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Annex to the consolidated financial statements for 1999

Principles of consolidation

→ General

The present consolidated financial statements meet the requirements of Swiss Company Law and the Swiss Accounting and Reporting Recommendations (ARR), and are prepared in order to give a true and fair picture of the consolidated annual accounts.

→ Closing date

The reporting year is 12 months for all companies. With the exception of the electrical power utility Rupperswil-Auenstein AG (close of accounts: 30 September) the fiscal year is identical with the calendar year.

→ Scope of consolidation

The consolidated financial statements include the annual accounts of the Swiss Federal Railways (SBB) and those interests in which the SBB directly or indirectly holds the majority of voting shares.

The 100% participation in AlpTransit Gotthard AG is not consolidated but is included by application of the equity method because – based on a special agreement between the Swiss Confederation and SBB AG – the Confederation has a controlling interest. Thus, the criterion of a uniform management does not apply.

The companies in the scope of consolidation are listed on page 26.

→ Consolidation method

For all companies in which SBB AG directly or indirectly holds a stake of more than 50%, the method of full consolidation is applied. Assets and liabilities as well as expenses and income are accounted for at 100%. Interests of third-party shareholders in the equity capital and in net income are shown separately.

Equity consolidation is performed according to the Anglo-Saxon purchase method. Intra-group assets and liabilities, expenses and income are offset against each other. Interim profits on intra-group accounts not yet realised by sales to third parties are eliminated in the consolidation.

Associated companies in which SBB AG holds stakes of between 20% and 50% are included according to the equity method.

→ Minority interests

Published minority interests in the group's equity capital correspond to the third-party stakes in the equity capital of the respective companies established on the basis of the currently applicable shareholder structure.

→ Conversion of foreign currencies

With the exception of S-Rail Europe GmbH, Singen, founded at the end of December 1999, all group companies prepare their annual accounts in Swiss francs (CHF). The balance sheets in foreign currencies are converted at the market rates applicable at the cutoff dates, while amounts in the profit and loss accounts are

converted at annual average rates. Conversion differences are offset against the group reserves and are not reflected in the results. Gains or losses arising at group companies from transactions in foreign currencies are stated in the profit and loss account.

→ Goodwill

On the first-time consolidation of a company, its assets and liabilities are valued anew according to uniform principles (fair value). The difference between the resulting equity capital and the historical cost (goodwill) is capitalised as an asset and is normally written off on a straight-line basis over 5 years. There is no goodwill from acquisitions up to 31 December 1999 requiring capitalisation as assets.

Valuation principles applicable to the consolidated accounts

→ General

The consolidated financial statements are based on the annual accounts of the group companies, which are prepared according to uniform valuation principles. The valuation and reporting principles correspond to the ARR accounting standards, with the following exception:

– An expert report prepared by external consultants to assess the energy operation in the context of the opening balance sheet of SBB AG identified the need for special depreciations on production plant and for global provisions. The provisions for the SBB's energy operation (not affecting the SBB profit and loss account, i.e. chargeable to the Confederation) shall be determined once a new strategy has been set up in the context of electricity market deregulation by the end of the year 2000. In the balance sheet as at 31 December 1999, the loss for the year 2000 is entered.

– An expert report prepared by external consultants identified the need for the SBB to set aside provisions for site decontamination amounting to CHF 393 m as at 1 January 1999. In view of major uncertainties regarding the size of these provisions, it was agreed with the Federal government that the total amount of the provisions should not be entered in the opening balance sheet but that provisions of CHF 110 m for cleanup costs in the years 1999 to 2002 be entered. Further costs as from the year 2003 shall be assumed by the Confederation in the scope of the performance agreement.

→ Current assets

Cash and cash equivalents are composed of cash, balances on postal and bank accounts, and financial investments that can be realised in a short time.

Securities are in principle stated at their year-end market value.

Trade receivables and other receivables

receivables are stated at their nominal value, less required value adjustments. Actual credit risks are shown individually while a global value adjustment is made for latent credit risks.

→ Fixed assets

Stocks are held almost exclusively for the group's own requirements and are thus stated under fixed assets at the lower of manufacturing cost and market value. Manufacturing cost is calculated on the basis solely of the material costs and the direct costs of manufacture, i.e. without adding overheads. Value adjustments are made for slow-moving goods and items with reduced marketability.

Financial investments include unconsolidated participations in which 20% of voting rights are held, taken into the balance according to the equity method, as well as the other unconsolidated participations shown at historical cost less required depreciation. In addition, the financial assets contain long-term claims against third parties, unconsolidated participations and shareholders.

These are shown at their nominal value less value adjustments for actual credit risks.

Tangible assets are valued at purchase or manufacturing cost less necessary depreciation on a straight-line basis over the presumed service life. The presumed service life, i.e. depreciation period of the tangible assets, is as follows (in years):

technical, electrical and mechanical installations	15–25
tools, furniture, instruments	10
IT/telecom	4–10
vehicles	
locomotives and power cars	25
passenger cars and freight wagons	20
service wagons	30
road and other vehicles	10–25
railway installations	20–50
site development, supply and disposal installations	15–25
hydraulic engineering structures	80
buildings	50–75

Leasing contracts that serve the same business purpose as a purchase of a tangible asset (financial lease) are capitalised as tangible assets and depreciated over the same service life as similar assets. Leasing liabilities are shown under financial liabilities. Profits from sale and lease-back transactions (financial lease) are deferred and written back over the contract period.

Assets under construction comprise the accrued overall costs of a project. Non-capitalisable portions of costs are taken into account with corresponding depreciations until the completion of the project.

Intangible assets comprise non-material items (water rights, rights of passage and other rights, as well as software) that have been purchased. They are depreciated on a straight-line basis over the corresponding period of use.

→ Liabilities

Contributions to the **staff benefit institutions** are made in accordance with the requirements of the BVG (Swiss pension fund law). All significant institutions operate on the defined benefit principle. Benefits payable to beneficiaries are normally calculated as a percentage of the presumed salary in the years immediately preceding retirement, and depend on the number of years worked.

Staff welfare at the SBB group is in principle the responsibility of the SBB Pension Fund Foundation, a self-contained institution since 1 January 1999. However, around 60 employees of subsidiaries have contracts with other benefits institutions.

The Federal government plans to repay the following amounts to eliminate the SBB Pension Fund's actuarial reserve deficit, which amounted to CHF 5,156 m when the Fund became independent: CHF 1,000 m per year in 1999 and 2000, and CHF 3,156 m in 2001. As a result of these repayments, liabilities of the same amount will arise for SBB AG. These in turn will be written down by 2004 on a straight-line basis by way of a waiver of claim by the Federal government. With the exception of the interest expenses for the SBB Pension Fund's actuarial reserve deficit, none of the refinancing transactions have a bearing on the profit and loss account.

A corresponding provision has been set aside for this deficit in the consolidated account in compliance with ARR 16 requirements. The deficit is calculated each year using the "projected unit credit" method.

Other reserves are formed and written back in accordance with principles of business management.

Deferred taxes, which relate solely to participations (as SBB AG is

exempt from taxes), take account of all effects on earnings taxes arising from the requirements of commercial or local law or from the internal valuation principles of the group. The reserves are formed according to the "comprehensive liability" method and are continuously adapted to any changes in local tax laws.

In accordance with the prudence principle, tax-relevant loss carryovers and tax credit notes are not taken into consideration.

→ Derivative financial instruments

The SBB's financial strategy is geared to risk minimisation. Therefore, derivative financial instruments are used exclusively for hedging underlying transactions. Events affecting the earnings situation are tracked continuously in the accounts. For risk management purposes, off-balance sheet transactions are regularly valued.

Notes to the consolidated accounts

1 Changes to the scope of consolidation

Since the first-time consolidation on 1 January 1999, the scope of consolidation has changed as follows:

Additions:

- ChemOil Logistics AG, Basel: In April 1999, SBB AG acquired a 51% interest in this newly founded company.
- RailAway AG, Luzern: In October 1999, SBB AG acquired a 100% interest in this newly founded company.
- S-Rail Europe GmbH, Singen: In December 1999, SBB AG acquired a 75% interest in this newly founded company.

Cancellations:

- BEAG AG, Basel: The company has gone into liquidation.

	1999 CHF m
2 Traffic income	
Passenger services	1 608.0
Freight services	1 012.8
Miscellaneous operations	113.8
Infrastructure	9.5
Grants for regional passenger services	557.9
Grants for intermodal services	125.0
Traffic income	3 427.0

	1999 CHF m
3 Additional income	
Contract staff	14.3
Services provided to third parties	52.8
Servicing, maintenance and investments	53.2
Rental revenues	41.2
Power supplies	96.8
Foreign currency exchange	38.8
Commissions	86.3
Sale of stationery and materials	42.8
Fees	15.2
Cost participations, contributions	27.5
Sundry additional income	15.7
Additional income	484.6

	1999 CHF m
4 Own services	
Investment orders	298.3
Storage orders	84.3
Own services	382.6
	1999 CHF m
5 Federal government grants	
Maintenance grants	711.0
Operating grants	562.0
Federal government grants	1 273.0
The maintenance grant serves to cover depreciation of existing infrastructure and of non-capitalisable investments in new infrastructure.	
	1999 CHF m
6 Personnel costs	
Wages and salaries	2 420.0
Social insurance costs	532.8
Other personnel costs	43.5
Personnel costs	2 996.3
In addition to the ordinary contributions to the staff benefit institutions, the staff benefits expense also includes interest on the actuarial reserve deficit of the SBB Pension Fund amounting to CHF 200.7 m. This expense will decrease continuously up to the year 2001 as this shortfall is refinanced.	
	1999 CHF m
7 Other operating expenses	
Rent paid for installations	19.6
Bought-in services for maintenance, repairs and replacements	147.8
Vehicle costs	64.4
Property insurances, duties, fees	63.5
Energy and waste disposal costs	189.6
Administration and information system costs	119.6
Publicity costs	22.3
Other operating costs	41.3
Third-party operating costs	238.1
Other operating expenses	906.2

1999
CHF m**8 Depreciations**

Depreciations on financial assets	0.8
Depreciations on tangible assets	849.3
Depreciations on intangible assets	2.2
Depreciations	852.3

9 Flat rate VAT charge/input tax reduction

The expenses listed in this position are mainly due to the VAT regulations negotiated for the public transport enterprises. Instead of making an across-the-board reduction for input taxes, SBB AG pays 2.7% turnover tax on the payments it receives. As the tax payable is contained in these amounts, this arrangement does not influence the profit and loss account of SBB AG.

1999
CHF m**10 Financial income**

Income from interests received and from securities	42.5
Investment income from unconsolidated participations	4.0
Interest income from unconsolidated participations	28.2
Other financial income	31.1
Financial income	105.8

1999
CHF m**11 Financial expenses**

Financial expenses, third parties	186.9
Financial expenses, shareholder	9.3
Other financial expenses	8.6
Financial expenses	204.8

1999
CHF m

12 Extraordinary profit

Extraordinary income	83.5
Extraordinary expense	-209.5
Extraordinary profit	-126.0

The extraordinary income accrued from – among other things – the write-back of the provision for electricity supplies (CHF 40 m).

The extraordinary expense is due mainly to the formation of the provision for restructuring costs in connection with the FS/SBB joint venture (CHF 120 m), the increase in the insurance reserves (CHF 51.6 m), and other items not attributable to operating expenses.

1999
CHF m

13 Taxes

Current taxes on earnings and capital	1.6
Deferred taxes on earnings	0.0
Taxes	1.6

According to Art. 21 of the SBB Law of 20 March 1998, SBB AG is exempt from taxes. However, this does not apply to the companies in which SBB AG has a participating interest.

31.12.1999 1.1.1999
CHF m CHF m

14 Cash and cash equivalents

Cash	43.2	31.2
Postal accounts	3.0	20.9
Banks	56.2	294.6
Fixed deposits	1 163.5	781.3
Transfer accounts	2.2	3.3
Cash and cash equivalents	1 268.1	1 131.3

Owing to the current provisions of the budget law, SBB AG effects a large part of its monetary transactions through the Federal Finance Administration (EFV). Since the current account credit balance and the term deposits with the Efv (CHF 970 m and CHF 14.5 m respectively) are of eminent importance for the assessment of liquidity, they are shown under the relevant cash items.

31.12.1999 1.1.1999
CHF m CHF m

15 Short-term investments/securities

Readily marketable securities	4.3	54.9
Other short-term investments	40.2	94.6
Short-term investments/securities	44.5	149.5

31.12.1999 1.1.1999
CHF m CHF m

16 Trade accounts receivable

Trade receivables		
from third parties	423.6	340.5
from unconsolidated participations	2.8	24.8
Value adjustments	-25.9	-27.2
Trade accounts receivable	400.5	338.1

Annex to the consolidated financial statements for 1999

Securities (fixed assets) CHF m	Participations in associated companies CHF m	Other participations CHF m	Long-term receivables from third parties CHF m	Long-term receivables from un- consolidated participations CHF m	Long-term receivables from shareholder CHF m	Total CHF m
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17 Financial investments

Historical cost

Position at 1 Jan. 1999	349.8	106.8	132.0	571.8	463.8	5 156.8	6 781.0
Additions	0.0	2.6	1.4	20.5	12.4	0.0	36.9
Disposals	-48.4	0.0	-0.1	-8.9	-6.0	-850.0	-913.4
Transfers	0.0	0.0	0.8	0.0	0.0	0.0	0.8
Position at 31 Dec. 1999	301.4	109.4	134.1	583.4	470.2	4 306.8	5 905.3

Accumulated depreciation

Position at 1 Jan. 1999	0.0	0.0	-8.9	-31.5	0.0	0.0	-40.4
Additions	0.0	-0.2	-0.6	0.0	0.0	0.0	-0.8
Disposals	0.0	0.0	0.1	0.0	0.0	0.0	0.1
Transfers	0.0	0.0	-0.8	0.0	0.0	0.0	-0.8
Position at 31 Dec. 1999	0.0	-0.2	-10.3	-31.5	0.0	0.0	-42.0

Net book value

at 31 Dec. 1999	301.4	109.2	123.8	551.9	470.2	4 306.8	5 863.3
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The decrease in long-term receivables from the shareholder is due to the payment modalities agreed in connection with the refinancing of the SBB Pension Fund deficit (cf. note 25).

	31.12.1999 CHF m	1.1.1999 CHF m
18 Materials and spare parts for own use		
Goods in stock	350.6	437.8
Downpayments to suppliers	0.6	0.4
Value adjustments	-131.9	-162.2
Materials and spare parts for own use	219.3	276.0

Vehicles (incl. leasing)	Engineering infrastructure CHF m	Other tangible assets and fixtures CHF m	Land CHF m	Buildings CHF m	Total tangible assets CHF m	Assets under construction CHF m	Assets under constr. and tangible assets CHF m
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19 Assets under construction and tangible assets

Historical cost								
Position at 1 Jan. 1999	9 751.2	9 856.5	4 514.8	1 502.8	3 189.7	28 815.0	5 593.7	34 408.7
Investments assets								
under constr.	0.0	0.0	0.0	0.0	0.0	0.0	1 776.5	1 776.5
Investments tangible assets	0.1	4.5	2.0	0.0	9.4	16.0	0.0	16.0
Reductions assets under constr./								
additions to tangible assets	420.9	980.3	324.2	35.1	320.1	2 080.6	-2 405.1	-324.5
Reductions tangible assets	-251.7	-49.2	-176.8	-19.8	-25.7	-523.2	0.0	-523.2
Transfers	-0.6	-621.0	-261.4	-35.8	-268.1	-1 186.9	1 185.5	-1.4
Position at 31 Dec. 1999	9 919.9	10 171.1	4 402.8	1 482.3	3 225.4	29 201.5	6 150.6	35 352.1
of which leasing	1 487.2					1 487.2		1 487.2

Accumulated depreciation

Position at 1 Jan. 1999	-5 722.0	-3 202.9	-2 923.8	-19.7	-1 439.6	-13 308.0	-864.7	-14 172.7
Additions	-324.0	-304.6	-115.9	0.0	-56.5	-801.0	0.0	-801.0
Reductions	226.9	29.1	121.2	0.0	8.0	385.2	10.5	395.7
Transfers between accounts	-2.6	0.0	0.4	0.0	4.3	2.1	0.0	2.1
Position at 31 Dec. 1999	-5 821.7	-3 478.4	-2 918.1	-19.7	-1 483.8	-13 721.7	-854.2	-14 575.9
of which leasing	-360.1				-360.1		-360.1	

Net book value

on 31 Dec. 1999	4 098.2	6 692.7	1 484.7	1 462.6	1 741.6	15 479.8	5 296.4	20 776.2
of which leasing	1 127.1					1 127.1		1 127.1

Other fixed assets comprise all installations, information system and telecommunication equipment, and supply and disposal plant. Depreciation on leased vehicles in the year under review amounts to CHF 62.5 m.

31.12.1999 1.1.1999
CHF m CHF m

20 Intangible assets

Intangible assets	50.4	51.8
Value adjustments	-16.9	-15.1
Intangible assets	33.5	36.7

	31.12.1999 CHF m	1.1.1999 CHF m
21 Short-term financial liabilities		
Short-term liabilities to banks	3.7	9.3
Financial liabilities to third parties	179.1	21.7
Financial liabilities to staff pension fund	31.4	83.0
Short-term financial liabilities	214.2	114.0

The increase in short-term financial liabilities is due to the reclassification of the bonds of Kraftwerk Amsteg AG (CHF 150 m) and Etzelwerk AG (CHF 15 m) maturing in the year 2000.

	31.12.1999 CHF m	1.1.1999 CHF m
22 Accrued charges		
Accruals, travel documents	286.3	275.4
Accruals, holidays and overtime	61.2	55.6
Accruals, interest payable	83.8	68.1
Other accruals	213.6	265.1
Accrued charges	644.9	664.2

Accruals for travel documents relate mainly to the General Abonnement, Half-Fare Card and point-to-point season tickets. They do not extend to individual tickets.

	31.12.1999 CHF m	1.1.1999 CHF m
23 Short-term provisions		
Electricity costs	65.0	40.0
Cleanup of contaminated sites	10.0	10.0
Short-term provisions for taxes	0.4	11.8
Special severance schemes 1999	0.0	172.4
Staff pension fund deficit	0.0	58.3
Other short-term provisions	35.6	60.3
Short-term provisions	111.0	352.8

The decrease in short-term provisions is mainly due to the special severance scheme terminated in the year under review. Additionally, provisions of CHF 40 m for electricity supplies were released. The amount of CHF 65 m allocated for the year 2000 has been reclassified from long-term to short-term provisions.

	31.12.1999 CHF m	1.1.1999 CHF m
24 Long-term financial liabilities		
Bank liabilities	427.8	377.9
Leasing liabilities	1 841.8	1 783.0
Mortgage loans	7.4	7.6
Bonds	300.0	465.0
Staff pension fund	1 428.6	1 441.6
Long-term financial liabilities	4 005.6	4 075.1

The bonds of Etzelwerk AG (CHF 15 m) and of Kraftwerk Amsteg AG (CHF 150 m) falling due in the year 2000 are shown in the short-term financial liabilities. Because – based on the contracts in force – leasing interest is partly capitalised, leasing commitments have increased.

	31.12.1999 CHF m	1.1.1999 CHF m
25 Other long-term liabilities		
Liabilities to third parties	12.9	16.7
Liabilities to associated companies	0.0	5.0
Liabilities to federal government		
as shareholder	6 072.6	5 327.8
Liabilities to social security institutions	4 156.8	5 156.8
Other long-term liabilities	10 242.3	10 506.3

Liabilities to the Confederation as shareholder are made up as follows:

	31.12.1999 CHF m	1.1.1999 CHF m
Loans with variable interest rates	3 389.0	3 328.0
Interest-bearing loans, SBB Pension Fund		
refinancing	120.6	0.0
Interest-bearing loans,		
major railway projects fund	242.9	102.1
Variable-interest loans,		
major railway projects fund	2 320.1	1 897.7
Total	6 072.6	5 327.8

The investments in Rail 2000 are financed via loans from the major rail projects fund. The interest rates payable on interest-bearing loans are between 2.75% and 3.75%.

The refinancing of the SBB Pension Fund is mirrored in the decrease in liabilities to staff benefit institutions. According to the refinancing plan, the Federal government has waived CHF 850 m of its credit balance with the SBB (cf. note 17).

	31.12.1999 CHF m	1.1.1999 CHF m
26 Long-term provisions		
Staff benefit scheme (ARR 16)	650.0	650.0
Rolling stock maintenance	117.3	124.4
Restructuring costs, FS/SBB Joint Venture	120.0	0.0
Site contamination commitments	100.0	100.0
Power consumption costs	0.0	65.0
Miscellaneous	464.1	485.1
Long-term provisions	1 451.4	1 424.5

The provision for rolling stock maintenance covers additional expenditures on vehicle overhaul arising from legal obligations (e.g. environmental protection). The restructuring costs of the joint venture will accrue in the next 1 to 3 years. Since measures to clean up contaminated sites were only initiated towards the end of the year under review, the related costs will only be debited to the provisions as of the 2000 accounts. The other provisions relate mainly to earnings from the sale of cable-laying rights and from US leasing transactions (CHF 138.5 m), provisions for the decommissioning of infrastructure (CHF 50.4 m) and other items of relevance to business operations.

Staff benefit scheme

The medium and long-term actuarial parameters used for calculating the contributions to the staff benefit institutions as per ARR 16 can be summed up as follows:

	1999 %
Discount rate	5.0
Development of salaries	2.5
Development of pensions	1.0
Expected revenue from assets	5.0

	31.12.1999 CHF m	1.1.1999 CHF m
Financial status of staff benefit fund		
Fund assets	13 102.0	12 786.0
Fund liabilities	-13 682.0	-13 436.0
Total deficit, staff benefit funds	-580.0	-650.0

The actuarial reserve deficit decreased by CHF 70 m in the year under review. As long as fluctuations are within the band stipulated by ARR 16, this item will not be reflected in the profit and loss account.

	1999 CHF m
Net pension costs per annum	
Service cost per annum	198.0
Interest payable on staff benefit liabilities (PBO)	684.0
Expected income from fund assets	-655.0
Total pension costs per annum	227.0

	Share capital CHF m	Share premium account CHF m	Revenue reserves CHF m	Total CHF m
27 Changes in equity				
Position at 1 Jan. 1999	9 000.0	2 078.7	0.0	11 078.7
Group profit	0.0	0.0	118.0	118.0
Profit distribution	0.0	0.0	0.0	0.0
Position at 31 Dec. 1999	9 000.0	2 078.7	118.0	11 196.7

The share capital is divided up into 180 million fully paid-up registered shares with a nominal value of 50 CHF each.

28 Legal information

(except where shown under the corresponding items)

	31.12.1999 CHF m	1.1.1999 CHF m
28.1 Sureties, guarantees and pledges in favour of third parties		
Sureties and guarantees	173.0	179.8
Liabilities from non paid-up share capital	110.1	110.1
Total	283.1	289.9

In addition, SBB AG has interests in a number of joint liability companies.

	31.12.1999 CHF m	1.1.1999 CHF m
28.2 Assets pledged		
Book value of pledged assets	14.1	14.2
Total	14.1	14.2

28.3 Fire insurance value of the fixed assets

The fire insurance values of the fixed assets correspond to the replacement value or value when new.

	31.12.1999 CHF m	1.1.1999 CHF m
28.4 Liabilities to staff benefit institutions		
Short-term liabilities	41.1	187.7
Long-term liabilities	4 156.8	5 156.8
Total	4 197.9	5 344.5

	31.12.1999 CHF m	1.1.1999 CHF m
28.5 Bonds		
6.750% bond Etzelwerk AG 1992–2000	15.0	15.0
4.625% bond Kraftwerk Amsteg AG 1993–2003	100.0	100.0
5.250% bond Kraftwerk Amsteg AG 1995–2000	150.0	150.0
4.375% bond Kraftwerk Amsteg AG 1996–2006	150.0	150.0
3.500% bond Kraftwerk Amsteg AG 1998–2007	50.0	50.0
Total	465.0	465.0

29 Related parties

The Federal government holds 100% of the shares of SBB AG. In the year under review, SBB AG received CHF 1,798.7 m in PSO grants from its shareholder. These break down as follows:

	1999 CHF m
Grants for infrastructure maintenance	711.0
Grants for operation of infrastructure	562.0
Grants for regional passenger services	400.7
Grants for intermodal services	125.0
Total	1 798.7

30 Financial instruments

To hedge the commitments from the US leasing transactions, various investments in securities with fixed values at maturity were effected. The discounted value of USD 189.5 m stated in the balance sheet compares with a present market value of USD 194.6 m.

To hedge the foreign currency risks, the following derivative financial instruments are outstanding as per the balance sheet date:

	contract values CHF m	replacement values positive CHF m	negative CHF m
Futures	64.1	0.3	0.7
Options	49.9	0.2	1.2
Total	114.0	0.5	1.9

31 Segment report

Since the SBB's business activities mainly relate to the performance of railway transport and infrastructure services, segmental reporting is dominated by SBB AG itself. The performances of the group companies figure in the accounts mainly as SBB AG inputs and are thus not considered for consolidation. Business activities are mainly focused on Switzerland, which is regarded as a single geographical entity for the purposes of segmental reporting. We therefore refer to the segment report in the annex to the SBB AG financial statements (cf. page 41).

32 Events after the balance sheet date

No events occurred between the balance date and the date of the audit certification that have not been included in the financial statements and require publication.