

RATING ACTION COMMENTARY

Fitch Affirms Sparkasse Bremen's Mortgage Pfandbriefe at 'AA+'; Outlook Stable

Thu 22 Jan, 2026 - 10:33 ET

Fitch Ratings - Frankfurt am Main - 22 Jan 2026: Fitch Ratings has affirmed Die Sparkasse Bremen AG's (SkBremen; A+/Stable/F1+) mortgage Pfandbriefe at 'AA+' with a Stable Outlook.

The affirmation follows Fitch's periodic review of the programme.

KEY RATING DRIVERS

Three Notches Above IDR: The mortgage Pfandbriefe's 'AA+' rating is based on SkBremen's 'A+' Long-Term Issuer Default Rating (IDR), a resolution uplift of two notches, and a recovery uplift of one notch. It considers the programme's over-collateralisation (OC) protection provided to the bondholders. Fitch has also granted a payment continuity uplift (PCU) of six notches to the programme, which has not been used as the mortgage Pfandbriefe are rated based on Fitch's limited rating uplift approach. Therefore, the rating is directly linked to SkBremen's IDR. As a result, the Stable Outlook on the Pfandbriefe rating mirrors that on SkBremen's IDR.

'AA+' Break-even OC: The legal minimum OC of 2.0% on a nominal basis is also the break-even OC for the rating. As SkBremen's ratings are 'A+/'F1+', Fitch relies on the lowest reported OC over the last 12 months of 36.5%.

Ample OC Cushion: At end-2025, SkBremen's EUR940 million mortgage Pfandbriefe were secured by EUR1.283 billion of cover assets, resulting in a nominal OC of 36.5%. The cover assets consist of residential mortgage loans (64.8%), commercial mortgage loans (32.8%) and substitute assets (2.4%). All the properties are located in Germany.

Two-notch Resolution Uplift: The covered bonds have a two-notch resolution uplift, resulting in a 'AA' resolution reference point. Fitch considers that Germany has adopted an advanced bank resolution regime in which fully collateralised covered bonds are exempt from bail-in. The Pfandbriefe have been issued under the legislative framework

of the Pfandbrief law and are secured by standard mortgage loans. Pfandbriefe play an important role in the funding of German banks and there are many Sparkassen with Pfandbrief licences within the Sparkassen Finanzgruppe.

Six-notch PCU: The PCU reflects the principal liquidity protection provided by a 12-month maturity extension feature. The mandatory inclusion of liquid assets in the cover pool matching the maximum net negative accumulated balance of cash flows for the next 180 days also provides effective protection for interest payments and senior expenses.

One-notch Recovery Uplift: The issuer did not deliver historical performance data for the cover assets. However, available periodic information was sufficient to form a view on recoveries from the cover pool in the event of a covered bonds default. This considered that the cover assets consist of mortgage loans subject to loan-to-value ratio limits.

Fitch deemed the legal minimum OC sufficient to deliver a 'Good' level of recoveries given default, consistent with a one-notch recovery uplift. As SkBremen's cover pool is exposed to regional concentration, we conducted different credit loss sensitivities, and concluded that recoveries on the Pfandbriefe remain sufficient to grant a single notch of recovery uplift.

ESG - Data Transparency & Privacy: The data provided by SkBremen does not enable Fitch to perform a full analysis. For this reason, Fitch rates the programme using a limited rating-uplift approach, without testing for timely payment and limiting the recovery uplift to one notch.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

The covered bonds' rating would be downgraded if the bank's IDR was downgraded by one notch or more to 'A' or below. The Pfandbriefe rating would not be vulnerable to a downgrade if the relied-upon OC decreases to the legal minimum OC of 2.0% on a nominal basis.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

SkBremen's covered bond rating would be upgraded if the issuer delivers data allowing for a full analysis and the OC Fitch relies on supports the higher rating. Due to the direct

link between the covered bonds' rating and SkBremen's Long-Term IDR, an upgrade of the bank's IDR of one notch or more to 'AA-' or above would result in the covered bonds' rating being upgraded to 'AAA'.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

The Pfandbriefe rating is linked to SkBremen's IDR.

ESG CONSIDERATIONS

SkBremen's mortgage Pfandbriefe have an ESG Relevance Score of '5' for Data Transparency & Privacy as data provided by the issuer does not enable Fitch to perform a full rating analysis. This has a negative impact on the credit profile of the bonds by limiting the recovery uplift to one notch and is highly relevant to the rating in conjunction with other factors.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

RATING ACTIONS

ENTITY / DEBT ↕	RATING ↕	PRIOR ↕
Die Sparkasse Bremen AG		
senior secured, Mortgage Covered Bonds, Mortgage Pfandbriefe	LT AA+ Rating Outlook Stable Affirmed	AA+ Rating Outlook Stable

[VIEW ADDITIONAL RATING DETAILS](#)**FITCH RATINGS ANALYSTS****Omari Teka**

Analyst

Primary Rating Analyst

+49 69 768076 149

omari.teka@fitchratings.com

Fitch Ratings – a branch of Fitch Ratings Ireland Limited

Neue Mainzer Strasse 46 - 50 Frankfurt am Main D-60311

Sebastian Seitz, CFA

Director

Secondary Rating Analyst

+49 69 768076 267

sebastian.seitz@fitchratings.com

Vessela Krmnicek, CFA

Senior Director

Committee Chairperson

+49 69 768076 298

vessela.krmnicek@fitchratings.com

MEDIA CONTACTS**Athos Larkou**

London

+44 20 3530 1549

athos.larkou@thefitchgroup.com

Additional information is available on www.fitchratings.com**PARTICIPATION STATUS**

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

[Structured Finance and Covered Bonds Counterparty Rating Criteria \(pub. 28 Nov 2023\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum \(pub. 28 Nov 2023\)](#)

[SME Balance Sheet Securitisation Rating Criteria - Effective from 19 February 2024 to 30 January 2026 \(pub. 19 Feb 2024\) \(including rating assumption sensitivity\)](#)

[Bank Rating Criteria \(pub. 21 Mar 2025\) \(including rating assumption sensitivity\)](#)

[European RMBS Rating Criteria \(pub. 11 Apr 2025\) \(including rating assumption sensitivity\)](#)

[Structured Finance and Covered Bonds Country Risk Rating Criteria \(pub. 17 Jun 2025\)](#)

ADDITIONAL DISCLOSURES

[Dodd-Frank Rating Information Disclosure Form](#)

[Solicitation Status](#)

[Endorsement Policy](#)

ENDORSEMENT STATUS

Die Sparkasse Bremen AG

EU Issued, UK Endorsed

DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link:

<https://www.fitchratings.com/understandingcreditratings>. In addition, the following <https://www.fitchratings.com/rating-definitions-document> details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. ESMA and the FCA are required to publish historical default rates in a central repository in accordance with Articles 11(2) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 and The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 respectively.

Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at <https://www.fitchratings.com/site/regulatory>. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see [Best- and Worst-Case Measures](#) under the Rating Performance page on Fitch's website.

The information in this report is provided “as is” without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001. Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the “NRSRO”). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are

not listed on Form NRSRO (the “non-NRSROs”) and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

dv01, a Fitch Solutions company, and an affiliate of Fitch Ratings, may from time to time serve as loan data agent on certain structured finance transactions rated by Fitch Ratings.

Copyright © 2026 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.

[READ LESS](#)

SOLICITATION STATUS

The ratings above were solicited and assigned or maintained by Fitch at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

Fitch's solicitation status policy can be found at www.fitchratings.com/ethics.

ENDORSEMENT POLICY

Fitch’s international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU CRA Regulation or the UK Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019, as the case may be. Fitch’s approach to endorsement in the EU and the UK can be found on Fitch’s [Regulatory Affairs](#) page on Fitch’s website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.