



Financial Summary 2021

Strong. Fair. Hanseatic.



Die Sparkasse
Bremen

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Editorial

Digital and still close by: Sparkasse Bremen continues to be an efficient, trustworthy financial partner for the people of Bremen

The coronavirus pandemic and its negative effects continued to impact society and business in 2021. In spite of a difficult general environment, Sparkasse Bremen was able to achieve a satisfactory result in the past financial year as well, once

again increasing its reserves in order to continue to assume responsibility for Bremen's people and its economy as a reliable, trustworthy financial partner, both in personal contacts and also more and more in digital contacts.



Sparkasse Bremen Board of Managing Directors (left to right): Thomas Fürst, Pranjal Kothari, Klaus Windheuser and Chairman Dr. Tim Nesemann

We thank all our customers and business associates as well as the financial holding of the savings bank in Bremen and its

members for their loyalty towards our bank and we look forward to a continuation of our trusting business relationship.

Thomas Fürst

Pranjal Kothari

Klaus Windheuser

Dr. Tim Nesemann

Management Report



General Sparkasse Information

Sparkasse Bremen was founded in 1825 on the initiative of the people of Bremen. As an independent savings bank, Sparkasse Bremen does not aim at maximising profits; instead it focuses on its value for its customers and its location. This is why it continues to reinvest a large share of its economic income in the Hanseatic City - and hence also in the public welfare and quality of life of the people of Bremen - many of whom benefit from playschools and sports clubs to cultural events in the city. This focus on public welfare is an unshakable factor in the business strategy of Sparkasse Bremen.

With a business volume of around EUR 16 billion and approximately 1,100 employees, Sparkasse Bremen is a strong partner for small and medium-sized enterprises, supporting business growth with its knowledge of the sector and its local expertise. Sparkasse Bremen provides its private customers with comprehensive consulting services and services on saving and financing as well as on asset management, provision for retirement and real estate matters. Around 400,000 private customers and approximately 25,000 corporate customers trust in Sparkasse Bremen. Sparkasse Bremen hence has a market share of more than 40 % in the Bremen region.

Sparkasse Bremen focuses clearly on customer orientation aimed at permanently and sustainably reinforcing relationships with its customers. In this context, the customer preference value determined by an independent market research institute is a significant non-financial performance indicator. It reflects the Sparkasse Bremen position – on the basis of the current performance portfolio - in a comparison with that of competitors. It is determined annually on the basis of a representative survey among the people of Bremen and regularly confirms the high market positions held by Sparkasse Bremen in business conducted with corporate and with private customers. With its preference value in business with corporate customers at 55 points, Sparkasse Bremen remains the leader among banks in Bremen. In the environment of intensive competition in business conducted with private customers, which is also characterised by an increasing level of digitisation, Sparkasse Bremen, with a preference value of 52 points and on the basis of the survey carried out, once again showed itself to have an extremely strong albeit declining market position.

In order to remain the first contact for customers and to provide them with many benefits in an increasingly digiti-

sed world and an environment of intensive competition, Sparkasse Bremen meets business policy challenges of the future with comprehensive long-term, sustainable strategic measures.

As early as at the end of 2019 and as part of this change process, which has a long-term focus and requires that the corporate culture be transformed, Sparkasse Bremen, while taking regulatory requirements into consideration, replaced its previously hierarchical organisation with a network organisation, which, in a binding, clearly communicated framework, reinforces and promotes the personal initiative and personal responsibility of the staff members and of the teams at Sparkasse Bremen. Last year Sparkasse Bremen also moved into its new head office building, located on the Bremen University campus and erected in strict conformity with criteria governing sustainable office buildings. Here, in an open-office concept, interdisciplinary cooperation between staff members working in front office and service departments is clearly easier and teamwork confines are eliminated. These measures that have already been implemented and the strategic measures planned for the future, in particular those aiming at the further comprehensive digitisation of processes, products and services, are being carried out with a clear focus on achieving maximum capacity to adapt to increasingly dynamic changes in customer requirements.

As part of a comprehensive branch concept, Sparkasse Bremen is reinforcing the transformation of its current branches into district branches in which a wide variety of general and consulting services, as well as added value services, are on offer for each district and from each district. The number of staff-supported branches will continue to be reduced in future given the clear change in customer behaviour.

In a strategic response to the challenges of digitisation and of demographic change, Sparkasse Bremen is also purposefully pushing forward with pursuing the further sustainable expansion of its digital services and with promoting its continued development towards becoming a mediation service provider. In this context, Sparkasse Bremen, online and in its on-site consultation services, provides its customers with the right financial products - Sparkasse Bremen products or third-party products, depending on the respective customer requirements and on availability.

Sustainability at Sparkasse*

Since its foundation, Sparkasse Bremen business activities have focused on sustainable thinking and acting, responsibility for the region and public welfare. On the basis of this tradition, Sparkasse Bremen has to this day continued to assume responsibility for the people and the economy in Bremen, contributing to the future-oriented, sustainable development of the Hanseatic City with its products and services and its social commitment. Sparkasse Bremen is aware of its responsibility towards society and the environment, and towards today's generation and future generations. This is why the bank has firmly anchored its stance on sustainable corporate management in its corporate strategy, and will continue to expand its strong commitment towards responsible banking and sustainable products and services in all its business areas.

In view of the above, Sparkasse Bremen reports extensively and in detail on its long-term commitment in its annual sustainability reports. These reports are based on sustainability categories and savings bank indicators on sustainability as defined by the German Savings Bank Association (DSGV). They include descriptions and key figures on environmental, social and employee issues and on respecting human rights and combating corruption and bribery.

In compliance with legal deadlines, the sustainability reports on Sparkasse Bremen non-financial reporting in conjunction with Sections §§ 289b and the following of the German Commercial Code are available on the Sparkasse Bremen website at „www.sparkasse-bremen.de/de/home/ihre-sparkasse/nachhaltigkeit/transparenz.html“.

Economic Report

Macroeconomic environment

In terms of global economics, 2021 was another year impacted mainly by the coronavirus pandemic and by the renewed waves of infection that occurred in many parts of the world. The renewed lockdowns frequently associated with these waves generally did not, however, have such a strong negative impact on the gross domestic product (GDP) as the extraordinary extent of the first wave and the lockdown in the spring of 2020. After the considerable upheaval in global production and global trading in 2020, the global economy recovered in

2021, with production gaining by close to 6 % and trading even by almost 10 %. The emerging markets in particular gained ground quickly, generally clearly exceeding the level achieved prior to the crisis. The USA too, with growth at around 6 %, clearly increased its GDP in real terms in 2021. This rapid process of recovery in the USA was boosted by the strong fiscal stimulation resulting from the economic programmes put in place by the Biden administration. The large sums spent, together with ongoing difficulties in the real economy and on the labour market, did, however, also drive inflation up to levels that had not been anticipated.

Economic development in the euro area was also strongly impacted by the coronavirus pandemic in 2021, but increases in added value and in prices were nevertheless also seen in Europe in 2021. In terms of production, however, in 2021 most European countries still remained below the level they had achieved before the crisis.

After the 6.3 % decline in GDP in real terms for the previous year, the euro area was able to make up for around 5 % in 2021. In this case, the rebound was generally strongest for those countries that had previously recorded the greatest setbacks, such as France and Italy.

As in the previous year, economic development in Germany was also marked by seasonal fluctuations during the course of 2021. After a lockdown-related negative development during the first quarter of the year, it was mainly the two following quarterly periods that brought about marked recovery in a phase of low numbers of infections. After the trend had been a downward one as at the end of the year due to rising infections, the German Federal Statistical Office expects GDP growth adjusted by prices to amount to a provisional 2.7% for the full year of 2021. Growth in this case was considerably backed up by stable investment activities and high growth rates in foreign trade, while private consumption stagnated. Disruptions in supply chains and limited transport capacities put a brake on production and pushed prices up - particularly in conjunction with significantly raised energy costs. In spite of pandemic-related negative effects, the German labour market showed itself to be extremely robust.

The recovery of the Bremen economy in 2021 was clearly slower than had been hoped for at the beginning of the year. Bottlenecks in the supply of materials and rapidly rising prices for energy stifled the economic momentum at an early

* This information is unaudited

stage during the second quarter. Rising numbers of infections in autumn once again resulted in restrictions and in further setbacks for industries that had already been particularly hard hit, such as catering and the hotel industry, tourism and the event industry as well as parts of the retail industry. In addition to the aforesaid pandemic-induced negative effects on the economy in general, persistently demanding determining conditions comprising an ongoing environment of low and negative interest rates, increasing pressure from competitors, regulatory requirements that remained stringent, rapidly progressing digitisation and automation in every area of life and the economy, the demographic shift and rising expectations for sustainable corporate management all continued to mark the development of German lending business in 2021 as well. Against the background of these challenging general conditions, German lending business overall continued to remain stable.

Business trend in 2021

Sparkasse Bremen reported the development of business to be satisfactory in the 2021 financial year, in spite of the persistently challenging general framework during the course of the coronavirus pandemic and an ongoing environment of low and negative interest rates accompanied by considerable competitive pressure.

Lending business conducted with customers was increased again overall by way of a strategic business focus on real-estate loans. While loan receivables in business conducted with private customers were maintained at virtually the same level as in the previous year, the portfolio of receivables in business with corporate customers was once again increased. Growth rates forecast last year were thus nearly achieved.

At the same time, the tendency of customers to maintain liquidity in the short-term continued in the reporting year

against the background of the persistent coronavirus pandemic. This saw deposits on current accounts increasing by around 15% and liabilities to customers by around 9% overall, to EUR 10.4 billion. The increase in liabilities to customers has thus slightly exceeded the expectations defined at 7 %.

These developments and participation in ECB open-market operations as part of the GLRG II programme with a total volume of EUR 950 million resulted in a marked EUR 2.0 billion increase in the business volume as at the reporting date, to EUR 15.8 billion.

In the reporting year, due to a marked reduction in credit defaults, the result of evaluation fell considerably short of that of the previous year which was affected by the unexpected onset of the coronavirus pandemic and the uncertainty involved. Since the possibility of a need for future allowances resulting from a delayed impact of the economic consequences of the coronavirus pandemic cannot be ruled out, Sparkasse Bremen has utilised the positive development of the result of revaluation in the 2021 financial year for another allocation to provision reserves.

It was not possible to compensate for the liabilities relating to financial investments as a result of a high inflow of liquidity within the scope of the environment of low and negative interest rates with the increases in loans in business conducted with corporate customers.

More than anything else, the resulting payment of portfolio management fees to the German Central Bank, Deutsche Bundesbank, continued to negatively impact net interest income, which showed a perceptible downward trend, as expected. Sparkasse Bremen continued to refrain from passing negative interest rates on to private customers in 2021.

Annual Accounts



Annual balance sheet as at 31. December 2021

Assets	€	€	€	in € Financial year	in € thousand Previous year
1. Cash reserve					
a) Cash on hand			49,445,172.25		74,866
b) Credit balance at Deutsche Bundesbank			2,447,084,717.37		1,018,823
				2,496,529,889.62	1,093,689
2. Debt instruments of public authorities and bills of exchange authorised for refinancing at the Deutsche Bundesbank					
a) Treasury bills and discounted treasury notes and similar public-sector debt instruments			-,-		-
b) Bills of exchange			-,-		-
				-,-	-
3. Loans and advances to banks					
a) Mortgage loans			4,173,505.48		4,318
b) Public sector loans			-,-		-
c) Other receivables			122,821,862.16		140,624
<i>Of which:</i>					
<i>due on demand</i>	60,118,983.92				83,966
<i>against lending on securities</i>	-,-			126,995,367.64	144,942
4. Loans and advances to customers					
a) Mortgage loans			3,834,393,996.24		3,826,300
b) Public sector loans			321,773,997.38		279,230
c) Other receivables			6,401,728,055.40		6,115,045
<i>Of which:</i>					
<i>against lending on securities</i>	1,529,621.98				1,613
				10,557,896,049.02	10,220,575
5. Debt securities and other fixed-interest securities					
a) Money-market instruments					
aa) Issued by public-sector borrowers		-,-			-
<i>Of which:</i>					
<i>eligible to serve as collateral with Deutsche Bundesbank</i>	-,-				-
ab) Issued by other borrowers		-,-	-,-		-
<i>Of which:</i>					
<i>eligible to serve as collateral with Deutsche Bundesbank</i>	-,-				-
b) Bonds and debt securities					
ba) Issued by public-sector issuers		495,704,581.64			439,813
<i>Of which:</i>					
<i>eligible to serve as collateral with Deutsche Bundesbank</i>	485,516,581.64				439,813
bb) Issued by other issuers		655,000,818.12	1,150,705,399.76		650,678
<i>Of which:</i>					
<i>eligible to serve as collateral with Deutsche Bundesbank</i>	537,320,466.85				548,473
c) Debt securities issued by the institution itself			250,019,726.03		-
<i>Nominal amount</i>	250,000,000.00				-
				1,400,725,125.79	1,090,491
6. Shares and other variable-yield securities				106,159,827.24	106,987
6a. Trading portfolio				-,-	-
7. Holdings				191,394,425.89	191,512
<i>Of which:</i>					
<i>in banks</i>	1.51				0
<i>in financial-service institutions</i>	3,929,833.63				3,930
<i>in securities institutions</i>	-,-				-
8. Shares in affiliated companies				78,864,797.65	76,776
<i>Of which:</i>					
<i>in banks</i>	-,-				-
<i>in financial-service institutions</i>	-,-				-
<i>in securities institutions</i>	10,227,436.67				6,675
9. Assets held in trust				41,303,301.98	28,746
<i>Of which:</i>					
<i>loans on a trust basis</i>	40,981,188.09				28,424
10. Intangible assets					
a) Internally produced industrial property rights and similar rights and assets			-,-		-
b) Licenses acquired for consideration, industrial property rights and similar rights and assets and licenses for such rights and assets			1,547,013.00		581
c) Goodwill			-,-		-
d) Advance payments			35,268.91		7
				1,582,281.91	588
11. Property and equipment				37,741,055.54	37,715
12. Other assets				172,079,960.09	254,732
13. Prepaid expenses and accrued income					
a) From issuing business and lending business			223,879.52		274
b) Other			1,585,236.41		1,637
				1,809,115.93	1,911
14. Deferred tax assets				-,-	-
Total assets				15,213,081,198.30	13,248,664

Equity and Liabilities

	€	€	€	in € Financial year	in € thousand Previous year
1. Liabilities to banks					
a) Issued registered mortgage pfandbriefe			325,000,000.00		270,000
b) Issued registered public sector Pfandbriefe			-,-		-
c) Other liabilities			2,683,277,590.14		1,916,074
<i>Of which:</i>					
<i>due on demand</i>	49,243,668.82				72,909
<i>Registered mortgage pfandbriefe delivered to the lender as collateral for loans taken up and registered public-sector pfandbriefe</i>	-,-				-
	-,-				-
				3,008,277,590.14	2,186,074
2. Liabilities to customers					
a) Issued registered mortgage pfandbriefe			207,100,000.00		167,100
b) Issued registered public sector Pfandbriefe			-,-		-
c) Savings deposits					
ca) with an agreed notice period of three months	2,925,066,378.08				2,905,428
cb) with an agreed notice period of more than three months	8,705,606.30				9,808
			2,933,771,984.38		
d) Other liabilities			7,285,930,189.81		6,501,845
<i>Of which:</i>					
<i>due on demand</i>	7,193,524,517.80				6,327,075
<i>Registered mortgage pfandbriefe delivered to the lender as collateral for loans taken up and registered public-sector pfandbriefe</i>	-,-				-
	-,-				-
				10,426,802,174.19	9,584,181
3. Securitised liabilities					
a) Issued debt securities					
aa) Mortgage pfandbriefe		-,-			-
ab) Public-sector pfandbriefe		-,-			-
ac) Other debt securities	278,515,130.14				28,496
			278,515,130.14		
b) Other securitised liabilities			-,-		-
<i>Of which:</i>					
<i>money-market instruments</i>	-,-				-
				278,515,130.14	28,496
3a. Trading portfolio				-,-	-
4. Liabilities held in trust				41,303,301.98	28,746
<i>Of which:</i>					
<i>loans on a trust basis</i>	40,981,188.09				28,424
5. Other liabilities				14,892,219.58	11,644
6. Accrued expenses and deferred income					
a) From issuing business and lending business			3,534,516.58		1,993
b) Other			89,363.26		217
				3,623,879.84	2,210
7. Provisions					
a) Provisions for pensions and similar obligations			62,534,699.00		52,201
b) Tax provisions			16,388,719.00		7,360
c) Other provisions			73,885,972.19		88,100
				152,809,390.19	147,661
8. Subordinated liabilities				98,797,003.46	124,389
9. Funds for general banking risks				303,361,449.81	288,351
<i>Of which:</i>					
<i>Special item for general banking risks pursuant to § 340e Paragraph 4 HGB</i>	61,449.81				51
10. Equity					
a) Issued capital			560,000,000.00		560,000
b) Capital reserves			70,861,959.68		70,862
c) Retained earnings					
ca) Legal reserve		-,-			-
cb) Reserve for the bank's own shares		-,-			-
cc) Statutory reserves		-,-			-
cd) Other retained earnings	229,409,684.51		229,409,684.51		203,688
d) Accumulated profits			24,427,414.78		12,362
				884,699,058.97	846,912
Total equity and liabilities				15,213,081,198.30	13,248,664
1. Contingent liabilities					
a) Contingent liabilities under rediscounted and settled bills of exchange			-,-		-
b) Liabilities from guarantees and indemnity agreements			577,840,925.88		539,742
c) Liability from assets pledged as collateral for third-party liabilities			-,-		-
				577,840,925.88	539,742
2. Other obligations					
a) Obligations to repurchase from reverse repurchase agreements			-,-		-
b) Placement and underwriting obligations			-,-		-
c) Irrevocable credit commitments			965,873,685.57		1,149,334
				965,873,685.57	1,149,334

Statement of Income

For the period from 1 January to 31 December 2021

	€	€	€	in € Financial year	in € thousand Previous year
1. Interest income from					
a) Lending and money market transactions		227,878,447.76			248,334
<i>Negative interest deducted</i>	5,159,036.48				844
b) Fixed-interest and book entry securities		4,334,974.63	232,213,422.39		6,822
<i>Negative interest deducted</i>	-,-				-
2. Interest expense			46,391,499.00		57,445
<i>Positive interest deducted</i>	8,600,927.91				2,246
				+185,821,923.39	+197,711
3. Current income from					
a) Shares and other variable-yield securities			587,034.82		242
b) Holdings			5,252,302.58		5,272
c) Shares in affiliated companies			850,000.00		544
				6,689,337.40	6,058
4. Income from profit pooling, profit transfer and partial profit transfer agreements				4,433,571.29	2,955
5. Commission income			84,156,794.26		80,697
6. Commission expense			8,364,029.19		9,091
				+75,792,765.07	+71,606
7. Net income or net expenditure relating to the trading portfolio				+95,723.29	-463
8. Other operating income				17,052,621.04	9,364
9. General administrative expenses					
a) Staff expenses					
aa) Wages and salaries		63,147,254.56			81,608
ab) Social security contributions and expenditure on pension provision and other employee benefits		13,739,952.59	76,887,207.15		16,768
<i>Of which:</i>					
<i>for pension schemes</i>	2,859,835.57				5,774
b) Other administrative expenses			81,558,812.54		81,322
				158,446,019.69	179,698
10. Amortisation and write-downs on tangible and intangible assets				4,640,061.19	5,955
11. Other operating expenses				13,606,392.77	19,645
12. Write-downs of and value adjustments to claims and specific securities, and allocations to provisions for lending business			19,159,577.88		55,991
13. Income from write-ups of claims and certain securities and reversal of provisions for lending business			-,-		-
				-19,159,577.88	-55,991
14. Write-downs of and value adjustments to holdings, shares in affiliated companies and securities treated as fixed assets			1,725,496.75		1,630
15. Income from write-ups of participating interests, shares in affiliated companies and securities treated as fixed assets			-,-		-
				-1,725,496.75	-1,630
16. Expenses on assumption of losses				5,646.01	5
17. Allocations to or transfers from the fund for general banking risks				-15,000,000.00	-10,000
18. Profit on ordinary activities				+77,302,747.19	+14,307
19. Extraordinary income			-,-		27,352
20. Extraordinary expenses			-,-		-
21. Profit on extraordinary activities				-,-	+27,352
22. Taxes on income and earnings			28,693,744.19		19,702
<i>Of which:</i>					
<i>Change in deferred taxation pursuant to § 274 HGB</i>	-,-				-
23. Other taxes			181,588.22		595
				28,875,332.41	20,297
24. Profit for the year				48,427,414.78	21,362
25. Profit/loss brought forward from the previous year				-,-	-
26. Withdrawals from capital reserves				-,-	-
27. Transfers from retained earnings					
a) from the legal reserve			-,-		-
b) from the reserve for the bank's own shares			-,-		-
c) from statutory reserves			-,-		-
d) from other retained earnings			-,-		-
				-,-	-
28. Transfers to retained earnings					
a) to the legal reserve			-,-		
b) to the reserve for the bank's own shares			-,-		
c) to statutory reserves			-,-		
d) to other retained earnings			24,000,000.00		9,000
				24,000,000.00	9,000
29. Unappropriated retained earnings				24,427,414.78	12,362

Die Sparkasse Bremen AG Notes

I. General information on the Annual Accounts

Sparkasse Bremen has its registered office at Universitätsallee 14, 28359 Bremen. Sparkasse Bremen is entered under HRB 21770 in the Commercial Register of the Bremen District Court.

The annual accounts of Sparkasse Bremen were prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch), the German Companies Act (Aktienengesetz), the German Regulation on Accounting Principles Relating to Credit Institutions, Financial Institutions and Financial Services Institutions (RechKredV) and with the statutes of Sparkasse Bremen. In accordance with § 340i of the German Commercial Code (HGB), no sub-consolidated accounts were prepared, since Sparkasse Bremen, pursuant to § 291 Paragraph 1 of the German Commercial Code, is included in the exempting consolidated financial statements of the financial holding of the Sparkasse in Bremen as the holding company. Supplementary information on the notes is included in the consolidated financial statements of the Sparkasse in Bremen.

II. Accounting and valuation methods

A breakdown of maturities on the basis of remaining terms in accordance with Section 9 of the German Bank Accounting Regulation (RechKredV) for specific balance sheet items and sub-items was shown in the notes to the financial statement. Allocation of proportionate interest to the various maturity periods was dispensed with in accordance with the option available under § 11 RechKredV.

Sparkasse Bremen included the planned additional information in the footnotes on form 1 to the RechKredV for credit institutions having issued Pfandbriefe in the balance sheet form. Besides, negative interest offset in interest income and interest expenses is reported in the income statement form.

Loans and advances to customers and banks

Balance sheet items were reported at their nominal value. Specific loan loss provisions were established in order to take account of discernible risks in lending business. Latent risks in the portfolio of receivables are covered by general provisions for doubtful debts calculated on application of an expected loss approach. In doing so, risk management data, depending on the rating grade, is used to determine not less than the expected loss for 12 months as a basis. In order to

cover additional latent borrower default risks resulting from the severe crisis triggered by the coronavirus pandemic, Sparkasse Bremen has in principle maintained the management adjustment objectively derived in the previous year, but has reduced its scope on the basis of a reduced probability of occurrence as a result of government support measures. Sparkasse Bremen presumes that the management adjustment will be of a temporary nature. The requirement to reinstate original values was observed for evaluating credits.

Securities

Securities in the investment portfolio recognised as „Debt securities and other fixed-interest securities“ recognised in Assets 5 were valued in accordance with the modified principle of the lower of cost or market. The probability of permanent impairment is presumed when it becomes apparent on the reporting date that contractual payments will not be made or will not be made in the scope expected as at the date of acquisition.

Securities serving to provide collateral in conjunction with participation in the ECB open-market activities as part of the GLRG III programme are reported in the Balance Sheet in Assets 5 “Debt securities and other fixed-interest securities”.

Assets held in the special funds in the investment portfolio recognised in Assets 6 „Shares and other variable-yield securities“ were valued in accordance with the modified principle of the lower of cost or market. The probability of permanent impairment to shares in closed-end funds reported in fixed assets is presumed when quantitative and qualitative indications of a sustained negative impact become apparent as at the balance-sheet reporting date.

Permanent impairment was in each case assessed on the basis of specified criteria in line with IDW (German Institute of Public Auditors) RS VFA 2 in conjunction with the clarifying reports of meetings of the VFA (Administration and Financial Committee) in the IDW.

The assets invested and reported in Assets 6 “Shares and other variable-yield securities” under § 1 Paragraph 1 of the German Investment Code (KAGB) were reported as hitherto at acquisition cost or at the lower fair value.

The other securities were all measured on application of the strict principle of the lower of cost or market.

The requirement to reinstate original values and the principle of amortised cost were observed for all the securities.

These distinction criteria show that active markets exist for virtually all of the fixed-interest securities. In cases for which an active market could not be presumed, valuation was carried out using prices which are defined by external price information provider Refinitiv and on which the portfolio management IT system SCD relies. This system of price determination is based on a discounted cash flow model on application of interest rates in line with maturities and risk. The theoretical prices provided were reviewed for plausibility by Sparkasse Bremen and applied accordingly.

Trading portfolio

Sparkasse Bremen reports its current and deferred income and its current and prepaid expenses resulting from trading portfolios in Item 7 "Net income or net expenditure relating to the trading portfolio" of the income statement, since this complies with the system of internal management.

Sparkasse Bremen also reports allocations to the fund for general banking risks under § 340 Paragraph 4 HGB in net income or net expenditure relating to the trading portfolio (Item 7) of the income statement.

Shares in affiliated companies and holdings

Shares in affiliated companies and holdings were all recognised at acquisition cost or, when special circumstances existed, at lower values, with the requirement to reinstate original values being observed in this case.

Intangible and tangible assets

These assets were principally all recognised at acquisition cost, with consumable assets depreciated by applying the straight-line or declining-balance method of depreciation or, if special circumstances existed, being recognised at lower values.

On exercising options from the first-time application of the German Accounting Law Modernisation Act, a small proportion of tangible assets was still depreciated at the highest rates permissible under fiscal law in accordance with the declining-balance method, provided these assets were added in the period up to 2009.

Assets of minor value worth € 250.01 to € 1,000.00 (excluding input tax) were entered in a compound item which was

amortised in equal rates over a period of 5 years due to their insignificance for Sparkasse Bremen.

Other assets

Impairments or discernible risks relating to other assets were taken into account with corresponding reductions in valuation.

Liabilities

Liabilities were valued at their settlement amount. Discounts were carried as assets and premiums as liabilities. They were accrued in accordance with their terms to maturity.

Provisions

Discernible risks and contingent liabilities were all accounted for on the basis of prudent business judgement. Provisions were recognised at the settlement amount required for them on the basis of prudent business judgement and discounted in the case of a remaining term of more than one year. The discount rate applied was based on the matching maturity interest rate resulting for the past 7 years and published by Deutsche Bundesbank in accordance with the German regulations on discounting provisions. The simplification rule laid down in § 253 Paragraph 2 Clause 2 HGB was, if applicable, used for anniversary provisions and other provisions calculated on the basis of actuarial appraisals.

In the 2017 accounting period, Sparkasse Bremen transferred significant elements of its pension obligations to a non-insurance-based pension scheme with Allianz Pensionsfonds AG, Stuttgart. This also involved the transfer of an insignificant amount for the pension obligations for former directors and their dependants. Sparkasse Bremen continues to bear subsidiary liability for the transferred obligations pursuant to § 1 Paragraph 1 Clause 3 of the German Company Pensions Law (BetrAVG).

Executing pension-related obligations through the pension scheme resulted in deficits totalling € 140.5 million on the balance-sheet reporting date according to Article 28 Paragraph 2 of the introductory law of the German Commercial Code (EGHGB) (total of shortfalls in relation to the respectively required settlement amount for pension obligations under § 253 Paragraph 1 Clause 2 Paragraph 2 HGB).

For ascertaining the shortfall in the pension scheme, the commercial provision amount for the relevant pension obligations (required settlement amount pursuant to § 253

Paragraph 1 Clause 2 Paragraph 2 HGB) was compared to the fair value of the pension fund assets. To this purpose, the amount to be paid as required by commercial law – and the pension reserves remaining in Sparkasse Bremen – were determined according to actuarial principles on application of the projected unit credit method, with account being taken of the 2018 G Heubeck mortality tables and the average market rate of interest of the past 10 years, resulting from an assumed remaining term of 15 years, as published by the Deutsche Bundesbank. As a result of a valuation date being brought forward, the interest rate was projected onto the balance sheet reporting date and the resulting interest rate of 1.87 % p.a. was used as a basis. Over and above this, a long-term increase in pensions of 1.40 % p.a., an increase in pensions of 4.90 % p.a. as of 1 July 2021 and a long-term increase in salaries of 2.00 % p.a. were also taken into account. No increase in salaries was taken into account for the reporting year, since no resolution was taken on a rise in collective agreements for banks. An increase in the assessment basis under social security legislation of 2.60 % p.a. was also applied as a basis. The fair value of the pension fund assets was determined on the basis of the pension fund statement of assets. By derogation, for allocations to provisions for comparatively long-term pension obligations, an interest rate of 0.47 % p.a. was used as a basis for an average remaining term of 3 years and 7 months (average market interest rate of the past 7 years).

Income and expenditure from the discounting of provisions were reported separately in the notes for reasons of transparency and clarity. Expenditure on the accumulation of provisions relating to banking business are reported in interest expenses, and interest expenses relating to non-banking business provisions were taken into account in other operating income.

Currency translation

Assets in foreign currencies which are treated as fixed assets were translated into euros at their purchase price.

Currency was translated in accordance with the provisions of § 340h HGB in conjunction with § 256a HGB and IDW RS BFA 4.

The majority of balance sheet stocks in foreign currencies and all of the spot exchange, forward and option transactions that have not been concluded and were not fully allocated to the trading portfolio are considered to be separately covered

transactions (special cover) under Section 340h of the German Commercial Code. In this case the special cover is based on cover according to the amount of the transactions included, without taking account of congruent maturities. Special-cover transactions were valued at their spot or forward rate, with both rates being based on the reference quotation of the European Central Bank.

The currency of the remaining balance sheet stocks and transactions was translated in accordance with the provisions of § 256a HGB.

The exchange-rate gains and losses calculated on the basis of translation are reported in other operating income (Item 8) or other operating expenses (Item 8) of the statement of income. They were shown in the notes for the purpose of transparency and clarity.

Valuation units

Respective hedge transactions are structured so that the risk-relevant parameters of underlying transactions are completely reversed as at the balance-sheet reporting date and during the term of the underlying transaction (critical terms match); they are also concluded with credit institutions with reliable credit ratings. The bank's own business with securities and also derivative transactions for third account and reversed hedge transactions were in each case combined in a valuation unit.

Fixed-interest securities with a book value of € 446.6 million and pending transactions with a nominal value of € 460.7 million were included as underlying transactions in valuation units in accordance with § 254 Clause 1 HGB. Each of these valuation units was a micro valuation unit. Derivative financial instruments were used to hedge these transactions against interest rate risks. The valuation units were all valued using the net hedge presentation method. Risks amounting to € 25.8 million were hedged with these valuation units.

Assessment of the net realisable value of interest-rate related transactions in the banking book (interest book)

A present value method was applied for reviewing the assessment of the net realisable value of the banking book according to the new version of IDW RS BFA 3. An overall analysis was conducted on all the interest-bearing balance sheet and non-balance sheet financial instruments not included in the

trading portfolio, with account being taken of all the expected administrative expenses and risk costs up to the date of full settlement. A uniform, risk-free interest-rate curve was applied for valuation. There was no excess liability and it was not necessary to establish a provision.

Derivatives

Derivative financial instruments were at all times valued individually in accordance with the principles of imparity and realisation. Interest rate swaps were primarily employed to control the risk of changes in interest rates. This is why no valuation was undertaken in this respect.

Negative interest

Negative interest was offset with interest earned or interest expenses and recognised in interest income.

III. Explanatory Notes to the Balance Sheet

(unless otherwise stated, figures are shown in € thousand)

Assets

On 3. Loans and advances to banks

Loans and advances to banks with an agreed term or notice period		
– Sub-items a–c) (excluding due on demand) – include receivables with remaining terms of		
– less than three months	56,969	
– more than 3 months but less than 1 year	5,111	
– more than 1 year but less than 5 years	623	
– more than 5 years	3,295	
Item 3 includes:		
– Receivables from affiliated companies (previous year: –)		-
– Receivables from companies in which an equity investment exists (previous year: –)		-
– Subordinated receivables (previous year: –)		-

On 4. Loans and advances to customers

Loans and advances to customers include receivables		
– with an indefinite term	775,040	
and receivables with remaining terms of		
– less than three months	326,485	
– more than 3 months but less than 1 year	897,116	
– more than 1 year but less than 5 years	2,750,842	
– more than 5 years	5,806,361	
Item 4 includes:		
– Receivables from affiliated companies (previous year: 107,589)		93,074
– Receivables from companies in which an equity investment exists (previous year: 120,239)		76,981
– Subordinated receivables (previous year: 6,000)		4,500
– including such receivables from affiliated companies (previous year: –)	-	
– including such receivables from companies in which an equity investment exists (previous year: –)	-	
– Real-estate loans serving as cover for issued Pfandbriefe		958,756

On 5. Debt securities and other fixed-interest securities

	309,506	
Item 5 includes:		
– Marketable securities and listed securities		1,085,809
– Marketable securities and unlisted securities		312,623
– Investment securities (previous year: 567,688)		875,975
– Securities not evaluated at the lower of cost or market value		250,020
– Fair value of these securities (this concerns a Pfandbrief issued by Sparkasse Bremen itself. There is nothing to indicate that repayment will not be made at the nominal value).		249,997
– Subordinated securities (previous year: –)		-
– Fixed-interest securities serving as securing cover for Pfandbriefe issued (nominal value)		55,000

On 6. Shares and other variable-yield securities

Item 6 includes:		
- Marketable securities and listed securities		-
- Marketable securities and unlisted securities		-
- Investment securities (previous year: 106,987)		106,160
- Securities not evaluated at the lower of cost or market value		-
- Current value of these securities		-
- Subordinated securities (previous year: -)		-
- Shares in special funds		105,500

Assets invested with a share of >10%

	Book value 31.12.2021	Market value 31.12.2021	Difference	Distribution 2021	Daily redempti- on possible	Application of the principle of the lower of cost or market
Share funds						
DeKa - Bremen 1	105,500	110,397	+4,897	-	Yes *,**	No

* In the case of this fund, the investment company reserves the right to suspend the redemption of units if exceptional circumstances exist which make such suspension appear necessary in the interests of Sparkasse Bremen.

** The contractual provisions only make a return possible at the latest on the last banking day of the next but one calendar quarter following the declaration of an investor's intention to return units.

On 6a. Trading portfolio

Item 6a is to be broken down as follows:		
- Derivative financial instruments		-
- Receivables		-
- Debt securities and other fixed-interest securities		-
- Shares and other variable-yield securities		-
- Other assets		-
- Sub-total		-
- Deduction for risk		-
- Total		-

Sparkasse Bremen did not change the criteria defined in the institutes for the inclusion of financial instruments in the trading portfolio during the course of the accounting period.

On 7. Holdings

Item 7 does not include any marketable securities.

On 8. Shares in affiliated companies

Item 8 does not include any marketable securities.

On 9. Assets held in trust

Assets held in trust are:		
- Loans and advances to customers		40,981
- Other assets		322

On 10. and 11. Tangible and intangible assets

Development of intangible assets and tangible assets:	Intangible assets	Property and equipment
Acquisition cost at beginning of the year	12,588	115,219
Additions	1,456	4,343
Disposals	-	3,624
Acquisition cost at year-end	14,044	115,938
Accumulated depreciation at beginning of the year	12,000	77,504
Additions (= depreciation in the financial year)	462	4,178
Disposals	-	3,485
Accumulated depreciation at year-end	12,462	78,197
Balance-sheet values at year-end	1,582	37,741
Item 11 on tangible assets includes:		
- Land and buildings utilised as part of Sparkasse activities		16,836
- Operating and office equipment		18,511

On 12. Other assets

Item 12 includes:		
- Financial assets (previous year: 94)		85
Exceptional individual items:		
- Cash collateral provided as part of central clearing		125,775
- Outstanding purchase price payment in accordance with the provisions of the contract		30,000

On 13. Accrued expenses and deferred income

Item 13 includes:		
- Debt discounts on liabilities (previous year: 274)		224
Information on several asset items		
Foreign currency due:		
Assets denominated in foreign currencies total an equivalent of € 131.5 million.		

Equity and liabilities

On 1. Liabilities to banks

Liabilities to banks with an agreed term or notice period		
– Sub-items a-c) (excluding due on demand) – include liabilities with remaining terms of		
– less than three months	34,637	
– more than 3 months but less than 1 year	110,497	
– more than 1 year but less than 5 years	1,735,687	
– more than 5 years	1,074,424	
Item 1 includes:		
– Liabilities to affiliated companies (previous year: -)		-
– Liabilities to companies in which an equity investment exists (previous year: 2,714)		1,085
Assets amounting to € 2,395.1 million were transferred as security for the liabilities included in this item.		

On 2. Liabilities to customers

Savings deposits with an agreed notice period of more than three months – Sub-items c) cb) – include liabilities with remaining terms of		
– less than three months	1,861	
– more than 3 months but less than 1 year	3,439	
– more than 1 year but less than 5 years	1,606	
– more than 5 years	1,800	
The other liabilities to customers with an agreed term or notice period – Sub-items a, b + d) (excluding due on demand) – include liabilities with remaining terms of		
– less than three months	16,142	
– more than 3 months but less than 1 year	58,492	
– more than 1 year but less than 5 years	61,897	
– more than 5 years	160,740	
Item 2 includes:		
Liabilities to affiliated companies (previous year: 72,937)		93,842
– Liabilities to companies in which an equity investment exists (previous year: 14,962)		10,408

On 3. Securitised liabilities

The following amount will become due in the coming year for issued debt securities		-
Item 3 includes:		
– Liabilities to affiliated companies (previous year: 13,095)		13,095
– Liabilities to companies in which an equity investment exists (previous year: -)		-

On 3a. Handelsbestand

Item 3a is to be broken down as follows:		
- Derivative financial instruments		-
- Liabilities		-
- Sub-total		-
- Risk premium		-
- Total		-

Sparkasse Bremen did not change the criteria defined in the institutes for the inclusion of financial instruments in the trading portfolio during the course of the financial year.

On 4. Liabilities held in trust

Liabilities held in trust are:		
- Liabilities to banks		40.981
- Liabilities to customers		322

On 6. Accrued expenses and deferred income

- Item 6 contains discounts on receivables (previous year: 1,983):		2,128
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On 7. Rückstellungen

The difference under § 253 Paragraph 6 HGB, resulting from recognition of the pension provisions at the average market rate of interest of the past ten financial years, and the recognition of the pension provisions at the corresponding average market rate of interest of the past seven years, amounts to € 9.4 million as at 31.12.2021 (previous year: € 10.6 million).

On 8. Subordinated liabilities Item 8

includes:

- Liabilities to affiliated companies (previous year: -)		-
- Liabilities to companies in which an equity investment exists (previous year: -)		-

In the 2021 financial year, interest expenses in the following amount were recognised under this item:		4,359
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The portfolio covers euro bearer debt securities and registered debt securities with fixed interest rates and terms for the period from 2022 to 2028. No early payment or conversion to capital or any other form of debt has been provided for.

Liabilities from subordinated registered debt securities were entered into with a single creditor in the amount of € 10.0 million at an interest rate of 4.0% and for a term ending on 25.4.2028. The registered debt security is non-cancellable for the two parties to the contract during the term - subject to an exceptional right to termination for Sparkasse Bremen.

On 9. Funds for general banking risks

The funds for general banking risks under § 340g HGB were listed at € 15.0 million in the 2021 financial year.

On 10. Equity

	Ordinary shares	Capital reserves	Retained earnings	Unappropriated retained earnings	Equity
Statement of changes in reported equity					
Revised 01.01.2021	560,000	70,862	203,688	12,362	846,912
Allocation from the 2020 balance sheet profit			1,722	-1,722	-
Dividend distribution in 2021				-10,640	-10,640
Capital increase from company funds					-
Issue of preferential shares within the context of authorised capital					-
Repayments					-
Allocations from the 2021 profit			24,000	24,427	48,427
Revised 31.12.2021	560,000	70,862	229,410	24,427	884,699

The share capital amounts to € 560 million and comprises 560,000 no-par-value denominated shares with a calculated value of € 1,000 each. The shares are all held by the financial holding of the Sparkasse in Bremen.

In accordance with a resolution passed at the Annual General Meeting of 24.03.2021, € 1.7 million of the accumulated profits for 2020 were appropriated to retained earnings.

Information on several liability items

Foreign currency owing

Liabilities denominated in foreign currencies are equivalent to a total of € 79.5 million.

Contingent liabilities

Contingent liabilities toward two borrowers in the amount of € 165.3 million are reported in conjunction with estate agent and property developer guarantees.

The contingent liabilities are subject to organisationally regulated credit assessment, decision-making and monitoring processes. Approval for granting and monitoring credits is contingent on the scope of the individual risk. Relevant credit authorities are defined subject to the volume and the credit rating of a borrower, so that risk-based credit decisions are always taken at an adequate level. Liabilities resulting from contingent liabilities to third parties entered into to the benefit of borrowers are not to be carried as liabilities, since the underlying liabilities will in all probability be met by the borrowers so that a claim is unlikely to occur.

Other obligations

Irrevocable credit commitments are subject to organisationally regulated loan assessment, decision-making and monitoring processes. Irrevocable credit commitments mainly cover loans which have been partly made available and not yet fully paid out. Sufficient risk provisions have been established for significant default risks.

IV. Other balance sheet disclosures

Deferred taxes

Deferred tax assets result as at 31 December 2021 due to different recognition and requirement regulations for commercial and tax balance sheets. The deferred tax assets, primarily resulting from different valuations of receivables from customers and provisions, substantially cover the deferred tax liabilities in the area of participating interests. Sparkasse Bremen exercises its option pursuant to § 274 Paragraph 1 of the German Commercial Code, and hence refrains from capitalising on deferred taxes.

Calculations of deferred taxes are based on a tax rate including a solidarity surcharge of 15.825 % for corporation tax and a tax rate of 16.1 % for trade tax.

Other financial obligations

Obligations arising from rental, licensing and maintenance agreements for the coming financial years currently total € 11.5 million p.a.. The rental agreement with the longest term expires on 31.12.2035.

In the area of financial assets, unpaid subscription liabilities currently amount to € 5.0 million.

Under special declarations, general partners appointed by Sparkasse Bremen for four property finance projects for real-estate limited partnerships are to be released from

personal liability for payments due by them to Sparkasse Bremen. No claim is likely to be asserted on the basis of these obligations.

Irrevocable payment obligations for part of the bank levy to be paid currently amount to € 4.0 million. Cash collateral has been provided for these obligations and recognised in other assets.

Information on the notes in accordance with § 160 Paragraph 1 No. 8 AktG

The following was announced to the AG: "The financial holding of the Sparkasse in Bremen, Universitätsallee 14 in 28359 Bremen, has notified us in accordance with § 20 Paragraphs 1 and 4 of the German Companies Act (AktG) that it holds 100 % of the shares in our company."

Futures trading

The majority of interest-rate-related transactions (interest-rate swaps) as at the reporting date for the annual accounts were concluded in order to secure them against the risk of changes in interest rates.

Transactions relating to foreign currencies are primarily trade deals with customers which were fully hedged against changes in exchange-rates. These deals were fully included in special cover as laid down in § 340h HGB.

Remaining term	Nominal values				Market values		
	Of 1 year or less in € m.	More than 1 year up to 5 years in € m.	More than 5 years in € m.	Total in € m.	of which Trading portfolio in € m.	Positive in € m.	Negative in € m.
Interest-related transactions							
OTC products	20.2	670.6	1,575.6	2,266.4	0.0	51.5	150.0
Cap / Floor	1.1	119.1	34.2	154.4	0.0	0.2	0.2
Interest-rate swaps	19.1	551.5	1,541.4	2,112.0	0.0	51.3	149.8
<i>Of which not reported at fair value since included in interest-rate book management</i>				905.0		23.1	131.6
Stock-exchange transactions	-	-	-	-	-	-	-
Currency-related transactions							
OTC products	363.2	74.9	0.0	438.1	0.0	8.6	8.7
Currency options	101.9	0.0	0.0	101.9	0.0	0.7	0.7
Forward exchange contracts	261.3	74.9	0.0	336.2	0.0	7.9	8.0
Stock-exchange transactions	-	-	-	-	-	-	-
Total				2,704.5			

Interest-rate swaps

The current value is the balance of the present values of the cash flows on the two swap sides calculated with the help of zero-bond yields. Cash flows on the variable side are calculated on the basis of implied forward rates.

Currency options

The Garmann-Kohlhagen model is used to calculate current values.

The book value of option premiums on currency options in other assets amounts to € 0.9 m. In other liabilities the book value of the option premiums on currency options amounts to € 1.0 m.

Forward exchange contracts

The current value results from the current forward rate (spot price on the balance-sheet date +/- the swap rate for the remaining period as at the balance-sheet date.

Caps/floors

With the help of the Black-76 model, the current value is calculated as the total of theoretical prices discounted with the zero bond yields of each individual caplet on the date of valuation.

Information on Pfandbrief (mortgage bond) business

Die Sparkasse Bremen AG is a Pfandbrief bank. Regular transparency requirements as laid down in § 28 PfandBG are met through publication on the website of Sparkasse Bremen at www.sparkasse-bremen.de. IT/data processing routines may result in rounding differences of +/- one unit.

§ 28 (1) No. 1 and 3 PfandBG	Nominal value		Present value		Risk-adjusted present value incl. currency stress*	
	31.12.21	31.12.20	31.12.21	31.12.20	31.12.21	31.12.20
Ratio in circulation to cover pool						
Total outstanding Pfandbrief amount incl. derivatives	782.10	437.10	812.22	494.54	692.98	403.98
Cover pool total incl. derivatives	1,013.76	772.03	1,112.33	887.26	983.47	776.73
% of foreign exchange derivatives in liabilities	0.00	0.00	0.00	0.00	0.00	0.00
% of interest rate derivatives in liabilities	0.00	0.00	0.00	0.00	0.00	0.00
% of foreign exchange derivatives in assets	0.00	0.00	0.00	0.00	0.00	0.00
% of interest rate derivatives in assets	0.00	0.00	0.00	0.00	0.00	0.00
Excess cover as a %	29.62	76.63	36.95	79.41	41.92	92.27

§ 28 (1) No. 2 PfandBG	Pfandbriefe outstanding		Cover pool	
	31.12.21	31.12.20	31.12.21	31.12.20
Maturity structure and fixed-interest period				
Up to 6 months	10.00	5.00	112.02	62.51
More than 6 months up to 12 months	20.00	0.00	52.16	31.01
More than 12 months up to 18 months	20.00	20.00	49.27	35.60
More than 18 months up to 2 years	10.00	10.00	56.69	33.58
More than 2 years up to 3 years	27.10	30.00	87.67	79.30
More than 3 years up to 4 years	265.00	27.10	73.14	76.63
More than 4 years up to 5 years	35.00	15.00	110.76	61.03
More than 5 years up to 10 years	195.00	150.00	328.33	271.16
More than 10 years	200.00	180.00	143.72	121.21

§ 28 (1) No. 9 PfandBG Key figures	31.12.21	31.12.20
Percentage of fixed-interest cover pool	91.84%	98.01%
Percentage of fixed-interest Pfandbriefe	100.00%	100.00%

§ 28 (1) No. 10 PfandBG (acc. to § 6 Pfandbrief Net Present Value Regulation) foreign currency

Interest rate stress present value for cover pools		Interest rate stress present value for Pfandbriefe outstanding		Exchange rate		Net present value in foreign currency		Net present value in EUR	
31.12.21	30.12.20	30.12.20	31.12.20	31.12.21	31.12.20	31.12.21	31.12.20	31.12.21	31.12.20
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Statistics are used to determine the risk value and the currency stress.

Distribution of cover assets by volume category	31.12.21	31.12.20
Up to € 300 th.	594.43	603.95
More than € 300 th. up to € 1 m.	80.82	62.56
More than € 1 m. up to € 10 m.	262.34	81.98
More than € 10 m.	21.17	10.54

Distribution of cover assets by type of use (I) (§ 28 (2) No. 1b and 1c PfandBG)	31.12.21	31.12.20
Residential	681.53	659.42
Commercial	277.23	99.61

	Federal Republic of Germany		Total	
Distribution of cover assets by type of use (II) (§ 28 (2) No. 1b and 1c PfandBG)	31.12.21	31.12.20	31.12.21	31.12.20
Freehold flats	87.43	90.65	87.43	90.65
Detached and semi-detached houses	455.06	449.11	455.06	449.11
Multiple-family houses	139.04	119.66	139.04	119.66
Office buildings	50.51	13.22	50.51	13.20
Retail buildings	6.92	3.56	6.92	3.56
Industrial buildings	58.79	21.09	58.79	21.09
Other commercially used buildings	161.02	61.74	161.02	61.74
New buildings in progress, not yet productive	0.00	0.00	0.00	0.00
Building land	0.00	0.00	0.00	0.00
Total	958.76	759.03	958.76	759.03

Other key figures		31.12.21	31.12.20
§28 (1) No. 7 PfandBG - Total amount of claims which exceed the limits laid down in § 13 (1) PfandBG.	in € m.	0.00	0.00
§28 (1) Nr. 11 PfandBG - volume-weighted average of the maturity passed of the claims (seasoning).	in years	6.56	6.80
§28 (2) No. 3 PfandBG - average weighted loan-to-value ratio.	in %	53.68	52.95
Regular cover (nominal)	in € m.	958.76	759.03
Proportion of total outstanding	in %	122.59	173.64

§ 28 (1) No. 8 PfandBG Total amount of claims which exceed the limits	31.12.21	31.12.20
§19 (1) No. 2 PfandBG	0.00	0.00
§19 (1) No. 3 PfandBG	0.00	0.00

§ 28 (1) Nr. 4, 5 and 6 PfandBG Total amount of claims entered

	Equalisation claims as laid down in §19 (1) No. 1 PfandBG		Claims as laid down in §19 (1) No. 2 PfandBG				Claims as laid down in §19 (1) No. 3 PfandBG		Total	
	31.12.21	31.12.20	Total amount		of which covered debt securities as laid down in Art. 129 Regulation (EU) No. 5752013		31.12.21	31.12.20	31.12.21	31.12.20
Staat										
Federal Republic of Germany	0.00	0.00	0.00	0.00	0.00	0.00	32.00	0.00	32.00	0.00
France including Monaco	0.00	0.00	0.00	0.00	0.00	0.00	15.00	5.00	15.00	5.00
Spain	0.00	0.00	0.00	0.00	0.00	0.00	8.00	8.00	8.00	8.00
Total	0.00	0.00	0.00	0.00	0.00	0.00	55.00	13.00	55.00	13.00

§ 28 (2) No. 2 PfandBG

Government	Total amount of payments in arrears by at least 90 days		Total amount of these claims inasmuch as the respective amount in arrears is at least 5% of the claim	
	31.12.21	31.12.20	31.12.21	31.12.21
None	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

§ 28 (2) No. 2 PfandBG

	Residential		Commercial	
	31.12.21	31.12.20	31.12.21	31.12.20
The number of foreclosure procedures on the date of closing the accounts	-	-	-	-
The number of forced administrations on the date of closing the accounts	-	-	-	-
The number of forced administrations and concurrent foreclosure procedures on the date of closing the accounts	-	-	-	-
The number of foreclosure procedures carried out during the financial year	-	-	-	-
The number of properties taken over to prevent losses in the financial year	-	-	-	-
The total amount of arrears in interest payable (in € m.)	-	-	-	-

V. Explanatory Notes to the Statement of Income

interest income

This item includes around 4 % of income relating to other periods. Prepayment fees account for most of this income.

Interest expense

This item includes around 25 % of expenses relating to other accounting periods, most of which relates to control measures in the interest-rate book. This item also reports on negative interest primarily resulting from participation in ECB open-market operations.

Other operating income

This item includes € 8.706 million in income from the reversal of accruals and € 4.027 million in reimbursements of administrative expenses. Income from currency conversions in the amount of € 1.581 million was reported.

Other operating expenses

This item also includes € 1.570 million in expenses for land and buildings.

This item includes € 8.849 million in expenses from the change to the discounting of long-term provisions.

Appropriation of profits

The Board of Managing Directors proposes to the Annual General Meeting that € 19.1 million of the total of € 24.4 million in unappropriated retained earnings for 2021 be allocated to retained earnings and € 5.3 million be paid out to the financial holding of die Sparkasse Bremen.

VI. Other Information

Shareholdings in other enterprises provided not of minor importance:

	% share of capital at end of 2021	Equity 2021 in € 000	Profit 2021 in € 000
Name and registered office of the company			
GEWOBA Aktiengesellschaft Wohnen und Bauen, Bremen	21.7	482,030**	29,923**
KV Kapitalbeteiligungs- und Vermögensverwaltungs-GmbH, Bremen	100.0	20,501	0*
nwk nordwest Kapitalbeteiligungsgesellschaft der Sparkasse Bremen mbH, Bremen	100.0	10,000	0*
nwu nordwest Unternehmensbeteiligungsgesellschaft der Sparkasse Bremen mbH, Bremen	100.0	5,000	0*
nwi nordwest international Servicegesellschaft mbH, Bremen	100.0	1,000	0*
nwd nordwest Dienstleistungsgesellschaft der Sparkasse Bremen mbH, Bremen	100.0	385	0*
nwm nordwest-media Servicegesellschaft der Sparkasse in Bremen mbH, Bremen	100.0	100	0*
Bremer Schoss Grundstücksverwaltungsgesellschaft mbH, Bremen	100.0	42	0*

* Profit surrender contracts have been concluded with these companies

** Equity and earnings for the previous year

Sparkasse Bremen holdings in major corporate entities and in banks and insurance companies in excess of 5% of the voting rights:

Name and registered office of the company
Bürgschaftsbank Bremen GmbH, Bremen
GEWOBA Aktiengesellschaft Wohnen und Bauen, Bremen
neue leben Holding AG, Hamburg
neue leben Pensionskasse AG, Hamburg

Group affiliation

Die Sparkasse Bremen AG, Bremen, is a full subsidiary of the financial holding of Sparkasse in Bremen, Bremen. The financial holding of the Sparkasse in Bremen, Bremen, prepares consolidated financial statements in which Die Sparkasse Bremen AG, Bremen is included. The consolidated financial statements are published in the electronic federal register.

Total amount of fees paid to the legal auditor

Expenses for the accounting period include services in the amount of € 0.8 million for the audit of the annual financial

statements. These services essentially relate to legally required audit services, mainly the audit of the annual accounts, of security services and deposit business and the examination of the measures taken to prevent money laundering and the financing of terrorism as well as measures for the prevention of any other criminal offences.

Special occurrences after the end of the financial year

There were no occurrences of any special significance subsequent to closure of the 2021 financial year.

Governing bodies

Supervisory Board

Otto Lamotte, MBA, Chairman (until 24.03.2021)	Managing Partner of Henry Lamotte Oils GmbH
Ulrich Emde, Chairman (from 24.03.2021)	Tax consultant and chartered accountant, Managing Director of Westprüfung Emde GmbH & Co. KG, partner with Emde & Partner mbB
Klaus Ziegler, MBA, Deputy Chairman	Managing Partner of NordCap GmbH & Co. KG
Stefan Bellinger	Managing Partner of BELL INVEST Beteiligungs- und Beratungsgesellschaft mbH
Dr. rer. pol. Matthias Fonger	Managing Director and I. General Counsel Handelskammer Bremen - IHK für Bremen und Bremerhaven
Mitja Blanke	Die Sparkasse Bremen AG staff member
Jan Christiansen (from 24.03.2021)	Managing Director with Diersch & Schröder GmbH & Co. KG Björn Drenkwitz
Alexander Künzel (until 24.03.2021)	Senior Director, Bremer Heimstiftung (foundation)
Janina Marahrens-Hashagen, MBA	Managing partner with H. Marahrens-Schilderwerk, Siebdruckerei, Stempel GmbH
Stefan Messerknecht (from 24.03.2021)	Member of the Board of Management of multimediahaus AG
Serap Vogel	Die Sparkasse Bremen AG staff member
	Loans granted to members of the Supervisory Board amounted to € 0.5 million on the balance sheet reporting date.
Emoluments	The members of the Supervisory Board were remunerated for the performance of their duties in the Supervisory Board and the Supervisory Board committees in the amount of € 0.2 m. in 2021.

Board of Managing Directors

Dr. rer. nat. Tim Nesemann	Chairman of the Board of Managing Directors
Thomas Fürst	
Pranjal Kothari	
Klaus Windheuser	
	Loans granted to the members of the Board of Managing Directors amounted to €1.5 m. on the reporting date.
Members of the Board of Managing Directors received € 2.8 m. in remuneration, of which € 2.0 m. was paid in fixed remuneration and € 0.8 m. in variable remuneration	

Mandates

The following legal representatives or other employees of die Sparkasse Bremen held mandates in the supervisory bodies required by law for major corporate entities or in the supervisory bodies of banks and insurance companies:

Dr. Tim Nesemann

BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-	SB
Deutsche Factoring Bank GmbH & Co. KG	SB
GEWOBA Aktiengesellschaft Wohnen und Bauen	SB

Thomas Fürst

Diakonische Behindertenhilfe gemeinnützige GmbH	SB, Chairman
GEWOBA Aktiengesellschaft Wohnen und Bauen	SB
neue leben Holding AG	SB
neue leben Unfallversicherung AG	SB
Sparkassen Kreditpartner GmbH	SB

Daniel Schröder

FIS Privatbank S.A.	SB
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Wolfgang Taden

GEWOBA Aktiengesellschaft Wohnen und Bauen	SB
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Employees

Annual average employment:	
Full-time employees	525 ¹
Part-time and temporary end-of-month employees	505 ¹
	1.030
Apprentices	81
Total	1.111
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¹ - Part-time and temporary end-of-month employees	
- Full-time employees	0
- Part-time and temporary end-of-month employees	11

Bremen, 23 February 2022

Die Sparkasse Bremen AG
– The Board of Managing Directors –

Dr. Neseemann

Fürst

Kothari

Windheuser

For further information please contact

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Head of International Division

Thomas Markwitz, Vice President - Ext. 2181

Foreign Trade Finance

Tim Kümpel, Vice President - Ext. 2368

Foreign Exchange

Frank Lorenz, Vice President - Ext. 2190
Guenter Spanjer, Assistant Vice President - Ext. 3687

Document Collection

Martin Klotzke, Vice President - Ext. 2679

International Payments

Nadine Spuhn, Vice President - Ext. 2202

Compliance

Kerstin Hainle, Vice President - Ext. 3910

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