USD + 10%	3.692.740,67	0,00
USD - 10%	-3.021.333,28	0,00
GBP + 10%	-9.463,36	0,00
GBP - 10%	7.742,75	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 it evolve the risk within approved limits. The SNCB's board of directors may provide a deviation of these limits if it would be a response to 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 not, for that risk, specific coverage planned. 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 evolving sanitary crisis in 2021 did not have any impact on interest rates where refinancing was needed.

At 31 December 2021, an average of 16.91% (2020: 27.49%) of net interest bearing financial liabilities (before impact of derivatives) of the SNCB Group are contracted at variable rate and 83.09% (2020: 72.51%) at fixed rates. When taking the derivatives into account, the proportion variable – fixed rate at 31 December 2021 becomes 1.92%/98.08% (2020: 8.47%/91.53%).

	31/12/2021 Carrying amount	31/12/2020 Carrying amount
<b>Fixed rate instruments</b>		
<b>Financial assets</b>	<b>1.246.354.435,27</b>	<b>947.204.849,11</b>
Trade and other receivables	991.732.851,78	679.697.702,20
Other financial assets	254.621.583,49	267.507.146,91
Cash and cash equivalents	0,00	0,00
<b>Financial liabilities</b>	<b>-2.519.285.229,59</b>	<b>-2.047.486.868,99</b>
Financial liabilities	-2.519.285.229,59	-2.047.486.868,99
Trade and other payables	0,00	0,00
Other amounts payable	0,00	0,00
<b>Derivatives</b>	<b>-294.125.785,92</b>	<b>-351.863.162,04</b>
Interest rate sw aps	-335.521.311,56	-380.413.736,28
Foreign exchange sw aps	41.395.525,64	28.550.574,24
<b>Total fixed rate instruments</b>	<b>-1.567.056.580,24</b>	<b>-1.452.145.181,92</b>
<b>Floating rate instruments</b>		
<b>Financial assets</b>	<b>164.190.439,71</b>	<b>576.602.321,89</b>
Trade and other payables	34.175.394,17	385.418.478,90
Other financial liabilities	129.951.520,79	158.616.724,27
Cash and cash equivalents	63.524,75	32.567.118,72
<b>Financial liabilities</b>	<b>-423.261.464,98</b>	<b>-993.716.251,74</b>
Financial liabilities	-423.197.882,68	-961.149.117,62
Trade liabilities	0,00	0,00
Other liabilities	-63.582,30	-32.567.134,12
<b>Derivatives</b>	<b>228.357.620,84</b>	<b>282.673.121,61</b>
Interest rate sw aps	244.703.749,20	327.461.808,04
Foreign exchange sw aps	-16.346.128,36	-44.788.686,43
<b>Total variable rate instruments</b>	<b>-30.713.404,43</b>	<b>-134.440.808,24</b>
<b>Total</b>	<b>-1.597.769.984,67</b>	<b>-1.586.585.990,16</b>

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 at January 1, 2005, swap contracts were concluded with the Belgian State. Capitalized 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 was taken into account with other swaps in the table above.

The main exposures of the SNCB Group in interest rates result from financing in EUR and USD. The sensitivity to interest rate risk was determined based on a parallel theoretical displacement of the interest rate curve by 100 basis points.

#### **b. Cash flow sensitivity analysis**

A 100bp rise of variable interest rates (including derivatives) would decrease the net interest expenses of the SNCB Group by 195,306.83 EUR (2020: increase by 2,405,744.31 EUR) in 2021.

### 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 evolution 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 by 100bp would impact net result by 23,803,930.46 EUR (2020: 29,229,556.99 EUR) on 31 December 2021, of which 432,680.17 EUR (2020: 591,393.41 EUR) via the 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 gas oil). 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 *click*-system fixing the price at different points in time. This strategy allows to spread the price risk over time and to make use of market opportunities.

Regarding electricity, the infrastructure manager (Infrabel) acts as "lead buyer". The SNCB has mandated Infrabel for the conclusion of framework agreements until 2022 included for the contract "Traction" (all electricity via the traction subsystems, mainly for traction rolling equipment) and for the distribution contract (for all electricity that is not used via the traction substations) until 2024. In the "traction" contract, a *click-system* will be provided by the SNCB (free click price) in combination with the 'forward price' and the "spot" price of the day (daily clicks). In the "distribution" contract, for technical reasons, only a combination of average price and price of the day is used.

Since the end of 2021, the SNCB Group has been faced with a significant rise in energy prices. Hence, since September, the spot price has risen to the hitherto unknown level of 100 EUR/MWh, before rising in November to 200 EUR/MWh. During December, the spot price was five times the spot price one year previously. 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.

Concerning natural gas (heating) and gas oil (heating and traction) the SNCB acts as "lead-buyer" for several participation companies within the Belgian railway landscape but outside the scope of consolidation. Prices are negotiated by the SNCB on behalf of the participating companies, but the individual companies are billed directly. The SNCB applies the following strategies:

- Natural gas: Application of the *click-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 or the daily price for the remaining volume. This way the risk is spread and may even be limited when a part of the price is fixed

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

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 oil: Diesel: the click-system cannot be applied here. That is why the SNCB combines the purchase of gas oil at current price with the conclusion of derivatives (gas oil swaps). The use of derivatives has the potential to react to market opportunities and to reduce uncertainty on future cash flows. The Management Board of the SNCB has decided for the periods and 2020-2021 and 2022-2023 to cover a total volume based on respectively 55% and 60% of the total estimated average over those 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) recognized 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 of just value in the other elements of the overall result. 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
<b>31 December 2021</b>			
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 than 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
<b>Total</b>	<b>1.984.805.720,17</b>	<b>1.986.759.333,29</b>	<b>1.953.613,12</b>
<b>31 December 2020</b>			
Trade and other receivables	1.636.597.682,32	1.639.680.314,96	3.082.632,64
Not expired	1.626.186.930,33	1.627.481.815,52	1.294.885,19
0 - 3 months past due	8.763.289,21	8.952.583,02	189.293,81
3 - 6 months past due	1.521.171,64	1.824.642,21	303.470,57
more than 6 months past due	126.291,14	1.421.274,21	1.294.983,07
Other financial assets	320.933.576,96	320.933.576,96	0,00
<b>Total</b>	<b>1.957.531.259,28</b>	<b>1.960.613.891,92</b>	<b>3.082.632,64</b>

In 2021, 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
<b>31 December 2021</b>						
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
<b>Total</b>	<b>2.220.008.831,63</b>	<b>375.838.786,22</b>	<b>271.650.669,54</b>	<b>93.609.845,10</b>	<b>-236.059,24</b>	<b>2.960.872.073,25</b>
<b>31 December 2020</b>						
Trade and other receivables	1.233.252.294,25	399.276.584,18	4.026.705,85	1.345,00	93.155,30	1.636.650.084,58
Derivatives	258.502.718,35	2.492.851,49	37.440.989,38	7.961.375,66	0,00	306.397.934,88
Other financial assets	285.630.758,34	28.772.007,38	246.779.574,72	76.527.572,19	0,00	637.709.912,63
Cash and cash equivalents	564.985.525,56	0,00	0,00	0,00	0,00	564.985.525,56
<b>Total</b>	<b>2.342.371.296,50</b>	<b>430.541.443,05</b>	<b>288.247.269,95</b>	<b>84.490.292,85</b>	<b>93.155,30</b>	<b>3.145.743.457,65</b>

### Credit risk on trade receivables and other receivables

Accounts receivable and other receivables concern in 2021 for 56.45% (2020: 57.55%) receivables on the Belgian State further to the pre-financing of investments, receivables concerning subsidies in capital and net receivables regarding operating subsidies (SPF) and for 22.05% (2020: 23.38%) the guarantees paid to financial institutions under CSA contracts. Other trade receivables and other receivables (2021: 21.50%; 2020: 19,07%) are 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 (interests) and receivables with interests (fixed income investments, deposits and back-to-back transactions with the State).

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

The SNCB Group limits its credit risk on receivables with interests 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 established the limits of investments by counterparties. 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 counterparty's credit quality, the SNCB Group expects that counterparties meet their obligations. Investments are continuously monitored and an annual decision of the Board is required to maintain the investments that no longer meet the required 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 the needs of presentation, provisions for expected losses of credit recognised are restated in the column 'Adjustments of true value'.

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

The cash and cash equivalents relate mainly to bank receivables and deposits with 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	31/12/2021					
	Nominal		Fair value adjustment	Accrued income		Total
	Non-current	Current		Non-current	Current	
<b>Other financial assets</b>	<b>541.074.888,94</b>	<b>100.884.154,75</b>	<b>-42.838.084,09</b>	<b>9.295.739,19</b>	<b>816.673,97</b>	<b>609.233.372,76</b>
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	
<b>Cash and cash equivalents</b>	<b>0,00</b>	<b>419.894.983,11</b>	<b>0,00</b>	<b>0,00</b>	<b>0,02</b>	<b>419.894.983,13</b>
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

Rating	31/12/2020					
	Nominal		Fair value adjustment	Accrued income		Total
	Non-current	Current		Non-current	Current	
<b>Other financial assets</b>	<b>625.830.713,19</b>	<b>36.699.826,02</b>	<b>-33.804.594,91</b>	<b>8.819.421,71</b>	<b>164.546,62</b>	<b>637.709.912,63</b>
AA+	96.507.750,42	0,00	4.086.942,62	2.311.943,85	0,00	102.906.636,89
<i>Financial institutions</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Sovereigns</i>	96.507.750,42	0,00	4.086.942,62	2.311.943,85	0,00	102.906.636,89
<i>Corporates</i>	0,00	0,00	0,00	0,00	0,00	0,00
AA	283.172.988,62	0,00	0,00	863.986,23	-11.510,43	284.025.464,42
<i>Financial institutions</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Sovereigns</i>	283.172.988,62	0,00	0,00	863.986,23	-11.510,43	284.025.464,42
<i>Corporates</i>	0,00	0,00	0,00	0,00	0,00	0,00
AA-	44.143.336,95	36.699.826,02	0,00	0,00	55.763,53	80.898.926,50
<i>Financial institutions</i>	44.143.336,95	36.699.826,02	0,00	0,00	55.763,53	80.898.926,50
<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+	28.508.664,88	0,00	33.807,55	0,00	120.249,60	28.662.722,03
<i>Financial institutions</i>	28.508.664,88	0,00	33.807,55	0,00	120.249,60	28.662.722,03
<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	78.058.091,89	0,00	0,00	5.643.491,63	0,00	83.701.583,52
<i>Financial institutions</i>	78.058.091,89	0,00	0,00	5.643.491,63	0,00	83.701.583,52
<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	95.439.880,43	0,00	-37.925.345,08	0,00	43,92	57.514.579,27
<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	43,92	43,92
<i>Equity securities</i>	95.439.880,43	0,00	-37.925.345,08	0,00	0,00	57.514.535,35
<i>Other</i>	0,00	0,00	0,00	0,00	0,00	0,00

Rating	31/12/2020					
	Nominal		Fair value adjustment	Accrued income		Total
	Non-current	Current		Non-current	Current	
<b>Cash and cash equivalents</b>	<b>0,00</b>	<b>564.984.854,73</b>	<b>0,00</b>	<b>0,00</b>	<b>670,83</b>	<b>564.985.525,56</b>
A-1+	0,00	32.567.118,72	0,00	0,00	0,00	32.567.118,72
<i>Financial institutions</i>	0,00	0,00	0,00	0,00	0,00	0,00
<i>Sovereigns</i>	0,00	32.567.118,72	0,00	0,00	0,00	32.567.118,72
<i>Corporates</i>	0,00	0,00	0,00	0,00	0,00	0,00
NR	0,00	532.417.736,01	0,00	0,00	670,83	532.418.406,84
<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	670,83	670,83
<i>Cash at bank</i>	0,00	526.880.010,84	0,00	0,00	0,00	526.880.010,84
<i>Cash in hand</i>	0,00	5.536.725,17	0,00	0,00	0,00	5.536.725,17

The amounts mentioned as “Corporate” without rating (NR) are exclusively related to subsidiaries. Regarding the bank accounts: there are mainly current accounts at financial institutions established in Belgium whose short-term rating is A-1 or A-2.

With the exception of equity instruments (stocks and shares – see note 12.2), the current sanitary crisis has little 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 amount that should be paid either by the SNCB Group or by the counterparty in case of termination is calculated regularly. Using CSA contracts, the SNCB Group paid and received guarantees for counterparties for which the fair value of the portfolio of financial instruments



exceeds a predefined 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 liabilities”.

The table below provides an overview of the exposure to credit risk on 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>						31/12/2021
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	
<b>With CSA</b>		<b>-469.282.382,41</b>	<b>371.051.961,00</b>	<b>0,00</b>	<b>-98.230.421,41</b>	
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	
<b>Without CSA</b>		<b>236.623.445,15</b>	<b>0,00</b>	<b>0,00</b>	<b>236.623.445,15</b>	
<b>Total</b>		<b>-232.658.937,26</b>	<b>371.051.961,00</b>	<b>0,00</b>	<b>138.393.023,74</b>	

  

<i>Management of derivatives counterparty credit risk</i>						31/12/2020
Counterparty	Rating	Credit risk	Collateral posted	Collateral received	Net exposure	
152	A+	-7.831.388,40	3.600.000,00	0,00	-4.231.388,40	
154	A-	-446.243.854,43	379.059.101,00	0,00	-67.184.753,43	
155	A	-328.685,81	0,00	0,00	-328.685,81	
156	A+	-8.883.576,74	0,00	0,00	-8.883.576,74	
160	A-	-14.986.663,94	0,00	0,00	-14.986.663,94	
161	A	-15.874.748,02	0,00	0,00	-15.874.748,02	
162	AA-	7.587.699,78	0,00	0,00	7.587.699,78	
163	A	-11.556.936,49	0,00	0,00	-11.556.936,49	
166	A	-7.230.853,41	0,00	0,00	-7.230.853,41	
<b>With CSA</b>		<b>-505.349.007,46</b>	<b>382.659.101,00</b>	<b>0,00</b>	<b>-122.689.906,46</b>	
Belgian State	AA	258.502.718,35	0,00	0,00	258.502.718,35	
Eurofima	AA+	17.881.705,93	0,00	0,00	17.881.705,93	
<b>Without CSA</b>		<b>276.384.424,28</b>	<b>0,00</b>	<b>0,00</b>	<b>276.384.424,28</b>	
<b>Total</b>		<b>-228.964.583,18</b>	<b>382.659.101,00</b>	<b>0,00</b>	<b>153.694.517,82</b>	

### 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 organization sets periodically, on the basis of the reciprocal claims and obligations presented to it, the

amounts to be paid and received by each party to settle all the reciprocal obligations. As soon as the BCC has communicated these amounts to its members, they have a legally enforceable right to pay these amounts.

The table below details the amounts of recognized balances as well as receivables and obligations with other members of the organization that have not yet been presented as at 31 December 2021 and at 31 December 2020.

	31/12/2021	31/12/2020
	Carrying amount	Carrying amount
<b>Amounts offset</b>	<b>494.119,28</b>	<b>60.705,47</b>
Trade and other receivables	500.439,03	67.132,52
Other amounts payable	-6.319,75	-6.427,05
<b>Eligible amounts not yet offset</b>	<b>-43.119,32</b>	<b>-313.280,07</b>
Trade and other receivables	5.572.371,26	2.592.648,22
Other amounts payable	-5.615.490,58	-2.905.928,29
<b>Total</b>	<b>450.999,96</b>	<b>-252.574,60</b>

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 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 recognized 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 has implemented a cash flow management system and:

- has sufficient liquidities. The SNCB Group has, at the end of 2021, 419,831,426.91 EUR (2020: 532,418,397.76 EUR) at its disposal which are not managed for third parties;
- has sufficient available lines of credit, confirmed (2021: 175 million EUR; 2020: 175 million EUR) and unconfirmed (2021: 35 million EUR; 2020: 35 million EUR), completed with (unconfirmed) commercial paper programs (2021: 4 billion EUR; 2020: 4 billion EUR);
- enjoys a credit line with the European Investment Bank (2021: 400 million EUR; 2020: 600 million EUR) which enables it to conclude long-term financing. A first line of credit (of 200 million EUR) with the European Investment Bank came due in 2021 as the entire available amount had been used;
- has an unconfirmed EMTN (Euro Medium Term Notes) program worth 1 billion EUR (2020: 1 billion EUR), of which an available amount of 810 million EUR on 31/12/2021 (2020: 810 million EUR) ;
- can request the State guarantee for funding made by the parent company for an amount up to 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.

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

As of 31 December 2021, the SNCB Group had not issued any commercial paper (2020: 325,041,927.23 EUR), and had not used its available credit lines (2020: 100 million EUR) and had called on the remaining credit line with the European Investment Bank for a loan worth 300 million EUR. On 31 December 2021 (2020), the SNCB Group had used 190 million EUR (190 millions EUR) of the EMTN program.

Despite negative operational cash-flow expected due to the sanitary crisis, the SNCB Group expects to fund its investment obligations and net long-term obligations with the expected cash flows from investments and financing. Investment grants and operational grants provided in the SNCB's management contract and additional one-off compensation payments in the context of the sanitary crisis play an important role in the financing of operational and investment activities. The SNCB Group optimises the management of its cash-flow based on a regular analysis of the evolution of 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 receivables with interests, "back to back" receivables, reimbursements from the State for agreed transactions, derivatives and available cash and cash equivalents. The amounts under "cash and cash equivalents" concern the Funds managed for third parties that can be used for the related "Other liabilities". 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
<b>* including interest payments</b>							
<b>31 December 2021</b>							
<b>Financial assets</b>							
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
<b>Total financial assets</b>	<b>1.241.815.382,68</b>	<b>1.420.932.438,07</b>	<b>73.957.264,33</b>	<b>54.083.805,55</b>	<b>71.287.133,90</b>	<b>166.787.431,16</b>	<b>1.054.816.803,13</b>
<b>Financial liabilities</b>							
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
<b>Total financial liabilities</b>	<b>3.822.713.329,90</b>	<b>4.461.684.140,17</b>	<b>846.837.198,68</b>	<b>496.824.461,96</b>	<b>438.456.217,97</b>	<b>658.396.203,24</b>	<b>2.021.170.058,32</b>
<b>Total</b>	<b>-2.580.897.947,22</b>	<b>-3.040.751.702,10</b>	<b>-772.879.934,35</b>	<b>-442.740.656,41</b>	<b>-367.169.084,07</b>	<b>-491.608.772,08</b>	<b>-966.353.255,19</b>
<b>* including interest payments</b>							
<b>31 December 2020</b>							
<b>Financial assets</b>							
Trade and other receivables	465.721.453,93	608.789.000,00	11.891.000,00	30.035.000,00	41.926.000,00	125.778.000,00	399.159.000,00
Derivatives	306.397.934,88	47.989.332,89	-3.035.367,91	44.954.249,99	26.524.930,73	-11.955.187,21	-8.499.292,71
Other financial assets	580.195.333,36	896.260.189,66	65.322.781,99	3.460.401,71	99.467.421,40	24.614.699,23	703.394.885,33
Cash and cash equivalents	32.567.127,80	32.567.127,80	32.567.127,80	0,00	0,00	0,00	0,00
<b>Total financial assets</b>	<b>1.384.881.849,97</b>	<b>1.585.605.650,35</b>	<b>106.745.541,88</b>	<b>78.449.651,70</b>	<b>167.918.352,13</b>	<b>138.437.512,02</b>	<b>1.094.054.592,62</b>
<b>Financial liabilities</b>							
Financial liabilities	3.008.648.986,61	3.377.184.846,73	514.064.743,56	126.795.138,12	575.792.096,70	859.401.340,33	1.301.131.528,02
Derivatives	535.362.518,06	515.292.133,23	40.695.133,83	27.260.516,32	38.611.099,10	94.829.864,92	313.895.519,06
Trade and other payables	312.634.269,50	312.634.269,50	309.421.756,28	3.016.338,79	196.174,43	0,00	0,00
Other amounts payable	69.203.710,45	69.203.710,46	47.453.776,11	17.181.300,32	675.718,66	0,00	3.892.915,37
<b>Total financial liabilities</b>	<b>3.925.849.484,62</b>	<b>4.274.314.959,92</b>	<b>911.635.409,78</b>	<b>174.253.293,55</b>	<b>615.275.088,89</b>	<b>954.231.205,25</b>	<b>1.618.919.962,45</b>
<b>Total</b>	<b>-2.540.967.634,65</b>	<b>-2.688.709.309,57</b>	<b>-804.889.867,90</b>	<b>-95.803.641,85</b>	<b>-447.356.736,76</b>	<b>-815.793.693,23</b>	<b>-524.865.369,83</b>

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021

## 2.2.8. Fair value risk

The table below analyses financial instruments carried at fair value by valuation method. 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 of 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 (non-observable data).

	31/12/2021			TOTAL
	Level 1	Level 2	Level 3	
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
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 receivables	0,00	167.282.460,08	0,00	167.282.460,08
<b>Financial assets at fair value through other comprehensive income</b>				
Equity instruments	0,00	0,00	57.414.535,35	57.414.535,35
Other instruments	0,00	0,00	0,00	0,00
<b>Total</b>	<b>82.806.204,04</b>	<b>397.039.565,44</b>	<b>76.325.600,47</b>	<b>556.171.369,95</b>
<b>Liabilities</b>				
<b>Financial liabilities at fair value through profit or loss</b>				
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
<b>Total</b>	<b>0,00</b>	<b>483.658.782,68</b>	<b>134.316.157,07</b>	<b>617.974.939,75</b>

	31/12/2020			TOTAL
	Level 1	Level 2	Level 3	
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
Deposits	0,00	0,00	0,00	0,00
Fixed rate securities	76.527.572,19	28.662.722,03	0,00	105.190.294,22
Derivatives	0,00	290.521.912,60	15.876.022,28	306.397.934,88
Other	0,00	154.123.908,36	0,00	154.123.908,36
<b>Financial assets at fair value through other comprehensive income</b>				
Equity instruments	0,00	0,00	57.514.535,35	57.514.535,35
Other instruments	0,00	0,00	0,00	0,00
<b>Total</b>	<b>76.527.572,19</b>	<b>473.308.542,99</b>	<b>73.390.557,63</b>	<b>623.226.672,81</b>
<b>Liabilities</b>				
<b>Financial liabilities at fair value through profit or loss</b>				
Financial liabilities	0,00	0,00	127.489.449,06	127.489.449,06
Derivatives	0,00	537.368.201,71	-2.005.683,65	535.362.518,06
Other financial liabilities	0,00	0,00	0,00	0,00
<b>Total</b>	<b>0,00</b>	<b>537.368.201,71</b>	<b>125.483.765,41</b>	<b>662.851.967,12</b>

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021

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 capitalized interest and interest accrued on swap contracts with the Belgian State forming part of the back-to-back receivables which, together with the derivative financial instruments, 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 January 1, 2014, the SNCB Group no longer has a representative number of listed fixed income securities (Bonds). The SNCB Group no longer has market data as defined in paragraph 81 and 82 of IFRS 13 to value at fair value the liabilities voluntarily classified “at fair value through net income” and derivatives that are not part of a CSA. Therefore, since January 1, 2014, the fair values of these instruments are considered Level 3 of 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 assets.

Changes in level 3 financial instruments	
	EUR
<b>Assets</b>	
<b>At 1st of January</b>	<b>73.390.557,63</b>
Acquisitions	9.598.594,16
Disposals	-1.600.000,00
Payments	1.994.456,39
Total gains and losses recognised in profit or loss	1.040.586,45
Impairment losses through other comprehensive income	-8.098.594,16
Transfers assets-liabilities	0,00
Transfer to another balance sheet item	0,00
<b>At 31st of December</b>	<b>76.325.600,47</b>
<b>Liabilities</b>	
<b>At 1st of January</b>	<b>125.483.765,41</b>
Payments	1.604.622,50
Total gains and losses recognised in profit or loss	6.767.613,17
Changes in fair value through other comprehensive income (own credit risk)	460.155,99
Transfers assets-liabilities	0,00
<b>At 31st of December</b>	<b>134.316.157,07</b>

A 10 basis point rise in the credit margin of the Group SNCB would result, at the end of the current reference period, in a gain of 211,612.05 EUR in the total result (2020 result: 315,506.86 EUR) of which 376,571.79 EUR (2020: 482,348.11 EUR) via the other comprehensive income components. The difference between the two amounts results from the variation in the derivatives that are not subject to a CSA and for which the financing cost of the SNCB Group is used to determine the fair value.

## Note 3 - Critical accounting estimates and significant judgements

The preparation of consolidated financial statements in accordance with IFRS brings the SNCB Group to establish significant judgements, estimates and assumptions that affect the application of the valuation rules, and the reported amounts of assets, liabilities, income and expenses, and which contain by nature a certain degree of uncertainty. Those estimates are based on experience and on assumptions that the SNCB Group consider reasonable based on the circumstances. Per definition, actual results might be and will often be different from those estimates. Revisions of the accounting estimates are recognised during the period in which the estimates are revised, and throughout subsequent concerned periods. Judgements and estimates concern mainly the following areas:

### 3.1 Impairment of Property, plant and equipment

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

Certain property, plant and equipment of the SNCB Group and certain investment property have been measured at fair value during the transition to IFRS at 1 January 2014. The property, plant and equipment are subjected to an impairment test when there is an indication that they have suffered impairment loss. An impairment loss is recognized when the carrying value is higher than the recoverable amount. If the recoverable value of a plot of land proves to be greater than the book value, a loss of value is restated on condition that the book value is not greater than the value re-appraised on 1st January 2014.

The SNCB Board of Directors has decided to carry out a general impairment test on its land every 3 years. This test was conducted for the first time in 2016. In 2019, a second impairment test on the land was carried out by the internal real estate appraisal experts. The next test is scheduled for 2022. Land for which development projects exist ("Major Projects") were tested in 2021.

### 3.2 Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not quoted on an active market (such as over the counter traded derivatives) is determined using valuation techniques. The SNCB Group selects the methods and retains the assumptions that seem to be appropriate, based principally on existing market conditions at reporting date.

The SNCB Group evaluates:

- *fixed income investments and the interest-bearing financial assets* that are not traded on an active market using the discounted free cash flows method;
- the other, non-interests-bearing financial assets, at their historical cost and submits them to an impairment test at the end of each reference period;
- the derivatives using the discounted free cash flows method combined with valuation models for options;
- the financial liabilities using the discounted free cash flows method.

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

The valuation of the individual derivatives is adjusted for any counterparty's potential credit risk, considering all the contracts concluded with this counterparty and the paid or received collateral. This adjustment is calculated taking into account the average residual maturity of the instruments and the credit worthiness of the counterparty.

To determinate the future free cash flows, the SNCB Group uses the forward rates derived from the interest curve (Euribor, Libor, ...) for the corresponding currencies and maturities.

To determinate the discount rates, the Group takes into account the nature of the investment to be valued, the residual maturity and the currency in which the investment was issued. The SNCB Group uses the following discount rates:

- the risk-neutral rate (EONIA, FED Funds, ...) for the valuation of the derivatives subject to a Credit Support Annex (CSA);
- the risk-neutral rate plus a credit spread specific to a sector or counterparty for the valuation of the fixed income investments that are not traded on an active market;
- the OLO rates plus a credit spread specific to the SNCB Group for the valuation of the financial liabilities and the derivatives that are not subject to a CSA.

We refer to note 2.2.2. and c for a sensitivity analysis to interest rates, cash flow and fair value.

### 3.3 Employee benefits

Liabilities arising from employee benefits are actuarially determined, based on different financial and demographic assumptions. Any variation of these assumptions would impact the amount of the liability. An important assumption that has a major sensibility on the liability is the discount rate. At each closing, the SNCB Group determines this rate by reference to high quality corporate bonds with similar maturity at closing date. Other major assumptions are based on the market, or reflect the best estimate of the SNCB Group.

### 3.4 Fair value less costs to sell for non-current assets held for sale

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs of sale. On 31 December 2017 and 31 December 2016, the fair value is calculated based on present value of future cash flows. These calculations are based on estimates and assumptions relative to growth rates, discount rates and future cash flows.

### 3.5 Useful life of property, plant and equipment

Property, plant and equipment mainly include railway rolling stock, railway infrastructure and stations. Depreciation is computed as from the date at which the asset is ready to be used, 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 the asset is expected to be available to be used by the SNCB Group. Estimated useful life takes into consideration the expected use by the SNCB Group, expected physical wear that depends on operational factors such as the maintenance program, technical and economical obsolescence and legal limitations and other similar limitations (for example the leasing contract period). For a detail of the useful lives estimated for property, plant and equipment, we refer to note 1.5. However, actual useful life might differ because of numerous factors. This could result in a shorter or longer useful life. If the estimated useful life

appears to be incorrect, or if there is a change in the circumstances in such manner that the estimated useful life should be revised, this could lead to an impairment loss or an increased or decreased depreciation charge for the upcoming periods. Useful lives are examined periodically and prospectively adjusted if necessary. The next review of depreciation durations is planned for 2022.

### 3.6 Deferred tax: recovery of deferred tax assets

Deferred tax assets are only recognised for deductible temporary differences and losses carried forward if it is probable that future taxable profits will offset these losses and differences and if tax losses remain available given 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 which is mainly based on business plans and the uncertainty surrounding economic conditions and uncertainties in the markets in which the SNCB Group operates. Given the various uncertainties described above, a time horizon of three years is used by the SNCB Group in its analysis. The underlying assumptions of this analysis are reviewed annually.

### 3.7 Provisions

The SNCB Group recognizes provisions when there is a legal or constructive obligation towards a third party that will result in an outflow of resources and that can be estimated reliably. The amounts recognized are based on the best possible estimate of the analysis performed at the time of closing the accounts.

#### **Provisions for soil decontamination**

The provisions for soil decontamination cover the costs that the SNCB Group has to support, legally or in the interests of its general policy, to deliver soil certificates or to fulfil decontamination obligations. This provision is ventilated per nature of expense and per site and is calculated on the basis of potential techniques used for the decontamination of the environment and on the basis of the best estimates of the SNCB Group in terms of costs and timing of the realisation.

#### **Provisions for legal claims**

The provision for legal claims corresponds to the present value of the best estimate of the outflow of resources embodying economic benefits as a consequence of the legal claims instituted against the SNCB Group. It is adjusted at the closing date based on a re-estimation by the legal services of the SNCB Group of the risks incurred within the framework of the ongoing claims and the present value of the expected future cash flows according to the IRS curve.



## Note 4 - Consolidation scope of the SNCB Group

The fully consolidated subsidiaries of the SNCB Group are the following:

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
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020		
B-Parking	-	100,00	-	0,00	-	0,00	Brussel	BE 0899.438.834
De Leuwe II	100,00	100,00	0,00	0,00	0,00	0,00	Brussel	BE 0476.491.021
Eurogare	-	75,00	-	25,00	121.341,00	-8.222,28	Liège	BE 0451.150.562
Publifer	100,00	100,00	0,00	0,00	0,00	0,00	Brussel	BE 0402.695.993
Railtour	100,00	100,00	0,00	0,00	0,00	0,00	Brussel	BE 0402.698.765
Schelde-Landschapspark (SLP)	-	50,00	-	50,00	-8.626,74	-98.757,90	Bornem	BE 0824.816.833
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 18 December 2020, the Management Board of SNCB approved the merger by takeover of **B-Parking** with effect from a tax and accounting point of view backdated to 1 January 2021. This operation took effect legally on 3 July 2021.

On 24 and 29 September 2021, the Management Board of SNCB and Eurogare approved the merger by takeover of **Eurogare** with effect from a tax and accounting point of view backdated to 1 July 2021. Shortly prior to this operation, SNCB bought out the shares held by the minority shareholder and became the sole shareholder of the subsidiary.

On 27 December 2021, SNCB proceeded to liquidate its **SLP** subsidiary, a public-private sector joint venture for completing the Wetteren-sur-Escaut project that is now completed.

For information, on 25 February 2022, SNCB proceeded with the merger by takeover of its Railtour subsidiary with effect from a tax and accounting point of view on 1 January 2022.

The entities of the SNCB Group accounted for under the equity method are the following:

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		Headquarters location	Company/VAT number
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020		
Belgian Mobility Card (*)	25,00	25,00	0,00	0,00	0,00	0,00	Bruxelles	BE 0822.658.483
BeNe Rail International	50,00	50,00	0,00	0,00	0,00	0,00	Bruxelles	BE 0479.863.354
Eurofima Joint-Stock Cie (Swiss law)	9,80	9,80	0,00	0,00	0,00	0,00	Bâle	-
Hasselt stationsomgeving	-	50,00	-	0,00	-	0,00	Hasselt	BE 0862.570.223
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	Bruxelles	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	30,00	0,00	0,00	0,00	0,00	Bruxelles	BE 0455.370.557
THI Factory	40,00	40,00	0,00	0,00	0,00	0,00	Bruxelles	BE 0541.696.005
HR Rail (**)	20,00	20,00	0,00	0,00	0,00	0,00	Bruxelles	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%.

To be noted:

Eurofima, held at 9,80% by SNCB, is consolidated under equity method in the consolidated financial statements of the SNCB Group because SNCB has a significant influence in this company according to the standard IAS 28§6.

On 28 May 2021, SNCB proceeded to liquidate Hasselt Stationsomgeving.

For information, on 1 March 2022, Thalys International merged with THI Factory. On 11 April 2022, SNCB brought its 40% shareholding in THI Factory to Eurostar Group, a Belgian company formed 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 in this holding company.

## Note 5 - Intangible assets

### 5.1 Intangible assets

EUR	31/12/2021	31/12/2020
Goodwill	849.215,56	849.215,56
Intangible assets - other - internally generated	235.205.335,77	228.383.012,63
Intangible assets - other - acquired from third parties	157.180,91	636.023,08
<b>Carrying value</b>	<b>236.211.732,24</b>	<b>229.868.251,27</b>

Of which:

	31/12/2021	31/12/2020
SNCB	236.076.732,58	229.451.284,86
Subsidiaries	134.999,66	416.966,41
<b>Carrying value</b>	<b>236.211.732,24</b>	<b>229.868.251,27</b>

#### 5.1.1 Intangible assets – Goodwill

EUR	Goodwill - intégration globale	Total
<b>At 31 December 2020</b>		
Acquisition value	2.102.532,66	2.102.532,66
Accumulated impairment losses	-1.253.317,10	-1.253.317,10
<b>Carrying value at 31 December 2020</b>	<b>849.215,56</b>	<b>849.215,56</b>
<b>At 31 December 2021</b>		
Acquisition value	2.102.532,66	2.102.532,66
Accumulated impairment losses	-1.253.317,10	-1.253.317,10
<b>Carrying value at 31 December 2021</b>	<b>849.215,56</b>	<b>849.215,56</b>

When in 2017, SNCB bought out the shares held by the other shareholder in Publifer, SNCB booked goodwill. SNCB plans to takeover this subsidiary during 2022.

### 5.1.2 Intangible assets – Other than goodwill

EUR	Internally generated		Total	Acquired from third parties		Total
	Software	Others		Software	Others	
<b>Carrying value at 1 January 2020</b>	<b>221.256.988,69</b>	<b>0,00</b>	<b>221.256.988,69</b>	<b>347.591,84</b>	<b>570.789,25</b>	<b>918.381,09</b>
Individual acquisitions	27.390.945,32		27.390.945,32		38.985,17	38.985,17
Internally generated	40.532.340,59		40.532.340,59			0,00
Disposals			0,00		-19.515,00	-19.515,00
Transfer to:						
other			0,00		24.654,50	24.654,50
Amortization of the period	-60.797.261,97		-60.797.261,97	-125.551,23	-200.931,45	-326.482,68
<b>Carrying value at 31 December 2020</b>	<b>228.383.012,63</b>	<b>0,00</b>	<b>228.383.012,63</b>	<b>222.040,61</b>	<b>413.982,47</b>	<b>636.023,08</b>
<b>Carrying value at 1 January 2021</b>	<b>228.383.012,63</b>	<b>0,00</b>	<b>228.383.012,63</b>	<b>222.040,61</b>	<b>413.982,47</b>	<b>636.023,08</b>
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
<b>Carrying value at 31 December 2021</b>	<b>235.205.335,77</b>	<b>0,00</b>	<b>235.205.335,77</b>	<b>134.999,66</b>	<b>22.181,25</b>	<b>157.180,91</b>

The other transfers of intangible assets as of December 31, 2021 (10,881.00 EUR) are related to the green certificates received by SNCB because of the installation of solar panels. In 2021, 49 green certificates with a carrying amount of 6,825.00 EUR have been sold.

EUR	Internally generated		Total	Acquired from third parties		Total
	Software	Others		Software	Others	
<b>At 31 December 2020</b>						
Acquisition value	692.918.691,72		692.918.691,72	6.667.321,26	2.009.398,84	8.676.720,10
Accumulated amortization	-453.721.220,47		-453.721.220,47	-6.445.280,65	-1.595.416,37	-8.040.697,02
Accumulated impairment losses	-10.814.458,62		-10.814.458,62			0,00
<b>Carrying value at 31 December 2020</b>	<b>228.383.012,63</b>	<b>0,00</b>	<b>228.383.012,63</b>	<b>222.040,61</b>	<b>413.982,47</b>	<b>636.023,08</b>
<b>At 31 December 2021</b>						
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
<b>Carrying value at 31 December 2021</b>	<b>235.205.335,77</b>	<b>0,00</b>	<b>235.205.335,77</b>	<b>134.999,66</b>	<b>22.181,25</b>	<b>157.180,91</b>

The SNCB Group has no intangible assets with indefinite useful lives.

### 5.1.3 Intangible assets - finance lease

	Software	Total in finance lease
<b>At 31 December 2020</b>		
Acquisition value	1.059.956,16	1.059.956,16
Accumulated amortization	-1.059.956,16	-1.059.956,16
<b>Carrying value at 31 December 2020</b>	<b>0,00</b>	<b>0,00</b>
<b>At 31 December 2021</b>		
Acquisition value	1.059.956,16	1.059.956,16
Accumulated amortization	-1.059.956,16	-1.059.956,16
<b>Carrying value at 31 December 2021</b>	<b>0,00</b>	<b>0,00</b>

Software held under finance leases as at 31 December 2018 and 31 December 2017 relate to the subsidiary Ypto.

## 5.1.4 Other information related to intangible assets

Carrying value of intangible assets	31/12/2021	31/12/2020
Acquired through grants		
Softwares - internally generated	229.898.926,30	222.570.436,67
<b>Total</b>	<b>229.898.926,30</b>	<b>222.570.436,67</b>

As per 31 December 2021, 97.7% of the intangible assets of the SNCB Group are acquired through government grants. Total amount of subsidised intangible assets relates to SNCB. Intangible assets not ready for use amount to 98,612,800.77 EUR of which 96,498,400.49 EUR is funded by government grants as per 31 December 2021 (56,135,326.63 EUR of which 55,483,839.43 EUR funded by government grants as per 31 December 2020).

## Note 6 - Property, plant and equipment

### 6.1 Property, plant and equipment

EUR	Land	Buildings	Railway infrastructure	Railway rolling stock	Plant and various equipment	Assets under construction	Total
<b>"Restated" carrying value at 1 January 2020</b>	<b>799.979.255,98</b>	<b>1.161.730.488,45</b>	<b>107.554.015,44</b>	<b>3.493.529.999,51</b>	<b>350.081.588,48</b>	<b>1.308.680.073,93</b>	<b>7.221.555.421,79</b>
Individual acquisitions	491.927,35	0,00		214.524,47	295.166,48	350.044.072,06	351.045.690,36
Acquisitions financial lease		2.039.649,32		8.285.528,94	1.640.585,05		11.965.763,31
Internally generated						122.487.138,92	122.487.138,92
Borrowing cost						121.119,78	121.119,78
Disposals		-35.401,82			-7.897,47	-0,30	-43.299,59
Transfer to:							
non-current assets held for sale	-6.165.745,48	3.615.871,88		-18.645,43	-95.466,93	24.899,04	-2.639.087,12
other category within this class	945.983,94	182.992.009,92	6.009.833,14	175.068.849,35	94.638.631,92	-459.655.308,27	0,00
from/to intangible assets and investment property	-461.939,65	-3.837.710,87			433.015,41	-1.593.328,05	-5.459.963,16
from/to trade and other receivables						887.293,77	887.293,77
Impairment losses	-735.235,85		-347.618,68	-243.909,58	55.157,32		-1.271.606,79
Depreciation		-67.513.167,09	-6.039.445,72	-278.734.259,50	-46.804.863,23		-399.091.735,54
<b>Carrying value at 31 December 2020</b>	<b>794.054.246,29</b>	<b>1.278.991.739,59</b>	<b>107.176.784,18</b>	<b>3.398.102.087,76</b>	<b>400.235.917,03</b>	<b>1.320.995.960,88</b>	<b>7.299.556.735,73</b>
<b>Carrying value at 1 January 2021</b>	<b>794.054.246,29</b>	<b>1.278.991.739,59</b>	<b>107.176.784,18</b>	<b>3.398.102.087,76</b>	<b>400.235.917,03</b>	<b>1.320.995.960,88</b>	<b>7.299.556.735,73</b>
Individual acquisitions	245.755,86	204.513,63		534.655,84	155.633,88	553.557.870,72	554.698.429,93
Acquisitions financial lease	62.791,60	389.641,85			2.344.166,64		2.796.600,09
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 intangible assets and 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
Depreciation	-559.202,45	-64.997.592,80	-6.448.673,73	-280.779.036,12	-47.992.708,79		-400.777.213,89
<b>Carrying value at 31 December 2021</b>	<b>780.695.815,24</b>	<b>1.192.457.014,87</b>	<b>116.935.839,55</b>	<b>3.321.960.555,90</b>	<b>429.688.838,44</b>	<b>1.621.815.214,77</b>	<b>7.463.953.278,77</b>

As of 31 December 2021, **purchases by finance lease contracts** included new leases entered into in 2021. See also Note 6.2. and 21.2. Financial liabilities

As of 31 December 2021, **individual acquisitions (including capitalised production)** of 679,425,251.65 EUR mainly concerning SNCB and especially including investments in rolling stock for 407,410,159.73 EUR, investments in reception (including continuing multi-year strategic investments and major works (Mechelen, Mons, Kortrijk, Namur, Gent-Sint-Pieters) as well as various redevelopment projects) for 146,603,888.73 EUR and investments in workshops worth 47,977,874.20 EUR.

The **transfers** of Constructions to Investment property (-91,467,517.00 EUR) concerns SNCB and derives mainly from a change in the percentage of third party occupation on the basis of an analysis of occupation levels on 1 January 2021.

As stated in Note 3.1, the next general **impairment** test is planned for 2022. As of 31 December 2021, given the economic trends in the real estate sector, there were no indications of any loss of value for property in general. The internal real estate appraisal experts also assessed the major projects around stations. A reversal of 757,743.91 EUR was booked on 31 December 2021.

EUR	Land	Buildings	Railway infrastructure	Railway rolling stock	Plant and various equipment	Assets under construction	Total
<b>At 31 December 2020</b>							
Acquisition value	856.543.157,08	2.232.720.695,00	225.260.595,48	6.966.214.943,15	855.494.942,41	1.320.995.960,88	12.457.230.294,00
Accumulated amortization		-939.544.443,59	-101.516.375,22	-3.557.453.292,62	-450.774.794,28		-5.049.288.905,71
Accumulated impairment losses	-62.488.910,79	-14.184.511,82	-16.567.436,08	-10.659.562,77	-4.484.231,10		-108.384.652,56
<b>Carrying value at 31 December 2020</b>	<b>794.054.246,29</b>	<b>1.278.991.739,59</b>	<b>107.176.784,18</b>	<b>3.398.102.087,76</b>	<b>400.235.917,03</b>	<b>1.320.995.960,88</b>	<b>7.299.556.735,73</b>
<b>At 31 December 2021</b>							
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
<b>Carrying value at 31 December 2021</b>	<b>780.695.815,24</b>	<b>1.192.457.014,87</b>	<b>116.935.839,55</b>	<b>3.321.960.555,90</b>	<b>429.688.838,44</b>	<b>1.621.815.214,77</b>	<b>7.463.553.278,77</b>

Of which:

	31/12/2021	31/12/2020
SNCB	7.449.409.815,89	7.278.304.446,46
Subsidiaries	14.143.462,88	21.252.289,27
<b>Carrying value</b>	<b>7.463.553.278,77</b>	<b>7.299.556.735,73</b>

As per 31 December 2021 SNCB holds 99.8% of the total consolidated property, plant and equipment of the SNCB Group.

The capitalisation rate used to determine the amounts of financing costs eligible for capitalisation under property, plant and equipment amounts to 1.74% on average (2.07% in 2020).

Excluding land for which an impairment test is performed every three years and major projects located around stations which are tested if changes are made to the masterplans, the other tangible assets are for the most part covered by grants as shown in the table below:

	Carrying value (*)	Part subsidised	%
Buildings	1.187.276.452,83	1.112.853.426,00	94%
Railway infrastructure	116.935.839,55	109.280.896,33	93%
Railway rolling stock	3.321.960.555,90	3.087.164.238,97	93%
Plant and various equipment	429.688.838,44	397.147.765,58	92%
Assets under construction	1.621.815.214,77	1.612.327.484,65	99%
<b>Total</b>	<b>6.677.676.901,49</b>	<b>6.318.773.811,53</b>	<b>95%</b>

(\*) except carrying value of the Great projects

## 6.2 Property, plant and equipment: Assets under the right to use

SNCB Group has applied the IFRS 16 standard since 1 January 2019 in the accounts showing assets leased. All leases with a duration in excess of one year and where the underlying value exceeds 5,000 EUR are shown on the IFRS balance sheet: an asset corresponding to the right to use the asset is a liability corresponding to the current value of future rent payments. Assets under the right to use are depreciated over the duration of the corresponding lease or component if its economic life is shorter. This approach covers long-term building leasehold, leases for rolling stock, buildings, company cars and the right to use land. We refer you to note 21.2. Financial liabilities

The SNCB Group holds the following assets, included in the total of property, plant and equipment under finance lease contracts:

EUR	Lands	Buildings	Plant and various equipment	Railway rolling stock	Total
<b>At 31 December 2020</b>					
Acquisition value		31.861.914,61	11.749.103,82	30.371.045,57	73.982.064,00
Accumulated amortization		-7.448.884,21	-4.703.362,83	-10.342.744,06	-22.494.991,10
Accumulated impairment losses		-5.959.691,46		0,00	-5.959.691,46
<b>Carrying value at 31 December</b>	<b>0,00</b>	<b>18.453.338,94</b>	<b>7.045.740,99</b>	<b>20.028.301,51</b>	<b>45.527.381,44</b>
<b>At 31 December 2021</b>					
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
<b>Carrying value at 31 December</b>	<b>31.395,80</b>	<b>16.546.491,67</b>	<b>6.490.052,54</b>	<b>14.733.121,65</b>	<b>37.801.061,66</b>

The table below illustrates the evolution of assets under the right to use:

	Lands	Buildings	Plant and various equipment	Railway rolling stock	Total
		5.950.720,90	1.989.417,72	22.085.516,63	0,00
<b>At 31/12/2020</b>	<b>0,00</b>	<b>18.453.338,94</b>	<b>7.045.740,99</b>	<b>20.028.301,51</b>	<b>45.527.381,44</b>
<b>Transfert within this class</b>		172.800,00	-172.800,00		0,00
New financial lease	62.791,60	374.691,93	2.558.114,89		2.995.598,42
Early termination of lease		-157.850,08	-41.148,25		-198.998,33
Depreciation	-31.395,80	-2.296.489,12	-1.878.333,69	-5.295.179,86	-9.501.398,47
Exercise of a call option			-1.021.521,40		-1.021.521,40
<b>At 31/12/2021</b>	<b>31.395,80</b>	<b>16.546.491,67</b>	<b>6.490.052,54</b>	<b>14.733.121,65</b>	<b>37.801.061,66</b>

## Other information related to property, plant and equipment

Carrying value of property, plant and equipment	31/12/2021	31/12/2020
Whose ownership is		
given guarantee for debts	1.539.916.647,67	1.736.003.261,02
<b>Total</b>	<b>1.539.916.647,67</b>	<b>1.736.003.261,02</b>

Property, plant and equipment given as collateral for debts are mainly held by SNCB. They mainly include rolling stock (1,488,546,387.06 EUR in 2021 and 1,686,338,029.26 EUR in 2020) and to a lesser extent, administrative buildings (51,370,260.61 EUR in 2021 and 49,665,231.76 EUR in 2020).

Carrying values of property, plant and equipment	31/12/2021	31/12/2020
Acquired through grants		
Land	45.020.111,42	44.247.416,35
Buildings	1.112.853.426,00	1.188.133.386,10
Railway infrastructure	109.280.896,33	98.845.817,17
Railway rolling stock	3.087.164.238,97	3.134.557.974,71
Plant and various equipment	397.147.765,58	363.223.975,78
Assets under construction	1.612.327.484,65	1.309.517.716,20
<b>Total</b>	<b>6.363.793.922,95</b>	<b>6.138.526.286,31</b>

As per 31 December 2021, 85.2% (84.1% in 2020) property, plant and equipment is funded by government grants which fully relate to the SNCB.



## Note 7 - Investment property

### 7.1 Investment property

	Land	Buildings	Total
<b>Carrying value at 1 January 2020</b>	<b>307.918.427,32</b>	<b>132.052.996,06</b>	<b>439.971.423,38</b>
Acquisitions	295.111,75	4.594.489,86	4.889.601,61
Internally generated		4.284,00	4.284,00
Disposals			0,00
Transfer:			
to non-current assets held for sale	-3.143.281,12	-591.541,47	-3.734.822,59
to/from intangible and tangible assets	62.551,84	5.397.411,32	5.459.963,16
Impairment losses	-1.601.293,18		-1.601.293,18
Depreciation		-8.184.410,00	-8.184.410,00
<b>Carrying value at 31 December 2020</b>	<b>303.531.516,61</b>	<b>133.273.229,77</b>	<b>436.804.746,38</b>
<b>Carrying value at 1 January 2021</b>	<b>303.531.516,61</b>	<b>133.273.229,77</b>	<b>436.804.746,38</b>
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 intangible and 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
<b>Carrying value at 31 December 2021</b>	<b>301.582.236,28</b>	<b>209.838.537,93</b>	<b>511.420.774,21</b>

The **transfers** of 91,467,517.00 EUR from Property, plant and equipment concerns SNCB almost exclusively and derives mainly from a change in the percentage of third party occupation (on the basis of an analysis of occupation levels on 1 January 2021). (see Note 6.1. Property, plant and equipment).

EUR	Land	Buildings	Total
<b>At 31 December 2020</b>			
Acquisition value	364.691.737,77	300.118.587,99	664.810.325,76
Accumulated amortization		-163.408.561,63	-163.408.561,63
Accumulated impairment losses	-61.160.221,16	-3.436.796,59	-64.597.017,75
<b>Carrying value at 31 December 2020</b>	<b>303.531.516,61</b>	<b>133.273.229,77</b>	<b>436.804.746,38</b>
<b>At 31 December 2021</b>			
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
<b>Carrying value at 31 December 2021</b>	<b>301.582.236,28</b>	<b>209.838.537,93</b>	<b>511.420.774,21</b>

As of 31 December 2021, 99.8% of investment property is held by SNCB (510,653,073.97 EUR out of a total of 511,420,774.21 EUR).

## 7.2 Other information related to investment property

There is no investment property that is pledged as security for debts.

Carrying value of investment properties	31/12/2021	31/12/2020
Acquired through grants		
Land	1.178.968,92	1.179.012,67
Buildings	178.583.298,03	103.697.864,05
<b>Total</b>	<b>179.762.266,95</b>	<b>104.876.876,72</b>

As per 31 December 2021, 35.1% of the investment property is funded by government grants and is only related to the SNCB.

Total rental income and expenses recognized in the income statement of SNCB Group can be detailed as follows:

Recognized in net result for the period ending	31/12/2021	31/12/2020
Rental <b>income</b>	20.275.481,00	20.944.932,00
Direct operating <b>expenses</b>	16.088.740,00	15.585.914,00

The investment properties of the SNCB Group relate to land and buildings that are fully or partially leased under operating lease agreements:

	31/12/2021			31/12/2020		
	Lands	Buildings and land equipments	Total	Lands	Buildings and land equipments	Total
Cost	226.043.869,84	305.050.727,59	531.094.597,43	227.594.887,15	267.512.920,94	495.107.808,09
Accumulated depreciation at 1 January	-28.183.437,52	-159.838.538,86	-188.021.976,38	-28.227.985,49	-141.597.390,91	-169.825.376,40
Depreciation of the year		-9.318.578,80	-9.318.578,80		-7.592.225,77	-7.592.225,77
<b>Carrying value at 31 December</b>	<b>197.860.432,32</b>	<b>135.893.609,93</b>	<b>333.754.042,25</b>	<b>199.366.901,66</b>	<b>118.323.304,26</b>	<b>317.690.205,92</b>

### Fair value of investment property

The fair value of the lands has been determined based on two main methods. Land around stations and for which development plans exist, have been valued either based on market comparable, or based on present value of estimated future cash flows, considering the most favourable use of the land, and taking into account realistic and prudent assumption on their potential use. Other plots of land have been valued based on market comparable. Depending on the nature of the land, adjustments have been made to reflect the specificities of the land used for railway activities, as these specificities have not necessarily been taken into account in market prices for general transactions. These valuations are level 2 valuations (based on market data relative to the asset, other than data observable on active markets) or level 3 valuations (based on non-observable data relative to the asset).

The fair value of buildings is determined based on annual net rents (to which a rate of return is applied) in respect of buildings that are occupied (rented), and based on the average selling price less costs to sell for the last five years in respect of buildings that are not occupied (rented).

EUR	Land	Buildings	Total
Fair value as at 31 December 2020	309.194.143,48	619.592.826,47	<b>928.786.969,95</b>
Fair value as at 31 December 2021	306.236.594,34	671.914.886,48	<b>978.151.480,82</b>

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

## Note 8 - Interests under equity method

### 8.1 Interests under equity method

EUR		31/12/2021	31/12/2020
	<u>Notes</u>		
Interests in joint ventures	8.2	7.296.937,18	7.706.684,47
Investments in associated companies	8.3	328.079.551,11	340.906.446,95
<b>Carrying value</b>		<b>335.376.488,29</b>	<b>348.613.131,42</b>

### 8.2 Interests in joint ventures

At 31 December 2021, the interests in joint ventures are as follows:

Name	Share in voting rights in %		Headquarters location	VAT/Company number	Activities
	31.12.2021	31.12.2020			
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	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

(\*) 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 provides information on the movements of the interests in joint ventures:

EUR	31/12/2021	31/12/2020
<b>Carrying value at beginning of period</b>	<b>7.706.684,47</b>	<b>7.741.289,22</b>
Changes in scope:		
in the scope of consolidation		1,00
Dividend set but not paid	-92.058,30	-97.410,84
Share in the net result of Interests under equity method	-317.689,13	62.805,09
Roundings	0,14	0,00
<b>Carrying value at end of period</b>	<b>7.296.937,18</b>	<b>7.706.684,47</b>

The dividends received on 31 December 2021 and on 31 December 2020 come from Thalys International, relating to financial years 2020 and 2019.

For information, and as mentioned in note 4, Thalys International merged with THI Factory on 1 March 2022.

The SNCB Group's share in the financial statements and net income of the joint ventures as per 31 December 2021 is as follows:

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

	31/12/2021					Total
	BeNe RI	K.EUR Development	Belgian Mobility Card	Thalys International	Wetenschapspark Leuven Noord	
<b>Financial statement position of companies using the equity method</b>						
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
<b>Net assets</b>	<b>13.200.091,36</b>	<b>457.593,87</b>	<b>1.743.830,93</b>	<b>606.191,97</b>	<b>810.337,31</b>	<b>16.818.045,44</b>
<b>Share in the financial statement position of companies using the equity method</b>						
	<b>6.600.045,68</b>	<b>228.796,94</b>	<b>324.352,55</b>	<b>181.857,59</b>	<b>-38.115,58</b>	<b>7.296.937,18</b>
<b>WHICH:</b>						
<b>Additional information (IFRS 12)</b>						
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
<b>Net income of companies using the equity method</b>						
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
<b>Net income</b>	<b>-606.165,16</b>	<b>-7.628,13</b>	<b>-271.954,30</b>	<b>259.691,97</b>	<b>-114.361,18</b>	<b>-740.416,80</b>
<b>Share in the net income of companies using the equity method</b>						
	<b>-303.082,58</b>	<b>-3.814,06</b>	<b>-50.583,50</b>	<b>77.907,59</b>	<b>-38.116,58</b>	<b>-317.689,13</b>
<b>Other comprehensive income</b>						
						0,00
<b>WHICH:</b>						
<b>Additional information (IFRS 12)</b>						
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

The SNCB Group's share in the financial statements and net income of the joint ventures as per 31 December 2020 is as follows:

	31/12/2020					Total
	BeNe RI	K.EUR Development	Belgian Mobility Card	Thalys International	Wetenschapspark Leuven Noord	
<b>Financial statement position of companies using the equity method</b>						
Current assets	11.478.576,69	246.678.098,80	2.125.600,02	3.919.682,45	1.000.001,00	265.201.958,96
Non-current assets	5.306.701,65		229.500,00	190.144,37		5.726.346,02
Current liabilities	-2.979.022,11	-246.212.876,80	-339.314,79	-3.131.763,03		-252.662.976,73
<b>Net assets</b>	<b>13.806.256,23</b>	<b>465.222,00</b>	<b>2.015.785,23</b>	<b>653.361,00</b>	<b>1.000.001,00</b>	<b>17.940.625,46</b>
<b>Share in the financial statement position of companies using the equity method</b>						
	<b>6.903.128,12</b>	<b>232.611,00</b>	<b>374.936,05</b>	<b>196.008,30</b>	<b>1,00</b>	<b>7.706.684,47</b>
<b>WHICH:</b>						
<b>Additional information (IFRS 12)</b>						
Cash & Cash Equivalents	7.118.970,48	937.262,47	1.953.523,71	2.655.494,47	1.000.001,00	13.665.252,13
Current financial liabilities						0,00
Non-current financial liabilities						0,00
<b>Net income of companies using the equity method</b>						
Income	15.311.211,68		1.254.737,09	13.402.341,31		29.968.290,08
Expenses	-15.304.984,84	-6.385,10	-1.411.586,98	-13.095.480,31		-29.818.437,23
<b>Net income</b>	<b>6.226,84</b>	<b>-6.385,10</b>	<b>-156.849,89</b>	<b>306.861,00</b>	<b>0,00</b>	<b>149.852,85</b>
<b>Share in the net income of companies using the equity method</b>						
	<b>3.113,42</b>	<b>-3.192,55</b>	<b>-29.174,08</b>	<b>92.058,30</b>		<b>62.805,09</b>
<b>Other comprehensive income</b>						
						0,00
<b>WHICH:</b>						
<b>Additional information (IFRS 12)</b>						
Depreciation, amortization and impairment losses	1.311.166,90		118.505,42			1.429.672,32
Financial income	2.786,49		0,05	0,06		2.786,60
Financial charges	17.826,97	1.017,30	1.097,65	14.609,11		34.551,03
Taxes on net income	224,33			232.617,80		232.842,13

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021

### 8.3 Interests in associates

Name	Share in voting rights in%		Headquarters location	VAT/Company number	Activities
Eurofima Joint-Stock Cie (Swiss law)	9,80	9,80	Basel	-	Financing of rolling stock
Hasselt stationsomgeving	-	50,00	Hasselt	BE 0862.570.223	Projects / studies around Hasselt Station
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	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 of the SNCB Group's interests in associates:

EUR	31/12/2021	31/12/2020
<b>Carrying value at beginning of period</b>	<b>340.906.446,95</b>	<b>391.533.795,99</b>
Out of the scope of consolidation	-465.370,28	
Dividends paid	-807.600,00	-1.243.734,16
Dividend set but deferred		-13.850.355,22
Share in the net result of Interests under equity method	-12.571.495,98	-33.752.328,06
Share in the other comprehensive income of interests under	1.017.570,44	-1.780.931,61
Roundings	-0,02	0,01
<b>Carrying value at end of period</b>	<b>328.079.551,11</b>	<b>340.906.446,95</b>

In 2021, the change of perimeter relates to Hasselt Stationsomgeving, a company that was liquidated in May 2021. The dividends received for the 2020 financial year come from Eurofima (588,000 EUR) and Terminal Athus (219,600 EUR). The share of net results due companies accounted for under the equity method of -12,571,495.98 EUR essentially relate to THI Factory for -15,732,696.57 EUR as this company still suffered the impact of the sanitary crisis.

In 2020, THI Factory declared a dividend of 13,850,355.22 EUR for financial year 2019 but the decision was taken to defer its payment. The dividends banked in 2020 and relating to the 2019 financial year come from Eurofima (938,734,16 EUR) and Terminal Athus (305,000 EUR).

For information, on 11 April 2022, SNCB brought its 40% shareholding in THI Factory to Eurostar Group, a Belgian company formed on 7 April 2022. We refer you to note 4.

The share of the SNCB Group in the statement of financial position and total comprehensive income of the relevant associates as per 31 December 2021 is:

	31/12/2021				
	HR Rail	THI Factory	Eurofima	Autres Entreprises associées	Total
<b>Financial statement position of companies using the equity method</b>					
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	-27.111.836,63	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
<b>Net assets</b>	<b>24.098.269,78</b>	<b>500.932.315,64</b>	<b>1.133.574.190,00</b>	<b>47.063.383,43</b>	<b>1.705.668.158,85</b>
<b>Share in the financial statement position of companies using the equity method</b>					
	<b>11.808.152,19</b>	<b>200.372.926,26</b>	<b>111.090.270,62</b>	<b>4.808.202,04</b>	<b>328.079.551,11</b>
<b>WHICH:</b>					
<b>Additional information (IFRS 12)</b>					
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
<b>Net income of companies using the equity method</b>					
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
<b>Net Income</b>	<b>1.373.774,66</b>	<b>-39.331.741,42</b>	<b>18.989.467,00</b>	<b>2.458.975,22</b>	<b>-16.509.524,54</b>
<b>Share in the net income of companies using the equity method</b>					
	<b>673.149,58</b>	<b>-15.732.696,57</b>	<b>1.860.967,77</b>	<b>627.083,24</b>	<b>-12.571.495,98</b>
<b>Other comprehensive income</b>					
	<b>1.770.014,44</b>		<b>-752.444,00</b>		<b>1.017.570,44</b>
<b>WHICH:</b>					
<b>Additional information (IFRS 12)</b>					
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	145.629,98	301.957.942,59
Taxes on net income	779.951,54	3.496.257,94		1.377.791,75	5.654.001,23

The share of the SNCB Group in the statement of financial position and total comprehensive income of the relevant associates as per 31 December 2020 is:

	31/12/2020				
	HR Rail	THI Factory	Eurofima	Autres Entreprises associées	Total
<b>Financial statement position of companies using the equity method</b>					
Current assets	409.298.053,49	54.721.742,20	12.715.749.000,00	21.130.039,64	13.200.898.835,33
Non-current assets	18.331.738,43	609.092.142,95	4.293.209.000,00	12.371.042,04	4.933.003.923,42
Current liabilities	-366.637.238,36	-82.711.230,59	-15.044.173.000,00	-4.925.635,21	-15.498.447.104,16
Non-current liabilities	-41.880.332,80	-40.838.597,50	-836.522.277,00	-10.546.288,54	-929.787.495,84
<b>Net assets</b>	<b>19.112.220,76</b>	<b>540.284.057,06</b>	<b>1.128.262.723,00</b>	<b>18.029.157,93</b>	<b>1.705.668.158,75</b>
<b>Share in the financial statement position of companies using the equity method</b>					
	<b>9.364.988,17</b>	<b>216.105.622,82</b>	<b>110.569.746,85</b>	<b>4.866.089,10</b>	<b>340.906.446,95</b>
<b>WHICH:</b>					
<b>Additional information (IFRS 12)</b>					
Cash & Cash Equivalents	161.080.394,49	116.107,31	1.787.258.000,00	13.051.535,34	1.961.506.037,14
Current financial liabilities	71.171.859,54	1.765.000,00	13.990.527.000,00	792.557,06	14.064.256.416,60
Non-current financial liabilities		5.415.000,00		10.320.142,51	15.735.142,51
<b>Net income of companies using the equity method</b>					
Income	1.986.340.148,35	219.914.784,07	388.575.000,00	28.741.248,56	2.623.571.180,98
Expenses	-1.984.360.032,18	-312.607.920,43	-371.746.547,00	-25.936.766,24	-2.694.651.265,85
<b>Net Income</b>	<b>1.980.116,17</b>	<b>-92.693.136,36</b>	<b>16.828.453,00</b>	<b>2.804.482,32</b>	<b>-71.080.084,87</b>
<b>Share in the net income of companies using the equity method</b>					
	<b>970.256,92</b>	<b>-37.077.254,54</b>	<b>1.649.188,39</b>	<b>705.481,17</b>	<b>-33.752.328,06</b>
<b>Other comprehensive income</b>					
	<b>-2.229.771,61</b>		<b>448.840,00</b>		<b>-1.780.931,61</b>
<b>WHICH:</b>					
<b>Additional information (IFRS 12)</b>					
Depreciation, amortization and impairment losses	5.833.311,90	44.656.490,56	69.000,00	1.302.952,06	51.861.754,52
Financial income	5.145.944,30	1.658,09	374.057.000,00	62.400,21	379.267.002,60
Financial charges	592.297,53	674.690,00	353.401.000,00	111.786,06	354.779.773,59
Taxes on net income	337.607,73	149,98		1.025.125,08	1.362.882,79

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021

## Note 9 – Trade and other receivables

### 9.1 Trade and other receivables

	31/12/2021						
	Gross amount		Impairment		Net amount		Total
	Instruments financiers	Autres	Instruments financiers	Autres	Instruments financiers	Autres	
<b>Non-current</b>							
<b>Trade receivables</b>	<b>7.238.812,59</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>7.238.812,59</b>	<b>0,00</b>	<b>7.238.812,59</b>
Other trade receivables	7.238.812,59				7.238.812,59	0,00	7.238.812,59
<b>Other receivables</b>	<b>589.142.717,69</b>	<b>1.468.880,13</b>	<b>-61.474,57</b>	<b>-7.328,41</b>	<b>589.081.243,12</b>	<b>1.461.551,72</b>	<b>590.542.794,84</b>
Receivables on public authorities	35 509.581.413,31				509.581.413,31	0,00	509.581.413,31
Deferred charges		3.200,83			0,00	3.200,83	3.200,83
Accrued income					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
<b>Total (non-current)</b>	<b>596.381.530,28</b>	<b>1.468.880,13</b>	<b>-61.474,57</b>	<b>-7.328,41</b>	<b>596.320.055,71</b>	<b>1.461.551,72</b>	<b>597.781.607,43</b>
<b>Current</b>							
<b>Trade receivables</b>	<b>572.943.665,97</b>	<b>18.916.218,16</b>	<b>-9.613.053,52</b>	<b>0,00</b>	<b>563.330.612,45</b>	<b>18.916.218,16</b>	<b>582.246.830,61</b>
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
<b>Other receivables</b>	<b>526.844.878,72</b>	<b>178.994.949,59</b>	<b>-3.420.000,00</b>	<b>0,00</b>	<b>523.424.878,72</b>	<b>178.994.949,59</b>	<b>702.419.828,31</b>
Receivables on public authorities	35 77.469.622,17				77.469.622,17	0,00	77.469.622,17
Deferred charges		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
<b>Total (current)</b>	<b>1.099.788.544,69</b>	<b>197.911.167,75</b>	<b>-13.033.053,52</b>	<b>0,00</b>	<b>1.086.755.491,17</b>	<b>197.911.167,75</b>	<b>1.284.666.658,92</b>

	31/12/2020						
	Gross amount		Impairment		Net amount		Total
	Instruments financiers	Autres	Instruments financiers	Autres	Instruments financiers	Autres	
<b>Non-current</b>							
<b>Trade receivables</b>	<b>2.706.975,64</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>2.706.975,64</b>	<b>0,00</b>	<b>2.706.975,64</b>
Other trade receivables	2.706.975,64				2.706.975,64	0,00	2.706.975,64
<b>Other receivables</b>	<b>621.617.795,16</b>	<b>1.356.653,23</b>	<b>-63.488,51</b>	<b>-7.328,41</b>	<b>621.554.306,65</b>	<b>1.349.324,82</b>	<b>622.903.631,47</b>
Receivables on public authorities	35 538.087.549,17				538.087.549,17	0,00	538.087.549,17
Deferred charges		5.543,06			0,00	5.543,06	5.543,06
Accrued income					0,00	0,00	0,00
Finance lease receivables	9.3 80.325.097,59	1.351.110,17	-63.488,51	-7.328,41	80.261.609,08	1.343.781,76	81.605.390,84
Other receivables	3.205.148,40				3.205.148,40	0,00	3.205.148,40
<b>Total (non-current)</b>	<b>624.324.770,80</b>	<b>1.356.653,23</b>	<b>-63.488,51</b>	<b>-7.328,41</b>	<b>624.261.282,29</b>	<b>1.349.324,82</b>	<b>625.610.607,11</b>
<b>Current</b>							
<b>Trade receivables</b>	<b>483.642.521,70</b>	<b>12.578.589,14</b>	<b>-10.895.334,28</b>	<b>0,00</b>	<b>472.747.187,42</b>	<b>12.578.589,14</b>	<b>485.325.776,56</b>
Amounts relating to construction contracts	10	6.822.247,55			0,00	6.822.247,55	6.822.247,55
Receivables on public authorities	35 358.196.094,47				358.196.094,47	0,00	358.196.094,47
Other trade receivables	125.446.427,23	5.756.341,59	-10.895.334,28		114.551.092,95	5.756.341,59	120.307.434,54
<b>Other receivables</b>	<b>542.744.820,54</b>	<b>177.873.126,82</b>	<b>-3.103.205,67</b>	<b>-320.117,46</b>	<b>539.641.614,87</b>	<b>177.553.009,36</b>	<b>717.194.624,23</b>
Receivables on public authorities	35 78.270.703,27				78.270.703,27	0,00	78.270.703,27
Deferred charges		68.730.841,81			-7.608,99	68.730.841,81	68.723.232,82
Accrued income	24.284.915,55				24.284.915,55	0,00	24.284.915,55
Finance lease receivables	9.3 5.351.162,44				5.351.162,44	0,00	5.351.162,44
Other receivables	434.845.648,27	109.142.285,01	-3.103.205,67	-320.117,46	431.742.442,60	108.822.167,55	540.564.610,15
<b>Total (current)</b>	<b>1.026.387.342,24</b>	<b>190.451.715,96</b>	<b>-13.998.539,95</b>	<b>-320.117,46</b>	<b>1.012.388.802,29</b>	<b>190.131.598,50</b>	<b>1.202.520.400,79</b>

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021

Of which:

	31/12/2021			31/12/2020		
	Financial instruments	Other	Total	Financial instruments	Other	Total
<b>Non-current</b>						
SNCB	596.313.395,71	1.461.551,72	597.774.947,43	624.254.312,71	1.349.324,82	625.603.637,53
Other subsidiaries	6.660,00		6.660,00	6.969,58	0,00	6.969,58
<b>Carrying value</b>	<b>596.320.055,71</b>	<b>1.461.551,72</b>	<b>597.781.607,43</b>	<b>624.261.282,29</b>	<b>1.349.324,82</b>	<b>625.610.607,11</b>
<b>Current</b>						
SNCB	1.081.350.791,47	194.990.087,35	1.276.340.878,82	1.007.017.935,66	184.768.966,24	1.191.786.901,90
Other subsidiaries	5.404.699,70	2.921.080,40	8.325.780,10	5.370.866,63	5.362.632,26	10.733.498,89
<b>Carrying value</b>	<b>1.086.755.491,17</b>	<b>197.911.167,75</b>	<b>1.284.666.658,92</b>	<b>1.012.388.802,29</b>	<b>190.131.598,50</b>	<b>1.202.520.400,79</b>

Trade and other receivables as of 31 December mainly consist of receivables owed to SNCB from the public authorities amounting to 987,647,684.33 EUR (2020: 974,554,346.91 EUR of which 974,128,767.27 EUR to SNCB and 425,579.64 EUR to subsidiaries). This type of receivables result primarily from grants received from the State and the Regions in the context of:

- the management contract: 400,596,648.85 EUR of receivables concerning operating grants and 13,135,000.00 EUR concerning investment grants. Note that in 2021, SNCB received operating grants worth a total of 301,000,000 to partially compensate for the impact of the Covid pandemic on its public service commitment accounts for 2021.
- special investment financing contracts for 532.815.340,33 EUR including RER equipment: 326,417,702.83 EUR ; HLE 18: 91,550,667.13 EUR ; Desiro: 71,713,476.39 EUR ; Te Kort TGV: 43,133,493.98 EUR;
- priority regional projects: Station of Mons: 19,330,129.89 EUR and SPV LLN: 10,309,597.10 EUR. 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 11,460,968.16 EUR.

They also include other current receivables for an amount of 371,051,961.00 EUR (2020: 382,659,101.00 EUR) 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 total nominal amount of trade and other receivables is subject to impairment. Write-downs on trade and other receivables amount to EUR 13,101,856.50 (EUR 14,389,474.33) as per 31 December 2021 (2020). Movements in the provision for impairment of trade and other receivables are as follows:

		31/12/2021	31/12/2020
	<u>Notes</u>		
Impairment on non-current trade and other receivables			
<b>At 1 January</b>		<b>-70.816,92</b>	<b>-22.282,38</b>
Write down s	27	-4,63	-48.534,54
Reversal of w rite dow ns	27	2.018,57	0,00
<b>At 31 December</b>		<b>-68.802,98</b>	<b>-70.816,92</b>

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*



		31/12/2021	31/12/2020
Impairment on current trade and other receivables			
<b>At 1 January</b>		<b>-14.318.657,41</b>	<b>-15.818.866,59</b>
Write downs	27	-7.085.102,98	-9.232.047,04
Use of write downs on irrecoverable receivables		571.709,12	609.755,81
Reversal of write downs	27	7.798.997,75	10.122.500,41
<b>At 31 December</b>		<b>-13.033.053,52</b>	<b>-14.318.657,41</b>

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 Financial lease receivables

	Less than one year	More than one year and less than five years	More than five years	Total
<b>Net investments at 31/12/2020</b>				
Future minimum payments	8.357.755,17	33.431.020,66	86.503.783,23	<b>128.292.559,06</b>
Unearned financial income	-3.006.592,73	-11.063.262,15	-27.266.150,90	<b>-41.336.005,78</b>
<b>Total</b>	<b>5.351.162,44</b>	<b>22.367.758,51</b>	<b>59.237.632,33</b>	<b>86.956.553,28</b>
<b>Net investments at 31/12/2021</b>				
Future minimum payments	8.365.755,15	33.463.020,65	80.301.936,11	<b>122.130.711,91</b>
Unearned financial income	-2.882.008,28	-10.402.584,89	-25.571.214,08	<b>-38.855.807,25</b>
<b>Total</b>	<b>5.483.746,87</b>	<b>23.060.435,76</b>	<b>54.730.722,03</b>	<b>83.274.904,66</b>

The financial lease receivables of 83,274,904.66 EUR as per 31 December 2021 are exclusively related to the SNCB and include the lease agreements for railway rolling stock (over a remaining period of 12 to 15 years) as well as the long-term 99 year leases with third parties for land and buildings. The non-guaranteed residual values attributable to SNCB under finance leases amounted to 1,458,350.89 EUR (1,343,781.76 EUR) as at 31 December 2021 (2020).

Interest income relating to finance lease receivables recognized on 31 December 2021 comes to 3,290,856.45 EUR. See also Note 29.1. Financial income

## Note 10 – – Assets and liabilities resulting from contracts with customers

		31/12/2021	31/12/2020
	<u>Notes</u>		
Gross amounts due from customers for construction contracts	9	12.659.085,69	6.822.247,55
Advances received from customers for construction contracts	23	6.176.992,86	16.072.132,72

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 and non-current trade and other receivables'.

		31/12/2021	31/12/2020
	<u>Note</u>		
Aggregate amount of: Incurred costs		130.908.885,95	96.399.998,62
Recognized gains / losses		172.451,32	861.659,81
Amounts written down / impairments recorded		-0,94	-2.217,95
Aggregate amount of: Interim invoicing		-118.422.250,64	-90.437.192,93
<b>Gross amounts due from customers for construction contracts</b>		<b>12.659.085,69</b>	<b>6.822.247,55</b>
	Short-term 9.1	12.659.085,69	6.822.247,55

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 'current trade and other payables'.

		31/12/2021	31/12/2020
	<u>Note</u>		
Aggregate amount of: Incurred costs		42.598.758,72	57.377.008,00
Recognised profits (losses)		-882.576,37	0,00
Amounts written down / impairments recorded		-766.594,12	-1.653.978,46
Aggregate amount of: Progress billings		-45.380.627,64	-59.670.996,06
<b>Gross amounts due to customers for construction contracts</b>		<b>4.431.039,41</b>	<b>3.947.966,52</b>
	Short-term 23	4.431.039,41	3.947.966,52

Received advances are recognised within liabilities as 'non-current commercial debts' and consist of:

		31/12/2021	31/12/2020
	<u>Note</u>		
Advances received		138.899.319,60	156.500.000,00
Transfer to non current trade receivables		0,00	2.706.975,64
Capitalized interest		2.048.856,56	2.096.920,93
Aggregate amount of: Costs incurred		-139.202.222,71	-149.179.730,37
<b>Advances received from customers for construction contracts</b>	<b>23</b>	<b>1.745.953,45</b>	<b>12.124.166,20</b>

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021

Revenues from contracts recognized in the net result 2021 (product) amount to 24,513,548.21 EUR (21,674,929.57 EUR in 2020).

## Note 11 - Derivatives

### 11.1 Derivatives by category

Within the SNCB Group, the fair value of the swaps is divided in 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, separately for current and non-current derivatives:

Derivatives	31/12/2021			Total	
	Assets	Nominal	Fair value adjustments		Accrued income
<b>Derivatives used for cash flow management</b>		<b>7.251.658,84</b>	<b>233.940.295,32</b>	<b>0,00</b>	<b>241.191.954,16</b>
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
<b>Other derivatives</b>		<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
Other		0,00	0,00	0,00	0,00
<b>Total (non-current)</b>		<b>7.251.658,84</b>	<b>233.940.295,32</b>	<b>0,00</b>	<b>241.191.954,16</b>
<b>Derivatives used for cash flow management</b>		<b>0,00</b>	<b>7.412.146,84</b>	<b>64.069,48</b>	<b>7.476.216,32</b>
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
<b>Other derivatives</b>		<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
Other		0,00	0,00	0,00	0,00
<b>Total (current)</b>		<b>0,00</b>	<b>7.412.146,84</b>	<b>64.069,48</b>	<b>7.476.216,32</b>
	<b>Liabilities</b>	<b>Nominal</b>	<b>Fair value adjustments</b>	<b>Accrued income</b>	<b>Total</b>
<b>Derivatives used for cash flow management</b>		<b>-148.590.952,92</b>	<b>-327.900.023,42</b>	<b>2.530.879,60</b>	<b>-473.960.096,74</b>
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
<b>Other derivatives</b>		<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
Other		0,00	0,00	0,00	0,00
<b>Total (non-current)</b>		<b>-148.590.952,92</b>	<b>-327.900.023,42</b>	<b>2.530.879,60</b>	<b>-473.960.096,74</b>
<b>Derivatives used for cash flow management</b>		<b>0,00</b>	<b>-41,11</b>	<b>-7.366.969,89</b>	<b>-7.367.011,00</b>
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
<b>Other derivatives</b>		<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
Other		0,00	0,00	0,00	0,00
<b>Total (current)</b>		<b>0,00</b>	<b>-41,11</b>	<b>-7.366.969,89</b>	<b>-7.367.011,00</b>

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021

Derivatives				31/12/2020
Assets	Nominal	Fair value adjustments	Accrued income	Total
<b>Derivatives used for cash flow management</b>	<b>47.979.921,17</b>	<b>258.418.013,71</b>	<b>0,00</b>	<b>306.397.934,88</b>
Interest rate sw aps	50.013.853,35	238.005.796,04	0,00	288.019.649,39
Currency sw aps	-2.033.932,18	20.402.805,95	0,00	18.368.873,77
Commodity sw aps	0,00	9.411,72	0,00	9.411,72
Inflation sw aps	0,00	0,00	0,00	0,00
<b>Other derivatives</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
Other	0,00	0,00	0,00	0,00
<b>Total (non-current)</b>	<b>47.979.921,17</b>	<b>258.418.013,71</b>	<b>0,00</b>	<b>306.397.934,88</b>
<b>Derivatives used for cash flow management</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
Interest rate sw aps	0,00	0,00	0,00	0,00
Currency sw aps	0,00	0,00	0,00	0,00
Commodity sw aps	0,00	0,00	0,00	0,00
Inflation sw aps	0,00	0,00	0,00	0,00
<b>Other derivatives</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
Other	0,00	0,00	0,00	0,00
<b>Total (current)</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
Liabilities	Nominal	Fair value adjustments	Accrued expenses	Total
<b>Derivatives used for cash flow management</b>	<b>-123.865.514,36</b>	<b>-376.729.895,35</b>	<b>1.927.634,89</b>	<b>-498.667.774,82</b>
Interest rate sw aps	-122.988.030,91	-364.700.100,86	-863.986,23	-488.552.118,00
Currency sw aps	-877.483,45	-7.799.715,34	2.791.621,12	-5.885.577,67
Commodity sw aps	0,00	-59.248,49	0,00	-59.248,49
Inflation sw aps	0,00	-4.170.830,66	0,00	-4.170.830,66
<b>Other derivatives</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
Other	0,00	0,00	0,00	0,00
<b>Total (non-current)</b>	<b>-123.865.514,36</b>	<b>-376.729.895,35</b>	<b>1.927.634,89</b>	<b>-498.667.774,82</b>
<b>Derivatives used for cash flow management</b>	<b>-28.508.664,88</b>	<b>-574.393,34</b>	<b>-7.611.685,02</b>	<b>-36.694.743,24</b>
Interest rate sw aps	0,00	0,00	-6.515.935,29	-6.515.935,29
Currency sw aps	-28.508.664,88	-37.054,35	-175.689,06	-28.721.408,29
Commodity sw aps	0,00	-537.338,99	-87.230,18	-624.569,17
Inflation sw aps	0,00	0,00	-832.830,49	-832.830,49
<b>Other derivatives</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
Other	0,00	0,00	0,00	0,00
<b>Total (current)</b>	<b>-28.508.664,88</b>	<b>-574.393,34</b>	<b>-7.611.685,02</b>	<b>-36.694.743,24</b>

Following the debt assumption by the Belgian State at January 1, 2005, swap contracts were concluded with the Belgian State. Accrued income resulting from these contracts has been booked together with the back-to-back receivables in other financial assets. These accruals amounted to 167,245,878.50 EUR as at 31 December 2021 (2020: 154,071,506.09 EUR).

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 derivatives instruments table

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

	Changes in derivatives							31/12/2021	
	31/12/2020	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	<b>-207.048.403,90</b>	-78.655.192,54	23.634.336,71	0,00	-23.522.286,33	0,00	0,00	27.518.675,23	<b>-258.072.870,83</b>
Currency swaps	<b>-16.238.112,19</b>	28.354.559,28	-2.177.650,90	0,00	2.935.009,13	0,00	13.355.597,25	-1.191.572,86	<b>25.037.829,71</b>
Commodity sw aps	<b>-674.405,94</b>	0,00	0,00	-170.218,90	0,00	321.518,56	0,00	2.085.661,48	<b>1.562.555,20</b>
Inflation sw aps	<b>-5.003.661,15</b>	0,00	0,00	1.446.065,59	0,00	-1.554.744,54	0,00	3.925.888,76	<b>-1.186.451,34</b>
<b>Total</b>	<b>-228.964.583,18</b>	<b>-50.300.633,26</b>	<b>21.456.685,81</b>	<b>1.275.846,69</b>	<b>-20.587.277,20</b>	<b>-1.233.225,98</b>	<b>13.355.597,25</b>	<b>32.338.652,61</b>	<b>-232.658.937,26</b>

Coupons paid and / or received for commodity and inflation swaps are not considered as interests.

## Note 12 - Other financial assets

### 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 the receivables with interests (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 2021 and on 31 December 2020.

Other financial assets					31/12/2021	TOTAL
	Nominal	Fair value adjustments	Credit Loss Allowance	Accrued income		
<b>Non-current</b>						
Amortised cost	249.442.165,22		-145,37	8.198.945,08		257.640.964,93
Fair value through						
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
<b>Total non-current</b>	<b>541.074.888,94</b>	<b>-42.837.938,72</b>	<b>-145,37</b>	<b>9.295.739,19</b>		<b>507.532.544,04</b>
<b>Current</b>						
Amortised cost	44.143.336,95		0,00	-17.547,01		44.125.789,94
Fair value through						
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
<b>Total current</b>	<b>100.884.154,75</b>	<b>0,00</b>	<b>0,00</b>	<b>816.673,97</b>		<b>101.700.828,72</b>
<b>Total other financial assets</b>	<b>641.959.043,69</b>	<b>-42.837.938,72</b>	<b>-145,37</b>	<b>10.112.413,16</b>		<b>609.233.372,76</b>
<b>Other financial assets</b>						
Other financial assets					31/12/2020	TOTAL
	Nominal	Fair value adjustments	Credit Loss Allowance	Accrued income		
<b>Non-current</b>						
Amortised cost	277.148.650,51		0,00	7.075.334,66		284.223.985,17
Fair value through						
other comprehensive income (Equity instruments)	94.039.590,07	-36.525.054,72		0,00		57.514.535,35
profit or loss (designated)	100.069.193,63	4.120.750,17		880.100,82		105.070.044,62
profit or loss (mandatory)	153.172.988,62	0,00		863.986,23		154.036.974,85
<b>Total non-current</b>	<b>624.430.422,83</b>	<b>-32.404.304,55</b>	<b>0,00</b>	<b>8.819.421,71</b>		<b>600.845.539,99</b>
<b>Current</b>						
Amortised cost	36.699.826,02		0,00	9.765,77		36.709.591,79
Fair value through						
other comprehensive income (Equity instruments)	0,00	0,00		0,00		0,00
profit or loss (designated)	0,00	0,00		120.249,60		120.249,60
profit or loss (mandatory)	0,00	0,00		34.531,25		34.531,25
<b>Total current</b>	<b>36.699.826,02</b>	<b>0,00</b>	<b>0,00</b>	<b>164.546,62</b>		<b>36.864.372,64</b>
<b>Total other financial assets</b>	<b>661.130.248,85</b>	<b>-32.404.304,55</b>	<b>0,00</b>	<b>8.983.968,33</b>		<b>637.709.912,63</b>

The instruments assessed at their written down cost mentioned below relate to liabilities of the Belgian state and liabilities as part of alternative financial operations whose structure eliminates any potential credit risk.

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

The table below presents the movements in the years 2021 and 2020 of the financial assets measured at fair value with recognition of the changes in the fair value in other comprehensive income.

At 31 December 2021 and 2020, they concern exclusively equity instruments:

	2021		2020	
	Equity instruments	Total	Equity instruments	Total
<b>At 1st of January</b>	<b>57.514.535,35</b>	<b>57.514.535,35</b>	<b>95.439.880,43</b>	<b>95.439.880,43</b>
Acquisitions	9.598.594,16	9.598.594,16	0,00	0,00
Disposals	-1.600.000,00	-1.600.000,00	0,00	0,00
Interest income	0,00	0,00	0,00	0,00
Dividends	879.036,98	879.036,98	854.572,11	854.572,11
Interest received	0,00	0,00	0,00	0,00
Dividends received	-879.036,98	-879.036,98	-854.572,11	-854.572,11
Impairment losses through other comprehensive income	-8.098.594,16	-8.098.594,16	-37.925.345,08	-37.925.345,08
Transfer to/from another balance sheet item	0,00	0,00	0,00	0,00
<b>At 31st of December</b>	<b>57.414.535,35</b>	<b>57.414.535,35</b>	<b>57.514.535,35</b>	<b>57.514.535,35</b>
Of which				
Non-current	57.414.535,35	57.414.535,35	57.514.535,35	57.514.535,35
Current	0,00	0,00	0,00	0,00

In 2021, the SNCB Group took part in an increase in the share capital of Eurostar International Ltd worth a total of 8,250,000 GBP (9,598,594.16 EUR) via a cash injection, the conversion into capital of an interest bearing liability and the conversion into capital of the dividend assigned in relation to 2019. Given that the partners took equal shares in this increase in share, the holding ratios remained unchanged. Further, on the basis of a new valuation based on a Discounted Cash Flows model, a negative fair value adjustment of 8,098,594.16 EUR was booked in 2021 (2020: 36,525,054.72 EUR) for this shareholding.

For information, on 7 April 2022, when the Belgian Eurostar Group company was formed, SNCB brought its 5% shareholding in Eurostar International Ltd. We refer you to note 4.

Following equity instruments are included in the other financial assets of the SNCB Group:

Name	2021	2020	Location of head office
	% of votingrights	% of votingrights	
ICRRL (*)	14,99%	14,99%	Birmingham (UK)
Bureau Central de Clearing	4,73%	4,73%	Brussel
Eurostar International Ltd.	5,00%	5,00%	London (UK)
Hit Rail	9,52%	9,52%	Tiel (NL)
Lineas Group	--	10,00%	Brussel

(\*) sleeping company

In January 2021, SNCB sold its residual 10% holding in Lineas Group.

Given that these are equity instruments held for strategic reasons where the SNCB Group has no target for achieving any short term (trading) profit, SNCB Group has made the irrevocable choice to value its equity instruments restated

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

under the "Other financial assets" heading at fair value and to book the changes in value under the other headings in the overall result.

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 recognized receivables have been pledged as collateral for alternative financing transactions:

	31/12/2021				TOTAL
	Nominal	Fair value adjustments	Credit Loss Allowance	Accrued income	
<b>Non-current</b>					
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
<b>Total non-current</b>	<b>142.736.417,25</b>	<b>1.785.710,16</b>	<b>-145,37</b>	<b>8.386.507,53</b>	<b>152.908.489,57</b>
<b>Current</b>					
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
<b>Total current</b>	<b>100.884.154,75</b>	<b>0,00</b>	<b>0,00</b>	<b>828.793,80</b>	<b>101.712.948,55</b>
<b>Total receivables</b>	<b>243.620.572,00</b>	<b>1.785.710,16</b>	<b>-145,37</b>	<b>9.215.301,33</b>	<b>254.621.438,12</b>
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

  

	31/12/2020				TOTAL
	Nominal	Ajustements de juste valeur	Pertes de crédit attendues	Produits acquis	
<b>Non courant</b>					
Donné en gage	100.229.420,03	3.203.170,90	0,00	689.785,40	104.122.376,33
Non donné en gage	146.988.424,11	917.579,27	0,00	7.220.982,12	155.126.985,50
Ne faisant pas partie d'un financement alternatif	0,00	0,00	0,00	0,00	0,00
<b>Total non courant</b>	<b>247.217.844,14</b>	<b>4.120.750,17</b>	<b>0,00</b>	<b>7.910.767,52</b>	<b>259.249.361,83</b>
<b>Courant</b>					
Donné en gage	36.699.826,02	0,00	0,00	55.763,53	36.755.589,55
Non donné en gage	0,00	0,00	0,00	120.249,60	120.249,60
Ne faisant pas partie d'un financement alternatif	0,00	0,00	0,00	43,92	43,92
<b>Total courant</b>	<b>36.699.826,02</b>	<b>0,00</b>	<b>0,00</b>	<b>176.057,05</b>	<b>36.875.883,07</b>
<b>Total créances</b>	<b>283.917.670,16</b>	<b>4.120.750,17</b>	<b>0,00</b>	<b>8.086.824,57</b>	<b>296.125.244,90</b>
Dont					
faisant partie d'un financement alternatif	283.917.670,16	4.120.750,17	0,00	8.086.780,65	296.125.200,98
Ne faisant pas partie d'un financement alternatif	0,00	0,00	0,00	43,92	43,92

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021



## Note 13 - Inventories

### 13.1 Inventories

EUR	31/12/2021	31/12/2020
Goods, supplies and parts for rolling stock	229.799.123,97	228.577.420,46
Raw materials	2.216.548,63	2.104.388,27
Work in progress	1.661.701,22	2.116.894,98
<b>Carrying value</b>	<b>233.677.373,82</b>	<b>232.798.703,71</b>
Of which		
Carrying value expected to be recovered within 12 months	108.301.630,63	107.653.703,84
Carrying value expected to be recovered in more than 12 months	125.375.743,19	125.144.999,87

These are mainly exclusively the SNCB's inventories (233,645,799.32 EUR). There are no inventories carried at fair value less costs to sell.

### 13.2 Impairment of inventories – impact on net result

		31/12/2021	31/12/2020
	<u>Notes</u>		
<b>Beginning of period</b>		<b>-155.710.735,37</b>	<b>-142.543.969,52</b>
Increase in impairment of inventories	27	-20.417.990,79	-27.050.502,64
Cancelling of impairment losses on inventories because irrecoverable		12.397.038,13	13.829.156,70
Reversal of impairment of inventories	27	0,00	54.580,09
Inventories transferred to property, plant and equipments		-8.834,34	
<b>At the end of the period</b>		<b>-163.740.522,37</b>	<b>-155.710.735,37</b>

The impairments of inventories amount to 20,417,990.79 EUR (26,995,922.55 EUR) in 2021 (2020) and were recognised at the SNCB in 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 recognized 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

	31/12/2021	31/12/2020
Purchases	-135.923.062,52	-144.355.485,85
Changes in	28.512.077,66	37.258.384,73
<i>Goods, supplies and parts for rolling stock</i>	<i>28.817.517,26</i>	<i>37.739.531,45</i>
<i>Raw materials</i>	<i>114.087,48</i>	<i>-244.834,36</i>
<i>Work in progress</i>	<i>-419.527,08</i>	<i>-236.312,36</i>
<b>Impact on net result</b>	<b>-107.410.984,86</b>	<b>-107.097.101,12</b>
<i>Of which included in turnover</i>	<i>-419.527,08</i>	<i>-236.312,36</i>

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021

## Note 14 - Cash and cash equivalents

	31/12/2021	31/12/2020
<u>Note</u>		
<b>Cash and cash equivalents</b>		
Short-term deposits and commercial paper	64.524,77	32.568.118,72
Cash at bank	417.415.066,61	529.968.797,48
Cash in hand	2.415.391,75	2.448.609,36
<b>Total</b>	<b>419.894.983,13</b>	<b>564.985.525,56</b>
<b>Cash and cash equivalents as in the statement of cash flows</b>		
Bank overdrafts	21 0,00	0,00
	<b>419.894.983,13</b>	<b>564.985.525,56</b>

Of which:

	31/12/2021	31/12/2020
SNCB	419.751.730,85	564.734.927,26
Other subsidiaries	143.252,28	250.598,30
<b>Carrying value</b>	<b>419.894.983,13</b>	<b>564.985.525,56</b>

The restricted amount of cash and cash equivalents for the SNCB Group amounts to 63,566.22 EUR (32,567,127.80 EUR) as per 31 December 2021 (2020) and includes investments invested under the RER fund on behalf of the Belgian State ("fund managed on behalf of third parties"). As explained in note 2. Capital management, the RER fund was created by the Belgian State in 2001 to finance the investments to be done for the creation of the "Regional Express Network" (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).

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	31/12/2021	31/12/2020
<b>Assets</b>	22.262.810,13	21.075.321,80
<b>Liabilities</b>	0,00	0,00

Non-current assets held for sale as per 31 December 2021 and as per 31 December 2020 relate to:

	31/12/2021	31/12/2020
Property, plant and equipment	21.249.845,38	20.250.772,93
Investment property	1.012.964,75	824.548,87
	<b>22.262.810,13</b>	<b>21.075.321,80</b>

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

Movements of non-current assets held for sale are presented as follows at 31 December 2021:

	Property, plant and equipment	Investment property	Total
<b>Carrying value at 1 January 2020</b>	<b>31.782.307,75</b>	<b>2.621.229,88</b>	<b>34.403.537,63</b>
Excess	931,67		931,67
Transfer during period :			
Cost	47.616.378,03	4.216.318,64	51.832.696,67
Accumulated impairment	304.453,75	-180.028,51	124.425,24
Accumulated depreciation	-45.281.618,95	-301.467,54	-45.583.086,49
Disposal during period:			
Cost	-64.396.078,48	-6.012.999,65	-70.409.078,13
Accumulated impairment	5.438.628,77	180.028,51	5.618.657,28
Accumulated depreciation	45.017.608,83	301.467,54	45.319.076,37
Impairment after transfer to this section			
Increase	-231.838,44		-231.838,44
<b>Carrying value at 31 December 2020</b>	<b>20.250.772,93</b>	<b>824.548,87</b>	<b>21.075.321,80</b>
<b>Carrying value at 1 January 2021</b>	<b>20.250.772,93</b>	<b>824.548,87</b>	<b>21.075.321,80</b>
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
<b>Carrying value at 31 December 2021</b>	<b>21.249.845,38</b>	<b>1.012.964,75</b>	<b>22.262.810,13</b>

The 2021 transfers to non-current assets held for sale relate only to SNCB and are primarily comprised of land and buildings.

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

	Immobilisations corporelles	Immeubles de Placement	TOTAL
<b>As at 31 December 2020</b>			
Cost	73.708.683,12	1.032.185,92	<b>74.740.869,04</b>
Accumulated impairment	-9.580.722,00	-158.503,15	<b>-9.739.225,15</b>
Accumulated depreciation	-43.877.188,19	-49.133,90	<b>-43.926.322,09</b>
<b>Carrying value at 31 December 2020</b>	<b>20.250.772,93</b>	<b>824.548,87</b>	<b>21.075.321,80</b>
<b>As at 31 December 2021</b>			
Cost	77.923.947,84	1.288.655,26	<b>79.212.603,10</b>
Accumulated impairment	-9.162.522,50	-167.279,82	<b>-9.329.802,32</b>
Accumulated depreciation	-47.511.579,96	-108.410,69	<b>-47.619.990,65</b>
<b>Carrying value at 31 December 2021</b>	<b>21.249.845,38</b>	<b>1.012.964,75</b>	<b>22.262.810,13</b>

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

	31/12/2021	31/12/2020
Impairment losses (increase)	-136.683,41	-231.838,44
Loss on sale of non-current assets held for sale	-21.902,89	-426.493,71
Gain on sale of non-current assets held for sale	79.687.589,53	18.835.748,57

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 2021 relate primarily to the sale of SNCB land and buildings.

## Note 16 – Business combinations

In 2021, there were no business combination in the SNCB Group.

## Note 17 - Share capital

Movements of capital are as follows:

	Common shares	Dividend-right share	Total
<b>At 31 December 2021</b>			
<b>CAPITAL</b>			
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
<b>At 31 December 2020</b>			
<b>CAPITAL</b>			
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 dematerialization of bearer securities, since 2016, bearer securities 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 participation certificates 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	Exchanges differences	Net results carried forward	Total consolidated reserves
<b>At 1 January 2020</b>	<b>38.136.922,34</b>	<b>30.806,07</b>	<b>-443.677.716,45</b>	<b>-405.509.988,04</b>
<b>Net income 31-12-2020</b>	<b>0,00</b>	<b>0,00</b>	<b>-200.370.184,32</b>	<b>-200.370.184,32</b>
<i>Consolidated entities</i>			-166.680.661,35	-166.680.661,35
<i>Interests under equity method</i>			-33.689.522,97	-33.689.522,97
<b>Other comprehensive income 31-12-2020</b>	<b>-37.925.345,08</b>	<b>0,00</b>	<b>-46.244.846,25</b>	<b>-84.170.191,33</b>
<i>Consolidated entities</i>	-37.925.345,08		-44.463.914,64	-82.389.259,72
<i>Interests under equity method</i>			-1.780.931,61	-1.780.931,61
<b>Total comprehensive income 31-12-2020</b>	<b>-37.925.345,08</b>	<b>0,00</b>	<b>-246.615.030,57</b>	<b>-284.540.375,65</b>
Other movements in equity			147.235,96	147.235,96
Roundings			0,03	0,03
<b>At 31 December 2020</b>	<b>211.577,26</b>	<b>30.806,07</b>	<b>-690.145.511,03</b>	<b>-689.903.127,70</b>
<b>At 1 January 2021</b>	<b>211.577,26</b>	<b>30.806,07</b>	<b>-690.145.511,03</b>	<b>-689.903.127,70</b>
<b>Net income 31-12-2021</b>	<b>0,00</b>	<b>0,00</b>	<b>-24.655.521,32</b>	<b>-24.655.521,32</b>
<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
<b>Other comprehensive income 31-12-2021</b>	<b>-8.098.594,16</b>	<b>0,00</b>	<b>40.053.095,62</b>	<b>31.954.501,46</b>
<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
<b>Total comprehensive income 31-12-2021</b>	<b>-8.098.594,16</b>	<b>0,00</b>	<b>15.397.574,30</b>	<b>7.298.980,14</b>
Other movements in equity			2.404.553,38	2.404.553,38
Roundings			0,12	0,12
<b>At 31 December 2021</b>	<b>-7.887.016,90</b>	<b>30.806,07</b>	<b>-672.343.383,23</b>	<b>-680.199.594,06</b>

In 2021, the change in fair value by the other elements of the overall result of -8,098,594.15 EUR concerns the SNCB following valuation at fair value of its interest in Eurostar International. We refer you to note 12.2. Financial assets valued at fair value through other elements of the overall result.

The other movements worth 2,404,553.38 EUR relate to the purchase by SNCB of the shares in Eurogare held by the minority shareholder (prior to the merger).

## Note 19 - Employee benefits

### 19.1 Summary of the employee benefits

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

	31/12/2021	31/12/2020
<b>Liability in the statement of financial position</b>		
Post-employment benefits	324.951.401,83	361.903.025,80
Other long-term benefits	108.266.766,46	102.208.316,89
Termination benefits	11.680.297,12	13.823.938,35
Short-term benefits (holidays only)	29.723.405,31	37.199.443,04
<b>Total liability in the statement of financial position</b>	<b>474.621.870,72</b>	<b>515.134.724,08</b>
- current	116.909.096,12	119.132.559,23
- non-current	357.712.774,60	396.002.164,85

Employee benefits at 31 December 2021 and at 31 December 2020 relate exclusively to SNCB.

### 19.2 Description of the employee benefits

#### 19.2.1 Post-employment benefits

SNCB operates following post-employment benefit plans:

1. *Employer contributions to the Social Solidarity Fund*

The 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. Prior to this date it was 0.83%.

2. *Hospitalisation insurance*

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

3. *Benefits in case of a work accident*

Since the statutory employees do not benefit from the legal protection in case of a work accident, a system unique to the Belgian Railways was established. Based on this system, employees and their dependants are entitled to compensation in 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. *Employer contributions to the union fund*

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*



As part of the 2016-2019 union agreement, it was agreed with the recognised trade union organizations that the Belgian Railways pay an annual amount of 10 EUR for each affiliated retired employee.

#### 5. *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 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 the employees:

#### 1. *Jubilee premiums*

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

#### 2. *Additional holidays in function of age*

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

#### 3. *Availability leave*

Under certain conditions, availability leave can be granted for a period from one to three years. Compensation will be paid to the employees concerned.

#### 4. *Credit days*

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

#### 5. *Loyalty premiums for train drivers*

A loyalty premium has been granted to the 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*

The following termination benefits are granted to the employees:

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

1. *Partial career break*

Statutory employees can benefit from part-time early retirement systems. These systems apply to specific categories of employees who have attained a minimum age, and provide for allowances partially offsetting the loss of working time. Only the indemnities granted to the employees who joined the scheme until 2006 (date of the scheme change) are now considered as termination benefits.

2. *Part-time work*

For certain categories of employees who cannot benefit from early retirement, compensatory mechanisms of part-time work exist. These are arrangements of part-time work on a voluntary basis, 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:

	31/12/2021			Total	31/12/2020			Total
	Post employment benefits	Other long term benefits	Termination benefits		Post employment benefits	Other long term benefits	Termination benefits	
<b>Amount recognised in the statement of financial position</b>								
Defined benefit obligation end of period	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 end of period	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Total</b>	<b>324.951.401,83</b>	<b>108.266.766,46</b>	<b>11.680.297,12</b>	<b>444.898.465,41</b>	<b>361.903.025,80</b>	<b>102.208.316,89</b>	<b>13.823.938,35</b>	<b>477.935.281,04</b>
<i>Of which : Net liability recognised</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>361.903.025,80</i>	<i>102.208.316,89</i>	<i>13.823.938,35</i>	<i>477.935.281,04</i>
<i>Of which : Unfunded plans</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>361.903.025,80</i>	<i>102.208.316,89</i>	<i>13.823.938,35</i>	<i>477.935.281,04</i>

The amounts relating to defined benefit plans recognised in net result are detailed as follows:

	31/12/2021			Total	31/12/2020			Total	
	Post employment benefits	Other long term benefits	Termination benefits		Post employment benefits	Other long term benefits	Termination benefits		
<b>Defined benefit cost</b>									
Current service cost	13.905.853,60	49.204.304,92	36.518,62	63.146.677,14	10.147.480,10	46.026.137,18	2.544,43	56.176.161,71	
Net interest (*)	1.592.411,52	70.881,00	5.278,32	1.668.570,84	3.316.756,32	207.384,96	45.029,76	3.569.171,04	
Remeasurements (other long term and termination benefits)	-	-1.928.234,01	-1.144.086,87	-3.072.320,88	-	729.408,39	-146.157,01	583.251,38	
Transfers	39.345,75	133.554,74	107.366,22	280.266,71	69.437,20	148.010,06	65.600,46	283.047,72	
Past service cost	0,00	0,00	0,00	0,00	-17.236.920,55	0,00	0,00	-17.236.920,55	
<b>Total Defined benefit cost</b>	<b>15.537.610,87</b>	<b>47.409.506,65</b>	<b>-994.923,71</b>	<b>62.023.193,81</b>	<b>-3.703.246,93</b>	<b>47.110.940,59</b>	<b>-32.982,36</b>	<b>43.374.711,30</b>	
<i>included in</i>									
<i>payroll and related benefits</i>	28	13.945.199,35	47.409.625,65	-1.000.202,03	60.354.622,97	-7.020.003,25	46.903.555,63	-78.012,12	39.805.540,26
<i>finance costs</i>	29	1.592.411,52	70.881,00	5.278,32	1.668.570,84	3.316.756,32	207.384,96	45.029,76	3.569.171,04
<b>Included in statement of other comprehensive income</b>		<b>-39.495.681,17</b>		<b>-39.495.681,17</b>	<b>45.691.891,14</b>			<b>45.691.891,14</b>	

(\*) Of which: expected return on plan assets = 0

According to IAS 19 Revised, 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 net result.

The total amount of premiums paid in 2021 by the SNCB Group related to defined contribution plans amounts to 4,468,789.69 EUR.

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

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

	31/12/2021				31/12/2020			
	Post employment benefits	Other long term benefits	Termination benefits	Total	Post employment benefits	Other long term benefits	Termination benefits	Total
<b>Defined benefit obligation</b>								
<b>As at 1 January</b>	<b>361.903.025,80</b>	<b>102.208.316,89</b>	<b>13.823.938,35</b>	<b>477.935.281,04</b>	<b>332.810.871,60</b>	<b>94.042.168,60</b>	<b>15.301.790,52</b>	<b>442.154.830,72</b>
Current service cost	13.905.853,60	49.204.304,92	36.518,62	63.146.677,14	10.147.480,10	46.026.137,18	2.544,43	56.176.161,71
Past service cost (plan changes and curtailment)	0,00	0,00	0,00	0,00	-17.236.920,55	0,00	0,00	-17.236.920,55
Interest cost	1.592.411,52	70.881,00	5.278,32	1.668.570,84	3.316.756,32	207.384,96	45.029,76	3.569.171,04
Actuarial (gains) / losses	-39.495.681,17	-1.928.234,01	-1.144.086,87	-42.568.002,05	45.691.891,14	729.408,39	-146.157,01	46.275.142,52
Benefits paid	-12.993.553,67	-41.422.057,08	-1.148.717,52	-55.564.328,27	-12.896.490,01	-38.944.792,30	-1.444.869,81	-53.286.152,12
Transfers	39.345,75	133.554,74	107.366,22	280.266,71	69.437,20	148.010,06	65.600,46	283.047,72
Transfer to non-current assets held for sale	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Present value of the obligation at the end of the period</b>	<b>324.951.401,83</b>	<b>108.266.766,46</b>	<b>11.680.297,12</b>	<b>444.898.465,41</b>	<b>361.903.025,80</b>	<b>102.208.316,89</b>	<b>13.823.938,35</b>	<b>477.935.281,04</b>

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

	31/12/2021				31/12/2020			
	Post employment benefits	Other long term benefits	Termination benefits	Total	Post employment benefits	Other long term benefits	Termination benefits	Total
<b>Defined benefit obligation at the end of the period</b>								
Liability relative to active members	91.874.500,15	108.266.766,46	11.680.297,12	211.821.563,73	107.011.133,99	102.208.316,89	13.823.938,35	223.043.389,23
Liability relative to pensioners and non-active members (beneficiaries, ...)	233.076.901,68	0,00	0,00	233.076.901,68	254.891.891,81	0,00	0,00	254.891.891,81
<b>Total Defined benefit obligation at the end of the period</b>	<b>324.951.401,83</b>	<b>108.266.766,46</b>	<b>11.680.297,12</b>	<b>444.898.465,41</b>	<b>361.903.025,80</b>	<b>102.208.316,89</b>	<b>13.823.938,35</b>	<b>477.935.281,04</b>

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

	31/12/2021				31/12/2020			
	Post employment benefits	Other long term benefits	Termination benefits	Total	Post employment benefits	Other long term benefits	Termination benefits	Total
<b>Funded status</b>								
Defined benefit obligation as at 1 January	361.903.025,80	102.208.316,89	13.823.938,35	477.935.281,04	332.810.871,60	94.042.168,60	15.301.790,52	442.154.830,72
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
<b>Total</b>	<b>361.903.025,80</b>	<b>102.208.316,89</b>	<b>13.823.938,35</b>	<b>477.935.281,04</b>	<b>332.810.871,60</b>	<b>94.042.168,60</b>	<b>15.301.790,52</b>	<b>442.154.830,72</b>
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
<b>Amount recognised in the statement of financial position</b>								
<b>As at 1 January</b>	<b>361.903.025,80</b>	<b>102.208.316,89</b>	<b>13.823.938,35</b>	<b>477.935.281,04</b>	<b>332.810.871,60</b>	<b>94.042.168,60</b>	<b>15.301.790,52</b>	<b>442.154.830,72</b>
Total expense recognised in the profit or loss	15.537.610,87	47.480.506,65	-994.923,71	62.023.193,81	-3.703.246,93	47.110.940,59	-32.982,36	43.374.711,30
Actuarial (gains) / losses in other comprehensive income	-39.495.681,17	-	-	-39.495.681,17	45.691.891,14	-	-	45.691.891,14
Employer contributions / benefits paid directly by employer	-12.993.553,67	-41.422.057,08	-1.148.717,52	-55.564.328,27	-12.896.490,01	-38.944.792,30	-1.444.869,81	-53.286.152,12
Transfer to non-current assets held for sale	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other			0,00	0,00			0,00	0,00
<b>At the end of the period</b>	<b>324.951.401,83</b>	<b>108.266.766,46</b>	<b>11.680.297,12</b>	<b>444.898.465,41</b>	<b>361.903.025,80</b>	<b>102.208.316,89</b>	<b>13.823.938,35</b>	<b>477.935.281,04</b>

For 2022, the SNCB Group expects that the contributions and benefits paid directly will equal to 12.2 million EUR for the post-employment benefits, 48.0 million EUR (including credit days) for the long-term employee benefits and 0.9 million EUR for termination benefits.

## 19.4 Split of actuarial gains and losses

The actuarial gains and losses may be split as follows:

	31/12/2021			Total	31/12/2020			Total
	Post employment benefits	Other long term benefits	Termination benefits		Post employment benefits	Other long term benefits	Termination benefits	
<b>Actuarial (gains) / losses</b>								
(Gain) / loss due to changes in financial assumptions	-37.926.541,16	-2.029.735,90	-378.394,47	-40.334.671,53	33.169.493,90	1.476.957,81	301.728,14	34.948.179,85
(Gain) / loss due to changes in demographic assumptions	630.083,86	0,00	0,00	630.083,86	13.704.259,62	0,00	0,00	13.704.259,62
Experience (gain) / loss	-2.199.223,87	101.501,89	-765.692,40	-2.863.414,38	-1.181.862,38	-747.549,42	-447.885,15	-2.377.296,95
<b>Total actuarial (gains) / losses</b>	<b>-39.495.681,17</b>	<b>-1.928.234,01</b>	<b>-1.144.086,87</b>	<b>-42.568.002,05</b>	<b>45.691.891,14</b>	<b>729.408,39</b>	<b>-146.157,01</b>	<b>46.275.142,52</b>

## 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 summarized as follows:

	31/12/2021	31/12/2020
Discount rate		
Post-employment benefits	1,07%	0,44%
Other long-term benefits	0%-0,82%	0%-0,23%
Termination benefits	0%-0,44%	0%-0,04%
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 (if born after 1961)/FR	MR et MR-1 (if born after 1961))/FR

As per 31 December, the discount rate used to discount the liabilities is determined by reference to the market yield at reporting date of high quality corporate bonds with similar duration than the liabilities (source: Bloomberg).

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

### Weighted average duration

	31/12/2021	31/12/2020
Post-employment benefits	17,65	17,30
Other long-term benefits (*)	10,84	11,13
Termination benefits	7,99	8,19
<b>Weighted average duration</b>	<b>16,61</b>	<b>16,24</b>

(\*) 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.

	Active employees (life expectancy at retirement)	Non-active members
Men	22,54	14,49
Women	23,69	10,79

**Sensitivity analysis**

	Impact on liability as at 31/12/2021	
	Increase	Decrease
Discount rate (0,5% change)		
Post-employment benefits	-27.089.697,67	29.730.724,16
Other long-term benefits (*)	-1.716.197,55	1.775.898,65
Termination benefits	-454.340,55	416.986,46
Medical cost increase (1% change)	14.637.315,28	-11.159.576,79
Mortality (change of life expectancy with 1 year)	21.338.114,13	-

## Note 20 - Provisions

Movements in the provisions over the years 2021 and 2020 can be summarised as follows:

	Legal claims	Environmental provisions	Other provisions	Total
<b>As at 1 January 2020</b>	<b>52.564.880,35</b>	<b>129.152.477,54</b>	<b>8.253.305,41</b>	<b>189.970.663,30</b>
<u>Of which</u>				
Non-current	23.322.130,91	76.941.094,71	3.114.985,48	103.378.211,10
Current	29.242.749,44	52.211.382,83	5.138.319,93	86.592.452,20
Included in statement of comprehensive income				
Increase of the year	10.211.120,53	8.894.182,01	4.108.434,06	23.213.736,60
Utilization of the year	-3.990.476,77	-713.043,77	-645.367,18	-5.348.887,72
Decrease of the year (unused)	-17.504.397,70	-1.259.333,98	-373.064,34	-19.136.796,02
Change in discount rates	80.539,76	-2.557.692,04		-2.477.152,28
Unwinding of discount	8.724,77	13.566,95		22.291,72
Transfer - other				0,00
<b>As at 31 December 2020</b>	<b>41.370.390,94</b>	<b>133.530.156,71</b>	<b>11.343.307,95</b>	<b>186.243.855,60</b>
<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
<b>As at 1 January 2021</b>	<b>41.370.390,94</b>	<b>133.530.156,71</b>	<b>11.343.307,95</b>	<b>186.243.855,60</b>
<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 to non-current assets held for sale				0,00
Transfer - other			-1.540.144,19	-1.540.144,19
<b>As at 31 December 2021</b>	<b>35.117.101,56</b>	<b>130.774.098,04</b>	<b>9.215.625,76</b>	<b>175.106.825,36</b>
<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

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 2021, it amounts to 35,117,101.56 EUR and concerns SNCB (35,007,101.56 EUR) SNCB 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 depollution of the land. It was constituted to cover long-term land depollution costs based on the estimated costs of the technical services and their timing and the yield curve. It concerns exclusively SNCB and amounts to 130,774,098.04 EUR as at 31 December 2021.

## 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		31/12/2021				TOTAL
		Net debt			Other	
		Nominal	Fair value adjustments	Accrued expenses	Other	
<b>Non-current financial liabilities</b>						
	<u>Notes</u>					
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
<b>Total</b>		<b>2.344.915.013,22</b>	<b>20.143.061,84</b>	<b>20.689.800,25</b>	<b>0,00</b>	<b>2.385.747.875,31</b>
<b>Current financial liabilities</b>						
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
<b>Total</b>		<b>545.673.269,22</b>	<b>0,00</b>	<b>12.069.967,74</b>	<b>0,00</b>	<b>557.743.236,96</b>
<b>Total financial liabilities</b>		<b>2.890.588.282,44</b>	<b>20.143.061,84</b>	<b>32.759.767,99</b>	<b>0,00</b>	<b>2.943.491.112,27</b>
Financial liabilities		31/12/2020				TOTAL
		Net debt			Other	
		Nominal	Fair value adjustments	Accrued expenses	Other	
<b>Non-current financial liabilities</b>						
	<u>Notes</u>					
Borrowings with financial institutions		1.552.510.190,36	0,00	3.537.924,59	0,00	1.556.048.114,95
Bonds		462.290.629,94	0,00	4.987.990,75	0,00	467.278.620,69
Lease liabilities	21.2	38.025.128,32	0,00	0,00	0,00	38.025.128,32
Other financial liabilities		288.581.676,63	25.973.554,27	12.644.059,59	0,00	327.199.290,49
<b>Total</b>		<b>2.341.407.625,25</b>	<b>25.973.554,27</b>	<b>21.169.974,93</b>	<b>0,00</b>	<b>2.388.551.154,45</b>
<b>Current financial liabilities</b>						
Bank overdrafts	14	0,00	0,00	0,00	0,00	0,00
Borrowings with financial institutions		112.901.682,91	0,00	3.116.698,36	0,00	116.018.381,27
Bonds		0,00	0,00	5.493.357,53	0,00	5.493.357,53
Lease liabilities	21.2	8.975.395,73	0,00	59.017,81	0,00	9.034.413,54
Commercial paper		325.041.927,23	0,00	0,00	0,00	325.041.927,23
Other financial liabilities		164.440.452,16	0,00	69.300,43	0,00	164.509.752,59
<b>Total</b>		<b>611.359.458,03</b>	<b>0,00</b>	<b>8.738.374,13</b>	<b>0,00</b>	<b>620.097.832,16</b>
<b>Total financial liabilities</b>		<b>2.952.767.083,28</b>	<b>25.973.554,27</b>	<b>29.908.349,06</b>	<b>0,00</b>	<b>3.008.648.986,61</b>

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021

	31/12/2021	31/12/2020
<b>Non-current financial liabilities</b>		
SNCB	2.382.899.808,67	2.384.262.263,76
Subsidiaries	2.848.066,64	4.288.890,69
<b>Carrying value</b>	<b>2.385.747.875,31</b>	<b>2.388.551.154,45</b>
<b>Current financial liabilities</b>		
SNCB	556.120.908,05	618.383.120,34
Subsidiaries	1.622.328,91	1.714.711,82
<b>Carrying value</b>	<b>557.743.236,96</b>	<b>620.097.832,16</b>

### **Changes in financial liabilities**

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

	Changes in financial liabilities								31/12/2021
	31/12/2020	New transactions	Payments	Interest expense	Other revenues	Exchange impact	Adjustments to fair value	Other	
Bank overdrafts	0,00	0,00	-1.536.140,85	1.536.140,85	0,00	0,00	0,00	0,00	0,00
Borrowings with financial institutions	1.672.066.496,22	456.673.596,85	-136.874.808,61	24.651.747,79	0,00	6.696.024,89	0,00	0,00	2.023.213.057,14
Bonds	472.771.978,22	6.346.077,32	-15.205.277,32	15.460.251,79	0,00	0,00	0,00	0,00	479.373.030,01
Lease liabilities	47.059.541,86	2.995.598,42	-11.580.265,94	1.326.757,92	0,00	0,00	0,00	-198.998,33	39.602.633,93
Commercial paper	325.041.927,23	0,00	-324.987.083,64	0,00	-54.843,59	0,00	0,00	0,00	0,00
Other financial liabilities	491.709.043,08	81.222.600,59	-202.318.752,15	18.911.210,54	-777,78	17.609.559,34	-5.830.492,43	0,00	401.302.391,19
<b>Total</b>	<b>3.008.648.986,61</b>	<b>547.237.873,18</b>	<b>-692.502.328,51</b>	<b>61.886.108,89</b>	<b>-55.621,37</b>	<b>24.305.584,23</b>	<b>-5.830.492,43</b>	<b>-198.998,33</b>	<b>2.943.491.112,27</b>

New transactions entered into by the SNCB Group include, excluding capitalization of interests:

- recognition of lease liabilities in application of IFRS 16 for an amount of 2,995,598.42 EUR;
- a number of long term fixed rate financing agreements for a total amount of 450 million EUR at fixed interest rates entered into with the European Investment Bank with 6 to 13 year terms,
- a long term financing agreement with a parent company for an amount of 45 million EUR at a fixed interest rate and a 6 year term.
- 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 198,998.33 EUR.

Total payments may be subdivided into repayments of the nominal amount of existing debts (633,481,332.69 EUR) and interest payments (59,020,995.82 EUR). Changes in fair value of the liability are recognised in net income (-6,290,648.42 EUR) and in the other items of overall income (460,155.99 EUR: component of the SNCB Group's own credit risk in application of 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 emission currency, type of coupon and maturity.



Characteristics of the financial liabilities	31/12/2021				
	Currency	Coupon	Final maturity	Nominal (Currency)	Carrying amount (EUR)
<b>Bank overdrafts</b>	EUR	N/A	< 1 year	0,00	0,00
	<i>Total EUR</i>			<i>0,00</i>	<i>0,00</i>
<b>Total bank overdrafts</b>					<b>0,00</b>
<b>Borrowings with financial institutions</b>	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>
<b>Total borrowings with financial institutions</b>					<b>2.023.213.057,14</b>
<b>Bonds</b>	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>
<b>Total bonds</b>					<b>479.373.030,01</b>
<b>Lease liabilities</b>	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>
<b>Total lease liabilities</b>					<b>39.602.633,93</b>
<b>Commercial paper</b>	EUR	Floating	< 1 year	0,00	0,00
	<i>Total EUR</i>			<i>0,00</i>	<i>0,00</i>
<b>Total commercial paper</b>					<b>0,00</b>
<b>Other financial liabilities</b>	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>
<b>Total other financial liabilities</b>					<b>401.302.391,19</b>
<b>Total financial liabilities</b>					<b>2.943.491.112,27</b>

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021

Characteristics of the financial liabilities	31/12/2020				
	Currency	Coupon	Final maturity	Nominal (Currency)	Carrying amount (EUR)
<b>Bank overdrafts</b>	EUR	N/A	< 1 year	0,00	0,00
	<i>Total EUR</i>			<i>0,00</i>	<i>0,00</i>
<b>Total bank overdrafts</b>					<b>0,00</b>
<b>Borrowings with financial institutions</b>	EUR	Floating	< 1 year	100.000.000,00	99.995.227,78
			2 - 5 years	185.900.000,00	185.861.821,18
			> 5 years	250.274.409,55	250.188.896,84
		0% - 2%	2 - 5 years	486.001.300,00	487.197.739,27
			> 5 years	156.200.000,00	156.285.771,25
		2% - 4%	1 - 2 years	400.000.000,00	397.864.111,39
			2 - 5 years	15.000.000,00	15.150.100,91
	<i>Total EUR</i>			<i>1.593.375.709,55</i>	<i>1.592.543.668,62</i>
	USD	4% - 6%	2 - 5 years	11.954.903,12	10.291.959,51
			> 5 years	31.298.318,24	26.951.340,96
		6% - 8%	> 5 years	50.398.195,13	42.279.527,13
	<i>Total USD</i>			<i>93.651.416,49</i>	<i>79.522.827,60</i>
<b>Total borrowings with financial institutions</b>					<b>1.672.066.496,22</b>
<b>Bonds</b>	EUR	Zero Coupon	> 5 years	213.000.000,00	124.436.679,09
		0% - 2%	> 5 years	190.000.000,00	189.755.128,61
		2% - 4%	> 5 years	100.000.000,00	102.260.469,46
		4% - 6%	> 5 years	55.000.000,00	56.319.701,06
	<i>Total EUR</i>			<i>558.000.000,00</i>	<i>472.771.978,22</i>
<b>Total bonds</b>					<b>472.771.978,22</b>
<b>Lease liabilities</b>	EUR	0% - 2%	< 1 year	32.059,89	32.059,89
			1 - 2 years	35.004,67	35.004,67
			2 - 5 years	28.607.148,23	28.607.119,70
			> 5 years	6.122.941,73	6.122.941,73
		2% - 4%	> 5 years	7.309.886,24	7.368.932,58
		> 10%	2 - 5 years	4.893.483,29	4.893.483,29
	<i>Total EUR</i>			<i>47.000.524,05</i>	<i>47.059.541,86</i>
<b>Total lease liabilities</b>					<b>47.059.541,86</b>
<b>Commercial paper</b>	EUR	Floating	< 1 year	325.000.000,00	325.041.927,23
	<i>Total EUR</i>			<i>325.000.000,00</i>	<i>325.041.927,23</i>
<b>Total commercial paper</b>					<b>325.041.927,23</b>
<b>Other financial liabilities</b>	EUR	Floating	< 1 year	100.138.000,00	100.126.166,67
		0% - 2%	2 - 5 years	8.500.000,00	8.502.719,50
			> 5 years	6.500.000,00	6.504.749,50
		4% - 6%	< 1 year	60.669.800,98	60.709.066,27
			1 - 2 years	78.784.815,00	78.839.275,28
	<i>Total EUR</i>			<i>254.592.615,98</i>	<i>254.681.977,22</i>
	USD	4% - 6%	1 - 2 years	57.751.804,38	54.696.629,64
			2 - 5 years	22.676.083,70	22.726.962,04
			> 5 years	30.031.418,54	25.836.033,28
		6% - 8%	2 - 5 years	13.505.706,30	14.288.524,75
			> 5 years	119.924.701,27	119.478.916,15
	<i>Total USD</i>			<i>243.889.714,19</i>	<i>237.027.065,86</i>
<b>Total other financial liabilities</b>					<b>491.709.043,08</b>
<b>Total financial liabilities</b>					<b>3.008.648.986,61</b>

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021

## 21.2 Financial liabilities relating to leases

The due dates of the leasing liabilities are as follow:

	Less than one year	Between one and five years	More than five years	Total
<b>Present value of future minimum lease payments - 31/12/2021</b>				
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
<b>Total</b>	<b>9.410.115,19</b>	<b>19.651.904,91</b>	<b>10.540.613,83</b>	<b>39.602.633,93</b>
<b>Present value of future minimum lease payments - 31/12/2020</b>				
Future minimum lease payments	10.287.487,99	30.357.014,19	23.249.699,10	63.894.201,28
Interest / Future finance charges on contracts	-1.253.074,45	-3.191.367,46	-12.390.217,51	-16.834.659,42
<b>Total</b>	<b>9.034.413,54</b>	<b>27.165.646,73</b>	<b>10.859.481,59</b>	<b>47.059.541,86</b>

With the exception of short-term leasing, leasing whose contingent amount is low in value and leasing that is not considered to be leasing in application of IFRS 16, leases concluded by the SNCB Group are as follow:

- long-term agreements for buildings for a period of 27 to 93 years without purchase option;
- leasing of buildings for a period of 6 to 15 years without purchase option;
- leasing of rolling stock for a period of 3 years with an option for a 3-year extension without a purchase option;
- leasing of company cars for a period of 4 to 5 years without purchase option;
- leasing of various assets (IT, fork lifts, etc.) for a period of 2 to 8 years without purchase option.

## Note 22 - Deferred tax assets/liabilities

EUR	31/12/2021	31/12/2020
<b>Current taxes</b>		
Current tax receivables	1.594.868,95	2.115.142,45
Current tax debts	-185.411,36	0,00
<b>Net position for current taxes</b>	<b>1.780.280,31</b>	<b>2.115.142,45</b>
<b>Deferred taxes</b>		
Deferred tax assets	0,00	0,00
Deferred tax liabilities	-1.199.518,52	-1.554.247,77
<b>Net position of deferred taxes</b>	<b>-1.199.518,52</b>	<b>-1.554.247,77</b>

Movements of the reporting period can be summarised as follows:

EUR	31/12/2021	31/12/2020
<b>Deferred tax assets</b>		
As at 1 January	0,00	14.399.087,60
Taxes recognized in net result		-10.599.904,73
Taxes recognized in other comprehensive income		-3.799.182,87
<b>As at 31 December</b>	<b>0,00</b>	<b>0,00</b>

EUR	31/12/2021	31/12/2020
<b>Deferred tax liabilities</b>		
As at 1 January	-1.554.247,77	-1.820.323,35
Taxes recognized in net result	348.064,90	266.075,58
Other movements	6.664,35	0,00
<b>As at 31 December</b>	<b>-1.199.518,52</b>	<b>-1.554.247,77</b>

The SNCB Group has recognized a deferred tax liability since 2017 following the business combination achieved in stages and valuation at fair value of the assets acquired at the time of this business combination.

EUR	Financial statements	
	31/12/2021	31/12/2020
<b>Deferred tax assets</b>		
Tax losses carried forward and other fiscal deductions	264.256.508,60	262.273.945,76
Provision for legal claims, soil remediation, derivatives, ...	13.338.905,89	14.973.352,31
Liabilities for employee benefits	39.172.664,84	41.350.635,21
Write down on trade and other receivables	1.028.087,77	1.058.624,24
Financial instruments at fair value	21.026.303,65	28.109.117,30
<b>Gross deferred tax assets</b>	<b>338.822.470,74</b>	<b>347.765.674,81</b>
<b>Deferred tax liabilities</b>		
Property, plant and equipment and investment property	11.016.916,68	11.534.916,04
<b>Gross deferred tax liabilities</b>	<b>11.016.916,68</b>	<b>11.534.916,04</b>
Less unrecognized deferred tax assets	-329.005.072,58	-337.785.006,54
<b>Net position of deferred taxes</b>	<b>-1.199.518,52</b>	<b>-1.554.247,77</b>

Fiscal deductions relate to investment credits. Investment credits and tax losses carried forward have an economic value that is recognized in the accounts in the form of a deferred tax asset when it is probable that taxable profit will be available for crediting these investment credits and tax losses in future reporting periods.

The SNCB Group's ability to recover deferred tax assets is assessed through an analysis based in particular on business plans and on the risks related to economic conditions and the uncertainties of the markets in which the

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

SNCB Group operates. Because of the various uncertainties described above, the Group used a three-year time horizon in its analysis.

To calculate the value of the differed tax asset as at 31 December 2021, the SNCB Group based its assessment on the last budget and multi-year plan approved by the SNCB Board of Directors. However, given current forecasts and the degree of uncertainty surrounding them, SNCB did not recognise any differed taxes as at 31 December 2021.

## Note 23 - Trade and other payables

EUR	31/12/2021			31/12/2020		
	Financial instruments	Other	Total	Financial instruments	Other	Total
<b>Non-current trade payables</b>						
	<i>Note</i>					
Advances received relative to construction contracts	10	1.745.953,45	1.745.953,45		12.124.166,20	12.124.166,20
<b>Total</b>		<b>0,00</b>	<b>1.745.953,45</b>	<b>0,00</b>	<b>12.124.166,20</b>	<b>12.124.166,20</b>
<b>Current trade payables</b>						
Public authorities		52,73	52,73	11.939,80		11.939,80
Suppliers		361.859.999,89	14.797.825,37	376.657.825,26	312.622.329,70	6.541.317,31
Advances received relative to construction contracts	10	4.431.039,41	4.431.039,41	3.947.966,52		3.947.966,52
<b>Total</b>		<b>361.860.052,62</b>	<b>19.228.864,78</b>	<b>381.088.917,40</b>	<b>312.634.269,50</b>	<b>10.489.283,83</b>
<b>Total trade payables</b>		<b>361.860.052,62</b>	<b>20.974.818,23</b>	<b>382.834.870,85</b>	<b>312.634.269,50</b>	<b>22.613.450,03</b>

Of which:

EUR	31/12/2021			31/12/2020		
	Financial instruments	Other	Total	Financial instruments	Other	Total
<b>Non-current</b>						
SNCB		1.745.953,45	1.745.953,45		12.124.166,20	12.124.166,20
Other subsidiaries		0,00	0,00		0,00	0,00
<b>Carrying value</b>	<b>0,00</b>	<b>1.745.953,45</b>	<b>1.745.953,45</b>	<b>0,00</b>	<b>12.124.166,20</b>	<b>12.124.166,20</b>
<b>Courant</b>						
SNCB	347.595.274,22	19.228.864,78	366.824.139,00	291.080.510,48	10.489.283,83	301.569.794,31
Other subsidiaries	14.264.778,40		14.264.778,40	21.553.759,02		21.553.759,02
<b>Carrying value</b>	<b>361.860.052,62</b>	<b>19.228.864,78</b>	<b>381.088.917,40</b>	<b>312.634.269,50</b>	<b>10.489.283,83</b>	<b>323.123.553,33</b>

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

## Note 24 - Social debts

EUR	31/12/2021	31/12/2020
Withholding tax	42.489,95	26.628,49
Social security contributions	283.558,14	283.774,77
Wages	11.435,48	6.083,36
Holiday pay	64.045.016,47	62.662.905,09
Other social debts	38.936.443,60	38.764.234,29
<b>Total</b>	<b>103.318.943,64</b>	<b>101.743.626,00</b>
Of which		
Social debts that are due	1.869.919,48	1.540.474,26
Social debts not yet due	101.449.024,16	100.203.151,74

As per 31 December 2021 (2020), the SNCB holds 98,086,251.40 EUR (96,965,922.92 EUR) of total consolidated social debts (not yet due). The part held by its subsidiaries in the total of social debts amounts to 5,232,692.24 EUR (4,777,703.08 EUR).

## Note 25 - Grants

### 25.1 Investment grants

Movements of the reporting period can be summarised as follows:

	2021	2020
<b>Investment grants</b>		
<b>At 1st of January</b>	<b>7.413.102.771,07</b>	<b>7.199.741.628,52</b>
New grants	669.321.754,45	625.642.171,85
Allocated to property, plant and equipment and to intangible assets	-436.617.434,41	-416.282.164,21
Other movements	0,00	4.001.134,91
<b>At 31st December</b>	<b>7.645.807.091,11</b>	<b>7.413.102.771,07</b>
Of which		
Non-current	7.204.545.849,41	6.982.853.141,92
Current	441.261.241,70	430.249.629,15

Investment grants obtained for investments in intangible assets and property, plant and equipment, are presented as liabilities in the statement of financial position and are recognised in operating result in proportion to the depreciation on the assets for which they were received. The investment grants that are granted but not yet received are recognised as Trade and other receivables.

The new grants that are granted in 2021 are completely attributed to the parent company. There are no new investment grants acquired by the subsidiaries.

The amount of -436,617,434.41 EUR in 2021 (2020: -416,282,164.21 EUR) relates for -447,333,687.84 EUR (2020: -424,663,436.77 EUR) grants in capital entered in income and for 10,716,253.43 EUR (2020: 8,381,272.56 EUR) reconstitution of non-amortised grants cancelled following disposals of subsidised assets.

### 25.2 Operating grants

Movements of the reporting period can be summarised as follows:

	2021	2020
<b>Operating grants to be received</b>		
<b>At 1st of January</b>	<b>290.523.862,90</b>	<b>479.283.913,64</b>
New grants	1.146.806.725,29	1.407.115.337,37
Payments received	-1.060.067.680,47	-1.595.875.388,11
<b>At 31st December</b>	<b>377.262.907,72</b>	<b>290.523.862,90</b>

The operating grants of the SNCB Group are entirely those of the parent company. They include the (fixed and variable) basic allocation, the allowances for security and the measures against terrorism and radicalism. As at 31 December 2021, these also include an exceptional grant to compensate for the cost of the July floods (4,940,000 EUR) and an operating grant of 298,900,000 EUR (2020: 288,000,000 EUR) to compensate for the impact of the

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

sanitary crisis on the accounts of the public service missions undertaken by SNCB for 2021 (2020). They also include the grants received to compensate for

the overall commercial losses entailed by the free Hello Belgium Railpass operation (valid for six months from 5 October 2020).

The operating grant (excluding Covid and flood compensation) was reduced in 2021 compared with 2020 due to the fall in the variable operating grant (after a fall in passenger-kilometres) as well as a change in the passenger-kilometre price used. In application of the Government decision (Royal Decree of 19 July 2019 – Moniteur Belge official publication dated 30 August 2019), the operating grant (both fixed and variable) received by SNCB was proportionally reduced in line with the estimated fall in the infrastructure fee as a result of the new calculation method.

Grants acquired to compensate for the State's share of free commuting (home-work) (24,193,196.74 EUR) are recorded in products.

The operating grants that are granted but not yet received are recognised under Trade and other receivables.

## 25.3 Financial grants

Movements of the reporting period can be summarised as follows:

	2021	2020
<b>Financial grants to be received</b>		
<b>At 1st of January</b>	<b>17.146.543,26</b>	<b>19.833.572,18</b>
New grants	22.798.308,95	24.673.045,02
Payments received	-23.374.887,69	-27.360.073,94
Other movements	0,00	0,00
<b>At 31st December</b>	<b>16.569.964,52</b>	<b>17.146.543,26</b>

Financial grants include interest income arising from receivables towards the Belgian State resulting from the pre-financing contracts "Te kort TGV", the regional priority projects and the pre-financing contracts for rolling stock. The interest earned under the back-to-back contracts are not considered as grants.

The receivables for financial grants are recognised under Trade and other receivables.

New financial grants are recognised in net result and deducted from the financial expenses (see note 29.2).



## Note 26 - Other amounts payable

EUR	31/12/2021			31/12/2020		
	Financial instruments	Other	Total	Financial instruments	Other	Total
<b>Other amounts payable - non-current</b>						
Funds managed for third parties (RER Fund)			0,00	0,00		0,00
Fees relating to cross border arrangements		15.467.349,69	15.467.349,69		17.867.604,05	17.867.604,05
Other amounts payables	235.859,99		235.859,99	243.059,99		243.059,99
<b>Total</b>	<b>235.859,99</b>	<b>15.467.349,69</b>	<b>15.703.209,68</b>	<b>243.059,99</b>	<b>17.867.604,05</b>	<b>18.110.664,04</b>
<b>Other amounts payable - current</b>						
Funds managed for third parties (RER Fund)	63.582,30		63.582,30	32.567.134,12		32.567.134,12
Fees relating to cross border arrangements		2.400.254,36	2.400.254,36		2.827.917,71	2.827.917,71
Deferred income		110.541.138,66	110.541.138,66		91.715.025,65	91.715.025,65
Accrued expenses	20.452.575,54		20.452.575,54	24.299.892,99		24.299.892,99
Debts towards related parties	146.250,20		146.250,20	86.180,68		86.180,68
Various debts relative to the State	3.588.639,98	21.396.182,64	24.984.822,62	1.750.540,36	65.301.362,26	67.051.902,62
VAT, taxes and withholding tax to be paid		355.318,51	355.318,51		867.646,46	867.646,46
Other amounts payables	11.548.149,26	1.431.314,92	12.979.464,18	10.256.902,31	1.940.403,87	12.197.306,18
<b>Total</b>	<b>35.799.197,28</b>	<b>136.124.209,09</b>	<b>171.923.406,37</b>	<b>68.960.650,46</b>	<b>162.652.355,95</b>	<b>231.613.006,41</b>
<b>Total other amounts payable</b>	<b>36.035.057,27</b>	<b>151.591.558,78</b>	<b>187.626.616,05</b>	<b>69.203.710,45</b>	<b>180.519.960,00</b>	<b>249.723.670,45</b>

As per 31 December 2021, SNCB holds 182,647,408.83 EUR (245,157,386.76 EUR in 2020) in Other amounts payable. The remaining part of 4,979,207.22 EUR (4,566,283.69 EUR in 2020) relates to the subsidiaries.

Other amounts payable of SNCB include at 31 December 2021:

- 17,867,604.05 EUR (20,695,521.76 EUR in 2020) commissions on alternative financing transactions (NPV);
- 63,582.30 EUR (32,567,134.12 EUR in 2020) of debts towards the State under the RER Fund, an almost equivalent amount (63,566.22 EUR), not available for SNCB, is recorded under Cash and cash equivalents (see Note 14. Cash and cash equivalents);

The deferred income and the accrued expenses relate mainly to SNCB and include mainly the income and expenses with respect to traffic and relations between networks.

As per 31 December 2021, the various liabilities towards the State comprise that share of the Hello Belgium Railpass compensation received by SNCB in 2020 and not yet used (21,396,182.64 EUR) and the Covid compensation received in 2021 (2,100,000.00 EUR). They also include the part of the operating grants and the investment grants received by the SNCB within the framework of the antiterrorism measures that are higher than the real operating and investment expenses of the company (893,039.98 EUR in 2021 and 695,879.83 EUR in 2020).

## Note 27 - Operating income and expenses

### 27.1 Operating income

#### 27.1.1 Products

	31/12/2021	31/12/2020
Transport	548.055.690,65	538.541.604,80
<i>National</i>	507.017.956,83	496.198.271,68
<i>International</i>	40.805.848,51	41.888.486,73
<i>Freight Services</i>	231.885,31	454.846,39
Real estate management	210.717.396,92	218.690.764,83
Services - studies and assistance	7.915.631,65	5.985.518,95
Miscellaneous	56.951.563,78	47.497.054,98
<b>Total revenue</b>	<b>823.640.283,00</b>	<b>810.714.943,56</b>

Of which:

	31/12/2021	31/12/2020
SNCB	808.341.271,15	791.024.694,32
Publifer	9.301.455,66	9.378.453,22
Ypto	5.708.925,23	6.651.209,27
Eurogare	262.977,04	1.789.964,04
Other subsidiaries	25.653,92	1.870.622,71
<b>Total turnover</b>	<b>823.640.283,00</b>	<b>810.714.943,56</b>

#### 27.1.2 Other operating income

	31/12/2021	31/12/2020
Gain on disposal of intangible assets, property, plant and equipment, investment property and non-current assets held for sale	79.687.589,53	18.835.748,57
Gain on disposal of non consolidated companies		478.970,62
NPV on cross-border arrangements	3.068.450,09	3.358.719,57
Expenses recharged	18.318.384,93	11.631.453,65
Miscellaneous operating income (fines, received compensation, etc.)	15.902.228,51	11.056.700,73
Other	46.647.310,43	25.450.165,70
<b>Total other operating income</b>	<b>163.623.963,49</b>	<b>70.811.758,84</b>

Of which:

	31/12/2021	31/12/2020
SNCB	163.350.807,02	70.361.797,32
Other subsidiaries	273.156,47	449.961,52
<b>Total other operating income</b>	<b>163.623.963,49</b>	<b>70.811.758,84</b>

As per 31 December 2021, the capital gains made in 2020 relate primarily to the sale of SNCB land and buildings. The Other operating income heading in 2021 includes 37,753,894 EUR of compensation received as part of a commercial agreement relating to the delivery of railway rolling stock.

### 27.2 Operating expenses

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

### 27.2.1 Services and other goods

	31/12/2021	31/12/2020
Contributions	384.311.187,73	679.647.149,96
Payments to third parties	152.120.084,94	146.727.209,77
Goods	148.845.603,34	121.207.100,14
Maintenance and repairs	110.720.905,74	99.224.967,14
HR Rail costs and miscellaneous personnel costs	43.808.430,89	47.296.748,37
Expenses related to operational activities	49.975.539,73	38.255.708,03
Rent and rental charges	19.487.974,09	19.482.211,71
Provisions for risks and charges	-8.182.827,21	-3.749.099,42
Other	76.319.503,31	59.337.481,82
<b>Total services and other goods</b>	<b>977.406.402,56</b>	<b>1.207.429.477,52</b>

Of which:

	31/12/2021	31/12/2020
SNCB	894.825.723,76	1.136.032.495,22
Ypto	60.425.030,68	56.441.415,86
Eurogare	19.236.441,44	10.969.309,06
Publifer	1.987.447,34	1.893.685,73
Other subsidiaries	931.759,34	2.092.571,65
<b>Total services and other goods</b>	<b>977.406.402,56</b>	<b>1.207.429.477,52</b>

Compared with 31 December 2020, fees are down by 295,335,962.23 EUR of which -295,923,951.71 EUR for the SNCB infrastructure fee, primarily due to the new formula applied for calculating it. Supplies rose by 27,638,503.20 EUR of which +35,503,710.90 EUR for the cost of electric traction energy borne by SNCB.

The expenditure recognised at 31 December 2021 relating to short-term leases and to leases of low value comes to 2,029,956,06 EUR.

### 27.2.2 Other operating expenses

		31/12/2021	31/12/2020
	<b>Note</b>		
Losses on disposal of property, plant and equipment, intangible assets, investment property and non-current assets held for sale	15	21.902,89	426.493,71
Impairment on trade and other receivables	9	-715.908,71	-841.918,83
Impairment on contracts in progress		-464.552,80	709.131,00
Impairment on inventories	13	20.417.990,79	26.995.922,55
Impairment losses on non-current assets held for sale	15	136.683,41	231.838,44
Other operating expenses		5.409.730,84	10.192.687,55
<b>Total other operating expenses</b>		<b>24.805.846,42</b>	<b>37.714.154,42</b>

Of which:

	31/12/2021	31/12/2020
SNCB	24.678.454,75	37.239.806,75
Other subsidiaries	127.391,67	474.347,67
<b>Total other operating expenses</b>	<b>24.805.846,42</b>	<b>37.714.154,42</b>

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021

## Note 28 - Employee benefit expenses

### 28.1 Employee benefit expenses

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

		31/12/2021	31/12/2020
	<u>Note</u>		
Wages, salaries and other short-term benefits		904.688.470,86	912.079.247,04
Social security expenses		192.199.507,35	191.880.922,35
Defined contribution plans		4.468.789,69	3.635.629,38
Post-employment benefits	19.3	13.945.199,35	-7.020.003,25
Other long-term employee benefits	19.3	47.409.625,65	46.903.555,63
Termination benefits	19.3	-1.000.202,03	-78.012,12
Other		8.877.261,36	9.037.912,63
<b>Total employee benefit expenses</b>		<b>1.170.588.652,23</b>	<b>1.156.439.251,66</b>

The financial expenses relating to employee benefits are recognized in financial results (cf. note 29).

## 28.2 Staff

	31/12/2021	31/12/2020
<b>A. Staff</b>		
<b>Average number of employees (in FTE)</b>	<b>17.457</b>	<b>17.833</b>
Blue-collar workers	6.407	6.827
White-collar workers	10.410	10.441
Management	640	565
<b>B. Interim personnel (in FTE)</b>		
Average number based on the full time equivalents	0	0

## Note 29 - Financial income and expenses

### 29.1 Financial income

		31/12/2021	31/12/2020
	<u>Note</u>		
<i>Interest income on</i>		<u>17.835.093,45</u>	<u>18.338.670,81</u>
financial assets at amortised cost			
unimpaired		15.320.229,11	16.001.063,53
impaired		0,00	0,00
financial assets at fair value through			
profit or loss		2.557.351,96	2.959.718,72
other comprehensive income	12.2	0,00	0,00
derivatives		-42.487,62	-622.111,44
<i>Net change in faire value of</i>		<u>92.959.261,72</u>	<u>32.545.329,17</u>
financial assets at fair value through profit or loss		0,00	910.150,65
financial liabilities at fair value through profit or loss		6.290.648,42	2.137.983,50
derivatives		86.668.613,30	29.497.195,02
<i>Reversal of impairment on</i>		<u>0,00</u>	<u>0,00</u>
financial assets at amortised cost		0,00	0,00
financial assets at fair value through other comprehensive income	12.2	0,00	0,00
<i>Gains from foreign exchange differences</i>		4.868.412,19	45.470,02
<i>Gain on disposal of financial assets at amortised cost</i>		0,00	0,00
<i>Dividends received</i>		879.036,98	854.572,11
<i>Other financial income</i>		623.999,89	370.334,14
<b>Total financial income</b>		<b>117.165.804,23</b>	<b>52.154.376,25</b>

Interest income relating to finance lease receivables recognized on 31 December 2021 comes to 3,290,856.45 EUR (2020: 3,422,751.99 EUR).

### 29.2 Financial expenses

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

		31/12/2021	31/12/2020
	<u>Note</u>		
<i>Interest expenses on</i>		<u>48.404.374,61</u>	<u>52.144.276,37</u>
financial liabilities at amortised cost		31.989.456,70	30.959.379,46
financial liabilities at fair value through profit or loss		6.517.456,87	7.096.502,89
derivatives		6.862.791,56	9.037.319,06
lease liabilities		1.326.757,92	1.459.612,20
employee benefit obligations	19.3	1.668.570,84	3.569.171,04
provisions	20	39.340,72	22.291,72
<i>Capitalised finance costs</i>		<i>-103.840,14</i>	<i>-121.119,78</i>
<i>Net change in fair value of</i>		<u>56.665.000,70</u>	<u>38.308.720,90</u>
financial assets at fair value through profit or loss		2.335.040,01	247.545,01
financial liabilities at fair value through profit or loss		0,00	655.258,88
derivatives		54.329.960,69	37.405.917,01
<i>Impairment on</i>		<u>17.492,00</u>	<u>14.400,00</u>
financial assets at amortised cost		17.492,00	14.400,00
financial assets at fair value through other comprehensive income	12.2	0,00	0,00
<i>Loss on disposal of financial assets at amortised cost</i>		0,00	0,00
<i>Losses from foreign exchange differences</i>		3.424.691,72	2.032.890,49
<i>Other financial expenses</i>		2.881.539,43	4.515.213,16
<b>Total financial expenses</b>		<b>111.289.258,32</b>	<b>96.894.381,14</b>

Interest received under Back to Back contracts and financial grants (see Note 25.3) are deducted from financial expenses.

The tables below reconcile the total amount of interest charges filled in above together with the interest on financial liabilities (mutation table in note 21.1) and with interest income from financial grants (note 25.2) which are restated in deduction of the interest charges presented.

	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
<b>Total interest expenses</b>	<b>61.886.108,89</b>	<b>-13.002.726,33</b>	<b>-22.798.308,95</b>	<b>22.319.301,00</b>	<b>48.404.374,61</b>

	31/12/2020				TOTAL
	Financial liabilities	Back-to-Back	Grants	Other	
financial liabilities at amortised cost	55.706.776,66	-139.806,07	-24.673.045,02	65.453,89	30.959.379,46
financial liabilities at fair value through profit or loss	7.096.502,89				7.096.502,89
derivatives		-12.270.450,84		21.307.769,90	9.037.319,06
lease liabilities	1.459.612,20				1.459.612,20
employee benefit obligations				3.569.171,04	3.569.171,04
provisions				22.291,72	22.291,72
<b>Total interest expenses</b>	<b>64.262.891,75</b>	<b>-12.410.256,91</b>	<b>-24.673.045,02</b>	<b>24.964.686,55</b>	<b>52.144.276,37</b>

## Note 30 - Income tax

		31/12/2021	31/12/2020
	<b>Note</b>		
Current taxes through net income		-878.372,97	54.687,54
Deferred taxes through net income	22	348.064,90	-10.333.829,15
Deferred taxes through other comprehensive income	22	0,00	-3.799.182,87
<b>Tax (expense)/income on total comprehensive income</b>		<b>-530.308,07</b>	<b>-14.078.324,48</b>

	2021	2020
<b>Result before taxes from continuing operations</b>	<b>7.942.002,46</b>	<b>-270.569.031,35</b>
Income taxes calculated based on tax rate (2019 = 29,58%; since 2020 = 25%)	-1.985.500,62	67.642.257,84
Effect of not deductible expenses for tax purposes	-11.946.268,99	-18.437.250,00
Taxes related to interest under equity method	-2.967.903,67	-8.867.613,65
Other permanent differences	6.902.674,18	-4.733.466,18
Change in accounting of deferred tax assets	9.923.038,28	-49.499.542,36
Corrections regarding previous financial years	-8.645,48	-61.522,46
Other movements	-447.701,78	-121.187,68
<b>Tax (expense)/income on total comprehensive income from continuing operations</b>	<b>-530.308,07</b>	<b>-14.078.324,48</b>

Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021



## Note 31 - Contingent assets and liabilities

As per 31 December 2021 (2020), possible assets came to 2,919,712.64 (2,859,630.98 EUR) and represent mainly amounts claimed by the SNCB Group from third parties. Possible liabilities come to 2,675,407.54 EUR (71,604,445.45 EUR) and represent mainly legal claims against the SNCB Group for which the probability that an outflow of resources is remote at this date.

Possible liabilities fell by 68,929,037.91 EUR compared with 31 December 2020 due to a legal claim against the SNCB Group which is no longer considered as a possible liability as of 31 December 2021.

## Note 32 – Additional information on financial instruments

### 32.1. Financial assets

Classification according to IFRS 9	31/12/2021		31/12/2020		
	Carrying amount	Fair value	Carrying amount	Fair value	
<b>Non-current financial assets</b>					
Trade and other receivables	Amortised cost	596.320.055,71	776.782.712,42	624.261.282,29	850.606.611,20
	Fair value through profit or loss (mandatorily)	0,00	0,00	0,00	0,00
Derivatives	Fair value through profit or loss (mandatorily)	241.191.954,16	241.191.954,16	306.397.934,88	306.397.934,88
Other financial assets	Fair value through other comprehensive income (Equity instrument)	57.414.535,35	57.414.535,35	57.514.535,35	57.514.535,35
	Fair value through profit or loss (designated)	25.267.524,64	25.267.524,64	105.070.044,62	105.070.044,62
	Fair value through profit or loss (hedging instrument)	167.209.519,12	167.209.519,12	154.036.974,85	154.036.974,85
	Amortised cost	257.640.964,96	301.285.416,74	284.223.985,17	338.299.811,29
<b>Total</b>		<b>1.345.044.553,94</b>	<b>1.569.151.662,43</b>	<b>1.531.504.757,16</b>	<b>1.811.925.912,19</b>
<b>Current financial assets</b>					
Trade and other receivables	Amortised cost	1.086.718.909,59	1.086.718.909,59	1.012.336.400,03	1.012.336.400,03
	Fair value through profit or loss (mandatorily)	36.581,58	36.581,58	52.402,26	52.402,26
Derivatives	Fair value through profit or loss (mandatorily)	7.476.216,32	7.476.216,32	0,00	0,00
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)	57.538.679,40	57.538.679,40	120.249,60	120.249,60
	Fair value through profit or loss (hedging instrument)	36.359,38	36.359,38	34.531,25	34.531,25
	Amortised cost	44.125.789,91	44.685.136,29	36.709.591,79	36.838.164,66
<b>Total</b>		<b>1.195.932.536,18</b>	<b>1.196.491.882,56</b>	<b>1.049.253.174,93</b>	<b>1.049.381.747,80</b>

This analysis only relates to financial assets in scope of IFRS 7, excluding therefore deferred charges, amounts relating to construction contracts, etc.

The SNCB Group considers the nominal value of "Trade and Other receivables" up to present not re-assessed at fair value as a reasonable estimate of their fair value. The "Trade and other receivables" heading consists, on the one hand, in short-term receivables without a significant financing component and, on the other hand, in long-term interest-bearing receivables with the State.

The fair value of comparison of financial assets measured at amortised cost; restated in Other financial assets and in Trade and other receivables, is calculated using the same models and assumptions as those used for the valuation of assets for which the SNCB Group has intentionally chosen recognition in the category 'Financial assets at fair value through net profit or loss'.

The table below details changes in the fair value of financial assets recognized, or should be recognized, at fair value through profit or loss. The line other variations contains all the variations resulting from repayments, capitalizations and, in the case of assets in foreign currencies, the impact of foreign exchange differences. The change in the fair value of the derivatives is presented in note 11.2.

	2021	2020
<b>At 1st of January</b>	<b>105.242.696,48</b>	<b>112.281.682,54</b>
Market risk	-2.443.179,19	-357.789,37
Credit risk	108.139,18	1.020.395,01
Fair value variations	-2.335.040,01	662.605,64
Other variations	-20.064.870,85	-7.701.591,70
<b>At 31st December</b>	<b>82.842.785,62</b>	<b>105.242.696,48</b>

The credit risk component was isolated from recognized fair value changes by comparing changes in fair value if a neutral risk valuation curve had been used.

The cumulative share of market risk and credit risk in the fair value adjustments at the end of 2021 and 2020 is shown in the table below:

	31/12/2021	31/12/2020	Δ
Market risk	1.783.819,67	4.226.998,86	-2.443.179,19
Credit risk	1.890,49	-106.248,69	108.139,18
<b>Fair value adjustments</b>	<b>1.785.710,16</b>	<b>4.120.750,17</b>	<b>-2.335.040,01</b>

### 32.3 Financial liabilities

Classification according to IFRS 9	31/12/2021		31/12/2020		
	Carrying amount	Fair value	Carrying amount	Fair value	
<b>Non-current financial liabilities</b>					
Financial liabilities	Amortised cost	2.305.701.411,71	2.515.520.945,06	2.261.061.705,39	2.594.190.996,40
	Fair value through profit or loss (designated)	80.046.463,60	80.046.463,60	127.489.449,06	127.489.449,06
Derivatives	Fair value through profit or loss (mandatorily)	473.960.096,74	473.960.096,74	498.667.774,82	498.667.774,82
Trade and other payables	Amortised cost	0,00	0,00	0,00	0,00
Other liabilities	Amortised cost	235.859,99	235.859,99	243.059,99	243.059,99
	Fair value through profit or loss (mandatorily)	0,00	0,00	0,00	0,00
<b>Total</b>		<b>2.859.943.832,04</b>	<b>3.069.763.365,39</b>	<b>2.887.461.989,26</b>	<b>3.220.591.280,27</b>
<b>Current financial liabilities</b>					
Financial liabilities	Amortised cost	501.141.868,55	517.035.165,78	620.097.832,16	620.105.712,31
	Fair value through profit or loss (designated)	56.601.368,41	56.601.368,41	0,00	0,00
Derivatives	Fair value through profit or loss (mandatorily)	7.367.011,00	7.367.011,00	36.694.743,24	36.694.743,24
Trade and other payables	Amortised cost	361.860.052,62	361.860.052,62	312.634.269,50	312.634.269,50
Other liabilities	Amortised cost	35.799.197,28	35.799.197,28	68.960.650,46	68.960.650,46
	Fair value through profit or loss (mandatorily)	0,00	0,00	0,00	0,00
<b>Total</b>		<b>962.769.497,86</b>	<b>978.662.795,09</b>	<b>1.038.387.495,36</b>	<b>1.038.395.375,51</b>

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

The SNCB Group considers the nominal value of "trade and other payables" and "other amounts payable" as a reasonable estimate of their fair value. "Trade and other payables" consist mainly of short-term debts with no significant financing component and "other amounts payables" mainly include debt recognized towards the State for the management of resources under the RER Fund (short and long-term) and cash received under CSA contracts.

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

The table below details changes in the fair value of financial liabilities recognized, or should be recognized, as fair value through profit or loss. The other variations line contains all the variations resulting from repayments, capitalizations and, in the case of foreign currency liabilities, the impact of foreign exchange differences. The change in the fair value of the derivatives is presented in note 11.2.

	2021	2020
<b>At 1st of January</b>	<b>127.489.449,06</b>	<b>138.619.181,27</b>
Market risk	-6.290.648,42	-1.482.724,62
Credit risk	460.155,99	-5.027.159,37
Fair value variations	-5.830.492,43	-6.509.883,99
Other variations	14.988.875,38	-4.619.848,22
<b>At 31st December</b>	<b>136.647.832,01</b>	<b>127.489.449,06</b>

The credit risk component was isolated from recognized fair value changes by comparing changes in fair value if a neutral risk valuation curve had been used.

The cumulative share of market risk and credit risk in the fair value adjustments at the end of 2021 and 2020 is shown in the table below:

	31/12/2021	31/12/2020	Δ
Market risk	16.789.143,77	23.079.792,19	-6.290.648,42
Credit risk	3.353.918,07	2.893.762,08	460.155,99
<b>Fair value adjustments</b>	<b>20.143.061,84</b>	<b>25.973.554,27</b>	<b>-5.830.492,43</b>

## Note 33 - Cross-border arrangements

The SNCB Group entered into several cross-border leasing transactions (assets sold or leased to a Trust, and then immediately leased back to the SNCB Group) aimed at realising financial benefits shared with the Trust. These 'Alternative financing transactions' are recognised based on their economic substance in accordance with the IFRS 16 and 15 standards. The underlying property, plant and equipment of those transactions can be grouped as follows:

- Rolling stock (diesel and electrical engines, self-propelled cars, high-speed trains and passenger coaches): the related agreements have an initial basic term between 18 and 28 years.
- Administrative buildings: the related agreements have an initial basic term of 29.5 years.

The transactions do entail some restrictions on the use of the underlying assets (e.g. no disposal, no sublease without prior consent of the Trust). The risks are limited to risks related to the ownership of the asset, risks arising from Belgian legislation and the credit risk of counterparties to which the investment account was maintained.

The SNCB Group kept the property, plant and equipment on its statement of financial position and has not yet recognized any gain or loss from the sale transactions to the Trust. This property, plant and equipment relating to alternative financing is primarily for own use or is the subject of finance lease contracts with companies of the SNCB Group or other companies that are part of the sphere of influence of the SNCB Group, as explained in note 9.3.

Investment accounts (investment of a portion of the proceeds arising from the sale or head lease) and payment obligations towards the Trust (over the term of the contract) are recognised in the consolidated statement of financial position except for investment accounts whose counterparty is a governmental entity or a supranational organisation (or guaranteed by a governmental entity). Investment accounts that are not recognized in the statement of financial position represent at 31 December 2021 (2020) 570,525,445.76 EUR (562,115,705.79 EUR). The investment accounts and related payment obligations towards the Trust are recognised in accordance with IFRS 9 in the categories Other financial assets and Financial liabilities. As per 31 December 2021 (2020), 254,476,206.97 EUR (296,169,868.94 EUR) has been recognised as investment accounts. On the other hand, 769,508,649.20 EUR (805,956,299.75 EUR) as per 31 December 2021 (2020) has been recognised with respect to the payment obligations towards the Trust.

The table below allows a reconciliation of the non-recognized investments accounts with the non-recognized amounts pledged and the advance payments mentioned in note 34:

	2021	2020
Pledged as collateral	118.167.248,43	125.632.733,97
Advance payments	65.244.830,13	55.017.714,38
Other invested amounts	387.113.367,20	381.465.257,44
<b>Off balance sheet</b>	<b>570.525.445,76</b>	<b>562.115.705,79</b>

For certain transactions, the SNCB Group used derivatives to hedge interest rate and foreign exchange risks. In those cases, the SNCB Group applied the fair value option as stipulated by IFRS 9 to account for the financial assets and liabilities. The use of derivatives is explained in note 11. As per end 2021 the fair positive value of the derivatives linked to the cross-border arrangements amounts to 21,242,740.06 EUR (2020: a fair negative value of

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

10,784,262.90 EUR). The analysis of the financial risk management related to the use of financial instruments, including the financial instruments related to the cross-border arrangements, is explained in note 2.2.

The fees received from the transactions are recognised in net result on a straight-line basis over the duration of the transactions. In 2021, 3,066,297.32 EUR (2020: 3,356,566.80 EUR) were recognized in the operating result.

At the end of the initial basic term, the SNCB Group has several options based on the type of transaction including:

- exercise the purchase option;
- return the assets to the Trust, who will use them for its own purpose;
- return the assets to the Trust, for whom the SNCB Group will act as a sales agent for the assets;
- extend the arrangement by a lease or service contract beyond the initial basic term of the arrangement; or
- find a third party who will assume the remaining obligations towards the Trust under 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 649,657,583.77 EUR (495,471,277.29 EUR) as at 31 December 2021 (2020).

The amount of contractual commitments for the acquisition of services is 404,340,165.89 EUR (761,350,148.83 EUR) as at 31 December 2021 (2020).

The contractual obligations for the acquisition of stocks amount to 277,044,405.63 EUR (319,916,210.84 EUR) as at 31 December 2021 (2020).

The personal guarantees by the SNCB Group for third parties amount to 159,952,131.78 EUR (158,958,132.85 EUR) as at 31 December 2021 (2020).

Credit lines granted by third parties to the SNCB Group amount to 1,413,007,506.22 EUR (1,763,007,506.22 EUR) as at 31 December 2021 (2020).

Guarantees given by third parties on behalf of the SNCB Group amount to 1,595,553,872.77 EUR (1,805,043,023.60 EUR) as at 31 December 2021 (2020) and mainly relate to the securities given by the State within the framework of the alternative financing arrangements. For 2021: guarantees on investments: 37,092,601,34 EUR; guarantees on debts (Eurofima/Infrabel): 1,557,054,879.74 EUR and other guarantees: 1,406,391.69 EUR.

Goods and values held by third parties on their behalf but for which the risks and rewards are assumed by the Company represent 65,244,830.13 EUR (55,017,714.38 EUR) as at 31 December 2021 (2020) and relate to prepayments within the framework of the cross-border arrangements.

Inventories belonging to third parties but kept by the SNCB Group which bears the risks, amount to 10,570,584.51 EUR (10,784,783.47 EUR) as at 31 December 2021 (2020).

The real guarantees given by the SNCB Group on own assets amount to 1,756,785,331.48 EUR (1,998,565,241.04 EUR) as at 31 December 2021 (2020) and relate to investments pledged under alternative financing transactions (2021: 216,868,683.81 EUR of which 98,701,435.38 EUR recognised in the balance sheet and 118,167,248.43 EUR not recognised in the balance sheet) and the book value of the equipment in the operations (2021: 1,539,916,647.67 EUR).

The received bank guarantees amount to 477,077,005.63 EUR (478,158,201.86 EUR) as at 31 December 2021 (2020).

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 cross-border arrangements that are not recognised in the statement of financial position are shown in note 33.

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

## Note 35 - Information on related parties

### 35.1 Consolidated companies

The list of subsidiaries and interests under the equity method is included in note 4.

### 35.2 Relations with the State

#### 35.2.1 Holding interests

The State holds directly and indirectly 99.97% of the voting rights of the Company.

#### 35.2.2 Management contracts

The Belgian State signed a management contract with SNCB for the period 2008-2012. In this management contract, it is stated that the SNCB is an essential part of the transportation system in Belgium. They have been entrusted, under a coherent group policy, the mission to ensure that their activities are consistent with the sustainable mobility policy pursued by the Belgian Government and that they contribute to meeting mobility needs.

The preparatory work to draw up a new management contract between the SNCB and the State is ongoing, with the minister in charge having stated during the presentation of their policy note to the Chamber of Representatives, that the government intended to directly allocate the public service mission for domestic passenger transportation by rail to SNCB for a period of ten years. The Belgian government has, as required by European law, published this intention in the Official Journal of the European Union on 26 November 2021. In addition to setting out SNCB's obligations, the management contract will define the public service missions it is tasked with performing including the transportation offer, taking charge of passengers and its commercial policy as well as the financial compensation that SNCB will receive for carrying out these missions and the performance path that SNCB is required to follow during the course of the contract.

In the interval, the 2008-2012 management contract has been extended and provisional rules for management contracts have been set by the Royal Decree of 22 December 2020. This Royal Decree provisionally sets the contribution that SNCB has received for the 2020-2021 period for its public service missions in terms of investments and operating funds. Furthermore, subsidies were granted to SNCB by this Royal Decree for the 2020-2021 period, to cover the cost of specific projects pertaining to the fight against terrorism and radicalism. In addition, SNCB will continue to receive part of the "virtuous billion" from the State, which will be used to finalise RER projects and to make strategic investments in the Regions. These investments are the subject of the 2018-2031 Multi-Annual Strategic Investment Plan.

The goal of the SNCB:

1. the transport by rail of passengers and goods, including the reception of and the information to its customers;
2. the transport of goods in general and the associated logistic services;
3. Purchasing, maintaining, managing and financing train rolling stock,
4. the security and the surveillance of railways;

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*



5. the acquisition, the design, the construction, the renovation, the maintenance and the management of railway stations, the unmanned stops and their appurtenances and their direct environment, including the design, the development, the modernization and valorisation of the urban centres;
6. the development of commercial or other activities destined to directly or indirectly improve its services or to optimize the use of its goods.

The SNCB can, by itself or via participation in existing or to be established Belgian, foreign or international institutions and legal bodies, do all commercial, industrial or financial operations, that are directly or indirectly, complete or partial, related to its goal or that can facilitate or improve the realization or development of it, including the provision of securities for debts of associated companies or companies with which there is a participating interest.

The production and sale of goods or services that are directly or indirectly related with the railway activities are particularly supposed to advance the achievement or the development of the objective.

The SNCB can also act as a director, as power of attorney, as representative, as liquidator in other companies and businesses.

### 35.2.3 Services to public administrations

The SNCB provides transportation and communication services to the Belgian State and to various public administrations of the Belgian State. All these transactions are conducted as in a normal client/provider relationship, and under terms that are not more favourable than those offered to other clients and providers. The services provided to these administrations do not represent a significant portion of the net revenue of the SNCB Group.

## 35.3 Relations between the companies of the SNCB Group

In the ordinary course of performance of the Management Contract, the SNCB engages in mutual relations with other companies of the SNCB Group. The main relations that are executed for companies of the Group are is mainly services such as Treasury and accounting coordination, etc.

## 35.4 Figures relating to relations with public authorities and interests under equity method

Grants granted by public authorities are detailed in note 25.

Besides these grants, the following transactions were carried out with related parties:

	31/12/2021	31/12/2020
Turnover realised with interests under equity method	64.954.853,04	66.042.176,08
Net receivables on interests under equity method	3.522.579,13	12.723.417,48
Net receivables on public authorities	987.647.684,33	974.554.346,91
Debts towards interests under equity method	29.661.975,51	24.664.301,17

The receivables on public authorities concern almost exclusively the SNCB. They are detailed in note 9. Trade and other receivables.

*Notes from 1 to 37 are part of the IFRS consolidated financial statements as at 31 December 2021*

The turnover in 2021 with companies recognized under the equity method comes to 64,954,853.04 EUR and relates primarily to SNCB in relation to THI Factory (47,621,747.71 EUR) and in relation to HR Rail (8,662,623.14 EUR) and that of Ypto in relation to BeNe Rail International (7,250,844.61 EUR).

Debts on companies recognized under the equity method stood at 29,661,975.51 EUR on 31 December 2021 and primarily related to those of SNCB to HR Rail (25,848,841.09 EUR).

### 35.5 Relations with key management

The directors and the members of the management committees of SNCB are considered as key management of the SNCB Group.

The total amount of compensation provided to directors and members of the management committees amounts to 1,458,273.05 EUR (excluding payments for expenses) in 2021 and to 1,505,268.34 EUR in 2020. The directors did not receive any loans or advances from the SNCB. For the list of directors, we refer readers to the General Information.

These above total amounts of compensation provided to the main directors include the following elements:

- short-term benefits: annual salary (fixed and variable) and short-term fringe benefits such as health insurance, private use of a company car, ... as well as social security contributions paid on these benefits;
- termination benefits;
- benefits subsequent to employment: insurance premiums paid by the SNCB. The premiums cover essentially a complementary pension plan;
- any severance payments.

Key management compensation is as follows:

	31/12/2021	31/12/2020
Salaries and other short-term benefits	1.411.322,64	1.445.682,79
Post-employment benefits	46.950,41	59.585,55
<b>Total</b>	<b>1.458.273,05</b>	<b>1.505.268,34</b>

No loans were granted to key management.

## Note 36 - Auditors fees

In 2021 (2020), the SNCB Group booked an amount of 494,700 EUR (495,198 EUR) relative to audit assignments by the auditors of the SNCB Group within the framework of their mandates and an amount of 25,274 EUR (9,200 EUR) for non-audit services provided by the auditors.

	31/12/2021		31/12/2020	
	Auditor	Related to the auditor	Auditor	Related to the auditor
Assignments related to the review of the financial statements	494.700,00		495.198,00	
Assignments related to tax consultancy	7.074,00			
Other assignments	18.200,00		9.200,00	
<b>Total</b>	<b>519.974,00</b>	<b>0,00</b>	<b>504.398,00</b>	<b>0,00</b>

## Note 37 - Events after the reporting date

No significant event impacting SNCB Group financial statements was observed after the closure date of 31 December 2021.

**Auditor's Report  
on the Consolidated  
Financial Statements  
(in French)**



## **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 2021**

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 2021, 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 cinq 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 2021, établis conformément aux normes internationales d'information financière (IFRS) 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 2020, 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 11.964.342.119 EUR et l'état consolidé du résultat global se solde par une perte de l'exercice de 24.542.807 EUR.

À notre avis, ces comptes consolidés donnent une image fidèle du patrimoine et de la situation financière du Groupe au 31 décembre 2021, ainsi que de ses résultats consolidés et de ses flux de trésorerie consolidés pour l'exercice clos à cette date, conformément aux normes

internationales d'information financière (IFRS) 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 commissaire 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.

### ***Point clé 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 internationales d'information financière (IFRS) 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 commissaire 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'efficacite 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 commissaire 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 commissaire. 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 commissaire, 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 commissaire 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 12 mai 2022

### **Le Collège des commissaires**

KPMG Réviseurs d'Entreprises  
représentée par

Patrick De Schutter  
Réviseur d'Entreprises

BDO Réviseurs d'Entreprises  
représentée par

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