Financial Summary 2023

Strong. Fair. Hanseatic.

Die Sparkasse Bremen

Content

Excerpt from the Management Report

Basic Principles of the Sparkasse

Sparkasse Bremen was established in 1825, on the initiative of citizens of Bremen. As an independent savings bank, its aim is not to maximise profits, but rather to provide value to its customers and benefit the location. It therefore continues, as always, to re-invest a large proportion of its economic result in the Hanseatic City - which also means for the common good and quality of life of the citizens of Bremen. From the kindergarten to the sports club and cultural events organised by the City, many locals are supported by the savings bank. This orientation towards the common good is an unshakable component of the business policy of Sparkasse Bremen.

With a business volume of approx. 15 billion euros, and around 1,169 employees, Sparkasse Bremen is a reliable partner for small and medium-sized enterprises, providing the necessary industry expertise and skill on site to support entrepreneurial growth. Sparkasse Bremen offers its retail customers comprehensive consulting services concerning saving and funding projects, as well as in regard to asset management, pension provision and property. Around 400,000 retail customers, corresponding to a market share of approx. 40% in the Bremen region, as well as over 25,000 corporate customers, place their trust in Sparkasse Bremen.

Sparkasse Bremen focuses on clear customer orientation, aimed at permanently and sustainably strengthening customer relations. In this connection, the customer preference value obtained by an independent market research institute each year constitutes a significant non-financial indicator of performance. It reflects the position of Sparkasse Bremen - based on the current portfolio of services, in comparison to the competition, is ascertained annually by way of a representative survey conducted among the population of Bremen, and consistently confirms the high-ranking position of Sparkasse Bremen in both corporate and private banking business.

With a preference value of 61 points in corporate banking business, Sparkasse Bremen continues to retain its position at the pinnacle of the Bremen banks, and has extended this position further year-on-year. Even in the intensely competitive retail customer business, marked by increasing digitalisation, based on the outcome of the survey conducted Sparkasse Bremen increased its preference value to 55 points, and continued to expand its very strong market position in its area of business.

In order to continue to be the number one contact for customers in an increasingly digitalised world and highly competitive environment, and bring about maximum customer benefit, with comprehensive, long-term and sustainably orientated ongoing strategic measures, Sparkasse Bremen is positioning itself to meet the challenges to business policy posed by the future.

This long-term attitude to the process of change embraces the transformation in corporate culture that has taken place, into a networked organisation free of any hierarchy, as well as the ongoing enhancement of it, taking into account all the regulatory requirements. This involves teams, with open office concepts co-operating in an interdisciplinary manner, beyond the borders of the respective team. The Head Office of Sparkasse Bremen at the campus of the University of Bremen has been set up in line with the most stringent criteria for a sustainable office building.

Within the scope of a comprehensive branch concept, Sparkasse Bremen has also largely transformed existing branches into neighbourhood branches where the most diverse services, including consulting services, as well as added-value services for and from the city district, are offered.

As a further strategic response to the challenges of the digital era and demographic change, Sparkasse Bremen is, in a targeted manner, accelerating the further extensive digitalisation of its processes, and, in particular, the sustainable development of its digital range of products and services. Sparkasse Bremen is, in this context, advising its customers on the right financial product. In line with customer requirements and availability, this might be a product of Sparkasse Bremen or one from a third-party provider, either online or by way of on-site consultation.

The strategic measures already implemented, as well as any that may be scheduled for the future, are being carried out with a clear focus on continuing to achieve the ideal capacity to adapt to the ever-increasing dynamic changes in customer requirements.

Sustainability at the Sparkasse*

The business activity of Sparkasse Bremen has, since the early days of its founding, been orientated towards sustainable concepts and action, responsibility for the region and a focus on the common good. Based on this tradition, Sparkasse Bremen has, to this day, been taking responsibility for the people and economy in Bremen, and, with its products and services, as well as its social commitment, contributing towards development in the Hanseatic City that is sustainable and fit for the future. Sparkasse Bremen is aware of its responsibility towards society and the environment, with reference to both present and future generations, and has therefore consistently anchored its commitment to sustainable corporate management in its corporate strategy. It is actively committed to sustainable change in society and the economy: for instance through sustainable investment and loan products, financially promoting the common good in Bremen, a future-orientated staffing policy and business operations that focus on protecting resources and the climate. Also in 2023, Sparkasse Bremen actively supports its customers in their transformation processes, yet nevertheless also requiring advancement on the part of customers. In its own business operations and its core business, Sparkasse Bremen will draw up its initial decarbonisation targets, especially in the field of lending business, with customer investments, asset management, in its proprietary investment business, and also in its own business operations.

It will therefore also in future continue to extend its strong commitment to responsible banking, as well as sustainable products and services, in all business sectors.

Each year, by way of its Sustainability Reports, Sparkasse Bremen reports extensively and in an in-depth manner on its commitment to sustainability. These reports are in line with the categories defined by the Deutscher Sparkassen- und Giroverband (DSGV, German Savings Banks Association) and indicators of sustainability, and include descriptions and key performance indicators in regard to environmental and social concerns, as well as those of employees, and also with reference to observing human rights and combating corruption and bribery.

The various Sustainability Reports regarding the non-financial reporting of Sparkasse Bremen pursuant to Secs. 289b et seqq. German Commercial Code (HGB) are accessible on the website of Sparkasse Bremen at “www.sparkasse-bremen.de/de/home/ihre-sparkasse/nachhaltigkeit/transparenz.html”, observing the statutory deadlines.

* These disclosures do not form part of the auditing of the annual financial statements.

Report on economic position

Macroeconomic and sector-specific general conditions

The year 2023 continued to be characterised worldwide by a high level of inflation. In the second year following the Russian aggression against the Ukraine, the rates of inflation were in fact no longer as high, in most countries, as when they peaked in the autumn of 2022, but, nonetheless, the purchasing power of income took a heavy toll. That weakened consumption. In addition, the continued interest rate increases in virtually all currency zones curbed demand - likewise in the case of consumption, but especially in regard to investment.

Inflation, which remained at a high level well into the year 2023, cost Germany purchasing power. The nominal income trend did in fact follow suit, but only with some time delay. In Germany, at 5.9 per cent nominal growth, the disposable income trend was just as high, on average over the year, as the increase in consumer prices. However, the temporal profile of compensation and the distribution of the increases in income and prices across the income classes, as well as across the categories of goods, and not least the psychological

presence of the topic of inflation, certainly put a dampener on purchasing power and the capacity to consume. At -0.8 per cent, private consumption dwindled, in 2023, to a greater extent than the GDP. The savings rate rose slightly by two percentage points, to 11.3 per cent.

The investment activity was influenced by the increase in the interest rate. The monetary policy slowdown was unparalleled in virtually all major currencies, in regard to its extent and rapidity. The key interest rates rose, in the eurozone, in just over a year, from mid. 2022, when a negative interest rate was still prevalent, by 450 base points by autumn 2023.

The capital market interest rates trend predominantly followed this trend, so that, by the end of 2023, the yields for long fixed interest periods once again declined, as the rates of inflation dropped and thus the expectation arose, that the first cuts in key interest rates would take place in the not-too-distant future. Measured by the year-end statuses, the current yield of the 10-year Bunds even receded as a benchmark for the eurozone capital market, from 2.53 per cent in late 2022 to 2.06 per cent in late 2023. Nonetheless, the turn of the year 2023/2024 marked the climax of the hopes of a rate cut, which was subsequently re-adjusted by a certain amount. And, spanning further parts of the year 2023, the capital market yields were initially above the starting level for the year. In particular in the summer months, the yields on 10-year Bunds moved above the 2.5 per cent mark, peaking at almost 3 per cent.

This also had a major influence on the share price trends, which initially responded with restraint, and then once again declined considerably between August and October. In November and December, driven by nascent hopes of a rate cut, there was a major rise in share prices.

Property developing activity in Germany was greatly curbed by the increased level of interest rates. Initially the pretty good backlog of orders was processed in the case of projects already commenced. However, the tackling of new projects virtually ground to a halt, which then actually became increasingly visible in 2023 in the ongoing construction industry value creation. Investment in construction dropped for the third year in succession, in 2023 once again in real terms by 2.1 per cent. The decline was greatest in the field of residential construction.

Overall, according to the press release of the Federal Statistics Office, issued on 23 February 2024, a rate of change of -0.3% in real terms, adjusted in calendar terms of -0.1%, occurred in the German GDP.

These general conditions also cast a shadow over the prospects of a more marked recovery of the Bremen economy. After the Bremen economy had performed comparatively well in 2022, this deteriorated in the course of 2023. Most of the companies in Bremen and Bremerhaven are heavily challenged by the repercussions of the Ukraine war, in particular due to the high cost increases in raw materials and energy. The labour shortage and the search for suitable staff require an additional commitment of staff and resources. The sales trend was in particular attributable to the low demand from abroad.

In summary, the trend of the German banking industry in 2023 was thus in particular characterised by the significant and rapid increase in the interest rate, making refinancing and the opportunity cost of financing property and the activities of project developers more expensive. In addition, the year 2023 was characterised, for the German banking industry, by the ongoing challenging general conditions due to intense competitive pressure, a further increase in regulatory requirements, rapidly advancing digitalisation and automation of all areas of life and the economy, and demographic change, as well as the increasing expectations regarding sustainable business management.

Business Trend 2023

The financial year 2023 was in particular characterised by the interest rate turnaround of the ECB. The rate of inflation of 5.9% is, in fact, moreover below the maximum level of 6.9% in the previous year, but continues, nonetheless, to be at a very high level. Although the rise in energy prices was mitigated by relief measures on the part of the government, the energy products nonetheless increased in price by a further 5.3% year-on-year. This especially had repercussions on the demand in private and commercial real estate business. In the deposit business there were postponements, in favour of longer maturities. Overall, from the perspective of the Executive Board, in spite of the positive profitability trend the year 2023 constituted a challenging environment for Sparkasse Bremen.

Facilitated by the increased interest rate level and the above-average rise in the interest income in comparison to the interest expense, in particular also due to interest rate hedging transactions, the net interest income significantly surpassed expectations, rising by 51.7% in comparison to the previous year.

Due to the interest rate turnaround, however, the new lending business with real estate finance also kept faltering. As was already apparent in the second half of the previous year, there was a significant decline in demand in the financial year, in regard to both commercial and private real estate lending. By contrast, other commercial lending business could be seen to expand further.

Most of the refinancing through customer deposits (liabilities vis-à-vis customers, including debentures issued and subordinated debt) declined slightly at a low price elasticity (-3.3%). Whereas in the field of savings deposits outflows of funds in the amount of 24.6% were seen, the holdings of time deposits increased noticeably. Against the background of the rising interest rate level and the ongoing economic uncertainty, customers in particular made short-term and medium-term investments in the year under review.

The net commission income evolved positively, and slightly above the Savings Bank‘s expectations. At EUR 80.0 million, this could be raised by EUR 2.5 million year-on-year.

Overall, the operating revenues could be noticeably increased, by 39.2%, to EUR 418.4 million.

As a result of greater expenditure in the administrative field, the operating expenses rose by 5.9%, to EUR 202.2 million.

Despite the challenging market environment for real estate finance following the rapid and significant increase in the interest rate, a valuation result which falls within the planned range of assumption could be achieved. The higher credit risk provisions in comparison to the previous year could be compensated by positive valuation effects in the securities business.

Based on the above-mentioned trends, Sparkasse Bremen was able to conclude the financial year with an annual result that is clearly above that of the previous year, thus exceeding expectations.

Presentation of the net assets, financial position and results of operations

Net assets and financial position

	Portfolio in m EUR		Movements	
Development of selected balance sheet items	**31/12/2023**	**31/12/2022**	**in m EUR**	**in %**
Volume of business*	15,051.1	15,551.5	-500.4	-3.2
Cash reserves	122.5	179.3	-56.8	-31.7
Accounts receivable from customers	10,683.3	10,665.5	17.8	0.2
of which:				
Mortgage loans	3,990.8	3,973.6	17.2	0.4
Municipal loans	305.9	315.6	-9.7	-3.1
Accounts receivable from banks	1,914.0	2,193.7	-279.7	-12.8
Securities portfolios	1,395.6	1,493.9	-98.3	-6.6
Equity interests and shares in affiliated companies	306.6	289.5	17.1	5.9
Liabilities vis-à-vis customers (including debentures issued and subordinated debt)	10,897.4	11,274.3	-376.9	-3.3
of which:				
Savings deposits	2,139.3	2,835.8	-696.5	-24.6
Debentures issued and subordinated debt	357.1	359.1	-2.0	-0.6
Overnight deposits	7,064.4	7,639.7	-575.3	-7.5
Term deposits	1,336.7	439.7	897.0	>100.0
Liabilities vis-à-vis banks	2,030.5	2,181.2	-150.7	-6.9
Provisions	199.2	185.9	13.3	7.2
Fund for general banking risks	345.4	303.4	42.0	13.8
Contingent liabilities	485.4	531.8	-46.4	-8.7
Other obligations	1,005.8	948.6	57.2	6.0
Equity	1,001.7	929.4	72.3	7.8

*** Balance sheet total plus contingent liabilities**

In 2023, just as in the previous years, the balance sheet structure of Sparkasse Bremen was distinguished by virtually full refinancing of the entire lending business by customer deposits. A rate of inflation at a consistently high level, as well as a significantly increased interest rate level, caused, overall, however, the deposit business to recede a little (-3.3%). The increased interest rate level led, in the deposit business, to a reallocation of customers. While the savings deposits went down (by 24.6%), and overnight deposits dropped (by 7.5%), the stock of term deposits rose by EUR 897.0 million, or over 100%. On the other hand, at EUR 357.1 million, the debentures remained at virtually the same level as in the previous year.

The business volume of Sparkasse Bremen dropped, year-on-year, by EUR 500.4 million, or 3.2%. This trend was significantly influenced by the repayment of open market transactions entered into in the financial year. As a result, firstly the stock of cash reserves, in particular in the field of credit kept with the Bundesbank, decreased significantly by EUR -56.8 million, or 31.7%. Secondly, a reduced stock in the deposit facility led to a EUR 279.7 million, or 12.8%, drop in accounts receivable from banks. In the field of both retail (-4.3%) and business customers (-2.9%), real estate lending declined, primarily caused by the higher interest rate level. Due to EUR 280.0 million or 6.4% growth in Other Corporate Banking, the accounts receivable from customers could, with declining municipal loans, overall be slightly raised, by EUR 17.2 million, or 0.2%.

As already commenced in the previous year, in 2023, against the background of the altered monetary policy and general economic conditions, open market transactions continued to be repaid within the context of the so-called GLRG III Programme (Targeted Longer-Term Refinancing Operations) (EUR -250.0 million), so that a further EUR 150.0 million were accounted for as at the balance sheet date. As a result, the liabilities vis-à-vis banks have accordingly been reduced year-on-year.

Unchanged in relation to the previous year, Sparkasse Bremen was able to refinance virtually the entire customer lending business through customer deposits. As a result, Sparkasse Bremen possesses a certain degree

of independence from the capital market, in regard to both the source of funds and the investment of funds. Besides the deposit business as a main source of funding, Sparkasse Bremen predominantly makes use of instruments of the money market, as well as the issuing of covered bonds for the purpose of long-time refinancing and control of the liquidity. Overall, taking into account the refinancing and investment structure, the liquidity position can, in the estimation of the Executive Board of the Savings Bank, be assessed as stable.

The minimum reserve requirements, as well as the regulatory threshold values of the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) have been fully met in the year under review. In regard to the control of the liquidity position, reference is made to the "Risk Report" section in this Management Report.

The tier 1 capital of Sparkasse Bremen amounted to mEUR 1,159.3 as at the accounting reference date. This corresponds to a tier 1 capital ratio of 13.5%. The equity capital amounted to mEUR 1,297.6. The total capital ratio derived from the latter, as a ratio of the equity to the risk-weighted assets, amounted to 15.1%. Taking into account the allocation to profit for the year 2023 and the contingency reserves formed, a tier 1 capital ratio of 14.8%, and a total capital ratio of 16.5%, emerges. Thus, the regulatory capital requirements have clearly been exceeded. As at the accounting reference date, the unweighted equity ratio, the Leverage Ratio (LR), at 7.7%, likewise noticeably exceeds the regulatory threshold value. Overall, from the perspective of the Executive Board, the equity base thus forms an appropriate starting point for the further business development.

Results of operations

	in m EUR		Movements	
Development of selected income statement items	**2023**	**2022**	**In m EUR**	**in %**
Net interest income*	338.0	222.9	115.1	51.7
Net commission income	80.0	77.5	2.5	3.2
Net result of the trading assets	0.4	0.2	0.2	94.1
Operating revenue	**418.4**	**300.6**	**117.9**	**39.2**
Personnel expenditure	-98.2	-98.5	0.3	-0.3
Other administrative expenses	-98.8	-86.9	-11.8	13.6
Depreciation allowances on intangible assets and property, plant and equipment	-5.3	-5.5	0.2	-4.5
Operating expenses	**-202.2**	**-190.9**	**-11.3**	**5.9**
Other income and expense items	-4.5	3.2	-7.7	>100.0
Operating income	**211.7**	**112.9**	**98.8**	**87.5**
Valuation result**	**-33.7**	**-24.4**	**-9.3**	**>100.0**
Absorption of losses in regard to shareholdings	-	-	-	-
Allocation to the fund pursuant to Sec. 340g German Commercial Code (HGB)	-42.0	-	-42.0	-
Operating result	**136.0**	**88.6**	**47.5**	**53.6**
Extraordinary result	**-**	**-**	**-**	**-**
Pre-tax profit	**136.0**	**88.6**	**47.5**	**53.6**
Taxes	-58.4	-38.6	-19.9	51.6
Net income for the period	**77.6**	**50.0**	**27.6**	**55.2**

* Including Items 3 and 4 of the Income Statement
** Including movements in the contingency reserves pursuant to Sec. 340f German Commercial Code (HGB)

Due to the increased interest rate level, the net interest income rose noticeably, by 51.7%, or EUR 115.1 million, year-on-year, thus exceeding expectations. The increase in the interest income by EUR 168.6 million more than offset the increased interest expense, by EUR 55.0 million.

With a volume of customer loans slightly increased by 0.2% year-on-year, the overall corresponding interest income rose by mEUR 70.6. The interest income moreover benefited from the overnight deposits receiving positive interest at the Deutsche Bundesbank again within the scope of the strategic liquidity maintenance.

The increased interest payable, in the amount of EUR 35.0 million, is the result of customer deposits, and, in this case, in particular from on-demand deposits, as well as time deposits.

The net commission income could, in comparison to the previous year, once again be increased by EUR 2.5 million, to EUR 80.0 million. In the case of both revenues from loan commission and securities, a slight rise was achieved. The expenditure for brokerage of private housing finance was likewise reduced.

The operating expenses have risen by EUR 11.3 million, or 5.9%, year-on-year. The staffing costs, as well as the depreciation allowances, remain virtually on a par with the previous year. The Other Administrative Expenses, in turn, have risen by mEUR 11.8, and are thus higher than anticipated. The reason for this is, in particular, investments in the enhancement and digital transformation of Sparkasse Bremen (especially expenses for IT and services).

The Other Operating Result having clearly receded by EUR 7.7 million in comparison to the previous year is essentially due to the appropriation to the (long-term) provision in connection with any negative repercussions arising from current case law.

The Cost Income Ratio, which places the administrative effort in relation to the net interest income and net commission income plus the balance of the other operating income and expenses and, which, alongside the annual result, is a key indicator of financial performance, was reduced significantly by 10.7 percentage points, to 53.3%, year-on-year.

The tense market situation in the real estate industry, owing to the general economic conditions, is primarily the reason for the increased expenses for credit risk provisions, from EUR 2.3 million in the previous year to EUR 34.9 million in the year under review, , in line with expectations. In the securities business, in turn, there was a clear reversal of the valuation expenditure in comparison to the previous year, so that the valuation result was partially compensated. In addition, based on the economic trends, the Savings Bank made supplementary provision for potential losses, in that it extended the global valuation allowances, as well as forming additional contingency reserves.

Due to a higher pre-tax profit in comparison to the previous year, as well as measurement provisions that deviate from accounting regulations under the German Commercial Code, an mEUR 19.9 increase in the tax expense arises year-on-year.

Overall, Sparkasse Bremen achieved a net income for the period in the amount of mEUR 77.6 in the financial year 2023. Thus, the net income for the period increased by mEUR 27.6 in comparison to the previous year, thus exceeding expectations. The net profitability, after tax, of the regulatory equity capital derived from the trend of the results of operations, amounts to 6.0% (previous year (4.0%). The return on investment pursuant to Sec. 26(a)(1) sentence 4 of the German Banking Act (KWG), as a quotient of the annual result and the balance sheet total, is 0.53% (in the previous year: 0.33 %).

Overall statement on the economic trend

Taking an overall perspective of the past financial year, Sparkasse Bremen was able to post a stable and satisfactory economic trend. With well-organised financial and asset circumstances, in the opinion of the Executive Board of the Savings Bank Sparkasse Bremen has achieved satisfactory results of operations.

Annual financial statements

Annual balance sheet as at 31 December 2023

	Assets				in EUR, Financial Year	in k EUR Previous Year
1.	**Cash reserves**					
	a) Cash in hand			58,871,290.41		50,120
	b) Credit with Deutsche Bundesbank			63,607,247.38		129,195
					122,478,537.79	**179,315**
2.	**Debt instruments of public bodies and bills of exchange that are permitted for refinancing at Deutsche Bundesbank**					
	a) Treasury bills and non-interest-bearing treasury notes, as well as similar debt instruments of public bodies			-.-		-
	b) Bills of exchange			-.-		-
						-
3.	**Accounts receivable from banks**					
	a) Mortgage loans			3,874,412.09		4,025
	b) Municipal loans			-.-		-
	Other accounts receivable			1,910,115,575.51		2,189,692
	of which:					
	Due daily	*1,795,522,464.39*				*1,968,138*
	In return for hypothecation of securities	-.-				-
					1,913,989,987.60	**2,193,717**
4.	**Accounts receivable from customers**					
	a) Mortgage loans			3,990,815,365.32		3,973,611
	b) Municipal loans			305,877,185.24		315,579
	c) Other accounts receivable			6,386,608,055.99		6,376,261
	of which:					
	In return for hypothecation of securities	*1,364,292.15*				*1,398*
					10,683,300,606.55	**10,665,451**
5.	**Debentures and other fixed-interest securities**					
	a) Money market instruments					
	aa) from public issuers		-.-			-
	of which:					
	eligible to be used as collateral at the Deutsche Bundesbank	-.-				-
	ab) from other issuers		-.-			
	of which:					-
	eligible to be used as collateral at the Deutsche Bundesbank	-.-				
	b) Bonds and debentures					-
	ba) from public issuers		488,111,048.59			493,596
	of which:					
	eligible to be used as collateral at the Deutsche Bundesbank	488,111,048.59				493,596
	bb) from other issuers		501,512,851.77	989,623,900.36		594,357
	of which:					
	eligible to be used as collateral at the Deutsche Bundesbank	473,806,703.35				548,365
	c) Own debentures			250,019,672.13		250,020
	Nominal amount	250,000,000.00				250,000
					1,239,643,572.49	**1,337,972**

	Assets				in EUR, Financial Year	in k EUR Previous Year
6.	**Shares and other non-fixed-interest securities**				**155,906,796.52**	**155,916**
6a.	**Trading assets**				**-.-**	**-**
7.	**Shareholdings**				**204,710,182.94**	**194,830**
	of which:					
	in banks	*1.51*				*0*
	in financial services institutions	*3,929,833.63*				*3,930*
	in investment firms	*978,626.44*				*-*
8.	**Interests in affiliated companies**				**101,876,736.04**	**94,640**
	of which:					
	in banks	*-.-*				*-*
	in financial services institutions	*-.-*				*-*
	in securities institutions	*6,627,436.67*				*13,727*
9.	**Trust assets**				**32,300,829.76**	**39,496**
	of which:					
	trust loans	*32,300,829.76*				*39,496*
10.	**Intangible assets**					
	a) Self-generated industrial property rights and similar rights and values			-.-		-
	b) Purchased licences, industrial property rights and similar rights and values, as well as licences in such rights and values			810,579.00		1,346
	c) Goodwill			-.-		-
	d) Deposits paid			269,943.91		35
					1,080,522.91	1,382
11.	**Property, plant and equipment**				**34,614,833.48**	**35,642**
12.	**Other assets**				**73,777,225.12**	**119,155**
13.	**Prepaid expenses**					
	a) from the issuing and lending business			142,920.64		183
	b) Other			1,908,662.51		1,975
					2,051,583.15	2,157
14.	**Deferred tax assets**				**-.-**	**-**
	Total assets				**14,565,731,414.35**	**15,019,674**

	Liabilities				in EUR, Financial Year	in k EUR Previous Year
1.	**Liabilities vis-à-vis banks**					
	a) Covered registered mortgage bonds issued			305,000,000.00		315,000
	b) Covered public bonds issued			-.-		-
	c) Other liabilities			1,725,594,730.60		1,866,204
	of which:					
	Due daily	*16,295,202.07*				*26,401*
	Covered registered mortgage bonds handed over to the lender to secure loans taken out	-.-				-
	and covered public registered bonds handed over to the lender to secure loans taken out	-.-				-
					2,030,594,730.60	**2,181,204**
2.	**Liabilities vis-à-vis customers**					
	a) Covered registered mortgage bonds issued			177,100,000.00		187,100
	b) Covered public bonds issued			-.-		-
	c) Savings deposits					
	ca) with an agreed period of notice of three months		2,133,657,595.36			2,829,571
	cb) with an agreed period of notice of over three months		5,599,038.87			6,213
				2,139,256,634.23		2,835,784
	d) Other liabilities			8,224,045,423.09		7,892,390
	of which:					
	Due daily	*7,064,405,770.96*				*7,639,749*
	Covered registered mortgage bonds handed over to the lender to secure loans taken out	-.-				-
	and covered public registered bonds handed over to the lender to secure loans taken out	-.-				-
					10,540,402,057.32	**10,915,274**
3.	**Securitised liabilities**					
	a) Debentures issued					
	aa) Covered mortgage bonds		-.-			-
	ab) Public-sector covered bonds		-.-			-
	ac) Other debentures		261,117,849.68			263,115
				261,117,849.68		263,115
	b) Other securitised liabilities			-.-		-
	of which:					
	Money market instruments	-.-				-
					261,117,849.68	**263,115**
3a.	**Trading assets**				**-.-**	**-**
4.	**Trust liabilities**				**32,300,829.76**	**39,496**
	of which:					
	trust loans	*32,300,829.76*				*39,496*
5.	**Other liabilities**				**56,903,133.01**	**103,050**
6.	**Deferred income**					
	a) from the issuance and lending business			2,135,126.04		2,859
	b) Other			12,659.44		14
		-			**2,147,785.48**	**2,873**

	Liabilities				in EUR, Financial Year	in k EUR Previous Year
7.	**Provisions**					
	a) Provisions for pensions and similar obligations			93,144,024.00		83,560
	b) Tax provisions			32,655,912.08		36,276
	c) Other provisions			73,418,385.48		66,109
					199,218,321.56	185,945
8.	**Subordinated liabilities**				95,936,632.52	95,943
9.	**Fund for general banking risks**				345,433,537.58	303,386
	of which:					
	Special items falling under Sec. 340(e)(4) German Commercial Code (HGB)	*133,537.58*				*86*
10.	**Equity**					
	a) Subscribed capital			560,000,000.00		560,000
	b) Capital reserves			70,861,959.68		70,862
	c) Retained earnings					
	ca) Statutory reserve		-.-			-
	cb) Reserves for own shares		-.-			-
	cc) Reserves provided for by the articles of association		-.-			-
	cd) Other revenue reserves		323,205,144.56	323,205,144.56		271,517
	d) Net retained profits			47,609,432.60		27,008
					1,001,676,536.84	929,387
	Total liabilities				14,565,731,414.35	15,019,674

1.	**Contingent liabilities**					
	a) Contingent liabilities arising from settled bills of exchange passed on			-.-		-
	b) Liabilities arising from guarantees and contracts of indemnity			485,449,433.11		531,795
	c) Liability from the creation of collateral for third-party liabilities			-.-		-
					485,449,433.11	531,795
2.	**Other obligations**					
	a) Redemption obligations arising from reverse repurchase transactions			-.-		-
	b) Placement and underwriting commitments			-.-		-
	c) Irrevocable loan commitments			1,005,753,842.52		948,611
					1,005,753,842.52	948,611

Income statement

for the period from 1 January to 31 December, 2023

	Income statement				in EUR, Financial Year	in k EUR Previous Year
1.	**Interest income from**					
	a) Lending and money market transactions		391,871,473.21			236,942
	Deducted negative interest	*14,369.43*				*5,400*
	b) Fixed-interest securities and debt register claims		19,330,013.17	411,201,486.38		5,709
	Deducted negative interest	-.-				
2.	**Interest payable**			**82,228,723.02**		**27,197**
	Deducted positive interest	*64,653.16*				*11,891*
					+328,972,763.36	**+215,454**
3.	**Ongoing revenue from**					
	a) Shares and other non-fixed-interest securities			-.-		4
	b) Shareholdings			8,153,455.81		6,430
	c) Shares in affiliated companies			890,000.00		980
					9,043,455.81	**7,414**
4.	**Income from profit pools, profit transfer or partial profit transfer agreements**				-.-	-
5.	**Commission receipts**			**87,464,620.56**		**86,257**
6.	**Commission expenses**			**7,474,144.20**		**8,764**
					+79,990,476.36	**+77,493**
7.	**Net proceeds or expense of the trading assets**				**+427,302.13**	**+221**
8.	**Other operating income**				**16,209,583.51**	**13,284**
9.	**Miscellaneous administrative expenses**					
	a) Personnel expenditure					
	aa) Wages and salaries		75,911,346.20			67,243
	ab) Payroll deductions and expenses for retirement benefits and assistance		22,274,298.96	98,185,645.16		31,226
	of which:					
	for retirement benefits	*10,280,295.28*				*20,108*
	b) Other administrative expenses			98,753,199.34		86,923
					196,938,844.50	**185,392**
10.	**Depreciation allowances and valuation allowances on intangible assets and property, plant and equipment**				**5,248,974.05**	**5,498**
11.	**Other operating expenses**				**20,708,060.87**	**10,046**
12.	**Depreciation allowances and valuation allowances on receivables and certain securities, as well as allocations to provisions in the lending business**			**34,027,386.27**		**23,999**
13.	**Revenues from appreciations in value of accounts receivable and certain securities, as well as from the reversal of provisions in the lending business**			-.-		-
					-34,027,386.27	**-23,999**
14.	**Depreciation allowances and valuation allowances on shareholdings, shares in affiliated companies and securities held as fixed assets**			-.-		372

	Income statement				in EUR, Financial Year	in k EUR Previous Year
15.	Revenues from the appreciation in value of equity investments, shares in affiliated companies and securities held as fixed assets			319,316.75		-
					+319,316.75	**-372**
16.	**Expenses from loss assumption**				-.-	-
17.	**Allocations to or withdrawals from the General Banking Risk Fund**				**-42,000,000.00**	-
18.	**Result from ordinary activities**				**+136,039,632.23**	**+88,560**
19.	**Extraordinary income**			-.-		-
20.	**Extraordinary expenses**			-.-		-
21.	**Extraordinary result**				-.-	-
22.	**Taxes paid on income and revenue**			**58,071,435.41**		**38,444**
	of which: *A change in the tax deferrals pursuant to Sec. 274 German Commercial Code (HGB)*	-.-				-
23.	**Other taxes**			**358,764.22**		**108**
					58,430,199.63	**38,552**
24.	**Net income for the period**				**77,609,432.60**	**50,008**
25.	**Profit/loss carryforward from the previous year**				-.-	-
26.	**Withdrawals from the capital reserves**				-.-	-
27.	**Withdrawals from retained earnings**					
	a) from the statutory reserves			-.-		-
	b) from the reserves for own shares			-.-		-
	c) from reserves provided for under the articles of association			-.-		-
	d) from other revenue reserves			--		-
					-.-	-
28.	**Allocations to retained earnings**					
	a) to the statutory reserves			-.-		-
	b) to the reserves for own shares			-.-		-
	c) to reserves provided for under the articles of association			-.-		-
	d) to other revenue reserves			30,000,000.00		23,000
					30,000,000.00	**23,000**
	Net retained profits				**47,609,432.60**	**27,008**

Notes of Die Sparkasse Bremen AG

I. General disclosures on the annual financial statements

The registered office of Sparkasse Bremen is located at Universitätsallee 14, 28359 Bremen. Sparkasse Bremen is registered in the Commercial Register of Bremen Local Court under the number HRB (Commercial Register, Companies' Section) 21770.

The annual financial statements of Sparkasse Bremen have been prepared in accordance with the regulations of the German Commercial Code, the Stock Corporation Act, the Regulation on Accounting for Banks and Financial Services Institutions *(RechKredV)* and the Memorandum and Articles of Association of Sparkasse Bremen. The preparation of partial consolidated financial statements pursuant to Sec. 340i German Commercial Code *(HGB)* has been dispensed with, as, pursuant to Sec. 291(1) German Commercial Code *(HGB)*, Sparkasse Bremen is included in the exempting consolidated financial statements of the financial holding company of the Savings Bank in Bremen, Bremen, being the parent company. Supplementary disclosures are included in the consolidated financial statements of the financial holding company of Sparkasse Bremen, the publication of which is being announced in the company register.

Rounding differences may occur in the tables shown in the annual financial statements.

II. Accounting policies

The maturity classification was performed in accordance with residual terms, pursuant to Sec. 9 of the Regulation on Accounting for Banks and Financial Services Institutions *(RechKredV)* for certain items and subitems of the balance sheet in the Notes. The apportionment of the pro rata interest to the various different residual terms was dispensed with, as per the option laid down in Sec. 11 *RechKredV.*

The additional disclosures provided for in the footnotes to Form 1 of the *RechKredV* for banks which have issued covered bonds are shown by Sparkasse Bremen on the Balance Sheet Form. The negative interest set off in the interest income and interest expense are, moreover, shown on the Income Statement Form.

Receivables due by customers and banks

The accounting was carried out at nominal value. Recognisable risks in the lending business were accommodated by forming specific valuation allowances. Global valuation allowances, which have been computed in accordance with an "expected loss" approach, exist for latent risks in the receivables portfolio. In that respect, depending upon the credit rating, at least the anticipated loss for 12 months is taken as a basis, based on the data from the risk management. In order to take appropriate account of the current macro-economic developments, a specific adjustment amount was additionally recognised when assessing the global valuation allowances, based on statistical-mathematical methods and expert assessments. A total of mEUR 12.0 has been assigned to the global valuation allowances for this purpose. Without the specific adjustment amount, a reversal of the global valuation allowances in the amount of mEUR 6.0 would have been the outcome. Sparkasse Bremen assumes the specific adjustment amount to be of a temporary nature. The requirement to reverse write-downs was borne in mind when measuring the loans.

Securities

All securities that are not allocated to the investment holdings are assigned to the liquidity reserves (current assets). The assignment of securities to the liquidity reserves or to the investment holdings remained unchanged in the financial year.

The securities of the investment portfolio shown under Assets 5, “Debentures and other fixed-interest securities”, have been measured in accordance with the mitigated lower of cost or market principle. An expected, sustained impairment is assumed if it becomes apparent, as at the accounting reference date, that contractual services are not provided, or not to the extent anticipated as at the acquisition date.

Under Assets 5, “Debentures and other fixed-interest securities”, securities which serve the purpose of the required provision of security in connection with participating in open market transactions of the ECB within the scope of the GLRG III programme (Targeted Longer-Term Refinancing Operations) are recognised.

The special fund assets of the investment portfolio presented under Assets 6, “Shares and other non-fixed-interest securities” have been measured applying the mitigated lower of cost or market principle - except for the share components. An expected, sustained impairment is assumed in the case of shares in closed-end investment funds of the fixed assets if it transpires, as at the balance sheet date, that quantitative and qualitative evidence of a long-term negative change exist.

The respective permanent impairment was assessed based on established criteria, relying on the IDW RS VFA 2 in conjunction with the clarifying meeting reports of the VFA (Insurance Committee) in the IDW (Institut der Wirtschaftsprüfer, Institute of Public Auditors in Germany).

The investment funds pursuant to Sec. 1(1) of the German Capital Investment Code (KAGB) presented under Assets 6, “Shares and other non-fixed-interest securities”, have been measured at cost or the lower fair value.

All further securities have been measured in accordance with the stringent lower of cost or market principle.

In the case of all securities, the requirement to reverse write-downs and the historical cost convention was observed.

To the extent that an active market existed for the securities, the market price was drawn upon for the measurement. For the existence of an active market, the criteria of the MiFiD II for differentiating a liquid market from an illiquid market were taken as a basis. Based on these delimitation criteria, predominantly inactive markets existed for the fixed-interest securities. In the case of these securities, the measurement was undertaken based on rates of the external price information provider Refinitiv, which the SCD IT system that manages the portfolio makes use of. This price determination mechanism is based on a price/spread computation model. With this model, securities are assessed based on nominal and interpolated spreads, using an ongoing “constant maturity yield curve over time” which serves as a benchmark, which is adjusted by means of linear interpolation. The theoretical prices provided have been checked by Sparkasse Bremen for plausibility, and applied accordingly.

Sparkasse Bremen operates, to a minor extent, as a borrower in kind within the context of securities borrowing transactions. These transactions are not accounted for.

Trading portfolio

Sparkasse Bremen presents its ongoing and deferred revenues and expenses from trading portfolios in the Income Statement in the net income or net expense of the trading portfolio (Item 7), as this complies with the internal control.

Sparkasse Bremen likewise presents allocations to the General Banking Risks Fund pursuant to Sec. 340(e)(4) German Commercial Code *(HGB)* on the Income Statement under the net income or net expense of the trading portfolio.

Shares in affiliated companies and shareholdings

Shares in affiliated companies and shareholdings have basically been recognised at cost or, if special circumstances existed, at lower values. The requirement to reverse write-downs was taken into account, in that respect.

Fixed tangible assets and intangible assets

These have essentially been recognised at cost, in the case of finite-lived assets reduced by straight-line or declining balance depreciation, and - if particular circumstances were present - at lower values.

Within the scope of exercising options arising from the first-time application of the Accounting Law Reform Act (BilMoG), a small proportion of the fixed tangible assets, in so far as they were added by 2009, has continued to be depreciated on a declining balance basis at the highest rates permitted under fiscal law.

The low-value assets in the amount of EUR 250.01 to EUR 1,000.00 (net of input tax) were, due to their minor significance for Sparkasse Bremen, placed in a compound item, which is depreciated in equal instalments over a period of five years.

Other assets

In the case of the other assets, decreases in value or recognisable risks have been taken into account by means of corresponding measurement markdowns.

Liabilities

The liabilities have been measured at their settlement value. Any disagios have been entered on the assets side, and agios recognised as liabilities. They have been deferred in accordance with their terms.

Provisions

All recognisable risks, as well as contingent obligations, have been accommodated in line with prudent business judgment. Provisions have been recognised in the amount of the settlement value required in line with prudent business judgment, and, in the case of a residual term of over a year, discounted. As a discount factor, the interest rate based on matching maturities which arises for the past seven years, published by the Deutsche Bundesbank in line with the German Provision-Discounting Ordinance, was taken as a basis. For anniversary payment provisions and any other provisions which are calculated based on actuarial expert opinions, the simplification rule pursuant to sentence 2 of Sec. 253(2) of the German Commercial Code *(HGB)* was used - in so far as applicable.

Sparkasse Bremen transferred significant parts of its pension obligations, in the financial year 2017, to a non-insurance-based pension fund held with Allianz Pensionsfonds AG, Stuttgart. In that respect, an insignificant amount for the pension obligations towards the former executive directors and their surviving dependents was transferred as well. For the obligations transferred, Sparkasse Bremen continues to be liable secondarily pursuant to sentence 3 of Sec. 1(1) of the German Company Pension Act *(BetrAVG)*.

To ascertain the shortfall in the pension fund, the value of provisions for the pension obligations concerned under commercial law (required settlement value pursuant to Sec. 253(1) sentence 2, para. 2 of the German Commercial Code *(HGB)* was compared with the fair value of the pension fund assets. The settlement value required under commercial law was obtained, for this purpose - as also for the pension provisions remaining in the Sparkasse Bremen - in line with actuarial principles, applying the projected unit credit method. In that regard, the Heubeck actuarial tables 2018 G and the average market interest rate of the past 10 years publis-

hed by the Deutsche Bundesbank were taken into consideration, which arises at an assumed global residual term of 15 years. In regard to this interest rate, due to the measurement reference date having been brought forward, the interest rate was projected to the accounting reference date, and a resulting interest rate of 1.83% p.a. taken as a basis. A long-term pension increase of 2.50% p.a., a pension increase of 18.00% as at 1 July 2024 and a long-term salary increase of 2.00% were, moreover, taken into consideration. Based on higher-paying collective wage agreements to be expected for the years 2024 to 2027, by way of derogation from the latter, declining rates of increase, from 4.00% to 3.00%, were taken as a basis. In addition, an increase in the social security basis for assessment of 2.70% p.a. was taken as a basis. The fair value of the assets of the pension fund was obtained based on the statement of assets of the pension fund, with reference to the accounting reference date. For provisions for long-term commitments comparable to pension obligations, by way of derogation, with an average residual term of two years and 5 months an interest rate of 0.97% p.a. (average market interest rate of the past seven years) was taken as a basis.

The separate presentation of the revenue and expenses arising from the discounting of provisions was, for reasons of transparency and clarity, made in the Notes. The expenses for compounding of provisions relating to banking business are shown in the interest expenditure; the interest expense for the provisions unrelated to banking business is included in the other operating expenses.

Currency translation

Assets denominated in foreign currency, which are treated as fixed assets, were translated into euros at their acquisition rates.

The currency translation was performed in line with the regulations of Sec. 340(h) German Commercial Code (HGB) in conjunction with Sec. 256(a) German Commercial Code (HGB) and IDW RS BFA 4.

Pursuant to Sec. 340(h) German Commercial Code (HGB), the majority of the balance sheet holdings in foreign currency, as well as any unsettled spot, forward and option transactions, which have not been allocated to the trading portfolio in their entirety, are deemed specially covered transactions (special cover). In this respect, the special cover is geared towards a value cover of the transactions included. A matching of maturities is not considered in this respect. Specially covered transactions were measured at the spot or forward rate. The spot or forward rate is based on the reference rate of the European Central Bank. Assets with discernible counterparty default risks are not included in the cover calculation.

The currency translation of the remaining balance sheet holdings and transactions was undertaken in line with the regulations of Sec. 256(a) of the German Commercial Code *(HGB)*.

The exchange rate gains or losses obtained from the currency translation are recorded on the Income Statement under “Other operating income” (Item 8) or ”Other operating expenses” (Item 11). For reasons of transparency and clarity, these have been presented in the Notes.

Measurement units

The respective hedging activities are designed in such a way that the risk-relevant parameters of the underlying transaction as at the accounting reference date and during the term of the underlying transaction run completely contrary to one another (Critical Terms Match), and are concluded with banks that have flawless creditworthiness. Both own securities transactions and derivative client transactions with counter-rotating hedging transactions were respectively merged into a measurement unit.

Bonds with a carrying amount of mEUR 456.8 and pending transactions having a nominal value of mEUR 389.1 have been included in measurement units as underlying transactions pursuant to sentence 1 of Sec. 254 German Commercial Code (HGB). Said measurement units always concerned so-called micro-measurement units.

These transactions were hedged against interest-rate risks by means of derivative financial instruments. All the measurement units were measured in line with the net hedge presentation method. With these measurement units, risks in the amount of mEUR 51.2 are hedged.

Loss-free measurement of the interest-related transactions of the banking book (interest book)

Within the scope of reviewing the loss-free measurement of the banking book in accordance with IDW RS BFA 3, new version, a present value method was applied. For the banking book as a measurement object, an overall consideration of all interest-bearing balance sheet and off-balance sheet financial instruments outside the scope of the trading portfolio has been undertaken, including all administrative and risk expenses to be expected until full settlement. The measurement was performed using a uniform, risk-free interest curve. No excess liability existed, and there was no necessity to form a provision.

Derivatives

Derivative financial instruments were essentially measured individually, in accordance with the principles of imparity and realisation. Interest rate swaps were mainly deployed in order to manage the interest rate risk. For this reason, to that extent no measurement has been undertaken.

Negative interest

Negative interest was offset against interest income or expense, and shown in the net interest income.

III. Explanatory notes concerning the Balance Sheet (UNLESS INDICATED OTHERWISE, VALUES IN KEUR)

Assets

Re: 3. Accounts receivable from banks		
The accounts receivable from banks, with agreed term or period of notice - Sub-items a- c) (other than overnight deposits) – include receivables with residual terms of		
- up to three months	46,870	
- Over three months up to one year	33,493	
- Over one year up to five years	10,405	
- Over five years	6,567	
The following items are included in Item 3:		
- Accounts receivable from affiliated companies (previous year: -)		-
- Accounts receivable from companies with which a shareholding relationship exists (previous year: -)		-
- Subordinated receivables (previous year: -)		-

Re: 4. Accounts receivable from customers		
The accounts receivable from customers include receivables		
- with an indefinite term	725,974	
as well as receivables with a residual term of		
- up to three months	352,059	
- Over three months up to one year	872,046	
- Over one year up to five years	2,916,584	
- Over five years	5,812,875	
The following items are included in Item 4:		
- Accounts receivable from affiliated companies (previous year: 79,095)		85,275
- Accounts receivable from companies with which a shareholding relationship exists (previous year: 71,340)		79,943
- Subordinated receivables (previous year: 3,000)		1,500
- of which from affiliated companies (previous year: -)		
- of which from companies with whom a shareholding relationship exists (previous year: -)		
- Real estate loans which serve the purpose of covering covered bonds issued		1,086,457

Re: 5. Debentures and other fixed-interest securities		
Of the debentures and other fixed-interest securities, the following are due in the subsequent year	**229,690**	
The following items are included in Item 5:		
- Marketable securities and securities quoted on the stock exchange		896,543
- Marketable securities and securities not quoted on the stock exchange		343,101
- Investment securities (previous year: 1,047,017)		963,533
- Marketable securities that are not measured at the lower of cost or market		526,179
- Fair value of these securities (It concerns virtually the entire holdings of fixed-interest securities in the investment portfolio which are not in a valuation unit, and a self-issued covered bond of Sparkasse Bremen. There are no indications that the repayment of said securities will not be made at the nominal value.)		**506,784**
- Securities with subordination agreement (previous year: -)		-

Re: 5. Debentures and other fixed-interest securities		
- Fixed-interest securities which serve to provide hedging cover for covered bonds issued (nominal value)		41,000
- Securities from affiliated companies (previous year: -)		-
- Securities held in companies with which a shareholding relationship exists (previous year: -)		-

Re: 6. Shares and other non-fixed-interest securities		
The following items are included in Item 6:		
- Marketable securities and securities quoted on the stock exchange		-
- Marketable securities and securities not quoted on the stock exchange		-
- Investment securities (previous year: 155,916)		155,907
- Securities that are not measured at the lower of cost or market		-
- Fair value of said securities		-
- Securities with subordination agreement (previous year: -)		-
- Special fund shares		155,500

Investment assets with a share of > 10%	Carrying amount as at 31/12/2023	Market value as at 31/12/2023	Difference	Distribution of funds for 2023	Daily redemption possible	Application of lower of cost or market principle
Equity fund						
DEKA - Bremen 1	155,500	160,359	4,859	-	Yes,*;**	n/a

* With this fund, it is up to the investment company to suspend the redemption of the fund shares if any extraordinary circumstances exist which would make a suspension appear necessary, taking into account the interests of Sparkasse Bremen.
** The contractual basis enables a redemption only at the latest on the last bank working day of the calendar quarter after the next one following the investor's declaration of redemption.

Re: 6a. Trading portfolio		
Item 6a can be classified as follows:		
- Derivative financial instruments		-
- Accounts receivable		-
- Debentures and other fixed-interest securities		-
- Shares and other non-fixed-interest securities		-
- Other assets		-
- Sub-total		-
- Deduction for risk		-
- In total		-
Sparkasse Bremen has not amended the criteria for including financial instruments in the trading portfolio laid down by the Bank internally within the financial year.		

Re: 7. Equity interests		
No marketable securities are included in Item 7.		

Re: 8. Shares in affiliated companies		
No marketable securities are included in Item 8.		

Re: 9. Trust assets		
The trust assets concern:		
- Accounts receivable from customers		32,301
- Other assets		-

Re: 10. and 11. Intangible assets and tangible fixed assets	Intangible assets	Tangible fixed assets
Development of the intangible assets and tangible fixed assets:		
Acquisition costs at the beginning of the year	14,465	114,736
Additions	326	3,789
Disposals	46	1,569
Acquisition costs at the end of the year	14,745	116,956
Accumulated depreciation allowances at the beginning of the year	13,083	79,094
Acquisitions (= depreciation allowances in the financial year)	581	4,667
Disposals	-	1,420
Accumulated depreciation allowances at the end of the year	13,664	82,341
Balance sheet values at the end of the year	1,081	34,615
The following items are included in Item 11 Tangible Fixed Assets:		
- Properties and buildings used within the scope of the business activity of the Sparkasse		13,188
- Operating and office equipment		18,927

Re: 12. Other assets		
The following items are included in Item 12:		
- Assets of the financial assets (previous year: 85)		85
Line items worthy of note:		
- Cash deposits within the scope of the central clearing		28,296
- Purchase price payment contractually outstanding		30,000

Re: 13. Prepaid expenses		
The following items are included in Item 13:		
- Disagios from liabilities (previous year: 183)		143
Details concerning a number of items on the asset side		
Foreign currency assets:		
The total amount of the assets which are denominated in foreign currency amounts, converted, to m EUR 53.6.		

Disclosures on the development of the financial assets concerning multiple items on the asset side	Shareholdings in kEUR	Shares in affiliated companies in kEUR	Investment securities in kEUR
Development			
Carrying amount as at 01/01/2023	194,830	94,640	1,202,933
Movements in the financial year	9,880	7,237	-83,493
Carrying amount as at 31/12/2023	204,710	101,877	1,119,440

Liabilities

Re: 1. Liabilities towards banks		
The liabilities vis-à-vis banks, with an agreed term or period of notice Sub-items a- c) (other than overnight deposits) – include liabilities with residual terms of		
- up to three months	62,074	
- Over three months up to one year	351,391	
- Over one year up to five years	528,619	
- Over five years	1,054,126	
The following items are included in Item 1:		
- Liabilities towards affiliated companies (previous year: -)		-
- Liabilities towards companies with which a shareholding relationship exists (previous year: 1,168)		205
For liabilities contained in this item, assets in the amount of m EUR 1,280.3 have been transferred by way of collateral.		

Re: 2. Liabilities vis-à-vis customers		
The savings deposits with an agreed period of notice of over three months - Sub-items c) cb) include liabilities with residual terms of		
- up to three months	1,082	
- Over three months up to one year	1,587	
- Over one year up to five years	1,813	
- Over five years	1,117	
The other liabilities vis-à-vis customers, with an agreed term or period of notice - Sub-items a, b + d) (other than overnight deposits) – include liabilities with residual terms of		
- up to three months	648,333	
- Over three months up to one year	507,963	
- Over one year up to five years	91,878	
- Over five years	137,000	
The following items are included in Item 2:		
Liabilities towards affiliated companies (previous year: 93,988)		99,829
- Liabilities towards companies with which a shareholding relationship exists (previous year: 10,786)		11,469

Re: 3. Securitised liabilities		
Out of the debentures issued, the following become due in the subsequent year	**1,000**	
The following items are included in Item 3:		
- Liabilities towards affiliated companies (previous year: 13,095)		10,092
- Liabilities towards companies with which a shareholding relationship exists (previous year: -)		-

Re: 3a. Trading assets		
Item 3a can be classified as follows:		
- Derivative financial instruments		-
- Liabilities		-
- Sub-total		**-**
- Risk premium		-
- Total		**-**
Sparkasse Bremen has not amended the criteria for including financial instruments in the trading portfolio laid down by the Bank internally within the financial year.		
Re: 4. Trust liabilities		
The trust liabilities concern:		
- Liabilities towards banks		32,301
- Liabilities vis-à-vis customers		-
Re: 5. Other liabilities		
Line items worthy of note:		
- Margin payments received within the scope of the central clearing		45,201
Re: 6. Deferred income		
Disagios from receivables are included in Item 6 (previous year: 1,891):		**1,604**
Re: 7. Provisions		
The difference pursuant to Sec. 253(6) German Commercial Code (HGB), which emerges from the recognition of the pension provisions with the average market interest rate of the past 10 financial years and the recognition of the pension provisions with the corresponding average market interest rate of the past seven years, amounts, as at 31/12/2023, to mEUR 1.7 (previous year: mEUR 7.9).		
Re: 8. Subordinated liabilities		
The following items are included in Item 8:		
- Liabilities towards affiliated companies (previous year: -)		-
- Liabilities towards companies with which a shareholding relationship exists (previous year: -)		-
In regard to the liabilities presented in this item, interest payable in the following amount was incurred in the financial year 2023:		3,451
The holdings concern bearer and registered bonds with fixed interest rates denominated in euros and maturities from 2024 to 2028. Any premature repayment, as well as any conversion to capital or any other form of debt, are not envisaged.		
Liabilities vis-à-vis a creditor arising from subordinated registered bonds in the amount of mEUR 10.0 exist, at an interest rate of 4.0% and a term up to 25/04/2028. The registered bond cannot be terminated by either contracting party during the term - subject to an option for Sparkasse Bremen to give extraordinary notice of termination.		

Concerning 10. Equity	Ordinary shares	Capital reserves	Retained earnings	Net retained profits	Equity
Trend of the balance sheet equity					
Status: 01/01/2023	**560,000**	**70,862**	**271,517**	**27,008**	**929,387**
Transfer from net retained profits 2022			21,688	-21,688	--
Distribution of dividends in 2023				-5,320	-5,320
Transfers from net income for the period 2023			30,000	47,610	77,610
Status: 31/12/2023	**560,000**	**70,862**	**323,205**	**47,610**	**1,001,677**

The share capital amounts to mEUR 560.0, and comprises 560,000 notional no-par-value shares having a respective notional value of EUR 1,000 each. The shares are held entirely by the financial holding company of Bremen Savings Bank.

Pursuant to a resolution adopted at the General Meeting held on 22/03/2023, mEUR 21.7 of the net retained profits was placed in the retained earnings.

Disclosures concerning a number of items on the liabilities side

Foreign currency liabilities

The total amount of the liabilities which are denominated in foreign currency amounts, translated, to mEUR 76.4.

Contingent liabilities

Liabilities in the total amount of mEUR 52.1 arising from contingent liabilities in connection with estate agent and property developer guarantees exist vis-à-vis a borrower.

Said contingent liabilities are subject to organisationally regulated credit voting, decision-making and monitoring processes. The approval of the granting of credit and credit monitoring is linked to the amount of the individual risk. Depending upon the volume and the creditworthiness of the borrowers, corresponding lending powers are defined in such a way that lending decisions are always taken at an adequate level, depending on the risk. The commitments entered into in favour of borrowers, based on contingent liabilities vis-à-vis third parties, are not to be recorded as a liability, as the underlying obligations can, in all probability, be met by the borrowers, and no drawdown is therefore to be expected.

Other obligations

The irrevocable loan commitments are subject to organisationally regulated credit voting, decision-making and monitoring processes. The irrevocable loan commitments predominantly include loans that are partially disbursed and have not yet been fully paid out. Corresponding risk management provisions have been formed for substantial risks of default.

IV. Other disclosures concerning the balance sheet

Deferred taxes

Due to deviating recognition and measurement requirements between annual financial statements and tax accounts, deferred tax assets arise as at 31 December 2023. The deferred tax assets, which principally result from the differing measurement of customer claims, securities in the current assets and provisions, cover the deferred tax liabilities from the area of shareholdings substantially. Sparkasse Bremen makes use of its option under Sec. 274(1) German Commercial Code (HGB), and waives the capitalisation of deferred taxes.

When calculating the deferred tax, a tax rate, incl. solidarity surcharge of 15.825%, for the corporation tax, and of 16.1% for the trade tax, have been taken as a basis.

Other financial obligations

For the subsequent financial years, obligations arising from leases, licence agreements and maintenance agreements of, currently, mEUR 14.2 p.a. exist. The lease with the longest term ends as at 31/12/2035.

In the area of financial assets, contribution obligations that are not recognised as a liability of, currently, mEUR 1.2 exist.

Sparkasse Bremen is linked to the nationwide security reserve of the German savings bank organisation, which connects eleven regional savings bank sub-funds with one another via a supra-regional equalisation mechanism. A joint liability scheme exists between these and the security reserve facilities of the state banks and state building societies. Through this link, should support be required the entire security reserve volume of the Savings Bank Financial Group is available. Sparkasse Bremen is, pursuant to Sec. 48(2)(5) German Deposit Guarantee Act *(EinSiG)*, obliged, vis-à-vis the Hanseatic Savings Bank Association *(HSGV)* and the German Savings Bank Association *(DSGV)*, as holders of the instituional security system of the Savings Bank Financial Group that is recognised as a deposit security system, to guarantee that the annual and special contributions, as well as the special payment, are made. As Sparkasse Bremen has already provided 74.65% of the individual target volume in cash, it is making use of the option to use an irrevocable payment obligation pursuant to Sec. 18(2) of the German Deposit Guarantee Act. Consequently, EUR 6.1 million is being paid as a cash deposit as at the accounting reference date.

In addition, irrevocable payment obligations of, currently, EUR 6.1 million exist on account of partial amounts of the bank levy, for which a cash deposit has been made.

From the fulfilment of the pension-related liabilities via the pension fund, deficits amounting to a total of mEUR 249.1 (sum of the shortfalls in relation to the respective settlement amount required for the pension obligations under Sec. 253(1) sentence 2, para. 2 of the German Commercial Code *(HGB)* result as at the accounting reference date, pursuant to Art. 28(2) Introductory Act to the German Commercial Code *(EGHGB)*.

In regard to the pension obligations transferred to the non-insurance-based pension funds held with the Allianz Pensionsfonds AG, a reserve liability on the part of Sparkasse Bremen exists, if the existing assets are lower than the actuarial provision for the portfolio of pensioners (the present value of all future payment obligations for the portfolio of pensioners as at the key date). As at the reporting date, no reserve liability arises, as the assets exceed the actuarial provision.

Disclosures pursuant to Sec. 160(1)(8) Stock Corporation Act (AktG)

The following notification was filed with the *Aktiengesellschaft* (Joint Stock Company): “The financial holding company of Bremen Savings Bank, Universitätsallee 14, 28359 Bremen, has informed us, pursuant to Sec. 20(1) and 4 Stock Corporation Act (AktG), that it holds 100% of the shares in our Company.”

Forward transactions

The majority of the interest-related transactions (interest rate swaps) existing as at the accounting reference date were concluded in order to hedge against interest rate risks.
The currency-related transactions predominantly concern commercial transactions with customers which were fully rate-hedged. These were included in full in the special cover pursuant to Sec. 340(h) German Commercial Code (HGB).

Reinsurance cover

The asset values of reinsurance cover claims as at the balance sheet date are notified by the insurance institute. They are essentially, under commercial law, measured at amortised costs (general measurement principle). The latter correspond to the fiscal asset value, which is formed from the actuarial reserves as the difference between the performance-based present value and the present value of the future contributions, including allocated shares in the profit (Sec. 341(f)(1)(1) of the German Commercial Code (HGB). In the case of unit-linked insurances those constitute the unit values. Claims arising from reinsurance cover attributable to the cover assets are to be measured at the fair value, which generally corresponds to the amortised costs of the reinsurance cover claims.

Derivative financial instruments not accounted for at fair value

The following overview shows the derivative financial instruments as at 31/12/2023:

				Nominal values		Market values	
Residual term	Up to 1 year inclusive in m EUR	Over 1 year up to 5 years in m EUR	Over 5 years in m EUR	Overall in m EUR	of which trading assets in m EUR	Positive in m EUR	Negative in m EUR
Interest-related transactions							
OTC products	**209.4**	**1,653.9**	**2,032.1**	**3,895.4**	**0.0**	**170.4**	**44.4**
Cap/floor	2.2	126.4	53.6	182.2	0.0	1.4	1.4
Interest rate swaps	207.2	1,527.5	1,978.5	3,713.2	0.0	169.0	43.0
of which, as part of the interest rate book management, not accounted for at fair value				*2,666.0*		*117.8*	*30.6*
Stock exchange transactions	--	--	--	--	--	--	--
Currency-related transactions							
OTC products	**321.8**	**30.3**	**0.0**	**352.1**	**0.0**	**5.4**	**5.9**
Foreign exchange options	32.6	0.0	0.0	32.6	0.0	0.3	0.3
Foreign exchange forward transactions	289.2	30.3	0.0	319.5	0.0	5.1	5.6
Stock exchange transactions	--	--	--	--	--	--	--
In total				**4,247.5**			

Interest rate swaps

The fair value arises from the balancing of the present values of the cash flows of the two swap sides calculated with the aid of the zero-coupon bond returns. The cash flows of the variable side are calculated using implicit forward rates.

Foreign exchange options

The fair value is computed in accordance with the Garmann-Kohlhagen Model.

The carrying amount of the option premiums arising from the foreign exchange options in the Other Assets amounts to mEUR 0.6. In the Other Liabilities, the carrying amount of the option premiums arising from the foreign exchange options amounts to mEUR 0.7.

Forward exchange transactions

The fair value arises from the current forward rate (spot rate as at the accounting reference date +/- swap rate for the residual term) as at the accounting reference date.

Caps/Floors

With the aid of the Black-76 Model, the fair value is calculated as the sum of the theoretical prices of any individual caplet as at the measurement date, discounted with the zero bond returns.

Disclosures regarding the covered bond business

Sparkasse Bremen AG is a covered bond bank and is licensed to issue covered mortgage bonds. The regular transparency provisions of Sec. 28 of the German Covered Bonds Act *(PfandBG)* are fulfilled by the publication on the website of Sparkasse Bremen on the Internet at www.sparkasse-bremen.de. For computational reasons, rounding differences of +/- one unit may occur in the disclosures.

Sec. 28(1)(1), (3) and (7) of the German Covered Bonds Act (PfandBG)

	Nominal value		Present value		Risk-adjusted present value, incl. exchange-rate stress*	
Ratio of outstanding securities to cover pool	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Total amount of the outstanding covered bonds, incl. derivatives	732.10	752.10	677.65	655.84	603.72	575.50
Overall amount of the collateral pool incl. derivatives	1,127.46	1,081.29	1,107.73	1,019.61	987.76	910.75
% foreign currency derivatives of liabilities	0.00	0.00	0.00	0.00	0.00	0.00
% interest derivative of liabilities	0.00	0.00	0.00	0.00	0.00	0.00
% foreign currency derivatives of assets	0.00	0.00	0.00	0.00	0.00	0.00
% interest derivatives of assets	0.00	0.00	0.00	0.00	0.00	0.00
Excess cover in %	54.00	43.77	63.47	55.47	63.61	58.26
Excess cover	395.36	329.19	430.08	363.77	384.03	335.25
Statutory excess cover **	29.03	29.36	13.55	27.31		
Contractual excess cover	0.00	0.00	0.00	0.00		
Voluntary excess cover	366.32	299.83	416.50	336.46		

* Both the risk-adjusted present value and the exchange-rate related stress are obtained statically.
** Current calendar quarter:
Statutory excess cover in accordance with the nominal amount: Sum of the nominal mandatory over-collateralisation under Sec. 4/2) German Covered Bonds Act and the nominal amount of the present value mandatory over-collateralisation under Sec. 4 (1) Covered Bonds Act
Statutory excess cover in accordance with the present value:
Present value mandatory over-collateralisation under Sec. 4 (1) of the Covered Bonds Act
Voluntary excess cover: Residual, depending on the statutory and contractual excess cover; present value includes the present value of the nominal mandatory over-collateralisation under Sec. 4 (2) Covered Bonds Act
Previous year: The statutory excess cover requirement is comprised of the present value mandatory over-collateralisation pursuant to Sec. 4(1) of the German Covered Bonds Act (PfandBG) including interest and exchange-rate stress scenarios and the nominal mandatory over-collateralisation pursuant to Sec. 4(2) of the Covered Bonds Act.

Sec. 28(1)((4) and (5) of the German Covered Bonds Act (PfandBG)

	Outstanding covered bonds		Collateral pool		Postponement of the due date ***	
Maturity structure, fixed interest period and postponement of the due date	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Up to 6 months	27.10	20.00	114.82	127.91	0.00	0.00
Over six months up to twelve months	0.00	10.00	44.76	60.08	0.00	0.00
Over twelve months up to 18 months	255.00	27.10	44.29	53.18	27.10	20.00
Over 18 months up to two years	10.00	0.00	41.92	35.11	0.00	10.00
Over two years up to three years	35.00	265.00	127.37	81.38	265.00	27.10
Over three years up to four years	20.00	35.00	138.50	107.74	35.00	265.00
Over four years up to five years	25.00	20.00	106.30	106.19	20.00	35.00
Over five years up to ten years	230.00	205.00	369.32	363.13	215.00	195.00
Over 10 years	130.00	170.00	140.18	146.58	170.00	200.00

*** Impact of postponing the due date upon the maturity structure of the covered bonds/postponement scenario: 12 months

Sec. 28(1) (5) of the German Covered Bonds Act (PfandBG)	
Information on postponing the due date of the covered bonds	
Prerequisites for postponing the due date of the covered bonds pursuant to Sec. 30(2)(a) of the German Covered Bonds Act	It is necessary to postpone the due date in order to prevent the covered bonds bank with limited business activity from becoming insolvent (prevention of insolvency), with the proviso that the covered bonds bank with limited business activity is not over-indebted (no existing over-indebtedness) and there is reason to assume that the covered bonds bank with limited business activity is able, in any case, to meet its obligations then due once the maximum postponement period possible has expired taking into account further postponement options (positive fulfilment forecast). See, in addition, also Sec. 30(2)(b) of the German Covered Bonds Act *(PfandBG)*.
Powers of the custodian when postponing the due date of the covered bonds under Sec. 30 (2) (a) of the German Covered Bonds Act *(PfandBG)*	The custodian may postpone the due dates of the redemption payments if the relevant prerequisites for it, pursuant to Sec. 30(2)(b) of the German Covered Bonds Act (PfandBG), are fulfilled. The duration of the postponement, which may not exceed a period of 12 months, is determined by the custodian in line with necessity. The custodian may postpone the due dates of payments of principal and interest that fall within the one-month period following his/her appointment to the end of said one-month period. Should the custodian decide in favour of such a postponement, the existence of the prerequisites pursuant to Sec. 30(2)(b) of the German Covered Bonds Act (PfandBG) is irrefutably presumed. Such a postponement is to be taken into consideration within the scope of the maximum postponement period of 12 months. The custodian may only uniformly exercise his/her power in regard to all the covered bonds of a single issue. The due dates may, in this respect, be postponed wholly or pro rata. The custodian is required to postpone the due dates of an issue of covered bonds in such a way that the original sequence in which the covered bonds are serviced, which may not be caused, by the postponement, to be ahead of schedule, is not changed (prohibition on being ahead of schedule). This may lead to the due dates of issues falling due later also having to be postponed, in order to preserve the prohibition on being ahead of schedule. See, in addition, also Sec. 30(2)(a) and (2)(b) of the German Covered Bonds Act *(PfandBG)*.

Sec. 28(1) (6) of the German Covered Bonds Act (PfandBG)	31/12/2023	31/12/2022
Key liquidity indicators		
Absolute value of the largest negative sum, other than zero, arising, for the covered bonds in the next 180 days, within the meaning of sentence 3 of Sec. 4(1)(a) of the German Covered Bonds Act *(PfandBG)* (Liquidity requirement)	23.81	0.86
Day on which the largest negative amount arises	36	13
Total amount of the collateral assets that fulfil the requirements of sentence 3 of Sec. 4(1)(a) of the German Covered Bonds Act (PfandBG) (Liquidity coverage)	38.34	21.33
Excess liquidity	14.54	20.47

Sec. 28(1) (13) of the German Covered Bonds Act (PfandBG)	31/12/2023	31/12/2022
Financial indicators		
Proportion of fixed-interest collateral pool	94.72 %	92.45 %
Proportion of fixed-interest covered bonds	100.00 %	100.00 %

Sec. 28(1)(14) of the German Covered Bonds Act (PfandBG) (pursuant to Sec. 6 of the Covered Bond Present Value Regulation), foreign currency

Interest-rate stress present value of the collateral pool		Interest-rate stress present value of the outstanding covered bonds		Currency stress exchange rate		Net present value in foreign currency		Exchange-rate stress net present value in EUR	
31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Distribution of the cover assets according to size classes (Sec. 28(2)(1)(A) of the German Covered Bonds Act (PfandBG))	31/12/2023	31/12/2022
Up to 300,000 €	573.86	580.08
Over EUR 300,000 up to mEUR 1	114.50	97.49
Over mEUR 1 up to mEUR 10	349.53	332.89
Over mEUR 10	48.57	47.83

Distribution of the cover assets according to type of use (I) (Sec. 28(2)(1)(b) and (1)(c) of the German Covered Bonds Act (PfandBG))	31/12/2023	31/12/2022
Housing-related	720.81	686.56
Commercial	365.64	371.73

Other financial indicators		31/12/2023	31/12/2022
Sec. 28(1)(11) of the German Covered Bonds Act - Total amount of the accounts receivable pursuant to Sec. 12(1) of said Act which exceed the limits specified in the second half of sentence 2 of Sec. 13(1) of the German Covered Bonds Act (PfandBG)	in m €	0.00	0.00
Sec. 28(1)(11) of the German Covered Bonds Act - Total amount of the values pursuant to Sec. 19(1) of said Act which exceed the limits specified in sentence 7 of Sec. 19(1) of the German Covered Bonds Act	in m €	0.00	0.00
Sec. 28(2)(4) of the German Covered Bonds Act - average age of the accounts receivable, weighted by volume (seasoning)	in years	6.86	6.63
Sec. 28(2)(3) of the German Covered Bonds Act - average weighted loan-to-value ratio	in %	53.32	53.59
Regular cover (nominal)	in m €	1,086.46	1,058.29
Share in the overall amount of outstanding securities	in %	148.40	140.71

	Federal Republic of Germany		Total	
Distribution of the collateral assets according to type of use (I) (Sec. 28(2)(1)(b) and (1)(c) of the German Covered Bonds Act)	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Condominiums	85.34	85.32	85.34	85.32
One and Two-family houses	443.27	445.78	443.27	445.78
Multi-family houses	192.20	155.46	192.20	155.46
Office buildings	99.34	89.58	99.34	89.58
Buildings for trading activities	11.11	9.27	11.11	9.27
Industrial buildings	44.13	75.63	44.13	75.63
Any other buildings used commercially	211.06	197.25	211.06	197.25
Incomplete new developments, not yet capable of generating revenue	0.00	0.00	0.00	0.00
Building sites	0.00	0.00	0.00	0.00
Total	**1,086.46**	**1,058.29**	**1,086.46**	**1,058.29**

Sec. 28(1)(12) of the German Covered Bonds Act - Total amount of the accounts receivable that exceed the boundaries	31/12/2023	31/12/2022
Accounts receivable within the meaning of Sec. 19(1) (2) of the German Covered Bonds Act	0.00	0.00
Accounts receivable within the meaning of Sec. 19(1) (3) of the German Covered Bonds Act	0.00	0.00
Accounts receivable within the meaning of Sec. 19(1) (4) of the German Covered Bonds Act	0.00	0.00

Sec. 28(1)(8), (9) and (10) of the German Covered Bonds Act

Total amount of the registered claims	Reference date	Total	Accounts receivable within the meaning of Sec. 19(1)(1) (2)(a) and (b) of the German Covered Bonds Act		Accounts receivable pursuant to sentence 1(3) a) to c) of Sec. 19 of the German Covered Bonds Act		Accounts receivable within the meaning of Sec. 19(1) (4) of the German Covered Bonds Act
Country			In total	of which covered bonds within the meaning of Art. 129 of Regulation (EU) No. 575/2013	In total	of which covered bonds within the meaning of Art. 129 of Regulation (EU) No. 575/2013	
Federal Republic of Germany	31/12/2023	28.00	0.00	0.00	0.00	0.00	28.00
	31/12/2022	10.00	0.00	0.00	0.00	0.00	10.00
France	31/12/2023	5,00	0.00	0.00	0.00	0.00	5.00
	31/12/2022	5.00	0.00	0.00	0.00	0.00	5.00
Spain	31/12/2023	8.00	0.00	0.00	0.00	0.00	8.00
	31/12/2022	8.00	0.00	0.00	0.00	0.00	8.00
Total	**31/12/2023**	**41.00**	**0.00**	**0.00**	**0.00**	**0.00**	**41.00**
	31/12/2022	**23.00**	**0.00**	**0.00**	**0.00**	**0.00**	**23.00**

Sec. 28(1) (15) of the German Covered Bonds Act	31/12/2023	31/12/2022
Share of collateral assets in arrears in accordance with Art. 178(1) of Regulation (EU) No. 575/2013	0.00	0.00

	Total amount of the payments that are at least 90 days in arrears		Total amount of said receivables, in so far as the respective arrears amount to at least 5% of the receivable	
Sec. 28(2) (2) of the German Covered Bonds Act	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Country				
Federal Republic of Germany	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

Sec. 28(1) (2) of the German Covered Bonds Act	31/12/2023	31/12/2022
ISIN list in accordance with type of covered bond (only bearer covered bonds)	DE000A3H3HG0	DE000A3H3HG0

	Housing-related		Commercial	
Sec. 28(2) (5) of the German Covered Bonds Act (PfandBG)	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Number of instances of compulsory auction proceedings pending as at the reference date	-	-	-	-
Number of instances of receivership proceedings pending as at the reference date	-	-	-	-
Number of instances of receivership proceedings with simultaneous compulsory auction proceedings pending as at the reference date	-	-	-	-
Number of instances of compulsory auction proceedings conducted in the financial year	-	-	-	-
Number of properties taken over to prevent losses in the financial year	-	-	-	-
Total amount of interest in arrears (details in mEUR)	-	-	-	-

V. Explanatory notes on the Income Statement

Interest income

Approximately 2% of revenues relating to other periods are included in this item. These are mainly attributable to control measures of the interest rate book.

Interest payable

Approximately 12% of expenses relating to other periods are included in this item. These are mainly attributable to control measures of the interest rate book.

Other operating income

This item includes revenue of kEUR 4,595 from the reversal of provisions and kEUR 3,402 from the reimbursement of personnel and administrative costs.
Revenues from foreign currency translation in the amount of kEUR 1,430 have been recognised.
This item includes revenues from changes in the discounting of non-current provisions in the amount of kEUR 1,518.

Other operating expenses

kEUR 10,500 in additions to non-current provisions and kEUR 2,114 in expenses for properties and buildings are. inter alia, included in this item.
This item includes expenses from the change in the discounting of non-current provisions in the amount of kEUR 1,805.

Appropriation of net profit

The Executive Board proposes to the General Meeting to route mEUR 42.3 out of the net retained profits for 2023 totalling mEUR 47.6 to the retained earnings, and to distribute mEUR 5.3 to the financial holding company of the Sparkasse Bremen.

VI. Other disclosures

Shareholdings in other companies, unless it is of secondary importance:	Share in the capital at the end of 2023 in %	Equity 2023 in k€	Profit or loss 2023 in k€
Company name and registered office of the Company			
Bremer Wolle Beteiligungsgesellschaft mbH, Bremen	100.0	32,678	-1,531
Get Capital AG	75.0	1,781	290
GEWOBA Aktiengesellschaft Wohnen und Bauen, Bremen	21.7	506,702 *	25,529 *
Hanseatischer Sparkassen- und Giroverband, Hamburg	20.6	68,189 *	5*
nwk nordwest Kapitalbeteiligungsgesellschaft der Sparkasse Bremen mbH, Bremen	100.0	18,545	-5,498
nwu nordwest Unternehmensbeteiligungsgesellschaft der Sparkasse Bremen mbH, Bremen	100.0	12,500	0 **
nwd nordwest Diesntleistungsgesellschaft der Sparkasse Bremen mbH	100.0	1,013	492
nwi nordwest international Servicegesellschaft mbH	100.0	1,024	-302
S-Kundenservice GmbH	100.0	259*	159*
Smavesto GmbH, Bremen	100.0	3,965	-2,729
Sparkassen Campus Bremen GmbH & Co. KG, Bremen	100.0	26,391	-223
Sparkasse Immobilien Bremen GmbH, Bremen	100.0	2,475 *	897 *
Sparkasse Bremen flexi GmbH	100.0	1,986*	-1,039*
smanet GmbH	100.0	187*	-141*
Sachwert Invest GmbH	100.0	190*	-94*
S-International Niedersachsen Bremen GmbH & Co.KG	30.89	2,289*	-226
ÜberseeHub GmbH	100.0	110*	-415*

* Equity and profit or loss from the previous year
** A profit and loss transfer agreement has been concluded with nwk nordwest Kapitalbeteiligungsgesellschaft der Sparkasse Bremen mbH, Bremen

Shareholdings of Sparkasse Bremen in major limited liability companies, as well as in banks and insurance companies, that exceed 5% of the voting rights:
Company 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

Shareholdings held in trust via the Hanseatic Savings Bank Association (HSGV)
Company name and registered office of the Company
Deka Erwerbsgesellschaft mbH & Co. KG, Neuhardenberg
Deka Anteilseigner GmbH, Neuhardenberg
Deutsche Sparkassen Leasing AG & Co. KG, Bad Homburg

Group to which the company belongs

Sparkasse Bremen AG, Bremen, is a wholly-owned subsidiary of the financial holding company of Bremen Savings Bank. The financial holding company of Bremen Savings Bank, Bremen, prepares consolidated financial statements, in which Die Sparkasse Bremen AG, Bremen, is included. The consolidated financial statements are published in the electronic company register.

Total fee of the statutory auditor

Payments in the amount of mEUR 1.0 on account of the auditing of the financial statements are included in the expenditure of the financial year. These rendered services are mainly attributable to statutorily prescribed auditing services, which concern the auditing of the annual financial statements, the auditing of the securities service and custody business, and also the auditing of the measures to prevent money laundering and the funding of terrorism, as well as any other criminal actions.

Special events occurring after the financial year has ended

No special events occurred following the close of the financial year 2023.

Governing bodies

Supervisory Board	
Dipl.-Kfm. Ulrich Kurt Emde, Chairman	Tax adviser and auditor, Managing Director of Westprüfung Emde GmbH & Co. KG, Partner at Emde & Partner mbB
Dipl.-Kfm. Klaus Ziegler, Deputy Chairman	Managing Partner of NordCap GmbH & Co. KG
Sven Balke	Employee of Die Sparkasse Bremen AG
Stefan Bellinger	Managing Partner of BELL INVEST Beteiligungs- und Beratungsgesellschaft mbH
Mitja Blanke	Employee of Die Sparkasse Bremen AG
Jan Christiansen	Managing Director of Diersch & Schröder GmbH & Co. KG
Dipl.-Kffr. Janina Marahrens-Hashagen	Managing Partner of H. Marahrens-Schilderwerk, Siebdruckerei, Stempel GmbH
Stefan Messerknecht	Member of the Executive Board of hmmh multimediahaus AG
Serap Vogel	Employee of Die Sparkasse Bremen AG
	The loans granted to the Members of the Supervisory Board are valued, as at the accounting reference date, at mEUR 0.9.
Remuneration	**Remuneration totalling mEUR 0.3 is being paid to the Members of the Supervisory Board for their work on the latter and on the committees of the latter in the financial year 2023.**

Executive Board	
Dr. rer. nat. Tim Nesemann	Chairman of the Executive Board
Frauke Hegemann (as from 01/07/2023)	
Thomas Fürst (until 31/08/2023)	
Pranjal Kothari	
Klaus Windheuser	
	The loans granted to the Members of the Executive Board were valued, as at the accounting reference date, at mEUR 1.2.
Remuneration	**Members of the Board of Directors were remunerated mEUR 4.0, of which mEUR 2.2 was for fixed remuneration, and mEUR 1.8 for variable compensation.**
	Pension payments of kEUR 97 were made to retired members of the Executive Board in the financial year. Moreover, pension provisions totalling mEUR 3.9 exist for the aforementioned.

Mandates

The following legal representatives or other employees of Sparkasse Bremen held mandates in statutory supervisory bodies and memberships in comparable oversight bodies of commercial enterprises in the year under review:	
Dr. Tim Nesemann	
BREMER LAGERHAUS-GESELLSCHAFT -A public limited company from 1877-	Supervisory Board
Deutsche Factoring Bank GmbH & Co. KG	Supervisory Board
GEWOBA Aktiengesellschaft Wohnen und Bauen (as from 10/02/2023)	Supervisory Board
Thomas Fürst	
GEWOBA Aktiengesellschaft Wohnen und Bauen (as from 10/02/2023 until 31/08/2023)	Supervisory Board
neue leben Holding AG (until 31/08/2023)	Supervisory Board
neue leben Unfallversicherung AG (until 31/08/2023)	Supervisory Board
Frauke Hegemann	
neue leben Holding AG (as from 01/09/2023)	Supervisory Board
GET Capital AG (as from 01/12/2023)	Supervisory Board
Pranjal Kothari	
Get Capital AG	Supervisory Board
Klaus Windheuser	
GEWOBA Aktiengesellschaft Wohnen und Bauen (as from 01/11/2023)	Supervisory Board
Daniel Schröder	
FIS Privatbank S.A. (until 20/09/2023)	Supervisory Board
Wolfgang Taden	
GEWOBA Aktiengesellschaft Wohnen und Bauen (as from 10/02/2023)	Supervisory Board

Employees

The following staff numbers were employed during the year, on average:		
Full-time staff	520	of which commercial employees
Part-time and temporary staff	558	- Full-time staff 0
	1,078	- Part-time and temporary staff 5
Trainees	74	
Total	**1,152**	

Bremen, 20 February 2024

Die Sparkasse Bremen AG

- The Executive Board -

Dr. Nesemann Hegemann Kothari Windheuser

For further information please contact

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Die Sparkasse Bremen