Notes to the balance sheet

(13) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is measured at cost of purchase and cost of production in accordance with IAS 16 (Property, Plant and Equipment). In addition to direct costs, production costs include directly attributable overheads.

If an asset necessarily takes at least two years to get ready for its intended use or sale, directly attributable borrowing costs are capitalized as production costs of the asset. If no direct reference can be made, the average cost of debt for the year under review is used. VAT incurred in connection with the acquisition or production of property, plant and equipment is only capitalized to the extent that the right to deduct input tax does not exist.

Subsequent costs are capitalized if the expenses increase the economic benefit of the item of property, plant and equipment and the costs can be reliably determined. Other repairs or maintenance, on the other hand, are generally recognized as expenses.

Components of an item of property, plant and equipment that are significant in relation to the total acquisition and production costs are recognized separately and depreciated on a straight-line basis over their useful life.

Investment grants are deducted directly from the acquisition and production costs of the subsidized assets.

Rights of use from leases

For rented and leased assets that fall under the scope of IFRS 16, a right-of-use asset (in accordance with IFRS 16.24) and a lease liability are recognized as soon as the assets are available for use by DB Group. Depreciation is recognized on a straight-line basis over the shorter of the useful life of the asset or the term of the lease. This does not apply to leases for low-value assets (up to and including € 5,000) and short-term leases with a term of up to 12 months, the expense for which is recognized on a straight-line basis in the statement of income. Components of lease payments that do not relate to the use of the asset are not included in the measurement of the right-of-use asset and the lease liability.

Critical estimations and assessments

When determining the contract term, the management takes into account all facts and circumstances that have an influence on the possible exercise of an extension option or termination option. This assessment is reviewed regularly.

Property, plant and equipment / € million	Properties	Business, operating and other buildings	Permanent way structures and buildings along rail lines	Track systems, track equipment and safety systems	Vehicles for passenger and freight transport	Machines and machinery systems	Other operating and business equipment	Advance payments made and assets under construction	Total
Acquisition and production costs									
As of Jan 1, 2025	4,052	11,102	19,246	17,984	37,734	2,262	5,322	12,394	**110,096**
Changes in the scope of consolidation	-35	-13	0	–	-48	-2	-8	0	**-106**
thereof additions to scope of consolidation	–	2	–	–	0	0	5	–	**7**
thereof disposals from scope of consolidation	-35	-15	0	–	-48	-2	-13	0	**-113**
Additions	79	615	1,348	2,322	1,538	149	631	14,886	**21,568**
Additions to borrowing costs	–	–	–	–	–	–	–	119	**119**
Investment grants	0	-244	-643	-789	-16	-49	-66	-5,795	**-7,602**
Reclassifications	-4	272	3,764	1,626	170	90	204	-6,125	**-3**
Reclassifications of non-current assets held for sale	–	–	–	–	-77	–	–	-5	**-82**
Changes recognized directly in equity	–	0	0	0	–	–	–	–	**0**
Disposals	-26	-152	-12	-329	-2,152	-56	-362	66	**-3,023**
Currency translation effects	-2	-4	-2	0	-26	-2	0	0	**-36**
As of Dec 31, 2025	**4,064**	**11,576**	**23,701**	**20,814**	**37,123**	**2,392**	**5,721**	**15,540**	**120,931**
Accumulated depreciation									
As of Jan 1, 2025	-503	-5,253	-6,648	-13,183	-23,455	-1,539	-3,486	-2	**-54,069**
Changes in the scope of consolidation	13	9	0	–	29	1	4	–	**56**
thereof additions to scope of consolidation	–	–	–	–	–	0	-4	–	**-4**
thereof disposals from scope of consolidation	13	9	0	–	29	1	8	–	**60**
Depreciation	-14	-531	-310	-501	-1,313	-117	-478	–	**-3,264**
Impairments recognized	-1	-131	-4	-21	-1,200	-3	-9	-77	**-1,446**
Impairments reversed	–	–	–	18	–	–	0	–	**18**
Reclassifications	0	-1	-1	1	-1	1	-4	2	**-3**
Reclassifications of non-current assets held for sale	–	–	–	–	24	–	–	–	**24**
Disposals	11	119	6	316	1,666	53	301	–	**2,472**
Currency translation effects	2	2	2	0	17	2	0	0	**25**
As of Dec 31, 2025	**-492**	**-5,786**	**-6,955**	**-13,370**	**-24,233**	**-1,602**	**-3,672**	**-77**	**-56,187**
Carrying amount as of Dec 31, 2025	**3,572**	**5,790**	**16,746**	**7,444**	**12,890**	**790**	**2,049**	**15,463**	**64,744**
Carrying amount as of Dec 31, 2024	3,549	5,849	12,598	4,801	14,279	723	1,836	12,392	**56,027**

Property, plant and equipment / € million	Properties	Business, operating and other buildings	Permanent way structures and buildings along rail lines	Track systems, track equipment and safety systems	Vehicles for passenger and freight transport	Machines and machinery systems	Other operating and business equipment	Advance payments made and assets under construction	Total
Acquisition and production costs									
As of Jan 1, 2024	4,698	14,719	16,496	16,784	38,331	2,391	5,982	10,995	**110,396**
Changes in the scope of consolidation	0	0	–	–	0	0	9	0	**9**
thereof additions to scope of consolidation	–	–	–	–	0	–	9	0	**9**
thereof disposals from scope of consolidation	0	0	–	–	0	0	0	0	**0**
Additions	97	954	1,140	1,844	1,139	127	667	12,386	**18,354**
Additions to borrowing costs	–	–	–	–	–	–	–	106	**-106**
Investment grants	0	-204	-392	-974	-15	-27	-74	-7,486	**-9,172**
Reclassifications	0	283	2,013	640	250	89	141	-3,420	**-4**
Reclassifications of non-current assets held for sale	-710	-4,437	-1	–	-1,177	-266	-975	-228	**-7,794**
Changes recognized directly in equity	–	0	0	0	–	–	–	–	**0**
Disposals	-31	-200	-12	-310	-819	-54	-425	41	**-1,810**
Currency translation effects	-2	-13	2	0	25	2	-3	0	**11**
As of Dec 31, 2024	**4,052**	**11,102**	**19,246**	**17,984**	**37,734**	**2,262**	**5,322**	**12,394**	**110,096**
Accumulated depreciation									
As of Jan 1, 2024	-706	-7,084	-6,411	-13,121	-23,408	-1,626	-4,002	-1	**-56,359**
Changes in the scope of consolidation	0	0	–	–	0	0	0	–	**0**
thereof additions to scope of consolidation	–	–	–	–	–	–	–	–	–
thereof disposals from scope of consolidation	0	0	–	–	0	0	0	–	**0**
Depreciation	-34	-797	-242	-372	-1,560	-127	-538	0	**-3,670**
Impairments recognized	-2	-2	0	–	-3	-1	-1	0	**-9**
Impairments reversed	64	–	–	14	–	0	0	–	**78**
Reclassifications	–	3	-1	0	2	4	-6	-1	**1**
Reclassifications of non-current assets held for sale	159	2,447	0	–	761	161	693	0	**4,221**
Disposals	17	172	8	296	769	51	366	–	**1,679**
Currency translation effects	-1	8	-2	0	-16	-1	2	0	**-10**
As of Dec 31, 2024	**-503**	**-5,253**	**-6,648**	**-13,183**	**-23,455**	**-1,539**	**-3,486**	**-2**	**-54,069**
Carrying amount as of Dec 31, 2024	**3,549**	**5,849**	**12,598**	**4,801**	**14,279**	**723**	**1,836**	**12,392**	**56,027**
Carrying amount as of Dec 31, 2023	3,992	7,635	10,085	3,663	14,923	765	1,980	10,994	**54,037**

Leased assets

DB Group classifies every lease in which it is the lessor as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. If this is not the case, it is classified as an operating lease.

The additions to borrowing costs included an average cost of debt of 1.61% (previous year: 1.74%).

The carrying amount disposals of assets under construction in 2025 included positive carrying amount value disposals of € 82 million (previous year: € 71 million). These resulted from the repayment of investment grants received in previous years and deducted from assets because assets cannot be used as planned, for example.

If there are repayment risks for investment grants received, because there is uncertainty as to whether the grant conditions have been met in full as of the reporting date, for example, these are not offset against the subsidized property, plant and equipment but instead are deferred as liabilities.

For further information on the depreciation of property, plant and equipment, see Note (6) 292f.

Right-of-use assets from leases (IFRS 16)

Leases in DB Group are mainly entered into for rolling stock and real estate. Compared to purchasing these assets, leasing offers significantly greater flexibility and less capital commitment. The extension options that are agreed from time to time also enable DB Group to participate in positive market developments. In addition, DB Group leases rolling stock in particular if the economic useful life significantly exceeds the term of the transport contract for which the rolling stock is intended.

Property, plant and equipment includes right-of-use assets from leases, which are shown separately in the following overview:

€ million	Rights of use to Properties	Business, operating and other buildings	Permanent way structures and buildings along rail lines	Track systems, track equipment and safety systems	Vehicles for passenger and freight transport	Machines and machinery systems	Other operating and business equipment	Total
As of Dec 31, 2025								
Additions	34	202	2	1	649	2	21	**911**
Depreciation	-14	-371	-1	-2	-104	-18	-16	**-526**
Carrying amount	118	2,130	2	17	830	67	35	**3,199**
As of Dec 31, 2024								
Additions	39	521	1	6	249	11	30	**857**
Depreciation	-31	-573 [1]	-1	-1	-179	-25	-22	**-832** [1]
Carrying amount	119	2,329	1	18	304	85	32	**2,888**

[1] Figure adjusted.

Depreciation in 2025 included impairment losses of € 26 million resulting in particular from the termination of leases for office space. Further information on lease-related liabilities, expenses and other financial obligations can be found in Notes (6) 292 f., (7) 294, (9) 294, (28) 307 ff. and (35) 327, as well as the "Notes to the statement of cash flows" 320.

The increase in the carrying amounts for right-of-use assets resulted in particular from the sale and leaseback of rolling stock. In entering into sale and leaseback agreements, DB Group pursues various objectives, including:

- making capital commitment more flexible,
- utilizing favorable market price developments, and
- generating cash and cash equivalents.

In 2025, sale and leaseback transactions generated book gains of € 91 million, which are reported in other operating income.

Leased assets

DB Group's leasing activities mainly relate to space in stations and the transfer of surplus locomotive and wagon capacity for use. Agreements to secure any residual values are regularly not concluded.

Subletting is carried out on a small scale. Storage space may be rented for the sole purpose of fulfilling a contract with a specific customer. If these customers assume the economic opportunities and risks relating to the rental space, the sublease income is not recognized in the statement of income, but is presented as a sub-financing lease. Income of € 37 million was generated from subletting (previous year: € 33 million).

The assets that are leased out for operating leases, some of which are determined on the basis of retrograde investigations and surveys carried out, have the following residual carrying amounts:

Assets leased out classified as operating leases / € million	Real estate	Mobile assets
Acquisition and production costs	1,354	6,995
Accumulated depreciation	-515	-4,664
Carrying amount as of Dec 31, 2025	**839**	**2,331**
Acquisition and production costs	1,365	7,351
Accumulated depreciation	-507	-4,953
Carrying amount as of Dec 31, 2024	**858**	**2,398**

Rental and lease payments are expected from the rental of assets in future years in accordance with the following overview:

Future rental and lease payments (nominal values) / € million	Residual maturity Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total more than 1 year	Total
As of Dec 31, 2025								
Minimum lease payment	405	198	175	140	122	332	**967**	**1,372**
As of Dec 31, 2024								
Minimum lease payment	365	190	144	132	117	302	**885**	**1,250**

(14) INTANGIBLE ASSETS

Acquired intangible assets are recognized at acquisition cost in accordance with IAS 38 (Intangible Assets). Internally generated intangible assets are recognized at cost of production if the recognition criteria are met and mainly relate to software.

The cost of production mainly includes the cost of materials and services, wage and salary costs and attributable overheads.

Intangible assets (other than goodwill) are subsequently measured at acquisition and production cost less amortization and impairment losses plus reversals of impairment losses.

Intangible assets / € million	Internally generated intangible assets 2025	Internally generated intangible assets 2024	Acquired intangible assets 2025	Acquired intangible assets 2024	Goodwill 2025	Goodwill 2024	Intangible assets under development and advance payments made 2025	Intangible assets under development and advance payments made 2024	**Total 2025**	**Total 2024**
Acquisition and production costs										
As of Jan 1	957	1,188	1,360	1,718	528	1,735	468	401	**3,313**	**5,042**
Changes in the scope of consolidation	–	–	2	-4	0	0	–	0	**2**	**-4**
thereof additions to scope of consolidation	–	–	2	–	–	–	–	–	**2**	–
thereof disposals from scope of consolidation	–	–	0	-4	0	0	–	0	**0**	**-4**
Additions	30	41	33	-3	–	–	223	250	**286**	**288**
Investment grants	–	–	0	-1	–	–	-43	-45	**-43**	**-46**
Reclassifications	118	99	46	16	–	–	-161	-111	**3**	**4**
Reclassifications of non-current assets held for sale	–	-347	–	-284	–	-1,211	–	-27	–	**-1,869**
Disposals	-29	-23	-33	-82	–	0	-9	0	**-71**	**-105**
Currency translation effects	–	-1	-2	0	-2	4	0	0	**-4**	**3**
As of Dec 31	**1,076**	**957**	**1,406**	**1,360**	**526**	**528**	**478**	**468**	**3,486**	**3,313**
Accumulated amortization										
As of Jan 1	-457	-502	-965	-1,214	-495	-507	–	–	**-1,917**	**-2,223**
Changes in the scope of consolidation	0	0	-1	4	0	–	–	–	**-1**	**4**
thereof additions to scope of consolidation	–	–	-1	–	–	–	–	–	**-1**	–
thereof disposals from scope of consolidation	0	0	0	4	0	–	–	–	**0**	**4**
Depreciation	-101	-114	-39	-49	–	–	0	–	**-140**	**-163**
Impairments recognized	-4	–	-7	–	–	–	–	–	**-11**	–
Impairments reversed	–	–	–	–	–	–	–	–	–	–
Reclassifications	–	–	3	-1	–	–	–	–	**3**	**-1**
Reclassifications of non-current assets held for sale	–	140	–	214	–	17	–	–	–	**371**
Disposals	15	18	21	82	–	–	0	–	**36**	**100**
Currency translation effects	–	1	0	-1	2	-5	–	–	**2**	**-5**
As of Dec 31	**-547**	**-457**	**-988**	**-965**	**-493**	**-495**	**0**	**–**	**-2,028**	**-1,917**
Carrying amount as of Dec 31, 2025	**529**	**500**	**418**	**395**	**33**	**33**	**478**	**468**	**1,458**	**1,396**
Carrying amount as of Dec 31, 2024	500	686	395	504	33	1,228	468	401	**1,396**	**2,819**

The acquired intangible assets mainly included claims from capital expenditures made for a transport contract that are to be accounted for in accordance with IFRIC (IFRS Interpretations Committee) 12 (carrying amount as of December 31, 2025: € 411 million; as of December 31, 2024: € 397 million) and software (carrying amount as of December 31, 2025: € 116 million; as of December 31, 2024: € 67 million).

Impairments (previous year: € 0 million) in 2025 mainly related to DB Long-Distance (€ 5 million) and the Subsidiaries/Other segment (€ 5 million).

(15) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in associates and joint ventures are accounted for using the equity method in accordance with IAS 28. Based on the acquisition cost of DB Group at the time of acquisition, the carrying amount is adjusted in the amount of the change in equity attributable to DB Group's shares in the company accounted for using the equity method.

The shares in companies accounted for using the equity method developed as follows:

€ million	**2025**	2024
As of Jan 1	402	408
Additions	0	0
Disposals	-2	-1
DB Group's share of the profit	13	13
Capital increase	–	–
Dividends received	-7	-8
Impairments	–	–
Reclassifications	0	-2
Reclassifications of non-current assets held for sale	–	-10
Currency translation effects	0	0
Other valuations	0	2
As of Dec 31	**406**	**402**

The carrying amount as of December 31, 2025, was mainly attributable to the shares held in the associated company EUROFIMA European Company for the Financing of Railroad Rolling Stock, Basel/Switzerland. The shares in EUROFIMA are restricted in terms of their salability; new shareholders must be rail administrations that also require a guarantee from their respective state, which guarantees their obligations.

(16) DEFERRED TAXES

Deferred taxes are recognized in accordance with IAS 12 (Income Taxes).

An imputed income tax rate for corporations of 31.2% continues to be used to calculate deferred taxes for domestic companies. The income tax rate takes into account the corporation tax rate plus solidarity surcharge and an average trade tax rate. Foreign subsidiaries use the respective local tax rates for the calculation of deferred taxes.

A deferred claim is recognized in accordance with IAS 12.24 and IAS 12.34 if there are deferred liabilities.

Deferred taxes are calculated on the basis of the tax rates that are expected to apply to the period in which the deferred taxes are realized on the basis of existing or substantially enacted laws. The German corporate income tax rate, currently 15%, will be reduced by one percentage point each year from 2028 to 2032 to 10%. Accordingly, lower tax rates are applied when assessing the deferred taxes of German Group companies. Where no deferred taxes are recognized, no deferred tax expense or income is shown as a result of the change in the tax rate.

No deferred tax assets were recognized on the following loss carry-forwards and temporary differences, as it is not sufficiently probable that future taxable profit will be available against which DB Group can utilize the deferred tax assets:

As of Dec 31 / € million	**2025**	2024
Loss carry-forwards for which no deferred taxes have been recognized	26,504	26,231
Temporary differences for which no deferred taxes have been recognized	2,686	1,630
Temporary differences that are subject to the recognition prohibition in accordance with IAS 12.24b in conjunction with IAS 12.33	1,575	1,629
Total	**30,765**	**29,490**

The loss carry-forwards for which no deferred taxes have been recognized are attributable to Germany at € 25,982 million.

As the law currently stands, the domestic loss carry-forwards can be deducted indefinitely in terms of their reason and amount.

The temporary differences that are subject to the recognition prohibition under IAS 12.33 relate exclusively to additional tax depreciation from tax-free investment grants received as part of the formation of DB AG.

The following recognized deferred tax assets and liabilities were attributable to recognition and measurement differences in the individual balance sheet items and to tax loss carry-forwards:

	Deferred tax assets		Deferred tax liabilities	
As of Dec 31 / € million	**2025**	2024	**2025**	2024
Non-current assets				
Property, plant and equipment	466	519	1,723	1,459
Intangible assets	163	222	278	378
Current assets				
Inventories	8	0	14	0
Trade receivables	170	0	91	1
Derivative financial instruments	2	130	14	0
Non-current liabilities				
Lease liabilities	535	954	430	0
Derivative financial instruments	70	0	0	266
Pension obligations	267	450	44	46
Other provisions	1,089	17	34	3
Current liabilities				
Trade liabilities	3	3	150	0
Other liabilities	488	3	554	2
Other provisions	150	4	54	0
Other [1]	0	0	0	113
Loss carry-forwards	15	11	0	0
Subtotal	**3,426**	**2,313**	**3,386**	**2,268**
Offsetting [2]	–3,375	–2,261	–3,375	–2,261
Balance sheet carrying amount	**51**	**52**	**11**	**7**

[1] Other items netted.
[2] Where permitted in accordance with IAS 12 (Income Taxes).

Tax assets and liabilities are netted if they relate to the same tax authority, have matching maturities and concern the same taxable entity.

No deferred tax liability was recognized on a temporary difference of € 39 million as of December 31, 2025 (as of December 31, 2024: € 197 million) in connection with shares in subsidiaries, as DB AG can determine the dividend policy and control the reversal of temporary differences.

The balance sheet carrying amount of deferred taxes included deferred tax assets from recognition directly in equity of € 0 million (as of December 31, 2024: € 0 million) and deferred tax liabilities from recognition directly in equity of € 44 million (as of December 31, 2024: € 21 million).

(17) OTHER INVESTMENTS AND SECURITIES

Other investments are recognized at fair value insofar as the relevant information can be derived. Changes in fair value recognized directly in equity are shown in the “Fair value of securities and investments” reserve.

Non-current and current securities are recognized at fair value as of the balance sheet date if available. Changes in fair value are recognized directly in equity in the reserve from the fair value measurement of securities.

Other investments and securities developed as follows:

	Other investments		Securities		Total	
€ million	2025	2024	2025	2024	2025	2024
As of Jan 1	38	61	514	520	**552**	**581**
Currency translation effects	0	0	–	–	**0**	**0**
Additions	4	5	37	514	**41**	**519**
Disposals through sale	0	-3	-448	-519	**-448**	**-522**
Fair value changes	-2	-19	–	0	**-2**	**-19**
Reclassifications	–	2	-103	0	**-103**	**2**
Reclassifications of non-current assets held for sale	–	-8	–	-1	–	**-9**
Other	–	–	–	–	–	–
As of Dec 31	**40**	**38**	**0**	**514**	**40**	**552**
thereof fair value (not recognized in profit or loss)	40	38	0	0	**40**	**38**
thereof fair value (recognized in profit or loss)	–	–	–	514	–	**514**
Non-current portion	40	38	–	–	**40**	**38**
Current portion	–	–	0	514	**0**	**514**

There were fair value changes in other investments totaling € -2 million (previous year: € -19 million). In 2025, these related to revaluations of WHAT3WORDS Limited, London/United Kingdom, and GREENTECH SHOW GmbH, Berlin, each of which amounted to € -1 million and was recognized directly in equity. In the previous year, revaluations included Volocopter GmbH, Bruchsal (€ -26 million) and European Energy Exchange AG, Leipzig (€ 14 million).

Of the additions to other investments recognized at fair value, € 3 million resulted from a capital increase at Versorger-Allianz 450 Beteiligungs GmbH&Co. KG, Bonn.

The additions and disposals within securities related to purchases and disposals of money market funds by DB AG. Since January 1, 2025, shares of a money market fund are no longer reported in the balance sheet item "Other investments and securities," but in the balance sheet item "Cash and cash equivalents." A corresponding change in presentation as of December 31, 2024, would have resulted in an increase of € 103 million in the balance sheet item "Cash and cash equivalents" and a corresponding reduction in the balance sheet item "Other investments and securities."

(18) INVENTORIES

All costs directly related to the procurement process are capitalized as acquisition costs of inventories. The acquisition costs of fungible and homogeneous raw materials and supplies are determined on the basis of the average cost method. In addition to direct costs, production costs include directly attributable overheads; borrowing costs and idle capacity costs are not capitalized but expensed in the period in which they are incurred.

As of the balance sheet date, inventories are measured at the lower of cost and net realizable value.

CO_2 certificates are also reported under inventories.

Inventories break down as follows:

As of Dec 31 / € million	2025	2024
Raw materials and supplies	2,708	2,575
Work in progress, unfinished services	188	153
Finished products and goods	6	6
Advance payments	–	4
Impairments	-578	-553
Total	**2,324**	**2,185**

(19) RECEIVABLES AND OTHER ASSETS

Receivables and other financial assets are generally measured at amortized cost. Receivables from finance leases, advance payments and plan assets in accordance with IAS 19 (Employee Benefits) are not allocated to any category of IFRS 9. For the measurement categories in accordance with IFRS 9, see "Additional disclosures on financial instruments" 326.

For trade receivables, DB Group applies the simplified approach in accordance with IFRS 9 to measure the risk provision for expected credit losses. Accordingly, the credit losses expected during the term are recognized for all trade receivables. For this purpose, trade receivables are initially allocated to different collectives on the basis of common credit risk characteristics. The expected credit losses are then determined on a collective basis using impairment rates that take into account historical data and country-specific forward-looking risk characteristics. As soon as there are indications of a credit loss for an individual debtor, the value adjustment is made on an individual basis.

For receivables from financing and other financial receivables and contractual assets, DB Group applies the general approach in accordance with IFRS 9 to measure expected credit losses. An individual impairment loss is recognized for receivables for which there is objective evidence of impairment.

The fair values of receivables and other assets, trade receivables and other receivables and assets essentially correspond to the carrying amounts.

Value adjustments are deducted from the financial assets on the assets side. If the reasons for impairment no longer exist, the impairment loss is reversed. DB Group continuously monitors the maturities of receivables and default risks.

Some transport contracts provide for an obligation to hand over the assets used and owned by DB Group at the end of the contract. Other transport contracts include the leasing of the assets used from the contracting organization or the issuing of debt service guarantees by the contracting organization for leasing from independent financial service providers. In accordance with IFRIC 12 (Service Concession Arrangements), the corresponding capital expenditures are capitalized as receivables from transport concessions, separating the guaranteed residual values at the end of the contract. These receivables are repaid from the concession fees, meaning that not all of the concession fees lead to revenues. Residual value receivables are reported at present value under receivables from financing.

Obligations and claims from independent acknowledgments of debt are reported in the balance sheet. The obligations correspond to receivables of the same amount from supply contracts, secured by bank guarantees in the event of a claim.

Critical estimations and assessments

The calculation of expected credit losses includes to a large extent estimates and assessments based on the creditworthiness of the respective customer, current economic developments and the analysis of historical bad debts on a portfolio basis. Insofar as the provision for expected credit losses is derived from historical default rates on a portfolio basis, a decline in the volume of receivables leads to a corresponding reduction in such provisions and vice versa.

Receivables and other assets were broken down as follows:

€ million	Trade receivables	Financial receivables and earmarked bank deposits	Receivables from transport concessions	Advance payments	Other assets	Total
As of Dec 31, 2025						
Gross value	3,661	894	789	122	2,222	**7,688**
Impairments	-77	0	–	–	-32	**-109**
Net value	**3,584**	**894**	**789**	**122**	**2,190**	**7,579**
thereof to related parties	29	–	–	–	221	**250**
As of Dec 31, 2024						
Gross value	3,303	854	1,306	111	2,022	**7,596**
Impairments	-82	0	–	–	-33	**-115**
Net value	**3,221**	**854**	**1,306**	**111**	**1,989**	**7,481**
thereof to related parties	44	0	–	–	251	**295**

Since 2025, DB Group has been selling selected euro-denominated trade receivables from DB Cargo to a financial institution under a revolving factoring agreement up to a maximum receivables volume of € 100 million. The agreement is concluded for an indefinite term. The risks relevant to risk assessment with regard to the receivables sold are credit risk and the risk of late payment (late payment risk). All material opportunities and risks are transferred to the financial institution upon sale. Accordingly, the receivables sold were fully derecognized as of December 31, 2025, and there is no ongoing commitment. As of December 31, 2025, the volume of receivables sold amounted to € 93 million (as of December 31, 2024: no receivables sold).

Financial receivables and earmarked bank deposits as of December 31, 2025, included residual values of € 562 million (as of December 31, 2024: € 547 million) agreed with the contracting organizations of transport contracts. These residual value receivables mainly relate to rail vehicles that are sold at the end of the transport contract to the transport authority or a third party designated by the transport authority at a fixed price. In addition, finance lease receivables of € 101 million (as of December 31, 2024: € 96 million) and cash securities in the form of credit support agreements (CSAs) of € 158 million (as of December 31, 2024: € 185 million) were reported under financial receivables and earmarked bank deposits.

Other assets included contract fulfillment costs of € 27 million as of December 31, 2025 (as of December 31, 2024: € 16 million).

The valuation allowances recognized for receivables and other assets classified in accordance with IFRS 7 developed as follows:

€ million	Trade receivables	Financial receivables and earmarked bank deposits	Receivables from transport concessions	Other assets	Total
As of Jan 1, 2025	-82	0	–	-33	**-115**
Addition	-13	0	–	-1	**-14**
Disposal	12	–	–	0	**12**
Utilization	6	–	–	2	**8**
Reclassifications to current assets	–	–	–	–	–
Changes in the scope of consolidation	0	–	–	0	**0**
Currency translation effects	0	–	–	0	**0**
As of Dec 31, 2025	**-77**	**0**	**–**	**-32**	**-109**
As of Jan 1, 2024	-143	0	–	-35	**-178**
Addition	-25	–	–	-5	**-30**
Disposal	28	–	–	3	**31**
Utilization	4	–	–	1	**5**
Reclassifications to current assets	55	–	–	4	**59**
Changes in the scope of consolidation	–	–	–	–	–
Currency translation effects	-1	–	–	-1	**-2**
As of Dec 31, 2024	**-82**	**0**	**–**	**-33**	**-115**

Reclassifications to current assets of € 59 million in the previous year (2025: € 0 million) related to impairment losses of the discontinued operation (DB Schenker).

Expenses for the complete derecognition of receivables and other assets fell to € 48 million in 2025 (previous year: € 58 million).

Income from payments received on derecognized receivables and other assets amounted to € 8 million (previous year: € 5 million).

The expected credit losses determined on a collective basis amounted to € 10 million as of December 31, 2025 (as of December 31, 2024: € 13 million):

As of Dec 31, 2025 / € million	Net carrying amount	Expected loss rate (%)	Risk provisions	thereof risk provisions for overdue receivables	thereof risk provisions for non-overdue receivables
Trade receivables	3,584	0.28	10	8	2

As of December 31, 2025, a risk provision of € 1 million was recognized for receivables from financing, other financial receivables and contractual assets (as of December 31, 2024: € 2 million).

The following overview shows the residual maturity structure of the receivables for the financial instruments classified in accordance with IFRS 7 and the advance payments made:

	Residual maturity							
€ million	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total more than 1 year	Total
As of Dec 31, 2025								
Trade receivables	3,549	26	4	5	0	0	**35**	**3,584**
Financial receivables and earmarked bank deposits	240	12	11	7	6	618	**654**	**894**
Receivables from transport concessions	100	91	89	88	86	335	**689**	**789**
Advance payments	55	67	–	–	–	–	**67**	**122**
Other assets	1,590	357	18	8	181	36	**600**	**2,190**
Total	**5,534**	**553**	**122**	**108**	**273**	**989**	**2,045**	**7,579**
thereof non-financial assets	892	393	11	2	180	13	**599**	**1,491**
As of Dec 31, 2024								
Trade receivables	3,198	10	4	7	2	0	**23**	**3,221**
Financial receivables and earmarked bank deposits	218	8	8	33	7	580	**636**	**854**
Receivables from transport concessions	159	152	145	142	132	576	**1,147**	**1,306**
Advance payments	58	53	–	–	–	–	**53**	**111**
Other assets	1,261	552	30	3	111	32	**728**	**1,989**
Total	**4,894**	**775**	**187**	**185**	**252**	**1,188**	**2,587**	**7,481**
thereof non-financial assets	501	554	12	2	107	16	**691**	**1,192**

Trade receivables increased year-on-year in all segments except for DB Cargo.

The increase in other assets was driven in particular by developments at DB Regional and DB Cargo, whereas declines were recorded at DB InfraGO and DB Long-Distance in particular.

Due to the large number of customers in the respective operating segments, there was no concentration of credit risks in trade receivables.

The maximum default risk essentially corresponded to the carrying amount in each case. Collateral is regularly not held.

As of December 31, 2025, there were no indications that the debtors of the receivables that were neither impaired nor overdue would not meet their payment obligations.

(20) INCOME TAX RECEIVABLES

Income tax receivables related in particular to creditable capital gains taxes in Germany.

(21) DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are generally classified as hedging instruments to hedge cash flows (cash flow hedges) and changes in value (fair value hedges) from contractual obligations or expected business transactions when the contract is concluded.

Cash flow hedges

Cash flow hedges are used to hedge fluctuations in the cash flows of financial assets or liabilities or expected business transactions. When hedging future cash flows, the hedging instruments are also measured at fair value. Changes in valuation are initially recognized in other comprehensive income and are only recognized in the statement of income when the corresponding losses or gains from the underlying transaction are recognized in profit or loss or the transactions expire. Any ineffectiveness is recognized in the statement of income in accordance with IFRS 9.

Fair value hedges

Fair value hedges are used to hedge recognized assets or liabilities against the risk of a change in fair value. The results from the hedging instruments are reported in the item of the consolidated statement of income in which the hedged item is also shown.

Derivative financial instruments that do not meet the requirements for hedge accounting in accordance with IFRS 9 (non-hedges)

If hedging transactions that are used to hedge interest rates, currencies or prices do not meet the requirements of IFRS 9 for hedge accounting, the changes in fair value are recognized immediately in the statement of income.

Determination of fair value

The fair value of financial instruments that are traded on an active market is based on the market price on the balance sheet date. Standard valuation methods such as option price or present value models are used to determine the fair value of financial instruments that are not traded in an active market. If parameters relevant to valuation cannot be observed directly on the market, forecasts are used that are based on comparable financial instruments traded on an active market, which are provided with premiums or discounts based on historical data. The average of the bid and ask price is used. DB AG generally conducts its business with long-term financial derivatives on a collateralized basis and does not adjust the fair value of collateralized transactions for credit risk. No credit risk adjustment is made for short-term derivatives for reasons of materiality. If a credit risk adjustment is made, the discounts to be applied are derived from the credit default swap (CDS) values observable on the market.

All derivatives used in DB Group are measured using standard methods such as option pricing or present value models, as their fair values are not traded in an active market. No parameters from unobservable markets are used for the valuation.

The volume of derivative financial instruments concluded is shown in the following overview of nominal values:

As of Dec 31 / € million	Nominal values of the hedging instrument		Residual maturity up to 1 year		Residual maturity more than 1 year	
	2025	2024	**2025**	2024	**2025**	2024
Interest-based transactions						
Interest rate swaps [1]	1,400	1,400	–	–	1,400	–
	1,400	**1,400**	**–**	**–**	**1,400**	**–**
Foreign exchange-based transactions						
Foreign exchange swaps [2]	61	194	61	194	–	–
Foreign exchange forwards [3]	382	1,277	327	1,217	55	60
Cross-currency interest rate swaps [2]	6,738	7,556	1,671	818	5,067	6,738
Cross-currency interest rate swaps [3]	54	371	–	–	54	371
	7,235	**9,398**	**2,059**	**2,229**	**5,176**	**7,169**

[1] Fair value hedges.
[2] Cash flow hedges.
[3] Non-hedges.

As of Dec 31	Volume		Residual maturity up to 1 year		Residual maturity more than 1 year	
	2025	2024	**2025**	2024	**2025**	2024
Other transactions						
Diesel [1] (1,000 t)	162	144	74	73	88	71
Coal [1] (1,000 t)	906	1,128	540	744	366	384
Gas [2] (GWh)	2,932	5,440	1,561	2,824	1,371	2,616
Electricity [2] (GWh)	15,833	14,261	10,372	9,036	5,461	5,225

[1] Cash flow hedges.
[2] Non-hedges.

No new interest rate swaps were concluded in 2025 to hedge interest rate risks; accordingly, the portfolio as of December 31, 2025, remained unchanged at € 1,400 million. The changes in the holdings of foreign exchange swaps and forwards vary with the corresponding hedging requirements of the Group companies. The nominal value of the cross-currency interest rate swaps decreased by a total of € 1,135 million as of December 31, 2025 (as of December 31, 2024: decrease of € 750 million). This was largely due to expired transactions.

The volume of diesel hedges increased significantly at a low level. The volume of coal hedges decreased as of December 31, 2025, in line with lower demand and amounted to 0.9 million t as of December 31, 2025 (as of December 31, 2024: 1.1 million t).

DB Energy had gas forward transactions amounting to 2,932 GWh as of December 31, 2025 (as of December 31, 2024: 5,440 GWh) and electricity forward transactions amounting to 15,833 GWh as of December 31, 2025 (as of December 31, 2024: 14,261 GWh).

The following table shows the average hedge prices/hedging rates of the main derivative hedging instruments (cash flow hedges and fair value hedges) of DB Group per currency in 2025:

Currency	Hedging price per 1,000 t		Hedging rate		
	Diesel	Coal	Cross-currency swaps (CCS)	Interest rate swaps (IRS)	Foreign exchange swaps
EUR	566.48	94.40	–	0.02	–
USD	–	–	–	–	1.17
GBP	–	–	0.87	–	–
CHF	–	–	1.08	–	–
NOK	–	–	9.80	–	–
SEK	–	–	10.18	–	–
AUD	–	–	1.57	–	–
PLN	2,245.00	–	–	–	–

In principle, all derivative financial instruments are subject to market valuation on the reporting date. The following overview shows the breakdown of the balance sheet disclosure according to the type of underlying hedging transaction:

As of Dec 31 / € million	Assets		Liabilities	
	2025	2024	**2025**	2024
Interest-based transactions				
Interest rate swaps	12	16	30	26
Interest rate forwards	–	0	–	–
	12	**16**	**30**	**26**
Foreign exchange-based transactions				
Foreign exchange swaps	–	8	1	–
Foreign exchange forwards	0	11	5	4
Other foreign exchange derivatives	–	–	–	–
Cross-currency interest rate swaps	684	780	285	395
thereof effects from foreign exchange rate hedges [1]	433	500	325	380
	684	**799**	**291**	**399**
Other transactions				
Energy price derivatives	56	162	86	107
Miscellaneous other derivatives	–	–	0	0
	56	**162**	**86**	**107**
Total	**752**	**977**	**407**	**532**
Non-current portion	706	798	296	376
Interest-based transactions	11	16	30	26
Foreign exchange-based transactions	677	737	245	314
Other transactions	18	45	21	36
Current portion	46	179	111	156

[1] Previous year's figure adjusted.

Cash flow hedges

To minimize the interest rate and exchange rate risk, both foreign currency issues and intra-Group foreign currency loans are generally converted into euros, and variable-interest financial liabilities are generally converted into fixed-interest financial liabilities. Energy price hedging was used to reduce price fluctuations in energy procurement.

The performance of the cross-currency interest rate swaps in 2025 resulted from the expiry of transactions and the development of interest rates in the individual currencies (in particular the Swiss franc, the pound sterling, the Norwegian krone and the euro), as well as the depreciation of the euro against the Swedish krona. This was partially offset by the appreciation of the euro against the pound sterling and the Australian dollar.

The market valuation of energy price derivatives reflected developments on the underlying commodity markets.

The fair values of cash flow hedges are reported as follows under assets and liabilities:

	Assets		Liabilities	
As of Dec 31 / € million	**2025**	2024	**2025**	2024
Foreign exchange-based transactions				
Foreign exchange forwards	–	8	1	–
Cross-currency interest rate swaps	684	768	285	373
	684	**776**	**286**	**373**
Other transactions				
Energy price derivatives	0	11	21	6
	0	**11**	**21**	**6**
Total	**684**	**787**	**307**	**379**
Non-current portion	677	728	250	293
Foreign exchange-based transactions	677	722	242	292
Other transactions	0	6	8	1
Current portion	7	59	57	86

The hedged cash flows of the underlying transactions are expected to occur in the years 2026 to 2072 (interest and principal payments) and in the years 2026 to 2028 (payments for energy) and will be recognized in profit or loss.

The underlying and hedging transactions and the hedge reserve for cash flow hedges developed as follows:

	For the period from Jan 1, 2025 to Dec 31, 2025			As of Dec 31, 2025	For the period from Jan 1, 2024 to Dec 31, 2024			As of Dec 31, 2024
€ million	Change in hedging and underlying transactions	Change in underlying transactions	thereof ineffective (recognized in profit or loss)	Status of hedge reserve for cash flow hedges	Change in hedging and underlying transactions	Change in underlying transactions	thereof ineffective (recognized in profit or loss)	Status of hedge reserve for cash flow hedges
Foreign exchange-based transactions								
Foreign exchange swaps	-1	-1	–	–	+8	+8	–	–
Cross-currency interest rate swaps	+273	+274	+10	+287	+292	+211	+45	+254
Other transactions								
Energy price hedges	-21	-21	–	-21	+5	+5	–	+5

In the case of interest rate and cross-currency interest rate hedges, the effectiveness of the hedging relationship is checked using the critical terms match method. This is applied because all material valuation parameters of the underlying and hedging transactions are identical. Ineffectiveness is determined on each balance sheet date by applying the hypothetical derivative method. With this method, the performance of the hedge actually concluded is compared with the performance of a fictitious hedge in which all valuation-relevant parameters match the underlying transaction. In the case of energy price derivatives, the effectiveness of the hedging relationship is checked using linear regression. Ineffectiveness is determined using the dollar offset method. The fair value changes of the underlying transaction are compared with the fair value changes of the hedging instrument. The quotient calculated from this determines the ineffectiveness. The main causes of ineffectiveness in cross-currency interest rate swaps are cross-currency basis spreads and the redesignation of novated transactions. The conditions including the cash flows of the cross-currency interest rate swaps remained unchanged with the novation, meaning that the economic hedge is still in place. Ineffectiveness from energy derivatives arises from basis risks, as consumption does not correspond exactly to the products tradable on the hedging market.

As in the previous year, the ineffectiveness from cash flow hedges of energy price derivatives recognized in profit or loss was not material in 2025.

Fair value hedge derivatives

The fair values are reported under assets and liabilities as follows:

	Assets		Liabilities	
As of Dec 31 / € million	**2025**	2024	**2025**	2024
Interest-based transactions				
Interest rate swaps	12	16	25	26
Total	**12**	**16**	**25**	**26**
Non-current portion	11	16	25	26
Interest-based transactions	11	16	25	26
Current portion	1	–	–	–

The interest rate swaps were used to hedge issued senior bonds (reported in the balance sheet item "Financial debt" 307 ff.) with a nominal value of € 1,400 million. The effectiveness of the hedging relationship was tested using the critical terms match method. As previously, there was no ineffectiveness in 2025.

The overall decline in interest rate swaps is due to a generally lower interest rate level in the Eurozone compared to the end of the previous year.

Non-hedge derivatives

Foreign exchange forwards used to hedge the operating business are generally classified as non-hedge derivatives.

The fair values of the non-hedge derivatives are reported under assets and liabilities as follows:

	Assets		Liabilities	
As of Dec 31 / € million	**2025**	2024	**2025**	2024
Foreign exchange-based transactions				
Foreign exchange forwards	0	11	5	4
Cross-currency interest rate swaps	–	12	–	22
	0	**23**	**5**	**26**
Other transactions				
Energy price derivatives	56	151	65	101
	56	**151**	**65**	**101**
Total	**56**	**174**	**75**	**127**
Non-current portion	18	54	21	57
Interest-based transactions	–	–	5	–
Foreign exchange-based transactions	0	15	3	22
Other transactions	18	39	13	35
Current portion	38	120	54	70

The cross-currency interest rate swaps relate exclusively to hedges for internal foreign currency loans, which economically hedge the currency and interest rate risks of the underlying transactions, but cannot be shown in hedge accounting.

The energy price derivatives related to electricity and gas forward transactions attributable exclusively to DB Energy.

Electricity forward transactions concluded to hedge DB Group's long-term electricity requirements are recognized in the balance sheet as financial derivatives at fair value (as of December 31, 2025: financial derivatives with a positive fair value: € 56 million; as of December 31, 2024: financial derivatives with a negative fair value: € 65 million), as they do not meet the formal requirements of IFRS 9 for non-recognition. Changes in value are recognized in the statement of income under other operating income (Note (3) 290) or other operating expenses (Note (7) 294).

The non-hedge derivatives are assigned to the category "Held for trading" in IFRS 9.

(22) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand and checks, bank balances with daily maturities, fixed-term deposits with a maturity of up to three months and money market funds that are available daily.

With the exception of money market funds, cash and cash equivalents are measured at amortized cost. Money market funds are measured at fair value through profit or loss.

Cash and cash equivalents included:

As of Dec 31 / € million	**2025**	2024
Bank balances/cash in hand and money market funds	11,408	4,170
Cash equivalents	0	0
Total	**11,408**	**4,170**

The interest rates for short-term bank deposits in 2025 ranged from 1.85% to 3.15% (previous year: between 2.50% and 4.08%) and resulted from cash investments in euros. The terms of the investments range from one day to three months. The average annual interest rate on the money market funds ranged from 2.26% to 2.33% (previous year: between 3.16% and 3.92%).

For the definition of cash and cash equivalents, see "Notes to the statement of cash flows" 320f.

(23) ASSETS HELD FOR SALE AND LIABILITIES IN CONNECTION WITH ASSETS HELD FOR SALE

Assets and liabilities associated with these assets are classified as assets and liabilities held for sale in accordance with IFRS 5 if their carrying amount is to be realized through sale and not through continued use. This may relate to an individual asset, a disposal group or a business area of a company. Non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Assets held for sale and liabilities in connection with assets held for sale developed as follows:

€ million	**Jan 1, 2025**	**Disposal**	**Addition**	**Dec 31, 2025**
Property, plant and equipment	3,868	-3,868	54	54
Intangible assets	1,555	-1,555	–	–
Investments accounted for using the equity method	9	-9	–	–
Financial assets available for sale	9	-9	–	–
Inventories	9	-9	22	22
Receivables and other assets	3,861	-3,861	–	–
Derivative financial instruments	1	-1	–	–
Cash and cash equivalents	1,146	-1,146	–	–
Deferred tax assets	166	-166	–	–
Assets	**10,624**	**-10,624**	**76**	**76**
Financial debt	1,728	-1,728	–	–
Other liabilities	3,883	-3,883	–	–
Derivative financial instruments	2	-2	–	–
Pension obligations	124	-124	–	–
Other provisions	360	-360	–	–
Deferred items	26	-26	–	–
Deferred tax liabilities	76	-76	–	–
Liabilities	**6,199**	**-6,199**	**–**	**–**

The balance sheet disclosure at the end of the previous year related to the discontinued operation DB Schenker and one company from the DB Cargo segment. The disposals resulted from the completion of the sale of these companies. The additions in 2025 and the balance sheet disclosure as of December 31, 2025, related to vehicles from various series in the DB Long-Distance segment.

(24) SUBSCRIBED CAPITAL

The share capital of DB AG amounts to € 2,150 million. It is divided into 430,000,000 no-par-value bearer shares. All shares are held by the Federal Government.

(25) RESERVES

a) Capital reserves

The capital reserves are reserves that were not part of the profit. In December 2024, the Federal Government and DB Group concluded an agreement that provides for an increase in DB AG's equity of about € 8.5 billion in 2025 for the purpose of modernizing the rail network. The disbursements of about € 8.3 billion in 2025 were made to DB AG on March 4, 2025 (first tranche of € 4.24 billion), on September 3, 2025 (second tranche of € 4.02 billion) and on December 31, 2025 (third tranche of € 55 million). These funds will be used exclusively for capital expenditures in rail infrastructure and were passed on to DB InfraGO AG to increase its equity.

b) Reserve from measurement recognized directly in equity

RESERVE FOR CURRENCY TRANSLATION DIFFERENCES

The currency translation effects resulting from the functional currency method (IAS 21) are reported separately as a component of consolidated equity.

RESERVE FOR THE FAIR VALUE MEASUREMENT OF SECURITIES AND INVESTMENTS

The reserve includes changes in the fair value of financial instruments recognized directly in equity. The reserve must be reversed through profit or loss upon the sale, maturity or reclassification of a financial instrument or, if it is an equity instrument, derecognized.

RESERVE FROM THE FAIR VALUE MEASUREMENT OF CASH FLOW HEDGES

The development of the reserve is shown below:

€ million	2025	2024
As of Jan 1	259	89
Change in fair value	-10	-19
Hedging results reclassified to the carrying amount of the acquired inventories during the year	4	-1
Reclassifications		
Financial result	13	168
Net interest income	-16	0
Cost of materials	15	26
Change in deferred taxes	–	-4
As of Dec 31	**265**	**259**

RESERVE FOR THE REVALUATION OF PENSIONS

The effects resulting from the revaluation of defined benefit plans in accordance with IAS 19 (Employee Benefits) are recognized in other comprehensive income.

OTHER CHANGES IN RESERVES

This item mainly includes amounts resulting from transactions relating to reductions or increases in non-controlling interests between the shareholders of DB AG and the non-controlling interests.

(26) GENERATED PROFITS

Generated profits include the total net profit generated since January 1, 1994, less the goodwill offset under HGB up to December 31, 2002, and the dividends paid to the shareholder.

This item also includes the effects on equity from the first-time application of IFRS, insofar as they do not fall under reserves from measurement recognized directly in equity.

(27) HYBRID CAPITAL AND NON-CONTROLLING INTERESTS

In October 2019, Deutsche Bahn Finance GmbH (which was merged into DB AG in 2025 with retrospective effect from January 1, 2025) issued two subordinated hybrid bonds with an original total volume of € 2 billion. The hybrid bonds have unlimited terms with a first right of termination for the issuer after 5.5 years (coupon: 0.95%) and ten years (coupon: 1.6%) respectively; the issue proceeds amounted to € 997 million and € 995 million respectively. The two bonds do not provide for any repayment obligation or right of termination in favor of the creditors. In addition, any retained interest payments may not have to be made until a dividend is paid. In accordance with IAS 32 (Financial Instruments: Presentation), the hybrid bonds are therefore to be classified in full as equity, as there is neither a regular repayment obligation for the hybrid bonds nor a right of termination for the bondholders. Interest payments to be made to bondholders are recognized directly in equity, net of taxes on income. Interest payments of € 26 million were made in 2025 (previous year: € 25 million). In 2025, the hybrid bond with a coupon of 0.95% was called at the date of the first right of termination (after 5.5 years) and repaid in full.

Non-controlling interests included the share of third parties in the net assets of consolidated subsidiaries.

(28) FINANCIAL DEBT

In accordance with IFRS 9, financial debt and other non-current liabilities are initially measured at fair value, taking into account transaction costs and premiums/discounts. Subsequently, they are recognized at amortized cost using the effective interest method. The differences between the disbursement amount less transaction costs and the repayment amount are recognized in profit or loss over the term.

Loans granted in connection with capital expenditures in infrastructure are recognized at the present value of the repayment amounts and compounded over the term to their nominal repayment amount. Any difference between the nominal loan amount and the present value is recognized as an interest benefit granted under deferred income. Income from the pro rata temporis reversal of these deferred income items is recognized as other operating income.

Liabilities from leases for which a right of use must be recognized in accordance with IFRS 16 are recognized as liabilities at the present value of the following lease payments: fixed payments less payments received from the lessor, variable payments based on an index, expected payments *for residual value guarantees, the purchase price for purchase options that are likely to be exercised, probable compensation payments in the event of early termination. The measurement of the lease liability also includes lease payments due to the reasonably certain utilization of extension options. The lease installments are divided into an interest portion and a repayment portion. The interest portion of the lease payment is recognized as an expense in the statement of income. The interest rate used corresponds to the implicit interest rate of the lease or, if this is not known, the term-dependent incremental borrowing rate. Lease liabilities are not allocated to any of the IFRS 9 categories.*

Some transport contracts include the leasing of rail vehicles in particular from contracting organizations or independent financial service providers, whereby these receive a debt service guarantee, a replacement guarantee or similar from the operating authority. The present value of these payment obligations is reported under financial liabilities from transport concessions.

All interest-bearing liabilities are reported under financial debt. Financial debt has the following residual maturity structure:

	Residual maturity							
€ million	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total more than 1 year	Total
As of Dec 31, 2025								
Federal loans	–	–	–	–	–	1,274	**1,274**	**1,274**
Senior bonds	2,228	2,800	2,092	1,788	2,239	15,977	**24,896**	**27,124**
Commercial paper	–	–	–	–	–	–	–	–
Bank borrowings	588	–	–	60	–	–	**60**	**648**
Lease liabilities	593	456	416	353	298	1,286	**2,809**	**3,402**
Financing liabilities from transport concessions	19	24	22	22	16	39	**123**	**142**
Other financial liabilities	21	372	0	0	0	1	**373**	**394**
Total	**3,449**	**3,652**	**2,530**	**2,223**	**2,553**	**18,577**	**29,535**	**32,984**
thereof to related parties and persons	0	–	–	–	–	1,274	**1,274**	**1,274**
As of Dec 31, 2024								
Federal loans	–	–	–	–	–	–	–	–
Senior bonds	1,979	2,261	2,806	2,091	1,786	18,217	**27,161**	**29,140**
Commercial paper	1,503	–	–	–	–	–	–	**1,503**
Bank borrowings	582	2,500	500	–	60	–	**3,060**	**3,642**
Lease liabilities	541	405	361	314	277	1,227	**2,584**	**3,125**
Financing liabilities from transport concessions	90	84	79	77	67	217	**524**	**614**
Other financial liabilities	98	0	0	0	0	1	**1**	**99**
Total	**4,793**	**5,250**	**3,746**	**2,482**	**2,190**	**19,662**	**33,330**	**38,123**
thereof to related parties and persons	0	–	–	–	–	–	–	**0**

In comparison to the carrying amounts, the fair values are summarized as follows:

	2025		2024	
As of Dec 31 / € million	Carrying amount	Fair value	Carrying amount	Fair value
Federal loans	1,274	1,274	–	–
Senior bonds	27,124	24,506	29,140	26,675
Commercial paper	–	–	1,503	1,503
Bank borrowings	648	648	3,642	3,642
Lease liabilities	3,402	3,337	3,125	3,011
Financing liabilities from transport concessions	142	149	614	611
Other financial liabilities	394	394	99	99
Total	**32,984**	**30,308**	**38,123**	**35,541**

The differences between the carrying amounts and the fair values of the financial debt are due to the mostly changed market interest rates for financial debt with a comparable risk profile. The other financial liabilities do not show any material differences between the carrying amounts and the fair values due to short maturities and, consequently, interest rates close to the market.

In mid-December 2025, DB InfraGO AG received a subordinated bullet loan from the Federal Government in the amount of € 3 billion with an interest rate of 1.5% and a term of 34 years to finance capital expenditures in the rail infrastructure of the Federal railways. The carrying amount (€ 1,274 million) was determined using a standard market opportunity interest rate. The resulting interest benefit (€ 1,727 million) was reported in deferred items (Note (33) 319f).

Federal loans developed as follows:

€ million	2025	2024
As of Jan 1	0	152
Addition	1,273	–
Inflow	3,000	–
Discounting of inflow	– 1,727	–
Redemption	0	– 155
Compounding	1	3
As of Dec 31	**1,274**	**0**

As of December 31, 2025, the senior bonds issued were composed as follows:

Senior bonds as of Dec 31 / € million	Issue volume	Issue currency	Residual maturity (years)	Effective interest rate (%)	2025 Carrying amount	2025 Fair value	2024 Carrying amount	2024 Fair value
Unlisted senior bonds								
DB AG	597	AUD, JPY, EUR	0.9-6.8		660	620	784	741
Total					**660**	**620**	**784**	**741**
Listed senior bonds of DB AG								
Bond 2010-2025	500	EUR	–	3.870	–	–	500	502
Bond 2012-2072	75	GBP	46.9	4.524	69	53	72	56
Bond 2013-2028	50	EUR	2.1	2.707	50	50	50	50
Bond 2013-2025	201	NOK	–	4.017	–	–	127	127
Bond 2013-2026	497	GBP	0.6	3.351	486	485	511	501
Bond 2014-2029	500	EUR	3.2	2.886	498	504	497	503
Bond 2015-2025	600	EUR	–	1.391	–	–	599	594
Bond 2015-2030	366	NOK	4.8	2.760	287	265	288	260
Bond 2015-2025	115	AUD	–	3.864	–	–	107	106
Bond 2015-2030	650	EUR	4.8	1.707	648	618	647	609
Bond 2015-2025	161	CHF	–	0.143	–	–	186	185
Bond 2016-2026	500	EUR	0.2	0.880	500	499	499	490
Bond 2016-2031	750	EUR	5.5	0.964	747	672	745	664
Bond 2016-2028	500	EUR	2.7	0.765	498	476	497	467
Bond 2017-2032	79	NOK	6.1	2.514	59	52	59	52
Bond 2017-2032	500	EUR	6.9	1.541	499	453	498	453
Bond 2017-2025	341	GBP	–	1.437	–	–	362	355
Bond 2017-2032	55	SEK	6.6	2.226	49	45	46	42
Bond 2017-2030	261	CHF	4.9	0.463	322	319	318	316
Bond 2018-2027	1,000	EUR	2.0	1.086	998	974	998	959
Bond 2018-2033	750	EUR	7.6	1.680	747	671	747	678
Bond 2018-2028	346	CHF	2.5	0.470	430	430	426	425
Bond 2018-2031	500	EUR	5.2	1.508	497	465	496	461
Bond 2018-2043	125	EUR	17.9	1.866	125	87	125	95
Bond 2019-2028	1,000	EUR	3.0	1.235	997	961	996	944
Bond 2019-2026	340	GBP	0.1	1.944	344	343	362	351
Bond 2019-2034	103	NOK	8.1	2.732	84	73	84	73
Bond 2019-2029	310	CHF	3.5	0.135	376	370	371	364
Bond 2019-2034	133	CHF	8.5	0.516	161	155	159	155
Bond 2019-2039	47	SEK	13.4	2.025	46	36	44	35
Bond 2020-2035	500	EUR	9.5	0.819	497	394	497	394
Bond 2020-2032	150	EUR	6.2	0.257	150	124	150	124
Bond 2020-2027	900	EUR	1.3	0.639	898	879	897	861
Bond 2020-2040	750	EUR	14.3	1.433	744	554	744	567
Bond 2020-2029	850	EUR	3.5	0.411	849	787	849	766
Bond 2020-2039	650	EUR	13.5	0.977	642	454	641	463
Bond 2020-2035	48	SEK	9.5	1.544	46	38	44	36
Bond 2020-2050	1,000	EUR	24.9	0.656	993	458	993	526
Bond 2021-2036	370	CHF	10.1	0.100	430	390	426	390
Bond 2021-2026	339	GBP	0.9	0.523	343	334	361	335
Bond 2021-2026	494	SEK	0.1	0.524	462	461	436	425
Bond 2021-2036	1,000	EUR	10.3	0.759	987	754	986	764
Bond 2021-2033	296	CHF	7.4	0.211	349	332	345	330
Bond 2021-2041	168	AUD	15.4	3.124	147	102	155	110
Bond 2021-2051	1,000	EUR	25.4	1.159	993	528	992	601
Bond 2021-2036	196	NOK	10.5	2.241	168	133	169	133
Bond 2021-2031	750	EUR	5.7	0.393	748	649	748	636
Bond 2021-2031	279	CHF	5.8	0.241	322	313	319	309
Bond 2022-2042	191	AUD	16.0	3.350	170	121	178	129
Bond 2022-2027	200	EUR	1.1	0.791	200	196	200	193
Bond 2022-2034	750	EUR	8.2	1.389	748	648	747	653
Bond 2022-2030	900	EUR	4.4	1.992	894	871	893	859
Bond 2022-2040	52	SEK	14.7	3.511	51	47	48	46
Bond 2022-2032	308	CHF	5.7	1.903	322	346	319	349
Bond 2022-2034	51	NOK	8.7	4.370	42	41	42	41
Bond 2022-2042	500	EUR	16.8	3.924	495	501	495	525
Bond 2022-2042	151	CHF	16.9	2.285	160	184	159	193
Bond 2023-2037	750	EUR	12.0	3.664	747	755	747	779

Senior bonds as of Dec 31 / € million	Issue volume	Issue currency	Residual maturity (years)	Effective interest rate (%)	2025		2024	
					Carrying amount	Fair value	Carrying amount	Fair value
Bond 2023 - 2033	600	EUR	7.4	3.413	594	606	593	613
Bond 2023 - 2035	287	CHF	9.7	1.927	294	318	291	323
Bond 2023 - 2027	600	EUR	1.7	3.590	599	610	599	616
Bond 2023 - 2033	149	AUD	7.9	6.053	142	147	149	157
Bond 2023 - 2043	650	EUR	17.9	4.140	638	654	638	694
Bond 2024 - 2038	500	EUR	12.1	3.512	493	488	493	504
Bond 2024 - 2039	1,325	NOK	13.1	4.136	112	104	112	106
Bond 2024 - 2034	500	EUR	8.3	3.425	498	509	498	512
Total					**26,484**	**23,886**	**28,369**	**25,934**
Adjustment from derivatives					- 20	-	- 13	-
Total amount of senior bonds					**27,124**	**24,506**	**29,140**	**26,675**

In 2025, a fixed-rate unlisted senior bond in the amount of € 98 million and six fixed-rate listed senior bonds of DB AG in the amount of € 500 million, NOK 1,500 million (€ 201 million), € 600 million, AUD 180 million (€ 115 million), CHF 175 million (€ 161 million) and GBP 300 million (€ 341 million), making for a total value of € 2,016 million, were redeemed as scheduled.

No bonds were issued in 2025.

Commercial paper can be issued as part of short-term liquidity management. As of December 31, 2025, there was no commercial paper outstanding (as of December 31, 2024: € 1,503 million).

Commercial paper issues as of Dec 31 / € million	Issue volume	Issue currency	Residual maturity (days)	Nominal interest rate (%)	2025		2024	
					Carrying amount	Fair value	Carrying amount	Fair value
December 28, 2024	215	EUR	-	3.050	-	-	215	215
December 28, 2024	215	EUR	-	3.050	-	-	215	215
December 28, 2024	215	EUR	-	3.050	-	-	215	215
December 28, 2024	215	EUR	-	3.050	-	-	215	215
December 28, 2024	215	EUR	-	3.050	-	-	215	215
December 28, 2024	215	EUR	-	3.050	-	-	215	215
December 28, 2024	215	EUR	-	3.050	-	-	215	215
Total	**1,505**				**-**	**-**	**1,503**	**1,503**

Bank borrowings are shown in detail in the following table:

Bank borrowings as of Dec 31 / € million	Currency	Residual maturity (years)	Nominal interest rate (%)	2025		2024	
				Carrying amount	Fair value	Carrying amount	Fair value
Bank loan 2023 - 2026	EUR	-	Variable	-	-	500	500
Bank loan 2023 - 2026	EUR	-	Variable	-	-	500	500
Bank loan 2023 - 2026	EUR	-	Variable	-	-	500	500
Bank loan 2023 - 2026	EUR	-	Variable	-	-	500	500
Bank loan 2024 - 2027	EUR	-	Variable	-	-	500	500
Bank loan 2024 - 2026	EUR	-	Variable	-	-	500	500
Other				648	648	642	642
Total				**648**	**648**	**3,642**	**3,642**

As a result of the cash inflow from the proceeds of the sale of DB Schenker, the bank loans taken out in 2023 and 2024 as bridge financing in the amount of € 3,000 million were repaid in full.

Other bank borrowings mainly comprised collateral due in the short-term (as of December 31, 2025: € 530 million; as of December 31, 2024: € 574 million), which resulted from hedging agreements in connection with derivative transactions.

Liabilities are generally not collateralized in DB Group.

DB Group had access to further credit facilities with a total volume of € 3,948 million as of December 31, 2025 (as of December 31, 2024: € 4,695 million). Of this, € 2,040 million was attributable to guaranteed back-up lines for DB AG's € 3.0 billion commercial paper program (as of December 31, 2024: € 2,050 million). None of these back-up lines had been utilized as of December 31, 2025. Global credit facilities totaling € 1,908 million (as of December 31, 2024: € 2,645 million) are used for working capital and guarantee financing for the subsidiaries.

Lease obligations (Note (13) 296 ff.) are secured by the lessor's rights to the leased assets. The leased assets had a carrying amount of € 3,199 million as of December 31, 2025 (as of December 31, 2024: € 2,888 million).

The nominal values of the lease liabilities are broken down as follows:

Lease liabilities / € million	Residual maturity							
	Up to 1 year	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**More than 5 years**	**Total more than 1 year**	**Total**
As of Dec 31, 2025								
Nominal values of lease payments	607	548	484	412	346	1,543	**3,333**	**3,940**
As of Dec 31, 2024								
Nominal values of lease payments	548	473	418	361	315	1,478	**3,045**	**3,593**

The increase in the nominal value of lease liabilities in 2025 was mainly due to sale and leaseback transactions by DB Fernverkehr AG in connection with the procurement of new ICE 3 neo high-speed trains and by DB Cargo AG in connection with used locomotives and freight wagons.

The financing liabilities from transport concessions in accordance with IFRIC 12 are shown in detail in the following overview:

As of Dec 31 / € million	Currency	Residual maturity (years)	**2025** Carrying amount	**2025** Fair value	2024 Carrying amount	2024 Fair value
Network 3b Gäu-Murr electric multiple units (2017)	EUR	–	–	–	4	4
Network 9a Breisgau East-West electric multiple units (2019)	EUR	–	–	–	55	51
Network 4 Rhine Valley Lot 1 electric multiple units (2020)	EUR	–	–	–	68	65
Network 4 Rhine Valley Lot 2 electric multiple units (2020)	EUR	–	–	–	56	53
Diesel network Allgäu diesel multiple units (2020)	EUR	4.0	21	21	26	26
Nuremberg S-Bahn electric multiple units (2020)	EUR	5.0	39	39	46	46
Rhine-Neckar S-Bahn electric multiple units (2020)	EUR	–	–	–	96	90
Rhine-Neckar S-Bahn electric multiple units (2021)	EUR	–	–	–	51	48
Karlsruhe network 7b Lot 1 electric multiple units (2022)	EUR	–	–	–	51	54
Karlsruhe network 7b Lot 2 electric multiple units (2022)	EUR	–	–	–	25	27
Taunus networks hydrogen multiple units (2022)	EUR	9.0	80	87	86	94
Rhein-Ruhr S-Bahn Lot B electric multiple units (2023)	EUR	–	–	–	42	44
Network 54 Bodensee-Oberschwaben regional railway diesel multiple units (2023)	EUR	–	–	–	8	9
RE34 electric multiple units (2023)	EUR	1.0	2	2	–	–
Total			**142**	**149**	**614**	**611**

Various multiple units were leased by the responsible contracting organizations to provide local rail passenger transport services in the context of successful tenders. The decrease in financing liabilities from transport concessions was due to contract adjustments.

Financing liabilities from transport concessions are offset by receivables from transport concessions (Note (19) 301 ff.).

The fair values of non-current financial liabilities are allocated to the following valuation hierarchies:

As of Dec 31 / € million	**2025** Level 1	**2025** Level 2	**2025** Level 3	**2025** Total	2024 Level 1	2024 Level 2	2024 Level 3	2024 Total
Financial liabilities – non-current								
Federal loans	–	1,274	–	**1,274**	–	–	–	**-**
Senior bonds	–	22,292	–	**22,292**	–	24,706	–	**24,706**
Commercial paper	–	–	–	**-**	–	–	–	**-**
Bank borrowings	–	60	–	**60**	–	3,060	–	**3,060**
Lease liabilities	–	2,744	–	**2,744**	–	2,470	–	**2,470**
Financing liabilities from transport concessions	–	130	–	**130**	–	521	–	**521**
Other financial liabilities	–	373	–	**373**	–	1	–	**1**
Total	**-**	**26,873**	**-**	**26,873**	**-**	**30,758**	**-**	**30,758**

The market value of the Federal loan was determined using a standard market opportunity interest rate. Due to the short period between the balance sheet date and the date on which the loan was taken out, there was no change in market value compared to the carrying amount.

DB AG senior bonds were allocated to Level 2 as the market activity does not meet the requirements of an active market. The fair values of these senior bonds were determined on the basis of binding offers from sources including Thomson Reuters and Bloomberg, which were verified using the valuation models, taking into account parameters observable on the market such as yield curves and exchange rates.

The fair value of the leases and the financing liabilities from transport concessions was determined by discounting the outstanding lease installments using the yield curve applied in DB Group (market yield curve plus current spread; source: Thomson Reuters and Bloomberg).

(29) LIABILITIES

In accordance with IFRS 9, liabilities are initially measured at fair value, taking into account transaction costs and premiums/discounts. Subsequently, non-current liabilities are recognized at amortized cost using the effective interest method. The differences between the disbursement amount less transaction costs and the repayment amount are recognized in profit or loss over the term.

The fair values of the balance sheet items “Miscellaneous liabilities,” “Trade liabilities” and “Other liabilities” essentially correspond to the carrying amounts.

Severance package commitments for agreements made as of the balance sheet date are recognized as other liabilities and – if they are not yet included in individual agreements and if they are part of a restructuring commitment in accordance with IAS 37 – are stated as other provisions.

Liabilities developed as follows:

€ million	Residual maturity							
	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total more than 1 year	Total
As of Dec 31, 2025								
Trade liabilities including advance payments received	4,127	39	23	12	8	8	**90**	**4,217**
Miscellaneous and other liabilities	3,973	333	18	17	21	332	**721**	**4,694**
Total	**8,100**	**372**	**41**	**29**	**29**	**340**	**811**	**8,911**
thereof non-financial liabilities	1,676	13	4	3	2	2	**24**	**1,700**
thereof advance payments received	115	2	2	1	0	2	**7**	**122**
thereof to related parties and persons	737	–	–	–	–	–	–	**737**
As of Dec 31, 2024								
Trade liabilities including advance payments received	3,457	29	32	17	8	9	**95**	**3,552**
Miscellaneous and other liabilities	3,283	503	19	16	20	332	**890**	**4,173**
Total	**6,740**	**532**	**51**	**33**	**28**	**341**	**985**	**7,725**
thereof non-financial liabilities	1,646	7	5	3	1	3	**19**	**1,665**
thereof advance payments received	92	2	2	2	1	2	**9**	**101**
thereof to related parties and persons	499	–	–	–	–	–	–	**499**

Trade liabilities declined overall, with € 397 million attributable to the Subsidiaries/Other segment and € 287 million to DB InfraGO; this was offset by an increase of € 79 million at DB Energy and € 21 million at DB Cargo. The miscellaneous and other liabilities increased at DB Regional (€ +348 million), DB InfraGO (€ +189 million), Subsidiaries/Other (€ +43 million) and DB Long-Distance (€ +15 million), while they decreased mainly at DB Cargo (€ −54 million). For further information, please refer to “Segment information” 282f.

Non-financial liabilities and advance payments received are not allocated to any category under IFRS 9.

The miscellaneous and other liabilities related in detail to:

As of Dec 31 / € million	2025	2024
Personnel-related liabilities		
Liabilities for vacation entitlements	228	224
Outstanding overtime liabilities	351	336
Liabilities within the framework of social security	11	11
Liabilities for severance payments	104	72
Liabilities for Christmas bonus	0	1
Liabilities for vacation pay	7	8
Other personnel obligations	677	725
Other taxes		
Value-added tax	11	12
Wage and church tax, solidarity surcharge	157	143
Miscellaneous other taxes	33	33
Interest payables	185	216
Revenue reductions	53	46
Deferred investment grants	761	517
Independent acknowledgments of debt issued for delivery transactions	792	627
Liabilities pursuant to the Railway Crossing Act	1	2
Miscellaneous liabilities	1,323	1,200
Total	**4,694**	**4,173**

As previously, the liabilities were unsecured as of December 31, 2025.

Within other liabilities, obligations from independent acknowledgments of debt that have been paid out in full to the suppliers were recognized in the balance sheet in the amount of € 792 million (as of December 31, 2024: € 627 million). In 2025, there were additions (€ +273 million) and disposals (€ −108 million) due to incoming and outgoing payments. The average payment term was two to three years.

(30) INCOME TAX LIABILITIES

As of December 31, 2025, income tax liabilities primarily related to obligations to the tax authorities in the United Kingdom and Germany.

(31) PENSION OBLIGATIONS

DB Group grants post-employment benefits to its employees in numerous countries. The structure of the pension commitments depends on the legal, economic and tax conditions of the respective country.

DB Group has both defined benefit and defined contribution pension schemes. Defined benefit obligations are measured and recognized in accordance with IAS 19. Significant pension obligations only exist in Germany and the United Kingdom. For this reason, only these are described in more detail below.

Germany

DB Group's pension obligations in Germany include those for both civil servants and employees.

Civil servants assigned to DB Group companies receive retirement benefits from the Federal Railway Fund (Bundeseisenbahnvermögen; BEV) in accordance with the Civil Servants' Pension Act after retirement.

Payments are only made to the BEV during the active employment of the assigned civil servants for DB Group as part of the pro forma settlement as for newly hired employees (Section 21 (1) of the Deutsche Bahn Foundation Act (Deutsche Bahn Gründungsgesetz; DBGrG)). This also includes notional shares for statutory pension insurance contributions and notional expenses in accordance with the collective agreements on the supplementary company pension scheme (ZversTV) and the company pension scheme (bAV-TV) for DB AG employees. The payments to the BEV for the retirement benefits of civil servants are defined contribution pension plans.

The pension obligations with regard to employees mainly relate to the following:

a) Employees who were employed by Deutsche Bundesbahn before DB AG was established (January 1, 1994) enjoy supplementary benefits in view of their former membership of the public sector. The employees are entitled to benefits from this additional pension insurance from Deutsche Rentenversicherung Knappschaft-Bahn-See (KBS). As an official authority, KBS has not only assumed responsibility for managing and paying the statutory pension for DB Group employees; it also continues the additional pension insurance for the transferred employees who are beneficiaries. During the active phase of the employment agreement, a pro forma refund of expenses is also provided to the BEV for these employees. When the employees retire, this payment is no longer made to the BEV.

The BEV bears the costs of these additional benefits, less the contribution made by the employees themselves (Section 14 (2) DBGrG). Accordingly, DB AG does not set aside any provisions for these public sector benefits.

b) Employees of the former Deutsche Reichsbahn and employees who were recruited after January 1, 1994, and before December 31, 2021, receive an additional company pension from DB AG within the framework of the ZVersTV. This supplementary company pension is a defined benefit scheme, which is linked to salary and length of service. The current pension benefits are adjusted every year in line with the regulations of the Company Pensions Act (Betriebsrentengesetz). Retirement benefits, invalidity benefits and benefits to surviving dependents are provided in the form of a lifetime pension. No plan assets are created for this scheme.

In addition, the employees in most Group companies receive a monthly contribution to the company pension plan in the amount of 3.3% of the employee's monthly standard salary as well as of most of the salary elements paid in the month. The monthly contribution is paid into a pension plan (DEVK-Pensionsfonds). It is not necessary for provisions to be created for this purpose.

c) Various defined benefit pension obligations exist with regard to executives in DB Group who were granted an executive commitment before January 1, 2007. The extent of the benefits depend on the length of service and the salary of the beneficiary. In general, retirement benefits, invalidity benefits and benefits to surviving dependents are provided in the form of a lifetime pension. With the exception of a small number of reinsurance policies, there are no plan assets.

d) Executives of DB Group who received an executive commitment after December 31, 2006, are generally granted a pension in the form of a defined contribution plan. For this purpose, a benefit module is calculated in each year of service, depending on the salary and age of the beneficiaries. These benefits are financed by way of a contractual trust arrangement (CTA), namely Deutsche Bahn Pension Trust e.V. The extent of the benefits depends on the yield of the CTA, whereby a minimum return is guaranteed (guarantees up to and including 2014: 2.25% p.a.; guarantees from 2015 onwards: only securing of contribution). Longevity risks are avoided by the fact that the benefits are generally granted in the form of a five-year installment payment. The assets of the CTA are classified as plan assets. The pension obligation is covered by the plan assets on the assumption that the CTA produces a corresponding performance, thus minimizing investment risks. There are no legal or regulatory obligations requiring Deutsche Bahn Pension Trust e.V. to make minimum payments into the scheme. The contributions are invested in line with the fundamental assumption that the benefit commitment is guaranteed by a corresponding guarantee element. For each payment relating to an individual beneficiary, an age-related amount is invested in prime zero bonds. The investment amount remaining after the payment has been made into the guarantee element is mainly invested in passively managed European equity and bond funds (or equivalent products) with the aim of optimizing returns.

e) Executives are able to participate in a deferred compensation program. This employee-financed form of company pension plan constitutes a defined benefit obligation.

United Kingdom

The company pension scheme of DB Cargo (UK) Holdings Limited is essentially a defined benefit pension plan (linked to salary and length of service) within the British Railway Pension Scheme. The plan assets are managed by an independent trustee. The process of collating the data of members in the plan for the purpose of compliance with legal requirements in relation to the members of the plan is generally carried out every three years. As of the intermediate valuation dates, the obligations in the plan are measured on the basis of the correspondingly updated data. The pension plan is based on final salary, and lifetime pensions are provided as benefits. The pension obligations are covered by plan assets. Investments are made by the trustee of the plan assets in coordination with DB Group.

Critical estimations and assessments

In the case of the defined benefit pension obligations in Germany and abroad, the actuarial risks are borne by DB Group. Actuarial methods are used for measuring defined benefit pension commitments as well as benefit commitments which are similar to pensions and the resultant expenses and income. The valuations are based on actuarial assumptions. There are the following actuarial risks which are considered to be typical for companies with defined benefit schemes:

- **Interest risk:** *The discount factors which are used reflect the interest rates (giving due consideration to the duration of the underlying obligation) which are achieved on the balance sheet date for high-quality fixed-interest senior bonds with a corresponding duration. A change in the discount rate results in a change in the present value of the total defined benefit obligation (DBO).*
- **Inflation risk:** *Part of the pension obligations, particularly as a result of adjustments to current pensions, is linked to the development of inflation.*
- **Longevity risk:** *A longevity risk may occur in the form of extended periods in which pensions are paid out as a result of an increase in life expectancy in future.*
- **Investment risk:** *In the case of externally financed pension plans, the values of the corresponding plan assets or the refund claims are based on the fair values as of the balance sheet date. The capital investment is exposed to numerous risks, which may have an impact on the present value recognized for the plan assets. In the case of pension schemes with an obligation to pay into the scheme, the amount of future contributions may be affected by the investment risk.*

Key assumptions for expenses and income attributable to pension commitments and benefit commitments similar to pensions are to some extent based on current market conditions. Expenses and income relating to pension commitments and benefit commitments similar to pensions may change as a result of changes to these underlying key assumptions.

The figures stated for pension provisions in the balance sheet are detailed in the following table:

	Germany		Europe (excluding Germany)		Rest of world		**Total**	
As of Dec 31 / € million	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	**2024**
Commitments for funded benefits	411	383	1,292	1,380	–	0	**1,703**	**1,763**
Commitments for unfunded benefits	2,833	3,241	9	9	–	0	**2,842**	**3,250**
Total obligation	**3,244**	**3,624**	**1,301**	**1,389**	**–**	**0**	**4,545**	**5,013**
Fair value of plan assets	-352	-320	-1,465	-1,477	–	–	**-1,817**	**-1,797**
Effect due to cost sharing	–	–	-3	-4	–	–	**-3**	**-4**
Amount not recognized as an asset as a result of the IAS 19.64 restriction	0	0	–	–	–	–	**0**	**0**
Asset recorded on the balance sheet as receivables from plan assets	–	–	178	106	–	–	**178**	**106**
Net obligations recognized in the balance sheet	**2,892**	**3,304**	**11**	**14**	**–**	**0**	**2,903**	**3,318**

The total pension commitment developed as follows:

	Germany		Europe (excluding Germany)		Rest of world		**Total**	
€ million	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	**2024**
Commitments as of Jan 1	3,624	3,889	1,389	1,703	0	51	**5,013**	**5,643**
Service cost, excluding employee contributions	124	137	9	15	1	3	**134**	**155**
Employee contributions	–	3	5	10	0	0	**5**	**13**
Interest expense	122	124	73	75	1	2	**196**	**201**
Payments	-102	-112	-81	-101	-1	-3	**-184**	**-216**
thereof pension payments	-102	-112	-81	-101	-1	-3	**-184**	**-216**
thereof payments for settlements	–	0	–	–	–	–	**–**	**0**
Past service cost and profit or losses from settlements	5	5	–	-14	0	–	**5**	**-9**
Transfers	8	-237	4	-180	–	-52	**12**	**-469**
Changes in the scope of consolidation	-161	0	0	0	1	–	**-160**	**0**
thereof additions to scope of consolidation	–	0	–	–	–	–	**–**	**0**
thereof disposals from scope of consolidation	-161	–	0	0	1	–	**-160**	**0**
Actuarial gains (-)/losses (+)	-376	-185	-30	-224	-1	-1	**-407**	**-410**
from revaluations based on experience	-76	-80	14	16	–	0	**-62**	**-64**
from changes in demographic assumptions	2	2	7	-1	–	0	**9**	**1**
from changes in financial assumptions	-302	-107	-51	-239	-1	-1	**-354**	**-347**
Exchange rate effects	–	–	-68	105	-1	0	**-69**	**105**
Commitments as of Dec 31	**3,244**	**3,624**	**1,301**	**1,389**	**0**	**0**	**4,545**	**5,013**

In connection with the completion of the sale of the discontinued operations of DB Schenker, DB AG's assumption of debt in respect of selected pension obligations of DB Schenker AG and their recognition as pension obligations of DB AG were also terminated. The effect of the termination of this debt assumption agreement for pension obligations is reported in the line "thereof disposals from scope of consolidation."

The transfers in the previous year resulted from the reclassification of pension provisions of DB Schenker to liabilities in connection with assets held for sale.

The development of plan assets is shown in the following overview:

	Germany		Europe (excluding Germany)		Rest of world		Total	
€ million	2025	2024	2025	2024	2025	2024	2025	2024
Present value of plan assets as of Jan 1	320	555	1,477	1,723	–	32	**1,797**	**2,310**
Employer contributions	39	42	37	15	1	1	**77**	**58**
Employee contributions	–	0	5	10	0	0	**5**	**10**
Notional return on plan assets	12	20	79	80	0	1	**91**	**101**
Payments	-6	-18	-78	-96	-1	-2	**-85**	**-116**
thereof pension payments	-6	-18	-78	-96	-1	-2	**-85**	**-116**
thereof payments for settlements	–	–	–	–	–	–	**–**	**–**
Transfers	–	-275	–	-122	–	-35	**–**	**-432**
Changes in the scope of consolidation	-1	–	0	0	1	–	**0**	**0**
Revaluation	-12	-4	22	-240	–	3	**10**	**-241**
Administrative costs: costs of pension assurance	–	–	-2	-3	–	0	**-2**	**-3**
Exchange rate effects	–	–	-75	110	-1	0	**-76**	**110**
Present value of plan assets as of Dec 31	**352**	**320**	**1,465**	**1,477**	**0**	**0**	**1,817**	**1,797**

The transfers in the previous year were almost entirely attributable to plan assets related to DB Schenker.

The reported plan assets are broken down as follows:

	Germany		Europe (excluding Germany)		Rest of world		Total	
As of Dec 31 / € million	2025	2024	2025	2024	2025	2024	2025	2024
Stocks and other securities	56	35	365	396	–	–	**421**	**431**
thereof with listed market price	56	35	365	396	–	–	**421**	**431**
Interest-bearing securities	204	196	962	979	–	–	**1,166**	**1,175**
thereof with listed market price	204	196	962	979	–	–	**1,166**	**1,175**
Reinsurance	43	46	21	18	–	–	**64**	**64**
thereof with listed market price	–	–	21	18	–	–	**21**	**18**
thereof without listed market price	43	46	–	–	–	–	**43**	**46**
Private equity	–	–	69	74	–	–	**69**	**74**
thereof without listed market price	–	–	69	74	–	–	**69**	**74**
Investments in infrastructure	–	–	0	–	–	–	**0**	**–**
thereof with listed market price	–	–	0	–	–	–	**0**	**–**
Cash and other assets	49	43	48	10	–	0	**97**	**53**
thereof with listed market price	49	43	48	10	–	0	**97**	**53**
thereof without listed market price	0	–	–	–	–	–	**0**	**–**
	352	**320**	**1,465**	**1,477**	**–**	**0**	**1,817**	**1,797**
thereof assets recorded as receivables from plan assets	–	–	-178	-106	–	–	**-178**	**-106**
	352	**320**	**1,287**	**1,371**	**–**	**0**	**1,639**	**1,691**

Changes in net pension provisions are presented below:

	Germany		Europe (excluding Germany)		Rest of world		**Total**	
€ million	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	**2024**
Provision as of Jan 1	3,304	3,388	14	85	0	19	**3,318**	**3,492**
Pension expenses	239	251	5	-2	1	4	**245**	**253**
thereof service cost	124	137	9	15	1	3	**134**	**155**
thereof employee contributions	–	3	–	–	0	0	**0**	**3**
thereof interest income and interest expenses	110	106	-6	-6	0	1	**104**	**101**
thereof administrative expenses	–	–	2	3	–	0	**2**	**3**
thereof past service cost and profits or losses from settlements	5	5	–	-14	0	–	**5**	**-9**
Employer contributions	-39	-42	-37	-15	0	-1	**-76**	**-58**
Payments	-96	-94	-3	-4	0	-1	**-99**	**-99**
thereof pension payments	-96	-94	-3	-4	0	-1	**-99**	**-99**
thereof payments for settlements	–	0	–	–	–	0	**–**	**0**
Transfers	8	-29	4	-58	–	-17	**12**	**-104**
Changes in the scope of consolidation	-160	0	0	0	0	–	**-160**	**0**
thereof additions to scope of consolidation	–	0	–	–	–	–	**–**	**0**
thereof disposals from scope of consolidation	-160	–	0	0	0	–	**-160**	**0**
Revaluation	-364	-170	-52	19	-1	-4	**-417**	**-155**
from revaluations based on experience	-76	-80	14	16	–	0	**-62**	**-64**
from changes in demographic assumptions	2	2	7	-1	–	0	**9**	**1**
from changes in financial assumptions	-302	-107	-51	-237	-1	-1	**-354**	**-345**
Difference between actual income and theoretical income from plan assets	12	4	-22	241	–	-3	**-10**	**242**
Changes to the asset value limit	0	11	–	–	–	–	**0**	**11**
Exchange rate effects	–	–	0	0	0	0	**0**	**0**
Change in recognized assets	–	–	80	-11	0	0	**80**	**-11**
Provision as of Dec 31	**2,892**	**3,304**	**11**	**14**	**0**	**0**	**2,903**	**3,318**

The disposal from the scope of consolidation related to the sale of DB Schenker.

The actuarial parameters used for assessing the value of most of the pension provisions are shown below:

%	**2025**	2024
Interest rate		
Germany and rest of world (excluding United Kingdom)	4.00	3.40
United Kingdom	5.40	5.40
Expected rate of wage and salary increase		
Germany and rest of world (excluding United Kingdom)	4.10	4.10
United Kingdom	2.90	3.20
Expected pension trend (by group of people)		
Germany and rest of world (excluding United Kingdom)	2.25	2.25
United Kingdom	1.90	2.20

The 2018 G mortality tables by Prof. Dr. Klaus Heubeck continued to be used to measure the pension obligations for the German Group companies. Country- or benefit-scheme-specific mortality tables were used to value the pension obligations of the other Group companies.

Sensitivities and additional information:

As of Dec 31 / € million	**2025**	2024
Total obligation with a 1 percentage point higher interest rate	4,003	4,376
Total obligation with a 1 percentage point lower interest rate	5,226	5,823
Total obligation with a 0.5% higher salary increase	4,556	5,024
Total obligation with a 0.5% higher pension development	4,786	5,278
Total obligation with a 1-year increase in life expectancy	4,662	5,140
Total obligation	4,545	5,013
thereof active beneficiaries	1,921	2,225
thereof former employees	635	688
thereof pensioners	1,988	2,100
Expected payments into the plan assets for next year	50	52
Direct pension payments for next year	117	130
Duration of benefit obligation (years)	13.9	14.8

The sensitivity figures have been established using the method which was used for calculating the extent of the commitment. One assumption was modified while the other assumptions were retained, which means that interdependencies between the individual assumptions were disregarded.

(32) OTHER PROVISIONS

Other provisions are recognized if there is a present legal or constructive commitment arising from a past event, it is probable (more likely than not) that the settlement of the commitment will result in an outflow of resources embodying economic benefits, and a reliable estimate of the amount of the commitment can be made (IAS 37 Provisions, Contingent Liabilities and Contingent Assets).

Non-current provisions are discounted using market interest rates. Provisions for environmental protection for the rehabilitation of existing ecological damage are discounted on the basis of real interest rates, which are adjusted to reflect the risk and the period until fulfillment. The difference between the nominal value of the expected outflows and the present value recognized for the provisions for environmental protection of DB AG for transferred liabilities for the elimination of existing damage from the time previous to the foundation of DB AG is stated under deferred items, and represents the interest benefit resulting from the longer-term release of the provision. The compounding expense attributable to other provisions is recognized in net interest income. Provisions for impending losses are measured as the lower of the amount of the expected unavoidable costs of fulfilling the agreement and the expected costs of terminating the agreement.

Critical estimations and assessments

The process of determining all types of provisions is associated with estimates regarding the extent and/or timing of obligations.

The provisions for environmental protection relate primarily to the commitment of DB AG to remedy the ecological burdens which arose before January 1, 1994, on the land of the former Deutsche Bundesbahn and the former Deutsche Reichsbahn. Ecological burdens are defined as contamination of soil and groundwater that requires rehabilitation and that pose risks, considerable disadvantages or considerable problems for private individuals or society at large. The legal basis for deriving remediation obligations is summarized in the soil and water laws of the Federal Government and the Federal states. The process of dealing with ecological burdens also comprises necessary rehabilitation measures for existing sewers, in order to avoid soil and groundwater contamination caused by leaks from the sewer system, as well as measures for shutting down old landfill sites.

The provision has been calculated on the basis of a discounting method using the present value, where remediation measures are probable, the remediation costs can be reliably estimated and no future benefit is expected to be derived from these measures.

The estimation of future remediation costs is subject to various factors:

SEWER MANAGEMENT:

- ***Sewer meters:*** *The need for renovation and decommissioning at the site only becomes concrete as part of the renovation planning and can then be precisely determined after completion of the renovation work (and thus the sewer meters).*
- ***Sewer aging:*** *As the sewer ages, an increasing degree of damage can be assumed.*
- ***Regulations/legal requirements:*** *Work in the track area in particular means additional costs due to loading, securing, night work and line closures.*
- ***Capacities/market conditions:*** *Depending on the market situation, executing companies are available and thus capacities (personnel); however, the market situation and the restructuring procedures to be defined as part of the measures also determine their price.*

SOIL/GROUNDWATER REMEDIATION:

- ***Environmental laws/regulatory orders:*** *Changes in environmental legislation and official orders can lead to unplanned additional costs.*
- ***Remediation risks:*** *In the course of remediation measures, additional quantities for soil excavation or longer running times for groundwater extraction and purification arise, as remediation target values have not yet been reached. This leads to additional costs.*
- ***Increase in damage:*** *There is a risk that new soil/groundwater contamination that meets the criteria for the utilization of provisions may be discovered, such as in the course of infrastructure construction activities.*

For the valuation of provisions as of December 31, 2025, the investigation and rehabilitation obligations which are currently known have been used as the basis for estimating the expected costs in relation to the current price level. The provision was discounted on the basis of expected cash outflows using a risk-adjusted interest rate of 0.17% (as of December 31, 2024: 0.23%).

Provisions for impending losses from pending transactions are created if a loss is probable and can be reliably estimated. In view of the uncertainty associated with this assessment, the actual losses may differ from the original estimates and may thus also differ from the amount of the provision. In DB Group, such uncertainty results particularly from the estimation of future income from transport contracts, the associated material- and personnel-related expenses as well as any penalty payments. Changes in the estimations of these impending losses from pending transactions may have a considerable impact on the future results of operations.

The provisions for decommissioning are measured mainly on the basis of estimations that, for decommissioning and disposal costs, are derived mainly from sector-specific appraisals. The provisions are shown with their discounted settlement amount at the point at which they originate.

For the measurement of provisions for decommissioning, opportunities and risks arise from deviations from the underlying measurement assumptions, project plans and changes in (regulatory) framework conditions.

Valuation risks arise in particular in connection with:

- *interest rate and price assumptions against the backdrop of the very long-term project period,*
- *technical, organizational or capacity-related delays or optimization compared to the assumed project plan for the decommissioning of the power plant,*
- *higher/lower pollutant/radioactive loads from excavated materials and residual materials, and*
- *delayed or early receipt of permits.*

Other provisions developed as follows:

€ million	Personnel-related provisions		Revenue reductions		Provisions for impending losses		Decommissioning obligations		Environmental protection		Other provisions		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	**2024**
As of Jan 1	857	898	4,521	3,654	394	517	414	431	1,372	1,353	1,461	1,480	**9,019**	**8,333**
Currency translation effects	0	0	0	1	-3	2	–	–	0	0	-3	4	**-6**	**7**
Changes in the scope of consolidation	0	0	–	–	–	-1	–	–	–	0	45	-1	**45**	**-2**
thereof additions to scope of consolidation	–	–	–	–	–	–	–	–	–	–	45	–	**45**	**–**
thereof disposals from scope of consolidation	0	0	–	–	–	-1	–	–	–	0	0	-1	**0**	**-2**
Utilization	-325	-303	-1,085	-726	-146	-151	-44	-54	-49	-51	-286	-334	**-1,935**	**-1,619**
Disposal	-80	-42	-397	-326	-56	-75	-19	-17	-1	-5	-150	-125	**-703**	**-590**
Reclassifications	-4	-154	0	-3	3	-6	–	–	–	0	-1	-263	**-2**	**-426**
Addition	719	433	1,694	1,921	136	90	30	31	5	79	906	681	**3,490**	**3,235**
Compounding and discounting	18	25	–	–	8	18	14	23	11	-4	8	19	**59**	**81**
As of Dec 31	**1,185**	**857**	**4,733**	**4,521**	**336**	**394**	**395**	**414**	**1,338**	**1,372**	**1,980**	**1,461**	**9,967**	**9,019**

The following table breaks down the other provisions into current and non-current amounts and details their estimated residual maturity:

€ million	Residual maturity: Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total more than 1 year	Total
As of Dec 31, 2025								
Personnel-related provisions	518	207	145	98	67	150	**667**	**1,185**
Revenue reductions	4,733	–	–	–	–	–	**–**	**4,733**
Provisions for impending losses	164	69	38	17	15	33	**172**	**336**
Decommissioning obligations	49	45	41	42	41	177	**346**	**395**
Environmental protection	69	65	71	72	73	988	**1,269**	**1,338**
Other provisions	1,501	97	57	99	48	178	**479**	**1,980**
Total	**7,034**	**483**	**352**	**328**	**244**	**1,526**	**2,933**	**9,967**
As of Dec 31, 2024								
Personnel-related provisions	396	141	103	57	39	121	**461**	**857**
Revenue reductions	4,521	–	–	–	–	–	**–**	**4,521**
Provisions for impending losses	191	70	54	25	19	35	**203**	**394**
Decommissioning obligations	44	45	43	43	43	196	**370**	**414**
Environmental protection	57	65	68	65	71	1,046	**1,315**	**1,372**
Other provisions	1,105	98	105	61	38	54	**356**	**1,461**
Total	**6,314**	**419**	**373**	**251**	**210**	**1,452**	**2,705**	**9,019**

Personnel-related provisions

Termination benefits (severance packages) become payable if employees are released from their duties under the terms of part-time work leading up to retirement before the regular retirement age which would not involve any reduction of retirement benefits or if employees voluntarily terminate their employment contract in return for a severance package. Severance payments are recognized if there is a demonstrable commitment either to terminate the employment agreements of current employees in accordance with a detailed formal plan that cannot be reversed or to make severance payments if the employment contract is voluntarily terminated by employees within the framework of employment contract termination agreements.

Severance package commitments for agreements made as of the balance sheet date are recognized as other liabilities. Severance package obligations that are not yet included in individual agreements but are part of a restructuring commitment in accordance with IAS 37 are recognized as other provisions.

Individual contractual agreements on part-time work leading up to retirement are usually based on the block model. The top-up amounts paid by DB Group during the period of part-time work leading up to retirement in addition to the salary as well as additional contributions to the statutory pension insurance are accrued pro rata until the end of the active phase of part-time work leading up to retirement and deferred in accordance with IAS 19. The compensation backlog (plus the employer's contributions to social security insurance) for the additional work performed during the employment phase is also shown with the present pro rata present value as another non-current employee benefit.

Under certain conditions, DB Group offers employees the opportunity under collective agreements to reduce their working hours below their regular working hours (special part-time working for older employees). In these cases, the number of working hours is reduced to 81% of the reference or regular working hours, while the employees' remuneration is topped up to 90%. Payments into the company pension plan are granted on the basis of 100% of the reference or regular working hours.

The personnel-related provisions were composed as follows:

As of Dec 31 / € million	**2025**	2024
Personnel contractual commitments	798	519
Obligations for part-time work leading up to retirement (as of December 31, 2024: including early retirement obligations) [1]	213	174
Service anniversary provisions	61	62
Other	113	102
Total	**1,185**	**857**

[1] The early retirement obligations included as of December 31, 2024, expired in full in 2025. Only obligations for part-time work leading up to retirement were reported as of December 31, 2025.

The personnel-related provisions included commitments arising from employment agreements that result from the entitlement of many employees under labor law and the willingness of DB AG not to terminate employment contracts for operational reasons. In such cases, DB Group will incur losses in the form of personnel expenses which will have to be borne until the employment contract is terminated or the employee is placed with another company; no reciprocal benefit will be provided in return for these expenses (commitment surpluses relating to employment agreements). In addition, the contractual personnel obligations as of December 31, 2025, included provisions for restructuring measures.

The main reasons for the increase in contractual personnel obligations compared with the previous year were primarily changes to measures to reduce the number of employees at DB InfraGO AG, DB Fahrzeuginstandhaltung GmbH and DB Systel GmbH, as well as restructuring measures as part of the transformation of DB Cargo.

With an allocation of € 560 million as of December 31, 2025 (as of December 31, 2024: € 502 million), the provision for surplus obligations from employment relationships accounted for a large share of DB Group's personnel-related provisions. It resulted from DB AG's contractual obligations to safeguard jobs as set out in the Demography Collective Agreement (Demografietarifvertrag; DemografieTV). Furthermore, additions to provisions totaling € 164 million were recognized in 2025 for restructuring measures at DB Cargo.

The provisions for obligations for part-time work leading up to retirement included the commitments arising from collective bargaining agreements and were calculated on the basis of actuarial reports. The provisions of the DemografieTV for special part-time work in old age included an amount of € 73 million as of December 31, 2025 (as of December 31, 2024: € 75 million) for the collectively agreed entitlement of employees with many years of service and many years of shift work.

Revenue reductions

The revenue reductions as of December 31, 2025, primarily resulted from penalty obligations due to train cancellations, delays and quality deficiencies, in particular as a result of extensive infrastructure construction work, increased sickness rates, and the settlement procedure to compensate for revenue shortfalls in connection with the Germany-Ticket by the Federal Government and the Federal states.

Provisions for impending losses

The provisions for impending losses mainly relate to transport contracts in which commitment surpluses build up over the duration of the contracts. The additions mainly related to DB Regional.

As of December 31, 2025, an amount of € 82 million (as of December 31, 2024: € 48 million) was allocated to DB Regional and € 29 million (as of December 31, 2024: € 33 million) was reversed.

Decommissioning provisions

The provisions for decommissioning obligations resulted from the pro rata decommissioning obligation for a joint venture power plant. When measuring the provision, a customary cost increase rate of 2.48% (as of December 31, 2024: 2.51%) and a nominal interest rate of 3.20% (as of December 31, 2024: 3.26%) were taken into account.

Provisions for environmental protection

Of the environmental protection provisions, € 1,326 million was attributable to DB AG as of December 31, 2025 (as of December 31, 2024: € 1,363 million). The change of € 37 million resulted from the utilization of restructuring obligations (€ 48 million) and an interest effect (€ 11 million). In order to take account of the remedial action obligations recognized in the provisions for environmental protection, DB AG has set up various programs, including:
- the 4-stage program for soil remediation
- the 3-stage sewerage network program
- the 2-stage landfill shut-down program

Structured processing ensures a legally compliant and cost- and effort-optimized procedure for the recording, risk assessment and remediation of identified hazards to protected assets.

In the 4-stage soil remediation program, existing soil and/or groundwater contamination is localized via the stages "historic exploration," "orienting investigation" and "detail investigation," and is assessed on the basis of the relevant statutory testing criteria. If any negative change in soil conditions or ecological burdens is identified, implementation of the necessary remedial action is planned by the steps feasibility study, model planning and approval planning. The process of carrying out the remedial action is supported by a binding remedial action plan or a public-sector agreement with defined remedial action objectives.

The 3-stage sewerage network program aims to remedy any contamination of soil and/or groundwater resulting from leaks. This is accompanied by an optimization of the existing sewer network for future use, so that hazard prevention can be limited to this future network. Any network that is not necessary for operation will be decommissioned. The sewerage program will be carried out via stage 1 "recording," stage 2 "inspection" and stage 3 "remedial action/decommissioning." Legal requirements are set out in the Water Resources Accounting Act (Wasserhaushaltsgesetz; WHG), the Water Acts of the Federal states and the own control regulations.

The 2-stage landfill shut-down program systematically records all legacy landfill sites operated by DB Group (stage 1). The requirements resulting from the Recycling Accounting Act (Kreislaufwirtschaftsgesetz; KrWG) and the Landfill Site Regulation (Deponieverordnung; DepV) are used as the basis for planning and implementing the processes of decommissioning and recultivating the areas (stage 2a) and the subsequent maintenance (stage 2b).

Other provisions

The other provisions comprised provisions for short-term repayments of investment grants, third-party obligations for maintenance, real estate risks, litigation risks, compensation for damages, other tax risks, short-term interest receivable risks, guarantee and warranty obligations, decommissioning and demolition obligations, penalty payments, liability annuities and project risks, as well as numerous other issues that are of minor importance individually.

(33) DEFERRED ITEMS

DB Group receives various public grants, which are generally granted on the basis of assets or performance. The grants are recognized in the balance sheet as soon as it is certain that they will be provided and as soon as the conditions necessary for receiving the grants have been satisfied. The grants related to assets, and in particular investment grants, are deducted directly from the assets for which the grants have been received. The interest benefits (difference between nominal value and present value) from loans granted are recognized as deferred income on the basis of the contractual grant conditions. Income from the pro rata temporis reversal of these deferred income items is recognized as other operating income.

Deferred items were composed as follows:

As of Dec 31 / € million	**2025**	2024
Deferred public-sector grants	1,872	127
Deferred income	1,233	1,229
Other	406	383
Total	**3,511**	**1,739**
Non-current portion	2,712	908
Current portion	799	831

The increase in deferred public-sector grants resulted from the valuation of the loan granted by the Federal Government to DB InfraGO AG (see Note (28) 307ff.).

Notes to the statement of cash flows

The statement of cash flows shows the changes in cash and cash equivalents in the year under review, and was prepared in accordance with IAS 7 (Statement of Cash Flows). The cash flow from operating activities is presented using the indirect method.

The following explanations relate to the continuing operations (DB Long-Distance, DB Regional, DB Cargo, DB InfraGO, DB Energy, Subsidiaries/Other).

Interest income and interest payments, dividend income and tax payments are stated under operating activities.

Cash and cash equivalents include the cash and cash equivalents stated in the balance sheet with a residual maturity of up to three months (cash in hand, cash at banks as well as security investments). As of December 31, 2025, € 6 million of the cash and cash equivalents were still restricted.

Current receivables due from banks (as of December 31, 2025: € 158 million; as of December 31, 2024: € 185 million) resulting from collateral agreements in connection with financial forward transactions are shown under current other receivables and assets. Because it is difficult to predict the performance of financial futures, it can only be assumed to a limited extent that such hedges represent current liquidity.

The cash flow from discontinued operations related to DB Schenker (sale completed in 2025).

CASH FLOW FROM OPERATING ACTIVITIES

The cash flow from operating activities is calculated by adjusting the profit/loss for the period before taxes by non-cash amounts (in particular additions to and reversals of other provisions) and by adding other changes in current assets, liabilities (excluding financial debt) and provisions. The cash inflow from operating activities is then established after due consideration is given to interest and tax payments.

In accordance with IFRS 16, outflows related to leases are recognized in cash flow from financing activities if they are redemption payments, and are recognized in cash flow from operating activities if they are payments of interest.

The cash flow from operating activities decreased significantly in 2025. This was mainly due to a substantial increase in the net loss, adjusted for significantly higher depreciation of property, plant and equipment and amortization of intangible assets, increased trade receivables and other assets, increased deferred income, trade liabilities and other liabilities, as well as lower pension provisions.

In 2025, non-cash expenses and income increased only slightly, in particular as a result of a net increase of € 141 million in expenses from the addition to and reversal of other provisions.

CASH FLOW FROM INVESTING ACTIVITIES

The cash flow from investing activities is calculated as the cash inflow provided by the disposal of property, plant and equipment and intangible assets as well as by investment grants, and the cash outflow for capital expenditures on property, plant and equipment and intangible assets, as well as cash flow from the addition and disposal of non-current financial assets.

Payments received from investment grants are shown under investing activities due to the close connection between investment grants received and the payments made for capital expenditures in property, plant and equipment.

When changes take place in the scope of consolidation as a result of the acquisition or sale of companies, the acquisition price paid (excluding any liabilities that are transferred) less the acquired or sold financial resources are stated as cash flow from investing activities.

The cash inflow (previous year: cash outflow) from investing activities resulted in particular from the significant increase in proceeds from the sale of shares in consolidated companies. At € 12.5 billion, this related almost exclusively to the sale of DB Schenker (previous year: € 1.2 billion in connection with the sale of DB Arriva). The deconsolidation of DB Schenker led to a cash outflow (assets held for sale) of € 1.5 billion (previous year: cash outflow of € 0.5 billion in connection with the deconsolidation of DB Arriva). Payments for capital expenditures in property, plant and equipment and intangible assets increased significantly (€ +3,027 million; +16.9%). At the same time, the net cash inflow from investment grants and repayments declined significantly as a result of changes in the Government funding of infrastructure measures (€ –1,661 million; –18.1%). Cash inflows and outflows for investments in financial assets included cash inflows of € 411 million (previous year: € 4 million) from the sale of money market funds and net cash inflows of € 89 million (previous year: € 73 million) for investments in connection with the acquisition of transport concessions (IFRIC 12).