

Annual Report

2025

It starts here





SNAPSHOT OF SUCCESS NUMBERS

Profit and Loss Figures Santander Consumer Bank AG

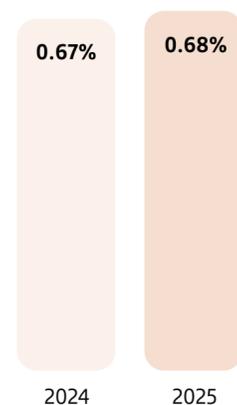
Profit before Income Taxes



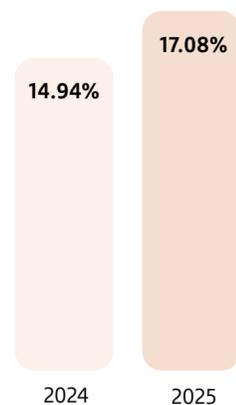
Cost-Income Ratio



Return on Risk Weighted Assets



CET 1



* Equity excluding subordinated liabilities and profit participation certificates

** Ratings as of day of preparation of annual report

Figures may not add up due to rounding.

German GAAP (HGB)	01/01/–31/12/2025 (in € million)	01/01/–31/12/2024 (in € million)	Change (in %)
Net Interest Income	1,264.0	1,112.2	13.6
Net Fees and Commissions	48.1	110.8	–56.6
Income from Capital Instruments	0.4	0.4	0.0
Gross Margin	1,312.5	1,223.3	7.3
Personell Expenses	270.1	317.3	–14.9
General Expenses	388.8	390.9	–0.5
Amortizations	73.8	73.5	0.4
Other Operating Income and Expenses	32.9	45.3	–27.5
Operating Income	612.7	486.9	25.8
Net Loan Loss Provisions	479.8	288.5	66.3
Depreciation and valuation allowances to investments, shares in associated companies and securities held as fixed assets	50.0	0.0	0.0
Earnings from Profit Transfer Agreements	103.9	8.6	>100
Profit before Income Taxes	186.8	207.0	–9.8

Ratios	01/01/–31/12/2025 (in € million)	01/01/–31/12/2024 (in € million)	Change (in percentage points)
Cost-Income-Ratio	55.80	63.90	–810
Return on Risk Weighted Assets	0.68	0.67	1
NPL Ratio	3.90	3.19	71

Banking Regulatory Ratios	31/12/2025 (in %)	31/12/2024 (in %)	Change (in percentage points)
Common Equity Tier 1 Ratio (CET 1)	17.08	14.94	214
Total Capital Ratio	19.30	16.83	229
Leverage Ratio	7.28	6.79	49

Balance Sheet Figures	31/12/2025 (in € billion)	31/12/2024 (in € billion)	Change (in %)
Balance Sheet Total	49.177	52.953	–7.1
Liabilities to Customers	29.322	32.377	–9.4
Receivables from Customers	36.473	36.749	–0.8
Equity*	3.593	3.593	0.0

Ratings**	Long Term	Short Term	Outlook
Moody's	A1	P-1	stable
Standard & Poor's	A	A-1	stable
Fitch Ratings	A	F-1	stable

Pfandbrief Ratings	Rating	Outlook
Moody's	Aaa	stable
Fitch Ratings	AAA	stable

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DEAR READERS,

In October 2025, I had the privilege of being appointed Chief Executive Officer of Santander Germany. I am very much looking forward to shaping a successful future for our bank together with our dedicated team and our strong business partners.

Throughout my career within the Santander Group, as well as in my long-standing roles across the European financial sector, combining sustainable growth with reliable customer relationships has always been particularly important to me to – a value that is deeply embedded in Santander's DNA. We are committed to consistently placing our customers' needs at the heart of everything we do, creating a compelling customer experience across all products and touchpoints. This commitment forms the foundation of our ambition to become the best digital bank with branches in Germany. Guided by a clear strategic direction and a sharpened focus, we aim to grow sustainably and earn the trust of millions of customers.

Integration with Openbank as a strategic response

In October 2025, we announced a decisive step for the future of our bank: the integration of the European activities of Santander Consumer Finance and Openbank, Santander's flagship brand for digital-first consumer banking. This milestone marks the beginning of an exciting new chapter: Germany will be the first market to start with this integration, placing us in a pioneering role within the Group.

I am very much looking forward to shaping this phase of growth and our integration in Germany. Through this strategic step, we are combining Openbank's digital innovation and agility with Santander's strengths in personal service and trustworthiness. In doing so, we are sending a clear signal for the future of banking: digital, customer-centric, and based on genuine connection. At the same time, we are laying the foundation for a simpler, more efficient, and more digitally focused business model. In 2025, we already set important course markers for our strategic direction.

Development of our business units 2025

The 2025 financial year was shaped by challenging conditions for the German economy and the financial sector. Subdued growth, geopolitical uncertainties, and structural changes posed challenges for companies and banks alike. Thanks to the dedication of our employees, the close collaboration with our business partners, and the continued trust of our customers, we were able to overcome these and to demonstrate the resilience of our business model.

Mobility business

Against the backdrop of the continued challenging environment in the German car market, new business loan volume in mobility financing in 2025 (excluding dealer wholesale financing) declined by 4.5% year-on-year to EUR 6.193 billion. This was due, among other factors, to the demanding economic environment and tighter lending criteria. Dealer wholesale financing developed positively: loan volume increased by 4.6% to EUR 10.047 billion, considerably exceeding our forecast. Key drivers included increased demand from dealers and higher vehicle stock levels. Together with our partners, we continued to develop our mobility business, and created growth opportunities through new cooperations.

Direct business

In the financial year, direct business developed cautiously in an overall declining German credit market. New business in installment loans amounted to EUR 1.507 billion, compared with EUR 2.114 billion in the previous year. In addition to subdued demand, further tightening of lending criteria had a dampening effect. At the same time, we continued to strengthen our omnichannel strategy and selectively expanded digital customer interactions.

Business & Corporate Banking

Following a comprehensive strategic evaluation, we decided in 2025 to gradually discontinue our corporate banking business in Germany. The portfolio will be wound down in a controlled manner with a focus on value preservation by the end of 2028.

Increased risk costs

The 2025 financial year was characterised by an elevated risk environment, with higher net risk costs reflecting the changed macroeconomic conditions. Net risk costs from the lending business amounted to EUR 479.8 million in the reporting year, significantly above the prior-year level. The main drivers included challenging economic situations among certain corporate clients, increased default rates in the automotive business and higher loss rates across the instalment loan portfolio.

Refinancing and capital market activities

We consistently implemented our refinancing strategy in 2025. Refinancing costs were reduced through optimisation of the liabilities side of the balance sheet and lower customer deposits. All ratings from the leading agencies were confirmed during the

reporting year with a stable outlook, underscoring the resilience of our bank. In addition, we positively continued our programme of structured transactions and executed two ABS transactions as Santander Consumer Bank with a total volume of approximately EUR 1.6 billion.

The course is set for the future

We collectively set the course for a successful new financial year. We are focused on the sustainable growth, the integration of Openbank, the expansion of digital growth drivers, and the strengthening of customer interactions as the centre of our efforts. Our objective remains clear: to create the best digital bank with branches – efficient, customer-centric, and built on genuine connection.

My special thanks go to our customers, our business partners, and our employees. Your commitment and trust are the foundation of our success.



Yours sincerely,



Petri Nikkilä
Chief Executive Officer
Santander Germany



FINANCIAL MANAGEMENT IN THE 2025 FINANCIAL YEAR

In addition to our very important retail deposits business, the financial management department is responsible for the bank's financial market-oriented refinancing. Santander manages its funding profile on the basis of regular, forward-looking structural analyses of assets and liabilities. With a balanced refinancing mix, we are able to raise necessary funds efficiently and on favorable terms at all times. Our refinancing mix primarily includes deposits from private customers, positions on the money and capital markets and the issuance of ABS.

The 2025 financial year was once again characterized by a challenging macroeconomic environment, volatile capital markets, and regulatory developments. Against this backdrop, our activities focused on ensuring a stable, diversified, and cost-optimized refinancing structure.

The Financial Management department implemented numerous projects in the past year, the successes of which we would like to highlight below:

1) **Once again, outstanding origination and structuring of ABS**

In 2025, we consistently continued our program of structured transactions and successfully implemented it on the market. In total, we completed three ABS transactions with a total volume of around €2.2 billion: two consumer deals worth €700 million and €850 million, and one Leasing deal worth €680 million. The decisive factor here was not only the ability to place these volumes, but above all the quality of the execution: across all transactions, we demonstrated our consistent focus on efficient refinancing and disciplined structuring.

Particularly noteworthy is our consumer deal, which we successfully placed shortly after the previously highly volatile capital markets had stabilized, following a period of considerable uncertainty. Especially in a market environment that places increased demands on transparency, intensive dialogue with investors, and precise timing, this success is a clear sign of the effectiveness of our structure and the sustainable, long-term investor base on which we can build.

In addition to our own issuances, we have once again successfully brought our expertise to the market as Banking-as-a-Service, as we also placed a funding deal for Hyundai Capital Bank Europe – with an excellent result that impressively demonstrates the effectiveness of our ABS approach and the scalability of our offering.

2) Confirmation of our issuer credit ratings

The cornerstone of our refinancing efforts is the trusting cooperation with our investors and the rating agencies. The issuer credit ratings assigned by market-leading agencies were reconfirmed in the reporting year – with a stable outlook.

Particularly in view of the current difficult economic and market environment, this is further proof of how well positioned our bank is for the future in the market.

Our current ratings with the agencies' publications can be found on our Investor Relations portal at <https://www.santander.de/ueber-santander/investor-relations/ratings/>

Responsibility, transparency, and foresight

“These values will continue to guide us in all our refinancing decisions in the 2026 financial year – whether in our dealings with investors, rating agencies, supervisory authorities, or in our communication with our other internal and external stakeholders.”

Andreas Glaser
CFO Santander Consumer Bank AG

REPORT OF THE SUPERVISORY BOARD ON THE FINANCIAL YEAR 2025

The year 2025 was a special year for Santander Consumer Bank AG with exceptional conditions.

The Supervisory Board would like to thank the Management Board and all employees for their great personal commitment, without which the further development of the business would not have been possible in 2025. The Supervisory Board wishes all those involved a lucky hand and every success in meeting the challenges ahead.

In the 2025 financial year, the Supervisory Board performed the duties incumbent upon it under the law and the Articles of Association.

At four regular and three extraordinary Supervisory Board meetings, the Managing Board provided us with detailed and comprehensive information on corporate management and planning, business development and the risk situation, as well as on other transactions and events of considerable importance to the Bank. We advised and monitored the Management Board in its activities and satisfied ourselves that its management was in order. Between meetings, we were informed in writing of important events. Necessary resolutions were passed during these periods by written circulation.

Five meetings of the Audit Committee were held in the 2025 financial year. The auditor attended two meetings. The Members of the Audit Committee discussed the audit of the annual financial statements of Santander Consumer Bank AG and the audit reports.

The Remuneration Control Committee met five times in 2025 to discuss the Bank's remuneration system and other statutory issues.

The Nomination Committee met five times in 2025 and dealt in particular with personnel matters relating to the Management Board.

The Risk Committee met four times in 2025 and dealt in particular with the Bank's risk appetite as well as other statutory issues.

In addition, the Chairwoman of the Supervisory Board was in constant contact with the Board of Managing Directors. She was informed by the Chairman of the Board of Managing Directors at regular meetings about business developments and significant business transactions.

In 2025, several members of the Supervisory Board have changed.

During the year, the following members resigned from her offices:

Ms. Adelheid-Sailer Schuster, Mr. Dirk Marzluf, Ms. Patricia Benito, Mr. Petri Nikkilä, Mr. Rafael Moral, Ms. Cristina San José, Ms. Deniz Kuyubasi and Mr. Robert Neumann.

Subsequently, the following new members have been appointed:

Mr. Pedro Agüero, Mr. Javier Monzón, Mr. Javier Pliego, Ms. Victoria Roig, Ms. Olatz Urroz, Mr. Jan-Paul Giertz and Mr. Uwe Hormes.

We welcome all members in the Supervisory Board of Santander Consumer Bank. We are looking forward to the cooperation.

To take this opportunity we wish all resigned Supervisory Board members all the best for the future and want to thank them for the good cooperation.

The annual financial statements and the management report for the 2025 financial year were audited by PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Frankfurt, who were appointed as auditors by the Annual General Meeting, and included in the accounts, and received an unqualified audit opinion. The documents relating to the annual financial statements, the Management Board's management report and the auditor's reports were made available to the Audit Committee prior to the Audit Committee meeting and to all Members of the Supervisory Board prior to the balance sheet meeting. The auditor reported to the Supervisory Board on the main results of his audit and was available to answer questions. The Supervisory Board acknowledged and approved the results of the audit. After the final result of the examination of the annual financial statements and the management report no objections were raised.

The Supervisory Board approved the annual financial statements prepared by the Management Board. These are thus adopted. The Supervisory Board agrees with the proposal for the appropriation of the net profit.

Mönchengladbach, February 24th, 2026

The Supervisory Board

Mónica López-Monís Gallego
Chairwoman

COMPOSITION OF THE SUPERVISORY BOARD IN 2025

Shareholder Representatives

Mónica López-Monís Gallego
(Chairwoman)

Patricia Benito
(until February 28th, 2025)

Dirk Marzluf
(until September 30th, 2025)

Rafael Moral
(until September 30th, 2025)

Adelheid Sailer-Schuster
(until February 28th, 2025)

Cristina San José
(until August 31st, 2025)

Petri Nikkilä
(until September 30th, 2025)

Pedro Agüero (as of October 1st, 2025)

Javier Monzón (as of March 1st, 2025)

Javier Pliego (as of October 1st, 2025)

Victoria Roig (as of March 1st, 2025)

Olatz Urroz (as of October 1st, 2025)

Employee Representatives

Martina Liebich
(Dpt. Chairwoman)

Peter Blümel

Paloma Esteban

Deniz Kuyubasi
(until September 4th, 2025)

Robert Neumann
(until February 2nd, 2025)

Thomas Schützelt

Jan-Paul Giertz
(as of September 5th, 2025)

Uwe Hormes
(as of March 1st, 2025)



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MANAGEMENT REPORT 2025

FOUNDATIONS OF THE COMPANY

Santander Consumer Bank AG – hereinafter referred to as the “Bank”, “Institution” or “Santander” – is one of the largest private banks in Germany with around 3.04 million private customers. We offer our customers a wide range of financial services. In terms of credit volume, we are the largest manufacturer-independent financier of mobility in Germany. In the consumer credit business, we concentrate on the business areas of mobility and direct business with private customers. On top of to current accounts, credit cards, deposit products and the securities business, the brokerage of pension and insurance products complete our product range.

€3.04 million
Retail Customers

To improve customer service and increase efficiency by standardising processes and exploiting economies of scale, we have outsourced IT processes and various back-office activities. These services are provided by our Group companies, among others.

We also offer services for other banks in selected units (which are active in the mobility business or in the structuring of ABS transactions, for example). “Banking as a Service” (BaaS).

We are consistently developing our omni-channel market presence. Our standardised sales network and our coordinated product range enable our customers to freely choose how they wish to use the services of and communicate with our Bank. In addition to the nationwide branch network, the online channels via the Santander Mobile Banking app, video consultation and the call centre are offered as complementary sales channels.

In the **mobility sector**, we have been the largest manufacturer-independent financing partner (so-called non-captive sector) in the car, motorcycle, and (motorised) caravan sectors in Germany for many years. Our Bank also acts as an exclusive financing partner for selected car brands (captive segment), including Mazda and Volvo in particular. In terms of manufacturing banks, we are one of the largest market players in Germany (measured by credit volume). We also cooperate with manufacturers of motorbikes and leisure vehicles.

To increase market penetration, we are expanding our cooperation with our dealer partners. This is achieved through more intensive special programmes, more attractive incentive models, a closer and more structured exchange with our dealers as well as market-oriented sales promotion measures and targeted training opportunities. Our mobility business is divided into the financing of used and new vehicles and dealer purchase financing. We are also active in the leasing business through our subsidiary Santander Consumer Leasing GmbH.

Since 2019, our bank has held a 51% stake in Hyundai Capital Bank Europe GmbH (HCBE), which in turn holds a 92.07% stake in Allane SE. MCE Bank GmbH (MCE) has also been our subsidiary since 2023. All three companies mentioned are active in the financing or leasing of motor vehicles.

In contrast to the mobility business, private customers in the direct business are not approached via dealer partners (indirect business), but (directly) via our branches, our call centre, video consultation and digital channels such as our homepage and online portals.

In **direct business**, our Bank covers a wide range of financial products. We offer our customers cash loans, current accounts, cards and standardised deposit products via our nationwide branch network. On 31 December 2025, Santander had a nationwide network of 171 branches throughout Germany. Digital sales channels – such as our website and third-party online portals – supplement the product range, especially through online loans. We complement this offering with investment advice tailored to individual customer needs, particularly in the securities and pensions sector. To round off the product range for private customers, our branches also offer insurance solutions from our partners. In addition to traditional credit protection, our Bank also offers its customers protection against the financial consequences of inability to work.

In the business & corporate banking segment, we support German SMEs with an annual turnover of EUR 25 million or more. In the 2025 financial year, Santander Consumer Bank AG decided to gradually close its corporate customer business in Germany by the end of 2028. As a result of this gradual withdrawal, we discontinued new business in 2025. During the ongoing closure process until the end of 2028, we are working closely with our customers and partners to find suitable alternatives together. For this reason, the business segment is not described further below.

Santander Consumer Bank AG is subject to German legislation and is supervised both by the local (national) supervisory authority and by the European Central Bank (ECB) in accordance with the Single Supervisory Mechanism (SSM). Our customers' deposits are not only protected by the statutory deposit guarantee scheme, but also by our Bank's membership of the private deposit guarantee scheme.

The shares in our institution's share capital are held by Santander Consumer Holding GmbH whose shareholder is the Spanish company Santander Consumer Finance S.A.. As the parent company, it prepares its own subgroup financial statements and is included in the consolidated financial statements of Banco Santander S.A., Madrid. Santander Consumer Finance S.A. is recognised in the "Digital Consumer Bank" segment in the financial statements of Banco Santander S.A.

In October 2025, Banco Santander announced that Openbank and Santander Consumer Finance would gradually be operating under the joint Openbank brand in Europe. To this end, OPEN BANK S.A. and Santander Consumer Finance S.A. will be merged

in Spain, conditional on the necessary official authorisations in Spain. Germany is the first market in which the integration will begin and Openbank will be introduced as a standardised brand. To this end, the future activities of OPEN BANK S.A.'s German branch are to be gradually integrated into Santander Consumer Bank AG to expand our product portfolio and thus increase our customer base. This had no impact on the legal entity of Santander Consumer Bank AG in the 2025 financial year.

ECONOMIC REPORT

Macroeconomic and sector-specific framework conditions

According to estimates by the International Monetary Fund (IMF), the global economy grew by 3.3% in the reporting year. It has thus proven resilient to trade policy shocks, partly because these were less severe than expected. Nevertheless, challenges remained and the economic environment continued to be volatile. Temporary factors that had supported the economy in the first half of 2025 – such as pull-forward effects – failed to materialise in the second half of the year. In contrast, the global economy was positively influenced by improved financing conditions and an expansive fiscal policy in some key economies.

The Eurozone economy also proved to be robust in the difficult global environment. Economic growth therefore should have reached 1.5% in 2025. The main driver was domestic demand, supported by rising real wages and employment. The reduction in customs uncertainties and a less restrictive monetary policy also support growth.

The development in Germany described below is of key importance for our Bank.

In Germany, the price-adjusted gross domestic product increased by 0.2% in 2025. While the trend in the first quarter still benefited from pull-forward effects in exports to the USA as a result of trade policy uncertainties, positive effects from foreign trade failed to materialise overall as the year progressed – even though exports to the EU increased considerably. Although the customs agreement reached between the EU and the US in 2025 reduced the existing uncertainties, it led to higher tariffs than in the past, which had a particularly negative impact on the export-orientated German economy. Industrial production failed to gain momentum and continued to suffer from these difficult conditions. Although consumer spending, especially the government share, increased, consumer demand remained weak overall. The hoped-for fiscal stimulus – through investments in infrastructure and defence – also largely failed to materialise in the reporting year.

Inflation stabilised further towards the target value of 2% in the EU and Germany in 2025. The ECB initially continued the interest rate cuts it began in 2024, but has left key interest rates unchanged since the middle of the reporting year. In Germany, price developments in the energy and food sectors had a dampening effect on inflation.

The weak economy could also be felt in the labour market in 2025. The unemployment rate rose again – from 6.0% in the previous year to 6.3%. Although the demand for labour remained high in view of the pronounced shortage of skilled workers, many companies have become less willing to hire. As a result, the number of registered job vacancies continued to fall.

With regard to the German passenger car market, new registrations in 2025 rose by 1.4% to 2.858 million according to surveys by the Federal Motor Transport Authority and were thus roughly on a par with the previous two years. The number of private transfers of ownership increased by 0.5% to 6.512 million and was therefore even though exports to the EU increased considerably weaker than in the previous year (+7.4%). Overall, these values remained well below pre-COVID levels.

Subdued consumption, the rise in unemployment and the increase in insolvencies also had a negative impact on our Bank's lending, risk assessment and risk costs.

BUSINESS PERFORMANCE

The following sections, we present the development of the individual areas of our business.

Within the car market described above, our Bank's lending turnover (new lending business) in the mobility sector fell by 4.5% compared to 2024 to EUR 6.193 billion (excluding dealer purchase financing). We were unable to achieve our forecast of growth to EUR 6.8 billion. This decline is due to the challenging macroeconomic environment and cautious consumer behaviour. Due to the increased credit default risk in the current weaker economic environment, lending criteria became stricter which contributed to a reduction in credit turnover.

Thanks to considerably higher demand from retailers in the current environment, lending turnover in retail financing increased by 4.6% from EUR 9.601 billion to over EUR 10 billion (EUR 10.047 billion) for the first time, thus clearly exceeding our forecast of just under EUR 8 billion. This is due to the growing demand for attractive purchase financing options which was triggered especially by rising vehicle inventories.

To summarise, we continued to successfully develop our entire mobility business in cooperation with our partners in 2025 and increased our credit sales. We have also laid the foundations for further sustainable partnerships in Germany by establishing new collaborations, including with Chery Automobile, represented in Germany by the Omoda and Jaecoo brands, and exclusively with the Erwin Hymer Group in the leisure business.

Direct business is conducted via our branches, online and via video consultation through Santander direct consultation. New business with instalment loans amounted to EUR 1.507 billion in the reporting year (previous year: EUR 2.114 billion). In 2025, the downward trend in the German credit market intensified and, together with even stricter lending criteria, led to a result that was below our forecasts for new business.

The the following overview shows the key earnings components and the **most important financial performance indicators** of our Bank:

Key figure	2024	Forecast for 2025	2025	Main reasons for differences from forecast
Net interest income (million Euros)	1,112.2	Growing considerably	1,264.0	Developed as forecast
Net commission income (million Euros)	110.8	Considerable decline	48.1	Significantly below expectations: expenses for sales commissions are higher than forecast due to the deliberate increase in certain commission rates, whereas declining income from insurance brokerage was already considered in the forecast
Administrative expenses (million Euros)	781.7	Considerably reduced	732.7	Slightly higher than forecast; mainly due to higher IT costs and higher servicing expenses
Net risk costs (million Euros)	288.5	stable	479.8	Increased cancellations, higher write-offs in the instalment loan business and the resulting effects on the updating of the impairment parameters together with specific valuation allowances in the corporate customer business meant that the forecast was exceeded
Annual result* (million Euros)	207.0	Strongly increasing	186.8	Significantly below forecast, mainly due to higher net risk costs
Cost-Income ratio (CIR)	63.9%	Considerably improved	55.8%	Developed as forecast
RoRWA**	0.67%	Strongly increasing	0.68%	Below forecast due to the annual result, offset by lower risk-weighted assets

* Annual result before profit transfer to Santander Consumer Holding GmbH

** Return on risk-weighted assets/profitability of risk-weighted assets: Profitability is calculated as the annual result before profit transfer, less flat-rate income taxes. Risk-weighted assets are recognised as reporting date values at the end of the year.

Further details can be found in the comments in the section on the “Bank’s earnings position”.

The total number of customer accounts decreased in the reporting year, primarily due to the decline in the number of credit accounts as a result of the transfer of the factoring business within the Group.

Total assets on 31 December 2025 decreased moderately year-on-year from EUR 52.953 billion to EUR 49.177 billion. The main changes in the balance sheet items are described in the following section.

DEVELOPMENT OF THE BANK’S ASSET AND FINANCIAL POSITION

On the assets side, the balance sheet structure reflects our Bank’s focus on the lending business. On the liabilities side, refinancing is shown via deposits from private and institutional customers, via liabilities from the issuing business (reported under securitised liabilities) and via ABS securitisations (reported under other liabilities). Borrowing from the central bank is recognised under liabilities to banks.

Receivables from customers decreased slightly from EUR 36.749 billion to EUR 36.473 billion on 31 December 2025. The share of retail customer receivables from instalment loans (particularly in the Mobility business division and in direct business) in the total receivables portfolio remained constant at 62.9%. At 7.7%, dealer purchase financing made an unchanged contribution to the total volume. In the remaining lending business, receivables accounted for 29.4%.

Receivables from banks decreased from EUR 9.818 billion to EUR 7.121 billion due to a lower balance at Deutsche Bundesbank on the reporting date. In addition, the refinancing requirements of our subsidiary banks decreased in the reporting year.

On the balance sheet date, our Bank reported EUR 3.731 billion under **bonds and other fixed-interest securities** (previous year: EUR 4.190 billion). The decrease is mainly due to a lower volume of the existing senior tranches of securities generated from own assets from ABS transactions in our bank’s securities account A (see our comments on “Other liabilities”).

Cash and cash equivalents include cash reserves of EUR 442.0 million (previous year: EUR 826.8 million) which was invested with the Deutsche Bundesbank, and cash on hand totalling EUR 40.9 million.

Shares in affiliates fell from EUR 884.7 million to EUR 873.0 million on the balance sheet date. This is due to a write-down on the investment in HCBE and a capital increase at MCE.

Intangible assets decreased from EUR 160.3 million to EUR 122.1 million on 31 December 2025. The main reason for the decline in inventories was depreciation and amortisation.

The **liabilities side** reflects the solid and diversified refinancing structure of our Bank. Our Bank manages its refinancing profile on the basis of regular, forward-looking structural analyses of assets and liabilities. We were able to raise the necessary funds at all times thanks to our broad-based refinancing mix.

Number of customer accounts in thousands

	2023	2024	2025
Total	4,367	4,164	4,012
Of which credit accounts	2,634	2,445	2,277
Deposit accounts	1,205	1,208	1,195
Current accounts	528	511	541

Liabilities to customers fell from EUR 32.377 billion to EUR 29.322 billion in 2025 which was mainly due to the decline in overnight deposits.

Liabilities to banks rose from EUR 2.570 billion to EUR 3.316 billion in the reporting year.

Other liabilities fell from EUR 8.770 billion to EUR 7.365 billion in 2025. This is especially due to the effects of our ABS transactions primarily driven by. The scheduled repayments of ABS transactions, which totalled EUR 2.961 billion in the reporting

year. The fact that our Bank initiated two new consumer ABS transactions totalling EUR 1.555 billion in 2025 increased the portfolio. This item also includes the profit transfer obligation to our parent company.

Securitised liabilities decreased slightly year-on-year from EUR 4.408 billion to EUR 4.339 billion.

Provisions total EUR 723 million at the end of the reporting year (previous year: EUR 725 million).

DEVELOPMENT OF THE BANK'S EARNINGS POSITION

In the year under review, our Bank achieved **net income for the year** (in the following always the annual result before profit transfer to Santander Consumer Holding GmbH) of EUR 186.7 million and thus remained moderately below the previous year's level of EUR 207.0 million. The annual result includes the profit transfer from Santander Consumer Leasing GmbH totalling EUR 103.9 million (previous year: EUR 8.6 million). Taking into account risk-weighted assets totalling EUR 18.615 billion, **RoRWA** rose by 1 basispoint to 0.68%.

The positive developments in the reporting year – especially the considerable increase in net interest income, the moderate decrease in administrative expenses and the significantly higher profit transfer from Santander Consumer Leasing GmbH – were offset by higher expenses. This was primarily due to a significant increase in write-downs and value adjustments on receivables and certain securities as well as a significant decline in net commission income.

Net interest income totalled EUR 1.264 billion in 2025, considerably higher than the previous year's figure of EUR 1.112 billion. As a result of the lower market interest rate level, interest income fell slightly and interest expenses fell considerably. As the decline in interest expenses was greater than the decline in interest income, net interest income increased considerably by a total of EUR 151.8 million.

Balance sheet structure; assets in EUR million

	2023	2024	2025
Balance sheet total	53,250	52,953	49,177
Cash and cash equivalents	687	886	483
Receivables from customers	35,853	36,749	36,473
Receivables from banks	9,714	9,818	7,121
Securities	5,782	4,190	3,731
Other assets	1,213	1,309	1,369

Balance sheet structure; liabilities in EUR million

	2023	2024	2025
Balance sheet total	53,250	52,953	49,177
Savings deposits	559	440	376
Other liabilities to customers	30,798	31,937	28,946
Liabilities to banks	2,525	2,570	3,316
Securitised liabilities	5,503	4,408	4,339
Other liabilities	9,350	8,872	7,476
Provisions	714	725	723
Equity*	3,800	4,001	4,000

* Data including subordinated liabilities and profit participation capital

Interest income fell slightly by EUR 30.5 million to EUR 2.255 billion. While income from instalment loans with private customers increased, interest income in the commercial and non-customer business declined due to the situation of market interest rates.

Interest expenses fell considerably year-on-year by EUR 182.3 million to EUR 991.2 million. The main reason for this was the very considerable decline in expenses for liabilities to customers. Interest payable to customers fell as a result of the current interest rate trend and because the volume of short-term customer deposits decreased. By contrast, interest expenses in the non-customer business (intra-Group refinancing, issues and drawings via commercial paper and medium-term notes as well as ABS transactions) only decreased moderately in the reporting year.

Net commission income decreased significantly compared to 2024 to EUR 48.1 million. Total commission income fell considerably in the reporting year year-on-year by EUR 64.8 million to EUR 462.9 million. The German Future Financing Act, which decouples the brokerage of residual debt insurance from the conclusion of a loan, came into force on 1 January 2025. As expected, income from insurance brokerage fell by EUR 66.1 million and the decline in the brokerage of residual debt insurance was only partially offset by other insurance products.

Commission expenses fell slightly by EUR 2.1 million to EUR 414.9 million in the reporting year. While expenses for brokerage commissions especially fell by EUR 13.1 million, other commission expenses increased by EUR 10.1 million.

Administrative expenses as well as amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment total EUR 732.7 million in the reporting year, a moderate decrease of EUR 49.1 million compared to 2024 (EUR 781.7 million).

Personnel expenses fell considerably by EUR 47.3 million year-on-year to EUR 270.1 million in 2025, mainly due to the consequences of the transformation/restructuring programme.

The average number of employees fell to 2,780 in the reporting year (previous year: 2,958).

At EUR 388.8 million, other administrative expenses were slightly below the previous year's figure of EUR 390.9 million.

The cost-income ratio (CIR) improved considerably from 63.9% in 2024 to 55.8%. This was primarily due to lower administrative expenses and higher net interest income – despite the offsetting fall in net commission income.

At EUR 479.8 million, **net risk costs** from the lending business in the reporting year were significantly higher than the previous year's figure of EUR 288.5 million. This increase was primarily the result of an adjustment of the impairment parameters which were made during increased default rates in the motor vehicle business and higher loss ratios in the entire instalment loan business. In addition, declining incoming payments on instalment loans already in default necessitated further additions to value adjustments in the reporting year. Deteriorating economic conditions for some corporate customers also led to a very considerable further increase in specific valuation allowances year-on-year and thereby contributed to the increase in risk costs.

In terms of **other operating income**, we generated income of EUR 32.9 million (previous year: EUR 45.3 million). In the reporting year, especially income from the reversal of provisions was lower than in the previous year.

Depreciation, amortisation and value adjustments on investments, shares in affiliates and securities treated as fixed assets include an impairment loss of EUR 50 million on the carrying amount of the investment in HCBE in 2025.

In the operating business (excluding net risk costs as well as write-downs and value adjustments on investments, shares in affiliates and the profit transfer from Santander Consumer Leasing), business performance was favourable overall year-on-year, although we fell short of our forecast.

Overall business performance was not entirely satisfactory, considering the net risk costs and the write-downs and value adjustments on investments and shares in affiliates. However, the economic situation of our Bank is in good order overall.

Due to the control and profit transfer agreement and silent participation, the annual results of the Santander Consumer Bank are completely transferred to Santander Consumer Holding GmbH.

OTHER INFORMATION ABOUT THE BANK

Santander Consumer Bank is a member of the Association of German Banks (Bundesverband deutscher Banken e. V.). It is also a member of BFACH (Bankenfachverband e. V.) and the Association of German Pfandbrief Banks (Verband deutscher Pfandbriefbanken e. V.). Our Bank is also affiliated with the following institutions: Entschädigungseinrichtung deutscher Banken GmbH (deposit guarantee scheme of German banks), Prüfungsverband deutscher Banken e.V. (Audit association of German banks), and the Deposit Protection Fund of the private banking industry.

EMPLOYEES¹

Our approach to responsible behaviour towards our employees, based on global guidelines:



Further information can be found at the following link: <https://www.santander.com/en/shareholders-and-investors/financial-and-economic-information/annual-report>

¹ This section was not audited by the auditor

SUSTAINABILITY AND RESPONSIBLE BANKING²

Our sustainability activities cover three ESG dimensions: Environmental, social and corporate governance.

Environmental

The Santander Group's goal is to make our entire financed business carbon neutral ("net zero") by 2050. This includes all greenhouse gas emissions resulting from our lending, advisory and investment services. Banco Santander is committed to responsible banking with high standards of transparency.

In the mobility business, the financing of alternative drive technologies developed uniformly in the reporting year – unlike in 2024. The share of sales of battery electric vehicles (BEVs) and plug-in hybrids (PHEVs) developed in line with the automotive market trend in Germany and recorded an increase. In addition to our existing partnerships with manufacturers of electric vehicles, we were able to gain the Chinese manufacturer Chery Automobile with its sub-brands Omoda and Jaecoo as a another partner.

In order to provide our dealer partners with the best possible support in marketing electric vehicles, we developed the e-mobility hub and integrated it into our dealer portal. The E-Mobility Hub is based on several pillars:

- **Training & qualification:** Our training programme provides our dealer partners with the know-how they need to get custo-

mers excited about BEVs and optimally prepare them for the used BEV business.

- **Battery certificates:** The battery tests from our partner AVILOO create transparency about the condition of the battery. They reduce the risk for dealers when purchasing used battery electric vehicles and strengthen the confidence of customers.
- **Complete wallbox solutions:** We are making e-mobility even more suitable for everyday use with the home charging solutions from our partner WALL-E. WALL-E offers customers an uncomplicated complete package – from advice on home charging solutions to the installation of a wallbox. Our Bank complements this offer with suitable financing options.

We also offer our dealers attractive financing conditions to increase sales of BEVs and PHEVs. With our Green Ride and Second Green Ride leasing conditions, including service modules, we specifically support the sale of BEVs; in addition, the Smart Ride and Second Ride leasing conditions support the sale of PHEVs. This enables us to provide customised offers – tailored to the desired drive type of our customers.

In addition to the goal of our financed business achieving long-term carbon neutrality, we are also continuously striving to reduce our operational carbon footprint. This includes the operation of our company administration and branches, energy and resource consumption, waste disposal, business trips and emissions from company vehicles. Since 2020, we have also been offsetting our direct and indirect emissions from our own activities (scope 1&2), which we are unable to reduce, by purchasing CO₂ certificates.

We obtain 100% of the electricity for our own buildings from renewable energy sources. From 2026, we will also be switching to biogas in the head office buildings.

Since July 2025, the buildings in Mönchengladbach at Santander-Platz and Madrider Straße have been certified in accordance with DIN EN ISO 14001 – the standard that defines the requirements for systematic environmental management. In addition, all locations throughout Germany, including the buildings in Mönchengladbach, are certified in accordance with DIN EN ISO 50001, the international standard for energy management systems. These certifications form the basis for standardised, cross-location management of environmental and energy aspects and enable the consistent recording, monitoring and improvement of relevant key performance indicators.

We offer our employees attractive and sustainable mobility solutions. In addition to the Jobticket, the Deutschlandticket is also available as a company ticket. In addition, our employees can lease e-bikes as part of a salary conversion scheme.

Social commitment

Since 1996, Santander has been committed to social progress worldwide in the areas of **Education, employability and entrepreneurship**. With this long-term commitment, we support universities, students, specialists, companies and start-ups in realising their potential and actively shaping the future.

To date, the Banco Santander Group has invested over EUR 2.4 billion in these areas and has supported more than 3.7 million people and companies with scholarships and funding programmes through partnerships with almost 1,100 universities and organi-

² This section was not audited by the auditor.

sations. The **Santander Open Academy**, Banco Santander Group's global learning platform, gives people access to free courses, scholarships and learning content developed in collaboration with leading international partners. This digital platform supports people in acquiring skills to seize better career opportunities and enables open access to future-relevant skills – regardless of educational level or background.

In Germany, we work with 35 universities and institutions and were able to support over 11,600 people with scholarships, further training opportunities and programmes to promote entrepreneurial skills in the reporting year. The core components of our commitment are financial support for students and the promotion of international academic mobility. The "Sorgenfrei Scholarship Programme" gives students at all universities and colleges in Germany the opportunity to receive a one-time financial grant to support their studies. Erasmus+ scholarship holders from participating partner universities in Germany benefit from additional funding of EUR 500 for their stay abroad as part of the "Santander Erasmus Programme".

Furthermore, with the international Santander W50 programme, we specifically support female managers in their professional advancement and contribute to making women more visible in management positions. Participants gain access to the global SW50 community and are recognised as one of the 50 leading female leaders in Germany.

With our commitment to education, employability and entrepreneurship, we make sustainable contributions to greater equal opportunity, career prospects and entrepreneurial strength.

In addition to our support in these three areas, we made donations in cash or in kind to ten charitable organisations in the reporting year. At our Santander RUN & FUN company run in Mönchengladbach, we also supported eight other charitable and non-profit organisations with donations.

Corporate Governance

We implement the Santander Group's **sustainability strategy** and the Group-wide ESG targets by implementing various policies and action plans. Projects, Group-wide guidelines or initiatives and (new) regulatory requirements are coordinated with internal stakeholders at the regular "ESG & Responsible Banking Forum". This forum coordinates and manages specific ESG measures, activities and initiatives and ensures that we fulfil our statutory taxonomy, disclosure and reporting requirements.

Sustainability risks are an integral part of our risk management and risk controlling. We therefore identified drivers of ESG risks and analysed their impact on our risk-bearing capacity in the reporting year. More detailed information on this can be found in the risk report section of this management report.

In addition to the ESG-related training required by law – e.g. for securities sales –, we offer our employees ESG training via our internal learning platform. We also sensitise our employees to the integration of sustainability criteria into our business activities through regular mandatory training sessions.

RISK REPORT

Risk strategy guidelines at Santander Consumer Bank AG

Our board of directors is responsible for risk management as a task incumbent on the entire bank. Taking risks is an integral part of our business operations and the decisions we make in this context. Our risk management is in line with our business and risk strategy as well as the delegation of competencies and organisational directives of our Institution.

The responsibilities for managing and monitoring risks are defined at our Bank through a clear separation of functions in accordance with the Minimum Requirements for Risk Management (MaRisk). We also follow the principle of the "three lines of defence" model: The first line of defence manages the risks, the second monitors them. As an independent control body, internal audit represents the third line of defence.

For credit risks in risk-relevant business, a back office function generally casts a second vote based on the delegation of competencies. Credit risks in non-risk-relevant business are controlled by an automated decision based on the requirements of risk management. We also consider credit risks from our entire proprietary business to be risk-relevant business. Approvals relating to proprietary business are granted based on resolutions of the board of directors.

Our financial management department is responsible for managing market price and pension risks (especially interest rate risks) and liquidity risks (particularly refinancing risks): This department limits the above-mentioned risks, e.g. through corresponding derivative financial instruments, including by offering time deposits to institutional investors, by issuing money market paper, promissory notes and mortgage bonds, or by purchasing bonds in our securities account A.

Model risk is managed by the respective model owners, supported by the developers (model developers) and users (model users).

Operational risks are managed on a decentralised basis by our business divisions. They are also supported by independent control functions for the management of specific operational risks (e.g. technology, cyber, fraud or outsourcing risks). Our non-financial risk & internal control division is responsible for measuring and monitoring operational risks.

Our risk controlling division monitors the above-mentioned risks. In addition to regular reporting to the decision-making bodies, this division is responsible for ad hoc risk reporting. This includes monitoring compliance with the specified risk appetite via defined risk indicators and threshold values or risk limits.

Our entire management board and our sales units manage the strategic business risks using planning tools (e.g. budgets) within defined limits, and through appropriate sales and marketing measures. The controlling department reports on these risks and the risk function for strategic risks monitors them.

The current Risk Strategy 2025 (as amended in November 2024) adopted by the board specifies the strategic guidelines for the risk organisation and the risk appetite of our Institution. Our board will decide on the targets for 2026 in February 2026. By specifying the risk strategy and risk appetite, we aim to achieve sustainable and low-volatility profit realisation in compliance with regulatory requirements.

To this end, we have defined the following strategic guidelines as an expression of prudent corporate governance:

- Regulatory requirements and agreements with the supervisory authorities must be reliably followed.
- The risk controlling function should be independent.
- Every risk taken must be within the specified risk appetite and appropriately remunerated.
- We aim for a low to moderate risk profile, focussing on the core business segments of mobility and consumer loans. We structure securities portfolios of high-quality, liquid assets to support interest rate and liquidity management.
- We aim to reduce concentration risks to the necessary minimum, i.e. to those concentrations that arise directly from our business model. In addition, these risks should be closely monitored with regard to individual debtors, specific segments and industry sectors.
- Our remuneration system should be designed appropriately and in line with forward-looking, prudent risk management. Profit targets are not part of the remuneration of our control units. Remuneration components should be aligned with the specified risk appetite.
- We pursue a transparent policy with regard to the disclosure of risks.

Our board of directors is responsible for developing, promoting, integrating and monitoring our risk culture at all levels. The core elements here are the formulation and consistent adherence to the risk appetite. To establish and promote an appropriate risk culture, corresponding measures and initiatives are an integral part of recruitment and onboarding, training and development

as well as remuneration and incentivisation. We measure how well our risk culture is anchored in our day-to-day work using various key performance indicators, such as the number of training sessions and self-assessments carried out, the number of phishing attempts reported as part of the so-called "ethical phishing" campaigns, the assessments of our internal audit division with regard to risk culture and the results of our employee surveys conducted during the year.

ORGANISATION

Santander Consumer Bank AG is a non-trading-book institution. The department of our chief accounting officer (CAO) is responsible for trading activities in the banking book. Our financial management department manages the liquidity, pension, market price and associated counterparty default risks of counterparties and issuers.

The following areas are also assigned to our CAO: controlling, accounting, data & analytics, collection business unit and finance business partners. Controlling is responsible for business and financial planning. Our accounting department's regulatory information division is responsible for regulatory reporting.

Our chief risk officer (CRO) is responsible for the following areas: risk steering, risk execution, risk controlling, risk modelling, compliance and non-financial risk & internal control. The joint venture management function for risk and compliance issues is part of the risk steering department and reports directly to our CRO. The function of the remuneration officer is assigned to risk controlling.

RISK CONTROL AND CREDIT DECISION

The risk steering division is the risk management unit responsible for designing the holistic risk management of individual loan portfolios and thus, among other things, for the credit approval regulations and restructuring requirements, the collateral management and fraud prevention function. The risk execution division is responsible for second votes and credit decisions for risk-relevant business as well as the restructuring and settlement of commercial exposures. Both areas are organised according to the following categories based on their competencies:

- auto (dealer purchase financing, motor vehicle retail financing, leasing),
- non-auto (instalment loans in direct business, private property financing, card products and goods financing),
- corporates & financial institutions.

To grant, change or extend counterparty and issuer limits, our risk execution division prepares templates on the basis of which our board of directors makes the final credit and investment decisions.

Although our Bank does not engage in any direct residual value risks, these represent a significant risk for the German financial group. To meet the growing significance of these risks, the risk steering auto department includes the function of residual value manager who is responsible for the risk-side management of residual value risk.

RISK CONTROLLING

Our risk controlling and non-financial risk & internal control divisions, which are independent of the risk management units, are responsible – both for internal and external (including regulatory) purposes – for risk reporting and analysing risk situations of our Bank with regard to the following key risk types: credit risk, market price risk (in particular interest rate risk) and pension risk, liquidity risk, operational risk and model risk as well as strategic risk. These two areas also analyse the impact of ESG risks on our risk profile. Risk controlling analyses concentration risks and determines the credit risk provisions for the loan portfolio every month.

The board of directors is informed about the risk situation in various committees on a monthly basis and, if necessary, ad hoc through our internal risk report: This includes the monthly monitoring of risk-bearing capacity and compliance with the authorised risk tolerances as well as detailed information on the main types of risk.

Risk controlling is also responsible for planning and implementing the application of the internal ratings based (IRB) approach. This includes drawing up the conceptual and technical specifications for the implementation of the IRB approach for the main exposure classes and carrying out tests and the necessary documentation.

This division is also responsible for the risk identification, monitoring and control processes for the mortgage bond (Pfandbrief) business. The tasks are based on the general requirements of the German Banking Act (KWG), the minimum requirements for risk management and, especially, the provisions of sections 27 and 28 of the German Mortgage Bond Act (PfandBG). In addition to the requirements for the cover pool set out in the PfandBG,

we have defined individual early warning thresholds as part of our risk management. These regularly exceed the statutory requirements; we have therefore imposed tighter internal limits on the cover assets pool than those stipulated by law. We use the TXS Pfandbrief software to monitor compliance with statutory and internal limits on a daily basis.

RISK MODELLING

Risk modelling is responsible for the initial and further development of local, productive decision models in the credit application process (application and behavioural scorecards for the private customer business and rating models for the commercial lending business). This division is also responsible for developing the credit risk parameters that are used with regulatory and economic capital and in the context of credit provisions. This division also includes the initial validation of further developments of Banco Santander's economic capital model and the design of individual models for specific risks. Risk modelling also designs the IFRS 9 provision models and creates these as "banking as a service" (BaaS) for counterparties. The correlations of the IFRS 9 parameters with macroeconomic factors are determined as the basis for calculating the IFRS 9 forward looking component and for stress tests. The P&L forecast models (pre-provision net revenue; PPNR) and the forecast models for defaults and recoveries for liquidity risk are also created here. This division is also responsible for developing models for automated fraud identification, residual value modelling for Group companies in Germany and initial modelling with regard to customer due diligence in the context of anti-money laundering. Modelling is carried out on behalf of the following divisions: risk steering, risk controlling, non-financial risk & internal control, collection business unit, controlling and compliance.

RECEIVABLES MANAGEMENT

Receivables management (collection business unit, CBU), which is centrally assigned to our CAO, is responsible for the management of consumer loans (motor vehicle, goods and direct business), credit cards, current accounts and mortgage loans in the private customer segment (including banking as a service activities (BaaS)).

To minimise cost of risk, the CBU aims to return payment-disturbed accounts to an orderly payment process. This unit also handles restructuring requests from customers in the event of (existing or expected short-term) payment disruptions in accordance with risk steering guidelines; the aim here is to find long-term solutions for structural payment problems.

For accounts in arrears, there is a specific procedure for each product type. Proactive and early contact with the customer plays an important role here; accompanying measures include the increased use of direct debit procedures and written reminders. Customers also have the option of submitting their requests via a digital self-service platform, and managing their payment arrears independently by settling them via an alternative payment method or obtaining a new payment agreement.

The tasks of receivables management also include the securing and realisation of collateral.

If the above-mentioned measures do not result in the arrears being settled, the loan or account will be cancelled with subsequent debt collection by external partners up to and including the sale of the debt.

The processing of non-performing commercial loans (workout process) in dealer financing is carried out by the risk execution division in the intensive and problem loan processing department. This department also looks after business customers in the business & corporate banking portfolio who require intensive support.

The CBU department "field & late collections" commissions external service providers with the recovery of loan exposures that can no longer be restructured following termination and the realisation of existing collateral for private customers.

INTERNAL CONTROL AND MONITORING SYSTEM

The Bank's internal control and monitoring system comprises process-dependent and process-independent elements. The individual measures of the system are intended to ensure that all requirements for the proper management of business activities are met. The system is a central component of compliant and effective corporate management. Process-independent monitoring is primarily the responsibility of our internal audit and Group internal audit departments. Non-financial risk & internal control assumes supporting and Bank-wide coordinating tasks with regard to the assessment of the organisation and functionality of the internal control system. This includes maintaining documented processes and the resulting risks as well as evaluating the functionality of the controls integrated into the corresponding workflows. Relevant early warning and control indicators are also developed and monitored. The key findings are reported to Banco Santander and the board.

Process-dependent monitoring includes organisational security measures and controls through manual and automated processes (e.g. integrated dual control principle, separation of functions, regulations regarding competence regulations, method specifications, requirements for handling individual data processing (IDP), interfaces and operational resilience, processes within the scope of information risk and information security management). Preventive measures to detect errors are integrated into our Bank's structural and procedural organisation and are intended to ensure a specified level of security (e.g. analysis/monitoring of loan agreements with regard to systematic risks in contract design and implementation of a control system at the individual transaction level). Controls are integrated into the work processes and are intended to detect and prevent errors.

In accordance with the work instructions for the internal control model, the non-financial risk & internal control division is required to carry out independent tests and control assessments as part of the regular control certification processes which are documented in this control model.

As a process-independent body, our internal audit division regularly reviews the processes and methods used for compliance with legal and regulatory requirements as well as compliance with Group-wide guidelines in accordance with our risk-oriented audit approach. It then prepares audit reports and follows up on the issues identified.

In accordance with the standards of the European Banking Authority (EBA), our Bank has established compliance as an integral part of internal governance. The conduct compliance department has established a broad monitoring system to enable fulfilment of the requirements arising from the minimum requirements for the securities compliance function (MaComp) and the various requirements for consumer protection regulations for the private

client business (product oversight & governance), among others. In terms of securities compliance, we monitor and review measures that serve to ensure the proper processing of securities sales as well as upstream and downstream specialist areas. This provides for checks on standardised product marketing and compliance with consumer protection regulations. This department also monitors existing products (within and outside of active sales) as part of the Product Monitoring Forum (PMF) and maintains our Institution's central product catalogue. This department is also responsible for the new product process (NPP), the process for material changes in accordance with MaRisk, and organises and chairs the body that assesses the novelty of projects and the materiality of planned changes. The conduct compliance department is responsible for the organisational structure of complaints management, including the processing of escalated complaints and analysing the underlying facts (root cause analysis). These serve as an indicator of shortcomings and are to be integrated into corresponding action plans.

The task of the regulatory compliance department is to ensure that the guidelines and directives that we have imposed on ourselves to fulfil the rules and regulations that are important for our Bank are implemented and followed and to monitor this compliance. The regulations primarily include data protection provisions and relevant provisions on financial market supervision (e.g. EMIR and Volcker rules as well as rules of Regulation (EU) 2016/1011, the so-called Benchmark Regulation). The early warning function also ensures that the management and the first line of defence can identify and implement the legal regulations and requirements that are important for our Institution at an early stage. This function also performs regular risk assessments (hazard analyses) by considering risk aspects, both at a local and consolidated level, and taking into account major holdings. Compliance also helps avoid, identify and resolve conduct or situations relevant to criminal law (corporate defence). This department also defines the framework for the management of reputational

risks, organises the Reputational Risk Forum (RRF) and monitors potential reputational risks.

To fulfil the regulatory requirements under section 25h KWG for the "head office" of our Institution, the financial crime prevention research & analysis and the financial crime prevention frameworks & governance departments are responsible for monitoring customer transactions, embargo regulations and financial sanctions; the aim is to prevent financial crime, money laundering, terrorist financing and other criminal acts.

Our public policy function is involved in providing feedback on draft legislation and informs us about potential legislative changes at an early stage.

RISK TYPES

Our board has adapted our Bank's risk strategy to the complexity of its business activities. On the basis of the annual risk inventory, the board has classified the risk types described below as material, taking into account the requirements of the European Central Bank (ECB) regarding the ICAAP (Internal Capital Adequacy Assessment Process) and ILAAP (Internal Liquidity Adequacy Assessment Process) as well as risk culture aspects. In accordance with the ECB's ILAAP guidelines, insolvency risk has been classified as an additional material risk.

The materiality of a risk type is measured on the basis of qualitative and quantitative criteria using a scoring system that consists of an assessment of the potential damages and frequency of occurrence. A risk is to be classified as significant if the overall score on a scale of 1 to 4 is greater than or equal to 2.5, i.e. the frequency of occurrence and/or the potential extent of damage are assessed as high.

SIGNIFICANT RISK TYPES

The main types of risk are described below.

Credit risks

The Bank defines credit risk (here: counterparty default risk) as the risk of losses arising from expected and unexpected payment defaults.

The main objective in the control and management of credit risks is to continuously improve the risk/return ratio. Key risk measurement indicators are the ratio of risk costs to the average credit portfolio (cost of credit) and the share of the non-performing portfolio in the total portfolio (NPL ratio). These and other key figures are collected as part of monthly risk reporting at the segment level to monitor compliance with the defined risk appetite. In addition, the actual values are compared with the budget and forecast values.

The risk provisioning requirement is calculated monthly based on statistically estimated probabilities of default, conversion factors and loss ratios. The impairment methods under IFRS and HGB have been harmonised and are based on the three-stage impairment model in accordance with the accounting standard IFRS 9. In addition to the data available at the present time, the approach considers forward-looking information, especially on the basis of macroeconomic assumptions. Credit exposures in stage 2 have a significantly higher credit risk compared to receivables in stage 1 that are not at risk at the time a loan is granted. The empirically estimated probability of default, the number of current or previous days in arrears, a watch list for business customers and restructurings due to payment defaults serve as relevant criteria for the categorisation. A credit exposure is transferred to stage 3 when a default occurs – i.e. if there is a payment default classified as material with more than 90 days in arrears, or if there is

sufficient probability for other reasons that a receivable cannot be serviced by the customer, e.g. in the event of debtor insolvency or a legally effective loan termination. For larger exposures from dealer purchase financing or business & corporate banking, indications of imminent payment default or financial difficulties on the part of the debtor can also be identified during a case-by-case review, even if the above criteria are not met. This can also lead to categorisation in level 3.

Across all three levels of the value adjustment method, a specific valuation allowance is made as an expected credit loss based on a statistical model. To estimate the expected losses, we use the empirically determined risk parameters probability of default (PD), exposure at default (EaD) and loss given default (LGD).

The probability of default indicates what proportion of the current loan portfolio is likely to default within a certain period of time. This proportion differs according to the level of credit exposure. Stage 1 is based on a period of twelve months, while stage 2 is based on the remaining term of the exposure. As exposures in stage 3 are already considered to be in default, the probability of default there is 100%. The PD parameters as estimates of the

probabilities of default are determined using a basic or an advanced approach, depending on the portfolio. The basic approach is based on the number of days in arrears, while the advanced approach is additionally based on values from internal application or behaviour scorecards.

The product-based loss given default (LGD) indicates what proportion of the exposure at default (EaD) is not expected to be recovered. The value takes into account the expected cash value of incoming payments and the realisation of collateral. In addition, the loss rate for stage 3 exposures is dependent on the time since default.

Significant exposures from dealer purchase financing or business & corporate banking are analysed separately. An individual provision is recognised for these on the basis of an examination of the facts; collateral and expected cash flows in various scenarios are taken into account.

The loan portfolio is broken down by level and business segment below:

Please note that the majority of our borrowers are economically dependent; the vast majority (approx. 89%, previous year approx. 91%) are assigned to stage 1.

The core elements of credit risk management are the review of all credit exposures and the rules for credit exposures and restructurings. This includes maintenance and documentation of competencies, including monitoring compliance and responsibility for all relevant guidelines and organisational instructions.

Credit risk management also fully deals with receivables that are the subject of issued mortgage bonds and with receivables that serve as collateral/reference portfolios in traditional and synthetic securitisation.

For the management of credit risks, we continuously analyse the factors that influence our Bank's risk situation combined with the findings from all decision-making, forecasting and valuation processes.

Counterparty default risks

Our Bank defines counterparty default risk as the risk arising from the default of a counterparty. To manage counterparty default risk, we have set up a daily limit utilisation report where both the internal limits/utilisation and the RAS metrics are monitored, and the results are reported as part of the monthly risk report. The counterparty default risk is quantified as part of the ICAAP's credit risk.

Net balance per level and operating segment as of 31/12/2025 (in % and EUR million)

Stage \ Segment	Retail customers	Business customers	Private real estate financing	Commercial real estate financing	Total
Stage 1	87.8%	88.4%	99.0%	96.3%	88.7%
	21,496	3,953	2,129	12	27,590
Stage 2	7.9%	8.1%	0.7%	3.7%	7.4%
	1,933	363	16	0.00	2,311
Stage 3 (non-performing loans)	4.3%	3.5%	0.3%	0.0%	3.9%
	1,043	158	5.44	0.00	1,206
Total	100.0%	100.0%	100.0%	100.0%	100.0%
	24,471	4,474	2,151	12	31,108

Market price risks

Our Bank defines market price risk as the risk of potential losses due to losses in the value of securities or the interest-bearing portfolio, including irrevocable loan commitments, which our Bank may incur due to changes in prices and interest rates on the financial markets. These risks are largely interest rate-induced for us. In addition, there are very limited foreign exchange risks. We use derivative instruments in the form of interest rate swaps where necessary to manage maturity mismatches from customer business in a targeted manner. At the end of the 2025 reporting year, the nominal volume of interest rate swaps (excluding ABS swaps) totalled EUR 13,069 million (previous year: EUR 10,640 million).

With regard to interest rate risk, our Bank considers the present value loss that arises in the interest rate book to result from changes in the yield curve. In addition to the parallel shifts in the yield curve, a number of other interest rate scenarios are analysed and reported in the risk report – broken down into management-relevant, regulatory and other scenarios. The extent to which parallel shifts in the yield curve affect net interest income is also analysed (income statement-oriented approach).

Using a specially developed Asset Liability Management Data-mart (ALM DM), we determine the cash flows of all interest-bearing items, including existing pension obligations and irrevocable loan commitments, and calculate the present value of the interest book. The monthly risk report summarises the results of the interest rate risk in a separate report. On the balance sheet date, the interest rate risk of a change in interest rates of minus 100 basis points amounted to EUR 82.8 million (previous year: EUR 62.4 million). The risk of a change in interest rates of plus 100 basis points was minus EUR 85.4 million at the end of December 2025 (previous year: minus EUR 85.1 million). Over the course of the reporting year, we utilised interest rate swaps as a management measure, thereby limiting the increase in interest rate risk

in the reporting year. Our board of directors is informed promptly about risk developments as part of the monitoring measures through regular reporting (monthly risk reports), discussions in the Asset & Liability Committee, and defined escalation mechanisms.

The present value effects in the banking book due to a sudden unexpected change in interest rates with a parallel rise in the yield curve (parallel shift of plus 200 basis points) totalled EUR –176.4 million at the end of December 2025 (previous year: EUR –176.7 million in the event of a short-term upward shock). This corresponds to a risk of 5.5% of core capital (previous year: 5.6%). This scenario represents the greatest risk within the six regulatory scenarios under the Supervisory Outlier Tests (SOT) considering a dynamic interest rate floor.

Interest rate stress tests are conducted using the mortgage bond software TXS to assess the interest rate risk inherent in mortgage bonds and their underlying cover pool. In accordance with the static approach defined in section 5 of the German Pfandbrief Cash Value Ordinance (PfandBarWertV), the yield curve is shifted by plus/minus 250 basis points and compliance with the statutory limits and internal limits is monitored. As of the reporting date of 31 December 2025, the result from the shift of plus 250 basis points is EUR 516 million (118.85%) (previous year: EUR 677 million), with a shift of minus 250 basis points to EUR 663 million (125.84%) (previous year: EUR 862 million). If required, an ad hoc stress test may be performed for any interest rate scenario.

The ABS bonds held in the investment portfolio, which are based on own assets, had a nominal volume of EUR 1.7 billion as of 31 December 2025 (previous year: EUR 3.0 billion). Apart from the monthly repayments of the ABS transactions, there were no changes in the ABS bonds held in the investment portfolio during the reporting year. As a result, the investment portfolio decreased. At the end of the year, ABS had theoretical impairments of

EUR 55.6 million (previous year: EUR 125.2 million). In addition to the change in interest rates, this was due to lower spreads on ABS bonds and, above all, lower volumes in our portfolio year-on-year.

Over the course of the reporting year, two securities matured at our Institution and five new securities were acquired, which are recognised as fixed assets. As of 31 December 2025, the securities portfolio amounted to EUR 1.610 million (previous year: EUR 800 million). The bond value at risk (Bond VaR) totalled EUR 11.2 million at the same time (previous year: EUR 1.5 million) with a confidence level of 99%, 500-day observation period and 20-day holding period.

In 2024, a portfolio of three long-term bonds with a volume of EUR 390 million was also acquired to hedge the interest rate risk from pension obligations. The portfolio remained unchanged in 2025.

Commodity and other price risks are not relevant for our Bank, as we do not hold any significant shareholdings.

Market price risks also include direct and indirect residual value risks. Residual value risk is defined as a negative deviation of the market value at the end of a contract term from the calculated residual value of a leased asset. A direct residual value risk is one in which the lessee has no put option and there is no repurchase agreement with a guarantor, though the latter exists in the case of an indirect residual value risk. Although our Bank does not enter into residual value risks, direct and indirect residual value risks represent a significant risk at the German financial group level and are therefore included in the risk monitoring and risk-bearing capacity calculation.

Credit spread risks in the banking book

The (credit) spread risk in the banking book (CSRBB) is a market price risk. The credit spread is defined as the difference in yield between a risk-free bond and a risky bond. Credit spread risk refers to the risk of changes in the market value of a group of products subject to credit risk due to market perception of credit quality, either as a result of changes in expectations regarding credit quality or changes in market liquidity. The (credit) spread risk of the bond portfolio is determined through a value-at-risk (CSRBB-VaR) calculation together with the interest rate risk and totalled EUR 11.2 million on December 2025 (previous year: EUR 1.5 million).

Pension risks

Our Bank defines pension risk as the risk of increased pension obligations resulting from changes in interest rates and biometric parameters. This risk is included in the risk management and controlling processes and in the risk-bearing capacity calculation. Pension risk is determined using a Monte Carlo simulation and monitored via the individual limit defined in the risk-bearing capacity calculation. In addition, the cash flows resulting from pension obligations are taken into account in all interest rate shock scenarios. Since the publication of BaFin Circular 06/2019, pension cash flows have also been embedded in all scenarios that are relevant for the Supervisory Outlier Test (SOT). Our board is regularly informed of the results of these calculations.

Liquidity risks

The two main liquidity risks identified by our Institution are refinancing risks and insolvency risks.

Refinancing risks

Refinancing risks mean the risk that refinancing funds can only be raised at increased costs due to deteriorating conditions (e.g. rating changes) on the money or capital market. As this can lead to potential profit losses is why this risk is also referred to as

refinancing cost risk. This risk is managed and monitored as part of the Internal Liquidity Adequacy Assessment Process (ILAAP) and the Internal Capital Adequacy Assessment Process (ICAAP), which are embedded in our risk and proprietary business strategy as part of general risk management. The core elements of the ILAAP are the modelling, quantification, validation, monitoring, and reporting of liquidity risks and the review of these processes by internal audits. The aim is to ensure robust liquidity risk management. The liquidity risks described below are also part of the ILAAP. Liquidity risk is managed from an economic perspective through the liquidity development report which compares the expected cash inflows and outflows over a period of 72 months, and on the basis of current forecasts prepared daily by our treasury function. In addition, our Bank calculates liquidity stress tests in various scenarios based on the maturity profile; these are used to calibrate the liquidity buffer.

As of the balance sheet date, our Bank had established the refinancing of its lending business on the following pillars: Deposits from private and institutional customers (63%, previous year: 65%), securitisation transactions via special purpose entities (15%, previous year: 14%), medium-term notes, commercial paper and mortgage bonds (10%, previous year: 9%) as well as borrowing from third-party banks and the issue of instruments that are considered eligible liabilities in restructuring and resolution planning (13%, previous year: 12%).

Our Bank's diversified refinancing structure ensured liquidity at all times during the reporting year. We also regularly revised the liquidity contingency plan in accordance with ILAAP requirements. This includes measures to be taken in case of a liquidity bottleneck, including the planned communication channels. The immediately available sources of liquidity are also shown.

We have set warning thresholds and limits for daily liquidity requirements to guarantee the fulfilment of payment obligations in the mortgage bond business at all times and to identify liquidity bottlenecks. The largest cumulative liquidity gap for the next 180 days is monitored every day. We have also set a warning threshold of 210 days. Continuous coverage must be ensured during this period. Liquidity monitoring in the mortgage bond business also ensures that both the statutory limits and the internal early warning indicators in the liquidity forecast are followed.

As of 31 December 2025, the liquidity coverage ratio (LCR) was 146.7% (previous year: 255%).

The monthly risk reports contain the liquidity development report and key figures so that the dispositive and structural liquidity can be assessed. Our financial management also provides information on cash management, refinancing and investment policy at the meetings of the board of directors.

Insolvency risk

This is the risk of failing to honour payment obligations or not honouring them on time. A potential reason may be a general liquidity disruption on the money markets; this may affect individual institutions or the entire financial market. Especially market disruptions may result in the loss of important assets. Liquidity bottlenecks can also be caused by unexpected events in our lending and deposit business. Our treasury department manages the insolvency risk, while our controlling department is responsible for monitoring it.

With the help of the Daily Liquidity Status and Outlook report, our Bank monitors and forecasts liquidity requirements for the

³ For the assessment of the refinancing cost risk in the ICAAP, see the ICAAP section.

next five days and thus enables us to control sufficient short-term liquidity.

To ensure daily liquidity management, our Bank maintains accounts for the minimum reserve with the ECB. In addition, payment transactions with large positions are processed via Target2 accounts. The balances of these accounts are monitored and made available several times a day so that the required liquidity is also ensured and monitored daily.

Short-term liquidity requirements are assessed using the independent liquidity reserve indicator. To cover these requirements, our Bank currently maintains a liquidity buffer of at least EUR 2.1 billion; this buffer is validated and redefined on a monthly basis using various stress scenarios. In addition, macroeconomic and idiosyncratic stress scenarios and a combination of these scenarios are analysed for liquidity positions and also presented in the risk report.

Strategic business risks

Our Bank considers business strategy risks to be the risk of potential losses and reduced profits due to unfavourable business strategy performance, decisions or business area-specific targets or negative changes in the economic environment. This also includes the failure to achieve sales targets due to changing customer preferences or new market participants. Our board of directors manages strategic risks directly using suitable instruments (e.g. in sales and marketing), while our controlling department monitors them. Our sales units manage sales risks which are also monitored by our controlling department. In this context, we analyse the effects of changes to laws and regulatory requirements as well as consumer protection regulations to take these into account appropriately in our business strategy and product development. As part of the implementation of the Future Financing Act (cooling-off for residual debt insurance), we have introduced measures in good time to ensure that resi-

dual debt insurance (RSV) cannot be sold during the cooling-off phase. In addition, we have shifted the distribution of RSV to a downstream telemarketing process. For the point of sale (PoS), we have introduced revised products for income protection in the retail sector (branch/SDB) and new products from our partner CNPSI in the mobility sector. The sales processes were changed accordingly and extensive internal and external training was provided. With the implementation in 2025, we have been able to fulfil the expectations of our business plans.

Operational risks

Our non-financial risk & internal control division is responsible for measuring and monitoring operational risks.

In accordance with the Capital Requirements Regulation (CRR), our Bank defines operational risk as the risk of losses caused by the inadequacy or failure of internal processes, people and systems or by external events. This definition also includes legal risks. Strategic risks as well as business and reputational risks are explicitly excluded.

Specially trained OpRisk coordinators actively manage operational risks in their respective areas and utilise Group-wide instruments and procedures for this purpose. As a second line of defence, the non-financial risk & internal control department monitors and supports the specialist departments and reports to the risk committees and the full board of directors. The above-mentioned instruments and procedures especially include reporting and analysing loss events that have already occurred (internal loss data), risk control self-assessments and scenarios for anticipating high operational risk potential as well as reviewing early warning and control indicators. Analyses are also planned to identify weaknesses that could trigger increased operational risks. Operational risks are identified and assessed, the risk profile and concentrations are regularly reviewed and risks are systematically mitigated. Furthermore, operational risks are limited

as part of the economic capital and monitored using key figures that measure the risk appetite and are regularly reported to the risk committees. As of 31 December 2025, the primary ratio of the net loss amount, i.e. less any reimbursements, to the gross result "OpRisk net loss to gross margin" was 0.89% (previous year: 0.83%).

Our Institution has implemented a business continuity management concept with the aim of ensuring its functionality. In case of disruptions or emergencies, the business processes identified as critical should be able to continue. Taking into account the DORA requirements, this concept especially includes measures to ensure digital operational resilience; this includes documented failure and recovery plans, regular tests of ICT business continuity and restart capacities as well as mechanisms to monitor and manage ICT-related risks.

Information and communication technology risks, including risks from cybercrime

The risks arising from the use of new technologies, advancing digitalisation and cybercrime have continued to grow in recent years. That is why our Bank pays particular attention to these operational risks.

The main objectives of our cyber security strategy are to protect against cybercrime and build a resilient infrastructure, supported by the use of modern technological tools.

To achieve these goals, we have implemented a cyber security framework that is based on methods of international security standards and at the same time follows the Santander Group's Cyber Security Framework. The regulatory requirements of the Digital Operational Resilience Act (DORA) are taken into account and corresponding guidelines and procedures are derived and implemented.

Our Bank has developed a holistic approach to reduce the probability of cyber-risks by implementing suitable countermeasures and thereby minimising losses from cybercrime. When using cybersecurity services, our Bank benefits from the expertise, services, and resources of the Santander Group. To further strengthen the cyber security architecture and meet the challenges with even more modern methods, our Group continued strategic initiatives in the reporting year; these especially included measures as part of the Secure Development Lifecycle, the implementation of the Zero Trust Access concept and the further development of supply chain security.

Many cyber risks can be traced back to outdated systems and applications. Our Bank follows the Santander Group's "zero tolerance policy" – which aims to prevent outdated software or hardware, overdue critical security patches and overdue critical vulnerabilities. To this end and to review measures, our Institution has introduced corresponding key figures and monitoring mechanisms.

The task of the cybersecurity team assigned to the chief information security officer (CISO) is to ensure the implementation and monitoring of IT security standards. Operational risk and risk appetite indicators have been defined to monitor the main operational risks. In addition, we further improved the control environment within the first line of defence. On a monthly basis, the non-financial risk & internal control department reports the above-mentioned indicators to management and monitors IT and cyber-activities and corresponding measures.

Risk of fraud

Risk of fraud means the risk arising from white-collar crime that threatens our business. To prevent fraud, the fraud steering division of the risk steering department is responsible for developing and optimising fraud prevention systems and processes,

researching suspected fraud reports and filing criminal charges. This division is also responsible for regular reporting, analysing fraud scenarios and training the 1st line functions in sales and the back office. There is a constant flow of information to the central compliance office. The central compliance office determines guidelines for methodology and approaches.

Outsourcing risks/third party risks

Outsourcing risks and third-party risks mean the risk of potential losses due to outsourcing to companies as a result of possible dependencies on these companies, insufficient transparency about these companies or a lack of opportunities to intervene in case of poor internal processes or business difficulties at these companies. To implement the provisions of section 25b KWG, EBA, MaRisk, DORA and the Group-wide requirements for the selection, management and control of relevant service providers, our Bank has put comprehensive regulations in place. These are designed to define the requirements for outsourcing based on their risk content.

Third Party Risk Management (TPRM), which is organisationally part of our controlling division, defines the rules according to which service providers may work for our Institution and provides guidelines for ongoing monitoring. The core tasks here are the centrally-managed risk analyses of external procurement and outsourcing, maintaining a central outsourcing register, reporting and ensuring practicable exit strategies. The actual management and fulfilment of the regulatory requirements are the decentralised responsibility of the respective departments that receive the service.

Legal risks

The Bank defines legal risks as the risks of losses resulting from the violation of legal provisions, regulatory provisions and contractual obligations. This also includes the risks that may arise from changes in jurisdiction for past transactions.

Our legal & governance, compliance and the public policy function update the relevant departments of our Institution about the latest legal and regulatory developments so that these can be appropriately taken into account in our business activities. Contracts and standard forms must be coordinated with our legal department. We form appropriate provisions for existing legal risks.

Process risks

Process risks mean the risk of losses that may arise due to errors in business transactions, process management or relationships with business partners. The business units are responsible for defining their processes and ensuring that they are carried out properly. To reduce risks, controls are defined, evaluated and certified as part of the control model and monitored using organisational security measures. Measures are embedded in both the structural and procedural organisation of our Bank that serve to avoid errors and ensure a specified level of security.

Model risks

Model risks refer to the risk that the application of simplified or inappropriate methods or parameters may not adequately reflect market realities and that our Bank's actual earnings or risk position may therefore not be correctly represented; this also includes the risk of inappropriate application of models. The line manager responsible for the model manages the risks. The risk controlling division is responsible for monitoring risks that may arise from model deficiencies. To ensure that this type of risk is adequately managed and controlled, we have carried out an inventory of risk models and introduced a set of rules for dealing with model risks. In addition, all models are regularly validated and checked for appropriateness.

Compliance risks

The Bank defines compliance risks as the risk of potential losses resulting from non-compliance with regulatory or legal requirements. The responsible line manager manages these risks, while our compliance department monitors them.

The compliance department is tasked with identifying the key legal regulations and requirements with which non-compliance could jeopardise the Institution's assets. This department uses the web-based information system RADAR to identify new legal requirements. The compliance department also regularly reviews reports from national and European banking supervisory authorities and other publicly available sources and monitors the implementation of key legal regulations and requirements. The compliance department also focuses on relevant regulations that do not have any product-specific effects. Our Bank's legal department is responsible for the requirements with product-specific implications.

Reputational risks

Reputational risks are defined as the risk of actual or potential negative economic effects on our Bank as a result of an impairment of our perception by our stakeholders (customers, employees, shareholders, other credit institutions and the general public, such as rating agencies and supervisory authorities). Sustainability aspects are becoming increasingly important. Reputational risks rarely occur on their own, but usually in addition to other types of risk. They are controlled by the responsible line managers. To this end, our regulatory compliance department has prepared guidelines according to which our divisions identify, analyse and evaluate potential risk scenarios to subsequently define and take measures where necessary. These scenarios are reported to the regulatory compliance department which then supports the other divisions in managing their reputational risks. The regulatory compliance department also organises the regular Reputational Risk Forum which is attended by representati-

ves from various divisions of our Bank. The regulatory compliance department also performs reputational risk assessments in which various risk scenarios are modelled; this includes a risk scenario relating to liquidity outflows. We see reputational risks as a key risk driver for our refinancing position on the capital market. The aim of our control system is to avoid or minimise any impairment of our reputation – and therefore our refinancing options. Reputational risks act as a risk driver for other types of risk and should therefore not be regarded as a stand-alone risk type.

Other types of risk

In addition to the material risks that are directly included in the risk-bearing capacity calculation, our risk inventory identified the following relevant risks: migration risks, industry and sector risks, investment risks, placement risks, strategy implementation risks, procurement risks, conduct risks, financial crime risks, financial reporting and tax risks, physical risks, and personnel and sustainability risks (ESG risks). The latter two risk types act as risk drivers for other risk types and should therefore not be regarded as stand-alone risk types. Relevant risks occur if the assessment results in an overall score of at least 2.3 but less than 2.5. In compliance with the three lines of defence model, the relevant divisions manage and monitor these risks which are explained below.

Migration risks

Migration risks refer to the risk of a loss occurring within the agreed credit period, which does not constitute a default, due to a deterioration in the creditworthiness of a borrower. Our risk management units manage these risks and the risk controlling department monitors them.

Sector risks

Sector risks mean the risk arising from exposure to specific sectors due to the concentration on certain products or services that

are exposed to different economic developments over time (e.g. changing consumer habits or changes in commodity prices). Sector risks are monitored as part of concentration risk monitoring. Our risk management department prepares regular reports for the main sectors.

Investment risks

Our Bank defines investment risks as the risk of a decline in the carrying amounts of investments, a default on dividend payments and any additional funding obligations. This risk is reviewed and assessed as part of the so-called impairment test. When acquiring further investments, we review the materiality of this type of risk as part of the acquisition analysis, which corresponds to an event-driven risk inventory, and implement further control mechanisms if necessary.

Placement risks

This includes the risk that forecast prices or planned volumes of an own issue will not be achieved. This may result in a refinancing cost risk or insolvency risk.

Strategy implementation risks

Strategy implementation risks are often project-related and managed as such as part of project management. We implemented a new product process in which the standards for minimising project risks are specified when launching new products or entering new markets. IT projects are managed and monitored in accordance with the existing committee structure, including defined prioritisation and escalation mechanisms.

Procurement risks

Our Bank defines procurement risks as the risk that occur during the purchasing process or the procurement of products, services or resources as a result of price fluctuations and complicates the price calculation.

Conduct risks

Conduct risks mean the existing or future risk of losses as a result of misconduct or inappropriate practices by our Bank in customer relationships. This includes the way in which customers are treated, as well as the products and services offered by our Institution and their suitability for each customer. Conduct risks are primarily identified, evaluated, managed and minimised by the specialist departments that have direct or indirect contact with customers. These primarily include the areas responsible for product development, sales, customer service and receivables management. Group-wide instruments and procedures, such as the Conduct Risk Self Assessment and various metrics and KPIs for monitoring conduct risks, e.g. in connection with receivables management or insurance sales, are used. The compliance division defines the framework for managing these risks and monitors compliance using a comprehensive monitoring and control system. This includes close support for the launch of new products, the monitoring of all existing products, the review and approval of advertising and marketing materials, and training measures for sales. It also includes monitoring the number and causes of complaints and carrying out root cause analyses as an indicator of potential grievances. For the securities business in particular, we plan to randomly check customer documents and, if necessary, release them with amendments to ensure the necessary integrity and transparency. The focus here is on potential product risks and costs for customers. In addition, the training measures for our employees in the securities business are reviewed to ensure that their content is correct and that they prioritise customer interests. The same is intended for all internal work instructions and guidelines.

Financial crime risks

Financial crime risks include the risk of fraud, money laundering and terrorist financing, corruption, bribery and influence peddling, stock market crime or market abuse, and disclosure of company secrets.

To counter these risks, regular risk analyses (section 5 and 9 GwG) provide a risk reduction concept in accordance with section 25h paragraph 1 sentence 1 pursuant to paragraph 7 sentence 1 KWG, taking into account the organisationally defined risk aspects. In addition to the identification and assessment of risks, these risk analyses also include the preparation of appropriate risk-reducing measures.

Financial reporting and tax risks

This type of risk means losses due to errors in internal accounting, the preparation of the annual financial statements and the preparation and/or publication of financial information.

Physical risks

These risks include losses related to the Bank's physical security that arise, e.g. from natural disasters, wilful damage to property, civil liability (public safety) or accidental damage to property.

Personnel risks

Our Bank defines personnel risks as the risk of losses arising from inadequate qualitative and/or quantitative staffing levels which are the responsibility of our human resources division. This division analyses the qualitative and quantitative staffing levels annually and derives measures from the results together with the specialist departments. As part of the transformation project, a governance model was established to manage and monitor workload reduction measures. The process of this governance model stipulates that our board of directors is regularly informed about the status, progress, risks and corresponding mitigating measures. To counteract potential risks to the proper continuation of our business operations, our board of directors has the authority to take further measures at any time.

Sustainability risks

Sustainability risks (ESG risks) include environmental, social and governance-related aspects. These act as risk drivers for other risk types, such as credit risks or operational risks or the exter-

nal perception of our Bank's reputation. Sustainability risks are not considered a separate type of risk, but a secondary risk. We already take these risks into account as part of the "established" risk types – for example in the lending process of our corporate customer business or in operational risk management when we record external events. In view of current social, economic and regulatory trends, we are working on further integrating sustainability risks into our risk management and risk controlling processes. In the reporting year, we analysed the drivers of ESG risks as part of the risk inventory, discussed them and simulated the effects of an extreme weather scenario and a transitory scenario on our customers and portfolios. We have analysed the impacts of significant risks (including credit risks, direct residual value risks and operational risks) as part of our risk-bearing capacity. Risk-bearing capacity is considered in both scenarios.

Concentration risks

Our Bank also manages and monitors potential concentration risks. The Herfindahl-Hirschman index is used to assess concentration. Concentration risks are risks that arise from an uneven distribution of business partners in credit and other business relationships as well as from sectoral or geographical business focuses, and which may also have a significant negative impact on the operating result. Concentration risks are not considered an independent risk type, but can occur within a single risk type or together in different risk types and have an amplifying effect. Our business model gives rise to potential concentrations primarily due to the type of assets to be financed (motor vehicles) and the sharp increase in framework lines for ever larger car manufacturers in the market as well as larger customer receivables in the business and corporate banking portfolio. We present the effects of identified concentrations monthly in the notes to the risk report; the monthly risk report also contains an overview of the largest individual exposures. We have also defined size- and industry-dependent risk tolerances to efficiently limit and avoid

concentration risks. We monitor and limit deliberate concentration risks from market developments by regularly evaluating them using risk appetite indicators.

Sector risks are also analysed from a concentration risk perspective. Our Bank has implemented regulations to limit certain sectors. In the case of SME financing, monitoring is also carried out on the basis of industry reports.

In our mortgage bond business, possible concentration risks – in relation to the cover pool underlying the mortgage bonds – must be limited in accordance with the PfandBG. Our Bank ensures compliance with this requirement by setting internal warning thresholds and limits. The authorisation criteria of the location, the collateral object and the loan amount are taken into account.

Considerations regarding concentration risk are also applied to liquidity risk. We regularly monitor the liquidity structure and maturities of these risks.

For the subsidiary, Santander Consumer Leasing GmbH, there are concentrations for vehicle returns at the dealer level. These are regularly monitored as part of the risk reporting system.

Identified concentration risk scenarios are mapped in the risk-bearing capacity calculation.

ICAAP

Two complementary perspectives are defined in the ICAAP: The normative perspective ensures that the regulatory capital ratios for the next three years are followed in the base scenario and additionally monitored using two adverse scenarios. The normative perspective takes into account all material risks that could have an impact on relevant regulatory key figures – including own funds and risk position amounts – during the planning period. By contrast, the economic perspective primarily ensures adequate capitalisation based on the economic value of the

institution. The two ICAAP perspectives are closely linked and inform and complement each other.

The economic perspective considers the internal capital on a near present value basis and the economic capital requirements on a present value basis. Adequate capitalisation is deemed to exist if the sum of the material risks is covered by the internal capital which represents the economic value of the institution. The ratio between internal capital and the sum of economic capital requirements is known as the economic capital coverage ratio (ECCR). From an economic perspective, capitalisation is considered adequate if this ratio exceeds 100%. The economic perspective is based on a value at risk (VaR) approach with a standardised confidence level of 99.95% for all risk types. The economic perspective generally has a holding period of one year. To ensure conservative calculations, the internal capital is derived from balance sheet figures close to the present value by adjusting for hidden liabilities and other deductible items.

The counterparty default risk is calculated by determining a loss distribution of the loan portfolio on the basis of a Monte Carlo simulation for a holding period of one year. The basis for this is Banco Santander's credit portfolio model (multi-factor model). VaR is calculated as a measure of risk with a confidence level of 99.95%. Unexpected loss is calculated as the difference between VaR and expected credit risks.

As of 31 December 2025, the total capitalised amount for credit risk was EUR 633.2 million (previous year: EUR 742.9 million). At the same time, the ECCR ratio for the main business segments was between 130% and 889% of the total capitalised amount for credit risk.

Counterparty default risk is part of the counterparty default risk and the credit portfolio model described above. As of 31 December 2025, this risk amounted to EUR 331.0 million (previous year: EUR 215.4 million).

To calculate interest rate risk, a loss distribution is estimated based on a historical simulation with a holding period of 62 days. The risk-free yield curve of the Euro Short-Term Rate (€STR) swap is used for this. The value at risk for interest rate risks (interest rate risk VaR) at a confidence level of 99.95% totalled EUR 113.5 million on the balance sheet date (previous year: EUR 165.5 million). In addition, changes are calculated for various historical and hypothetical stress scenarios (including a parallel shift of the yield curve by 100 basis points as a key internal control variable).

The value at risk for ABS risks (ABS VaR) determines the loss in value of the retained bonds from own securitisation transactions at a confidence level of 99.95%. This loss in value is derived from historically observed spread changes. On 31 December 2025, this risk amounted to EUR 2.8 million (previous year: EUR 2.3 million).

For existing market price risks from losses in the value of bonds, the value at risk (bond VaR) with a holding period of 20 days and a confidence level of 99.95% totalled EUR 36.6 million (previous year: EUR 27.8 million). The reason for the shorter holding period compared to the other risk types is the acquisition of only highly liquid assets that we expect to be able to sell on the market at any time.

The value at risk for managing foreign currency risks (FX risk VaR) was EUR 1.0 million in December 2025 (previous year: EUR 2.7 million) and thus within the defined limit. To determine the market price risk, the historical simulation with a holding period of 62 working days and a confidence level of 99.95% is used for foreign currency risks.

The quantification of the direct residual value risk is based on a Monte Carlo simulation to determine the 99.95% quantile. SC Leasing's economic capital requirements totalled EUR 72.8 mil-

lion on the balance sheet date. The calculation of the indirect residual value risk is based on the same model as the direct residual value risk. The risk assessment also takes into account the probability of default of the repurchase guarantor (e.g. the dealer), as well as a portfolio-specific add-on to account for the risk of unexpected losses. The total amount recognised by SC Leasing on the balance sheet date was EUR 25.1 million.

Operational risk is determined using the loss database and external data from the Operational Riskdata eXchange Association (ORX) and scenario analyses (own surveys). To this end, the loss data is first allocated to the seven event categories in accordance with Basel II and then the loss frequencies per year and the respective loss amounts are modelled. Loss distributions are calculated using Monte Carlo simulations. The economic capital for operational risks is calculated in the form of a value at risk with an observation period of one year and totalled EUR 389.9 million on the balance sheet date (previous year: EUR 397.7 million).

The liquidity VaR for determining the refinancing cost risk is based on the liquidity gap report and measures the monetary impact of changes in our Bank's refinancing costs that may arise from closing potential future liquidity gaps. Refinancing costs are simulated using historical CDS spread curves based on a data history since 2012. Banco Santander's CDS spread curve is the main risk driver for refinancing cost risk. The CDS spread is regarded as the premium that the Bank has to pay to investors. A higher CDS spread leads to higher refinancing costs and, therefore, risk. All of our Bank's cash flows are included in the refinancing cost risk, which leads to a very conservative approach with regard to the CSRBB. These cash flows include issues such as collateralised bonds, ABS and MTNs. The holding period for closing liquidity gaps is set to 62 trading days. The VaR at the

end of the reporting year was EUR 42.6 million and was significantly higher than in the previous year when it had been EUR 0.1 million due to the non-maturity deposit update in June 2025.

The calculation of business risk is based on a normal distribution calibrated with the differences between budgeted and realised profit. On 31 December 2025, the VaR was EUR 153.3 million (previous year: EUR 101.5 million).

Pension risks are calculated using Monte Carlo simulations. The iBoxx curve is used to discount the cash flows of pension obligations. Interest rate risks for pension obligations are recognised as part of interest rate risks. The spread between the risk-free yield curve and the iBoxx curve is modelled using a stochastic model. Changes in the spread are then included in the VaR for pension risks as CSBB. Longevity risks are modelled as normally distributed. The VaR totalled EUR 26.4 million on the balance sheet date (previous year: EUR 54.8 million).

Model risks are calculated implicitly in the above-mentioned risk types and are taken into account by adding premiums to the parameters on which the risk types are based.

In addition, our Bank regularly carries out an overall bank stress test which includes all significant risk types. An additional, more detailed view of sensitivity follows from historical and hypothetical scenarios as well as stress tests with macroeconomic factors. Idiosyncratic and market-wide scenarios as well as their combinations are presented. Furthermore, potential risk drivers for the implementation of inverse stress tests are identified. Our Bank implements a total of four crisis stress tests with an inverse orientation which are of particular importance for the preparation of the reorganisation plan for the Santander Group.

ESG-related risk factors are also taken into account in our overall bank stress tests which – based on scientific models – are intended to show the effects of physical and transitory risks.

The adequacy of our Bank's capitalisation is monitored using a three-tier risk tolerance system both at the overall bank level and at the level of risk types and business lines. In the reporting year, the capitalisation in both management groups was adequate at all times. On the balance sheet date, the capital cover ratio was 239.6% (previous year: 222.2%). This ratio results from internal capital which totalled EUR 3,353.1 million (previous year: EUR 3,322.1 million) and the sum of the economic losses of the main risk types totalling EUR 1,399.3 million (previous year: EUR 1,495.2 million).

The common equity tier 1 capital ratio under section 10 KWG pursuant to Article 92(1)(a) CRR was 17.08% (previous year: 14.94%); the core capital ratio 17.08% after 14.94% in 2024. Equity within the meaning of section 10 KWG pursuant to Article 72 CRR totalled EUR 3.592 billion (previous year: EUR 3.532 billion). Risk-weighted assets (RWA) totalled EUR 18.615 billion (previous year: EUR 20.997 billion). This results in a total capital ratio within the meaning of Article 92(1)(c) CRR of 19.30% at the end of 2025 (previous year: 16.83%).

The regulatory and economic aspects of all capital topics are presented and discussed at the local capital forum. Our board is represented at this forum by the CAO and the CRO. Our entire board of directors makes decisions, e.g. on capital measures, on the basis of the discussions held there.

CONCLUDING REMARKS ON THE RISK REPORT

The 2025 financial year was characterised by the stagnation of the German economy which has lasted for around three years. This standstill is due to economic factors, structural deficits, geopolitical changes and a decline in exports since 2023.

In this financial year too, increased expenses for risk provisioning required targeted management. In the reporting year, the impact of higher price levels on our customers' household income and the continued weakness of the German economy, which is also evident in the number of corporate insolvencies, were reflected in a higher level of observed loan default rates in the private customer business compared to 2024. To limit risk content of new business in the long term, we have therefore taken extensive measures to significantly reduce the volume of new business in certain business areas in favour of a higher average customer credit rating. Against this backdrop and in view of the ongoing uncertainties, we are maintaining our risk appetite.

As in previous years, we further developed the risk management and risk controlling system as key components of adequate bank management in the reporting year and introduced the MAT system for Group-wide reporting of interest rate risk. To further optimise risk management and risk controlling processes, we intend to transfer the next portfolios to the IRBA. Following approval by the regulator, we intend to utilise the internal approach for vehicle financing for commercial customers who are not assigned to the business & corporate banking portfolio or are car dealers. We expect this to be realised in 2026.

The current macroeconomic situation remains fragile overall, particularly in view of the high risk of external shocks, such as additional tariffs or disruptions of global supply chains (e.g. of chips or rare earths). We therefore assume that the next financial year will also be characterised by a high level of uncertainty and a wide range of challenges for the economy and society. We monitor these developments closely and analyse them continuously to develop and implement appropriate measures based on our experience to date.

OUTLOOK AND OPPORTUNITY REPORT

The IMF projects global economic growth of 3.3% for 2026. The advanced economies are expected to grow by 1.8% and emerging and developing countries by 4.2%. Inflation is likely to continue to decline worldwide, albeit with regional differences: In the USA, it is expected to remain above the target value – with upside risks – while it is likely to decrease in other economies. Risks continue to exist. Factors such as ongoing uncertainty, increasing protectionism and bottlenecks on the labour markets could have a negative impact on growth. Fiscal weakness and possible corrections on financial markets could jeopardise stability. Geopolitical conflicts remain a significant risk factor.

In the Eurozone, economic recovery is likely to consolidate further after 2025. The ECB forecasts economic growth of 1.2% for 2026. The main driver remains domestic demand, supported by rising real wages and increasing employment. New government spending on infrastructure and defence, particularly in Germany, and less restrictive financing conditions should provide additional impetus for domestic demand. The ECB also expects foreign demand to recover in an environment of decreasing trade policy uncertainties despite higher tariffs.

In Germany, government investment in infrastructure and defence is likely to contribute to a broader economic upturn in the coming year. Higher wages and a gradual recovery of the labour market should have a positive impact on real disposable income and lead to a slight increase in private consumer spending. However, due to its deteriorated competitiveness, the German export industry will probably only benefit to a limited extent from growing foreign demand. In addition, the erratic customs policy of the US government remains a risk factor. The expansive fiscal policy cannot solve the fundamental structural challenges of digitalisation, bureaucracy and competitiveness. Nor can it support economic development in the long term. To this end, further political measures, e.g. to reduce bureaucracy, must be taken and consistently implemented. Overall, economic growth of around 1% has been projected for Germany in 2026.

Inflation in Germany is expected to stabilise further in the coming year at around 2.0%, following 2.2% in the reporting year. Lower energy prices as a result of falling grid fees and the appreciation of the euro should support this. In addition, the general rise in wages is expected to gradually weaken despite the minimum wage increase. Overall, the expected inflation trend indicates that the ECB is likely to leave key interest rates unchanged in 2026. The high volatility of energy prices and uncertainties regarding international customs policies continue to pose general inflation risks.

Following the renewed rise in the unemployment rate in 2025, the labour market is expected to ease slightly in the coming year as the economy recovers. In addition, the decline in labour supply especially due to demographic factors is likely to become increasingly noticeable. Accordingly, a slight decline in the unemployment rate is expected in 2026.

The macroeconomic forecasts for Germany are of central importance to our Bank. In this challenging environment, we anticipate the developments described below in our mobility and direct business segments.

In the **mobility** sector, we are one of the largest manufacturer-independent financing partners in the car, motorcycle and (motor)caravan sectors in terms of credit volume. Santander is also one of the largest lenders among the manufacturer banks known as “captives” in Germany. Our strategy is geared towards securing our strong market position in the long term.

For Germany, we are forecasting around 7.0 million transfers of vehicle ownership and around 2.8 million new registrations in the coming year. For the number of vehicle registrations on the German market, we therefore assume that this will increase slightly compared to 2025, but will remain below the pre-COVID level.

In the end customer segment of the new mobility business, we expect a financing volume of around EUR 6.9 billion in 2026 which represents growth compared to 2025. We expect credit turnover to increase slightly to around EUR 10.4 billion for dealer purchase financing.

We want to further strengthen our collaboration with dealers and importers in the coming year – e.g. by supporting them in their digital transformation. This will especially be made possible by further expanding our platform business via our own mobility platform Autobörse.de. We will continue to work on expanding our omni-channel approach in the mobility segment in the next financial year.

With regard to our direct business, we are planning to take account of our direct business, we plan to consider changing customer needs by increasingly focussing on our Santander direct consultation service in addition to personal consultation at our bank locations/branches. For example, we want to increasingly address our customers via digital channels and remote services. We want aim to increase both customer loyalty and product penetration – i.e. (the number of products per customer) – through a highly personalised customer approach. At the same time, we are systematically developing our omni-channel market presence: our customers decide how they want to use our services and communicate with us. For 2026, we expect new business in direct business to increase moderately compared to the reporting year to EUR 1.6 billion.

In the coming years, our Bank will cover its refinancing requirements primarily through customer deposits. In addition, we will continue to rely on our proven strategy of securitising customer receivables and subsequently placing them on capital markets through special purpose vehicles. At the same time, we will continue to utilise our range of short and long-term refinancing instruments as required. These include drawings under our commercial paper programme. We will also continue to focus on broad diversification of our liabilities.

For 2026, our Bank expects the trends described below for key earnings components and the most significant financial performance indicators:

Key figure	Forecast for 2026	Details
Net interest income	Moderate increase	Stable, but lower interest rates than in previous years will lead to slightly lower interest income and moderately lower interest expenses
Net commission income	Significant increase	Moderate increase in income from the insurance business and slightly lower commission expenses to dealers
Administrative expenses	Considerable decline	Considerable decrease in personnel expenses and moderate decrease in other administrative expenses
Net risk costs	Considerable decline	Decreasing need for specific loan loss provisions in the corporate client business, especially due to the decline in business
Annual result	Strongly increasing	Rising income, lower administrative expenses and reduced risk costs
Cost-income ratio (CIR)	Considerably improved	Increasing income and decreasing administrative expenses
RoRWA	Strongly increasing	Strong increase in net income for the year outweighs the moderate rise in the volume of our risk-weighted assets (RWA)

CORPORATE GOVERNANCE STATEMENT

In August 2021, the Second German Executives Positions Act (Zweites Führungspositionen-Gesetz (FüPoG II)) for the equal participation of women and men in management positions in the private and public sectors was passed – with the aim of increasing the proportion of women in management positions and ultimately achieving gender parity.

In accordance with sections 111 (5) and 76 (4) AktG, Santander Consumer Bank AG is responsible for setting targets for the proportion of women on the supervisory board, the board of directors and the two management levels below the board of directors, and for setting deadlines for achieving these targets.

Our supervisory board and board of directors first defined targets for the proportion of women in 2021. The deadline for achieving these targets was set for the end of the 2025 financial year. The following overview shows respective target figures and the degree to which the target has been achieved on 31 December 2025.

The reason for not achieving the target proportion of women on the supervisory board was due to a series of organisational and personnel changes at the Group company level which made it necessary to replace members. The supervisory board positions

Targets

	Target	31/12/2025
Supervisory board	50%	42%
Board of directors	20%	20%
First management level	30%	21%
Second management level	30%	24%

were filled based on suitability, qualification and connection to the business of Santander Consumer Bank AG.

The failure to achieve the target ratio at the two management levels below the board of director was due to low fluctuation in existing positions and structural conditions. The total number of management positions was reduced, meaning that in many cases, no replacement was found. Where appointments replacements were made, these were based on suitability, ability qualifications and experience.

Regardless of this, our Bank continues to consistently pursue the goal of permanently increasing the proportion of women in management positions. To this end, we are continuing the existing measures to promote female managers and evolve them as needed.

The targets already set for 2021 continue to apply. They are to be achieved by 31 December 2030.

Mönchengladbach, February 18th, 2026

The Board

Nikkilä

Donat

Hanswillemenke

Smailus

Silva



BALANCE SHEET/ PROFIT AND LOSS STATEMENT

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BALANCE SHEET AS OF 31 DECEMBER 2025

of Santander Consumer Bank AG, Mönchengladbach/Germany

Assets	2025 EUR	2025 EUR	2024 TEUR	2024 TEUR
1. Cash reserve				
a) Cash-in-hand	40,928,119.02		59,557	
b) Central bank balances	441,997,958.07	482,926,077.09	826,812	886,369
of which with German Central Bank EUR 441,997,958.07 (prior year TEUR 826,812)				
2. Receivables from banks				
a) Due on demand	1,123,487,278.09		3,016,874	
b) Other receivables	5,997,726,714.61	7,121,213,992.70	6,801,481	9,818,355
3. Receivables from customers		36,472,699,205.15		36,749,325
of which: collateralized by mortgages EUR 1,988,661,113.94 (prior year TEUR 1,866,943)				
of which: mortgage loans EUR 2,176,648,192.16 (prior year TEUR 2,468,860)				
4. Bonds and other fixed-income securities				
a) Bonds and debentures				
aa) of other issuers	0.00		0	
ab) from other issuers	0.00		49,776	
b) Bonds and debentures				
ba) of public issuers	1,844,230,153.03		1,072,623	
bb) of other issuers	1,861,420,768.87		3,042,543	
c) own securities	25,031,304.82	3,730,682,226.72	25,064	4,190,006
of which: eligible as collateral for borrowings				
German Central Bank EUR 1,861,420,768.87 (prior year TEUR 3,042,543)				
5. Shares and other non-fixed-income securities		3,775.48		4
6. Investments		105,614.00		106
7. Shares in affiliated companies		873,004,124.46		884,675
of which in financial institutions EUR 675,343,050.74 (prior year TEUR 693,840)				
of which in financial services institutions EUR 157,574,659.27 (prior year TEUR 150,749)				
8. Trust assets		0.00		0
of which loans on a trust basis EUR 0,00 (prior year TEUR 0)				
9. Intangible fixed assets				
a) concessions acquired for consideration, trademarks and similar rights and assets as well as licenses to such rights and assets	107,276,183.30		132,780	
b) advance payments	14,805,774.16	122,081,957.46	27,505	160,287
10. Tangible fixed assets		48,882,707.96		47,142
11. Other assets		295,045,011.39		178,168
12. Prepaid expenses				
a) from issuance business and credit business	27,013,578.53		33,626	
b) other	3,690,964.46	30,704,542.99	5,100	38,726
Total assets		49,177,349,235.40		52,953,163

BALANCE SHEET AS OF 31 DECEMBER 2025

of Santander Consumer Bank AG, Mönchengladbach/Germany

Equity and liabilities	2025 EUR	2025 EUR	2025 EUR	2024 TEUR	2024 TEUR
1. Liabilities to financial institutions					
a) Due on demand		15,855,960.42		18,936	
b) Subject to agreed term or notice period		3,300,534,229.77	3,316,390,190.19	2,550,622	2,569,558
2. Liabilities to customers					
a) Savings deposits					
aa) Subject to three months' agreed notice period	375,863,863.86			439,914	
ab) Subject to agreed notice period of more than three months	92,756.86	375,956,620.72		178	
b) Other liabilities					
ba) Due on demand	16,376,564,188.85			19,549,183	
bb) Subject to agreed term or notice period	12,569,897,936.24	28,946,462,125.09	29,322,418,745.81	12,388,194	32,377,469
3. Bonded liabilities					
a) Bonded mortgage loans		525,219,294.20		525,220	
b) Debentures		3,813,809,087.58	4,339,028,381.78	3,883,259	4,408,479
4. Trust liabilities			0.00		0
of which loans on a trust basis EUR 0.00 (prior year TEUR 0)					
5. Other liabilities			7,365,076,573.62		8,769,519
6. Deferred income					
a) from issuance and credit business		109,528,605.21		100,412	
b) others		1,883,164.72	111,411,769.93	1,903	102,316
7. Provisions					
a) Provisions for pensions and similar obligations		455,857,613.00		463,752	
b) Provisions for taxes		0.00		0	
c) Other provisions		267,312,360.68	723,169,973.68	260,916	724,668
8. Subordinated liabilities			185,603,861.11		185,862
9. Participatory capital			220,900,481.01		221,941
of which due within two years EUR 0.00 (prior year TEUR 0)					
10. Equity					
a) Subscribed capital					
aa) Share capital	30,002,000.00			30,002	
ab) Silent partners' capital contributions	5,112,918.81	35,114,918.81		5,113	
b) Capital reserves		3,557,774,774.98		3,557,775	
c) Revenue reserves					
ca) Legal reserve	100,213.21			100	
cb) Other revenue reserves	359,351.27	459,564.48		359	
d) Net retained profits/net accumulated losses		0.00		0	
			3,593,349,258.27		3,593,349
Total equity and liabilities			49,177,349,235.40		52,953,161
1. Contingent liabilities					
a) Liabilities under guarantees and warranty agreements			313,710,482.97		564,447
2. Other commitments					
a) Irrevocable loan commitments			1,042,301,768.80		1,163,699

PROFIT AND LOSS STATEMENT

of Santander Consumer Bank AG, Mönchengladbach/Germany for the Period from 1 January to 31 December 2025

Expenses	2025 EUR	2025 EUR	2025 EUR	2024 TEUR	2024 TEUR	2024 TEUR
1. Interest expenses		991,226,838.51			1,173,517	
negative interest expenses		-2,011.21	991,224,827.30		-3	1,173,514
2. Commission expenses			414,891,321.15			417,019
3. General administration expenses						
a) Personnel expenses						
aa) Wages and salaries	222,601,615.81			269,914		
ab) Social security, post-employment costs and other employee benefits	47,451,871.07	270,053,486.88		47,424	317,338	
of which: post-employment costs EUR 17,044,418.08 (prior year TEUR 17,576)						
b) Other administration expenses		388,816,638.37	658,870,125.25		390,852	708,190
4. Amortization and write-downs of intangible assets and depreciation on, and write-downs of, tangible assets			73,797,171.31			73,537
5. Other operating expenses			31,378,109.40			29,165
thereof: effects from discounting and unwinding of discounts EUR 9,728,892.16 (prior year TEUR 9,153)						
6. Write-downs of and allowances on receivables and certain securities as well as additions to loan loss provisions			479,810,385.36			288,453
7. Write-downs and allowances for losses on investments, shares in affiliated companies and securities treated as fixed assets			50,000,000.00			0
8. Taxes on income and Earnings			0.00			0
9. Other taxes unless disclosed under item 5			86,928.82			54
10. Profits transferred on account of cash pools, profit transfer or partial profit transfer agreements			186,739,752.36			206,995
11. Net income for the financial year			0.00			0
Total expenses			2,886,798,620.95			2,896,927

PROFIT AND LOSS STATEMENT

of Santander Consumer Bank AG, Mönchengladbach/Germany for the Period from 1 January to 31 December 2025

Income	2025 EUR	2025 EUR	2025 EUR	2024 TEUR	2024 TEUR	2024 TEUR
1. Interest income from						
a) Lending and money market transactions	2,196,577,287.35			2,251,106		
Negative interest from lending and money market transactions	0.00	2,196,577,287.35		0	2,251,106	
b) Fixed-income securities and book-entry securities		58,648,493.62	2,255,225,780.97		34,608	2,285,714
2. Current income from						
a) Shares and other non-fixed-income securities		144,462.89			141	
b) Investments		280,506.50			251	
c) Shares in affiliated companies		0.00	424,969.39		0	392
3. Income from profit poolings and profit & loss transfer agreements			103,930,458.86			8,614
4. Commission income			462,942,771.95			527,773
5. Other operating income			64,274,639.78			74,437
thereof: effects from discounting and unwinding of discounts EUR 0.00 (prior year TEUR 0)						
6. Income from revaluation of investments, shares in affiliated companies and securities treated as fixed assets			0.00			0
7. Refunded income taxes			0.00			0
Total income			2,886,798,620.95			2,896,930



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NOTES TO THE 2025 FINANCIAL STATEMENT

I. GENERAL NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Santander Consumer Bank AG has its business address at Santander-Platz 1, 41061 Mönchengladbach, Germany. Its registered office is in Mönchengladbach and is registered at the Mönchengladbach District Court under HRB 1747.

The company's annual financial statements as of 31 December 2025 were prepared on the basis of the accounting regulations of the German Commercial Code (HGB) for a large corporation and the Regulation on the Rendering of Accounts of Credit Institutions.

In addition, the provisions of the German Stock Corporation Act and the German Mortgage Bond (Pfandbrief) Act had to be observed. To represent the Santander Consumer Bank AG's universal banking operations appropriately, the structuring requirements for mortgage banks were taken into account by including an "of which" remark in the respective items. The disclosures regarding the mortgage bond business are presented in section V: other disclosures.

II. ACCOUNTING AND MEASUREMENT METHODS

Asset and liabilities items are stated on the balance sheet and measured with adherence to general accounting and measurement principles.

Specifically, the following accounting and measurement methods were applied:

Cash reserves are recognised at nominal value. **Receivables from banks** and **receivables from customers** are recognised at nominal value including interest accrued up to the balance sheet date and reduced by value adjustments.

For part of the portfolio, **receivables from customers**, in this case instalment loans, are recognised in the amount of the outstanding balances or outstanding repayment instalments less future interest and less value adjustments.

Accrued interest for the Santander Consumer Bank AG portfolio recognised using the gross loan method in accordance with §23 RechKredV is generally calculated using the annuity method.

A risk provision is recognised for credit risks in the lending business in the amount of the expected loss in accordance with IFRS 9. In the case of general valuation allowances, the calculation is carried out using a model-based procedure based on the exposure at the time of default (EAD), the expected losses given default (LGD), and the probability of default (PD) used in the IFRS 9 context. For receivables that have experienced a signifi-

cant increase in credit risk since being granted, the expected loss over the remaining life of the receivable is recognised instead of the one-year loss. On the other hand, for defaulted receivables, a scenario-weighted specific valuation allowance is calculated based on the individually expected cash flows, taking collateral into account. Specific valuation allowances are also recognised, if necessary, for exposures in the areas of dealer purchase financing or business banking where there is an arrears situation or an acute deterioration in creditworthiness, following an examination of the individual circumstances.

Bonds and other fixed-interest securities are initially recognised at cost. If they are not allocated to fixed assets, subsequent measurement is based on the strict lower of cost or market method. The lower of cost or market discount is recognised if the original or remaining term of the bonds at the time of acquisition is less than one year. If the impairment of securities held as fixed assets is only expected to be temporary, the value is retained, with the exception of securities purchased above nominal value.

In 2024, **synthetic securitisation** (SCGB 2024-1) with a total nominal volume of EUR 1,293,906k was used to hedge default risks in the BCB receivables portfolio without involving a special purpose entity. In this transaction, the Bank issued a credit-linked note (CLN) of EUR 179,900k and will initially bear the default risk of the first loss tranche (EUR 12,939k). At Santander Consumer Bank, in its capacity as creditor, the loan collateral transaction is recognised as loan collateral received within the meaning of IDW RS BFA 1 and is not measured individually, but included in the measurement of the collateralised customer receivables

portfolio. Therefore, no additional provisions for risks are made for the collateralised customer receivables portfolio for up to EUR 179,900k (of which EUR 121,816 is outstanding as of 31 December 2025) once the losses from the synthetic securitisation exceed the volume of the unsecured first loss tranche. To date, the loan collateral has not yet influenced the measurement of these receivables, as the losses from the reference portfolio are smaller than the unsecured first loss tranche.

Investments and shares in affiliates are recognised at cost. If the annual impairment test shows a lower fair value and this impairment is considered to be other than temporary, the asset is written down to this lower value. The measurement is based on the German income approach in accordance with IDW S 1.

Intangible assets and property, plant and equipment are recognised at cost less straightline amortisation and depreciation. The useful life of intangible assets is three years (non-core banking systems). A scheduled useful life of five years is recognised for core banking systems that were capitalised, at the latest, before or on 30 September 2023. For systems purchased after 30 September 2023, the useful life is three years. The useful lives of tangible fixed assets are generally between five and ten years. Unscheduled depreciations are performed if permanent reductions in value are projected. Advance payments are recognised at nominal value.

Low-value assets with acquisition costs of up to EUR 250 are written off in full in the year of acquisition. The remaining low-value assets with acquisition costs of up to EUR 1,000 are combined into a collective item and depreciated over a period of five years.

Other assets are recognised at nominal value, if necessary, less amortisation to the lower fair value.

Prepaid expenses are subdivided into "from the issuing and lending business" and "other". The former originate from the bond issuing business and are released in instalments over the term of the underlying transactions via the interest expense, while the others items are released on a straight-line basis over the period of the consideration obligation.

Liabilities are recognised in the balance sheet at the settlement amount including interest accrued up to the balance sheet date.

Securitised liabilities are also recognised at the settlement amount including interest accrued up to the balance sheet date. Discounts from the issuing business are recorded as prepaid expenses.

The issued credit-linked notes (CLN) from a synthetic securitisation included in this item are structured financial instruments within the meaning of IDW RS HFA 22. These are recognised separately from the economically embedded credit default swap at the settlement amount.

Deferred income is subdivided into "from the issuing and lending business" and "other". Of the former, those from the issuing business are released over the term in instalments as an adjustment to the interest expenses and those from the lending business are released over the term of the underlying transactions in instalments via the interest income. Other deferrals are dissolved linearly during the return obligations commitment period.

Provisions for pensions and similar obligations are measured at the settlement amount required according to prudent business judgement: They were determined by independent actuaries using the projected unit credit method. The determination was made using insurance-mathematical principles on the basis

of the 2018 G mortality tables of Prof. Dr. Klaus Heubeck. Provisions for pensions and similar obligations with long-term payment dates are discounted uniformly in accordance with section 253(2) sentence 2 HGB using the average market interest rate for assumed remaining terms of 15 years. The discount rates published by the German Federal Bank in accordance with the German Regulation on the Discounting of Provisions [Rückstellungsabzinsungsverordnung, RückAbzinsV] are used. The average interest rate of the past ten years is used for provisions for pensions and similar obligations. In accordance with the existing option of the accounting standard IDW RS HFA 30 n.F., changes in the discount rate recognised in profit or loss are recognised in personnel expenses.

Other provisions are recognised in accordance with section 253 (1) sentence 2 HGB, taking into account future price and cost increases in the amount required for settlement based on prudent business judgement.

The provisions for insurance cancellations are formed on the basis of historical experience of cancellation rates and their extrapolation. Additions for provisions are posted at the expense of fee and commission income and dissolutions are included with other operating income.

In accordance with section 253(2) sentence 1 HGB, provisions with a remaining term of more than one year are discounted at the average market interest rate of the past seven financial years for their remaining terms.

In accordance with section 277 (5) sentence 1 HGB, income and expenses from the compounding and discounting effects of provisions must be recognised separately in the income statement. This is reported under other operating expenses or other operating income.

Profit participation capital and subordinated liabilities are recognised at the settlement amount including accrued interest.

Contributions from silent partners are recognised in equity.

Deferred taxes

A control and profit transfer agreement has been in place between Santander Consumer Bank AG and Santander Consumer Holding GmbH since 1 January 1993. Since the requirements for a tax group are met, all differences arising are taken into account in the calculation of deferred taxes at the controlling company.

Netting of swap interest

The interest from the fixed and variable leg of the interest rate swaps is netted for each swap contract and, depending on the netted balance, recognised in the balance sheet either as deferred interest assets or liabilities and in the income statement either as interest income or expenses

Interest-related transactions in the banking book

Interest rate swaps are made for hedging purposes as part of banking book management and are included in the loss-free measurement. Measurements at the lower of cost or market value are based on an interest rate gap analysis. This includes all interest-bearing balance sheet items in the customer and inter-bank business, including all interest rate swaps and forward loans with their contractual cash flows and fixed interest rates as well as irrevocable loan commitments. Measurements are performed by discounting and viewing individual period results periodically. Risk costs are taken into account in the amount of expected defaults. The portfolio-related administrative costs are included for the period under review by the share of the average

portfolio of customer receivables after allocation to the relevant specialist areas. As in the previous year, it was not necessary to make provisions on the balance sheet date.

The fair values of the swaps were determined using the cash value method. The present value method (discounted cash flow method) is a dynamic calculation in which all interest payments arising during the term of the swap are discounted to the time of measurement.

Foreign currency translation is carried out in accordance with the provisions of section 340h HGB pursuant to section 256a HGB. Receivables and liabilities in foreign currencies are converted using the reference rates of the European Central Bank at the end of the year. Our Bank clears open currency items on each working day, so that assets and liabilities are almost completely covered in the respective currency. The profits and losses resulting from the conversion of the respective foreign currency assets and liabilities are therefore fully included in the income statement.

For several years, the Bank has been carrying out **asset-backed securities transactions** in which the receivables are assigned to the special purpose entity under civil law, but the Bank remains the beneficial owner of the underlying receivables. As a result, future cash flows arising from the securitised receivables which the Bank has to pass on to the special purpose entity are recognised under other liabilities in form of a forwarding obligation. The transfer of interest is recognised as interest expense using the so-called "direct method" in the respective calendar month in which it is incurred (collection period).

Minimum Taxation Directive Implementation Act

Banco Santander S.A. as parent entity (UPE) and its affiliates (hereinafter: Group) fall within the scope of Pillar II legislation and have carried out an assessment of the Group's potential exposure to Pillar II income taxes. Based on the Group's analysis, the legal representatives of Santander Consumer Holding GmbH have come to the conclusion that the effective tax rate of Pillar II in Germany is above 15% and therefore falls within the scope of the safe harbour. As a result, there is no tax burden from Pillar II in Germany in the financial year.

III. INFORMATION ON THE BALANCE SHEET

ASSETS

Receivables from banks

This item includes receivables from affiliates totalling EUR 6,132,660k (previous year: EUR 7,010,239k).

The balance sheet presentation of other receivables from banks breaks down by residual maturity as follows:

	€ thousand
up to 3 months	176,000
more than 3 months and up to 1 year	1,077,898
more than 1 year and up to 5 years	4,556,000
more than 5 years	89,585
plus interest	98,244

Receivables from banks include subordinated receivables totalling EUR 163,148k (nominal value) (previous year: EUR 94,298k nominal). In addition, there are receivables totalling EUR 5,999,449k (nominal) (previous year: EUR 6,805,208k nominal) to institutions in which the Bank is a shareholder.

Receivables from customers

This item includes receivables from affiliates totalling EUR 6,113,880k (previous year: EUR 5,679,613k).

The balance sheet presentation is structured according to residual terms as follows:

	€ thousand
up to 3 months	4,290,801
more than 3 months and up to 1 year	7,061,111
more than 1 year and up to 5 years	22,136,887
more than 5 years	2,983,900

Receivables up to three months include receivables with an indefinite term totalling EUR 1,801,056k.

On the balance sheet date, net receivables sold totalling EUR 7,091,176k are reported under "Receivables from customers" of which the Bank remains the beneficial owner.

In addition, the Bank has default reserves totalling EUR 109,011k including accrued interest in the form of subordinated loans (EUR 107,833k nominal) (previous year: EUR 91,991k nominal) to the SPVs, which serve to cover the default risks of borrowers.

There are also receivables totalling EUR 5,061,372k (nominal) (previous year: EUR 4,711,298k nominal) to companies in which the Bank is a shareholder.

Input parameters for the measurement of receivables from customers were adjusted in 2025. The risk parameters are now based on experience of defaults and losses up to and including the end of 2024. In addition, updated macroeconomic forecasts at the end of the year were reflected in the forward-looking component of the new parameters. The adjustments led to an increase in the value adjustment due to the consideration of the increased default rates in the motor vehicle business in the previous year and higher loss ratios in the entire instalment loan business.

Bonds and other fixed-income securities

The identified bonds and other fixed-income securities are all listed on the stock exchange. This item includes bonds issued by affiliates totalling EUR 1,761,330k.

Bonds with a value of EUR 3,374,196k including accrued interest are allocated to fixed assets, so that the moderated lower of cost or market method was applied.

The debentures include securities with a carrying value of EUR 3,374,196k above their fair value. The fair value of these securities amounts to EUR 3,317,762k. Impairment losses within the meaning of section 253 (3) sentence 5 HGB were not recognised for those securities that are either only temporarily impaired or repurchased securities held as fixed assets from securitisations where the Bank has retained economic ownership of the legally sold customer receivables. On the balance sheet date, bonds totalling EUR 2,793,961k were deposited as collateral with Deutsche Bundesbank.

Shares and other equity securities

The securities recognised in this item are all listed on the stock exchange.

Shareholdings

The marketable investment in SCHUFA Holding AG recognised in this item is not listed on the stock exchange.

Shares in affiliates

On 31 December 2025, the Bank increased the capital of MCE Bank GmbH by EUR 31,504k. As a result, the carrying amount of the investment rose by the amount of the capital increase.

The increase in the carrying amount of the investment in Santander Consumer Leasing GmbH (SC Leasing) totalling EUR 6,826k results from the merger of Care by Volvo Car Germany GmbH (CbV) with SC Leasing. The Bank had previously acquired all shares in CbV from Volvo Car Germany GmbH. CbV as a whole was then merged into SC Leasing with retroactive effect from 1 January 2025 while retaining its carrying amounts.

On 31 December 2025, the Bank also recognised an impairment loss of EUR 50,000k on the carrying amount of Hyundai Capital Bank Europe GmbH. The main reasons for this are repeated planning failures and lower planning horizon ambitions which led to a lower fair value.

Please also note the investment overview.

Intangible assets and property, plant and equipment

For the classification and development of intangible assets and tangible fixed assets, please refer to the statement of changes in assets.

Advance payments for intangible assets especially include the following: advance payments for digitisation projects and IT applications to implement regulatory requirements (including the new and further development of the risk and credit management systems). In the reporting year, there were disposal losses and write-offs from advance payments on intangible assets in the amount of EUR 669k, as the IT projects in question could no longer be finalised in their actual form or were stopped.

Other assets

This item includes receivables from Santander Consumer Leasing GmbH from a profit transfer totalling EUR 103,930k and claims against insurance companies amounting to EUR 70,269k. In addition, claims for compensation payments totalling EUR 20,000k from several side letters with the affiliates CNP Santander Insurance Europe DAC and CNP Santander Insurance Life DAC are recognised. These side letters agree on a one-time claim to compensation for a waiver of future commission income from current operations.

On the balance sheet date, **assets denominated in foreign currencies** total EUR 53,224k of which receivables from banks amount to EUR 17,518k and receivables from customers to EUR 35,706k.

LIABILITIES

Liabilities to banks

This item includes liabilities to affiliates totalling EUR 2,947,648k (previous year: EUR 2,231,719k). On the balance sheet, the statement of liabilities to financial institutions with an agreed maturity or notice period is broken down by residual terms as follows:

	€ thousand
up to 3 months	1,205,093
more than 3 months and up to 1 year	979,183
more than 1 year and up to 5 years	1,061,354
more than 5 years	14,524
plus interest	40,380

Liabilities to customers

This item includes liabilities to affiliates totalling EUR 3,238,846k (previous year: EUR 3,489,504k).

Savings deposits with an agreed notice period of up to 3 months total EUR 375,864k (previous year: EUR 439,914k).

Savings deposits with an agreed notice period of more than 3 months are broken down by residual term as follows:

	€ thousand
up to 3 months	93
more than 3 months and up to 1 year	0
more than 1 year and up to 5 years	0
more than 5 years	0

On the balance sheet, the statement of other liabilities to customers with an agreed maturity or notice period is broken down by residual terms as follows:

	€ thousand
up to 3 months	3,068,701
more than 3 months and up to 1 year	4,074,336
more than 1 year and up to 5 years	5,342,382
more than 5 years	84,478

Securitised liabilities

Mortgage bonds of EUR 525,219k are recognised under securitised liabilities.

The bonds issued include medium-term notes totalling EUR 1,277,359k, commercial papers with a nominal value of EUR 2,414,500k and credit-linked notes with a nominal value of EUR 121,816k. Of the securitised liabilities, EUR 2,414,500k will become due in the following year.

Other liabilities

This item primarily includes liabilities from asset-backed securities transactions (ABS transactions) to special purpose vehicles (SPVs) which belong to the group of affiliates, totalling EUR 7,091,196k. This amount includes all onlending obligations from the legal sale of receivables where Santander Consumer Bank

retains beneficial ownership. A liability from a profit transfer agreement and similar agreements (silent partnership) with Santander Consumer Holding GmbH, Mönchengladbach, is recognised for the reporting year for EUR 186,740k; this includes interest for the silent partnership of EUR 1,534k (before deduction of capital gains tax and solidarity surcharge).

Liabilities denominated in foreign currencies total EUR 54,390k on the balance sheet date, of which liabilities to banks amount to EUR 48,101k, liabilities to customers amount to EUR 5,999k, deferred income amount to EUR 6k and provisions amount to EUR 284k.

Deferred income

Interest already received from third parties for a period after the balance sheet date of EUR 107,076k is recognised under "Deferred income".

Provisions for pensions and similar obligations

Provisions for pensions and similar obligations amount to EUR 455,858k. The parameters on which the calculation is based are listed in the table below:

Discounting the provision for pensions and deferred compensation at the average market interest rate of the past ten years (2.06%) results in a negative difference of EUR -10.105k compared to discounting at the average interest rate of the past seven years (2.22%) in accordance with section 253(6) HGB. There is no disbursement lock on this.

Other provisions

This item primarily includes provisions for bonus payments to dealers totalling EUR 79,198k, insurance claims of EUR 51,137k, material costs of EUR 32,307k and personnel costs of EUR 27,447k. The item also includes provisions for restructuring totalling EUR 29,657k. For discounting provisions, the interest rates under section 253(2) HGB as of 30 November 2025, which were used for the annual financial statements, are between 1.85% and 2.12%, depending on the remaining term. They do not differ significantly from those for 31 December 2025. Since it was decided to structurally reduce the business & corporate banking (BCB) division, this item includes a restructuring provision of EUR 8,500k for potential severance payments and early retirement agreements.

Valuation assumptions and similar obligations as of 31 December 2025

Type of obligation	Discount rate*	Wage trend	Pension trend	Short-term pension trend, one-off adjustment	BBG trend	Fluctuation**
Pensions	2.06%	2.75%	2.00%	2.7%	2.75%	2.50%
Deferred compensation	2.06%	-	-	-	2.75%	2.50%

Valuation assumptions and similar obligations as of 31 December 2024

Type of obligation	Discount rate*	Wage trend	Pension trend	Short-term pension trend, one-off adjustment	BBG trend	Fluctuation**
Pensions	1.9%	2.75%	2.00%	6.4%	2.75%	2.50%
Deferred compensation	1.9%	-	-	-	2.75%	2.50%

* according to Ordinance on the Discounting of Provisions dated November 18, 2009

** according to company-specific assessment

Subordinated liabilities

After a subordinated liability of EUR 110,000k was raised from Santander Consumer Holding on 6 November 2019 with an interest rate of 1.77% above the three-month Euribor and a term of ten years, a further subordinated liability of EUR 75,000k was raised from Santander Consumer Holding on 25 June 2020 with an interest rate of 3.04% above the three-month Euribor and a term of ten years. Accrued interest totals EUR 604k in the 2025 financial year. A premature repayment obligation is contractually excluded. Repayment on a voluntary basis is possible, at the earliest, after five years and must be announced three months in advance. Prior approval of the competent supervisory authorities is also required.

The loans are subordinated within the meaning of in Article 63 sentence 1(d) CRR and are eligible as Tier 2 (supplementary capital). The loans can be used for a "bail-in" within the meaning of Article 59 BRRD and can be both written off and converted into core capital by the competent authority if the authority decides to apply this resolution measure.

Profit participation capital

On the balance sheet date, the total amount of profit participation rights issued total EUR 220,900k (including accrued interest of EUR 10,670k).

A total of 17 profit participation rights have been issued for an indefinite period (nominally EUR 210,231k); however, these can be cancelled by Santander Consumer Bank AG after a minimum term of five years, subject to least two years' notice at the end of the financial year. The profit participation rights holder has no right of termination.

The profit participation rights issued grant creditor rights, but do not include any shareholder rights, especially no participation, involvement or voting rights at the annual general meeting of Santander Consumer Bank AG. In the event of a profit, the profit participation certificates carry interest. Profit participation rights with a fixed interest rate exist in the amount of EUR 112,231k, and with a variable interest rate in the amount of EUR 98,000k. The total interest expense for profit participation rights amount to EUR 10,670k in the reporting year.

DISCLOSURES REQUIRED UNDER SECTION 152 (1) AKTG

Share capital

The share capital of Santander Consumer Bank AG remains unchanged at EUR 30,002k on the balance sheet date. All shares (30,002 bearer shares with a nominal value of EUR 1k each) were held by the sole shareholder, Santander Consumer Holding GmbH, Mönchengladbach.

Contributions by silent partners

The shareholder Santander Consumer Holding GmbH has a silent partnership amounting to EUR 5,113k. The shareholder agreement is concluded for an indefinite period of time. Either party may terminate the silent partnership at the end of each fiscal year with two year's notice.

In accordance with the new legal situation, it is recognised as supplementary capital for regulatory purposes.

Off-balance sheet transactions

The Bank recognises contingent liabilities and irrevocable loan commitments as off-balance sheet items.

Contingent liabilities

This item mainly includes guarantees totalling EUR 302,653k and import letters of credit amounting to EUR 10,966k.

Risks from the utilisation of contingent liabilities are reflected by a provision if necessary.

Other obligations

Other obligations exist exclusively in the form of irrevocable loan commitments.

Irrevocable loan commitments

Irrevocable loan commitments amount to EUR 1,042,302k. These especially relate to instalment loans. Irrevocable loan commitments generally result in a short-term outflow of liquidity. Their benefit is that they generate future interest income.

There are no particular default risks due to irrevocable loan commitments. The potential utilisation of the default risk is therefore considered to be low.

IV. NOTES TO THE INCOME STATEMENT

Expenses

Commission expenses

Commission expenses totalling EUR 414,891k mainly include brokerage of loans of EUR 204,806k, dealer incentives of EUR 112,372k, insurance business brokerage commissions of EUR 44,465k, securities brokerage of EUR 23,424k, credit-related sales expenses of EUR 14,579k and other commissions of EUR 15,245k. The additional services for new loans (costs of checking credit-worthiness and contract holders' identities) are billed by the financial service providers when the service is utilised by the Bank and also include costs for which no new customer contract has been concluded.

Other operating expenses

Other operating expenses especially include expenses for operational risks, such as claims or goodwill payments, totalling EUR 17,889k, with the majority (EUR 10,523k) coming from additions to provisions for operational risks. This item also includes interest expenses for pensions totalling EUR 8,717k and expenses from the loss in connection with the disposal of property, plant and equipment and intangible assets totalling EUR 1,128k.

General administrative expenses

Administrative expenses total EUR 658,870k in the reporting year and fell significantly year-on-year. This is due to the significant decrease in personnel expenses (from EUR 317,338k in the previous year to EUR 270,053k in the reporting year), as the previous year's expenses were increased by a restructuring programme.

Write-downs and value adjustments on receivables and certain securities as well as additions to provisions in the lending business

This item increased considerably in the reporting year. This is mainly due to an update of the impairment parameters, taking into account increased default rates in the motor vehicle business and higher loss ratios in the entire instalment loan business. Lower incoming payments on defaulted instalment loans and another significant increase in the need for specific loan loss provisions in the corporate client business also contributed to the increase in this item.

Depreciation, amortisation and value adjustments on investments, shares in affiliates and securities treated as fixed assets

Impairment losses on the carrying amount of the investment in Hyundai Capital Bank Europe total EUR 50,000k in the financial year.

Profits transferred on the basis of a profit pooling, profit transfer or partial profit transfer agreement

Based on the control and profit transfer agreement, a profit of EUR 186,740k was transferred to Santander Consumer Holding GmbH, Mönchengladbach, in the reporting year. This includes interest from a silent partnership totalling EUR 1,534k (before deduction of capital gains tax and the solidarity surcharge).

Currency translation

The profit contributions from currency translation increased other operating results by EUR 2,083k (previous year: increase of EUR 659k).

Earnings

Income from profit pooling, profit transfer or partial profit transfer agreements

Due to the control and profit transfer agreement, this item includes the profit of Santander Consumer Leasing GmbH totalling EUR 103,930k.

Commission income

Commission income results from the brokerage of insurance policies totalling EUR 283,812k and income from services for other banks (banking as a service) amounting to EUR 45,774k. The remainder (EUR 133,357k) is attributable to income from other commissions and fees.

Other operating income

This item primarily includes prior-period income from the reversal of provisions of EUR 20,581k, cost reimbursement income from affiliates from of EUR 20,386k and reimbursements for losses from operational risks, mainly insurance reimbursements and reversals of provisions for operational risks of EUR 5,991k.

V. OTHER INFORMATION

Derivatives

Interest rate swaps with a total nominal amount of EUR 18,277,147k exist on the balance sheet date. These contracts are used to manage interest rate risks in the banking book and are recognised as part of the measurement under IDW RS BFA3.

Total positive fair values (excluding accrued interest) amount to EUR 37,228k. Total negative fair values (excluding accrued interest) amount to EUR 134,619k.

Other obligations

For the 2025 financial year, the Bank mainly has rental, leasing and other contractual and fee obligations totalling EUR 109,484k. Of this, EUR 13,192k is attributable to affiliates.

Rental and other contractual obligations consist primarily of rental agreements concluded for business premises. In addition, there are leasing contracts for the company vehicles with Santander Consumer Leasing GmbH.

The total amount of other obligations includes irrevocable payment obligations to the statutory deposit guarantee scheme totalling EUR 38,993k (previous year: EUR 36,920k), the voluntary deposit guarantee of EUR 4,740k (previous year: EUR 4,740k) and the Single Resolution Board (SRB) of EUR 21,141k (previous year: EUR 21,141k) are included. The irrevocable payment commitment (IPC) represents contingent liabilities under commercial law, because a payment obligation only arises when future conditions are met, especially in case of use by the respective protection scheme or SRB as part of a resolution measure or if the Institution is no longer subject to the single resolution mechanism.

The judgment of the Court of Justice of the European Union of 13 November 2025 (C-4/24 P) expressly concerns the situation of an institution that is excluded from the single resolution mechanism. Such a situation does not exist for Santander Consumer Bank AG. Cash collateral has been deposited in full for the irrevocable payment obligations which is recognised under other assets. On the reporting date, there are no indications of a sufficient probability of utilisation. Therefore, no provisions are recognised for impending claims in accordance with section 249 (1) sentence 1 HGB.

The purpose of these rental and lease contracts is to finance and obtain necessary operating capital. After the current contracts expire, risks may result from requirements for subsequent contracts with greater costs.

One of the main advantages of these transactions is that no capital is tied up in the procurement of fixed assets required for operations. In addition, the leasing financing gives the Bank the opportunity to secure the current level of technical development in the short term. This also enables the bank to avoid the realisation risk.

The purpose of membership in the statutory deposit insurance scheme is to compensate the bank's creditors for non-repaid deposits in the event of compensation. Risks arise especially from the increasing number of compensation cases. This risk is reduced by the mandatory collection of annual fees until 2025.

INFORMATION ON MORTGAGE BONDS IN CIRCULATION REQUIRED UNDER SECTION 28 PFANDBG

Mortgage bonds and the cover used for them

Santander Consumer Bank AG does not use derivatives for cover; foreign currencies are not in circulation or included in the cover assets. The risk-adjusted present value is determined statically.

In 2025, no foreclosure and receivership proceedings were pending and no foreclosures occurred. In addition, no properties had to be acquired to prevent losses on mortgages.

Cover statement required under section 35(1)(7) RechKredV

Cover for outstanding bonds

	31/12/2025 (in € million)	31/12/2024 (in € million)
Ordinary cover		
Receivables from customers	1,075	1,233
	1,075	1,233
Other cover assets		
Bonds from other issuers	0	0
Balances with central banks	26.25	26.25
Total cover assets	1,101	1,259
Total amount in circulation requiring cover	525	525
The excess cover is	576	734

Information on the maturity structure required under section 28(1)(4) and (5) PfandBG

	Mortgage Bond Circulation (in € million)		Cover Assets (in € million)		Maturity postponement*	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
up to 6 months	0.00	0.00	73.02	93.89	0.00	0.00
over 6 months to 12 months	25.00	0.00	65.00	73.22	0.00	0.00
over 12 months up to 18 months	0.00	0.00	62.58	65.60	0.00	0.00
over 18 months up to 2 years	0.00	25.00	58.96	67.24	25.00	0.00
over 2 years up to 3 years	0.00	0.00	126.88	125.31	0.00	25.00
over 3 years up to 4 years	0.00	0.00	113.27	103.61	0.00	0.00
over 4 years up to 5 years	500.00	0.00	93.69	116.26	0.00	0.00
over 5 years up to 10 years	0.00	500.00	387.07	445.41	500.00	500.00
more than 10 years	0.00	0.00	120.43	168.35	0.00	0.00

* Effects of a maturity shift on the maturity structure of Pfandbriefe / shift scenario: 12 months

Section 28 (1)(5) PfandBG – Information on the postponement of the mortgage bond maturity

- 1) Requirements for postponing mortgage bond maturity under section 30(2a) PfandBG:

The deferral of maturity is necessary to avoid the insolvency of a mortgage bond-issuing bank with limited business activities (prevention of insolvency); the issuing bank with limited business activities is not overly indebted (no existing excess debt) and there is reason to assume that it will be able to honour its obligations due at the end of the maximum possible deferral period, taking into account further deferral options (positive fulfilment forecast). See also section 30(2b) PfandBG.

- 2) Powers of the cover pool administrator if mortgage bond maturity is postponed under section 30(2a) PfandBG:
The cover pool administrator may postpone the due dates of the redemption payments if the requirements of section 30(2b) PfandBG are met. The administrator determines the duration of the postponement which may not exceed 12 months, in accordance with the requirements.

Repayment and interest payment due dates that are due within one month of the administrator's appointment may be postponed to the end of the month by the administrator. If the cover pool administrator decides on such postponement, it is irrefutably presumed that the requirements of section 30(2b) PfandBG are met. Such postponement must consider the maximum postponement period of 12 months.

The cover pool administrator may only exercise authorisation uniformly for all mortgage bonds of an issue. Due dates may be postponed fully or partially. The cover pool administrator must postpone the maturity date for a mortgage bond issue in such a way that the original order of servicing of the mortgage bonds, which could be changed by the postponement, is not changed (overtaking prohibition). This may mean that the due dates of issues falling due at a later date must also be postponed to comply with the prohibition on payments overtaking each other. See also section 30(2)(a) and (b) PfandBG.

Section 19(1)(2) PfandBG ISIN list by mortgage bond category (bearer mortgage bonds only)

31/12/2025	31/12/2024
XS2114143758	XS2114143758
XS2421360558	XS2421360558

Section 28 (1)(1), (3) and (7) PfandBG: Ratio of circulation to cover assets

	Nominal value		Cash value		Present value at risk incl. currency stress*	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Total amount of Pfandbriefe in circulation (in € million)	525.00	525.00	477.46	471.52	433.92	418.30
Total cover assets (in € million)	1,100.91	1,258.89	1,057.71	1,226.54	949.37	1,091.62
Excess cover in percent	109.7	139.79	121.53	160.12	118.79	160.97
Statutory overcoverage**	19.87	19.95	9.55	9.43	-	-
Contractual overcoverage	0.00	0.00	0.00	0.00	0.00	0.00
Voluntary overcoverage	556.04	713.94	570.70	745.59	-	-

* Both the risk net present value and the currency stress are determined statically.

** The statutory overcoverage requirement is composed of the present-value collateralised overcoverage pursuant to Sec. 4 (1) PfandBG and the nominal-value collateralised overcoverage pursuant to Sec. 4 (2) PfandBG.

Section 28(1)(8), (9) and (10) PfandBG Total amount of registered receivables

No foreign cover assets exist

Effective date	Total		Receivables as defined in § 19 (1) sentence 1 no. 2 a) and b) PfandBG				Receivables pursuant to § 19 (1) sentence 1 no. 3 a) to c) PfandBG				Receivables as defined in § 19 (1) No. 4 PfandBG		
	31/12/2025	31/12/2024	Total		of which covered debt securities as defined in the German Banking Act. Art. 129 Ord. (EU) No 575/2013		Total		of which covered debt securities as defined in the German Banking Act. Art. 129 Ord. (EU) No 575/2013		31/12/2025	31/12/2024	
Federal Republic of Germany	26.25	26.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26.25	26.25
Total	26.25	26.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26.25	26.25

Further key figures on cover assets

		31/12/2025	31/12/2024
Total amount of receivables under section 12(1) that exceed the limits of section 13 (1) sentence 2, 2nd half-sentence PfandBG (section 28(1)(11) PfandBG)	in million €	0	0
Total amount of the values under section 19(1) that exceed the limits of section 19(1) sentence 7 (section 28(1)(11) PfandBG)	in million €	0	0
Total amount of receivables that exceed the limits of section 19(1)(2) PfandBG (section 28(1)(12) PfandBG)	in million €	0	0
Total amount of receivables that exceed the limits of section 19(1)(3) PfandBG (section 28(1)(12) PfandBG)	in million €	0	0
Total amount of receivables that exceed the limits of section 19(1)(4) PfandBG (section 28(1)(12) PfandBG)	in EUR million	0	0
Share of fixed-interest cover pool (section 28(1)(13) PfandBG)	as a percentage	100	100
Share of fixed-interest mortgage bonds (section 28(1)(13) PfandBG)	as a percentage	100	100
Share of cover assets in arrears under Article 178(1) of Regulation (EU) No 575/2013 (section 28 (1) (15) PfandBG)	as a percentage	0.00	0.00
Average weighted loan-to-value ratio (section 28(2)(3) PfandBG)	as a percentage	45.11	45.77
Volume-weighted average of the age of the receivables (section 28(2)(4) PfandBG)	in years	7.03	6.44
Section 28(1)(6) PfandBG Liquidity key figures:			
Absolute amount of the largest negative sum other than zero in the next 180 days within the meaning of section 4(1a) sentence 3 for mortgage bonds (liquidity requirement)		0.00	0.00
Day on which the largest negative sum results		-	-
Total amount of cover assets that fulfil the requirements of section 4(1a) sentence 3 PfandBG (liquidity cover)	in million €	26.77	26.33
Liquidity surplus	in million €	26.77	26.33

By type (II) (section 28(2)(1b) and (1c) PfandBG)

Country*	Effective date	Condominiums	Detached and semi-detached houses	Apartment blocks	Office buildings	Commercial buildings	Industrial buildings	Other commercial buildings	Unfinished and not yet profitable new buildings	Building sites	Total
Federal Republic of Germany	31/12/2025	316.47	743.77	14.42	0.00	0.00	0.00	0.00	0.00	0.00	1,074.66
	31/12/2024	359.47	855.38	17.80	0.00	0.00	0.00	0.00	0.00	0.00	1,232.64
Total	31/12/2025	316.47	743.77	14.42	0.00	0.00	0.00	0.00	0.00	0.00	1,074.66
	31/12/2024	359.47	855.38	17.80	0.00	0.00	0.00	0.00	0.00	0.00	1,232.64

* There are no foreign cover assets.

Cover asset distribution

	31/12/2025	31/12/2024
By size (section 28(2)(1a) PfandBG)		
up to EUR 300k	973.55	1,122.62
between EUR 300k and EUR 1 million	99.02	107.88
between EUR 1 million and EUR 10 million	2.09	2.14
more than EUR 10 million	0.00	0.00
By type (I) (section 28(2)(1b) and (1c) PfandBG)		
residential	1,074.66	1,232.64
commercial	0.00	0.00

Section 19(1)(2) PfandBG

Country*	Total amount of benefits in arrears for at least 90 days		Total amount of these receivables whose arrears amount to at least 5% of the receivable	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
none	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

* There are no foreign cover assets.

Members of the Supervisory Board in the financial year:**Mónica López-Monís Gallego** (Chair)

Madrid, bank director of Banco Santander S.A., Spain

Martina Liebich (Deputy Chair)

Berlin, bank employee of Santander Consumer Bank AG, employee representative

Pedro Agüero Cagigas (since 1 October 2025)

Madrid, bank director of Santander Consumer Finance S.A., Spain

Javier Monzón de Caceres (since 1 March 2025)

Madrid, economist, Spain

Javier Pliego Alegria (since 1 October 2025)

Madrid, bank director of Banco Santander S.A., Spain

Victoria Roig Soler (since 1 March 2025)

Madrid, bank director of Santander Consumer Finance S.A., Spain

Olatz Urroz Garcia (since 1 October 2025)

Madrid, bank director of Banco Santander S.A., Spain

Petri Nikkilä (from 1 September 2025 to 30 September 2025)

Düsseldorf, bank director of Banco Santander S.A., Spain and CEO of Open Bank S.A., Spain

Rafael Moral-Salarich (until 30 September 2025)

Madrid, bank director of Santander Consumer Finance S.A., Spain

Cristina San José Brosa (until 31 August 2025)

Madrid, bank director of Banco Santander S.A., Spain

Adelheid Sailer-Schuster (until 28 February 2025)

Berlin, senior advisor to Santander Consumer Finance S.A., Spain

Dirk Marzluf (until 30 September 2025)

Winterthur, bank director of Banco Santander S.A., Spain

Patricia Benito de Mateo (until 28 February 2025)

Madrid, bank director of Santander Consumer Finance S.A., Spain

Paloma Esteban

Duisburg, bank employee of Santander Consumer Bank AG, employee representative

Deniz Kuyubasi (until 31 July 2025)

Bochum, ver.di trade union secretary, employee representative

Robert Neumann (until 28 February 2025)

Dortmund, bank employee of Santander Consumer Bank AG, employee representative

Peter Blümel

Mönchengladbach, former bank employee of Santander Consumer Bank AG, employee representative

Thomas Schützelt

Leipzig, bank employee of Santander Consumer Bank AG, employee representative

Jan-Paul Giertz (since 5 September 2025)

Düsseldorf, Head of Department of the Hans Böckler Foundation, employee representative

Uwe Hormes (since 1 March 2025)

Viersen, employee of Santander Consumer Operations Services GmbH, employee representative

Members of the Board of Directors in the financial year:**Vito Volpe** (until 30 September 2025)

Madrid, Chairman of the Board

Petri Nikkilä (since 1 October 2025)

Düsseldorf, Chairman of the Board

Walter Donat

Düsseldorf, board member

Thomas Hanswillemenke

Dormagen, board member

Jochen Klöpfer (until 30 September 2025)

Hamburg, board member

Kerstin Smailus (since 1 November 2025)

Haan, board member

Fernando Silva

Mönchengladbach, board member

Members of statutory supervisory bodies of large corporations

Petri Nikkilä, Chairman of the Management Board of Santander Consumer Bank AG, is CEO of Open Bank, S.A., member of the Board of Directors of Open Digital Services, S.L. and member of the Board of Directors of Santander Consumer Finance, S.A.

Walter Donat, member of the Management Board of Santander Consumer Bank AG, is Chairman of the Supervisory Board of MCE Bank GmbH, member of the Supervisory Board of Santander Consumer Operations Services GmbH and member of the Supervisory Board of Hyundai Capital Bank Europe.

Thomas Hanswillemenke, member of the Management Board of Santander Consumer Bank AG, is a member of the Supervisory Board of Santander Consumer Operations Services GmbH and a member of the Supervisory Board of MCE Bank GmbH.

Jochen Klöpffer, member of the Management Board of Santander Consumer Bank AG, was a member of the Supervisory Board of Allane SE and the Supervisory Board of Hyundai Capital Bank Europe GmbH.

Fernando Silva, member of the Board of Directors of Santander Consumer Bank AG, is Chairman of the Supervisory Board of Santander Consumer Operations Services GmbH.

Remuneration of the board of directors and supervisory board

The total remuneration of the members of the board of directors totals EUR 4,550k in the financial year. Total compensation of EUR 1,650k was granted to former board of directors members and surviving dependents of board of directors members. Pension provisions for former members total EUR 27,622k on the balance sheet date. The total remuneration of the members of the board

of directors includes bonuses totalling EUR 333k in the form of shares (in Banco Santander S.A., Santander, Spain) with a one-year holding period and EUR 998k that will only be paid out as a deferred bonus in the next five years. The deferred bonus includes EUR 499k in the form of share payments. The 2025 bonus comprises shares with a fair value of EUR 832k. In addition, the total remuneration also includes a non-share-based bonus, the amount of which is based on the achievement of individual and company-wide targets. Disbursements will be made next year after the final bonus has been determined.

Santander Consumer Bank AG paid the supervisory board attendance fees totalling EUR 25k for its activities in the 2025 financial year.

Advances and loans granted to members of the board of directors and supervisory board

As of the balance sheet date, there is an outstanding balance to members of the board of directors of EUR 15k under section 15(1) sentence 1(1) KWG and of EUR 2k to members of the supervisory board.

Guarantees totalling EUR 1k were granted to members of the supervisory board as of the balance sheet date.

Services rendered to third parties

Santander Consumer Bank AG provided the following services to third parties: portfolio management, asset management, and brokerage of insurance policies or home savings plans.

In selected areas, Santander Consumer Bank offers services for other banks (so-called banking as a service). This includes mobility, customer service, structuring of ABS transactions, the provision and maintenance of IT systems for business operations and cybersecurity services.

Annual average number of employees

Santander Consumer Bank AG employed an annual average of 2,780 people: 1,285 female and 1,495 male employees.

Geographical markets

As the markets in which Santander Consumer Bank AG operates do not differ significantly geographically, there is no breakdown by geographical market.

Total fee for audit services

The total fee for audit services amounts to EUR 4,678k without VAT. The breakdown of expenses is as follows:

	€ thousand
Fees for the audit of the financial statements	4,094
other confirmatory services	584

EUR 18k in cost reductions of last year's auditing service fees were written off.

The other confirmation services relate to the audit conducted in accordance with section 89 WpHG, the procedural audit and random sample audit in accordance with section V(11)(1) of the General Terms and Conditions of Deutsche Bundesbank, the issue of a comfort letter and the audit of the deduction items performed in accordance with section 16j(2) sentence 2 FinDAG.

Material contracts

With effect from 1 January, 2004, a control and profit transfer agreement has been concluded between Santander Consumer Finance Germany GmbH, Mönchengladbach, and Santander Consumer Bank AG. Santander Consumer Finance Germany GmbH was merged with Santander Consumer Holding GmbH effective 1 January 2009. Since then, the control and profit transfer agreement with Santander Consumer Holding GmbH has continued to exist.

The sole shareholder of Santander Consumer Bank AG is Santander Consumer Holding GmbH, Mönchengladbach.

Disclosures in accordance with CRR and section 26a KWG

The return on total assets in the financial year was of 0.38%.

For the information to be disclosed under part 8 CRR that is not contained in these annual financial statements, please refer to the Disclosure Report on our website: www.santander.de under the heading "About Santander", subheading "Investor Relations", there under "Disclosure".

INVESTMENT OVERVIEW

	Share in Capital (in percent)	Equity 2024 (in € thousands)	Annual earnings 2024 (in € thousands)
Santander Consumer Leasing GmbH, Mönchengladbach	100.00	70,025	*
Santander Consumer Technology Services GmbH, Mönchengladbach	100.00	31,164	-1,942
Santander Consumer Operations Services GmbH, Mönchengladbach	100.00	15,762	1,139
Hyundai Capital Bank Europe GmbH, Frankfurt a.M.	51.00	1,106,413	-61,378
MCE Bank GmbH (different financial year 1 April 2024 to 31 March 2025)	90.01	167,873	122
VCFS Germany GmbH, Cologne	50.00	696	56
Schufa Holding AG, Wiesbaden	0.55	164,900	54,826

* Profit and loss transfer agreement, therefore no information on the result

SCHEDULE OF ASSETS

Development of Fixed Assets in the Financial Year 2025 (1/3)

Histor. acquisition and production costs	01/01/2025 €	Acquisitions €	Disposals €	Transfers €	31/12/2025 €
Intangible assets					
Purchased concessions, commercial copyrights and similar right and values and licenses to such rights and values	1,061,375,534.95	13,724,103.49	44,731.24	24,431,689.50	1,099,486,596.70
Goodwill	0.00	0.00	0.00	0.00	0.00
Advance payments made	27,505,425.40	13,654,166.03	1,922,127.79	24,431,689.50	14,805,774.16
	1,088,880,960.35	27,378,269.52	1,966,859.03	0.00	1,114,292,370.86
Tangible fixed assets					
Real estate, rights equivalent to real estate and buildings, including buildings on third-party property	4,692,382.96	0.00	10,243.82	0.00	4,682,139.14
Operating and office equipment	34,869,124.66	6,743,969.88	5,325,497.20	1,343,459.01	37,631,056.35
Fittings/installations in rented premises	92,085,316.10	3,686,729.40	7,926,358.88	4,034,874.69	91,880,561.32
Advance payments made	7,344,461.44	2,246,551.32	435,558.47	5,188,869.16	3,966,585.13
	138,991,285.16	12,677,250.60	13,697,658.37	0.00	138,160,341.94
Bonds and other fixed-income securities					
Securities held as fixed assets*	3,800,729,702.14	1,611,611,057.15	2,038,145,237.79	0.00	3,374,195,521.50
Participations	105,614.00	0.00	0.00	0.00	105,614.00
Shares in affiliated companies	932,675,014.27	38,329,110.19	0.00	0.00	971,004,124.46
Total financial assets	4,733,510,330.41	1,649,940,167.34	2,038,145,237.79	0.00	4,345,305,259.96
Total	5,961,382,575.92	1,689,995,687.46	2,053,809,755.19	0.00	5,597,757,972.76

* The balance sheet item bonds and debentures includes accrued interest in the amount of EUR 27,472,380.92 €

SCHEDULE OF ASSETS

Development of Fixed Assets in the Financial Year 2025 (2/3)

Accumulated Depreciation	01/01/2025 €	Attributions €	Additions €	Resolutions €	Transfers €	31/12/2025 €
Intangible assets						
Purchased concessions, commercial copyrights and similar right and values and licenses to such rights and values	928,595,282.14	0.00	63,640,832.82	25,701.56	0.00	992,210,413.40
Goodwill	0.00	0.00	0.00	0.00	0.00	0.00
Advance payments made	0.00	0.00	0.00	0.00	0.00	0.00
	928,595,282.14	0.00	63,640,832.82	25,701.56	0.00	992,210,413.40
Tangible fixed assets						
Real estate, rights equivalent to real estate and buildings, including buildings on third-party property	1,189,820.83	0.00	255,170.30	8,012.48	0.00	1,436,978.65
Operating and office equipment	24,603,469.37	0.00	4,862,947.74	5,254,559.76	0.00	24,211,857.35
Fittings/installations in rented premises	66,056,323.69	0.00	5,038,345.70	7,465,871.42	0.00	63,628,797.97
Advance payments made	0.00	0.00	0.00	0.00	0.00	0.00
	91,849,613.89	0.00	10,156,463.74	12,728,443.66	0.00	89,277,633.97
Bonds and other fixed-income securities						
Securities held as fixed assets*	0.00	0.00	0.00	0.00	0.00	0.00
Participations	0.00	0.00	0.00	0.00	0.00	0.00
Shares in affiliated companies	48,000,000.00	0.00	50,000,000.00	0.00	0.00	98,000,000.00
Total financial assets	48,000,000.00	0.00	50,000,000.00	0.00	0.00	98,000,000.00
Total	1,068,444,896.03	0.00	123,797,296.56	12,754,145.22	0.00	1,179,488,047.37

* The balance sheet item bonds and debentures includes accrued interest in the amount of EUR 27,472,380.92 €

SCHEDULE OF ASSETS

Development of Fixed Assets in the Financial Year 2025 (3/3)

Net book values	31/12/2025 €	31/12/2024 €
Intangible assets		
Purchased concessions, commercial copyrights and similar right and values and licenses to such rights and values	107,276,183.30	132,780,252.81
Goodwill	0.00	0.00
Advance payments made	14,805,774.16	27,505,425.40
	122,081,957.46	160,285,678.21
Tangible fixed assets		
Real estate, rights equivalent to real estate and buildings, including buildings on third-party property	3,245,160.49	3,502,562.13
Operating and office equipment	13,419,199.00	10,265,655.29
Fittings/installations in rented premises	28,251,763.35	26,028,992.41
Advance payments made	3,966,585.13	7,344,461.44
	48,882,707.97	47,141,671.27
Bonds and other fixed-income securities		
Securities held as fixed assets*	3,374,195,521.50	3,800,729,702.14
Participations	105,614.00	105,614.00
Shares in affiliated companies	873,004,124.46	884,675,014.27
Total financial assets	4,247,305,259.96	4,685,510,330.41
Total	4,418,269,925.39	4,892,937,679.89

* The balance sheet item bonds and debentures includes accrued interest in the amount of EUR 27,472,380.92 €

Group affiliation

The immediate parent company is Santander Consumer Holding GmbH, Mönchengladbach. This is a consolidated company of Banco Santander S.A., Santander, Spain.

Banco Santander S.A. prepares exempting consolidated financial statements as of 31 December 2025 in accordance with IFRS.

Santander Consumer Bank AG, Mönchengladbach, is released from the obligation to prepare a consolidated financial statement and a group management report.

The parent company that prepares consolidated financial statements for the largest group of companies is Banco Santander S.A., Santander, Spain. These financial statements are filed with the Spanish Mercantile Registry. The lowest parent company to prepare consolidated financial statements is Santander Consumer Finance S.A., Madrid, Spain, which is a consolidated

company of Banco Santander S.A., Santander, Spain. The exempting consolidated financial statements of Banco Santander S.A. will be published in the company register.

Mönchengladbach, February 18th, 2026

Santander Consumer Bank AG
The Board



Nikkilä



Donat



Hanswillemenke



Smailus



Silva

INDEPENDENT AUDITOR'S REPORT

To Santander Consumer Bank Aktiengesellschaft,
Mönchengladbach

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of Santander Consumer Bank Aktiengesellschaft, Mönchengladbach, which comprise the balance sheet as at December 31, 2025, the statement of profit and loss for the financial year from January 1 to December 31, 2025, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Santander Consumer Bank Aktiengesellschaft for the financial year from January 1 through December 31, 2025. In accordance with the German legal requirements, we have not audited the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities

and financial position at the Company as at December 31, 2025 and of its financial performance for the financial year from January 1 to December 31, 2025 in compliance with German Legally Required Accounting Principles, and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the

Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1 to December 31, 2025. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

1. Measurement of customer loan portfolios
2. Measurement of shares in affiliated companies

Our presentation of these key audit matters has been structured in each case as follows:

- 1) Matter and issue
- 2) Audit approach and findings
- 3) Reference to further information

Hereinafter we present the key audit matters:

1. Measurement of customer loan portfolios

- 1) Loan receivables amounting to EUR 36.5 billion (74.2% of total assets) are recognized under the "Loans to customers" item in the annual financial statements of Santander Consumer Bank Aktiengesellschaft. As of December 31, 2025, risk provisions for the loan portfolio consisting of individual and general valuation allowances are reported in the balance sheet. The measurement of the loss allowances for the customer lending business is determined in particular by the structure and quality of the loan portfolios, general economic factors and the executive directors' estimates with respect to future loan defaults, including against the backdrop of the expected impact of current macroeconomic factors on general economic conditions and thus on the customer lending business. The amount of the individual valuation allowances for customer loans reflects the difference between the outstanding amount of the loan and the lower value assigned to it as at the balance sheet date. Existing collateral is taken into account. General valuation allowances are recognized for foreseeable counterparty default risks in the lending business of credit institutions which have yet to materialize with respect to individual borrowers. General valuation allowances in the amount of the expected losses for a twelve-month period are recognized in respect of loans for which no specific valuation allowances have been recognized, unless the credit default risk has increased significantly

since initial recognition. If the credit default risk has increased significantly since initial recognition, a general valuation allowance is recognized for the expected losses over the remaining term. The amounts of the valuation allowances in the customer lending business are highly significant for the assets, liabilities and financial performance of the Company and they involve considerable judgment on the part of the executive directors. Furthermore, the measurement parameters applied, which are subject to material uncertainties including the impacts of the current macroeconomic conditions, have a significant impact on the recognition and the amount of any valuation allowances required. Against this background, this matter was of particular significance in the context of our audit.

- 2) For the purposes of our audit, we first of all assessed the design of the Company's relevant internal control system and on that basis tested whether the controls functioned effectively. In doing so, we considered the business organization, the IT systems and the relevant measurement models. Moreover, we evaluated the measurement of the customer loans, including the appropriateness of estimated values, on the basis of sample testing of loan exposures. For this purpose, we assessed, among other things, the available documentation of the Company with respect to the economic circumstances as well as the recoverability of the related collateral. In addition, for the purpose of assessing the individual and general valuation allowances applied, we evaluated the calculation methodology applied by the Company together with the underlying assumptions and parameters. We assessed in particular the executive directors' estimate as to the impacts of the current macroeconomic conditions on the borrowers' financial circumstances as well as the recoverability of the pledged collateral and their inclusion in the measurement of the customer loans. On the basis of the audit procedures we carried out, we

satisfied ourselves overall that the assumptions made by the executive directors for the purpose of reviewing the recoverability of the loan portfolio are appropriate.

- 3) The Company's disclosures about provisions in the customer lending business are contained in the notes to the annual financial statements, sections "II. Disclosures relating to the accounting policies" and "III. Disclosures relating to the balance sheet".

2. Measurement of shares in affiliated companies

- 1) Shares in affiliated companies amounting to €873.0 million (1.78% of total assets) are reported in the Company's annual financial statements. Shares in affiliated companies are measured in accordance with German commercial law at the lower of cost and fair value. The fair value of the shares in affiliated companies is calculated using the German income approach (Ertragswertverfahren), taking into account materiality considerations, as the present value of the expected future cash flows according to the planning projections prepared by the executive directors. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the individually determined cost of capital for the financial investment. On the basis of the values determined and supplementary documentation, write-downs in relation to one affiliated company were required for the financial year. The outcome of this valuation exercise is dependent to a large extent on the estimates made by the executive directors of the future cash flows, and on the discount rates and rates of growth used. The valuation is therefore subject to material uncertainty. Against this background and due to the highly complex nature of the valuation and its material significance for the Company's net assets and results of operations,

this matter was of particular significance in the context of our audit.

- 2) Given the significance for the Company of shares in affiliated companies, as part of our audit we worked with our internal enterprise valuation specialists to assess among other things the methodology used for the purposes of the valuation. In doing so, we focused on those shares in affiliated companies which were exposed to an elevated risk of impairment. In analyzing the expected future cash flows from these affiliated companies, we compared the business plan with the planning for the previous financial year and the net profit/loss actually generated, and verified any deviations. We based our assessment, among other things, on a comparison with general and sector-specific market expectations as well as on the executive directors' detailed explanations regarding the key value drivers underlying the expected future earnings. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate applied, and assessed the calculation model. Taking into consideration the information available, in our view the models used by the executive directors are appropriate overall for the purpose of properly measuring the shares in affiliated companies, including materiality considerations.
- 3) The Company's disclosures relating to shares in affiliated companies are contained in the notes to the annual financial statements, sections "II. Disclosures relating to the accounting policies", "III. Disclosures relating to the balance sheet" and "IV. Disclosures relating to the income statement".

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the management report, which we obtained prior to the date of our auditor's report:

- the statement on corporate governance pursuant to § 289f Abs. 4 HGB (disclosures on the quota for women on executive boards) included in section "Statement on Corporate Governance" of the management report
- section "Employees" of the management report
- section "Sustainability and Responsible Banking" of the management report

The other information comprises further all remaining parts of the annual report, which are expected to be made available to us after the date of the auditor's report – excluding cross-references to external information – with the exception of the audited annual financial statements, the audited management report and our auditor's report.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arran-

gements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from malicious acts is higher than for one resulting from error, as malicious acts may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on February 26, 2025. We were engaged by the supervisory board on December 12, 2025. We have been the auditor of Santander Consumer Bank Aktiengesellschaft, Mönchengladbach without interruption since financial year 2016.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Pascal Vollmann.

Düsseldorf, February 20th, 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Pascal Vollmann	ppa. Ralf Scherello
Wirtschaftsprüfer	Wirtschaftsprüfer

IMPRINT

Santander Consumer Bank AG

Santander-Platz 1
41061 Mönchengladbach

Telefon: +49 2161/90 60 599
www.santander.de

Bloomberg: 1496Z GR;
Reuters: CCKGG.UL

Responsibility: Financial Management

Concept and Design
wirDesign communication AG

In case of doubt the German version of this Annual Report shall prevail.
Both versions are available online: <https://www.santander.de/ueber-santander/investor-relations/financial-information>

The German version of this Annual Report is the authoritative version and only the German version of the Management Report and the Financial Statements was audited by the auditors.

Photographic Material

filadendron via Getty Images (Cover picture)
Bastian Géza Aschoff (Page 5)
Nils Hendrik Müller (Page 6)